

FDI FLOWS AND STOCKS

Foreign direct investment (FDI) is a key element in international economic integration. FDI creates direct, stable and long-lasting links between economies. It encourages the transfer of technology and know-how between countries, and allows the host economy to promote its products more widely in international markets. Finally, FDI is an additional source of funding for investment and, under the right policy environment, it can be an important vehicle for enterprise development.

Definition

FDI is defined as investment by a resident entity in one economy that reflects the objective of obtaining a lasting interest in an enterprise resident in another economy. The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence by the direct investor on the management of the enterprise. The ownership of at least 10% of the voting power, representing the influence by the investor, is the basic criterion used. Hence, control by the foreign investor (ownership of more than 50% of the voting power) is not required.

Overview

Quarterly statistics show that OECD FDI flows collapsed in first half of 2009, following the recession which started in 2008. In the first half of 2009 inflows dropped by 50% and outflows by 40% from the last quarter of 2008. These decline followed the one recorded in 2008, when FDI inflows fell by 35% and outflows by 19%.

These falls are much sharper than those recorded on 2001, following the investment boom of the late 1990s. At that time, FDI into the OECD area continued to decline until 2004, when inflows picked up timidly by 8% and outflows more significantly by 41%. The global environment for FDI further improved in 2006, thanks to strong macro-economic growth, stock prices and corporate profitability. In this period, multinational enterprises based in emerging economies were active to acquire enterprises in the OECD area. Large amounts of investments by financial investors such as private equity companies were also recorded in 2006. Direct investment into OECD grew further by 31% in 2007 reaching USD 1 583 billion.

At end-2007, inward FDI stocks of OECD countries stood at USD 11 trillion and outward investments at USD 13 trillion. The stocks of both inward and outward FDI for the United States and the United Kingdom are the highest in the OECD area. Outside the OECD area, China remains the foremost destinations of FDI at end-2007 while its outward investment is limited.

Inward stocks are all direct investments held by non-residents in the reporting economy; outward stocks are the investments of the reporting economy held abroad.

The table on FDI stocks also shows their distribution according to broad sectors of the industry, namely manufacturing and services.

Negative flows generally indicate disinvestments or the impact of substantial reimbursements of inter-company loans.

Comparability

FDI stocks should be valued at market prices. However, departing from international standards, most OECD countries report the data using enterprise's book values. These may differ substantially from market values; rules for estimating them also vary between countries.

Despite recent improvements, there are also methodological differences between countries as regards inward and outward FDI flows.

OECD totals refer to countries for which data are available. Data for 2007 and 2008 are provisional.

Sources

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Further information

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Outward and inward FDI stocks

