

11 December 2007

Coverage
United Kingdom
Theme
The Economy

Foreign direct investment 2006

Direct investment abroad by UK companies (Outward Investment) rose to £49.4 billion in 2006, an increase of £4.9 billion on the amount invested in 2005. The increase in the total for 2006 reflects increases in investment in Europe, The Americas, Asia and Australasia & Oceania. This was partially offset by a decrease in investment flows to Africa.

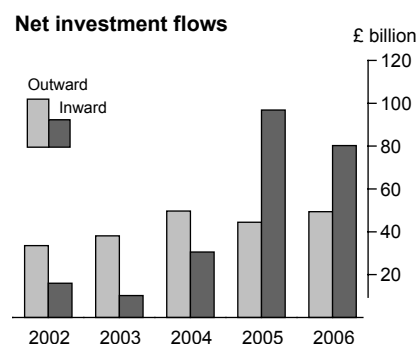
The level of foreign direct investment (also called the International Investment Position) by UK companies at the end of 2006 was £734.7 billion, a rise of £38.6 billion from the end of 2005.

Earnings from foreign direct investment by UK companies amounted to £84.6 billion in 2006, £5.9 billion higher than the figure for 2005.

In 2006 foreign companies invested £80.3 billion in the UK (Inward Investment), a decrease of £16.5 billion from 2005. Investment from Europe decreased from £80.1 billion in 2005 to £47.6 billion in 2006. Investment flows from Asia increased from a net disinvestment of £4.2 billion in 2005 to a net investment of £11.8 billion in 2006.

The level of foreign direct investment in the UK rose from £488.2 billion at the end of 2005 to £576.6 billion at the end of 2006.

Earnings of foreign companies from foreign direct investment in the UK increased by £16.1 billion to £51.7 billion in 2006.



Foreign direct investment¹ 2006

Values in £ billion

	Direct investment abroad by UK companies			Foreign direct investment in the UK		
	Flows in 2006	Level at end 2006	Earnings in 2006	Flows in 2006	Level at end 2006	Earnings in 2006
Europe	16.0	393.8	39.0	47.6	321.7	26.9
The Americas	21.2	259.7	27.1	18.9	207.5	20.8
Asia	8.3	53.0	11.8	11.8	39.5	2.7
Australasia & Oceania	3.6	12.6	3.2	1.8	7.3	1.3
Africa	0.3	15.5	3.5	0.1	0.5	0.1
Total	49.4	734.7	84.6	80.3	576.6	51.7

¹ For definition, see note 1

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DETAILED COMMENTARY

Net direct investment abroad by UK companies

(Table 1) (see note 1)

In total, net direct investment abroad by UK companies was 11 per cent higher in 2006 than in 2005. The 2006 figure of £49.4 billion was £4.9 billion higher than the investment of £44.5 billion recorded in 2005.

The largest increase in investment flows in 2006 was to Europe, where UK investment rose to £16.0 billion in 2006 from £12.1 billion in 2005, an increase of £3.9 billion. There were also large increases in investment in Australasia & Oceania from £0.4 billion in 2005 to £3.6 billion and in Asia which rose from £5.4 billion in 2005 to £8.3 billion. There was also a small increase in investment in The Americas from £20.7 billion to £21.2 billion. Africa showed a large decrease from £5.8 billion in 2005 to £0.3 billion in 2006.

Canada was the country attracting the most direct investment from the UK. In 2006 it accounted for £8.2 billion or 17 per cent of total world investment (see note 5).

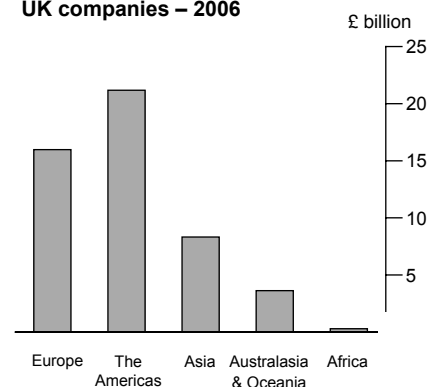
Net international investment position- direct investment abroad by UK companies (Table 2)(see note 1)

At the end of 2006 the book value level of direct investment abroad by UK companies stood at £734.7 billion, an increase of £38.6 billion on the level recorded at the end of 2005. The reason that the increase differs from the recorded investment flow reflects the fact that the levels 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.

