

DANMARKS NATIONALBANK

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DIRECT INVESTMENTS, 4TH QUARTER 2021

Direct investment abroad sets record

Danish direct equity investments abroad reached kr. 126 billion in 2021 which is its highest level so far. Direct investments in the form of group loans pulled in the opposite direction by kr. -39 billion, as inter-company loans were repaid to Denmark, or foreign companies lent money to Danish companies in the same group. In total, Danish direct investments abroad were kr. 87 billion in 2021, which is an increase of kr. 33 billion compared to 2020. At the global level, direct investments also increased in 2021.¹

In 2021, a number of large corporate acquisitions were completed, in which Danish companies took over foreign companies: For example, Tryg took over the British insurance company Royal Sun Alli-

ance, whose Nordic business includes contains Codan, for kr. 37 billion. In June, DSV Panalpina took over Agility's Global Integrated Logistics business for kr. 26 billion in August, and Novo Nordisk took over the American biotech company Dicerna for kr. 22 billion in December.

More investments on the way

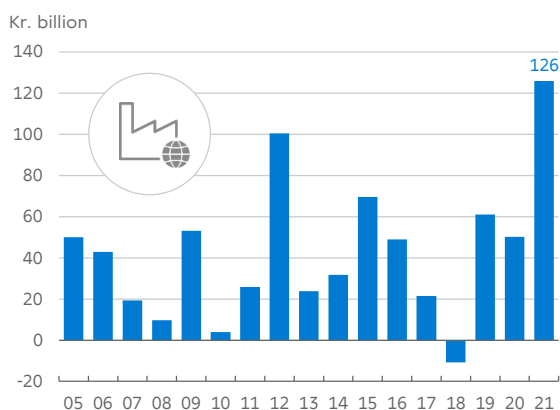
In the fourth quarter of 2021, several large Danish companies announced acquisitions of foreign companies, which will be completed in 2022. Coloplast, for example, entered into an agreement to acquire the Swedish pharmaceutical company Atos Medical for kr. 16 billion in November. In December, A.P. Møller - Maersk entered an agreement to acquire the Hong Kong-based logistics company LF Logistics for kr. 24 billion and A.P. Møller Holding entered into an agreement to acquire the Swiss pharmaceutical company Unilabs. The completion of the announced transactions will contribute significantly to Denmark's outward direct investments in 2022, when the ownership is transferred.

Stable krone exchange rate

Danish companies' acquisition of foreign companies can give rise to demand for currency against kroner, depending on how corporate acquisition is constructed. However, large company acquisitions have not exacerbated krone exchange rate movements over and above the normal daily variation.²

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Large equity investments in 2021



Note: Direct investments according to the directional principal excl. pass-through investments. Find chart data here ([link](#)).

¹ See OECD, *FDI in figures*, October 2021 ([link](#)).

² See Grønlund, Risbjerg and Tjørnum, The foreign exchange market for kroner is able to absorb large company acquisitions, *Danmarks Nationalbank Economic Memo*, no. 11, December 2021 ([link](#)).