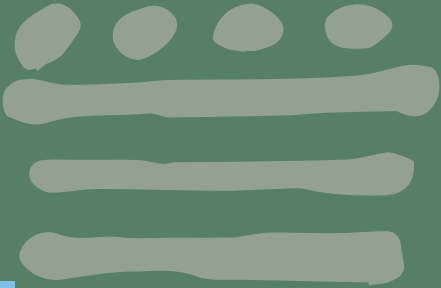


# Foreign Direct Investment in Latin America and the Caribbean **2025**



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Executive summary

# Foreign Direct Investment in Latin America and the Caribbean **2025**



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ECLAC

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The 2025 version of *Foreign Direct Investment in Latin America and the Caribbean* is the most recent edition of an annual series produced by the Unit on Investment and Corporate Strategies of the Division of Production, Productivity and Management of the Economic Commission for Latin America and the Caribbean (ECLAC). It was prepared by Martín Abeles, Tanner Boisjolie, Pablo Chauvet, Mauricio León, Andrea Laplane, Valentina Leiva, José Luis Lewinsohn and Orlando Reyes, and includes input from Willy Kracht and Nikolas Passos. Preparation of the document was coordinated by Cecilia Plottier and supervised by Marco Llinás. The databases were prepared by Leandro Cabello.

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## Explanatory notes:

Three dots indicate that data are not available or are not separately reported.

A dash indicates that the amount is nil or negligible.

A full stop is used to indicate decimals.

The word "dollars" refers to United States dollars, unless otherwise specified.

A slash between years (e.g. 2024/2025) indicates a 12-month period falling between the two years.

Individual figures and percentages in tables may not always add up to the corresponding total because of rounding.

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# Executive summary

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A. Overview of foreign direct investment in Latin America and the Caribbean.....	5
B. Foreign direct investment in mining and the potential of critical minerals in Latin America and the Caribbean .....	9
C. Digital transformation and foreign direct investment: trends, challenges and opportunities for Latin America and the Caribbean.....	11
Bibliography .....	15



## A. Overview of foreign direct investment in Latin America and the Caribbean

This 2025 edition of *Foreign Direct Investment in Latin America and the Caribbean* comes against a backdrop of great global volatility and uncertainty, amid the tariff changes introduced by the United States, which have challenged the multilateral system and the rules-based order of the past 30 years.

In 2024, global FDI inflows amounted to US\$ 1.50 trillion, up 3.7% from 2023. However, the major capital flows recorded in European financial centres are responsible for that growth; without them, global FDI inflows fell by 11.0%, and the outlook for 2025 is negative (United Nations Conference on Trade and Development [UNCTAD], 2025). FDI inflows in the United States grew, while those in China fell, and European countries recorded large fluctuations in financial centres and declines in major economies.

Investment project announcements declined globally relative to 2023. Total announced projects amounted to US\$ 1.3 trillion, down by 6.5% year-on-year. The only regions bucking this trend were Latin America and the Caribbean and North America. Renewable energy continued to attract more announcements than any other sector for the sixth consecutive year (19.9% of the global total in 2024), despite a 30.7% drop in value. There was a significant increase in project announcements in the communications sector, explained mostly by an increase in the data processing, hosting and related services subsector. This boom was most prominent in Europe (48% of the global total in 2024) and in Asia and the Pacific (30% of the global total). Project announcements in the semiconductor industry also rose, reflecting rapid growth in demand for high-powered computer chips, a critical input for artificial intelligence applications. Most of this growth derived from investments made in the United States (61.7% of the sector's total).

Market- and technology-driven strategies, along with firms' efforts to position themselves in response to geopolitical circumstances and the consolidation of industrial policies in developed countries, shaped these geographical and sectoral trends.

Against this backdrop, FDI inflows in Latin America and the Caribbean amounted to US\$ 188.962 billion in 2024, representing a 7.1% increase relative to 2023,<sup>1</sup> and accounting for 13.7% of gross fixed capital formation and 2.8% of GDP, lower than in the 2010s, when they represented 16.8% and 3.3%, respectively.<sup>2</sup>

However, analysis of the components supporting this growth shows that it was driven by transnational firms already operating in the region, owing mainly to increases in reinvested earnings, while equity inflows remain stagnant (see figure 1). Given that the equity inflows component includes new investments, its relative sluggishness is an indicator of new companies' limited interest in operating in the region.

In 2024, FDI inflows grew in Central America, Mexico and the Caribbean, while results in South American countries were mixed (see map 1). The largest boost came from increases in FDI to Brazil (by 13.8%) and Mexico (by 47.9%), which were the top two recipients of FDI, accounting for 38% and 24% of total inflows, respectively. Colombia, Chile and Argentina placed third, fourth and fifth, respectively, but all three recorded weaker FDI inflows than in 2023.

