



Regional trends

Latin America and the Caribbean



Highlights

In 2023, foreign direct investment (FDI) in Latin America and the Caribbean remained stable, totalling \$193 billion. There was considerable heterogeneity across countries. In South America, FDI in Argentina, Chile and Guyana accelerated. This offset lower values in Brazil and Peru. Brazil remained the largest recipient in South America. In Central America, Mexico accounted for the bulk of foreign investment, with stable inflows. In the Caribbean, the Dominican Republic continued its growth trend, with inflows rising 7 per cent year on year. Merger and acquisition (M&A) sales, which typically account for only a small share of FDI in Latin America and the Caribbean, declined by \$4 billion in 2023, to \$11 billion.

- In South America flows fell by 2 per cent to \$143 billion. Flows to Chile and Argentina show an increase in 2022 and 2023, and flows to Guyana have picked up following an offshore oil discovery. The value of announced greenfield projects increased for almost all countries; however, in many, the downturn in international project finance deals partially offset these gains.
- FDI inflows to Central America were also stable. There were declines in both greenfield project announcements and international project finance deals. Mexico, by far the largest recipient, registered lower values but stable numbers.
- In the Caribbean (excluding offshore financial centres), FDI increased by 6 per cent overall, with increases in most countries. The growth in greenfield projects seen in 2022 stalled in 2023. The value and number of international project finance deals showed a declining trend.

The value of announced greenfield projects increased, primarily driven by large projects in Brazil and Chile. Demand for commodities and critical minerals continues to drive a large share of greenfield investment in the region. The primary sector accounted for 23 per cent of project values over the past two years, compared with less than 10 per cent in other developing regions. Investment in these industries can be sensitive to swings in commodity prices. Investment in renewable energy was prominent, with 4 of the top 10 announced projects (by value) relating to the production of green hydrogen or green ammonia. Most large projects are undertaken by investors from outside the region. Only 2 megaprojects valued at more than \$1 billion (out of 19 such megaprojects) were undertaken by MNEs based in the region.

As in other regions, in Latin America and the Caribbean the number and value of international project finance deals declined (by 30 per cent and 23 per cent, respectively). The slowdown affected most countries. Among major FDI recipients, only Chile posted higher project numbers than in 2022. The downturn affected several industries, with renewable energy among the worst affected: there were 40 per cent fewer deals and a \$16 billion drop in the value of announced projects compared with 2022.

Overall, the value of cross-border M&A activity decreased 26 per cent, to \$11 billion. The services sector recorded the highest decrease in net sales, particularly in information and communication technology and in chemicals. In contrast, there was a jump in net sales in the basic metals and metal products industry.

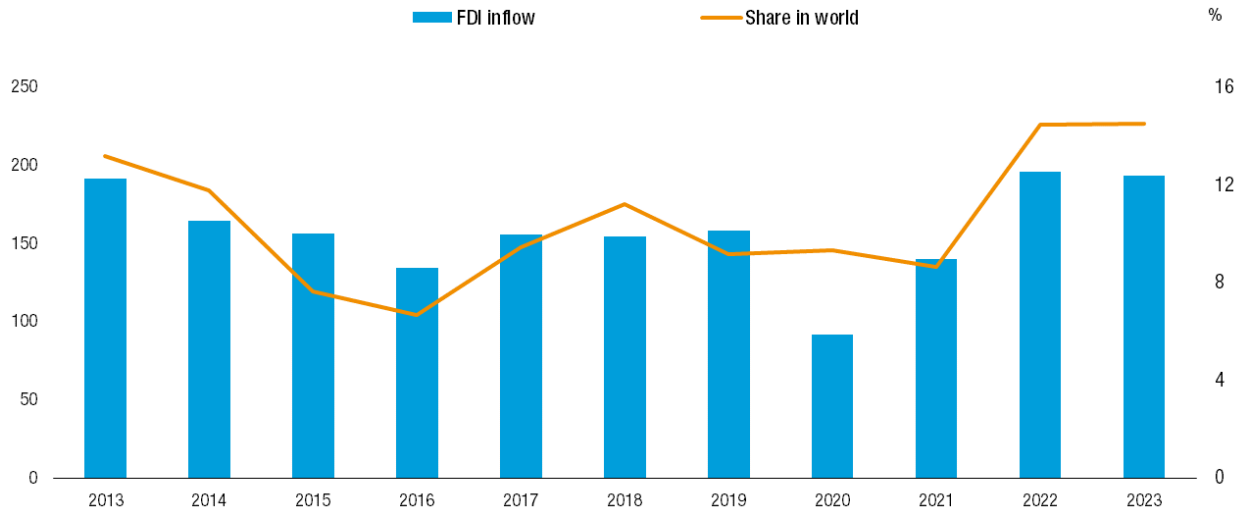
Investment in sectors relevant to the Sustainable Development Goals (SDGs) declined overall. The decline in international project deals outweighed the growth in the value and number of

