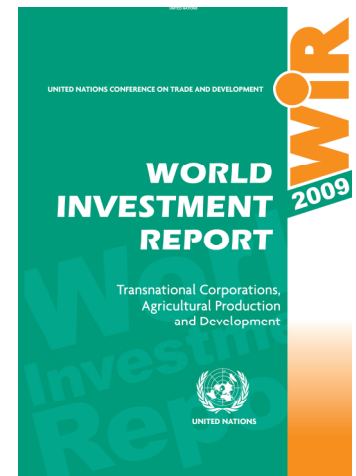


UNCTAD WORLD INVESTMENT REPORT 2009

September 17, 2009
Istanbul



UNCTAD WORLD INVESTMENT REPORT

World Investment Report on global FDI flows prepared by United Nations Conference on Trade and Development **UNCTAD** is launched in Turkey by International Investors Association of Turkey (YASED).

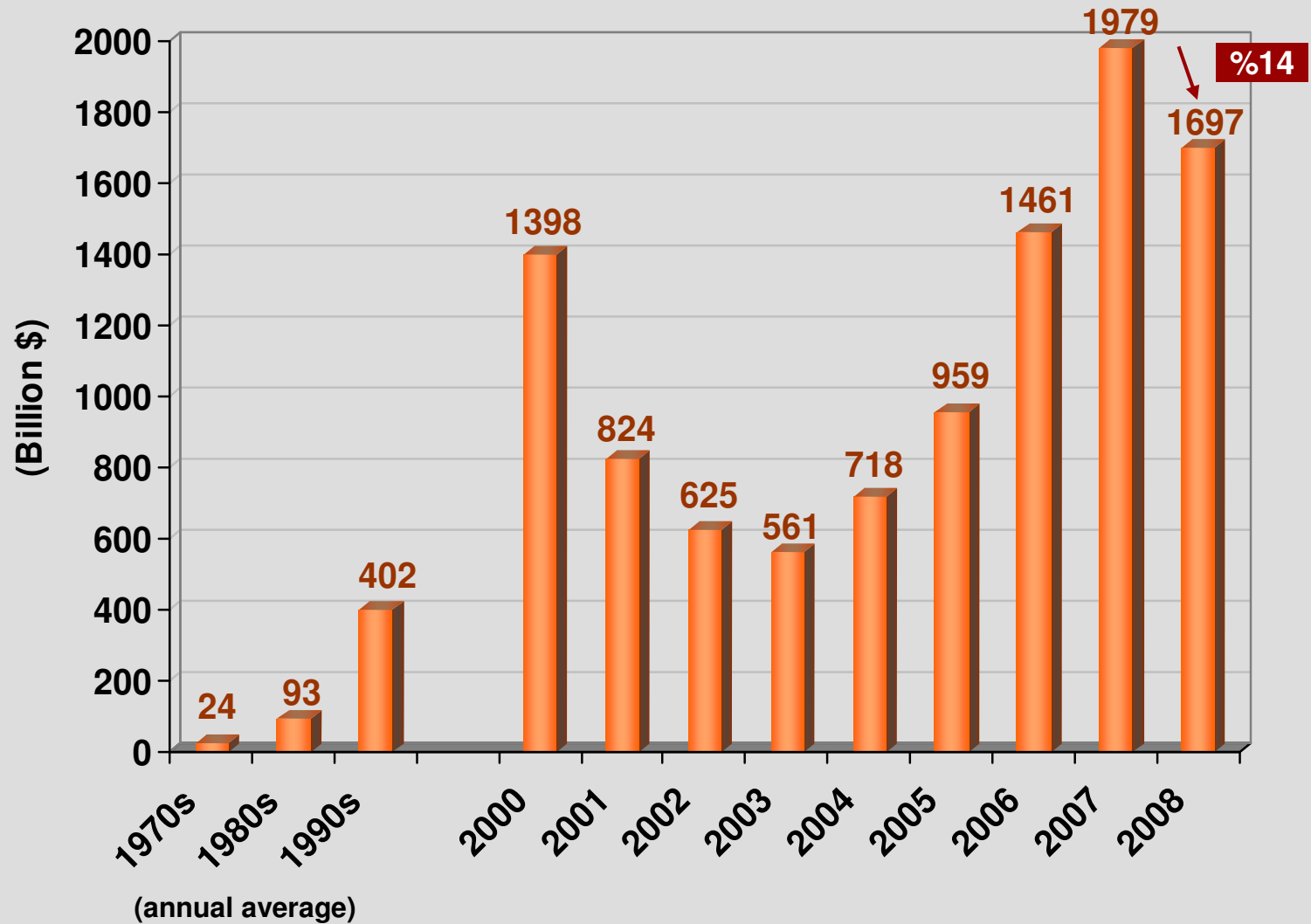
Changing every year in line with the trends in international direct investment flows, the **sub-title / main theme** of World Investment Report 2009:

Transnational Corporations, Agricultural Production and Development



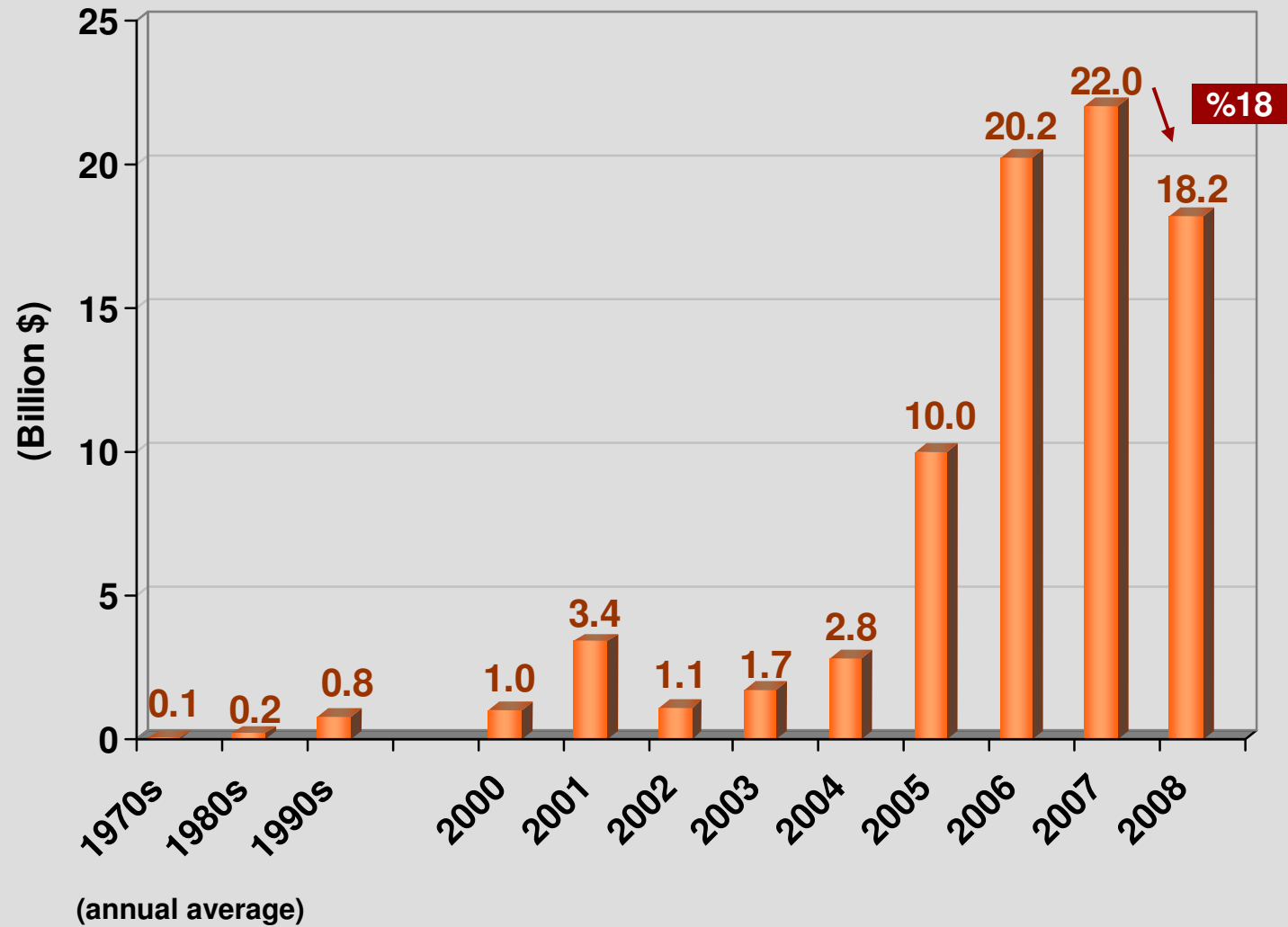
GLOBAL FDI FLOWS

Global FDI Flows (1970-2008)



FDI INFLOWS TO TURKEY

FDI Inflows to Turkey (1970-2008)



EVALUATION

Reasons behind the downward trend:

- **Restriction in access to financial resources → decrease in investment capacity**
- **Negative economic growth prospects → decrease in propensity to investment**
- **Growing divestments by TNCs**
 - repatriated investments
 - reverse intra-company loans
 - repayments of debt to parent firms
- **Increase in the share of sale of foreign affiliates to other companies in M&A transactions**
- **Decrease in M&A transactions due to the liquidity crunch in financial markets**

