



# Foreign Direct Investor Outlook:

**Navigating evolving dynamics for cross-border investments**



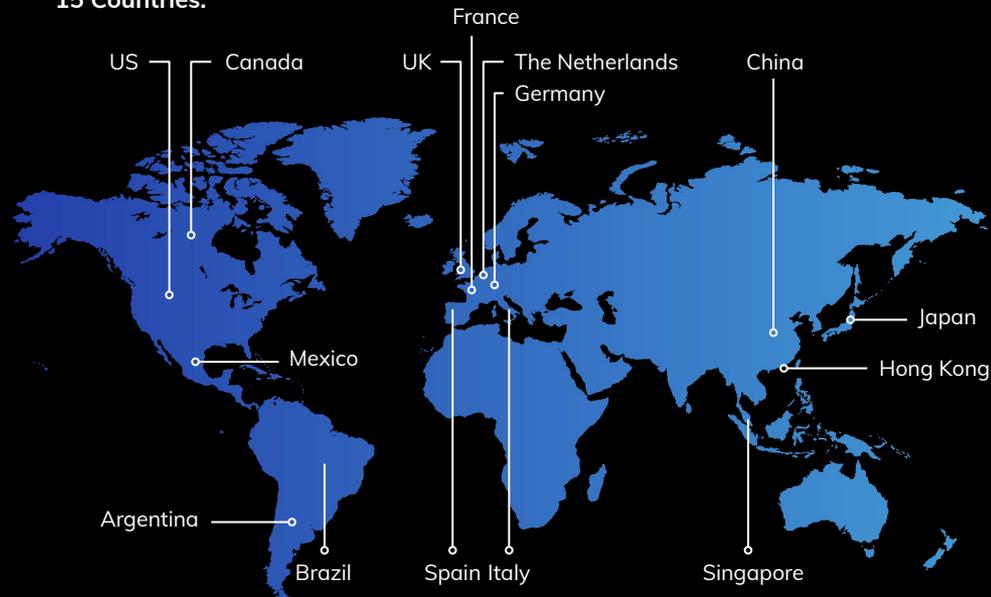
The Foreign Direct Investor Outlook by the Bloomberg Industry Accelerator is focused on uncovering the changing sentiments and interests of today's global business leaders in relation to cross-border financial investments.

This year's research by Bloomberg's Svetlana Belacka takes a closer look at major trends within the FDI space, surfacing new priorities in AI technology, the lingering effects of COVID-19, and the seemingly unwavering growth in ESG-aligned investing."

Michelle Lynn  
Global Head of Data Science & Insights  
Bloomberg Media



#### 15 Countries:



#### Audience Overview:

# 3,139

Senior Business  
Decision Makers



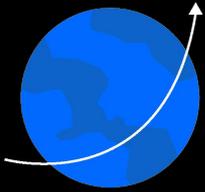
Lead foreign investment  
strategy within their  
organizations



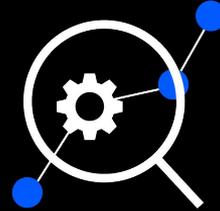
Consume  
international  
news



April - May 2023



Optimism about the global economy has remained relatively stable year-over-year



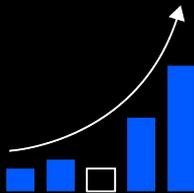
Technology-related opportunities are a key focus of today's FDIs



Europe, North America, and Asia Pacific remain the most attractive regions for investment



FDIs' intensified focus on technology is playing a major role in their investment decision-making processes



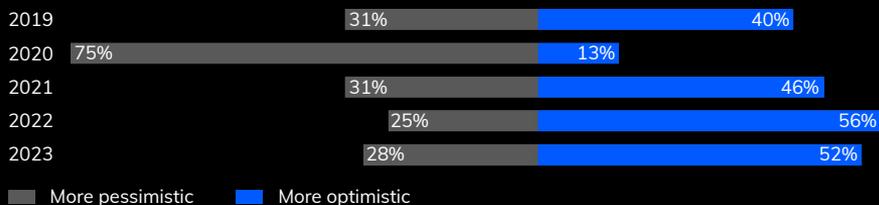
COVID-19 still has a negative impact in every region, but global perceptions are shifting in a more positive direction



