

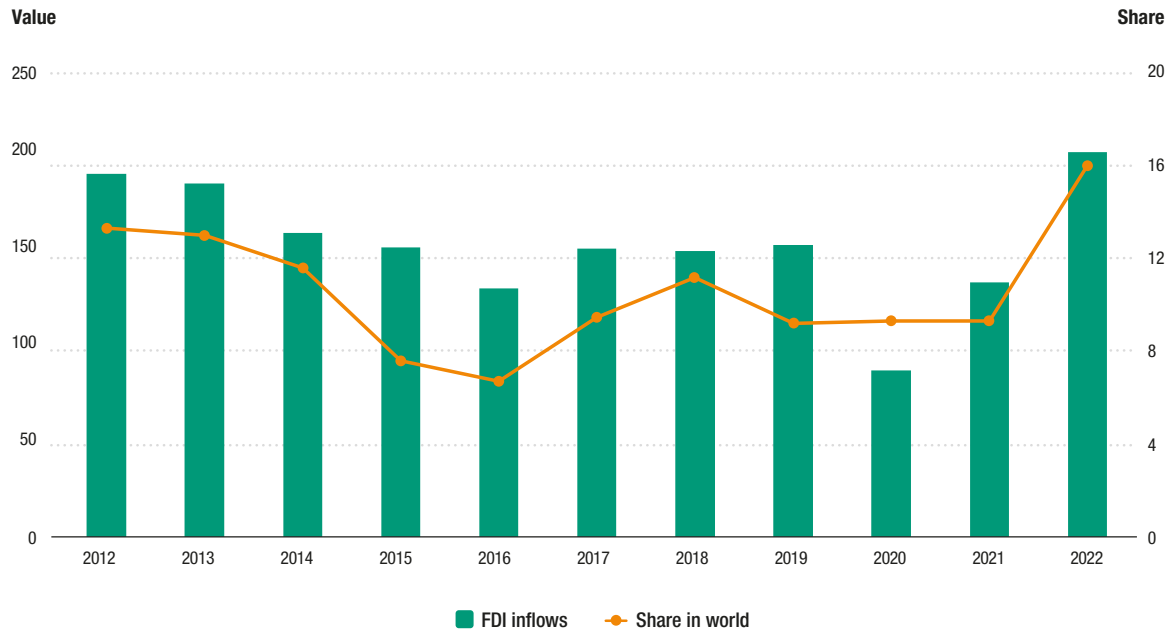
REGIONAL TRENDS

LATIN AMERICA AND THE CARIBBEAN

H I G H L I G H T S

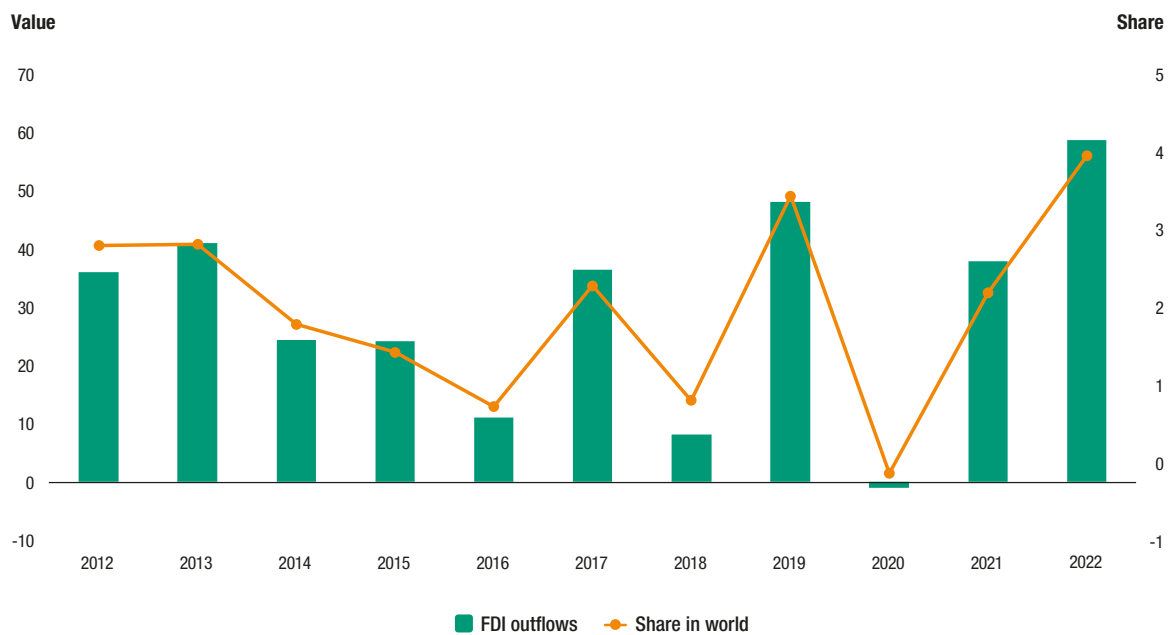
- In 2022, FDI in Latin America and the Caribbean rose by 51 per cent to \$208 billion, sustained by higher demand for commodities and critical minerals.
- Most economies saw inflows rebound, with only a few experiencing declines.
 - In South America, flows to Brazil rose by 70 per cent to \$86 billion – the second highest level ever recorded – due to a doubling of reinvested earnings. The number of international project finance deals rose by 29 per cent to 138, ranking the country fifth worldwide. FDI more than doubled to \$15 billion in Argentina, doubled in Peru to \$12 billion and rose by 82 per cent in Colombia, to \$17 billion.
 - Flows to Mexico, the second largest recipient in Latin America, increased by 12 per cent to \$35 billion, with a rise in new equity investment and reinvested earnings. The value of net cross-border M&As jumped to \$8.2 billion (from less than \$1 billion in 2021).
 - In the Caribbean (excluding offshore finance centres), FDI to the four countries as a group increased by 53 per cent to \$3.9 billion, mainly driven by growth in inflows to the Dominican Republic, to \$4 billion.
- Over the past five years, regional economic groupings attracted FDI flows in line with the overall trend in Latin America and the Caribbean. Flows rose to member States in the Asociación Latinoamericana de Integración (up 34 per cent, to \$195 billion), the Mercado Común del Sur (up 35 per cent, to \$105 billion) and to member States in the Caribbean Community (doubled, to \$6.5 billion). FDI fell by 11 per cent to member States of the Sistema de la Integración Centroamericana to \$13 billion.
- In 2022, the share of intraregional greenfield project announcements remained relatively small, at 11 per cent of all projects in the region (8 per cent in terms of value), but still higher than in 2017, when it was 8 per cent of the total (6 per cent in value). Looking at projects of Latin American and Caribbean MNEs only, 62 per cent of their value was in the region.
- Cross-border M&A activity increased by 80 per cent to \$15 billion. The manufacturing sector recorded the highest increase in net sales, particularly in food, beverages and tobacco, chemicals, and paper and paper products. However, the services sector remained the largest sector, with \$9.6 billion in net sales, mainly in information and communication.
- The value of announced greenfield investment increased by 57 per cent, with most commitments going to the extractive and automotive industries.
- The number of announced international project finance deals fell by 18 per cent, with declines mostly in mining, transport infrastructure, and oil and gas.
- The United States, Spain and the Netherlands remained the largest investors in the region in 2021.

Figure 1. Latin America and the Caribbean: FDI inflows and share in world inflows, 2012–2022
(Billions of dollars and per cent)



