

WAIPA World Investment Conference 2015

Investment Policies and Promotion for Sustainable Development

Milan, Italy

15 June 2015



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FDI Trends and the SDG Investment Gap

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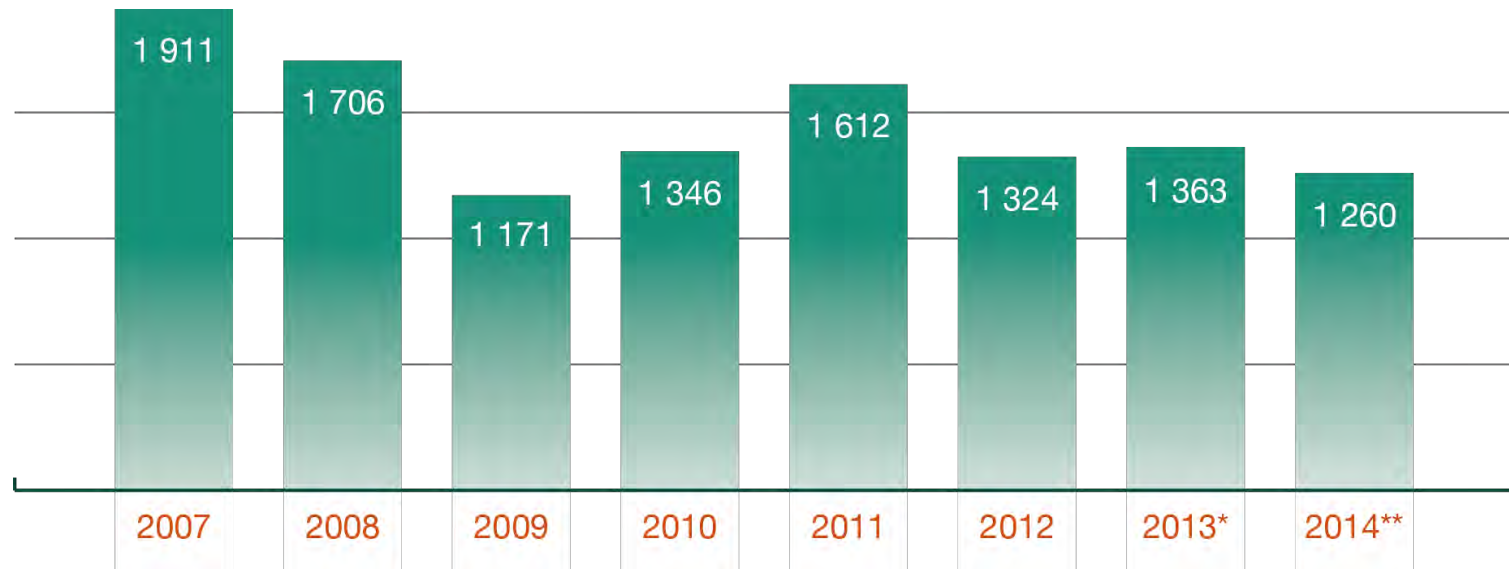
Chief, Investment Promotion Section

UNCTAD

Global FDI inflows declined in 2014

A solid overall rise remains distant

Estimated global FDI inflows, 2007-2014 (billions of US dollars)



