

December 2014

International investment continues to struggle

Figures for the first half of 2014 point to stalled FDI flows

Findings

- FDI fell in the first quarter of 2014 before rebounding in the second quarter.
- The drop in FDI in the first quarter was mainly due to a single deal involving a company in the United Kingdom selling a company in the United States to another US company causing both outward FDI from the United Kingdom and inward FDI to the United States to fall.
- Global FDI flows have stalled at levels substantially below the peak levels reached before the financial crisis and ensuing global recession that began in 2008.
- New detail available on investment that is channelled through entities with little presence in the host economy reveals that the role of such entities in investment varies widely across countries, accounting for as much as 92 percent of inward investment for some countries to as little as 1 percent for other countries.

In 2014, the latest international standards for compiling FDI statistics, based on the OECD's *Benchmark Definition of Foreign Direct Investment, 4th edition*, came into widespread use. The implementation of these guidelines caused major changes to FDI statistics. As a result, there are breaks in the time series for some countries. In addition, because countries are implementing the latest standards at different times, there is currently a mix of measures of FDI being used, which complicates the analysis of trends. Tables 1 through 4 show FDI statistics on the two bases being used to measure FDI at the global, or aggregate level: the asset/liability basis and the directional basis.

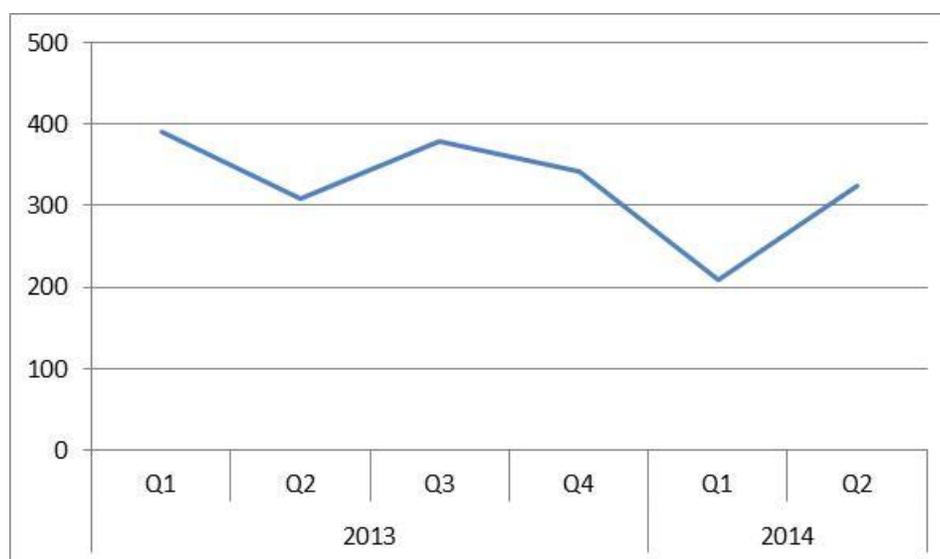
Find information about how we are implementing the latest international standards for compiling FDI statistics on page 6.

Nevertheless, a careful analysis can yield some insights into recent trends in FDI. This issue of *FDI in Figures* begins with such an analysis to draw some conclusions about FDI through the second quarter of 2014. This is followed by a discussion putting recent developments in a longer term perspective. The issue ends with a discussion of new reporting on the size of investment that is channeled through entities with little presence in the host economy before reaching its final destination in another country.

Recent developments

Figure 1 shows world-wide FDI flows from the first quarter of 2013 to the second quarter of 2014. The measure was constructed using FDI statistics on a directional basis whenever available, supplemented by measures on an asset/liability basis when needed.¹

**Figure 1: Global FDI flows from Q1 2013 to Q2 2014
(USD billion)**



Source: OECD and IMF

The figure shows that global FDI flows fell in the first quarter of 2014 before rebounding to about USD 325 billion in the second quarter.² The drop in the first quarter was due to a very large transaction in which Vodafone of the United Kingdom sold its interest in Verizon Wireless to Verizon Communications of the United States for a reported USD 130 billion.³ The sale resulted in a reduction in both outward investment from the United Kingdom and in inward investment to the United States. Given the reported size of the sale, it appears that global FDI flows would have been essentially flat from the fourth quarter of 2013 to the first quarter of 2014 in its absence.

To provide a longer term perspective on recent developments in FDI, Figure 2 shows the annual figures for FDI flows from 1999 to 2013.⁴ The time series is long enough to show the pattern of FDI flows leading up to and after the global slowdown of 2001 to serve as a comparison for the experience since the most recent global recession in 2008 to 2009.⁵ The figure shows that FDI flows fell substantially from the peak

¹ See note 1 to tables 1 through 4 on page 11 for details. Data are as of 29 October 2014.

² By definition, global FDI inflows should equal global FDI outflows. However, in practice, there are statistical discrepancies between FDI inflows and outflows. The figure for global flows cited here is the average of inflows and outflows presented on the directional basis.

³ For details, see www.bloomberg.com/news/2014-02-21/verizon-stake-sale-cuts-vodafone-s-value-by-half-to-100-billion.html.

