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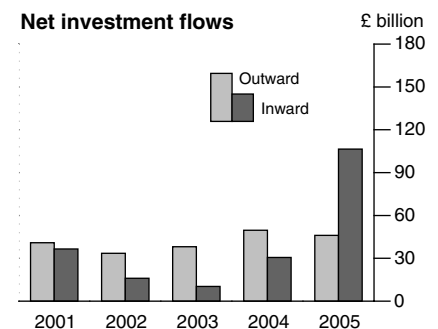
Coverage
United Kingdom
Theme
The Economy

Foreign direct investment 2005

Direct investment abroad by UK companies (Outward Investment) dropped to £46.0 billion in 2005, a decrease of £3.7 billion on the amount invested in 2004. The fall in the total for 2005 reflects a decrease in investment in the Americas, Asia and Australasia & Oceania. This was partially offset by an increase in investment flows to the rest of Europe and Africa.

The level of foreign direct investment (also called the International Investment Position) by UK companies at the end of 2005 was £713.4 billion, a rise of £67.6 billion from the end of 2004.

Earnings from foreign direct investment by UK companies amounted to £77.9 billion in 2005, £15.4 billion higher than the figure for 2004.



In 2005 foreign companies invested £106.5 billion in the UK (Inward Investment), an increase of £76.0 billion from 2004.

Investment from Europe increased from £29.9 billion in 2004 to £81.6 billion in 2005. There were also increases from the Americas and Australasia & Oceania of £23.3 billion and £2.0 billion respectively. Investment flows from Asia dropped from £4.1 billion in 2004 to £2.9 billion in 2005.

The level of foreign direct investment in the UK rose from £363.4 billion at the end of 2004 to £482.8 billion at the end of 2005. Earnings of foreign companies from foreign direct investment in the UK increased by £7.2 billion to £33.1 billion in 2005.

Foreign direct investment¹ 2005

Values in £ billion

	Direct investment abroad by UK companies			Foreign direct investment in the UK		
	Flows in 2005	Level at end 2005	Earnings in 2005	Flows in 2005	Level at end 2005	Earnings in 2005
Europe	13.9	405.6	33.2	81.6	270.5	17.7
The Americas	23.1	213.7	25.4	18.5	172.0	14.3
Asia	4.6	57.8	10.7	2.9	27.3	0.3
Australasia & Oceania	-2.3	14.0	3.1	3.4	12.5	0.8
Africa	6.8	22.2	5.4	0.1	0.5	0.1
Total	46.0	713.4	77.9	106.5	482.8	33.1

¹ For definition, see note 1

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DETAILED COMMENTARY

Net direct investment abroad by UK companies (Table 1) (see note1)

In total, net direct investment abroad by UK companies was 7 per cent lower in 2005 than in 2004. The 2005 figure of £46.0 billion was £3.7 billion lower than the investment of £49.7 billion recorded in 2004.

The largest decrease in investment flows in 2005 was to Australasia & Oceania, where UK investment fell from an investment of £1.0 billion in 2004 to a £2.3 billion disinvestment in 2005, a drop of £3.3 billion. There were also decreases in investment in Asia from £7.7 billion in 2004 to £4.6 billion and in the Americas which fell from £24.3 billion to £23.1 billion in 2005. There were increases in investment in Europe from £10.8 billion to £13.9 billion and Africa from £5.9 billion to £6.8 billion.

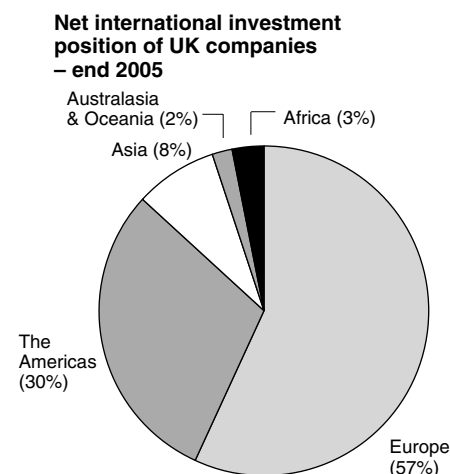
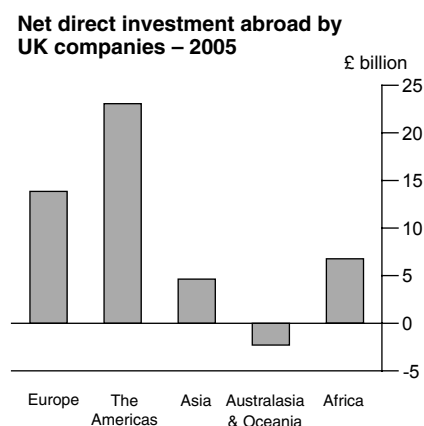
The USA was the country attracting the most direct investment from the UK. In 2005 it accounted for £17.9 billion or 39 per cent of total world investment (see note 5).

Net international investment position- direct investment abroad by UK companies (Table 2)(see note 1)

At the end of 2005 the book value level of direct investment abroad by UK companies stood at £713.4 billion, an increase of £67.6 billion on the level recorded at the end of 2004. The reason that the increase differs from the recorded investment flow reflects the fact that the level estimate takes account of revaluation of foreign assets and movements in exchange rates as well as actual flows of investment. The local funding of investment deals also affects stock levels but not flows.

The rise in the levels of direct investment abroad by UK companies principally reflects increases in the Americas, Europe, Asia and Africa of £31.6 billion, £23.5 billion, £10.5 billion and £4.9 billion respectively. The levels of investment in Australasia & Oceania showed a decrease of £2.9 billion.

The USA was the most favoured location for UK direct investment abroad with a 23 per cent share of UK owned assets at the end of 2005. The country recording the second largest share of UK owned assets was the Netherlands with 17 per cent (see Note 5).



