

# Foreign direct investment - stocks

Statistics Explained

*Data extracted in July 2019.*

*Planned article update: November 2021.*

*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.

In a globalised economy, enterprises can make investments abroad to establish a commercial/territorial presence in foreign markets, for example, by founding hotel chains or retail banks. Within the [General Agreement on Trade in Services \(GATS\)](#), this type of trade in services is referred to as mode 3 (the supply of international services).

**Foreign direct investment (FDI) stocks** (or positions) measure the total value of direct investment at a given point in time; the statistics presented in this article focus on stocks as measured at the end of the year.

The analyses of investment by partner are based on a fixed list of countries: Argentina, Australia, Brazil, Canada, China, Egypt, Hong Kong, India, Indonesia, Israel, Japan, Malaysia, Mexico, Morocco, Nigeria, Norway, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Arab Emirates and the United States, as well as offshore financial centres. Note that information for Hong Kong and Singapore is shown separately and hence these two countries are excluded from the offshore financial centres aggregate in this publication (to avoid double-counting).

## EU-28's inward and outward investment

### FDI stocks were concentrated in the services sector

An analysis of the EU-28's international investment position at the end of 2016 reveals that the services sector (excluding health, education, arts, entertainment and recreation) — defined here as financial and insurance activities; professional, scientific and technical activities; distributive trades; information and communication; administrative and support service activities; real estate activities; transportation and storage; accommodation and food service activities — accounted for 59.1 % of the EU-28's outward investment positions (direct investment abroad) and for 84.6 % of all inward investment in the EU-28.

**At the end of 2017, the United States was the main location for the EU-28's outward FDI stocks ...**

Comparing the EU-28's positions for inward and outward investment, it is apparent that inward investment appears to be more concentrated in the hands of a relatively small number of developed economies, while the EU-28's outward stock of FDI was more widely distributed across a broader range of developed and emerging economies (see Figure 1). For example, while China accounted for a 0.9 % share of inward FDI positions in the EU-28 economy, about 2.4 % of the EU-28's outward stocks of FDI were held in China.

At the end of 2017, the United States had the biggest share (34.2 %) of the EU-28's FDI stocks abroad,

