

Statistical bulletin

Foreign direct investment involving UK companies: 2022

Investment of UK companies abroad (outward) and foreign companies into the UK (inward), including investment flows, positions and earnings, by country, component and industry.

Contact:
Foreign Direct Investment team
fdi@ons.gov.uk
44+ 1633 455860

Release date:
8 October 2024

Next release:
To be announced

Table of contents

1. [Main points](#)
2. [Foreign direct investment positions](#)
3. [Foreign direct investment earnings](#)
4. [Data on foreign direct investment](#)
5. [Glossary](#)
6. [Data sources and quality](#)
7. [Related links](#)
8. [Cite this statistical bulletin](#)

1 . Main points

- Both the inward and the outward foreign direct investment (FDI) position (stocks) increased in 2022 compared with 2021; the value of the UK's inward position increased by £126.8 billion to £2,068.0 billion, while the outward position increased by £176.4 billion to £1,904.8 billion.
- The UK's net FDI position (outward less inward) narrowed by £49.7 billion in 2022 to negative £163.2 billion, compared with negative £212.9 billion in 2021.
- The outward FDI position with the EU increased by £104.1 billion between 2021 and 2022, where the position with the Netherlands was £145.9 billion higher and partly offset by lower positions with other EU member states; microdata analysis showed that a notable contribution was from a corporate restructuring completed in 2022.
- Both the outward and inward FDI earnings (profits) increased in 2022 compared with 2021; the value of the UK's outward FDI earnings increased the most, by £51.6 billion, while inward earnings increased by £22.8 billion.
- The biggest increase in inward FDI earnings between 2021 and 2022 was in financial services (by £8.4 billion); microdata analysis shows that this was from the higher earnings of many companies.

The statistics in this bulletin for 2021 and 2022 use the annual FDI Survey and have not been benchmarked with the quarterly FDI Survey results. Several factors affected FDI statistics for 2020 and we advise caution when comparing results from 2020 onwards with earlier years. More detail can be found in [Section 6: Data sources and quality](#) and our [Foreign direct investment statistics, overview of methods changes: 2020 article](#).

2 . Foreign direct investment positions

The foreign direct investment (FDI) position is the value of the stock of investment at a point in time. Both the outward and inward FDI positions increased in 2022 compared with 2021 (Figure 1).

The UK's inward FDI position - the stock of FDI in the UK controlled by foreign companies - increased by £126.8 billion, from £1,941.3 billion in 2021 to £2,068.0 billion in 2022.

The value of the UK's outward FDI position - stock of investment that UK-based companies control abroad - increased by more, from £1,728.3 billion in 2021 to £1,904.8 billion in 2022, or £176.4 billion higher.

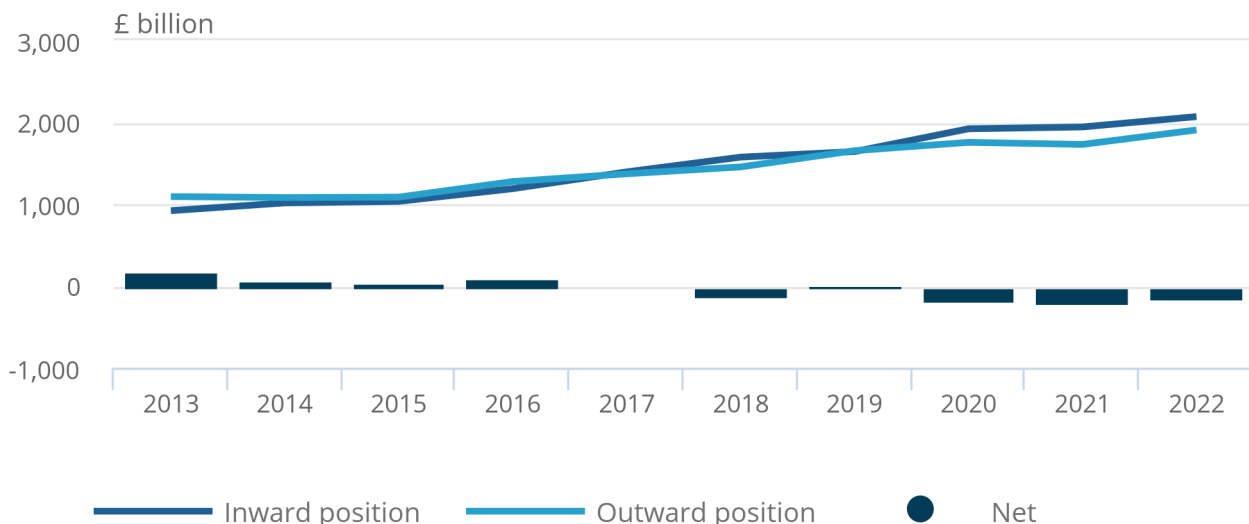
As a result, the UK's net international investment position (outward less inward positions) narrowed to negative £163.2 billion in 2022, compared with negative £212.9 billion in 2021.