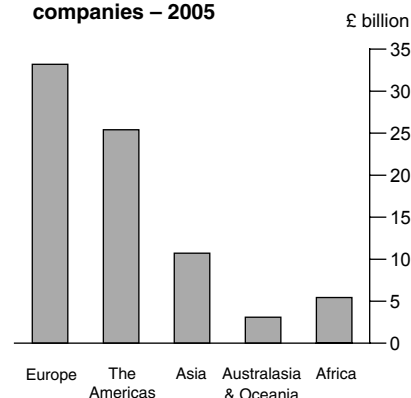
Net earnings from direct investment abroad by UK companies (Table 3) (see note 1)

The earnings of UK owned companies operating abroad in 2005 were the highest ever recorded at £77.9 billion. This represented an increase of 25 per cent on the 2004 figure which was the previous highest.

The largest increases in earnings came from: Europe, the Americas, Asia and Africa contributing £7.4 billion, £4.3 billion, £2.7 billion and £1.5 billion respectively.

In 2005, 43 per cent of the total world earnings from UK owned companies operating abroad came from Europe and 33 per cent from the Americas. The USA was the single largest source of earnings with £17.7 billion and accounted for 23 per cent of the total world earnings. The Netherlands accounted for £8.8 billion, being 11 per cent of the world total and 27 per cent of the European earnings (see Note 5).

Net earnings from direct investment abroad by UK companies – 2005



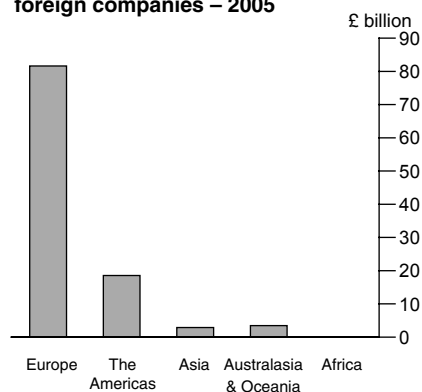
Net direct investment in the UK by foreign companies (Table 4) (see note 1)

Net direct investment by foreign companies in UK companies amounted to £106.5 billion in 2005, an increase of £76.0 billion on the investment recorded in 2004.

The rise in net investment in the UK reflects increases from every region except Asia; Europe accounted for the largest increase in 2005 (£51.7 billion). Asia accounted for the only decrease in inward investment with a fall of £1.2 billion resulting in a flow of £2.9 billion, compared with one of £4.1 billion in 2004.

The Netherlands was the largest investor in the UK in 2005 with investment flows of £51.2 billion. This represented 48 per cent of the world total. The second largest investor was USA with £15.6 billion, which represented 15 per cent of the world total (see note 5).

Net direct investment in the UK by foreign companies – 2005



Net international investment position- direct investment in the UK by foreign companies (Table 5) (see note 1)

At the end of 2005, the total stock at book value of direct investment from abroad in the UK stood at £482.8 billion. This compared with a figure of £363.4 billion at the end of 2004, an increase of £119.4 billion.

The rise in the overall level in the UK reflects increases in stock owned by Europe, which has shown a £89.3 billion increase to £270.5 billion. Stock owned by countries in the Americas rose by £31.9 billion to £172.0 billion and Asia rose by £2.5 billion to £27.3 billion. The stock of investment held by companies in Australasia & Oceania fell £4.3 billion to £12.5 billion. African stock remained the same at around £0.5 billion.

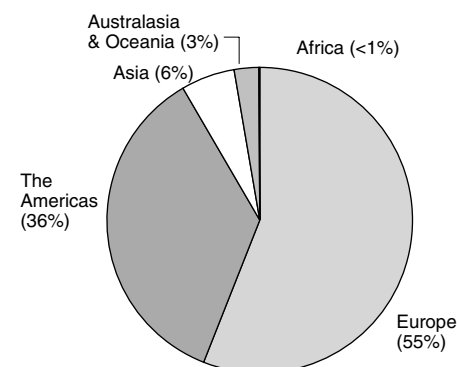
The USA accounted for 31 per cent of the world total stock in the UK at the end of 2005. The Netherlands accounted for 20 per cent and France for 11 per cent.

Net earnings from direct investment in the UK by foreign companies (Table 6) (see note 1)

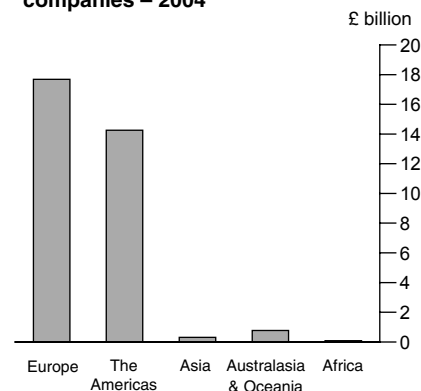
In 2005, the earnings from direct investment in the UK were £33.1 billion, an increase of £7.2 billion on the previous year's figure. The increase in overall earnings principally reflected a rise of £5.0 billion in the earnings of European owned companies and companies with parents in the Americas (£2.0 billion). Earnings in Australasia & Oceania and Asia showed very small increases to £0.8 billion and £0.3 billion respectively. Africa remained the same at £0.1 billion.

The USA was the highest earner with £12.6 billion in 2005, an increase of £1.6 billion, followed by France with £4.6 billion - a £0.8 billion rise - and Germany with £4.3 billion - a £1.4 billion rise on the previous year. The combined earnings of these three countries accounted for 65 per cent of the world total earnings from direct investment in the UK.

