

PRESS RELEASE

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DEVELOPING ASIA: LARGE JUMP IN GREENFIELD INVESTMENT IN 2023

Developing economies of Asia are home to 60% of the world's megaprojects, the latest World Investment Report shows.

Geneva, 20 June 2024 - The World Investment Report 2024 ([link to mini site](#)), published today, spotlights a significant increase in greenfield foreign direct investment (FDI) to developing economies in Asia.

In 2023, these economies experienced a 44% rise in the overall value of greenfield investment announcements and a 22% increase in the number of such announcements, where companies establish or expand their operations overseas.

Data visualization: https://www.datawrapper.de/_/p1CVp/

More broadly, while foreign investment flows to developing Asia receded in 2023, they remained high at \$621 billion.

The continent, led by East and Southeast Asia, continued to be the world's largest recipient of FDI, accounting for nearly half of global inflows.

Data visualization: https://www.datawrapper.de/_/sDhXn/

Cross-border mergers and acquisitions (M&A), which usually constitute 10% to 15% of foreign investments in developing Asia, declined by almost \$30 billion to \$57 billion in 2023. This decline accounted for about half of the total drop in FDI inflows to the region.

China and its Hong Kong Special Administrative Region (SAR) continue to be the largest investors in the region by total FDI stock, followed by the United States, Japan, and Singapore.

Data visualization: https://www.datawrapper.de/_BV5OA/

Subregional trends

In **East Asia**, FDI inflows fell by 9%, primarily due to declines in China and Hong Kong SAR. While the estimated value of greenfield announcements shot up by 65%, overall growth was offset by a 58% decline in the value of project finance deals.

FDI inflows to **Southeast Asia** remained stable, with an increase in M&A sales. The number of greenfield announcements surged by 42%, adding \$62 billion more in value. However, this gain was countered by a \$64 billion fall in the value of international project finance deals.

The decline in FDI inflows to **South Asia** is mostly explained by a 43% decrease in India, while flows to other countries remained relatively stable.

In **West Asia**, FDI dropped by 9% due to lower M&A sales. However, the region posted growth in both the number and value of greenfield investments and project finance deal announcements, particularly in Saudi Arabia, Türkiye, and the United Arab Emirates.

In **Central Asia**, FDI receded by 27%. However, stable performance in greenfield investment announcements and international project finance deals gives optimism for improved prospects in 2024.

Investing in sustainable development

Across developing Asia, investment in sectors linked to the Sustainable Development Goals rose modestly.

The number of announced greenfield projects in these sectors grew by 30% to 1,225 projects with a 54% rise in value, notably in renewable energy, transport, and telecommunication.

By contrast, the number of international projects finance deals dipped by 17%, partly offsetting gains in greenfield FDI for sustainable development.

****About UN Trade and Development: ****

UN Trade and Development (formerly known as UNCTAD) is dedicated to promoting inclusive and sustainable development through trade and investment. With a diverse membership, it empowers countries to harness trade for prosperity.

Note to Editors: High-resolution images of the new logo and branding materials are available upon request. Additional background information and quotes can be provided upon request.

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