Deloitte.

Lost in translation: Global markets A review of loss-making foreign owned businesses

August 2026

The report

What?

A report that analyses the number and losses incurred by subsidiaries which are overseas owned.

Where?

Our analysis covers loss-making businesses in the following:

- **Subsidiary countries:** Australia, Austria, Belgium, Brazil, China, Czech Republic, France, Germany, Greece, Hungary, Ireland, Italy, Japan, the Netherlands, New Zealand, the Nordics, Poland, Portugal, Romania, Russia, Spain, Thailand, Turkey, UK and USA
- **Global Ultimate Owner countries:** Australia, China, France, Germany, Japan, Netherlands, Switzerland, UK and USA

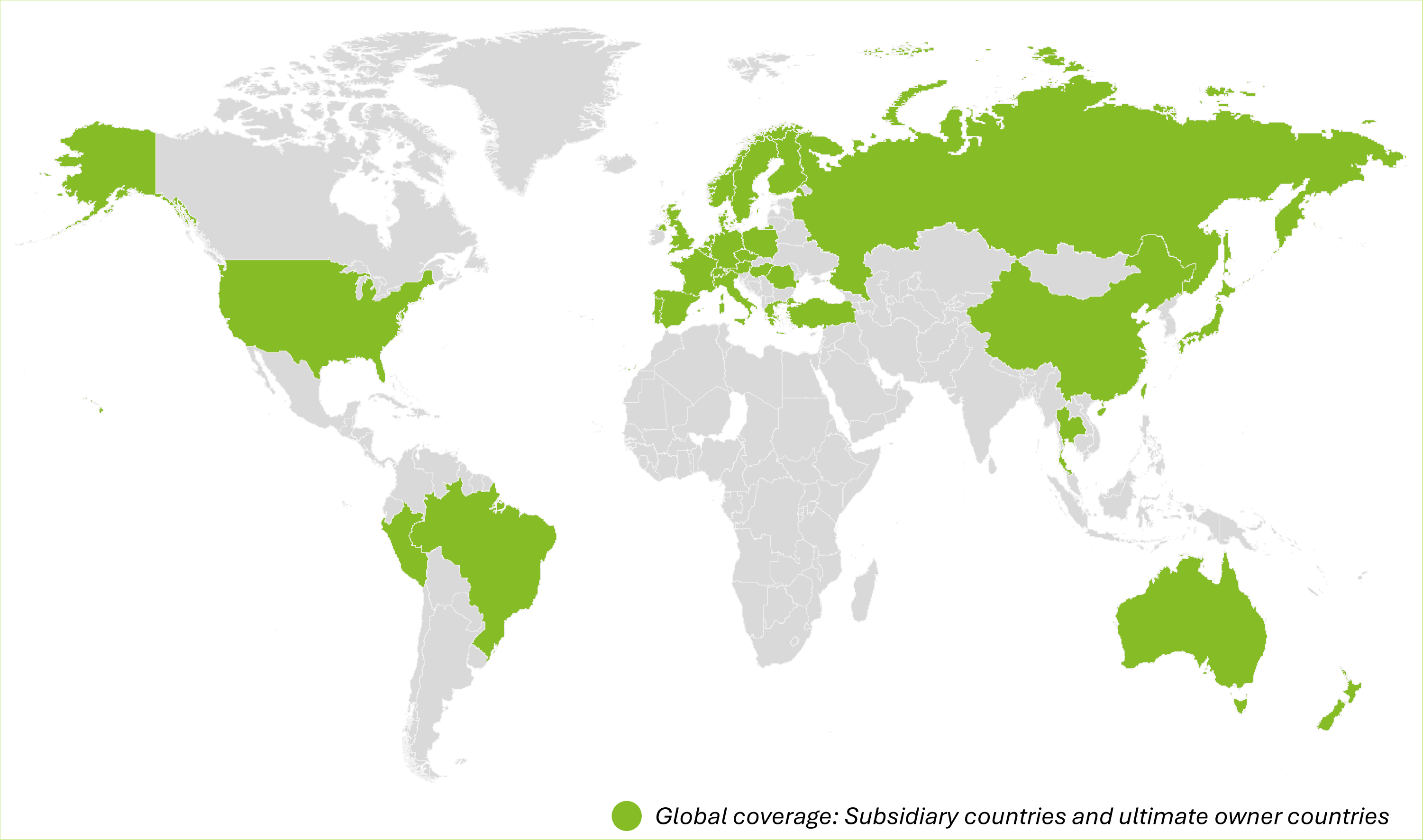
Who?

Loss-making businesses which have overseas owners.
Search criteria:

- Turnover > €1m
- Excludes holding companies
- Operating loss > €0 and < €1bn

When?

The report analyses the Current Landscape and comparative landscape eighteen months ago based on filed company accounts.



The GUO company type has been filtered for Corporates, Banks and Financial institutions and Insurance companies in Bureau van Dijk, Orbis for effective targeting purposes.
As well, a brief commentary on business environment and foreign investment policy has been provided, which has been referenced from Economist Intelligence Unit database.

Executive summary

Expanding business operations overseas has long been the norm for many corporates looking to enhance market presence and increase market share. However, making sure these ventures are successful can become increasingly challenging when considering the variations in market dynamics and the increasingly volatile economic environment of recent years.

Our analysis highlights a continued population of underperforming foreign owned subsidiaries across major markets and sectors, generating €155.5bn of losses globally. Although some choices are strategic, losses are also being driven by structural pressures – including higher cost base, labour constraints, geopolitical issues, supply-chain reconfiguration and regulatory scrutiny.

In addition, given these financial results are inherently backward-looking, they do not yet reflect the full impact of escalating geopolitical disruption across trade routes and energy markets. As volatility becomes more embedded through supply chain fragmentation, energy price shocks and increased operational uncertainty, there is a clear risk that pressure on international subsidiaries may intensify before it is visible in the numbers. This reinforces the need for early, portfolio-level action to stabilise, reposition or exit underperforming operations and reallocate capital for long-term value creation.

As companies navigate these volatile, complex and uncertain times, they need to be agile, cautious and responsive when it comes to managing non-core or loss-making international operations.

At a glance: Key findings by value and volume

When we examine the individual countries, the investments made by the USA, Germany and Luxembourg headquartered companies into overseas markets account for 32% of the overall losses by volume. At a subsidiary level by country, UK, Germany and Australia account for 43% of the overall losses by value for globally owned investments.

Historically, USA based owners have taken advantage of lower barriers to entry into foreign markets and consequently have the largest share of foreign loss-making subsidiaries both by value and volume. Accordingly, we anticipated seeing USA based owners to be dominant with more underperforming overseas investments reporting operating losses of €37.6bn. The factors contributing to such underperformance include the ongoing USA-China trade frictions and geopolitical tensions resulting in weak global demand and rising costs which can be disruptive to global operations and put further pressure on global supply chains.

> *Our analysis shows **€155.5bn** of losses across foreign-owned subsidiaries globally, reinforcing the need for a more disciplined assessment of which businesses support long-term value creation.*
>
> *Escalating geopolitical disruption means pressure on international subsidiaries may intensify further before it is fully visible in the numbers, given fincnial reporting lags.*

Lucy Julian

UK,
Deloitte Managed Exit Partner

Executive summary

Overseas investments located in France account for 12% of the overall losses by volume. France remained one of Europe's key destinations for FDI inflows due to its strategic location, strong network infrastructure and well-established legal framework. However, we have seen a tightening of EU-wide screening rules for non-EU capital flows particularly in strategic sectors. This, coupled with weaker industrial momentum, high energy costs and softer investment flows in recent years have weighed on performance. This is reflected in the numbers as France has the second highest volume of overseas loss-making investments.

Our analysis shows that the UK has the highest value of foreign owned losses of €37.4bn (USA based owners share the largest value of losses, representing 36% of the UK aggregated losses). Companies with complex UK–EU supply chains continue to face higher costs due to post-Brexit trade frictions and non-tariff barriers. While many firms have adapted, these frictions remain embedded in operating models. At the same time, tighter immigration rules have contributed to labour shortages. More recently, weaker FDI momentum, higher energy costs, and broader global protectionism have added to cost pressures and operational challenges.

Lower performing sectors:

The top three loss-making sectors in terms of value were (i) transportation, hospitality and services; (ii) banking and capital markets; and (iii) industrial products and construction. Together, these three industries account for nearly 42% of the total loss by value.

- Transportation, hospitality and services generated combined global losses of €27.3bn. While demand has largely recovered, elevated input costs, capacity constraints, and geopolitical disruptions continue to pressure margins. Labour shortages persist in some segments (travel, logistics, services), contributing to ongoing volatility in growth and profitability.
- Banking and capital markets generated combined losses of €23.7bn versus €21.5bn eighteen months ago. While higher interest rates have supported margins, tighter financial conditions, rising funding costs, and asset quality pressures have weighed on performance. Regulatory tightening, competition, and broader geopolitical risks have further contributed to the increase in losses.
- Industrial products and construction generated combined losses of €14.7bn. The sector faces pressure from elevated raw material and energy costs, weak industrial demand, and slowing construction activity amid high interest rates. Tighter financing conditions and delayed project pipelines have weighed on performance, while labour shortages and supply chain adjustments continue to constrain growth.
- To find out more about your local jurisdiction or sector interest, check out the following pages for further analysis.

Note: The research is based on the latest publicly available information as of February 2026 for the period April 1, 2022, to December 31, 2025 (the "current landscape").

> *Not all losses indicate underperformance. In some cases, losses reflect deliberate investment, group strategy or the efficient use of tax attributes.*
>
> *However, our analysis shows that a significant proportion of loss-making foreign-owned subsidiaries continue to generate sustained operating losses, raising questions about strategic fit, future viability and capital efficiency at a group level.*

Key global findings

17% of overseas owned subsidiaries are loss-making

On average, operating losses account for nearly **9%** of turnover

36% of the loss-making subsidiaries in the population were loss-making eighteen months ago

USA owns the highest share of foreign loss-making subsidiaries both by value **(24%)** and volume **(17%)**

Overall, UK subsidiaries account for **18%** of the loss-making population by volume

Subsidiaries in France and Italy account for **12%** and **9%** respectively of the loss-making population by volume

Three top owner countries (USA, Germany and UK) account for **32%** of the loss-making population by volume

The top three subsidiary countries (UK, Germany and Australia) account for **43%** of the total loss by value

Amongst the top 10 owner countries, Cayman Islands owned foreign loss-making subsidiaries witnessed the largest percentage increase in total aggregated loss of **36%**, from **€7.7bn** to **€10.6bn** over the last eighteen months

Transportation, Hospitality & Services is the top loss-making sector having the highest share of foreign loss-making subsidiaries in terms of both value **(18%)** and volume **(21%)**

Retail, Wholesale & Distribution businesses account for **14%** of the loss-making population by volume

Transportation, Hospitality & Services; Banking & Capital Markets; and Industrial Products & Construction businesses account for nearly **42%** of the total loss by value

Global landscape

There are over **180,700** businesses which are foreign owned, of which **82%** have reported their financials. Almost **17%** of these are generating an operating loss.

There are **25,145** foreign owned businesses across the globe that have reported an aggregate loss of

€155.5bn

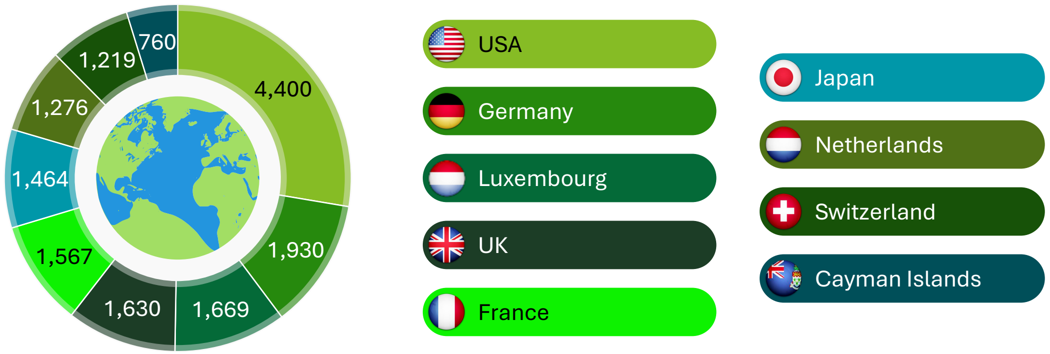
USA accounts for **24%** of the combined losses by value – 7 percentage points higher than its share by volume.

The top **5** owner countries (USA, Germany, Cayman Islands, UK and Luxembourg) account for more than **51%** of the overall loss by value.

The top **5** subsidiary countries (UK, Germany, Australia, France and Ireland) account for more than **56%** of the overall loss by value.

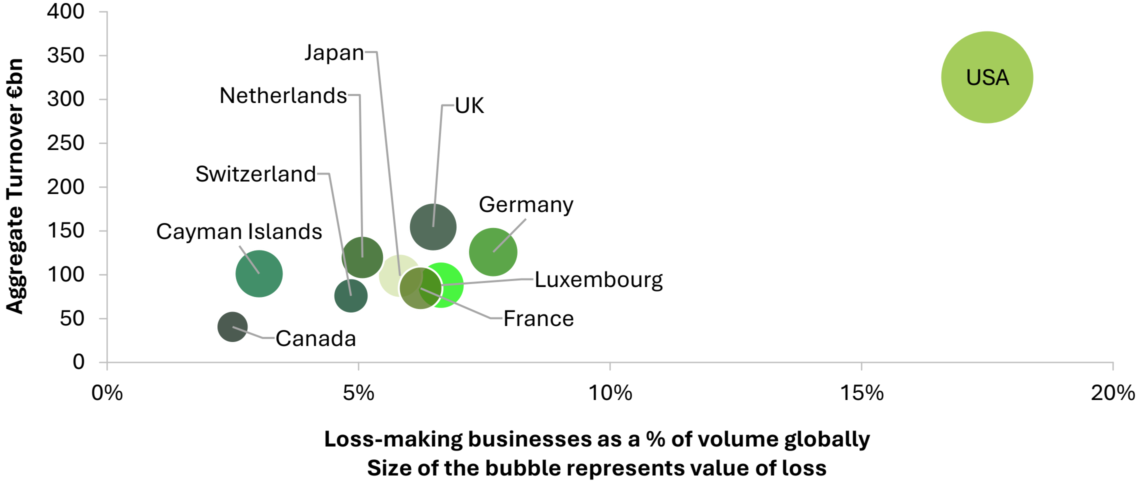
Top 9 owner countries of loss-making subsidiaries by volume

The top **5** owner countries account for **45%** of the loss-making population by volume, USA leads with **17%** exceeding Germany by **10 percentage points.**



Scale of losses (Top 10 owner countries)

Operating loss (USA = €37.6bn)



Global landscape

Top loss-making sectors

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€27.3bn** in the last financial year versus **€29.6bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€23.7bn** in the last financial year versus **€21.5bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€14.7bn** in the last financial year versus **€15.1bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€12.8bn** in the last financial year versus **€12.4bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€12.4bn** in the last financial year versus **€9.9bn** eighteen months ago.

Telecom, Media & Entertainment

The loss-making entities in this sector reported a total loss of **€10.7bn** in the last financial year versus **€18.3bn** eighteen months ago.

Over the past eighteen months, the number of loss-making subsidiaries has shown an increase of **8%** and the combined losses generated by the loss-making subsidiaries decreased by **7%.**

USA continues to be the dominant owner country in terms of both value and volume across the globe.

Cayman Islands has moved up in ranks to be the third highest loss-making owner country generating **€10.6bn** of aggregated loss, versus **€7.7bn** eighteen months ago.

Netherlands and Switzerland owned subsidiaries reported increases of **14%** and **12%**, respectively, in total aggregated losses over the past eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	51.3	4,367	399.4
France	10.9	1,582	116.7
Germany	10.6	1,835	147.4
UK	10.4	1,485	160.5
Luxembourg	9.3	1,447	112.6
Japan	7.8	1,301	143.7
Cayman Islands	7.7	708	57.1
Netherlands	7.3	1,131	113.2
Canada	6.3	485	34.7
Switzerland	5.0	1,144	71.7
Other	40.6	7,716	385.1
	167.2	**23,201**	**1,742.1**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	▼ 37.6	▲ 4,400	325.3
Germany	▲ 11.1	▲ 1,930	125.9
Cayman Islands	▲ 10.6	▲ 760	101.2
UK	▼ 10.4	▲ 1,630	154.5
Luxembourg	▲ 9.8	▲ 1,669	88.1
Japan	▲ 8.6	▲ 1,464	98.8
France	▼ 8.4	▼ 1,567	84.6
Netherlands	▲ 8.3	▲ 1,276	119.7
Switzerland	▲ 5.6	▲ 1,219	76.0
Canada	▼ 4.7	▲ 627	40.6
Other	▲ 40.7	▲ 8,603	436.3
	155.5	**25,145**	**1,651.1**

Global landscape

Top loss-making sectors: Current landscape

Transportation, Hospitality & Services

These **5,382** loss-making businesses generated a combined loss of **€27.3bn** in the last financial year.

Banking & Capital Markets

These **1,729** loss-making businesses generated a combined loss of **€23.7bn** in the last financial year.

Industrial Products & Construction

These **2,396** loss-making businesses generated a combined loss of **€14.7bn** in the last financial year.

Retail, Wholesale & Distribution

These **3,557** loss-making businesses generated a combined loss of **€12.8bn** in the last financial year.

Oil, Gas & Chemicals

These **1,441** loss-making businesses generated a combined loss of **€12.4bn** in the last financial year.

Telecom, Media & Entertainment

These **1,593** loss-making businesses generated a combined loss of **€10.7bn** in the last financial year.

Top loss-making sectors: Landscape eighteen months ago

Transportation, Hospitality & Services

These **4,880** loss-making businesses generated a combined loss of **€29.6bn** in the last financial year.

Banking & Capital Markets

These **1,509** loss-making businesses generated a combined loss of **€21.5bn** in the last financial year.

Telecom, Media & Entertainment

These **1,672** loss-making businesses generated a combined loss of **€18.3bn** in the last financial year.

Industrial Products & Construction

These **2,261** loss-making businesses generated a combined loss of **€15.1bn** in the last financial year.

Technology

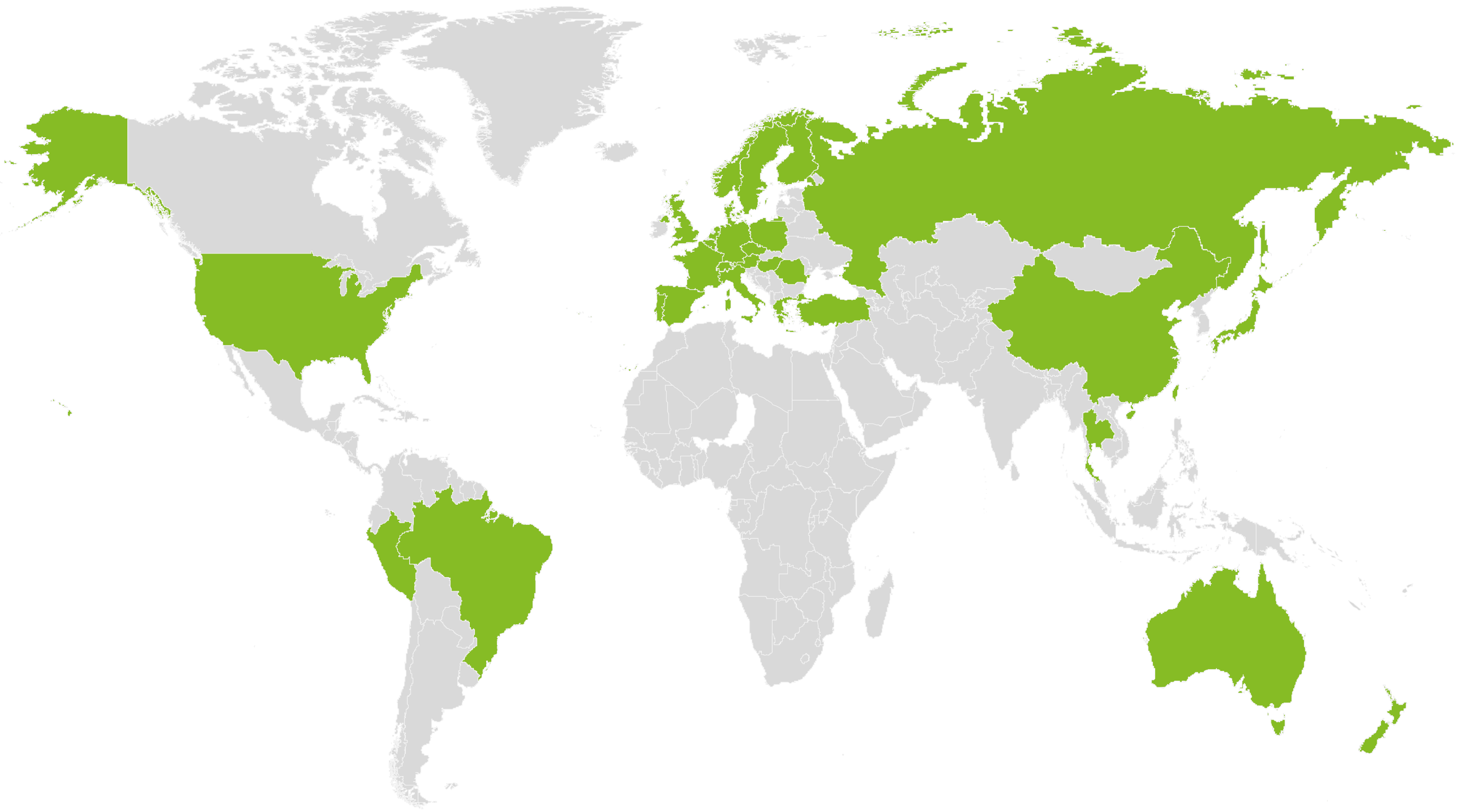
These **1,479** loss-making businesses generated a combined loss of **€12.9bn** in the last financial year.

Retail, Wholesale & Distribution

These **3,016** loss-making businesses generated a combined loss of **€12.4bn** in the last financial year.

Our findings in detail: Subsidiary country review

- Australia
- Austria
- Belgium
- Brazil
- China
- Czech Republic
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Japan



- Netherlands
- New Zealand
- Nordics
- Poland
- Portugal
- Romania
- Russia
- Spain
- Thailand
- Turkey
- United Kingdom
- United States

Global coverage: Subsidiary countries and ultimate owner countries

Australia

Location X Owner

There are over **4,500** Australian businesses which are foreign owned, of which **98%** have reported their financials. Almost **22%** of these are generating an operating loss.

The **988** businesses in Australia have reported losses of

€14.1bn

€8.7bn of this loss relates to USA, Japan, Cayman Islands and UK based owners, representing **62%** of the total aggregated loss.

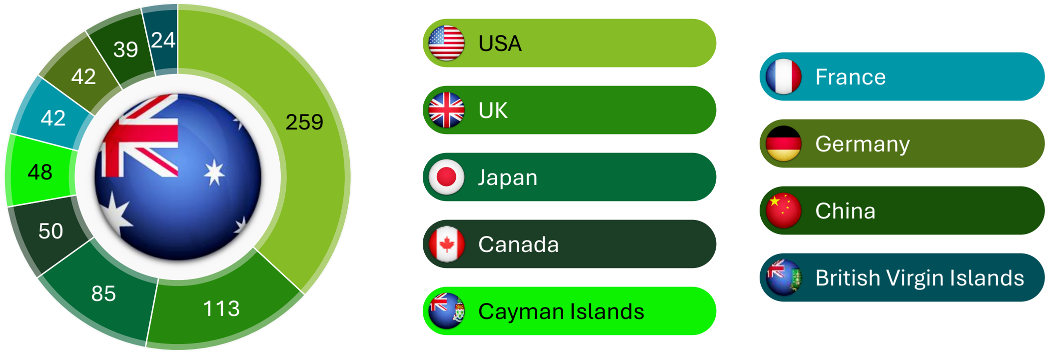
Australia accounts for the third largest loss-making region in terms of value globally.

Australia's business environment is weighed down by a high degree of sector concentration across airlines, banking, electricity, supermarkets and telecommunications, which has raised concerns about uncompetitive behaviour in recent years. The labour market features high wages and cost-of-living concerns driving strikes and lockouts. Reduced international student visas and tighter rules for short-term overseas labour add to constraints on skilled labour supply.

The thresholds for foreign investment tighten in areas of strategic significance and scrutiny is particularly intense for Chinese-linked capital and critical infrastructure, alongside new restrictions on foreign purchases of existing housing.

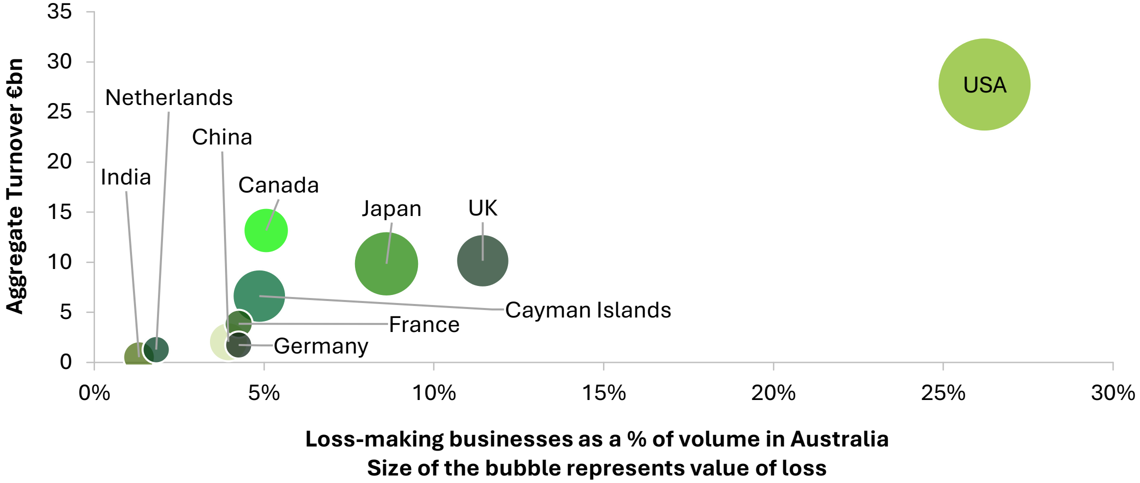
Top 9 owner countries of loss-making subsidiaries by volume

There are **988** businesses in the loss-making population that are based in Australia. Combined, USA, UK and Japan own **46%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (USA = €4.1bn)



Australia

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€3.7bn** in the last financial year versus **€2.5bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€1.2bn** in the last financial year versus **€1.2bn** eighteen months ago.

Consumer Products

The loss-making entities in this sector reported a total loss of **€1.1bn** in the last financial year versus **€0.9bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€1.0bn** in the last financial year versus **€0.7bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.8bn** in the last financial year versus **€1.1bn** eighteen months ago.

Power, Utilities & Renewables

The loss-making entities in this sector reported a total loss of **€0.8bn** in the last financial year versus **€1.2bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Australia increased by **18%.** The number of loss-making subsidiaries increased by **42%** as well.

USA, Japan and UK have been among the top four owner countries in terms of both volume of loss-making businesses and value of losses over the last eighteen months.

