

## TABLE OF CONTENTS

|  | Page        |
|--|-------------|
| <b>PREFACE</b> .....   | <b>iii</b>  |
| <b>ACKNOWLEDGEMENTS</b> .....  | <b>v</b>    |
| <b>ABBREVIATIONS</b> .....   | <b>xv</b>   |
| <b>KEY MESSAGES</b> .....  | <b>xvii</b> |
| <b>OVERVIEW</b> .....  | <b>xix</b>  |
| <br><b>PART ONE</b><br><b>FDI TRENDS, POLICIES AND PROSPECTS</b>                                   |             |
| <b>CHAPTER I. GLOBAL TRENDS: FDI FLOWS IN DECLINE</b> .....  | <b>3</b>    |
| <b>A. THE FINANCIAL CRISIS, ECONOMIC DOWNTURN AND FDI FLOWS</b> .....                              | <b>3</b>    |
| 1. Global slowdown in FDI flows, prompted by the crisis.....                                       | 3           |
| 2. The transmission channels of the crisis.....  | 5           |
| 3. Key features of the FDI downturn and underlying factors .....                                   | 7           |
| a. The role of divestments .....   | 7           |
| b. Mode of investment.....   | 10          |
| (i) Large decreases in M&As .....  | 10          |
| (ii) Downturn in greenfield investments since end 2008.....  | 12          |
| 4. Uneven impact of the crisis on different regions and sectors .....                              | 12          |
| a. Geographical patterns.....  | 13          |
| (i) FDI inflows .....  | 13          |
| (ii) FDI outflows.....   | 15          |
| b. Sectoral and industrial patterns of FDI.....  | 16          |
| <b>B. HOW THE LARGEST TNCs ARE COPING WITH THE GLOBAL CRISIS</b> .....                             | <b>17</b>   |
| 1. The 100 largest non-financial TNCs .....  | 18          |
| a. A slowdown of internationalization in 2008 .....  | 18          |
| b. The impact of the global crisis on the top 100 TNCs.....  | 20          |
| 2. The top 100 TNCs from developing economies .....  | 22          |
| a. A growing role in the world economy.....  | 22          |
| b. The impact of the global crisis on developing-country TNCs .....                                | 23          |
| 3. The top 50 financial TNCs .....   | 24          |
| a. Internationalization of the top 50 financial TNCs in 2008.....                                  | 24          |
| b. The impact of the global crisis on the top 50 financial TNCs .....                              | 25          |
| 4. Conclusion.....   | 26          |
| <b>C. FDI BY SPECIAL FUNDS</b> .....   | <b>26</b>   |
| 1. Declining FDI by private equity funds.....  | 26          |
| 2. FDI by sovereign wealth funds on the rise despite the crisis .....                              | 27          |
| 3. FDI by private equity funds and sovereign wealth funds compared.....                            | 28          |
| <b>D. NEW DEVELOPMENTS IN FDI POLICIES</b> .....   | <b>30</b>   |
| 1. Developments at the national level .....  | 30          |
| a. Major policy trends .....   | 30          |
| b. Policies introduced in response to the financial crisis and their potential impact on FDI ..... | 31          |
| (i) National policy measures .....   | 31          |
| (ii) Policy implications for developing countries.....   | 31          |
| 2. Developments at the international level.....  | 31          |
| a. Bilateral investment treaties .....   | 32          |

