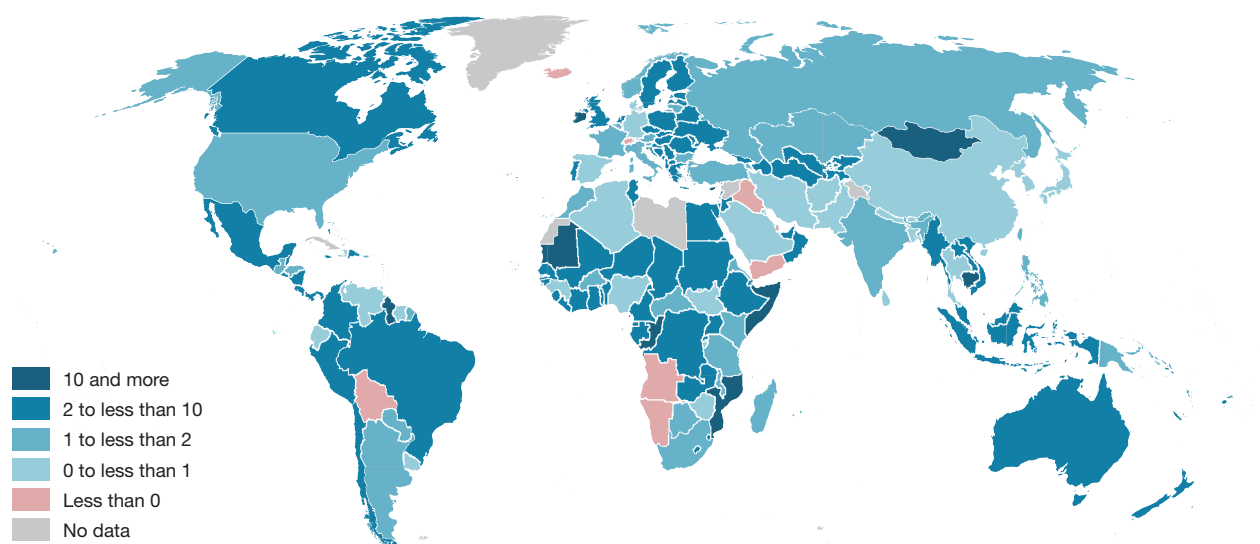




Fact sheet #9: Foreign direct investment

Map 1 Foreign direct investment inflows as per cent of gross domestic product, 2019



Concepts and definitions

Foreign direct investment (FDI) is defined as an investment reflecting a lasting interest and control by a foreign direct investor, resident in one economy, in an enterprise resident in another economy (foreign affiliate).

FDI inflows comprise capital provided by a foreign direct investor to a foreign affiliate, or capital received by a foreign direct investor from a foreign affiliate. FDI outflows represent the same flows from the perspective of the other economy.

FDI flows are presented on a net basis, i.e. as credits less debits. Thus, in cases of reverse investment or disinvestment, FDI may be negative.

FDI stock is the value of capital and reserves attributable to a non-resident parent enterprise, plus the net indebtedness of foreign affiliates to parent enterprises (UNCTAD, 2020c).

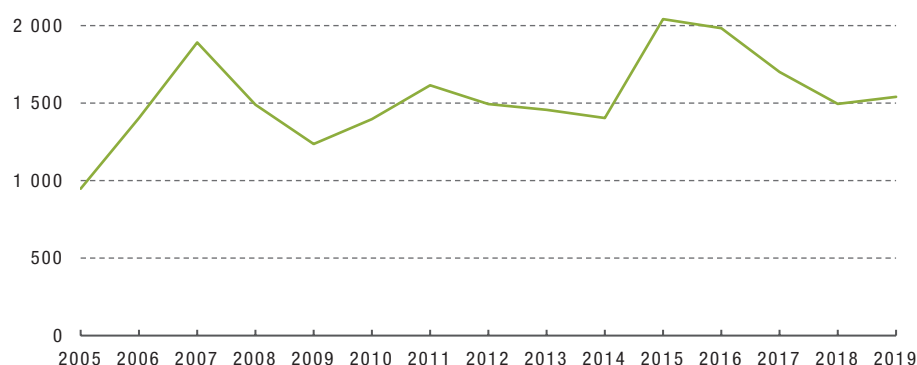
Trends and global patterns

Global FDI flows rose modestly in 2019, following sizable declines registered in 2017 and 2018. At US\$1.54 trillion, inflows were 3 per cent higher than in 2018, but remained below their level of 2017.

In 2019, seven of the top 20 host economies were developing economies. The largest recipient of FDI was the United States of America, followed by China and Singapore. The world's largest foreign direct investors were Japan, the United States of America and the Netherlands.

Many economies of Eastern Europe, the Caucasus region, Latin America and the Caribbean, Western, Middle and Eastern Africa, South-Eastern Asia and Oceania recorded FDI inflows exceeding 2 per cent of their GDP. Rates below 1 per cent were mainly found in Eastern Asia and in oil-exporting economies in Southern America, Africa and Western Asia.

