Foreign direct investment - flows

Statistics Explained

Data extracted in June 2024.
Planned article update: August 2025.

" In 2022, the Cayman Islands, Bermuda and the United States dominated the EU's outward investment flows, while Singapore and Norway were the largest sources of inward investment flows. "

" In 2021, professional, scientific and technical activities accounted for the highest value of FDI flows into the EU countries (€ 50 billion) and financial and insurance activities for the highest value of FDI flows abroad from the EU countries (€ 185 billion). "

Globalisation patterns in EU trade and investment is an online Eurostat publication presenting a summary of recent European Union (EU) statistics on economic aspects of globalisation, focusing on patterns of EU trade and investment. As with domestic investment, flows of foreign direct investment (FDI) can exhibit a very high degree of volatility from 1 year to the next. These changes may be linked to global economic events, sector-specific developments, or the individual situations of enterprises considering foreign investments. The information presented in this article examines flows of FDI between the EU and non-EU countries. The 2 analyses presented in this article – 1 by partner country and 1 by activity – are based on the latest data available: for the analysis by partner country, the most recent reference period is 2022; for the analysis by activity, the latest reference period is 2021. The overall level of inward and outward FDI flows were considerably different in 2022 from those in 2021, due in part to the developments during the COVID-19 pandemic and the Russian military aggression against Ukraine. Note the analysis by partner country is for the EU's FDI flows with non-EU countries (also referred to as extra-EU flows). The analysis by activity includes not only extra-EU flows but also FDI flows between EU countries (also referred to as intra-EU flows).

Recent developments in EU FDI flows

The time series available for the EU's FDI flows (based on the latest methodology) begins in 2013, several years after the global financial and economic crisis. By 2013, inward and outward flows of FDI had started to recover from that crisis. Nevertheless, investment flows followed a fluctuating pattern between 2013 and 2022, suggesting there was a sustained period of uncertainty among investors.

- Between 2013 and 2016, the development for the value of flows – both outward and inward – fluctuated between increases and decreases on an annual basis.
- The situation changed in 2017 as the value of EU investment flows fell for a 2nd consecutive year, both for outward and inward flows; in 2018, a 3rd consecutive annual fall was recorded as the flows turned negative (indicating reverse investment or disinvestment in both directions).
- In 2019, the EU's FDI flows returned to positive – although relatively low – values.
- In 2020, the direction of change for the value of flows diverged for the 1st time during the period under consideration. The value for inward flows increased again, by a similar amount to that in the previous year, while the value for outward flows declined somewhat.
- In 2021, the direction of change for both flows again diverged. The value for inward flows decreased relatively strongly and turned negative, while the value for outward flows increased.

- In 2022, the values for both flows again moved in the same direction as both fell. The value for outward flows decreased more strongly and turned negative, while the fall for the value of inward flows was somewhat more modest and the value remained negative.

In 2022, the divestment of FDI abroad was € 263 billion lower than the level of divestment from inward investment.

EU FDI investment partners

In 2022, a sizeable proportion of the EU's outward flows of FDI were destined for the Cayman Islands (€ 88.6 billion) or Bermuda (€ 39.5 billion), which are both offshore financial centres. The next largest outward flow was € 20.8 billion to the United States. The only other destinations to which investments from the EU exceeded € 10.0 billion in 2022 were China, Saudi Arabia and Brazil (see Figure 1). There were 3 countries for which the EU recorded negative outward investment flows larger than -€ 10.0 billion in 2022: British Virgin Islands (-€ 81.5 billion), Singapore (-€ 31.9 billion)and Russia (-€ 20.2 billion).

In 2022, Singapore – also an offshore financial centre – was the biggest origin of inward investment flows into the EU, providing € 17.8 billion of FDI, just ahead of Norway (€ 15.8 billion). The Cayman Islands was the 3rd largest source (with FDI into the EU valued at € 7.3 billion), ahead of Saudi Arabia (€ 6.9 billion) and the Isle of Man (€ 5.7 billion; another offshore financial centre). There were 9 countries for which the EU recorded negative inward investment flows larger than -€ 10.0 billion in 2022. The largest of these values was recorded for the United States, at -€ 188.9 billion.

The EU was a net recipient of FDI from 6 out of the 10 largest investors in the EU, the exceptions being the Cayman Islands, Saudi Arabia, South Korea and Uruguay. The EU was a net investor in all of the top 10 destinations for its outward investment flows in 2022.