USA owned subsidiaries in Australia reported a **65%** increase in total aggregated loss over the past eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	2.5	188	25.3
UK	2.3	60	8.4
Japan	1.3	71	10.8
Italy	0.7	15	1.8
Ireland	0.6	9	2.6
France	0.6	37	4.0
Hong Kong	0.6	9	7.3
Canada	0.4	34	5.6
South Africa	0.4	13	4.2
Cayman Islands	0.4	20	1.0
Other	2.2	241	17.2
	11.9	**697**	**88.1**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	▲ 4.1	▲ 259	27.7
Japan	▲ 2.0	▲ 85	9.8
Cayman Islands	▲ 1.3	▲ 48	6.6
UK	▼ 1.3	▲ 113	10.1
Canada	▲ 1.0	▲ 50	13.2
China	▼ 0.7	▲ 39	2.1
India	▲ 0.5	▼ 13	0.5
France	▼ 0.4	▲ 42	3.9
Netherlands	▲ 0.4	▲ 18	1.3
Germany	▲ 0.4	– 42	1.7
Other	▼ 2.0	▲ 279	23.2
	14.1	**988**	**100.2**

Austria

Location X Owner

There are over **2,100** Austria based businesses which are foreign owned, of which **52%** have reported their financials. Almost **18%** of these are generating an operating loss.

The **203** businesses in Austria have reported losses of

€1.6bn

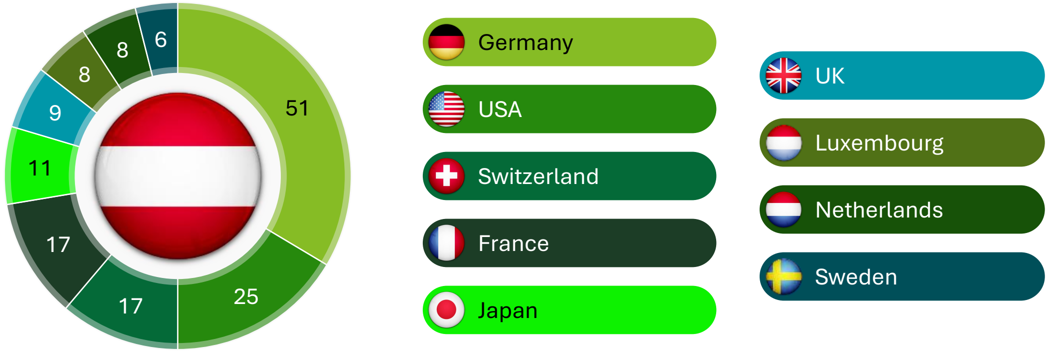
€0.8bn of this loss relates to Germany, USA, Sweden and Switzerland based owners, representing **53%** of the total aggregated loss.

Austria’s business environment continues to be impacted by high labour costs, a comparatively heavy tax burden, and restricted domestic scale, which can limit operating leverage and delay break-even. Near-term conditions are also shaped by fiscal consolidation under EU budget rules, including tax increases and spending restraint, alongside still-elevated inflation in 2025 that can compress real demand.

Policy towards private enterprise and foreign investment remains weak reflecting tighter screening rules, a regional shift towards protecting national sovereignty, and domestic opposition to new EU free-trade agreements (FTAs). US tariff headwinds further weigh on export-oriented sectors.

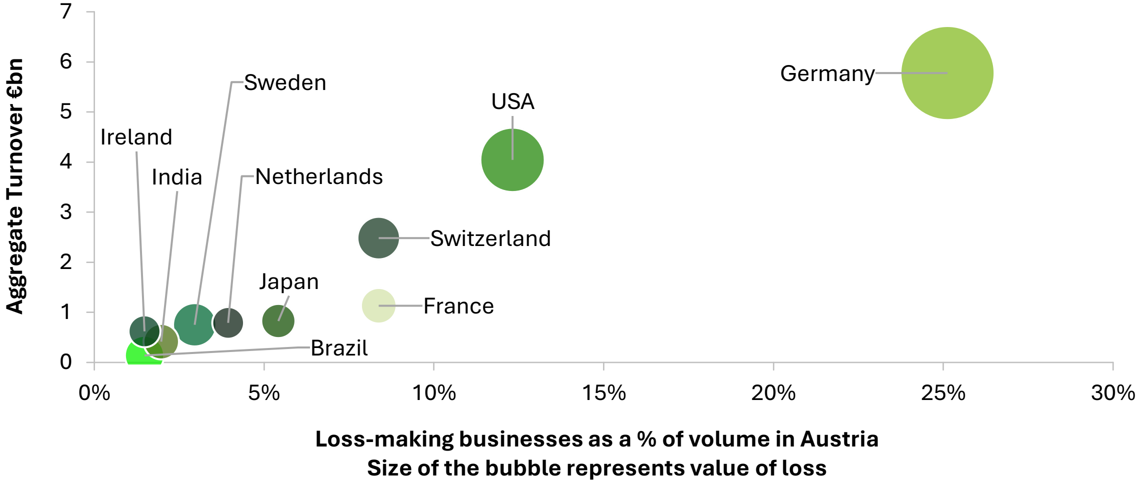
Top 9 owner countries of loss-making subsidiaries by volume

There are **203** businesses in the loss-making population that are based in Austria. Combined, Germany, USA, Switzerland and France and own **54%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Germany = €0.4bn)



Austria

Location X Owner

Top loss-making sectors

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€0.4bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€0.2bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€0.2bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.3bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Telecom, Media & Entertainment

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Austria decreased by **19%.** The number of loss-making subsidiaries declined by **22%** as well.

Germany continues to be the dominant owner country in terms of both volume of loss-making businesses and value of losses over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	0.4	72	5.9
France	0.3	52	1.6
Brazil	0.2	4	0.3
Switzerland	0.2	16	3.4
USA	0.2	28	1.8
UK	0.2	16	0.9
Canada	0.1	4	1.2
Italy	0.1	9	0.5
Japan	0.1	12	2.2
China	0.03	4	0.2
Other	0.2	42	3.5
	1.9	**259**	**21.3**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	▼ 0.4	▼ 51	5.8
USA	▲ 0.2	▼ 25	4.0
Sweden	▲ 0.1	▲ 6	0.8
Switzerland	▼ 0.1	▲ 17	2.5
Brazil	▼ 0.1	▼ 3	0.1
France	▼ 0.1	▼ 17	1.1
India	▲ 0.1	▲ 4	0.4
Japan	▲ 0.1	▼ 11	0.8
Ireland	▲ 0.1	– 3	0.6
Netherlands	▲ 0.1	▲ 8	0.8
Other	▲ 0.4	▲ 58	7.8
	1.6	**203**	**24.8**

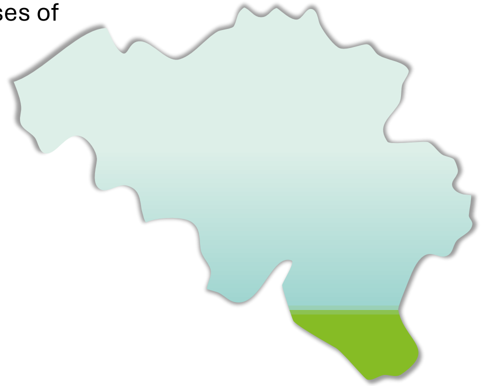
Belgium

Location X Owner

There are over **3,700** Belgium based businesses which are foreign owned, of which **94%** have reported their financials. Almost **19%** of these are generating an operating loss.

The **677** businesses in Belgium have reported losses of

€3.0bn



€2.2bn of this loss relates to France, Netherlands, Germany, Luxembourg and USA based owners, representing **75%** of the total aggregated loss.

Foreign companies operating in Belgium continue to be deterred by weak market opportunities in a small, mature and highly competitive economy, alongside a deteriorating labour market and the highest OECD tax wedge on labour, elevating employment costs and weighing on profitability. Political fragmentation and fiscal challenges continue to impede structural reforms. The primary headwind is a greater-than-expected hit to GDP growth from US trade tariffs.

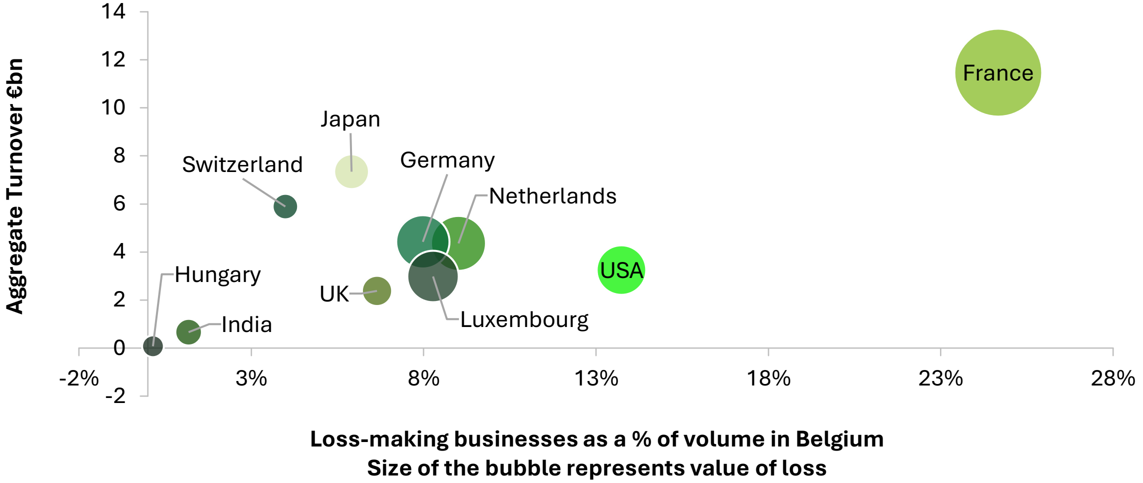
However, Belgium will remain an attractive FDI destination, supported by its strategic EU location, strong infrastructure, investor protections and generous corporate tax deductions, with relatively few limits on foreign ownership outside vital sectors.

Top 9 owner countries of loss-making subsidiaries by volume

There are **677** companies in the loss-making population that are based in Belgium. France, USA and Netherlands constitute **47%** of these by volume.

Scale of losses (Top 10 owner countries)

Operating loss (France = €0.9bn)



Belgium

Location X Owner

Top loss-making sectors

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€0.7bn** in the last financial year versus **€0.9bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.4bn** in the last financial year versus **€0.3bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€0.2bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€0.4bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€0.2bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.2bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Belgium decreased by **18%.** The number of loss-making subsidiaries declined by **4%** as well.

France continues to be the dominant owner country in terms of both volume of loss-making businesses and value of losses over the last eighteen months.

Netherlands owned subsidiaries in Belgium reported a **95%** increase in total aggregated loss over the past eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
France	1.3	150	16.8
USA	0.5	126	8.5
South Africa	0.3	2	0.5
Germany	0.2	59	4.3
Japan	0.2	40	43.6
Netherlands	0.2	67	2.8
Luxembourg	0.2	46	3.3
Switzerland	0.1	30	2.3
Hong Kong	0.1	2	0.3
UK	0.1	46	2.1
Other	0.5	138	7.1
	3.6	**706**	**91.6**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
France	▼ 0.9	▲ 167	11.5
Netherlands	▲ 0.4	▼ 61	4.4
Germany	▲ 0.3	▼ 54	4.4
Luxembourg	▲ 0.3	▲ 56	3.0
USA	▼ 0.3	▼ 93	3.2
Japan	▼ 0.1	— 40	7.3
UK	▲ 0.1	▼ 45	2.4
India	▲ 0.1	▲ 8	0.7
Switzerland	▼ 0.1	▼ 27	5.9
Hungary	▲ 0.1	▼ 1	0.1
Other	▼ 0.3	▼ 125	4.9
	3.0	**677**	**47.8**

Brazil

Location X Owner

There are over **10,000** Brazil based businesses which are foreign owned, of which **9%** have reported their financials. Almost **16%** of these are generating an operating loss.

The **143** businesses in Brazil have reported losses of

€2.5bn

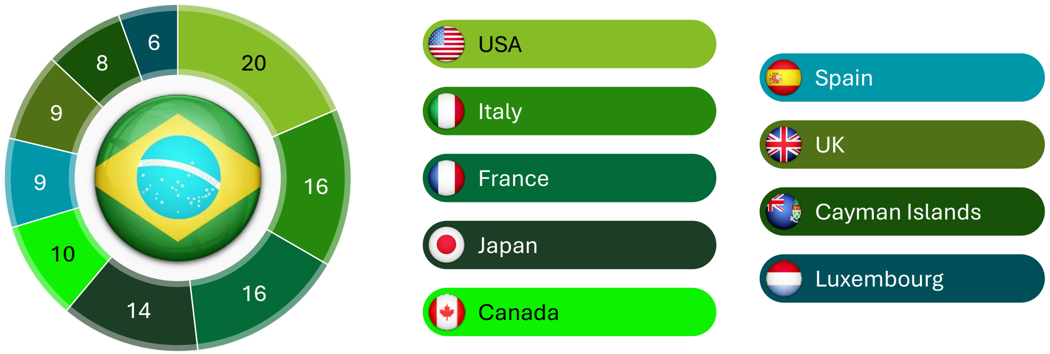
€1.9bn of this loss relates to Cayman Islands, UK, USA and Norway based owners, representing **75%** of the total aggregated loss.

Companies operating in Brazil face weaker economic stability, rising government debt, and USA-trade headwinds constraining business planning and financing. Weak governance, legal inefficiencies and complex tax regime impede business operations.

Brazil continues to attract FDI on market scale and energy-transition positioning, but complex, unevenly enforced regulation and limited investment protection schemes remain challenges.

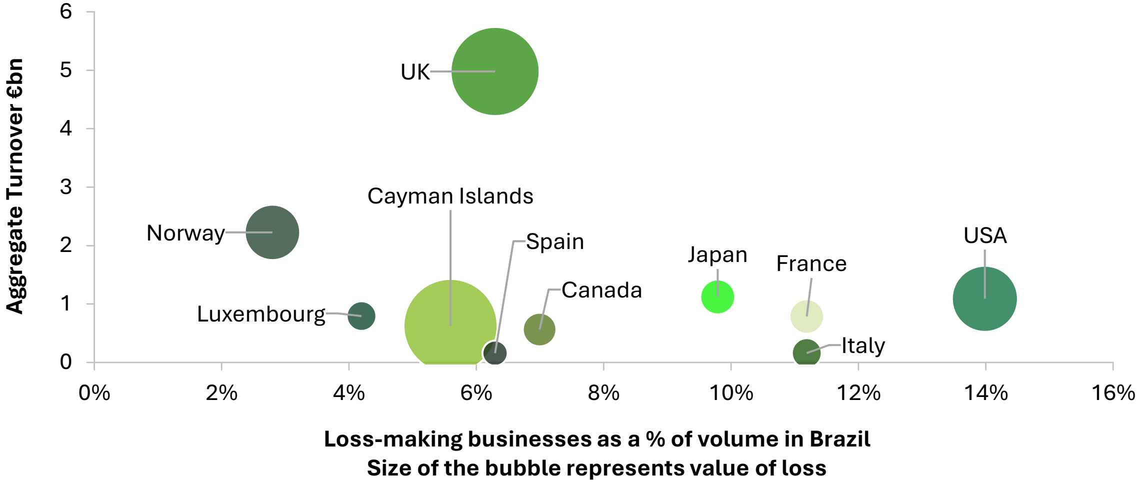
Top 9 owner countries of loss-making subsidiaries by volume

There are **143** businesses in the loss-making population that are based in Brazil. Combined, USA, Italy, France and Japan own **46%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Cayman Islands = €0.7bn)



Brazil

Location X Owner

Top loss-making sectors

Banking & Capital Markets
The loss-making entities in this sector reported a total loss of **€0.8bn** in the last financial year versus **€0.6bn** eighteen months ago.

Mining & Metals
The loss-making entities in this sector reported a total loss of **€0.6bn** in the last financial year versus **€0.2bn** eighteen months ago.

Consumer Products
The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.01bn** eighteen months ago.

Transportation, Hospitality & Services
The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.5bn** eighteen months ago.

Industrial Products & Construction
The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.03bn** eighteen months ago.

Retail, Wholesale & Distribution
The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.3bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Brazil increased by **29%.** The number of loss-making subsidiaries increased by **20%** as well.

Cayman Islands has moved up in ranks to be the highest loss-making owner country generating **€0.7bn** of aggregate loss, as compared to **€0.1bn** eighteen months ago.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Italy	0.3	12	1.2
Norway	0.3	4	3.2
USA	0.2	26	2.4
Chile	0.2	5	8.4
Mexico	0.2	1	0.5
Australia	0.2	2	0.6
South Africa	0.1	3	0.7
Japan	0.1	8	3.5
Cayman Islands	0.1	6	0.4
Netherlands	0.1	4	0.3
Other	0.3	48	6.7
	2.0	**119**	**28.0**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Cayman Islands	▲ 0.7	▲ 8	0.6
UK	▲ 0.6	▲ 9	5.0
USA	▲ 0.3	▼ 20	1.1
Norway	▼ 0.2	▬ 4	2.2
Japan	▲ 0.1	▲ 14	1.1
France	▲ 0.1	▲ 16	0.8
Canada	▲ 0.1	▲ 10	0.6
Italy	▼ 0.1	▲ 16	0.2
Luxembourg	▲ 0.1	▲ 6	0.8
Spain	▲ 0.1	▲ 9	0.2
Other	▼ 0.1	▼ 31	1.9
	2.5	**143**	**14.4**

China

Location X Owner

There are over **31,300** China based businesses which are foreign owned, of which **94%** have reported their financials. Almost **2%** of these are generating an operating loss.

The **690** businesses in China have reported losses of

€7.9bn

€5.0bn of this loss relates to Cayman Islands, USA, Hong Kong and British Virgin Islands based owners, representing **63%** of the total aggregated loss.

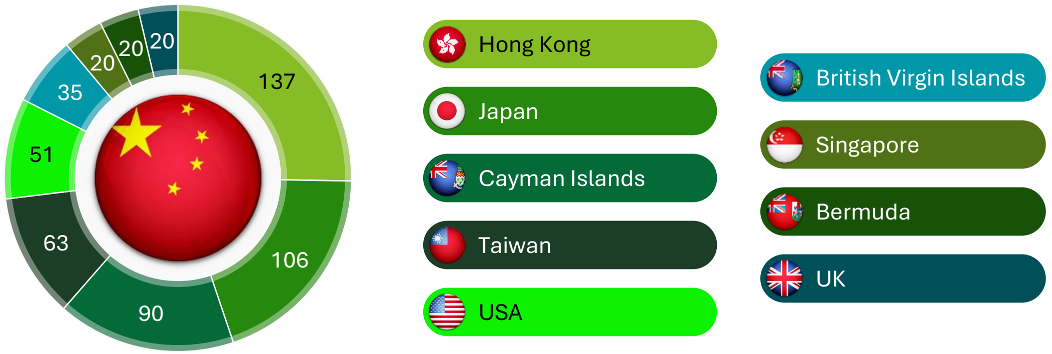
Businesses in China face persistent structural and policy headwinds from weak consumer demand, industrial overcapacity and opaque decision-making, compounded by rising geopolitical tensions that increase trade and regulatory risks.

Policy towards foreign investment has deteriorated sharply, with tighter screening, rising protectionism and state-led substitution of foreign firms in strategic sectors reducing market access, discouraging expansion and driving a sustained decline in FDI inflows.

However, China's vast domestic market, advanced infrastructure and strengthening technological capabilities continue to support selective long-term opportunities.

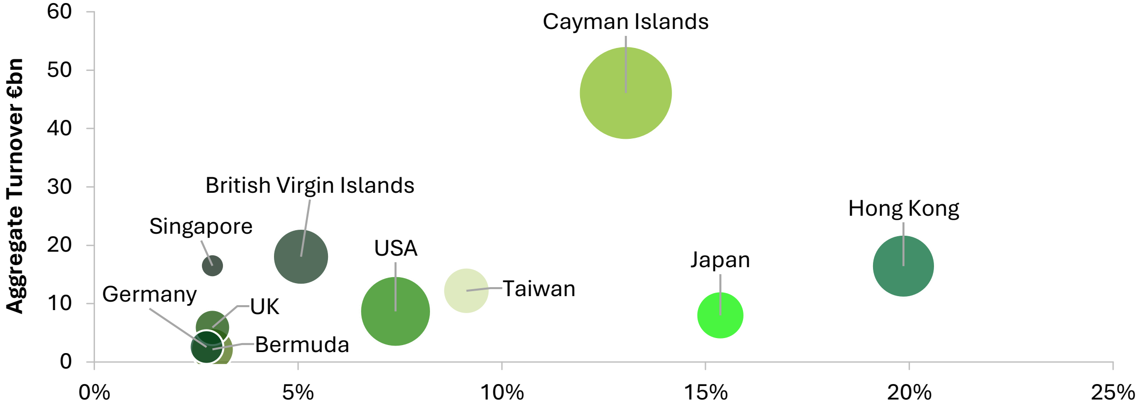
Top 9 owner countries of loss-making subsidiaries by volume

There are **690** businesses in the loss-making population that are based in China. Combined, Hong Kong, Japan and Cayman Islands own **48%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Cayman Islands = €2.1bn)



Loss-making businesses as a % of volume in China
Size of the bubble represents value of loss

China

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€1.3bn** in the last financial year versus **€0.004bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€1.2bn** in the last financial year versus **€0.02bn** eighteen months ago.

Real Estate

The loss-making entities in this sector reported a total loss of **€1.1bn** in the last financial year versus **€1.4bn** eighteen months ago.

Automotive

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€0.005bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€0.8bn** in the last financial year versus **€0.04bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.8bn** in the last financial year versus **€0.1bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in China increased by **c.3x.** The number of loss-making subsidiaries increased from **64** to **690**, representing a massive **c.11x** jump.

Cayman Islands and USA owned subsidiaries in China reported a massive **c.5x** and **c.14x** increase in total aggregated loss respectively, over the past eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Hong Kong	1.4	16	14.2
Cayman Islands	0.4	13	11.9
France	0.4	3	3.3
Switzerland	0.1	2	0.2
USA	0.1	8	3.4
British Virgin Islands	0.1	4	0.8
Taiwan	0.04	8	1.5
Japan	0.01	4	0.7
Germany	0.01	4	0.9
Spain	0.002	1	0.1
Other	0.001	1	0.03
	2.5	**64**	**36.9**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Cayman Islands	2.1	90	46.1
USA	1.2	51	8.7
Hong Kong	1.0	137	16.4
British Virgin Islands	0.8	35	18.0
Japan	0.6	106	8.0
Taiwan	0.5	63	12.2
Bermuda	0.4	20	2.2
UK	0.3	20	5.9
Germany	0.3	19	2.6
Singapore	0.1	20	16.5
Other	0.7	129	10.4
	7.9	**690**	**147.0**

Czech Republic

Location X Owner

There are over **4,100** Czech Republic businesses which are foreign owned, of which **97%** have reported their financials. Almost **15%** of these are generating an operating loss.

The **592** businesses in Czech Republic have reported losses of

€1.5bn

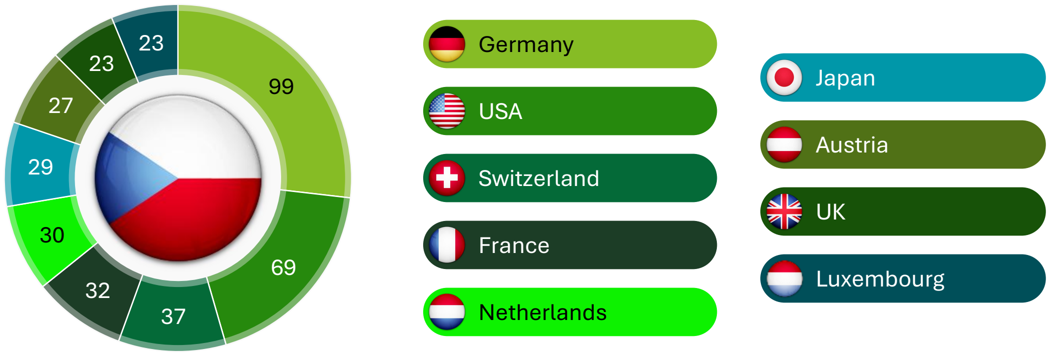
€0.8bn of this loss relates to Poland, Germany and USA based owners, representing **53%** of the total aggregated loss.

Firms operating in Czech Republic face rising constraints from acute labour shortages, which are holding back profit growth and investment, compounded by an ageing population that will further restrict workforce availability. Heavy reliance on manufacturing especially the automotive sector, exposes exports to US tariffs and global trade headwinds. Market opportunities are constrained by declining and ageing population.

Factors curbing investment are the Czech Republic's high population density, lack of renewable energy and complex permitting procedures. Foreign investment is also concentrated in Prague, owing to its income levels and thriving tourism industry.

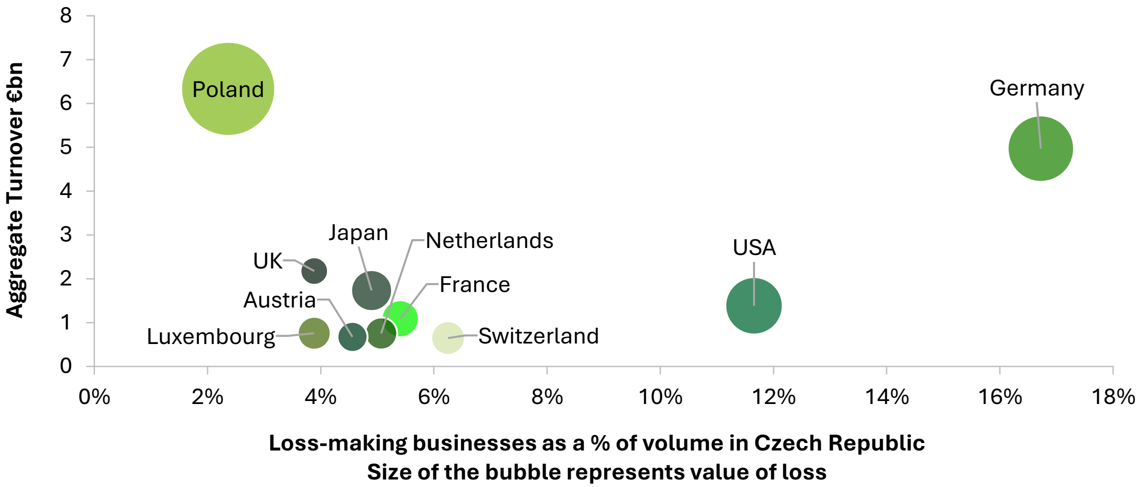
Top 9 owner countries of loss-making subsidiaries by volume

There are **592** businesses in the loss-making population that are based in Czech Republic. Germany and USA account for **28%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Poland = €0.4bn)



Czech Republic

Location X Owner

Top loss-making sectors

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€0.5bn** in the last financial year versus **€0.1bn** eighteen months ago.

Automotive

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.3bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.4bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Czech Republic decreased by **7%.** The number of loss-making subsidiaries declined by **7%** as well.

USA and Germany have been among the top three owner countries in terms of both volume of loss-making businesses and value of losses over the last eighteen months.

