



Regional trends

# Developing Asia

## Highlights

Foreign direct investment (FDI) flows to developing Asia receded in 2023 but remained elevated, at \$621 billion. The region was by far the largest recipient of FDI, accounting for nearly half of global inflows. East and South-East Asia were the main recipients. Flows declined in East Asia, with a significant drop in China. In South-East Asia, inflows remained stable as a result of robust economic growth and extensive global value chain (GVC) linkages. The decline in FDI flows to West Asia was moderate, whereas South and Central Asia registered sizeable declines, especially in India and in Kazakhstan. Cross-border merger and acquisition (M&A) sales, which usually constitute 10 to 15 per cent of FDI in developing Asia, declined by almost \$30 billion in 2023 to \$57 billion, representing about half of the total drop in FDI inflows to the region.

- In East Asia FDI inflows fell by 9 per cent, with more than 95 per cent of total inflows explained by flows to China and Hong Kong, China. The estimated value of announced greenfield projects grew (by 65 per cent) but was offset by a downturn in the value of international project finance deals (down 58 per cent).
- FDI inflows to South-East Asia were stable, and M&A sales picked up. The number of greenfield projects announced increased 42 per cent, with a large increase in value as well (up \$62 billion). Again, this was offset by a decline in the value of international project finance deals (\$64 billion).
- The decline in FDI inflows to South Asia is mostly explained by flows to India (down 43 per cent), while flows to other countries in the subregion were relatively stable. The subregion was somewhat less affected by the downturn in international project finance deals (down 19 per cent in number), and it registered moderate growth in the number of greenfield projects (up 7 per cent), with their value up 29 per cent.
- FDI inflows to West Asia dropped (by 9 per cent) as a result of lower M&A sales, but the region posted growth in the number and value of both announced greenfield projects and international project finance deals.
- FDI to Central Asia also receded (down 27 per cent). Prospects appear better, with growth in the value and number of announced greenfield projects. The value of international project finance deals also increased, while their numbers were relatively stable.

The overall value and number of greenfield projects announced in developing Asia both increased significantly in 2023, by 44 per cent and 22 per cent, respectively. South-East Asia saw a 42 per cent increase in greenfield project announcements, driven in large part by investment in the electronics and vehicle production industries. Asia continued to attract megaprojects, with 6 of the 10 largest projects worldwide located in developing Asia, 4 of them in South-East Asia. Indonesia was a top destination for greenfield projects by value. Notable projects included upstream investments by Chinese glass and solar manufacturer Xinyi Group totalling \$11 billion and a \$9 billion battery supply chain for electric vehicles being developed by a consortium of European and Indonesian companies.

The number of international project finance deals in developing Asia declined by 25 per cent. West Asia was the only exception; the total number of deals there increased to 94 in 2023 from 50 in 2022, with values growing by 32 per cent to \$57 billion. Saudi Arabia, Türkiye and the United Arab Emirates all saw higher deal numbers. Elsewhere in Asia, most countries registered lower numbers. An important trend in the region as a whole was the decline in international project finance in renewable energy (along with most industrial sectors) and the increase in such deals in petrochemicals.

Across developing Asia, investment in sectors relevant to the Sustainable Development Goals (SDGs) rose modestly. The number of announced greenfield projects in these sectors grew by 30 per cent to 1,225 (and by