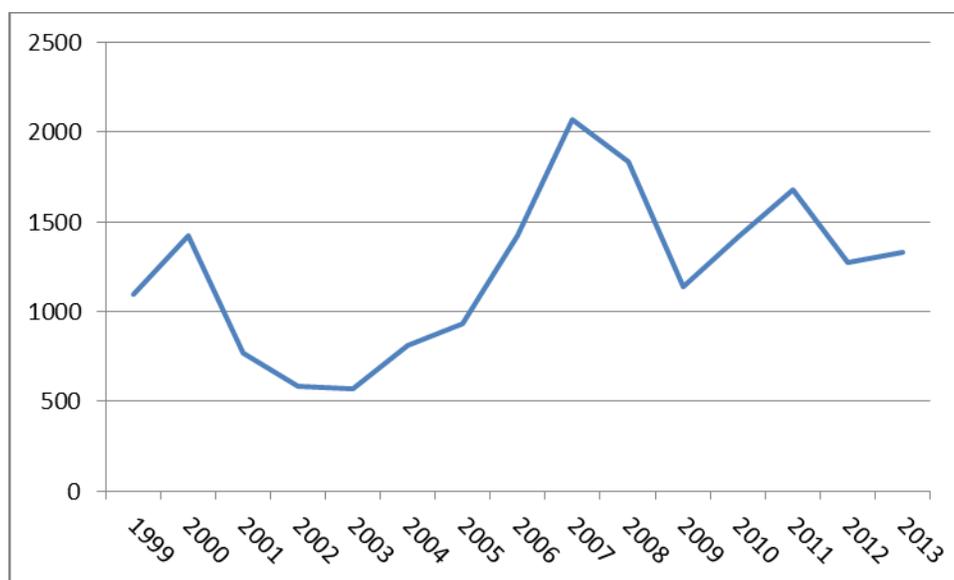
⁴ For 1999 to 2012, the figures are from the OECD database and are, generally, on a directional basis. The figures for 2013 are the directional basis figures from tables 1 and 2 as these are the closest to measures for earlier years. Nevertheless, there is a break-in-series in between 2012 and 2013 and, thus, care should be taken in interpreting the time series and in making comparisons between 2013 and earlier years. The data for 1999 to 2012 are reported as of April 2014.

⁵ The IMF defines global recessions as a contraction in world real per capita GDP accompanied by a broad decline in various other measures of global economic activity. Using these criteria, the IMF has identified four global recessions since 1962—in

levels seen before the financial crisis that began in the second half of 2008. In 2009, FDI flows were 45 percent lower than the peak in 2007. This is less than the drop in FDI flows between 2000 and 2003; FDI flows in 2003 were 60 percent lower than the peak in 2000.

Despite their steeper fall, FDI flows increased rapidly after 2003 and, by 2006, exceeded the levels of 2000. In comparison, FDI flows increased between 2009 and 2011 but fell in 2012 and have stalled since then. In 2013, FDI flows remain about one-third lower than the peak in 2007. This difference could be due in part to the fact that the global economy grew faster during those years of rapid growth in FDI flows—2004 through 2006—than it has in the last few years. According to the IMF, global GDP grew 3.5 to more than 4.0 percent in each year from 2004 through 2006, but has grown less than 3 percent in each year from 2011 through 2013.⁶

**Figure 2: Global FDI flows from 1999 to 2013
(USD billion)**



Source: OECD and IMF. Data for 1999 to 2012 can be retrieved from OECD International Investment Statistics database.

The experiences of different countries and regions have varied tremendously since the financial crisis. For example, EU inflows and outflows are about three-fourths lower than their pre-crisis peaks in 2007. In contrast, US inflows are down about one quarter from their 2008 peak, and US outflows are down about one sixth from their 2007 peak. At the same time, China’s role as both a destination and a source of FDI has continued to grow. Since the beginning of the crisis, China’s FDI inflows have increased by about half, and their outflows are up about one quarter, albeit from very low levels.

It appears that these country and regional trends have largely continued into 2014, with some evidence of weakening in outward investment for all three. For the EU, outward investment was very low in the first quarter of 2014, at USD 6 billion, due to the deal discussed above. However, outward investment was only USD 20 billion in the second quarter. This compares to outward investment of about USD 92 billion

1975, 1982, 1991, and 2009. The 2001 slowdown just avoided meeting the definition of a global recession because real per capita GDP growth remained positive. See Kenneth Rogoff, “The Recessions that Almost Was,” *Financial Times*, April 5, 2002 available here: www.imf.org/external/np/vc/2002/040502.htm.

⁶ World GDP growth rates at market exchange rates from the IMF World Economic Outlook Database, October 2014.

in the 3rd and 4th quarters of 2013. On the other hand, inward flows appear to have picked up. In the first half of 2014, inward investment in the EU was USD 152 billion compared to USD 114 billion in the first half of 2013 and USD 95 billion in the second half of 2013.

For the United States, outward FDI flows through the first half of 2014 were USD 143 billion, down slightly from USD 157 billion in the second half of 2013 and down much more from USD 193 billion in the first half of 2013. The United States recorded negative inward investment, or disinvestment, in the 1st quarter of 2014 due to the deal discussed above, but in the 2nd quarter of 2014, inward investment was USD 64 billion. This is generally in line with the value of inward investment in 2013: USD 57 billion in the 3rd quarter and USD 72 billion in the 4th quarter of 2013.

For China, outward investment was USD 31 billion in the first half of 2014, down from USD 36 billion in the second half of 2013 and USD 37 billion in the first half of 2013. Inward investment was USD 124 billion in the first half of 2014, down from USD 144 billion in the second half of 2013 but up from USD 115 billion in the first half of 2013.

While it is difficult to make precise comparisons across countries due to the different measures of FDI being used by different countries, it is likely that the United States, Germany, Japan, Switzerland, and China were the top sources of direct investment in the second quarter of 2014, and it is likely that the United States, China, the United Kingdom, Brazil, and Canada were the top destinations for direct investment.⁷

New reporting excluding resident SPEs for selected countries

One important feature of the latest international standards is to separately identify FDI flows and positions of resident Special Purpose Entities (SPEs). SPEs are entities with little or no physical presence or employment in the host country but that provide important services to the MNE in the form of financing or of holding assets and liabilities. MNEs often channel investments through SPEs in one country before they reach their final destination in another country. By excluding investment into resident SPEs, countries have a better measure of FDI into their country that is likely to have a real impact on their economy.

