



Quarterly flow statistics on direct investment

Flow statistics	<p>The statistics show Danish direct investments abroad and foreign direct investments in Denmark which have taken place during a period, i.e. transaction data. The statistics are a subset of the Financial account of the balance of payments.</p>
Tables, quarterly data	<p>The Tables supplement contains quarterly data for direct investments broken down by equity and intercompany debt. The two categories are then broken down by industry and country. The focus is on direct investments excl. pass-through investments which are described below.</p>
Sources	<p>As of end-2004, the system for collection of information on Denmark's international investment position and the financial account of the balance of payments is based on the following four main sources:</p> <ul style="list-style-type: none">• Statistics on balance sheets and flows of the MFI sector• General-government statistics• Securities statistics• Reporting by enterprises• Information from the Danish tax authorities on holiday residences
Methodologies	<p>Each source is based on the following identity:</p> $\begin{aligned} & \text{stock, beginning of period} \\ & + \text{transactions during the period} \\ & + \text{valuation changes, etc. during the period} \\ & = \text{stock, end of period,} \end{aligned}$ <p>where stock data corresponds to the international investment position, cf. Danmarks Nationalbank's statistical publication "Denmark's external assets and liabilities", and transaction data corresponds to the "Balance of payments – Financial account". Please refer to Sources and methodologies of the latter publication for more details.</p>
Definition of direct investment	<p>In accordance with the definition in the IMF's Balance of Payments Manual from 1993 (BPM5) direct investments comprise shares and other forms of equity where the investor holds at least 10 per cent of the equity capital or voting power of an enterprise. Investments of this size are assumed to be made for the purpose of obtaining a long-term economic relationship between the investor and the enterprise as well as provide the investor a significant (but not necessarily controlling) influence on the management.</p> <p>A direct investment, cf. the above definition, may be in the form of equity capital, etc. or intercompany loan, etc.</p>

Equity, etc.	Equity, etc. is equity capital transfers relating to shares and other equity plus reinvested earnings. <i>Equity capital transfers</i> include either setting up new enterprises, purchase/merger of existing enterprises or increase of equity in existing enterprises. <i>Reinvested earnings</i> comprise the part of an enterprise's profit that is not distributed. Reinvested earnings are projected on the basis of the profit margin of the enterprises and current information on dividends paid. Projection is subject to uncertainty and entails revision when the actual profits are reported in connection with the annual reporting.
- holiday residences	Private holiday residences are classified as equity. Data are as of end-2006 and based on information from the Danish tax authorities. Until end-2004 Danish residents' holiday residences abroad were estimated on the basis of the balance of payments statistics in which non-residents' holiday residences in Denmark, as well as those of residents who had moved abroad, were not registered. Data as of end-2005 and through 2006 are estimated on the basis of the Danish tax authorities' end-2006 data.
Intercompany debt, etc.	Intercompany debt, etc. comprises trade credits, intercompany loans and other transactions between group enterprises. Besides transactions directly between investor (parent enterprise) and the enterprise invested in, e.g. a subsidiary, it also covers transactions between indirect group enterprises, e.g. sister enterprises. Branches are treated as wholly owned subsidiaries.
- banks' intercompany debt, etc.	For banks only equity capital transfers to subsidiaries and associates are included, whereas intercompany debt, etc. between group enterprises are excluded, since they are considered to be ordinary banking activities.
Pass-through investments	Pass-through investments are direct investments from abroad into a holding company in Denmark, which reinvests the capital abroad. This type of investment is also characterised by the holding company having no real-economic activity, e.g. employees or production, in Denmark (of significance) and normally owning no enterprises in Denmark.
	Tables 1-5 of the statistics are <i>exclusive</i> of pass-through investments, which are shown separately in Table 6. The financial account of the balance of payments shows direct investments <i>inclusive</i> of pass-through investments.
Industrial classification	As from 1st quarter 2009 the industrial classification is in accordance with the joint European nomenclature NACE Rev. 2, which is the basis for the Danish industrial classification of all economic activities, Dansk Branchekode 2007 (DB07). The implementation of NACE Rev. 2 is necessary because NACE Rev. 1 (DB03) no longer reflects the industry structures. The changes in the structures are so significant that it is not possible to compare the industry breakdown with the previous breakdown. The industry breakdown is based on the industry of the resident enterprise.
- holding companies	Outward investments via Danish holding companies or inward investments in Danish holding companies are registered under the industries of the holding companies which in the Tables belong to "Financial intermediation, insurance and business service". The objective of a holding company is

typically to own shares in other Danish enterprises which usually do not belong to group". This leads to an overrepresentation of investments in "Financial intermediation, insurance and business service".

- other business and unallocated

Other business comprises investments in electricity, gas and water; construction; public and personal service activities; as well as private real-estate investment.

Revision

The statistics are revised according to "Danmarks Nationalbank's revision policy for financial statistics". Times of revision and revision periods for the individual statistics appear from "Danmarks Nationalbank's revision cycle for financial statistics". Both documents can be found on Danmarks Nationalbank's website under Statistics – Revision policy.

Explanation of symbols

Details may not add because of rounding-off.

- Category not applicable.
- ... Data not available. The symbol is also used when data cannot be published due to confidentiality.