



# FDI in CESEE

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# What is FDI?

- *a cross-border investment made by a foreign resident entity in one economy, establishing a lasting interest in an enterprise that is resident in an economy other than that of the direct investor.*
- *needs direct or indirect ownership of at least 10% of the voting power, or equivalent.*
- *inflows and outflows*
- *flows and stock*

FDI stock/GDP	1992	1997	2002	2007	2012	2017	pps change	Population (million)	FDI/capita in 2017 (\$)
Mercosur-* (excl. Brazil)	7%	16%	38%	21%	16%	14%	+6	87	1,548
South Korea & Taiwan	3%	4%	10%	11%	13%	15%	+12	75	4,232
Turkey	6%	6%	8%	23%	22%	21%	+15	80	2,259
Philippines	7%	10%	14%	14%	15%	25%	+18	105	750
EU4S (IT, ES, PT, GR)	7%	11%	20%	27%	30%	34%	+27	126	9,791
Eurasian Union	0%	4%	22%	37%	23%	34%	+34	182	3,427
ASEAN-* (excl. SG)	11%	18%	21%	27%	31%	36%	+25	645	1,360
Brazil	13%	8%	20%	22%	30%	38%	+25	209	3,724
NW Africa (MA,TN,DZ)	14%	18%	26%	30%	29%	38%	+24	88	1,369
Mexico	9%	11%	21%	30%	38%	42%	+34	130	3,763
Andean Community	7%	16%	24%	27%	29%	47%	+39	101	3,050
Malaysia & Thailand	17%	22%	32%	37%	43%	47%	+30	101	3,554
Central & Caribbean America	8%	10%	22%	28%	37%	48%	+40	80	2,436
EU3S (ES, PT, GR)	11%	17%	32%	37%	44%	48%	+37	67	12,245
EU15	11%	17%	28%	39%	43%	50%	+39	410	19,312
MedCaspic (AZ,IL,JO, LB)	6%	11%	27%	42%	40%	52%	+46	35	7,313
EU28	11%	17%	28%	40%	46%	53%	+42	513	17,786
EU11	4%	14%	32%	49%	53%	53%	+49	103	7,541
Egypt	26%	20%	24%	38%	28%	56%	+31	95	1,154
Vietnam	11%	39%	50%	41%	47%	58%	+47	95	1,363
EU prospect (AL,BA,GE,ME,MK,UA,RS)	0%	3%	12%	24%	37%	63%	+62	70	2,005
OFC8 (BM,HK,KY,IE,LU,NL,SG,VG)	N/A	N/A	126%	185%	229%	333%	+207	36	178,160

# Inward FDI in EU11 in 2017

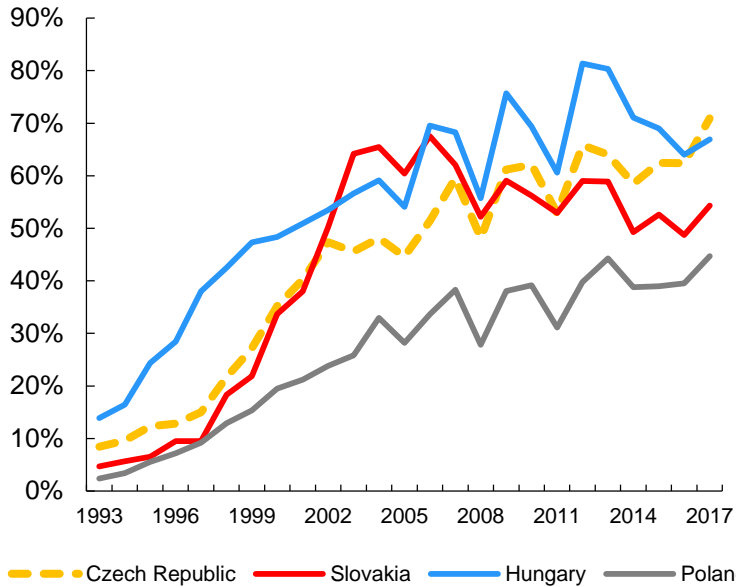
Country	GDP		Inward stock			Share in total stock		Top investing countries			Return rate (2015)
	Nominal	Per capita	Nominal (bn. €)	Share of GDP	From EU28	Manufacturing	Services	1st	2nd	3rd	
<b>BG</b>	48.1	48	40.8	85%	78%	17%	63%	NL	CH	DE	5.5%
<b>CZ</b>	176.4	88	115.6	66%	84%	32%	60%	NL	DE	LU	12.2%
<b>EE</b>	21.7	77	18.2	86%	83%	13%	79%	SE	FI	NL	6.8%
<b>HR</b>	46.6	61	26.2	56%	87%	21%	70%	NL	AT	IT	-0.6%
<b>LV</b>	25.0	64	13.5	54%	73%	12%	68%	SE	RU	CY	7.6%
<b>LT</b>	38.8	75	13.9	36%	80%	19%	73%	SE	NL	DE	11.2%
<b>HU</b>	113.9	67	76.4	67%	79%	30%	62%	DE	NL	AT	6.0%
<b>PL</b>	426.6	68	178.9	42%	92%	31%	61%	NL	DE	LU	9.7%
<b>RO</b>	170.4	59	70.1	41%	90%	32%	47%	NL	DE	AT	5.8%
<b>SI</b>	40.4	83	13.0	32%	85%	33%	61%	AT	LU	CH	8.5%
<b>SK</b>	81.4	77	45.1	56%	93%	32%	58%	NL	AT	CZ	8.2%
<b>EU28</b>	14,958	100	7378	49%	65%	13%	81%*	US	CH	BMU	3.8%

# Outward FDI in EU11 in 2017

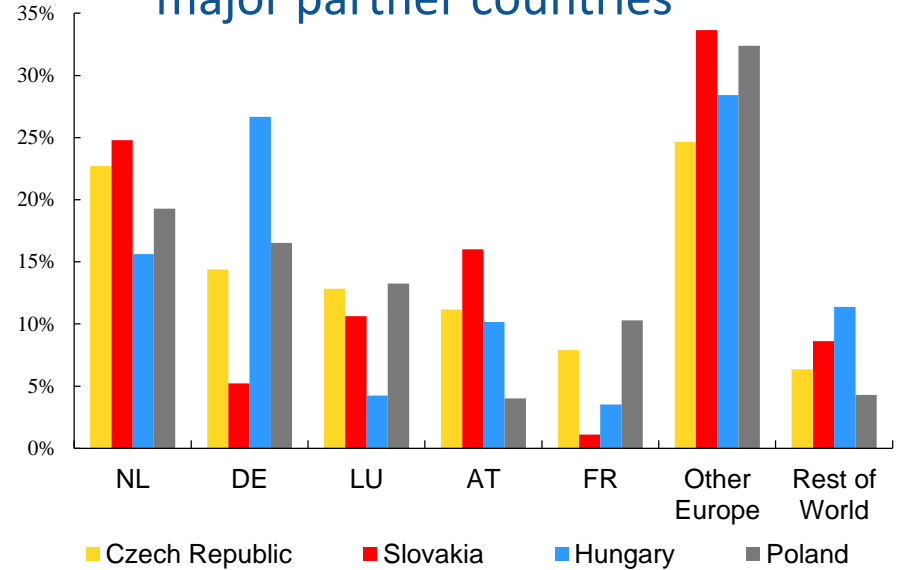
	Outward stock			Net FDI	Top countries for investment			Return rate (2015)
	Nominal (bn. €)	Share of GDP	From EU28		1st	2nd	3rd	
<b>BG</b>	2.1	4%	52%	-38.7				-1.1%
<b>CZ</b>	17.0	10%	92%	-98.6	NL	SK	CY	9.4%
<b>EE</b>	5.6	26%	92%	-12.6	LT	FI	RU	5.1%
<b>HR</b>	4.8	10%	48%	-21.4	NL	BiH	SL	-4.0%
<b>LV</b>	1.5	6%	68%	-12.0	LT	EE	RU	12.9%
<b>LT</b>	2.5	7%	89%	-11.4	NL	CY	LV	3.5%
<b>HU</b>	23.7	21%	71%	-52.7	BE	IL	CY	2.6%
<b>PL</b>	26.4	6%	68%	-152.5	LU	CY	CH	3.0%
<b>RO</b>	0.7	0.4%		-69.4				-13.8%
<b>SI</b>	5.7	14%	43%	-7.3	HR	SRB	BiH	0.9%
<b>SK</b>	2.5	3%	81%	-42.6	CZ	NL	PL	7.7%
<b>EU28</b>	9,115	61%	57%	+1,737	US	CH	BMU	4.4%

	NUTS 2 Region	GDP/capita % of EU average	Change of GDP vs EU 2007-2016	FDI stock (mil. EUR)	FDI stock/GDP	Largest share of employment in manufacturing	GVA/hour	Largest non-financial foreign investor and Coface500 rank*	
BG	Northwestern	15	2.4	521	15%	Textiles&Apparel	15.3	Great Wall Motors	N/A
	Southwestern	39	11.5	14,496	59%	Textiles&Apparel	26.0	Aurubis	43
CZ	Praha	126	2.7	80,185	164%	Wood&Furniture	67.5	Alpiq	11
	Strední Cechy	56	2.8	10,306	45%	Motor vehicles	47.3	VW	2
	Jihozápad	52	4.0	7,399	39%	Metals	42.8	Robert Bosch	209
	Severozápad	43	-1.2	4,186	29%	Metals	38.8	PKN Orlen	16
	Severovýchod	51	4.3	6,727	29%	Motor vehicles	41.3	IVECO	234
	Jihovýchod	55	8.2	8,364	30%	Metals	44.2	Automotive Lighting	334
	Strední Morava	49	8.0	4,484	25%	Metals	40.0	Continental	58
Moravskoslezsko	50	6.8	8,334	46%	Metals	43.7	Hyundai	12	
EE	Estonia	60	5.7	19,924	84%	Wood&Furniture	43.1	Ericsson	245
HR	Adriatic Croatia	38	-2.8	28,108	57%	Food&Drinks	36.5		N/A
	Continental Croatia	40	-0.3			Food&Drinks	36.5	Deutsche Telekom	239
LV	Latvia	46	7.3	14,605	54%	Wood&Furniture	35.6	Uralchem	226
LT	Lithuania	50	15.0	14,816	35%	Wood&Furniture	38.4	PKN	20
HU	Central Hungary	65	2.3	43,261	82%	Food&Drinks	38.3	General Electric	55
	Southern Danubia	28	3.9	1,002	15%	Food&Drinks	30.0	Flex	74
PL	Masovian-Warsaw	65	26.4	95,721	101%	Food&Drinks	42.1	Orange	40
	Lublin	26	9.9	1,396	16%	Metals	30.5	Brenntag	482
RO	Bucharest-Ilfov	73	37.2	42,021	91%	Food&Drinks	50.0	OMV	31
	North-East	20	9.5	2,080	17%	Textiles&Apparel	20.2	Ford	181
SI	Eastern Slovenia	57	-2.9	2,205	13%	Metals	54.5	Renault	98
	Western Slovenia	83	-7.8	9,121	42%	Metals	64.5	Mercator	144
SK	Bratislava Region	122	25.9	29,041	130%	Motor vehicles	73.5	VW	7
	Eastern Slovakia	37	7.9	3,392	21%	Metals	45.7	US Steel	489

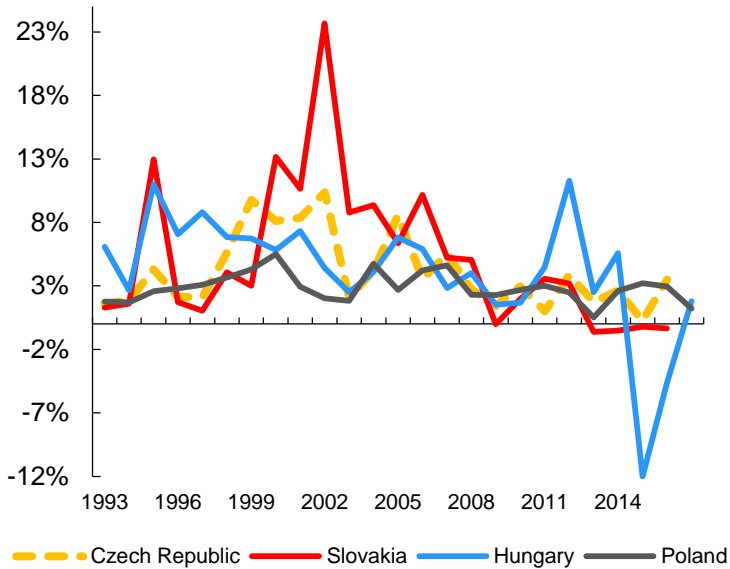
## Inward stock as % of GDP



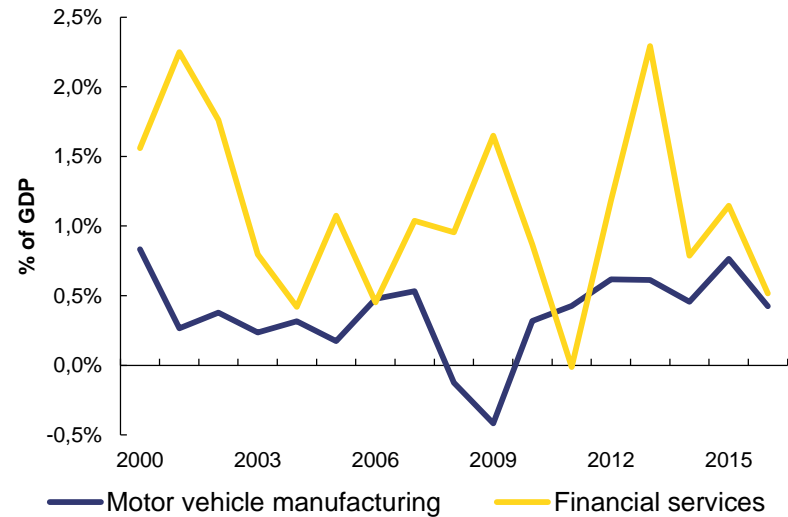
## Share of stock of the major partner countries



