United Nations Conference on Trade and Development

World Investment Report 1996

Investment, Trade and International Policy Arrangements

United Nations
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Note

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The following symbols have been used in the tables:

Two dots (..) indicate that data are not available or are not separately reported. Rows in tables have been omitted in those cases where no data are available for any of the elements in the row;

A dash (-) indicates that the item is equal to zero or its value is negligible;

A blank in a table indicates that the item is not applicable;

A slash (/) between dates representing years, e.g., 1994/95, indicates a financial year;

Use of a hyphen (-) between dates representing years, e.g., 1994-1995, signifies the full period involved, including the beginning and end years.

Reference to "dollars" ($) means United States dollars, unless otherwise indicated.

Annual rates of growth or change, unless otherwise stated, refer to annual compound rates.

Details and percentages in tables do not necessarily add to totals because of rounding.

The material contained in this study may be freely quoted with appropriate acknowledgement.

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Preface

As part of the increasing globalization of economic activities, international production by transnational corporations is growing rapidly. The *World Investment Report 1996* provides an analysis of current global and regional trends in international production and looks into the particular theme of the interrelationships between investment and trade. It is a topic of particular interest at this time, given negotiations and discussions on international frameworks for investment in various fora -- a topic addressed in *WIR 96* in some detail.

More particularly, *WIR 96* deals with the following issues:

- What are global and regional trends as regards foreign direct investment and, in particular, such investments in infrastructure?

- What are the linkages between trade and foreign direct investment, their role in development and their implications for national policies, particularly in the context of the changing global environment?

- What are the current international arrangements governing foreign direct investment, the policy options for developing these further and the issues that need to be considered in this respect, especially with a view towards safeguarding development objectives?

In discussing these issues, *WIR 96* hopes to contribute to a better understanding of the role of foreign direct investment in the world economy and to the current discussion on the future evolution of international arrangements for foreign direct investment.

Boutros Boutros-Ghali
Secretary-General of the United Nations

New York, August 1996

The *World Investment Report 1996* was prepared by a team led by Karl P. Sauvant and comprising Victoria Aranda, Richard Bolwijn, Persephone Economou, Masataka Fujita, Michael Gestrin, Padma Mallampally, Fiorina Mugione, Lilach Nachum, Ludger Odenthal, Jennifer Powell, Edmund Ruhumuliza, Jörg Weber and Zbigniew Zimny. Specific inputs were also received from Anna Joubin-Bret, Annalisa Caresana, Danielle Lecacheur, Mina Mashayekhi, Michael Mortimore and James Zhan. The work was carried out under the overall direction of Roger Lawrence.

Principal research assistance was carried out by Mohamed Chiraz Baly. A number of interns assisted at various stages during the preparation of *WIR 96:* Athina Alexiou, Mario Ardiri, Jelle Bartlema, Stefan Führer, Cynthia Hoekstra, Giuseppina Marinotti, Nguyen Phuong, Maria Popescu, Louis Toral and Katja Weigel. Production of *WIR 96* was carried out by Jenifer Tacardon, Medy Almario, Elizabeth Mahiga and Mary McGee. It was desktop-published by Teresita Sabico and graphics were done by Diego Oyarzun-Reyes. *WIR 96* was edited by Vince McCullough and copy-edited by Frederick Glover.

Experts from within and outside the United Nations system provided inputs for *WIR 96*. Major inputs were received from Arghyrios A. Fatouros, and also from Thomas L. Brewer, John Cantwell, John M. Kline and Robert E. Lipsey. Inputs were also received from Edward Dommen, Lucia Piscitello, Toshiko Matsuki, Terutomo Ozawa and Prasada Reddy. A number of experts were consulted and commented on various chapters. Comments, including during expert group meetings, were received from Philippe Brusick, Stephen Canner, Philippe Dourain, Harry Freeman, Murray Gibbs, Edward M. Graham, H. Peter Gray, Michael Hansen, Cory Highland, Jan Huner, Dwight Justice, Peter Koudal, Mark Koulen, James R. Markusen, Edouard Mathieu, Joel Messing, Lynn Mytelka, Deepak Nayyar, Herbert Oberhänsli, Adrian T. Otten, Antonio Parra, Stephen Pursey, Eric Ramstetter, Patrick Robinson, Pedro Roffe, Pierre Sauvé, M. Sornarajah, Anne-Christine Strandell, Kenneth Vandevelde, Louis Wells, Gerald T. West and Mira Wilkins. *WIR 96* benefited from overall comments and advice from John H. Dunning, Senior Economic Adviser.

Inputs were also provided by numerous officials in Central Banks, statistical offices, investment promotion agencies and other government offices concerned with foreign direct investment, as well as the International Bureau of Fiscal Documentation and executives of a number of companies. The advice of Obie Whichard was particularly important.

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