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Logistics and Trade Facilitation  
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**International Investment to Support  
Sector Transformation**

Presentation By

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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Multi-year Expert Meeting on Transport, Trade Logistics, and Trade Facilitation

# International investment to support sector transformation

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## Global FDI trends

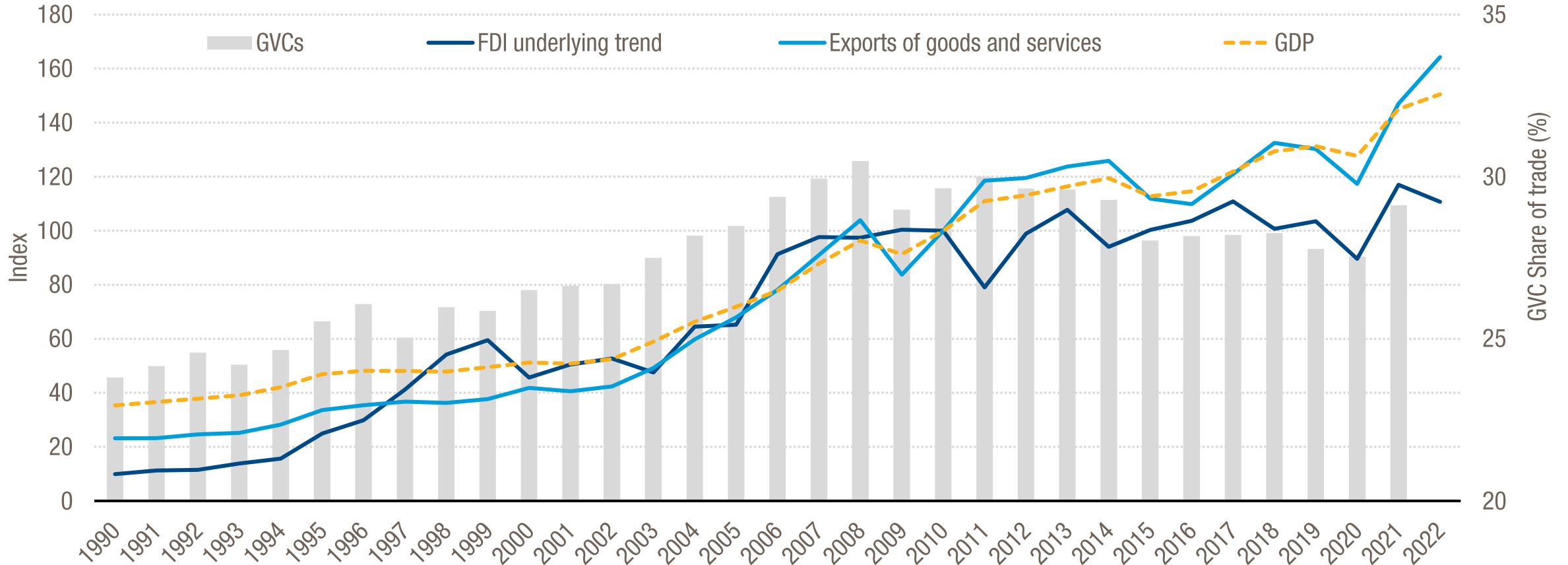


# FDI lost pace with trade and GDP growth

FDI, trade and GDP trends, indexed 2010 = 100

CAGR




1990s	2000s	2010s	2020s (post Covid-19)
FDI: 16%	FDI: 8%	FDI: 0%	FDI: 2%
Trade: 6%	Trade: 9%	Trade: 3%	Trade: 8%
GDP: 4%	GDP: 7%	GDP: 3%	GDP: 5%





# International investment in SDG sectors in developing countries declined in 2023

Investment SDG sectors, developing economies  
(Growth, 2022-23)

		Project values	Project number
	Infrastructure	-10%	+8%
	Renewable Energy	-13%	-5%
	Water, Sanitation, and Hygiene (WASH)	-31%	-17%
	Agrifood Systems	-27%	+13%
	Health and Education	-14%	+6%

