|  |  |  |
| --- | --- | --- |
|  | CZSO | CNB |
| Methodological manuals | ESA 2010, Article 4.64 | Detailed definitions of reinvested earnings are given in Articles 11.40–11.46 of the balance of payments manual (BPM6) and in ECB regulations. |
| Data for the estimate/calculation | Annual report on the stock of direct investment (CNB)  Annual report for non-financial corporations P5-01  Annual administrative data for financial institutions (CNB) | Annual report on the stock of direct investment (CNB)  Annual administrative data for financial institutions (CNB). The sample of entities is updated and shared with the CZSO every year. Currently 4,300 macroeconomically significant entities (5,000 including subsidiaries). The CNB does not perform grossing up. |
| Estimation/calculation procedures | Estimates of reinvested earnings from foreign direct investment are based on a combination of information from various statistical reports. Reinvested earnings consist of the direct investor’s share (in proportion to direct equity participation) in net disposable income in the national accounts. | **Reinvested earnings** consist of the direct investor’s share (in proportion to direct equity participation) of earnings not distributed as dividends. Data collected at the micro-level must on aggregate tie with the overall indicator in the macroeconomic statistics of the external statistics. The data are also published in a detailed country and sectoral breakdown. |
| Reasons for the methods used | CZSO estimates are consistent with the estimates of other indicators such as GDP. To ensure compliance of GDP estimates with the ESA 2010 methodology, numerous adjustments/  imputations are made in the national accounts. In the case of the impact of these adjustments on net disposable income, the part pertaining to FDI owners is included in the estimates of reinvested earnings. **The objective of these estimates is to correctly calculate gross national income, which should only represent income pertaining** **to residents in the Czech Republic.** | CNB data are based on specific statistical information which the CNB can substantiate from companies’ accounting data. Data collected at the micro-level must on aggregate tie with the overall indicator in the macroeconomic statistics of the external statistics, including the territorial breakdown. International institutions are working to remove bilateral asymmetries from the national FDI data (exchange of data via the FDI network, publication of tables of FDI asymmetries). |