

Statistical bulletin

Foreign direct investment involving UK companies: 2019

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:
Andrew Jowett
fdi@ons.gov.uk
+44 (0)1633 455357

Release date:
21 December 2020

Next release:
To be announced

Table of contents

1. [Main points](#)
2. [Foreign direct investment earnings](#)
3. [Foreign direct investment positions](#)
4. [Net foreign direct investment values](#)
5. [Foreign direct investment data](#)
6. [Glossary](#)
7. [Measuring the data](#)
8. [Strengths and limitations](#)
9. [Related links](#)

1 . Main points

- The value of inward foreign direct investment earnings fell in 2019 (£43.8 billion) compared with 2018 (£75.2 billion); this decrease (£31.4 billion) was much larger than the fall in outward earnings (£2.4 billion) over the same period.
- The much larger fall in the value of inward than outward earnings saw the value of net FDI earnings (outward less inward) in 2019 increase to the highest value since 2011.
- Inward FDI earnings with the EU accounted for the greatest proportion of the overall decrease between 2018 and 2019; followed by earnings with the Americas and Asia.
- Inward earnings across all industrial groupings were also lower in 2019 compared with 2018.
- The value of the stock of investment that UK-based companies controlled abroad – outward FDI position – increased, while the value of the stock in the UK controlled by foreign parent companies – inward FDI position – decreased in 2019; this made the UK's net FDI investment position (outward less inward) less negative.
- The outward FDI position in manufacturing industries was the main industrial grouping to increase its value in 2019 compared with 2018; the largest decrease was in information and communication.
- This is the first time that we have published asset and liability estimates at the same time as our directional statistics; while the values of related statistics – such as outward FDI earnings compared with FDI credits – will be different, the trends in those series will be similar and the net values (outward less inward earnings or credits less debits) will be identical.

2 . Foreign direct investment earnings

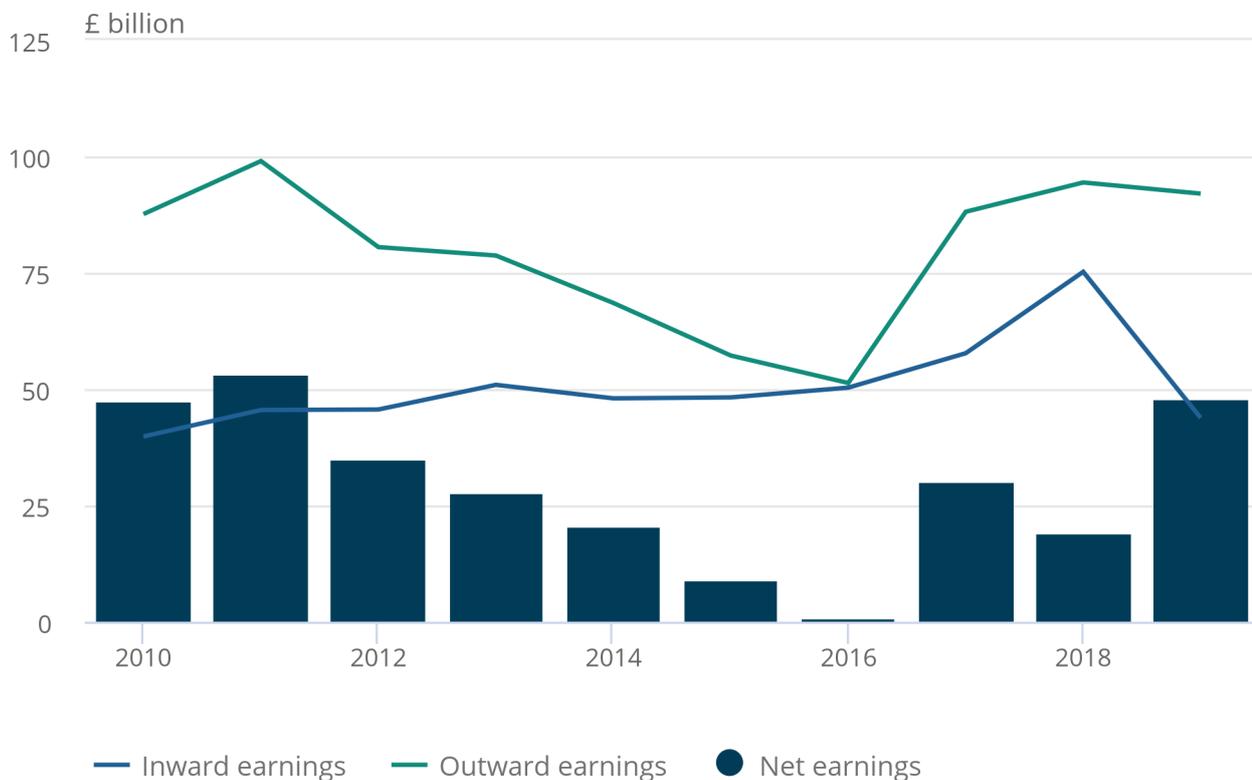
The values of both outward and inward foreign direct investment (FDI) earnings – effectively the profits and losses generated on FDI – decreased in 2019 from 2018. The value of earnings from inward FDI (UK-based affiliates with foreign parent companies) fell considerably, from £75.2 billion in 2018 to £43.8 billion in 2019. This was a decrease of £31.4 billion between these two years, and meant that the 2019 value was the lowest inward earnings since 2010 (Figure 1).

