

Statistical bulletin

# Foreign direct investment involving UK companies: 2023

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:  
14 January 2025

Next release:  
To be announced

## Table of contents

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

# 1 . Main points

- The UK's net foreign direct investment (FDI) earnings (outward less inward) decreased by £38.8 billion, to £43.1 billion in 2023 compared with £81.9 billion in 2022.
- Outward FDI earnings (profits on investment abroad) decreased by £29.8 billion in 2023 compared with 2022; a notable contributor to the decrease was the mining and quarrying grouped industries, in which outward earnings were £37.5 billion lower, partly reflecting lower oil prices.
- The UK's net international investment position, the stock of investment, (outward less inward) was negative £225.5 billion in 2023, compared with negative £163.2 billion in 2022.
- The UK's inward FDI position increased by £11.1 billion to £2,079.1 billion in 2023, while the outward position decreased by £51.2 billion to £1,853.6 billion.
- In 2023, the UK's inward FDI position in the information and communications industries saw a large increase (£53.0 billion) compared with 2022, while manufacturing saw a large decrease (£32.3 billion).

The statistics in this bulletin for 2021, 2022 and 2023 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 earnings

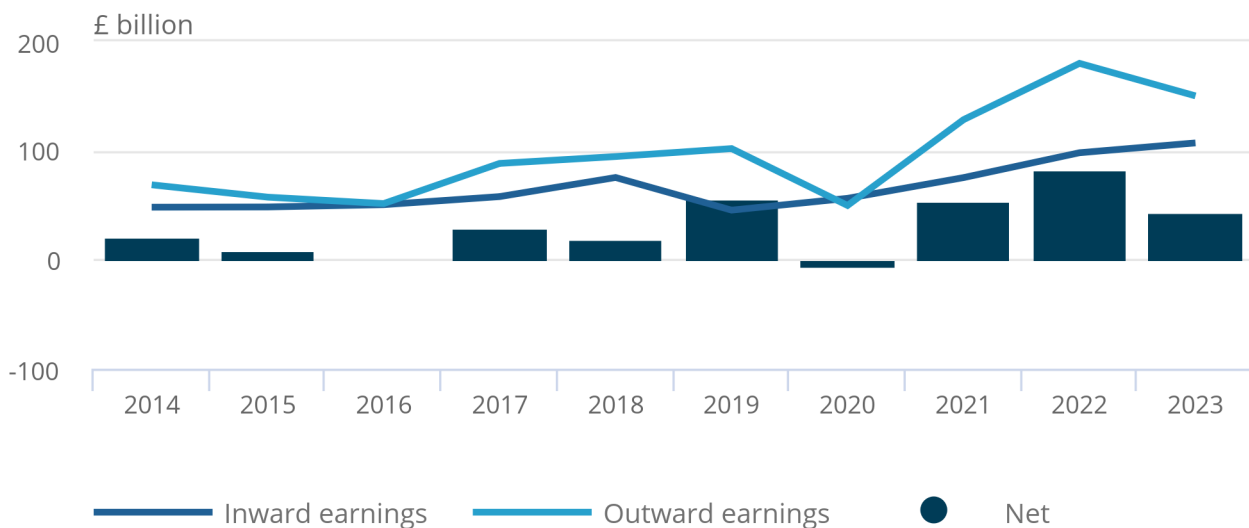
Foreign direct investment (FDI) earnings are the profits of multinational enterprises. The UK's inward FDI earnings (profits that foreign companies generate from their UK-based businesses) increased by £9.0 billion, from £97.9 billion in 2022 to £106.9 billion in 2023. Outward earnings (profits UK companies generate on their stock of investment abroad) decreased by £29.8 billion, from £179.8 billion in 2022 to £150.0 billion in 2023. As a result, the UK's net FDI earnings (outward less inward) was lower in 2023 (£43.1 billion) compared with 2022 (£81.9 billion).

**Figure 1: The UK's outward FDI earnings decreased in 2023 compared with 2022**

Foreign direct investment (FDI) outward, inward and net earnings, 2014 to 2023

Figure 1: The UK's outward FDI earnings decreased in 2023 compared with 2022

Foreign direct investment (FDI) outward, inward and net earnings, 2014 to 2023



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.

