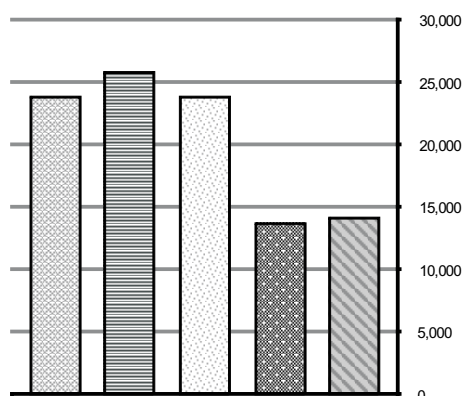


**Stock of Inward Direct Investment
Geographical Breakdown
2010**

€m



Foreign Direct Investment 2010

	€million		
	2008	2009	2010
Foreign Direct Investment			
Flows - Abroad	-12,936	-19,159	-13,441
Flows - In Ireland	-11,232	18,687	19,880
Positions - Abroad - end year	121,381	200,826	260,992
Positions - In Ireland - end year	135,295	171,766	184,925
Net Income Flows	-20,512	-25,748	-24,152

Ireland's FDI asset position increases in 2010

At the end of 2010 Irish stocks (positions) of direct investment abroad reached €261bn. This stock of outward direct investment reflects an *Equity Capital & Reinvested Earnings* position of €220bn and *Other Capital* of €41bn. The increase on the revised end-2009 total position of €201bn was mainly accounted for by investment in European enterprises, which increased by €40bn to €163bn at the end of 2010 (see table 3). This increase reflects the continued relocation of international group headquarters to Ireland during 2010 (from the United Kingdom and offshore centres), the first occurrence of which was in 2008.

The level of total foreign direct investment into Ireland increased to €185bn at end-2010 compared with €172bn the previous year. This was mainly accounted for by increases of €15bn from North America (mainly US) and €5.6bn from Central America. Investment from European countries decreased by €12.3bn (see table 4).

Decrease in FDI flows abroad

Flows of direct investment abroad in 2010 were €13.4bn, down from the 2009 peak of €19.2bn (the highest in the last 10 years). Reinvested earnings amounting to €10.6bn and other capital of €5.2bn were partially offset by equity withdrawals of €2.3bn. The main destination of investment was Central America (€10.3bn), followed by European countries (€5.7bn), mainly the UK (€3.5bn). Investment in the US decreased from €1.4bn in 2009 to €0.8bn in 2010 (see table 1).

Direct investment flows into Ireland increased to €19.9bn in 2010, compared with €18.7bn in 2009. The 2010 flows were comprised of a disinvestment of equity amounting to €4bn, with reinvested earnings and other capital amounting to €21.2bn and €2.6bn respectively. This inflow of investment was mainly from Offshore Centres (€13.3bn), with Bermuda (€8.6bn) accounting for 43% of total inward investment. Investment from the US increased to €7.5bn in 2010 compared with a disinvestment of €11.7bn in 2009, while investment from European countries decreased from €19.8bn in 2009 to €3.7bn in 2010. The latter was mainly affected by withdrawals of equity by investors resident in the Netherlands (€11.8bn) (see table 2).

Continued overleaf

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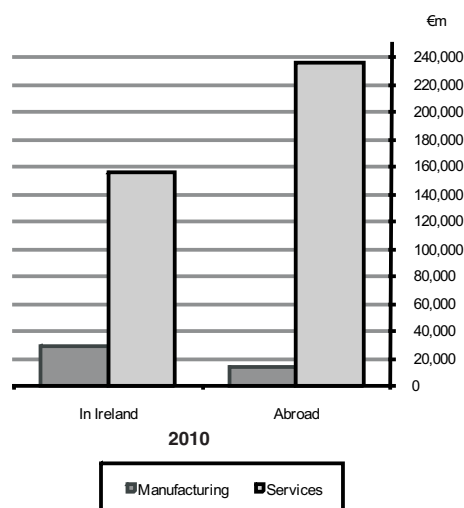
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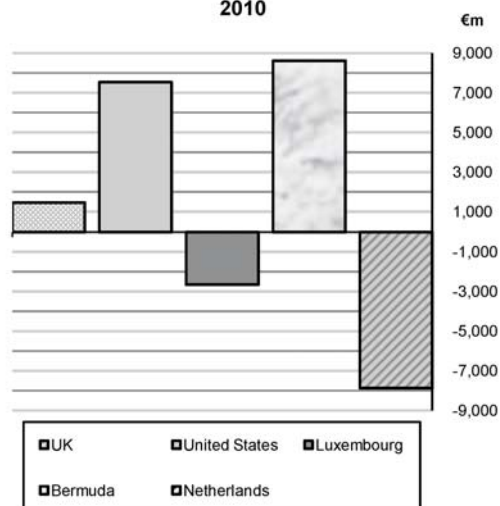
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**Stocks of Direct Investment
Activity Breakdown**



**Inward Direct Investment Flows
2010**



Sectoral breakdown

Investment abroad by enterprises located in Ireland was mainly into the services sector (€237bn), which at the end of 2010 accounted for over 90% of total FDI assets. €136bn of this investment was in countries within the EU (*see table 7*).

The largest sector for inward investment is monetary intermediation, which at the end of 2010 amounted to €47.5bn or 26% of the total stock of inward investment (*see table 8*). Other sectors of note are insurance (€28.2bn) and chemicals (€11.7bn).

Direct investment income

Earnings of foreign owned direct investment enterprises increased to €38.8bn in 2010 from €35bn in 2009. European owned companies' earnings in 2010 were €24bn, up €2.7bn, mainly accounted for by Netherlands (€10.3bn) and Switzerland (€4.5bn). Income earned abroad by investors located in Ireland increased by €5.4bn to €14.6bn in 2010. The sources of these earnings were the US (€3bn), Offshore Centres (€3.0bn), Luxembourg (€2.4bn) and Netherlands (€2bn) (*see table 9*).