* Revised

** Preliminary estimates

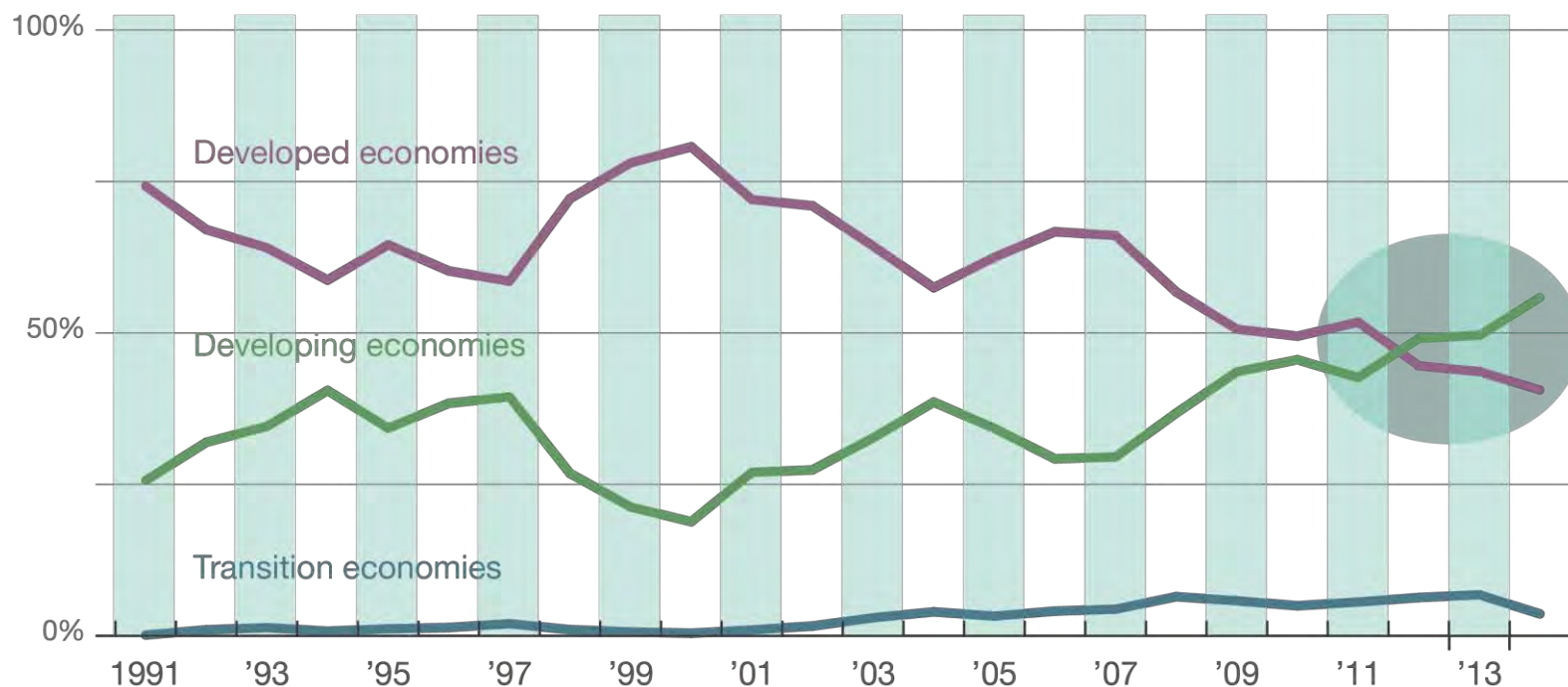
Source: UNCTAD Global Investment Trends Monitor (January 2015)

International production by TNCs continues its steady growth

2013	Change over 2012
71 million of employees	+5%
\$35 trillion of sales	+9%
\$7 trillion of value added (~10% of global GDP)	+6%
\$97 trillion of managed assets	+8%
\$8 trillion of exports	+3%

A historically low share for developed economies

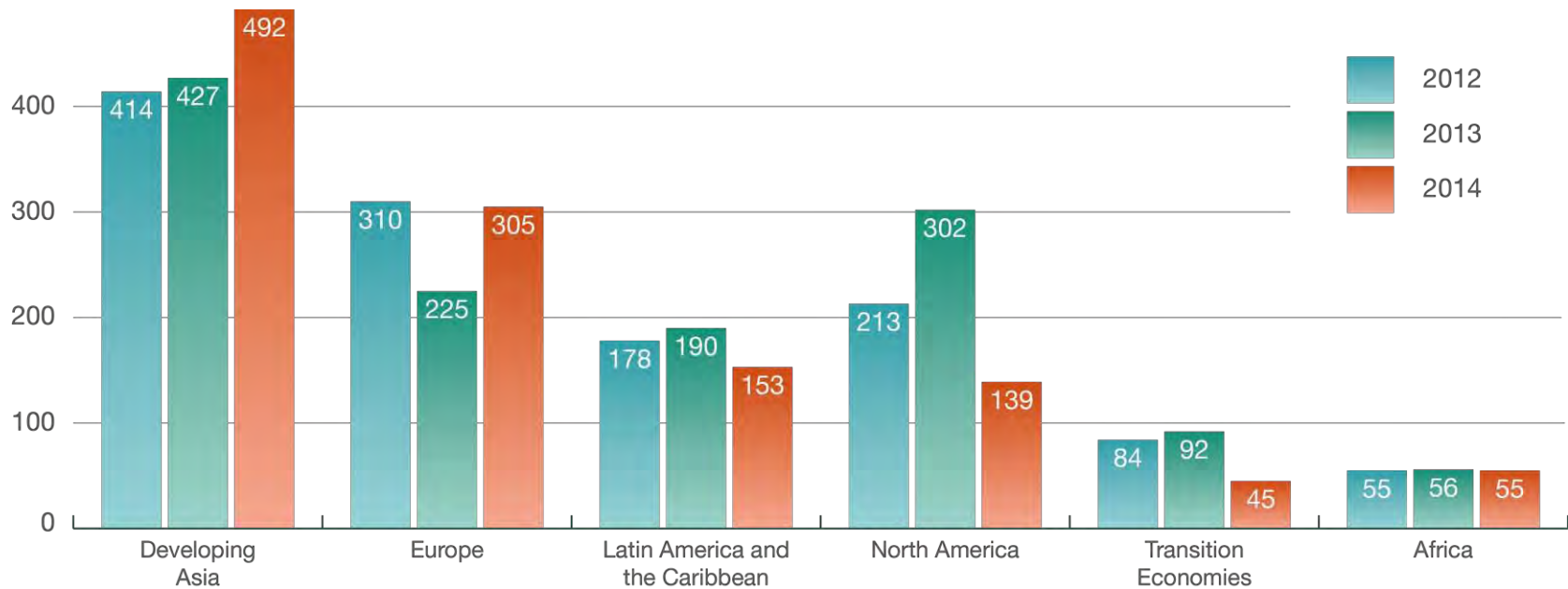
FDI inflow shares by major economic groupings, 1991-2014 (per cent)



