

Research Briefing

20 June 2023

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Foreign Direct Investment Statistics



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Summary

This briefing examines recent trends in UK and world foreign direct investment (FDI) using data from the Office for National Statistics (ONS) and United Nations Conference on Trade and Development (UNCTAD).

UK FDI

In 2021:

- The value of foreign direct investment into the UK, i.e., inward flows, into the UK were worth -£51.7 billion, down from £34.8 billion in 2020.
- The value of inward FDI in the UK (i.e., the stock of FDI invested in the UK) was £2.0 trillion, up very slightly from 2020.
- The value of outward FDI flows (i.e., investments made by UK companies in companies abroad) was £61.7 billion, compared to -£74.8 billion in 2020.
- The value of the UK's outward investment position abroad (i.e., the stock of UK FDI invested abroad) was £1.8 trillion, up very slightly from 2020.

World FDI

In 2021:

- The value of world inward flows rebounded, after falling sharply in 2020, reaching \$1.6 trillion, an increase of 64% in cash terms compared to 2020 and an increase of 7% compared to 2019.
- The USA maintained its position as the world's largest recipient of inward FDI flows, accounting for just under a quarter of world inward investment flows.
- The USA also the world's largest investor abroad, accounting for around a quarter of outward FDI flows.

1 What is foreign direct investment?

Foreign direct investment (FDI) is defined as investment in an enterprise operating in a foreign economy, where the purpose is to have an ‘effective voice’ in the management of the enterprise.

In FDI statistics, an ‘effective voice’ is owning 10% or more of a company; any investment below this is counted as ‘portfolio’ investment and not included in FDI statistics.¹

FDI can cover a range of forms of investment, some examples include:

- A UK company establishes a branch or subsidiary in a foreign country, injecting start-up capital. This is often known as a ‘greenfield’ investment.
- A UK company buys or sells (fully or partially) the equity of an existing foreign company. This is often known as M&A (mergers and acquisitions) activity.
- A UK company puts additional capital into an existing foreign subsidiary or allows it to retain profits rather than return them to the parent company.

FDI can be either inward or outward:

- Inward FDI measures investments made in a country from another country – for example investment from a foreign country into the UK.
- Outward FDI measures investments made by domestic companies in a foreign economy – for example investment from the UK into a foreign country.

FDI statistics measure two different concepts – flows and stocks.

1.1 Flows

Flows measure annual levels of investment on a net basis.² For example, in the UK, inward flows would measure foreign companies’ investments in the

¹ See [Background notes, Foreign direct investment involving UK companies: 2015](#), ONS, December 2016

² Meaning disinvestments will be included

UK, while outward flows would measure investments made by British companies abroad.

Flows data can vary significantly from year to year and should be used with caution - a significant proportion of FDI flows can be accounted for by large multinational mergers and acquisitions and do not necessarily indicate significant 'greenfield' investments. High flows can also be dominated by a small number of high value transactions.

1.2

Stocks

The stock measure records the total book value of all existing FDI, inward or outward at the end of a given period, rather than being a sum of investment over time. Consequently, stock values are subject to changes in valuation in company accounts, as well as exchange rate fluctuations, and values can change from year to year even without new investments.

2 Inward FDI in the UK

This section looks at the UK's level of inward FDI flows and stocks in 2021 (the most recent year for which data are available), as well as recent trends.

Data is taken from the Office for National Statistics (ONS) release [Foreign direct investment involving UK companies: 2021](#), as well as the United Nations Conference on Trade and Development (UNCTAD) [database on bilateral FDI](#).

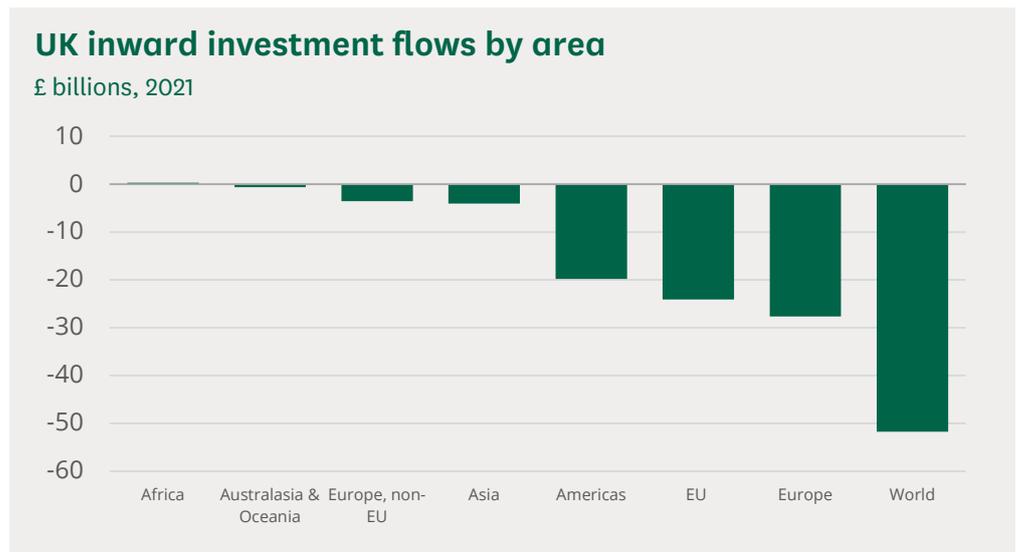
2.1 FDI inflows in 2021

In 2021:

- The value of foreign direct investment into the UK (i.e., the value of inward flows) was -£51.7 billion, down from £34.8 billion in 2020.³
- Negative flows mean outflows of [investment](#) exceed inflows and can indicate things like disinvestment, discharges of liabilities, company dividends exceeding recorded income or company operations being at a loss.⁴
- The USA was the single largest investor in the UK, with investment of £6.2 billion, down from £16.9 billion in 2020. Net investment from the Americas as a whole was -£19.8 billion.
- The Netherlands accounted for the UK's single largest disinvestment, with net inward investment of -£24.0 billion.
- Net investment from the EU was -£24.1 billion, compared to £28.0 billion in 2020, while net investment from Europe as a whole was -£27.6 billion.
- Overall, net investment was negative from all continents except Africa, which recorded a positive inward investment flow of £0.3 billion.

³ ONS, [Foreign direct investment involving UK companies: 2021](#), 23 January 2023.

⁴ Eurostat, [Negative foreign directive investment \(FDI\) values](#)



Source: ONS, [Foreign direct investment involving UK companies: 2021](#), January 2023

2021 is the first year the value of the UK's annual inward investment flows have been negative since 1984.