Net International investment position in the UK by foreign companies – end 2005



Net earnings from direct investment in the UK by foreign companies – 2004



BACKGROUND NOTES

1. Definition of direct investment

Direct investment refers to investment that adds to, deducts from or acquires a lasting interest in an enterprise operating in an economy other than that of the investor where the investor's purpose is to have an "effective voice" in the management of the enterprise. (For the purposes of the statistical survey, an effective voice is taken as equivalent to a holding of 10 per cent or more of the share capital in the direct investment enterprise.) Other investments in which the investor does not have an effective voice in the management of the enterprise are mainly portfolio investments and these are not covered here. Cross-border investment by public corporations or in property (which is regarded as direct investment in the national accounts) are not covered here, but are shown in the balance of payments. In the 2006 Balance of Payments "Pink Book", outward direct investment in property in 2005 was estimated to be an investment of £1.7 billion and inward direct investment, £597 million. Outward direct investment by public corporations was estimated to be an investment of £158 million for the same period.

Direct investment is a financial concept and is not the same as capital expenditure on fixed assets. It covers only the money invested in a related enterprise by the parent company, with the enterprise having the discretion of how to use it. A related enterprise may also raise money locally without reference to the parent company.

The investment figures are published on a net basis, that is, they consist of investments net of disinvestments by a company into its subsidiaries, associate companies and branches.

2. Definitional changes from 1997

The new European System of Accounts (ESA(95)) definitions were introduced from the 1997 First Release. The changes were as follows:

- i) Prior to 1997 for the measurement of direct investment, an effective voice in the management of an enterprise was taken as the equivalent of a 20 per cent shareholding. This is now 10 per cent.
- ii) The Offshore Islands i.e. the Channel Islands (Jersey, Guernsey etc.) and the Isle of Man have been excluded from the definition of the economic territory of the United Kingdom. Prior to 1997 these islands were considered to be part of the UK.
- iii) "Interest received or paid" was replaced by "interest accrued" in the figures on earnings from direct investment. There is deemed to be little or no impact arising from this definitional change on the estimates.



The definitional changes were introduced from 1997 only. The data prior to 1997 were not reworked but for clarity the Offshore Islands are identified separately in the tables. The breaks in the series for the other definitional changes are relatively small. More detailed information on the effect of these changes is available in the Business Monitor MA4 – Foreign Direct Investment.

A further change caused by the move to ESA(95) was that local taxes payable on direct investment earnings are now measured. Earnings were shown gross of local taxes in the Balance of Payments 2006 “Pink Book”. However, for the purposes of this First Release earnings are calculated net of tax, as before.

For the Foreign Direct Investment Surveys, please note that from 2004 the European Union includes Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

3. Sources of data

The figures in this First Release are based on annual surveys into foreign direct investment for 2005. Provisional estimates for 2005, derived from quarterly surveys, have already been published in the quarterly Balance of Payments First Releases but the annual surveys provide firmer, more detailed figures. The aggregates for 2005 will be included in the Quarter Three 2006 Balance of Payments First Release to be issued on 21st December. Further details from the 2005 annual surveys, including analyses by industry and by components of direct investment, will be published within the next three months in “MA4 - Foreign Direct Investment”, which is one of the National Statistics Business Monitor series of publications.

4. Revisions to earlier years

One indication of the reliability of the key indicators in this release can be obtained by monitoring the size of the revisions. The table below records the size of revisions for the last five years. The information was revised taking into account new information received. This is mainly due to respondents revising the values they have already returned and also late returns from respondents replacing data that was initially imputed for. The revised data may itself be subject to sampling or other sources of error.

£ million

	Value in latest period	Revisions between first publication and estimates three years later	
		Average over the last five years (bias)	Average over the last five years without regard to sign (average absolute revision)
Outward flows (CDQD)	46039	-444	8083
Outward positions (CDOO)	713355	-4711	23277
Outward earnings (GLAB)	77853	1458	1752
Inward flows (CBDH)	106531	-1749	2335
Inward positions (CDPZ)	482814	-9522	10374
Inward earnings (CBEV)	33079	-841	956

A spreadsheet giving these estimates and the calculations behind the averages in the table is available on the National Statistics website at <http://www.statistics.gov.uk/StatBase/Product.asp?vInk=728&Pos=6&ColRank=1&Rank=272>

A statistical test has been applied to the average revision to find out if there is bias in the estimates. No statistically significant bias was identified.

More detailed information about the revisions analysis in this release can be found on the National Statistics website at <http://www.statistics.gov.uk/cci/article.asp?ID=793>

5. Country allocation

The analysis of inward investment is based on the country of ownership of the immediate parent company. Thus, inward investment in a UK company may be attributed to the country of the intervening foreign subsidiary, rather than the country of the ultimate parent. Similarly, the country analysis of outward investment is based on the country of ownership of the immediate subsidiary. As an example, to the extent that foreign investment in the UK is channelled through holding companies in the Netherlands, the underlying flow of investment from this country is overstated and the inflow from originating countries is understated. However, attribution on the basis of the immediate level is in accordance with the definition of foreign direct investment and allows international comparability.

6. Valuation

Enterprises were asked to return values in sterling, as entered in their book of accounts, rounded to the nearest £0.1 million. Where a conversion from a foreign currency was involved, they were asked to use the same rate of exchange as in their own accounts. Book values are likely to be significantly different from current market values as book values tend to reflect values at earlier periods when assets were acquired or subsequently revalued.

7. General notes and definitions

Subsidiaries are as defined in section 258 of the Companies Act 1989 and in the main are companies in which the parent company holds more than half of the equity share capital.

Associates are incorporated companies which are not subsidiaries but companies in which the investing company participates in the management without having a controlling interest i.e. a holding of less than 50% of the share capital of the associate.

Branch means a permanent establishment as defined for UK corporation tax and double taxation relief purposes.

8. Symbols used in the tables

- Nil or less than half the final digit shown.
- .. Disclosive.
- † Earliest revision.

9. Rounding

The sum of constituent items in tables may not always agree exactly with the totals shown due to rounding.

