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**Japan's International Investment Position
at Year-End 2012**

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Japan's international investment position (IIP) was released on May 28, 2013, by the Ministry of Finance and the Bank of Japan as the *International Investment Position of Japan (End of 2012)*. The regional breakdown is available on the Bank's web site (<http://www.boj.or.jp/en/index.htm>).

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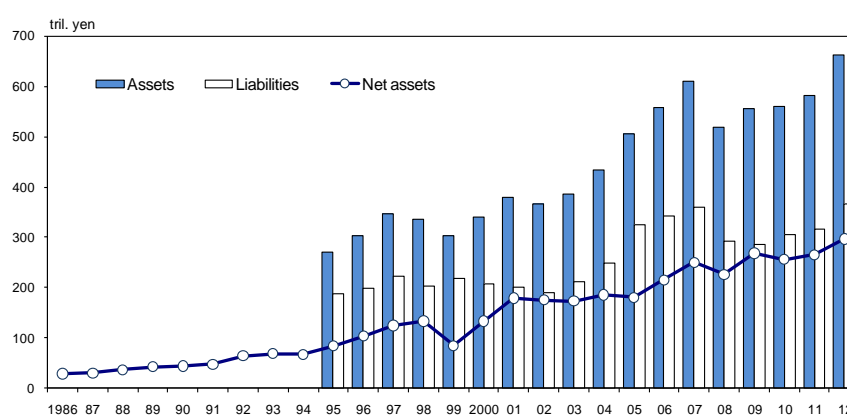
I. Summary

A. Developments in Japan's International Investment Position (IIP) at Year-End 2012¹

Japan's external financial assets increased in 2012. Specifically, Japanese holdings of foreign bonds and notes increased due to an increase in their yen value reflecting the yen's depreciation compared to the previous year end as well as due to net purchases. Reserve assets also increased due to an increase in their yen value reflecting the yen's depreciation. Meanwhile, Japan's external liabilities also increased as a whole in 2012. This was due to increases in (1) foreign holdings of Japanese equity securities reflecting a rise in Japanese equity prices and (2) loans (liabilities) to foreign residents. Japan's net asset position increased in 2012 as the increase in assets exceeded that in liabilities. Net assets stood at 296.3 trillion yen at year-end 2012, up from 265.4 trillion yen at year-end 2011.

The assets, liabilities, and net assets at year-end 2012 registered all record highs for the period that comparable data are available.²

Figure 1: Developments in the IIP¹



Note: 1. Figures for 1995 and after are calculated in accordance with the fifth edition of the *Balance of Payments Manual (BPM5)* issued by the International Monetary Fund (IMF).

B. Major Features of Each Category

(1) Direct investment (assets: 89.8 trillion yen; liabilities: 17.8 trillion yen)

Outward direct investment (assets) increased by 15.5 trillion yen or 20.9 percent.

Inward direct investment (liabilities) remained more or less unchanged.

(2) Portfolio investment (assets: 305.1 trillion yen; liabilities: 180.5 trillion yen)

Outward portfolio investment (assets) increased by 42.8 trillion yen or 16.3 percent.

Inward portfolio investment (liabilities) increased by 23.0 trillion yen or 14.6 percent.

(3) Financial derivatives (assets: 4.6 trillion yen; liabilities: 5.3 trillion yen)

Both financial derivatives assets and liabilities remained more or less unchanged.

(4) Other investment (assets: 152.9 trillion yen; liabilities: 162.0 trillion yen)

Other investment assets increased by 12.7 trillion yen or 9.1 percent.

Other investment liabilities increased by 26.5 trillion yen or 19.6 percent.

(5) Reserve assets (assets: 109.5 trillion yen)

Reserve assets increased by 8.9 trillion yen or 8.9 percent.

¹ Some figures in previous data were revised to reflect corrections of several cases of significant misreporting. For details, see "Revision of Balance of Payments and International Investment Position" released on December 10, 2012.

² Comparable data are available from 1995 for assets and liabilities and from 1986 for net assets.

II. Developments in Japan's IIP

A. By Factor

Japan's net asset position increased by 30.9 trillion yen in 2012. The change is attributable to the following factors.³

On the asset side, exchange rate changes pushed up assets, raising their yen value reflecting the yen's depreciation against major currencies such as the U.S. dollar and the euro. Transactions also contributed to the increase in assets, with the increase led by bonds and notes. Against this background, Japan's total external financial assets increased by 80.4 trillion yen.

On the liability side, transactions pushed up liabilities, with the increase led by net purchases of Japanese securities by foreign investors under portfolio investment as well as net inflows of loans. Other changes such as the rise in Japanese equity prices also pushed up liabilities. Against this background, Japan's total external liabilities increased by 49.5 trillion yen.

Figure 2: Factors Underlying Changes in the IIP for 2012

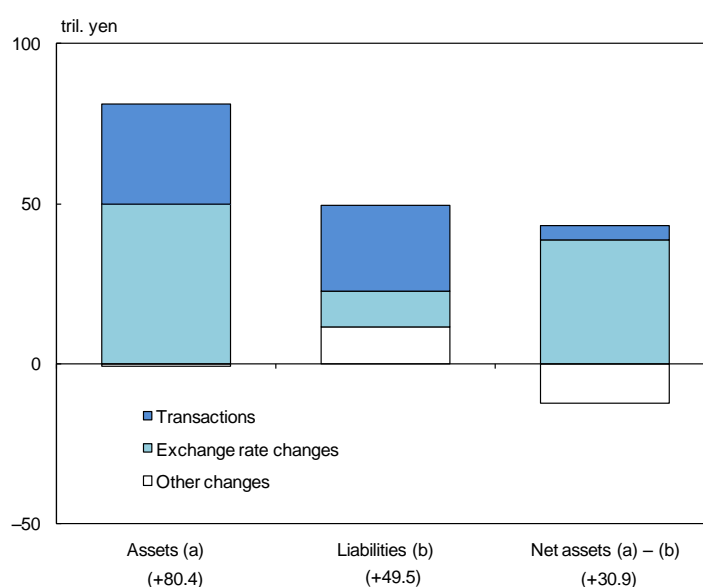


Table 1: Yen Exchange Rates at Year-End

	2009	2010	2011	2012
USD-JPY ¹	92.13	81.51	77.57	86.32
EUR-JPY ²	132.76	108.90	100.38	113.86

Notes: 1. Refers to the U.S. dollar in terms of yen. Mid-rates based on offer and bid rates quoted by interbank market participants in the Tokyo market as of 5 p.m. JST.

