

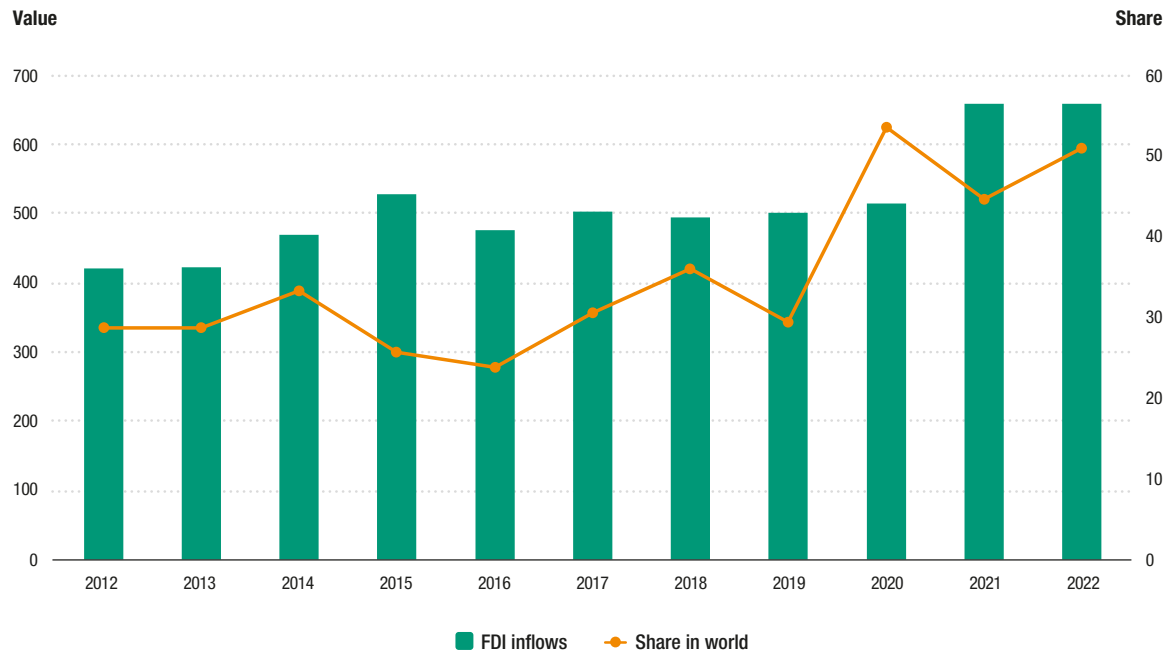
REGIONAL TRENDS

DEVELOPING ASIA

HIGHLIGHTS

- In 2022 FDI in developing Asia remained flat at \$662 billion, about half of global inflows.
- Inflows were highly concentrated. Five economies (China, Singapore, Hong Kong (China), India and the United Arab Emirates, in that order) accounted for almost 80 per cent of FDI to the region.
 - In East Asia, inflows to China rose by 5 per cent to \$189 billion, mainly in manufacturing and high-tech industries and mostly from European MNEs. Flows to Hong Kong (China) fell by 16 per cent to \$118 billion.
 - In South-East Asia, Singapore, the largest recipient, registered another record, up 8 per cent to \$141 billion. Flows to Malaysia grew by 39 per cent to \$17 billion – a new record for the country. FDI to Viet Nam and Indonesia rose by 14 per cent and 4 per cent, to \$18 billion and \$22 billion, respectively. FDI to the Philippines fell by 23 per cent as a result of several divestments.
 - In West Asia, flows to Saudi Arabia fell by 59 per cent to \$7.9 billion. FDI to the United Arab Emirates increased by 10 per cent to \$23 billion – the highest amount ever recorded. The country attracted the fourth highest number of greenfield projects in the world. Flows to Türkiye rose by 9 per cent to \$13 billion.
 - In South Asia, FDI flows to India rose by 10 per cent to \$49 billion as the country became the third largest host country for greenfield project announcements and the second largest for international project finance deals. FDI in Bangladesh grew by 20 per cent to \$3.5 billion.
 - In Central Asia, flows to Kazakhstan almost doubled to \$6.1 billion, mainly in extractive industries. FDI also rose in Uzbekistan, by 11 per cent, to \$3 billion.
- Over the past five years, FDI flows increased in all major regional economic groupings in developing Asia. FDI in the member States of the Association of Southeast Asian Nations grew by 41 per cent, to \$222 billion. Flows increased also in the Regional Comprehensive Economic Partnership (up 42 per cent, to \$580 billion), among the countries of the Gulf Cooperation Council (where they more than doubled, to \$37 billion) and in member States of the South Asian Association for Regional Cooperation (up 20 per cent, to \$56 billion).
- In 2022, the share of intraregional greenfield project announcements rose to 24 per cent of all projects announced in developing Asia (30 per cent in terms of value), compared with 21 per cent in 2017. Looking at projects of Asian MNEs only, 47 per cent were in the region, up from 40 per cent in 2017.
- Across developing Asia, investment in sectors relevant for the achievement of the SDGs rose. The number of announced greenfield project numbers in these sectors grew by 32 per cent, to 921, primarily because of strong interest in renewables, transport services and telecommunication. The number of international project finance deals rose moderately, by 6 per cent.
- China and Hong Kong (China) continued to be the largest investors in the region, followed by the United States, Japan and Singapore.

