



**United Nations  
Conference  
on Trade and  
Development**

Distr.  
GENERAL

TD/B/COM.2/EM.18/3  
9 January 2006

Original: ENGLISH

---

TRADE AND DEVELOPMENT BOARD  
Commission on Investment, Technology and Related Financial Issues  
Expert Meeting on Capacity Building in the Area of FDI:  
Data Compilation and Policy Formulation in Developing Countries  
Geneva, 12–14 December 2005

**REPORT OF THE EXPERT MEETING ON CAPACITY BUILDING IN THE AREA  
OF FDI: DATA COMPILATION AND POLICY FORMULATION IN  
DEVELOPING COUNTRIES**

Held at the Palais des Nations, Geneva,  
from 12 to 14 December 2005

**CONTENTS**

<b>Chapter</b>	<b>Page</b>
I. Chairperson's summary.....	2
II. Organizational matters.....	11
<b>Annex</b>	
I. List of papers and PowerPoint presentation materials .....	12
II. Attendance.....	16

## Chapter I

### CHAIRPERSON'S SUMMARY

#### Introduction

1. The Expert Meeting on Capacity Building in the Area of FDI: Data Compilation and Policy Formulation in Developing Countries was convened in accordance with the decision taken by the Commission on Investment, Technology and Related Financial Issues at its ninth session.

2. The Expert Meeting was held from 12 to 14 December 2005 and provided a forum for discussing key issues on FDI data compilation, analysis and policy formulation in developing countries. It examined problems faced by developing countries, particularly least developed countries (LDCs), in providing policy makers with timely and accurate FDI data (i.e. data on balance-of-payments flows) and TNC data (i.e. data on the overall activities of direct investment enterprises, for example in respect of employment) that would enable them to make informed decisions and design appropriate policies.

3. It was attended by a large number of government officials and high-ranking national experts with proven expertise on balance-of-payments and TNC statistics. Representatives from developed and developing economies and economies in transition attended the meeting, as well as representatives of international and regional organizations and non-governmental organizations.

4. In his opening statement, the Officer-in-Charge of UNCTAD's Division on Investment, Technology and Enterprise Development stressed the importance of reliable and timely FDI statistics for policymaking purposes, particularly in developing countries. He stated that experience demonstrates that benefits from FDI do not arise automatically, and that policies matter now more than ever. Without proper information, it is difficult to formulate sound FDI policies, that is policies that are conducive to sustainable economic development. He emphasized the need for developing countries to improve the quality of their FDI statistics, but added that for many developing countries, this is a major challenge.

5. In his welcoming remarks, the Chairperson of the Expert Meeting also emphasized the importance of FDI data for analysing a country's participation in the world economy and as a basis for formulating appropriate policies.

6. The head of UNCTAD's Investment Issues and Analysis Branch said that timely and reliable information on the many dimensions of the FDI and TNC phenomenon are necessary to properly assess the role and impact of FDI on host and home economies and, on this basis, to formulate appropriate policies. The underlying principle for the Expert Meeting was that wrong data lead to wrong policies. She stressed the growing role of FDI in the world economy, and, in particular, the increasing importance of FDI financial flows to developing countries, which raises the need for better data on FDI and TNCs.

7. As requested by the Commission at its ninth session, the objectives of the Expert Meeting were: to raise the awareness of member States regarding internationally accepted standards with respect to FDI data collection and reporting systems, including those on the

overall activities of foreign affiliates in host countries; to discuss problems facing developing countries (particularly LDCs) in providing timely and accurate information on FDI flows and on the activities of TNCs to enable policymakers to make well informed decisions; and to share the expertise of various national and regional agencies on ways of addressing challenges and problems.

8. The key issues and other topics submitted for consideration by experts were listed in the note prepared by the UNCTAD secretariat (TD/B/COM.2/EM.18/2):

- The relationship between statistics, impact assessment and policy formulation in the FDI area;
- The types of data available and their strengths and deficiencies in view of policymakers' needs (especially in developing countries);
- "Do's and don'ts" that Governments should keep in mind when utilizing FDI statistics in the decision-making process for national policies;
- Leading problems faced by developing countries, especially LDCs, in compiling statistics on FDI flows and stocks and on the activities of TNCs;
- Data collection methods and their applicability in a developing-country context;
- Priority work areas in regard to helping developing countries build enhanced human resources and institutional frameworks. How might LDCs be best helped in this respect?