## Inward annual FDI flows



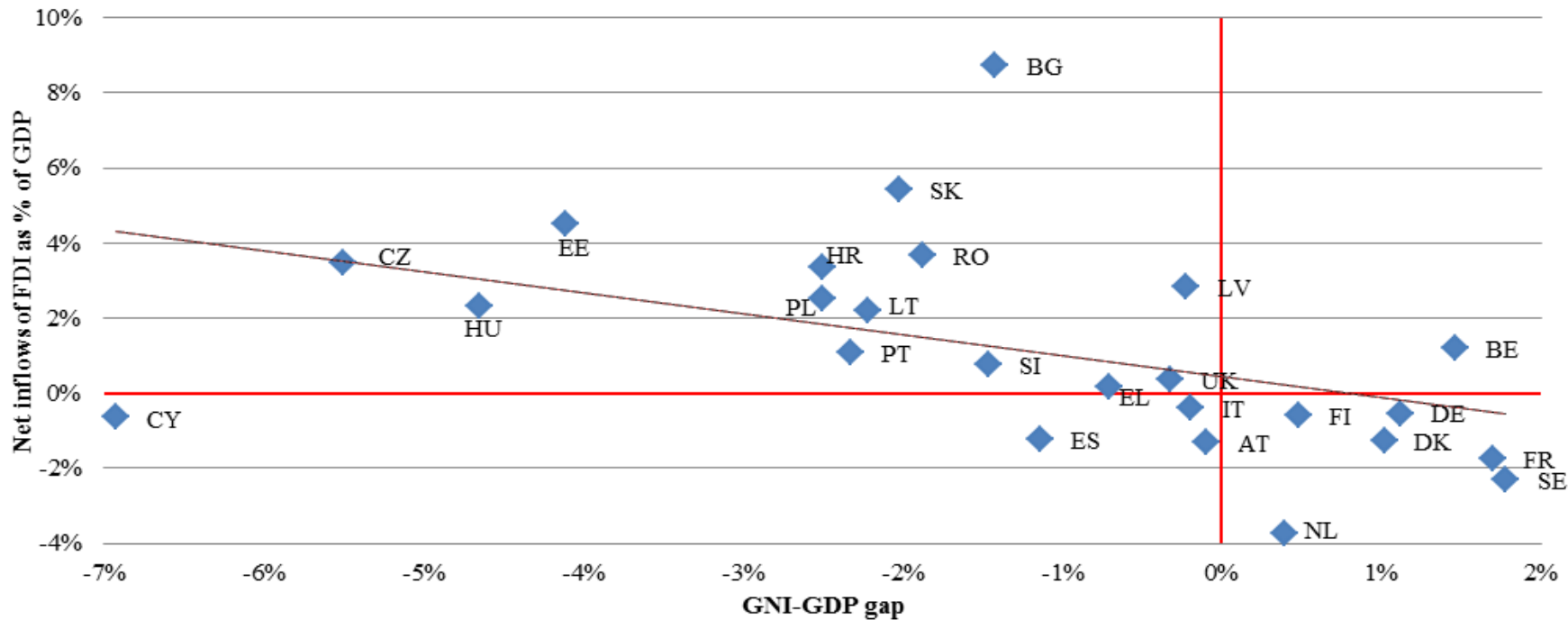
## FDI inflows in Czechia



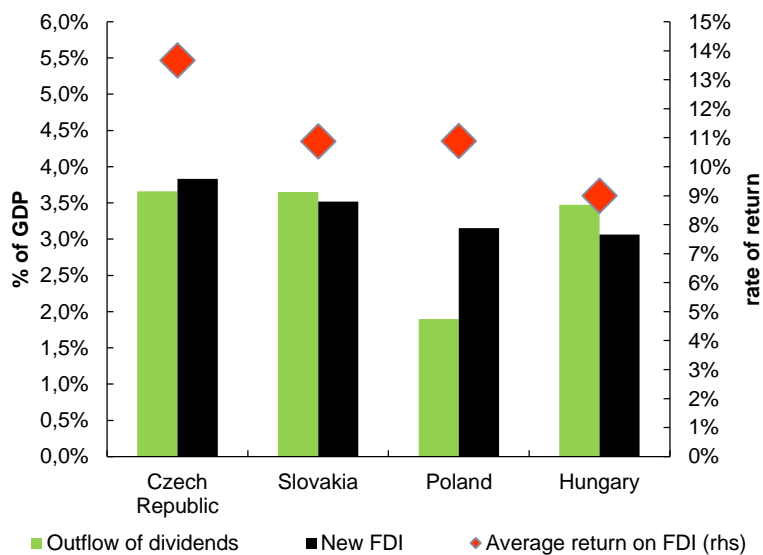
Share of FDI in GVA	Czechia				EU11	EU28
	2004	2008	2012	2015	2015	2015
Car manufacturing	89%	125%	147%	107%	110%	45%
Other manufacturing	70%	76%	83%	80%	67%	97%
Energy	70%	90%	84%	61%	61%	71%
Construction	13%	9%	20%	14%	25%	11%
Wholesale/Retail	54%	54%	73%	65%	51%	47%
Transport	18%	13%	31%	21%	17%	25%
Hotels/Restaurants	17%	18%	13%	19%	26%	13%
IT	43%	76%	71%	81%	70%	55%
Finance	229%	274%	345%	461%	287%	1226%
Real Estate	32%	50%	67%	61%	63%	23%

GVA/ Hours worked	Czechia				EU11		EU28	
	2004	2008	2012	2015	2004	2015	2004	2015
Car manufacturing	€ 17	€ 20	€ 23	€ 27	€ 8	€ 16	€ 35	€ 52
Other manufacturing	€ 11	€ 15	€ 17	€ 18	€ 9	€ 13	€ 29	€ 39
Energy	€ 25	€ 47	€ 50	€ 42	€ 17	€ 25	€ 55	€ 76
Construction	€ 12	€ 16	€ 16	€ 18	€ 9	€ 12	€ 28	€ 37
Wholesale/Retail	€ 12	€ 14	€ 15	€ 15	€ 9	€ 12	€ 27	€ 33
Transport	€ 13	€ 17	€ 18	€ 17	€ 9	€ 14	€ 29	€ 38
Hotels/Restaurants	€ 9	€ 10	€ 10	€ 10	€ 6	€ 8	€ 24	€ 27
IT	€ 28	€ 36	€ 38	€ 38	€ 23	€ 24	€ 60	€ 65
Finance	€ 26	€ 46	€ 48	€ 52	€ 17	€ 27	€ 59	€ 78
Real Estate	€ 85	€ 97	€ 118	€ 112	€ 60	€ 96	€ 382	€ 464

