



PRESS RELEASE

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INVESTMENT IN WEST ASIA HIT ANOTHER RECORD IN 2007

Geneva, 24 September 2008 - Foreign direct investment (FDI) in West Asia rose by 12% to \$71 billion (figure 1), marking a new record and a fifth consecutive year of investment growth in the region, UNCTAD's **World Investment Report 2008¹** announces.

UNCTAD's annual survey of global investment trends was released today. The report's 2008 subtitle is "Transnational Corporations and the Infrastructure Challenge."

More than four-fifths of 2007 FDI into West Asia was concentrated in three countries: Saudi Arabia, Turkey, and the United Arab Emirates, in that order (figure 2). A growing number of energy and construction projects, as well as a notable improvement in business environments, attracted FDI to countries of the Gulf Cooperation Council (GCC). For example, inflows to Qatar rose sevenfold from their 2006 level.

FDI *outflows* from West Asia also increased to \$44 billion. That marked the fourth consecutive year of rising outgoing investment from the region. The GCC countries (Kuwait, Saudi Arabia, the United Arab Emirates and Qatar, in that order) (figure 3) accounted for almost 90% of these outflows, which partly reflects their aim of diversifying away from oil and gas production through investments by sovereign wealth funds (SWFs). Intraregional FDI was significant, particularly among the oil-rich countries, as reflected in the growing number of greenfield projects -- projects establishing new industries or services in a country -- and the increasing value of cross-border mergers and acquisitions (M&As).

Both inward and outward FDI were concentrated in services, notably in telecommunications and financial services. Rising government revenues, largely from high oil prices, have encouraged

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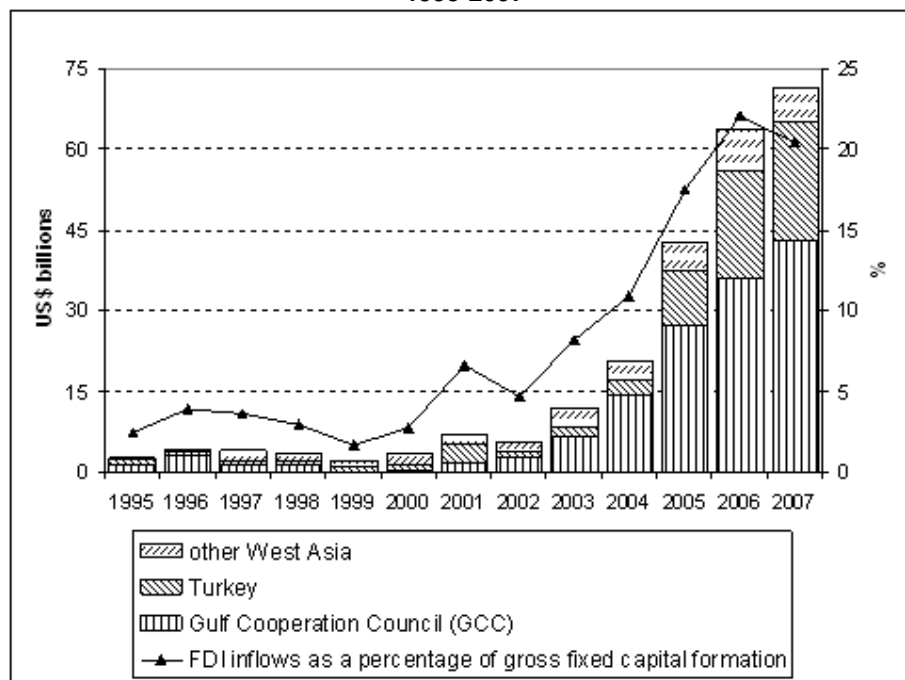
¹ The **World Investment Report 2008: Transnational Corporations and the Infrastructure Challenge** (WIR08) (Sales No. E.08.II.D.23, ISBN: 978-92-1-112755-3) may be obtained from United Nations Sales Offices at the below-mentioned addresses or from United Nations sales agents in many countries. Price: US\$ 95 (50% discount for residents in developing countries and a 75% discount for residents in least developed countries). This includes the book and the CD-ROM. Customers who would like to buy the book or the CD-ROM separately, or obtain quotations for large quantities, should enquire from the sales offices. Residents of countries in Europe, Africa and West Asia may send orders or inquiries to: United Nations Publication/Sales Section, Palais des Nations, CH-1211 Geneva 10, fax: +41 22 917 0027, e-mail: unpubli@un.org; and those from the Americas and East Asia, to: United Nations Publications, Two UN Plaza, DC2-853, New York, N.Y. 10017, U.S.A., telephone: 1 212 963 8302 or 1 800 253 9646, fax: 1 212 963 3489, e-mail: publications@un.org. Internet: <http://www.un.org/publications>

some governments in the region to increase their spending on infrastructure, often in collaboration with foreign private investors.

Trends towards creating favourable environments for FDI continued in the region in 2007. All the regulatory changes noted in the region by UNCTAD in its 2007 survey of changes in national laws and regulations that could influence foreign investments are aimed at making West Asian countries more welcoming to foreign investors. FDI inflows to West Asia are expected to rise in 2008, as countries there have remained largely unaffected by the sub-prime mortgage crisis; and a significant number of intraregional investment projects are in the pipeline.