Poland has been the new entrant in the top 10 owner countries reporting the highest value of loss amounting to **€0.4bn** in Czech Republic over the past eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
France	0.3	42	4.2
USA	0.3	66	2.0
Germany	0.2	100	5.4
Japan	0.1	38	6.8
Luxembourg	0.1	22	2.2
Switzerland	0.1	47	8.6
Cyprus	0.1	35	0.6
UK	0.1	23	0.5
Austria	0.1	37	0.9
Netherlands	0.04	30	0.4
Other	0.3	195	6.6
	1.7	**635**	**38.1**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Poland	▲ 0.4	– 14	6.3
Germany	▼ 0.2	▼ 99	5.0
USA	▼ 0.2	▲ 69	1.4
Japan	▼ 0.1	▼ 29	1.7
France	▼ 0.1	▼ 32	1.1
Switzerland	▼ 0.1	▼ 37	0.6
Luxembourg	▼ 0.1	▲ 23	0.8
Netherlands	▲ 0.1	– 30	0.8
Austria	▼ 0.05	▼ 27	0.7
UK	▼ 0.04	– 23	2.2
Other	▲ 0.3	▲ 209	6.9
	1.5	**592**	**27.4**

France

Location X Owner

There are over **12,100** France based businesses which are foreign owned, of which **96%** have reported their financials. Almost **25%** of these are generating an operating loss.

The **2,933** businesses in France have reported losses of

€11.7bn

€6.9bn of this loss relates to Netherlands, Germany, USA and Luxembourg based owners, representing **59%** of the total aggregated loss.

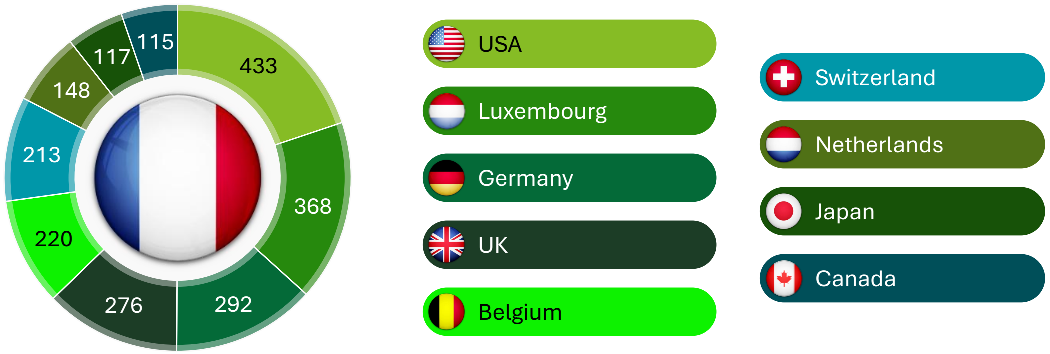
France accounts for the second largest loss-making region in terms of volume globally.

Businesses in France faced persistent constraints marked by high labour costs, a complex tax and regulatory regime and segmented labour markets. A challenging macro backdrop in terms of soft real GDP growth and subdued consumer spending reflects cost-of-living pressures and political instability.

A more protectionist tilt and tighter FDI screening also temper investor sentiment. The government's desire to reshore industry underlines a broader desire to boost local manufacturing; whereby domestic firms may at times be prioritized over foreign ones.

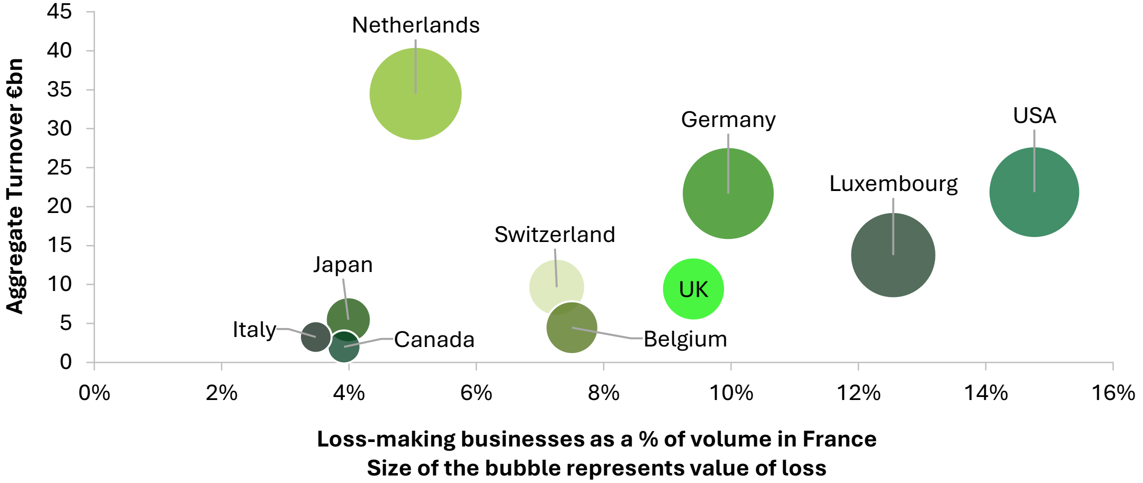
Top 9 owner countries of loss-making subsidiaries by volume

There are **2,933** businesses in the loss-making population that are based in France. Combined, USA, Luxembourg, Germany and UK own **47%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Netherlands = €1.8bn)



France

Location X Owner

Top loss-making sectors

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€2.3bn** in the last financial year versus **€2.4bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€1.6bn** in the last financial year versus **€0.9bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€1.5bn** in the last financial year versus **€1.3bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€1.3bn** in the last financial year versus **€0.9bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€1.0bn** in the last financial year versus **€0.7bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€0.7bn** in the last financial year versus **€0.4bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in France increased by **11%.** The number of loss-making subsidiaries increased by **13%** as well.

Netherlands, Germany, USA, Luxembourg, UK and Switzerland have been among the top six owner countries in terms of value of losses over the last eighteen months.

Netherlands owned subsidiaries in France reported a sharp **106%** increase in total aggregated loss over the past eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	2.4	409	25.5
Luxembourg	1.8	379	28.5
Germany	1.0	251	11.7
Netherlands	0.9	127	25.3
UK	0.8	244	10.6
Switzerland	0.6	193	12.2
Italy	0.5	99	6.5
Japan	0.4	114	7.7
Spain	0.3	60	2.9
Belgium	0.2	171	3.8
Other	1.6	560	20.7
	10.5	**2,607**	**155.2**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Netherlands	▲ 1.8	▲ 148	34.5
Germany	▲ 1.8	▲ 292	21.7
USA	▼ 1.7	▲ 433	21.9
Luxembourg	▼ 1.5	▼ 368	13.8
UK	▲ 0.8	▲ 276	9.4
Switzerland	▲ 0.7	▲ 213	9.7
Belgium	▲ 0.6	▲ 220	4.5
Japan	▲ 0.4	▲ 117	5.5
Canada	▲ 0.2	▲ 115	2.0
Italy	▼ 0.2	▲ 102	3.3
Other	▲ 1.8	▲ 649	22.0
	11.7	**2,933**	**148.1**

Germany

Location X Owner

There are over **11,300** German businesses which are foreign owned, of which **58%** have reported their financials. Almost **23%** of these are generating an operating loss.

The **1,532** businesses in Germany have reported losses of

€15.2bn

€7.5bn of this loss relates to USA, Netherlands, Luxembourg and Switzerland based owners, representing **49%** of the total aggregated loss.

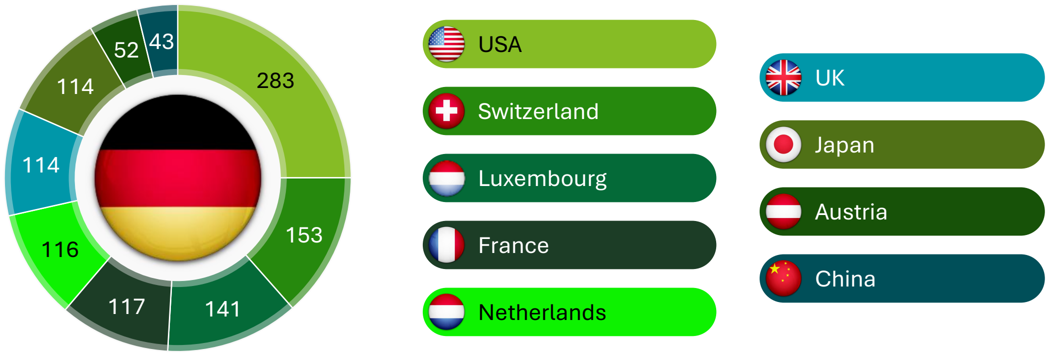
Germany accounts for the second largest loss-making region in terms of value globally.

Germany faces rising pressure on its export-led model from protectionism and supply disruptions. High costs, labour shortages, and bureaucracy constrain competitiveness, while ageing infrastructure and weak digitalisation weigh on productivity.

FDI attractiveness has declined in recent years amid tighter screening and growing caution towards non-EU capital flows (especially from China owing to concerns over intellectual property transfer). Specific restrictions on foreign ownership or control apply in a few sectors, such as media, defence and infrastructure.

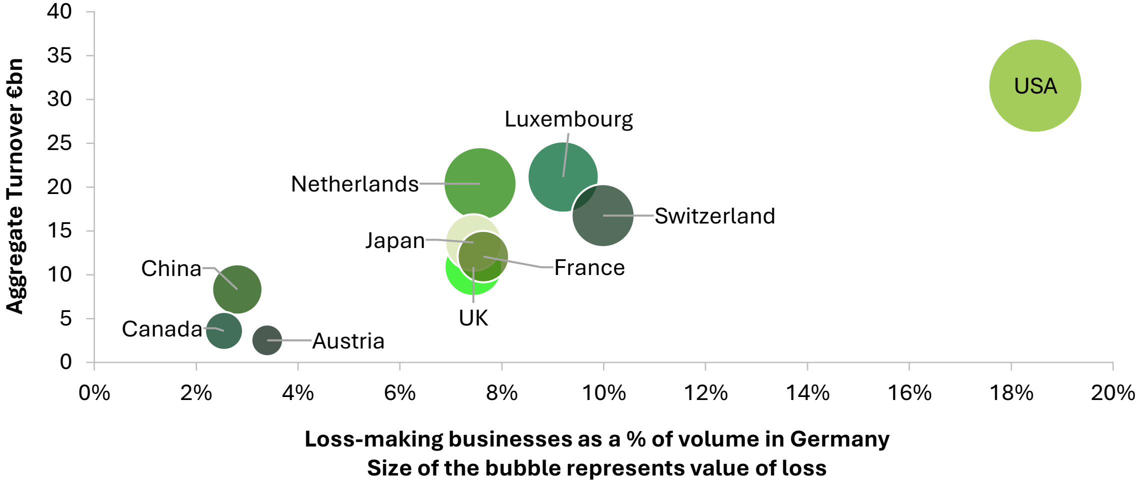
Top 9 owner countries of loss-making subsidiaries by volume

There are **1,532** businesses in the loss-making population that are based in Germany. Combined, USA, Switzerland, Luxembourg and France own **45%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (USA = €2.8bn)



Germany

Location X Owner

Top loss-making sectors

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€2.4bn** in the last financial year versus **€3.0bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€2.1bn** in the last financial year versus **€2.1bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€1.8bn** in the last financial year versus **€1.8bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€1.6bn** in the last financial year versus **€1.1bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€1.3bn** in the last financial year versus **€1.8bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€1.2bn** in the last financial year versus **€1.7bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Germany decreased by **12%.** The number of loss-making subsidiaries increased by **7%** as well.

USA continues to be the dominant owner country in terms of both volume of loss-making businesses and value of losses over the last eighteen months.

USA and Netherlands have been among the top three owner countries in terms of value of losses over the last eighteen months.

Luxembourg owned subsidiaries in Germany reported an **18%** increase in total aggregated loss over the past eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	4.9	283	68.8
France	2.3	134	16.2
Netherlands	1.6	89	16.9
UK	1.4	99	44.7
Luxembourg	1.4	99	13.7
Japan	1.0	121	14.4
Switzerland	0.8	144	13.3
Cayman Islands	0.6	23	11.1
China	0.5	47	6.0
Sweden	0.3	40	4.4
Other	2.5	349	37.4
	17.3	**1,428**	**246.9**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	2.8	283	31.6
Netherlands	1.7	116	20.4
Luxembourg	1.6	141	21.2
Switzerland	1.3	153	16.7
UK	1.1	114	10.9
Japan	1.0	114	13.7
France	0.9	117	12.1
China	0.8	43	8.3
Canada	0.5	39	3.6
Austria	0.3	52	2.5
Other	3.0	360	37.6
	15.2	**1,532**	**178.5**

Greece

Location X Owner

There are over **800** Greece based businesses which are foreign owned, of which **99%** have reported their financials. Almost **16%** of these are generating an operating loss.

The **141** businesses in Greece have reported losses of

€0.2bn

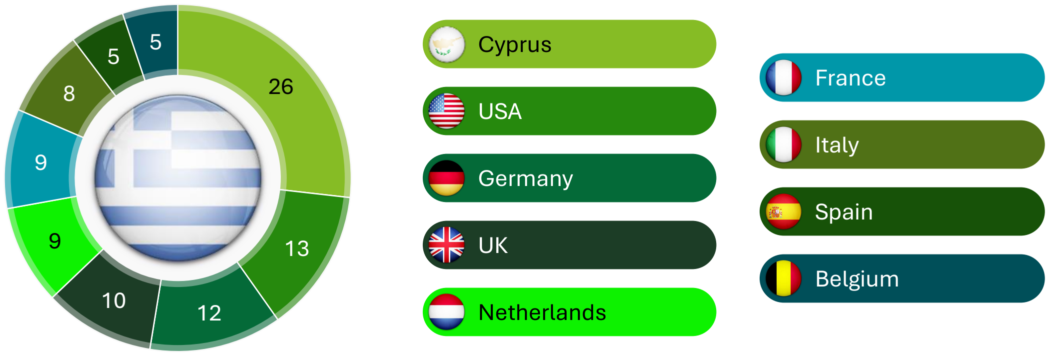
€0.1bn of this loss relates to Canada, Italy, Liechtenstein and Cayman Islands based owners, representing **50%** of the total aggregated loss.

Companies operating in Greece continue to face structural constraints, with the private sector hampered by red tape, adverse demographics and lagging technological readiness. Consumer spending remains weak amid cost-of-living pressures, tight credit conditions and elevated unemployment. Exposure to weak euro-zone growth and rising protectionism adds further risk.

Greece's foreign investment policy was impacted by deterrents such as complex and unevenly enforced legislation, frequent changes in tax laws and bureaucracy. However, ongoing digitalisation reforms, banking-sector repair and a sustained recovery in tourism and real estate are gradually reviving market opportunities and foreign investor interest.

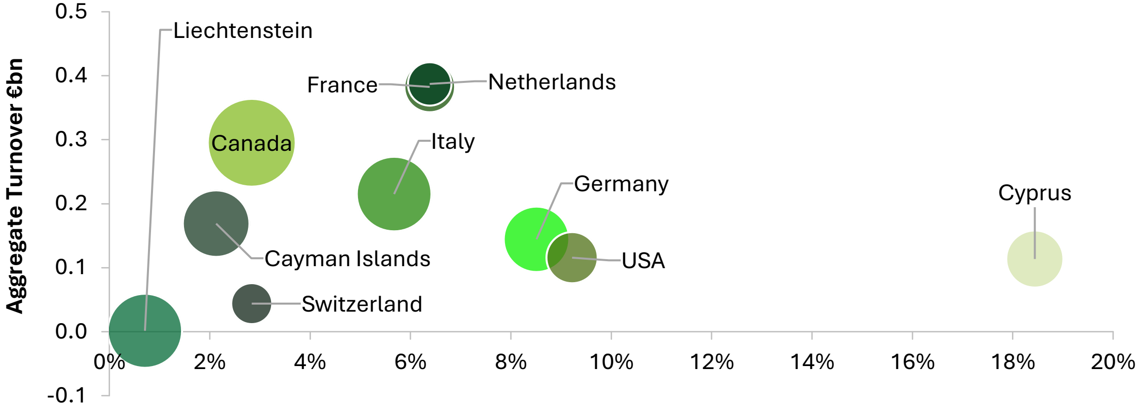
Top 9 owner countries of loss-making subsidiaries by volume

There are **141** businesses in the loss-making population that are based in Greece. Combined, Cyprus, USA and Germany own **36%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Canada = €0.04bn)



Loss-making businesses as a % of volume in Greece
Size of the bubble represents value of loss

Greece

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.05bn** in the last financial year versus **€0.02bn** eighteen months ago.

Real Estate

The loss-making entities in this sector reported a total loss of **€0.04bn** in the last financial year versus **€0.0001bn** eighteen months ago.

Telecom, Media & Entertainment

The loss-making entities in this sector reported a total loss of **€0.03bn** in the last financial year versus **€0.2bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.03bn** in the last financial year versus **€0.01bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€0.03bn** in the last financial year versus **€0.02bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.02bn** in the last financial year versus **€0.02bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Greece decreased by **58%.** The number of loss-making subsidiaries increased by **70%** as well.

Italy has moved up in ranks to be the second highest loss-making owner country generating **€0.03bn** of aggregate loss, as compared to **€0.004bn** eighteen months ago.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
UK	0.4	11	0.5
Canada	0.1	1	0.2
Cyprus	0.04	13	0.1
France	0.03	5	0.2
USA	0.02	11	0.3
Germany	0.02	12	0.3
Luxembourg	0.01	4	0.03
Netherlands	0.01	6	0.4
Italy	0.004	5	0.05
Japan	0.003	1	0.001
Other	0.01	14	0.1
	0.6	**83**	**2.2**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Canada	0.04	4	0.3
Italy	0.03	8	0.2
Liechtenstein	0.03	1	0.001
Cayman Islands	0.02	3	0.2
Germany	0.02	12	0.1
Cyprus	0.02	26	0.1
USA	0.01	13	0.1
France	0.01	9	0.4
Netherlands	0.01	9	0.4
Switzerland	0.01	4	0.04
Other	0.03	52	0.3
	0.2	**141**	**2.1**

Hungary

Location X Owner

There are over **1,500** Hungary based businesses which are foreign owned, of which **98%** have reported their financials. Almost **19%** of these are generating an operating loss.

The **296** businesses in Hungary have reported losses of

€1.8bn

€0.9bn of this loss relates to Bermuda based owners, representing **52%** of the total aggregated loss.

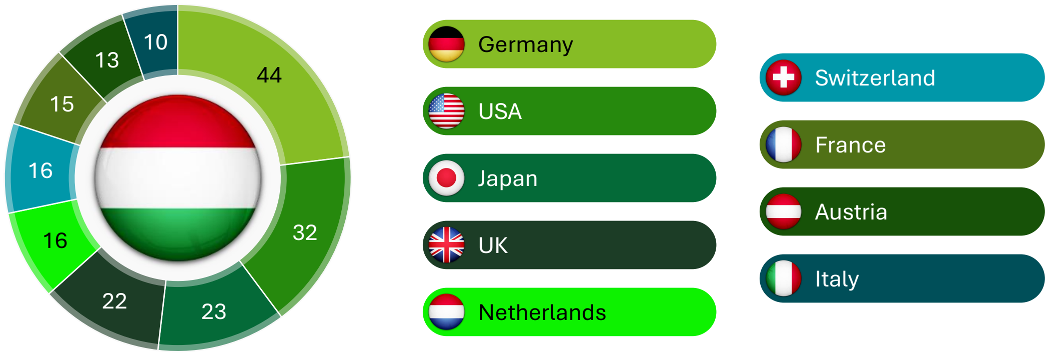
Hungary's business environment was undermined by unpredictable policymaking, lacklustre labour market and discriminatory tax rules. Weak demand in key west European markets resulted in contracting fixed capital investment from 2023-25.

Rising hostility to foreign investment – through taxes and restrictions affects sectors dominated by foreign multinationals such as retail, banking, energy and telecom. Policy towards FDI has become less predictable, despite formal ownership freedoms and EU-based protections.

However, the government is promoting foreign investment in manufacturing and related areas, prioritising automotive, battery, electronics, biotech, pharmaceutical, IT and food projects, alongside regional logistics hubs.

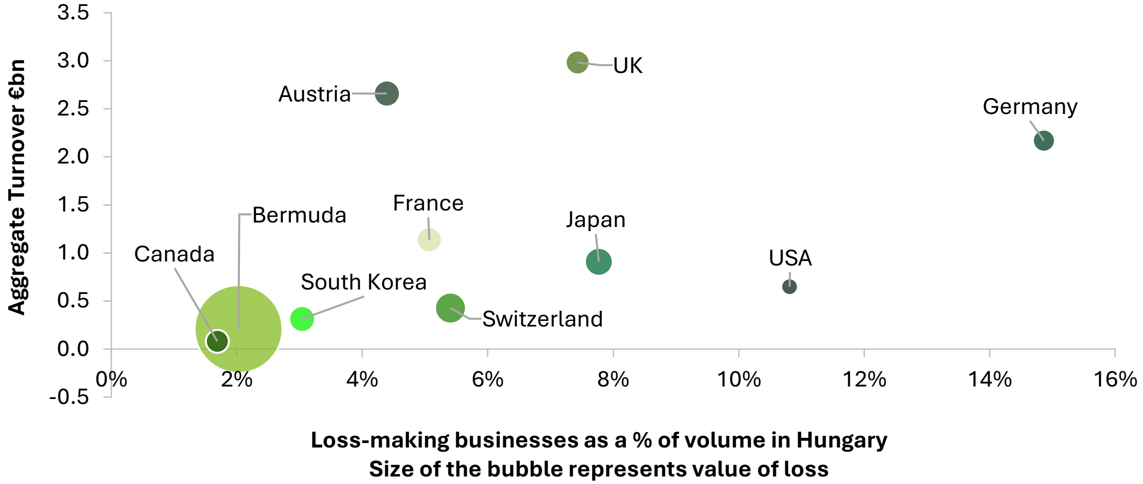
Top 9 owner countries of loss-making subsidiaries by volume

There are **296** businesses in the loss-making population that are based in Hungary. Combined, Germany, USA and Japan own **33%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Bermuda = €0.9bn)



Hungary

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services
The loss-making entities in this sector reported a total loss of **€1.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Automotive
The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Retail, Wholesale & Distribution
The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Life Sciences
The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.001bn** eighteen months ago.

Oil, Gas & Chemicals
The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Mining & Metals
The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Hungary increased by **79%.** The number of loss-making subsidiaries increased by **26%** as well.

Switzerland, Japan and Austria rank among the top four owner countries in terms of value of losses over the last eighteen months.

Canada has been the new entrant in the top 10 owner countries reporting the eighth highest value of loss amounting to **€0.1bn** in Hungary replacing Cyprus eighteen months ago.

Bermuda has moved up in ranks to be the highest loss-making owner country generating **€0.9bn** of aggregate loss, versus **€0.03bn** eighteen months ago.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	0.4	35	4.6
Japan	0.1	20	1.2
Austria	0.1	16	4.1
Switzerland	0.1	19	0.7
France	0.1	14	1.6
USA	0.1	25	2.0
UK	0.05	13	1.3
Bermuda	0.03	2	0.1
South Korea	0.03	6	0.3
Cyprus	0.02	3	0.02
Other	0.1	81	2.4
	1.0	**234**	**18.3**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Bermuda	▲ 0.9	▲ 6	0.2
Switzerland	▲ 0.1	▼ 16	0.4
Japan	▼ 0.1	▲ 23	0.9
Austria	▼ 0.1	▼ 13	2.7
South Korea	▲ 0.1	▲ 9	0.3
France	▲ 0.1	▲ 15	1.1
UK	▲ 0.1	▲ 22	3.0
Canada	▲ 0.1	▲ 5	0.1
Germany	▼ 0.1	▲ 44	2.2
USA	▼ 0.04	▲ 32	0.6
Other	▲ 0.1	▲ 111	4.3
	1.8	**296**	**15.9**

Ireland

Location X Owner

There are over **6,200** Irish businesses which are foreign owned, of which **93%** have reported their financials. Almost **15%** of these are generating an operating loss.

The **844** businesses in Ireland have reported losses of

€9.4bn

€7.3bn of this loss relates to USA, Cayman Islands and Canada based owners, representing **78%** of the total aggregated loss.

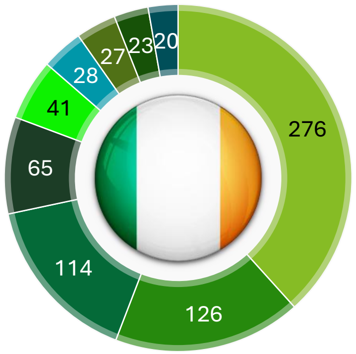
Businesses in Ireland face rising vulnerabilities from uncertainty over US trade policy, potential tariffs on key sectors such as pharmaceuticals and lingering UK-EU post-Brexit frictions. Fiscal dependence on volatile multinational tax windfalls and shifting global tax rules have contributed to more volatile FDI flows.

Ireland's attractive corporate tax regime, favourable policy towards foreign trade and investment, flexible labour market and direct access to the EU market continue to anchor its position as a leading destination for multinational investment.

However, infrastructure constraints will continue to impede Ireland's efforts to attract FDI and create jobs outside the two main urban centres (the capital, Dublin, and Cork).

Top 9 owner countries of loss-making subsidiaries by volume

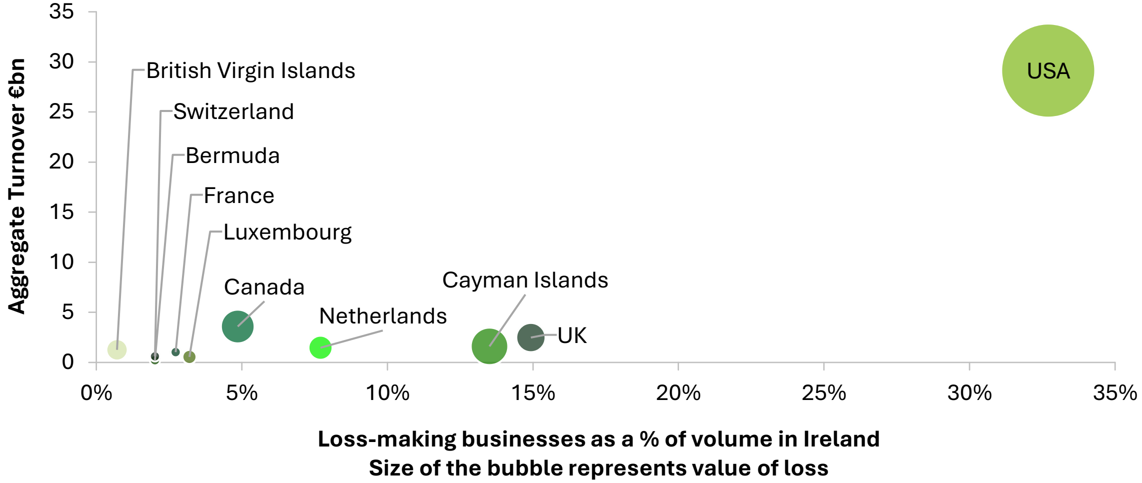
There are **844** businesses in the loss-making population that are based in Ireland. The top three owner countries own **61%** including USA, UK and Cayman Islands.



- USA
- UK
- Cayman Islands
- Netherlands
- Canada
- China
- Luxembourg
- France
- Japan

Scale of losses (Top 10 owner countries)

Operating loss (USA = €5.6bn)



Ireland

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€2.5bn** in the last financial year versus **€5.7bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€2.1bn** in the last financial year versus **€3.1bn** eighteen months ago.

Telecom, Media & Entertainment

The loss-making entities in this sector reported a total loss of **€1.0bn** in the last financial year versus **€4.3bn** eighteen months ago.

Life Sciences

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€1.8bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€0.9bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.7bn** in the last financial year versus **€1.3bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Ireland decreased by **50%.** The number of loss-making subsidiaries declined by **9%** as well.

USA continues to be the dominant owner country in terms of both volume of loss-making businesses and value of losses over the last eighteen months.

