



Regional trends

# Developing Asia

## Highlights

FDI inflows to developing Asia rose marginally in 2025, from \$623 billion to \$644 billion, confirming the region's position as the largest recipient among developing regions. The increase masked divergent trends across subregions and investment indicators. Eight of the top 10 developing-economy recipients were in developing Asia in 2025. Together, they accounted for about 60 per cent of total inflows to developing economies and more than 80 per cent of regional inflows.

### i. Subregional trends

#### *East Asia*

FDI inflows to East Asia fell from \$270 billion to \$238 billion. China remained one of the largest global recipients, though inflows declined from about \$116 billion to \$105 billion. The decline was accompanied by continued commitments in higher-value activities, including an investment of about \$3 billion by AstraZeneca (United Kingdom) in research and development and pharmaceutical manufacturing, underscoring the transition towards advanced manufacturing and innovation-related sectors. Hong Kong (China) ranked among the top FDI recipients globally in 2025, reflecting its role as a headquarters location and financial hub. It received 18 per cent of regional FDI inflows.

#### *South-East Asia*

FDI inflows to South-East Asia rose from \$222 billion to \$244 billion in 2025, making it the largest recipient subregion in developing Asia. The increase appeared to be widespread, with 8 of 11 countries recording growth. However, the magnitude of the increase varied considerably across countries, and regional growth was driven primarily by a subset of economies rather than being evenly distributed throughout the region. Singapore ranked among the top five FDI recipients globally in 2025, reflecting its role as a headquarters location and financial hub for international investment flows, similar to that of Hong Kong (China). Several economies showed resilience, with flows increasing in Malaysia (+51 per cent), Thailand (+30 per cent) and Viet Nam (+1 per cent). Investment activity remained concentrated in communications, semiconductors, electronics and renewable energy. Indonesia continued to attract investment in mineral processing, battery-related value chains and digital infrastructure. The subregion was among those most affected by supply chain uncertainty as firms continued to adjust to an increasingly uncertain international trade and investment environment. Investment in GVC-intensive manufacturing industries in the region more than halved, falling from \$31 billion to \$14 billion. Among LDCs, Cambodia, the Lao People's Republic and Timor-Leste all recorded increases over the period, although the increase in Timor-Leste was from a very small base. Myanmar was the only LDC in the subregion where inflows declined.

#### *South Asia*

FDI inflows to South Asia rose strongly, from \$34 billion to \$46 billion, driven by investment in India, where FDI inflows increased by 44 per cent to \$39 billion. Large-scale projects continued to move forward, including a cumulative investment of \$14.5 billion by Google (United States) in information and communication technologies (ICT) and internet infrastructure, and a \$4 billion investment by Hynfra (Poland), reflecting continued momentum in digital and energy transition sectors.



### *West Asia*

FDI inflows to West Asia rose from \$92 billion to almost \$111 billion, supported by strong performance in Gulf economies. The United Arab Emirates and Saudi Arabia recorded strong growth, driven by energy, infrastructure and diversification strategies. Qatar also recorded a notable increase in FDI inflows, from \$460 million to \$3 billion driven by investments in chemicals, energy and information and communication services, in that order. The subregion benefits from its role as a corridor between Asia, Europe and Africa, but rising geopolitical tensions are likely to affect the implementation of announced projects and increase downside risks for FDI, particularly in energy, transport and logistics.

### *Central Asia*

FDI inflows to Central Asia increased from \$4 billion to \$5 billion in 2025, driven by resource-based and infrastructure investment, particularly in Kazakhstan and Uzbekistan. Investment activity was concentrated in metals and metal products, which together accounted for approximately 45 per cent of total greenfield project activity in the region, followed by energy, transport and storage, chemicals, food processing, and information and communication.

#### **ii. Projects, sectors and source-country patterns**

Project indicators pointed to a weaker investment pipeline in several parts of developing Asia, despite the marginal increase in FDI inflows. Announced greenfield project values fell by 8 per cent, from \$377 billion to \$348 billion, while project numbers declined by 5 per cent. Manufacturing was particularly affected, with announced investment contracting by about 28 per cent; in GVC-intensive manufacturing industries, values declined by 31 per cent, reflecting weaker momentum in internationally integrated production systems. The slowdown was linked to restrictive tariff measures, trade policy uncertainty and the postponement or scaling-down of investment decisions.