In 2024, manufacturing inflows increased and services inflows decreased, bringing the two sectors' shares of FDI closer to par (43.6% and 40.4%, respectively).<sup>3</sup> Nearly half the countries that provide information

<sup>1</sup> The data on FDI inflows and outflows included in this report derive from countries' official statistics, according to the asset and liability criterion of the *Balance of Payments and International Investment Position Manual: Sixth edition (BPM6)* (International Monetary Fund [IMF], 2009). These data therefore differ from those presented in line with the directional criterion of the *Balance of Payments Manual: Fifth edition (BPM5)* (IMF, 1993), which fundamentally affects figures for Brazil and Mexico. The application of distinct methodologies explains the different result for Latin America and the Caribbean presented by UNCTAD (2025).

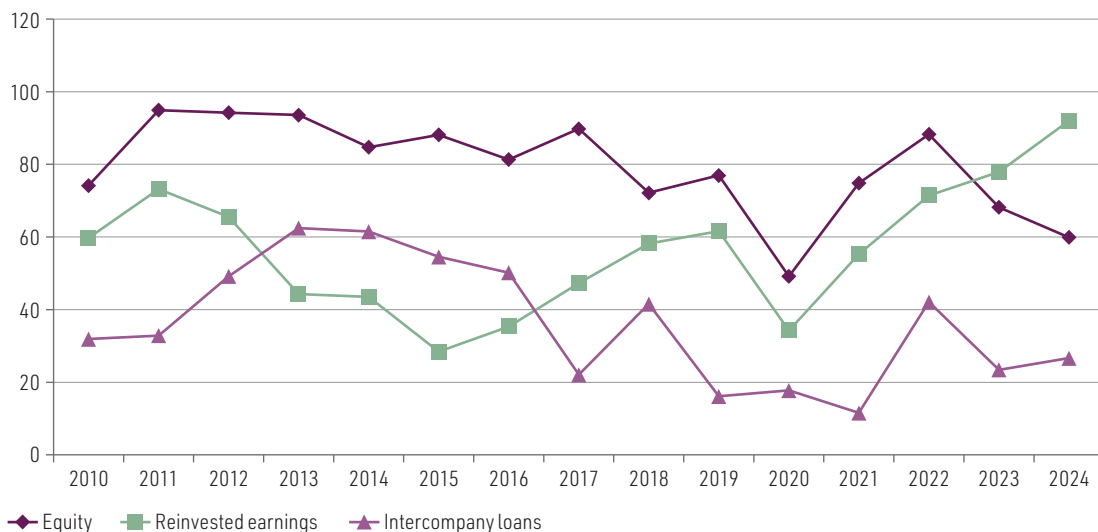
<sup>2</sup> The regional overview for both indicators is mixed. Percentages represent average values.

<sup>3</sup> To date, the countries with FDI inflow data disaggregated by sector for 2024 are Argentina, Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, the Plurinational State of Bolivia and Trinidad and Tobago, which account for a combined 88% of FDI inflows. Data for Brazil are not included in the reinvested earnings component, and sectoral data for Costa Rica and Mexico are computed using the approach established by Balance of Payments Manual: Fifth Edition. As a result, the sum of the sectoral totals is not equal to total inflows.

disaggregated by sector recorded decreased services inflows, which in 2024 especially affected Brazil, Argentina and Ecuador. In contrast, Colombia, the Dominican Republic, Guatemala, Honduras, Mexico and Nicaragua all received increased inflows to the services sector. Manufacturing inflows trended in the opposite direction, increasing in the region's major destination countries. This growth could be indicative of shifting patterns in investment localization and a reconfiguration of global value chains. Lastly, natural resources had the smallest share of inflows (16% of the regional total). Nearly all countries saw declining investment in this sector, except Argentina, where a 44% increase carried the sector's share of the total to 39%, and Guyana, where inflows to the sector—up 43% on the back of expanded hydrocarbon production—accounted for 98% of total inflows.

**Figure 1**

Latin America and the Caribbean (25 countries):<sup>a</sup> FDI inflows, by component, 2010–2024  
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean, on the basis of official figures as at 30 June 2025.

<sup>a</sup> Includes the countries with 2024 data by component available: Antigua and Barbuda, Argentina, Bahamas, Brazil, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, Grenada, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and Uruguay.