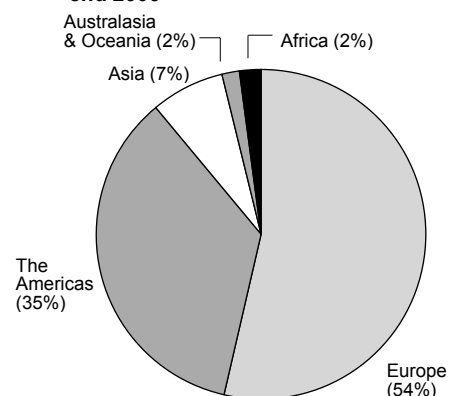
The rise in the levels of direct investment abroad by UK companies principally reflects increases in The Americas and Europe of £43.4 billion and £6.5 billion respectively. The levels of investment in Africa, Australasia & Oceania and Asia showed decreases of £5.3 billion, £4.1 billion and £1.9 billion respectively.

The USA was the most favoured location for UK direct investment abroad with £184.2 billion, 25 per cent share of UK owned assets at the end of 2006. The country recording the second largest share of UK owned assets was the Netherlands with £90.8 billion, 12 per cent (see Note 5).

Net direct investment abroad by UK companies – 2006



Net international investment position of UK companies – end 2006

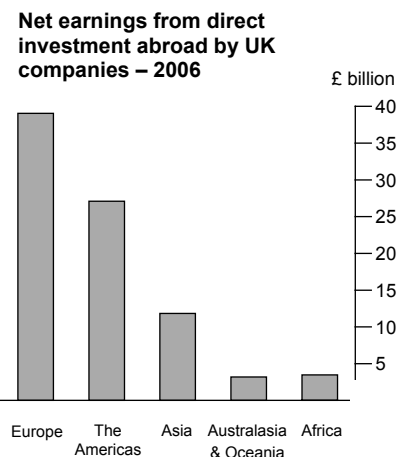


Net earnings from direct investment abroad by UK companies (Table 3) (see note 1)

The earnings of UK owned companies operating abroad in 2006 were the highest ever recorded at £84.6 billion. This represented an increase of 7 per cent on the 2005 figure which was the previous highest.

The largest increases in earnings came from: Europe, Asia and The Americas, contributing increases of £6.8 billion, £0.8 billion and £0.5 billion respectively. Africa showed a decrease of £2.3 billion and Australasia & Oceania was unchanged.

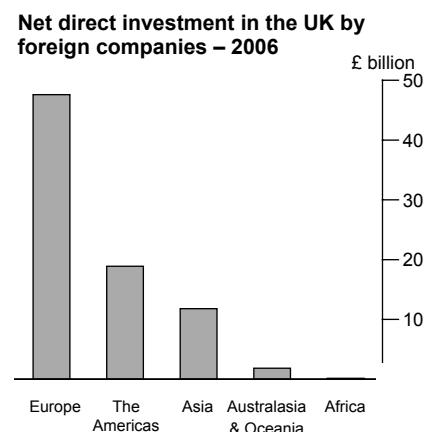
In 2006, 46 per cent of the total world earnings from UK owned companies operating abroad came from Europe and 32 per cent from The Americas. The USA was the single largest source of earnings with £17.5 billion and accounted for 21 per cent of the total world earnings. The Netherlands accounted for £7.9 billion, 9 per cent of the world total and 20 per cent of the European earnings (see Note 5).



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 £80.3 billion in 2006, a decrease of £16.5 billion on the investment recorded in 2005.

The fall in net investment in the UK reflects decreases from Europe, down £32.5 billion to £47.6 billion, and Australasia & Oceania, down £1.6 billion to £1.8 billion. Asia accounted for the largest increase in 2006, up £16 billion to £11.8 billion from a net disinvestment of £4.2 billion in 2005. Investment from The Americas increased by £1.5 billion to £18.9 billion and the figures for investment from Africa remained steady at £0.1 billion.



Spain was the largest investor in the UK in 2006 with investment flows of £23.4 billion. This represented 29 per cent of the world total. The second largest investor was The Netherlands with £14.3 billion, which represented 18 per cent of the world total (see note 5).

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

At the end of 2006, the total stock at book value of direct investment from abroad in the UK stood at £576.6 billion. This compared with a figure of £488.2 billion at the end of 2005, an increase of £88.4 billion.

The rise in the overall level in the UK reflects increases in stock owned by Europe, which has shown a £44.7 billion increase to £321.7 billion. Stock owned by countries in The Americas rose by £33.5 billion to £207.5 billion and in Asia rose by £15.4 billion to £39.5 billion. The stock of investment held by companies in Australasia & Oceania fell £5.2 billion to £7.3 billion. African stock remained the same at £0.5 billion.

