The *World Investment Report 2011* forecasts FDI flows to recover to pre-crisis levels within two years. The challenge is to make this impact on efforts to achieve the MDGs. In 2010 developing economies absorbed almost half of global FDI inflows, and generated record FDI outflows (much of them South-South). TNCs are engaging with developing and transition economies via a broadening array of production and investment models. DFI contributed to the production of this report.