

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.



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



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



Potential actions

countries:

regional integration

comprehensive regional trade and investment agreements

g land-locked to land-linked

state of the art transportation

structure and trade logistics, to minimize

o

on special FDI niches that are less sensitive to

physical remoteness, or that can benefit from it

IT enabled services (call centers, banking, insurance, port, education); Tourism; production of high value, light goods that can be transported by air

Asia-Pacific FDI Network meeting, 29 November 2012

Ms. Marit Nilses, Trade and Investment Division, ESCAP

