

## Explanatory notes

### What is foreign direct investment?

Foreign direct investment (FDI) is a category of cross-border equity investment in which the aim of the direct investor is to exert considerable influence on or control over the management of the direct investment enterprise. Cross-border holdings of the capital and reserves of enterprises, branches and permanent establishments are regarded as FDI where at least 10% of the shares or voting rights are directly attributable to the investor, or, taken together, more than 50% of the capital shares or voting rights are directly and indirectly attributable to the investor. With respect to FDI in the reporting country, a direct investment relationship also exists if a group of related enterprises have a joint holding of 10% or more in an enterprise in the reporting country. When it comes to longer chains of ownership, determining whether a direct investment relationship exists depends on the method used. According to the direct influence/indirect control method (DIIC),<sup>1</sup> all enterprises in a continuous chain of majority ownership (“dependent enterprises”), all enterprises in which an investor directly owns 10% or more of the shares or voting rights. The German FDI statistics are based on the DIIC with the exception of the lattermost type of majority ownership, which is not included in the German definition.

The German FDI statistics generally observe the concepts and requirements set down in the sixth edition of the International Monetary Fund’s (IMF) Balance of Payments and International Investment Position Manual, Sixth Edition, 2009 (BPM6) and the OECD’s Benchmark Definition of Foreign Direct Investment, Fifth Edition, 2025.

The Bundesbank publishes a range of FDI statistics in order to meet users’ various analytical needs and respective international organisations’ reporting requirements. Data on FDI are included in three statistics: The financial account – as a sub-account of the Balance of payments – contains the transactions on a monthly basis market values. The international investment position (i.i.p.) shows the stocks at the end of each quarter. The FDI stock survey points to the end of the year on the basis of corporate financial statements. These results can still be presented in accordance with the asset/liability (A/L) principle or the extended directional principle (xDP). In more in-depth analyses, a distinction is also made between immediate and ultimate FDI. The next section provides more detail about the sub-

sets of statistics available and the concepts they are based on. The final section of the methodological notes includes a summary table listing the data provided by individual FDI statistics, specifying the available breakdowns of each (granularity).

### Stocks and transactions

The stock statistics for German FDI include the FDI stock statistics and FDI in the international investment position (i.i.p.). Both statistics are point-in-time, but sometimes follow different methodological concepts (see below) and thus provide different ways of looking at direct investment.

The FDI stock statistics are based on reports by domestic enterprises and individuals on “residents’ assets abroad” and “non-residents’ assets in the reporting country”, which have to be submitted to the Bundesbank once a year.

The Foreign Trade and Payments Act and the Foreign Trade and Payments Regulation provide reporting thresholds for the reporting of direct investment entities. For German publications, FDI stocks are calculated from the (share of) equity (nominal capital, capital and revenue reserves, retained earnings/accumulated losses brought forward and annual result) and the credit relationships between investors and affiliated enterprises. As far as credit relationships are concerned, loans between financial intermediaries (banks and financing institutions) do not count as FDI.

The i.i.p.<sup>2</sup> records FDI stocks, amongst other things, on a quarterly basis; these are based on various sources of primary statistical data. The main source for equity capital is the annual FDI stock statistics. However, data on the intra-year quarters must be supplemented by extrapolating transactions from the balance of payments. The same

<sup>1</sup> An overview of the internationally recognised methods can be found in the Annex to the Organisation for Economic Cooperation and Development’s (OECD) Benchmark Definition of Foreign Direct Investment, Fifth Edition 2025 (Annex 4, pp. 164 ff.).

<sup>2</sup> The international investment position (i.i.p.) represents those at market prices measured financial assets and liabilities between residents and non-residents at the end of the respective quarter of which: The i.i.p. thus provides information on both the amount and The structure of financial assets held abroad by residents; As well as financial assets held by non-residents in Germany. The net international investment position in the Ratio to GDP is a key indicator in the EU procedure A macroeconomic imbalance (Macroeconomic Imbalance procedure: MIP).

applies to the current quarters of the i.i.p., for which no FDI stock statistics are yet available. Since the results of the FDI stock statistics are compiled from balance sheets, the data are available only with a lag of 16 months after year-end. Therefore, the i.i.p. data at the current edge are estimated using transaction reports from the balance of payments and are subsequently revised using the collected stock data.