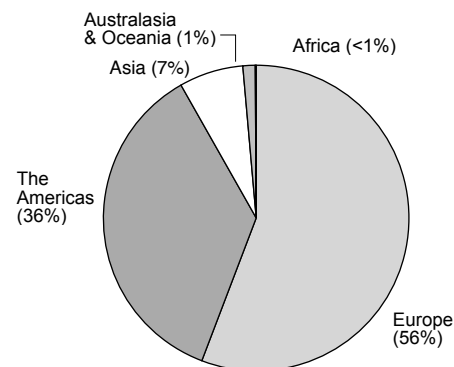
The USA held £177.8 billion which accounted for 31 per cent of the world total stock in the UK at the end of 2006. The Netherlands held £118.8 billion which accounted for 21 per cent and France held £51.9 billion which accounted for for 9 per cent.

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

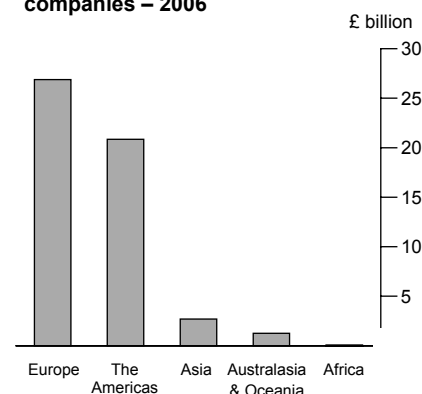
In 2006, the earnings from direct investment in the UK were £51.7 billion, an increase of £16.1 billion on the previous year's figure. The increase in overall earnings principally reflected a rise of £9.3 billion in the earnings of European owned companies, to £26.9 billion and £4.3 billion in the earnings of companies with parents in The Americas, to £20.8 billion. Earnings of UK companies owned by Asian parents increased by £1.8 billion to £ 2.7 billion and UK companies owned by parents in Australasia & Oceania rose by £0.8 billion to £1.3 billion. African owned UK companies earnings remained the same at £0.1 billion.

The USA was the highest earner with £17.5 billion in 2006, accounting for 34 per cent of the world total FDI earnings in the UK, followed by The Netherlands with £7.4 billion accounting for 14 per cent and France with £5.8 billion accounting for 11 per cent.

Net International investment position in the UK by foreign companies – end 2006



Net earnings from direct investment in the UK by foreign companies – 2006



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.

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.

"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 2007 “Pink Book”. However, for the purposes of this First Release earnings prior to 2006 are calculated net of tax, as before. This First Release however includes these taxes in the earnings from 2006 – more detailed information on the effect of these changes is available in the Business Monitor MA4 – Foreign Direct Investment.

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 2006. Provisional estimates for 2006, 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 2006 will be included in the Quarter Three 2007 Balance of Payments First Release to be issued on 20th December. Further details from the 2006 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)	49390	-250	4286
Outward positions (CDOO)	734674	-6176	24215
Outward earnings (GLAB)	84649	-1743	2069
Inward flows (CBDH)	80269	-3988	3988
Inward positions (CDPZ)	576580	-8868	11028
Inward earnings (CBEV)	51742	-397	1401

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. A significant bias was identified for the Inward flows.

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 2007.