10. Further information

The complete run of data in the tables of this First Release are also available to view and download in other electronic formats free of charge using the ONS Time Series Data website service. Users can download the complete release in a choice of zipped formats, or view and download their own selections of individual series. The Time Series Data service can be accessed at <http://www.statistics.gov.uk/timeseries>

11. Details of the policy governing the release of new data are available from the press office. Also available is a list of the names of those given pre-publication access to the contents of this release.

12. **National Statistics** are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. © Crown copyright 2006.

1 Net direct investment abroad by UK companies^{1 2} analysed by area and main country

£ million

		2001	2002	2003	2004	2005
Europe	GQBX	13 743	27 300	16 600	10 814 [†]	13 857
EU25	DG7S	12 507	28 865	13 339	11 900 [†]	16 931
Austria	CBJD	1 628	797	165	1 322 [†]	-395
Belgium	HIIL	103	1 046	-1 241	-544 [†]	878
Cyprus	DG8D	-13	-79	-53	18 [†]	20
Czech Republic	DG8O	216	49	142	23 [†]	8
Denmark	CAUW	-423	543	-53	569 [†]	108
Estonia	DG8E	6	5	4	21	6
Finland	CBJE	61	1 124	99	-37 [†]	701
France	CAUX	2 794	4 112	6 627	793 [†]	3 510
Germany	CAUY	724	8 473	1 552	-366 [†]	19
Greece	CAUZ	156	-65	229	-253 [†]	52
Hungary	DG8F	746	163	527	336 [†]	1 818
Irish Republic	CAVA	2 698	1 674	985	3 325 [†]	-363
Italy	CAVB	612	572	500	667 [†]	768
Latvia	DG8G	-	1	..	1	-1
Lithuania	DG8H	..	..	..	1	-4
Luxembourg	HIIM	1 019	-2 046	1 313	-1 022 [†]	3 425
Malta	DG8I	32	..	58	178	28
Netherlands	CAVC	4 324	13 152	728	4 805 [†]	3 058
Poland	DG8J	304	431	4	182 [†]	109
Portugal	CAVD	144	88	308	444 [†]	248
Slovakia	DG8K	-8	-22	-11	18	19
Slovenia	DG8L	..	..	37	-5	-4
Spain	CAVE	-1 564	288	626	1 131 [†]	-43
Sweden	CBJG	-1 134	-35	794	299 [†]	2 974
EFTA	CAVG	-1 569	994	2 313	-6 667 [†]	75
of which						
Norway	CBJF	508	-329	-274	367 [†]	-828
Switzerland	CBJH	-2 077	1 329	2 591	-7 007 [†]	856
Other European Countries	DG8M	2 805	-2 559	948	5 582 [†]	-3 148
of which						
Russia	GLAA	498	108	2 030	1 831 [†]	313
UK offshore islands	GLAC	1 346	-1 249	-1 031	3 528 [†]	-3 732
The Americas	GQBZ	23 987	-5 150	15 959	24 321 [†]	23 063
of which						
Bermuda	CBKZ	801	-4 371	-2 613	6 242 [†]	667
Brazil	CBLA	352	17	786	386 [†]	-147
Canada	CAVK	4 142	536	2 521	1 143 [†]	3 416
Chile	GQCA	292	1 021	290	675 [†]	819
Colombia	GQCB	57	-385	78	225 [†]	-715
Mexico	GLAD	-139	939	261	1 386 [†]	145
Panama	GLAE	-19	..	58	12	27
USA	CAVJ	15 865	-984	19 300	9 732 [†]	17 917
Asia	GQCI	524	5 538	3 601	7 689 [†]	4 631
Near and Middle East Countries	CBKF	822	376	82	486 [†]	459
of which						
Gulf Arabian countries ³	GQCC	738	369	-85	293 [†]	651
Other Asian Countries	GQCD	-297	5 162	3 518	7 203 [†]	4 172
of which						
China	HIIN	662	757	309	539 [†]	549
Hong Kong	CAVN	590	1 186	1 285	5 303 [†]	1 101
India	GLAF	135	276	193	274 [†]	515
Indonesia	GLAG	-31	70	481	-289 [†]	-109
Japan	CAVM	-4 219	388	338	37 [†]	54
Malaysia	CBKN	-321	334	277	428 [†]	243
Singapore	CBKQ	1 681	1 619	-449	-161 [†]	-621
South Korea	GLAH	-	174	332	278 [†]	2 292
Thailand	GLAI	173	-55	155	181 [†]	259
Australasia & Oceania	GQCE	1 478	3 677	-1 524	1 026 [†]	-2 289
of which						
Australia	CBJO	1 787	3 322	-492	408 [†]	-2 156
New Zealand	CBJP	-323	337	-1 017	258 [†]	-169
Africa	GQCF	1 152	2 196	3 454	5 863 [†]	6 779
of which						
Kenya	GLAJ	42	32	58	47 [†]	71
Nigeria	CBJY	74	220	19	-44 [†]	-139
South Africa	CAVO	325	2 265	2 222	3 840 [†]	5 716
Zimbabwe	CBKD	40	33	37	91 [†]	25
World Total	CDQD	40 884	33 561	38 088	49 713 [†]	46 039
OECD	GQCG	28 633	36 096	37 030	18 355 [†]	38 628
Central and Eastern Europe ⁴	GQCH	1 543	654	156	36 [†]	175

Sources: ONS Foreign Direct Investment Inquiries;
Bank of England

1 Net investment includes re-invested earnings.

2 Minus sign indicates net disinvestment abroad.

3 Includes Abu Dhabi, Bahrain, Dubai, Iraq, Kuwait, Oman, Other Gulf States, Qatar, Saudi Arabia and Yemen.

4 From 2003 includes, Albania, Bosnia & Herzegovina, Bulgaria, Croatia, FYR Macedonia, Romania and Serbia & Montenegro. Prior 2003 Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia & Slovenia also incl.

5 .. Indicates data are disclosive.