Moreover, data on cross-border real estate as well as construction work for construction sites existing for more than one year are added from the balance of payments. As described above, equity capital is calculated at book value from the balance sheets of the investment enterprises. Shareholdings in direct investment enterprises listed on stock exchanges, by contrast, are recorded at the listed price.

All direct investment loans in the i.i.p., i.e. long and short-term intra-group loans and trade credits, are based on the monthly stock statistics on the external position of non-banks.

FDI transactions are recorded in the balance of payments<sup>3</sup>. The purpose of the balance of payments is to provide a systematic breakdown of all economic transactions between residents (natural and legal persons resident in Germany) and non-residents (natural and legal persons resident abroad) within a given period (month, quarter, year). Only direct relationships can be reported here.

The Foreign Trade and Payments Act and the Foreign Trade and Payments Ordinance also set exemption limits for the primary statistical reporting requirement for the balance of payments (reported transactions). They apply to direct investment reported as transactions.

Long-term trade credits as well as short-term loans and trade credits are derived from the monthly stock statistics on the external position of non-banks. Information on reinvested earnings is also derived. Reinvested earnings comprise the part of the annual result which stems from the ordinary operations of the investment enterprise and which exceeds the (share of) distributions paid. Thus, methodologically speaking, reinvested earnings represent an implied reinvestment of financial resources. They are determined on the basis of the FDI stock statistics and allocated to the year in which the earnings were realised.

## Presentation methods for FDI statistics: asset/liability principle and extended directional principle

Two ways of analysis foreign direct investment (FDI) have become established internationally; they are most frequently referred to as the asset/liability principle and the extended directional principle. In German FDI statistics, the two presentation forms differ only in terms of debt instruments, i.e. the credit transactions between affiliated enterprises. The presentation of equity (irrespective of whether transactions or stocks are concerned), is identical for both presentation principles.<sup>4</sup> The **extended directional principle (xDP) focuses on the direction of the original FDI**. Capital flows from the direct investor to the direct investment enterprise are considered the “normal” direction, while investments in the opposite direction are termed “reverse investments”. **For this reason, loans from the investment enterprise to the investor are deducted from the loans from investors to the investment enterprises**. The way in which loans between fellow enterprises are recorded in the statistics depends on the domicile of the group’s headquarters. If the group’s headquarters are domiciled in Germany, all debt positions between resident and non-resident fellow enterprises are recorded as German outward FDI. For group headquarters domiciled abroad, debt positions are recorded as inward FDI in Germany.

**Intra-group loans are also shown in the asset-liability principle (ALP)**. Both the credit claims of German shareholders on their foreign affiliated enterprises as well as loans from German direct investment enterprises to their foreign investors are shown under claims on affiliated enterprises abroad. Conversely, loans from foreign shareholders to German investment enterprises and loans from foreign direct investment enterprises to their German shareholders are categorised as liabilities to foreign affi-

<sup>3</sup> The balance of payments captures all economic transactions between residents and non-residents within a given period of time, thus showing the multi-layered external linkages of an economy with the rest of the world. It is an important component of the consolidated balance of payments of the euro area and the European Union. At the national and international level, the balance of payments provides important information on the external linkages of the economic area under review to the authorities responsible for monetary and economic policy as well as to associations, enterprises and academia.

<sup>4</sup> In contrast to debt instruments, for equity it is assumed that a direct investment enterprise does not have an equity stake in the direct investor. Because of this assumption, both presentation methods lead to the same result.

ated companies. Both forms of representation, extended direction principle and presentation by assets and liabilities; stand side by side on an equal footing. The main factor Rather, the choice of presentation is based on the question: Which are answered by the relevant data target: When looking at **real economic relationships, it is preferable to use the extended directional principle**, as this offsets intra-group loans to be used. If, however, **the focus is on international financial linkages, Germany's claims and liabilities vis-à-vis the are presented more adequate abroad**, as gross figures are shown here to be used.