ESG is a growing interest for FDIs, but priorities are nuanced by region

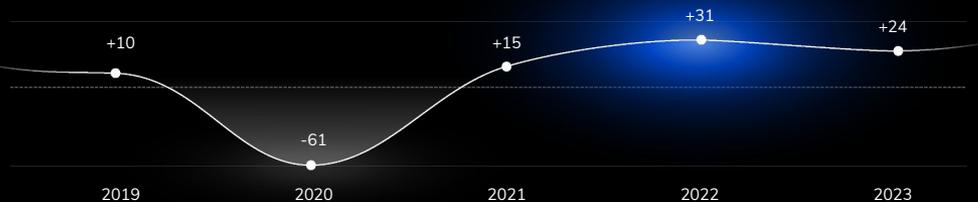
# Optimism about the global economy has remained relatively stable year-over-year

Perceptions have softened in 2023, seeing the outlook shifting in a slightly negative direction



Q: Overall, are you more or less optimistic about the global economy than you were last year? N=3139

The Bloomberg FDI Optimism Barometer indicates a more positive outlook post-pandemic



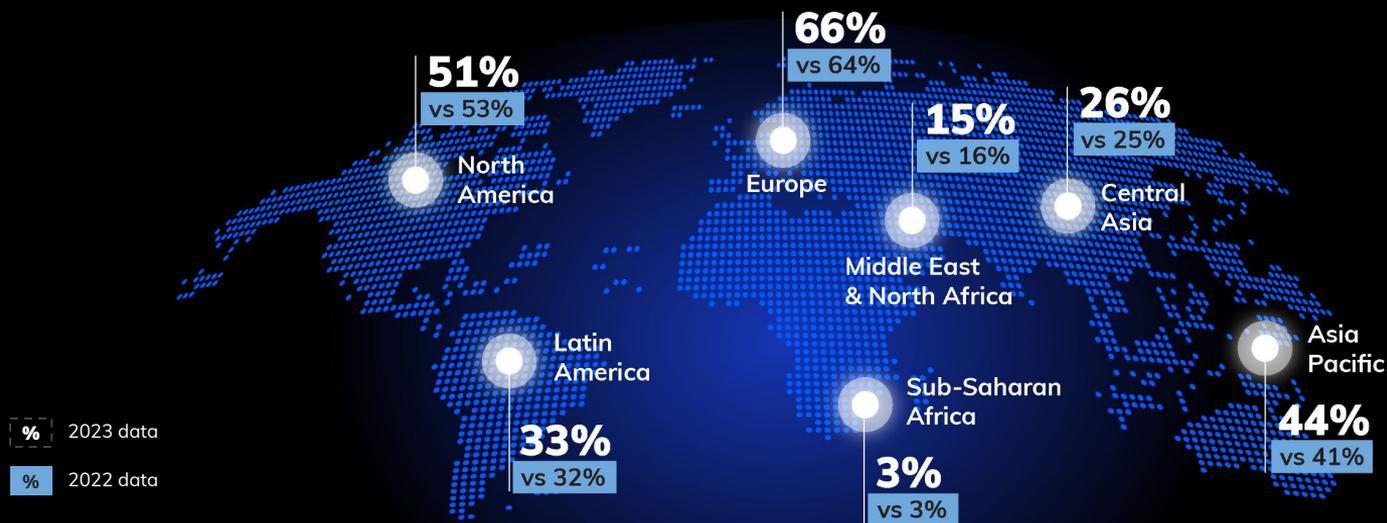
Q: Overall, are you more or less optimistic about the global economy than you were last year? N=3139



# Europe, North America, and Asia Pacific remain the most attractive regions for investment

The most popular regions for investment have not changed since 2022

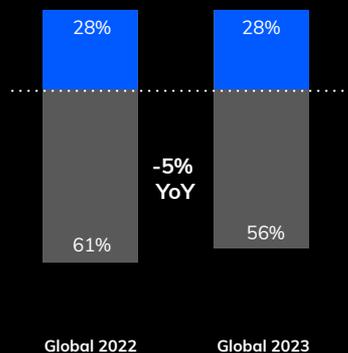
While North America remains one of the top regions for investment, it was one of two regions (the other being MENA) to experience a decrease in investment from FDIs versus the previous year.