#### **Quality of FDI data: how good are they?**

9. Based on the experiences of the experts in attendance and a review of existing data sources for UNCTAD FDI and TNC-related statistics, five criteria were identified to assess the quality of FDI data – reliability, comparability, usefulness, comprehensiveness and timeliness. Problems and challenges were also identified, such as discrepancies between FDI outflows from source countries and inflows reported by recipient countries, and gaps between FDI flows (compiled by a national source) and merger and acquisition (M&A) data (usually compiled by a non-national source). In all five areas, there is a need for further statistical improvement and capacity building.

10. An expert addressed some problems of currently available FDI data from an economic analyst's perspective. Highlighting the growing importance of transmission of knowledge and other intangible assets from TNCs (not fully measurable using data on the financial flows involved), the expert noted that there is no single summary measure that can serve as a proxy for all of the important aspects of TNCs. Some misleading or distorting aspects of FDI stock and flow data were identified through examples such as when TNCs shift assets and income to foreign economies with favourable tax treatments but do not conduct any "real" economic activities in those economies. To measure the real impact of FDI on host economies, the expert argued that the collection by host countries of firm-based data on the overall activities of affiliates (e.g. labour, tangible capital, R&D and tax payments) is crucial.

11. An expert from a developing country identified various uses of FDI data by policymakers. She discussed relationships between policy objectives, types of data required, and potential sources of information. In a specific reference to existing UNCTAD FDI data, she emphasized the need for an enhanced role for UNCTAD in areas such as the development of measures of so-called non-measurable investments (e.g. intellectual property and human capital), more detailed sectoral analysis of FDI flows, indicators of future FDI flows, and training and technical assistance targeted at capacity building in developing countries. Regular consultations and cooperation by UNCTAD with regional groups was also suggested.

12. National experts shared information about their methodologies and on their difficulties and challenges in compiling FDI statistics. Almost all national statistical offices collaborate with one or more government agencies. Experts mentioned challenges in ensuring high data quality and full coverage, especially when TNCs are asked to provide information on a voluntary basis. The Canadian experience based on mandatory surveys shows that focusing on large players increases the relevance, accuracy and quality of collected data. In Thailand, surveys are on a voluntary basis, but the close relationship with data providers ensures a high survey response rate. The expert also noted problems in reconciling FDI flow data in the balance of payments with FDI stock data obtained from surveys on international investment positions.

13. The issues of comparability, comprehensiveness, reliability and timeliness are closely linked, and problems associated with these issues are difficult to isolate and solve independently. An expert explained the methodology used in Brazil for FDI data compilation and the cross-checking and verification system used. He noted that the compilation method used presents some shortcomings that may be partly inherent in the unique characteristics of data collection systems based on the ITRS (International Transactions Reporting System). He stressed that some solutions to shortcomings may involve changes in legal frameworks. Development of new tools, staff training and, consequently, allocation of greater financial resources will probably be necessary to implement the needed improvements.

14. An expert from an LDC noted lack of skilled staff and inadequate technology systems (both hardware and software) as major bottlenecks, as well as the need for UNCTAD assistance in improving data compilation. The expert referred to data collection issues in the Lao People's Democratic Republic to illustrate the difficulties faced in recording exports and imports.

#### **New developments in FDI statistics: What's new?**

15. Representatives from the IMF and OECD reported on the progress of the revision of international guidelines governing FDI statistics. The Direct Investment Technical Expert Group (DITEG) was established by the IMF and OECD in 2004 to make recommendations on the methodology for measuring FDI for the harmonized revisions of the IMF *Balance of Payments Manual* (BPM) and the OECD *Benchmark Definition of Foreign Direct Investment* (BMD). The IMF Committee on Balance of Payments Statistics and the OECD Workshop on International Investment Statistics reviewed these recommendations. Forthcoming guidelines on direct investment flows and positions are expected, in the main, to be unchanged or to be aligned even more closely with national accounting standards, although there will be some changes and some new supplementary details (e.g. on mergers and acquisitions, special

purpose entities, and round tripping) that will be distinguished from standard components and considered by countries as options when a particular issue is of interest to policymakers. Additional recommendations on specific issues (e.g. “economic measures” rather than “financial measures”) are likely to be proposed in the BMD to assist in the analysis of FDI. UNCTAD's important role and contributions to the revision of the international guidelines on FDI statistics were acknowledged.