USA, Canada and Cayman Islands have been among the top three owner countries in terms of aggregated losses over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	10.7	270	54.0
Canada	1.5	23	4.3
Cayman Islands	1.2	164	2.6
China	1.0	24	0.3
UK	1.0	128	21.9
Lithuania	0.9	14	0.2
Japan	0.4	43	1.2
Netherlands	0.4	43	1.0
Bermuda	0.3	32	0.5
Germany	0.2	14	1.1
Other	1.2	171	6.7
	18.7	**926**	**93.6**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	▼ 5.6	▲ 276	29.1
Cayman Islands	▼ 0.9	▼ 114	1.6
Canada	▼ 0.8	▲ 41	3.6
UK	▼ 0.6	▼ 126	2.5
Netherlands	▲ 0.4	▲ 65	1.5
British Virgin Islands	▲ 0.3	▼ 6	1.3
Luxembourg	▲ 0.1	▲ 27	0.6
Bermuda	▼ 0.1	▼ 17	0.2
France	▼ 0.1	▼ 23	1.0
Switzerland	▼ 0.1	▲ 17	0.6
Other	▼ 0.4	▼ 132	2.2
	9.4	**844**	**44.2**

Italy

Location X Owner

There are over **11,300** Italian businesses which are foreign owned, of which **c.100%** have reported their financials. Almost **21%** of these are generating an operating loss.

The **2,359** businesses in Italy have reported losses of

€8.6bn

€4.1bn of this loss relates to Netherlands, USA and Switzerland based owners, representing **48%** of the total aggregated loss.

Italy accounts for the third largest loss-making region in terms of volume.

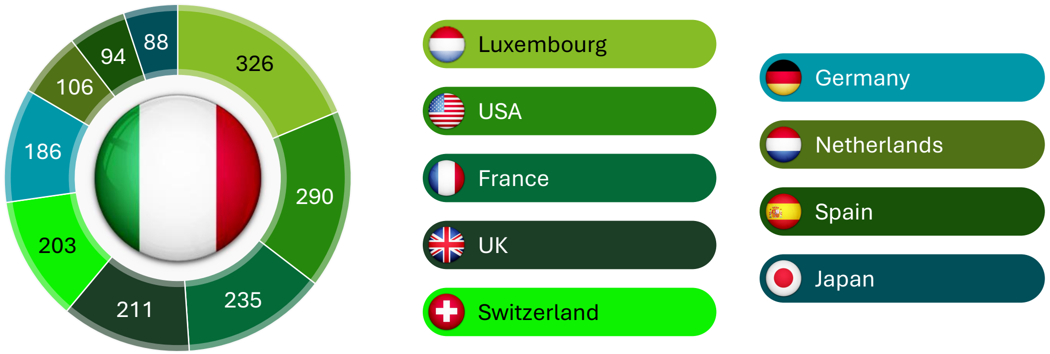
Italy is one of the most exposed countries to US tariffs given its sizeable trade surplus in machinery, pharmaceuticals and vehicles. Growth potential remains limited owing to its mature consumer market and weak income and population growth prospects.

Key deterrents to FDI relate to bureaucratic and legal complexities, barriers to entry in parts of the services sector, weak infrastructure, high taxes and energy costs and labour market rigidities.

International trade tensions and the conflicts may reduce demand for Italian exports. This will weigh on firms' balance sheets and equity valuations, potentially renewing foreign interest in acquisitions of Italian small and medium-sized export-oriented companies.

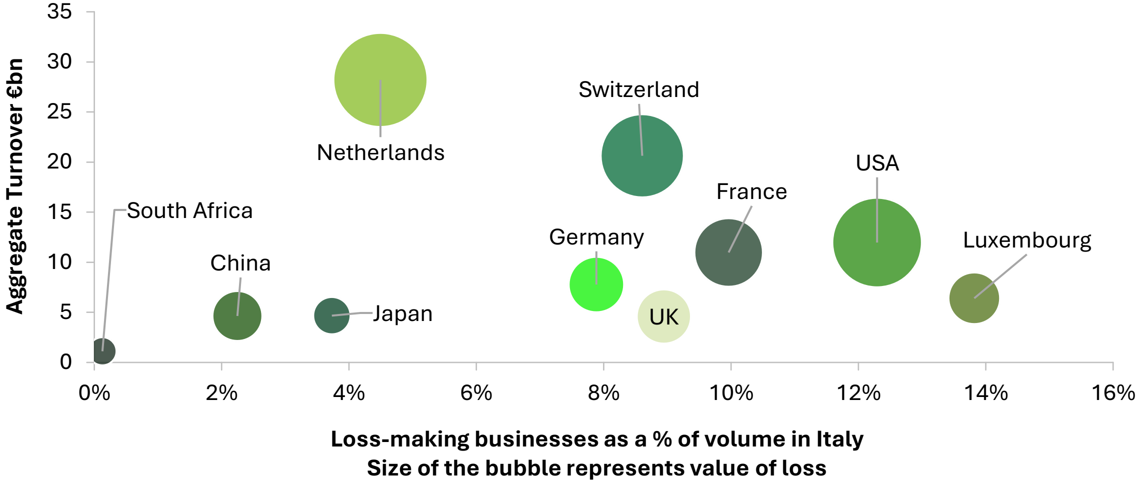
Top 9 owner countries of loss-making subsidiaries by volume

There are **2,359** businesses in the loss-making population that are based in Italy. Combined, Luxembourg, USA, France and UK own **45%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Netherlands = €1.5bn)



Italy

Location X Owner

Top loss-making sectors

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€1.4bn** in the last financial year versus **€1.2bn** eighteen months ago.

Automotive

The loss-making entities in this sector reported a total loss of **€1.3bn** in the last financial year versus **€0.6bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€1.0bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€0.9bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€0.6bn** in the last financial year versus **€0.5bn** eighteen months ago.

Telecom, Media & Entertainment

The loss-making entities in this sector reported a total loss of **€0.5bn** in the last financial year versus **€1.7bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Italy decreased by **4%.** The number of loss-making subsidiaries increased by **13%** as well.

USA and Netherlands continue to be among the top two dominant owner countries in terms of value for Italian loss-making subsidiaries over the last eighteen months.

Netherlands owned subsidiaries in Italy represented **18%** of the total loss, however, it constitutes only **c.4%** of the total volume.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	2.6	284	17.1
Netherlands	1.3	107	35.8
UK	0.7	184	10.9
France	0.7	239	8.7
Switzerland	0.6	189	7.0
Germany	0.5	170	13.7
China	0.5	47	4.0
Luxembourg	0.5	275	5.8
Ireland	0.2	26	1.7
Japan	0.2	53	3.6
Other	1.2	516	15.2
	8.9	**2,090**	**123.4**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Netherlands	▲ 1.5	▼ 106	28.2
USA	▼ 1.4	▲ 290	12.0
Switzerland	▲ 1.2	▲ 203	20.6
France	▲ 0.8	▼ 235	11.0
Germany	▲ 0.5	▲ 186	7.8
UK	▼ 0.5	▲ 211	4.6
Luxembourg	▲ 0.5	▲ 326	6.4
China	▼ 0.4	▲ 53	4.6
Japan	▲ 0.3	▲ 88	4.7
South Africa	▲ 0.1	▼ 3	1.1
Other	▲ 1.2	▲ 658	17.8
	8.6	**2,359**	**118.8**

Japan

Location X Owner

There are over **1,500** Japan based businesses which are foreign owned, of which **24%** have reported their financials. Almost **16%** of these are generating an operating loss.

The **59** businesses in Japan have reported losses of

€0.2bn

€0.1bn of this loss relates to USA, China and Ireland based owners, representing **79%** of the total aggregated loss.

The major challenge for foreign enterprises operating in Japan was demographic ageing and a shrinking workforce, driving labour shortages in several segments, compounded by low immigration and limited mobility across jobs and industries. Political uncertainty may further weaken policy predictability, while exposure to US protectionism poses risks to trade and investment.

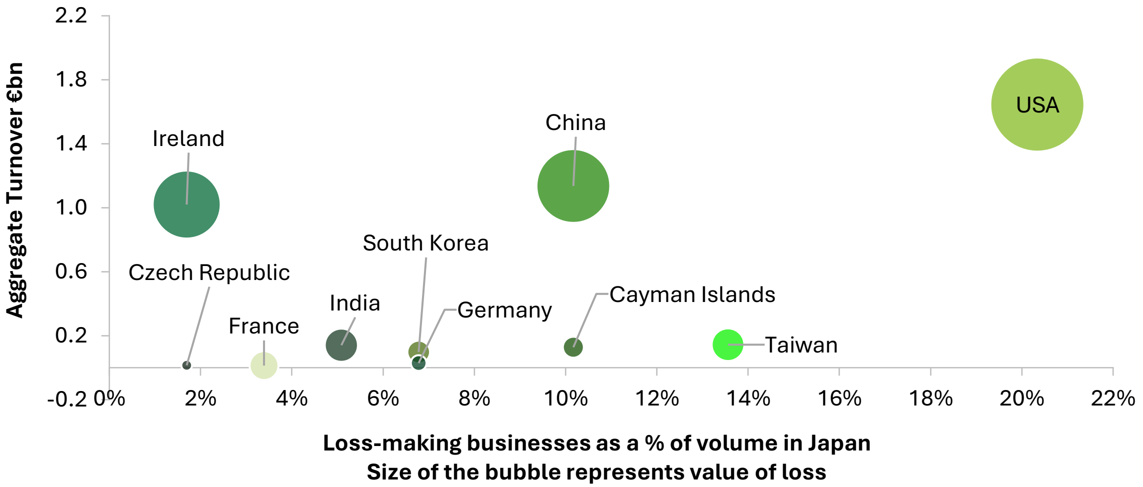
The existing Foreign Exchange and Foreign Trade Act imposes a considerable red tape on inward FDI deals, including prior notifications and ex post reporting to the Bank of Japan (the central bank in Japan).

Top 9 owner countries of loss-making subsidiaries by volume

There are **59** businesses in the loss-making population that are based in Japan. USA and Taiwan represent **34%** of the Japan loss-making population.

Scale of losses (Top 10 owner countries)

Operating loss (USA = €0.1bn)



Japan

Location X Owner

Top loss-making sectors

Technology
The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Industrial Products & Construction
The loss-making entities in this sector reported a total loss of **€0.05bn** in the last financial year versus **€0.1bn** eighteen months ago.

Automotive
The loss-making entities in this sector reported a total loss of **€0.04bn** in the last financial year versus **€0.1bn** eighteen months ago.

Retail, Wholesale & Distribution
The loss-making entities in this sector reported a total loss of **€0.01bn** in the last financial year versus **€0.01bn** eighteen months ago.

Banking & Capital Markets
The loss-making entities in this sector reported a total loss of **€0.01bn** in the last financial year versus **€0.1bn** eighteen months ago.

Transportation, Hospitality & Services
The loss-making entities in this sector reported a total loss of **€0.005bn** in the last financial year versus **€0.1bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Japan decreased by **59%.** The number of loss-making subsidiaries declined by **14%** as well.

USA and China continue to be the top two dominant owner countries in terms of overall losses over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	0.1	18	2.5
China	0.1	4	1.1
France	0.1	5	0.3
Germany	0.1	5	0.2
Ireland	0.03	1	1.1
Hong Kong	0.02	2	0.02
UK	0.02	6	0.1
South Korea	0.02	9	0.2
Cayman Islands	0.01	4	0.4
India	0.01	3	0.2
Other	0.02	12	0.6
	0.5	**69**	**6.7**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	▼ 0.1	▼ 12	1.6
China	▼ 0.04	▲ 6	1.1
Ireland	▲ 0.04	— 1	1.0
India	▼ 0.01	— 3	0.1
Taiwan	▲ 0.01	▲ 8	0.1
France	▼ 0.01	▼ 2	0.01
South Korea	▼ 0.004	▼ 4	0.1
Cayman Islands	▼ 0.004	▲ 6	0.1
Germany	▼ 0.002	▼ 4	0.03
Czech Republic	▲ 0.001	▲ 1	0.01
Other	▼ 0.004	— 12	0.1
	0.2	**59**	**4.5**

Netherlands

Location X Owner

There are over **2,100** Dutch businesses which are foreign owned, of which **87%** have reported their financials. Almost **15%** of these are generating an operating loss.

The **280** businesses in Netherlands have reported losses of

€8.7bn

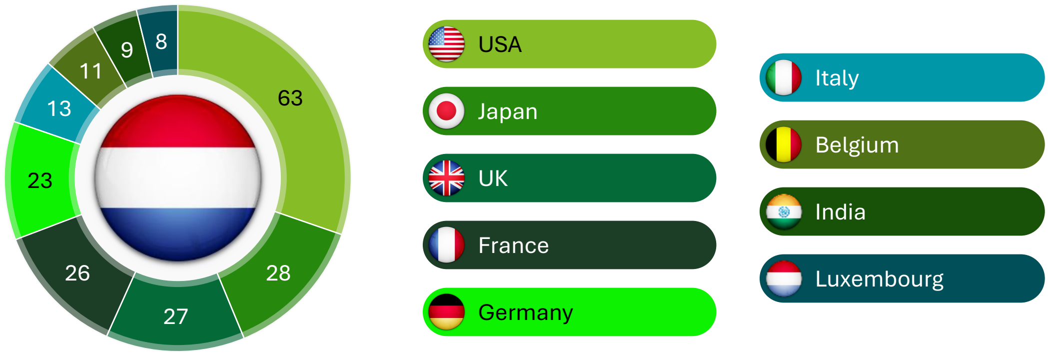
€6.9bn of this loss relates to UK, USA, Germany, France and India based owners, representing **79%** of the total aggregated loss.

Businesses in Netherlands face headwinds from geopolitical risk, rising protectionism and tighter FDI screening under the Vifo Act. Structural distortions in the housing market, a complex tax regime and a segmented labour market (with a high share of insecure temporary employment) create operational challenges for foreign companies.

Factors that may constrain FDI activity include the modest size of the domestic market, and potential investment delays owing to electricity grid congestion. A substantial share of inward FDI to the Netherlands over the past decade has been in financial services, often reflecting tax-driven corporate restructuring rather than new greenfield investment, with limited impact on output and employment.

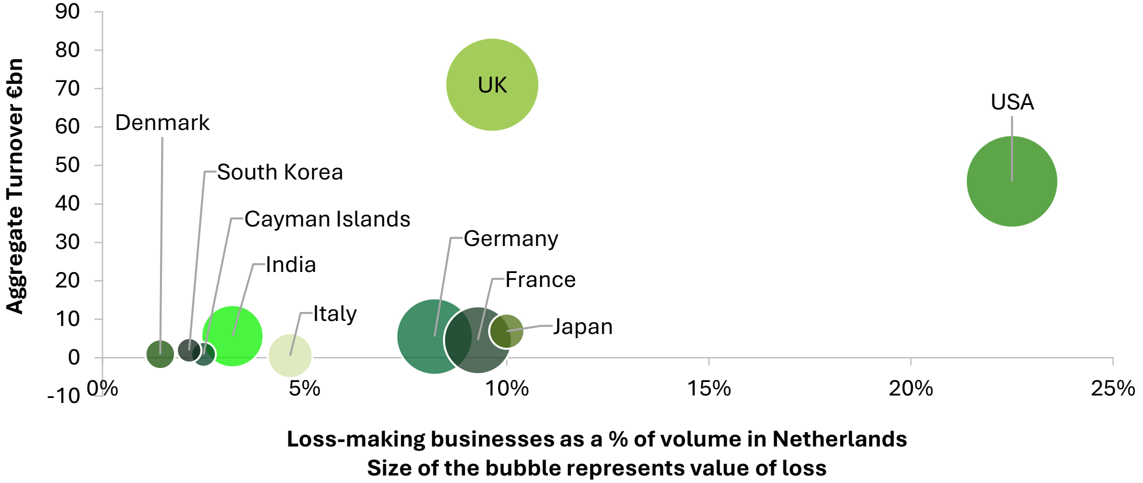
Top 9 owner countries of loss-making subsidiaries by volume

There are **280** businesses in the loss-making population that are based in Netherlands. Combined, USA, Japan and UK own **42%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (UK = €1.9bn)



Netherlands

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€1.9bn** in the last financial year versus **€1.0bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€1.8bn** in the last financial year versus **€1.0bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€1.5bn** in the last financial year versus **€0.9bn** eighteen months ago.

Power, Utilities & Renewables

The loss-making entities in this sector reported a total loss of **€1.0bn** in the last financial year versus **€0.01bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€0.8bn** in the last financial year versus **€0.1bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.4bn** in the last financial year versus **€0.5bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Netherlands increased by **66%.** The number of loss-making subsidiaries increased by **9%** as well.

USA, UK and Germany rank among the top three owner countries over the last eighteen months in terms of overall loss by value.

UK and Germany owned subsidiaries in Netherlands reported a substantial increase of **72%** and **305%,** respectively in total aggregated losses over the past eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	1.6	71	21.1
UK	1.1	22	27.0
Germany	0.3	22	3.3
Japan	0.3	17	6.0
Luxembourg	0.3	12	3.3
France	0.3	17	1.8
Denmark	0.3	3	0.7
Italy	0.2	9	0.8
Switzerland	0.1	9	1.0
Cayman Islands	0.1	5	0.7
Other	0.6	71	10.3
	5.2	**258**	**75.8**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
UK	▲ 1.9	▲ 27	71.0
USA	▲ 1.8	▼ 63	45.9
Germany	▲ 1.3	▲ 23	5.5
France	▲ 1.0	▲ 26	4.5
India	▲ 0.8	▲ 9	5.6
Italy	▲ 0.4	▲ 13	0.5
Japan	▼ 0.3	▲ 28	6.9
Denmark	▼ 0.2	▲ 4	0.9
Cayman Islands	▲ 0.1	▲ 7	0.9
South Korea	▲ 0.1	▲ 6	1.9
Other	▼ 0.6	▲ 74	9.4
	8.7	**280**	**153.1**

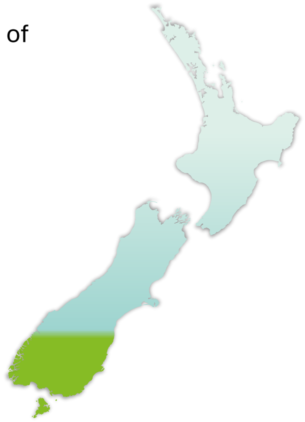
New Zealand

Location X Owner

There are over **1,100** New Zealand based businesses which are foreign owned, of which **86%** have reported their financials. Almost **20%** of these are generating an operating loss.

The **205** businesses in New Zealand have reported losses of

€2.2bn



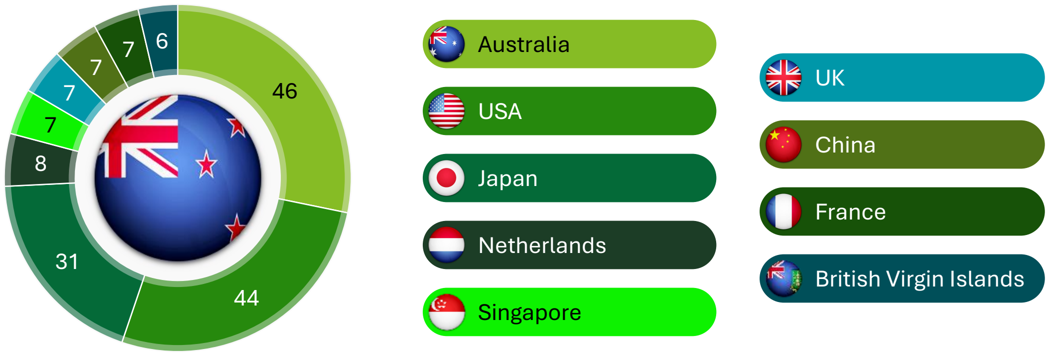
€1.0bn of this loss relates to Australia based owners, representing **46%** of the total aggregated loss.

Foreign companies operating in New Zealand face structural limitations stemming from its small population, modest economic size and geographical isolation, which restrict overall market scale and growth opportunities. The labour market remains weak due to the emigration of skilled New Zealanders and the inward migration of relatively lower-skilled foreigners contributes to a reduced overall technical capacity in the workforce.

A narrow industrial base and high living costs further constrain expansion, while perceived inconsistency in the application of foreign investment rules can create uncertainty for international investors.

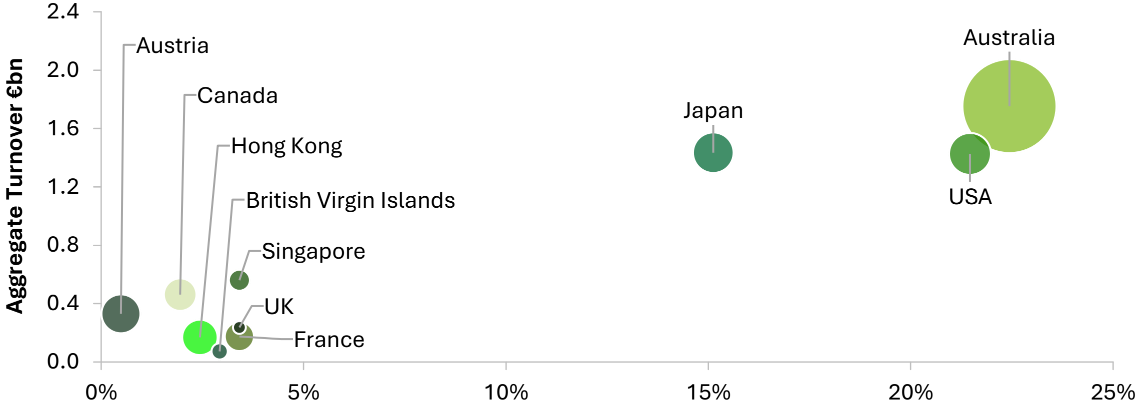
Top 9 owner countries of loss-making subsidiaries by volume

There are **205** businesses in the loss-making population that are based in New Zealand. Combined, Australia ,USA and Japan own **59%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Australia = €1.0bn)



Loss-making businesses as a % of volume in New Zealand
Size of the bubble represents value of loss

New Zealand

Location X Owner

Top loss-making sectors

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€0.9bn** eighteen months ago.

Consumer Products

The loss-making entities in this sector reported a total loss of **€0.5bn** in the last financial year versus **€0.2bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€0.1bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.2bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in New Zealand increased by **29%.** The number of loss-making subsidiaries increased by **6%** as well.

Australia, USA and Japan continue to be the top three dominant owner countries in terms of both value and volume in New Zealand over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Australia	0.9	57	2.0
USA	0.2	34	1.9
Japan	0.1	19	0.9
Singapore	0.1	11	0.9
British Virgin Islands	0.1	4	0.4
Canada	0.04	3	0.5
UK	0.04	9	0.6
Germany	0.03	8	0.9
China	0.03	9	0.3
South Africa	0.02	1	0.05
Other	0.1	38	1.1
	1.7	**193**	**9.5**

Current landscape

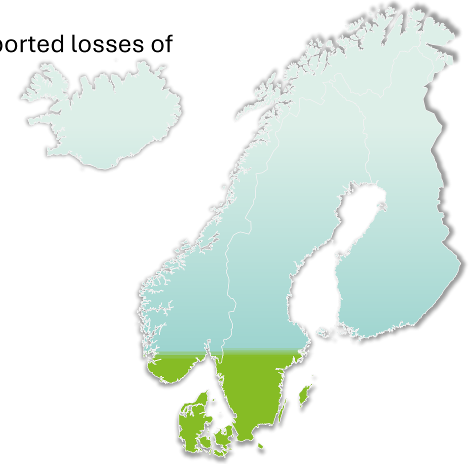
Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Australia	▲ 1.0	▼ 46	1.8
USA	▲ 0.2	▲ 44	1.4
Japan	▲ 0.2	▲ 31	1.4
Austria	▲ 0.2	▲ 1	0.3
Hong Kong	▲ 0.2	▲ 5	0.2
Canada	▲ 0.1	▲ 4	0.5
France	▲ 0.1	▲ 7	0.2
Singapore	▼ 0.1	▼ 7	0.6
British Virgin Islands	▼ 0.03	▲ 6	0.1
UK	▼ 0.02	▼ 7	0.2
Other	▲ 0.1	▲ 47	2.2
	2.2	**205**	**8.8**

Nordics

Location X Owner

There are over **8,600** Nordic businesses which are foreign owned, of which **98%** have reported their financials. Almost **23%** of these are generating an operating loss.

The **1,935** businesses in the Nordics have reported losses of



€7.6bn

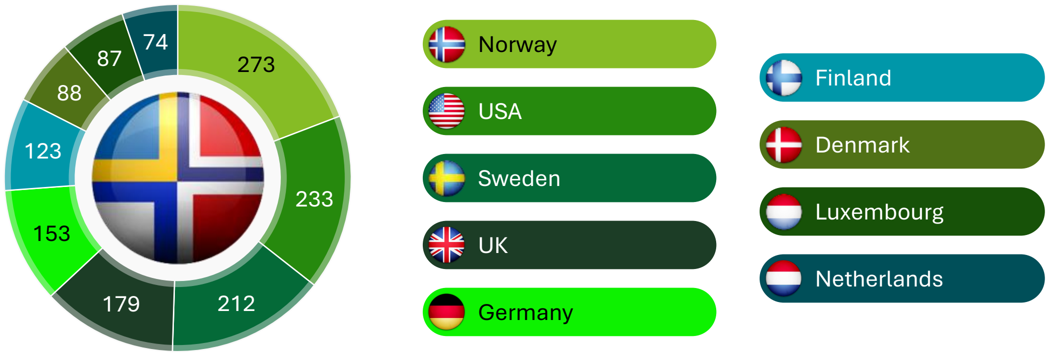
€2.7bn of this loss relates to USA and UK based owners, representing **36%** of the total aggregated loss.

Businesses operating in the Nordics face challenges from elevated private-sector indebtedness, high personal tax burdens and slow productivity growth, alongside tightening FDI screening rules, particularly towards non-EU inflows in strategic sectors, amid heightened geopolitical tensions following the Russia-Ukraine conflict. Small domestic markets, labour shortages and maturing consumer demand further constrain growth prospects across Finland, Sweden and Denmark.

However, the region continues to benefit from strong institutional frameworks, high-incomes, advanced infrastructure and skilled workforces, sustaining its position as a stable and attractive destination for high-quality foreign investment.

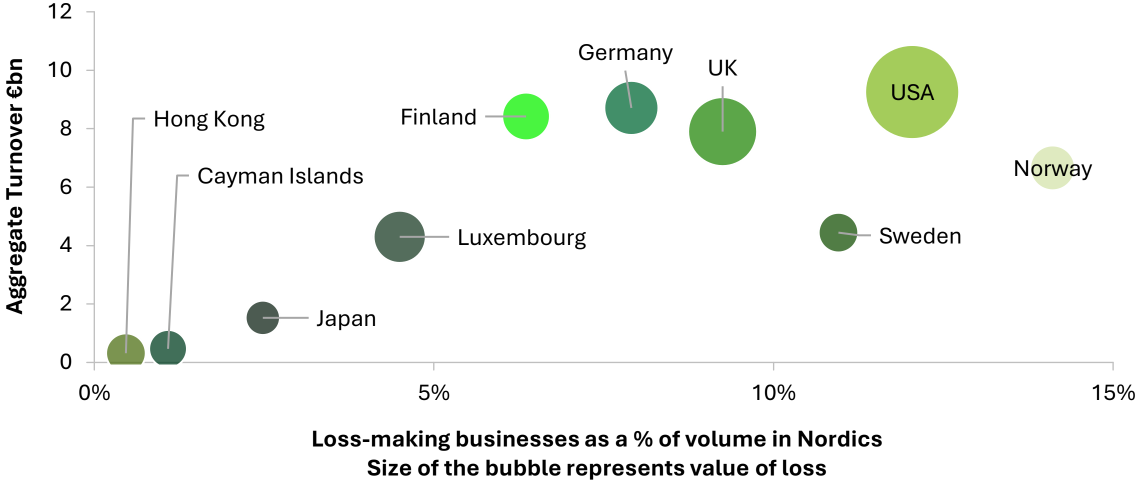
Top 9 owner countries of loss-making subsidiaries by volume

There are **1,935** businesses in the loss-making population that are based in the Nordics. Combined, Norway, USA, Sweden and UK own **46%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (USA = €1.8bn)



Nordics

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€1.5bn** in the last financial year versus **€1.4bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€0.6bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€1.2bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.7bn** in the last financial year versus **€0.9bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.7bn** in the last financial year versus **€1.1bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€0.6bn** in the last financial year versus **€0.6bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in the Nordics decreased by **13%.** The number of loss-making subsidiaries declined by **1%** as well.

