

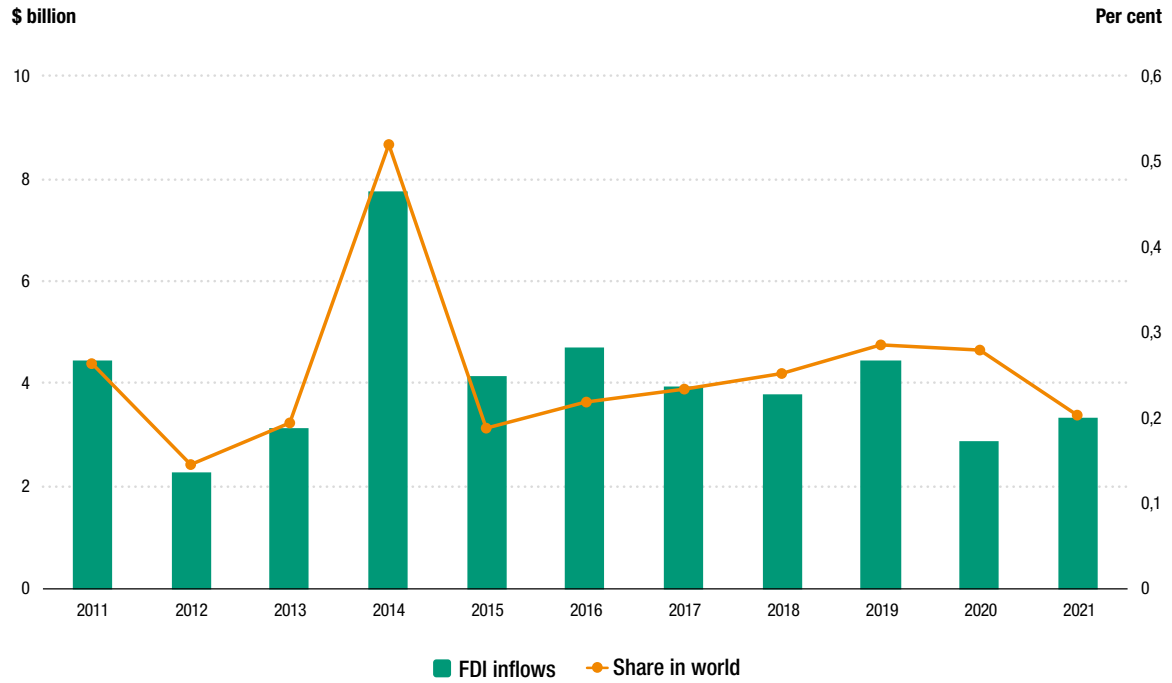
REGIONAL TRENDS

SMALL ISLAND DEVELOPING STATES

H I G H L I G H T S

- FDI inflows to the small island developing States (SIDS) in 2021 rose by 17 per cent to \$3.3 billion, continuing to hover around 0.2 per cent of global FDI. Reflecting differences in levels of development and factor endowments, a handful of SIDS continued to attract the bulk of inflows.
- The top five recipients (Maldives, Fiji, the Bahamas, Trinidad and Tobago, and Mauritius, in that order) accounted for 56 per cent of FDI flows to the group. The 2021 increase represented only a partial recovery, as pre-pandemic levels were about 25 per cent higher than current levels. This reflects the multiple problems that several of these countries face resulting from the pandemic, including stagnant international tourism.
- Inflows to the 10 Caribbean SIDS rose by 4 per cent to \$1.7 billion, after dropping 27 per cent in 2020. In the Bahamas, inflows decreased by 60 per cent to \$360 million. However, there was a rise in announced greenfield projects and international project finance deals. Flows to Trinidad and Tobago turned positive (to \$342 million from -\$103 million) in 2020.
- FDI rose in the two Asian SIDS. In Maldives, FDI inflows rose by 27 per cent, to \$443 million, still about half of the 2019 level. In Timor-Leste, a large project was announced in 2021 – the construction of a carbon capture and storage scheme in the Timor Sea for \$1.6 billion.
- In the five African SIDS, FDI rose by 25 per cent to \$592 million. Mauritius saw its FDI flows rise by 13 per cent to \$253 million. Decathlon (France) announced a new warehouse in the country – an investment with a value of \$17 million. In Seychelles, FDI flows rose by 28 per cent (to \$157 million), more than recovering the loss during the pandemic.
- In the 11 SIDS in Oceania, inflows also recovered to pre-pandemic levels, with a 64 per cent rise to \$517 million. In Fiji, the largest host country, FDI was up by 67 per cent to \$401 million,
- MNEs from the United States remained the largest investors in SIDS with \$121 billion, followed by Brazil and Canada.

