

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



2008

# WORLD INVESTMENT DIRECTORY

## Volume X Africa

### Part 1 of 2

Overview

Technical Introduction

Country Profiles (Algeria to Lesotho)



UNITED NATIONS

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

# World Investment Directory

Volume X  
Africa 2008

Part 1 of 2



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## Note

UNCTAD's Division on Investment, Technology and Enterprise Development serves as the United Nations focal point for all matters of foreign direct investment (FDI) and transnational corporations (TNCs). The division seeks to further the understanding of TNCs 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.

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A slash (/) between dates indicates a financial year, for example, 2004/2005.

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## Preface

Foreign direct investment (FDI) continues to gain in importance as a form of international economic transactions and as an instrument of international economic integration. World FDI inflows exceeded \$1.3 trillion in 2006. The rate of growth of worldwide FDI inflows in the past two decades has substantially exceeded that of worldwide gross domestic product (GDP), exports and domestic investment. The number of transnational corporations (TNCs) increased significantly, to some 78,000 parent companies (with 780,000 foreign affiliates) in 2006. The sales of these affiliates amounted to about \$25 trillion in 2006. As a result, TNCs account for an increasing share and, in some cases, a substantial part of the assets, employment, domestic capital formation, research and development, sales and trade of many countries. Through the continued development of their increasingly integrated international productions systems, TNCs have become one of the driving forces of integration in the world economy.

Despite the increasing importance of FDI in the world economy, published sources or readily accessible databases that provide comparable and accurate data on the investments and other activities of TNCs are scarce. *The World Investment Directory* series of UNCTAD is an attempt to centralize in 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 in which such investment takes place and selected bibliographic information about FDI and TNCs in individual countries.

The present *World Investment Directory* publication series consists of the following volumes:

- Volume I. Asia and the Pacific* (United Nations publication, Sales No. E.92.II.A.11)
- Volume II. Central and Eastern Europe* (United Nations publication, Sales No. E.93.II.A.1)
- Volume III. Developed Countries* (United Nations publication, Sales No. E.93.II.A.9)
- Volume IV. Latin America and the Caribbean* (United Nations publication, Sales No. E.94.II.A.10)
- Volume V. Africa* (United Nations publication, Sales No. E.97.II.A.1)
- Volume VI. West Asia* (United Nations publication, Sales No. E.97.II.A.2)
- Volume VII. Asia and the Pacific, Part I and Part II* (United Nations publication, Sales No. E.00.II.D.1)
- Volume VIII. Central and Eastern Europe 2003* (United Nations publication, Sales No. E.03.II.D.24)
- Volume IX. Latin America and the Caribbean 2004* (United Nations publication, Sales No. E.04.II.D.32)

The present publication covers 53 economies of the African region: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, the Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger,

Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia and Zimbabwe. 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 and operations of TNCs. Basic information is provided on the largest TNCs in and from the countries and on the regulatory framework affecting FDI, organized by country. These are based on information available as of December 2007. It is the intention of UNCTAD to update the *World Investment Directory* series regularly, and country profiles contained in each volume of this series are regularly updated and placed on the UNCTAD's FDI statistics website ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)). It is hoped that, as work progresses in this area, Governments will make it possible to enhance the frequency and scope of collection and quality of the data and information provided.

It is a widely recognized problem in research on FDI and TNCs that the statistics on them suffer from lack of comparability across sources and countries. The user is thus advised to read the technical introduction to this volume, 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 but necessary objective. UNCTAD provides technical assistance to efforts towards achieving this objective.

The *World Investment Directory* aims at becoming a standard reference series for policymakers, especially in developing countries, and for researchers and others in academia, governmental, intergovernmental and non-governmental organizations and the private sector who need to gain an understanding of the character, trends and patterns of FDI and TNC activities, and require reliable information as the basis for the formulation and monitoring of policies on FDI and TNCs.

This series has been prepared by a project team led by Masataka Fujita under the supervision of Anne Miroux. The principal officer responsible for the production of this volume was Hilary Nwokeabia, who oversaw the development of the volume at various stages. The other members of the team were Mohamed Chiraz Baly, Bradley Boicourt, John Bolmer, Jovan Licina and Lizanne Martinez. Hamed El-Kady, Justin Fisher, Torbjorn Fredriksson, Joachim Karl, Hafiz Mirza, Jean-François Outreville, Thomas Pollan, Astrit Sulstarova and Aimable Uwizeye-Mapendano commented on the final draft. Production assistance was provided by Séverine Excoffier and Katia Vieu. Abraham Negash and Eric Kehinde Ogunleye contributed to the sections on regulatory frameworks for investment. Teresita Sabico did the desktop publishing for the volume. Many officials in central banks, statistical offices, investment promotion agencies and other government offices in Africa contributed to the volume through the provision of data.

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## Contents

	Page
Preface .....	iii
<b>I. Overview .....</b>	<b>1</b>
<b>A. FDI trends in Africa.....</b>	<b>1</b>
1. Inward FDI .....	1
a. Recent trends and developments .....	1
b. Geographical and industrial distribution of inward FDI.....	6
2. Outward FDI .....	13
<b>B. Policy developments with respect to inward FDI.....</b>	<b>21</b>
1. Developments at the national level .....	22
2. Developments at the international level .....	24
<b>C. Prospects for inward FDI .....</b>	<b>28</b>
<b>References.....</b>	<b>30</b>
<b>Annex .....</b>	<b>31</b>
<b>Selected recent UNCTAD publications on TNCs and FDI .....</b>	<b>61</b>
<b>Questionnaire .....</b>	<b>67</b>

### Figures in the Overview

1. FDI inflows and their share in gross fixed capital formation in Africa, 1985–2007.....	2
2. FDI inflows by region, 2005, 2006 and 2007.....	4
3. Africa: shares in world FDI inflows, world GDP and world exports, 1980–2006.....	4
4. Inward FDI stock in African economies, 2006 .....	7
5. FDI outflows from Africa, 1985–2006.....	15
6. Outward FDI stock from the top 20 African outward-investor economies, 2006 .....	17
7. Africa: BITs and DTTs by region, cumulative 2006.....	26
8. Prospects for FDI in Africa, 2007–2009: responses to UNCTAD survey .....	28

### Tables in the Overview

1. FDI inflows to Africa, 1970–2006 .....	3
2. Industrial distribution of inward FDI stock in selected African countries, selected years .....	5
3. Industrial distribution of FDI inflows in selected African countries, selected years.....	9
4. Africa: distribution of cross-border M&A sales, by sector and industry, 1995, 2000 and 2006..	10
5. Inward FDI of selected countries in Africa from the world and major regions, 1990–2006.....	11
6. The largest affiliates of foreign TNCs in Africa, 2006.....	14
7. Geographical distribution of outward FDI from selected African countries, selected years.....	16
8. Industrial distribution of outward FDI from selected African countries, selected years.....	17
9. The largest home-based TNCs located in Africa, 2007.....	18

10.	The largest foreign affiliates of TNCs from Africa, 2007 .....	19
11.	Africa: selected major outward-investor enterprises by country and sector/industry, 2006 .....	20
12.	African countries' participation in selected international investment-related instruments as of the end of 2007 .....	25

#### Annex tables in the Overview

1.	Geographical distribution of inward FDI stock in selected African countries, selected years .....	31
2.	Geographical distribution of FDI inflows in selected African countries, selected years .....	33

<b>II.</b>	<b>Technical introduction .....</b>	<b>35</b>
	<b>A. Scope.....</b>	<b>35</b>
	<b>B. Sources of data .....</b>	<b>39</b>
	<b>C. Industrial and geographical breakdown .....</b>	<b>40</b>
	<b>D. Reporting currency and exchange rates .....</b>	<b>42</b>
	<b>E. Definitions, descriptions and discrepancies in the data .....</b>	<b>46</b>
	1. FDI statistics .....	46
	a. Definitions of FDI.....	46
	(i) Components of FDI.....	46
	(ii) The threshold equity ownership.....	47
	(iii) Defining a controlling interest and treatment of non-equity forms of investment..	47
	b. Methods of data collection and national practices in the treatment of FDI.....	47
	(i) Foreign exchange records versus company surveys .....	47
	(ii) Ultimate beneficial owner .....	48
	(iii) Variety of sources for FDI data .....	48
	(iv) Industrial coverage and classification.....	49
	(v) The treatment of banks and other financial institutions .....	49
	c. Accounting practices.....	49
	(i) Historical valuation of FDI.....	49
	(ii) Methods of consolidation.....	49
	(iii) Capital gains and losses .....	50
	2. Corporate data.....	50
	3. Legal information .....	51
	a. National framework .....	51
	b. International framework.....	51
	<b>F. Glossary .....</b>	<b>52</b>
	1. FDI .....	52
	2. Operations of TNCs.....	53
	3. The structure of TNCs .....	55

#### Tables in technical introduction

1.	Tables presented in this volume .....	38
2.	Exchange rates of African economies, 1990-2006.....	43

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### III. COUNTRY PROFILES

Algeria .....	61
Angola .....	77
Benin .....	87
Botswana .....	97
Burkina Faso.....	109
Burundi .....	119
Cameroon .....	129
Cape Verde .....	141
Central African Republic.....	157
Chad .....	167
Comoros .....	177
Congo .....	185
Congo, Democratic Republic of the .....	195
Côte d'Ivoire.....	205
Djibouti.....	217
Egypt .....	227
Equatorial Guinea.....	243
Eritrea .....	251
Ethiopia .....	259
Gabon .....	271
Gambia .....	283
Ghana .....	293
Guinea .....	309
Guinea-Bissau .....	319
Kenya .....	327
Lesotho .....	343
Liberia .....	355
Libyan Arab Jamahiriya .....	367
Madagascar.....	379
Malawi.....	397
Mali .....	409
Mauritania .....	419
Mauritius .....	427
Morocco .....	443
Mozambique .....	465
Namibia .....	479
Niger.....	493
Nigeria.....	505
Rwanda.....	523
Sao Tome and Principe.....	531
Senegal .....	539
Seychelles.....	551
Sierra Leone .....	563
Somalia.....	573
South Africa .....	581
Sudan .....	603
Swaziland .....	615
Togo .....	627
Tunisia.....	637
Uganda .....	655
United Republic of Tanzania.....	667
Zambia.....	685
Zimbabwe.....	699





## I. Overview

Africa has attracted increasing amounts of inward FDI in the past two decades, with FDI inflows rising from \$2.4 billion in 1985 to \$36 billion in 2006 (figure 1) and expected to remain at almost the latter level in 2007. Inward FDI stock in the region rose from \$40 billion in 1980 to \$315 billion in 2006 (UNCTAD 2007a). The ratio of FDI inflows to the region's gross fixed capital formation reached its highest level of 21 per cent in 2001, declining to 13 per cent in 2002–2004 and recovering to 20 per cent in 2006. In many countries, inflows rose mainly in the primary and services sectors, partly through the existence of vast natural resources and a wide range of national privatization schemes. The profile of the foreign direct investors and their destinations in the region has varied over the years. TNCs from developed countries and, more recently, developing countries have invested in a wide range of industries including, among others, oil exploration, in which there have been many new exploration activities while at the same time existing TNCs have raised their stakes in previously operational mines. Nevertheless, the region's share in global FDI has declined, partly because of lower inflows to the manufacturing sector in the 1990s, before a slow recovery from 2000 to 2006.

In terms of prospects, high commodity prices and continued liberalization of the national markets are likely to attract more FDI to the primary and services sectors of African economies. Furthermore, the region's market size, measured by total population and purchasing power, has been growing. Many countries have reformed their investment laws, while at the same time liberalizing trade and price regulation, reducing red tape for business start-ups, improving the financial system, privatizing State firms and offering concessions on infrastructure projects. The prospects for increased FDI flows to the manufacturing sector will depend on improvements in Africa's industrial profile and the rate at which it shifts from a low value added to semi-industrial production basis, given the available local markets, market access initiatives as well as improvements in business climate.

### A. FDI trends in Africa

#### I. Inward FDI

##### a. Recent trends and developments

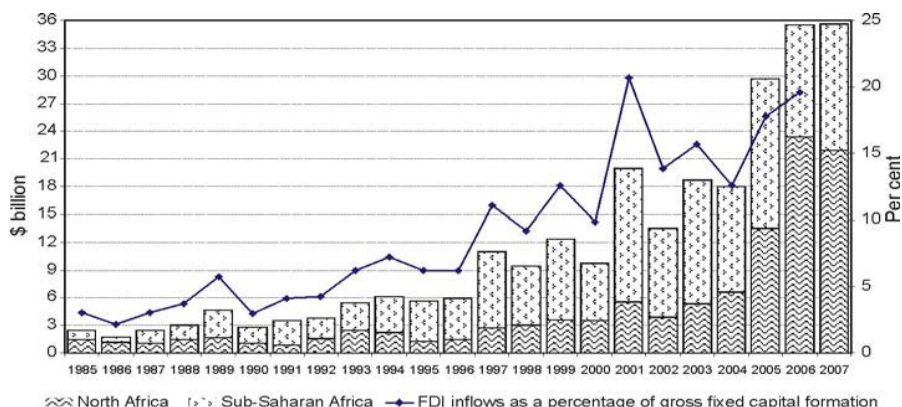
The recent surge of FDI inflows to the African region, particularly over the period 2001–2007 (figure 1), followed from the twin forces of an upward spiral in commodity prices<sup>1</sup> and a more positive climate for investments in the region backed by reform of policy frameworks for FDI, including, among others, for natural resource exploitation. A number of African countries have also received more commitments by the international community to scale up aid, support regional development initiatives and infrastructure development, and have been provided more market access initiatives, all of which contribute to shoring up FDI inflows. FDI is now subject to less restrictive compliance criteria and less cumbersome approval procedures. Political instability, internal conflict and poor governance still pose significant problems to too many countries in the region. However, in parts of the region, political conflicts and related sanctions on their economies have waned and efforts have been undertaken to strengthen governance and economic performance improved at a time when commodity prices have been rising rapidly. As a consequence, the region's largest natural resource producers – such as Angola, Algeria, Libyan Arab Jamahiriya, Mozambique, Nigeria and South Africa (table 1) – which account for roughly

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<sup>1</sup> Prices of commodities such as aluminium, copper, diamond, gold, nickel, oil and gem stones surged more than 400 per cent between 2000 and 2007. *Source:* Bloomberg.com - Commodity futures (<http://www.bloomberg.com/markets/commodities/cfutures.html>).

three quarters of the region's commodities exports, also accounted for more than three quarters of the region's FDI inflows. Moreover, countries not traditionally known for large reserves of natural resources – such as Ethiopia, Ghana, Kenya, Mauritania, Somalia and Uganda (table 1) – also became exploration hot spots, with TNCs investing billions of dollars in many of their projects.

**Figure 1. FDI inflows and their share in gross fixed capital formation in Africa, 1985–2007<sup>a</sup>**



Source: UNCTAD, FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

<sup>a</sup> Preliminary estimates.

Note: North Africa includes Algeria, Egypt, Libyan Arab Jamahiriya, Morocco, Sudan and Tunisia; sub-Saharan Africa includes the rest of the countries in Africa.

Additionally, the demand for Africa's natural resources, particularly oil, is rising. The United States for instance, has been reducing its dependence on Middle East oil with the goal of a 75 per cent reduction, and increasing its interest in supplies from Africa.<sup>2</sup> Petroleum from Libyan Arab Jamahiriya (light with low sulphur content and cheap to produce) has become attractive to Europe after sanctions that had been imposed earlier were lifted. TNCs from China, India and Malaysia have also joined the search for oil (and other primary resources) to sustain their rapidly growing economies. In return, nearly every subregion in Africa has attracted new FDI flows into petroleum projects, thus increasing the spread and volume of FDI to many countries. The current commodity price boom has brought opportunities as well as challenges to Africa. Efficient management of a mineral-based economy requires well-developed capacities for governance and a commitment to the objective of sustainable development on the part of a country's leaders and policymakers (UNCTAD 2007a).

In a marked shift in distribution pattern, more African countries have received larger FDI inflows, particularly after 2000. Only one African country received FDI inflows of more than \$1 billion in the early 1990s, but in 2006, that number had increased to eight, contributing to the volume of FDI inflows to the region, which doubled in just the two years 2004–2006 (table 1). The region received total FDI inflows of \$145 billion from 2000 to 2006, compared with only \$54 billion during the preceding seven years. Prior to the surge, a larger number of African countries received smaller FDI inflows, mainly into the services sector and linked to privatization programmes.

<sup>2</sup> "Africa oil and gas: Africa's oilfields have become an important battleground of influence", *Financial Times*, 1 March 2006.

**Table 1. FDI inflows to Africa 1970–2006**  
(Millions of dollars)

Host region/economy	1970-1979	1980-1989 (Average)	1990-1999	2000	2001	2002	2003	2004	2005	2006
Africa	1 124	2 202	6 625	9 685	19 979	13 571	18 677	18 018	29 648	35 544
North Africa	184	895	2 040	3 456	5 528	3 925	5 376	6 616	13 528	23 324
Algeria	118	34	154	438	1 196	1 065	634	882	1 081	1 795
Egypt	171	860	805	1 235	510	647	237	2 157	5 376	10 043
Libyan Arab Jamahiriya	- 173	- 250	- 21	141	- 113	145	143	357	1 038	1 734
Morocco	11	65	591	471	2 875	534	2 429	1 070	2 946	2 898
Sudan	2	7	92	392	574	713	1 349	1 511	2 305	3 541
Tunisia	55	179	420	779	486	821	584	639	782	3 312
Other Africa	940	1 307	4 585	6 229	14 451	9 645	13 301	11 402	16 120	12 221
West Africa	520	705	2 086	2 172	2 079	2 884	3 377	3 743	4 997	6 841
Benin	3	7	38	60	44	14	45	64	53	63
Burkina Faso	2	2	7	23	6	15	29	14	34	26
Cape Verde	..	1	14	33	17	10	16	20	76	122
Côte d' Ivoire	44	49	203	235	273	213	165	283	312	253
Gambia	2	2	18	44	35	43	15	49	45	70
Ghana	22	9	102	166	89	59	137	139	145	435
Guinea	0	5	20	10	2	30	83	98	102	108
Guinea-Bissau	0	1	3	1	0	4	4	2	9	42
Liberia	80	171	72	21	8	3	372	237	- 479	- 82
Mali	2	2	24	82	122	244	132	101	224	185
Mauritania	- 3	8	5	40	77	67	102	392	864	- 3
Niger	14	10	10	8	23	2	11	20	30	20
Nigeria	320	434	1 494	1 310	1 277	2 040	2 171	2 127	3 403	5 445
Saint Helena	..	0	..	- 4	0	..	..	- 1	0	0
Senegal	14	7	57	63	32	78	52	77	45	58
Sierra Leone	10	- 13	3	39	10	10	9	61	59	43
Togo	13	11	14	41	64	53	34	59	77	57
Central Africa	176	223	146	552	1 551	2 146	3 307	2 712	3 716	3 786
Burundi	0	3	1	12	0	0	0	0	1	290
Cameroon	20	96	28	159	73	602	383	319	225	309
Central African Republic	4	5	1	1	5	4	19	25	29	24
Chad	12	12	22	115	460	924	713	495	613	700
Congo	27	28	117	162	71	131	321	- 13	724	344
Congo, Democratic Republic of	60	- 4	3	23	82	117	158	10	- 79	180
Equatorial Guinea	0	2	101	111	941	323	1 444	1 651	1 873	1 656
Gabon	48	65	- 132	- 43	- 89	39	263	219	321	268
Rwanda	4	17	4	8	4	3	5	8	11	15
São Tomé and Príncipe	..	0	1	4	3	3	1	- 2	- 1	0
East Africa	61	62	400	1 047	1 042	1 020	1 310	1 318	1 205	1 789
Comoros	2	4	0	0	1	0	1	1	1	1
Djibouti	0	0	2	3	3	4	14	39	22	108
Eritrea	..	..	77	28	12	20	22	- 8	- 3	4
Ethiopia	11	0	69	135	349	255	465	545	221	364
Kenya	31	30	21	111	5	28	82	46	21	51
Madagascar	4	4	19	83	93	61	95	95	86	230
Mauritius	2	10	28	266	- 28	32	63	14	42	105
Mayotte	..	..	..	0	..	..	..	..	..	..
Reunion	..	..	7	..	0	0	..	..	..	..
Seychelles	4	14	31	24	65	48	58	38	86	146
Somalia	3	- 4	1	0	0	0	- 1	- 5	24	96
Uganda	1	1	72	181	151	185	202	222	257	307
United Republic of Tanzania	4	5	121	216	389	388	308	331	448	377
Southern Africa	183	316	1 953	2 458	9 779	3 595	5 307	3 629	6 202	- 195
Angola	3	134	574	879	2 146	1 672	3 505	1 449	- 1 303	- 1 140
Botswana	26	63	16	57	31	405	419	392	281	274
Lesotho	0	7	23	32	28	27	42	53	57	57
Malawi	10	7	13	40	60	6	7	22	27	30
Mozambique	1	2	92	139	255	347	337	245	108	154
Namibia	..	5	88	188	365	182	149	226	348	327
South Africa	92	14	850	888	6 789	757	734	799	6 251	- 323
Swaziland	15	28	59	91	29	92	- 61	71	- 50	36
Zambia	30	52	142	122	72	82	172	364	380	350
Zimbabwe	18	8	95	23	4	26	4	9	103	40
Memorandum										
Developing economies	5 922	20 580	118 185	256 088	212 017	166 318	178 699	283 030	314 316	379 070
World	24 365	93 878	403 802	1 411 366	832 567	621 995	564 078	742 143	945 795	1 305 852
Least developed countries: Africa <sup>a</sup>	286	463	1 670	2 988	6 069	5 707	9 762	8 245	6 212	8 052
Least developed countries (LDCs)	306	507	2 546	4 026	7 072	6 563	10 594	9 320	7 326	9 375
Major petroleum exporters: Africa <sup>b</sup>	342	445	2 186	2 887	4 488	5 092	7 038	5 021	5 265	8 447
Major petroleum exporters	1 071	3 562	8 527	4 952	8 872	10 964	19 853	25 037	44 917	48 558

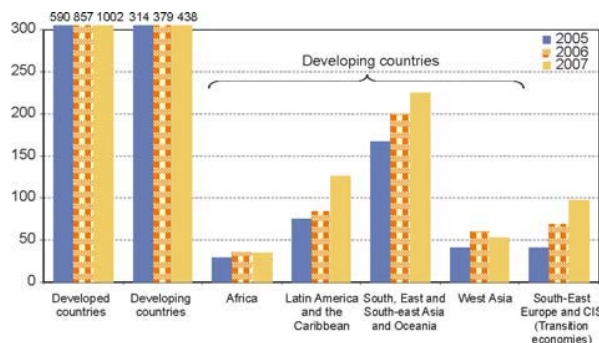
Source: UNCTAD, based on table 3, country profiles and FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

<sup>a</sup> Least developed countries (LDCs) in Africa include Angola, Benin, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, Sudan, Togo, Uganda, United Republic of Tanzania and Zambia.

<sup>b</sup> Major petroleum exporters in Africa include Algeria, Angola, Congo, Gabon, Libyan Arab Jamahiriya and Nigeria.

The rising amounts of FDI inflows over the recent past have, however, not led to an increase in Africa's share of global FDI, as flows to other regions have grown faster (figure 2). Starting from the early 1980s, the share of Africa's FDI inflows in global FDI converged to the levels of the region's shares in global GDP and trade (figure 3). Africa's share of global FDI inflows stagnated at about 3 per cent between 2000 and 2006 (2.7 per cent in 2006), a major decline from its share of about 9.5 per cent in 1970. This decline in the region's share can be attributed to structural obstacles to FDI inflows, especially in the manufacturing sector. The slowdown in manufacturing flows to the region is also reflected in a decline in the share of manufacturing in FDI in the region. In the top two FDI recipient countries in the region – South Africa and Nigeria, which together accounted for 37 per cent of FDI stock in Africa in 2006 – the share of the primary sector in inward FDI stock increased to 41 per cent in 2006, from 5 per cent in 1996 in the former, at the same time that the share of the manufacturing sector almost halved to 27 per cent from 40 per cent. Meanwhile in Nigeria, the share of the primary sector in inward FDI stock rose to 75 per cent in 2005 from 43 per cent in 1990. Similar changes took place in several other African countries (table 2). Only in a few relatively small FDI recipient countries – such as Madagascar, Namibia and the United Republic of Tanzania – did the share of manufacturing FDI inflows increase in the 1990s, although in Madagascar the share of the primary sector rose much more than that of manufacturing.

**Figure 2. FDI inflows by region, 2005, 2006 and 2007<sup>a</sup>**  
(Billions of dollars)



Source: UNCTAD, FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

<sup>a</sup> Preliminary estimates.

**Figure 3. Africa: shares in world FDI inflows, world GDP and world exports, 1980–2006**  
(Percentage)



Source: UNCTAD, FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

In some of the natural resource producing countries – such as Angola, Botswana, Chad, Namibia, Nigeria and South Africa – and in others aspiring to attract more FDI to add value to their products, high cost of production was a major obstacle to investments in greater processing of diamond, gold, silver and textile products, for which the region has large preferential market access quotas. In Botswana, Namibia and South Africa, for instance, high cost of production is still a major obstacle to the drive by the Governments for greater beneficiation of the diamond production. Diamond polishing and cutting in South Africa costs up to \$40 per rough carat

**Table 2. Industrial distribution of inward FDI stock in selected African countries, selected years**  
(Percentage share in total)

Sector/industry	Botswana		Cape Verde		Egypt		Madagascar		Malawi		Morocco		Namibia		Nigeria		South Africa		Swaziland		Uganda		United Republic of Tanzania		Zambia		
	1997	2003	1990	1995	1995	2002	2006	2001	2004	1990	1994	1995	2005	1994	2005	1993	2005	2000	2003	1998	2001	1998	2001	1000	2001	1000	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	1000	1000	1000	1000
Primary	74.7	68.3	100.0	25.5	4.0	6.9	44.1	13.1	5.5	79.4	76.6	42.9	74.8	6.3	34.5	12.6	11.5	4.9	0.7	39.8	34.7	39.8	34.7	33.9	33.9	33.9	33.9
Agriculture, hunting, forestry and fishing	-	-	-	-	4.0	4.5	5.8	13.1	0.8	-	-	-	-	0.9	0.2	11.4	10.1	4.5	0.7	6.2	6.7	6.2	6.7	11.7	11.7	11.7	11.7
Mining, quarrying and petroleum	74.7	68.3	100.0	25.5	-	2.3	38.2	-	4.7	-	-	-	-	5.4	34.4	1.2	1.5	0.4	-	33.6	28.0	33.6	28.0	22.2	22.2	22.2	22.2
Secondary	6.0	3.9	0.0	24.1	47.4	13.2	11.8	41.8	33.4	2.9	5.3	-	-	41.3	27.8	60.3	72.3	36.0	26.6	24.0	24.0	24.0	33.5	33.5	33.5	33.5	33.5
Food, beverages and tobacco	-	-	0.0	4.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Textiles, clothing and leather	-	-	-	13.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coke, petroleum products and nuclear fuel	-	-	-	-	-	-	-	-	2.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Chemicals and chemical products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-metallic mineral products	-	-	-	0.6	-	-	-	-	5.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles and other transport equipment	-	-	-	3.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other manufacturing	-	-	-	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unspecified secondary	6.0	3.9	-	-	47.4	13.2	11.8	41.8	25.7	2.9	5.3	-	-	41.3	27.8	60.3	72.3	36.0	26.6	24.0	24.0	24.0	33.5	33.5	33.5	33.5	
Tertiary	18.7	28.0	0.0	50.4	48.5	79.2	43.4	44.7	52.9	17.7	18.1	-	-	52.4	37.7	27.0	13.5	56.5	64.6	33.2	31.8	31.8	31.8	51.6	51.6	51.6	51.6
Electricity, gas and water	0.1	0.4	-	-	-	6.9	1.1	-	-	-	-	-	-	-	0.0	-	-	1.7	-	2.1	3.4	3.4	3.4	10.0	10.0	10.0	10.0
Construction	0.7	0.1	-	0.3	4.2	14.2	4.2	0.1	1.5	-	-	-	-	1.6	0.4	-	-	2.3	2.1	5.5	2.7	2.7	2.7	0.2	0.2	0.2	0.2
Trade	9.4	10.8	-	-	-	22.3	10.9	24.9	2.8	-	-	-	-	18.6	3.0	-	-	16.6	21.1	14.9	2.5	2.5	2.5	10.1	10.1	10.1	10.1
Hotels and restaurants	0.9	2.0	-	-	-	0.2	0.1	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.1	8.1	8.1	8.1
Transport, storage and communications	0.7	2.0	0.0	49.9	12.6	15.0	8.5	7.5	28.8	-	-	-	-	1.3	1.9	-	-	17.4	13.7	2.8	7.5	7.5	7.5	1.4	1.4	1.4	1.4
Finance	5.5	11.4	-	-	26.0	14.4	15.7	11.0	6.5	-	-	-	-	30.8	32.2	2.7	6.6	17.7	27.6	3.9	4.8	4.8	4.8	25.8	25.8	25.8	25.8
Business activities	1.3	1.2	-	-	-	6.3	2.9	0.3	10.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.9	3.9	3.9	3.9
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and social services	0.1	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community, social and personal service activities	-	-	-	-	-	-	-	0.4	-	-	-	-	-	0.1	0.1	-	-	0.7	0.2	0.1	0.2	0.1	0.2	-	-	-	
Other services	-	-	-	0.2	5.7	-	-	-	3.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unspecified tertiary	-	-	-	-	-	-	-	-	-	17.7	18.1	-	-	-	-	24.4	-	-	-	6.9	-	-	-	-	-	-	-
Unspecified	0.6	-0.2	0.0	-	-	0.7	0.7	0.4	8.2	-	-	-	57.1	25.2	-	-	-	2.7	2.7	8.0	3.0	3.0	3.0	0.0	0.0	0.0	0.0
Memorandum	1 280	1 720	0.0	0.1	13 355	166	503	491	19 883	2 047	1 712	8 720	27 270	10 166	77 362	456	813	540	724	3 386	3 777	3 777	3 777	1 085	1 085	1 085	1 085
Total (\$ million)																											

Source: UNCTAD, based on table I1 in country profiles and FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

<sup>a</sup> Data for mining, quarrying and petroleum refer to the oil industry and those for unspecified refer to industries other than oil.

compared with \$10 to \$14 in India.<sup>3</sup> In the apparel and textile industry, South Africa pays its workers \$1.38 an hour, as against the Chinese figure of \$0.88.<sup>4</sup> In the latter industry, FDI inflows to Africa also suffered a major setback in 2005 with the end of the Multi-Fibre Arrangement (MFA) and the consequent increase in competition from other developing countries, particularly China. Enhancing the competitiveness of human resources and maintaining necessary skills to compete in globalized markets require national policies focused on worker productivity and training. It also means adapting labour laws and the education systems to fit the needs of producers and the market economy, thereby addressing the problem of deficit in skills at all levels. In order to benefit from the commodity market boom, a number of economic, environmental and social challenges need to be addressed. The transparent, fair and equitable use of the resource revenues is one key issue. The resource rent can be used to sustain growing FDI inflows and to diversify economically; the development of human capital will consequently be important. One of the challenges for Africa is thus how revenues obtained from commodity exports could be channeled towards education, human resource development and infrastructure development, which are essential for productivity improvements and for industrialization in general, as well as for attracting FDI into the manufacturing sector.

Regional integration schemes that began soon after a majority of African countries attained independence could have created markets to attract more FDI inflows to large-scale production in the manufacturing sector, at least for local markets, but they have not progressed rapidly. It was not until the 1990s that the region resumed harmonization and revitalization of integration efforts, culminating in the establishment of the African Economic Community, the African Union and the New Partnership for Africa's Development, but these are yet to have significant impact on FDI inflows.

#### **b. Geographical and industrial distribution of inward FDI**

The profile of FDI in Africa varies according to its geographical and sectoral destinations. The region's total inward FDI stock of \$315 billion in 2006 was distributed among the subregions as follows: North Africa (37 per cent), West Africa (20 per cent), Central Africa (7 per cent), East Africa (5 per cent) and Southern Africa (33 per cent) (UNCTAD 2007a), with South Africa being the largest recipient country, followed by Nigeria and Egypt (figure 4). The two principal subregional destinations for FDI inflows to Africa – North and Southern Africa – together account for a large part of the inflows (table 1). In 2006, FDI inflows to North Africa surged to a record level of \$23 billion, accounting for 66 per cent of inflows to Africa. West Africa received \$7 billion in FDI in 2006, amounting to 19 per cent of the inflows to the region. Nigeria was the main destination with about 80 per cent of the inflows. Central Africa attracted nearly \$4 billion in FDI in 2006 – about 11 per cent of Africa's total inflows – mostly in the primary and services sectors. In East Africa, FDI inflows rose to nearly \$2 billion in 2006, accounting for about 5 per cent of the region's inflows. Southern Africa remained a principal destination for a large part of the FDI inflows to the region. In 2005, South Africa alone had received \$6.2 billion, about 20 per cent of the inflows to Africa. (Negative inflows to Southern Africa in 2006 were due to sell-offs of some foreign oil assets to the Government of Angola and large repayments of debt by foreign affiliates in South Africa to their parent firms.)

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<sup>3</sup> "Beneficiation: in search of carrot that may persuade miners to process locally", *Financial Times*, 28 June 2005.

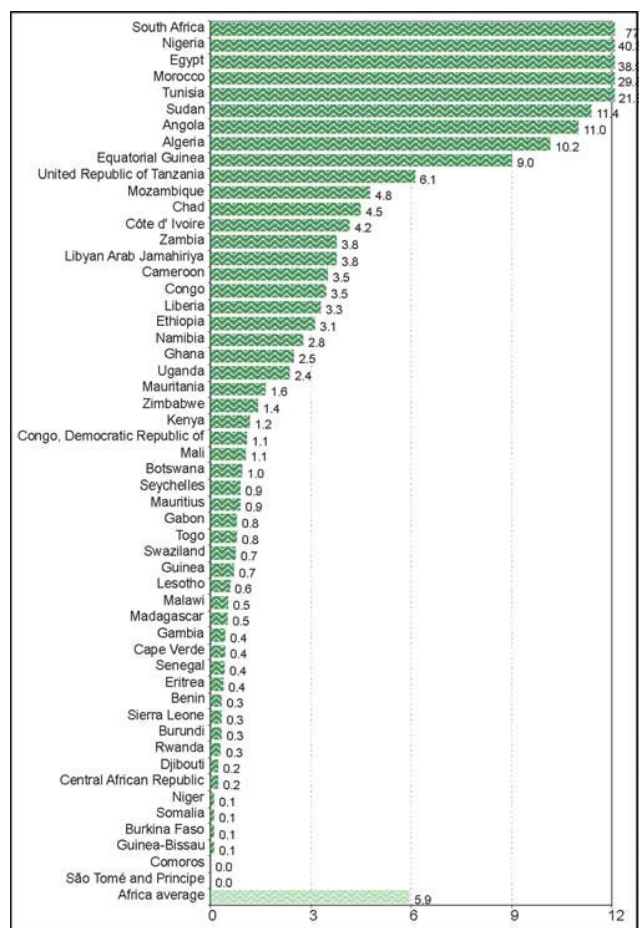
<sup>4</sup> In comparing the wage rate, productivity of labour should be also taken into account. "Africa economy: China syndrome", Economist Intelligence Unit ([www.viewswire.com](http://www.viewswire.com)), 27 July 2005.

FDI in the region also is still concentrated in a limited number of countries. In 2006, five countries (South Africa (24 per cent), Nigeria (13 per cent), Egypt (12 per cent), Morocco (10 per cent) and Tunisia (7 per cent)) accounted for the bulk of FDI stock in the region (UNCTAD 2007a). The top 10 countries by FDI inflows attracted \$32 billion (or nearly 90 per cent) of the region's inflows in 2006, up from \$20 billion in 2005. Eight of them attracted FDI flows in excess of \$1 billion, the same as the previous year; and in four (Egypt, Nigeria, Sudan and Tunisia), inflows were higher than \$3 billion (table 1). Cross-border mergers and acquisitions (M&As) as well as greenfield FDI related to expansion of activities played a part in the inflows to several of the top host countries, particularly Egypt, Nigeria, Sudan, Tunisia and Morocco.<sup>5</sup> While most of the FDI to the region as a whole went to extractive industries, in Egypt – the top FDI recipient in 2006 – 80 per cent of the inflows of \$10 billion were in non-oil activities such as agriculture, manufacturing, banking and tourism.

The industrial distribution of inward FDI stock and flows clearly shows that resource-seeking

FDI has traditionally played an important role in some African countries. In Botswana, the primary sector accounted for more than 60 per cent of the FDI stock in 2005 (table 2). In South Africa and Nigeria – the largest and second largest FDI recipients in terms of stock – the share of the primary sector has risen almost two-fold and eight-fold respectively since the mid-1990s, reflecting rising corporate profit and high commodity prices (table 2). According to FDI flow data (table 3), the primary sector accounted for the largest share in Nigeria (79 per cent) in 2005 and Madagascar (71 per cent) in 2006, while in Tunisia the share of flows in the sector declined from 80 per cent in 1995 to 22 per cent in 2006.

**Figure 4. Inward FDI stock in African economies, 2006**  
(Billions of dollars)



Source: UNCTAD, based on table 3 of country profiles and FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

<sup>5</sup> For example, France's Crédit Agricole acquired Egyptian American Bank (later renamed the new bank Crédit Agricole – Egypt). In Nigeria, CNOOC (China) acquired NNPC OML-130 for \$3 billion, and in Sudan, inflows surged partly as a result of the sale of MobiTel to MTC Kuwait for \$1.33 billion.



In some other countries, services and manufacturing are key sectors for FDI. For example, almost the same share (two fifths) of the FDI inflows in 2006 into Egypt (38 per cent) went into services and the primary sector, with 8 per cent going to the manufacturing sector (and 16 per cent unspecified) (table 3). Morocco is another example of an African country that has a large amount of FDI stock in services (60 per cent) and manufacturing industries such as textiles and electronic equipment (31 per cent), and only 3 per cent in mining, quarrying and petroleum. This is confirmed as well by FDI flow data in Morocco (table 3), where there is an increase of the share of services in total flows from 39 per cent in 1996 to 65 per cent in 2006, due to large investments in transport, storage and communications. Financial services accounted for a large share of inward FDI stock in Egypt, South Africa and Zambia, while in Uganda the share increased from 18 per cent in 2000 to 28 per cent in 2003 (table 2); and in Mauritius, as much as half of FDI inflows went to the financial services industry (table 3).

A wider range of small and resource-poor countries has attracted slightly increased FDI inflows into the services sector, mainly from developed countries and South Africa, through privatization programmes. Nevertheless, several countries, particularly LDCs, mostly without large reserves of natural resources, still lagged behind in their FDI inflows (table 1). Some of them were also troubled by civil wars and political instabilities, making it risky for TNCs to make long-term investment in these economies. Six LDCs – Chad, Liberia, Rwanda, Sierra Leone, Somalia and Sudan – were mired in conflicts or their after-effects. However, the situation was moderated with respect to FDI inflows to Chad and Sudan, where oil reserves have been turned into major recipients of FDI, starting from 2003 (table 1).

In terms of cross-border M&A sales, the key industries that attracted most of the investments have been services and mining, quarrying and petroleum (table 4). The value of transactions in the services sector rose manifold to nearly \$11 billion in 2006 from \$0.4 billion in 1995, with trade, transport, storage and communication, finance, and business services being the most important. Although lower in value and share, cross-border M&A sales in the manufacturing sector have risen noticeably since 2000.

Developed countries have accounted for the lion's share of inward FDI stock and of flows to many African countries over various periods, and in some of the region's major recipient countries – such as Algeria, Nigeria, South Africa and Morocco – their share is above 90 per cent (table 5, annex tables 1 and 2). However, in some countries, although developed economies remained the main sources of FDI, their share declined over the years. For example, the developed countries' share in FDI inflows declined in Algeria (from 93 per cent in 1999 to 66 per cent in 2001), in Egypt (from 83 per cent in 1999–2001 to 67 per cent in 2006) and Tunisia (from 92 per cent in 1990–1992 to 77 per cent in 2005). In some others – such as Ethiopia, Madagascar and Mauritius – developed countries are lately becoming the largest source of FDI flows. Not surprisingly, most of the FDI stock in Africa originates in a few European Union countries – namely the United Kingdom, France, Portugal and Italy – and North America, mainly the United States (annex table 1). Leading developed country sources of FDI in some top host countries of the region include (a) the United Kingdom for FDI in South Africa, Madagascar and Zambia; (b) France for FDI in Morocco; (c) the United States for FDI in Egypt; and (d) Italy for FDI in Tunisia. Over the past five years or so, developed countries such as Canada and Luxembourg have emerged as important new sources of FDI for some countries in Africa (annex table 1). TNCs from Germany and France are engaged in the automotive industries, in addition to natural resource exploitation activities in Nigeria and South Africa. Among developed countries, Japan's share in the inward FDI stock in Africa is small, and is concentrated in Egypt, Swaziland and the United Republic of Tanzania, accounting for 5 per cent, 6 per cent and 5 per cent, respectively, of those countries' total inward FDI stock. Japanese TNCs are involved in high-tech activities, with Toyota, for example, running major plants in Egypt and South Africa.

**Table 3. Industrial distribution of FDI inflows in selected African countries, selected years**  
(Percentage share in total)

Sector/industry	Egypt <sup>a</sup>		Ethiopia		Madagascar		Mauritania		Mauritius		Morocco		Mozambique		Nigeria <sup>b</sup>		Tunisia		United Republic of Tanzania		Zambia		Zimbabwe <sup>c</sup>		
	2006	1995	2006	1995	2006	1995	2006	1995	2006	1995	2006	1995	2006	1995	2006	1995	2006	1995	2006	1995	2006	1995	2006	1995	
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
<b>Primary</b>	37.7	0.8	30.1	71.4	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agriculture, hunting, forestry and fishing	0.2	0.8	10.8	1.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mining, quarrying and petroleum	37.5	-	19.3	70.1	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Secondary</b>	8.1	89.2	62.2	6.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Food, beverages and tobacco	-	-	28.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Textiles, clothing and leather	-	-	6.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Wood and wood products	-	-	39.3	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Chemicals and chemical products	-	-	31.6	13.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rubber and plastic products	-	-	1.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-metallic mineral products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Metal and metal products	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Electrical and electronic equipment	-	-	20.0	3.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other manufacturing	8.1	8.2	9.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unspecified secondary	38.4	-	7.7	22.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Tertiary</b>	0.5	-	2.7	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Electricity, gas and water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Construction	-	-	4.7	5.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hotels and restaurants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transport, storage and communications	18.0	-	3.9	3.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance	17.7	-	12.2	12.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Business activities	0.3	-	0.2	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health and social services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Community, social and personal service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unspecified tertiary	2.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Unspecified</b>	15.8	-	-	61.6	99.0	3.1	13.4	4.0	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Memorandum</b>	13 084	14	135	294	15	155	228	327	2 964	255	154	1 271	3 403	542	467	194	323	3 308	542	467	194	323	3 308	542	
<b>Total (\$ million)</b>																									

Source: UNCTAD based on table 5 in country profiles and the FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

<sup>a</sup> Fiscal year ending March.

<sup>b</sup> Approval data.

<sup>c</sup> Data for mining, quarrying and petroleum refer to the oil industry and those for unspecified refer to industries other than oil.

**Table 4. Africa: distribution of cross-border M&A sales, by sector and industry, 1995, 2000 and 2006**  
(Millions of dollars and percentage)

Sector/industry	1995		2000		2006	
	Value	%	Value	%	Value	%
<b>Primary</b>	180	21.4	856	26.8	4 788	27.3
Agriculture, hunting, forestry and fishing	3	0.3	-	-	-	-
Mining, quarrying and petroleum	177	21.0	856	26.8	4 788	27.3
<b>Manufacturing</b>	263	31.3	1 011	31.6	2 017	11.5
Food, beverages and tobacco	63	7.5	106	3.3	1 136	6.5
Wood and wood products	56	6.7	-	-	-	-
Publishing and printing	43	5.1	3	0.1	-	-
Coke, petroleum and nuclear fuel	4	0.5	-	-	-	-
Chemicals and chemical products	3	0.4	351	11.0	3	-
Rubber and plastic products	21	2.5	46	1.4	75	0.4
Non-metallic mineral products	-	-	462	14.4	-	-
Metals and metal products	31	3.6	9	0.3	783	4.5
Machinery and equipment	10	1.1	10	0.3	-	-
Electrical and electronic equipment	12	1.4	24	0.8	8	-
Motor vehicles and other transport equipment	21	2.4	-	-	13	0.1
<b>Services</b>	397	47.3	1 332	41.6	10 763	61.3
Electricity, gas and water	-	-	21	0.7	307	1.7
Construction	-	-	5	0.2	-	-
Trade	103	12.3	20	0.6	1 001	5.7
Hotels and restaurants	-	-	-	-	10	0.1
Transport, storage and communications	91	10.8	449	14.0	8 321	47.4
Finance	183	21.7	102	3.2	1 086	6.2
Business services	21	2.5	694	21.7	38	0.2
Community, social and personal service activities	-	-	41	1.3	-	-
Other services	-	-	-	-	-	-
<b>All industries</b>	840	100.0	3 199	100.0	17 569	100.0

Source: UNCTAD cross-border M&A database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

FDI inflows to the region from developing countries have grown, though they remain relatively small. In particular, TNCs from Asia and from within the African region are emerging as dynamic investors in Africa. In 1995, more than 77 per cent of inward FDI stock in Ethiopia originated in developing countries, while 65 per cent of FDI flows to Namibia came from within Africa. India and Malaysia are the leading Asian sources of FDI in Africa, followed by the Republic of Korea, China and Taiwan Province of China. Pakistan is another source of FDI in the region, although its investment is relatively small. About 29 per cent of FDI inflows to Kenya originated in China and almost half of FDI in Mauritius originated in India (annex table 2) in 1999. Among African host economies, South Africa is a large recipient of Asian FDI overall, but Mauritius receives the most FDI from India and Malaysia. However, Asian investments in Africa remain dwarfed by those from more traditional sources such as the United Kingdom (with a total FDI stock of \$30 billion in 2003), the United States (\$19.0 billion), Germany (\$5.5 billion) and France (\$4.4 billion) (UNCTAD 2007b). The South African TNCs that are now widely distributed across the region are actively engaged in the services sector, particularly in telecommunications, concentrating largely in the Southern African Development Community (SADC) region. South Africa is one of the top investors in Botswana, Malawi and the United Republic of Tanzania, while Mauritius has 21 per cent share of FDI stock in Madagascar (annex table 1). Within SADC, South African companies span a wide range of activities and are slightly more diversified, including investments, for example, in the auto industry.

**Table 5. Inward FDI of selected countries in Africa from the world and major regions, 1990–2006**  
(Millions of dollars and percentage)

Recipient	Type	Year	Value in millions of dollars					Share in total world FDI in the country (%)			
			Total world	Developed countries	Developing economies	South-East Europe and CIS		Developed countries	Developing economies	South-East Europe and CIS	
						Unspecified	Unspecified			Unspecified	Unspecified
Algeria	Flows	Ave. 1998-1999	445.1	418.2	16.1	4.8	6.0	93.9	3.6	1.1	1.4
		Ave. 2000-2001	831.8	606.4	209.6	1.2	14.6	72.9	25.2	0.1	1.8
		1999	291.4	271.0	6.5	8.5	5.4	93.0	2.2	2.9	1.9
		2000	467.0	418.5	38.0	1.2	9.3	89.6	8.1	0.2	2.0
		2001	1 196.6	794.3	381.3	1.2	19.9	66.4	31.9	0.1	1.7
Botswana	Stock	1997	1 280.2	496.7	777.5	6.0	-	38.8	60.7	0.5	-
		2000	1 832.5	672.1	1 136.2	-	24.2	36.7	62.0	-	1.3
		2005	806.3	582.8	221.7	-	1.8	72.3	27.5	-	0.2
Egypt <sup>f</sup>	Flows	Ave. 1999-2001	911.1	752.5	152.1	-	6.5	82.6	16.7	-	0.7
		Ave. 2002-2004	1 820.5	1 374.7	138.9	-	306.8	75.5	7.6	-	16.9
		Ave. 2005-2006	11 091.1	8 197.9	1 965.8	5.3	922.1	73.9	17.7	-	8.3
		2004	4 134.5	2 976.6	249.1	-	908.8	72.0	6.0	-	22.0
		2005	9 097.9	7 589.3	558.8	10.5	939.3	83.4	6.1	0.1	10.3
2006	13 084.3	8 806.5	3 372.7	0.1	905.0	67.3	25.8	-	6.9		
Egypt <sup>f</sup>	Stock	1995	15 780.2	11 355.2	1 432.7	159.9	2 832.4	72.0	9.1	1.0	17.9
Ethiopia	Flows	Ave. 1992-1994	7.0	-	6.9	-	-	0.3	99.7	-	-
		Ave. 1995-1999	131.0	26.6	97.1	-	7.4	20.3	74.1	-	5.6
		Ave. 2000-2004	349.8	129.0	198.2	-	22.7	36.9	56.6	-	6.5
		2002	255.0	48.8	194.4	-	11.8	19.1	76.2	-	4.6
		2003	465.0	209.2	233.1	-	22.7	45.0	50.1	-	4.9
2004	545.1	264.5	218.4	-	62.2	48.5	40.1	-	11.4		
Ethiopia	Stock	1995	157.1	35.8	121.3	-	-	22.8	77.2	-	-
Kenya <sup>d</sup>	Flows	Ave. 1990-1994	78.1	34.9	6.5	-	36.7	44.7	8.3	-	47.0
		Ave. 1995-1999	70.3	29.0	12.3	-	29.0	41.3	17.6	-	41.2
		1997	80.1	17.4	1.6	-	61.1	21.8	2.0	-	76.3
		1998	43.3	13.7	16.7	-	12.9	31.6	38.7	-	29.7
		1999	130.6	41.4	37.6	-	51.5	31.7	28.8	-	39.5
Madagascar	Flows	Ave. 2002-2004	83.9	45.6	30.0	-	8.3	54.4	35.8	-	9.8
		Ave. 2005-2006	190.1	147.0	35.0	-	8.2	77.3	18.4	-	4.3
		2004	95.1	30.2	44.0	-	20.8	31.8	46.3	-	21.9
		2005	86.0	49.2	20.4	-	16.5	57.2	23.7	-	19.2
		2006	294.3	244.7	49.7	-	0.1	83.2	16.9	-	-
Madagascar	Stock	2004	256.6	144.3	112.3	-	-	56.2	43.8	-	-
		2005	250.3	170.7	79.6	-	-	68.2	31.8	-	-
		2006	932.4	586.5	341.9	-	4.1	62.9	36.7	-	0.4
Malawi	Stock	2000	357.7	201.8	103.6	-	52.3	56.4	29.0	-	14.6
		2004	562.3	366.2	183.8	-	12.3	65.1	32.7	-	2.2
Mauritius	Flows	Ave. 1990-1994	22.0	6.7	11.5	-	3.8	30.3	52.3	-	17.4
		Ave. 1995-1999	34.4	7.7	26.2	-	0.5	22.5	76.1	-	1.4
		Ave. 2000-2004	95.5	72.1	19.3	-	4.0	75.6	20.2	-	4.2
		Ave. 2005-2006	161.5	111.5	24.3	-	25.7	69.0	15.0	-	15.9
		2004	65.3	48.0	7.3	-	10.0	73.4	11.2	-	15.4
		2005	95.2	55.7	31.7	-	7.8	58.5	33.3	-	8.2
2006	227.8	167.2	16.9	-	43.6	73.4	7.4	-	19.1		
Morocco	Flows	Ave. 1996-1999	908.3	829.3	63.8	-	15.3	91.3	7.0	-	1.7
		Ave. 2000-2004	1 475.2	1 401.0	69.8	-	4.4	95.0	4.7	-	0.3
		Ave. 2005-2006	2 988.4	2 711.3	270.8	-	6.2	90.7	9.1	-	0.2
		2004	1 069.5	924.5	134.9	-	10.1	86.4	12.6	-	0.9
		2005	3 012.7	2 790.8	218.0	-	4.0	92.6	7.2	-	0.1
2006	2 964.0	2 631.9	323.7	-	8.4	88.8	10.9	-	0.3		
Morocco	Stock	2004	19 883.1	17 470.1	1 614.0	-	799.1	87.9	8.1	-	4.0
		2005	20 751.5	18 380.4	1 684.7	-	686.5	88.6	8.1	-	3.3
		2006	29 938.7	26 719.9	2 206.8	-	1 012.0	89.2	7.4	-	3.4
Mozambique	Flows	Ave. 2004-2006	168.8	26.8	137.8	-	4.1	15.9	81.7	-	2.4
		2004	244.7	24.8	209.7	-	10.1	10.2	85.7	-	4.1
		2005	107.9	53.2	44.9	-	9.8	49.3	41.6	-	9.1
		2006	153.7	2.5	158.9	-	-7.6	1.6	103.3	-	-5.0
Namibia	Flows	Ave. 1991-1995	80.7	28.2	52.5	-	-	34.9	65.1	-	-
		1993	57.8	20.2	37.6	-	-	34.9	65.1	-	-
		1994	54.9	19.2	35.8	-	-	34.9	65.1	-	-
		1995	55.4	19.3	36.1	-	-	34.8	65.2	-	-
Nigeria	Flows	Ave. 1990-1992	1 052.2	763.0	-	-	289.2	72.5	-	-	27.5
		Ave. 1994-1998	1 022.3	860.4	40.2	-	121.8	84.2	3.9	-	11.9
		1996	259.2	214.6	29.6	-	15.1	82.8	11.4	-	5.8
		1997	457.1	435.8	12.4	-	9.0	95.3	2.7	-	2.0
		1998	1 482.0	965.3	17.8	-	498.8	65.1	1.2	-	33.7
Nigeria	Stock	1992	1 044.1	885.9	158.1	-	-	84.9	15.1	-	-

/...

**Table 5. Inward FDI of selected countries in Africa from the world and major regions, 1990–2006**  
(concluded)  
(Millions of dollars and percentage)

Recipient	Type	Year	Value in millions of dollars					Share in total world FDI in the country (%)				
			Total world	Developed countries	Developing economies	South-East Europe and CIS	Unspecified	Developed countries	Developing economies	South-East Europe and CIS	Unspecified	
South Africa	Flows	Ave. 1990-1994	991.9	934.6	57.6	-	- 0.2	94.2	5.8	-	-	
		1992	618.5	628.7	- 10.2	-	-	101.6	- 1.6	-	-	
		1993	745.5	603.8	141.7	-	-	81.0	19.0	-	-	
		1994	1 932.5	1 887.5	46.2	-	- 1.1	97.7	2.4	-	- 0.1	
South Africa	Stock	1990	9 210.4	8 915.0	295.4	-	-	96.8	3.2	-	-	
		1995	15 014.1	14 431.3	531.6	-	51.3	96.1	3.5	-	0.3	
		2000	43 451.0	41 956.1	1 442.8	-	52.1	96.6	3.3	-	0.1	
		2004	63 070.7	60 823.4	2 247.2	-	-	96.4	3.6	-	-	
		2005	77 362.4	75 901.0	1 461.2	-	0.2	98.1	1.9	-	-	
Swaziland	Stock	1993	63.0	63.0	-	-	-	100.0	-	-	-	
Tunisia	Flows	Ave. 1990-1992	261.7	239.4	18.1	2.8	1.3	91.5	6.9	1.1	0.5	
		Ave. 1995-1999	400.7	358.6	41.1	0.2	0.8	89.5	10.3	-	0.2	
		Ave. 2000-2004	661.8	560.9	88.8	0.6	11.5	84.8	13.4	0.1	1.7	
		Ave. 2005-2006	2 045.4	751.2	1 280.7	-	13.5	36.7	62.6	-	0.7	
		2004	639.0	549.4	88.6	-	1.0	86.0	13.9	-	0.2	
		2005	782.9	606.1	155.7	-	21.0	77.4	19.9	-	2.7	
Tunisia	Stock	1994	151.3	114.9	33.3	3.1	-	75.9	22.0	2.1	-	
		2000	807.1	489.6	233.5	-	84.0	60.7	28.9	-	10.4	
Uganda	Stock	2000	1 358.8	785.9	281.7	-	291.2	57.8	20.7	-	21.4	
		2003	1 358.8	785.9	281.7	-	291.2	57.8	20.7	-	21.4	
United Rep. of Tanzania	Flows	Ave. 2000-2001	374.5	186.8	181.3	-	6.5	49.9	48.4	-	1.7	
		1999	1 058.3	441.6	324.6	-	292.1	41.7	30.7	-	27.6	
		2000	282.0	128.1	151.1	-	2.8	45.4	53.6	-	1.0	
		2001	467.0	245.4	211.5	-	10.1	52.5	45.3	-	2.2	
United Rep. of Tanzania	Stock	1998	3 352.5	2 134.5	1 139.2	1.5	77.3	63.7	34.0	-	2.3	
		2000	3 038.3	1 847.4	1 113.1	16.7	61.1	60.8	36.6	0.5	2.0	
		2001	3 776.8	2 161.9	1 514.1	14.3	86.5	57.2	40.1	0.4	2.3	
Zambia	Stock	2000	850.7	664.4	179.5	-	6.8	78.1	21.1	-	0.8	
		2001	1 084.8	856.6	219.8	-	8.4	79.0	20.3	-	0.8	
Zimbabwe	Flows	Ave. 1993-1994	302.4	221.8	76.0	4.6	-	73.3	25.1	1.5	-	
		1993	204.2	114.2	83.2	6.9	-	55.9	40.7	3.4	-	
		1994	400.6	329.4	68.8	2.3	-	82.2	17.2	0.6	-	
		1995	235.1	145.9	56.7	32.4	-	62.1	24.1	13.8	-	

Source: UNCTAD, based on tables 6 and 12 of country profiles and the FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

<sup>a</sup> Data are on a fiscal year basis, year ending 30 June.

<sup>b</sup> Data are on an approval basis.

In terms of corporate activities, at the end of 2006, Africa was host to about 6,400 foreign affiliates of TNCs (UNCTAD 2007a), mainly from Europe and the United States, though the number of foreign affiliates from the United States in the region was declining. At the end of 2004, there were only 630 foreign affiliates of United States TNCs in the region, compared to 689 affiliates in 1989. Some TNCs from the European countries and the United States had withdrawn their operations from the region in the 1990s but started to make a gradual return, particularly to the Southern Africa subregion. The acquisition of the Amalgamated Bank of South Africa (ABSA) by Barclays Bank of the United Kingdom for \$5.5 billion in 2005 is a good example of such return. South Africa, with more than 640 foreign affiliates, is host to the highest number of foreign TNCs in Africa; Morocco and the United Republic of Tanzania are the next main destinations for foreign affiliates.

The rising inflows and rapidly growing presence of TNCs in the primary and services sectors have had an overall positive but variable impact on the economies of the region. Natural resource exploitation has contributed to accelerated export growth of the resource-rich economies. In 2006, foreign exchange reserves in the region as a whole grew by some 30 per cent and by even more in some major oil-exporting countries such as Nigeria and the Libyan Arab

Jamahiriya.<sup>6</sup> Income on inward FDI as reported in the balance of payments in 2006 grew by 14 per cent, which was more than in Asia and Oceania (9 per cent), but much less than in Latin America and the Caribbean (36 per cent).<sup>7</sup> TNCs engaged in the services sector have also helped to boost the level of infrastructure development and economic growth leading local African companies also to expand outside their national territories, particularly in the telecommunications and electricity and gas industries.

As far as distribution of foreign affiliates by industry is concerned, they operate in various industries from small agricultural, agro-processing and manufacturing companies operating in niche markets, to worldwide petroleum, energy and communication companies employing thousands of people. However, large foreign affiliates are engaged mainly in oil exploration and mining and quarrying in the primary sector, and telecommunications in the services sector (table 6).

## 2. Outward FDI

In some African countries, local companies have successfully transformed themselves into major global players. Several Africa-based TNCs are spreading into the global market and engaging in investment activities outside Africa, including in the United Kingdom and the United States (table 7). In 2006, FDI outflows from Africa stood at over \$8 billion (figure 5), and outward FDI stock from the region reached \$60 billion, as compared with \$7 billion in 1980. The distribution of the region's outward FDI stock was, however, skewed towards a few home countries, as reflected in the following shares: South Africa (73 per cent), Nigeria (10 per cent), Liberia (5.4 per cent) and Libyan Arab Jamahiriya (2 per cent) (figure 6). North Africa accounted for about 8 per cent of the region's outward stock, with Libyan Arab Jamahiriya, Morocco, Egypt and Algeria being the principal home countries.

While the spread of outward FDI from Africa is certainly less spectacular than that of FDI from the emerging economies of Asia and Latin America, the amount has become significant, particularly from the mid-1990s. Its rise has been driven by the need to engage in the globalization process, such as with mobile phone services, as well as gains from growth in profits in many production sectors. Recent trends show that total FDI outflows from the region had fluctuated from \$2.5 billion in 1995 to -\$2.6 billion in 2001, and in 2006, they registered a significant recovery, to \$8.2 billion (figure 5). Most of these outflows originated in South Africa.

Since the end of apartheid in the early 1990s, South Africa has emerged as a global powerhouse for outward FDI, with a strong focus on the services sector: communications, finance, electricity, trade, transport and storage. Some South African TNCs are also engaged in the primary and secondary sectors. South Africa's FDI outflows to the rest of Africa have been a vital part of the region's FDI, accounting, for example, for up to 40 per cent of the inward FDI stock in Botswana in 2003 (annex table 1). In 2004, the Government of South Africa abolished limits and eased foreign-exchange restrictions on its TNCs investing abroad. As a consequence, TNCs from the country in search of markets and assets have a strong presence abroad in virtually all sectors within Africa and abroad. The expansion is also attributable to South Africa's robust economy, characterized by a high degree of industrial development and technological capability at the corporate level, compared with other countries in the region. The country's strategy of encouraging its TNCs' outward FDI activities has become important for the overall development of other countries in Africa through increased investment in their economies.

<sup>6</sup> Data on international reserves from the IMF's *International Financial Statistics*.

<sup>7</sup> Based on 29 African countries; source: IMF, *Balance of Payments Statistics*.

**Table 6. The largest affiliates of foreign TNCs in Africa, 2006**  
(Millions of dollars and number)

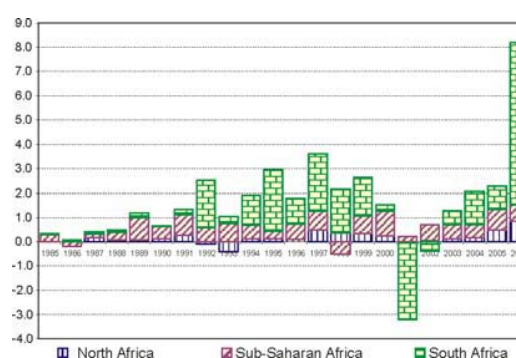
Company	Host economy	Home economy	Industry	Sales/Assets	Employees
A. Industrial				Sales	
Air Liquide Maroc Sa	Morocco	France	Chemicals and chemical products	9 438	240
Billiton Aluminium Sa Ltd	South Africa	Australia	Metal and metal products	6 084	1 017
Kwaba Sociedade Industrial e Comercial	Angola	United States	Food products, beverages and tobacco	2 684	..
Carson Midrand Manufacturing Pty Ltd	South Africa	France	Chemicals and chemical products	2 069	..
Trw Occupant Restraints South Africa Inc	South Africa	United States	Other manufacturing	1 722	422
Highveld Steel And Vanadium Corporation Ltd	South Africa	United Kingdom	Metal and metal products	1 067	3 842
Arvinmeritor Investments Sa (Pty) Ltd	South Africa	United States	Motor vehicles and trailers	1 048	420
Distell Ltd	South Africa	United Kingdom	Food products, beverages and tobacco	1 045	4 400
Société Africaine De Cacao Sa	Cote d'Ivoire	Switzerland	Food products, beverages and tobacco	963	400
Nestle Côte d'Ivoire Sa	Cote d'Ivoire	Switzerland	Food products, beverages and tobacco	951	836
Heraeus Chemicals Sa (Pty) Ltd	South Africa	Germany	Chemicals and chemical products	944	45
Afrox Ltd	South Africa	United Kingdom	Chemicals and chemical products	896	..
Johnson Matthey (Pty) Ltd	South Africa	United Kingdom	Metal and metal products	786	800
Clover Botswana Pty Ltd	Botswana	South Africa	Food products, beverages and tobacco	661	200
Metso Minerals (Johannesburg) (Pty) Ltd	South Africa	Finland	Machinery and equipment	658	1 200
Metso Minerals Sa (Pty) Ltd	South Africa	Finland	Machinery and equipment	649	1 200
Siemens Telecommunications (Pty) Ltd	South Africa	Germany	Electrical and electronic equipments	612	..
Ppc Botswana Pty Ltd	Botswana	South Africa	Non-metallic mineral products	608	80
B. Tertiary				Sales	
Imperial Cargo (Pty) Ltd	South Africa	Lesotho	Land transport	6 773	..
Carrier South Africa (Pty) Ltd	South Africa	United States	Wholesale trade	4 569	..
Anglo American Corporation of South Africa Ltd	South Africa	United Kingdom	Holding	4 389	..
Mondi Limited Ltd	South Africa	United Kingdom	Personal services	4 389	..
Mondi Packaging South Africa (Pty) Ltd	South Africa	United Kingdom	Personal services	4 332	..
Honeywell Southern Africa (Pty) Ltd	South Africa	United States	Wholesale trade	4 123	365
Alfa Laval (Pty) Ltd	South Africa	Sweden	Wholesale trade	2 435	38
Kimberly Clark of South Africa (Pty) Ltd	South Africa	United States	Wholesale trade	2 371	..
Sabsa Holdings (Pty) Ltd	South Africa	United Kingdom	Personal services	2 331	..
Anglogold Ashanti Health (Pty) Ltd	South Africa	Malta	Health services	2 296	..
Expo Liquor Ltd	South Africa	United Kingdom	Wholesale trade	1 910	..
Kellogg Company of South Africa (Pty) Ltd	South Africa	United States	Wholesale trade	1 517	..
Grinaker-Lta Botswana Ltd	Botswana	South Africa	Personal services	1 363	..
Distell Group Ltd	South Africa	United Kingdom	Wholesale trade	855	..
Liebherr-Africa (Pty) Ltd	South Africa	Switzerland	Construction	848	250
Ciba Specialty Chemicals (Pty) Ltd	South Africa	Switzerland	Wholesale trade	832	23
Everite Building Products (Pty) Ltd	South Africa	United States	Distributive trade	786	850
C. Finance and Insurance				Assets	
Hsbc Bank Plc (Incorporated In The United Kingdom)	South Africa	United Kingdom	Finance	5 138	200
Hsbc Bank Egypt Sae	Egypt	United Kingdom	Finance	986	995
S A Eagle Risk Financing Ltd	South Africa	Switzerland	Insurance	273	100
Societe Generale Marocaine Des Banques Sa	Morocco	France	Finance	185	2 000
Banque Marocaine Pour Le Commerce Et L'Industrie Sa	Morocco	France	Finance	182	1 300
Pinnacle Micro (Pty) Ltd	South Africa	Germany	Finance	104	350
Pharaonic American Life Insurance	Egypt	United States	Insurance	100	..
Standard Chartered Bank Côte d'Ivoire Sa	Cote d'Ivoire	United Kingdom	Finance	97	90
Barclays Bank of Botswana	Botswana	United Kingdom	Finance	58	1 200
Union Internationale De Banques Sa	Tunisia	France	Finance	54	1 461
Arab Tunisian Bank Sa	Tunisia	Jordan	Finance	52	986
Bnp Paribas Le Caire	Egypt	France	Holding	47	270

Source: UNCTAD, based on table 88 of country profiles.

Note: Includes only foreign affiliates for which data on sales/assets are available.

Although developed countries, mainly European Union members, have been the main hosts for investments by African TNCs, their share has fallen in the past decade. While in 1995 some 95 per cent of South African FDI stock was held in developed countries, in 2006 it fell to 76 per cent. The share has also fallen in the case of FDI outflows from Nigeria and Mauritius (table 7). Among developed countries, Luxembourg and the United Kingdom accounted for the highest shares of South African FDI stock in 2006, followed by the United States. TNCs from South Africa are also important investors not only in Africa (for example, in Mauritius) but also in developing Asia. Other African FDI source countries such as Mauritius, Morocco and Namibia have a large share of their outward FDI in other developing economies, especially in Africa.

**Figure 5. FDI outflows from Africa, 1985–2006**



Source: UNCTAD, FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

Note: North Africa includes Algeria, Egypt, Libyan Arab Jamahiriya, Morocco, Sudan and Tunisia; Sub-Saharan Africa includes the rest of the countries in Africa.

As for its sectoral distribution, outward FDI from some African countries is concentrated largely in the primary sector, mainly mining, quarrying and petroleum. For example, 52 per cent of outward stock and 99 per cent of outflows from Nigeria were in that sector (table 8). TNCs from other countries are involved in other sectors. As noted, South African TNCs focus strongly on the services sector. Over four fifths of outward FDI stock of Morocco is also in the tertiary sector, while nearly a third of outward FDI flows from Mauritius in 2006 were in the manufacturing sector.

The 15 largest African TNCs in the industrial sector (primary and manufacturing), in terms of total annual sales, originated from three countries (in descending order): South Africa, Angola and Morocco (table 9). The large foreign affiliates established by South African firms in developed countries, in particular the United Kingdom, are engaged in trade (table 10), while those in the rest of Africa were disproportionately concentrated in other tertiary-sector industries such as telecommunications and finance. Large-scale privatization that has taken place in the telecommunications industry in some African countries has driven South African TNCs such as MTN and Vodacom to invest in other countries within the region. ESKOM, the electricity parastatal of South Africa, has expanded its activities across many countries of the region with large projects in the Democratic Republic of the Congo, Nigeria, Zambia and Zimbabwe (table 11).



**Table 7. Geographical distribution of outward FDI from selected African countries, selected years**  
(Percentage share in total)

Region/economy	Flows					Stock		
	Mauritius		Namibia	Nigeria		Morocco	South Africa	
	1995	2006	1995	1995	1998	2004	1995	2006
<b>Total world</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Developed countries</b>	6.3	0.2	23.5	98.3	68.2	56.3	95.1	75.7
<b>Europe</b>	6.3	0.2	23.5	71.7	48.9	44.6	89.0	67.4
<b>European Union</b>	6.3	0.2	-	27.2	46.7	44.6	-	66.1
Austria	-	-	-	-	-	-	-	6.3
Belgium	-	-	-	-	-	6.0	-	3.7
France	6.3	0.2	-	-	-	34.8	-	0.2
Germany	-	-	-	-	-	0.1	-	1.4
Ireland	-	-	-	-	-	-	-	0.1
Italy	-	-	-	-	-	0.1	-	-
Luxembourg	-	-	-	-	-	-	-	30.0
Netherlands	-	-	-	-	-	-	-	1.8
Spain	-	-	-	-	-	3.6	-	-
United Kingdom	-	-	-	27.2	46.7	-	-	22.5
<b>Other developed Europe</b>	-	-	-	-	-	-	-	0.7
Switzerland	-	-	-	-	-	-	-	0.7
<b>North America</b>	-	-	-	26.6	19.3	11.7	6.1	6.2
Canada	-	-	-	-	-	7.4	-	0.0
United States	-	-	-	26.6	19.3	4.3	-	6.1
<b>Other developed countries</b>	-	-	-	-	-	-	0.1	2.1
Australia	-	-	-	-	-	-	-	1.9
Japan	-	-	-	-	-	-	-	0.2
<b>Developing economies</b>	93.7	77.2	76.5	1.6	0.1	42.5	4.9	24.3
<b>Africa</b>	88.9	67.6	76.5	-	-	36.0	4.5	16.7
<b>North Africa</b>	-	-	-	-	-	22.4	-	-
Algeria	-	-	-	-	-	0.2	-	-
Morocco	-	-	-	-	-	22.1 <sup>a</sup>	-	-
Tunisia	-	-	-	-	-	0.1	-	-
<b>Other Africa</b>	88.9	67.6	76.5	-	-	13.6	-	12.3
Botswana	-	-	-	-	-	-	-	0.2
Central African Republic	-	-	-	-	-	0.4	-	-
Comoros	77.8	-	-	-	-	-	-	-
Côte d' Ivoire	-	-	-	-	-	0.1	-	-
Gabon	-	-	-	-	-	0.5	-	-
Guinea	-	-	-	-	-	1.6	-	-
Lesotho	-	-	-	-	-	-	-	0.1
Madagascar	7.9	25.7	-	-	-	-	-	-
Mali	-	-	-	-	-	1.3	-	-
Mauritania	-	-	-	-	-	7.3	-	-
Mauritius	-	-	-	-	-	-	-	9.6
Mozambique	-	23.8	-	-	-	-	-	1.5
Namibia	-	-	-	-	-	-	-	0.2
Reunion	-	0.4	-	-	-	-	-	-
Senegal	-	-	-	-	-	2.4	-	-
Seychelles	-	16.5	-	-	-	-	-	-
South Africa	3.2	1.2	76.5	-	-	-	-	-
Swaziland	-	-	-	-	-	-	-	0.2
Zambia	-	-	-	-	-	-	-	0.1
Zimbabwe	-	-	-	-	-	-	-	0.4
<b>Latin America and the Caribbean</b>	-	-	-	-	-	0.1	-	0.5
<b>South America</b>	-	-	-	-	-	0.1	-	-
Brazil	-	-	-	-	-	0.1	-	-
<b>Asia</b>	4.8	9.6	-	1.6	0.1	6.4	0.4	7.1
<b>West Asia</b>	-	-	-	-	-	0.2	-	-
United Arab Emirates	-	-	-	-	-	0.2	-	-
<b>South, East and South-East Asia</b>	4.8	9.6	-	-	-	6.2	-	0.3
Hong Kong, China	-	-	-	-	-	-	-	0.2
India	4.8	0.2	-	-	-	6.2	-	-
Maldives	-	9.4	-	-	-	-	-	-
<b>Unspecified</b>	-	22.6	-	0.1	31.7	1.2	-	-
<b>Memorandum</b>								
<b>Total (\$ million)</b>	4	36	5	334	382	676	23 301	50 826

Source: UNCTAD based on tables 9 and 15 in country profiles and FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

<sup>a</sup> Represents Morocco's investment stock in the offshore centre of Tangier, Morocco.

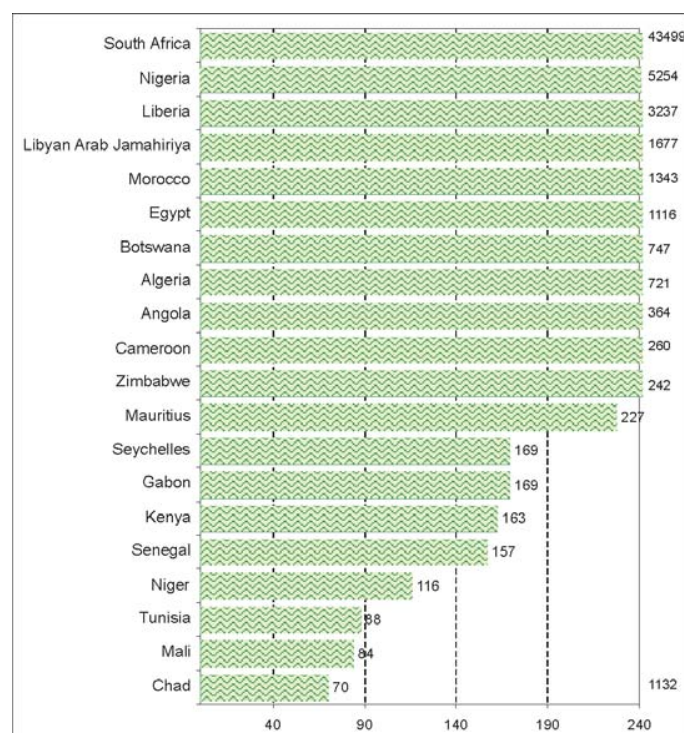
**Table 8. Industrial distribution of outward FDI from selected African countries, selected years**  
(Percentage share in total)

Sector/industry	Flows				Stock		
	Mauritius		Nigeria <sup>a</sup>		Morocco	Nigeria <sup>a</sup>	
	1995	2006	1995	2005	2004	1995	2005
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Primary</b>	-	-	45.6	99.4	17.4	22.3	51.8
Agriculture, hunting, forestry and fishing	-	-	-	-	0.7	-	-
Mining, quarrying and petroleum	-	-	45.6	99.4	16.7	22.3	51.8
<b>Secondary</b>	22.2	29.5	-	-	1.5	-	-
Textiles, clothing and leather	-	-	-	-	0.7	-	-
Unspecified secondary	22.2	29.5	-	-	0.8	-	-
<b>Tertiary</b>	-	34.5	-	-	80.9	-	-
Trade	-	-	-	-	0.2	-	-
Hotels and restaurants	-	34.5	-	-	-	-	-
Transport, storage and communications	-	-	-	-	10.6	-	-
Finance	-	-	-	-	53.7	-	-
Business activities	-	-	-	-	15.4	-	-
Other services	-	-	-	-	1.0	-	-
<b>Unspecified</b>	77.8	36.0	54.4	0.6	0.2	77.7	48.2
<b>Memorandum</b>							
<b>Total (\$ million)</b>	4	36	192	199	676	2 139	4 233

Source: UNCTAD based on tables 8 and 11 in country profiles and FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

<sup>a</sup> Data for mining, quarrying and petroleum refer to the oil industry and those for unspecified refer to industries other than oil.

