



Regional trends

Small island developing States



Highlights

Foreign direct investment (FDI) inflows to the 29 small island developing States (SIDS) rose by 15 per cent in 2023, to \$8.3 billion – about 0.6 per cent of global FDI. Divestments and the resulting negative inflows in several countries affected outcomes in 2022 more than in 2023. Setting aside these cases, actual growth in 2023 was about 10 per cent. The Dominican Republic received more than half of FDI inflows to SIDS in 2023. The United States, Canada and Brazil were home to the largest investors in SIDS .

- FDI flows to the SIDS in Africa increased modestly (by 12 per cent). Both the value and the number of greenfield project announcements and international project finance deals increased, albeit from a low baseline.
- FDI flows to SIDS in Latin America and the Caribbean grew by 10 per cent. Most major recipient countries saw increases, except Trinidad and Tobago as a result of divestments.
- The value of FDI flows to SIDS in Oceania, which typically is volatile, fell by 20 per cent. Growth in the value and number of announced greenfield projects signals better prospects.

Greenfield project announcements were up for most SIDS. There were strong gains in the transportation and storage sector, with total project value up by \$350 million and the number of projects doubling to 10. Hospitality has accounted for about 30 per cent of greenfield projects announced over recent years, but values fell by almost 50 per cent in 2023, to \$930 billion, and numbers dropped as well (down 33 per cent). The volatility in some sectors reflects the unusually high investment in 2022 as project backlogs resolved following the pandemic.

The number of international project finance deals increased by 18 per cent in 2023, and their value also increased strongly. In the small number of deals among SIDS (49 from 2021 to 2023), a few large deals caused major fluctuations. Three distinct investment streams explained most deals: renewable energy, leisure and hospitality, and oil and gas (along with petrochemicals). Maldives accounts for most projects in the hospitality sector. Projects in other sectors were more distributed among SIDS.

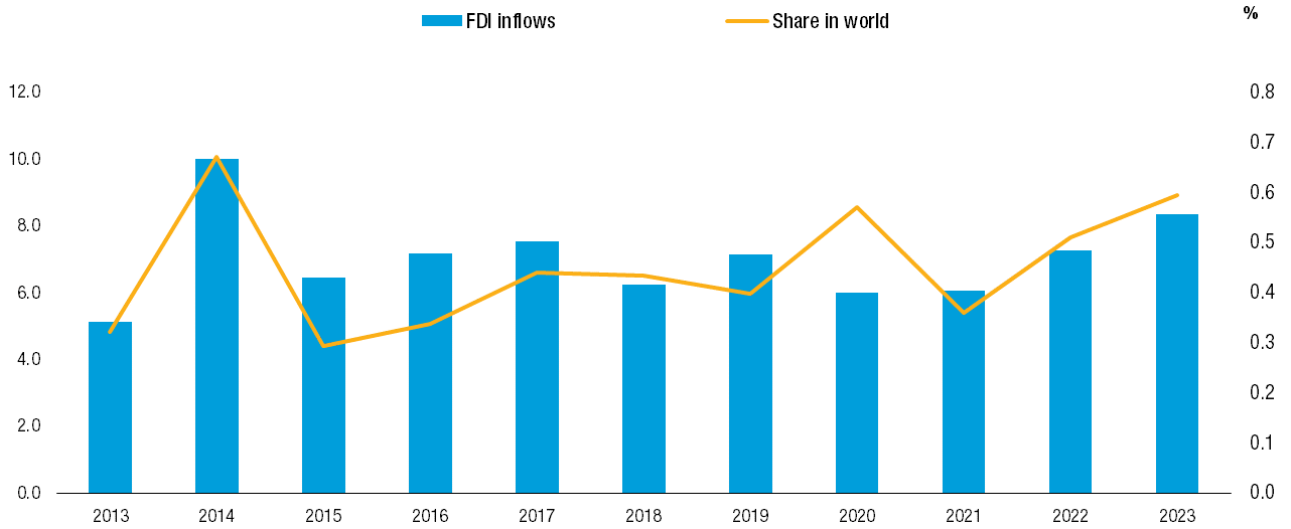
Overall investment activity in sectors relevant to the Sustainable Development Goals (SDGs) was stable in 2023, although there was a slight shift towards international project finance deals when looking at total value. At the same time, the number of project finance deals has declined over recent years, while the number of greenfield projects shows an increasing trend. Notably, there were no projects in a number of important SDG-relevant sectors including water, sanitation and hygiene; agrifood systems; health; and education.