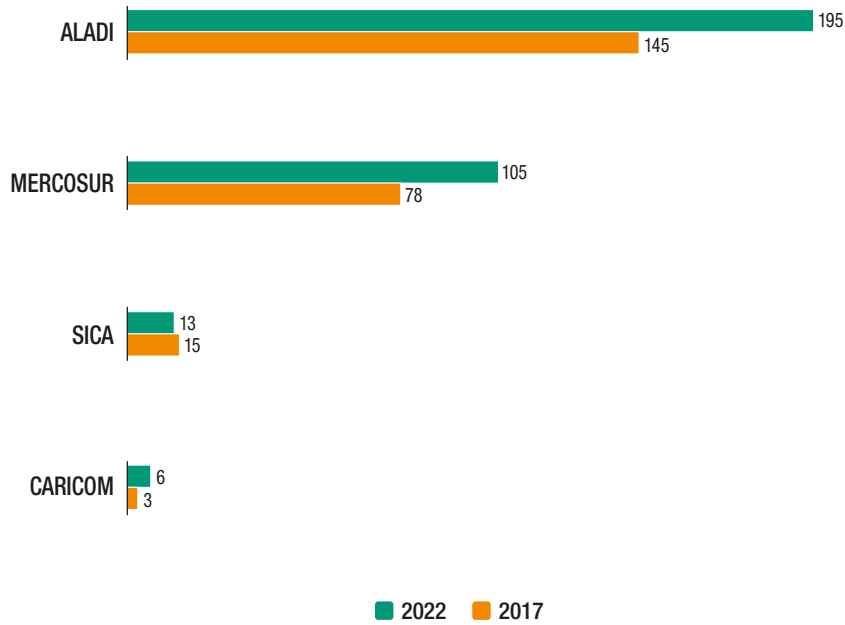
Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).
 Note: Data excludes financial centres in the Caribbean and special-purpose entities in reporting countries.

Figure 2. Latin America and the Caribbean: FDI outflows and share in world outflows, 2012–2022
(Billions of dollars and per cent)



Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).
 Note: Data excludes financial centres in the Caribbean and special-purpose entities in reporting countries.

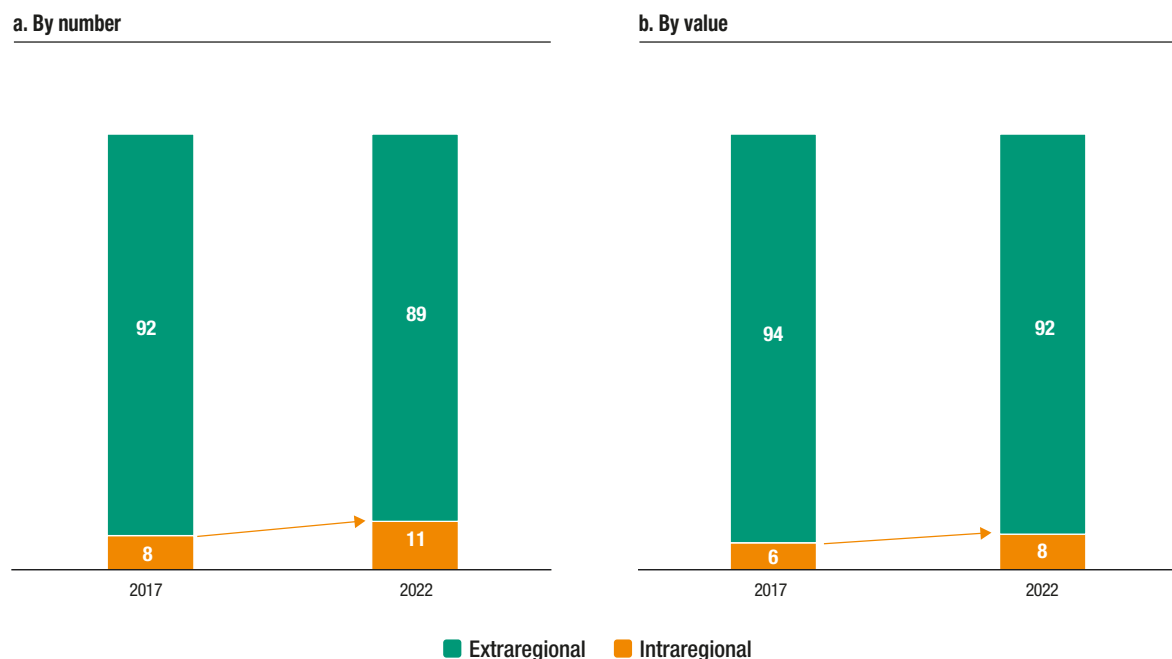
Figure 3. Latin America and the Caribbean: FDI in regional groupings, 2017 and 2022 (Billions of dollars)



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

Note: ALADI = Latin American Integration Association; CARICOM = Caribbean Community; MERCOSUR = Common Market of the South; SICA = Central American Integration System.