**Figure 6. Outward FDI stock from the top 20 African outward-investor economies, 2006**  
(Millions of dollars)



Source: UNCTAD, based on table 4 of country profiles and FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

Note: Includes only foreign affiliates for which data on sales/assets are available.

**Table 9. The largest home-based TNCs located in Africa, 2007**  
(Billions of dollars)

Company	Home economy	Industry	Sales/Assets
<b>A. Industrial</b>			<b>Sales</b>
Sonatrach	Algeria	Petroleum expl./ref./distr.	41.8
SASOL	South Africa	Chemicals and chemical products	10.9
Imperial Holdings	South Africa	Automobile	6.7
De Beers Consolidated Mines	South Africa	Mining	6.5
ESKOM	South Africa	Electricity/gas/water	5.8
SAPPI	South Africa	Paper and paper products	5.0
Mittal Steel South Africa	South Africa	Metal and metal products	3.8
SAB Miller South Africa	South Africa	Food products, beverages and tobacco	3.8
Anglo Platinum Corporation	South Africa	Mining	3.7
Sté Anonyme Marocaine de l'Industrie du Raffinage	Morocco	Petroleum expl./ref./distr.	2.8
Debswana Diamond Company	Botswana	Mining	2.7
Ashanti Goldfields Co.	South Africa	Mining	2.7
Tiger Brands	South Africa	Agro-industry	2.4
Office Chérifien des Phosphates	Morocco	Mining	2.4
Impala Platinum Holdings	South Africa	Mining	2.0
Super Group	South Africa	Automobile	1.9
Société Ivoirienne de Raffinage(SIR)	Côte d'Ivoire	Chemical and chemical products	1.9
Gold Fields	South Africa	Mining	1.9
<b>B. Tertiary</b>			<b>Sales</b>
The Bidvest group	South Africa	Retail trade	9.9
Metro Cash and Carry	South Africa	Retail trade	9.1
TELKOM	South Africa	Telecommunications	7.6
Barloworld	South Africa	Diversified group	6.2
Pick 'N' Pay Stores Holdings	South Africa	Retail trade	5.8
Vodacom	South Africa	Telecommunications	5.4
Shoprite Holdings	South Africa	Retail trade	4.8
MTN Group	South Africa	Telecommunications	4.3
Massmart Holdings	South Africa	Retail trade	4.2
Transnet	South Africa	Transportation	4.2
Orascom Telecom Holding	Egypt	Telecommunications	3.2
South African Airways	South Africa	Air transport	3.1
Steinhoff International Holdings	South Africa	Furnishing	3.0
Datatec	South Africa	Computer and related activities	3.0
Groupe Ona	Morocco	Diversified group	2.8
Edgars Consolidated Stores	South Africa	Retail trade	2.6
Naspers	South Africa	Media	2.5
Nampak	South Africa	Paper and packaging	2.5
<b>C. Finance and Insurance</b>			<b>Assets</b>
Old Mutual	South Africa	Insurance	12.7
SANLAM	South Africa	Insurance	10.0
Liberty Group	South Africa	Insurance	3.6
Kumba Resources	South Africa	Financial services	1.9
Santam	South Africa	Insurance	1.8
Mutual and Federal Insurance	South Africa	Insurance	1.3
Momentum Life Assurers	South Africa	Insurance	1.2
Alexander Forbes	South Africa	Financial services	0.8
Metropolitan Life	South Africa	Insurance	0.8
Discovery Health	South Africa	Insurance	0.6
SA Eagle Insurance Company	South Africa	Insurance	0.6
African Life Assurance Company	South Africa	Insurance	0.4
Misr Insurance Co.	Egypt	Insurance	0.3

Source: UNCTAD, based on table 86 of country profiles.

Note: Includes only foreign affiliates for which data on sales/assets are available.

**Table 10. The largest foreign affiliates of TNCs from Africa, 2007**  
(Millions of dollars)

Company	Host economy	Home economy	Industry	Sales/Assets	Employees
A. Industrial				Sales	
Societe Ashanti Goldfields De Guinee Sa	Guinea	Ghana	Mining and quarrying	108.0	1 978
Coficab Portugal - Companhia De Fios E Cabos, Lda	Portugal	Tunisia	Electrical and electronic equipments	56.6	209
Elf Oil Mauritanie	France	Mauritania	Petroleum	43.0	..
Cambridge Weavers Ltd	England	Egypt	Textiles and clothing	3.9	7
Gepa Elektronische Bauelemente Vertriebsges. Mbh	Germany	Tunisia	Electrical and electronic equipments	2.4	3
Tri Clover Industries ( T ) Limited	Tanzania	Kenya	Chemicals and chemical products	..	500
Kibo Breweries Ltd	Tanzania	Kenya	Food products, beverages and tobacco	..	250
Uganda Grain Milling Co Ltd	Uganda	Kenya	Food products, beverages and tobacco	..	125
Treadsetters Tyres (T) Ltd	Tanzania	Kenya	Rubber and plastic products	..	65
B. Tertiary				Sales	
Orascom Telecom Algeria Spa	Algeria	Egypt	Telecommunications	405.3	1 200
Orascom Telecom Tunisia	Tunisia	Egypt	Telecommunications	81.5	100
Dynatrade Sa	Switzerland	Egypt	Wholesale trade	50.0	10
Societe Mauritanienne Des Telecommunications	France	Mauritania	Other services	35.5	580
T & H Gulf Distribution Fzco	United Arab Emirates	Egypt	Wholesale trade	25.0	6
Lecico Plc	England	Egypt	Wholesale trade	19.1	10
Sait Telecom S P R L	Congo Dem. Rep. of	Egypt	Telecommunications	16.8	120
Prima Pasta And Biscuits (Pty) Ltd	South Africa	Botswana	Wholesale trade	15.9	35
Botswana Meat Commission (U.K.) Holdings Ltd	England	Botswana	Wholesale trade	13.8	83
Oriental Weavers Uk Ltd	England	Egypt	Wholesale trade	8.5	15
Sonangol USA 6866	United States	Angola	Wholesale trade	4.4	14
Billedge Ltd	England	Egypt	Holding (administration)	3.9	7
Transglobe Produce Exports Ltd	Malawi	Maly	Wholesale trade	3.0	1 800
Magnol Electrical (Pty) Ltd	South Africa	Botswana	Public utility	2.9	12
Regional Air Services	Tanzania	Kenya	Air transport	2.2	31
Allied Meat Importers (Nederland) B.V.	Netherlands	Botswana	Wholesale trade	0.9	3
Allied Meat Importers (Uk) Ltd	England	Botswana	Wholesale trade	0.2	2
C. Finance and Insurance				Assets	
Laiki Factors Limited	Cyprus	Kenya	Finance	12.857	31
Hsbc Bank Egypt Sae	United Kingdom	Egypt	Finance	986	995
Pharaonic American Life Insurance	United States	Egypt	Insurance	100	..
Bnp Paribas Le Caire	France	Egypt	Holding (financial)	47	270
Medicapital Bank Plc	United Kingdom	Morocco	Finance	..	24

Source: UNCTAD, based on table 87 of country profiles.

Note: Includes only foreign affiliates for which data on sales/employees/assets are available.

**Table 11. Africa: selected major outward investor enterprises by country and sector/industry, 2006**

Economy	Sector/industry	Corporations and host countries	
<b>South Africa</b>	Aviation and airport services	Airports Company of South Africa (9 countries)	
	Airlines	South African Airways, stakes in Air Tanzania and Eagle Airline	
	Banking and financial services	Private enterprises	Stanbic (Uganda, Tanzania, Malawi; Abroad – United Kingdom, Luxembourg, United States and Amalgamated Bank of South Africa (Mozambique, Namibia, Tanzania, Angola, Zimbabwe); Stanlib (Standard Bank/Liberty Bank Joint Venture) (First Rand plus subsidiary Rand Merchant Nedbank (United Kingdom) Investec Ltd (United Kingdom, Hong Kong (China) and Ireland)
		State-owned enterprises	Development Bank of South Africa (DBSA) (7 countries) Industrial Development Corporation (20 countries)
	Construction	Murray & Roberts (United Kingdom and United Arab Emirates) Group 5 (United Kingdom)	
	<b>Electricity and gas</b>	Sasol (United Kingdom, France, Germany, Italy, Slovakia, China, Japan and United States)	
	Manufacturing	Nampak (Ethiopia, Kenya, Malawi, Mozambique, Namibia, Nigeria, Swaziland, Tanzania, Zambia, Sappi (United Kingdom, United States, Belgium, Australia, Turkey, Hong Kong (China), Singapore, SABMiller (Botswana, Ghana, Tanzania, Uganda and Zimbabwe) Illovo Sugar (Malawi and Mozambique) Tongaat Hullet Barlorld (Zambia and Zimbabwe; Abroad – United States, United Kingdom, Belgium, AECI subsidiaries AEL and DULUX (United Kingdom)	
	Media and broadcasting	Multichoice (services in 21 countries)	
	Mining	De Beers (Portugal, Switzerland and Canada) AngloGold (Argentina, Australia, Brazil, Colombia, Ghana, Guinea, Mali, Namibia, Tanzania and Goldfields (Ghana, and Peru)	
	Retail	Shoprite Massmart (makro, Game, Dion, Cash & Carry, Builders Warehouse), 300 outlets in Metcash (Angola) Wooltru / Woolworths (19 countries) Pepkor Holdings (Pep Stores, Ackermans) (6 countries) Ellerine Holdings Limited (Ellerines, Town Talk Furnishers, Furn City, Rainbow Loans, CPI Foreign, JD Group (Abra, Barnetts, BoConcept, Bradlows, Electric Express, Hi-Fi Corporation, Joshua Doore, Morkels, Price and Pride, Russels) (Poland and United Kingdom)	
Research and development	V&A Waterfront (Gabon, Greece, Mauritius, Nigeria, Oman, United Kingdom and Russian)		
<b>Kenya</b>	Telecommunications	MTN/M-Cell (Afghanistan, Benin, Botswana, Cameroon, Cyprus, Ghana, Guinea, Guinea Bissau, Vodacom (Democratic Republic of the Congo, Lesotho, Mozambique). Transtel (Almost all the countries of Africa) Eskom Enterprises Telecommunications (Zambia)	
	Transport	Transet (9 divisions with African involvement including Spoornet Joint Ventures and its subsidiary Comazar, Transwerk and Transtel)	
	Tourism and leisure	Protea Hotels (United Kingdom) Imperial Car Rental (Belgium, Germany, Belgium, Poland, France and Netherlands)	
	Utilities (Power)	Eskom Enterprises (the Democratic Republic of Congo, Zambia, Botswana, Tanzania, Gambia,	
	<b>Kenya</b>	East African Breweries (Tanzania and Uganda) NOTCO Kenya Limited (France, Luxembourg and Malaysia) Car and General Kenya Limited (Uganda and Tanzania) Bidco Oil Refineries (Uganda and Tanzania) Laxmanbhai Construction Ltd (Seychelles) Dynamic Communications (Bulgaria)	
	<b>Nigeria</b>	Oriental Resources (Angola and Chad) Oando (Angola and South Africa) Summit Oil International Ltd (Bahamas)	
	<b>Mauritius</b>	STT Crossing Ltd (United States, United Kingdom, Canada, Panama and Bermuda) The Mauritius Chemical & Fertilizer Ltd (Madagascar) International Global Systems Ltd (United Kingdom and Singapore) Plastinax Australia Ltd (France)	
	<b>Egypt</b>	Orascom (Congo, Italy, Tunisia and Mauritius, Bangladesh and United Kingdom) Oriental Weavers for Carpets (United Kingdom) Banque National D'Egypte (France) Amr Helmy Designs (United Arab Emirates) HCH Supply Limited (United States)	
	<b>Botswana</b>	Botswana Meat Commission (United Kingdom, Germany and Netherlands) BCL Ltd (South Africa)	
	<b>Morocco</b>	AttijariWafabank SA (France and United Kingdom) Banque Marocaine Du Commerce Exterieur SA (France and United Kingdom) M2M Group SA (France)	

Source: UNCTAD, based on Buhlungu et al. 2006 and various companies' websites.

## **B. Policy developments with respect to inward FDI**

In the effort to realize their FDI potential, many African countries have adopted new FDI policy measures and modified existing ones at the national level, and entered into bilateral and other international investment arrangements. They have also engaged in market access initiatives and regional integration schemes: regional market size defined in terms of the consumer population and purchasing power has been growing, but as many individual economies in the region are small, market expansion through regional integration has been an option explored by many African countries right from the early years of independence.

Reforms of investment laws have mainly aimed at liberalizing TNC entry and operations and strengthening the protection of foreign investment. The number of national policy changes related to FDI observed by UNCTAD has risen annually in the region since the early 1990s. In 2006, for example, 57 changes were noted by UNCTAD, 49 of which made the investment environments more favourable to inward FDI.

Previously, common criteria for granting authorization under several investment codes – such as a minimum size of capital investment, assessment of the potential for value added, and job creation – have largely been removed. To establish new businesses, foreign investors typically have to go through the same administrative process as domestic investors. Many African countries have set up investment promotion agencies (IPAs) to promote inward investment, often with the purpose of providing a one-stop shop for companies to go through when investing in a country. At the same time, other policy changes and measures have been pursued with the aim of liberalizing international trade and domestic markets, reducing red tape for businesses, updating the financial systems, privatizing State-owned firms, and offering concessions to investors in extractive industries and various infrastructure industries. They have also strengthened their fiscal position by cutting the public wage bill, trimming subsidies, and widening and deepening the tax net.

However, despite widespread efforts at opening up to inward FDI, inflows have remained concentrated in a small number of countries. In some cases, large FDI inflows have been related to the privatization of formerly State-owned enterprises. Common remaining policy challenges to create an enabling environment for FDI, especially in sub-Saharan African countries, include the development of physical infrastructure, the strengthening of the institutional and policy framework, and the harnessing of human resources. Thus, at the end of 2006, the countries that received the bulk of Africa's FDI were not countries with the most liberal policies but rather those with large natural resources, notably oil.

A large number of African countries have also sought to standardize entry and operating conditions for FDI with those of other countries and to reduce the risk of investing in their countries. In this context, many of them are now parties to international investment agreements and conventions, and associating with multilateral investment institutions. A common feature of such efforts has been the signing of bilateral investment treaties (BITs) and to a lesser extent, double taxation treaties (DTTs). The network of such agreements between African countries and other countries, both within and outside the region, has increased significantly in recent years. For example, at the end of 2007, all 53 African countries had signed at least one BIT. Moreover, as of the end of 2007, at least 50 African countries were members and one (Niger) fulfilled membership requirements of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group (table 12).

## 1. Developments at the national level

Key changes in the national regulatory frameworks for FDI in the region have influenced a number of areas, including, the following.

**Limitations on foreign ownership of companies.** With the shift towards a more welcoming policy for FDI, many African countries have abolished the approval process and significantly scaled back the requirement of local participation, sometimes on a sector-by-sector basis. In several African countries, privatization programmes have created opportunities for domestic and foreign private firms to acquire State-owned entities through open bidding processes. Furthermore, foreign investors have generally been given improved rights to repatriate their profits.

**Expropriation and compensation.** Expropriation of private property for public purposes is largely viewed as a thing of the past in many African countries. However, in the extractive industries, some Governments are considering ways to secure a greater share of the revenues generated. To the extent expropriation occurs, African countries now do so according to established principles in international law in a process that is public and more transparent, and in many cases compensation is awarded by court decision.

**Dispute settlement.** Disputes occasionally arise between Governments and foreign companies. Some cases involve wrongdoing on the part of companies, and some involve problems with government officials and institutions. In many countries, investment codes allow a foreign company that has signed an agreement to refer to international arbitration any case that the local courts are unable to resolve.

**Foreign exchange controls on investment-related capital and income flows.** Restrictions on foreign exchange have not completely disappeared in many Africa countries as some have been taking a gradualist approach in abolishing the process, depending on the impact on their economies. Many have removed all controls on profit repatriation. Transactions are even more liberalized within the various subregional groupings – such as the Arab Maghreb Union, Common Market for the Eastern and Southern Africa, Economic Community for West African States, Southern Africa Development Community, Communauté Économique et Monétaire de L’Afrique Centrale and Union Economique et Monétaire Ouest Africaine – with the last two of these groupings each using a common central bank. Six countries – Cameroon, Central African Republic, Congo, Gabon, Equatorial Guinea and Chad – belong to the Banque des Etats de l’Afrique Centrale. The Banque Centrale des Etats de l’Afrique de l’Ouest serves as the Central Bank for Benin, Burkina Faso, Cote d’Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo. There has also been progress in economic and monetary union in West Africa and Southern Africa, which makes it easy to carry out foreign exchange-related transactions within those groups.

**Incentives.** As part of their foreign investment promotion efforts, many African countries provide various incentives. Applicable incentives include, among others, exemption from customs duties for imported goods associated directly with the investment. Algeria, Angola, Botswana, Burkina Faso, Cote d’Ivoire, Kenya, Malawi, the United Republic of Tanzania, Sudan, Swaziland and Uganda are among the countries that offer TNCs some form of exemption from custom duties and taxes. Additional benefits are provided in many of the free zones. Some countries provide capital grants and tax credits. The trend towards reducing the tax burden on investors continued in 2006. For example, Egypt reduced its corporate tax to a standard rate of 20

per cent (from a basic rate of 40 per cent and 32 per cent for industrial and export activities). Similar steps were taken by Ghana, which reduced its corporate income tax from 28 per cent to 25 per cent.

**Transparency.** Several African Governments (18 countries<sup>8</sup> as of 2007) had adopted transparent regulatory policies and effective laws to foster competition (UNCTAD 2007c) These codes are designed to meet the requirements of fair competition, ease bureaucratic procedures and facilitate the hiring and firing of employees. New investment codes shorten the application process to establish a business and favour investments that promote handicrafts, exports and labour-intensive businesses. Transparency plays a key role in successful management of revenues from natural resources activities. A number of African countries have strengthened their efforts to further revenue transparency. Consequently, of the 22 candidate countries that wish to support the Extractive Industries Transparency Initiative, 13 are African. Nigeria became the first country to adopt a law making revenue disclosure mandatory (UNCTAD 2007a).

**Protection of property rights.** Property rights are protected in the region. Many African countries have put in place a system of protection of property rights, as required by international treaties, including the World Trade Organization (WTO's) Trade Related Intellectual Property Rights agreement. By the end of 2007, a total of 46 and 49 African countries were also parties to the Paris Convention for the Protection of Industrial Property and the World Intellectual Property Organization, respectively (table 12).

In 2006 alone, 40 African countries introduced 57 new measures affecting FDI, of which 49 encouraged inward FDI. A number of these changes were related to sectoral liberalization. The extent to which foreign companies are allowed to invest in an industry has a major influence on the potential for inward FDI. The level of restrictions on FDI varies considerably by country, especially in the services sector. While Uganda has among the fewest restrictions on FDI in services, Ethiopia is among countries at the other end of the spectrum (UNCTAD 2006). Nevertheless, the general trend is towards greater openness. In 2006, for example (UNCTAD 2007a):

- Botswana, Burkina Faso, Burundi, Cape Verde, Ghana, Kenya and Namibia allowed FDI wholly or partially into their telecommunication industries;
- Congo, Egypt and Nigeria wholly or partially opened up their banking industries;
- Ethiopia approved foreign concessions to its railway company;
- Mauritius opened its legal professional services industry to FDI; and
- Swaziland opened up to FDI in insurance.

In some countries, however, Governments recently adopted policies that were less favourable to foreign investment. For example, in Algeria, Egypt, Equatorial Guinea and Zambia, the Governments raised various taxes or royalties that may affect foreign investment. Lesotho extended State monopoly over its fixed-line telephone services for a further 12 months. Swaziland closed its retail sector to foreign investors, and Zimbabwe prohibited money transfer operations by foreign or domestic agencies and main banking institutions. In the Libyan Arab Jamahiriya, new measures were adopted requiring foreign investors to give priority in employment to Libyan nationals in the manufacturing and agricultural sectors and to construction, electricity, transport and communications in the services sector, as well as to provide training to locals, and ensure equal payments between Libyan and foreign staff (UNCTAD 2007a: 38–39).

Higher commodity prices have made many African Governments anxious to reap a fair share of the increased mineral revenues created from the commodity boom. In response, some of

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<sup>8</sup> Algeria, Benin, Burkina Faso, Cameroon, Central African Republic, Egypt, Cote d'Ivoire, Gabon, Kenya, Malawi, Mali, Morocco, Namibia, Senegal, South Africa, Tunisia, Zambia and Zimbabwe.



them have recently made their regulatory frameworks governing TNC participation more stringent. For example (UNCTAD 2007a):

- *Algeria* ended majority foreign ownership in its oil and gas industries and promulgated regulations imposing a windfall tax on production values at prices exceeding \$30/barrel of oil in December 2006.
- *The Democratic Republic of the Congo* is reviewing 60 mining contracts that were signed over the past decade and that may result in contract renegotiations.
- *South Africa* was revising its mining legislation in June 2007, with a view to increasing its revenues and development benefits from mining.
- In *Zambia*, the annual budget announced in February 2007 increased mining royalties and tax rates, and curtailed the provision of tax holidays.

In general, however, the policy environment for FDI in Africa has been shifting steadily towards one that encourages and facilitates inward investment and TNC operations. In addition to efforts at the national level, African countries have enlisted bilateral, regional and other international measures to improve their investment environment. There is growing recognition in the region of the importance of clear and transparent rules and regulations for FDI entry and operations, and of the just treatment of the assets and business dealings of foreign investors in the context of national efforts to mobilize FDI towards their respective development goals. At the same time, there is still a need for further domestic reform, stronger governance and improvements in infrastructure to create a more enabling environment for inward FDI.

## 2. Developments at the international level

A major element in the efforts of African countries to improve the investment climate, promote openness and attract FDI is the initiation and signing of BITs and DTTs. Generally, BITs promote foreign investment by protecting foreign investors against certain political risks in the host country. For this purpose, foreign investors are granted specific rights, including, for instance, non-discriminatory treatment, compensation in case of expropriation, a capital transfer guarantee and access to international arbitration in case of an investment dispute. All of the 53 African countries have concluded these treaties, though with more concentration on BITs than DTTs (figure 7).

By December 2006, over 1,120 such treaties had been signed by African countries: 687 BITs and 438 DTTs. There are, however, large disparities across African countries on the number of treaties concluded. Egypt, for instance, signed 100 BITs and about 50 DTTs. Other countries at the top of the list in this respect include Algeria, Mauritius, Morocco, South Africa and Tunisia. Conversely, some countries (Angola, Burundi, Djibouti, Equatorial Guinea, Guinea-Bissau, Sao Tome and Principe and Somalia) have signed no DTTs and very few BITs. As to other regions, the correlation between signing BITs and DTTs and attracting FDI inflows is not obvious, and the legal security, stability, predictability and transparency that the signing of these treaties entails is but one of the many determinants of FDI flows. Some African countries that have signed a relatively high number of such treaties are also major FDI recipients in the region (e.g. Egypt, Morocco, Tunisia and South Africa). Other African countries that have not been active in signing BITs and DTTs have nonetheless attracted larger FDI inflows than those that have signed multiple treaties. Over 70 per cent of BITs and DTTs concluded by African countries were signed with developed countries, with European countries – mainly the United Kingdom, France, Germany and Italy – having the greatest share. However, hitherto uncommon interregional BITs and DTTs with other developing countries outside the region appear to be gaining prominence in the region.

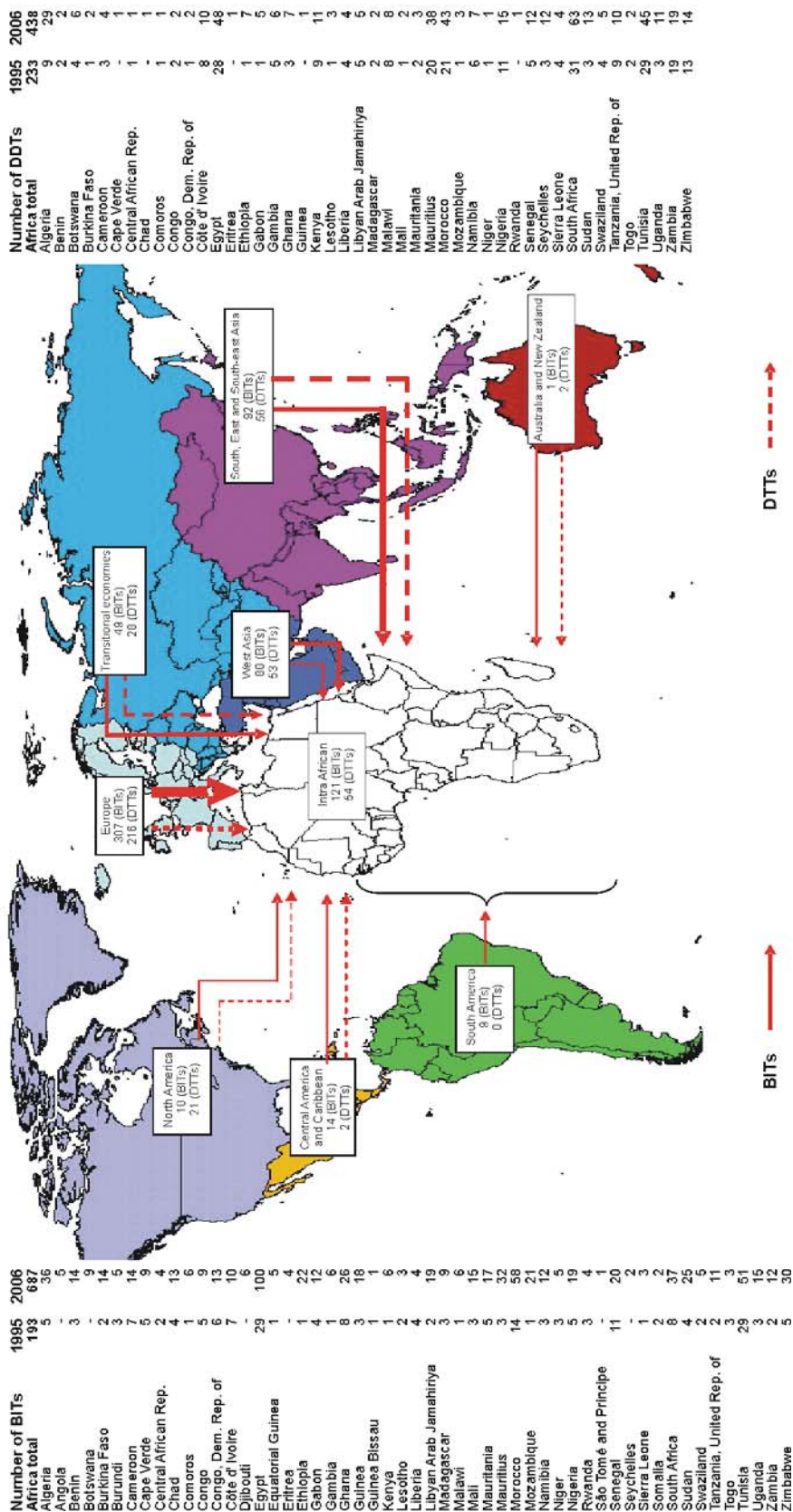
**Table 12. African countries' participation in selected international investment-related instruments as of the end of 2007<sup>a</sup>**

Countries	Multilateral organizations			Market-access initiatives		
	ICSID	MIGA	WTO	AGOA	EBA (GSP)	ACP-EU Cotonou Agreement
Algeria	√	√				
Angola		√	√	√	√	√
Benin	√	√	√	√	√	√
Botswana	√	√	√	√		√
Burkina Faso	√	√	√	√	√	√
Burundi	√	√	√	√	√	√
Cameroon	√	√	√	√		√
Cape Verde		√		√	√	√
Central Africa Republic	√	√	√		√	√
Chad	√	√	√	√	√	√
Comoros	√				√	√
Congo Republic	√	√	√	√		√
Congo, Democratic Republic of	√	√	√	√	√	√
Côte d'Ivoire	√	√	√	√		√
Djibouti		√	√	√	√	√
Egypt	√	√				
Equatorial Guinea		√			√	√
Eritrea		√			√	√
Ethiopia	√	√		√	√	√
Gabon	√	√	√	√		√
Gambia, The	√	√	√	√	√	√
Ghana	√	√	√	√		√
Guinea	√	√	√	√	√	√
Guinea-Bissau	√	√	√	√	√	√
Kenya	√	√	√	√		√
Lesotho	√	√	√	√	√	√
Liberia	√	√			√	
Libyan Arab Jamahiriya		√				
Madagascar	√	√	√	√	√	√
Malawi	√	√	√	√	√	√
Mali	√	√	√	√	√	√
Mauritania	√	√	√	√	√	√
Mauritius	√	√	√	√		√
Morocco	√	√	√			
Mozambique	√	√	√	√	√	√
Namibia	√	√	√	√		√
Niger	√		√	√	√	√
Nigeria	√	√	√	√		√
Rwanda	√	√	√	√	√	√
Sao Tome and Principe	√			√	√	√
Senegal	√	√	√	√		√
Seychelles	√	√		√		√
Sierra Leone	√	√	√	√	√	√
Somalia	√				√	√
South Africa		√	√	√		√
Sudan	√	√			√	√
Swaziland	√	√	√	√		√
Tanzania	√	√	√	√	√	√
Togo	√	√	√		√	√
Tunisia	√	√	√			
Uganda	√	√	√	√	√	√
Zambia	√	√	√	√	√	√
Zimbabwe	√	√	√			√

Source: UNCTAD, based on information from website of the respective international organization.

<sup>a</sup> Ethiopia, Guinea-Bissau, Namibia and Sao Tome and Principe have only signed the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States.

Figure 7. Africa: BITs and DTIs by region, cumulative 2006



Source: UNCTAD.

In addition to their bilateral treaty programmes, African countries are members in multilateral instruments and related organizations that have provisions for the treatment of foreign investors. The most important of those and the number of African countries that are members in them are: International Centre for Settlement of Investment Disputes (ICSID, 46); Multilateral Investment Guarantee Agency (MIGA, 50), and the World Trade Organization (WTO, 44) (table 12). ICSID provides facilities for conciliation and arbitration of international investment disputes, while MIGA provides political risk insurance, technical assistance and dispute mediation facilities in developing countries. WTO includes a number of agreements that are directly relevant to FDI, namely the General Agreement on Trade in Services (GATS) that covers, among others, the international delivery of services through the cross-border establishment of production facilities (mode three), the Agreement on Trade-Related Investment Measures (TRIMS) that prohibits a number of trade-in-goods-related performance requirements, and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) that deals with intellectual property as one potential form of an investment.

Two other important multilateral conventions that have received reasonably wide acceptance in the region are the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards and the Paris Convention for the Protection of Industrial Property. Adoption of these conventions has further improved the FDI climate in Africa by setting the rules for the treatment of foreign investment and protecting patents and other intellectual property rights in the region. As of February 2008, 49 and 30 African countries have ratified the Paris and New York Conventions, respectively.

At the regional level, there are a number of economic integration schemes among African countries to enhance economic cooperation and increase market size. They include the Economic Community of West African States (ECOWAS), the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), the East African Community (EAC), the Arab Maghreb Union (AMU), the Community of Sahel-Saharan States (CEN-SAD), and the Economic Community of Central African States (ECCAS), among others, to which different African countries belong. Starting from the 1980s, countries began to harmonize such integration arrangements into unified organizational arrangements such as the African Economic Community (AEC), New Partnership for Africa's development (NEPAD), and the African Union. Some of the schemes, such as ECCAS and AEC, contain investment-related provisions (UNCTAD 1996 and 2000), and all of them have implications for inward FDI because of their potential impact on market size for the region's economies.

A number of countries in the region are also participants in key market access initiatives by developed countries, especially the European Union and the United States, for developing countries in general or specifically for Africa, with implications for the latter's inward FDI. At the end of 2007, 48 African countries were members of the African, Caribbean and Pacific Cotonou Partnership Agreement with the EU (ACP-EU Cotonou),<sup>9</sup> 39 African countries were eligible for the generalized system of preferences (GSP) under the United States' African Growth and Opportunities Act and 33 countries eligible for the GSP under the European Union's "Everything but Arms (EBA)" initiative. Participation in these schemes has widely increased the items that can be exported duty-free and quota-free by domestic as well as foreign enterprises in the eligible African countries, creating a potential for increased FDI in those industries. However, the utilization of the GSP schemes, particularly African Growth and Opportunity Act (AGOA) and EBA, has been very low in African countries thus far, due to lack of productive capacity. In recent years, foreign affiliates in African countries such as Kenya, Lesotho, Mauritius and

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<sup>9</sup> Cotonou Agreements will be mandatorily replaced with Economic Partnership Agreements.

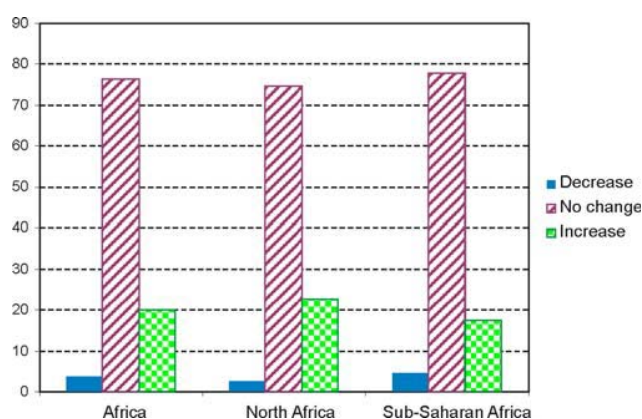
Uganda that had attracted FDI to their textile and apparel industry, in part under AGOA, have been relocated elsewhere because of high-cost and low-productivity problems that were not sufficiently offset by the duty-free, quota-free provisions of the schemes.

### C. Prospects for inward FDI

The anticipated slowdown of the global economy in 2008, and financial and credit risk problems that started in the latter half of 2007 in certain developed countries, have not dampened much the prospects for FDI inflows to Africa. TNCs' interest remains high in certain sectors for increased flows to African destinations, and is also strong among existing affiliates in the region of TNCs from continental Europe, the United States, developing Asia and South Africa. Most FDI will still concentrate on the primary sector, especially because of the high prices of the major commodities that African countries produce. A comparison of UNCTAD's index of inward FDI performance to that of inward FDI potential (UNCTAD 2007a) shows that many African countries' FDI inflows are still far below their potential. Regional integration schemes and other initiatives have also been strengthening, and Africa has potential to make a successful transition from low value added to intermediate/high value added products, given adequate policies and commitments in place. This process has already been observed in Egypt, Morocco and South Africa, where FDI in higher value added activities in manufacturing have been expanding. With progress towards such a transition and an improved policy environment, increased efforts by investment promotion agencies (IPAs) and several market access initiatives targeted at FDI, many African countries are expected to receive more FDI.

However, UNCTAD's *World Investment Prospects Survey* (UNCTAD 2007d) shows that the majority of investing companies interviewed planned to maintain or increase investment in Africa between 2007 and 2009, with no significant differences by subregion (figure 8). At the same time, however, returns on capital invested in the region are expected to remain strong.

**Figure 8. Prospects for FDI in Africa, 2007–2009: responses to UNCTAD survey**  
(Percentage of respondents)



Source: UNCTAD 2007d.

The long-term outlook is promising for investments in raw-material value-chain activities. Particularly important for the region are the recent changes in AGOA, which is expected to further increase the diversification into textile processing. FDI in oil and gas and other minerals is likely to remain robust in the medium term. But in the long term, FDI into the manufacturing sector should revive as new initiatives, such as the African Investment Incentive Act (AIIA) by

the United States Government under the AGOA initiative, are implemented,<sup>10</sup> contributing to the region's attractiveness to FDI. The NEPAD initiative in infrastructure is expected to lead to large foreign investment in infrastructure under the regional integration scheme. Africa could also increase its share of global FDI through promoting investments for manufacturing of basic and intermediate goods and industrial inputs for the regional markets, which suffered a decline over the past decades, but which could be revived with better targeted policies. The wide-ranging changes in FDI-related regulatory frameworks in the region could also contribute to the rise in inflows in the future.

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<sup>10</sup> Under AGOA, Africa-based clothing exporters were able to import fabric from the cheapest available suppliers while still enjoying duty-free access to the United States market. This concession expired in 2007, and some of the foreign-owned clothing firms in eligible African countries might well have decided to relocate elsewhere with that expiry. However, in December 2006, the United States Congress passed AIIA under the AGOA to help avert the diversion of FDI and the loss of thousands of jobs in the region. The new act supplements and extends the provisions of AGOA to help producers in sub-Saharan Africa compete in the United States market and better withstand greater competitive pressures from China following the expiry of MFA in 2005.

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**Annex table 1. Geographical distribution of inward FDI stock in selected African countries, selected years**  
(Percentage distribution in world total)

Region/economy	Botswana		Madagascar		Malawi		Morocco		Uganda		United Republic of Tanzania		Zambia
	1997	2005	2002	2006	2000	2004	2006	1999	2003	1998	2001	2001	
<b>Total world</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Developed countries</b>	38.8	72.3	69.9	62.9	56.4	65.1	89.2	58.6	57.8	63.7	57.2	79.0	79.0
<b>Europe</b>	31.1	72.0	67.3	51.2	32.0	35.0	84.4	29.8	29.1	41.6	34.5	67.6	67.6
<b>European Union</b>	28.5	65.8	62.8	51.2	27.1	34.0	80.8	29.8	29.1	37.5	30.8	65.5	65.5
Austria	-	-	-	-	-	-	0.1	-	-	-	-	-	-
Belgium / Luxembourg	26.4	55.0	10.4	1.7	-	-	1.6	-	1.5	0.5	2.1	4.1	4.1
Cyprus	-	-	-	-	-	-	-	-	-	-	-	-	-
Denmark	-	-	0.1	-	-	-	-	-	-	1.5	0.9	-	-
Finland	-	-	-	-	-	-	-	-	-	-	-	-	-
France	-	-	51.9	9.6	-	0.7	49.4	-	1.5	1.8	0.9	2.6	2.6
Germany	-	-	-	-	-	1.0	1.8	-	5.6	2.1	1.4	-	-
Greece	-	-	-	-	-	-	-	-	0.2	0.1	-	-	-
Hungary	-	-	-	-	-	-	-	-	-	-	-	-	-
Ireland	-	-	-	-	-	5.4	-	-	-	0.1	-	-	-
Italy	-	-	-	-	-	-	0.8	-	-	4.2	1.7	-	-
Netherlands	-	-	0.4	-	-	4.3	2.1	2.7	4.6	6.5	2.8	21.3	21.3
Poland	-	1.2	-	-	-	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	2.9	-	-	-	-	-	-
Spain	-	-	-	-	-	-	17.5	-	-	-	-	-	-
Sweden	-	-	-	-	-	-	2.7	1.5	2.4	1.5	0.8	-	-
United Kingdom	2.2	9.6	-	40.0	27.1	20.0	1.9	25.5	19.0	19.2	16.3	37.5	37.5
<b>Other developed Europe</b>	2.6	-	4.5	-	4.9	1.0	3.6	-	-	4.1	3.8	2.2	2.2
Channel Islands	-	-	-	-	-	0.7	-	-	-	0.1	-	-	-
Isle of Man	-	-	-	-	-	-	-	-	-	0.4	-	-	-
Liechtenstein	-	-	-	-	-	-	-	-	-	-	-	-	-
Norway	-	-	-	-	4.9	-	-	-	-	1.9	0.7	-	-
Switzerland	-	-	4.5	-	-	0.3	3.6	-	-	1.7	3.1	2.2	2.2
<b>North America</b>	7.6	0.3	0.8	11.2	24.4	28.9	4.5	7.9	13.6	13.4	16.0	7.3	7.3
Canada	-	-	-	-	-	-	-	5.3	4.5	5.9	11.4	4.9	4.9
United States	7.3	0.2	0.8	9.0	24.4	28.9	4.5	2.6	9.0	7.5	4.6	2.4	2.4
<b>Other developed countries</b>	-	-	1.8	0.5	-	1.2	0.4	20.9	15.2	8.7	5.9	1.9	1.9
Australia	-	-	-	-	-	-	-	-	-	6.5	1.3	-	-
Bermuda	-	-	1.8	-	-	-	-	20.9	15.2	1.8	-	-	-
Japan	-	-	-	0.5	-	1.2	0.4	-	-	0.4	4.6	-	-
<b>Developing economies</b>	60.7	27.5	27.4	36.7	29.0	32.7	7.4	27.4	20.7	34.0	40.1	20.3	20.3
<b>Africa</b>	60.1	22.8	26.0	35.0	29.0	28.9	0.8	23.9	18.4	27.6	36.7	13.2	13.2
<b>North Africa</b>	-	-	-	-	-	-	-	-	-	0.2	-	-	-
Egypt	-	-	-	-	-	-	-	-	-	0.1	-	-	-
Libyan Arab Jamahiriya	-	-	-	-	-	-	0.6	-	-	0.1	-	-	-
Tunisia	-	-	-	-	-	-	0.2	-	-	-	-	-	-
<b>Other Africa</b>	59.8	21.1	26.0	35.0	29.0	26.2	-	23.9	18.4	26.4	36.3	13.2	13.2
Botswana	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-
Ghana	-	-	-	-	-	-	-	-	-	16.2	4.6	-	-
Kenya	-	-	-	-	0.3	1.3	-	10.1	4.5	3.3	7.3	-	-
Malawi	-	-	-	-	-	-	-	-	-	0.3	-	-	-
Mauritius	-	-	21.7	33.4	4.2	4.1	-	2.8	4.8	4.3	4.5	0.4	0.4

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**Annex table 1. Geographical distribution of inward FDI stock in selected African countries, selected years**  
(Percentage distribution in world total) (concluded)

Region/economy	Botswana		Madagascar		Malawi		Morocco		South Africa		Uganda		United Republic of Tanzania		Zambia	
	1997	2005	2002	2006	2000	2004	2006	1995	2006	1999	2003	1998	2001	2001	2001	
Mozambique	-	-	-	-	1.1	1.0	-	-	-	-	-	-	-	-	-	-
Reunion	-	-	3.8	1.4	-	-	-	-	-	-	-	-	-	-	-	-
Senegal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seychelles	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-
South Africa	59.8	21.1	0.6	0.3	21.2	18.0	-	-	-	11.0	9.0	2.0	19.8	10.2	-	-
Uganda	-	-	-	-	0.2	0.2	-	-	-	-	-	-	-	-	-	-
United Republic of Tanzania	-	-	-	-	0.2	0.2	-	-	-	-	-	0.3	-	-	-	-
Zambia	-	-	-	-	1.9	1.3	-	-	0.3	-	-	0.1	-	-	2.6	-
Zimbabwe	-	-	-	-	-	-	1.7	-	-	-	-	0.1	-	-	2.3	-
<b>Latin America and the Caribbean</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bahamas	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	1.9	-
Panama	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	0.5	-
Turks and Caicos Islands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
US Virgin Islands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Asia</b>	0.6	4.7	1.4	1.6	-	5.7	6.6	2.5	0.8	3.5	2.4	0.1	3.4	4.7	-	-
<b>West Asia</b>	1.3	-	-	-	-	0.4	5.9	-	-	0.2	-	0.4	0.5	-	-	-
Iran, Islamic Republic of	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Iraq	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-
Kuwait	-	-	-	-	-	-	1.2	-	-	-	-	0.1	-	-	-	-
Saudi Arabia	-	-	-	-	-	-	2.5	-	-	-	-	0.1	-	-	-	-
Syrian Arab Republic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turkey	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United Arab Emirates	-	-	-	-	-	0.4	2.1	-	-	-	-	0.1	0.5	-	-	-
Yemen	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>South, East and South-East Asia</b>	-	-	1.4	1.6	-	5.3	0.7	-	0.6	3.5	2.4	-	3.5	2.9	4.7	-
China	-	-	0.6	0.3	-	0.1	0.1	-	0.1	-	-	0.6	0.6	4.4	-	-
Hong Kong, China	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-
India	-	-	-	0.8	-	-	0.2	-	-	1.8	1.3	0.3	0.4	0.3	-	-
Korea, Republic of	-	-	-	0.5	-	-	0.3	-	-	-	-	-	-	-	-	-
Malaysia	-	-	-	-	-	3.7	0.2	-	0.4	-	-	2.5	1.9	-	-	-
Pakistan	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-
Singapore	-	-	-	-	-	-	-	-	-	-	1.0	-	-	-	-	-
Sri Lanka	-	-	0.6	-	-	-	-	-	0.1	1.7	-	-	-	-	-	-
Taiwan Province of China	-	-	-	-	-	1.4	-	-	0.1	-	-	-	-	-	-	-
<b>South-East Europe and CIS</b>	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>South-East Europe</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Romania	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CIS</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Russian Federation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ukraine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Unspecified</b>	-	0.2	2.7	0.4	14.6	2.2	3.4	0.3	-	14.0	21.4	2.3	2.3	0.8	-	-
<b>Memorandum</b>	1 280	806	166	932	358	562	29 939	15 014	87 765	667	1 359	3 353	3 777	1 085	-	-
<b>Total (\$ million)</b>																

Source: UNCTAD, based on table 12 of country profiles and FDI/TNC database (www.unctad.org/fdistatistics).

**Annex table 2. Geographical distribution of FDI inflows in selected African countries, selected years**  
(Percentage share in world total)

Region/economy	Algeria		Egypt <sup>a</sup>		Ethiopia		Madagascar		Mauritius		Morocco		Mozambique		Tunisia		United Republic of Tanzania	
	1998	2001	1999	2006	1995	2004	2002	2006	1995	2006	1996	2006	2006	1995	2006	1999	2001	
<b>Total world</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
<b>Developed countries</b>	94.4	66.4	73.5	67.3	0.2	48.5	61.3	83.2	42.5	73.4	82.0	88.8	1.6	91.7	27.1	41.7	52.5	
<b>Europe</b>	47.8	35.9	46.1	31.4	0.2	22.7	61.3	13.7	42.5	71.2	78.9	85.3	1.1	71.2	23.9	8.6	40.1	
<b>European Union</b>	47.7	35.1	44.8	31.0	0.2	22.7	61.3	13.0	38.8	63.1	77.7	81.7	1.2	70.2	23.5	7.2	33.6	
Austria	0.2	0.4	-	-	-	-	-	-	-	-	-	-	-	-	2.2	-	-	
Belgium / Luxembourg	2.4	1.0	-	0.1	-	-	-	1.4	-	0.5	2.4	10.0	-	0.5	0.5	0.1	1.2	
Czech Republic	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Denmark	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
France	12.8	6.7	3.7	0.3	-	-	61.3	8.4	5.2	7.2	32.1	33.2	- 0.9	13.0	3.5	1.2	0.5	
Germany	3.4	3.2	1.5	0.7	-	-	-	-	24.6	2.5	2.4	3.6	-	4.9	0.5	-	-	
Greece	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hungary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ireland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Italy	15.5	2.9	-	12.5	-	-	-	-	-	-	1.5	1.3	-	0.2	-	-	-	
Netherlands	0.5	6.0	-	0.3	-	-	-	-	-	-	7.6	0.9	-	7.4	3.0	-	-	
Portugal	-	-	28.7	-	-	-	-	-	-	-	22.6	0.2	-	0.8	2.9	0.8	12.5	
Spain	2.7	12.8	0.2	0.1	-	-	-	-	-	-	5.2	27.6	- 8.8	0.0	0.3	-	-	
Sweden	4.2	0.1	0.2	-	-	-	-	-	-	-	0.2	0.2	-	0.2	0.5	-	-	
United Kingdom	6.0	1.9	10.6	16.9	-	-	-	3.3	8.9	52.9	3.7	3.6	8.2	42.2	6.1	0.3	1.2	
Unspecified European Union	0.1	0.8	0.1	0.4	0.2	22.7	-	0.7	3.7	8.1	1.2	3.5	- 0.1	1.0	0.2	4.8	0.5	
<b>Other developed Europe</b>	0.0	0.4	1.3	-	-	-	-	-	3.7	8.1	1.2	3.5	- 0.1	1.0	0.4	1.4	6.4	
Iceland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Isle of Man	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Jersey	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Liechtenstein	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Norway	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Switzerland	0.1	0.3	1.3	0.4	-	-	0.7	0.7	3.7	8.1	1.2	3.5	- 0.2	0.8	0.4	0.9	5.1	
Unspecified Western Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>North America</b>	43.8	29.7	27.4	35.8	-	23.8	-	68.1	-	2.3	3.1	3.4	1.3	19.2	3.1	17.8	10.6	
Canada	0.9	0.1	0.2	-	-	1.2	-	42.9	-	-	0.1	0.1	-	0.7	1.3	14.7	4.6	
United States	42.9	29.6	27.2	35.8	-	22.6	-	25.1	-	2.3	3.1	3.3	1.3	18.5	1.8	3.1	6.0	
<b>Other developed countries</b>	2.8	0.7	-	0.1	-	-	-	1.4	-	-	-	0.1	- 0.7	1.3	0.1	13.0	0.8	
Australia	-	-	-	0.1	-	-	-	-	-	-	-	-	-	1.0	0.1	13.0	0.8	
Japan	2.8	0.7	-	-	-	-	-	1.4	-	-	-	-	- 0.7	0.3	0.1	-	-	
New Zealand	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Developing economies</b>	4.3	31.9	26.1	25.8	99.8	40.1	36.2	16.9	57.5	7.4	13.1	10.9	103.3	7.7	72.7	30.7	45.3	
<b>Africa</b>	0.1	30.4	-	0.2	-	9.5	36.2	12.6	2.3	2.3	4.9	0.6	95.1	-	0.3	28.2	43.1	
<b>North Africa</b>	0.1	30.4	-	0.2	-	-	-	-	-	-	4.9	0.5	-	-	0.3	-	-	
Egypt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-	-	
Libyan Arab Jamahiriya	-	-	-	0.2	-	-	-	-	-	-	4.9	-	-	-	0.1	-	-	
Tunisia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Other Africa</b>	0.1	-	-	-	-	-	36.2	12.6	-	2.3	-	0.1	95.1	-	-	27.7	43.1	
Botswana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ghana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Kenya	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.5	0.3	
Malawi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.3	3.0	
Mali	-	-	-	-	-	-	-	-	-	-	-	0.1	0.3	-	-	-	-	
Mauritius	-	-	-	-	-	-	36.2	7.6	-	-	-	-	19.5	-	-	-	2.9	
Namibia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nigeria	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reunion	-	-	-	-	-	-	4.7	-	1.7	-	-	-	-	-	-	-	-	

**Annex table 2. Geographical distribution of FDI inflows in selected African countries, selected years**  
(Percentage share in world total) (concluded)

Region/economy	Algeria		Egypt <sup>a</sup>		Ethiopia		Madagascar		Mauritius		Morocco		Mozambique		Tunisia		United Republic of Tanzania	
	1998	2001	1999	2006	1995	2004	2002	2006	1995	2006	1996	2006	2006	1995	2006	1999	2001	
South Africa																		
Swaziland																		
Uganda																		
United Republic of Tanzania																		
Zambia																		
Unspecified Africa																		
<b>Latin America and the Caribbean</b>																		
Argentina			20.1			9.5												
Bahamas																		
Brazil																		
British Virgin Islands																		
Mexico			20.1															
Panama																		
<b>Asia</b>	4.2	1.5	5.9	25.6	99.8	29.8												
<b>West Asia</b>	3.7	1.5	5.9	25.5	99.8													
Bahrain			3.8	0.1														
Iraq																		
Jordan																		
Kuwait			0.1	0.2														
Lebanon				0.1														
Oman																		
Qatar		0.2																
Saudi Arabia			0.3	1.6														
Syrian Arab Republic																		
Turkey	3.7	0.2		0.1														
United Arab Emirates			1.8	23.3														
Unspecified West Asia																		
<b>South, East and South-East Asia</b>	0.5	0.0		0.1														
China	0.1	0.0		0.1														
Hong Kong, China																		
India																		
Indonesia																		
Korea, Republic of																		
Malaysia																		
Pakistan																		
Singapore																		
Sri Lanka																		
Taiwan Province of China																		
Unspecified Asia																		
Unspecified developing countries																		
<b>South-East Europe and CIS</b>	0.2	0.1																
South-East Europe																		
Yugoslavia (former)																		
<b>CIS</b>	0.2	0.1																
Russian Federation																		
Ukraine	0.2	0.1																
Unspecified	1.1	1.7	0.4	6.9		11.4	2.5			19.1	4.9	0.3		- 5.0	0.6	0.2	27.6	2.2
<b>Memorandum Total (\$ million)</b>	599	1 197	1 691	13 084	14	545	61	294	19	228	327	2 964	154	323	3 308	1 058	467	

<sup>a</sup> Source: UNCTAD, based on table 6 in country profiles and FDI/TNC database (www.unctad.org/fdistatistics).

<sup>a</sup> Fiscal year ending March.

## II. Technical introduction

This technical introduction briefly describes the contents of the country data and information provided in the *World Investment Directory*, the main sources of information used and the geographical and sectoral coverage. It also indicates what is included and excluded under each type of data and the limitations of the data.

### A. Scope

Each country profile begins with a discussion of the sources and definitions underlying national FDI data. The extent to which a country departs from benchmark definitions is discussed, and attention is drawn to the shortcomings of the data for the country in question. That information is provided so the reader will be aware of the differences between the data presented in this volume and those presented by other data-gathering agencies, including the International Monetary Fund (IMF). Recommended definitions are discussed in section F.

This text is followed by 88 country tables that provide extensive coverage of data on both FDI and operations of transnational corporations (TNCs) by their geographical and sectoral distributions, together with listings of the major TNCs in each economy and selected financial data. These tables are categorized by 20 groups of variables. In the latter half of the country profile is information regarding the legal framework which governs FDI in each of the countries covered. The legal information is divided into national laws and regulations and multilateral and bilateral treaties. Lastly, there is a brief bibliography of official and secondary material which throws light on various aspects of FDI in the economy in question. Thus, the following information is contained in the country tables:

#### A. Definitions and sources of data

#### B. Statistics on FDI and the operations of TNCs

##### I. Summary tables

Table 1. Summary of FDI flows

Table 2. Summary of international production

##### II. FDI by type of investment

Table 3. FDI flows, by type of investment

Table 4. FDI stocks, by type of investment

##### III. FDI flows in the host economy

Table 5. FDI flows in the host economy, by industry

Table 6. FDI flows in the host economy, by geographical origin

Table 7. FDI flows in the host economy, by industry and geographical origin

##### IV. FDI flows abroad

Table 8. FDI flows abroad, by industry

Table 9. FDI flows abroad, by geographical destination

Table 10. FDI flows abroad, by industry and geographical destination

##### V. FDI stocks in the host economy

Table 11. FDI stocks in the host economy, by industry

Table 12. FDI stocks in the host economy, by geographical origin

Table 13. FDI stocks in the host economy, by industry and geographical origin

##### VI. FDI stocks abroad

Table 14. FDI stocks abroad, by industry

Table 15. FDI stocks abroad, by geographical destination

Table 16. FDI stocks abroad, by industry and geographical destination

**VII. Distribution of foreign affiliates and FDI by percentage ownership of parents**

Table 17. Distribution of foreign affiliates and FDI in the host economy, by percentage ownership of parents

Table 18. Distribution of foreign affiliates and FDI abroad, by percentage ownership of parents

**VIII. The number of TNCs**

Table 19. The number of home-based TNCs, by industry in the home economy

Table 20. The number of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 21. The number of foreign affiliates of home-based TNCs, by geographical location abroad

Table 22. The number of affiliates of foreign TNCs in the host economy, by industry

Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin

Table 24. The number of foreign affiliates of home-based TNCs and FDI, by percentage ownership of parent companies

Table 25. The number of affiliates of foreign TNCs in the host economy and FDI, by percentage ownership of parent companies

**IX. Assets of TNCs**

Table 26. Assets of home-based TNCs, by industry in the home economy

Table 27. Assets of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 28. Assets of foreign affiliates of home-based TNCs, by geographical location abroad

Table 29. Assets of affiliates of foreign TNCs in the host economy, by industry

Table 30. Assets of affiliates of foreign TNCs in the host economy, by geographical origin

**X. Employment of TNCs**

Table 31. Employment of home-based TNCs, by industry in the home economy

Table 32. Employment of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 33. Employment of foreign affiliates of home-based TNCs, by geographical location abroad

Table 34. Employment of affiliates of foreign TNCs in the host economy, by industry

Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin

**XI. Wages and salaries of TNCs**

Table 36. Wages and salaries of home-based TNCs, by industry in the home economy

Table 37. Wages and salaries of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 38. Wages and salaries of foreign affiliates of home-based TNCs, by geographical location abroad

Table 39. Wages and salaries of affiliates of foreign TNCs in the host economy, by industry in the foreign economy

Table 40. Wages and salaries of affiliates of foreign TNCs in the host economy, by geographical origin

**XII. Sales of TNCs**

Table 41. Sales of home-based TNCs, by industry in the home economy

Table 42. Sales of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 43. Sales of foreign affiliates of home-based TNCs, by geographical location abroad

Table 44. Sales of affiliates of foreign TNCs in the host economy, by industry

Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin

**XIII. Value Added of TNCs**

Table 46. Value added of home-based TNCs, by industry in the home economy

Table 47. Value added of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 48. Value added of foreign affiliates of home-based TNCs, by geographical location abroad

Table 49. Value added of affiliates of foreign TNCs in host economy, by industry

Table 50. Value added of affiliates of foreign TNCs in the host economy, by geographical origin

**XIV. Profits of TNCs**

Table 51. Profits of home-based TNCs, by industry in the home economy

Table 52. Profits of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 53. Profits of foreign affiliates of home-based TNCs, by geographical location abroad

Table 54. Profits of affiliates of foreign TNCs in the host economy, by industry

Table 55. Profits of affiliates of foreign TNCs in the host economy, by geographical origin

**XV. Exports of TNCs**

Table 56. Exports of home-based TNCs, by industry in the home economy

Table 57. Exports of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 58. Exports of foreign affiliates of home-based TNCs, by geographical location abroad

Table 59. Exports of affiliates of foreign TNCs in the host economy, by industry

Table 60. Exports of affiliates of foreign TNCs in the host economy, by geographical origin

**XVI. Imports of TNCs**

Table 61. Imports of home-based TNCs, by industry in the home economy

Table 62. Imports of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 63. Imports of foreign affiliates of home-based TNCs, by geographical location abroad

Table 64. Imports of affiliates of foreign TNCs in the host economy, by industry

Table 65. Imports of affiliates of foreign TNCs in the host economy, by geographical origin

**XVII. Research and Development of TNCs**

Table 66. Research and development expenditures of home-based TNCs, by industry in the home economy

Table 67. Research and development expenditures of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 68. Research and development expenditures of foreign affiliates of home-based TNCs, by geographical location abroad

Table 69. Research and development expenditures of affiliates of foreign TNCs in the host economy, by industry

Table 70. Research and development expenditures of affiliates of foreign TNCs in the host economy, by geographical origin

Table 71. Employment in Research and Development of home-based TNCs, by industry in the home economy

Table 72. Employment in Research and Development of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 73. Employment in Research and Development of foreign affiliates of home-based TNCs, by geographical location abroad

Table 74. Employment in Research and Development of affiliates of foreign TNCs in the host economy, by industry in the foreign economy

Table 75. Employment in Research and Development of affiliates of foreign TNCs in the host economy, by geographical origin

**XVIII. Royalty receipts of TNCs**

Table 76. Royalty receipts of home-based TNCs, by industry in the home economy

Table 77. Royalty receipts of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 78. Royalty receipts of foreign affiliates of home-based TNCs, by geographical location abroad

Table 79. Royalty receipts of affiliates of foreign TNCs in the host economy, by industry

Table 80. Royalty receipts of affiliates of foreign TNCs in the host economy, by geographical origin

**XIX. Royalty payments of TNCs**

Table 81. Royalty payments of home-based TNCs, by industry in the home economy

Table 82. Royalty payments of foreign affiliates of home-based TNCs, by industry in the foreign economy

Table 83. Royalty payments of foreign affiliates of home-based TNCs, by geographical location abroad

Table 84. Royalty payments of foreign TNCs in the host economy, by industry

Table 85. Royalty payments of affiliates of foreign TNCs in the host economy, by geographical origin

**XX. The largest TNCs**

Table 86. Largest home-based TNCs

Table 87. Largest foreign affiliates of home-based TNCs

Table 88. Largest affiliates of foreign TNCs in the host economy

**C. Legal framework for FDI****I. National policy framework****II. International framework**

1. Multilateral instruments
2. Regional instruments
3. Bilateral treaties

**D. Sources of information**

This volume of the *World Investment Directory* covers 53 economies of Africa (Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Congo DRC, Cote d'Ivoire, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra-Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe). The availability of tables for each country is indicated in table 1. Every reasonable effort, including a request to the governments concerned to verify the data, has been made to ensure that each country profile is accurate and up-to-date as of end 2007. However, comments and verification were not necessarily obtained from all of these economies by the cut-off date.

**Table 1. Tables presented in this volume**

	Economy	Table numbers (as above)
1	Algeria	1, 3, 4, 6, 6a, 9, 12, 15, 21, 23, 30, 33, 35, 40, 43, 45, 48, 50, 86, 87, 88
2	Angola	1, 3, 4, 6, 9, 12, 15, 23, 28, 30, 35, 40, 43, 45, 50, 86, 87, 88
3	Benin	1, 3, 3a, 4, 4a, 6, 9, 12, 15, 23, 86, 87, 88
4	Botswana	1, 3, 3a, 4, 4a, 6, 9, 11, 11a, 12, 12a, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
5	Burkina Faso	1, 3, 3a, 4, 4a, 6, 9, 12, 15, 23, 30, 45, 50, 86, 87, 88
6	Burundi	1, 3, 3a, 4, 6, 9, 30, 35, 45, 86, 87, 88
7	Cameroon	1, 3, 3a, 4, 6, 9, 12, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
8	Cape Verde	1, 3, 3a, 4, 4a, 6, 6a, 9, 11, 11a, 12, 12a, 12b, 15, 86, 87, 88
9	Central African Republic	1, 3, 3a, 4, 6, 9, 12, 30, 45, 86, 87, 88
10	Chad	1, 3, 3a, 4, 6, 9, 12, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
11	Comoros	1, 3, 3a, 6, 12, 30, 45, 86, 87, 88
12	Congo	1, 3, 3a, 4, 6, 9, 12, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
13	Congo, Democratic Republic of	1, 3, 4, 6, 9, 12, 15, 23, 30, 35, 40, 34, 50, 86, 87, 88
14	Côte d'Ivoire	1, 3, 3a, 4, 4a, 6, 9, 12, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
15	Djibouti	1, 3, 3a, 4, 4a, 6, 9, 12, 23, 30, 35, 40, 45, 50, 86, 87, 88
16	Egypt	1, 3, 4, 5, 6, 21, 23, 28, 30, 33, 35, 38, 40, 43, 45, 48, 50, 60, 65, 70, 80, 85, 86, 87, 88
17	Equatorial Guinea	1, 3, 3a, 4, 6, 9, 12, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
18	Eritrea	1, 3, 4, 6, 12, 23, 30, 35, 40, 45, 86, 87, 88
19	Ethiopia	1, 3, 4, 5, 6, 6a, 12, 12a, 21, 23, 28, 30, 33, 35, 38, 40, 43, 45, 48, 50, 86, 87, 88
20	Gabon	1, 3, 3a, 4, 6, 9, 12, 15, 21, 23, 28, 30, 33, 35, 38, 40, 45, 48, 50, 58, 86, 87, 88
21	Gambia	1, 3, 3a, 4, 6, 9, 11, 11a, 12, 15, 30, 45, 86, 87, 88
22	Ghana	1, 3, 4, 6, 9, 12, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
23	Guinea	1, 3, 4, 6, 9, 12, 15, 21, 23, 28, 86, 87, 88

24	Guinea Bissau	1, 3, 3a, 4, 4a, 6, 9, 12, 15, 23, 30, 86, 87, 88
25	Kenya	1, 3, 3a, 4, 5, 6, 9, 12, 15, 21, 23, 28, 30, 35, 40, 45, 50, 86, 87, 88
26	Lesotho	1, 3, 4, 6, 12, 15, 23, 30, 45, 50, 86, 87, 88
27	Liberia	1, 3, 4, 6, 9, 12, 15, 21, 23, 28, 30, 33, 35, 38, 40, 43, 45, 48, 50, 58, 63, 86, 87, 88
28	Libyan Arab Jamahiriya	1, 3, 4, 6, 9, 12, 15, 21, 23, 28, 30, 33, 35, 40, 43, 45, 50, 86, 87, 88
29	Madagascar	1, 3, 3a, 4, 4a, 5, 5a, 6, 6a, 7, 7a, 7b, 9, 11, 11a, 12, 12a, 13, 13a, 13b, 15, 22, 23, 23a, 30, 35, 35a, 40, 45, 50, 86, 87, 88
30	Malawi	1, 3, 4, 6, 9, 11, 12, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
31	Mali	1, 3, 3a, 4, 4a, 6, 9, 12, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
32	Mauritania	1, 3, 4, 5, 6, 9, 12, 15, 23, 30, 35, 40, 45, 86, 87, 88
33	Mauritius	1, 3, 4, 5, 5a, 6, 6a, 8, 8a, 9, 9a, 12, 15, 21, 23, 28, 40, 43, 45, 50, 58, 63, 68, 83, 86, 87, 88
34	Morocco	1, 3, 3a, 4, 4a, 5, 5a, 6, 6a, 11, 11a, 12, 12a, 14, 14a, 15, 15a, 21, 23, 28, 30, 33, 35, 38, 40, 43, 45, 48, 50, 86, 87, 88
35	Mozambique	1, 3, 4, 5, 6, 7, 9, 12, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
36	Namibia	1, 3, 3a, 4, 4a, 6, 6a, 9, 9a, 11, 11a, 12, 15, 21, 23, 30, 35, 40, 45, 50, 86, 87, 88
37	Niger	1, 3, 3a, 4, 4a, 6, 9, 12, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
38	Nigeria	1, 3, 4, 5, 6, 8, 9, 11, 12, 14, 15, 21, 23, 28, 30, 35, 40, 43, 45, 50, 60, 65, 70, 85, 86, 87, 88
39	Rwanda	1, 3, 4, 6, 9, 12, 15, 23, 30, 35, 45, 88
40	São Tomé and Príncipe	1, 3, 4, 6, 9, 12, 15, 23, 88
41	Senegal	1, 3, 3a, 4, 4a, 6, 9, 12, 15, 23, 30, 35, 40, 45, 50, 86, 87, 88
42	Seychelles	1, 3, 4, 6, 9, 12, 15, 23, 35, 45, 86, 87, 88
43	Sierra Leone	1, 3, 4, 6, 9, 12, 15, 23, 30, 35, 40, 45, 50, 88
44	Somalia	1, 3, 4, 6, 9, 12, 15, 23, 30, 35, 86, 87
45	South Africa	1, 3, 3a, 4, 4a, 6, 6a, 11, 11a, 12, 12a, 13, 13a, 13b, 13c, 15, 15a, 21, 23, 28, 30, 33, 35, 38, 40, 43, 45, 48, 50, 58, 63, 73, 78, 80, 83, 85, 86, 87, 88
46	Sudan	1, 3, 4, 6, 9, 12, 15, 23, 30, 35, 40, 45, 50, 88
47	Swaziland	1, 3, 4, 6, 9, 11, 12, 14, 15, 21, 23, 28, 35, 40, 50, 88
48	Tanzania	1, 3, 4, 5, 6, 9, 11, 12, 15, 22, 23, 23a, 30, 34, 35, 40, 45, 50, 86, 88
49	Togo	1, 3, 3a, 4, 4a, 6, 9, 12, 23, 30, 35, 40, 45, 50, 86, 87, 88
50	Tunisia	1, 3a, 3b, 4a, 4b, 5a, 5b, 6a, 6b, 7a, 7b, 7c, 7d, 9, 12a, 12b, 15, 22, 23, 30, 34, 35, 40, 45, 50, 86, 87, 88
51	Uganda	1, 3, 4, 5, 6, 6a, 11, 12, 12a, 15, 23, 30, 35, 40, 45, 50, 88
52	Zambia	1, 3, 4, 5, 11, 12, 23, 30, 35, 40, 45, 50, 86, 87, 88
53	Zimbabwe	1, 3, 4, 5, 23, 30, 35, 40, 45, 50, 86, 87, 88

## B. Sources of data

The FDI data in this as well as other volumes are reported largely as they were found in national official sources, both published and unpublished. International sources (such as the IMF's *International Financial Statistics* and *Balance of Payments Statistics Online*, the OECD's *Geographical Distribution of Financial Flows to Developing Countries*, the European Central Bank (ECB)) were also used where no national data were available, as were secondary sources. All data on the operations of TNCs and foreign affiliates are provided by national authorities. Some countries have more than one official source of investment statistics, and judgement was exercised in choosing among them.

The corporate data are based on official national sources, both published and unpublished, business directories and periodicals, company financial statements and secondary sources. TNCs are usually ranked in order of importance, according to size of sales or assets. Sales were preferred for non-financial entities and assets for financial entities. Where no data are available, TNCs are listed alphabetically. These tables are intended to give the reader a sense of the relative importance of individual TNCs in the home and host economy.

The national legal framework contains a listing of laws, regulations, official policy declarations and guides in the area of FDI as well as related fields. Those related fields have been selected with a



view towards their importance to FDI. They are collusive and restrictive trade practices; corporate law, including accounting and reporting regulations; incentives for, and restrictions on, FDI; mergers and acquisitions; securities; taxation; transfer of technology; industrial/intellectual property; labour relations and employment; and environmental protection. Official government gazettes and law collections were used where possible, as well as official investment guides. Secondary sources include the International Centre for Settlement of Investment Disputes, *Investment Laws of the World* (Dobbs Ferry, New York, Oceana, various years), professional journals, investment promotion agencies and the web sites of the Economist Intelligence Unit, the United States Commercial Service and the Investment Promotion Network.

The international legal framework for FDI comprises a wide variety of multilateral, regional and bilateral instruments. This volume contains information on four multilateral conventions that deal with issues of importance to FDI, namely, the settlement of disputes, the recognition and enforcement of foreign arbitral awards, industrial property rights and investment guarantees. Information on those multilateral instruments was obtained from documents made available by the international organizations or agencies that are depositories of the original conventions (World Bank, World Intellectual Property Organization, United Nations) and from the United Nations *Treaty Series*. There is also a listing of bilateral treaties for the promotion and protection of foreign investment or for the avoidance of double taxation. Both of these types of treaties are considered to be important elements of a favourable investment climate. Information on bilateral treaties was obtained from UNCTAD, BITs and DTT databases ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

The bibliographic information has been taken from the United Nations Bibliographic Information System and other commercial bibliographic databases, as well as from materials of UNCTAD.

### C. Industrial and geographical breakdown

The industrial and geographical breakdown are provided for the FDI and corporate data. The industrial breakdown used in the tables follows closely the third revision of the *International Standard Industrial Classification of All Economic Activities* (New York, United Nations, ST/ESA/STAT/SER.M/4/Rev.3, 1989). National data are not always reported in accordance with that code, however, and, in some cases, adjustments have been made in order to follow the International Standard Industrial Classification code. In the interest of space, the names of certain International Standard Industrial Classification industries have been shortened. Following is a list of all the industries (in the broad structure) referred to and their respective International Standard Industrial Classification codes.

<b>Primary</b>	
Agriculture, hunting, forestry and fishing	01, 02, 05
Agriculture and hunting	01
Forestry	02
Fishing	05
Mining, quarrying and petroleum	10,11,12,13,14
Mining and quarrying	10,12,13,14
Petroleum	11
<b>Secondary</b>	
Food, beverages and tobacco	15,16
Food products and beverages	15
Tobacco products	16
Textiles, clothing and leather	17,18,19
Textiles	17
Clothing	18
Leather and leather products	19
Wood and wood products	20,21
Manufacture of wood and wood products	20
Paper and paper products	21

Publishing, printing and reproduction of recorded media	22
Coke, petroleum products and nuclear fuel	23
Chemicals and chemical products	24
Rubber and plastic products	25
Non-metallic mineral products	26
Metal and metal products	27,28
Basic metals	27
Fabricated metal products	28
Machinery and equipment	29
Electrical and electronic equipment	30,31,32
Office, accounting and computing machinery	30
Electrical machinery and apparatus	31
Radio, television and communication apparatus	32
Precision instruments	33
Motor vehicles and other transport equipment	34,35
Motor vehicles, trailers and semi-trailers	34
Other transport equipment	35
Other manufacturing	36
Recycling	37
<b>Tertiary</b>	
Electricity, gas and water	40,41
Construction	45
Trade	50,51,52
Automotive trade and repair	50
Wholesale trade	51
Distributive trade	52
Hotels and restaurants	55
Transport, storage and communications	60,61,62,63,64
Transport and storage	60,61,62,63
Land transport including pipelines	60
Water transport	61
Air transport	62
Supporting and auxiliary transport activities	63
Post and communications	64
Finance	65,66,67
Financial intermediation	65
Insurance and pension funding	66
Activities auxiliary to financial intermediation	67
Business activities	70,71,72,73,74
Real estate	70
Rental activities	71
Computer and related activities	72
Research and development	73
Other business activities	74
Public administration and defense	75
Education	80
Health and social services	85
Community, social and personal service activities	90,91,92
Sewage and waste disposal, sanitation activities	90
Membership Organizations N.E.C.	91
Recreational, cultural and sporting activities	92
Other services	1120,93,95,99
Service activities incidental to oil and gas extraction excluding surveying	1120
Other service activities	93
Private households with employed persons	95
Extra-territorial organizations and bodies	99
<b>Private buying and selling of property</b>	
<b>Unspecified</b>	

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For the geographical and regional breakdowns, the classification of countries and territories as either developing, developed or Central and Eastern Europe is employed only for statistical and analytical convenience, and follows the breakdown outlined below, which follows closely United Nations practice. Those countries or territories reported by national sources under the heading "other countries", and which are not elsewhere classified, have been placed under the unallocated category. The unallocated component reported in the geographical breakdown may reflect investments by international organizations (for example, the International Finance Corporation or the Asian Development Bank) or other countries not available separately. The classification of developed and developing areas and territories is as follows:

***Developed areas:***

- Western Europe
- North America
- Other developed (Australia, Israel, Japan, New Zealand)

***Developing areas and territories:***

- Africa
- East, South and South-East Asia (excluding Japan)
- West Asia (excluding Israel)
- Central Asia
- Latin America and the Caribbean
- The Pacific (excluding Australia and New Zealand)

***Central and Eastern Europe***

**D. Reporting currency and exchange rates**

For most African countries, data are reported in United States dollars. Exchange rate conversion employed in this volume is presented in table 2.

