

# DANMARKS NATIONALBANK

14 NOVEMBER 2018

## DIRECT INVESTMENTS, 3RD QUARTER 2018

# Small decline in direct investments this year

Both outward and inward direct investments have declined slightly in the three first quarters of 2018. They were reduced by kr. 26 and 11 billion respectively after a number of years with progress in outward investments.

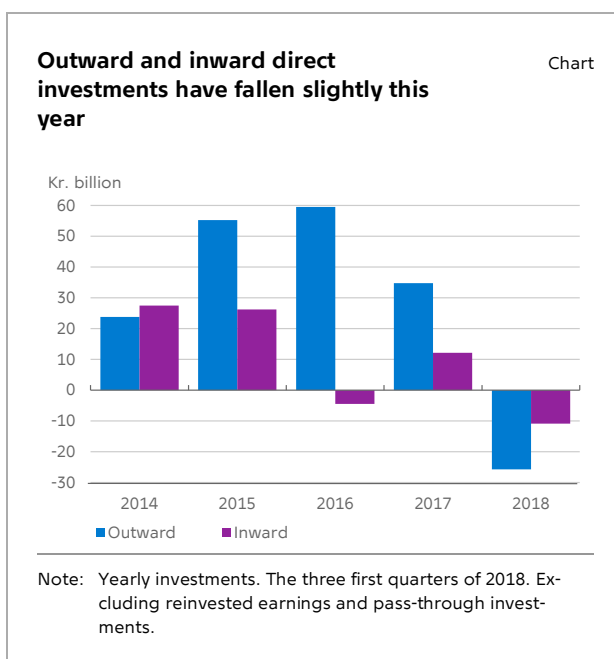
Direct investments consist of equity investments and intercompany loans. The *outward* equity investments are reduced by kr. 8 billion in the three first quarters of the year. Danish investors have bought foreign companies and raised equity in their foreign subsidiaries by kr. 57 billion. However, at the same time they have reversed equity for kr. 64 billion from their subsidiaries abroad. At the same time, they have

reduced their intercompany loans by kr. 17 billion. Intercompany loans are loans to companies abroad, where the investors have significant influence.

In particular, investments in Germany have contributed to the fall in outward investments. A.P. Møller – Mærsk's flagging of ships to Denmark from their German shipping company Hamburg Süd holds a part of the explanation.

Investments in offshore centres have also been reduced. They are primarily concentrated in Singapore, which is an international hub for sea transport, where Danish companies inter alia own harbour constructions.

*Inward* equity investments have risen in the course of 2018. Foreign investors have bought companies and raised equity in their subsidiaries in Denmark. Nets was bought by an American investment fund, while TDC was sold to a consortium, which is 50 per cent owned by foreign investors. At the same time foreign investors have reduced intercompany loans to their Danish subsidiaries leading to a fall in total inward direct investments.



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