Source: UNCTAD Statistics and Global Investment Trends Monitor (January 2015)

Developing Asia absorbed almost half a trillion US dollars of FDI

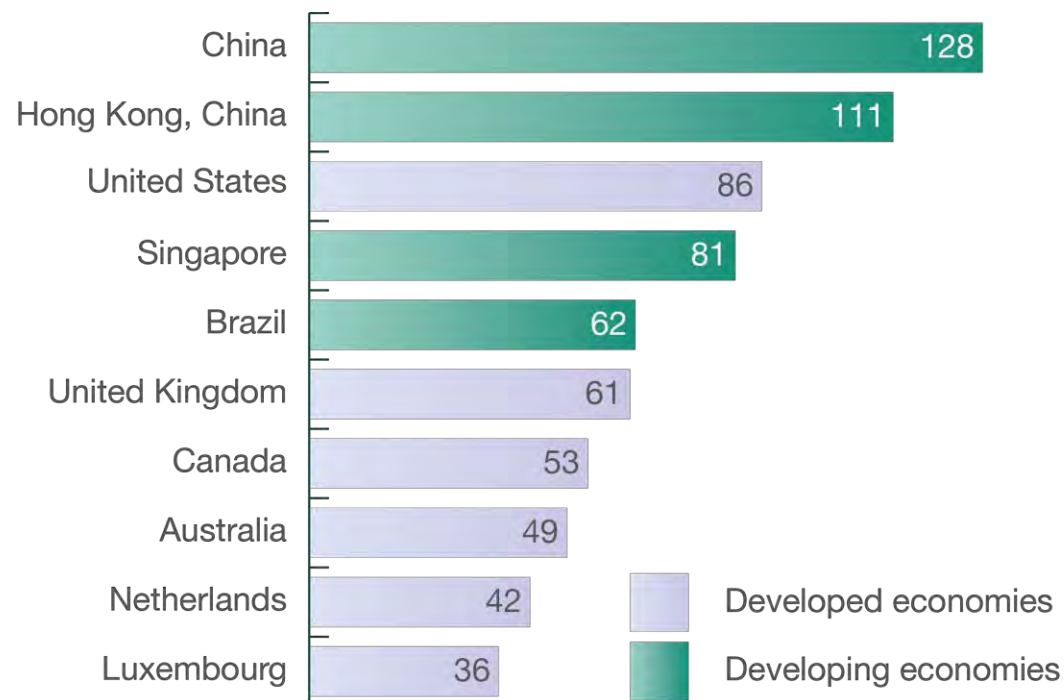
Estimated FDI inflows by region, 2012-2014 (billions of US dollars)



Source: UNCTAD Global Investment Trends Monitor (January 2015)

