

# Foreign Direct Investment Involving UK Companies, 2014



Coverage: UK

Date: **03 December 2015**

Geographical Area: UK

Theme: **Business and Energy**

Theme: **Economy**

## Main points

- Net flows of Foreign Direct Investment (FDI) abroad (outward flows) decreased from £28.4 billion in 2013 to a negative flow of £79.9 billion in 2014, reflecting disinvestment.
- The UK international investment position abroad (outward investment) fell from £1,024.6 billion in 2013 to £1,015.4 billion in 2014, the third consecutive fall since 2011's peak of £1,090.9 billion.
- Net earnings from direct investment abroad by UK companies (outward earnings) fell from £78.7 billion in 2013 to £65.6 billion in 2014.
- Net flows of FDI into the UK (inward flows) decreased from £33.0 billion in 2013 to £27.8 billion in 2014.
- The international investment position held by foreign companies in the UK (inward investment) increased from £910.3 billion in 2013 to £1,034.3 billion in 2014.
- Net earnings from direct investment in the UK (inward earnings) increased from £50.8 billion in 2013 to £52.3 billion in 2014.

## Your views matter

We are constantly aiming to improve this release and its associated commentary. We would welcome any feedback you might have and would be particularly interested in knowing how you make use of these data to inform our work. For further information please contact us via email: [fdi@ons.gsi.gov.uk](mailto:fdi@ons.gsi.gov.uk) or telephone Michael Hardie on +44 (0)1633 455923.

## Overview

This statistical bulletin provides data on Foreign Direct Investment (FDI) flows, positions and earnings involving UK companies. The investment figures are published on a net basis, that is, they consist of investments minus disinvestments. Investments can include acquisitions of assets or shares and disinvestments can include the disposal of assets or shares.

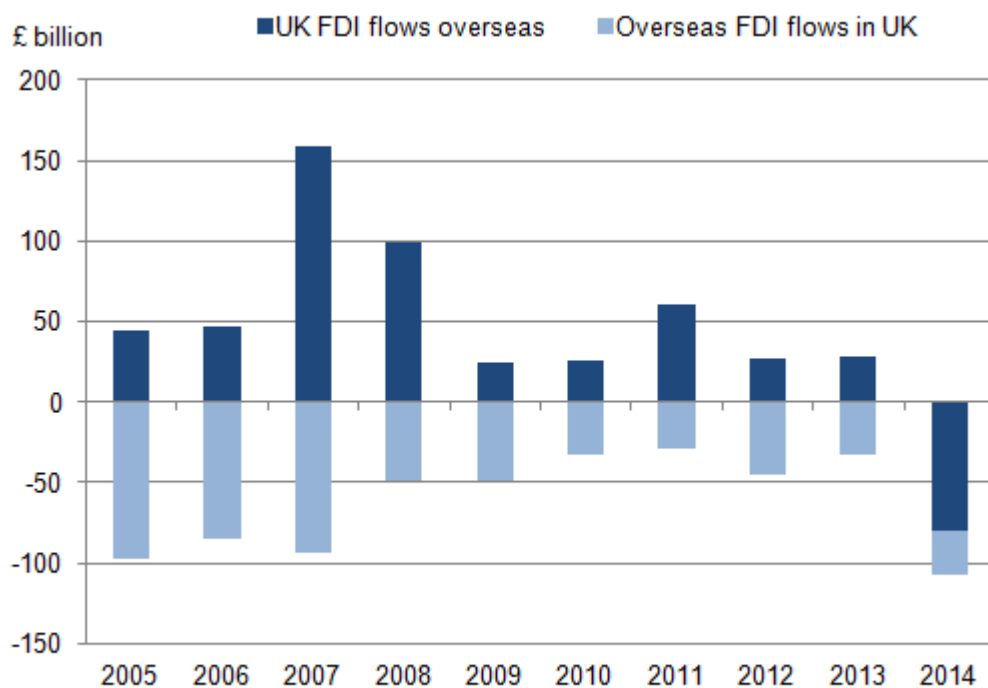
Foreign Direct Investment estimates are published for 2005 to 2014 – the 2013 estimates are revised and 2014 published for the first time.

FDI statistics can be presented using 2 different principles: the directional principle and the asset and liability principle. FDI statistics presented in this statistical bulletin use the directional principle, while those published in the Balance of Payments and Pink Book use the asset and liability principle. Further information relating to the differences between the two principles can be found in this [OECD paper](#).

### FDI net investment flows (Table 1.1)

The net flow of direct investment abroad by UK companies (outward FDI flows) decreased from £28.4 billion to -£79.9 billion between 2013 and 2014. Flows can be affected by one-off large transactions and as such the 2014 estimates should not be interpreted to indicate the start of a "downward trend". Direct investment flows abroad peaked in 2007 at £159.1 billion, before falling notably in 2008 (£99.3 billion) and 2009 (£25.1 billion). The value of net direct investment flows abroad in 2014 was the lowest level recorded in over a decade.

Net investment flows into the UK (inward FDI flows) decreased from £33.0 billion in 2013 to £27.8 billion in 2014. Direct investment flows into the UK experienced a notable decline following the 2008 economic downturn, falling from £93.1 billion in 2007 to £48.9 billion in 2008 and £49.0 billion in 2009. Direct investment flows into the UK continued falling in the following years, reaching £28.9 billion in 2011, before rising to £44.6 billion in 2012. Inward flows declined in the most recent 2 years, reaching a new record low in 2014

**Figure 1: UK outward and inward FDI flows, 2005 to 2014**

Source: Office for National Statistics

#### Notes:

1. Overseas FDI flows in UK multiplied by -1.
2. Please click image to enlarge.
3. All values are at current prices (see background notes for definition).
4. Flows definition can be found in the background notes.

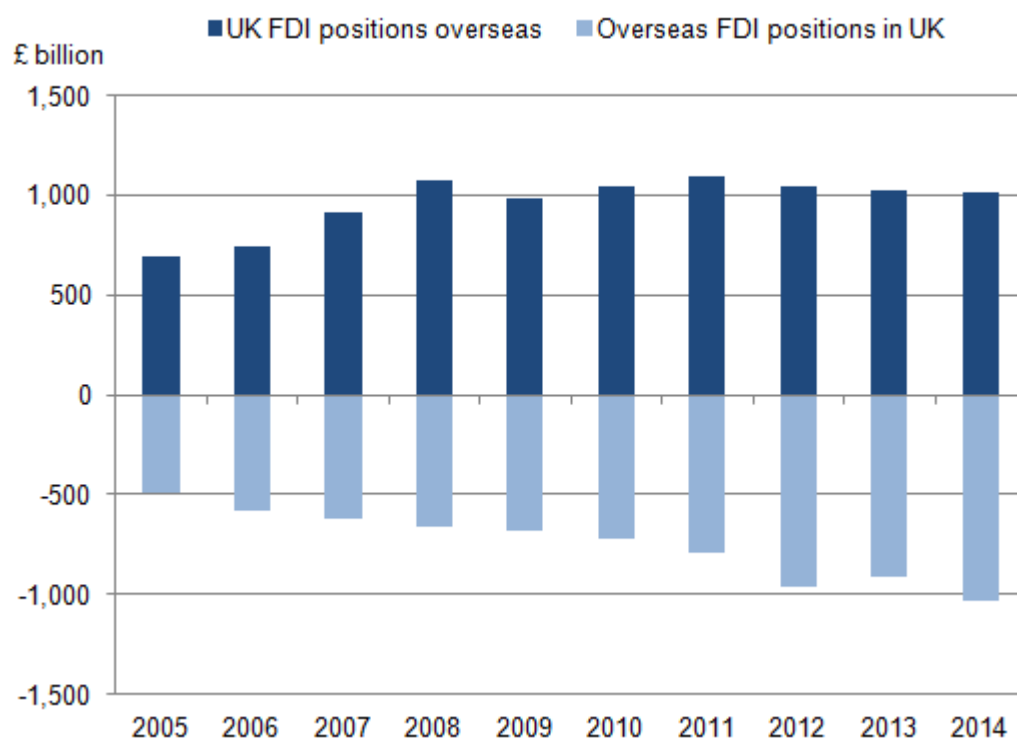
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#### FDI net international investment positions (IIP) (Table 1.2)

The UK's international investment position abroad (outward FDI position) decreased from £1,024.6 billion to £1,015.4 billion between 2013 and 2014, the lowest level recorded since 2009 (£981.5 billion). The 2014 estimate also marked the third consecutive annual decline since 2011 (£1,090.9 billion).

The international investment position in the UK by overseas residents and businesses (inward FDI positions) at the end of 2014 reached £1,034.3 billion, up from £910.3 billion in 2013. The level of inward investment in 2014 was the highest on record, having continued to follow an upward trend in recent decades.

**Figure 2: UK outward and inward FDI positions, 2005 to 2014**

Source: Office for National Statistics

#### Notes:

1. Overseas FDI positions in UK multiplied by -1.
2. Please click image to enlarge.
3. All values are at current prices (see background notes for definition).
4. Positions definition can be found in the background notes.

