

Foreign direct investment

Sep 17th 2009

From The Economist print edition



Foreign direct investment (FDI)—the purchase of factories, buildings and other assets by foreign firms—has fallen sharply since the start of the financial crisis, according to the latest World Investment Report from UNCTAD. FDI in rich countries has been hardest hit. At its recent peak in the last quarter of 2007, 80% of the world's FDI went to developed economies. By the first quarter of this year FDI into rich countries was less than two-thirds of the total. FDI to emerging economies has held up better. Flows to Africa rose to a new record of \$88 billion last year, much of it going to countries rich in natural resources. Foreign investment in China and India also surged, as companies sought footholds in resilient economies.