World Investment Report 2026

Chapter I

International investment trends

United Nations

Key findings

Global foreign direct investment showed resilience in 2025, but the recovery remained fragile

Foreign direct investment (FDI) flows rose by 6 per cent, to $1.6 trillion. Inflows increased by 11 per cent in developed economies and by 2 per cent in developing economies. Excluding conduit flows through major European financial centres, global FDI increased 4 per cent after two consecutive years of decline. The outlook for 2026 is affected by significant downside risks owing to trade policy uncertainty, geopolitical tensions and conflicts.

Investment activity is increasingly concentrated in several capital- and technology-intensive sectors

The growth in the value of FDI projects was driven largely by investment in data centres, followed by oil and gas and semiconductors. Most other sectors registered significant declines, including renewable energy, infrastructure (excluding data centres) and manufacturing.

Inflows rose significantly in least developed countries

FDI in structurally weak and vulnerable economies was driven by least developed countries (+21 per cent) but remained highly concentrated in a small number of economies and largely confined to resource-rich countries. Flows to small island developing States remained limited, going mainly to tourism, renewable energy and logistics.

Investment in the Sustainable Development Goals picked up in 2025 but was unevenly distributed

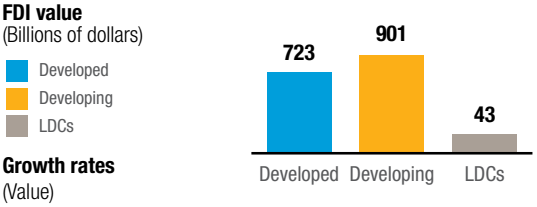
The value and number of announced projects in developing economies rose, particularly in least developed countries. The rebound remained concentrated in a few sectors and economies, underscoring persistent challenges in mobilizing investment for smaller projects and economies.

The global investor landscape has become more diverse

Alongside traditional multinational enterprises (MNEs), State-owned MNEs and private equity investors are playing an increasingly important role in FDI. More than a quarter of the companies in the 2026 UNCTAD ranking of the top 100 MNEs are State-owned, and international equity acquisitions by private equity firms now account for about 20 per cent of global mergers and acquisitions.

Development level

FDI value
(Billions of dollars)



Growth rates
(Value)

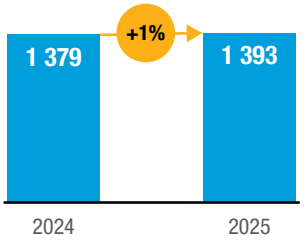
	Developed	Developing	LDCs
FDI	+11%	+2%	+21%
Greenfield projects (mostly industry)	+19%	-18%	+56%
International project finance (mostly infrastructure)	-12%	+20%	+185%

Regions

	FDI value (Billions of dollars)	Growth rates (Value and numbers of projects)		
		FDI	Greenfield projects	International project finance
Europe	285	+39%	-18%	-4%
North America	344	-2%	-9%	-24%
Africa	70	-26%	+8%	-21%
Developing Asia	644	+3%	-5%	-14%
Latin America and the Caribbean	188	+14%	-7%	-20%

Greenfield projects

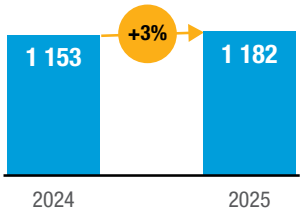
(Value, billions of dollars)



Number of projects **-10%**

International project finance

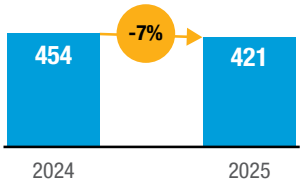
(Value, billions of dollars)



Number of deals **-11%**

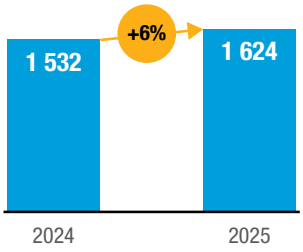
Cross-border M&As

(Value, billions of dollars)



FDI

(Value, billions of dollars)



Industries

(Global, project values)

- **Infrastructure** +11%
- **GVC-intensive industries** -13%
- **Semiconductors** +11%
- **Digital economy** +47%
- **Extractives** +8%

SDG sectors

(Developing economies, project values)

All sectors, developing economies
Value: -1%
Number: -6%

- **Infrastructure** +61%
- **Renewable energy** -5%
- **Water, sanitation and hygiene** -5%
- **Agrifood systems** +69%
- **Health and education** -7%

A. Global trends and prospects

Global foreign direct investment (FDI) showed resilience in 2025. Flows rose by 6 per cent to $1.6 trillion, despite geopolitical tensions, trade policy uncertainty and high financing costs. Excluding flows through major financial centres and investment hubs, FDI increased by 4 per cent, after two consecutive years of decline. However, investment activity became more selective, with growth concentrated in a limited number of host economies and in capital- and technology-intensive sectors, notably digital infrastructure, semiconductors and selected energy-related activities. This concentration favoured developed economies, where inflows rose more strongly than in developing economies. Looking ahead, downside risks are mounting. Real investment activity is likely to remain subdued, weighed down by geopolitical tensions, trade policy uncertainty and economic fragmentation.

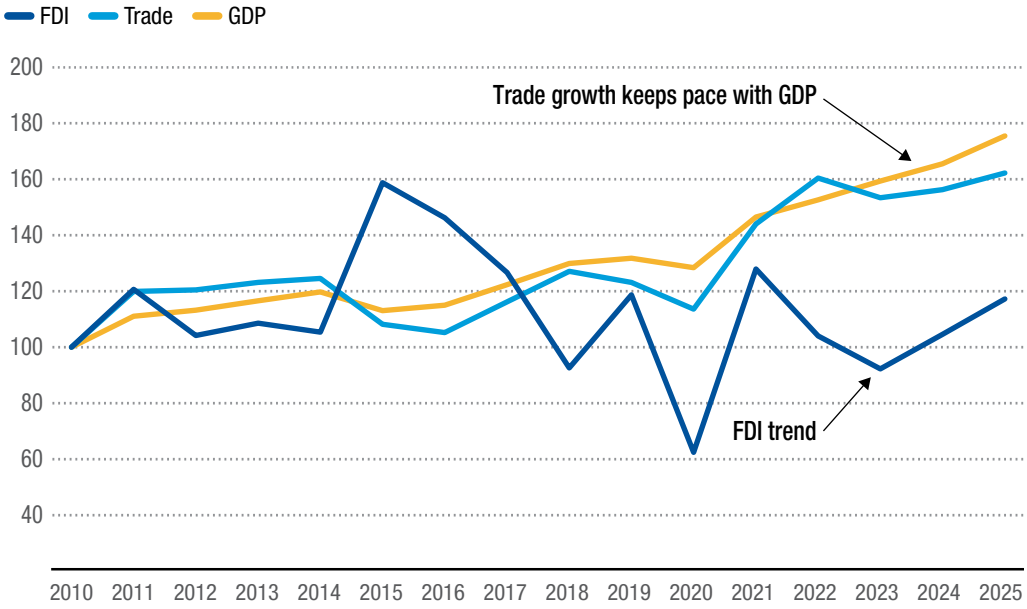
1. Foreign direct investment inflows

Global flows of FDI increased by 6 per cent to $1.6 trillion in 2025, from $1.5 trillion in 2024. Conduit flows through major global financial centres and investment hubs subtracted about $40 billion from the total, compared with -$70 billion in 2024. Switzerland and Ireland, in that order, accounted for most of the increase. Excluding conduit flows in major European financial centres, global FDI flows rose by 4 per cent compared with 2024.

Over the longer term, FDI remained weak relative to other indicators of international economic activity. During 2010–2025, global gross domestic product (GDP) and trade expanded steadily, while FDI growth was subdued and volatile (figure I.1). Year-to-year movements continued to be affected by one-off transactions, corporate restructurings, and conduit and other financial flows,[1] rather than changes in underlying productive investment. Despite this weak longer-term trend, global FDI inflows in 2025, excluding conduit flows, were about 10 per cent above their average level for the 2010–2024 period.

[1] Financial flows include cross-border financing transactions – especially intragroup funding and other balance sheet movements – that can cause large swings in recorded FDI without reflecting genuine changes in productive economic activity.

Figure I.1
The long-term trend in foreign direct investment remains weak
FDI, trade and GDP trends
(Indexed, 2010 = 100)



Source: UNCTAD, based on International Monetary Fund for GDP and trade.

Note: GDP is at current prices; trade is value of goods and services exports.

Abbreviations: FDI, foreign direct investment; GDP, gross domestic product.

a. Trends by level of development

FDI trends in 2025 diverged across country groups. The year-on-year increase was concentrated in developed economies, where inflows rose by 11 per cent to $723 billion, largely reflecting a rebound in a few large host economies and increased flows through financial centres. Despite this increase, flows to developed economies remained 13 per cent below their average over the previous 15 years. By contrast, flows to developing economies increased by 2 per cent to just above $901 billion, but stood 23 per cent above their 15-year average.

Because a few developing economies are high-income countries (box I.1), a breakdown by income group provides further insight into the distribution of FDI growth in 2025 (figure I.2). The increase was driven mainly by high-income economies, where inflows rose from $1 trillion to more than $1.1 trillion. This reflected higher inflows to developed countries as well as the continued attractiveness of a small number of high-income developing economies that host large-scale projects and financial flows (e.g. Hong Kong (China), Singapore and the United Arab Emirates together account for more than one third of developing-economy inflows). Inflows to upper-middle-income economies remained largely unchanged, while those to lower-middle-income economies declined by 5 per cent. Flows to low-income countries grew by 10 per cent, though from a low level. These patterns suggest that the 2025 increase was concentrated in economies with stronger capacity to attract large-scale and strategic investment. This concentration reflects the growing importance of the capital- and technology-intensive high-technology and digital infrastructure sectors, as well as the role of industrial policies in major economies (see chapter III).

Box I.1
Investment data and country classifications used in this report

Investment data

UNCTAD reports international investment trends based on foreign direct investment (FDI) statistics – stocks and flows, inward and outward – provided by Member States, as well as data on three types of investment projects:

- Cross-border mergers and acquisitions (M&As): Transactions that directly affect FDI flows.
- Greenfield projects: Announcement-based data that reflect investment intentions in the reporting year and signal directional FDI trends ahead. These projects mostly occur in industrial sectors.
- International project finance (IPF) deals: Large-scale projects involving multiple investors and containing a significant debt component. These projects mostly occur in infrastructure sectors.

The data on the three types of projects are treated separately and are used as complementary information to explain productive FDI trends. They are statistically distinct from FDI data based on the balance of payments. For example, greenfield project announcements include estimates for projected capital expenditures in the future, not actual financial flows in the reporting year. Likewise, only a part of IPF values translates into FDI.

Project data are sourced from The Financial Times Ltd, fDi Markets (www.fDimarkets.com) for greenfield projects and from LSEG Data & Analytics for M&As and IPF. Full details on statistical methods and sources of data for each country can be found in the online-only methodological notes published with each *World Investment Report*.

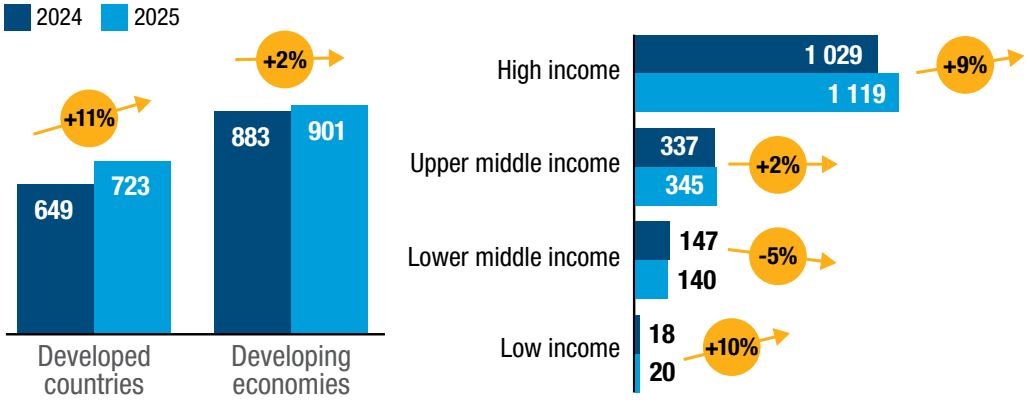
Country classifications

This report uses the United Nations country classification to define geographical regions and the groups of developed and developing economies, as well as the groups of least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing states (SIDS). It also uses income groups, following the World Bank classification of economies by income level, where necessary for greater analytical clarity (e.g. as the United Nations group of developing countries includes several high-income economies such as Hong Kong (China), Singapore and the United Arab Emirates, that attract a disproportionate share of FDI).

Source: UNCTAD.

Figure I.2
Growth in foreign direct investment is concentrated in developed economies

Inflows by development level and by income level
(Billions of dollars and percentage change)



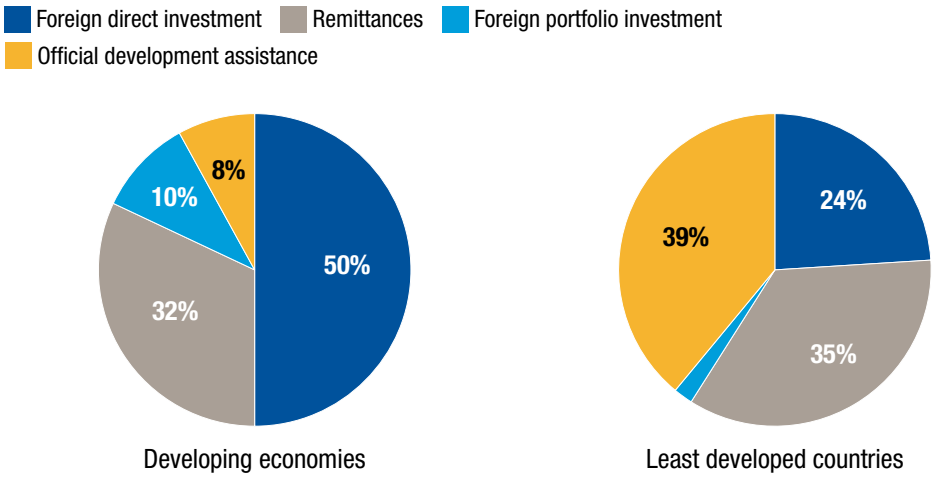
Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

Note: Income groups based on the World Bank 2025 income classification.

FDI remains a critical source of external finance for developing economies (figure I.3). In 2025, it accounted for about 50 per cent of their total external financing, making it the largest source – ahead of remittances, official development assistance and portfolio flows. In least developed countries (LDCs), however, FDI accounts for less than 25 per cent of total external finance and portfolio investment remains negligible. Yet, regardless of its relative importance by income group, FDI plays a distinct role in development because of its links to productive investment, technology transfer and integration into global value chains (GVCs).

Figure I.3
Foreign direct investment remains a critical part of external finance for developing economies

Shares across categories of external financial flows, 2025
(Percentage)



Sources: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics), International Monetary Fund balance-of-payments statistics, World Bank KNOMAD (Global Knowledge Partnership on Migration and Development) database and Organisation for Economic Co-operation and Development.

b. Top recipients

FDI inflows in 2025 remained highly concentrated among a relatively small number of host economies. The top 20 recipients accounted for more than 80 per cent of global FDI inflows. Developing economies represented half of the economies in the top 20 ranking (figure I.4), underscoring their continued importance as destinations for FDI.

The United States retained its position as the largest recipient, with inflows broadly stable at $277 billion, reflecting continued strength in technology-intensive sectors and large-scale projects. Other major recipients included Singapore, Hong Kong (China) and China, in that order, although inflows to China declined, continuing a downward trend linked to economic restructuring and shifts in GVCs.

The composition of top recipient economies shifted modestly in 2025. The United Kingdom replaced Egypt, reducing the number of developing economies in the list from 11 to 10. At the same time, a number of large emerging economies maintained or strengthened their positions among top recipients. Inflows to Brazil rose sharply, supported by investment in renewable energy and natural resources, while India and Mexico continued to attract investment in services, manufacturing and supply chain reconfiguration. The United Arab Emirates also maintained a high level of inflows.

Within top recipients, changes in country rankings are often driven by a limited number of transactions, particularly in financial centres and investment hubs, rather than broad-based changes in productive capacity. Data on investment project activity reinforce this picture: the leading hosts for greenfield investment and international project finance (IPF) are large economies and those pursuing active industrial policies.

c. Trends by investment modalities

While not directly comparable to FDI flows (see box I.1), data on cross-border merger and acquisition (M&A) deals, announced greenfield projects and IPF provide additional information on the direction, geographical breakdown and prospects of FDI. These data show that international investment activity remained fragile in 2025.

Developing economies make up **half of the top 20 ranking**

Cross-border M&A values declined by 7 per cent, despite strong growth in domestic deal-making. After a weak performance in 2024, M&A activity remained sensitive to financing conditions, valuations and regulatory scrutiny, and was concentrated in a limited number of sectors, including energy, technology and critical minerals. Megadeals and corporate reorganizations continued to contribute to volatility in FDI flows.

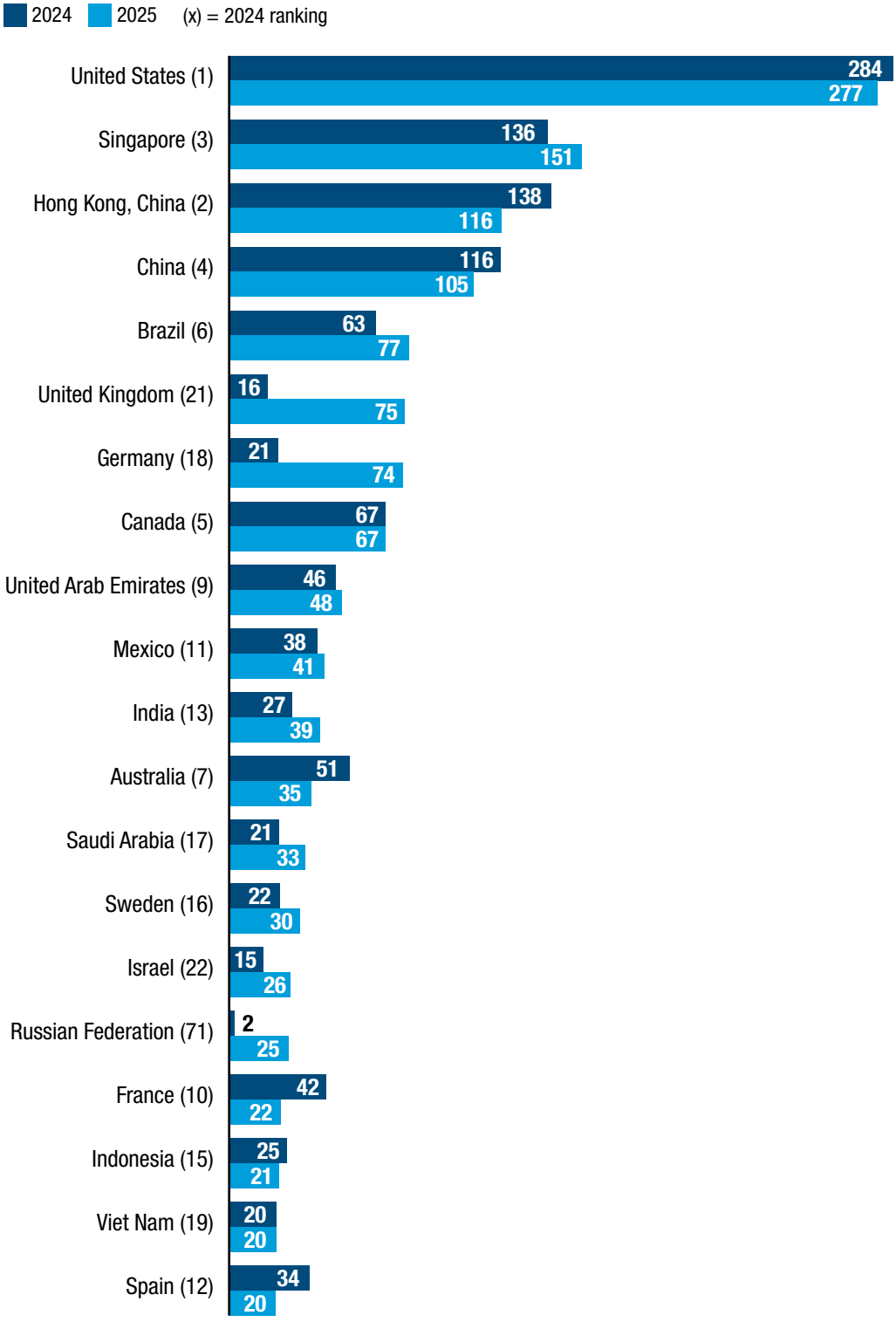
The value of announced greenfield projects remained close to the high level recorded in 2024 but was supported mainly by megaprojects in developed economies and in a narrow set of capital- and technology-intensive sectors. Growth in announced values was driven largely by digital infrastructure, particularly data centres, and to a lesser extent by semiconductors, oil and gas, and selected non-digital infrastructure activities. By contrast, many other sectors recorded weak or declining activity, among them renewable energy, GVC-intensive manufacturing industries[2] and several basic infrastructure sectors (see section C).

