

European FDI in the Mediterranean region in 2002

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Statistics in focus

ECONOMY AND FINANCE

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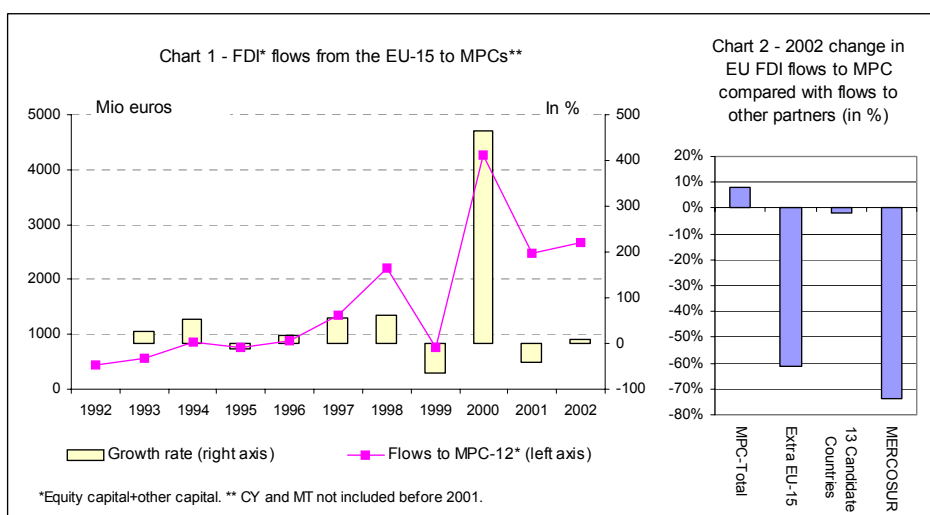
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Statistics on foreign direct investment (FDI) provide information about one of the main aspects of globalisation. Unlike traditional trade in goods and services, FDI reflects readiness to make a lasting commitment to a specific market. International investment is classed as FDI when an investor owns 10 percent or more of ordinary shares or voting rights in an incorporated or unincorporated enterprise abroad. The balance of payments unit at Eurostat maintains a database containing harmonized data on FDI inward and outward flows, incomes and positions, for the European union, the Member states and their main partners. This report uses the figures from the FDI data base which the Member States of the European Union have reported in relation to the 12 Mediterranean partner countries¹ (MPCs) signatories of the 1995 Barcelona Declaration.



2002: small increase in FDI flows from EU-15 to the MPCs

Companies from the EU are among the most active investors in the South and South-East Mediterranean region. According to the UNCTAD², this is the case in Egypt, Lebanon, Morocco, Syria, Tunisia and Turkey. From the EU side, the importance of MPC as a FDI partner has risen rapidly since 1998. The average growth rate of the period 1993 to 1997 was 28% compared with 86% during the last five years (1998-2002).

EU FDI to the MPC showed a gradual rise for the first three years of the Barcelona process (Chart 1). A decline in 1999 was followed by record flows in 2000. After a sharp drop in 2001, the year 2002 recorded a small increase to reach 2679 million euros. The main reason for this increase in European FDI into the MPC countries in 2002 was the rise of investment in Cyprus. One can also notice a high disinvestment³ in Egypt in 2002 (Table 1).



¹ **The 12 Mediterranean partner countries (MPC-12)** in the partnership are: Algeria (DZ), Morocco (MA), Tunisia (TN), Egypt (EG), Jordan (JO), Lebanon (LB), Syria (SY), Israel(IL), the Palestinian Authority (PS), Cyprus (CY), Malta (MT) and Turkey (TR).

² World Investment Report 2003. FDI Policy for Development: National and International Perspectives, UNCTAD, United Nations, New-York and Geneva, 2003.

³ Disinvestment is the withdrawal of direct investment capital. The most frequent cases are when inter-company debt (e.g. a loan) is paid back or where the direct investor sells participation (e.g. shares) it had invested in the direct investment enterprises.

FDI flows to the MPC countries vary greatly from year to year, depending on the country or region (Table 1). They are influenced by investment opportunities which, in many countries, are linked to privatisation plans. In addition, 2001 and 2002 has to be seen in a context which was generally less conducive to investment. Like the economy of Europe and the world economy in general in 2002, a number of MPC countries experienced sluggish growth. This situation affected foreign investments, capital flows and international trade¹. In this context, the slight increase of EU FDI to the Mediterranean countries in 2002 contrasts particularly with trends observed at the world level. Indeed the total extra EU FDI flows decreased in 2002 (down by approximately 60%) as did EU FDI going to the Mercosur countries (-74%) and, to a lesser extent, to the Candidate Countries (-2%) (charts 1 and 2).