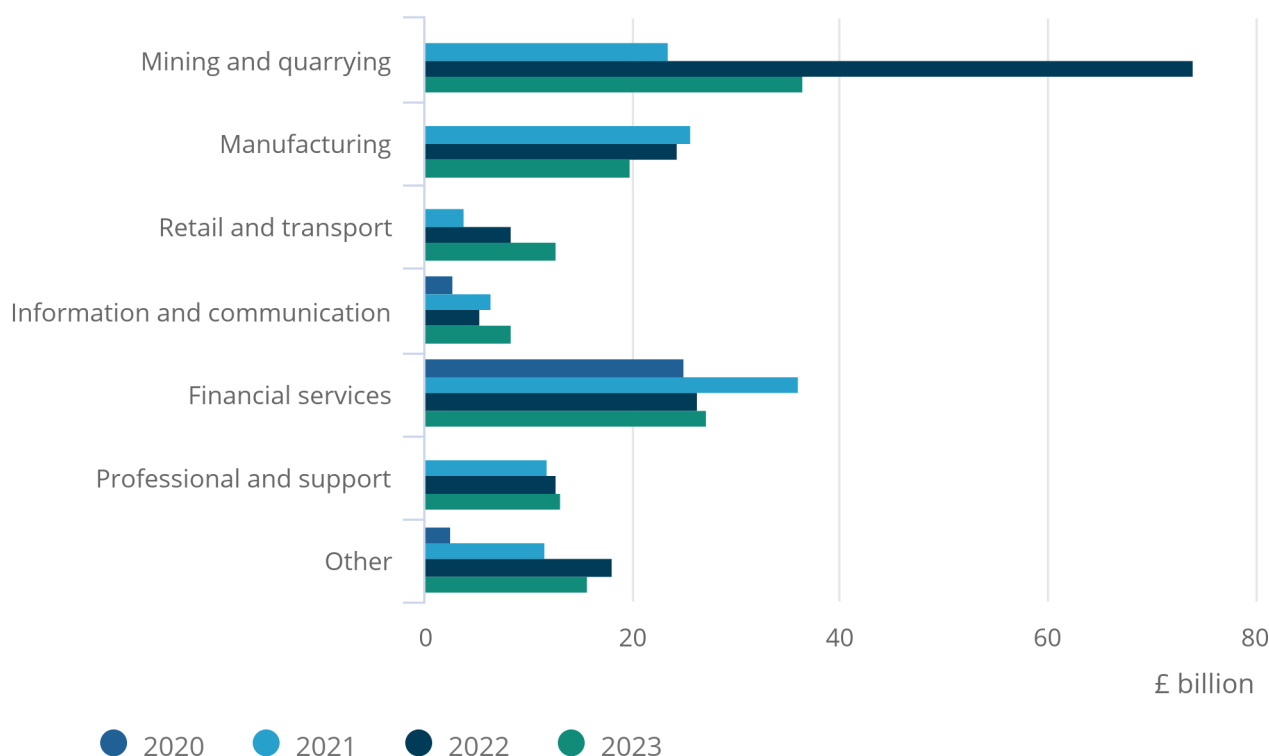
Outward FDI earnings in 2023 were lower than 2022 for three of the seven grouped industries shown in Figure 2. The biggest decrease was from mining and quarrying industries, which were £37.5 billion lower over that period. This partly reflects the elevated oil prices in 2022, which followed the Russian invasion of Ukraine and supported the profits of some mining companies in that year. Oil prices were then generally lower in 2023 compared with 2022. Microdata analysis suggests this decrease was reported on direct investment in a range of companies.

**Figure 2: Outward FDI earnings were lower in 2023 compared with 2022 in three of the seven grouped industries**

Outward foreign direct investment (FDI) earnings by grouped industries, 2020 to 2023

**Figure 2: Outward FDI earnings were lower in 2023 compared with 2022 in three of the seven grouped industries**

Outward foreign direct investment (FDI) earnings by grouped industries, 2020 to 2023



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

Notes:

1. This figure uses directional statistics.
2. "c" marks a value as disclosive.
3. Component breakdown excludes the activities of private property, public corporations and bank holding companies. These are included in the total.

Lower values for outward FDI earnings in 2023 compared with 2022 were also reported in manufacturing, down by £4.4 billion. This was seen across all continents, and microdata analysis indicates it came from many companies reporting lower earnings.

For inward FDI earnings, manufacturing saw the largest growth between 2022 and 2023, up by £9.4 billion. Microdata analysis suggests the increase in inward earnings was reported from many companies over the period.

In terms of manufacturing, five of the seven sub-industries saw an increase in inward FDI earnings between 2022 and 2023. The highest increases were in transport equipment (£4.8 billion), and the manufacture of petroleum, chemicals, pharmaceuticals, rubber and plastic products (£4.5 billion). This was partly offset by lower earnings in food products, beverages and tobacco products (£1.5 billion lower) and metal and machinery products (£1.7 billion lower).

### 3 . Foreign direct investment positions

The foreign direct investment (FDI) position is the value of the stock of investment at a point in time. Investment positions are not only determined by FDI flows, but also fluctuate in response to currency movements, specifically those denominated in foreign currencies.

