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# Main trends and challenges in FDI data in Latin America and the Caribbean

Unit on Investment and Corporate Strategies  
United Nations Economic Commission for Latin America and the Caribbean (ECLAC)

Statistical Conference of the Americas of ECLAC  
Side event: Challenges Measuring Foreign Direct Investment and Main Trends in Latin America and the Caribbean  
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## ECLAC: informing on trends and impacts of FDI for 26 years

- Since 1995 ECLAC publishes the annual report “Foreign Direct Investment in Latin America and the Caribbean”
- The report summarizes and analyzes main FDI trends in the region and present thematic chapters
- Motivations:
  - Macroeconomic (external restriction)
  - Microeconomic and social (MNEs behavior and motivations, spillovers, costs and benefits)
  - Policy perspective (country and regional policies and geopolitical issues)
- A dynamic framework within development economics: identify how FDI can support structural change, promote technological change and productivity, support sustainable development and the achievement of the SDGs

Key data sources and empirics

## Balance of Payments Statistics

1. Official country balance of payments data: investment position, inflows, outflows, income

## Non-official databases

2. Multinational enterprises behaviour (access to natural resources, market access, efficiency seeking, strategic assets):
  - Projects announcements (*Financial Times, fDi Markets*)
  - M&A (*Bloomberg*)

