

# Large fall in EU Foreign Direct Investment flows in ...

 Print

13/07/2018

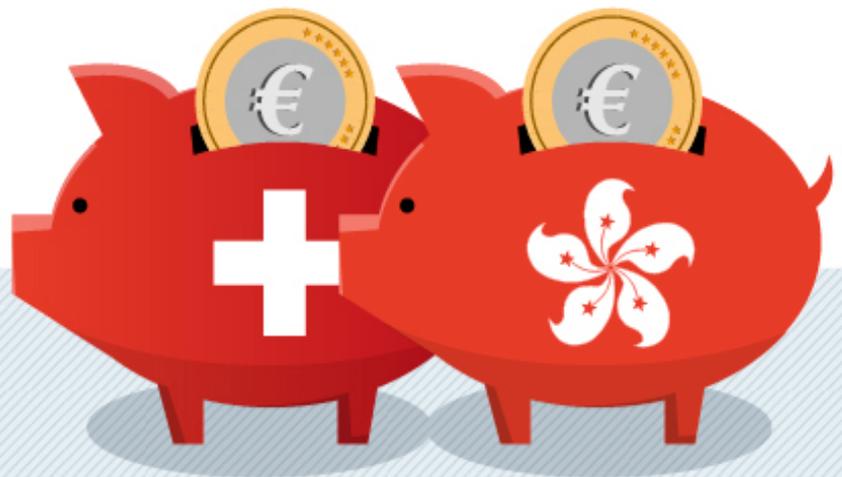


- Large drop in extra-EU FDI flows outside of the EU (-52.2% for outflows, -89.2% for inflows) in 2017, for the second year running
- Fall linked, in particular, to net disinvestments of US companies on the EU market (€-274bn) and, similarly, net disinvestments of EU enterprises on the US market (€-67bn)
- FDI relationship with Switzerland strengthened overall in 2017 (€90bn of inflows, €61bn of outflows according to EU first reports)

## EU foreign direct investment, 2017



**Top 2 investors in the EU:  
Switzerland and Japan**



**Top 2 destinations of EU investment:  
Switzerland and Hong-Kong**

Further large fall in EU FDI flows in 2017, following the 2016 decreases

According to the 2017 preliminary results, Foreign Direct Investment (FDI) flows from the European Union (EU) towards areas outside the EU stood at €120bn, a sharp drop of almost 52.2% compared to 2016 (€250 bn).

At the same time, investment flows into the EU were negligible, almost ten times lower than the year before (€37bn in 2017, against €340bn in 2016).

The 2017 preliminary results highlight a massive net disinvestment of US companies into the EU market. EU direct investors also reduced their net acquisitions in the US market, although less markedly.

The preliminary estimates shows that US firms withdrew nearly €-274bn of net FDI capital from the EU market. This alone caused the overall downward trend of FDI flows into the EU. Similarly, EU direct investors withdrew from the US market, with a net disinvestment of around €-67bn.

Switzerland was the EU's main direct investor in the EU and most of the EU's FDI net acquisitions abroad were made on the Swiss market.

In 2017, the main foreign direct investor into the EU was still Switzerland (for the second year running), with more than €90bn of net liabilities incurred by resident direct investment enterprises to their Swiss direct investors. FDI links with Switzerland were reinforced on both sides, as EU direct investors made net acquisitions of FDI capital worth €61bn in Switzerland.

#### Other partners

Amounts invested in the EU by other FDI partners were limited, according to the preliminary 2017 data. Only Japan (€13bn) and Canada (€11bn) made direct investment of more than €10bn each.

Hong-Kong absorbed more than €10bn of FDI capital from EU direct investors, more or less the same amount as in 2016. It is worth noting that in 2017, EU companies reduced their investment into Russia (-€7 bn).

## EU Foreign Direct Investment flows by major partner, 2016 – 2017\*

(€ million)

	Outward FDI flows		Inward FDI flows	
	2017*	2016	2017*	2016
<b>Total extra EU</b>	<b>119,586</b>	<b>250,268</b>	<b>36,673</b>	<b>339,338</b>
Switzerland	60,750	1,201	90,165	71,517
Russia	-7,383	-430	-413	2,234
Canada	-3,614	15,090	10,884	27,478
United States	-66,620	76,948	-274,156	56,449
Brazil	3,615	31,117	-3,174	-12,630
China (excl. Hong Kong)	2,133	1,641	2,269	1,760
Hong-Kong	10,441	11,102	4,932	7,387
India	6,261	7,767	4,640	2,430
Japan	-1,286	5,966	12,736	23,618

\*Preliminary results

The quarterly FDI assets and liabilities, from which annual FDI flows are derived, can be found [here](#)

The FDI figures presented here are estimates based on the latest quarterly data transmission by the EU Member States, from which the annualised assets and liabilities have been allocated according to the directional principle (outward or inward). 2017 detailed and revised annual FDI data will be published by Eurostat in December 2018.

For more information please contact us: [estat-user-support@ec.europa.eu](mailto:estat-user-support@ec.europa.eu).

Share this page: