

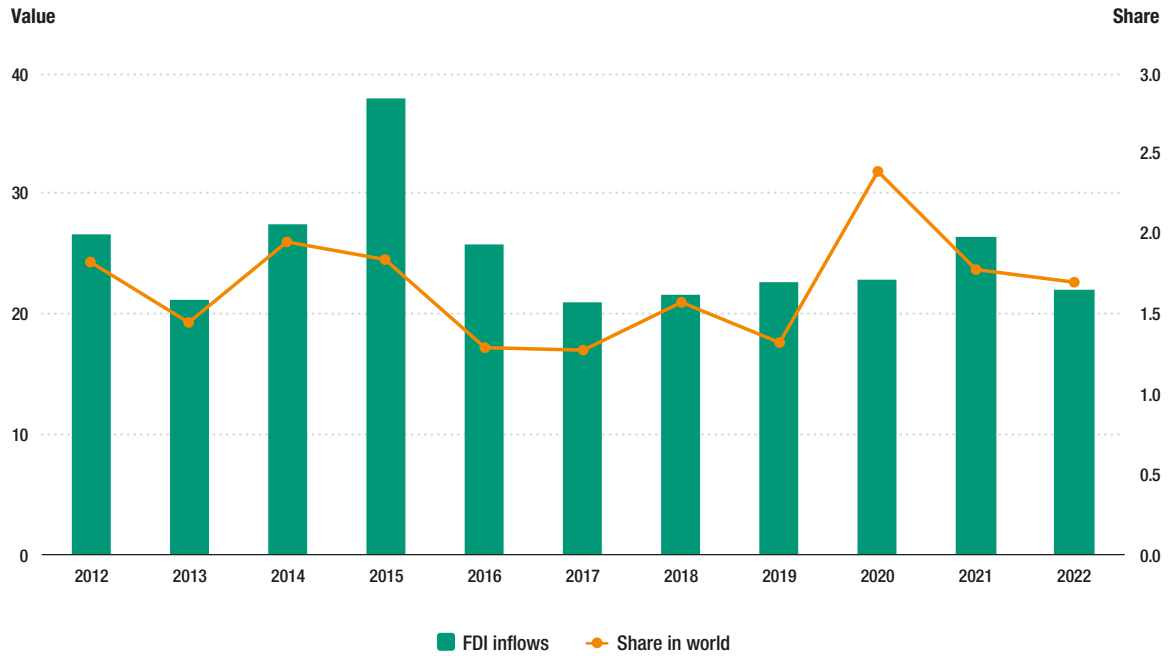
# REGIONAL TRENDS

# LEAST DEVELOPED COUNTRIES

## H I G H L I G H T S

- FDI in LDCs declined by 16 per cent to \$22 billion. Flows remained concentrated, with the top five recipients (Ethiopia, Cambodia, Bangladesh, Senegal and Mozambique, in that order) accounting for about 70 per cent of the total.
- Because FDI flows are driven in part by investments already present in a country, e.g. through reinvested earnings, the rankings are different for project announcements. In international project finance the top recipients were Cambodia, Niger, the Lao People's Democratic Republic, the United Republic of Tanzania and Sudan, in that order. For greenfield projects, the top recipients were the United Republic of Tanzania, Bangladesh, Senegal, Cambodia and Rwanda.
- FDI in the 33 African LDCs accounted for 58 per cent of all LDC inflows. Inflows exceeded \$1 billion in seven African LDCs. Ethiopia was the largest recipient of FDI in the group, at \$3.7 billion – a 14 per cent decrease from 2021. In Senegal, FDI flows remained flat at \$2.6 billion. FDI to the Democratic Republic of the Congo was also flat at \$1.8 billion, with investment remaining buoyant because of flows to offshore oil fields and mining.
- In the nine Asian LDCs, FDI inflows rose by 2 per cent to \$9.2 billion. In Cambodia, FDI increased by 3 per cent to \$3.6 billion. Although greenfield project values in the country remained small, at only \$661 million, there were 12 international project finance deals with a total value of \$1.2 billion.
- The number and value of greenfield project announcements in LDCs increased in 2022, by 6 per cent and 91 per cent, respectively. Yet, they remained below their 10-year average, at about half in number and a quarter in value. Announced greenfield projects in extractive industries jumped to \$11.5 billion from \$1.4 billion in 2021.
- International project finance deals announced in LDCs decreased by 9 per cent in number and by 68 per cent in value, to \$20 billion. Renewable energy projects continued to account for the largest number of projects (24).
- Investment activity in LDCs across sectors relevant for the attainment of the SDGs remained weak in 2022. The number of all investment projects (both greenfield and international project finance) fell in important SDG sectors, including infrastructure, renewables and education. They rose in agrifood systems, WASH (water, sanitation and hygiene) and health.
- MNEs from developing countries play an increasingly important role in LDCs. China continued to be the largest source of FDI, with its FDI stock in LDCs reaching \$48 billion – a 21 per cent rise from 2017.

