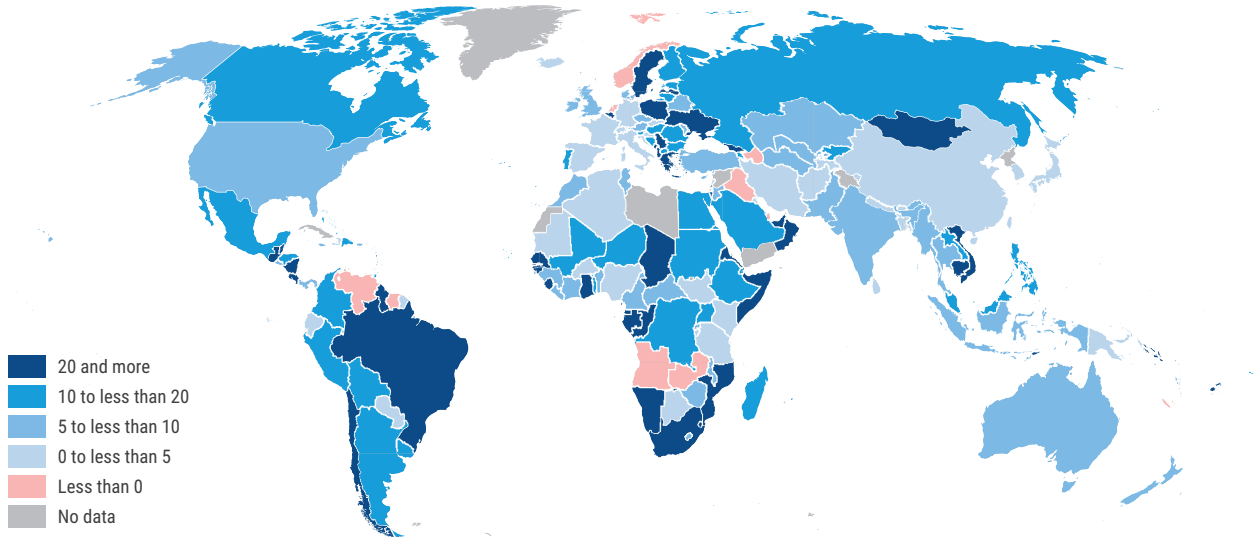




Fact sheet #9: Foreign direct investment

Map 1 Foreign direct investment inflows as a ratio to gross fixed capital formation, 2021

(Percentage)



Concepts and definitions

FDI is defined as an investment reflecting a lasting interest and control by a foreign direct investor, resident in one economy, in an enterprise resident in another economy (foreign affiliate).

FDI inflows comprise capital provided by a foreign direct investor to its foreign affiliate resident in the reporting country, or capital received by a foreign direct investor resident in the reporting country from its foreign affiliate abroad.

FDI flows are presented on a net basis, i.e., as credits less debits. Thus, in cases of reverse investment or disinvestment, FDI may be negative.

FDI stock is the value of capital and reserves attributable to a non-resident parent enterprise, plus the net indebtedness of foreign affiliates to parent enterprises (UNCTAD, 2022c).

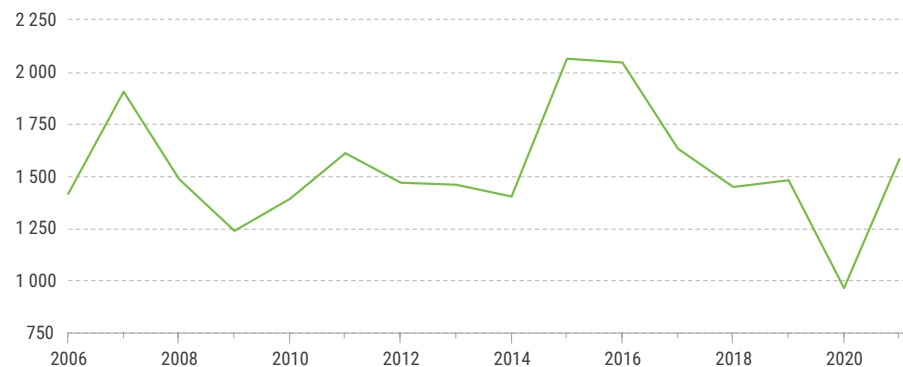
Trends and global patterns

Global FDI flows in 2021 were US\$1.6 trillion, up 64.3 per cent from the exceptionally low level in 2020. The 2021 recovery brought growth in FDI in all regions. FDI as a ratio to gross fixed capital formation (GFCF) rose from 4.3 per cent in 2020 to 7.1 per cent in 2021.

