

Trends and Recent Developments in Foreign Direct Investment, OECD

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28/06/2006 - Foreign direct investment (FDI) into OECD countries jumped 27% to reach USD 622 billion in 2005, up from USD 491 billion in 2004 and USD 465 billion in 2003, according to the latest estimates from the OECD. These are the highest inflows since 2001 and the near-term outlook for FDI remains strong, with OECD economies forecast to stay buoyant for the rest of 2006.

The United Kingdom was the world's largest recipient of inward FDI in 2005, attracting USD 165 billion of FDI from OECD countries, according to Trends and Recent Developments in Foreign Direct Investment, a new OECD report. This is the largest inward direct investment ever recorded in the UK, and triple the USD 56 billion received in 2004.

Outside the OECD area, China continues to hit new records. In 2005 its total FDI inflows reached USD 72 billion — their highest level ever, and world wide exceeded only by the United Kingdom and United States. Outward investment from China is also rising. Chinese official figures estimate the 2005 outflows at close to USD 7 billion. Outward investors appear to have broadened their interests, from previously targeting the resource and raw materials sectors to investing in a range of high-tech activities as well.

The report cited above is available on the OECD's website at <http://www.oecd.org/dataoecd/54/58/37010986.pdf> and will be included as a chapter in the upcoming annual publication OECD International Investment Perspectives, due out in September 2006