**Table 2. Exchange rates of African economies, 1990-2006**  
(National currency per United States dollar)

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Algeria	12.1908	21.3919	22.7814	24.123	42.8925	52.175	56.1859	58.4139	60.3531	69.3143	75.3428	77.8196	79.7234	72.6128	72.6137	73.3799	71.1582
End of the period	8.95751	18.4729	21.8361	23.3454	35.0585	47.6627	54.7489	57.7074	58.739	66.5739	75.2598	77.215	79.6819	77.395	72.0606	73.2763	72.6466
Angola	0.000000	0.000000	0.000001	0.000007	0.000509	0.005692	0.201994	0.262376	0.6965	5.37992	16.8178	31.9494	58.6664	79.0815	85.9878	80.7795	80.2644
End of the period	0.000000	0.000000	0.000000	0.000003	0.000660	0.002750	0.128029	0.22904	0.392824	2.12804	10.0405	22.0579	43.5302	74.6063	83.5414	87.1591	80.3681
Benin	256.45	259	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
End of the period	272.265	282.107	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Botsswana	1.87126	2.07254	2.25683	2.56476	2.71739	2.82167	3.64431	3.80952	4.45831	4.63177	5.36193	6.98324	5.46746	4.4247	4.28082	5.51268	6.03136
End of the period	1.86047	2.02156	2.10973	2.42307	2.68465	2.77221	3.3242	3.65076	4.22588	4.6244	5.10182	5.84116	6.3278	4.94993	4.69289	5.11035	5.83657
Burkina Faso	256.45	259	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
End of the period	272.265	282.107	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Burundi	165.35	191.1	236.55	264.38	246.94	277.92	322.35	408.38	505.16	628.58	778.2	864.2	1071.23	1093	1109.51	997.78	997.78
End of the period	171.255	181.513	208.303	242.78	252.663	249.757	302.747	352.351	447.766	563.563	720.673	830.353	930.749	1082.62	1100.91	1081.58	1081.58
Cameroun	256.45	259	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
End of the period	272.265	282.107	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Cape Verde	66.085	66.47	73.089	85.9919	81.14	77.455	85.165	96.235	98.1575	109.765	118.506	125.122	105.149	87.308	80.9559	93.4729	83.7282
End of the period	70.0313	71.4083	68.0176	80.4266	81.8908	76.8533	82.5915	93.1767	94.255	103.502	119.687	123.228	117.168	97.703	88.8076	88.6703	87.9007
Central African Republic	256.45	259	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
End of the period	272.265	282.107	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Chad	256.45	259	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
End of the period	272.265	282.107	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Comoros	256.448	258.997	275.322	294.772	400.948	367.498	392.773	449.105	421.655	489.715	528.714	558.23	469.122	389.523	361.183	417.028	373.552
End of the period	272.262	282.105	264.69	283.16	416.399	374.357	383.66	437.747	442.459	461.775	533.982	549.779	522.741	435.9	396.214	395.601	392.168
Congo	256.45	259	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
End of the period	272.265	282.107	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Congo, Democratic Republic of	0.000000	0.000000	0.000007	0.000350	0.032500	0.14831	1.156	1.06	2.45	4.5	50.0001	313.6	382.14	372.52	444.088	431.279	431.279
End of the period	0.000000	0.000000	0.000215	0.000025	0.011941	0.070247	0.501849	1.31345	1.60666	4.01833	21.8183	206.617	346.485	405.178	395.93	473.908	473.908
Cote d'Ivoire	256.45	259	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
End of the period	272.265	282.107	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Dibouti	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721
End of the period	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721	177.721
Egypt	2	3.33221	3.33861	3.3718	3.391	3.39	3.388	3.388	3.388	3.405	3.69	4.49	4.5	4.5	6.1532	5.7322	5.7322
End of the period	1.55	3.13801	3.32175	3.35252	3.38513	3.39221	3.39148	3.38875	3.388	3.39525	3.47205	3.973	4.49967	5.85088	6.19624	5.77883	5.77883
Equatorial Guinea	256.45	259	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
End of the period	272.265	282.107	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Eritrea	2.07163	2.07163	5.00393	5.00393	5.95467	6.32497	6.43105	7.125	7.5969	9.6	10.2	13.7975	14.3089	13.7875	13.7875	15.375	15.375
End of the period	2.07	2.07	2.42531	5	5.44544	6.15421	6.35154	6.74932	7.3574	8.11901	9.62428	11.1077	13.9571	13.8756	13.7875	15.3679	15.3679

**Table 2. Exchange rates of African economies, 1990-2006 (continued)**  
(National currency per United States dollar)

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Ethiopia	2.07	2.07	5	5	5.95	6.32	6.426	6.864	7.503	8.134	8.314	8.583	8.5809	8.6206	8.6519	8.6812	8.7757
End of the period	2.07	2.07			5.465	6.15833	6.35168	6.70934	7.11591	7.94225	8.21726	8.45749	8.56775	8.59988	8.63558	8.66644	8.69862
Gabon	256.45	282.107	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
End of the period	272.265	264.692	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Gambia	7.49457	8.95736	9.21659	9.53471	9.57854	9.64041	9.89218	10.5296	10.9914	11.5473	14.8876	16.9319	23.3918	30.9598	29.6736	28.1348	28.1348
End of the period	7.88267	8.80265	8.8875	9.12883	9.57555	9.54625	9.78895	10.2002	10.6431	11.3951	12.7876	15.6872	19.9182	27.3059	30.0301	28.5754	28.5754
Average period																	
Ghana	344.828	390.625	520.833	819.672	1052.63	1449.28	1754.39	2272.73	2325.58	3535.14	7047.65	7321.94	8438.82	8852.32	9054.26	9130.82	9130.82
End of the period	326.332	367.831	437.087	649.061	956.711	1200.43	1637.23	2050.17	2314.15	2669.3	5455.06	7170.76	7932.7	8677.37	9004.63	9072.54	9072.54
Guinea	680	802.95	922.41	972.414	981.024	997.984	1039.13	1144.95	1298.03	1736	1882.27	1988.33	1976	2000	2550	4500	4500
Average period	660.167	753.858	902.001	955.49	976.636	991.411	1004.02	1095.33	1236.83	1387.4	1746.87	1950.56	1975.84	1984.93	2225.03	3644.33	3644.33
Guinea-Bissau	38.5942	76.2946	133.162	176.366	236.451	337.366	537.482	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
End of the period	33.6224	56.2863	106.676	155.106	198.341	278.039	405.745	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Average period																	
Kenya	24.0841	28.0741	36.2163	68.1631	44.8389	55.9389	55.0211	62.6778	61.9056	72.9306	78.0361	78.6	77.0722	76.1389	77.3444	72.3667	69.3967
End of the period	22.9148	27.5079	32.2168	58.0013	56.0506	51.4298	57.1149	58.7318	60.3667	70.3262	76.1755	78.5632	78.7491	75.9356	79.1739	75.5541	72.1008
Average period																	
Lesotho	2.56253	2.74303	3.053	3.3975	3.5435	3.6475	4.6825	4.8675	5.86	6.1545	7.5685	12.1265	8.64	6.64	5.63	6.325	6.97
End of the period	2.58732	2.76132	2.85201	3.26774	3.3508	3.62709	4.29935	4.60796	5.52828	6.10948	6.93983	8.60918	10.5407	7.56475	6.45969	6.35933	6.77155
Average period																	
Liberia	1	1	1	1	1	1	1	1	1	43.25	49.5	42.75	65	50.5	54.5	56.5	59.5
End of the period	1	1	1	1	1	1	1	1	1	41.5075	40.9525	48.5833	61.7542	59.3788	54.9058	57.0958	58.0133
Average period																	
Libyan Arab Jamahiriya	0.269873	0.268406	0.301297	0.325016	0.434371	0.426587	0.440984	0.469976	0.450358	0.46201	0.540348	0.650098	1.20979	1.30041	1.24427	1.352	1.28448
End of the period	0.283177	0.280728	0.281553	0.30437	0.348368	0.418145	0.4368	0.460866	0.467574	0.463811	0.51219	0.605064	1.27068	1.29294	1.30497	1.30838	1.31357
Average period																	
Madagascar	293.166	366.532	382.034	392.534	774.216	684.594	865.694	1056.93	1080.44	1308.64	1310.09	1326.24	1286.95	1219.62	1869.4	2159.82	2013.95
End of the period	298.829	367.072	372.793	382.757	613.467	853.126	812.25	1018.18	1088.28	1256.76	1353.5	1317.7	1366.39	1238.33	1868.86	2003.03	2142.3
Average period																	
Malawi	2.6469	2.6638	4.3958	4.4944	15.2986	15.3031	15.3231	21.2278	43.8836	46.4377	80.076	67.2941	87.1385	108.566	108.943	123.781	123.781
End of the period	2.72888	2.80331	3.60328	4.40278	8.7364	15.2837	15.3085	16.4442	31.0727	44.0881	59.5438	72.1973	76.6866	97.4325	108.898	118.42	118.42
Average period																	
Mali	256.45	282.107	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
End of the period	272.265	264.692	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Average period																	
Mauritania	77.84	77.82	115.1	124.16	128.37	137.11	142.45	168.35	205.78	225	252.3	264.12	268.71	265.6	257.19	270.61	270.61
End of the period	80.609	81.9458	87.0267	120.806	123.575	129.768	137.222	151.853	188.476	209.514	238.923	255.629	271.739	263.03	257.19	265.528	265.528
Average period																	
Mauritius	14.322	14.7939	16.998	18.6558	17.8626	17.6641	17.9715	22.265	24.7835	25.468	27.8817	30.3942	29.1968	26.0877	28.2044	34.3368	34.3368
End of the period	14.8635	15.6523	15.5632	17.648	17.9604	17.3863	17.9481	23.9927	25.1858	26.2496	29.1293	29.962	27.9015	27.4985	29.4662	31.7081	31.7081
Average period																	
Morocco	8.0429	8.1499	9.0487	9.6512	8.9596	8.4689	8.7995	9.7141	9.2551	10.087	10.619	11.56	10.167	8.7499	8.2177	9.2494	8.4566
End of the period	8.24234	8.70655	8.53787	9.29871	9.20272	8.54024	8.71588	9.52711	9.60442	9.80442	10.6256	11.303	11.0206	9.57438	8.8602	8.86501	8.79558
Average period																	
Mozambique	1.03815	1.8454	2.9514	5.34316	6.651	10.89	11.377	11.543	12.366	13.3	17.1405	23.3204	23.8543	23.8567	18.8993	24.183	25.97
End of the period	0.929089	1.43447	2.51655	3.87424	6.03859	9.02433	11.2937	11.5436	11.8746	12.7751	15.2272	20.7036	23.678	23.7823	22.5813	23.061	25.4008
Average period																	
Namibia	2.5625	2.74303	3.053	3.3975	3.5435	3.6475	4.6825	4.8675	5.86	6.1545	7.5685	12.1265	8.64	6.64	5.63	6.325	6.97
End of the period	2.58732	2.76132	2.85201	3.26774	3.3508	3.62709	4.29935	4.60796	5.52828	6.10948	6.93983	8.60918	10.5407	7.56475	6.45969	6.35933	6.77155
Average period																	

Table 2. Exchange rates of African economies, 1990-2006 (continued)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
(National currency per United States dollar)																	
Economy																	
Niger																	
End of the period	256.45	259	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
Average period	272.265	282.107	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Nigeria																	
End of the period	9.0009	9.86193	19.6464	21.8818	21.9974	21.8866	21.8861	21.886	21.886	97.95	109.55	112.95	126.4	136.5	132.35	129	129
Average period	8.03829	9.90949	17.2984	22.0654	21.996	21.8953	21.8844	21.886	21.886	92.3381	101.697	111.231	120.578	129.222	132.888	131.274	131.274
Rwanda																	
End of the period	121.12	119.79	146.27	146.37	138.33	299.811	304.164	304.672	320.338	349.53	430.486	457.9	511.854	580.28	566.86	553.719	548.652
Average period	112.6	171.18	179.421	144.237	140.704	262.182	306.098	301.321	313.717	337.831	393.435	442.801	476.327	537.658	574.622	555.841	552.555
Senegal																	
End of the period	256.45	259	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
Average period	272.265	282.107	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Seychelles																	
End of the period	5.1188	5.0627	5.2545	5.2579	4.9695	4.8639	4.9946	5.1249	5.4521	5.3676	6.2689	5.7522	5.055	5.5	5.5	5.5	5.7955
Average period	5.3369	5.28931	5.12198	5.18153	5.05586	4.76197	4.96998	5.02634	5.26219	5.34258	5.71382	5.85754	5.48003	5.40072	5.5	5.5	5.51969
Sierra Leone																	
End of the period	188.679	434.783	526.316	577.634	613.008	943.396	909.091	1333.33	1590.76	2276.05	1666.67	2161.27	2191.73	2562.18	2860.49	2932.52	2973.94
Average period	151.446	295.344	499.442	567.459	586.74	755.216	920.732	981.482	1563.62	1804.2	2092.12	1986.15	2099.03	2347.94	2701.3	2889.59	2961.91
Somalia																	
End of the period	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average period	490.675	490.675	490.675	490.675	490.675	490.675	490.675	490.675	490.675	490.675	490.675	490.675	490.675	490.675	490.675	490.675	490.675
South Africa																	
End of the period	2.56253	2.74303	3.053	3.3975	3.5435	3.6475	4.6825	4.8675	5.86	6.1545	7.5685	12.1265	8.64	6.64	5.63	6.325	6.97
Average period	2.58732	2.76132	2.85201	3.26774	3.3508	3.62709	4.29935	4.60796	5.52828	6.10948	6.93983	8.60918	10.5407	7.56475	6.45969	6.35933	6.77155
Sudan																	
End of the period	0.450057	1.49929	13.5139	21.7397	40.001	52.6329	144.931	172.2	237.8	257.7	257.35	261.43	261.68	260.16	250.63	230.54	201.33
Average period	0.45	0.695564	9.74317	15.9314	28.9609	58.0874	125.079	157.574	200.802	252.55	257.123	258.702	263.306	260.983	257.905	243.606	217.153
Swaziland																	
End of the period	2.56253	2.74303	3.053	3.3975	3.5435	3.6475	4.6825	4.8675	5.86	6.1545	7.5685	12.1265	8.64	6.64	5.63	6.325	6.97
Average period	2.58732	2.76132	2.85201	3.26774	3.3508	3.62709	4.29935	4.60796	5.52828	6.10948	6.93983	8.60918	10.5407	7.56475	6.45969	6.35933	6.77155
São Tomé and Príncipe																	
End of the period	140.982	280.021	375.54	516.7	1185.31	1756.88	2833.21	6969.73	6885	7300	8610.65	9019.71	9191.84	9455.9	10104	11929.7	13073.9
Average period	143.331	201.816	321.337	429.854	732.628	1420.34	2203.16	4552.51	6883.24	7118.96	7978.17	8842.11	9088.33	9347.58	9902.32	10558	12445.4
Togo																	
End of the period	256.45	259	275.325	294.775	534.6	490	523.7	598.81	562.21	652.953	704.951	744.306	625.495	519.364	481.578	556.037	498.069
Average period	272.265	282.107	264.692	283.163	555.205	499.148	511.552	583.669	589.952	615.699	711.976	733.039	696.988	581.2	528.285	527.468	522.89
Tunisia																	
End of the period	0.83675	0.8645	0.95065	1.0466	0.9912	0.9508	0.9985	1.1475	1.101	1.2525	1.3853	1.4683	1.3341	1.2083	1.1994	1.3634	1.2971
Average period	0.878333	0.924621	0.894433	1.00374	1.01155	0.94575	0.973408	1.10591	1.13872	1.18623	1.37068	1.43871	1.42173	1.28846	1.24547	1.29743	1.33102
Uganda																	
End of the period	540	915	1217.15	1130.15	926.77	1009.45	1029.59	1140.11	1362.69	1506.04	1766.68	1727.4	1852.57	1935.32	1738.59	1816.86	1741.44
Average period	428.855	734.01	1133.83	1195.02	979.445	968.917	1046.08	1083.01	1240.31	1454.83	1644.48	1755.66	1797.55	1963.72	1810.3	1780.67	1831.45
United Republic of Tanzania																	
End of the period	195.056	219.157	335	479.871	523.453	550.36	595.64	624.57	681	797.33	803.26	976.3	976.3	1042.96	1042.96	1165.51	1261.64
Average period	195.056	219.157	335	479.871	523.453	550.36	595.64	624.57	681	797.33	803.26	976.3	976.3	1042.96	1042.96	1165.51	1261.64
Zambia																	
End of the period	42.7533	88.968	359.712	500	680.272	956.13	1282.69	1414.84	2298.92	2632.19	4157.83	3830.4	4334.4	4645.48	4771.31	3508.98	4406.67
Average period	30.2891	64.6397	172.214	452.763	669.371	864.119	1207.9	1314.5	1862.07	2388.02	3110.84	3610.94	4398.59	4733.27	4778.88	4463.5	3603.07
Zimbabwe																	
End of the period	0.002636	0.005051	0.005482	0.006935	0.008387	0.009311	0.010839	0.0186081	0.0373692	0.0381388	0.0550661	0.0550358	0.0550358	0.823723	5.72927	77.9646	77.9646
Average period	0.002452	0.003621	0.005098	0.006483	0.008152	0.008665	0.010002	0.0121133	0.0236791	0.0383012	0.0444179	0.0550521	0.0550358	0.697424	5.06866	22.3636	22.3636

Source: data from IMF.

## E. Definitions, descriptions and discrepancies in the data

### 1. FDI statistics

The two main definitions of FDI are contained in the *Balance of Payments Manual: Fifth Edition* (Washington, D.C., International Monetary Fund, 1993) and the second edition of the *Detailed Benchmark Definitions of Foreign Direct Investment: Third Edition* (Paris, Organisation for Economic Co-operation and Development, 1996).

According to the *Balance of Payments Manual*, FDI refers to investment made to acquire lasting interest in enterprises operating outside of the economy of the investor. Further, in cases of FDI, the investor's purpose is to gain an effective voice in the management of the enterprise. The foreign entity or group of associated entities that makes the investment is termed the "direct investor". The unincorporated or incorporated enterprise—a branch or subsidiary, respectively, in which direct investment is made—is referred to as a "direct investment enterprise". Some degree of equity ownership is almost always considered to be associated with an effective voice in the management of an enterprise; in the revised edition of the *Manual*, IMF suggests a threshold of 10 per cent of equity ownership to qualify an investor as a foreign direct investor.

Once a direct investment enterprise has been identified, it is necessary to define which capital flows between the enterprise and entities in other economies should be classified as FDI. Since the main feature of FDI is taken to be the lasting interest of a direct investor in an enterprise, only capital that is provided by the direct investor—either directly or through other enterprises related to the investor—should be classified as FDI. The forms of investment by the direct investor which are classified as FDI are equity capital, the reinvestment of earnings and the provision of long- and short-term intra-company loans (between parent and affiliate enterprises).

According to the benchmark definition of the OECD, a direct investment enterprise is an incorporated or unincorporated enterprise in which a single foreign investor either owns 10 per cent or more of the ordinary shares or voting power of an enterprise (unless it can be proved that the 10 per cent ownership does not allow the investor an effective voice in the management) or owns less than 10 per cent of the ordinary shares or voting power of an enterprise, yet still maintains an effective voice in management. An effective voice in management only implies that direct investors are able to influence the management of an enterprise and does not imply that they have absolute control. The most important characteristic of FDI, which distinguishes it from portfolio investment, is that it is undertaken with the intention of exercising control over an enterprise.

There is a notorious lack of comparability of the FDI data of different countries. This lack of comparability usually results in discrepancies between total outflows and total inflows or between outward stocks and inward stocks. There are three main causes for the lack of comparability and discrepancies. First, countries differ in their definitions of FDI, since most depart in one way or another from the conventions recommended by IMF or OECD. Second, countries differ in their methods of data collection; a principal problem is the difficulty of identifying the ultimate beneficiary as opposed to the immediate beneficiary of FDI. Third, corporate accounting practices and valuation methods differ between countries. Each of those groups of issues is discussed in turn below.

#### a. *Definitions of FDI*

##### (i) *Components of FDI*

As stated above, the components of FDI are equity capital, reinvested earnings and intra-company loans. As countries do not always collect data for each of those components, reported data on

FDI are not comparable across countries. In particular, data on reinvested earnings, the collection of which depends on company surveys, are often unreported by many countries.

(ii) *The threshold equity ownership*

Countries differ in the threshold value for foreign equity ownership which they take as evidence of a direct investment relationship. This is the level of participation at or above which the direct investor is normally regarded as having an effective say in the management of the enterprise involved. The threshold value usually involves chosen ranges of between 10 and 50 per cent, and in recent years it has tended to move towards the lower end of this range, owing to the fact that even a small shareholding may allow an effective voice in management. Some countries do not specify a threshold point, but rely entirely on other evidence, including companies' own assessments as to whether the investing company has an effective voice in the foreign firm in which it has an equity stake. The quantitative impact of differences in the threshold value used is relatively small, owing to the large proportion of FDI which is directed to majority-owned subsidiaries and branches.

(iii) *Defining a controlling interest and treatment of non-equity forms of investment*

Other than having an equity stake in an enterprise, there are many other ways in which foreign investors may acquire an effective voice. Those include subcontracting, management contracts, turnkey arrangements, franchising, leasing, licensing and production-sharing. A franchise (a firm to which business is subcontracted) or a company which sells most of its production to a foreign firm through means other than an equity stake are not usually collected, some countries have begun to contemplate doing so. For example, the OECD treats financial leases between direct investors and their branches, subsidiaries or associates as if they were conventional loans; such relationships will therefore be included in its revised definition of FDI.

**b. *Methods of data collection and national practices in the treatment of FDI***

(i) *Foreign exchange records versus company surveys*

Very often it is difficult for a country to comply with the recommended definitions and report on all three components of FDI because it relies exclusively on foreign exchange records of the central bank. Thus it is only able to account for capital which crosses its borders and not reinvested earnings. Another approach taken by some countries involves a requirement by the central bank of additional information from foreign investors.

Data on FDI flows are collected primarily for balance-of-payments purposes. However, the data are usually based on the exchange records of the central bank and are extremely limited in details. Some countries supplement their exchange records data with company surveys. In most cases, that involves a request for information on components of FDI not properly covered in the recording of foreign exchange transactions, the most important of which is reinvested earnings. This generally entails an annual company survey. In some countries, there is also a periodic census or benchmark survey which covers all aspects of FDI and may extend to other related variables. In several cases—such as Australia, Canada, Nigeria and the United States, for instance, surveys are the only source of FDI information.

Very often, however, stock data are not available for some developed countries (and for several developing countries) because of their reliance on the exchange records. Stock data may also be obtained from company surveys. If FDI flows were also obtained on the same basis, then cumulative FDI flows would equal FDI stocks because it would include, for example, changes in valuation due to depreciation. However, where FDI flow data are collected from exchange records and FDI stock data are derived from company surveys, cumulative FDI flows do not generally match stocks. Once again, one major source of discrepancies is that—in the absence of company surveys, and the presence of an exclusive reliance on records of exchange transactions—reinvested earnings are excluded from FDI flow data.



Another difficulty is that equity capital, as well as changes in intra-company loans between parents and affiliates, and reinvested earnings tend to fluctuate considerably between years and can be substantially revised. Although there may be attempts to revise the FDI-flow-data series accordingly, it can be difficult to attribute revisions to particular previous years. For that reason, proper adjustments are normally made only at the time of comprehensive surveys. Surveys also allow for a revaluation of assets which helps to ensure a more accurate assessment of investment stocks.

(ii) *Ultimate beneficial owner*

As stated above, FDI flow data are likely to be organized on the basis of the immediate host country and immediate investing country, rather than the ultimate host and ultimate investing country. Where funds are channelled through holding companies, major problems may be created in the compilation of an accurate geographical or industrial distribution of FDI. That often leads to an overstatement of investments, particularly in the financial sector, in or from financial centres. The ultimate investment's origins or intentions of the parent companies are lost as a consequence.

Some countries, however, have made efforts to reduce that problem. Surveys to collect data on FDI stocks can be drawn up in terms of either immediate or ultimate owners. A version of this appears in the German FDI data, where there is a distinction between primary and secondary FDI. Other countries have paid particular attention to trying to resolve the problem of ultimate beneficial ownership, which arises in the case of offshore companies or banks. Those are firms incorporated in countries which are typically offshore banking centres or tax havens (such as the Netherlands Antilles, Panama, Bermuda or the Cayman Islands) that are not active in the country of incorporation and have their management offices in other countries, generally that of the parent company.

Similar difficulties are encountered in cases of takeovers of firms. If a direct investor is taken over by a foreign firm from a different country, the host country will not always record the change in ownership. If an inward direct investment enterprise owned by a firm in country A is taken over by a firm in country B, the host country should record this as a disinvestment by A and as a direct investment by B; it is recognized, however, that countries do not always have the data to implement that recommendation.

Further problems sometimes arise where takeovers proceed in incremental stages. Early acquisitions are treated as portfolio investment and, consequently, are not included in FDI flows until such time that threshold level is reached. The flow data are not subsequently revised once the threshold level is reached; only the investment which takes the firm over the critical threshold and its following investments are recorded in FDI flows.

(iii) *Variety of sources for FDI data*

Many countries have a variety of sources for FDI data, including those collected by the central bank for balance-of-payments purposes and those collected by the board of investment or a similar institution for monitoring and investment promotion purposes.

Owing to the lack of comprehensive FDI data, especially in some countries and territories, it is necessary to draw upon the data provided by institutions responsible for the regulation or promotion of FDI. Allowances must then be made for the regulatory framework within which the data were gathered. For example, not all FDI may have to be registered with the authorities in question; it is possible that reinvested earnings or investments in ventures in which the foreign equity stake is below a certain percentage are excluded.

A typical occurrence is that data provided by those institutions are on approved FDI investments rather than on the investments actually implemented. Sometimes, geographical and sectoral disaggregation of FDI are available only for approved investments. In such cases, data on approved

investments provide crucial information, but their limitations must be acknowledged. Normally, approved investments are larger than those actually implemented.

(iv) *Industrial coverage and classification*

Sometimes, the industrial coverage of FDI reporting is limited, or the classification used by national bodies is incompatible with the second revision of the *International Standard Industrial Classification of All Economic Activities*. For a few countries, FDI data are highly aggregated in very broad categories. In addition, the industrial classification used may be based on either the primary activity of the parent company, or the primary activity of the affiliate. Exceptions are found in the German and United States FDI data, which are compiled in accordance with both of those criteria. The most common method is to rely on the industry of the parent firm; nevertheless, in some cases (for example, the United Kingdom) data are classified by the industry of the affiliate. In some countries, outward FDI is classified according to the industry of the parent company, while inward FDI is attributed to the industry of the affiliate.

(v) *The treatment of banks and other financial institutions*

There are particular problems relating to the measurement of FDI in the finance sector. The level of banking activity by local branches may bear little relationship to the assets owned by the parent banks. FDI data sometimes mistakenly include the deposits made by a parent bank in its foreign affiliates. This can give rise to a substantial overestimation of FDI, as the motivation for such deposits may be a response to interest-rate differentials, fiscal changes or political uncertainty. Thus, it is recommended that deposits made by a parent bank in its branches or subsidiaries abroad not be classified as FDI. Similarly, the intra-company flows between affiliated entities engaged in financial intermediation should be excluded from FDI.

**c. *Accounting practices***

(i) *Historical valuation of FDI*

A serious problem stems from the fact that data on FDI stocks usually represent the book value or historical costs of assets. This means that all assets are valued at the prices and exchange rates which prevailed at the time of acquisition. In a company's book of accounts, investments are recorded in terms of the prices paid at the time they were made and usually expressed in local currency units converted at the then-prevailing exchange rate.

This creates major difficulties if inflation or movements of exchange rates become significant. For economies with a significant inward or outward FDI stock established before 1970, the effect of high inflation in the 1970s has been complicated by the impact of dramatic exchange rate fluctuations in the 1980s. It is not possible to allow for these effects through the normal techniques of price indexing in a given currency, as the FDI data are neither at current nor constant prices and do not reflect a single exchange rate. This implies that cross-country comparisons of FDI data must be treated with caution. The United Nations System of National Accounts, the IMF and the Benchmark Definition of OECD recommend market values as the conceptual basis for valuation of stocks. Nevertheless, for practical purposes, OECD recognizes book values from the balance sheets of direct investment enterprises as the only widely available value for the estimation of stocks.

(ii) *Methods of consolidation*

Country rules differ as to how the transactions of the members of an enterprises group are to be consolidated. Foreign affiliates are divided into three categories: subsidiaries, associates and branches. Parent companies in most economies consolidate the accounts of subsidiaries, associates and branches in accordance with national accounting regulations. Such rules may differ from those of the recommended

definitions which suggest full consolidation. The reported FDI position of countries which do not adopt the fully consolidated system may be considerably understated.

(iii) *Capital gains and losses*

Some countries include realized capital gains and losses as affiliate income and, consequently, such figures may be represented in their FDI data under the category of reinvested earnings. Until recently, the United States had also included unrealized capital gains and losses in reinvested earnings. That was a major source of difficulty during the 1980s, when substantial exchange-rate fluctuations generated large unrealized capital gains and losses, which led to dramatic fluctuations in the United States FDI flow data. Such movements should be excluded from FDI figures as the changes in the investment position which they bring about are of a portfolio, or purely financial kind, rather than a change in FDI itself.

## 2. Corporate data

A transnational corporation is generally regarded as an enterprise comprising entities in more than one country which operate under a system of decision-making that permits coherent policies and a common strategy. The entities are so linked, by ownership or otherwise, that one or more of them may be able to exercise a significant influence over the others and, in particular, to share knowledge, resources and responsibilities with the others.

Once a TNC has been identified, it may be necessary to select the most important parent company for any given associate enterprise. Because the definition of a TNC does not specify majority control, it is possible for an enterprise to be an associate of more than one TNC. In such cases in the tables covering corporate data, enterprises have been treated as associates only of the parent with the highest percentage ownership.

Similarly, some TNCs are active in more than one industrial sector. Such TNCs are listed in the tables containing corporate data as being active only in the sector which is most predominant among its activities. In certain cases where a predominant activity could not be identified, the activities of TNCs have been listed as "diversified".

One of the most complex problems in the compilation of the data on TNCs is the identification of holding companies. In identifying such companies, attention was paid to the strategy of each holding company, including their definition of product or service offerings. If a holding company maintains a purely financial relationship with the companies that it holds, treating the companies themselves as its product, such a holding company would be classified as a financial institution. Alternatively, if a holding company actively involves itself in the management of the companies it holds, thereby treating the goods or services produced by those held companies as its own goods or services, such a holding company would be classified as being involved in the industrial sector of the companies it holds, and ranked accordingly.

Another problem with the corporate data presented in the tables arises from the fact that requirements for the consolidation of financial data differ between countries. Because TNCs, by their very nature, cross borders, the degree to which the financial data of any given TNC are consolidated is often uncertain. Therefore, the data on sales or assets of a foreign affiliate in the host country are not always compiled using the fully consolidated sales or assets of all foreign affiliates of its parent company. In most cases when data are reported on assets or sales of foreign affiliates or of domestically-based TNCs, the extent of consolidation is not known.

### 3. Legal information

#### *a. National framework*

The regulatory framework for FDI in a country or territory consists of laws, regulations, official policy declarations and guidelines that are relevant to FDI and related fields. Naturally, the regulatory framework for FDI differs considerably between countries. Some countries have specific legal frameworks regulating FDI. Others, like the United States, have very few or no laws specifically dealing with FDI. Many developing countries regulate FDI explicitly by enacting investment codes, or by passing laws that deal with the establishment of public investment boards or similar institutions. Others have not enacted FDI-related legislation. Instead, they have enacted industry-specific laws which regulate FDI. Since investment flows are often concentrated in specific industries, the investment laws and regulations that cover these industries have been included in the table relating to the legal framework for TNCs, in addition to basic FDI laws when they were available.

In the country profiles prepared for this volume, the laws and regulations have been selected to cover, *inter alia*:

- corporate law, including accounting and reporting regulations;
- incentives for, and restrictions on, FDI;
- mergers and acquisitions;
- securities;
- taxation (mainly corporate and individual income tax);
- transfer of technology;
- industrial/intellectual property;
- labour relations and employment;
- environmental protection.

Foreign exchange laws have been expressly omitted since this topic is fully covered in other specialized publication.<sup>1</sup> Similarly, customs law has also been omitted-in view of the space limitations-since, compared to the other areas mentioned, it bears only on one aspect of FDI.

To the extent available, the laws and regulations are listed in chronological sequence. They are not presented according to the subject matter of the instrument because the diversity and complexity of the national legal systems prevent such a classification. Laws and regulations that cover two or more legal areas are not unusual.

The citation of laws and regulations includes their title, year of enactment, date of enforcement and source. Where possible, the official source has been cited. In cases where the source is presented in a language other than English, French or Spanish, another source containing the English (official or unofficial) translation has sometimes been added. It should be mentioned, however, that due to considerable difficulties in tracing, updating and, last but not least, translating the relevant national legal instruments, the legal information presented in the individual country profiles compiled for this volume should be considered as a best-effort attempt to cover the vast area of FDI-related legislation in the region.

#### *b. International framework*

The present volume contains information on four major legally-binding multilateral instruments. Each of those instruments deals with a specific issue that is considered to be of importance for relations between foreign direct investors and host countries, namely, the settlement of disputes between States

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<sup>1</sup> See for example, International Monetary Fund, *Yearbook on Foreign Exchange Regulations* (Washington, D.C., International Monetary Fund, various issues).

and investors from other States; the recognition and enforcement of foreign arbitral awards; industrial property rights; and investment guarantees for non-commercial risks (that is, expropriation).

With respect to bilateral treaties, this volume provides information on two types of treaties, namely, bilateral treaties for the promotion and protection of foreign investment (BITs) and bilateral treaties for the avoidance of double taxation (DTTs). The former deal exclusively with investment issues. The latter deal with a significant aspect of foreign investment management, namely, the avoidance of double taxation. Both types of treaties have been concluded in large numbers between countries from all regions of the world and are considered to be important policy instruments for the promotion of investment flows.

## **F. Glossary**

### **1. FDI**

An investment involving a long-term relationship and reflecting a lasting interest of a resident entity in one economy (direct investor) in an entity resident in an economy other than of the investor. The direct investor's purpose is to exert a significant degree of influence on the management of the enterprise resident in the other economy. FDI involves both the initial transaction between the two entities and all subsequent transactions between them and among affiliated enterprises, both incorporated and unincorporated. FDI may be undertaken by individuals, as well as business entities.

#### ***FDI flows***

For associates and subsidiaries, FDI flows consist of the net sales of shares and loans (including non-cash acquisitions made against equipment, manufacturing rights, etc.) to the parent company plus the parent firm's share of the affiliate's reinvested earnings plus total net intra-company loans (short- and long-term) provided by the parent company.

For branches, FDI flows consist of the increase in reinvested earnings plus the net increase in funds received from the foreign direct investor.

FDI flows with a negative sign (reverse flows) indicate that at least one of the components in the above definition is negative and not offset by positive amounts of the remaining components.

#### ***Equity capital***

The foreign direct investor's net purchase of the shares and loans of an enterprise in a country other than its own.

#### ***Reinvested earnings***

The part of an affiliate's earnings accruing to the foreign investor that is reinvested in that enterprise.

#### ***Intra-company loans***

Short- or long-term loans from parent firms to affiliate enterprises or vice versa. In the case of banks, deposits, bills and short-term loans are excluded.

#### ***FDI stock***

For associate and subsidiary enterprises, it is the value of the share of their capital and reserves (including retained profits) attributable to the parent enterprise (this is equal to total assets minus total liabilities), plus the net indebtedness of the associate or subsidiary to the parent firm.

For branches, it is the value of fixed assets and the value of current assets and investments, excluding amounts due from the parent, less liabilities to third parties.

## **2. Operations of TNCs**

### ***Total assets***

Everything an incorporated or unincorporated enterprise owns which has a monetary value. The characteristics of assets are their control by the enterprise, the expectation that they will provide future benefits to the enterprise and that they are the outcome of a prior event or transaction. Total assets may be tangible (with physical substance, such as land and buildings) or intangible (without physical substance, such as patents and rights granted by a Government). The assets of a direct investment enterprise cover all the assets of the enterprise carried on its balance sheet, regardless of how they are financed; whether they are financed by the direct investors, or from other non-resident or resident sources.

Fixed assets are regarded as tangible assets with a useful life in excess of one year, which are used in the operation of a business enterprise and subject to depreciation. Current assets, on the other hand are regarded as tangible assets with a life of one year or less which can be readily turned into cash, for example, bank deposits, bills receivable and securities.

### ***Employment***

The figures reported for employment should include the number of full- and part-time employees on the payroll. The figures should not include contract and temporary employees who are not listed in the enterprise's payroll. Ideally, figures for part-time employees should be reported on a full-time equivalent basis (FTE). However, where data on a full time equivalent basis are difficult to obtain, countries should use the number of persons employed.

### ***Wages and salaries***

"Wages and salaries include the value of any social contributions, income taxes, etc., payable by the employee even if they are actually withheld by the employer ... and paid directly to social insurance schemes, tax authorities, etc., on behalf of the employee" (United Nations, *The System of National Accounts*, 1993, paragraphs 7.31-7.32).

### ***Sales***

Sales and turnover are used interchangeably to mean the same thing. "Sales measures gross operating revenues less rebates, discounts and returns. Sales should be measured exclusive of consumption and sales taxes on consumers, and value added taxes" (European Commission, IMF, OECD, UN, UNCTAD and WTO, *Manual on Statistics of International Trade in Services*, Final draft, September 2001, paragraphs 4.48 and 4.50). Sales consist of all goods and services invoiced by an establishment or enterprise during the reporting period. They also include all other charges passed on to the customer, for transportation, packaging etc. The figure used for sales should be after any price reductions, discounts and rebates and credits for returned packaging. Other operating income, financial income and extraordinary income should not be included in sales.

### ***Value added***

The difference at each stage of production between the cost of a product and the cost of all capital and labour input or any other input used to make this product. It "measures the value created by production". In essence, it is obtained by subtracting the value of inputs (the cost of materials, fuel and other supplies otherwise called intermediate consumption) from the value of an enterprise's gross output. "Gross value added is an unduplicated measure of output in which the value of the goods and services used as intermediate inputs are eliminated from the value of output" (United Nations, *The System of National Accounts*, 1993, paragraphs 6.222 and 6.223).

**Profits**

Gross profit refers to total sales revenue less payments of wages, salaries, rents, costs of raw materials and other costs incurred in carrying out the operations of the enterprise. Net profit, on the other hand, refers to gross profit less interest on loans and depreciation.

**Exports and imports**

Exports should represent the value of the enterprise's (or enterprise group's) total exports of goods and services, including its exports to its foreign affiliates. Imports should similarly cover total imports of goods and services, including those from foreign affiliates.

Merchandise exports should include general merchandise, goods exported for processing, repairs on moveable goods owned by non-residents such as ships, aircraft etc., goods procured in ports (goods sold to non-resident carriers – ships, aircraft etc.), and nonmonetary gold. (Repairs on goods are valued at the prices – the fees paid for the repairs and not the gross value of the goods.) Merchandise exports should be valued free on board (f.o.b.) at the frontier of the exporting country (IMF, *Balance of Payments Manual*, chapter X). Merchandise imports should also include general merchandise, goods imported for processing, repairs on the enterprise's moveable goods performed by non-residents, goods procured in foreign ports by those enterprises which are international carriers, and imports of non-monetary gold. Merchandise imports should also be valued f.o.b. at the frontier of the exporting country (IMF, *Balance of Payments Manual*, chapter X).

Exports and imports of services cover the enterprise's exports and imports of transportation and travel services, communications, construction, insurance, financial, computer and information services, royalties and license fees, and other business, personal, cultural and recreational services. Exports should also include any sales which the enterprise makes to foreign embassies and international institutions located in its country (IMF, *Balance of Payments Manual*, chapters XI, XII, and XIII).

**R&D expenditures**

“Research and development by a market producer is an activity undertaken for the purpose of discovering or developing new products, including improved versions or qualities of existing products, or discovering or developing new or more efficient processes of production” (United Nations, *The System of National Accounts*, 1993, paragraph 6.142). In the case of inward investment, direct investment enterprises should be asked to report total R&D spending within the host economy during the reporting period.

**R&D employment**

Data for the number of researchers are on the same basis as data for total employment. The data include all employees engaged in R&D.

**Royalty payments**

Monetary payments for the use of copyrighted or patented materials and production processes, or payments for the right of extraction of natural resources to the owner of these materials, processes or resources. These may be payments to a Government or to another business enterprise.

**Royalty receipts**

Receipts of monies for allowing the use of copyrighted or patented materials and production processes, or receipts from providing the right of extraction of natural resources by the owner of these materials, processes or resources. The owner may be a Government or another business enterprise.

### **3. The structure of TNCs**

A TNC is an enterprise, which is irrespective of its country of origin and its ownership, including private, public or mixed, which comprises entities located in two or more countries which are linked, by ownership or otherwise, such that one or more of them may be able to exercise significant influence over the activities of others and, in particular, to share knowledge, resources and responsibilities with the others. TNCs operate under a system of decision making which permits coherent policies and a common strategy through one or more decision-making centres. This definition does not regard the legal form and fields of activity of these entities.

In the above definition, the term "entities" refers to both parent enterprises, defined below, and other enterprises.

For working purposes, the UNCTAD considers a "transnational corporation" to be an entity controlling assets abroad.

#### ***Parent enterprise***

An incorporated or unincorporated enterprise, or group of enterprises, which has a direct investment enterprise operating in a country other than that of the parent enterprise.

#### ***Affiliate enterprise***

An incorporated or unincorporated enterprise in which a foreign investor has an effective voice in management. Such an enterprise may be a subsidiary, associate or branch (defined below).

#### ***Subsidiary enterprise***

An incorporated enterprise in the host country in which another entity directly owns more than half of the shareholders' voting power, or is a shareholder in the enterprise, and has the right to appoint or remove a majority of the members of the administrative, management or supervisory body.

#### ***Associate enterprise***

An incorporated enterprise in the host country in which an investor, together with its subsidiaries and associates, owns a total of at least 10 per cent, but not more than half, of the shareholders' voting power (the figure may be less than 10 per cent if there is evidence of an effective voice in management).

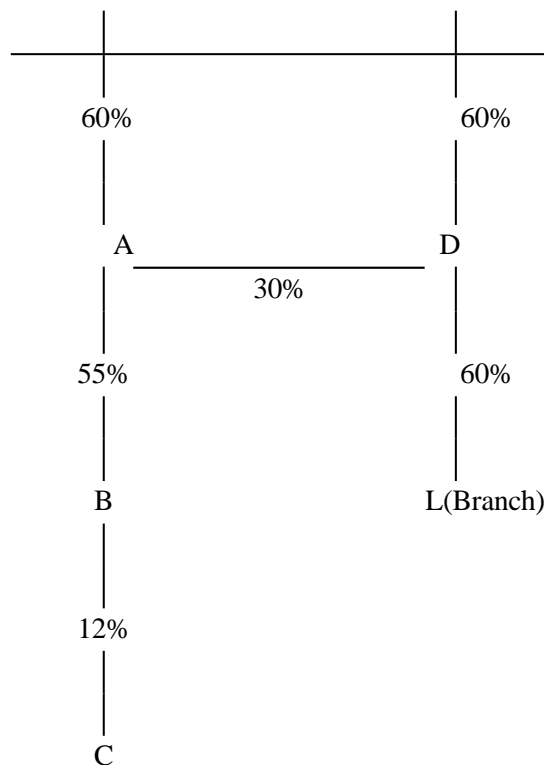
#### ***Branch***

An unincorporated enterprise in the host country which is one of the following: (i) a permanent establishment or office of the foreign investor; (ii) an unincorporated partnership or joint venture (defined below) between the foreign direct investor and one or more third parties; (iii) land, structures (except structures owned by government entities), and/or immovable equipment and objects directly owned by a foreign resident; (iv) mobile equipment (such as ships, aircraft, gas or oil-drilling rigs) operating within a country other than that of the foreign investor for at least one year.



Under the fully consolidated system:

**Enterprise N**



- A is a subsidiary of N;
- B is indirectly a subsidiary of N;
- C is an associate of B and hence of N, provided that B has an effective voice in the management of C;
- D is a subsidiary of N and an affiliate of A;
- L is a branch of D and hence of N.

**Joint venture**

A joint venture involves share-holding in a business entity having the following characteristics; (i) the entity was established by a contractual arrangement (usually in writing) whereby two or more parties have contributed resources towards the business undertaking; (ii) the parties have joint control over one or more activities carried out according to the terms of the arrangements and none of the individual investors is in a position to control the venture unilaterally.

A joint venture may take one of the following three forms.

(i) Jointly controlled entity; the joining together of two or more enterprises resulting in the creation of a third enterprise in order to undertake a specific business venture. It is not a continuing relationship like a partnership. A jointly controlled entity is established under contractual agreement whereby the parties to the agreement contribute resources towards the business undertaking. Both parties have control over the activities carried out according to the terms of the agreement and no party can control the joint venture unilaterally.

(ii) Jointly controlled assets: the coordinated use of parts of the investors' enterprises in order to work on a common project which does not form separate entity, and which operates with a loose organizational structure. The assets and expertise of each partner remain under the direct control of that partner.

(iii) Jointly controlled operation: the contribution of resources by investors to a joint venture project which is managed by either one of the investors or by a joint management team. In such a venture, a joint venture agreement defines the terms of the project, and each investor possesses an undivided interest in the assets of the project.

***Holding company***

A corporation that owns voting stock in another corporation and is able to influence its board of directors, and therefore control its policies and management. A holding company need not own a majority of the shares of the corporation or be involved in activities similar to those of the company it holds.



# **COUNTRY PROFILES**



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## Algeria

### A. Definitions and sources of data

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Foreign direct investment (FDI) in Algeria is defined as an equity investment made by a non-resident entity. In order that an investment is considered foreign, it must meet a minimum threshold level of foreign equity share relative to the total value of the investment. For investment of value less than or equal to 2 million Algerian Dinars, the threshold is 15%; for investment valued at between 2 million and 10 million Algerian Dinars, the threshold is 20%; and 30% for investments greater than or equal to 10 million Algerian Dinars. The Central Bank of Algeria keeps record of all FDI which involves foreign currency transactions. Data are also provided by the International Monetary Fund in its balance-of-payments statistics.

The Algerian new Investment Code, Ordonnance n° 01-03 du 20 Août 2001, was instituted with a view to stimulating investment in industries other than those related to petroleum. The Ordonnance recognizes the principle of freedom to invest in any and all activities, including those covered by specific regulations and there are no restrictions on the percentage of capital that can be held by a foreign investor, except in hydrocarbons, where foreign companies can own no more than 71% of capital. Algeria guarantees investors the right to repatriate profits and created the Agence de Promotion, de Soutien et de Suivi des Investissements as a one-stop shop for all foreign companies investing in the country. The agency provides support and assistance to foreign investors and determines which incentives foreign investors should receive. These incentives include exemption from customs duties for imported goods associated directly with the investment. To simplify the investment legislation, various investment codes for different industries had been unified into a code.

Among the areas open to foreign investors in Algeria are the huge reserves of natural gas and other hydrocarbons. The country is the largest supplier of natural gas to the European Union (EU). The Government of Algeria projects to increase oil and gas revenue over the coming decade and is eager to attract substantial foreign investment to the sector. It announced in 2002 that it would privatize, either fully or partly, 100 state-owned firms. But recently, Algeria changed its strategy towards investment in the oil and gas sector to increase the share of Sonatrach - the state-owned oil and gas Company, in all exploration and production contracts awarded to foreign investors. Sonatrach is obliged to hold a minimum 51% stake in exploration and production agreements, and all pipeline and refinery projects, whereas the original law provided for the company to have the option to take 20-30%, with the foreign partner guaranteed a majority stake. There was the insertion of a new article providing for a tax to be levied on foreign company oil profits realised at Dated Brent prices exceeding \$30 a barrel. The tax, to be applied with retroactive effect from August 1st 2006, will be on a sliding scale from 5-50%.

Algeria signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on April 17 1995 and is a member of the Arab Maghreb Union, New Partnership for Africa's Development and the African Union. In 2001, the country signed the Trade and Investment Framework Agreement with the United States, establishing the common principles on which the economic relationship is founded. Algeria also initialed an accord as part of the European Union's drive to build stronger relations with neighbors in the southern and eastern Mediterranean and has an observer status at the World Trade Organization. Central to the agreement is a dismantling of trade barriers over 12 years. It is expected that these will lead to implementation of more reforms, especially in the banking and finance industries and ultimately boost FDI inflows into Algeria.

## B. Statistics on FDI and the operations of TNCs

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	1 098.1	90.9
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	4.9	0.4
3. FDI stocks, 2006	10 151	721
4. FDI stocks as a percentage of GDP, 2006	8.9	0.6

Source: Based on tables 3 and 4 and UNCTAD, FDI/TNC database.

**Table 3. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	348.7	..	..	348.7	33.6	..	..	33.6
1981	13.2	..	..	13.2	14.6	..	..	14.6
1982	- 53.6	..	..	- 53.6	11.3	..	..	11.3
1983	0.4	..	..	0.4	14.6	..	..	14.6
1984	0.8	..	..	0.8	14.7	..	..	14.7
1985	0.4	..	..	0.4	2.4	..	..	2.4
1986	5.3	..	..	5.3	- 5.3	..	..	- 5.3
1987	3.7	..	..	3.7	15.1	..	..	15.1
1988	13.0	..	..	13.0	4.9	..	..	4.9
1989	12.1	..	..	12.1	8.2	..	..	8.2
1990	0.3	..	..	0.3	4.7	..	..	4.7
1991	11.6	..	..	80.0	50.3	..	..	0.0
1992	..	..	..	30.0	..	..	..	0.0
1993	..	..	..	0.0	..	..	..	0.0
1994	..	..	..	0.0	..	..	..	0.0
1995	..	..	..	0.0	..	..	..	0.0
1996	..	..	..	270.0	..	..	..	0.0
1997	..	..	..	260.0	..	..	..	0.0
1998	..	..	..	606.6	..	..	..	1.0
1999	..	..	..	291.7	..	..	..	47.0
2000	..	..	..	438.0	..	..	..	18.0
2001	..	..	..	1 196.0	..	..	..	9.0
2002	..	..	..	1 065.0	..	..	..	99.8
2003	..	..	..	633.8	..	..	..	14.2
2004	..	..	..	881.9	..	..	..	257.9
2005	..	..	..	1 081.3	..	..	..	56.9
2006	..	..	..	1 795.4	..	..	..	34.6

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)) based on the Bank of Algeria, unpublished.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment			Total	Outward investment			Total
	Equity	Reinvested earnings	Other		Equity	Reinvested earnings	Other	
1980	..	..	..	1 525.2	..	..	..	98.0
1981	..	..	..	1 538.4	..	..	..	112.6
1982	..	..	..	1 484.8	..	..	..	123.9
1983	..	..	..	1 485.2	..	..	..	138.5
1984	..	..	..	1 486.0	..	..	..	153.2
1985	..	..	..	1 486.4	..	..	..	155.6
1986	..	..	..	1 491.8	..	..	..	150.3
1987	..	..	..	1 495.5	..	..	..	165.3
1988	..	..	..	1 508.5	..	..	..	170.2
1989	..	..	..	1 520.6	..	..	..	178.4
1990	..	..	..	1 520.9	..	..	..	183.0
1991	..	..	..	1 600.9	..	..	..	183.0
1992	..	..	..	1 630.9	..	..	..	183.0
1993	..	..	..	1 630.9	..	..	..	183.0
1994	..	..	..	1 630.9	..	..	..	183.0
1995	..	..	..	1 630.9	..	..	..	183.0
1996	..	..	..	1 900.9	..	..	..	183.0
1997	..	..	..	2 160.9	..	..	..	183.0
1998	..	..	..	2 767.5	..	..	..	184.0
1999	..	..	..	3 059.2	..	..	..	231.0
2000	..	..	..	3 497.2	..	..	..	249.0
2001	..	..	..	4 693.2	..	..	..	258.0
2002	..	..	..	5 758.2	..	..	..	357.8
2003	..	..	..	6 392.0	..	..	..	372.0
2004	..	..	..	7 273.9	..	..	..	629.9
2005	..	..	..	8 355.2	..	..	..	686.8
2006	..	..	..	10 150.6	..	..	..	721.4

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Note: Data are estimated by accumulating flows since 1970.



**Table 6a. FDI flows in the host economy, by geographical origin, 1997-2006**  
(Millions of dollars)

Region / economy	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Total world</b>	..	598.8	291.4	467.0	1 196.6	..	..	..	..	..
<b>Developed countries</b>	..	565.4	271.0	418.5	794.3	..	..	..	..	..
Europe	..	286.2	177.4	188.6	429.5	..	..	..	..	..
European Union	..	285.5	177.3	186.4	420.3	..	..	..	..	..
Austria	..	1.2	0.4	2.7	5.1	..	..	..	..	..
Belgium	..	14.6	0.6	4.5	12.4	..	..	..	..	..
Czech Republic	..	0.0	0.2	2.4	1.1	..	..	..	..	..
France	..	76.7	137.5	49.5	80.4	..	..	..	..	..
Germany	..	20.1	7.8	66.5	37.8	..	..	..	..	..
Italy	..	92.8	11.8	9.3	34.4	..	..	..	..	..
Netherlands	..	2.8	0.6	1.3	71.9	..	..	..	..	..
Spain	..	16.2	16.4	35.6	152.9	..	..	..	..	..
Sweden	..	25.1	0.1	0.5	1.1	..	..	..	..	..
United Kingdom	..	36.0	2.0	14.2	23.3	..	..	..	..	..
Other developed Europe	..	0.7	0.1	2.1	9.2	..	..	..	..	..
Iceland	..	..	..	..	5.0	..	..	..	..	..
Switzerland	..	0.7	0.1	2.1	4.2	..	..	..	..	..
North America	..	262.5	90.8	208.9	356.0	..	..	..	..	..
Canada	..	5.7	0.9	3.2	1.6	..	..	..	..	..
United States	..	256.9	89.9	205.7	354.4	..	..	..	..	..
Other developed countries	..	16.6	2.8	21.1	8.8	..	..	..	..	..
Japan	..	16.6	2.8	21.1	8.8	..	..	..	..	..
<b>Developing economies</b>	..	25.7	6.5	38.0	381.3	..	..	..	..	..
Africa	..	0.4	0.1	3.7	363.3	..	..	..	..	..
Egypt	..	0.1	0.0	0.1	363.0	..	..	..	..	..
Tunisia	..	0.3	0.1	3.6	0.3	..	..	..	..	..
Latin America and the Caribbean	..	0.1	0.9	1.7	..	..	..	..	..	..
Brazil	..	0.1	0.9	1.7	..	..	..	..	..	..
Asia	..	25.3	5.5	32.5	17.9	..	..	..	..	..
West Asia	..	22.2	3.6	20.2	17.9	..	..	..	..	..
Bahrain	..	..	..	8.1	13.0	..	..	..	..	..
Jordan	..	0.1	..	0.6	0.3	..	..	..	..	..
Kuwait	..	..	1.2	2.2	..	..	..	..	..	..
Qatar	..	0.1	0.6	9.2	2.1	..	..	..	..	..
Turkey	..	22.0	1.8	0.1	2.5	..	..	..	..	..
South, East and South-East	..	..	..	..	..	..	..	..	..	..
Asia	..	3.1	1.9	12.3	0.1	..	..	..	..	..
China	..	0.4	1.8	12.2	..	..	..	..	..	..
Korea, Republic of	..	2.7	0.1	0.1	0.1	..	..	..	..	..
<b>South-East Europe and the CIS</b>	..	1.1	8.5	1.2	1.2	..	..	..	..	..
Ukraine	..	1.1	8.5	1.2	1.2	..	..	..	..	..
<b>Unspecified</b>	..	6.7	5.4	9.3	19.9	..	..	..	..	..

Source: UNCTAD, FDI/TNC database based on the Bank of Algeria, unpublished.

**Table 6b. FDI flows in the host economy, by geographical origin, 1995-2006**

(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	- 47.9	- 44.3	- 38.3	- 35.6	- 34.1	- 24.9	- 7.2	-	- 1.1	-	-	-
China	-	-	-	-	-	-	-	-	2.5	11.2	84.9	-
Cyprus	-	-	-	-	-	-	-	8.2	0.9	-	-	-
France	1.3	11.5	10.1	11.1	20.2	64.5	47.4	19.8	24.8	50.9	98.2	205.7
Germany	2.1	- 8.0	-	- 0.6	-	-	- 0.9	- 9.4	24.8	5.0	- 13.7	38.9
Portugal	-	-	-	0.3	0.0	-	-	-	0.6	0.4	0.2	- 7.1
Korea, Republic of	0.1	-	22.0	8.3	1.4	3.6	0.1	- 8.3	0.7	1.7	2.8	-
Sweden	-	-	-	-	-	-	-	- 0.9	-	-	-	-
United States	71	638	729	1 403	- 1 149	409	1 416	- 244	636	- 95	66	1 246

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**

(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	-	-	-	1.1	-	0.9	9.8	-	-	-	-	-
Bulgaria	-	-	-	-	-	-	-	-	-	- 0.1	-	0.1
Cyprus	-	-	-	-	-	-	-	- 0.2	-	-	-	-
France	3.9	2.6	5.6	- 1.1	78.8	6.4	4.5	56.5	12.4	9.9	3.7	55.2
Germany	-	-	-	-	-	-	-	0.9	-	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-	-	-	-	- 0.4
Morocco	-	-	-	-	-	1.9	6.6	2.0	0.1	2.8	0.2	0.1
Korea, Republic of	-	-	-	-	-	-	0.2	1.1	-	-	-	-
Sweden	-	-	-	-	-	-	-	2.1	-	-	-	-
Tunisia	-	-	-	-	-	-	0.6	0.6	0.9	1.4	3.9	0.2
United States	-	-	-	-	- 1.0	-	-	-	-	-	-	- 2.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**

(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Canada	39.6	65.0	58.8	75.1	81.8	67.3	35.8	-	60.4	-	230.1	238.6
China	-	-	-	-	-	-	-	-	5.7	34.5	171.2	-
Croatia	-	-	-	-	-	-	-	2.2	2.2	2.2	2.2	2.2
Czech Republic	-	-	-	-	-	-	-	0.1	0.1	0.2	-	-
Denmark	-	-	-	-	-	-	-	-	-	379.9	349.6	355.2
Germany	-	-	-	50.8	49.2	49.3	44.9	48.2	70.7	132.1	147.5	-
Morocco	-	-	-	-	-	-	-	0.0	1.1	1.2	0.3	0.5
New Zealand	-	-	-	-	-	-	-	-	-	-	21.1	-
Norway	-	-	-	-	-	-	-	-	1 048	1 523	1 421	-
Portugal	-	-	-	-	-	-	-	-	-	1.4	-	-
Korea, Republic of	75.8	75.8	97.8	106.1	107.4	111.1	111.2	102.8	103.5	105.2	107.9	-
United States	224	1 068	1 890	3 330	1 929	2 333	3 629	3 384	4 080	4 001	4 076	5 342

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**

(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Bulgaria	-	-	-	-	-	0.1	0.1	0.1	0.1	0.0	0.0	0.2
Kazakhstan	-	-	-	-	-	-	-	-	-	0.0	0.0	- 0.3
Korea, Republic of	-	-	-	-	-	-	0.3	1.3	1.3	1.3	1.4	1.4
Saudi Arabia	-	-	-	-	-	2.0	-	-	-	-	2.0	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Tables 21. Number of affiliates of Algerian TNCs by geographic location abroad, 1995-2006**

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Tunisia	..	..	..	..	..	..	..	..	..	..	..	38
United States	1	1	2	2	1	1	1	1	1	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1995-2006**

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Germany	..	..	..	4	5	7	6	6	7	6	10	..
Italy <sup>a</sup>	3	..	3	..	..	..	..	..	..	..	..	..
Republic of Korea	..	2	3	3	3	3	3	2	2	2	4	..
United States	11	13	13	16	11	12	13	13	16	18	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 30. Assets of affiliates of foreign TNCs in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Germany	..	..	..	59.8	100.5	186.1	176.3	..	..	..	..	..
United States	498	1 560	2 329	3 723	..	..	..	5 954	5 828	6 655	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin, 1995-2006**  
(Thousands of employees)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium	..	..	..	..	..	..	0.02	..	..	..	..	..
Czech Republic	..	..	..	..	..	..	..	..	..	0.01	..	..
Germany	..	..	..	1.0	..	1.0	1.0	2.0	2.0	2.0	2.0	..
Italy	..	..	0.5	..	..	..	..	..	..	..	..	..
United States	..	0.8	1.1	2.6	1.3	2.3	2.7	3.9	3.5	3.5	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Czech Republic	..	..	..	..	..	..	..	..	..	0.5	..	..
Germany	..	..	..	56.8	106.5	92.1	89.5	188.2	225.7	124.2	160.8	..
Italy	2.5	..	7.8	..	..	..	..	..	..	..	..	..
United States	..	..	447	..	..	..	..	1 571	1 718	2 328	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Tables 48. Value added of affiliates of Algerian TNCs in the United States, 1995-2004**  
(Millions of dollars)

Table no.	Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
48	Value added <sup>a</sup>	..	..	..	..	..	..	..	15	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Tables 40 and 50. Wages and salaries and value added of affiliates of United States TNCs in Algeria, 1995-2004**  
(Millions of dollars)

Table no.	Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
40	Wages and salaries	53	35	49	74	70	89	118	182	168	184
50	Value added <sup>a</sup>	99	29	56	231	313	417	374	851	916	1 345

Source: UNCTAD, FDI/TNC database.

Note: Data are based on the information reported by the United States.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 86. Largest home-based TNCs, 2007**  
(Billions of dollars)

Company	Industry	Sales
<b>A. Industrial</b>		
Sonatrach	Petroleum expl./ref./distr.	41.8
Sté Nat. De L'électricité et du Gaz(SONELGAZ)	Electricity and Gas	1.4
Sté Nle De Raffinage du Pétrole(NAFTEC)	Petroleum expl./ref./distr.	1.3 <sup>a</sup>
Cévitral	Agro-Industry	1.0
Brown and Root-Condor	Petroleum expl./ref./distr.	0.5
Cosider	Construction	0.4
Peugeot Algérie	Automobile	0.3
Groupe Onab	Food products, beverages and tobacco	0.3
Sté Nat. Des Tabacs et des Allumettes(SNTA)	Food products, beverages and tobacco	0.3
Sté Nat. De Vehiculés Industriels(SNVI)	Automobile	0.2
Ent Nat. De Bâtiments Industrialisés(BATIMÉTAL)	Construction	0.2
Ent Nat. Des Travaux Aux Puits(ENTP)	Petroleum expl./ref./distr.	0.2 <sup>a</sup>
Groupe Indus. Des Productions Laitières(GIPLAIT)	Petroleum expl./ref./distr.	0.2
Ent. Nat. Des Grands Travaux Pétroliers(ENGTP)	Petroleum expl./ref./distr.	0.1
Ent. Nat. De Distribution des Médicaments	Pharmaceuticals	0.1 <sup>a</sup>
Groupe Saïdal	Pharmaceuticals	0.1
Groupe Avicole de l'Est(GAE ORAVIE)	Food products, beverages and tobacco	0.1 <sup>a</sup>
Ent. Nat. De Travaux d'Électrification(KAHRIF)	Food products, beverages and tobacco	0.1
<b>B. Tertiary</b>		
Groupe Naftal	Petroleum expl./ref./distr.	2.3 <sup>a</sup>
Algérie Télécom	Telecommunication	1.7
Orascom Télécom Algerié(OTA)	Telecommunication	1.1
Air Algerié	Air Transport	0.7
Groupe Blanky	Diversified Group	0.4 <sup>a</sup>
Ent. Nle des Services Aux Puits	Electricity/gas/water	0.2 <sup>a</sup>
Groupe CFAO Algérie	Retail trade	0.2
Wataniya Télécom Algerié	Telecommunication	0.2
Société Nationale de Génie Civil et Bâtiments	Construction	0.1
Enterprise Nationale des Peintures(ENAP)	Chemical and chemical products	0.1
Ent. Nat. De Trans. Maritime de Voyageurs(ENTMV)	Maritime transportation	0.1
Enterprise Portuaire d'Arzew(EPA)	Ports management	0.1
<b>C. Finance and Insurance</b>		
		<b>Sales</b>
Société Nationale d'Assurances(SAA)	Insurance	0.2
Cie Algérienne Assurance et Réassurance(CAAR)	Insurance	0.1

Source: Jeune Afrique Hors-Série No 14, Edition 2007.

<sup>a</sup> 2004.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home Economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Henkel Enead Algérie	Germany	Chemicals and chemical products	39	1 500 <sup>a</sup>
ZF Algérie	Germany	Machinery and equipment	..	..
Michelin Algérie	France	Rubber products	..	500
Glaxo Smith Kline Algeria Spa	England	Chemicals And Chemical Products	..	110
Fromagerie Bel Algerie Spa	France	Food products, beverages and tobacco	..	50
Total Fina Elf E&P Algérie	France	Petroleum	..	26
Dragados Industrial Algérie	Spain	Food products, beverages and tobacco	..	25
Qualitest Algérie	Switzerland	Mining and quarrying	..	..
BJSP	United States	Mining and quarrying	..	..
Nabors International	Bermuda	Petroleum	..	..
Mi-Algeria	United States	Petroleum	..	..
Helison Production	Germany	Petroleum	..	..
<b>B. Tertiary</b>				
Orascom Telecom	Egypt	Telecommunications	405	1 200
Peugeot Algérie PSA	France	Wholesale trade	380	200
Renault Algérie Spa	France	Wholesale trade	219	255
Jalco Jameel Algérie	Saudi Arabia	Wholesale trade	32	70 <sup>b</sup>
Algerian Business Machines	France	Wholesale trade	10	30 <sup>c</sup>
Societe Algerienne D'Hotellerie		Distributive Trade	4	340
Bergerat Monnoyeur	France	Wholesale trade	2	160 <sup>a</sup>
Ets Sahli Mohamed	Republic of Korea	Automotive trade and repair	0.2	7 <sup>a</sup>
Cieptal Spa	France	Wholesale trade	..	251
Diamal Spa	France	Wholesale trade	..	160
Soprema	France	Wholesale trade	..	130
NV Organon	Netherlands	Health and Social Services	..	30
ABB International Marketing	Switzerland	Research and development	..	22
Rhodia Algérie Spa	France	Wholesale trade	..	21
Basf Spa	Germany	Wholesale trade	..	20
Maersk Algérie	Denmark	Transport	..	20
Sika Outre Mer	Switzerland	Construction	..	15
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
Société Générale Algérie	France	Finance	..	170
Natexis Algérie	France	Finance	13	156 <sup>b</sup>
Paribas el Djazair	France	Finance	..	40 <sup>c</sup>

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

<sup>a</sup> 2001.

<sup>b</sup> 2002.

<sup>c</sup> 2003.

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## C. Legal Frameworks for Transnational Corporations

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Algeria is liberalizing and opening its economy to foreign direct investment inflows. In the effort to make it easy for transnational corporations and foreign investors to come into the country, it has adopted a number of legal instruments at national, bilateral and multilateral levels. The key instruments applicable in the country include the following:

### I. National framework

Decree for the Implementation of Ordinance N° 66-54, of March 3, 1966, Relating to Inventors' Certificates and Patents for Invention (N° 66-60 of March 19, 1966)

*Source:* Abu-Ghazaleh Intellectual Property, (<http://www.agip.com>).

Ordinance relating to Inventors' Certificates and Patents for Inventions (No. 66-54, of March 3, 1966) (JORA N° 19 du 08/03/1966)

*Source:* Abu-Ghazaleh Intellectual Property, (<http://www.agip.com>).

Ordinance N° 66-57 of 19 March 1966 concerning Trademark Law; effective on 24 March 1966 *Source:* Journal Officiel de la Republique Algerienne (Official Gazette of Algeria), 25 March 1966. (JORA N° 24 du 25/03/1966).

Decree for the Implementation of Ordinance N° 66-57 Of March 19, 1966 relating to Trademarks (N° 66-63 of March 26, 1966) (JORA N° 26 du 01/04/1966)

*Source:* Abu-Ghazaleh Intellectual Property, (<http://www.agip.com>).

Décret N° 66-120 du 19 mai 1966 fixant les taxes applicables en matière de certificats d'inventeurs et de brevets d'invention (JORA N° 42 du 27/05/1966).

Décret N° 74-204 du 01 octobre 1974 fixant les taxes applicables en matière de certificat d'inventeurs et de brevets d'invention (JORA N° 82 du 11/10/1974).

Ordinance N° 76-65 of 16 July 1976 on Appellations of Origin (JORA N° 59 du 23/07/1976)

*Source:* World Intellectual Property Organization, Industrial Property Laws and Treaties, No. 1, January 1977 (English translation).

Decree N° 76-121 of 16 July 1976 on the Rules for Registering and Publishing Appellations of Origin, and Laying Down the Relevant Fees (JORA N° 59 du 23/07/1976)

*Source:* World Intellectual Property Organization, Industrial Property Laws and Treaties, No. 1, January 1977 (English translation).

Law N° 82-13 of 28 August 1982 pertaining to the Organization and Operation of Mixed Economy Companies (JORA N° 35 du 31/08/1982)

*Source:* Middle East Executive Report (English translation), February 1984, p. 23.

Law No. 86-13 of 19 August 1986 amending Law N° 82-13 of 28 August 1982.

*Source:* Journal Officiel de la Republique Algerienne (Official Gazette of Algeria), 27 August 1986. (JORA N° 35 du 27/08/1986).

Law No° 86-14 of 19 August 1986 on Foreign Oil and Gas Investments.

*Source:* Journal Officiel de la Republique Algerienne (Official Gazette of Algeria), 27 August 1986. (JORA N° 35 du 27/08/1986).

Law N° 88-04 Establishing Rules Applicable to Public Economic Enterprises.

*Source:* Middle East Executive Report (English translation), July 1989, page 25. (JORA N° 02 du 13/01/1988)

Loi N° 88-25 du 12 juillet 1988 relative à l'orientation des investissements économiques privés nationaux (JORA N° 28 du 13/07/1988).

Law N° 89-01 of 7 February 1989 on Management Contracts (portant Code du Commerce)

*Source:* Journal Officiel de la Republique Algerienne (Official Gazette of Algeria), 8 February 1989 and MEER (English translation), June 1989, page 26. (JORA N° 06 du 08/02/1989).

Arrêté du 02 septembre 1989 portant délivrance du brevet d'invention (JORA N° 38 du 06/09/1989)

Law N° 90-10 of 14 April 1990 on Money and Credit, Effective 25 April 1990

*Source:* Journal Officiel de la Republique Algerienne (Official Gazette of Algeria), 18 April 1990.

Regulation CMC N° 90-03 of 8 September 1990 concerning Transfer of Capital into Algeria for Financing Business and Repatriation of Capital. (JORA N° 45 du 24/10/1990).

*Source:* Middle East Executive Report, December 1990, page 22 (English translation).

Regulation of CMC N° 90-04 of 8 September 1990 Concerning Procedures for the Approval of Wholesales and Distributors (JORA N° 45 du 24/10/1990)

*Source:* Middle East Executive Report (English translation), January 1989, page 24.

Il faut noter que la Loi N° 90-10 relative à la monnaie et au crédit a été abrogée par l'ordonnance N° 03-11 du 26 août 2003 qui renforce les attributions du Conseil de la monnaie et du crédit (CMC) ainsi que la supervision bancaire.

Law N° 90-11 of 21 April 1990 on Work Relations.

*Source:* Journal Officiel de la Republique Algerienne (Official Gazette of Algeria), 25 April 1990. (JORA N° 17 du 25/04/1990)

Implementing Law n° 90-22 of 18 August 1990 relative au registre de commerce (JORA N° 36 du 27/08/1990).

Legislative Decree N° 93-12 of 19 Rabie Ethani 1414 (5 October 1993) on Investment Promotion.

*Source:* Journal Officiel de la Republique Algerienne (Official Gazette of Algeria), N° 64 of 24 Rabie Ethani 1414 (10 October 1993).

Executive Decree No 94-319 of 12 Joumada El Oula 1415 (17 October 1994) on the organization of the Investment Promotion Agency. (JORA N° 67 du 19/10/1994)

*Source:* Republique Algerienne Democratique et Populaire, Services du Chef de Gouvernement, Agency de Promotion, de Soutien et de Suivi des Investissements. Les Publications de PAPSI - March 1995.

Executive Decree N° 94-320 of 12 Joumada El Oula 1415 (17 October 1994) on Free Zones

*Source:* Republique Algerienne Democratique et Populaire, Services du Chef de Gouvernement, Agency de Promotion, de Soutien et de Suivi des Investissements. Les Publications de l'APSI - March 1995 (JORA N° 67 du 19/10/1994).

Executive Decree N° 94-321 of 12 Joumada El Oula 1415 (17 October 1994) (portant application des dispositions de l'article 24 du decret législatif n°93-12 du 05/10/1993) (JORA N° 67 du 19/10/1994) on implementation of the Legislative Decree No 93-12 of 19 Rabie Ethani 1414 (5 October 1993) on Investment Promotion (JORA N° 64 du 10/10/1993).

*Source:* République Algérienne Démocratique et Populaire, Services du Chef de Gouvernement, Agency de Promotion, de Soutien et de Suivi des Investissements. Les Publications de PAPSI - March 1995.

Executive Decree N° 94-322 of 17 October 1994 (relatif à la concession de terrains domaniaux situés en zones spécifiques dans le cadre de la promotion de l'investissement) (JORA N° 67 du 19/10/1994) ; implements Legislative Decree No. 93-12 of 5 October 1993. (JORA N° 64 du 10/10/1993)

*Source:* République Algérienne Démocratique et Populaire, Services du Chef de Gouvernement, Agency de Promotion, de Soutien et de Suivi des Investissements. Les Publications de l'APSI - March 1995.

Décret exécutif N° 94-323 du 17 octobre 1994, fixant le seuil minimum des fonds propres relatifs aux investissements (JORA N° 67 du 19/10/1994).

Règlement du CMC (Conseil de la Monnaie et du Crédit) N° 94-17 du 22 octobre 1994 définissant la réglementation des changes spécifiques aux zones franches (JORA N° 83 du 21/12/1994).

Ordonnance N° 95-07 of 10 January 1995 relative aux assurances (JORA N° 13 du 08/03/1995)

*Source:* Official Journal of 14 January 1996.

Règlement du CMC (Conseil de la Monnaie et du Crédit) N° 2000-03 du 02 avril 2000 relatif aux investissements étrangers.

Règlement du CMC N° 2000-04 du 02 avril 2000 relatif aux mouvements des capitaux au titre des investissements de portefeuille des non résidents.

Ordonnance N° 01-01 du 27 février 2001 modifiant et complétant la Loi N° 90-10 du 14 avril 1990, relative à la monnaie et au crédit (JORA N° 14 du 28/02/2001).

Loi N° 01-04 du 09 mai 2001 portant approbation de l'Ordonnance N° 01- 01 du 27 février 2001 (JORA N° 27 du 13/05/2001).

Law N° 01-04 enacted on 20 August 2001 on organization, management and privatization of economic public enterprises, 20 august 2001 (JORA N° 47 du 22/08/2001).

*Source:* Algeria Interface: <http://www.algeria-interface.com/>.

Ordonnance N° 03-07 du 19 juillet 2003 relative aux brevets d'invention (JORA N° 44 du 23/07/2003).

Loi N° 03-19 du 04 novembre 2003 portant approbation de l'ordonnance N° 03-07 (JORA N° 67 du 05/11/2003).

Règlement du CMC N° 2005-03 du 06 juin 2005 relatif aux investissements étrangers (JORA N° 53 du 31/07/2005).

Ordonnance N° 01-03 concerning the Development of Investment, August 2001 (JORA N° 47 du 22/08/2001)

*Source:* Algeria Interface: <http://www.algeria-interface.com/french/economie/codeinvest290901.htm> (<http://www.algeria-interface.com/english/archives/index.htm>) and ([http://www.mem-algeria.org/cadre\\_legis/index.htm](http://www.mem-algeria.org/cadre_legis/index.htm)).

Mining Act Law N° 01-10 enacted on 3 July 2001 (JORA N° 35 du 04/07/2001)

*Source:* Democratic and Popular Republic of Algeria, Ministry of Energy and Mines, Journal Officiel N° 35 of 4 July 2001, ([http://www.mem-algeria.org/cadre\\_legis/Mining\\_act\\_2001.pdf](http://www.mem-algeria.org/cadre_legis/Mining_act_2001.pdf)).

Décret exécutif N° 2001-281 24 septembre 2001 relatif à la composition, organisation et au fonctionnement du Conseil National de l'Investissement (JORA N° 50 du 19/07/2005).

Décret exécutif N° 2001-282 du 24 septembre 2001 portant attribution, organisation et fonctionnement de l'Agence Nationale de Développement des Investissements « ANDI » (JORA N° 55 du 26/09/2001).



Law on Orientation in the Promotion of Small and Medium-Sized Enterprise (Law N° 01-18 Of December 12 2001). (JORA N° 77 du 15/12/2001)

Source: Foreign Tax Law, Bi-Weekly Bulletin, Index Volume 2001 (<http://www.foreignlaw.com/whatsnew.htm>).

Law Opening the Distribution of Electricity and Gas for Private Investment, 2001 (approved by the government) Loi n° 02-01 du 5 février 2002 relative à l'électricité et à la distribution du gaz par canalisation (JORA N° 8 du 6 février 2002)

Source: Algeria Interface: <http://www.algeria-interface.com/french/economie/loienergie251001.htm> and (<http://www.algeria-interface.com/english/archives/index.htm>).

Décret exécutif N° 2002-373 du 11 novembre 2002 portant création et fixant les statuts du Fonds de Garantie des Crédits « FGAR » (JORA N° 74 du 13/11/2002).