Figure 1: The UK's net international investment position narrowed to negative £163.2 billion

Foreign direct investment outward, inward and net positions, 2013 to 2022

Figure 1: The UK's net international investment position narrowed to negative £163.2 billion

Foreign direct investment outward, inward and net positions, 2013 to 2022



Source: Foreign Direct Investment Survey from the Office for National Statistics

Notes:

1. This figure uses directional statistics.
2. Changes to FDI statistics between 2019 and 2020 should be viewed with caution; they reflect changes in survey values and possible effects from changes to the FDI populations and sampling stratification processes.

The geographical composition of the UK's outward FDI position had different trends by partner continent (Figure 2). The EU's FDI position had the biggest increase of £104.1 billion in 2022 compared with 2021.

Outward FDI with the Netherlands increased the most, by £145.9 billion. Microdata analysis suggests this rise was from a notable corporate restructuring captured in these results.

This increase from the Netherlands was partly offset by lower FDI positions with other EU member states, which included the Republic of Ireland (£30.2 billion lower), Luxembourg (£10.5 billion lower) and Spain (£5.2 billion lower).

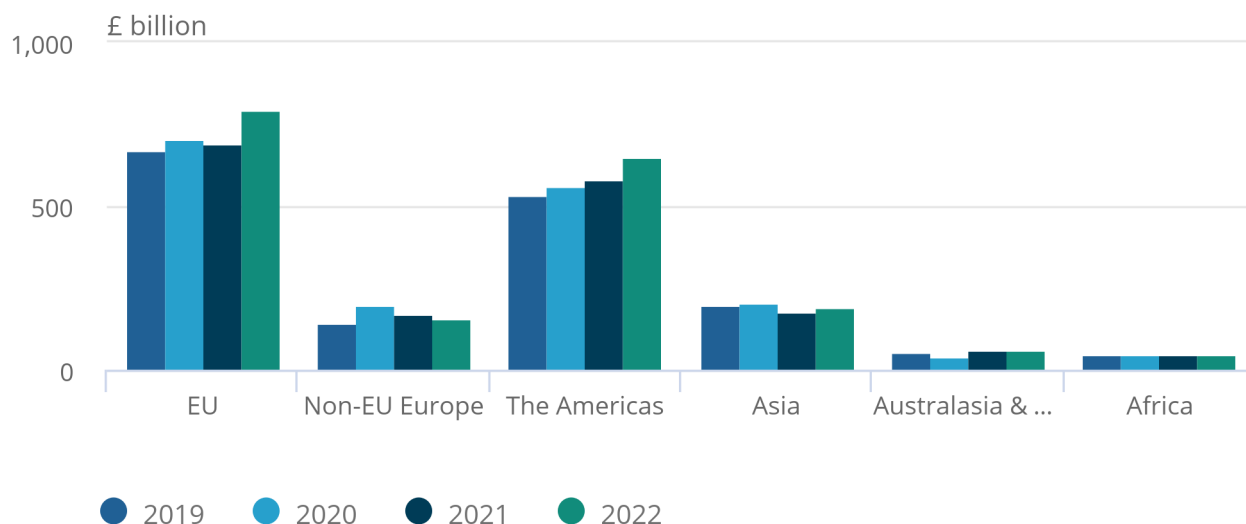
In the rest of the world, outward FDI with non-EU Europe was the only region where the value in 2022 (£159.9 billion) was lower than in 2021 (£168.9 billion). There were a range of companies reporting lower outward FDI positions with non-EU European countries.

Figure 2: The EU contributed the biggest increase to outward FDI positions in 2022 compared with 2021

Outward foreign direct investment positions by partner continent, 2019 to 2022

Figure 2: The EU contributed the biggest increase to outward FDI positions in 2022 compared with 2021

Outward foreign direct investment positions by partner continent, 2019 to 2022



Source: Foreign Direct Investment Survey from the Office for National Statistics

Notes:

1. This figure uses directional statistics.
2. Changes to FDI statistics between 2019 and 2020 should be viewed with caution; they reflect changes in survey values and possible effects from changes to the FDI populations and sampling stratification processes.

