



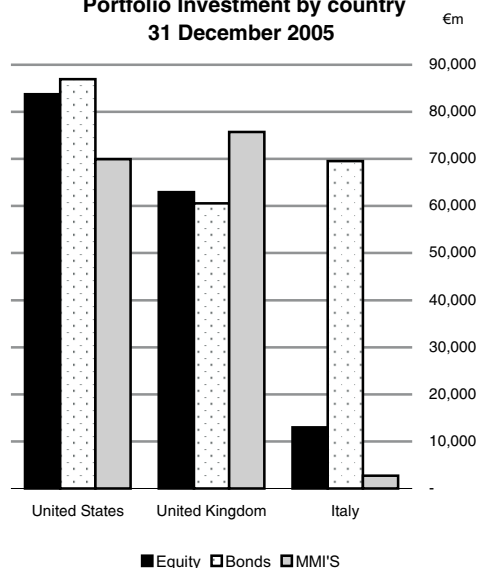
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Resident Holdings of Foreign Portfolio Securities

31 December 2005

Portfolio Investment by country
31 December 2005



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€million

December 2005	Equity	Bonds and notes	Money market instruments	Total
Total	322,995	453,436	223,150	999,580
<i>of which</i>				
United States	83,743	86,972	69,964	240,679
United Kingdom	62,924	60,566	75,719	199,209
Italy	13,016	69,553	2,701	85,269
Germany	15,516	48,405	10,300	74,220

Investment in US and UK securities continues to rise

The total stock of foreign portfolio asset securities held by Irish residents at the end of 2005 amounted to €999.6 billion, up €212.7 billion on the 2004 level of €786.9 billion. In geographical terms, investment in US and UK issued instruments continued to rise in absolute terms and, at €240.7 billion and €199.2 billion respectively, far exceeded that for any other country's securities. When combined, Irish resident holdings of US and UK portfolio securities accounted for just over 44% of the total, down somewhat on the proportions for the two previous years. Other points of note for the end-2005 results are:

- ◆ Investment in Italian and German securities showed significant increases to €85.3 billion and €74.2 billion respectively, while there was a decline in holdings of French (€55.3 billion) and Dutch (€33 billion) securities.
- ◆ *Equity* investment in proportional terms increased from 26.6% of total investment assets in 2003 to 32.3% in 2005. This is particularly evident for US and UK equity but a variable pattern is shown generally. The increased equity investment was largely mirrored by a reduction in the proportion of stocks of short-term money market instruments.
- ◆ Euro area issuers accounted for €360.3 billion or 36% of total security holdings. This was a lower percentage than in the previous two years.

The figures presented update the series on the stocks of foreign portfolio assets held by Irish investors at 31 December 2005 giving a detailed geographical analysis by country of issuer of the securities. The type of financial instrument is also distinguished (ie, *equity, bonds and notes* and *money market instruments*). Comparable data for the two previous years are shown. The data are compatible in form and content with the data being submitted to the International Monetary Fund (IMF) as a result of Ireland's ongoing participation in the IMF's world-wide annual Coordinated Portfolio Investment Survey – see *Background Notes*. They are also consistent with the portfolio investment stock statistics separately published on 7 December 2006 in the Release *International Investment Position – 31 December 2005*.

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Table 1 - Resident Holdings of Foreign Portfolio Securities¹ - by Country

€ million

Country	Equity			Bonds and notes			Money market instruments			Total		
	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005
Argentina	14	*	*	39	39	292	0	*	*	53	54	562
Australia	2,295	2,552	3,622	3,601	4,913	8,586	2,642	2,259	3,461	8,538	9,724	15,669
Austria	256	562	*	4,748	5,057	5,986	228	545	*	5,232	6,164	7,071
Bahamas	39	*	164	*	16	7	*	*	0	53	54	171
Barbados	0	*	*	34	*	*	0	0	0	34	14	111
Belgium	521	973	1,755	4,337	4,477	5,365	1,022	1,802	1,192	5,880	7,252	8,312
Bermuda	588	847	1,913	226	*	*	0	*	*	814	1,081	2,172
Brazil	469	582	1,100	623	523	835	0	0	0	1,092	1,105	1,935
British Virgin Islands	716	758	1,012	1	*	*	0	*	*	717	760	1,053
Bulgaria	*	*	*	36	11	37	*	*	*	37	21	40
Canada	*	402	2,894	8,533	9,600	11,044	*	1,520	851	9,370	11,522	14,789
Cayman Islands	1,259	1,714	4,935	5,573	6,339	9,933	1,232	1,528	7,754	8,065	9,580	22,622
Chile	26	30	66	54	43	46	0	0	0	80	73	112
China	390	448	2,495	15	143	361	0	0	0	404	591	2,856
Colombia	1	*	*	95	53	649	0	*	*	96	54	792
Cote d'Ivoire	0	0	0	*	*	*	*	*	*	285	39	32
Croatia	11	3	6	*	79	105	*	0	0	47	82	111
Cyprus	*	*	*	73	63	79	*	*	*	74	73	157
Czech Republic	199	305	356	*	352	386	*	0	0	446	657	742
Denmark	341	525	1,631	2,237	2,328	4,463	957	1,601	1,636	3,534	4,454	7,730
Egypt	17	43	67	4	*	14	0	*	0	20	49	81
Estonia	16	7	*	17	107	88	0	0	*	33	114	89
Fiji	6	6	0	7	7	0	0	0	0	13	13	0
Finland	1,405	1,279	2,289	2,017	2,072	2,604	609	1,179	309	4,031	4,530	5,202
France	10,940	14,873	19,867	25,393	30,273	27,089	10,767	11,036	8,322	47,101	56,183	55,277
Germany	8,420	10,208	15,516	41,064	43,727	48,405	15,601	12,346	10,300	65,086	66,281	74,220
Gibraltar	0	0	10	32	*	*	0	*	*	32	18	22
Greece	184	325	*	*	5,785	8,402	*	107	*	4,188	6,217	9,613

