

**United Nations Conference on Trade and Development**

# **World Investment Report**

**2003 FDI Policies for Development:  
National and International  
Perspectives**



**United Nations  
New York and Geneva, 2003**

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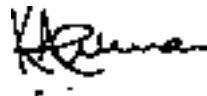
## PREFACE

With its enormous potential to create jobs, raise productivity, enhance exports and transfer technology, foreign direct investment is a vital factor in the long-term economic development of the world's developing countries. Yet global investment inflows have declined significantly, from \$1.4 trillion in 2000 to \$650 billion in 2002, raising considerable concerns about prospects for achieving the Millennium Development Goals.

*The World Investment Report 2003* looks in detail at what lies behind the downturn, how various regions and countries have fared, and what the chances are for recovery and growth in FDI flows at the global and regional levels.

The *Report* also assesses the interaction between national and international FDI policies and the implications this has for development. As competition for foreign direct investment increases, policies vis-à-vis transnational corporations are evolving. While national policies are the most important consideration in attracting such investment and benefiting more from it, they are increasingly being affected by rule-making at the international level. The challenge is to find a development-oriented balance.

Toward that end, the *Report* highlights some of the key issues, from the perspective of development, that need to be considered in investment agreements. Whether, how and where governments negotiate investment agreements is, of course, their own sovereign decision. But if such agreements are negotiated, the need to reduce poverty and stimulate development should take a central place as a guiding principle of such negotiations. Only then will we be able to say that investment can truly achieve its objectives.



Kofi A. Annan

Secretary-General of the United Nations

New York, July 2003

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## Table of contents

	Page
<b>PREFACE .....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENTS.....</b>	<b>iv</b>
<b>OVERVIEW .....</b>	<b>xiii</b>

### **PART ONE** **FDI FALLS AGAIN—UNEVENLY**

#### **CHAPTER I. FDI DOWN 21% GLOBALLY ..... 3**

<b>A. The downturn continues .....</b>	<b>4</b>
<b>B. The unevenness of the downturn .....</b>	<b>5</b>
<b>C. Performance Index captures the downturn's unevenness .....</b>	<b>9</b>
<b>D. Why the downturn? .....</b>	<b>15</b>
1. Macroeconomic factors .....	15
2. Microeconomic factors .....	17
3. Institutional factors .....	19
<b>E. Softening the impact.....</b>	<b>19</b>
<b>F. Towards mega blocks? .....</b>	<b>23</b>
<b>G. Prospects.....</b>	<b>26</b>

#### **CHAPTER II. UNEVEN PERFORMANCE ACROSS REGIONS .....33**

##### **Introduction..... 33**

<b>A. Developing countries .....</b>	<b>33</b>
1. Africa .....	33
a. FDI down by two-fifths .....	34
b. Policy developments—improving the investment climate .....	36
c. Prospects—quick recovery likely .....	37
2. Asia and the Pacific .....	40
a. FDI down again, but several countries receiving significantly higher flows .....	40
b. Policy developments—more unilateral measures to improve the investment environment ..	48
c. Long-term prospects promising but short-term outlook uncertain .....	49
3. Latin America and the Caribbean .....	52
a. The downturn—concentrated in Argentina, Brazil and Chile .....	52
b. Policy developments—linking FDI to development strategies .....	55
c. Prospects—not much change .....	58
<b>B. Central and Eastern Europe .....</b>	<b>59</b>
1. Defying the global trend .....	60
2. FDI in the Russian Federation—taking off? .....	62
3. The challenge of EU enlargement.....	64
4. Prospects—mostly sunny .....	66

## Page

<b>C. Developed countries .....</b>	<b>68</b>
1. FDI down, as cross-border M&As dwindle .....	68
2. Policy developments—continuing liberalization .....	73
3. Prospects—hinging on economic recovery .....	74

## PART TWO

### ENHANCING THE DEVELOPMENT DIMENSION OF INTERNATIONAL INVESTMENT AGREEMENTS

<b>INTRODUCTION .....</b>	<b>83</b>
---------------------------	-----------

<b>CHAPTER III. KEY NATIONAL FDI POLICIES AND INTERNATIONAL INVESTMENT AGREEMENTS .....</b>	<b>85</b>
---	-----------

<b>A. Key national FDI policies .....</b>	<b>86</b>
1. Attracting investment .....	86
2. Benefiting more from FDI .....	87
3. Addressing concerns about TNCs .....	88
<b>B. The growth of IIAs .....</b>	<b>88</b>
1. Bilateral agreements .....	89
2. Regional and interregional agreements .....	91
3. Multilateral agreements .....	91
<b>C. Features of IIAs at different levels .....</b>	<b>93</b>
1. Bilateral approaches .....	93
2. Regional and interregional approaches .....	94
3. Multilateral approaches .....	94

<b>CHAPTER IV. EIGHT KEY ISSUES: NATIONAL EXPERIENCES AND INTERNATIONAL APPROACHES .....</b>	<b>99</b>
--	-----------

<b>A. Definition of investment .....</b>	<b>99</b>
1. Why the definition of investment matters .....	99
2. Scope of definitions .....	100
3. Options for the future .....	101
<b>B. National treatment .....</b>	<b>102</b>
1. The centrality of national treatment .....	102
2. Patterns of national policy .....	102
3. National treatment and economic impact .....	103
a. Pre-establishment .....	104
b. Post-establishment .....	107
4. National treatment in IIAs .....	107
5. Options for the future .....	109
<b>C. Nationalization and expropriation .....</b>	<b>110</b>
1. The sensitivity of indirect takings and national policy dilemmas .....	110
2. Coverage in IIAs .....	112
<b>D. Dispute settlement .....</b>	<b>114</b>
1. National policies on dispute settlement in the investment field .....	114
2. Legal effectiveness .....	115
3. Coverage in IIAs .....	115
4. Key issues and options for the future .....	116