The highest value increases in the inward FDI position values between 2021 and 2022 were with two regions. The inward FDI stock with the Americas increased by £56.5 billion over that period, while that with Australasia and Oceania increased by £50.6 billion. Microdata analysis found that in both cases this was from a few companies reporting higher FDI positions in 2022 compared with 2021.

3 . Foreign direct investment earnings

Foreign direct investment (FDI) earnings are the profits of multinational enterprises. Outward FDI earnings are the profits that UK companies generate on their stock of investment abroad, while inward FDI earnings are those that foreign companies generate from their UK-based businesses.

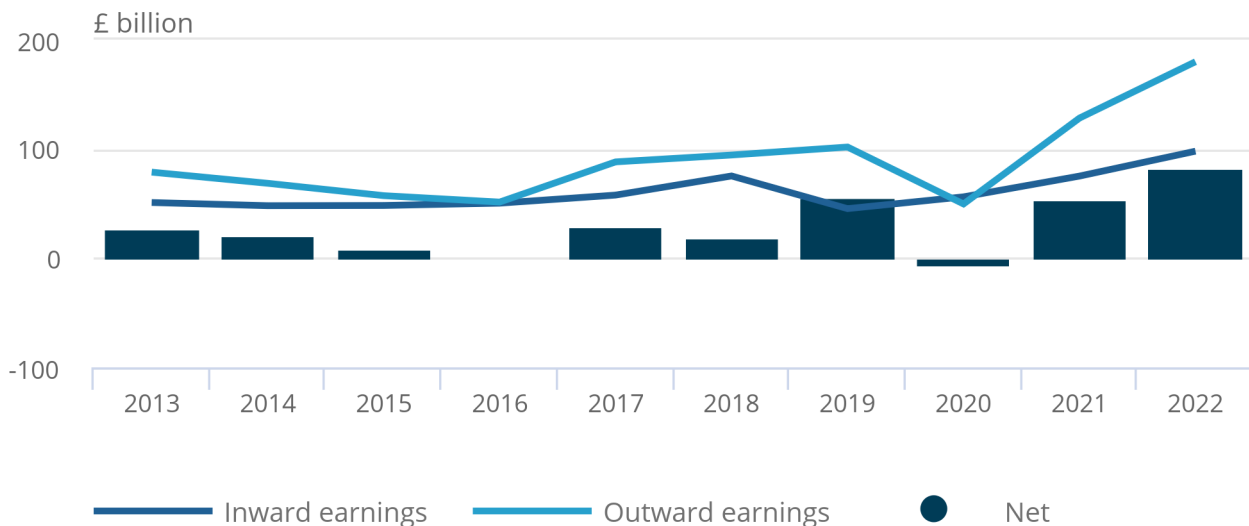
Both outward and inward FDI earnings increased in 2022 compared with 2021 (Figure 3). Inward earnings increased by £22.8 billion, from £75.1 billion in 2021 to £97.9 billion in 2022. Outward earnings rose by £51.6 billion, from £128.2 billion in 2021 to £179.8 billion in 2022. Therefore, net FDI earnings (outward less inward) increased in 2022 (£81.9 billion) compared with 2021 (£53.2 billion).

Figure 3: Both the UK’s outward and inward FDI earnings increased in 2022 compared with 2021

Foreign direct investment outward, inward and net earnings, 2013 to 2022

Figure 3: Both the UK’s outward and inward FDI earnings increased in 2022 compared with 2021

Foreign direct investment outward, inward and net earnings, 2013 to 2022



Source: Foreign Direct Investment Survey from the Office for National Statistics

Notes:

1. This figure uses directional statistics.
2. Changes to FDI statistics between 2019 and 2020 should be viewed with caution; they reflect changes in survey values and possible effects from changes to the FDI populations and sampling stratification processes.

Most of the increase in outward FDI earnings between 2021 and 2022 was from mining and quarrying. Outward earnings for this industry group increased by £50.6 billion over that period. This partly reflects a notable corporate restructuring in addition to higher oil prices following the Russian invasion of Ukraine that started in 2022. The higher oil prices would have supported the profits of some mining companies.

Inward FDI earnings in 2022 were higher than the reported values in 2021 for five of the seven grouped industries in Figure 4. The greatest increases were for financial services (by £8.4 billion), retail and transportation (£6.2 billion) and mining and quarrying (£5.5 billion).