This fall is in part as a result of the coronavirus pandemic and global recession and associated disruptions to investment activity, though is also a continuation of a long-term trend. The ONS have also changed their methodology for collecting FDI statistics from 2020 onwards and advise caution in comparing FDI data pre and post 2020.⁵

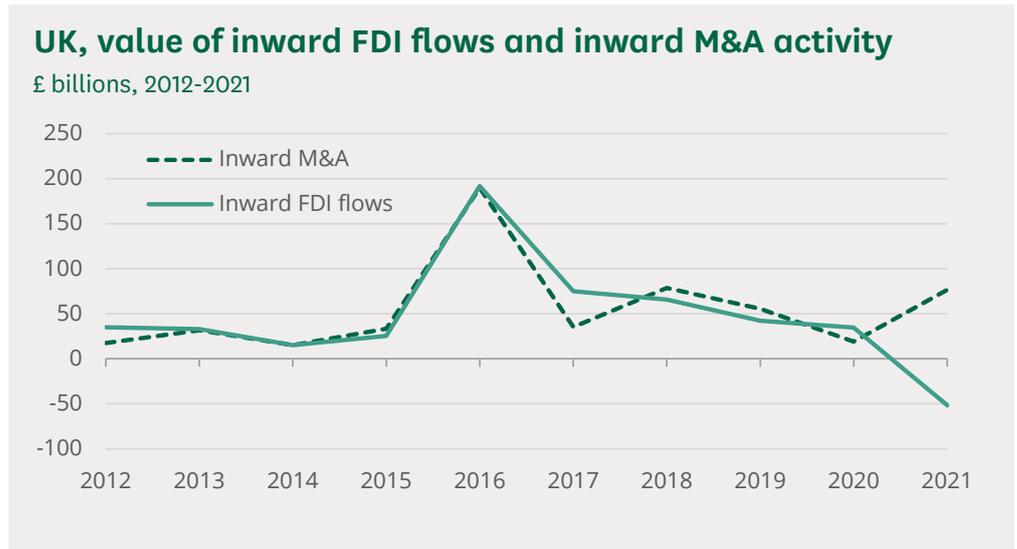
2021 marks the fifth successive year inward FDI flows into the UK have fallen - inward FDI flows reached a high of £192.0 billion in 2016, before falling in each subsequent year.

While the fall in value of inward FDI flows into the UK since 2016 may seem dramatic, it is important to remember that inward flows can be very volatile from year to year and that 2016's total was unusually high.

This was attributed by the Office for National Statistics to "a handful of high-value mergers and acquisitions" in 2016, notably four foreign acquisitions of British companies each with an individual value in excess of £10 billion, including the £79 billion takeover of brewer SABMiller and the £24 billion takeover of chipmaker ARM.⁶ The value of inward mergers and acquisitions has generally fallen since 2016. In 2020, they fell to their lowest value since 2014, increasing slightly in 2021.

⁵ ONS, [Foreign direct investment statistics, overview of methods changes: 2020](#), 3 February 2022

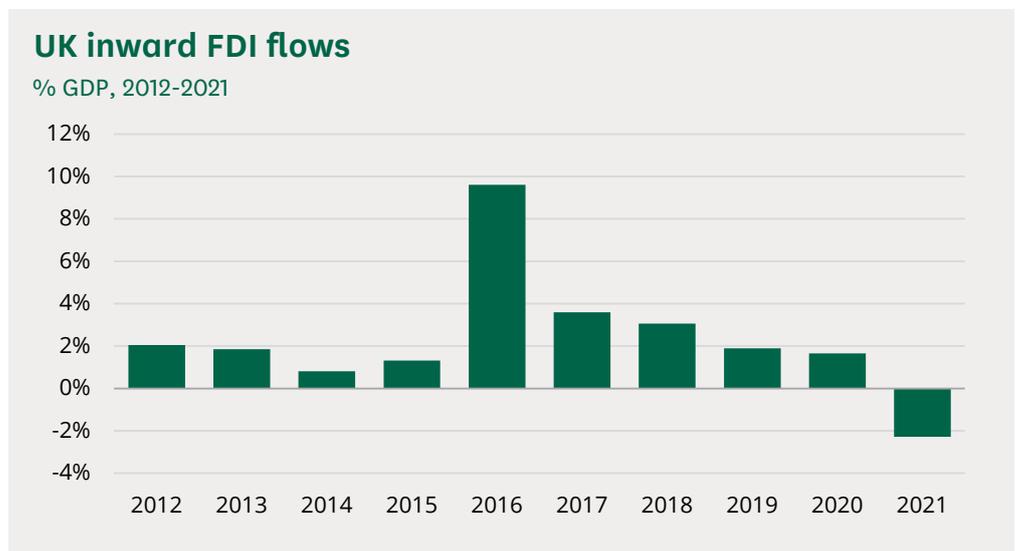
⁶ ONS, [UK foreign direct investment, trends and analysis](#) 30 January 2018



Source: ONS, [Foreign direct investment involving UK companies: 2021](#), January 2023; [Mergers and acquisitions involving UK companies](#), June 2023

Trends in inward FDI into the UK as a percentage of GDP over the last decade are shown in the graph below. In 2016, the value of the UK’s inward FDI was equal to 9.6% of GDP.

This has now fallen year-on-year since 2016 and was equal to -2.3% in 2021. The average over the last 10 years has been 2.4%.



Source: ONS, [Foreign direct investment involving UK companies: 2021](#), January 2023; series [YBHA](#)

2.2

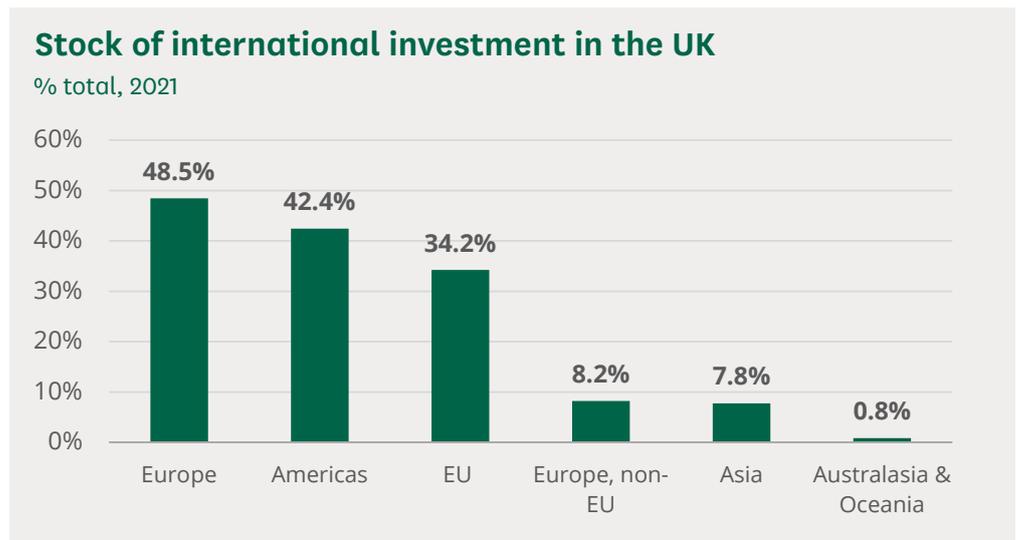
Inward FDI stocks in 2021

In 2021:

- The value of the inward FDI stock in the UK (i.e., the stock of FDI invested in the UK) was £2.0 trillion, up from £1.9 trillion in 2020.
- EU countries accounted for 34% of the stock of FDI in the UK, down from 37% in 2019. The EU's share of the stock of FDI in the UK fluctuated between 34% and 50% over the last decade.
- Looking at individual countries, the USA accounted for just over a third of the UK's inward stock of FDI, slightly below the EU. Over the last decade, the USA's share the stock of FDI in the UK has fluctuated between 24% and 34%.
- Europe as a whole (i.e., including European countries outside the EU) accounted for 48% of the stock of inward FDI in the UK, down from a high of 61% in 2013.