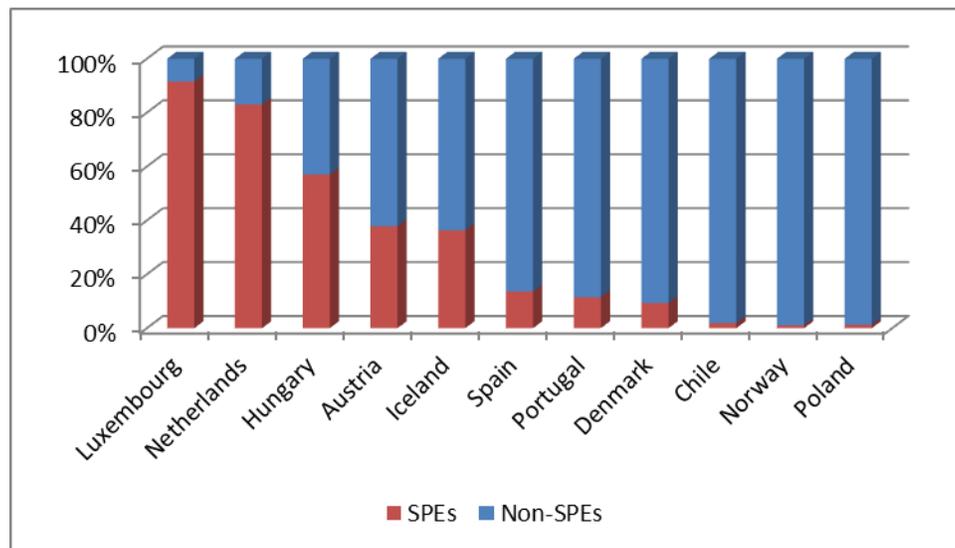
Four countries—Austria, Hungary, Luxembourg, and the Netherlands—have reported FDI flows and positions excluding resident SPEs to the OECD for several years. With the implementation of the latest standards, 7 additional countries—Chile, Denmark, Iceland, Norway (positions only), Poland, Portugal, and Spain—have now reported data excluding resident SPEs.⁸ Figure 3 shows the percentage of inward positions or of FDI liabilities accounted for by resident SPEs in 2013.⁹ The countries are displayed according to share of investment accounted for by resident SPEs.

⁷ The two measures of FDI—asset/liability and directional—tend to move together and tend to be similar in magnitude for most countries. For details, see: <http://oe.cd/O8>.

⁸ Series excluding resident SPEs for Estonia, Portugal (directional figures only), and Sweden are confidential or not publishable. FDI statistics excluding resident SPEs are not yet available for Belgium, Canada, Finland, Ireland, Slovak Republic, and Switzerland. Resident SPEs are not present or not significant in Australia, the Czech Republic, Finland, France, Germany, Greece, Israel, Italy, Japan, New Zealand, Slovenia, Turkey, and the United States.

⁹ Inward positions are shown for Austria, Chile, Denmark, Hungary, Iceland, the Netherlands, Norway, Poland, and Spain, and liabilities are shown for Luxembourg and Portugal.

Figure 3: Share of FDI into SPEs and non-SPEs, 2013



Source: OECD

The role played by SPEs varies significantly across countries. It is not surprising that the four countries where resident SPEs account for the largest share of investment are the four that have been reporting their FDI statistics excluding resident SPEs for some time. Of the countries with new reporting excluding resident SPEs, resident SPEs account for more than a third of investment in Iceland, and, so, are very important in explaining FDI in that country. SPEs play smaller, but still significant, roles in investment for Spain, Portugal, and Denmark, accounting for 14 percent to 9 percent of investment. On the other hand, SPEs resident in Chile, Norway, and Poland account for 2 percent or less of investment.

Even in countries where SPEs do not play a significant role in FDI currently, it is useful to be able to identify resident SPEs in the statistics so that their role in FDI can be monitored. By their nature, SPEs can be formed easily and can grow rapidly. In addition, SPEs can have large transactions in a particular period that can distort FDI flows due to their role within the MNE of providing financing or holding assets and liabilities. By compiling FDI statistics that exclude resident SPEs, FDI statistics are not overstated by including funds that are simply being channeled through the SPEs, are easier to interpret for policy-making and other purposes, and provide a better measure of FDI that is likely to have an economic impact in the host economy.

Finally, it can be useful to separately identify FDI statistics for resident SPEs even if they do not play a significant role in overall investment because investment into resident SPEs might not follow the patterns of investment into non-SPEs, or operating affiliates. For example, in 2013, inward investment to Poland was higher when resident SPEs were excluded than when they were included because there was disinvestment from resident SPEs. Thus, investment into operating affiliates was higher than would have been indicated if the statistics did not separately identify investment for resident SPEs.

The OECD is currently collecting additional detail on investment of resident SPEs by partner country. This information will be publicly available in March 2015 and will provide important insights into the sources and destinations of investment channeled through SPEs.

Implementing the latest international standards for compiling FDI statistics

The IMF's *Balance of Payments and International Investment Position Manual, 6th edition* (BPM6) and the OECD's *Benchmark Definition of Foreign Direct Investment, 4th edition* (BMD4) provide guidance on the compilation of FDI statistics. While BPM6 provides guidance on the compilation of FDI statistics for the general Balance of Payments framework, it refers to BMD4 for more detailed guidance on the compilation of FDI statistics by country and by industry. These detailed statistics are particularly useful for the analysis of the economic impact of FDI.

BPM6 and BMD4 make recommendations for compiling FDI statistics that result in more meaningful measures of FDI. For example, they recommend

- presenting aggregate, or global, FDI statistics in a way comparable to other macroeconomic statistics, including other measures of international investment included in the Balance of Payments statistics;
- separately identifying capital being channelled through entities with little presence in the host economy, called Special Purpose Entities, before reaching their final destination; and
- presenting statistics according to the country of the ultimate investor as well as the immediate investor.