Table 1 - Resident Holdings of Foreign Portfolio Securities¹ - by Country - continued

€ million

Country	Equity			Bonds and notes			Money market instruments			Total		
	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005
Guernsey	9	25	28	148	137	145	12	0	0	169	162	173
Hong Kong	2,758	2,775	5,312	*	54	*	*	0	*	2,814	2,829	5,995
Hungary	128	510	693	*	584	1,745	*	0	0	556	1,094	2,438
Iceland	*	*	*	*	827	1,244	115	*	*	545	929	1,593
India	327	326	2,353	*	21	36	*	0	0	327	347	2,389
Indonesia	155	194	385	*	12	158	*	0	0	162	206	543
Isle of Man	4	*	7	0	0	0	0	*	0	4	10	7
Israel	97	128	183	*	*	*	*	*	*	268	302	354
Italy	6,649	8,057	13,016	43,384	53,021	69,553	4,212	2,865	2,701	54,245	63,943	85,269
Japan	9,597	15,419	25,051	4,974	*	11,277	190	*	165	14,761	24,559	36,493
Jersey	16	*	*	610	810	1,148	1,172	*	*	1,798	4,294	6,149
Luxembourg	7,834	12,995	15,327	3,117	3,157	5,418	1,743	713	1,601	12,693	16,865	22,346
Malaysia	310	364	558	33	76	*	0	0	*	343	440	716
Malta	0	0	0	0	*	*	0	*	*	0	21	6
Mashall Islands	*	9	6	*	*	*	*	*	*	1	46	9
Mauritius	*	*	*	*	*	*	*	0	0	30	33	27
Mexico	318	372	605	*	592	1,048	*	0	0	873	964	1,653
Netherlands	6,648	8,704	9,139	11,143	15,314	18,049	6,741	14,639	5,782	24,533	38,657	32,970
Netherlands Antilles	112	*	*	*	217	156	*	*	*	491	354	370
New Zealand	61	101	279	403	260	537	217	294	166	681	655	982
Norway	443	815	1,203	1,314	1,544	2,041	203	128	394	1,960	2,486	3,639
Panama	20	21	26	70	65	120	0	0	0	91	86	146
Peru	5	3	32	72	68	178	0	0	0	77	71	210
Philippines	52	85	*	*	526	687	*	0	*	817	611	875
Poland	240	*	577	*	961	3,003	*	*	0	782	1,390	3,580
Portugal	169	406	1,143	2,857	3,297	6,468	229	2,126	1,728	3,255	5,829	9,339
Puerto Rico	6	15	2	0	*	0	0	*	0	6	19	2
Qatar	0	*	*	16	*	51	0	0	*	16	12	63

Table 1 - Resident Holdings of Foreign Portfolio Securities¹ - by Country - continued