greenfield projects. This pattern repeated itself in most SDG-relevant sectors, although there was a notable increase in the value of international project finance deals for power.

The main investors in Latin America and the Caribbean by FDI stock were from the United States, Spain, the Netherlands and Luxembourg, in that order. FDI flows to the main regional economic groupings over the past five years expanded. Flows to the Caribbean Community tripled compared with flows in 2018.



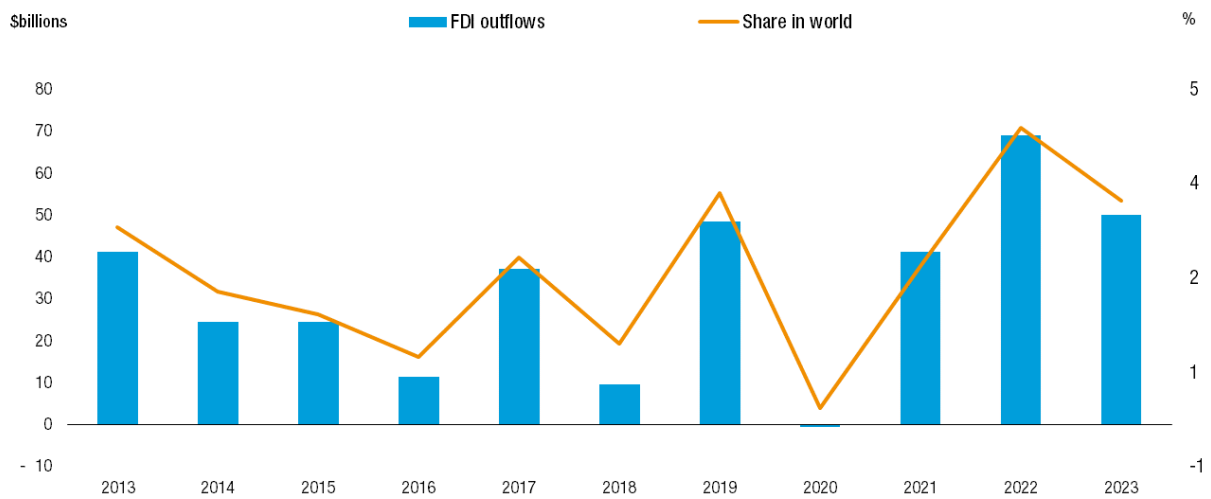
Figure 1
Latin America and the Caribbean: FDI inflows and share in world inflows
 (Billions of dollars and percentage)



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
Latin America and the Caribbean: FDI outflows and share in world outflows
 (Billions of dollars and percentage)