The implementation of the latest international standards will result in more meaningful FDI statistics in the long run. However, in the short run, it has resulted in significant changes in FDI statistics, including new measures of FDI at the global level. To help users understand and interpret the new FDI statistics, the OECD will be posting information about the major changes in the statistics on its website: www.oecd.org/investment/statistics.

The first posting deals with the change in the aggregate statistics: to being reported on what is called the asset/liability basis from what is called the directional basis. Previous guidance had been to measure FDI on the directional basis. While the two measures cover the same transactions and positions, they organise and aggregate the values differently. This can result in quite different measures for some countries in some time periods. A definition of the two measures, the relationship between them, their uses, and actual examples from the statistics for two countries are available at: <http://oe.cd/O8>.

The OECD plans to release detailed statistics based on the latest international standards in March 2015 through its online database available at OECD.stat: <http://stats.oecd.org/>.

To receive news and e-alerts about OECD work on international investment, including when the new statistics database is released, follow the subscription procedure found on this web page: www.oecd.org/investment/investmentnews.htm.

Table 1

FDI net acquisition of financial assets

FDI outward flows

In USD millions	2013					2014			2013					2014	
	Q1	Q2	Q3	Q4	Y	Q1	Q2	Q1	Q2	Q3	Q4	Y	Q1	Q2	
OECD¹	272,546	242,149	328,561	226,695	1,069,950	76,876	191,329	241,379	195,362	299,211	244,453	980,405	124,102	185,603	
Australia	-4,830	-184	-2,584	3,745	-3,854	-2,364	-2,070	-1,662	-137	-1,988	1,278	-2,509	-1,787	291	
Austria*	5,682	-2,793	5,951	4,585	13,425	3,455	1,050	5,350	-2,405	5,751	4,030	12,725	4,501	1,641	
Belgium	28,369	18,987	18,862	-2,845	63,373	-6,188	-11,104								
Canada								5,679	7,872	23,304	8,819	45,673	8,963	7,057	
Chile*	6,068	-1,103	2,956	3,489	11,411	3,181	2,345	6,790	-4,657	2,827	4,166	9,126	3,016	2,567	
Czech Republic	2,598	15	2,796	997	6,406	741	-3,521	1,524	599	444	729	3,296	-819	-772	
Denmark*	5,916	1,696	-219	2,711	10,104	2,996	1,274	6,584	-761	-833	4,589	9,579	4,289	2,459	
Estonia	352	193	-18	147	674	333	34	181	8	142	38	368	29	49	
Finland	-4,754	-5,886	325	1,399	-8,915	-721	-1,645								
France	3,092	-3,001	3,827	-4,212	-293	13,093	7,094					9,993			
Germany	28,125	40,726	11,380	1,500	81,731	37,134	31,744					40,924			
Greece	62	-143	-923	294	-709	227	104	59	-176	-943	275	-785	226	102	
Hungary*	2,307	1,298	-94	1,462	4,972	1,335	809	240	41	-1,241	2,702	1,741	669	493	
Iceland*	-98	202	313	193	611	209	84					561			
Ireland								18,826	-2,704	5,315	2,533	23,971	-750	-1,573	
Israel								590	1,536	2,157	387	4,670	311	614	
Italy	8,753	-1,746	16,740	2,166	25,914	6,640	2,607					30,754			
Japan	21,743	33,327	49,818	32,267	137,155	25,645	34,171	22,145	33,424	48,232	31,944	135,745	22,808	31,582	
Korea	7,080	7,579	6,877	7,637	29,172	6,813	8,813								
Luxembourg*	8,001	-1,248	12,670	14,020	33,442	3,028	-3,156								
Mexico								2,261	2,560	1,710	6,672	13,204	3,453	506	
Netherlands*								9,129	-3,329	24,042	16,691	46,533	13,613		
New Zealand	-291	-1,389	483	-361	-1,558	261	417	90	c	c	69	524	-23	c	
Norway								-538	1,452	5,271	15,114	21,300	8,236	-2,759	
Poland*												1,488			
Portugal*	3,201	1,528	1,962	2,654	9,344	1,886	2,176	n	n	n	n	n	n	n	
Slovak Republic	1,000	-6	587	-457	1,124	1,109	25	18	39	8	-487	-422	125	686	
Slovenia	92	37	-166	42	5	137	7	41	-150	-61	-52	-222	19	123	
Spain*												16,588			
Sweden								18,716	4,380	4,382	7,383	34,860	7,503	1,351	
Switzerland	7,018	12,465	20,226	16,917	56,625	10,661	28,032								
Turkey								688	737	467	1,222	3,114	1,043	1,081	
United Kingdom	-5,878	-1,927	-6,017	-6,031	-19,853	-125,401	-31,461	-24,252	-7,838	-9,598	26,722	-14,966	-71,157	-17,228	
United States	87,001	127,193	112,497	81,552	408,243	40,000	98,177	86,541	106,437	96,708	59,844	349,530	54,302	89,032	
Total World^{1,2}	419,340	294,988	410,295	310,849	1,435,472	193,366	285,268	386,723	247,218	379,642	327,884	1,341,467	239,517	278,607	
European Union (EU28)¹	140,914	48,755	104,075	50,963	344,708	-29,479	15,883	105,526	24,580	91,960	92,127	314,193	6,170	19,754	
G20 countries¹	248,775	220,931	255,230	175,061	899,997	58,831	199,066	219,059	178,265	229,681	188,960	815,966	106,743	187,629	
G20-OECD countries¹	153,715	213,136	218,019	135,336	720,206	15,019	157,718	125,449	171,453	193,775	149,959	640,635	64,006	147,216	
G20 -non OECD countries¹	95,061	7,795	37,210	39,724	179,791	43,812	41,348	93,610	6,813	35,907	39,001	175,331	42,737	40,413	
Argentina								337	364	335	352	1,387	1,148	292	
Brazil								3,085	-10,298	4,552	-835	-3,496	-921	3,515	
China								21,330	15,662	15,830	20,423	73,244	12,451	18,700	
India	1,438	-11	627	-288	1,766	8,872	123								
Indonesia	1,656	1,884	1,391	4,686	9,618	2,610	1,593	206	902	87	3,963	5,158	1,536	658	
Russia	65,542	-2,189	10,137	13,222	86,712	18,122	14,793								
Saudi Arabia	1,030	1,303	1,312	1,299	4,943	1,033	1,129								
South Africa	643	1,081	3,027	866	5,617	496	1,204								
*Data excludes SPEs. Corresponding data below including SPE's³:															
Austria	6,661	-2,055	5,960	5,264	15,832	5,206	-583	6,274	-1,796	5,618	2,655	12,751	7,007	-640	
Chile	5,885	-1,229	2,860	3,407	10,923	3,070	2,288	6,607	-4,784	2,730	4,085	8,638	2,904	2,510	
Denmark	6,265	1,409	-34	2,144	9,784	3,079	445	6,684	-1,000	-418	4,182	9,449	4,377	1,028	
Hungary	3,656	-953	-2,442	-3,646	-3,385	2,116	-793	947	-2,070	-354	-815	-2,293	1,471	-216	
Iceland	-98	202	313	193	611	209	84					561			
Luxembourg	84,895	128,091	-3,437	233,796	443,345	1,352	-46,427								
Netherlands								52,351	18,665	32,221	53,682	156,919	-21,969		
Poland ⁴	78	-3,464	1,034	-1,316	-3,668	1,017	3,148					-1,412			
Portugal	3,271	1,576	2,010	1,373	8,229	1,926	2,219	340	-338	1,647	356	2,005	4,434	4,988	
Spain	9,673	5,374	5,120	5,658	25,825	16,025	8,459					14,586			

