

DANMARKS NATIONALBANK

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DIRECT INVESTMENTS, 4TH QUARTER 2020

Few foreign direct investments in 2020

The activity in foreign direct investments (FDI) was low in 2020. Danish companies' outward FDI increased by kr. 5 billion, while Danish inward FDI decreased by kr. 10 billion.

Global FDI activity was also low in 2020. Figures from the OECD shows that global FDI in the first half of 2020 was the lowest since 2013 and 50 per cent lower than in the second half of 2019 ([link](#)). For the full year, 2020, UN expects a fall in global FDI of 42 per cent compared with 2019, primarily due to economic uncertainty, which e.g. has led to a decline in

corporate trade, especially for the developed economies.¹

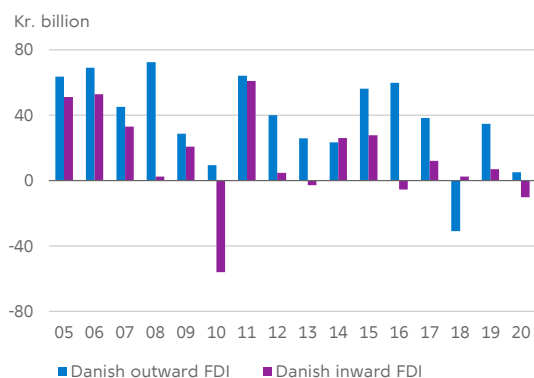
2020 ended with many announced acquisitions

No large company acquisitions involving Danish part were completed in 2020 but in the fourth quarter of 2020 several large Danish companies announced acquisitions of foreign companies to be completed in 2021. These include Novo Nordisk, Danfoss and Salling. Additionally, Tryg, together with British In-tacts, has submitted an offer to acquire RCA Insurance Group, whose Nordic business contains e.g. Codan.

The completion of the announced transactions will significantly increase Denmark's outward FDI in 2021, when ownership is transferred.

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Low activity in both outward and inward Danish FDI in 2020



Note: The directional approach has been applied, excluding reinvested earnings and excluding pass-through investments. Columns show yearly net transactions. FDI is investments where one investor holds at least 10 per cent of the equity or voting rights of a company.

¹ See UN Conference on Trade and Development (UNCTAD) ([link](#)).