China became the largest FDI recipient in 2014

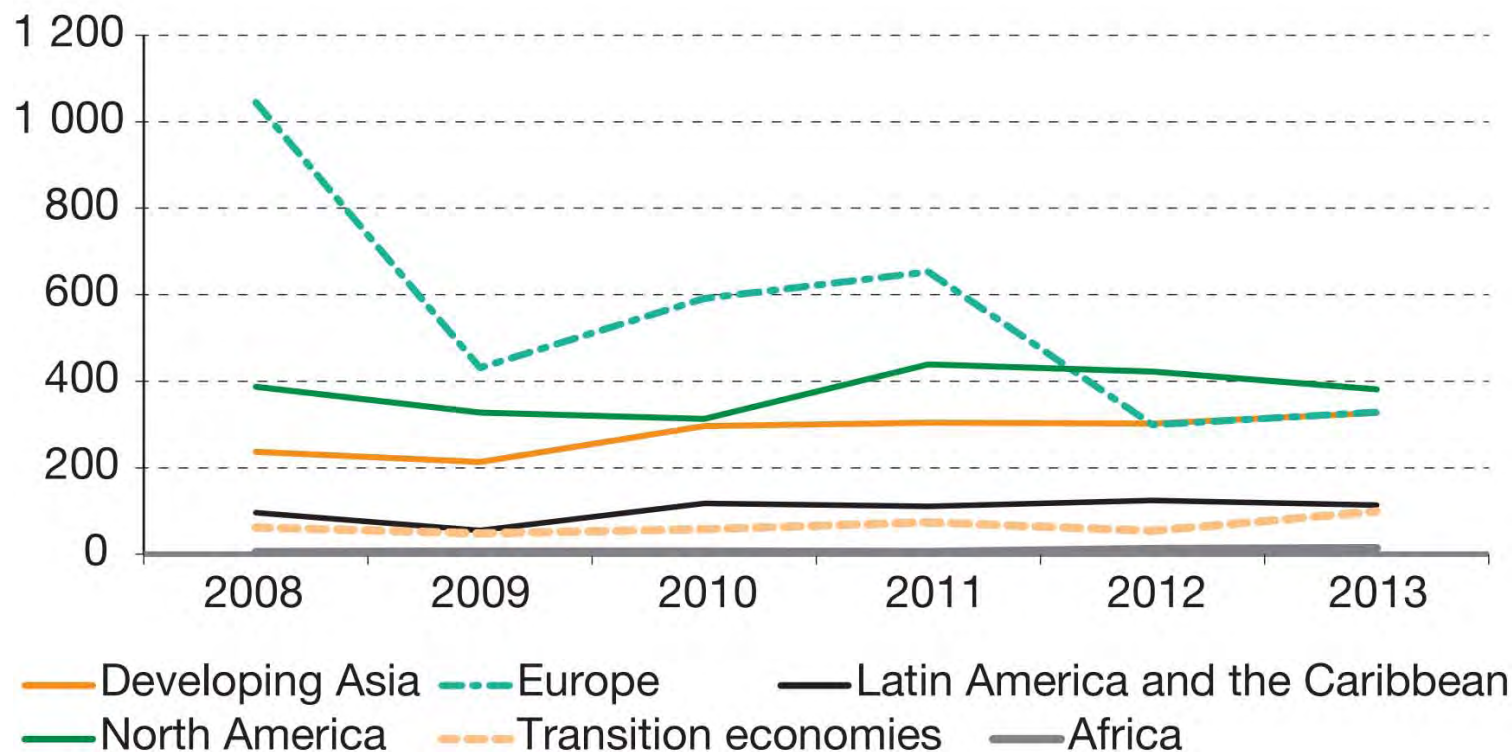
Estimated FDI inflows: top 10 host economies, 2014 (billions of US dollars)



Source: UNCTAD Global Investment Trends Monitor (January 2015)

