declines: the Netherlands experienced negative FDI flows (or divestment) in the amount of US$24.7 billion after having attracted US$26.9 billion in investment in 2009, while investment flows to Luxembourg more than halved over the year, falling US$15.2 billion. In addition, uncertainties about sovereign debts also caused declines in FDI, with the largest impacts seen in Ireland and Italy (down US$16.6 billion and US$10.8 billion, respectively). Elsewhere, FDI in France and Germany, the region's major economies, fell only slightly (down US$2.2 billion and US$1.2 billion, respectively).

FDI inflows to Japan plunged 83.4 percent (US$9.9 billion) due to a number of large divestments (e.g. Liberty Group, Ford).

In contrast to the developed economies, FDI flows to developing economies rose 9.7 percent to US$524.8 billion in 2010, due to a relatively fast economic recovery and increasing South–South flows. The value of cross-border M&As—an increasingly important mode of FDI entry into developing countries—more than doubled. Notwithstanding this general increase, significant regional disparities were observed as Latin America and South, East, and South-East Asia experienced strong growth in FDI inflows, while West Asia and Africa saw declines.

FDI inflows to South, East, and South-East Asia rebounded strongly in 2010. After a 17.5-percent decline in 2009, investment into the region rose by 17.8 percent in 2010, to US$274.6 billion. Booming inflows in Singapore, Hong Kong, China, Indonesia, Malaysia and Vietnam were behind the increase, while India registered a notable decline (31.5 percent).

A surge in cross-border M&As was behind the significant increase in FDI flows to Latin America and the Caribbean in 2010. Overall, FDI into the region reached US$141.1 billion. Compared with negative values in 2009, M&As reached US$32.0 billion in 2010, and nearly reached the peak values registered in the region during the 1990s. By sector, the targets of these deals were mainly in the oil and gas, metal mining, and food and beverages industries. Brazil (US$30.2 billion) was the largest recipient country for the fourth consecutive year. Mexico (US$19.1 billion) and Chile (US$18.2 billion) also experienced significant inflows last year.

After peaking in 2008, inflows to Africa have fallen for the past two years. In 2010, FDI inflows to the region were down by 14.4 percent, to US$50.1 billion in 2010. Subregionally, inflows to North Africa appear to have stabilized, while in sub-Saharan Africa, inflows to South Africa declined to roughly a quarter of their 2009 level. Overall, increased FDI from developing Asia and Latin America to Africa was insufficient to offset the decline of FDI from developed countries, which still account for the largest share of inward FDI flows to many African countries.

FDI flows to West Asia, at US$57.2 billion, were 16.2 percent lower than they were in 2009. The picture varied by country, with inflows to the United Arab Emirates rebounding modestly from relatively low values in 2009, to little change in performance for Lebanon, to a drop in Saudi Arabia.

The transition economies of South-East Europe and the Commonwealth of Independent States (CIS) registered a marginal increase of 0.8 percent in FDI inflows in 2010, to US$70.5 billion, after falling more than 40 percent in the previous year. FDI flows to South-East Europe were down by nearly a third due to sluggish investments from European Union countries (traditionally the dominant source of FDI in the subregion). In contrast, investment in the CIS economies rose by some 5 percent, due to stronger commodity prices and a faster economic recovery.