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

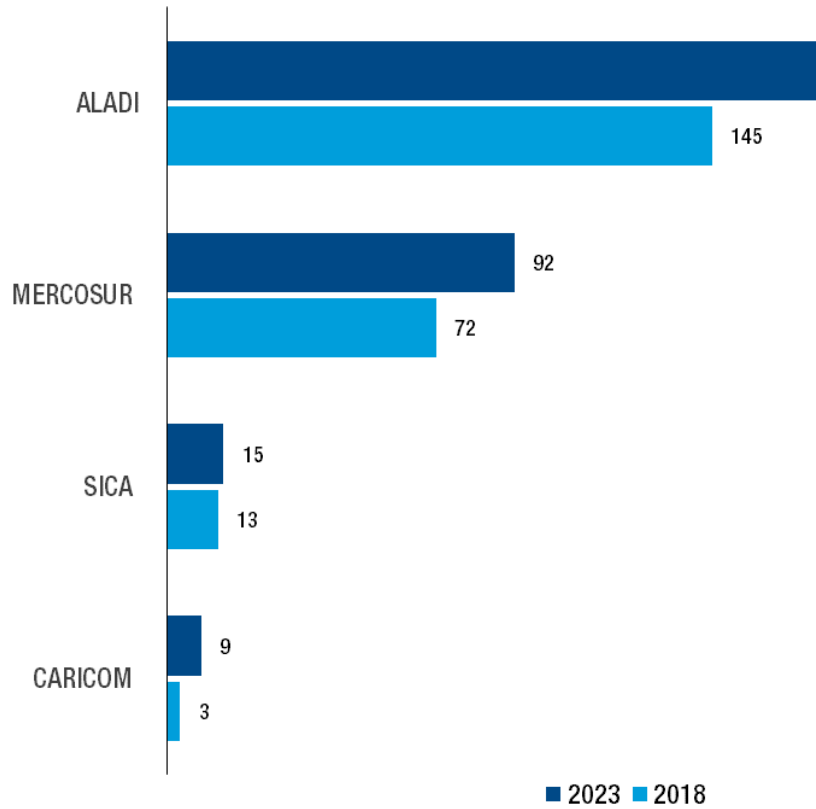
Note: Data exclude financial centres in the Caribbean and special-purpose entities in reporting countries.



Figure 3

Latin America and the Caribbean: FDI inflows by regional grouping

(Billions of dollars)



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

Abbreviations: ALADI = Asociación Latinoamericana de Integración, MERCOSUR = Mercado Común del Sur, SICA = Central American Integration System, CARICOM = Caribbean Community.





Figure 4

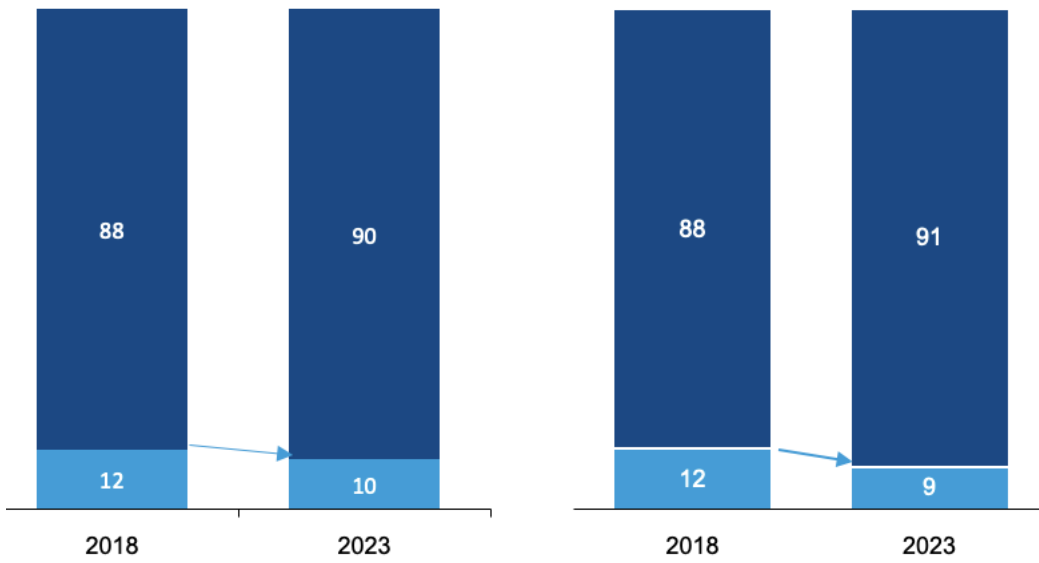
Latin America and the Caribbean: announced intraregional greenfield investment projects

