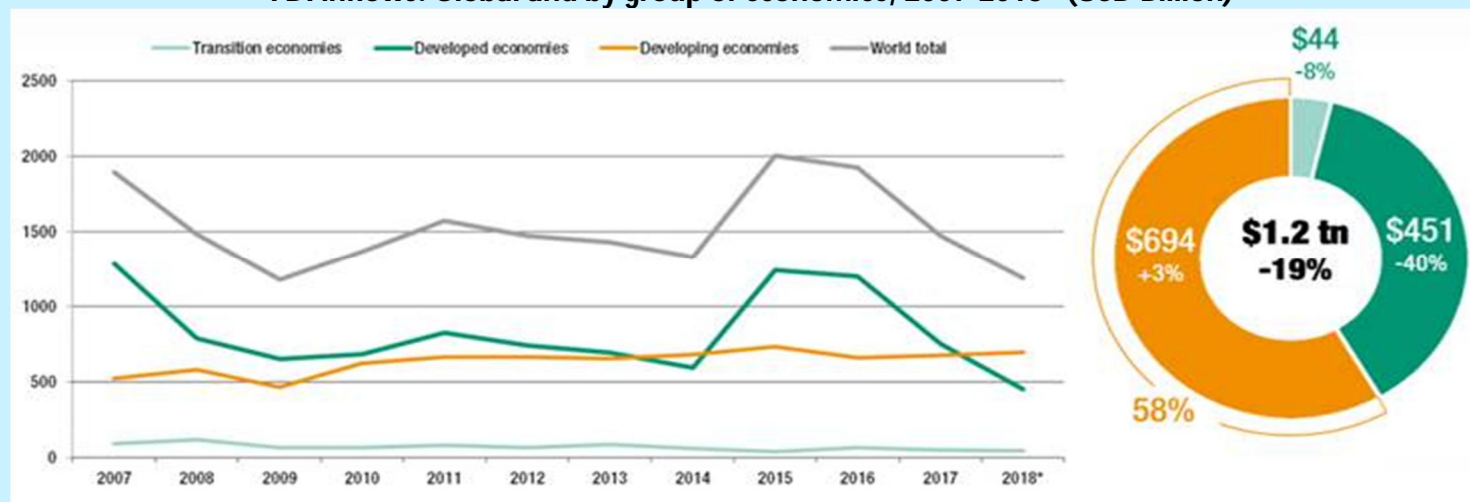


## Global FDI fell to USD 1.2 trillion in 2018: UNCTAD

According to UNCTAD's, Global Investment Trends Monitor, Global foreign direct investment (FDI) fell by nearly a fifth in 2018 to an estimated USD 1.2 trillion from USD 1.47 trillion in 2017 with the decline concentrated in developed countries where inflows fell by as much as 40% to an estimated USD 451 billion mainly due to large repatriations of accumulated foreign earnings by United States multinational enterprises (MNEs), following tax reforms.

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



Source: PHD Research Bureau, compiled from UNCTAD, \* Preliminary Estimates

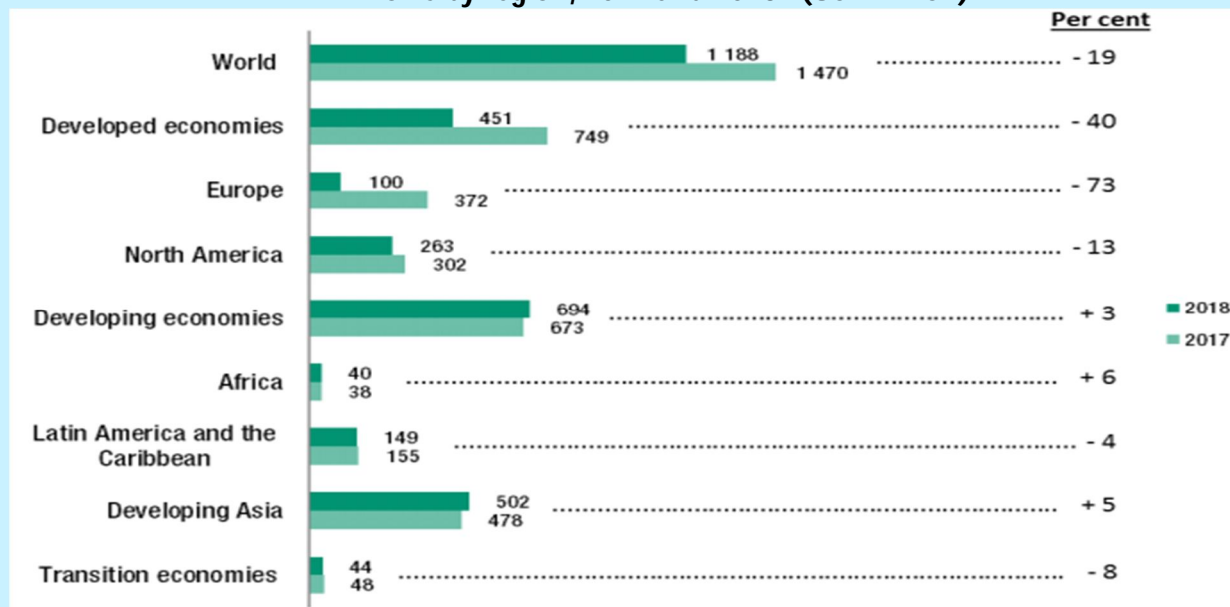
- In contrast, FDI to developing economies remained resilient, with an increase of 3% to USD 694 billion. The share of developing economies in global FDI reached 58%. Half of the top 10 host economies are developing

economies.