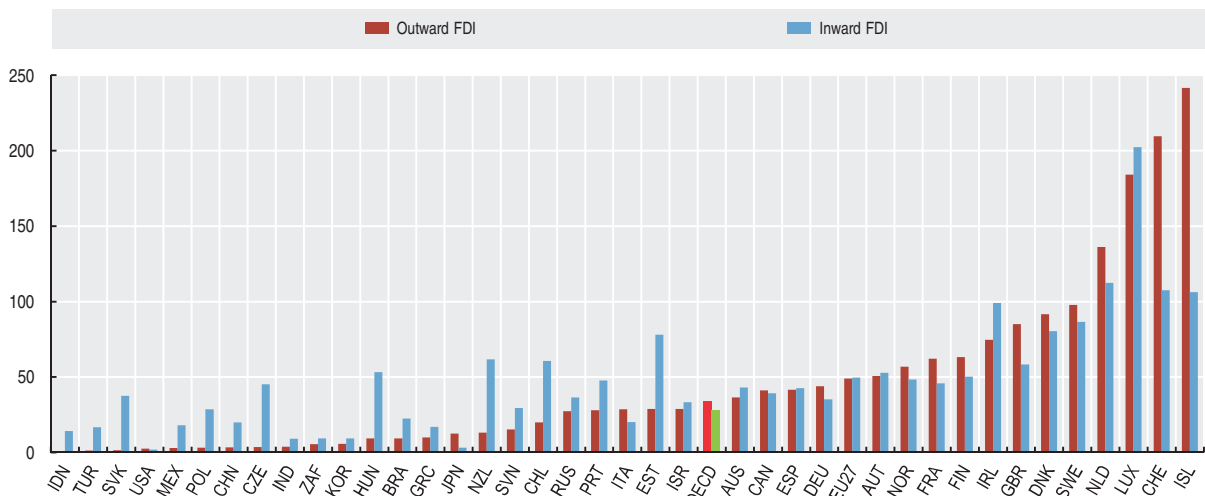
Million US dollars

	Outward direct investment stocks							Inward direct investment stocks						
	1990	1995	2000	2004	2005	2006	2007	1990	1995	2000	2004	2005	2006	2007
Australia	30 495	53 009	85 385	203 776	175 541	225 393	289 669	73 615	104 074	111 138	263 390	213 530	260 803	341 837
Austria	4 747	11 832	24 820	69 806	71 807	105 697	156 043	11 097	21 363	31 165	70 714	82 551	111 072	163 404
Canada	84 813	118 106	237 647	372 652	388 317	450 287	521 653	112 850	123 182	212 723	315 247	341 630	376 404	497 204
Czech Republic	..	345	738	3 759	3 610	5 017	8 556	..	7 350	21 647	57 246	60 662	79 838	112 396
Denmark	..	24 703	73 112	126 311	129 283	148 326	179 787	..	23 801	73 585	116 489	116 443	134 463	157 801
Finland	11 227	14 993	52 109	85 023	81 860	96 208	115 813	5 132	8 465	24 272	57 379	54 802	70 569	92 148
France	110 121	204 430	445 087	845 451	868 469	1 044 456	1 291 546	84 931	191 433	259 773	641 807	628 017	762 151	950 297
Germany	130 760	233 107	486 750	814 671	830 650	1 012 236	1 248 883	74 067	104 367	462 529	719 261	647 936	800 237	1 001 709
Greece	..	..	5 852	13 791	13 602	19 560	31 650	..	..	14 113	28 482	29 189	41 317	53 221
Hungary	..	278	1 279	6 022	7 810	12 561	17 595	569	11 304	22 856	62 624	61 970	82 115	100 328
Iceland	75	177	663	4 025	10 085	13 753	27 285	147	149	491	1 998	4 696	7 674	11 994
Ireland	..	..	27 925	106 692	104 152	120 728	145 862	..	..	127 088	207 647	163 530	156 491	193 451
Italy	60 195	106 319	180 274	280 481	293 475	378 931	520 087	60 009	65 347	121 169	220 720	224 079	294 878	364 839
Japan	201 440	238 452	278 441	370 544	386 581	449 567	542 614	9 850	33 508	50 322	96 984	100 899	107 634	132 851
Korea	..	..	..	32 166	38 683	49 187	74 777	..	..	..	87 766	104 879	119 143	121 956
Luxembourg	..	4 703	7 927	27 883	32 691	42 358	72 912	..	18 503	23 492	49 733	43 650	60 671	80 145
Mexico	..	..	..	21 673	29 641	36 447	44 703	22 424	41 130	97 170	202 885	223 830	243 121	267 807
Netherlands	106 896	172 675	305 459	587 252	615 727	757 870	876 920	68 729	116 051	243 730	477 218	451 234	513 301	724 076
New Zealand	..	7 676	6 065	13 957	11 584	12 825	15 066	..	25 728	28 070	52 640	52 230	63 055	70 941
Norway	10 889	22 521	34 022	80 950	92 923	120 425	143 025	12 404	19 836	30 261	79 413	76 322	95 662	121 593
Poland	..	539	1 018	3 354	6 279	14 319	19 371	109	7 843	34 233	86 633	90 741	125 601	175 863
