

FDI statistics

What is FDI?

Foreign direct investment (FDI) is a category of cross-border investment in which an investor resident in one economy (the direct investor) establishes a lasting interest in and a significant degree of influence (at least 10%) over an enterprise resident in another nation's economy (the direct investment enterprise).

Typical Sources

FDI Statistics are typically compiled as part of:

Foreign Affiliate Statistics (FATS)

Balance of Payments (BoP)

Business registers also play a central role

Balance of Payments (Direct investors)

Many countries have an annual survey – Balance sheet

In some cases, this is supplemented by a quarterly survey (often transactions/payments data) – update annual stocks using ratios

Some, where FDI / globalization is very important, conduct a full quarterly survey – P&L, balance sheet, income flows

Policy perspectives

Often more interested in *ultimate* investor
(immediate) investor

The immediate investor with respect to
firm that is investing directly into the

The purpose of analysing FDI on a
to see where an investment comes from
the profits from investment ultimately

* The ultimate investor or ultimate controller
that has the final controlling power over
purpose of analysing FDI on an immediate
where investment is coming from or going to
definition.



Policy perspectives

Domestic policy makers often want ‘*pass through*’ (SPE)* investment excluded – this is sometimes called ‘*phantom*’ investment – usually has no spillover to domestic economies.

* A *special purpose entity* (SPE) is a company set up for reasons that are beyond the production of goods and services; often they are established for financing purposes or to hold certain assets or liabilities. The present IMF guidance defines them as businesses which: have no more than five employees, very little production within their resident economy, have a foreign ultimate controlling parent, and have a high ratio of foreign assets relative to domestic.

Policy perspectives

Phantom investment sometimes this gets confused with '*IP and intangible*' investment. But not the same

Also '*reversible*' investment (e.g. inter company loans) excluded

This is relevant to 'resource mobilization' discussion



An
Phríomh-Oifig
Staidrimh

Central
Statistics
Office

Foreign Direct Investment in Ireland 2018

Ireland:
A Globalised
Economy

FDI

Stocks/
GDP (%)