This release updates the annual series of Ireland's inward and outward direct investment according to the location of the non-resident counterpart and the principal economic activity of the resident direct investment enterprise. The figures are consistent with those published in the quarterly Balance of Payments and quarterly International Investment Position releases. For more detailed information see the background notes.

Table 1 - Direct Investment¹ Flows Abroad Classified by Location of Investment

€ million

Region/Country	2008				2009 ²				2010			
	Equity	Reinvested Earnings	Other Capital	Total	Equity	Reinvested Earnings	Other Capital	Total	Equity	Reinvested Earnings	Other Capital	Total
Europe	-3,212	-2,655	-620	-6,487	-8,826	-2,299	-1,495	-12,619	-1,085	-6,429	1,786	-5,731
<i>of which:</i>												
Belgium	-243	-18	-1	-262	*	4	*	-185	-36	*	*	-3
France	*	-46	*	-1,102	*	-29	*	-2	-34	-171	-96	-302
Germany	71	-63	-83	-75	-24	63	94	135	-10	-54	25	-37
Italy	0	-4	7	5	*	-11	*	-16	-8	*	*	50
Luxembourg	-279	-158	671	234	*	-436	*	-836	691	-1,672	3,184	2,202
Netherlands	*	-585	*	636	*	-391	*	-11,423	*	-1,756	*	-1,354
Spain	*	-7	*	-37	*	-4	*	-204	*	*	*	*
Switzerland	*	-35	*	1	*	-14	*	156	*	*	*	560
United Kingdom	-1,948	-1,507	-1,702	-5,157	7,344	-1,295	-173	5,874	-1,226	-2,205	-35	-3,466
EU 27³	-3,282	-2,586	-624	-6,491	-8,795	-2,346	-1,494	-12,635	-68	-6,215	369	-5,912
EMU 16⁴	-1,126	-895	1,232	-789	*	-815	*	-12,955	1,159	-3,625	1,074	-1,392
Americas	-2,902	-895	-2,454	-6,254	-741	-2,233	-2,593	-5,567	-442	-3,837	-7,120	-11,399
North America	-2,529	-861	-26	-3,416	*	-1,337	-485	*	1,219	-1,430	-886	-1,097
<i>of which:</i>												
Canada	0	-99	2	-98	*	-22	-21	*	*	-35	*	-308
United States	-2,528	-762	-27	-3,318	368	-1,314	-464	-1,409	*	-1,395	*	-790
Central America	*	*	*	-2,844	*	-895	*	-3,225	*	*	*	-10,305
South America	*	*	*	6	*	-2	*	*	*	*	*	4
Asia	*	58	*	234	-376	37	45	-294	*	*	*	*
<i>of which:</i>												
China	0	-70	-2	-73	*	-34	*	-8	-2	21	6	25
Hong Kong	0	-16	-7	-23	*	*	5	-21	0	-77	2	-75
Japan	0	*	13	*	0	*	8	*	*	-31	*	*
Africa	*	-45	*	-221	*	17	*	49	*	*	0	*
Oceania and Polar Regions	*	-91	*	-220	-290	-56	0	-345	*	-55	*	230
Not geographically allocated⁵	112	-119	18	12	*	-141	*	-383	-946	-90	216	-821
Total	-6,014	-3,747	-3,175	-12,936	-10,325	-4,675	-4,160	-19,159	2,291	-10,572	-5,160	-13,441
<i>of which:</i>												
All offshore centres ⁶	*	-76	*	-2,786	*	-931	*	-3,707	*	-2,535	*	-10,631

¹ The sign convention used is: for flows 'Abroad' a minus sign means investments abroad by Irish investors exceeded their disinvestments in the period, while an entry without sign means disinvestment exceeded investment.

² Revised

³ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area.

⁴ The relevant EMU countries are: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

⁵ This category covers data supplied by respondents without a geographical breakdown.

⁶ This category overlaps with the regions referred to above and covers Andorra, Antigua and Barbuda, Anguilla, Netherlands Antilles, Barbados, Bahrain, Bermuda, Bahamas, Belize, Cook Islands, Curacao, Dominica, Grenada, Guernsey, Gibraltar, Hong Kong, Isle of Man, Jersey, Jamaica, St. Kitts and Nevis, Cayman Islands, Lebanon, Saint Lucia, Liechtenstein, Liberia, Marshall Islands, Montserrat, Maldives, Nauru, Niue, Panama, Philippines, Singapore, St Maarten, Turks and Caicos Islands, Saint Vincent and the Grenadines, British Virgin Islands, US Virgin Islands, Vanuatu, Samoa.

* Data suppressed for confidentiality reasons.

Table 2 - Direct Investment¹ Flows into Ireland Classified by Location of Investor