UK inward FDI stock		
2021		
	£ billions	% total
USA	675.7	33.7%
Netherlands	217.5	10.9%
UK Offshore Islands	205.0	10.2%
Luxembourg	121.3	6.1%
France	100.9	5.0%
Japan	92.0	4.6%
Belgium	88.8	4.4%
Switzerland	74.4	3.7%
Canada	42.4	2.1%
Spain	41.3	2.1%
EU	685.1	34.2%
Non-EU	1,317.3	65.8%
World	2,002.4	100.0%

Source: ONS, [Foreign direct investment involving UK companies: 2021](#)



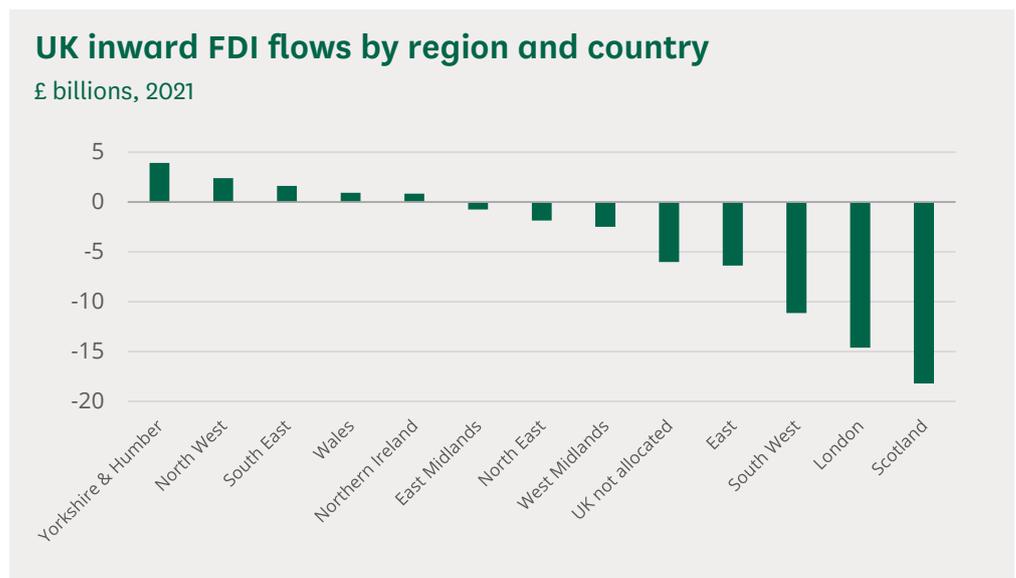
Source: ONS, [Foreign direct investment involving UK companies: 2021](#)

2.3

Inward FDI by UK region and country

Since 2022, the ONS have produced data on UK inward FDI, broken down by region and country of investment.⁷

In 2021 (the most recent year for which data are available), 5 of the 12 regions and countries of the UK experienced positive inward investment flows, while seven experienced a net disinvestment. Yorkshire and Humber had the highest positive inward investment, with an inward investment flow of £3.9 billion, while Scotland had the highest net disinvestment of -£18.2 billion.

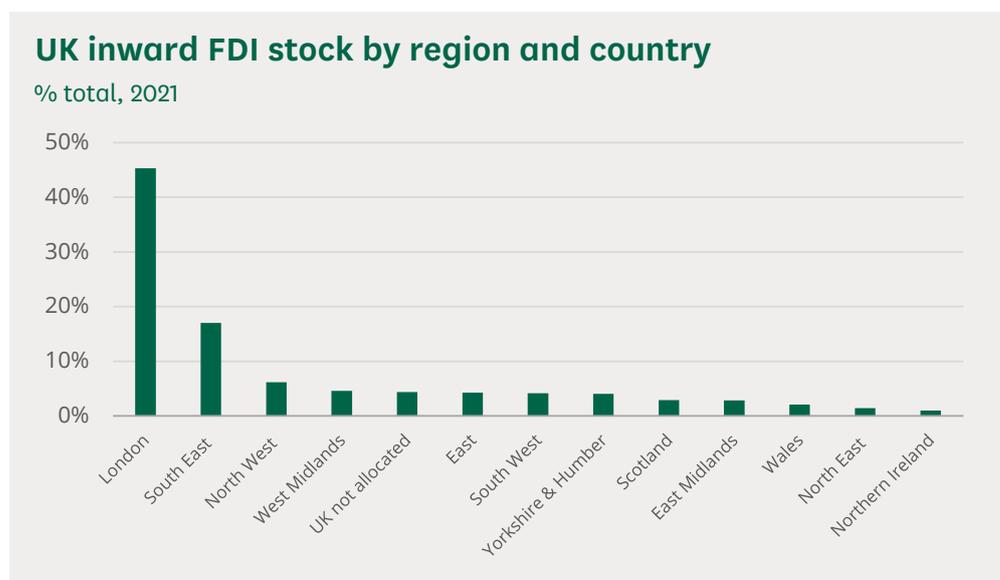


⁷ See ONS, [Foreign direct investment, experimental UK subnational estimates: 2021](#), 23 April 2023

Source: ONS, [Foreign direct investment, experimental UK subnational estimates: 2021](#)

In terms of inward FDI stocks, in 2021, London accounted for 45% of the stock of inward FDI in the UK, while the South-East of England accounted for 17%.

Combined, London and the South-East accounted for 62% of the UK's total stock of inward FDI.



Source: ONS, [Foreign direct investment, experimental UK subnational estimates: 2021](#)

Companies for which ONS could not calculate subnational results have been placed in the not allocated category.

2.4 FDI stock on an immediate and ultimate basis

All figures in this section are based on investments made on an immediate parent company basis, with the geographical origin of investment in the UK being based on the country in which the company is resident, rather than the residence of the ultimate parent company.

The ONS now produce FDI statistics that reflect investment made on the basis of the ultimate controlling parent company (i.e., over 50% of the voting power). This approach is designed to reflect not where the financial flow necessarily comes from directly, but rather “identifies the country of the ultimate decision-maker for each UK business receiving FDI.”⁸

⁸ ONS, [UK foreign direct investment, trends and analysis: July 2019](#), 28 July 2019

This distinction is important as it can highlight offshore investment – that is investment that effectively passes through one country en route to another.

An International Monetary Fund (IMF) paper on the subject describes this as the difference between “phantom FDI”, which it describes as “investments into empty corporate shells with no link to the local real economy” and real FDI, which it describes as investment “between an investor in one economy and an active and substantial business in another economy.”⁹ The paper uses the example of Luxembourg, which records inward investment levels similar to the USA (despite the USA having a population around 550 times larger) though this is largely investment that passes through Luxembourg “without leaving many real traces in the transit”; accordingly Luxembourg’s outward FDI flows roughly matches their inward FDI flows.¹⁰ A 2019 Financial Times article described phantom FDI as playing “no productive role in the economies which host it, instead it is moved around the world purely to reduce big companies’ tax bills.”¹¹

Such investment is often conducted through special purpose entities (SPEs). These are legal entities set up to “obtain specific advantages from a host economy”, in which they have “little to no employment, physical presence, or production.” Often, these are set up in offshore financial centres, to benefit from low taxes in the host economy.¹² As a result, these entities can “inflate FDI data considerably”, while having little impact on the host economy.¹³

The table below shows the stock of international investment in the UK on the basis of the ultimate controlling parent country of investments in 2020 (the most recent year for which data is available).