FDI outflows from Europe on the decline

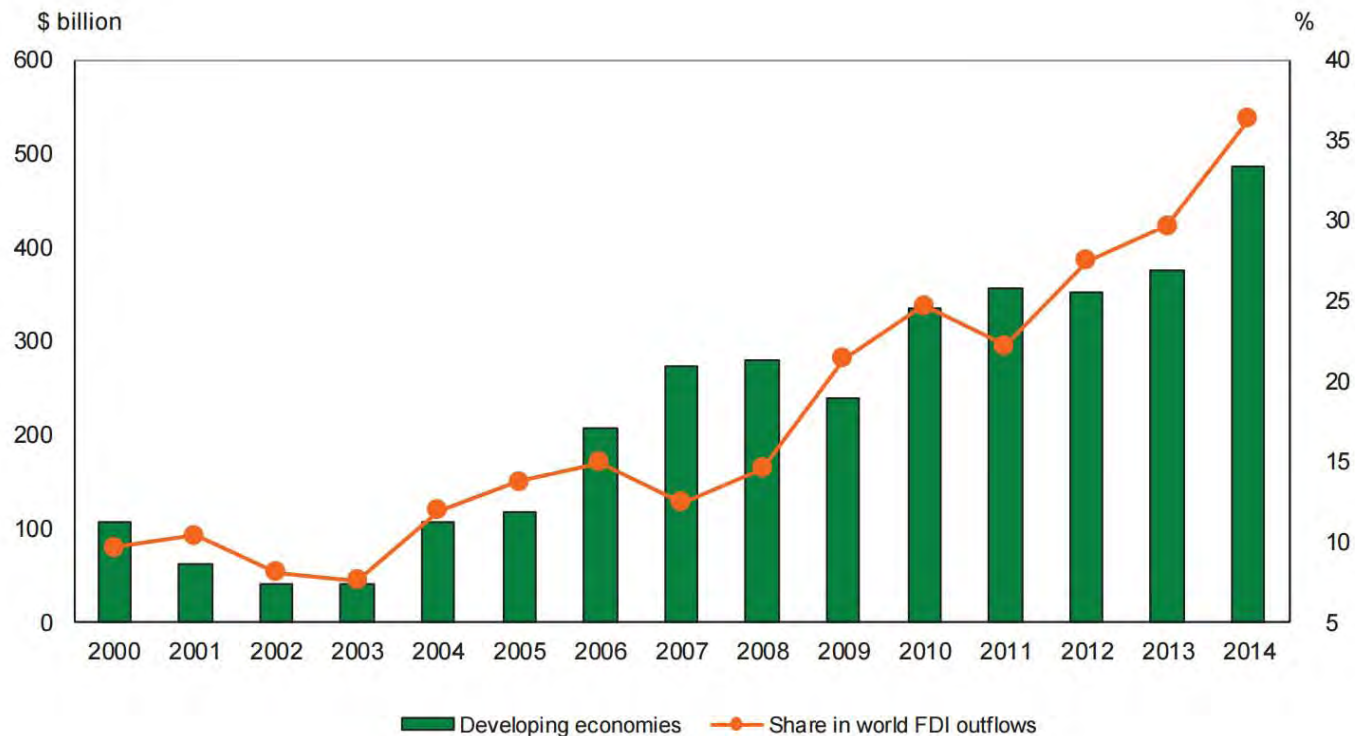
FDI outflows, by region, 2008–2013 (billions of dollars)



Source: UNCTAD FDI-TNC-GVC Information System, FDI/TNC database
(www.unctad.org/fdistatistics)

FDI by South TNCs continues to grow

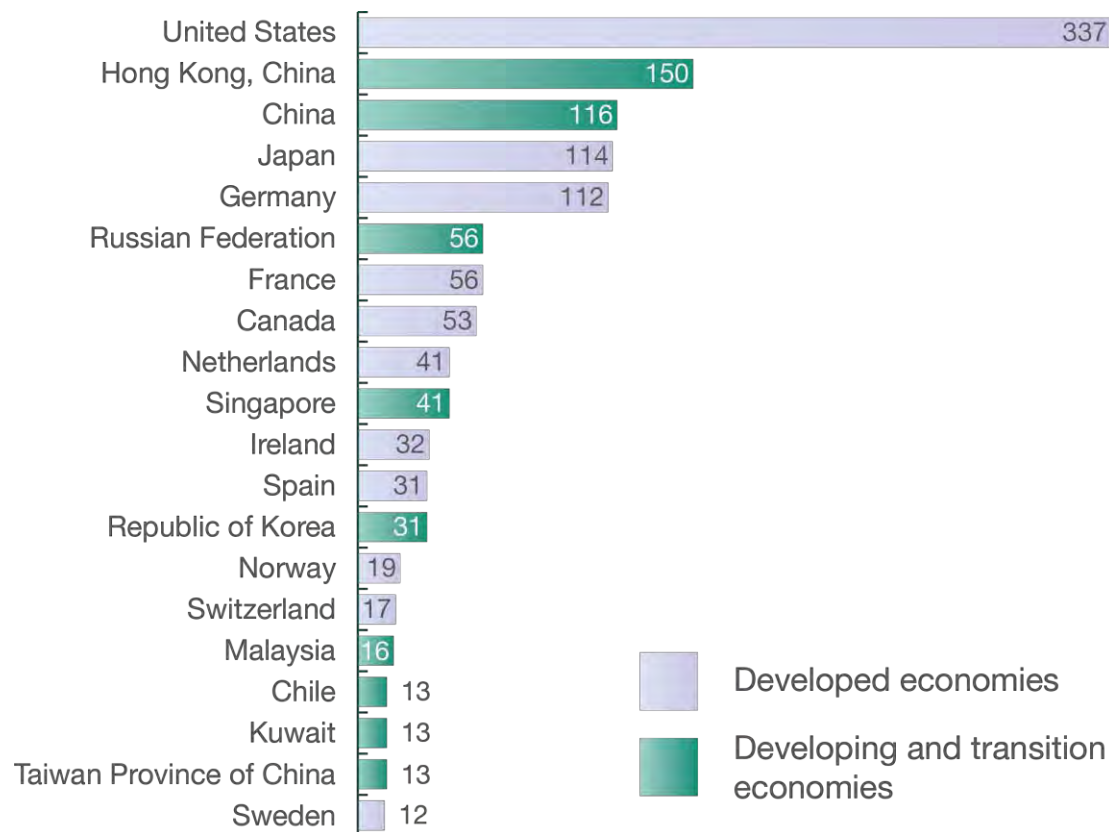
Developing economies: FDI outflows and their share in total world outflows
2000-2014 (billions of US dollars and per cent)