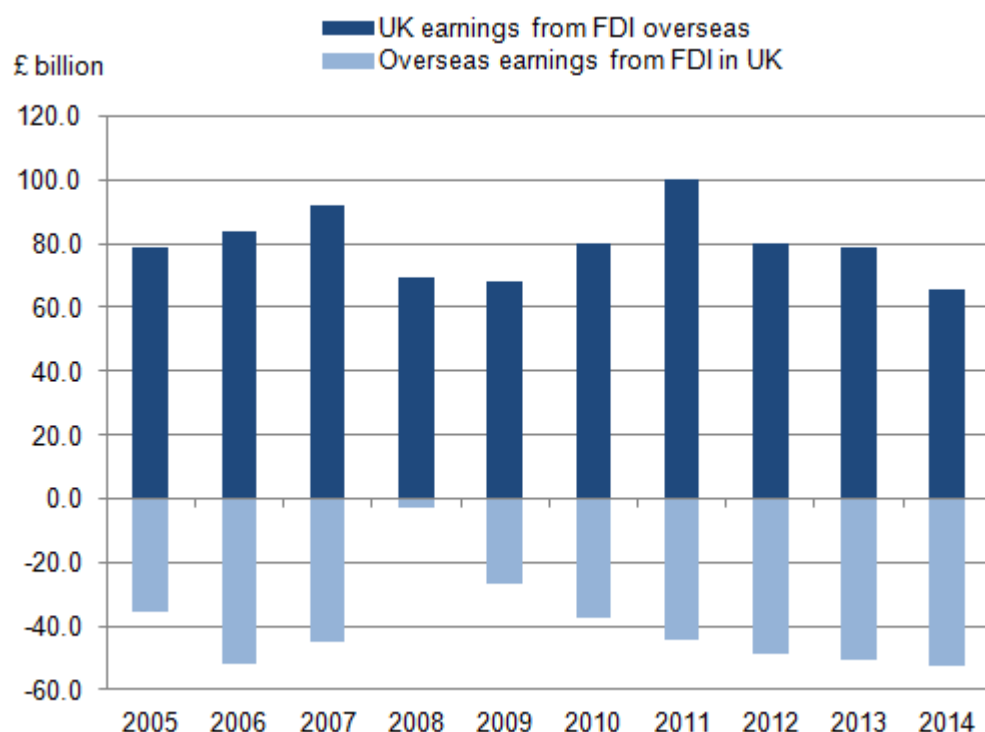
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#### FDI net investment earnings (Table 1.3)

The value of net direct investment earnings UK businesses and residents generated on their direct investment abroad (outward FDI earnings) decreased from £78.7 billion to £65.6 billion between 2013 and 2014. This was the lowest level recorded since 2004 (£62.5 billion) and marked the third consecutive annual decrease since 2011 (£100.0 billion).

The value of net direct investment earnings generated in the UK by overseas investors (inward FDI earnings) increased from £50.8 billion to £52.3 billion between 2013 and 2014. Inward net FDI earnings have increased in every year since the 2008 economic downturn and recorded their highest level in over a decade in 2014.

**Figure 3: UK outward and inward FDI earnings, 2005 to 2014**

Source: Office for National Statistics

#### Notes:

1. Overseas FDI earnings in UK multiplied by -1.
2. Please click image to enlarge.
3. All values are at current prices (see background notes for definition).
4. A definition of earnings can be found in the background notes.

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### Foreign direct investment abroad by geography and industry

#### Positions

Europe and the Americas remained the largest destinations for UK international investment positions abroad, accounting for 46.7% and 35.1% of total UK outward FDI positions respectively. The value of UK FDI positions in Europe fell from £493.0 billion to £474.5 billion between 2013 and 2014, marking the third consecutive annual decline since 2011 (£614.8 billion). The vast majority of the decline in UK outward positions in Europe occurred in the food products, beverages and tobacco products industries, where the value of direct investment fell by £15.1 billion over the period.

In contrast, the value of UK FDI positions in the US increased from £319.4 billion to £356.0 billion between 2013 and 2014, slightly below the previous peak in 2008 of £354.7 billion. The increase

in the value of UK direct investment positions in the Americas occurred across the majority of the broad industry groupings, with the largest increase occurring in the mining and quarrying industries, which increased by £17.0 billion.

UK businesses and residents also held international investment positions in Asia (11.9% of total), Africa (4.2%) and Australasia and Oceania (2.1%). The value of UK international investment positions in Asia fell to £121.0 billion in 2014, from £125.1 billion in 2013. In Africa, UK outward FDI positions reached £42.5 billion in 2014, up from £36.4 billion in 2013 and the highest level recorded in over a decade. In Australasia and Oceania, UK outward FDI positions fell to £21.4 billion from £50.6 billion between 2013 and 2014, driven by a £29.5 billion decline in Australia.

## Flows

Some of the decrease in the UK's investment position in Europe was reflected in flows data, which recorded a negative flow of £98.3 billion in 2014. Similarly, some of the increased UK outward FDI positions in the Americas were recorded in the flows data, with a £8.7 billion positive flow in 2014. It is worth noting that changes in positions and earnings between periods are unlikely to be fully reflected in flows data, since flows do not capture a number of changes, including non-transactional gains or losses, currency movements and revaluation effects.

A proportion of the increase in UK outward FDI positions in Africa and the decrease in Australasia and Oceania were also reflected in flows data, with Africa recording a £2.7 billion positive flow and Australasia and Oceania recording negative flows of £3.0 billion in 2014. In contrast, Asia recorded a £9.9 billion positive flow in 2014, despite the overall value of UK FDI positions there declining.

## Earnings

Net earnings generated by UK businesses and residents on their direct investment abroad varied noticeably by region. In Europe, earnings fell to £20.5 billion in 2014; £10.3 billion lower than 2013 earnings and the lowest level recorded in over a decade. The majority of the decline in UK direct investment earnings from Europe occurred in financial services (-£4.0 billion); mining and quarrying (-£2.6 billion); and petroleum, chemicals, pharmaceuticals, rubber, plastic products (-£2.3 billion).

Earnings in the Americas also fell, from £24.2 billion to £22.7 billion between 2013 and 2014. The fall in net earnings reflected declines in financial services (-£1.1 billion); other services (-£1.1 billion); and petroleum, chemicals, pharmaceuticals, rubber, plastic products (-£0.9 billion). These falls were partly offset by increases in industries including mining and quarrying (£1.4 billion) and information and communication (£1.3 billion).

Other regions also recording declines in net UK FDI earnings abroad were Africa and Australasia and Oceania, where earnings fell from £5.1 billion to £3.8 billion and £3.6 billion to £2.9 billion respectively between 2013 and 2014.

The only region recording an increase in UK net FDI earnings abroad was Asia, where earnings increased £0.8 billion to £15.7 billion between 2013 and 2014.

## Foreign direct investment in the UK by geography and industry

## Positions

The increase in net international investment positions in the UK by overseas investors between 2013 and 2014 occurred broadly across different economic regions. The largest increases in direct investment into the UK came from the Americas and Europe, where direct investment increased by £59.2 billion to £336.8 billion and £54.8 billion to £608.7 billion respectively.

The increase in direct investment positions from the Americas occurred broadly across different industrial groupings, with the largest increases recorded in financial services (£27.9 billion); retail and wholesale trade and repair of motor vehicles (£13.9 billion); and mining and quarrying (£9.9 billion).

The increase in direct investment positions from Europe was also broad based, with the largest rises occurring in information and communication (£21.4 billion); professional, scientific and technical services (£8.8 billion) and administrative and support services (£6.9 billion).

Other regions increasing their direct investment positions in the UK in 2014 were Australasia and Oceania (up £8.2 billion to £12.2 billion), Asia (up £1.1 billion to £73.6 billion), and Africa (up £0.7 billion to £3.0 billion).

## Flows

Increased direct investment positions in the UK were partly reflected in flows data by a £27.8 billion positive flow in 2014. Positive flows were recorded across all geographic regions, suggesting that there was increased investment into the UK from all regions: the Americas recorded a positive flow of £16.8 billion, Europe £4.0 billion, Australasia and Oceania £0.3 billion, Asia £6.3 billion and Africa £0.4 billion.

## Earnings

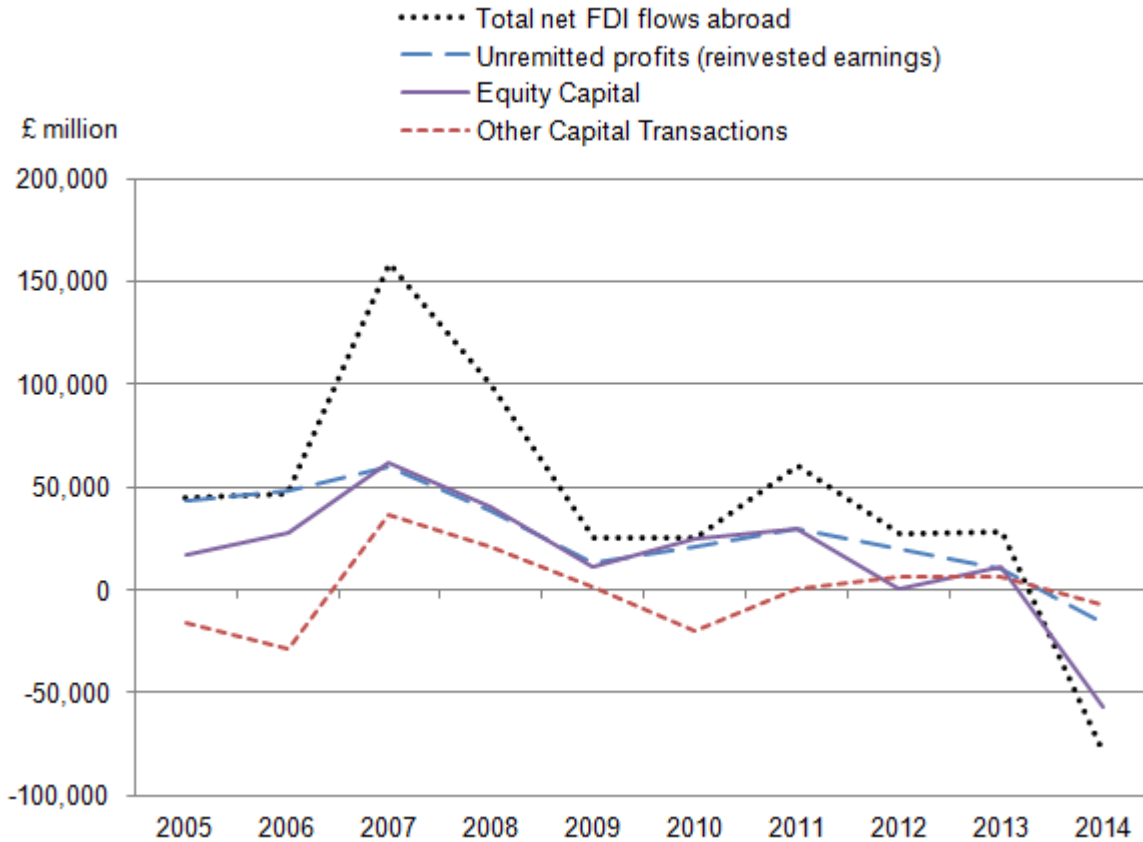
Almost all the rise in direct investment earnings that overseas investors generated in the UK was to investors based in Asia, where earnings rose from £2.4 billion to £5.4 billion between 2013 and 2014. The increase in earnings in Asia occurred across a number of industries, including retail and wholesale trade and repair of motor vehicles (up £1.1 billion); other services (£0.4 billion); and information and communication (£0.3 billion).