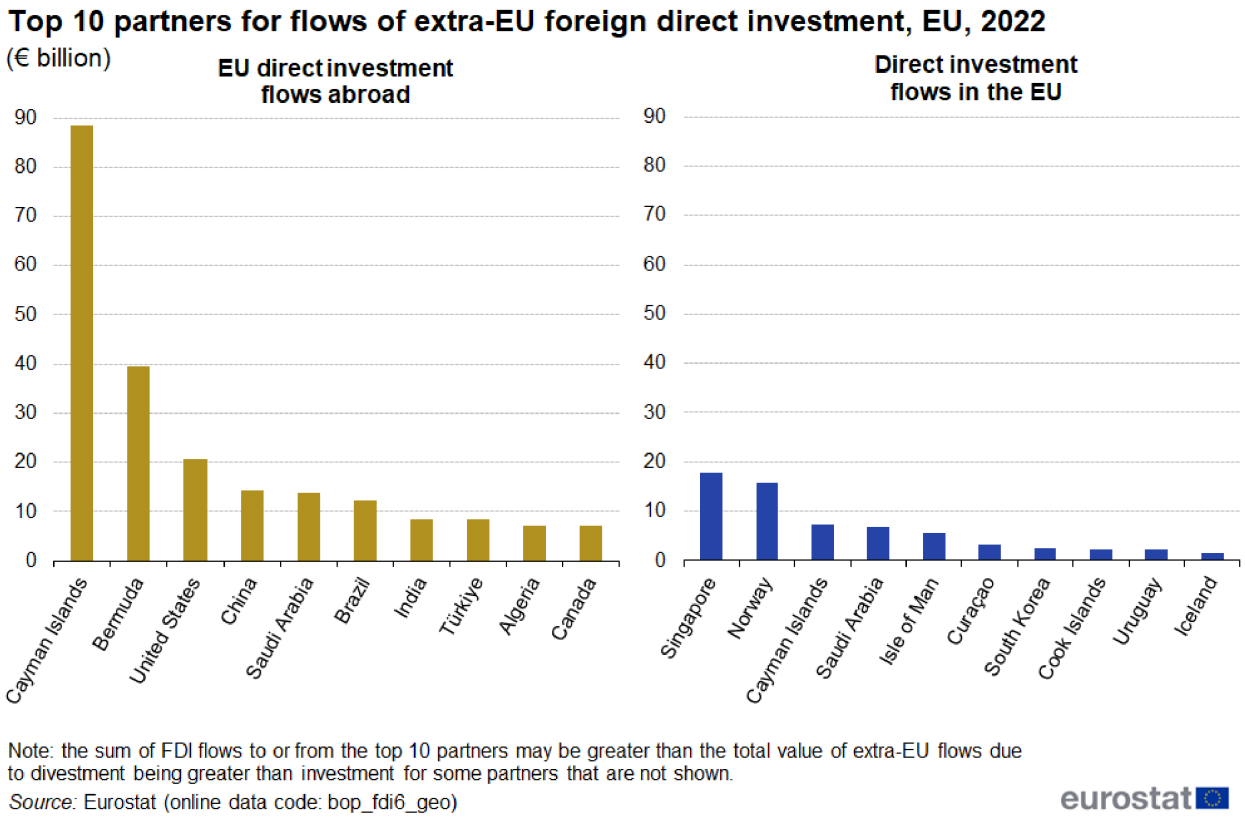

Figure 1: Top 10 partners for flows of extra-EU foreign direct investment, EU, 2022 (€ billion) Source: Eurostat (bop_fdi6_geo)

EU FDI flows by activity

In 2021, professional, scientific and technical activities accounted for the highest value of inward FDI flows into the EU countries and financial and insurance activities for the highest value of outward FDI flows from the EU countries

In 2021, the largest flows of outward FDI from the EU countries to the rest of the world (in other words, the sum of FDI flows within the EU and FDI flows to non-EU countries) were recorded for financial and insurance activities (€ 184.9 billion), professional, scientific and technical activities (€ 78.5 billion) and distributive trades (€ 38.0 billion) – see Figure 2. Professional, scientific and technical activities recorded the highest value of inward investment flows (€ 49.5 billion) in 2021, followed by distributive trades (€ 16.5 billion) and real estate activities (€ 12.8 billion). By far, the largest negative flow recorded for outward flows for information and communication (€ 69.4 billion). For inward flows, two large negative flows were recorded: -€ 171.3 billion for financial and insurance activities and -€ 30.1 billion for information and communication.

