World Investment Directory

Volume VIII
Central and Eastern Europe
2003

United Nations
New York and Geneva, 2003

NOTE

The UNCTAD Division on Investment, Technology and Enterprise Development serves as the focal point within the United Nations Secretariat for all matters related to foreign direct investment and transnational corporations. The Division seeks to further the understanding of the nature of transnational corporations and their contribution to development and to create an enabling environment for international investment and enterprise development. The work of the Division is carried out through intergovernmental deliberations, policy analysis and research, technical assistance activities, seminars, workshops and conferences.

Neither the designations employed nor the presentation of any data or other information in this publication 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 or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations of countries and territories in the tables and text do not necessarily express a judgement about the stage of development reached. Furthermore, the term "country" used in this study also refers, as appropriate, to territories or areas.

All the data in this publication have been obtained by the United Nations from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error as well as other factors, however, all the data are provided "as are" without warranty of any kind, and the United Nations cannot vouch for their accuracy, timeliness, completeness, merchantability or fitness for any particular purpose.

The following conventions have been used in the tables and text of this volume:

Three dots (...) imply that data are either not available or not separately available, unless otherwise specified in the table notes.

A hyphen (-) indicates that the amount is nil or negligible, unless otherwise specified in the table notes.

The totals appearing in the country tables represent the sums of the data contained in the tables, unless otherwise specified in the table notes. When data are unavailable, as indicated by three dots (…), the total will be equal to the sum of only those data which are available. The sum of two entries, one of which is not available (…) and the other of which is nil or negligible (-), will also be nil or negligible (-).

In all tables, the unavailability of data for an entire line results in the suppression of that line. As a result, the size of the tables varies between countries.

A slash (/) between dates indicates a financial year, for example, 1998/1999.

The use of hyphen between dates indicates the full period involved, including the beginning- and end- years.

UNCTAD/ITE/IIT/2003/2

UNITED NATIONS PUBLICATION
Sales No. E.03.II.D.12
ISBN 92-1-112584-7

Copyright © United Nations, 2003
All rights reserved
Manufactured in Switzerland

PREFACE

Foreign direct investment (FDI) continues to gain in importance as a form of international economic transaction and as an instrument of international economic integration. The world FDI stock reached over $7 trillion in 2002, ten times the level of 1985. The rate of growth of worldwide FDI outflows since the mid-1980s has substantially exceeded that of worldwide gross domestic product, worldwide exports and domestic investment. The number of transnational corporations (TNCs) has increased significantly, to some 65,000 parent companies (with 850,000 foreign affiliates). The sales of these affiliates amounted to about $18 trillion in 2001, compared to world exports of goods and non-factor services of $7 trillion, of which approximately one third took the form of intra-firm trade.

Unfortunately, despite the increasing importance of FDI in the world economy, published sources or readily accessible databases that provide comparable and accurate data on these investments and other activities of TNCs are scarce. The *World Investment Directory* series of UNCTAD is an attempt to centralize within the United Nations data-gathering efforts to measure systematically FDI, the activities of TNCs and related variables in the world economy. Accordingly, the purpose of the *World Investment Directory* and its database is to assemble comprehensive data and information on FDI, operations of TNCs, basic financial data on the largest TNCs, the legal framework within which such investment takes place and selected bibliographic information pertaining to FDI and TNCs in individual countries.

The present publication covers 19 countries of Central and Eastern Europe. Profiles on all these countries are contained in this volume, based on data available to the secretariat. Data are presented on both inward and outward flows and stocks of FDI, operations of TNCs, basic information on the largest TNCs in and from these countries, and information on the regulatory framework affecting FDI, organized by country. The data on inward and outward FDI flows and stocks are based on information as of December 2002. It is UNCTAD's intention to update the *World Investment Directory* series regularly, and it is hoped that as work progresses in this area increasing feedback from Governments and researchers will make it possible to enhance the data and information provided.