The value of the UK's inward FDI position (the stock of FDI in the UK controlled by foreign companies) increased by £11.1 billion, from £2,068.0 billion in 2022 to £2,079.1 billion in 2023. The value of the UK's outward FDI position (the stock of investment that UK-based companies control abroad) decreased by £51.2 billion, from £1,904.8 billion in 2022 to £1,853.6 billion in 2023.

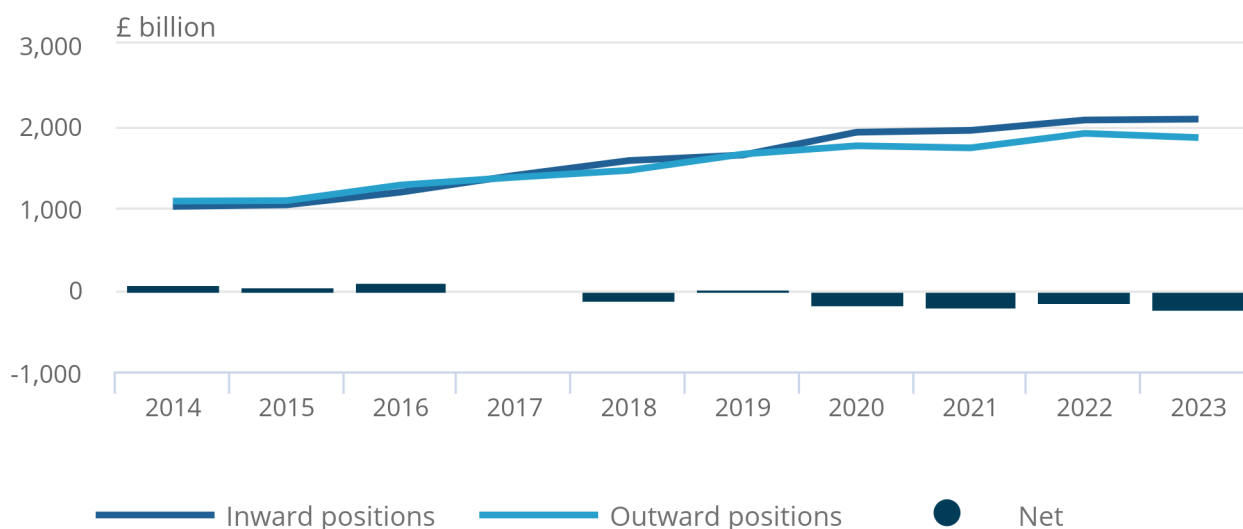
The UK's net international investment position (outward less inward positions) was negative £225.5 billion in 2023, compared with negative £163.2 billion in 2022 (Figure 3).

**Figure 3: The UK's net international investment position was negative £225.5 billion in 2023 compared with negative £163.2 billion in 2022**

Foreign direct investment (FDI) outward, inward and net positions, 2014 to 2023

Figure 3: The UK's net international investment position was negative £225.5 billion in 2023 compared with negative £163.2 billion in 2022

Foreign direct investment (FDI) outward, inward and net positions, 2014 to 2023



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 value of the UK's inward FDI position in 2023 was higher than that reported in 2022 for four of the seven grouped industries in Figure 4. Information and communications industries had the largest increase, of £53.0 billion. Microdata analysis suggests there were a few companies that reported much higher inward FDI positions over this period.