European investors, the MPC and other emerging markets

Destination of EU FDI flows in 2002 was marked by an increase of the share of the Mediterranean countries as a percentage of total extra-EU FDI flows. The MPC countries took 2.8% of extra-Community FDI flows (1% in 2001), confirming the upward trend observed since 1999 and reaching more than their share in 1994 (Chart 3). The MPC's share in EU FDI flows is close to the one recorded for the Community of Independent States (CIS: Former Soviet Union Countries) but remains very low compared with the candidate countries and the Mercosur countries (17.5% and 5% respectively in 2002).

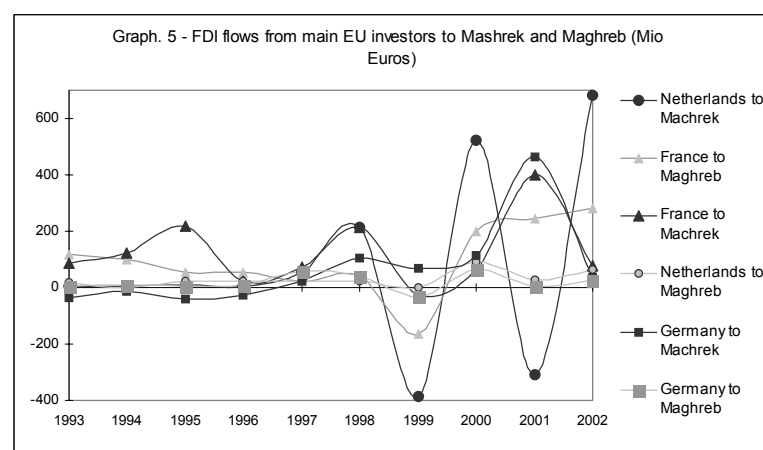
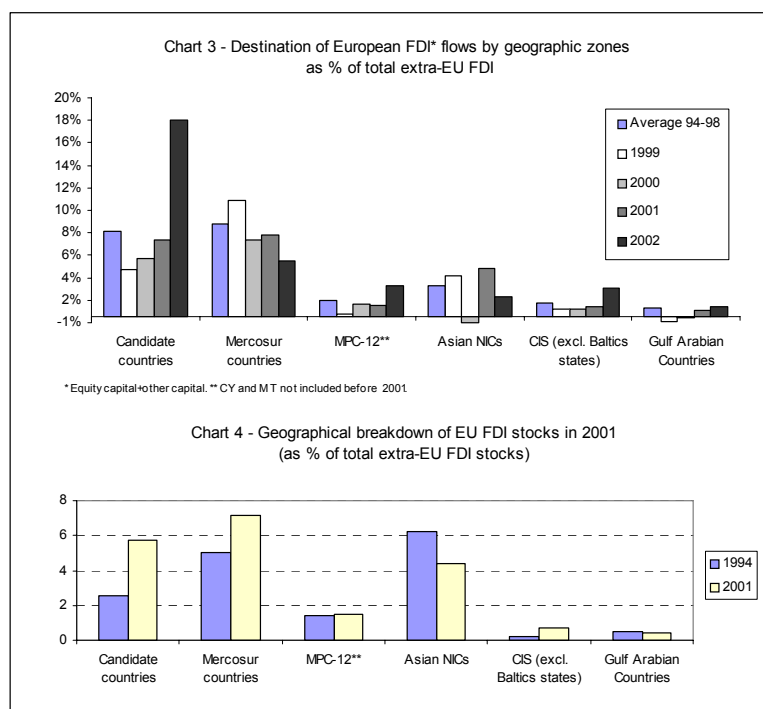
Investment in the Asian New Industrialised countries (NIC) has been fluctuating since 1997 but earlier investments had laid the foundation for solid FDI positions: more than 4% of all extra-Community FDI, compared with a figure of 1.5% in the same year for the MPC countries (Chart 4). Nevertheless, the share of the Mediterranean countries in the European FDI stock is around twice as much as the share of the CIS and almost four times the share of the Gulf Arabian Countries. Overall, the European Union's FDI positions in the MPC countries (Cyprus and Malta not included) increased more than threefold between 1994 and 2001 (Chart 6).

¹ According to UNCTAD, total world FDI inflows decreased in 2002 in comparison with 2001 by 21%. Morocco, Turkey and Israel are among the 30 countries where FDI inflows declined the most in 2002 compared to 2001.