# COVID-19 still has a negative impact in every region, but global perceptions are shifting in a more positive direction

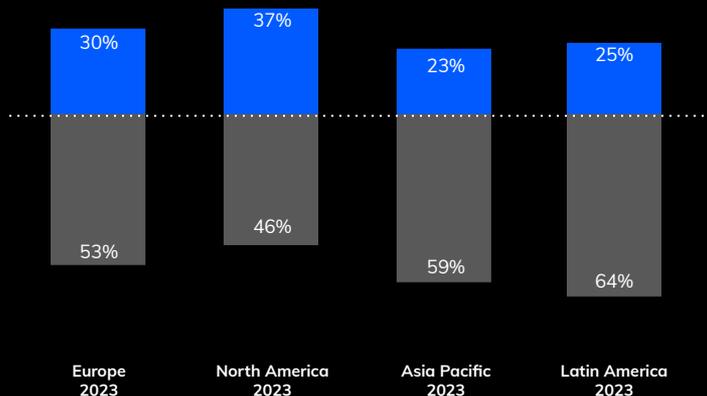
While the severity of the pandemic has diminished, all regions continue to experience negative effects due to slow recovery of supply chains and looming COVID-19 repayment deadlines

## Global perspective of COVID-19's impact on business



Positive impact Negative impact

## Regional perspective of COVID-19's impact on business



Q: What impact would you say the COVID-19 pandemic had on your business in the past year, compared to the year before? N=3139

## Key takeaways

### 5%

fewer global respondents report COVID-19 having a negative impact on their business in 2023 than in 2022.

### 37%

of North American FDIs report COVID-19 having a positive impact on their business in 2023 when compared to 2022, making it the region with the **strongest positive perspective**.

### 64%

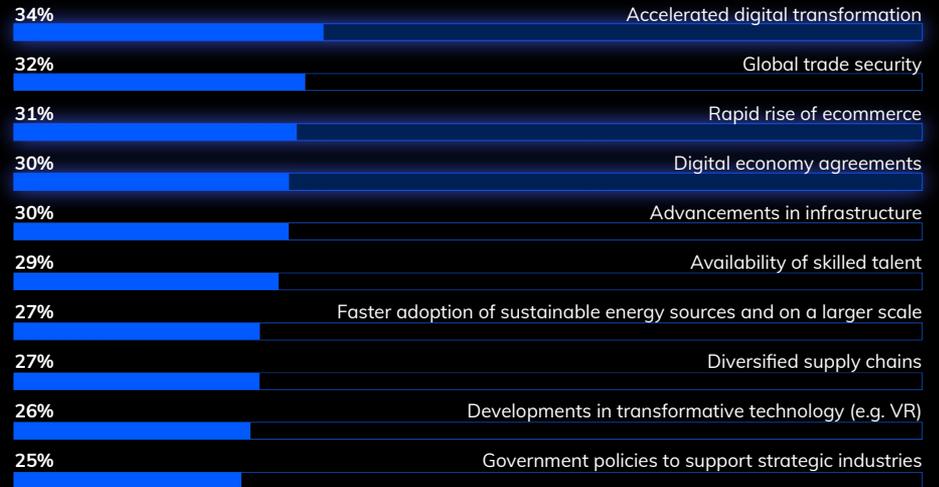
of Latin American FDIs report COVID-19 having a negative impact on their business in 2023 when compared to 2022, making it the region with the **strongest negative perspective**.

# Technology-related opportunities are a key focus of today's FDIs

Three of the top four most attractive opportunities for FDIs fall within digital transformation and technological development categories

Accelerated digital transformation (34%), rapid rise of ecommerce (31%) and digital economy agreements (30%) were chosen by about a third of respondents. Meanwhile, global trade security (32%) was the only non tech-specific opportunity that was a top priority for FDIs.

## FDI perceived business opportunity in the next 1-3 years



Q: And which of the following present an opportunity for your business in the next 1 to 3 years? N=3139

# FDIs' intensified focus on technology is playing a major role in their investment decision-making processes

## Technology as a foundational pre-requisite

A country's technological and innovation capabilities are the leading driver when FDIs consider where to prioritize their international investment projects.