After three consecutive years of decline, the downturn in IPF came to a halt but the recovery was limited. While global IPF values rose by 3 per cent, they remained about 25 per cent below their 2021 peak and the number of IPF deals declined slightly. The weakness in deal numbers points to continued constraints on capital-intensive infrastructure and energy projects, especially where high financing costs, long gestation periods and trade policy uncertainty weigh on project implementation.

[2] GVC-intensive manufacturing industries are industries with a high share of foreign value added in gross exports. They include high-technology (automotive, electronics, and machinery and equipment) and low-technology (textiles) industries (UNCTAD, 2020).

Figure I.4
Developing economies represent half of the top 20 recipients of foreign direct investment

Inflows, top 20 host economies
(Billions of dollars)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

2. Foreign direct investment outflows

Global FDI outflows remained concentrated among a relatively small number of home economies in 2025. The top five home economies were unchanged from 2024 and accounted for almost half of global outflows. The United States remained the largest source of FDI, followed by Japan and China. The ranking confirms the continued importance of large MNEs from advanced economies, while also showing the growing roles of Asian and Gulf-based investors (figure I.5).

Developed economies continued to be the largest sources of global investment capital, as the United States, Japan and major European economies are home to many of the world's largest MNEs, which are supported by deep capital markets, extensive networks of foreign affiliates and high levels of reinvested earnings. Together, developed economies account for nearly two thirds of outward FDI flows over the past five years and about three quarters of global outward FDI stock. These flows, however, remain volatile, especially in Europe, where intra-firm financing, corporate restructurings and transactions involving financial centres can produce large year-to-year swings.

United States MNEs retained their position as the largest outward investor group, supported by the scale of existing foreign affiliate networks and retained earnings abroad. At the same time, project data suggest a more selective pattern of new international expansion. Though the number of overseas greenfield projects announced by United States MNEs has declined in recent years, their value in 2025 remained high, at $250 billion, reflecting large commitments in digital services, advanced manufacturing, energy, health care and financial services. Outward investment from the United States is also increasingly shaped by strategic considerations, including through policy support from institutions such as the International Development Finance Corporation, with a focus on infrastructure, the energy transition and strategic supply chains.

Japan remained the second largest source of FDI, despite a slight decline in outflows. Japanese firms continued to invest abroad in manufacturing, infrastructure and services, supported by long-standing internationalization strategies.

Outward FDI from European economies remained significant but volatile in 2025. Major economies such as France, Germany and the United Kingdom continue to host globally active MNEs, but outward flows are often influenced by corporate restructuring, intra-firm financing and transactions involving financial centres, contributing to pronounced year-to-year variability. Beyond these financial effects, European outward investment is increasingly shaped by strategic objectives, with greater emphasis on supply chain resilience, energy security and access to critical raw materials. Renewable energy MNEs remain an important part of this outward investment profile.[3] Policy initiatives, including the Global Gateway of the European Union, have reinforced this trend by supporting investment in infrastructure, energy, digital connectivity and raw materials in partner countries.

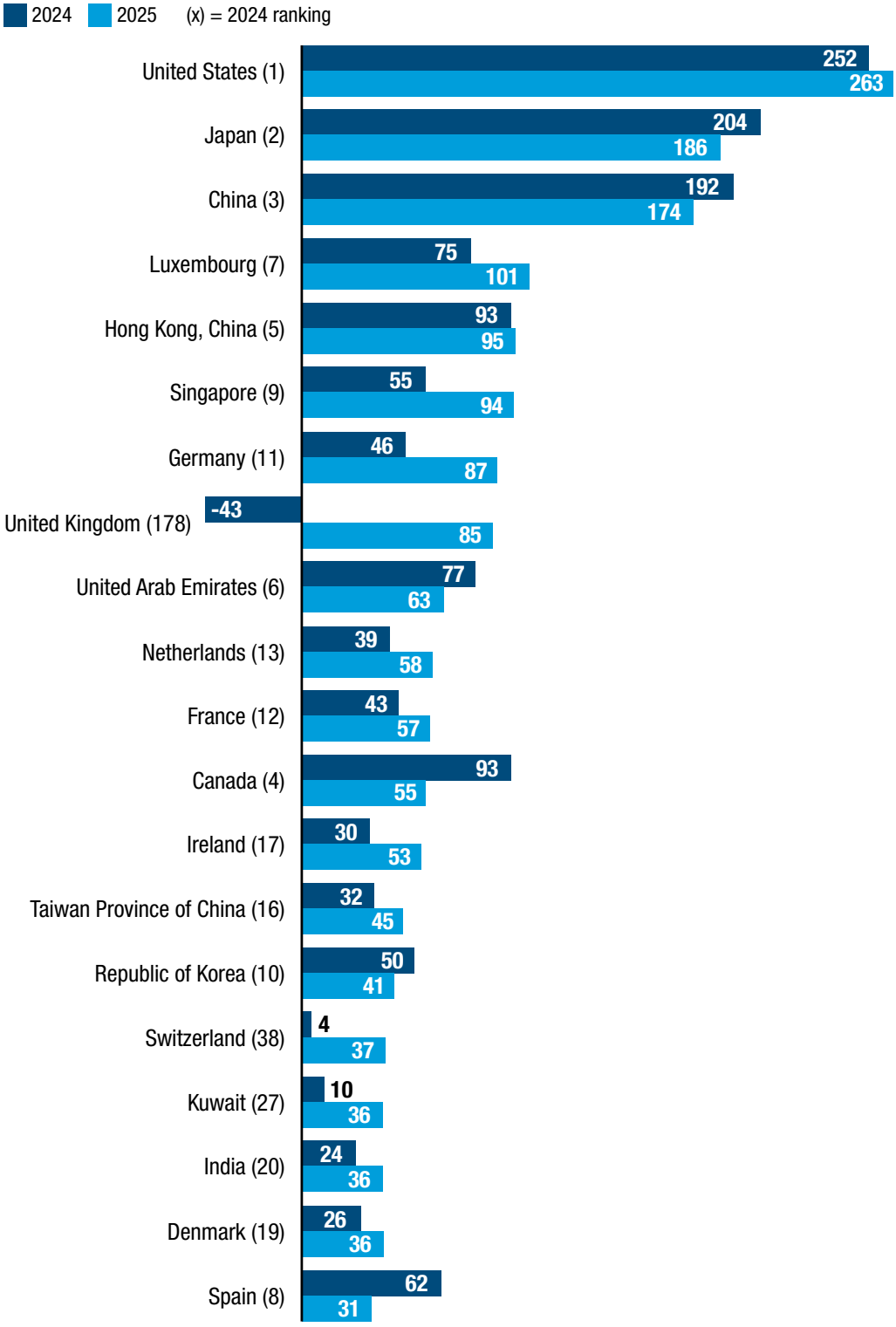
Developed economies remain **largest sources of investment capital**

Developing Asia has become an increasingly important source of global capital, accounting for one third of global FDI outflows in 2025. China, Hong Kong (China), Singapore and the United Arab Emirates were among the top 10 outward investors. China remained the third largest source of FDI, despite a decline in recorded outflows. Its outward investment has become more targeted, with greater emphasis on greenfield projects, manufacturing, energy,

[3] For example, Iberdrola (Spain), through its United States subsidiary Avangrid, has announced plans to invest more than $20 billion in electricity grid infrastructure and renewable energy in the United States by 2030. It also plans to invest nearly $4 billion in electricity networks and offshore wind in the United Kingdom, through its subsidiary ScottishPower.

Figure I.5
The ranking of home economies for foreign direct investment was largely unchanged

Outflows, top 20 home economies
(Billions of dollars)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

infrastructure and critical raw materials, often in developing economies and along South–South investment corridors.

The Gulf Cooperation Council (GCC) economies have also become more prominent outward investors, including through sovereign wealth funds (SWFs) and State-owned enterprises (SOEs). The United Arab Emirates remained one of the leading outward investors in 2025, ranked 9th in the top 20 home economies, and Kuwait entered the ranking. Although Saudi Arabia dropped out of the top 20, it remained an important source of IPF. The 2026 conflict in the Middle East, extending beyond Iran and affecting the wider West Asia region, is likely to weigh on investment (box I.2; Asian Development Bank, 2026).

3. Prospects

Global FDI prospects for 2026 and beyond remain uncertain, with macroeconomic conditions remaining a central source of weakness. Slower GDP growth and uncertain trade policy are likely to dampen the expansion of international production networks (table I.1). Geopolitical tensions, conflicts and persistent uncertainty about trade policy further complicate investment decisions, encouraging firms to delay or scale back commitments.

Table I.1
Key indicators for foreign direct investment prospects

Indicator	2025 actual	2026 forecast or latest available
Gross domestic product growth (%)	3.4	3.1
Gross fixed capital formation (%)	3.0	3.0
Trade (%)	5.1	2.8
Inflation outlook (%)	4.1	4.4
Short-term interest rate[a]	3.2	2.8
Foreign exchange volatility	8.0	6.8
Stock market volatility index	18.9	16.9
Commodity/energy price index	98.4	139.8
Purchasing managers' index	49.2	51.7
Geopolitical risk index	145.1	230.8

Sources: UNCTAD, based on International Monetary Fund for gross domestic product growth, gross fixed capital formation, trade, inflation outlook and short-term interest rate; World Bank for commodity/energy price index; and www.matteoiacoviello.com/gpr.htm for Geopolitical Risk Index.

Notes: Purchasing managers' index is the average for China, the United States and the Eurozone. Trade is exports of goods and services. Foreign exchange rate volatility is from the Deutsche Bank FX Volatility Index. The stock market volatility index is the Chicago Board Options Exchange Volatility Index.

[a] Applied to advanced economies, which are the 43 economies defined by the World Economic Outlook of the International Monetary Fund.

There are some mitigating factors, most notably a stable outlook for gross fixed capital formation and signs of moderating interest rates and foreign exchange volatility, but these positive signals are fragile. Downside risks remain significant, including as a result of the conflict in the Middle East. Increases in energy and commodity prices could reverse recent gains in inflation control, delay monetary easing and disproportionately constrain capital-intensive investments. In this context, the fragile growth in international investment observed in 2025 may be difficult to sustain.

Box I.2
Implications of the conflict in the Middle East for global foreign direct investment

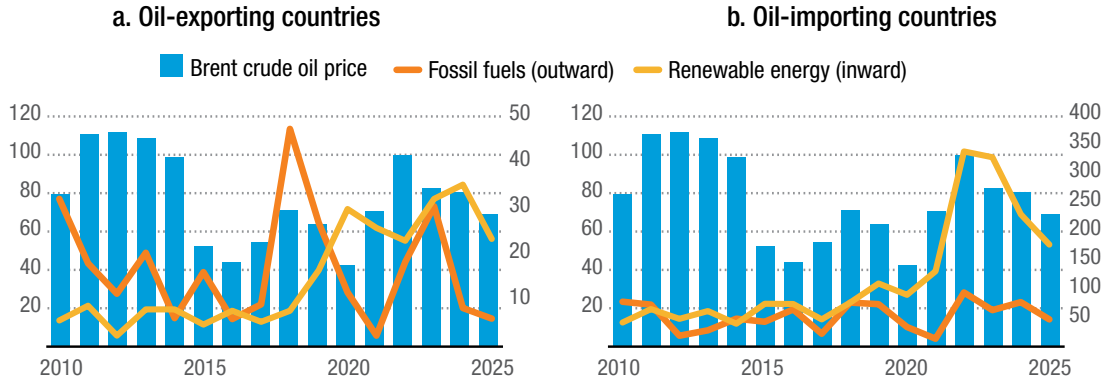
The escalation of the conflict in the Middle East in 2026 constitutes a major adverse shock to the global investment environment, exerting downward pressure on FDI through higher costs, greater uncertainty and tighter financial conditions.

Within the region, heightened security risks, disruptions to transport and logistics, and rising insurance and operating costs are leading to the suspension, delay or cancellation of many ongoing and planned investment projects. Capital-intensive investment – particularly in infrastructure, energy and industrial activities – is the most exposed.

Beyond the region, disruptions to key maritime routes have increased transport costs and reduced the reliability of global supply chains, while higher oil and gas prices are feeding into inflationary pressures worldwide. The conflict is also reinforcing structural shifts in global energy systems. Periods of high oil prices are associated with a dual investment response across both oil-importing and oil-exporting countries: (i) an increase in fossil fuel investment alongside (ii) stronger investment in renewable energy (box figure I.2.1). This reflects the coexistence of short-term energy security concerns and longer-term decarbonization objectives, implying a more complex allocation of capital and a gradual reorientation of FDI towards energy transition sectors.

Box figure I.2.1
Investment patterns point to a dual response to rising oil prices across oil-importing and oil-exporting countries

Brent crude oil prices and greenfield investment, by selected sectors
(Average dollars per barrel and billions of dollars)



Source: UNCTAD, based on information from The Financial Times Ltd, fDi Markets (www.fDimarkets.com) and World Bank Commodity Price Data.

Note: Oil-exporting countries are defined as those with a positive petroleum trade balance, and oil-importing countries are defined as those with a negative petroleum trade balance. Petroleum trade balance is calculated using the World Bank's World Integrated Trade Solution Data.

The impact of the shock is uneven across countries: fuel-importing and financially constrained economies are particularly exposed because of higher energy costs and tighter external financing conditions. In these economies, FDI is likely to be affected primarily through weaker project pipelines and delays in implementation.

The conflict also has implications for major outward investors in the region, particularly in the Gulf, which may focus on domestic needs and adopt a more cautious approach to new cross-border commitments, a shift already visible in delayed or cancelled M&A deals.[a]

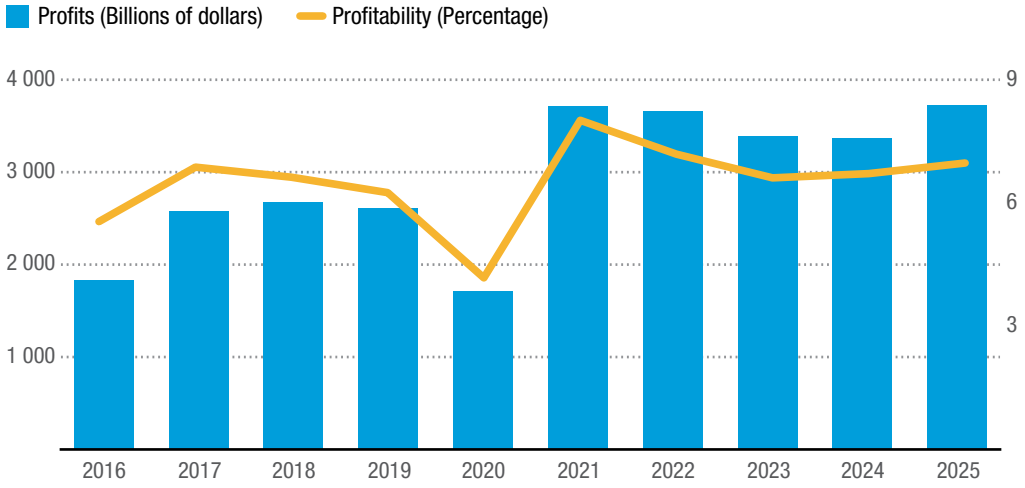
Overall, the conflict is likely to depress global FDI in the near term and contribute to a more selective and uneven recovery, favouring locations with greater macroeconomic stability, lower geopolitical risk and more resilient infrastructure.

Source: UNCTAD.

[a] See *The Financial Times*, How the Iran war put billions of Gulf-backed dealmaking in doubt, 11 May 2026.

At the firm level, the outlook is more nuanced. Large MNEs continue to report strong profits, indicating that they retain substantial financial capacity to invest (figure I.6). However, declining overall rates of return on FDI point to weaker incentives for the broader population of firms (table I.2). This divergence suggests a growing concentration of international production, with value creation and profitability becoming more narrowly distributed among a small group of dominant players in strategic sectors (see chapter III).

Figure I.6
The profits of the largest multinational enterprises increased
Profits and profitability levels, 2016–2025



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

Notes: Covers 4,193 MNEs for which data were available for every year in the range. Profitability is calculated as the ratio of net income to total sales.

Table I.2
Rates of return on foreign direct investment
(Billions of dollars at current prices and percentage)

Item	1990–1999	2000–2009	2010–2019	2022	2023	2024	2025
FDI inward stock	3 824	11 896	27 935	43 703	47 715	50 526	57 834
FDI outward stock	4 075	12 282	27 427	35 776	38 254	39 493	46 022
Income on inward FDI[a]	163	788	1 923	3 904	3 980	3 834	3 257
Rate of return on inward FDI[b]	5.8	7.4	8.0	10.8	10.7	10.2	7.0
Income on outward FDI[a]	206	842	1 879	3 860	3 878	3 780	3 175
Rate of return on outward FDI[b]	7.7	8.1	7.4	10.2	10.2	9.7	7.1

Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

Note: Data for 1990–1999, 2000–2009 and 2010–2019 are averages.

[a] Based on data from 187 countries for income on inward FDI and 167 countries for income on outward FDI in 2025, in both cases representing more than 90 per cent of global inward and outward stocks.

[b] Calculated only for countries with both FDI income and stock data. The stock is measured in book value.

Abbreviation: FDI, foreign direct investment.

At the regional level, the outlook for FDI in developed economies remains mixed, although underlying drivers differ across regions and countries. FDI will remain volatile as long as conduit flows and intra-firm financial transactions dominate changes in the aggregate. Financial market analysts broadly expect a gradual recovery in M&A activity in 2026, led by an easing of financing conditions and a normalization of valuations. Strong deal pipelines are supported by high levels of corporate cash and private equity "dry powder", with activity likely to be concentrated in technology, energy, healthcare and industrial restructuring.[4] At the same time, transactions are expected to remain selective, reflecting continued scrutiny of investment in sensitive sectors and geopolitical considerations (see chapters II and III).

In developing regions, the picture is mixed and often more uncertain. Africa shows encouraging signs through rising numbers of greenfield project announcements, pointing to sustained investor interest and a potentially strengthening project pipeline. Major initiatives in energy infrastructure underscore both the scale of investment needs and the opportunities linked to the energy transition. Yet, declining numbers of IPF deals and the continued concentration of inflows in a limited number of countries highlight persistent challenges. In developing Asia, mounting pressures from geopolitical and trade tensions, and rising energy costs could delay or deter investment. In Latin America and the Caribbean, the recent decline in greenfield activity signals ongoing investor caution. Prospects will depend on each region's ability to translate its advantages, including abundant natural resources and nearshoring opportunities, into more diversified and stable investment flows.

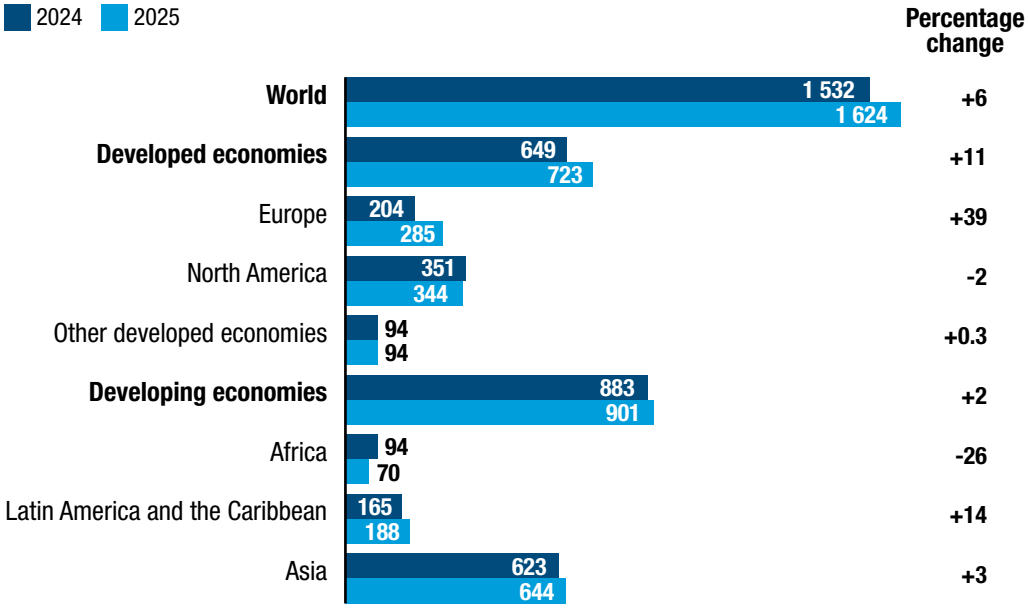
[4] Goldman Sachs, M&A volume expected to surge this year despite economic uncertainty, 24 April 2026, available at https://www.goldmansachs.com/insights/articles/ma-volume-expected-to-surge-this-year-despite-economic-uncertainty.