Figure 1: Earnings on inward FDI fell by much more than that on outward FDI in 2019 from 2018

Earnings on UK foreign direct investment with net earnings balance, 2010 to 2019

Figure 1: Earnings on inward FDI fell by much more than that on outward FDI in 2019 from 2018

Earnings on UK foreign direct investment with net earnings balance, 2010 to 2019



Source: Office for National Statistics – Foreign direct investment involving UK companies

Notes:

1. This figure uses directional statistics.

In contrast, the earnings on outward FDI (UK-controlled affiliates located in other countries) was only slightly lower in 2019 than in 2018. The value of those earnings decreased by £2.4 billion over that period, which was the smallest absolute change – either positive or negative – for outward FDI earnings since 2013 compared with 2012. Despite this decrease, it remains consistent with the recent upward trend in outward FDI earnings since 2016. Furthermore, the value of outward earnings in 2019 (£92.0 billion) was still higher than in 2017 (£88.1 billion) and higher than in any year between 2011 and 2017.

The much larger fall in the value of inward than outward earnings saw the value of net FDI earnings (outward less inward) in 2019 increase to the highest value since 2011. Net FDI earnings were £48.1 billion in 2019, compared with £19.2 billion in 2018. Even though this section uses directional statistics, the net FDI earnings value matches that for net FDI income using asset and liability statistics¹. This increase in net FDI income will make a positive contribution to the current account balance.

More about economy, business and jobs

- All ONS analysis, summarised in our [economy, business and jobs roundup](#).
- Explore the latest trends in employment, prices and trade in our [economic dashboard](#).
- View [all economic data](#).

Inward FDI earnings with the EU decreased considerably in 2019 compared with 2018

The values of inward FDI earnings with most continents were lower in 2019 compared with 2018. This decrease was greatest with the EU, where inward earnings went from £29.4 billion in 2018 to £15.5 billion in 2019, or £13.9 billion lower (Figure 2). This means that the value of inward FDI earnings with the EU roughly halved between those two years, although some of that change was exaggerated by the very high value of inward earnings in 2018 compared with £17.3 billion in 2017.

