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FDI screening mechanism in EU- what is it all about?

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FDI at the heart of EU interest

In 2018 leading position of EU in terms of global:

FDI outward stock - 37%



In 2016 China FDI 15-fold rise on 2010

FDI inward stock - 31%



Selected countries' share in world FDI inward stock (%)

	1990	2000	2010	2011	2012	2013	2014	2015	2016	2017	2018
EU28	40.2	31.5	36.3	36.6	34.6	33.2	31.3	30.9	29.0	28.9	31.3
Brazil	1.7	*	3.4	3.3	3.2	2.9	2.9	2.2	2.5	2.5	2.1
Canada	5.1	4.4	4.9	4.1	4.2	4.0	3.9	3.1	3.5	3.4	2.8
China	0.9	2.6	2.9	3.4	3.6	3.9	4.3	4.8	4.9	4.7	1.9
India	0.1	0.2	1.0	1.0	1.0	0.9	1.0	1.1	1.2	1.2	1.2
Japan	0.4	0.7	1.1	1.1	0.9	0.7	0.7	0.7	0.7	0.7	0.7
Russian Federation	*	0.4	2.3	1.9	1.9	1.9	1.1	1.0	1.4	1.4	1.3
USA	24.6	37.7	16.9	16.7	17.1	20.0	21.5	22.2	23.7	24.8	23.1

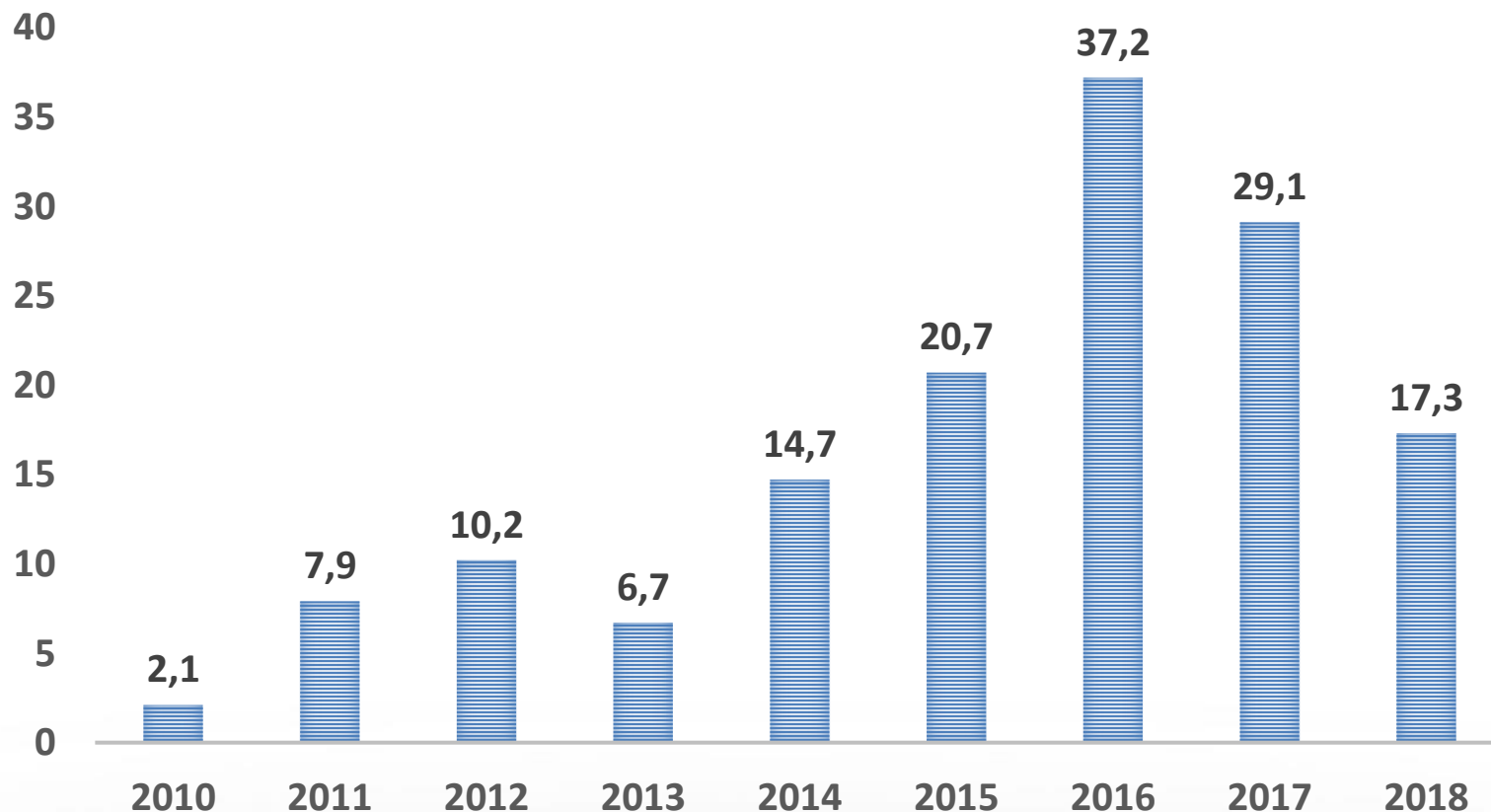
Source: World Investment Report 2019. UNCTAD.

Selected countries' share in world FDI outward stock (%)

	1990	2000	2010	2011	2012	2013	2014	2015	2016	2017	2018
EU28	43.3	39.2	43.5	44.0	40.1	38.3	36.5	36.8	35.3	34.5	37.1
Brazil	1.8	*	0.9	1.0	1.2	1.2	1.3	1.3	1.3	1.2	0.7
Canada	3.8	6.0	4.8	4.2	4.3	4.5	4.5	4.3	4.7	4.8	4.3
China	0.2	0.4	1.5	2.0	2.3	2.6	3.5	4.3	5.1	4.8	6.3
India	0.0	0.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Japan	8.9	3.8	4.0	4.5	4.6	4.5	4.6	4.8	4.9	4.9	5.4
Russian Federation	*	0.3	1.6	1.5	1.5	1.5	1.3	1.1	1.2	1.2	1.1
USA	32.5	36.4	22.9	21.1	22.9	25.1	25.0	23.5	23.7	25.3	20.9

Source: World Investment Report 2019. UNCTAD.

Annual value of completed Chinese FDI transactions in the EU-28, EUR billion



Source: own elaboration on the basis of: Hanemann, Huotari, Kratz 2019

The place of FDI within the competences of the EU



- Common Commercial Policy
- Exclusive competence of the European Union
- International trade agreements and FDI as a key component of common market

BUT

- Mixed agreement involving decision-making process on EU and MS level

FDI screening mechanism

- ❑ Targeted on: FDI affecting security and public order in research areas: HORIZON2020, space: GALILEO or trans-European Networks (TENs).
- ❑ Instrument of integration: cooperation.
- ❑ It is consultation process.
- ❑ Independent decision on welcoming FDI by MS.