16. Following the comments from some national experts on the potential additional burden on the limited resources of some countries created by these new recommendations, it was emphasized that the revisions will not introduce many changes in standard components: indeed, supplementary statistics are to be distinguished from standard components, and the former will be options that may be considered by countries when a particular issue is of interest to data users such as policymakers. It was emphasized that one aim of the recommendations for new breakdowns of FDI data to be included in the OECD's BMD is to improve the consistency between statistics on FDI and those on the activities of TNCs. In regard to questions about the institutional framework of the agency responsible for FDI and TNC data compilation, it was stressed that the existing guidelines do not contain any recommendations on this topic. Decisions should be made on the basis of the specific situations in individual countries.

#### **FDI data issues**

17. On this topic, experts addressed general FDI issues, including those regarding overall data coverage and methodologies, and specific issues, such as cross-border M&As, greenfield FDI, valuation, FDI under the fully consolidated system, round-tripping, and special purpose entities (SPEs). The issue of immediate versus ultimate ownership of direct investment enterprises was also discussed. An expert used examples from selected Asian economies to explain problems that arise when trying to identify the ultimate source or destination of FDI. Another expert tried to establish the link between FDI statistics and the magnitude of M&As. He illustrated this by estimating the share of cross-border M&A transactions in the direct investment statistics of the French balance of payments.

18. Many studies of the process of globalization are based on FDI statistics that include transactions involving SPEs. Financial flows through FDI enterprises that are SPEs have increased substantially in recent years. These "in transit" flows constitute – on a world level – double counting that may lead to an overvaluation of the globalization effect. Furthermore, they may hide – as in the case of Luxembourg – the fact that FDI in other activities is proportionally very important. According to one expert, 95 per cent of FDI in Luxembourg has been related to SPEs. However, Luxembourg still ranks high in the world in terms of FDI per capita when SPE-related FDI is excluded.

19. The collection of data using appropriate valuation principles is another important issue in regard to accurately assessing the role of FDI. A representative from the IMF indicated that the market value principle would be reaffirmed and that more detailed guidance would be provided on how to implement this principle in practice. For valuing direct investment equity stocks, several alternatives may be considered acceptable proxies for estimating the market value of unlisted companies.

20. An expert introduced the case of China by providing a detailed description of the inward FDI data compilation system in the country. In addition, he talked about China's most recent estimates of inward FDI stock data, and of the collaboration between the Ministry of Commerce and the State Administration of Foreign Exchange in data compilation. He also expressed his personal view on the scale of round-tripping FDI in China, which is not as important as reflected in some estimates. The expert indicated that the outward FDI statistics of China are compiled by the Ministry of Commerce.

#### **Data on activities of TNCs: Complementary FDI data**

21. Following presentations by experts on measuring the economic activities of TNCs and on Eurostat's foreign affiliates statistics (FATS), some national experts referred to problems that central banks of developing countries face in collecting FDI data. General problems associated with the use of surveys were often mentioned. Surveys are conducted by many developed and developing countries (some underlying concepts are described in the UN/EC/OECD/IMF/UNCTAD/WTO *Manual on Statistics of International Trade in Services* (MSITS) and the OECD's *Handbook on Globalisation Indicators*, among others). Experts discussed whether countries need to create a legal framework requiring firms to respond to questionnaires. Some experts thought that close contact with responding companies, capacity building, and adequate follow-up with companies alone will usually ensure provision of high-quality data. Others believed that the response rate to voluntary surveys may largely depend on the cultural traditions of the country in question. A few experts indicated that responding to surveys is mandatory in their country. Concerning the possibility of stimulating the cooperation of firms with regard to surveys by offering incentives for reporting, one expert suggested that overall data tabulations be provided directly to responding companies, so that they might easily assess their size relative to totals.

22. Many experts pointed out the importance of complementing balance-of-payments data with statistical information on the operations of TNCs and of their foreign affiliates. This is crucial for the majority of host and home countries, given the pre-eminent role of TNCs in the world economy. Some experts raised the question of whether developing countries with limited human and financial resources should focus their efforts on improving their existing statistics on FDI or on starting to collect data on TNC operations. Part of the answer to that question lies on the priorities of the host Government; if it wishes to monitor the soundness of its external balance sheet or the effectiveness of recent efforts to promote investment and financial flows, it may give preference to FDI data; if it wishes to focus on the impact of existing affiliates on the domestic economy, employment, capital formation, etc., it may instead give preference to collecting operations data. It was also recommended that consistency be established between these two types of statistics. Experts discussed what type of information should be gathered directly from companies. It was also noted that statistical data collections cannot substitute for careful analysis and special studies, although they are a necessary tool to assist in such studies.

