

Recent FDI Trends in the APEC Region

- In 2010, 10 APEC economies had FDI inflows above \$10 billion and 12 APEC economies had FDI outflows above that amount.
- FDI inflows to the APEC region amounted to \$627 billion in 2010, an increase of 32% from 2009, with FDI inflows to developing APEC economies accounting for 55% of total FDI inflows to the APEC region. APEC's share of world FDI inflows rose to 50% in 2010 from 40% in 2009.
- FDI outflows from the APEC region amounted to over \$742 billion in 2010, an increase of 14% from 2009, with outflows from developing APEC economies growing at a faster rate than those from developed APEC economies. However, APEC's share of world FDI outflows remained steady at 56% in both 2010 and 2009.
- In 2010, inward FDI stock in the APEC region was valued at over \$8 trillion, with APEC accounting for 44% of inward FDI stock in the world. Outward FDI stock from the APEC region in 2010 was at \$9 trillion, with APEC's share of world outward FDI stock at 45%. Since 2000, APEC's inward and outward FDI stock has grown by 7% and 9% on average per year, respectively.
- The value of Greenfield projects using FDI sourced from the APEC region fell by 8% to nearly \$367 billion in 2010, despite the number of projects rising. Although the number of projects using Greenfield FDI from developing APEC economies fell slightly, their value rose 12%, but was offset by the 18% decline in value from developed APEC economies. As a destination of Greenfield FDI, the value of projects in the APEC region also fell by 9% in 2010, despite the number of projects rising – developing APEC economies accounted for this entire decline since the value of Greenfield FDI projects in developed APEC economies rose in 2010.
- In 2010, the value of M&A sales in APEC economies increased 72% to \$176 billion following their trough in 2009, with an increase of 23% in the number of cases. APEC's share of world M&A sales rose to 52% in 2010, while the EU's share continued to fall to 34%. The value of M&A purchases by APEC economies jumped by 134% from their value in 2009 to \$250 billion in 2010, with an increase of 43% in the number of cases. APEC's share of world M&A purchases rose to 74% in 2010 from 43% in 2009 as the EU experienced an 81% decline in the value of M&A purchases by EU members to \$17 billion in 2010.

Table A. Distribution of FDI flows among economies by range¹, 2010

Range	Inflows	Outflows
Above \$50 billion	United States; China; Hong Kong, China	United States; Hong Kong, China; Japan; Russia
\$10 to \$49 billion	Russia; Singapore; Australia; Canada; Mexico; Chile; Indonesia	Canada; Australia; Singapore; Korea; Mexico; Malaysia; Chinese Taipei
\$1.0 to \$9.9 billion	Malaysia; Viet Nam; Peru; Korea; Thailand; Chinese Taipei; Philippines	Chile; Thailand; Indonesia
\$0.1 to \$0.9 billion	New Zealand; Brunei Darussalam	Viet Nam; New Zealand; Philippines; Peru
Below \$0.1 billion	Papua New Guinea; Japan	Brunei Darussalam; Papua New Guinea

¹Economies are listed according to the magnitude of their FDI flows.

Table B. FDI flows and stock (USD billions)

	Inward			Outward		
	2008	2009	2010	2008	2009	2010
	FDI Flows					
APEC	789	476	627	774	651	742
APEC-developed	439	211	283	550	415	451
APEC-developing	350	265	344	224	237	292
World	1,744	1,185	1,244	1,911	1,171	1,323
APEC share of world	45%	40%	50%	41%	56%	56%
	FDI Stock					
	1990	2000	2010	1990	2000	2010
APEC	1,093	4,350	8,484	1,121	3,943	9,281
APEC-developed	751	3,190	4,761	1,060	3,315	6,710
APEC-developing	343	1,160	3,723	61	629	2,571
World	2,081	7,446	19,141	2,094	7,962	20,408
APEC share of world	53%	58%	44%	54%	50%	45%

This regional report prepared by the APEC Policy Support Unit (PSU) uses data released by UNCTAD with the launch of their *World Investment Report 2011* on 26 July 2011, and which are available at UNCTAD's FDI/TNC database (<http://www.unctad.org/fdistatistics>). All currency values are in U.S. dollars. According to the United Nations' statistical classification, the APEC-developed economies are Australia; Canada; Japan; New Zealand; and the United States and the APEC-developing economies are Brunei Darussalam; Chile; China; Hong Kong, China; Indonesia; Korea; Malaysia; Mexico; Papua New Guinea; Peru; Philippines; Russia; Singapore; Chinese Taipei; Thailand; and Viet Nam.