Portugal	..	..	19 793	43 940	41 965	53 984	67 708	..	18 973	32 043	66 970	63 340	88 461	115 315
Slovak Republic	..	139	379	842	597	1 325	1 609	..	1 297	4 761	21 881	23 656	33 612	40 702
Spain	..	36 547	167 718	282 294	305 427	413 605	590 587	..	110 291	156 347	407 472	384 538	460 583	605 140
Sweden	50 720	73 143	123 260	214 736	208 777	265 546	327 297	12 636	31 089	93 998	196 305	171 818	227 330	289 957
Switzerland	66 087	142 481	232 176	400 590	431 980	559 970	657 911	34 245	57 064	86 810	197 679	170 156	264 952	337 536
Turkey	..	..	3 668	7 060	8 315	8 866	12 210	..	..	19 209	38 523	71 299	95 078	157 649
United Kingdom	229 307	304 865	897 845	1 247 190	1 198 637	1 454 903	1 841 206	203 905	199 772	438 631	701 913	840 652	1 139 154	1 263 781
United States	616 655	885 506	1 531 607	2 498 494	2 651 721	2 948 172	3 451 482	505 346	680 066	1 421 017	1 727 062	1 874 263	2 154 062	2 450 132
EU27 total	..	..	..	4 627 432	4 575 957	5 810 496	7 471 726	..	..	..	4 405 989	4 548 405	5 913 974	7 575 624
OECD total	1 714 426	2 656 546	5 231 017	8 765 384	9 040 191	10 822 522	13 293 826	1 292 065	2 021 985	4 242 644	7 254 082	7 372 545	8 969 431	10 996 072
of which: Manufacturing	36%	37%	27%	22%	24%	24%	..	37%	37%	30%	27%	25%	25%	..
Services	53%	57%	68%	73%	72%	72%	..	50%	57%	67%	69%	70%	69%	..
Brazil	..	..	..	69 196	79 259	113 925	136 103	..	..	..	161 259	195 562	236 186	328 455
Chile	..	..	11 154	17 413	21 359	26 596	32 695	..	..	45 753	60 541	74 196	80 297	99 488
China	..	..	..	52 704	64 493	90 630	115 960	..	..	..	368 970	471 549	614 383	703 667
Estonia	..	..	259	1 419	1 940	3 596	6 174	..	..	2 645	10 059	11 290	12 727	16 815
India	..	..	2 609	10 072	12 832	27 036	44 080	..	..	20 278	44 669	50 614	70 870	105 429
Indonesia	..	..	..	-102	-1 762	1 042	353	..	..	..	15 858	41 187	54 534	59 125
Israel	..	2 867	9 091	18 493	23 010	38 741	48 466	365	5 741	22 556	31 471	35 691	48 137	56 699
Russian Federation	..	2 420	20 141	107 291	146 679	216 488	370 161	..	345	32 204	122 295	180 228	265 873	491 232
Slovenia	..	490	768	3 025	3 290	4 547	7 197	..	1 763	2 893	7 590	7 236	8 985	14 048
South Africa	15 010	23 301	32 325	39 083	37 706	50 826	65 878	9 210	15 014	43 451	64 451	78 986	87 765	110 415

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FDI stocks

As a percentage of GDP, 2007 or latest available year




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Inflows of foreign direct investment