The main difference in these approaches is seen in investments from Europe and the Americas. Investments from the EU fall from 39% of the stock of inward investment in the UK on an immediate basis to 30% on an ultimate basis, whereas investments from the Americas increase from 36% on an immediate basis to 45% on an ultimate basis. Much of this is accounted for by investment from the USA, which increases from 25% on an immediate basis to 36% on an ultimate basis. Investment from other continents and areas remain broadly similar.

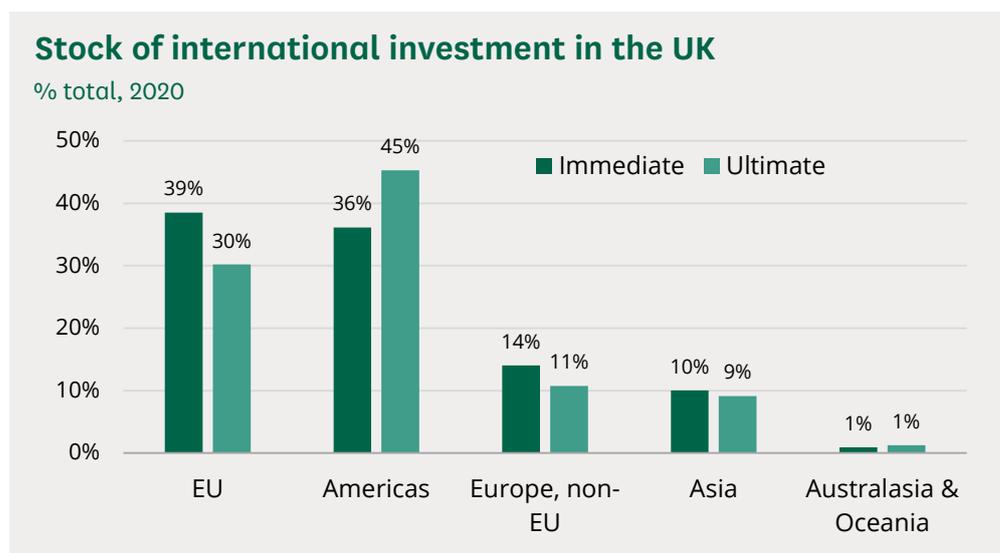
⁹ J. Damgaard, T. Elkjaer, and N. Johannesen, [What Is Real and What Is Not in the Global FDI Network?](#) IMF Working Paper, 11 December 2019, p 1-2

¹⁰ J. Damgaard, T. Elkjaer, and N. Johannesen, [as above](#), p 1-2

¹¹ [Phantom investment calls for an exorcism](#), Financial Times, 10 September 2019

¹² Evrim Bese Goksu, Theo Bikoi, Padma Hurree Gobin, [Special Purpose Entities Shed Light on the Drivers of Foreign Direct Investment](#), IMF, 25 March 2022

¹³ Jannick Damgaard, Carlos Sánchez-Muñoz, [United States Is World's Top Destination for Foreign Direct Investment: The move comes amid a decline in offshore financial centers' share of global FDI](#), IMF, 7 December 2022



Source: ONS, [Inward FDI involving UK companies: immediate and ultimate basis](#), July 2022

2.5

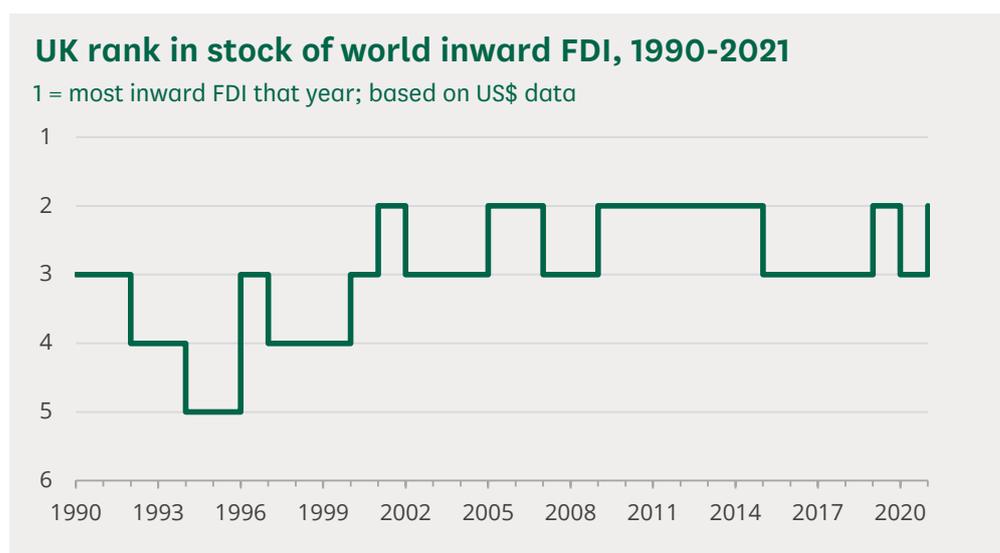
Recent trends in inward FDI in the UK

The chart below shows the UK's world ranking in terms of the stock of inward FDI since 1990. Over this period, the UK's position in the world has fluctuated between fifth and second, while the United States has been ranked first every year.

Between 2015 and 2018, the UK was ranked third in the world, behind the USA and Hong Kong, before overtaking Hong Kong to reach second in the world in 2019, before falling back to third in 2020, behind the USA and the Netherlands and subsequently returning to second in 2021.

In 2021, the value of the stock of inward FDI in the UK was \$2.63 trillion, behind the USA at \$13.6 trillion and ahead of the Netherlands on \$2.60 trillion.¹⁴ Again, it is important to remember stock values are subject to changes in valuation in company accounts, as well as exchange rate fluctuations, and values can change from year to year even without new investments.

¹⁴ Data taken from [UNCTAD Stat database](#)



Source: UNCTAD, [Bilateral FDI database](#)

2.6 Inward FDI: impacts of Brexit and Covid

The available evidence on the impact of Brexit and Coronavirus pandemic on inward investment in the UK is mixed.

Quarterly data produced by the ONS indicates that inward investment in the UK continued to grow after the EU referendum result in June 2016 and grew in 14 of the 20 quarters between Q1 2017 and Q4 2021, albeit at a much slower rate than in 2016. Again, it is important to remember that 2016's total was exceptionally high and FDI flows can be very volatile.