**Figure 1. | LDCs: 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.

**Table 1. LDCs: FDI inflows and cross-border M&A sales, 2020–2022** (Millions 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 (%)
<b>LDCs</b>	<b>22 965</b>	<b>26 397</b>	<b>22 043</b>	<b>-16</b>	<b>421</b>	<b>-1 843</b>	<b>35</b>	<b>..</b>	<b>26</b>	<b>20</b>	<b>14</b>	<b>-30</b>
Africa (33)	14 530	17 337	12 798	-26	417	-1 794	-25	..	15	15	11	-27
Angola	-1 866	-4 355	-6 142	..	-	- 600	-	..	1	-2	1	..
Congo, Democratic Republic of the	1 647	1 870	1 846	-1	-	-	-	..	-	-	-	..
Ethiopia	2 381	4 259	3 670	-14	-	-	-	..	3	-	-	..
Mali	537	640	253	-60	-	81	-	..	-	3	-	..
Mozambique	3 035	5 102	1 975	-61	-	-	-	..	1	-1	-1	..
Senegal	1 846	2 588	2 586	0	400	188	-	..	2	1	3	200
United Republic of Tanzania	944	1 033	1 111	8	-	1	-	..	-	2	2	0
Zambia	245	-352	116	..	-	-1 500	-	..	1	3	-	..
Asia (9)	8 398	8 980	9 164	2	-	-48	60	..	8	4	3	-25
Bangladesh	2 564	2 896	3 480	20	-	-48	54	..	-	2	2	0
Cambodia	3 625	3 483	3 579	3	-	-	35	..	2	2	1	-50
Lao People's Democratic Republic	968	1 072	528	-51	-	-	-	..	-	-	-	..
Myanmar	1 907	2 067	1 239	-40	-	-	-30	..	4	-	-1	..
Latin America and the Caribbean (1)	25	51	39	-23	-	-	-	..	-	-	-	..
Haiti	25	51	39	-23	-	-	-	..	-	-	-	..
Oceania (3)	12	29	42	44	4	-	-	..	3	1	-	..
Kiribati	3	1	1	0	-	-	-	..	-	-	-	..
Solomon Islands	9	28	41	47	4	-	-	..	3	1	-	..
Tuvalu	0.1	0.2	-	..	-	-	-	..	-	-	-	..
<i>Memorandum</i>												
World	961 983	1 478 137	1 294 738	-12	474 864	737 452	706 572	-4	6 201	8 571	7 763	-9
Developed economies	315 461	597 243	378 320	-37	388 581	624 070	599 315	-4	5 333	7 610	6 710	-12
Developing economies	646 522	880 894	916 418	4	86 283	113 382	107 257	-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. LDCs: announced greenfield projects and international project finance deals, 2020–2022** (Millions 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 (%)
<b>LDCs</b>	<b>18 125</b>	<b>13 777</b>	<b>26 351</b>	<b>91</b>	<b>191</b>	<b>158</b>	<b>167</b>	<b>6</b>	<b>38 408</b>	<b>62 549</b>	<b>19 963</b>	<b>-68</b>	<b>83</b>	<b>81</b>	<b>74</b>	<b>-9</b>
Africa (33)	11 010	12 187	24 522	101	139	126	120	-5	31 426	54 236	16 048	-70	59	48	46	-4
Angola	3 437	2 594	359	-86	17	9	5	-44	1 996	3 049	372	-88	8	4	2	-50
Congo, Democratic Republic of the	1 172	197	3 309	1 583	12	4	6	50	2 891	699	934	34	8	2	4	100