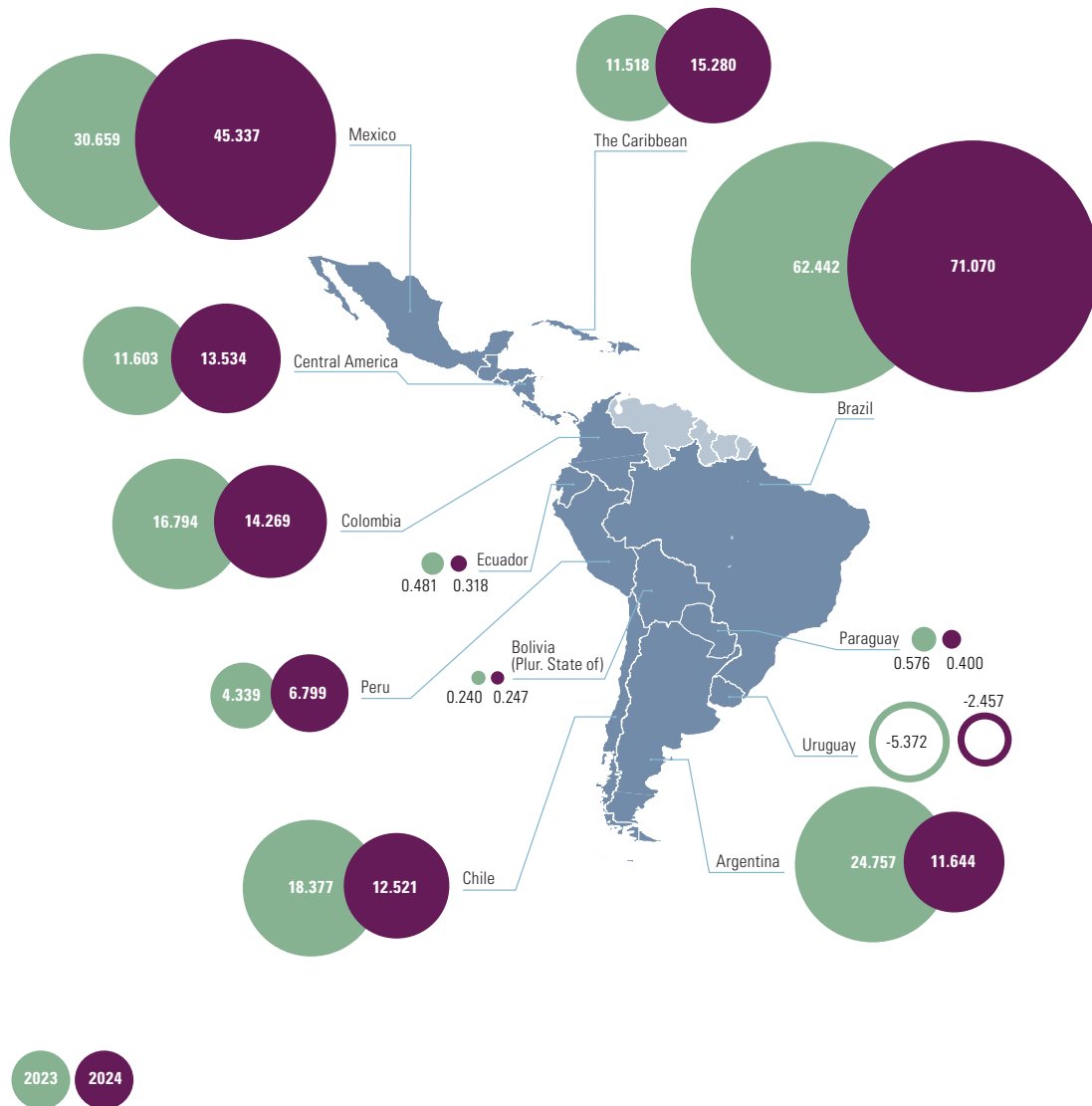
In 2024, there were 326 cross-border mergers and acquisitions in the region, down by 13.3% from 2023. Of the top 20 transactions of 2024, the largest involved services firms, including in real estate and financial services, commerce, electricity, gas and water, and telecommunications, as well as hydrocarbon production and mining.

Data for countries reporting the origin of FDI inflows in 2024 show that the United States has held its position as the region's largest investor, accounting for 38% of invested value. The relative share of investment from the European Union (excluding Luxembourg and the Kingdom of the Netherlands) fell to 15% of the regional total in 2024, the lowest figure since 2012. Investment originating from Latin America and the Caribbean represented 12% of FDI inflows, making it the third-largest region of origin. Meanwhile, investments originating from China and Hong Kong, China have generally represented a small proportion of FDI inflows reported in balance-of-payments statistics and, in 2024, Chinese FDI accounted for just 2% of total inflows.<sup>4</sup>

<sup>4</sup> Efforts to trace the origin of FDI through national accounts data are hampered by the fact that these data only identify the immediate source of capital, which may differ from the location of the investing entity. As a result, countries such as Luxembourg and the Kingdom of the Netherlands tend to be overrepresented, given that because of their tax regimes, they are often used by multinational companies to invest in third countries. Investors from China tend to be underrepresented as the immediate source of capital in comparison with their position as its final owner, given that many of their investments are made through third countries. Furthermore, since 2010, investments by Chinese companies have mainly been in the form of purchases of assets already owned by foreign companies, so they have not been reflected in the balance of payments (ECLAC, 2021). Many of the activities of Chinese companies in the region are linked to concessions and construction contracts, which are not FDI.

