The international literature generally assumes that the bulk of foreign investment into Low Income Countries goes into primary resources (mining and petroleum). Our previous study found to the contrary, that several economies had successfully diversified into new and dynamic sectors (e.g. agro-industry, manufacturing, telecommunications and finance), and away from natural resources. The latest findings of the analysis by country teams present a more mixed picture.

Our previous study found that, contrary to previous perceptions that most investment was coming from OECD sources, countries have found significant shares of FDI and borrowing coming from non-OECD sources. This trend has accelerated in the last decade. Much of the focus in the international literature has been on increased Chinese and Indian investment, but other strong trends are evident from our data.

Most countries participating in the FPC CBP found that FDI was concentrated in or around a single centre – usually the capital city and its surrounding region.

Downloads

- "Where From and Where To?", Private Capital Flows to LICs: Dealing with Boom and Bust, Chapter 3

- "Dynamic Sectors and the Global Recession", Private Capital Flows to LICs: Dealing with Boom and Bust, Chapter 4