

Contents

Intra-EU FDI still growing faster than extra-EU FDI 1

Significant differences in the EU Member States' investment climate 2

Bulk of EU direct investments made between Member States in 2000

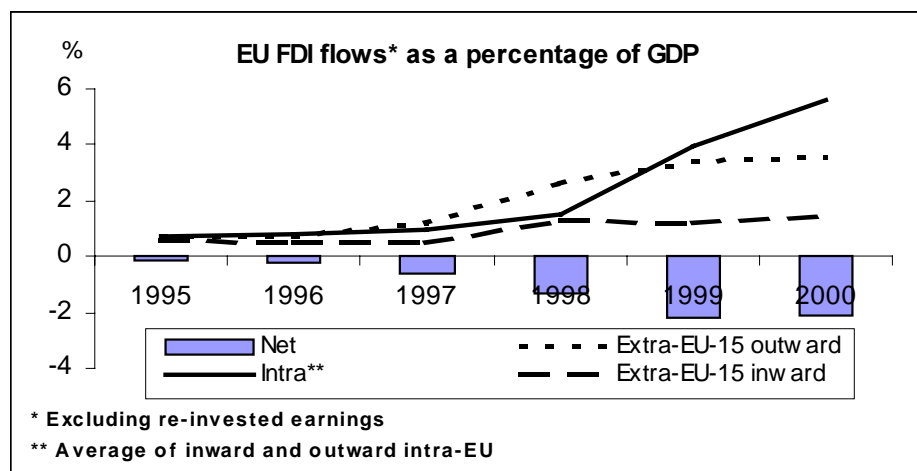
FDI first results 2000

Paolo Passerini

The acceleration of globalisation in recent years has brought a characteristic strong rise in Foreign Direct Investments (FDI) among the world's main economic actors. For the European Union this trend was especially strong during the second half of the nineties. The efforts to complete the internal market and the recent establishment of the European Monetary Union have undoubtedly been important forces behind this evolution. This article presents first preliminary estimates of EU FDI flows for 2000 as well as revised data for 1999.

Intra-EU FDI still growing faster than extra-EU FDI

Preceded by several years of a significant rise in EU FDI accounts, 2000 was another strong year for foreign direct investments in the European Union. Helped by favourable economic environment in the world economy, FDI flows to extra-EU partners remained very strong in 2000. Incoming FDI from extra-EU partners grew by about 27% between 1999 and 2000, bringing the recent years' increase in EU's FDI net outflows to a halt. Most significant, however, was the change in intra-EU FDI¹ which rose by nearly 50% during that period.



Figures indicate a characteristic boom in FDI among EU Member States (intra-EU) at the start of the European Monetary Union in 1999 after several years where intra-flows were at the level of out- and inflows with extra-EU partners.

A further look at the trends in EU FDI flows combined with comparable figures from the United States, shows that the US market was the main focus of international direct investors in recent years. FDI flows with Japan remained insignificant in 2000 after 1999 flows were downgraded².



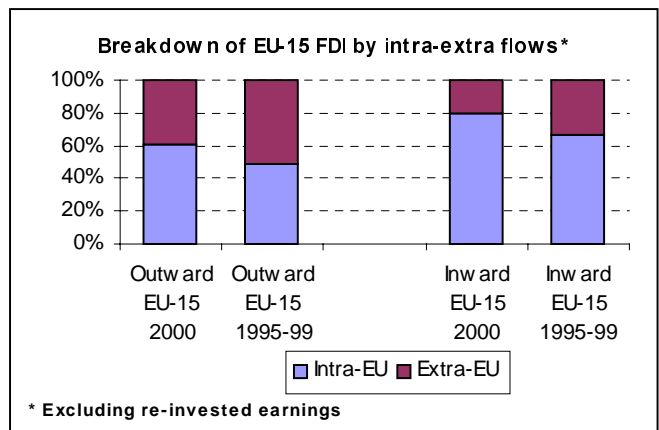
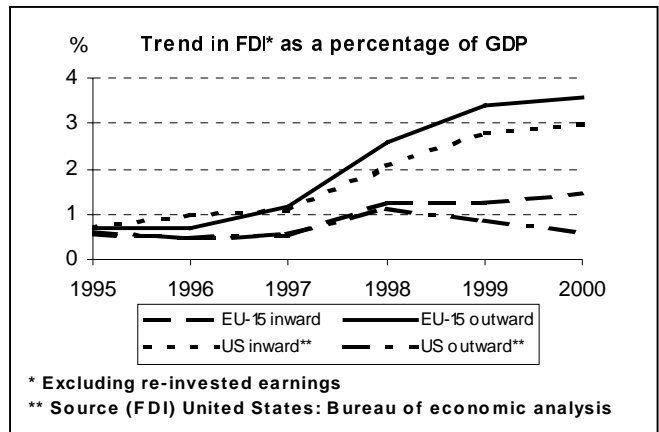
¹ Average of inward and outward intra-EU.