2. Refers to the euro in terms of yen, calculated using the USD-JPY rates shown above and the EUR-USD rates released by the European Central Bank (ECB) as of 2:15 p.m. CET.

Sources: Bank of Japan; ECB.

³ The following three factors account for changes in the asset and liability position: (1) "transactions," which indicate changes in assets and liabilities as a result of transactions between residents and nonresidents (this factor is equivalent to the sum of the balance of the financial account and changes in reserve assets recorded in the balance of payments (BOP) statistics for the year); (2) "exchange rate changes," which indicate changes in the yen value of assets and liabilities resulting from fluctuations in exchange rates; and (3) "other changes," which comprise factors other than the two described above such as changes in the value of assets and liabilities resulting from fluctuations in stock and bond prices.

Table 2: Factors Underlying Changes in Assets and Liabilities¹**Assets**

tril. yen

	2011	2012	y/y chg.	Transactions	Exchange rate changes	Other changes
Total	581.5	661.9	+80.4	+31.4	+49.9	-0.9
Direct investment	74.3	89.8	+15.5	+9.8	+6.8	-1.1
Portfolio investment	262.3	305.1	+42.8	+14.7	+24.3	+3.8
Equity securities	51.7	59.5	+7.7	-2.1	+5.9	+4.0
Debt securities	210.6	245.6	+35.1	+16.8	+18.4	-0.2
Bonds and notes	208.6	243.3	+34.8	+17.0	+18.3	-0.6
MMIs ²	2.0	2.3	+0.3	-0.2	+0.1	+0.4
Financial derivatives	4.2	4.6	+0.4	+5.2	+0.0	-4.8
Other investment	140.2	152.9	+12.7	+4.7	+7.4	+0.5
Of which: Loans	82.3	87.3	+5.0	+1.7	+3.4	-0.1
Reserve assets	100.5	109.5	+8.9	-3.1	+11.4	+0.6

Liabilities

tril. yen

	2011	2012	y/y chg.	Transactions	Exchange rate changes	Other changes
Total	316.1	365.6	+49.5	+26.8	+11.2	+11.4
Direct investment	17.5	17.8	+0.3	+0.1	—	+0.1
Portfolio investment	157.5	180.5	+23.0	+8.6	+0.6	+13.9
Equity securities	65.8	83.6	+17.7	+2.4	—	+15.4
Debt securities	91.6	96.9	+5.3	+6.2	+0.6	-1.5
Bonds and notes	45.7	49.5	+3.8	+2.7	+0.5	+0.5
MMIs	45.9	47.4	+1.5	+3.5	+0.0	-2.0
Financial derivatives	5.6	5.3	-0.3	+5.1	—	-5.5
Other investment	135.4	161.9	+26.5	+13.0	+10.7	+2.9
Of which: Loans	85.5	101.9	+16.4	+10.6	+6.0	-0.2

Notes: 1. Totals may not add up due to rounding. "—" denotes not applicable. The same applies to the remainder of this report.

2. "MMIs" stands for money market instruments. The same applies to the remainder of this report.

Box 1 Effects of Fluctuations in Exchange Rates on External Financial Assets and Liabilities

The currency composition of Japan's external financial assets and liabilities at year-end 2012 shows that over 70 percent of assets are denominated in foreign currencies, while only about 30 percent of liabilities are (see Figure 1 for Box 1). This means that fluctuations in exchange rates (that is, changes in the yen value of assets and liabilities) exert a greater impact on the asset side of Japan's IIP. As a result, a depreciation of the yen leads to an increase in net assets, while an appreciation leads to a decrease.

For example, in terms of the assets and liabilities at year-end 2012, a one-percent depreciation of the yen against all other currencies is estimated to have the following effects: (1) assets increase by 4.8 trillion yen or 0.7 percent; (2) liabilities increase by 1.1 trillion yen or 0.3 percent; and (3) net assets increase by 3.7 trillion yen or 1.2 percent (see Figure 2 for Box 1).⁴

Figure 1 for Box 1: Currency Composition of Assets and Liabilities at Year-End 2012

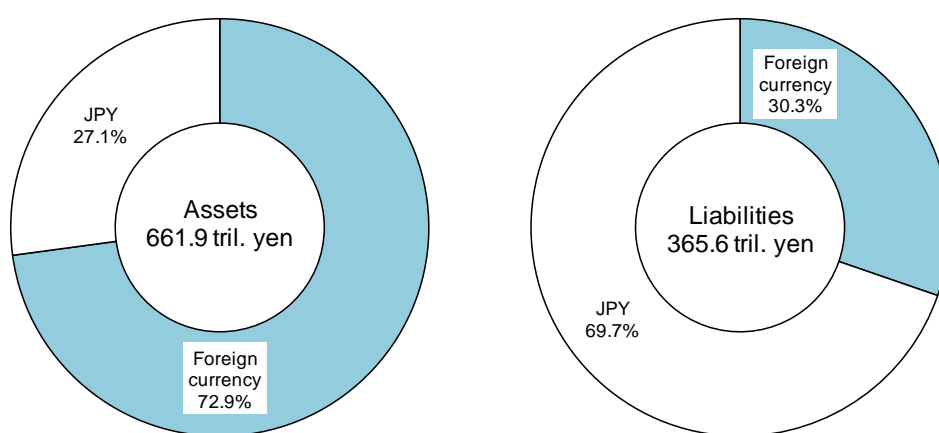
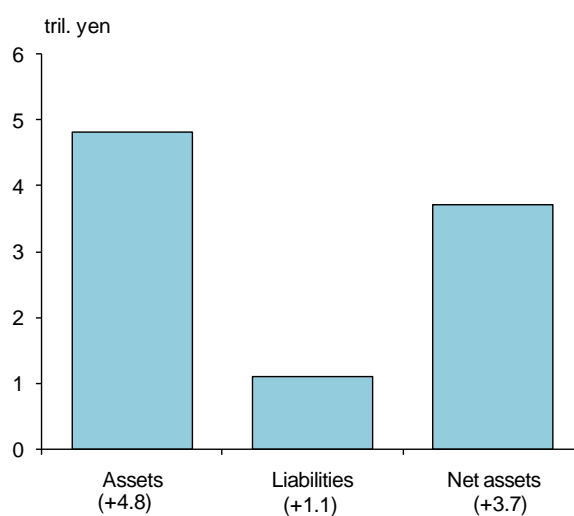


Figure 2 for Box 1: Estimated Effects of a One-Percent Depreciation of the Yen against All Other Currencies



⁴ Calculated by multiplying the yen value of foreign currency-denominated assets and liabilities by the rate of change in bilateral exchange rates (one percent in this estimate).