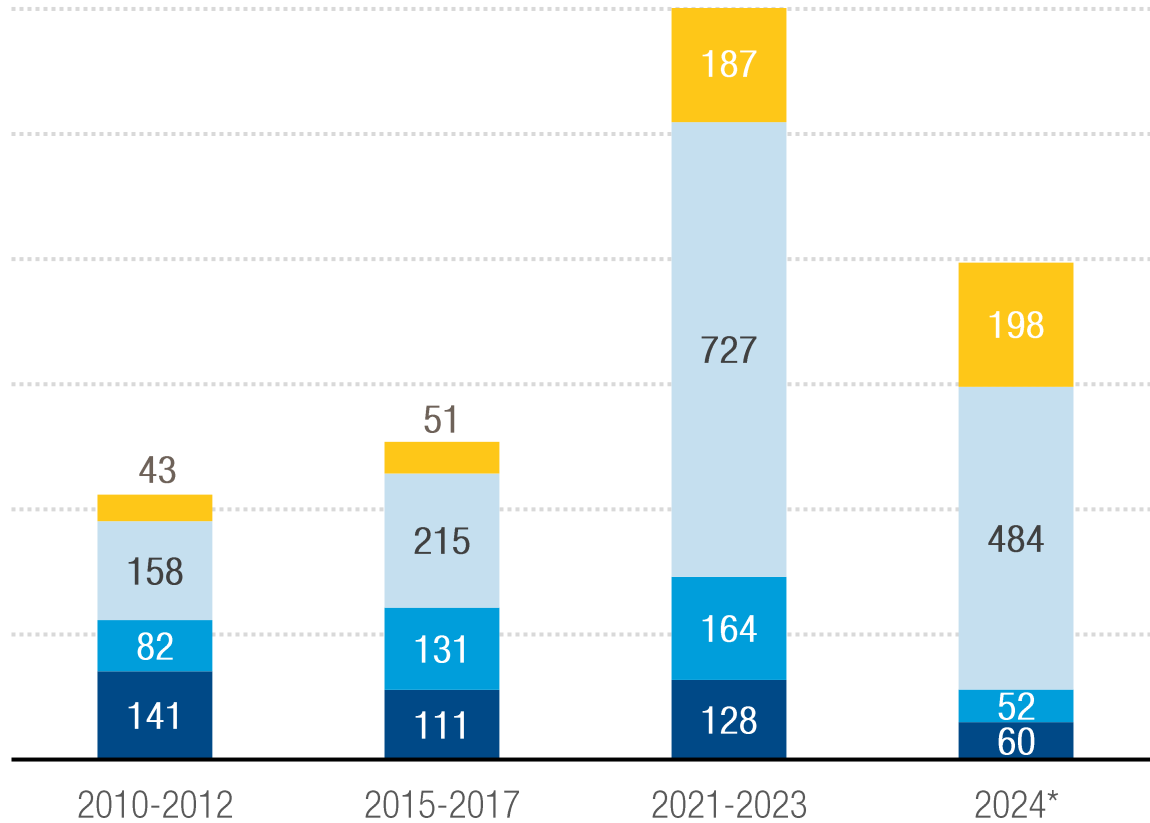
# Trends in infrastructure investment

# Growth in international infrastructure investment is largely driven by renewables

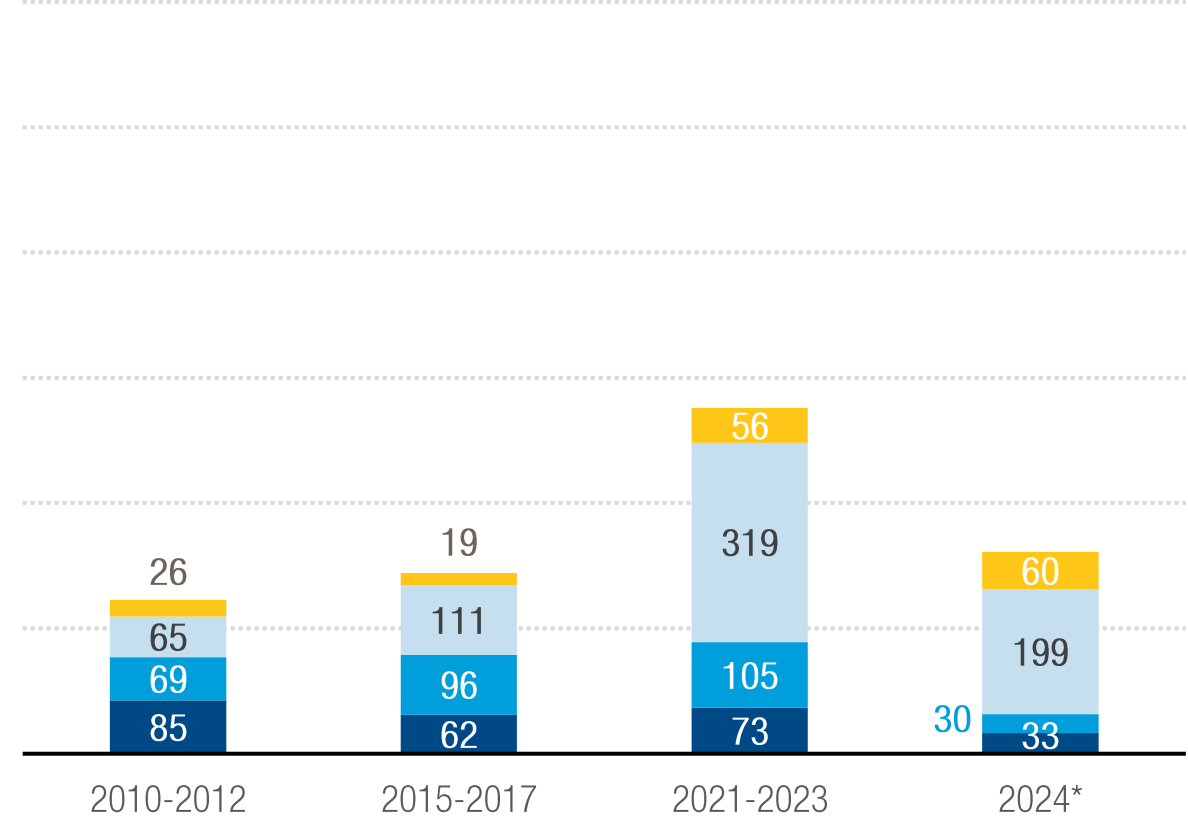
Average yearly investment  
(Billions of dollars)