Figure 1

Small island developing States: FDI inflows and share in world inflows

(Billions of dollars and percentage)



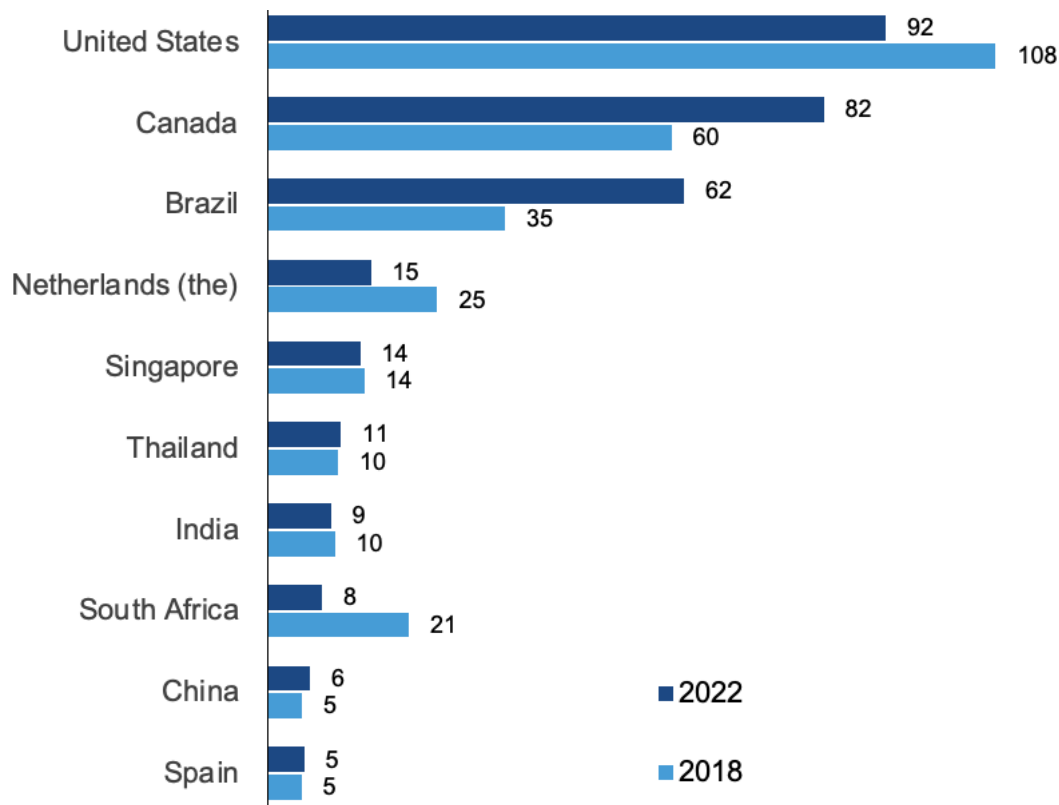
Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).



Figure 2

Small island developing States: top 10 investor economies by FDI stock

(Billions of dollars)