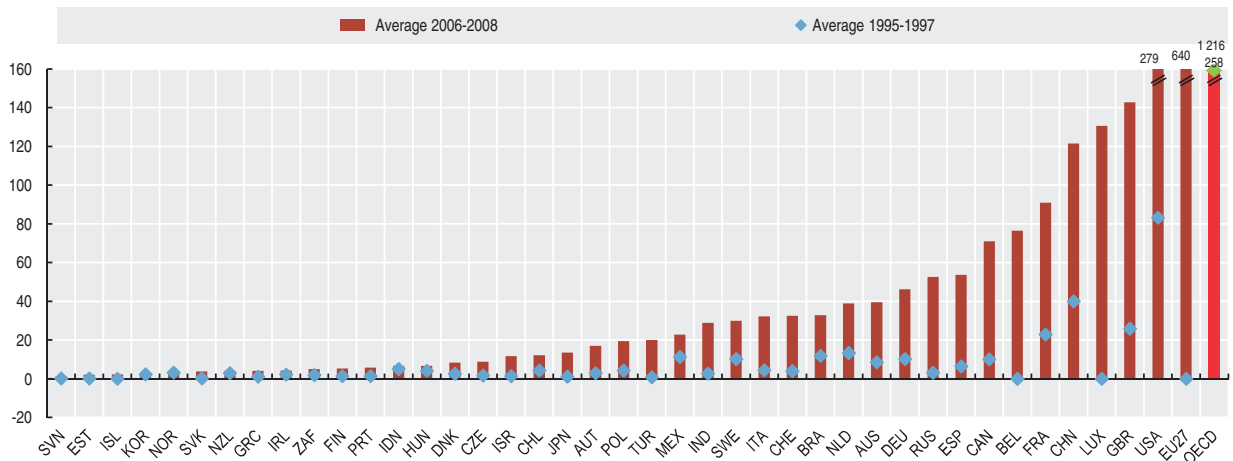
Million US dollars

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	11 963	6 111	7 633	6 003	3 268	13 950	8 297	16 996	7 975	37 334	-31 999	27 883	44 326	46 565
Austria	1 904	4 429	2 656	4 534	2 975	8 842	5 921	357	7 151	3 892	10 777	7 938	29 592	13 525
Belgium	..	..	..	..	..	..	..	16 265	33 508	43 583	34 351	58 926	110 795	59 564
Canada	9 255	9 633	11 522	22 803	24 747	66 796	27 670	22 146	7 486	-445	25 693	59 765	108 404	44 689
Czech Republic	2 562	1 428	1 301	3 716	6 326	4 980	5 645	8 483	2 109	4 975	11 654	5 465	10 446	10 704
Denmark	4 180	768	2 799	7 726	16 748	33 803	11 525	6 646	2 612	-10 721	12 892	2 709	11 851	10 708
Finland	1 063	1 109	2 116	12 141	4 610	8 836	3 732	8 053	3 322	2 828	4 747	7 656	12 353	-4 192
France	23 679	21 960	23 171	30 984	46 546	43 258	50 485	49 079	42 538	32 585	84 887	71 882	103 886	96 990
Germany	12 025	6 573	12 243	24 597	56 077	198 313	26 419	53 571	32 398	-10 195	47 411	57 175	56 415	24 891
Greece	1 198	1 196	1 089	72	561	1 108	1 589	50	1 276	2 103	606	5 366	1 918	5 083
Hungary	5 102	3 300	4 171	3 337	3 313	2 763	3 936	2 994	2 137	4 508	7 711	7 536	6 096	6 552
Iceland	9	83	148	148	67	170	173	91	328	654	3 075	3 992	3 062	-379
Ireland	1 442	2 616	2 710	8 856	18 211	25 784	9 653	29 350	22 803	-10 614	-31 670	-5 545	30 597	-12 278
Italy	4 816	3 535	4 962	4 280	6 911	13 377	14 873	16 430	16 430	16 824	19 959	39 261	40 209	16 999
Japan	41	228	3 224	3 193	12 743	8 318	6 244	9 239	6 324	7 819	2 778	-6 503	22 548	24 418
Korea	1 776	2 325	2 844	5 412	9 333	9 283	3 528	2 392	3 526	9 246	6 309	3 586	1 579	2 200
Luxembourg	..	..	..	..	..	..	..	115 242	89 287	78 687	116 107	125 251	186 260	80 373
Mexico	9 679	10 087	14 165	8 612	13 844	18 028	29 802	23 722	16 475	23 659	21 922	19 316	27 278	21 950
Netherlands	12 307	16 660	11 137	36 925	41 206	63 866	51 937	25 060	21 063	4 602	47 763	7 454	118 398	-9 063
New Zealand	2 850	3 922	1 917	1 826	940	1 344	-113	1 658	2 450	2 547	1 472	7 760	2 494	1 975
Norway	2 409	3 207	3 982	3 935	6 792	7 095	2 122	791	3 472	2 544	5 414	6 413	4 435	-95
Poland	3 658	4 500	4 914	6 368	7 276	9 446	5 697	4 121	4 867	12 873	10 281	19 643	22 733	15 980