## World

■ Transportation ■ Power ■ Renewables ■ Telecommunications



## Developing countries



Note: 2024\* estimated on the basis on 3Q data

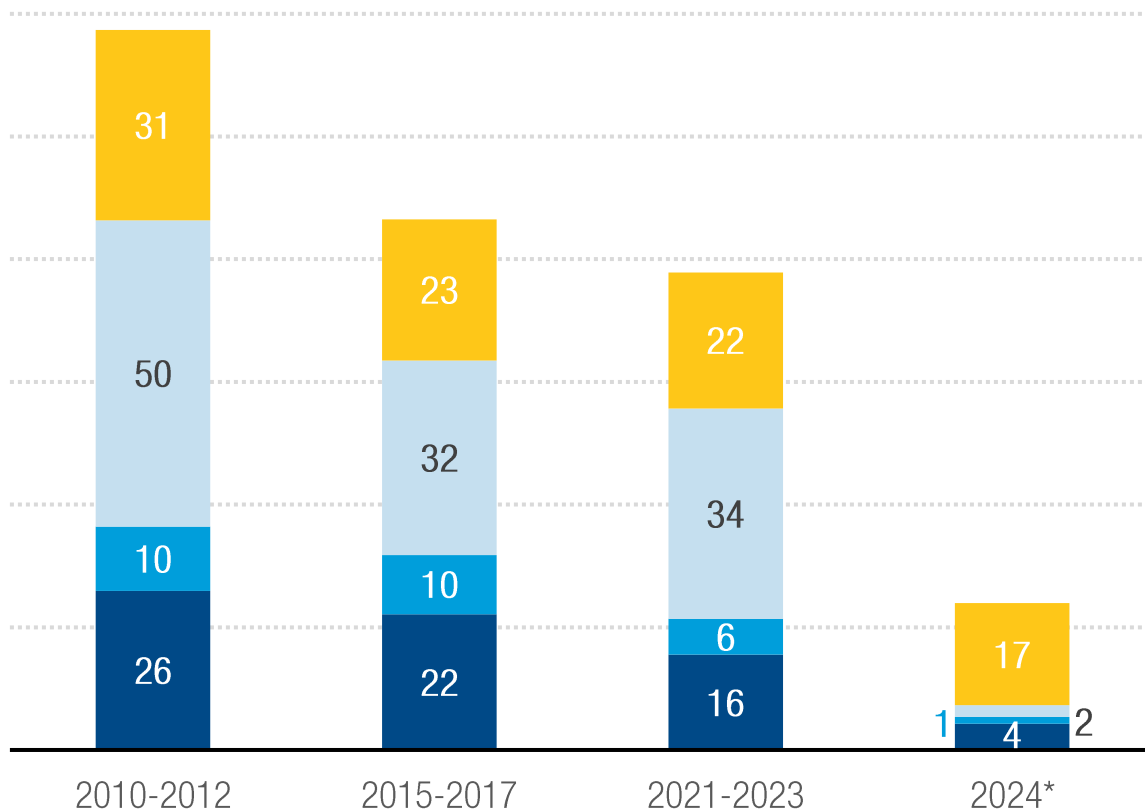


# International project finance in ports infrastructure is struggling, although project numbers are increasing

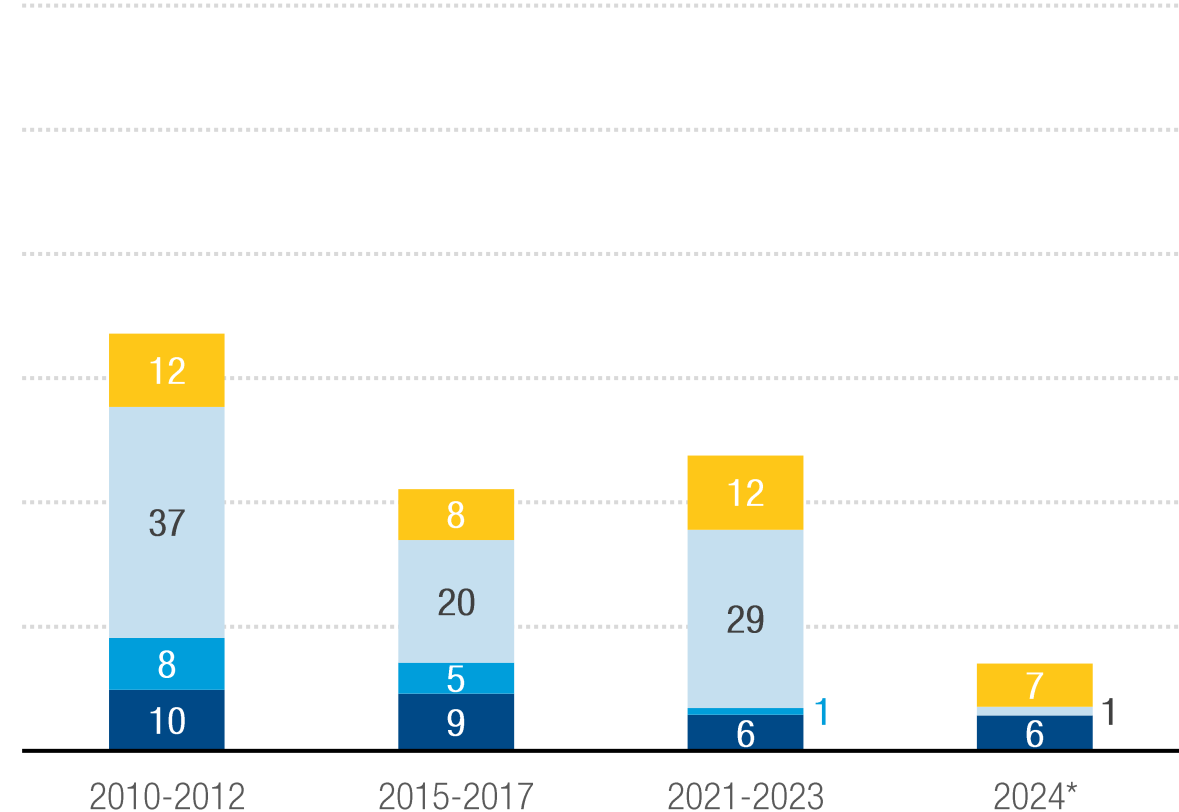
Average yearly investment in transportation, international project finance  
(Billions of dollars)

## World

■ Ports & container terminals ■ Airports ■ Rails and local transport ■ Roads /Tunnel /Bridge