In contrast, earnings generated in the UK by investors based in all other geographic regions declined: by £1.3 billion for investors in the Americas, £0.01 billion in Europe, £0.1 billion in Australasia & Oceania, and £0.1 billion in Africa.

## Net FDI flows abroad by component and industry

### Component analysis (Table 1.1)

Net FDI flows are made up of 3 primary components: reinvested earnings (sometimes known as unremitted profits); equity capital transactions (including mergers, acquisitions and disposals); and other capital transactions (including inter-company loans).

**Figure 4: FDI net flows abroad by UK companies (outward), 2005 to 2014**

Source: Office for National Statistics

**Notes:**

1. Please click image to enlarge.
2. All values are at current prices (see background notes for definition).
3. Flows definition can be found in the background notes.

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**Summary**

In 2014, total net FDI flows abroad decreased from £28.4 billion in 2013 to a negative flow of £79.9 billion in 2014. All 3 components showed a decline in 2014. Equity capital made the largest contribution to the decline, falling from £11.7 billion in 2013 to a negative flow of £56.7 billion in 2014. Reinvested earnings fell from £10.1 billion in 2013 to a negative flow of £15.9 billion in 2014 and other capital transactions fell from £6.6 billion in 2013 to a negative flow of £7.4 billion in 2014.

**Services (including construction)**



UK net investment abroad for the services industries declined from £26.7 billion in 2013 to a negative flow of £101.5 billion in 2014. The decline in UK net investment abroad was mainly due to a decline in the information & communication industries within Europe, which fell from an investment of £2.3 billion in 2013 to a negative flow of £78.6 billion in 2014. The financial services industries also experienced a notable decline in 2014, falling from £9.7 billion in 2013 to a negative flow of £27.3 billion in 2014. Europe and the Americas saw the largest declines in flows within the financial services industries, falling by £21.6 billion and £13.2 billion respectively.

### **Production (including agriculture, forestry and fishing)**

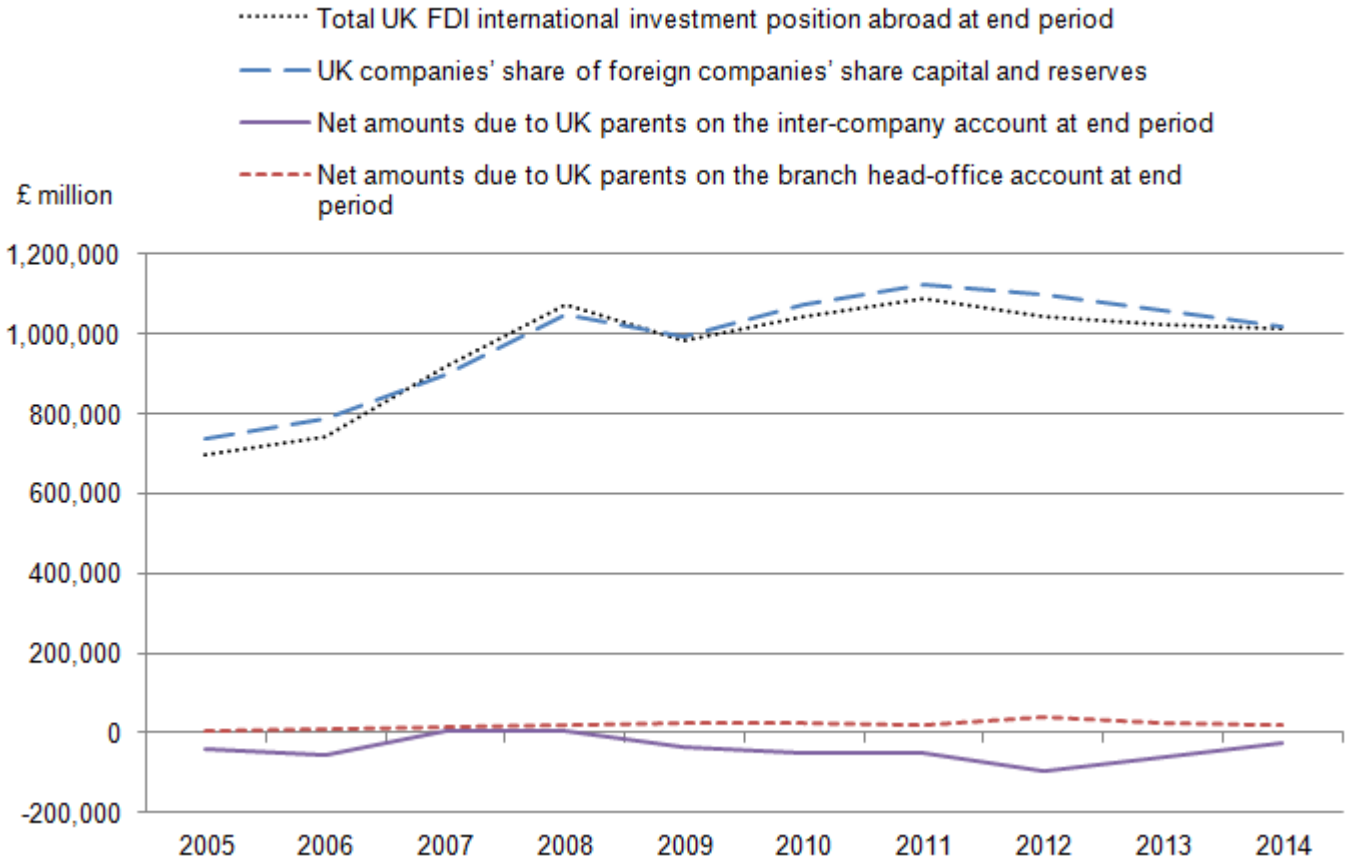
UK net investment abroad within the production industries increased in 2014, rising from a negative flow of £7.6 billion in 2013 to a positive flow of £11.1 billion. The increase in UK net flows was mainly due to the petroleum, chemicals, pharmaceuticals, rubber and plastic products industries increasing by £13.6 billion, most of which was to Europe. Other notable increases in investment occurred in the mining and quarrying and transport equipment industries which increased by £6.2 billion and £3.5 billion respectively between 2013 and 2014. Offsetting the growth in 2014 was a decline in the metal and machinery products industries which fell by £4.3 billion to a negative flow of £3.3 billion, most of which was attributable to a decline in flows to the Americas.

## **Net FDI international investment positions abroad by component and industry**

### **Component analysis (Table 1.2)**

FDI international investment positions are made up of 3 primary components: UK companies share of their foreign companies' affiliates share capital and reserves, inter-company account balances and foreign branch head-office account movements to the UK parent.

**Figure 5: FDI net international investment positions abroad (Outward), 2005 to 2014**



Source: Office for National Statistics

**Notes:**

1. Please click image to enlarge.
2. All values are at current prices (see background notes for definition).
3. International investment position definition can be found in the background notes.

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**Summary**

The UK’s international investment position abroad decreased from £1,024.6 billion in 2013 to £1,015.4 billion in 2014, representing the third consecutive fall from a peak of £1,090.9 billion in 2011. UK companies’ share of foreign companies’ share capital and reserves was the component driving most of the decline in total IIP abroad, falling from £1,061.0 billion in 2013 to £1,020.3 billion in 2014. With the exception of 2009, this component of IIP increased in each year between 2004 and 2011; however, since 2011 has followed a steady rate of decline in each year including 2014. By comparison, the other 2 components are small: net amounts due to the UK on the inter-company account improved in 2014, rising by £36.4 billion but remaining negative at £23.2 billion. Net

amounts due to UK parents on the branch head office account fell from £23.2 billion in 2013 to £18.3 billion in 2014.

### **Services (including construction)**

Within the services industries, the UK's international investment position abroad declined, falling from £515.4 billion in 2013 to £505.2 billion in 2014. The financial services industries made the largest contribution to the decline, falling from £285.2 billion in 2013 to £261.1 billion in 2014. With the exception of Africa, the UK's IIP abroad within the financial services industries was felt across all continents, with Asia experiencing the most notable decline, falling from £41.8 billion in 2013 to £26.0 billion in 2014.

### **Production (including agriculture, forestry and fishing)**

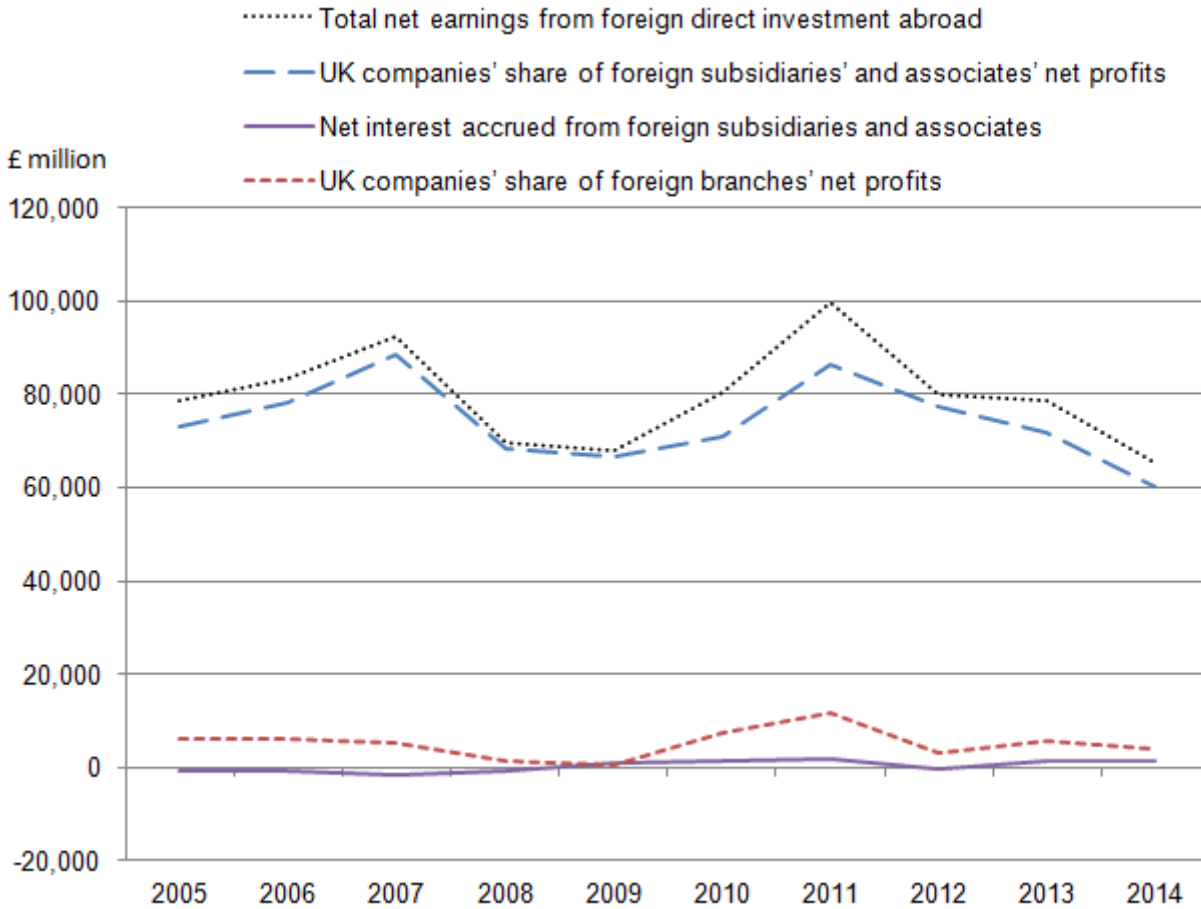
Within the production industries, the UK's international investment position abroad declined from £382.6 billion in 2013 to £378.0 billion in 2014. The decline was most notable in the food products, beverages and tobacco products industries, which showed a fall of £8.8 billion and the mining and quarrying industries, which declined by £8.5 billion. Within the mining and quarrying industries, Australasia and Oceania saw the largest decline in 2014, falling from £35.7 billion in 2013 to £6.6 billion. Offsetting the decline in the international investment position abroad was the transport equipment industries, which increased from £7.0 billion in 2013 to £13.1 billion in 2014. Europe saw the largest increase within the transport equipment industries, increasing from £3.0 billion in 2013 to £6.5 billion in 2014.