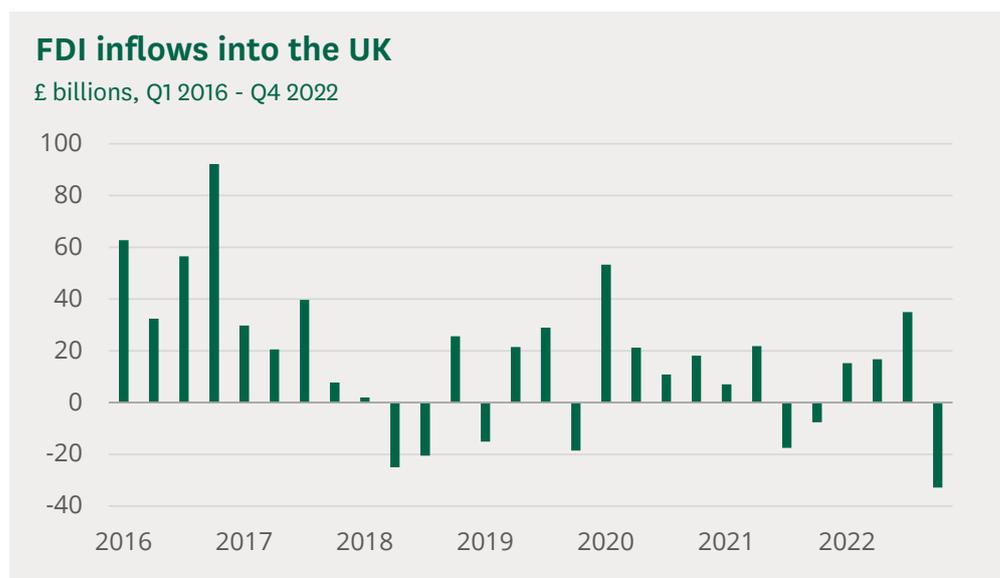
Quarterly data from Q1 2016 are shown in the chart below.

Investment slowed markedly following Q1 2020, though remained positive in every quarter - a net inflow of £20.6 billion in Q1 fell by 95% in cash terms to £1.1 billion in Q2, increasing slightly in Q3, before falling to £0.7 billion in Q4.

2021 saw two quarters of positive growth and two quarters of net disinvestment; the first quarter of 2022 also saw a net disinvestment.

This is broadly in line with global trends – the impact of the Coronavirus pandemic saw global FDI inflows fall 35% in 2020 compared to 2019.¹⁵

¹⁵ See UNCTAD, [Investment Trends Monitor](#), 27 October 2020



Source: ONS, [Balance of Payments](#)

A 2019 Economist article suggests that the UK remained attractive to foreign investors, owing to “low corporation tax and a stable legal system” in spite of Brexit related uncertainty; a counter argument suggests post-referendum FDI has been “little more than asset-stripping”, with foreign investors taking advantage of the weakened pound to acquire British companies cheaply.¹⁶

2.7

EY, attractiveness surveys

EY (formerly Ernst and Young) publish an annual “attractiveness survey” of foreign investors’ investments in the UK and their perceptions of it as a destination for investment.

The 2022 UK Attractiveness Survey [Adapting to a Changed World](#) reported the UK’s number of inward investment projects increased in 2021 compared to 2020, but remained below 2019 levels, as covid related restrictions continued to affect inward investment.

The UK’s market share of European inward investment projects was 17%, its second-lowest level over the last ten years, down from the all-time high of 21% of projects attracted in 2015, with the report stating that “it does appear the UK has now settled at a lower level of the European market.” The UK’s share of inward investment projects has stabilised after “falling sharply following the 2016 vote for Brexit”, with the 21% of projects attracted in 2015 “representing the high-water mark.”

Some notable findings included in the 2022 report include:

¹⁶ The Economist, How is Brexit affecting FDI into Britain? 11 May 2019

- 58% of investors surveyed planned to invest in the UK in the next 12 months, up from 41% in 2020. The report points out that the investment survey coincided with the Russian invasion of Ukraine and that this would likely colour future investment plans.
- Investors' longer-term sentiments on inward investment plans for the UK were "strong", signalling "investors have moved on from Brexit."
- There has been a sectoral shift in inward investment, with investment in manufacturing projects up while investments in service sector projects fell, a trend reflective of "pandemic-induced changes, such as the shift to hybrid and remote working reducing the need for physical presence in key service sectors such as digital and business services."
- 60,372 jobs were created from FDI projects in 2021, the highest level in the past decade.
- London remained the UK's largest destination for inward investment projects, despite falls in its overall share of the UK's number of inward investment projects. In 2021, London accounted for 39.7% of the UK's inward investment projects, roughly the same as in 2020, though almost 10 percentage points lower than in 2019.
- Despite this fall, London remained the leading European city for inward FDI projects, with 394 projects in 2021, over two and a half times greater than the number secured by Madrid (140) and Paris (133).

The 2023 survey [Navigating through turbulence](#), published in June 2023 reported that despite a "continuing strong performance" the UK "still has work to do on international perceptions, addressing some of the fallout from recent political and economic turmoil" and that "Brexit continues to present hurdles to certain types of investment, especially those relying on access to the European Single Market."

The report also states that international competition for inward investment "will intensify", owing to developments such as the "subsidy-heavy US Inflation Reduction Act" and that the UK government may lack "resources to match the incentives being offered elsewhere."¹⁷

Notable findings in the 2023 report include:

- Total inward FDI projects to the UK fell by 6.4% in 2022, putting it second place in Europe, behind France.
- The UK also fell to third place in Europe for perceived attractiveness, behind Germany and France, with the report stating "Brexit has reduced the UK's relative attractiveness for some investors."

¹⁷ EY, [Navigating through turbulence: FY UK Attractiveness Survey UK including Scotland spotlight](#), June 2023, p 2-3

- Despite the fall in project numbers, the UK secured the highest FDI related jobs total in Europe, at 46,779, ahead of Spain with 39,104 and France on 38,102.
- The USA remained the biggest investor in the UK, accounting for 23.9% of all UK inward investments, though the USA's share of investment into the UK has been declining since 2019.
- India overtook Germany as the second largest source of inward investment projects, accounting for 8.8% of the total, with the UK securing 58.2% of Indian investment projects in Europe in 2022.
- London retained its status as the UK's largest destination for inward investment projects, despite sharp falls in the number of inward investment projects secured compared to 2021. London's share of UK projects fell to a ten year low of 32.2%.
- Scotland secured the second highest number of projects in 2022, while Manchester and Edinburgh were the most successful cities outside London in securing inward investment projects.

3 UK investment abroad

3.1 FDI outflows, 2021

In 2021:

- The UK investment flows abroad were worth £61.7 billion, up from -£74.8 billion in 2020.¹⁸
- By individual country, the UK's highest overall investment was in the USA– this amounted to £49 billion, followed by the UK Offshore Islands, with investment of £13.1 billion.¹⁹
- Overall, the UK recorded a net disinvestment with EU countries of £10.2 billion, though a positive net investment in Europe as a whole of £6.3 billion (the deficit was largely made up by investment flows to the UK Offshore Islands).
- UK's outward FDI flows to the USA reached their highest level since 2017.