## Developing countries



Note: 2024\* estimated on the basis on 3Q data



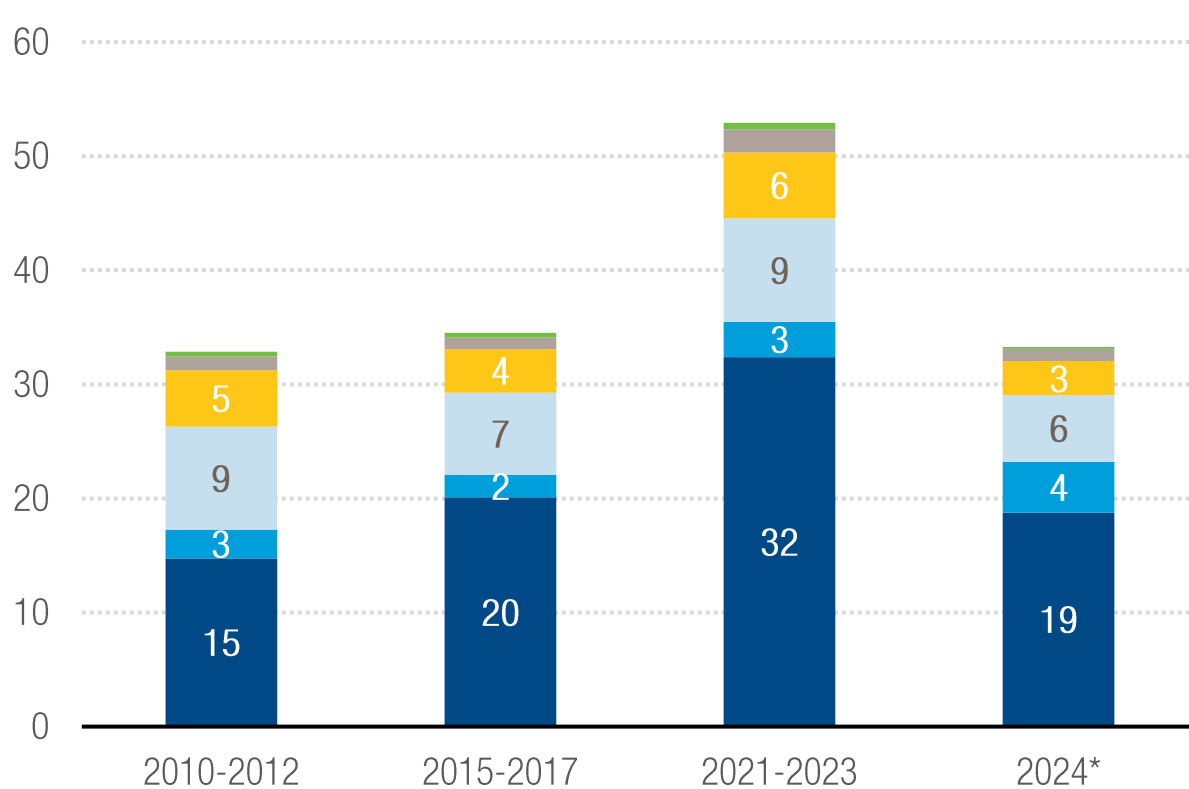


# Greenfield investment trends in infrastructure-related services show the impact of the digital economy

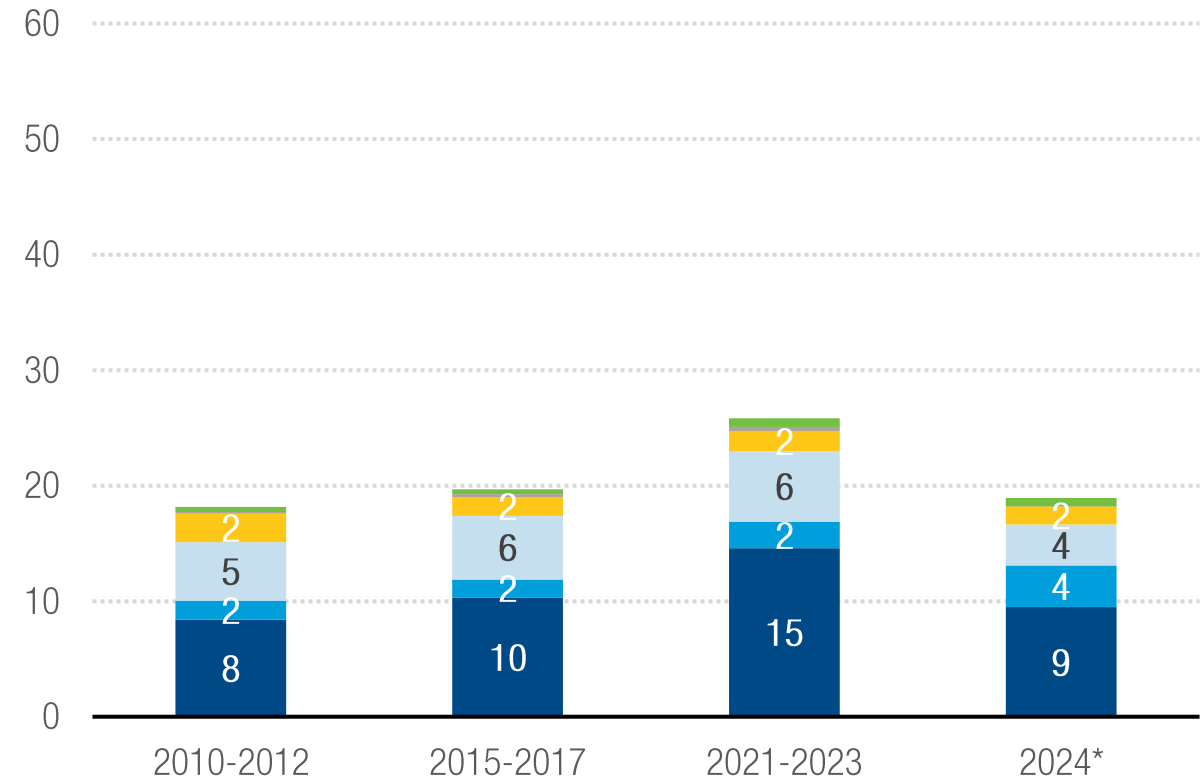
Average yearly investment in transportation, greenfield investment  
(Billions of dollars)

## World

Truck / Freight Water transportation Warehousing Air transportation Couriers/ Postal / Other Rail & ground passenger