² 1999 inflows from Japan changed from EUR 3.224 bn to EUR -2.573 bn due to a revision in the UK data.

	EU-15		United States	
	Share of US in extra-EU outward %	Share of US in extra-EU inward %	Share of EU-15 in outward %	Share of EU-15 in inward %
1995	53.8	65.3	57.5	61.4
1996	36.4	62.8	52.6	60.2
1997	41.7	52.9	60.5	60.0
1998	61.6	55.4	61.8	82.1
1999	63.9	75.9	41.6	84.5
2000	48.4	78.2	56.2	70.8

The comparison with data for the United States reveals that, in terms of GDP, FDI inflows to the US market clearly exceeded FDI inflows to the EU markets during the second half of the nineties. Moreover, a large part of these FDI flows to the US market were made by investors from the EU although this share decreased between 1999 and 2000.

The breakdown of flows by extra- or intra-EU origin shows that especially the ingoing FDI were typically made by investors from inside the European Union. In 2000 about 80% of all inflows originated from one of the 15 EU Member States.



Significant differences in the EU Member States' investment climate

The 2000 FDI figures confirm the fact that direct investments are still being unequally distributed within the European Union. They also points to the fact that significant differences in the investment climates might exist among EU Member States. During recent years ingoing FDI have been economically most important in some small Member States, such as Belgium/Luxembourg, The Netherlands and Ireland. Sweden also recorded FDI inflows in terms of GDP well above the EU-15 average between 1995 and 2000.

Excluding a nearly EUR 200 bn investment in Germany in 2000 from another EU Member State,

direct investments in the EU's largest economy still appear subdued. Germany primarily receives its investments from other EU Member States. Despite the inflows doubling in the last two years, direct investors very much continued to pass-by the Italian market where inflows in recent years only reached a fraction of the average EU level.

The exceptionally high outward and inward flows for Belgium/Luxembourg might partly be the result of mergers and acquisitions involving holding companies located in Belgium. Moreover, incoming FDI to the four largest EU economies were relatively lower than in the EU as a whole during the period.

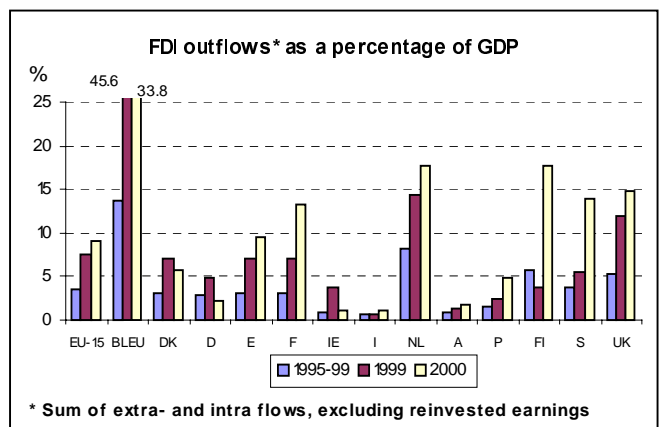
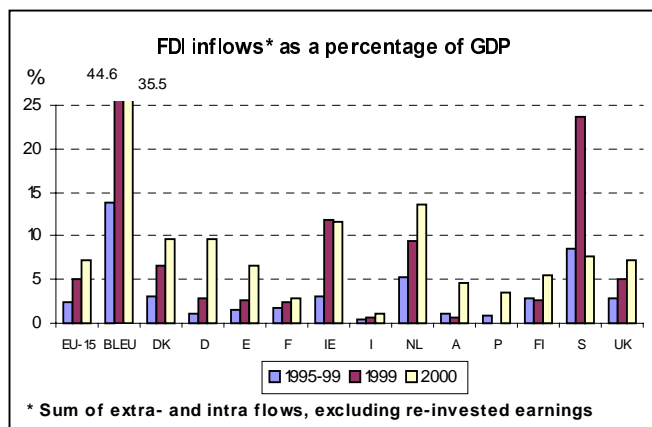


Table: EU FDI flows (excluding re-invested earnings) 1999-2000, by major source and destination, EUR Mio

