

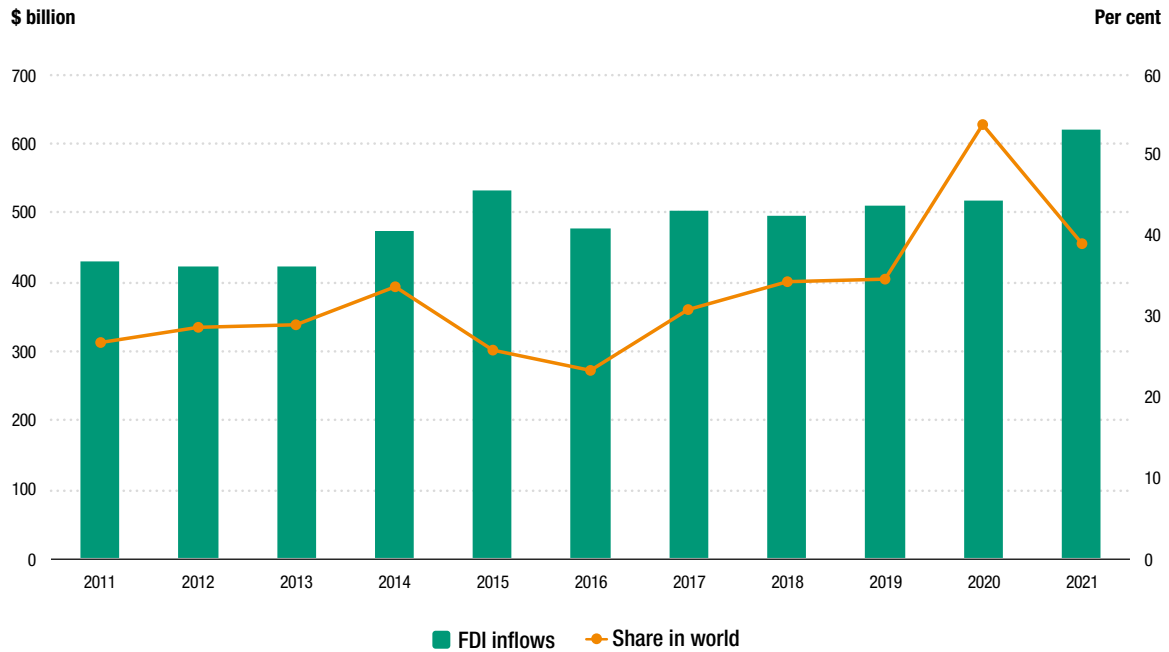
REGIONAL TRENDS

DEVELOPING ASIA

HIGHLIGHTS

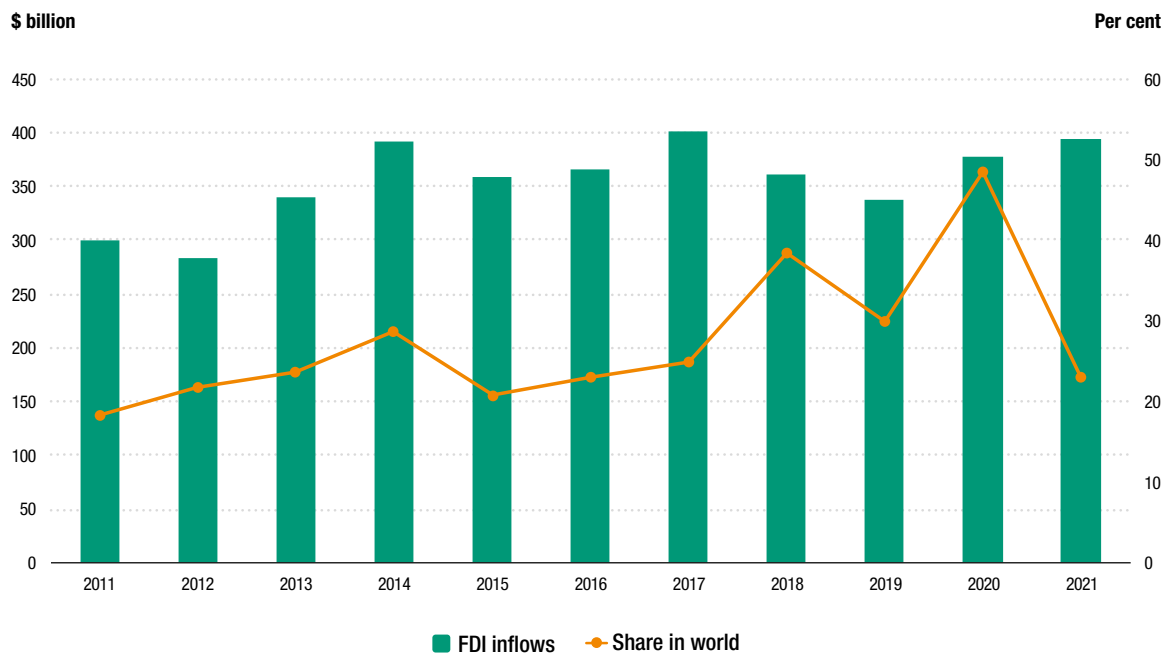
- Despite successive waves of COVID-19, FDI in developing Asia rose for the third consecutive year to an all-time high of \$619 billion, underscoring the resilience of the region. It is the largest recipient region of FDI in the world, accounting for 40 per cent of global inflows.
- The upward trend occurred in most subregions, with South Asia the only exception. Yet, inflows remain highly concentrated. Six economies (China, Hong Kong (China), Singapore, India, the United Arab Emirates and Indonesia, in that order) accounted for more than 80 per cent of FDI to the region.
 - FDI in East Asia increased 16 per cent to \$329 billion in 2021. FDI growth in China picked up pace, increasing by 21 per cent to \$181 billion, after only a 6 per cent increase in 2020. China's robust FDI growth was powered by strong investment in the services sector and in high-tech. Flows to Hong Kong (China) reached \$141 billion – 4 per cent higher than in 2020, mostly accounted for by reinvested earnings (\$108 billion).
 - South-East Asia resumed its role as an engine of growth for FDI in developing Asia and globally, with inflows up 44 per cent to \$175 billion and increases across most countries. The rise was underpinned by strong investment in manufacturing, the digital economy and infrastructure. Singapore, the largest recipient, saw inflows up 31 per cent to \$99 billion, driven by a jump in cross-border M&As.
 - FDI in West Asia increased by 59 per cent to \$55 billion, from \$35 billion in 2020, mainly driven by a significant rise in cross-border M&As. While the United Arab Emirates remained the largest recipient, with flows stable at \$20 billion, inflows more than tripled in Saudi Arabia and rose by 60 per cent in the Republic of Türkiye.