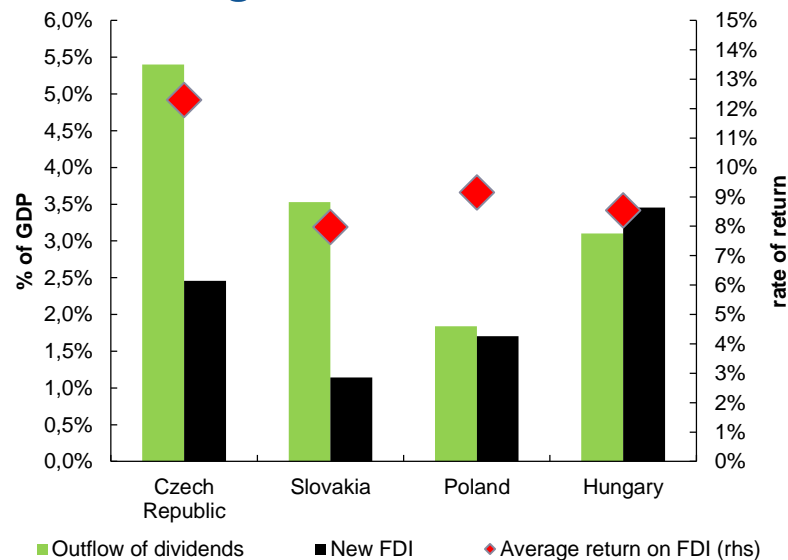




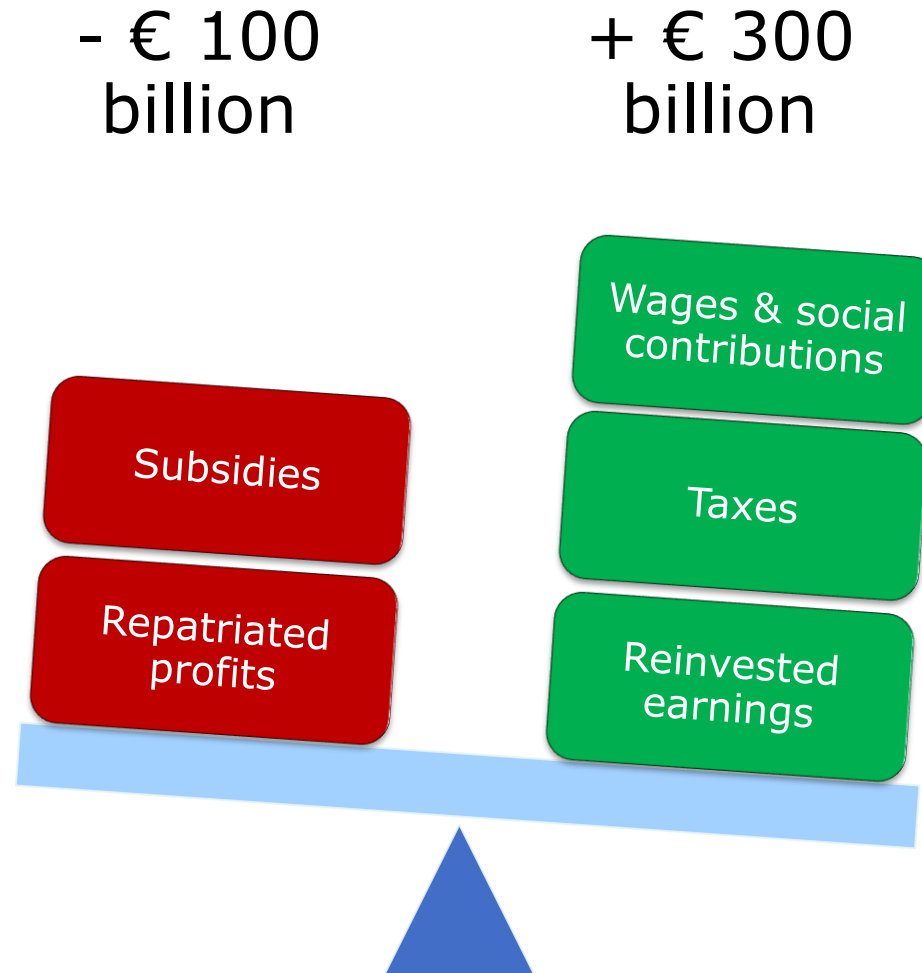
Average inflows 2004-2009



Average inflows 2010-2016



## Effect of FDI on the Czech economy since 2004\*



\*author's estimation

# Thank you!



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