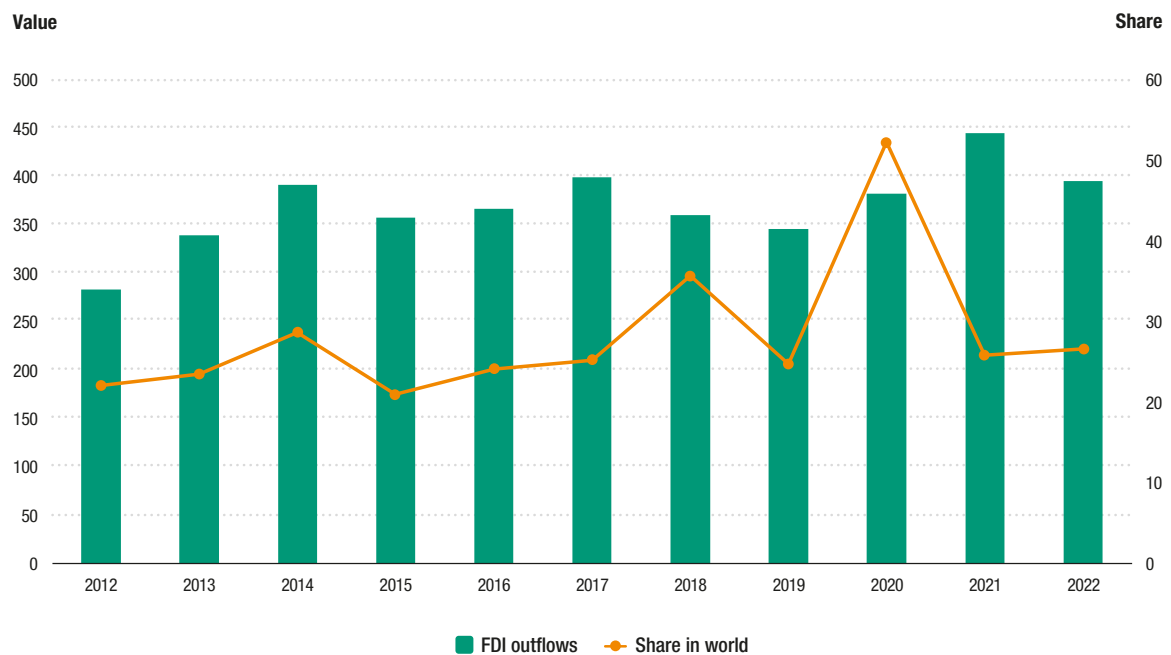
Figure 1. | Developing Asia: FDI inflows and share in world inflows, 2012–2022 (Billions of dollars and per cent)