At the same time, investment remained concentrated in strategic and technology-intensive activities. Semiconductors, electronics, AI infrastructure, data centres, renewable energy and battery supply chains continued to drive large projects. Project activity was concentrated in China, India, Kazakhstan, Malaysia and the United Arab Emirates, mainly in electronics, digital infrastructure and construction. In Thailand, for example, greenfield project numbers declined but values increased sharply, supported by large-scale investment in electronics, communications and digital infrastructure.

Manufacturing remains central to FDI in developing Asia, particularly in electronics, automotive and machinery, but investment is shifting towards high-technology and digital economy sectors. Digital infrastructure and services expanded, supported by investment in hyperscale data centres by Amazon, Google and Microsoft (all United States), particularly in India, Malaysia and Indonesia, in that order. Energy transition investment also continued to grow, particularly in renewables, electric vehicles and battery supply chains. The largest greenfield projects in developing Asia in 2025 underscore the importance of the digital economy and AI as drivers of investment in the region (table I.5), while intraregional projects, including investments by East Hope (China) in Kazakhstan and Rana Group (India) in the United Arab Emirates, highlight the continued importance of regional capital flows.

IPF remained an important part of the region's investment, particularly in infrastructure sectors. Values of IPF deals increased by 26 per cent, from \$274 billion to \$346 billion, raising the region's share in global IPF flows from 24 per cent in 2024 to 29 per cent in 2025. The largest IPF deals in the region reflected the growing



importance of digital infrastructure and energy transition investment, alongside sustained investment in hydrocarbons and industrial projects. However, financing constraints persisted in several economies, including weak project bankability, complex risk allocation and high capital costs (Asian Development Bank, 2025).

### iii. Developing Asia as a source of global investment

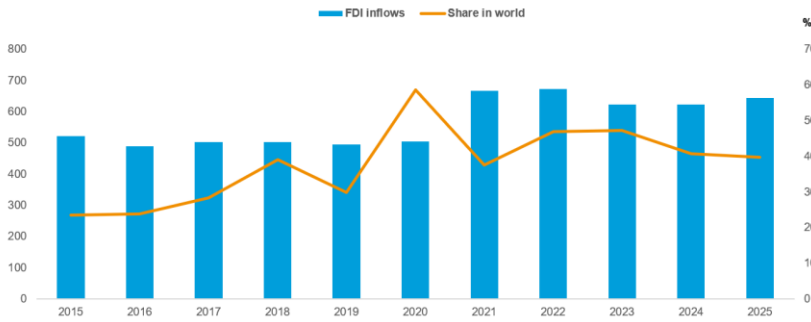
Developing Asia is not only a major recipient of FDI but also a leading source of global capital, accounting for more than one third of global outflows. In 2025, Asia accounted for 4 of the world's top 10 FDI home economies, including China, Hong Kong (China), Singapore and the United Arab Emirates. This reflects several structural factors. Firms from advanced and emerging Asian economies benefit from strong corporate balance sheets, high savings rates and deep financial systems, which support sustained international expansion. In addition, the internationalization strategies of MNEs from the region are closely linked to their role in GVCs, with firms investing abroad to secure inputs, access markets and optimize production networks, increasingly in response to the ongoing reconfiguration of global supply chains.

A significant share of outward investment is intraregional. Chinese and Singaporean firms are among the largest investors in South-East Asia, South Asia and parts of West Asia, supporting industrial development, infrastructure and services. Intraregional investment increased marginally in 2025 compared with the increase in total outward investment from the region. Despite the slower pace, intraregional investment continued to account for the majority of Asia's investment in GVC-intensive manufacturing industries, underlining the continued importance of regional production networks.