Portugal	660	1 344	2 362	3 005	1 157	6 637	6 232	1 801	7 155	1 936	3 927	10 908	3 056	3 525
Slovak Republic	241	396	231	707	429	2 383	1 584	4 144	2 161	3 033	2 427	4 700	3 269	3 410
Spain	6 285	6 821	6 388	11 798	18 744	39 582	28 347	39 249	25 844	24 775	25 005	26 903	68 842	65 412
Sweden	14 447	5 437	10 967	19 843	61 001	23 433	10 905	12 270	4 981	11 022	9 915	27 261	22 079	40 395
Switzerland	2 224	3 078	6 642	8 942	11 714	19 266	8 859	6 284	16 505	933	-949	30 854	49 261	17 407
Turkey	885	722	805	940	783	982	3 352	1 082	1 702	2 785	10 031	20 185	22 046	18 171
United Kingdom	19 968	24 441	33 245	74 349	87 973	118 824	52 650	24 052	16 846	56 002	175 973	148 850	183 412	95 968
United States	57 776	86 502	105 603	179 045	289 444	321 274	167 021	84 372	63 750	145 966	112 638	241 961	275 758	319 737
EU27 total	..	..	..	..	..	..	..	..	..	230 952	573 183	638 587	810 471	469 615
OECD total	225 299	246 334	301 456	524 242	896 253	1 292 729	632 802	584 118	468 481	505 739	751 107	1 044 551	1 583 400	1 021 184
Brazil	4 859	11 200	19 650	31 913	28 576	32 779	22 457	16 590	10 144	18 166	15 066	18 782	34 585	45 058
Chile	2 957	4 815	5 271	4 628	8 761	4 860	4 200	2 550	4 307	7 173	6 984	7 298	12 577	16 787
China	35 849	40 180	44 237	43 751	38 753	38 399	44 241	49 308	47 077	54 937	79 127	78 095	138 413	147 791
Estonia	201	150	266	581	305	387	542	285	919	966	2 941	1 787	2 737	1 969
India	2 144	2 426	3 577	2 635	2 169	3 584	5 472	5 626	4 323	5 771	7 606	20 336	25 127	41 169
Indonesia	4 346	6 194	4 677	-241	-1 866	-4 550	-2 977	145	-597	1 896	8 336	4 914	6 928	8 340
Israel	1 350	1 397	1 634	1 737	3 763	5 919	4 179	1 910	4 087	2 529	4 270	14 762	9 961	10 544
Russian Federation	2 065	2 579	4 865	2 761	3 309	2 714	2 748	3 377	7 958	15 444	12 886	29 701	55 073	73 053
Slovenia	150	173	335	216	107	136	503	1 660	302	831	540	649	1 483	1 808
South Africa	1 248	816	3 811	550	1 503	969	7 270	1 480	783	701	6 522	-184	5 737	9 632

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Inflows of foreign direct investment

Billion US dollars


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Outflows of foreign direct investment

