

Foreign direct investment flow drops by 1.76 pct last year

The net flow of Foreign Direct Investments (FDI) stood at 5.173 billion euro last year, by 1.76 pct less than in 2018, when the value of the indicator was of 5.266 billion euro, according to a release of the National Bank of Romania (BNR).

"The net flow of FDIs in 2019 recorded the value of 5,173 million euro, of which: 5,021 million euro participations in own capital (level resulted by adding together the contributions to own capital of FDI enterprises, totaling 2,238 million euro, with the profit reinvested in the FDI enterprises totaling 2,783 million euro); 152 million euro instruments of the nature of debts in relation to foreign direct investors and companies within their group (debts minus receivables)," the release shows.

The FDI balance on December 31, 2019 reached the level of 88.304 billion euro, of which 61.352 billion euro own capital, including reinvested profit (69.5 pct), and 26.952 billion euro instruments of the nature of debts in relation to foreign direct investors and companies within their group (debts minus receivables) (30.5 pct).

The incomes from FDIs in Romania done by non-residents in 2019 recorded the value of 7.040 billion euro, of which: net incomes from capital participations recorded the value of 6.346 billion euro and were calculated as the difference between profits after tax obtained by the ISD enterprises that recorded a profit, totaling 9.232 billion euro and the losses of FDI enterprises that recorded losses, totaling 2.887 billion euro.

The net incomes from interests recorded a level of 694 million euro and were calculated as the difference between the interests received by the foreign direct investors for the credits granted to the enterprises owned in Romania and the interests paid by them for the credits received from their enterprises in Romania, both directly, as well as through non-resident companies part of the group.