It is a widely recognized problem in research on FDI and TNCs that statistics suffer from a lack of comparability. The user is therefore strongly advised to read the technical note, as well as definitions and sources in each country profile and the explanatory notes at the end of each table. In presenting the national data on FDI, it is hoped that the need to harmonize these statistics in accordance with internationally accepted definitions will become more evident and inspire efforts at the national, regional and international levels to meet this difficult, although necessary, objective.

The *World Investment Directory* aims at becoming a standard reference book for policy-makers, especially in developing countries, as well as for researchers in academia, governmental, intergovernmental and non-governmental organizations and the private sector, who need to gain an understanding of the character, pattern and trends of FDI and require reliable information as the basis for the formulation and monitoring of policies relating to FDI and TNCs.

This series could not have been prepared without the collaborative efforts of a project team led by Masataka Fujita under the supervision of Karl P. Sauvant. The principal officer responsible for the production of this volume was Sam Chan Tung, working in collaboration with Mohamed Chiraz Baly, Bradley Boicourt, John Bolmer, Lizanne Martinez and Frank Roger. The section on the regulatory framework was prepared by Abraham Negash. The Overview was prepared by Gabor Hunya, Kalman Kalotay and Victoria Aranda. Comments were received from Christian Bellak, Anh-Nga Tran-Nguyen, Hilary Nwokeabia and Marjan Svetlicic. Production assistance was given by Chris Corbet and desktop published by Teresita Sabico. Numerous officials in central banks, statistical offices, investment promotion agencies and other government offices in Central and Eastern Europe contributed to the volume through the provision of data.

Geneva, March 2003

Rubens Ricupero
Secretary-General of UNCTAD

CONTENTS

	Page
PREFACE	**iii**
I. OVERVIEW	1
A. Inward FDI	1
1. Inward FDI trends	1
2. Inward FDI and development	10
3. Regulatory framework	20
B. Outward FDI	30
1. The setting	30
(a) Outward FDI: how big it is	30
(b) Main features of outward FDI from CEE	31
2. The role of corporate strategies	37
(a) The largest TNCs of CEE	37
(b) Are CEE firms different?	44
3. Government policies	47
C. Concluding remarks	47
II. TECHNICAL NOTE	**49**
A. Scope	49
B. Sources of data	53
C. Industrial and geographical breakdown	54
D. Reporting currency and exchange rates	56
E. Definitions, descriptions and discrepancies in the data	57
1. FDI statistics	57
(a) Definitions of FDI	58
(i) Components of FDI	58
(ii) The threshold equity ownership	58
(iii) Defining a controlling interest and treatment of non-equity forms of investment	58
(b) Methods of data collection and national practices in the treatment of FDI	59
(i) Foreign exchange records versus company surveys	59
(ii) Ultimate beneficial owner	59
(iii) Variety of sources of FDI	60
(iv) Industrial coverage and classification	60
(v) The treatment of banks and other financial institutions	61

Page

(c) Accounting practices 61
(i) Historical valuation of FDI 61
(ii) Methods of consolidation 61
(iii) Capital gains and losses 62

2. Corporate data 62

3. Legal information 63
(a) National framework 63
(b) International framework 64

F. Glossary 65
1. FDI 65
2. The structure of TNCs 66
3. Operations of TNCs 68

References 71

Selected UNCTAD publications on transnational corporations and foreign direct investmen 73

Questionnaire 79

List of boxes in Overview

Box 1. Legal FDI framework in the eight CEE countries acceding to EU membership in 2004 22
Box 2. Lukoil 41
Box 3. MOL 42
Box 4. Outward FDI from Slovenia 45