### Key drivers for FDIs

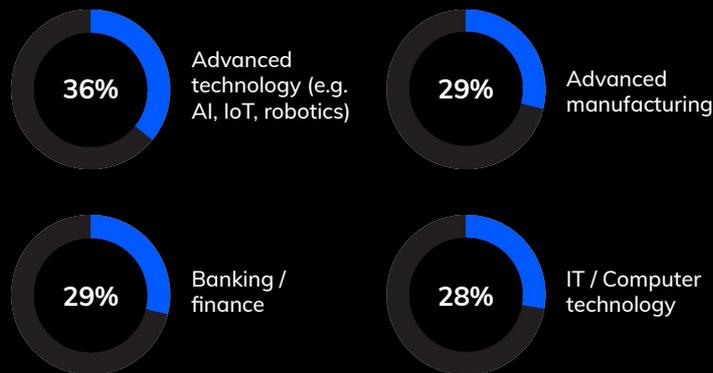


Q: Thinking specifically about the countries you are considering investing in in the next 1-3 years, what would be the key drivers for your investment project(s)? N=3139

## Technology is central to prioritized industries for investment

Advanced tech takes the #1 spot for FDI industries of interest while IT is down to #4 for the first time since 2019.

### Top industries FDIs are looking to invest in globally



Q: Which of these industries are you considering for foreign direct investment in the next 1-3 years? N=3139

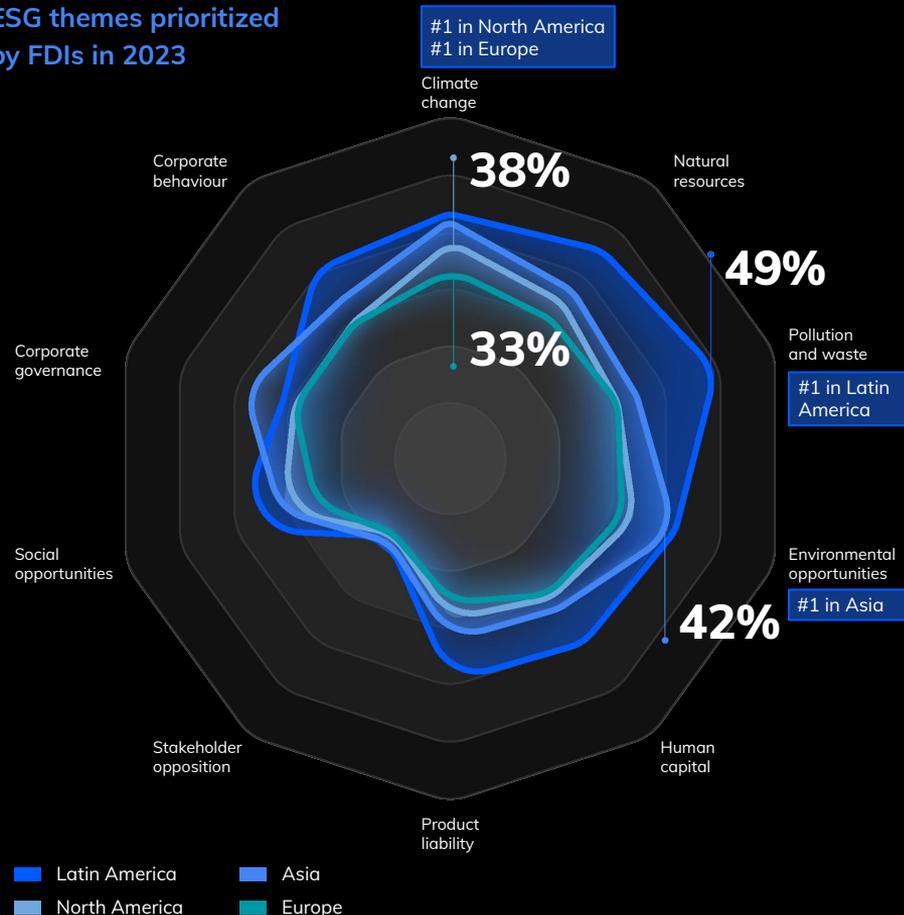
# ESG is a growing interest for FDIs, but priorities are nuanced by region

Globally, 64% of FDIs already integrate ESG into their investment strategy

The top ESG themes investors take into consideration when investing in other countries, regions, or cities globally are Climate Change (42%), Environmental Opportunities (41%) and Natural Resources (39%).

Yet, ESG priorities differ across regions. For FDIs in both North America and Europe, Climate Change ranks #1 with 38% and 33% respectively. In Asia, Environmental Opportunities rank #1 with 42%, while FDIs in Latin America focus most on Pollution and Waste (49%).

## ESG themes prioritized by FDIs in 2023



Q: When investing in other countries, regions, or cities, what are the most important ESG themes your company takes into consideration? N=2850

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