## **Net earnings from FDI investment abroad by component and industry**

### **Component analysis (Table 1.3)**

Net FDI earnings abroad by UK companies are made up of 3 primary components; these include net subsidiaries profit, net interest incurred by UK companies and net branch profits.

**Figure 6: FDI net earnings abroad (Outward), 2005 to 2014**



Source: Office for National Statistics

**Notes:**

1. Please click image to enlarge.
2. All values are at current prices (see background notes for definition).
3. A definition of earnings can be found in the background notes.

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**Summary**

Since 2011, total net FDI earnings abroad have been on a downward trend; this trend continued into 2014, with total net FDI earnings abroad falling from £78.7 billion in 2013 to £65.6 billion in 2014, the lowest recorded value since 2005. The decline in net FDI earnings abroad was driven by a fall in UK companies' share of foreign subsidiaries' and associates net profits, which decreased from £71.7 billion in 2013 to £60.1 billion in 2014, the third consecutive fall for this component of total net FDI earnings abroad. The remaining components: UK companies' share of foreign branches' net profits

declined from £5.5 billion in 2013 to £3.9 billion in 2014, whereas net interest accrued from foreign subsidiaries' and associates' net profits increased slightly, from £1.47 billion to £1.53 billion.

### **Services (including construction)**

Within the services industries, total net FDI earnings abroad decreased from £33.2 billion in 2013 to £26 billion in 2014. This was mainly due to a decline in Europe within the financial services industries, which fell from £8.4 billion in 2013 to £4.4 billion in 2014. With the exception of the information and communication industries, all services industries experienced a decline in total net FDI earnings abroad in 2014.

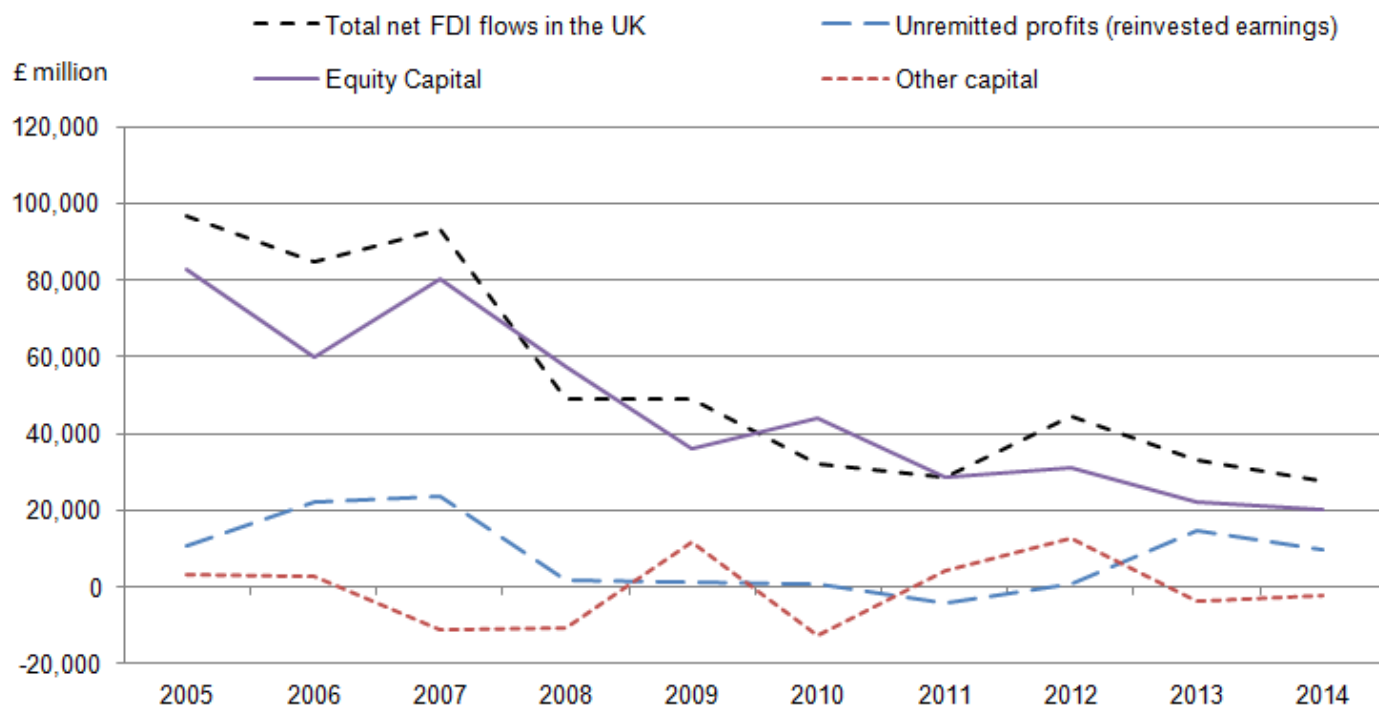
### **Production (including agriculture, forestry and fishing)**

Net earnings from FDI investment abroad in the production industries decreased from £34.5 billion in 2013 to £30.5 billion in 2014. The mining and quarrying industries made the largest contribution to the decline, falling by £2.5 billion to £14.7 billion in 2014; most of the decline was experienced within Europe. Other notable declines were experienced within the food products, beverages and tobacco products, and petroleum, chemicals, pharmaceuticals rubber and plastic products industries, with declines of £0.9 and £0.8 billion respectively between 2013 and 2014..

## **Net FDI flows into the UK by component and industry**

### **Component analysis (Table 1.1)**

Net FDI flows are made up of 3 primary components: reinvested earnings (sometimes known as unremitted profits); equity capital transactions (including mergers, acquisitions and disposals); and other capital transactions (including inter-company loans).

**Figure 7: FDI net flows into the UK (Inward), 2005 to 2014**

Source: Office for National Statistics

#### Notes:

1. Please click image to enlarge.
2. All values are at current prices (see background notes for definition).
3. Flows definition can be found in the background notes.

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#### Summary

Total net FDI flows in the UK decreased from £33.0 billion in 2013 to £27.8 billion in 2014. This is the lowest recorded value since 2005, £96.8 billion. Reinvested earnings, also known as unremitted profits, was the component driving the decline, these fell from £14.8 billion in 2013 to £10.0 billion in 2014. Equity capital, which is net acquisitions and disposals of UK companies involved in FDI, remained the largest component of total net FDI flows in 2014 and saw a decline of £1.8 billion to a total of £20.2 billion. Despite remaining the largest component of flows in 2014, equity capital has fallen to the lowest value recorded for over a decade. Marginally offsetting the decline seen in equity capital and unremitted profits, other capital increased by £1.4 billion in 2014 to a total of £2.3 billion.

#### Services (including construction)

Within the services industries, net investment decreased from £21.7 billion in 2013 to £7.6 billion in 2014. The majority of the decline is attributable to flows from Europe, which fell from £8.5 billion in 2013 to a negative flow of £3.3 billion in 2014. The majority of the decline in flows from Europe occurred from financial services, which fell from £11.2 billion in 2013 to £2.8 billion in 2014. The retail and wholesale trade, repair of motor vehicles and motorcycles industries also contributed to the decline, falling from a negative flow in 2013 of £1.7 billion to a negative flow of £7.2 billion in 2014.

