

Article

# Foreign direct investment, UK subnational estimates: 2023

Subnational foreign direct investment inward and outward positions, earnings and flows statistics, by partner economy or industry between 2015 and 2023. These are official statistics in development.

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# 1 . Main points

- The stock of outward foreign direct investment (FDI) fell most in London and the South East of England, by £62.3 billion and £51.8 billion, respectively, between 2022 and 2023; the highest value increase was in Scotland (£56.7 billion).
- Around two-thirds of UK countries and regions had lower inward FDI at the end of 2023 compared with the end of 2022; the biggest decreases were in South East England and South West England (£45.8 billion and £27.2 billion, respectively).
- The International Territorial Level 2 (ITL2) subregions of the West Midlands (4.7% of UK total outward FDI) and North Eastern Scotland (3.0%) both held higher outward FDI than their neighbouring subregions.
- Outside London, the subregions with the next-highest shares of the total UK inward FDI were Berkshire, Buckinghamshire and Oxfordshire (7.2%), and the West Midlands (4.1%).
- Outward FDI to the EU accounted for the largest share in 17 of the 19 city regions in 2023; this proportion was highest for West Yorkshire (60.8%) and the Cardiff Capital Region (60.1%).
- Nearly two-thirds (12 out of 19) of city regions had the greatest share of their inward FDI from North America; the highest proportions were for Greater Manchester (64.7%) and South Yorkshire (63.9%).

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 additional caution when comparing estimates since 2020 with results for earlier years. More detail can be found in [Section 6: Data sources and quality](#).

## 2 . Foreign direct investment positions

The foreign direct investment (FDI) position is the financial balance sheet value of the stock of UK companies, which includes buildings, property, and equipment. FDI positions are effectively the stock of investment held at a point in time.

## Foreign direct investment positions by UK country and region

Our [Foreign direct investments involving UK companies: 2023 datasets](#) show that both the outward and inward FDI stock values (positions) were slightly lower at the end of 2023 compared with the end of 2022. The inward position was £14.9 billion lower, down from £2,193.5 billion in 2022 to £2,178.6 billion in 2023. The outward FDI position went from £1,904.8 billion to £1,900.8 billion over that period, making it £4.0 billion lower.

