
The United Nations Conference on Trade and Development (UNCTAD) has been publishing its annual World Investment Report (WIR) since the early 1990’s. Similar to many other United Nations publications the WIR’s are impressive for their attractively laid out content, their comprehensive coverage and hence their worth as important documents summarising best practice approaches across a wide area of policy discussion.

The 10th anniversary edition of the WIR – World Investment Report 2000 (WIR 2000) – has cross-border mergers and acquisitions (M&A) as its main theme. In a world in which flows of foreign direct investment (FDI) has been on the rise, consideration of cross-border merger and acquisitions is particularly relevant. WIR 2000 discusses the record on recent FDI flows and their implications for M&A activity. The report consists of two parts. Part one on trends focuses on the evolving system of the international production system and considers the impact of its expansion on overall economic activity. Part one on trends also takes a regional perspective broadly split into three: the OECD countries, the developing world and Central and Eastern Europe. The nub of the discussion here concerns a comparison over time of FDI inflows and outflows as well as a sectoral representation of these trends. Part one on trends ends with an impressive compilation of data on the world’s largest 100 transnational corporations.

This information focuses mostly on sales figures, employment statistics and assets held. Part two of WIR 2000 focuses on a detailed presentation of issues directly impacting on the nature and size of cross-border M&A activity and other development matters. The initial focus in part two is on general trends, which is mapped on to a sectoral and industry-wide discussion of change. Part two then moves on to a discussion of the theoretical structure of optimal M&A’s and mentions a series of complementary factors for the conduct of successful M&A activity, such as changing economic environment, technology and regulation. The final element of part two focuses on the manner in which the infusion of FDI may add value to the overall development efforts of developing countries. The impact of FDI infusion is discussed from the perspective of technological diffusion, financing, labour markets issues, trade and competitive behaviour of industrial firms. The collaborative efforts of several dozen technical personnel makes WIR 2000 a valuable resource for anyone with an interest in the way FDI flows have been contributing to shaping corporate structure world-wide.

World Investment Report 2001 (WIR 2001) takes up the theme of international production and focuses on how linkages here can best be promoted. Similar to the structure of previous WIR’s (for example, WIR 2000 discussed above) the 2001 volume is split into two parts.
Part one discusses the general picture and part two presents the more focused theoretical and practical issues relevant to assessing international production linkages. Scene setting in part one is accomplished through a discussion of international investment flows, production patterns and the highlighting of the size and role of the largest players in promoting linkages.

Part two of the WIR 2001 focuses on the importance of different types of linkage relationships and how these may be encouraged and strengthened from a more practical standpoint such as promoting training, technology transfer and financing options. Other policy measures involving specific government initiatives are also discussed in part two. Both WIR 2000 and WIR 2001 contain a plethora of highly insightful internationally focused case studies. Taken together these two reports seem a little repetitive at times, but this does not reduce their overall appeal particularly as their supplementary information (references, maps, charts, tables, etc) is quite diverse and extremely valuable. WIR’s are generally known for their authoritative reporting. WIR 2000 and WIR 2001 are no exception, making them useful to a wide constituency of readers.

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