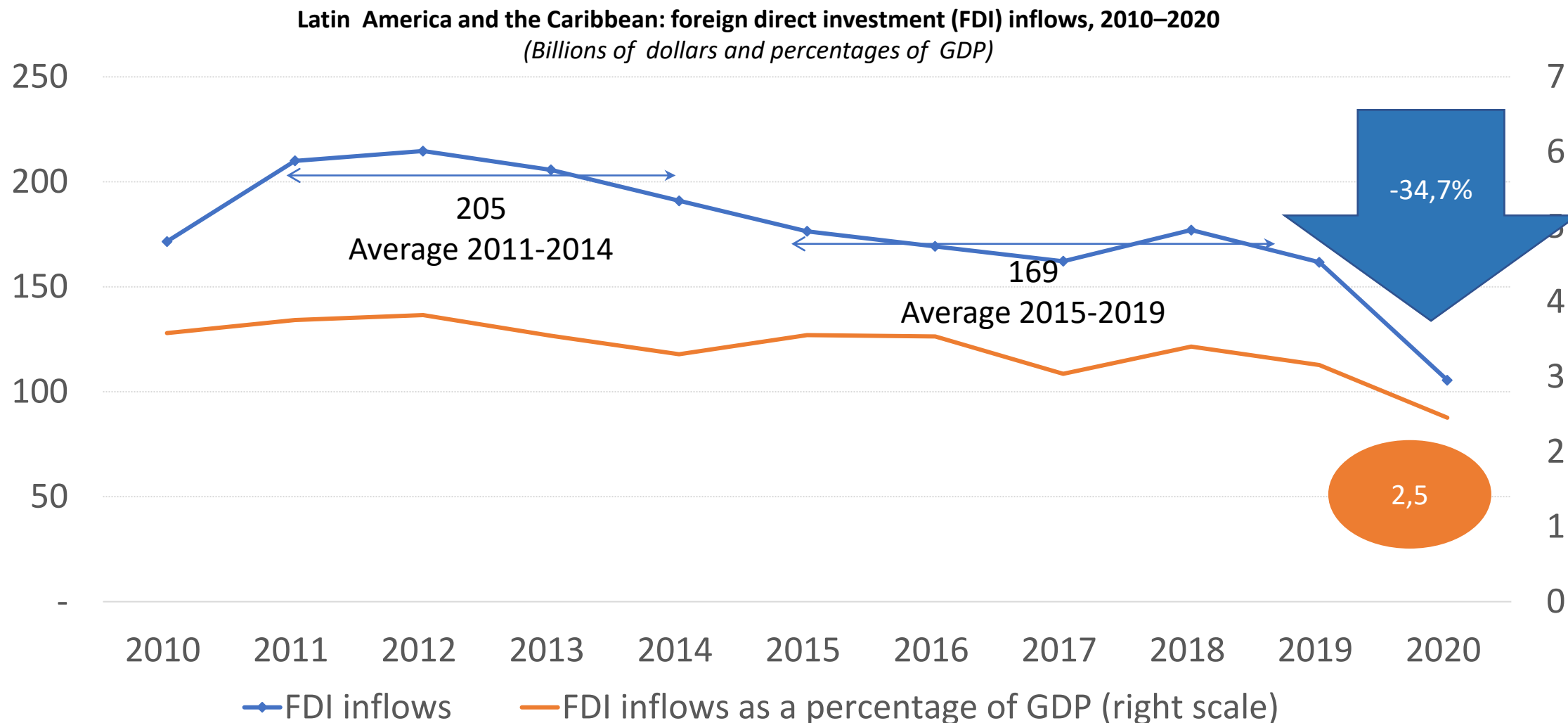
# Core data source: balance of payments

- Official figures used by countries to monitor the evolution of FDI flows
- Comparable data provided mainly by central banks (32 countries)

South America (11)	BPM 5	BPM 6	Institution
Argentina	1994-2015	2006-2020	Instituto Nacional de Estadística y Censos
Bolivia	2007-2015	2014-2020	Banco Central de Bolivia
Brasil	1947-2020	1995-2020	Banco Central de Brasil
Chile	1996-2011	2003-2020	Banco Central de Chile
Colombia	1994-1999	2000-2020	Banco de la República
Ecuador	1999-2019	2016-2020	Banco Central del Ecuador
México	1980-2020	2006-2020	Banco de México
Paraguay	1995-2020	2008-2020	Banco Central del Paraguay
Perú	1980-2020	-	Banco Central del Perú
Uruguay	1999-2012	2012-2020	Banco Central del Uruguay
Venezuela			
Central America (6)	BPM 5	BPM 6	Institution
Costa Rica	2000-2020	2000-2020	Banco Central de Costa Rica
El Salvador	-	1976-2020	Banco Central de la Reserva de El Salvador
Guatemala	-	2008-2020	Banco de Guatemala
Honduras	2000-2020	2013-2020	Banco Central de Honduras
Nicaragua	2000 - 2012	2006-2020	Banco Central de Nicaragua
Panamá	1998-2020	2015-2020	Contraloría General - INEC

Caribbean (15)	BPM 5	BPM 6	Institution
Antigua & Barbuda	-	2014-2020	Eastern Caribbean Central Bank
Bahamas	1990-2020	-	Central Bank of The Bahamas
Barbados	1990-2020	-	Central Bank of Barbados
Belize	-	2000-2020	Central Bank of Belize
Dominica	-	2014-2020	Eastern Caribbean Central Bank
Dominican Republic	1993-2013	2010-2020	Banco Central de Rep. Dominicana
Granada	-	2014-2020	Eastern Caribbean Central Bank
Guyana	1990-2020	-	Bank of Guyana
Haiti		2009-2020	Banque de la République d'Haiti
Jamaica	-	2012-2020	Bank of Jamaica
Saint Kitts & Nevis	-	2014-2020	Eastern Caribbean Central Bank
Saint Vincent and the Grenadines	-	2014-2020	Eastern Caribbean Central Bank
Saint Lucia	-	2014-2020	Eastern Caribbean Central Bank
Suriname	2006-2020	2017-2020	Centrale Bank Van Suriname
Trinidad & Tabago		2011-2020	Central Bank of T&T

- Latin America and the Caribbean: 12% of world inflows between 2010 and 2020 (larger than 6% GDP share)
- Aggregate trends, worldwide comparisons, lack of qualitative information

