

## **'Significant' recovery seen in foreign investment in Latin America, the Caribbean – UN**



Foreign investment in Latin America and the Caribbean grew 16.4 per cent in the first semester of 2010

29 October 2010 – New data released today by the United Nations shows that foreign direct investment (FDI) in Latin America and the Caribbean recovered significantly this year following the decline in 2009 due to the global financial crisis.

Foreign investment to 11 of the region's economies grew 16.4 per cent from January to August, compared to the same period last year, the UN Economic Commission for Latin America and the Caribbean (ECLAC) said in a **news release**.

This is an increase of over \$7 billion, rising from \$43.2 billion in 2009 to \$50.3 billion this year.

In addition, investment by Latin American and Caribbean nations abroad grew strongly, jumping from \$5.5 billion in the first half of 2009 to \$20.8 billion in the same period this year.

Brazil continued to be the region's principal recipient of FDI, with flows reaching \$17.1 billion.

"This is largely explained by the strong interest in investing in traditional activities and emerging sectors (oil prospecting and ethanol production), as well as loan payments from Brazilian subsidiaries of multinational corporations to company headquarters," stated ECLAC.

Foreign investment flows to Mexico in 2010 showed signs of a significant recovery, as in Chile and Peru, the Commission added. In Central America, FDI to the two main recipients in the subregion – Costa Rica and Panama – also grew, compared with 2009.

ECLAC estimates that FDI will rise moderately in 2010, but will fall short of the record levels seen in the region in 2007 and 2008.

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