

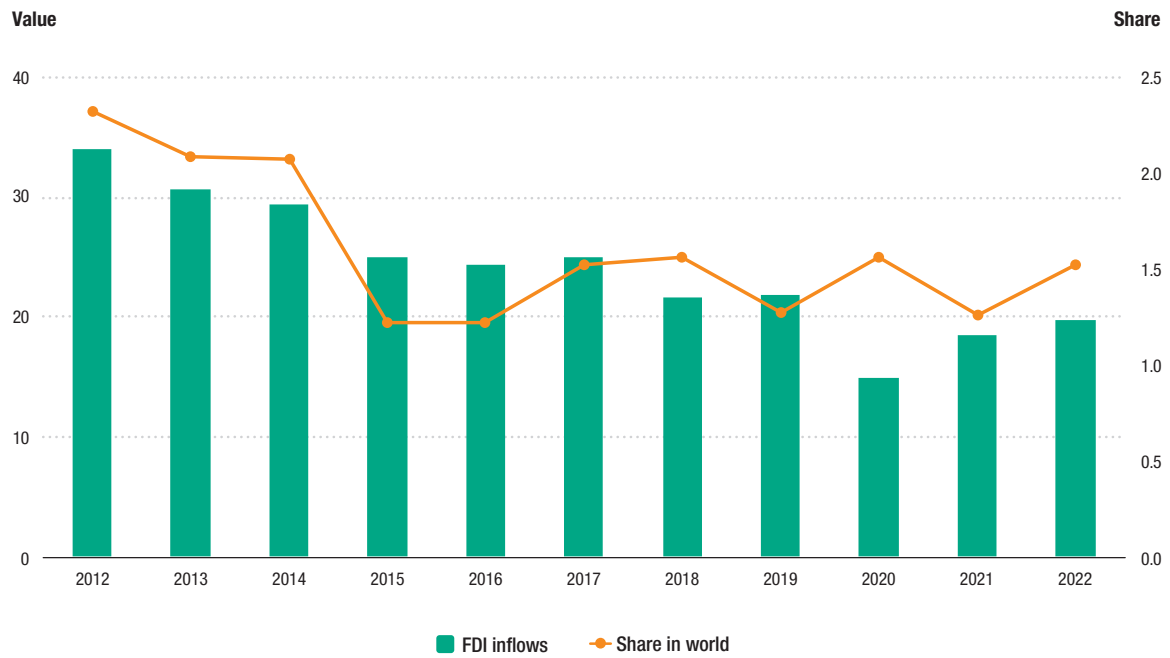
REGIONAL TRENDS

LANDLOCKED DEVELOPING COUNTRIES

H I G H L I G H T S

- FDI in the 32 LLDCs as a group rose by 6 per cent to \$20 billion. Flows remained concentrated in a few economies, with the top five recipients (Kazakhstan, Ethiopia, Uzbekistan, Mongolia and Uganda, in that order) accounting for 83 per cent of total FDI to the group.
- Flows to LLDCs in Africa, Asia and Europe increased, while those to LLDCs in Latin America and the Caribbean fell.
 - In Africa, Ethiopia remained the second largest LLDC recipient, despite a decline in inflows. FDI in Uganda rose by 39 per cent, to \$1.5 billion, owing to large projects in extractive industries. Flows to Niger declined slightly to \$581 million, but international project finance activity increased.
 - The two Latin American LLDCs saw contrasting trends. Flows to the Plurinational State of Bolivia turned negative again (-\$26 million), mainly due to the extraordinary payment of dividends in the hydrocarbon sector. However, other economic sectors showed increased investment. In Paraguay, flows more than doubled to \$474 million.
 - Among the LLDCs in developing Asia, Kazakhstan saw FDI increase by 83 per cent to \$6.1 billion. While equity turned negative, reinvested earnings reached \$10 billion – the highest value ever recorded – boosted by high profits in the extractive industries. Flows to Uzbekistan reached a record \$2.5 billion, mostly due to the doubling of reinvested earnings to \$1.2 billion. Payment of dividends in the extractive industries caused FDI flows to Azerbaijan to turn negative to -\$4.5 billion.
- Looking at the LLDCs as a group, the number of greenfield project announcements increased by 15 per cent and the value tripled, to \$31 billion. The increase was particularly pronounced in extractive industries.
- The number of international project finance deals was 19 per cent lower than in 2021, and the value plummeted by 72 per cent, to \$19 billion. The majority of projects targeted renewables, but projects were also announced in power, mining and industrial real estate.
- FDI to LLDCs originates mostly from a few key investor countries. At \$20 billion, China was by far the largest investor in 2021 (with \$7.5 billion in Kazakhstan alone), followed by Thailand, Canada and the Netherlands.