1 Net direct investment abroad by UK companies^{1 2}

analysed by area and main country

£ million

		2002	2003	2004	2005	2006
Europe	GQBX	27 300	16 600	10 814	12 105	15 965
EU25	DG7S	28 865	13 339	11 900	13 217	3 577
Austria	CBJD	797	165	1 322	-301	-107
Belgium	HIIL	1 046	-1 241	-544	970	-4 370
Cyprus	DG8D	-79	-53	18	69	98
Czech Republic	DG8O	49	142	23	24	-162
Denmark	CAUW	543	-53	569	391	1 547
Estonia	DG8E	5	4	21	2	3
Finland	CBJE	1 124	99	-37	707	106
France	CAUX	4 112	6 627	793	3 138	224
Germany	CAUY	8 473	1 552	-366	-479	3 147
Greece	CAUZ	-65	229	-253	63	14
Hungary	DG8F	163	527	336	1 821	29
Irish Republic	CAVA	1 674	985	3 325	-1 181	5 114
Italy	CAVB	572	500	667	191	-420
Latvia	DG8G	1	..	1	-1	5
Lithuania	DG8H	..	..	1	-4	..
Luxembourg	HIIM	-2 046	1 313	-1 022	-1 213	-14 664
Malta	DG8I	..	58	178	142	..
Netherlands	CAVC	13 152	728	4 805	4 821	2 195
Poland	DG8J	431	4	182	150	464
Portugal	CAVD	88	308	444	603	336
Slovakia	DG8K	-22	-11	18	21	18
Slovenia	DG8L	..	37	-5	-5	14
Spain	CAVE	288	626	1 131	564	3 130
Sweden	CBJG	-35	794	299	2 732	6 438
EFTA	CAVG	994	2 313	-6 667	547	7 011
of which						
Norway	CBJF	-329	-274	367	-831	104
Switzerland	CBJH	1 329	2 591	-7 007	1 330	6 946
Other European Countries	DG8M	-2 559	948	5 582	-1 658	5 377
of which						
Russia	GLAA	108	2 030	1 831	349	-17
UK offshore islands	GLAC	-1 249	-1 031	3 528	-2 341	4 371
The Americas	GQBZ	-5 150	15 959	24 321	20 689	21 175
of which						
Bermuda	CBKZ	-4 371	-2 613	6 242	653	908
Brazil	CBLA	17	786	386	48	356
Canada	CAVK	536	2 521	1 143	3 372	8 211
Chile	GQCA	1 021	290	675	790	25
Colombia	GQCB	-385	78	225	-687	315
Mexico	GLAD	939	261	1 386	168	334
Panama	GLAE	..	58	12	27	7
USA	CAVJ	-984	19 300	9 732	15 041	259
Asia	GQCI	5 538	3 601	7 689	5 399	8 327
Near and Middle East Countries	CBKF	376	82	486	398	1 368
of which						
Gulf Arabian countries ³	GQCC	369	-85	293	577	483
Other Asian Countries	GQCD	5 162	3 518	7 203	5 001	6 958
of which						
China	HIIN	757	309	539	598	363
Hong Kong	CAVN	1 186	1 285	5 303	1 547	1 992
India	GLAF	276	193	274	616	282
Indonesia	GLAG	70	481	-289	-116	246
Japan	CAVM	388	338	37	247	433
Malaysia	CBKN	334	277	428	244	248
Singapore	CBKQ	1 619	-449	-161	-508	2 587
South Korea	GLAH	174	332	278	2 247	670
Thailand	GLAI	-55	155	181	228	525
Australasia & Oceania	GQCE	3 677	-1 524	1 026	423	3 631
of which						
Australia	CBJO	3 322	-492	408	444	3 243
New Zealand	CBJP	337	-1 017	258	-56	405
Africa	GQCF	2 196	3 454	5 863	5 843	293
of which						
Kenya	GLAJ	32	58	47	73	62
Nigeria	CBJY	220	19	-44	-108	40
South Africa	CAVO	2 265	2 222	3 840	4 368	1 458
Zimbabwe	CBKD	33	37	91	18	10
World Total	CDQD	33 561	38 088	49 713	44 458	49 390
OECD	GQCG	36 096	37 030	18 355	35 305	24 045
Central and Eastern Europe ⁴	GQCH	654	156	36	158	76

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.