|  | <b>Page</b> |
|--|-------------|
| b. Double taxation treaties.....   | 33          |
| c. International investment agreements other than BITs and DTTs .....                      | 33          |
| d. Investor-State dispute settlement.....  | 34          |
| e. International investment agreements and the financial crisis.....                       | 34          |
| (i) Investment protectionism and IIAs .....  | 35          |
| (ii) Emergency measures in response to the crisis .....                                    | 35          |
| (iii) Regulation of the financial system and IIA provisions .....                          | 35          |
| <b>E. PROSPECTS .....</b>  | <b>36</b>   |
| <b>CHAPTER II. REGIONAL TRENDS .....</b>   | <b>41</b>   |
| <b>INTRODUCTION.....</b>   | <b>41</b>   |
| <b>A. DEVELOPING COUNTRIES .....</b>   | <b>42</b>   |
| 1. Africa.....   | 42          |
| a. Geographical trends.....  | 42          |
| (i) Inward FDI: flows continued to rise in most subregions.....                            | 42          |
| (ii) Outward FDI: a few countries dominated .....  | 46          |
| b. Sectoral analysis: FDI focused on manufacturing.....                                    | 46          |
| c. Policy developments.....  | 48          |
| d. Prospects: the global economic slowdown could hurt FDI growth, especially in LDCs ..... | 49          |
| 2. South, East, South-East Asia and Oceania .....  | 49          |
| a. Geographical trends.....  | 49          |
| (i) Inward FDI: divergent trends against the backdrop of crisis.....                       | 49          |
| (ii) Outward FDI: strong, but falling .....  | 52          |
| b. Sectoral trends .....   | 54          |
| (i) Inward FDI: services and manufacturing continued to be targeted.....                   | 54          |
| (ii) Outward FDI: resource-seeking FDI rose .....  | 55          |
| c. Policy developments.....  | 55          |
| d. Prospects: downturn is looming .....  | 56          |
| 3. West Asia.....  | 56          |
| a. Geographical trends.....  | 57          |
| (i) Inward FDI: 2008 marked six years of growth.....                                       | 57          |
| (ii) Outward FDI: strong decline, especially to developed countries.....                   | 58          |
| b. Sectoral trends: manufacturing up.....  | 58          |
| c. Policy developments.....  | 60          |
| d. Prospects: fall in inflows, but a possible rise in outflows .....                       | 64          |
| 4. Latin America and the Caribbean.....  | 64          |
| a. Geographical trends.....  | 64          |
| (i) Inward FDI: resilient to the spreading crisis .....                                    | 64          |
| (ii) Outward FDI: sharp rise in outflows from South America.....                           | 65          |
| b. Sectoral analysis: continued interest in natural resources and related activities.....  | 66          |
| c. Policy developments.....  | 70          |
| d. Prospects: gloomy in short term, improving in medium term.....                          | 71          |
| <b>B. SOUTH-EAST EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES.....</b>                | <b>72</b>   |
| 1. Geographical trends .....   | 72          |
| a. Inward FDI: the upward trend continued .....  | 72          |
| b. Outward FDI: more moderate growth .....   | 74          |
| 2. Sectoral trends: manufacturing attracted market-seeking FDI.....                        | 75          |
| 3. Policy developments .....   | 76          |
| 4. Prospects: slowdown expected.....   | 77          |
| <b>C. DEVELOPED COUNTRIES .....</b>  | <b>78</b>   |
| 1. Geographical trends .....   | 78          |
| a. Inward FDI: strong decline as the financial and economic crisis unfolds.....            | 79          |

|   | <b>Page</b> |
|---|-------------|
| b. Outward FDI: moderate but a widespread decline .....           | 82          |
| 2. Sectoral trends: robust FDI growth in the primary sector ..... | 83          |
| 3. Policy developments .....                                      | 84          |
| 4. Prospects: FDI flows expected to fall further .....            | 86          |

## **PART TWO**

### **TNCs, AGRICULTURAL PRODUCTION AND DEVELOPMENT**

|                          |           |
|--------------------------|-----------|
| <b>INTRODUCTION.....</b> | <b>93</b> |
|--------------------------|-----------|

|  |           |
|--|-----------|
| <b>CHAPTER III. TNCs AND AGRICULTURAL PRODUCTION<br/>IN DEVELOPING COUNTRIES .....</b> | <b>95</b> |
|--|-----------|

|                              |           |
|------------------------------|-----------|
| <b>A. INTRODUCTION .....</b> | <b>95</b> |
|------------------------------|-----------|

|  |           |
|--|-----------|
| <b>B. AGRICULTURE IN DEVELOPING COUNTRIES: CHARACTERISTICS,<br/>SIGNIFICANCE AND SALIENT ISSUES.....</b> | <b>96</b> |
|--|-----------|

|  |     |
|--|-----|
| 1. Characteristics of agricultural production .....              | 96  |
| a. A diverse industry .....                                      | 96  |
| b. Agricultural inputs, technology and institutions .....        | 99  |
| (i) Land, water and other inputs .....                           | 99  |
| (ii) Technology and R&D.....                                     | 99  |
| (iii) Institutional support.....                                 | 100 |
| c. Environment and biodiversity .....                            | 100 |
| 2. The significance of agriculture in developing countries ..... | 101 |
| a. General importance .....                                      | 101 |
| b. Agriculture as a neglected motor for development .....        | 102 |
| 3. Salient issues influencing investment in agriculture .....    | 103 |
| a. The food crisis and the drive for food security.....          | 103 |
| b. Investment to meet MDG targets .....                          | 104 |
| c. The rise of biofuel production .....                          | 104 |

|   |            |
|---|------------|
| <b>C. TNC PARTICIPATION IN AGRICULTURE: HISTORICAL AND<br/>CONCEPTUAL INSIGHTS.....</b> | <b>105</b> |
|---|------------|

|   |     |
|---|-----|
| 1. Historical developments: from plantations to value chain coordination..... | 105 |
| 2. Conceptual overview.....   | 106 |

|  |            |
|--|------------|
| <b>D. TRENDS IN FDI AND OTHER FORMS OF TNC<br/>PARTICIPATION IN AGRICULTURE.....</b> | <b>110</b> |
|--|------------|

|   |     |
|---|-----|
| 1. FDI trends and patterns .....                        | 111 |
| a. FDI.....   | 111 |
| b. Cross-border M&As .....                              | 113 |
| c. Geographical patterns.....                           | 115 |
| 2. Contract farming .....                               | 117 |
| 3. Trends in South-South investment in agriculture..... | 121 |