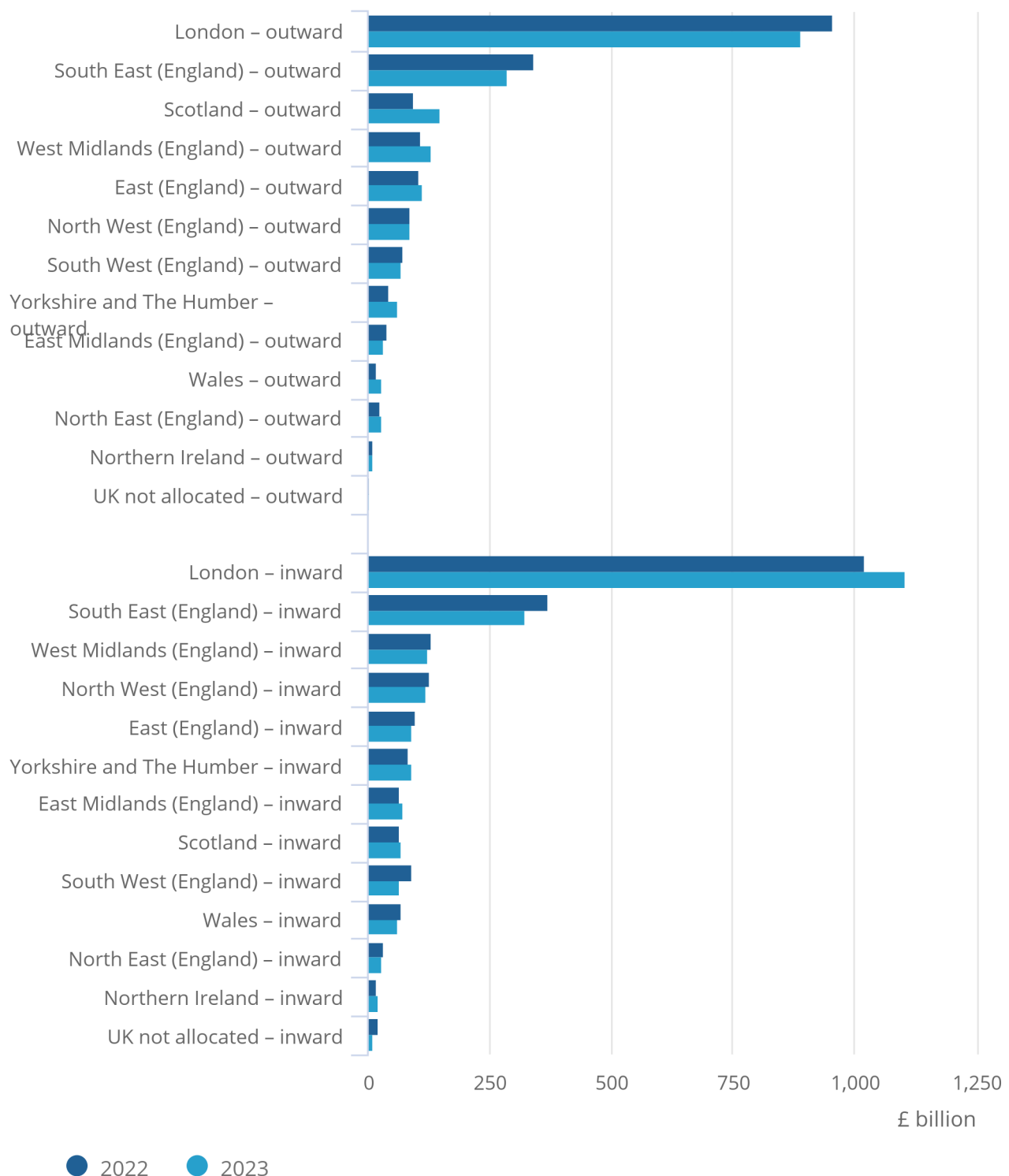
The two regions where the value of the outward FDI position fell the most in 2023 were London and South East England (Figure 1). The outward value for London was £62.3 billion lower, and for South East England was £51.8 billion lower. These lower positions were partly offset by higher values in 8 of the 12 UK International Territorial Level 1 (ITL1) countries and regions. The highest value increase (£56.7 billion) was in Scotland, followed by Yorkshire and The Humber (£19.5 billion) and the West Midlands (£18.8 billion).

**Figure 1: Most UK countries and regions had higher outward foreign direct investment positions in 2023 despite the UK total falling**

Foreign direct investment (FDI) positions for International Territorial Level 1 (ITL1) UK country and region, 2022 and 2023

# Figure 1: Most UK countries and regions had higher outward foreign direct investment positions in 2023 despite the UK total falling

Foreign direct investment (FDI) positions for International Territorial Level 1 (ITL1) UK country and region, 2022 and 2023



Notes:

1. "Not allocated" includes those FDI companies that could not be linked through the Inter-Departmental Business Register (IDBR), commercial source, or the Business Register and Employment Survey (BRES).
2. Summing ITL values might not equal UK totals because of rounding.

In contrast with the value of outward FDI, around two-thirds of UK countries and regions had a lower inward FDI stock at the end of 2023 than the end of 2022. The biggest decreases were in South East England and South West England, decreasing by £45.8 billion and £27.2 billion, respectively.

Among those ITL1 countries and regions where the value was higher in 2023, London had the biggest value increase of £84.9 billion, from £1,019.5 billion in 2022 to £1,104.4 billion. This means that London accounted for just over half (50.7%) of the UK inward FDI total in 2023.

## Foreign direct investment positions by subregion

Our subnational FDI statistics are also available for International Territorial Level 2 (ITL2) subregions. Figure 2 shows the distribution across the UK for the outward FDI stock (position) at the end of 2023.

The highest FDI values were in subregions within London and the South East of England. Our statistics also show some high outward FDI values, relative to neighbouring subregions in the West Midlands (4.7% of the UK total outward FDI position) and North Eastern Scotland (3.0%).

This reflects local economic activity. For example, manufacturing and financial services in the West Midlands and mining and quarrying in North Eastern Scotland.

