

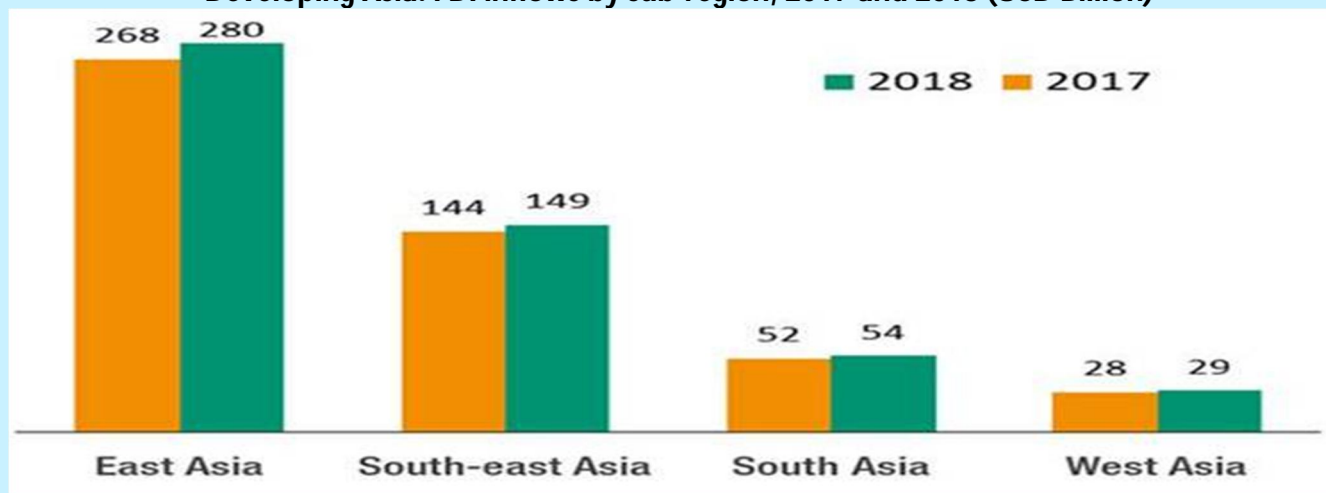
Developing countries in Asia receive more than USD 500 billion investments: UNCTAD

According to UNCTAD's World Investment Report 2019, Foreign direct investment (FDI) inflows to developing countries in Asia rose by about 4% to USD 512 billion in 2018. Growth occurred mainly in China, Hong Kong (China), Singapore, Indonesia and other countries that belong to the Association of Southeast Asian Nations (ASEAN), as well as **India** and Turkey. The region remained the world's largest FDI recipient, absorbing 39% of global inflows in 2018, up from 33% in 2017.

South Asia:

FDI inflows to South Asia increased by 3.5% to USD 54 billion. Investment in India – the subregion's largest recipient – rose by 6% to USD 42 billion with strong inflows in manufacturing, communication, financial services and cross-border merger and acquisition (M&A) activities. Flows to Bangladesh and Sri Lanka rose to a record level, to USD 3.6 billion and USD 1.6 billion, respectively.

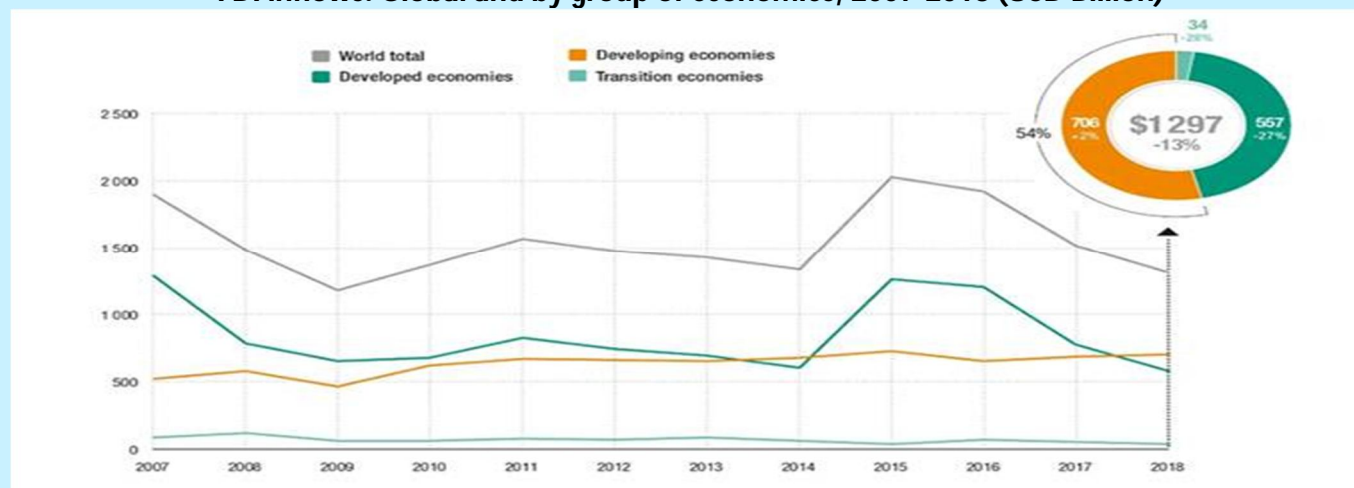
Developing Asia: FDI inflows by sub-region, 2017 and 2018 (USD Billion)



Trends in Global FDI:

Global foreign direct investment (FDI) flows fell by 13% in 2018, to USD 1.3 trillion from USD 1.5 trillion in 2017 – the third consecutive annual decline. The contraction was largely precipitated by United States multinational enterprises (MNEs) repatriating earnings from abroad, making use of tax reforms introduced by the country in 2017. Developing country flows managed to hold steady (rising by 2%), which helped push flows to the developing world to more than half (54%) of global flows.

