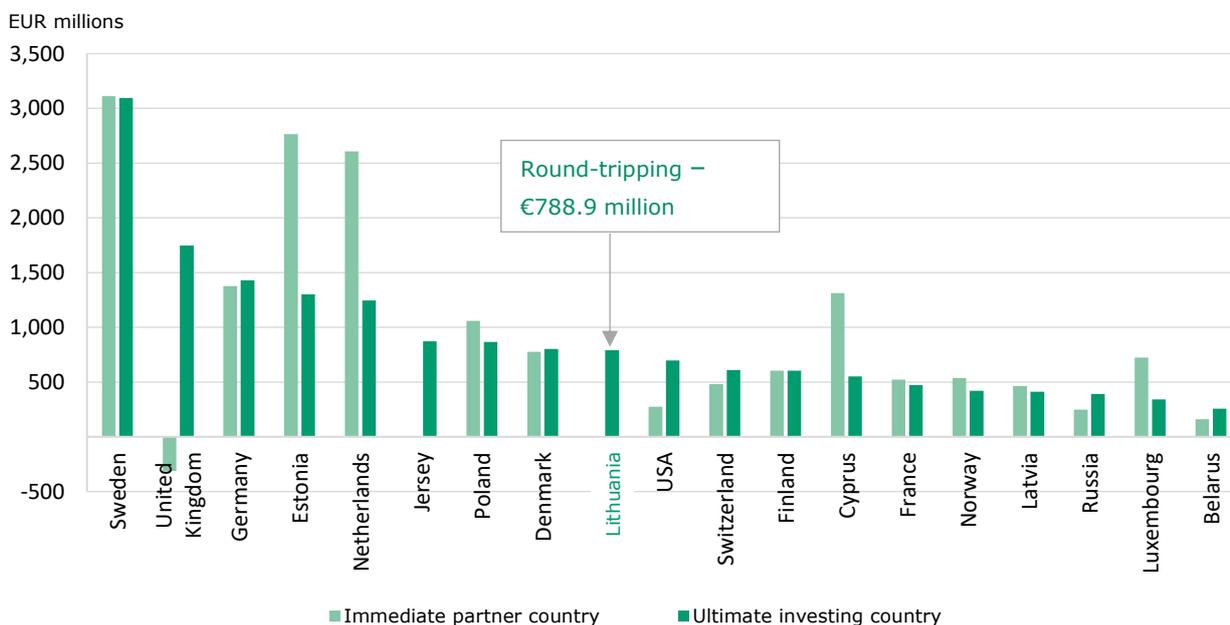05/02/2021

Foreign direct investment by the ultimate investing country

In accordance with the recommendations of the Organisation for Economic Co-operation and Development, the Bank of Lithuania has compiled and is starting the publication of the data on annual foreign direct investment (FDI) by the ultimate investing country. The information on the ownership structure of international undertakings for the period of 2015 to 2019, which is provided in Statistics Lithuania statistical survey on foreign direct investment (annual statistical report TUI-01), was used for the compilation of statistics. Redistribution of the accumulated FDI by ownership structure allows to determine the ultimate investing country that controls investment and bears the risk, as well as identify investment round-tripping. Round-tripping is when the capital that has been channelled abroad by resident investors is returned to the domestic economy as reinvestment in the form of FDI. This investment does not provide the typical benefit of FDI to the country, since in most cases tax benefits of both other countries and the resident country are utilised.

The data published show that, as of 31 December 2019, Sweden (€3.1 billion) was the largest investor in Lithuania followed by the United Kingdom (€1.7 billion), Germany (€1.4 billion), Estonia (€1.3 billion) and the Netherlands (€1.2 billion) (see Chart). Round-trip investment amounted to €788.9 million. The comparison of FDI data by the ultimate investing country with the direct investing country data reflects a significant increase in investment originating from Jersey, the United Kingdom and the US, while investment from Estonia, the Netherlands, Cyprus and Luxembourg declined by more than 50%.

Cumulative FDI in Lithuania 2019

Source: Bank of Lithuania

Detailed data on FDI by the ultimate investing country is available on the Bank of Lithuania website (External statistics).

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