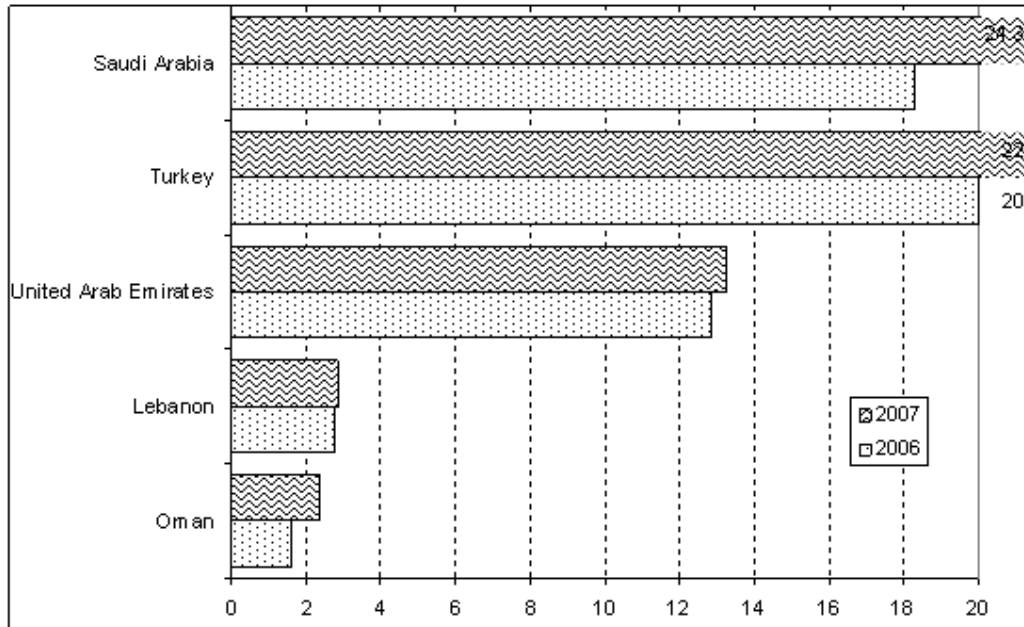
The *World Investment Report* and its database are available online at <http://www.unctad.org/wir> and <http://www.unctad.org/fdistatistics>

Figure 1. West Asia: FDI inflows in value and as a percentage of gross fixed capital formation, 1995-2007



Source: UNCTAD; *World Investment Report 2008: Transnational Corporations and the Infrastructure Challenge*

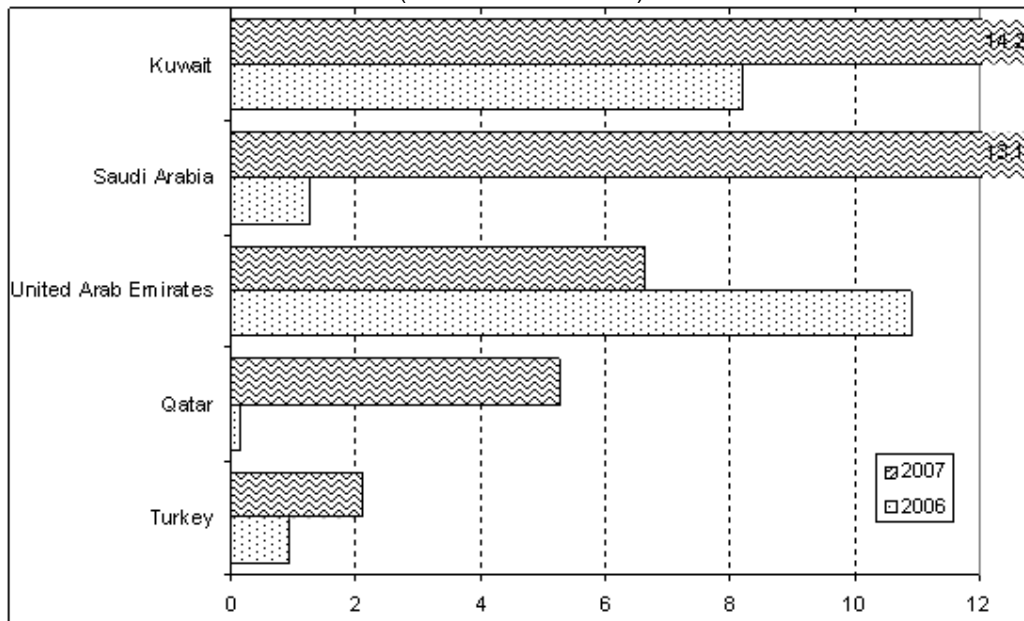
Figure 2. West Asia: top five recipients of FDI inflows^a, 2006-2007
(Billions of US dollars)



Source: UNCTAD; *World Investment Report 2008: Transnational Corporations and the Infrastructure Challenge*

^a- Ranked by magnitude of 2007 FDI inflows

Figure 3. West Asia: top five sources of FDI outflows^a, 2006-2007
(Billions of US dollars)



Source: UNCTAD; *World Investment Report 2008: Transnational Corporations and the Infrastructure Challenge*

^a- Ranked by magnitude of 2007 FDI outflows