(Percentage)

 Intraregional  Extraregional

a. Number

b. Value



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



Table 1

Latin America and the Caribbean: 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	
Latin America and the Caribbean	140	196	193	-1	8	15	11	-26	265	303	254	-16
Central America	43	46	47	1	1	9	1	-88	61	74	59	-20
Costa Rica	3	3	4	24	-	-	-	..	6	3	10	233
Guatemala	3	1	2	8	-	-	-	..	2	2	3	50
Mexico	32	36	36	-1	1	8	1	-86	54	63	42	-33
South America	95	146	143	-2	5	5	10	99	193	214	189	-12
Argentina	7	15	23	49	-	1	-0.2	..	10	18	9	-50
Brazil	51	73	66	-10	3	2	9	455	88	104	97	-7
Chile	13	17	21	25	1	2	2	-14	29	34	30	-12
Colombia	10	17	17	2	1	0.5	-1	..	39	33	21	-36
Guayana	4	4	7	64	-	-	-	..	-	-	-	..
Peru	6	12	3	-72	0.1	-	0.2	..	15	9	16	78
Uruguay	2	3	3	-1	-	-	-	..	4	10	8	-20
Caribbean	3	4	4	6	3	1	-	..	11	15	6	-60
Dominican Republic	3	4	4	7	-	-	-	..	1	3	0	..
<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 exclude financial centres in the Caribbean and special-purpose entities in reporting countries.

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

Table 2

Latin America and the Caribbean: 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 (%)	Number			Growth, 2022–2023 (%)	Value (Billions of dollars)			Growth, 2022–2023 (%)	Number			Growth, 2022–2023 (%)
	2021	2022	2023		2021	2022	2023		2021	2022	2023		2021	2022	2023	
Latin America and the Caribbean	70	112	122	9	1 241	1 417	1 366	-4	156	136	104	-23	370	334	235	-30
Central America	24	54	39	-28	573	696	682	-2	14	31	16	-47	36	46	29	-37
Costa Rica	2	2	2	-32	144	156	120	-23	0.2	0.7	-	..	1	2	-	..
Guatemala	0.4	1	0.5	-7	12	22	11	-50	0.9	0.5	0.1	-89	2	1	1	0
Honduras	0.1	0.2	2	803	4	4	12	200	0.2	0.4	-	..	1	2	-	..
Mexico	21	46	33	-28	379	487	502	3	9	27	15	-43	24	35	24	-31
South America	45	55	82	50	640	681	647	-5	137	101	86	-15	315	275	200	-27
Argentina	7	7	9	25	106	72	48	-33	19	14	5	-62	20	12	14	17
Brazil	24	21	36	69	190	242	256	6	60	48	38	-21	121	172	97	-44
Chile	5	8	22	187	83	100	90	-10	31	22	24	10	92	46	50	9
Colombia	4	2	3	85	140	152	132	-13	9	4	4	-7	40	19	16	-16
Peru	2	1	2	34	60	50	48	-4	9	8	4	-44	23	11	11	0
Uruguay	1	0.9	5	391	23	25	26	4	0.1	0.9	4	335	1	3	2	-33
Caribbean	1	4	2	-53	28	40	37	-8	6	4	2	-52	19	13	6	-54
Dominican Republic	0.7	4	2	-54	13	31	26	-16	4	0.8	1	30	11	6	4	-33
<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	687	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
Latin America and the Caribbean: announced greenfield projects, by sector and selected industries