USA, UK, Germany and Luxembourg rank among the top four owner countries in terms of value of losses over the last eighteen months.

UK has moved up in ranks to be the second highest loss-making owner country generating **€1.0bn** of aggregate loss, versus **€0.7bn** eighteen months ago.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	2.6	260	10.4
Luxembourg	0.9	84	10.8
Germany	0.9	166	11.3
UK	0.7	167	6.6
Cayman Islands	0.7	31	2.9
Norway	0.5	247	7.5
Sweden	0.4	226	6.0
Japan	0.3	59	4.3
Switzerland	0.2	66	2.1
Finland	0.2	103	3.1
Other	1.3	543	18.3
	8.8	**1,952**	**83.3**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	▼ 1.8	▼ 233	9.3
UK	▲ 1.0	▲ 179	7.9
Germany	▼ 0.6	▼ 153	8.7
Luxembourg	▼ 0.6	▲ 87	4.3
Finland	▲ 0.5	▲ 123	8.4
Norway	▼ 0.4	▲ 273	6.7
Hong Kong	▲ 0.3	▲ 9	0.3
Sweden	▼ 0.3	▼ 212	4.4
Cayman Islands	▼ 0.3	▼ 21	0.5
Japan	▼ 0.2	▼ 48	1.5
Other	▲ 1.6	▲ 597	17.9
	7.6	**1,935**	**69.9**

Poland

There are over **9,300** Poland based businesses which are foreign owned, of which **99%** have reported their financials. Almost **21%** of these are generating an operating loss.

The **1,914** businesses in Poland have reported losses of

€4.0bn

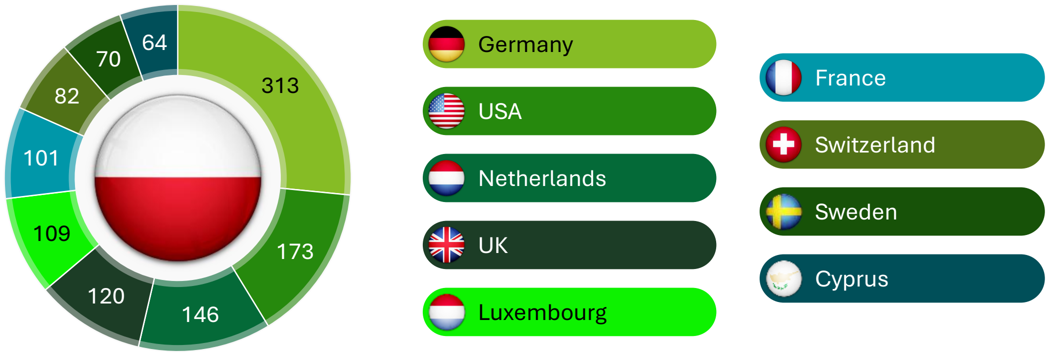
€1.8bn of this loss relates to Germany, Luxembourg, USA and UK based owners, representing **45%** of the total aggregated loss.

Businesses in Poland face challenges from an uncertain legal and regulatory environment coupled with a high regulatory burden, which weigh on entrepreneurship and investor confidence. The climate for investors from outside the European Economic Area and the OECD remains less attractive, owing to tight limits on their investment in listed companies and in private firms operating in strategic sectors such as energy, pharmaceuticals, oil and gas, and military technology.

However, Poland's diversified economy, large domestic market, competitive labour costs, skilled workforce and deep integration into EU value chains support its medium-term investment appeal.

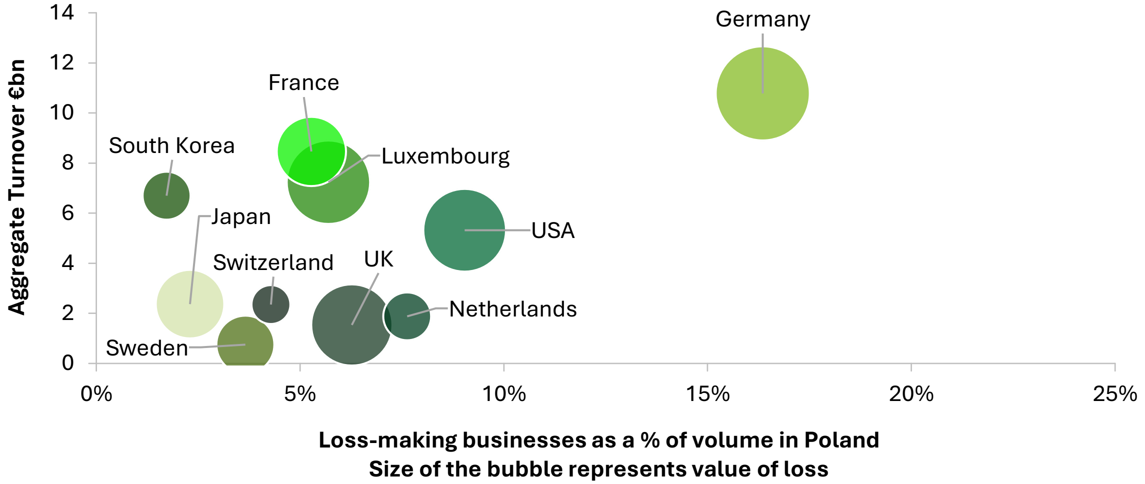
Top 9 owner countries of loss-making subsidiaries by volume

There are **1,914** businesses in the loss-making population that are based in Poland. Combined, Germany, USA, and Netherlands own **33%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Germany = €0.5bn)



Poland

Location X Owner

Top loss-making sectors

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€1.0bn** in the last financial year versus **€0.3bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€0.5bn** in the last financial year versus **€0.1bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.4bn** in the last financial year versus **€0.3bn** eighteen months ago.

Real Estate

The loss-making entities in this sector reported a total loss of **€0.4bn** in the last financial year versus **€0.3bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.4bn** in the last financial year versus **€0.4bn** eighteen months ago.

Automotive

The loss-making entities in this sector reported a total loss of **€0.4bn** in the last financial year versus **€0.3bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Poland increased by **44%.** The number of loss-making subsidiaries increased by **30%** as well.

Germany and USA have been among the top three owner countries in terms of both volume of loss-making businesses and value of losses over the last eighteen months.

Luxembourg has moved up in ranks to be the second highest loss-making owner country generating **€0.4bn** of aggregate loss, versus **€0.1bn** eighteen months ago, representing a massive **c.5x** increase.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	0.4	246	7.3
Switzerland	0.4	57	3.2
USA	0.3	117	3.4
France	0.3	89	3.9
UK	0.2	104	2.9
Cyprus	0.2	93	0.9
Japan	0.1	25	0.9
Luxembourg	0.1	55	0.8
Canada	0.1	18	0.6
South Africa	0.1	7	0.5
Other	0.7	660	12.0
	2.8	**1,471**	**36.7**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	▲ 0.5	▲ 313	10.8
Luxembourg	▲ 0.4	▲ 109	7.2
USA	▲ 0.4	▲ 173	5.3
UK	▲ 0.4	▲ 120	1.5
France	▲ 0.3	▲ 101	8.5
Japan	▲ 0.3	▲ 44	2.4
Sweden	▲ 0.2	▲ 70	0.8
South Korea	▲ 0.1	▲ 33	6.7
Netherlands	▲ 0.1	▲ 146	1.9
Switzerland	▼ 0.1	▲ 82	2.4
Other	▲ 1.0	▲ 723	14.3
	4.0	**1,914**	**61.7**

Portugal

Location X Owner

There are over **4,300** Portugal based businesses which are foreign owned, of which **99%** have reported their financials. Almost **17%** of these are generating an operating loss.

The **731** businesses in Portugal have reported losses of

€1.3bn

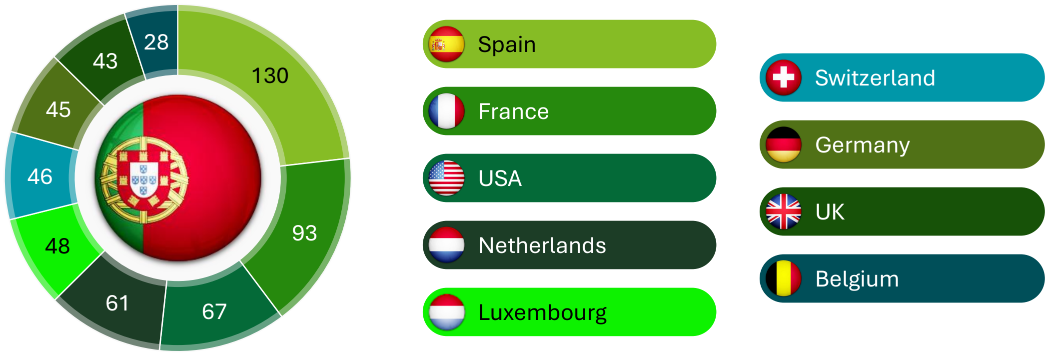
€0.6bn of this loss relates to Germany, Spain and Australia based owners, representing **45%** of the total aggregated loss.

Foreign enterprises operating in Portugal face ongoing constraints from a poor rail infrastructure, low technological readiness and subdued market opportunities linked to its small size and geographical location. The business environment continues to be held back by a low value-added economy, reinforced by limited investment in research and development, an insufficient number of graduates in science and information technology and some labour market rigidities.

However, Portugal remains broadly open to foreign investment, with no legal restrictions on profit repatriation and a strong tourism-led services sector supporting medium-term opportunities.

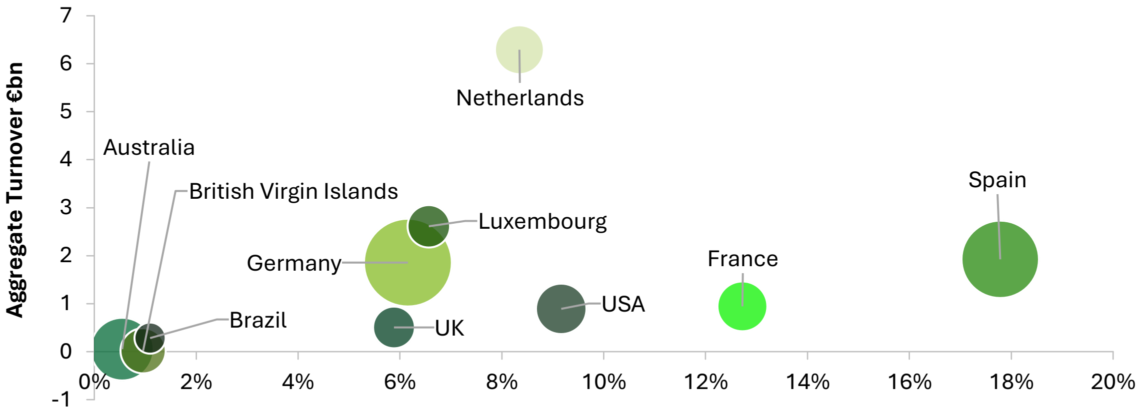
Top 9 owner countries of loss-making subsidiaries by volume

There are **731** businesses in the loss-making population that are based in Portugal. Combined, Spain, France and USA own **40%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Germany = €0.3bn)



Loss-making businesses as a % of volume in Portugal
Size of the bubble represents value of loss

Portugal

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€0.8bn** eighteen months ago.

Real Estate

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.1bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.2bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.05bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Portugal decreased by **41%.** The number of loss-making subsidiaries increased by **23%** as well.

Germany has moved up in ranks to be the highest loss-making owner country generating **€0.3bn** of aggregate loss, as compared to **€0.1bn** eighteen months ago, indicating a sharp increase of **96%.**

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Brazil	0.6	9	0.9
Luxembourg	0.4	38	3.0
France	0.2	96	0.8
Spain	0.2	105	2.3
USA	0.2	47	1.7
Netherlands	0.1	35	1.5
UK	0.1	44	0.9
Germany	0.1	48	0.8
Denmark	0.03	18	0.2
Japan	0.02	7	0.9
Other	0.2	146	1.2
	2.2	**593**	**14.2**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	▲ 0.3	▼ 45	1.9
Spain	▲ 0.2	▲ 130	1.9
Australia	▲ 0.1	▲ 4	0.1
USA	▼ 0.1	▲ 67	0.9
France	▼ 0.1	▼ 93	0.9
Netherlands	▼ 0.1	▲ 61	6.3
British Virgin Islands	▲ 0.1	▲ 7	0.02
Luxembourg	▼ 0.1	▲ 48	2.6
UK	▼ 0.1	▼ 43	0.5
Brazil	▼ 0.03	▼ 8	0.3
Other	▲ 0.2	▲ 225	2.5
	1.3	**731**	**17.8**

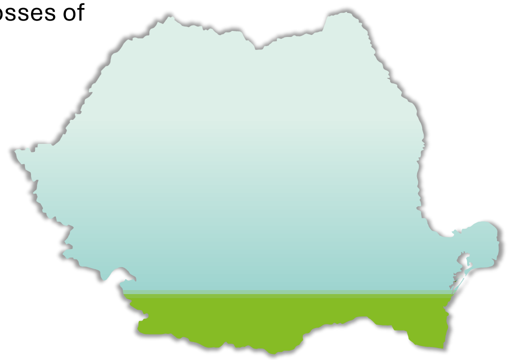
Romania

Location X Owner

There are over **4,000** Romania based businesses which are foreign owned, of which **99%** have reported their financials. Almost **18%** of these are generating an operating loss.

The **745** businesses in Romania have reported losses of

€1.6bn



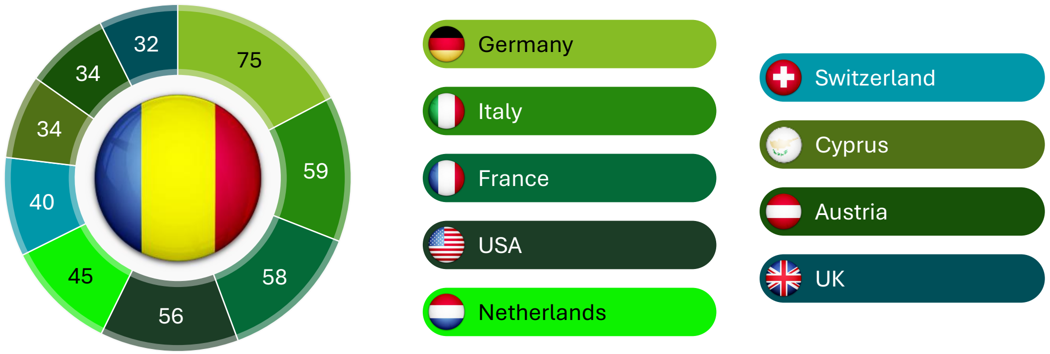
€0.4bn of this loss relates to UK based owners, representing **26%** of the total aggregated loss.

Some of the challenges for enterprises in Romania were macroeconomic weakness and low technological readiness, reflecting limited investment in research and development. Other factors that pose a challenge include, infrastructure gaps, income inequality and regional disparities.

Policy towards FDI has been characterised by a desire to modernise the economy and create jobs, balanced by efforts to protect strategically important sectors such as energy and transport, with tighter screening of non-EU investors reducing overall openness.

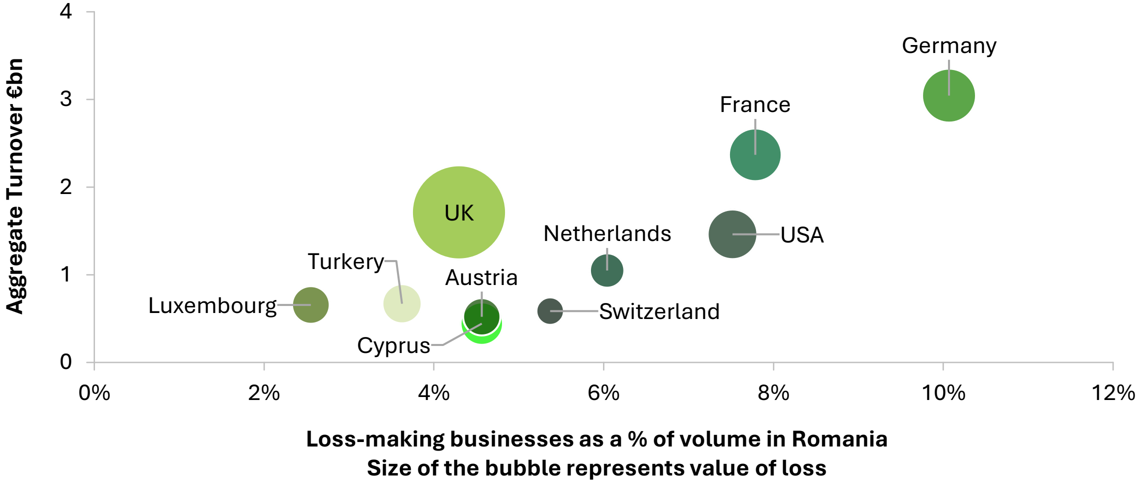
Top 9 owner countries of loss-making subsidiaries by volume

There are **745** businesses in the loss-making population that are based in Romania. Combined, Germany, Italy, France and USA own **33%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (UK = €0.4bn)



Romania

Location X Owner

Top loss-making sectors

Consumer Products

The loss-making entities in this sector reported a total loss of **€0.5bn** in the last financial year versus **€0.1bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.1bn** eighteen months ago.

Telecom, Media & Entertainment

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.1bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.2bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.2bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Romania increased by **4%.** The number of loss-making subsidiaries increased by **15%** as well.

Germany remains among the top two owner countries in Romania by both loss value and volume over the past eighteen months.

UK owned subsidiaries in Romania represented **26%** of the total loss, however, it constitutes only **4%** of the total volume.

UK has moved up in ranks to be the highest loss-making owner country generating **€0.4bn** of total loss, versus **€0.1bn** eighteen months ago, indicating a jump of **c.3.5x.**

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	0.3	69	6.4
Cyprus	0.2	51	2.4
Greece	0.1	11	1.5
UK	0.1	33	1.5
Russia	0.1	1	0.2
USA	0.1	52	2.1
Turkey	0.1	16	0.5
France	0.1	49	1.2
Netherlands	0.05	36	0.4
South Africa	0.05	4	0.2
Other	0.4	325	8.7
	1.5	**647**	**25.3**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
UK	▲ 0.4	▼ 32	1.7
Germany	▼ 0.1	▲ 75	3.0
France	▲ 0.1	▲ 58	2.4
USA	▲ 0.1	▲ 56	1.5
Cyprus	▼ 0.1	▼ 34	0.4
Turkey	▲ 0.1	▲ 27	0.7
Luxembourg	▲ 0.1	▲ 19	0.7
Austria	▲ 0.1	▼ 34	0.5
Netherlands	▲ 0.1	▲ 45	1.0
Switzerland	▼ 0.04	▲ 40	0.6
Other	▼ 0.4	– 325	6.5
	1.6	**745**	**19.0**

Russia

Location X Owner

There are over **3,500** Russia based businesses which are foreign owned, of which **96%** have reported their financials. Almost **20%** of these are generating an operating loss.

The **665** businesses in Russia have reported losses of

€0.9bn

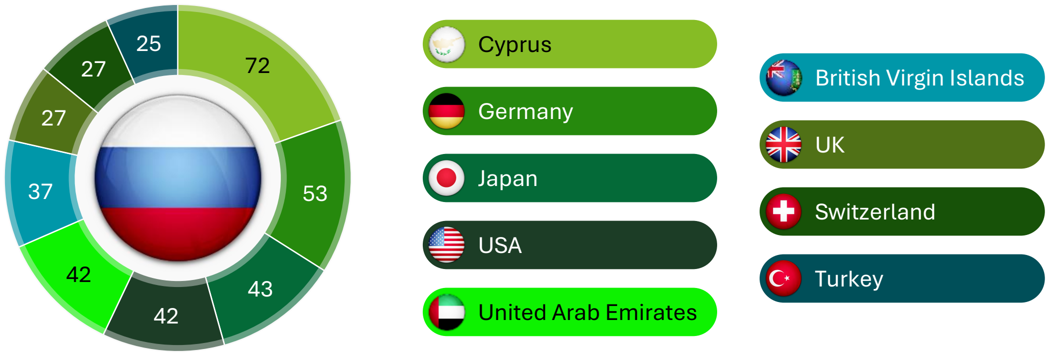
€0.3bn of this loss relates to UK, Cyprus and Japan based owners, representing **35%** of the total aggregated loss.

Businesses in Russia continue to be impacted by an increasingly adverse investment climate, with private enterprises (both foreign and domestic) operating under heightened geopolitical risk, sanctions pressure and expanding state involvement in the economy.

Most foreign investors, even those from neutral or friendly countries, are reluctant to invest directly, preferring instead to trade through intermediary channels. Policy towards foreign investment has deteriorated sharply, with elevated risks of scrutiny, particularly for Western firms. Even after discounting for the risk of Western sanctions, the domestic economic environment in Russia is challenging, and there is a risk of losing fixed assets either through nationalization or bankruptcy.

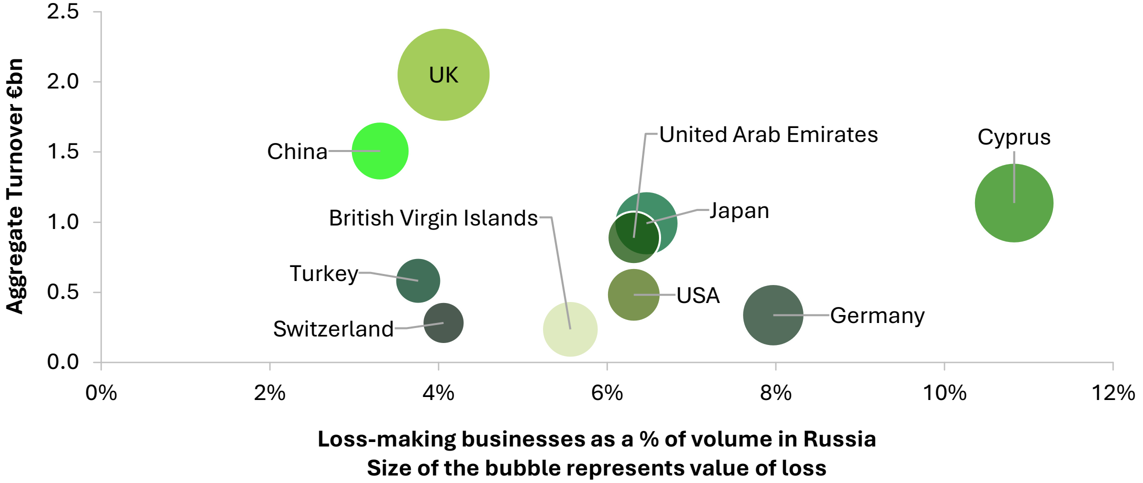
Top 9 owner countries of loss-making subsidiaries by volume

There are **665** businesses in the loss-making population that are based in Russia. Combined, Cyprus, Germany and Japan own **25%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (UK = €0.1bn)



Russia

Location X Owner

Top loss-making sectors

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.6bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.2bn** eighteen months ago.

Automotive

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Telecom, Media & Entertainment

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.3bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Russia decreased by **59%.** The number of loss-making subsidiaries declined by **27%** as well.

Cyprus and Germany have been among the top four owner countries in terms of both volume of loss-making businesses and value of losses over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Netherlands	0.5	51	5.6
Cyprus	0.3	186	5.5
Germany	0.2	76	1.4
British Virgin Islands	0.2	43	1.5
UK	0.1	40	2.5
South Korea	0.1	21	1.8
Japan	0.1	58	0.8
Switzerland	0.1	43	2.8
USA	0.1	74	1.2
China	0.05	15	0.3
Other	0.3	301	6.7
	2.1	**908**	**30.2**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
UK	▼ 0.1	▼ 27	2.1
Cyprus	▼ 0.1	▼ 72	1.1
Japan	▼ 0.1	▼ 43	1.0
Germany	▼ 0.1	▼ 53	0.3
China	▲ 0.1	▲ 22	1.5
British Virgin Islands	▼ 0.1	▼ 37	0.2
USA	▼ 0.05	▼ 42	0.5
United Arab Emirates	▲ 0.04	▲ 42	0.9
Turkey	▲ 0.03	▲ 25	0.6
Switzerland	▼ 0.03	▼ 27	0.3
Other	▼ 0.2	▼ 275	3.8
	0.9	**665**	**12.3**

Spain

Location X Owner

There are over **10,900** Spain based businesses which are foreign owned, of which **99%** have reported their financials. Almost **19%** of these are generating an operating loss.

The **2,023** businesses in Spain have reported losses of

€8.3bn

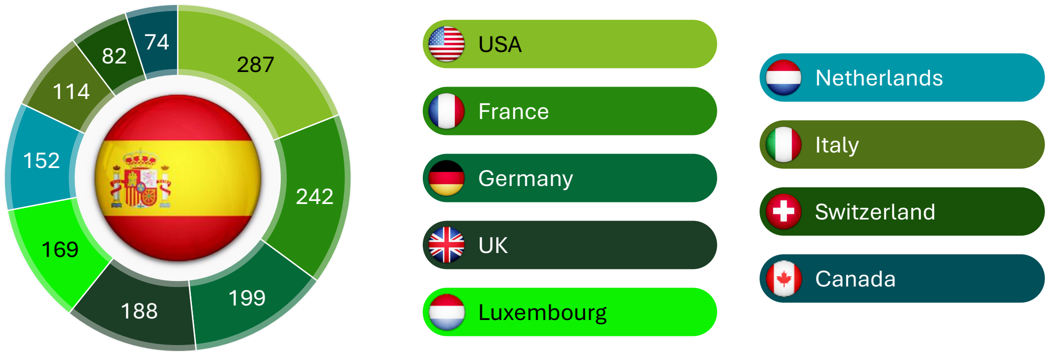
€4.7bn of this loss relates to Germany, USA and UK based owners, representing **57%** of the total aggregated loss.

Foreign companies operating in Spain continue to face structural challenges from labour market inefficiencies, relatively low productivity and an over-bureaucratic business environment. Over-reliance on tourism and an unfavourable tax regime continue to affect its business environment.

At the EU level, tighter screening of foreign acquisitions in strategic sectors may also modestly constrain inward investment. Spain has had limited success in attracting FDI in the Information and Communication technology sector, reflecting shortcomings in its education system and high labour costs.