B. Regional trends

FDI flows rose in developed economies in 2025 and remained broadly stable in developing economies. The global increase was driven mainly by Europe, where inflows were affected by movements through financial centres and investment hubs as well as stronger investment in several large host economies. Developing Asia remained the largest recipient region with a small increase in inflows, while Latin America benefited from strong investment in commodities and energy transition sectors. Despite experiencing a decline from 2024, Africa recorded its third-highest FDI inflows.

FDI trends in 2025 varied significantly across regions (figure I.7). The global increase was driven mostly by a sharp rise in Europe, while most other regions experienced more moderate changes. Regional trends continued to be influenced by large transactions, financial centre effects and the concentration of investment in a limited number of economies and sectors. Project and transaction data also point to selective investment activity, with large projects concentrated in strategic sectors, including digital infrastructure, energy, semiconductors and selected manufacturing industries.

Figure I.7
Global foreign direct investment growth driven by Europe
Inflows by economy grouping and region
(Billions of dollars and percentage change)

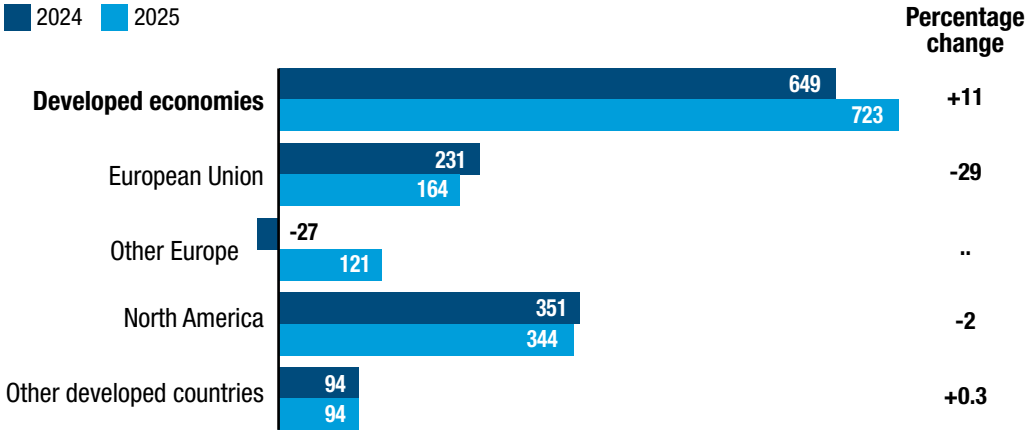


Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

1. Developed economies

FDI inflows to developed economies rose by 11 per cent in 2025, to about $723 billion (figure I.8). The increase was concentrated in Europe, while flows to North America and other developed economies remained broadly stable.

Figure I.8
Developed economies: Stable inflows mask diverging trends
Inflows by economy grouping and region
(Billions of dollars and percentage change)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

a. Trends by geography

i. Europe

FDI inflows to Europe increased by 39 per cent, to $285 billion (see figure I.7). The regional aggregate continued to be shaped by large movements through financial centres and investment hubs, including in economies in which FDI flows often reflect intra-firm financing, corporate restructuring and conduit flows rather than new productive investment. Outside the European Union, the United Kingdom saw strong inflows and active M&A and greenfield investment, with pronounced financial centre effects, reflecting its dual role as a large market and an investment hub. Switzerland also recorded large swings driven by financial flows.

Within the European Union, several countries recorded higher inflows, supported by cross-border M&A activity and large investment projects. Germany recorded a substantial increase, with inflows rising from $21 billion to $74 billion. Large M&A transactions were announced, including the acquisition of Schenker by DSV (Denmark) and the acquisition of Covestro by ADNOC (United Arab Emirates). Greenfield project values remained significant, although project numbers declined. Sweden also recorded a significant increase in inflows, reflecting large transactions and investment in advanced manufacturing, technology and energy-related activities. France recorded inflows of $22 billion, almost 50 per cent lower than in 2024. However, the country became the second-largest destination for greenfield projects by value in Europe, with more than $90 billion announced, compared with less than $30 billion in 2024. These announcements included two large projects for artificial intelligence (AI) campuses: the $43 billion project by MGX (United Arab Emirates) and the $16 billion project by Brookfield Asset Management (Canada).

In Eastern Europe, economies closely integrated with European Union markets or with accession prospects continued to benefit from supply chain linkages and policy harmonization and compatibility efforts. FDI flows to European Union accession candidates doubled in 2020–2025 compared with the previous decade. The Russian Federation recorded a sizeable increase in inflows despite very limited new project activity and ongoing restrictive economic measures. The rise likely reflected reinvested earnings under restrictions on profit repatriation, corporate restructuring and other financial flow effects, rather than new greenfield or project-based investment (IIF, 2025).

ii. North America

FDI inflows to North America remained broadly stable, declining slightly from about $350 billion to $344 billion (see figure I.8). Inflows to the region were supported by continued investment in strategic industries, but uncertainty related to trade policy weighed on some investment decisions, particularly in supply chain–intensive industries.

The United States remained the largest host economy globally, with inflows reaching $277 billion. The value of announced greenfield projects increased by 30 per cent, confirming the role of the United States as a leading destination for strategic manufacturing, clean energy and digital infrastructure. However, the number of projects declined by more than 10 per cent, pointing to a concentration of investment in fewer, larger projects. M&A activity in the United States remained the highest in the world, although values declined from 2024.

Canada recorded broadly stable inflows, with investment activity concentrated in energy, critical minerals and infrastructure-related sectors. The investment environment was affected by the uncertainty surrounding the forthcoming review of the United States–Mexico–Canada Agreement, which underpins integrated regional supply chains. The value of GVC-intensive manufacturing industries projects announced in Canada more than halved, driven primarily by shifts in the automotive industry.

iii. Other developed economies

FDI flows to other developed economies remained broadly stable (see figure I.8). Japan and Australia remained major recipients, supported by investment in manufacturing, services, energy and infrastructure. In the Republic of Korea, activity concentrated in fewer but larger investments, particularly in the digital economy. These included a $10 billion data centre investment by Fir Hills (United States).

b. Projects, sectors and source-country patterns

Project and transaction data indicate that investment activity in developed economies became more selective in 2025. Announced greenfield project values rose from about $715 billion to $850 billion, even as project numbers fell by 15 per cent. This points to fewer but larger projects, concentrated in capital- and technology-intensive industries such as semiconductors, data centres, clean energy, batteries and advanced manufacturing – those primarily targeted by industrial policies (see chapter III) (table I.3). The United States remained the largest destination for greenfield projects by value, followed by France, the United Kingdom, Australia and Spain.

United States: **largest host economy**

Cross-border M&As continued to play a larger role in developed economies than in developing regions. Net M&A sales declined from about $430 billion to $400 billion, but remained high. The United States accounted for the largest share, followed by Germany, the United Kingdom and Canada. Deal activity was supported by deep capital markets and corporate restructuring, but constrained by financing costs, valuation uncertainty and increased scrutiny of transactions in strategic sectors.

Table I.3
Developed economies: Top 10 greenfield projects announced in 2025, by value

Host economy	Home economy	Sector segment	Parent company	Estimated capital expenditure (Billions of dollars)
United States	Taiwan Province of China	Semiconductors	Taiwan Semiconductor Manufacturing	100.0
France	United Arab Emirates	Digital infrastructure/ data centre	MGX Fund Management	43.4
United States	Spain	Renewable energy	Iberdrola	20.0
United States	Australia	Coal, oil and gas	Woodside Energy (Woodside Petroleum)	17.5
France	Canada	Digital infrastructure/ data centre	Brookfield Asset Management	16.3
Republic of Korea	United States	Digital infrastructure/ data centre	Stock Farm Road	10.0
Sweden	Canada	Digital infrastructure/ data centre	Brookfield Asset Management	9.8
Japan	United States	Semiconductors	Micron Technology	9.6
Australia	New Zealand	Renewable energy	Taslink	6.9
United States	Republic of Korea	Metals	Hyundai Motor	5.8

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

There were several notable divestments in Europe and North America, including the spin-off by Holcim (Switzerland) of its North American business to domestic shareholders for $29 billion and the $12 billion merger in the United Kingdom between Three UK – owned by CK Hutchison Group Telecom Holdings (Hong Kong (China)) – and Vodafone.

IPF in developed economies weakened in 2025. Deal values declined from almost $630 billion to less than $560 billion, and deal numbers fell by 6 per cent. The decline was visible in both Europe and North America and reflected tighter financing conditions, higher capital costs and a more selective approach to large infrastructure and energy projects, including in clean energy and industrial decarbonization.

Strategic industries remained central to investment trends in developed economies. Semiconductor projects continued to mobilize exceptionally large capital expenditure, supported by public incentives in the United States and Europe. Data centres were also among the main drivers of megaproject investment, linking digital infrastructure investment to electricity demand, grid capacity and corporate procurement of clean power. These trends are reflected in the list of the largest greenfield projects announced in 2025, which is dominated by semiconductors, AI infrastructure, data centres, clean energy and other capital-intensive activities.

Established transatlantic investment links remained important, and Europe remained the primary destination for United States outward FDI, while European firms remained the largest source of FDI in the United States (Hamilton et al., 2026). The European Union accounted for about 45 per cent of inward stock in the United States and 40 per cent of outward FDI stock from the United States. Conversely, the United States accounted for 27 per cent of inward FDI stock in the European Union and 24 per cent of outward FDI stock from the European Union. These large stocks explain why developments in transatlantic financial markets, interest rates, industrial policy and regulation have an outsized impact on FDI flows in both directions.

Asian technology firms also remained important sources of investment in strategic industries, particularly semiconductors, batteries, automotive and advanced manufacturing (Kratz et al., 2025). Investment from China in Europe stayed below the 2017 peak and shifted towards targeted greenfield projects, especially in electric vehicles, batteries and selected industrial assets, with Hungary emerging as a key destination. Investors from Japan, Taiwan Province of China and the Republic of Korea continued to support advanced manufacturing and semiconductor projects in both Europe and North America. Capital from Gulf economies, including through SWFs and State-linked investors, also remained relevant, particularly in infrastructure, energy, real estate, technology and private markets (ICEX-Invest in Spain and IE Business School, 2024).

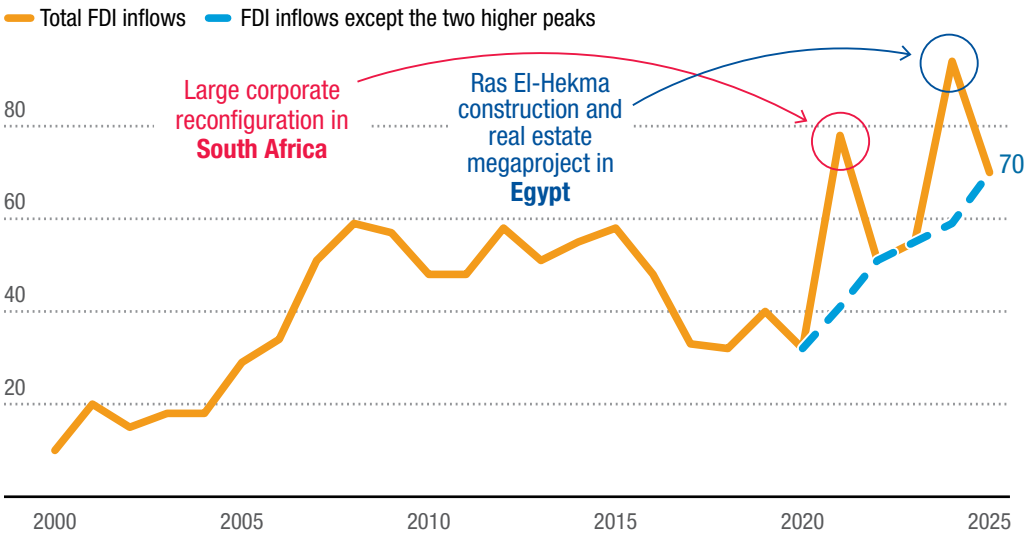
2. Developing economies

FDI flows to developing economies increased by 2 per cent in 2025. Developing Asia remained the largest recipient region, with a small increase in inflows, while Latin America benefited from strong investment in commodities and in energy transition sectors. Despite a decline from 2024, Africa recorded its third-highest level of FDI inflows since 1990.

a. Africa

FDI inflows to Africa declined in 2025 from the exceptional level of $94 billion recorded in 2024 but remained historically strong at $70 billion. The 2024 total had been lifted by a small number of unusually large transactions, notably the Ras El-Hekma construction and real estate megaproject in Egypt. Despite the decline, inflows to the region were about a third above the average for 2010–2024 and reached the third-highest level in 25 years. Excluding the exceptional peaks associated with large one-off transactions in South Africa in 2021(UNCTAD, 2022) and Egypt in 2024, the 2025 inflows represent the strongest performance in recent decades (figure I.9).

Figure I.9
After adjusting for exceptional peaks, Africa recorded its strongest performance in recent decades
Foreign direct investment inflows in Africa, 2000–2025
(Billions of dollars)

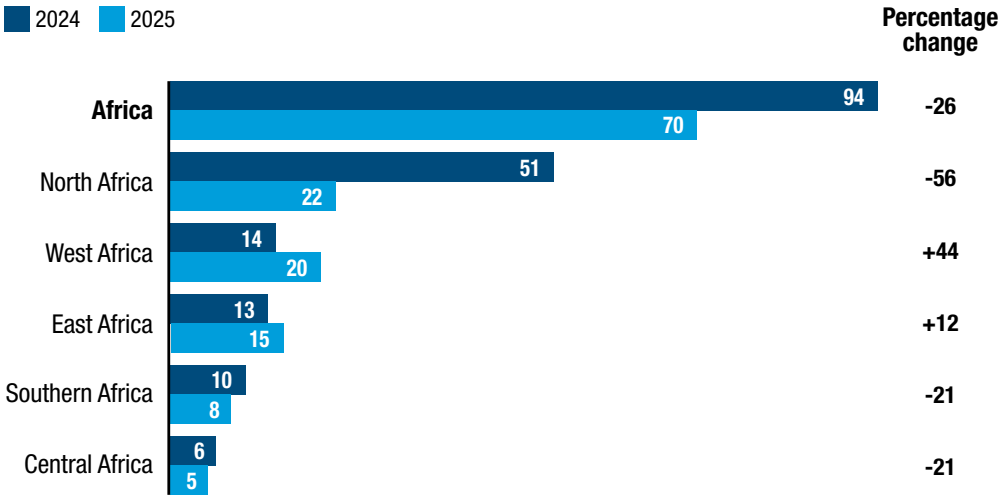


Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

i. Subregional trends

Subregional trends reflected both underlying investment conditions and the effect of large one-off transactions. In North Africa, inflows fell from the exceptional level recorded in 2024, while in West, Southern and East Africa several economies recorded stronger inflows, supported mainly by investment in minerals, hydrocarbons, energy infrastructure and selected manufacturing activities (figure I.10).

Figure I.10
Trends in Africa reflected a decline from an exceptional 2024
Foreign direct investment inflows by subregion
(Billions of dollars and percentage change)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

North Africa

FDI inflows in North Africa declined by 56 per cent, from about $51 billion in 2024 to $22 billion in 2025, mainly because of the high base created by the Ras El-Hekma megaproject in Egypt. That country remained the largest recipient of FDI in Africa in 2025, with inflows of about $15 billion. Excluding the megaproject transaction in 2024, underlying inflows to Egypt increased by about one fourth, supported by the Alam El-Roum deal, which was valued at $3.5 billion.[5] Morocco recorded FDI inflows of about $3.3 billion, supported by continued diversification into manufacturing and automotive sectors.

West Africa

FDI inflows rose in several West African economies, supported mainly by investment in natural resources and energy. Inflows to Guinea increased more than fivefold to about $8 billion, driven by mining projects in bauxite and iron ore and reinforcing the country's growing role in global mineral supply chains. Inflows to Nigeria rose to about $4 billion, supported mainly by oil and gas–related IPF deals, including a major project valued at about $2 billion.

Central Africa

FDI inflows in Central Africa decreased by 21 per cent, from about $6 billion in 2024 to $4.8 billion in 2025. They remained closely linked to natural resources, particularly hydrocarbons and minerals. They are dominated by the Democratic Republic of Congo, where FDI inflows declined from about $3 billion in 2024 to almost $2 billion in 2025.

[5] See Central Bank of Egypt (2026), Balance of payments performance during the first half of FY 2025/2026, Press Release, available at https://www.cbe.org.eg/-/media/project/cbe/page-content/rich-text/bop/july-december-2025/press-release-balance-of-payments-performance-in-the-first-half-of-fy-2025-2026.pdf.

East Africa

FDI inflows in East Africa were supported by continued investment in large projects and by activity in several LDCs. Ethiopia maintained inflows of about $4 billion and recorded a significant increase in greenfield investment projects. Uganda remained among the leading FDI recipients in African LDCs, with inflows reaching $3.4 billion, supported by investment in oil refining and battery storage.

Southern Africa

FDI trends in Southern Africa were mixed. Mozambique's inflows rose strongly to about $6 billion, largely linked to projects in hydrocarbons and liquefied natural gas. Angola returned to positive inflows of about $1.1 billion, following negative flows in the previous year, supported by renewed activity in oil and gas. By contrast, South Africa recorded negative inflows of about $2.3 billion, primarily as a result of intracompany financial flows, profit repatriation and M&A transactions. Nevertheless, the country remained an important destination for announced projects in manufacturing, energy and services.

ii. Projects, sectors and source-country patterns

Project and transaction data point to active but selective investor engagement in Africa. Greenfield project values declined by almost one third in 2025, while the number of announced projects increased. This suggests a shift away from the megaproject-driven pattern of the previous year towards a broader set of smaller projects. The top 10 greenfield projects announced nevertheless still accounted for roughly 40 per cent of total announced greenfield value, underscoring the continued concentration of investment in a limited number of large projects and host economies (table I.4).

Table I.4
Africa: Top 10 greenfield projects announced in 2025, by value

Host economy	Home economy	Sector segment	Parent company	Estimated capital expenditure (Billions of dollars)
Ghana	Qatar	Chemicals	Al Jedad Holding	5.0
Uganda	United Arab Emirates	Coal, oil and gas	Alpha MBM Investments	4.0
Mauritania	Germany	Renewable energy	Möhring Energie Group	3.1
Ethiopia	Nigeria	Chemicals	Dangote Group	3.0
Ethiopia	Hong Kong, China	Coal, oil and gas	Golden Concord Holdings	2.5
Angola	France	Coal, oil and gas	TotalEnergies	2.5
Angola	United Kingdom	Coal, oil and gas	BP	2.5
Morocco	Netherlands	Automotive OEM	Stellantis	1.5
Zambia	China	Coal, oil and gas	Fujian Xiang Xin Group	1.1
Democratic Republic of the Congo	China	Metals	CMOC Group	1.1

Source: UNCTAD, based on information from The Financial Times, fDi Markets (www.fDimarkets.com).
Abbreviation: OEM, original equipment manufacturing.

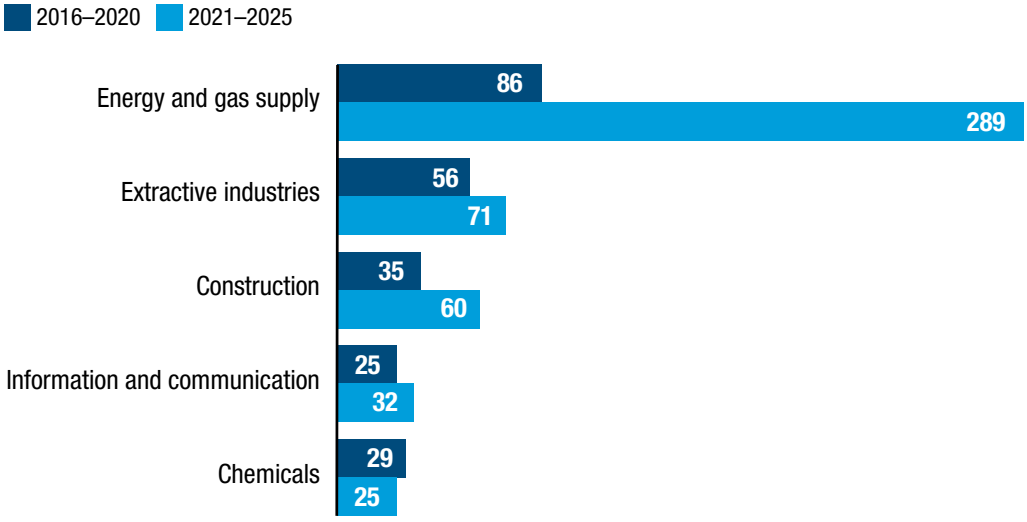
Cross-border M&A activity in Africa remained subdued and negative overall, indicating net divestments rather than new acquisitions. The region's M&A market remains structurally small compared with other regions. In South Africa, transactions included the spinoff and listing of Valterra Platinum by Anglo

American (United Kingdom) and the acquisition of MultiChoice by Canal+ (France). In Nigeria, deals included the sale of Shell's onshore oil assets to the Nigerian consortium Renaissance Africa Energy and the acquisition of Lafarge Africa by Huaxin Cement (China).