Figure 4. Latin America and the Caribbean: announced intraregional greenfield investment projects, 2017 and 2022 (Per cent)



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

Table 1. Latin America and the Caribbean: FDI inflows and cross-border M&A sales, 2020–2022 (Billions of dollars, number and per cent)

Subregion/selected economy	FDI				Net cross-border M&A sales							
	Value				Value				Number			
	2020	2021	2022	Growth rate, 2021–2022 (%)	2020	2021	2022	Growth rate, 2021–2022 (%)	2020	2021	2022	Growth rate, 2021–2022 (%)
Latin America and the Caribbean	90	138	208	51	8	8	15	80	210	265	303	14
South America	53	93	160	73	6	5	5	-1	159	193	214	11
Argentina	5	7	15	122	-0.3	-	1	..	1	10	18	80
Brazil	28	51	86	70	5	3	2	-45	107	88	104	18
Chile	11	13	20	50	0.3	1	2	287	14	29	34	17
Colombia	7	9	17	82	0.5	1	0.5	-67	18	39	33	-15
Peru	-0.4	6	12	103	0.2	0.1	-	..	10	15	9	-40
Uruguay	1	2	4	71	0.1	-	-	..	6	4	10	150
Central America	33	43	44	5	3	1	9	1 248	47	61	74	21
Costa Rica	2	3	3	-6	-	-	-	..	2	6	3	-50
Guatemala	1	3	1	-61	-	-	-	..	-	2	2	0
Mexico	28	32	35	12	3	1	8	1 392	41	54	63	17
Caribbean	4	3	4	53	-1	3	1	-53	4	11	15	36
Dominican Republic	3	3	4	25	-	-	-	..	-	1	3	200
<i>Memorandum</i>												
World	962	1 478	1 295	-12	475	737	707	-4	6 201	8 571	7 763	-9
Developed economies	315	597	378	-37	389	624	599	-4	5 333	7 610	6 710	-12
Developing economies	647	881	916	4	86	113	107	-5	868	961	1 053	10

Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>) and information from Refinitiv SA.

Note: Data excludes financial centres in the Caribbean and special-purpose entities in reporting countries.

Table 2. Latin America and the Caribbean: announced greenfield projects and international project finance deals, 2020–2022
(Billions of dollars, number and per cent)

Subregion/selected economy	Greenfield investment projects								International project finance deals							
	Value				Number				Value				Number			
	2020	2021	2022	Growth rate, 2021–2022 (%)	2020	2021	2022	Growth rate, 2021–2022 (%)	2020	2021	2022	Growth rate, 2021–2022 (%)	2020	2021	2022	Growth rate, 2021–2022 (%)
Latin America and the Caribbean	65	65	102	57	1 058	1 231	1 409	14	51	118	112	-5	212	351	287	-18
Central America	18	20	49	148	460	571	691	21	8	9	20	120	27	36	41	14
Costa Rica	2	2	3	59	105	144	156	8	-	0.1	0.3	78	-	1	1	0
Guatemala	0.1	0.4	1	25	7	12	22	83	-	1	-	..	-	2	-	..
Mexico	14	17	41	139	306	378	482	28	5	6	19	194	21	24	33	38
South America	44	44	49	11	576	632	679	7	43	104	90	-14	178	294	235	-20
Argentina	4	6	7	11	63	104	72	-31	1	16	4	-77	5	18	13	-28
Brazil	17	23	18	-22	223	187	242	29	22	45	58	27	78	107	138	29
Chile	5	5	6	5	80	82	98	20	11	24	21	-12	53	90	46	-49
Colombia	2	4	2	-59	113	139	152	9	3	7	3	-48	17	39	18	-54
Peru	2	2	1	-43	43	60	50	-17	2	7	1	-85	11	22	5	-77
Uruguay	0.2	1	1	-17	16	22	25	14	0.3	0.1	1	686	3	1	3	200
Caribbean	3	1	4	247	22	28	39	39	1	4	1	-68	7	21	11	-48
Dominican Republic	3	1	4	381	16	13	30	131	-	2	0.5	-77	-	8	5	-38
<i>Memorandum</i>																
World	604	739	1 213	64	13 394	15 318	17 598	15	534	1 384	1 044	-25	1 353	2 383	2 564	8
Developed economies	333	465	639	37	9 101	10 342	10 790	4	300	774	665	-14	797	1 413	1 549	10
Developing economies	271	274	573	110	4 293	4 976	6 808	37	234	609	379	-38	556	970	1 015	5

Source: UNCTAD based on information from The Financial Times Ltd, fDi Markets (www.fDimarkets.com) and Refinitiv SA.