### Figure 2: The highest value outward foreign direct investment positions were in London and the South East in 2023

Outward foreign direct investment (FDI) positions for International Territorial Level 2 (ITL2) subregions, 2023, percentage of UK outward FDI position

Notes:

1. This map does not include unallocated results, which were those FDI companies that could not be linked through the Inter-Departmental Business Register (IDBR), commercial data source, or the Business Register and Employment Survey (BRES).

While London accounted for just over half of the inward FDI stock at the end of 2023, there were notable contributions from other ITL2 subregions (Figure 3). Berkshire, Buckinghamshire and Oxfordshire accounted for 7.2% of the total UK inward FDI position, and the West Midlands subregion accounted for 4.1%. For Berkshire, Buckinghamshire and Oxfordshire, this activity was spread across a range of industries but was more concentrated in manufacturing for the West Midlands.

### Figure 3: Six subregions accounted for 64.0% of all inward foreign direct investment in 2023

Inward foreign direct investment (FDI) positions for International Territorial Level 2 (ITL2) subregions, 2023, percentage of UK inward FDI position

Notes:

1. This map does not include unallocated results, which were those FDI companies that could not be linked through the Inter-Departmental Business Register (IDBR), commercial data source, or the Business Register and Employment Survey (BRES).

### 3 . City regions

We are also publishing statistics for some city regions for the first time, alongside updated statistics where city region geographies have changed. Our results now include two city regions in Northern Ireland and four in Wales, with a total of 19 local areas altogether. These statistics still include industry and partner economy disaggregation.

For outward foreign direct investment (FDI), the EU was the destination for the highest investment stock for 17 city regions at the end of 2023 (Figure 4). The highest proportions were in West Yorkshire (60.8% of that region's outward FDI position) and the Cardiff Capital Region (60.1%). Outward FDI to the EU also accounted for more than 50% of the regional totals in the West of England, East Midlands, West Midlands and Greater Manchester. This indicates that a large proportion of UK-resident companies have direct investment links with the EU.