**Map 1**

Latin America and the Caribbean (selected countries and subregions): FDI inflows, 2023 and 2024  
(Billions of dollars)



**Source:** Economic Commission for Latin America and the Caribbean, on the basis of official figures as at 30 June 2025.

The value of projects announced in the region in 2024 surged by 40% relative to 2023, to US\$ 168.2 billion, setting a record for the region. This growth is attributable to a considerable increase in hydrocarbon projects, which accounted for 38% of the value of announced projects in 2024, with megaprojects in liquefied natural gas in Argentina and Mexico, and oil exploitation in Guyana. This differs from the global trend of communications, renewable energies and the semiconductor industry accounting for the bulk of FDI announcements in 2024. Despite this growth in non-renewable energy, opportunities in renewable energy continued to attract foreign investors, although the value of announced projects was 13% lower than in 2023, representing the second-highest total to date and more than double the sector average over the previous decade. Brazil accounted for the largest number of these announcements, followed by Peru and Chile. The communications sector also underwent a significant shift in 2024, with announced projects 71% higher than in 2023, owing primarily to planned investments in data processing centres. Brazil, Mexico and Colombia attracted the sector's biggest projects in 2024. The metals and minerals sector, meanwhile, recorded sharp declines in both the number and the value of projects announced.

More innovation-intensive sectors, such as technology-intensive manufacturing, account for a smaller share of announcements, reflecting a decrease from 20% of the region's total announced investment in the 2010s to 15% between 2020 and 2024. In addition, some of the goods production sectors that have been the greatest beneficiaries of project announcements have strong export ties with the United States, which may make them vulnerable to escalating trade restrictions. For example, 69% of automotive sector exports were destined for the United States market in 2023, while that sector accounted for 9% of total announced FDI in the region between 2020 and 2024.

FDI outflows from the region grew in 2024 to US\$ 53.033 billion, up 47% over 2023. Brazil was the largest outward investor (46% of the total), despite a slight drop in outward FDI (3%), while investments from Mexico showed the strongest growth, Colombia ranked third following a significant increase in outflows, and outward investment from Chile and Argentina was lower. Together, these five countries accounted for 91% of the region's total FDI outflows.

These figures show that the region is a net recipient of FDI, and that just a few countries invest significant amounts abroad. However, taking a more medium-term view, investment outflows from the region were 15% higher in 2024 than the average for the 2010s. Should this pattern continue, trans-Latin companies' activities abroad could begin to bring greater returns in their countries of origin, not only in the form of foreign-exchange income from the repatriation of earnings generated abroad, but also in the opportunities that could arise to open markets, create distribution networks for other companies in the region, and thus, enable regional integration.

In concluding, this document indicates that the region still needs to improve its policies to attract FDI and coordinate them with productive development policies to increase FDI inflows into the region, as well as its impact on recipient economies. Although trends across countries are mixed, equity inflows for the region reflect the second-lowest figure since 2010, investment announcements grew thanks to major investments in hydrocarbons, and the share of renewable energy and technology-intensive sectors decreased.

One important condition is that FDI should be viewed as a strategic tool of productive development policy (ECLAC, 2024a, 2024c). This perspective is helpful in identifying the best instruments and tools for attracting and maximizing the impact of investment in countries and their territories, and the most effective institutional governance mechanisms for productive development and FDI attraction.

This document includes a non-exhaustive list of guidelines for action aimed at helping countries and their territories to improve their technical, operational, political and prospective (TOPP) capabilities to attract FDI and generate positive productive development outcomes. The technical capabilities to be developed involve: (i) strengthening the capacity of institutions responsible for attracting and managing FDI; (ii) aligning FDI management policies and productive development policies, (iii) designing tools that foster positive FDI impact, (iv) evaluating the use of fiscal and financial incentives and regularly monitoring their results, (v) identifying priority sectors and markets in FDI management strategies, (vi) strengthening the training of human talent for productive development, (vii) strengthening aftercare services and monitoring, and (viii) creating spaces for sharing good practices in Latin America and the Caribbean. Operational capabilities include: (i) allocating resources for FDI management policies, (ii) establishing information systems to monitor FDI and transnational corporate activities, (iii) implement investment facilitation tools and (iv) ensuring monitoring and evaluation of FDI management policies. Political capabilities involve: (i) establishing institutional mechanisms for effective coordination, (ii) incorporating FDI management in governance frameworks at the highest level and (iii) fostering multi-stakeholder participation in designing and adopting FDI attraction policies. Lastly, prospective capacities include: (i) building desirable future scenarios and (ii) encouraging the diversification of FDI by origin.