B. By Component

On the asset side, Japanese holdings of bonds and notes increased by 34.8 trillion yen from year-end 2011, mainly because of net purchases by banks and the increase in the yen value of foreign bonds and notes due to the yen's depreciation. In addition, direct investment and reserve assets increased by 15.5 trillion yen and 8.9 trillion yen, respectively.

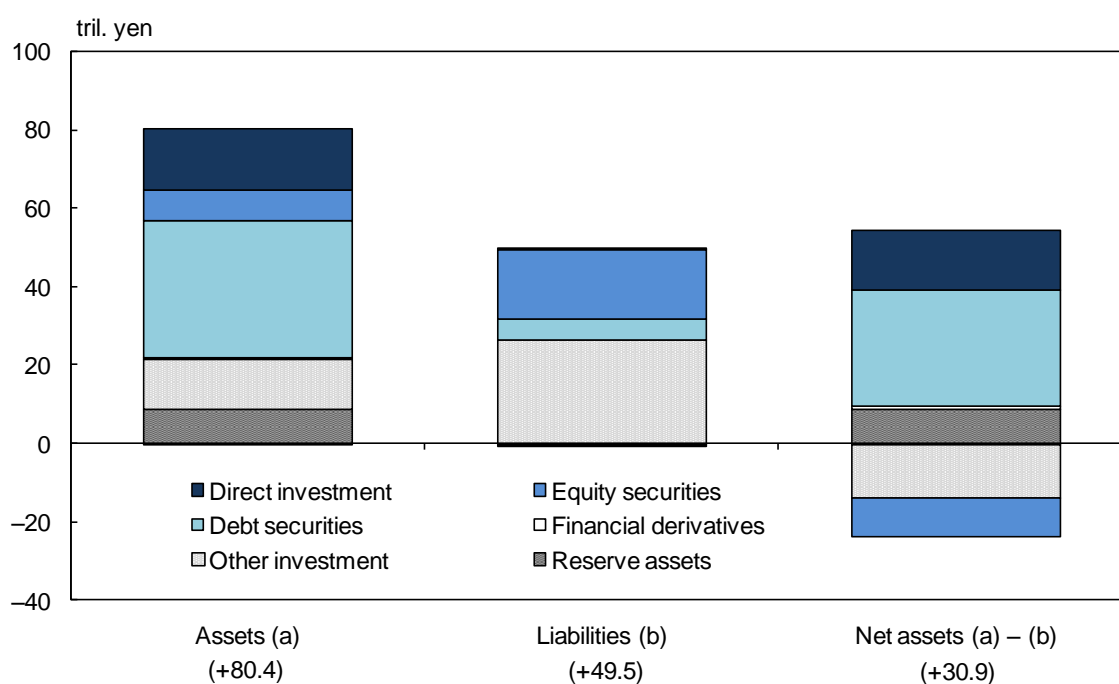
On the liability side, foreign holdings of equity securities increased by 17.7 trillion yen from year-end 2011 due to net purchases by foreign investors and the rise in Japanese equity prices. Loans also increased, by 16.4 trillion yen, mainly due to the increase in funds raised by banks through interoffice accounts.

Table 3: IIP by Component

tril. yen

	Assets		Liabilities		Net assets	
		y/y chg.		y/y chg.		y/y chg.
Total	661.9	+80.4	365.6	+49.5	296.3	+30.9
Direct investment	89.8	+15.5	17.8	+0.3	72.0	+15.3
Portfolio investment	305.1	+42.8	180.5	+23.0	124.6	+19.8
Equity securities	59.5	+7.7	83.6	+17.7	-24.1	-10.0
Debt securities	245.6	+35.1	96.9	+5.3	148.7	+29.8
Bonds and notes	243.3	+34.8	49.5	+3.8	193.8	+31.0
MMIs	2.3	+0.3	47.4	+1.5	-45.1	-1.2
Financial derivatives	4.6	+0.4	5.3	-0.3	-0.7	+0.8
Other investment	152.9	+12.7	161.9	+26.5	-9.1	-13.8
Of which:						
Loans	87.3	+5.0	101.9	+16.4	-14.6	-11.4
Reserve assets	109.5	+8.9	—	—	109.5	+8.9

Figure 3: Contribution to Year-on-Year Changes in the IIP by Component



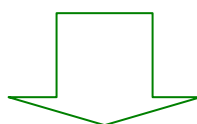
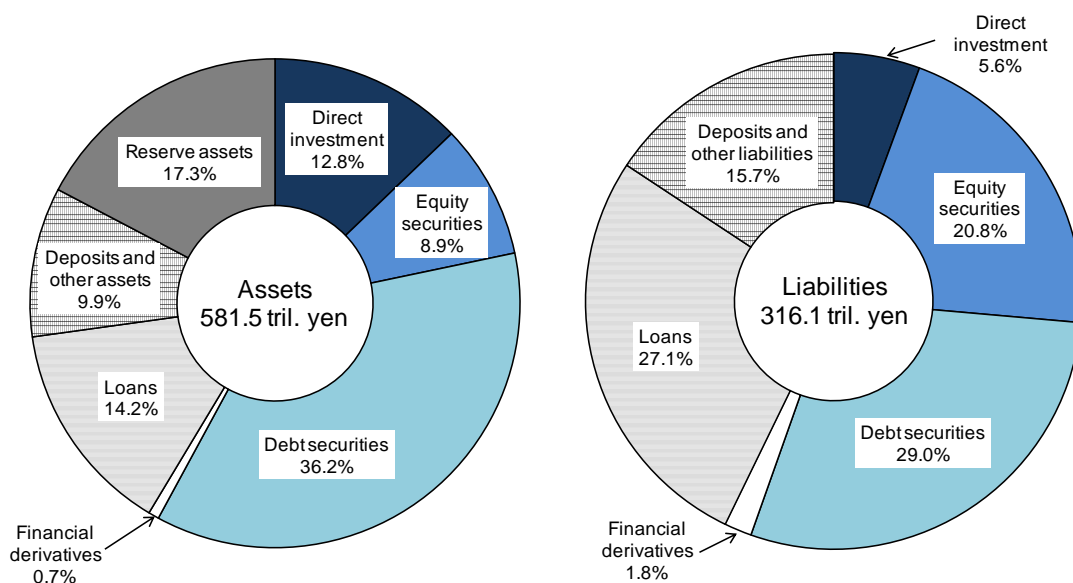
C. Share by Component

On the asset side, the share of debt securities increased as Japanese holdings of foreign bonds and notes increased because of net purchases by banks and the increase in the yen value of foreign bonds and notes due to the yen's depreciation.