Figure 1. | SIDS: FDI inflows and their share in world inflows, 2011–2021 (Billions of dollars and per cent)



Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).

Table 1. SIDS: FDI inflows and cross-border M&A sales, 2019–2021 (Millions of dollars and number)

Subregion/selected economy	FDI				Net cross-border M&A sales							
	Value				Value				Number			
	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)
SIDS	4 425	2 854	3 342	17	750	15	396	2 552	14	10	10	0
Africa (5)	719	472	592	25	-94	8	185	2 341	8	3	6	100
Cabo Verde	103	74	118	59	-	-	-	..	2	-	-	..
Mauritius	444	225	253	13	10	8	-	..	4	3	4	33
Seychelles	144	122	157	28	-104	-	185	..	-	-	2	..
Asia (2)	1 031	421	529	26	-650	-	-	..	1	-	-	..
Maldives	956	348	443	27	-	-	-	..	3	-	-	..
Timor-Leste	75	72	85	18	-650	-	-	..	-2	-	-	..
Latin America and the Caribbean (10)	2 261	1 645	1 705	4	1 479	3	-	..	3	4	1	-75
Bahamas	611	897	360	-60	-	-	-	..	-	-	-	..
Barbados	215	262	239	-9	-	-	-	..	-	-	-	..
Grenada	199	149	144	-3	-	-	-	..	-	-	-	..
Jamaica	665	265	321	21	-	2	-	..	1	1	-	..
Trinidad and Tobago	184	-103	342	..	-	-	-	..	-	2	-	..
Oceania (9)	414	316	517	64	14	4	211	4 734	2	3	3	0
Fiji	321	241	401	67	-	-	210	..	-	-	1	..
Solomon Islands	33	9	50	448	-	4	2	-56	-	3	2	-33
Vanuatu	35	25	26	4	-	-	-	..	-	-	-	..
<i>Memorandum</i>												
World	1 549 450	1 028 278	1 649 037	60	514 172	479 244	738 582	54	7 173	6 249	8 912	43
Developed economies	764 456	319 190	745 739	134	428 468	388 581	615 083	58	5 949	5 333	7 838	47
Developing economies	784 994	709 088	903 298	27	85 704	90 664	123 499	36	1 224	916	1 074	17

Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>) for FDI and cross-border M&A database (<https://unctad.org/fdistatistics>) for M&As.

Table 2. SIDS: announced greenfield projects and international project finance deals, 2019–2021 (Millions of dollars and number)

Region / selected economies	Announced greenfield investment projects								Announced international project finance deals							
	Value				Number				Value				Number			
	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)
SIDS	2 061	704	701	-	44	21	25	19	1 211	602	3 663	509	14	10	10	0
Africa (3)	536	448	178	-60	17	9	7	-22	175	-	-	..	2	-	-	..
Cabo Verde	211	22	-	..	3	1	-	..	-	-	-	..	-	-	-	..
Mauritius	286	69	74	7	10	5	6	20	175	-	-	..	2	-	-	..
Seychelles	39	357	105	-71	4	3	1	-67	-	-	-	..	-	-	-	..
Asia (2)	180	125	117	-7	6	3	1	-67	28	465	2 456	428	1	1	7	600
Maldives	179	125	117	-7	5	3	1	-67	-	465	834	80	-	1	5	400
Timor-Leste	1	-	-	..	-	-	-	..	-	-	1 600	..	-	-	1	..
Latin America and the Caribbean (5)	1 267	131	403	208	19	9	16	78	809	35	1 169	3 240	4	1	6	500
Bahamas	-	5	43	750	-	1	4	300	250	-	573	..	1	-	3	..
Barbados	-	2	1	-76	-	1	1	0	350	-	-	..	1	-	-	..
Grenada	83	85	2	-98	1	1	1	0	-	-	-	..	-	-	-	..
Jamaica	929	36	221	511	10	4	8	100	139	35	64	83	1	1	1	0
Trinidad and Tobago	8	1	138	..	3	1	2	100	-	-	137	..	-	-	1	..
Oceania (3)	77	-	3	..	2	-	1	..	199	102	38	-63	1	1	1	0
Fiji	34	-	3	..	1	-	1	..	-	102	-	..	-	1	-	..
Solomon Islands	-	-	-	..	-	-	-	..	199	-	-	..	1	-	-	..
Vanuatu	43	-	-	..	1	-	-	..	-	-	-	..	-	-	-	..
<i>Memorandum</i>																
World	846 742	575 289	659 734	15	18 278	13 263	14 729	11	681 933	483 749	1 187 657	146	1 303	1 262	2 115	68
Developed economies	381 665	316 485	400 565	27	10 976	8 993	9 790	9	301 440	263 839	655 957	149	677	742	1 262	70
Developing economies	465 077	258 804	259 169	-	7 302	4 270	4 939	16	380 493	219 910	530 101	141	626	520	852	64