## Developing countries



Note: 2024\* estimated on the basis on 3Q data



# Few projects explicitly consider the needs of the energy transition

Top – 10 project deals, international project finance, developing countries

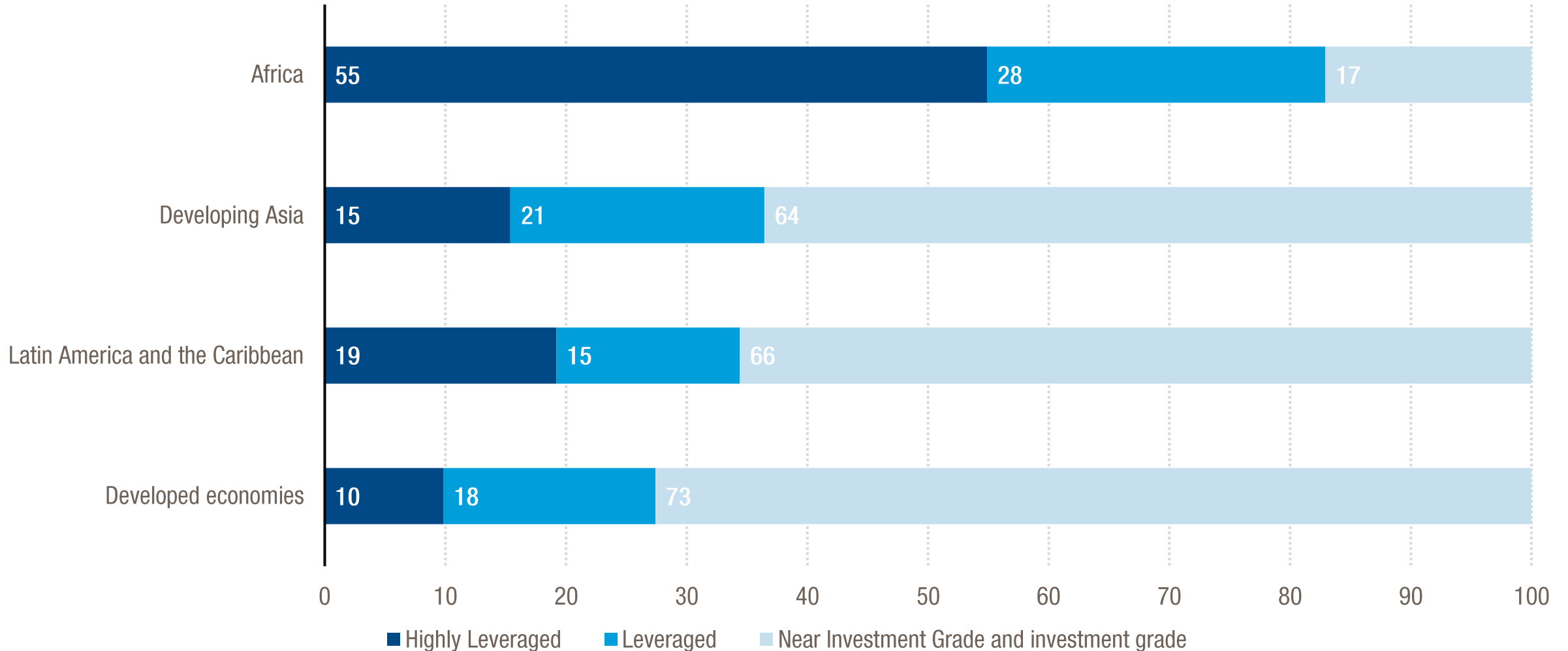
YEAR	PROJECT NAME	HOST ECONOMY	PROJECT COST (Millions of dollars)	SPONSOR	HOME ECONOMY
2022	Abu Amama Port Project	Sudan	4 000	Abu Dhabi Ports Dal Group	United Arab Emirates Sudan
2019	Chancay Multi-Purpose Port Terminal Phase 1 Project	Peru	3 000	COSCO SHIPPING Volcan Cia Minera	China Peru
2024	Yilport Acajutla Port Expansion Project	El Salvador	1 600	Yilport Holding	Türkiye
2019	Susah Deep Sea Port Project	Libya	1 600	Guidry Group	United States
2020	Abu Qir Port Terminal Project	Egypt	730	CK Hutchison	Hong Kong
2019	Toyota JBIC Port Project	Angola	643	Japan Bank for International Cooperation Toyota Tsusho Corp	Japan Japan
2023	New Mole Port PPP project	Republic of Congo	500	Abu Dhabi Ports	United Arab Emirates
2022	Quang Tri Southeast Economic Zone Seaport Project	Vietnam	500	Bb Group Quantum Group	Viet Nam United States
2020	San Juan de Marcona Port Terminal PPP Project	Peru	405	Ministry of Transport & Communications Strike Resources	Peru Australia
2021	Cote D'Ivoire Terminal Port Project	Ivory Coast	364	Bollere	France