Irish
270%

OECD
41%

EU
56%



**Pass-Through
Investment**



**FDI Associated
Employment**

2018
383,000

2017
366,000

2016
352,000

**US & UK
Investment**



US FDI
€649bn
132,000
Employees



UK FDI
€18bn
88,000
Employees

**Breakdown of
Employment**

Average Wages
Third level education
Non-national employees
% female employees



FDI Firms
€54,000

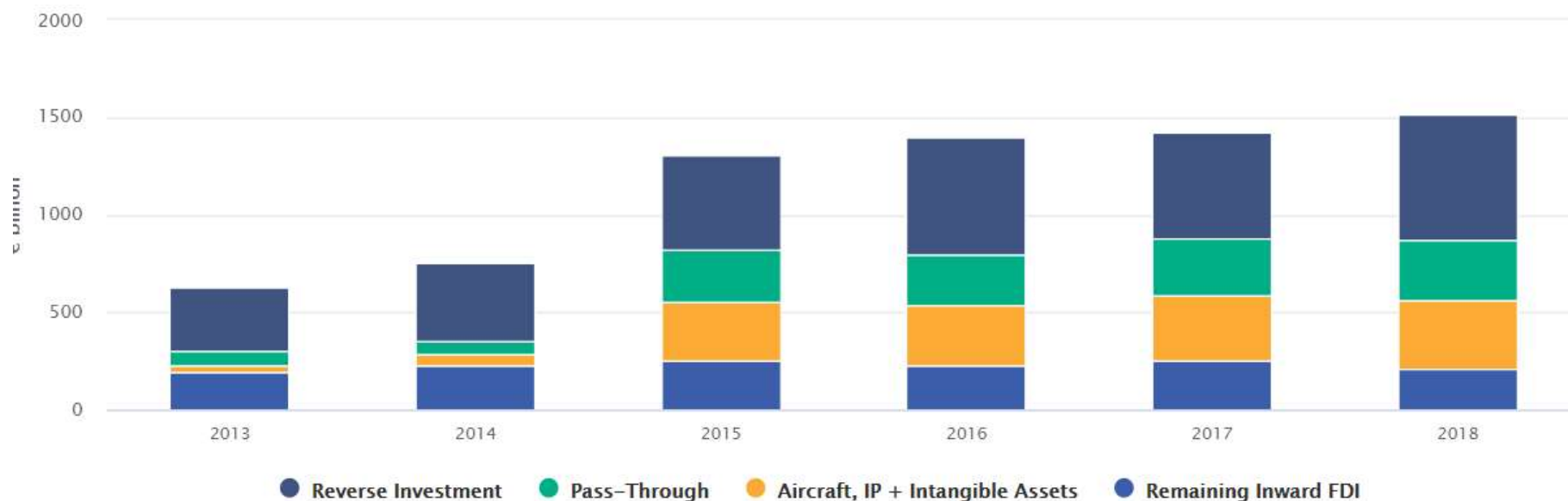


Irish Firms
€37,000

Third level education	27%	22%
Non-national employees	22%	15%
% female employees	42%	50%

When we talk about FDI what do we mean?