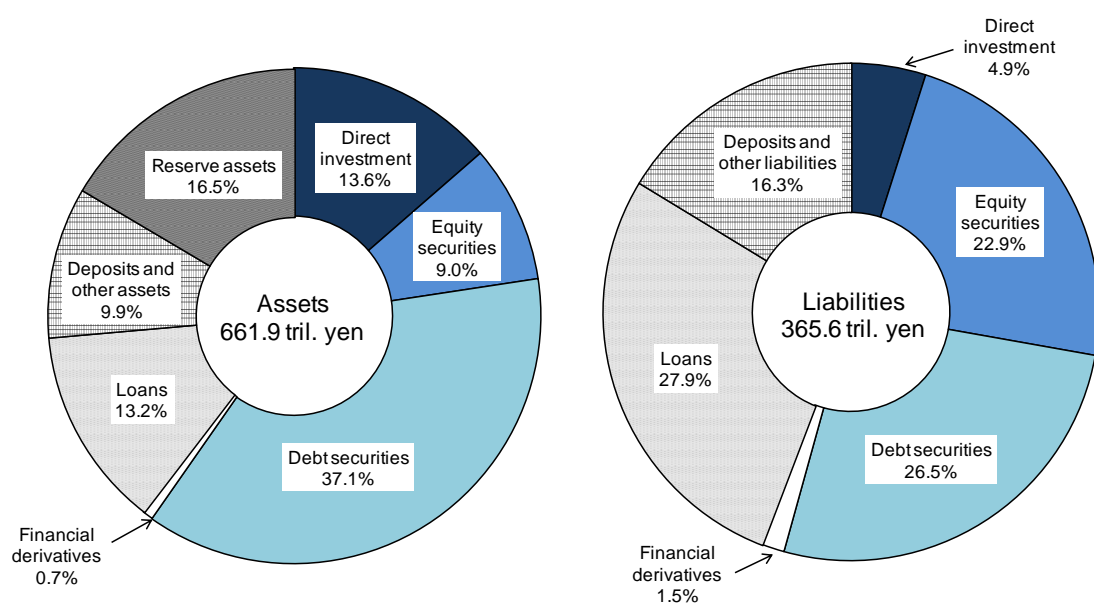
On the liability side, the share of equity securities increased due to the rise in Japanese equity prices. The share of loans also increased, mainly due to the increase in funds raised by banks through interoffice accounts.

Figure 4: Share by Component

(1) At Year-End 2011



(2) At Year-End 2012



D. By Sector

Breaking down changes in net assets held by residents in Japan by sector shows the following.⁵

Net assets held by the public sector increased by 7.4 trillion yen from year-end 2011, mainly due to the increase in reserve assets.

Net assets of banks decreased by 1.4 trillion yen, mainly reflecting the increase in loans (liabilities) through interoffice accounts.

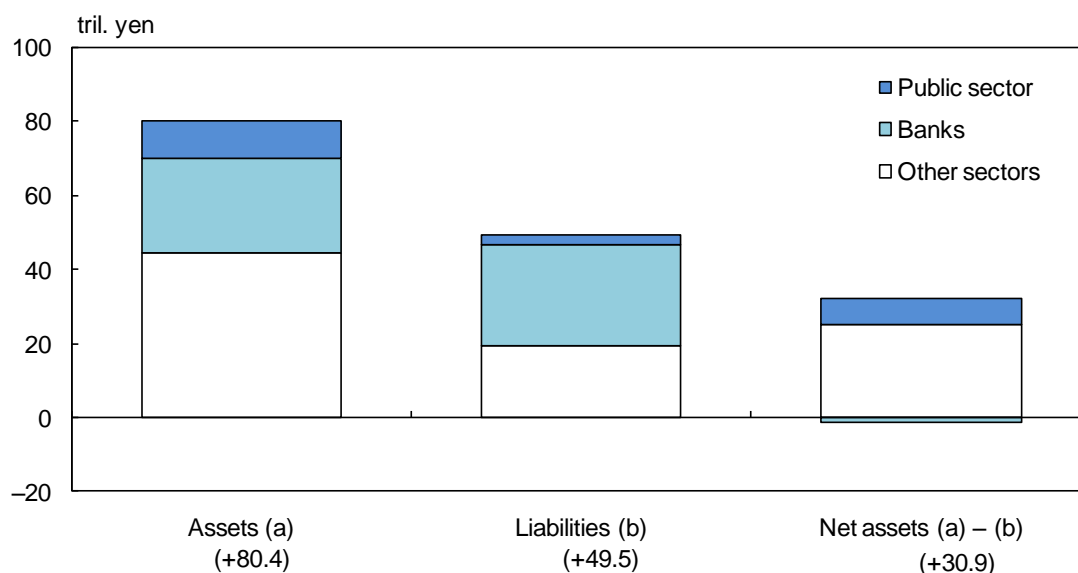
The net asset holdings of other sectors increased by 24.9 trillion yen. This was due to the increase in Japanese holdings of foreign securities under portfolio investment (assets), which was partly offset by the increase in foreign holdings of Japanese equity securities (liabilities) due to the rise in Japanese equity prices.