The GCC economies, particularly the United Arab Emirates, have also become increasingly important outward investors, especially in digital infrastructure, real estate and construction. Major projects in 2025 included digital infrastructure investments from United Arab Emirates firms MGX Fund Management in France and DAMAC Holding in the United States). However, the 2026 conflict in the Middle East, extending beyond Iran and affecting the wider West Asia region, is likely to weigh on investment (Asian Development Bank, 2026). A prolonged conflict could redirect capital toward domestic priorities, reconstruction needs and strategic infrastructure within the Gulf, reducing the availability of outward investment for developing economies in Asia and Africa that increasingly rely on GCC financing.

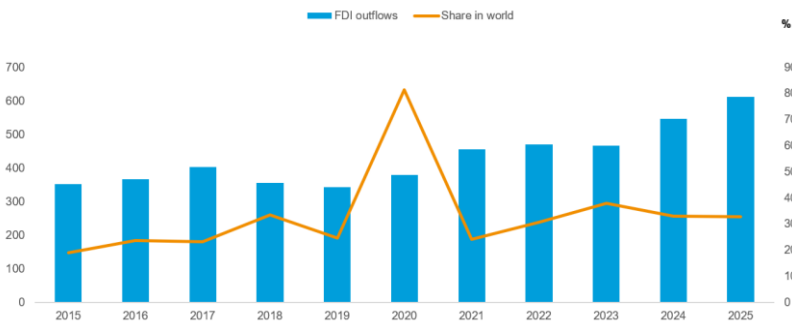


**Figure 1**  
**Developing Asia: FDI inflows and share in world inflows**  
 (Billions of dollars and percentage)



Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).  
 Note: Data exclude financial centres in the Caribbean and special-purpose entities in reporting countries.

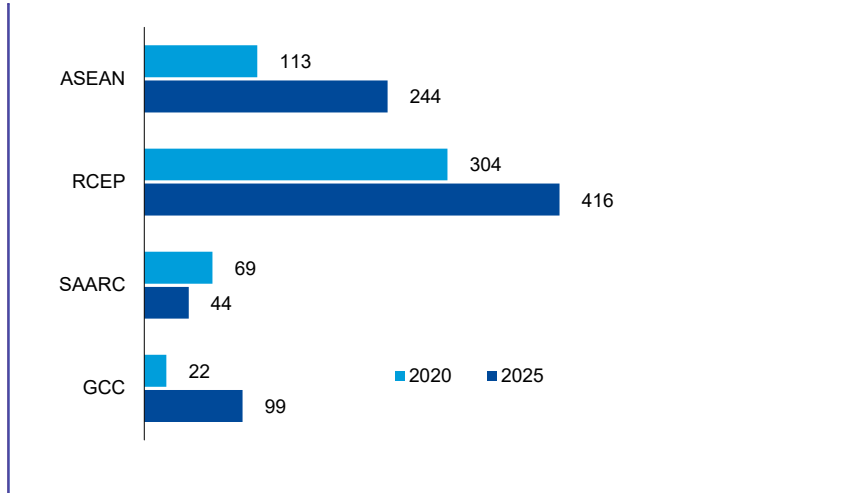
**Figure 2**  
**Developing Asia: FDI outflows and share in world outflows**  
 (Billions of dollars and percentage)



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**  
**Developing Asia: FDI inflows by regional grouping**  
 (Billions of dollars)



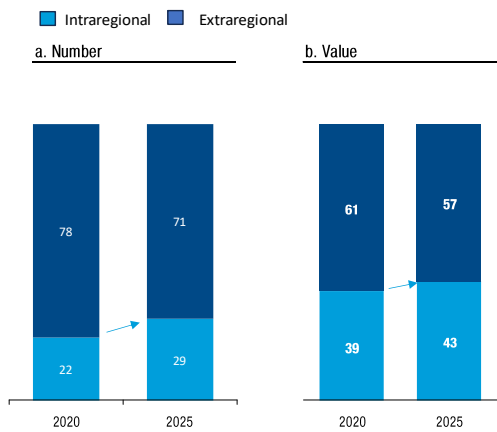
Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).  
 Abbreviations: ASEAN = Association of Southeast Asian Nations, GCC = Gulf Cooperation Council, RCEP = Regional Comprehensive Economic Partnership, SAARC = South Asian Association for Regional Cooperation.

