

Press Release

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Direct investment assets in Sweden doubled in three years

At end 1996 foreign direct investment assets in Sweden totalled SEK 235 billion, which is more than twice the figure in 1993. During 1996 foreign companies were particularly interested in the Swedish power sector. Swedish direct investment assets abroad at end 1996 totalled SEK 487 billion.

These figures come from the annual direct investment survey which the Riksbank is publishing today.

The survey also measures the income from direct investment assets, i.e. the enterprises' profits. Income in 1996 from Swedish assets abroad totalled SEK 42 billion, while income from foreign assets in Sweden totalled 19 billion. In both cases this is a decline from 1995, which has to do with the economic slowdown in western Europe in 1996.

Investment is classified as direct investment if it either amounts to at least 10 per cent of the capital or voting rights in the enterprise or aims to establish a long-term voice in the management of the enterprise. The survey data are used in the compilation of the current account of the balance of payments and in the presentation of Sweden's total assets and liabilities with the rest of the world.

Pending definitive data on direct investment income, the Riksbank uses preliminary figures when compiling the current account. Compared with figures published earlier, the data from the 1996 survey entail an upward adjustment of the current-account balance for 1996 by SEK 6 billion.

In addition, the survey measures the extent to which equity capital abroad had exchange cover at end 1996. Equity capital denominated in foreign currency and controlled by Swedish interests totalled SEK 427 billion, of which just over 40 per cent had exchange cover. The most common instruments were currency futures and foreign currency loans.

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