€ million

Region/Country	2008				2009 ²				2010			
	Equity	Reinvested Earnings	Other Capital	Total	Equity	Reinvested Earnings	Other Capital	Total	Equity	Reinvested Earnings	Other Capital	Total
Europe	-2,601	9,657	-322	6,735	3,710	10,746	5,332	19,790	-8,279	13,772	-1,806	3,686
of which:												
Belgium	1,177	-17	155	1,316	867	662	683	2,212	*	765	*	245
France	1,060	652	-1,815	-103	-51	189	4,323	4,460	*	53	*	1,584
Germany	-416	-310	1,793	1,066	-112	181	2,095	2,162	1,510	359	-68	1,802
Italy	*	744	*	1,518	1,048	1,021	230	2,299	-122	1,113	-101	889
Luxembourg	-3,898	1,127	-3,874	-6,645	-995	467	-3,638	-4,166	-1,996	1,126	-1,781	-2,651
Netherlands	-3,988	6,191	-2,661	-459	825	6,687	-2,705	4,809	-11,843	7,728	-3,755	-7,869
United Kingdom	944	1,100	2,073	4,116	1,794	804	2,062	4,660	2,312	715	-1,571	1,456
EU 27 ³	-4,589	9,775	569	5,755	3,863	10,363	2,412	16,638	-9,745	12,150	-3,525	-1,120
EMU 16 ⁴	-6,171	8,762	-4,337	-1,747	1,979	9,708	3,570	15,259	-13,030	11,229	-2,525	-4,326
North America	-1,168	2,626	-21,040	-19,583	1,020	2,287	-15,205	-11,898	2,297	3,053	2,736	8,087
of which:												
Canada	-3,138	81	338	-2,720	*	484	*	-218	105	155	292	552
United States	1,971	2,545	-21,378	-16,862	*	1,804	*	-11,681	2,192	2,899	2,444	7,536
Central America	1,293	2,887	-647	3,534	877	4,631	534	6,041	2,015	4,381	222	6,617
of which:												
Bermuda	695	2,848	198	3,741	847	4,281	-382	4,748	2,322	4,540	1,758	8,621
South America	0	0	-31	-31	0	0	5	5	0	0	108	108
of which:												
Brazil	0	0	11	11	0	0	40	40	0	0	76	76
Asia	*	*	*	-395	474	89	2,148	2,710	3	83	-413	-327
of which:												
China	0	0	-115	-115	0	0	-287	-287	0	0	-799	-799
Japan	*	-87	*	-335	106	52	1,225	1,384	3	80	-1,842	-1,759
Africa	-5	0	-34	-39	0	1	-195	-195	0	0	256	257
Oceania and Polar Regions	*	*	-208	-249	0	-64	25	-40	-2	-52	-65	-116
Not geographically allocated ⁵	*	4	*	-1,203	-94	-390	2,756	2,274	6	8	1,558	1,568
Total	-3,086	15,123	-23,268	-11,232	5,987	17,300	-4,600	18,687	-3,960	21,245	2,596	19,880
of which:												
All offshore centres ⁶	1,291	3,114	-1,166	3,237	-115	4,729	1,499	6,113	3,841	4,606	4,846	13,293

¹ The sign convention used is: for flows 'In Ireland' an entry without sign means that investment transactions into Ireland exceeded disinvestment, while a minus sign indicates that disinvestment exceeded investment.

² Revised

³ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area.

⁴ The relevant EMU countries are: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain

⁵ This category covers data supplied by respondents without a geographical breakdown.

⁶ This category overlaps with the regions referred to above and covers Andorra, Antigua and Barbuda, Anguilla, Netherlands Antilles, Barbados, Bahrain, Bermuda, Bahamas, Belize, Cook Islands, Curacao, Dominica, Grenada, Guernsey, Gibraltar, Hong Kong, Isle of Man, Jersey, Jamaica, St. Kitts and Nevis, Cayman Islands, Lebanon, Saint Lucia, Liechtenstein, Liberia, Marshall Islands, Montserrat, Maldives, Nauru, Niue, Panama, Philippines, Singapore, St Maarten, Turks and Caicos Islands, Saint Vincent and the Grenadines, British Virgin Islands, US Virgin Islands, Vanuatu, Samoa.

* Data suppressed for confidentiality reasons.

Table 3 - Direct Investment¹ Abroad End Year Positions Classified by Location of Investment

€ million

Region/Country	2008			2009 ²			2010		
	Equity Capital & Reinvested Earnings	Other Capital	Total	Equity Capital & Reinvested Earnings	Other Capital	Total	Equity Capital & Reinvested Earnings	Other Capital	Total
Europe	74,291	12,523	86,814	104,654	18,212	122,866	142,232	20,511	162,743
<i>of which:</i>									
France	2,752	213	2,966	*	*	1,842	*	61	*
Germany	3,423	160	3,583	3,762	72	3,834	3,951	81	4,032
Italy	238	131	368	160	124	284	*	*	886
Luxembourg	8,618	5,028	13,645	27,017	8,622	35,639	31,873	8,144	40,017
Netherlands	7,524	-551	6,973	19,069	208	19,277	26,509	2,477	28,986
Switzerland	285	25	310	185	*	*	*	*	*
United Kingdom	27,616	5,975	33,591	23,981	5,342	29,323	34,467	5,543	40,010
Offshore centres	4,055	294	4,350	4,335	903	5,238	5,777	558	6,335
EU 27³	69,515	12,210	81,724	99,519	15,958	115,477	128,524	19,485	148,009
EMU 16⁴	38,932	6,202	45,134	66,076	10,814	76,890	83,813	13,471	97,284
Americas	*	*	27,652	58,017	10,923	68,940	70,206	16,811	87,018
North America	16,943	2,308	19,251	*	*	26,209	*	*	25,648
<i>of which:</i>									
Canada	544	25	569	*	*	1,102	*	*	1,225
United States	16,399	2,283	18,682	22,591	2,517	25,108	20,502	3,921	24,423
Central America	*	*	8,201	*	*	42,567	*	*	61,182
<i>of which:</i>									
Offshore centres	1,308	*	*	*	*	42,275	*	*	60,718
South America	*	*	200	*	*	163	*	*	188
Asia	5,249	73	5,322	5,490	3	5,493	1,112	-208	904
Africa	*	*	315	*	*	315	*	*	180
Oceania and Polar Regions	912	38	949	1,287	29	1,317	*	*	3,765
Not geographically allocated⁵	593	-265	329	*	*	1,895	3,108	3,275	6,382
Total	99,970	21,411	121,381	171,435	29,391	200,826	220,440	40,552	260,992
<i>of which:</i>									
All offshore centres ⁶	5,533	6,895	12,428	*	*	48,077	*	*	67,582

¹ The sign convention used is: for year-end positions 'Abroad', an entry without sign indicates a net asset position, while a minus sign indicates a net liability position.