Table 1 - FDI flows from EU to MPCs (equity capital and other capital)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Million of Euro											
Maghreb countries	32	157	264	119	218	614	496	-103	679	615	566
Morocco	74	150	229	25	176	442	108	8	200	230	122
Mashrek countries	22	90	164	203	57	129	595	332	1799	-226	-43
Egypt	-17	32	53	113	52	66	354	365	884	-164	-454
Israel	23	35	46	108	181	146	225	-199	800	230	204
Cyprus	:	:	:	:	:	:	:	:	:	68	560
Malta	:	:	:	:	:	:	:	:	:	164	99
Turkey	367	279	389	320	416	469	879	725	995	1639	1291
12-PPM*	444	561	863	750	872	1358	2195	755	4273	2482	2679
In percentage of total EU flows to MPC*											
Maghreb countries	7	28	31	16	25	45	23	-	16	25	21
Morocco	17	27	27	3	20	33	5	1	5	9	5
Mashrek countries	5	16	19	27	7	9	27	44	42	-	-
Egypt	-4	6	6	15	6	5	16	48	21	-	-
Israel	5	6	5	14	21	11	10	-26	19	9	8
Cyprus	:	:	:	:	:	:	:	:	:	3	21
Malta	:	:	:	:	:	:	:	:	:	7	4
Turkey	83	50	45	43	48	35	40	96	23	66	48
12-PPM*	100	100	100	100	100	100	100	100	100	100	100

*CY and MT not included before 2001. Percentage for positive values only.



Cyprus, Israel and Turkey: main MPC receiving countries for EU FDI

Within the Mediterranean region, the distribution of European FDI is relatively concentrated. In 2001, Cyprus, Israel and Turkey alone accounted for nearly three quarters of European FDI positions in the MPC countries. Those three countries also received in 2002 more than three quarters of European FDI going to the MPC (Table 1, 2 and 5).

Since 2000, EU FDI stocks became more important in the Mashrek region than in the Maghreb (Chart 7). Nevertheless, the Maghreb countries received relatively important EU FDI flows in 2001 and 2002 whereas disinvestment was recorded in the Mashrek. Withdrawals of direct investment by the Netherlands and the United Kingdom in 2001, and by Portugal (mainly from Egypt) in 2002 were the main reasons for disinvestments in this region (Chart 5 and table 4). As a result, relative EU FDI positions in the Mashrek decreased in 2001 and slightly increased in the Maghreb.

United Kingdom, France and Netherlands: main investors in the MPC.

In 2001, among the EU Member States, the United Kingdom, the Netherlands and France are main providers of FDI in the region. Those three countries owned together half of the EU FDI positions in the MPC. French firms tended to invest in the Maghreb countries, while British ones favoured Turkey and Egypt. Dutch firms were more likely to invest in the Mashrek countries (Table 2). Those three countries, together with Germany, are the major international investors among the Member States vis-à-vis the entire world. Because of their smaller size and lesser extra-EU international investment activities, some Member States may appear less oriented toward the MPC region. However, in terms of the share in each Member States total extra-EU FDI, Portugal ranks first with 9% of its Extra-EU FDI going to the MPC region (mainly Egypt and Morocco), followed by Italy, Denmark and Austria (3%) (Chart 8).

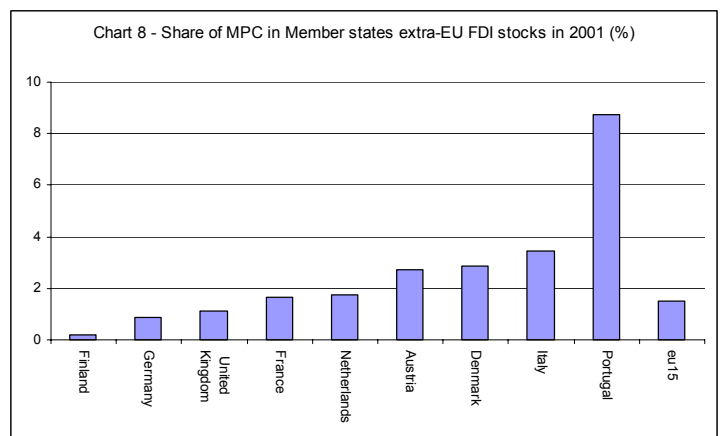
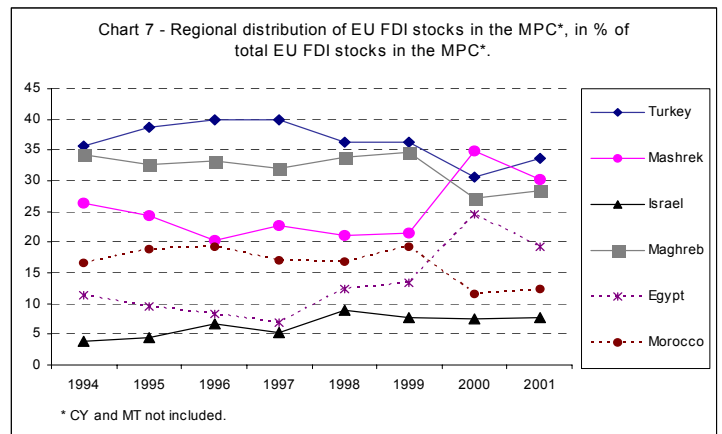
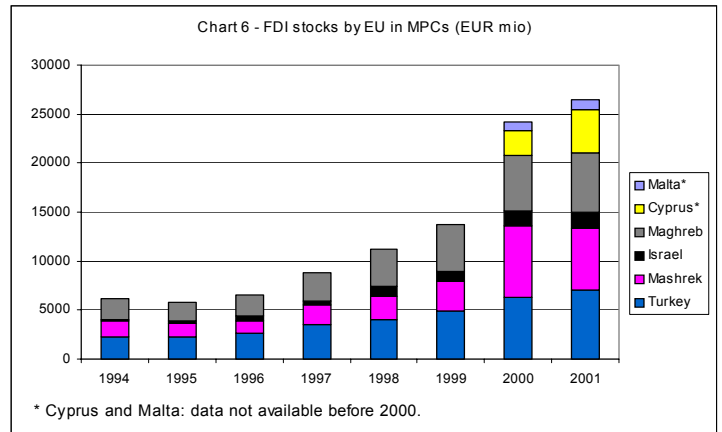