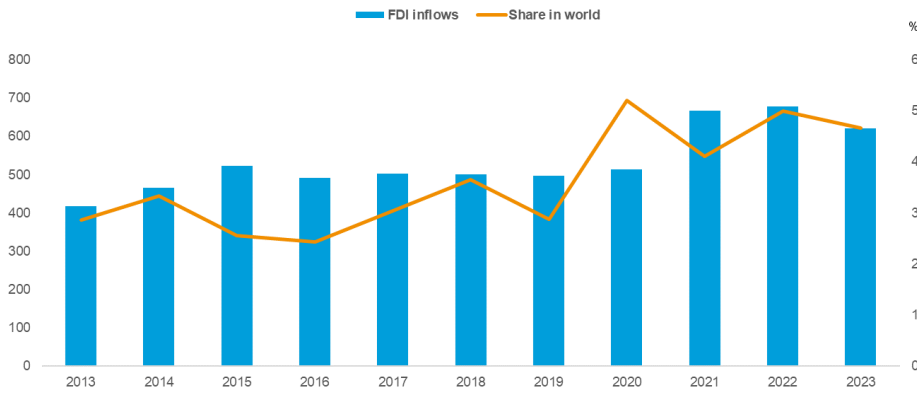
54 per cent in value, to \$146 billion), with values increasing for renewables, transport and telecommunication. The number of international project finance deals in SDG-relevant sectors dropped by 17 per cent, partly offsetting the gains in greenfield projects.

Investors from China and Hong Kong, China continued to be the largest in the region (by total FDI stock), followed by those from the United States, Japan and Singapore. FDI inflows increased for most regional economic groupings in developing Asia over the past five years, with large gains for both the Association of Southeast Asian Nations and the Regional Comprehensive Economic Partnership.



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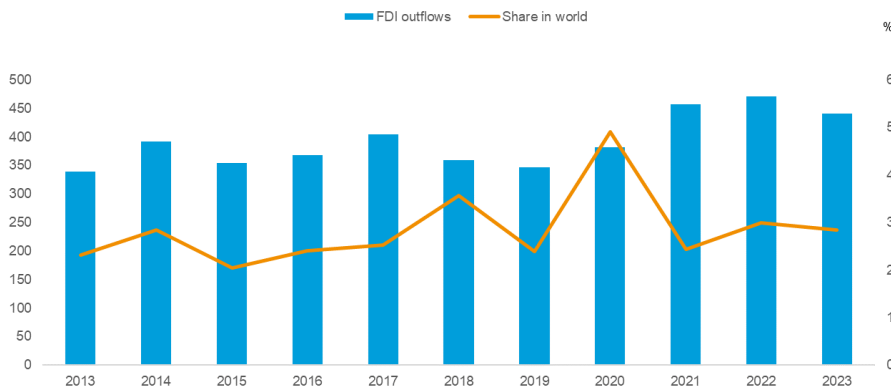
**Figure 1**  
**Developing Asia: FDI inflows and share in world inflows**  
 (Billions of dollars and percentage)



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

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

**Figure 2**  
**Developing Asia: FDI outflows and share in world outflows**  
 (Billions of dollars and percentage)



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



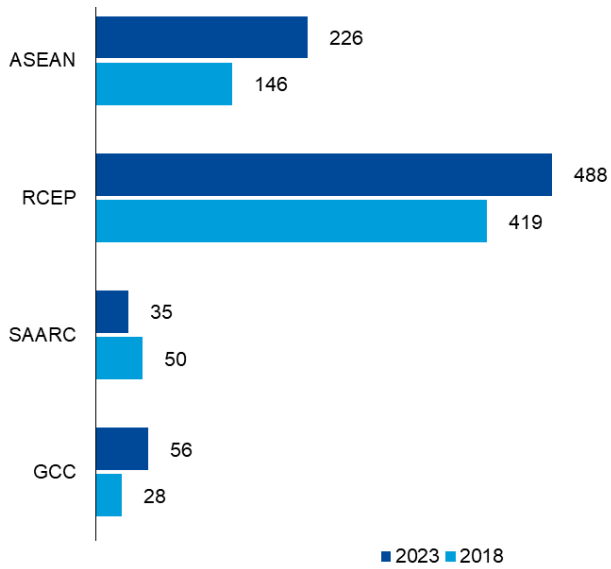
Note: Data exclude financial centres in the Caribbean and special-purpose entities in reporting countries.

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**Figure 3**  
**Developing Asia: FDI inflows by regional grouping**  
(Billions of dollars)



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

Abbreviations: ASEAN = Association of Southeast Asian Nations, GCC = Gulf Cooperation Council, RCEP = Regional Comprehensive Economic Partnership, SAARC = South Asian Association for Regional Cooperation.