Une ordonnance récente (N° 03-02 du 19 juillet 2003) fixe les règles générales régissant les zones franches ainsi que le régime d'encouragement applicable aux investissements réalisés dans ces zones.

Décret exécutif N° 2003-78 du 25 février 2003 portant statut type des pépinières d'entreprises (JORA N° 13 du 26/02/2003).

Décret exécutif N° 2003-79 du 25 février 2003 fixant la nature juridique, les missions et l'organisation des Centres de facilitations des petites et moyennes entreprises « PME » (JORA N° 13 du 26/02/2003) ;

Décret exécutif N° 2003-80 du 25 février 2003 portant organisation et fonctionnement du Conseil National Consultatif pour la promotion des petites et moyennes entreprises « PME » (JORA N° 13 du 26/02/2003) ;

Décret Exécutif N° 2003-83 du 26 février 2003 modifiant et complétant le Décret Exécutif N° 99-44 du 13/02/1999, portant création et fixant les statuts du Fonds de Garantie des Risques découlant des micro-crédits (JORA N° 14 du 02/03/2003).

Décret exécutif N° 2003-106 du 05 mars 2003 modifiant et complétant le Décret Exécutif N° 98-200 du 09/06/1998, portant création et fixant les statuts du Fonds de Caution Mutuelle de Garantie risques/crédits jeunes promoteurs (JORA N° 17 du 09/03/2003).

Décret exécutif N° 2003-289 du 26 septembre 2003 modifiant et complétant le Décret Exécutif N° 98-200 du 09/06/1998, portant création et fixant les statuts du Fonds de Caution de Garantie risques/crédits jeunes promoteurs (JORA N° 54 du 10/09/2003).

Décret exécutif N° 2004-03 du 03 janvier 2004 portant création et fixant les statuts du Fonds de Caution Mutuelle de Garantie des risques /crédits des investissements des chômeurs promoteurs âgés de 35 à 50 ans (JORA N° 03 du 11/01/2004).

Décret présidentiel N° 2004-13 du 22 janvier 2004 relatif aux dispositifs du micro-crédit (JORA N° 06 du 25/01/2004).

Décret exécutif N° 2004-14 du 22 janvier 2004 portant création et fixant les statuts de l'Agence Nationale de Gestion du Micro-crédit (JORA N° 06 du 25/01/2004).

Décret exécutif N° 2004-16 du 22 janvier 2004 portant création et fixant les statuts du Fonds de Garantie Mutuelle des Micro-crédits (JORA N° 06 du 25/01/2004).

Décret présidentiel N° 2004-134 du 19 avril 2004 portant statuts de la Caisse de Garantie des Crédits d'Investissements pour les petites et moyennes entreprises « PME » (JORA N° 27 du 28/04/2004).

Décret exécutif N° 2004-162 du 05 juin 2004 portant statut, organisation, missions et attribution de la Caisse nationale d'équipement pour le développement (JORA N° 36 du 06/06/2004) ;

Décret exécutif N° 2005-02 du 03 janvier 2005 modifiant et complétant le Décret Exécutif n° 04-16 du 22/01/2004, portant création et fixant les statuts du Fonds de Caution de Garantie Mutuelle des Micro-crédits « FGMMC » (JORA N° 04 du 09/01/2005).

Décret exécutif N° 2005-165 du 03 mai 2005 portant création, organisation et fonctionnement de l'Agence Nationale de Développement de la petites et moyennes entreprises « PME » (JORA N° 32 du 04/05/2005).

Loi N° 05-07 du 28 avril 2005 relative aux hydrocarbures (JORA N° 50 du 19/07/2005).

Décret exécutif N° 05- 275 du 02 août 2005 fixant les modalités de dépôt et de délivrance des brevets d'invention. (JORA N° 54 du 07/08/2005).

Business Facilitation (Miscellaneous Provisions) Act 2006

Source:<http://www.entreprisesmauriti.us.biz/busfactl.htm>,

<http://www.gov.mu/portal/site/MOFSite/menuitem.4ae1c08cc723f8f4e0aad110a7b521ca/>

## II. International framework

### A. Algeria is a party to the following multilateral and regional instruments:

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 10 June 1958, Entered into force on 7 June 1959.

Convention on the Settlement of Investment Disputes Between States and Nationals of Other States of 18 March 1965; entered into force on 14 October 1966.

Ordonnance N° 66-48 du 25 février 1966 portant adhésion de la République Algérienne Démocratique et Populaire à la Convention de Paris pour la protection de la propriété industrielle du 20 mars 1883 (JORA N°16 du 25/02/1966).

Convention Establishing the Inter-Arab Investment Guarantee Corporation of May 1971; entered into force in April 1974.

Ordonnance N° 72-16 du 07 juin 1972 portant ratification de la Convention relative à la création de l'Organisme Arabe pour la Garantie des Investissements (JORA N° 53 du 04/07/1972).

Ordonnance N° 74-47 du 25 avril 1974 portant ratification de la Charte de la Conférence Islamique (JORA N° 42 du 24/05/1974).

Agreement for the Promotion, Protection and Guarantee of Investment among Member States of the Organization of Islamic Conference, of 1 June 1981; entered into force on 23 September 1986.

Unified Agreement for the Investment of Arab Capital in the Arab States of 1982.

Paris Convention for Protection of Industrial Property of 20 March 1883, (revised at Brussels on 14 December 1900, Washington on 2 June 1911, the Hague on 6 November 1925, London on 2 June 1934, Lisbon on 31 October 1958, Stockholm on 14 July 1967, and as amended on 2 October 1979), signed in 1984.

Loi N° 88-18 du 18 juillet 1988 portant adhésion à la Convention pour la reconnaissance et l'exécution des sentences arbitrales étrangères adoptées par la Conférence des Nations Unies (JORA N° 28 du 13/07/1988).

Décret N° 88-233 du 15 novembre 1988 portant adhésion avec réserve à la Convention pour la reconnaissance et l'exécution des sentences arbitrales étrangères adoptées par la Conférence des Nations Unies à New York le 10 juin 1958 (JORA N° 48 du 23/11/1988).

Convention Establishing the Multilateral Investment Guarantee Agency of 11 October 1985; entered into force on 12 April 1988.

Il faut noter que la Loi N° 90-10 relative à la monnaie et au crédit a été abrogée par l'ordonnance N° 03-11 du 26 août 2003 qui renforce les attributions du Conseil de la monnaie et du crédit (CMC) ainsi que la supervision bancaire.

Décret Présidentiel N° 90-420 du 22 décembre 1990 portant ratification de la Convention entre les pays de l'Union du Maghreb Arabe (U.M.A) pour la promotion et la garantie des investissements signée à Alger le 23 juillet 1990 (JORA N° 06 du 06/02/1991).

Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit of 19 February 1992 entered into force on 1 August 1994.

Ordonnance N° 95-04 du 21 janvier 1995 portant ratification de la Convention pour le règlement des différends relatifs aux investissements entre Etats et ressortissants d'autres Etats (JORA N° 07 du 15/02/1995).

Ordonnance N° 95-05 du 21 janvier 1995 portant approbation de la Convention portant création de l'Agence Internationale de Garantie des Investissements (JORA N° 07 du 15/02/1995).

Décret Présidentiel N° 95-306 du 07 octobre 1995 portant ratification par l'Algérie de la Convention Unifiée pour l'Investissement des Capitaux Arabes dans les pays arabes (JORA N° 59 du 11/10/1995).

Décret Présidentiel N° 96-144 du 23 avril 1996 portant ratification par l'Algérie de la Convention portant création de la Société Islamique de Garantie des Investissements et de Crédit à l'Exportation (JORA N° 26 du 24/04/1996).

Décret Présidentiel N° 96-146 du 23 avril 1996 autorisant la participation de l'Algérie au capital de la Société Islamique de Garantie des Investissements et de Crédit à l'Exportation (JORA N° 26 du 24/04/1996).

Interface: <http://www.algeria-interface.com/french/economie/codeinvest290901.htm> (<http://www.algeria-interface.com/english/archives/index.htm>) and ([http://www.mem-algeria.org/cadre\\_legis/index.htm](http://www.mem-algeria.org/cadre_legis/index.htm)).

Une ordonnance récente (N° 03-02 du 19 juillet 2003) fixe les règles générales régissant les zones franches ainsi que le régime d'encouragement applicable aux investissements réalisés dans ces zones.

Trois ordonnances ont été promulguées le 19 juillet 2003:

L'ordonnance N° 03-06 relative aux marques,

L'ordonnance N° 03-07 relative aux brevets d'invention,

L'ordonnance N° 03-08 relative à la protection des schémas de configuration des circuits intégrés.

A l'exception de la ratification de la charte de la conférence islamique, aucune autre ratification de conventions, dans le cadre de l'OCI (Organisation de la Conférence Islamique), au nombre de douze, n'a été effectuée à ce jour. Au cours de la dernière conférence de l'OCI, tenue à Djeda en décembre 2005, une demande réitérée a été adressée aux pays membres qui n'ont pas ratifié ces conventions pour le faire. En

Algérie, lesdites conventions sont actuellement en cours d'études par les services du Ministère des Affaires Etrangères.

**B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** United States of America 1990, Belgium/Luxembourg 1991, Italy 1991, France 1993, Romania 1994, Spain 1994, China 1996, Germany 1996, Jordan 1996, Mali 1996, Qatar 1996, Viet Nam 1996, Egypt 1997, Syria Arab Republic 1997, Bulgaria 1998, Mozambique 1998, Niger 1998, Turkey 1998, Cuba 1999, Denmark 1999, Korea, Republic of 1999, Yemen 1999, Argentina 2000, Czech Republic 2000, Greece 2000, Indonesia 2000, Malaysia 2000, Oman 2000, Saint Helen 2001, South Africa 2001, United Arab Emirates 2001, Bulgaria 2002, Czech Republic 2002, Austria 2003, Bahrain 2003, Denmark 2003, Ethiopia 2003, Iran, Islamic Republic of 2003, Kuwait 2003, Libyan Arab Jamahiriya 2003, Nigeria 2003, Sudan 2003, Sweden 2003, Austria 2004, Portugal 2004, Sweden 2004, Switzerland 2004, Finland 2005, Portugal 2005, Russian Federation 2006, Tunisia 2006.

**2. Bilateral treaties for the avoidance of double taxation:** United Kingdom 1981, France 1982, Tunisia 1985, Libyan Arab Jamahiriya 1988, Morocco 1990, Belgium 1991, Italy 1991, Romania 1994, Turkey 1994, Syrian Arab Republic 1997, Bulgaria 1998, Qatar 1998, Canada 1999, Mali 1999, Viet Nam 1999, Bahrain 2000, Jordan 2000, Oman 2000, Poland 2000, Korea, Republic of 2001, United Arab Emirates 2001, Ethiopia 2002, Lebanon 2002, Spain 2002, Yemen 2002, Portugal 2003, Austria 2003, Spain 2005, Ukraine 2004, Russian Federation 2006, Switzerland 2006.

**C. Other treaties:**

Agreement with the government of the United States of America concerning the development of trade and investment relations (2001).

Euro-Mediterranean Agreement Establishing association with the European Communities and their member states (1976 and 2002).

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**D. Sources of information**

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**Official**

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Central Bank of Algeria (www.bank-of-algeria.dz).

**Secondary**

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## Angola

### A. Definitions and sources of data

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Foreign direct investment (FDI) is defined in Angola as the utilization of transferred capital, technology and transferable assets by non-residents on national territory with the aim of setting up a wholly or partly foreign owned business (Foreign Investment Law, Law 15 of Sept. 23, 1994). The Banco Nacional de Angola collects FDI data in Angola for compiling the balance-of-payments statistics. The International Monetary Fund also reports FDI data on Angola in its balance-of-payments statistics.

In 1994, Angola replaced its FDI regulation with a new and more liberal investment code. The new Code permitted FDI in various forms and most industries. Priority is given to the export-promoting or import-reducing investments. Foreign investors are allowed to transfer profits and to repatriate capital. Investors may enjoy certain incentives including exemptions from or the reduction of income tax and custom duties. Also in the same year, the Government of Angola shortened investment application procedures. It had established the Foreign Investment Office (FIO) in the Ministry of Economic Planning in 1989 with a view to promoting and supervising FDI, and providing guidance to potential foreign investors. Since then, foreign investment projects became subject to the approval of the Ministry of Economic Planning and the Council of Ministers. In project evaluation, these authorities consider the assessment of the FIO.

Angola has large potential for FDI. It has large reserves of oil and gas, diamond, considerable hydroelectric potential, varied agricultural land, adequate rainfall and well-stocked marine resources. It is the world's fourth largest diamond producer. The economy is now dominated by the capital-intensive oil sector which produces a large part of the gross domestic product. Massive investment is expected into the oil sector, particularly the deepwater extractions. Other minerals such as iron ore and gold were identified in surveys.

In recent years, Angola introduced some changes in corporate regulations to improve the poor state of its infrastructure, including through privatization and new licensing agreements. Since then, Angola Telecom has introduced a mobile phone network in Luanda and is gradually extending this to some of the larger towns. License was also granted to private cellular telephone companies for a joint venture that included Portugal Telecom, Sonangol and local investors. The authorities have equally concentrated on large new hydro-electric projects. Construction of the Capanda Dam on the Kwanza River resumed and the first turbine already started. The Angolan Government has set up an Institute to regulate the process of privatizing public enterprises through Luanda's new stock exchange, Bolsa de Valores e Derivativos de Angola (BVDA), which was constituted in March 2007. Initially only ten companies are expected to list on the BVDA, but the Government plans to expand the number to 40 within five years.

The country recently increased its effort to recapture international markets and trade by joining regional integration schemes and other trade and investment enhancing initiatives. Angola is a full and eligible member of the African Union, New Partnership for Africa's Development, the Common Market for the Eastern and Southern Africa, Southern Africa Development Community (SADC). Angola qualifies for the special and preferential market access schemes available to the least developed countries and is an eligible member of the United States' market access initiative for Africa – the African Growth and Opportunity Act, European Union's (EU) Everything But Arms initiative and the Cotonou Agreement for renegotiating the trade partnership agreement between African, Caribbean and Pacific countries with the EU. The SADC, particularly, is promoting a regional electricity grid thus alleviating the infrastructure problems and placing Angola as a potential leader in FDI inflows in Southern Africa. Angola is a member of the World Trade Organization.

## B. Statistics on FDI and the operations of TNCs

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	903.1	117.2
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	35.3	4.6
3. FDI stocks, 2006	10 993	462
4. FDI stocks as a percentage of GDP, 2006	25.1	1.1

Source: Based on tables 3 and 4 and UNCTAD, FDI/TNC database.

**Table 3. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	37.4	..	..	..	..
1981	..	..	..	49.1	..	..	..	..
1982	..	..	..	115.8	..	..	..	..
1983	..	..	..	104.3	..	..	..	..
1984	..	..	..	67.1	..	..	..	..
1985	-	..	278.0	278.0	-	-	-	-
1986	-	..	234.0	234.0	-	-	-	-
1987	-	..	119.0	119.0	-	-	-	-
1988	-	..	131.0	131.0	-	-	-	-
1989	-	..	200.0	200.0	-	-	-	-
1990	-	..	- 334.8	- 334.8	-	-	-	0.9
1991	-	26.4	336.1	664.5	-	-	-	-
1992	-	..	288.0	288.0	-	-	-	0.2
1993	-	100.0	202.1	302.1	-	-	-	2.0
1994	-	-	170.3	170.3	-	-	-	- 2.0
1995	-	-	472.4	472.4	-	-	-	- 1.0
1996	-	-	180.6	180.6	-	-	-	- 12.4
1997	-	-	411.7	411.7	-	-	-	4.0
1998	-	-	1 114.0	1 114.0	-	-	-	7.1
1999	0.1	0.0	2 471.4	2 471.5	-	-	-	24.8
2000	0.0	0.0	878.6	878.6	-	-	-	- 21.4
2001	0.0	0.0	2 145.5	2 145.5	-	-	-	- 37.6
2002	0.0	583.1	1 089.0	1 672.1	-	-	-	28.7
2003	0.0	679.6	2 825.1	3 504.7	-	-	-	23.6
2004	- 748.0	1 057.9	1 139.4	1 449.3	-	-	-	35.2
2005	0.0	1 139.7	-2 443.5	-1 303.8	-	-	-	219.4
2006	0.0	2 915.7	-2 953.5	- 37.8	-	-	-	190.6

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are based on information from the OECD for 1980-1984 and the National Bank of Angola thereafter. Outflow data are from the IMF for 1990, the national institution for 2002-2006 and proxy data for 1992-2001. Proxy data are based on investments reported by the following economies:

1992, France.

1993-1995, United States.

1996-2000, France, Portugal and the United States.

2001, Brazil, France, Portugal and the United States.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	60.8	..	..	..	..
1981	..	..	..	109.9	..	..	..	..
1982	..	..	..	225.7	..	..	..	..
1983	..	..	..	330.0	..	..	..	..
1984	..	..	..	397.2	..	..	..	..
1985	-	-	-	675.2	-	-	-	..
1986	-	-	-	909.2	-	-	-	-
1987	-	-	-	1 028.2	-	-	-	-
1988	-	-	-	1 159.2	-	-	-	-
1989	-	-	-	1 359.2	-	-	-	-
1990	-	-	-	1 024.4	-	-	-	0.9
1991	-	-	-	1 688.9	-	-	-	0.9
1992	-	-	-	1 976.8	-	-	-	1.1
1993	-	-	-	2 278.9	-	-	-	3.1
1994	-	-	-	2 449.2	-	-	-	1.1
1995	-	-	-	2 921.6	-	-	-	0.1
1996	-	-	-	3 102.2	-	-	-	- 12.3
1997	-	-	-	3 513.9	-	-	-	- 8.4
1998	-	-	-	4 627.8	-	-	-	- 1.2
1999	-	-	-	7 099.3	-	-	-	23.6
2000	-	-	-	7 977.9	-	-	-	2.2
2001	-	-	-	10 123.4	-	-	-	- 35.4
2002	-	-	-	11 795.5	-	-	-	- 6.7
2003	-	-	-	11 987.5	-	-	-	16.9
2004	-	-	-	13 436.7	-	-	-	52.1
2005	-	-	-	12 132.9	-	-	-	271.5
2006	-	-	-	10 992.9	-	-	-	462.1

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Inward stock data prior to 2002 are estimated by accumulating inflows since 1970. 2003-2006 are based on the national institution. Outward stock data are estimated by accumulating outflows since 1986.



**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	0.2	0.2	0.5	-
Denmark	-	-	-	-	-	-	-	-	-	-	4.0	58.4
France	85	27	- 115	33	251	51	38	- 192	- 79	22	- 42	44
Germany	-	12.0	15.6	6.3	-	-	2.7	- 2.8	-	2.5	2.5	-
Netherlands	-	-	18.1	28.9	42.6	-	-	-	-	-	-	-
Portugal	-	- 5.0	32.1	42.1	96.2	102.4	45.7	- 17.4	29.7	86.5	192.2	165.0
United States	-	- 65	203	273	443	79	342	- 263	- 36	47	- 43	- 206

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Brazil	-	-	-	-	-	-	0.5	2.9	0.6	0.5	0.4	2.3
Bulgaria	-	-	-	-	-	-	-	-	-	0.0	-	-
France	-	- 12.8	2.2	4.4	25.6	- 18.4	- 36.7	7.5	- 3.4	2.5	19.9	70.3
Portugal	-	1.3	3.1	0.7	0.2	1.0	1.6	1.1	3.8	2.4	7.2	12.0
United States	- 1.0	- 1.0	- 1.0	2.0	- 1.0	- 4.0	- 3.0	-	1.0	-	- 13.0	4.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Brazil	-	-	-	-	-	-	274.1	29.6	24.8	33.8	18.5	-
China	-	-	-	-	-	-	-	-	0.3	0.5	8.8	-
Denmark	-	-	-	-	-	-	-	-	-	3.8	11.5	48.6
Norway	-	-	-	-	549	513	827	1 240	1 675	2 400	2 334	-
Portugal	-	169	148	176	165	208	198	214	293	298	-	-
United States	659	594	798	1 116	1 535	585	1 220	1 110	1 067	1 074	1 038	1 096

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Brazil	-	-	-	-	-	0.3	-	-	-	-	-	-
Bulgaria	-	-	-	-	-	-	-	-	-	0.04	0.04	0.04
Portugal	-	6.6	6.6	29.2	26.1	25.1	24.7	31.5	49.3	58.6	-	-
United States	- 1.0	- 2.0	- 3.0	-	- 1.0	- 5.0	- 9.0	-	-	- 22.0	- 36.0	- 31.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2004**

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Italy	..	1	..	1	..	..	..	..	..	..	..
United States	10	10	12	13	13	17	18	21	22	22	16

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 28 and 43. Assets and sales of affiliates of Angolan TNCs in the United States, 1994-2004**  
(Millions of dollars)

Table no./Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
28. Assets	..	..	..	..	1	1	..	..	..	..	..
43. Sales	..	..	..	..	2	2	..	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

**Tables 30, 40 and 50. Assets, wages and salaries and value added of affiliates of United States TNCs in Angola, 1994-2004**  
(Millions of dollars)

Table no./Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
30. Assets <sup>a</sup>	..	..	1891	2350	1801	2882	3927	8210	9000	10436	11793
40. Wages and salaries	..	79	119	128	87	108	107	132	218	242	182
50. Value added <sup>a</sup>	..	865	1172	1064	636	1008	1813	1574	1802	2084	3068

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2004**  
(Thousands of employees)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Italy	..	0.3	..	0.3	..	..	..	..	..	..	..
United States	..	1.6	2.4	2.6	2.5	2.8	3.5	3.6	3.7	4	4.2

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2004**  
(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Italy	..	214.9	..	211.4	..	..	..	..	..	..	..
United States <sup>a</sup>	..	..	..	..	926	..	..	..	222	2 626	3 752

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

<sup>a</sup> Data refer to majority-owned affiliates only.

Table 87. Largest affiliates of home-based TNCs, 2007

(Millions of dollars and number)

Company	Host economy	Industry	Sales	Employees
<b>A. Industrial</b>				
..	..	..	..	..
<b>B. Tertiary</b>				
Sonangol USA 6866	United States	Wholesale trade	4.4	14
Puaça - Administração E Gestão, Lda	Portugal	Real estate		10
Ngol Bengo Ltd	Malta	Water Transport		3
Endiama China International Holding Limited	Hong Kong	Wholesale trade		1
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Kwaba Sociedade Industrial e Comercial	United States	Food products, beverages and tobacco	2 684	.. <sup>a</sup>
Efacec Angola Lda	Portugal	Electrical and electronic equipment	325	..
Cabinda Gulf Oil Company Limited	United States	Petroleum	100	..
Tecnosecil Investimentos e Participacoes	Portugal	Non-metallic mineral products	6	170 <sup>b</sup>
Tintas Cin de Angola	Portugal	Chemicals and chemical products	6	78 <sup>a</sup>
Bp Angola (Block 18) B V	United Kingdom	Petroleum	..	..
Texaco Panama Inc	United States	Petroleum	..	..
Cameron Angola Lda	United States	Machinery And Equipment	..	..
Esso Exploration Angola Ltd	United States	Petroleum	..	700 <sup>a</sup>
R and B Falcon Drilling Luanda Branch	United States	Petroleum	..	150
Ferpinta Angola Comercio e Industria	Portugal	Metal and metal products	..	80 <sup>a</sup>
Prefabricados de Luanda Ida	Portugal	Non-metallic mineral products	..	70
Quintas & Quintas Angola Condutores Electricos Angola	Portugal	Metal and metal products	..	70
<b>B. Tertiary</b>				
Pao De Acucar - Companhia Angolana Distribuicao Lda	Portugal	Wholesale trade	39 027	5
Alvalade Empreendimentos Turisticos E Hoteleiros Sarl	Portugal	Public Administration	447	70
Serafim L Andrade Sarl	Portugal	Hotels and Restaurants	447	35
Petromar Limitda	Italy	Research and development	96	400
Sonamet Industrial Sarl	Luxembourg	Construction	70	750 <sup>a</sup>
Sonils Sonangol Integrated Logistics Services Lda	United Kingdom	Research and development	60	108
Auto-Sueco Angola Sarl	Portugal	Wholesale trade	47	165
Habitar Sociedade Construcoes Lda	Spain	Research and development	30	50
Conduril Engenharia Angola Lda	Portugal	Research and development	22	252
Eusebios Angola Construcao Civil Lda	Portugal	Construction	20	600
Kuehne & Nagel (Angola) Transitarios Limitada	Switzerland	Supporting transport activities	17	..
T D A Comercio E Industria L D A	Portugal	Wholesale trade	13	..
Comatel Construcao Manutencao de Sistemas de Telecomunicacoes	Portugal	Telecommunications	10	290 <sup>a</sup>
Blackwood Hodge Angola Lda	Portugal	Wholesale trade	8	100
Orey Angola Comercio E Servicos Lda	Spain	Supporting transport activities	5	30
<b>C. Finance and insurance</b>				
			Assets	Employees
HSBC Equator Bank Plc	United Kingdom	Finance	..	..
Banco Totta de Angola	Spain	Finance	..	210
Banco Espirito Santo de Angola	Portugal	Finance	..	30
Banco de Fomento e Exterior	Portugal	Finance	..	30

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008

<sup>a</sup> 2004.

<sup>b</sup> 2003.

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**C. Legal frameworks for transnational corporations**

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Investors in Angola, particularly of foreign origin, are subject to specific regulations through national, bilateral and multilateral legal instruments. The key regulatory instruments that are applicable to all foreign investors in the country include:

**I. National framework**

Law relative to Oil Activities, Law No. 13/78, 1978.

*Source:* Ministry of Finance, Evaluation of Angolan Petroleum Sector, Executive Summary: Initial Report ([http://www.angola.org/referenc/reports/oil\\_diagnostic\\_eng.pdf](http://www.angola.org/referenc/reports/oil_diagnostic_eng.pdf)).

Decree No. 14/88, June 1988, replacing what was formerly: Conselho de Ministros. Decreto No. 180/80 de outubro 1980. Estatuto Orgânico da Secretaria de Estado da Cultura (Artigo 15º, Subsecção V: Do Instituto Nacional da Propriedade Intelectual).

*Source:* WIPO (<http://www.wipo.org>).

The Law of Economic Activities", Law No 10/88, of 2 July 1988.

*Source:* <http://209.183.193.172/business/law1394.html>

Copyright Law No. 4/90, March 1990.

*Source:* WIPO (<http://www.wipo.org>).

Industrial Property Law No. 3/92, February 1992.

*Source:* WIPO (<http://www.wipo.org>).

Law of Delimitation of the Sectors of Economic Activity (Law No. 13/94)

*Source:* [http://209.183.193.172/business/Private\\_invest\\_law\\_2003.pdf](http://209.183.193.172/business/Private_invest_law_2003.pdf)

Foreign Investment Law No. 15/94 of 23 September 1994, repeals Law 13/1988 of 16 June 1988.

*Source:* Unofficial translation. French Embassy in Luanda (1990), available at: Centre Francais du Commenrce Exterieur – Paris.

Decree 30/95 of 1995 related to the regulation of financial flows and currency exchange

*Source:* Ministry of Finance, Evaluation of Angolan Petroleum Sector, Executive Summary: Initial Report ([http://www.angola.org/referenc/reports/oil\\_diagnostic\\_eng.pdf](http://www.angola.org/referenc/reports/oil_diagnostic_eng.pdf)).

Foreign Exchange Law (Law No. 5/97)

*Source:* [http://209.183.193.172/business/Private\\_invest\\_law\\_2003.pdf](http://209.183.193.172/business/Private_invest_law_2003.pdf)

Republic Of Angola Law On The Bases For Private Investment Law, 2003.

*Source:* [http://209.183.193.172/business/Private\\_invest\\_law\\_2003.pdf](http://209.183.193.172/business/Private_invest_law_2003.pdf)

**II. International Framework****A. Angola is a party to the following multilateral and regional instruments:**

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7th June 1959.

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Charter on a Regime of Multinational Industrial Enterprises (MIEs) in the Preferential Trade Area for Eastern and Southern African States (PTA), signed on 21 November 1990, entered into force August 1995.

*Source:* Preferential Trade Area for Eastern and Southern African States: Report of the Sixteenth Meeting of the Council of Ministers, 17-19 november, 1990, Mbabane, Swaziland (PTA/CM/XVI/2)

Southern Africa Development Community (SADC), signed on 17 August, 1992.

*Source:* [http://www.sadc.int/about\\_sadc/history.php](http://www.sadc.int/about_sadc/history.php).

Treaty Establishing the Market for Eastern and Southern Africa (COMESA), 1993.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

## **B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Cape Verde 1997, Portugal 1997, United Kingdom 2000, Italy 2002, Germany 2003.

**2. Bilateral treaties for the avoidance of double taxation:**

## **D. Sources of information**

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### **Official**

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Banco Nacional de Angola (central bank - [www.bna.ao](http://www.bna.ao)).

Foreign investment Office ([www.minfin.gv.ao](http://www.minfin.gv.ao)).

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## Benin

### A. Definitions and sources of data

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In Benin, the Investment Code (Loi No. 82-005) governs all investment activities in the country, including foreign direct investment (FDI). The code does not contain an explicit definition of FDI. Data on FDI in the country are gathered from the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO). Data are also provided by the International Monetary Fund in its balance-of-payment statistics.

After the widespread programme of nationalization in the years following the independence, Benin started to liberalize its economy in 1989 as a means to increase private sector activities and FDI. By 2005, the Government of Benin had privatized or liquidated more than one hundred and fifty state-owned companies in such industries as cement, textiles, brewing and tobacco. The government is also committed to strengthening transparency in public administration and public procurement, and ending corruption.

Benin has some proven mineral reserves, notably marble, iron, and phosphate, though there is no significant mining activity in the country except quarrying of limestone. Following the liberalization programmes, gold exploration agreements have been signed with companies from Australia, Canada, Germany, Ghana, Nigeria, South Africa and the United Kingdom. Oil production, which began in 1982 by exploitation at the Sèmè oilfield ended in 1998 when reserves were exhausted, but there are hopes of new discoveries. Exploration was restarted in 2002. The national oil distribution company, Societe nationale de Commercialisation des Produits Petroliers (Sonacop), was privatized in 1999.

Benin signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on September 10, 1965 and is a member of the West African Economic and Monetary Union which imposes a common external tariff. Benin was also a founding member of the Economic Community of West African States and is engaged in a convergence programme for regional integration in the West African Franc Zone, the Union Economique et Monetaire Ouest-Africaine. Monetary policy is controlled by the regional central bank, BCEAO. Membership of the franc zone limits government borrowing and money creation, while the BCEAO sets interest rates. Benin is a member of the African Union, New Partnership for Africa's Development and is eligible for the United States' market access initiative for African countries – the African Growth and Opportunity Act, the European Union (EU) initiatives - Everything But Arms and the Cotonou Agreement for renegotiating the African, Caribbean and Pacific countries' partnership treaty with the EU. It is also eligible for all the market access under the generalized system of preferences schemes available to the least developed countries and a member of the World Trade Organization.



**B. Statistics on FDI and the operations of TNCs**

**Table 1. Summary of FDI**  
(Millions of dollars)

<b>Variable</b>	<b>Inward</b>	<b>Outward</b>
1. FDI flows, 2003-2006 (annual average)	56.2	- 0.6
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	7.0	- 0.1
3. FDI stocks, 2006	347	19
4. FDI stocks as a percentage of GDP, 2006	7.3	0.4

Source: Based on tables 3a and 4a and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	2.0	2.3	4.3	..	..	..	..
1981	..	1.2	0.9	2.1	..	..	0.0	0.0
1982	..	- 0.0	..	- 0.0	- 0.0	..	0.6	0.5
1983	..	0.0	..	0.0	..	..	0.5	0.5
1984	..	0.0	..	0.0	..	..	0.5	0.5
1985	..	..	..	- 0.1	..	..	..	..
1986	..	..	..	1.1	..	..	..	..
1987	..	..	..	0.1	..	..	..	..
1988	4.0	..	- 4.0	- 0.0	..	..	..	- 0.2
1989	32.8	0.2	29.1	62.1	..	..	..	- 0.3
1990	32.0	0.4	30.0	62.4	..	..	..	0.3
1991	61.3	0.4	59.1	120.8	..	..	..	0.4
1992	33.2	1.0	43.4	77.6	..	..	..	0.4
1993	13.1	1.1	- 12.8	1.4	..	..	..	0.7
1994	9.6	0.3	3.8	13.6	..	..	..	1.6
1995	11.4	0.0	- 4.0	8.0	..	0.6	..	0.6
1996	28.3	..	0.3	13.5	12.0	3.2	- 0.2	11.9
1997	18.1	9.3	- 1.4	13.7	0.1	..	12.0	12.1
1998	20.3	9.2	5.2	32.7	3.0	..	- 1.0	2.2
1999	35.3	6.3	- 2.3	39.3	0.8	0.0	0.7	1.4
2000	73.5	- 4.6	- 9.2	59.7	- 0.0	0.2	3.4	3.6
2001	18.7	- 3.8	28.9	43.9	0.9	0.4	0.9	2.3
2002	21.8	6.1	- 14.4	13.5	1.7	0.0	- 0.3	1.4
2003	28.6	13.3	2.8	44.7	1.9	0.2	- 1.7	0.3
2004	71.2	6.6	- 14.0	63.8	0.8	0.0	- 2.1	- 1.3
2005	23.9	- 0.7	29.9	53.0	- 7.8	- 0.9	8.3	- 0.4
2006	..	..	..	63.0	..	..	..	- 0.8

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the IMF for 1980-1984 and 1988-1989, OECD for 1985-1987, the Banque Centrale de l'Afrique de l'Ouest (BCEAO) for 1990-2005 and estimate for 2006. Outflow data are from the IMF for 1981-1984 and 1995, the Banque Centrale de l'Afrique de l'Ouest (BCEAO) for 1996-2005 and estimate for 2006. For 1988-1994 proxy data were used based on investments reported by the following economies: France, 1988-1989 and 1991-1993; Belgium and Luxembourg and France, 1990 and 1994.

**Table 3b. FDI flows, by type of investment, 1999-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1999	21 708	3 907	- 1 440	24 175	481	6	402	889
2000	52 332	- 3 242	- 6 559	42 531	- 29	147	2 433	2 551
2001	13 711	- 2 752	21 191	32 150	688	329	673	1 690
2002	15 206	4 245	- 10 036	9 415	1 155	5	- 219	941
2003	16 646	7 740	1 612	25 998	1 079	101	- 997	183
2004	37 630	3 487	- 7 389	33 728	417	14	- 1 123	- 692
2005	12 602	- 391	15 768	27 979	- 4 107	- 472	4 376	- 203

Source: UNCTAD, FDI/TNC database based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO), unpublished.

**Table 4a. FDI stocks, by type of investment, 1980-2006**

(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity & Reinvested earnings	Reinvested earnings	Other	Total	Equity & Reinvested earnings	Reinvested earnings	Other	Total
1980	..	..	..	- 300.3	..	..	..	0.2
1981	..	..	..	- 298.2	..	..	..	0.2
1982	..	..	..	- 298.2	..	..	..	0.8
1983	..	..	..	- 298.2	..	..	..	1.3
1984	..	..	..	- 298.2	..	..	..	1.8
1985	..	..	..	- 298.3	..	..	..	1.8
1986	..	..	..	- 297.2	..	..	..	1.8
1987	..	..	..	- 297.1	..	..	..	1.8
1988	..	..	..	- 297.1	..	..	..	1.6
1989	..	..	..	- 235.0	..	..	..	1.3
1990	..	..	..	- 172.6	..	..	..	1.6
1991	..	..	..	- 51.8	..	..	..	1.9
1992	..	..	..	25.7	..	..	..	2.3
1993	..	..	..	27.1	..	..	..	3.0
1994	..	..	..	40.8	..	..	..	4.6
1995	..	..	..	48.8	..	..	..	5.1
1996	52.3	..	10.0	62.3	..	..	..	17.0
1997	42.2	..	4.7	46.9	..	..	..	29.1
1998	56.1	..	10.8	67.0	..	..	..	31.3
1999	68.5	..	4.9	73.5	4.9	..	0.7	5.6
2000	136.5	..	76.7	213.2	6.5	..	4.0	10.5
2001	71.2	..	102.6	173.8	7.9	..	4.7	12.6
2002	93.3	..	83.0	176.3	11.1	..	5.1	16.2
2003	132.1	..	99.1	231.2	15.6	..	4.1	19.7
2004	194.6	..	74.4	269.0	18.1	..	- 8.8	9.3
2005	182.4	..	102.0	284.3	16.2	..	3.4	19.6
2006	..	..	..	347.3	..	..	..	18.8

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock prior to 1996 are estimated by subtracting inflows from the stock of 1996. 1996-1998 are based on the IMF. 1999-2005 are based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO). 2006 is estimated by adding flows to the 2005 stock. Outward stock prior to 1999 are estimated by accumulating outflows since 1979. 1999-2005 are based on the BCEAO. 2006 is estimated by adding flows to the 2005 stock.

**Table 4b. FDI stocks, by type of investment, 1999-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity & Reinvested earnings	Reinvested earnings	Other	Total	Equity & Reinvested earnings	Reinvested earnings	Other	Total
1999	44 752	..	3 231	47 983	3 205	..	443	3 648
2000	96 226	..	54 069	150 295	4 584	..	2 832	7 416
2001	52 979	..	76 399	129 378	5 870	..	3 509	9 379
2002	58 337	..	51 930	110 267	6 923	..	3 214	10 137
2003	68 622	..	51 459	120 081	8 093	..	2 148	10 241
2004	93 704	..	35 836	129 540	8 710	..	- 4 218	4 492
2005	101 395	..	56 707	158 102	8 986	..	1 909	10 895

Source: UNCTAD, FDI/TNC database based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO), unpublished.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	-	-	-	-	-	1.8	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	2.1	13.8	1.3	-
Denmark	-	-	-	-	-	-	-	-	-	-	1.0	4.7
France	-	10.3	4.5	10.0	12.8	5.5	4.5	12.2	18.1	6.2	9.9	11.3
Germany	-	-0.7	-	-	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	0.0	2.5	4.4	5.4	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Bulgaria	-	-	-	-	-	-	-	-	-	0.2	-0.1	-
China	0.1	-	-	-	-	-	-	-	-	-	-	-
Denmark	-	-	-	-	-	-	-	-	-	-	-1.3	-3.5
France	-	-	-	-	-	0.9	-	0.9	2.3	2.5	2.5	10.0
Portugal	-	-0.0	-	-	-	-	-	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	7.7	20.5	19.0	-
Denmark	-	-	-	-	-	-	-	-	-	17.2	12.0	19.1
United States	-	-	-	-	-	-	-	-	-	-	5.0	9.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Bulgaria	-	-	-	-	-	-	-	-	-	0.2	0.0	0.0
Denmark	-	-	-	-	-	-	-	-	-	5.3	3.3	-
Madagascar	-	-	-	-	-	-	-	-	-	-	2.2	-
Portugal	-	1.1	-	-	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-1.0	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Shell Benin S.A.	England	Petroleum	..	..
<b>B. Tertiary</b>				
Promo Pharma Sa	France	Wholesale trade	53	40
John Walkden	Netherlands	Wholesale trade	39	74
Sdv Oilfield Benin	France	Public Administration	..	309
Société Béninoise de Pièces Automobiles de Tourisme	France	Distributive trade	..	50
Société Beninoise De Gaz Industriel Sobegi	France	Distributive trade	..	18
Bureau Veritas	France	Public Administration	..	..
Franzetti	France	Other services	..	..
Hydrochem Benin	Norway	Wholesale trade	..	..
Société de Manutention Du Terminal-Conteneurs	France	Supporting Transport Activities	..	..
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
AGF Bénin Assurances	Germany	Insurance	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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## C. Legal framework for transnational corporations

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The laws that regulate the activities of the foreign investors at national, bilateral and multilateral levels in Benin include:

### I. National framework

Bangui Agreement, March 1977 (Annex I).

*Source:* WIPO (<http://www.wipo.org>).

Bangui Agreement, March 1977 (Annex III).

*Source:* WIPO (<http://www.wipo.org>).

Bangui Agreement, March 1977 (Annexes II and IV).

*Source:* WIPO (<http://www.wipo.org>).

Law No. 84-008, March 1984.

*Source:* WIPO (<http://www.wipo.org>).

Law No. 90-002 of 9 May 1990 concerning the Investment Code as amended by Law 90-033 of 24 December 1990, repeals Law No. 82 of 20 May 1982 concerning the Investment Code and the Implementation Decrees.

*Source:* Republic of Benin, "Code des Investissements", Official Publication.

Law No. 90-004 of 15 May 1990 on the declaration of labour, the employment and cancellation of labour contracts

*Source:* Republic of Benin, "Code des Investissements", Official Publication.

Law No. 90-005 of 15 May 1990 on the commercial activities in the Republic of Benin.

*Source:* Republic of Benin, "Code des Investissements", Official Publication.

Implementation Decree No. 91-002 of 4 January 1991.

*Source:* Republic of Benin, "Code des Investissements", Official Publication.

Arrete No. 002 /MPS/DC/DP/SI of 9 January 1991 on the eligibility to special incentives regimes. *Source:* Republic of Benin, "Code des Investissements", Official Publication.

### II. International Framework

#### A. Benin is a party to the following multilateral and regional instruments:

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 10 June 1958.

Convention on the Settlement of Investment Disputes Between States and Nationals of Other States of 18 March 1965.

Paris Convention for the Protection of Industrial Property of 20 March 1883, (Revised at Brussels on 14 December 1900, Washington on 2 June 1911, The Hague on 6 November 1925, London on 2 June 1934, Lisbon on 31 October 1958, Stockholm on 14 July 1967, and as amended on 2 October 1979), signed in 1967.

Agreement for the Promotion, Protection and Guarantee of Investment Among Member States of the Organization of Islamic Conference of 1 June 1981; entered into force on 23 September 1986.

Convention Establishing the Multilateral Investment Guarantee Agency of 11 October 1985; entered into force on 12 April 1988.

Fourth ACP-EEC Convention (LOME IV) of 15 December 1989; entered into force 1 March 1990.

Articles of Agreement of the Islamic Corporation for the Insurance of Investment Export Credit of 19 February 1992; entered into force on 1 August 1994.

Revised Treaty of the Economic Community of West African States (ECOWAS) 1993.

West African Economic and Monetary Union (WAEMU), established in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

## **B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Switzerland 1966, Germany 1978, United Kingdom 1987, Belgium/Luxembourg 2001, Burkina Faso 2001, Chad 2001, Ghana 2001, Guinea 2001, Mali 2001, Mauritius 2001, Netherlands 2001, China 2004, Lebanon 2004, Morocco 2004.

**2. Bilateral treaties for the avoidance of double taxation:** France 1975, Norway 1979.

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## D. Sources of information

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## Botswana

### A. Definitions and sources of data

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The Bank of Botswana defines foreign direct investment (FDI) in line with the recommendations of the fifth edition of the International Monetary Fund (IMF) balance-of-payments manual. It comprises of “investment made with the objectives of establishing a lasting interest by an entity (or group of related entities) in one economy, in an enterprise in a different economy. A feature of a direct investment relationship is the potential for a significant influence to be exercised by the investor over the management of the direct investment enterprise. Such influence may be less than outright control, but nonetheless, significant in key policy decisions of the enterprise. For statistical purposes, ownership by an investor, held directly or indirectly, of 10% or more of voting power in the entity of an enterprise in another economy is taken as evidence of a direct investment relationship” (Botswana Export Development and Investment Authority Act (BEDIA), 1997). The Bank of Botswana compiles statistics on FDI through an annual survey. The survey has been carried out since 1990 and collects data, at enterprise groups, on equity, reinvested earnings, and long and short-term intra-company loans. Since 1998, stock data in market value have been compiled. Also, a quarterly survey records of purchases and sales of foreign exchange exists (exchange controls were abolished in 1999). FDI flows data in Botswana are also reported by the IMF in its balance-of-payments statistics.

Botswana has no investment code. Investment byelaws exist and are in the Companies Act, the Factories Act, the Employment Act, the Financial Assistance Policy and the Income Tax Act of 1995. These acts are explicit on the investment position of the country. Investment protection and promotion have been a part of the incentives in Botswana. The Trade and Investment Promotion Agency, which was established in 1984, encouraged potential investors through disseminating information, organizing trade and investment fairs and the providing investment advice. This agency was replaced by BEDIA, an independent statutory body established in 1998. BEDIA is a one-stop shop for foreign investors. It promotes inward FDI into Botswana, identifies market outlets for products manufactured in Botswana and constructs factory buildings. BEDIA assists foreign investors to obtain clearances, such as residence permits or work permits, organizes investment promotion missions and visits of potential investors to Botswana. An individual wishing to invest in an enterprise in Botswana must first apply for a license and obtain permits from immigration and labour departments. Investment promotion activities focus on diversifying the country’s industrial base away from mineral resources.

Through the Financial Assistance Policy introduced in 1982, the Government of Botswana provides capital grants to foreign investors in manufacturing projects in proportion to projected employment, as well as wage subsidies and training grants. The Botswana Development Corporation (BDC) undertakes equity participation in investment projects. It also provides loans and carries out the construction of factory shells. Also, an International Financial Services Centre (IFSC) was created with the objective of diversifying the country’s industrial base. IFSC incentives include exemption from withholding taxes in Botswana. To qualify for IFSC incentives, investors have to apply to BDC.

The corporate tax rate is uniform at 15%. Manufacturing companies registered with the Director of Customs are allowed to import raw materials duty-free provided the entire output is destined for export. Botswana signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on January 15, 1970, is a member of the Multilateral Investment Guarantee Agency, the African Union, New Partnership for Africa's Development and Southern Africa Development Community. It is also eligible for the United States' market access initiative for Africa – the African Growth and Opportunity Act, the Cotonou Agreement for renegotiating the trade partnership agreement between African, Caribbean and Pacific countries with the European Union and a member of the World Trade Organization.

**B. Statistics on FDI and the operations of TNCs**

**Table 1. Summary of FDI**  
(Millions of dollars)

<b>Variable</b>	<b>Inward</b>	<b>Outward</b>
1. FDI flows, 2003-2006 (annual average)	341.4	63.5
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	17.4	3.2
3. FDI stocks, 2006	958	747
4. FDI stocks as a percentage of GDP, 2006	9.8	7.6

Source: Based on tables 3a and 4a and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	72.1	- 15.6	55.1	111.6	..	..	2.3	2.3
1981	105.8	- 80.9	63.6	88.4	0.2	..	- 0.4	- 0.1
1982	30.5	- 93.5	84.1	21.1	..	0.6	- 0.6	..
1983	21.0	- 69.6	72.4	23.8	..	0.6	- 1.9	- 1.3
1984	5.3	- 24.2	81.0	62.2	- 0.6	0.4	..	- 0.2
1985	0.6	- 16.3	69.3	53.6	1.5	-	..	1.5
1986	3.9	- 2.2	68.7	70.4	-	-	..	..
1987	5.2	34.6	73.7	113.6	-	-	..	..
1988	..	-	39.9	39.9	-	-	..	..
1989	27.6	14.6	..	42.2	-	-	..	..
1990	68.2	- 31.3	59.0	95.9	-	7.4	..	7.4
1991	6.9	- 148.2	133.1	- 8.2	-	8.5	..	8.5
1992	22.0	- 156.4	132.9	- 1.5	-	9.9	..	9.8
1993	9.3	- 354.7	58.0	- 287.4	- 0.1	9.6	0.0	9.5
1994	12.2	- 68.9	42.5	- 14.2	0.4	9.1	0.0	9.5
1995	18.4	48.1	4.0	70.4	0.0	40.9	0.0	40.9
1996	6.2	37.5	27.5	71.2	- 1.4	- 1.4	0.4	- 1.1
1997	11.0	45.9	43.3	100.2	0.0	- 0.2	4.3	4.1
1998	24.2	44.1	27.5	95.8	0.0	6.4	- 2.9	3.5
1999	20.5	- 12.4	28.6	36.7	0.0	5.3	- 3.7	1.5
2000	6.2	4.1	47.0	57.3	0.0	4.5	- 2.2	2.3
2001	60.3	- 100.9	71.4	30.8	377.1	12.0	- 7.6	381.4
2002	56.9	343.1	4.6	404.6	36.9	0.0	5.8	42.7
2003	65.5	353.2	0.1	418.8	201.9	4.7	- 0.2	206.4
2004	31.9	357.5	2.2	391.5	- 50.1	9.8	11.1	- 29.2
2005	- 3.4	215.9	68.9	281.3	52.7	0.0	3.8	56.4
2006	4.5	204.7	64.9	274.1	16.9	0.0	3.6	20.5

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the IMF for 1980-1989 and the Bank of Botswana thereafter. Outflow data are from the IMF for 1980-1981 and 1983-1985 and the Bank of Botswana thereafter.

**Table 3b. FDI flows, by type of investment, 1995-2006**  
(Millions of Pula)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1995	-	-	-	195.2	-	-	-	113.4
1996	145.2	-	91.4	236.6	- 4.8	-	1.3	- 3.5
1997	40.1	167.3	158.0	365.4	0.0	- 0.8	15.7	14.9
1998	101.8	185.2	115.7	402.7	0.0	26.7	- 12.0	14.7
1999	94.6	- 57.2	132.2	169.6	0.0	24.3	- 17.3	7.0
2000	31.7	20.8	239.2	291.7	0.0	22.8	- 11.3	11.5
2001	350.8	- 586.7	415.2	179.3	2 192.2	69.9	- 44.4	2 217.7
2002	359.2	2 164.6	29.0	2 552.8	232.6	0.1	36.7	269.4
2003	323.4	1 745.1	0.5	2 069.0	997.5	23.3	- 0.8	1 020.0
2004	149.4	1 675.1	10.3	1 834.8	- 234.7	46.0	51.8	- 136.9
2005	- 17.3	1 092.5	348.5	1 423.7	266.5	0.1	19.0	285.6
2006	26.4	1 188.7	376.8	1 591.9	98.4	0.0	20.7	119.1

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)) based on the Bank of Botswana.

**Table 4a. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity & Reinvested earnings	Reinvested earnings	Other	Total	Equity & Reinvested earnings	Reinvested earnings	Other	Total
1980	..	..	..	698.3	..	..	..	440.0
1981	..	..	..	786.7	..	..	..	439.9
1982	..	..	..	807.8	..	..	..	439.9
1983	..	..	..	831.6	..	..	..	438.6
1984	..	..	..	893.7	..	..	..	438.4
1985	..	..	..	947.3	..	..	..	439.9
1986	..	..	..	1 017.7	..	..	..	439.9
1987	..	..	..	1 131.3	..	..	..	439.9
1988	..	..	..	1 171.2	..	..	..	439.9
1989	..	..	..	1 213.4	..	..	..	439.9
1990	..	..	..	1 309.3	..	..	..	447.2
1991	..	..	..	1 301.1	..	..	..	455.7
1992	..	..	..	1 299.6	..	..	..	465.6
1993	..	..	..	1 012.6	..	..	..	475.0
1994	..	..	..	998.5	..	..	..	484.5
1995	..	..	..	1 126.4	..	..	..	650.1
1996	576.7	..	668.8	1 058.1	..	..	..	576.7
1997	421.5	..	751.5	1 172.9	398.8	..	5.6	404.5
1998	531.5	..	763.3	1 294.8	256.6	..	0.9	257.5
1999	644.9	..	742.3	1 387.3	583.6	..	13.3	596.9
2000	665.3	..	1 161.3	1 826.7	505.9	..	10.6	516.6
2001	574.0	..	814.5	1 388.5	861.0	..	4.8	865.8
2002	807.0	..	47.1	854.1	1 014.5	..	9.2	1 023.7
2003	1 079.9	..	87.3	1 167.2	1 446.1	..	0.6	1 446.7
2004	926.6	..	55.6	982.1	941.9	..	8.2	950.1
2005	691.0	..	115.2	806.3	776.7	..	19.3	796.0
2006	..	..	..	958.3	726.2	..	21.1	747.3

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: FDI stock prior to 1990 are estimated by subtracting flows from the stock of 1990. Data thereafter are based on the Bank of Botswana.

**Table 4b. FDI stocks, by type of investment, 1996-2006**  
(Millions of Pula)

Year	Inward investment				Outward investment			
	Equity & Reinvested earnings	Reinvested earnings	Other	Total	Equity & Reinvested earnings	Reinvested earnings	Other	Total
1996	1 418.8	..	2 437.2	3 856.0	-	..	-	2 101.7
1997	1 605.6	..	2 862.7	4 468.3	1 519.3	..	21.5	1 540.8
1998	2 369.4	..	3 403.2	5 772.6	1 144.0	..	4.2	1 148.2
1999	2 987.2	..	3 438.3	6 425.5	2 703.2	..	61.5	2 764.7
2000	3 567.4	..	6 227.0	9 794.4	2 712.8	..	57.0	2 769.8
2001	4 008.1	..	5 688.1	9 696.2	6 012.5	..	33.7	6 046.2
2002	4 412.4	..	257.3	4 669.7	5 546.6	..	50.3	5 596.9
2003	4 797.4	..	387.8	5 185.2	6 424.2	..	2.5	6 426.7
2004	3 966.5	..	237.8	4 204.3	4 032.2	..	35.1	4 067.3
2005	3 809.4	..	635.3	4 444.7	4 281.6	..	106.5	4 388.1
2006	..	..	..	5 779.7	4 380.0	..	127.2	4 507.2

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)) based on the Bank of Botswana.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	- 1.4	-	1.1	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	0.8	0.3	3.7	-
Denmark	-	-	-	-	-	-	-	-	-	-	- 0.2	-
France	-	-	-	-	-	-	11.6	- 0.9	1.1	- 6.2	11.2	-
Germany	0.7	-	0.6	-	-	-	-	-	-	-	-	-
Portugal	-	-	-	12.6	7.0	- 5.4	2.0	2.2	- 39.9	- 6.5	-	-
Sweden	-	-	-	-	-	-	-	-	-	1.1	0.5	- 1.9
United States	-	- 1.0	- 1.0	- 13.0	- 21.0	5.0	6.0	5.0	- 9.0	2.0	3.0	5.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	0.2	-	-	-	-	-	-	-	-	-	-	-
Germany	-	-	-	0.6	-	-	- 0.9	-	-	-	-	-
Portugal	-	-	-	-	-	-	-	-	0.1	-	-	-
Macedonia, TFYR	-	-	-	-	-	-	-	0.2	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Malawi	-	-	-	-	-	0.5	0.5	0.5	0.4	0.5	-	-
Portugal	-	-	-	-	-	-	-	-	0.1	-	-	-
South Africa	-	-	-	-	-	10.4	62.5	80.2	25.9	37.5	32.1	26.1

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 11. FDI stocks in the host economy, by industry, 1995-2006**  
(Millions of Pula)

Sector / industry	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Total</b>	..	..	4 877	6 160	7 348	9 826	9 696	4 882	5 187	4 204	4 445	..
<b>Primary</b>	..	..	3 643	4 902	5 524	7 792	7 714	2 957	2 688	2 494	2 648	..
Mining and quarrying	..	..	3 643	4 902	5 524	7 792	7 714	2 957	2 688	2 494	2 648	..
<b>Secondary</b>	..	..	291	333	273	343	274	185	295	151	141	..
<b>Tertiary</b>	..	..	914	875	1 471	1 691	1 807	1 739	2 201	1 521	1 634	..
Electricity, gas and water	..	..	7	8	..	-	-	9	37	39	-	..
Construction	..	..	32	30	8	16	15	13	10	28	1	..
Trade	..	..	457	392	670	773	651	609	826	239	129	..
Hotels and restaurants	..	..	46	60	83	17	135	129	154	57	23	..
Transport, storage and communications	..	..	33	47	43	105	162	155	183	134	97	..
Finance	..	..	270	226	523	619	729	731	873	931	1 290	..
Business activities	..	..	65	112	144	161	115	93	118	93	94	..
Real estate	..	..	65	112	144	161	115	93	118	93	94	..
Health and social services	..	..	4	..	..	-	-	-	-	-	-	..
<b>Unspecified</b>	..	..	29	50	80	-	- 99	1	3	38	22	..

Source: Bank of Botswana.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of Pula)

Region / economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Total world</b>	..	..	4 877	6 160	7 348	9 826	10 435	7 876	7 643	..	4 445	..
<b>Developed countries</b>	..	..	1 892	2 608	3 467	3 604	3 665	3 996	4 325	..	3 213	..
Europe	..	..	1 519	2 278	3 429	3 507	3 617	3 956	4 286	..	3 199	..
European Union	..	..	1 392	2 046	3 405	3 448	3 615	3 947	4 180	..	2 926	..
Luxembourg	..	..	1 287	1 972	2 178	2 478	3 002	3 313	3 609	..	2 446	..
Netherlands	..	..	..	..	..	..	22	21	34	..	53	..
United Kingdom	..	..	105	74	1 227	970	591	613	537	..	427	..
Other developed Europe	..	..	127	232	24	59	2	9	106	..	-	..
North America	..	..	373	330	38	97	48	40	39	..	14	..
United States	..	..	356	325	37	97	45	32	18	..	8	..
<b>Developing economies</b>	..	..	2 962	3 552	3 793	6 092	6 515	3 717	3 222	..	1 222	..
Africa	..	..	2 932	3 453	3 709	5 990	6 303	3 588	3 135	..	1 013	..
South Africa	..	..	2 915	3 452	3 681	5 983	6 275	3 460	3 054	..	940	..
Asia	..	..	30	99	84	102	212	129	87	..	209	..
West Asia	..	..	..	92	83	102	109	22	87	..	56	..
<b>South-East Europe and CIS</b>	..	..	23	..	..	..	208	68	3	..	-	..
<b>Unspecified</b>	..	..	-	-	88	130	47	95	93	..	10	..

Source: Bank of Botswana.

**Tables 23, 30, 35, 40, 45 and 50. The number, assets, employment, wages and salaries, sales and value added of affiliates of United States TNCs in Botswana, 1993-2004**  
(Number, thousands of employees and millions of dollars)

Table no./Variable	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
23. Number	3	5	5	5	5	5	4	3	3	3	1	2
30. Assets <sup>a</sup>	29	49	57	55	60	61	63	69	77	71	..	..
35. Employment <sup>a</sup>	0.5	0.8	1	1	1	0.7	0.4	0.4	0.4	0.3	..	..
40. Wages and salaries <sup>a</sup>	3	5	7	7	6	8	6	6	6	4	..	..
45. Sales	32	44	65	59	61	46	44	55	55	58	..	..
50. Value added <sup>a</sup>	..	2	7	5	3	5	10	11	9	6	..	..

Source : UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 86. Largest home-based TNCs, 2007**  
(Billions of dollars)

Company	Industry	Sales
<b>A. Industrial</b>		
Debswana Diamond Company	Mining	2.74 <sup>a</sup>
Botswana Meat Commission	Food, beverages and tobacco	0.09
Botswana Meat Commission	Food, beverages and tobacco	89.00
<b>B. Tertiary</b>		
Metro Sefalana Cash and Carry	Diversified Group	0.18
Engen Botswana	Petroleum expl./ref./distr.	0.12
<b>C. Finance and Insurance</b>		
Botswana Insurance Holdings	Insurance	<b>Assets</b> 0.08

Source: Jeune Afrique Hors-serie No. 14, 2007.

<sup>a</sup> 2004.

**Table 87. Largest affiliates of home-based TNCs, 2007**  
(Millions of dollars and number)

Company Name	Host economy	Industry	Sales	Employees
<b>A. Industrial</b>				
..	..	..	..	..
<b>B. Tertiary</b>				
Prima Pasta And Biscuits (Pty) Ltd	South Africa	Wholesale trade	15.92	35
Botswana Meat Commission (U.K.) Holdings Ltd	England	Wholesale trade	13.80	83
Magnol Electrical (Pty) Ltd	South Africa	Public administration	2.92	12
Allied Meat Importers (Nederland) B.V.	Netherlands	Wholesale trade	0.92	3
Allied Meat Importers (Uk) Ltd	England	Wholesale trade	0.23	2
Sad-Elec Secretarial Services (Pty) Ltd	South Africa	Research and development	..	11
Ecco Cold Stores Ltd	England	Wholesale trade	..	80
Allied Meat Importers GmbH	Germany	Wholesale trade	..	4
Lighting Up Kzn (Pty) Ltd	South Africa	Wholesale trade	..	3
Aa Financial Services (Pty) Ltd	South Africa	Public administration	..	..
Northern Textile Mills Sa (Pty) Ltd	South Africa	Public administration	..	..
<b>C. Finance and Insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.



**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Clover Botswana Pty Ltd	South Africa	Food, beverages and tobacco	661	200
Ppc Botswana Pty Ltd	South Africa	Non-Metallic mineral products	608	80
Orbit Pump Manufacturing Botswana Pty Ltd	South Africa	Rubber and plastic products	4	55
Quartzite Pty Ltd	Netherlands	Food, beverages and tobacco	..	80
Kgale Quarries	South Africa	Mining and quarrying	..	70
Engen Marketing Botswana	South Africa	Petroleum	..	40
Total Botswana (Pty) Ltd	South Africa	Petroleum	..	14
Envig Botswana Pty Ltd	South Africa	Chemicals and chemical products	..	5
<b>B. Tertiary</b>				
Grinaker-Lta Botswana Ltd	South Africa	Public Administration	1 363	
Kalcon Pty Ltd	South Africa	Construction	..	200
Dimension Data Botswana	United Kingdom	Computer and related activities	..	150
Mascom Wireless Botswana (Pty) Ltd	Portugal	Telecommunication	..	150
Babcock Tcm Plant (Pty) Ltd	United Kingdom	Automotive trade and repair	..	90
Kwena Rocla (Pty) Ltd	South Africa	Public Administration	..	82
Xerox Corporation_Botswana	United States	Public Administration	..	60
Caterplus Botswana Pty Ltd	South Africa	Public Administration	..	58
Parmalat Botswana Pty Ltd	South Africa	Public Administration	..	50
Technique Pty Ltd	South Africa	Wholesale trade	..	50
Baba Enterprises (Pty) Ltd	South Africa	Public Administration	..	..
Botswana Insurance Holdings	South Africa	Public Administration	..	..
Cashbuild Botswana (Pty) Ltd	South Africa	Wholesale Trade	..	..
Cb Richard Ellis Inc.	United States	Other Business Activities	..	..
Game Discount World Botswana (Pty) Ltd	South Africa	Wholesale Trade	..	..
Handigas (Botswana) (Pty) Ltd	Germany	Public Administration	..	..
Jacobs Holdings (Pty) Ltd	South Africa	Public Administration	..	..
Macmillan Botswana Publishing Company (Pty) Ltd	Germany	Public Administration	..	..
Marcado Lodge Proprietary	South Africa	Public Administration	..	..
Mosley ( Botswana ) ( Pty ) Ltd	Belgium	Public Administration	..	..
P G Glass Pty Ltd	South Africa	Distributive Trade	..	..
Siemens Botswana	Germany	Public Administration	..	..
			<b>Assets</b>	<b>Employees</b>
Barclays Bank of Botswana	United Kingdom	Finance	58	1 200

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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## C. Legal frameworks for transnational corporations

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In Botswana, several legal instruments, national and international, have been put in place to facilitate and regulate the activities of foreign investors and transnational corporations. The key among them include:

### I. National framework

The Companies Proclamation, No. 71 of 1959; effective on 20 November 1959. Source: Laws of Botswana, Chap. 42:01, vol. V, 1983 Edition. As amended by Company (Amendment) Act, No. 18 of 12 August 1974; effective on 30 August 1974. Source: Botswana Government Gazette, suppl. A of 30 August 1974, p. A 45.

Income Tax Act, No. 10 of 21 June 1973; effective t July 1973 (CAP. 52:01-1977 revised Edition).  
Source: Botswana Government Gazette of 25 June 1973, p.A 39.

Trade Disputes Act No. 19 of 11 October 1982; effective on 15 October 1982.  
Source: Botswana Government Gazette of 15 October 1982, p. A 57.

Employment Act No. 29 of 30 November 1982.  
Source: Botswana Government Gazette of 9 December 1982, p. A 135.

Capital Transfer Tax Act, No. 13 of 27 May 1985; effective on 31 May 1985.  
Source: Botswana Government Gazette of 31 May 1985, p. A 31.

Financial Institutions Act No. 28 of 21 December 1986.  
Source: Botswana Government Extraordinary Gazette, suppl. A of 31 December 1986, p.A.103.

Local Government Tax (Repeal) Act, No. 10 of 10 June 1988; effective on 17 June 1988.  
Source: Botswana Government Gazette, suppl. A of 17 June 1988, p. A 37.

Industrial Development Act No. 17 of 15 November 1988; effective on 25 November 1988 and amended in 1993.  
Source: Botswana Government Gazette, suppl. A of 25 November 1988, p. A 77

As amended by Income Tax (Employment Income) Regulation, Statutory Instrument No. 43 of 7 June 1990.  
Effective 15 June 1990.

Source: Botswana Government Gazette, suppl. C, of 15 June 1990, p. C 159.  
Also in International Bureau of Fiscal Documentation, ATS, suppl. No. 94, March 1995.

Financial Assistance Policy (FAP), Medium and Large Scale FAP Application Form (3rd Revision 1995).  
Source: Government of Botswana, Ministry of Finance and Development Planning, printed by the Government Printer, Gaborone, Botswana, 1st October 1995.

Industrial Property Act No. 14, 1996.  
Source: WIPO (<http://www.wipo.org>).

Botswana Export Development and Investment Authority Act, 1997.  
Source: Botswana Government Gazette No. 23, 31st December 1997, A. 61.

Industrial Development Policy for Botswana.  
Source: Government of Botswana, Ministry of Commerce and Industry, Government Paper No. 1 of 1998, printed by the Government Printer, Gaborone, Botswana, 3rd December 1997.

Botswana Export Development and Investment Authority Act, 1997.  
Source: Botswana Government Gazette No. 23, 31st December 1997, A. 61.

Industrial Property (Amendment) Act No. 19, 1997.  
Source: WIPO (<http://www.wipo.org>).

Industrial Property Regulations, Statutory Instrument No. 78, 1997.  
Source: WIPO (<http://www.wipo.org>).

Policy on Small Medium and Micro Enterprises in Botswana.  
Source: Government of Botswana, Ministry of Commerce and Industry, Government Paper No. 1 of 1999, printed by the Government Printer, Gaborone, Botswana, 15th December 1998.

Income Tax (Amendment) Act.  
Source: Botswana Government Gazette, No. 15, 15 July 1999.

Statement from the Minister of Finance abolition of all remaining exchange controls, 1999.

*Source:* Budget Speech 1999.

Bank of Botswana (Amendment) Act.

*Source:* Botswana Government Extraordinary Gazette, No. 19, 31 December 1999, Supplement A.

Copyright and Neighbouring Rights Act No. 8, 2000.

*Source:* WIPO (<http://www.wipo.org>).

Government's Privatization Policy (April 2000).

*Source:* United States Department of Commerce/ Botswana Country Commercial Guide FY 2001. (<http://www1.usatrade.gov/website/ccg.nsf>).

## II. International Framework

### A. Botswana is a party to the following multilateral and regional instruments:

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7th June 1959.

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Charter on a Regime of Multinational Industrial Enterprises (MIEs) in the Preferential Trade Area for Eastern and Southern African States (PTA), signed on 21 November 1990, entered into force August 1995.

*Source:* Preferential Trade Area for Eastern and Southern African States: Report of the Sixteenth Meeting of the Council of Ministers, 17-19 November, 1990, Mbabane, Swaziland (PTA/CM/XVI/2)

Southern Africa Development Community (SADC), signed on 17 August, 1992.

*Source:* [http://www.sadc.int/about\\_sadc/history.php](http://www.sadc.int/about_sadc/history.php)

Treaty Establishing the Market for Eastern and Southern Africa (COMESA), 1993.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

### B. Bilateral treaties

**1. Bilateral investment treaties for the protection and promotion of investments:** Malaysia 1997, Switzerland 1998, China 2000, Germany 2000, Egypt 2003, Ghana 2003, Zimbabwe 2003, Mauritius 2005, Belgium and Luxembourg 2006.

**2. Bilateral treaties for the avoidance of double taxation:** South Africa 1977, United Kingdom 1977(2005?), Sweden 1992, Mauritius 1995, Barbados 2005.

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**D. Sources of information**


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**Official**


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Bank of Botswana ([www.bankofbotswana.bw](http://www.bankofbotswana.bw)).

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## Burkina Faso

### A. Definitions and sources of data

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The Investment Code of 1995 (Loi n°62/95/ADP du 14 Décembre 1995) of Burkina Faso contains a general definition of investment without specific concept of foreign direct investment (FDI). The Banque Centrale des États de l'Afrique de l'Ouest (BCEAO) provides the data on FDI in Burkina Faso. The International Monetary Fund also provides FDI data on the country in its balance-of-payment statistics.

The Investment Code guarantees equal treatment of foreign investors. The Ministry of Industry, Commerce and Mines approves new foreign investments, based on the recommendations of the National Investment Commission. The commission's main criterion is the investment's direct value added. The investment code established three incentive schedules. Schedule 'A' is for investments of less than FCFA 200 million and grants companies with an exemption from most taxes for the first five years of its existence. A tax credit is granted for the ensuing five-year period. Moreover, companies in schedule "A" are permitted to stagger payment of Burkina Faso's registration tax over a four-year period. The registration tax is equal to 3% of the capital invested. Schedule "B" is for investment over FCFA 200 million and grants companies with an eight-year tax exemption from most Burkinabe taxes. It also enables a company to spread the payment of the registration tax over a five-year period. Also, all schedule "A" and "B" investments outside the country's two major cities – Ouagadougou and Bobo-dioulassou receive the above benefits for five extra years. Schedule "C" only applies to export companies and grants permanent exemption from all Burkinabe taxes. In 2005, Burkina Faso halved the fee for registering new contracts and commercial agreements, and reduced the import tax on basic goods from 2% to 1% for formal-sector businesses. The government also made effort to ease business registration through the setting up of a one-stop shop for investors in Ouagadougou—Centre de formation des entreprises (Cefore), officially launched in May 2006, and the simplification of administrative procedures.

Burkina Faso signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on September 16, 1965, is a member of several regional and international organizations and has fostered international investment agreements with developing and developed countries. For instance, Burkina Faso is a member of the West African Monetary and Economic Union, BCEAO, Economic Community of West African States, New Partnership for Africa's Development and African Union. It signed a cooperation treaty with France, a trade, investment protection and technical cooperation agreement with Switzerland and the Cotonou Agreement for renegotiating the trade partnership agreement between African, Caribbean and Pacific countries with the European Union (EU). Burkina Faso is eligible for the African Growth and Opportunity Act, and the EU's Everything But Arms market access initiative. The country is a member of the World Intellectual Property Organization and the World Trade Organization.

**B. Statistics on FDI and the operations of TNCs**

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	25.9	- 2.4
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	2.2	- 0.2
3. FDI stocks, 2006	101	5
4. FDI stocks as a percentage of GDP, 2006	1.7	0.1

Source: Based on tables 3a and 4a and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	0.4	1.6	- 2.0	0.0	0.0	..	..	0.0
1981	- 0.0	1.0	1.5	2.4	0.0	..	..	0.0
1982	..	1.8	0.2	2.0	0.2	..	..	0.2
1983	..	0.4	1.6	2.0	0.0	..	..	0.0
1984	..	1.0	0.7	1.7	0.0	..	..	0.0
1985	..	- 0.1	- 1.4	- 1.4	0.0	..	..	0.0
1986	..	0.7	2.4	3.1	0.0	..	..	0.0
1987	..	..	1.3	1.3	..	..	..	0.1
1988	..	..	3.7	3.7	..	..	..	0.2
1989	..	..	5.7	5.7	..	..	..	0.8
1990	..	..	..	0.5	..	..	..	- 0.6
1991	..	..	..	0.6	..	..	..	0.1
1992	..	..	..	3.1	..	..	..	0.1
1993	..	..	..	3.2	..	..	..	1.6
1994	..	..	..	18.4	..	..	..	6.8
1995	..	..	..	9.8	..	..	..	0.2
1996	..	..	..	16.2	..	..	..	0.7
1997	..	..	..	9.8	..	..	..	1.0
1998	..	..	..	4.4	..	..	..	5.3
1999	7.8	0.0	0.1	7.9	0.4	..	- 0.2	0.2
2000	22.6	0.0	0.4	23.1	0.1	..	0.1	0.2
2001	4.9	0.1	1.3	6.3	0.6	..	0.0	0.6
2002	9.2	6.7	- 0.9	15.0	1.9	..	- 0.2	1.7
2003	16.0	4.3	8.8	29.1	1.9	..	0.0	1.9
2004	12.9	- 0.1	1.6	14.3	0.0	..	- 9.0	- 8.9
2005	19.8	- 16.2	30.5	34.2	0.5	..	- 0.7	- 0.2
2006	..	..	..	25.9	..	..	..	- 2.4

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the IMF for 1980-1989, OECD for 1990-1991, the Banque Centrale de l'Afrique de l'Ouest (BCEAO) for 1992-2005 and estimate for 2006. Outflow data are from the IMF 1980-1986, estimate for 1991-1992 and 2006, and the BCEAO for 1993-2005. For 1987-1990, proxy data were used based on investments reported by the following economies: Belgium and Luxembourg, 1987 and France, 1988-1990.

**Table 3b. FDI flows, by type of investment, 1999-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1999	4 801	0	79	4 880	238	..	- 119	119
2000	16 123	12	317	16 452	63	..	56	119
2001	3 573	55	966	4 594	435	..	3	438
2002	6 422	4 663	- 612	10 473	1 351	..	- 155	1 196
2003	9 307	2 517	5 102	16 926	1 091	..	24	1 115
2004	6 807	- 58	831	7 580	8	..	- 4 735	- 4 727
2005	10 466	- 8 540	16 088	18 014	277	..	- 380	- 103

Source: UNCTAD, FDI/TNC database based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO), unpublished.



**Table 4a FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity & Reinvested earnings	Reinvested earnings	Other	Total	Equity & Reinvested earnings	Reinvested earnings	Other	Total
1980	..	..	..	17.8	..	..	..	2.8
1981	..	..	..	20.2	..	..	..	2.9
1982	..	..	..	22.1	..	..	..	3.1
1983	..	..	..	24.1	..	..	..	3.1
1984	..	..	..	25.8	..	..	..	3.1
1985	..	..	..	24.4	..	..	..	3.2
1986	..	..	..	27.5	..	..	..	3.2
1987	..	..	..	28.8	..	..	..	3.3
1988	..	..	..	32.5	..	..	..	3.5
1989	..	..	..	38.2	..	..	..	4.3
1990	..	..	..	38.7	..	..	..	3.7
1991	..	..	..	39.2	..	..	..	3.9
1992	..	..	..	42.4	..	..	..	4.0
1993	..	..	..	45.5	..	..	..	5.5
1994	..	..	..	63.9	..	..	..	12.4
1995	..	..	..	73.7	..	..	..	12.6
1996	..	..	..	89.9	..	..	..	13.2
1997	..	..	..	99.7	..	..	..	14.3
1998	..	..	..	104.1	..	..	..	19.5
1999	15.7	..	0.1	15.8	0.5	..	- 0.2	0.3
2000	27.4	..	0.4	27.8	0.5	..	- 0.1	0.4
2001	14.6	..	1.3	15.9	0.7	..	0.0	0.7
2002	23.0	..	0.3	23.3	2.2	..	- 0.2	1.9
2003	45.0	..	6.9	51.9	2.6	..	0.8	3.4
2004	47.1	..	1.7	48.8	12.6	..	- 9.0	3.6
2005	45.8	..	29.6	75.4	15.4	..	- 8.0	7.4
2006	..	..	..	101.2	..	..	..	5.0

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock prior to 1999 are estimated by accumulating inflows since 1970. 1999-2005 are based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO). 2006 is estimated by adding flows to the 2005 stock. Outward stock data prior to 1999 are estimated by accumulating outflows since 1974. 1999-2005 are based on the BCEAO. 2006 is estimated by adding flows to the 2005 stock.