## B. Foreign direct investment in mining and the potential of critical minerals in Latin America and the Caribbean

Humanity is facing an unprecedented environmental crisis. In this context, the energy transition is urgently needed to mitigate the adverse effects of climate change and promote sustainable development. Clean energy technologies, such as solar panels, wind turbines and electric batteries, are more mineral-intensive than conventional fossil fuel-based technologies.

Critical or strategic minerals are defined as those essential to the energy transition and to fostering productive, inclusive and sustainable development in the region's countries with high geological potential. According to this definition, the main critical minerals found in the region are aluminium (bauxite and alumina), cobalt, copper, graphite, lithium, nickel and rare earth elements.

Against this backdrop, Latin America and the Caribbean has emerged as a region of increasing interest, given its high levels of reserves and production of some critical minerals, especially lithium and copper, making it an attractive destination for FDI in the sector. The relative scarcity of these minerals, combined with geopolitical competition, creates both new opportunities and substantial challenges for the region. Historically, the region has not fully leveraged its natural resource endowment. Given its natural competitive advantages, the region could capitalize on its strategic position to strengthen the alignment of policies for FDI attraction and for productive development in the sector.

Critical minerals for the energy transition are geographically concentrated in a limited number of regions, including Latin America and the Caribbean. Chile holds 31.3% of the world's lithium reserves and Argentina has 13.3%. Chile accounts for 19.4% of global reserves of copper, Peru has 10.2% and Mexico holds 5.4%. Brazil possesses 26.5% of the world's graphite reserves and is the second-largest holder of global reserves of rare earth elements, with a 23% share.

Ownership of a significant share of global mineral reserves does not necessarily translate into a high share of production. The region is the world's leading producer of mined copper, accounting for 38% of global production. It is also the second-largest global producer of lithium, with a 33% share. However, it produces a much smaller or marginal share of other critical minerals, such as rare earth elements.

The growth in global demand for critical minerals is driven by decarbonization agreements and the deployment of technologies enabling the transition to low-carbon energy. In Latin America and the Caribbean, this stronger demand has not translated into a larger share of global production. Although production of copper, lithium, bauxite, alumina and graphite increased between 2000 and 2024, the region lost global market share to other regions.

Regional exports of critical minerals expanded markedly over the same period, from US\$ 29 billion to US\$ 102 billion. However, this represents only slight growth in the region's share in the global critical minerals market, driven primarily by copper and lithium exports. The increased production and export of critical minerals from Latin America and the Caribbean has not been accompanied by greater diversification of the export basket, as raw materials continue to represent a substantial share of the region's exports. For instance, between 2019 and 2023, 62% of the region's critical mineral exports consisted of unprocessed products or those having undergone only basic refining.

Mining investment in Latin America and the Caribbean has been driven by both domestic and foreign capital, with their respective shares fluctuating over time. The share of foreign capital has been growing since the 1990s. FDI has played a fundamental role in the development of mining in several countries of the region.

Official data from 11 countries of the region indicate that so far this century, FDI inflows in the mining sector of Latin America and the Caribbean have largely followed the trend in international mineral prices. FDI inflows to the region's mining sector have rebounded in recent years, totalling

US\$ 19.8 billion in 2023, but are still below the peak recorded in 2012. Indeed, the US\$ 9.9 billion annual average in the period 2019–2023 was 20% lower than the 2005–2009 average and 53% lower than the 2010–2014 average. Latin America and the Caribbean is falling behind other regions in terms of its capacity to attract capital.

According to project announcements, the value of global FDI in mining in the past two decades surpassed US\$ 1.166 trillion, with 36% concentration in Asia and 21% in Latin America and the Caribbean. The Latin American and Caribbean share of the global total contracted, from 24% in the first decade of analysis (2005–2014) to 19% in the second (2015–2024), reflecting the region's diminished role relative to other parts of the world.

Between 2005 and 2024, there were 1,152 project announcements in the minerals and metals sectors in Latin America and the Caribbean, totalling US\$ 230.065 billion (see figure 2). Critical minerals accounted for 23.5% of the number and 41.6% of the value of these announcements. Copper is the top mineral of interest to investors in the region, with the highest concentration of announcements occurring in Chile and Peru. More recently, there has been growing interest in lithium and, to a lesser extent, nickel. Since 2016, lithium-related FDI announcements have increased more than ninefold compared to the previous decade, concentrated mainly in Argentina.

**Figure 2**

Latin America and the Caribbean: FDI project announcements in critical minerals, 2005–2024  
(Billions of dollars)



**Source:** Economic Commission for Latin America and the Caribbean, on the basis of Financial Times. fDi Markets. <https://www.fdimarkets.com/>

**Note:** FDI project announcements in critical minerals correspond to the subset of announcements in the minerals and metals sectors (as defined in the source) that pertain to minerals designated as “critical”. The aluminium category includes announcements pertaining to bauxite, alumina and aluminium, and the “other critical minerals” category includes those pertaining to cobalt, graphite and rare earth metals.