² Revised

³ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area.

⁴ The relevant EMU countries are: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

⁵ This category covers data supplied by respondents without a geographical breakdown.

⁶ This category overlaps with the regions referred to above and covers Andorra, Antigua and Barbuda, Anguilla, Netherlands Antilles, Barbados, Bahrain, Bermuda, Bahamas, Belize, Cook Islands, Curacao, Dominica, Grenada, Guernsey, Gibraltar, Hong Kong, Isle of Man, Jersey, Jamaica, St. Kitts and Nevis, Cayman Islands, Lebanon, Saint Lucia, Liechtenstein, Liberia, Marshall Islands, Montserrat, Maldives, Nauru, Niue, Panama, Philippines, Singapore, St Maarten, Turks and Caicos Islands, Saint Vincent and the Grenadines, British Virgin Islands, US Virgin Islands, Vanuatu, Samoa.

* Data suppressed for confidentiality reasons.

Table 4 - Direct Investment¹ in Ireland End Year Positions Classified by Location of Investor

€ million

Region/Country	2008 ²			2009 ²			2010		
	Equity Capital & Reinvested Earnings	Other Capital	Total	Equity Capital & Reinvested Earnings	Other Capital	Total	Equity Capital & Reinvested Earnings	Other Capital	Total
Europe	128,835	-18,469	110,367	142,832	-4,422	138,410	134,152	-8,021	126,131
<i>of which:</i>									
Belgium	2,581	3,433	6,014	3,785	3,851	7,637	105	-628	-523
France	9,242	-4,459	4,783	11,291	189	11,480	11,686	1,997	13,683
Germany	7,475	-2,838	4,636	8,137	-890	7,247	10,083	-591	9,492
Italy	6,371	-207	6,164	8,283	765	9,048	6,443	572	7,014
Luxembourg	20,680	4,679	25,359	23,155	7,493	30,648	18,137	7,755	25,892
Netherlands	46,701	-11,434	35,267	50,035	-14,148	35,888	41,321	-17,454	23,867
Spain	3,013	-2,424	589	4,241	-237	4,004	3,591	1,271	4,862
Switzerland	7,212	-1,849	5,362	6,714	330	7,044	7,091	-394	6,697
United Kingdom	19,986	-5,324	14,661	21,701	-1,335	20,367	26,761	-2,928	23,833
Offshore centres	*	*	-61	*	*	304	3,486	987	4,473
EU 27³	119,876	-15,383	104,494	134,269	-4,347	129,923	123,345	-9,334	114,011
EMU 16⁴	97,925	-12,401	85,524	110,695	-2,154	108,541	92,576	-6,132	86,444
North America	37,967	-19,777	18,190	46,242	-39,134	7,108	53,905	-31,763	22,142
<i>of which:</i>									
Canada	3,959	2,951	6,910	4,013	3,433	7,446	*	*	8,014
United States	34,008	-22,728	11,280	42,229	-42,567	-338	*	*	14,128
Central America	*	*	14,808	28,331	-2,851	25,481	34,282	-3,243	31,039
<i>of which:</i>									
Offshore centres	18,147	-2,842	15,305	28,276	-2,842	25,434	34,226	-3,235	30,991
South America	*	*	-83	0	-213	-213	0	-105	-105
<i>of which:</i>									
Brazil	*	*	-161	0	-137	-137	0	-57	-57
Asia	594	-1,084	-490	868	550	1,418	677	374	1,050
<i>of which:</i>									
China	0	162	162	0	-113	-112	*	*	-891
Japan	-13	335	322	113	1,506	1,618	197	-119	78
Singapore	-32	408	376	-20	1,496	1,476	-32	3,571	3,539
Offshore centres ⁵	*	*	130	-19	879	860	-39	3,468	3,429
Africa	*	*	-147	*	*	-111	317	-177	140
Oceania and Polar Regions	435	-643	-208	1,047	-625	423	2,069	-765	1,304
Not geographically allocated⁶	*	*	-7,142	*	*	-750	233	2,990	3,224
Total	182,413	-47,118	135,295	219,548	-47,782	171,766	225,635	-40,710	184,925
<i>of which:</i>									
All offshore centres ⁷	18,905	-3,828	15,077	29,560	-2,963	26,598	37,673	1,215	38,889

¹ The sign convention used is: for year-end positions 'In Ireland' an entry without sign indicates a net liability position, while a minus sign indicates a net asset position.² Revised³ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area.⁴ The relevant EMU countries are: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain⁵ This category overlaps with some of the the regions referred to above.⁶ This category covers data supplied by respondents without a geographical breakdown.⁷ This category overlaps with the regions referred to above and covers Andorra, Antigua and Barbuda, Anguilla, Netherlands Antilles, Barbados, Bahrain, Bermuda, Bahamas, Belize, Cook Islands, Curacao, Dominica, Grenada, Guernsey, Gibraltar, Hong Kong, Isle of Man, Jersey, Jamaica, St. Kitts and Nevis, Cayman Islands, Lebanon, Saint Lucia, Liechtenstein, Liberia, Marshall Islands, Montserrat, Maldives, Nauru, Niue, Panama, Philippines, Singapore, St Maarten, Turks and Caicos Islands, Saint Vincent and the Grenadines, British Virgin Islands, US Virgin Islands, Vanuatu, Samoa.

* Data suppressed for confidentiality reasons.