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

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

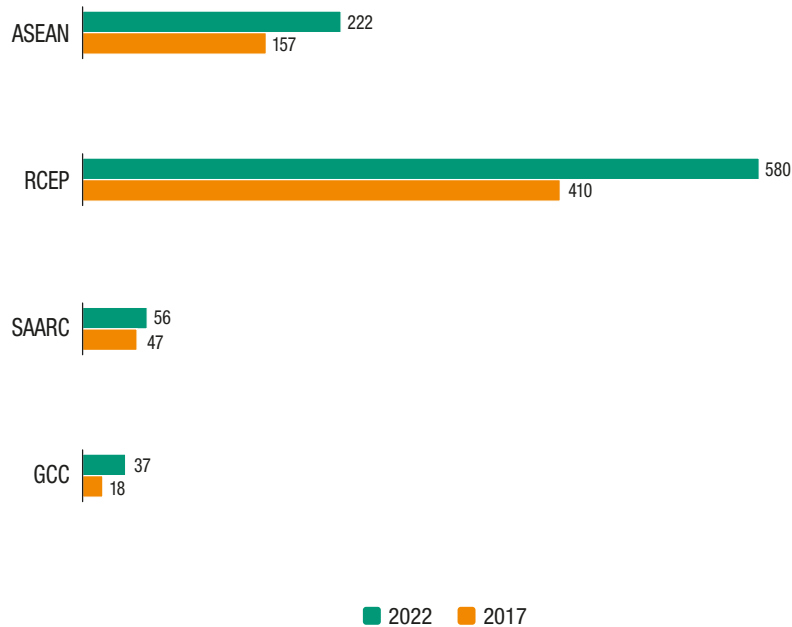
Figure 2. | Developing Asia: FDI outflows and share in world outflows, 2012–2022 (Billions of dollars and per cent)



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

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

Figure 3. | Developing Asia: FDI in regional groupings, 2017 and 2022 (Billions of dollars)



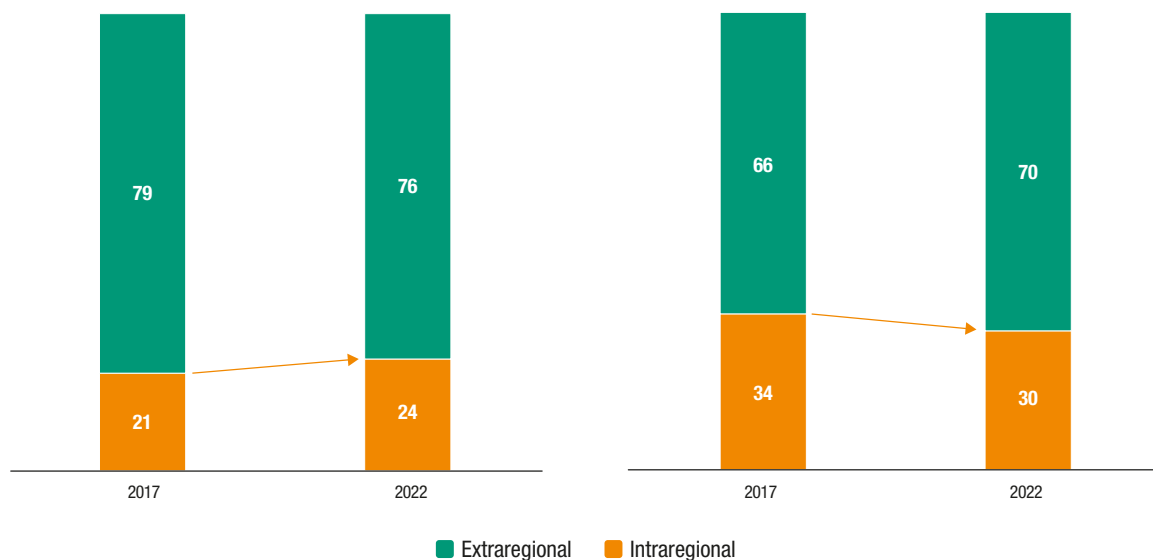
Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).