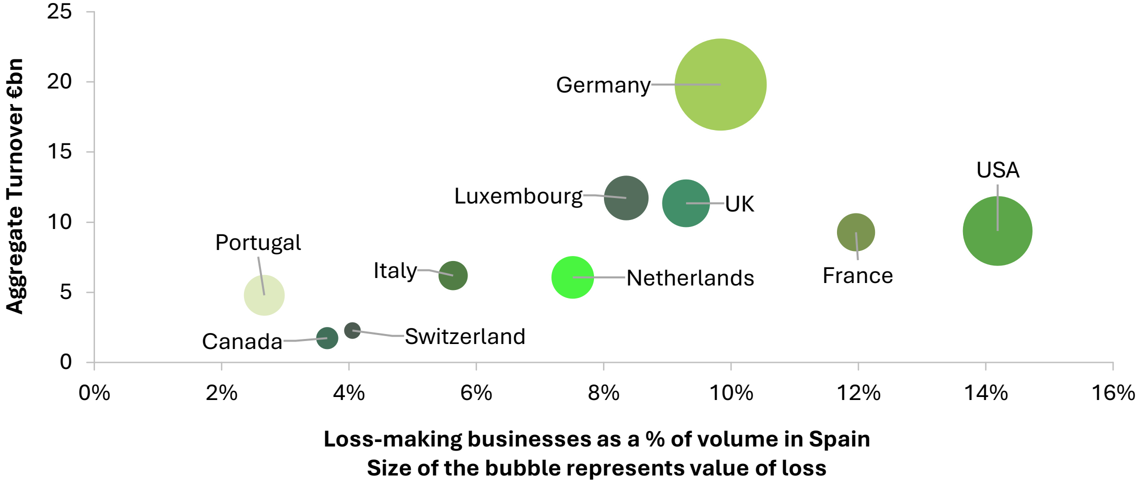
Top 9 owner countries of loss-making subsidiaries by volume

There are **2,023** businesses in the loss-making population that are based in Spain. Combined, USA, France, Germany and UK own **45%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Germany = €2.5bn)



Spain

Location X Owner

Top loss-making sectors

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€1.4bn** in the last financial year versus **€1.0bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€1.3bn** in the last financial year versus **€0.8bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€1.2bn** in the last financial year versus **€1.6bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€1.0bn** in the last financial year versus **€0.6bn** eighteen months ago.

Real Estate

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€0.9bn** eighteen months ago.

Power, Utilities & Renewables

The loss-making entities in this sector reported a total loss of **€0.8bn** in the last financial year versus **€0.9bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Spain decreased by **17%.** The number of loss-making subsidiaries declined by **5%** as well.

USA has been among the top two owner countries in terms of both volume of loss-making subsidiaries and overall losses over the past eighteen months.

Germany owned subsidiaries in Spain reported an **85%** increase in total aggregated loss over the past eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	2.3	303	17.2
Germany	1.4	181	10.3
Luxembourg	1.2	200	21.7
France	0.8	264	30.5
UK	0.7	200	10.8
Netherlands	0.6	148	7.2
Portugal	0.5	36	9.5
Italy	0.4	115	8.9
Canada	0.3	38	1.1
Bermuda	0.2	32	6.1
Other	1.5	604	20.6
	9.9	**2,121**	**144.1**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	▲ 2.5	▲ 199	19.8
USA	▼ 1.5	▼ 287	9.4
UK	▼ 0.7	▼ 188	11.3
Luxembourg	▼ 0.6	▼ 169	11.7
Netherlands	▼ 0.6	▲ 152	6.1
Portugal	▲ 0.5	▲ 54	4.8
France	▼ 0.5	▼ 242	9.3
Italy	▼ 0.3	▼ 114	6.2
Canada	▼ 0.2	▲ 74	1.7
Switzerland	▼ 0.1	▼ 82	2.3
Other	▼ 0.8	▼ 462	10.9
	8.3	**2,023**	**93.5**

Thailand

Location X Owner

There are over **3,500** Thailand based businesses which are foreign owned, of which **99%** have reported their financials. Almost **18%** of these are generating an operating loss.

The **629** businesses in Thailand have reported losses of

€1.7bn

€1.1bn of this loss relates to Japan, South Korea and China based owners, representing **65%** of the total aggregated loss.

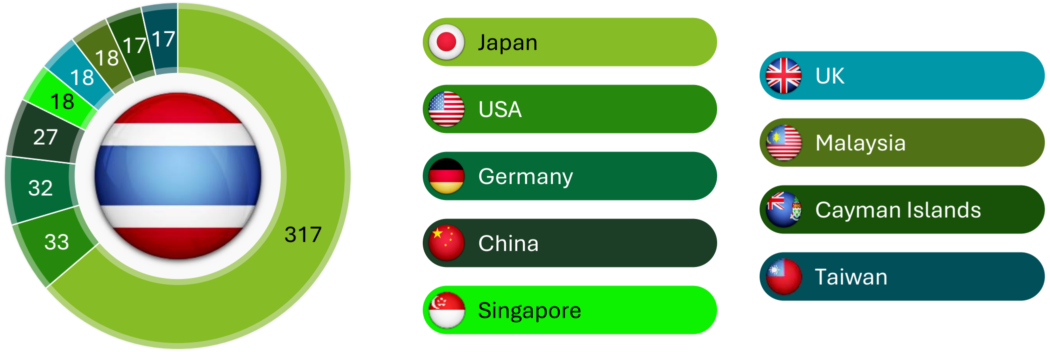
Businesses in Thailand continue to face constraints from political uncertainty, high household debt and elevated fiscal deficits.

Foreign ownership restrictions remain in several sectors such as banking, insurance and telecommunications. Non-Thai investors are also prohibited from participating in industries such as broadcasting, agriculture and forestry. Land ownership remains reserved for Thai nationals.

The government is reviewing restrictions on foreign ownership, with some sectors – such as telecom services, currency exchanges and software development, which could be liberalized. However, new rules may take several years to implement.

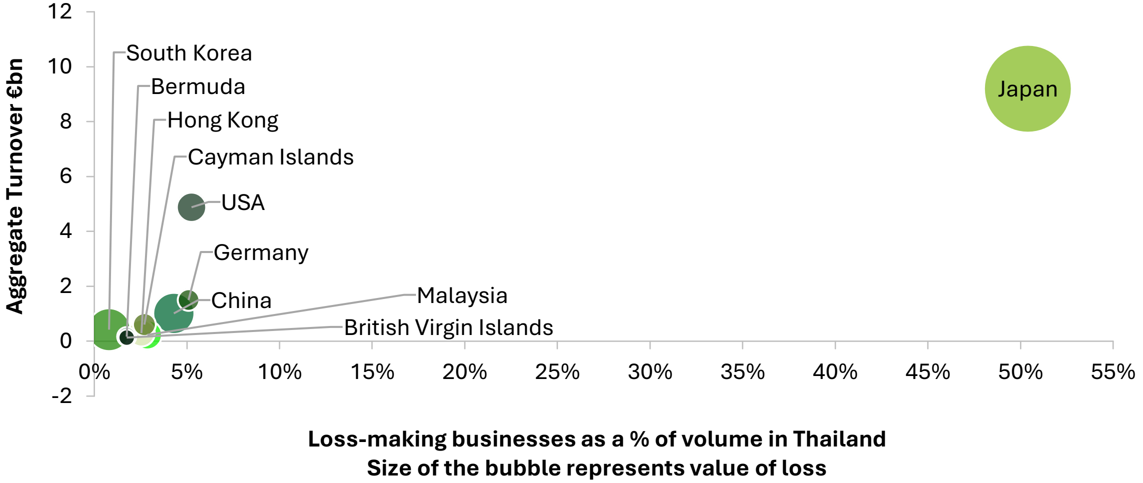
Top 9 owner countries of loss-making subsidiaries by volume

There are **629** businesses in the loss-making population that are based in Thailand. Japan owns **50%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Japan = €0.8bn)



Thailand

Location X Owner

Top loss-making sectors

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.4bn** in the last financial year versus **€0.2bn** eighteen months ago.

Automotive

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.2bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.1bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.1bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.2bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.1bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Thailand increased by **21%.** The number of loss-making subsidiaries increased by **10%** as well.

Japan continues to be the dominant owner country in terms of both volume and value in Thailand over the last eighteen months.

Japan and China have been among the top three owner countries in terms of value of losses over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Japan	0.6	303	11.9
Germany	0.1	23	0.6
China	0.1	14	1.4
USA	0.1	44	7.9
South Korea	0.1	5	0.5
Malaysia	0.04	24	0.2
UK	0.04	15	0.3
British Virgin Islands	0.03	12	0.1
Taiwan	0.02	19	1.2
Hong Kong	0.02	9	0.2
Other	0.2	106	2.8
	1.4	**574**	**27.2**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Japan	▲ 0.8	▲ 317	9.2
South Korea	▲ 0.2	– 5	0.4
China	▲ 0.2	▲ 27	1.0
USA	▼ 0.1	▼ 33	4.9
Malaysia	▲ 0.1	▼ 18	0.2
Hong Kong	▲ 0.1	▲ 16	0.3
Cayman Islands	▲ 0.1	▲ 17	0.6
Germany	▼ 0.1	▲ 32	1.5
Bermuda	▲ 0.04	▲ 11	0.2
British Virgin Islands	▼ 0.03	▼ 11	0.1
Other	▲ 0.2	▲ 142	2.4
	1.7	**629**	**20.8**

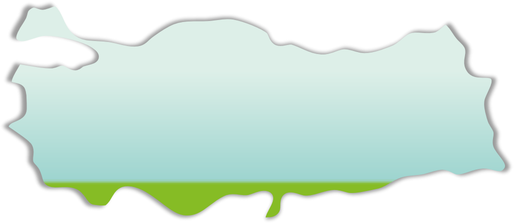
Turkey

Location X Owner

There are over **600** Turkey based businesses which are foreign owned, of which **92%** have reported their financials. Almost **17%** of these are generating an operating loss.

The **97** businesses in Turkey have reported losses of

€0.3bn



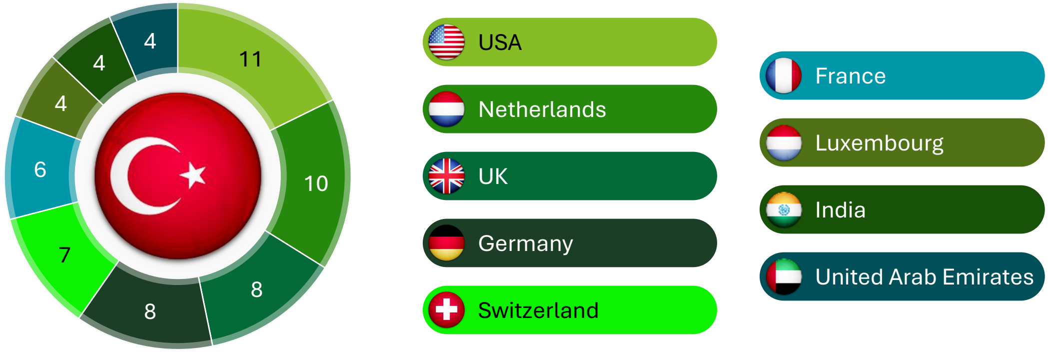
€0.2bn of this loss relates to Japan, Netherlands, UK and Luxembourg based owners, representing **53%** of the total aggregated loss.

Foreign entities operating in Turkey face continued challenges from political tensions, concentrated presidential powers, a politicised central bank and unpredictable policymaking. High inflation, currency volatility and shortages of skilled labour complicate business decisions, while infrastructure gaps in transport, communications and energy persist.

The country's low savings rate and heavy dependence on foreign capital inflows make attracting FDI a priority. Restrictions on foreign ownership in broadcasting, civil aviation, and real estate will remain, while scope for further foreign participation in banking is likely to be limited.

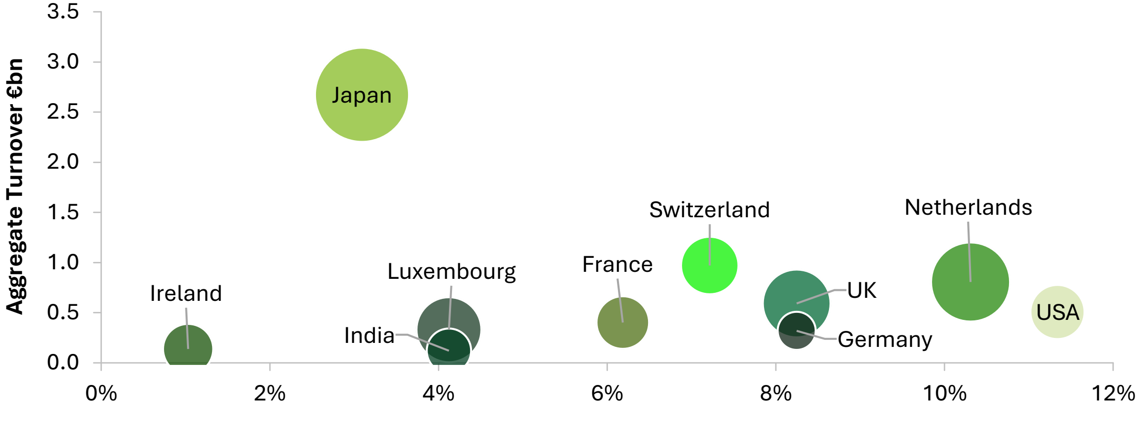
Top 9 owner countries of loss-making subsidiaries by volume

There are **97** businesses in the loss-making population that are based in Turkey. Combined, USA, Netherlands, UK and Germany own **38%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Japan = €0.1bn)



Loss-making businesses as a % of volume in Turkey
Size of the bubble represents value of loss

Turkey

Location X Owner

Top loss-making sectors

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.03bn** eighteen months ago.

Consumer Products

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.01bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€0.03bn** in the last financial year versus **€0.01bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.03bn** in the last financial year versus **€0.05bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€0.03bn** in the last financial year versus **€0.01bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.01bn** in the last financial year versus **€0.005bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in Turkey increased by **147%.** The number of loss-making subsidiaries increased by **47%** as well.

Japan and UK have been among the top three owner countries in terms of value of losses over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
France	0.04	4	0.1
Japan	0.02	4	0.2
UK	0.01	13	0.5
Cyprus	0.01	1	0.002
USA	0.01	7	0.1
Liechtenstein	0.003	1	0.002
British Virgin Islands	0.003	2	0.02
South Korea	0.003	3	0.04
Switzerland	0.003	5	0.2
Taiwan	0.003	1	0.02
Other	0.02	25	0.5
	0.1	**66**	**1.7**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Japan	▲ 0.1	▼ 3	2.7
Netherlands	▲ 0.04	▲ 10	0.8
UK	▲ 0.03	▼ 8	0.6
Luxembourg	▲ 0.03	▲ 4	0.3
Switzerland	▲ 0.02	▲ 7	1.0
USA	▲ 0.02	▲ 11	0.5
France	▼ 0.02	▲ 6	0.4
Ireland	▲ 0.02	▲ 1	0.1
India	▲ 0.01	▲ 4	0.1
Germany	▲ 0.01	▲ 8	0.3
Other	▲ 0.04	▲ 35	1.7
	0.3	**97**	**8.6**

United Kingdom

Location X Owner

There are over **20,200** UK based businesses which are foreign owned, of which **91%** have reported their financials. Almost **24%** of these are generating an operating loss.

The **4,419** businesses in the UK have reported losses of

€37.4bn

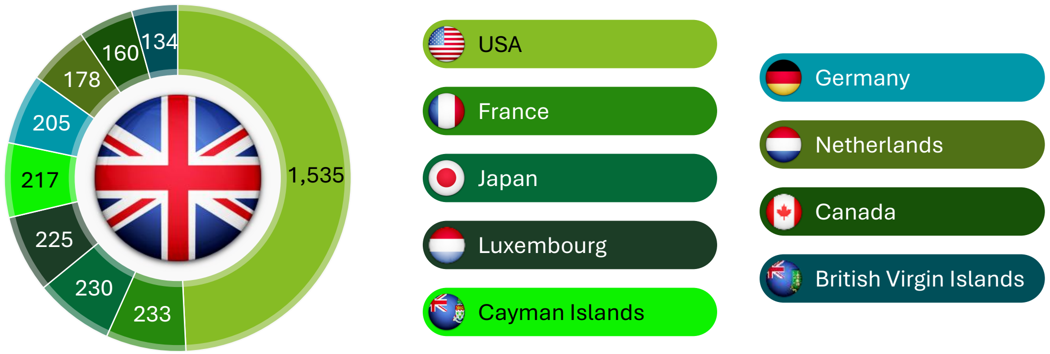
€21.1bn of this loss relates to USA, Cayman Islands and Luxembourg based owners, representing **56%** of the total aggregated loss.

Businesses in UK face structural challenges from an elevated and gradually rising tax burden, persistent productivity weaknesses and a skills gap, alongside higher trade barriers and tighter immigration rules following Brexit, which have increased operating costs for firms. Uncertainty around global trade policy and modest economic growth prospects may also weigh on investment momentum.

FDI activity remains largely concentrated in London and south-east England, mainly in financial and professional services. UK will remain particularly attractive to US investors, given the weakness of pound against US dollar and US's lower tariff barriers to trade with UK versus EU. Amid rising global protectionism in recent years, UK has adopted a more interventionist approach to foreign takeovers and tightened FDI screening.

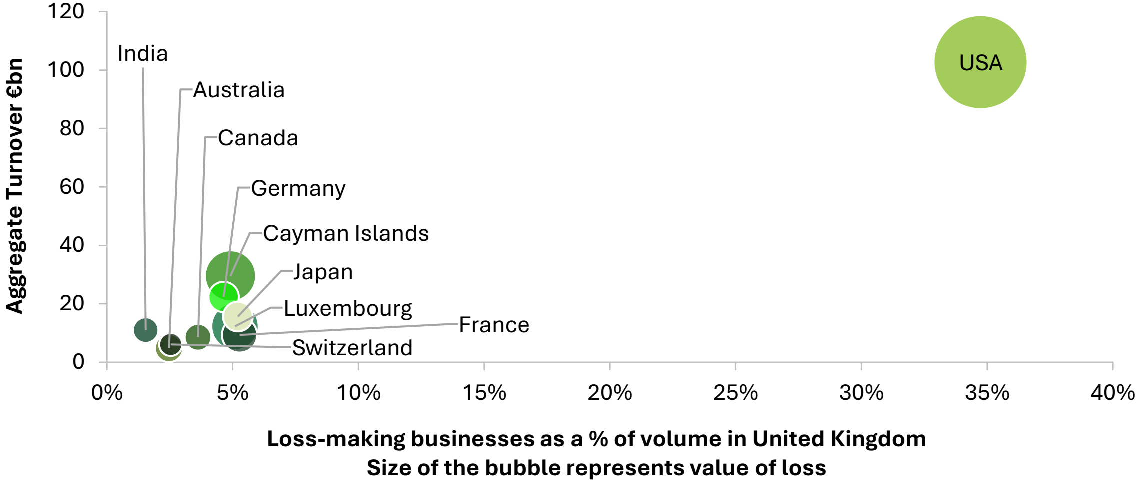
Top 9 owner countries of loss-making subsidiaries by volume

There are **4,419** businesses in the loss-making population that are based in the UK. The top owner country, USA, represents **35%** of the UK loss-making population.



Scale of losses (Top 10 owner countries)

Operating loss (USA = €13.5bn)



United Kingdom

Location X Owner

Top loss-making sectors

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€11.1bn** in the last financial year versus **€9.3bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€6.7bn** in the last financial year versus **€9.3bn** eighteen months ago.

Telecom, Media & Entertainment

The loss-making entities in this sector reported a total loss of **€5.4bn** in the last financial year versus **€5.5bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€2.7bn** in the last financial year versus **€4.5bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€1.9bn** in the last financial year versus **€2.2bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€1.8bn** in the last financial year versus **€2.6bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in the UK decreased by **20%.** The number of loss-making subsidiaries declined by **1%** as well.

USA continues to be the dominant owner country in terms of both volume of loss-making businesses and value of losses over the last eighteen months.

Luxembourg has moved up in ranks to be the third highest loss-making owner country generating **€3.5bn** of operating loss, versus **€2.1bn** eighteen months ago, reflecting a **67%** increase.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	19.5	1,616	119.0
Cayman Islands	3.7	237	17.0
Canada	3.1	153	12.8
Germany	2.4	228	53.5
France	2.2	249	18.1
Luxembourg	2.1	156	13.0
Bermuda	1.8	116	11.2
Japan	1.7	221	17.4
Spain	1.0	71	5.0
Netherlands	1.0	148	8.9
Other	8.5	1,267	57.0
	47.0	**4,462**	**332.9**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
USA	▼ 13.5	▼ 1,535	102.7
Cayman Islands	▲ 4.1	▼ 217	29.5
Luxembourg	▲ 3.5	▲ 225	12.3
France	▼ 2.0	▼ 233	9.3
Germany	▼ 1.5	▼ 205	22.3
Japan	▼ 1.4	▲ 230	15.6
Australia	▲ 1.3	▼ 109	4.8
Canada	▼ 1.2	▲ 160	8.6
India	▲ 1.1	▲ 68	11.0
Switzerland	▲ 0.9	▼ 112	6.1
Other	▼ 7.0	▲ 1,325	54.3
	37.4	**4,419**	**276.7**

United States

Location X Owner

There are over **10,900** USA based businesses which are foreign owned, of which **1%** have reported their financials. Almost **39%** of these are generating an operating loss.

The **45** businesses in USA have reported losses of

€3.8bn

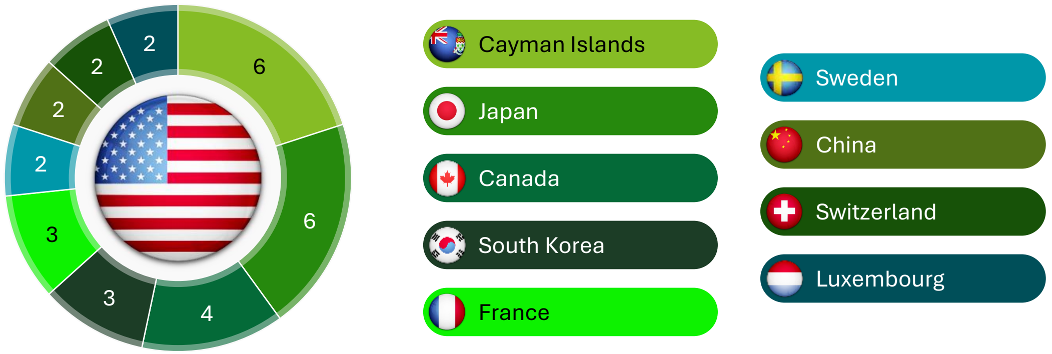
€2.0bn of this loss relates to Ireland, France and Switzerland based owners, representing **51%** of the total aggregated loss.

Companies operating in USA face challenges stemming from political polarization, policy uncertainty and rising trade protectionism, which weigh on the overall business environment. Policy gridlock has at times slowed progress, while higher tariffs and protectionist measures increase costs for businesses and consumers.

USA continues to be both a leading global source and destination of FDI, supported by its massive consumer market, strong investor protections and minimal risk of expropriation. Restrictions on investment in sectors deemed sensitive to national security, especially involving Chinese companies have tightened in recent years.

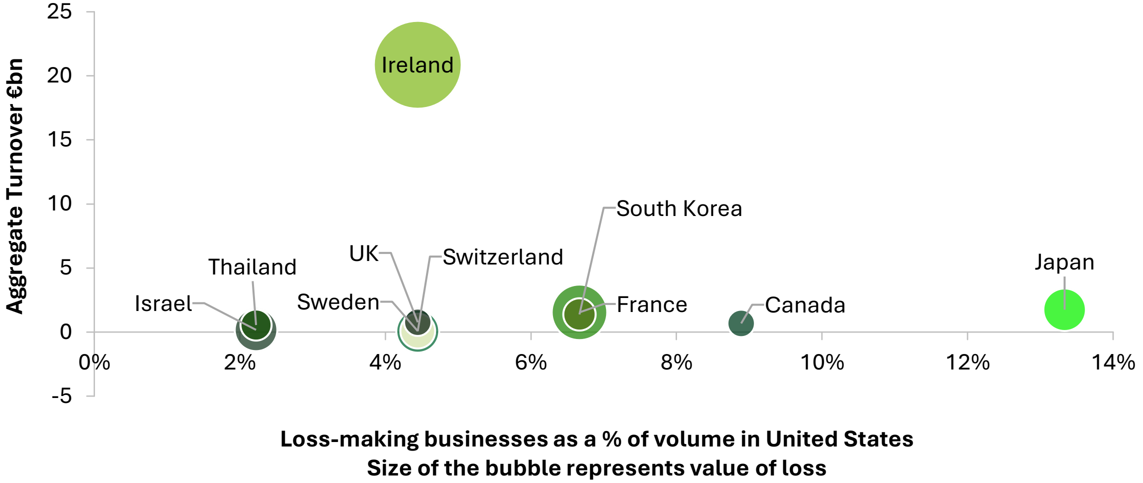
Top 9 owner countries of loss-making subsidiaries by volume

There are **45** businesses in the loss-making population that are based in USA. Combined, Cayman Islands, Japan and Canada own **36%** of these by volume.



Scale of losses (Top 10 owner countries)

Operating loss (Ireland = €1.2bn)



United States

Location X Owner

Top loss-making sectors

Life Sciences

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€1.1bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€0.8bn** in the last financial year versus **€0.1bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.6bn** in the last financial year versus **€0.6bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.4bn** in the last financial year versus **€0.1bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.4bn** in the last financial year versus **€1.0bn** eighteen months ago.

Telecom, Media & Entertainment

The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€0.1bn** eighteen months ago.

Over the past eighteen months, the total aggregated loss generated by loss-making subsidiaries in USA increased by **14%.** The number of loss-making subsidiaries increased by **15%** as well.

France has consistently maintained its position as the second-highest loss-making owner country over the past eighteen months.