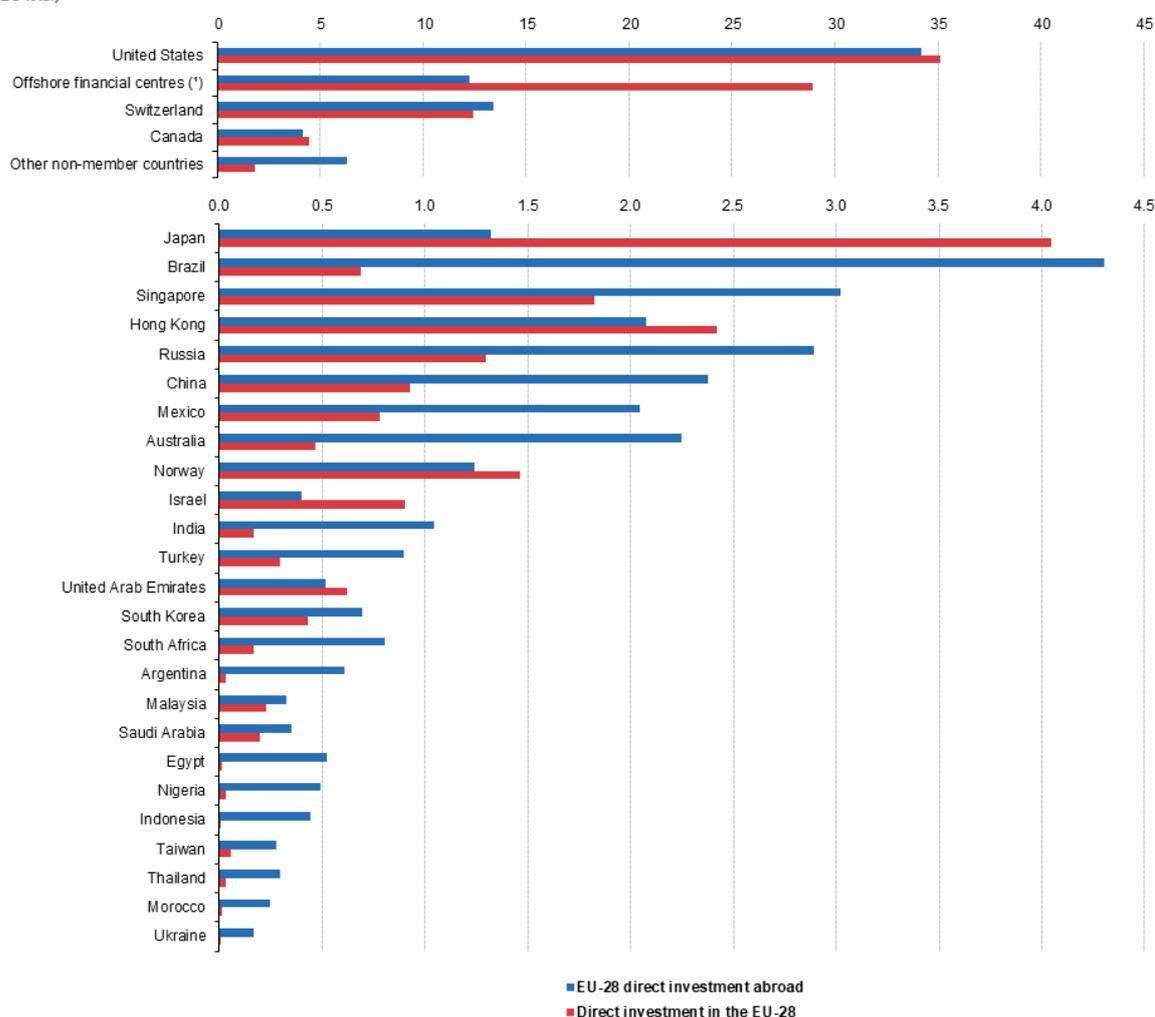
valued at EUR 2.6 trillion; the second largest partner was Switzerland (13.4 %). Otherwise, offshore financial centres had the third largest share (12.3 %) of the EU-28's outward stocks of FDI at the end of 2017, followed by Brazil (4.3 %) and Canada (4.1 %), while Asian countries together accounted for 15.2 % of the EU-28 total (principally Singapore, China, Hong Kong, Japan, India and South Korea).

**... and was also the principal inward investor in the EU-28**

At the end of 2017, the United States held more than one third (35.1 %) of the inward investment in the EU-28 from the rest of the world. The United States therefore maintained its position as the major holder of FDI stocks in the EU-28. In 2016, most of the United States' stock of FDI held in the EU-28 concerned investments in financial services, followed by manufacturing, in particular, the manufacture of computer, electronic and optical products, food, beverages and tobacco, and chemical products. Offshore financial centres (29.0 %) and Switzerland (12.5 %) were the second and third largest holders of FDI in the EU-28 in 2017; a majority of the stocks of FDI in the EU-28 held by offshore financial centres were held by investors registered in Bermuda, Jersey, the Cayman Islands, Gibraltar and Curaçao.

**Extra-EU foreign direct investment positions, by partner, EU-28, 2017**

(% of extra-EU total)



Note: the figure is split into two parts with different scales. Ranked on the average share of each partner based on direct investment abroad and direct investment in the reporting economy.

(\*) Excluding Hong Kong and Singapore that are shown separately.

Source: Eurostat (online data code: bop\_fdi6\_pos)



**Figure 1: Extra-EU foreign direct investment positions, by partner, EU-28, 2017(% of extra-EU total)**Source: Eurostat (bop\_fdi6\_pos)