Table 4: IIP by Sector

tril. yen

	Assets		Liabilities		Net assets	
		y/y chg.		y/y chg.		y/y chg.
Total	661.9	+80.4	365.6	+49.5	296.3	+30.9
Public sector	134.9	+10.3	93.5	+2.9	41.4	+7.4
Banks	182.0	+25.6	129.0	+27.0	53.1	-1.4
Other sectors	345.0	+44.5	143.1	+19.6	201.9	+24.9

Figure 5: Contribution to Year-on-Year Changes in the IIP by Sector



⁵ The three sectors are the following: the "public sector," which includes the general government, the monetary authorities, and governmental financial institutions; "banks," which include commercial banks and other deposit-taking corporations such as cooperative-type financial institutions; and "other sectors," which include trust accounts of trust banks, life and non-life insurance companies, investment trusts, financial instruments firms, nonfinancial corporations, and individuals. The assets and liabilities for each sector refer to the external assets and liabilities held by that sector.

E. By Maturity⁶

On the asset side, the share of long-term instruments increased from year-end 2011 reflecting the increase in foreign bonds and notes.

On the liability side, the share of short-term instruments increased from year-end 2011 due to the increase in short-term loans through interoffice accounts.

Table 5: Share by Maturity¹

tril. yen

	Assets			Liabilities		
		Percentage share			Percentage share	
			y/y chg. (% points)			y/y chg. (% points)
Total	661.9	100.0	—	365.6	100.0	—
Long-term	456.4	69.0	+1.4	166.0	45.4	-1.0
Short-term	205.5	31.0	-1.4	199.6	54.6	+1.0

Note: 1. Long- and short-term items are classified as follows:

Long-term: direct investment, equity securities, bonds and notes, loans (long-term), trade credits (long-term), and other assets and liabilities (long-term).

Short-term: MMIs, financial derivatives, loans (short-term), trade credits (short-term), currency and deposits, other assets and liabilities (short-term), and reserve assets.

⁶ For both assets and liabilities, long-term instruments are those with an original maturity of more than one year, while short-term instruments are those with an original maturity of one year or less. Reserve assets, for which a maturity breakdown is not publicly available, are classified as short-term instruments here for simplicity, given that they are external assets that are readily available to and controlled by the monetary authorities. For simplicity, currency and deposits are also classified as short-term instruments as a maturity breakdown of deposits is not available due to data limitations.

F. By Region^{7,8}

Developments by region in the direct and portfolio investment positions can be summarized as follows.

On the asset side, investment in the European Union (EU) and North America increased, because of net purchases of foreign bonds and notes as well as the increase in the yen value of assets due to the yen's depreciation. Investment in Asia also increased, led by direct investment.

On the liability side, investment from North America and the EU increased, mainly due to the rise in Japanese equity prices.

Table 6: Direct and Portfolio Investment by Region

Assets

tril. yen

	Total (a+b)		Direct investment (a)		Portfolio investment (b)	
		y/y chg.		y/y chg.		y/y chg.
Total	394.9	+58.3	89.8	+15.5	305.1	+42.8
Asia	33.1	+6.6	24.9	+4.9	8.2	+1.7
North America	133.7	+16.0	26.0	+3.8	107.7	+12.2
EU	114.9	+20.5	20.5	+3.8	94.4	+16.7
Central and South America	68.1	+8.4	10.3	+0.8	57.8	+7.6
Oceania	20.7	+3.9	5.7	+1.5	15.0	+2.3
Others	24.4	+2.9	2.3	+0.6	22.1	+2.3

Liabilities

tril. yen

	Total (a+b)		Direct investment (a)		Portfolio investment (b)	
		y/y chg.		y/y chg.		y/y chg.
Total	198.3	+23.3	17.8	+0.3	180.5	+23.0
Asia	39.9	+3.8	2.4	+0.3	37.4	+3.5
North America	55.6	+6.2	5.5	-0.2	50.1	+6.3
EU	65.9	+5.5	7.0	-0.3	58.9	+5.8
Central and South America	7.9	+1.3	1.5	-0.2	6.3	+1.5
Oceania	2.3	+0.9	0.1	+0.0	2.2	+0.9
Others	26.7	+5.7	1.2	+0.6	25.5	+5.1

⁷ Among the main functional categories in the IIP, regional data are compiled and released for the direct and portfolio investment positions.

⁸ Regional data for previous years were not subject to the revision described in footnote 1 on page 1. In Table 6, figures of year-on-year changes for "Others" were adjusted where relevant so that they add up to the totals.

Box 2 International Comparison of Outward Direct Investment

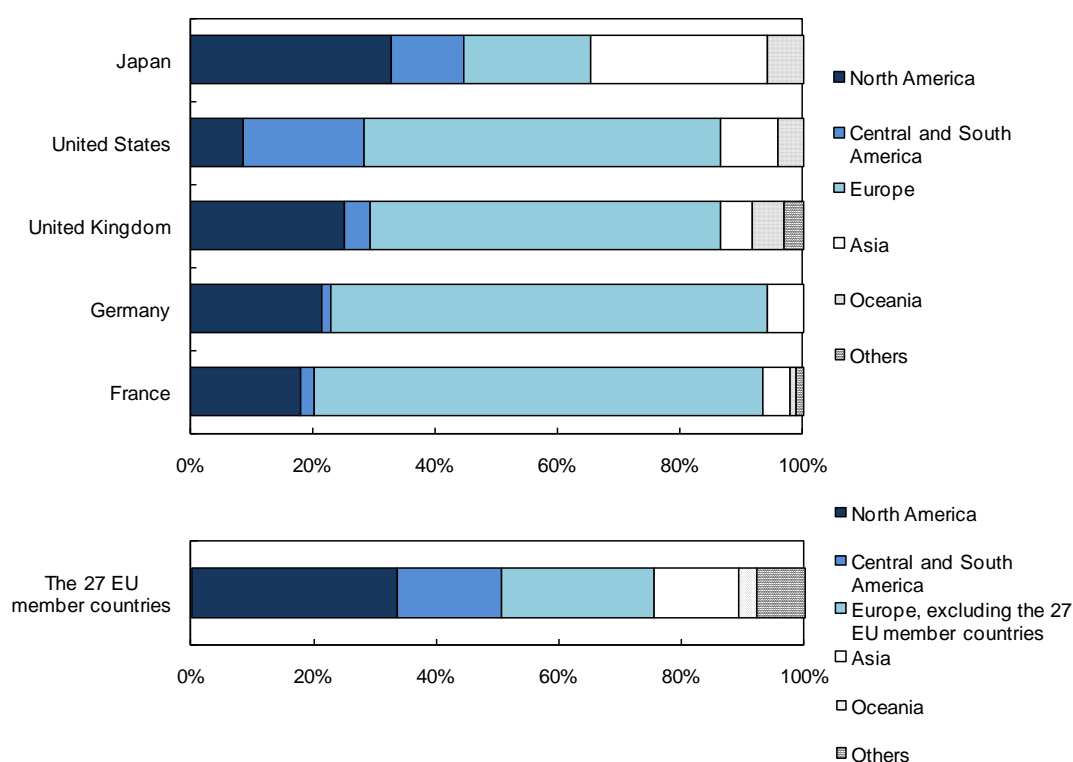
(1) Regional Breakdown

Looking at the regional breakdown of the outward direct investment of five major countries -- Japan, the United States, the United Kingdom, Germany, and France -- shows that most of the investment of the European countries is concentrated within Europe and in North America, while most of the investment of the United States is concentrated in Europe and Central and South America, indicating that the direct investment of these countries mainly flows to regions with which they have strong geographic and economic ties.