Table 2 - EU FDI stocks in MPCs by Member States in 2001 (EUR mio): Who invest where?

	Million of Euros in 2001											Change compared to 1995 (Multiplicatory coefficient)							
	Extra-EU-15	cc13	MPC-12	Maghreb	Machrek	ma	eg	il	cy	mt	tr	Extra-EU-15	cc13	Maghreb	Machrek	ma	eg	il	tr
eu15	1,777,591	101,708	26,495	5,974	6,343	2,611	4,025	1,631	4,418	1,067	7,062	3.8	6.9	3.1	4.5	2.4	7.3	6.3	3.1
United Kingdom	466,998	8,971	5,257	247	2,426	100	2,046	375	138	-3	2,076	3.2	14.1	3.0	27.0	2.1	23.5	4.0	8.8
France	273,242	14,385	4,448	2,102	1,061	1,488	614	224	54	10	996	4.3	12.0	3.6	7.5	3.2	7.5	24.9	2.2
Netherlands	184,907	10,964	3,204	168	1,308	35	:	:	:	:	925	2.6	5.7	1.4	1.8	0.4	:	:	3.4
Germany	329,698	29,148	2,881	446	426	189	354	245	166	194	1,404	3.9	:	3.4	2.2	3.4	4.6	20.4	2.7
Italy	70,228	4,982	2,410	810	307	253	232	64	21	144	1,065	:	:	:	:	:	:	:	:
Denmark	39,330	3,371	1,122	c	c	7	66	25	:	:	169	:	:	:	:	:	:	:	:
Portugal	12,423	668	1,088	581	492	173	492	0	15	0	0	:	:	:	:	:	:	:	:
Austria	19,991	10,378	541	:	7	:	:	:	:	491	5	4.2	:	7.0	:	:	:	:	1.3
Finland	18,513	1,558	36	c	c	c	c	c	55	c	-12	5.5	9.6	:	:	:	:	:	-0.6
Greece	6,256	4,002	:	1	54	0	9	0	:	:	16	:	:	:	:	:	:	:	:
Ireland	17,718	c	:	c	c	c	c	c	:	:	0	:	:	:	:	:	:	:	:
Other Member states*	338,287	:	:	:	:	:	:	:	:	:	418	:	:	:	:	:	:	:	:
Iceland	386	:	:	:	0	0	0	0	7	:	0	:	:	:	:	:	:	:	:
Switzerland	148,091	:	:	203	486	173	396	499	:	:	721	:	:	:	:	:	:	:	:

c: Confidential. * Difference between aggregate estimated for the EU and the sum of values declared by single countries.

The EU has traditionally run a large FDI surplus with regard to the MPC countries. However, some of these countries - mainly Cyprus, Israel and Turkey - invest in Europe (Table 3). Direct investment positions by the MPC countries in Europe in 2001 amounted to 7897 million euros. Half of the Turkish FDI owned in the EU is located in Germany and the Netherlands. Israeli firms tend to invest in Germany and investors from Cyprus in the United Kingdom. Israel stands out from the other MPC countries by having an FDI surplus with the EU, and it is also a net investor in Switzerland (Tables 3).