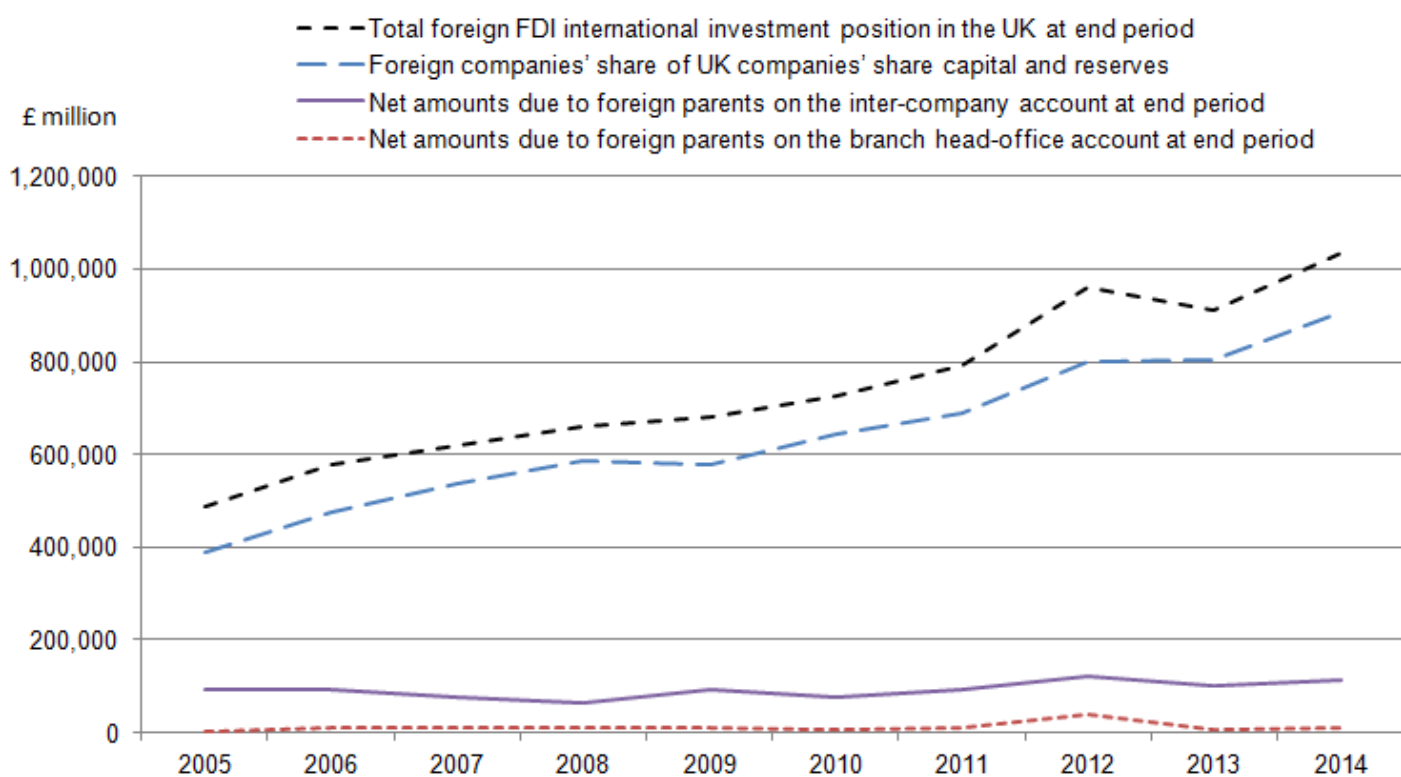
### **Production (including agriculture, forestry and fishing)**

Within the production industry, net investment increased rising from £9.4 billion in 2013 to £18.3 billion in 2014. This reflects an increase in the investment flows from Europe, which increased from £0.8 billion in 2013 to £6.8 billion in 2014. The mining and quarrying industries made the largest contribution to the increase within Europe, rising from a negative flow of £1.3 billion in 2013 to a positive flow of £6.2 billion in 2014. The food products, beverages and tobacco products and other manufacturing industries also made notable contributions to the increase, rising by £3.7 billion and £1.7 billion respectively in 2014. Offsetting the increase within Europe was the electricity, gas, water and waste industries, which fell from £1.2 billion in 2013 to a negative flow of £3.5 billion in 2014.

## **Net FDI international investment positions in the UK (inward) by component and industry**

### **Component analysis (Table 1.2)**

FDI international investment positions are made up of 3 primary components: UK companies share of their foreign companies' affiliates share capital and reserves, inter-company account balances and foreign branch head-office account movements to the UK parent.

**Figure 8: FDI net international investment positions in the UK (Inward), 2005 to 2014**

Source: Office for National Statistics

#### Notes:

1. Please click image to enlarge.
2. All values are at current prices (see background notes for definition).
3. International investment position definition can be found in the background notes.

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#### Summary

In 2014, the international investment position (IIP) in the UK increased from £910.3 billion in 2013 to £1,034.4 billion in 2014. Despite a decline seen in the IIP in 2013, the IIP has been increasing on an annual basis for over a decade. Foreign companies' share of UK company's share capital and reserves was the component driving the increase in 2014, rising from £804.5 billion in 2013 to £908.9 billion in 2014. With the exception of 2009, this component has increased on an annual basis for over a decade. By comparison, the other 2 components are small: net amounts due to foreign parents on the inter-company account increased from £100.8 billion in 2013 to £115.4 billion in 2014; and the net amount due to foreign parents on the branch head office account increased from £5.0 billion in 2013 to £10.1 billion in 2014.

#### Services (including construction)



The inward investment position within the services industries improved in 2014, increasing from £568.0 billion to £671.3 billion. The increase was mainly due to Europe and the Americas, where positions increased by £47.6 billion and £40.4 billion respectively. Within Europe, with the exception of the transportation and storage industries, all services industries showed an increase. The information and communication industries made the largest contribution to the increase in Europe, rising by £21.4 billion. The financial services industries drove the growth in the Americas, increasing by £27.9 billion. The retail and wholesale trade, repair of motor vehicles and motorcycles industries also made a notable contribution from the Americas, increasing by £13.9 billion in 2014.

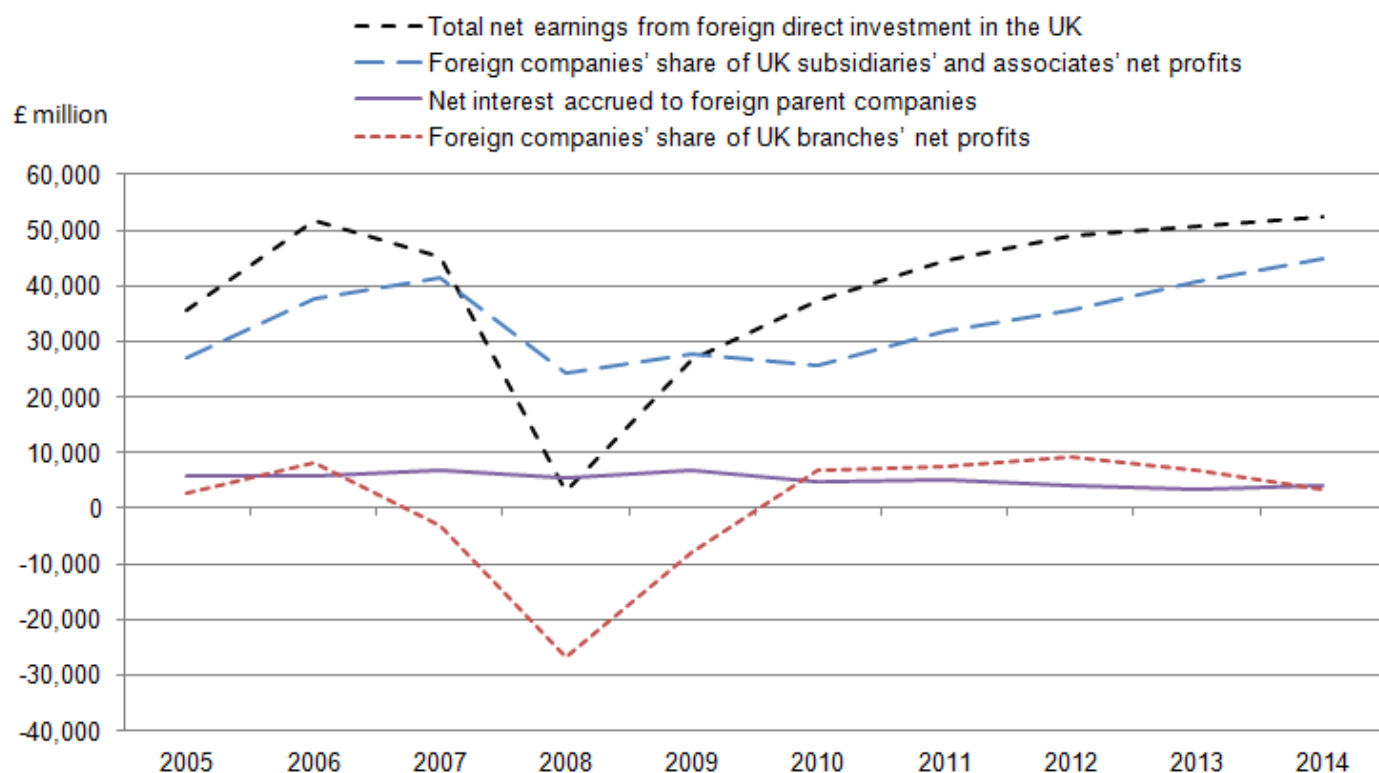
### **Production (including agriculture, forestry and fishing)**

Within the production industries, the investment position in the UK increased from £339.4 billion in 2013 to £359.9 billion in 2014. The increase was mainly due to the Americas and Europe, which increased by £18.7 billion and £7.1 billion respectively. The majority of the production industries within the Americas saw their investment positions in the UK increase; however, the largest contribution to the increase came from the mining and quarrying industries, with their investment position rising from £16.5 billion in 2013 to £26.5 billion in 2014. Within Europe, with the exception of mining and quarrying, all production industries experienced improved investment positions. The food products, beverages and tobacco products industries made the largest positive contribution, increasing from £24.7 billion in 2013 to £29.1 billion in 2014. The transport equipment industries also made a notable contribution, increasing by £2.0 billion to £7.4 billion in 2014.

## **Net earnings from FDI investment in the UK by component and industry**

### **Component analysis (Table 1.3)**

Net earnings from FDI in the UK are made up of 3 primary components. These include net subsidiaries profit, net interest incurred by UK companies and net branch profits.

**Figure 9: FDI net earnings into the UK (Inward), 2005 to 2014**

Source: Office for National Statistics

#### Notes:

1. Please click image to enlarge.
2. All values are at current prices (see background notes for definition).
3. A definition of earnings can be found in the background notes.

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#### Summary

Since 2009, total net earnings from FDI in the UK have been on an upward trend. This has continued into 2014, with the total net earnings increasing from £50.8 billion in 2013 to £52.3 billion in 2014. Net profits, or re-invested earnings, was the largest component of net earnings and drove the increase seen in 2014, rising from £40.8 billion in 2013 to £45.0 billion. Since 2011, net profits generated by FDI in the UK increased at a steady rate which continued into 2014. The remaining components: net interest accrued to foreign parents increased from £3.3 billion in 2013 to £4.0 billion in 2014, whereas foreign companies' share of UK branches' net profits offset the overall growth in net earnings, falling from £6.8 billion in 2013 to £3.3 billion in 2014. Both these components have been relatively stable since 2010.