Figure 1. LLDCs: 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.

Table 1. LLDCs: FDI inflows and cross-border M&A sales, 2020–2022 (Millions 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 (%)
LLDCs	14 989	18 589	19 698	6	78	-867	1 553	..	23	46	31	-33
Africa (16)	5 697	7 516	8 197	9	33	-1 377	53	..	9	16	4	-75
Botswana	32	-319	216	..	-	1	1	102	-	1	2	100
Chad	558	705	614	-13	-	-	-	..	-	-	-	..
Ethiopia	2 381	4 259	3 670	-14	-	-	-	..	3	-	-	..
Mali	537	640	253	-60	-	81	-	..	-	3	-	..
Niger	361	595	581	-2	-	-	-	..	-	-	-	..
Rwanda	274	399	399	0	-	-	-	..	-	3	1	-67
Uganda	874	1 100	1 526	39	-	37	-	..	2	2	1	-50
Zimbabwe	194	250	342	37	16	6	77	1 291	1	2	-	..
Asia (12)	9 932	9 332	9 673	4	44	459	1 486	224	12	21	20	-5
Armenia	59	366	998	172	-	-	2	..	1	2	3	50
Azerbaijan	507	-1 708	-4 474	..	-	1	1 450	..	-	6	4	-33
Kazakhstan	3 670	3 337	6 108	83	10	436	-94	..	4	6	1	-83
Mongolia	1 719	2 173	2 504	15	11	0.1	10	..	3	1	1	0
Nepal	126	196	65	-67	-	-	1	..	1	-	1	..
Lao People's Democratic Republic	968	1 072	528	-51	-	-	-	..	-	-	-	..
Turkmenistan	1 436	1 287	936	-27	-	-	-	..	-	-	-	..
Uzbekistan	1 728	2 276	2 531	11	23	17	117	599	2	4	10	150
Europe (2)	380	967	1 381	43	-	-	15	..	1	4	6	50
North Macedonia	230	556	794	43	-	-	-	..	-	3	-	..
Moldova, Republic of	150	410	587	43	-	-	15	..	1	1	6	500
Latin America and the Caribbean (2)	-1 019	775	447	-42	-	51	-	..	1	5	1	-80
Bolivia, Plurinational State of	-1 129	584	-26	..	-	51	-	..	-	3	-1	..
Paraguay	110	192	474	147	-	-	-	..	1	2	2	0
<i>Memorandum</i>												
World	961 983	1 478 137	1 294 738	-12	474 864	737 452	706 572	-4	6 201	8 571	7 763	-9
Developed economies	315 461	597 243	378 320	-37	388 581	624 070	599 315	-4	5 333	7 610	6 710	-12
Developing economies	646 522	880 894	916 418	4	86 283	113 382	107 257	-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. LLDCs: announced greenfield projects and international project finance deals, 2020–2022 (Millions of dollars, number and per cent)