23. One expert explained how significant changes had been introduced in Portugal to take into account the need of users for more timely FDI data. To achieve high response rates (around 90 per cent for inward FATS and 98 per cent for outward FATS), certain efforts and close contacts were needed at the firm level. Another expert explained the difficulties of assessing information provided by local firms in a small country like Madagascar. A

projected increase in the number of TNCs in the country might give rise to even greater challenges.

24. The debate dwelt in depth on organizational matters, such as the respective role of national statistical offices, central banks and investment promotion agencies in data collection, coordination between these agencies, and whether one large or several smaller questionnaires should be sent to the companies surveyed. A few experts suggested that, in the case of developing countries in particular, development of surveys is limited by resource constraints. They suggested that FDI surveys be combined with existing business surveys to avoid placing a greater burden on respondents and institutions.

25. Experts discussed the issue of how to deal with cases where balance-of-payments and operations data show contradictory trends. Trends in balance-of-payments and TNC activities data may differ substantially because the former measures only the source, not the final use, of corporate finance, and hence does not necessarily correlate with activities such as productive capacity and employment. Some delegates stressed the importance of measuring job creation, as well as other aspects of corporate social responsibility, in developing countries.

26. Experts from developing countries called for more technical assistance and capacity building to help their countries improve data compilation. LDCs, being among the least equipped to absorb growing demands for FDI statistics, will need technical assistance and funding if they are to carry out some of the statistical activities suggested at the Expert Meeting. Requests were made to international organizations to play a more active role in that area. Specifically, UNCTAD should increase its technical assistance, for example by providing guidance on methods for data collection on TNCs' operations data. Some experts thought that, in addition, sharing of data by more advanced countries on their outward FDI could be particularly helpful for developing countries in need of more information. However, other experts highlighted the limits of such data sharing due to confidentiality constraints regarding the use of reported data.

27. One expert stated that, while information on activities of TNCs is extremely useful and important, data on FDI flows and stocks remain fundamental for IMF and other purposes.

### **Improving measurement of FDI and activities of TNCs**

28. One expert described the Republic of Korea's experience in improving FDI statistics. He identified the progress and efforts made by that country, as well as remaining challenges, such as the non-existence of data on TNC activities and some deviations from the OECD/IMF guidelines. He explained that data are missing on some FDI components, such as reinvested earnings and short-term loans, and that this may result in substantial underestimations of the importance of FDI in the country. He also provided suggestions for enhancing the efficiency of the FDI data collection programme.

29. One expert assessed the quality of FDI data in Malawi and identified problems faced by that country in compiling data on FDI and TNCs. In addition, he identified a series of measures that would improve the quality of FDI data in the country. Another expert identified problems faced by Mali in gathering FDI data, and recognized that UNCTAD has been the

most important source of FDI data for the country. He called for greater technical assistance in this area from international organizations, including UNCTAD, OECD and IMF.

30. With regard to the issue of non-equity forms of control, one expert argued that there are many aspects of TNC activities that involve considerable influence or control over the operations of firms outside the TNCs' home countries, but these are not covered by the current system of FDI statistics and surveys. This expert elaborated on two types of such activities, namely outsourcing and franchising to unaffiliated foreign parties. Another expert confirmed that these types of arrangements are important and that, if these non-equity arrangements were included in FDI inflows, in the case of Mexico they would be equivalent to 10 per cent or more of existing FDI inflows in some years. Another expert noted that complex outsourcing arrangements exist between TNCs and firms in the electronics industry in Asia.

31. Other experts stressed that such cross-border activities do not necessarily comprise FDI and that they might instead be covered in the balance of payments under trade in services or under goods-for-processing rather than in direct investment.

32. A representative of the Pacific Islands Forum Secretariat provided information on the status of FDI data collection and compilation programmes in its member countries and presented suggestions on how to strengthen institutional capacity at both the national and the regional level within the Pacific region, for consideration by the UNCTAD secretariat.

### **Policy implications: What can be done?**

33. One expert explained how, in ASEAN countries, the needs of FDI policymakers in respect of harmonized and reliable data had resulted in the establishment of new organizations with responsibility for systematically harmonizing FDI data collection and reporting among the relevant agencies in member countries. More recently, ASEAN had recognized the expanded needs of policymakers with respect to data on the developmental impact of FDI.