 - FDI in South Asia fell by 26 per cent, to \$52 billion, as the large M&As registered in 2020 were not repeated. Flows to India declined to \$45 billion. However, a flurry of new international project finance deals was announced in the country: 108 projects, compared with an annual average of 20 projects for the preceding 10 years.
 - Flows to Central Asia rose by 12 per cent to \$7 billion. Flows to Kazakhstan – the largest host in the subregion – fell by 14 per cent to \$3.2 billion, with declines in extractive industries and transportation. Flows rose by 18 per cent to \$2 billion in Uzbekistan and by 24 per cent to \$1.5 billion in Turkmenistan.
- Among regional economic groupings in developing Asia over the past five years, flows rose to member States of the Association of Southeast Asian Nations (up 50 per cent, to \$175 billion), the Regional Comprehensive Economic Partnership (up 26 per cent, to \$471 billion) and the Gulf Cooperation Council (doubling to \$44 billion) and remained flat in member States of the South Asian Association for Regional Cooperation (\$55 billion).
- In 2021, intraregional greenfield project announcements fell to 35 per cent of total projects announced in developing Asia (remaining flat at 24 per cent in terms of value), compared with 40 per cent in 2016. Looking at projects invested in by Asian MNEs, 41 per cent (almost 50 per cent by value) were in the region, down from 48 per cent (56 per cent by value) in 2016.
- Across developing Asia, investment in sectors relevant for the SDGs rose significantly. International project finance values in these sectors increased by 74 per cent, to \$121 billion, primarily because of strong interest in renewable energy. Project values in this industry rose 123 per cent, to \$77 billion, from \$34 billion in 2020.
- China and Hong Kong (China) were the largest investors in the region, followed by the United States, Japan and Singapore.