Returns rate: small increase in 2002

The profitability of investment is of primary interest to investors. In theory, in risky economies, the rate of return on investment has to be high enough to attract FDI. A rough indicator of FDI profitability for 2001 comes from looking at income for 2002 in comparison with the situation at the end of 2001. The indicator shows that a European firm which invested EUR 100 million in the MPC countries could expect a return on its investment of EUR 9.8 million in 2002 (Chart 9). This is higher than the 2001 figure of 8.1 million and more than the extra-EU average for 2002 (EUR 5.9 million).

Rates of return on investments in the Mashrek are higher than in the Magrheb. One can note the very high rate recorded in the Mashrek in 2000 compared to 2001 and 2002. The primary cause of this downturn was the fall in returns from investment in Egypt. In Israel, the rate of return on investment became negative (Chart 9). At the other extreme and apart from the Mashrek, the highest return on European FDI occurred in Malta.

American investments in the region

At around EUR 26 billion, the European Union accounted for more than twice as much FDI stocks in the MPC countries as the United States in 2001. As in the case of the EU, American FDI positions have risen sharply since 1995 but they are still low when compared with other parts of the world, especially South America or Asia (Chart 11).

The main attracting destinations for American FDI in the MPC countries were Israel, Egypt and Turkey (Charts 10). Indeed, those three countries accounted for almost three quarters of FDI position of the US in the MPC in 2002. Furthermore, US FDI positions increased the most in Egypt between 1999 and 2002 (+67% compared to +35% for the Maghreb).

Table 3 - FDI stocks of MPCs in EU Member States in 2001 (EUR mio)

	eu15	dk	de	gr	fr	ie	it	nl	at	pt	fi	uk	is	ch
Extra-EU-15	1,018,775	37,330	133,199	4,550	84,308	55,133	42,751	126,068	10,458	5,796	2,612	312,519	573	38,850
cc13	4,288	15	1,202	394	306	c	225	596	198	53	-3	677	:	:
MPC-12	7,897	24	:	:	916	:	421	975	110	56	c	:	:	:
Maghreb	771	:	:	0	407	c	55	3	:	5	c	0	:	:
Mashrek	724	c	15	6	262	-7	190	7	:	0	c	135	0	:
Morocco	353	:	:	0	208	c	35	:	:	5	c	0	0	:
Egypt	275	:	:	0	14	-9	68	:	:	0	c	c	0	:
Israel	2,001	c	629	0	120	c	15	:	:	1	c	c	0	515
Cyprus	2,220	:	129	:	31	:	9	:	0	2	c	291	29	:
Malta	577	:	6	:	2	:	147	:	:	49	c	39	:	:
Turkey	1,605	c	573	1	94	c	6	300	41	0	c	c	0	15

Chart 9 - Return on EU FDI investment (%) 1999-2002

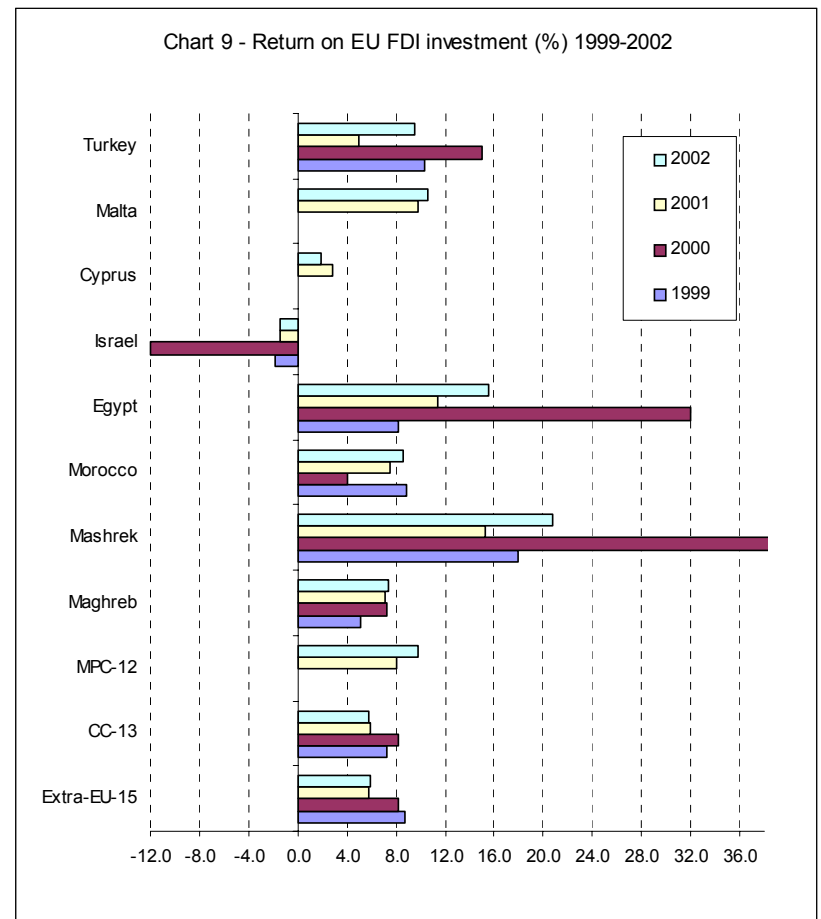


Chart 10 - American FDI stocks in MPCs (EUR mio)