#### Services (including construction)

Earnings within the services industries decreased from £34.5 billion in 2013 to £32.8 billion in 2014. This was mainly due to decreases in earnings seen in the Americas, which fell from £14.6 billion in 2013 to £13.0 billion in 2014. The financial services industries made the largest downward contribution to the decline in the Americas, falling from £10.3 billion in 2013 to £9.1 billion in 2014. The information and communication industries also made a notable downward contribution, falling by £0.9 billion in 2014 to £0.2 billion.

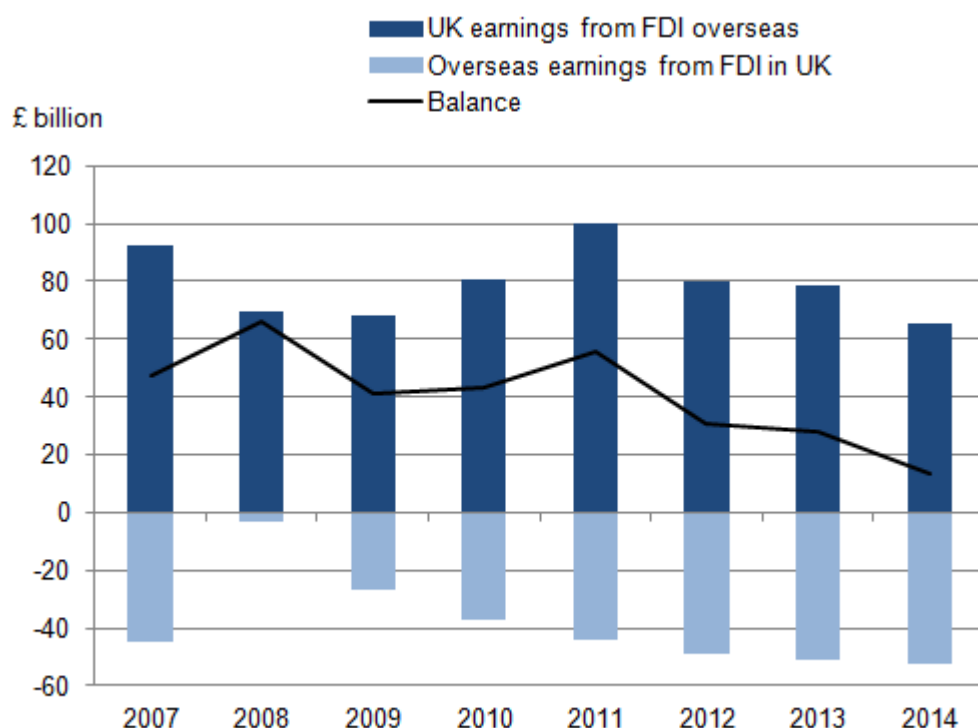
### **Production (including agriculture, forestry and fishing)**

In contrast to the decline in earnings from the services industries, the production industries experienced an increase, rising from £14.8 billion in 2013 to £18.4 billion in 2014. The mining and quarrying and transport equipment industries made the largest contribution to the increase, rising by £3.3 billion and £1.5 billion respectively.

### **Economic context**

UK residents and businesses engaged in overseas FDI saw earnings decline for a third consecutive year in 2014 to £65.6 billion, down £34.4 billion compared to 2011 levels. In contrast, earnings overseas investors generated on their UK based FDI increased for a sixth consecutive year to £52.3 billion in 2014, up £7.9 billion compared to 2011 levels and up £49.2 billion compared to 2008.

A decrease in the value of UK FDI earnings from overseas and an increase in the value of FDI earnings generated by overseas investors from the UK have resulted in the UK's net FDI earnings balance with the world falling from £55.6 billion to £13.2 billion between 2011 and 2014, as shown in Figure 10.

**Figure 10: UK outward and inward FDI earnings, 2007 to 2014**

Source: Office for National Statistics

**Notes:**

1. Please click image to enlarge.
2. All values are at current prices (see background notes for definition).

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Changes in earnings can reflect changes in the rate of return FDI positions generate, a change in the stock of investment, or a combination of the 2. The decline in UK FDI earnings overseas between 2011 and 2014 reflected both a decline in investment (which fell by £75.5 billion), and a fall in the rate of return UK investors generated abroad over the period.

In contrast, the increase in FDI earnings overseas investors generated in the UK between 2011 and 2014 reflected increased investment, which increased by £241.7 billion over the period. The rate of return overseas investors generated in the UK also experienced a fall; however, the fall was notably smaller relative to the fall UK investors experience on their overseas investments.

Differences in economic performance may be partly responsible for the more resilient rate of return overseas investors generated in the UK compared to that generated by UK investors abroad: while economic conditions have improved in the UK in recent years, this has occurred alongside a backdrop of increased economic uncertainty within Europe and developing countries. This may be reflected in the weaker earnings the UK makes on its overseas investments, while increasing the

UK's appeal as an investment destination – together applying downward pressure on the UK's net FDI earnings balance.

## Consistency with Balance of Payments

Once annual FDI data becomes available, a benchmark process is applied to quarterly FDI data within the Balance of Payments. This benchmark process is an annual reconciliation between the quarterly and annual surveys utilised in the production of FDI data. In the short term, the quarterly survey is used within the Balance of Payments and then later revised when the more comprehensive annual survey data become available. The quarterly survey for outward and inward FDI has 680 and 970 sampled enterprise groups respectively; these increase to 2,100 and 3,500 enterprise groups respectively on an annual basis. The increased sample size and responses being taken from audited annual accounts, rather than quarterly management accounts, can result in revisions. This annual process ensures that the Balance of Payments and Annual Foreign Direct Investment publications are coherent.

ONS carries out the FDI benchmarking process on an annual basis and at the earliest opportunity. While we are publishing annual results today for 2013 and 2014 consistent with our annual survey results, it has not been possible to also produce reconciled quarterly FDI data in time for these to be taken into the Balance of Payments Quarter 3 (July to September) 2015 release (due to be published 23 December 2015). ONS will incorporate the reconciled quarterly FDI data for 2013 and 2014 at the next available opportunity.

## Background notes

### 1. Basic quality information

A [Quality and Methodology Information \(QMI\) \(629.3 Kb Pdf\)](#) report for Foreign Direct Investment (FDI) can be found on our website. The aims of the QMI report are to provide users with a greater understanding of our statistics, their quality and the methods that are used to create them.

### 2. Main issues specific to this release

The estimates in this statistical bulletin are based on annual FDI surveys for 2014. This publication incorporates a more comprehensive breakdown of the FDI results which was previously released as an ONS statistical bulletin each February titled "Foreign Direct Investment involving UK companies (MA4)". Provisional estimates for 2014, derived from quarterly surveys, have also been published in the quarterly balance of payments Statistical Bulletins however the annual surveys provide firmer and more detailed figures.

### 3. Your views matter

We are constantly aiming to improve this release and its associated commentary. We would welcome any feedback you might have and would be particularly interested in knowing how you make use of these data to inform our work. Please contact us via email: [fdi@ons.gsi.gov.uk](mailto:fdi@ons.gsi.gov.uk) or telephone Michael Hardie on +44 (0)1633 455923.

#### 4. Main concepts and definitions

**Affiliate:** An affiliate is an umbrella term that covers both subsidiaries and associates where the investor holds more than 10% of the equity share capital.

**Table A: Affiliate**

FDI relationship	Minimum Investment	Maximum Investment
Affiliate	10%	100%
- Associate	10%	Less than 50%
- Subsidiary	Greater than 50%	100%

**Table source:** Office for National Statistics

#### Download table

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(25 Kb)

**Branch:** A branch is a permanent establishment as defined for UK corporation tax and double taxation relief purposes. This is not a separate legal entity. Such establishments should either have a complete set of accounts or be able to compile a meaningful set of accounts, from both an economic and legal viewpoint.

**Direct Investment:** Foreign 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 FDI statistics, an effective voice is taken as equivalent to holding 10% or more of the equity 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 in this release.

From the 2005 FDI survey, cross-border investment by public corporations and private property investments are included, as in the Balance of Payments data. 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 on 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.

**Direct investment earnings:** Direct investment earnings (a part of the income account) provide information on the earnings of direct investors. These can arise from both equity and debt.

**Direct investment flows:** Direct investment flows (or transactions) show the net inward and outward investments made during any given reference period. FDI flows comprise of:

- acquisitions or disposals of equity capital
- reinvestment of earnings
- inter-company debt

FDI inward flows provide a useful indicator in relation to the attractiveness of economies but such interpretations require additional information on which to base sound conclusions.

**Direct investment positions:** Direct investment positions (also known as levels or stocks) provide information on the total level of investment made abroad or received from abroad for a given reference date.

**Inward direct investment:** From a UK perspective, inward direct investment is investment in a UK resident affiliate (subsidiary or associate) or branch by a non-UK parent company or head office. This can also be referred to as direct investment into the UK.

**Outward direct investment:** From a UK perspective, outward direct investment is investment by a UK resident company in a non-UK affiliate (subsidiary or associate) or branch. This can also be referred to as direct investment abroad.

**Reinvested earnings:** Reinvestment of earnings, or reinvested earnings, refer to earnings on equity accruing to direct investors less the value of distributed earnings. Reinvested earnings are included in direct investment income because the earnings of the subsidiary, associate or branch are deemed to be the income of the direct investor (proportionate to the direct investor's holding of equity), whether they are reinvested in the enterprise or remitted to the direct investor. Reinvested earnings are also treated as a flow of direct investment from the direct investor to their overseas enterprise.

**Special Purpose Entities (SPEs):** The term SPE is used to refer to entities such as financing subsidiaries, shell companies and conduits, which typically do not conduct any notable operations in the country in which they are resident other than to pass through investments from their parent company to an affiliate in another country.

## 5. Relevance to users

The UK's FDI statistics are produced according to the agreed international standards set out in the fourth edition of the Organisation for Economic Co-operation and Development's (OECD) Benchmark Definition of FDI (BD4) and the sixth edition of the International Monetary Fund's (IMF) Balance of Payments Manual (BPM6). Complying with these standards ensures that the FDI statistics produced by the UK are comparable with those from other countries, something that is critical to many users of these estimates.

We make every effort to provide informative commentary on the data in this release. As part of the quality assurance process, individual businesses are contacted in an attempt to capture reasons for large period-on-period data movements. It can prove difficult to gather detailed

reasons from some businesses to help inform the commentary. Frequently, reasons given for data movements refer to a "change in market conditions" or a "restructure of the company". Consequently, it's not possible for all data movements to be fully explained.

