

OECD Benchmark Definition of Foreign Direct Investment - 4th Edition (2008)

A 4th edition of the Benchmark Definition was completed in April 2008 by the Investment Committee's Working Group on International Investment Statistics. The revision required several years of work and consultations with data compilers (statisticians) and data users. It improves existing concepts and definitions in the light of national practical experiences and incorporates concepts and definitions on elements missing from the previous edition (such as, cross-border mergers and acquisitions, special purpose entities, ultimate investing country).

The Benchmark Definition provides:

- a single point of reference for compilers and users of FDI statistics
- clear guidance for individual countries compiling direct investment statistics as they develop or change their statistical systems
- international standards for FDI taking into account the effects of globalisation
- an international standard that provides the basis for economic analysis, especially for international comparisons and for identifying national deviations that impact on the comparison
- practical guidance to users of direct investment statistics including the relationship of FDI to other measures of globalisation
- an objective basis for measuring methodological differences that may exist between national statistics that need to be taken into account both for cross-country and industry analysis of FDI

The Benchmark Definition is fully compatible with the underlying concepts and definitions of the International Monetary Fund's (IMF) Balance of Payments and International Investment Positions Manual, 6th edition (BPM6) and the general economic concepts set out by the United Nation's System of National Accounts (SNA).

Knowledgebase on Economic Statistics - Methods and Country Practices

<http://unstats.un.org/unsd/EconStatKB/KnowledgebaseArticle10421.aspx>