## Analytical differences regarding country allocation: immediate FDI and ultimate concepts

Direct investment relationships frequently have longer chains of ownership across multiple countries. The standard international format for presenting FDI is by immediate country of the direct investor (for FDI in the reporting country) or the direct investment enterprise (for domestic FDI abroad). One alternative of additional analytical benefit is presentation using ultimate concepts. Applying this method, regional presentation is expanded either "upwards" or "downwards" along the chain of ownership for both FDI in the reporting country and domestic FDI abroad. With respect to FDI in the reporting country, investments are presented according to the country of the uppermost direct investor or the group headquarters (Ultimate Controlling Parent (UCP) or Ultimate investing Economy (UIE)).

Domestic FDI abroad can be presented according to the country of the ultimate investment object (ultimate host economy: UHE). Holding companies or Special Purpose Vehicles have, for example: The task of procuring capital, however, does not fulfil a productive purpose. However, the latter is more appropriate for the analysis. The value of direct investment is therefore measured via the **first operating unit**. Consolidation thus makes it possible to "look through" the dependent holding companies and thereby identify the region or sector where the actual investment object is located without counting the employed capital multiple times.

## Overview of data provided by different sets of FDI statistics and a list of abbreviations

### Overview of the data supply in the field of direct investment

Periodicity	Stock statistics	International investment position	Balance of Payments (transaction values)		
	annually	quarterly	monthly	quarterly	annually
Publication	Direct investment statistics/ further tables	International investment position and external debt	Balance of payments		Direct investment statistics
<b>Presentation principles</b>					
xDP	✓	–	–	–	✓
ALP	–	✓	✓	✓	✓
<b>Breakdown</b>					
Countries	✓	✓	✓	✓	✓
Sectors	–	✓	✓	✓	–
economic activity	✓	–	–	–	✓
Countries x sectors	–	–	–	–	–
countries x economic activity	✓	–	–	–	–
Federal states	✓	–	–	–	–
OFATS (key indicators)	✓	–	–	–	–
<b>Concepts</b>					
immediate (IHE/IIE/IRSA)	✓	✓	✓	✓	✓
ultimate host economy (UHE/URSA)	✓	–	–	–	–
ultimate resident (UIE)	✓	–	–	–	–

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### List of abbreviations

Abbreviations	Meaning german	Meaning englisch
xDP	erweitertes Richtungsprinzip	Extended Directional Principle
ALP	Asset Liability Prinzip	Asset Liability Principle
IHE	direktes ausländisches Investitionsobjekt	immediate host economy
UHE	erste operative Einheit (im Ausland)	ultimate host economy (abroad)
IIE	direkter ausländischer Investor	immediate investing economy
IRSA	direktes inländisches Investitionsobjekt	immediate resident sector/activity
URSA	erste operative Einheit (im Inland)	ultimate resident sector/activity (domestic)
UIE	Konzernspitze des Investors	ultimate investing economy

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## ■ List of countries <sup>5</sup>

### I. Europe

#### 1. EU member states (27)

##### 1.1 Euro area (21)

Austria  
Belgium  
Bulgaria  
Croatia  
Cyprus  
Estonia  
Finland  
France  
Greece  
Ireland  
Italy  
Latvia  
Lithuania  
Luxembourg  
Malta  
Netherlands  
Portugal  
Slovakia  
Slovenia  
Spain

European Central Bank (ECB)  
European Financial Stability Facility (EFSF)  
European Stability Mechanism (ESM)

##### 1.2 Other EU member states

Czechia  
Denmark  
Hungary  
Poland  
Romania  
Sweden

European institutions (excl. ECB, ESM and EFSF)

#### 2. European Free Trade Association (EFTA)

Iceland  
Liechtenstein  
Norway  
Switzerland

#### 3. Other European countries (excl. EFTA)

Albania  
Andorra  
Belarus

Bosnia and Herzegovina  
Faroe Islands  
Gibraltar  
Guernsey  
Holy See (Vatikan)  
Isle of Man  
Jersey  
Kosovo  
Moldova  
Montenegro  
North Macedonia  
Russian Federation  
San Marino  
Serbia  
Turkey  
Ukraine  
United Kingdom

### II. Africa

#### 1. North Africa

Algeria  
Egypt  
Libya  
Morocco  
Tunisia

#### 2. Central and South African countries

Angola  
Benin  
Botswana  
British Indian Ocean Territory  
Burkina Faso  
Burundi  
Cabo Verde  
Cameroon  
Central African Republic  
Chad  
Comoros  
Congo (Democratic Republic of)  
Congo (Republic of)  
Côte d'Ivoire

<sup>5</sup> In general, the group of countries specified in the table are based on the addition of individual listed countries. However, the balance of payments include also transactions whose assignment to an individual country is not possible. In this case, we use the category "not allocated countries" according to the nearest group possible of such a country. Because of the combination of both geographical and economic features, the "not allocated countries" are not listed here.

