

# DANMARKS NATIONALBANK

14. FEBRUARY 2019

## DIRECT INVESTMENTS, 4TH QUARTER 2018

# Direct investments declined in 2018

After several years of progress, outward direct investments from Denmark fell by kr. 60 billion in 2018. The inward direct investments to Denmark fell by kr. 11 billion.

Direct investments are investments in foreign branches and companies in which the investor has a significant influence. Direct investments typically involve long-term economic relationships across national borders.

The greatest reduction in *outward direct investments* was in 4th quarter by kr. 32 billion. This was partly due to TDC's sale of its entire Norwegian business

for around kr. 17 billion. In addition, the Ørsted Group reduced its direct investments in the United Kingdom as it sold the first part of the Hornsea 1 offshore wind farm. The rest of the sale will take place in 2020. The total sales price is around kr. 38 billion. Ørsted's sale contributes to an overall reduction in Danish investors' direct investment in the United Kingdom for the first time since 2008.

The United Kingdom is the country in which Danish companies have the largest stock of direct investments. The latest calculations of total holdings of outward direct investments in the United Kingdom amount to kr. 184 billion corresponding to 15 per cent of the total outward investments.<sup>1</sup>

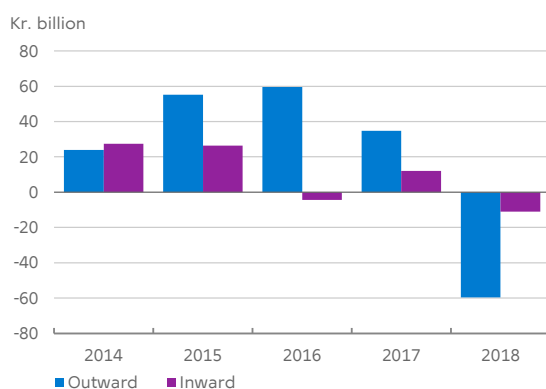
There was also a large decrease in outward investments in the first part of 2018, driven by the reflagging of A.P. Moller - Maersk's ships to Denmark from the German shipping company Hamburg Süd.

The decrease in *inward direct investments* in 2018 was due to the fact that the foreign investors reduced corporate loans to their Danish subsidiaries by kr. 29 billion, while foreign investors increased their equity investments in Denmark by kr. 18 billion.

[CLICK HERE FOR MORE INFORMATION](#)

**Both inward and outward direct investments fell in 2018**

Figure 1



Note: Direct investments express the value of cross-border investments in companies where the investor has at least 10 per cent of the voting rights. The figure shows the sum of annual direct investments excluding run-through investments and reinvested earnings.

<sup>1</sup> The stock of outward and inward direct investments is calculated annually by Danmarks Nationalbank. The most recent data are from end-2017.