Figure 1. | Developing Asia: FDI inflows and share in world inflows, 2011–2021 (Billions of dollars and per cent)



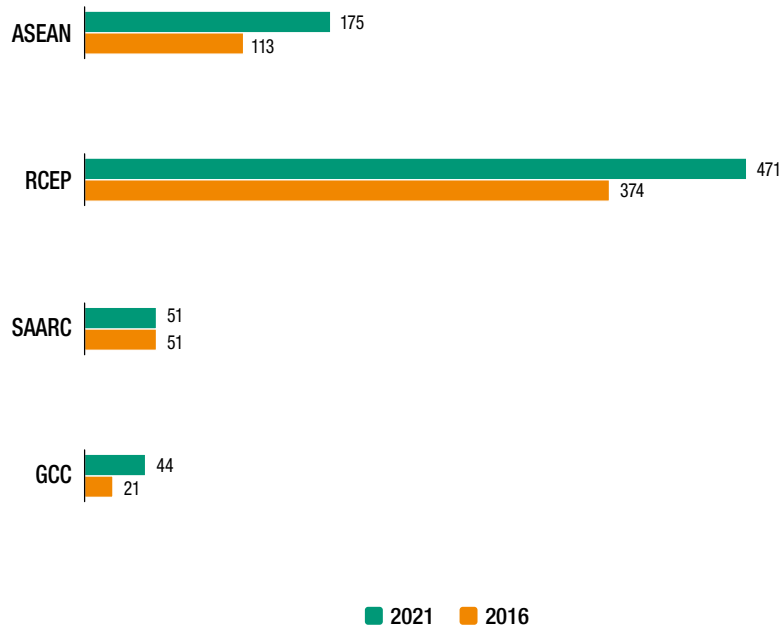
Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).
 Note: World excludes Caribbean financial centres.

Figure 2. | Developing Asia: FDI outflows and share in world outflows, 2011–2021 (Billions of dollars and per cent)



Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).
 Note: World excludes Caribbean financial centres.

Figure 3. | Developing Asia: FDI in regional groupings, 2016 and 2021 (Billions of dollars)



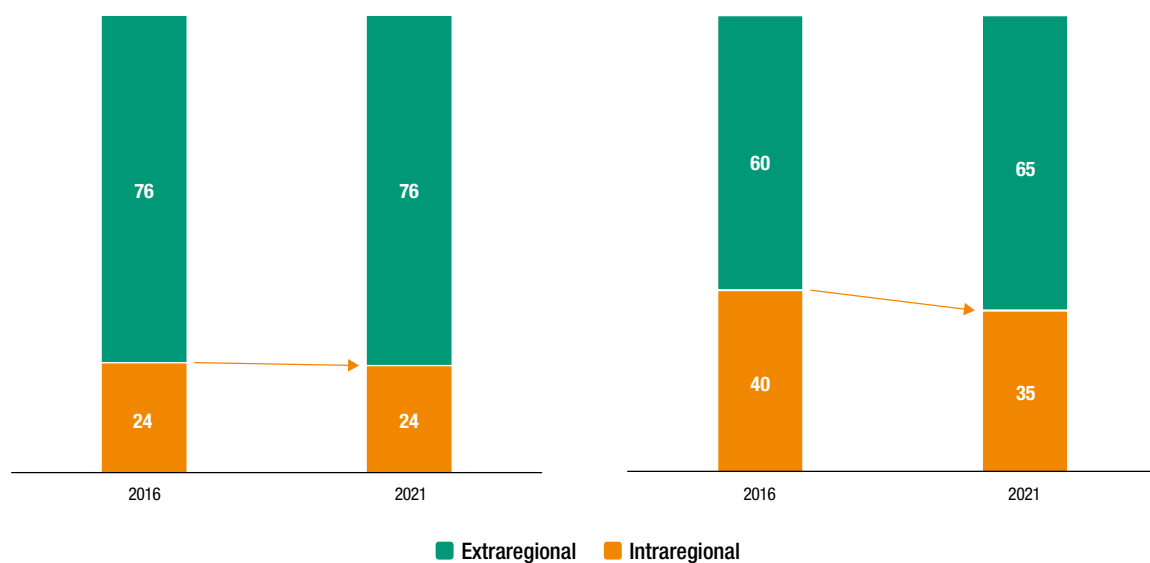
Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).