Region/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 (%)
LLDCs	12 753	10 175	30 653	201	137	174	200	15	34 407	67 452	18 967	-72	55	86	70	-19
Africa (16)	3 475	4 528	19 024	320	58	65	69	6	19 096	4 526	8 925	97	23	34	25	-26
Botswana	137	346	297	-14	3	4	8	100	431	100	539	439	2	2	2	0
Chad	199	33	10	-71	1	2	1	-50	202	-	864	..	1	-	3	..
Ethiopia	530	137	558	308	11	7	6	-14	4 267	692	213	-69	3	5	1	-80
Mali	479	449	225	-50	4	3	1	-67	290	451	-	..	2	2	-	..
Niger	5	165	42	-75	1	1	2	100	-	-	1 158	..	-	-	7	..
Rwanda	242	275	368	34	5	10	10	0	-	-	-	..	-	-	-	..
Uganda	354	282	10 201	3 519	5	8	10	25	1 749	16	202	1164	3	1	1	0
Zimbabwe	220	1 581	5 218	230	5	9	15	67	404	2 551	3 589	41	4	14	6	-57
Asia (12)	5 283	4 248	10 568	149	60	70	83	19	15 194	59 531	9 289	-84	31	41	39	-5
Azerbaijan	344	43	674	1453	6	3	9	200	3 016	642	1 495	133	4	5	7	40
Kazakhstan	850	828	361	-56	10	21	21	0	870	53 446	3 084	-94	4	8	8	0
Mongolia	12	-	7	..	1	-	1	..	1 152	537	391	-27	2	4	2	-50
Nepal	227	31	33	5	5	2	6	200	48	699	1 069	53	1	3	4	33
Lao People's Democratic Republic	103	131	-	..	2	2	-	..	3 332	347	1 181	240	6	3	6	100
Turkmenistan	-	-	7 782	..	-	-	3	..	-	150	207	39	-	1	1	0
Uzbekistan	3 247	1 924	1 221	-37	22	25	14	-44	6 654	3 068	1 254	-59	13	14	8	-43
Europe (2)	270	1 097	862	-21	8	24	38	58	-	2 172	570	-74	-	8	4	-50
North Macedonia	136	1 028	618	-40	3	19	29	53	-	2 052	570	-72	-	7	4	-43
Moldova, Republic of	134	69	244	254	5	5	9	80	-	119	-	..	-	1	-	..
Latin America and the Caribbean (2)	3 725	303	199	-34	11	15	10	-33	116	1 223	183	-85	1	3	2	-33
Bolivia, Plurinational State of	312	224	72	-68	5	7	3	-57	116	1 223	-	..	1	3	-	..
Paraguay	3 413	79	127	61	6	8	7	-13	-	-	183	..	-	-	2	..
World	603 933	738 636	1 212 651	64	13 394	15 318	17 598	15	534 407	1 383 799	1 044 046	-25	1 353	2 383	2 564	8
Developed economies	333 356	465 124	639 446	37	9 101	10 342	10 790	4	300 141	774 305	665 215	-14	797	1 413	1 549	10
Developing economies	270 577	273 512	573 205	110	4 293	4 976	6 808	37	234 267	609 494	378 831	-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. LLDCs: announced greenfield projects, by sector and selected industries, 2020–2022 (Millions 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	12 753	10 175	30 653	201	137	174	200	15
Primary	45	1 487	17 313	1 064	3	6	11	83
Manufacturing	4 472	1 937	1 833	-5	45	58	53	-9
Services	8 236	6 751	11 507	70	89	110	136	24
<i>Top 10 industries in value terms</i>								
Extractive industries	6	1 479	17 313	1 070	1	5	11	120
Energy and gas supply	4 540	3 950	4 495	14	17	22	13	-41
Transportation and storage	680	335	4 126	1 130	10	13	18	38
Information and communication	2 070	1 577	1 201	-24	25	38	50	32
Automotive	233	168	632	277	9	7	10	43
Construction	33	-	500	..	1	-	1	..
Other non-metallic mineral products	294	462	461	0	3	2	5	150
Food, beverages and tobacco	145	139	421	202	3	6	10	67
Hospitality	287	100	408	307	3	1	4	300
Finance and insurance	265	168	222	32	14	8	13	63

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

Table 4. LLDCs: announced international project finance deals, selected industries, 2020–2022 (Millions of dollars, number and per cent)

Industry	Value			Growth rate, 2021–2022 (%)	Number			Growth rate, 2021–2022 (%)
	2020	2021	2022		2020	2021	2022	
Total	34 407	67 452	18 967	-72	55	86	70	-19
<i>Top 10 industries by number</i>								
Renewable energy	16 010	58 686	7 398	-87	30	46	32	-30
Mining	687	1 482	1 719	16	5	9	7	-22
Power	3 865	2 401	1 440	-40	4	5	7	40
Industrial real estate	807	1 748	4 072	133	5	7	6	-14
Residential/commercial real estate	532	140	2 332	1 561	5	3	4	33
Transport infrastructure	11 422	1 198	958	-20	2	3	4	33
Water and sewerage	123	235	322	37	1	3	3	0
Education	-	242	176	-27	-	3	2	-33
Agriculture	500	150	144	-3	1	1	1	0
Oil and gas	461	562	20	-96	2	3	1	-67

Source: UNCTAD, based on information from Refinitiv SA.