Figure 1 World foreign direct investment inflows (Billions of United States dollars)



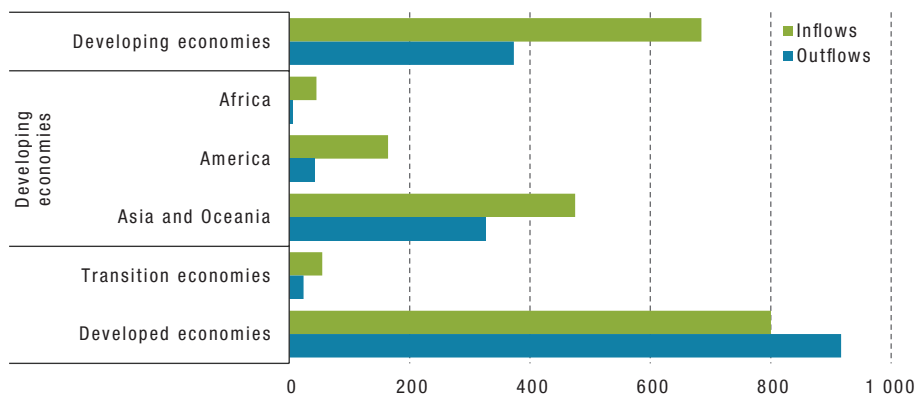
Note: Excluding financial centres in the Caribbean (see note, table 1).



Inflows and outflows by group of economies

In 2019, FDI inflows to developing economies amounted to US\$685 billion, almost twice their FDI outflows (US\$373 billion). Sixty-nine per cent of these inflows and 87 per cent of the outflows were attributed to developing economies in Asia and Oceania. Developing economies in America and Africa attracted less FDI and played only a marginal role as foreign direct investors. Developed economies generated slightly more FDI than they received. Transition economies were net FDI recipients.

Figure 2 Foreign direct investment inflows and outflows, 2019
(Billions of United States dollars)



Note: Excluding financial centres in the Caribbean (see note, table 1).

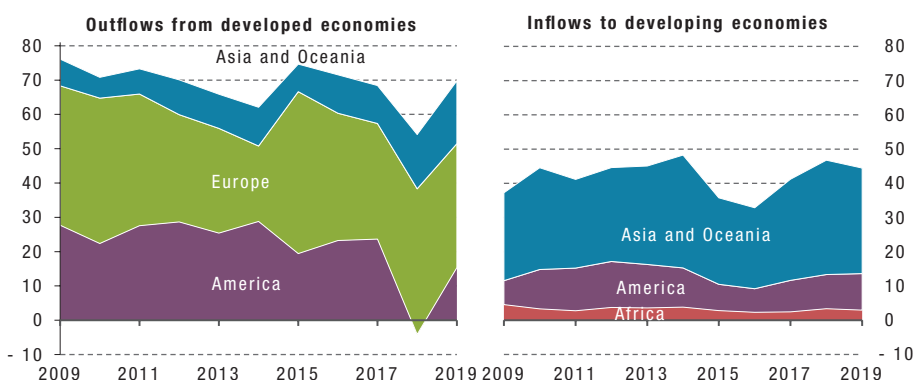
Origins and destinations of foreign direct investment

Outward FDI flows from developed economies rose significantly from the previous year, from US\$534 billion to US\$917 billion in 2019. This increase was mainly due to a resurgence of outflows from Northern America. After a year with slightly negative FDI from that region in 2018, in 2019 Northern American outwards FDI reached 15 per cent of global FDI. The developed economies in Asia and Oceania had a comparable share (18 per cent). The share of developed economies in Europe was double (36 per cent).

On the recipient side, Asia and Oceania remained the main host region of FDI in the developing world, attracting 31 per cent of world FDI. American and African developing economies received, respectively, 11 and 3 per cent.¹

¹ For further analyses on that topic, see UNCTAD (2020c).

Figure 3 Selected foreign direct investment flows
(Percentage of world total)



Note: Excluding financial centres in the Caribbean (see note, table 1).

For references, see UNCTAD Handbook of Statistics 2020, annex 6.4.

Global FDI rose
by 3% in 2019



Developing
economies
received
almost twice
as much FDI
as they initiated



Asia and Oceania
remained the largest
FDI host region
of the developing world



FDI from
Northern America
revived

In 2019:
15% of
global FDI





Table 1 Foreign direct investment flows by group of economies

Group of economies	Inflows				Outflows			
	Value (Billions of US\$)		Ratio to GDP (Percentage)		Value (Billions of US\$)		Ratio to GDP (Percentage)	
	2018	2019	2018	2019	2018	2019	2018	2019
World^a	1 495	1 540	1.7	1.8	986	1 314	1.2	1.5
Developing economies	699	685	2.1	1.9	415	373	1.2	1.1
Developing economies: Africa	51	45	2.2	1.8	8	5	0.4	0.2
Developing economies: America	149	164	2.8	3.0	0	42	0.0	0.8
Developing economies: Asia and Oceania	500	475	1.9	1.7	406	326	1.6	1.2
Transition economies	35	55	1.5	2.3	38	24	1.6	1.0
Developed economies	761	800	1.5	1.6	534	917	1.1	1.8
Selected groups								
Developing economies excluding China	561	543	2.8	2.6	272	256	1.4	1.3
Developing economies excluding LDCs	677	664	2.1	1.9	414	374	1.3	1.1
LDCs	22	21	2.1	1.9	1	-1	0.1	-0.1
LLDCs	22	22	2.7	2.4	1	0	0.2	0.1
SIDS (UNCTAD)	2	3	2.5	3.5	0	1	0.2	1.1
HIPCs (IMF)	27	25	3.9	3.5	1	2	0.2	0.4
BRICS	259	300	1.3	1.4	178	170	0.9	0.8
G20	1 146	1 180	1.5	1.6	714	1 126	1.0	1.5