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

Figure 4. | Developing Asia: announced intraregional greenfield investment projects, 2016 and 2021 (Per cent)

a. By number

b. By value



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

Table 1. Developing Asia: FDI inflows and cross-border M&A sales, 2019–2021 (Billions of dollars and number)

| Subregion/selected economy | FDI | | | | Net cross-border M&A sales | | | | | | | |
|----------------------------|------------|------------|------------|---------------------------|----------------------------|-----------|------------|---------------------------|------------|------------|------------|---------------------------|
| | Value | | | | Value | | | | Number | | | |
| | 2019 | 2020 | 2021 | 2020–2021 growth rate (%) | 2019 | 2020 | 2021 | 2020–2021 growth rate (%) | 2019 | 2020 | 2021 | 2020–2021 growth rate (%) |
| Asia | 512 | 519 | 619 | 19 | 49 | 75 | 100 | 33 | 717 | 567 | 587 | 4 |
| East Asia | 232 | 285 | 329 | 16 | 11 | 31 | 11 | -65 | 195 | 166 | 153 | -8 |
| China | 141 | 149 | 181 | 21 | 10 | 19 | 4 | -78 | 115 | 84 | 76 | -10 |
| Hong Kong, China | 74 | 135 | 141 | 4 | -1 | 11 | 6 | -39 | 57 | 62 | 65 | 5 |
| Taiwan Province of China | 8 | 6 | 5 | -11 | 2 | 1 | - | .. | 25 | 19 | 10 | -47 |
| South-East Asia | 175 | 122 | 175 | 44 | 10 | -5 | 50 | .. | 278 | 204 | 176 | -14 |
| Indonesia | 24 | 19 | 20 | 8 | 1 | 2 | 1 | -38 | 38 | 26 | 18 | -31 |
| Malaysia | 8 | 3 | 12 | 268 | 2 | 0.3 | 0.4 | 28 | 34 | 37 | 30 | -19 |
| Singapore | 106 | 75 | 99 | 31 | 5 | 2 | 45 | 2 143 | 101 | 72 | 75 | 4 |
| Thailand | 5 | -5 | 11 | .. | -0.3 | -10 | - | .. | 18 | 6 | 11 | 83 |
| Viet Nam | 16 | 16 | 16 | -1 | 1 | 1 | 0.5 | -39 | 55 | 45 | 24 | -47 |
| South Asia | 59 | 71 | 52 | -26 | 15 | 28 | 8 | -71 | 169 | 117 | 144 | 23 |
| Bangladesh | 3 | 3 | 3 | 13 | 0.4 | - | - | .. | 4 | - | 2 | .. |
| India | 51 | 64 | 45 | -30 | 15 | 27 | 8 | -70 | 158 | 110 | 136 | 24 |
| Pakistan | 2 | 2 | 2 | 2 | - | - | - | .. | 2 | - | 4 | .. |
| West Asia | 37 | 35 | 55 | 59 | 13 | 21 | 31 | 50 | 64 | 74 | 104 | 41 |
| Saudi Arabia | 5 | 5 | 19 | 257 | 2 | 0.4 | 24 | 6 720 | 5 | 9 | 12 | 33 |
| Turkey | 10 | 8 | 13 | 60 | 1 | 3 | 1 | -62 | 18 | 26 | 42 | 62 |
| United Arab Emirates | 18 | 20 | 21 | 4 | 9 | 16 | 2 | -91 | 26 | 28 | 27 | -4 |
| Central Asia | 8 | 6 | 7 | 12 | 0.1 | - | 0.5 | 1 278 | 11 | 6 | 10 | 67 |
| Kazakhstan | 3 | 4 | 3 | -14 | 0.1 | - | 0.4 | 4 214 | 6 | 4 | 6 | 50 |
| Uzbekistan | 2 | 2 | 2 | 18 | - | - | - | -28 | 3 | 2 | 2 | 0 |
| <i>Memorandum</i> | | | | | | | | | | | | |
| World | 1 481 | 963 | 1 582 | 64 | 507 | 475 | 728 | 53 | 7 118 | 6 201 | 8 846 | 43 |
| Developed economies | 764 | 319 | 746 | 134 | 428 | 389 | 615 | 58 | 5 949 | 5 333 | 7 838 | 47 |
| Developing economies | 716 | 644 | 837 | 30 | 79 | 86 | 113 | 31 | 1 169 | 868 | 1 008 | 16 |

Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>) for FDI and cross-border M&A database (<https://unctad.org/fdistatistics>) for M&As.