34. Looking at the experience of South Africa, another expert stressed that a proper legal framework was a necessary but not sufficient condition for ensuring the quality of data. Complementary methods were used in South Africa to compile FDI data (e.g. censuses, sample surveys, company visits, etc.). Additional secondary sources of information were also important for FDI data compilation to ensure the quality of data.

35. The nature and responsiveness of the institutional framework in any given country play major roles in determining how effectively a given set of policies relating to FDI data collection and compilation will be implemented. As explained by an expert, the Ugandan experience provides a useful example of how the institutional framework was utilized to achieve a positive outcome. In Uganda, collaborative efforts between partner institutions (the Central Bank, the Statistical Office and the National Planning Authority) resulted in the design and conduct of a joint survey. The importance of the institutional framework was further emphasized by another expert, who presented the background on the establishment of an ASEAN task force on the collection of FDI statistics in ASEAN countries. This task force led to the creation of a working group (ASEAN Working Group on FDI Statistics) under the leadership of the ASEAN Coordinating Committee on Investment, responsible for

establishing comparable approaches for measuring, collecting and reporting FDI statistics. The structure of the Working Group included the preparation of a plan of action, regular exchanges of information, and human resource development and capacity building activities.

36. The importance of collaboration between different relevant institutions within each country to strengthen FDI data compilation was stressed by a number of speakers, and additional examples were given. In Zambia, for instance, a national task force – comprising the Central Bank, the Central Statistical Office and the Investment Promotion Centre – was set up for this purpose. Zambia dealt with a number of common problems in collecting data, including “respondent fatigue” due to too many questionnaires, lack of feedback, and the need for harmonized data.

37. A challenge in enhancing the collection of data is the need for harmonized data consistent with the definition of FDI. It was generally agreed that more fully harmonized data are needed. Experts recognized that regional cooperation, as well as cooperation between developing and developed countries, has a role to play in this regard. An expert explained how the Central bank of Egypt is working to harmonize registers, methodologies and compilation practices as much as possible in order to improve the quality of FDI statistics. He also stressed that the exchange of information internationally by experts is of vital importance in this area. UNCTAD was asked to provide technical assistance in promoting regional efforts for harmonized and reliable FDI, and to facilitate exchanges of information and experiences in this area that would benefit developing countries. The need for a more systematic framework for developing countries to provide FDI data to UNCTAD was also stressed.

38. Experts recognized that major users of statistics, particularly policymakers, require that data be updated frequently, but also noted that this increases demands on data collectors and responding firms. Addressing the problem of respondent fatigue, several experts advised that various data collecting agencies should coordinate their surveys and share the data that they collect. Experts also noted the importance of improving communication between the private sector and data collecting agencies.

39. Experts pointed out that data reporting problems are made worse when respondents lack familiarity with the concepts and terminologies used on the surveys. It was also recognized that some measurement issues (e.g. the market valuation of assets) may be difficult for some responding firms to handle.

40. Experts agreed that there is a need to collect and analyse data on TNCs activities, such as employment, sales, R&D expenditure and capital intensity, in order to assess impact on host country development. Experts felt that data on FDI flows and stocks alone are not sufficient for appropriate policy formulation. Experts argued that while continued efforts to make FDI balance-of-payments statistics more accurate and comparable are needed, attention should also be paid to compiling statistics that include measures on a wider set of TNC activities. It also was noted that the availability and accessibility of such data to a wide audience prompts free exchange of experiences and promotes academic work that is relevant for policymakers.

**Conclusions and recommendations: The way forward**

41. The need to collect reliable, accurate, timely and comparable statistical information on FDI and on the overall activities of TNCs was stressed by many experts. Such information is necessary for policymakers to formulate policies that will help their country achieve its development objectives. However, it was recognized that the data collecting and reporting systems of many developing countries, in particular LDCs, may not be in a position to provide increased or enhanced information. There is a need to consider what can be done to improve this situation, including through international and regional cooperation.

42. Providing increased or enhanced information to UNCTAD would facilitate the analysis of trends and the assessment of the impact of FDI on development. A mechanism through which developing and transition economies could submit the data on FDI and activities of TNCs to UNCTAD could be established. If implemented, these economies would be encouraged to submit the data to UNCTAD regularly upon compilation. Developed countries and other economies that have already submitted data to other international organizations may, upon the discretion of the country, provide the same data sets to UNCTAD.

43. The Meeting also discussed policies and practices in these various areas that could help developing countries, particularly LDCs, to improve their statistics on FDI and TNC activities and make them more useful for policy-making.