**Commented [MB1]:** getting other values for rcep

**Commented [AS2R1]:** @Mohamed Ba Dear Chiraz, we use RCEP excl India, if not mistaken. @Amelia Santos Pauling Dear Amelia, can you please confirm? Thank you @Prachi SHARMA

**Commented [PS3R1]:** @Astrit Sulstarova @Mohamed Ba Thank you so much for pointing this out. I am checking the numbers from Chiraz sheet now. Just to confirm:-  
 RCEP is 15 countries: 10 ASEAN + China, Japan, Australia, and New Zealand. I think the numbers are correct.

**Figure 4**  
**Developing Asia: announced intraregional greenfield investment projects (Percentage)**



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

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 Abbreviations: ASEAN = Association of Southeast Asian Nations, GCC = Gulf Cooperation Council, RCEP = Regional Comprehensive Economic Partnership, SAARC = South Asian Association for Regional Cooperation.

Table 1

Developing Asia: FDI inflows and cross-border M&A sales

Subregion/selected economy	FDI				Net cross-border M&A sales								
	Value (Billions of dollars)			Growth, 2024-2025 (%)	Value (Billions of dollars)			Growth, 2024-2025 (%)	Number			Growth, 2024-2025 (%)	
	2023	2024	2025		2023	2024	2025		2023	2024	2025		
<b>Asia</b>	<b>624</b>	<b>623</b>	<b>644</b>	<b>3</b>	<b>57</b>	<b>27</b>	<b>18</b>	<b>-33</b>	<b>603</b>	<b>512</b>	<b>601</b>	<b>17</b>	
East Asia	296	270	238	-12	23	16	3	-82	100	56	80	43	
China	163	116	105	-10	21	12	-2	-	28	-	26	-	
Hong Kong, China	123	138	116	-16	2	3	3	-26	59	42	45	-7	
Taiwan Province of China	6	11	11	-1	-0.1	0.8	2	184	11	10	10	0	
South-East Asia	201	222	244	10	30	12	13	7	222	222	263	18	
Indonesia	21	25	21	-14	-0.3	3	4	24	27	29	36	24	
Malaysia	8	10	15	51	-0.3	1	2	113	22	35	48	37	
Philippines	6	9	9	-4	2	1	2	66	13	10	17	70	
Singapore	127	136	151	11	7	6	4	-35	108	87	100	15	
Thailand	12	15	19	30	-4	0.7	0.1	-93	20	31	26	-16	
Viet Nam	19	20	20	1	25	0.1	1	561	30	29	33	14	
South Asia	34	34	46	35	1	-1	-3	-	162	122	129	6	
Bangladesh	1	1	2	45	0.0	-0.1	-	-	-	1	-	-	
India	28	27	39	44	1	-1	-3	-	158	114	125	10	
Pakistan	2	3	2	-31	0.4	-	-	-	4	5	4	-20	
West Asia	86	92	111	20	3	0.1	32	4	3489	108	90	109	21
Saudi Arabia	23	21	33	53	-0.2	0.5	-0.5	-	6	14	13	-7	
Türkiye	11	11	12	14	0.8	0.8	0.9	12	37	13	16	-23	
United Arab Emirates	31	46	48	6	2	-1	2	-	42	50	58	16	
Central Asia	7	4	5	12	-1	0.4	1	304	11	22	20	-9	
Kazakhstan	4	0.2	-0.9	-	-1	0.3	1	317	3	13	12	-8	
Uzbekistan	2	3	4	48	0.2	-	0.1	-	7	8	8	0	
<b>Memorandum</b>													
World	1 321	1 532	1 624	6	402	454	421	-7	7 673	7 593	7 913	4	
Developed economies	463	649	723	11	324	425	404	-5	6 671	6 755	6 892	2	
Developing economies	858	883	901	2	78	28	17	-41	1 002	838	1 021	22	