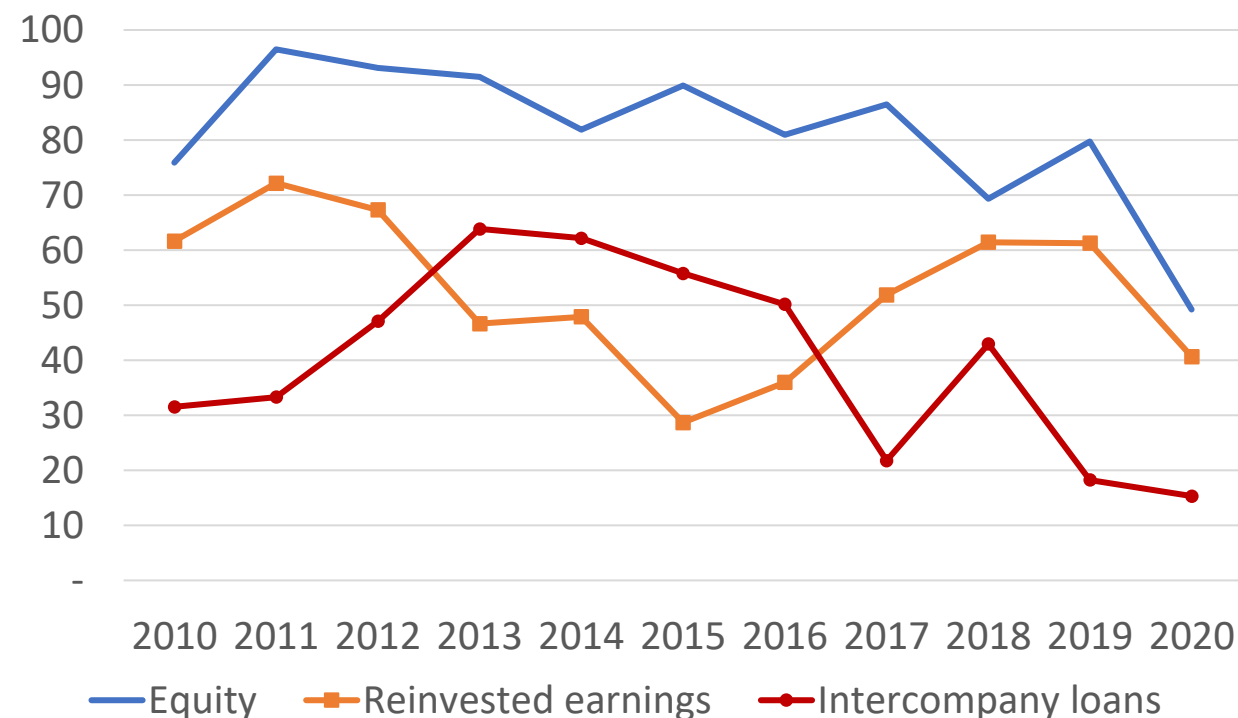


# FDI inflows by component

Comparable data provided by 28 countries

South America (11)	Caribbean (12)
Argentina	Antigua & Barbuda
Bolivia (Plurinational State of)	Bahamas
Brazil	Barbados
Chile	Belize
Colombia	Dominica
Ecuador	Dominican Republic
Mexico	Granada
Paraguay	Saint Kitts & Nevis
Peru	Saint Vincent and the grenadines
Uruguay	Saint Lucia
Venezuela (Bolivarian Republic of)	Suriname
Central America (5)	Trinidad & Tabago
Costa Rica	
Guatemala	
Honduras	
Nicaragua	
Panama	