**Table 4b. FDI stocks, by type of investment, 1999-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity & Reinvested earnings	Reinvested earnings	Other	Total	Equity & Reinvested earnings	Reinvested earnings	Other	Total
1999	10 267	..	79	10 346	310	..	- 119	191
2000	19 304	..	317	19 621	373	..	- 63	310
2001	10 876	..	966	11 842	491	..	3	494
2002	14 382	..	216	14 598	1 351	..	- 155	1 196
2003	23 373	..	3 565	26 938	1 341	..	405	1 746
2004	22 678	..	831	23 509	6 080	..	- 4 330	1 750
2005	25 468	..	16 439	41 907	8 583	..	- 4 463	4 120

Source: UNCTAD, FDI/TNC database based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO), unpublished.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	2.7	-	-	-	1.1	-	-	-	-	-	-	-
France	- 1.3	1.3	- 2.2	5.6	21.3	14.7	8.1	8.5	13.5	29.8	29.8	22.6
Germany	-	-	- 0.6	-	-	-	-	-	-	-	-	-
Sweden	0.1	0.1	-	-	-	-	-	-	-	-	-	-
United States	-	-	1	-	-	-	- 1	- 1	-	- 3	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	-	-	-	-
Cyprus	-	-	-	-	-	-	-	-	-	-	- 0.1	-
France	- 1.3	1.3	-	-	-	-	- 0.9	0.9	2.3	1.2	3.7	6.3
Korea, Republic of	-	-	-	-	0.1	-	-	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Canada	-	-	6.3	-	10.4	15.3	-	-	-	-	-	-
Denmark	-	-	-	-	-	-	-	-	-	0.2	0.2	0.4
Portugal	-	-	-	0.1	0.1	0.0	0.1	0.0	-	-	-	-
United States	1	1	2	2	2	2	1	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Portugal	-	0.3	-	-	-	-	-	-	-	-	-	-
Korea, Republic of	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Tables 23, 30, 45 and 50. The number, assets, sales and value added of affiliates of the United States TNCs in Burkina Faso, 1995-2006**  
(Number and millions of dollars)

Table no./Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
23. Number	1	1	1	1	1	1	1	1	1	1	..	..
30. Assets <sup>a</sup>	6	6	6	7	..	..	..	..	..	..	..	..
45. Sales	..	17	18	16	..	..	..	..	..	..	..	..
50. Value added <sup>a</sup>	3	4	4	4	..	..	..	..	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Majority-owned affiliates only.

**Table 86. Largest home-based TNCs, 2007**  
(Billions of dollars)

Company	Industry	Sales
<b>A. Industrial</b>		
Sté Burkinabés des fibres Textiles(SOFITEX)	Agro-Industry	0.31
Sté Nat. Burkinabés d'Hydrocarbures (SONABHY)	Petroleum expl./ref./distr.	0.26
Total Burkina	Petroleum expl./ref./distr.	0.11
<b>B. Tertiary</b>		
Office Nat. Des Télécommunications(ONATEL)	Telecommunication	0.13
<b>C. Finance and Insurance</b>		
..	..	Assets

Source: Jeune Afrique Hors-serie No. 14, 2007.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Manufacture Burkinabe De Cigarettes SA	France	Food, beverages and tobacco	257	169
Société Nouvelle Sucriere De La Comoe SA	Côte d'Ivoire	Food, beverages and tobacco	137	2 000
Sifa Sa	France	Other Transport Equipment	78	115
Société des Plastiques du Faso SA	Côte d'Ivoire	Rubber and plastic products	45	..
Air Liquide	France	Mining and quarrying	2	20
Somita SA	Canada	Mining and quarrying	..	350
Compagnie Burkinabe Pour La Transformation De Metaux SA	Côte d'Ivoire	Metal and metal products	..	100
Aarhus United Burkina Fasa Sarl	Sweden	Other Services	..	..
Agf Burkina Assurances	Germany	Other Business Activities	..	..
Laborex Burkina	France	Other Business Activities	..	..
Maersk Burkina Faso Sa	Denmark	Other Business Activities	..	..
S D V Burkina Faso	France	Rubber and plastic products	..	..
Sade Burkina	France	Other Services	..	..
Sobugaz	France	Petroleum	..	..
<b>B. Tertiary</b>				
CFAO Burkina	France	Distributive Trade	1091	20
CFAO Burkina SA	France	Wholesale Trade	204	..
Celtel Burkina Faso SA	Kuwait	Wholesale Trade	10	120
Diffusion Industrielle Automobile Et Commerciale Du Faso S A	France	Wholesale Trade	..	550
Scac Delmas Vilejeux Burkina S A	France	Water Transport	..	384
Telecel Faso SA	Côte d'Ivoire	Telecommunications	..	74
Segami	France	Health and Social Services	..	..
Vac-Burkina SA	Netherlands	Research and development	..	..
<b>C. Finance and Insurance</b>			<b>Assets</b>	<b>Employees</b>
Banque Internationale Pour Le Commerce, L'Industrie Du Burkina S A	France	Finance	0.2	300

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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**C. Legal framework for transnational corporations**

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Burkina Faso has enacted a number of legal instruments at national, bilateral and multilateral levels to regulate the activities of foreign investors in the country. The key instruments that apply at these levels:

**I. National framework**

Ordinance No. 91-0044 Authorising the Privatization of 12 Enterprises and creating a Privatization Commission of 17 July 1991.

*Source:* World Bank, Technical Paper No. 186, "Divestiture of State Enterprises. An overview of the legal framework".

Decree No. 91-0385 setting forth the composition, Organisation and Operations of the Privatization Commission of 15 Sept. 1991.

*Source:* World Bank, Technical Paper No. 186, "Divestiture of State Enterprises. An overview of the legal framework".

Ordinance No. 92/PRES of July 1992 on the Investment Code

*Source:* Official Copy - Ministry of Industry-Commerce and Mines.

Implementation Decree No. 92-230/PRES/MICM, on the Implementation of the Ordinance concerning the Investment Code of Burkina Faso

*Source:* Official Copy - Ministry of Industry-Commerce and Mines.

Ordinance No. 93/PRES of March 1993 concerning the Mining Code of Burkina Faso

*Source:* Official Copy - Ministry of Industry-Commerce and Mines.

Loi n°62/95/ADP du 14 décembre 1995, portant code des investissements au Burkina Faso

*Source:* La Découverte du Burkina Faso (<http://www.primature.gov.bf/economie/freglement.htm>)

Loi No. 032/99/AN du 22 Décembre 1999 portant protection de la propriété littéraire et artistique.

*Source:* WIPO (<http://www.wipo.org>).

**II. International Framework**

**A. Burkina Faso is a party to the following multilateral and regional instruments:**

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7th June 1959.

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Bangui Agreement, March 1977 (Annex I).

*Source:* WIPO (<http://www.wipo.org>).

Bangui Agreement, March 1977 (Annexes II and IV).

*Source:* WIPO (<http://www.wipo.org>).

Bangui Agreement, March 1977 (Annex III).

*Source:* WIPO (<http://www.wipo.org>).

Agreement for the Promotion, Protection and Guarantee of Investment Among Member States of the Organization of Islamic Conference of 1 June 1981; entered into force on 23 September 1986.

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit of 19 February 1991 En' into force on 1 August 1994.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

West African Economic and Monetary Union (WAEMU), established in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Revised Treaty of the Economic Community of West African States. ECOWAS

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

One stop shop 2005/2006

Source: [www.eiu.com](http://www.eiu.com) EIU Country report Main report June 2006, [http://test.maisondelentreprise.org/index2.php?option=com\\_content&do\\_pdf=1&id=399](http://test.maisondelentreprise.org/index2.php?option=com_content&do_pdf=1&id=399)

## **B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Switzerland 1969, Tunisia 1993, Germany 1996, Malaysia 1998, Netherlands 2000, Belgium/Luxembourg 2001, Benin 2001, Chad 2001, Comoros 2001, Ghana 2001, Mauritania 2001, Guinea 2003, Korea, Republic of 2004, Morocco 2007.

**2. Bilateral treaties for the avoidance of double taxation:** France 1965, Tunisia 2003.

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**D. Sources of information**


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*Official*

Banque Centrale des Etats de l'Afrique de l'Ouest ([www.bceao.in](http://www.bceao.in)).

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## **Burundi**

### **A. Definitions and sources of data**

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Burundi Investment Code (Décret-loi No. 1/8 d'avril 1979 portant Code des investissements du Burundi and Law No 1/001/1986 of 10 July 1986) govern all foreign investment in the country. The Codes do not provide specific definition of foreign direct investment (FDI). Data on FDI in the country are gathered by the National Bank of the Republic of Burundi. Data are also reported by the International Monetary Fund in its balance-of-payment statistics.

The Government of Burundi treats domestic and foreign firms equally and seeks FDI. In the country, residents may hold foreign exchange accounts but documentation must be submitted to the National Bank. Some withdrawals require supporting documentation and an approval from the National Bank to hold them abroad. Non-residents may hold foreign exchange accounts and withdraw funds up to a set limit on presentation of documentation. All payments for invisibles require an approval and are often subject to limitations and bona fide tests. Capital transfers out of Burundi by residents are approved on an individual basis. Capital transactions such as credit operations, direct investment and personal capital movements are subject to restrictions or authorization requirements.

Burundi participates in many integration and market access schemes. It signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on February 17, 1967, and bilateral treaties with many countries including Comoros, Germany, Belgium and Luxembourg, Mauritius and the United Kingdom. Burundi is also signatory to regional integration agreements, including the African Union, New Partnership for Africa's Development, the Community Investment Code of the Economic Community of the Great Lakes Countries, among others. It is party to the Cotonou Agreement for renegotiating the partnership agreements between the Africa, Caribbean and Pacific and the European Union countries, the Economic Community of Central African States, the Common Market for Eastern and Southern African and eligible for the African Growth and Opportunity Act. The country belongs to multilateral agreements including the Convention establishing the Multilateral Investment Guarantee Agency, the Paris Convention for the protection of Industrial Property and the World Trade Organization.



**B. Statistics on FDI and the operations of TNCs**

**Table 1. Summary of FDI**  
(Millions of dollars)

<b>Variable</b>	<b>Inward</b>	<b>Outward</b>
1. FDI flows, 2003-2006 (annual average)	72.7	0.0
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	56.1	0.0
3. FDI stocks, 2006	337	2
4. FDI stocks as a percentage of GDP, 2006	37.0	0.3

Source: Based on tables 3a and 4 and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	4.6	..	..	..	..
1981	..	..	..	11.1	..	..	..	..
1982	..	..	..	0.9	..	..	..	..
1983	..	..	..	3.0	..	..	..	..
1984	..	..	..	1.2	..	..	..	..
1985	0.5	..	..	1.6	..	..	..	- 1.1
1986	1.5	..	..	1.5	..	..	..	0.1
1987	1.4	..	..	1.4	..	..	..	0.1
1988	1.2	..	..	1.2	..	..	..	0.1
1989	0.6	..	..	0.5	0.1	..	..	0.1
1990	1.3	..	..	1.3	0.0	..	..	0.0
1991	0.9	..	..	0.8	0.0	..	..	0.0
1992	0.6	..	..	0.5	..	..	..	0.0
1993	0.5	..	..	0.4	0.1	..	..	0.1
1994	-	..	..	0.0	0.1	..	..	0.1
1995	2.0	..	..	1.8	0.6	..	..	0.5
1996	..	..	..	0.0	..	..	..	0.0
1997	..	..	..	0.0	..	..	..	0.1
1998	..	..	..	2.0	..	..	..	0.4
1999	0.2	..	..	- 0.6	0.5	..	..	0.8
2000	11.7	..	..	11.7	..	..	..	-
2001	-	..	..	-	-	..	..	-
2002	..	..	..	-	..	..	..	-
2003	..	..	..	-	..	..	..	-
2004	..	..	..	-	..	..	..	-
2005	-	-	-	0.6	-	-	-	..
2006	-	-	-	290.0	-	-	-	-

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the OECD for 1980-1984, the Bank of Burundi for 1985-2005, and estimate for 2006. Outflows are proxy data based on investments reported by Belgium and Luxembourg for 1985-1988, IMF for 1989, and the national institution for 1990-2003.

**Table 3b. FDI flows, by type of investment, 1999-2005**  
(Millions of Burundi Franc)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1999	..	..	..	- 322.7	..	..	..	..
2000	..	..	..	8 419.8	..	..	..	..
2001	..	..	..	- 1.9	..	..	..	..
2002	..	..	..	0.0	..	..	..	..
2003	..	..	..	- 7.8	..	..	..	..
2004	..	..	..	49.2	..	..	..	..
2005	..	..	..	632.4	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)) based on the Bank of Burundi, unpublished.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward Investment				Outward Investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	6.5	..	..	..	..
1981	..	..	..	17.6	..	..	..	..
1982	..	..	..	18.5	..	..	..	..
1983	..	..	..	21.5	..	..	..	..
1984	..	..	..	22.7	..	..	..	..
1985	..	..	..	24.3	..	..	..	..
1986	..	..	..	25.8	..	..	..	0.1
1987	..	..	..	27.2	..	..	..	0.2
1988	..	..	..	28.4	..	..	..	0.3
1989	..	..	..	28.9	..	..	..	0.3
1990	..	..	..	30.2	..	..	..	0.3
1991	..	..	..	31.0	..	..	..	0.3
1992	..	..	..	31.5	..	..	..	0.3
1993	..	..	..	31.9	..	..	..	0.4
1994	..	..	..	31.9	..	..	..	0.5
1995	..	..	..	33.7	..	..	..	1.0
1996	..	..	..	33.7	..	..	..	1.1
1997	..	..	..	33.7	..	..	..	1.1
1998	..	..	..	35.7	..	..	..	1.5
1999	..	..	..	35.1	..	..	..	2.3
2000	..	..	..	46.8	..	..	..	2.3
2001	..	..	..	46.8	..	..	..	2.3
2002	..	..	..	46.8	..	..	..	2.3
2003	..	..	..	46.8	..	..	..	2.3
2004	..	..	..	46.8	..	..	..	2.3
2005	..	..	..	47.4	..	..	..	2.3
2006	..	..	..	337.4	..	..	..	2.3

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating inflows since 1970. Outward stock data are estimated by accumulating inflows since 1986.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

<b>Economy</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Belgium/Luxembourg	-	-	-	-	-	-	0.9	-	-	-	-	-
France	-	-	-	-	1.1	0.9	-	-	-	1.2	2.5	- 1.3
Germany	-	- 2.7	-	1.7	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

<b>Economy</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Belgium/Luxembourg	-	-	-	-	-	-	0.9	-	-	-	-	-
Germany	-	-	0.6	-	-	-	-	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

<b>Company</b>	<b>Home economy</b>	<b>Industry</b>	<b>Sales</b>	<b>Employees</b>
<b>A. Industrial</b>				
<b>B. Tertiary</b>				
Chanic Burundi	Belgium	Wholesale trade	0.5	20
Maersk Burundi SA	Denmark	Water Transport	..	..
St Cellular SA	Zimbabwe	Telecommunication	..	..
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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**C. Legal frameworks for transnational corporations**

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A number of legal instruments exist in Burundi to facilitate as well as regulate the activities of foreign investors. Some of these instruments remit from its association in international organizations and laws enacted at national level. Some of the instruments include:

**I. National framework**

Industrial Designs Law, August 1964.  
*Source:* WIPO (<http://www.wipo.org>).

Patent Law, August 1964.  
*Source:* WIPO (<http://www.wipo.org>).

Trademark Law, August 1964.  
*Source:* WIPO (<http://www.wipo.org>).

Arrêté ministériel No. 040/523 de septembre 1964 portant mesures d'exécution de la Loi d'août 1964 sur les marques de fabrique et de commerce.  
*Source:* WIPO (<http://www.wipo.org>).

Arrêté ministériel No. 040/750 de juillet 1965 portant mesures d'exécution de la Loi d'août 1964 sur les brevets.  
*Source:* WIPO (<http://www.wipo.org>).

Arrêté ministériel No. 040/120 de juin 1966 portant mesures d'exécution de la Loi d'août 1964 sur les dessins et modèles industriels.  
*Source:* WIPO (<http://www.wipo.org>).

Legislative Decree No. 1/169, July 1968 amending the Law.  
*Source:* WIPO (<http://www.wipo.org>).

Décret-loi No 1/171 de juillet 1968 portant modification de la Loi d'août 1964 sur les dessins et modèles industriels. Legislative Decree No. 1/171, July 1968 amending the Law.  
*Source:* WIPO (<http://www.wipo.org>).

Copyright Legislative Decree, May 1978.  
*Source:* WIPO (<http://www.wipo.org>).

Décret-loi No. 1/8 d'avril 1979 portant Code des investissements du Burundi.  
*Source:* WIPO (<http://www.wipo.org>).

Investment Incentives Law No 1/001/1986 of 10 July 1986 - The Investment Code of 1986; together with the implementation Decree No 120/284 of 23 July 1986; as amended by Law No. 1-005 of 14 January 1987, Decree-Law No. 1-021 of 30 June 1990 and No. 1-025 of 30 September 1991.  
*Source:* Centre Francais du Commerce Extérieur - Paris - DAMEX-Africa and Middle East Publications, 1993.

Decree No. 1/21 on Privatization of States-Owned Enterprises of 12 August 1991.  
*Source:* World Bank, Technical Paper No. 186, "Divestiture of State Enterprises". An overview of legal framework.

Ordinance No. 120/321, setting Modalities for Competitive Bidding for the Privatization of State-Owned Enterprises, 4 October 1991.

*Source:* World Bank, Technical Paper No. 186. "Divestiture of State Enterprises". An overview of legal framework.

Law No. 1/30 on the Creation of a Free Zone in Burundi, of 31 August 1992

*Source:* Centre Francais du Commerce Extérieur - Paris - DAMEX-Africa and Middle East Publications, 1993.

Business environment 2005/2006

*Source:* <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:21043365~menuPK:258657~pagePK:2865106~piPK:2865128~theSitePK:258644,00.html>

## **II. International Framework**

### **A. Burundi is a party to the following multilateral and regional instruments:**

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Community Investment Code of the Economic Community of the Great Lakes Countries of 31 January 1982; entered into force on: 4 October 1987.

Treaty for the Establishment of the Economic Community of Central African States of 18 October 1983; entered into force in December 1984.

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Treaty Establishing the Common Market for Eastern and Southern Africa (COMESA) of 5 November 1993 (entered into force on 8 December 1994).

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

### **B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Germany 1984, Belgium/Luxembourg 1989, United Kingdom 1990, Comoros 2001, Mauritius 2001.

**2. Bilateral treaties for the avoidance of double taxation: ...**

### **C. Other treaties:**

Investment agreement for the COMESA Common Investment Area (2007).

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**D. Sources of information**


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**Official**

National Bank of Burundi.

**Secondary**

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## Cameroon

### A. Definitions and sources of data

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The data on foreign direct investment (FDI) in Cameroon were collected by the Banque Centrale des Etats d'Afrique Centrale (BEAC). The country's Code of Investment of 1990 (Ordinance No. 90/007 of 8 November 1990) governs all investment activities, including FDI. The code however, does not provide an explicit definition of FDI. The International Monetary Fund also provides data on FDI in Cameroon in its balance-of-payment statistics.

Cameroon is keen to boost its FDI inflows and provides incentives as stipulated in its national laws, and accepts binding international arbitration of investment disputes through its membership of investment-related bodies. It provides identical incentives for domestic and foreign investors. The measures that Cameroon had put in place to support the private sector include: privatizing public utilities to improve the provision of services; the strengthening of prudential regulations for credit institutions; and promoting micro-finance institutions to encourage savings for productive investment. The Government is also keen to develop capital markets to mobilize long-term savings and provide better access to long-term debt and equity financing. It has set up a competitiveness committee composed of government and business representatives to streamline business procedures and regulations.

Cameroon subscribes to several treaties. Cameroon signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on September 23, 1965. It is signatory to the 1998 treaty between the 15 states of the CFA franc zone to harmonize their business Laws and a member of and serves as the headquarters to the Organisation Africaine de la Propriété Intellectuelle - a member of the World Intellectual Property Organization. Cameroon as signatory to the Convention on the Recognition and Enforcement of Foreign Arbitrage awards, has signed other investment insurance programs with Overseas Private Investment Cooperation and its investment code guarantees protection from non-commercial risk through the articles of the Multilateral Investment Guarantee Agency. In 2007, the Government announced its intention to accelerate the privatization of the 27 hotels that it owns directly or through the state-owned National Investment Corporation, with FDI options.

Cameroon signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on September 23, 1965 and is entitled to preferential treatment in major markets of the world. It is a dominant member of the Central African Economic and Monetary Committee, the six-country Economic and Monetary Community of Central African States. It is also a member of the African Union, New Partnership for Africa's Development, enjoys special trading advantages with the European Union and benefits from the United States market access initiative - the African Growth and Opportunity Act. It is party to the Cotonou Agreement for renegotiating the partnership treaty between the European Union and the African, Caribbean and Pacific countries - the Lomé Convention and the World Trade Organisation.

**B. Statistics on FDI and the operations of TNCs****Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	309.0	1.1
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	11.8	0.0
3. FDI stocks, 2006	3 511	260
4. FDI stocks as a percentage of GDP, 2006	19.1	1.4

Source: Based on tables 3a and 4 and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	54.2	55.1	20.6	129.8	- 8.2	..	..	- 8.2
1981	72.2	35.7	27.4	135.4	- 0.4	..	..	- 0.4
1982	111.4	50.4	- 50.4	111.4	4.3	..	..	4.3
1983	186.0	27.9	..	213.8	5.2	..	..	5.2
1984	- 58.3	76.0	..	17.7	10.1	..	..	10.1
1985	114.9	222.7	- 21.4	316.2	10.6	..	..	10.6
1986	- 89.5	3.4	- 4.6	- 90.7	15.7	..	..	15.7
1987	12.0	52.0	52.0	115.9	11.6	..	..	11.6
1988	- 4.2	74.9	21.7	92.4	28.6	..	..	28.6
1989	- 86.0	..	0.3	- 85.7	26.1	0.1	- 0.1	26.1
1990	- 112.9	..	0.0	- 112.8	15.1	0.1	- 0.1	15.1
1991	- 14.0	5.6	- 6.0	- 14.5	21.5	0.1	- 0.1	21.5
1992	29.0	0.0	0.2	29.2	33.1	..	..	33.1
1993	5.0	0.0	0.1	5.1	22.1	..	..	22.1
1994	- 5.2	3.7	- 7.4	- 9.0	0.4	..	..	0.4
1995	14.7	0.4	- 7.8	7.3	0.6	..	..	0.6
1996	..	..	..	101.3	..	..	..	8.1
1997	..	..	..	78.3	..	..	..	- 3.9
1998	..	..	..	215.1	..	..	..	24.0
1999	..	..	..	- 15.5	..	..	..	- 11.7
2000	..	..	..	158.8	..	..	..	9.7
2001	..	..	..	73.3	..	..	..	35.2
2002	..	..	..	601.7	..	..	..	- 33.1
2003	..	..	..	383.0	..	..	..	4.4
2004	..	..	..	319.3	..	..	..	..
2005	..	..	..	224.7	..	..	..	..
2006	..	..	..	309.0	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the IMF for 1980-2002, the Banque Centrale des Etats de l'Afrique Centrale (BEAC) for 2003-2005 and estimate for 2006. Outflow data are from the IMF.

**Table 3b. FDI flows, by type of investment, 2003-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
2003	..	..	..	222 600	..	..	..	..
2004	..	..	..	168 700	..	..	..	..
2005	..	..	..	118 500.0	..	..	..	..

Source: UNCTAD, FDI/TNC database based on the Banque Centrale des Etats de l'Afrique Centrale (BEAC).

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	330.4	..	..	..	22.9
1981	..	..	..	465.8	..	..	..	22.5
1982	..	..	..	577.2	..	..	..	26.8
1983	..	..	..	791.0	..	..	..	32.0
1984	..	..	..	808.7	..	..	..	42.1
1985	..	..	..	1 124.9	..	..	..	52.7
1986	..	..	..	1 034.2	..	..	..	68.4
1987	..	..	..	1 150.2	..	..	..	79.9
1988	..	..	..	1 242.5	..	..	..	108.6
1989	..	..	..	1 156.8	..	..	..	134.7
1990	..	..	..	1 044.0	..	..	..	149.8
1991	..	..	..	1 029.5	..	..	..	171.3
1992	..	..	..	1 058.7	..	..	..	204.3
1993	..	..	..	1 063.8	..	..	..	226.4
1994	..	..	..	1 054.8	..	..	..	226.8
1995	..	..	..	1 062.1	..	..	..	227.4
1996	..	..	..	1 163.4	..	..	..	235.5
1997	..	..	..	1 241.7	..	..	..	231.6
1998	..	..	..	1 456.8	..	..	..	255.6
1999	..	..	..	1 441.4	..	..	..	244.0
2000	..	..	..	1 600.2	..	..	..	253.7
2001	..	..	..	1 673.4	..	..	..	288.9
2002	..	..	..	2 275.2	..	..	..	255.7
2003	..	..	..	2 658.2	..	..	..	260.1
2004	..	..	..	2 977.5	..	..	..	260.1
2005	..	..	..	3 202.2	..	..	..	260.1
2006	..	..	..	3 511.2	..	..	..	260.1

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating inflows since 1970. Outward stock data are estimated by accumulating inflows since 1973.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	-	-	- 1.1	3.3	20.2	11.1	9.8	-	-	-	-	-
China	-	-	-	-	-	-	-	-	0.3	0.4	0.2	-
Denmark	-	-	-	-	-	-	-	-	-	-	1.5	3.9
France	13.1	50.0	19.1	68.9	59.7	81.1	97.5	83.8	142.2	59.6	26.1	90.3
Germany	-	- 6.6	3.5	1.1	-	-	0.9	- 0.9	- 15.8	7.5	3.7	- 1.3
Japan	-	-	-	-	-	-	-	-	-	-	0.8	2.1
Malaysia	0.4	-	-	-	-	-	-	-	-	-	-	-
United States	6	25	38	- 41	94	- 68	- 120	- 6	163	- 6	- 7	124

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	-	-	-	-	-	- 0.9	-	-	-	-	-	-
China	0.1	-	-	-	-	-	-	-	-	-	-	-
France	3.9	12.8	6.7	5.6	24.5	- 12.0	28.6	6.6	36.1	44.7	62.2	- 1.3
Korea, Republic of	-	-	-	-	-	-	0.1	-	-	-	0.1	-
Sweden	-	-	-	-	-	-	-	1.7	-	-	-	-
United States	-	-	-	-	-	-	-	-	-	-	1.0	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	5.7	7.0	7.9	-
Denmark	-	-	-	-	-	-	-	-	-	8.8	9.2	13.1
Germany	7.0	7.1	7.8	9.0	8.0	3.7	2.6	8.4	-	-	-	-
Malaysia	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-
Korea, Republic of	1.2	1.2	1.0	1.0	1.0	1.0	1.0	0.7	0.7	0.7	0.7	-
United Kingdom	-	-	-	-	-	-	-	-	-	-	-	-
United States	156	181	218	178	313	257	148	135	242	252	99	231

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Estonia	-	-	-	-	-	-	-	-	-	0.0	-	- 0.0
France	45.5	43.8	43.8	40.8	46.2	44.7	74.0	90.2	140.2	196.1	247.7	-
Korea, Republic of	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.2	0.2

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	3	4	4	4	7	8	5	4	4	..	..	..
Italy	..	1	..	1	..	..	..	..	..	..	..	..
Republic of Korea	..	..	2	2	2	2	2	2	2	2	2	2
United States	10	10	10	10	10	8	9	14	14	13	11	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 30. Assets of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	..	69.8	64.3	55.8	119.5	100.5	93.1	..	..	..	..	..
United States <sup>a</sup>	493	723	754	882	726	682	590	1 344	1 698	1 807	1 874	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Thousands of employees)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Belgium	..	..	..	..	..	..	..	0.1	0.1	0.1	..	..
Germany	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	..	..	..
Italy	..	0.6	..	1.0	..	..	..	..	..	..	..	..
United States	0.7	0.7	0.7	0.7	0.6	1.0	1.0	5.1	4.9	8.7	12.6	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 40 and 50. Wages and salaries and value added of affiliates of United States TNCs in Cameroon, 1994-2005**  
(Millions of dollars)

Table no./Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
40. Wages and salaries	15	15	20	20	18	25	27	51	65	81	78	..
50. Value added <sup>a</sup>	28	134	179	173	117	98	149	216	252	..	435	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	61.6	69.8	66.5	57.7	56.8	..	..	..	..	..	..	..
Italy	..	24.6	..	42.3	..	..	..	..	..	..	..	..
United States	..	281.0	326.0	347.0	280.0	331.0	448.0	441.0	545.0	803.0	781 a	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 86. Largest home-based TNCs, 2007**  
(Billions of dollars)

Company	Industry	Sales
<b>A. Industrial</b>		
Société Nationale de Raffinage(SONARA)	Petroleum expl./ref./distr.	0.90
Sté Nle des Hydrocarbures(SNH)	Petroleum expl./ref./distr.	0.87
Cameroon oil Transportation co.	Petroleum expl./ref./distr.	0.46
AES Sonel	Electricity/gas/water	0.26
Total Cameroun	Petroleum expl./ref./distr.	0.21
Cie Camerounaise de l'Aluminium(ALUCAM)	Aluminium	0.16
Sté de Dév. Du Coton du Cameroun(SODCOTON)	Agro-Industry	0.15
Cimenteries du Cameroun(CIMENCAM)	Building Materials	0.13
Cameroon Development Corporation(CDC)	Agro-Industry	0.11
Groupe PHP	Agro-Industry	0.10
<b>B. Tertiary</b>		
SA des Brasseries du Cameroun(SABC)	Food, beverages and tobacco	0.32
Orange Cameroun	Telecommunication	0.21
Groupe CFAO Cameroun	Diversified Group	0.17
MTN Cameroun	Telecommunication	0.16
Cameroon Telecommunications(CAMTEL)	Telecommunication	0.14
<b>C. Finance and Insurance</b>		<b>Assets</b>
..	..	..

Sources: Sources: Jeune Afrique Hors-Série No 14, Edition 2007.

<sup>a</sup> 2004.

**Table 87. Largest foreign affiliates of home-based TNCs, 2007**  
(Millions of dollars and number)

Company	Host economy	Industry	Sales	Employees
<b>A. Industrial</b>				
..	..	..	..	..
<b>B. Tertiary</b>				
Foberd Congo	Dem. Republic of Congo	Wholesale trade	..	250
<b>C. Finance and Insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.



**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
British American Tobacco Cameroun Sa	United Kingdom	Food products, beverages and tobacco	375	..
Nestle Cameroun Sa	Switzerland	Food products, beverages and tobacco	353	287
Société Anonymes Des Brasseries Du Cameroun S A	Luxembourg	Food products, beverages and tobacco	..	864
Total Cameroun	France	Petroleum	..	271
Société Camerounaise De Transformation De L' Aluminium S A	Togo	Metal And Metal Products	..	152
Industrie De Crayons Et Fournitures S A	France	Other Manufacturing	..	131
Plantes Du Cameroun - Medicam S R L	Belgium	Chemicals and chemical products	..	84
Société Camerounaise D' Oxygene Et Acetylene	France	Chemicals and chemical products	..	81
Colgate Palmolive Cameroun	United States	Chemicals and chemical products	..	52
Compagnie Industrielle Pharmaceutique S A	India	Chemicals and chemical products	..	35
Camo	France	Petroleum	..	..
Société Shell Du Cameroun	United Kingdom	Petroleum	..	..
<b>B. Tertiary</b>				
Pricewaterhousecoopers Llp	United States	Other Services	70	..
Commerce General Et International Sa (Cogeni)	France	Wholesale Trade	62	40
Socada S A	France	Wholesale Trade	..	..
Société D'Exploitation Des Parcs A Bois Du Cameroun	France	Forestry And Fishing	..	355
Sho Cameroun Sarl	India	Wholesale Trade	..	344
Société Camerounaise De Manutention Et D'Acconage SA	France	Construction	..	331
Six International Limited	Belgium	Construction	..	253
Société Du Haut Ogoue S A	France	Wholesale Trade	..	233
Cameroon Motor Industries S A	France	Wholesale Trade	..	154
Sipca Sa	United Kingdom	Wholesale Trade	..	140
Maersk Cameroun Sa	Denmark	Public Administration	..	126
Compagnie Africaine D' Electricite Du Cameroun	India	Construction	..	31
Bull Cameroun Sa	France	Wholesale Trade	..	16
Abb Sub-Sahara Africa Ltd	Switzerland	Research And Development	..	..
Bayer Cropscience Cameroun Sarl	Germany	Other Services	..	..
Compagnie Camerounaise D' Entreprise	France	Public Administration	..	..
Consortio Acueducto Oriental	Italy	Other Services	..	..
Cp Qianshao (Qingdao) Power Tools Ltd	China	Wholesale Trade	..	..
Credit Lyonnais Cameroune	France	Other Business Activities	..	..
DHL International Cameroon S.A.R.L.	Germany	Air Transport	..	..
<b>C. Finance and Insurance</b>			<b>Assets Employees</b>	
Société Generale De Banques Au Cameroun S A	France	Finance	..	479
Agf Cameroun Assurances	Germany	Insurance	..	..
Axa Assurances Cameroun	France	Other Services	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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**C. Legal framework for transnational corporations**

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A number of legal instruments at national, bilateral and multilateral levels exist to regulate the activities of foreign investors in Cameroon. The instruments include the following:

**I. National framework**

Ordinance N° 90/001 of 29/01/90.  
*Source:* <http://www.hallelaw.com>

Ordinance N° 90/07 of 18/11/90  
*Source:* <http://www.hallelaw.com>

Law N° 92/007 of 14 August 1992.  
*Source:* <http://www.hallelaw.com>

Law No. 2000/011 on Copyright and Related Rights, December 2000.  
*Source:* WIPO (<http://www.wipo.org>).

Law N° 2002/004 of 19 April 2002  
*Source:* <http://www.hallelaw.com>

**II. International Framework****A. Cameroon is a party to the following multilateral and regional instruments:**

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7th June 1959.

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Customs and Economic Union of Central Africa (UDEAC) refers to the following instruments: Common Convention on Investments in the UDEAC (1965).  
Joint Convention on the Freedom of Movement of Persons and the Right of Establishment in the UDEAC (1972).  
Multinational Companies Code in the UDEAC (1975).

Patents: Bangui Agreement, March 1977 (Annex I), as last amended in February 1999.  
*Source:* WIPO (<http://www.wipo.org>).

Trade Marks: Bangui Agreement, March 1977 (Annex III), as last amended in February 1999.  
*Source:* WIPO (<http://www.wipo.org>).

Industrial Designs: Bangui Agreement, March 1977 (Annex IV), as last amended in February 1999.  
*Source:* WIPO (<http://www.wipo.org>).

Appellations of Origin / Geographical Indications / Indications of Source: Bangui Agreement, March 1977 (Annex VI), as last amended in February 1999.

Protection of Undisclosed Information: Bangui Agreement, March 1977 (Annex VIII), as last amended in February 1999.

Layout Designs (Topographics) of Integrated Circuits: Bangui Agreement, March 1977 (Annex IX), as last amended in February 1999. Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

## **B. Bilateral treaties**

1. Bilateral investment treaties for the protection and promotion of investments:

Germany 1962, Switzerland 1963, Netherlands 1965, Belgium and Luxembourg 1980, Romania 1980, United Kingdom 1982, United States 1986, Italy 1999, Egypt 2000, Guinea 2001, Mali 2001, Mauritania 2001, Mauritius 2001, Morocco 2007.

2. Bilateral treaties for the avoidance of double taxation:

France 1976, Canada 1982, United Kingdom 1982, Tunisia 1999.

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## D. Sources of information

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### Secondary

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World Bank/International Finance Corporation (2007). *Doing Business 2008 Cameroon* (Washington D.C.: The World Bank Group).

## Cape Verde

### A. Definitions and sources of data

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In Cape Verde, foreign direct investment (FDI) is the same as "external investment", in the country's External Investment Code (Law 89/IV/93). In this code, external investment is defined as any participation in an economic activity made, according to the law, with contributions from abroad that can be monetarily evaluated. The institution responsible for the registration, supervision and surveillance of FDI activities in Cape Verde is the Centro de Promoção Turística dos Investimentos e das Exportações de Cabo Verde (PROMEX). PROMEX records statistics on FDI. The International Monetary Fund also provides data on FDI in Cape Verde in its balance-of-payment statistics.

The Government of Cape Verde encourages foreign investment, particularly in tourism, fishing, light manufacturing, communications and transportation. All sectors of the economy are open to foreign investment, although approval is required. Residents and non-residents may hold foreign exchange accounts, subject to government approval and regulations. Most payments and transfers are subject to controls. Real estate transactions require a Central Bank (Banco de Cabo Verde) approval. When permitted the Central Bank must approve most capital transactions in advance.

The Government of Cape Verde has put in place reforms to streamline the cumbersome bureaucracy and to increase transparency for businesses to set up in Cape Verde. PROMEX has become a one-stop shop for external investors. When an application is submitted to PROMEX, within thirty days the investor should get a reply. If Government action is not forthcoming, within 30 days, approval is automatic. Mass privatizations have also eased the burden of competing with state-owned enterprises. The Government of Cape Verde works to ensure that its economy is integrated in the global economy. Cape Verde is a member of the African Union, New Partnership for Africa's Development and Economic Community of West Africa States. It is also eligible for the United States' market access initiative for African countries - the African Growth and Opportunity Act, the Cotonou Agreement for renegotiating the trade links between the African, Caribbean and Pacific countries with the European Union (EU), the EU's Everything But Arms initiative and the generalized system of preferences for the least developed countries. Cape Verde has an observer status at the World Trade Organization.

**B. Statistics on FDI and the operations of TNCs**

**Table 1. Summary of FDI**  
(Millions of dollars)

<b>Variable</b>	<b>Inward</b>	<b>Outward</b>
1. FDI flows, 2003-2006 (annual average)	58.3	0.1
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	17.2	0.0
3. FDI stocks, 2006	433	8
4. FDI stocks as a percentage of GDP, 2006	36.1	0.6

Source: Based on tables 3a and 4a and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	..	..	..	..	..
1981	..	..	..	..	..	..	..	..
1982	..	..	..	..	..	..	..	..
1983	..	..	..	..	..	..	..	..
1984	..	..	..	..	..	..	..	..
1985	..	..	..	..	..	..	..	..
1986	- 0.0	-	-	- 0.0	..	..	..	..
1987	2.8	-	-	2.8	..	..	..	..
1988	0.6	-	-	0.6	..	..	..	0.2
1989	0.2	-	-	0.2	..	..	..	0.8
1990	0.2	-	-	0.3	..	..	..	0.3
1991	1.7	-	-	1.7	..	..	..	0.5
1992	0.5	-	-	0.5	..	..	..	1.2
1993	3.6	-	-	3.6	..	..	..	0.7
1994	2.0	0.2	-	2.1	..	..	..	0.4
1995	25.7	0.5	-	26.2	..	..	..	0.6
1996	28.2	0.3	-	28.5	..	..	..	0.3
1997	11.6	-	-	11.6	..	..	..	0.0
1998	6.7	0.1	2.3	8.8	..	..	..	0.0
1999	53.3	..	..	61.1	..	..	..	0.4
2000	32.4	1.4	- 0.3	42.1	..	..	..	1.4
2001	8.0	1.0	0.1	12.7	..	..	..	0.5
2002	13.7	1.1	0.0	40.2	..	..	..	0.0
2003	13.8	1.0	..	33.5	..	..	..	..
2004	19.5	0.8	..	68.0	..	..	..	0.1
2005	51.7	2.8	- 0.0	75.5	..	..	..	0.1
2006	-	-	-	110.6	..	..	..	0.1

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the IMF for 1986-1993 and the Banco de Cabo Verde thereafter. Data on outflows are from the IMF for 1988-1993, 2000-2001 and 2004-2005, Banco de Cabo Verde for 1994-1999 and 2002 and estimate for 2006.

**Table 3b. FDI flows, by type of investment, 1999-2006**  
(Millions of escudos)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1999	..	..	..	6 327.0	..	..	..	..
2000	..	..	..	5 034.4	..	..	..	..
2001	..	..	..	1 562.7	..	..	..	..
2002	..	..	..	4 713.3	..	..	..	..
2003	..	..	..	3 276.4	..	..	..	..
2004	..	..	..	6 037.8	..	..	..	..
2005	..	..	..	6 695.7	..	..	..	..
2006	..	..	..	9 721.9	..	..	..	..

Source: UNCTAD, FDI/TNC ([www.unctad.org/statistics](http://www.unctad.org/statistics)) database based on the Banco de Cabo Verde.



**Table 4a. FDI stocks, by type of investment, 1986-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1986	..	..	..	..	..	..	..	..
1987	..	..	..	2.8	..	..	..	..
1988	..	..	..	3.4	..	..	..	0.2
1989	..	..	..	3.5	..	..	..	1.0
1990	..	..	..	3.8	..	..	..	1.3
1991	..	..	..	5.5	..	..	..	1.8
1992	..	..	..	6.0	..	..	..	3.0
1993	..	..	..	9.6	..	..	..	3.7
1994	..	..	..	11.8	..	..	..	4.1
1995	..	..	..	37.9	..	..	..	4.7
1996	..	..	..	66.5	..	..	..	4.9
1997	..	..	..	78.1	..	..	..	5.0
1998	..	..	..	86.8	..	..	..	5.0
1999	..	..	..	139.3	..	..	..	5.4
2000	..	..	..	172.8	..	..	..	6.7
2001	..	..	..	189.7	..	..	..	7.3
2002	..	..	..	199.3	..	..	..	7.3
2003	..	..	..	215.0	..	..	..	7.3
2004	..	..	..	332.9	..	..	..	7.3
2005	..	..	..	360.0	..	..	..	7.4
2006	..	..	..	518.0	..	..	..	7.5

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock prior to 2004 are estimated by accumulating inflows since 1986. As of 2004 data are based on the Banco de Cabo Verde. Outward stock are estimated by accumulating inflows since 1985.

**Table 4b. FDI stocks, by type of investment, 2004-2006**  
(Millions of escudos)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
2004	..	..	..	26 951.6	..	..	..	..
2005	..	..	..	33 647.2	..	..	..	..
2006	..	..	..	43 369.1	..	..	..	..

Source: UNCTAD, FDI/TNC ([www.unctad.org/statistics](http://www.unctad.org/statistics)) database based on the Banco de Cabo Verde.

**Table 5. FDI flows in the host economy, by industry, 2000-2007**  
(Millions of escudos)

Sector / industry	2000	2001	2002	2003	2004	2005	2006	2007
<b>Total</b>	..	..	..	..	..	..	..	7 857
<b>Secondary</b>	..	..	..	..	..	..	..	4 950
Food, beverages and tobacco	..	..	..	..	..	..	..	-
Textiles, clothing and leather	..	..	..	..	..	..	..	-
Non-metallic mineral products	..	..	..	..	..	..	..	-
Machinery and equipment	..	..	..	..	..	..	..	-
Motor vehicles and other transport equipment	..	..	..	..	..	..	..	-
Other manufacturing	..	..	..	..	..	..	..	-
<b>Tertiary</b>	..	..	..	..	..	..	..	2 357
Construction	..	..	..	..	..	..	..	-
Trade	..	..	..	..	..	..	..	1 414
Transport, storage and communications	..	..	..	..	..	..	..	-
Transport and storage	..	..	..	..	..	..	..	-
Activities of travel agencies and tour operators	..	..	..	..	..	..	..	-
Post and communications	..	..	..	..	..	..	..	-
Telecommunications	..	..	..	..	..	..	..	-
Other services	..	..	..	..	..	..	..	-
<b>Unspecified</b>	..	..	..	..	..	..	..	550

Source: Banco de Cabo Verde, Boletim de Estatística Trimestral.

Note: Values are calculated from percentages of total FDI.

**Table 6a. FDI flows in the host economy, by geographical origin, 2000-2007**  
(Millions of escudos)

Region / economy	2000	2001	2002	2003	2004	2005	2006	2007
<b>Total world</b>	..	..	4 713	3 276	6 038	6 696	9 722	..
<b>Developed countries</b>	..	..	4 709	3 221	5 718	6 508	4 900	..
Europe	..	..	4 709	3 221	5 718	6 508	4 900	..
European Union	..	..	4 709	3 221	5 718	6 508	4 900	..
Belgium	..	..	306	-	-	-	-	..
France	..	..	-	13	30	268	39	..
Germany	..	..	-	-	-	-	-	..
Italy	..	..	4 218	131	272	449	88	..
Portugal	..	..	184	2 864	1 383	5 591	1 886	..
Spain	..	..	-	213	4 033	201	2 887	..
<b>Developing economies</b>	..	..	-	3	18	20	10	..
Africa	..	..	-	3	18	20	10	..
Angola	..	..	-	-	18	-	-	..
Senegal	..	..	-	3	-	20	10	..
Asia and Oceania	..	..	-	-	-	-	-	..
South, East and South-East Asia	..	..	-	-	-	-	-	..
Hong Kong, China	..	..	-	-	-	-	-	..
<b>Unspecified</b>	..	..	5	52	302	167	4 812	..

Source: Banco de Cabo Verde, Boletim de Estatística Trimestral.

Note: Values are calculated from percentages of total FDI.

**Table 6b. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	-	-	0.3	-
Germany	-	-	-	-	-	-	0.9	-	-	-	-	-
Portugal	-	0.1	14.0	7.4	38.3	9.0	9.7	5.0	5.6	- 54.0	14.2	18.5

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Brazil	-	-	-	-	-	-	-	-	-	0.02	0.15	0.36
Chile	0.01	-	-	-	-	-	-	-	-	-	-	-
Portugal	-	-	0.13	0.22	0.05	0.01	0.22	0.09	-	- 0.1	0.10	- 0.3

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Brazil	-	-	-	-	-	-	-	-	0.1	-	-	-
China	-	-	-	-	-	-	-	-	-	-	0.6	-
Portugal	-	25.7	30.6	42.0	91.4	131.2	132.2	110.1	137.7	91.3	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Chile	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Portugal	-	-	-	-	-	-	0.2	0.4	0.4	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 11. FDI stocks in the host economy, by industry, 1990-1995**  
(Millions of escudos)

Sector / industry	1990	1991	1992	1993	1994	1995
<b>Total</b>	1.00	..	..	..	..	3.92
<b>Primary</b>	1.00	..	..	..	..	1.00
Mining, quarrying and petroleum	1.00	..	..	..	..	1.00
Petroleum	1.00	..	..	..	..	1.00
<b>Secondary</b>	-	..	..	..	..	0.95
Food, beverages and tobacco	-	..	..	..	..	0.19
Textiles, clothing and leather	-	..	..	..	..	0.53
Non-metallic mineral products	-	..	..	..	..	0.02
Machinery and equipment	-	..	..	..	..	0.04
Motor vehicles and other transport equipment	-	..	..	..	..	0.13
Other manufacturing	-	..	..	..	..	0.04
<b>Tertiary</b>	-	..	..	..	..	1.98
Construction	-	..	..	..	..	0.01
Transport, storage and communications	-	..	..	..	..	1.96
Transport and storage	-	..	..	..	..	0.36
Supporting and auxiliary transport activities	-	..	..	..	..	0.18
Post and communications	-	..	..	..	..	1.60
Telecommunications	-	..	..	..	..	1.60
Other services	-	..	..	..	..	0.01
<b>Unspecified</b>	-	..	..	..	..	-

Source: UNCTAD, FDI/TNC database based on the Banco de Cabo Verde, unpublished.

**Table 12. FDI stocks in the host economy, by geographical origin, 1990-1995**  
(Millions of escudos)

Region / economy	1990	1991	1992	1993	1994	1995
<b>Total world</b>	1.0	..	..	..	..	3.9
<b>Developed countries</b>	1.0	..	..	..	..	3.7
Europe	1.0	..	..	..	..	3.7
European Union	1.0	..	..	..	..	3.7
Belgium	-	..	..	..	..	0.1
Denmark	0.0	..	..	..	..	0.0
Germany	-	..	..	..	..	0.0
Italy	-	..	..	..	..	0.0
Portugal	-	..	..	..	..	2.6
United Kingdom	1.0	..	..	..	..	1.0
<b>Developing economies</b>	-	..	..	..	..	0.2
Africa	-	..	..	..	..	0.1
Senegal	-	..	..	..	..	0.1
Asia	-	..	..	..	..	0.1
Hong Kong, China	-	..	..	..	..	0.1

Source: UNCTAD, FDI/TNC database based on the Banco de Cabo Verde, unpublished.

**Table 87. Largest affiliates of home-based TNCs, 2007**  
(Millions of dollars and number)

Company	Host economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Csp - Sociedade De Cogeração, S.A.	Portugal	Electricity, gas and water	2.38	1
Companhia Termica Compal, A.C.E.	Portugal	Electricity, gas and water	1.70	3
Ece - Empresa De Cogeração De Estarreja, Lda	Portugal	Electricity, gas and water	..	14
Sociedade De Cogeração Da Pardala, S.A.	Portugal	Electricity, gas and water	..	3
<b>B. Tertiary</b>				
Engimais - Engenharia E Consultoria Imobiliaria, S.A.	Portugal	Research and development	4.61	30
Finertec - Energia E Tecnologia, S.G.P.S., S.A.	Portugal	Holding	1.42	9
Finertec - Serviços De Engenharia E Consultoria, S.A.	Portugal	Research and development	..	3
Peninsular - Avaliação De Activos, Lda	Portugal	Other services	..	1
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Cimentos de Cabo Verde	Portugal	Non-metallic mineral products	19	62
Ceris - Sociedade Caboverdiana Cerveja Refrigerantes	Luxembourg	Food products, beverages and tobacco	4	100
Industria de Componentes de Calçados Ortopedicos	Portugal	Leather and leather products	2	180
Verdeveste Industria de Vestuários	Portugal	Textiles and clothing	..	800
Cape Verde Clothing Company	Hong Kong, China	Textiles and clothing	..	500
<b>B. Tertiary</b>				
Msf Emprieteiros Cabo Verde S A	Portugal	Research and development	228.6	20
Shell Cabo Verde S A R L	United Kingdom	Wholesale trade	120.6	73
Cimentos De Cabo Verde Sa	Portugal	Wholesale trade	18.88	62
MCV - Marpe Cabo Verde Construcao Sa	Portugal	Construction	14	220 <sup>a</sup>
Cabo Verde Motors S A R L	Portugal	Wholesale trade	8.05..	
Forcabo -Veiculos Automoveis Lda	Portugal	Wholesale trade	2.08..	
Directel Cabo Verde-Servicos De Comunicacao Lda	Portugal	Other business activities	0.893	13
C I C Lda	Netherlands	Wholesale trade	..	8
A Promotora Sociedade Capital De Risco Sarl	Portugal	Research and development	..	4
Aldeasa Cabo Verde S A	Spain	Distributive trade	..	2
Calvopesca Atlantico Sa	Spain	Forestry and fishing	..	..
Pricewaterhousecoopers	United States	Other services	..	..
<b>C. Finance and Insurance</b>			<b>Assets</b>	<b>Employees</b>
Banco Comercial Do Atlantico	Portugal	Finance	261	378 <sup>a</sup>
Banco Interatlantico Cabo Verde Sa	Portugal	Finance	..	60

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

<sup>a</sup> 2006.

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**C. Legal frameworks for transnational corporations**

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In Cape Verde, the following legal instruments adopted at national, bilateral and multilateral levels have been put in place to regulate the activities of foreign investors:

**I. National framework**

Law n° 43/III/88 of 27 December, “States the general rules of constitution and functioning of International Financial Institutions in Cape Verde,” O.B. n° 52.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Investment Code of Cape Verde of 27 December 1989.

*Source:* Supplement of the Official Bulletin of Cape Verde No. 27 of 13 July 1990.

Decree Law No. 108/89 of 30 December 1989 on Industrial Statute.

*Source:* Supplement of the Official Bulletin of Cape Verde No. 27 of 13 July 1990.

Decree-Law No. 109/89 of 30 December 1989 on Financial Institutions.

*Source:* Supplement of the Official Bulletin of Cape Verde No. 27 of 13 July 1990.

Decree-law n° 110/89 of 3 December 1989 “Fiscal exemptions regime for external investors of industrial sector,” O.B. n° 52.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Law n° 50/III/89 of 13 July 1989, “Basic objectives policies, means and basic instruments and policies regarding industrial development,” O.B. n° 27.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Law n° 52-E/90 of 4 July 1990, “Regulates the performance services of the banks and credit activities,” O.B. n° 26.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 52-F/90 of 4 July 1990, “Regulates the access to insurance services throughout the country,” O.B. n° 26

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-Law n° 101-P/90 of 23 November 1990, “Regulates the legal statutes of insurance mediators,” O.B. n° 46.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 157/90 of 22 December 1990, “Defines the industrial activity and its applicability to the Industrial Statute,” O.B. n° 51.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Law n° 102/III/90 of 29 December 1990, “Establishes the basis of Cultural Property,” O.B. n° 52

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Copyright: Law No. 101/III/90, December 1990.

*Source:* WIPO (<http://www.wipo.org>).

Decree-law n° 1/92 of 21 January 1992, “Approves the statutes of hotel related industry,” O.B. n° 3.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Law n° 42/IV/92 of 06 April 1992, “Tourism Utility,” O.B. n° 14.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 24/93 of 10 May 1993, “Regulates access of marine charter activity,” O.B. n° 16.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 26/93 of 1 May 1993, “Defines and regulates access to the industry of marine transportation services,” O.B. n° 16.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

External Investment Code Law 89/IV/93, of 13 December 1993

*Source:* [http://virtualcapeverde.net/news2/modules/Downloads/docs/External%20Investment\\_Code.pdf](http://virtualcapeverde.net/news2/modules/Downloads/docs/External%20Investment_Code.pdf)

Law n° 92/IV/93 of 15 December 1993, “States the benefit regime applicable to export and import operations for goods and services,” O.B. n° 47.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Law n° 93/IV/93 of 15 December 1993, “Private initiative operation is not forbidden to any sector,” O.B. n° 47 of 15 December.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Law n° 99/IV/93 of 31 December 1993, “Approves the legal regime of free zone enterprises” O.B. n° 49.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 44/94 of 25 July 1994, “Institutionalizes the exchange currency agencies,” O.B. n° 27.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 72/94 of 12 December 1994, “Creates the venture (risks) capital,” O.B. n° 41.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 45/95 of 11 September 1995, “States the legal functioning of the financial leasing associations,” O.B. n° 30.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).



Decree-law n° 70/95 of 20 November 1995, "Defines access and service performance of telecommunications on the value added regime," O.B. n° 40.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 72/95 of 20 November 1995, "Defines the management regime for the establishment and exploration of the infrastructure and services performance of complementary telecommunications," O.B. n° 40.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 13/96 of 18 March 1996, "Defines the tariffs regime and prices of services performed exclusively by the operators of public services of post-offices and telecommunications," O.B. n° 6.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Law n° 3/V/96 of 1 July 1996, "States the general rules of constitution and functioning of banks and financial institutions," O.B. n° 20.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 51/96 of 26 December 1996, "Regulates the international shipping registration services," O.B. n° 44. Note: The National Assembly has approved a new law on International Ship Registration. It awaits publication in the Official Bulletin and regulation. The new law will revoke Decree-Law n° 51/96.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Law n° 32/V/97 of 30 June 1997, "Alters some law-articles n° 43/III/88 of 27 December regarding the International Financial Institutions," O.B. n° 25.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 66/97 of 3 November 1997, "Regulates the specific conditions of Authorization, for the constitution or establishment and functioning of International Financial Institutions in Cape Verde," O.B. n° 42, 1st Series.

Notice n° 3/98 of 18 August 1998, "Clarifications regarding the movements of foreign accounts in escudos, foreign accounts in foreign currency, national accounts in foreign currency," O.B. n° 30.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 25/98 of 29 July 1998, "Approves the new Exchange Operation regime," O.B. n° 23.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 26/98 of 29 June 1998, "Approves the new current and capital operation regime," O.B. n° 23.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 46/98 of 7 September 1998, "Determines the pre-conditions to be observed by the entities performing as marine agents," O.B. n° 33.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Notice n° 4/98 of 21 December 1998, “Regulates current and capital operations,” O.B. n° 47.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Law n° 83/V/98 of 21 December 1998, “Creates free trade zones” O.B. n° 47.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 1/99 of 1 February 1999, “Establishes the price policy for goods and services,” O.B. n° 1.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 3/99 of 1 February 1999, “Total liberalization of imports,” O.B. n° 1.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Legislative law n° 3/99 of 29 March 1999, “Approves the Code of Trade Enterprises,” O.B. n° 9.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 4/99, “States the norms for economic operations,” O.B. n° 1.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 59/99 of 27 September 1999, “Regulates registration procedures for firms,” O.B. n° 35.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

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Decree-law n° 30/2000 of 10 July 2000, “Re-analyzes the legal exchange agencies regimes,” O.B. n° 21.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

Decree-law n° 126/VI/2001 of 22 January 2001, “Granting of fiscal benefits to the holders of air transportation,” O.B. n° 2.

*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

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*Source:* Cape Verde a Virtual Portal, Invest in Cape Verde

(<http://virtualcapeverde.net/news2/modules.php?name=News&file=categories&op=newindex&catid=4>).

## **II. International Framework**

### **A. Cape Verde is a party to the following multilateral and regional instruments:**

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

**B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Germany 1990, Portugal 1990, Austria 1991, Netherlands 1991, Switzerland 1991, Angola 1997, Cuba 1997, Italy 1997, China 1998.

**2. Bilateral treaties for the avoidance of double taxation:** Portugal 1999.

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**D. Sources of information**


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## Central African Republic

### A. Definitions and sources of data

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Data on foreign direct investment (FDI) in Central African Republic are gathered by the Banque des États de l'Afrique Centrale (BEAC). Data are also provided by the international Monetary in its balance-of-payment statistics. The Investment Code (Investment Code - No. 88-004 of 9 May 1988) governs all foreign investment in the country, including foreign direct investment (FDI). This code does not define FDI.

Central African Republic welcomes foreign investment particularly in the mining which has grown in the recent years. Alluvial diamonds are the main source of mineral income. There are many diamond companies in the country. Other companies are planning to develop deposits of silver, lead and iron in the country. In the investment code, the Ministry of Energy and Mines will be entirely responsible for issuing licenses, in an attempt to speed up license acquisition. Given the improved political stability, there is likely to be a rise in foreign investment in cotton, timber and mining.

In Central African Republic, investments must be declared unless they are reinvestment of undistributed profits. The investment code is designed to open up the country to foreign investors while complying with the treaty creating the Central African States Economic and Monetary Community. In the code, there is no sector in which foreign investors are denied national treatment in Central African Republic. Foreigners have also won a significant presence in some formerly state-dominated sectors such as telecommunications, and full ownership of businesses by foreigners is permitted. Residents and non-residents may hold foreign exchange accounts. The Government plans to privatize its share in several other public companies. But in 2005, the Central African Republic introduced an indefinite suspension of the issuance of new gold and diamond mining permits and banned foreigners from entering mining zones.

Central African Republic signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on August 26, 1965 and is a member of the Central African States Economic and Monetary Community which includes Cameroon, Chad, the Republic of Congo, Equatorial Guinea and Gabon. It is also a member of the African Union, New Partnership for Africa's Development, BEAC and is eligible for several preferential trade schemes, such as the generalized system of preferences for the least developed countries, the European Union market access scheme - the Everything But Arms initiative and is signatory to the Cotonou Agreement for renegotiating the preferential trade between the Africa, Caribbean and Pacific countries with the European Union. Central Africa Republic is a member of the World Trade Organization.

**B. Statistics on FDI and the operations of TNCs**

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	24.3	0.0
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	37.1	0.0
3. FDI stocks, 2006	211	45
4. FDI stocks as a percentage of GDP, 2006	14.2	3.0

Source: Based on tables 3a and 4 and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	5.3	5.3	..	..	..	..
1981	3.0	..	2.8	5.8	..	..	..	..
1982	3.8	0.1	5.3	9.2	0.3	..	..	0.3
1983	2.3	..	2.2	4.5	0.4	..	..	0.4
1984	1.5	0.6	3.1	5.2	0.3	..	..	0.3
1985	1.5	..	1.5	3.0	0.6	..	..	0.6
1986	2.4	..	5.8	8.2	1.3	..	..	1.3
1987	0.6	..	11.4	11.9	2.6	..	..	2.6
1988	..	..	-3.8	-3.8	4.8	..	..	4.8
1989	0.2	0.6	0.5	1.3	3.8	..	..	3.8
1990	1.0	1.1	-1.4	0.7	3.8	..	..	3.8
1991	0.4	0.0	-5.3	-4.9	3.5	..	..	3.5
1992	..	..	-10.7	-10.7	5.9	..	..	5.9
1993	..	..	-10.0	-10.0	5.3	..	..	5.3
1994	..	..	3.6	3.6	7.2	..	..	7.2
1995	0.0	6.8	-1.2	6.2	0.0	1.2	0.3	1.4
1996	0.0	1.8	9.1	10.9	0.0	1.2	0.3	1.5
1997	-0.0	3.4	-1.9	1.5	-0.1	0.7	-0.4	0.2
1998	0.1	-0.2	7.7	7.6	..	..	0.3	0.3
1999	1.2	0.4	2.2	3.8	..	..	0.0	0.0
2000	0.5	1.9	-1.5	0.8	..	..	..	0.0
2001	2.4	0.4	2.4	5.2	..	..	..	0.0
2002	-1.1	0.6	6.1	4.3	..	..	1.3	1.3
2003	..	..	..	19.4	..	..	..	0.0
2004	..	..	..	24.8	..	..	..	..
2005	..	..	..	28.6	..	..	..	..
2006	..	..	..	24.3	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the IMF for 1980-1994, the Banque Centrale des Etats de l'Afrique Centrale (BEAC) for 1995-2005, and estimate for 2006. Outflow data are from the IMF for 1982-1994 and the BEAC for 1995-2003.

**Table 3b. FDI flows, by type of investment, 2000-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
2000	..	..	..	600	..	..	..	..
2001	..	..	..	3 800	..	..	..	..
2002	..	..	..	3 000	..	..	..	..
2003	..	..	..	11 300	..	..	..	..
2004	..	..	..	13 100	..	..	..	..
2005	..	..	..	15 100	..	..	..	..

Source: UNCTAD, FDI/TNC database based on the Banque Centrale des Etats de l'Afrique Centrale (BEAC).



**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	49.6	..	..	..	0.1
1981	..	..	..	55.4	..	..	..	0.1
1982	..	..	..	64.6	..	..	..	0.4
1983	..	..	..	69.0	..	..	..	0.9
1984	..	..	..	74.2	..	..	..	1.1
1985	..	..	..	77.2	..	..	..	1.7
1986	..	..	..	85.3	..	..	..	3.0
1987	..	..	..	97.2	..	..	..	5.5
1988	..	..	..	93.4	..	..	..	10.3
1989	..	..	..	94.7	..	..	..	14.1
1990	..	..	..	95.4	..	..	..	17.9
1991	..	..	..	90.5	..	..	..	21.4
1992	..	..	..	79.8	..	..	..	27.3
1993	..	..	..	69.9	..	..	..	32.6
1994	..	..	..	73.5	..	..	..	39.8
1995	..	..	..	79.7	..	..	..	41.2
1996	..	..	..	90.6	..	..	..	42.7
1997	..	..	..	92.1	..	..	..	42.9
1998	..	..	..	99.7	..	..	..	43.2
1999	..	..	..	103.5	..	..	..	43.2
2000	..	..	..	104.3	..	..	..	43.2
2001	..	..	..	109.5	..	..	..	43.2
2002	..	..	..	113.8	..	..	..	44.5
2003	..	..	..	133.2	..	..	..	44.5
2004	..	..	..	158.0	..	..	..	44.5
2005	..	..	..	186.7	..	..	..	44.5
2006	..	..	..	211.0	..	..	..	44.5

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating inflows since 1970. Outward stock data are estimated by accumulating inflows since 1975.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	-	-	-	1.1	-	-	-	-	-	-	-	-
France	-	2.6	4.5	2.2	3.2	- 3.7	- 1.8	1.9	2.3	3.7	1.2	3.8
Germany	-	0.7	- 1.2	-	-	-	-	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	-	-	- 1.1	1.1	-	-	-	-	-	-	-	-
France	-	-	-	-	-	-	-	-	-	1.2	-	-
Germany	-	- 0.7	-	-	-	-	-	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	-	-	2.0	-
Morocco	-	-	-	-	-	-	-	2.2	2.7	2.9	2.5	2.8

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Tables. 30 and 45. Assets and sales of affiliates of United States TNCs in the Central African Republic, 1995-2006**  
(Millions of dollars)

Table no./Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
30. Assets	..	..	..	..	..	1	1	2	2	..	..	..
45. Sales	..	..	..	..	..	3	3	4	4	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

**Table 87. Largest affiliates of home-based TNCs, 2007**  
(Millions of dollars and number)

Company	Host economy	Industry	Sales	Employees
<b>A. Industrial</b>				
..	..	..	..	..
<b>B. Tertiary</b>				
Gulf Trading And Export Agency	Bahrain	Wholesale trade	..	2 000
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

**Table 88. Largest affiliates of foreign TNCs in the home economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Société Centrafricaine Des Gaz Industriels S A	France	Chemicals and chemical products	..	27
<b>B. Tertiary</b>				
CFAO Centrafrique	France	Wholesale trade	19.6	85
<b>C. Finance and Insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

**C. Legal frameworks for transnational corporations**

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The legal instruments adopted in the Central African Republic to regulate the activities of foreign investors at national, bilateral and multilateral levels include:

**I. National framework**

Code of Tax Benefits. Decree 67-72 of 30 December 1967.

*Source:* Official Journal of the Central African Republic of 15 February 1968.

Decree on Company Tax No. 74-0013 of 24 January 1974.

*Source:* Official Journal of the Central African Republic of 15 March 1974.

Ordinance No. 85-002 on Copyright.

*Source:* WIPO (<http://www.wipo.org>).

Investment Code - No. 88-004 of 9 May 1988 concerning the Central African Republic Investment Code - Repeals Law No. 62-355 of 19 February 1963.

*Source:* Official Journal of the Central African Republic of 9 May 1988.

Decree No. 88-165 of 9 May 1988 on the Legislation of Enterprises in the Central African Republic.

*Source:* Fiduciare France Afrique, 1994 edition. Also official copy received from PEE-French Embassy in Bangui.

Decree No. 89-103 on the implementation modalities of Law No. 88- 004 of 9 May 1988.

*Source:* Fiduciare France Afrique, 1994 edition. Also official copy received from PEE-French Embassy in Bangui.

Investment Guide

*Source:* "News", published by the Embassy of the Central African Republic, Washington, D.C., May 1989.

Finance Law 1990 providing for a tax reduction in respect of investments.

*Source:* Fisealite Africaine, FIDAFRICA, 1990.

**II. International Framework**

**A. Central African Republic is a party to the following multilateral and regional instruments:**

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7th June 1959.

Customs and Economic Union of Central Africa (UDEAC) refers to the following instruments: Common Convention on Investments in the UDEAC (1965).

Joint Convention on the Freedom of Movement of Persons and the Right of Establishment in the UDEAC (1972).

Multinational Companies Code in the UDEAC (1975).

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Patents: Bangui Agreement, March 1977 (Annex I), as last amended in February 1999.

*Source:* WIPO (<http://www.wipo.org>).

Trade Marks: Bangui Agreement, March 1977 (Annex III), as last amended in February 1999.  
*Source:* WIPO (<http://www.wipo.org>).

Industrial Designs: Bangui Agreement, March 1977 (Annexes II and IV), as last amended in February 1999.  
*Source:* WIPO (<http://www.wipo.org>).

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

## **B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Germany 1965, Switzerland 1973, Egypt 2000, Morocco 2006.

**2. Bilateral treaties for the avoidance of double taxation:** France 1969.

**D. Sources of information**

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Bank of Central African States (www.beac.int).

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World Bank (2002a). *Global Economic Prospects and the Developing Countries 2003: Investing to Unlock Opportunities* (Washington D.C.: World Bank).

\_\_\_\_\_ (2002b). *Global Development Finance: financing the poorest countries* Washington D.C.: World Bank).

World Bank/International Finance Corporation (2007). *Doing Business 2008 Central African Republic* (Washington D.C.: The World Bank Group).

## **Chad**

### **A. Definitions and sources of data**

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The Investment Code of the Republic of Chad (Ordonance No. 25/PR/87) governs all investment in the country. This code provides no specific definition of foreign direct investment (FDI). The main agency in charge of promoting foreign investment in the country is Office de Promotion Industrielle du Tchad (OPIT). Data on the annual FDI are collected from the Banque Centrale des Etats d'Afrique Centrale (BEAC) or the Central Bank of Central Africa States. The International Monetary Fund also provided FDI data on the country in its balance-of-payments statistics, until 1994.

Chad welcomes foreign investment, places no limits on foreign ownership, and provides equal treatment to domestic and foreign investors. All investments must be reviewed and approved by the Government. Residents and non-residents may hold foreign exchange accounts with government approval. Capital transactions, payments and transfers to some countries are permitted freely while those to other countries are subject to exchange-control approval and quantitative limits. The government's investment policy does not discriminate against foreign investment.

Chad is known to have large commercially viable petroleum reserves in the Doba basin of lake Chad. Recent completion of the oil pipeline from Chad to the ports in Cameroon had significantly reduced constraint to exploring these oil reserves and lead to significant increase of FDI in the industry. Planned exploitation of the Doba oilfields is expected to further increase its economic contribution to the secondary and tertiary sectors.

Chad signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on May 12, 1966, is active in many regional integration schemes and eligible for participation in market access and trade initiatives. It is a member of the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC, named Union Douanière et Economique de l'Afrique Centrale, until 1994). CEMAC's main aim is to extend the economic integration of six Central African countries-Cameroon, Central African Republic, Chad, Congo (Brazzaville), Gabon and Equatorial Guinea which are already tied to a common currency, the CFA franc, and a monetary policy under the aegis of the BEAC. Chad is a member of African Union, New Partnership for Africa's Development, World Trade Organization and eligible for the United States' market access initiative for Africa countries - the African Growth and Opportunity Act, the Cotonou Agreement for renegotiating the partnership trade treaty between the African, Caribbean and Pacific countries with the European Union (EU) and the EU's Everything But Arms initiative.



**B. Statistics on FDI and the operations of TNCs**

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**Table 1. Summary of FDI**  
(Millions of dollars)

<b>Variable</b>	<b>Inward</b>	<b>Outward</b>
1. FDI flows, 2003-2006 (annual average)	630.2	0.0
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	46.9	0.0
3. FDI stocks, 2006	4 482	70
4. FDI stocks as a percentage of GDP, 2006	68.5	1.1

Source: Based on tables 3a and 4 and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	- 0.4	0.4	..	..	0.4
1981	..	..	..	- 0.1	0.1	..	..	0.1
1982	..	..	..	- 0.1	0.1	..	..	0.1
1983	..	..	..	- 0.1	0.1	..	..	0.1
1984	9.2	..	..	9.2	..	..	..	..
1985	53.7	..	..	53.7	0.3	..	..	0.3
1986	31.9	..	- 3.7	28.2	0.4	..	..	0.4
1987	8.9	..	- 0.8	8.2	8.0	..	..	8.0
1988	1.3	..	..	1.3	13.8	..	..	13.8
1989	21.9	..	- 3.1	18.7	12.6	..	..	12.6
1990	..	..	..	9.4	..	..	..	0.1
1991	4.2	..	..	4.2	10.5	..	..	10.5
1992	15.5	- 11.2	- 2.3	2.0	13.8	..	..	13.8
1993	15.2	..	..	15.2	10.9	..	..	10.9
1994	27.1	..	..	27.1	0.6	..	..	0.6
1995	- 7.6	- 15.8	56.0	32.6	..	- 2.2	- 0.2	- 2.5
1996	0.4	- 6.4	45.5	39.5	..	- 3.1	4.4	1.3
1997	1.4	3.3	39.6	44.3	..	- 0.8	1.7	0.9
1998	11.1	- 11.4	21.7	21.4	- 1.0	-	- 0.2	- 0.3
1999	6.6	- 8.8	28.8	26.6	0.0	-	2.1	- 2.1
2000	3.2	- 13.9	125.5	114.8	..	..	..	-
2001	3.9	3.4	452.6	459.9	..	..	..	..
2002	8.1	- 13.5	929.5	924.1	..	..	..	..
2003	7.3	- 302.5	1 007.9	712.7	..	..	..	..
2004	..	..	..	495.4	..	..	..	..
2005	..	..	..	612.9	..	..	..	..
2006	..	..	..	700.0	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the IMF on the basis of net direct investment for 1980-1983, IMF for 1984-1989 and 1991-1994, World Bank for 1990, the Banque Centrale des Etats de l'Afrique Centrale (BEAC) for 1995-2005, and estimate for 2006. Outflow data are from the IMF for 1985-1983, 1984-1989 and 1991-1994, proxy based on investments reported by Belgium and Luxembourg for 1990 and the BEAC for 1995-2003.

**Table 3b. FDI flows, by type of investment, 2000-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
2000	..	..	..	81 700	..	..	..	..
2001	..	..	..	337 100	..	..	..	..
2002	..	..	..	644 100	..	..	..	..
2003	..	..	..	414 200	..	..	..	..
2004	..	..	..	261 700	..	..	..	..
2005	..	..	..	323 300	..	..	..	..

Source: UNCTAD, FDI/TNC database based on the Banque Centrale des Etats de l'Afrique Centrale (BEAC).

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	121.4	..	..	..	1.7
1981	..	..	..	121.3	..	..	..	1.8
1982	..	..	..	121.1	..	..	..	2.0
1983	..	..	..	121.1	..	..	..	2.0
1984	..	..	..	130.2	..	..	..	2.0
1985	..	..	..	183.9	..	..	..	2.3
1986	..	..	..	212.1	..	..	..	2.7
1987	..	..	..	220.3	..	..	..	10.7
1988	..	..	..	221.5	..	..	..	24.6
1989	..	..	..	240.3	..	..	..	37.1
1990	..	..	..	249.7	..	..	..	37.2
1991	..	..	..	253.9	..	..	..	47.7
1992	..	..	..	255.9	..	..	..	61.5
1993	..	..	..	271.0	..	..	..	72.4
1994	..	..	..	298.1	..	..	..	72.9
1995	..	..	..	330.7	..	..	..	70.5
1996	..	..	..	370.2	..	..	..	71.8
1997	..	..	..	414.5	..	..	..	72.7
1998	..	..	..	435.9	..	..	..	72.4
1999	..	..	..	462.5	..	..	..	70.3
2000	..	..	..	577.2	..	..	..	70.3
2001	..	..	..	1 037.1	..	..	..	70.3
2002	..	..	..	1 961.2	..	..	..	70.3
2003	..	..	..	2 673.9	..	..	..	70.3
2004	..	..	..	3 169.2	..	..	..	70.3
2005	..	..	..	3 782.2	..	..	..	70.3
2006	..	..	..	4 482.2	..	..	..	70.3

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating inflows since 1970. Outward stock data are estimated by accumulating inflows since 1979.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	-	-	-	-	1.1	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	2.7	-
France	11.8	19.2	21.4	51.1	20.2	0.9	5.4	26.4	38.4	18.6	12.4	13.8
Malaysia	-	-	-	-	-	-	-	172.2	8.9	6.5	-	-
Portugal	-	-	-	-	-	-	-	0.4	1.4	4.0	-	-
United States	-	6.0	16.0	-	-	-	-	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Denmark	-	-	-	-	-	-	-	-	-	-	-7.7	-1.8
France	-	3.8	-	-1.1	1.1	-	-	-	-	-1.2	1.2	3.8
Kazakhstan	-	-	-	-	-	0.1	-	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	-	-	2.7	-
Malaysia	-	-	-	-	-	-	-	172.2	181.1	187.6	434.7	-
United States	106.0	112.0	128.0	-	-	-	-	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Denmark	-	-	-	-	-	-	-	-	-	42.6	30.5	30.7

Source: UNCTAD, FDI/TNC database. Note: Data are based on information reported by Denmark.

**Tables 23, 30, 35, 40, 45 and 50. Number, assets, employees, wages and salaries, sales and value added of affiliates of United States' TNCs in Chad, 1995-2006**  
(Number, thousands of employees and millions of dollars)

Table no./Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
23. Number	..	4	4	3	2	4	6	7	10	12	..	..
30. Assets	..	133	154	..	..	534	..	..	..	5222	..	..
35. Employees	..	0.3	0.3	0.2	..	..	..	..	0.6	1.2	..	..
40. Wages and salaries	..	2	2	1	..	..	..	..	87	112	..	..
45. Sales	..	15	16	7	..	12	13	13	..	1417	..	..
50. Value added <sup>a</sup>	..	-7	-5	-5	..	-12	-14	-31	109	802	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Majority-owned affiliates only.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Encana International (Chad) Limited	Canada	Petroleum	...	
<b>B. Tertiary</b>				
CFAO Motors Tchad	France	Wholesale trade	55.5	50
Tchad Mobile	Egypt	Telecommunications	..	71
Tchad Motors Industries SA	France	Wholesale trade	..	20
Millicom Tchad S A	Luxembourg	Telecommunications	..	14
Laborex Tchad	France	Wholesale trade	..	10
Pricewaterhousecoopers	United States	Other services	..	10
Geodis Tchad	France	Wholesale trade	..	..
<b>C. Finance and Insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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**C. Legal frameworks for transnational corporations**

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The legal instruments for regulating foreign investment activities in Chad include:

**I. National framework**

Ordinance No. 025/PR/87 of 8 December 1987 concerning the Investment Code of the Republic of Chad. Together with Decree No. 446/PR7MCI/87 of 8 December 1987 on the application of incentives provided for by the Investment Code. Repeals Decree No. 156/PR of 26 August 1963.