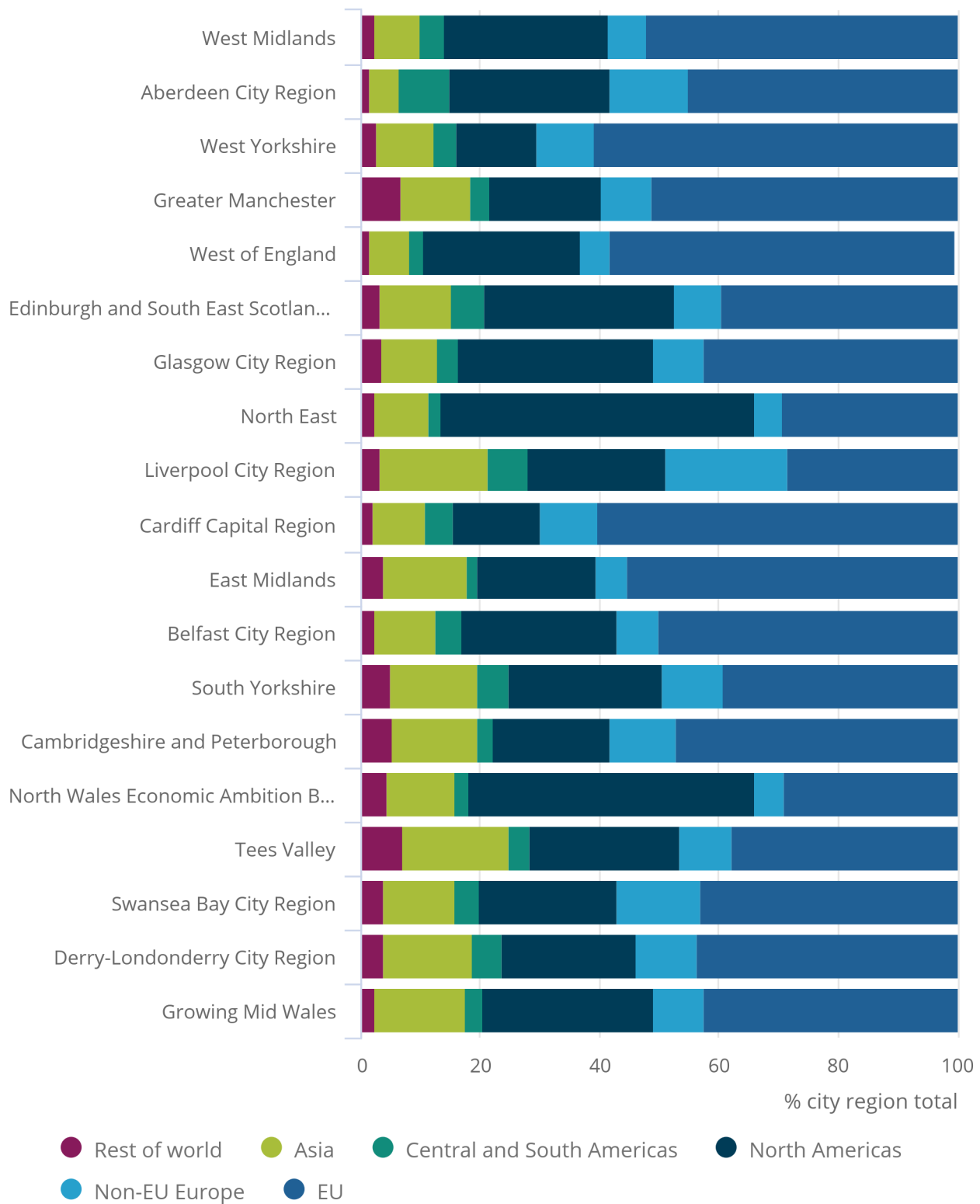


**Figure 4: The EU was the largest outward foreign direct investment destination for most city regions in 2023**

Outward foreign direct investment (FDI) positions for city regions by continent at the end of 2023

# Figure 4: The EU was the largest outward foreign direct investment destination for most city regions in 2023

Outward foreign direct investment (FDI) positions for city regions by continent at the end of 2023



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

**Notes:**

1. "Rest of world" includes Africa, Australasia, and Oceania.
2. Percentages may not sum to 100 because of rounding.

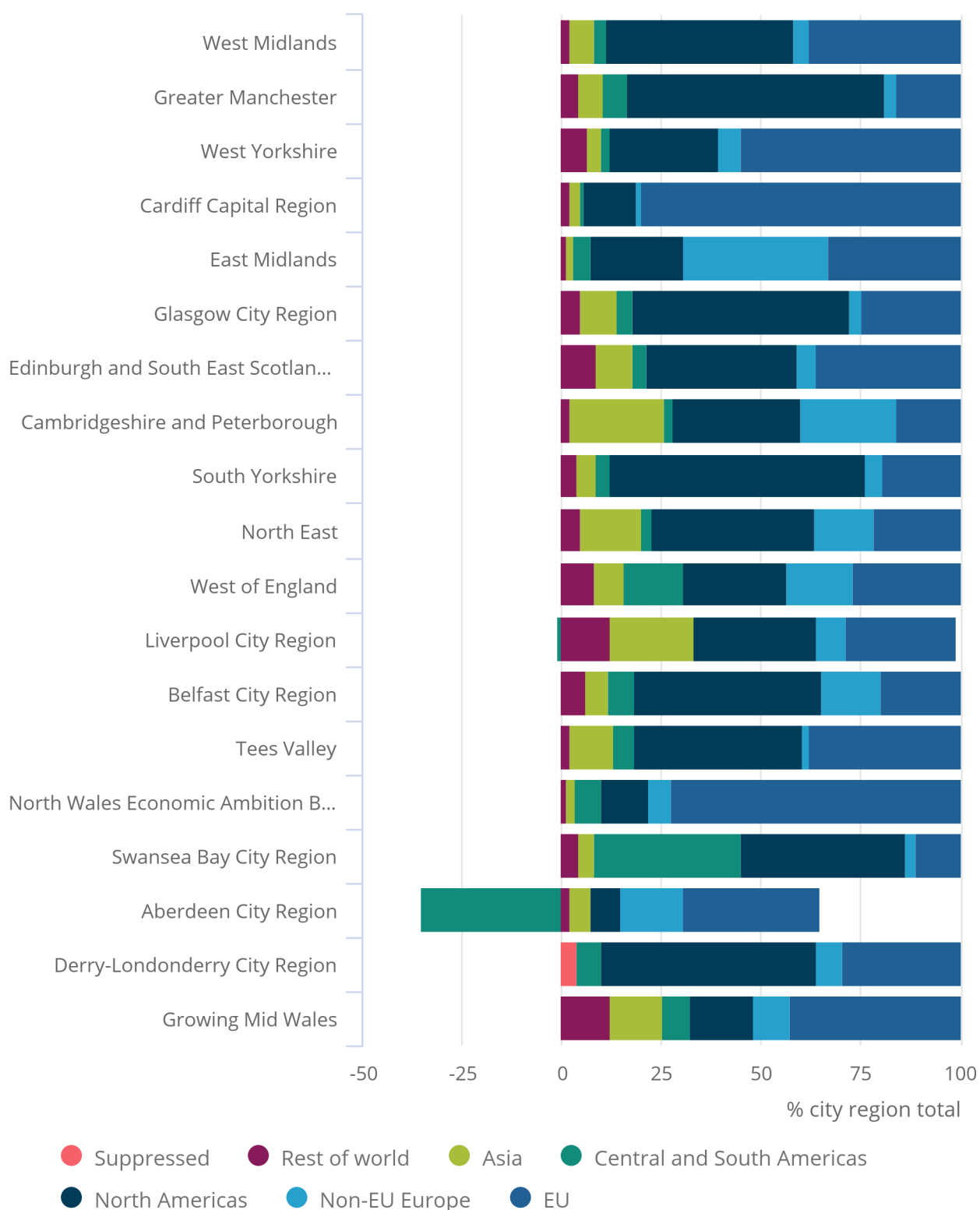
North America was the continent holding the highest value of inward FDI positions, in nearly two-thirds (12 out of 19) of city regions in 2023 (Figure 5). This was highest in Greater Manchester (64.7% of the region's total inward position) and South Yorkshire (63.9%). This shows the locations in the UK where North American companies have UK-based affiliates.