Latin America and the Caribbean: FDI inflows, by component, 2010–2020



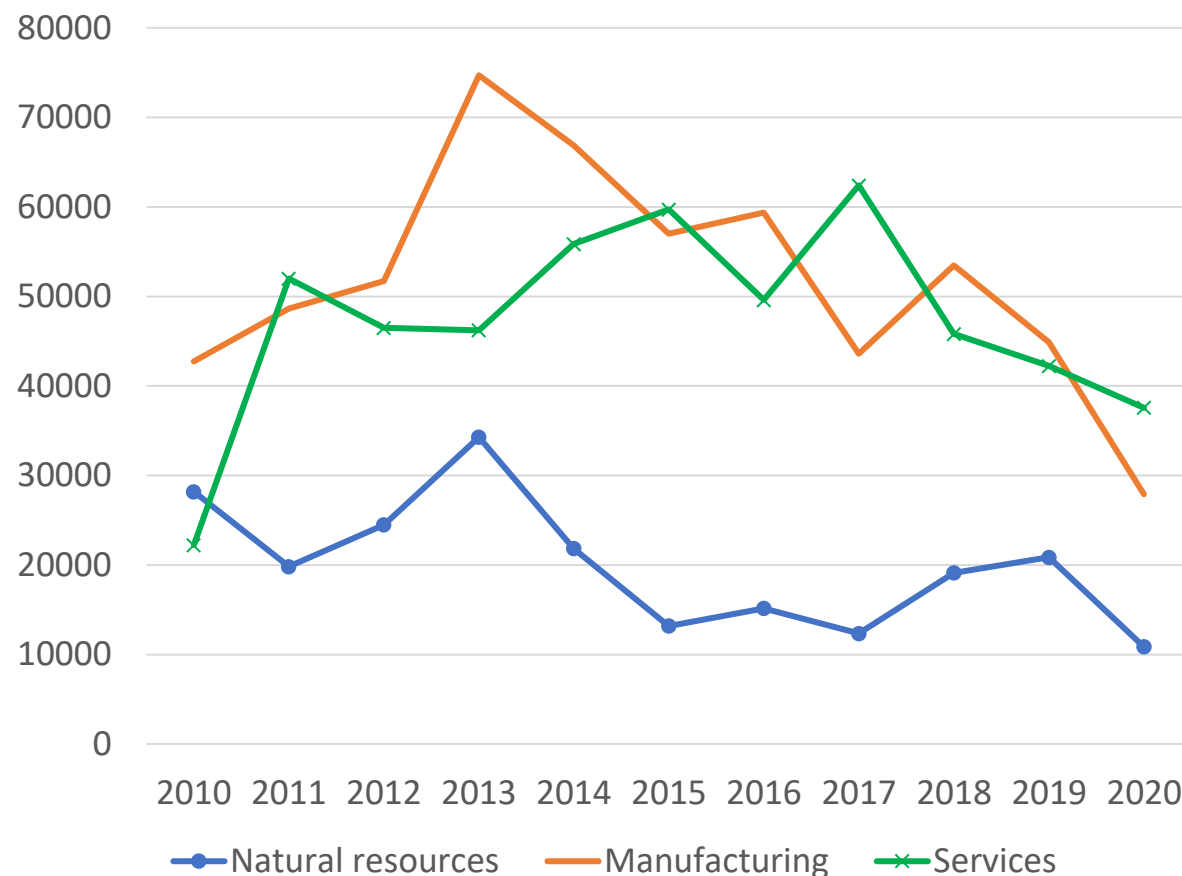
The Bolivarian Republic of Venezuela and Suriname were excluded because of a lack of data for 2020. El Salvador, Guyana, Haiti and Jamaica are also excluded because figures broken down by components are not available. The component data for the Plurinational State of Bolivia represent gross FDI inflows.

# FDI by industry: highly aggregated data and heterogenous classification levels

## Data provided by 20 countries

South America (9)	Caribbean (5)
Argentina	Belize
Bolivia (Plurinational State of)	Dominican Republic
Brazil	Guyana
Chile	Jamaica
Colombia	Trinidad & Tobago
Ecuador	
Mexico	
Paraguay	
Uruguay	
Central America (6)	
Costa Rica	
El Salvador	
Guatemala	
Honduras	
Nicaragua	
Panama	