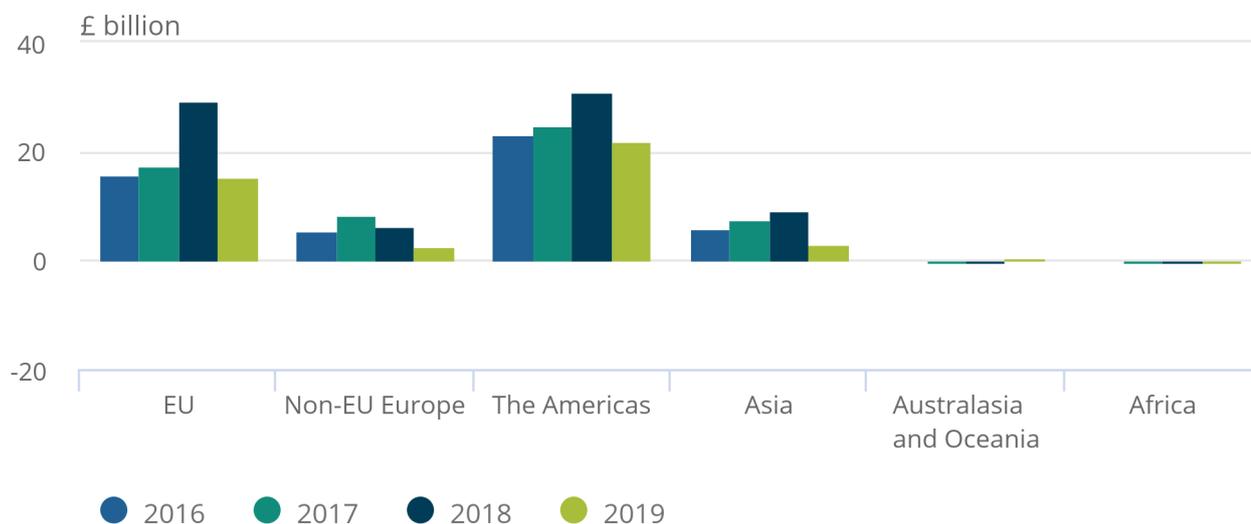
Microdata analysis shows that there were a few companies that contributed the most to the increase in FDI earnings in 2018, while companies with EU immediate parent companies were generally reporting lower earnings in 2019. Our analysis also shows that the majority of the lower earnings are from lower profits or higher losses rather than where our methods have imputed lower values for non-response.

Figure 2: There were notable falls in the value of inward FDI earnings with the EU, non-EU Europe, the Americas and Asia in 2019 from 2018

Inward earnings on UK foreign direct investment by continent, 2016 to 2019

Figure 2: There were notable falls in the value of inward FDI earnings with the EU, non-EU Europe, the Americas and Asia in 2019 from 2018

Inward earnings on UK foreign direct investment by continent, 2016 to 2019



Source: Office for National Statistics – Foreign direct investment involving UK companies

Notes:

1. This figure uses directional statistics.
2. Details on the countries included within each continent can be found in [Section 7](#).

The value of inward FDI earnings were also lower with the Americas and Asia, decreasing by £8.8 billion and £5.8 billion respectively between 2018 and 2019. Once again, these changes for the Americas were mainly from most companies reporting lower FDI earnings from their UK affiliates than being dominated by a few companies with very low earnings. The exception to these trends were inward earnings with Australasia and Oceania. These earnings increased slightly from negative £0.2 billion in 2018 to positive £0.5 billion in 2019, which mainly came from very high earnings in a few companies.

Inward FDI earnings for all industrial groupings were lower in 2019 than in 2018

Just over half of the decrease in inward FDI earnings in 2019 compared with 2018 came from two industrial groupings. The value of inward earnings in financial services were £8.5 billion lower, while those for retail and transport were £8.2 billion lower over that period. This was followed by lower earnings among professional and support companies (£4.7 billion lower) and manufacturing (£4.4 billion lower). For both the retail and transport, and professional and support groupings, the decrease in 2019 was amplified by higher FDI earnings in 2018 compared with 2017 (Figure 3).

Figure 3: Inward FDI earnings for all industrial groups were lower in 2019 than in 2018

Inward earnings on UK foreign direct investment by industry, 2016 to 2019

Figure 3: Inward FDI earnings for all industrial groups were lower in 2019 than in 2018

Inward earnings on UK foreign direct investment by industry, 2016 to 2019



Source: Office for National Statistics – Foreign direct investment involving UK companies

Notes:

1. This figure uses directional statistics.
2. Details on which industries are included within these industrial groups can be found in [Section 7](#).
3. These statistics exclude inward FDI earnings related to banks, bank holding companies, property and public corporations but are included within total UK FDI earnings.

Unlike with FDI earnings by continent, inward FDI earnings for all industrial groupings were lower in 2019 than in 2018. However, that for information and communication was £0.7 billion higher in 2019 than in 2017, maintaining the general upward trend in inward FDI earnings among companies in that industrial grouping.

Notes for: Foreign direct investment earnings

1. [Foreign direct investment measurement principles explained](#) gives a simplified example of how directional and asset and liability statistics can be calculated from the same survey data.

