



Australia a Top Ten foreign investment destination, UNCTAD report shows

For the fourth consecutive year Australia remains in the Top Ten global destinations for foreign direct investment (FDI) according to the UN Conference on Trade and Development's (UNCTAD) *World Investment Report 2015*. Over the three years to 2014, Australia attracted a total of US\$162 billion in FDI flows, up nearly 30 per cent from US\$125 billion over the previous three years. This impressive growth has raised Australia's share of global FDI flows to 4.0 per cent in 2012-14 from 3.1 per cent in 2009-11. In contrast, developed economies' share of world FDI flows fell to 46 per cent in 2012-14 from 53 per cent in 2009-11. Australia's strong performance reflects our competitive position in the global economy. The country's stable economic growth, strategic location, increased global trade and investment ties, and proven record of innovation all position Australia as an attractive investment destination.

- Global FDI inflows for 2014 fell by 16 per cent from US\$1.47 trillion in 2013 to US\$1.23 trillion. The latest level was lower than the pre-crisis annual average (2005-08) of about US\$1.42 trillion. The decline in global FDI flows was led by a 28 per cent decline of almost US\$200 billion in FDI inflows to US\$499 billion for the developed economies. The 2014 level remained at the lowest share (40.6 per cent) of total global FDI flows since UNCTAD data became available in 1990.
- Developing economies maintained their lead as destinations for investment in 2014, with total FDI inflows reaching a new high of US\$681 billion, or 55 per cent of the total. This figure was up sharply from 39 per cent in 2008 and 17 per cent in 1990.
- The balance of US\$48 billion went to transition economies and accounted for 3.9 per cent of global FDI flows in 2014. These latest figures represent a significant fall from the peak in both value (US\$116 billion) and market share (7.8 per cent) in 2008.
- Developing countries and transition economies made up nearly half of the top 20 economies ranked by FDI inflows in 2014. China recorded its largest ever inflows with US\$129 billion in 2014, up 3.7 per cent from US\$124 billion in 2013. China, as well as Hong Kong, overtook the US as the top two largest FDI recipients in the world. However, the US, with US\$92 billion in inflows, became the third highest destination for FDI in 2014, followed by the UK (US\$72 billion) and Singapore (US\$68 billion).
- In 2014, Australia was the eighth largest recipient of FDI inflows. The total value of Australia's FDI inflows stood at US\$52 billion in 2014, significantly larger than the pre-crisis annual average (2005-08) of US\$22 billion. Australia's flows accounted for 4.2 per cent of global FDI inflows in 2014, a percentage greater than many major developed and developing economies including Germany, France, Japan, Italy, India and South Korea.
- In terms of total stock value, FDI in Australia was an estimated US\$565 billion in 2014. The sum represents an annual compound growth rate since 2000 of 11.6 per cent, which is above those of EU-28 economies (10.9 per cent) and in line with developing economies (12.1 per cent). This robust growth has raised Australia's share of the global FDI stock to 2.2 per cent in 2014 from 1.7 per cent in 2000.

GLOBAL FOREIGN DIRECT INFLOWS BY ECONOMY (US\$ BILLION)

Economy	2012	2013	2014	2014 % Share	2013 to 14 % Change	Three-year Total		2009 to 2011 % Share	2012 to 2014 % Share	2009-11 to 2012-14 % Change
						2009-11	2012-14			
World	1,402.9	1,467.2	1,228.3	100.0	-16.3	4,078.3	4,098.4	100.0	100.0	0.5
Developed economies	678.7	696.9	498.8	40.6	-28.4	2,152.9	1,874.3	52.8	45.7	-12.9
Developing economies	639.0	670.8	681.4	55.5	1.6	1,682.7	1,991.2	41.3	48.6	18.3
Transition economies	85.1	99.6	48.1	3.9	-51.7	242.8	232.8	6.0	5.7	-4.1
China	121.1	123.9	128.5	10.5	3.7	333.7	373.5	8.2	9.1	11.9
Hong Kong	70.2	74.3	103.3	8.4	39.0	222.7	247.7	5.5	6.0	11.3
USA	169.7	230.8	92.4	7.5	-60.0	571.5	492.8	14.0	12.0	-13.8
UK	59.4	47.7	72.2	5.9	51.5	191.3	179.3	4.7	4.4	-6.3
Singapore	56.7	64.8	67.5	5.5	4.2	126.9	189.0	3.1	4.6	48.9
Brazil	65.3	64.0	62.5	5.1	-2.3	141.1	191.8	3.5	4.7	35.9
Canada	39.3	70.6	53.9	4.4	-23.7	90.8	163.7	2.2	4.0	80.3
Australia	55.8	54.2	51.9	4.2	-4.4	125.2	161.9	3.1	4.0	29.4
India	24.2	28.2	34.4	2.8	22.0	99.2	86.8	2.4	2.1	-12.5
Netherlands	17.7	32.0	30.3	2.5	-5.6	55.9	79.9	1.4	2.0	42.9
Chile	25.0	16.6	22.9	1.9	38.4	45.6	64.5	1.1	1.6	41.6
Spain	25.7	41.7	22.9	1.9	-45.1	78.7	90.3	1.9	2.2	14.8
Mexico	19.0	44.6	22.8	1.9	-48.9	67.1	86.4	1.6	2.1	28.6
Indonesia	19.1	18.8	22.6	1.8	20.0	37.9	60.5	0.9	1.5	59.8
Switzerland	16.0	-22.6	21.9	1.8	-197.2	85.9	15.3	2.1	0.4	-82.1
Russian Federation	50.6	69.2	21.0	1.7	-69.7	134.8	140.8	3.3	3.4	4.4
Finland	4.2	-5.2	18.6	1.5	-460.6	10.6	17.6	0.3	0.4	65.8
Colombia	15.0	16.2	16.1	1.3	-0.9	29.1	47.3	0.7	1.2	62.4
France	17.0	42.9	15.2	1.2	-64.6	76.3	75.1	1.9	1.8	-1.6
Poland	7.1	0.1	13.9	1.1	11,508.0	42.9	21.1	1.1	0.5	-50.8

Note: Totals exclude the financial centers in the Caribbean.

Sources: United Nations Conference on Trade and Development (UNCTAD), FDI/TNC database (www.unctad.org/fdistatistics, Released on 24 Jun 2015); Austrade