For notes to this table refer to page 11

Source: OECD and IMF

OECD Directorate for Financial and Enterprise Affairs - Investment Division

Table 2

FDI net incurrence of liabilities

FDI inward flows

In USD millions	2013					2014			2013					2014	
	Q1	Q2	Q3	Q4	Y	Q1	Q2		Q1	Q2	Q3	Q4	Y	Q1	Q2
OECD¹	187,364	202,816	209,325	153,573	753,077	-33,736	166,952		168,351	161,057	173,100	160,981	663,486	30,978	170,833
Australia	8,285	12,376	12,887	18,854	52,403	5,420	9,873		11,453	12,424	13,483	16,387	53,748	5,997	12,233
Austria*	4,213	37	5,666	3,052	12,968	1,037	2,103		3,882	426	5,464	2,498	12,269	2,085	2,693
Belgium	-16,002	-1,354	-13,862	-26,952	-58,169	10,713	-8,228								
Canada									20,925	20,017	12,502	13,905	67,350	11,293	13,572
Chile*	7,707	-1,321	7,345	6,265	19,995	5,292	2,640		8,428	-4,876	7,216	6,942	17,710	5,126	2,862
Czech Republic	3,955	513	2,512	1,124	8,103	2,215	-594		2,881	1,097	159	856	4,993	655	2,155
Denmark*	-104	2,353	-2,392	-29	-172	-4,477	-2,952		553	-115	-3,018	1,839	-742	-3,185	-1,767
Estonia	219	566	12	97	894	533	180		48	380	172	-12	589	228	195
Finland	-3,501	-8,112	-2,322	799	-13,136	8,486	2,435								
France	-795	-663	9,458	-1,476	6,524	4,798	1,420						16,811		
Germany	9,187	20,842	6,546	14,717	51,292	2,398	10,089						10,483		
Greece	125	377	54	2,338	2,893	461	954		122	344	33	2,319	2,819	460	953
Hungary*	2,896	88	-1,166	3,653	5,472	2,196	-1,868		829	-1,168	-2,313	4,893	2,241	1,530	-2,183
Iceland*	-1	37	305	108	449	50	149						399		
Ireland									23,519	7,064	5,929	515	37,026	-10,516	-395
Israel									3,063	4,953	2,503	1,285	11,804	823	812
Italy	6,174	5,364	70	8,552	20,161	8,685	5,435						24,999		
Japan	753	1,126	1,644	189	3,713	3,566	1,643		1,155	1,222	59	-132	2,303	727	-947
Korea	1,931	4,282	2,888	3,120	12,221	3,155	1,260								
Luxembourg*	4,066	4,029	19,148	-3,223	24,019	9,166	8,694								
Mexico									8,606	20,179	3,522	6,865	39,172	7,429	2,304
Netherlands*									7,784	-4,703	19,979	13,797	36,857	8,759	
New Zealand	415	-1,766	694	160	-497	1,197	375		795	c	c	590	1,584	914	c
Norway									-1,411	766	5,653	7,184	12,192	918	-1,578
Poland*													6,600		
Portugal*	2,635	846	2,547	2,286	8,313	-850	4,374		n	n	n	n	n	n	n
Slovak Republic	808	-552	1,579	302	2,137	1,162	-403		-174	-508	1,000	272	591	179	257
Slovenia	29	-198	-31	284	85	247	894		-20	-386	74	189	-143	129	1,012
Spain*													28,901		
Sweden									2,841	1,188	7,634	-774	10,889	5,709	6,903
Switzerland	-7,540	-140	5,123	-5,482	-8,039	8,883	11,556								
Turkey									2,797	2,487	3,291	4,312	12,887	4,206	2,681
United Kingdom	36,981	21,002	10,458	-25,643	42,798	-24,309	4,674		18,607	15,091	6,877	7,110	47,685	29,935	18,908
United States	45,142	82,585	73,148	94,098	294,973	-120,487	72,943		44,682	61,830	57,359	72,390	236,261	-106,186	63,798
Total World^{1,2}	387,301	366,394	383,272	361,035	1,498,001	169,266	365,177		366,838	323,652	345,744	367,720	1,403,951	232,906	368,123
European Union (EU28)¹	98,025	58,328	79,013	3,391	238,755	35,113	51,103		74,800	38,874	60,324	34,200	208,195	88,241	63,614
G20 countries¹	266,137	293,552	240,415	275,437	1,075,542	19,214	227,892		248,593	255,618	208,306	278,993	991,509	84,600	225,095
G20-OECD countries¹	139,987	189,598	136,414	137,494	603,492	-93,845	125,894		123,893	152,647	105,609	141,772	523,920	-27,385	124,031
G20 -non OECD countries¹	126,150	103,954	104,001	137,944	472,050	113,059	101,998		124,701	102,971	102,697	137,221	467,590	111,985	101,064
Argentina									3,370	2,518	3,039	1,336	10,263	1,663	-1,718
Brazil									13,232	16,757	13,757	20,249	63,996	14,144	15,119
China									53,255	61,286	49,990	93,685	258,216	66,119	58,000
India	7,171	6,476	8,728	5,778	28,153	9,781	8,291								
Indonesia	5,289	5,541	7,242	5,214	23,287	6,077	6,416		3,840	4,558	5,938	4,490	18,827	5,002	5,482
Russia	40,147	7,269	14,090	9,147	70,654	12,600	11,195								
Saudi Arabia	2,542	2,389	2,251	2,116	9,298	1,941	2,361								
South Africa	1,144	1,717	4,904	419	8,184	735	2,334								
*Data excludes SPEs. Corresponding data below including SPE's³:															
Austria	5,132	761	7,162	2,546	15,601	2,975	-280		4,744	1,020	6,818	-64	12,518	4,776	-339
Chile	7,776	-1,267	7,417	6,332	20,258	5,123	2,701		8,498	-4,822	7,288	7,009	17,973	4,957	2,923
Denmark	153	1,732	-2,366	-352	-833	-4,406	-3,686		572	-677	-2,749	1,687	-1,167	-3,108	-3,101
Hungary	3,666	-2,395	-4,388	-1,198	-4,315	2,854	-3,545		957	-3,512	-2,300	1,633	-3,223	2,210	-2,970
Iceland	3	41	309	111	463	54	153						414		
Luxembourg	47,544	178,856	-13,150	222,056	435,306	12,422	-22,556								
Netherlands									21,114	-5,356	27,605	71,457	114,820	-48,208	
Poland ⁴	1,792	-1,351	2,960	-3,281	120	5,568	2,415						2,933		
Portugal	2,840	957	2,631	2,370	8,796	-751	4,286		-91	-957	2,268	1,353	2,572	1,759	7,059
Spain	14,454	9,958	6,282	11,034	41,727	11,703	9,018						30,491		