Figure 10.9 FDI Liabilities Breakdown



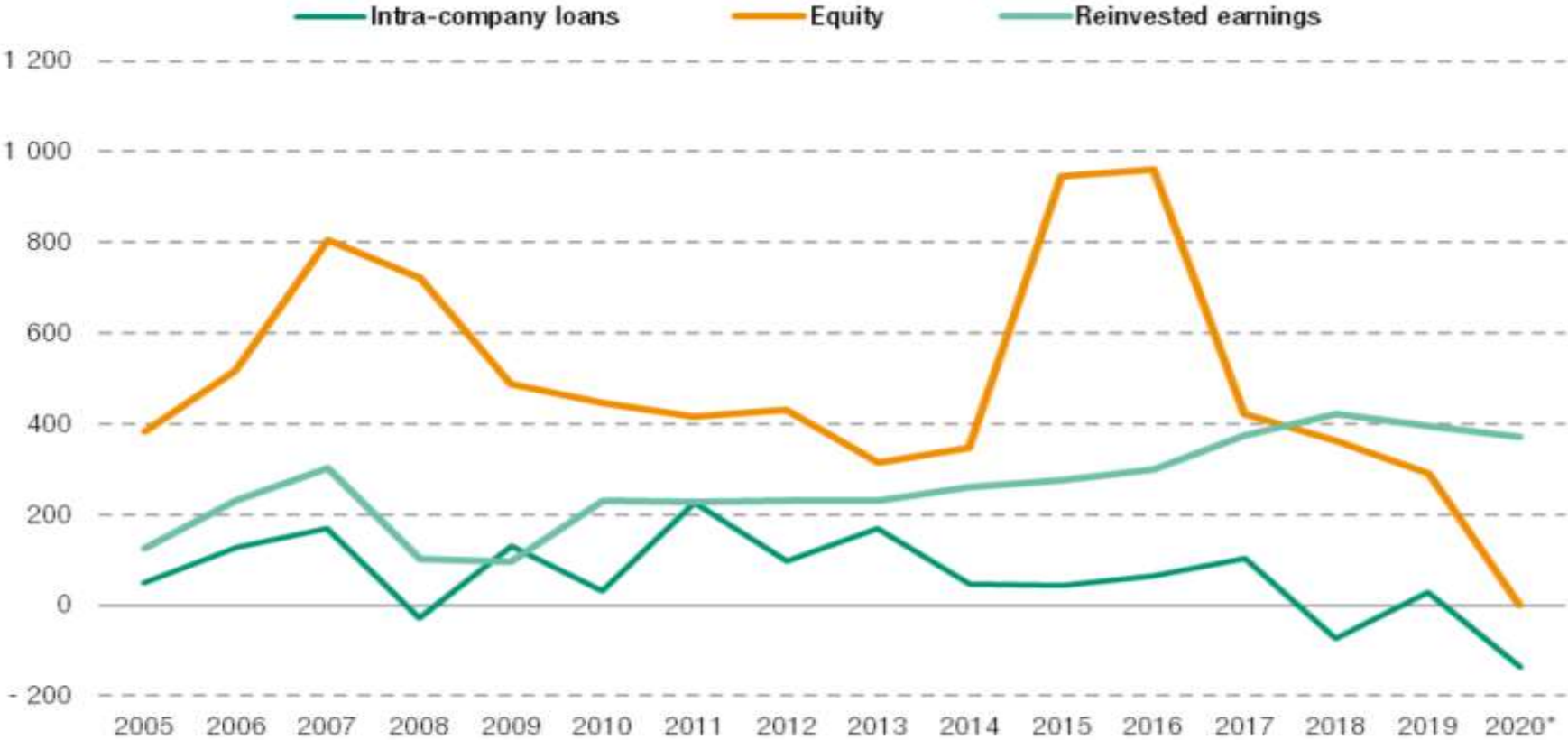
Source: CSO Ireland

Source: FDI in Ireland 2008

<https://www.cso.ie/en/releasesandpublications/ep/p-fdi/foreigndirectinvestmentinireland2018/specialpurposeentitiesandpass-through/>

Some recent UNCTAD results

Developed countries: FDI inflows by components 2005 – 2020 (USD Billions)



International sources

UNCTAD

OECD

IMF

IFC (World Bank Group)

UNCTAD World Investment Report 2020



Annex tables

- FDI flows and stock
- Announced greenfield investment projects
- Cross-border M&As
- Top 100 TNCs
- Bilateral investment positions


Country/regional fact sheet

Methodological Note


<https://unctad.org/topic/investment/world-investment-report>

Global Investment Trend monitor

JANUARY 2021 ISSUE 38



INVESTMENT TRENDS MONITOR



UNITED NATIONS
UNCTAD

GLOBAL FDI FLOWS DOWN 42% IN 2020
Further weakness expected in 2021, risking sustainable recovery

H I G H L I G H T S

- Global foreign direct investment (FDI) collapsed in 2020, falling by 42% to an estimated \$859 billion, from \$1.5 trillion in 2019 (figure 1). FDI finished 2020 more than 30% below the trough after the global financial crisis in 2009.
- The decline was concentrated in developed countries, where FDI flows fell by 69% to an estimated \$229 billion. Flows to Europe dried up completely to -4 billion (including large negative flows in several countries). A sharp decrease was also recorded in the United States (-49%) to \$134 billion.
- The decline in developing economies was relatively measured at -12% to an estimated \$616 billion. The share of developing economies in global FDI reached 72% – the highest share on record. China topped the ranking of the largest FDI recipients.
- The fall in FDI flows across developing regions was uneven, with -37% in Latin America and the Caribbean, -18% in Africa and -4% in developing Asia. East Asia was the largest host region, accounting for one-third of global FDI in 2020. FDI to the transition economies declined by 77% to \$13 billion.

Figure 1. FDI inflows: global and by group of economies, 2007–2020*
(Billions of US dollars)

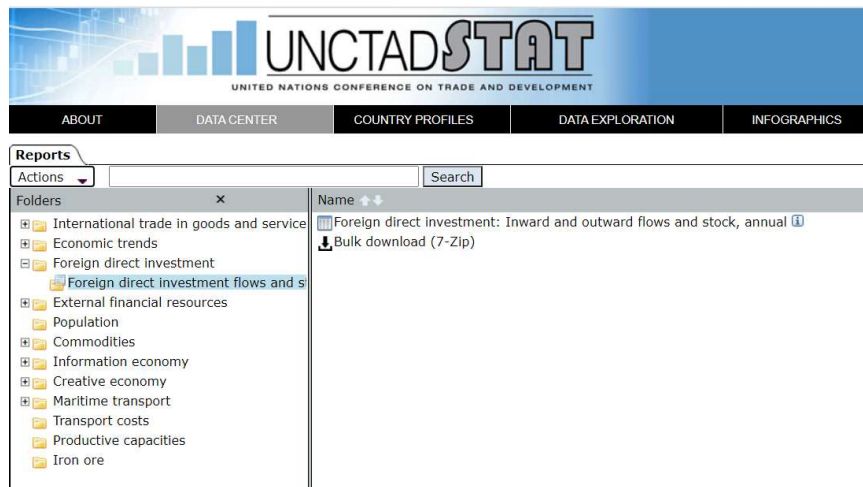
Source: UNCTAD.
* Preliminary estimates.

