and countries, as outward flows rose by US$11.5 billion to a record US$68.0 billion. Cross-border M&A purchases by companies from the region as a whole surged to US$93.5 billion in 2010, with China (US$29.2 billion) and India (US$26.4 billion) accounting for nearly 60 percent of the region's M&A activity.

For Latin America and the Caribbean, outward FDI flows were up sharply in 2010, rising 76.4 percent (US$36.3 billion) to US$83.9 billion. The advances were underpinned by a US$12.0-billion hike in cross-border M&A activity. The region's multinational firms have increased their acquisitions abroad, particularly in developed countries where investment opportunities have arisen in the aftermath of the crisis. For example, according to UNCTAD, Brazilian companies such as Vale, Gerdau, Camargo Correa, Votorantim, Petrobras and Braskem have undertaken acquisitions in the iron ore, steel, food, cement, chemical, and petroleum refining industries in developed countries. At the same time, Mexican firms such as Grupo Televisa, Sigma Alimentos, Metalsa and Inmobiliaria Carso also purchased firms in the United States in industries such as media, food, motor vehicles and services.

FDI flows from Africa fell for the third consecutive year, slipping to US$4.0 billion last year from US$4.5 billion in 2009. Outflows fell significantly from the two major outward investors—Libya and South Africa—which together accounted for more than half of the regional total in 2009. Outflows from Egypt were up strongly in 2010, more than doubling to US$1.2 billion.

Firms in West Asia withdrew capital in 2010. This was due to a combination of divestment and falling investment values. According to UNCTAD, the largest divestment deals included the US$10.7-billion sale by Zain Group (Kuwait) of its African operations to Bharti Airtel (India), and the $2.2-billion sale by International Petroleum Investment Company (Abu Dhabi's sovereign wealth fund) of a 70-percent stake in Hyundai Oilbank in the Republic of Korea. At the same time, West Asian greenfield projects abroad—mainly in other developing countries—dropped in value as government-controlled entities—West Asia's main outward investors—redirected funds homeward to support their home country.

In 2010, FDI flows from the transition economies of South-East Europe and the Commonwealth of Independent States (CIS) grew by 24.3 percent, reaching a record US$60.6 billion. As in past years, most of the outward FDI projects were carried out by Russian companies, followed by those from Kazakhstan.

As developed countries are still confronting the effects of the crisis, many multinationals in developing and transition economies are investing in other emerging markets, where the recovery is strong and the economic outlook better. For 2010, UNCTAD estimated that 70 percent of investment by developing and transition economies was directed toward other developing and transition economies, compared with a 50-percent share by investors from developed countries.

Canadian Direct Investment Performance

Inward Investment

Inflows

After more than halving in each of the two previous years, FDI inflows into Canada picked up, rising 5.4 percent ($1.2 billion) to $22.5 billion in 2010 (Table 6-2). However, this level is less than one fifth of the record $123.1 billion posted in 2007. The bulk of the inflows came in the form of long-term inflows to Canadian-based subsidiaries of