

Foreign-controlled enterprises statistics - inward FATS

Statistics Explained

*Data extracted in November 2024.
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Highlights

" In 2022, foreign-controlled enterprises accounted for 1.1% enterprises that were active within the EU's business market producers. "

" In 2022, approximately one quarter of the total value added in the business market producers of each EU country was generated by foreign-controlled enterprises. "

" In 2022, the United States accounted for the largest share of the EU workforce employed by foreign affiliates in the EU that were ultimately controlled by residents from outside the EU. "

[Structural business statistics](#) on inward [foreign affiliates](#) provide information that may be used to measure the impact of globalisation, for example, through indicators covering [net turnover](#) , [employment](#) , productivity or innovation performance. The statistics presented in this article concern activities within the business [market producers](#) , as defined by [NACE](#) Sections B-S (except Section O and Division 94).

Statistics on foreign affiliates

For statistical purposes, foreign affiliates are considered to be enterprises resident in one country and controlled by a unit resident in another. There are two distinct sources of information: so-called inward FATS which cover the activities of enterprises within the EU that are under foreign control, and [outward FATS](#) which cover the activities of EU affiliates abroad.

The globalised economy is increasingly characterised by intricate business networks. As a result, it can be difficult to untangle these complicated and often blurred chains of control. To do so, statistics on foreign affiliates are compiled according to the ultimate controlling institutional unit (UCI) — determined by proceeding up a foreign affiliate's chain of control until there is no further controlling interest; by doing so, potential double-counting of the same affiliates (by several countries) can be avoided. In this context, control refers to the ownership of a controlling share of the shareholders' voting power and the ability to determine the general policy of an enterprise, for example by choosing appropriate directors. In this way, an enterprise is said to be controlled by an institutional unit when the latter (a single investor or a group of investors acting together) owns — directly or indirectly — more than half of the voting shares in the enterprise.

Foreign-controlled enterprises in the EU

One of the most striking aspects concerning foreign-controlled enterprises is their very small absolute number

In 2022, foreign-controlled enterprises accounted for just 1.1% enterprises that were active within the [EU's](#)

business market producers. Over 60% of foreign-controlled enterprises were ultimately controlled by a unit from one of the other EU countries compared with enterprises ultimately controlled by a unit from non-EU countries. As such, geographical proximity would appear to be an important determining factor when foreign investors consider their options — perhaps reflecting some caution to first invest in nearby markets (which may also be culturally and/or linguistically close) before considering investments further afield (both geographically or culturally). Indeed, the attractiveness of different countries can often be linked to proximity, historical, cultural or linguistic ties with, for example, a high proportion of the foreign-controlled enterprises in Ireland are ultimately controlled by units from the United Kingdom and the United States.

The contribution of foreign-controlled enterprises to economic performance was much greater, both in terms of employment and, in particular, **value added**, than in terms of the number of enterprises. This may be explained, at least in part, by foreign-controlled enterprises generally being much larger in size than domestic (or nationally controlled) enterprises. In 2022, foreign-controlled enterprises provided work to almost one in seven (15.5%) persons that were employed within the EU's business market producers; their share of total value added was considerably higher, as foreign-controlled enterprises contributed 23.8% of the EU total.

In 2022, non-EU countries controlled almost three-quarters of the foreign-controlled enterprises in Ireland

In 2022, nearly a third (28.1%) of all enterprises in the business market producers in Luxembourg were foreign-controlled; this share was considerably higher than in any of the other EU countries, as the next highest share was in Estonia (10.8%). At the other end of the range, the share of foreign-controlled enterprises in the total enterprise population was less than 1.0% in Belgium, Cyprus, France, Greece, Italy, the Netherlands, Portugal and Spain. The lowest share was recorded in Belgium (0.1%).

In 2022, a significant majority of foreign-controlled enterprises in Slovakia (80.6%) and Greece (78.4%) were ultimately under the control of a unit from another EU country. At the other end of the range, almost three-quarters of the foreign-controlled enterprises in Ireland (72.9%) and a bit over half of the foreign-controlled enterprises in Cyprus (56.1%) were controlled by institutional units resident outside the EU.