IPF deal values increased by almost one fourth, supported by a few large transactions, but the number of deals fell by more than 20 per cent. This points to continuing difficulties in structuring and financing large, capital-intensive projects under tight financing conditions. The top 10 projects accounted for about two thirds of total IPF value in Africa. Egypt alone attracted 4 of the 10 largest projects, with a combined value representing more than a quarter of total IPF value in Africa, reflecting the country's continued role as a major hub for large-scale investment in energy, real estate and the green transition. Morocco also recorded an exceptionally large cross-border project in renewable energy infrastructure, while Algeria, Namibia, South Africa, Ethiopia and Nigeria, in that order, attracted large projects in hydrocarbons, refining, battery storage and industrial production.

Sectoral patterns remained concentrated in energy infrastructure and extractive industries (figure I.11). Investment continued to be driven by hydrocarbons, liquefied natural gas–related activities, mining and renewable energy, reflecting both the continent's resource endowments and the scale of its energy and infrastructure needs. Critical minerals added a strategic dimension, as demand for copper, cobalt, rare earths and other inputs linked to the energy transition and advanced technologies attracted growing interest from international investors (see chapter III). Digital infrastructure also emerged as a growing area of investment, although projects in Africa generally remained smaller and more modular than the data centre megaprojects observed in developed economies.

Figure I.11
Africa: Investment remains concentrated in energy and extractive industries
Top five industries, greenfield investment announcements
(Billions of dollars)

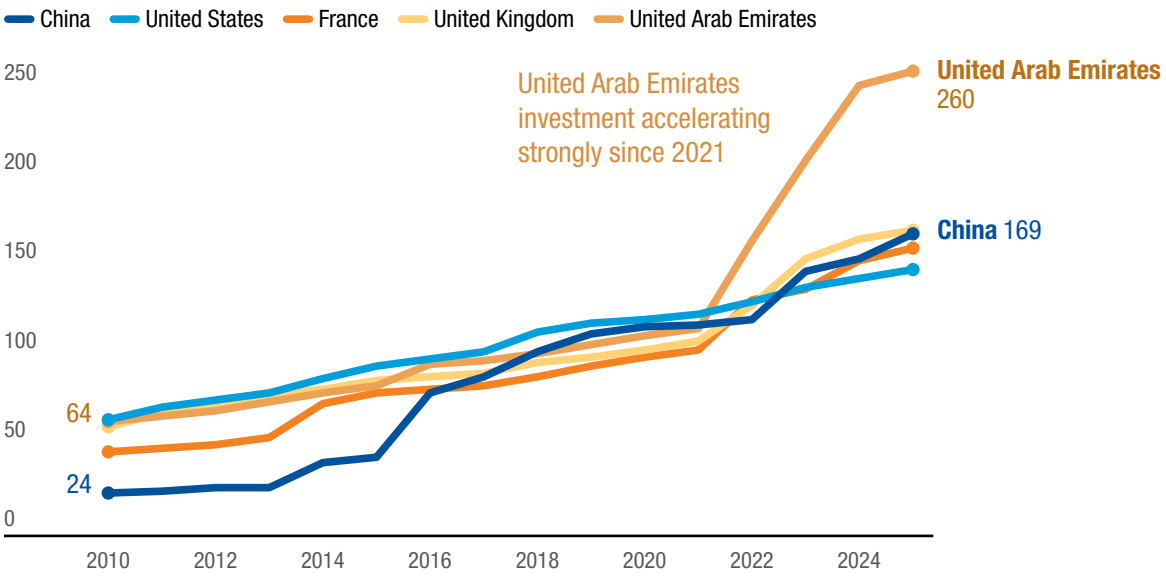


Source: UNCTAD, based on information from The Financial Times Ltd, fDi Markets (www.fDimarkets.com).

The composition of top home countries is evolving. In terms of FDI stock, European investors remain prominent. China, Singapore and India are also among the leading home countries, although their FDI stocks have accumulated more recently.

Greenfield project announcements point to a growing role for investors from the Gulf and other Asian economies, particularly in energy, logistics, real estate and infrastructure, often through SWFs and State-linked entities (figure I.12). The United Arab Emirates has been especially visible through recent greenfield megaprojects. Notable examples include the $34 billion Infinity Power renewable energy project in Mauritania, the $24 billion Ras El Hikma real estate development project in Egypt and the $6 billion H2 Global Energy hydrogen project in Tunisia.

Figure I.12
Africa: Asian investors are becoming important sources of investment
Cumulative value of greenfield projects announced, by investor home economy
(Billions of dollars)



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

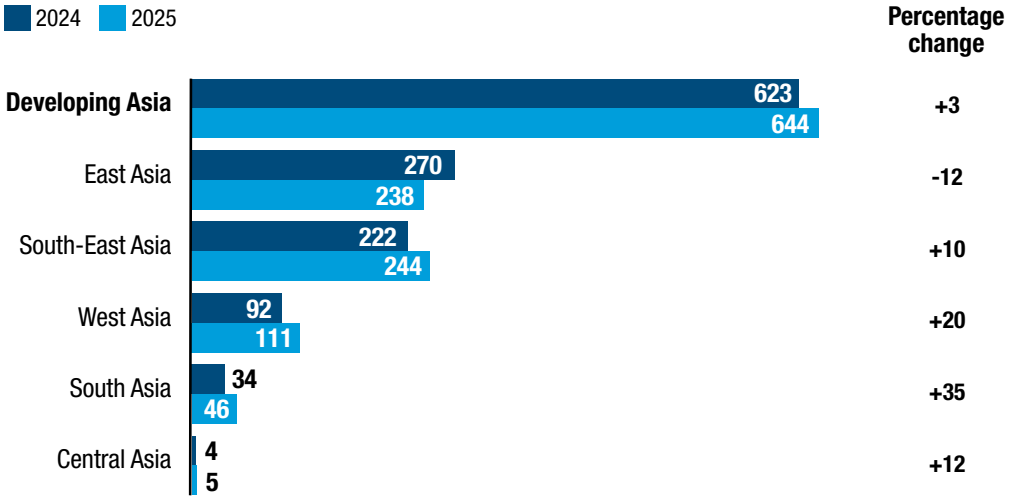
b. Developing Asia

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 (figure I.13). 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

FDI inflows across subregions in developing Asia showed mixed trends in 2025. Inflows increased in Central, South-East, South and West Asia, in that order, and declined in East Asia, amid geopolitical tensions and trade policy uncertainty and continued supply chain reconfiguration (see chapter III). Investment remained concentrated in communications, semiconductors, digital infrastructure and energy transition sectors, reflecting the transition towards advanced manufacturing and innovation-related activities.

Figure I.13
Foreign direct investment in developing Asia increased marginally
Inflows by subregion
(Billions of dollars and percentage change)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

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 (box I.3). 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.

Box I.3
China: Foreign direct investment slowdown – from scale expansion to quality upgrading

After three years of adjustment, FDI inflows to China are showing signs of stabilization. Although annual inflows moderated from more than $160 billion in 2023 to about $105 billion in 2025, the pace of decline has slowed.

This moderation has occurred in a challenging global investment environment. While higher interest rates and increased profit repatriation have affected net FDI flows, structural changes have played a more decisive role. Rising labour costs, evolving comparative advantages and ongoing supply chain reconfiguration led some MNEs to shift labour-intensive and export-oriented manufacturing activities towards other developing economies in Asia, notably in South-East Asia. This shift has been reinforced by “China+1” strategies, geopolitical considerations, tariff uncertainty and technology-related restrictions.

The underlying sectoral distribution suggests a shift and upgrade in composition. In 2025, foreign investment in scientific research and technical services in China accounted

for nearly one fifth of the country's total FDI inflows, with its share having risen steadily for seven consecutive years to nearly four times its 2018 level. In the same year, 14,000 new foreign-invested enterprises were established in scientific research and technical services, up 27 per cent year-on-year (MOFCOM, 2026). By November 2025, high-technology industries in China attracted more than $32 billion, representing a significant share of total FDI inflows and strong growth in e-commerce services, medical equipment and device manufacturing, and aerospace equipment manufacturing.[a]

Policy and regulatory developments have supported this shift towards higher-quality and innovation-oriented foreign investment. China has introduced measures to expand market access, improve the business environment and encourage foreign participation in advanced manufacturing, modern services and green sectors. Successive updates to the Catalogue of Industries Encouraged for Foreign Investment, notably in 2022 and 2025 (NDRC, 2022 and 2025), have expanded priority areas and incentives for high-technology and sustainability-related industries. The 2025 Action Plan for Stabilizing Foreign Investment (MOFCOM, 2025) introduced measures to broaden market access, promote fair competition and strengthen financial support for foreign-invested enterprises. Recent initiatives have also emphasized targeted liberalization in services and technology-intensive sectors, including pilot programmes in telecommunications, health and education.

China remained the fourth largest destination for FDI in 2025, with trends indicating a transition from rapid expansion to more selective and strategic investment.

Source: UNCTAD, based on information from the Ministry of Commerce, People's Republic of China.

[a] Xinyi Li, An open China will continue to provide important opportunities for the world, *People's Daily*, 5 January 2026, p. 3, available at https://paper.people.com.cn/rmrb/pc/content/202601/05/content_30129307.html.

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

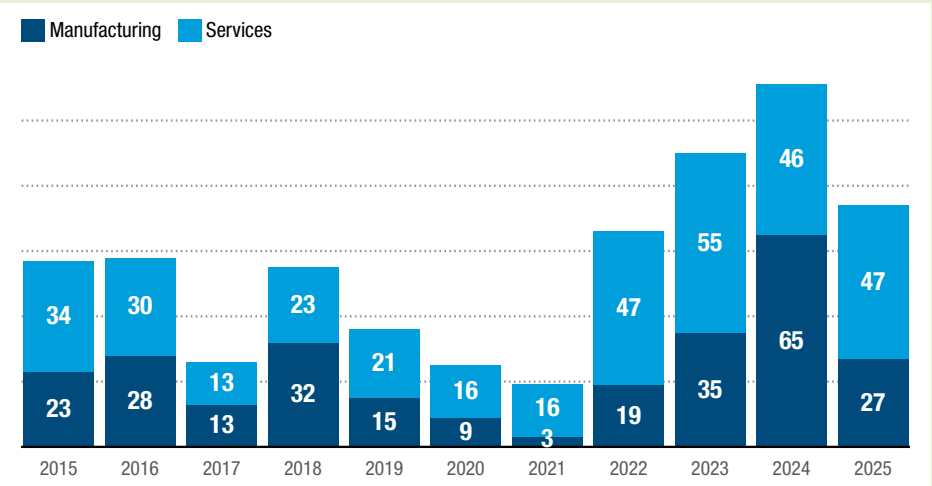
forward, including a cumulative investment of $14.5 billion by Google (United States) in information and communication technologies (ICT) and internet infrastructure, and a $4 billion investment by Hynfra (Poland), reflecting continued momentum in digital and energy transition sectors (box I.4).

Box I.4
India: Industrial development strategy amid changing global investment conditions

India continued to strengthen its position as a major investment destination in 2025, supported by an active policy agenda aimed at broadening its investment base beyond services and accelerating advanced manufacturing. To attract investment into priority industries, such as electronics, semiconductors and related manufacturing activities, the country launched programmes such as the Production-Linked Incentive schemes, Make in India, Start-up India and the National Industrial Corridor Development Programme. These initiatives have been complemented by reforms aimed at creating a more conducive investment environment, including the National Single Window System, the India Industrial Land Bank and continued efforts to reduce regulatory burdens. The reformed FDI regime has reinforced openness to foreign investors, while institutional mechanisms such as Project Development Cells and the Project Monitoring Group have aimed to facilitate approvals and project implementation.

These efforts have contributed to boosting investment momentum, including in manufacturing. Announced greenfield investment in manufacturing increased sharply from 2021 to 2024, reflecting the country's growing role in selected segments of GVCs, including electronics (box figure I.4.1). In 2025, however, this trend was interrupted by a more uncertain global environment. Although total FDI inflows rose to $39 billion, project indicators pointed to a more cautious investment cycle. The total value of announced greenfield investment declined from more than $111 billion in 2024 to about $74 billion in 2025, while the number of projects fell marginally.

Box figure I.4.1
India: Announced greenfield investment, by sector
(Billions of dollars)



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

The slowdown was concentrated in manufacturing, where announced investment values fell from about $65 billion in 2024 to $27 billion in 2025. The decline was most visible in capital-intensive sectors where investment values fell significantly. In many cases, project numbers declined only moderately, suggesting smaller project sizes rather than fewer commitments. Electronics-related manufacturing remained one of the largest manufacturing segments by value and number of projects, despite the decline from the previous year's high.

Investment in services remained resilient. Greenfield investment was broadly stable, exceeding manufacturing investment. Information and communication technologies (ICT) became the largest sector in 2025, reflecting continued expansion in digital infrastructure and technology-related activities. Financial services also recorded renewed activity.

The policy framework in India remains oriented towards advanced manufacturing, infrastructure development and deeper integration into GVCs. However, tariff uncertainty, supply chain realignment and weaker global investment sentiment are affecting the scale of new manufacturing and infrastructure commitments.

Source: UNCTAD, based on Reserve Bank of India, Ministry of Commerce and Industry (India) and World Bank (2025).

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 (see box I.2).

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 ICT.

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.

Table I.5
Developing Asia: Top 10 greenfield projects announced in 2025, by value

Host economy	Home economy	Sector segment	Parent company	Estimated capital expenditure (Billions of dollars)
India	United States	Digital infrastructure/data centre	Alphabet	14.5
Kazakhstan	China	Metals	East Hope	12.0
United Arab Emirates	India	Automotive OEM	Rana Group	10.0
Singapore	United States	Semiconductors	Micron Technology	7.0
United Arab Emirates	United States	Digital infrastructure/data centre	Microsoft	5.5
Viet Nam	United States	Semiconductors	Amkor Technology	4.5
Oman	Saudi Arabia	Real estate	Dar Al Arkan	4.2
India	Poland	Renewable energy	Hynfra	4.1
Syria	Qatar	Real estate	Power International Holding	4.0
Oman	Republic of Korea	Renewable energy	LUPRO	3.5

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

Abbreviation: OEM, original equipment manufacturer.

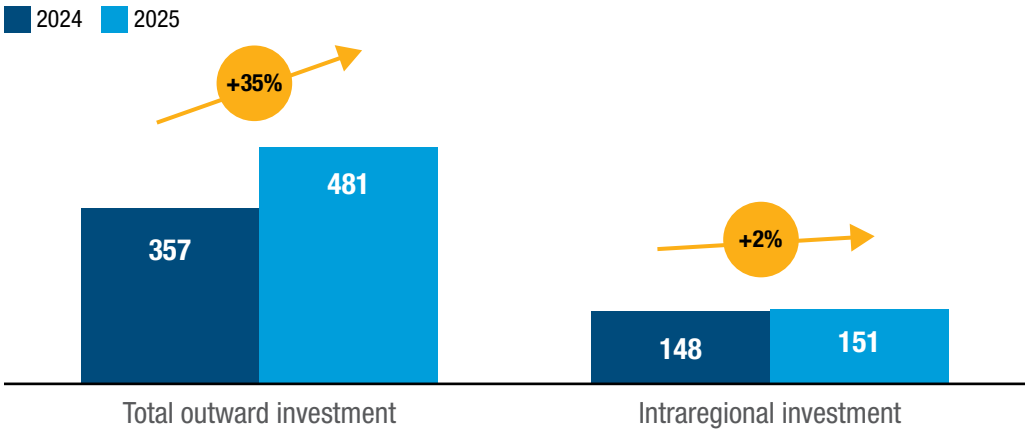
IPF remained an important part of the region's investment, particularly in infrastructure sectors. Values of IPF deals increased by 26 per cent, from $274 billion to $346 billion, raising the region's share in global IPF flows from 24 per cent in 2024 to 29 per cent in 2025. The largest IPF deals in 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 (figure I.14). 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.

Figure I.14
Developing Asia: Outward investment increased and intraregional investment grew marginally
Total and intraregional outward greenfield investment announced
(Billions of dollars and percentage change)



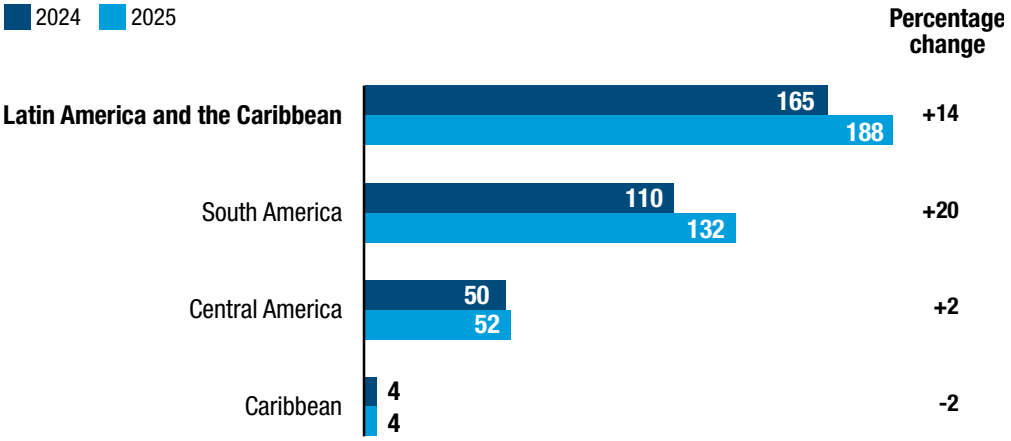
Source: UNCTAD, based on information from The Financial Times Ltd, fDi Markets (www.fDimarkets.com).

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.

c. Latin America and the Caribbean

FDI inflows to Latin America and the Caribbean, excluding Caribbean offshore financial centres, rose by 14 per cent, from $165 billion in 2024 to about $188 billion in 2025 (figure I.15). The expansion was driven by South America, where inflows rose from $110 billion to $132 billion. By contrast, inflows to Central America remained broadly stable at about $52 billion, while the Caribbean continued to account for only a small share of regional inflows.

Figure I.15
Foreign direct investment in South America drove the regional increase in 2025
Inflows by subregion
(Billions of dollars and percentage change)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

FDI remained highly concentrated in a small number of economies (figure I.16). In 2025, Brazil and Mexico together accounted for roughly two thirds of total regional inflows, while the top 10 recipient economies accounted for 95 per cent. This concentration means that regional trends were strongly shaped by developments in a few large host economies and by a limited number of large projects.

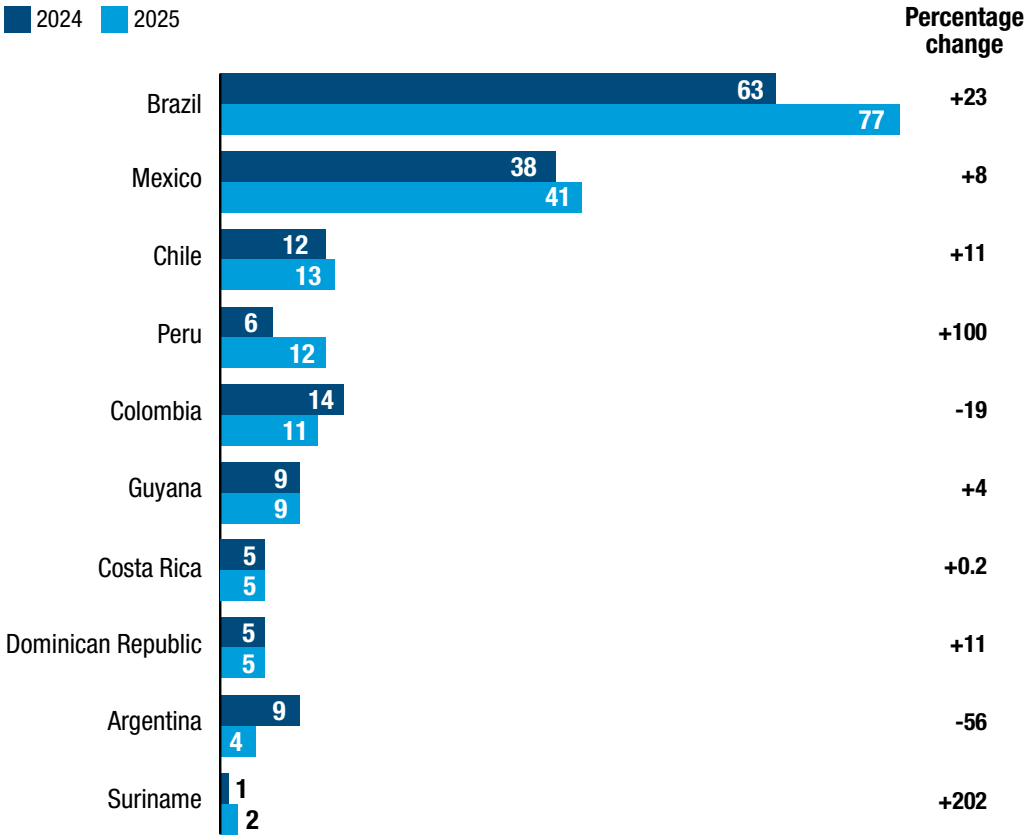
i. Subregional trends

In South America, FDI inflows rose from $110 billion to $132 billion, making the subregion the main driver of the regional increase. Growth was led by Brazil, where inflows increased by 23 per cent, from $63 billion to $77 billion, as well as increases in Chile (+11 per cent), Peru (+100 per cent) and Suriname (+202 per cent).