3 . Foreign direct investment positions

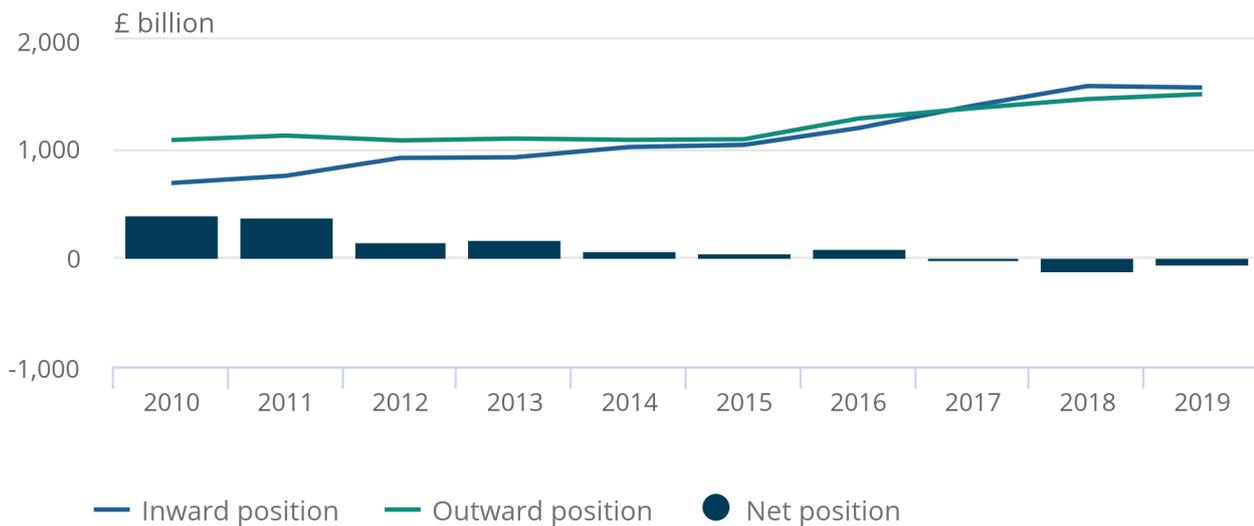
The UK's outward foreign direct investment (FDI) position – the stock of investment that UK-based companies controlled abroad – in 2019 increased slightly from that in 2018. The value went from £1,453.1 billion to £1,498.2 billion, an increase of £45.1 billion (Figure 4). This continued the upward trend in the outward FDI position that started in 2014.

Figure 4: The UK's net FDI investment position was negative in 2019 for the third consecutive year

UK foreign direct investment positions with net position balance, 2010 to 2019

Figure 4: The UK's net FDI investment position was negative in 2019 for the third consecutive year

UK foreign direct investment positions with net position balance, 2010 to 2019



Source: Office for National Statistics – Foreign direct investment involving UK companies

Notes:

1. This figure uses directional statistics.

The value of the UK's inward FDI position – the stock of FDI in the UK controlled by foreign companies – was lower in 2019 compared with 2018, but this fall was not as big as the relative fall in inward FDI earnings over that period. The inward FDI position went from £1,572.8 billion in 2018 to £1,558.6 billion in 2019, making it 0.9% (or £14.2 billion) lower. By contrast, the value of inward FDI earnings was 41.8% lower over that period.

The fall in the value of the inward position combined with an increase in the outward FDI position means that the UK's net FDI position (outward less inward) increased in 2019. It was negative £60.3 billion compared with negative £119.7 billion in 2018. This still continues the general downward trend in the net FDI position observed since 2010, when the net position was positive £394.8 billion.

Manufacturing was the main industrial grouping where the UK's outward FDI position increased in 2019

The UK's outward FDI position in manufacturing industries increased the most in 2019 from 2018. It rose by £54.3 billion, from £260.1 billion to £314.4 billion over that period (Figure 5). This was much higher than the increase in the outward position with retail and transport (£5.9 billion) and financial services (£5.2 billion).