Source: UNCTAD based on information from the Financial Times Ltd, fDi Markets (www.fDimarkets.com) for announced greenfield FDI projects and Refinitiv SA for international project finance deals.

Table 3. SIDS: announced greenfield projects, by sector and selected industries, 2019–2021

Industry	Value (Millions of dollars)			2020–2021 growth rate (%)	Number			2020–2021 growth rate (%)
	2019	2020	2021		2019	2020	2021	
Total	2 061	704	701	-	44	21	25	19
Primary	100	5	-	..	2	1	-	..
Manufacturing	59	44	88	102	6	4	5	25
Services	1 903	655	613	-6	36	16	20	25
<i>Top 10 industries in value terms</i>								
Information and communication	162	125	385	209	2	2	7	250
Administrative and support services	119	25	150	494	9	2	6	200
Finance and insurance	125	10	49	413	8	1	2	100
Other non-metallic mineral products	-	-	30	..	-	-	1	..
Pharmaceuticals	38	-	29	..	3	-	1	..
Professional services	49	50	26	-48	3	5	3	-40
Textiles, clothing and leather	4	7	24	263	1	1	2	100
Chemicals	1	21	6	-74	1	1	1	0
Energy and gas supply	185	336	3	-99	2	2	1	-50
Transportation and storage	-	24	1	-97	11	2	1	-50

Source: UNCTAD, based on information from the Financial Times Ltd, fDi Markets (www.fDimarkets.com).

Table 4. SIDS: announced international project finance deals, selected industries, 2019–2021

Sector/industry	Value (Billions of dollars)			2020–2021 growth rate (%)	Number			2020–2021 growth rate (%)
	2019	2020	2021		2019	2020	2021	
Total	1 211	602	3 663	509	8	3	14	367
<i>Top 10 industries by number</i>								
Renewable energy	559	102	2 082	1 941	3	1	4	300
Residential/commercial real estate	175	-	402	..	2	-	3	..
Transportation infrastructure	278	-	741	..	2	-	3	..
Agriculture	-	-	1	..	-	-	1	..
Oil and gas	-	-	263	..	-	-	1	..
Power	-	-	137	..	-	-	1	..
Telecommunication	-	465	38	-92	-	1	1	0
Mining	199	-	-	..	1	-	-	..
Water and sewerage	130	35	-	..	1	1	2	..
Education	-	-	-	..	-	-	1	..

Source: UNCTAD, based on data from Refinitiv SA.

Table 5. SIDS: net cross-border M&As sales, by sector and selected industries, 2019–2021

Sector/industry	Value (Millions of dollars)			2020–2021 growth rate (%)	Number			2020–2021 growth rate (%)
	2019	2020	2021		2019	2020	2021	
Total	750	15	396	2 552	14	10	10	0
Primary	-650	4	2	-56	-	3	3	0
Manufacturing	14	2	-	..	6	2	-	..
Services	1 385	9	395	4 421	8	5	7	40
<i>Top 10 industries in value terms</i>								
Financial and insurance	1 489	6	-	..	5	-	-	33
Automotive	14	-	-	..	2	-	-	..
Food, beverages and tobacco	-	-	-	..	1	-	-	..
Chemicals	-	-	-	..	1	1	-	..
Electronics and electrical equipment	-	-	-	..	1	-	-	..
Machinery and equipment	-	-	-	..	1	-	-	..
Hospitality	-	-	-	..	2	-	-	..
Transportation and storage	-	-	-	..	2	-	-	..
Information and communication	-104	2	185	7 923	-1	1	1	0
Extractive industries	-650	4	2	-56	-	3	3	0

Source: UNCTAD, cross-border M&A database (<https://unctad.org/fdistatistics>).