This report can be freely cited provided appropriate acknowledgement is given to UNCTAD. This publication has not been formally edited.

- The monitor analyses the most recent trends in FDI flows in developed, developing and transition economies and assesses their prospects for 2021.

<https://unctad.org/webflyer/global-investment-trend-monitor-no-38>

UNCTADstat – global statistics



Annual datasets: 1980 – 2019 (USD / % of GDP / % of GFCF)

Inward FDI Stocks by partner country and region

Outward FDI Stocks by partner country and region

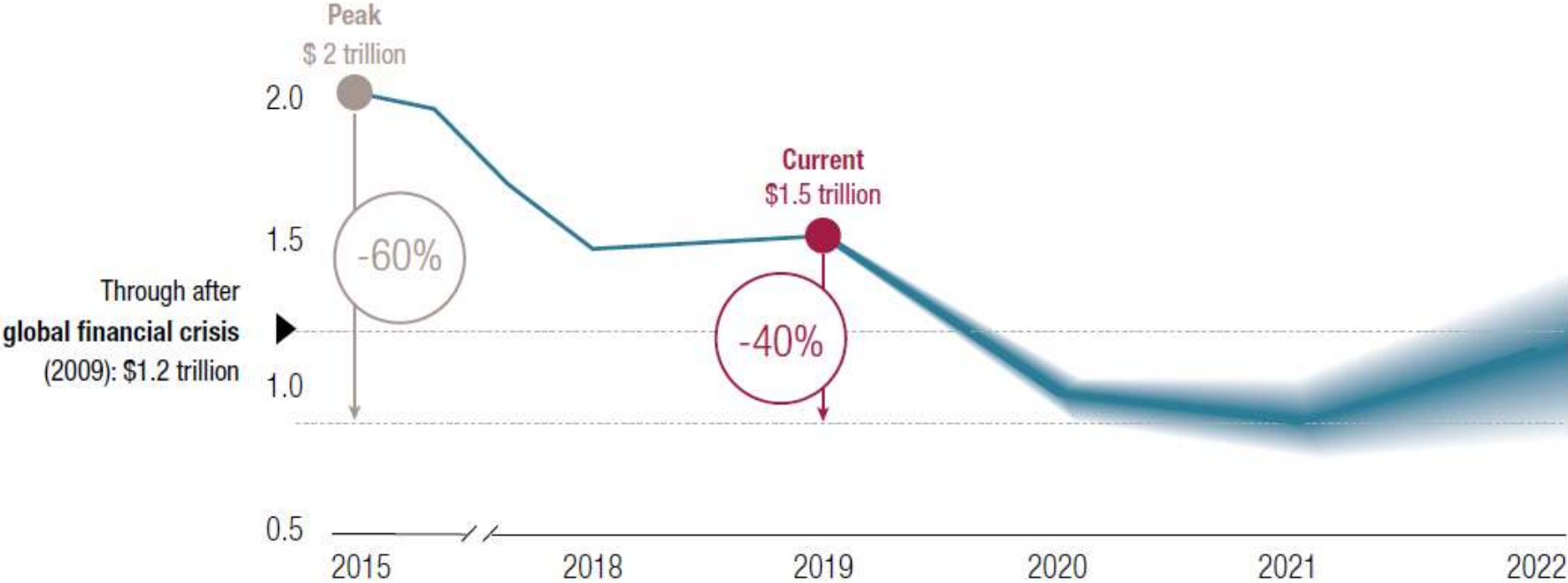
Inward FDI Flows by partner country and region