We are aware that a number of users make use of these data for modelling or forecasting purposes. In doing so, it is important that users make note of our revisions policy (see note 7 in the background notes) and that all time series are on a "current price" basis, which means that the values are as they were at the time of measurement and not adjusted for inflation.

One question often asked of the FDI release is "why are there high levels of investment to and from countries such as Luxembourg and Jersey where there are relatively low levels of economic activity?" The reason is that our figures record transactions between the UK and the first port of call. Some companies are structured such that the first destination is used to pass through investments to a second country in order to take advantage of certain business conditions, such as low tax regimes. This can lead to distortions within the figures.

In line with the [Code of Practice for Official Statistics](#), we will consult fully with data providers and users of the statistics regarding any changes that occur as a result of the adoption of the new manuals.

FDI estimates are essential for measuring the UK's Balance of Payments and the UK's international investment position. FDI earnings figures feed into the Balance of Payments current account, while FDI flows form an integral part of the financial account. FDI statistics are also of great interest in their own right. By its very nature, FDI is seen as promoting stable and long-lasting economic links between countries. It is generally believed that FDI can assist host countries in developing local enterprises, promote international trade through access to markets and contributes to the transfer of technology and know-how. FDI can also have an impact on the development of labour and financial markets. Regular analysis of FDI trends and developments is therefore an integral part of most macro-economic and cross-border financial analysis. Identifying partner countries and industries is central to most such analysis.

Within the UK, FDI estimates are used by a large number of government departments for briefing and policy purposes. These include Her Majesty's Revenue and Customs (HMRC), Cabinet Office, HM Treasury (HMT), UK Trade and Investment (UKTI), the Bank of England (BoE), the Department for Business, Innovation and Skills (BIS) and the Department for International Development (DFID).

UK FDI figures are also extensively used for policy, analysis and negotiations by international organisations, including Eurostat, United Nations Conference on Trade and Development (UNCTAD), OECD and IMF, as well as a number of foreign embassies. More widely the FDI estimates are utilised by commercial companies, academics and independent researchers.

## 6. **Guidance on interpreting Foreign Direct Investment statistics and making international comparisons**

**Exchange rates:** Enterprises are asked to return values in sterling, as entered in their accounts, rounded to the nearest £0.1 million. Where conversion from a foreign currency is



involved, they are asked to use the same rate of exchange as in their own accounts. The effect of exchange rates should not be underestimated as these can also have a large impact on the differences between positions figures when making comparisons with other countries.

**Valuation of equity:** Enterprises are asked to return market values and book values where possible. Enterprises are asked to refrain from using any other valuation method such as historical cost. Book values are likely to be notably different from current market values as book values tend to reflect values at earlier periods when assets were acquired or subsequently re-valued. The effect of using different valuation methods should not be underestimated as these can also have a large impact on the differences between positions figures when making comparisons with other countries.

**SPEs (Special Purpose Entities):** These companies, that have been set up for pass through investment purposes, are very difficult to identify and as a consequence there can be huge discrepancies in data with countries such as Luxembourg and the Netherlands. Current methodology stipulates that we measure cross-border transactions only but merely identify whether the partner country is an SPE or not. We do not ask where the next destination is and this can show distortions in the figures.

**Table B: Definitions of geographic and economic areas**

<b>Europe</b>				
<b>EU</b>	Austria	Belgium	Bulgaria	Croatia
	Cyprus	Czech Republic	Denmark	Estonia
	Finland	France	Germany	Greece
	Hungary	Irish Republic	Italy	Latvia
	Lithuania	Luxembourg	Malta	Netherlands
	Poland	Portugal	Romania	Slovakia
	Slovenia	Spain	Sweden	
<b>EFTA</b>	Iceland	Liechtenstein	Norway	Switzerland
<b>Other European countries</b>	Albania	Andorra	Belarus	Bosnia and Herzegovina
	Faroe Islands	Gibraltar	Macedonia, the Former Yugoslav Republic of	Moldova
	Montenegro	Russian Federation	San Marino	Serbia

	Turkey	UK Offshore Islands (Guernsey, Jersey, other Channel Islands & Isle of Man)	Ukraine	Vatican City State
<b>The Americas</b>				
	Anguilla	Antigua & Barbuda	Argentina	Aruba
	Bahamas	Barbados	Belize	Bermuda
	Bolivia	Bonaire, Sint Eustatius & Saba	Brazil	British Virgin Islands
	Canada	Cayman Islands	Chile	Colombia
	Costa Rica	Cuba	Curacao	Dominica
	Dominican Republic	Ecuador	El Salvador	Falkland Islands
	Greenland	Grenada	Guatemala	Guyana
	Haiti	Honduras	Jamaica	Mexico
	Montserrat	Nicaragua	Panama	Paraguay
	Peru	St Kitts & Nevis	Saint Lucia	Sint Maarten
	St Vincent & the Grenadines	Suriname	Trinidad & Tobago	Turks & Caicos Islands
	Uruguay	US Virgin Islands	USA inc. Puerto Rico	Venezuela
<b>Asia</b>				
	<b>Other Near &amp; Middle East countries</b>			
	Armenia	Azerbaijan	Palestinian Territory	Georgia
	Israel	Jordan	Lebanon	Syria

**Gulf Arabian countries**

Bahrain	Iraq	Kuwait	Oman
Qatar	Saudi Arabia	United Arab Emirates	Yemen

**Other Asian countries**

Afghanistan	Bangladesh	Bhutan	Brunei Darussalam
Burma/ Myanmar	Cambodia	China	Hong Kong
India	Indonesia	Iran	Japan
Kazakhstan	Kyrgyzstan	Laos	Macao
Malaysia	Maldives	Mongolia	Nepal
North Korea	Pakistan	Philippines	Singapore
South Korea	Sri Lanka	Taiwan	Tajikistan
Thailand	Timor - Leste	Turkmenistan	Uzbekistan
Viet Nam			

**Australasia and Oceania**

American Samoa	Antarctica	Australia	Bouvet Island
Christmas Island	Cocos (Keeling) Islands	Cook Islands	French Polynesia
French Southern & Antarctic Lands	Fiji	Guam	Heard Island & Macdonald Islands
Kiribati	Marshall Islands	Micronesia, Federated States of	Nauru
New Caledonia	New Zealand	Niue	Norfolk Island
Northern Mariana Islands	Palau	Papua New Guinea	Pitcairn

	Samoa	Solomon Islands	South Georgia & South Sandwich Islands	Tokelau
	Tonga	Tuvalu	US Minor Outlying Islands	Vanuatu
	Wallis & Futuna			
<b>Africa</b>				
	Algeria	Angola	Benin	Botswana
	British Indian Ocean Territory	Burkina Faso	Burundi	Cameroon
	Cape Verde	Central African Republic	Chad	Comoros
	Congo	Democratic Republic of the Congo (Zaire)	Djibouti	Egypt
	Equatorial Guinea	Eritrea	Ethiopia	Gabon
	Gambia	Ghana	Guinea	Guinea Bissau
	Ivory Coast (Cote d'Ivoire)	Kenya	Lesotho	Liberia
	Libya	Madagascar	Malawi	Mali
	Mauritania	Mauritius	Morocco	Mozambique
	Namibia	Niger	Nigeria	Rwanda
	Sao Tome & Principe	Senegal	Seychelles	Sierra Leone
	Somalia	South Africa	South Sudan	St Helena, Ascension & Tristan da Cunha
	Sudan	Swaziland	Tanzania	Togo
	Tunisia	Uganda	Zambia	Zimbabwe

**OECD**

Australia	Austria	Belgium	Canada
Chile	Czech Republic	Denmark	Estonia
Finland	France	Germany	Greece
Hungary	Iceland	Irish Republic	Israel
Italy	Japan	Luxembourg	Mexico
Netherlands	New Zealand	Norway	Poland
Portugal	Slovakia	Solvenia	South Korea
Spain	Sweden	Switzerland	Turkey
USA inc. Puerto Rico			


**Central & Eastern Europe**

Albania	Bosnia & Herzegovina	Croatia	Macedonia, former Yugoslav Republic of
Montenegro	Serbia		

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**Table source:** Office for National Statistics

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**Table C: Industry Allocation**

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**Resource industries****Agriculture, forestry & fishing**

010	Crop & Animal & Production, hunting & related services activities
020	Forestry & Logging
030	Fishing & Aquaculture

**Mining & quarrying (including oil & gas production)**

050	Mining of coal & lignite
060	Extraction of crude petroleum & natural gas
070	Mining of metal ores (ferrous & non ferrous incl. Uranium & Thorium)
080	Mining & Quarrying - other
090	Mining & oil gas extraction - support service activities daily

**Manufacturing Industries****Food products, Beverages & Tobacco products**

100	Manufacture of food products
110	Manufacture of beverages
120	Manufacture of tobacco products

**Textiles & wood activities**

130	Manufacture of textiles
140	Manufacture of wearing apparel
160	Manufacture of wood & wood products (except furniture), straw articles & plaiting materials
170	Manufacture of paper & paper products
180	Printing & reproduction of recorded media

**Petroleum, chemicals, pharmaceutical rubber and plastic products**

190	Manufacture of coke & refined petroleum products
200	Manufacture of chemicals & chemical products (non pharmaceutical)
210	Manufacture of basic pharmaceutical products & pharmaceutical preparations
220	Manufacture of rubber & plastic products

**Metal & machinery products**

240	Manufacture of basic metals (incl. first processing, e.g. tubes, pipes, hollow profiles etc)
250	Manufacture of fabricated metal products (excl machinery & equipment)
280	Manufacture of machinery not elsewhere classified

**Computer, electronic & optical products**

260	Manufacture of computer, consumer electronic & optical products
261	Manufacture of electronic components
262	Manufacture of loaded electronic boards
263	Manufacture of communication equipment
264	Manufacture of consumer electronics
265	Manufacture of instruments and appliances for measuring, testing and navigation: watches and clocks
266	Manufacture of irradiation, electro medical & electrotherapeutic equipment
267	Manufacture of optical instruments & photographic equipment
268	Manufacture of magnetic & optical media