GLOBAL FDI INFLOWS

Top 10 Countries in terms of FDI Inflows (2008)

2008	2007	Country	Value (Billion \$)
1	1	USA	316.1
2	3	France	117.5
3	7	China	108.3
4	2	UK	96.9
5	9	Russian Fed.	70.3
6	17	Spain	65.5
7	10	Hong Kong, China	63.0
8	5	Belgium	59.7
9	12	Australia	46.8
10	14	Brazil	45.1

GLOBAL FDI INFLOWS

Top Countries in terms of FDI Inflows (cont'd) (2008)

2008	2007	Country	Value (Billion \$)
11	6	Canada	44.7
12	24	Sweden	43.7
13	19	India	41.6
14	21	Saudi Arabia	38.2
15	8	Germany	24.9
16	23	Japan	24.4
17	15	Singapore	22.7
18	18	Mexico	22.0
19	28	Nigeria	20.3
20	25	TURKEY	18.2

GLOBAL FDI OUTFLOWS

Top 10 Countries in terms of FDI Outflows (2008)

2008	2007	Country	Value (Billion \$)
1	1	USA	311.8
2	3	France	220.1
3	4	Germany	156.5
4	8	Japan	128.0
5	2	UK	111.4
6	12	Sweden	86.3
7	10	Canada	77.7
8	5	Spain	77.3
9	6	Belgium	68.3
10	9	Hong Kong, China	59.9

GLOBAL FDI OUTFLOWS

Top Countries in terms of FDI Outflows (cont'd) (2008)

2008	2007	Country	Value (Billion \$)
11	16	Netherlands	57.6
12	13	Russian Fed.	52.4
13	19	China	52.2
14	7	Italy	43.8
15	14	Sweden	37.4
16	23	Australia	35.9
17	21	Denmark	28.9
18	15	Austria	28.2
19	25	Norway	28.1
20	18	British Virgin Isl.	22.0
40	51	TURKEY	2.6

GLOBAL FDI INWARD STOCKS

Top 10 Countries in terms of FDI Inward Stock (2008)

2008	2000	Country	Value (Billion \$)
1	1	USA	2278.9
2	5	France	991.4
3	3	UK	982.9
4	2	Hong Kong, China	835.8
5	4	Germany	700.5
6	6	Netherlands	644.6
7	10	Spain	634.8
8	8	Belgium	518.9
9	7	Canada	412.3
10	9	China	378.1

GLOBAL FDI INWARD STOCKS

Top Countries in terms of FDI Inward Stock (cont'd) (2008)