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, 2017 and 2022 (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, 2020–2022 (Billions 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 (%)
Asia	516	662	662	0	75	100	84	-16	567	568	629	11
East Asia	285	334	324	-3	31	11	30	177	166	154	120	-22
China	149	181	189	5	19	4	15	245	84	77	53	-31
Hong Kong, China	135	140	118	-16	11	6	12	88	62	65	55	-15
Taiwan Province of China	6	5	10	88	1	-	3	..	19	10	8	-20
South-East Asia	119	213	223	5	-5	50	12	-75	204	170	199	17
Indonesia	19	21	22	4	2	1	1	-19	26	16	23	44
Malaysia	3	12	17	39	0.3	0.5	1	135	37	31	30	-3
Philippines	7	12	9	-23	1	2	-2	..	12	15	10	-33
Singapore	73	131	141	8	2	45	11	-75	72	72	96	33
Thailand	-5	15	10	-31	-10	-	0.2	1 832	6	12	19	58
Viet Nam	16	16	18	14	1	0.5	1	46	45	22	21	-5
South Asia	71	53	57	9	28	8	5	-40	117	135	182	35
Bangladesh	3	3	3	20	-	-	0.1	..	-	2	2	0
India	64	45	49	10	27	8	5	-41	110	127	175	38
Pakistan	2	2	1	-38	-	-	-	..	-	4	2	-50
West Asia	35	56	48	-14	21	31	37	18	74	97	117	21
Saudi Arabia	5	19	8	-59	0.4	24	16	-35	9	12	3	-75
Türkiye	8	12	13	9	3	1	2	139	26	36	38	6
United Arab Emirates	20	21	23	10	16	2	7	359	28	25	50	100
Central Asia	7	7	10	39	-	0.5	-	..	6	12	11	-8
Kazakhstan	4	3	6	83	-	0.4	-0.1	..	4	6	1	-83
Uzbekistan	2	2	3	11	-	-	0.1	..	2	4	10	150
<i>Memorandum</i>												
World	962	1 478	1 295	-12	475	737	707	-4	6 201	8 571	7 763	-9
Developed economies	315	597	378	-37	389	624	599	-4	5 333	7 610	6 710	-12
Developing economies	647	881	916	4	86	113	107	-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. Developing Asia: announced greenfield projects and international project finance deals, 2020–2022 (Billions 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 (%)
Asia	170	156	275	76	2 663	3 192	4 625	45	145	351	193	-45	245	475	568	20
East Asia	39	41	24	-41	582	672	557	-17	12	24	22	-8	32	84	88	5
China	34	32	18	-43	413	482	357	-26	4	12	17	40	8	45	52	16
Hong Kong, China	2	4	3	-24	88	101	113	12	3	6	1	-88	3	4	2	-50
Taiwan Province of China	3	5	3	-43	72	81	73	-10	4	7	5	-26	19	31	32	3
South-East Asia	69	64	87	35	759	848	1 083	28	73	126	93	-26	117	152	226	49
Indonesia	20	8	15	82	64	73	96	32	14	27	30	8	27	29	49	69
Malaysia	7	25	17	-33	100	123	153	24	6	32	11	-66	11	16	43	169
Philippines	1	1	4	155	50	66	134	103	2	18	5	-73	11	26	29	12
Singapore	7	13	16	23	307	364	410	13	1	10	6	-38	4	17	19	12
Thailand	2	4	8	111	72	79	91	15	6	2	10	508	14	10	17	70
Viet Nam	11	12	26	120	134	128	181	41	41	33	28	-15	33	40	48	20
South Asia	25	19	81	323	460	507	1 089	115	25	58	60	4	50	155	205	32
Bangladesh	1	1	0.5	-56	16	15	21	40	2	4	0.1	-97	5	14	1	-93
India	23	16	78	376	411	459	1 008	120	18	47	58	23	36	114	187	64
Pakistan	0.2	1	2	86	8	15	32	113	4	3	1	-78	4	9	5	-44
West Asia	33	30	75	152	820	1 111	1 854	67	28	86	12	-86	29	60	29	-52
Oman	6	5	10	113	24	35	50	43	1	12	2	-82	2	6	5	-17
Saudi Arabia	9	9	13	50	90	150	239	59	8	35	1	-97	4	9	4	-56
Türkiye	5	4	4	-4	210	211	265	26	2	4	1	-85	6	8	3	-63
United Arab Emirates	8	7	11	67	389	541	997	84	13	3	7	142	7	12	6	-50
Central Asia	4	3	9	211	42	54	42	-22	8	57	5	-91	17	24	20	-17
Kazakhstan	1	1	0.4	-56	10	21	21	0	1	53	3	-94	4	8	8	0
Uzbekistan	3	2	1	-37	22	25	14	-44	7	3	1	-59	13	14	8	-43
Memorandum																
World	604	739	1 213	64	13 394	15 318	17 598	15	534	1 384	1 044	-25	1 353	2 383	2 564	8
Developed economies	333	465	639	37	9 101	10 342	10 790	4	300	774	665	-14	797	1 413	1 549	10
Developing economies	271	274	573	110	4 293	4 976	6 808	37	234	609	379	-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. Developing Asia: announced greenfield projects, by sector and selected industries, 2020–2022 (Billions of dollars, number and per cent)