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

Table 1

Small island developing States: FDI inflows and cross-border M&A sales

Subregion/selected economy	FDI				Net cross-border M&A sales							
	Value (Millions of dollars)			Growth, 2022–2023 (%)	Value (Millions of dollars)			Growth, 2022–2023 (%)	Number			Growth, 2022–2023 (%)
	2021	2022	2023		2021	2022	2023		2021	2022	2023	
SIDS	6 061	7 263	8 337	15	395	25	106	320	9	16	4	-75
Africa (5)	592	1 016	1 140	12	185	1	-	..	5	6	1	-83
Cabo Verde	91	93	118	27	-	-	-	..	-	-	-	..
Mauritius	253	580	760	31	-	0.8	-	..	3	5	1	-80
Seychelles	225	212	238	12	185	-	-	..	2	-	-	..
Asia (2)	224	337	775	130	-	-	-	..	-	2	-	..
Maldives	643	732	762	4	-	-	-	..	-	2	-	..
Timor-Leste	-419	-395	13	..	-	-	-	..	-	-	-	..
Latin America and the Caribbean (11)	4 721	5 662	6 223	10	-	24	106	333	2	8	3	-63
Bahamas	1 052	1 255	1 459	16	-	-	-	..	-	-	-	..
Barbados	239	200	225	12	-	-	76	..	1	3	1	-67
Dominican Republic	3 197	4 099	4 390	7	-	-	-	..	1	3	-	..
Grenada	189	172	181	5	-	-	-	..	-	-	-	..
Jamaica	321	319	431	35	-	24	30	22	-	1	2	100
Trinidad and Tobago	-935	-913	-1 105	..	-	-	-	..	-	1	-	..
Oceania (11)	524	249	199	-20	210	-	-	..	2	-	-	..
Fiji	407	104	91	-12	210	-	-	..	1	-	-	..
Solomon Islands	28	44	25	-42	-	-	-	..	1	-	-	..
Vanuatu	43	11	9	-14	-	-	-	..	-	-	-	..
<i>Memorandum</i>												
World	#####	#####	#####	-1	748 554	716 927	381 087	-47	8 651	7 828	6 771	-14
Developed economies	731 843	426 198	464 397	9	633 193	606 676	303 277	-50	7 653	6 736	5 889	-13
Developing economies	957 791	995 001	938 148	-6	115 361	110 250	77 810	-29	998	1 092	882	-19

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

Table 2

Small island developing States: announced greenfield projects and international project finance deals

Subregion/selected economy	Announced greenfield projects						Announced international project finance deals									
	Value (Millions of dollars)			Growth, 2022–2023 (%)	Number			Growth, 2022–2023 (%)	Value (Millions of dollars)			Growth, 2022–2023 (%)	Number			Growth, 2022–2023 (%)
	2021	2022	2023		2021	2022	2023		2021	2022	2023		2021	2022	2023	
SIDS	1 468	4 807	3 694	-23	38	60	66	10	8 528	1 297	4 296	231	25	11	13	18
Africa (5)	195	279	308	11	7	9	13	44	-	68	878	..	-	2	3	50
Cabo Verde	-	11	-	..	-	1	-	..	-	60	191	218	-	1	1	0
Mauritius	75	73	308	322	6	5	12	140	-	8	152	..	-	1	1	0
Seychelles	120	195	0.4	-100	1	3	1	-67	-	-	-	..	0	0	0	..
Asia (2)	154	192	787	311	1	4	7	75	2 678	251	1 886	653	6	2	5	150
Maldives	154	111	605	444	1	3	5	67	1 078	251	1 886	653	5	2	5	150
Timor-Leste	-	80	181	126	-	1	2	100	1 600	-	-	..	1	-	-	..
Latin America and the Caribbean (11)	1 117	3 960	1 827	-54	29	40	36	-10	5 805	979	1 531	56	17	7	5	-29
Bahamas	83	37	-	..	4	2	-	..	800	-	-	..	3	-	-	..
Barbados	0.5	-	43	..	1	-	2	..	-	-	-	..	1	-	-	..
Dominican Republic	698	3 724	1 722	-54	13	31	26	-16	3 946	758	983	30	11	6	4	-33
Grenada	2	-	-	..	1	-	-	..	-	-	-	..	-	-	-	..
Jamaica	209	6	10	79	8	2	3	50	64	-	-	..	1	-	-	..
Trinidad and Tobago	124	188	52	-73	2	4	5	25	137	221	548	148	1	1	1	0
Oceania (11)	3	376	772	105	1	7	10	43	44	-	-	..	2	-	-	..
Fiji	3	42	302	627	1	4	5	25	-	-	-	..	-	-	-	..
Samoa	-	-	102	..	-	-	1	..	-	-	-	..	-	-	-	..
Tonga	-	328	369	12	-	2	4	100	-	-	-	..	-	-	-	..
Vanuatu	-	7	-	..	-	1	-	..	-	-	-	..	-	-	-	..
<i>Memorandum:</i>																
World	830 662	#####	#####	5	15 536	18 095	18 465	2	#####	#####	958 664	-26	2 505	2 859	2 197	-23
Developed economies	536 984	687 281	631 015	-8	10 446	11 125	10 441	-6	674 059	728 289	562 055	-23	1 496	1 720	1 357	-21
Developing economies	293 678	622 367	750 391	21	5 090	6 970	8 024	15	768 037	573 102	396 609	-31	1 009	1 139	840	-26