Outflows by group of economies

In 2021, developed economies more than tripled their investment abroad to US\$1.3 trillion, from US\$408 billion in 2020. The value of FDI outflows from developing economies rose by 17.8 per cent to US\$438 billion. Developing Asia and Oceania remained a major source of investment flows even during the pandemic.

Figure 1 World foreign direct investment inflows
(Billions of United States dollars)



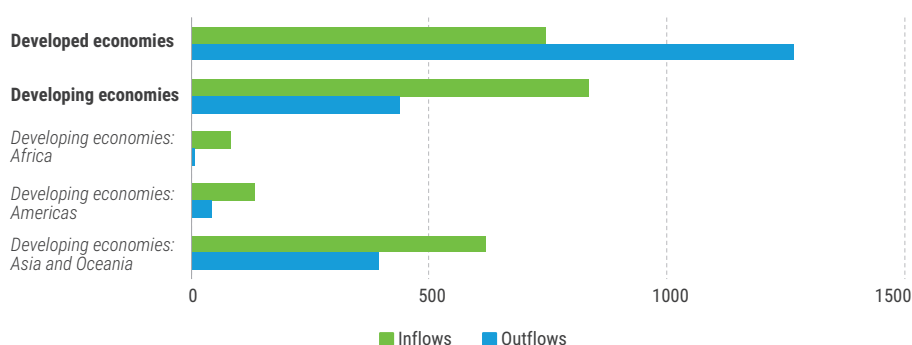
Note: Excluding financial centres in the Caribbean (see note, table 3.3.1).



Inflows by group of economies

FDI flows to developing economies grew more slowly than those to developed economies but still increased by 29.9 per cent, to US\$837 billion. FDI flows to Africa reached US\$83 billion – a record level – from US\$39 billion in 2020, more than doubling the 2020 level. In developing Asia and Oceania, FDI inflows rose to an all-time high for the third consecutive year, reaching US\$619 billion, an increase of 19.3 per cent. In developing economies in the Americas, FDI inflows rose by 56 per cent to US\$134 billion, recovering part of the ground lost in 2020.

Figure 2 Foreign direct investment inflows and outflows, 2021
(Billions of United States dollars)



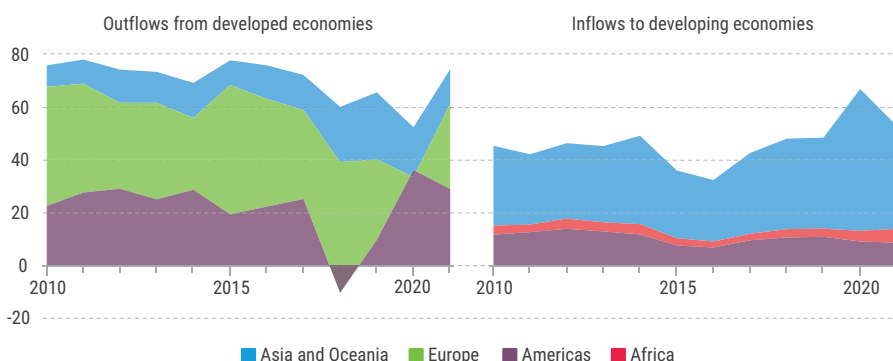
Note: Excluding financial centres in the Caribbean (see note, table 3.3.1).