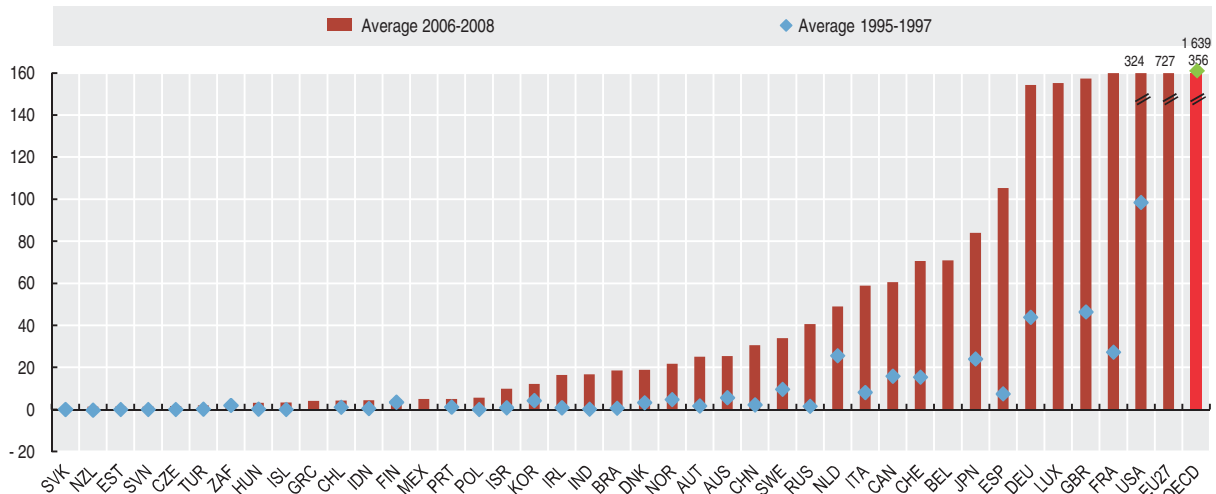
Million US dollars

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	3 282	7 088	6 428	3 345	-421	3 158	11 962	7 852	16 205	10 257	-37 984	23 419	16 804	35 780
Austria	1 131	1 935	1 988	2 745	3 301	5 741	3 138	5 812	7 143	8 305	11 138	13 678	33 387	28 159
Belgium	..	..	..	..	..	..	..	12 288	38 359	34 038	32 640	50 713	93 919	68 146
Canada	11 462	13 094	23 059	34 349	17 250	44 678	36 037	26 761	22 935	43 341	27 540	44 404	59 631	77 626
Czech Republic	37	153	25	127	90	43	165	206	207	1 014	-19	1 469	1 621	1 895
Denmark	3 063	2 519	4 207	4 477	17 006	26 533	13 364	5 708	1 139	-10 371	16 194	8 447	20 523	27 299
Finland	1 497	3 597	5 292	18 642	6 616	24 035	8 372	7 378	-2 282	-1 080	4 220	4 808	7 656	1 626
France	15 758	30 419	35 581	48 613	126 859	177 482	86 783	50 486	53 197	56 762	114 964	110 737	169 105	199 963
Germany	39 052	50 806	41 794	88 837	108 692	56 567	39 691	18 963	5 827	20 559	75 848	127 287	179 572	156 160
Greece	..	..	..	-276	552	2 137	616	655	413	1 030	1 450	4 169	5 339	2 646
Hungary	59	-4	462	278	250	620	368	278	1 644	1 119	2 179	3 876	3 742	1 637
Iceland	25	63	56	74	123	393	342	320	373	2 553	7 063	5 255	12 866	-8 100
Ireland	820	728	1 014	3 902	6 109	4 630	4 066	11 035	5 555	18 079	14 304	15 332	20 778	13 202
Italy	5 731	6 465	12 245	16 078	6 722	12 318	21 476	17 138	9 079	19 273	41 795	42 091	90 797	43 754
Japan	22 628	23 419	25 991	24 155	22 747	31 539	38 349	32 280	28 799	30 963	45 830	50 244	73 545	127 981
Korea	3 552	4 670	4 449	4 740	4 198	4 999	2 420	2 617	3 426	4 650	4 291	8 127	15 276	12 794
Luxembourg	..	..	..	..	..	..	..	125 770	99 863	84 083	124 542	110 781	250 865	103 931
Mexico	..	..	..	..	..	..	4 404	891	1 253	4 432	6 474	5 758	8 260	690
Netherlands	20 176	32 098	24 522	36 475	57 611	75 649	50 602	32 046	44 076	29 181	131 738	65 211	28 549	53 117
New Zealand	1 783	-1 240	-1 566	401	1 073	609	-1 082	372	879	-456	-1 520	501	3 234	100
Norway	2 855	6 098	5 290	2 542	5 834	9 510	807	5 760	6 065	5 317	21 970	21 321	15 589	28 074