Sector/industry	Value			Growth rate, 2021–2022 (%)	Number			Growth rate, 2021–2022 (%)
	2020	2021	2022		2020	2021	2022	
Total	170	156	275	76	2 663	3 192	4 625	45
Primary	1	0.3	37	..	26	18	32	78
Manufacturing	96	82	106	29	1 114	1 270	1 396	10
Services	73	74	131	78	1 523	1 904	3 197	68
<i>Top 10 industries in value terms</i>								
Electronics and electrical equipment	16	47	59	25	227	296	309	4
Information and communication	16	16	40	150	554	753	1 403	86
Extractive industries	0.1	0.1	37	48 416	7	12	27	125
Energy and gas supply	23	18	34	88	63	54	69	28
Construction	5	8	18	134	20	26	35	35
Basic metal and metal products	3	2	13	465	41	52	56	8
Transportation and storage	6	8	13	62	109	156	281	80
Chemicals	23	7	10	40	136	137	151	10
Finance and insurance	10	6	8	35	229	194	333	72
Automotive	12	5	6	23	125	128	135	5

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, 2020–2022 (Billions of dollars, number and per cent)

Sector/industry	Value			Growth rate, 2021–2022 (%)	Number			Growth rate, 2021–2022 (%)
	2020	2021	2022		2020	2021	2022	
Total	145	351	193	-45	245	475	568	20
<i>Top 10 industries by number</i>								
Renewable energy	49	135	61	-55	106	197	187	-5
Industrial real estate	23	66	53	-19	31	78	136	74
Residential/commercial real estate	12	15	18	25	28	66	88	33
Power	20	26	21	-19	25	24	30	25
Transport infrastructure	7	13	10	-20	9	23	26	13
Telecommunication	4	12	5	-55	3	17	21	24
Agriculture	2	1	3	385	2	6	17	183
Oil and gas	19	64	10	-85	20	33	17	-48
Petrochemicals	8	11	4	-67	6	10	13	30
Waste and recycling	1	0.1	1	897	1	1	10	900

Source: UNCTAD, based on information from Refinitiv SA.

Table 5. Developing Asia: net cross-border M&A sales, by sector and selected industries, 2020–2022 (Billions of dollars, number and per cent)

Sector/industry	Value			Growth rate, 2021–2022 (%)	Number			Growth rate, 2021–2022 (%)
	2020	2021	2022		2020	2021	2022	
Total	75	100	84	-16	567	568	629	11
Primary	11	25	16	-35	22	22	12	-45
Manufacturing	22	15	9	-40	125	119	110	-8
Services	42	60	59	-3	420	427	507	19
<i>Top 10 industries in value terms</i>								
Finance and insurance	11	6	24	303	86	81	82	1
Extractive industries	11	25	16	-35	10	15	3	-80
Transportation and storage	5	4	13	208	43	24	34	42
Electronics and electrical equipment	3	1	8	852	10	21	17	-19
Information and communication	13	36	8	-78	83	114	123	8
Utilities	5	5	6	7	22	26	42	62
Trade	-2	-1	5	..	40	41	39	-5
Rubber and plastics products	-	-0.1	3	..	4	4	6	50
Pharmaceuticals	11	2	2	34	24	17	11	-35
Real estate	8	2	2	-9	29	28	20	-29

Source: UNCTAD, based on information from Refinitiv SA.