Note: World and developing economies exclude Caribbean financial centres.

Table 2. Developing Asia: announced greenfield projects and international project finance deals, 2019–2021 (Billions of dollars and number)

| Subregion/selected economy | Announced greenfield investment projects | | | | | | | | Announced international project finance deals | | | | | | | |
|----------------------------|--|------------|------------|---------------------------|--------------|--------------|--------------|---------------------------|---|------------|------------|---------------------------|------------|------------|------------|---------------------------|
| | Value | | | | Number | | | | Value | | | | Number | | | |
| | 2019 | 2020 | 2021 | 2020–2021 growth rate (%) | 2019 | 2020 | 2021 | 2020–2021 growth rate (%) | 2019 | 2020 | 2021 | 2020–2021 growth rate (%) | 2019 | 2020 | 2021 | 2020–2021 growth rate (%) |
| Asia | 275 | 170 | 154 | -10 | 4 388 | 2 635 | 3 153 | 20 | 140 | 129 | 302 | 134 | 232 | 228 | 411 | 80 |
| East Asia | 72 | 37 | 40 | 7 | 1 122 | 580 | 667 | 15 | 10 | 11 | 18 | 71 | 24 | 25 | 56 | 124 |
| China | 62 | 32 | 32 | -1 | 835 | 412 | 481 | 17 | 4 | 3 | 8 | 144 | 18 | 7 | 25 | 257 |
| Hong Kong, China | 4 | 2 | 4 | 72 | 195 | 88 | 100 | 14 | - | 4 | 6 | 55 | - | 3 | 3 | 0 |
| Taiwan Province of China | 4 | 3 | 4 | 48 | 81 | 71 | 78 | 10 | 6 | 3 | 5 | 53 | 5 | 14 | 25 | 79 |
| South-East Asia | 82 | 68 | 64 | -7 | 1 316 | 753 | 840 | 12 | 67 | 66 | 114 | 73 | 94 | 114 | 134 | 18 |
| Indonesia | 1 | - | 8 | 7 862 | 119 | 63 | 73 | 16 | 33 | 13 | 27 | 106 | 20 | 23 | 25 | 9 |
| Malaysia | 9 | 7 | 25 | 241 | 171 | 100 | 121 | 21 | 3 | 6 | 31 | 433 | 11 | 11 | 13 | 18 |
| Singapore | 7 | 7 | 13 | 97 | 397 | 304 | 360 | 18 | 2 | 1 | 10 | 1 553 | 4 | 4 | 16 | 300 |
| Thailand | 5 | 2 | 4 | 94 | 143 | 72 | 79 | 10 | 1 | 6 | 1 | -76 | 6 | 14 | 8 | -43 |
| Viet Nam | 31 | 11 | 11 | 8 | 276 | 133 | 127 | -5 | 9 | 29 | 35 | 19 | 19 | 33 | 36 | 9 |
| South Asia | 65 | 26 | 18 | -30 | 786 | 452 | 503 | 11 | 28 | 25 | 58 | 138 | 36 | 49 | 149 | 204 |
| Bangladesh | 6 | 1 | 1 | 25 | 18 | 16 | 15 | -6 | 12 | 1 | 5 | 223 | 11 | 4 | 14 | 250 |
| India | 30 | 24 | 16 | -34 | 701 | 403 | 455 | 13 | 12 | 18 | 47 | 157 | 18 | 36 | 109 | 203 |
| Pakistan | 4 | - | 1 | 291 | 30 | 8 | 15 | 88 | 1 | 4 | 3 | -32 | 4 | 4 | 9 | 125 |
| West Asia | 44 | 34 | 29 | -15 | 1 043 | 808 | 1 090 | 35 | 29 | 22 | 106 | 384 | 59 | 24 | 50 | 108 |
| Oman | 4 | 6 | 5 | -23 | 61 | 24 | 34 | 42 | 1 | 0.4 | 36 | 8 196 | 14 | 1 | 6 | 500 |
| Saudi Arabia | 13 | 10 | 10 | -6 | 134 | 88 | 147 | 67 | 7 | 5 | 35 | 577 | 11 | 2 | 9 | 350 |
| Türkiye, Republic of | 4 | 5 | 2 | -48 | 217 | 207 | 205 | -1 | 6 | 2 | 2 | 6 | 8 | 6 | 7 | 17 |
| United Arab Emirates | 14 | 9 | 7 | -19 | 445 | 384 | 535 | 39 | 7 | 12 | 1 | -91 | 7 | 6 | 8 | 33 |
| Central Asia | 11 | 4 | 3 | -35 | 121 | 42 | 53 | 26 | 5 | 6 | 5 | -14 | 19 | 16 | 22 | 38 |
| Kazakhstan | 6 | 1 | 1 | -16 | 60 | 10 | 20 | 100 | 2 | 1 | 2 | 83 | 10 | 4 | 7 | 75 |
| Uzbekistan | 5 | 3 | 2 | -41 | 45 | 22 | 25 | 14 | 3 | 5 | 3 | -38 | 6 | 12 | 13 | 8 |
| <i>Memorandum</i> | | | | | | | | | | | | | | | | |
| World | 846 | 575 | 659 | 15 | 18 261 | 13 248 | 14 710 | 11 | 682 | 484 | 1 188 | 146 | 1 303 | 1 262 | 2 115 | 68 |
| Developed economies | 382 | 316 | 401 | 27 | 10 976 | 8 993 | 9 790 | 9 | 301 | 264 | 656 | 149 | 677 | 742 | 1 262 | 70 |
| Developing economies | 464 | 259 | 259 | - | 7 285 | 4 255 | 4 920 | 16 | 380 | 220 | 532 | 142 | 626 | 520 | 852 | 64 |