|   |            |
|---|------------|
| <b>E. MAJOR TNCs IN AGRICULTURE AND RELATED ACTIVITIES.....</b> | <b>122</b> |
|---|------------|

|   |     |
|---|-----|
| 1. Agriculture-based TNCs .....                     | 123 |
| 2. TNCs from other segments of the value chain..... | 125 |
| 3. New investors in agriculture .....               | 127 |

|                            |            |
|----------------------------|------------|
| <b>F. CONCLUSIONS.....</b> | <b>128</b> |
|----------------------------|------------|

|  | Page       |
|--|------------|
| <b>CHAPTER IV. DEVELOPMENT IMPLICATIONS OF TNC INVOLVEMENT IN AGRICULTURE.....</b>                                 | <b>133</b> |
| <b>A. INTRODUCTION.....</b>  | <b>133</b> |
| <b>B. IMPACT ON AGRICULTURAL PRODUCTION IN HOST DEVELOPING ECONOMIES.....</b>                                      | <b>134</b> |
| 1. Financing and investment .....  | 134        |
| a. Contributing capital and increasing investment through FDI .....  | 134        |
| b. Easing financial constraints through contract farming .....   | 135        |
| 2. Technology and innovation .....   | 137        |
| a. TNC participation and technology transfer .....   | 138        |
| b. TNC participation and the agricultural innovation system in host countries .....                                | 140        |
| 3. Employment and skills .....   | 143        |
| a. Employment creation.....  | 143        |
| b. Skills enhancement.....   | 144        |
| 4. Standards and supply chain management .....   | 146        |
| a. Diffusion of standards .....  | 146        |
| b. Use of contract farming and specialized procurement agents.....   | 146        |
| c. Agribusiness TNCs' supply chains and the decline of small farmers .....   | 148        |
| 5. Foreign-market access and exports .....   | 148        |
| a. Trading TNCs and exports of traditional agricultural commodities.....   | 150        |
| b. TNCs and exports of non-traditional agricultural products .....   | 150        |
| 6. Competition and market power.....   | 151        |
| 7. Implications for the host economy.....  | 153        |
| <b>C. BROADER IMPLICATIONS.....</b>  | <b>155</b> |
| 1. Impact on the environment.....  | 155        |
| 2. Social effects and political implications.....  | 157        |
| 3. Implications for food security in host and home developing countries .....                                      | 159        |
| a. Implications for host countries.....  | 159b.      |
| Implications for home countries.....   | 161        |
| <b>D. CONCLUSIONS.....</b>   | <b>162</b> |
| <b>CHAPTER V. POLICY CHALLENGES AND OPTIONS.....</b>   | <b>167</b> |
| <b>A. THE MAIN POLICY CHALLENGES .....</b>   | <b>167</b> |
| <b>B. HOST-COUNTRY POLICY OPTIONS FOR TNC PARTICIPATION IN AGRICULTURAL PRODUCTION .....</b>                       | <b>168</b> |
| 1. Openness to FDI in agricultural production .....  | 168        |
| a. Entry conditions.....   | 168        |
| b. Land and water use.....   | 169        |
| c. Investment promotion and protection.....  | 170        |
| 2. Maximizing development benefits from TNC participation .....  | 172        |
| a. Leveraging FDI for long-term agricultural development.....  | 172        |
| b. Promoting contractual arrangements between TNCs and local farmers .....   | 172        |
| (i) Regulations on contract farming .....  | 172        |
| (ii) Promotion of contractual arrangements .....   | 173        |
| (1) Improving the capacity of smallholders to supply products of a consistent quality and in a timely manner ..... | 173        |
| (2) Enhancing access to appropriate technology and standards.....  | 174        |
| (3) Improving the capital base of local farmers .....  | 175        |
| (4) Improving business opportunities for farmers in remote areas.....  | 175        |
| (5) Organizing farmers in the market.....  | 176        |
| (6) Strengthening dispute avoidance and resolution.....  | 176        |