Not many countries have been able to attract investment in mining and develop new productive and technological capacities at the same time. Some countries have focused on developing extraction technologies, others on supplier development and still others on downstream value addition. Australia and Canada are notable for the important role that their productive development policies have played in capacity absorption and development at all three strategic levels. Both countries have established a wide variety of incentives to attract mining investments geared towards primary activities, with backward and, to a lesser extent, forward linkages.

In Latin America and the Caribbean, investments in the mining sector are concentrated mainly in extractive activities. Investment attraction policies are primarily based on tax incentives and, in general, do not include local content, supplier development or technology transfer commitments. What few productive development policies there are in the mining sector have focused on lithium.

Chile, for example, has implemented a mixed public-private model based on its National Lithium Strategy, which aims to support the industry's sustainable development, recognizing in that pursuit an opportunity to generate productive linkages and advance technological development.

Although FDI in mining has historically been substantial in Latin American and Caribbean countries with a mining tradition, it has declined over the past 20 years. Still, the region remains a global leader in terms of reserves, production and exports of critical minerals, in particular copper and lithium. These minerals offer an unprecedented opportunity to attract new FDI and simultaneously implement productive development policies.

To take advantage of this opportunity, it is essential to strengthen what ECLAC has termed the technical, operational, political and prospective (TOPP) capabilities of the State institutions involved in this arena. Sectoral FDI attraction policies must be coordinated with productive development policies; better coordination in their design and implementation can significantly amplify their impact in the countries of the region, so that their socioeconomic effects are not confined to extractive activities but instead ripple outward.

Today, Latin America and the Caribbean is ideally positioned to adopt these policies as part of a strengthened productive development strategy to capitalize on its strategic critical mineral reserves. Only with sustained efforts in this direction will the region be able to extract maximum benefit from the exploitation of its strategic wealth in these minerals.

## **C. Digital transformation and foreign direct investment: trends, challenges and opportunities for Latin America and the Caribbean**

The digital transformation has become a key driver of development in the twenty-first century. Artificial intelligence, cloud computing, big data analytics, the Internet of things, blockchain technology and other advanced technologies are increasingly consequential, bringing disruptive change to production, service provision, consumption and business models. These technologies also have the potential to boost productivity, efficiency and resilience in various sectors, improve quality of life and enhance environmental sustainability and social inclusion. In this context, digital technologies must be effectively adopted and supported by adequate governance to minimize their associated risks while leveraging their full potential (ECLAC, 2025), especially to address the three development traps facing the region: low capacity for growth; high inequality and low social mobility and cohesion; and weak institutional capacities and ineffective governance (ECLAC, 2024a).

Digitalization is redefining transnational corporate strategies and driving increased FDI flows, which can be an important source of financing to boost digital progress in developing countries to support their productive transformation. However, achieving this is only possible if FDI is complemented by the receiving economy's absorptive capacity, which is determined by macroeconomic, institutional and governance factors and the existence of a solid innovation ecosystem, backed by learning capacities and policies that foster its development, including FDI promotion, regulation and management policies and productive development policies (ECLAC, 2024b). In the digital sphere, key elements include the presence of infrastructure, appropriate regulation and human talent and skills.

The global landscape of FDI for the digital transformation is evolving rapidly. In recent years, investment in semiconductors and data centres has ballooned, especially in the form of large-scale project announcements, spurred on by technological, economic and geopolitical factors. The rise of artificial intelligence, fifth-generation mobile networks, cloud computing and other technologies that involve large-scale data processing has caused global demand for advanced chips to soar. More powerful and resilient infrastructure will be required to sustain the accelerating digitalization of the productive sectors and the rise in digital service provision, translating into a greater need for computing capacity and data centres. Semiconductor production and data centres have thus become assets with strategic value for technological leadership, digital sovereignty and national security, leading many governments to designate them as priority sectors and put in place incentives and regulations in their favour, reshaping investment patterns in the process and restructuring production worldwide.

However, regions and countries have not benefited equally from this trend, and existing gaps could widen further if governments do not take proactive measures. Developed countries have attracted more investment in digital projects than the developing countries group, in which approximately 80% of announcements between 2020 and 2024 were concentrated in just 10 recipient economies (UNCTAD, 2025). From 2005 to 2024, Asia and the Pacific, Western Europe and North America were the main destinations for FDI announcements, while Latin America and the Caribbean accounted for 7% of the announcements' total value. Despite its progress in digitalization, the region continues to present significant gaps in technological adoption and local conditions, which play a part in limiting its share of global FDI flows linked to the digital transformation. Mexico and Brazil accounted for 32% and 29%, respectively, of the cumulative value of project announcements destined for the region in the period 2005–2024; combined with Argentina, Chile and Colombia, they accounted for 80% of the total.