FDI inflows: Global and by group of economies, 2007-2018 (USD Billion)

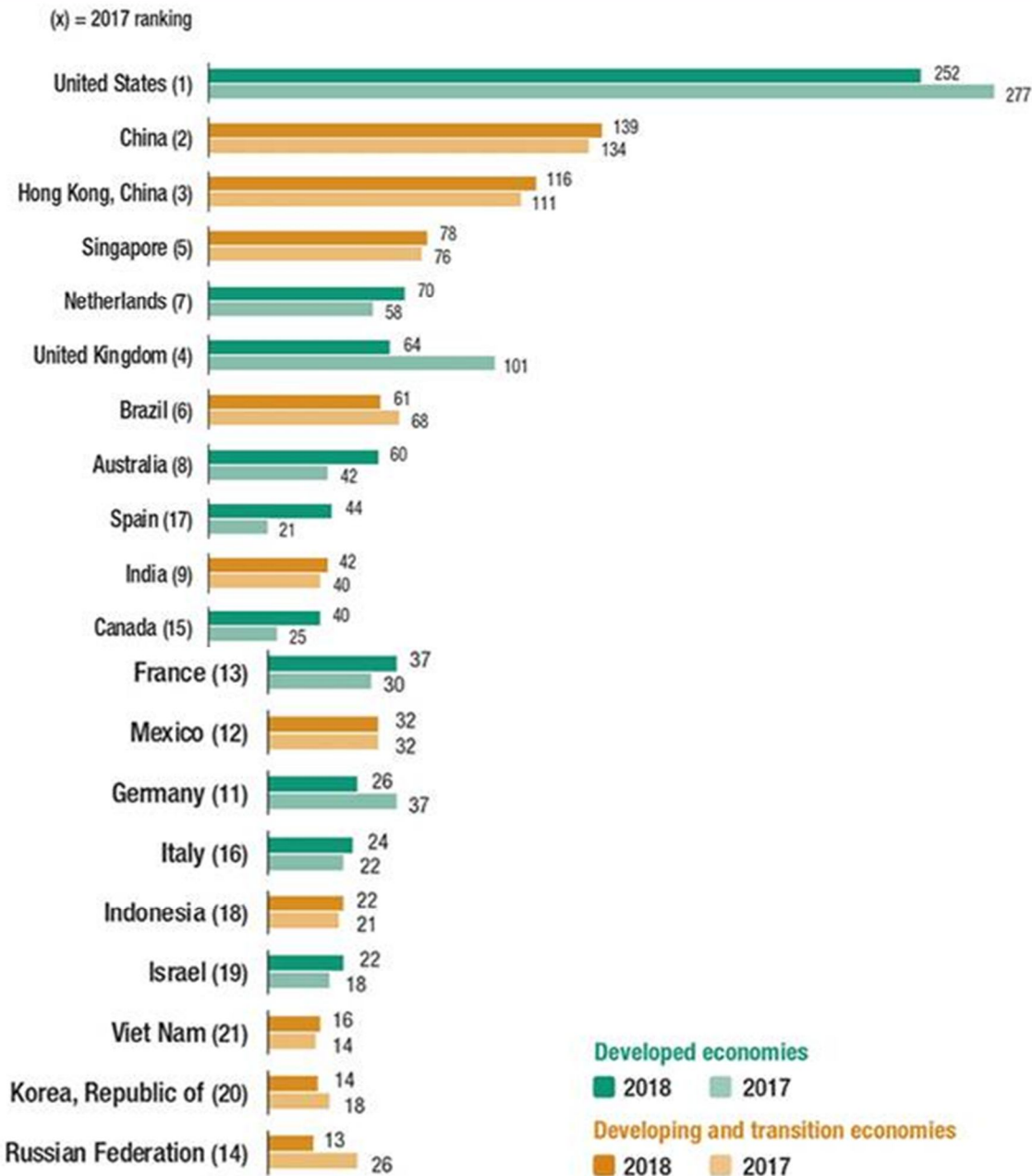


Source: UNCTAD

Half of the top 20 host economies in the world are developing and transition economies. Despite the FDI decline, the United States remained the largest recipient of FDI, followed by China, Hong Kong (China) and Singapore.

Foreign direct investment inflows, top 20 host economies 2017 and 2018 (USD Billion)

(x)=2017 ranking



In 2019, FDI is expected to recover in developed economies as the effect of the U.S. tax reforms winds down. Nevertheless, the weak underlying FDI trend indicates that a rise in FDI may be relatively modest and may be further reined in by other factors, such as geopolitical risk, escalating trade tensions and a global shift towards more protectionist policies.

Please contact for any query related to this mail to Ms. Bhawna Kakkar, Research Associate at bhawna.kakkar@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in, PHD Chamber of Commerce & Industry.

Warm Regards,

Dr S P Sharma

Chief Economist

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

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PHD CHAMBER OF COMMERCE AND INDUSTRY

PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3601-04, 49545454, 49545400
Fax : +91-11-2685 5450 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

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