

**UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT**

# **The Role of International Investment Agreements in Attracting Foreign Direct Investment to Developing Countries**

**UNCTAD Series  
on International Investment Policies for  
Development**



**UNITED NATIONS**  
New York and Geneva, 2009

## NOTE

As the focal point in the United Nations system for investment and technology, and building on 30 years of experience in these areas, UNCTAD, through the Division on Investment and Enterprise (DIAE), promotes understanding of key issues, particularly matters related to foreign direct investment (FDI) and transfer of technology. DIAE also assists developing countries in attracting and benefiting from FDI and in building their productive capacities and international competitiveness. The emphasis is on an integrated policy approach to investment, technological capacity building and enterprise development.

The term “country” as used in this study also refers, as appropriate, to territories or areas; the designations employed and the presentation of the material do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. In addition, the designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgement about the stage of development reached by a particular country or area in the development process.

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.

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A slash (/) between dates representing years, e.g. 1994/1995, 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.

UNCTAD/DIAE/IA/2009/5
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UNITED NATIONS PUBLICATION
<i>Sales No. E.09.II.D.20</i>
ISBN 978-92-1-112781-2
ISSN 1814-2001

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Printed in Switzerland

## PREFACE

The secretariat of UNCTAD is implementing a programme on international investment arrangements. It seeks to help developing countries to participate as effectively as possible in international investment rulemaking. The programme embraces (a) policy research and development, including the preparation of a series of issues papers; (b) human resources capacity-building and institution-building, including national seminars, regional symposia, and training courses; and (c) support to intergovernmental consensus-building.

This paper is part of the *Series on International Investment Policies for Development*. It builds on, and expands, UNCTAD's *Series on Issues in International Investment Agreements*. Like the previous one, this new series is addressed to Government officials, corporate executives, representatives of non-governmental organizations, officials of international agencies and researchers.

The series seeks to provide a balanced analysis of issues that may arise in the context of international approaches to investment rulemaking and their impact on development. Its purpose is to contribute to a better understanding of difficult technical issues and their interaction, and of innovative ideas that could contribute to an increase in the development dimension of international investment agreements.

The series is produced by a team led by James Zhan. The members of the team include Bekele Amare, Hamed El-Kady, Tamas-Pal Heisz, Joachim Karl, Jan Knörich, Ventzislav Kotetzov, Matthew Levine, Diana Rosert, Marie-Estelle Rey, Elisabeth Tuerk and Jörg Weber. Members of the Review Committee are Mark Kantor, John Kline, Peter Muchlinski, Antonio Parra, Patrick Robinson, Karl P. Sauvant, Pierre Sauvé, M. Sornarajah and Kenneth Vandavelde.

This paper is based on a study prepared by Zbigniew Zimny. Hamed El-Kady, Jan Knörich, Joachim Karl, Elisabeth Tuerk and Jörg Weber finalized the paper. Specific comments were received from Rory Allan, Eric Leroux, Antonio Parra, Liza Sachs and Karl P. Sauvant.



Supachai Panitchpakdi  
Secretary-General of UNCTAD

September 2009

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