**Figure 5: North American companies controlled the highest value inward foreign direct investment positions for most city regions in 2023**

Inward foreign direct investment (FDI) positions for city regions by continent at the end of 2023

Figure 5: North American companies controlled the highest value inward foreign direct investment positions for most city regions in 2023

Inward foreign direct investment (FDI) positions for city regions by continent at the end of 2023



Notes:

1. "Rest of world" includes Africa, Australasia, and Oceania.
2. Percentages may not sum to 100 where there are negative values or because of rounding.
3. Percentages are calculated using the sum of absolute values where there are negative values in some city regions.

In contrast with outward FDI, the EU accounted for the highest proportion of inward FDI positions in only four city regions. In both the Cardiff Capital Region (79.8%) and North Wales Economic Ambition Board (72.3%), the EU held around three-quarters of the respective inward investment stocks at the end of 2023. Coupled with the high proportion of outward FDI to the EU for the Cardiff Capital Region, this could indicate the integration of that region in EU business and supply chains.

There were also negative inward FDI positions with Central and South America for the Aberdeen City Region and Liverpool City Region at the end of 2023. These are directional FDI statistics, which measure the direct investment held by the parent company abroad, excluding any reverse investment from those affiliates with their parent. Negative FDI positions can be a valid part of global operations for a multinational enterprise and are more likely to be found in disaggregated FDI position statistics.

Our methods for estimating subnational FDI apportion UK total values for each company using employment in each region. Therefore, this gives greater weight to locations with more jobs relative to other regions and apportions negative as well as positive values. A negative subnational FDI position does not necessarily mean that investment is leaving that region, rather the apportioned negative value for that enterprise more than offsets the positive values for the other companies with a presence in that subregion.

## 4 . Data on foreign direct investment

[Foreign direct investment involving UK companies by UK country and region, \(directional\): inward](#)

Dataset | Released 2 October 2025

The investment of foreign companies into the UK by UK country and region for investment flows, positions and earnings. These are official statistics in development.

[Foreign direct investment involving UK companies by UK country and region \(directional\): outward](#)

Dataset | Released 2 October 2025

The investment of UK companies abroad by UK country and region for investment flows, positions and earnings. These are official statistics in development.

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

Dataset | Released 27 June 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 27 June 2025

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

## 5 . Glossary

## City region

City regions are small groups of local authorities, which includes those with directly elected mayors in England, as well as other regions in Northern Ireland, Scotland and Wales with city growth deals.