List of tables in Overview

Table 1. Inward FDI stock per GDP in CEE, 1995 and 2000 2
Table 2. FDI inflows in CEE, by industry, mid-1990s and 2000 4
Table 3. FDI inward stocks in CEE, by industry, mid-1990s and 2000 5
Table 4. Geographical distribution of FDI inward stocks in CEE, mid-1990s and 2000 6
Table 5. Geographical distribution of FDI inflows in CEE, mid-1990s and 2000 11
Table 6. The 50 largest foreign affiliates in the industrial and tertiary sectors and 20 largest foreign affiliates in finance and insurance in CEE, 2000 15
Table 7. The role of foreign affiliates in the economic performance of selected CEE countries, 1999 16
Table 8. The matrix of specialization between accession and non-accession countries of CEE 17
Table 9. Share of the private sector in the generation of GDP in selected CEE countries 18
Table 10. Share of foreign affiliates in exports in CEE, 1993-2000 19
Table 11. BITs concluded by CEE, end-2002 25
Table 12. DTTs concluded by CEE, end-2002 28
Table 13. CEE parties to main international investment-related instruments, as of October 2002 29
Table 14. CEE: compound growth of outward versus inward FDI stock, 1993-2000 31
Table 15. Geographical distribution of FDI outflows in CEE, mid-1990s and 2000 32
Table 16. Geographical distribution of FDI outward stocks in CEE, mid-1990s and 2000 34
Table 17. FDI outflows in CEE, by industry, mid-1990s and 2000/2001 38
Table 18. FDI outward stocks in CEE, by industry, mid-1990s and 2000/2001 39
Table 19. Gazprom: selected equity investments outside the Russian Federation by 2001 40

Page

Table 20. The top 25 non-financial TNCs based in CEE, ranked by foreign assets, 2000 41
Table 21. The Network Spread Index of the 25 largest non-financial TNCs based in CEE.................... 43

List of figures in Overview

Figure 1. CEE: FDI inflows, 1989-2001 1
Figure 2. Cumulative number of BITs and DTTs concluded by world and CEE countries, 1990-2002 24
Figure 3. Russian Federation: total FDI outflows and FDI outflows to CIS, 1994-2001 31

List of tables in Technical introduction

Table 1. Tables on statistics of FDI and the operations of TNCs presented in this volume 52
Table 2. Exchange rates of countries in Central and Eastern Europe, 1990-2001 56

Tables on CD-ROM

Albania 1-8
Belarus 1-10
Bosnia and Herzegovina 1-11
Bulgaria 1-20
Croatia 1-14
Czech Republic 1-24
Estonia 1-17
Hungary 1-23
Latvia 1-12
Lithuania 1-18
The former Yugoslav Republic of Macedonia 1-16
Republic of Moldova 1-11
Poland 1-6
Romania 1-15
Russian Federation 1-18
Serbia and Montenegro 1-10
Slovakia 1-15
Slovenia 1-24
Ukraine 1-9

I. OVERVIEW

A. Inward FDI

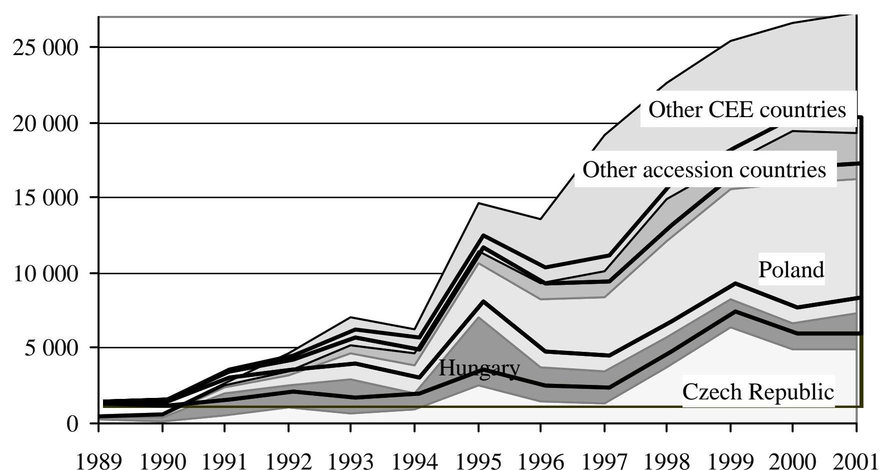
1. Inward FDI trends

Central and Eastern Europe's (CEE)[1] reintegration into the world economy is a long and difficult process, propelled by the crumbling of the Berlin Wall in 1989 and entering a new phase with the entry of eight of these countries into the European Union (EU), envisaged for 2004.[2]

Immediately after transition had started – and independence had been gained, in many cases – liberalization in trade and capital flows became the first vehicles of that reintegration (EBRD, 1999). In most CEE countries, trade liberalization not only tended to be radical, but it was also accompanied by the elimination of the State monopoly of international trade. A major reorientation of trade, both in terms of partners and products, followed.