Outward FDI Flows by partner country and region

<https://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx>

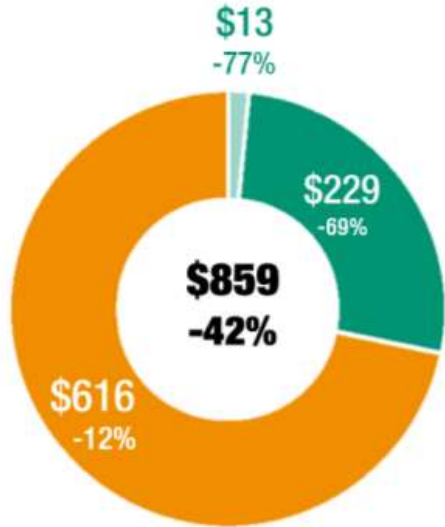
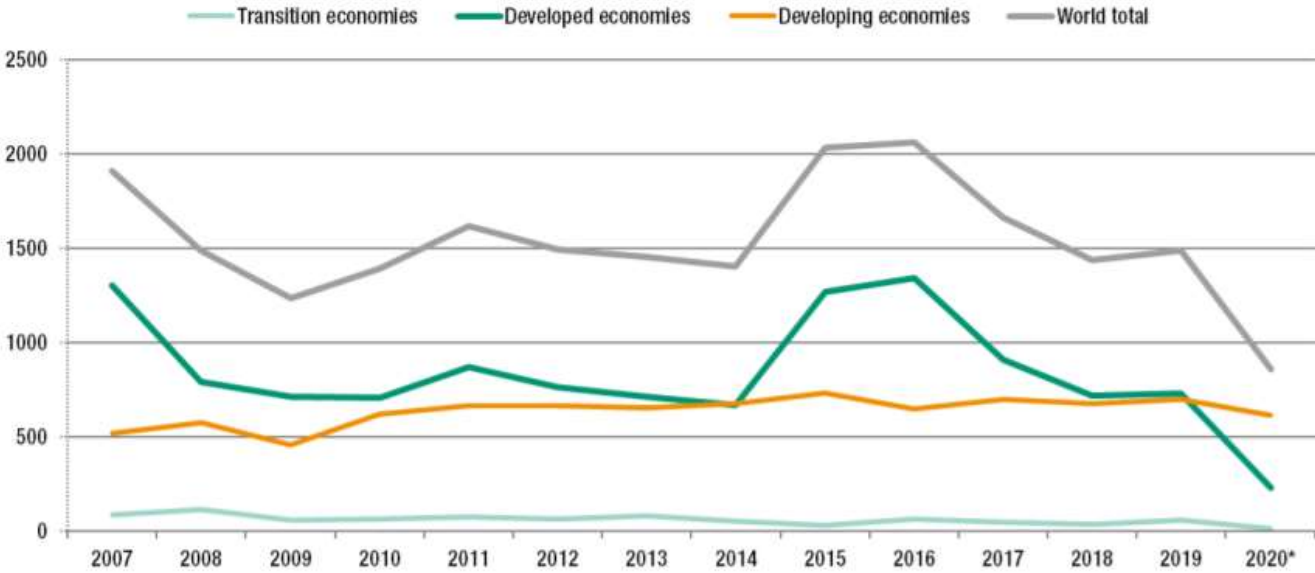
Some recent results

Global FDI inflows, 2015 - 2022



Some recent UNCTAD results

FDI Inflows: global and by group of economies, 2007 – 2020 (USD Billions)

