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|  | *xWH EU Exit Data Strategy* | | | | | | | |  |
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|  |  | |  | **Title** | Foreign direct investment involving UK companies (asset and liability) | | | |  |
|  |  | **Producer** | ONS | | | |  |
|  |  | **Category** | Foreign direct investment | | | |  |
|  | ***[***[***LINK TO SOURCE***](https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/bulletins/foreigndirectinvestmentinvolvingukcompaniesassetandliability/previousReleases)***]*** | |  | **Frequency** *(+lag)* | Annual (first release was 17 months after the end of the reference period) | | | |  |
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|  | **Description** | | |  | |  | **Key Info** |  |  |
|  | * Investment of UK companies abroad (assets and credits) and of foreign companies into the UK (liabilities and debits) by country, component and industry. * Detailed inward and outward statistical tables are published with this bulletin. * These statistics are presented using the asset and liability principle, as opposed to the directional principle. Further information on the differences between these principles can be found [here](https://www.slideshare.net/statisticsONS/foreign-direct-investment-measurement-principles-explained). * Estimates are gross values from the perspective of the UK-resident companies (ie. the sum of loans provided by the UK-resident companies irrespective of whether they are a parent or a subsidiary). * Statistics also report on the immediate investment rather than the ultimate controlling parent company or ultimate host country. | | | | |  | Access | Open |  |
|  |  | Group | Inward/Outward FDI earnings and positions |  |
|  |  | Aggregation | Industry, geography and components |  |
|  |  | Classification | Compiled according to [OECD Benchmark Definition of Foreign Direct Investment](https://www.oecd.org/daf/inv/investmentstatisticsandanalysis/40193734.pdf) |  |
|  |  | Reporting Unit | £ million, current prices |  |
|  |  | Source | Mainly Annual Foreign Direct Investment Survey (inward and outward) |  |
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|  | **Recommended Usage** | | |  |  |  | **Contacts** |  |  |
|  | * FDI asset and liability statistics show the cross-border transactions of UK companies with the rest of the world, ignoring the direction of control. For example, in the case of intercompany loans, assets include all loans made by UK-based companies to their foreign parents or subsidiaries, and liabilities include all loans received by UK-based companies from overseas parents and subsidiaries. This is as opposed to the directional principle, which looks at net transactions of the parent company. Outward FDI looks at the net transactions between UK-based parent companies and their overseas subsidiaries, where inward FDI looks at net transactions between overseas parent companies and their UK-based subsidiaries. The UK’s net FDI position is the same whichever principle is used. * These statistics should be used when investigating the transactions of UK-resident companies with non-resident companies. OECD recommends the use of FDI statistics on an asset/liability basis when conducting macroeconomic analysis, whereas directional FDI statistics should be used when studying the nature and motivations of FDI, for example for identifying the source countries of direct investment in a particular country or for assessing the access to specific foreign markets by direct investors in that country (further information from the OECD is available [here](https://www.oecd.org/daf/inv/FDI-statistics-asset-liability-vs-directional-presentation.pdf)). | | | | |  | Key department | ONS  fdi@ons.gov.uk |  |
|  |  | Key individuals | **Andrew Jowett**  Andrew.jowett@ons.gov.uk  **Lee Mallett**  Lee.mallett@ons.gov.uk |  |
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|  | **Quality Indicators** | | |  |  |  | **Related Datasets** |  |  |
|  | **Status** | Official Statistics | | | |  | * These statistics have been used in some of our ongoing analysis of FDI statistics: [UK Foreign direct investment, trends and analysis](https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/articles/ukforeigndirectinvestmenttrendsandanalysis/previousReleases) * Equivalent tables using the [directional](https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/bulletins/foreigndirectinvestmentinvolvingukcompanies/previousReleases) principle are available in a separate statistical bulletin. * We have also completed some [international comparisons of FDI results](https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/articles/internationalperspectiveonukforeigndirectinvestmentfdi/previousReleases) using [OECD statistics](https://stats.oecd.org/). * The asset and liability and directional measurement principles use the same FDI data to calculate those statistics; [an explanation of these calculations](https://www.slideshare.net/statisticsONS/foreign-direct-investment-measurement-principles-explained) is available. | |  |
|  | **Strengths +** | * Provides information on the country and industry of FDI involving UK companies. * Components for FDI earnings and positions are also available * Provides detail on cross-border investments involving UK-resident companies. * These statistics are fully-comparable with aggregate FDI values in the balance of payments (Pink Book). | | | |  |  |
|  | **Weaknesses -** | * The May 2019 bulletin does not include any information on FDI flows. * These statistics are not comparable with our separate mergers and acquisitions (M&A) bulletins. * Some values are suppressed to mitigate disclosure. | | | |  |  |
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