|   | <b>Page</b> |
|---|-------------|
| 3. Addressing environmental and social concerns.....  | 177         |
| a. Sustainable agriculture and environmental policies.....                                    | 177         |
| b. Social policies .....  | 178         |
| c. Corporate social responsibility.....   | 179         |
| 4. Other relevant policies .....  | 180         |
| a. Infrastructure policies.....   | 180         |
| b. Competition policies.....  | 181         |
| c. Trade policies .....   | 182         |
| d. R&D-related policies.....  | 183         |
| 5. Concluding remarks .....   | 185         |
| <b>C. HOME-COUNTRY POLICIES TO ENCOURAGE OUTWARD FDI IN<br/>AGRICULTURAL PRODUCTION .....</b> | <b>186</b>  |
| 1. General promotion policies .....   | 186         |
| 2. Challenges related to overseas agricultural production to secure food supply .....         | 186         |
| 3. Policy implications.....   | 187         |
| <b>D. INTERNATIONAL POLICIES RELATED TO FDI IN AGRICULTURAL<br/>PRODUCTION.....</b>           | <b>188</b>  |
| 1. Major international policy initiatives.....  | 188         |
| 2. International investment agreements.....   | 189         |
| <b>E. CONCLUSIONS AND POLICY OPTIONS.....</b>   | <b>190</b>  |
| <b>EPILOGUE .....</b>   | <b>195</b>  |
| <b>REFERENCES.....</b>  | <b>197</b>  |
| <b>ANNEXES .....</b>  | <b>211</b>  |
| <b>SELECTED UNCTAD PUBLICATIONS ON TNCs AND FDI.....</b>                                      | <b>275</b>  |
| <b>QUESTIONNAIRE.....</b>   | <b>279</b>  |

## Boxes

|  |     |
|--|-----|
| I.1. Examples of FDI projects in the form of cross-border M&As and restructuring .....   | 6   |
| I.2. The impact of international restructurings on FDI flows: some puzzling evidence.....  | 10  |
| I.3. Downturn in FDI: comparison with the previous reversal.....   | 13  |
| I.4. The top non-listed companies .....  | 20  |
| I.5. Guidelines on cross-border investments by SWFs .....  | 29  |
| I.6. Investment policy developments in G-20 countries.....   | 36  |
| II.1. Inward FDI in African LDCs: eight consecutive years of growth .....  | 45  |
| II.2. Booming FDI to West China: drivers and determinants .....  | 52  |
| II.3. Reappraisal of some big project deals in GCC countries.....  | 59  |
| II.4. The evolving investment strategies of GCC member States' SWFs.....   | 62  |
| II.5. Who are the real investors in the Russian Federation? .....  | 74  |
| II.6. Liberalization of electricity generation in the Russian Federation: opportunities for FDI .....                                      | 76  |
| III.1. Definitions related to agriculture and agribusiness.....  | 96  |
| III.2. Ethiopia: agriculture as a motor for growth and development.....  | 103 |
| III.3. Global value chains and their implications for types of TNC participation<br>in agricultural production and related activities..... | 106 |
| III.4. The OLI paradigm and international production in agriculture.....   | 109 |
| III.5. Data sets used in WIR09.....  | 111 |
| III.6. TNCs in the production of bananas, coffee, cut flowers, rice, soya beans and sugar .....  | 114 |
| III.7. A typology of contract farming.....   | 119 |
| III.8. Contract farming in the Lao People's Democratic Republic .....  | 120 |
| III.9. Selected agriculture-based developing-country TNCs.....   | 126 |
| III.10. Selected agriculture-related developing-country TNCs.....  | 127 |
| IV.1. TNC participation and the commercialization and modernization of agriculture in developing countries.....                            | 135 |
| IV.2. The contribution of FDI to agriculture in Viet Nam .....   | 136 |
| IV.3. The significance of FDI in China's agriculture.....  | 137 |

|  | <b>Page</b> |
|--|-------------|
| IV.4. Easing financial and other constraints on rice farming and processing in Nigeria .....                                       | 138         |
| IV.5. Foreign investment and technological progress in agriculture in China .....  | 139         |
| IV.6. TNCs and the agricultural innovation system in India .....   | 141         |
| IV.7. International public-private partnership between public research institutes and TNCs:<br>the case of Embrapa in Brazil ..... | 142         |
| IV.8. Bringing high-value seeds and new technology to farmers: the role of Syngenta in the Shouguang Model .....                   | 142         |
| IV.9. Teaching local farmers to grow organic coffee in Uganda .....  | 145         |
| IV.10. Coalitions of agribusiness TNCs for setting common standards .....  | 147         |
| IV.11. Do agribusiness TNCs procure from small-scale farmers? .....  | 148         |
| IV.12. Bypassing established coffee value chains: not easy but possible .....  | 149         |
| IV.13. The role of TNCs in upgrading Africa's exports of cashews .....   | 150         |
| IV.14. The soya value-chain: domination of a few TNCs .....  | 153         |
| V.1. Specific entry regulations for FDI in agricultural production .....   | 169         |
| V.2. Examples of policies for promoting investment in agriculture production .....   | 170         |
| V.3. Agricultural investment and international land deals in Africa: policy recommendations for host countries .....               | 173         |
| V.4. The Songhai Model in Africa .....   | 174         |
| V.5. Integrated producer schemes in the United Republic of Tanzania .....  | 175         |
| V.6. Brazil's PRONAF .....   | 176         |
| V.7. Examples of networking and linkages by farmers' organizations in Uganda .....   | 177         |
| V.8. The role of the right to adequate food in guiding investments in agriculture .....  | 179         |
| V.9. Protecting the rights of indigenous peoples .....   | 180         |
| V.10. Sector-specific corporate social responsibility initiatives .....  | 181         |
| V.11. Trade barriers and developing countries' exports of agricultural commodities .....   | 183         |
| V.12. China's policy on foreign investment in R&D in agriculture .....   | 185         |
| V.13. Licensing practices and determining competitive rates of royalty payment .....   | 186         |
| V.14. The King Abdullah Initiative for Saudi Agricultural Investment Abroad .....  | 187         |