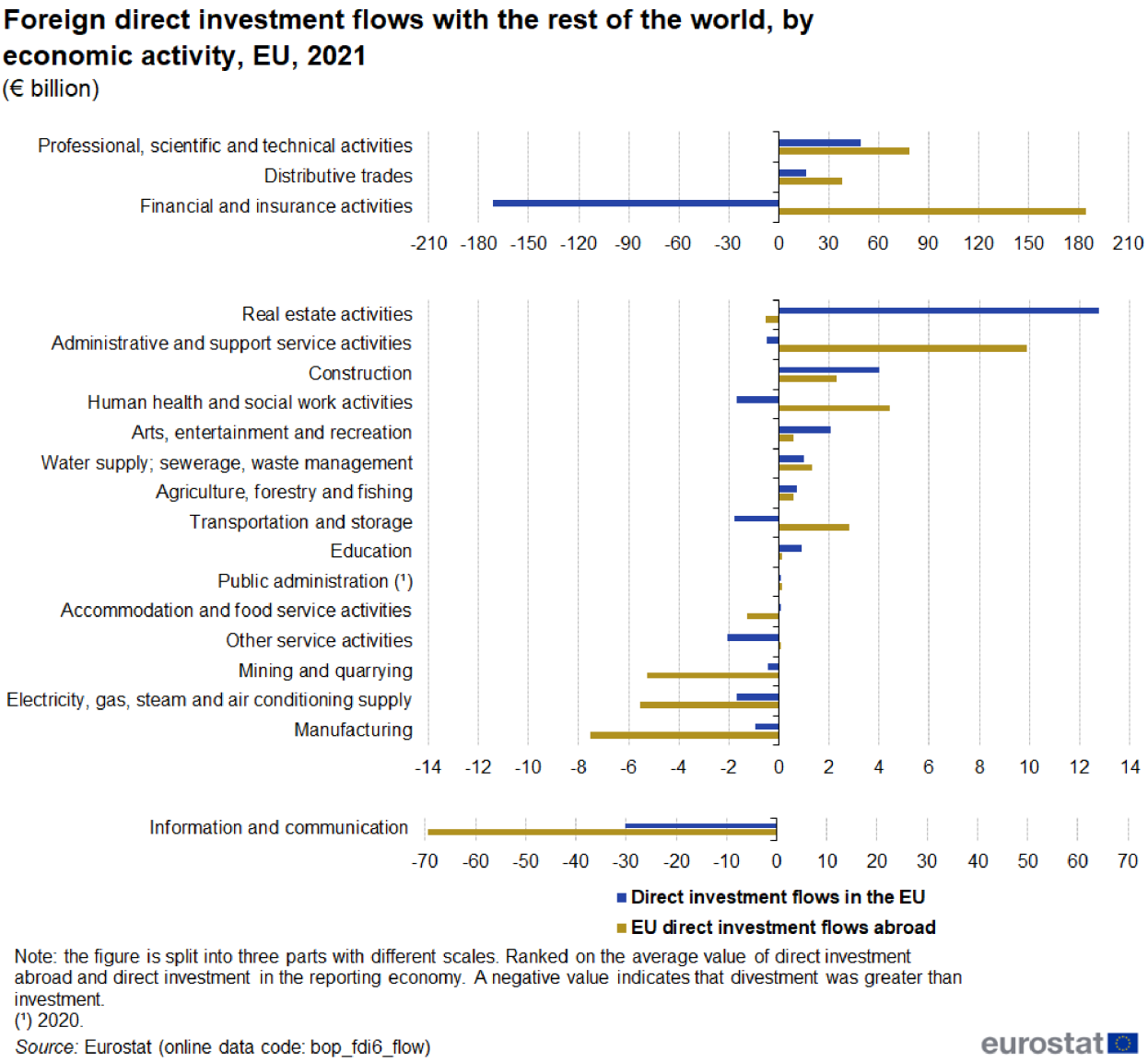

Figure 2: Foreign direct investment flows with the rest of the world, by economic activity, EU, 2021 (€ billion)
Source: Eurostat (bop_fdi6_flow)

Source data for tables and graphs

- Foreign direct investment – flows: tables and figures

Other articles

- Globalisation patterns in EU trade and investment

Main tables

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Metadata

- Balance of payments – international transactions (BPM6) (ESMS metadata file – bop_6_esms)
- European Union direct investments (BPM6) (ESMS metadata file – bop_fdi6_esms)

Further methodological information

- Balance of payments

External links

- European Commission – reflection paper on harnessing globalisation (COM(2017) 240)