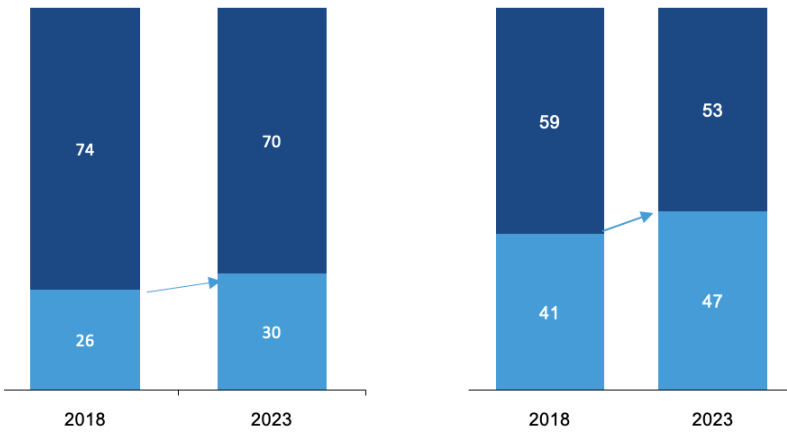
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**Figure 4**  
**Developing Asia: announced intraregional greenfield investment projects**  
 (Percentage)

■ Intraregional    ■ Extraregional

**a. Number**

**b. Value**



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

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**Table 1**  
**Developing Asia: FDI inflows and cross-border M&A sales**

Subregion/selected economy	FDI				Net cross-border M&A sales							
	Value (Billions of dollars)			Growth, 2022-2023 (%)	Value (Billions of dollars)			Growth, 2022-2023 (%)	Number			Growth, 2022-2023 (%)
	2021	2022	2023		2021	2022	2023		2021	2022	2023	
<b>Asia</b>	<b>667</b>	<b>678</b>	<b>621</b>	<b>-8</b>	<b>100</b>	<b>84</b>	<b>57</b>	<b>-32</b>	<b>568</b>	<b>629</b>	<b>505</b>	<b>-20</b>
East Asia	334	315	286	-9	11	30	23	-23	154	120	86	-28
China	181	189	163	-14	4	15	21	41	77	53	36	-32
Hong Kong, China	140	110	113	3	6	12	2	-85	65	55	39	-29
Taiwan Province of China	5	10	6	-44	-	3	-0.1	-	10	8	9	13
South-East Asia	208	223	226	1	50	12	28	130	170	199	187	-6
Indonesia	21	25	22	-15	1	0.8	-	-	16	23	21	-9
Malaysia	12	17	9	-49	0.5	1	-0.6	-	31	30	18	-40
Philippines	12	6	6	5	2	-2	2	-	15	10	10	0
Singapore	127	141	160	13	45	11	7	-42	72	96	86	-10
Thailand	14	11	5	-59	-	0.2	-4	-	12	19	22	16
Viet Nam	16	18	19	3	0.5	0.7	25	3517	22	21	28	33
South Asia	53	58	36	-37	8	5	3	-32	135	182	134	-26
Bangladesh	3	3	3	-14	-	0.1	-	-	2	2	-	-
India	45	49	28	-43	8	5	3	-39	127	175	132	-25
Pakistan	2	1	2	24	-	-	0.4	-	4	2	4	100
West Asia	64	72	65	-9	31	37	3	-91	97	117	86	-26
Saudi Arabia	23	28	12	-56	24	16	-0.2	-	12	3	3	0
Türkiye	11	13	10	-22	1	2	0.7	-72	36	38	27	-29
United Arab Emirates	21	23	31	35	2	7	2	-77	25	50	35	-30
Central Asia	7	10	7	-27	0.5	-	-0.7	-	12	11	12	9
Kazakhstan	3	7	3	-51	0.4	-0.1	-1	-	6	1	3	200
Uzbekistan	2	2	2	-12	-	0.1	0.3	116	4	10	8	-20
<i>Memorandum</i>												
World	1 622	1 356	1 332	-2	737	707	378	-46	8 571	7 763	6 717	-13
Developed economies	732	426	464	9	624	599	302	-50	7 610	6 710	5 862	-13
Developing economies	890	930	867	-7	113	107	76	-29	961	1 053	855	-19

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

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

Abbreviations: FDI = foreign direct investment, M&As = mergers and acquisitions.