Year: 2000	Outward flows to						Inward flows from					
	World	EU	Non-EU	USA	Japan	Canada	World	EU	Non-EU	USA	Japan	Canada
EU-15	771 677	462 992	304 355	147 317	4 569	33 033	620 495	489 247	125 053	97 836	101	2 584
BELGIUM/LUX	90 063	63 191	26 861	15 595	-688	434	94 570	74 321	18 409	9 654	-149	160
DENMARK	10 156	3 515	2 321	2 683	-54	174	17 078	10 236	2 522	2 630	13	-13
GERMANY	47 205	3 339	43 866	26 804	529	165	195 590	193 056	2 533	-990	786	261
GREECE	-147						267					
SPAIN	58 302	22 631	35 671	7 366	31	-9	39 742	27 033	12 708	11 034	55	-18
FRANCE	186 843						41 422					
IRELAND	1 226	-1 584	2 810				12 071	458	11 613			
ITALY	13 410	8 985	4 424	1 870	10	57	14 529	10 346	4 181	2 233	83	294
NETHERLANDS	71 326	28 520	42 807	34 845	216	954	54 205	31 716	22 466	14 935	4 328	155
AUSTRIA	3 481	993	2 488	307	-2	10	9 508	8 867	641	335	28	-12
PORTUGAL	5 526	409	5 117	371	0	-2	4 070	3 909	155	-45	2	195
FINLAND	23 427	13 277	10 150	5 045	0	80	7 228	6 928	300	0	0	0
SWEDEN	34 382	22 648	11 734	3 883	201	-94	19 128	9 842	9 286	3 178	1 084	31
UNITED KINGDOM	226 477	181 130	45 347	18 001	1 713	4 314	111 087	74 416	36 671	41 929	-6 355	1 190

Year: 1999	Outward flows to						Inward flows from					
	World	EU	Non-EU	USA	Japan	Canada	World	EU	Non-EU	USA	Japan	Canada
EU-15	605 082	329 321	272 693	174 375	10 956	2 181	404 262	307 166	98 198	74 600	-2 573	1 657
BELGIUM/LUX	114 798	107 497	7 309	-1 054	152	359	112 347	96 851	19 600	4 044	27	111
DENMARK	11 741	6 819	1 842	2 367	0	27	10 705	7 357	390	2 313	27	0
GERMANY	97 557	59 057	38 500	27 229	3 168	1 218	57 007	43 348	13 658	9 407	661	12
GREECE	-6						12					
SPAIN	39 500	10 983	28 517	1 299	18	-221	14 791	7 550	7 240	6 624	-63	23
FRANCE	94 817						32 112					
IRELAND	3 226	646	2 580				10 470	3 248	7 222			
ITALY	6 361	3 563	2 800	843	24	-47	6 505	4 310	2 208	1 103	234	14
NETHERLANDS	53 870	30 401	23 471	15 365	-2	142	35 010	22 746	12 209	10 154	126	134
AUSTRIA	2 433	896	1 536	172	-1	21	1 380	795	585	189	27	92
PORTUGAL	2 602	-1 799	4 401	37	0	13	-25	-129	104	116	8	19
FINLAND	4 591	2 697	1 894	1 126	-21	79	3 242	3 137	105	-547	-12	-6
SWEDEN	12 749	6 523	6 226	3 079	-6	-127	53 453	47 857	5 596	5 736	-145	681
UNITED KINGDOM	160 843	46 258	114 585	96 377	2 520	284	67 253	42 838	24 415	27 881	-3 618	481

EU-15 aggregate includes partly estimates for Greece and Ireland. Missing data for France are not publishable.

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

Foreign direct investment (FDI) is the category of international investment that reflects the objective of obtaining a lasting interest by a resident entity in one economy in an enterprise resident in another economy. The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise, and a significant degree of influence by the investor on the management of the enterprise. Formally defined, a direct investment enterprise is an unincorporated or incorporated enterprise in which a direct investor owns 10% or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise).

FDI flows and positions: Through direct investment flows, an investor builds up a foreign direct investment position that features on his balance sheet. This FDI position (sometimes called FDI stock) differs from the accumulated flows because of revaluation (changes in prices or exchange rates, and other adjustments like rescheduling or cancellation of loans, debt forgiveness or debt-equity swaps).