Source: UNCTAD, based on information from the Financial Times Ltd, fDi Markets (www.fDimarkets.com) for announced greenfield FDI projects and Refinitiv SA for international project finance deals.

Table 3. Developing Asia: announced greenfield projects, by sector and selected industries, 2019–2021

| Sector/industry | Value (Billions of dollars) | | | 2020–2021 growth rate (%) | Number | | | 2020–2021 growth rate (%) |
|---|--------------------------------|------|------|---------------------------------|--------|-------|-------|---------------------------------|
| | 2019 | 2020 | 2021 | | 2019 | 2020 | 2021 | |
| Total | 275 | 170 | 154 | -10 | 4 388 | 2 635 | 3 153 | 20 |
| Primary | 5 | 1 | 0.3 | -63 | 38 | 26 | 18 | -31 |
| Manufacturing | 155 | 101 | 84 | -17 | 2 001 | 1 112 | 1 253 | 13 |
| Services | 115 | 69 | 70 | 1 | 2 349 | 1 497 | 1 882 | 26 |
| <i>Top 10 industries in value terms</i> | | | | | | | | |
| Electronics and electrical equipment | 20 | 17 | 45 | 164 | 383 | 226 | 288 | 27 |
| Information and communication | 14 | 16 | 15 | -4 | 754 | 545 | 748 | 37 |
| Energy and gas supply | 23 | 17 | 14 | -17 | 80 | 62 | 52 | -16 |
| Chemicals | 18 | 29 | 11 | -62 | 243 | 136 | 135 | -1 |
| Transportation and storage | 13 | 6 | 8 | 29 | 214 | 108 | 154 | 43 |
| Construction | 11 | 5 | 8 | 52 | 46 | 20 | 26 | 30 |
| Finance and insurance | 10 | 10 | 6 | -41 | 299 | 225 | 192 | -15 |
| Food, beverages and tobacco | 6 | 4 | 5 | 34 | 140 | 104 | 94 | -10 |
| Trade | 5 | 4 | 5 | 22 | 108 | 59 | 70 | 19 |
| Automotives | 25 | 11 | 5 | -55 | 261 | 125 | 127 | 2 |