Note: Excluding financial centres in the Caribbean, namely: Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Barbados, British Virgin Islands, Cayman Islands, Curaçao, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sint Maarten and Turks and Caicos Islands.

^a At world level, recorded FDI inflows may not equal recorded FDI outflows, due to imperfect geographic coverage and cross-country differences in compilation methods.

Table 2 Foreign direct investment stock by group of economies

Group of economies	Inward stock				Outward stock			
	Value (Billions of US\$)		Ratio to GDP (Percentage)		Value (Billions of US\$)		Ratio to GDP (Percentage)	
	2018	2019	2018	2019	2018	2019	2018	2019
World^a	32 944	36 470	38.5	41.8	31 508	34 571	37.1	39.8
Developing economies	10 634	11 312	31.4	32.3	7 533	7 900	22.7	22.8
Developing economies: Africa	895	954	38.0	37.7	321	285	15.2	12.5
Developing economies: America	2 028	2 263	38.1	41.9	646	763	12.7	14.8
Developing economies: Asia and Oceania	7 711	8 095	29.5	29.8	6 565	6 851	25.2	25.2
Transition economies	799	873	34.2	36.1	405	448	17.7	18.9
Developed economies	21 512	24 286	43.6	48.7	23 569	26 223	47.8	52.6
Selected groups								
Developing economies excluding China	9 006	9 542	44.5	45.8	5 551	5 801	28.3	28.4
Developing economies excluding LDCs	10 280	10 935	31.4	32.2	7 509	7 876	23.1	23.2
LDCs	354	376	33.1	33.8	24	24	3.3	3.2
LLDCs	392	407	49.1	45.8	48	50	8.1	7.6
SIDS (UNCTAD)	48	51	62.2	65.0	3	4	4.4	5.4
HIPCs (IMF)	326	355	47.0	49.1	21	24	4.0	4.4
BRICS	3 130	3 452	15.4	16.3	2 950	3 097	14.5	14.6
G20	24 336	27 531	32.9	36.6	25 520	28 406	34.5	37.7

Note: Excluding financial centres in the Caribbean (see note, table 3.3.1).

^a At world level, recorded inward stocks may not equal recorded outward stocks, due to imperfect geographic coverage and cross-country differences in compilation methods.

**Table 3 Foreign direct investment inflows, top 20 host economies, 2019**

Economy (Ranked by inflow value)	Inflows		Inward stock
	Value	Ratio to GDP	Ratio to GDP
	(Billions of US\$)	(Percentage)	(Percentage)
United States of America	246	1.1	43.9
China	141	1.0	12.4
Singapore	92	25.5	469.3
Netherlands	84	9.3	193.3
Ireland	78	20.2	289.9
Brazil	72	4.0	35.3
China, Hong Kong SAR	68	18.5	506.5
United Kingdom	59	2.1	73.6
India	51	1.7	14.0
Canada	50	2.9	59.8
Germany	36	1.0	25.0
Australia	36	2.6	51.0
France	34	1.3	32.1
Mexico	33	2.6	49.7
Russian Federation	32	1.9	27.3
Italy	27	1.3	22.3
Cyprus	24	99.0	1 816.5
Indonesia	23	2.1	20.5
Sweden	21	3.9	64.5
Israel	18	4.7	42.7

Note: Excluding financial centres in the Caribbean (see note, table 3.3.1).

Table 4 Foreign direct investment outflows, top 20 home economies, 2019

Economy (Ranked by outflow value)	Outflows		Outward stock
	Value	Ratio to GDP	Ratio to GDP
	(Billions of US\$)	(Percentage)	(Percentage)
Japan	227	4.5	35.7
United States of America	125	0.6	35.8
Netherlands	125	13.8	283.3
China	117	0.8	14.8
Germany	99	2.6	45.0
Canada	77	4.4	95.3
China, Hong Kong SAR	59	16.1	486.5
France	39	1.4	56.7
Korea, Republic of	36	2.1	26.5
Singapore	33	9.2	305.8
United Kingdom	31	1.1	69.2
Italy	25	1.3	28.0
Spain	24	1.7	43.9
Sweden	23	4.3	75.3
Russian Federation	23	1.3	22.7
Belgium	20	3.7	124.0
Ireland	18	4.7	280.8
Denmark	16	4.6	58.3
United Arab Emirates	16	3.9	37.8
Brazil	16	0.9	12.3

Note: Excluding financial centres in the Caribbean (see note, table 3.3.1).