Djibouti  
Equatorial Guinea  
Eritrea  
Eswatini  
Ethiopia  
Gabon  
Gambia  
Ghana  
Guinea  
Guinea-Bissau  
Kenya  
Lesotho  
Liberia  
Madagascar  
Malawi  
Mali  
Mauretania  
Mauritius  
Mozambique  
Namibia  
Niger  
Nigeria  
Rwanda  
Saint Helena, Ascension and Tristan da Cunha  
Sao Tome and Principe  
Senegal  
Seychelles  
Sierra Leone  
Somalia  
South Africa  
South Sudan  
Sudan  
Tanzania  
Togo  
Uganda  
Zambia  
Zimbabwe

### III. America

#### 1. North America

Canada  
Greenland  
United States

#### 2. Central America

Anguilla  
Antigua and Barbuda  
Aruba  
Bahamas  
Barbados  
Belize  
Bermuda

Bonaire, Saba and Saint Eustatius  
British Virgin Islands  
Cayman Islands  
Costa Rica  
Cuba  
Curaçao  
Dominica  
Dominican Republic  
El Salvador  
Grenada  
Guatemala  
Haiti  
Honduras  
Jamaica  
Mexico  
Montserrat  
Nicaragua  
Panama  
Saint Kitts and Nevis  
Saint Lucia  
Saint Vincent and the Grenadines  
Sint Maarten (Dutch part)  
Trinidad and Tobago  
Turks and Caicos Islands  
Virgin Islands of the United States

#### 3. South America

Argentina  
Bolivia  
Brazil  
Chile  
Colombia  
Ecuador  
Falkland Islands (Islas Malvinas)  
Guyana  
Paraguay  
Peru  
Suriname  
Uruguay  
Venezuela

### IV. Asia

#### 1. Near and Middle East countries

Armenia  
Azerbaijan  
Bahrain  
Georgia  
Iraq  
Israel  
Jordan  
Kuwait  
Lebanon

Oman  
Palestinian territories  
Qatar  
Saudi Arabia  
Syria  
United Arab Emirates  
Yemen

## 2. Other Asian countries

Afghanistan  
Bangladesh  
Bhutan  
Brunei Darussalam  
Cambodia  
China  
Hong Kong  
India  
Indonesia  
Iran  
Japan  
Kazakhstan  
Korea (Democratic People's Republic of)  
Korea (Republic of)  
Kyrgyzstan  
Lao  
Macao  
Malaysia  
Maldives  
Mongolia  
Myanmar  
Nepal  
Pakistan  
Philippines  
Singapore  
Sri Lanka  
Taiwan  
Tajikistan  
Thailand  
Timor-Leste  
Turkmenistan  
Uzbekistan  
Viet Nam

## V. Australia, Oceania and Polar Regions

American Samoa  
Antarctica  
Australia  
Bouvet Island  
Christmas Island  
Cocos Islands  
Cook Islands  
Fiji  
French Polynesia

French Southern and Antarctic Territories  
Guam  
Heard and the McDonald Islands  
Kiribati  
Marshall Islands  
Micronesia  
Nauru  
New Caledonia  
New Zealand  
Niue  
Norfolk Island  
Northern Mariana Islands  
Palau  
Papua New Guinea  
Pitcairn Islands Group  
Solomon Islands  
Samoa  
South Georgia and the South Sandwich Islands  
Tokelau  
Tonga  
Tuvalu  
United States Minor Outlying Islands  
Vanuatu  
Wallis and Futuna (Islands)

## VI. International Organisations

(excl. EU Organisations)

