

Asia-Pacific Foreign Direct Investment Network
for Least Developed and Landlocked Developing Countries
29 November 2012

Handbook on Investment promotion for sustainable development in LLDCs



Why a handbook?

- The world is rapidly changing
 - Tariff barriers significantly lowered
 - Growth in outsourcing (manufacturing, services)
 - Increased competitive pressure
 - Shortening life cycles of products and technology
 - Emerging markets larger share of FDI flows (in and out)
 - Growing presence of SWFs and SOEs in FDI, etc
- Increased focus on Quality vs. Quantity FDI:
 - FDI not a goal in itself: Role of FDI to achieve national development goals / sustainable and inclusive development
- Special focus on challenges facing small, landlocked and resource-rich developing countries.



Asia-Pacific FDI Network meeting, 29 November 2012
Ms. Marit Nilses, Trade and Investment Division, ESCAP

Why peer-review?

- Handbook should be a living document
- It should reflect and responding to the key challenges currently faced by policy makers and officials
 - To achieve this, we need your views on key issues and challenges, on what works and what doesn't



Desired benefits from FDI

- Job creation
- Revenue (widened tax base, etc)
- Technology transfer
- Knowledge transfer (labour skills, knowledge of markets and process requirements in global supply chains)
- Linkages to domestic suppliers
- Increased exports



Do expected benefits materialize?

- Not always.
- Partly depends on:
 - Sectors attracted
 - Policy
 - Other market specifics



FDI for development

- FDI attraction to **support national development objectives** (job creation, productivity growth, environmental & social goals, etc)
- Creation of lasting and sustainable linkages with domestic economy
- Adherence to commonly accepted standards in terms of environment, labour and human rights
- Transparency in rules and regulations and consistency in their implementation to ensure good governance & attraction of the right kind of FDI
- Fiscal incentives applied with high caution (reduces revenues)
- Avoid “race to the bottom”, including between regions



Special challenges

- Landlocked countries:
 - Transportation costs and times often too high
 - Often struggle to attract FDI other than natural resource seeking (and to some extent domestic market seeking)
- Resource rich countries:
 - Diversifying into other sectors
 - Countering the risk of Dutch disease
- Least developed countries:
 - Small domestic markets
 - Market sophistication
 - Even labour intensive activities require new technologies and upgraded skills



Potential actions

countries:

regional integration

comprehensive regional trade and investment agreements

connecting land-locked to land-linked

state of the art transportation

infrastructure and trade logistics, to minimize

costs

focus on special FDI niches that are less sensitive to

geographical remoteness, or that can benefit from it

ICT enabled services (call centers, banking, insurance,

tourism, education); Tourism; production of high value, light

weight goods that can be transported by air



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预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_7225

