


3.3 Foreign direct investment


Global FDI inflows fell by 12% in 2022




In 2022 FDI inflows to developed economies fell by 37%

In developing economies inflows increased marginally by 4%

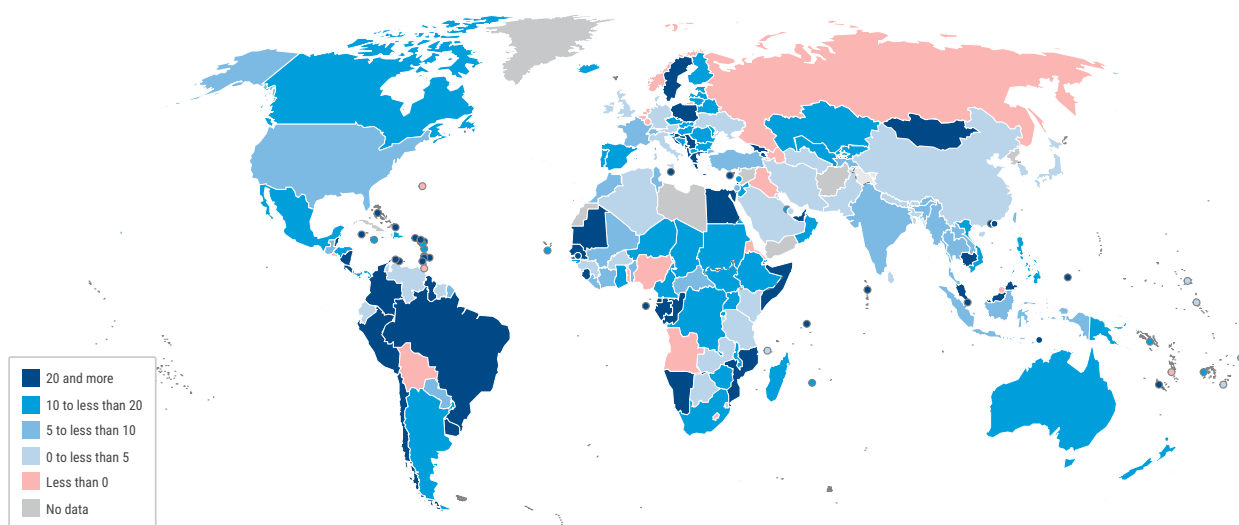
In 2022, Developing Asia accounted for 51% of global FDI inflows



In 2022, the share of developed economies in global outward FDI remained stable



Map 1. Foreign direct investment inflows as a ratio to gross fixed capital formation, 2022
(Percentage)

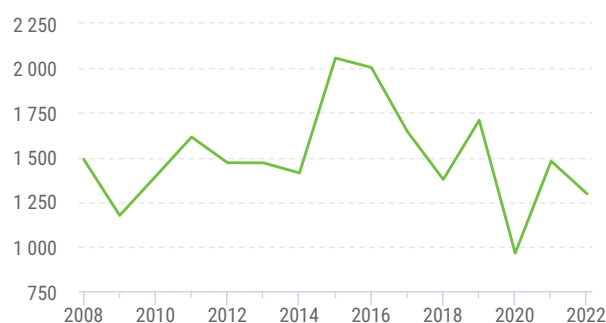


FDI inflows

In 2022, global foreign direct investment (FDI) flows experienced a 12.4 per cent decline, amounting to \$1.3 trillion. This decline was mostly in developed economies, where FDI fell by 36.7 per cent to \$378 billion. Conversely, FDI flows into developing economies rose by 4.0 per cent reaching a historic peak of \$916 billion. However, this increase was uneven across regions. FDI flows to developing Africa declined by 43.5 per cent to \$45 billion in 2022 following a record-breaking year of \$80 billion in 2021. FDI inflows in developing Asia and Oceania remained flat at \$663 billion. And a significant increase was to developing America where flows rose by 51.2 per cent reaching \$208 billion. FDI fell by 16.5 per cent to \$22 billion in the LDCs.