Landscape eighteen months ago

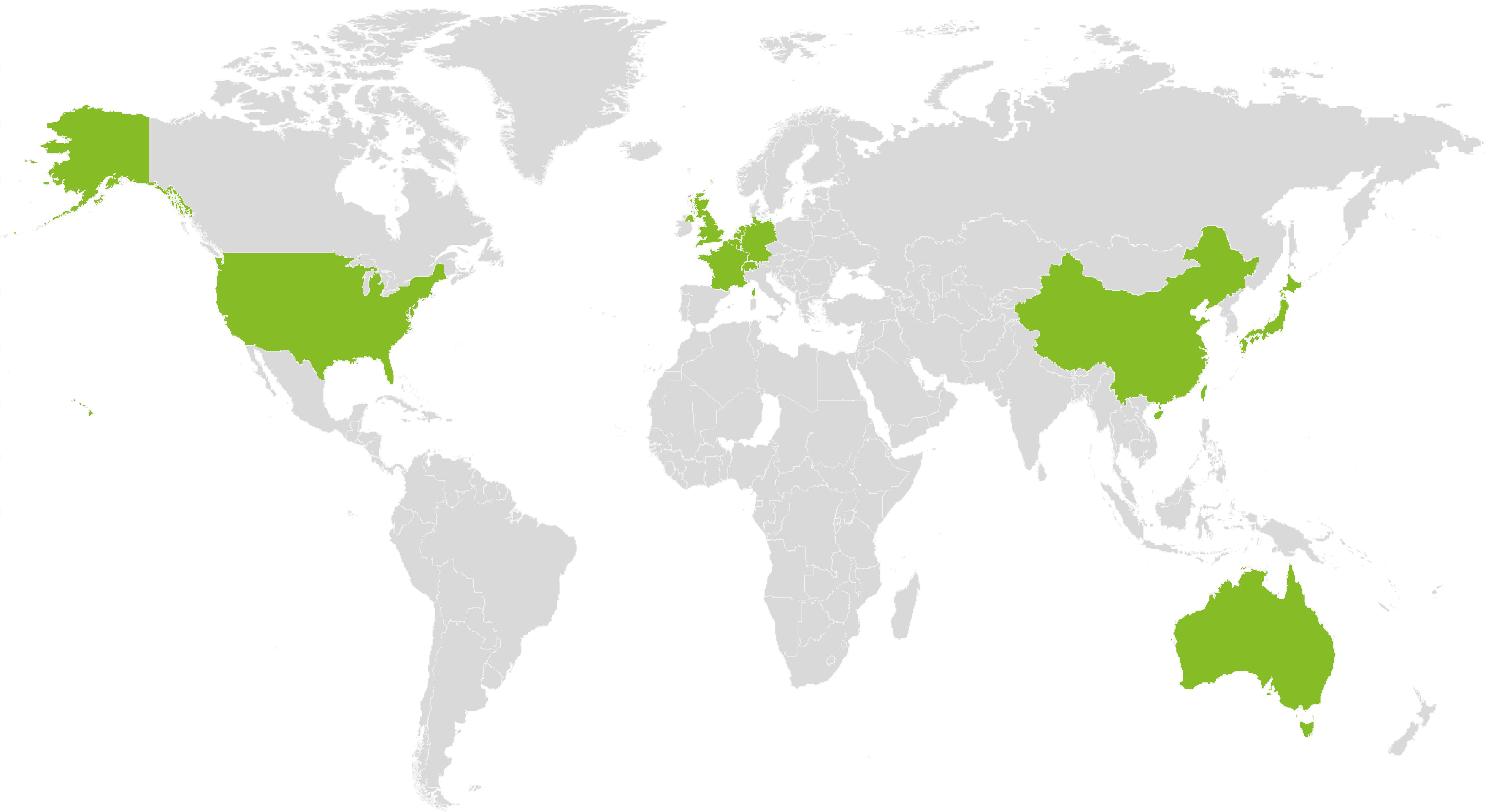
Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	1.0	1	1.4
France	0.7	5	0.1
Japan	0.4	5	2.2
Switzerland	0.2	2	0.2
Belgium	0.2	1	0.1
Canada	0.1	3	0.6
UK	0.1	3	0.4
Ireland	0.1	1	0.1
Israel	0.1	1	0.001
Brazil	0.1	1	2.6
Other	0.3	16	3.3
	3.4	**39**	**11.0**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Ireland	▲ 1.2	▲ 2	20.9
France	▼ 0.5	▼ 3	1.5
Switzerland	▲ 0.3	▬ 2	0.1
Israel	▲ 0.3	▬ 1	0.2
Japan	▼ 0.3	▲ 6	1.7
Sweden	▲ 0.2	▬ 2	0.1
South Korea	▲ 0.2	▼ 3	1.4
Thailand	▲ 0.2	▲ 1	0.5
Canada	▼ 0.1	▲ 4	0.7
UK	▼ 0.1	▼ 2	0.8
Other	▲ 0.6	▲ 19	7.5
	3.8	**45**	**35.4**

Our findings in detail: Global ultimate owner review

- Australia
- China
- France
- Germany
- Japan
- Netherlands
- Switzerland
- United Kingdom
- United States



Global coverage: Subsidiary countries and ultimate owner countries

Australia

Location X Owner

There are over **2,600** businesses in the population that have an Australia based Global Ultimate owner.

Subsidiaries with Australia based owners operating overseas have generated losses of nearly

€2.9bn

Combined, UK and New Zealand subsidiaries with Australia based parents generated operating losses of **€2.3bn,** representing **79%** of the total loss.

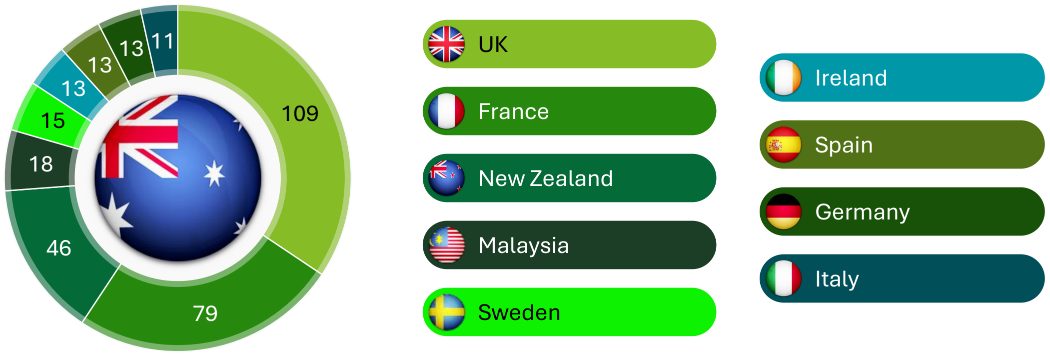
New Zealand subsidiaries accounted for only **12%** of the loss-making population but represent **35%** of the total aggregated loss.

On the other hand, loss-making subsidiaries in France represented only **7%** of the total loss, however, it constitutes **21%** of the total volume.

Despite of the fact that Portugal subsidiaries account only for **1%** of the total loss-making Australia owned businesses, they generated almost **5%** of the total aggregated loss.

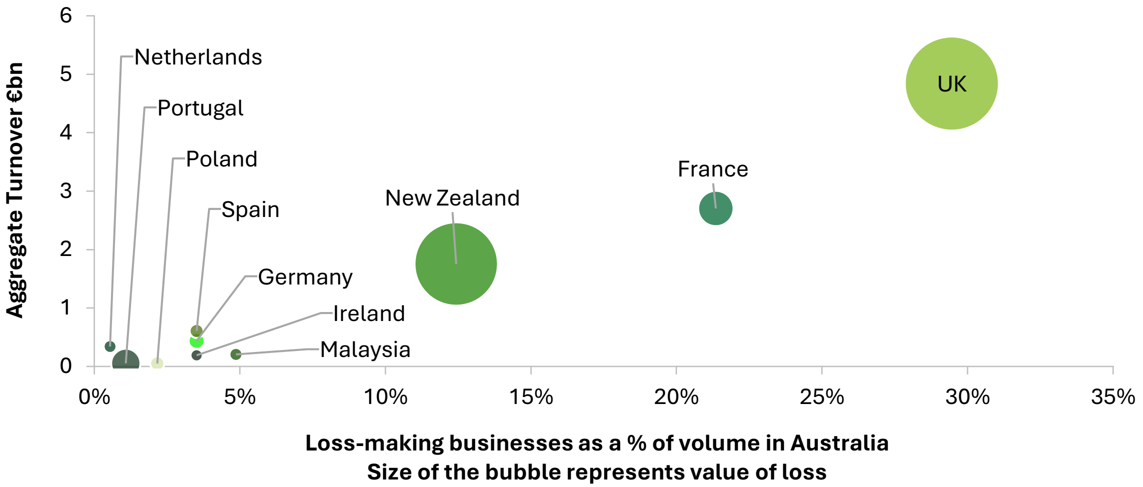
Top 9 loss-making subsidiary countries by volume

Of the **370** loss-making subsidiaries, UK, France and New Zealand account for **63%** of the total Australian owned loss-making population.



Scale of losses (Top 10 owner countries)

Operating loss (UK = €1.3bn)



Australia

Location X Owner

Top loss-making sectors

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€1.5bn** in the last financial year versus **€1.3bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€0.1bn** eighteen months ago.

Healthcare

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.2bn** eighteen months ago.

Consumer Products

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.1bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Real Estate

The loss-making entities in this sector reported a total loss of **€0.1bn** in the last financial year versus **€0.1bn** eighteen months ago.

Over the past eighteen months, the number of loss-making subsidiaries with Australia based owners have shown a **2%** decrease and the total aggregated loss rose by **30%.**

UK, New Zealand and France continue to be among the top four subsidiary countries with the highest volume of loss-making businesses and value of losses over the past eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
New Zealand	0.9	57	2.0
UK	0.7	110	3.8
Brazil	0.2	2	0.6
France	0.1	56	2.1
Finland	0.04	3	0.4
Sweden	0.04	32	0.7
Ireland	0.03	15	0.1
Spain	0.03	12	0.2
Poland	0.03	9	0.1
Norway	0.03	8	0.2
Other	0.1	72	2.6
	2.2	**376**	**12.7**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
UK	▲ 1.3	▼ 109	4.8
New Zealand	▲ 1.0	▼ 46	1.8
France	▲ 0.2	▲ 79	2.7
Portugal	▲ 0.1	▲ 4	0.1
Germany	▲ 0.04	▲ 13	0.4
Poland	▲ 0.03	▼ 8	0.05
Spain	▲ 0.03	▲ 13	0.6
Malaysia	▲ 0.03	▲ 18	0.2
Netherlands	▲ 0.03	▲ 2	0.3
Ireland	▼ 0.03	▼ 13	0.2
Other	▼ 0.1	▼ 65	1.6
	2.9	**370**	**12.8**

China

Location X Owner

There are over **4,100** businesses in the population that have a China based Global Ultimate owner.

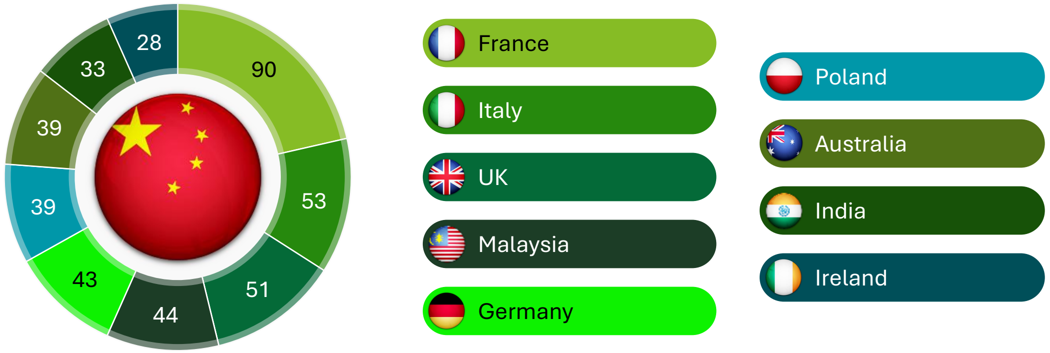
Subsidiaries with China based owners operating overseas have generated losses of nearly

€3.7bn

Whilst France and Italy subsidiaries lead on volume, Germany and Australia subsidiaries with China based parents have collectively generated operating losses of **€1.6bn,** representing over **42%** of the total operating loss.

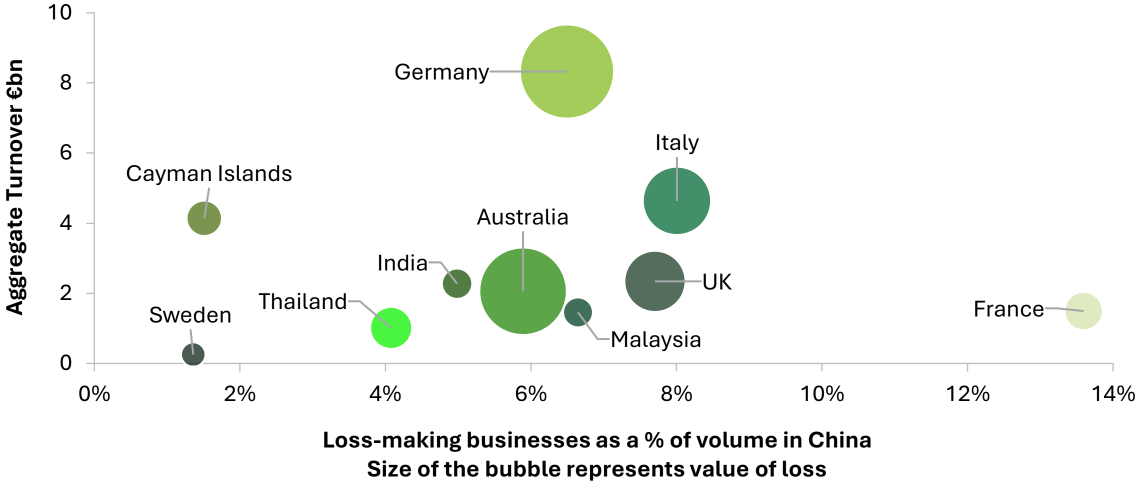
Top 9 owner countries of loss-making subsidiaries by volume

Of the **662** loss-making subsidiaries, France, Italy, UK, Malaysia and Germany account for **42%** of the total China owned loss-making population.



Scale of losses (Top 10 owner countries)

Operating loss (Germany = €0.8bn)



China

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€0.8bn** in the last financial year versus **€0.5bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€0.7bn** in the last financial year versus **€0.1bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€0.4bn** in the last financial year versus **€0.6bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€1.1bn** eighteen months ago.

Consumer Products

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.3bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€0.2bn** in the last financial year versus **€0.2bn** eighteen months ago.

Over the past eighteen months, the number of loss-making subsidiaries with China based owners have shown a **30%** increase and the total aggregated loss rose by **2%.**

China owned business in Germany has seen operating losses increase by **c.65%** over the last eighteen months.

Australia has moved up in ranks to be the second highest loss-making subsidiary country generating **€0.7bn** of aggregated loss, as compared to **€0.1bn** eighteen months ago.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Ireland	1.0	24	0.3
Italy	0.5	47	4.0
Germany	0.5	47	6.0
UK	0.2	40	2.0
Malaysia	0.2	44	3.1
Thailand	0.1	14	1.4
India	0.1	32	2.8
Australia	0.1	21	1.7
France	0.1	29	1.2
Japan	0.1	4	1.1
Other	0.7	208	8.8
	3.6	**510**	**32.4**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	▲ 0.8	▼ 43	8.3
Australia	▲ 0.7	▲ 39	2.1
Italy	▼ 0.4	▲ 53	4.6
UK	▲ 0.4	▲ 51	2.3
Thailand	▲ 0.2	▲ 27	1.0
France	▲ 0.1	▲ 90	1.5
Cayman Islands	▲ 0.1	▲ 10	4.1
India	▼ 0.1	▲ 33	2.3
Malaysia	▼ 0.1	— 44	1.5
Sweden	▲ 0.1	▲ 9	0.3
Other	▼ 0.6	▲ 263	10.5
	3.7	**662**	**38.5**

France

Location X Owner

There are over **12,100** businesses in the population that have a France based Global Ultimate owner.

Subsidiaries with France based owners operating overseas have generated losses of nearly

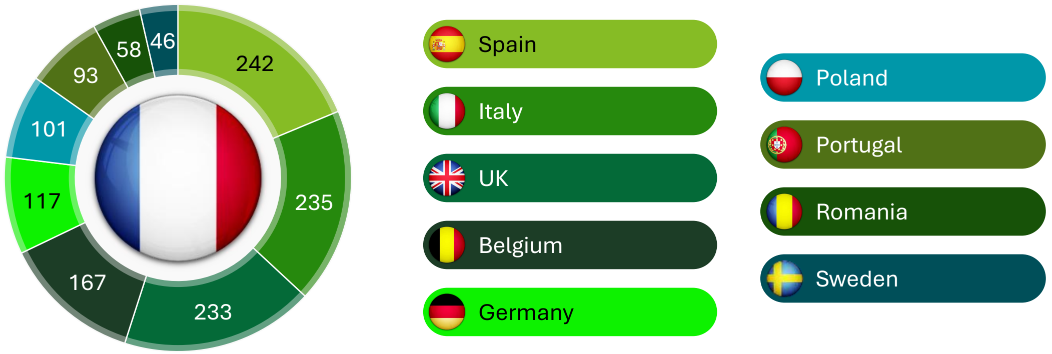
€9.0bn

UK has the largest aggregated loss of **€2.0bn,** which represents over **22%** of the overall aggregated loss, whilst Spain has the highest volume accounting for **13%** of France owned loss-making businesses.

UK, Netherlands, Belgium, Germany and Italy subsidiaries have collectively generated operating losses of **€5.6bn,** which represents **62%** the overall aggregated loss.

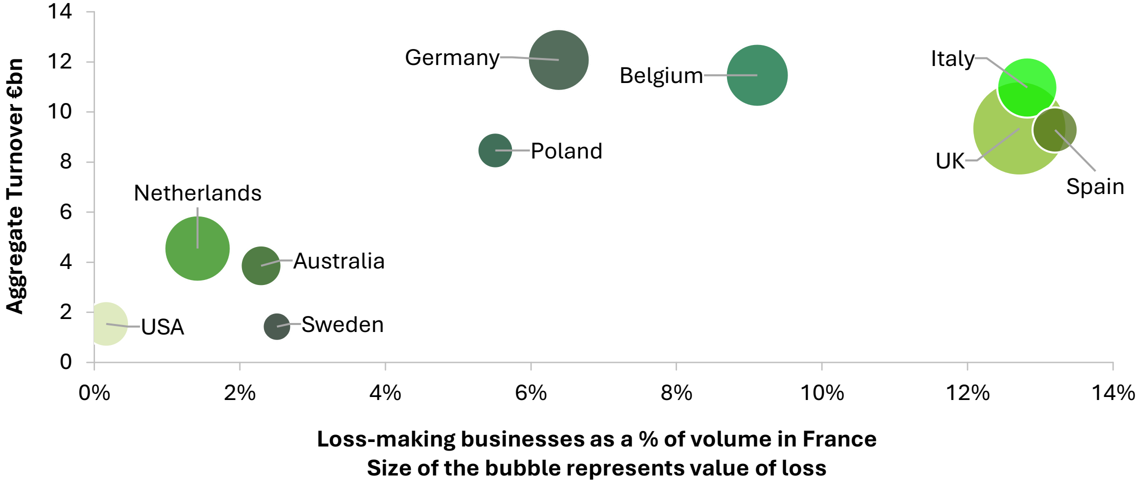
Top 9 owner countries of loss-making subsidiaries by volume

Of the **1,833** loss-making subsidiaries, Spain, Italy, UK and Belgium account for **48%** of the total France owned loss-making population.



Scale of losses (Top 10 owner countries)

Operating loss (UK = €2.0bn)



France

Location X Owner

Top loss-making sectors

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€1.4bn** in the last financial year versus **€1.1bn** eighteen months ago.

Telecom, Media & Entertainment

The loss-making entities in this sector reported a total loss of **€1.3bn** in the last financial year versus **€1.0bn** eighteen months ago.

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€1.1bn** in the last financial year versus **€1.3bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€1.1bn** in the last financial year versus **€1.4bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€1.0bn** in the last financial year versus **€0.6bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.8bn** in the last financial year versus **€1.2bn** eighteen months ago.

Over the past eighteen months, the number of loss-making subsidiaries with France based owners have shown a **1%** increase, however, the total aggregated loss decreased by **21%.**

Netherlands has moved up in ranks to be the second highest loss-making subsidiary country generating **€1.0bn** of aggregated loss, as compared to **€0.3bn** eighteen months ago.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	2.3	134	16.2
UK	2.2	249	18.1
Belgium	1.3	150	16.8
Spain	0.8	264	30.5
Italy	0.7	239	8.7
USA	0.7	5	0.1
Australia	0.6	37	4.0
China	0.4	3	3.3
Austria	0.3	52	1.6
Netherlands	0.3	17	1.8
Other	1.9	667	22.6
	11.4	**1,817**	**123.6**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
UK	▼ 2.0	▼ 233	9.3
Netherlands	▲ 1.0	▲ 26	4.5
Belgium	▼ 0.9	▲ 167	11.5
Germany	▼ 0.9	▼ 117	12.1
Italy	▲ 0.8	▼ 235	11.0
USA	▼ 0.5	▼ 3	1.5
Spain	▼ 0.5	▼ 242	9.3
Australia	▼ 0.4	▲ 42	3.9
Poland	▲ 0.3	▲ 101	8.5
Sweden	▲ 0.2	▲ 46	1.4
Other	▼ 1.6	▼ 621	21.8
	9.0	**1,833**	**94.8**

Germany

Location X Owner

There are over **17,400** businesses in the population that have a Germany based Global Ultimate owner.

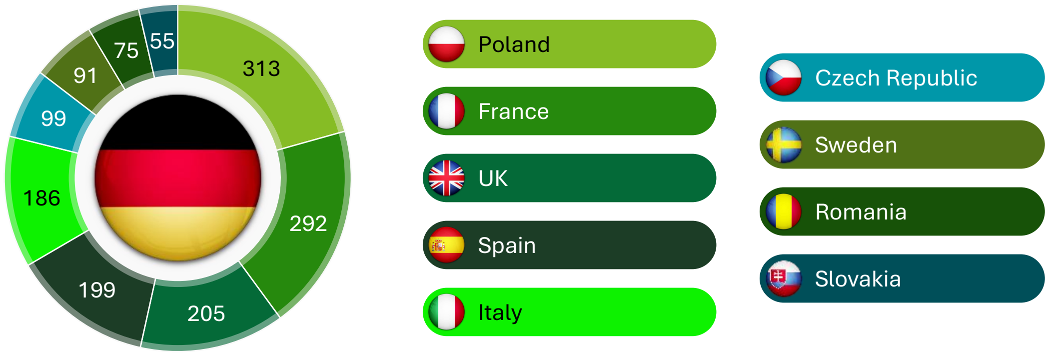
Subsidiaries with Germany based owners operating overseas have generated losses of nearly

€12.2bn

Spain has the largest aggregated loss of **€2.5bn,** which represents almost **21%** of the overall aggregated loss, whilst Poland has the highest volume accounting for over **13%** of Germany owned loss-making businesses.

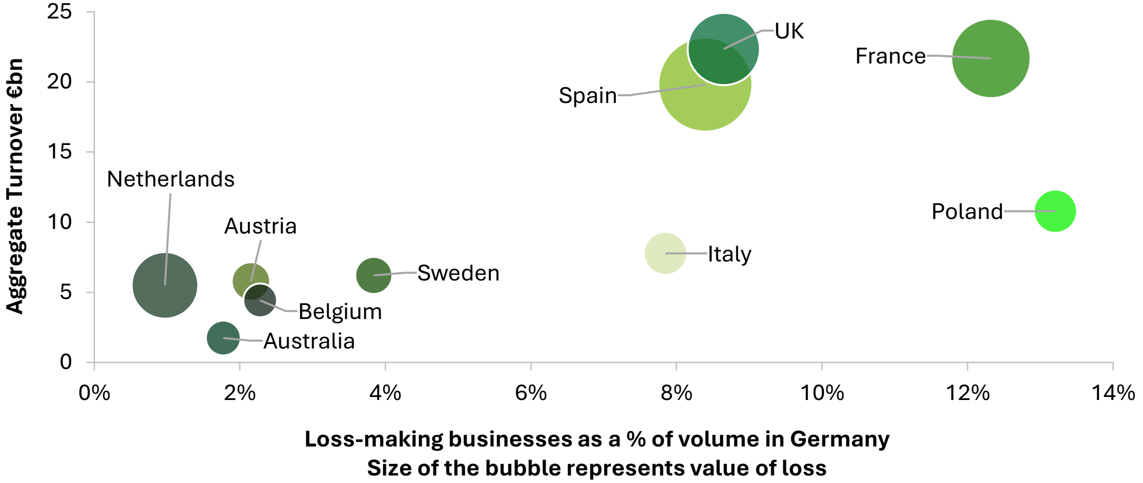
Top 9 owner countries of loss-making subsidiaries by volume

Of the **2,370** loss-making subsidiaries, Poland, France and UK account for **34%** of the total Germany owned loss-making population.



Scale of losses (Top 10 owner countries)

Operating loss (Spain = €2.5bn)



Germany

Location X Owner

Top loss-making sectors

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€2.7bn** in the last financial year versus **€2.3bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€2.0bn** in the last financial year versus **€1.3bn** eighteen months ago.

Power, Utilities & Renewables

The loss-making entities in this sector reported a total loss of **€1.2bn** in the last financial year versus **€1.7bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€1.1bn** in the last financial year versus **€1.4bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€1.2bn** eighteen months ago.

Real Estate

The loss-making entities in this sector reported a total loss of **€0.8bn** in the last financial year versus **€0.2bn** eighteen months ago.

Over the past eighteen months, the number of loss-making subsidiaries with Germany based owners has shown a **4%** increase and the total aggregated loss declined by **1%.**

Germany owned business in France has seen operating losses increase by **82%** over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
UK	2.4	228	53.5
Spain	1.4	181	10.3
USA	1.0	1	1.4
France	1.0	251	11.7
Sweden	0.8	108	7.5
Italy	0.5	170	13.7
Luxembourg	0.5	23	0.3
Austria	0.4	72	5.9
Poland	0.4	246	7.3
Hungary	0.4	35	4.6
Other	3.6	967	44.9
	12.4	**2,282**	**161.2**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Spain	2.5	199	19.8
France	1.8	292	21.7
UK	1.5	205	22.3
Netherlands	1.3	23	5.5
Poland	0.5	313	10.8
Italy	0.5	186	7.8
Austria	0.4	51	5.8
Sweden	0.4	91	6.2
Australia	0.4	42	1.7
Belgium	0.3	54	4.4
Other	2.5	914	33.9
	12.2	**2,370**	**140.0**

Japan

Location X Owner

There are over **21,100** businesses in the population that have a Japan based Global Ultimate owner.

Subsidiaries with Japan based owners operating overseas have generated losses of nearly

€10.9bn

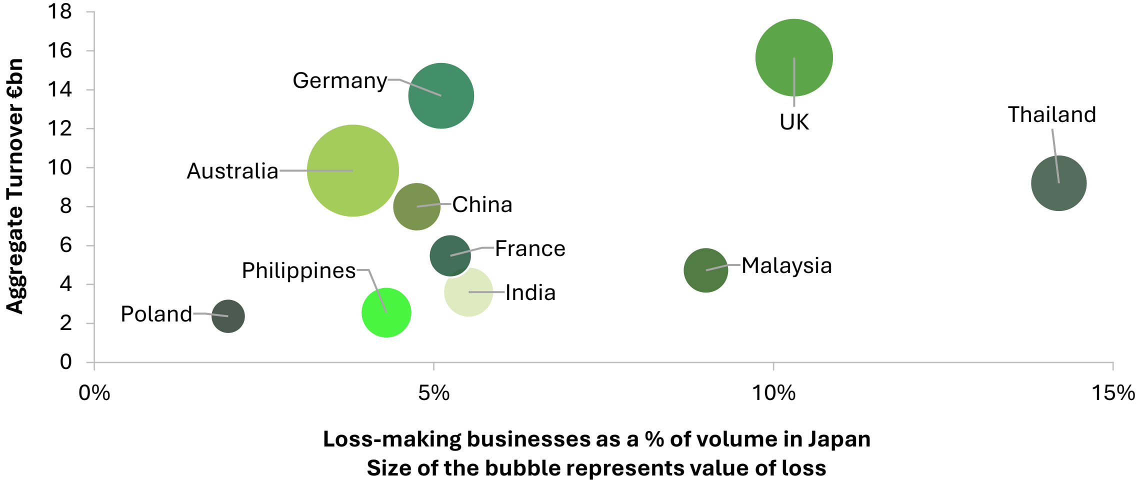
Whilst Thailand subsidiaries lead on volume, Australia and UK subsidiaries with Japan based parents, combined, generated losses of **€3.4bn** representing **31%** of the total aggregated loss.

Top 9 owner countries of loss-making subsidiaries by volume

Of the **2,232** loss-making subsidiaries, Thailand, UK and Malaysia account for **34%** of the total Japan owned loss-making population.