Sources: ONS Foreign Direct Investment Surveys;
Bank of England

2 International investment position - direct investment abroad book value of net assets

analysed by area and main country at year end

£ million

		2002	2003	2004	2005	2006
Europe	GQCU	390 359	408 881	382 104	387 324	393 826
EU25	DG8P	343 931	354 707	348 293	339 283	306 127
Austria	CDLZ	2 679	3 339	4 102	4 005	2 388
Belgium	HIIO	10 364	8 662	7 828	13 492	4 459
Cyprus	DG8Q	84	80	64	59	561
Czech Republic	DG8R	1 088	954	793	823	656
Denmark	CDLP	3 165	3 021	5 256	5 090	7 790
Estonia	DG8S	29	21	78	7	5
Finland	CDMA	580	588	695	2 465	1 287
France	CDLQ	31 928	31 460	35 313	47 348	36 587
Germany	CDLR	13 924	13 486	12 164	20 753	17 159
Greece	CDLS	498	460	456	625	563
Hungary	DG8T	1 403	1 722	1 506	2 491	1 787
Irish Republic	CDLT	29 944	29 989	29 059	26 824	23 196
Italy	CDLU	5 505	10 178	11 322	10 872	7 954
Latvia	DG8U	51	13	25	22	28
Lithuania	DG8V	24	16	22	16	..
Luxembourg	HIIP	62 556	79 208	81 709	97 260	59 907
Malta	DG8W	-24	264	1 528	-459	..
Netherlands	CDLV	158 478	146 345	131 143	64 511	90 804
Poland	DG8X	2 809	2 900	2 316	1 974	2 594
Portugal	CDLW	629	973	1 664	2 702	3 247
Slovakia	DG8Y	261	332	103	93	138
Slovenia	DG8Z	92	128	54	3	52
Spain	CDLX	7 156	9 460	11 318	25 604	26 202
Sweden	CDMD	10 712	11 108	9 776	12 702	17 774
EFTA	CDLY	22 069	27 187	14 468	12 933	12 548
of which						
Norway	CDMC	4 904	4 900	4 934	4 498	2 107
Switzerland	CDME	17 164	21 913	9 104	7 979	10 158
Other European Countries	DG92	24 359	26 987	19 344	35 107	75 151
of which						
Russia	GQAA	744	777	1 627	1 814	6 051
UK offshore islands	GQAB	15 203	22 717	15 678	29 954	65 266
The Americas	GQCU	167 345	178 599	182 091	216 343	259 702
of which						
Bermuda	CDOA	4 929	1 554	7 561	10 604	13 890
Brazil	CDOB	2 050	2 532	3 922	3 220	2 791
Canada	CDML	8 209	8 537	8 922	12 812	19 187
Chile	GQCT	2 036	1 919	2 133	2 814	562
Colombia	GQCS	1 752	2 434	1 874	1 132	995
Mexico	GQAC	1 450	1 431	2 461	2 860	2 271
Panama	GQAD	..	153	132	166	..
USA	CDMM	131 800	150 021	140 321	164 405	184 204
Asia	GQCL	28 914	43 118	47 311	54 919	53 045
Near & Middle East Countries	CDNH	1 619	1 559	3 008	3 733	4 371
of which						
Gulf Arabian countries ¹	GQCM	1 027	1 211	2 062	3 013	2 247
Other Asian Countries	GQCR	27 295	41 559	44 303	51 187	48 674
of which						
China	HIIO	3 212	1 809	1 882	2 685	2 230
Hong Kong	CDNN	5 872	17 221	19 165	20 432	22 388
India	GQAE	1 409	1 555	1 682	2 126	2 302
Indonesia	GQAF	1 014	1 309	1 178	1 168	1 521
Japan	CDMP	1 896	2 361	5 829	6 076	2 461
Malaysia	CDNQ	1 214	1 476	1 592	1 455	1 316
Singapore	CDNT	6 797	9 510	6 610	7 144	6 628
South Korea	GQAG	927	1 339	1 218	4 586	3 777
Thailand	GQAH	1 513	1 357	947	1 281	1 405
Australasia & Oceania	GQCN	16 652	17 486	16 888	16 694	12 646
of which						
Australia	CDMO	13 936	16 283	14 586	14 627	11 391
New Zealand	CDMQ	2 524	1 060	1 459	1 176	1 084
Africa	GQCQ	13 516	17 039	17 350	20 834	15 455
of which						
Kenya	GQAI	278	285	238	281	315
Nigeria	CDNA	1 012	1 028	950	924	1 009
South Africa	CDMR	8 765	11 250	10 964	13 733	8 630
Zimbabwe	CDNF	62	48	103	50	58
World Total	CDOO	616 786	665 123	645 744	696 113	734 674
OECD	GQCO	527 681	563 769	537 109	561 694	543 980
Central & Eastern Europe ²	GQCP	6 449	560	534	640	519