Latin America and the Caribbean (12 countries): FDI inflows by industry group



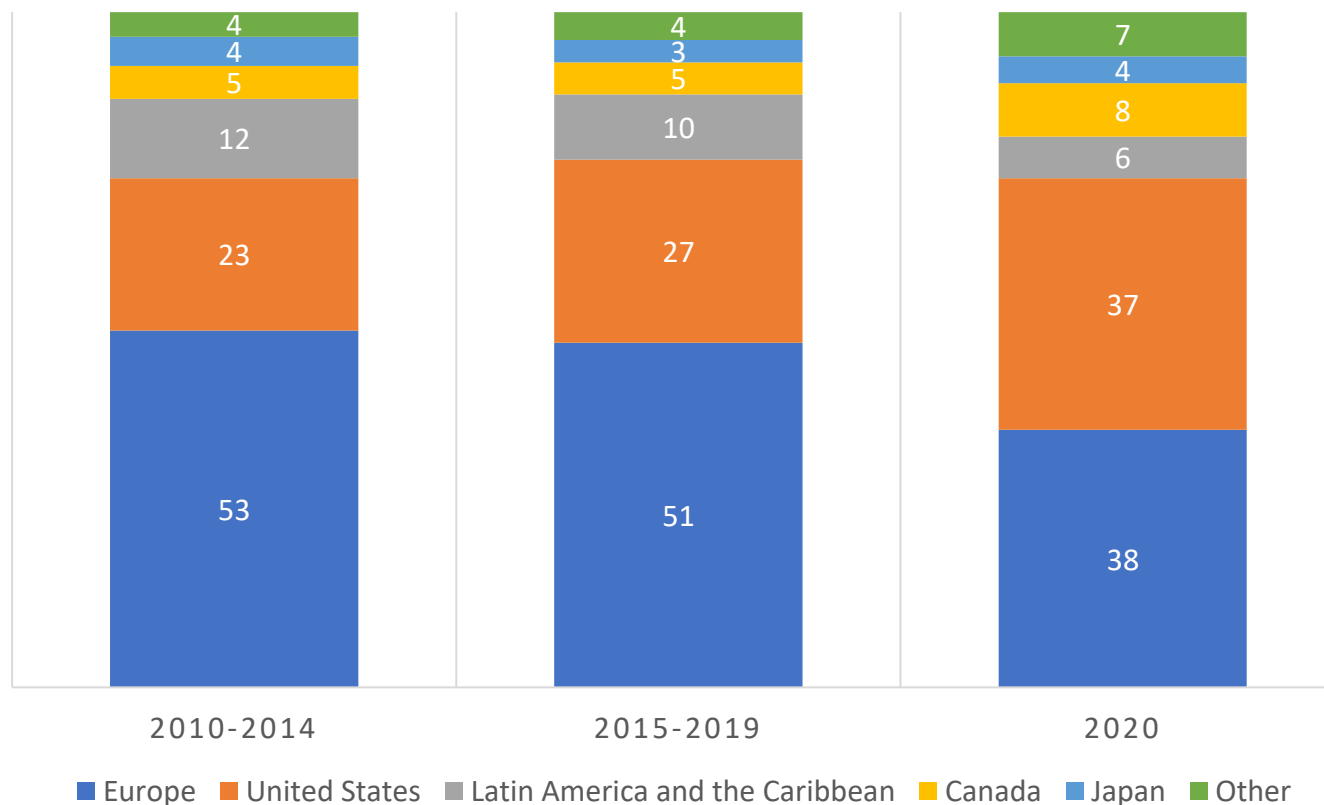


# Investors in the region: unable to identify the ultimate investor

## Data provided by 17 countries

South America (9)	Caribbean (2)
Argentina	Dominican Republic
Bolivia (Estado Plurinacional de)	Trinidad & Tabago
Brasil	
Chile	
Colombia	
Ecuador	
Mexico	
Paraguay	
Uruguay	
Central America (6)	
Costa Rica	
El Salvador	
Guatemala	
Honduras	
Nicaragua	
Panamá	