Table 5 - Direct Investment¹ Flows Abroad Classified by Activity² of Resident Investor, 2009 and 2010

€ million

Sector	NACE ²	2009 ³			2010		
		Total	of which:		Total	of which:	
			EU 27 ⁴	EMU 16 ⁵		EU 27 ⁴	EMU 16 ⁵
All Industries		-19,159	-12,635	-12,955	-13,441	-5,912	-1,392
<i>of which:</i>							
Mining, Quarrying and Construction	<i>10 - 14, 45</i>	*	*	*	*	*	*
Total Manufacturing Sector	<i>15 - 37</i>	-1,152	-850	-927	-947	-690	-319
Food products	<i>15, 16</i>	*	121	*	-492	-430	*
Textiles and wood	<i>17, 18 & 20 - 22</i>	-949	*	*	288	-177	-179
Chemical products	<i>24</i>	-34	-71	-66	-22	135	133
Other manufacturing n.e.s.		*	*	75	-721	-218	*
Electricity, Gas and Water	<i>40, 41</i>	*	*	*	*	*	*
Total Services Sector	<i>50 - 99</i>	-16,703	-10,998	-11,704	-12,923	-5,636	-1,180
Trade and repairs	<i>50 - 52</i>	0	387	54	-3,764	*	*
Financial intermediation	<i>65 - 67</i>	-8,934	-8,890	*	2,982	-2,141	605
Real estate, renting and business activities	<i>70 - 74</i>	-7,193	-2,336	*	-12,242	-1,395	-556
<i>of which:</i>							
Computer activities	<i>72</i>	-3,563	51	17	*	*	*
Other business activities	<i>74</i>	-3,503	-2,293	*	-7,823	-1,254	-523
Other service activities ⁶		-576	-159	-134	101	*	*

¹ The sign convention used is: for flows 'Abroad' a minus sign means investments abroad by Irish investors exceeded their disinvestments in the period, while an entry without sign means disinvestment exceeded investment.

² The activity classification used in this release is the NACE Rev. 1.1 classification.

³ Revised

⁴ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area.

⁵ The relevant EMU countries are: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

⁶ This covers residual FDI service activity.

* Data suppressed for confidentiality reasons.

Table 6 - Direct Investment¹ Flows into Ireland Classified by Activity² of Resident Enterprise, 2009 and 2010

€ million

Sector	NACE ²	2009 ³						2010					
		Total	of which:					Total	of which:				
			United States	Japan	EU 27 ⁴	EMU 16 ⁵	Offshore Centres		United States	Japan	EU 27 ⁴	EMU 16 ⁵	Offshore Centres
All Industries		18,687	-11,681	1,384	16,638	15,259	6,113	19,880	7,536	-1,759	-1,120	-4,326	13,293
Agriculture and Fishing	1 - 5	*	8	0	*	*	0	*	8	0	*	*	0
Mining, Quarrying and Construction	10 - 14, 45	*	0	0	*	*	0	*	0	0	*	*	0
Total Manufacturing Sector	15 - 37	6,478	-712	70	3,325	3,310	999	-5,175	-905	*	-6,116	-7,019	-652
Food products	15, 16	91	152	-1	111	242	145	-186	-56	*	-470	-349	529
Textiles and wood	17, 18 & 20 - 22	309	*	0	112	123	230	-38	*	0	157	157	-121
Chemical and chemical products	24	3,975	-392	91	3,063	3,175	275	-6,388	-1,001	32	-7,159	-8,227	-645
Metal and mechanical products	27 - 29	*	*	*	*	*	2	*	13	*	*	*	*
Other manufacturing n.e.s.		*	-583	*	*	*	347	*	*	31	*	*	*
Electricity, Gas and Water	40, 41	0	0	0	0	0	0	0	0	0	0	0	0
Total Services Sector		12,294	-10,977	1,314	13,415	11,913	5,114	25,101	8,432	*	5,059	2,609	13,945
Trade and repairs	50 - 52	3,708	*	*	-902	-907	100	231	-584	*	673	955	2,221
Transport, storage and communications	60 - 64	50	*	0	135	375	*	-153	2	0	-251	682	*
Monetary intermediation	651	3,937	751	*	2,809	711	*	1,456	908	0	610	1,282	*
Other financial intermediation	652	2,883	-16,795	*	13,304	11,007	2,018	15,143	8,881	*	3,182	774	4,843
Insurance services	66	-820	536	*	-914	1,314	136	3,155	-178	35	1,468	880	595
Financial auxiliary activities	67	363	*	0	526	305	*	-740	*	0	-429	346	11
Computer activities	72	4,114	1,360	-25	-512	-213	*	4,576	-383	*	-697	-749	*
Other service activities		-1,941	-270	-17	-1,031	-679	-195	1,433	*	-27	503	-1,561	671

¹ The sign convention used is: for flows 'In Ireland' an entry without sign means that investment transactions into Ireland exceeded disinvestment, while a minus sign indicates that disinvestment exceeded investment.

² The activity classification used in this release is the NACE Rev. 1.1 classification.

³ Revised

⁴ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area.

⁵ The relevant EMU countries are: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

* Data suppressed for confidentiality reasons.

Table 7 - Direct Investment¹ Abroad End Year Positions Classified by Activity² of Resident Investor, 2009 and 2010

€ million

Sector	NACE ²	2009 ³			2010		
		Total	of which:		Total	of which:	
			EU 27 ⁴	EMU 16 ⁵		EU 27 ⁴	EMU 16 ⁵
All Industries		200,826	115,477	76,890	260,992	148,009	97,284
<i>of which:</i>							
Mining, Quarrying and Construction	45	*	*	*	*	*	*
Total Manufacturing Sector	15 - 37	11,633	6,752	4,176	13,341	7,454	4,222
Food products	15, 16	2,280	*	1,273	2,942	*	1,458
Textiles and wood	17, 18 & 20 - 22	3,510	*	*	3,218	*	*
Chemical and chemical products	24	3,288	*	*	*	*	*
Other manufacturing n.e.s.		2,555	1,919	390	*	2,300	222
Electricity, Gas and Water	40, 41	*	*	*	*	*	*
Total Services Sector	50 - 99	179,076	104,948	69,913	236,824	136,343	89,388
Trade and repairs	50 - 52	12,321	2,282	296	17,231	3,809	905
Financial intermediation	65 - 67	30,988	22,510	11,105	30,231	25,914	11,659
Computer activities	72	*	*	*	20,541	-2	*
Other business activities	74	95,335	55,232	43,446	138,362	81,783	61,999
<i>of which:</i>							
<i>Business and management consultancy (including activities of holding companies)</i>	74.14 - 74.15	73,758	37,407	29,897	112,265	59,747	44,914
Other service activities ⁶		*	*	*	30,459	24,839	*