UK outward FDI flows 2021		
	£ billions	% total
USA	49.0	79.4%
UK Offshore Islands	13.1	21.2%
Finland	6.0	9.6%
Ireland	4.5	7.2%
Hong Kong	3.7	5.9%
Australia	3.2	5.2%
Canada	3.1	5.1%
South Africa	2.4	3.9%
Switzerland	2.1	3.4%
India	2.0	3.2%
World	61.7	100.0%

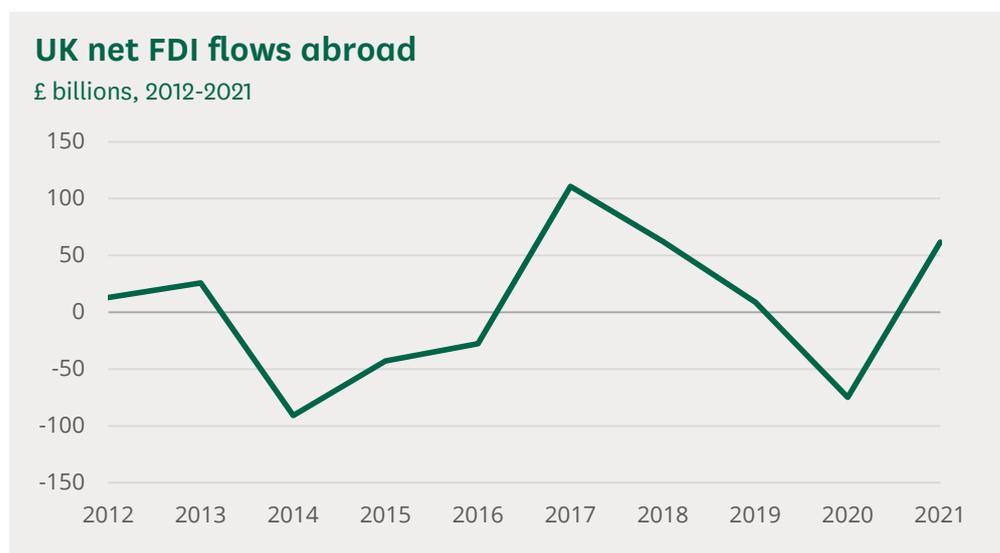
Source: ONS, [Foreign direct investment involving UK companies: 2021](#), January 2023

¹⁸ The UK previously recorded a net disinvestment abroad for three successive years between 2014 and 2016

¹⁹ This grouping is made up of the Channel Islands and Isle of Man

3.2 Recent trends in FDI outflows

In 2021, the value of the UK's outward FDI flows reached highest level since 2017. Over the last ten years, the UK has recorded four years of negative investment flows abroad (2014-16 and 2020).



Source: ONS, [Foreign direct investment involving UK companies: 2021](#), January 2023

Between 1990 and 2021, the UK's position in terms of world outward FDI flows fluctuated between 1st in (2000) and 18th (in 2012); net disinvestments meant the UK was ranked 217th between 2014-16 and 216th in 2020.

The United States has ranked first in all but three years over this period – 1990 (when Japan was first), 2000 (when the UK was first), 2005 (when the Netherlands was first) and 2018 and 2019 (when Japan was first).²⁰

3.3 Outward FDI stocks, 2021

In 2021:

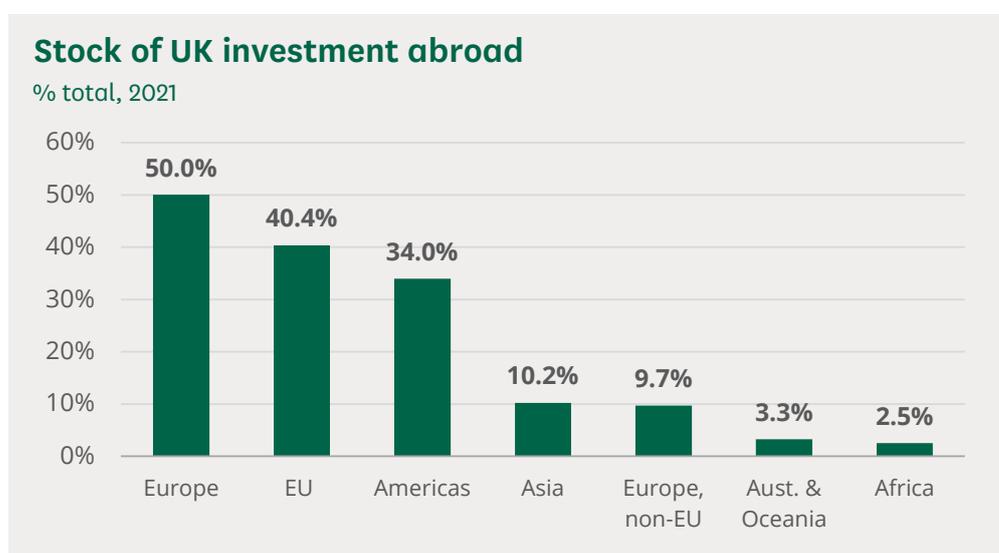
- The value of the UK's outward investment position abroad (i.e., the stock of UK FDI invested abroad) was £1.8 trillion, up very slightly from 2020.
- UK investments in EU countries accounted for 40.4% of the total stock of UK investments abroad, up very slightly from 40.1% in 2020, though down from a high of 47.0% in 2012.
- Europe as a whole (i.e., including European countries outside the EU) accounted for 50.0% of UK's stock of investment abroad.

²⁰ Data from [UNCTAD](#)

- Looking at individual countries, the USA accounted for just over a quarter of UK's stock of investment abroad in 2021.

Stock of UK investment abroad		
2021		
	£ billions	% total
USA	461.4	26.1%
Netherlands	155.2	8.8%
Luxembourg	127.2	7.2%
Spain	95.9	5.4%
France	91.6	5.2%
UK Offshore Islands	83.9	4.7%
Hong Kong	77.6	4.4%
Irish Republic	70.2	4.0%
Switzerland	52.2	2.9%
Australia	41.0	2.3%
EU	714.0	40.4%
Non-EU	1,055.3	59.6%
World	1,769.3	100.0%

Source: ONS, [Foreign direct investment involving UK companies: 2021](#), January 2023



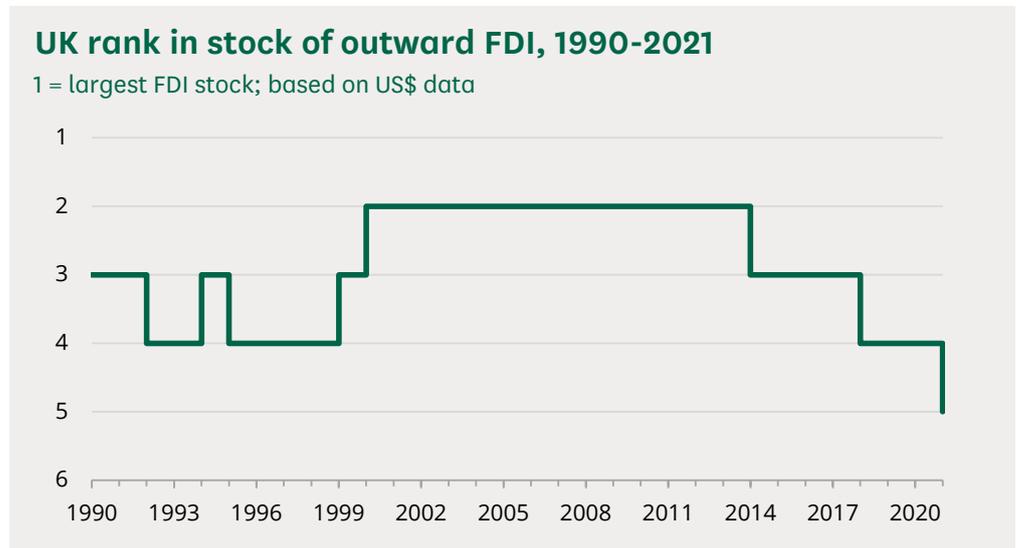
Source: ONS, [Foreign direct investment involving UK companies: 2021](#), January 2023

3.4

Recent trends in outward FDI stocks

The chart below shows the UK's world ranking in terms of the stock of FDI held abroad since 1990. Over this period, the UK's position in the world has

fluctuated between fifth and second, while the United States has ranked first every year. The UK was the second largest holder of FDI stock abroad between 2000 and 2013, before falling to third in 2014 and 2017 (behind the USA and the Netherlands) and to fourth between 2018 and 2020 (behind the USA, Netherlands and China) and fifth in 2021 (behind the USA, Netherlands China and Canada).