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

Table 4. Developing Asia: announced international project finance deals, selected industries, 2019–2021

| Industry | Value (Billions of dollars) | | | 2020–2021 growth rate (%) | Number | | | 2020–2021 growth rate (%) |
|------------------------------------|--------------------------------|------|------|---------------------------------|--------|------|------|---------------------------------|
| | 2019 | 2020 | 2021 | | 2019 | 2020 | 2021 | |
| Total | 140 | 129 | 302 | 134 | 232 | 228 | 411 | 80 |
| <i>Top 10 industries by number</i> | | | | | | | | |
| Renewable energy | 19 | 34 | 77 | 123 | 77 | 101 | 182 | 80 |
| Industrial real estate | 9 | 22 | 64 | 190 | 29 | 27 | 66 | 144 |
| Oil and gas | 51 | 19 | 62 | 228 | 20 | 19 | 24 | 26 |
| Petrochemicals | 16 | 11 | 39 | 268 | 8 | 7 | 10 | 43 |
| Power | 19 | 18 | 18 | -5 | 25 | 21 | 19 | -10 |
| Telecommunications | 6 | 9 | 14 | 54 | 3 | 7 | 18 | 157 |
| Residential/commercial real estate | 6 | 7 | 11 | 60 | 34 | 22 | 52 | 136 |
| Transportation infrastructure | 9 | 7 | 10 | 51 | 16 | 9 | 19 | 111 |
| Mining | 1 | 1 | 5 | 646 | 4 | 3 | 5 | 67 |
| Health | - | - | 2 | .. | 1 | 1 | 5 | 400 |

Source: UNCTAD, based on data from Refinitiv SA.

Table 5. Developing Asia: net cross-border M&A sales, by sector and selected industries, 2019–2021

| Sector/industry | Value (Billions of dollars) | | | 2020–2021 growth rate (%) | Number | | | 2020–2021 growth rate (%) |
|----------------------|--------------------------------|-----------|------------|---------------------------------|------------|------------|------------|---------------------------------|
| | 2019 | 2020 | 2021 | | 2019 | 2020 | 2021 | |
| Total | 49 | 75 | 100 | 33 | 717 | 567 | 587 | 4 |
| Primary | 1 | 11 | 25 | 119 | 23 | 22 | 24 | 9 |
| Manufacturing | 17 | 22 | 15 | -30 | 144 | 125 | 125 | 0 |
| Services | 30 | 42 | 60 | 43 | 550 | 420 | 438 | 4 |

Top 10 industries in value terms

| | | | | | | | | |
|-------------------------------|----|------|----|-------|-----|----|-----|-----|
| Information and communication | 3 | 13 | 36 | 172 | 91 | 83 | 116 | 40 |
| Extractive industries | 1 | 11 | 25 | 130 | 16 | 10 | 16 | 60 |
| Chemicals | 2 | -0.2 | 11 | .. | 17 | 11 | 20 | 82 |
| Financial and insurance | 8 | 11 | 6 | -46 | 113 | 86 | 81 | -6 |
| Utilities | -1 | 5 | 5 | 4 | 32 | 22 | 29 | 32 |
| Professional services | - | 0.3 | 5 | 1 512 | 41 | 46 | 57 | 24 |
| Transportation and storage | 7 | 5 | 4 | -19 | 38 | 43 | 25 | -42 |
| Real estate | 4 | 8 | 2 | -76 | 54 | 29 | 27 | -7 |
| Pharmaceuticals | 1 | 11 | 2 | -86 | 8 | 24 | 19 | -21 |
| Non-metallic mineral products | -1 | 0.1 | 1 | 1 950 | -1 | 5 | 3 | -40 |

Source: UNCTAD, cross-border M&A database (<https://unctad.org/fdistatistics>).

Table 6. Developing Asia: investment project announcements in SDG sectors, 2019–2021
(Millions of dollars and per cent)