Source: UNCTAD Global Investment Trends Monitor (May 2015)

Nine of the 20 largest investors are developing or transition economies

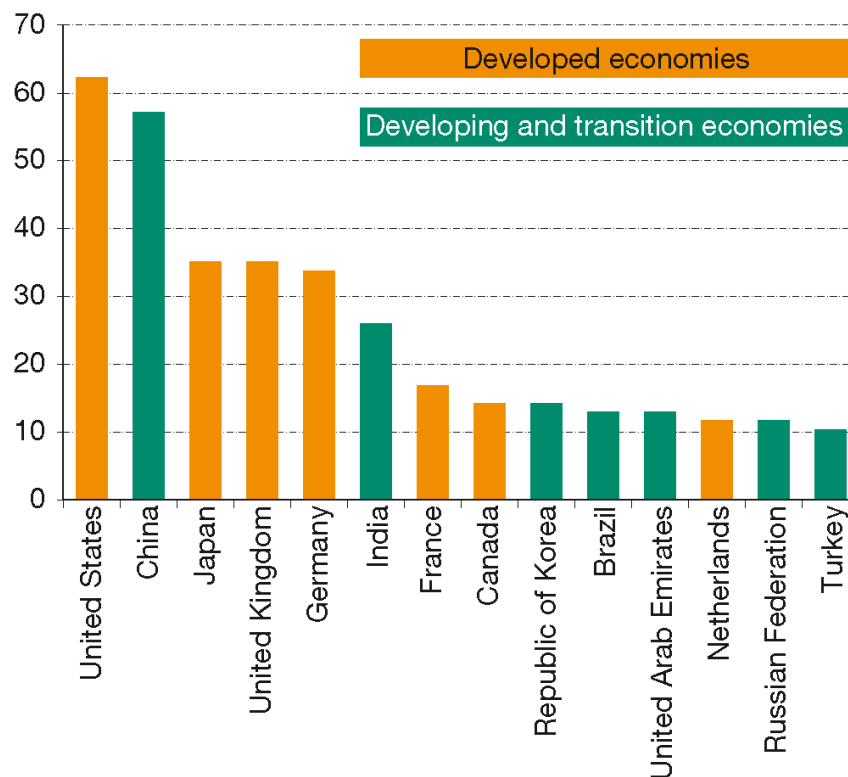
Top 20 investors, 2014 (billions of US dollars)



Source: UNCTAD Global Investment Trends Monitor, May 2015 (estimates as of 30 April 2015)

The United States and China are considered by IPAs the most promising sources of FDI