## Box figures

|   |     |
|---|-----|
| I.2.1. Sale of foreign affiliates to firms based in host, home or third country, 1998–2009 .....                  | 10  |
| I.3.1. Comparison of falling FDI in 2001 and 2008 .....   | 13  |
| II.1.1. African LDCs: FDI inflows, by value and as a percentage of gross fixed capital formation, 1995–2008 ..... | 45  |
| II.2.1. FDI growth rates in the three regions of China, 2006–2008 .....   | 52  |
| IV.2.1. FDI in agriculture in Viet Nam, registered capital and share in total FDI, 1988–2008 .....                | 136 |
| IV.3.1. FDI in agriculture in China, inflows and number of projects, 1998–2008 .....                              | 137 |

## Box tables

|   |    |
|---|----|
| II.3.1. Examples of delayed projects in some GCC countries .....        | 59 |
| II.5.1. Sources of FDI flows to the Russian Federation, 2007–2008 ..... | 74 |

## Figures

|  |    |
|--|----|
| I.1. FDI inflows, global and by groups of economies, 1980–2008 .....   | 4  |
| I.2. Shares of the three major groups of economies in global FDI inflows, 1990–2008 .....  | 4  |
| I.3. Global FDI inflows by component, 2000–2009 .....  | 5  |
| I.4. Net capital flows to developing countries, 2000–2009 .....  | 5  |
| I.5. Profitability and profit levels of TNCs, 1997–2008 .....  | 6  |
| I.6. Worldwide income on FDI and reinvested earnings, 1995–2008 .....  | 6  |
| I.7. Impact of various aspects of the crisis on companies' investment plans .....  | 7  |
| I.8. Divestment and its share in gross outward FDI in selected countries, 2002–2008 .....  | 9  |
| I.9. Value of global cross-border M&As and MSCI World Index, 1988–2009 .....   | 11 |
| I.10. Value of global cross-border M&As, by quarter, 2006–2009 .....   | 12 |
| I.11. Percentage of TNCs planning to cut investments in different regions owing to the crisis .....  | 14 |
| I.12. FDI inflows, by quarter, 2007–2009 .....   | 15 |
| I.13. FDI outflows, by quarter, 2007–2009 .....  | 16 |
| I.14. Average TNI for the 100 largest TNCs worldwide and from developing countries, 2004–2008 .....  | 19 |
| I.15. Quarterly evolution of sales, total assets, and net income for selected TNCs among the 100 largest, 2006–2009 .....                              | 21 |
| I.16. Quarterly evolution of sales, total assets, and net income for selected TNCs among<br>the 100 largest from developing countries, 2006–2009 ..... | 24 |
| I.17. FDI by sovereign wealth funds, 1987–2009 .....   | 27 |
| I.18. Cumulative FDI by SWFs, by main target sectors and top five target industries, 1987–2008 .....   | 28 |
| I.19. Regional distribution of FDI-related measures in 2008 .....  | 30 |
| I.20. Nature of FDI-related measures in 2008 .....   | 30 |
| I.21. Number of BITs and DTTs concluded, annual and cumulative, 1999–2008 .....  | 33 |
| I.22. Distribution of BITs concluded at end-2008, by country group .....   | 33 |
| I.23. Distribution of DTTs concluded at end-2008, by country group .....   | 34 |