6 - Indicates nil returns.

2 International investment position - direct investment abroad

book value of net assets

analysed by area and main country at year end

£ million

		2001	2002	2003	2004	2005
Europe	GQCJ	368 465	390 359	408 881	382 104 [†]	405 624
EU25	DG8P	330 183	343 931	354 707	348 293 [†]	369 252
Austria	CDLZ	2 428	2 679	3 339	4 102 [†]	4 137
Belgium	HIIO	6 175	10 364	8 662	7 828 [†]	13 322
Cyprus	DG8Q	92	84	80	64 [†]	39
Czech Republic	DG8R	858	1 088	954	793 [†]	787
Denmark	CDLP	2 607	3 165	3 021	5 256 [†]	4 625
Estonia	DG8S	29	29	21	78	14
Finland	CDMA	640	580	588	695	2 454
France	CDLQ	24 683	31 928	31 460	35 313 [†]	38 213
Germany	CDLR	13 448	13 924	13 486	12 164 [†]	27 184
Greece	CDLS	1 155	498	460	456 [†]	605
Hungary	DG8T	1 185	1 403	1 722	1 506 [†]	2 568
Irish Republic	CDLT	23 033	29 944	29 989	29 059 [†]	27 725
Italy	CDLU	4 267	5 505	10 178	11 322 [†]	10 619
Latvia	DG8U	..	51	13	25	22
Lithuania	DG8V	..	24	16	22	16
Luxembourg	HIIP	64 042	62 556	79 208	81 709 [†]	87 742
Malta	DG8W	-9	-24	264	1 528 [†]	-435
Netherlands	CDLV	164 973	158 478	146 345	131 143 [†]	122 017
Poland	DG8X	1 749	2 809	2 900	2 316 [†]	1 981
Portugal	CDLW	918	629	973	1 664 [†]	1 744
Slovakia	DG8Y	-18	261	332	103 [†]	116
Slovenia	DG8Z	89	92	128	54 [†]	46
Spain	CDLX	7 091	7 156	9 460	11 318 [†]	11 180
Sweden	CDMD	10 747	10 712	11 108	9 776 [†]	12 534
EFTA	CDLY	18 931	22 069	27 187	14 468 [†]	14 545
of which						
Norway	CDMC	4 340	4 904	4 900	4 934 [†]	4 484
Switzerland	CDME	14 584	17 164	21 913	9 104 [†]	9 604
Other European Countries	DG9Z	19 351	24 359	26 987	19 344 [†]	21 828
of which						
Russia	GQAA	1 062	744	777	1 627 [†]	1 821
UK offshore islands	GQAB	16 579	15 203	22 717	15 678 [†]	17 177
The Americas	GQCU	176 685	167 345	178 599	182 091 [†]	213 709
of which						
Bermuda	CDOA	6 689	4 929	1 554	7 561 [†]	10 603
Brazil	CDOB	2 976	2 050	2 532	3 922 [†]	2 942
Canada	CDML	10 328	8 209	8 537	8 922 [†]	13 370
Chile	GQCT	1 895	2 036	1 919	2 133 [†]	2 798
Colombia	GQCS	1 272	1 752	2 434	1 874 [†]	1 097
Mexico	GQAC	887	1 450	1 431	2 461 [†]	2 984
Panama	GQAD	204	..	153	132 [†]	166
USA	CDMM	143 359	131 800	150 021	140 321 [†]	162 883
Asia	GQCL	30 044	28 914	43 118	47 311 [†]	57 829
Near & Middle East Countries	CDNH	2 344	1 619	1 559	3 008 [†]	3 734
of which						
Gulf Arabian countries ¹	GQCM	1 482	1 027	1 211	2 062 [†]	3 033
Other Asian Countries	GQCR	27 700	27 295	41 559	44 303 [†]	54 095
of which						
China	HIIO	2 106	3 212	1 809	1 882 [†]	2 713
Hong Kong	CDNN	6 638	5 872	17 221	19 165 [†]	23 486
India	GQAE	1 488	1 409	1 555	1 682 [†]	2 040
Indonesia	GQAF	1 612	1 014	1 309	1 178 [†]	1 202
Japan	CDMP	1 754	1 896	2 361	5 829 [†]	6 006
Malaysia	CDNQ	2 390	1 214	1 476	1 592 [†]	1 458
Singapore	CDNT	5 947	6 797	9 510	6 610 [†]	7 074
South Korea	GQAG	547	927	1 339	1 218 [†]	4 597
Thailand	GQAH	831	1 513	1 357	947 [†]	1 242
Australasia & Oceania	GQCN	15 487	16 652	17 486	16 888 [†]	13 982
of which						
Australia	CDMO	13 700	13 936	16 283	14 586 [†]	12 030
New Zealand	CDMQ	1 560	2 524	1 060	1 459 [†]	1 060
Africa	GQCQ	8 948	13 516	17 039	17 350 [†]	22 210
of which						
Kenya	GQAI	294	278	285	238 [†]	291
Nigeria	CDNA	1 044	1 012	1 028	950 [†]	902
South Africa	CDMR	4 148	8 765	11 250	10 964 [†]	15 634
Zimbabwe	CDNF	166	62	48	103	52
World Total	CDOO	599 628	616 786	665 123	645 744 [†]	713 355
OECD	GQCO	522 287	527 681	563 769	537 109 [†]	588 116
Central & Eastern Europe ²	GQCP	4 349	6 449	560	534 [†]	652

1 Includes Abu Dhabi, Bahrain, Dubai, Iraq, Kuwait, Oman, Other Gulf States, Qatar, Saudi Arabia and Yemen.

2 From 2003 includes Albania, Bosnia & Herzegovina, Bulgaria, Croatia, FYR Macedonia, Romania and Serbia & Montenegro. Prior 2003 Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia & Slovenia also incl.