Origins and destinations of foreign direct investment

In 2021, the share of global inflows accounted for by developed economies returned to pre-pandemic levels, at about half of the total, from just one third in 2020. The share of developing economies in global flows remained just above 50 per cent. FDI flows to Africa accounted for 5.2 per cent of global FDI and FDI to developing Asia and Oceania, the largest recipient region of FDI, accounted for 39.1 per cent of global inflows.

The share of developed economies in global outward FDI flows rose from 52.3 per cent in 2020 to 74.3 per cent in 2021, while the share of developing economies dropped from 47.7 per cent to 25.7 per cent. Developed Europe was the largest source of global FDI outflows (32.3 per cent), followed by the developed economies in the Americas (28.9 per cent).

Figure 3 Selected foreign direct investment flows
(Percentage of world total)



Note: Excluding financial centres in the Caribbean (see note, table 3.3.1).

For references, see UNCTAD Handbook of Statistics 2022, annex 6.4

Global FDI inflows rose by 64% to US\$1.6 trillion in 2021



FDI inflows to developed economies more than doubled in 2021



39% of global FDI inflows to developing Asia, in 2021



In 2021, FDI outflows from developed economies more than tripled




Table 1 Foreign direct investment flows by group of economies

Group of economies	Inflows				Outflows			
	Value		Annual growth rate		Value		Annual growth rate	
	(Billions of US\$)		(Percentage)		(Billions of US\$)		(Percentage)	
	2020	2021	2020	2021	2020	2021	2020	2021
World^a	963	1 582	-35.0	64.3	780	1 708	-30.6	118.8
Developed economies	319	746	-58.2	133.6	408	1 269	-44.6	210.9
Developing economies	644	837	-10.1	29.9	372	438	-3.8	17.8
Developing economies: Africa	39	83	-14.7	113.1	-1	3	-112.7	-526.2
Developing economies: Americas	86	134	-45.7	56.0	-5	42	-110.0	-995.6
Developing economies: Asia and Oceania	519	619	1.4	19.3	378	394	12.6	4.3
Selected groups								
Developing economies excluding China	495	656	-14.0	32.6	219	293	-12.6	34.1
Developing economies excluding LDCs	621	811	-10.4	30.5	371	439	-4.5	18.3
LDCs	23	26	0.6	13.1	2	0	-250.1	-109.4
LLDCs	14	18	-35.9	30.7	-1	2	-271.4	-231.6
SIDS (UN-OHRLLS)	82	107	-28.9	30.5	31	48	-42.7	51.3
HIPCs (IMF)	24	32	-12.1	33.6	1	2	-44.0	65.3
BRICS	255	355	-13.3	39.2	157	247	-19.3	57.9
G20	757	1 104	-34.7	45.9	596	1 496	-38.8	150.9

Note: Excluding financial centres in the Caribbean, namely: Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Barbados, British Virgin Islands, Cayman Islands, Curaçao, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sint Maarten and Turks and Caicos Islands.

^a At world level, recorded FDI inflows may not equal recorded FDI outflows, due to imperfect geographic coverage and cross-country differences in compilation methods.

Table 2 Foreign direct investment stock by group of economies

Group of economies	Inward stock				Outward stock			
	Value		Share in world total		Value		Share in world total	
	(Billions of US\$)		(Percentage)		(Billions of US\$)		(Percentage)	
	2020	2021	2020	2021	2020	2021	2020	2021
World^a	41 728	45 449	100.0	100.0	39 546	41 798	100.0	100.0
Developed economies	29 967	33 119	71.8	72.9	31 113	33 009	78.7	79.0
Developing economies	11 760	12 330	28.2	27.1	8 433	8 790	21.3	21.0
Developing economies: Africa	958	1 026	2.3	2.3	331	301	0.8	0.7
Developing economies: Americas	2 070	2 143	5.0	4.7	708	741	1.8	1.8
Developing economies: Asia and Oceania	8 732	9 160	20.9	20.2	7 394	7 747	18.7	18.5
Selected groups								
Developing economies excluding China	9 841	10 266	23.6	22.6	5 852	6 208	14.8	14.9
Developing economies excluding LDCs	11 367	11 915	27.2	26.2	8 410	8 767	21.3	21.0
LDCs	393	414	0.9	0.9	23	22	0.1	0.1
LLDCs	421	431	1.0	0.9	51	52	0.1	0.1
SIDS (UN-OHRLLS)	2 120	2 182	5.1	4.8	1 292	1 373	3.3	3.3
HIPCs (IMF)	379	403	0.9	0.9	25	26	0.1	0.1
BRICS	3 577	3 866	8.6	8.5	3 681	3 704	9.3	8.9
G20	32 394	35 756	77.6	78.7	32 883	34 919	83.2	83.5