|   | <b>Page</b> |
|---|-------------|
| I.24. Number of IIAs concluded at end-2008, cumulative and per period .....   | 34          |
| I.25. Known investment treaty arbitrations, cumulative and newly instituted cases, 1987–end 2008 .....  | 35          |
| I.26. Changes in respondent companies' FDI expenditures plans as compared to 2008 .....   | 37          |
| I.27. Global FDI flows, 2005–2008, and projections for 2009–2011 .....  | 37          |
| II.1. FDI inflows by region, 2006 to first quarter of 2009 .....  | 41          |
| II.2. Africa: FDI inflows, by value and as a percentage of gross fixed capital formation by region, 1995–2008 .....                                     | 42          |
| II.3. Africa: top 10 recipients of FDI inflows, 2007–2008 .....   | 46          |
| II.4. Africa: FDI outflows, by subregion, 1995–2008 .....   | 46          |
| II.5. Africa: comparison of the results of WIPS 2009–2011 with WIPS 2008–2010 .....   | 49          |
| II.6. South, East and South-East Asia: FDI inflows, by value and as a percentage of gross fixed capital formation, 1995–2008 .....                      | 51          |
| II.7. South, East and South-East Asia: top 10 recipients of FDI inflows, 2007–2008 .....  | 52          |
| II.8. South, East and South-East Asia: FDI outflows, by subregion, 1995–2008 .....  | 53          |
| II.9. South, East and South-East Asia: top 10 sources of FDI outflows, 2007–2008 .....  | 54          |
| II.10. South, East and South-East Asia: comparison of the results of WIPS 2009–2011 with WIPS 2008–2010 .....   | 56          |
| II.11. West Asia: FDI inflows, by value and as a percentage of gross fixed capital formation, 1995–2008 .....   | 58          |
| II.12. West Asia: top 5 recipients of FDI inflows, 2007–2008 .....  | 58          |
| II.13. West Asia: FDI outflows, 1995–2008 .....   | 61          |
| II.14. West Asia: top 5 sources of FDI outflows, 2007–2008 .....  | 61          |
| II.15. West Asia: comparison of the results of WIPS 2009–2011 with WIPS 2008–2010 .....   | 64          |
| II.16. Latin America and the Caribbean: FDI inflows, by value and as a percentage of gross fixed capital formation, 1995–2008 .....                     | 65          |
| II.17. Latin America and the Caribbean: top 10 recipients of FDI inflows, 2007–2008 .....   | 66          |
| II.18. Latin America and the Caribbean: FDI outflows, by subregion, 1995–2008 .....   | 68          |
| II.19. Latin America and the Caribbean: top 10 sources of FDI outflows, 2007–2008 .....   | 68          |
| II.20. Latin America and the Caribbean: comparison of the results of WIPS 2009–2011 with WIPS 2008–2010 .....   | 72          |
| II.21. South-East Europe and CIS: FDI inflows, by value and as a percentage of gross fixed capital formation, 1995–2008 .....                           | 73          |
| II.22. South-East Europe and CIS: top 5 recipients of FDI inflows, a 2007–2008 .....  | 74          |
| II.23. South-East Europe and CIS: FDI outflows, 1995–2008 .....   | 76          |
| II.24. South-East Europe and CIS: Comparison of the results of WIPS 2009–2011 with WIPS 2008–2010 .....   | 78          |
| II.25. Developed countries: FDI inflows, by value and as a percentage of gross fixed capital formation, 1995–2008 .....                                 | 79          |
| II.26. Developed countries: top 10 recipients of FDI inflows, 2007–2008 .....   | 80          |
| II.27. Developed countries: FDI flows, by sub-group, 1995–2008 .....  | 84          |
| II.28. Developed countries: top 10 sources of FDI outflows, 2007–2008 .....   | 84          |
| II.29. Developed countries: comparison of the results of WIPS 2009–2011 with WIPS 2008–2010 .....   | 86          |
| III.1. Share of subregions in world production of selected agricultural commodities, average for 2002–2007 .....  | 97          |
| III.2. ODA in agriculture: value and share in total ODA, 1970–2007 .....  | 103         |
| III.3. A typical agribusiness global value chain in a developing economy and types of TNC players .....   | 107         |
| III.4. Types of TNC participation in agricultural production in host countries .....  | 110         |
| III.5. FDI inflows in agriculture, forestry and fishing, and food and beverages, 1990–2007 .....  | 112         |
| III.6. Share of agriculture in inward FDI of selected economies, various years .....  | 113         |
| III.7. Distribution of cross-border M&As along the value chain in agriculture and food industries, 2006, 2007 and 2008 .....                            | 115         |
| III.8. Sales and exports of majority-owned affiliates abroad of United States TNCs in agriculture, hunting, forestry and fishing, 1983–2006 .....       | 115         |
| III.9. Exports of majority-owned affiliates abroad of United States TNCs in agriculture, hunting, forestry and fishing, by destination, 1983–2006 ..... | 116         |
| III.10. Inward FDI flows in agriculture by region, 2000–2007 .....  | 116         |
| III.11. Inward FDI stock in agriculture by developing region, 2002 and 2007 .....   | 116         |
| III.12. Main agricultural produce targeted by TNCs in foreign locations, by subregion, up to 2009 .....   | 117         |
| III.13. Outward FDI stock of selected economies in agriculture, 2007 or latest year available .....   | 118         |
| III.14. Investor and target regions and countries in overseas land investment for agricultural production, 2006–May 2009 .....                          | 123         |
| IV.1. TNC activities along agribusiness value chains and types of impact in host developing countries .....   | 134         |
| IV.2. TNC participation in agricultural production and impact on food security .....  | 160         |