In Latin America and the Caribbean, by sector, communications has been the leading recipient of project announcements in terms of value, reflecting its function of providing connectivity and its central role in supporting critical infrastructure for artificial intelligence, such as data centres and high-speed networks. The software and information technology services sector, meanwhile, leads in number of announcements, accounting for more than half (52%) the total number, in addition to being a significant source of quality jobs.

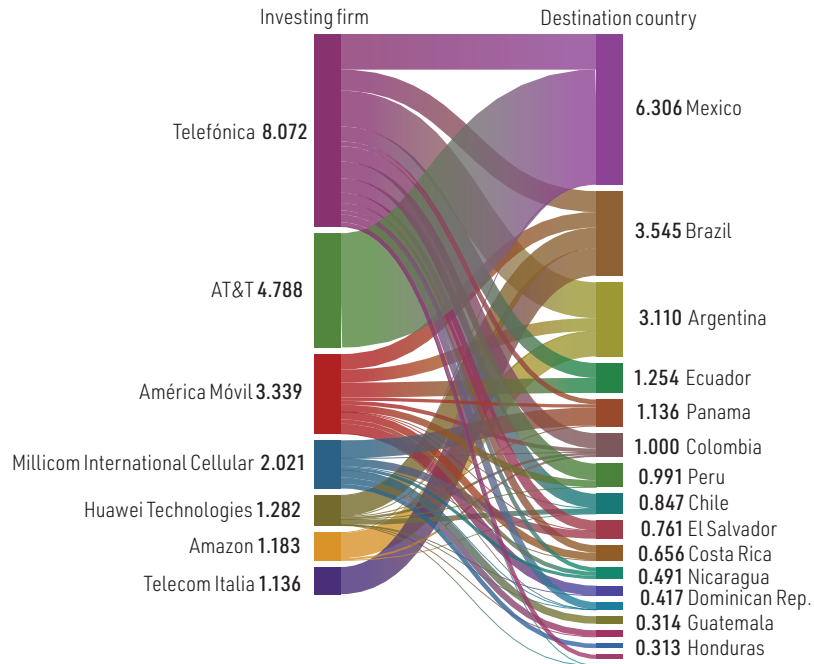
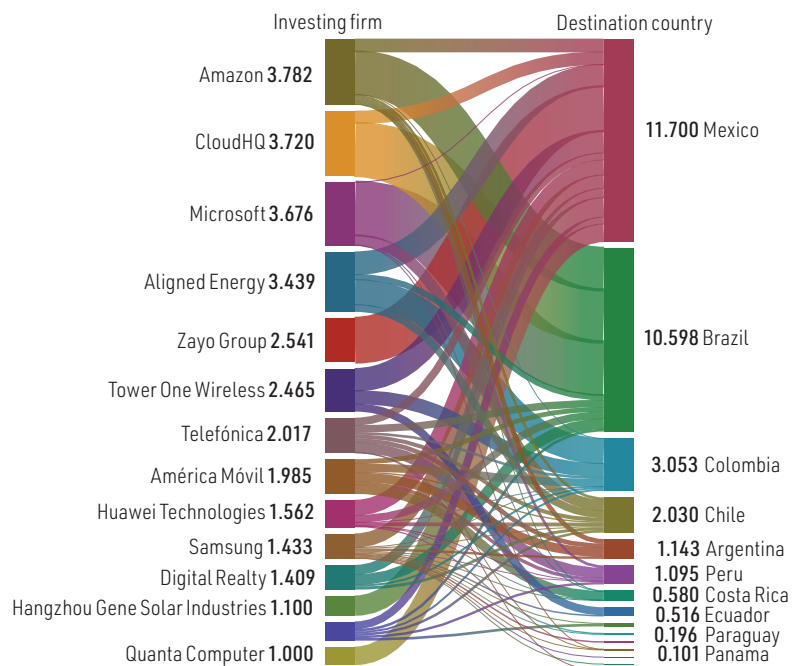
With regard to the origin of regional FDI inflows, the United States and the countries of the European Union were the main investors. China also figured prominently, especially in 2024, when it increased its FDI announcements in digital technologies by 72% year-on-year. Technological change has also heralded the arrival of technology giants in the region (see figure 3), especially those involved in data processing and cloud services. This reflects an ongoing reconfiguration of the digital industry, one that calls for more complex and multi-sectoral regulatory frameworks.

In order to strengthen the region's position in an increasingly challenging and evolving market, sound and coordinated strategies and comprehensive policies must be implemented and sustained over time. This has not gone unnoticed by investment promotion agencies and institutions, which are being called to perform a strategic function. Internationally, these agencies are incorporating digital transformation into their priorities by designing strategies and initiatives to attract digital FDI. In this regard, the global landscape is quite uneven, as countries and regions are in different stages of development as regards the digital economy, institutional frameworks for investment promotion, and the reorientation of FDI attraction practices towards digital sectors (UNCTAD, 2017; Economic and Social Commission for Asia and the Pacific [ESCAP], 2023).