In 2022, over two-fifths of the business market producers workforce of Luxembourg were employed by foreign-controlled enterprises

As seen for the number of enterprises, Luxembourg recorded the highest share in 2022 — among the EU countries — of its business market producers workforce employed by foreign-controlled enterprises (44.1%); note also that there is a sizeable financial services sector in Luxembourg and that this too is characterised by a strong international presence. Poland also had a high share (33.5%) of its business market producers workforce employed by foreign-controlled enterprises (see Figure 1).

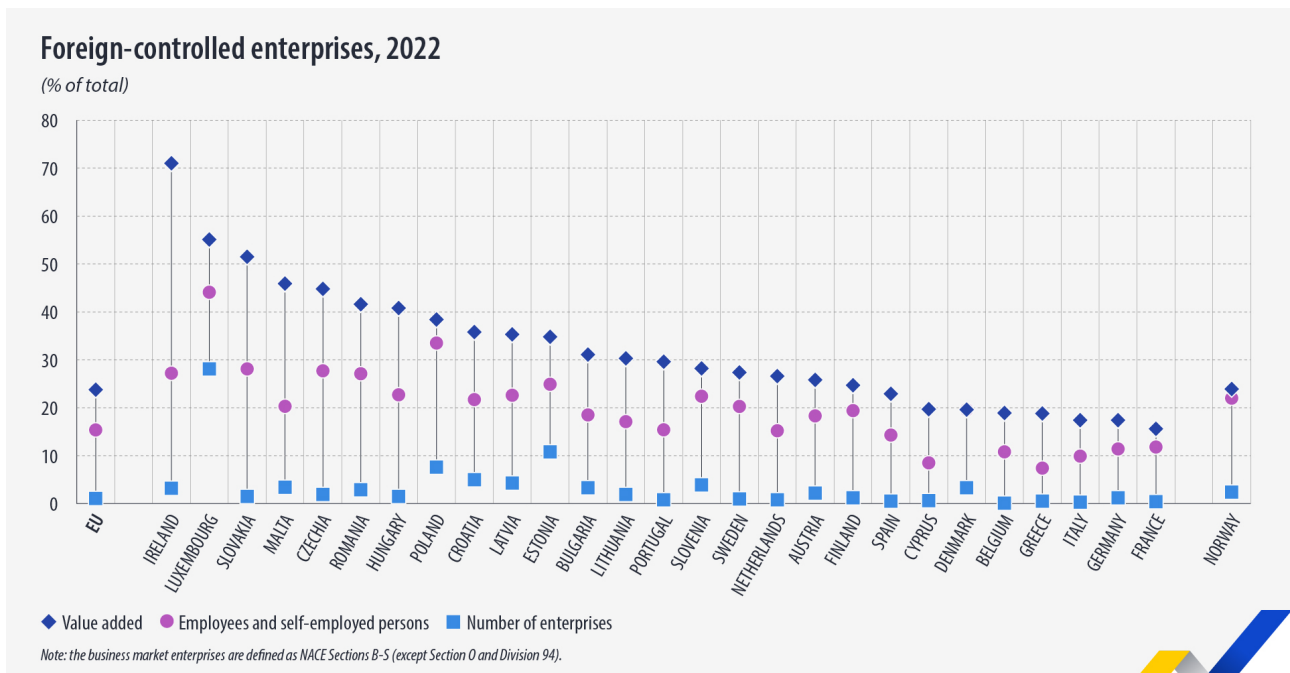


Figure 1: Share of foreign-controlled enterprises, business market producers, 2022 (% of total) Source: Eurostat (fats_activ)

In addition to Luxembourg and Poland, 4 other EU countries had a significant presence of foreign-controlled enterprises in their business economy workforce in 2022 — Slovakia (28.1%), Czechia (27.7%), Ireland (27.2%) and Romania (27.1%) — many characterised by relatively low wage costs and high numbers of people working for foreign-controlled enterprises in the manufacturing sector, often controlled by units from other EU countries.