Source: UNCTAD, [Bilateral FDI database](#)

4 World FDI

This section looks at recent trends in world FDI.

4.1 Flows

In 2020, inward investment flows fell to their lowest level since 2005 (in cash terms) - world flows of inward FDI fell by 35% to \$1.0 trillion, down from \$1.5 trillion in 2019. This followed three consecutive years of relative stability in inward investment levels between 2017 and 2019, after a record high of \$2.1 trillion in 2015.

This fall in inward investment flows was due to Covid-19 pandemic and related lockdowns, which slowed existing investment activity, while prospects of a future recession had a negative influence on new investment activity.

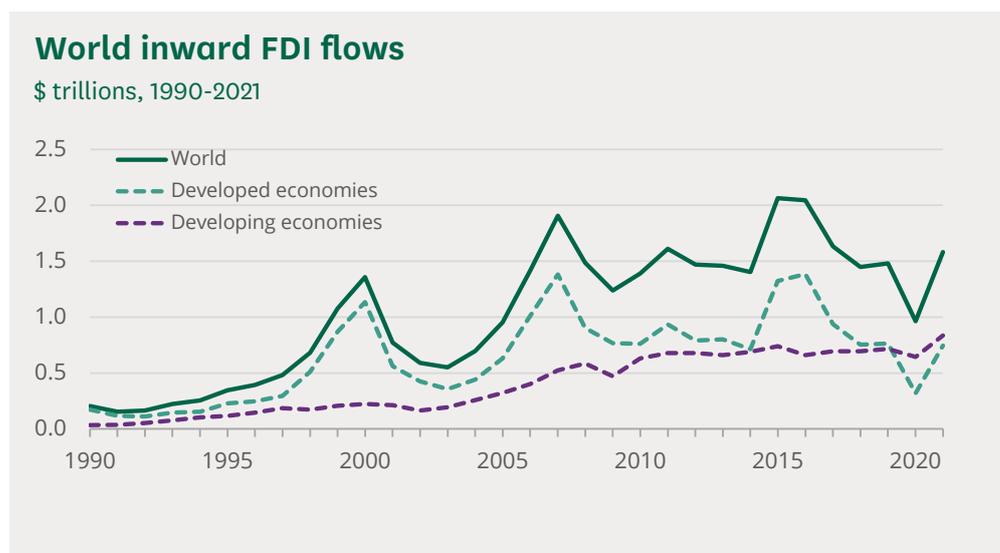
The fall was more pronounced in investment flows to developed economies – the value of inward flows in developed economies fell by 58% in cash terms between 2019 and 2020, while the value of inward investment flows to developing economies fell by 10%. Developing economies accounted for two thirds of global FDI in 2020, up from just under half in 2019.

The relatively small overall fall in investment in developing countries was attributed by UNCTAD to “resilient flows in Asia”, owing to the relatively successful containment of the coronavirus pandemic in East Asia, meaning investment in the region remained stable.²¹ Mainland China saw the value of its inward FDI flows increase by 6% between 2019 and 2020, while the value of Hong Kong’s inward FDI flows grew by 85% in cash terms, from \$73 billion to \$135 billion.

Inflows in Europe fell by 80%, while inflows in the EU fell by 48%. The change in inflows to North America was less pronounced – inflows to the USA fell by 33%, while inflows to North America as a whole fell by 40%.

Despite this fall, the USA remained the largest host country for inward FDI in 2020, with inflows worth \$151 billion.

²¹ UNCTAD, [Investing in Sustainable Recovery: World Investment Report 2021](#), June 2021



Source: UNCTAD, [Bilateral FDI database](#)

The value of world inward flows rebounded in 2021, reaching \$1.6 trillion, an increase of 64% in cash terms compared to 2020 and an increase of 7% compared to 2019.

Although investment flows to developing countries grew by 134% in cash terms between 2020 and 2021, they remained below 2019 levels.

By contrast, investment flows to developing economies were 17% higher in 2021 compared to 2019. Developing economies accounted for 53% of world inflows in 2021.

The increase in investment flows to developing economies was mostly generated by investment flows to developing Asian economies, with investment flows to developing Asian economies reaching all-time high for the third consecutive year, combined with a partial recovery in investment flows to Latin America and the Caribbean, and an upswing in investment flows to Africa.²²

Flows to least developed countries also grew, though these countries accounted for a very small percentage of the growth experienced by developing economies.

Projections from the United Nations Conference on Trade and Development (UNCTAD) for 2022 suggest investment flows will likely see a “downward trajectory, at best remaining flat” owing to the conflict in Ukraine, combined with “lingering effects of the pandemic” causing a “triple food, fuel and finance crisis in many countries”, leading to investor uncertainty.²³

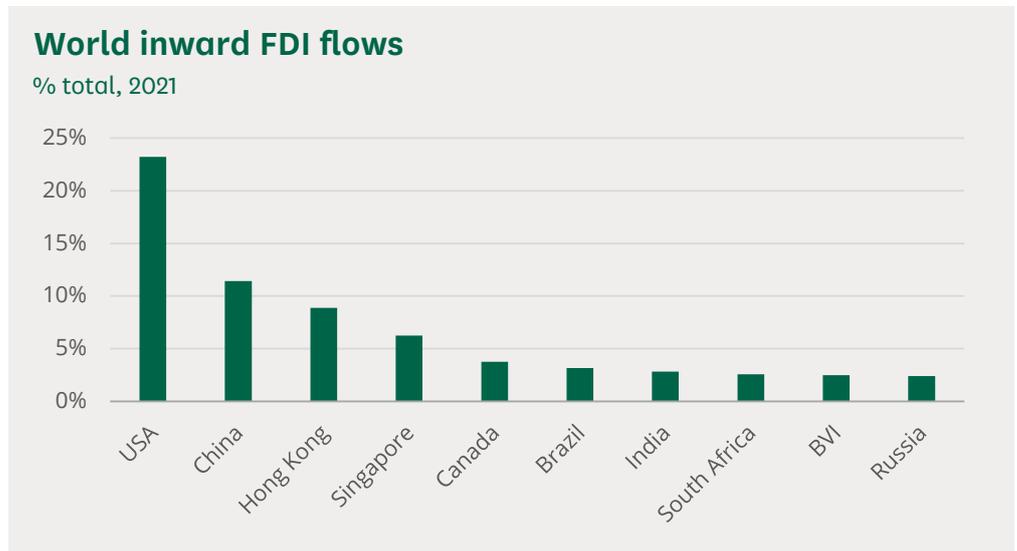
In 2021, the USA maintained its position as the world’s largest recipient of inward FDI flows, accounting for just under a quarter of world inward