€ million

Country	Equity			Bonds and notes			Money market instruments			Total		
	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005	31 Dec 2003	31 Dec 2004 ²	31 Dec 2005
Republic of Korea (South)	1,828	1,655	2,993	333	776	1,730	0	0	0	2,160	2,431	4,723
Romania	1	*	14	23	*	51	0	0	0	23	34	65
Russian Federation	270	316	1,431	306	260	913	0	0	0	577	576	2,344
Singapore	698	823	1,796	31	*	*	0	*	*	728	940	2,565
Slovak Republic	0	0	*	*	15	14	*	0	*	14	15	16
Slovenia	9	*	*	135	139	127	0	*	*	144	145	131
South Africa	394	486	1,101	428	*	*	13	*	*	835	874	1,637
Spain	3,582	5,242	6,860	15,224	21,691	29,137	3,095	4,860	5,643	21,901	31,792	41,640
Sweden	1,380	1,888	3,757	3,401	4,015	4,715	2,249	1,955	2,941	7,030	7,858	11,413
Switzerland	5,275	5,613	10,498	432	480	*	282	39	*	5,989	6,132	12,077
Taiwan Province of China	849	1,206	2,443	*	*	118	*	*	0	900	1,215	2,561
Thailand	356	353	665	*	*	*	*	*	*	371	428	740
Trinidad and Tobago	*	0	0	*	*	*	*	*	*	18	22	26
Tunisia	0	0	0	37	30	65	0	0	0	37	30	65
Turkey	107	179	710	124	*	164	0	*	0	231	322	874
Ukraine	*	0	*	27	39	100	*	0	*	539	39	147
United Kingdom	39,320	46,588	62,924	43,147	47,128	60,566	50,466	61,209	75,719	132,933	154,925	199,209
United States	55,879	67,403	83,743	54,804	59,300	86,972	70,318	77,897	69,964	181,001	204,600	240,679
Uruguay	0	0	0	8	20	41	0	0	0	8	20	41
Venezuela	11	10	*	182	135	327	0	0	*	192	145	339
Other countries (not geographically allocated) ³	2,472	3,716	5,596	5,086	3,759	2,489	7,891	9,230	15,908	15,449	16,705	23,993
International Organisations	21	21	0	1,561	3,207	4,395	730	414	21	2,313	3,643	4,416
Total	176,170	223,881	322,995	300,263	348,711	453,436	184,622	214,273	223,150	661,055	786,864	999,580

¹ The figures exclude Reserve Assets (see background notes)

² Revised

³ This category covers data supplied by respondents without a geographical breakdown

* Suppressed for confidentiality reasons

Background Notes (updated December 2006)

Introduction

This Release updates, with 2005 data, the new annual (end December) series on foreign portfolio asset stock statistics introduced in October 2003. These figures result from the CSO's ongoing participation in the annual Co-ordinated Portfolio Investment Survey (CPIS) conducted by the IMF. The information is compiled on the basis of the IMF's methodological recommendations described in its *Co-ordinated Portfolio Investment Survey Guide*. This methodology is designed to harmonise the timing and valuation conventions used by all countries participating in the Survey. The results are conceptually consistent with the International Investment Position (IIP) statistics on foreign assets published by the CSO and the compilation methodology is essentially the same for both series.

The CPIS project was established by the IMF to address global discrepancies in international portfolio investment statistics through the reporting by countries of their portfolio assets on an individual country basis. In addition to providing very valuable data on countries' portfolio assets stocks, a further main objective of the CPIS project is to facilitate the determination of counterpart portfolio liabilities for individual reporting countries, i.e. on the basis that one country's asset is another country's liability. Where there is very wide compiler country participation in the CPIS and where a full geographical breakdown of assets is given, the reporting country's assets data for a particular counterpart country is a good indicator of the latter's portfolio investment liabilities to the former.

The CPIS is concerned with portfolio investment stock statistics for *equities* and long-term (i.e. *bonds and notes*) and short-term (i.e. *money market instruments*) securities – see the Section *Types of financial instrument* below. The results are classified by country of issue of the securities – see the Section *Geographical allocation principle* below – and are also cross-classified by type of financial instrument.

For reasons of consistency with the CPIS results for Ireland to be published in due course by the IMF, the data in this Release exclude the portfolio asset component of the external reserves (or *reserve assets*) held by the Central Bank and Financial Services Authority of Ireland. The relevant information on Ireland's external reserves along with that for other EMU member states is supplied by the European Central Bank to the IMF under the so-called "SEFER" arrangement. The aggregate reserve assets data with a breakdown by country of counterpart will be included as a separate component in the CPIS results to be published by the IMF.

Data collection

The basic data have been obtained from survey respondents as part of the general body of balance of payments (BOP) and international investment position (IIP) data returned to the CSO under its recently improved quarterly statutory data collection arrangements. Data collection is conducted under the Statistics (Balance of Payments and Financial Accounts) Order, 2005 (S.I. No. 124 of 2005) made under the Statistics Act, 1993.

Types of financial instrument - Definition of equity and long and short-term debt securities

A **security** is defined as an instrument that is traded or tradable. This survey covers investment by domestic residents in equity and short and long-term debt securities only. Long-term securities are those with an **original** term to maturity of more than one year; they are generally labelled as *bonds and notes*. Short-term securities are those with an **original** term to maturity of one year or less and are generally referred to as *money market instruments*.