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

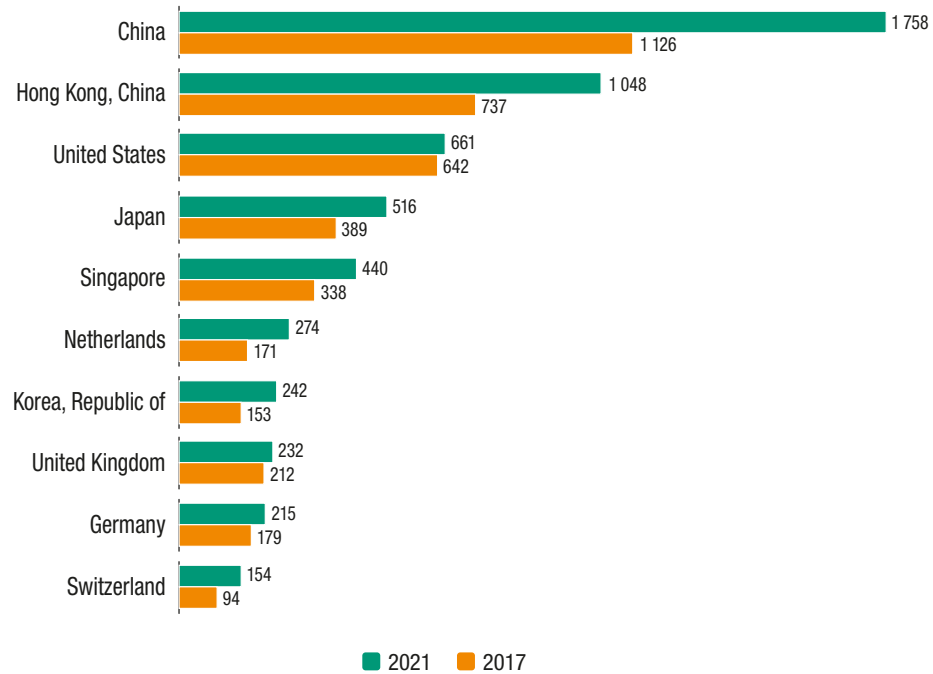
SDG-relevant sector	Greenfield projects				International project finance deals			
	2020	2021	2022	Growth rate, 2021–2022 (%)	2020	2021	2022	Growth rate, 2021–2022 (%)
Total								
Value	49 102	50 138	80 045	60	82 344	190 480	104 616	-45
Number of projects	599	699	921	32	156	282	298	6
Power ^a								
Value	8 382	588	1 107	88	19 825	26 443	21 415	-19
Number of projects	15	9	8	-11	25	24	30	25
Renewable energy								
Value	14 497	17 864	33 438	87	49 409	135 467	60 593	-55
Number of projects	54	52	65	25	106	197	187	-5
Transport services ^b								
Value	5 736	7 779	12 544	61	6 613	12 879	10 280	-20
Number of projects	109	156	280	79	9	23	26	13
Telecommunication								
Value	10 605	9 133	14 074	54	3 880	12 097	5 464	-55
Number of projects	116	154	205	33	3	17	21	24
Water, sanitation and hygiene (WASH)								
Value	227	3 051	1 406	-54	1 079	794	3 569	350
Number of projects	4	11	8	-27	9	7	10	43
Agrifood systems								
Value	6 291	7 420	9 333	26	1 512	535	2 594	385
Number of projects	172	155	147	-5	2	6	17	183
Health								
Value	2 709	3 494	7 550	116	9	2 055	524	-75
Number of projects	90	102	139	36	1	6	5	-17
Education								
Value	655	810	593	-27	18	211	176	-17
Number of projects	39	60	69	15	1	2	2	0

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

^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, 2017 and 2021 (Billions of dollars)



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