44. UNCTAD could also play an expanded important role in institutional capacity building in the field of FDI statistics. Such capacity building has a twofold dimension: one involves developing appropriate tools, such as computer hardware and software and human resources; the other aims at establishing a proper institutional or organizational framework. Such support could include technical and financial assistance from donor countries or institutions.

45. Some experts called for more regional cooperation among relevant institutions in developing countries and economies in transition to promote a harmonized system for measuring, collecting and reporting statistics on FDI and activities of TNCs. In this respect, the Expert Meeting supported the creation of regional task forces.

46. Experts recognized the value of the discussions during the Expert Meeting and asked UNCTAD to organize similar meetings on FDI statistics and policy formulation on a regular basis, for example annually.

47. Experts also recognized the importance of sharing this information with other groups. For this purpose, experts asked the UNCTAD secretariat to present the Expert Meeting's report to the UN Statistical Commission in 2007. Similarly, the secretariat should inform the IMF's Committee on Balance of Payments Statistics and the OECD's Workshop on International Investment Statistics.

## Chapter II

### ORGANIZATIONAL MATTERS

#### A. Convening of the Expert Meeting

48. The Expert Meeting on Capacity Building in the Area of FDI: Data Compilation and Policy Formulation in Developing Countries was held at the Palais des Nations, Geneva, from 12 to 14 December 2005.

#### B. Election of officers

(Agenda item 1)

49. At its opening meeting, the Expert Meeting elected the following officers to serve on its bureau:

Chairperson: Mr. Ralph Kozlow (United States of America)  
Vice-Chairperson-cum-Rapporteur: Ms. Wan Ramlah (Malaysia)

#### C. Adoption of the agenda and organization of work

(Agenda item 2)

50. At the same meeting, the Expert Meeting adopted the provisional agenda circulated in document TD/B/COM.2/EM.18/1. The agenda for the Meeting was thus as follows:

1. Election of officers
2. Adoption of the agenda
3. FDI data compilation and policy formulation in developing countries
4. Adoption of the report of the Meeting

#### D. Documentation

51. For its consideration of the substantive agenda item, the Expert Meeting had before it a note by the UNCTAD secretariat entitled "FDI statistics: Data compilation and policy issues" (TD/B/COM.2/EM.18/2).

#### E. Adoption of the report of the Meeting

(Agenda item 4)

52. At its closing meeting, the Expert Meeting authorized the Rapporteur to prepare the final report of the Meeting under the authority of the Chairperson.

## **Annex I**

### **LIST OF PAPERS AND POWERPOINT PRESENTATION MATERIALS**

**Monday, 12 December 2005, a.m.**

#### **Session I**

Introduction of item 3: FDI Statistics: Data compilation and policy issues (PowerPoint presentation by Ms. Anne Miroux)

What do users of FDI data want to learn from them and do the data tell the truth? (paper by Mr. Robert E. Lipsey)

Quality of FDI data: How good are they? From user's point of view (PowerPoint presentation by Mr. Masataka Fujita)

Data compilation and policy formulation in developing countries (PowerPoint presentation by Ms. Kazia Abdul Kadir, Malaysia)

Quality of FDI data: How good are they? (PowerPoint presentation by Mr. Eric Simard, Balance of Payment Division, Statistics Canada)

Thailand's balance of payments, foreign direct investment statistics (PowerPoint presentation and paper by Pusadee Ganjarerndee, Bank of Thailand)

FDI data compilation in Brazil. Methodology, problems and shortcomings (paper and PowerPoint presentation by Mr. Fernando Lemos, Brazil)

Foreign investment data in Laos (PowerPoint presentation and tables by Mr. Vilayvong Bouddakham, Lao People's Democratic Republic)

**Monday, 12 December 2005, p.m.**

#### **Session II**

Recommendations of the Direct Investment Technical Expert Group and decisions of the IMF Committee on Balance of Payments Statistics (paper and PowerPoint presentation by Neil Patterson, IMF)

OECD revises international standards for foreign direct investment statistics (paper by Ayse Bertrand, OECD)

OECD's work on setting FDI standards and definitions (PowerPoint presentation by Ayse Bertrand, OECD)

### **Session III**

Introduction to major FDI issues (PowerPoint presentation by Masataka Fujita, UNCTAD)

An estimate of the share of mergers and acquisitions in French BoP direct investment statistics in equity capital (paper and PowerPoint presentation by Bruno Terrien, Banque de France)

Identifying the sources and destinations of foreign direct investment: Some Asian examples (paper by Eric Ramstetter, International Centre for the Study of East Asian Development, Japan)