Sector/industry	Value (Millions of dollars)			Growth, 2022–2023 (%)	Number			Growth, 2022–2023 (%)
	2021	2022	2023		2021	2022	2023	
Total	69 706	112 057	122 308	9	1 241	1 417	1 366	-4
Primary	2 352	31 047	22 488	-28	17	23	26	13
Manufacturing	27 893	44 034	47 931	9	515	563	656	17
Services	39 460	36 977	51 889	40	709	831	684	-18
<i>Top 10 industries in value terms</i>								
Electricity and gas supply	14 449	12 887	26 024	102	59	44	80	82
Extractive industries	2 284	30 667	22 455	-27	15	15	22	47
Automotive	11 387	14 887	13 379	-10	97	88	133	51
Information and communication	15 295	7 826	10 596	35	324	368	237	-36
Basic metal and metal products	1 148	2 843	9 879	248	18	26	42	62
Financial and insurance	2 785	4 594	4 971	8	45	62	45	-27
Coke and refined petroleum	1 274	2 810	4 687	67	5	6	7	17
Transportation and storage	3 052	5 232	4 208	-20	55	75	99	32
Electronics and electrical equipment	1 435	3 867	3 864	..	73	86	92	7
Food, beverages and tobacco	2 112	6 297	3 747	-40	51	47	66	40

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

Table 4
Latin America and the Caribbean: announced international project finance deals, selected industries

Sector/industry	Value (Millions of dollars)			Growth, 2022–2023 (%)	Number			Growth, 2022–2023 (%)
	2021	2022	2023		2021	2022	2023	
Total	156 021	136 268	104 442	-23	370	334	235	-30
<i>Top 10 industries by number</i>								
Renewable energy	43 163	51 982	36 361	-30	191	209	128	-39
Mining	26 250	9 369	15 769	68	62	23	23	0
Power	17 289	7 375	18 735	154	25	17	17	0
Residential/commercial real estate	2 659	3 793	3 072	-19	4	12	12	0
Oil and gas	19 357	22 450	6 219	-72	23	15	12	-20
Transport infrastructure	11 456	11 634	3 870	-67	24	23	10	-57
Industrial real estate	8 800	9 732	5 459	-44	14	13	9	-31
Telecommunication	5 455	4 712	3 457	-27	10	11	8	-27
Petrochemicals	15 829	9 641	8 964	-7	7	6	7	17
Water and sewerage	5 263	5 039	1 953	..	3	2	6	200

Source: UNCTAD, based on information from Refinitiv.

Table 5
Latin America and the Caribbean: 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	
Total	8 119	14 630	10 839	-26	265	303	254	-16
Primary	1 640	1 174	797	-32	12	12	13	8
Manufacturing	31	3 812	5 012	31	28	57	55	-4
Services	6 448	9 644	5 030	-48	225	234	186	-21
<i>Top 10 industries in value terms</i>								
Basic metal and metal products	- 89	-	2 200	..	- 1	3	7	133
Trade	- 448	623	1 965	215	10	31	24	-23
Food, beverages and tobacco	-67	1937	1 557	-20	4	8	12	50
Transportation and storage	1 262	227	1 544	..	22	14	23	64
Education	- 375	447	936	109	7	8	3	-63
Professional services	56	14	869	..	16	27	20	-26
Information and communication	797	5925	833	-86	64	70	56	-20
Chemicals	120	1628	742	-54	2	16	13	-19
Non-metallic mineral products	- 218	-1 025	717	..	- 1	0	8	..
Extractive industries	1 603	1 212	632	-48	5	6	8	33

Source: UNCTAD, based on information from Refinitiv.

Table 6
Latin America and the Caribbean: investment project announcements in sectors relevant to the Sustainable Development Goals