Equity securities are defined in the CPIS – *Compilation Guide* to cover all financial instruments and records representing the holder's claims to the residual values of enterprises after the claims of all creditors have been met. They include:

- ◆ ordinary shares
- ◆ stocks
- ◆ participating preference shares
- ◆ depositary receipts (e.g., American depositary receipts) denoting ownership of equity securities issued by non-residents

- ◆ shares/units in mutual funds and investment trusts
- ◆ equity securities that have been sold under repurchase agreements
- ◆ equity securities that have been lent under a securities lending arrangement.

They exclude:

- ◆ non-participating preference shares (which are included under long-term debt)
- ◆ rights, options, warrants and other derivative instruments
- ◆ equity securities that have been bought under repurchase agreements
- ◆ equity securities that have been acquired under a securities lending arrangement.

Long-term debt securities cover bonds, debentures, notes, etc. that usually give the holder the unconditional right to a fixed money income or contractually determined variable money income, and have an original term to maturity of over one year. They include:

- ◆ bonds such as treasury, zero coupon, stripped, deep discounted, currency linked (e.g., dual-currency), floating rate, equity-related (e.g., convertible bonds), and eurobonds
- ◆ asset-backed securities such as mortgage backed bonds, collateralized mortgage obligations (CMO)
- ◆ index-linked securities (e.g., property index certificates)
- ◆ non-participating preference shares
- ◆ floating rate notes (FRN) such as perpetual notes (PRN), variable rate notes (VRN), structured FRN, reverse FRN, collared FRN, step up recovery FRN (SURF), range/corridor/accrual notes
- ◆ euro medium-term notes (EMTN)
- ◆ schuldscheine (German) notes
- ◆ bonds with optional maturity dates, the latest of which is more than one year after issue
- ◆ debentures
- ◆ negotiable certificates of deposits with contractual maturity of more than one year
- ◆ other long-term securities
- ◆ bearer depositary receipts denoting ownership of debt securities issued by non-residents
- ◆ debt securities sold under repurchase agreements
- ◆ debt securities lent under securities lending arrangements.

They exclude:

- ◆ derivative instruments
- ◆ loans
- ◆ trade credit and accounts receivable
- ◆ money market instruments (e.g., treasury notes, banker's acceptances, certificates of deposit with contractual maturity of one year or less, note issuance facilities, revolving underwriting facilities, and promissory notes)
- ◆ debt securities bought under repurchase agreements
- ◆ debt securities acquired under securities lending arrangements.

Short-term debt securities refer to bills, commercial paper, bankers' acceptances, etc. that usually give the holder the unconditional right to receive a stated, fixed sum of money on a specified date and have an original term to maturity **of one year or less**. Money market instruments usually are issued at a discount, in organized markets. They include:

- ◆ money market instruments with an original term to maturity of one year or less, such as treasury bills/notes bankers' acceptances, commercial and financial paper, certificates of deposit with contractual maturity of one year or less
- ◆ short-term notes issued under note issuance facilities or revolving underwriting facilities and promissory notes.

They exclude:

- ◆ any securities listed earlier under *long-term debt securities*
- ◆ derivative instruments
- ◆ loans
- ◆ trade credit and accounts receivable.

Valuation	For the purposes of the CPIS (as well as BOP and IIP) statistics, portfolio securities should be recorded using current market values at the reference date (31 December) and data providers are instructed to report their holdings on this basis. When converting foreign currency valuations, the relevant euro exchange rate as at 31 December should be used.
Geographical allocation principle	The so-called 'debtor' principle is used as the basic guideline for geographical allocation of foreign assets. This approach requires that asset positions (i.e. stocks) are allocated to the country of residence of the debtor counterpart. Therefore, investment in a foreign security should be reported and classified to the country of residence of the issuer of the security (and not to the country of the market of issue or any other substitute for country of issuer).
Presentation of the results	Table 1 gives the full details of the market values of Irish residents' holdings of foreign portfolio securities as at 31 December 2003, 2004 and 2005 classified according to type of financial instrument (columns) and by individual country of issuer (rows). The countries are listed in alphabetical order and the list includes the category <i>international organisations</i> whose residencies, by their nature and under the guidelines, are not attributed to any particular country.
Confidential data	In order to protect the confidentiality of some of the results, certain cells are suppressed (indicated by an *). The confidential data are aggregated at the level of individual country.
Sign convention	The stocks figures are shown unsigned i.e. as positive numbers. Amounts are shown in millions of Euro; '0' means amounts of less than €500,000; '-' means 'not relevant'. Cell entries may not add to totals due to rounding.