¹ The sign convention used is: for year-end positions 'Abroad', an entry without sign indicates a net asset position, while a minus sign indicates a net liability position.

² The activity classification used in this release is the NACE Rev. 1.1 classification.

³ Revised

⁴ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area.

⁵ The relevant EMU countries are: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

⁶ This covers residual FDI service activity.

* Data suppressed for confidentiality reasons.

Table 8 - Direct Investment¹ in Ireland End year Positions Classified by Activity² of Resident Enterprise, 2009 and 2010

€ million

Sector	NACE ²	2009 ³						2010					
		Total	of which:					Total	of which:				
			United States	Japan	EU 27 ⁴	EMU 16 ⁵	Offshore Centres		United States	Japan	EU 27 ⁴	EMU 16 ⁵	Offshore Centres
All Industries		171,766	-338	1,618	129,923	108,541	26,598	184,925	14,128	78	114,011	86,444	38,889
Agriculture and Fishing	1 - 5	*	*	0	*	*	0	*	*	0	*	*	0
Mining, Quarrying and Construction	10 - 14, 45	*	*	0	*	*	0	*	*	0	*	*	0
Total Manufacturing Sector	15 - 37	34,050	2,431	-282	26,467	26,348	3,737	28,895	*	-229	20,004	19,612	3,030
Food products	15, 16	3,530	372	1	3,158	4,298	654	3,239	328	*	2,340	3,581	*
Textiles and wood	17, 18 & 20 - 22	1,581	*	*	677	657	1,161	1,527	*	*	*	*	*
Chemical and chemical products	24	18,343	827	-309	13,505	13,503	1,246	11,674	1,475	-287	6,212	5,499	681
Metal and mechanical products	27 - 29	675	*	*	*	*	*	*	*	0	*	*	*
Other manufacturing n.e.s.		9,921	*	29	*	*	*	*	1,415	60	10,387	9,350	-143
Electricity, Gas and Water	40, 41	0	0	0	0	0	0	0	0	0	0	0	0
Total Services Sector		137,408	-2,770	1,900	103,150	82,051	22,861	155,625	10,667	307	93,605	66,603	35,859
Trade and repairs	50 - 52	11,421	*	26	7,802	6,148	551	10,967	4,250	*	7,633	6,967	2,601
Transport, storage and communications	60 - 64	1,424	*	0	621	881	326	287	81	0	420	1,569	*
Monetary intermediation	651	52,901	20,061	*	29,477	15,571	*	47,455	21,820	*	21,026	8,977	*
Other financial intermediation	652	-4,940	-34,635	*	21,788	23,013	1,663	6,551	-23,206	*	18,871	18,211	6,811
Insurance services	66	24,105	1,446	*	17,309	14,269	4,174	28,193	*	*	19,896	16,132	4,660
Financial auxiliary activities	67	1,006	*	0	1,058	313	*	91	*	0	452	418	*
Other business activities	74	34,766	2,474	*	20,536	18,660	*	39,079	3,079	*	21,424	11,759	5,345
Other service activities		16,725	4,129	25	4,559	3,196	7,176	23,002	*	-2	3,883	2,570	13,978

¹ The sign convention used is: for year-end positions 'In Ireland' an entry without sign indicates a net liability position, while a minus sign indicates a net asset position.

² The activity classification used in this release is the NACE Rev. 1.1 classification.

³ Revised

⁴ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area.

⁵ The relevant EMU countries are: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

* Data suppressed for confidentiality reasons.

Table 9 - Direct Investment Income¹ Flows Classified by Geographic Location of Creditor/Debtor

€ million

Region/Country	Total Direct Investment Income								
	2008			2009 ²			2010		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
Europe	5,497	18,982	-13,485	4,093	21,348	-17,256	8,001	23,999	-15,998
<i>of which:</i>									
Belgium	31	267	-236	2	937	-934	-35	1,143	-1,177
France	539	957	-418	259	468	-209	290	287	3
Germany	375	15	361	176	321	-145	244	508	-264
Italy	46	1,145	-1,098	22	1,289	-1,267	*	1,366	*
Luxembourg	220	2,041	-1,821	959	1,985	-1,027	2,368	2,190	178
Netherlands	870	7,896	-7,027	495	9,328	-8,833	1,955	10,298	-8,343
Spain	337	220	118	162	481	-319	172	371	-198
Switzerland	66	2,918	-2,852	35	3,435	-3,399	*	4,491	*
United Kingdom	2,333	2,163	170	1,602	1,891	-289	2,375	2,182	193
EU 27 ³	5,148	15,716	-10,568	4,021	17,722	-13,701	7,736	19,095	-11,358
EMU 16 ⁴	2,504	13,167	-10,666	2,100	15,348	-13,249	4,946	16,364	-11,418
Americas	3,734	11,597	-7,862	4,513	13,757	-9,244	6,032	14,532	-8,500
<i>of which:</i>									
Canada	123	178	-54	46	538	-491	61	221	-160
United States	3,391	3,715	-323	3,270	4,189	-919	3,077	4,340	-1,262
Offshore centres	197	7,699	-7,502	1,179	9,035	-7,857	2,892	9,974	-7,082
Asia	702	*	*	405	166	239	363	*	*
<i>of which:</i>									
Japan	*	-62	*	*	91	*	118	120	-3
Africa	48	*	*	-16	*	*	6	*	*
Oceania and Polar Regions	124	59	65	87	80	7	107	-26	131
Not geographically allocated ⁵	106	23	83	135	*	*	92	80	16
Total	10,211	30,723	-20,512	9,217	34,965	-25,748	14,601	38,753	-24,152
<i>of which:</i>									
Offshore centres ⁶	493	8,036	-7,543	1,219	9,194	-7,974	3,023	10,360	-7,337