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**Table 2**  
Developing Asia: announced greenfield projects and international project finance deals

Subregion/selected economy	Announced greenfield projects				International project finance deals											
	Value (Billions of dollars)			Growth, 2022-2023 (%)	Value (Billions of dollars)			Growth, 2022-2023 (%)								
	2021	2022	2023	2021	2022	2023	2021	2022	2023							
<b>Asia</b>	<b>171</b>	<b>313</b>	<b>451</b>	<b>44</b>	<b>3 275</b>	<b>4 749</b>	<b>5 798</b>	<b>22</b>	<b>451</b>	<b>309</b>	<b>228</b>	<b>-26</b>	<b>489</b>	<b>624</b>	<b>469</b>	<b>-25</b>
East Asia	45	28	46	65	713	597	703	18	29	36	16	-58	90	95	42	-56
China	36	22	38	72	514	387	472	22	15	26	14	-44	50	58	23	-50
Hong Kong, China	4	3	4	42	104	117	139	19	5	0.3	0.2	-33	3	1	1	0
Taiwan Province of China	5	3	4	38	87	79	78	-1	8	11	1	-89	33	34	12	-65
South-East Asia	68	113	175	55	861	1 103	1 568	42	176	136	72	-47	157	237	135	-43
Indonesia	9	24	61	149	76	100	173	73	26	38	35	-7	24	49	41	-16
Malaysia	27	24	37	56	125	154	230	49	34	18	6	-65	19	45	19	-58
Philippines	1	4	20	459	67	135	179	33	59	13	19	47	30	33	34	3
Singapore	13	18	11	-38	367	415	441	6	12	11	3	-73	17	21	7	-67
Thailand	4	15	7	-57	81	93	175	88	5	12	3	-78	12	17	11	-35
Viet Nam	12	26	36	37	129	185	319	72	36	39	6	-85	41	49	19	-61
South Asia	21	84	109	29	512	1 093	1 167	7	69	84	71	-16	150	223	180	-19
Bangladesh	1	0.6	3	345	17	22	34	55	6	0.3	4	1 019	14	2	6	200
India	17	81	83	3	459	1 011	1 058	5	53	80	62	-22	110	201	163	-19
Pakistan	1	2	11	546	15	32	31	-3	4	2	0.4	-73	9	7	2	-71
West Asia	31	77	91	19	1 136	1 807	2 202	15	120	43	57	32	68	50	94	88
Iraq	1	1	17	-	7	11	20	82	48	0.3	3	771	10	1	8	700
Oman	5	10	2	-80	35	50	43	-14	12	15	2	-85	6	10	4	-60
Qatar	1	30	0.2	-99	119	194	73	-62	1	1	-	..	4	2	-	..
Saudi Arabia	9	14	29	108	150	240	389	62	45	14	22	55	13	10	19	90
Türkiye	5	4	13	213	213	267	222	-17	4	0.6	7	1 002	9	3	10	233
United Arab Emirates	7	12	16	35	543	1 013	1 323	31	7	8	18	122	14	12	34	183
Central Asia	6	11	30	166	53	49	158	222	59	8	12	53	24	19	18	-5
Kazakhstan	0.9	2	17	933	20	28	65	132	53	4	4	-12	6	8	7	-13
Uzbekistan	5	2	10	513	25	14	75	436	5	2	8	247	16	7	10	43
<i>Memorandum</i>																
World	830	1 309	1 380	5	15 514	18 061	18 442	2	1 440	1 301	958	-26	2 500	2 858	2 196	-23
Developed economies	537	887	631	-8	10 438	11 112	10 435	-6	674	728	562	-23	1 496	1 720	1 357	-21
Developing economies	293	622	749	20	5 076	6 949	8 007	15	766	573	396	-31	1 004	1 138	839	-26

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

Note: Data exclude financial centres in the Caribbean.