## Tables

|  |    |
|--|----|
| I.1. World economic growth and growth prospects, 2008–2010 .....   | 7  |
| I.2. Selected developed countries with negative FDI inflows, by component, 2007–2009 .....                                   | 8  |
| I.3. Cross-border M&As (valued at over \$1 billion), 1987–2009 .....   | 11 |
| I.4. Selected cross-border M&As and privatization programmes cancelled or postponed due to the global financial crisis ..... | 12 |
| I.5. Industries with a rise in cross-border M&As in 2008 .....   | 17 |
| I.6. Selected indicators of FDI and international production, 1982–2008 .....  | 18 |
| I.7. Snapshot of the 100 largest TNCs worldwide, 2006–2007/2008 .....  | 19 |

|         | Page  |
|---------|---|
| I.8.    | TNI values for the 100 largest TNCs worldwide and from developing countries, by selected industries, 2007 ..... 19  |
| I.9.    | TNI values for the top 100 largest TNCs worldwide, by selected countries, 2006–2007 ..... 19  |
| I.10.   | Examples of recent restructurings by some of the 100 largest non-financial TNCs ..... 22  |
| I.11.   | Snapshot of the 100 largest TNCs from developing economies, 2006–2007 ..... 23  |
| I.12.   | TNI values for the 100 largest TNCs from developing countries, by region, 2007 ..... 23   |
| I.13.   | Cross-border M&A purchases by private equity firms and hedge funds, 1996–2009 ..... 26  |
| I.14.   | National regulatory changes, 1992–2008 ..... 31   |
| II.1.   | Cross-border M&A sales, by sector and by group of economies, 2007–2009 ..... 42   |
| II.2.   | Africa: top 10 cross-border M&A sales, 2008 ..... 43  |
| II.3.   | Africa: FDI flows of selected countries, 2008–2009, by quarter ..... 44   |
| II.4.   | Africa: value of cross-border M&A sales and purchases, by region/economy, 2007–2009 ..... 47  |
| II.5.   | Africa: top 10 cross-border M&A purchases, 2008 ..... 47  |
| II.6.   | Africa: value of cross-border M&A sales and purchases by sector/industry, 2007–2009 ..... 48  |
| II.7.   | South, East and South-East Asia: value of cross-border M&A sales and purchases, by region/economy, 2007–2009 ..... 50   |
| II.8.   | South, East and South-East Asia and Oceania: FDI flows of selected economies, 2008–2009, by quarter ..... 51  |
| II.9.   | South, East and South-East Asia: top 10 cross-border M&A sales, 2008 ..... 53   |
| II.10.  | South, East and South-East Asia: value of cross-border M&A sales and purchases, by sector/industry, 2007–2009 ..... 54  |
| II.11.  | South, East and South-East Asia: top 10 cross-border M&A purchases, 2008 ..... 55   |
| II.12.  | West Asia: value of cross-border M&A sales and purchases, by region/economy, 2007–2009 ..... 60   |
| II.13.  | West Asia: top 10 cross-border M&A sales, 2008 ..... 61   |
| II.14.  | Estimated gains and losses of Gulf funds ..... 62   |
| II.15.  | West Asia: top 10 cross-border M&A purchases, 2008 ..... 63   |
| II.16.  | West Asia: value of cross-border M&A sales and purchases, by sector/industry, 2007–2009 ..... 63  |
| II.17.  | Latin America and the Caribbean: FDI flows of selected countries, 2008–2009, by quarter ..... 66  |
| II.18.  | Latin America and the Caribbean: top 10 cross-border M&A sales, 2008 ..... 67   |
| II.19.  | Latin America and the Caribbean: value of cross-border M&A sales and purchases,<br>by region/economy, 2007–2009 ..... 67  |
| II.20.  | Latin America and the Caribbean: top 10 cross-border M&A purchases, 2008 ..... 69   |
| II.21.  | Latin America and the Caribbean: value of cross-border M&A sales and purchases,<br>by sector/industry, 2007–2009 ..... 69   |
| II.22.  | South-East Europe and CIS: FDI flows of selected countries, 2008–2009, by quarter ..... 73  |
| II.23.  | South-East Europe and CIS: top 10 cross-border M&A sales, 2008 ..... 75   |
| II.24.  | South-East Europe and CIS: value of cross-border M&A sales and purchases, by region/economy, 2007–2009 ..... 77   |
| II.25.  | South-East Europe and CIS: top 10 cross-border M&A purchases, 2008 ..... 77   |
| II.26.  | South-East Europe and CIS: value of cross-border M&A sales and purchases, by sector/industry, 2007–2009 ..... 78  |
| II.27.  | Developed countries: FDI flows of selected countries, 2008–2009, by quarter ..... 81  |
| II.28.  | Developed countries: top 10 cross-border M&A sales, 2008 ..... 82   |
| II.29.  | Developed countries: value of cross-border M&A sales and purchases, by region/economy, 2007–2009 ..... 83   |
| II.30.  | Developed countries: top 10 cross-border M&A purchases, 2008 ..... 85   |
| II.31.  | Developed countries: value of cross-border M&A sales and purchases, by sector/industry, 2007–2009 ..... 86  |
| III.1.  | Categories of agricultural commodities from developing countries ..... 98   |
| III.2.  | Agricultural producers, farmers and firms in developing countries ..... 99  |
| III.3.  | Regional differences in significance of agriculture, 2002–2007 ..... 101  |
| III.4.  | Estimated gross capital formation in agriculture, 1980–2007 ..... 102   |
| III.5.  | Biofuel production in selected economies and grouping, 2007 ..... 105   |
| III.6.  | The global value chain in floriculture: key stages and selected TNCs at each stage, 2009 ..... 108  |
| III.7.  | Estimated FDI in agriculture, forestry and fishing and food and beverages, various years ..... 112  |
| III.8.  | Comparison of FDI inflows and net cross-border M&A sales in agriculture and food processing, 1990–June 2009 ..... 115   |
| III.9.  | Inward FDI flows and stock in agriculture, selected countries, various years ..... 117  |
| III.10. | Net value of cross-border M&As agriculture by target region, 1987–May 2009 ..... 118  |
| III.11. | Water resources in selected regions and countries, 2008 ..... 122   |
| III.12. | Top 25 TNCs in agribusiness industries, ranked by foreign assets, 2007 ..... 124  |
| III.13. | Examples of new investors in agricultural production in developing countries,<br>based on their motivations for investment ..... 129  |
| IV.1.   | FDI in agriculture in selected major host developing countries: ratios of FDI inflows to GCF and<br>of FDI stock to GDP, in agriculture and in the entire economy, 2007 ..... 135 |
| V.1     | Percentage of IPAs that promote FDI in specific agricultural commodities, by region, 2009 ..... 171   |
| V.2     | IPAs that actively promote outward FDI in agricultural production, by country group/region ..... 187  |