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 Surveys; Bank of England

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

£ million

		2002	2003	2004	2005	2006
Europe	GQCV	26 598	26 857	25 782	32 186	39 049
EU25	DG93	23 151	22 972	20 686	23 868	28 443
Austria	CBLQ	267	317	296	301	183
Belgium	HIIR	549	324	653	818	868
Cyprus	DG94	93	20	22	37	171
Czech Republic	DG95	115	165	110	108	-25
Denmark	CAWI	54	197	272	387	409
Estonia	DG96	4	9	3	..	10
Finland	CBLR	95	103	112	103	67
France	CAWJ	1 904	1 714	2 107	2 957	3 196
Germany	CAWK	2 199	1 592	2 328	2 685	2 139
Greece	CAWL	120	120	102	160	150
Hungary	DG97	232	241	202	295	82
Irish Republic	CAWM	1 553	2 197	2 461	2 835	2 515
Italy	CAWN	517	639	708	732	718
Latvia	DG98	..	-	-	..	5
Lithuania	DG99	..	-	-	-	-
Luxembourg	HIIS	1 822	1 500	2 191	4 006	7 082
Malta	DG9A	36	41	60	31	22
Netherlands	CAWO	11 395	11 691	6 651	5 344	7 897
Poland	DG9B	210	290	218	293	373
Portugal	CAWP	115	175	191	297	262
Slovakia	DG9C	21	..	..	34	24
Slovenia	DG9D	..	..	..	17	5
Spain	CAWQ	672	576	694	1 023	927
Sweden	CBLT	1 115	959	1 271	1 395	1 364
EFTA	CAWS	1 643	1 761	2 382	3 334	3 764
of which						
Norway	CBLS	293	319	297	937	334
Switzerland	CBLU	1 349	1 441	2 084	2 396	3 427
Other European Countries	DG9E	1 804	2 124	2 713	4 984	6 842
of which						
Russia	GQAJ	334	345	841	1 681	1 713
UK offshore islands	GQAK	1 127	1 332	1 602	3 017	4 526
The Americas	GQCX	14 716	17 586	21 113	26 585	27 098
of which						
Bermuda	CBNK	203	1 254	1 629	1 561	..
Brazil	CBNL	378	291	652	866	585
Canada	CAWW	1 015	1 055	1 340	1 895	1 813
Chile	GQCY	199	273	820	1 164	771
Colombia	GQCZ	200	234	379	414	274
Mexico	GQAL	295	207	485	536	548
Panama	GQAM	44	55	44	50	23
USA	CAWV	11 461	12 723	14 332	18 244	17 506
Asia	GQDA	4 755	5 108	8 001	10 975	11 828
Near & Middle East Countries	CBMS	398	461	692	1 053	1 453
of which						
Gulf Arabian countries ³	GQDB	335	370	549	688	744
Other Asian Countries	GQDC	4 357	4 647	7 309	9 922	10 375
of which						
China	HIIT	255	278	370	580	441
Hong Kong	CAYB	610	1 083	2 541	3 553	3 878
India	GQAN	496	511	427	626	784
Indonesia	GQAO	132	184	155	226	386
Japan	CAWY	181	332	440	482	381
Malaysia	CBNA	448	477	525	508	509
Singapore	CBND	1 053	911	1 651	2 510	2 271
South Korea	GQAP	233	237	340	683	528
Thailand	GQAQ	162	160	159	171	-125
Australasia & Oceania	GQDD	2 337	2 022	3 623	3 157	3 194
of which						
Australia	CBMB	1 818	1 518	3 108	2 681	2 795
New Zealand	CBMC	488	478	279	359	388
Africa	GQDE	2 973	2 959	3 958	5 764	3 479
of which						
Kenya	GQAR	64	81	64	70	88
Nigeria	CBML	282	122	153	197	133
South Africa	CAWZ	1 784	1 693	2 706	3 768	1 612
Zimbabwe	CBMQ	37	43	87	16	10
World Total	GLAB	51 379	54 531	62 476	78 667	84 649
OECD	GQDF	40 229	41 353	43 453	52 138	56 188
Central & Eastern Europe ⁴	GQDG	802	195	74	76	62

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 & 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 dispositive.

6 - Indicates nil returns.