# **Cost of capital**



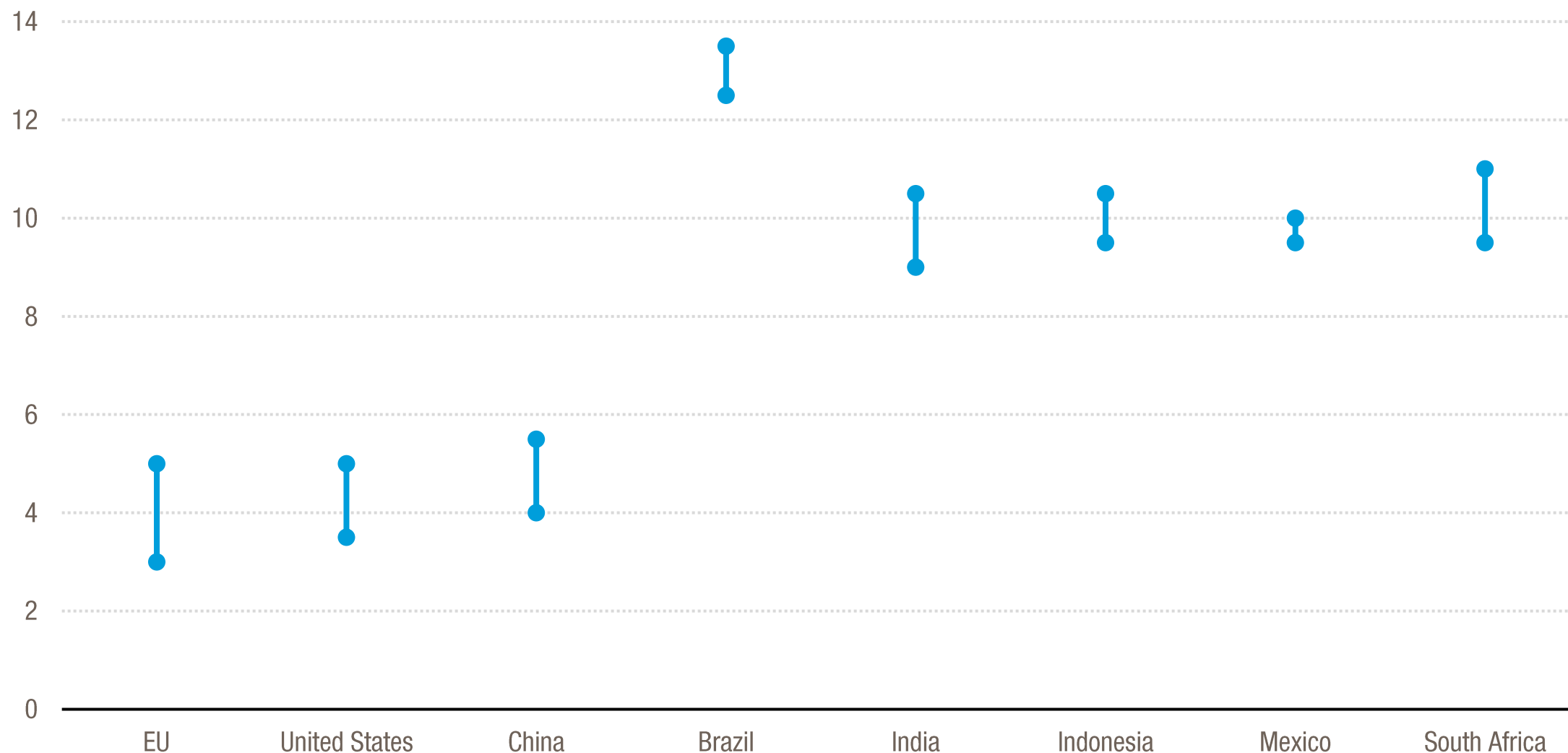
# Developing countries face higher cost of capital

Loan yield type of international SDG infrastructure projects, by region  
