PRESS RELEASE

EMBARGO

The contents of this press release and the related report must not be quoted or summarized in the print, broadcast or electronic media before

19 June 2025, 10:30 am GMT

(6:30 am New York, 12:30 pm Geneva, 4:30 am Mexico, 4:00 pm New Delhi)

UNCTAD/PRESS/PR/2025/009
Original: English

LATIN AMERICA AND THE CARIBBEAN: FOREIGN INVESTMENT FELL IN 2024 BUT OPPORTUNITIES REMAIN

Foreign investment flows to the region were down 12% in 2024, but sectoral and country-level gains signal underlying resilience and long-term potential.

Geneva, 19 June 2025 -- Foreign direct investment (FDI) flows to Latin America and the Caribbean decreased by 12% to $164 billion in 2024, according to the latest World Investment Report from UN Trade and Development (UNCTAD).

The drop was particularly pronounced in **South America**, with reduced investment inflows to key economies such Argentina, Chile, Colombia, and Brazil.

Despite an 8% reduction in FDI, Brazil remains the region's largest recipient of foreign capital, bolstered by ongoing investment in renewable energy sectors.

More broadly in Latin America and the Caribbean, policymakers concentrated relatively more on investment promotion, introducing novel FDI attraction strategies for priority sectors such as green hydrogen.

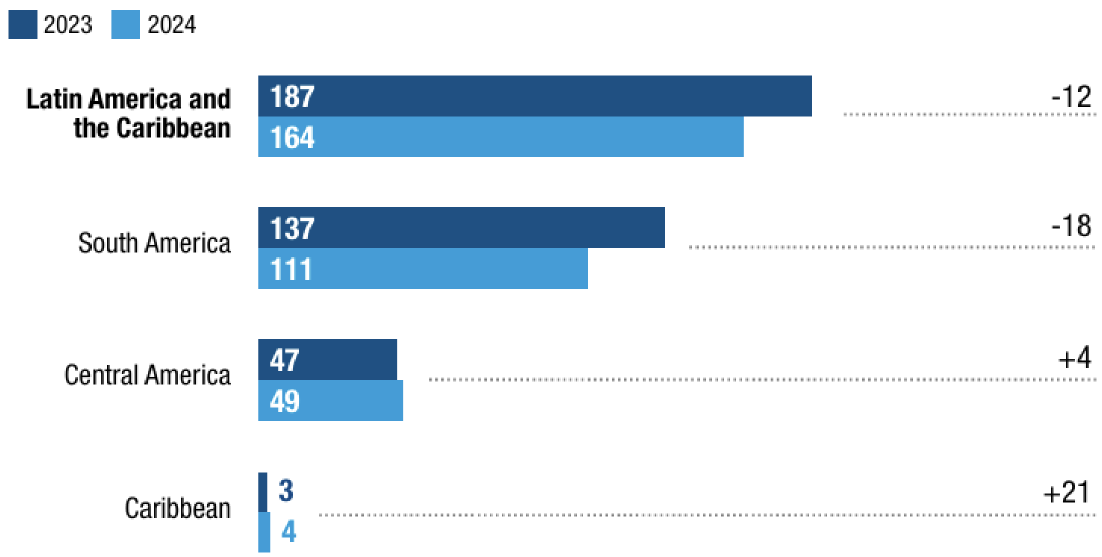
Turning to other parts of the region, Guyana and Peru posted significant gains, largely driven by mining and offshore oil development projects.

Central America experienced modest growth, with Mexico leading thanks to investments in manufacturing and logistics.

The Caribbean saw a 21% in FDI, reaching $3.9 billion – supported by stable inflows into the Dominican Republic.

Figure: Foreign direct Investment in Central America and the Caribbean held steady

Inflows by region and subregion
(Billions of dollars and percentage change)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics)

Different types of foreign investment show diverging trends

Greenfield investments – when companies build new operations abroad – rose in both number and value, boosted by projects in refined petroleum, the digital economy and renewable energy sectors.

Argentina and Brazil contributed notably to this growth, with the former seeing a substantial increase due to a major energy investment.

Cross-border mergers and acquisitions fell sharply in the region, influenced by major asset sales and a slowdown in Brazil's market activity.

International project finance activity – crucial to funding infrastructure and public services – continued its slump with both volume and value down across most of the region, especially in South and Central America.

However, the Caribbean stood out with a notable increase in this regard, a positive highlight amid regional declines.

Brazil, Chile, Jamaica, Peru and Uruguay were key destinations for international project finance, particularly in renewable energy and infrastructure.

Major international companies are leading projects in areas such as green fuels, hydrogen, solar energy and lithium mining. The most common approach for these projects is the build-own-operate model, signing investment commitments for the long term.

About UN Trade and Development:

UN Trade and Development (UNCTAD) is dedicated to promoting inclusive and sustainable development through trade and investment. With a diverse membership, it empowers countries to harness trade for prosperity.

Note to Editors: Additional background information and quotes can be provided upon request.

Contacts us: +41 76 691 18 74, marcelo.risi@unctad.org, +41 79 502 43 11, catherine.huissoud@unctad.org or unctadpress@unctad.org, https://unctad.org/media-centre

Join us! Register here.