Latin America and the Caribbean (12 countries): FDI inflows



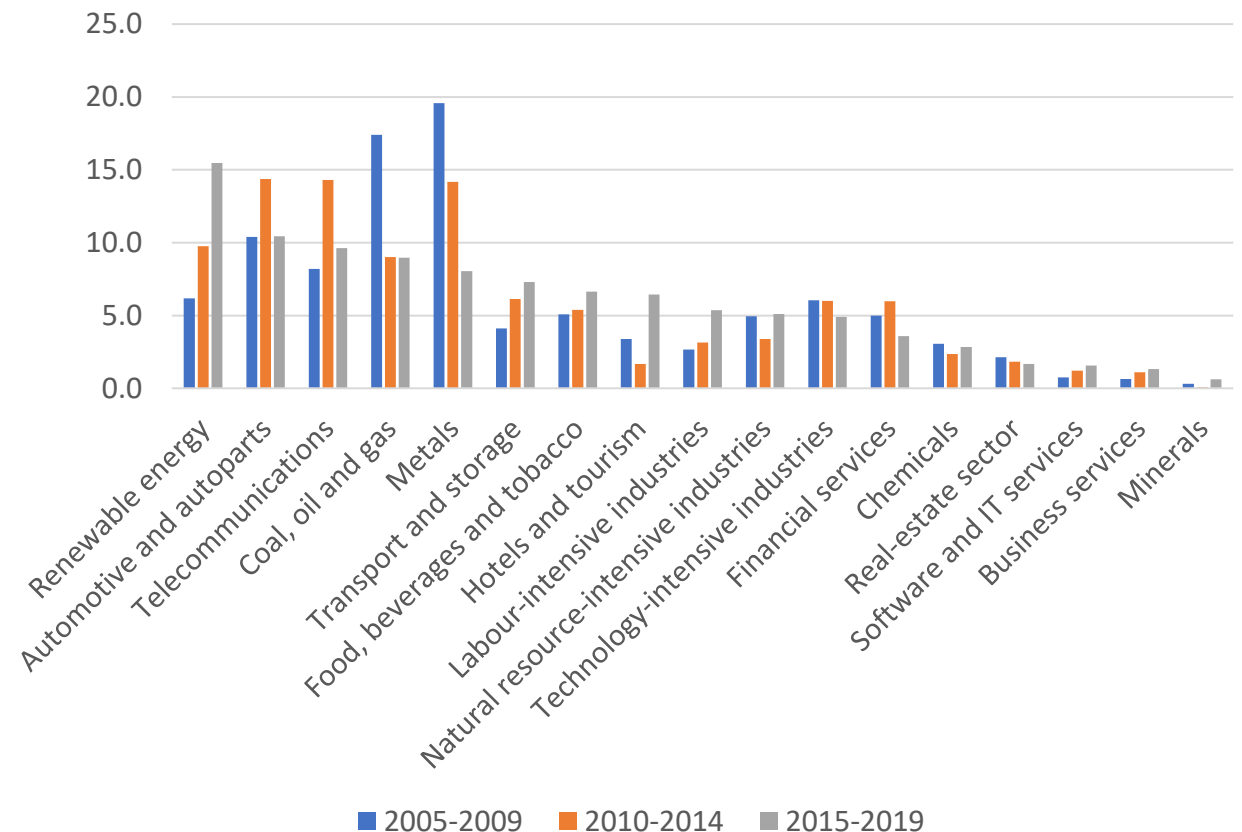
# BoP statistics challenges

- Some countries provide BPM5 data only
- Few countries provide information by destination industry and country of origin (only 3 countries in the Caribbean)
- Industry classification is highly aggregate (except for Brazil and Mexico). In some countries industry data is in BPM5.
- Flows invested via third countries (like the Netherlands and Luxembourg) impede to identify the ultimate investor
- In several countries, sector and country data is not timely presented