Ethiopia	530	137	558	308	11	7	6	-14	4 267	692	213	-69	3	5	1	-80
Mali	479	449	225	-50	4	3	1	-67	290	451	-	..	2	2	-	..
Mozambique	705	2 463	1 369	-44	8	8	7	-13	1 627	789	233	-70	7	4	2	-50
Senegal	606	654	1 426	118	10	8	14	75	1 870	738	1 194	62	6	4	2	-50
United Republic of Tanzania	234	1 009	1 353	34	12	15	24	60	2 140	1 129	944	-16	3	1	6	500
Zambia	887	804	1 698	111	12	11	9	-18	11 476	-	2 208	..	11	4	-	..
Asia (9)	7 115	1 590	1 829	15	52	32	47	47	6 983	8 291	3 804	-54	24	32	26	-19
Bangladesh	805	1 036	456	-56	16	15	21	40	1 675	4 317	117	-97	5	14	1	-93
Cambodia	1 630	125	661	430	13	9	11	22	152	948	1 200	27	3	9	12	33
Lao People's Democratic Republic	103	131	-	..	2	2	-	..	3 332	347	1 181	240	6	3	6	100
Myanmar	4 268	149	89	-40	15	3	5	67	1 655	128	237	85	8	1	3	200
Latin America and the Caribbean (1)	-	-	-	..	-	-	-	..	-	-	-	..	-	-	-	..
Haiti	-	-	-	..	-	-	-	..	-	-	-	..	-	-	-	..
Oceania (3)	-	-	-	..	-	-	-	..	-	22	111	404	-	1	2	100
Kiribati	-	-	-	..	-	-	-	..	-	-	-	..	-	-	-	..
Solomon Islands	-	-	-	..	-	-	-	..	-	22	66	201	-	1	1	0
Tuvalu	-	-	-	..	-	-	-	..	-	-	45	..	-	-	1	..
World	603 933	738 636	1 212 651	64	13 394	15 318	17 598	15	534 407	1 383 799	1 044 046	-25	1 353	2 383	2 564	8
Developed economies	333 356	465 124	639 446	37	9 101	10 342	10 790	4	300 141	774 305	665 215	-14	797	1 413	1 549	10
Developing economies	270 577	273 512	573 205	110	4 293	4 976	6 808	37	234 267	609 494	378 831	-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. LDCs: 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	
<b>Total</b>	18 125	13 777	26 351	91	191	158	167	6
<b>Primary</b>	606	1 573	11 471	629	7	7	9	29
<b>Manufacturing</b>	5 441	2 216	2 263	2	56	42	46	10
<b>Services</b>	12 077	9 988	12 618	26	128	109	112	3
<i>Top 10 industries in value terms</i>								
Extractive industries	377	1 439	11 471	697	5	4	9	125
Energy and gas supply	7 205	5 337	5 688	7	24	10	13	30
Transportation and storage	1 077	943	4 284	354	17	25	19	-24
Information and communication	2 320	1 942	1 031	-47	31	31	25	-19
Hospitality	40	201	628	213	3	2	7	250
Other non-metallic mineral products	877	902	420	-53	14	4	3	-25
Chemicals	-	42	366	769	-	2	6	200
Food, beverages and tobacco	205	250	333	33	6	2	7	250
Professional services	167	333	319	-4	6	17	17	0
Basic metal and metal products	-	502	290	-42	-	4	1	-75

