

Glossary: Foreign affiliates statistics (FATS)

Statistics Explained

Foreign affiliates statistics, abbreviated as **FATS**, describe the activities of **foreign affiliates**: enterprises resident in a country or area, such as the [European Union \(EU\)](#), controlled or owned by (multinational) enterprises which are resident outside that country or area.

Ultimate controlling institutional unit (UCI) of a foreign affiliate shall mean the institutional unit, moving up a foreign affiliate's chain of control, which is not controlled by another institutional unit. The UCI has a key role in the statistics on globalisation. It determines how a unit should be treated in inward or outward FATS or FDI statistics.

A distinction can be made between **outward FATS**, on the activities of own affiliates abroad and **inward FATS**, on the activities of foreign enterprises within the own country or area.

Inward FATS describe the overall activity of foreign affiliates resident in the compiling economy. A foreign affiliate within the terms of inward FATS is an enterprise resident in the compiling country over which an institutional unit not resident in the compiling country has control. In simpler terms, inward FATS describe how many jobs, how much turnover, etc. are generated by foreign investors in a given EU host economy. While FDI statistics give an idea of the total amount of capital invested by foreigners in the EU economy, FATS add to that information by providing insight into the economic impact those investments have in the EU in terms of job creation, etc.

Control – in this context – is the ability to determine the general policy of an enterprise by choosing appropriate directors, if necessary. However, control is often difficult to determine and, in practice, the share of ownership is often used as a proxy for control. FATS thus focus on the affiliates that are majority-owned by a single investor or by a group of associated investors acting in concert and owning more than 50% of ordinary shares or voting power. However, other criteria may also be relevant for defining foreign control, and thus other cases (multiple minority ownership, joint ventures, and qualitative assessment determining control) should be covered as regards assessment of control.

Outward FATS describe the activity of foreign affiliates abroad controlled by the compiling country. Foreign affiliate within the terms of outward FATS is an enterprise not resident in the compiling country over which an institutional unit resident in the compiling country has control. In simpler terms, outward FATS data describe, for example, how many employees work for affiliates of EU enterprises based abroad? In this case outward FATS give an idea of the economic impact of EU investments abroad (e.g. how many employees work for affiliates of German enterprises in China, etc.).

Further information

- [European business statistics compilers' manual for foreign affiliate statistics - 2024 edition](#)

Related concepts

- [Balance of payments](#)

Statistical data

- Foreign-controlled enterprises statistics - inward FATS
- Foreign-controlled enterprises statistics - outward FATS