¹ Income on equity and other direct investment capital.² Revised³ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area.⁴ The relevant EMU countries are: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.⁵ This category covers data supplied by respondents without a geographical breakdown.⁶ This category overlaps with the regions referred to above and covers Andorra, Antigua and Barbuda, Anguilla, Netherlands Antilles, Barbados, Bahrain, Bermuda, Bahamas, Belize, Cook Islands, Curacao, Dominica, Grenada, Guernsey, Gibraltar, Hong Kong, Isle of Man, Jersey, Jamaica, St. Kitts and Nevis, Cayman Islands, Lebanon, Saint Lucia, Liechtenstein, Liberia, Marshall Islands, Montserrat, Maldives, Nauru, Niue, Panama, Philippines, Singapore, St Maarten, Turks and Caicos Islands, Saint Vincent and the Grenadines, British Virgin Islands, US Virgin Islands, Vanuatu, Samoa.

* Data suppressed for confidentiality reasons.

Background Notes *(updated September 2011)*

Introduction This release updates the annual statistical series on Foreign Direct Investment (FDI) which was introduced in December 2003. The data presented show annual direct investment flows over the reference year along with end-year stocks (or positions) for Ireland broken down geographically by region and by country. The release includes tables with further analyses of the FDI flows and stocks broken down by the principal economic activity (using the NACE Rev. 1.1 classification) of the resident direct investment enterprise. These results further expand the range of Balance of Payments (BOP), International Investment Position (IIP) and related statistics published by the CSO. The figures presented are methodologically consistent with the data already presented in the quarterly balance of payments and annual IIP releases.

International statistical standards Taken together, the underlying methodologies used to compile these FDI as well as the various related statistics are consistent and follow as far as possible the recommendations of the IMF's *Balance of Payments Manual - 5th Edition* (BPM5) published in 1993 and its supplement, *Financial Derivatives: A Supplement to the 5th Edition (1993) of the Balance of Payments Manual* published in 2000. The methodology used also reflects particular interpretations of the BPM5 by the European Central Bank (ECB) and Eurostat.

The BOP and IIP releases include descriptions of the overall collection, compilation and presentation methodologies used. Further important details which specifically concern Direct Investment are given below.

Data collection The general data collection and compilation arrangements are described more fully in the BOP and IIP releases. BOP-related data collection is statutory and surveys are conducted by the CSO and by the Central Bank of Ireland (CBI). Other data obtained from administrative sources are also used. Following the introduction of a redesigned BOP data collection system in 1998 and up to 2007, the CSO undertook all the necessary survey collection and compilation required. However, following a recent joint initiative involving the CSO and the CBI to rationalise statistical data collection and compilation for the financial sector and also to reduce the burden on data providers the data collection arrangements have changed. As a consequence, since 2008 the data required from licensed banks (credit institutions) and from investment funds (including money market funds) to meet BOP, IIP, external debt, foreign direct investment and other statistical demands on both organisations are being collected quarterly by the CBI under its legislation as well as European legislation¹. The data are supplied by the CBI to CSO for statistical compilation purposes. The CSO has therefore discontinued its surveys of credit institutions and investment funds but continues to collect the required data from other financial enterprises as well as non-financial enterprises using its ongoing quarterly statutory surveys. These are conducted under the Statistics (Balance of Payments and Financial Accounts) Order, 2010 (S.I. No. 206 of 2010) made under the Statistics Act, 1993.

In all about 2,000 enterprises are covered for FDI. Many of these are financial enterprises most of which are engaged in internationally-traded financial service activities and are broadly known as IFSC enterprises. In addition, some information on investment in residential and commercial properties abroad has been collected from general sources and the relevant estimates are included in the figures (see *Definition of Foreign Direct Investment* below).

Definition of Foreign Direct Investment

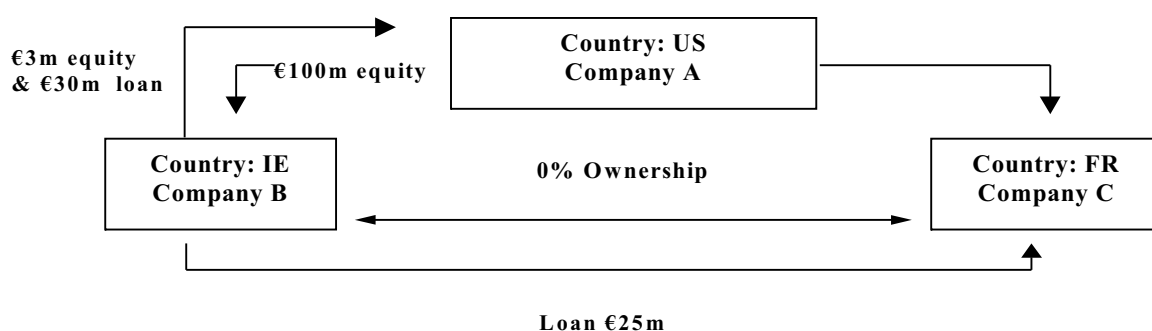
Direct investment is a category of international investment that, based on an equity ownership of at least 10%, reflects a lasting interest by a resident in one economy (the direct investor) in an enterprise resident in another economy (the direct investment enterprise). Using this criterion, a direct investment relationship can exist between a number of affiliated enterprises whether the linkage involves a single chain or a number of chains. It can extend to a direct investment enterprise's subsidiaries, sub-subsidiaries and associates. Once the direct investment relationship is established, all subsequent financial flows between the related entities are recorded as direct investment transactions, regardless of the type of financial instrument used in the financing arrangement (except for financial derivative contracts, and financial intermediary affiliates among which direct investment transactions are limited to those involving equity and permanent debt). The components of direct investment transactions are *equity capital*, *reinvested earnings*, and *other capital*. *Equity capital* comprises investment in branches, shares in subsidiaries and associates (except non-participating preferred shares that are treated as debt securities) and other capital contributions. *Reinvested earnings* consists of the off-setting entry to the corresponding current account income item: it is the direct investor's share of the undistributed earnings of its branches, subsidiaries and associates. *Other capital* covers all other inter-affiliate financial transactions (borrowing and lending of funds) including debt securities and suppliers' credits (i.e. trade credits).

