

# DANMARKS NATIONALBANK

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FOREIGN DIRECT INVESTMENT, FLOWS, 4TH QUARTER 2017

## Danish companies continue to invest abroad

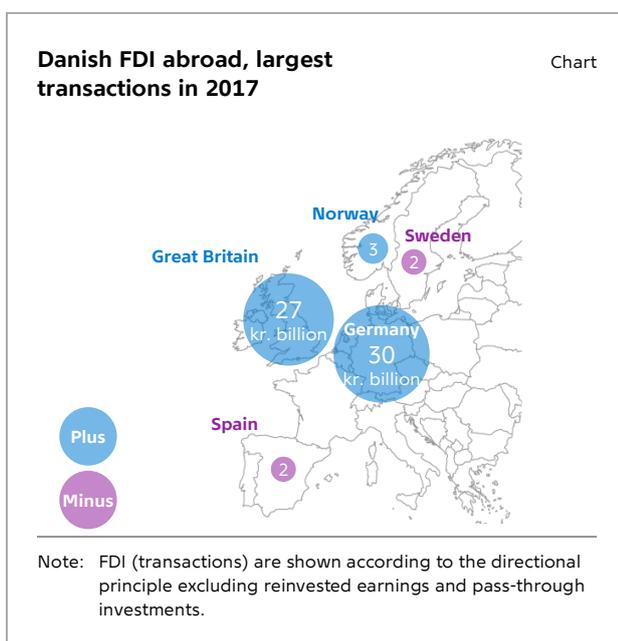
In 2017, Danish companies' foreign direct investments, FDI, abroad amounted to kr. 46 billion. Danish outward FDI has now increased for thirteen consecutive years. The increase is primarily driven by Danish companies' activities in other European countries.

In particular, Danish companies have invested in Germany and Great Britain in 2017, for kr. 30 billion and kr. 27 billion respectively. Investments in Germany are a consequence of A.P. Møller - Mærsk's acquisition of the German container shipping line Hamburg Süd. Investments in offshore wind farms and the pharmaceutical industry have contributed to Danish FDI in Great Britain.

Conversely, redemption of inter-company debt and equity divestments reduced Danish FDI in Sweden and Spain. Likewise, Danish companies made divestments in several countries outside of Europe. The reduction, among other things, can be explained by repayments of inter-company debt in Danish-owned subsidiaries in US as well as capital reductions in existing subsidiaries in Asia.

Thus, the concentration of Danish FDI in Europe has increased in 2017. Since 2005, Danish companies have accumulated kr. 616 billion in FDI transactions abroad, of which kr. 495 billion has been placed in Europe.

In comparison, foreign investors have reduced inward FDI in Denmark by kr. 31 billion in 2017. The decrease can primarily be attributed to the organisational restructuring of Nordea. The change in group structure has influenced the recording of cross-border transactions across the group's entities. Part of these transactions no longer figure as inward FDI but are now classified as other investments.



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