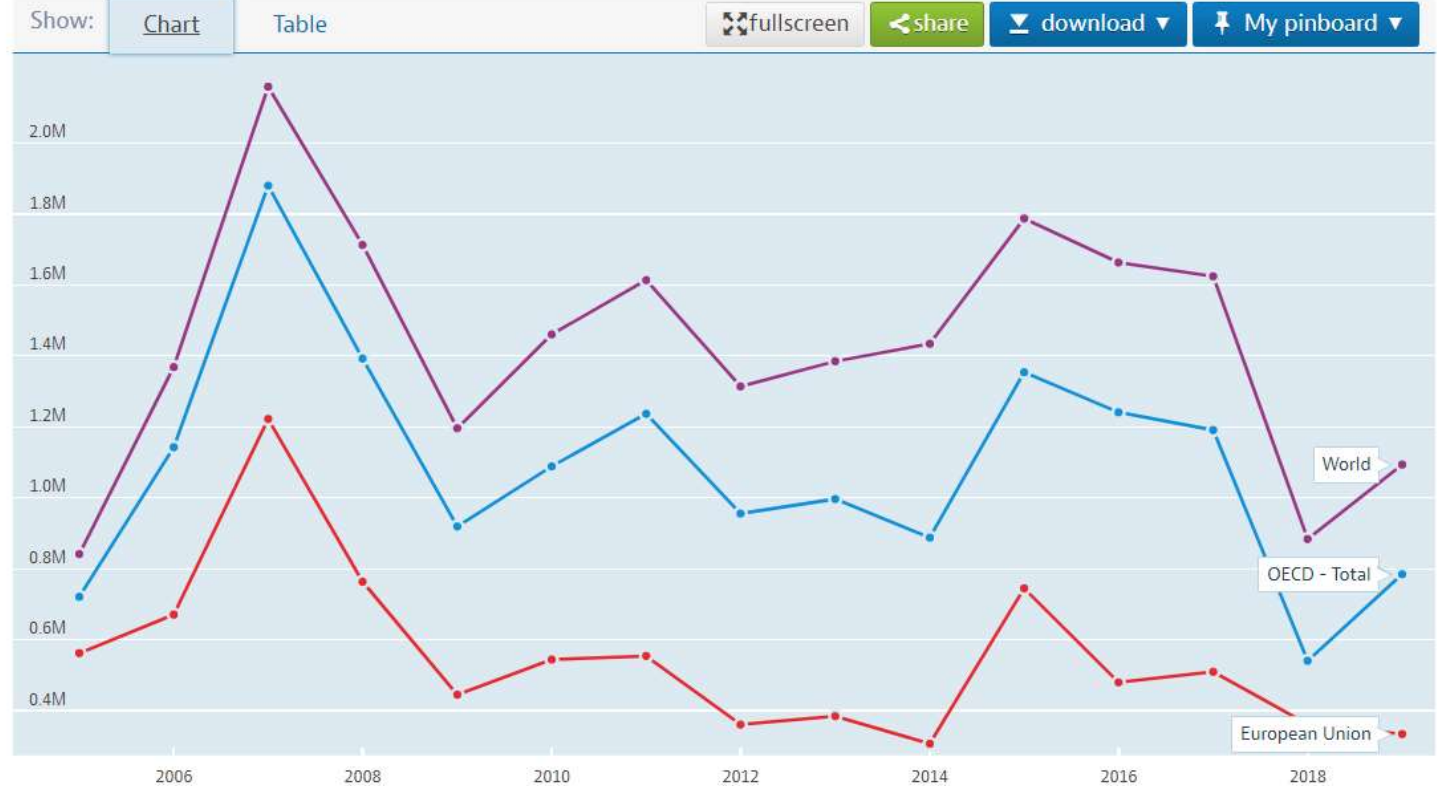


Indicators

FDI flows Outward, Million US dollars, 2005 – 2019

Source: Benchmark definition, 4th edition (BMD4): Foreign direct investment: financial flows, main aggregates

- ⌕ FDI stocks
- ⌕ FDI flows
- ⌕ FDI restrictiveness
- ⌕ Inward FDI stocks by partner country
- ⌕ Outward FDI stocks by partner country
- ⌕ Inward FDI flows by partner country
- ⌕ Outward FDI flows by partner country
- ⌕ Inward FDI stocks by industry
- ⌕ Outward FDI stocks by industry
- ⌕ Inward FDI flows by industry
- ⌕ Outward FDI flows by industry
- ⌕ FDI income payments by partner country



Perspectives **Countries** **Time**

Outward **Highlighted Countries (3)** **yearly** quarterly monthly

Compare variables latest data available

Indicators

FDI Stocks

FDI Flows

FDI Restrictiveness

Inward FDI stocks by partner country

Outward FDI stocks by partner country

Inward FDI flows by partner country

Outward FDI flows by partner country

Inward FDI stocks by partner industry

Outward FDI stocks by partner industry

Inward FDI flows by partner industry

Outward FDI flows by partner industry

FDI income payments by partner country

FDI income receipts by partner country

FDI income payments by industry

FDI income receipts by industry

<https://data.oecd.org/fdi/fdi-stocks.htm#indicator-chart>

Datasets

FDI by partner and by industry

FDI by partner country

FDI by partner country and by industry

FDI flows by industry

FDI positions by industry

FDI income by industry

FDI positions by partner country

FDI income by partner country

<https://www.oecd.org/corporate/mne/statistics.htm#:~:text=New%20OECD%20data%20and%20analysis,downward%20trend%20observed%20since%202015>