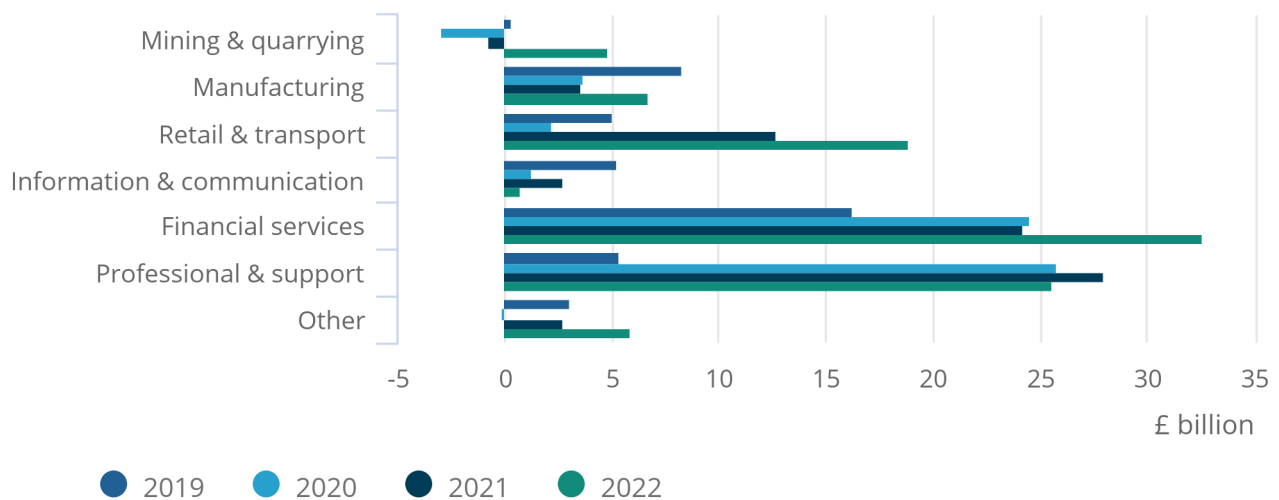
In all three cases, microdata analysis shows that this was from higher inward FDI earnings across many companies. The lower FDI earnings with information and communication industries in 2022 compared with 2021 reflected lower earnings reported by many companies.

Figure 4: The highest value of inward FDI earnings in 2022 was in financial services

Inward foreign direct investment earnings by grouped industries, 2019 to 2022

Figure 4: The highest value of inward FDI earnings in 2022 was in financial services

Inward foreign direct investment earnings by grouped industries, 2019 to 2022



Source: Foreign Direct Investment Survey from the Office for National Statistics

Notes:

1. This figure uses directional statistics.
2. Changes to FDI statistics between 2019 and 2020 should be viewed with caution; they reflect changes in survey values and possible effects from changes to the FDI populations and sampling stratification processes.

4 . Data on foreign direct investment

[Foreign direct investment involving UK companies \(directional\): inward](#)

Dataset | Released 8 October 2024

Annual statistics on the investment of foreign companies into the UK, including for investment flows, positions and earnings.

[Foreign direct investment involving UK companies \(directional\): outward](#)

Dataset | Released 8 October 2024

Annual statistics on the investment of UK companies abroad, including for investment flows, positions and earnings.

[Foreign direct investment, indicative asset and liability statistics](#)

Dataset | Released 8 October 2024

Indicative FDI statistics using the asset and liability measurement principle to show the possible trends in the balance of payments when these annual FDI Survey data are included: 2014 to 2022.

5 . Glossary

Foreign direct investment (FDI)

Foreign direct investment (FDI) is cross-border investment made with the objective of establishing a lasting interest in the host economy. FDI is also defined by control relationships, where the direct investor (parent company) controls at least 10% of the voting power (ordinary shares) of the direct investment enterprise. These relationships can be measured in two directions: outward and inward. Outward refers to the direct investments of UK-resident companies in other countries, while inward refers to the direct investments in the UK from non-resident companies.

Directional measurement principle

The directional measurement principle presents FDI statistics based on the direction of influence of the direct investor (parent company). These statistics are of most use when considering the direction of influence for UK-based companies and, therefore, in data linking FDI to other sources of information.

Earnings

Earnings can be thought of as the profits generated from the stock of FDI over a period of time. FDI earnings are net values measuring the profits and interest generated by the direct investor (parent company) from their affiliates minus interest generated by affiliates from their parent companies.