Sources: ONS Foreign Direct Investment Surveys;
Bank of England

4 Net foreign direct investment in the UK by foreign companies^{1 2}

analysed by area and main country

£ million

		2002	2003	2004	2005	2006
Europe	GQDH	15 431	7 013	29 901	80 087	47 589
EU25	DG9F	15 721	5 498	26 412	71 022	41 335
Austria	CBOB	..	8	-31	171	-61
Belgium	HIIU	-333	218	1 542	23	691
Cyprus	DG9G	-3	-	-	7	18
Czech Republic	DG9H	..	-	-	-	..
Denmark	CAYQ	114	321	-11	-1 246	-232
Estonia	DG9I	-	-	-	-	-
Finland	CBOC	5	26	32	238	51
France	CAYR	1 460	414	1 703	9 643	3 205
Germany	CAYS	11 340	1 437	11 131	7 279	-1 747
Greece	CAYT	7	33	13	14	17
Hungary	DG9J	-	-	..	1	3
Irish Republic	CAYU	210	206	936	723	866
Italy	CAYV	-208	-468	1 327	-42	357
Latvia	DG9K	-	..	-	..	..
Lithuania	DG9L	..	-	..	-	-
Luxembourg	HIIV	1	-105	-115	151	-183
Malta	DG9M	..	-	-	1	2
Netherlands	CAYW	1 756	2 452	1 226	50 366	14 336
Poland	DG9N	1	-	-	1	50
Portugal	CAYX	-12	..	..	-6	9
Slovakia	DG9O	..	..	..	..	..
Slovenia	DG9P	..	..	..	..	..
Spain	CAYY	232	518	..	3 297	23 429
Sweden	CBOE	493	406	-14	393	519
EFTA	CAZB	-298	1 408	3 016	9 050	5 214
of which						
Norway	CBOD	-137	-179	-798	927	171
Switzerland	CBOF	-162	1 411	3 488	7 405	4 679
Other European Countries	DG9Q	9	107	473	15	1 040
of which						
Russia	GQAS	..	..	..	..	..
UK offshore islands	GQAT	-8	32	476	-60	950
The Americas	GQDJ	-2 051	3 396	-4 792	17 422	18 901
of which						
Brazil	HP5A	..	4	..	6	..
Canada	CAZF	562	-325	683	1 632	3 529
USA	CAZE	-2 157	2 676	-5 727	15 589	13 994
Asia	GQDK	2 551	-449	4 081	-4 168	11 805
Near & Middle East Countries	GQAU	-26	-34	384	736	5 035
Other Asian Countries	GQAV	2 579	-415	3 697	-4 904	6 770
of which						
China	HP5B	..	2	-26	13	12
Hong Kong	GQAW	63	63	..	315	103
India	HP5C	1	7	-15	138	264
Japan	CAZH	2 352	-543	817	-5 575	3 714
Singapore	GQAX	157	-76	14	46	..
South Korea	GQAY	-26	-20	193	175	-85
Australasia & Oceania	GQDL	31	310	1 420	3 396	1 835
of which						
Australia	CBOJ	14	309	1 412	3 396	1 444
New Zealand	CBOK	18	2	8	-	54
Africa	GQAZ	71	7	-43	66	138
of which						
South Africa	CAZJ	63	21	-35	25	101
World Total	CBDH	16 033	10 276	30 566	96 803	80 269
OECD	GQBA	16 194	8 984	26 762	95 187	69 151
Central & Eastern Europe ³	GQBB	-	4	-32	..	6

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 Surveys;
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

		2002	2003	2004	2005	2006
Europe	GQDM	157 313	158 903	181 198	277 027	321 731
EU25	DG9R	142 514	142 240	161 327	244 325	289 911
Austria	CDPF	1 003	349	366	561	848
Belgium	HIIW	1 765	1 987	4 338	4 481	5 631
Cyprus	DG9S	68	67	78	100	162
Czech Republic	DG9T	3	9	6	3	..
Denmark	CDOV	2 358	2 086	2 359	1 404	4 205
Estonia	DG9U	-	-	-	-	-
Finland	CDPG	767	946	886	756	787
France	CDOW	37 195	36 565	41 100	56 309	51 862
Germany	CDOX	37 737	32 260	39 300	51 469	49 095
Greece	CDOY	89	86	100	103	121
Hungary	DG9V	8	9	12	9	12
Irish Republic	CDOZ	4 544	4 769	5 021	7 146	8 164
Italy	CDPA	5 788	4 580	6 708	6 122	4 548
Latvia	DG9W	-	..	-	..	..
Lithuania	DG9X	..	..	..	..	..
Luxembourg	HIIX	4 985	5 627	5 963	7 880	11 738
Malta	DG9Y	22	21	5	12	12
Netherlands	CDPB	39 512	46 876	47 579	95 579	118 778
Poland	DG9Z	13	10	7	21	96
Portugal	CDPC	97	115	113	111	122
Slovakia	DGA2	..	..	..	-	-
Slovenia	DGA3	..	..	..	..	..
Spain	CDPD	2 303	3 344	4 536	8 782	29 666
Sweden	CDPI	4 254	2 527	2 849	3 467	4 050
EFTA	CDPE	10 951	13 758	15 752	25 033	21 917
of which						
Norway	CDPH	1 019	831	242	1 085	969
Switzerland	CDPJ	9 717	12 439	14 685	21 624	18 592
Other European Countries	DGA4	3 849	2 906	4 120	7 670	9 903
of which						
Russia	GQBC	..	..	..	..	..
UK offshore islands	GQBD	3 393	2 361	3 500	7 059	9 133
The Americas	GQDU	138 156	145 973	140 090	174 037	207 540
of which						
Brazil	HP5D	..	5	..	77	134
Canada	CDPM	8 718	11 176	12 108	15 587	19 335
USA	CDPN	124 597	130 512	122 069	149 759	177 783
Asia	GQDO	20 323	19 869	24 800	24 101	39 490
Near & Middle East Countries	GQBE	1 697	1 627	2 765	2 970	10 158
Other Asian Countries	GQBF	18 626	18 242	22 035	21 131	29 332
of which						
China	HP5E	42	102	119	111	99
Hong Kong	GQBG	..	..	..	..	..
India	HP5F	162	194	164	518	795
Japan	CDPQ	11 791	11 949	12 300	10 513	14 809
Singapore	GQBH	1 684	830	925	1 034	4 048
South Korea	GQBI	448	635	635	638	798
Australasia & Oceania	GQDP	8 462	14 336	16 804	12 537	7 303
of which						
Australia	CDPP	8 309	14 160	16 631	12 313	7 132
New Zealand	CDPR	134	158	153	224	428
Africa	GQBJ	427	560	530	510	515
of which						
South Africa	CDPS	250	387	296	186	130
World Total	CDPZ	324 680	339 641	363 422	488 212	576 580
OECD	GQBK	307 395	324 491	340 870	458 185	531 801
Central & Eastern Europe ¹	GQBL	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 Surveys;
Bank of England