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

Developing Asia: announced greenfield projects and international project finance deals

Subregion/selected economy	Announced greenfield projects								International project finance deals							
	Value (Billions of dollars)			Growth, 2024-2025 (%)	Number			Growth, 2024-2025 (%)	Value (Billions of dollars)			Growth, 2024-2025 (%)	Number			Growth, 2024-2025 (%)
	2023	2024	2025		2023	2024	2025		2023	2024	2025		2023	2024	2025	
<b>Asia</b>	<b>477</b>	<b>377</b>	<b>348</b>	<b>-8</b>	<b>5 883</b>	<b>6 231</b>	<b>5 900</b>	<b>-5</b>	<b>440</b>	<b>274</b>	<b>346</b>	<b>26</b>	<b>635</b>	<b>492</b>	<b>423</b>	<b>-14</b>
East Asia	52	51	31	-39	713	766	659	-14	34	17	13	-24	68	39	20	-49
China	43	42	24	-43	482	510	450	-12	27	10	6	-44	51	24	12	-50
Hong Kong, China	4	4	5	18	139	162	147	-9	0.8	0.05	0.7	1423	2	1	1	0
Taiwan Province of China	4	4	2	-45	78	78	54	-31	5	6	6	-2	14	14	7	-50
South-East Asia	178	117	106	-10	1 578	1 650	1 366	-17	205	96	120	25	214	184	147	-20
Indonesia	62	22	15	-31	174	183	151	-17	53	23	20	-10	56	17	20	18
Malaysia	38	29	22	-24	231	236	236	0	83	14	28	101	34	27	32	19
Philippines	22	9	6	-31	179	183	167	-9	32	16	27	65	57	55	32	-42
Singapore	11	23	18	-24	444	451	384	-22	15	21	6	-70	9	13	10	-23
Thailand	8	10	17	75	177	201	170	-15	4	8	9	7	16	30	15	-50
Viet Nam	34	22	24	8	322	335	249	-26	13	13	27	107	30	34	29	-15
South Asia	115	119	80	-33	1 171	1 215	1 130	-7	104	56	39	-30	203	112	97	-13
Bangladesh	3	2	1	-23	34	53	28	-47	3	0.2	4	1624	5	2	2	0
India	90	111	74	-33	1 062	1 089	1 037	-5	90	55	30	-44	184	105	84	-20
Pakistan	11	2	2	14	31	31	30	-3	0.8	0.2	0.1	-76	3	1	2	100
Sri Lanka	7	1	1	80	23	24	19	-21	7	0.2	0.1	-54	4	1	1	0
West Asia	101	62	103	66	2 261	2 409	2 639	10	78	85	145	70	123	134	132	-1
Iraq	16	0.1	4	4777	20	5	14	180	3	11	4	-80	8	8	7	-13
Jordan	17	2	0.1	-96	23	17	9	-47	0.7	3	0.5	-85	4	6	3	-50
Oman	2	1	16	1086	43	45	63	40	14	9	10	12	9	17	14	-18
Qatar	3	3	3	10	101	186	235	26	-	0.4	1	193	-	2	3	50
Saudi Arabia	29	22	19	-14	390	391	408	4	28	35	44	25	28	41	29	-29
Türkiye	13	10	7	-32	224	263	238	-10	7	1	8	682	14	6	19	217
United Arab Emirates	17	19	34	81	1 351	1 383	1 556	13	20	22	56	157	39	36	31	-14
Central Asia	32	28	28	1	160	191	106	-45	19	20	28	45	27	23	27	17
Kazakhstan	19	18	24	34	65	81	62	-23	4	5	6	32	7	10	7	-30
Kyrgyzstan	1	3	1	-65	8	15	7	-53	0.7	-	0.3	-	3	-	2	-
Uzbekistan	10	6	2	-61	77	89	35	-61	14	15	22	48	17	12	18	50
<b>Memorandum</b>																
World	1 422	1 379	1 393	1	18 917	19 892	17 824	-10	1 355	1 153	1 182	3	3 016	2 479	2 212	-11
Developed economies	627	713	847	19	10 809	11 380	9 693	-15	683	631	553	-12	1 847	1 440	1 354	-6
Developing economies	796	665	546	-18	8 108	8 512	8 131	-4	672	522	629	20	1 169	1 039	858	-17

Source: UNCTAD, based on information from The Financial Times, FDI Markets ([www.fdimarkets.com](http://www.fdimarkets.com)) and LSEG Data & Analytics. Note: Data exclude financial centres in the Caribbean.