### Supplementary data

#### OECD countries

Australia  
Austria  
Belgium  
Canada  
Chile  
Colombia  
Costa Rica  
Czechia  
Denmark  
Estonia  
Finland  
France  
Greece  
Hungary  
Iceland  
Ireland  
Israel  
Italy  
Japan  
Korea (Republic of)  
Latvia  
Lithuania

Luxembourg  
Mexico  
Netherlands  
New Zealand  
Norway  
Poland  
Portugal  
Slovakia  
Slovenia  
Spain  
Sweden  
Switzerland  
Turkey  
United Kingdom  
United States

**Offshore financial centers**

Andorra  
Anguilla  
Antigua and Barbuda  
Aruba  
Bahamas  
Bahrain  
Barbados  
Belize  
Bermuda  
British Virgin Islands  
Cayman Islands  
Cook Islands  
Curaçao  
Dominica  
Gibraltar  
Grenada  
Guernsey  
Hong Kong  
Isle of Man  
Jersey  
Lebanon  
Liberia  
Liechtenstein  
Marshall Islands  
Mauritius  
Montserrat  
Nauru  
Niue  
Panama  
Philippines  
Saint Kitts and Nevis  
Saint Lucia  
Saint Vincent and the Grenadines  
Samoa  
Seychelles  
Singapore

Sint Maarten  
Turks and Caicos Islands  
Vanuatu  
Virgin Islands of the United States

**OPEC countries**

Algeria  
Angola  
Congo (Republic of)  
Equatorial Guinea  
Gabon  
Iran  
Iraq  
Kuwait  
Libya  
Nigeria  
Saudi Arabia  
United Arab Emirates  
Venezuela

## ■ List of economic activities following NACE Rev. 2

### All economic activities

#### A) Agriculture, forestry and fishing

0100 Crop and animal production, hunting and related service activities

0200 Forestry and logging

0300 Fishing and aquaculture

#### B) Mining and carrying

0500 Mining of coal and lignite

0600 Extraction of crude petroleum and natural gas

0700 Mining of metal ores

0800 Other mining and quarrying

0900 Mining support service activities

#### C) Manufacturing

C120 Manufacture of food products, beverages and tobacco products

1000 Manufacture of food products

1100 Manufacture of beverages

1200 Manufacture of tobacco products

C140 Manufacture of textiles and wearing apparel

1300 Manufacture of textiles

1400 Manufacture of wearing apparel

1500 Manufacture of leather and related products

C180 Manufacture of wood and paper products; printing and reproduction of recorded media

1600 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials

1700 Manufacture of paper and paper products

1800 Printing and reproduction of recorded media

1900 Manufacture of coke and refined petroleum products

2000 Manufacture of chemicals and chemical products

2100 Manufacture of basic pharmaceutical products and pharmaceutical preparations

2200 Manufacture of rubber and plastic products

2300 Manufacture of other non-metallic mineral products

C250 Manufacture of basic metals and fabricated metal products, except machinery and equipment

2400 Manufacture of basic metals

2500 Manufacture of fabricated metal products, except machinery and equipment

2600 Manufacture of computer, electronic and optical products

2610 Manufacture of electronic components and boards

2620 Manufacture of computers and peripheral equipment

**C264 Manufacture** of communication equipment; manufacture of consumer electronics

2630 Manufacture of communication equipment

2640 Manufacture of consumer electronics

**C266 Manufacture** of instruments and appliances for measuring, testing and navigation; watches and clocks; irradiation, electromedical and electrotherapeutic equipment

2650 Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks

2660 Manufacture of irradiation, electromedical and electrotherapeutic equipment

**C268 Manufacture** of optical instruments and photographic equipment; manufacture of magnetic and optical media

2670 Manufacture of optical instruments and photographic equipment

2680 Manufacture of magnetic and optical media

- 2700 Manufacture of electrical equipment
- 2800 Manufacture of machinery and equipment n.e.c.
- C300 Manufacture of motor vehicles and other transport equipment
  - 2900 Manufacture of motor vehicles, trailers and semi-trailers
  - 3000 Manufacture of other transport equipment
- 3100 Manufacture of furniture
- C330 Other manufacturing; repair and installation of machinery and equipment
  - 3200 Other manufacturing
  - 3300 Repair and installation of machinery and equipment