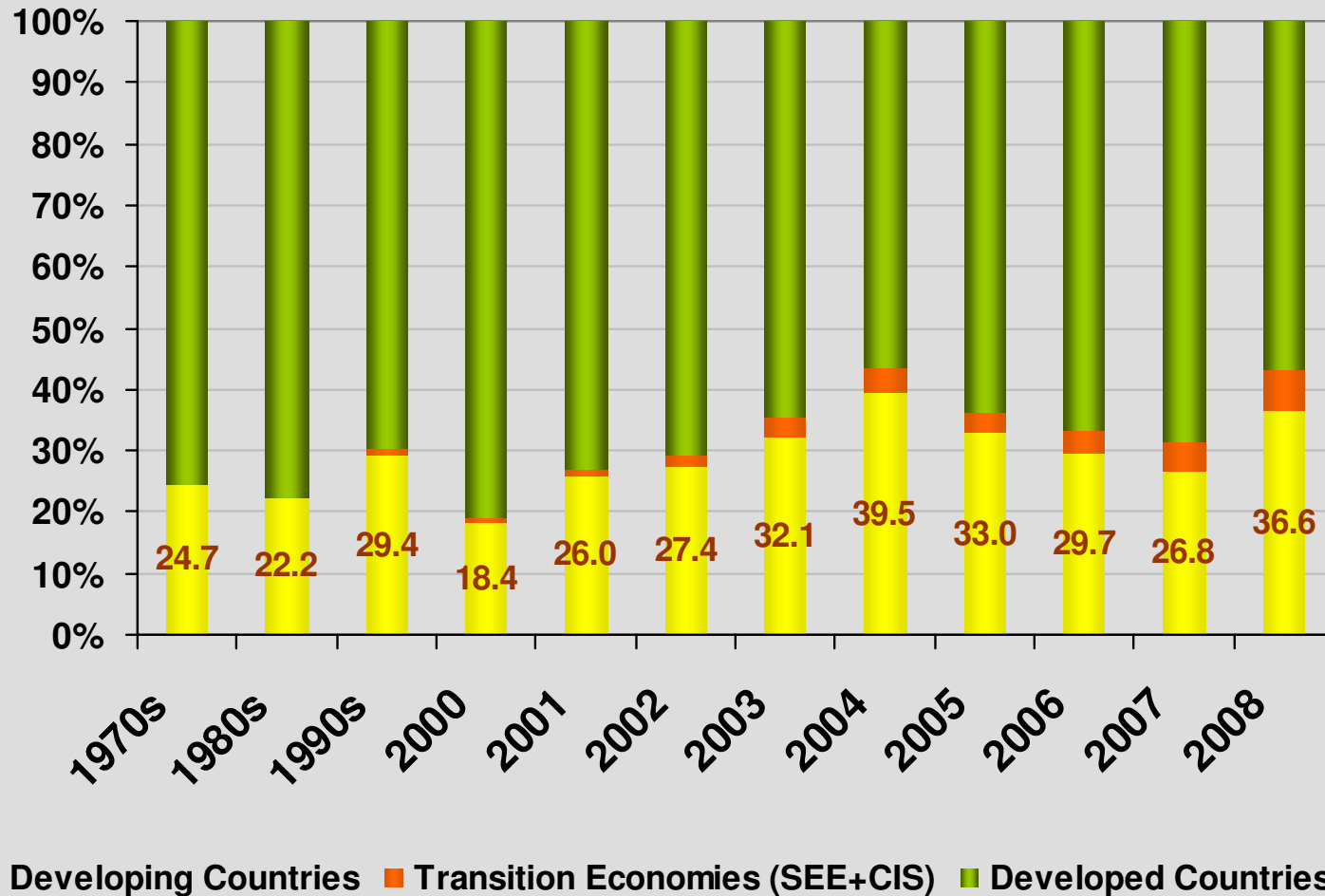
2008	2000	Country	Value (Billion \$)
11	18	Switzerland	374.1
12	13	Italy	343.2
13	15	Singapore	326.1
14	16	Mexico	294.7
15	12	Brazil	287.7
16	14	Australia	272.2
17	17	Sweden	253.5
18	28	Russian Fed.	213.7
19	21	Japan	203.4
20	11	Ireland	173.4
40	46	TURKEY	69.9

GLOBAL INDICATORS AND TRANSNATIONAL CORPORATIONS

(At current prices) (Billion USD)	1990	2007	2008
FDI Inflows	207	1 979	1 697
FDI Outflows	239	2 147	1 858
FDI Stock (inward)	1 941	15 660	14 909
Cross-Border M&A Deals	112	1 031	673
GDP	22 121	55 114	60 780
Gross Fixed Capital Formation	5 099	12 399	13 824
Exports of Goods and (<i>non-factor</i>) Services	4 414	17 321	19 990
Foreign Affiliates of TNCs			
Sales	6 026	31 764	30 311
Gross Product	1 477	6 295	6 020
Total Assets	5 938	73 457	69 771
Exports	1 498	5 775	6 664
Employment (thousand people)	24 476	80 396	77 386