## 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.

## Foreign direct investment

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 – the direct investments of UK-resident companies in other countries
- inward – the direct investments in the UK from non-resident companies

## International Territorial Level

[International Territorial Levels \(ITL\)](#) are the UK geographies classification system. This has superseded the Nomenclature of Units for Territorial Statistics (NUTS) classification system.

## 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 outside the UK that is controlled by UK-resident companies (outward) or the stock of FDI in the UK controlled by foreign companies (inward). FDI positions are net values for the investment 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 FDI values for every company in the UK's inward and outward FDI populations. Since 2020, a new commercial data source has been used to inform the inward and outward FDI populations. These statistics under development link FDI responses to subnational corporate information from the commercial data source, the Inter-Departmental Business Register (IDBR) and the Business Register and Employment Survey (BRES).

This article contains revised estimates for some subnational regions between 2015 and 2020, complete revisions for 2021 and our first subnational results for 2022 and 2023. Revisions to previous years may also reflect methods development that enabled us to locate previously unallocated companies in these results. 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, we did not publish any updated subnational statistics in 2024.

## Methodological approach

We have used responses to the Annual FDI Survey and linked them to the IDBR and the BRES to allocate FDI values to local areas. The FDI survey asks reporting units of businesses to provide the value of various categories of FDI their business has engaged in, broken down by the industry of investment and the country with which the investment was linked. We therefore need to allocate UK totals for each reporting unit (often a head office or administrative site) to the individual local units of a business (such as a shop, warehouse, or office).

We link survey values collected from reporting units to their associated local units according to the IDBR, which is our register of UK businesses that we can use for our statistics. The investment values from the reporting unit are then allocated to local units based on the employment in each region. This is a similar approach to that used for our [subnational estimates of international trade dataset](#).

For units that could not be linked to the IDBR, we attempt to find their location using a commercial data source. If we are still unable to locate a business, we assign its FDI values to a separate "unallocated" category. After reviewing our linking to the commercial data source, the number of companies in the unallocated category has decreased compared with our previous results. However, this does not necessarily mean that the total unallocated value in our statistics would be lower because some unallocated companies might have relatively high FDI values.

Local unit and geographical information were not available for any FDI data that are not collected using the FDI Survey. This includes banks, bank holding companies, property, and public corporations, and therefore these FDI values cannot be apportioned in the same way. Values are instead broken down according to the number of employees working in financial businesses in each geographic area as reported by BRES, because most of this information relates to banks and bank holding companies.

More information on strengths, limitations, appropriate uses, and how FDI data were created is available in our [Foreign direct investment quality and methodology information \(QMI\)](#).

## Interpreting these statistics

Care should be taken when comparing subnational values in the years since 2020 with those between 2015 and 2019. We enhanced our FDI population using a commercial data source from 2020 onwards. This can be seen in these subnational results by the change in the unallocated values up to 2019 compared with those since 2020.

For example, the unallocated outward FDI position was much lower in 2020 (£2.1 billion) compared with that in 2019 (£46.8 billion). This may have also adjusted the relative proportions of the UK countries and regions for years since 2020 compared with those up to 2019.

For more information, see our [Foreign direct investment statistics, overview of methods changes: 2020 article](#).

## Statistical designation

These statistics are labelled as "official statistics in development". They are based on information from our annual FDI Survey, IDBR, BRES and a commercial data source. We are developing how we produce these statistics to improve their quality.

Once we have completed the developments, we will review the statistics with the Statistics Head of Profession.

If the statistics meet trustworthiness, quality and value standards based on user feedback, we will remove the "official statistics in development" label to publish under the "official statistics" label.

If they do not meet trustworthiness, quality, and value standards, we will further develop them and may stop producing them.

If they were "accredited official statistics" before the start of the developments, we will ask the Office for Statistics Regulation (OSR) to reassess and re-accredit them.

We will inform users of the outcome of our (and any) OSR review, as well as any changes.



## 7 . Related links

[Foreign direct investment involving UK companies: 2023](#)

Bulletin | Released 14 January 2025

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

[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 article

Office for National Statistics (ONS), released 2 October 2025, ONS website, article, [Foreign direct investment, UK subnational statistics: 2023](#)