*Source:* Official Publication, "Tchad-Code des Investissements-Ordonnance-Decret". Ministere du Commerce et de l'Industrie, Direction de l'Industrie et des Cooperatives. Also in Fiduciaire France Afrique, 1988-Editions.

**II. International Framework****A. Chad is a party to the following multilateral and regional instruments:**

Customs and Economic Union of Central Africa (UDEAC) refers to the following instruments: Common Convention on Investments in the UDEAC (1965).

Joint Convention on the Freedom of Movement of Persons and the Right of Establishment in the UDEAC (1972).

Multinational Companies Code in the UDEAC (1975).

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Patents: Bangui Agreement, March 1977 (Annex I), as last amended in February 1999.

*Source:* WIPO (<http://www.wipo.org>).

Trade Marks: Bangui Agreement, March 1977 (Annex III), as last amended in February 1999.

*Source:* WIPO (<http://www.wipo.org>).

Industrial Designs: Bangui Agreement, March 1977 (Annexes II and IV), as last amended in February 1999.

*Source:* WIPO (<http://www.wipo.org>). Agreement for the Promotion, Protection and Guarantee of Investment Among Member States of the Organization of Islamic Conference of 1 June 1981; entered into force on 23 September 1986.

*Sources:* Depository of the Agreement, Organisation of Islamic Conference, 1981. Also in UNCTAD, Division on Investment, Enterprise Development and Technology, Bilateral Investment Instruments: A Compendium (Geneva, United Nations, 1996).

Treaty for the Establishment of the Economic Community of Central African States of 18 October 1983; entered into force in December 1984.

*Sources:* Secretariat of the Economic Community of Central African States. Treaty for the Establishment of the Economic Community of Central African States. Libreville, 1984. Also in UNCTAD, Division on Investment, Enterprise Development and Technology, Bilateral Investment Instruments: A Compendium (Geneva, United Nations, 1996).

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit of 19 February 1992. Entered into force on 1 August 1994.

*Sources:* Islamic Development Bank, "Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit", (LD133/A:CI/RI/MH,C:2212/RI) (Jeddah, Islamic Development Bank, 1992). Also in UNCTAD, Division on Investment, Enterprise Development and Technology, *Bilateral Investment Instruments: A Compendium* (Geneva, United Nations, 1996).

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

## **B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** France 1960, Germany 1967, Switzerland 1967, Italy 1969, Morocco 1997, Egypt 1998, Qatar 1999, Benin 2001, Burkina Faso 2001, Mali 2001, Mauritius 2001, Guinea 2004, Lebanon 2004, .

**2. Bilateral treaties for the avoidance of double taxation:** Qatar 1999.

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**D. Sources of information**


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Banque des Etats l'Afrique Centrale ([www.beac.int](http://www.beac.int)).  
Office de Promotion Industrielle du Tchad (OPIT) ([droit.francophonie.org](http://droit.francophonie.org)).

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## Comoros

### A. Definitions and sources of data

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The Investment Code of Comoros (Ordinance No. 92 on Investment of November 1992) does not provide an explicit definition of foreign direct investment (FDI). Data on FDI in Comoros are not available except those provided by the International Monetary Fund in its balance-of-payment statistics.

The Government of Comoros welcomes FDI. Lush and with regular rainfall, Comoros possesses vast rich agricultural land. As a result, agriculture is at the heart of the Comorian economy but economic growth and development have been tightly constrained by geographical isolation, the small size of the domestic market and an absence of minerals and other high-value raw materials. Its coastal waters are rich in marine wildlife, notably the coelacanth fish, fishing and marine trade, which can contribute to other small coastal economies but have been neglected.

Infrastructure is still in a poor stage of development, particularly the telecommunication facilities. The Government of Comoros is, however, adopting private sector-oriented policies to reverse the conditions of the sector. A mobile telephony service is now being provided by a company formed by a consortium of the Libyan Arab Jamahiriya Foreign Investment Company and French firms - Alcatel and SNPT. Also, the Global System for Mobile Communications network is due to come into operation in Grande Comore and Moheli.

Comoros signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on September 26, 1978 and is a member of the Common Market for Eastern and Southern Africa, the East African Community, New Partnership for Africa's Development, the African Union, the Cotonou Agreement for renegotiating the Lomé Convention between European Union (EU) and the African, Caribbean and Pacific countries, the EU market access initiative - the Everything But Arms initiative, the Southern African Development Community and the Indian Ocean Rim Association for Regional Co-operation. Comoros also qualifies for the preferential market access schemes such as the generalized system of preferences for the least developed countries. Comoros has an observer status at the World Trade Organization.

**B. Statistics on FDI and the operations of TNCs**

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**Table 1. Summary of FDI**  
(Millions of dollars)

<b>Variable</b>	<b>Inward</b>	<b>Outward</b>
1. FDI flows, 2003-2006 (annual average)	0.8	-
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	2.4	-
3. FDI stocks, 2006	26	1
4. FDI stocks as a percentage of GDP, 2006	6.3	0.3

Source: Based on tables 3a and 4 and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1982-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1982	..	..	..	0.2	-	-	-	-
1983	..	..	..	..	-	-	-	-
1984	..	..	..	..	-	-	-	-
1985	..	..	..	..	-	-	-	-
1986	..	..	..	..	-	-	-	-
1987	7.4	0.0	0.1	7.6	-	-	-	-
1988	3.7	0.1	..	3.8	-	-	-	-
1989	3.3	..	..	3.3	-	-	-	-
1990	..	0.4	..	0.4	-	-	-	1.1
1991	2.0	0.5	..	2.5	-	-	-	-
1992	..	..	..	- 1.4	-	-	-	-
1993	..	..	..	0.2	-	-	-	-
1994	..	..	..	0.2	-	-	-	-
1995	..	..	..	0.9	-	-	-	-
1996	..	..	..	0.5	-	-	-	-
1997	..	..	..	0.0	-	-	-	-
1998	..	..	..	0.4	-	-	-	-
1999	..	..	..	0.3	-	-	-	-
2000	..	..	..	0.1	-	-	-	-
2001	..	..	..	1.1	-	-	-	-
2002	..	..	..	0.4	-	-	-	-
2003	..	..	..	0.8	-	-	-	-
2004	..	..	..	0.7	-	-	-	-
2005	-	-	-	0.6	-	-	-	-
2006	-	-	-	0.6	-	-	-	-

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the OECD for 1982, 1996-1997, IMF for 1987-1995, the *IMF Country Report*, March 2004 No. 04 and 77 for 1998, the Banque Centrale des Comores for 1999-2006. Outflow data are from the IMF for 1990.

**Table 3b. FDI flows, by type of investment, 2000-2006**  
(Millions of Comorian Franc)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
2000	..	..	..	50	..	..	..	..
2001	..	..	..	630	..	..	..	..
2002	..	..	..	225	..	..	..	..
2003	..	..	..	346	..	..	..	..
2004	..	..	..	266	..	..	..	..
2005	..	..	..	221	..	..	..	..
2006	..	..	..	226	..	..	..	..

Source: UNCTAD, FDI/TNC database based on the Banque Centrale des Comores, unpublished.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward Investment				Outward Investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	1.9	..	..	..	..
1981	..	..	..	1.9	..	..	..	..
1982	..	..	..	2.1	..	..	..	..
1983	..	..	..	2.1	..	..	..	..
1984	..	..	..	2.1	..	..	..	..
1985	..	..	..	2.1	..	..	..	..
1986	..	..	..	2.1	..	..	..	..
1987	..	..	..	9.6	..	..	..	..
1988	..	..	..	13.4	..	..	..	..
1989	..	..	..	16.7	..	..	..	..
1990	..	..	..	17.1	..	..	..	1.1
1991	..	..	..	19.6	..	..	..	1.1
1992	..	..	..	18.1	..	..	..	1.1
1993	..	..	..	18.3	..	..	..	1.1
1994	..	..	..	18.5	..	..	..	1.1
1995	..	..	..	19.4	..	..	..	1.1
1996	..	..	..	19.9	..	..	..	1.1
1997	..	..	..	19.9	..	..	..	1.1
1998	..	..	..	20.3	..	..	..	1.1
1999	..	..	..	20.6	..	..	..	1.1
2000	..	..	..	20.6	..	..	..	1.1
2001	..	..	..	21.8	..	..	..	1.1
2002	..	..	..	22.2	..	..	..	1.1
2003	..	..	..	23.0	..	..	..	1.1
2004	..	..	..	23.7	..	..	..	1.1
2005	..	..	..	24.7	..	..	..	1.1
2006	..	..	..	25.5	..	..	..	1.1

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating inflows since 1978. Data on outward stock are estimated by accumulating inflows since 1990.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Mauritius	2.8	1.0	1.2	-	-	-	-	-	-	-	-	-

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by Mauritius.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Brazil	-	-	-	-	-	-	-	-	1.1	-	-	-
China	-	-	-	-	-	-	-	-	-	0.01	0.01	-

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Tables. 30 and 45. Assets and sales of affiliates of United States TNCs in Comoros, 1995-2006**  
(Millions of dollars)

Table no./Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
30. Assets	..	..	..	..	..	..	..	..	..	2	..	..
45. Sales	..	..	..	..	..	..	..	..	..	2	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
..		..	..	..
<b>B. Tertiary</b>				
..		..	..	..
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
Banque pour l'Industrie et le Commerce du Comores	France	Finance	..	65

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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**C. Legal frameworks for transnational corporations**

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The legal instruments for regulating the activities of the transnational corporations and foreign investors in Comoros include:

**I. National framework**

Ordinance No. 92 on Investment of November 1992. Repeals Investment Law of 1984.  
*Source:* Unofficial copy – Banque Internationale des Comores, Agence de Moroni, 1992.

**II. International Framework****A. Comoros is a party to the following multilateral and regional instruments:**

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Charter on a Regime of Multinational Industrial Enterprises (MIEs) in the Preferential Trade Area for Eastern and Southern African States (PTA), signed on 21 November 1990, entered into force August 1995.  
*Source:* Preferential Trade Area for Eastern and Southern African States: Report of the Sixteenth Meeting of the Council of Ministers, 17-19 November, 1990, Mbabane, Swaziland (PTA/CM/XVI/2).

Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit of 19 February 1992. Entered into force on 1 August 1994.

Market for Eastern and Southern Africa (COMESA), 1993.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

**B. Bilateral treaties**

1. **Bilateral investment treaties for the protection and promotion of investments:** Egypt 1994, Belgium / Luxembourg 2001, Burkina Faso 2001, Burundi 2001, Mali 2001, Mauritius 2001.

2. **Bilateral treaties for the avoidance of double taxation:** France 1970.

**C. Other treaties:**

Investment agreement for the COMESA Common Investment Area (2007).

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**D. Sources of information**


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**Official**


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Banque Centrale des Comores.

**Secondary**


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Economist Intelligence Unit (EIU) (various years). *Country Profile: Comoros* (London: EIU Ltd.).

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\_\_\_\_\_ (2005b). *A Survey of Support by Investment Promotion Agencies to Linkages*. Advisory Studies No. 18 (UNCTAD/ITE/IPC/2005/12).

\_\_\_\_\_ (2005c). *FDI in least developed countries at a glance: 2005/2006* (UNCTAD/ITE/IIA/2005/17).

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## Congo

### A. Definitions and sources of data

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The Investment Code of Congo, of March 1992, governs all foreign investments in the country. This code does not provide specific definition of foreign direct investment (FDI). Data on the annual inflows of FDI are collected by the Banque des Etats de l'Afrique Centrale (BEAC). The International Monetary Fund also provides data on FDI in the country in its balance-of-payment statistics. FDI stock data were estimated as an accumulation of flows.

FDI in Congo exists in the oil and forestry industries, but privatization has attracted some interests. The country is a substantial oil producer. Most of the oilfields are offshore and are gradually extending into deep waters. TotalFinaElf, a French company, has traditionally dominated the oil sector in Congo. Agip of Italy is the next most significant player. The United States-based companies Anadarko, CMS Nomeco, Chevron, Marathon and ExxonMobil, and the Anglo-Dutch company - Shell, are also involved in production or exploration in the oil sector in the country.

Congo also has some potential in the non-oil mineral sector. Production of diamond and gold has been restricted to artisanal mining. Rights are granted to corporation to market diamonds from areas to the border with the Central African Republic. Potash and Iron ore reserves are estimated to exist along the southern section of the Gabon frontier and access is possible through the spur of the Brazzaville-Pointe-Noire railway. A Canadian company, Magnesium Alloy Corporation has unveiled plans to develop magnesium deposits in Kouilou region, near Pointe-Noire.

Congo signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on December 27, 1978 and is a member of regional integration schemes. The most prominent ones are the BEAC, Communauté économique et monétaire de l'Afrique centrale, the Union économique et monétaire ouest-africaine, New Partnership for Africa's Development and the African Union. Congo is also an eligible member of the Cotonou Agreement for renegotiating the Lomé Convention offering a group of African, Caribbean and Pacific countries preferential trade and aid links with the European Union. Congo is signatory to the convention that established the multilateral investment guarantee agency and World Trade Organization.

**B. Statistics on FDI and the operations of TNCs****Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	344.1	3.5
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	30.9	0.3
3. FDI stocks, 2006	3 467	-
4. FDI stocks as a percentage of GDP, 2006	46.9	0.0

Source: Based on tables 3a and 4 and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	4.2	6.0	29.9	40.0	..	..	..	..
1981	1.4	1.9	27.6	30.8	..	..	..	..
1982	0.9	1.3	33.2	35.3	..	..	..	..
1983	1.0	17.1	37.9	56.1	..	..	..	..
1984	1.1	2.3	31.5	34.9	..	..	..	..
1985	0.8	0.4	11.6	12.7	..	..	..	..
1986	..	2.8	19.6	22.4	..	..	..	..
1987	1.5	..	42.0	43.4	..	..	..	..
1988	..	..	9.1	9.1	..	..	..	0.3
1989	..	..	..	- 7.1	..	..	..	- 0.4
1990	..	..	..	22.6	..	..	..	3.3
1991	..	..	..	32.8	..	..	..	1.2
1992	..	..	..	2.7	..	..	..	1.5
1993	..	..	..	286.1	..	..	..	1.2
1994	..	..	..	3.0	..	..	..	- 0.5
1995	4.1	199.6	- 81.9	121.8	- 2.2	3.2	0.6	- 1.6
1996	2.6	298.0	- 228.0	72.6	0.4	..	- 0.8	- 0.4
1997	0.0	- 38.7	117.9	79.2	0.7	..	2.8	3.5
1998	7.9	- 77.4	102.2	32.8	- 6.6	..	- 1.5	- 8.1
1999	8.0	69.5	460.7	520.6	..	17.6	1.7	1.7
2000	0.1	155.8	10.0	162.1	..	..	3.9	3.8
2001	10.3	- 27.3	94.3	71.3	0.5	..	5.4	5.9
2002	..	327.6	3.5	130.6	..	..	4.2	6.2
2003	0.5	361.0	- 38.4	321.4	..	..	- 0.3	1.8
2004	4.5	305.3	- 318.4	- 13.1	..	..	..	4.5
2005	..	..	724.0	724.0	..	..	..	4.2
2006	..	..	..	344.1	..	..	..	3.5

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the Banque Centrale des Etats de l'Afrique Centrale (BEAC) for 1980-1993 and 1995-2005, OECD for 1994, and estimate for 2006. Outflow data are from the IMF for 2004, proxy based on investments reported by Belgium and Luxembourg and France for 1988-1994 and the BEAC for 1995-2003. 2005-2006 data are estimates.

**Table 3b. FDI flows, by type of investment, 2000-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
2000	..	..	..	115 400	..	..	..	..
2001	..	..	..	52 300	..	..	..	..
2002	..	..	..	91 000	..	..	..	..
2003	..	..	..	186 800	..	..	..	..
2004	..	..	..	- 6 900	..	..	..	..
2005	..	..	..	381 900	..	..	..	..

Source: UNCTAD, FDI/TNC database based on the Banque Centrale des Etats de l'Afrique Centrale (BEAC).

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	314.8	..	..	..	..
1981	..	..	..	345.7	..	..	..	..
1982	..	..	..	381.0	..	..	..	..
1983	..	..	..	437.1	..	..	..	..
1984	..	..	..	472.1	..	..	..	..
1985	..	..	..	484.8	..	..	..	..
1986	..	..	..	507.2	..	..	..	..
1987	..	..	..	550.6	..	..	..	..
1988	..	..	..	559.7	..	..	..	..
1989	..	..	..	552.6	..	..	..	..
1990	..	..	..	575.2	..	..	..	..
1991	..	..	..	607.9	..	..	..	..
1992	..	..	..	610.7	..	..	..	..
1993	..	..	..	896.7	..	..	..	..
1994	..	..	..	899.7	..	..	..	..
1995	..	..	..	1 021.5	..	..	..	..
1996	..	..	..	1 094.1	..	..	..	..
1997	..	..	..	1 173.3	..	..	..	..
1998	..	..	..	1 206.0	..	..	..	..
1999	..	..	..	1 726.7	..	..	..	..
2000	..	..	..	1 888.8	..	..	..	..
2001	..	..	..	1 960.1	..	..	..	..
2002	..	..	..	2 090.7	..	..	..	..
2003	..	..	..	2 412.1	..	..	..	..
2004	..	..	..	2 399.0	..	..	..	..
2005	..	..	..	3 123.0	..	..	..	..
2006	..	..	..	3 467.2	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating inflows since 1970.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	-	-	-	2.2	-	14.7	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	0.5	8.1	-
Denmark	-	-	-	-	-	-	-	-	-	-	-2.3	1.3
France	- 84.1	2.6	- 10.1	166.8	- 79.9	243.2	220.1	198.6	251.7	147.8	415.4	421.5
Germany	-	1.3	1.7	2.8	-	-	- 10.7	0.9	- 1.1	-	-	-
Netherlands	13.7	14.4	-	-	25.6	-	-	-	-	-	-	-
Portugal	-	0.1	-	-	- 0.0	- 0.0	0.0	0.0	- 0.0	- 0.1	-	-
United States	-	-	- 1.0	15.0	97.0	- 48.0	- 8.0	5.0	- 70.0	16.0	- 63.0	128.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	-	-	-	-	13.9	3.7	-	-	-	-	-	-
Bulgaria	-	-	-	-	0.1	-	- 0.0	-	0.0	-	- 0.0	-
Cyprus	-	-	-	-	-	-	-	-	0.0	-	0.1	-
France	1.3	3.8	3.4	- 7.8	4.3	6.4	4.5	3.8	2.3	7.5	13.7	7.5
Portugal	-	-	-	-	-	- 0.0	-	-	-	-	-	-
United States	-	-	-	-	- 1.0	- 1.0	- 1.0	1.0	-	- 5.0	1.0	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	-	5.7	13.3	-
Denmark	-	-	-	-	-	-	-	-	-	0.5	1.4	2.6
Germany	12.6	9.6	-	-	-	-	8.8	-	-	-	-	-
Morocco	-	-	-	-	-	-	-	-	-	2.1	1.8	2.0
Portugal	-	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-
United States	-	72.0	79.0	108.0	222.0	133.0	126.0	116.0	45.0	102.0	75.0	184.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Bulgaria	-	-	-	-	0.1	0.1	- 0.0	-	0.0	-	0.0	0.0
United States	-	-	-	-	-	- 1.0	- 2.0	-	-	- 5.0	- 4.0	- 4.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1993-2004**

Economy	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Germany	..	..	3	3	..	..	..	..	..	..	..	..
Italy	1	..	1	..	1	..	..	..	..	..	..	..
United States	6	7	6	5	5	6	8	9	9	8	9	8

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 30. Assets of affiliates of foreign TNCs in the host economy, by geographical origin, 1993-2004**  
(Millions of dollars)

Economy	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Germany	..	..	69.8	..	..	..	..	..	..	..	..	..
United States	468	369	307	186	177	..	1 264	1 280	1 331	1 263	1 429	1 331

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin, 1993-2004**

(Thousands of employees)

Economy	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Belgium	..	..	..	..	..	..	..	..	6.3	5.8	5.0	..
Germany	..	..	1.0	1.0	..	..	..	..	..	..	..	..
Italy	0.3	..	0.4	..	0.4	..	..	..	..	..	..	..
United States	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.4	0.5

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Tables 40 and 50. Wages and salaries and value added of affiliates of United States TNCs in Congo, 1993-2004**

(Millions of dollars)

Table no./Variable	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
40. Wages and salaries	..	4	4	6	5	5	7	4	5	5	14	19
50. Value added <sup>a</sup>	..	34	46	35	17	-7	134	299	173	180	198	244

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States. <sup>a</sup> Majority-owned affiliates only.

**Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin, 1993-2004**

(Millions of dollars)

Economy	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Germany	..	..	69.8	132.9	..	..	..	..	..	..	..	..
Italy	402.1	..	408.0	..	358.2	..	..	..	..	..	..	..
United States	..	94.0	70.0	67.0	..	123.0	243.0	357.0	244.0	235.0	304.0	430.0

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 87. Largest affiliates of home-based TNCs, 2007**  
(Millions of dollars and number)

Company Name	Host economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Congolaise de Raffinage	Dem. Rep. Congo	Petroleum	..	1 200
<b>B. Tertiary</b>				
Auto Transport Compagnie	Dem. Rep. Congo	Wholesale trade	..	40
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Zetah Maurel And Prom Congo Sarl	France	Petroleum	2	43 <sup>a</sup>
Societe Congolaise Industrielle De Bois S A	Germany	Wood and wood products	..	1 700
Elf Congo S A	France	Petroleum	..	730
Société Industrielle Et Agricole Du Tabacs Tropical SA	France	Food products, beverages and tobacco	..	10
C M S Nomeco Inc	United States	Electricity, gas and water	..	5
Bj Services Company France Sarl	United States	Machinery and equipment	..	..
K.G.H.M. Congo S P R L	Poland	Mining and quarrying	..	..
Scgi	France	Petroleum	..	..
Shell Republique Democratique De Congo	United Kingdom	Petroleum	..	..
Societe Congolaise De Petrole Shell	United Kingdom	Manufacture of petroleum	..	..
<b>B. Tertiary</b>				
Celtel Congo (Rdc) Sprl	Kuwait	Telecommunications	80	..
SHO Congo Sa	France	Distributive trade	16	60 <sup>a</sup>
Enterprise Generale Malta Forrest Sprl	Belgium	Construction	..	..
Score Congo S A	Monaco	Wholesale trade	..	75
Afrimtransit	France	Other services	..	..
Armorgroup Site Logistics Sprl	United Kingdom	Other services	..	..
Auto One	France	Other business activities	..	..
Auxeltra Beton	France	Construction	..	..
Basf Coatings (Pty.) Ltd.	Germany	Public administration	..	..
Batipont Zaire S A R L	Belgium	Wholesale trade	..	..
Bivac Rdc Sprl	France	Public administration	..	..
Cegelec	France	Telecommunications	..	..
Cimcongo Sa	Norway	Wholesale trade	..	..
Compagnie Forestiere Africaine S A	Denmark	Public administration	..	..
Congo Handling	France	Air transport	..	..
Dimon Congo Sprl	Spain	Wholesale trade	..	..
Edtv	France	Construction	..	..
Inalca Kinshasa Sprl	Italy	Agriculture and hunting	..	..
International Metal Factors Ltd	United Kingdom	Public administration	..	..
Saga Congo	France	Supporting transport activities	..	..
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

<sup>a</sup> 2006.



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**C. Legal frameworks for transnational corporations**

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In the Congo, many legal instruments exist at national, bilateral and multilateral levels to regulate the activities of the transnational corporations and foreign investors. The key among these instruments include the following:

**I. National framework**

Mining legislation Law 29-62 of June 1962, as amended by Decree No. 23/82 of July 7, 1982, and Decree No. 86/814 of June 11, 1986.

*Source:* The Mineral Industry Of Congo (Brazzaville), By George J. Coakley (<http://minerals.usgs.gov/minerals/pubs/country/1997/cf97.pdf>).

Copyright: Law No. 24/82, July 1982.

*Source:* WIPO (<http://www.wipo.org>).

Decree 14-89 of 21 April 1989.

As amended by Finance Law, 1994.

*Source:* General Tax Code, Articles 16.111 and 261. Also in FDI Africa, Congo, 1994.

Investment Code of Congo of March 1992, repeals Investment Code of Congo of 1982.

*Source:* Recueil des Lois, Assemblée Nationale Populaire de la République Populaire du Congo, Session du Premier Semestre 1992.

Hydrocarbon Law 24/94 of August 23, 1994.

*Source:* The Mineral Industry Of Congo (Brazzaville), By George J. Coakley <http://minerals.usgs.gov/minerals/pubs/country/1997/cf97.pdf>

**II. International Framework****A. The Republic of Congo is a party to the following multilateral and regional instruments:**

Customs and Economic Union of Central Africa (UDEAC): Common Convention on Investments in the UDEAC (1965); Joint Convention on the Freedom of Movement of Persons and the Right of Establishment in the UDEAC (1972); Multinational Companies Code in the UDEAC (1975).

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Joint Convention on the Freedom of Movement of Persons and the Right of Establishment in the Central African Customs and Economic Union of 22 September 1972.

Patents: Bangui Agreement, March 1977 (Annex I), as last amended in February 1999.

*Source:* WIPO (<http://www.wipo.org>).

Trade Marks: Bangui Agreement, March 1977 (Annex III), as last amended in February 1999.

*Source:* WIPO (<http://www.wipo.org>).

Industrial Designs: Bangui Agreement, March 1977 (Annexes II and IV), as last amended in February 1999.

*Source:* WIPO (<http://www.wipo.org>).

Treaty for the Establishment of the Economic Community of Central African States of 18 October 1983; entered into force in member 1984.

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

## **B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** France 1960, Switzerland 1962, Germany 1965, United Kingdom 1989, United States 1990, Italy 1994, China 2005, South Africa 2005, Tunisia 2005, Korea, Republic of 2006.

**2. Bilateral treaties for the avoidance of double taxation:** United Kingdom 1976, France 1987.

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**D. Sources of information**

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**Official**

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Banque des Etats de l'Afrique Centrale (www.beac.int).

**Secondary**

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Economist Intelligence Unit (EIU) (various years). *Country Profile: Democratic Republic of Congo* (London: EIU Ltd.).

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## Congo, Democratic Rep. of

### A. Definitions and sources of data

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Data on the annual foreign direct investment (FDI) in the Democratic Republic of Congo (DRC) are gathered from the tapes provided by the Organization for Economic Cooperation and Development, Development Assistance Committee and International Development Statistics On-line databases. The country does not provide FDI statistics. The International Monetary Fund does not provide data on FDI in the country in its balance-of-payment statistics either. The Investment Code of (Ordinance-Law No. 86-028 of 1986) of the DRC (former Zaire) does not define FDI, specifically.

The investment climate in the DRC is improving. Rampant company nationalizations that were instituted in the 1970's and the two wars fought in the country during the past years have caused a sharp drop in economic activities. Large reserve of natural resources has kept the economy going and attracted some FDI. The formal economy is dominated by copper and cobalt mining, with exploiting of diamonds. Also, there is timber in the Equateur province, immense hydroelectric potential in Bas-Congo, gold and coffee in Oriental and Nord-Kivu. The mining industry is strapped for cash and in serious need of new investment.

DRC also has extensive energy resources including hydroelectric potential estimated at 100,000 megawatts. The Inga dam alone, on the Congo River, possesses potential capacity of 40,000-45,000 megawatts, enough to supply Southern Africa's electricity needs. Only a fraction of this amount has been developed at Inga. Production is estimated at no more than 650-750 megawatts, largely because two-thirds of the turbines are not working. The country exports hydroelectricity to Congo (Brazzaville) and South Africa through the Southern African electricity grid. A proposal has been developed to increase production at Inga and export this to the region. A South African utility company, Eskom, has been involved in rehabilitating the Inga dam for this goal.

The Government of DRC signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on October 29, 1968, cooperates with many African countries and considers regional integration as an important for its economic success. The country participates in integration schemes such as: the Communauté Economique et Monétaire de l'Afrique Centrale, the Union Economique et Monétaire Ouest-Africaine, Southern African Development Community, New Partnership for Africa's Development and the African Union. DRC is also an eligible member of the Cotonou agreement for renegotiating the Lomé Convention offering a group of African, Caribbean and Pacific countries preferential trade and aid links with the European Union and the United States market access initiative for African countries - the African Growth and Opportunity Act. DRC is signatory to the convention that established the multilateral investment guarantee agency and a member of the World Trade Organization.

## B. Statistics on FDI and the operations of TNCs

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	67.3	-
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	7.4	-
3. FDI stocks, 2006	1 086	-
4. FDI stocks as a percentage of GDP, 2006	12.7	-

Source: Based on tables 3 and 4 and UNCTAD, FDI/TNC database.

**Table 3. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	109.6	..	..	..	..
1981	..	..	..	69.6	..	..	..	..
1982	..	..	..	- 2.4	..	..	..	..
1983	..	..	..	- 192.8	..	..	..	..
1984	..	..	..	- 32.5	..	..	..	..
1985	..	..	..	69.2	..	..	..	..
1986	..	..	..	5.6	..	..	..	..
1987	..	..	..	- 55.1	..	..	..	..
1988	..	..	..	- 3.9	..	..	..	..
1989	..	..	..	- 6.1	..	..	..	..
1990	..	..	..	- 14.5	..	..	..	..
1991	..	..	..	12.4	..	..	..	..
1992	..	..	..	- 0.7	..	..	..	..
1993	..	..	..	6.9	..	..	..	0.9
1994	..	..	..	- 1.5	..	..	..	..
1995	..	..	..	- 22.4	..	..	..	0.2
1996	..	..	..	24.8	..	..	..	19.3
1997	..	..	..	- 44.4	..	..	..	17.2
1998	..	..	..	61.3	..	..	..	- 1.2
1999	..	..	..	11.3	..	..	..	- 1.1
2000	..	..	..	23.4	..	..	..	- 1.8
2001	..	..	..	82.0	..	..	..	0.9
2002	..	..	..	117.0	..	..	..	- 1.9
2003	..	..	..	158.0	..	..	..	0.1
2004	..	..	..	9.9	..	..	..	- 0.1
2005	..	..	..	- 78.6	..	..	..	..
2006	..	..	..	180.0	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the OECD for 1980-2000 and 2004-2005; *IMF Country Report*, April 2004 No. 04/97 for 2001-2003 and estimate for 2006. Outflows are proxy data based on investments reported by the following economies:

1993 and 1995, France.

1996, Belgium and Luxembourg and France.

1997, Belgium and Luxembourg, France and the United States.

1998, Belgium and Luxembourg and the United States.

1999-2001, Belgium and Luxembourg.

2002, Belgium.

2003, Portugal.

2004, Cyprus.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	709.2	..	..	..	..
1981	..	..	..	778.9	..	..	..	..
1982	..	..	..	776.5	..	..	..	..
1983	..	..	..	583.7	..	..	..	..
1984	..	..	..	551.3	..	..	..	..
1985	..	..	..	620.4	..	..	..	..
1986	..	..	..	626.0	..	..	..	..
1987	..	..	..	570.9	..	..	..	..
1988	..	..	..	567.0	..	..	..	..
1989	..	..	..	560.9	..	..	..	..
1990	..	..	..	546.4	..	..	..	..
1991	..	..	..	558.8	..	..	..	..
1992	..	..	..	558.1	..	..	..	..
1993	..	..	..	564.9	..	..	..	..
1994	..	..	..	563.4	..	..	..	..
1995	..	..	..	541.1	..	..	..	..
1996	..	..	..	565.9	..	..	..	..
1997	..	..	..	521.5	..	..	..	..
1998	..	..	..	582.9	..	..	..	..
1999	..	..	..	594.1	..	..	..	..
2000	..	..	..	617.5	..	..	..	..
2001	..	..	..	699.5	..	..	..	..
2002	..	..	..	816.5	..	..	..	..
2003	..	..	..	974.5	..	..	..	..
2004	..	..	..	984.4	..	..	..	..
2005	..	..	..	905.8	..	..	..	..
2006	..	..	..	1 085.8	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Note: Inward stock data are estimated by accumulating inflows since 1970.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium	-	-	-	-	-	-	-	-7.5	-	-	2.5	-
Belgium/Luxembourg	-2.7	10.4	6.8	-	1.1	4.6	2.7	-7.5	-	-	2.5	-
China	-	-	-	-	-	-	-	-	0.1	11.9	5.1	-
France	-	-	-	-	20.2	-	-	-	-	-	-	2.5
Germany	-27.9	28.6	-4.6	1.1	-	-	-7.2	-5.6	-9.0	-6.2	-7.5	-8.8
Netherlands	-	-	-	8.9	10.7	-	-	-	-	-	-	-
Portugal	-	0.1	0.0	-	-0.3	-	-	-	-0.1	0.1	-	-
Korea, Republic of	-	0.1	-	-	-	-	0.5	1.5	0.1	0.0	-	-
Sweden	-	-	-	-	-	11.9	-	-	-	-	-	-
United States	-5.0	2.0	-39.0	58.0	-37.0	-11.0	-16.0	-36.0	-26.0	-7.0	-12.0	-9.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium	-	-	-	-	-	-	-	-2.8	-	-	-	-
Belgium/Luxembourg	-	19.5	6.8	-2.2	-1.1	-1.8	0.9	-2.8	-	-	-	-
Bulgaria	-	-	-	-	-	-	-0.0	-	-	-	-	-
Cyprus	-	-	-	-	-	-	-	-	-	-0.1	-	-
Denmark	-	-	-	-	-	-	-	-	-	-	-14.7	-3.5
France	-	-	9.0	-	-5.3	-	-	-	-	3.7	7.5	-1.3
Germany	-	-0.7	-	-	-	-	-	-	-	-	-	-
Portugal	-	0.0	0.0	0.0	-	-	-	0.0	0.1	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	0.2	15.7	25.1	-
Germany	39.8	52.7	32.9	12.0	-	-	-	-	-	-	-	-
Portugal	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-
Korea, Republic of	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	-
United States	65.0	66.0	28.0	77.0	101.0	102.0	96.0	70.0	55.0	61.0	60.0	62.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Denmark	-	-	-	-	-	-	-	-	-	81.6	58.5	58.8
Portugal	-	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.3	-	-	-
United States	-	-	2.0	2.0	2.0	2.0	2.0	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1995-2004**

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Germany	6	6	5	4	..	..	..	..	..	..
Italy	2	..	2	..	..	..	..	..	..	..
United States	9	9	9	8	7	8	8	8	8	4

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 30. Assets of affiliates of foreign TNCs in the host economy, by geographical origin, 1995-2004**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Germany	69.8	64.3	55.8	59.8	..	..	..	..	..	..
United States <sup>a</sup>	326	386	470	189	184	236	213	232	336	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin, 1995-2004**  
(Thousands of employees)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Belgium	..	..	..	..	..	..	0.2	0.5	0.5	..
Germany	2.0	2.0	2.0	2.0	..	..	..	..	..	..
Italy	0.9	..	0.8	..	..	..	..	..	..	..
United States <sup>a</sup>	1.1	..	0.4	0.4	0.4	0.4	0.2	0.2	0.2	0.4

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Tables 40 and 50. Wages and salaries and value added of affiliates of United States TNCs in the Democratic Republic of Congo, 1995-2004**  
(Millions of dollars)

Table no./Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
40. Wages and salaries	..	..	14.0	6.0	7.0	6.0	6.0	9.0	10.0	6.0
50. Value added <sup>a</sup>	..	..	71.0	31.0	24.0	51.0	31.0	53.0	96.0	42.0

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin, 1995-2004**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Germany	69.8	66.5	..	..	..	..	..	..	..	..
Italy	22.1	..	18.2	..	..	..	..	..	..	..
United States <sup>a</sup>	..	..	..	87.0	106.0	160.0	129.0	123.0	139.0	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

<sup>a</sup> Data refer to majority-owned affiliates only.



**Table 86. Largest home-based TNCs, 2007**  
(Billions of dollars and number)

Company	Industry	Sales	Employment
<b>A. Industrial</b>			
..	..	..	..
<b>B. Tertiary</b>			
Vodacom Congo	Telecommunication	0.21	..
<b>C. Finance and Insurance</b>			
..	..	..	..
		<b>Assets</b>	

Source: Jeune Afrique Hors-serie No. 14, 2007.

<sup>a</sup> 2004.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company Name	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Agip Recherches Congo ( Brazzaville ) S A	Italy	Petroleum	..	300
Perenco Rdc	France	Petroleum	35	3000
Brasseries, Limonaderies Et Malteries Sarl	Switzerland	Food products, beverages and tobacco	15.153	50357
Utexafrica S A R L	Belgium	Precision instruments	11.727	1850
Bat Congo Sarl	United Kingdom	Food products, beverages and tobacco	..	80655
Tabacongo Sarl	United Kingdom	Food products, beverages and tobacco	..	70948
Societe Miniere Du Congo	Canada	Mining and quarrying	..	70000
Congolaise De Raffinage S A	Congo	Petroleum	..	1700
Agip Recherches Congo ( Brazzaville ) S A	Italy	Petroleum	..	1200
Agip Congo S A	Italy	Petroleum	..	500
Eni Congo S A	Italy	Petroleum	..	500
Societe Congolaise Industrielle De Bois Sa	Germany	Wood and wood products	..	5
<b>B. Tertiary</b>				
Vodacom Congo Rdc Sprl	South Africa	Telecommunications	250	..
Groupement D' Enterprises De Transport Maritime Et Ariens	France	Supporting transport activities	118.075	10
Tractafric Congo Sprl	France	Wholesale trade	25	120
Sait Telecom S P R L	Egypt	Telecommunications	16.8	120
Congo Korea Telecom S A R L	Rep. of Korea	Telecommunications	5	150
Agence Afrcaine De Distribution De Materiel Sarl	France	Distributive trade	..	..
Celtel Congo Sa	Kuwait	Telecommunications	..	900
Foberd Congo S A R L	Cameroon	Wholesale trade	..	250
Auto Transport Compagnie S A	Congo	Wholesale trade	..	40
Laborex Congo S A	France	Wholesale trade	..	20
E G A B	Belgium	Construction	..	..
Iveco S.P.R.L.	Italy	Wholesale trade	..	..
Totalfinaelf E & P Congo S A	France	Public administration	..	..
<b>C. Finance and Insurance</b>			<b>Assets</b>	<b>Employees</b>
Banque Commerciale Du Congo Sarl	Belgium	Finance	..	310

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

## C. Legal frameworks for transnational corporations

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The Democratic Republic of Congo has adopted a number of legal instruments at national, bilateral and multilateral levels to regulate the activities of transnational corporations and foreign direct investors in the country. The key instruments include the following:

### I. National framework

Corporations: Décret du 23 Juin 1960 sur les sociétés commerciales.

Land Property: Loi n° 80-008 du 18 Juillet 1980 modifiant et complétant la loi n° 73-021 du 20 juillet 1973 portant régime général des biens, régime foncier et immobilier et régime des sûretés.

*Source* : *Journal Officiel de la RDC, Numéro 15 du 1er Août 1980.*

Ordinance-Law No. 81-010 creating a Free Zone Regime of Industrial Development; effective on 2 April 1981. Amendment: Ordinance Law No. 83-008, effective on 21 February 1983.

*Source*: Journal Officiel de la République du Zaïre, 15 April 1981.

Administration of the INGA Free Zones Regime, Ordinance Law No. 81-066; effective on 30 April 1981. Amendment: Ordinance No. 83-060; effective on 21 February 1983.

*Source*: Journal Officiel de la République du Zaïre, 1 May 1981.

Protection of Industrial property :- Loi n° 001 de 07 Janvier 1982 régissant la propriété industrielle.

*Source* : CEPI, Législation et réglementation économiques et commerciales, 3ème éd., Kinshasa 2003, Ordonnance n° 89-173 du 31 Août 1989 portant mesures d'exécution de la Loi n° 001 de 07 Janvier 1982 régissant la propriété industrielle. *Source* : CEPI, Législation et réglementation économiques et commerciales, 3ème éd, Kinshasa 2003.

Appellations of Origin / Geographical Indications / Indications of Source: Law No. 82-001, January 1982, as above, under Patents (Geographical and Commercial Denominations: arts. 153 to 163).

*Source*: WIPO (<http://www.wipo.org>).

Industrial Designs: As above, under Patents, Law No. 82-001, (Industrial Designs: arts 106 to 126).

*Source*: WIPO (<http://www.wipo.org>).

The Investment Code of Zaïre, Ordinance-Law No. 86-028; effective on 5 April 1986.

*Source*: Journal Officiel de la République du Zaïre, Numéro special, April 1986.

Copyright: Ordonnance-Loi No. 86-033 d'avril 1986 portant protection des droits d'auteur et des droits voisins. Legislative Ordinance No. 86-033, April 1986.

*Source*: WIPO (<http://www.wipo.org>).

Patents : Ordonnance-loi n° 86-033 du 5 Avril 1986 portant Protection des droits d'auteurs et des droits voisins.

*Source* : *Journal Officiel de la RDC, Numéro spécial, Avril 1986.*

Ordonnance No. 89-173 d'août 1989 portant mesures d'exécution de la Loi No. 82-001. Ordinance No. 89-173, August 1989, implementing Law No. 82-001.

*Source*: WIPO (<http://www.wipo.org>).

The Investment Code, Law n° 004/2002, of February 21, 2002.

*Source*: Journal Officiel de la RDC, Numéro 6, 15 mars 2002

The Mining Code, Law n° 007/2002 of July 11, 2002.

*Source*: Journal Officiel de la RDC, Numéro Spécial du 15 juillet 2002

The Forest Code, Law n° 011/2002, of August 29, 2002.

Source: Journal Officiel de la RDC, Numéro Spécial du 31 Août 2002

The Labour Code, Law n° 015/2002, of October 16, 2002.

Source: Journal Officiel de la RDC, Numéro Spécial du 25 Octobre 2002

Exchange: New Regulation of exchange of February 13, 2003

## II. International Framework

### A. Democratic Republic of Congo is a party to the following multilateral and regional instruments:

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7th June 1959.

Convention on the Settlement of Investment Disputes between States and Nationals of others States of 1965, entered into force on 14 October 1966.

Treaty for the Establishment of the Economic Community of Central African States (ECCAS), 1982

Investment Code of the Economic Community of the Great Lakes Countries (CEPGL); 1982.

Convention Establishing the Multilateral Investment Guarantee Agency (MIGA) of 1985, entered into force on 12 April 1988.

Fourth ACP-EEC Convention (Lomé IV) of 1989, entered into force on 1st March 1990.

[Southern Africa Development Community \(SADC\), signed on 17 August, 1992.](#)

Source: [http://www.sadc.int/about\\_sadc/history.php](http://www.sadc.int/about_sadc/history.php)

Common Market for Eastern and Southern Africa (COMESA) in 1994. Replaced the Preferential Trade Area for Eastern and Southern Africa (PTA).

Source: [http://www.comesa.int/about/Multi-language\\_content.2007-06-14.1154/en](http://www.comesa.int/about/Multi-language_content.2007-06-14.1154/en)

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Agreement establishing the Trade Insurance Agency in Africa of 18 May 2000.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

### B. Bilateral treaties

1. **Bilateral investment treaties for the protection and promotion of investments:** Germany 1969, France 1972, Switzerland 1972, United States 1984, Israel 1985, , Greece 1991, China 1997, Egypt 1998, Jordan 2004, South Africa 2004, Belgium / Luxembourg 2005, Korea, Republic of 2005, Italy 2006.

2. **Bilateral treaties for the avoidance of double taxation:** Spain 1969, South Africa 2005.

### C. Other treaties:

Investment agreement for the COMESA Common Investment Area (2007).

**D. Sources of information**

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## Côte d'Ivoire

### A. Definitions and sources of data

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Data on foreign direct investment (FDI) in Côte d'Ivoire can be obtained from the Banque Centrale des Etats de l'Afrique de l'Ouest. Additional data are provided by the International Monetary Fund in its balance-of-payments statistics. The Code of Investment (Law No 95-620 of 3 August 1995) does not provide specific definition of FDI.

The Government of Côte d'Ivoire encourages FDI, especially the type that contributes to the country's economic development. It provides exemption from tax and custom duties for such investors. There are no significant limits on foreign investment or difference in the treatment of foreign and national investors in terms of level of foreign ownership or sector of investment. Investments from outside the Franc zone require government approval. Purchases of real estate are permitted, but they must be reported to the government if they involve investment in an enterprise, branch, or corporation. The government must approve foreign exchange accounts and transfers to countries other than France, Monaco, West African Economic and Monetary Union (WAEMU), members of the Central African Economic and Monetary Community and Comoros. Other transfers are subject to many requirements, controls, and authorization depending on the transaction.

Besides oil reserves, Côte d'Ivoire has fertile agricultural land. The area is rich for producing oil palm, coconut, pineapple and banana plantations, and important rubber plantations. Further inland and to the west, occupying much of the southern half of the country, are the rich forest lands, where mostly cocoa and coffee are grown with domestic food staples such as rice, cassava, plantain, yams and maize. The infrastructure in the country is improving. The telecommunications industry has experienced extremely rapid growth since the granting of a first GSM license and the government's sale of the national telecommunications company, Citelcom, to France Télécom. By 2001, Côte d'Ivoire Télécom was operating thousand of lines, much higher than at the time of privatization. There are three mobile-phone companies operating in the country: Société ivoirienne de mobiles (SIM, otherwise known as Ivoiris), pan-African Telecel, and Cora de Comstar.

Ties with the rest of the world are good. The Côte d'Ivoire signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on June 30, 1965 and is a member of other regional integration schemes. Among them are WAEMU, which imposes a common external tariff, the African Union, New Partnership for Africa's Development and the Economic Community of West African States. The country is eligible for the Cotonou Agreement for re-negotiating the trade partnership agreement between the African, Caribbean and Pacific countries with the European Union. Côte d'Ivoire is member of the Multilateral Investment Guarantee Agency and the World Trade Organization.

**B. Statistics on FDI and the operations of TNCs****Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	253.4	- 3.9
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	16.4	- 0.3
3. FDI stocks, 2006	4 155	43
4. FDI stocks as a percentage of GDP, 2006	24.0	0.2

Source: Based on tables 3a and 4a and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	3.3	65.8	25.6	94.7	..	..	..	..
1981	2.2	19.1	11.4	32.8	..	..	..	..
1982	2.1	13.4	32.0	47.5	..	..	..	..
1983	1.8	8.4	27.3	37.5	..	..	..	..
1984	2.5	9.4	9.8	21.7	..	..	..	..
1985	1.6	20.3	7.4	29.2	..	..	..	..
1986	1.2	47.1	22.5	70.8	..	..	..	0.2
1987	3.7	59.2	24.6	87.5	..	..	..	0.1
1988	0.7	46.0	5.0	51.7	..	..	..	0.4
1989	3.5	17.9	- 2.8	18.5	..	..	..	5.7
1990	..	31.2	16.9	48.4	..	..	..	..
1991	..	17.0	- 0.7	18.5	..	..	..	..
1992	..	21.5	- 252.4	69.1	..	..	..	..
1993	29.3	17.7	41.0	175.2	..	..	..	..
1994	4.9	11.2	62.0	117.5	..	..	..	1.5
1995	62.6	93.6	55.3	211.8	..	..	..	7.0
1996	116.9	60.2	92.1	269.2	..	..	..	0.4
1997	276.9	61.9	76.6	415.5	..	..	..	49.4
1998	219.2	84.7	76.2	380.0	..	..	..	- 28.9
1999	..	..	..	323.7	..	..	..	- 6.3
2000	135.1	84.3	15.3	234.7	..	..	..	7.9
2001	144.4	79.9	48.3	272.7	..	..	..	- 5.2
2002	106.3	84.2	22.1	212.6	..	..	..	- 4.2
2003	119.7	99.3	- 53.6	165.4	..	..	..	23.2
2004	221.4	105.4	- 43.8	283.0	..	..	..	- 25.5
2005	195.1	107.2	9.6	311.9	..	..	..	- 7.4
2006	..	..	..	253.4	..	..	..	- 5.9

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the IMF for 1980-1989, the Banque Centrale de l'Afrique de l'Ouest (BCEAO) for 1990-2005 and estimate for 2006. Outflow data are proxy data for 1986-1989, 1994-1995 and 1997-1998, based on the IMF for 1996, the BCEAO for 1999 and 2005 and estimate by applying the difference in stock for 2000-2004. Proxy data are based on investments reported by the following economies: 1986-1987, Belgium and Luxembourg; 1988-1989 and 1994, Belgium and Luxembourg and France; 1995, France and the United States; 1997, France and Germany and 1998, France.

**Table 3b. FDI flows, by type of investment, 1999-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1999	..	..	..	199 288	..	..	..	- 3 909
2000	96 217	59 985	10 900	167 102	..	..	..	..
2001	105 839	58 605	35 441	199 885	..	..	..	..
2002	74 088	58 664	15 414	148 166	..	..	..	..
2003	69 576	57 725	- 31 176	96 125	..	..	..	..
2004	116 968	55 657	- 23 131	149 494	..	..	..	..
2005	102 925	56 548	5 056	164 529	..	..	..	- 3 909

Source: UNCTAD, FDI/TNC database based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO), unpublished.



**Table 4a. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity & Reinvested earnings	Reinvested earnings	Other	Total	Equity & Reinvested earnings	Reinvested earnings	Other	Total
1980	..	..	..	529.9	..	..	..	..
1981	..	..	..	562.7	..	..	..	..
1982	..	..	..	610.1	..	..	..	..
1983	..	..	..	647.7	..	..	..	..
1984	..	..	..	669.4	..	..	..	..
1985	..	..	..	698.6	..	..	..	..
1986	..	..	..	769.3	..	..	..	0.2
1987	..	..	..	856.8	..	..	..	0.3
1988	..	..	..	908.5	..	..	..	0.7
1989	..	..	..	927.0	..	..	..	6.4
1990	..	..	..	975.4	..	..	..	6.4
1991	..	..	..	994.0	..	..	..	6.4
1992	..	..	..	1 063.0	..	..	..	6.4
1993	..	..	..	1 238.2	..	..	..	6.4
1994	..	..	..	1 355.7	..	..	..	7.9
1995	..	..	..	1 567.5	..	..	..	14.9
1996	..	..	..	1 836.7	..	..	..	15.3
1997	..	..	..	2 252.1	..	..	..	64.7
1998	..	..	..	1 858.2	..	..	..	35.8
1999	..	..	..	1 905.1	7.2	..	- 6.4	0.8
2000	..	..	..	2 483.2	7.5	..	1.1	8.7
2001	..	..	..	2 164.4	4.0	..	- 0.5	3.5
2002	..	..	..	2 812.4	5.4	..	- 6.1	- 0.7
2003	..	..	..	3 572.1	20.2	..	2.2	22.5
2004	..	..	..	4 162.8	10.4	..	- 13.5	- 3.0
2005	..	..	..	3 901.3	34.6	..	14.5	49.0
2006	..	..	..	4 154.7	..	..	..	43.2

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on Inward stock prior to 1998 are estimated by accumulating inflows since 1970. 1998 are based on the IMF. 1999-2005 are based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO). 2006 is estimated by adding flows to the 2005 stock. Outward stock data prior to 1999 are estimated by accumulating outflows since 1986. 1999-2005 are based on the BCEAO. 2006 is estimated by adding flows to the 2005 stock.

**Table 4b. FDI stocks, by type of investment, 1999-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity & Reinvested earnings	Reinvested earnings	Other	Total	Equity & Reinvested earnings	Reinvested earnings	Other	Total
1999	..	..	..	1 243 963	4 695	..	- 4 162	533
2000	..	..	..	1 750 500	5 315	..	810	6 125
2001	..	..	..	1 610 950	3 000	..	- 388	2 612
2002	..	..	..	1 759 115	3 379	..	- 3 813	- 434
2003	..	..	..	1 855 240	10 515	..	1 155	11 670
2004	..	..	..	2 004 734	5 025	..	- 6 491	- 1 466
2005	..	..	..	2 169 262	19 217	..	8 048	27 265

Source: UNCTAD, FDI/TNC database based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO), unpublished.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**

(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	1.4	2.6	- 1.1	-	-	23.0	13.4	-	- 3.4	-	-	-
China	-	-	-	-	-	-	-	-	0.6	6.8	8.7	-
Denmark	-	-	-	-	-	-	-	-	-	-	- 5.2	0.5
France	21.0	28.2	171.9	- 41.1	63.9	- 64.5	98.4	- 19.8	14.7	54.6	27.4	64.0
Germany	6.3	- 0.7	3.5	- 5.7	-	-	9.8	- 1.9	- 13.5	-	7.5	- 3.8
Netherlands	-	-	-	- 2.2	- 9.6	-	-	-	-	-	-	-
Sweden	-	-	-	-	- 0.1	-	-	-	-	-	-	-
Switzerland	4.9	13.3	11.3	35.2	- 17.3	- 27.5	- 3.6	- 59.6	2.7	- 12.9	- 1.4	56.2
United States	3.0	41.0	67.0	41.0	8.0	- 8.0	- 64.0	40.0	20.0	29.0	53.0	- 22.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**

(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium	-	-	-	-	-	-	-	-	1.1	-	-	-
France	23.7	37.2	50.6	- 28.9	41.6	2.8	1.8	37.6	5.6	5.0	3.7	37.6
Germany	-	-	- 0.6	-	-	-	-	-	-	-	-	-
Romania	-	-	-	-	-	-	-	-	-	1.2	-	-
United States	2.0	- 2.0	-	-	-	-	-	- 1.0	- 1.0	- 27.0	-	- 5.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**

(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Canada	-	-	-	11.1	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	8.1	14.1	29.1	-
Denmark	-	-	-	-	-	-	-	-	-	13.2	6.6	8.1
Germany	14.0	14.1	14.0	14.9	25.1	26.1	24.7	23.1	35.4	30.0	35.4	-
Morocco	-	-	-	-	-	-	-	0.9	1.2	1.0	0.2	0.2
Portugal	-	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.1	-	-	-
Korea, Republic of	0.4	0.4	35.0	35.5	35.8	35.8	36.0	36.3	37.9	39.6	42.5	-
Switzerland	72.8	89.3	83.0	73.7	71.4	68.9	69.9	43.6	76.3	128.7	92.4	122.3
United States	48.0	93.0	167.0	254.0	206.0	194.0	136.0	184.0	215.0	249.0	304.0	298.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**

(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
France	354.8	100.2	104.1	124.8	134.6	136.8	137.5	181.4	223.6	203.0	194.7	-
Latvia	-	-	-	-	-	-	-	-	0.3	-	-	-
United Rep. of Tanzania	-	-	-	0.6	-	-	-	-	-	-	-	-
United States	1.0	-	-	-	-	-	-	- 1.0	- 3.0	- 30.0	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	8	8	7	6	5	9	7	7	3	4	3	4
Italy	..	11	..	10	..	..	..	..	..	..	..	..
Republic of Korea	..	..	1	2	3	3	3	3	3	3	3	3
United States	11	11	11	13	10	10	9	13	15	14	10	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 30. Assets of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	..	69.8	64.3	55.8	59.8	100.5	93.1	88.1	..	..	..	..
United States	..	164.0	178.0	319.0	297.0	384.0	320.0	374.0	490.0	483.0	477.0	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Thousands of employees)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Belgium	..	..	..	..	..	..	..	0.7	0.7	0.6	..	..
Germany	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	..	..	1.0	1.0
Italy	..	2.6	..	2.5	..	..	..	..	..	..	..	..
Switzerland	1.2	1.3	1.9	2.1	2.5	2.2	2.9	2.4	2.3	2.2	2.1	2.2
United States	0.7	0.7	0.7	0.8	0.5	1.4	1.5	1.9	2.3	2.3	2.5	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Tables 40 and 50. Wages and salaries and value added of affiliates of United States TNCs in Côte d'Ivoire, 1994-2005**  
(Millions of dollars)

Table no./Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
40. Wages and salaries	20	23	24	28	10	15	18	26	41	43	40	..
50. Value added <sup>a</sup>	68	73	54	68	50	83	70	110	148	259	226	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States. <sup>a</sup> Majority-owned affiliates only.

**Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	61.6	69.8	66.5	57.7	56.8	106.5	92.1	89.5	94.1	..	124.2	80.4
Italy	..	126.0	..	117.3	..	..	..	..	..	..	..	..
United States	..	187	217	267	199	291	316	616	891	1 252	1 061	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 86. Largest home-based TNCs, 2007**  
(Billions of dollars)

Company	Industry	Sales
<b>A. Industrial</b>		
Société Ivoirienne de Raffinage(SIR)	Chemical and chemical products	1 853
Compagnie Ivoirienne d'Électricité(CIE)	Electricity/gas/water	450 <sup>a</sup>
Groupe Sifca	Agro-Industry	245
Unilever Côte d'Ivoire	Cosmetics	237 <sup>a</sup>
Total Côte d'Ivoire	Petroleum expl./ref./distr.	232 <sup>a</sup>
ADM Cocoa Sifca	Agro-Industry	192
Sté Limonaderies Brasseries d'Afrique(SOLIBRA)	Food products, beverages and tobacco	183
Shell Côte d'Ivoire	Petroleum expl./ref./distr.	144 <sup>a</sup>
Petroci Holding	Petroleum expl./ref./distr.	142 <sup>a</sup>
Société Ivoirienne des Tabacs	Tobacco	131 <sup>a</sup>
UNICAO	Agro-Industry	120
COSMIVOIRE	Agro-Industry	109 <sup>a</sup>
SOTACI	Metals and metal products	106 <sup>a</sup>
Ivoire Coton	Agro-Industry	96
Sté Tropicale d'Engrais et Prod. Chimiques	Chemical and chemical products	90
<b>B. Tertiary</b>		
Industrial promotion Services(IPS WA)	Diversified Group	277 <sup>a</sup>
Orange Côte d'Ivoire	Telecommunications	217
Outspan Ivoire	Import-Export	171
Nestlé Côte d'Ivoire	Diversified Group	151 <sup>a</sup>
Groupe CFAO Côte d'Ivoire	Diversified Group	139
Sté Ivoirienne de Promo. De Supermarchés	Retail trade	134
Sté Ivoirienne d'Opérations Maritimes(SIVOM)	Ports Management	129 <sup>a</sup>
Cie Ivoirienne de Promo. Pour l'Exportation(CIPEX)	Import-Export	127
SDV Côte d'Ivoire	Maritime Transportation	102 <sup>a</sup>
Saga Côte d'Ivoire	Maritime Transportation	83 <sup>a</sup>
<b>C. Finance and insurance</b>		
..	..	<b>Assets</b> ..

Source: Jeune Afrique Hors-serie No. 14, 2007.

<sup>a</sup> 2004.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Société Africaine De Cacao Sa	Switzerland	Food, beverages and tobacco	963.0	400
Nestle Côte d'Ivoire Sa	Switzerland	Food, beverages and tobacco	951.2	836
Société D Etude Et De Developpement De La Culture Bananiere SA	France	Agriculture and hunting	756.8	..
Société Des Conserves Côte d'Ivoire S A	Italy	Food, beverages and tobacco	140.6	400
Syngenta Côte d'Ivoire Sa	Switzerland	Chemicals and chemical products	102.7	27
Cnr International (Côte d'Ivoire) Sarl	Canada	Petroleum	10.4	47
Unilever Côte d'Ivoire Sa	United Kingdom	Food, beverages and tobacco	0.001	750
A J Seward Côte d'Ivoire S A	United Kingdom	Chemicals and chemical products	..	1 044
Uniwax S A	United Kingdom	Chemicals and chemical products	..	800
Société Africaine De Produits Chimiques Et De Synthese S A	United Kingdom	Chemicals and chemical products	..	743
Bayer Cropscience Côte d'Ivoire S A	Germany	Chemicals and chemical products	..	312
Ivoirienne De Peintures Et Laques S A	Luxembourg	Chemicals and chemical products	..	300
Société Hydrochem Côte d'Ivoire S A	Norway	Chemicals and chemical products	..	290
Synenta Côte d'Ivoire S A	Switzerland	Chemicals and chemical products	..	200
Colgate Palmolive Côte d'Ivoire S A	United States	Chemicals and chemical products	..	200
Société Ivoirienne De Cables S A	France	Electrical and electronic equipments	..	173
Unilever	United Kingdom	Food, beverages and tobacco	..	170
Peche Et Froid Côte d'Ivoire S A	France	Food, beverages and tobacco	..	140
Cemol Côte d'Ivoire S A	France	Food, beverages and tobacco	..	120
Société Africaine De Produits Alimentaires S A	France	Food, beverages and tobacco	..	113
Compagnie Ivoirienne De Produits Alimentaires Sa	Monaco	Food, beverages and tobacco	..	100
<b>B. Tertiary</b>				
Daf Ci Sa	France	Wholesale trade	333.0	70
Star Auto S A	Germany	Wholesale trade	267.5	260
Compagnie Francaise De L'Afrique Occidentale S A	France	Wholesale trade	185.1	..
Texaco Côte d'Ivoire	United States	Wholesale trade	86.2	77
Cidp Ci	France	Wholesale trade	76.5	80
Afripa Telecom Côte d'Ivoire S A	United States	Telecommunications	50.0	175
Friedlander (Ci) Sarl	France	Other services	49.2	35
Société Ivoirienne D Electrification Sa	France	Construction	10.2	150
Union Des Impressions De Wax En Côte d'Ivoire S A	United Kingdom	Textiles and clothing	0.1	714
Nedlloyd Lines	Netherlands	Supporting transport activities	..	1 850
Orange Côte d'Ivoire S A	France	Telecommunications	..	850
Saga C I	France	Public administration	..	747
Côte d'Ivoire Telecom S A	France	Telecommunications	..	700
Loteny Telecom S A	Mauritania	Telecommunications	..	600
Semag Matforce S A R L	Belgium	Wholesale trade	..	510
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
Standard Chartered Bank Côte d'Ivoire Sa	United Kingdom	Finance	96.6	90
Ste Generale De Banques En Côte d'Ivoire S A	France	Finance	..	1 000
Banque Internationale Pour Le Commerce Et L' Industrie S A	France	Finance	..	1 000
Société Ivoirienne De Banque S A	France	Finance	..	565
Ecobank Côte d'Ivoire Sa	Togo	Finance	..	235

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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## C. Legal frameworks for transnational corporations

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The legal instrument for the regulation of the activities of transnational corporations and foreign direct investment in Côte d'Ivoire include a range of national, bilateral and international measures. They are as follows:

### I. National framework

Decree No. 64-292 of 1 August 1964 involving accounting rules for commercial enterprises.  
*Source:* Official Gazette of 20 August 1964.

Labour Law No. 64-290 of 1 August 1964.  
*Source:* Official Gazette of 17 April 1964.

Law No. 70-489 of 3 August 1970 which sets forth the Petroleum Code.  
*Source:* Official Gazette of 12 August 1970, p. 1275.

Law No. 73-368 of 26 July 1973 on the Private Investment Regime in the Tourist Industry.  
*Source:* ICSID, p. 63 (French) and p. 67 (English translation).

Decree No. 73-401 of 22 August 1973 implementing Law No. 73-368.  
*Source:* Ministère de l'Economie, des Finances et du Plan, "La Côte d'Ivoire en Chiffre", Edition 1970-80, Abidjan, pp. 314-315.

Law No. 84-1238 of 8 November 1984 concerning export grants for products manufactured in Côte d'Ivoire.  
*Source:* Official Gazette of 22 November 1984, p. 616.

Law No. 90- 589 of 25 July 1990 regulating Banking in Côte d'Ivoire.  
*Source:* FIDAfrica-Core d'Ivoire 1990.

Code of Investment-Law No 95-620 of 3 August 1995, repeals Law No. 84-1230 of 8 November 1984.  
*Sources:* Ministry of Industry and Trade, Investir en Côte d'Ivoire - Code des Investissements. Not published in the Journal Officiel de la République de Côte d'Ivoire at the date of the present publication. Also in CEPICI-27/10/95, August 1995.

Copyright: Loi No. 96-564, sur la protection des oeuvres de l'esprit et aux droits des auteurs, des artistes-interprètes et des producteurs de phonogrammes et vidéogrammes, juillet 1996. Law No. 96-564, July 1996.  
*Source:* WIPO (<http://www.wipo.org>).

### II. International Framework

#### A. Côte d'Ivoire is a party to the following multilateral and regional instruments:

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7th June 1959.

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Patents: Bangui Agreement, March 1977 (Annex I), as last amended in February 1999.

Source: WIPO (<http://www.wipo.org>).

Industrial Designs: Bangui Agreement, March 1977 (Annexes II and IV), as last amended in February 1999.

Source: WIPO (<http://www.wipo.org>).

Trade Marks: Bangui Agreement, March 1977 (Annex III), as last amended in February 1999.

Source: WIPO (<http://www.wipo.org>).

Bangui Agreement, March 1977 (Annex VII), as last amended in February 1999.

Source: WIPO (<http://www.wipo.org>).

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Revised Treaty of the Economic Community of West African States (ECOWAS) signed 24 July 1993.

Source: <http://www.worldtradelaw.net/fta/agreements/ecowasfta.pdf>.

## **B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Switzerland 1962, Netherlands 1965, Sweden 1965, Germany 1966, Italy 1969, Tunisia 1995, United Kingdom 1995, Ghana 1997, Belgium/Luxembourg 1999, China 2002.

**2. Bilateral treaties for the avoidance of double taxation:** France 1966, Belgium 1977, Norway 1978, Germany 1979, Italy 1982, Canada 1983, United Kingdom 1985, Switzerland 1987, Tunisia 1999, Morocco 2006.

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**D. Sources of information**


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**Official**


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Banque Centrale des Etats de l'Afrique de l'Ouest ([www.bceao.int](http://www.bceao.int))

**Secondary**


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## **Djibouti**

### **A. Definitions and sources of data**

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According to the Chambre Internationale de Commerce et d'Industrie de Djibouti, there is no official definition of foreign direct investment (FDI). The country's Investment Code of 1988 (Law 88/AN/84), however, contains a general definition of foreign investment. Data on FDI in the country were obtained from Banque Centrale de Djibouti.

In Djibouti inward FDI is allowed without restriction except for small crafts industries. The government grants equal treatment to investments regardless of origin. In principle there is no screening of investment or other discriminatory mechanisms. Particular sectors, most notably public utilities, are state-owned and not open to investors. The Finance Ministry issues a license only to investors that possess an approved investor visa. Djibouti has no restrictions on foreign exchange or on the inflow and outflow of cash. Residents and non-residents may hold foreign exchange accounts and there are no restrictions on payments or transfers.

Djibouti belongs to many regional integration schemes. It has vigorously promoted the seven-member Intergovernmental Authority on Development. It is also a member of the Common Market for Eastern and Southern Africa, African Union, New Partnership for Africa's Development and an eligible member of the United States' market access for African countries - the African Growth and Opportunity Act initiative, the Cotonou Agreement for renegotiating the partnership trade agreement between the African, Caribbean and Pacific countries with the European Union (EU) and the Everything But Arms initiative. Djibouti is among the 34 African least developed countries that have the option of entering the EU generalized system of preferences and is a member of the World Trade Organization.

**B. Statistics on FDI and the operations of TNCs****Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	45.8	-
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	42.5	-
3. FDI stocks, 2006	230	-
4. FDI stocks as a percentage of GDP, 2006	30.0	-

Source: Based on tables 3a and 4a and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	0.2	..	..	..	..
1981	..	..	..	0.0	..	..	..	..
1982	..	..	..	- 0.1	..	..	..	..
1983	..	..	..	- 0.1	..	..	..	..
1984	..	..	..	0.2	..	..	..	..
1985	..	..	..	0.2	..	..	..	..
1986	..	..	..	1.2	..	..	..	..
1987	..	..	..	0.4	..	..	..	..
1988	..	..	..	0.6	..	..	..	..
1989	..	..	..	- 0.1	..	..	..	..
1990	..	..	..	0.1	..	..	..	..
1991	..	..	..	2.3	..	..	..	..
1992	..	..	..	2.3	..	..	..	..
1993	..	..	..	1.4	..	..	..	..
1994	..	..	..	1.4	..	..	..	..
1995	..	..	..	3.2	..	..	..	..
1996	..	..	..	3.3	..	..	..	..
1997	..	..	..	2.4	..	..	..	..
1998	..	..	..	3.5	..	..	..	..
1999	..	..	..	4.2	..	..	..	..
2000	..	..	..	3.3	..	..	..	..
2001	..	..	..	3.4	..	..	..	..
2002	..	..	..	3.5	..	..	..	..
2003	..	..	..	14.2	..	..	..	..
2004	..	..	..	38.5	..	..	..	..
2005	..	..	..	22.2	..	..	..	..
2006	..	..	..	108.3	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)). Data are from the OECD for 1980-1987 and 1989-1990; World Bank for 1998 and the Banque Centrale de Djibouti for 1991-2006.

**Table 3b. FDI flows, by type of investment, 2003-2005**  
(Millions of Djibouti Franc)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
2003	..	..	..	2 528	..	..	..	..
2004	..	..	..	6 850	..	..	..	..
2005	..	..	..	3 946	..	..	..	..

Source: UNCTAD, FDI/TNC database based on the Banque Centrale de Djibouti.

**Table 4a. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	10.2	..	..	..	..
1981	..	..	..	10.2	..	..	..	..
1982	..	..	..	10.2	..	..	..	..
1983	..	..	..	10.1	..	..	..	..
1984	..	..	..	10.3	..	..	..	..
1985	..	..	..	10.6	..	..	..	..
1986	..	..	..	11.8	..	..	..	..
1987	..	..	..	12.2	..	..	..	..
1988	..	..	..	12.8	..	..	..	..
1989	..	..	..	12.7	..	..	..	..
1990	..	..	..	12.7	..	..	..	..
1991	..	..	..	15.0	..	..	..	..
1992	..	..	..	17.3	..	..	..	..
1993	..	..	..	18.8	..	..	..	..
1994	..	..	..	20.2	..	..	..	..
1995	..	..	..	23.4	..	..	..	..
1996	..	..	..	26.7	..	..	..	..
1997	..	..	..	29.1	..	..	..	..
1998	..	..	..	32.5	..	..	..	..
1999	..	..	..	36.8	..	..	..	..
2000	..	..	..	40.1	..	..	..	..
2001	..	..	..	43.4	..	..	..	..
2002	..	..	..	46.9	..	..	..	..
2003	..	..	..	61.2	..	..	..	..
2004	..	..	..	99.7	..	..	..	..
2005	..	..	..	121.9	..	..	..	..
2006	..	..	..	230.2	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)). Data prior to 2003 are estimated by subtracting inflows from the stock of 2003. 2003-2006 are based on the Banque Centrale de Djibouti.

**Table 4b. FDI stocks, by type of investment, 2003-2005**  
(Millions of Djibouti Franc)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
2003	..	..	..	10 868	..	..	..	..
2004	..	..	..	15 188	..	..	..	..
2005	..	..	..	18 554	..	..	..	..

Source: UNCTAD, FDI/TNC database based on the Banque Centrale de Djibouti.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
France	-	23.1	25.8	16.7	16.0	10.1	16.1	18.8	14.7	13.7	21.1	17.6
Germany	-	-	-	0.6	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-1.0	-1.0	-1.0	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
France	-	-	-	-	-	-	-	2.8	-	-	5.0	-2.5
Germany	-	-	0.6	-1.1	-	-	-	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Brazil	-	-	-	-	-	-	-	-	-	11.5	-	-
China	-	-	-	-	-	-	-	-	-	0.4	0.4	-
United States	-	-	-	-	9.0	8.0	7.0	7.0	6.0	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Tables 23, 30, 35, 40, 45 and 50. The number, assets, employment, wages and salaries, sales and value added of affiliates of United States TNCs in Djibouti, 1995-2006**  
(Number, thousands of employees and millions of dollars)

Table no.	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
23. Number	1	1	1	1	1	1	1	1	2	1	..	..
30. Assets	..	15	15	15	..	..	..	..	..	..	..	..
35. Employment	0.1	0.1	0.1	0.1	..	..	..	..	..	..	..	..
40. Wages and salaries	2.0	2.0	2.0	2.0	..	..	..	..	..	..	..	..
45. Sales	..	24.0	25.0	22.0	..	..	..	..	..	..	..	..
50. Value added <sup>a</sup>	3.0	4.0	4.0	4.0	..	..	..	..	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Majority-owned affiliates only.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
..	..	..	..	..
<b>B. Tertiary</b>				
DHL Worldwide Express Inc.	Germany	Air transport	..	..
China State Construction Engineering Corporation	China	Construction	1.4	120
Anciens Comptoirs Ries S A R L	Panama	Distributive trade	2.9	37
Shell Djibouti S A	United Kingdom	Wholesale trade	..	87
Société De Transit Et De Commerce S A R L	Switzerland	Wholesale trade	23.7	20
Red Sea Automotive Sazf	United Kingdom	Wholesale trade	..	8
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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## C. Legal frameworks for transnational corporations

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The legal instruments for the regulation of the activities of transnational corporations and foreign investors at national, bilateral and multilateral levels in Djibouti include:

### I. National framework

Law No. 52/AN/78 of 9 January 1979 concerning territorial sea, contiguous zone. EEZ, maritime boundaries and fishing

*Source:* <http://www.fao.org/docrep/V9982E/v9982e16.htm>

Ordinance No. 80-018/PR of 14 February 1980 together with Ordinance No. 82-71/PR of July 1982 on the Limited Liability Companies in the Free Zone.

*Source:* Republique de Djibouti. Chambre Internationale de Commerce et d'Industrie de Djibouti.

Law No. 2121AN/82 of 18 January 1982 establishing Code of Maritime Affairs

*Source:* <http://www.fao.org/docrep/V9982E/v9982e16.htm>

Law No. 2517AN71982 on the Social and Economic Orientations of the Republic of Djibouti.

*Source:* Marches Tropicaux, Fourth Trimester of 1982.

Investment Code. Law 88/AN/84. 1er. L. of 13 February 1984 concerning the Investment Code. *Source:* Official Journal of the Republic of Djibouti of 29 February 1984.

Law 65/AN/94. 3eme. L. concerning the Regime for Industrial Free Zones.

*Source:* Official Journal of the Republic of Djibouti of 7 December 1994.

Restrictive Law on Port Operations, 2003.

*Source:* <http://www.ethioguide.com/aa-ethioguide/ethioguide/Fortune/Fortune%2049.htm>

### II. International Framework

#### A. Djibouti is a party to the following multilateral and regional instruments:

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7th June 1959.

Convention Establishing the Inter-Arab Investment Guarantee Corporation of May 1971. Entered into force in April 1974.

Agreement for the Promotion, Protection and Guarantee of Investment Among Member States of the Organization of Islamic Conference of 1 June 1981; entered into force on 23 September 1986.

Unified Agreement for the Investment of Arab Capital in the Arab States of 1982.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Charter on a Regime of Multinational Industrial Enterprises (MIEs) in the Preferential Trade Area for Eastern and Southern African States (PTA), signed on 21 November 1990, entered into force August 1995.

*Source:* Preferential Trade Area for Eastern and Southern African States: Report of the Sixteenth Meeting of the Council of Ministers, 17-19 November, 1990, Mbabane, Swaziland (PTA/CM/XVI/2).



Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit of 19 February 1992. Entered into force on 1 August 1994.

Treaty Establishing the Market for Eastern and Southern Africa (COMESA), 1993.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Treaty for the Establishment of the East African Community, 30 November 1999.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

**B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Egypt 1998, Malaysia 1998, Switzerland 2001, China 2003, India 2003, Italy 2006.

**2. Bilateral treaties for the avoidance of double taxation: ..**

**C. Other treaties:**

Investment agreement for the COMESA Common Investment Area (2007).

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**D. Sources of information**


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**Official**

Ministry of Finance ([www.ministere-finances.dj](http://www.ministere-finances.dj)).

Chambre Internationale de Commerce et d'Industrie de Djibouti ([www.djiboutichamber.com](http://www.djiboutichamber.com)).

**Secondary**

Economist Intelligence Unit (EIU) (various years). *Country Profile: Djibouti* (London: EIU Ltd.).

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World Bank/International Finance Corporation (2007). *Doing Business 2008 Djibouti* (Washington D.C.: The World Bank Group).