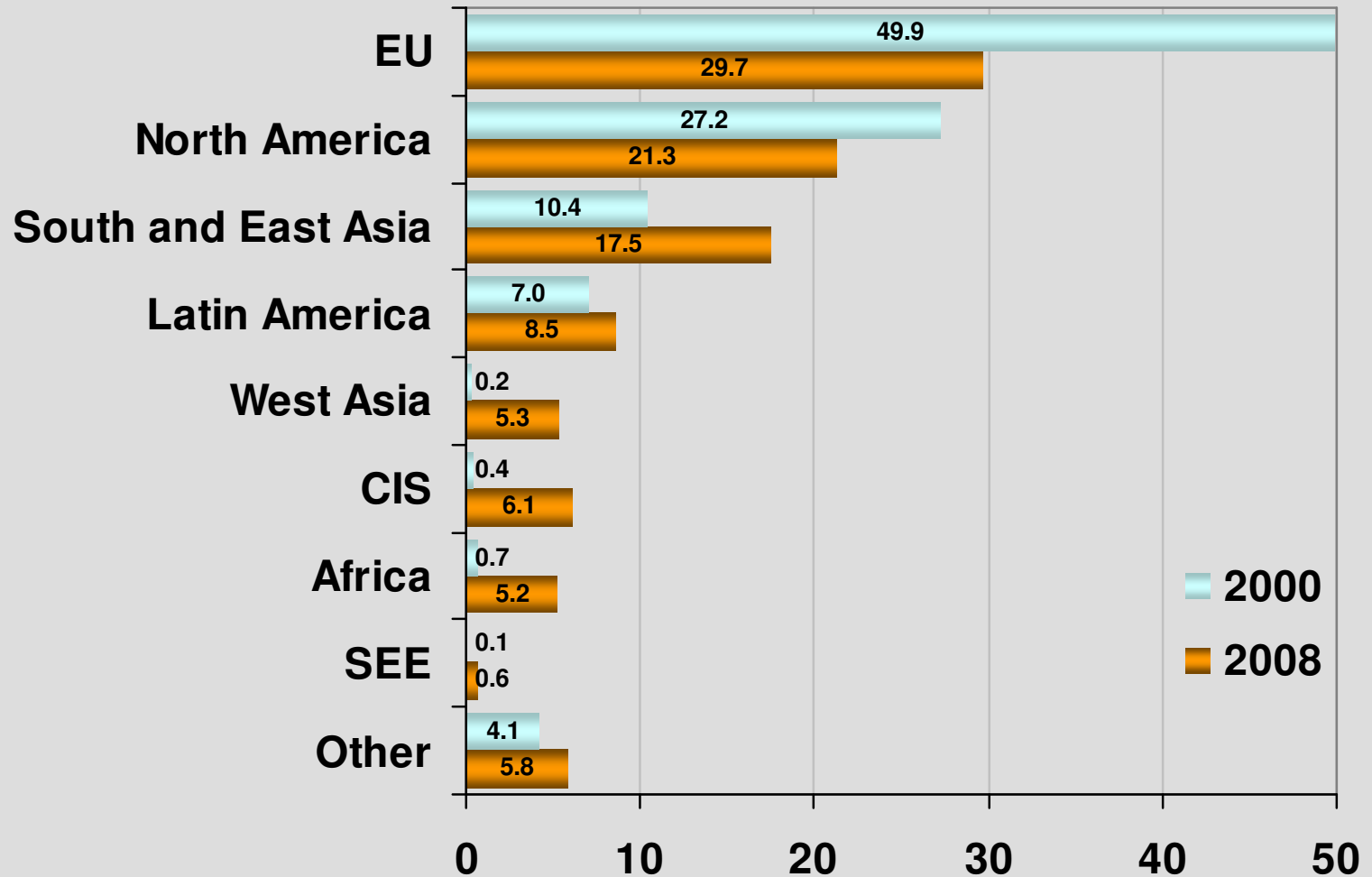
DEVELOPED VS. DEVELOPING COUNTRIES

Shares Developed and Developing Countries Receive From FDI Inflows



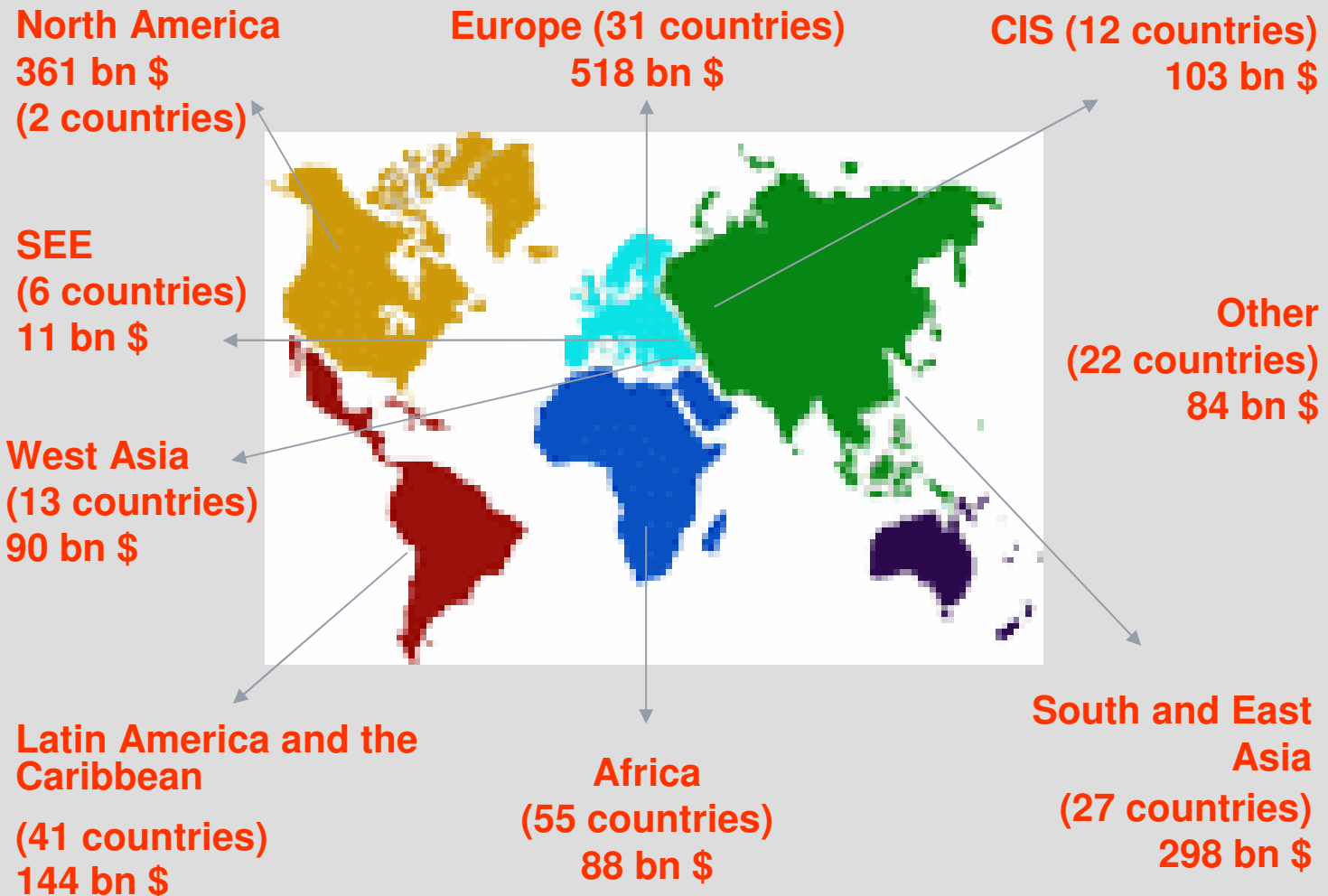