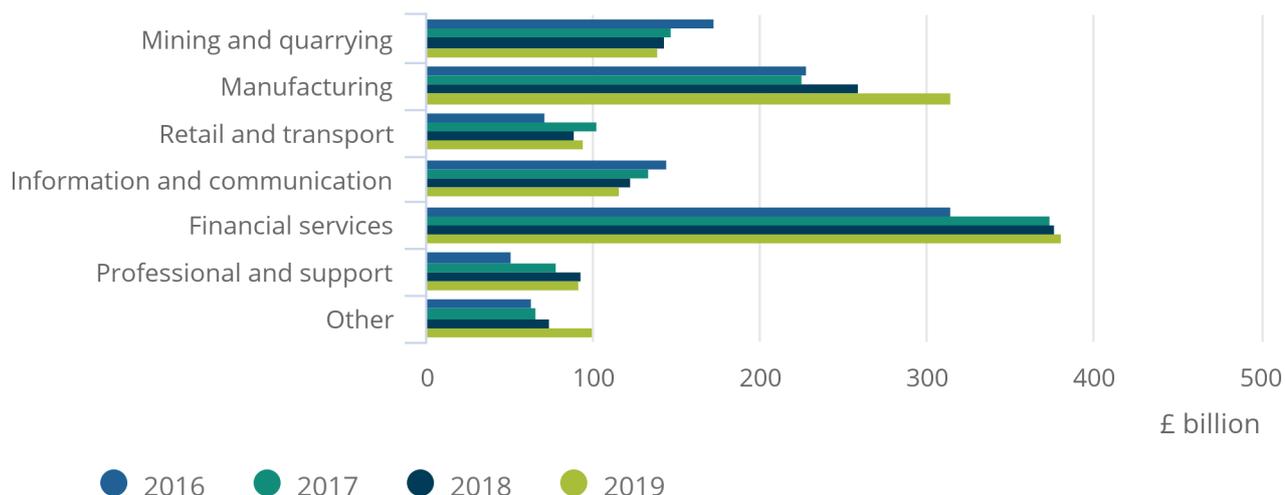
Looking at the sub-industries of manufacturing shows that this was mainly from higher positions in food, beverages and tobacco, and petroleum, chemicals, pharmaceuticals, rubber and plastic products. Our microdata research also indicates that the greater position in manufacturing was from a lot of companies reporting higher positions rather than a few dominating the result.

Figure 5: The UK's outward FDI position in manufacturing increased considerably in 2019 from 2018

UK outward foreign direct investment positions by industry, 2016 to 2019

Figure 5: The UK's outward FDI position in manufacturing increased considerably in 2019 from 2018

UK outward foreign direct investment positions by industry, 2016 to 2019



Source: Office for National Statistics – Foreign direct investment involving UK companies

Notes:

1. This figure uses directional statistics.
2. Details on which industries are included within these industrial groups can be found in [Section 7](#).
3. These statistics exclude outward FDI positions related to banks, bank holding companies, property and public corporations but are included within total UK FDI positions.

The biggest fall in the UK's outward FDI position was with information and communication industries. It decreased from £122.4 billion in 2018 to £115.6 billion in 2019. There were also lower outward positions in mining and quarrying, and professional and support industrial groupings over that period, which somewhat off-set the increase from manufacturing.

4 . Net foreign direct investment values

International guidance on compiling foreign direct investment (FDI) statistics allows for these to be presented using the asset and liability or directional measurement principles. Asset and liability statistics are consistent with the balance of payments, which measures the transactions of UK residents with the rest of the world.

Directional FDI statistics look at the net transactions of parent companies with their affiliates, including those parents not resident in the UK. Both measurement principles can be calculated from the same FDI survey data, where an example of these calculations can be found in [foreign direct investment measurement principles explained](#).

This section compares the directional statistics for FDI positions and earnings with the equivalent asset and liability estimates. In all cases, the net values should be identical, whichever measurement principle is used. Table 1 presents the comparison for FDI credits and debits against FDI earnings and Table 2 compares FDI assets and liabilities with outward and inward positions.

Table 1: Foreign direct investment credits and debits compared with directional outward and inward earnings
UK, 2016 to 2019, £ billion

Asset and liability

	Credits	Debits	Net income
2016	59.0	58.0	1.0
2017	96.1	65.7	30.4
2018	103.0	83.8	19.2
2019	99.5	51.4	48.1

Directional

	Outward earnings	Inward earnings	Net earnings
2016	51.3	50.3	1.0
2017	88.1	57.7	30.4
2018	94.4	75.2	19.2
2019	92.0	43.8	48.1

Source: Office for National Statistics – Foreign direct investment involving UK companies (directional, and asset and liability)

Notes

1. Asset and liability statistics in this bulletin may not match those included in the balance of payments because of rounding.
2. In line with the UK National Accounts Revisions Policy, revised estimates presented for 2018 in this statistical bulletin will not be incorporated into balance of payments statistics until Pink Book 2021.
3. Net earnings figures may not be exactly equal because of rounding.