(Per cent)



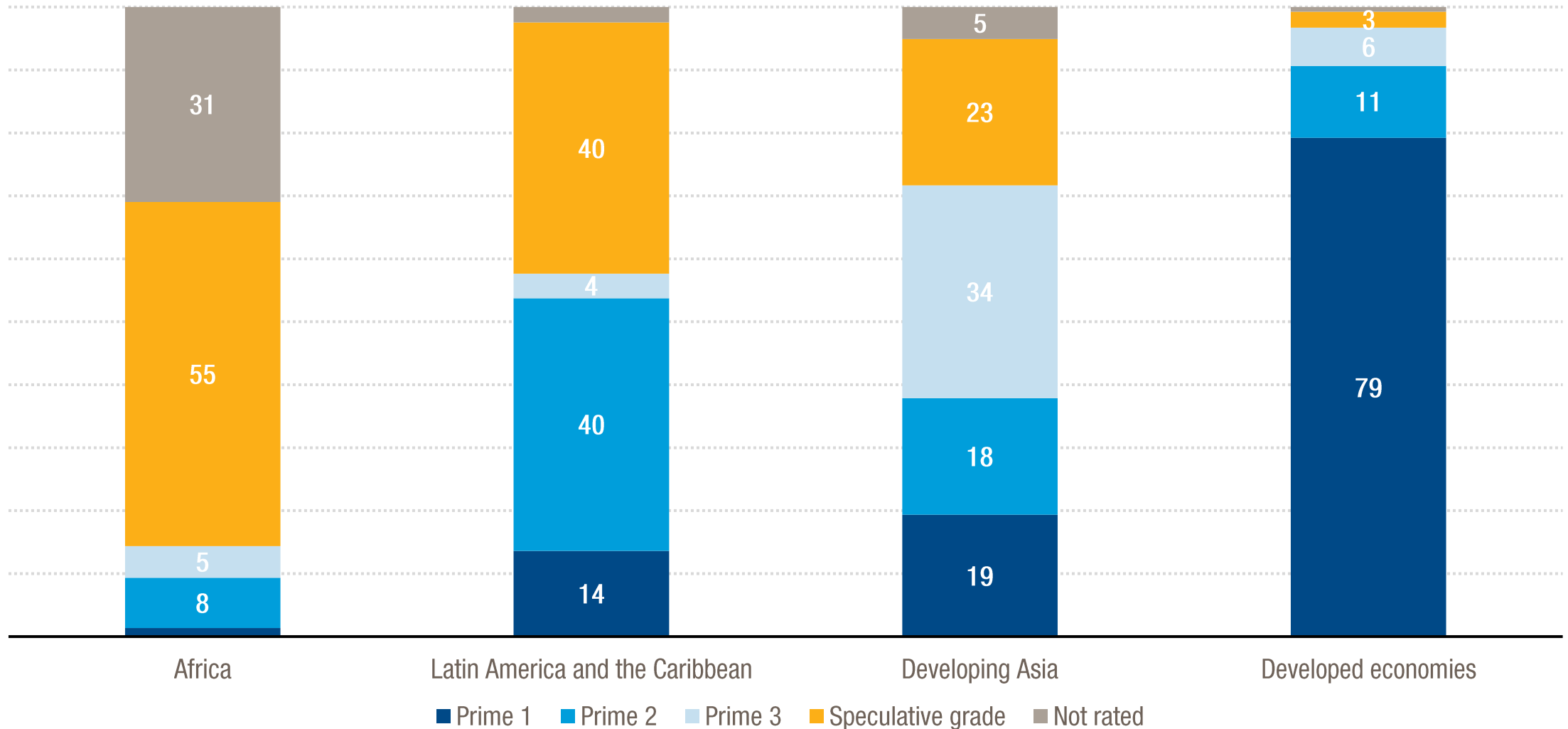
➤ The cost of capital in 2021 in large developing economies was **two to three times** higher than in developed economies and China