Following the recommendations of the IMF, ECB, EUROSTAT and OECD, direct investment flows are recorded on a '*directional basis*' rather than the more usual assets/liabilities basis. *Direct investment abroad* covers *net* investment by companies resident in Ireland in their foreign branches, subsidiaries and associated companies. *Direct investment in Ireland* covers the *net* investment by foreign companies in their affiliates located in Ireland.

The compilation system for direct investment also includes investment by Irish private residents (households) in residential and commercial property abroad. Such properties are regarded as constituting notional direct investment enterprises overseas and are treated accordingly in the system, both in terms of any relevant financial account investment flows and any current account flows (services or income). In addition, foreign investment in bloodstock breeding activities in Ireland as well as associated income flows are now reflected in the BOP statistics.

Directional Principle for recording direct investment

In line with the quarterly BOP flow and annual IIP stock data, direct investments of Irish resident investors in foreign enterprises are recorded under the category *direct investment abroad* (which approximates to the assets concept). Similar investments made by foreign investors in enterprises located in Ireland are recorded under *direct investment in Ireland* (which closely equates to liabilities). The essential difference between the directional principle and the assets/liabilities approach centres on the treatment of reverse investment by a direct investment enterprise in its parent (direct investor) and on the treatment of transactions with other foreign affiliates covered by a direct investment relationship. In the Irish context, reverse *equity* investment in a parent enterprise is rare and tends to be relatively small. However, substantial flows (and positions) under the category *direct investment – other capital* can take place. These predominantly take the form of inter-affiliate loans but trade credits and transactions in financial securities between affiliates are also included. The treatment of reverse investment has to be considered under three scenarios. First, for *reverse equity investment for holdings of 10% or more of the voting capital*, such transactions are regarded as separate direct investment in their own right for both the equity and non-equity involved. Second, for *reverse equity investment for holdings of less than 10% of the voting capital*, the transactions involved, whether in equity or non-equity instruments, are regarded as offsetting (or netted against) any existing direct investment by the parent in the enterprise. For example, if a US direct investor A invests €100m in a direct investment enterprise B located in Ireland and B acquires a small reverse equity investment of €3m in its parent (A) then the value of *direct investment in Ireland-equity* is €97m (i.e. €100m less €3m). Extending this example, if B advances a €30m loan to parent, A, *direct investment in Ireland-other capital* is €30m lower. Overall *direct investment in Ireland* from A to B is therefore €67m (i.e. €100m - €3m - €30m). The third scenario concerns a *non-equity transaction between enterprises related other than through equity ownership* (e.g. between 'sister' or 'cousin' companies). Given a number of considerations, there is some flexibility in the international standards regarding the treatment of this situation. In Ireland's case and in order to ensure that all inward and outward flows (and stocks) arising from an initial inward direct investment are retained within the *direct investment in Ireland* category, the same principle as for reverse equity or non-equity investment with a parent company is applied. The transaction referred to is therefore treated as offsetting any existing *other capital* investment. Again extending the earlier example, if resident direct investment enterprise, B, advances a loan of €25m to a sister company, C, located in France, *direct investment in Ireland – other capital* is lowered by €25m and overall *direct investment in Ireland* from A to B amounts to €42m (i.e. €100m - €3m - €30m - €25m) – see diagram below. Cases occur on an ongoing basis where the outward investment flows or positions of B (or other sister direct investment enterprises located in Ireland) exceed the amounts attributable to A under *direct investment in Ireland*. The equivalent treatment is applied for similar situations categorised under *direct investment abroad*.



Geographical allocation principle	In line with the international recommendations, direct investment flows and stocks are geographically attributed on the basis of country of location of immediate ownership of the direct investment enterprise rather than that of the ultimate beneficial owner. Therefore, if a US investor directly invests in a direct investment enterprise located in Ireland, the origin of the investment as presented in these statistics is US. If the US investor indirectly invests, through its Cayman Islands subsidiary, in an enterprise located in Ireland then the origin of the investment is Cayman Islands. In both cases, the country of location of the ultimate beneficial owner is US. This may have a significant impact on the geographic analysis of FDI statistics.
Economic Activity Classification	Tables 5 – 8 show an activity classification according to the principal economic activity of the resident direct investment enterprise. The results were compiled using the NACE Rev. 1.1 classification.

¹ECB Regulation on the Assets and Liabilities of Investment Funds (ECB/2007/8) of 27 July 2007, the ECB Balance of Payments and International Investment Statistics Guideline (ECB/2004/15) of 16 July 2004, as amended by (ECB/2007/3) of 31 May 2007, and the ECB Guideline on Monetary, Financial Institutions and Markets Statistics (ECB/2007/9) of 1 August 2007.