*Scope and Classification*

**Scope of Data**

Based on the Balance of Payments and International Investment Position Manual, 6th Edition (BPM6), direct investment is a category of cross border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is a resident in another economy. Operationally, direct investment in an enterprise is indicated by ownership of at least 10 percent of equity shares. Less than 10 percent ownership is considered as portfolio investments.

**Classification**

Based on BPM6, direct investments can be in the form of equity capital, reinvestment of earnings and debt instruments. Net equity capital investments (i.e., placements less withdrawals) are disaggregated by industry group and by country of origin of the direct investor. Disaggregation by industry group is based on the 2009 Philippine Standard Industrial Classification (PSIC). Prior to the use of the 2009 PSIC, the 2004 PSIC is being used. No industry and no country breakdown are available for reinvestment of earnings and debt instruments in the absence of information.

*Sources of Data and Methodology*

**Conformity with standards**

The compilation of the net incurrence of liabilities/FDI statistics, including data sources and methodologies used, conforms to the internationally accepted standards and guidelines set forth in the International Monetary Fund’s (IMF) BPM6 and the standards prescribed in the IMF’s Special Data Dissemination Standard.

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| Data sources for the different components of FDI are as follows: |
| (1)    Equity capital placement |
| -       International Transactions Reporting System (ITRS) |
| -       BSP Investment Registration Records; |
| -       Validated press statements/media releases of companies; |
| -       Company disclosures and financial statements posted at the Philippine Stock Exchange (PSE) website |
| -       Financial statements filed at the Securities and Exchange Commission (SEC) |
| (2)    Equity capital withdrawals |
| -       ITRS |
| -       BSP Investment Registration Records; |
| -       Validated press statements/media releases of companies; |
| -       Company disclosures and financial statements posted at the PSE website |
| -       Financial statements filed at the SEC |
| (3)    Reinvestment of earnings |
| -       Company disclosures and financial statements posted at the PSE website |
| -       Financial statements filed at the SEC |
| -       FDI Survey |
| (4)    Debt instruments |
| -       ITRS |
| -       External Debt Statistics |
| -       Cross Border Transactions Survey (CBTS) |