REGIONAL BREAKDOWN

Shares of Regions in FDI Inflows



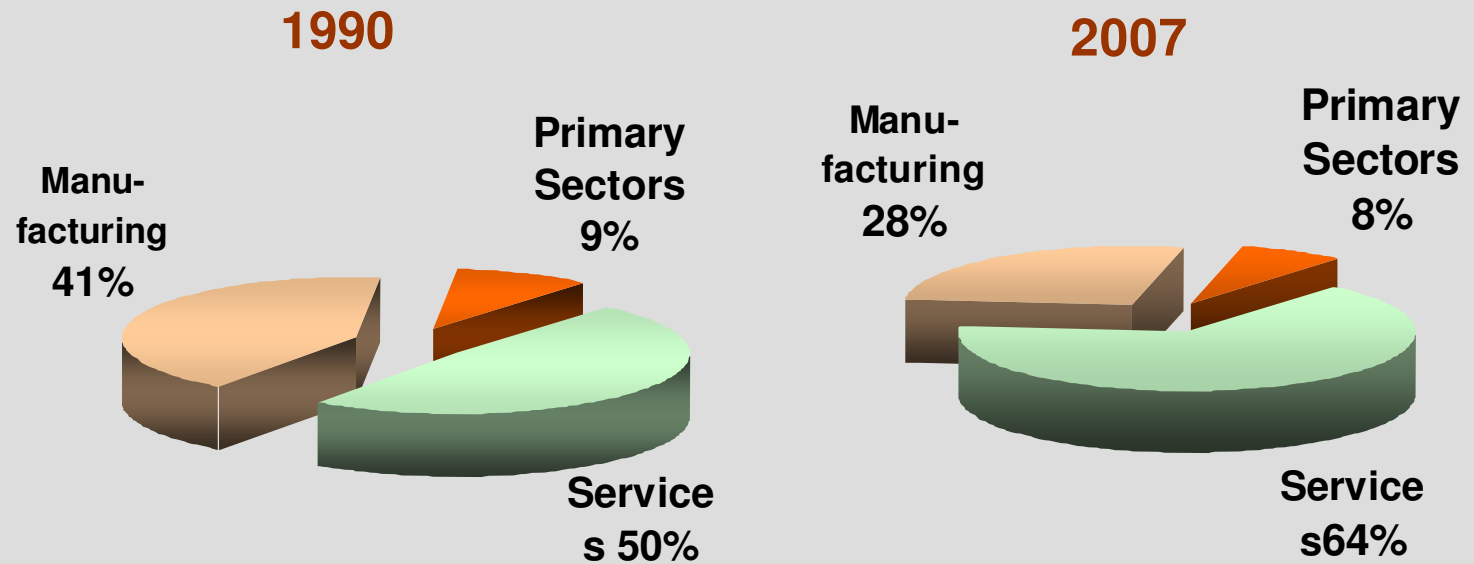
REGIONAL BREAKDOWN

FDI Inflows by Region (2008)