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## Egypt

### A. Definitions and sources of data

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The Egyptian Investment Code (Investment Law No. 230/1989) does not provide an explicit definition of foreign direct investment (FDI). The code, however, defines foreign capital as the invested funds owned by a natural person enjoying the nationality of a foreign country except the Arab countries, or by a juridical person of which the majority of the capital is owned by persons enjoying the nationality of a foreign country. The Central Bank of Egypt and the General Authority for Free Zones and Investment (GAFI) provide data on FDI in the country. The International Monetary Fund also provides FDI data in its balance-of-payment statistics.

Historically petroleum attracted a large bulk of FDI into Egypt, although privatization and liberalization that picked up in the 1990s have prompted FDI in a range of industries such as cement, telecommunications and tourism. The Government of Egypt has completed the sale of many public enterprises slated for privatization but the programme is still on-going. The government plans to accelerate the programme in the "strategic" areas, including telecommunications and other utilities (for example, the Egyptian Electricity Authority).

FDI continues to be at the heart of the economic strategy for sustaining high growth rates. GAFI, a one-stop shop for foreign investors in Egypt was incorporated into the Ministry of Economy and Foreign Trade in October 1999. The Egyptian Government implemented Law 8 of 1997 to help foreign investment by creating a unified and clear package of guarantees and incentives. The Investment Code amended in 1995 has ended pre-incorporation approval and replaced it with a notification requirement for investment, directing investment to targeted economic sectors and promoting decentralization of industry from crowded geographical areas. The law allows full foreign ownership and guarantees the right to remit income earned in Egypt and to repatriate capital. Other key provisions include: the guarantee against confiscation, sequestration and nationalization; the right to own land; the right to maintain foreign currency bank accounts; freedom from administrative attachment; the right to repatriate capital and profits; and equal treatment regardless of nationality. Under this law, approval is nearly automatic for specified sectors. The Egyptian legal system provides protection for real and personal property, but laws on real estate ownership are complex and titles to real property may be difficult to set up.

Egypt signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on February 11, 1972 and association agreements with many countries and regional groupings. It has signed the Euro-Mediterranean Association Agreement with the European Union (EU). This agreement will improve bilateral relations with its largest trading partner, raise Egyptian exports to EU and encourage EU investment into Egypt. Progressive elimination of all tariffs on over a third of Egypt's imports will significantly increase competition in domestic markets, resulting in lower costs and promoting productivity gains in local industries. Egypt has bilateral treaties with Albania, Argentina, Belgium-Luxembourg, China, Czech Republic, Finland, France, Germany, Greece, Hungary, Indonesia, Italy, Japan, Kazakhstan, Republic of Korea, Morocco, Netherlands, Poland, Romania, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Tunisia, Turkmenistan, Uganda, Ukraine, United Kingdom, United States, Uzbekistan and Federal Republic of Yugoslavia. Egypt is a member of the Arab Maghreb Union, African Union, New Partnership for Africa's Development, Multilateral Investment Guarantee Agency and the World Trade Organization.

## B. Statistics on FDI and the operations of TNCs

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	4 453.3	105.0
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	27.2	0.6
3. FDI stocks, 2006	38 925	1 116
4. FDI stocks as a percentage of GDP, 2006	36.4	1.0

Source: Based on tables 3 and 4 and UNCTAD, FDI/TNC database.

**Table 3. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	548.3	..	..	..	7.0
1981	..	..	..	752.6	..	..	..	6.0
1982	..	..	..	293.6	..	..	..	8.0
1983	..	..	..	490.0	..	..	..	19.0
1984	..	..	..	729.1	..	..	..	16.0
1985	..	..	..	1 177.6	..	..	..	3.0
1986	..	..	..	1 217.4	..	..	..	6.0
1987	..	..	..	947.7	..	..	..	19.0
1988	..	..	..	1 190.0	..	..	..	12.0
1989	..	..	..	1 250.2	..	..	..	22.6
1990	..	..	..	734.0	..	..	..	12.0
1991	..	..	..	253.0	..	..	..	62.0
1992	..	..	..	459.0	..	..	..	4.0
1993	..	..	..	1 206.5	..	..	..	25.0
1994	..	..	..	1 133.4	..	..	..	62.3
1995	..	..	..	595.2	..	..	..	34.2
1996	..	..	..	636.4	..	..	..	4.9
1997	..	..	..	886.9	..	..	..	165.9
1998	..	..	..	1 075.5	..	..	..	45.5
1999	..	..	..	1 065.3	..	..	..	37.5
2000	..	..	..	1 235.4	..	..	..	51.2
2001	..	..	..	509.9	..	..	..	12.4
2002	..	..	..	646.9	..	..	..	27.8
2003	..	..	..	237.4	..	..	..	20.7
2004	..	..	..	2 157.4	..	..	..	158.9
2005	..	..	..	5 375.6	..	..	..	92.0
2006	..	..	..	10 042.8	..	..	..	148.4

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data are from the IMF for 1980-1989 and the Central Bank of Egypt thereafter. The petroleum sector is included in FDI inflows statistics as of the third quarter of 2004.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward Investment				Outward Investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	2 260.4	..	..	..	39.0
1981	..	..	..	3 013.0	..	..	..	45.0
1982	..	..	..	3 306.5	..	..	..	53.0
1983	..	..	..	3 796.5	..	..	..	72.0
1984	..	..	..	4 525.7	..	..	..	88.0
1985	..	..	..	5 703.2	..	..	..	91.0
1986	..	..	..	6 920.7	..	..	..	97.0
1987	..	..	..	7 868.4	..	..	..	116.0
1988	..	..	..	9 058.4	..	..	..	128.0
1989	..	..	..	10 308.6	..	..	..	150.6
1990	..	..	..	11 042.6	..	..	..	162.6
1991	..	..	..	11 295.6	..	..	..	224.6
1992	..	..	..	11 754.6	..	..	..	228.6
1993	..	..	..	12 961.1	..	..	..	253.6
1994	..	..	..	14 094.5	..	..	..	315.9
1995	..	..	..	13 354.6	..	..	..	350.1
1996	..	..	..	13 991.0	..	..	..	355.0
1997	..	..	..	16 578.0	..	..	..	520.9
1998	..	..	..	17 654.0	..	..	..	566.4
1999	..	..	..	18 719.0	..	..	..	603.9
2000	..	..	..	19 955.0	..	..	..	655.1
2001	..	..	..	20 465.0	..	..	..	667.5
2002	..	..	..	21 111.5	..	..	..	695.7
2003	..	..	..	21 348.9	..	..	..	716.4
2004	..	..	..	23 506.3	..	..	..	875.3
2005	..	..	..	28 881.9	..	..	..	967.3
2006	..	..	..	38 925.0	..	..	..	1 115.7

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock prior to 1995 are estimated by accumulating inflows since 1970. 1995 and 2002-2006 are based on the Central Bank of Egypt. 1996-2001 are estimated by adding inflows to the stock of 1995. Outward stock prior to 1997 are estimated by accumulating outflows since 1977. Data are based on the Central Bank of Egypt thereafter.

**Table 5. FDI flows in the host economy, by industry, 2000-2006**  
(Millions of dollars)

Sector / industry	2000	2001	2002	2003	2004	2005	2006
<b>Total</b>	..	..	..	..	..	..	13 084
<b>Primary</b>	..	..	..	..	..	..	4 934
Agriculture, hunting, forestry and fishing	..	..	..	..	..	..	30
Mining, quarrying and petroleum	..	..	..	..	..	..	4 905
Petroleum	..	..	..	..	..	..	4 905
<b>Secondary</b>	..	..	..	..	..	..	1 055
<b>Tertiary</b>	..	..	..	..	..	..	5 029
Construction	..	..	..	..	..	..	61
Transport, storage and communications	..	..	..	..	..	..	2 353
Transport and storage	..	..	..	..	..	..	429
Supporting and auxiliary transport activities	..	..	..	..	..	..	429
Activities of travel agencies and tour operators	..	..	..	..	..	..	429
Post and communications	..	..	..	..	..	..	1 924
Telecommunications	..	..	..	..	..	..	1 924
Finance	..	..	..	..	..	..	2 315
Business activities	..	..	..	..	..	..	39
Real estate	..	..	..	..	..	..	39
<b>Unspecified</b>	..	..	..	..	..	..	2 067

Source: Central Bank of Egypt.

Notes: Data refer to fiscal years ending March. Petroleum in the primary sector refers to oil and gas. Telecommunications refer to communications and IT. Activities of tour operators and travel agencies refer to tourism. 2006 data are provisional.

**Table 6. FDI flows in the host economy, by geographical origin, 1996-2006**  
(Millions of dollars)

Region / economy	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Total world</b>	..	..	..	1 691	510	532	892	435	4 135	9 098	13 084
<b>Developed countries</b>	..	..	..	1 243	490	524	869	278	2 977	7 589	8 807
Europe	..	..	..	780	202	365	588	48	854	3 025	4 111
European Union	..	..	..	758	196	363	584	43	813	2 944	4 061
Austria	..	..	..	-	-	-	-	-	-	2	2
Belgium	..	..	..	-	-	-	-	4	-	-	9
Luxembourg	..	..	..	-	-	-	-	8	-	-	1
Cyprus	..	..	..	-	-	-	-	-	-	6	3
Denmark	..	..	..	-	-	-	-	-	-	1	3
France	..	..	..	62	0	208	61	0	339	566	37
Germany	..	..	..	26	25	18	27	11	42	114	97
Greece	..	..	..	-	-	-	1	-	26	140	22
Italy	..	..	..	-	-	3	1	-	16	20	1 631
Netherlands	..	..	..	-	-	-	289	2	219	8	40
Portugal	..	..	..	486	-	39	-	-	117	-	-
Spain	..	..	..	4	-	84	178	-	5	361	7
Sweden	..	..	..	-	-	-	-	-	-	-	1
United Kingdom	..	..	..	179	129	12	28	17	50	1 725	2 210
Other developed Europe	..	..	..	23	6	2	4	5	41	81	50
Norway	..	..	..	-	-	-	-	-	1	2	0
Switzerland	..	..	..	23	6	2	4	5	40	78	49
North America	..	..	..	463	288	159	279	230	2 050	4 554	4 686
Canada	..	..	..	3	11	-	1	1	10	1	5
United States	..	..	..	460	277	159	278	229	2 040	4 554	4 681
Other developed countries	..	..	..	-	-	-	2	1	72	11	10
Australia	..	..	..	-	-	-	-	-	12	6	9
Japan	..	..	..	-	-	-	2	1	60	4	1
<b>Developing economies</b>	..	..	..	441	12	4	15	152	249	559	3 373
Africa	..	..	..	-	-	-	-	-	-	4	21
Libyan Arab Jamahiriya	..	..	..	-	-	-	-	-	-	4	21
Tunisia	..	..	..	-	-	-	-	-	-	-	1
Latin America and the Caribbean	..	..	..	340	-	-	-	-	-	-	-
Mexico	..	..	..	340	-	-	-	-	-	-	-
Asia	..	..	..	101	12	4	15	152	249	555	3 352
West Asia	..	..	..	101	12	4	15	152	214	552	3 339
Bahrain	..	..	..	65	0	-	1	14	30	66	19
Jordan	..	..	..	-	-	-	2	1	1	9	4
Kuwait	..	..	..	2	4	3	9	18	17	73	25
Lebanon	..	..	..	-	-	-	-	15	21	234	11
Oman	..	..	..	-	-	-	-	96	70	-	1
Qatar	..	..	..	-	-	-	-	1	2	6	3
Saudi Arabia	..	..	..	5	2	1	4	4	32	99	204
Turkey	..	..	..	-	-	-	-	-	0	1	9
United Arab Emirates	..	..	..	30	6	-	-	3	41	63	3 050
South, East and South-East Asia	..	..	..	-	-	-	-	-	35	4	13
China	..	..	..	-	-	-	-	-	-	1	8
India	..	..	..	-	-	-	-	-	9	-	4
Korea, Republic of	..	..	..	-	-	-	-	-	7	-	-
Singapore	..	..	..	-	-	-	-	-	19	3	-
Taiwan Province of China	..	..	..	-	-	-	-	-	1	-	-
<b>South-East Europe and the CIS</b>	..	..	..	-	-	-	-	-	-	11	-
Romania	..	..	..	-	-	-	-	-	-	11	-
<b>Unspecified</b>	..	..	..	8	8	4	7	4	909	939	905

Source: Central Bank of Egypt

Notes: Data refer to fiscal years ending March. 2006 data are provisional.

**Table 21. The number of foreign affiliates of home-based transnational corporations, by geographical location abroad, 1993-2005**

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Albania	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5
Armenia	..	..	..	..	..	..	..	..	..	6	..	..	..	..	..	..
Germany	3	..	4	3	3	3	3	3	4	..	..	..	..	..	..	..
United States	10	10	6	6	6	6	5	4	4	4	4	4	1	1	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1993-2005**

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	20	20	21	19	16	21	22	24	31	42	52	55	43	39	43	49
Italy	..	5	..	5	..	6	..	7	..	..	..	..	..	..	..	..
Republic of Korea	..	..	..	..	..	..	4	7	7	7	8	9	10	11	10	..
United States	67	66	67	59	58	57	61	64	62	62	58	59	60	59	58	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 30. Assets of affiliates of foreign TNCs in the host economy, by geographical origin, 1993-2005**  
(Millions of dollars)

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	335	330	248	174	194	279	257	391	777	804	837	793	..	..	..	..
United States	3146	2705	2555	2 666	2 723	2 893	3 621	3 828	5 063	5 672	6 314	6 951	7 109	8 111	10 009	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin, 1993-2005**  
(Thousands of employees)

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Belgium	..	..	..	..	..	..	..	..	..	..	..	0.1	0.1	..	..	..
Germany	4.0	4.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	6.0	8.0	8.0	8.0	7.0	11.0	13.0
Italy	..	3.4	..	3.5	..	4.3	..	4.9	..	..	..	..	..	..	..	..
Sweden <sup>a</sup>	..	..	..	..	..	..	..	..	..	..	..	1.0	1.0	..	..	..
Switzerland	..	..	..	8.1	5.6	6.3	6.0	8.2	9.8	8.4	8.5	8.3	8.0	7.8	8.6	9.4
United States	13.0	14.0	14.0	15.8	16.2	15.5	12.5	24.5	26.5	25.3	30.0	31.6	30.8	29.2	27.2	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin, 1993-2005**  
(Millions of dollars)

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Belgium	..	..	..	..	..	..	..	..	1.1	2.1	2.2	6.3	8.5	6.8	..	..
France	..	..	..	..	..	48.6	137.2	118.0	242.4	335.6	338.1	..	380.2	..	..	..
Germany	247.6	180.8	192.1	181.5	246.5	279.1	332.3	346.0	511.5	639.3	737.1	715.9	752.9	902.9	993.3	723.7
Greece	..	..	..	..	..	..	..	..	..	0.9	1.8	1.9	1.8	2.4	3.2	..
Italy	..	736.1	..	528.8	..	536.6	..	633.2	..	..	..	..	..	..	..	..
United States	2512.0	2375.0	2524.0	2 495	2 632	3 011	3 258	3 565	3 387	4 352	5 245	5 304	5 117	5 605	6 139	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.



**Tables 28, 33, 38, 43, 48 and 63. Assets, employment, wages and salaries, sales, value added and imports of affiliates of Egyptian TNCs in the United States, 1993-2004**

(Thousands of employees and millions of dollars)

Table no.	Variable	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
28	Assets	56	41	37	36	37	44	43	44	45	..	..	..
33	Employment	0.2	..	0.3	0.2	0.2	0.2	0.3	0.3	0.2	..	..	..
38	Wages and salaries	4	..	6	6	5	6	6	6	6	..	..	..
43	Sales	16	..	..	61	..	35	27	29	29	..	..	..
48	Value added	11	..	5	2	3	2	2	2	2	..	..	..
63	Imports	..	4	..	2	1	..	..	..	1	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

**Tables 40, 50, 60, 65, 70, 80 and 85. Wages and salaries, value added, exports, imports, research and development expenditure, royalty receipts and royalty payments of affiliates of United States TNCs in Egypt, 1993-2004**

(Millions of dollars)

Table no.	Variable	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
40	Wages and salaries	..	122	147	145	214	228	251	248	247	245	233	279
50	Value added <sup>a</sup>	..	699	840	930	921	668	1090	1162	1395	1474	1568	2106
60	Exports	..	..	84	32	85	78	103	142	..	..	..	..
65	Imports	..	..	5	..	..	36	..	..	..	..	..	..
70	R & D expenditure <sup>a</sup>	..	..	1	1	1	2	3	3	4	5	4	..
80	Royalty receipts <sup>a</sup>	..	1	..	..	..	..	..	..	..	..	..	..
85	Royalty payments <sup>a</sup>	..	8	..	..	..	..	24	..	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 86. Largest home-based TNCs, 2007**  
(Billions of dollars)

Company	Industry	Sales
<b>A. Industrial</b>		
Alexandria National Iron and Steel co.	Iron and Steel	1.37
Middle East Oil Refineries	Food products, beverages and tobacco	0.79 <sup>a</sup>
Aluminium Co. Of Egypt	Iron and Steel	0.52
Alexandria Minerals Oils Co.	Food products, beverages and tobacco	0.43 <sup>a</sup>
Sugar and Integrated Industries C.	Agro-Industry	0.43 <sup>a</sup>
Egyptian Iron and Steel Co.	Iron and Steel	0.41
Suez Cement	Building materials	0.41
Ezz Stell Rebars	Metal and metal products	0.36 <sup>a</sup>
Sidi Kerir Petrochemicals	Petroleum expl./ref./distr.	0.30
United Pharmacists Co.	Pharmaceuticals	0.29
Oriental Weavers Holding Group	Textiles and clothing	0.28
Egyptian cement Co.	Building materials	0.26 <sup>a</sup>
Egyptian Aluminium Products Co.	Aluminium	0.25 <sup>a</sup>
Abu Qir Fertilizers and chemical Industries	Chemical and chemical products	0.25
Delta Industrial Company	Engineering	0.22
ASEC Cement Co.	Building materials	0.22
El Mansour Automotive Co.	Automobile	0.19 <sup>a</sup>
Egyptian Vehicles Manufacturing Co.	Automobile	0.18 <sup>a</sup>
<b>B. Tertiary</b>		
Orascom Telecom Holding	Telecommunication	3.24
Orascom Construction Industries	Construction	1.97
Telecom Egypt	Telecommunication	1.48
The Arab Contractors-Osman Ahmed Osman	Construction	1.27
Vodafone Egypt Telecommunications	Telecommunication	1.03
Mobinil	Telecommunication	0.93
ExxonMobil Egypt	Distribution	0.72 <sup>a</sup>
Eastern Co.	Diversified group	0.59
National navigation Co.	Transportation	0.38 <sup>a</sup>
Egyptian Shipping Transport	Transportation	0.31 <sup>a</sup>
Olympic Group	Holding	0.28
American Group for Food	Diversified group	0.21
Sté Égyptienne d'Enterprises-Mokhtar Ibrahim	Construction	0.19
Reach Trade and marketing Co.	Import-Export	0.16 a
Middle and West delta Flour Mills	Diversified group	0.16 a
Egypt Air	Air transport	0.15 a
<b>C. Finance and insurance</b>		<b>Assets</b>
Misr Insurance Co.	Insurance	0.34
Al Chark Insurance CO.	Insurance	0.15

Source: Jeune Afrique Hors-serie No. 14, 2007.

<sup>a</sup> 2004.

**Table 87. Largest affiliates of home-based TNCs, 2007**  
(Millions of dollars and number)

Company	Host economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Cambridge Weavers Ltd	England	Textiles and clothing	3.9	7
<b>B. Tertiary</b>				
Orascom Telecom Algeria Spa	Algeria	Telecommunications	405.3	1 200
Orascom Telecom Tunisia	Tunisia	Telecommunications	81.5	100
Dynatrade Sa	Switzerland	Wholesale trade	50.0	10
T & H Gulf Distribution Fzco	United Arab Emirates	Wholesale trade	25.0	6
Lecico Plc	England	Wholesale trade	19.1	10
Sait Telecom S P R L	Congo Dem. Rep.	Telecommunications	16.8	120
Oriental Weavers Uk Ltd	England	Wholesale trade	8.5	15
Billedge Ltd	England	Holding	3.9	7
Apic Usa Inc	United States	Wholesale trade	3.5	20
Al Ahram Overseas Ltd	England	Publishing, printing	1.4	14
Nabila Tours And Cruises Inc	United States	Supporting transport activities	0.8	4
Multilateral Trade France	France	Wholesale trade	0.7	6
Misr Travel Co (Filial Egypten)	Sweden	Supporting transport activities	0.5	1
H C H Supply Co, Inc	United States	Research and development	0.3	5
Elnasr France S A R L	France	Wholesale trade	0.3	4
Bangla Link Limited	Bangladesh	Telecommunications	..	800
Chancel International F Z E	United Arab Emirates	Wholesale trade	..	500
Tchad Mobile	Chad	Telecommunications	..	71
Arab Contractors (Rewanda) Ltd	Rwanda	Construction	..	45
Lecico (U K) Ltd	England	Holding	..	12
A C B U K Ltd	England	Wholesale trade	..	9
A. Hak Middle East Services Limited	Cyprus	Research and development	..	4
M & W Distribution Fzco	United Arab Emirates	Wholesale trade	..	4
Nescaro Fz Co	United Arab Emirates	Wholesale trade	..	1
Ahd Kitchens L.L.C.	United Arab Emirates	Distributive trade	..	..
<b>C. Finance and insurance</b>				
Pioneers Investments Co	Jordan	Finance	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Nasr Bottling Sae	United States	Food products, beverages and tobacco	131	3 000
Ahram Beverages Company S.A.E.	Switzerland	Food products, beverages and tobacco	99	3 100
Egyptian German Telecommunication Industry	Germany	Electrical and electronic equipments	81	120
Abb Arab Contractors For Electrical Industries	Switzerland	Electrical and electronic equipments	77	1 300
Unilever Mashreq Home Care	United Kingdom	Chemicals and chemical products	69	3 000
Glaxosmithkline Egypt	United Kingdom	Chemicals and chemical products	68	1 500
Ahram Beverages Company S.A.E.	Switzerland	Food products, beverages and tobacco	50	3 100
Sanofi Aventis Egypt Sae	France	Chemicals and chemical products	40	624
Fayoum Gas	United Kingdom	Petroleum	27	100
Mohandes Jotun For Paints S A E	Norway	Chemicals and chemical products	25	300
Duravit Egypt	Germany	Non-metallic mineral products	20	650
Dow Mideast Systems	United States	Chemicals and chemical products	15	100
Gillette Egypt S A E	United States	Machinery and equipment	10	50
International Aerated Water S A E	United States	Rubber and plastic products	9	300
Egyptian German Dyes And Resins	Switzerland	Chemicals and chemical products	9	40
Gianacis Vineyards For Beverages	Switzerland	Food products, beverages and tobacco	8	100
Bayer Middle East Ltd	Germany	Chemicals and chemical products	8	70
Henkel Building Chemicals Egypt S.A	Germany	Chemicals and chemical products	8	30
Johnson Wax Egypt	United States	Chemicals and chemical products	7	110
<b>B. Tertiary</b>				
Savola Sime	Saudi Arabia	Wholesale trade	94	500
Toyota Egypt S A E	United Arab Emirates	Wholesale trade	32	300
Astrazeneca Egypt	United Kingdom	Wholesale trade	16	160
Ocean Marine Services	United States	Wholesale trade	15	32
General Electric International Corporation	United States	Wholesale trade	13	60
Bauer Egypt Soil Engineering And Foundations	Germany	Research and development	13	300
Atlantis Egypt Ltd.	United Kingdom	Wholesale trade	10	57
Va Tech Transmission & Distribution	France	Wholesale trade	12	500
Bardissy Import	United States	Wholesale trade	11	156
Pgs Data Processing	United States	Other business activities	8	70
Ferrostaal Egypt	Germany	Wholesale trade	8	
Pepperl & Fuchs Egypt	Germany	Wholesale trade	6	20
Cymi Control Y Montajes Industriel	Spain	Construction	6	5
Nile Trading And Engineering Company Ltd	United Arab Emirates	Wholesale trade	6	100
Egytrade Import And Export	Germany	Wholesale trade	5	65
Sofipetrol Free Zone Services	Cyprus	Other business activities	5	20
Kodak Egypt Sae	United States	Distributive trade	4	98
Tam Tours Limited	Netherlands Antilles	Supporting transport activities	4	100
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
Hsbc Bank Egypt Sae	United Kingdom	Finance	986	995 <sup>a</sup>
Pharaonic American Life Insurance	United States	Insurance	100	..
Bnp Paribas Le Caire	France	Holding	47	270
Hsbc Securities (Egypt) S.A.E.	United Kingdom	Finance	..	..
Marsh & McLennan Co	United States	Insurance	..	..
Royal & Sunalliance Middle East	United States	Insurance	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

<sup>a</sup> 2006.

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**C. Legal frameworks for transnational corporations**

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Egypt has adopted a number of legal instruments for regulating the activities of transnational corporations and foreign investors. The key among these instruments include:

**I. National framework**

Decree No. 3 of 9 February 1976 Instituting an Agency for the Development of Innovations and Inventions.  
*Source:* World Intellectual Property Organisation, Industrial Property Laws and Treaties, No. 12. December 1976 (English translation).

Law No. 56 of 17 November 1979 regulating ownership of real estate property by non-Egyptians  
*Source:* Official Gazette, No. 48 of 29 November 1979, and Graham & Trotman Ltd., (ed.), Business Laws of Egypt (BLE), vol. III, 1985, p. 3.7-1 - 3.8-23 (loose-leaf edition, English translation).

Labor Law No. 137 of 1981.  
*Source:* Official Gazette, No. 33, 13 August 1981 (supplement).

Income Tax Law No. 157 of 1981.  
*Source:* Official Gazette, No. 37, Supplement, and Business Laws of Egypt, vol. III, 10 September 1981, pp. 3.3-1 - 3.3-120, (English translation).

Company Law No. 159 of 1981.  
*Source:* Business Laws of Egypt, vol. I, pp. 1.2-1 - 1.2-74 (English translation).

Decision No. 7 of 1982 by the Minister of Investment Affairs and International Co-operation.  
*Source:* Official Gazette, No. 214, 16 September 1982.

Ministerial Decision No. 96 of 1982 regarding Executive Regulations to Company Law No. 159 of 1981  
*Source:* Business Laws of Egypt, vol. I, pp. 1.2-75 - 1.2-226 (English translation).

Law No. 120 of 1982 regulating Activities of Commercial Agents and Certain Activities of Commercial Intermediaries, effective on 4 May 1983.  
*Source:* Official Gazette, No. 31 of 5 August 1982, and Business Laws of Egypt, vol. I, pp. 1.4-1 - 1.4-24 (English translation).

Executive Regulations No. 164 of 1982 to Income Tax Law No. 157 of 1981.  
*Source:* Official Gazette, No. 186 (supplement) and Business Laws of Egypt, vol. 11, 15 August 1982, pp. 2.4-1 - 2.4-54, (English translation).

Decision No. 342 of 1982, Ministry of Economy and Foreign Trade Implementing Law No. 120 of 1982, effective on 5 August 1983.  
*Source:* Official Gazette, May 1983.

Decree No. 27 of 1986 concerning Industrial Investment in New Cities.  
*Source:* International Bureau of Fiscal Documentation ATS, suppl. No. 91/92 of July 1994.

Law No. 230 of 20 July 1989 promulgating the Investment Code, effective: 21 July 1989.  
*Source:* Al Jaridah al Rasmiyah, Official Gazette No. 29 of 20 July 1989, and International Center for Settlement of Investment Disputes (ICSID), Investment Laws of the World, Release 90-2, June 1990, p. 1 (English Translation), and Official Publication - A.R Egypt. General Authority for Investment (Cairo) - "Investment Law No. 230/1989."  
As amended by Decree No. 9 of 23 March 1995.

*Source:* Official Publication - A.R Egypt. General Authority for Investment, Cairo.

Privileges and Exemptions Granted by Investment Law No. 230/1989.

*Source:* Official Publication - A.R. Egypt. General Authority for Investment, "Privileges and Exemptions Granted by Investment Law No. 230/1989", Cairo.

Executive Regulations concerning Investment Law No. 230/1989. Decree of the Prime Minister No. 363 of 31 January 1995. Amends and replaces Decree No. 1531 of 1989.

*Source:* General Authority for Investment, 8 Adly Street, Cairo.

Law No. 203 on Public-Sector Business Enterprises of 1991.

*Source:* World Bank, Technical Paper No. 186, "Divestiture of State Enterprises". An overview of the legal framework.

Prime Minister Decree No. 1590/1991 on the implementing regulations for law No. 203/1991 of 1991.

*Source:* World Bank, Technical Paper No. 186, "Divestiture of State Enterprises". An overview of the legal framework.

Decree issued by the General Authority for Investment and Free Zones of April 1992- to streamline investment procedures.

*Source:* General Authority for Investment, "Egypt's Free Zones", Cairo.

Banking Law No. 37 and 95/1992 of 1 June 1992.

*Source:* Capital Market Authority, Cairo.

Law No. 82 of 2002 Pertaining to the Protection of Intellectual Property Rights, repealing the following legislations: Patents: Patent and Industrial Models Act No. 132 of 1949. Ministerial Decree No. 132 of 1949, as amended by Ministerial Decrees Nos. 271 of 1953, 39 of 1955, and 49 of 1958. Trade Marks: Act No. 57 of 1939, as amended by Acts Nos. 143 of 1949, 353 and 531 of 1953, 569 of 1954, 205 of 1956 and 59 of 1969. Copyright: Law No. 354 of 1954, as amended by laws Nos. 14 of 1968, 34 of 1975 and 38 of 1992.

*Source:* Abu-Ghazaleh Intellectual Property, (<http://www.agip.com>).

Law on special economic zones, May 2002.

*Source:* The Economist Intelligence Unit (<http://db.eiu.com>).

Prime Ministerial Decree 506 on foreign exchange from exports, passed in March 2003.

*Source:* The Economist Intelligence Unit (<http://db.eiu.com>).

National Committee for Upgrading Economic Legislation, April 2006

*Source:* [www.eiu.com](http://www.eiu.com), EIU Country report Main report May 2006

Amendment to tax code, 2005/2006

*Source:* [www.eiu.com](http://www.eiu.com), Country forecast Main report July 2006.

## **II. International Framework**

### **A. Egypt is a party to the following multilateral and regional instruments:**

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7 June 1959.

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Convention Establishing the Inter-Arab Investment Guarantee Corporation of May 1971. Entered into force in April 1974.

Agreement for the Promotion, Protection and Guarantee of Investment Among Member States of the Organisation of Islamic Conference of June 1981, entered into force on 23 September 1986.

Unified Agreement for the Investment of Arab Capital in the Arab States of 1982.

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit of 19 February 1992, entered into force on 1 August 1994.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

## **B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Kuwait 1966, Switzerland 1973, France 1974, Germany 1974, United Kingdom 1975, Morocco 1976, Netherlands 1976, Belgium/Luxembourg 1977, Iran, Islamic Republic of 1977, Japan 1977, Sudan 1977, Serbia and Montenegro 1977, Sweden 1978, Finland 1980, Somalia 1982, Oman 1985, United States 1986, United Arab Emirates 1988, Yemen 1988, Italy 1989, Tunisia 1989, Libyan Arab Jamahiriya 1990, Saudi Arabia 1990, Tunisia 1990, Argentina 1992, Ecuador 1992, Spain 1992, Ukraine 1992, Uzbekistan 1992, Albania 1993, Czech Republic 1993, Greece 1993, Kazakhstan 1993, China 1994, Comoros 1994, Indonesia 1994, Romania 1994, Armenia 1995, Hungary 1995, Poland 1995, Turkmenistan 1995, Uganda 1995, Canada 1996, Denmark 1996, Jordan 1996, Korea, Republic of 1996, Lebanon 1996, Netherlands 1996, Sri Lanka 1996, Turkey 1996, Yemen 1996, Algeria 1997, Bahrain 1997, Belarus 1997, Croatia 1997, Gabon 1997, India 1997, Latvia 1997, Malawi 1997, Malaysia 1997, Morocco 1997, Russian Federation 1997, Singapore 1997, Slovakia 1997, Syrian Arab Republic 1997, Tanzania, United Republic of 1997, United Arab Emirates 1997, Viet Nam 1997, Bosnia and Herzegovina 1998, Bulgaria 1998, Chad 1998, Congo, Democratic Republic of 1998, Cyprus 1998, Djibouti 1998, Ghana 1998, Guinea 1998, Mali 1998, Mozambique 1998, Niger 1998, Oman 1998, Palestine Territory 1998, Senegal 1998, Slovenia 1998, South Africa 1998, Belgium/Luxembourg 1999, Chile 1999, Denmark 1999, Georgia 1999, Jamaica 1999, Korea, Democratic People's Republic of, 1999, The Former Yugoslav Republic of Macedonia, 1999, Malta 1999, Portugal 1999, Qatar 1999, Zimbabwe 1999, Cameroon 2000, Central African Republic 2000, Nigeria 2000, Pakistan 2000, Swaziland 2000, Thailand 2000, Zambia 2000, Australia 2001, Austria 2001, Kuwait 2001, Sudan 2001, Azerbaijan 2002, Seychelles 2002, Botswana 2003, Finland 2004, Mongolia 2004, Germany 2005, Serbia and Montenegro 2005, Ethiopia 2006.

**2. Bilateral treaties for the avoidance of double taxation:** Sweden 1958, Germany 1959, Austria 1962, Norway 1964, Finland 1965, Iraq 1968, Japan 1968, India 1969, Sudan 1970, United Kingdom 1977, Italy 1979, Romania 1979, France 1980, United States 1980, Canada 1983, Germany 1987, Switzerland 1987, Yugoslav (Former) 1987, Denmark 1989, Morocco 1989, Tunisia 1989, Belgium 1991, Hungary 1991, Syrian Arab Republic 1991, Korea, Republic of 1992, Cyprus 1993, Turkey 1993, Sweden 1994, United Arab Emirates 1994, Czech Republic 1995, Lebanon 1996, Poland 1996, China 1997, Malaysia 1997,

Armenia 1998, Indonesia 1998, Mongolia 1998, The Former Yugoslav Republic of Macedonia, 1999, Malta 1999, Netherlands 1999, Uzbekistan 1999, Korea, Democratic People's Republic of 2000, Oman 2000, Senegal 2001, Bulgaria 2003, Slovakia 2004, Armenia 2005, Croatia 2005, Serbia and Montenegro 2005, Spain 2005, Thailand 2006.

**C. Other treaties:**

Agreement with the United States of America concerning the development of trade and investment relations (1999).

Euro-Mediterranean agreement establishing association with the European Communities and their member states (1977 and 2001).

Framework agreement with MERCOSUR (2004).

Free trade agreement with Turkey (2005).

Free Trade Agreement with the European Free Trade Association (EFTA) states (2007).

Investment agreement for the COMESA Common Investment Area (2007).



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## Equatorial Guinea

### A. Definitions and sources of data

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The data on annual flows of foreign direct investment (FDI) in Equatorial Guinea are gathered from the Banque des États de l'Afrique Centrale (BEAC). Additional data are provided by the International Monetary Fund in its balance-of-payment statistics. The country's Investment Code (Investment Code of April 1992, as amended in April 1994) does not contain specific definition of FDI.

In Equatorial Guinea, commercial oil and gas reserves are the major attraction for FDI. There has been growing and substantial investment in exploiting the reserves with significant new expansion planned for years to follow. This has transformed the country into Africa's fastest growing economy and one of the main destinations of United States investment in the region. Among the major companies operating in the country are: CMS Nomeco (United States), ExxonMobil (United States), Marathon (United States), TotalFinaElf (France) and United Meridian Corporation (United States). Oil and gas exploration has also led to the expansion of the hitherto tiny services sector. Recent foreign investments in forestry and growing demand from Asia have also boosted economic expansion in the non-oil sector, modestly. Equatorial Guinea possesses deposits of gold, diamonds, bauxite, iron ore, titanium, copper, manganese and uranium. Artisanal gold mining is reported to be taking place in parts of the mainland.

Equatorial Guinea is engaged in the regional integration schemes and other international arrangements. It is a member of the Communauté Economique et Monétaire de l'Afrique Centrale, New Partnership for Africa's Development and the African Union. It is an eligible member of the Cotonou agreement for renegotiating the trade links between the European Union (EU) and the Africa, Caribbean and Pacific countries and the Everything But Arms initiative. Equatorial Guinea is also among the 34 African least developed countries that have the option of entering the EU generalized system of preferences and has an observer status at the World Trade Organization.

## B. Statistics on FDI and the operations of TNCs

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	1 655.8	0.0
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	100.8	0.0
3. FDI stocks, 2006	9 018	3
4. FDI stocks as a percentage of GDP, 2006	98.7	0.0

Source: Based on tables 3a and 4 and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	..	..	..	..	..
1981	..	..	..	- 0.2	..	..	..	..
1982	..	..	..	0.5	..	..	..	..
1983	..	..	..	0.5	..	..	..	..
1984	..	..	..	2.2	..	..	..	..
1985	..	..	..	2.4	..	..	..	..
1986	..	..	..	5.6	..	..	..	..
1987	..	..	..	1.7	..	..	..	..
1988	..	..	..	0.5	..	..	..	..
1989	0.9	..	..	0.9	..	..	..	0.1
1990	11.1	..	..	11.1	..	..	..	0.1
1991	41.3	..	..	41.3	..	..	..	0.1
1992	6.0	..	..	6.0	..	..	..	..
1993	22.3	..	..	22.3	..	..	..	..
1994	17.0	..	..	17.0	..	..	..	..
1995	39.7	13.1	7.7	63.3	..	..	..	0.1
1996	190.0	41.4	16.3	247.6	..	..	..	..
1997	60.4	- 15.6	111.4	53.5	..	..	..	..
1998	67.7	7.8	235.4	291.5	..	..	..	..
1999	31.6	- 14.2	232.9	251.9	..	..	1.6	1.5
2000	14.7	47.6	- 82.2	111.4	..	..	- 3.5	- 3.6
2001	3.2	2.1	1 001.2	940.7	1.4	..	0.6	4.2
2002	..	..	..	323.4	..	..	..	..
2003	..	..	..	1 443.6	..	..	..	..
2004	..	..	..	1 650.6	..	..	..	..
2005	..	..	..	1 873.1	..	..	..	..
2006	..	..	..	1 655.8	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the OECD for 1981-1988, IMF for 1989-1994, the Banque Centrale des Etats de l'Afrique Centrale (BEAC) for 1995-2005, and estimate for 2006. Outflow data are from the IMF for 1989-1991 and the BEAC for 1995-2003.

**Table 3b. FDI flows, by type of investment, 2000-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
2000	..	..	..	79 300	..	..	..	..
2001	..	..	..	689 600	..	..	..	..
2002	..	..	..	225 400	..	..	..	..
2003	..	..	..	839 000	..	..	..	..
2004	..	..	..	872 000	..	..	..	..
2005	..	..	..	988 000	..	..	..	..

Source: UNCTAD, FDI/TNC database based on the Banque Centrale des Etats de l'Afrique Centrale (BEAC).

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	..	..	..	..	..
1981	..	..	..	..	..	..	..	..
1982	..	..	..	0.5	..	..	..	..
1983	..	..	..	1.0	..	..	..	..
1984	..	..	..	3.1	..	..	..	..
1985	..	..	..	5.6	..	..	..	..
1986	..	..	..	11.2	..	..	..	..
1987	..	..	..	12.9	..	..	..	..
1988	..	..	..	13.4	..	..	..	..
1989	..	..	..	14.3	..	..	..	0.1
1990	..	..	..	25.4	..	..	..	0.3
1991	..	..	..	66.7	..	..	..	0.4
1992	..	..	..	72.7	..	..	..	0.4
1993	..	..	..	95.0	..	..	..	0.4
1994	..	..	..	112.0	..	..	..	0.4
1995	..	..	..	175.3	..	..	..	0.4
1996	..	..	..	423.0	..	..	..	0.4
1997	..	..	..	476.4	..	..	..	0.4
1998	..	..	..	767.9	..	..	..	0.5
1999	..	..	..	1 019.8	..	..	..	2.0
2000	..	..	..	1 131.2	..	..	..	- 1.6
2001	..	..	..	2 072.0	..	..	..	2.6
2002	..	..	..	2 395.4	..	..	..	2.6
2003	..	..	..	3 838.9	..	..	..	2.6
2004	..	..	..	5 489.5	..	..	..	2.6
2005	..	..	..	7 362.6	..	..	..	2.6
2006	..	..	..	9 018.4	..	..	..	2.6

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating inflows since 1982. Outward stock data are estimated by accumulating inflows since 1989.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	0.5	1.7	6.4	-
France	-	-	-	11.1	3.2	6.4	14.3	4.7	2.3	1.2	- 2.5	28.9
United States	-	-	-	-	261	- 48	114	- 460	1 025	- 227	413	877

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
France	-	-	-	-	-	-	-	0.9	1.1	-	6.2	35.1
United States	-	-	-	-	-	- 3.0	-	- 9.0	- 12.0	25.0	2.0	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	8.6	10.2	16.6	-
United States	-	-	-	-	1 249	1 144	2 316	3 080	3 188	2 948	3 361	4 238

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
United States	-	-	-	-	-	- 3.0	-	-	-	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on the information reported by the United States.

**Tables 23, 30, 35, 40, 45 and 50. The number, assets, employment, wages and salaries, sales and value added of affiliates of United States TNCs in Equatorial Guinea, 1995-2006**  
(Number, thousands of employees and millions of dollars)

Table no./Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
23. Number	2	3	5	6	7	7	8	8	8	13	..	..
30. Assets	33	..	904	1376	2045	2076	4001	7101	10421	12572	..	..
35. Employees	..	..	0.1	0.1	0.1	0.1	0.2	0.2	0.4	0.7	..	..
40. Wages and salaries	..	2	5	8	9	1	17	15	20	58	..	..
45. Sales	18	81	346	311	551	959	1119	1607	2033	3378	..	..
50. Value added <sup>a</sup>	14	45	273	189	404	778	937	1330	1679	3207	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Majority-owned affiliates only.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Guinebega S A	Spain	Food products, beverages and tobacco	..	14
Weatherford International Inc	Bermuda	Petroleum	..	47
Triton Equatorial Guinea Inc	United States	Petroleum	..	60
Mobil Equatorial Guinea Incorporated	United States	Petroleum	..	372
Noble Energy Eg Limited	United States	Petroleum	1 966	700
<b>B. Tertiary</b>				
Bouygues Batiment Sucursal Guinea Equatorial	France	Construction	..	450
B I S Supplies Engineering	Hong Kong	Wholesale trade	..	5
Autopista Aeropuerto	Spain	Forestry and fishing	..	..
Equatorial Guinea	United Kingdom	Water Transport	..	..
Luba Freeport Ltd	United Kingdom	Public administration	..	..
Segami - Grupo Cfao	France	Wholesale trade	..	..
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.



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**C. Legal frameworks for transnational corporations**

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The legal instruments for regulating the activities of the transnational corporations and foreign investors in Equatorial Guinea varied. The key instruments were adopted at national, bilateral and multilateral levels, including the following:

**I. National framework**

Patents: Decreto-Ley No. 7/1987, por el que se crea el Consejo de Investigaciones Científicas y Tecnológicas, August 1987. Decreto No. 56/1990, por el que se aprueba el Reglamento Orgánico del Consejo de Investigaciones Científicas y Tecnológicas (CICTE), September 1990. Decreto No. 38/1991, por el que se crean los Institutos Especializados del Consejo de Investigaciones Científicas y Tecnológicas (CICTE), May 1991.

Source: WIPO (<http://www.wipo.org>).

Investment Code of April 1992, as amended in April 1994.

Source: Institutional Web Site of Equatorial Guinea [http://www.ceiba-guinea-ecuatorial.org/guineeanl/finv\\_codeinvest.htm](http://www.ceiba-guinea-ecuatorial.org/guineeanl/finv_codeinvest.htm)

**II. International Framework****A. Equatorial Guinea is a party to the following multilateral and regional instruments:**

Customs and Economic Union of Central Africa (UDEAC): Common Convention on Investments in the UDEAC (1965); Joint Convention on the Freedom of Movement of Persons and the Right of Establishment in the UDEAC (1972); Multinational Companies Code in the UDEAC (1975).

Treaty for the Establishment of the Economic Community of Central African States (ECCAS) 1983.

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

New Hydrocarbons Law No. 8/2006 of 3 November 2006

Source: Government of Republic of Equatorial Guinea.

**B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** France 1982, Spain 2003, South Africa 2004, China 2005, Morocco 2005.

**2. Bilateral treaties for the avoidance of double taxation:**

**D.****Sources of information****Official**

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World Bank/International Finance Corporation (2007). *Doing Business 2008 Equatorial Guinea* (Washington D.C.: The World Bank Group).

## **Eritrea**

### **A. Definitions and sources of data**

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Eritrea became independent in 1993 and introduced its own currency in 1996. It was only then that the government was able to exercise monetary and fiscal control. Data on foreign direct investment (FDI) are still not available from the Central Bank. The Eritrean Investment Proclamation (No. 59/1994) governs all foreign investment in the country but is silent on specific definition of FDI.

As a way of encouraging private investment, the Eritrean Government is ending all subsidies for state-run enterprises and is divesting its shares from many of these enterprises. The enterprises being privatized include those that process salt, glass, leather, processed foods, cotton, knitwear and sweaters, beverages and liquors. The Government of Eritrea is divesting shares in its previously publicly-owned ventures, particularly hotels. Sales had attracted significant private interest and FDI. Also, several new factories were opened to produce marble, recycled plastics and rubber goods. Tourism, formerly a small but growing sector was the subject of a promotional drive launched by the Ministry of Tourism. The main export items are salt, semi-processed leather goods, flowers, livestock and textiles.

Eritrea has gold reserves. Artisanal gold mining plays an important role in revealing new potential areas for mining companies. The country recently announced a high-grade borehole results at its Bisha project, west of Asmara. Eritrea also has substantial reserves of barite, feldspar and kaolin, and deposits of potash, rock salt, gypsum, asbestos and marble. The marble is of high quality and the Government is encouraging investments for the export of finished or semi-finished products to the Middle East and Europe.

Since independence Eritrea belonged to the seven-member Intergovernmental Authority on Development (IGAD). Eritrea is also a member of the Common Market for Eastern and Southern Africa, New Partnership for Africa's Development and the African Union. The country is an eligible member of the Cotonou Agreement for renegotiating the trade and aid links between the African, Caribbean and Pacific countries with the European Union and the Everything But Arms initiative. Eritrea is also among the 34 African least developed countries that have the option of exploiting the EU generalized system of preferences.

**B. Statistics on FDI and the operations of TNCs****Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	3.7	-
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	1.6	-
3. FDI stocks, 2006	384	-
4. FDI stocks as a percentage of GDP, 2006	33.1	-

Source: Based on tables 3 and 4 and UNCTAD, FDI/TNC database.

**Table 3. FDI flows, by type of investment, 1996-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1996	..	..	..	36.7	..	..	..	..
1997	..	..	..	41.1	..	..	..	..
1998	148.5	..	..	148.5	..	..	..	..
1999	83.2	..	..	83.2	..	..	..	..
2000	27.9	..	..	27.9	..	..	..	..
2001	..	..	..	12.1	..	..	..	..
2002	..	..	..	20.0	..	..	..	..
2003	..	..	..	22.0	..	..	..	..
2004	..	..	..	- 7.9	..	..	..	..
2005	..	..	..	- 3.0	..	..	..	..
2006	..	..	..	3.7	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data are based on the IMF for 1996-2000; IMF, *Country Report*, June 2003 No. 03/165 for 2001-2003; OECD for 2004-2005 and estimate for 2006.

**Table 4. FDI stocks, by type of investment, 1996-2006**  
(Millions of dollars)

Year	Inward Investment				Outward Investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1996	..	..	..	36.7	..	..	..	..
1997	..	..	..	77.8	..	..	..	..
1998	..	..	..	226.3	..	..	..	..
1999	..	..	..	309.5	..	..	..	..
2000	..	..	..	337.4	..	..	..	..
2001	..	..	..	349.5	..	..	..	..
2002	..	..	..	369.5	..	..	..	..
2003	..	..	..	391.5	..	..	..	..
2004	..	..	..	383.6	..	..	..	..
2005	..	..	..	380.6	..	..	..	..
2006	..	..	..	384.3	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Note: Data based are estimated by accumulating inflows since 1976.

**Table 6. FDI flows in the host economy, by geographical origin, 1997- 2006**  
(Millions of dollars)

Economy	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Germany	-	-	-	-	0.9	-	-	-	-	..
United States	-	- 3.0	- 7.0	- 15.0	- 15.0	- 15.0	- 14.0	- 17.0	- 4.0	..

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1997-2006**  
(Millions of dollars)

Economy	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Canada	-	-	1.4	2.0	1.3	-	-	-	-	-
China	-	-	-	-	-	-	1.9	0.1	0.1	-
Slovenia	-	-	0.1	0.2	-	-	-	-	-	-
United States	2.0	- 1.0	12.0	- 3.0	- 17.0	- 32.0	- 53.0	5.0	1.0	1.0

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Tables 23, 30, 35, 40 and 45. The number, assets, employment, wages and salaries and sales of affiliates of United States TNCs in Eritrea, 1997-2006**  
(Number, thousands of employees and millions of dollars)

Table no./Variable	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
23. Number	1	1	3	3	3	3	2	2	..	..
30. Assets	..	..	..	28	30	31	..	..	..	..
35. Employment	..	..	0.3	0.3	0.3	0.3	..	..	..	..
40. Wages and salaries	1	..	..	1	1	1	..	..	..	..
45. Sales	..	..	..	22	24	24	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

**Table 87. Largest affiliates of home-based TNCs, 2007**  
(Millions of dollars and number)

Company Name	Host Economy	Industry	Sales	Employees
<b>A. Industrial</b>				
..	..	..	..	..
<b>B. Tertiary</b>				
Ageca (Ethiopia) Company Pvt Ltd	Ethiopia	Wholesale trade	1.4	25
<b>C. Finance and insurance</b>				
..	..	..	Assets	Employees
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
..	..	..	..	..
<b>B. Tertiary</b>				
Perenco Eritrea Ltd	France	Wholesale trade	46.1	10
Shell Eritrea Ltd	United Kingdom	Wholesale trade	20.0	54
Eritrean Maritime Shipping Services Entrprise	Denmark	Water Transport	..	120
<b>C. Finance and Insurance</b>				
..	..	..	Assets	Employees
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.



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**C. Legal frameworks for transnational corporations**

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The national instruments that regulate the activities of the foreign direct investors and transnational corporations in Eritrea include:

**I. National framework**

Transitional Commercial Code, effective 15 September 1991

*Source:* Gazette of Eritrean Laws published by the Government of Eritrea in 1991.

Transitional Maritime Code, effective 15 September 1991

*Source:* Gazette of Eritrean Laws published by the Government of Eritrea in 1991.

Transitional Civil Procedure Code, effective 15 September 1991

*Source:* Gazette of Eritrean Laws published by the Government of Eritrea in 1991.

Transitional Civil Code of Eritrea, 15 September 1991

*Source:* Gazette of Eritrean Laws published by the Government of Eritrea in 1991.

Land Proclamation, No. 58/1994 of 24 August 1994.

*Source:* Gazette of Eritrean Laws published by the Government of Eritrea on 24 August 1994.

Investment Proclamation, No. 59/1994.

*Source:* Gazette of Eritrean Laws published by the Government of Eritrea on 24 August 1994.

Income Tax Proclamation, No. 62/1994

*Source:* Gazette of Eritrean Laws published by the Government of Eritrea in 1994.

Income Tax Regulations, Legal Notice No.20 (1995).

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Business Licensing Proclamation No.72/1995.

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Proclamation to Regulate the Registration of Eritrean Ships, No. 77 (1995).

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Communications Proclamation, No. 102 (1998).

Advocates Proclamation, No. 88 (1996),

*Source:* Gazette of Eritrean Laws published by the Government of Eritrea in 1996.

**II. International Framework****A. Eritrea is a party to the following multilateral and regional instruments:**

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Treaty Establishing the Market for Eastern and Southern Africa (COMESA), 1993.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

**B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Italy 1996, Qatar 2000, Uganda 2001, Netherlands 2003.

**2. Bilateral treaties for the avoidance of double taxation:** Qatar 2000.

**C. Other treaties:**

Investment agreement for the COMESA Common Investment Area (2007).

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## Ethiopia

### A. Definitions and sources of data

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The Ethiopia investment code defines a foreign investor as "... a physical or juridical person of foreign nationality which has invested imported capital" (Investment Proclamation No. 15/1992, article 2). The responsible organ for collecting data on foreign direct investment (FDI) is the statistic and information technology service which is part of Ethiopian Investment Authority (EIA). The EIA is the institution responsible for approving FDI projects for the pre and post-investment phases. Detailed data on outward investment from Ethiopia are not available. The International Monetary Fund (IMF) also provides data on FDI in Ethiopia in its balance-of-payments statistics.

FDI into Ethiopia started to grow since liberalizing control of the economy in 1992. The new regime sought to eliminate the constraints on FDI and to establish an enabling environment for foreign investors. The authorities began to promote Ethiopia more vigorously as a location for FDI in early 1998. In 1999, a new investment guide for potential foreign investors in Ethiopia was published.

The liberalizing of the economy prompted improved incentives and more efficient marketing in the country. The gradual shift to private ownership which is being overseen by two government agencies, the Ethiopian Investment Authority and the Ethiopian Privatization Agency began with the sale of small retail outlets and medium-sized hotels and restaurants. The telecommunications and energy sectors were thrown open to foreign investors later. The disposal of state farms and agro-industrial plants was a little more problematic, partly because of continued wrangles over allocating land titles by regional authorities. Further state-owned enterprises, notably hotel chains, state farms and plantations are slated for sale in the economic programme agreed with the IMF.

Ethiopia is endowed with a geological environment, hosting a wide variety of promising mineral resources. Initial explorations have confirmed deposits of gold, platinum, tantalite, soda ash and phosphate. Dimension stones, geothermal, petroleum and other metallic, industrial, and chemical minerals have also been found. Despite all these occurrences, mineral development remained limited. The Government of Ethiopia is taking steps to attract foreign investment in these areas.

Ethiopia signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on September 21, 1965 and improved its position in providing excellent market access for many products. Ethiopia is a member of the African Union, New Partnership for Africa's Development, Common Market for Eastern and Southern Africa, the Cotonou Agreement for renegotiating the trade links between the European Union and the African, Caribbean and Pacific countries - the Lomé convention, the United States' African Growth and Opportunity Act and the European Union led Everything But Arms initiatives. It is also a beneficiary of the generalized system of preferences and is party to the Convention for the Multilateral Investment Guarantee Agency. Since the inception of the new regime and gradual liberalization of the economy, interest had been shown by foreign investors in the country.

## B. Statistics on FDI and the operations of TNCs

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	398.9	-
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	19.2	-
3. FDI stocks, 2006	3 133	-
4. FDI stocks as a percentage of GDP, 2006	23.5	0.0

Source: Based on tables 3 and 4 and UNCTAD, FDI/TNC database.

**Table 3. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	1.0	..	..	..	..
1981	..	..	..	0.1	..	..	..	..
1982	..	..	..	2.0	..	..	..	..
1983	..	..	..	- 2.6	..	..	..	..
1984	..	..	..	5.1	..	..	..	..
1986	..	..	..	- 0.6	..	..	..	..
1987	..	..	..	- 2.6	..	..	..	..
1988	..	..	..	1.7	..	..	..	..
1989	..	..	..	- 0.5	..	..	..	..
1990	..	..	..	12.0	..	..	..	..
1991	..	..	..	6.0	..	..	..	..
1992	..	..	..	0.2	..	..	..	..
1993	..	..	..	3.5	..	..	..	..
1994	..	..	..	17.2	..	..	..	..
1995	..	..	..	14.1	..	..	..	..
1996	..	..	..	21.9	..	..	..	..
1997	..	..	..	288.5	..	..	..	..
1998	..	..	..	260.7	..	..	..	..
1999	..	..	..	70.0	..	..	..	..
2000	..	..	..	134.6	..	..	..	..
2001	..	..	..	349.4	..	..	..	..
2002	..	..	..	255.0	..	..	..	..
2003	..	..	..	465.0	..	..	..	..
2004	..	..	..	545.1	..	..	..	..
2005	..	..	..	221.1	..	..	..	..
2006	-	-	-	364.4	-	-	-	-

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)). Data are based on OECD for 1980-1988, World Bank for 1989-1991 and the National Bank of Ethiopia thereafter.

Note: Data for 2005-2006 are on a net basis.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	109.6	..	..	..	..
1981	..	..	..	109.7	..	..	..	..
1982	..	..	..	111.7	..	..	..	..
1983	..	..	..	109.1	..	..	..	..
1985	..	..	..	114.4	..	..	..	..
1986	..	..	..	113.8	..	..	..	..
1987	..	..	..	111.2	..	..	..	..
1988	..	..	..	112.9	..	..	..	..
1989	..	..	..	112.4	..	..	..	..
1990	..	..	..	124.4	..	..	..	..
1991	..	..	..	130.4	..	..	..	..
1992	..	..	..	130.6	..	..	..	..
1993	..	..	..	134.1	..	..	..	..
1994	..	..	..	151.3	..	..	..	..
1995	..	..	..	157.1	..	..	..	..
1996	..	..	..	179.0	..	..	..	..
1997	..	..	..	467.5	..	..	..	..
1998	..	..	..	728.2	..	..	..	..
1999	..	..	..	798.1	..	..	..	..
2000	..	..	..	932.8	..	..	..	..
2001	..	..	..	1 282.2	..	..	..	..
2002	..	..	..	1 537.2	..	..	..	..
2003	..	..	..	2 002.2	..	..	..	..
2004	..	..	..	2 547.3	..	..	..	..
2005	..	..	..	2 768.4	..	..	..	..
2006	..	..	..	3 132.8	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)). Data prior to 1995 are estimated by accumulating inflows since 1970. 1995 is based on the National Bank of Ethiopia. 1996-2006 are estimated by adding flows to the 1995 stock.

**Table 5. FDI flows in the host economy, by industry, 1993-2002**  
(Millions of dollars)

Sector / industry	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>Total</b>	3.5	17.2	14.1	21.9	288.5	260.7	70.0	134.6	..	..
<b>Primary</b>	-	0.1	0.1	0.9	173.6	1.7	4.1	40.5	..	..
Agriculture, hunting, forestry and fishing	-	0.1	0.1	0.1	-	0.0	4.1	14.5	..	..
Mining, quarrying and petroleum	-	-	-	0.9	173.6	1.7	-	26.0	..	..
<b>Secondary</b>	0.3	0.1	14.0	19.1	101.9	125.0	51.0	83.7	..	..
Food, beverages and tobacco	-	-	-	16.9	69.2	106.1	12.8	37.7	..	..
Textiles, clothing and leather	0.3	-	-	0.7	26.4	0.8	28.1	8.6	..	..
Wood and wood products	-	-	5.6	-	1.6	-	0.3	0.3	..	..
Chemicals and chemical products	-	-	4.5	-	0.6	0.2	1.8	18.4	..	..
Manufacture of pharmaceuticals	-	-	-	-	0.1	0.2	1.7	14.6	..	..
Rubber and plastic products	-	-	-	-	0.2	0.3	4.8	1.8	..	..
Metal and metal products	-	-	-	-	0.1	10.7	0.1	0.1	..	..
Electrical and electronic equipment	-	0.1	2.8	0.1	3.9	5.6	0.9	4.3	..	..
Other manufacturing	-	-	1.2	1.4	-	1.4	2.3	12.4	..	..
<b>Tertiary</b>	3.2	17.0	-	1.9	13.0	133.9	14.8	10.4	..	..
Construction	3.2	17.0	-	1.9	11.3	2.2	5.7	3.7	..	..
Hotels and restaurants	-	-	-	-	1.3	131.5	8.3	6.4	..	..
Business activities	-	-	-	-	0.3	0.1	0.6	0.3	..	..
Health and social services	-	-	-	0.0	0.1	0.2	0.2	0.1	..	..
<b>Unspecified</b>	-	-	-	-	-	-	-	-	..	..

Source: National Bank of Ethiopia, unpublished.

**Table 6a. FDI flows in the host economy, by geographical origin, 1993-2004**  
(Millions of dollars)

Region/economy	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Total world</b>	3.5	17.2	14.1	21.9	288.5	260.7	70.0	134.6	349.4	255.0	465.0	545.1
<b>Developed countries</b>	-	0.1	0.0	0.5	69.8	17.0	45.6	19.5	103.1	48.8	209.2	264.5
European Union	-	0.1	0.0	-	67.2	12.7	12.3	8.0	36.0	26.4	75.0	123.7
North America	-	-	-	0.5	2.7	4.2	4.1	2.6	67.1	21.3	130.4	129.9
Canada	-	-	-	0.1	-	0.0	-	-	-	-	48.2	6.8
United States	-	-	-	0.4	0.5	0.1	-	0.3	67.1	21.3	82.2	123.1
<b>Developing economies</b>	3.5	17.2	14.1	21.5	218.4	207.7	23.6	113.3	231.6	194.4	233.1	218.4
Africa	0.3	-	-	-	0.7	0.9	0.8	0.7	8.8	7.7	52.1	52.0
West Asia	3.2	17.2	14.1	20.8	217.6	206.0	20.7	100.1	-	-	-	-
<b>Unspecified</b>	-	-	-	-	0.2	36.0	0.8	1.9	14.7	11.8	22.7	62.2

Source: National Bank of Ethiopia, unpublished.

**Table 12a. FDI stocks in the host economy, by geographical origin, 1993-2004**  
(Millions of dollars)

Region/economy	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Total world</b>	..	..	157.1	..	..	..	..	..	..	..	..	..
<b>Developed countries</b>	..	..	35.8	..	..	..	..	..	..	..	..	..
European Union	..	..	13.1	..	..	..	..	..	..	..	..	..
Italy	..	..	13.1	..	..	..	..	..	..	..	..	..
North America	..	..	21.6	..	..	..	..	..	..	..	..	..
Canada	..	..	15.9	..	..	..	..	..	..	..	..	..
United States	..	..	5.7	..	..	..	..	..	..	..	..	..
Other developed countries	..	..	1.1	..	..	..	..	..	..	..	..	..
Japan	..	..	1.1	..	..	..	..	..	..	..	..	..
<b>Developing economies</b>	..	..	121.3	..	..	..	..	..	..	..	..	..
Africa	..	..	2.7	..	..	..	..	..	..	..	..	..
Kenya	..	..	2.7	..	..	..	..	..	..	..	..	..
Asia	..	..	118.6	..	..	..	..	..	..	..	..	..
West Asia	..	..	118.1	..	..	..	..	..	..	..	..	..
Saudi Arabia	..	..	117.6	..	..	..	..	..	..	..	..	..
Yemen	..	..	0.5	..	..	..	..	..	..	..	..	..
South, East and South-East Asia	..	..	0.4	..	..	..	..	..	..	..	..	..
China	..	..	0.3	..	..	..	..	..	..	..	..	..
Korea, Republic of	..	..	0.2	..	..	..	..	..	..	..	..	..

Source: National Bank of Ethiopia, unpublished

**Table 6b. FDI flows in the host economy, by geographical origin, 1994-2006**  
(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	0.5	-	-	- 1.1	-	-	0.9	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	1.0	0.4	4.9	-
France	-	-	7.6	8.8	-	-	-	-	-	-	1.2	1.2	1.3
Germany	-	-	- 4.7	- 1.7	- 11.4	-	-	8.1	- 3.8	9.0	- 1.2	- 2.5	-
Portugal	-	-	-	-	-	-	-	-	-	-	0.0	-	-
Korea, Republic of	-	-	0.1	0.4	-	-	-	0.6	0.7	-	-	-	-
Slovakia	-	-	-	-	-	-	-	-	-	-	7.1	0.9	-
United States	-	25.0	-	5.0	3.0	-	-	1.0	2.0	1.0	3.0	1.0	6.0

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Table 12b. FDI stocks in the host economy, by geographical origin, 1994-2006**  
(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	-	4.8	7.9	29.8	-
Germany	-	-	-	-	-	-	-	-	-	-	-	-	-
Korea, Republic of	-	-	0.1	0.5	0.5	0.5	0.5	1.1	1.9	1.9	1.9	1.9	-
United States	3.0	15.0	30.0	35.0	38.0	-	38.0	40.0	50.0	50.0	53.0	54.0	60.0

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.



**Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	200	200
											4	5
Italy	..	2	..	2	..	..	..	..	..	..	..	..
Korea, Rep. of	..	..	1	1	1	1	1	1	2	2	2	2
United States	2	2	3	3	3	2	3	3	3	3	2	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Tables 21, 28, 33, 38, 43 and 48. Number, assets, employment, wages and salaries, sales and value added of affiliates of Ethiopian TNCs in the United States, 1994-2005**

(Number, thousands of employees and millions of dollars)

Table no./Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	200	200
											4	5
21. Number	2	2	2	1	1	1	1	1	..	..	..	..
28. Assets	..	47	..	..	..	..	..	..	..	..	..	..
33. Employment	0.5	0.5	0.5	..	0.4	..	..	..	..	..	..	..
38. Wages and salaries	8	8	9	..	8	..	..	..	..	..	..	..
43. Sales	..	44	..	..	..	..	..	..	..	..	..	..
48. Value added	14	13	15	..	14	..	..	..	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

**Tables 30, 40 and 50. Assets, wages and salaries and value added of affiliates of United States TNCs in Ethiopia, 1994-2005**

(Millions of dollars)

Table no./Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	200	200
											4	5
30. Assets	..	23	64	58	57	..	41	39	38	33	..	..
40. Wages and salaries	2	1	2	2	2	..	2	2	2	2	..	..
50. Value added <sup>a</sup>	17	38	48	49	54	..	8	9	21	28	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**

(Thousands of employees)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	200	200
											4	5
Italy	..	0.2	..	0.2	..	..	..	..	..	..	..	..
United States	0.7	0.5	0.6	0.6	0.6	..	0.2	0.2	0.2	0.2	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**

(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	200	200
											4	5
Italy	..	61.0	..	59.5	..	..	..	..	..	..	..	..
United States	..	14.0	97.0	115.0	105.0	..	105.0	119.0	120.0	130.0	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 86. Largest home-based TNCs, 2007**  
(Billions of dollars)

Company	Industry	Sales
<b>A. Industrial</b>		
..	..	..
<b>B. Tertiary</b>		
Ethiopian Airlines	Air Transportation	0.5
Ethiopian Telecommunication Corporation	Telecommunication	0.2

Source: Jeune Afrique Hors-serie No. 14, 2007.

**Table 87. Largest foreign affiliates of home-based TNCs, 2007**  
(Millions of dollars and number)

Company	Host economy	Industry	Sales	Employees
<b>A. Industrial</b>				
..	..	..	..	..
<b>B. Tertiary</b>				
Ethiopian Airlines	United Kingdom	Transport and storage	..	..
<b>C. Finance and Insurance</b>			<b>Assets</b>	<b>Employees</b>
Commercial Bank of Ethiopia	Djibouti	Finance	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Addis Tyre Company S C	Slovakia	Rubber and plastic products	..	830
<b>B. Tertiary</b>				
Ries Engineering Share Company	Panama	Wholesale trade	7	200
Paul Ries & Sons (Ethiopia) Ltd	Panama	Wholesale trade	3	450
Ageca (Ethiopia) Company Pvt Ltd	Eritrea	Wholesale trade	1	25
Equatorial Business Group Ltd	United Kingdom	Wholesale trade	..	..
The Motor And Engineering Company of Ethiopia Ltd	United Kingdom	Wholesale trade	..	400
Shell Ethiopia Ltd	United Kingdom	Wholesale trade	..	330
Addis Ababa Hilton International	United Kingdom	Hotels and Restaurants	..	320
A B B Midrock Industrial Services P L C	Switzerland	Wholesale trade	..	88
G C S - N C R Ethiopia	United States	Wholesale trade	..	35
Ayderus Hussien Mohammed Farag	India	Wholesale trade	..	20
Siemens Private Limited	Germany	Wholesale trade	..	20
B A S F ( Ethiopia ) Ltd P L C	Germany	Wholesale trade	..	17
Rabeco East Africa Plc	Sweden	Wholesale trade	..	10
Sheba Investment Hldgs Ethiopia Pvt Ltd	Yemen	Holding	..	4
Inchcape Shipping Services	United Kingdom	Other business activities	..	..
Unfpa Cst	United States	Other business activities	..	..
Inchcape Ethiopia Ltd	United Kingdom	Public administration	..	..
Mitsui & Co., Ltd.	Japan	Wholesale trade	..	..
<b>C. Finance and Insurance</b>			<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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**C. Legal frameworks for transnational corporations**

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In Ethiopia, a number of legal instruments adopted at national, bilateral and international levels exist to facilitate and regulate the activities of foreign direct investors and transnational corporations. The key among these instruments include:

**I. National framework**

The Maritime Code Proclamation No. 164/1960.

*Source:* Negarit Gazeta of the Empire of Ethiopia, 19th year Extraordinary Issue No.1.

Civil Code Proclamation No. 165/1960.

*Source:* Negarit Gazeta of the Empire of Ethiopia, 19th year Extraordinary Issue No.2.

Commercial Code Proclamation No. 166/1960.

*Source:* Negarit Gazeta of the Empire of Ethiopia, 19th year Extraordinary Issue No.3.

Labour Proclamation No. 42/1993.

*Source:* Federal Negarit Gazeta of the Transitional Government of Ethiopia, 53rd year, No. 27, page 268.

Mining Proclamation No. 52/1993.

*Source:* Negarit Gazeta of the Transitional Government of Ethiopia, 52nd year, No. 42, page 368.

Monetary and Banking Proclamation No. 83/1994.

*Source:* Federal Negarit Gazeta of the Transitional Government of Ethiopia, 53rd year, No. 43, page 226.

Licensing and Supervision of Banking Business Proclamation No. 84/1994.

*Source:* Federal Negarit Gazeta of the Transitional Government of Ethiopia, 53rd year, No. 44, page 244.

Development Bank of Ethiopia Establishment Council of Ministers Regulation No. 200/1994.

*Source:* Federal Negarit Gazeta of the Transitional Government of Ethiopia, 52nd year, No. 109, page 483.

Commercial Registration and Business Licensing Proclamation No.67/1997.

*Source:* Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia, 3rd year, No. 25, page 367.

Federal Government Commercial Registration and Licensing Regulation No. 67/1997.

*Source:* Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia, 3rd year, No. 28, page 433.

Export Trade Duty Incentive Scheme Proclamation No. 249/2001.

*Source:* Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia, 7th year, No. 39, page 1591.

Investment Proclamation No. 280/2002 as amended by the Investment (Amendment) Proclamation, ratified by the People's Representatives Council on 27 October 2003.

*Source:* Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia, 8th year, No. 27, page 1768.

Value Added Tax Proclamation No. 283/2002.

*Source:* Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia, 8th year, No. 33, page 1832, as amended.

Investment Incentives and Investment Areas Reserved or Domestic Investors Council of Ministers Regulations No. 84/2003.

*Source:* Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia, 9th year, No. 34, page 2092.

Income Tax Proclamation No. 286/2003-12-04.

Source: Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia, 8th year, page 867.

National Foreign Investment Promotion Advisory Council established 2006.

Source: [http://www.buyusainfo.net/docs/x\\_7373050.pdf](http://www.buyusainfo.net/docs/x_7373050.pdf).

## II. International Framework

### A. Ethiopia is a party to the following multilateral and regional instruments:

Convention on the Settlement of Investment Disputes Between States and Nationals of Other States of 18 March 1965. Entered into force on 14 October 1966.

Convention Establishing the Multilateral Investment Guarantee Agency of 11 October 1985. Entered into force on 12 April 1988.

Fourth ACP-EEC Convention signed at Lomé on 15 December 1989, Official Journal L 229, 17/08/1991 p. 0003 – 0280.

Treaty Establishing the Market for Eastern and Southern Africa (COMESA), 1993.

Partnership Agreement Between the Members of the African, Caribbean and Pacific Group of States of the one Part, and the European Community and Its Member States, of the Other Part, Signed in Cotonou, Benin on 23 June 2000

### B. Bilateral treaties

**1. Bilateral investment treaties for the protection and promotion of investments:** Italy 1994, Kuwait 1996, China 1998, Malaysia 1998, Switzerland 1998, Yemen 1999, Russian Federation 2000, Sudan 2000, Tunisia 2000, Turkey 2000, Denmark 2001, Algeria 2002 and France 2003, Israel 2003, Iran, Islamic Republic of 2003, Netherlands 2003, Austria 2004, Germany 2004, Libyan Arab Jamahiriya 2004, Sweden 2004, Belgium and Luxembourg 2006, Egypt 2006, Finland 2006.

**2. Bilateral treaties for the avoidance of double taxation:** United Kingdom 1977, Algeria 2002, Tunisia 2003, Israel 2004, South Africa 2004, Iran, Islamic Republic of 2005, Turkey 2005.

### C. Other treaties:

Investment agreement for the COMESA Common Investment Area (2007).

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**D. Sources of information**


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**Official**


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Ethiopian Investment Agency

Ethiopian Privatisation Agency (ethiomarket.com/epa).

**Secondary**


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## Gabon

### A. Definitions and sources of data

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The Investment Law in Gabon (Law 015/98) does not contain a specific definition of foreign direct investment (FDI). Data on FDI in Gabon is gathered from Banque Centrale des Etats d'Afrique Centrale (BEAC). The International Monetary Fund also provides data on FDI in the country in its balance-of-payments statistics.

In Gabon, foreign investors face few restrictions in most areas and foreign businesses may compete with local businesses. The new investment charter streamlines and liberalizes the foreign investment climate in the country; for example, it grants foreign companies with head offices in Gabon the same rights as Gabonese companies. The government dominates the most lucrative economic sectors, most notably oil. Residents may hold foreign exchange accounts and non-residents may hold them if they receive prior approval from the government. Transfers and payments, including repatriation of profits, to countries outside of France, Monaco, members of the West African Economic and Monetary Union, members of the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC) and Comoros must be approved by the Government. Capital transactions are subject to various requirements, controls and official authorization. Private property is moderately well-protected in Gabon. The judiciary is also generally independent.

Gabon's FDI strategy is developing. Ties between Gabon and France have remained strong. As a result, Gabon's oil sector has been dominated by large French companies, particularly TotalFinaElf which gained exclusive access to Gabon's oil exploration. Since the 1990s, Gabon introduced new oil production-sharing contracts to attract new entrants and prefers to focus less on seeking big new discoveries and more on attracting companies skilled in extracting more from older fields and exploiting smaller but more marginal fields. Gabon also has one of the world's largest remaining pristine ecosystems and possesses minerals including manganese ore, uranium, iron ore, gold, niobium and phosphates. Some prospecting for diamonds and other minerals is taking place, and deposits of lead, gold, zinc, titanium, niobium, iron and copper have been identified, although commercial production has not yet begun.

To increase its outreach to the world and expand trading opportunities, Gabon signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on 21 September 1965 and is a member of the regional integration schemes in Africa and other international market access arrangements. It is a member of the CEMAC, New Partnership for Africa's Development and the African Union. It is an eligible member of the United States' market access initiative for African countries – the African Growth and Opportunity Act, the Cotonou Agreement for renegotiating the trade links between the European Union and the African, Caribbean and Pacific countries - the Lomé convention and the Everything But Arms initiative. It is a member of the World Trade Organization.



**B. Statistics on FDI and the operations of TNCs**

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	267.8	- 22.9
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	15.5	- 1.3
3. FDI stocks, 2006	794	169
4. FDI stocks as a percentage of GDP, 2006	8.7	1.9

Source: Based on tables 3a and 4 and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year				Outward investment			
	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	54.8	- 28.2	31.5	8.0	..	..	8.0
1981	56.2	- 33.5	54.6	7.1	..	..	7.1
1982	69.0	29.7	131.7	4.8	..	..	4.8
1983	92.5	- 6.3	111.8	5.7	..	..	5.7
1984	40.6	- 39.5	8.1	3.4	..	..	3.4
1985	40.3	- 34.2	15.1	4.1	..	..	4.1
1986	78.5	32.4	110.3	6.6	..	..	6.6
1987	24.3	41.3	89.8	7.7	..	..	7.7
1988	25.9	84.5	132.5	9.7	..	..	9.7
1989	- 57.7	- 9.2	- 30.5	8.0	..	..	8.0
1990	55.6	- 198.0	73.5	28.8	..	..	28.8
1991	72.3	- 237.1	- 54.6	14.9	..	..	14.9
1992	75.6	- 191.5	126.9	25.7	..	..	25.7
1993	122.9	- 236.6	- 113.7	2.5	..	..	2.5
1994	84.1	- 183.7	- 99.6	..	..	..	6.8
1995	113.3	- 444.7	- 316.7	33.9	- 0.9	- 0.1	32.9
1996	154.7	- 668.3	- 498.6	- 0.3	9.5	- 6.9	- 7.2
1997	90.5	- 429.8	- 318.4	0.0	7.1	13.8	13.8
1998	19.3	140.0	99.2	- 1.1	47.5	- 13.1	- 14.3
1999	169.1	- 356.1	- 217.7	- 0.8	61.1	13.6	12.8
2000	167.9	- 240.0	- 42.6	13.7	..	11.7	25.3
2001	- 136.6	56.0	- 89.1	- 12.0	0.9	14.9	3.8
2002	33.5	- 2.1	39.0	- 17.3	7.9	- 13.6	- 23.0
2003	112.2	39.7	263.2	- 2.0	36.6	- 55.5	- 20.9
2004	345.6	- 0.8	219.0	- 1.3	0.5	- 24.0	- 24.8
2005	..	..	321.2	..	..	..	- 22.9
2006	..	..	267.8	..	..	..	- 22.9

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the IMF for 1980-1994 and 2000-2002, the Banque Centrale des Etats de l'Afrique Centrale (BEAC) for 1995-1999 and 2003-2005, and estimate for 2006. Outflow data are from the IMF for 1980-1993 and 2000-2004, proxy based on investments reported by France for 1994 and the BEAC for 1995-1999. 2005-2006 data are estimates.