3 .. Indicates data are disclosive.

4 - Indicates nil returns.

Sources: ONS Foreign Direct Investment Inquiries; Bank of England

3 Net earnings from direct investment abroad by UK companies^{1 2} analysed by area and main country

£ million

		2001	2002	2003	2004	2005
Europe	GQCV	24 719	26 598	26 857	25 782 [†]	33 186
EU25	DG93	22 092	23 151	22 972	20 686 [†]	26 188
Austria	CBLQ	68	267	317	296 [†]	299
Belgium	HIIR	570	549 [†]	324	653	818
Cyprus	DG94	26	93	20	22	26
Czech Republic	DG95	132	115	165	110 [†]	96
Denmark	CAWI	227	54	197	272	381
Estonia	DG96	2	4	9	3	..
Finland	CBLR	73	95	103	112	105
France	CAWJ	1 610	1 904	1 714	2 107 [†]	3 339
Germany	CAWK	679	2 199	1 592	2 328 [†]	2 856
Greece	CAWL	95	120	120	102 [†]	162
Hungary	DG97	182	232	241	202 [†]	281
Irish Republic	CAWM	2 123	1 553	2 197	2 461 [†]	2 860
Italy	CAWN	585	517	639	708 [†]	581
Latvia	DG98	–	..	–	–	1
Lithuania	DG99	–	..	–	–	..
Luxembourg	HIIS	2 163	1 822	1 500	2 191 [†]	2 808
Malta	DG9A	24	36	41	60 [†]	26
Netherlands	CAWO	11 465	11 395	11 691	6 651 [†]	8 845
Poland	DG9B	194	210	290	218 [†]	283
Portugal	CAWP	182	115	175	191 [†]	239
Slovakia	DG9C	..	21	..	..	29
Slovenia	DG9D	..	..	..	..	15
Spain	CAWQ	627	672	576	694 [†]	737
Sweden	CBLT	970	1 115	959	1 271 [†]	1 395
EFTA	CAWS	1 010	1 643	1 761	2 382 [†]	3 642
of which						
Norway	CBLS	450	293	319	297	933
Switzerland	CBLU	559	1 349	1 441	2 084 [†]	2 708
Other European Countries	DG9E	1 617	1 804	2 124	2 713 [†]	3 355
of which						
Russia	GQAJ	297	334	345	841 [†]	1 663
UK offshore islands	GQAK	916	1 127	1 332	1 602 [†]	1 249
The Americas	GQCX	13 529	14 716	17 586	21 113 [†]	25 411
of which						
Bermuda	CBNK	–90	203	1 254	1 629 [†]	1 561
Brazil	CBNL	344	378	291	652 [†]	701
Canada	CAWW	864	1 015	1 055	1 340 [†]	1 827
Chile	GQCY	156	199	273	820 [†]	1 141
Colombia	GQCZ	190	200	234	379	411
Mexico	GQAL	–48	295	207	485 [†]	452
Panama	GQAM	45	44	55	44	45
USA	CAWV	10 646	11 461	12 723	14 332 [†]	17 687
Asia	GQDA	4 356	4 755	5 108	8 001 [†]	10 722
Near & Middle East Countries	CBMS	596	398	461	692 [†]	1 028
of which						
Gulf Arabian countries ³	GQDB	420	335	370	549 [†]	665
Other Asian Countries	GQDC	3 761	4 357	4 647	7 309 [†]	9 695
of which						
China	HIIT	340	255	278	370 [†]	571
Hong Kong	CAVB	341	610	1 083	2 541 [†]	3 474
India	GQAN	324	496	511	427 [†]	534
Indonesia	GQAO	150	132	184	155	208
Japan	CAWY	382	181	332	440	480
Malaysia	CBNA	277	448	477	525 [†]	514
Singapore	CBND	1 276	1 053	911	1 651 [†]	2 533
South Korea	GQAP	111	233	237	340	587
Thailand	GQAQ	166	162	160	159 [†]	221
Australasia & Oceania	GQDD	1 651	2 337	2 022	3 623 [†]	3 098
of which						
Australia	CBMB	1 337	1 818	1 518	3 108 [†]	2 641
New Zealand	CBMC	304	488	478	279 [†]	334
Africa	GQDE	1 849	2 973	2 959	3 958 [†]	5 434
of which						
Kenya	GQAR	70	64	81	64	75
Nigeria	CBML	95	282	122	153	192
South Africa	CAWZ	983	1 784	1 693	2 706 [†]	3 426
Zimbabwe	CBMQ	61	37	43	87	24
World Total	GLAB	46 103	51 379	54 531	62 476 [†]	77 853
OECD	GQDF	36 732	40 229	41 353	43 453 [†]	53 919
Central & Eastern Europe ⁴	GQDG	791	802	195	74 [†]	74

1 A minus sign indicates net losses.

2 Net earnings equal profits of foreign branches plus UK companies' re- ceipts of interest and their share of profits of foreign subsidiaries and associates. Earnings are after deducting provisions for depreciation and withholding tax on profits, dividends and interest.

3 Includes Abu Dhabi, Bahrain, Dubai, Iraq, Kuwait, Oman, Other Gulf States, Qatar, Saudi Arabia and Yemen.

4 From 2003 includes Albania, Bosnia & Hergezovina, Bulgaria, Croatia, FYR Macedonia, Romania and Serbia & Montenegro. Prior 2003 Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia & Slovenia also incl.