Further information:

➤ Reference publications

Title EU Foreign Direct Investment Yearbook 2000. Analytical aspects. Detailed tables on CD-ROM - Data 1992-1999
 Catalogue No KS-AN-01-001-EN-C Price EUR 50

➤ Databases

New Cronos,
 Domain Theme2/bop/FDI

To obtain information or to order publications, databases and special sets of data, please contact the **Data Shop** network:

BELGIQUE/BELGIË	DANMARK	DEUTSCHLAND	ESPAÑA	FRANCE	ITALIA - Roma
Eurostat Data Shop Bruxelles/Brussel Rue du Commerce 124 Handelsstraat 124 B-1000 BRUXELLES / BRUSSEL Tel. (32-2) 234 67 50 Fax (32-2) 234 67 51 E-mail: datashop@planistat.be	DANMARKS STATISTIK Bibliotek og Information Eurostat Data Shop Sejrogade 11 DK-2100 KØBENHAVN Ø Tlf. (45) 39 17 30 30 Fax (45) 39 17 30 03 E-mail: bib@dst.dk	STATISTISCHES BUNDESAMT Eurostat Data Shop Berlin Otto-Braun-Straße 70-72 (Eingang: Karl-Marx-Allee) D-10178 BERLIN Tel. (49) 1888-644 94 27/28 Fax (49) 1888-644 94 30 E-mail: datashop@statistik-bund.de	INE Eurostat Data Shop Paseo de la Castellana, 183 Oficina 009 Entrada por Estébanez Calderón E-28046 MADRID Tel. (34) 91 583 91 67 Fax (34) 91 579 71 20 E-mail: datashop.eurostat@ine.es	INSEE Info Service Eurostat Data Shop 195, rue de Bercy Tour Gamma A F-75582 PARIS CEDEX 12 Tel. (33) 1 53 17 88 44 Fax (33) 1 53 17 88 22 E-mail: datashop@insee.fr	ISTAT Centro di Informazione Statistica Sede di Roma, Eurostat Data Shop Via Cesare Balbo, 11a I-00184 ROMA Tel. (39) 06 46 73 31 02/06 Fax (39) 06 46 73 31 01/07 E-mail: dipdiff@istat.it
ITALIA - Milano	LUXEMBOURG	NEDERLAND	NORGE	PORTUGAL	SCHWEIZ/SUISSE/SVIZZERA
ISTAT Ufficio Regionale per la Lombardia Eurostat Data Shop Via Fieno 3 I-20123 MILANO Tel. (39) 02 80 61 32 46 00 Fax (39) 02 80 61 32 30 4 E-mail: mileuro@tin.it	Eurostat Data Shop Luxembourg BP 453 L-2014 LUXEMBOURG 4, rue A. Weicker L-2721 LUXEMBOURG Tel. (352) 43 35 2251 Fax (352) 43 35 2221 E-mail: ds.lux@eurostat.datashop.lu	STATISTICS NETHERLANDS Eurostat Data Shop-Voorburg Postbus 4000 NL-2270 JM VOORBURG Tel. (31-70) 337 49 00 Fax (31-70) 337 59 84 E-mail: datashop@cbs.nl	Statistics Norway Library and Information Centre Eurostat Data Shop Kongens gate 6 Boks. 81 31, Dep. N-0033 OSLO Tel. (47) 21 09 46 42/43 Fax (47) 21 09 45 04 E-mail: datashop@ssb.no	Eurostat Data Shop Lisboa INE/Serviço de Difusão Av. António José de Almeida, 2 P-1000-043 LISBOA Tel. (351) 21 842 61 00 Fax (351) 21 842 63 64 E-mail: data.shop@ine.pt	Statistisches Amt des Kantons Zürich, Eurostat Data Shop Bleicherweg 5 CH-8090 Zürich Tel. (41-1) 225 12 12 Fax (41-1) 225 12 99 E-mail: datashop@statistik.zh.ch Internet: http://www.zh.ch/statistik
SUOMI/FINLAND	SVERIGE	UNITED KINGDOM	UNITED KINGDOM	UNITED STATES OF AMERICA	
STATISTICS FINLAND Eurostat Data Shop Helsinki Tilastokirjasto PL 2B FIN-00022 Tilastokeskus Työpajakatu 13 B, 2 Kerros, Helsinki P. (358-9) 17 34 22 21 F. (358-9) 17 34 22 79 Sähköposti: datashop.tilastokeskus@tilastokeskus.fi Internet: http://www.tilastokeskus.fi/tilk/ kk/datashop.html	STATISTICS SWEDEN Information service Eurostat Data Shop Karlavägen 100 • Box 24 300 S-104 51 STOCKHOLM Tfn. (46-8) 50 69 48 01 Fax (46-8) 50 69 48 99 E-post: info.service@scb.se Internet: http://www.scb.se/info/ datashop/e/udatashop.asp	Eurostat Data Shop Enquiries & advice and publications Office for National Statistics Customers & Electronic Services Unit 1 Drummond Gate - B1/05 LONDON SW1V 2QQ Tel. (44-20) 75 33 56 76 Fax (44-1633) 81 27 62 E-mail: eurostat.datashop@ns.gov.uk	Eurostat Data Shop Electronic Data Extractions, Enquiries & advice - R.CADE Unit 1L Mounjoy Research Centre University of Durham DURHAM DH1 3SW Tel: (44-191) 374 73 50 Fax: (44-191) 384 49 71 E-mail: r-CADE@dur.ac.uk URL: http://www.r-CADE.dur.ac.uk	HAVER ANALYTICS Eurostat Data Shop 60 East 42nd Street Suite 3310 NEW YORK, NY 101 65 Tel. (1-212) 986 93 00 Fax (1-212) 986 69 81 E-mail: eurodata@haver.com	