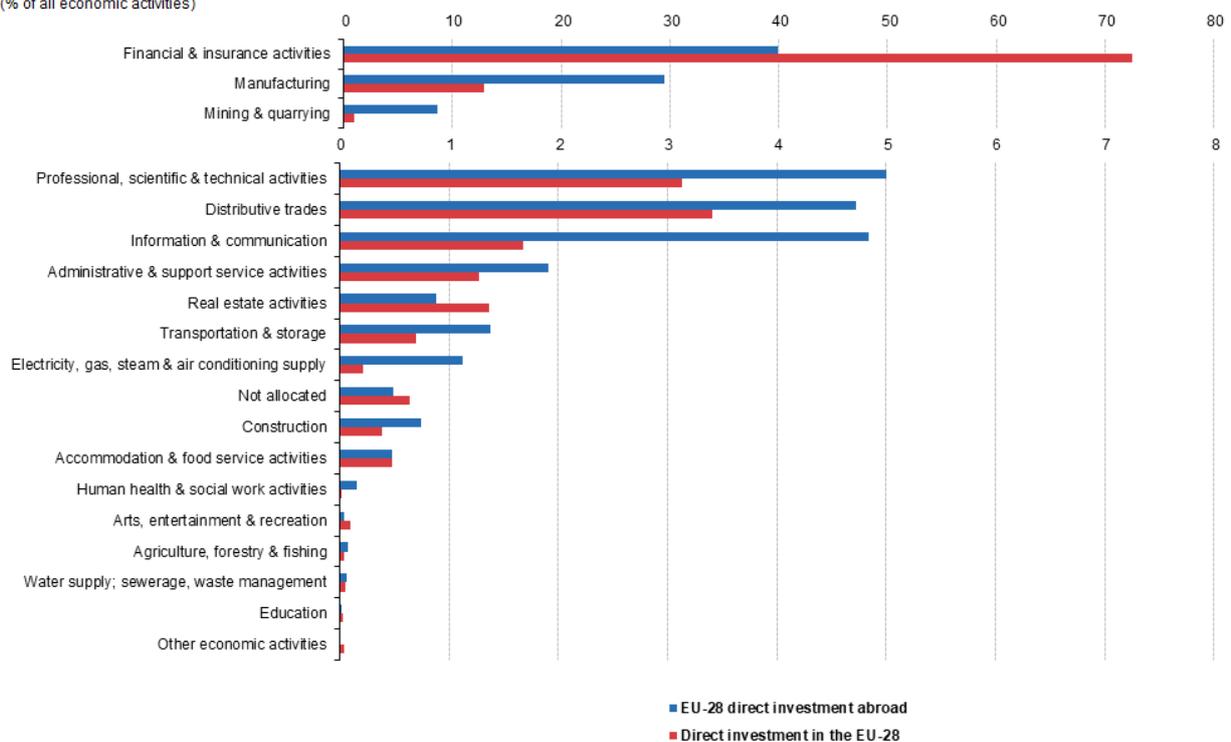
Financial and insurance activities accounted for almost three quarters of the inward FDI posi-

## tions held in the EU-28 at the end of 2016

The activity structure of the EU-28's FDI positions was dominated by financial and insurance activities (for which it ran a deficit), while most other service and non-service activities registered a positive balance. Financial and insurance activities held two fifths (39.9 %) of the EU-28's outward positions and almost three quarters (72.5 %) of the EU-28's inward positions. Manufacturing was the second largest activity, with 29.5 % of the EU-28's outward positions and 13.0 % of its inward positions (see Figure 2).

**Extra-EU foreign direct investment positions, by economic activity, EU-28, 2016**

(% of all economic activities)



Note: the figure is split into two parts with different scales. Ranked on the average share of direct investment abroad and direct investment in the reporting economy.

Source: Eurostat (online data code: bop\_fdi6\_pos)