Indicative weighted average cost of capital of utility-scale solar photovoltaic projects, 2021 (Per cent)



# Financing costs reflect differences in credit ratings

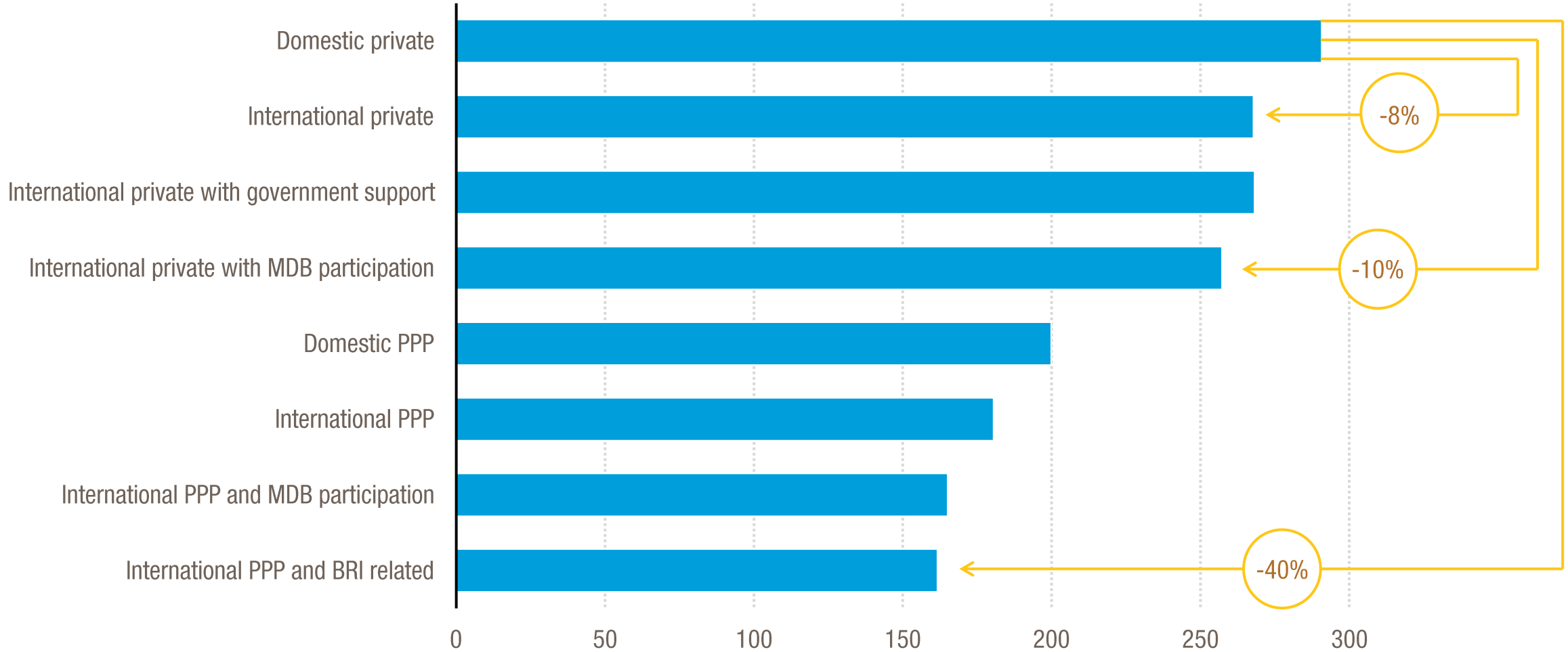
Share of international project finance projects by credit rating  
(Per cent)





# MDB participation makes the biggest difference in lowering the cost of capital for international project finance

Renewable energy: average spread on debt financing, by actors involved, developing economies, 2011-2022  
(Basis points and per cent)



Thank you