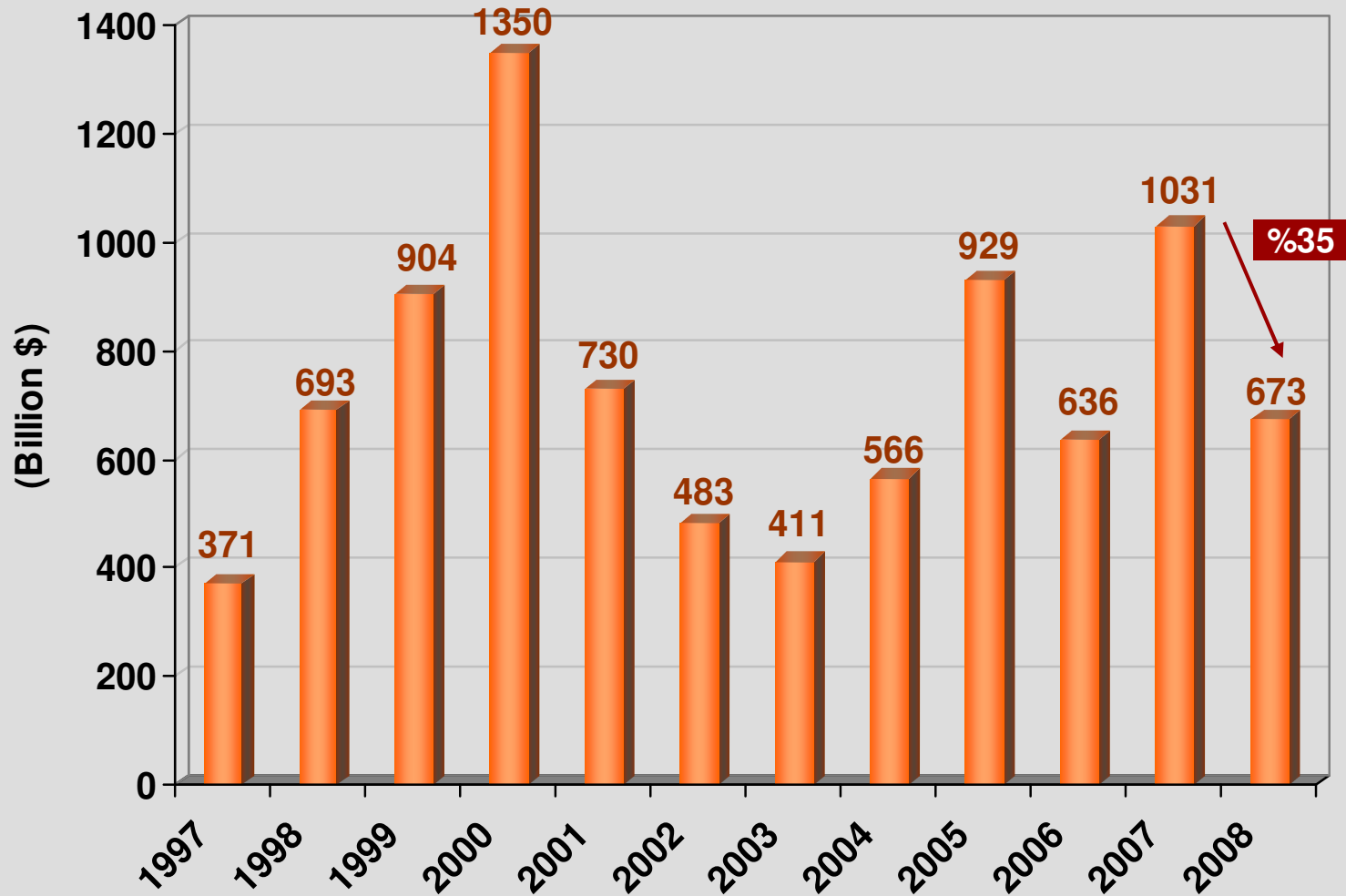
SECTORAL BREAKDOWN

Sectoral Breakdown of Global FDI Stock



CROSS-BORDER MERGERS AND ACQUISITIONS

Cross Border M&A Deals (1997-2008)



CROSS-BORDER MERGERS AND ACQUISITIONS

Major Cross-Border M&A Deals (2008)