Note: Excluding financial centres in the Caribbean (see note, table 1).

^a At world level, recorded inward stocks may not equal recorded outward stocks, due to imperfect geographic coverage and cross-country differences in compilation methods.

**Table 3 Foreign direct investment inflows, top 20 host economies, 2021**

Economy (Ranked by inflow value)	Inflows			Inward stock	
	Value	Ratio to GDP	Ratio to GFCF	Ratio to GDP	Ratio to GFCF
	(Billions of US\$)	(Percentage)	(Percentage)	(Percentage)	(Percentage)
United States of America	367	1.6	8.2	58.9	303.3
China	181	1.0	2.9	11.9	32.7
China, Hong Kong SAR	141	38.0	226.9	546.1	3261.2
Singapore	99	25.7	135.7	521.1	2749.1
Canada	60	3.0	15.8	72.3	380.7
Brazil	50	3.1	21.2	36.9	249.7
India	45	1.4	6.2	16.2	71.2
South Africa	41	10.9	85.9	46.0	363.5
Russian Federation	38	2.2	11.8	29.5	161.7
Mexico	32	2.5	15.6	45.3	286.4
Germany	31	0.7	3.7	26.9	134.7
Israel	30	6.3	35.5	50.3	282.6
United Kingdom	28	0.9	5.8	82.4	555.6
Sweden	27	4.3	20.1	62.2	288.0
Belgium	26	4.3	20.5	102.4	483.7
Australia	25	1.5	7.9	44.9	243.0
Poland	25	3.7	25.0	40.3	271.0
Japan	25	0.5	1.9	5.2	20.1
United Arab Emirates	21	4.9	29.3	41.0	243.0
Indonesia	20	1.7	6.0	21.9	77.2

Note: Excluding financial centres in the Caribbean (see note, table 1).

Table 4 Foreign direct investment outflows, top 20 home economies, 2021

Economy (Ranked by outflow value)	Outflows			Outward stock	
	Value	Ratio to GDP	Ratio to GFCF	Ratio to GDP	Ratio to GFCF
	(Billions of US\$)	(Percentage)	(Percentage)	(Percentage)	(Percentage)
United States of America	403	1.7	9.0	42.5	218.5
Germany	152	3.6	17.9	50.6	253.3
Japan	147	3.0	11.5	40.1	155.1
China	145	0.8	2.3	14.9	40.9
United Kingdom	108	3.4	22.7	67.8	457.0
Canada	90	4.5	23.8	114.9	605.0
China, Hong Kong SAR	87	23.6	141.0	562.3	3358.2
Russian Federation	64	3.6	19.7	22.6	123.7
Ireland	62	12.7	36.7	261.3	754.8
Korea, Republic of	61	3.4	11.9	30.7	108.2
Singapore	47	12.3	64.9	349.5	1844.0
Belgium	46	7.7	36.5	117.1	553.0
Netherlands	29	2.9	14.8	333.5	1724.6
Luxembourg	25	29.9	205.3	1497.8	10290.4
Saudi Arabia	24	2.9	15.0	18.2	95.2
Brazil	23	1.4	9.7	18.5	124.8
United Arab Emirates	23	5.4	31.9	51.4	304.5
Denmark	22	5.7	28.0	68.7	338.3
Sweden	20	3.3	15.2	72.0	333.4
Thailand	17	3.4	15.0	35.1	153.0

Note: Excluding financial centres in the Caribbean (see note, table 1).