**Table 3**  
**Developing Asia: announced greenfield projects, by sector and selected industries**

Sector/industry	Value (Billions of dollars)			Growth, 2024–2025 (%)	Number			Growth, 2024–2025 (%)
	2023	2024	2025		2023	2024	2025	
<b>Total</b>	<b>477</b>	<b>377</b>	<b>348</b>	<b>-8</b>	<b>5 883</b>	<b>6 231</b>	<b>5 900</b>	<b>-5</b>
Primary	12.3	5	4	-20	52	46	31	-33
Manufacturing	241	195	141	-28	2 220	2 523	2 234	-11
Services	223	177	203	14	3 611	3 662	3 635	-1
<i>Top 10 industries in value terms</i>								
Information and communication	49	68	85	25	1 219	1 248	1 164	-7
Electronics and electrical equipment	58	60	39	-35	506	524	455	-13
Energy and gas supply	90	45	31	-32	131	95	89	-6
Construction	21	17	31	84	85	83	77	-7
Transportation and storage	25	23	25	9	443	336	388	15
Basic metal and metal products	35	42	22	-47	108	98	104	6
Automotive	42	26	22	-15	263	292	271	-7
Chemicals	22	15	15	2	213	265	241	-9
Finance and insurance	10	9	9	3	370	409	410	0
Machinery and equipment	8	9	8	-11	315	385	378	-2

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

**Table 4**  
**Developing Asia: announced international project finance deals, selected industries**

Sector/industry	Value (Billions of dollars)			Growth, 2024–2025 (%)	Number			Growth, 2024–2025 (%)
	2023	2024	2025		2023	2024	2025	
<b>Total</b>	<b>440</b>	<b>274</b>	<b>346</b>	<b>26</b>	<b>635</b>	<b>492</b>	<b>423</b>	<b>-14</b>
<i>Top 10 industries by number</i>								
Renewable energy	128	91	100	10	290	244	207	-15
Residential/commercial real estate	30	35	43	22	64	40	51	28
Industrial real estate	81	41	36	-11	108	65	43	-34
Telecommunication	31	32	61	91	39	31	42	35
Transport infrastructure	80	17	18	8	27	27	22	-19
Power	31	22	25	14	33	21	19	-10
Oil and gas	18	23	30	32	23	25	13	-48
Petrochemicals	26	4	26	537	17	10	9	-10
Water and sewerage	6	4	2	-32	10	9	6	-33
Agriculture	2	3	2	-27	10	9	5	-44

Source: UNCTAD, based on information from LSEG Data & Analytics.



**Table 5**  
**Developing Asia: net cross-border M&As sales, by sector and selected industries**

Sector/industry	Value (Billions of dollars)			Growth, 2024–2025 (%)	Number			Growth, 2024–2025 (%)
	2023	2024	2025		2023	2024	2025	
<b>Total</b>	<b>57</b>	<b>27</b>	<b>18</b>	<b>-33</b>	<b>603</b>	<b>512</b>	<b>601</b>	<b>17</b>
Primary	-0.3	2	1	-18	23	19	21	11
Manufacturing	36	5	4	-21	122	99	105	6
Services	22	21	13	-37	458	394	475	21
<i>Top 10 industries in value terms</i>								
Information and communication	2	4	9	110	112	108	125	16
Finance and insurance	17	10	7	-30	88	78	86	10
Professional services	1	1	3	193	64	53	53	0
Pharmaceuticals	2	-4	3	..	10	-5	9	..
Construction	-1	0.4	3	505	6	16	13	-19
Transportation and storage	-0.2	2	3	7	32	21	25	19
Other manufacturing	-	0.4	2	363	6	5	8	60
Basic metal and metal products	0.2	0.3	2	547	7	1	17	1600
Extractive industries	-0.1	2	1	-20	16	17	21	24
Trade	0.9	2	1	-33	56	46	59	28

Source: UNCTAD, based on information from LSEG Data & Analytics.