To understand the role of these agencies in supporting investment in the region's digital transformation and how their strategies and activities are linked to digital and productive development policies, primary data were collected beginning in March 2025 through an online questionnaire circulated to the region's national investment promotion agencies (or to institutions that performed this function in the past). The following 10 countries responded: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Guyana, Panama, Peru and Uruguay.

**Figure 3**

Latin America and the Caribbean: value of FDI project announcements related to digital technologies, by investing firm and destination country, 2015–2024  
(Billions of dollars)

**A. 2015–2019****B. 2020–2024**

**Source:** Economic Commission for Latin America and the Caribbean, on the basis of *Financial Times*. fDi Markets. <https://www.fdimarkets.com/>

**Note:** The sectors included are communications, software and information technology services, semiconductors, electronic components, consumer electronics, and business machines and equipment. Also included are parent companies that announced investment projects worth more than US\$ 1 billion in countries of the region and recipient countries with announcements worth more than US\$ 300 million in 2015–2019 and more than US\$ 100 million in 2020–2024.

An analysis of the results, complemented by secondary sources, made it possible to identify similarities and differences in institutional strategies and capacities for the promotion, attraction and facilitation of FDI in key sectors for the digital transformation, in addition to linkages with other policies and governance mechanisms.

The results underscored that aligning investment promotion strategies with digital and productive development policies is key for more coherent and effective action. However, in Latin America and the Caribbean, institutional coordination and linkages continue to face persistent obstacles.

Against this backdrop, 10 (non-exhaustive) policy guidelines are proposed below to support progress in attracting and leveraging investments that are aligned and integrated with the digital policies and productive development of countries and their territories (see box 1).

### Box 1

#### Guidelines for formulating and strengthening FDI attraction policies in the digital sphere

1. Carry out a detailed analysis of current capacities, investment gaps and potential to attract investment, with emphasis on infrastructure, digital industries and digitalization of traditional sectors. This should be the basis for subsequent strategic decisions and should be reviewed periodically.
2. Develop a national strategy with a vision for the country and for the future that explicitly incorporates the role of FDI. This vision should guide both investment promotion agencies and productive sectors, ensuring coherence between national and sectoral objectives, such as those defined in the framework of cluster initiatives.
3. Ensure effective linkages between digital, productive development and investment policies through governance mechanisms that promote an integrated and complementary approach.
4. Promote collaboration among national and subnational public bodies, through coordination mechanisms with clear functions (consultative, deliberative, executive) that ensure the effective implementation of investment attraction strategy.
5. Direct FDI attraction efforts towards strategic niches previously identified in the analysis phase, prioritizing projects with high potential impact (on employment, innovation, added value and the environment) over the volume of investment.
6. Assess the incorporation of requirements or incentives that channel FDI towards long-term objectives, such as the creation of quality employment, technology transfer, productive linkages and environmental sustainability.
7. Design and implement monitoring and evaluation systems to measure the impact of FDI on strategic objectives, using investment quality indicators that are comparable and aligned with national priorities.
8. Provide funding for the development of the technical, operational, political and prospective capabilities of the institutions responsible for attracting investment, promoting the incorporation of expertise, the effective use of digital technologies, continuous learning and strategic intelligence.
9. Strengthen the structural and institutional factors that determine the location of FDI and the positive impacts thereof, including digital infrastructure, human talent, regulatory frameworks and productive linkages (e.g. through cluster initiatives).
10. Foster regional-level dialogue and joint efforts to address common regulatory, investment and digitalization challenges.

**Source:** Economic Commission for Latin America and the Caribbean.

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Glyphs from the Mayan numbering system found in pre-Hispanic codices.

Bas-relief on the spiral tower of the ECLAC headquarters building in Santiago.

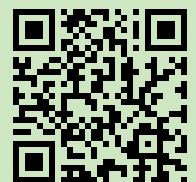
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The Economic Commission for Latin America and the Caribbean (ECLAC) presents the 2025 version of its annual report *Foreign Direct Investment in Latin America and the Caribbean* amid global uncertainty and high geopolitical tension, which are worsening the three development traps facing the region: low capacity for growth; high inequality and low social mobility and cohesion; and weak institutional capacities and ineffective governance. Foreign direct investment (FDI) guided by productive development policies could address these challenges.

The first chapter provides an overview of global and regional FDI flows, identifies the main trends by type of investment, sector and origin, and proposes policy guidelines to enhance the impact of FDI on productive transformation. The other two chapters examine FDI trends, challenges and opportunities relating to the energy transition, specifically mining and critical minerals, and to digital transformation, which are among the driving sectors that ECLAC has recommended for prioritization in productive development policies in Latin America and the Caribbean.



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