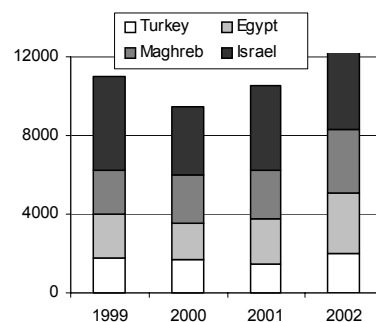
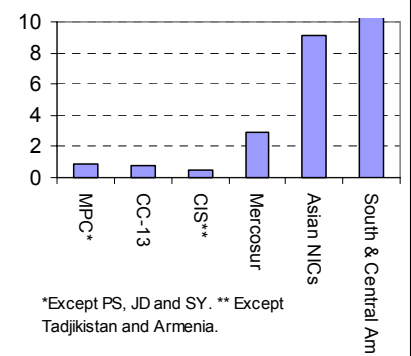


Chart 11 - American FDI stocks in world in 2002 (as % of total US investment)



*Except PS, JD and SY. ** Except Tadjikistan and Armenia.

Source: US department of Commerce.

Statistical tables: Geographical breakdown of European Union direct investment in the MPC

Table 4 - Geographical breakdown of european FDI flows to the MPC (equity and other capital only)

Reporter: European Union		MPC	Maghreb	Mashrek	Morocco	Egypt	Israel	Cyprus	Malta	Turkey
EU-15	2002	2679	566	-43	122	-454	204	560	99	1291
	2001	2482	615	-226	230	-164	230	68	164	1639
	2000	:	679	1799	200	884	800	:	:	995
	1999	:	-103	332	8	365	-199	:	:	725
	1998	:	496	595	108	354	225	:	:	879
	1997	:	614	129	442	66	146	:	:	469
	1996	:	218	57	176	52	181	:	:	416
	1995	:	119	203	25	113	108	:	:	320
United Kingdom	2002	-48	21	:	-3	:	:	:	-14	:
	2001	793	:	-344	:	:	-84	-37	:	:
	2000	-162	:	:	:	:	49	:	:	:
	1999	-314	-223	:	3	:	-518	-225	:	182
	1998	:	78	:	10	:	:	:	:	:
	1997	:	65	-10	6	:	:	:	:	:
	1996	:	29	:	:	:	11	:	:	:
	1995	:	17	8	1	7	39	:	:	81
France	2002	521	280	78	152	83	50	2	0	111
	2001	867	245	400	139	426	45	8	2	167
	2000	:	201	65	98	57	53	:	:	89
	1999	:	-164	-28	-216	32	68	:	:	45
	1998	:	41	214	20	58	36	:	:	130
	1997	:	23	73	26	43	38	:	:	84
	1996	:	53	25	34	12	84	:	:	63
	1995	:	56	219	-39	95	9	:	:	42
Netherlands	2002	:	63	684	:	:	:	:	:	223
	2001	:	28	-308	:	:	:	:	:	91
	2000	:	90	521	3	:	:	:	:	65
	1999	:	2	-385	-3	:	:	:	:	62
	1998	:	24	215	:	:	:	:	:	250
	1997	:	23	54	17	:	:	:	:	133
	1996	:	25	5	22	:	:	:	:	76
	1995	:	23	10	20	:	:	:	:	56
Germany	2002	182	28	37	-9	34	63	3	28	23
	2001	260	6	463	-11	475	27	-246	-2	12
	2000	1200	64	115	28	111	201	27	27	766
	1999	360	-31	70	3	57	92	40	12	177
	1998	594	43	104	24	50	89	74	-23	308
	1997	:	59	22	26	14	50	:	:	183
	1996	:	8	-27	19	-2	56	:	:	209
	1995	:	3	-42	-1	10	27	:	:	114
Italy	2002	305	24	6	5	7	1	1	9	264
	2001	201	15	61	5	23	108	4	2	11
	2000	:	13	32	4	25	13	:	:	15
	1999	:	21	46	3	45	2	:	:	52
	1998	:	9	7	1	6	3	:	:	13
	1997	:	7	9	3	9	1	:	:	18
	1996	:	7	12	4	10	-2	:	:	5
	1995	:	5	19	1	18	4	:	:	15
Denmark	2002	69	5	6	1	1	-2	:	:	28
	2001	133	0	14	0	3	2	:	:	116
	2000	590	2	563	2	17	2	:	:	22
	1999	:	0	9	0	9	14	:	:	6
	1998	:	:	:	:	:	:	:	:	13
	1997	:	13	:	:	:	:	:	:	:
	1996	:	1	0	:	-2	0	:	:	5
	1995	:	0	0	0	0	9	:	:	2
Portugal	2002	-675	-212	-463	-63	-485	0	0	0	0
	2001	84	84	0	82	0	0	0	0	0
	2000	783	264	504	43	504	0	14	0	0
	1999	144	144	0	167	0	0	0	0	0
	1998	:	196	0	9	0	0	:	:	0
	1997	:	2	0	2	0	0	:	:	0
	1996	:	65	0	65	0	0	:	:	0
	1995	:	0	0	0	0	0	:	:	:
Other Member States*	2002	:	357	:	:	:	:	:	:	:
	2001	:	:	-512	:	:	:	:	:	:
	2000	:	:	:	:	:	:	:	:	:
	1999	:	148	:	51	:	:	:	:	201
	1998	:	:	:	:	:	:	:	:	:
	1997	:	422	:	:	:	:	:	:	:
	1996	:	30	:	:	:	:	:	:	:
	1995	:	15	-11	43	:	:	:	:	:

* Difference between aggregate estimated for the EU and the sum of values declared by single countries.

Table 5 - Geographical breakdown of european total FDI stocks into the MPC

Reporter: European Union		MPC	Maghreb	Mashrek	Morocco	Egypt	Israel	Cyprus	Malta	Turkey
EU-15	2001	26495	5974	6343	2611	4025	1631	4418	1067	7062
	2000	24246	5650	7245	2417	5104	1562	2523	910	6355
	1999	:	4737	2949	2646	1843	1046	:	:	4961
	1998	:	3787	2349	1872	1381	989	:	:	4049
	1997	:	2816	1985	1493	608	465	:	:	3507
	1996	:	2188	1328	1264	548	434	:	:	2619
	1995	:	1906	1422	1109	552	258	:	:	2270
United Kingdom	2001	5257	247	2426	100	2046	375	138	-3	2076
	2000	5400	404	3514	74	3264	513	119	58	793
	1999	c	61	1033	64	833	323	111	135	c
	1998	:	264	398	47	217	:	:	:	:
	1997	:	201	415	40	207	111	:	:	:
	1996	:	134	91	53	81	102	:	:	340
	1995	:	83	90	48	87	94	:	:	237
France	2001	4448	2102	1061	1488	614	224	54	10	996
	2000	3453	1706	654	1247	293	157	62	8	866
	1999	3619	2109	476	1318	225	150	62	7	814
	1998	2845	1504	399	901	195	138	34	45	725
	1997	:	854	199	637	93	14	:	:	849
	1996	:	616	131	499	71	69	:	:	528
	1995	:	592	141	464	82	9	:	:	459
Netherlands	2001	3204	168	1308	35	:	:	:	:	925
	2000	3731	310	1671	81	:	502	:	:	1037
	1999	:	120	1134	78	:	:	:	:	766
	1998	:	133	957	101	:	:	:	:	787
	1997	:	131	861	104	:	162	:	:	452
	1996	:	113	751	89	:	119	:	:	351
	1995	:	116	728	85	:	72	:	:	273
Germany	2001	2881	446	426	189	354	245	166	194	1404
	2000	3236	430	364	212	300	204	268	170	1801
	1999	2150	417	296	193	225	141	207	141	948
	1998	:	236	268	89	172	86	:	:	918
	1997	:	196	212	80	125	74	:	:	756
	1996	:	147	149	68	69	59	:	:	544
	1995	:	130	190	55	77	12	:	:	520
Italy	2001	2410	810	307	253	232	64	21	144	1065
	2000	2609	903	264	281	228	67	18	158	1196
	1999	:	:	:	:	:	:	:	:	:
	1998	:	:	:	:	:	:	:	:	:
	1997	:	:	:	:	:	:	:	:	:
	1996	:	:	:	:	:	:	:	:	:
	1995	:	:	:	:	:	:	:	:	:
Denmark	2001	1122	c	c	7	66	25	:	:	169
	2000	766	c	c	2	62	25	:	:	54
	1999	77	8	c	c	45	c	:	:	22
	1998	:	1	c	c	33	5	:	:	15
	1997	:	:	:	:	:	:	:	:	:
	1996	:	0	13	0	13	:	:	:	13
	1995	:	:	:	:	:	:	:	:	:
Portugal	2001	1088	581	492	173	492	0	15	0	0
	2000	1129	623	492	215	492	0	14	0	0
	1999	453	453	0	262	0	0	0	0	0
	1998	278	276	0	81	0	0	3	0	0
	1997	:	70	0	70	0	0	:	:	0
	1996	:	65	0	65	0	0	:	:	0
	1995	:	:	:	:	:	:	:	:	:
Other Member States*	2001	6085	:	:	366	:	:	:	:	427
	2000	3922	:	:	305	:	94	:	:	608

c: Confidential. * Difference between aggregate estimated for the EU and the sum of values declared by single countries.