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

Table 3
Small island developing States: 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	1 468	4 807	3 694	-23	38	60	66	10
Primary	-	-	-	..	-	-	-	..
Manufacturing	264	329	228	-31	9	9	10	11
Services	1 204	4 478	3 466	-23	29	51	56	10
<i>Top 10 industries in value terms</i>								
Electricity and gas supply	96	2 322	1 373	-41	2	8	12	50
Hospitality	210	1 815	929	-49	1	9	6	-33
Transportation and storage	209	116	466	302	3	5	10	100
Information and communication	417	55	346	533	7	12	6	-50
Financial and insurance	93	84	165	97	3	4	6	50
Other non-metallic mineral products	64	-	120	..	2	-	1	..
Professional services	34	6	103	..	4	2	8	300
Administrative and support services	144	55	64	17	8	9	6	-33
Automotive	-	-	53	..	-	-	2	..
Textiles, clothing and leather	131	-	34	..	3	-	4	..

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

Table 4
Small island developing States: 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	8 528	1 297	4 296	231	25	11	13	18
<i>Top industries by number</i>								
Renewable energy	1 455	1 201	1 019	-15	9	9	4	-56
Residential/commercial real estate	646	36	1 560	4 211	3	1	4	300
Oil and gas	2 390	-	738	..	3	-	2	..
Petrochemicals	-	-	517	..	-	-	2	..
Power	1 837	-	461	..	3	-	1	..
Transport infrastructure	741	60	-	..	3	1	-	..
Agriculture	1	-	-	..	1	-	-	..
Mining	1 458	-	-	..	3	-	-	..

Source: UNCTAD, based on information from Refinitiv.

Table 5
Small island developing States: 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	395	25	106	320	9	16	4	-75
Primary	-	-	30	..	1	-	1	..
Manufacturing	-	24	-	..	1	1	1	0
Services	395	0.8	76	..	7	15	2	-87
<i>Top 10 industries in value terms</i>								
Real estate	-	-	76	..	-	1	1	0
Extractive industries	-	-	30	..	1	-	1	..
Food, beverages and tobacco	-	-	-	..	1	-	1	..
Basic metal and metal products	-	-	-	..	-	-	-	..
Machinery and equipment	-	-	-	..	-	-	-	..
Finance and insurance	-	-	-	..	4	4	1	-75
Hospitality	-	-	-	..	-	2	-	..
Chemicals	-	-	-	..	-	-	-	..
Pharmaceuticals	-	24	-	..	-	1	-	..
Non-metallic mineral products	-	-	-	..	-	-	-	..

Source: UNCTAD, based on information from Refinitiv.

Table 6
Small island developing States: investment project announcements in sectors relevant to the Sustainable Development Goals

Goals-relevant sector	Announced greenfield projects				International project finance deals			
	2021	2022	2023	Growth, 2022–2023 (%)	2021	2022	2023	Growth, 2022–2023 (%)
Total	762	2 703	2 194	-19	4 034	1 261	1 481	17
Value	762	2 703	2 194	-19	4 034	1 261	1 481	17
Number of projects	11	21	27	29	16	10	5	-50
Power ^a								
Value	-	-	20	..	1 837	-	461	..
Number of projects	-	-	1	..	3	-	1	..
Renewable energy								
Value	96	2 322	1 373	..	1 455	1 201	1 019	-15
Number of projects	2	8	12	50	9	9	4	-56
Transport services ^b								
Value	209	116	466	..	741	60	-	..
Number of projects	3	5	10	100	3	1	-	..
Telecommunication								
Value	397	2	335	..	-	-	-	..
Number of projects	3	1	4	300	-	-	-	..
Water, sanitation and hygiene (WASH)								
Value	-	-	-	..	-	-	-	..
Number of projects	-	-	-	..	-	-	-	..
Agrifood systems								
Value	30	149	-	..	1	-	-	..
Number of projects	1	5	-	..	1	-	-	..
Health								
Value	30	104	-	..	-	-	-	..
Number of projects	2	1	-	..	-	-	-	..
Education								
Value	-	11	-	..	-	-	-	..
Number of projects	-	1	-	..	-	-	-	..

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.