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

**Table 4. LDCs: 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	
<b>Total</b>	38 408	62 549	19 963	-68	83	81	74	-9
<i>Top 10 industries by number</i>								
Renewable energy	12 885	4 508	5 891	31	34	32	24	-25
Mining	3 878	1 524	2 349	54	14	9	10	11
Power	4 092	42 811	1 811	-96	7	7	7	0
Industrial real estate	976	1 150	805	-30	5	6	6	0
Transport infrastructure	13 977	2 963	4 858	64	7	6	6	0
Water and sewerage	354	138	1 001	623	2	2	5	150
Residential/commercial real estate	549	631	353	-44	4	5	4	-20
Telecommunication	-	527	319	-39	-	3	4	33
Agriculture	-	-	1 932	..	-	-	3	..
Oil and gas	1 273	8 055	407	-95	6	8	3	-63

Source: UNCTAD, based on information from Refinitiv SA.

**Table 5. LDCs: 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	
<b>Total</b>	421	-1 843	35	..	<b>26</b>	20	<b>14</b>	-30
<b>Primary</b>	404	-1 419	-25	..	7	8	1	-88
<b>Manufacturing</b>	17	-	2	..	3	-	3	..
<b>Services</b>	0	-424	58	..	16	12	10	-17
<i>Top 10 industries in value terms</i>								
Utilities	-	-	53	..	-1	2	1	-50
Transportation and storage	-	-	35	..	2	1	1	0
Textiles, clothing and leather	-	-	1	..	-	-	1	..
Electronics and electrical equipment	-	-	1	..	-	-	1	..
Agriculture	-	-	-	..	-	1	-1	..
Food, beverages and tobacco	-	-	-	..	1	-	1	..
Professional services	-	-	-	..	1	1	2	100
Hospitality	-	-	-	..	1	1	2	100
Construction	-	-	-	..	-	-1	1	..
Information and communication	-	-	-	..	3	1	3	200

Source: UNCTAD, based on information from Refinitiv SA.

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

SDG-relevant sector	Greenfield investment projects				International project finance deals			
	2020	2021	2022	Growth rate, 2021–2022 (%)	2020	2021	2022	Growth rate, 2021–2022 (%)
<b>Total</b>								
<b>Value</b>	<b>11 067</b>	<b>8 428</b>	<b>8 358</b>	<b>-1</b>	<b>31 307</b>	<b>51 189</b>	<b>15 828</b>	<b>-69</b>
<b>Number of projects</b>	<b>85</b>	<b>69</b>	<b>61</b>	<b>-12</b>	<b>50</b>	<b>53</b>	<b>50</b>	<b>-6</b>
Power <sup>a</sup>								
Value	3 452	2 000	1 717	-14	4 092	42 811	1 811	-96
Number of projects	4	1	2	100	7	7	7	0
Renewable energy								
Value	3 758	3 337	3 970	19	12 885	4 508	5 891	31
Number of projects	21	9	11	22	34	32	24	-25
Transport <sup>b</sup>								
Value	1 077	449	784	74	13 977	2 963	4 858	64
Number of projects	17	22	18	-18	7	6	6	0
Telecommunication								
Value	2 190	1 764	858	-51	-	527	319	-39
Number of projects	22	20	11	-45	-	3	4	33
Water, sanitation and hygiene (WASH)								
Value	-	136	150	10	354	138	1 001	623
Number of projects	-	1	1	0	2	2	5	150
Agrifood systems								
Value	479	426	704	65	-	-	1 932	..
Number of projects	12	7	13	86	-	-	3	..
Health								
Value	77	180	168	-7	-	-	16	..
Number of projects	5	3	4	33	-	-	1	..
Education								
Value	33	136	7	-95	-	242	-	..
Number of projects	4	6	1	-83	-	3	-	..

