



Recommendation of the Council
concerning the Third Edition of
the Benchmark Definition of
Foreign Direct Investment

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Background Information

THE COUNCIL,

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14th December 1960;

HAVING REGARD to the Resolution of the Council of 13th December 1984 on the Terms of Reference of the Committee on International Investment and Multinational Enterprises [C(84)171(Final)] as extended by the Council on 27 September 1990 [C/M(90)17(Final), Item 208];

HAVING REGARD to the Recommendation of the Council of 27 February 1992 concerning the revised detailed benchmark definition of foreign direct investment [C(91)80(Final)];

RECOGNISING the improvements that have been achieved in the comparability of data collected on foreign direct investment since the first publication of the OECD Benchmark Definition of Foreign Direct Investment in 1983 and the desirability of ensuring that the methodology of the Benchmark continues to reflect the reality of foreign direct investment transactions;

CONSIDERING that divergences still exist between the methodology used by some Member countries and the methodology of the Benchmark;

On the proposal of the Committee on International Investment and Multinational Enterprises;

I. **RECOMMENDS** that Member countries continue to take steps to bring their statistical methodology into line with the OECD Benchmark Definition of Foreign Direct Investment as set out in the Report of the Committee on International Investment and Multinational Enterprises (Third Edition) OECD/GD(95)36, thereby providing a comparable basis for users of foreign direct investment statistics.

II. **INSTRUCTS** the Committee on International Investment and Multinational Enterprises, in cooperation with the Group of Financial Statisticians, to continue co-ordinating within OECD the collection of information on international direct investment and multinational enterprises, and to collect and publish at regular intervals stock and flow data on inward and outward foreign direct investment, accompanied by notes describing the areas where the methodology used by Member countries differs from the OECD Benchmark Definition.

III. **DECIDES** to repeal the Recommendation of the Council of 27 February 1992 referred to above.

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