From the mid-1990s onwards, inward foreign direct investment (FDI) has gained importance in an increasing number of CEE countries, reinforcing a successful reintegration of these countries into the world economy. Data show a major boom in inward FDI: until 1990, the FDI inflows of the region remained under $1billion; by 1995, they exceeded $14 billion in 1995 and $27 billion by 2001 (figure 1). As a result, from 1995 to 2001, the region's inward FDI stock quadrupled, from $40 billion to $160 billion.

Figure 1. CEE: FDI inflows, 1989-2001
(Millions of dollars)



Source: UNCTAD, FDI/TNC database.

[1] Central and Eastern Europe consists of the 19 economies in transition located on the European continent: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, the former Yugoslav Republic of Macedonia, Republic of Moldova, Poland, Romania, Russian Federation, Serbia and Montenegro, Slovakia, Slovenia and Ukraine.

[2] On 12 and 13 December 2002, the Heads of State or Government of the European Union convened for a meeting of the European Council in Copenhagen, Denmark. The meeting agreed on the enlargement of the European Union by admitting the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, the Slovak Republic and Slovenia.

The region's share in global FDI inflows remained under 1 per cent until 1990. In the early 1990s, that share increased almost every year, and exceeded 4 per cent by 1995. By 2000, it declined to 1.8 per cent, just to climb again to 3.7 per cent in 2001. This fluctuation was due to the more rapid increase of FDI between developed countries until 2000 and the subsequent decline thereafter against a steadier but more constant increase in the region. As some large countries like the Russian Federation and Ukraine have attracted little FDI compared to their size, the share of CEE countries in global FDI is much smaller than the relative size of the region in terms of territory or population (5.2 per cent).

After opening up, FDI inflows of CEE were not only low but started to grow first only in a handful of countries that were ahead of others in terms of market reforms, liberalization and privatization (mostly the Czech Republic, Hungary and Poland; figure 1), though, with time passing, FDI inflows among CEE countries became more evenly spread.

In the first half of the 1990s, Hungary was the most important recipient of FDI in the region. Annual inflows to this country were (at times) higher than inflows to much larger economies like Poland and the Russian Federation. Hungary opened up its economy to foreign investors ahead of others and implemented privatization through mainly foreign take-overs from the very beginning, while other Governments preferred domestic investors. In terms of per capita FDI, Estonia came close to Hungary. The very liberal economic policy course in this country made foreign investment easy. In the second half of the 1990s, other countries caught up: Poland surpassed Hungary[3] in terms of the amount of FDI inflows in 1996 and the Czech Republic in 1998. The larger size of these economies, the start of privatization by sale to foreigners and a more friendly FDI policy framework contributed to high FDI inflows in the past few years. Further countries with a change in privatization and FDI policy in the late 1990s were Slovakia and Croatia. As a result, in 2000 and 2001 the largest recipients of FDI in absolute terms were Poland, Czech Republic, Russian Federation, Hungary and Slovakia. In per capita terms, the Czech Republic, Estonia, Slovakia and Croatia stood out.

In the western Balkans, political insecurity, the fragmentation of markets and hesitant market reforms hindered economic development and kept away foreign investors during most of the 1990s. Many countries became aid dependent once peace was restored. Consumption increased while production stagnated; the current account gap was financed by foreign aid. FDI came in the form of smaller ventures mainly supporting the import and distribution of consumer goods.

Initially, there were wide differences between countries in terms of the share of FDI in

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_10690