- Among developing regions, flows increased by 5% in developing Asia and 6% in Africa (although growth there was concentrated in very few countries) but declined in Latin America and the Caribbean (-4%). **East and South-East Asia was the largest host region**, accounting for one-third of global FDI in 2018 and almost all of the growth in FDI in developing economies. FDI to the transition economies declined by 8% to USD 44 billion.
- The largely tax-reform-driven nature of the decline in global FDI is evident from the fact that investment project values increased. Cross-border merger and acquisitions (M&As) rose by 19% to USD 822 billion.

Global FDI flows fell by 19% in 2018 reaching to an estimated USD 1.2 trillion, with the decline mainly concentrated in developed countries. The sharp decline in FDI, due to large repatriations of retained earnings by United States MNEs, following the corporate income tax reforms introduced at the end of 2017, was in contrast with the trends in cross-border M&As (+19%) and announced greenfield investments (+29%).

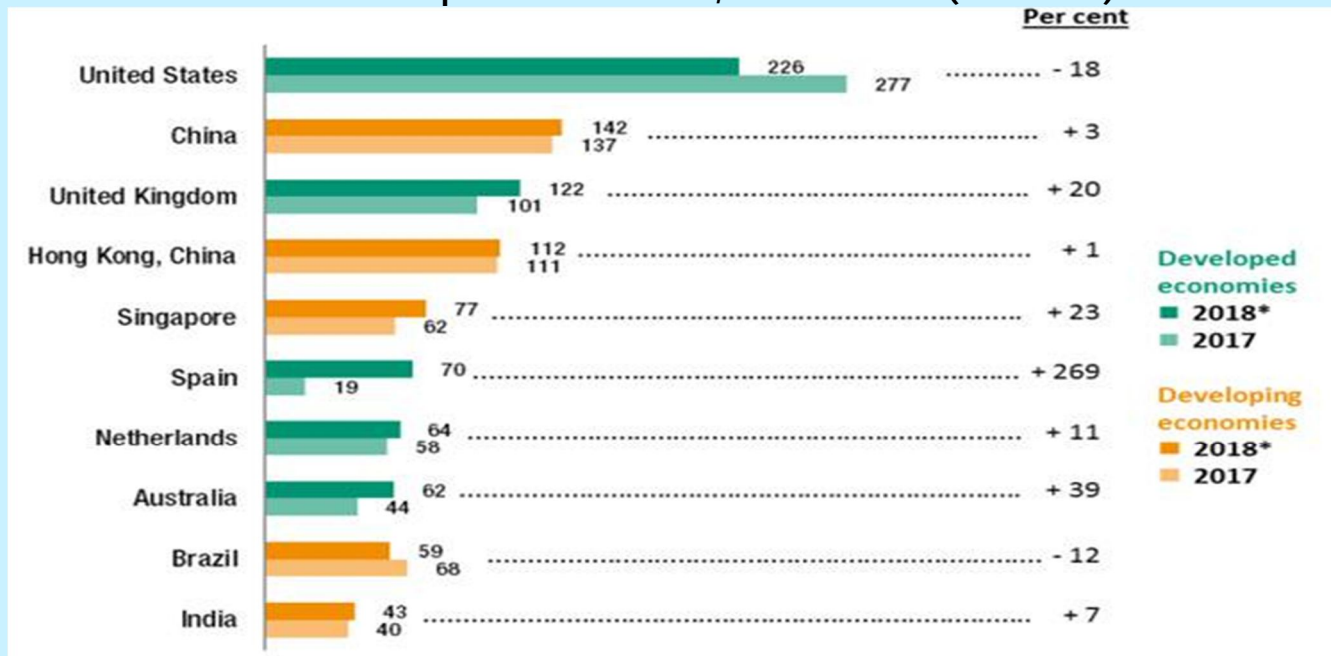
**FDI inflows by region, 2017 and 2018\* (USD Billion)**



Source: PHD Research Bureau, compiled from UNCTAD, \* Preliminary Estimates

By region, falling flows to Europe (-73%) and North America (-13%) contributed most to the global decline. FDI flows increased by 5% in developing Asia and by 6% in Africa.

**FDI inflows: Top 10 host economies, 2017 and 2018\* (USD Billion)**



Source: PHD Research Bureau, compiled from UNCTAD, \* Preliminary Estimates

As a result of these regional differences, the share of developing economies increased to an estimated 58% of the world total. Half of the top 10 host economies continue to be developing economies. The United States remained the largest recipient of FDI, attracting an estimated USD 226 billion, followed by China with USD 142 billion and the UK with USD 122 billion. **India stands at number 10 with estimated FDI inflows of USD 43 billion in 2018.**

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Warm Regards,



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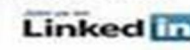
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