Flows

Flows measure the cross-border movement of funds within multi-national enterprises. FDI flows include changes in shareholdings (equity), debt and reinvested earnings associated with the stock of FDI. These are net values showing investments minus disinvestments.

Position

The FDI position is the value of the stock of investment held at a point in time. These statistics are presented as the stock of FDI controlled by UK-resident companies abroad (outward) or the stock of FDI in the UK controlled by foreign companies. FDI positions are net values for the investments held by the direct investor (parent company) minus reverse investment by direct investment enterprises.

6 . Data sources and quality

The main source of information for UK foreign direct investment (FDI) statistics is the annual FDI Survey; separate surveys are used to collect data on inward and outward FDI. This is combined with data from the Bank of England for all monetary financial institutions - such as banks - and other sources for property and public corporations in FDI. Survey responses are used to estimate or impute values for every company in the UK's inward and outward FDI populations.

Coverage and sample size

The FDI estimates published within this bulletin cover the period 2013 to 2022; the 2021 estimates are revised, and the 2022 statistics are published for the first time. The annual survey will be used to benchmark statistics previously published for 2022, which were based on the Quarterly FDI Survey. The annual surveys have larger sample sizes than the quarterly surveys. They are sent to companies to complete with information in their audited annual accounts, rather than management accounts.

We paused production of our FDI statistics at the end of 2023. This enabled us to complete a thorough review of our production systems for both quarterly and annual statistics. As a result, information from the annual and quarterly surveys have not been benchmarked. Subsequent benchmarking could contribute to any future revisions to our 2021 and 2022 estimates, in addition to changes from updated information from companies. The revisions policy for the UK National Accounts means that information from the Annual FDI Survey for 2021 and 2022 will be included in our [quarterly Balance of payments bulletin](#) at the time of Pink Book 2025.

The statistics presented in Balance of payments are based on the asset and liability measurement principle (as opposed to the directional principle used in these FDI statistics). We have produced some [indicative asset and liability statistics](#) based on the Annual FDI Survey results to show how these results compare with estimates already published based on the quarterly survey. These are only indicative and the final estimates could be revised from benchmarking, updated survey information for 2022 or from updated non-FDI survey sources of information, for example.

Quality

More information on strengths, limitations, appropriate uses, and how statistics were calculated is available in our [Foreign direct investment Quality and Methodology Information \(QMI\) report](#).

Several factors affected FDI statistics for 2020, including disruption from the coronavirus (COVID-19) pandemic, global recession, and changes to the FDI statistical populations and sampling methods. We advise caution when comparing results from 2020 onwards with earlier years. More detail can be found in our [Foreign direct investment statistics, overview of methods changes: 2020 article](#).

Revisions

The estimates in this statistical bulletin are based on the annual Foreign Direct Investment (FDI) Survey for 2022. Provisional estimates can be derived from quarterly surveys and appear in our [Quarterly Balance of payments, UK: April to June 2024](#). However, estimates based on the annual surveys provide firmer and more detailed figures. There are also revisions to FDI estimates for 2021, which reflect updated information received since our estimates were first published.

Reporting FDI relationships

In line with international guidance, UK FDI statistics are presented in current prices on an immediate partner country basis; as such, geographical compositions reflect direct relationships between investing parties, rather than the residence of the ultimate parent or final destination of the investment.

Multinationals often have complex corporate structures, where a parent company controls a large network of inter-linked affiliates and branches across the globe. Since published statistics report the immediate partner country, geographical compositions can be distorted in cases where a parent company invests through one or more countries before the investment reaches its final destination. While affecting geographical compositions, aggregate FDI statistics are unaffected by whether they are presented on an immediate, or an ultimate, basis.

Accredited official statistics

These accredited official statistics were independently reviewed by the [Office for Statistics Regulation](#) in June 2013. They comply with the standards of trustworthiness, quality and value in the [Code of Practice for Statistics](#) and should be labelled "accredited official statistics".

7 . Related links

[Foreign direct investment statistics, overview of methods changes: 2020](#)

Article | Released 3 February 2022

Summarising how we have used commercial information to enhance the UK's foreign direct investment (FDI) populations and stratification methods, with further information on the composition of microdata behind these estimates.

8 . Cite this statistical bulletin

Office for National Statistics (ONS), released 8 October 2024, ONS website, statistical bulletin, [Foreign direct investment involving UK companies: 2022](#)