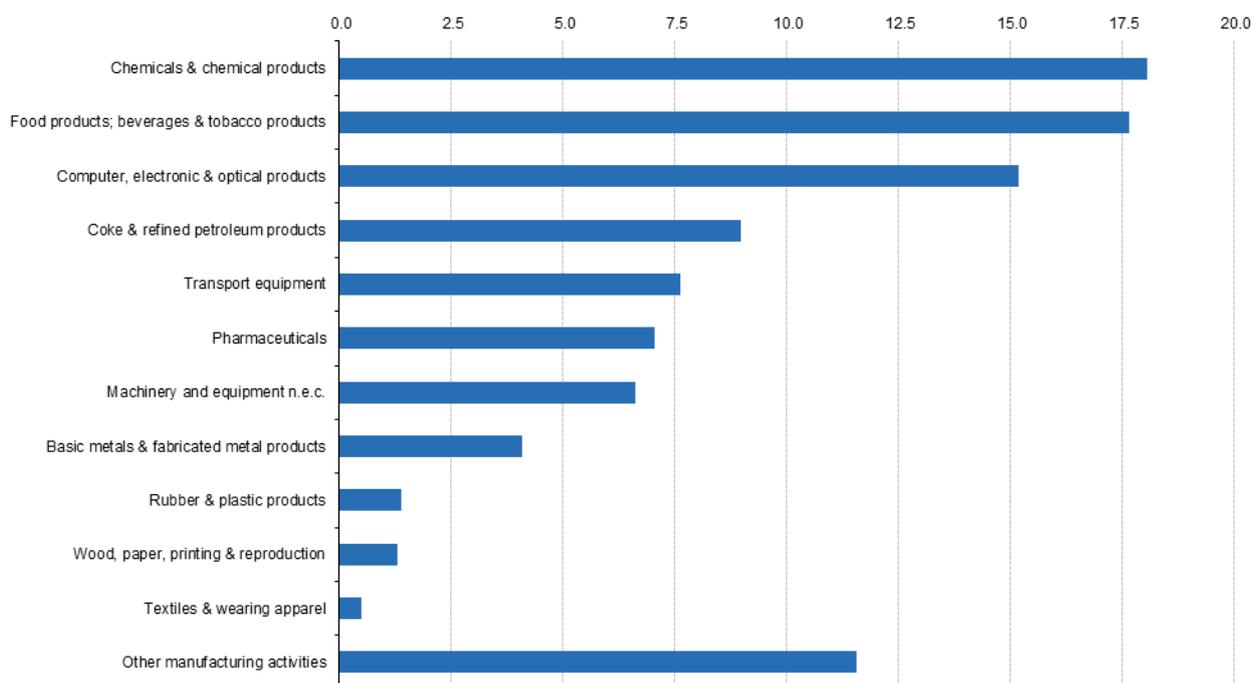
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**Figure 2: Extra-EU foreign direct investment positions, by economic activity, EU-28, 2016(% of all economic activities)**Source: Eurostat (bop\_fdi6\_pos)

Figure 3 presents a more detailed analysis of the FDI positions abroad within manufacturing. It shows that, at the end of 2016, a majority of the EU-28's outward stocks of FDI within manufacturing were held in the following activities: chemicals; food, beverages and tobacco products; and computer, electronic and optical products<sup>1</sup>. It is also interesting to note that textiles and clothing accounted for the lowest share of the EU-28's outward stock of FDI in manufacturing activities (0.5 %); this may suggest that enterprises involved in the manufacture of these goods resorted to alternative forms of industrial organisation (for example, outsourcing or subcontracting).

<sup>1</sup>Note that the ranking by activity for stocks of direct investment abroad is of lower quality than comparable information pertaining to inward stocks as not all of the EU Member States are able to provide a breakdown of their FDI according to the activity of non-resident enterprises.

**Extra-EU foreign direct investment positions abroad, by manufacturing activity, EU-28, 2016**  
 (% of total for manufacturing activities)



Source: Eurostat (online data code: bop\_fdi6\_pos)

eurostat 

**Figure 3: Extra-EU foreign direct investment positions abroad, by manufacturing activity, EU-28, 2016(% of total for manufacturing activities)Source: Eurostat (bop\_fdi6\_pos)**