5 .. Indicates data are disclosive

Sources: ONS Foreign Direct Investment Inquiries;
Bank of England

4 Net foreign direct investment in the UK by foreign companies ^{1 2} analysed by area and main country

£ million

		2001	2002	2003	2004	2005
Europe	GQDH	17 213	15 431	7 013	29 901 [†]	81 628
EU25	DG9F	17 509	15 721	5 498	26 412 [†]	72 347
Austria	CBOB	-149	..	8	-31 [†]	172
Belgium	HIIU	-23	-333	218	1 542 [†]	252
Cyprus	DG9G	1	-3	-	-	5
Czech Republic	DG9H	2	..	-	-	-
Denmark	CAYQ	195	114	321	-11 [†]	-1 182
Estonia	DG9I	-	-	-	-	-
Finland	CBOC	26	5	26	32 [†]	252
France	CAYR	8 779	1 460	414	1 703 [†]	9 634
Germany	CAYS	279	11 340	1 437	11 131 [†]	6 802
Greece	CAYT	4	7	33	13	13
Hungary	DG9J	1	-	-	.. [†]	1
Irish Republic	CAYU	755	210	206	936 [†]	1 031
Italy	CAYV	2 848	-208	-468	1 327 [†]	-226
Latvia	DG9K	-	-	..	-	..
Lithuania	DG9L	..	..	-	..	..
Luxembourg	HIIV	196	1	-105	-115	142
Malta	DG9M	1	..	-	-	1
Netherlands	CAYW	4 256	1 756	2 452	1 226 [†]	51 238
Poland	DG9N	4	1	-	-	1
Portugal	CAYX	7	-12 [†]	-6
Slovakia	DG9O	-	..	..	..	..
Slovenia	DG9P	..	..	..	..	..
Spain	CAYY	224	232	518	.. [†]	3 816
Sweden	CBOE	106	493	406	-14 [†]	394
EFTA	CAZB	-944	-298	1 408	3 016 [†]	9 242
of which						
Norway	CBOD	-227	-137	-179	-798 [†]	962
Switzerland	CBOF	-775	-162	1 411	3 488 [†]	7 543
Other European Countries	DG9Q	648	9	107	473 [†]	39
of which						
Russia	GQAS	19 [†]	..
UK offshore islands	GQAT	622	-8	32	476 [†]	-24
The Americas	GQDJ	16 056	-2 051	3 396	-4 792 [†]	18 523
of which						
Canada	CAZF	-261	562	-325	683 [†]	1 593
USA	CAZE	15 025	-2 157	2 676	-5 727 [†]	15 565
Asia	GQDK	3 132	2 551	-449	4 081 [†]	2 890
Near & Middle East Countries	GQAU	287	-26	-34	384 [†]	655
Other Asian Countries	GQAV	2 845	2 579	-415	3 697 [†]	2 236
of which						
Hong Kong	GQAW	70	63	63	.. [†]	315
Japan	CAZH	2 572	2 352	-543	817 [†]	1 547
Singapore	GQAX	78	157	-76	14 [†]	42
South Korea	GQAY	1	-26	-20	193 [†]	171
Australasia & Oceania	GQDL	92	31	310	1 420 [†]	3 429
of which						
Australia	CBOJ	112	14	309	1 412 [†]	3 429
New Zealand	CBOK	-24	18	2	8	-
Africa	GQAZ	63	71	7	-43	60
of which						
South Africa	CAZJ	51	63	21	-35	12
World Total	CBDH	36 555	16 033	10 276	30 566 [†]	106 531
OECD	GQBA	33 980	16 194	8 984	26 762 [†]	103 826
Central & Eastern Europe ³	GQBB	10	-	4	-32 [†]	-

1 Net investment includes re-invested earnings.

2 A minus sign indicates net disinvestment in the UK.

3 From 2003 in Albania, Bosnia & Herzegovina, Bulgaria, Croatia, FYR Macedonia, Romania and Serbia & Montenegro. Prior 2003 Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia & Slovenia also incl.

4 .. Indicates data are disclosive.

5 - Indicates nil returns.

Sources: ONS Foreign Direct Investment Inquiries;
Bank of England

5 International investment position - direct investment in the UK by foreign companies book value of net liabilities

analysed by area and main country at year end

£ million

		2001	2002	2003	2004	2005
Europe	GQDM	166 532	157 313	158 903	181 198 [†]	270 501
EU25	DG9R	151 245	142 514	142 240	161 327 [†]	238 833
Austria	CDPF	385	1 003	349	366 [†]	563
Belgium	HIIW	2 208	1 765	1 987	4 338 [†]	5 149
Cyprus	DG9S	177	68	67	78 [†]	100
Czech Republic	DG9T	14	3	9	6	3
Denmark	CDOV	3 955	2 358	2 086	2 359 [†]	1 400
Estonia	DG9U	-	-	-	-	-
Finland	CDPG	1 084	767	946	886 [†]	725
France	CDOW	35 213	37 195	36 565	41 100 [†]	54 108
Germany	CDOX	29 731	37 737	32 260	39 300 [†]	46 170
Greece	CDOY	92	89	86	100	135
Hungary	DG9V	13	8	9	12	12
Irish Republic	CDOZ	4 209	4 544	4 769	5 021 [†]	6 990
Italy	CDPA	6 522	5 788	4 580	6 708 [†]	5 390
Latvia	DG9W	-	-	..	-	..
Lithuania	DG9X	..	..	..	..	..
Luxembourg	HIIX	2 330	4 985	5 627	5 963 [†]	7 794
Malta	DG9Y	24	22	21	5	12
Netherlands	CDPB	60 920	39 512	46 876	47 579 [†]	97 851
Poland	DG9Z	19	13	10	7	21
Portugal	CDPC	129	97	115	113 [†]	128
Slovakia	DGA2	-	..	..	..	..
Slovenia	DGA3	..	..	..	..	..
Spain	CDPD	606	2 303	3 344	4 536 [†]	8 784
Sweden	CDPI	3 613	4 254	2 527	2 849 [†]	3 489
EFTA	CDPE	10 465	10 951	13 758	15 752 [†]	24 952
of which						
Norway	CDPH	832	1 019	831	242 [†]	1 061
Switzerland	CDPJ	9 341	9 717	12 439	14 685 [†]	21 568
Other European Countries	DGA4	4 822	3 849	2 906	4 120 [†]	6 716
of which						
Russia	GQBC	..	..	..	..	..
UK offshore islands	GQBD	4 366	3 393	2 361	3 500 [†]	6 108
The Americas	GQDU	151 338	138 156	145 973	140 090 [†]	171 996
of which						
Canada	CDPM	8 693	8 718	11 176	12 108 [†]	15 023
USA	CDPN	136 967	124 597	130 512	122 069 [†]	149 406
Asia	GQDO	19 388	20 323	19 869	24 800 [†]	27 279
Near & Middle East Countries	GQBE	1 788	1 697	1 627	2 765 [†]	3 002
Other Asian Countries	GQBF	17 600	18 626	18 242	22 035 [†]	24 278
of which						
Hong Kong	GQBG	3 613	..	..	..	..
Japan	CDPQ	10 900	11 791	11 949	12 300 [†]	13 634
Singapore	GQBH	1 591	1 684	830	925	1 017
South Korea	GQBI	108	448	635	635 [†]	641
Australasia & Oceania	GQDP	11 167	8 462	14 336	16 804 [†]	12 547
of which						
Australia	CDPP	10 997	8 309	14 160	16 631 [†]	12 307
New Zealand	CDPR	149	134	158	153	224
Africa	GQBJ	917	427	560	530 [†]	488
of which						
South Africa	CDPS	757	250	387	296 [†]	186
World Total	CDPZ	349 342	324 680	339 641	363 422 [†]	482 814
OECD	GQBK	329 296	307 395	324 491	340 870 [†]	454 826
Central & Eastern Europe ¹	GQBL	84	58	34	..	..