On the other hand, although Asia (including China), the region geographically closest to Japan, accounts for the second-largest share of Japan's outward direct investment after North America, Japan's investment is more widely dispersed, as can be seen by the fact that Central and South America as well as Oceania also account for substantial shares.

Looking at the outward direct investment of the 27 EU member countries⁹ in non-EU countries, Eurostat data show that they invest in a wide range of regions, including North America, Central and South America, as well as Asia.

Figure 1 for Box 2: Outward Direct Investment: Regional Breakdown^{1,2}



Notes: 1. For the five major countries, the top 20 destinations, which account for more than 85 percent of the total outward direct investment of each country, are categorized into the six regions listed above.

2. Data for the five major countries are at year-end 2011, while those for the 27 EU member countries are at year-end 2010.

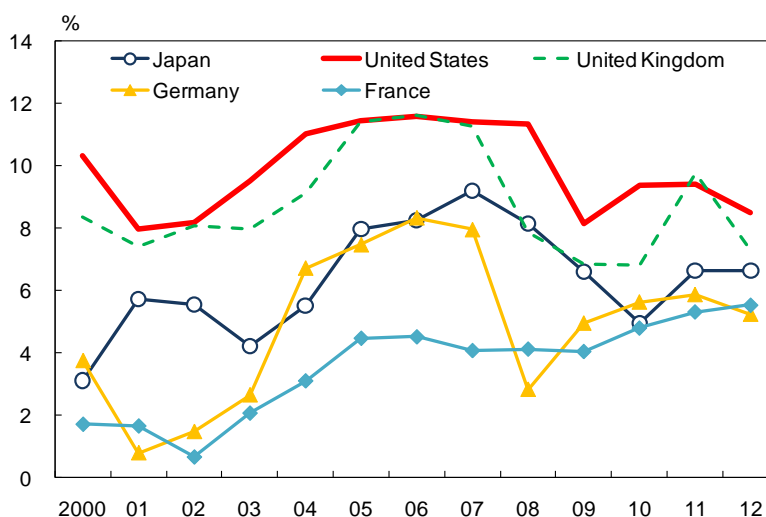
Sources: IMF, *Coordinated Direct Investment Survey*; Eurostat.

⁹ The 27 EU member countries as of year-end 2012 are: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and United Kingdom.

(2) Rates of Return¹⁰

The line chart below shows developments in the rates of return on outward direct investment for the five major countries above. In the first half of the 2000s, the rates for the United States and the United Kingdom were relatively high compared to those of Japan, Germany, and France; however, the difference has gradually narrowed since the second half of the 2000s.

Figure 2 for Box 2: Rates of Return on Outward Direct Investment



Sources: Bank of Japan; IMF.

¹⁰ The rates of return are calculated by dividing the annual direct investment income receipts by the average of the outward direct investment positions at the end of the current and the previous year.

G. International Comparison of Net IIP

Among major countries that release IIP data, Japan appears to be the country with the largest net asset position at year-end 2012.

Table 7: International Comparison of Net IIP

tril. yen

Country	Year ¹	Net IIP
Japan	2012	296.3
China	2012	150.3
Germany	2012	121.9
Switzerland	2012	84.7
Hong Kong	2012	63.4
Russia	2011	10.7
Canada	2012	-25.1
France	2011	-32.0
Italy	2012	-43.5
United Kingdom	2012	-74.3
United States	2012	-382.2

Note: 1. Year end.

Source: Ministry of Finance.

Box 3 Factors Underlying Changes in Net Assets (Time Series Analysis)

Factors underlying changes in the external financial asset and liability position can be classified into (1) "transactions," which indicate changes in assets and liabilities as a result of transactions between residents and nonresidents,¹¹ and (2) "revaluation and other adjustments," which comprise changes attributable to factors other than transactions, such as changes in valuation resulting from fluctuations in exchange rates and other market prices.¹²

While transactions were the major factor for changes in Japan's net assets until the late 1990s, revaluation and other adjustments have started to play a large role since around 2000 (see Figure 1 for Box 3).

The reason is that Japan's persistent current account surplus and growing cross-border financial transactions have led to the accumulation of a large stock of external assets and liabilities (see Figure 2 for Box 3), making Japan's asset and liability position more susceptible to fluctuations in exchange rates and other asset prices.¹³

Specifically, in terms of exchange rates, a depreciation of the yen leads to an increase in Japan's net assets (see Box 1, "Effects of Fluctuations in Exchange Rates on External Financial Assets and Liabilities," for more details). In terms of fluctuations in other asset prices, a rise in foreign market prices leads to an increase in assets, and consequently net assets, while a rise in domestic market prices leads to an increase in liabilities, and consequently a decrease in net assets.¹⁴