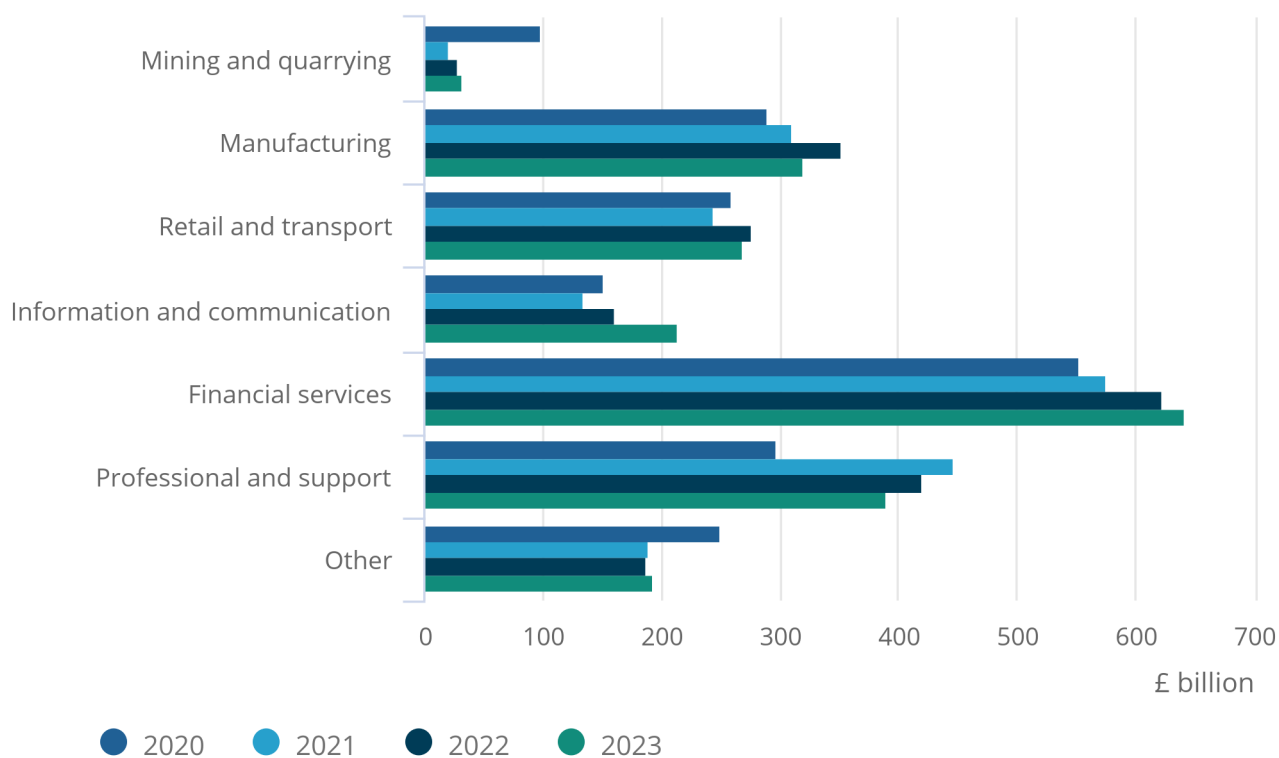
The largest contributor to the UK's inward FDI position was financial services industries, which have seen an increasing inward FDI position in each of the past three years; in 2023 the increase was £19.0 billion compared with 2022.

**Figure 4: Information and communication industries contributed the largest increase in inward FDI positions in 2023 compared with 2022**

Inward foreign direct investment (FDI) positions by grouped industries, 2020 to 2023

Figure 4: Information and communication industries contributed the largest increase in inward FDI positions in 2023 compared with 2022

Inward foreign direct investment (FDI) positions by grouped industries, 2020 to 2023



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

Notes:

1. This figure uses directional statistics.
2. Component breakdown excludes the activities of private property, public corporations and bank holding companies. These are included in the total.

## 4 . Data on foreign direct investment

[Foreign direct investment involving UK companies \(directional\): inward](#) Dataset | Released 14 January 2025  
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 14 January 2025  
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 14 January 2025  
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 2023.

## 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 multinational 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



## Data sources

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.

## About these statistics

The FDI estimates published within this bulletin cover the period 2014 to 2023; 2023 statistics are published for the first time. There are no revisions to previous years. All estimates are based on the Annual FDI Surveys. These are of superior quality to estimates from the Quarterly FDI Surveys, as they have larger sample sizes and 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, 2022 and 2023 estimates, in addition to changes from updated information from companies. The benchmarked estimates will be incorporated into the UK National Accounts in line with timings outlined in the [National Accounts Revisions Policy](#).

The statistics presented in our quarterly [Balance of payments bulletins](#) 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 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 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 FDI Survey for 2023. Provisional estimates from quarterly surveys appear in our [Balance of payments, UK: July to September 2024 bulletin](#). However, estimates based on the annual surveys provide firmer and more detailed figures. There are no revisions to any previously published statistics in this bulletin.

## 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 interlinked 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.

## Accuracy

Response rates are an indication of accuracy for our estimates. Low response rates may introduce bias if respondents are not fully representative of those selected in the sample. Efforts are made to minimise non-response, including written and e-mail reminders or follow-up telephone calls to non-responding companies.

The response rates for the 2023 annual surveys are shown in Table 1.

Table 1: Response rates for annual foreign direct investment surveys 2023

Response rates	Outward FDI	Inward FDI
<b>Selected Sample Size</b>	2,179	4,391
<b>Numbers co-operating fully or partially</b>	1,095	2,322
<b>Non-responders</b>	1,084	2,069
<b>Overall response rate (%)</b>	50.3	52.9

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

## 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 14 January 2025, ONS website, statistical bulletin, [Foreign direct investment involving UK companies: 2023](#).