**Table 3**  
Developing Asia: announced greenfield projects, by sector and selected industries

Sector/industry	Value (Billions of dollars)			Growth, 2022-2023 (%)	Number			Growth, 2022-2023 (%)
	2021	2022	2023		2021	2022	2023	
<b>Total</b>	<b>171</b>	<b>313</b>	<b>451</b>	<b>44</b>	<b>3 275</b>	<b>4 749</b>	<b>5 798</b>	<b>22</b>
Primary	0.3	38	11	-70	18	35	49	40
Manufacturing	87	124	240	93	1 308	1 445	2 196	52
Services	84	150	200	33	1 949	3 269	3 553	9
<i>Top 10 industries in value terms</i>								
Energy and gas supply	23	45	75	66	57	78	125	60
Electronics and electrical equipment	48	71	57	-20	305	317	503	59
Automotive	5.3	6.7	42	530	132	142	261	84
Information and communication	20	42	40	-5	771	1 428	1 196	-16
Coke and refined petroleum	0.1	0.7	39	..	6	13	28	115
Basic metal and metal products	3	16	33	111	54	61	106	74
Transportation and storage	10	15	28	90	161	285	439	54
Chemicals	8	11	22	98	144	156	209	34
Construction	8	21	21	-3	28	40	84	110
Other non-metallic mineral products	1	2	15	624	25	32	54	69

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

**Table 4**  
Developing Asia: announced international project finance deals, selected industries

Sector/industry	Value (Billions of dollars)				Growth, 2022–2023 (%)	Number			Growth, 2022–2023 (%)
	2021	2022	2023			2021	2022	2023	
<b>Total</b>	<b>451</b>	<b>309</b>	<b>228</b>	<b>-26</b>	<b>489</b>	<b>624</b>	<b>469</b>	<b>-25</b>	
<i>Top 10 industries by number</i>									
Renewable energy	134	81	69	-14	203	209	196	-6	
Industrial real estate	75	89	61	-31	83	150	96	-36	
Residential/commercial real estate	19	43	29	-34	61	93	60	-35	
Power	74	28	15	-47	24	34	26	-24	
Telecommunication	16	14	7	-49	21	26	19	-27	
Oil and gas	94	11	6	-46	32	16	16	0	
Petrochemicals	14	13	26	94	12	14	16	14	
Transport infrastructure	13	11	4	-58	25	27	14	-48	
Water and sewerage	2	5	2	-69	8	17	8	-53	
Agriculture	6	5	5	11	10	12	8	-33	

Source: UNCTAD, based on information from Refinitiv.

**Table 5**  
Developing Asia: net cross-border M&As sales, by sector and selected industries

Sector/industry	Value (Millions of dollars)				Growth, 2022–2023 (%)	Number			Growth, 2022–2023 (%)
	2021	2022	2023			2021	2022	2023	
<b>Total</b>	<b>100</b>	<b>84</b>	<b>57</b>	<b>-32</b>	<b>568</b>	<b>629</b>	<b>505</b>	<b>-20</b>	
Primary	25	16	-0.2	..	22	12	21	75	
Manufacturing	15	9	38	309	119	110	88	-20	
Services	60	59	20	-67	427	507	396	-22	
<i>Top 10 industries in value terms</i>									
Automotive	0.4	0.5	29	..	2	5	6	20	
Finance and insurance	6	24	14	-43	81	82	63	-23	
Chemicals	11	1	4	294	19	17	13	-24	
Utilities	5	6	3	-52	26	42	31	-26	
Food, beverages and tobacco	-0.3	-	2	..	18	17	20	18	
Pharmaceuticals	2	2	2	-13	17	11	4	-64	
Real estate	2	2	2	-3	28	20	16	-20	
Information and communication	36	8	1	-88	114	123	104	-15	
Professional services	5	0.7	0.9	37	55	49	53	8	
Trade	-0.6	5	0.8	-83	41	39	47	21	

Source: UNCTAD, based on information from Refinitiv.