Figure A. FDI inflows, 2005-2010

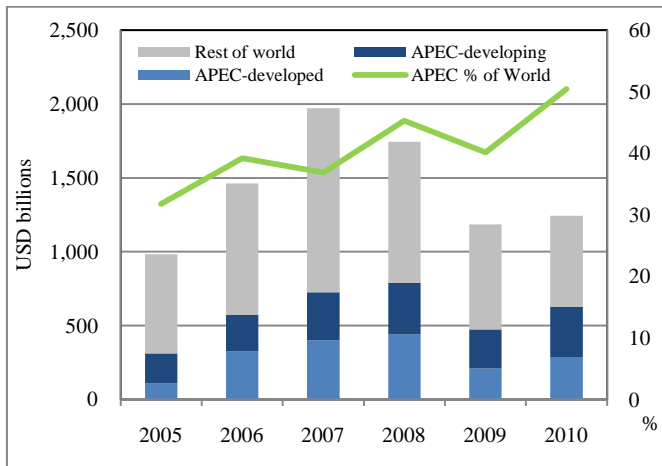


Figure B. FDI outflows, 2005-2010

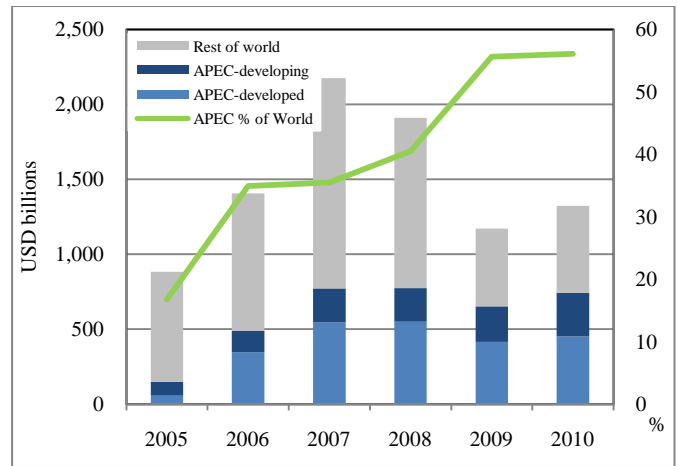


Table C. Greenfield FDI, value and projects, 2008-2010

	Source			Destination		
	2008	2009	2010	2008	2009	2010
Value (USD billions)						
APEC	600	399	367	570	433	395
APEC-developed	422	266	218	147	110	113
APEC-developing	177	133	149	423	323	282
World	1,462	952	807	1,462	952	807
APEC share of world	41%	42%	45%	39%	45%	49%
Number of projects						
APEC	6,772	5,748	5,918	6,180	5,750	5,941
APEC-developed	5,262	4,368	4,561	1,682	1,963	2,315
APEC-developing	1,510	1,380	1,357	4,498	3,787	3,626
World	16,422	14,192	14,142	16,422	14,192	14,142
APEC share of world	41%	41%	42%	38%	41%	42%

Table D. M&As, value and cases, 2008-2010

	Sales			Purchases		
	2008	2009	2010	2008	2009	2010
Value (USD billions)						
APEC	364	103	176	270	107	250
APEC-developed	306	68	128	193	55	170
APEC-developing	58	35	49	77	52	80
World	707	250	339	707	250	339
APEC share of world	51%	41%	52%	38%	43%	74%
Number of cases						
APEC	2,946	2,186	2,692	2,418	1,644	2,354
APEC-developed	1,946	1,423	1,664	1,806	1,113	1,619
APEC-developing	1,000	763	1,028	612	531	735
World	6,425	4,239	5,405	6,425	4,239	5,405
APEC share of world	46%	52%	50%	38%	39%	44%

- UNCTAD's *World Investment Report 2011* states that in 2010, at least 74 economies adopted upwards of 149 policy measures affecting foreign investment. Of these measures, 101 related to investment liberalization, promotion and facilitation, while 48 introduced new restrictions and regulations relevant to FDI. Globally, although the measures aimed at improving investment conditions continued to outnumber the measures introducing new restrictions or regulations, the margin is diminishing such that investment policies are increasingly becoming restrictive, rather than liberalizing.
- In Asia, a relatively high number of measures eased entry and establishment conditions for foreign investment. These measures included the streamlining of admission procedures and the opening of new, or expansion of existing, special economic zones.

- The report highlights the progress made by several APEC economies towards increased investment liberalization and facilitation:
 - **Canada** removed foreign ownership restrictions for several sub-sectors in the telecommunications industry.
 - **Indonesia** partially liberalized construction, film and health services, as well as parts of electricity generation.
 - **Korea** offered an improved package of incentives to attract foreign investors into special economic zones and extended FDI zones for the services sector.
 - **The Philippines** launched its Public-Private Partnership Centre to facilitate the coordination and monitoring of the PPP programs and projects.
 - **Russia** created a new special economic zone to attract investors in the automotive industry and introduced simplified rules for employing highly qualified foreign specialists.
 - **Chinese Taipei** partially liberalized outward investment to China on a number of activities related to agriculture, manufacturing, services, and infrastructure.