IDE Greenfield et SPE: Considérations générales et étude de cas du Luxembourg (paper by Guy Schuller, Service Centrale de la Statistique et des Etudes Economiques, Luxembourg)

Greenfield FDI and SPE (PowerPoint presentation by Guy Schuller, Service Centrale de la Statistique et des Etudes Economiques, Luxembourg)

Valuation of direct investment (PowerPoint presentation by Neil Patterson, Balance of Payments and External Debt Division, Statistics Department, IMF)

Feasibility study on conduct of a coordinated direct investment survey (paper by Neil Patterson, Balance of Payments and External Debt Division, Statistics Department, IMF)

The statistics systems of foreign direct investment (FDI) in China (paper by Lulu Zhang, Ministry of Commerce, China)

**Tuesday, 13 December 2005, a.m.**

### **Session IV**

Compilation of statistics on the activities of TNCs (PowerPoint presentation by J.-François Outreville, UNCTAD)

Measuring the economic activities of transnational corporations (paper by Eric D. Ramstetter, ICSEAD)

FATS in the EU (PowerPoint presentation by Gita Vergina, DG Eurostat, Balance of Payments)

Collecting complementary FDI data: Activities of TNCs (paper and PowerPoint presentation by Paula Casimiro, Banco de Portugal)

Qualité des données et les différents problèmes liés à la confection des statistiques des IDE à Madagascar (paper by André Andriamiharisoa, Banque Central de Madagascar)

**Tuesday, 13 December 2005, p.m.**

**Session V**

Improving measurement of FDI: The case of Korea (PowerPoint presentation by Siwook Lee/Yong-seok Choi, Korea Development Institute)

Foreign direct investment data collection in Malawi (paper and PowerPoint presentation by Charles Machinjili, National Statistical Office, Malawi)

Note sur les données de l'investissement direct étranger (paper by Mohamed Simpara, Ministère de la Promotion des Investissements et de Petites et Moyennes Entreprises, Mali)

Missing data on multinational activities (paper by Robert E. Lipsey, National Bureau of Economic Research, New York office, USA)

**Wednesday, 14 December 2005, a.m.**

**Session VI**

Wrong data, wrong polices (PowerPoint presentation by Hafiz Mirza, UNCTAD/DITE)

Wrong data, wrong policies. The South African data collection experience (paper and PowerPoint presentation by Pieter Swart, Balance of Payments Division, Research Department, South African Reserve Bank, South Africa)

Institutional framework (paper and PowerPoint presentation by Hope Waira Nantamu, Uganda Investment Authority, Uganda)

Collaborative efforts: Regional approach to improve statistics in ASEAN (PowerPoint presentation by Fatimah Abdul Hamid, Department of Economic Planning and Development, Brunei Darussalam)

The Zambian experience (paper and PowerPoint presentation by Collins Siffula, Zambia Investment Centre, Zambia)

**Other contributed papers**

Foreign direct investment statistics in the Czech Republic (paper by Lidmila Gregorová, Balance of Payments Division, Czech National Bank)

FDI data collection and analysis in the Forum Island Countries (paper by Nileswan Prasad, Pacific Islands Forum Secretariat, Fiji)

Foreign direct investment statistics, Estonia (paper by Piret Anton, Balance of Payments and Economic Statistics Division, Central Bank of Estonia)

Strengthening the capacity to compile statistics on foreign direct investment in the Caricom region (paper by Philomen Harrison, Caricom, Guyana)

Methodology, compilation and reporting of foreign direct investment statistics: The Indian experience (paper by Bhupal Singh, Reserve Bank of India, Mumbai)

Towards a strategy for FDI statistics in Egypt (PowerPoint presentation by Ayman M. Ismail, Central Bank of Egypt, and Ahmed Rostom, Ministry of Investment, Egypt)

## Annex II

### ATTENDANCE\*

1. Experts from the following States members of UNCTAD attended the Meeting:

Afghanistan	Iran (Islamic Republic of)
Algeria	Italy
Bolivia	Malaysia
Brazil	Panama
China	Philippines
Costa Rica	Poland
Croatia	Russian Federation
Czech Republic	Sri Lanka
Egypt	Syrian Arab Republic
Estonia	Thailand
Hungary	United States of America
Indonesia	Viet Nam

2. The following intergovernmental organizations were represented at the Meeting:

Caribbean Community  
League of the Arab States

3. The following United Nations agency was represented at the Meeting:

International Trade Center

4. The following related agency was represented at the Meeting:

United Nations Industrial Development Organization

5. The following non-governmental organization was represented at the Meeting:

*General Category:*  
BPW International

6. The following panellists attended the Meeting:

***Quality of FDI data: How good are they?***

*From users' point of view*

Mr. Robert Lipsey, Director, National Bureau of Economic Research,  
New York, United States

---

\* For the list of participants, see TD/B/COM.2/EM.18/INF.1.

