

1 Survey results for 2021 and preliminary figures for 2022

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Austrian inward and outward foreign direct investment (FDI) stocks rebounded in 2021, following their decline in the wake of the coronavirus outbreak in 2020. The recovery was helped by the numerous pandemic-related government support packages and measures implemented by international institutions, such as the ECB's pandemic emergency purchase programme (PEPP). The PEPP aimed at stimulating the economy and mitigating the negative effects of the COVID-19 pandemic by allowing firms to access funds at favorable conditions. Despite the war in Ukraine, the positive trend in Austrian FDI continued into 2022.

1.1 Inward FDI

2020 saw the first drop in inward FDI stocks in Austria since 2011, with foreign investors' assets declining by around 5% – to EUR 167.9 billion – compared to 2019. Due to the COVID-19 pandemic and associated uncertainty, investors had become conservative and put off new investments or even withdrew investments from Austria. As the first COVID-19 wave abated, FDI stocks recovered swiftly, climbing by 10.5% to EUR 185.6 billion in 2021, and the volume of profit distributions increased in sync. In the international ranking of FDI target countries, Austria retained its 32nd place, accounting for some 0.6% of global FDI stocks.²

In 2022, stocks grew at a more moderate pace – by 4.3% – to EUR 193.6 billion. Table 1 shows a more detailed breakdown of the change in inward FDI stocks in 2022. Total transactions consist of equity and intragroup lending transactions as well as reinvested earnings, which are part of equity capital. In 2022, these components summed up to around EUR 8.9 billion. Intragroup lending of EUR 5.2 billion, which took the form of many small and medium credit facilities, were the main driver of transactions. In equity transactions, disinvestments were higher than investments, resulting in a negative balance of –EUR 970 million.

Table 1

Inward FDI

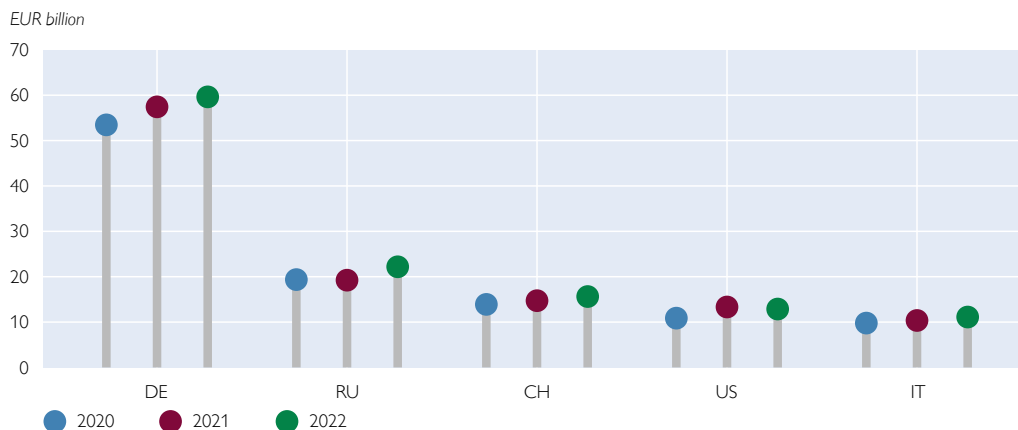
Reporting period	Position	Equity	Intragroup lending	Total
<i>EUR million</i>				
2021	End-of-period stock	178,646	6,942	185,588
2022	Transactions	–970	5,150	4,180
	Reinvested earnings = income – dividends	4,676	–	4,676
	Income (estimated)	13,963	218	14,181
	Profit distributions and interest (dividends)	9,287	218	9,505
	Other changes ¹	170	–1,017	–847
	End-of-period stock	182,522	11,075	193,597

Source: OeNB.

¹ "Other changes" are non-transaction-related changes like price and exchange rate effects.

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² UNCTAD FDI database: <https://unctadstat.unctad.org/datacentre/dataviewer/US.FdiFlowsStock>.

Inward FDI: top 5 countries

Source: OeNB.

Chart 1 shows the top 5 countries of origin of inward FDI in Austria. The Austrian FDI statistics break down inward FDI by countries where groups are headquartered. Germany has remained the most important investor in Austria, having continuously increased its FDI stock over the past three years despite the COVID-19 pandemic. Similarly, the other top investors' stock also grew steadily.

1.2 Outward FDI

Austria's outward FDI stock totaled EUR 223.6 billion in 2021, up 8.4% from EUR 206.3 billion recorded in 2020. Austrian investors hence accounted for 0.9% of global outward FDI. In the international ranking of FDI countries of origin, Austria took 22nd place. Austria's outward FDI stock increased by 6.5% to EUR 238.1 billion in 2022. Outward FDI transactions totaled EUR 7.1 billion in the same year.

Intragroup lending and equity transactions are important components of total stock transactions, as table 2 shows. Many small and medium changes have contributed to equity transactions worth EUR 2.9 billion and intragroup lending worth EUR 3 billion. The change in outward FDI stock was mostly driven by other non-transaction-related changes, which were above all attributable to price effects resulting from corporate restructurings. The profits estimated for 2022 were to a large part distributed.

Chart 2 shows the five most important target countries of Austrian FDI from 2020 to 2022. Austrian investors' stock in Germany decreased slightly in the past few years because of intragroup restructurings and relocations. Investments in other countries increased continuously, with the USA and the Netherlands recording particularly large rises in Austrian FDI stock.

Table 2

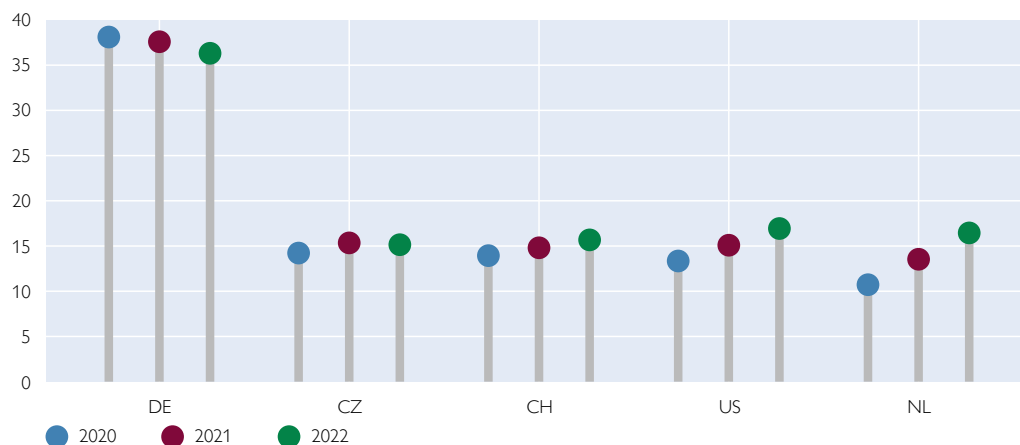
Outward FDI

Reporting period	Position	Equity	Intragroup lending	Total
<i>EUR million</i>				
2021	End-of-period stock	198,091	25,539	223,630
2022	Transactions	2,921	3,002	5,922
	Reinvested earnings = income – dividends	1,221	-	1,221
	<i>Income (estimated)</i>	14,948	640	15,588
	<i>Profit distributions and interest (dividends)</i>	13,726	640	14,366
	Other changes ¹	6,928	425	7,354
	End-of-period stock	209,162	28,966	238,127

Source: OeNB.

¹ "Other changes" are non-transaction-related changes like price and exchange rate effects.

Chart 2

Outward FDI: top 5 countries*EUR billion*

Source: OeNB.