Table 2: Foreign direct investment assets and liabilities compared with directional outward and inward positions UK, 2016 to 2019, £ billion

Asset and liability

	Assets	Liabilities	Net position
2016	1,633.1	1,545.7	87.3
2017	1,753.2	1,776.6	-23.4
2018	1,753.5	1,873.2	-119.7
2019	1,766.0	1,826.3	-60.3

Directional

	Outward position	Inward position	Net position
2016	1,274.6	1,187.3	87.3
2017	1,369.1	1,392.5	-23.4
2018	1,453.1	1,572.8	-119.7
2019	1,498.2	1,558.6	-60.3

Source: Office for National Statistics – Foreign direct investment involving UK companies (directional, and asset and liability)

Notes

1. Asset and liability statistics in this bulletin may not match those included in the balance of payments because of rounding.
2. In line with the UK National Accounts Revisions Policy, revised estimates presented for 2018 in this statistical bulletin will not be incorporated into balance of payments statistics until Pink Book 2021.
3. Net positions figures may not be exactly equal because of rounding.

The asset and liability FDI statistics are higher than the respective directional equivalent estimates in every year covered by this bulletin. This is because the asset and liability statistics count every FDI asset held by a UK-resident company and every liability of non-UK residents. These are added together irrespective of whether the asset (or liability) is held by a (non-) UK-based parent company or affiliate. However, directional statistics subtract any transactions from affiliates back to their parent company.

5 . Foreign direct investment data

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

Dataset | Released 21 December 2020

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 21 December 2020

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

[Foreign direct investment involving UK companies \(asset and liability\): liabilities](#)

Dataset | Released 21 December 2020

Annual statistics on the direct investment liabilities, debits and inward flows of non-resident companies into the UK.

[Foreign direct investment involving UK companies \(asset and liability\): assets](#)

Dataset | Released 21 December 2020

Annual statistics on the direct investment assets, credits and outward flows of UK-resident companies abroad.

6 . 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: the direct investments of UK-resident companies in other countries
- inward: the direct investments in the UK from non-resident companies

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.

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.

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.

Assets and liabilities

FDI assets is the total stock of direct investment held abroad that is controlled by UK-resident companies. This includes the overseas direct investments of foreign-owned companies in the UK as well as the FDI of UK-based parent companies. FDI liabilities is the stock of direct investments in the UK controlled by foreign companies. This includes investments of foreign parent companies into the UK as well as the reverse investments of UK-controlled affiliates with their UK parent company.

Credits and debits

Credits and debits measure the income generated on a stock of direct investment over a period of time. FDI assets generate credits while debits come from liabilities. These are both gross values of the total income of all overseas investments (credits) and all foreign-owned investments in the UK (debits).

Asset and liability measurement principle

The asset and liability measurement principle uses residency as the main distinction between outward and inward investments. It measures the direct investments of UK resident companies – both UK parent companies and foreign-owned UK affiliates – with the rest of the world relative to the direct investments of non-UK resident companies held in the UK. These statistics are consistent with the [Pink Book](#).

7 . Measuring the data

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. This bulletin uses directional statistics, which are also compared with asset and liability equivalent results in Section 4 (see the [Glossary](#) for further information). Compiling asset and liability statistics involves combining information from the outward and the inward surveys.

Coverage and sample size

The FDI estimates published within this bulletin cover the period 2010 to 2019; the 2018 estimates are revised, and 2019 statistics are published for the first time. The quarterly balance of payments estimates for 2019, published on 22 December 2020, will be comparable with what is published in this bulletin. The annual survey was used to benchmark statistics previously published for 2019, which were based on the Quarterly FDI Survey.

The annual surveys have larger sample sizes than the quarterly surveys, and they are sent to companies to complete with information in their audited annual accounts rather than management accounts. Estimates presented for 2018 will be incorporated into [quarterly balance of payments statistics](#) ahead of Pink Book 2021.

Quality

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

We are also continuing to develop our FDI statistics in a number of areas. More details on our other development plans can be found in [Developing foreign direct investment statistics: 2019](#).