Coordinated Portfolio Investment Survey (CPIS)

Latest Update Date: 12/14/2020



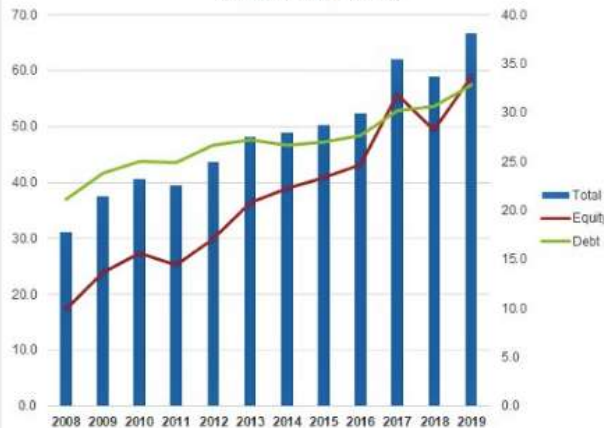
CPIS Home By Economy By Indicator Data Tables Documents Data Query About CPIS

Search GO

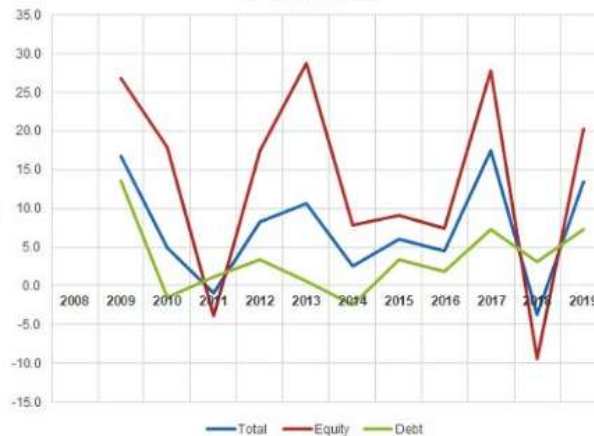
New data* for end-2019, show that total world portfolio holdings increased from US\$ 58.9 trillion (end-December 2018) to US\$66.6 trillion (end-December 2019). This comes from increases in holdings of debt securities by US\$ 2.3 trillion, and in equity holdings by US\$ 5.5 trillion (chart on the left). For the top ten issuers of securities, portfolio investment liabilities— mostly equity (chart on the right)— derived from counterparts' holdings rebounded markedly in 2019 after a sharp drop in 2018.

*End-June 2019 data have also been reviewed .

CPIS: Holdings of Total Securities Positions at end-period USD Trillion (Equity and Debt, Right Axis)



Portfolio Investment Liabilities: Top Ten Economies by Size of Liabilities (Percentage Change)



Charts and More Information

- Total CPIS Reporters - Map
- Top 10 Destinations by Economy
- Total Portfolio Investment Assets - Top 10 Reporting Economies
- Total Equity and Investment Fund Share
- Total Debt Securities
- Derived Total Portfolio Investment Liabilities-Top 10
- Derived Total Equity and Investment Fund
- Derived Total Debt Securities
- Data Availability (December 2019) as of September 16 2020



Source: Coordinated Direct Investment Survey <https://data.imf.org/?sk=B981B4E3-4E58-467E-9B90-9DE0C3367363>





Indicators

Securities held as reserve assets

International organizations portfolio investments

Total portfolio investment assets x geography

Total portfolio investment assets – top 10 economies

Top 10 economies – holders and issuers x geography

Portfolio investment assets - all

Derived portfolio investment liabilities - all

<https://data.imf.org/?sk=B981B4E3-4E58-467E-9B90-9DE0C3367363&slid=1424875079575>

Conclusions

FDI statistics like most statistics cover a lot of different activities

Need to be careful what FDI would be included, as pass-through, reversible, and maybe intangible FDI doesn't bring any immediate benefits to the host country.

Announcements NE greenfield FDI

Personal reflections...

Not clear to me that FDI should be part of ARM

If it is included, it should only be 'residual' FDI

I think FDI plays an important role in development – but should not be conflated with RM