Note: Data excludes financial centres in the Caribbean.

Table 3. Latin America and the Caribbean: announced greenfield projects, by sector and selected industries, 2020–2022 (Millions of dollars, number and per cent)

Sector/industry	Value			Growth rate, 2021–2022 (%)	Number			Growth rate, 2021–2022 (%)
	2020	2021	2022		2020	2021	2022	
Total	64 668	64 808	101 679	57	1 058	1 231	1 409	14
Primary	9 930	2 453	25 343	933	20	17	22	29
Manufacturing	20 261	27 283	42 041	54	412	513	561	9
Services	34 478	35 072	34 295	-2	626	701	826	18
<i>Top 10 industries in value terms</i>								
Extractive industries	9 559	2 385	24 963	947	8	15	14	-7
Automotive	4 522	11 172	13 962	25	56	96	86	-10
Energy and gas supply	16 155	14 029	10 950	-22	104	59	42	-29
Information and communication	5 687	11 460	7 196	-37	198	321	368	15
Food, beverages and tobacco	2 183	2 112	6 321	199	36	51	48	-6
Transportation and storage	2 613	3 158	5 312	68	48	55	75	36
Finance and insurance	2 015	2 784	4 604	65	42	45	62	38
Electronics and electrical equipment	1 700	1 384	3 784	173	68	73	85	16
Wood products	-	-	3 018	..	1	1	2	100
Coke and refined petroleum	3 473	1 274	2 810	121	8	5	6	20

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

Table 4. Latin America and the Caribbean: announced international project finance deals, selected industries, 2020–2022 (Millions of dollars, number and per cent)

Sector/industry	Value			Growth rate, 2021–2022 (%)	Number			Growth rate, 2021–2022 (%)
	2020	2021	2022		2020	2021	2022	
Total	51 391	118 170	111 770	-5	212	351	287	-18
<i>Top 10 industries by number</i>								
Renewable energy	24 539	37 650	40 657	8	143	175	173	-1
Mining	7 538	15 815	20 655	31	28	61	24	-61
Transport infrastructure	1 663	11 917	10 104	-15	5	27	20	-26
Power	1 565	17 925	6 026	-66	6	21	17	-19
Oil and gas	14 327	13 418	7 191	-46	18	25	11	-56
Industrial real estate	-	4 550	3 333	-27	-	12	10	-17
Telecommunication	983	4 209	6 006	43	6	9	10	11
Residential/commercial real estate	264.1	2 373	1 925	-19	1	5	9	80
Petrochemicals	-	9 600	9 376	-2	-	7	7	0
Water and sewerage	53.8	149.6	6 415	..	2	1	4	300

Source: UNCTAD, based on information from Refinitiv SA.

Table 5. Latin America and the Caribbean: net cross-border M&A sales, by sector and selected industries, 2020–2022 (Millions of dollars, number and per cent)

Sector/industry	Value			Growth rate, 2021–2022 (%)	Number			Growth rate, 2021–2022 (%)
	2020	2021	2022		2020	2021	2022	
Total	7 808	8 119	14 630	80	210	265	303	14
Primary	1 907	1 640	1 174	-28	17	12	12	0
Manufacturing	203	31	3 812	..	29	28	57	104
Services	5 697	6 448	9 644	50	164	225	234	4
<i>Top 10 industries in value terms</i>								
Information and communication	439	797	5 925	644	38	64	70	9
Finance and insurance	1 198	2 853	2 000	-30	14	27	20	-26
Food, beverages and tobacco	-175	-67	1 937	..	5	4	8	100
Chemicals	218	120	1 628	..	6	2	16	700
Extractive industries	1 468	1 603	1 212	-24	11	5	6	20
Paper and paper products	13	15	1 172	..	1	4	5	25
Trade	78	-448	623	..	36	10	31	210
Education	-202	-375	447	..	2	7	8	14
Utilities	431	1 953	335	-83	11	27	13	-52
Electronics and electrical equipment	-	-	255	..	-3	2	9	350

Source: UNCTAD, based on information from Refinitiv SA.