Brazil remained the region's largest investment destination and a key driver of overall trends. Announced greenfield investment increased to about $69 billion, supported by major projects in ICT, notably a data centre investment of more than $40 billion by ByteDance (China), as well as continued activity in renewable energy. Chile maintained its position as a major FDI destination in the region, especially in energy and mining, with inflows rising from $11.8 billion to $13.1 billion in 2025. Peru was also among the largest contributors to the regional increase in inflows, with FDI doubling from $5.9 billion in 2024 to $11.8 billion in 2025. The increase partly reflected a rebound from relatively subdued recent levels, after inflows in 2023 and 2024 had remained below earlier peaks. Guyana continued to stand out among smaller economies,

Figure I.16
Latin America and the Caribbean: Investment inflows rose unevenly among the top recipient economies

Top 10 recipient economies by foreign direct investment inflows
(Billions of dollars and percentage change)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

attracting $9 billion in FDI in 2025, largely sustained by hydrocarbon investment. New projects in services and supplier industries nevertheless point to early signs of diversification beyond extractive activities.

In Central America, inflows remained broadly stable at about $52 billion. Mexico remained the main recipient, with inflows rising from about $38 billion to $41 billion, supported by its role in regional production networks and by continued investment in services and manufacturing. Panama recorded lower inflows, while Costa Rica maintained stable inflows, supported by services and manufacturing.

In the Caribbean, excluding offshore financial centres, inflows remained relatively small and stable. They were concentrated in tourism, real estate, energy and selected services, and mostly confined to a limited number of economies. The Dominican Republic remained one of the most consistent recipients of investment in productive activities, with inflows rising to about $5 billion in 2025 from $4 billion in 2024, supported by tourism, logistics and related services (including a project by DP World (United Arab Emirates) valued at more than $750 million).

ii. Projects, sectors and source-country patterns

Greenfield investment announcements in the region weakened substantially in 2025, with project values falling by about

one third, from about $170 billion in 2024 to less than $120 billion in 2025. Project numbers also declined, reinforcing the slowdown, especially in manufacturing and logistics, even as some large projects in energy and mining continued to move forward. The decline was particularly pronounced in Mexico, where greenfield values fell from $44 billion to $24 billion, and in Argentina, where they fell from about $37 billion to only $1.4 billion. Brazil remained comparatively resilient, supported by large-scale announced projects in ICT, renewable energy and industry.

Project activity in the region remained highly concentrated. The largest announced greenfield investment in 2025 (table I.6) was a $41 billion data centre and digital infrastructure project by ByteDance (China) in Brazil, which alone accounted for 43 per cent of total announced greenfield investment in the region. Beyond this megaproject, the largest announcements remained concentrated mainly in Brazil and in five sectors: renewable energy, mining, pharmaceuticals, rubber and wood products. Cross-border M&A activity increased in 2025 but remained modest compared with overall FDI inflows. Net sales rose, driven mainly by Brazil, Chile and Mexico, but M&As remained a secondary component of the region's investment profile.

Table I.6
Latin America and the Caribbean: Top 10 greenfield projects announced in 2025, by value

Host economy	Home economy	Sector segment	Parent company	Estimated capital expenditure (Billions of dollars)
Brazil	China	Digital infrastructure/data centre	Bytedance	40.6
Mexico	United States	Renewable energy	Transition Industries	3.3
Brazil	Sweden	Wood products	Eternali	2.7
Brazil	Bermuda	Coal, oil and gas	BW Group	1.5
Ecuador	Australia	Metals	SolGold	1.5
Brazil	Denmark	Pharmaceuticals	Novo Nordisk	1.2
Brazil	China	Rubber	Linglong Group (Shandong Linglong Rubber)	1.2
Brazil	United States	Renewable energy	Cargill	1.1
Brazil	United States	Renewable energy	Cemvita	1.1
Brazil	Netherlands	Renewable energy	Louis Dreyfus	1.1

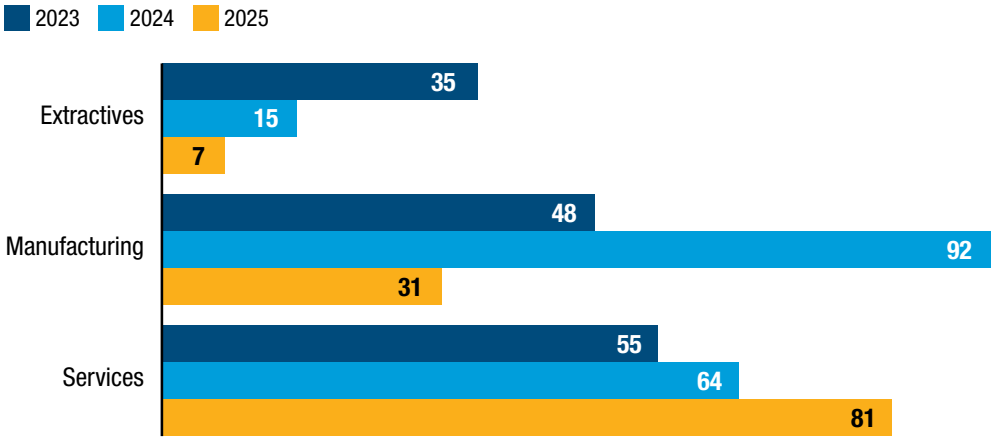
Source: UNCTAD, based on information from The Financial Times, fDi Markets (www.fDimarkets.com).

The sectoral composition of announced greenfield investment in Latin America and the Caribbean shifted towards services and selected infrastructure activities in 2025, while manufacturing weakened and extractives declined for the second consecutive year (figure I.17). Natural resources nevertheless remained central to FDI in the region, particularly in mining, hydrocarbons and critical minerals, although price volatility and project-specific factors led to uneven year-to-year patterns.

Lithium in the so-called "lithium triangle" (Argentina, Bolivia and Chile) and copper in Chile and Peru remained key drivers of inflows, even as greenfield announcements fluctuated. Flagship projects included expansions by lithium producer SQM (Chile) and chemicals company Albemarle (United States) in Chile, as well as the Cauchari-Olaroz project in Argentina, led by Ganfeng Lithium (China) and Lithium Americas (Canada). They illustrate continued large-scale commitments in value chains

for battery materials. At the same time, oil and gas investment remained significant in selected economies, notably Brazil and Guyana, where large-scale offshore projects continued to underpin inflows.

Figure I.17
Services continued to gain weight in Latin America and the Caribbean as manufacturing and extractives announcements declined
Sectoral composition of announced greenfield investment
(Billions of dollars)



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

Renewable energy and associated infrastructure remained prominent areas of investment. Large-scale projects such as the Cerro Dominador solar complex in Chile and major wind power developments in Brazil led by firms including Neoenergia (Brazil) (part of Iberdrola (Spain)) illustrate the scale and maturity of renewable investment in the region. Brazil, Chile and Panama attracted significant IPF in electricity generation and networks.

Mexico remained the main beneficiary of nearshoring-related manufacturing FDI, but the decline in announced greenfield values and project numbers in 2025 suggests more cautious investor sentiment, particularly in export-oriented activities exposed to trade policy uncertainty (box I.5). Tourism and real estate continued to attract investment in the Caribbean, although these sectors remained sensitive to global economic conditions and external demand (box I.6).

Source-country patterns also reflected the region's strategic role in energy and natural resources. Chinese firms have become important investors in mining, electricity transmission and energy projects across South America, supporting the development of critical mineral supply chains and infrastructure.

Box I.5
Nearshoring in Latin America – strong potential, limited realization in 2025

Mexico and parts of Central America are well positioned as key destinations for supply chain reconfiguration, owing to their proximity to the United States and their integration under the United States–Mexico–Canada Agreement, despite uncertainties deriving from evolving trade and industrial policies.

Data for 2025 show a divergence between potential and realized investment. While FDI inflows to Mexico increased, greenfield project values declined, from about $44 billion to $24 billion, indicating that firms postponed or scaled back new capacity. A similar pattern was visible across several economies associated with nearshoring and regional supply chains. In Panama and the Dominican Republic, for example, investment continued to be supported by logistics, transport and other services activities linked to their roles as regional trade hubs.

In addition to heightened uncertainty from trade and industrial policy in North America, the divergence also reflects the composition of FDI inflows in the region, which is driven largely by reinvested earnings rather than new equity investment.

Successful nearshoring depends on identifying specific niches within production networks, strengthening domestic firm capabilities and investing in human capital and infrastructure (see chapter III; ECLAC, 2025). In Latin America, however, transport and energy infrastructure remain key bottlenecks (IDB, 2022). When these constraints are not lifted, investment decisions remain cautious.

At the same time, the decline in announced projects may partly reflect delayed rather than cancelled investment decisions, which could materialize once trade and industrial policy conditions stabilize.

Nearshoring remains a structural opportunity for the region, but in 2025 it translated into selective, delayed and predominantly expansionary investment by existing firms, rather than a broad-based surge in new project announcements.

Source: UNCTAD, based on ECLAC (2025), IDB (2022) and various sources.

Box I.6
Tourism investment in the Caribbean: Opportunities and vulnerabilities

Tourism is a key driver of FDI in many of the economies in the region, particularly in the Caribbean. Greenfield investment in tourism remains well below pre-pandemic levels. It stood at $7 billion in 2025 globally, compared with about $48 billion in 2019. Region-wide, it shrank from about $7 billion to $0.4 billion. Investment in tourism is also concentrated. Between 2015 and 2024, Mexico and the Dominican Republic accounted for nearly 60 per cent of announced greenfield investment in tourism in Latin America and the Caribbean, and that share rose to more than 90 per cent in 2025.

Investment in hotels, resorts and related services generates direct employment and supports local activities, including transport, food supply, construction and cultural industries, creating multiplier effects across domestic economies. The sector is also an important source of employment for women, who are often overrepresented in tourism-related activities, although frequently in lower-skilled and more vulnerable occupations. Beyond these direct effects, it can facilitate the transfer of skills, technologies and managerial practices – notably digital systems and sustainability standards, raising productivity in the sector. It also catalyses infrastructure spending such as for airports, ports, energy and urban services, strengthening the broader business environment. For SIDS, this makes tourism investment particularly important, but also highly cyclical and dependent on external demand, air connectivity and investor confidence (World Bank, 2024).

Yet the development impact depends on the strength of domestic value chains. In many Caribbean SIDS, limited local supplier capacity and high import dependence reduce spillover effects. The sector remains highly sensitive to external demand shocks and global economic conditions. Climate-related risks, including extreme weather events and rising sea levels, further affect investment decisions and long-term sustainability.

Maximizing these benefits requires policies that strengthen local linkages, support small and medium-size enterprises, invest in skills development and enhance climate resilience. The recently launched Guiding Principles for Sustainable Investment in Tourism offer a strategic framework to align tourism investment with the Sustainable Development Goals (United Nations and World Tourism Organization, 2025). Public–private partnerships can play an important role in ensuring that tourism contributes to inclusive and resilient growth.

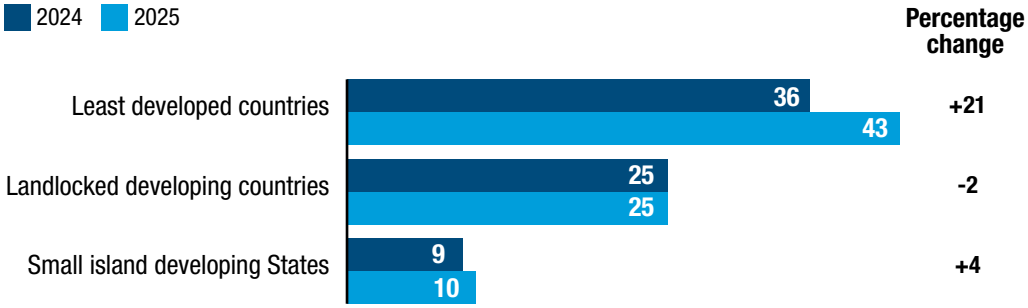
In this context, UNCTAD and UN Tourism are developing a joint research project on international investment in tourism, which will examine how investment can support more sustainable, resilient and inclusive development, including in small and vulnerable economies.

Source: UNCTAD, based on The Financial Times Ltd, fDi Markets (fdimarkets.com), World Bank (2024), UN Tourism (2025), and other sources.

d. Structurally weak, vulnerable and small economies

FDI inflows to structurally weak, vulnerable and small economies in 2025 continued to be low, volatile and highly concentrated (figure I.18). In these economies, investment was driven by a limited number of economies and projects, often in natural resources, energy, infrastructure, tourism and real estate.

Figure I.18
Inflows to least developed countries rose
Inflows to structurally weak, vulnerable and small economies
(Billions of dollars and percentage change)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

i. Least developed countries

FDI inflows to LDCs increased by 21 per cent in 2025, supported mainly by stronger inflows to a small number of African LDCs. Inflows to those LDCs rose to about $33 billion, with investment concentrated in a few economies that benefit from natural resources, energy, infrastructure and selected manufacturing projects. In LDCs in Asia and Oceania, inflows rose by 16 per cent on average, but the increase was also driven by a narrow set of economies and projects.

Project indicators confirm the concentration of investment. Greenfield activity in LDCs increased by 20 per cent in value, despite a decline in the number of projects, indicating fewer but larger announcements. Investment remained concentrated in a handful of economies, notably in South-East Asia and Bangladesh, while in West Asia the United Arab Emirates announced energy projects worth $1 billion in Yemen, to support the rebuilding of the energy sector and solar and wind power generation. These trends point to continued investor interest but also underline the challenge of broadening FDI beyond resource-seeking, energy and large infrastructure projects.

ii. Landlocked developing countries

FDI inflows to landlocked developing countries (LLDCs) remained broadly stable in 2025, but trends differed across regions.

FDI inflows to African LLDCs (16 countries) declined by about 11 per cent to roughly $12 billion. In contrast, greenfield announcements and IPF activity expanded, driven by investment in renewable energy, transport corridors, logistics and mining-related infrastructure. Leading greenfield destinations included Uganda, Zambia and Zimbabwe, while Zambia emerged as the largest recipient of IPF projects. Stronger demand for critical minerals, alongside regional infrastructure initiatives, aimed at improving connectivity and export capacity, helped sustain project activity in several LLDCs despite the broader slowdown in FDI flows.

In Asian LLDCs, inflows rose by 13 per cent, largely reflecting reinvested earnings rather than new investment. New project activity was more uneven: announced greenfield values declined, while IPF increased and remained concentrated in a small number of economies. Investment was driven mainly by renewable energy and resource-based projects, particularly in Central Asian LLDCs. In Kazakhstan, East Hope Group (China) announced a non-ferrous metals project exceeding $12 billion, while Uzbekistan attracted major wind and solar commitments from Chinese and Saudi Arabian investors.

In the Latin American LLDCs, Bolivia and Paraguay together recorded a 40 per cent increase in inflows, with Paraguay attracting more than $540 million in telecommunications-related greenfield projects, supported by abundant low-cost hydropower (Soto et al., 2025).

iii. Small island developing States

FDI inflows to small island developing States (SIDS) increased modestly in 2025 but remained small in scale and concentrated in a limited number of economies and sectors. African SIDS recorded a 38 per cent increase, to roughly $1.3 billion, led by Mauritius, Seychelles and Cabo Verde. Greenfield and project finance activity also increased, mainly in tourism, logistics, renewable energy and services, with São Tomé and Príncipe and Cabo Verde among the leading recipients of infrastructure-related projects.

In Asia and Oceania, inflows increased by 11 per cent, but confined to a small number of economies, including Maldives, Palau and Solomon Islands. Project activity was limited, although Maldives attracted several large tourism and infrastructure projects, including a $598 million luxury resort-residence project by SAMANA Developers and an airport project backed by the Abu Dhabi Fund (both United Arab Emirates).

FDI inflows to Caribbean SIDS decreased by 2 per cent to about $7 billion, as negative inflows in Trinidad and Tobago offset increases in the Dominican Republic, the Bahamas and Jamaica. Announced greenfield project values increased despite a decline in project numbers. In Trinidad and Tobago, values rose from about $700 million in 2024 to $1.8 billion in 2025, with activity concentrated mostly in hydrocarbon-related projects, as major upstream gas developments are expected to come onstream from 2027 onward.[6] IPF deals declined both in value and in number, with activity concentrated in the Dominican Republic and Jamaica. As in other vulnerable economies, limited market size, high perceived risk and narrow project pipelines continued to constrain diversification.

Inflows to Caribbean small island developing States **down 2 per cent**

[6] Trinidad and Tobago set for 2027 gas production surge, *Caribbean Insight 2026* 48(6). Available at https://www.caribbean-council.org/trinidad-and-tobago-set-for-2027-gas-production-surge.

C. Sectoral highlights

Growth in announced greenfield project and IPF deal values in 2025 was concentrated in data centres, oil and gas and semiconductors, while renewable energy, GVC-intensive manufacturing industries and several basic infrastructure sectors weakened. Investment related to the Sustainable Development Goals picked up, particularly in LDCs, but the rebound was uneven across sectors and economies. Telecommunications was among the fastest-growing Goals-related sectors. Key Goals sectors, including transport, water and sanitation, and health care and education, continued to lag, particularly in project numbers.

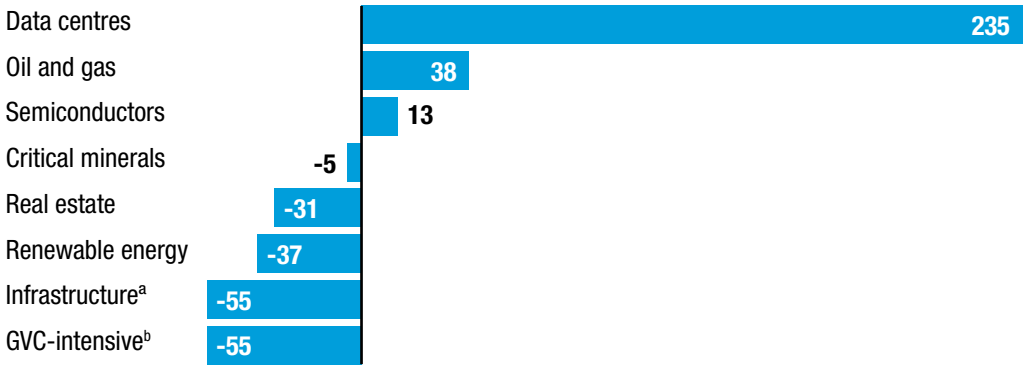
Growth in announced greenfield projects and IPF deals in 2025 was concentrated in a narrow set of activities and sectors related to digital infrastructure: data centres, oil and gas, and semiconductors. Data centres, in particular, attracted significant investor interest, driven by booming demand for AI infrastructure (figure I.19).[7]

Values of announced greenfield projects and IPF deals declined in several other sectors. Renewable energy generation and trade-exposed GVC-intensive manufacturing industries weakened, reflecting tariff restrictions, frequent changes in tariff levels and heightened investor uncertainty. Infrastructure also declined, raising concerns that the concentration of financing capacity in commercially attractive digital infrastructure and telecommunications assets may be crowding out other forms of infrastructure investment, particularly in capital-constrained project finance markets (CEPR VoxEU, 2026).

In several sectors, rising investment values alongside declining project numbers point to a growing concentration of activity in fewer, larger projects, underscoring the increasing importance of megaprojects (box I.7).

[7] Sectoral trends are analysed using three complementary types of investment data: greenfield project announcements, cross-border M&As and IPF deals. These three components capture different aspects of international production: greenfield announced investment projects provide a forward-looking indication of planned investment in new productive capacity; cross-border M&As reflect acquisitions of existing assets; and IPF is closely associated with large-scale infrastructure and energy projects.