Scale of losses (Top 10 owner countries)

Operating loss (Australia = €2.0bn)



Japan

Location X Owner

Top loss-making sectors

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€1.7bn** in the last financial year versus **€1.3bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€1.3bn** in the last financial year versus **€0.7bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€1.3bn** in the last financial year versus **€1.0bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€1.2bn** in the last financial year versus **€0.6bn** eighteen months ago.

Automotive

The loss-making entities in this sector reported a total loss of **€1.2bn** in the last financial year versus **€0.9bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€0.6bn** eighteen months ago.

Over the past eighteen months, the number of loss-making subsidiaries with Japan based owners has shown an **8%** increase and the total aggregated loss rose by **17%.**

Australia, UK, Germany and Thailand continue to rank among the top four subsidiary countries with the highest value of losses over the last eighteen months.

Japan owned business in Australia has seen operating losses increase by **55%** over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
UK	1.7	221	17.4
Australia	1.3	71	10.8
Germany	1.0	121	14.4
Thailand	0.6	303	11.9
France	0.4	114	7.7
USA	0.4	5	2.2
Ireland	0.4	43	1.2
Malaysia	0.3	201	3.9
South Korea	0.3	92	2.5
Netherlands	0.3	17	6.0
Other	2.6	871	86.4
	9.4	**2,059**	**164.2**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Australia	▲ 2.0	▲ 85	9.8
UK	▼ 1.4	▲ 230	15.6
Germany	▲ 1.0	▼ 114	13.7
Thailand	▲ 0.8	▲ 317	9.2
Philippines	▲ 0.6	▲ 96	2.6
India	▲ 0.6	▼ 123	3.6
China	▲ 0.6	▲ 106	8.0
Malaysia	▲ 0.5	▬ 201	4.7
France	▲ 0.4	▲ 117	5.5
Poland	▲ 0.3	▲ 44	2.4
Other	▲ 2.7	▼ 799	43.3
	10.9	**2,232**	**118.5**

Netherlands

Location X Owner

There are over **9,000** businesses in the population that have a Netherlands based Global Ultimate owner.

Subsidiaries with Netherlands based owners operating overseas have generated losses of nearly

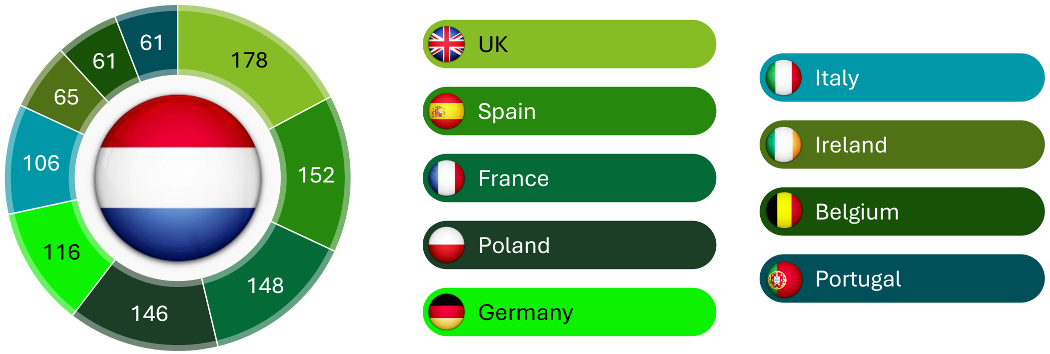
€8.8bn

France, Germany and Italy subsidiaries account for losses amounting to **€5.1bn,** which represents **58%** of the total operating loss. However, these three countries account only for **25%** of the Netherlands owned loss-making population.

Loss-making subsidiaries in Poland represented only **2%** of the total loss, however, it constitutes **10%** of the total volume.

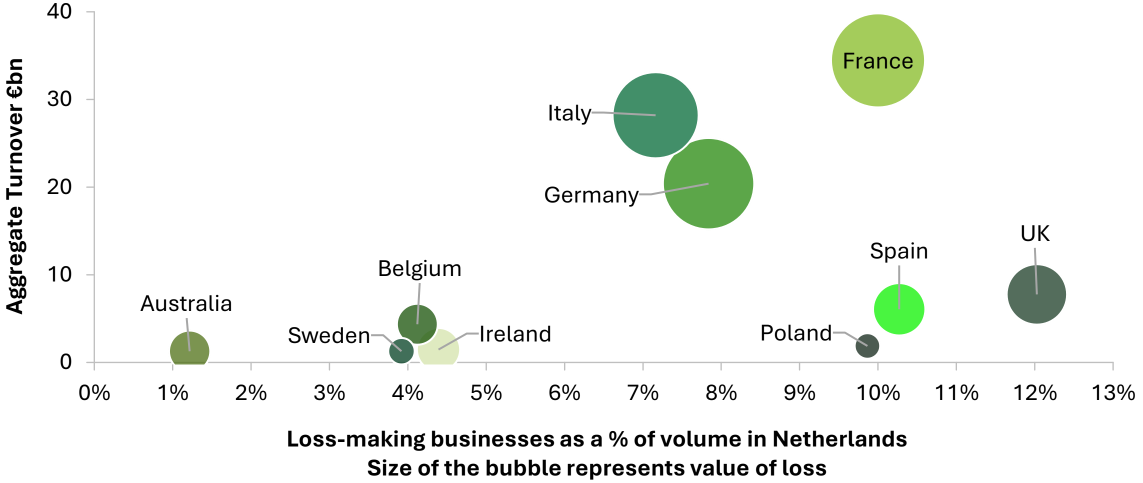
Top 9 owner countries of loss-making subsidiaries by volume

Of the **1,480** loss-making subsidiaries, UK, Spain, France and Poland account for **42%** of the total Netherlands owned loss-making population.



Scale of losses (Top 10 owner countries)

Operating loss (France = €1.8bn)



Netherlands

Location X Owner

Top loss-making sectors

Industrial Products & Construction

The loss-making entities in this sector reported a total loss of **€1.8bn** in the last financial year versus **€1.0bn** eighteen months ago.

Automotive

The loss-making entities in this sector reported a total loss of **€1.6bn** in the last financial year versus **€0.7bn** eighteen months ago.

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€1.1bn** in the last financial year versus **€0.9bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€0.6bn** in the last financial year versus **€0.5bn** eighteen months ago.

Technology

The loss-making entities in this sector reported a total loss of **€0.6bn** in the last financial year versus **€0.6bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€0.6bn** in the last financial year versus **€0.5bn** eighteen months ago.

Over the past eighteen months, the number of loss-making subsidiaries with Netherlands based owners have shown a **12%** increase and the total aggregated loss rose by **14%.**

Netherlands owned business in France has seen operating losses increase by **106%** over the last eighteen months.

France, Germany, Italy, UK and Spain have consistently been ranked among the top five subsidiary countries with the highest value of losses over the past eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	1.6	89	16.9
Italy	1.3	107	35.8
UK	1.0	148	8.9
France	0.9	127	25.3
Spain	0.6	148	7.2
Russia	0.5	51	5.6
Ireland	0.4	43	1.0
Australia	0.2	5	0.5
Belgium	0.2	67	2.8
India	0.1	19	2.3
Other	0.9	514	12.5
	7.7	**1,318**	**118.9**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
France	▲ 1.8	▲ 148	34.5
Germany	▲ 1.7	▲ 116	20.4
Italy	▲ 1.5	▼ 106	28.2
UK	▼ 0.8	▲ 178	7.8
Spain	▼ 0.6	▲ 152	6.1
Ireland	▲ 0.4	▲ 65	1.5
Australia	▲ 0.4	▲ 18	1.3
Belgium	▲ 0.4	▼ 61	4.4
Sweden	▲ 0.2	▼ 58	1.3
Poland	▲ 0.1	▲ 146	1.9
Other	▲ 1.0	▼ 432	19.1
	8.8	**1,480**	**126.3**

Switzerland

Location X Owner

There are over **10,300** businesses in the population that have a Switzerland based Global Ultimate owner.

Subsidiaries with Switzerland based owners operating overseas have generated losses of nearly

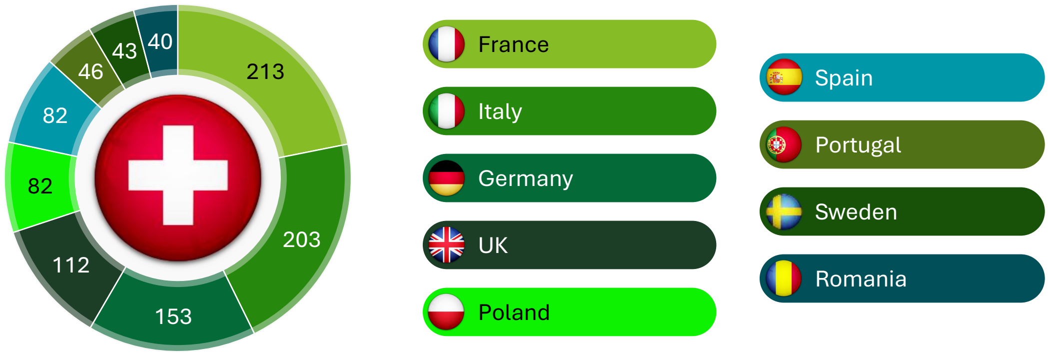
€6.2bn

Germany and Italy based subsidiaries accounted for losses amounting to **€2.5bn,** which represents **41%** of the overall aggregated loss.

France accounted for more than **14%** of the Switzerland owned loss-making population.

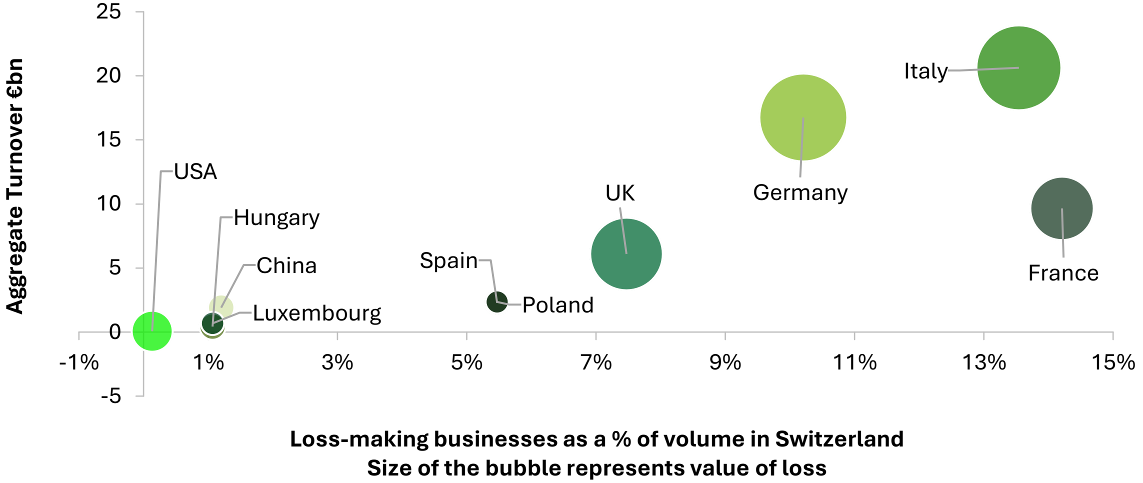
Top 9 owner countries of loss-making subsidiaries by volume

Of the **1,499** loss-making subsidiaries, France, Italy and Germany account for **38%** of the total Switzerland owned loss-making population.



Scale of losses (Top 10 owner countries)

Operating loss (Germany = €1.3bn)



Switzerland

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services
The loss-making entities in this sector reported a total loss of **€1.4bn** in the last financial year versus **€0.9bn** eighteen months ago.

Retail, Wholesale & Distribution
The loss-making entities in this sector reported a total loss of **€1.2bn** in the last financial year versus **€0.8bn** eighteen months ago.

Industrial Products & Construction
The loss-making entities in this sector reported a total loss of **€0.6bn** in the last financial year versus **€0.6bn** eighteen months ago.

Banking & Capital Markets
The loss-making entities in this sector reported a total loss of **€0.5bn** in the last financial year versus **€0.6bn** eighteen months ago.

Power, Utilities & Renewables
The loss-making entities in this sector reported a total loss of **€0.4bn** in the last financial year versus **€0.5bn** eighteen months ago.

Life Sciences
The loss-making entities in this sector reported a total loss of **€0.3bn** in the last financial year versus **€0.2bn** eighteen months ago.

Over the past eighteen months, the number of loss-making subsidiaries with Switzerland based owners has shown a **9%** increase and the total aggregated loss rose by **11%.**

Germany, Italy, UK and France continue to be among the top four subsidiary countries in terms of both volume of loss-making businesses and value of losses over the last eighteen months.

Switzerland owned business in Italy has seen operating losses increase by **98%** over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	0.8	144	13.3
UK	0.7	128	5.4
France	0.6	193	12.2
Italy	0.6	189	7.0
Poland	0.4	57	3.2
Luxembourg	0.3	17	0.2
USA	0.2	2	0.2
Spain	0.2	102	4.1
Austria	0.2	16	3.4
Sweden	0.2	43	1.2
Other	1.3	488	25.8
	5.5	**1,379**	**75.8**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Germany	▲ 1.3	▲ 153	16.7
Italy	▲ 1.2	▲ 203	20.6
UK	▲ 0.9	▼ 112	6.1
France	▲ 0.7	▲ 213	9.7
USA	▲ 0.3	▬ 2	0.1
China	▲ 0.1	▲ 18	1.9
Hungary	▲ 0.1	▼ 16	0.4
Spain	▼ 0.1	▼ 82	2.3
Luxembourg	▼ 0.1	▼ 16	0.7
Poland	▼ 0.1	▲ 82	2.4
Other	▼ 1.3	▲ 602	21.3
	6.2	**1,499**	**82.1**

United Kingdom

Location X Owner

There are over **15,000** businesses in the population that have a UK based Global Ultimate owner.

Subsidiaries with UK based owners operating overseas have generated losses of nearly

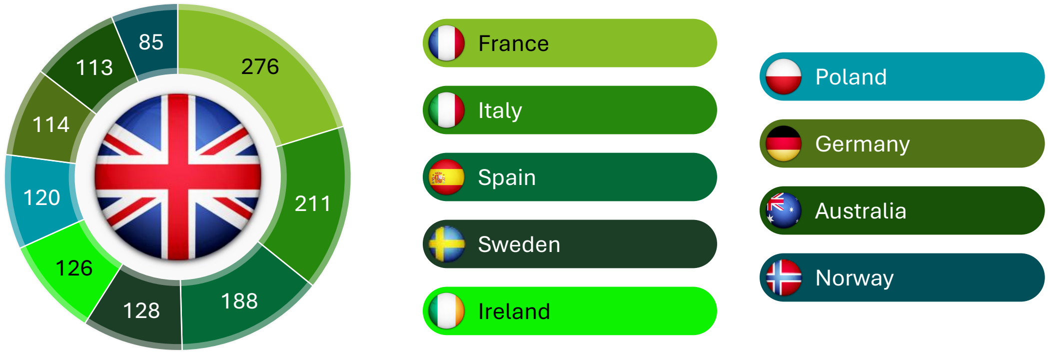
€13.6bn

Netherlands and Cayman Islands subsidiaries collectively have an aggregated loss of **€3.7bn,** which represents over **27%** of the overall aggregated loss; however, only accounts for **c.1%** of UK-owned loss-making subsidiaries by volume.

France has the highest volume accounting for more than **13%** of UK owned loss-making population.

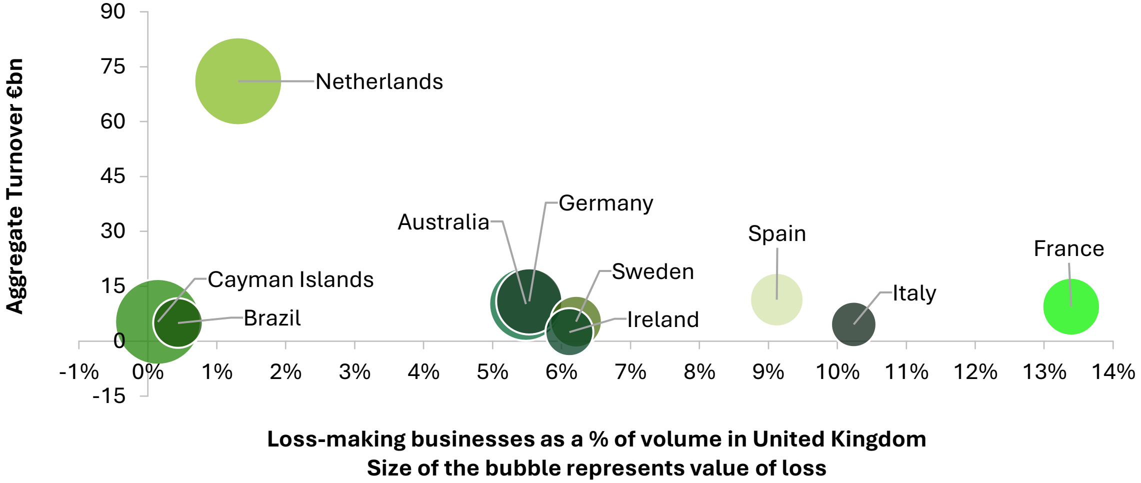
Top 9 owner countries of loss-making subsidiaries by volume

Of the **2,061** loss-making subsidiaries, France, Italy and Spain account for **33%** of the total UK owned loss-making population.



Scale of losses (Top 10 owner countries)

Operating loss (Netherlands = €1.9bn)



United Kingdom

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services

The loss-making entities in this sector reported a total loss of **€2.5bn** in the last financial year versus **€2.1bn** eighteen months ago.

Retail, Wholesale & Distribution

The loss-making entities in this sector reported a total loss of **€2.0bn** in the last financial year versus **€1.8bn** eighteen months ago.

Oil, Gas & Chemicals

The loss-making entities in this sector reported a total loss of **€1.6bn** in the last financial year versus **€1.3bn** eighteen months ago.

Banking & Capital Markets

The loss-making entities in this sector reported a total loss of **€1.2bn** in the last financial year versus **€2.0bn** eighteen months ago.

Mining & Metals

The loss-making entities in this sector reported a total loss of **€1.0bn** in the last financial year versus **€1.2bn** eighteen months ago.

Health & Human Services

The loss-making entities in this sector reported a total loss of **€0.9bn** in the last financial year versus **€0.9bn** eighteen months ago.

Over the past eighteen months, the number of loss-making subsidiaries with United Kingdom based owners has shown an **8%** increase, however, the total aggregated loss decreased by **5%.**

Netherlands, Cayman Islands, Australia and Germany have consistently been ranked among the top four subsidiary countries with the highest value of losses over the past eighteen months.

United Kingdom owned business in Netherlands has seen operating losses increase by **72%** over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Australia	2.3	60	8.4
Cayman Islands	1.8	3	8.2
Germany	1.4	99	44.7
Netherlands	1.1	22	27.0
Ireland	1.0	128	21.9
France	0.8	244	10.6
Spain	0.7	200	10.8
Italy	0.7	184	10.9
Switzerland	0.5	1	77.2
Sweden	0.4	110	4.3
Other	3.6	850	42.3
	14.3	**1,901**	**266.3**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
Netherlands	▲ 1.9	▲ 27	71.0
Cayman Islands	▼ 1.8	▬ 3	5.3
Australia	▼ 1.3	▲ 113	10.1
Germany	▼ 1.1	▲ 114	10.9
France	▲ 0.8	▲ 276	9.4
Spain	▼ 0.7	▼ 188	11.3
Sweden	▲ 0.7	▲ 128	5.3
Brazil	▲ 0.6	▲ 9	5.0
Ireland	▼ 0.6	▼ 126	2.5
Italy	▼ 0.5	▲ 211	4.6
Other	▲ 3.6	▲ 866	37.4
	13.6	**2,061**	**173.0**

United States

Location X Owner

There are over **42,500** businesses in the population that have a USA based Global Ultimate owner.

Subsidiaries with USA based owners operating overseas have generated losses of nearly

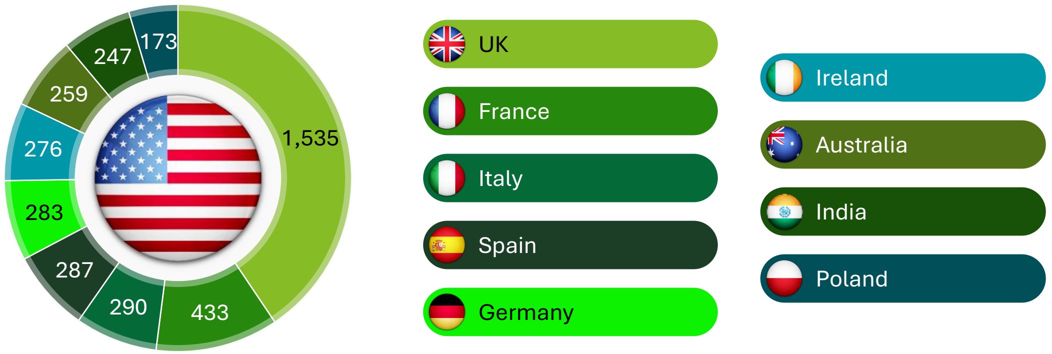
€44.2bn

UK subsidiaries with United States based parents collectively generated operating losses of **€13.5bn,** representing almost **31%** of the total loss.

Despite of the fact that Ireland subsidiaries account only for over **5%** of the total loss-making United States owned businesses, they generated almost **13%** of the total aggregated loss.

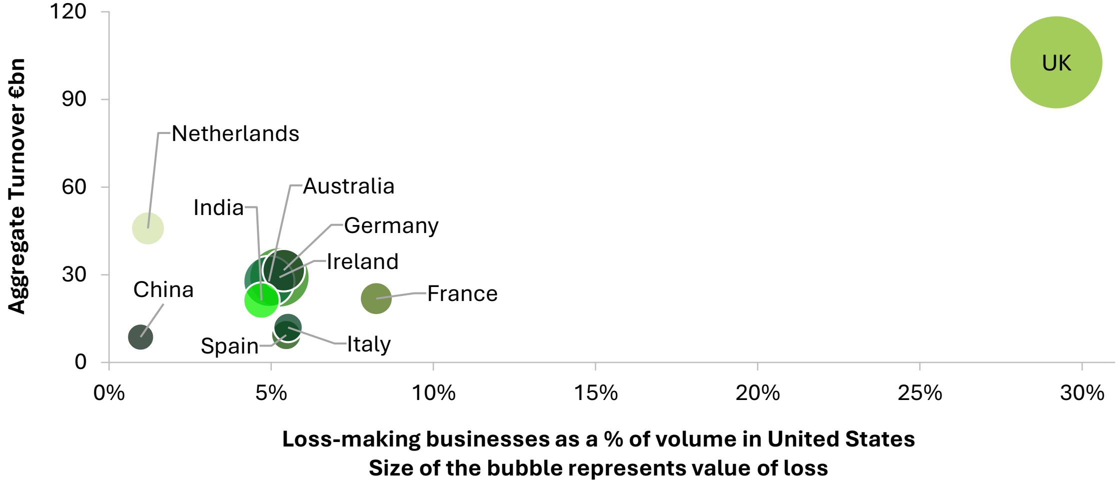
Top 9 owner countries of loss-making subsidiaries by volume

Of the **5,256** loss-making subsidiaries, UK accounts for **29%** of the total USA owned loss-making population.



Scale of losses (Top 10 owner countries)

Operating loss (UK = €13.5bn)



United States

Location X Owner

Top loss-making sectors

Transportation, Hospitality & Services
The loss-making entities in this sector reported a total loss of **€10.0bn** in the last financial year versus **€12.3bn** eighteen months ago.

Banking & Capital Markets
The loss-making entities in this sector reported a total loss of **€6.6bn** in the last financial year versus **€7.1bn** eighteen months ago.

Telecom, Media & Entertainment
The loss-making entities in this sector reported a total loss of **€4.6bn** in the last financial year versus **€9.9bn** eighteen months ago.

Technology
The loss-making entities in this sector reported a total loss of **€4.3bn** in the last financial year versus **€6.3bn** eighteen months ago.

Retail, Wholesale & Distribution
The loss-making entities in this sector reported a total loss of **€3.7bn** in the last financial year versus **€3.6bn** eighteen months ago.

Oil, Gas & Chemicals
The loss-making entities in this sector reported a total loss of **€2.6bn** in the last financial year versus **€1.8bn** eighteen months ago.

Over the past eighteen months, the number of loss-making subsidiaries with United States based owners has shown a **2%** increase, however, the total aggregated loss decreased by **24%.**

UK and Ireland continue to be the top two subsidiary countries with the highest values of losses over the last eighteen months.

Landscape eighteen months ago

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
UK	19.5	1,616	119.0
Ireland	10.7	270	54.0
Germany	4.9	283	68.8
Italy	2.6	284	17.1
Australia	2.5	188	25.3
France	2.4	409	25.5
Spain	2.3	303	17.2
India	2.0	179	11.7
Netherlands	1.6	71	21.1
Denmark	1.5	44	4.5
Other	8.2	1,491	85.2
	57.9	**5,138**	**449.3**

Current landscape

Country	Value of loss (€bn)	Number of businesses	Turnover (€bn)
UK	13.5	1,535	102.7
Ireland	5.6	276	29.1
Australia	4.1	259	27.7
Germany	2.8	283	31.6
India	2.1	247	21.2
Netherlands	1.8	63	45.9
France	1.7	433	21.9
Spain	1.5	287	9.4
Italy	1.4	290	12.0
China	1.2	51	8.7
Other	8.4	1,532	69.8
	44.2	**5,256**	**379.9**

Glossary

Definitions	
Bn or bn	Billions
FDI	Foreign direct investment
Global ultimate owner	Ultimate controlling party of the subsidiary
Global ultimate owner country	Country of the ultimate controlling party of a loss-making subsidiary
Current landscape	Turnover and operating losses for companies in the latest population based on the latest account closing date (being since Apr 2022 till Dec 2025)
Landscape 18 months ago	Turnover and operating losses for companies in the latest population, eighteen months prior (being between Jan 2021 to Mar 2024) to the latest account closing date
Loss-making	Negative operating profits according to the filed company accounts
Loss-making population	Subsidiaries with turnover of greater than €1m (excluding holding companies) and with operating losses of greater than €0 and less than €1bn
M or m	Millions
Nordics	Sweden, Finland and Denmark
Percentage points	Arithmetic difference of two percentages
Population	Subsidiaries with turnover of greater than €1m (excluding holding companies)
Subsidiary country	Country (according to the registered office) of loss-making subsidiary
Top loss-making sectors	Top loss-making industries (see industry definitions) by value, excluding “holding companies” and “other” industries
UK	United Kingdom of Great Britain and Northern Ireland
USA	United States of America

Sector	Industry classification
Automotive	Consumer
Consumer Products	Consumer
Retail, Wholesale & Distribution	Consumer
Transportation, Hospitality & Services	Consumer
Industrial Products & Construction	Energy, Resources & Industrials
Mining & Metals	Energy, Resources & Industrials
Oil, Gas & Chemicals	Energy, Resources & Industrials
Power, Utilities & Renewables	Energy, Resources & Industrials
Banking & Capital Markets	Financial Services
Infrastructure, Transport, Regional Govt	Government and Public Services
Insurance	Financial Services
Investment Management	Financial Services
Real Estate	Financial Services
Health Care	Life Sciences & Health Care
Life Sciences	Life Sciences & Health Care
Technology	Technology, Media & Telecom
Telecom, Media & Entertainment	Technology, Media & Telecom

Sources

Bureau van Dijk, Orbis
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