For notes to this table refer to page 11

Source: OECD and IMF

OECD Directorate for Financial and Enterprise Affairs - Investment Division

Table 3

FDI positions-Assets

FDI outward positions

In USD millions	2010	2011	2012	2013	2010	2011	2012	2013
OECD¹	19,852,445	20,045,899	21,912,147	23,797,046	17,777,537	17,953,147	19,187,483	21,084,167
Australia	483,229	456,099	512,420	483,060	449,768	416,203	472,957	448,758
Austria*	217,270	228,758	241,850	266,325	181,635	193,134	209,540	231,415
Belgium	1,016,836	1,119,162	1,102,902	1,086,747				
Canada					986,049	906,429	991,630	1,153,063
Chile*	57,308	75,103	95,099	99,081	49,341	61,388	80,621	82,879
Czech Republic	34,533	33,428	40,011	49,918	14,923	13,214	17,368	21,384
Denmark*	197,412	210,652	226,081	243,551	165,369	176,071	26,874	195,633
Estonia	7,275	6,641	8,141	10,390				6,718
Finland	187,668	173,420	191,777	196,435				
France	1,557,029	1,626,614	1,706,582	1,754,804	1,172,979	1,243,620	1,303,014	1,350,103
Germany	1,634,902	1,696,095	1,909,737	2,066,996	1,383,600	1,432,696	1,325,437	1,435,961
Greece			48,860	41,811				38,134
Hungary*	52,086	54,777	57,317	64,447	22,315	26,357	37,253	38,561
Iceland*				14,172				9,573
Ireland							412,069	536,592
Israel					68,973	70,815	73,978	78,704
Italy	579,588	599,981	646,191	690,319				520,836
Japan	846,255	972,268	1,054,097	1,132,973	831,111	955,854	1,037,697	1,118,013
Korea	144,032	172,413	202,875	228,695				
Luxembourg*	187,024	167,666	272,266	310,397				
Mexico					110,014	100,188	131,106	157,318
Netherlands*					956,025	982,089	990,867	1,044,086
New Zealand	27,594	27,875	29,592	27,098	16,053	19,008	19,529	18,740
Norway ^{*,4}				253,343				227,301
Poland*								25,500
Portugal*	76,296	76,676	99,424	104,765	n	n	n	n
Slovak Republic	9,598	12,195	11,680	12,990	3,456	4,021	4,765	4,365
Slovenia				9,374				7,133
Spain*								545,231
Sweden					372,955	375,987	395,429	437,002
Switzerland	1,285,721	1,365,780	1,443,478	1,535,702				
Turkey					22,509	27,681	30,968	33,373
United Kingdom	2,051,816	2,077,767	2,206,091	2,022,727	1,635,725	1,698,285	1,745,291	1,579,618
United States	5,486,391	5,214,826	5,938,327	7,080,058	4,809,587	4,514,327	5,196,457	6,275,433
Total World^{1,2}	22,738,361	23,294,729	25,651,774	27,821,436	20,578,891	21,117,135	22,831,087	24,993,711
European Union (EU28)¹	10,154,388	10,457,298	11,175,012	11,544,761	8,828,558	9,148,078	9,277,060	9,740,970
G20 countries¹	15,032,983	15,132,495	16,867,468	18,523,785	13,029,271	13,117,665	14,366,393	15,906,722
G20-OECD countries¹	13,901,815	13,850,361	15,330,025	16,803,387	11,982,665	11,920,373	12,924,973	14,301,170
G20 -non OECD countries¹	1,131,168	1,282,134	1,537,443	1,720,398	1,046,606	1,197,292	1,441,420	1,605,552
Argentina					30,328	32,891	32,916	34,326
Brazil					191,349	206,187	270,864	293,277
China					317,210	424,780	531,900	609,095
India	96,911	109,519	118,072	119,838				
Indonesia	19,293	19,998	27,985	38,228	6,672	6,204	12,401	17,555
Russia		361,750	409,567	479,496				385,323
Saudi Arabia	26,528	29,958	34,359					
South Africa	83,248	97,051	111,779					
*Data excludes SPEs. Corresponding data below including SPEs:								
Austria	318,012	337,301	366,095	391,256	281,582	296,958	327,850	349,801
Chile	60,386	78,181	98,286	101,933	52,419	64,466	83,808	85,732
Denmark	215,394	227,004	239,883	257,029	181,880	191,104	196,901	206,661
Hungary	213,958	217,140	237,874	240,085	147,239	165,300	190,043	191,558
Iceland	12,820	12,765	13,650	18,654				13,831
Luxembourg	2,008,870	2,851,258	3,510,566	4,145,735				
Netherlands					4,031,527	4,383,226	4,578,389	4,924,204
Norway ⁴				256,414				230,148
Poland ⁴	62,938	65,844	72,129	69,888				28,433
Portugal	82,821	81,937	89,059	100,351	64,250	67,512	61,258	67,742
Spain			686,835	706,649				566,800