Figure I.19
Artificial intelligence: energy and trade policies shifted sectoral investment patterns in 2025
Changes in aggregate greenfield and project finance values, 2024–2025
(Billions of dollars)



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

[a] Infrastructure excludes renewable energy and data centres.

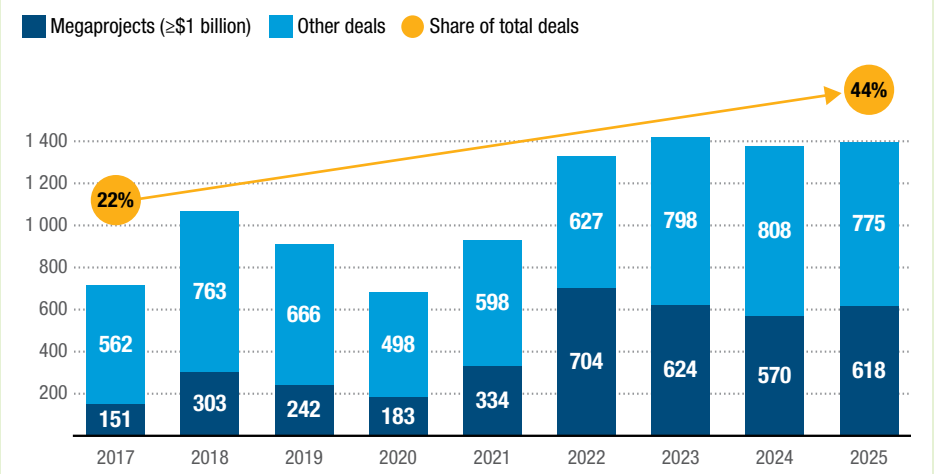
[b] GVC-intensive industries exclude semiconductors.

Abbreviation: GVC, global value chain.

Box I.7
The growing importance of megaprojects

A defining feature of recent investment trends is the growing importance of megaprojects (worth $1 billion or more), which now account for a large share of global investment value. In 2025, megaprojects accounted for about 44 per cent of the total value of announced greenfield investment, up from 22 per cent in 2017, with project numbers more than doubling over the same period (box figure I.7.1).

Box figure I.7.1
Megaprojects are reshaping the structure of global investment flows
Value of greenfield projects announced
(Billions of dollars and percentage)



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

Megaprojects are increasingly concentrated in sectors linked to the digital economy, advanced manufacturing and energy transition, and have been directed towards data centres, semiconductors, batteries and renewable energy. This reflects both the scale requirements of technologies such as AI and the growing influence of industrial policy (see chapter III).

This concentration also extends across a small number of economies. United States and Chinese MNEs are the leading players in outward and inward megaproject activity. Other important home economies include the United Arab Emirates and the United Kingdom, in that order, and important host economies include Egypt, India, the United Kingdom and Brazil, in that order. The scale, capital intensity and strategic nature of megaprojects limit their location to economies with the necessary financial capacity, infrastructure and policy support, reinforcing the dominance of a small set of countries.

The increasing dominance of megaprojects has important technical implications for FDI analysis. It amplifies volatility, as aggregate trends become highly sensitive to the timing and scale of individual projects; it can distort country and regional patterns, where one or two projects dominate total inflows; and it reduces the visibility of smaller-scale investments, particularly those undertaken by small and medium-size enterprises, whose contribution to employment generation and local linkages is not captured in aggregate values. This is compounded by data collection methods based on company announcements and media reports, which tend to favour large projects, making smaller investments more likely to be overlooked.

Source: UNCTAD.

1. Infrastructure

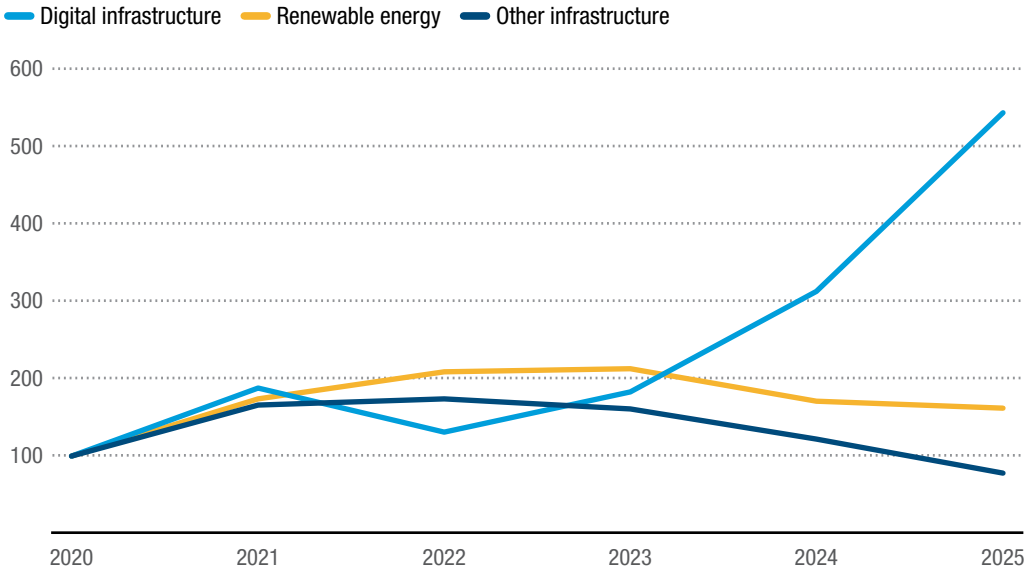
Infrastructure investment in 2025 showed a marked divergence between fast growth in digital infrastructure and weaker activity in other segments (figure I.20). Growth was driven overwhelmingly by digital infrastructure in general but especially data centres, as rapidly growing demand for cloud computing and AI development pushed announced project values in the sector up by more than 80 per cent.

The shift in FDI towards digital infrastructure investment is illustrated by large, flagship projects, such as the multibillion-dollar AI data centre hub that Google (United States) plans in India, large-scale AI computing projects in the United Arab Emirates and the above-mentioned digital infrastructure project by ByteDance (China) in Brazil. These projects point to the emergence of new digital investment hubs. However, hyperscale investments remain concentrated in a relatively small number of countries that have the necessary infrastructure, energy capacity and market scale.

The global distribution of digital investment remains highly uneven. Although developing economies have more than tripled their greenfield investment in the digital economy since 2000, their share of total global investment in the digital sector has remained broadly unchanged at just over one third, indicating a slower structural transition towards digital investment compared with developed economies. Regional imbalances are also pronounced. Developing Asia dominates digital investment flows, both as a major destination and as a leading source of capital, while Africa, particularly the LDCs in that region, captures only marginal shares. LDCs face particularly acute challenges in attracting capital-intensive digital projects (UNCTAD, 2025).

The composition of investment also points to growing imbalances: investment in data

Figure I.20
Digital infrastructure is surging
Value of greenfield project announcements and international project finance deals (Indexed, 2020 = 100)



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

centres has surged, but investment in core ICT connectivity infrastructure has stagnated or declined in many developing regions. This raises concerns about the sustainability and inclusiveness of the digital transformation. Expanding data processing capacity without parallel improvements in connectivity risks deepening digital divides (UNCTAD, 2025).

By contrast, projects in renewable energy slowed further, marking a fourth consecutive annual decline in international investment in the sector, although it remains the largest infrastructure segment by value at more than $600 billion in 2025. Greenfield investment in renewable energy fell by almost 25 per cent and project numbers also declined. IPF showed a more moderate but still negative trend. The slowdown extended beyond renewables: investment in power, electricity, and energy and gas supply also declined in 2025, pointing to broader weaknesses across the energy system.

Financing constraints further shaped infrastructure investment patterns in 2025. Higher capital costs continued to weigh on long-duration assets, particularly renewable energy and power projects (PFI, 2025). By contrast, digital infrastructure and telecommunications have become increasingly attractive to institutional investors, infrastructure funds, SWFs and private credit providers, supported by strong demand and predictable cash flows (UNCTAD, 2025; OECD, 2024). This suggests that capital is increasingly being channelled towards commercially attractive digital assets, while other essential infrastructure sectors face tighter financing conditions, particularly in capital-constrained project finance markets.

2. Extractive industries and critical minerals

Announced greenfield project values in extractive industries fell by more than 25 per cent in 2025 to just over $30 billion. IPF deal values showed greater resilience, remaining stable at just over $100 billion despite fewer deals (table I.7).

Table I.7
Investment projects in extractive industries
(Billions of dollars, number and percentage)

	Announced greenfield projects				International project finance deals			
	2023	2024	2025	Growth, 2024–2025 (%)	2023	2024	2025	Growth, 2024–2025 (%)
Extractive industries								
Value	**78**	**43**	**32**	**-26**	**152**	**118**	**142**	**20**
Number of projects	**124**	**125**	**94**	**-25**	**192**	**154**	**133**	**-14**
Oil and gas								
Value	39	22	17	-25	80	75	119	59
Number of projects	52	64	49	-23	119	95	82	-14
Mining								
Value	39	21	15	-27	72	43	23	-47
Number of projects	72	61	45	-26	73	59	51	-14
Memorandum **Critical minerals** (including processing)								
Value	56	22	26	17	27	17	8	-51
Number of projects	117	69	90	30	34	19	15	-21

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

Trends diverged sharply across industries. Oil and gas continued to dominate IPF, with deal value rising from about $75 billion to about $120 billion in 2025 even as the number of projects declined. In contrast, mining weakened across both modes of investment. Greenfield investment in mining fell by more than 25 per cent, while related IPF deals almost halved. This reflects structural challenges, including falling exploration spending, declining ore quality, long project lead times and broadening environmental, social and governance constraints.[8]

Investment in critical minerals stands out against the broader contraction in extractive greenfield activity. The value of announced greenfield investment, including in processing activities, increased from $22 billion in 2024 to $26 billion in 2025, with the number of projects rising by more than 30 per cent. The value of IPF deals in critical minerals remained comparatively small (about $8 billion) and IPF declined in deal count, suggesting that growth is concentrated in greenfield and early-stage activities, with investment volumes and announced projects still modest despite growing policy attention.

These trends reflect the interaction of cyclical and structural forces. After the sharp upswing in 2021–2022, when high

[8] EY (2025), Top 10 risks and opportunities in mining and metals. Available at https://www.ey.com/content/dam/ey-unified-site/ey-com/en-gl/insights/mining-metals/documents/ey-gl-top-ten-business-risks-and-opportunities-10-2025.pdf.

prices and supply concerns drove an investment surge, growth has slowed as prices stabilized and uncertainty increased. Demand projections linked to the energy transition remain strong. Investment in critical minerals is increasingly shaped by industrial policy, long-term strategic considerations and supply chain security (see chapter III), with projects also moving beyond extraction towards refining, intermediate processing and related infrastructure. This can generate wider spillovers, as critical minerals investment often requires complementary rail, port and energy infrastructure.

3. Global value chain–intensive manufacturing industries

Investment in GVC-intensive manufacturing industries weakened in 2025, amid uncertainty surrounding trade policies (table I.8). In a proxy group of GVC-intensive manufacturing industries – including electronics, automotive, textiles and machinery – both the values and the numbers of announced greenfield projects declined, by about 15 per cent. The decline was uneven across industries. Electronics and electrical equipment remained the largest industry in the group, despite lower project values and fewer project announcements. Within electronics, semiconductors were the main exception to the broader slowdown, with announced investment increasing by about $140 billion and accounting for the most project value in the sector. In contrast, announced project values in electronics – excluding semiconductors – fell by nearly 40 per cent, reflecting the growing concentration of investment in semiconductors relative to other electronics segments.

Table I.8
Announced greenfield projects in global value chain–intensive manufacturing industries
(Billions of dollars, number and percentage)

	2023	2024	2025	Growth, 2024–2025 (%)
Global value chain–intensive industries				
Value	**299**	**325**	**282**	**-13**
Number of projects	**4 548**	**4 878**	**4 122**	**-15**
Electronics and electrical equipment				
Value	169	193	180	-6
Number of projects	1 451	1 501	1 234	-18
Semiconductors				
Value	43	125	138	11
Number of projects	142	154	150	-3
Automotive				
Value	90	87	63	-28
Number of projects	992	971	978	1
Machinery and equipment				
Value	24	24	25	5
Number of projects	1 021	1 160	1 095	-6
Textile, clothing and leather				
Value	16	21	15	-29
Number of projects	1 084	1 246	815	-35

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

Automotive investment fell by more than a quarter in value, while textiles, clothing and leather recorded declines in both value and project numbers of about one third. Investment in machinery and equipment was comparatively resilient, with values rising modestly despite the smaller number of projects.

In GVC-intensive manufacturing industries, MNEs are redesigning networks to reduce exposure to trade policy risk and logistics disruption while preserving the efficiency gains of international specialization and prioritizing proximity to key markets, trade corridor reliability and alignment with industrial policies (see chapter III).

4. Investment in the Sustainable Development Goals

Uneven recovery in SDG investment

The United Nations General Assembly Resolution on promoting investment for sustainable development asks UNCTAD to continue to inform on investment trends in sectors of particular relevance for progress on the Sustainable Development Goals, through a dedicated section of the annual World Investment Report.

Investment in sectors related to the Sustainable Development Goals recovered in 2025 from the depressed 2024 levels, but the recovery was uneven and concentrated. The value of announced greenfield projects rose by 11 per cent to $233 billion, while that of IPF deals increased by 26 per cent to $386 billion (table I.9 and table I.10). For developing countries, project and deal numbers grew more modestly or declined, pointing to a concentration of investment in fewer, larger projects. In LDCs, greenfield project values rose from $3.5 billion to $14.3 billion and IPF values increased by 164 per cent to $21 billion, with the number of projects also rising. However, investment remained uneven across sectors and economies. Renewable energy and telecommunications drove most of the increase in IPF values, while other sectors relevant to the Goals stagnated or contracted.

Announced greenfield projects in renewable energy showed a contrasting trend. In developing economies, project values and numbers declined by 50 per cent and 7 per cent, respectively. In LDCs, by contrast, project values and numbers increased by 191 per cent and 29 per cent, respectively. Investment in telecommunications (digital infrastructure) increased in developing economies, including LDCs, mirroring the global shift towards digital infrastructure.

IPF growth was also concentrated in a few economies. The top 10 recipients accounted for more than half of project numbers and 62 per cent of deal values in 2025, reinforcing the uneven distribution of investment gains across Goals-related sectors and countries.

Table I.9
Sectors relevant to the Sustainable Development Goals: Announced greenfield projects in developing economies
(Millions of dollars, number and percentage)

	Developing economies				Least developed countries			
	2023	2024	2025	Growth, 2024–2025 (%)	2023	2024	2025	Growth, 2024–2025 (%)
Total								
Value	**288 582**	**208 877**	**232 801**	**11**	**45 516**	**3 473**	**14 296**	**312**
Number of projects	**1 280**	**1 296**	**1 326**	**2**	**61**	**59**	**72**	**22**
Power[a]								
Value	6 978	4 674	6 833	46	679	37	1 155	3038
Number of projects	29	43	38	-12	1	4	2	-50
Renewable energy								
Value	204 757	109 468	54 818	-50	42 680	2 209	6 419	191
Number of projects	283	218	202	-7	24	14	18	29
Telecommunication[b]								
Value	48 348	65 263	123 478	89	1 466	636	1 248	96
Number of projects	284	294	310	5	13	10	17	70
Water, sanitation and hygiene								
Value	1 362	1 548	6 595	326	78	-	800	..
Number of projects	11	15	22	47	1	-	1	..
Food and agriculture								
Value	17 183	15 696	27 079	73	444	326	4 138	1168
Number of projects	336	330	363	10	14	9	18	100
Health								
Value	8 998	11 025	12 829	16	122	177	490	178
Number of projects	231	285	277	-3	4	16	12	-25
Education								
Value	958	1 202	1 168	-3	46	88	46	-48
Number of projects	106	111	114	3	4	6	4	- 33

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

[a] Excluding renewable energy.

[b] Including information services activities.

Table I.10
Sectors relevant to the Sustainable Development Goals: International project finance deals in developing economies
(Millions of dollars, number and percentage)

	Developing economies				Least developed countries			
	2023	2024	2025	Growth, 2024–2025 (%)	2023	2024	2025	Growth, 2024–2025 (%)
Total								
Value	**416 042**	**307 095**	**385 750**	**26**	**26 182**	**7 959**	**20 992**	**164**
Number of projects	**803**	**785**	**627**	**-20**	**58**	**41**	**63**	**54**
Power[a]								
Value	62 594	40 888	27 502	-33	733	940	677	-28
Number of projects	57	39	23	-41	1	3	1	-67
Renewable energy								
Value	202 740	185 311	223 866	21	16 748	6 104	17 455	186
Number of projects	600	604	479	-21	42	32	59	84
Transport infrastructure								
Value	93 614	27 056	48 185	78	3 629	703	360	-49
Number of projects	47	49	41	-16	7	2	2	0
Telecommunication[b]								
Value	35 584	37 471	75 812	102	2 324	40	-	..
Number of projects	52	48	58	21	4	1	-	..
Water, sanitation and hygiene								
Value	12 132	9 247	3 620	-61	2 166	157	-	..
Number of projects	27	26	14	-46	2	2	-	..
Food and agriculture								
Value	6 956	4 273	6 740	58	580	16	2 500	15 525
Number of projects	13	15	11	-27	2	1	1	0
Health								
Value	2 423	2 848	-	..	-	-	-	..
Number of projects	7	4	-	..	-	-	-	..
Education								
Value	-	-	26	..	-	-	-	..
Number of projects	-	-	1	..	-	-	-	..

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

[a] Excluding renewable energy.

[b] Including information services activities.

a. Renewable energy

The value of greenfield investment in renewable energy halved in developing economies in 2025, from $109 billion to $55 billion. In LDCs, by contrast, announced values increased from $2 billion to $6 billion, although they remained far below the level recorded in 2023, when more than $42 billion in renewable energy projects were announced.

By contrast, the value of IPF deals in renewable energy in developing economies

rose by 21 per cent in 2025, reaching $224 billion. In LDCs, it increased from $6 billion to $17 billion. Several large renewable energy projects reached financial closure during the year, supported by multilateral lenders, export credit agencies and blended finance mechanisms. The increase points to continued investor appetite for utility-scale renewable assets in selected markets, especially where policy frameworks, procurement systems and concessional financing arrangements help mitigate risk (UNCTAD, 2026).

The number of renewable energy projects declined across both investment modes, with the number of greenfield project announcements falling by 21 per cent and IPF deal numbers by 7 per cent. However, the rise in IPF deal values despite the smaller number of projects suggests that financing is increasingly concentrated in larger, more capital-intensive projects.

Higher interest rates and financing costs continue to weigh on early-stage, riskier projects, particularly in most developing economies that face higher sovereign risk or currency volatility. Difficulties in securing power purchase agreements and grid integration financing have further weakened investment pipelines. Multilateral development banks and climate finance institutions continue to play a catalytic role in enabling large solar, wind and transmission infrastructure projects, particularly in several African and Asian economies. Their overall values were boosted by a few exceptionally large cross-border infrastructure projects. In Morocco, the announced Sila Atlantik Cable project illustrates the growing scale, strategic importance and regional integration dimension of investment in the energy transition. The project combines large-scale renewable generation with subsea transmission infrastructure linking North Africa and Europe. Gulf investors also continue to play an increasingly important role in renewable energy investment across developing economies. In Egypt, for example, ACWA Power participated in a major wind project in 2025, highlighting the rising role of Gulf investment in utility-scale renewables in developing economies.

b. Telecommunications

Telecommunications and digital infrastructure were among the strongest-performing Goals-related sectors in 2025. In developing economies, the value of announced greenfield projects in telecommunications and related information services almost doubled, reaching $123 billion, while the number of projects rose by 5 per cent. In LDCs, announced telecommunications projects doubled from a relatively low level (from $600 million in 2024 to $1.2 billion in 2025). IPF deal values also increased sharply in developing countries, from $37 billion to $76 billion, with the number of projects rising at a slower pace (21 per cent), suggesting an increase in the scale and capital intensity of telecommunications projects.

Greenfield telecommunications value in developing economies **nearly doubled**

Large investments comprised the data centre project by Google (United States) in Visakhapatnam, India, which included associated renewable energy development to support AI and cloud computing demand, and infrastructure-related investment in the Philippines involving Masdar (United Arab Emirates). Although investment remained concentrated in advanced economies, low- and lower-middle-income economies recorded increased investment in fibre connectivity, mobile broadband, data infrastructure and digital services.

Digital infrastructure investment benefited from relatively strong commercial fundamentals compared with other infrastructure sectors. Telecommunications projects often benefit from shorter payback periods and growing demand, while data centre projects are increasingly financed through infrastructure-style IPF structures involving banks, insurers and private credit funds.