(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 (%)
Total								
Value	35 032	31 664	46 811	48	83 058	81 282	64 959	-20
Number of projects	385	325	395	22	258	265	172	-35
Power ^a								
Value	914	96	167	74	17 289	7 375	18 735	154
Number of projects	8	5	6	20	25	17	17	0
Renewable energy								
Value	13 581	12 887	26 024	102	43 163	51 982	36 361	-30
Number of projects	55	44	80	82	191	209	128	-39
Transport services ^b								
Value	2 827	5 012	4 207	-16	11 456	11 634	3 870	-67
Number of projects	54	73	97	33	24	23	10	-57
Telecommunication								
Value	12 941	4 643	9 086	96	5 455	4 712	3 457	-27
Number of projects	94	56	70	25	10	11	8	-27
Water, sanitation and hygiene (WASH)								
Value	174	11	-	..	5 263	5 039	1 953	-61
Number of projects	5	2	-	..	3	2	6	200
Food and agriculture								
Value	3 207	8 103	5 811	-28	410	371	233	-37
Number of projects	83	86	98	14	1	1	1	0
Health								
Value	1 329	895	1 488	66	-	-	350	..
Number of projects	76	51	40	-22	-	-	2	..
Education								
Value	58	17	28	65	22	169	-	..
Number of projects	10	8	4	-50	4	2	-	..

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

^a Excluding renewable energy.

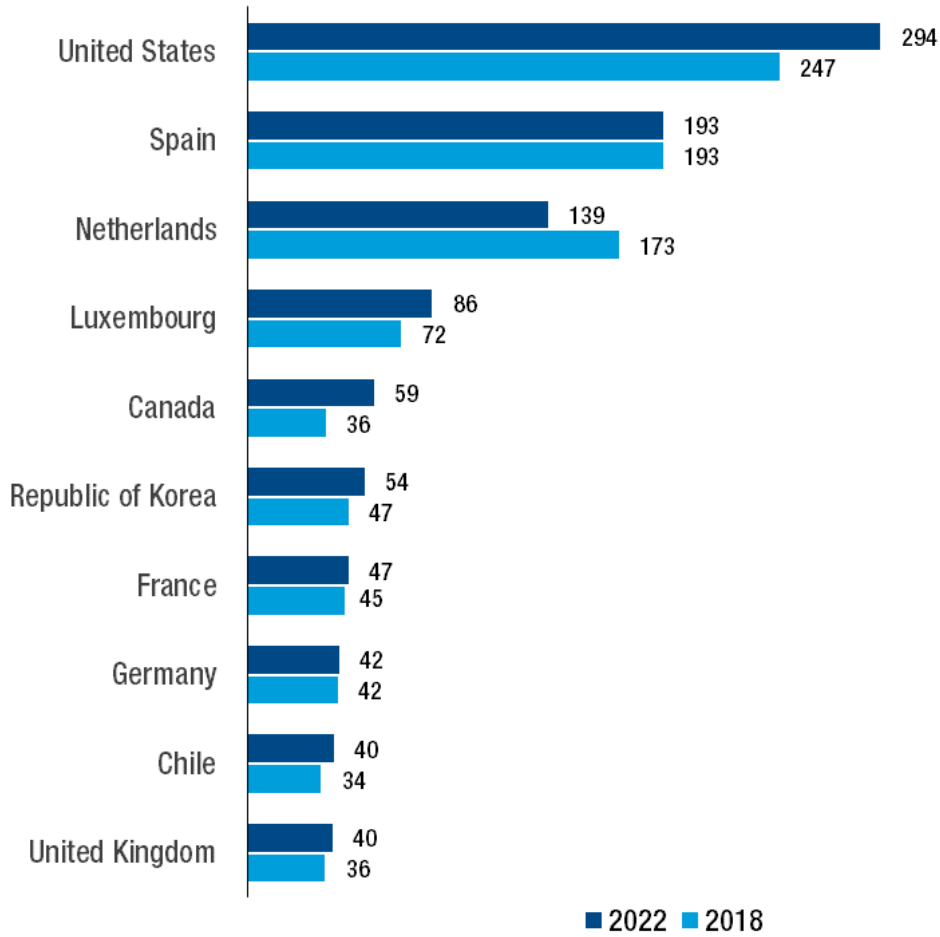
^b Transport services for greenfield projects and transport infrastructure for project finance.



Figure 5

Latin America and the Caribbean: Top 10 investor economies by FDI stock

(Billions of dollars)



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