	Acquired Company	Country	Acquiring Company	Country	Sector	Value (Billion \$)
1	Anheuser-Busch Cos Inc	USA	InBev NV	Belgium	Malt beverages	52.2
2	Fortis Bank	Belgium Netherlands	Govnt of Netherlands	Netherlands	Finance	23.1
3	Altadis SA	Spain	Imperial Tobacco	UK	Investors	17.9
4	Reuters	UK	Thomson Corp	USA	IT Services	17.6
5	Imperial Chemical	UK	Akzo Nobel	Netherlands	Chemicals	16.3
6	Intelsat	Bermuda	Serefina Holdings	UK	Investors	16.0
7	OCI Cement	Egypt	Lafarge SA	France	Cement	15.0
8	Scottish & Newcastle	UK	Sunrise Acq.	Jersey	Investors	14.9
9	Endesa	Italy	E.ON	Germany	Electiricty Services	14.3
10	Rio Tinto	UK	Shining Prospect	Singapore	Investors	14.3

GREENFIELD INVESTMENTS (Number of Projects)

Countries	2008	Countries	2008
1 China	1,483	16 Brazil	245
2 India	958	17 Australia	228
3 USA	931	18 Italy	219
4 UK	845	19 Canada	213
5 France	668	20 Malaysia	209
6 Russian Fed.	561	21 Hong Kong, China	202
7 Germany	503	22 Japan	196
8 Spain	495	23 Ireland	183
9 UAE	480	24 Belgium	179
10 Poland	353	25 Netherlands	173
11 Romania	348	26 Switzerland	170
12 Vietnam	347	27 Turkey	169
13 Mexico	346	28 Hungary	147
14 Thailand	327	29 Bulgaria	146
15 Singapore	290	30 Czech Rep.	141
Developed Countries	6.972	Transition Economies	1.142
Developing Countries	7.437	Total	15.551

FDI INFLOWS TO TURKEY

FDI Inflows to Turkey and Turkey's Share in Global FDI

Year	FDI Inflow (Billion \$)	Share in Global FDI Inflows (%)	Share among Developing Countries (%)	Ranking
2008	18.2	1.1	2.9	20
2007	22.0	1.1	4.2	25
2006	20.0	1.4	4.7	17
2005	10.0	1.0	3.2	23
2004	2.8	0.4	1.0	38
2003	1.8	0.3	1.0	53
2002	1.1	0.2	0.7	53
2001	3.4	0.4	1.6	38
2000	1.0	0.1	0.4	53
1990s	0.8	0.2	0.7	-
1980s	0.2	0.2	0.8	-
1970s	0.1	0.2	0.9	-

(annual average)

FDI INFLOWS TO TURKEY

Share of FDI Inflows to Turkey in GDP and Gross Fixed Capital Formation

Year	Stock / GDP (%)	Stock / GDP (%) for developing countries	FDI Inflow / Gross Fixed Capital (%)	FDI Inflow / Gross Fixed Capital (%) for developing countries
2008	9.6	24.8	12.3	12.8
2007	22.2	29.8	15.6	13.1
2006	16.6	26.7	17.1	13.0
2005	14.8	26.5	9.9	11.4
2004	9.8	26.1	3.5	12.4
2003	11.1	25.9	3.4	9.5
2002	8.1	25.1	2.9	10.4
2001	10.0	26.5	10.7	13.6
2000	7.2	25.2	1.8	16.0
1990	5.6	13.6	2.0	4.0
1980	9.4	11.5	0.2	1.2

FUTURE PROSPECTS

Recovery in FDI flows will be slow in 2010, will accelerate in 2011.

- 2008 1.7 trillion USD
- 2009 < 1.2 trillion USD
- 2010 < 1.4 trillion USD
- 2011 ~ 1.8 trilyon trillion USD

Factors that will be effective in recovery:

- investment opportunities created by low asset prices
- financial resources available in emerging countries
- need for investment in energy and environment-related issues

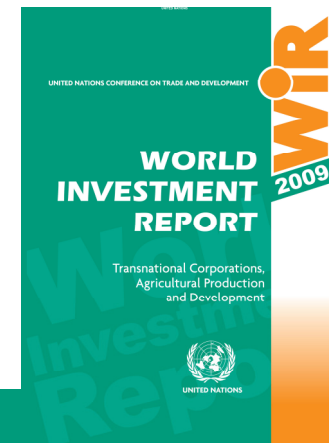
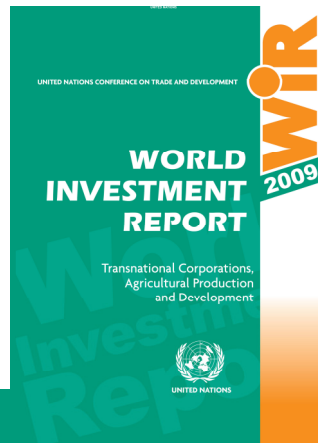
Sharp decline expected in M&A transactions in 2009.

Thank you for your attention.



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