For notes to this table refer to page 11

Source: OECD and IMF

OECD Directorate for Financial and Enterprise Affairs - Investment Division

Table 4

FDI positions - liabilities

FDI inward positions

In USD millions	2010	2011	2012	2013	2010	2011	2012	2013
OECD¹	16,229,004	16,555,563	18,264,867	20,104,085	14,161,920	14,470,570	15,702,758	17,372,498
Australia	560,557	593,829	650,502	594,950	527,096	553,933	611,038	560,648
Austria*	196,248	188,384	197,063	222,274	160,613	152,761	164,753	187,366
Belgium	1,068,947	1,159,270	1,172,823	1,177,769				
Canada					994,749	899,750	992,205	993,239
Chile*	157,045	169,133	202,561	211,688	149,079	155,418	188,083	195,486
Czech Republic	148,116	140,782	159,137	159,957	128,505	120,569	136,494	135,976
Denmark*	129,027	132,986	136,987	137,907	96,985	98,406	96,816	89,989
Estonia	17,554	18,780	21,536	24,657				20,985
Finland	136,744	128,984	137,034	130,223				
France	1,014,752	1,068,565	1,117,731	1,188,028	630,702	685,571	714,165	783,327
Germany	1,210,504	1,251,952	1,434,761	1,557,578	959,201	988,553	850,497	926,545
Greece			29,108	27,966				23,817
Hungary*	120,622	113,751	123,460	133,575	90,851	85,331	103,396	107,689
Iceland*				12,102				7,503
Ireland							364,230	395,727
Israel					60,237	65,014	74,403	88,179
Italy	421,366	439,369	491,697	530,399				360,916
Japan	230,033	242,201	222,152	185,670	214,889	225,787	205,752	170,711
Korea	135,500	135,178	157,876	174,507				
Luxembourg*	172,148	225,621	165,974	274,406				
Mexico					363,769	284,611	361,234	392,131
Netherlands*					586,069	608,230	624,314	686,356
New Zealand	70,250	74,477	82,807	84,532	58,709	65,608	72,745	76,175
Norway* ⁴				251,744				203,008
Poland*								218,116
Portugal*	101,945	99,206	131,166	144,484	n	n	n	n
Slovak Republic	56,469	60,151	62,034	66,731	50,327	51,978	55,118	58,106
Slovenia				14,552				12,310
Spain*								563,947
Sweden					347,163	347,524	364,667	381,238
Switzerland	895,913	982,598	1,044,701	1,061,758				
Turkey					186,937	136,450	189,900	149,246
United Kingdom	1,510,958	1,562,925	1,900,584	2,077,899	1,094,789	1,183,511	1,439,782	1,634,689
United States	4,099,097	4,199,225	4,670,942	5,790,551	3,422,293	3,498,726	3,929,073	4,985,926
Total World^{1,2}	23,113,520	24,030,140	26,521,960	28,938,730	20,952,254	21,855,712	23,858,655	26,092,288
European Union (EU28)¹	8,308,053	8,597,600	9,408,721	10,138,144	6,990,878	7,297,280	7,673,345	8,338,337
G20 countries¹	14,287,256	14,721,170	16,406,562	18,227,363	12,281,500	12,708,724	13,901,885	15,610,195
G20-OECD countries¹	10,728,220	10,814,056	12,189,583	13,634,198	8,816,647	8,891,044	9,786,102	11,131,884
G20 -non OECD countries¹	3,559,036	3,907,114	4,216,979	4,593,165	3,464,853	3,817,679	4,115,782	4,478,311
Argentina					87,552	98,941	100,438	109,887
Brazil					682,346	695,103	718,870	728,943
China					1,569,604	1,906,908	2,068,000	2,347,471
India	205,603	206,374	224,984	226,748				
Indonesia	173,356	198,598	227,219	251,112	160,735	184,804	211,635	230,439
Russia		454,949	514,926	566,462				472,281
Saudi Arabia	170,451	186,850	199,032					
South Africa	179,564	159,391	163,509					
*Data excludes SPEs. Corresponding data below including SPEs:								
Austria	295,831	292,276	313,852	342,711	259,375	251,818	275,595	301,288
Chile	160,612	172,699	206,021	215,452	152,645	158,985	191,543	199,251
Denmark	144,334	145,420	148,861	149,633	110,821	109,521	105,878	99,265
Hungary	279,600	277,844	295,259	298,832	212,881	226,003	247,429	250,305
Iceland	13,138	13,900	11,712	16,609				11,786
Luxembourg	1,953,722	2,405,915	2,780,360	3,251,553				
Netherlands					3,239,268	3,567,629	3,747,588	4,048,779
Norway ⁴				254,149				205,190
Poland ⁴	236,222	216,455	250,727	270,287				220,963
Portugal	135,528	121,476	148,758	163,297	116,957	107,051	120,956	130,688
Spain			716,984	792,469				652,619