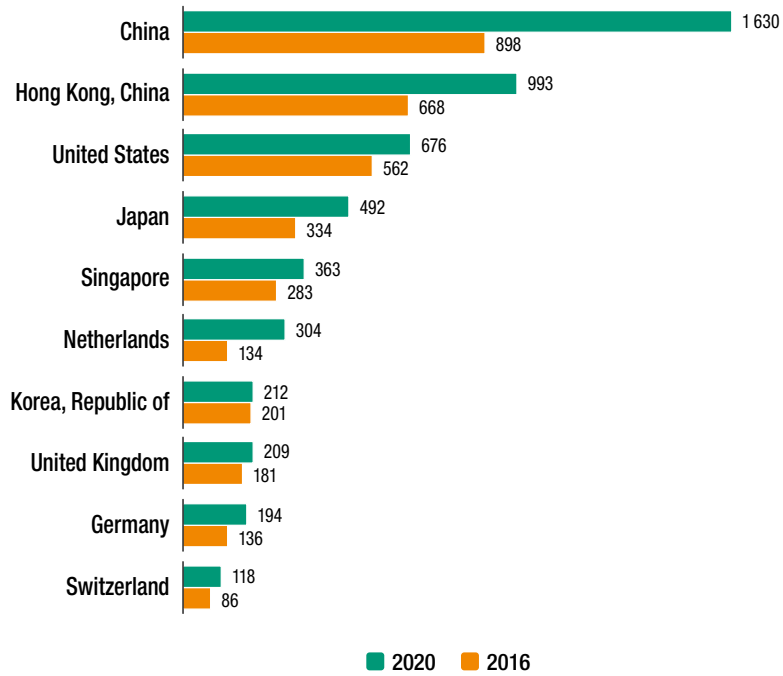
| SDG-relevant sector | Greenfield projects | | | | International project finance deals | | | |
|---|---------------------|---------------|---------------|---------------------------------|-------------------------------------|---------------|----------------|---------------------------------|
| | 2019 | 2020 | 2021 | 2020–2021 growth rate (%) | 2019 | 2020 | 2021 | 2020–2021 growth rate (%) |
| Total | 57 325 | 44 295 | 45 954 | 4 | 56 504 | 69 651 | 120 967 | 74 |
| Value | 57 325 | 44 295 | 45 954 | 4 | 56 504 | 69 651 | 120 967 | 74 |
| Number of projects | 896 | 596 | 687 | 15 | 137 | 149 | 254 | 70 |
| <i>Power^a</i> | | | | | | | | |
| Value | 12 094 | 8 424 | 583 | -93 | 19 120 | 18 465 | 17 589 | -5 |
| Number of projects | 20 | 15 | 9 | -40 | 25 | 21 | 19 | -10 |
| <i>Renewable energy</i> | | | | | | | | |
| Value | 11 157 | 9 156 | 13 929 | 52 | 19 184 | 34 294 | 76 568 | 123 |
| Number of projects | 67 | 53 | 50 | -6 | 77 | 101 | 182 | 80 |
| <i>Transport services^b</i> | | | | | | | | |
| Value | 13 085 | 6 246 | 8 029 | 29 | 8 597 | 6 671 | 10 094 | 51 |
| Number of projects | 212 | 108 | 154 | 43 | 16 | 9 | 19 | 111 |
| <i>Telecommunication</i> | | | | | | | | |
| Value | 6 833 | 10 584 | 8 807 | -17 | 6 057 | 8 797 | 13 538 | 54 |
| Number of projects | 173 | 115 | 150 | 30 | 3 | 7 | 18 | 157 |
| <i>Water, sanitation and hygiene (WASH)</i> | | | | | | | | |
| Value | 1 479 | 267 | 3 048 | 1041 | 3 098 | 547 | 191 | -65 |
| Number of projects | 13 | 4 | 11 | 175 | 12 | 7 | 4 | -43 |
| <i>Food and agriculture</i> | | | | | | | | |
| Value | 8 345 | 6 388 | 7 539 | 18 | 397 | 850 | 953 | 12 |
| Number of projects | 226 | 172 | 153 | -11 | 3 | 2 | 7 | 250 |
| <i>Health</i> | | | | | | | | |
| Value | 3 818 | 2 582 | 3 177 | 23 | 52 | 9 | 2 035 | 22 514 |
| Number of projects | 148 | 90 | 100 | 11 | 1 | 1 | 5 | 400 |
| <i>Education</i> | | | | | | | | |
| Value | 514 | 649 | 842 | 30 | - | 18 | - | .. |
| Number of projects | 37 | 39 | 60 | 54 | - | 1 | - | .. |

Source: UNCTAD, information from the Financial Times Ltd, fDi Markets (www.fdimarkets.com) for announced greenfield FDI projects and Refinitiv SA for international project finance deals.

^a Excluding renewable energy.

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

Figure 5. | Developing Asia: top 10 investor economies by FDI stock, 2016 and 2020 (Billions of dollars)



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