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

What is direct investment?

Foreign direct investment is the category of international investment in which an enterprise resident in one country (the direct investor) acquires an interest of at least 10 % in an enterprise resident in another country (the direct investment enterprise). Subsequent transactions between affiliated enterprises are also direct investment transactions.

As it gives the investor an effective voice in the management of the enterprise and a substantial interest in its business, FDI implies a long-term relationship between the direct investor and the direct investment enterprise.

Investment may take place through the establishment of an entirely new firm, so-called "greenfield" investment, or through the complete or partial purchase of an existing firm via a merger or an acquisition. In recent years, Mergers and Acquisitions (M&As) have in fact formed the largest share of worldwide FDI. FDI can however not be equated with M&As as these may include deals in which the investor acquires less than 10 % of shares and as they do not include Greenfield investments.

Why FDI takes place ?

Two main reasons are given for why investors engage in foreign direct investment: vertical and horizontal FDI. A mixture of both is possible and is often the case.

Vertical FDI

In this case, a company "slices" its production chain by allocating different parts to those countries in which production costs are lower. Progress achieved in recent years in telecommunications and data management has enabled firms to allocate their production processes more easily through so-called supply chain management. Major investors appear to carry out Vertical FDI close to their borders, as the goods produced there can then be imported for distribution in the home market. This type of FDI generally acts as a booster to international trade.

Horizontal FDI

Here, a company "duplicates" its production chain in order to place its production closer to foreign markets.

The investment decision may result from a trade-off between fixed costs (the new plant) and variable costs (high tariffs and transport costs associated with exporting to that country). Large markets tend to be more competitive, making imports less attractive, and it is there that major investors tend to carry out this type of investment. Acting as a substitute to trade, Horizontal FDI gives investors strategic market access and reduces delivery time.

A third possible explanation for FDI are Conglomerate M&As which take place between companies in unrelated activities seeking to diversify risk and to deepen economies of scope.

Advantages of FDI

To the Investor

For the investing firm, FDI usually means access to new markets and better knowledge of those markets. This may however come at higher international transaction and organisational costs.

In some Service industries, local market presence (eg. a banking outlet or representative office) may be a pre-requisite for serving that market.

Lower labour, raw material and intermediary input costs may prevail where the direct investment enterprise is located.

To the Investee

As it is less liquid and tradeable than Portfolio Investment, FDI flows are usually less volatile. Especially in the case of developing countries, this type of financing reduces risk of external speculation and liquidity crises. FDI contributes positively to the recipient's Balance of Payments, both through the initial transaction (sale of a local firm to foreigners) and when it adds to export growth.

FDI contributes to growth in the target country by

increasing the production base, by creating employment and through multiplier effects (eg. orders from other local industries). By contributing to higher competition, FDI can lead to an improvement of other domestic firms' efficiency and product quality. It may conversely contribute to the "crowding out" of local firms ie. the closure of other uncompetitive production units. FDI acts as a catalyst for domestic investment and technological progress through the transfer of technology to the recipient. Similarly, it may raise management expertise and marketing skills.

Direct investment in this publication

Aggregates:

13 candidate countries: Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey.

Mercosur countries: Argentina, Brazil, Paraguay and Uruguay.

Newly industrialising countries (NICs) in Asia: Hong Kong, Singapore, South Korea, Taiwan, Malaysia, Philippines, Thailand.

Maghreb countries: Morocco, Algeria and Tunisia.

Mashrek countries: Egypt, Jordan, Lebanon, Syria and Palestinian Authority.

Gulf Arabian Countries: United Arab Emirates, Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, Yemen.

Source of data:

The data presented here are compiled by the Balance of Payments Unit at Eurostat. The balance of payments is calculated as the sum of the harmonised accounts of the balance of payments of the 15 Member States. The methodological framework is that of the fifth edition of the International Monetary Fund Balance of Payments Manual.

FDI flows and positions: Through direct investment flows, an investor builds up a foreign direct investment position that features on his balance sheet. This FDI position (sometimes called FDI stock) differs from the accumulated flows because of revaluation (changes in prices or exchange rates, and other adjustments like rescheduling or cancellation of loans, debt forgiveness or debt-equity swaps).

Further information:

➤ Databases

NewCronos, Theme 2

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