## Annex A

|        |  |
|--------|--|
| A.I.1. | Number of greenfield FDI projects, by source/destination, 2004–2009 ..... 212      |
| A.I.2. | Number of greenfield FDI projects, by sector/industry, 2004–2009 ..... 215         |
| A.I.3. | Cross-border M&A deals worth over \$3 billion completed in 2008 ..... 216          |
| A.I.4. | Estimated world inward FDI stock, by sector and industry, 1990 and 2007 ..... 218  |
| A.I.5. | Estimated world outward FDI stock, by sector and industry, 1990 and 2007 ..... 219 |

|   | <b>Page</b> |
|---|-------------|
| A.I.6. Estimated world inward FDI flows, by sector and industry, 1989–1991 and 2005–2007 .....                  | 220         |
| A.I.7. Estimated world outward FDI flows, by sector and industry, 1989–1991 and 2005–2007 .....                 | 221         |
| A.I.8. Number of parent corporations and foreign affiliates, by region and economy, latest available year ..... | 222         |
| A.I.9. The world's top 100 non-financial TNCs, ranked by foreign assets, 2007 .....                             | 225         |
| A.I.10. The world's top 100 non-financial TNCs, ranked by foreign assets, 2008 .....                            | 228         |
| A.I.11. The top 100 non-financial TNCs from developing countries, ranked by foreign assets, 2007 .....          | 231         |
| A.I.12. The top 50 financial TNCs ranked by Geographical Spread Index (GSI), 2008 .....                         | 234         |
| A.I.13. IIAs (other than BITs and DTTs) concluded in 2008 .....   | 235         |
| A.III.1. Relative importance of agriculture and manufacturing in selected economies, 2000–2005 .....            | 236         |
| A.III.2. Top 10 exporters of selected agricultural commodities, average of 2002–2006 .....                      | 236         |
| A.III.3. Inward FDI in agriculture, forestry and fishing, various years .....                                   | 237         |
| A.III.4. The world's 25 largest agriculture-based and plantation TNCs, ranked by foreign assets, 2007 .....     | 239         |
| A.III.5. The world's 25 largest TNC suppliers of agriculture, ranked by foreign assets, 2007 .....              | 240         |
| A.III.6. The world's 50 largest food and beverage TNCs, ranked by foreign assets, 2007 .....                    | 241         |
| A.III.7. The world's 25 largest food retail TNCs, ranked by foreign assets, 2007 .....                          | 242         |
| A.III.8. The world's 25 largest privately owned agri-food TNCs, ranked by their agri-food sales, 2006 .....     | 242         |

## **DEFINITIONS AND SOURCES.....243**

### **Annex B**

|   |     |
|---|-----|
| B.1. FDI flows, by region and economy, 2006–2008 .....  | 247 |
| B.2. FDI stock, by region and economy, 1990, 2000, 2008 .....   | 251 |
| B.3. FDI flows as a percentage of gross fixed capital formation, 2006–2008, and<br>FDI stocks as a percentage of gross domestic product, by region and economy, 1990, 2000, 2008..... | 255 |
| B.4. Value of cross-border M&As, by region/economy of seller/purchaser, 2006–2009 .....   | 267 |
| B.5. Number of cross-border M&As, by region/economy of seller/purchaser, 2006–2009 .....  | 270 |
| B.6. Value of cross-border M&As, by sector/industry, 2006–2009 .....  | 274 |