End of EU Exit Transition period

After the transition period ends on 31 December 2020, the UK statistical system will continue to collect and produce our wide range of economic and social statistics. We are committed to continued alignment with international statistical standards, enabling comparability both over time and internationally and we will work with users of statistics to make sure they have the data they need to support the decisions they have to make.

As the shape of the UK's future statistical relationship with the EU becomes clearer over the coming period, the Office for National Statistics (ONS) is making preparations to assume responsibilities that as part of our membership of the EU, and during the transition period, were delegated to the statistical office of the EU, Eurostat. This includes responsibilities relating to international comparability of economic statistics, deciding what international statistical guidance to apply in the UK context and to provide further scrutiny of our statistics and sector classification decisions.

In applying international statistical standards and best practice to UK economic statistics, we will draw on the technical advice of experts in the UK and internationally, and our work will be underpinned by the UK's well-established and robust framework for independent official statistics, set out in the Statistics and Registration Service Act 2007. Further information on our proposals will be made available in early 2021.

Details of countries within each continent for FDI statistics

Africa

Algeria, Angola, Benin, Botswana, British Indian Ocean Territory, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, The Democratic Republic of the Congo (Zaire), Djibouti, Egypt, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Côte d'Ivoire (Ivory Coast), Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, St Helena, Ascension and Tristan da Cunha, Sudan, Tanzania, Togo, Tunisia, Uganda, Zambia, and Zimbabwe.

Americas

Anguilla, Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bermuda, Bolivia, Bonaire, Sint Eustatius and Saba, Brazil, Canada, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Curacao, Dominica, Dominican Republic, Ecuador, El Salvador, Falkland Islands, Greenland, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Montserrat, Nicaragua, Panama, Paraguay, Peru, Saint Lucia, Sint Maarten, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, United States, Uruguay, Venezuela, British Virgin Islands, and US Virgin Islands.

Asia

Abu Dhabi, Afghanistan, Armenia, Azerbaijan, Bahrain, Bangladesh, Bhutan, Brunei Darussalam, Myanmar (Burma), Cambodia, China, Dubai, Georgia, Hong Kong, India, Indonesia, Iran, Iraq, Israel, Japan, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Laos, Lebanon, Macao, Malaysia, Maldives, Mongolia, Nepal, North Korea, Oman, Pakistan, Palestinian Territory, Philippines, Qatar, Saudi Arabia, Singapore, South Korea, Sri Lanka, Syria, Taiwan, Tajikistan, Thailand, Timor-Leste, Turkmenistan, United Arab Emirates, Uzbekistan, Vietnam, and Yemen.

Australasia and Oceania

American Samoa, Antarctica, Australia, Bouvet Island, Christmas Island, Cocos (Keeling) Islands, Cook Islands, Fiji, French Polynesia, French Southern and Antarctic Lands, Guam, Heard Island and McDonald Islands, Kiribati, Marshall Islands, Micronesia, Nauru, New Caledonia, New Zealand, Niue, Norfolk Island, Northern Mariana Islands, Palau, Papua New Guinea, Pitcairn, Samoa, Solomon Islands, South Georgia and The South Sandwich Islands, Tokelau, Tonga, Tuvalu, US Minor Outlying Islands, Vanuatu, and Wallis and Futuna.

EU Europe

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden.

Non-EU Europe

Albania, Andorra, Belarus, Bosnia and Herzegovina, Faroe Islands, Gibraltar, Guernsey, Holy See (Vatican City State), Iceland, Isle of Man, Jersey, Liechtenstein, North Macedonia, Moldova, Montenegro, Norway, Russian Federation, San Marino, Serbia, Switzerland, Turkey, and Ukraine.

Details of the industries within the industrial groups used from FDI dataset tables 2.3, 3.3 and 4.3

Mining and quarrying

Mining and quarrying.

Manufacturing

Food products, beverages and tobacco products; textiles and wood activities; petroleum, chemicals, pharmaceuticals, rubber, plastic products; metal and machinery products; computer, electronic and optical products; transport equipment; and other manufacturing.

Retail and transportation services

Retail and wholesale trade, repair of motor vehicles and motorcycles; and transportation and storage.

Information and communication services

Information and communication.

Financial services

Financial services.

Professional and support services

Professional, scientific and technical services; and administrative and support service activities.