For notes to this table refer to page 11

Source: OECD and IMF

OECD Directorate for Financial and Enterprise Affairs - Investment Division

Definitions

Foreign Direct Investment (FDI) is a category of investment that reflects the objective of establishing a lasting interest by a resident enterprise in one economy (*direct investor*) in an enterprise (*direct investment enterprise*) that is resident in an economy other than that of the direct investor. The lasting interest implies the existence of a long-term relationship between the direct investor and the direct investment enterprise and a significant degree of influence (not necessarily control) on the management of the enterprise. The direct or indirect ownership of 10% or more of the voting power of an enterprise resident in one economy by an investor resident in another economy is evidence of such a relationship.

FDI statistics consist of *FDI flows*, *FDI positions* (stocks) and *FDI income*. *FDI flows* are cross-border financial transactions within a given period (e.g. year, quarter) between affiliated enterprises that are in a direct investment relationship. *FDI positions* relate to the stock of investments at a given point in time (e.g. end of year, end of quarter). FDI flows and positions include *equity* (10% or more voting shares), *reinvestment of earnings* and *inter-company debt*. FDI income is the return on direct investment positions of equity (*dividends* and *reinvested earnings*) and debt (*interest*).

FDI is measured on an *asset/liability basis* or on a *directional basis*. On an *asset/liability basis*, FDI statistics are organised according to whether the investment relates to an asset or a liability for the reporting country.

On a *directional basis*, FDI consists of *outward investment* and *inward investment*. *Outward investments* are cross-border investments by direct investors resident in the reporting country while *inward investments* are investments by non-resident investors in the reporting country.

By definition, inward and outward FDI worldwide should be equal. However, in practice, there are statistical discrepancies between inward and outward FDI. Unless otherwise specified, references to “global FDI flows” refers to the average of these two figures.

For more information see: [OECD Benchmark Definition of Foreign Direct Investment, 4th edition \(2008\)](#)

Notes for tables 1 to 4

c: confidential

n: not publishable, for internal use only

p: preliminary data

Tables 1-4 show FDI statistics on the two bases being used to measure FDI at the global, or aggregate level: the asset/liability basis and the directional basis. For countries that publish both measures, both measures are shown. Data are updated as of 29 October 2014.

1. OECD, European Union (EU28), World, G20 aggregates:

FDI outward and inward flows (tables 1 and 2) for these aggregates were compiled using directional figures when available. When quarterly directional figures were not available, they were approximated by using the ratio between annual asset liability and directional figures or; by distributing annual directional figures equally among the four quarters. When directional figures were not available and could not be approximated, asset liability figures were used.

FDI outward and inward stocks (table 3 and 4) were compiled using directional figures when available. Missing directional figures for 2010-2012 were approximated using data from OECD FDI in Figures-April 2013 or using the 2013 ratio between asset/liability and directional figures when available. When directional figures were not available and could not be approximated, asset liability figures were used.

FDI net acquisition of financial assets and net incurrence of liabilities (Tables 1 and 2) and FDI assets and liabilities (tables 3 and 4) for these aggregates were compiled using asset/liability figures when available and directional figures otherwise.

Resident Special Purpose Entities (SPEs) from Austria, Chile, Denmark, Hungary, Iceland, Luxembourg, Netherlands, Norway (FDI stocks only), Poland, Portugal, and Spain are excluded.

2. World aggregate:

World totals for FDI flows (tables 1 and 2) are based on available FDI data at the time of update as reported to OECD and IMF. Missing data for non OECD and non G20 countries for Q1 and Q2 2014 were estimated using the overall growth rate observed between, respectively Q4 2013 and Q1 2014, as well as between Q1 2014 and Q2 2014, on, respectively, 35 and 15 non OECD and non G20 countries. Hong Kong and Singapore represent on average around 65% and 50% of FDI outflows and inflows from/to non OECD and non G20 countries.

World totals for FDI stocks (tables 3 and 4) are based on available FDI data at the time of update as reported to OECD and IMF for the year ended or the latest available year.

- 3. Special Purpose Entities (SPEs):** Series excluding resident SPEs for Estonia, Portugal (directional figures only), and Sweden are confidential or not publishable. Those series are not yet available for Belgium, Canada, Finland, Ireland, Slovak Republic and Switzerland. Resident SPEs are not present or not significant in Australia, the Czech Republic, Finland, France, Germany, Greece, Israel, Italy, Japan, New Zealand, Slovenia, Turkey, and the United States.
- 4.** Asset/liability figures and directional figures for Norway (FDI positions only) and Poland (including resident SPEs) are not compiled from the same survey sources and hence cannot be compared.

Footnotes

Footnote by Turkey: The information in this document with reference to « Cyprus » relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

Footnote by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

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