	<b>Page</b>
<b>E. Performance requirements .....</b>	<b>119</b>
1. Why use them? .....	119
2. Declining incidence .....	119
3. How effective are they? .....	120
4. Coverage in IIAs .....	120
5. Options for the future .....	121
<b>F. Incentives .....</b>	<b>123</b>
1. Why use them? .....	123
2. Incentives-based competition for FDI intensifies .....	124
3. Are incentives worth their cost? .....	125
4. Few international agreements restrict the use of incentives—but some do .....	126
5. Options for the future .....	127
<b>G. Transfer of technology .....</b>	<b>129</b>
1. The need for policies to promote technology transfer .....	129
2. Shifting towards a more market-friendly approach in national policies .....	130
3. The right mix of policy instruments and conditions .....	130
4. International agreements mirror the shift in national policies .....	131
<b>H. Competition policy .....</b>	<b>134</b>
1. Policy challenges .....	134
2. International cooperation arrangements .....	135
<b>CHAPTER V. THE IMPORTANCE OF NATIONAL POLICY SPACE .....</b>	<b>145</b>
<b>A. Objectives of IIAs .....</b>	<b>147</b>
<b>B. Structure .....</b>	<b>147</b>
<b>C. Content .....</b>	<b>149</b>
<b>D. Implementation of IIAs .....</b>	<b>151</b>
<b>CHAPTER VI. HOME COUNTRIES AND INVESTORS .....</b>	<b>155</b>
<b>A. Home country measures .....</b>	<b>155</b>
1. Broad scope of measures .....	155
2. Current use by developed countries .....	156
3. Effectiveness .....	158
4. The IIA dimension .....	159
5. Enhancing the development dimension .....	161
<b>B. Good corporate citizenship .....</b>	<b>164</b>
1. The concept .....	164
2. Its international dimension .....	166
<b>PART TWO CONCLUSIONS: THE CHALLENGE OF THE DEVELOPMENT DIMENSION .....</b>	<b>171</b>
<b>REFERENCES .....</b>	<b>173</b>
<b>ANNEX A. ADDITIONAL TEXT TABLES .....</b>	<b>185</b>
<b>ANNEX B. STATISTICAL ANNEX .....</b>	<b>231</b>

## Page

# SELECTED UNCTAD PUBLICATIONS ON TRANSNATIONAL CORPORATIONS AND FOREIGN DIRECT INVESTMENT ..... 299

# QUESTIONNAIRE ..... 305

## Boxes

I.1.	The world's largest transnational corporations .....	5
I.2.	FDI booms and busts since 1970 .....	16
I.3.	Divestment: factors and evidence .....	18
I.4.	Technology payments by developing countries and the FDI downturn .....	20
I.5.	UNCTAD's survey of investment promotion agencies .....	28
I.6.	Is a recovery in FDI flows on the way? .....	30
II.1.	What Investment Policy Reviews show .....	36
II.2.	The need for an integrated approach to attract FDI to Africa and benefit more from it: an African Investment Initiative .....	39
II.3.	The FDI census in Bangladesh .....	42
II.4.	China and India—what explains their different FDI performance? .....	43
II.5.	Effects of regional agreements on FDI in Asia .....	47
II.6.	Indonesia's Investment Year 2003 .....	48
II.7.	The Indo–Lanka free trade agreement and FDI .....	49
II.8.	Regional integration and TNC production networks in ASEAN .....	51
II.9.	A new FDI strategy in Chile .....	55
II.10.	NAFTA and FDI .....	58
II.11.	What made Luxembourg the world's largest FDI recipient and investor in 2002? .....	69
II.12.	What reverse flows mean for Germany's FDI statistics .....	73
II.13.	Measures to promote inward FDI in Japan .....	77
III.1.	The contents of BITs .....	89
III.2.	Investment highlights of a new-age economic partnership .....	90
III.3.	The Free Trade Area of the Americas .....	92
IV.1.	How serious is crowding out? .....	105
IV.2.	The impact of NAFTA on Mexico's policy on admission and establishment .....	109
IV.3.	Regulatory takings under Chapter 11 of NAFTA—four cases .....	113
IV.4.	Calculating compensation—the Santa Elena–Costa Rica arbitration .....	114
IV.5.	Investment arbitration and the control of claims made by investors .....	117
IV.6.	The OECD's checklist on FDI incentives .....	128
IV.7.	Implementation of transfer of technology provisions .....	133
V.1.	Regulatory discretion in international trade agreements .....	145
V.2.	The right to regulate .....	146
V.3.	Emergency safeguard mechanisms in the area of investment .....	150
V.4.	The effect of the MFN clause in BITs—the example of performance requirements .....	152
VI.1.	The Business Linkages Challenge Fund .....	157
VI.2.	Support for investment and private-sector development in the Cotonou Agreement .....	160
VI.3.	Home country measures to mitigate risk linked to FDI in LDCs .....	162
VI.4.	The OECD Guidelines for Multinational Enterprises .....	168

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