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

<sup>a</sup> Excluding renewable energy.

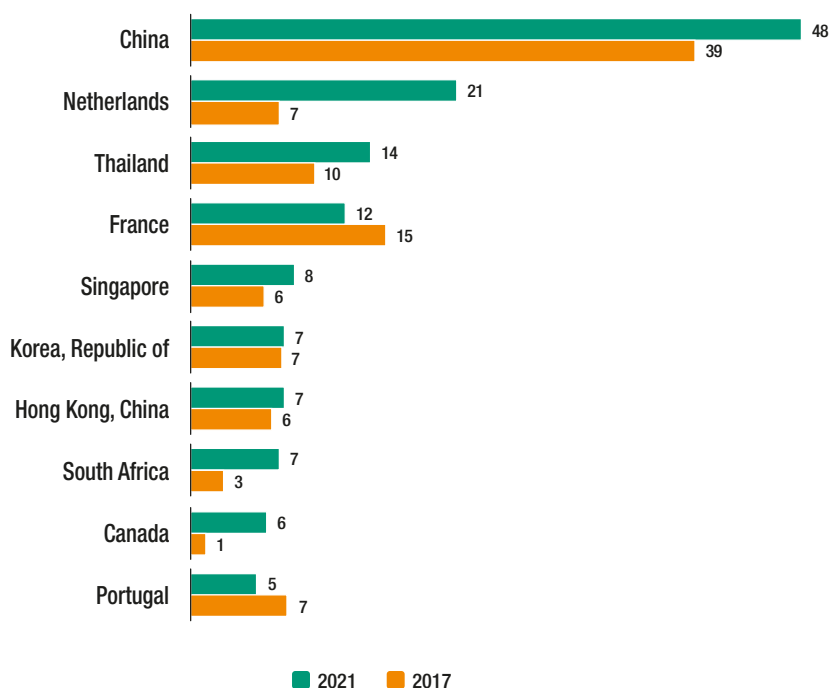
<sup>b</sup> Transport services for greenfield projects and transport infrastructure for project finance.

**Table 7. LDCs: investment project announcements in productive capacity, 2020–2022**  
(Millions of dollars, number and per cent)

Productive capacity-relevant sector	Greenfield investment projects				International project finance deals			
	2020	2021	2022	Growth rate, 2021–2022 (%)	2020	2021	2022	Growth rate, 2021–2022 (%)
<b>Total</b>								
Value	17 722	13 583	22 912	69	33 952	60 394	17 261	-71
Number of projects	207	160	172	8	64	67	60	-10
Energy								
Value	7 205	5 271	3 073	-42	18 646	55 374	8 330	-85
Number of projects	24	7	9	29	50	47	35	-26
Human capital								
Value	43	271	243	-11	354	380	1 017	168
Number of projects	5	7	5	-29	2	5	6	20
Information and communication technology								
Value	2 320	1 942	1 031	-47	-	527	319	-39
Number of projects	31	31	25	-19	-	3	4	33
Natural capital								
Value	3 056	1 573	11 471	629	-	-	1 932	..
Number of projects	10	7	9	29	-	-	3	..
Private sector development								
Value	913	592	718	21	-	-	-	..
Number of projects	45	31	42	35	-	-	-	..
Structural change								
Value	4 185	3 425	2 861	-16	976	1 150	805	-30
Number of projects	92	72	79	10	5	6	6	0
Transportation								
Value	-	509	3 516	591	13 977	2 963	4 858	64
Number of projects	-	5	3	-40	7	6	6	0

Source: UNCTAD, based on information from The Financial Times Ltd, fDi Markets (www.fDimarkets.com) and Refinitiv SA. For the methodology for calculating investment in productive capacity, see *WIR21*, chapter IV, and UNCTAD's Productive Capacities Index.

**Figure 2. LDCs: top 10 investor economies by FDI stock, 2017 and 2021** (Billions of dollars)



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