Other

Agriculture, forestry and fishing; electricity, gas, water and waste; construction; and other services.

8 . Strengths and limitations

Revisions

The estimates in this statistical bulletin are based on the Annual Foreign Direct Investment (FDI) Survey for 2019. Provisional estimates can be derived from quarterly surveys and appear in the [quarterly balance of payments statistical bulletins](#). However, estimates based on the annual surveys provide firmer and more detailed figures, which for 2019 will be incorporated into the balance of payments publication on 22 December 2020.

Reporting FDI relationships

In line with international guidance, UK FDI statistics are presented 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.

Accuracy

Sampling error is the error caused by observing a sample instead of the whole population. While each sample is designed to produce the "best" estimate of the true population value, a number of equal-sized samples covering the population would generally produce varying population estimates.

Sample surveys are employed rather than censuses, because the census process is currently too lengthy and costly to be viable for these surveys. Standard errors are an estimate of the sampling error and provide a measure of the precision of the estimate. A lower standard error indicates a more precise estimate.

Table 3 presents the standard errors on FDI statistics for 2019. Care in interpretation is required as the estimated coefficient of variation (CV) – defined as the ratio of the standard error of the estimate to the estimate itself – becomes less applicable if that estimate is near zero or negative, as is possible for some FDI outputs. It is expected that CVs are larger for total flows than for total earnings and positions, since the estimates are an aggregation of volatile sub-components. For these reasons, it is advisable that standard errors are used over CVs as a measure of precision for estimates of flows.

Table 3: Foreign direct investment standard errors
UK, 2019

	Annual inward			Annual outward		
	Published estimate (£ million)	Standard error (£ million)	Coefficient of variation (%)	Published estimate (£ million)	Standard error (£ million)	Coefficient of variation (%)
Earnings	43,818	1,421	3.2	91,959	1,001	1.1
Flows	35,598	8,040	22.6	-4,758	3,208	-
Position	1,558,551	8,481	0.5	1,498,233	3,356	0.2

Source: Office for National Statistics – Foreign direct investment involving UK companies

Notes

1. Coefficients of variation are not available for estimates that are negative or close to zero as standard error is the more suitable measure for precision in these cases.

In addition to sampling errors, there is also the potential for non-sampling error. This cannot be easily quantified. One potential source of non-sampling error is from non-response, which relates to the failure to obtain data from the sample. Low response rates may introduce bias if respondents are not fully representative of those selected in the sample. Various efforts are made to minimise non-response, including written and email reminders and follow-up telephone calls to non-responding businesses.

The response rates for the 2019 annual surveys are shown in Table 4.

Table 4: Response rates for annual foreign direct investment surveys
UK, 2019

	Outward FDI	Inward FDI
Selected sample size	2,370	4,289
Numbers co-operating fully or partially	889	1,887
Non-responders	1,481	2,402
Overall response rate (%)	38	44

Source: Office for National Statistics – Foreign direct investment involving UK companies

9 . Related links

Asset and liability

[Foreign direct investment involving UK companies \(asset and liability\): 2018](#)

Statistical bulletin | Released 6 February 2020

Investment of UK companies abroad (assets and credits) and foreign companies into the UK (liabilities and debits) by country, component and industry.

[UK foreign direct investment, trends and analysis \(implied rates of return\): February 2020](#)

Article | Released 6 February 2020

Updating previous analysis of trends in implied rates of return for FDI involving UK companies.

[UK foreign direct investment, trends and analysis \(distribution\): February 2020](#)

Article | Released 6 February 2020

Insights from analysing micro-data on the distribution of foreign direct investment positions using the asset and liability measurement principle.

[Balance of payments, UK: April to June 2020](#)

Statistical bulletin | Released 30 September 2020

A measure of cross-border transactions between the UK and rest of the world. Includes trade, income, capital transfers, and foreign assets and liabilities.

Directional

[Foreign direct investment in digital industries, trends and analysis: November 2020](#)

Article | Released 2 November 2020

Further insights into foreign direct investment (FDI) among companies in digital industries.

[Foreign direct investment trends and analysis: August 2020](#)

Article | Released 3 August 2020

Provides new estimates for 2018 covering: foreign direct investment (FDI) presented by the ultimate controlling parent approach and insights on the contributions of FDI businesses to the UK economy.