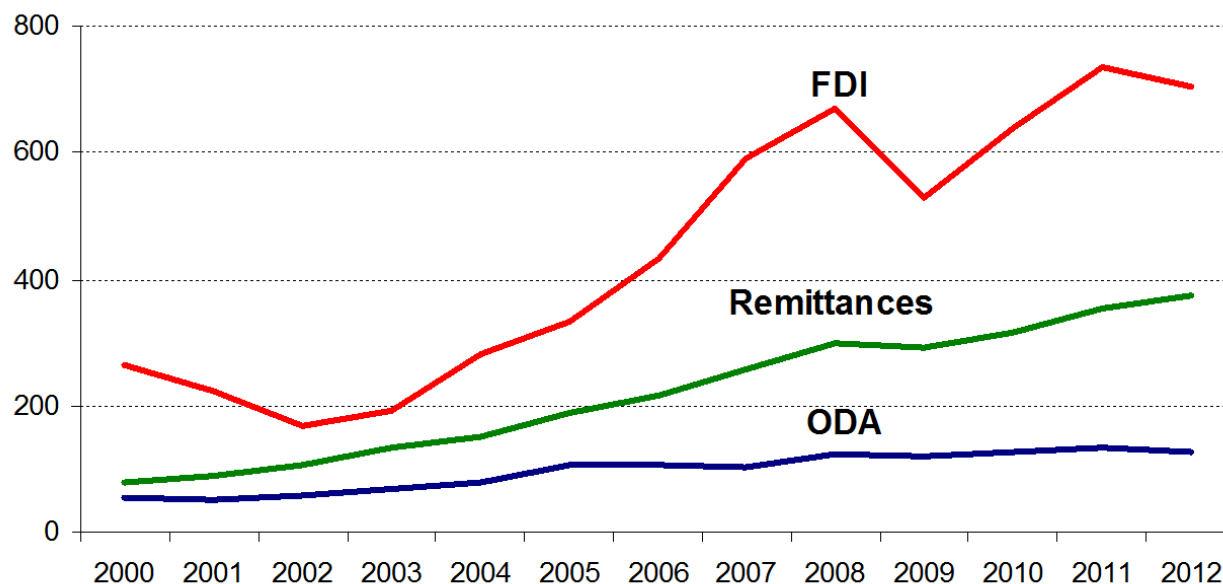
IPAs' selection of most promising investor home economies for FDI in 2014–2016
(per cent of IPA respondents selecting economy as a top source of FDI)



Source: UNCTAD survey (2014), based on responses from 80 IPAs

FDI is the largest source of development finance

FDI, remittances and ODA to developing economies, 2000-2012 (billions of dollars)



Source: UNCTAD (FDI and remittances) and OECD (ODA)

Note: ODA from DAC members

UN Sustainable Development Goals (SDGs) to be decided in September 2015

UN SDGs for 2030 will focus efforts in fighting poverty and addressing global development and environmental challenges

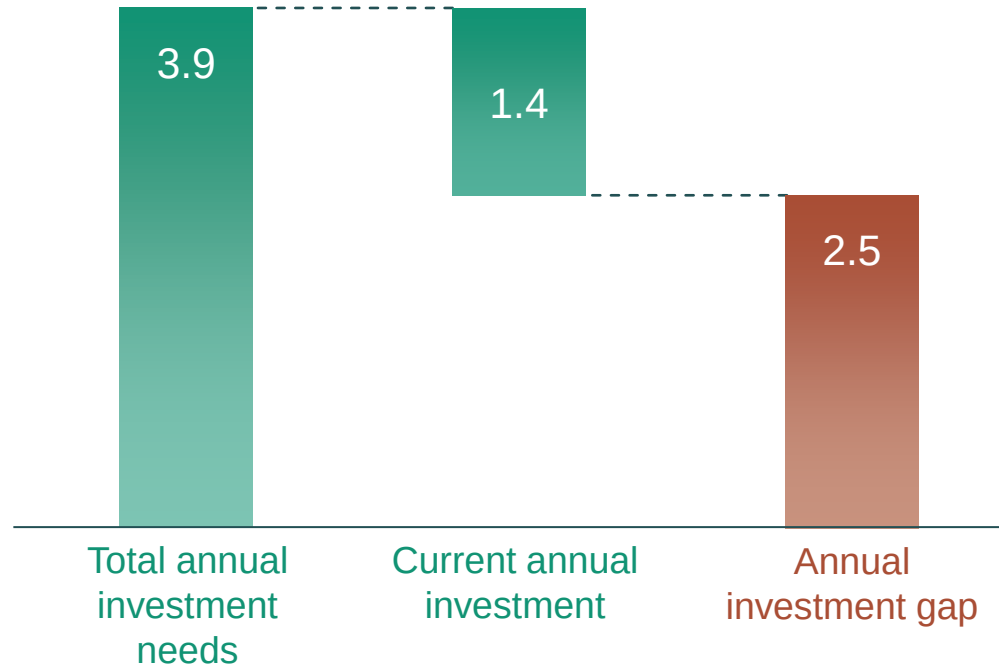
Draft Sustainable Development Goals (abstract)

- | | |
|---|--|
| Goal 1. End poverty in all its forms everywhere | Goal 10. Reduce inequality within and among countries |
| Goal 2. End hunger, achieve food security and improved nutrition | Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable |
| Goal 3. Ensure healthy lives and promote well-being for all | Goal 12. Ensure sustainable consumption and production patterns |
| Goal 4. Ensure inclusive and equitable quality education | Goal 13. Take urgent action to combat climate change |
| Goal 5. Achieve gender equality and empower all women and girls | Goal 14. Conserve and sustainably use the oceans, seas and marine resources |
| Goal 6. Ensure availability and sustainable management of water and sanitation | Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems |
| Goal 7. Ensure access to affordable, reliable, sustainable and modern energy | Goal 16. Promote peaceful and inclusive societies for sustainable development |
| Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work | Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development |
| Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation | |

Source: From zero draft of the outcome document for the UN Summit, UN Open Working Group on SDGs, June 2015

The SDGs will need to bridge a large investment gap

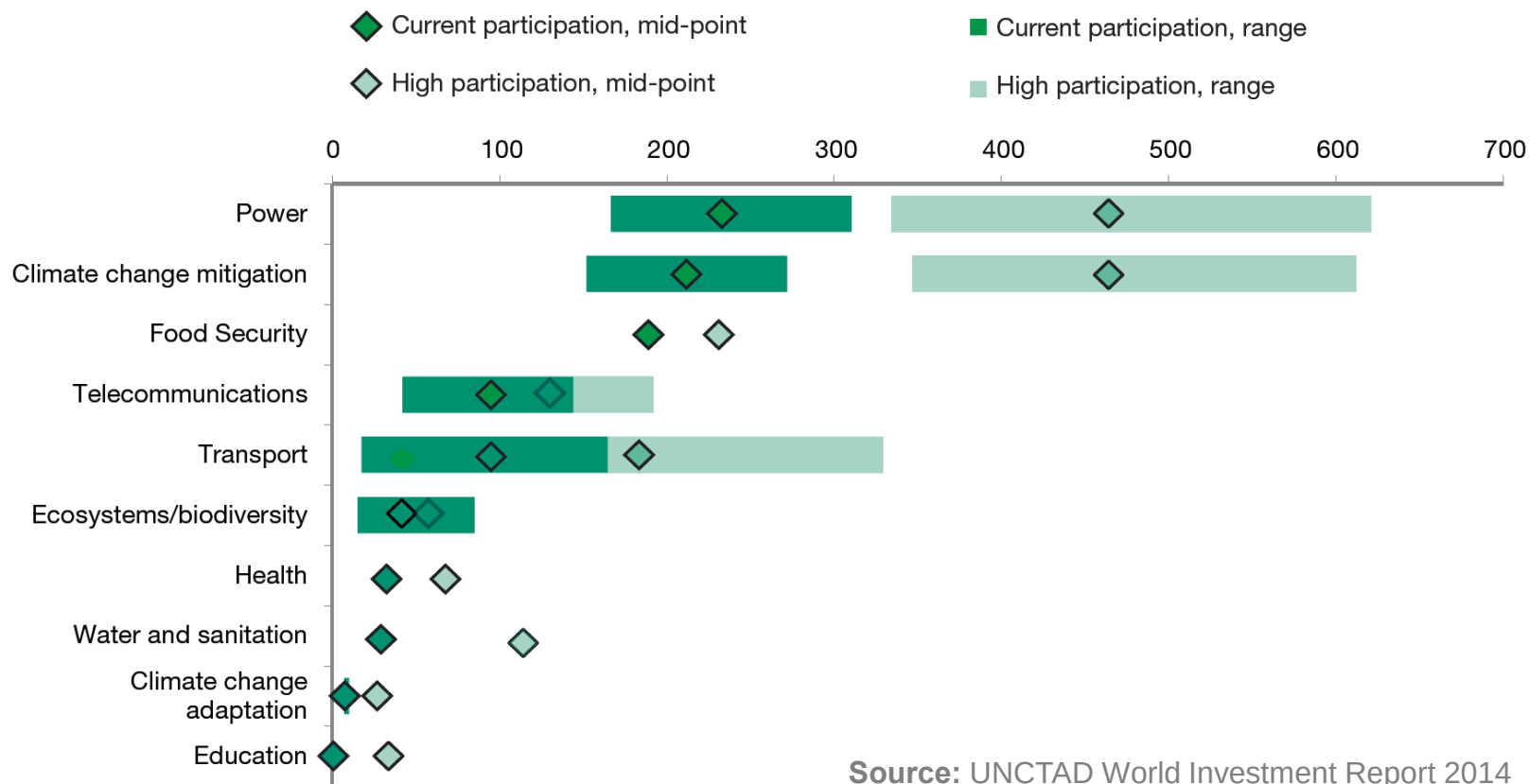
Estimated annual investment needs in key SDG sectors in developing countries,
2015–2030 (trillions of dollars, annual average)



Source: UNCTAD World Investment Report 2014

The potential for private sector investment is significant

Potential private-sector contribution to investment gaps
at current and high participation (billions of dollars)



Source: UNCTAD World Investment Report 2014



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