6 Net earnings from direct investment in the UK by foreign companies^{1 2}

analysed by area and main country

£ million

		2002	2003	2004	2005	2006
Europe	GQDQ	5 475	10 158	12 676	17 592	26 875
EU25	DGA5	4 447	9 011	11 329	15 269	23 069
Austria	CBOR	176	111	61	60	207
Belgium	HI1Y	38	165	269	367	646
Cyprus	DGA6	16	24	20	24	44
Czech Republic	DGA7	–	–	–	–	..
Denmark	CBDL	253	305	311	326	184
Estonia	DGA8	–	–	–	–	–
Finland	CBOS	70	36	62	61	93
France	CBDM	1 322	2 743	3 842	5 121	5 807
Germany	CBDN	–1 109	1 754	2 900	4 037	4 044
Greece	CBDO	64	4	–4	49	70
Hungary	DGA9	–	–	–	1	3
Irish Republic	CBDP	561	578	471	724	1 015
Italy	CBDQ	–148	174	408	483	475
Latvia	DGB2	–	..	–	..	..
Lithuania	DGB3	..	–	..	1	1
Luxembourg	HI1Z	87	196	289	214	204
Malta	DGB4	–	–	–	–	3
Netherlands	CBDR	2 455	2 405	2 585	2 800	7 352
Poland	DGB5	1	–	–	1	8
Portugal	CBDS	13	49	47	30	48
Slovakia	DGB6	..	..	..	5	5
Slovenia	DGB7	..	..	..	..	..
Spain	CBDT	52	298	37	773	2 536
Sweden	CBOU	599	167	21	182	316
EFTA	CBDW	735	822	849	1 495	2 647
of which						
Norway	CBOT	40	–	–20	82	169
Switzerland	CBOV	692	794	819	1 320	2 215
Other European Countries	DGB8	293	325	499	829	1 159
of which						
Russia	GQBM	..	..	..	..	..
UK offshore islands	GQBN	267	287	468	757	1 098
The Americas	GQDV	7 314	10 013	12 278	16 460	20 845
of which						
Brazil	HP5G	..	..	1	–4	–4
Canada	CBEA	659	639	1 021	1 348	1 450
USA	CBDZ	6 623	9 054	10 981	14 156	17 480
Asia	GQDS	1 214	–781	168	937	2 692
Near & Middle East Countries	GQBO	33	114	188	354	561
Other Asian Countries	GQBP	1 182	–895	–19	583	2 131
of which						
China	HP5H	..	..	8	–63	–35
Hong Kong	GQBQ	–52	–456	..	..	–611
India	HP5I	29	55	–2	65	132
Japan	CBEC	1 022	–538	608	1 089	1 955
Singapore	GQBS	100	62	32	85	259
South Korea	GQBT	16	–54	23	72	104
Australasia & Oceania	GQDT	432	835	695	535	1 250
of which						
Australia	CBOZ	396	802	690	521	867
New Zealand	CBPA	3	4	5	13	46
Africa	GQBU	99	59	59	65	81
of which						
South Africa	CBED	97	50	26	25	31
World Total	CBEV	14 534	20 283	25 876	35 588	51 742
OECD	GQBV	13 904	19 715	25 471	33 927	47 547
Central & Eastern Europe ³	GQBW	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.

4 .. Indicates data are disclosive.

5 - Indicates nil returns.

Sources: ONS Foreign Direct Investment Surveys;
Bank of England