Table 6. Latin America and the Caribbean: investment project announcements in SDG-relevant sectors, 2020–2022 (Millions of dollars, number and per cent)

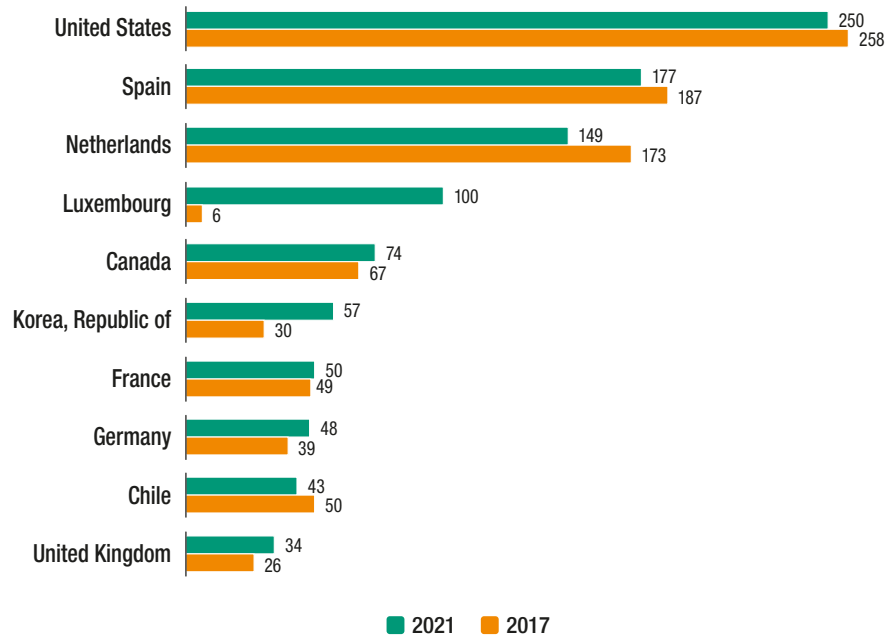
SDG-relevant sector	Greenfield projects				International project finance deals			
	2020	2021	2022	Growth rate, 2021–2022 (%)	2020	2021	2022	Growth rate, 2021–2022 (%)
Total								
Value	26 821	30 821	29 045	-6	29 099	72 283	69 290	-4
Number of projects	335	384	323	-16	164	238	226	-5
Power ^a								
Value	1 717	915	98	-89	1 565	17 925	6 026	-66
Number of projects	5	8	5	-38	6	21	17	-19
Renewable energy								
Value	14 438	13 161	10 950	-17	24 539	37 650	40 657	8
Number of projects	100	55	42	-24	143	175	173	-1
Transport services ^b								
Value	2 313	2 933	5 086	73	1 663	11 917	10 104	-15
Number of projects	47	54	73	35	5	27	20	-26
Telecommunication								
Value	4 490	9 095	3 895	-57	983	4 209	6 006	43
Number of projects	60	93	56	-40	6	9	10	11
Water, sanitation and hygiene (WASH)								
Value	-	174	11	-94	54	150	6 415	4189
Number of projects	-	5	2	-60	2	1	4	300
Agrifood systems								
Value	3 001	3 182	8 121	155	176	410	-	..
Number of projects	66	83	86	4	1	1	-	..
Health								
Value	793	1 302	867	-33	120	-	-	..
Number of projects	47	76	51	-33	1	-	-	..
Education								
Value	69	59	17	-72	-	22	80	258
Number of projects	10	10	8	-20	-	4	2	-50

Source: UNCTAD, based on information from The Financial Times Ltd, fDi Markets (www.fDimarkets.com) and Refinitiv SA.

^a Excluding renewable energy.

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

Figure 5. Latin America and the Caribbean: top 10 investor economies by FDI stock, 2017 and 2021
(Billions of dollars)



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