Table 6. SIDS: investment project announcements in SDG sectors, 2019–2021
(Millions of dollars and per cent)

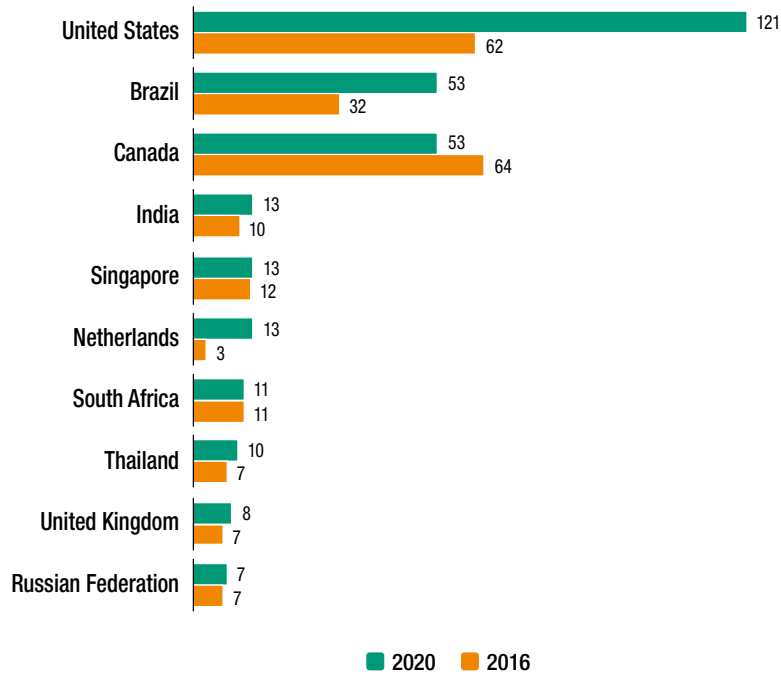
SDG-relevant sector	Greenfield projects				International project finance deals			
	2019	2020	2021	2020–2021 growth rate (%)	2019	2020	2021	2020–2021 growth rate (%)
Total								
Value	312	476	391	-18	837	602	2 999	398
Number of projects	8	5	6	20	5	3	10	233
<i>Power^a</i>								
Value	-	-	-	..	-	-	137	..
Number of projects	-	-	-	..	-	-	1	..
<i>Renewable energy</i>								
Value	185	336	3	-99	559	102	2 082	1 941
Number of projects	2	2	1	-50	3	1	4	300
<i>Transport services^b</i>								
Value	-	24	1	-97	278	-	741	..
Number of projects	-	2	1	-50	2	-	3	..
<i>Telecommunication</i>								
Value	-	117	358	207	-	465	38	-92
Number of projects	-	1	3	200	-	1	1	0
<i>Water, sanitation and hygiene (WASH)</i>								
Value	-	-	-	..	-	35	-	..
Number of projects	-	-	-	..	-	1	-	..
<i>Food and agriculture</i>								
Value	80	-	-	..	-	-	1	..
Number of projects	2	-	-	..	-	-	1	..
<i>Health</i>								
Value	48	-	29	..	-	-	-	..
Number of projects	4	-	1	..	-	-	-	..
<i>Education</i>								
Value	-	-	-	..	-	-	-	..
Number of projects	-	-	-	..	-	-	-	..

Source: UNCTAD, information from the Financial Times Ltd, fDI Markets (www.fdimarkets.com) for announced greenfield FDI projects and Refinitiv SA for international project finance deals.

^a Excluding renewable energy.

^b Transport services for greenfield projects and transport infrastructure for project finance.

Figure 2. | SIDS: top 10 investor economies by FDI stock, 2016 and 2020 (Billions of dollars)



Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).