Table 5. LLDCs: net cross-border M&A sales, by sector and selected industries, 2020–2022 (Millions 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	78	-867	1 553	..	23	46	31	-33
Primary	27	-982	1 517	..	3	16	-1	..
Manufacturing	17	2	101	4 890	4	3	6	100
Services	33	113	-65	..	16	27	26	-4
<i>Top 10 industries in value terms</i>								
Extractive industries	27	-984	1 517	..	3	9	-1	..
Coke and refined petroleum	-	-	100	..	-	1	1	0
Finance and insurance	10	66	23	-64	6	9	5	-44
Information and communication	-	-	21	..	3	3	7	133
Health services	-	-	4	..	-	-1	1	..
Transportation and storage	-	47	2	-95	1	3	4	33
Electronics and electrical equipment	-	1	1	7	-	1	2	100
Utilities	-	0.1	0.1	8	1	2	4	100
Food, beverages and tobacco	-	1	-	..	-	1	1	0
Basic metal and metal products	-	-	-	..	-	-	1	..

Source: UNCTAD, based on information from Refinitiv SA.

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

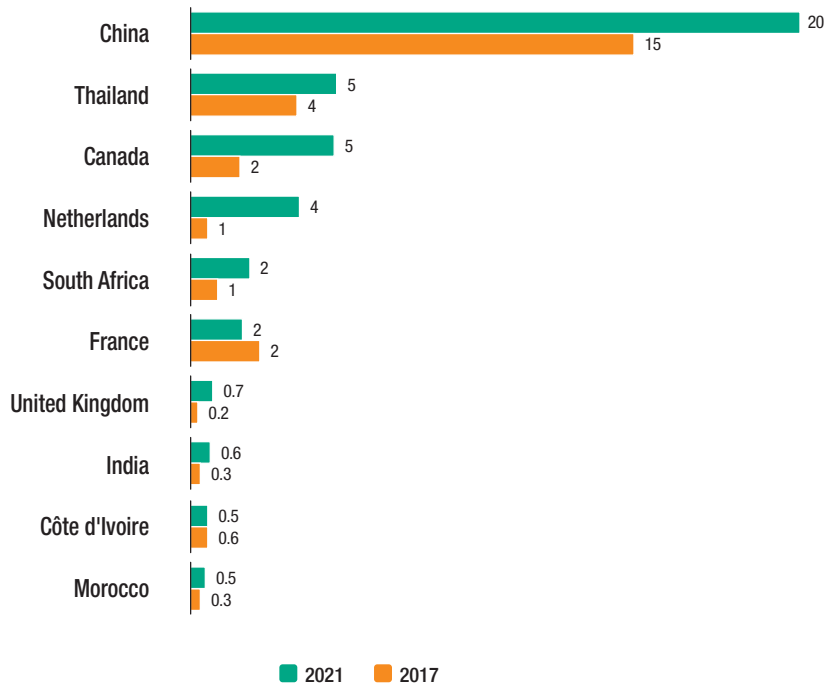
SDG-relevant sector	Greenfield projects				International project finance deals			
	2020	2021	2022	Growth rate, 2021–2022 (%)	2020	2021	2022	Growth rate, 2021–2022 (%)
Total								
Value	7 502	5 899	6 345	8	31 920	63 400	10 591	-83
Number of projects	60	75	60	-20	38	63	50	-21
Power ^a								
Value	2 218	420	-	..	3 865	2 401	1 440	-40
Number of projects	3	2	-	..	4	5	7	40
Renewable energy								
Value	2 323	3 530	4 495	27	16 010	58 686	7 398	-87
Number of projects	15	20	13	-35	30	46	32	-30
Transport services ^b								
Value	680	171	626	266	11 422	1 198	958	-20
Number of projects	10	12	17	42	2	3	4	33
Telecommunication								
Value	1 858	1 108	664	-40	-	-	152	..
Number of projects	19	14	11	-21	-	-	1	..
Water, sanitation and hygiene (WASH)								
Value	-	-	12	..	123	235	322	37
Number of projects	-	-	1	..	1	3	3	0
Agrifood systems								
Value	303	367	531	45	500	150	144	-3
Number of projects	9	18	15	-17	1	1	1	0
Health								
Value	113	272	18	-94	-	488	-	..
Number of projects	3	6	3	-50	-	2	-	..
Education								
Value	7	32	-	..	-	242	176	-27
Number of projects	1	3	-	..	-	3	2	-33

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 2. | LLDCs: top 10 investor economies by FDI stock, 2017 and 2021 (Billions of dollars)



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