**Transport equipment**

290	Manufacture of motor vehicles, trailers and semi trailers
300	Manufacture of other transport equipment
301	Building & shipping & boats
302	Manufacture of railway locomotives & rolling stock machinery
303	Manufacture of air & spacecraft & related
304	Manufacture of military
309	Manufacture of transport equipment not fighting vehicles elsewhere classified

### **Other manufacturing**

150	Manufacture of leather & other related products
230	Manufacture of other non metallic mineral products
270	Manufacture electrical equipment (incl. domestic appliances)
310	Manufacture of furniture (domestic & non domestic)
320	Manufacturing of other articles not elsewhere specified (toys, jewellery, musical instruments, sports goods, dental supplies, brooms & brushes)
330	Repair, maintenance & installation of machinery & equipment

### **Electricity, gas, water & waste**

350	Supply of electricity, gas, steam & air conditioning
360	Water collection, treatment & supply services
370	Sewerage services
380	Waste collection, treatment, disposal recycling services
390	Remediation & other waste management services not elsewhere specified



**Services industries****Construction**

410	Construction of buildings (residential, non residential, commercial, development of building projects)
420	Civil engineering (roads, railways, utilities & water projects, other civil engineering projects)
430	Specialised construction activities (demolition & site preparation, wet and dry trade activities, other construction activities)

**Retail and wholesale trade, repair of motor vehicles & motorcycles**

450	Wholesale & retail trade, repair of motor vehicles & motorcycles and accessories
460	Wholesale trades (excl motor vehicles & motorcycles)
470	Retail trade (excl motor vehicles & motorcycles)

**Transportation & storage**

490	Transport on land (incl. pipelines)
500	Transport on water (sea, coastal & inland)
510	Transport in the air (passenger & freight)
520	Transport support activities (warehousing, operation of terminals & stations, cargo handling)
530	Postal & courier activities

**Information & communication**

580	Publishing activities (books, newspapers, periodicals directories, software)
590	Motion picture, video & TV production, sound recording & publishing activities

600	Programming & broadcasting activities of radio & TV (over air or via satellite, cable or internet)
610	Telecommunications activities (wired, wireless, satellite & other telecommunications activities)
620	Computer programming, consultancy & related activities (games, software development, programming, computer facilities management)
630	Information services activities (data processing & hosting, web portals, news agencies, other information activities)

### **Financial services**

641	Banks (64.11 & 64.191)
642	Building societies (64.192)
643	Non Financial holding companies only (64.201/4)
644	Financial holding companies only (64.205)
645	Other financial services trusts & funds
651	Life insurance only (65.11)
652	General insurance, reinsurance & pensions funding (65.12, 65.2, 65.3)
661	Security dealing for others only (66.12)
662	Financial services (services auxiliary to financial services & insurance activities excl security dealing)
663	Fund managers

### **Professional, scientific & technical activities**

691	Legal activities
692	Accounting activities
701	Head office activities
702	Management consultancy activities (public relations, financial management, consultancy & management activities)

710	Architectural & engineering activities (architecture, urban planning, engineering consultancy, testing and analysis)
720	Scientific research & development (biotechnology, natural sciences, engineering, social sciences and humanities)
731	Advertising
732	Market research (market research, opinion polls, media representation)
740	Design, photography, translation & other professional, scientific & technical services
750	Veterinary activities

### **Administration & support service activities**

770	Rental & leasing activities (motor vehicles, personal & household goods, intellectual property - excl copyrighted works)
780	Employment activities (employment agencies, entertainment castings, other human resources activities)
790	Travel agencies, tour operators, other reservation service activities
800	Security & investigation activities (investigation, private security, security systems)
810	Services to buildings & landscape activities (facilities support, cleaning, disinfection & extermination, landscaping)
820	Office administrations, support & other business support activities (document preparation, call centres, conference organisers, collection agencies, packaging, other support activities)

### **Other services**

550	Accommodation (hotels, holiday accommodation, hostels, camping, other)
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560	Food & beverage service activities (restaurants, take aways, catering, pubs, clubs, other food service activities not elsewhere specified)
680	Real estate activities
840	Public administration, compulsory social security
850	Education (primary, secondary & higher education, driving schools, sports education, cultural education, educational support)
860	Human health defence, activities (hospitals, nursing homes, general & specialist medical practice, dental practice)
870	Residential care activities
880	Social work activities without accommodations (elderly, children, other social work activities)
900	Creative arts & entertainment activities (performing arts, operation of arts facilities, artistic creation, support of performing arts)
910	Libraries, archives, museums and other cultural activities (botanical, zoological nature reserve sites, historical buildings & sites)
920	Gambling & betting activities
930	Sports, amusement & recreation activities (sports facilities, racehorse owners, fitness facilities, amusement parks & other recreational activities)
940	Activities of membership organisations (business organisations, trade unions, other membership organisations)
950	Repair of computers, personal & household goods
960	Other personal service activities (washing and dry cleaning, hairdressers, funerals, physical well being, other activities)

970	Activities of households as employers of domestic personnel
980	Undifferentiated goods and services producing activities of private households for own use
990	Activities of extraterritorial organisations and bodies

**Table source:** Office for National Statistics

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## 7. Accuracy

**Sampling and non-sampling error:** Sampling error is the error caused by observing a sample instead of the whole population. While each sample is designed to produce the "best" estimate of the true population value, a number of equal sized samples covering the population would generally produce varying population estimates.

Sample surveys are employed rather than censuses, because the census process is too lengthy and costly to be viable for these surveys. Standard errors are an estimate of the sampling error and provide a measure of the precision of the estimate. A lower standard error indicates a more precise estimate.

Due to a change in the estimation methodology for 2012, the standard error calculations are currently under review.

**Non-sampling error:** In addition to sampling errors, there is also the potential for non-sampling error. This cannot be easily quantified. One potential source of non-sampling error is from non-response, which relates to the failure to obtain data from the sample. Low response rates may introduce bias if respondents are not fully representative of those selected in the sample. Various efforts are made to minimise non-response. Written reminders are sent to non responding businesses and these are followed up with telephone, fax and email reminders. In addition, there is the possibility of using the legal powers of the Statistics of Trade Act to enforce a response, though we prefer to work together with businesses to produce the necessary information.

The response rates for the 2014 annual surveys are shown in Table D.

**Table D: Response Rates 2014**

	Outward FDI	Inward FDI
Selected Sample Size	2,455	3,799
Numbers co-operating fully or partially	1,618	2,994
Non-responders	837	805
Overall response rate (%)	66	79

**Table source:** Office for National Statistics

### Download table

[XLS](#) [XLS format](#)  
(29.5 Kb)

Non-response bias is a potential issue for all statistical surveys. Non-response bias occurs when the answers of respondents differ from the potential answers of those who did not respond. The risk of non-response bias is minimised by efforts to maximise response rates and the use of estimation techniques that can attempt to correct for any bias that may be present. Despite this, it is not easily possible, on any survey, to quantify the extent to which non-response bias remains a problem. However, there is no evidence to suggest that non-response bias presents a particular issue for the FDI surveys.

Imputation methods are used to estimate values for all business in the sample who did not return data. Estimation methods are used to estimate values for all non-sampled business within the population, in order produce an estimate for the population.

The proportion of the imputed values are shown in Table E.

**Table E: Imputed proportion of final published FDI figures**

	Flows	Positions	Earnings
FDI Outward	4.1%	4.4%	2.9%
FDI Inward	4.1%	5.6%	5.3%

### Download table

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(30 Kb)

## 8. Revisions

Data for 2013 have been revised in this statistical bulletin and will not be revised any further. Data for 2014 will remain provisional until December 2016, when the next FDI statistical bulletin will be released.

We will not be providing a revisions analysis this year due to the discontinuity in the time series as a result of moving to BPM6. However this analysis will be provided in next year's bulletin.

## 9. Notes to tables

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

Symbols used in the tables are:

- .. Figure suppressed to avoid disclosure of information relating to individual enterprises.
- Nil or less than half the final digit shown.

There is a discontinuity that affects both the inward and outward tables prior to 2011. Data for property, tax and public corporations was included in the total only, as such the components will not equate to the published total. The inclusion of public corporations data only affects the outward estimates.

## 10. Office for National Statistics

The ONS is the executive office of the UK Statistics Authority, a non-ministerial department which reports directly to Parliament. ONS is the UK government's single largest statistical producer. It compiles information about the UK's society and economy, and provides the evidence-base for policy and decision-making, the allocation of resources, and public accountability.

The UK Statistics Authority has reviewed this publication in its report: "[Assessment of compliance with the Code of Practice for Official Statistics](#)": [Statistics of International Transactions](#), which was published on 8 December 2011.

This review recommended that the Foreign Direct Investment Involving UK Companies estimates be designated as a National Statistic, subject to ONS carrying out certain requirements. We met all of these requirements on 3 May 2013.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs
- are well explained and readily accessible
- are produced according to sound methods
- are managed impartially and objectively in the public interest

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

## 11. Social media

Follow ONS on [Twitter](#) and receive up to date information about our statistics.

Like ONS on [Facebook](#) to receive our updates in your newsfeed and to post comments on our page.

## 12. The Government Statistical Service (GSS)

The Government Statistical Service is a network of professional statisticians and their staff operating both within the Office for National Statistics and across more than 30 other government departments and agencies.

## 13. National Statistics

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

## 14. Government Statistical Service (GSS) business statistics

To find out about other official business statistics, and choose the right data for your needs, use the [GSS Business Statistics Interactive User Guide](#). By selecting your topics of interest, the tool will pinpoint publications that should be of interest to you, and provide you with links to more detailed information and the relevant statistical releases. It also offers guidance on which statistics are appropriate for different uses.

## 15. Discussing ONS business statistics online

There is a [Business and Trade Statistics](#) community on the [StatsUserNet](#) website. StatsUserNet is the Royal Statistical Society's interactive site for users of official statistics. The community objectives are to promote dialogue and share information between users and producers of official business and trade statistics about the structure, content and performance of businesses within the UK. Anyone can join the discussions by registering via either of the links above.

## 16. Special events

We have published commentary, analysis and policy on "Special Events" which may affect statistical outputs. For full details visit the [Special Events](#) page on our website.

## 17. Release policy

A list of those given [pre-publication access](#) to the contents of this release is available on our website.

18. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)



These National Statistics are produced to high professional standards and released according to the arrangements approved by the UK Statistics Authority.

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This document is also available on our website at [www.ons.gov.uk](http://www.ons.gov.uk).

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