## FDI positions in the EU Member States

**The Netherlands and Luxembourg together held more than half of all the EU-28's FDI stocks at the end of 2017**

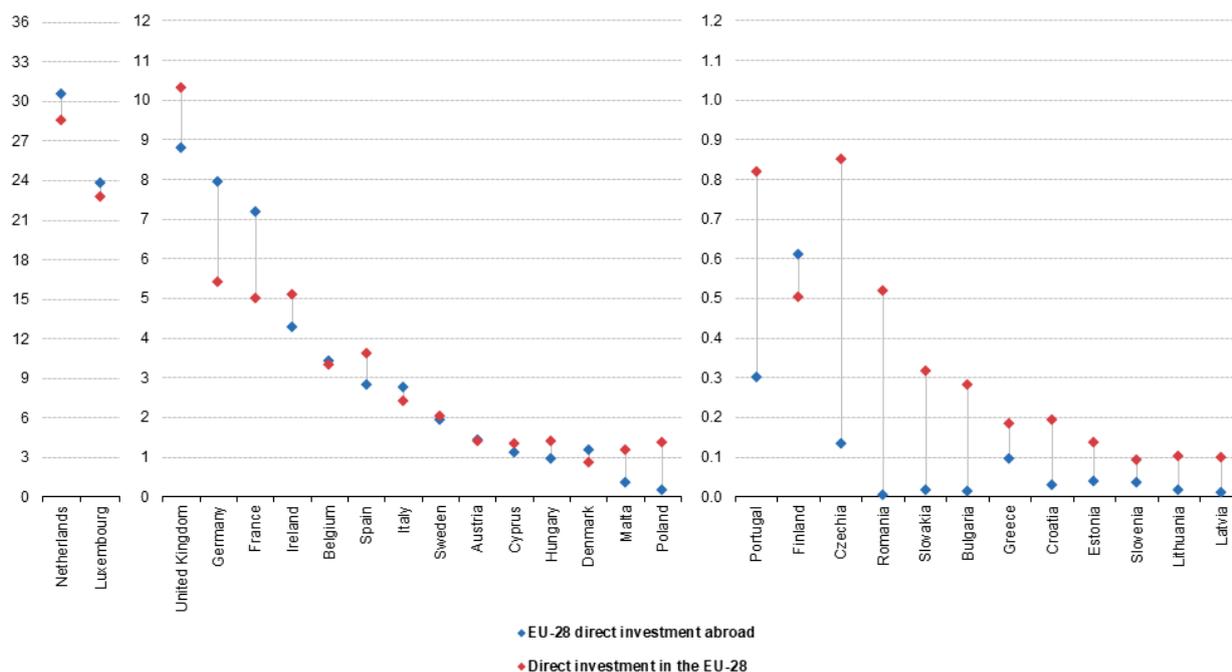
Figure 4 presents the inward and outward FDI positions of the EU Member States; note the information presented includes stocks of FDI held in other Member States. At the end of 2017, the Netherlands and Luxembourg both accounted for very high shares of the EU-28's inward and outward investment positions. Indeed, the Netherlands (30.6 %) and Luxembourg (23.8 %) together held more than half of the EU-28's outward stock of FDI; they were followed by the United Kingdom (8.8 %).

The pattern for inward investment positions was quite similar, as the Netherlands (28.5 %) and Luxembourg (22.7 %) again held a majority of the EU-28's inward FDI positions at the end of 2017, followed by the United Kingdom (10.3 %). These high shares for the Netherlands and Luxembourg likely reflect the considerable stock of investment that is held in investment funds and holding companies in both of these EU Member States.

Germany had 8.0 % of the EU-28's outward FDI positions at the end of 2017, which could be contrasted with its 5.4 % share of the EU-28's inward investment positions; it was a net investor as it had a higher stock of FDI abroad compared with the level of inward FDI that was held in the German economy. A similar pattern was observed for France, which held 7.2 % of the EU-28's outward positions, some 2.2 percentage points higher than its share of inward investment. The other EU Member States which were net investors as of the end of 2017 were the Netherlands, Luxembourg, Italy, Denmark, Finland, Belgium and Austria.

## Foreign direct investment positions, 2017

(contribution to EU-28 total, in %)



Note: the figure is split into three parts with different scales, ranked on the average share of direct investment abroad and in the reporting economy.  
Source: Eurostat (online data code: bop\_fdi6\_pos)

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Figure 4: Foreign direct investment positions, 2017 (contribution to EU-28 total, in %) Source: Eurostat (bop\_fdi6\_pos)

### Source data for tables and graphs

- [Foreign direct investment — stocks: tables and figures](#)

### Other articles

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

### Main tables

- [Balance of payments - International transactions \(BPM6\) \(t\\_bop\\_6\)](#)

### Database

- [Balance of payments - International transactions \(BPM6\) \(bop\\_6\)](#), see:

European Union direct investments (BPM6) (bop\_fdi6)

### Dedicated section

- [Balance of payments](#)
- [Economic globalisation](#)

## Methodology

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

*View this article online at [http://ec.europa.eu/eurostat/statistics-explained/index.php/Foreign\\_direct\\_investment\\_-\\_stocks](http://ec.europa.eu/eurostat/statistics-explained/index.php/Foreign_direct_investment_-_stocks)*