**Table 6**  
**Developing Asia: investment project announcements in sectors relevant to the Sustainable**  
(Millions of dollars, number and percentage)

Goals-relevant sector	Announced greenfield projects				International project finance deals			
	2021	2022	2023	Growth, 2022–2023 (%)	2021	2022	2023	Growth, 2022–2023 (%)
<b>Total</b>								
Value	60 800	94 847	145 849	54	248 365	144 307	103 552	-28
Number of projects	713	942	1 225	30	298	332	274	-17
Power <sup>a</sup>								
Value	587	1 252	6 222	397	73 910	27 574	14 697	-47
Number of projects	9	9	19	111	24	34	26	-24
Renewable energy								
Value	22 462	44 239	69 774	58	133 972	80 530	69 095	-14
Number of projects	55	73	120	64	203	209	196	-6
Transport services <sup>b</sup>								
Value	9 654	14 622	27 834	90	13 234	10 576	4 456	-58
Number of projects	160	284	438	54	25	27	14	-48
Telecommunication								
Value	12 838	15 610	22 759	46	16 290	14 125	7 257	-49
Number of projects	156	208	177	-15	21	26	19	-27
Water, sanitation and hygiene (WASH)								
Value	3 051	1 406	1 201	-15	6 429	4 605	5 097	11
Number of projects	11	8	9	13	10	12	8	-33
Agrifood systems								
Value	7 516	9 288	10 325	11	1 726	5 211	1 623	-69
Number of projects	156	149	195	31	8	17	8	-53
Health								
Value	4 000	7 838	7 033	-10	2 053	1 300	1 328	2
Number of projects	106	139	175	26	5	5	3	-40
Education								
Value	692	592	701	18	752	386	-	..
Number of projects	60	72	92	28	2	2	-	..

Source: UNCTAD, based on information from The Financial Times, FDI Markets ([www.fdimarkets.com](http://www.fdimarkets.com)) and Refinitiv.

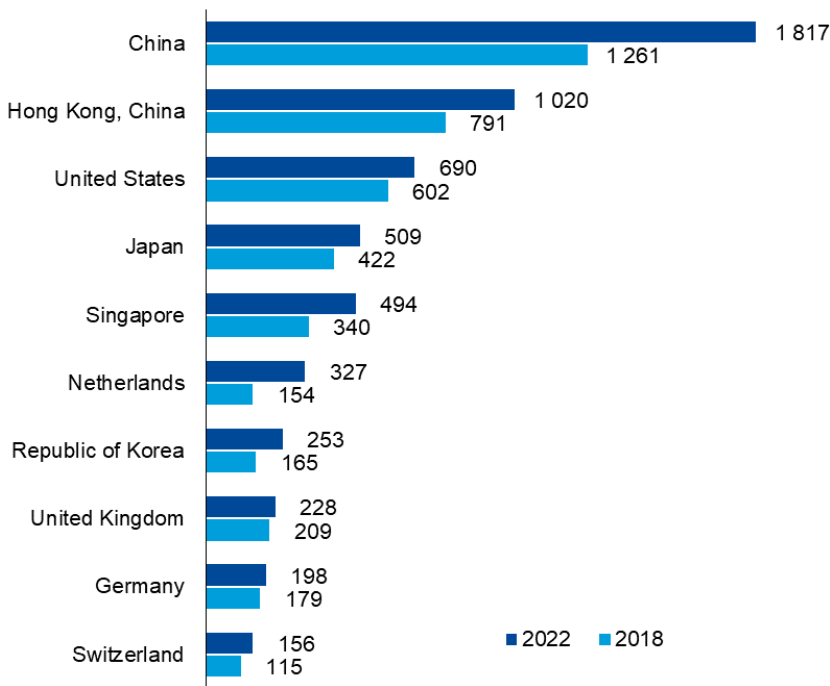
<sup>a</sup> Excluding renewable energy.

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



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**Figure 5**  
**Developing Asia: Top 10 investor economies by FDI stock**  
 (Billions of dollars)



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