²² United Nations Conference on Trade and Development, [World Investment Report 2022](#), June 2022, p xi

²³ United Nations Conference on Trade and Development, [World Investment Report 2022](#), June 2022, p xi

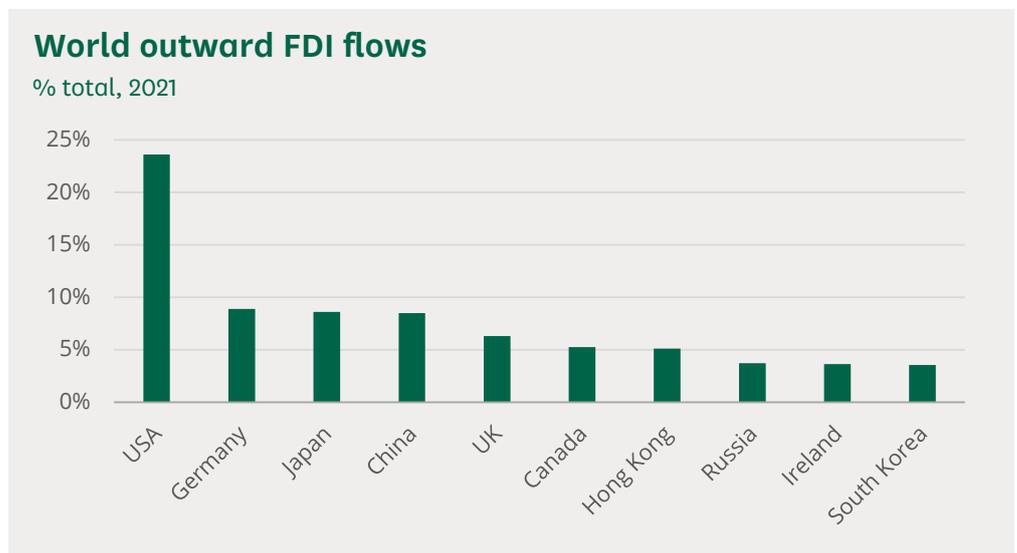
investment flows. The value of the USA’s inward flows grew by 144% between 2020 and 2021, reaching \$367 billion, their highest level since 2016.

Mainland China accounted for 11% of world inward investment flows, down from 16% in 2020.



Source: UNCTAD, [Bilateral FDI database](#)

In terms of outward FDI flows, the USA accounted for just under a quarter of world outward FDI flows in 2021. China accounted for 9% of world outward flows, down from 20% in 2020.

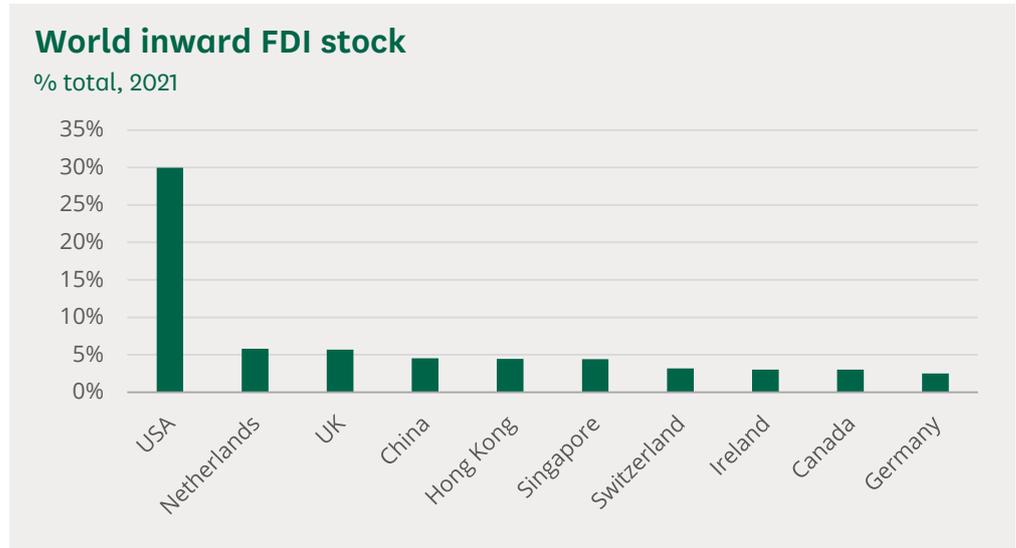


Source: UNCTAD, [Bilateral FDI database](#)

4.2

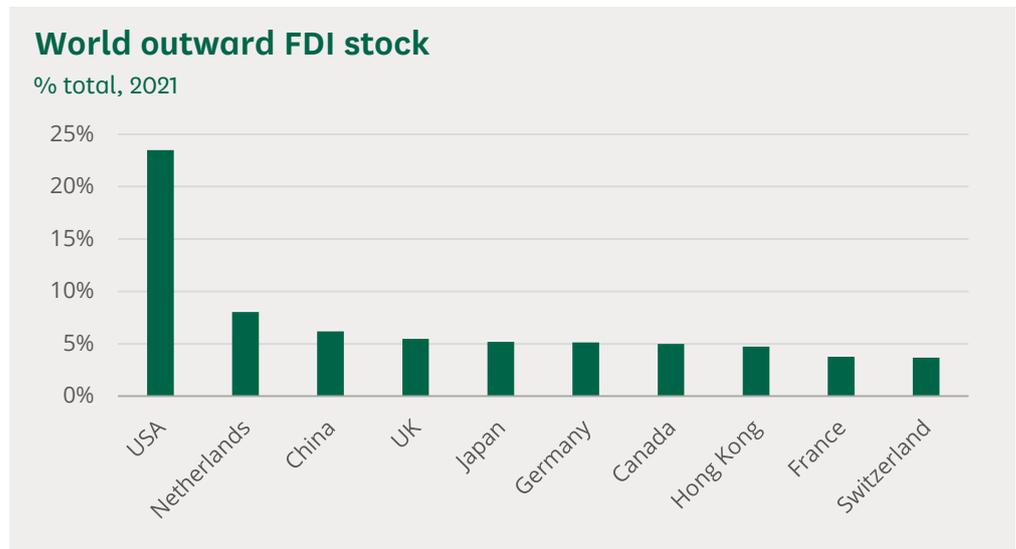
Stocks

The USA remained the country with the largest amount of inward FDI stock in 2020, accounting for 30% of the world's total. In cash terms, the value of the USA's stock of inward investment increased by 26% between 2020 and 2021, reaching a record high of \$13.6 trillion.



Source: UNCTAD, [Bilateral FDI database](#)

The USA also remained the world's single largest holder of outward FDI stock in 2021, accounting for just under a quarter of the world's total in 2021.



Source: UNCTAD, [Bilateral FDI database](#)

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