Poland	42	53	45	316	31	17	-89	229	301	904	3 406	8 862	4 647	3 387
Portugal	685	729	2 092	4 029	3 191	8 134	6 263	-149	6 590	7 457	2 110	7 143	5 491	2 102
Slovak Republic	43	63	95	147	-377	29	65	11	247	-21	149	512	384	258
Spain	4 158	5 590	12 547	18 938	44 384	58 224	33 113	32 744	28 745	60 567	41 804	100 305	138 523	77 168
Sweden	11 214	5 025	12 648	24 379	21 929	40 970	7 348	10 598	21 131	21 124	26 215	23 553	37 812	40 189
Switzerland	12 214	16 150	17 748	18 769	33 264	44 698	18 326	8 212	15 443	26 282	50 994	75 860	49 677	86 255
Turkey	113	110	251	367	645	870	497	143	480	780	1 064	924	2 106	2 585
United Kingdom	43 560	34 056	61 620	122 861	201 437	233 488	58 885	50 347	62 439	91 083	80 818	86 285	275 521	110 407
United States	98 750	91 885	104 803	142 644	224 934	159 212	142 349	154 460	149 564	316 223	36 235	241 244	398 597	332 012
EU27 total	..	..	..	..	..	..	..	..	..	281 845	532 598	662 661	883 596	634 725
OECD total	315 418	343 381	410 570	651 061	1 046 374	1 244 645	689 263	621 210	629 093	887 450	887 452	1 262 315	2 023 813	1 630 842
Brazil	1 384	-467	1 042	2 721	1 690	2 282	-2 258	2 482	249	9 471	2 517	28 203	7 067	20 457
Chile	752	1 133	1 463	1 483	2 558	3 987	1 610	343	1 606	1 563	2 183	2 742	3 009	6 891
China	2 000	2 114	2 563	2 634	1 775	916	6 884	2 518	-152	1 805	11 306	21 160	16 995	53 471
Estonia	3	40	137	6	83	63	200	132	156	268	688	1 111	1 737	1 089
India	117	239	113	48	79	510	1 398	1 678	1 879	2 179	2 978	14 344	17 280	18 362
Indonesia	603	600	178	..	..	..	..	..	..	3 408	3 065	2 641	4 675	5 861
Israel	820	815	923	1 124	829	3 335	687	981	2 086	4 533	2 946	14 944	6 782	7 719
Russian Federation	605	922	3 185	1 270	2 208	3 177	2 533	3 966	9 727	13 782	12 768	23 151	45 916	52 629
Slovenia	-10	7	31	-6	48	65	133	151	476	550	629	905	1 574	1 465
South Africa	2 494	1 048	2 324	1 634	1 584	277	-3 515	-402	553	1 305	909	5 929	2 982	-2 305

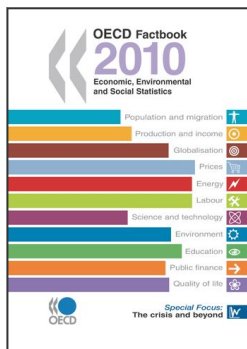
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Outflows of foreign direct investment

Billion US dollars



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