1 From 2003 includes Albania, Bosnia & Herzegovina, Bulgaria, Croatia, FYR Macedonia, Romania and Serbia & Montenegro. Prior 2003 Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia & Slovenia also incl.

2 .. Indicates data are disclosive.

3 - Indicates nil returns.

Sources: ONS Foreign Direct Investment Inquiries;
Bank of England

6 Net earnings from direct investment in the UK by foreign companies ^{1 2} analysed by area and main country

£ million

		2001	2002	2003	2004	2005
Europe	GQDQ	11 250	5 475	10 158	12 676 [†]	17 677
EU25	DGA5	10 086	4 447	9 011	11 329 [†]	15 586
Austria	CBOR	93	176	111	61	72
Belgium	HI1Y	79	38	165	269 [†]	247
Cyprus	DGA6	16	16	24	20	28
Czech Republic	DGA7	1	–	–	–	–
Denmark	CBDL	259	253	305	311	384
Estonia	DGA8	–	–	–	–	–
Finland	CBOS	197	70	36	62 [†]	68
France	CBDM	1 632	1 322	2 743	3 842 [†]	4 610
Germany	CBDN	–633	–1 109	1 754	2 900 [†]	4 278
Greece	CBDO	46	64	4	–4	–
Hungary	DGA9	–	–	–	–	1
Irish Republic	CBDP	426	561	578	471 [†]	864
Italy	CBDQ	375	–148	174	408 [†]	528
Latvia	DGB2	–	–	..	–	–
Lithuania	DGB3	..	..	–	..	..
Luxembourg	HI1Z	74	87	196	289 [†]	224
Malta	DGB4	1	–	–	–	1
Netherlands	CBDR	6 972	2 455	2 405	2 585 [†]	2 773
Poland	DGB5	2	1	–	–	1
Portugal	CBDS	6	13	49	47	35
Slovakia	DGB6	–	..	..	..	..
Slovenia	DGB7	..	..	..	..	..
Spain	CBDT	203	52	298	37 [†]	1 275
Sweden	CBOU	337	599	167	21	184
EFTA	CBDW	816	735	822	849 [†]	1 417
of which						
Norway	CBOT	59	40	–	–20	81
Switzerland	CBOV	749	692	794	819 [†]	1 252
Other European Countries	DGB8	348	293	325	499 [†]	674
of which						
Russia	GQBM [†]	..
UK offshore islands	GQBN	313	267	287	468 [†]	642
The Americas	GQDV	7 385	7 314	10 013	12 278 [†]	14 253
of which						
Canada	CBEA	147	659	639	1 021 [†]	1 373
USA	CBDZ	7 204	6 623	9 054	10 981 [†]	12 557
Asia	GQDS	1 099	1 214	–781	168 [†]	305
Near & Middle East Countries	GQBO	154	33	114	188 [†]	217
Other Asian Countries	GQBP	945	1 182	–895	–19 [†]	88
of which						
Hong Kong	GQBQ	11	–52	–456	..	–704
Japan	CBEC	684	1 022	–538	608 [†]	539
Singapore	GQBS	114	100	62	32	87
South Korea	GQBT	3	16	–54	23 [†]	79
Australasia & Oceania	GQDT	82	432	835	695 [†]	769
of which						
Australia	CBOZ	17	396	802	690 [†]	749
New Zealand	CBPA	15	3	4	5	16
Africa	GQBU	154	99	59	59	75
of which						
South Africa	CBED	122	97	50	26	27
World Total	CBEV	19 971	14 534	20 283	25 876 [†]	33 079
OECD	GQBV	18 988	13 904	19 715	25 471 [†]	32 284
Central & Eastern Europe ³	GQBW	5	2	1	1	–

1 A minus sign indicates net losses.

2 Net earnings equal profits of UK branches plus foreign investors' receipts of interest and their share of the profits of UK subsidiaries and associates. Earnings are after deducting provisions for depreciation and withholding tax on profits and interest.

3 From 2003 includes Albania, Bosnia & Herzegovina, Bulgaria, Croatia, FYR Macedonia, Romania and Serbia & Montenegro. Prior 2003 Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia & Slovenia also incl.

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