Mr. Kaziah Cinti Abdul Kadir, Deputy Director General, Malaysian Industrial Development Authority, Kuala Lumpur

*From compilers' point of view*

M. Eric Simard, Economiste principal, Division de la balance des paiements, Statistique du Canada, Ottawa

Mrs. Pusadee Ganjarerndee, Director, Statistics Office, Bank of Thailand, Bangkok

Mr. Fernando Augusto Ferreira Lemos, Coordinator in the Balance of Payments Division, Central Bank of Brazil, Brasilia

Mr. Vilayvong Bouddakham, Deputy Director General, Department for Domestic and Foreign Investment, Committee for Planning and Investment, Vientiane, Lao PDR

*New developments in FDI statistics: What's new?*

*Recommendations from Direct Investment Technical Expert Group*

Mr. Neil Patterson, Assistant Director, Balance of Payments and External Debt Division, International Monetary Fund, Washington DC

*Revision of OECD's Benchmark Definition of FDI*

Mr. Ayse Bertrand, Manager, International Investment Statistics, OECD, Paris

*FDI data issues*

*Introduction to major issues: Greenfield investment and cross-border M&As, round tripping and special purpose enterprise valuation*

M. Bruno Terrien, Banque de France, Paris

Mr. Eric Ramstetter, International Centre for the Study of East Asian Development, Japan

M. Guy Schuller, Service centrale de la statistique et des études économiques, Luxembourg

Mr. Zhang Lulu, Officer, Foreign Investment Administration, Ministry of Commerce of China, Beijing

***Data on Activities of TNCs: complementary FDI***

*How important are TNCs in the world and in national economies; the role of operations data*

Ms. Gita Vergina, FDI Statistics, Eurostat, Brussels

*Sharing experiences of collecting activities data*

Ms. Paula Casimiro, Head, Balance of Payments and International Investment Position Unit, Central Bank of Portugal, Lisbon

M. André Andriamiharisoa, Directeur des études, Banque centrale du Madagascar, Antananarivo

***Improving measurement of FDI and activities of TNCs***

*Learning from country experiences; problems faced by countries and how did they improve quality of measurement of FDI and activities of TNCs to overcome the problems?*

Mr. Siwook Lee, Associate Fellow, Korea Development Institute, Seoul, Republic of Korea

Mr. Charles Machinjili, Commissioner of Statistics, National Statistical Office, Lilongwe, Malawi

M. Mohamed Simpara, Conseiller technique, Ministère de la promotion des investissements et des petites et moyennes entreprises, Bamako, Mali

***Policy implications: what can be done?***

*Wrong data, wrong policies*

Mr. Pieter Swart, Economist, South African Reserve Bank, South Africa

*Institutional framework*

Mr. Hope Waira Nantamu, Investment Executive, Uganda Investment Authority, Kampala

*Collaborative efforts: regional approach to improve statistics in ASEAN*

Ms. Fatimah binti Hj Abd Hamid, Department of Economic Planning and Development, Bandar Seri Begawan, Brunei Darussalam

*Special situation for LDCs*

Mr. Collins Sifafula, Manager, Research and Policy Analysis, Zambia Investment Centre, Lusaka

7. The following special invitees attended the Meeting:

Mr. Abdalla Yahia Adam, Secretary General, Afro-Asian Rural Development Organization (AARDO), New Delhi

Mr. Nils Bhinda, Programme Manager, Development Finance International Ltd, London

Mr. Choi Yong-Seok, Associate Fellow, Department of Industrial and Corporate Affairs, Ministry of Commerce, Industry and Energy, Seoul

Ms. Min Kyong-mi, Foreign Investment Promotion Division, Ministry of Commercial, Industry and Energy, Seoul

Mr. Nileshwan Prasad, Pacific Islands Forum Secretariat, Fiji Islands

Mr. Bhupal Singh, Assistant Adviser, Division of International Finance, Department of Economic Analysis and Policy, Reserve Bank of India, Mumbai

\* \* \* \* \*