**D) Electricity, gas, steam and air conditioning supply**

- 3500 Electricity, gas, steam and air conditioning supply

**E) Water supply; sewerage, waste management and remediation activities**

- 3600 Water collection, treatment and supply
- 3700 Sewerage
- 3800 Waste collection, treatment and disposal activities; materials recovery
- 3900 Remediation activities and other waste management services

**F) Construction**

- 4100 Construction of buildings
- 4200 Civil engineering
- 4300 Specialised construction activities

**G) Wholesale and retail trade; repair of motor vehicles and motorcycles**

- 4500 Wholesale and retail trade and repair of motor vehicles and motorcycles
- 4600 Wholesale trade, except of motor vehicles and motorcycles
- 4700 Retail trade, except of motor vehicles and motorcycles

**H) Transportation and storage**

- 4900 Land transport and transport via pipelines
- 5000 Water transport
- 5100 Air transport
- 5200 Warehousing and support activities for transportation
- 5300 Postal and courier activities

**I) Accommodation and food service activities**

- 5500 Accommodation
- 5600 Food and beverage service activities

**J) Information and Communication**

- J600 Motion picture, video and television programme production, sound recording and music publishing, programming and broadcasting activities
  - 5900 Motion picture, video and television programme production, sound recording and music publishing activities
  - 6000 Programming and broadcasting activities
- 6100 Telecommunications
- J630 Publishing activities, computer programming, consultancy and related activities; information service activities
  - 5800 Publishing activities
  - 6200 Computer programming, consultancy and related activities
  - 6300 Information service activities

**K) Financial and insurance activities**

- 6400 Financial service activities, except insurance and pension funding

- 6410 Monetary intermediation
  - 6411 Central banking (Deutsche Bundesbank)
  - 6419 Other monetary intermediation
- 6420 Activities of holding companies
- K649 Trusts, funds and similar financial entities; other financial service activities
  - 6430 Trusts, funds and similar financial entities
  - 6490 Other financial service activities, except insurance and pension funding
- 6500 Insurance, reinsurance and pension funding, except compulsory social security
  - K652 Insurance and reinsurance
    - 6510 Insurance
    - 6520 Reinsurance
  - 6530 Pension funding
- 6600 Activities auxiliary to financial services and insurance activities
  
- L) Real estate activities**
  - 6800 Real estate activities
  
- M) Professional, scientific and technical activities**
  - 7000 Activities of head offices; management consultancy activities
    - 7010 Activities of head offices
    - 7020 Management consultancy activities
  - M750 Other professional, scientific and technical activities
    - 6900 Legal and accounting activities
    - 7100 Architectural and engineering activities; technical testing and analysis
      - 7110 Architectural and engineering activities and related technical consultancy
      - 7120 Technical testing and analysis
    - 7200 Scientific research and development
    - 7300 Advertising and market research
    - 7400 Other professional, scientific and technical activities
    - 7500 Veterinary activities
  
- N) Administrative and support service activities**
  - 7700 Rental and leasing activities
  - 7800 Employment activities
  - 7900 Travel agency, tour operator reservation service and related activities
  - 8000 Security and investigation activities
  - 8100 Services to buildings and landscape activities
  - 8200 Office administrative, office support and other business support activities
  
- O) Public administration and defence; compulsory social security**
  - 8400 Public administration and defence; compulsory social security
  
- P) Education**
  - 8500 Education
  
- Q) Human health and social work activities**
  - 8600 Human health activities
  - 8700 Residential care activities
  - 8800 Social work activities without accommodation
  
- R) Arts, entertainment and recreation**
  - 9000 Creative, arts and entertainment activities
  - 9100 Libraries, archives, museums and other cultural activities

**9200** Gambling and betting activities

**9300** Sports activities and amusement and recreation activities

**S) Other service activities**

**9400** Activities of membership organisations

**9500** Repair of computers and personal and household goods

**9600** Other personal service activities

**T) Activities of households as employers of domestic personnel; undifferentiated goods-and services-producing activities of private households for own use**

**9700** Activities of households as employers of domestic personnel

**9800** Undifferentiated goods-and services-producing activities of private households for own use

**U) Activities of extraterritorial organisations and bodies**

**9900** Activities of extraterritorial organisations and bodies