Figure 1 for Box 3: Factors Underlying Changes in Net Assets

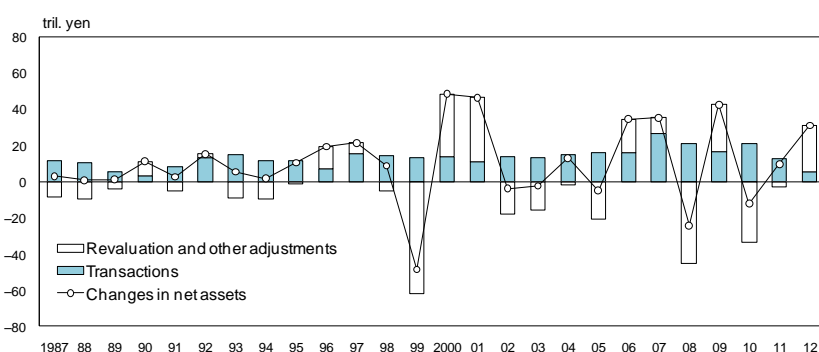
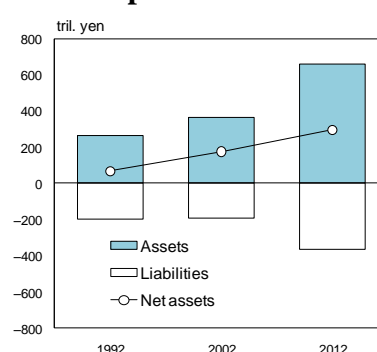


Figure 2 for Box 3: Developments in the IIP



¹¹ "Transactions" are equivalent to the sum of the balance of the financial account -- a major component of the capital and financial account -- and changes in reserve assets, both of which are recorded in the BOP statistics for the year.

¹² "Revaluation and other adjustments" also include (1) changes in the volume of assets and liabilities without any transactions such as those caused by loan write-offs, and (2) discrepancies resulting from differences in compilation methods between the BOP and the IIP. "Revaluation and other adjustments" are equivalent to the sum of "exchange rate changes" and "other changes" described in Section A in Chapter II.

¹³ In the case that the composition of assets and liabilities differs, fluctuations in the prices of specific financial instruments can have a strong impact on net assets. For example, when Japanese investors raise funds through loans and invest them in foreign equity securities, substantial fluctuations in foreign equity prices will have an impact only on the asset side, thereby causing changes in net assets.

¹⁴ For example, in 1999, although the rise in foreign equity prices stemming from the IT bubble pushed up Japanese holdings of foreign equity securities, net assets decreased substantially, because (1) liabilities also increased as a result of the rise in Japanese equity prices, which pushed up foreign holdings of Japanese equity securities, and (2) the yen value of assets decreased due to the yen's appreciation.

H. Direct Investment Estimated on a Market Value Basis¹⁵

Japan's net asset position at year-end 2012 calculated using direct investment assets and liabilities estimated on a market value basis amounted to 332.3 trillion yen, exceeding the net asset position with direct investment on a book value basis by 36.0 trillion yen.

On a market value basis, estimated outward direct investment (assets) increased by 29.3 trillion yen from year-end 2011 to 127.4 trillion yen. Mainly reflecting the rise in foreign equity prices, the increase on a market value basis was much greater than that on a book value basis, which was 15.5 trillion yen. Estimated inward direct investment (liabilities) increased by 2.1 trillion yen to 19.4 trillion yen.

Table 8: Direct Investment Assets and Liabilities Estimated on a Market Value Basis

tril. yen

	2011		2012		y/y chg.	
		Book value		Book value		Book value
Outward direct investment (assets)	98.1	74.3	127.4	89.8	+29.3	+15.5
Inward direct investment (liabilities)	17.3	17.5	19.4	17.8	+2.1	+0.3

Table 9: Net Assets Estimated with Direct Investment on a Market Value Basis

tril. yen

	2011		2012		y/y chg.	
		Book value		Book value		Book value
Net assets	289.4	265.4	332.3	296.3	+42.9	+30.9

¹⁵ Direct investment in Japan's IIP is recorded on a book value basis. However, in view of the fact that the BPM5 recommends the direct investment position should be recorded on a market value basis, and also in response to the needs of statistics users, estimates of the direct investment position on a market value basis from year-end 1999 onwards have been released as reference figures since May 2007. The direct investment position on a market value basis is calculated as follows:

Direct investment position = (1) equity capital (estimated on a market value basis) + (2) reinvested earnings (book value) + (3) other capital (book value).

For more details, see "Release of the Market-Value Estimate of the Direct Investment Position" released on May 25, 2007, available on the Bank's web site (http://www.boj.or.jp/en/statistics/outline/notice_2007/ntbop16.htm/).

Table 10: Japan's IIP Estimated with Direct Investment on a Market Value Basis

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	Assets		Liabilities		Net assets	
		Of which: Direct investment		Of which: Direct investment		Of which: Direct investment
2000	363.7	54.5	216.8	14.4	146.9	40.1
2001	397.6	57.4	204.9	11.1	192.7	46.4
2002	376.5	47.1	193.4	12.2	183.1	34.9
2003	411.4	61.8	219.6	16.4	191.9	45.4
2004	462.4	67.1	256.4	18.5	205.9	48.6
2005	543.4	82.8	339.8	26.2	203.6	56.6
2006	606.9	102.3	359.1	28.9	247.8	73.4
2007	669.3	120.6	376.6	31.5	292.6	89.1
2008	525.6	68.2	293.2	18.4	232.4	49.8
2009	586.5	99.8	287.7	19.5	298.8	80.3
2010	598.1	105.6	306.0	19.2	292.0	86.3
2011	605.3	98.1	315.8	17.3	289.4	80.8
2012	699.5	127.4	367.2	19.4	332.3	108.0

Appendix: Japan's IIP (2006-2012)