In a few countries, a majority of those working for foreign-controlled enterprises in 2022 were employed by an enterprise that was controlled from outside the EU, the largest share by far was employed in Ireland (79.5%).

Foreign-controlled enterprises generated more than two-thirds of the value added for the Irish business market producers in 2022

In 2022, at least one-seventh of the total value added in the business market producers economies of each of the EU countries was generated by foreign-controlled enterprises. Relatively low shares were recorded in France (15.6%), Germany (17.4%), Italy (17.4%), Greece (18.8%), Belgium (18.9%), Denmark (19.6%) and Cyprus (19.7%), while a quarter of the EU countries had shares within the range of 20-30%. Twelve EU countries had shares within the range of 30-55% and in Ireland foreign-controlled enterprises accounted for more than two-thirds (71.0%) of total value added in the Irish business market producers' 2022.

Foreign-controlled enterprises by economic activity

The United States accounted for the largest share of the EU workforce employed by foreign affiliates in the EU that were ultimately controlled by residents from outside the EU

Table 1 presents an analysis for some of the activities where foreign affiliates were most prominent. In 2022, among the foreign-controlled enterprises whose ultimate control was located outside the EU, the highest share of the workforce in these activities was almost exclusively accounted for by enterprises that were ultimately controlled by units from the United States. The two exceptions were manufacture of wood, paper, printing and reproduction and manufacture of coke and refined petroleum products where a higher share of the workforce was employed by enterprises ultimately controlled by units from the United Kingdom, followed by the United States in second place. For most of these activities with a high contribution of value added from foreign affiliates, the United Kingdom was often the second most common location of control outside of the EU. Switzerland placed in the top 3 locations for

most activities, the exceptions being manufacture of coke and refined petroleum products and manufacture of motor vehicles, trailers, semi-trailers and of other transport equipment. Japan and China also figured in the top 3, taking second and third place for the manufacture of motor vehicles and Japan being third in Manufacture of electrical equipment.

Share of employment among extra-EU foreign-controlled enterprises for selected economic activities, EU, 2022

	Highest share	Second highest share	Third highest share
Industry, construction and market services (except public administration and defence; compulsory social security; activities of membership organisations)	United States	United Kingdom	Switzerland
Manufacture of food products; beverages and tobacco	United States	Switzerland	United Kingdom
Manufacture of wood, paper, printing and reproduction	United Kingdom	United States	Switzerland
Manufacture of coke & refined petroleum products	United Kingdom	United States	Russia
Manufacture of chemicals & chemical products	United States	United Kingdom	Switzerland
Manufacture of basic metals and fabricated metal products, except machinery and equipment	United States	Switzerland	United Kingdom
Manufacture of electrical equipment	United States	Switzerland	Japan
Manufacture of motor vehicles, trailers, semi-trailers and of other transport equipment	United States	Japan	China except Hong Kong
Air transport	United States	United Kingdom	Switzerland

Note: the business market producers defined as NACE Sections B-S (except Section O and Division 94).

Source: Eurostat (online data code: fats_activ)



Table 1: Share of employment among extra-EU foreign-controlled enterprises for selected economic activities, EU, 2022 Source: Eurostat (fats_activ)

Source data for tables and figures (MS Excel)

- [Inward foreign affiliates statistics: tables and figures](#)

Explore further

Other articles

- [Globalisation patterns in EU trade and investment](#)

Database

- [\[1\]](#), see:

Foreign controlled EU enterprises - inward FATS (fats)

Thematic section

- [\[2\]](#)

Methodology

Metadata

- [Foreign controlled EU enterprises - inward FATS \(fats\) \(ESMS metadata file — fats_esms\)](#)

Further methodological information

- [\[3\]](#)

Legislation

- [European Commission — reflection paper on harnessing globalisation \(COM\(2017\) 240\)](#)