Media Support Eurostat (for professional journalists only):
 Bech Building Office A3/48 • L-2920 Luxembourg • Tel. (352) 4301 33408 • Fax (352) 4301 32649 • e-mail: eurostat-mediasupport@cec.eu.int

For information on methodology

Paolo Passerini, Eurostat/B5, L-2920 Luxembourg, Tel. (352) 4301 33754, Fax (352) 4301 33859, E-mail: paolo.passerini@cec.eu.int
 ORIGINAL: English. This issue of Statistics in focus was produced by Lars Michael Engsted.

Please visit our web site at www.europa.eu.int/comm/eurostat/ for further information!

A list of worldwide sales outlets is available at the **Office for Official Publications of the European Communities**.

2 rue Mercier - L-2985 Luxembourg
 Tel. (352) 2929 42118 Fax (352) 2929 42709
 Internet Address <http://eur-op.eu.int/tfr/generals-ad.htm>
 e-mail: info.inf@cec.eu.int

BELGIQUE/BELGIË - DANMARK - DEUTSCHLAND - GREECE/ELLADA - ESPAÑA - FRANCE - IRELAND - ITALIA - LUXEMBOURG - NEDERLAND - ÖSTERREICH
 PORTUGAL - SUOMI/FINLAND - SVERIGE - UNITED KINGDOM - ISLAND - NORGE - SCHWEIZ/SUISSE/SVIZZERA - BALGARİJA - CESKÁ REPUBLIKA - CYPRUS
 EESTI - HRVATSKA - MAGYARORSZÁG - MALTA - POLSKA - ROMÂNIA - RUSSIA - SLOVAKIA - SLOVENIA - TÜRKİYE - AUSTRALIA - CANADA - EGYPT - İNDIA
 İSRAİL - JAPAN - MALAYSIA - PHILIPPINES - SOUTH KOREA - THAILAND - UNITED STATES OF AMERICA

Order form

I would like to subscribe to Statistics in focus (from 1.1.2001 to 31.12.2001):
 (for the Data Shop and sales office addresses see above)

Formula 1: All 9 themes (approximately 140 issues)

Paper: EUR 360
 Language required: DE EN FR

Formula 2: One or more of the following seven themes:

- Theme 1 'General statistics'
 Paper: EUR 42
- Theme 2 'Economy and finance'
- Theme 3 'Population and social conditions'
- Theme 4 'Industry, trade and services'
- Theme 5 'Agriculture and fisheries'
- Theme 6 'External trade'
- Theme 8 'Environment and energy'
 Paper: EUR 84
 Language required: DE EN FR

Please send me a free copy of 'Eurostat mini-guide' (catalogue containing a selection of Eurostat products and services)
 Language required: DE EN FR

I would like a free subscription to 'Statistical References', the information letter on Eurostat products and services
 Language required: DE EN FR

Mr Mrs Ms
 (Please use block capitals)

Surname: _____ Forename: _____

Company: _____ Department: _____

Function: _____

Address: _____

Post code: _____ Town: _____

Country: _____

Tel.: _____ Fax: _____

E-mail: _____

Payment on receipt of invoice, preferably by:

- Bank transfer
 Visa Eurocard

Card No: _____ Expires on: ____/____/____

Please confirm your intra-Community VAT number:

If no number is entered, VAT will be automatically applied. Subsequent reimbursement will not be possible.

Statistics in focus can be downloaded (pdf file) free of charge from the Eurostat web site. You only need to register. For other solutions, contact your Data Shop.