As institutional investors and infrastructure funds allocate more capital to commercially attractive assets such as data centres and connectivity, financing conditions may

become more challenging for other Goals-relevant infrastructure sectors, including transport, water and social infrastructure, particularly in developing economies where project pipelines are already constrained.

c. Transport and basic infrastructure

Agriculture investment **remains underfunded and concentrated**

Investment trends in transport infrastructure and other basic infrastructure sectors remained weak in LDCs in 2025. The value of IPF deals in transport infrastructure fell by almost half, from an already low level of $703 million in 2024 to $368 million. This contrasts with trends in other developing economies, where transport investment improved relative to 2024, reaching $48 billion, although activity remained well below earlier peaks.

Large transport projects require substantial long-term financing, often involving sovereign guarantees and complex public-private partnership structures. As in other infrastructure sectors, elevated debt burdens, fiscal constraints and higher financing costs continue to hinder investment pipelines in developing economies (GIF, 2025; ITF, 2025; UNCTAD, 2026).

Trends in water, sanitation and hygiene investment also remain highly uneven. The values of announced greenfield projects in developing countries more than quadrupled in 2025, albeit from a very low base, while IPF deals declined. The sector continues to face persistent bankability challenges, including limited revenue generation capacity, weak cost recovery and high dependence on concessional finance and public sector support.

d. Food and agriculture

Food and agriculture recorded robust growth across both greenfield investment and IPF in 2025. Announced greenfield project values increased sharply, reaching $27 billion in developing economies and $4 billion in LDCs, while IPF values also increased significantly. The increase reflects rising investor interest in food security, agricultural processing, agri-logistics and climate-resilient agricultural production. In Ethiopia, one of the largest projects announced during the year involved a major fertilizer complex, highlighting investment interest in agricultural input industries and domestic food system resilience.

Nevertheless, substantial financing gaps persist in vulnerable developing economies, and agriculture investment remains concentrated in relatively few host economies with stronger agribusiness ecosystems, export potential or land availability. Financing constraints, climate vulnerability and infrastructure gaps continue to limit broader investment expansion across many LDCs and vulnerable economies. Heightened global uncertainty and tighter financing conditions may slow the rollout of large agrifood projects, particularly those dependent on imported inputs or external capital.

e. Health and education

Private investment in health and education remains comparatively small, often relying on international funding through public-private partnerships. In developing economies, announced greenfield investment in healthcare increased at a slower pace than in 2024, reaching about $13 billion in 2025. The increase also extended to LDCs, where announced project values rose from about $180 million to $490 million. By contrast, no IPF activity was registered.

Private international investment in education also remains modest, with a single IPF deal recorded in 2025 – the West Cairo Premium International School Project in Egypt, with a total investment of about $26 million. The persistently low levels of private international investment in social sectors underscore the continuing challenges of mobilizing private capital for Goals-related social infrastructure in developing economies, particularly in the absence of strong public support or blended finance arrangements (UNCTAD, 2026).

D. Major investor trends

International production continued to expand in 2025, driven by technology and pharmaceutical MNEs. Over the past decade, the international orientation of top MNEs has evolved, with several MNEs from advanced economies increasingly shifting investment to domestic markets. Some of the fastest-internationalizing MNEs are based in East Asia and particularly in the technology, manufacturing, infrastructure and renewable energy sectors. The presence of State-owned MNEs (SO-MNEs) in the top global ranking has increased in recent years, driven by geopolitical tensions, technology competition and expanding industrial policies. Cross-border M&As by SO-MNEs have almost doubled since the COVID-19 pandemic. Moreover, international private equity investment has expanded rapidly over the past decade. International equity acquisitions by private equity firms accounted for 20 per cent of global M&As in the last two years.

1. Top non-financial multinational enterprises

a. Internationalization trends of the top non-financial multinational enterprises

In 2025, the top MNEs expanded their international footprint, increasing their foreign assets by 8 per cent, outpacing growth in foreign sales and marking a historically strong expansion (see online annex). This expansion was driven primarily by MNEs in strategic sectors, including semiconductors, pharmaceuticals and electric vehicles, which are increasingly supported by industrial and investment policies in major economies. For example, several of the top 100 MNEs that operate in these industries announced significant investment in the United States in 2025, prompted by trade measures and regulatory and fiscal incentives.[9]

Foreign MNEs announced investment commitments of about $1 trillion in the United States, although about half of that amount is linked to a single AI infrastructure project, Project Stargate, a joint venture involving OpenAI and Oracle (United States), SoftBank (Japan) and the State-backed AI investment company MGX (United Arab Emirates). Excluding this joint venture, pharmaceuticals was the leading sector for foreign investment commitments, with announced projects worth $157 billion, followed by technology – particularly semiconductor manufacturing, where TSMC (Taiwan Province of China) announced investments of $100 billion – and automotive. As the implementation of these projects is expected to unfold

[9] Based on information from The White House, TRUMP EFFECT: A running list of new U.S. investment in President Trump's second term, 10 March 2026.

over the next 5–10 years, their impact on the top MNE rankings will be gradual.

United States MNEs accounted for more than $3 trillion in new domestic investment commitments reported by the United States Government. If realized, these commitments could strengthen their domestic investment focus and moderate the pace of future international expansion.

Large investments by top MNEs, both domestic and foreign, translated into an increase of more than 10 per cent in the value of their assets, while leaving the ratio of foreign assets to total assets – a measure of MNE internationalization – unchanged (table I.11). Even after adjusting for inflation, the value of their total assets still increased by more than 5 per cent.

Table I.11
Internationalization statistics of the 100 largest non-financial multinational enterprises, worldwide and from developing economies
(Billions of dollars, thousands of employees and percentage)

	100 largest MNEs, global					100 largest MNEs, developing economies		
Variable	2023[a]	2024[a]	Change, 2023–2024 (%)	2025[b]	Change, 2024–2025 (%)	2023[a]	2024	Change (%)
Assets (billions of dollars)								
Foreign	10 297	10 309	0.1	11 152	8.2	2 976	3 063	2.9
Domestic	9 308	9 425	1.3	10 459	11.0	7 858	7 701	-2.0
Total	19 605	19 734	0.7	21 611	9.5	10 834	10 765	-0.6
Foreign as share of total (%)	53	52		52		27	28	
Sales (billions of dollars)								
Foreign	6 951	7 003	0.8	7 265	3.7	2 500	2 478	-0.9
Domestic	5 578	5 093	-8.7	5 412	6.3	4 385	4 221	-3.7
Total	12 528	12 096	-3.5	12 677	4.8	6 885	6 699	-2.7
Foreign as share of total (%)	55	58		57		36	37	
Employment (thousands)								
Foreign	9 483	9 241	-2.5	9 158	-0.9	4 049	4 748	17.3
Domestic	10 564	9 442	-10.6	9 209	-2.5	9 970	9 294	-6.8
Total	20 047	18 683	-6.8	18 368	-1.7	14 018	14 042	0.2
Foreign as share of total (%)	47	49		50		29	34	
Weighted average TNI	52	53		53		31	33	
Unweighted average TNI	62	63		63		47	48	
Median TNI	66	68		66		45	49	

Source: UNCTAD, FDI/MNE database.

Notes: Data refer to fiscal year results reported between 1 April of the base year and 31 March of the following year. Complete 2025 data for the 100 largest MNEs from developing economies are not yet available.

[a] Revised results.

[b] Preliminary results.

Abbreviations: MNE, multinational enterprise; TNI, Transnationality Index.

Technology sector: **primary driver of international production**

The technology sector remained a primary driver of international production expansion in 2025. On average, the foreign assets of technology MNEs increased by more than 20 per cent. Despite announcing large domestic investment plans, United States technology MNEs – the majority of the technology MNEs in the ranking – continued to expand their foreign presence. For example NVIDIA, while announcing substantial domestic investment, more than doubled its foreign assets, supported by investment in foreign AI infrastructure and international partnerships. A notable exception to this trend was Apple, which reduced its foreign assets by more than 10 per cent in 2025. The company also announced investment plans worth $600 billion aimed at reshoring the manufacturing of advanced components. However, across technology MNEs, trends provide little evidence of a shift towards reshoring (see also chapter III).

In 2025 the number of technology and digital MNEs in the top 100 increased to 16 with the addition of digital content company Walt Disney (United States) and e-commerce firm Naspers (South Africa).

Pharmaceuticals MNEs increased their foreign assets by more than 10 per cent, driven also by market access considerations and the "patent cliff" – i.e. the moment when patents on key medicines expire, reducing revenues and increasing generic competition – which has intensified the push to develop or acquire high-value treatments for such problems as cancer and obesity. This trend is reflected in the $9 billion acquisition of Blueprint (United States) by Sanofi (France). Eight of 12 pharmaceuticals MNEs also announced investments in manufacturing and research and development in the United States. Merck & Co (United States) entered the ranking after several acquisitions in Europe.

Automotive MNEs also expanded internationally, balancing market access and policy incentives (in North America) and investment in cost-efficient manufacturing and advanced in-car technologies (in China). For example, Volkswagen (Germany) deepened strategic partnerships in both key markets. Energy utilities increased investment in response to power demand and grid modernization needs. Ørsted (Denmark), for instance, entered the ranking following large-scale investments in wind energy capacity in the United States, attracted by the large market size and incentives under the Inflation Reduction Act.[10]

Across manufacturing, heavy-industry MNEs renewed their foreign expansion after a period of decline, led by the conglomerate Hanwha (Republic of Korea) and its shipbuilding investment in the United States. In contrast, light-industry MNEs were among the least active in 2025, with Coca-Cola (United States) exiting the ranking for the first time since the mid-1990s.

Other companies exiting the ranking included the retailer Seven & I Holdings (Japan) and S&P Global (United States), reflecting changes in reporting practices. The mining company Anglo American (United Kingdom) also temporarily exited the ranking following the spin-off of its platinum mining division and pending the completion of its merger with Teck Resources (Canada).

Overall in 2025, the foreign assets of top MNEs grew strongly, but domestic assets expanded more quickly, pointing to a gradual strengthening of home-country investment alongside continued internationalization. This trend may reinforce a longer-term tendency of MNEs from advanced economies to refocus operations on their domestic markets.

b. Long-term internationalization trends of the top non-financial multinational enterprises

A longer-term comparison of the investment behaviour of the same set of MNEs tracked

[10] *The Financial Times*, Ørsted's US projects back on track after court lifts Trump-imposed suspension, 6 February 2026.

over time in the UNCTAD ranking before and after the pandemic, up to 2024, shows that internationalization trends diverged across home countries and sectors.

United States MNEs have seen domestic assets grow faster than foreign assets. The average foreign share of total assets declined from 43 per cent in 2017–2019 to 39 per cent in 2022–2024, highlighting a shift towards the domestic market (figure I.21). This shift was most pronounced in infrastructure, oil and gas, and pharmaceuticals. Infrastructure firms have long maintained a limited foreign presence, while in energy the reorientation towards domestic investment has been under way since the shale revolution of the early 2000s. Even highly internationalized technology firms have increased their domestic focus.

Figure I.21
United States multinational enterprises are prioritizing the domestic market

Change in top firms' foreign share of assets between 2017–2019 and 2022–2024
(Percentage points)

Source: UNCTAD, FDI/MNE database.

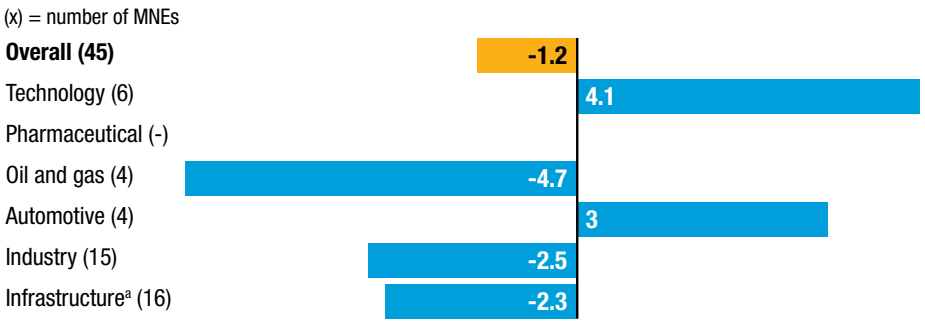
Notes: The analysis tracks all MNEs that appear in UNCTAD rankings – the global top MNEs and the top MNEs from developing economies – for more than one year and that have data on the share of foreign to total assets in each of the years included in the analysis (2017–2019 and 2022–2024). The sample includes 224 MNEs.

[a] Infrastructure includes construction, logistics, telecommunications and utilities MNEs.

Abbreviation: MNE, multinational enterprise.

Chinese MNEs saw a slight decline in foreign asset shares, especially in State-led sectors, while privately owned firms in technology and automotive continued to expand abroad (figure I.22). The contraction was most pronounced in sectors dominated by large State-owned MNEs, including oil and gas, infrastructure and heavy industry. Major players, including COSCO Shipping, defence group Norinco and Shandong Energy, slowed the pace of their foreign investment expansion and refocused on the domestic market. By contrast, technology, industry and automotive MNEs – largely privately owned companies – showed a growing propensity to expand abroad. For example, CATL tripled its share of foreign assets, from less than 10 per cent before the pandemic to almost 30 per cent recently. Huawei also significantly expanded its foreign operations, focusing on cloud computing, 5G infrastructure, green energy solutions and enterprise digital transformation, particularly in developing regions such as Africa and the Middle East.

Figure I.22
Internationalization of Chinese multinational enterprises is driven by technology and automotive companies
Change in top firms' foreign share of assets between 2017–2019 and 2022–2024
(Percentage points)



Source: UNCTAD, FDI/MNE database.

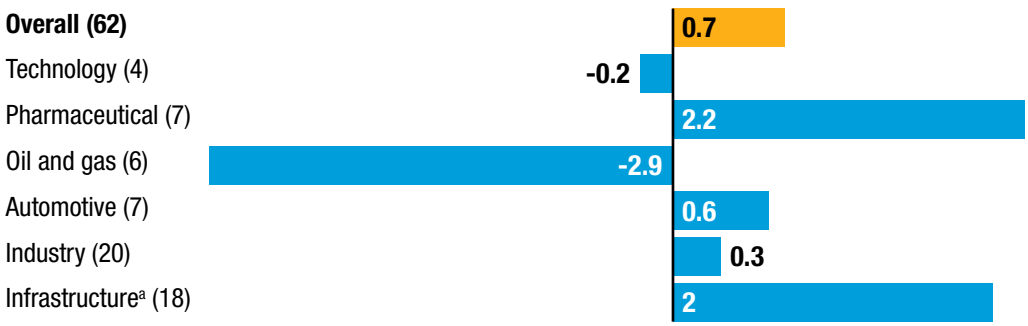
Notes: The analysis tracks all MNEs that appear in UNCTAD rankings – the global top MNEs and the top MNEs from developing economies – for more than one year and that have data on the share of foreign to total assets in each of the years included in the analysis (2017–2019 and 2022–2024). The sample includes 224 MNEs.

[a] Infrastructure includes construction, logistics, telecommunications and utilities MNEs.

Abbreviation: MNE, multinational enterprise.

European MNEs remained broadly stable, maintaining their foreign asset shares (figure I.23). The main industries of foreign expansion have been infrastructure – particularly transport infrastructure, led by companies such as Vinci (France) and Mundys (Italy) – and renewable energy, with companies such as RWE (Germany) expanding their international operations. Pharmaceuticals MNEs also continued to expand their foreign operations, driven by intensifying international competition for the acquisition of smaller promising biopharmaceutical companies.

Figure I.23
Internationalization of European multinational enterprises was stable
Change in top firms' foreign share of assets between 2017–2019 and 2022–2024
(Percentage points)



Source: UNCTAD, FDI/MNE database.

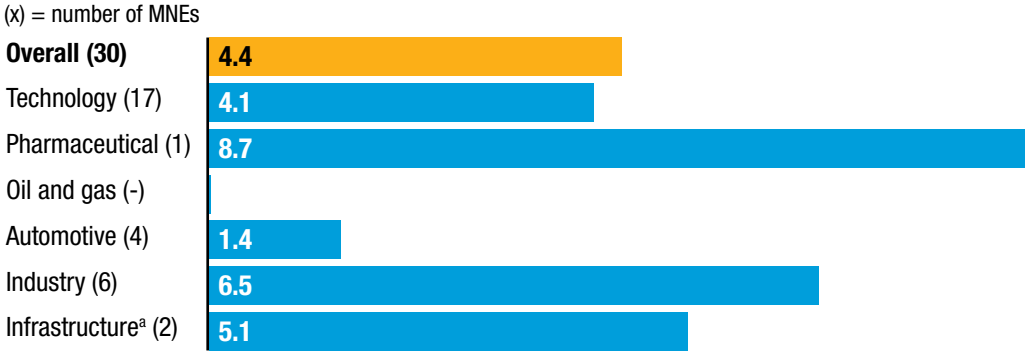
Notes: The analysis tracks all MNEs that appear in UNCTAD rankings – the global top MNEs and the top MNEs from developing economies – for more than one year and that have data on the share of foreign to total assets in each of the years included in the analysis (2017–2019 and 2022–2024). The sample includes 224 MNEs.

[a] Infrastructure includes construction, logistics, telecommunications and utilities MNEs.

Abbreviation: MNE, multinational enterprise.

Conversely, MNEs from advanced East Asian economies – Japan, the Republic of Korea and Taiwan Province of China – have increased their internationalization rapidly, particularly in technology and industry (figure I.24). Among the companies most significantly changing their foreign orientation are Sony (Japan), whose foreign asset ratio increased from about 25 per cent before the pandemic to more than 65 per cent in 2024, and semiconductor producer TSMC (Taiwan Province of China), which began investing abroad at scale only in the past five years but raised its foreign asset ratio from less than 5 per cent to more than 20 per cent by 2024. Overall, East Asian suppliers to major technology firms have continued to expand overseas operations, seeking to maintain market access and strengthen supply chain resilience.

Figure I.24
Technology multinational enterprises from advanced Asian economies expanded their international footprint rapidly
Change in top firms' foreign share of assets between 2017–2019 and 2022–2024 (Percentage points)



Source: UNCTAD, FDI/MNE database.

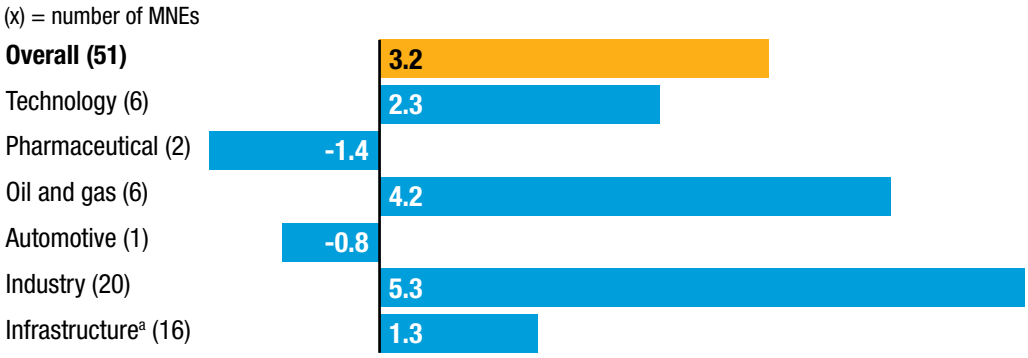
Notes: MNEs from Japan, the Republic of Korea and Taiwan Province of China. The analysis tracks all MNEs that appear in UNCTAD rankings – the global top MNEs and the top MNEs from developing economies – for more than one year and that have data on the share of foreign to total assets in each of the years included in the analysis (2017–2019 and 2022–2024). The sample includes 224 MNEs.

[a] Infrastructure includes construction, logistics, telecommunications and utilities MNEs.

Abbreviation: MNE, multinational enterprise.

MNEs from developing economies remain among the fastest internationalizing, with strong growth in manufacturing and infrastructure and an expanding presence across other sectors, suggesting the emergence of a new generation of global players (figure I.25). MNEs such as Siam Cement (Thailand), Masdar (United Arab Emirates) and MercadoLibre (Argentina) are expanding rapidly across regions.

Figure I.25
Multinational enterprises from developing economies rank among the fastest-internationalizing firms
Change in top firms' foreign share of assets between 2017–2019 and 2022–2024
(Percentage points)



Source: UNCTAD, FDI/MNE database.

Notes: The analysis tracks all MNEs that appear in UNCTAD rankings – the global top MNEs and the top MNEs from developing economies – for more than one year and that have data on the share of foreign to total assets in each of the years included in the analysis (2017–2019 and 2022–2024). The sample includes 224 MNEs.

[a] Infrastructure includes construction, logistics, telecommunications and utilities MNEs.

Abbreviation: MNE, multinational enterprise.

2. State-owned multinational enterprises

The internationalization of SOEs constitutes an important component of FDI. SOEs are firms over which a public authority exercises significant ownership and control (at least 10 per cent of the voting rights or a golden share giving the State veto power in important corporate decisions).[11] Even minority shareholdings may allow governments to exert substantial influence over corporate decisions. SO-MNEs are SOEs with significant overseas assets and activities.