# Non- official data: investment announcements

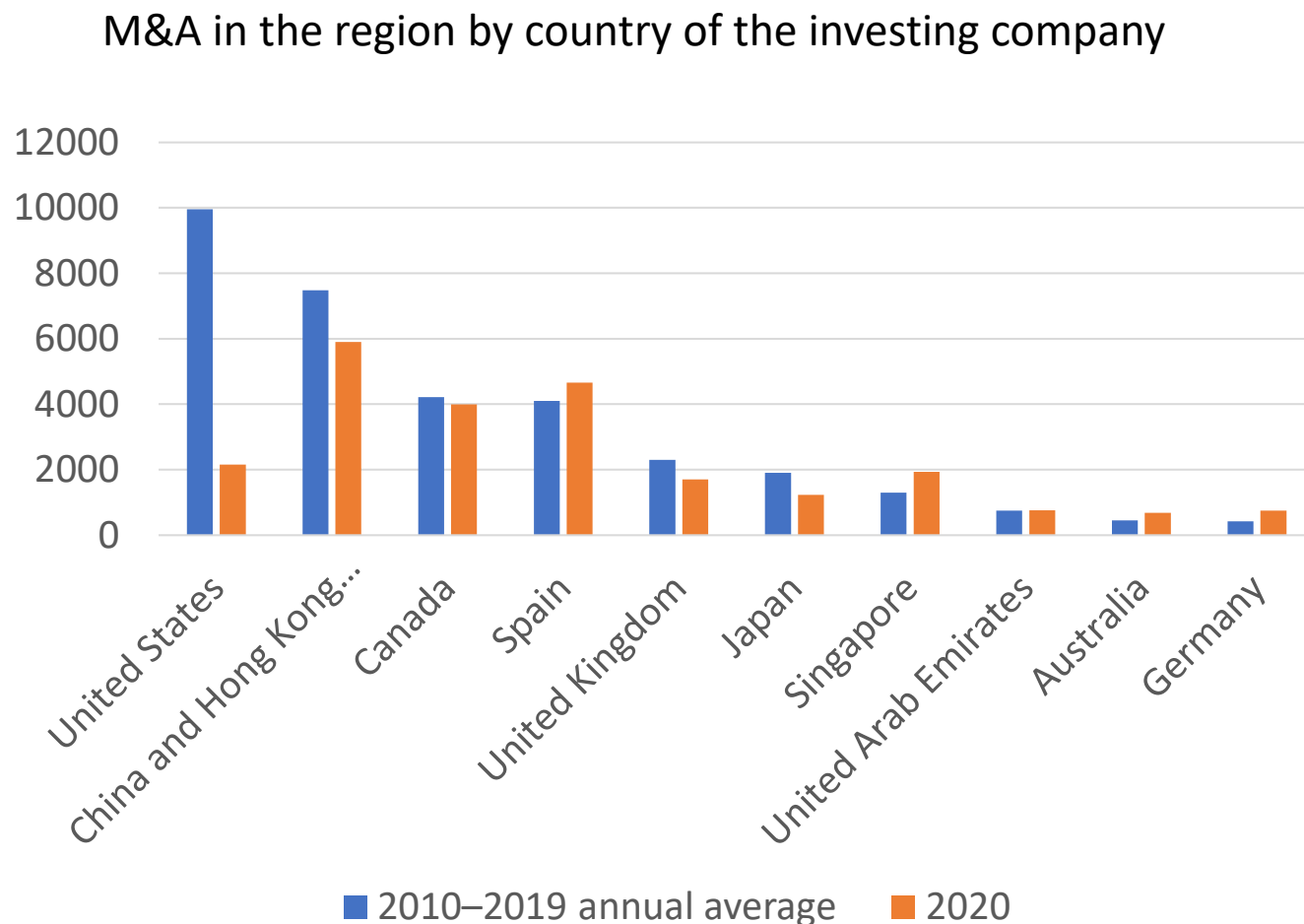
- Financial Times fDi Markets: announced investments, greenfield and expansions
- World data from 2003 to date
- Projects by company and industry with precise location
- Value and employment estimation
- Caveats:
  - Announcements – not effective investments
  - Values are estimated by the source when they are not announced by the firm
  - Projects are included in the year they are announced
  - Industry classification is not standardized

Latin America and the Caribbean: investment project announcements, by sector, 2005–2019



# Non-official data: merger and acquisitions

- Bloomberg data – M&A from public companies
- World data from 2005 to date
- Information by deal (industry of both parties)
- M&A does not imply FDI flows
- Caveats:
  - Data needs verification and company country is not always accurate
  - Only includes public companies



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg data.

# Non-official data: interviews, companies' information, specialized press

- ECLAC has done research on FDI in thematic chapters:
  - Industry studies (automotive industry, telecommunications, digital economy, medical devices, agriculture, mining, banking, tourism, etc.)
  - Home and host country studies (investments from the United States, China, the European Union. FDI in Central America, in the Caribbean, FDI in the Andean Community, etc.)
  - Other topics: Investment strategies in the digital era, FDI in GVCs, FDI in intangible capital, MNEs and environment, FDI impact on employment, etc.
- Each study requires ad hoc information sources, that complement balance of payments data, project announcements and merger and acquisitions
- The specificities of each study make it difficult to generate data that is comparable within case studies

## Research on FDI and development requires multiple data sources

- MNEs behavior is not easily captured by the available figures (BoP and non-official databases)
- Information is not always timely and there are some comparability issues
- However, information availability and quality in the region has improved
- Cooperation and joint-efforts are key to continue improving



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“Foreign direct investment in Latin America and the Caribbean 2021”

Available to download at:

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Previous editions (1995 – 2020):

<https://www.cepal.org/es/publicaciones/ie>