In 2022, the United States of America remained the largest host economy for FDI. It was followed by China, Singapore, Hong Kong (China), and Brazil. Nine of the top 20 host economies were developing economies.

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

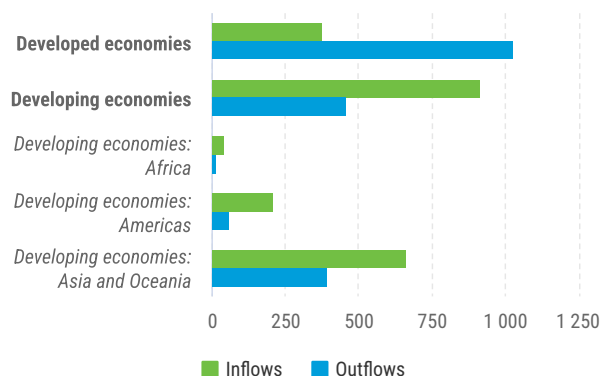


Note: Excluding financial centres in the Caribbean (see note, table 1 below).

FDI outflows

Figure 2. Foreign direct investment inflows and outflows, 2022

(Billions of United States dollars)



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

In 2022, FDI outflows from developed economies decreased by 17.1 per cent to \$1 trillion. The value of FDI outflows from developing economies decreased by 5.4 per cent to \$459 billion. Flows from developing Asia and Oceania fell by 11.2 per cent.

The top economies for FDI outflows in 2022 were led by the United States, followed by Japan. China was the third largest investor home economy followed by Germany and United Kingdom.

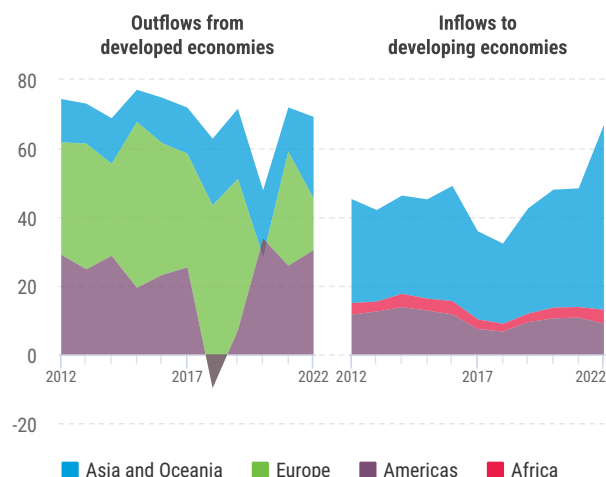
Share of FDI flows

In 2022, developing Asia and Oceania is the largest recipient of FDI, accounting for half of global inflows. Developing Africa accounted for 3.5 per cent of global FDI. Developing America accounted for 16.1 per cent of global FDI. Flows to the LDCs continue to account for less than 2 per cent of global FDI.

Within the same year, the share of developed economies in global outward FDI remained stable, accounting for over two-thirds of the total. Even though FDI flows from developing Asia and Oceania fell by 11.2 per cent, it remained an important source of investment, contributing to a quarter of global FDI.

Figure 3. Selected foreign direct investment flows

(Percentage of world total)



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

Concepts and definitions

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

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

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

FDI stock is the value of capital and reserves attributable to a non-resident parent enterprise, plus the net indebtedness of foreign affiliates to parent enterprises (UNCTAD, 2023e).