**Table 6**  
**Developing Asia: investment project announcements in sectors relevant to the Sustainable**

(Millions of dollars, number and percentage)

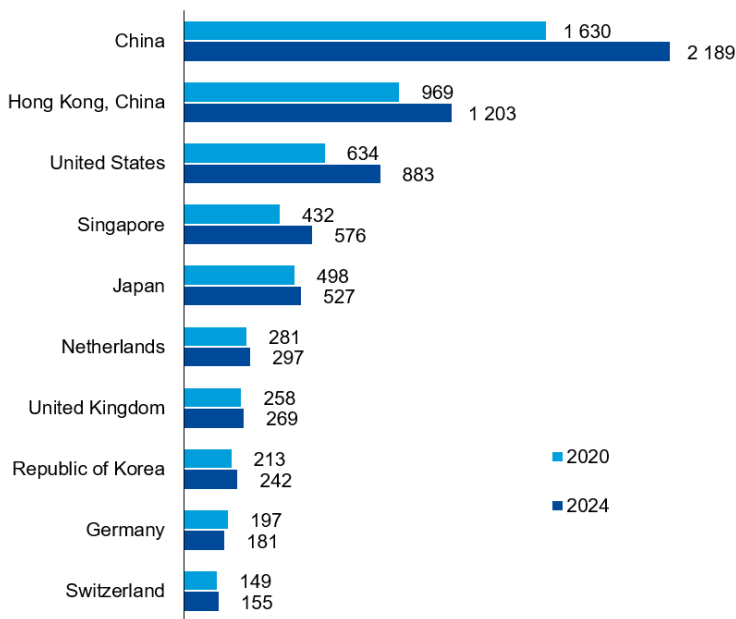
Goals-relevant sector	Announced greenfield projects				International project finance deals			
	2023	2024	2025	Growth, 2024–2025 (%)	2023	2024	2025	Growth, 2024–2025 (%)
<b>Total</b>								
Value	140 636	108 248	127 809	18	280 400	170 706	209 387	23
Number of projects	798	803	852	6	415	348	303	-13
Power <sup>a</sup>								
Value	6 032	4 148	6 702	62	31 112	22 001	25 098	14
Number of projects	19	28	27	-4	33	21	19	-10
Renewable energy								
Value	84 570	41 611	24 542	-41	128 381	91 325	100 366	10
Number of projects	126	89	81	-9	290	244	207	-15
Transport infrastructure								
Value					80 231	16 595	17 900	8
Number of projects					27	27	22	-19
Telecommunication								
Value	30 379	43 012	70 389	64	30 507	31 941	60 990	91
Number of projects	178	179	202	13	39	31	42	35
Water, sanitation and hygiene (WASH)								
Value	1 355	1 320	4 457	238	6 286	5 122	2 553	-50
Number of projects	9	12	13	8	12	15	8	-47
Agrifood systems								
Value	10 412	7 712	10 806	40	2 179	3 421	2 480	-27
Number of projects	196	204	227	11	10	9	5	-44
Health								
Value	7 154	9 503	10 032	6	1 704	300	-	..
Number of projects	177	197	203	3	4	1	-	..
Education								
Value	734	943	880	-7	-	-	-	..
Number of projects	93	94	99	5	-	-	-	..

Source: UNCTAD, based on information from The Financial Times, FDI Markets ([www.fdimarkets.com](http://www.fdimarkets.com)) and LSEG Data & Analytics.

<sup>a</sup> Excluding renewable energy.

<sup>b</sup> Transport services for greenfield projects and transport infrastructure for project finance.


**Figure 5**  
**Developing Asia: top 10 investor economies by FDI stock**  
 (Billions of dollars)



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