Various editions of the *World Investment Report* have analysed the role and international expansion of SO-MNEs at key turning points. *WIR 2011* assessed the landscape of SO-MNEs in the aftermath of the 2007–2009 global financial crisis, when governments in advanced economies supported – and in several cases bailed out – firms considered essential, particularly in the financial sector (UNCTAD, 2011). *WIR 2018* examined the large-scale international expansion of Chinese SOEs (UNCTAD, 2018). *WIR 2021* reported significant government equity injections into MNEs in the transport and tourism sectors in response to the pandemic (UNCTAD, 2021).

In the current turbulent era of geopolitical tensions, technology competition and expanding industrial policies, proactive State actions in economies have regained prominence. Among the top 100 non-financial MNEs, State ownership has increased since the pandemic and now involves more than a quarter of the firms (table I.12). Among the top 100 MNEs with State-owned equity, MNEs from developed economies tend to feature minority State participation, often reflecting historical stakes or strategic interests, whereas MNEs from emerging economies are more frequently majority or fully State owned.[12]

[11] See UNCTAD (2011), page 28.
[12] UNCTAD top non-financial MNE rankings are available in the online annex.

Table I.12
The number of State-owned multinational enterprises in the UNCTAD ranking is increasing

Number of firms with State participation greater than 10 per cent of voting rights

Home economies	Ranking years			
	2011	2017	2021	2026
Developed economies	**17**	**11**	**13**	**15**
Europe	15	10	12	13
Austria			1	
Denmark				1
France	6	5	5	5
Germany	3	2	3	3
Italy	2	2	2	2
Norway	1	1	1	1
Spain				1
Sweden	2			
United Kingdom	1			
Japan	1	1	1	1
United States	1			1
Developing economies	**3**	**4**	**9**	**11**
Brazil	1	1		
China	1	2	8	8
Malaysia	1	1		1
Saudi Arabia			1	1
South Africa				1
Total	**20**	**15**	**22**	**26**

Source: UNCTAD, FDI/MNE database.

Note: Each year's ranking is based on financial data of the preceding year.

There are notable exceptions, including fully State-owned companies in developed economies, such as Equinor (oil and gas, Norway) and EDF – a utility company (France) fully nationalized in 2023; and more market-oriented companies in emerging economies. In China, for example, Legend Holdings, founded by a government-affiliated research institution (the Chinese Academy of Sciences), has a minority State participation of about 30 per cent.

The increasing presence of SO-MNEs in the ranking of the top 100 MNEs has been driven mostly by the internationalization of SOEs from China and other emerging economies. In recent years this trend has been reinforced by proactive State actions in developed economies. While long-established European SO-MNEs – particularly French and German ones – have maintained their positions, several developed-economy governments have also increased or reasserted ownership stakes in strategic firms, including in the technology, semiconductors, critical minerals, telecommunications and defence industries. For example, the United States Government's acquisition of a 10 per cent equity stake in Intel coincided with a range of acquisitions in rare earths mining companies, including foreign ones. Similarly, the French State raised its stake in the satellite company Eutelsat (not in the top MNEs ranking) to 30 per cent.

In several cases, governments have intervened in response to foreign State-backed investments in domestic firms, reflecting growing scrutiny of foreign State ownership of strategic assets. In Spain, the Government increased its stake in Telefónica to about 10 per cent following the acquisition of a comparable stake by Saudi Telecom, citing concerns about maintaining national control of critical telecommunications infrastructure. Similarly, the Netherlands and Italy have exercised "golden power" provisions to limit the influence of foreign SO-MNEs over strategic domestic firms, including the semiconductor company Nexperia (Netherlands) and the tyre manufacturer Pirelli (Italy).[13]

Where States acquire stakes in established MNEs, State ownership can, in some cases, constrain future international expansion. Recent increases in State participation in strategic firms have often been motivated by national security and industrial policy considerations, which may prioritize domestic investment, supply chain resilience and technological autonomy over outward expansion.

The dynamics among MNEs from emerging markets differ considerably from those of MNEs in the global ranking. SO-MNEs account for half of the ranking (table I.13), reflecting the continued role of governments in maintaining direct control over firms in strategic sectors such as energy, natural resources and infrastructure. In many emerging markets, State support is often leveraged to foster national champions that internationalize as part of broader economic diversification and development strategies. Supported by access to capital and policy backing, these firms are often well positioned to scale and expand internationally.

However, as developing economies advance and privately owned firms expand internationally, the role of State ownership tends to diminish. This trend is particularly evident in China, Hong Kong (China) and Singapore. For example, in China (excluding MNEs from Hong Kong, (China)), the share of SOEs among the country's ranked MNEs has declined, from nearly 90 per cent in *WIR 2011* (8 of 9 firms) to about 70 per cent in this year's ranking (29 of 41 firms). The shift reflects the rapid internationalization of private firms in sectors such as digital technologies (Tencent, Huawei), automotive manufacturing (Geely) and battery production (CATL).

By contrast, SO-MNEs from West Asia have become increasingly prominent in the ranking. Firms from the GCC countries, particularly in energy, infrastructure and telecommunications, have expanded their international presence and invested heavily in renewable energy and infrastructure. This has supported the emergence of new regional and global players. Masdar (United Arab Emirates) entered the ranking in 2022. ACWA Power (Saudi Arabia), Saudi Telecom and Emaar Properties (United Arab Emirates) have also substantially increased their international investment in recent years and are approaching the threshold for inclusion in the ranking.

State-owned MNEs now half of top 100 developing-economy firms

[13] *The Financial Times*, Dutch government takes control of Chinese-owned chipmaker Nexperia, 13 October 2025; *The Financial Times*, Pirelli strips China's Sinochem of control in attempt to avert exclusion by Trump in US, 28 April 2025.

Table I.13
Half of the multinational enterprises in the ranking from developing economies are State-owned
Number of firms with State participation greater than 10 per cent of voting rights

Home economies	Ranking years			
	2011	2017	2021	2026
China and Hong Kong (China)	8	17	29	30
Gulf Cooperation Council	6	6	6	7
Kuwait	3	1	1	1
Oman				1
Qatar	1	1	1	1
Saudi Arabia		1	2	2
United Arab Emirates	2	3	3	3
Brazil	2	3	1	1
India	1	1	1	1
Malaysia	3	3	2	3
Singapore	2	4	4	2
South Africa	4	3	2	3
Thailand				2
Other	5	4	4	1
Total	**31**	**41**	**49**	**50**

Source: UNCTAD, FDI/MNE database.

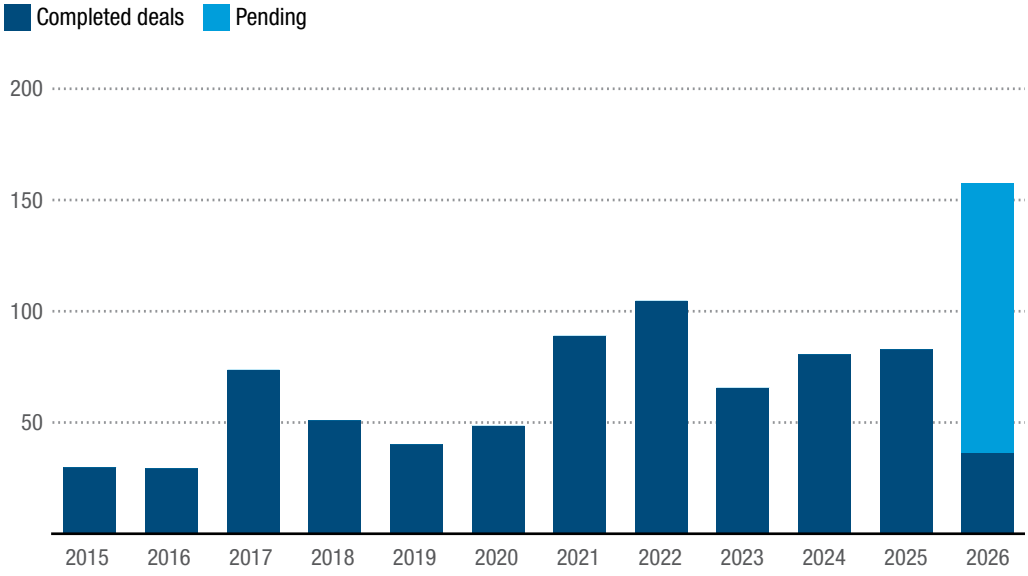
Note: Because of financial data availability, each year's ranking is based on two years preceding the ranking year.

Some of these SO-MNEs are owned – or partly owned – by SWFs, which are State-owned investment vehicles typically funded by foreign exchange reserves or by revenues derived from natural resources, and managed separately from official reserve assets.

Since the pandemic, international deal-making by SO-MNEs has regained momentum, with the value of completed cross-border M&As averaging about $85 billion annually in 2021 to 2025. This is nearly double the average annual level of $45 billion recorded during 2015–2019 (figure I.26). Most large deals are no longer conducted by a single SO-MNE acting independently, but rather through investor consortia in which the SO-MNE participates alongside private and institutional investors. As a result, ownership structures tend to be less concentrated, helping to mitigate political and regulatory concerns in host countries. Against this background, SWFs have become increasingly important actors in international State-owned investment, investing both directly and through affiliated SO-MNEs. Pending deals announced in 2025 could raise total State-owned investment activity to about $160 billion, if completed in 2026, or about 10 per cent of global FDI flows. Several of these transactions involve SWFs investing directly in foreign companies, without the intermediation of SO-MNEs. Notable examples include the proposed acquisition of Electronic Arts (United States) by a special acquisition vehicle led by the Public Investment Fund of Saudi Arabia for approximately $50 billion and the acquisition of Aligned Data Centers (United States) by an investor consortium including the SWF-backed MGX (United Arab Emirates) for about $40 billion.

Figure I.26
International acquisitions by State-owned multinational enterprises have increased since the pandemic

Net international purchases of equity shares of at least 10 per cent of the voting rights (Billions of dollars)



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

Note: Only deals by majority State-owned MNEs.

3. Internationalization trends of private equity investment

Private equity (box I.8) has become a major component of global investment. Annual fundraising more than tripled from less than $200 billion in the aftermath of the 2008 global financial crisis to more than $1.1 trillion in 2021, with total investment reaching comparable levels. The 2021 peak was driven by larger deal sizes and strong activity in technology-related sectors.

Box I.8
Defining private equity in the context of cross-border investment

For the purpose of the analysis in this report, private equity investment activity is measured through the equity component of deals, with a focus on cross-border deals and ownership stakes that imply a lasting interest in the foreign enterprise, consistent with FDI frameworks. Although private equity transactions often combine equity and debt instruments, non-equity components are excluded to ensure conceptual consistency with FDI frameworks and comparability with sources that report total deal values. The analysis relies on the equity component of private equity transactions, based on investor-level participation in deals including venture capital funding rounds, distinguishing between domestic and foreign investors.

However, important data limitations remain. Detailed information on ownership shares is not always available, particularly for venture capital and smaller deals, making it difficult to assess whether individual investors meet the 10 per cent FDI thresholds. While venture capital financing rounds for smaller companies can represent a large share of

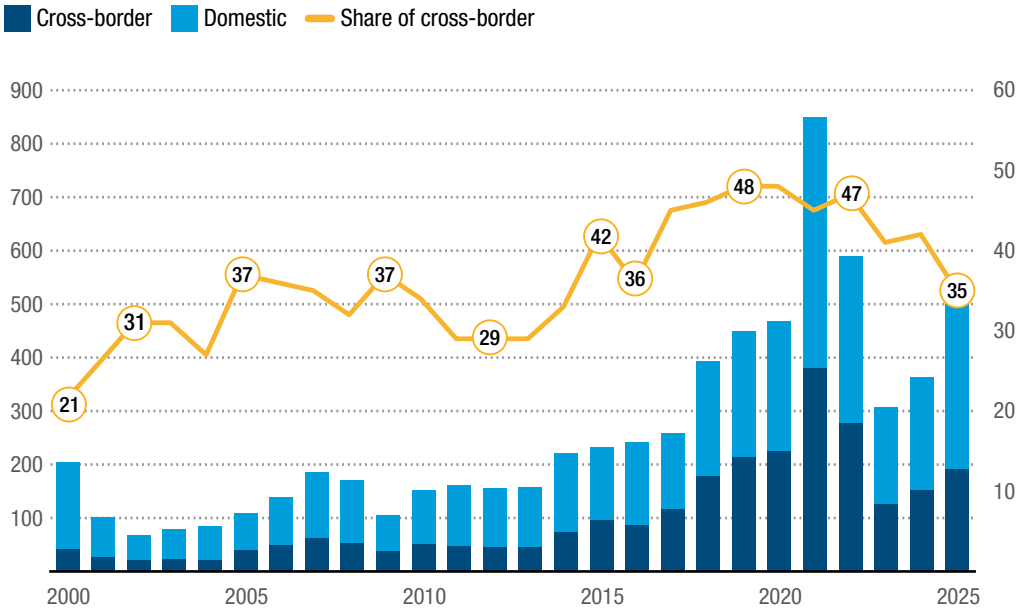
their entire capital, investments in larger private firms – such as OpenAI (United States) or ByteDance (China), whose valuations exceed $100 billion – typically constitute minority stakes. Moreover, some of the transactions involving multiple co-investors often do not disclose the allocation of financing shares across participating investors, leading to a potential underestimation of cross-border private equity flows.[a]

Source: UNCTAD.

[a] A more detailed discussion of the data and methodology will be provided in the forthcoming UNCTAD publication on cross-border private equity and venture capital.

While most private equity investment remains domestic – particularly in the United States where the industry originated – cross-border activity expanded significantly (figure I.27). The share of international private equity investment relative to total investment rose steadily in the years leading up to 2021. In 2021 cross-border private equity flows reached a record $400 billion, representing nearly half of all private equity activity, before contracting sharply in 2022 and 2023, in line with the broader decline in deal-making.

Figure I.27
Global cross-border private equity investment has expanded over the past decade, with a peak in 2021
Equity investments by private equity funds
(Billions of dollars and percentage)



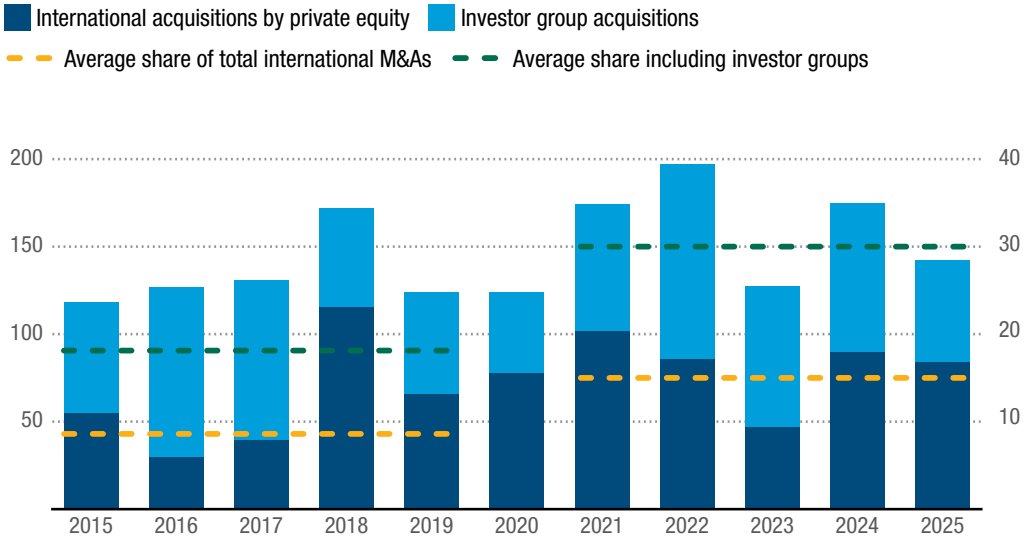
Source: UNCTAD, based on information from LSEG Data & Analytics.

International acquisitions by private equity firms account for a growing share of global M&A activity, reaching about 20 per cent in 2024–2025. Some of the largest transactions were recorded in 2018, including the acquisition by Bain Capital (United States) of a subsidiary of Toshiba (Japan) for approximately $18 billion. A significant share of private equity–led deals is conducted through investor consortia, often involving multiple private equity firms as well as other non-financial MNEs. When such transactions are included, the share attributable to private equity–related activity

rises to more than 30 per cent (figure I.28), equivalent to roughly 10–15 per cent of FDI flows. Notable megadeals in this category include the acquisition in 2024 of the fixed network business of Telecom Italia for $24 billion by an investor group composed of a unit of the private equity firm KKR (United States), the Canada Pension Plan Investment Board and an Italian State-owned investment fund.

Figure I.28
Private equity is becoming more important in cross-border mergers and acquisitions

Net international purchases of equity shares of at least 10 per cent of the voting rights (Billions of dollars and percentage)



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

Note: Investor groups can include firms that are not private equity firms.

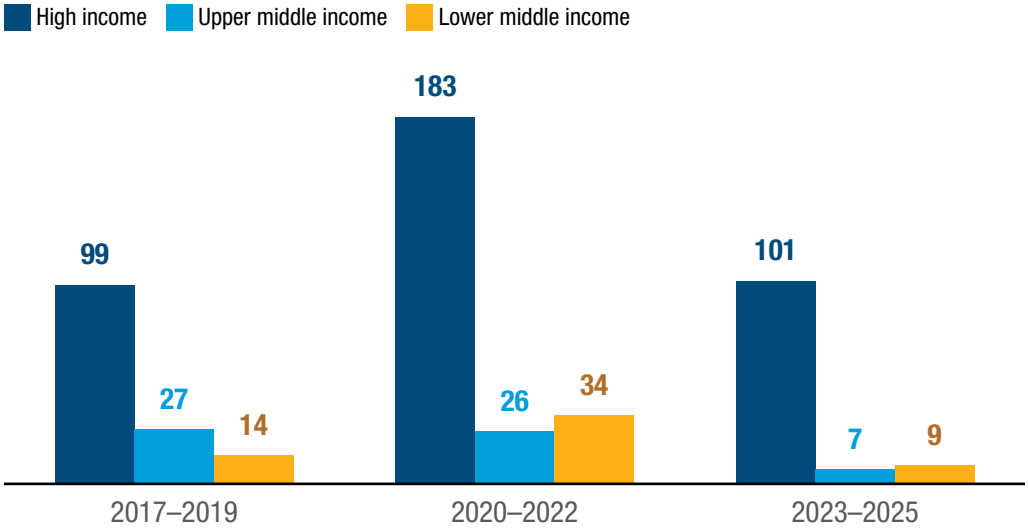
Abbreviation: M&As, mergers and acquisitions.

The importance of foreign private equity investors varies significantly across income groups. In high- and upper-middle-income economies, private equity investment remains predominantly domestic, with cross-border transactions accounting for only about one third of total activity. In upper-middle-income economies the share of cross-border private equity fell from about 40 per cent in the mid-2010s to less than 20 per cent by 2025, reflecting both the expansion of domestic private equity markets and lower participation by foreign investors. By contrast, cross-border transactions consistently accounted for more than half of total private equity activity in lower-middle-income economies, highlighting their reliance on foreign capital.

At the same time, in absolute terms, high-income economies continue to attract the largest share of global cross-border private equity flows, reflecting the larger size and depth of their domestic financial markets (figure I.29). Upper- and lower-middle-income economies experienced a transitory increase during 2020–2021, driven in part by the global technology investment boom and abundant liquidity. However, the increase was not sustained as financial conditions and corrections in technology valuations reduced investment activity. Flows to lower-middle-income economies were highly concentrated in India, particularly in technology-related sectors, while upper-middle-income flows were largely driven by China.

Figure I.29
High-income economies attract the largest share of global cross-border private equity flows

Cross-border private equity investment by investee income group
(Billions of dollars, three-year annual average)



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

Note: Low-income countries are not included due to negligible values reported.

This distribution broadly mirrors patterns observed in traditional international investment. High-income economies remain the primary recipients of global FDI inflows, greenfield investment and cross-border private equity inflows. While private equity remains limited in scale, its role alongside traditional investment flows suggests a complementary function for financial investors in channelling capital.

In developing economies, cross-border private equity is concentrated in technology-related sectors, pointing to a preference for scalable, innovation-driven business models over broad-based productive transformation. At the same time, private equity firms are expanding into infrastructure, drawn by stable and regulated cash flows, and are playing an increasing role in IPF. Although distinct from traditional FDI in scale, composition and investment horizon, private equity has significant potential to support business development in developing economies, particularly where it provides growth capital for firm scaling and innovation.[14]

UNCTAD is undertaking further analytical work on these trends and will convene a focused session on the topic at the World Investment Forum 2026.

[14] See Kaplan and Strömberg (2009) for a review of private equity investment models, including active ownership and firm-level value creation.

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