For references, see UNCTAD Handbook of Statistics 2023, annex 6.4

**Table 1. Foreign direct investment flows by group of economies**

Group of economies	Inflows				Outflows			
	Value		Annual growth rate		Value		Annual growth rate	
	(Billions of \$)		(Percentage)		(Billions of \$)		(Percentage)	
	2021	2022	2021	2022	2021	2022	2021	2022
World^a	1 478	1 295	53.7	-12.4	1 729	1 490	136.3	-13.8
Developed economies	597	378	89.3	-36.7	1 244	1 031	255.5	-17.1
Developing economies	881	916	36.3	4.0	485	459	27.0	-5.4
Developing economies: Africa	80	45	103.0	-43.5	3	6	176.1	84.7
Developing economies: Americas	138	208	53.5	51.2	38	59	-3860.3	55.2
Developing economies: Asia and Oceania	663	663	28.2	-0.1	444	394	16.2	-11.2
Selected groups								
Developing economies excluding China	700	727	40.8	3.9	306	312	34.1	2.1
Developing economies excluding LDCs	854	894	37.0	4.7	485	458	27.6	-5.8
LDCs	26	22	14.9	-16.5	-1	1	-142.2	-331.0
LLDCs	19	20	24.0	6.0	2	-2	-210.0	-240.1
SIDS (UN-OHRLLS)	142	155	74.4	9.0	50	52	31.3	3.9
BRICS	356	315	39.5	-11.5	281	199	79.1	-29.0
G20	1 049	747	61.5	-28.8	1 538	1 267	183.8	-17.6

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

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

**Table 2. Foreign direct investment stock by group of economies**

Group of economies	Inflows		Outflows	
	Share in world total		Share in world total	
	(Percentage)		(Percentage)	
	2021	2022	2021	2022
World^a	100.0	100.0	100.0	100.0
Developed economies	40.4	29.2	72.0	69.2
Developing economies	59.6	70.8	28.0	30.8
Developing economies: Africa	5.4	3.5	0.2	0.4
Developing economies: Americas	9.3	16.1	2.2	4.0
Developing economies: Asia and Oceania	44.9	51.2	25.7	26.5
Selected groups				
Developing economies excluding China	47.4	56.2	17.7	21.0
Developing economies excluding LDCs	57.8	69.1	28.1	30.7
LDCs	1.8	1.7	-0.0	0.1
LLDCs	1.3	1.5	0.1	-0.1
SIDS (UN-OHRLLS)	9.6	11.9	2.9	3.5
BRICS	24.1	24.3	16.2	13.4
G20	71.0	57.7	88.9	85.1

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

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

**Table 3. Foreign direct investment inflows, top 20 host economies, 2022**

Economy (Ranked by inflow value)	Inflows		Inward stock
	Value	Ratio to GFCF	Ratio to GDP
	(Billions of \$)	(Percentage)	(Percentage)
United States of America	285	5.8	40.9
China	189	2.5	21.1
Singapore	141	153.5	541.7
China, Hong Kong SAR	118	183.0	575.7
Brazil	86	27.9	43.6
Australia	62	15.5	42.2
Canada	53	11.1	67.7
India	49	5.1	14.7
Sweden	46	28.2	60.0
France	36	5.1	32.1
Mexico	35	13.7	45.9
Spain	35	12.2	56.2
Japan	33	2.6	5.4
Poland	29	25.4	39.2
Israel	28	27.3	46.1
United Arab Emirates	23	26.4	39.4
Indonesia	22	6.0	20.0
Italy	20	4.7	22.4
Chile	20	26.0	85.1
Korea, Republic of	18	3.1	16.3

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

**Table 4. Foreign direct investment outflows, top 20 home economies, 2022**

Economy (Ranked by outflow value)	Outflows		Outward stock
	Value	Ratio to GFCF	Ratio to GDP
	(Billions of \$)	(Percentage)	(Percentage)
United States of America	373	7.5	31.5
Japan	161	12.9	46.4
China	147	2.0	16.2
Germany	143	15.3	47.3
United Kingdom	130	23.3	71.8
Australia	117	29.3	36.8
China, Hong Kong SAR	104	161.0	565.8
Canada	79	16.7	95.6
Korea, Republic of	66	11.6	38.9
Sweden	62	38.2	81.7
Singapore	51	55.2	364.9
France	48	6.7	53.3
Spain	39	13.8	39.3
Brazil	25	8.2	17.5
United Arab Emirates	25	28.8	48.6
Belgium	24	16.8	116.3
Saudi Arabia	19	9.6	15.8
China, Taiwan Province of	16	8.1	60.6
Finland	15	22.0	52.9
India	15	1.5	6.4

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