Assets¹

bil. yen

Assets	2006	2007	2008	2009	2010	2011	2012
1. Direct investment	53,476	61,858	61,740	68,210	67,691	74,289	89,813
2. Portfolio investment ²	278,757	287,687	215,682	261,989	269,207	262,324	305,112
Equity securities	60,714	65,376	35,817	54,687	55,262	51,750	59,475
Public sector	0	0	24	7	10	8	8
Banks	1,216	1,543	1,313	1,296	1,365	1,320	1,499
Other sectors	59,498	63,832	34,480	53,384	53,888	50,422	57,967
Debt securities	218,043	222,311	179,865	207,302	213,944	210,574	245,637
Bonds and notes	215,536	219,430	177,204	204,812	211,400	208,575	243,335
Public sector	760	565	461	470	513	439	498
Banks	66,445	65,335	53,588	64,174	68,909	70,295	84,640
Other sectors	148,330	153,531	123,155	140,168	141,978	137,841	158,198
MMIs	2,507	2,881	2,661	2,490	2,544	1,999	2,302
Public sector	3	7	4	4	1	0	0
Banks	760	1,351	1,293	1,139	891	532	745
Other sectors	1,744	1,523	1,365	1,347	1,652	1,466	1,557
3. Financial derivatives	2,739	4,442	7,022	4,251	4,287	4,188	4,623
Public sector	0	0	0	0	0	0	0
Banks	1,504	1,877	4,335	2,284	2,005	1,634	1,140
Other sectors	1,235	2,564	2,687	1,967	2,282	2,554	3,483
4. Other investment ²	116,698	146,227	141,752	123,599	129,700	140,192	152,891
Loans	83,165	97,191	91,118	72,021	71,270	82,284	87,314
By sector:							
Public sector	16,473	16,521	16,472	17,450	17,726	16,891	18,107
Banks	41,569	52,200	53,435	34,987	35,588	43,280	48,833
Other sectors	25,123	28,470	21,211	19,585	17,956	22,113	20,374
By maturity:							
Long-term	33,854	35,012	35,325	38,837	39,922	42,271	48,904
Short-term	49,311	62,179	55,793	33,183	31,347	40,013	38,410
Trade credits	6,242	6,450	4,986	5,008	5,049	4,511	4,793
By sector:							
Public sector	934	826	726	710	695	578	380
Other sectors	5,308	5,625	4,260	4,298	4,354	3,933	4,413
By maturity:							
Long-term	1,581	1,418	1,239	1,209	1,164	899	613
Short-term	4,661	5,032	3,747	3,799	3,884	3,612	4,180
Currency and deposits	12,229	25,289	17,846	14,232	14,359	14,661	15,301
Public sector	0	0	0	0	0	0	1
Banks	5,797	16,806	11,234	8,468	7,981	8,281	7,862
Other sectors	6,432	8,483	6,612	5,764	6,378	6,381	7,438
Other assets	15,063	17,297	27,803	32,339	39,023	38,735	45,483
By sector:							
Public sector	6,047	5,968	5,976	5,871	6,052	6,199	6,440
Banks	6,954	9,310	19,933	24,693	31,511	31,083	37,311
Other sectors	2,062	2,018	1,893	1,775	1,459	1,453	1,731
By maturity:							
Long-term	12,394	11,823	12,363	13,238	15,683	14,779	14,258
Short-term	2,669	5,474	15,440	19,101	23,340	23,957	31,225
5. Reserve assets	106,435	110,279	92,983	96,777	89,330	100,517	109,464
Total assets	558,106	610,492	519,179	554,826	560,215	581,509	661,902

Notes: 1. Figures are as of the end of the year.

2. Figures for portfolio investment and other investment exclude securities lending transactions.

Liabilities and Net Assets¹

bil. yen

Liabilities	2006	2007	2008	2009	2010	2011	2012
1. Direct investment	12,803	15,145	18,456	18,425	17,502	17,548	17,808
2. Portfolio investment ²	209,696	221,487	139,907	141,496	152,051	157,481	180,504
Equity securities	149,277	142,031	68,625	76,372	80,537	65,841	83,556
Banks	13,094	9,185	5,314	5,086	6,423	5,060	7,425
Other sectors	136,182	132,847	63,311	71,286	74,114	60,782	76,131
Debt securities	60,419	79,456	71,282	65,124	71,514	91,639	96,948
Bonds and notes	49,579	60,203	50,650	42,236	42,877	45,730	49,504
Public sector	37,075	47,782	41,586	33,751	35,058	39,313	42,374
Banks	3,343	3,382	2,344	2,907	2,773	2,573	3,053
Other sectors	9,161	9,040	6,721	5,578	5,046	3,843	4,077
MMIs	10,840	19,253	20,632	22,889	28,638	45,909	47,444
Public sector	10,775	19,162	20,572	22,786	28,625	45,907	47,052
Banks	0	0	0	0	0	2	392
Other sectors	65	90	60	103	13	0	0
3. Financial derivatives	3,587	4,964	7,761	5,213	5,267	5,641	5,326
Public sector	0	0	0	0	0	0	0
Banks	1,957	2,420	4,839	2,989	2,679	2,200	1,615
Other sectors	1,630	2,544	2,922	2,224	2,588	3,441	3,711
4. Other investment ²	116,938	118,674	127,146	121,445	129,488	135,413	161,950
Loans	85,356	84,909	76,479	80,125	83,860	85,513	101,944
By sector:							
Public sector	1,268	1,475	1,588	2,963	1,962	2,144	1,641
Banks	52,196	48,218	45,890	51,884	54,249	50,693	65,238
Other sectors	31,892	35,216	29,001	25,279	27,648	32,676	35,065
By maturity:							
Long-term	14,646	16,393	17,350	16,702	14,810	13,596	11,910
Short-term	70,709	68,516	59,129	63,423	69,050	71,917	90,034
Trade credits	2,421	2,676	2,279	2,391	2,378	2,411	2,517
By sector:							
Public sector	0	0	0	0	0	0	0
Other sectors	2,421	2,676	2,279	2,391	2,378	2,411	2,517
By maturity:							
Long-term	255	126	151	154	142	129	129
Short-term	2,166	2,550	2,128	2,237	2,236	2,282	2,388
Currency and deposits	10,023	10,515	21,846	10,302	10,730	11,176	12,133
Public sector	16	20	11,817	70	10	1,371	407
Banks	10,007	10,495	10,029	10,232	10,720	9,805	11,726
Other liabilities	19,138	20,573	26,543	28,626	32,520	36,314	45,356
By sector:							
Public sector	430	386	443	2,055	1,914	1,906	2,065
Banks	14,358	16,790	23,175	23,906	28,184	31,609	39,522
Other sectors	4,351	3,397	2,926	2,665	2,422	2,800	3,768
By maturity:							
Long-term	2,126	1,488	2,217	3,937	3,822	3,920	3,087
Short-term	17,013	19,086	24,326	24,689	28,698	32,394	42,269
Total liabilities	343,024	360,271	293,271	286,580	304,308	316,083	365,588
Total net assets	215,081	250,221	225,908	268,246	255,906	265,426	296,315
Public sector	81,089	65,340	40,641	59,663	46,758	33,990	41,357
Banks	29,290	57,933	53,541	40,037	43,222	54,484	53,059
Other sectors	104,703	126,949	131,726	168,546	165,927	176,952	201,899

Notes: 1. Figures are as of the end of the year.

2. Figures for portfolio investment and other investment exclude securities lending transactions.