**Table 3b. FDI flows, by type of investment, 2003-2005**  
(Millions of Franc de la Communauté financière africaine)

Year				Outward investment			
	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
2003	..	..	153 000	..	..	..	..
2004	..	..	115 700	..	..	..	..
2005	..	..	169 400	..	..	..	..

Source: UNCTAD, FDI/TNC database based on the Banque Centrale des Etats de l'Afrique Centrale (BEAC).

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year				Outward investment			
	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	511.5	..	..	..	80.7
1981	..	..	566.1	..	..	..	87.8
1982	..	..	697.8	..	..	..	92.6
1983	..	..	809.7	..	..	..	98.4
1984	..	..	817.8	..	..	..	101.7
1985	..	..	832.9	..	..	..	105.8
1986	..	..	943.2	..	..	..	112.3
1987	..	..	1 033.0	..	..	..	120.0
1988	..	..	1 165.5	..	..	..	129.8
1989	..	..	1 135.0	..	..	..	137.8
1990	..	..	1 208.4	..	..	..	166.6
1991	..	..	1 153.9	..	..	..	181.5
1992	..	..	1 280.8	..	..	..	207.2
1993	..	..	1 167.1	..	..	..	209.6
1994	..	..	1 067.5	..	..	..	216.5
1995	..	..	750.8	..	..	..	249.4
1996	..	..	252.2	..	..	..	242.1
1997	..	..	- 66.2	..	..	..	256.0
1998	..	..	32.9	..	..	..	241.7
1999	..	..	- 184.8	..	..	..	254.5
2000	..	..	- 227.4	..	..	..	279.8
2001	..	..	- 316.5	..	..	..	283.6
2002	..	..	- 277.5	..	..	..	260.6
2003	..	..	- 14.3	..	..	..	239.7
2004	..	..	204.7	..	..	..	214.9
2005	..	..	525.9	..	..	..	192.0
2006	..	..	793.7	..	..	..	169.2

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating inflows since 1970. Outward stock data are estimated by accumulating inflows since 1975.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	-	-	- 1.1	2.1	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	5.6	2.1	-
Denmark	-	-	-	-	-	-	-	-	-	0.2	-
France	246.2	68.6	157.9	174.7	173.2	123.5	46.1	- 32.7	42.2	145.5	237.1
Germany	-	0.6	- 0.6	-	-	-	- 0.9	- 2.3	- 1.2	- 1.2	-
Malaysia	2.0	0.4	-	-	-	0.2	9.7	6.9	1.3	-	-
Netherlands	- 110	-	-	-	-	-	-	-	-	-	-
United States	- 32	- 18	91	129	73	2	- 182	11	- 20	- 153	- 114

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium/Luxembourg	-	-	-	-	-	0.9	-	-	-	-	-
Cyprus	-	-	-	-	-	-	-	-	-	0.1	-
France	15.4	14.6	- 5.6	- 16.0	124.4	- 62.6	- 18.8	- 2.3	3.7	- 24.9	109.1
Morocco	-	-	-	-	-	-	-	1.1	-	0.2	-
United States	- 1.0	2.0	- 2.0	2.0	- 1.0	1.0	1.0	- 1.0	3.0	- 1.0	- 3.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	24.1	31.3	35.4	-
Denmark	-	-	-	-	-	-	-	-	- 0.4	-	- 1.2
Malaysia	2.0	1.5	1.6	1.6	1.6	1.8	11.5	18.4	19.7	20.6	-
Morocco	-	-	-	-	-	-	9.5	9.7	3.1	2.7	3.0
Portugal	0.0	0.1	-	-	-	-	-	-	-	-	-
United States	86.0	68.0	186.0	469.0	546.0	555.0	344.0	370.0	456.0	204.0	109.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
France	96.4	121.6	143.5	153.7	186.1	130.4	132.1	189.4	228.8	177.0	-
United States	- 2.0	-	- 2.0	-	- 1.0	-	1.0	-	3.0	2.0	- 1.0

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by the economies listed above.

**Tables 21, 28, 33, 38, 48 and 58. The Number, assets, employment, wages and salaries, value added and exports of foreign affiliates of Gabonese TNCs in the United States, 1993-2004**  
(Number, thousands of employees, millions of dollars)

Table no./Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
21. Number	1	1	1	..	..	..	..	..	..	..	..
28. Assets	..	..	..	..	..	..	..	..	..	..	..
33. Employment	0.1	0.1	0.1	..	..	..	..	..	..	..	..
38. Wages and salaries	2	2	3	..	..	..	..	..	..	..	..
48. Value added	2	3	5	..	..	..	..	..	..	..	..
58. Exports	1	1	1	..	..	..	..	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

**Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1993-2004**

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
United States	16	14	15	15	13	10	10	10	10	12	10

Source: UNCTAD, FDI/TNC database.

Note: Data are based on the information reported by the United States.

**Tables 30, 35, 40, 45 and 50. Assets, employment, wages and salaries, sales and value added of affiliates of United States TNCs in Gabon, 1993-2004**  
(Thousands of employees and millions of dollars)

Table no./Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
30. Assets	..	311	325	331	536	..	961	778	771	742	815
35. Employment	..	0.7	0.8	0.8	0.7	0.6	0.6	0.5	0.5	0.5	0.7
40. Wages and salaries	..	26	30	31	25	20	25	24	27	28	34
45. Sales	..	278	301	313	294	..	518	496	556	640	895
50. Value added <sup>a</sup>	99	99	105	104	71	99	231	257	323	311	405

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States. <sup>a</sup> Majority-owned affiliates only.

**Table 86. Largest home-based TNCs, 2007**  
(Billions of dollars)

Company	Sales
<b>A. Industrial</b>	
Total Gabon	1.141
Société Gabonaise de Raffinage	0.418
Compagnie Minière de l'Ogooué	0.253
Société Brasseries du Gabon	0.181
Société d'Énergie et d'Eau du Gabon	0.169
<b>B. Tertiary</b>	
Société Gabonaise de Distribution	0.182
Compagnie du Komo	0.167
Total Marketing Gabon	0.148
Gabon Telecom	0.114
Groupe CFAO Gabon	0.106
<b>C. Finance and insurance</b>	
..	<b>Assets</b>
..	..

Source: Jeune Afrique Hors-serie No. 14, 2007.

<sup>a</sup> 2004.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Industry	Sales	Employees
<b>A. Industrial</b>			
Shell Gabon Sa	Manufacture of petroleum	545	371
Société Des Cigarettes Gabonaises Sa	Food products, beverages and tobacco	..	1 400
Les Ciments Du Gabon	Non-metallic mineral products	..	325
Elf Gabon S A	Petroleum	..	418
Nestlé Gabon	Food products, beverages and tobacco	..	70
Société Gabonaise D' Oxygene Et D' Acetylene SA	Chemicals and chemical products	..	64
Compagnie Miniere De L' Ogogue S A	Mining and quarrying	..	61
Construction Gabonaise Mota S.A.	Motor vehicles and trailers	..	..
Transocean Inc	Petroleum	..	..
<b>B. Tertiary</b>			
Comptoir Francais De L Afrique Occidentale	Wholesale trade	254	200
Société Haut Ogoue Gabon S A	Distributive trade	..	700
Société De Surveillance Gabon Sa	Public administration	..	600
Société D'Exploitation Des Parcs A Bois Du Gabon SA	Water Transport	..	250
Société De Distribution Gabonaise S A	Wholesale trade	..	240
Rougier Ocean Gabon S A	Forestry and fishing	..	210
Société Des Matériaux Du Gabon S A	Other services	..	80
Pizo Shell S A	Wholesale trade	..	69
Distrigab	Wholesale trade	..	21
Friedlander	Wholesale trade	..	19
Kafco Zambia Ltd	Wholesale trade	..	17
<b>C. Finance and Insurance</b>		<b>Assets</b>	<b>Employees</b>
Union Gabonaise De Banque S A	Finance	..	326
Les Assureurs Conseils Gabonais	Insurance	..	96

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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**C. Legal frameworks for transnational corporations**

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Gabon has enacted a number of national legal instruments and is also party to bilateral and multilateral measures for regulating the activities of the transnational corporations and foreign direct investors. The key instruments in the country include:

**I. National framework**

Law No. 15/62 of 2 June 1962 which Establishes the Mining Code as amended up to 1973.

*Source:* Official Gazette, No. 16 of 2 July 1962, p. 565 (special issue).

Gabon Investment Fund Ordinance No. 36 of 1 August 1967.

*Source:* Ministère de l'Economie et des Finances, "Code general des impôts directs et indirects", Multipress-Gabon SA, 1981, p. 135.

Decree No. 412/PR of 22 August 1967, Implementing Ordinance No. 36 of 1 August 1967.

*Source:* Ministère de l'Economie et des Finances, "Code general des impôts directs et indirects", Multipress-Gabon SA, 1981, p. 136.

Law No. 18/68 of 25 November 1968 Concerning Taxation of Mining Activities on Public or Private Property.

*Source:* Official Gazette, No. 2 of 15 January 1969, p. 43.

Law No. 7 of 5 June 1972 Concerning Approval Requirements by the Ministry of Commerce for Setting Up a Company.

*Source:* FIDAFRICA- Fiscalite Affcaine, 1972, p. 8.

Law No. 10 of 20 December 1973 on Shareholding Corporations.

*Source:* FIDAFRICA- Fiscalite Africaine, 1973, p. 10.

Company Taxation

*Source:* Arts: 1-30 of the General Tax Code, Finance Law 1974, No. 12-73 of 20 December 1973, as amended in 1987.

Law No. 14/74 of 21 January 1975 Regulating Research Activities and Exploitation of Petroleum. *Source:* Official Gazette of 1 February 1975, p. 94

Labour Law No. 5 of 5 June 1978.

*Source:* FIDAFRICA- Fiscalite Africaine, 1978, p. 26.

Law No. 1-81 of 3 June 1981 on Incentives for small and medium-sized enterprises.

*Source:* International Bureau of Fiscal Documentation ATS, suppl. No. 94 of March 1995.

Law No. 8-83 of 31 December 1983 on State Participation and Private Capital Investment.

*Source:* Societe des Conseils Juridiques et Fiscaux (FIDAfrica), "Establishing a company in Gabon", 1984, p. 10.

Copyright Law No. 1/87, July 1987 (on Protection of Copyright and Neighboring Rights).

*Source:* WIPO (<http://www.wipo.org>).

Investment Code of Gabon-Law No. 7-89 of 6 July 1989.

*Source:* Journal Officiel de la Republique Gabonaise (Official Gazette) of 20 July 1989

Ordinance 010/89/PR of 28 September 1989 on commercial activities.

*Source:* Editions Fiduciaires France-Afrique, 1989, p. 76 and 78.

Finance Law for 1994, as amended by Finance Law for 1995.

*Source:* FIDAFRICA- Fiscalite Africaine, 1995.

## II. International Framework

### A. Gabon is a party to the following multilateral and regional instruments:

Customs and Economic Union of Central Africa (UDEAC) refers to the following instruments: Common Convention on Investments in the UDEAC (1965).

Joint Convention on the Freedom of Movement of Persons and the Right of Establishment in the UDEAC (1972).

Multinational Companies Code in the UDEAC (1975).

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Customs and Economic Union of Central Africa (UDEAC): Common Convention on Investments in the UDEAC (1965); Joint Convention on the Freedom of Movement of Persons and the Right of Establishment in the UDEAC (1972); Multinational Companies Code in the UDEAC (1975).

Patents: Bangui Agreement, March 1977 (Annex I), as last amended in February 1999.

*Source:* WIPO (<http://www.wipo.org>).

Industrial Designs: Bangui Agreement, March 1977 (Annexes II and IV), as last amended in February 1999.

*Source:* WIPO (<http://www.wipo.org>).

Trade Marks: Bangui Agreement, March 1977 (Annex III), as last amended in February 1999.

*Source:* WIPO (<http://www.wipo.org>).

Agreement for the Promotion, Protection and Guarantee of Investment Among Member States of the Organization of Islamic Conference, of 1 June 1981; entered into force on 23 September 1986.

Treaty for the Establishment of the Economic Community of Central African States (ECCAS) 1983.

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit of 19 February 1992. Entered into force on 1 August 1994.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.



Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

**B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Italy 1968, Germany 1969, Switzerland 1972, France 1974, Romania 1979, Spain 1995, China 1997, Egypt 1997, Belgium/Luxembourg 1998, Germany 1998, Lebanon 2001, Portugal 2001, Morocco 2004, Mali 2005.

**2. Bilateral treaties for the avoidance of double taxation:** France 1966, Italy 1999, Lebanon 2001, Canada 2002, South Africa 2005.

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**D. Sources of information**


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## The Gambia

### A. Definitions and sources of data

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In The Gambia, the Development Act of 1973 (Act No. 15 of 1973) and its revision in the Act of 1988 (Act No. 1 of 10 May 1988) do not provide an explicit definition of foreign direct investment (FDI). The Act rather defines "company" as any company incorporated or registered under any law in force in The Gambia and any company which, although incorporated or registered outside The Gambia, carries on business or has an office or place of business therein. The Central Bank of The Gambia provides data on FDI in the country. Data reported by the Central Bank refer only to investments in hotels and fisheries. Some FDI inflows may have been included under items "drawings and repayments on other long-term loans received by other sectors" or under "other short-term liabilities of deposit money banks" in capital account of the balance-of-payments. The International Monetary Fund also provides the county's FDI data in its balance-of-payment statistics.

The Gambia Investment Promotion and Free Zones Agency (GIPFZA) is the Government agency mandated to promote foreign investment. The Government merged two legislative instruments - the Gambia Investment Promotion Act and the Gambia Free Zones Act to set up GIPFZA. GIPFZA serves as the link between investors and national authorities connected with business registration, administration of incentive and other support facilities associated with investing in The Gambia. The Agency has instituted a one-stop-shop service to provide all the information and help investors at the first stage of establishment and to continue rendering assistance to ensure the smooth functioning and sustainability of such business ventures.

In The Gambia, there are two separate but complementary environments for FDI: the free zones and outside the free zones. Separate and different activities take place in these two environments and the activities are governed by respective rules. Different incentives and responsibilities go with each environment. Investment activities in the free zones may include: warehousing, bulk breaking, labeling and packaging, financial and offshore services. Investments here should contribute positively to domestic capital formation and about 70% of the output of companies here should be for export markets. Investment outside the free zones should aim to set up companies and partnership under the laws of The Gambia and in the priority sectors such as agriculture, fisheries, tourism and manufacturing. Outside free zones, investment in The Gambia require at least US \$100,000 in fixed assets.

Incentives for investment are different in or out of the free zones. But all foreign investment in The Gambia benefit from exemptions from withholding tax and tax on dividends, exemption from customs duty on imported capital equipment, machinery and approved quantities of semi-finished products. They may or may not be exempted from sales taxation.

The Gambia signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on 1 October 1974 and has membership of several international bodies and organizations which provide market-cushion for the outputs of international investors. The Gambia is a member of the Economic Community of West African States, New Partnership for Africa's Development and the African Union. The country is an eligible member of the United States' market access initiative for African countries – the African Growth and Opportunity Act, the Cotonou Agreement for renegotiating the trade links between the European Union (EU) and the African, Caribbean and Pacific countries and the EU's Everything But Arms initiative. The Gambia is also among the thirty-four African least developed countries that have the option of entering the EU generalized system of preferences and is a member of the World Trade Organization.

## B. Statistics on FDI and the operations of TNCs

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	44.7	-
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	43.6	-
3. FDI stocks, 2006	442	-
4. FDI stocks as a percentage of GDP, 2006	87.3	0.0

Source: Based on tables 3a and 4 and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	0.3	..	..	..	..
1981	..	..	..	2.3	..	..	..	..
1982	..	..	..	0.3	..	..	..	..
1983	..	..	..	- 0.4	..	..	..	..
1984	..	..	..	- 1.7	..	..	..	..
1985	..	..	..	- 0.5	..	..	..	..
1986	..	..	..	- 2.0	..	..	..	..
1987	2.3	..	..	1.5	..	..	..	..
1988	2.0	..	..	1.2	..	..	..	..
1989	14.8	..	..	14.8	..	..	..	..
1990	..	..	..	14.1	..	..	..	..
1991	10.2	..	..	8.0	..	..	..	..
1992	6.2	..	..	12.9	..	..	..	..
1993	11.1	..	..	11.2	..	..	..	..
1994	9.8	..	..	8.8	..	..	..	..
1995	7.8	..	..	15.0	..	..	..	..
1996	10.8	..	..	18.4	..	..	..	..
1997	12.0	..	..	20.6	..	..	..	..
1998	..	..	..	23.7	..	..	..	..
1999	..	..	..	49.5	..	..	..	..
2000	..	..	..	43.5	..	..	..	..
2001	..	..	..	35.5	..	..	..	..
2002	..	..	..	42.8	..	..	..	..
2003	..	..	..	14.9	..	..	..	..
2004	..	..	..	49.1	..	..	..	..
2005	..	..	..	44.7	..	..	..	..
2006	..	..	..	69.9	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)). Data are based on OECD for 1980, 1982-1986, IMF for 1981 and 1987-1989 and the Central Bank of the Gambia thereafter.

**Table 3b. FDI flows, by type of investment, 2003-2006**  
(Millions of Dalasi)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
2003	..	..	..	406.8	..	..	..	..
2004	..	..	..	1 474.6	..	..	..	..
2005	..	..	..	1 277.1	..	..	..	..
2006	..	..	..	1 998.8	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)) based on the Central Bank of the Gambia.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	127.1	..	..	..	..
1981	..	..	..	129.4	..	..	..	..
1982	..	..	..	129.7	..	..	..	..
1983	..	..	..	129.3	..	..	..	..
1984	..	..	..	127.6	..	..	..	..
1985	..	..	..	127.1	..	..	..	..
1986	..	..	..	125.1	..	..	..	..
1987	..	..	..	126.6	..	..	..	..
1988	..	..	..	127.7	..	..	..	..
1989	..	..	..	142.5	..	..	..	..
1990	..	..	..	156.6	..	..	..	..
1991	..	..	..	158.2	..	..	..	..
1992	..	..	..	160.3	..	..	..	..
1993	..	..	..	168.9	..	..	..	..
1994	..	..	..	177.7	..	..	..	..
1995	..	..	..	184.7	..	..	..	..
1996	..	..	..	193.6	..	..	..	..
1997	..	..	..	200.1	..	..	..	..
1998	..	..	..	211.4	..	..	..	..
1999	..	..	..	219.6	..	..	..	..
2000	..	..	..	216.0	..	..	..	..
2001	..	..	..	220.9	..	..	..	..
2002	..	..	..	263.8	..	..	..	..
2003	..	..	..	278.7	..	..	..	..
2004	..	..	..	327.8	..	..	..	..
2005	..	..	..	372.5	..	..	..	..
2006	..	..	..	442.4	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data prior to 1990 are estimated by subtracting inflows from the stock of 1990. 1990-2001 are based on the Central Bank of the Gambia. 2002-2006 are estimated by adding flows to the 2001 stock.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Denmark	-	-	-	-	-	-	-	-	-	-	0.2	-
France	0.2	-	-	-	-	-	-	-	-	-	-	-
Germany	-	-	-	-	-	-	-3.6	-	-	1.2	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Bulgaria	-	-	-	-	-	-	-	-	2.6	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by Bulgaria.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	0.0	0.2	1.2	-
Denmark	-	-	-	-	-	-	-	-	-	0.5	0.3	0.5

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Bulgaria	-	-	-	-	-	-	-	-	2.7	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by Bulgaria.

**Table 11. FDI stocks in the host economy, by industry, 1995-2006**  
(Millions of Dalasi)

Sector / industry	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Total</b>	..	..	..	..	658.5	706.2	..	..	..	..	..	..
<b>Primary</b>	..	..	..	..	20.0	20.0	..	..	..	..	..	..
Agriculture, hunting, forestry and fishing	..	..	..	..	20.0	20.0	..	..	..	..	..	..
<b>Secondary</b>	..	..	..	..	135.3	156.2	..	..	..	..	..	..
<b>Tertiary</b>	..	..	..	..	501.4	528.0	..	..	..	..	..	..
Construction	..	..	..	..	0.1	0.4	..	..	..	..	..	..
Trade	..	..	..	..	58.7	63.9	..	..	..	..	..	..
Hotels and restaurants	..	..	..	..	175.2	170.6	..	..	..	..	..	..
Finance	..	..	..	..	266.9	292.5	..	..	..	..	..	..
Health and social services	..	..	..	..	0.6	0.6	..	..	..	..	..	..
<b>Unspecified</b>	..	..	..	..	1.8	1.9	..	..	..	..	..	..

Source: Central Bank of Gambia.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company Name	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Abb Holdings (Pty) Ltd	Switzerland	Electricity, gas and water	..	..
Gacem Ltd	Italy	Non-metallic mineral products	..	..
<b>B. Tertiary</b>				
CFAO Gambia Limited	France	Wholesale trade	..	110
Shell Marketing Gambia Ltd	United Kingdom	Wholesale trade	..	23
Dhl International Ltd.	Germany	Air transport	..	..
Macmillan Edecation Ltd	Germany	Education	..	..
Phenix Gabon S A R L	France	Other services	..	..
<b>C. Finance and Insurance</b>			<b>Assets</b>	<b>Employees</b>
Standard Chartered Bank Gambia	England	Finance	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.



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**C. Legal frameworks for transnational corporations**

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In the Gambia, the government uses a number of legal instruments to regulate the activities of transnational corporations and foreign investors. The key national, bilateral and multilateral regulatory instruments include:

**I. National framework**

Trademarks Act., of 31 August 1916. chapter. 182.

*Source:* The laws of Gambia, 1966, vol. VIII. p. 1,611.

Patents: Registration of United Kingdom Patents Act, cap. 165 No. 8 of 1925, as amended by No. 19 of 1928, No. 13 of 1932 and No. 6 of 1956 repealed. Under Section 46 patents registered under the Registration of United Kingdom Patents Act, 1925, remain in force for the unexpired portion of the period of protection provided thereunder, subject, respectively, to the payment of the fees provided for in this Act.

*Source:* WIPO (<http://www.wipo.org>).

Industrial Designs: United Kingdom Designs (Protection) Act, 1936, cap. 184 No. 18 of 1936.

Industrial Property Act of 1989, published in 1990 (not yet in force): Part IV: Industrial Designs (sections 19 to 25).

*Source:* WIPO (<http://www.wipo.org>).

Minerals Act No. 21 of 22 December 1953; effective on 1 July 1953, p.1.

*Source:* Supplement C to the Gambia Gazette, No. ,15 of 31 December 1953, p. 1.

Companies Act No. 9 of 29 July 1955, (Chapter 29).

*Source:* The Laws of Gambia, 1966. vol. 11, p. 485.

Income Tax Act of 1966. (Chapter 96).

*Source:* The Laws of Gambia. 1966, vol. 5, Cap. 96

Tourist Industry Licensing Act No. 17 of 6 June 1971.; effective on 6 June 1971.

*Source:* Supplement C to the Gambia Gazette. No. 24 of 17 June 1974, p. 101.

Business Registration Act No. 14 of 10 August 1973.

*Source:* Supplement C to the Gambia Gazette, No. 28 of 2,1 August 1973, p. 43.

Amendment: Legal Notice No. 39 of 22 July 1975 (Trademarks Amendment Rules).

*Source:* Supplement A to the Gambia Gazette. No. 30 of 22 August 1975, p. 89. II. International framework.

Import Tax Act No. 25 of 16 December 1976; effective on 1 October 1976.

*Source:* Supplement C to the Gambia Gazette, No. 48 of 31 December 1976, p. 81.

The Gambia Investment Board Act No. 7 of 26 January 1977; effective on 25 February 1977.

*Source:* Supplement C to the Gambia Gazette, No. 18 of 9 March 1977, p. 39.

The Development Act No. 1 of 10 May 1988; effective on 23 May 1988.

*Source:* Supplement C to the Gambia Gazette, No. 19 of 23 May 1988, p. 12.

The Income Tax (Amendment ) Act No. 3 of 10 May 1988; effective on 23 May 1988.

*Source:* Supplement C to the Gambia Gazette, No. 19 of 23 May 1988, p. 5.

Industrial Property Act of 1989, published in 1990 (not yet in force): Part II: Patents (sections 3-15).

Source: WIPO (<http://www.wipo.org>).

Employees' Inventions: Industrial Property Act of 1989, published in 1990 (not yet in force): Part II: Employees' inventions section 5(5) and (6) and (21).

Source: WIPO (<http://www.wipo.org>).

Utility Models: Industrial Property Act of 1989, published in 1990 (not yet in force): Part III: Utility Model Certificates (sections 16 to 18).

Source: WIPO (<http://www.wipo.org>).

Industrial Property Act of 1989, published in 1990 (not yet in force): Part V: Marks, Collective Marks, Trade Names and Unfair Competition (sections 26 to 36).

Source: WIPO (<http://www.wipo.org>).

## **II. International Framework**

### **A. The Gambia is a party to the following multilateral and regional instruments:**

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Agreement for the Promotion, Protection and Guarantee of Investment Among Member States of the Organization of Islamic Conference, of 1 June 1981; entered into force on 23 September 1986.

Revised Treaty of the Economic Community of West African States (ECOWAS) 1983.

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit of 19 February 1992. Entered into force on 1 August 1994.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

**B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Switzerland 1993, Mauritania 2001, Netherlands 2002, United Kingdom 2002, Qatar 2002, Morocco 2006, .

**2. Bilateral treaties for the avoidance of double taxation:** Switzerland 1963, United Kingdom 1980, Sweden 1993, Norway 1994, Taiwan Province of China 1997.

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**D. Sources of information**

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**Official**

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**Secondary**

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\_\_\_\_\_ (2005b). *A Survey of Support by Investment Promotion Agencies to Linkages*. Advisory Studies No. 18 (UNCTAD/ITE/IPC/2005/12).

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## Ghana

### A. Definitions and sources of data

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Five main institutions are responsible for collection of foreign direct investment (FDI) data in Ghana. Bank of Ghana provides information on the cash investments that pass through the Banking System. Data on the inward FDI are also derived from the records of the Ghana Investment Promotion Centre (GIPC), the Ghana Minerals Commission and the Energy Board/Ghana National Petroleum Corporation of the Ministry of Mines and Energy. These institutions are responsible for coordinating and monitoring investment in their respective sectors. Divestiture Implementation Committee collects information on foreign participation in diversified state enterprises. But comprehensive data on FDI in Ghana, compiled in line with the international Monetary Fund (IMF) balance-of-payments manual (5<sup>th</sup> edition) and Organization for Economic Cooperation and Development (OECD) benchmark definition standards, are not available from these sources. Data are also provided by the IMF in its balance-of-payment statistics, the World Bank Group and the database of the OECD. FDI stock data were estimated as an accumulation of flows.

Under the GIPC Act, 1994 (Act 478), the Ghana Investment Promotion Centre started registering and recording information on FDI-related projects in September 1994. But GIPC does not include projects in the minerals and petroleum sector, and reports information on registered projects. These project-specific data are subject to validation by the Bank of Ghana and the Ghana Customs and Preventive Service. Recently, GIPC embarked on an exercise to determine which of the registered projects are operational.

In 1995, the Ghanaian Parliament enacted the country's Free Zone Act (FZA) which created attractive packages of incentives for hassle-free business operation for exporting firms. These incentives amplify business in what is already a centre for international business. The FZA allows production, manufacturing, and services, including financial services, exemption from taxes on profits for 10 years; up to 30% of the annual production can be sold in the national customs zone; a foreign investor may take hold of 100% of shares in Free Zone property; income tax after 10 years does not exceed 8%; and foreign and domestic investors have equal status.

Ghana signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on 26 November 1965 and is a member of integration schemes that include the African Union, New Partnership for Africa's Development and Economic Community for West African States. Ghana is an eligible member of the United States' market access initiative for African countries - the African Growth and Opportunity Act and the Cotonou Agreement for renegotiating the partnership between the African, Caribbean and Pacific countries with the European Union. Ghana is also a member of the Multilateral Investment Guarantee Agency and the World Trade Organization.

## B. Statistics on FDI and the operations of TNCs

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	213.8	2.4
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	9.4	0.1
3. FDI stocks, 2006	2 497	-
4. FDI stocks as a percentage of GDP, 2006	19.4	0.0

Source: Based on tables 3 and 4 and UNCTAD, FDI/TNC database.

**Table 3. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	3.1	12.2	0.3	15.6	..	..	..	..
1981	6.2	11.6	- 1.5	16.3	..	..	..	..
1982	5.7	10.6	-	16.3	..	..	..	..
1983	0.8	1.6	-	2.4	..	..	..	..
1984	..	2.0	-	2.0	..	..	..	..
1985	5.6	-	-	5.6	..	..	..	..
1986	4.3	-	-	4.3	..	..	..	..
1987	4.7	-	-	4.7	..	..	..	..
1988	5.0	-	-	5.0	..	..	..	..
1989	15.0	-	-	15.0	..	..	..	..
1990	14.8	-	-	14.8	..	..	..	..
1991	20.0	-	-	20.0	..	..	..	..
1992	22.5	-	-	22.5	..	..	..	..
1993	125.0	-	-	125.0	..	..	..	..
1994	233.0	-	-	233.0	..	..	..	..
1995	106.5	-	-	106.5	..	..	..	..
1996	120.0	-	-	120.0	..	..	..	1.3
1997	81.8	-	-	81.8	..	..	..	1.7
1998	167.4	-	-	55.7	..	..	..	26.7
1999	243.7	-	-	243.7	..	..	..	163.3
2000	165.9	-	-	165.9	..	..	..	..
2001	89.3	-	-	89.3	..	..	..	9.6
2002	58.9	-	-	58.9	..	..	..	- 2.0
2003	136.7	-	-	136.6	..	..	..	10.7
2004	139.3	-	-	139.3	..	..	..	- 1.0
2005	107.8	-	48.0	145.0	..	..	..	..
2006	-	-	-	434.5	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the IMF for 1980-1989 and the Bank of Ghana thereafter. Outflow data are proxy data based on investments reported by the following economies:

1996 and 1998, Germany.

1997, France and Malaysia.

1999, United Republic of Tanzania and the United States.

2001, Germany and the United Republic of Tanzania.

2002, Germany and the United States.

2003, Cyprus and the United States.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	232.9	..	..	..	..
1981	..	..	..	249.2	..	..	..	..
1982	..	..	..	265.5	..	..	..	..
1983	..	..	..	267.9	..	..	..	..
1984	..	..	..	269.9	..	..	..	..
1985	..	..	..	275.5	..	..	..	..
1986	..	..	..	279.8	..	..	..	..
1987	..	..	..	284.5	..	..	..	..
1988	..	..	..	289.5	..	..	..	..
1989	..	..	..	304.5	..	..	..	..
1990	..	..	..	319.3	..	..	..	..
1991	..	..	..	339.3	..	..	..	..
1992	..	..	..	361.8	..	..	..	..
1993	..	..	..	486.8	..	..	..	..
1994	..	..	..	719.8	..	..	..	..
1995	..	..	..	826.3	..	..	..	..
1996	..	..	..	946.3	..	..	..	..
1997	..	..	..	1 028.1	..	..	..	..
1998	..	..	..	1 083.8	..	..	..	..
1999	..	..	..	1 327.5	..	..	..	..
2000	..	..	..	1 493.4	..	..	..	..
2001	..	..	..	1 582.7	..	..	..	..
2002	..	..	..	1 641.6	..	..	..	..
2003	..	..	..	1 778.2	..	..	..	..
2004	..	..	..	1 917.4	..	..	..	..
2005	..	..	..	2 062.4	..	..	..	..
2006	..	..	..	2 496.9	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Note: Data are estimated by accumulating inflows since 1970.



**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium	-	-	-	-	-	-	-	-	1.1	-	2.5	-
Belgium/Luxembourg	-	2.6	3.4	- 1.1	-	-	-	-	1.1	-	2.5	-
Bulgaria	-	-	-	-	-	-	-	-	-	-	0.1	0.0
China	-	-	-	-	-	-	-	-	2.9	0.3	2.6	-
Denmark	-	-	-	-	-	-	-	-	-	-	1.8	4.0
France	- 0.2	0.3	2.2	-	-	-	-	-	-	18.6	9.9	2.5
Germany	- 1.4	26.6	-	- 0.6	-	-	- 7.2	- 5.6	1.1	6.2	- 5.0	- 2.5
Malaysia	-	2.4	1.1	1.8	0.5	50.5	-	-	-	-	-	-
Netherlands	5.5	17.0	15.8	2.2	4.3	- 1.8	16.1	6.6	- 6.8	5.0	-	-
Portugal	-	-	-	1.5	1.2	1.4	0.2	0.2	0.1	-	-	-
Korea, Republic of	-	0.8	-	0.1	0.1	0.3	0.1	1.4	0.1	0.4	0.1	-
Sweden	-	-	0.1	0.4	0.1	-	2.0	-	-	2.4	1.3	0.6
United States	41.0	58.0	29.0	50.0	- 92.0	- 24.0	91.0	- 31.0	4.0	117.0	- 2.0	- 1.0

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Cyprus	-	-	-	-	-	-	-	0.0	7.7	0.0	0.0	-
Denmark	-	-	-	-	-	-	-	-	-	-	- 1.3	-
Germany	-	0.7	-	13.6	-	-	8.1	0.9	- 32.7	-	-	-
Malaysia	-	-	2.0	-	-	-	-	-	-	-	-	-
Korea, Republic of	-	-	-	-	-	0.1	0.0	-	0.2	-	0.1	0.4
United Rep. of Tanzania	-	-	-	-	164.3	-	1.5	-	-	-	-	-
United States	-	-	-	-	- 1.0	-	-	- 3.0	3.0	- 1.0	-	- 2.0

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Bulgaria	-	-	-	-	-	-	-	-	-	-	0.1	-
Canada	26.4	92.7	101.5	67.3	74.1	92.0	52.1	55.1	68.9	236.0	-	-
China	-	-	-	-	-	-	-	-	6.6	6.3	7.3	-
Denmark	-	-	-	-	-	-	-	-	-	11.2	14.5	25.3
Germany	24.4	27.7	34.6	38.3	28.1	14.0	14.1	-	-	-	-	-
Israel	-	-	-	-	-	-	0.1	0.1	0.3	0.3	0.3	-
Malaysia	-	2.4	2.3	4.3	4.8	55.3	55.3	55.3	55.3	55.3	55.6	-
Netherlands	39.8	50.6	53.5	36.2	37.2	46.5	66.1	65.0	37.9	36.8	36.6	-
Korea, Republic of	0.1	0.9	0.9	1.0	1.1	1.4	1.5	2.8	3.0	3.4	3.5	-
United States	190.0	248.0	279.0	330.0	225.0	205.0	297.0	266.0	250.0	238.0	239.0	237.0

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Denmark	-	-	-	-	-	-	-	-	-	1.3	-	-
Korea, Republic of	-	-	-	-	-	0.1	0.1	0.1	0.3	0.3	0.4	0.7
United Rep. of Tanzania	-	-	-	542.7	418.7	149.9	174.9	-	-	-	-	-
United States	-	-	-	-	- 1.0	- 1.0	- 1.0	- 4.0	- 1.0	- 2.0	- 2.0	- 4.0

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	5	7	9	11	11	8	6	5	..	..	..	..
Korea, Rep. of	..	..	3	3	4	6	7	8	12	12	13	14
United States	4	4	5	5	5	5	5	6	6	5	6	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 30. Assets of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	..	..	64.3	55.8	119.5	100.5	93.1	88.1	..	..	..	..
United States	298.0	313.0	409.0	463.0	524.0	512.0	487.0	639.0	590.0	607.0	661.0	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Thousands of employees)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	..	1.0	2.0	2.0	2.0	2.0	1.0	1.0	..	..	..	..
Sweden <sup>a</sup>	..	..	..	..	1.8	..	..	..	..	..	..	..
United States	2.5	..	3.1	3.2	2.8	..	..	..	3.0	3.0	3.9	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Tables 40 and 50. Wages and salaries and value added of affiliates of United States TNCs in Ghana, 1994-2005**  
(Millions of dollars)

Table no./Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
40. Wages and salaries	..	..	28	34	33	..	..	..	37	37	44	..
50. Value added <sup>a</sup>	..	..	155	180	112	..	..	..	125	121	100	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	61.6	69.8	66.5	115.3	113.7	106.5	92.1	89.5	..	..	..	..
United States	281	355	348	430	348	444	427	493	596	603	572	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 86. Largest home-based TNCs, 2007**  
(Billions of dollars)

Company	Industry	Sales
<b>A. Industrial</b>		
Volta River Authority	Electricity/gas/water	0.36
Electricity Company of Ghana	Electricity/gas/water	0.30
Produce Buying Company	Agro-Industry	0.25
Shell Ghana	Petroleum expl./ref./distr.	0.16 a
Mobil Oil Ghana	Petroleum expl./ref./distr.	0.15 a
Unilever Ghana	Chemical & chemical products	0.11
<b>B. Tertiary</b>		
Olam Ghana	Import-Export	0.10
<b>C. Finance and insurance</b>		
..	..	<b>Assets</b> ..

Source: Jeune Afrique Hors-serie No. 14, 2007.  
a 2004.

**Table 87. Largest affiliates of home-based TNCs, 2007**  
(Millions of dollars and number)

Company Name	Host Economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Societe Ashanti Goldfields De Guinee SA	Guinea	Mining and quarrying	108	1 978
Geita Gold Mine (T) Ltd	Tanzania	Mining and quarrying	..	20
<b>B. Tertiary</b>				
Luki Investments Limited, Inc.	Usa	Wholesale trade	0.21	2
<b>C. Finance and insurance</b>				
Kek Reinsurance Brokers (Europe) Ltd.	England	Insurance	0.12	4
Ghana International Bank Plc	England	Finance	..	47

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home Economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Unilever Ghana Limited	United Kingdom	Chemicals and chemical products	102.0	1 200
Ausdrill (Gh) Ltd	Australia	Mining and quarrying	88.8	15
Lever Brothers Ghana Ltd	United Kingdom	Chemicals and chemical products	82.7	800
Golden Star Wassa Limited	United States	Mining and quarrying	65.0	800
British American Tobacco	United Kingdom	Food products, beverages and tobacco	52.4	310
S.C.Johnson Wax Ltd	United States	Chemicals and chemical products	0.7	60
Cadbury Ghana Limited	United Kingdom	Food products, beverages and tobacco	..	1 800
Barnex ( Prestea ) Ltd	South Africa	Mining and quarrying	..	1 548
Nestle Ghana Limited	Switzerland	Food products, beverages and tobacco	..	897
Chirano Gold Mines Ltd	Canada	Mining and quarrying	..	599
Pioneer Food Cannery Limited	United States	Food products, beverages and tobacco	..	247
Ghacem Limited	Norway	Non-metallic mineral products	..	229
Ghana Aluminium Products Limited	Bermuda	Metal and metal products	..	112
Prestea Sankofa Gold Limited	United Kingdom	Mining and quarrying	..	100
Alcatel Kablemetal Gh Ltd	Germany	Metal and metal products	..	90
Carson Products West Africa Ltd	France	Chemicals and chemical products	..	6
<b>B. Tertiary</b>				
Shell Ghana Limited	United Kingdom	Wholesale trade	176.7	..
C F A O (Ghana) Ltd	France	Wholesale trade	8.3	145
Reiss And Company (Ghana) Limited	United Kingdom	Wholesale trade	5.2	72
West African Mining Services Ltd	Australia	Wholesale trade	0.1	220
Neoplan Ghana Ltd	Germany	Automotive trade and repair	..	400
Pricewaterhousecoopers	United States	Other services	..	100
Saikirpa Ltd	United Kingdom	Wholesale trade	..	100
Pens & Plastics (Ghana) Ltd	France	Rubber and plastic products	..	84
Acg Telesystems ( Ghana ) Ltd	United States	Other business activities	..	75
Dizengoff Ghana Ltd	United Kingdom	Wholesale trade	..	65
Atlas Copco Ghana Limited	Sweden	Wholesale trade	..	32
Sandvik Tamrock Ghana Ltd	Sweden	Wholesale trade	..	10
Maersk Ghana Ltd	Denmark	Supporting transport activities	..	4
Amadeus Marketing Ghana Ltd	Luxembourg	Supporting transport activities	..	..
Bt Ghana Limited	United Kingdom	Telecommunications	..	..
Energoprojekt Ghana Ltd.	Serbia and Montenegro	Public administration	..	..
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
Barclays Bank Ghana Limited	United Kingdom	Finance	86.3	771
Sg-Ssb Limited	France	Finance	45.7	1 500
Standard Chartered Bank (Gh) Ltd	United Kingdom	Finance	38.6	586
Metropolitan Insurance Company	India	Insurance	4.9	120
Ecobank Ghana Ltd	Togo	Insurance	..	80
Munich Mauritius Reinsurance Company	Germany	Insurance	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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**C. Legal frameworks for transnational corporations**

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The key national, bilateral and multilateral legal instruments for regulating the activities of transnational corporations and foreign investors in Ghana include:

**I. National Framework**

Exchange Control Act, 1961 (Act 71).

Source: Publication Number GP/A259/4,886/8/61-62 of the Government Printing Department, Accra, Ghana.

Exchange Control Regulations, 1961 (LI 133).

Source: *Official Gazette of the Republic of Ghana*, 11<sup>th</sup> August 1961.

Registration of Business Names Act, 1962 (Act 151).

Source: *Acts of Ghana, Vol. III, Act 179*, Publication Number GP/A270/5,396/11/62-63 of the Government Printing Department, Accra, Ghana.

Incorporated Private Partnerships Act, 1962 (Act 152).

Source: *Acts of Ghana Vol. III*, Publication Number GP/A270/5,396/11/62-63 of the Government Printing Department, Accra, Ghana.

Insolvency Act, 1963 (Act 153).

Source: *Acts of Ghana Vol. III, Act 153*. Publication Number GP/A270/4,396/11/62-63 of the Government Printing Department, Accra, Ghana.

Aliens Act, 1963 (Act 160).

Source: Publication Number SPC/A10502/4,030/6/66 of the State Publishing Corporation (Printing Division) Accra-Tema, Ghana.

Companies Code, 1963 (Act 179).

Source: *Acts of Ghana, Vol. IV, Act 179*, Publication Number GP/A270/5,396/11/62-63 of the Government Printing Dept., Accra, Ghana.

Bodies Corporate (Official Liquidation) Act, 1963 (Act 180).

Source: *Acts of Ghana Vol. IV, Act 180*. Publication Number GP/A1410/5,506/7/62-63 of the Government Printing Department, Accra, Ghana.

Aliens Regulations, 1963 (LI 265).

Source: *Official Gazette of the Republic of Ghana*, 5<sup>th</sup> April 1963.

Companies (Prescribed Forms) Instrument, 1963 (LI 289).

Source: *Official Gazette of the Republic of Ghana*, 12<sup>th</sup> July 1963.

Industrial Relations Act, 1965 (Act 229).

Source: *Acts of Ghana Vol. V, Act 299*.

Trade Marks Act, 1965 (Act 270).

Source: *Acts of Ghana, Vol. V, Act 270*.

Stamp Duty Act, 1965 (Act 311).

Source: *Acts of Ghana Vol. V, Act 311*.

Copyright (Fee) Regulations, 1965 (LI 620).

*Source: Official Gazette of the Republic of Ghana, 9<sup>th</sup> May 1969.*

Textile Designs (Registration) Regulations, 1966 (LI 512).

*Source: Official Gazette of the Republic of Ghana, 24<sup>th</sup> June 1966.*

Labour Decree, 1967 (NCLD 157), as amended, and Regulations made thereunder.

*Source: Official Gazette of the Republic of Ghana, 14<sup>th</sup> April 1967.*

Factories, Offices and Shops Act, (Act 328).

*Source: Acts of Ghana Vol. V, Act 328, Publication Number GPC/A1384/7,508/6/70.*

Ghana Standards (Certification Mark) Rules, 1970, (LI 662).

*Source: Official Gazette of the Republic of Ghana, 17<sup>th</sup> September 1970.*

Trade Marks Regulations, 1970 (LI 667).

*Source: Official Gazette of the Republic of Ghana, 4<sup>th</sup> December 1970.*

Registration of Business Regulations, 1972 (LI 982).

*Source: Official Gazette of the Republic of Ghana, 11th October 1974.*

Petroleum Decree, 1973 (NCRD 187).

*Source: Official Gazette of the Republic of Ghana, 6<sup>th</sup> July 1973.*

Textile Designs (Registration) Decree, 1973 (NCRD 213).

*Source: Official Gazette of the Republic of Ghana, 14<sup>th</sup> September 1973.*

Aliens (Registration) Regulations, 1974 (LI 856).

*Source: Official Gazette of Republic of Ghana, 11<sup>th</sup> January 1974.*

Registration of Business Names (Amendment) Decree, 1974 (NCRD 293).

*Source: Official Gazette of the Republic of Ghana, 11<sup>th</sup> October 1974.*

Capital Gains Tax Decree, 1975 (NCRD 347).

*Source: Official Gazette of the Republic of Ghana, 29<sup>th</sup> August 1975.*

Standards Decree, 1973 (NCRD 173).

*Source: Official Gazette of the Republic of Ghana, 4<sup>th</sup> May 1973.*

Tax Collection (Receipts) Decree, 1975 (NCRD 349).

*Source: Official Gazette of the Republic of Ghana, 29<sup>th</sup> August 1973.*

Income Tax Decree, 1975 (SMCD 5).

*Source: Official Gazette of the Republic of Ghana, 24<sup>th</sup> December 1975.*

Incorporated Private Partnership Act (Amendment) Act, 1980 (Act 423).

*Source: Acts of Ghana Vol. V, Act 423. Publication Number GPC/A736/5,220/8/80 of the Ghana Publishing Corporation, Accra, Ghana.*

Factories, Offices and Shops (Amendment) Law, 1983 (PNDCL 66).

*Source: Official Gazette of the Republic of Ghana, 2<sup>nd</sup> September 1983.*

Petroleum (Exploration and Production) Law, 1984 (PNDCL 84).

*Source: Official Gazette of the Republic of Ghana, 29<sup>th</sup> June 1984.*

Copyright Law, 1985 (PNDCL 110).

Source: *Official Gazette of the Republic of Ghana*, 21<sup>st</sup> June 1985.

Additional Profits Tax Law, 1985 (PNDCL 122).

Source: *Official Gazette of the Republic of Ghana*, 25<sup>th</sup> October 1985.

Internal Revenue Service Law, 1986 (PNDCL 143).

Source: *Official Gazette of the Republic of Ghana*, 4<sup>th</sup> April 1986.

External Companies and Diplomatic Missions (Acquisition and Rental of Immovable Property) Law, 1986 (PNDCL 150).

Source: *Official Gazette of the Republic of Ghana*, 13<sup>th</sup> June 1986.

Minerals & Mining Law, 1986 (PNDCL 153).

Source: *Official Gazette of the Republic of Ghana*, 18<sup>th</sup> July 1986.

Minerals (Royalties) Regulations, 1986 (LI 1340).

Source: *Official Gazette of the Republic of Ghana*, 24<sup>th</sup> December 1986.

Workmen's Compensation Law, 1987 (PNDCL 187).

Source: *Official Gazette of the Republic of Ghana*, 21<sup>st</sup> August 1987.

Petroleum Income Tax Law, 1987 (PNDCL 188).

Source: *Official Gazette of the Republic of Ghana*, 4<sup>th</sup> September 1987.

Minerals (Royalties) Regulations, 1987 (LI 1348).

Source: *Official Gazette of the Republic of Ghana*, 28<sup>th</sup> August 1987.

Income Tax (Registration of Trade, etc.) Law, 1988 (PNDCL 201).

Source: *Official Gazette of the Republic of Ghana*, 9<sup>th</sup> September 1988.

Banking Law, 1989 (PNDCL 225).

Source: *Official Gazette of the Republic of Ghana*, 2<sup>nd</sup> December 1989.

Insurance Law, 1989 (PNDCL 227) and Regulations.

Source: *Official Gazette of the Republic of Ghana*, 29<sup>th</sup> December 1989.

Stock Exchange (Ghana Stock Exchange) Listing Regulations, 1990 (LI 1509).

Source: *Official Gazette of the Republic of Ghana*, 11<sup>th</sup> January 1991.

Social Security Law, 1991 (PNDCL 247).

Source: *Official Gazette of the Republic of Ghana*, 15<sup>th</sup> February 1991.

Patent Law, 1992 (PNDCL 332).

Source: *Official Gazette of the Republic of Ghana*, 18<sup>th</sup> June 1993.

Technology Transfer Regulations, 1992 (LI 1547).

Source: *Official Gazette of the Republic of Ghana*, 18<sup>th</sup> December 1992.

Customs Excise and Preventive Service (Management) Law, 1993 (PNDCL 330).

Source: *Official Gazette of the Republic of Ghana*, 11<sup>th</sup> May 1998.

Finance Lease Law, 1993 (PNDCL 331).

Source: *Official Gazette of the Republic of Ghana*, 18<sup>th</sup> June 1993.

Securities Industry Law, 1992 (PNDCL 333).

Source: *Official Gazette of the Republic of Ghana*, 19<sup>th</sup> November 1993.

Ghana Standards Board (Food, Drugs and Other Goods) General Labelling Rules, 1992 (LI 1541).

Source: *Official Gazette of the Republic of Ghana*, 11<sup>th</sup> September 1992.

Minerals and Mining (Amendment) Act, 1994 (Act 475).

Source: *Official Gazette of Republic of Ghana*, 25<sup>th</sup> February 1994.

Ghana Investment Promotion Centre Act, 1994 (Act 478).

Source: *Official Gazette of the Republic of Ghana*, 2<sup>nd</sup> September 1994.

Environmental Protection Agency Act, 1994 (Act 490).

Source: *Official Gazette of the Republic of Ghana*, 30<sup>th</sup> December 1994.

Export and Import Act, 1995 (Act 503).

Source: *Official Gazette of the Republic of Ghana*, 11<sup>th</sup> August 1995.

Free Zones Act, 1995 (Act 504).

Source: *Official Gazette of the Republic of Ghana*, 15<sup>th</sup> September 1995.

Stamp Duty (Amendment) Act, 1996 (Act 510).

Source: *Official Gazette of the Republic of Ghana*, 22<sup>nd</sup> March, 1996.

Capital Gains Tax (Amendment) Act, 1996 (Act 513).

Source: *Official Gazette of the Republic of Ghana*, 22<sup>nd</sup> March 1996.

Value Added Tax Service Act, 1998 (Act 546).

Source: *Official Gazette of the Republic of Ghana*, 18<sup>th</sup> March 1998.

Income Tax (Amendment) Act 1998 (Act 551).

Source: *Official Gazette of the Republic of Ghana*, 8<sup>th</sup> May 1998.

Customs Excise and Preventive Service (Management) (Amendment) Act, 1998 (Act 552).

Source: *Official Gazette of the Republic of Ghana*, 8<sup>th</sup> May 1998.

Value Added Tax Regulations, 1998 (LI 1646).

Source: *Official Gazette of the Republic of Ghana*, 12<sup>th</sup> June 1998.

## **II. International Framework**

### **A. Ghana is a party to the following bi-lateral, multilateral, unilateral and regional instruments:**

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958, entered into force on 7 June 1959.

Source: United Nations, Treaty Series, Vol. 330, p. 3.

International Development Association Act, 1960 (Act 11)

Source: *Acts of Ghana*, Vol. I. Act 11.



International Bank, Fund and Finance Corporation (Amendment ) Act, 1960 (Act 12)

*Source: Acts of Ghana, Vol. I Act 12.*

Arbitration Act, 1961 (Act 38), (including the U.N. Convention on the Recognition and Enforcement of Foreign Arbitral Awards)

*Source: Acts of Ghana, Vol. II, Act 38.*

Paris Convention for the Protection of Industrial Property of 20 March 1883 (revised at Brussels on 14 December 1900, Washington on 2 June 1911, The Hague on 6 November 1925, London on 2 June 1934, Lisbon on 31 October 1958, Stockholm on 14 July 1967, and as amended on 2 October 1979), signed in 1963.

*Sources:* World Intellectual Property Organisation: Depository of the original convention and revisions and United Nations, Treaty Series, vol. 828, p. 107 (Lisbon Revision); vol. 828, p. 305 (Stockholm Revision).

Convention on the Settlement of Investment Disputes Between States and Nationals of Other States of 18 March 1965. Entered into force on 14 October 1966.

*Source:* World Bank, Depository of the Original convention. The convention was published under document ICSID/2.

African Development Bank (Immunities and Privileges) Decree, 1967 (NLCD 173)

*Source: Official Gazette of the Republic of Ghana, 2<sup>nd</sup> June 1967.*

Convention Establishing Multilateral Investment Guarantee Agency of 11 October 1985. Entered into force on 12 April 1988.

*Source:* Multilateral Investment Guarantee Agency. Convention Establishing the multilateral Investment Guarantee Agency and Commentary on the Convention (Washington D.C., MIGA, 1985), pp. 365-403.

Protocol on Patents and Industrial Designs within the Framework of the Industrial Property Organization for English-speaking Africa (ESARIPO) (Ratification) Law, 1985 (PNDCL 137)

*Source: Official Gazette of the Republic of Ghana, 24<sup>th</sup> December 1986.*

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement Between the Members of the African, Caribbean and Pacific Group of States of the One Part, and the European Community and Its Member States, of the Other Part, signed in Cotonou, Benin on 23 June 2000.

*Source:* African, Caribbean and the Pacific States and the European Community (2000).

## **B. Bilateral Treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Bulgaria 1989,,China 1989, Netherlands 1989, Romania 1989, United Kingdom 1989, Switzerland 1991, Denmark 1992, Germany 1995, Malaysia 1996, Cote d'Ivoire 1997, Egypt 1998, Italy 1998, South Africa 1998, Cuba 1999, France 1999, United Kingdom 1999,,Serbia and Montenegro 2000, Benin 2001, Burkina Faso 2001, Guinea 2001, Mauritania 2001, Mauritius 2001, Zambia 2001, India 2002, Botswana 2003, Spain 2006.

**2. Bilateral treaties for the avoidance of double taxation:** France 1993, United Kingdom 1993, Serbia and Montenegro 2000, Italy 2004, South Africa 2004, Belgium 2005.

**C. Other treaties:**

Agreement with the United States of American government concerning the development of trade and investment relations (1999).

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**D. Sources of information**

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## Guinea

### A. Definitions and sources of data

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In the Republic of Guinea, the Investment Code (Ordonance No. 001/PRG/87) does not contain a specific definition of foreign direct investment (FDI). The code rather defines "investment of foreign capital" in three forms: 1) as the contribution to any business duly established in Guinea of foreign currency or new capital goods acquired abroad, in return for the granting of company stock or shares, such stock or shares entitling the contributor to an interest in the profits and proceeds of liquidating the business, provided the value of any contribution other than a foreign currency contribution has been determined by independent certified public accountants; 2) the reinvestment of earnings from the business that could have been transferred abroad; and 3) the purchase of existing businesses or acquisition of holdings in such businesses through a contribution of foreign currency. The data on annual inflows of FDI were gathered from the Central Bank of Guinea (Banque Centrale de la République de Guinée). The International Monetary Fund also provides data on FDI in Guinea in its annual balance-of-payment statistics publication.

Guinea established an investment code in 1995 to update the code of October 1984. More recently the Government provided a wide range of investment incentives. Industrial exploitation of diamonds is a subject of intense interest. Guinea has almost half the world's stock of bauxite and is the second largest global producer of the ore, with known reserves of 12 billion tones and as much in probable deposits. The country also has proven large deposits of iron ore and other known reserves include chrome, cobalt, copper, lead, manganese, molybdenum, nickel, platinum, titanium, uranium, zinc, chalk, graphite and granite (the only mineral exploited on an industrial scale).

Guinea signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on 27 August 1968 and benefits from a wide range of market access. It is a member of the Economic Community of West African States, the West African Economic and Monetary Union, New Partnership for Africa's Development and the African Union. Also, Guinea benefits from the United States' market access initiative - the Africa Growth and Opportunity Act and the Cotonou Agreement between the African, Caribbean and Pacific countries and the European Union for renegotiating the Lomé Convention. It is also a member of the World Trade Organization.

## B. Statistics on FDI and the operations of TNCs

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	97.7	- 1.5
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	20.8	- 0.3
3. FDI stocks, 2006	686	7
4. FDI stocks as a percentage of GDP, 2006	20.7	0.2

Source: Based on tables 3 and 4 and UNCTAD, FDI/TNC database.

**Table 3. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	0.6	..	..	..	..
1981	..	..	..	- 1.3	..	..	..	..
1982	..	..	..	- 0.4	..	..	..	..
1983	..	..	..	0.4	..	..	..	..
1984	..	..	..	0.7	..	..	..	..
1985	..	..	..	1.1	..	..	..	0.0
1986	3.9	4.5	..	8.4	..	..	..	0.1
1987	5.8	7.1	..	12.9	..	..	..	..
1988	6.7	9.0	..	15.7	..	..	..	1.8
1989	1.5	8.1	..	12.3	..	..	..	- 0.4
1990	0.6	16.6	..	17.9	..	..	..	0.1
1991	1.6	37.2	..	38.8	..	..	..	1.1
1992	..	19.3	..	19.7	..	..	..	0.5
1993	2.7	..	..	2.7	..	..	..	0.9
1994	..	0.2	..	0.2	..	..	..	0.2
1995	0.7	0.1	..	0.8	..	..	..	0.6
1996	23.7	0.1	..	23.8	..	..	..	0.5
1997	17.3	..	..	17.3	..	..	..	1.5
1998	17.8	0.0	..	17.8	..	..	..	1.0
1999	9.1	0.2	54.1	63.5	..	..	..	4.0
2000	9.9	..	..	9.9	..	..	..	..
2001	1.5	0.1	..	1.7	..	..	..	5.0
2002	30.0	..	..	30.0	..	..	..	0.5
2003	..	79.0	..	82.8	..	..	..	..
2004	..	..	..	97.9	..	..	..	- 1.0
2005	..	..	..	102.0	..	..	..	- 5.0
2006	..	..	..	108.0	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the OECD for 1980-1981 and 1983-1985, World Bank for 1982, the IMF for 1986-2001 and the Banque Centrale de la République de Guinée for 2002-2004. Data for 2005-2006 are estimates. Outflow data are from the IMF for 1996. The rest are proxy data based based on investments reported by the following economies:

1985-1986 and 1990, Belgium and Luxembourg.

1988-1989 and 1991-1993, Belgium and Luxembourg and France.

1994, Belgium and Luxembourg and China.

1995 and 2002, France.

1997- 1999, 2001, 2004-2005, United States.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	1.2	..	..	..	..
1981	..	..	..	- 0.1	..	..	..	..
1982	..	..	..	- 0.5	..	..	..	..
1983	..	..	..	- 0.1	..	..	..	..
1984	..	..	..	0.6	..	..	..	..
1985	..	..	..	1.7	..	..	..	..
1986	..	..	..	10.1	..	..	..	..
1987	..	..	..	23.0	..	..	..	..
1988	..	..	..	38.7	..	..	..	..
1989	..	..	..	51.0	..	..	..	..
1990	..	..	..	68.8	..	..	..	..
1991	..	..	..	107.6	..	..	..	..
1992	..	..	..	127.3	..	..	..	..
1993	..	..	..	130.0	..	..	..	..
1994	..	..	..	130.2	..	..	..	..
1995	..	..	..	131.0	..	..	..	..
1996	..	..	..	154.8	..	..	..	0.5
1997	..	..	..	172.1	..	..	..	2.0
1998	..	..	..	189.9	..	..	..	3.0
1999	..	..	..	253.3	..	..	..	7.0
2000	..	..	..	263.3	..	..	..	7.0
2001	..	..	..	265.0	..	..	..	12.0
2002	..	..	..	295.0	..	..	..	12.5
2003	..	..	..	377.8	..	..	..	12.5
2004	..	..	..	475.7	..	..	..	11.5
2005	..	..	..	577.7	..	..	..	6.5
2006	..	..	..	685.7	..	..	..	6.5

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating outflows since 1973. Outward stock are estimated by accumulating outflows since 1996.



**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	1.2	14.4	16.3	-
Denmark	-	-	-	-	-	-	-	-	-	-	2.0	0.3
France	1.3	7.7	-	2.2	9.6	12.9	2.7	4.7	6.8	3.7	7.5	7.5
Malaysia	-	0.4	1.8	0.4	-	-	-	-	7.4	3.7	-	-
Portugal	-	-	-	-	-	-	-	0.0	-0.1	-	-	-
United States	-	-21.0	-	-	-	-	-	-	-	-	-	-

Source: UNCTAD. FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Cyprus	-	-	-	-	-	-	-	0.5	-	-	-	-
France	-	1.3	1.1	-	-1.1	-	-	0.9	2.3	-	-	1.3
United States	-	2.0	-	-	4.0	-	5.0	-	-	26.0	38.0	-

Source: UNCTAD. FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Canada	-	-	-	-	-	-	47.1	-	-	-	-	-
China	-	-	-	-	-	-	-	-	14.3	25.8	44.2	-
Czech Republic	-	-	-	2.6	-	-	-	-	-	-	-	-
Denmark	-	-	-	-	-	-	-	-	-	2.6	3.6	2.6
Malaysia	-	0.4	1.5	2.0	2.0	2.0	2.0	2.0	9.4	13.2	17.5	-
Morocco	-	-	-	-	-	-	-	8.4	10.1	11.1	9.5	10.6
Portugal	-	-	-	-	-	-	-	0.0	1.4	-	-	-
United States	23.0	2.0	-	-	-	-	130.0	-	-	-	-	-

Source: UNCTAD. FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Czech Republic	-	-	-	-	-	-	-	-	-	7.9	7.2	-
United States	2.0	4.0	-	-	-	1.0	6.0	-	-	-	-	-

Source: UNCTAD. FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Tables 21 and 28. The number and assets of foreign affiliates of Guinean TNCs in the United States, 1993-2004**  
(Number and millions of dollars)

Table no./Variable	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
21. Number	1	1	1	1	..	..	..	..	1	1	1	..
28. Assets	..	1	1	1	1	1	..	..	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 23. The number of affiliates United States TNCs in Guinea, 1993-2004**

Economy	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
United States	1	2	2	2	1	1	2	2	2	2	2	3

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Compagnie Des Bauxites De Guinee S A	United States	Mining and quarrying	3 500	3 000
Societe Ashanti Goldfields De Guinee Sa	Ghana	Mining and quarrying	108	1 978
Sogedi	France	Chemicals and chemical products	..	500
Metal Guinee Sa	Cote d'Ivoire	Machinery and equipment	..	300
Societe Guineenne De Lubrifiants Et D' Emballages	United Kingdom	Manufacture of petroleum	..	105
Aredor Guinea S A	Canada	Mining and quarrying	..	39
Coments De Guinee S A	Switzerland	Non-metallic mineral products	..	15
<b>B. Tertiary</b>				
Associates Business Machines Guinee S A	Senegal	Wholesale trade	2	10
Bureau Veritas S A	France	Research and development	..	..
African Security Africa	United Kingdom	Other business activities	..	350
S D V Guinee S A	France	Water Transport	..	120
Nestle Guinea S A	Switzerland	Wholesale trade	..	100
S G S Guinee Conakry S A	Switzerland	Agriculture and hunting	..	60
Compagnie Shell De Guinee	United Kingdom	Wholesale trade	..	33
Societe Commerciale Des Bois Et Materiaux	France	Wholesale trade	..	25
Astipeche Conakry S A R L	Spain	Forestry and fishing	..	20
Laborex Guinee	France	Wholesale trade	..	20
The Uniqueness Of Christ International Ministries Inc	United States	Community, social and personal services	..	15
African Maritime Agency S A	France	Supporting transport activities	..	5
Egl, Inc	United Kingdom	Water Transport	..	..
Ep-Holding Guinee S.A	Serbia and Montenegro	Research and development	..	..
Maers Guinee Sa	Denmark	Other services	..	..
Saga Guinee	France	Supporting transport activities	..	..
The Clorox Company	United States	Distributive trade	..	..
			<b>Assets</b>	<b>Employees</b>
Societe Generale De Banques En Guinee Sa	France	Finance	..	210
Union Internationale De Banque En Guinee	France	Finance	..	110

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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**C. Legal frameworks for transnational corporations**

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In Guinea, a number of legal instruments exist to regulate the activities of the transnational corporations and foreign direct investors. Some of these instruments are international treaties. The others are enacted at national and bilateral levels. The key ones are:

**I. National framework**

Law No. 043/APN/CP/80, August 1980 regulating Copyright and Neighboring Rights Protection.  
*Source:* WIPO (<http://www.wipo.org>).

Investment Code - Ordinance No. 001/PRG/87 concerning the Investment Code of 3 January 1987.  
*Source:* Ministry of Planning and International Cooperation (official copy); National Investment Commission. As amended by Law L/95/029/CTRN of 30 June 1995, amending the Investment code.  
*Source:* Official Journal of the Republic of Guinea of 10 July 1995.

Code du Travail. Ordinance No. 008/PRG/88 of 28 January 1988 on Labour Law.  
*Source:* Journal Officiel de la Republique de Guinee of 1 February 1988.

Code foncier et Domanial. Ordinance No. 0/92/019 of 30 March 1992 on the Land Law.  
*Source:* Journal Officiel de la Republique de Guinee. Trente Huitieme annee, May 1992 -Hors Serie.

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*Source:* Journal Officiel de la Republique de Guinee. Trente Huitieme annee, Octobre 1995 -Hors Serie.

Code des Activites Economiques IIIeme partie. Promulgated by Law L/94/020/CTRN of July 1994. *Source:* Journal Officiel de la Republique de Guinee. Trente Huitieme annee, Octobre 1995 -Hors Serie.

**II. International Framework****A. Guinea is a party to the following multilateral and regional instruments:**

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7 June 1959.

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966.

Patents: Bangui Agreement, March 1977 (Annex I), as last amended in February 1999.  
*Source:* WIPO (<http://www.wipo.org>).

Industrial Designs: Bangui Agreement, March 1977 (Annexes II and IV), as last amended in February 1999.  
*Source:* WIPO (<http://www.wipo.org>).

Trade Marks: Bangui Agreement, March 1977 (Annex III), as last amended in February 1999.  
*Source:* WIPO (<http://www.wipo.org>).

Agreement for the Promotion, Protection and Guarantee of Investment Among Member States of the Organisation of Islamic Conference of 1 June 1981; entered into force on 23 September 1986.

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit of 19 February 1992; entered into force on 1 August 1994.

Revised Treaty of the Economic Community of West African States (ECOWAS) 1993.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

## **B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Switzerland 1962, Italy 1964, Tunisia 1990, Malaysia 1996, Serbia and Montenegro 1996, Egypt 1998, Benin 2001, Cameroon 2001, Ghana 2001, Mali 2001, Mauritania 2001, Mauritius 2001, Morocco 2002, Burkina Faso 2003, Chad 2004, Lebanon 2004, China 2005, Germany 2006.

**2. Bilateral treaties for the avoidance of double taxation:** Serbia and Montenegro 1996.

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**D. Sources of information**

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World Bank/International Finance Corporation (2007). *Doing Business 2008 Guinea* (Washington D.C.: The World Bank Group).

World Trade Organisation (WTO) (2000). *Trade policy review: Republic of Guinea* (Geneva: WTO).



## Guinea Bissau

### A. Definitions and sources of data

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In the Republic of Guinea-Bissau, foreign direct investment (FDI) is defined as any contribution calculable in financial terms brought into the country from an external source by individuals or corporate bodies not domiciled or headquartered within the national territory, either for the purposes of their own commercial activities or for the purpose of participating in the capital of companies that are already established or that is intended to establish in the Republic of Guinea-Bissau (Decree-Law No. 2/85). Data on the annual inflows of FDI in Guinea-Bissau were gathered from the Banque Centrale des Etats De L'Afrique De L'Ouest (BCEAO). The International Monetary Fund also provides data on FDI in the country in its balance-of-payment statistics.

The Investment Code of the Republic of Guinea-Bissau provides incentives for investment and guarantees against nationalization and expropriation. Residents and non-residents may hold foreign exchange accounts with permission of the Central Bank of West African States – the BCEAO. Payments and transfers are generally free of restrictions. The Government must authorize outward capital transactions. Capital transfers to members of the West African Economic and Monetary Union are unrestricted, aside from direct investments. The Government must approve most personal capital movements between residents and non-residents, such as personal loans, gifts or inheritances, or transfer of assets. Barriers are moderate by global standards.

The country has some capacity for attracting FDI in the tourism industry. The sector has some potential that includes deep-sea fishing and scuba diving operations on the Bijagos archipelago. The country also has some historical and architectural interest. The sector is yet to be developed.

To increase its outreach to the world market and expand trading opportunities, Guinea-Bissau signed the Convention on the Settlement of Investment Disputes between State and Nationals of other States on 4 September 1991 and is a member of Economic Community of West African States and the Inter-State Sahelien Committee (known by its French acronym, CILSS - Comite permanent inter-Etats de lutte contre la secheresse dans le Sahel), BCEAO, the Union economique et monetaire ouest-Africaine, New Partnership for Africa's Development, African Union and is a signatory of the Cotonou Agreement for renegotiating the partnership links between the African, Caribbean and Pacific countries with the European Union. It also belongs to the Lusophone community, Comunidade dos Paises de Lingua Portuguesa. Most recently, the country was declared an eligible member stated of the United States' market access initiative for African countries - the African Growth and Opportunity Act and is a member of the World Trade Organization.



**B. Statistics on FDI and the operations of TNCs**

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**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	14.1	- 2.5
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	25.1	- 4.5
3. FDI stocks, 2006	98	- 3
4. FDI stocks as a percentage of GDP, 2006	32.2	-1.0

Source: Based on tables 3a and 4a and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	..	..	..	..	..
1981	..	..	..	..	..	..	..	..
1982	..	..	..	..	..	..	..	..
1983	..	..	..	..	..	..	..	..
1984	..	..	..	2.3	..	..	..	..
1985	..	..	..	1.4	..	..	..	..
1986	..	..	..	0.8	..	..	..	..
1987	..	..	..	0.1	..	..	..	..
1988	..	..	..	0.7	..	..	..	..
1989	..	..	..	0.5	..	..	..	..
1990	..	..	..	2.0	..	..	..	..
1991	..	..	..	2.1	..	..	..	..
1992	..	..	..	5.8	..	..	..	..
1993	..	..	..	3.3	..	..	..	..
1994	..	..	..	0.4	..	..	..	..
1995	..	..	..	0.0	..	..	..	..
1996	..	..	..	1.0	..	..	..	1.0
1997	..	..	..	11.5	..	..	..	..
1998	..	..	..	4.4	..	..	..	..
1999	..	..	..	0.7	..	..	..	..
2000	..	..	..	0.7	..	..	..	..
2001	0.4	..	..	0.4	- 0.4	..	..	- 0.4
2002	0.7	0.7	2.1	3.5	1.0	..	..	1.0
2003	1.2	0.2	2.6	4.0	0.5	..	..	0.5
2004	2.1	0.0	- 0.4	1.7	- 7.8	..	0.3	- 7.5
2005	5.9	0.0	2.8	8.7	- 0.0	..	0.7	0.7
2006	..	..	..	42.0	..	..	..	- 3.8

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the OECD for 1984-1992 and 1994-1996, the World Bank for 1993, the Banque Centrale de l'Afrique de l'Ouest (BCEAO) for 1997-2005 and estimate for 2006.

Outflow data are from the BCEAO for 2001-2005. Data for 2006 is an estimate. Figure for 1996 is proxy data based on investments reported by France.

**Table 3b. FDI flows, by type of investment, 1999-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1999	..	..	..	450	..	..	..	..
2000	..	..	..	500	..	..	..	..
2001	290	..	..	290	- 290	..	..	- 290
2002	518	464	1 489	2 471	700	..	..	700
2003	722	91	1 515	2 328	300	..	..	300
2004	1 097	0.01	- 210	887	- 4 100	..	137	- 3 963
2005	3 125	0.01	1 460	4 585	- 0.01	..	367	367

Source: UNCTAD, FDI/TNC database based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO), unpublished.

**Table 4a. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity & Reinvested earnings	Reinvested earnings	Other	Total	Equity & Reinvested earnings	Reinvested earnings	Other	Total
1980	..	..	..	0.1	..	..	..	..
1981	..	..	..	0.1	..	..	..	..
1982	..	..	..	0.1	..	..	..	..
1983	..	..	..	0.1	..	..	..	..
1984	..	..	..	2.4	..	..	..	..
1985	..	..	..	3.9	..	..	..	..
1986	..	..	..	4.7	..	..	..	..
1987	..	..	..	4.8	..	..	..	..
1988	..	..	..	5.5	..	..	..	..
1989	..	..	..	6.0	..	..	..	..
1990	..	..	..	8.0	..	..	..	..
1991	..	..	..	10.1	..	..	..	..
1992	..	..	..	15.9	..	..	..	..
1993	..	..	..	19.2	..	..	..	..
1994	..	..	..	19.6	..	..	..	..
1995	..	..	..	19.7	..	..	..	..
1996	..	..	..	20.7	..	..	..	..
1997	..	..	..	32.2	..	..	..	..
1998	..	..	..	36.6	..	..	..	..
1999	..	..	..	37.3	..	..	..	..
2000	..	..	..	38.0	..	..	..	..
2001	..	..	..	38.4	..	..	..	..
2002	0.6	..	2.4	42.0	1.1	..	0.0	1.1
2003	1.5	..	0.1	46.0	0.6	..	0.0	0.6
2004	1.2	..	- 0.3	47.6	0.3	..	0.3	0.6
2005	3.3	..	2.6	56.3	0.0	..	0.7	0.7
2006	..	..	..	98.3	..	..	..	- 3.1

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating inflows since 1975. Outward stock for 2002-2005 are based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO). 2006 is estimated by adding flows to the 2005 stock.

**Table 4b. FDI stocks, by type of investment, 2002-2005**  
(Millions of Franc de la Communauté financière africaine)

Year	Inward investment				Outward investment			
	Equity & Reinvested earnings	Reinvested earnings	Other	Total	Equity & Reinvested earnings	Reinvested earnings	Other	Total
2002	402	..	1 489	1 891	700	..	0.01	700
2003	754	..	53	807	300	..	0.01	300
2004	564	..	- 157	407	150	..	137	287
2005	1 837	..	1 460	3 297	0.01	..	367	367

Source: UNCTAD, FDI/TNC database based on the Banque Centrale de l'Afrique de l'Ouest (BCEAO), unpublished.

**Tables 6, 9, 12, and 15. FDI with Portugal, 1995-2006**  
(Millions of dollars)

Table no./Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
6. Inflows from Portugal	-	0.2	9.8	0.3	- 3.0	1.3	0.9	- 9.1	1.9	- 0.1	0.1	- 0.3
9. Outflows to Portugal	-	0.1	0.1	- 0.2	-	-	-	-	-	-	-	-
12. Inward stock from Portugal	-	16.2	18.8	16.3	12.1	6.5	6.2	7.3	8.8	6.8	-	-
15. Outward stock to Portugal	-	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.5	-	-	-

Source: UNCTAD, FDI / TNC database.

Note: Data are based on information reported by Portugal.

**Table 30. Assets of affiliates of United States TNCs in Guinea Bissau, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
United States	1	..	..	..	..	..	..	..	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Guine Telecom S A R L	Portugal	Telecommunications	14	240
Astipesca Bissau Lda	Spain	Forestry and fishing	..	100
Petrogal Guine Bissau S A	Portugal	Holding	..	81
Petromar Sociedade De Abastecimento Petrolíferos Lda	Portugal	Wholesale trade	..	80
<b>B. Tertiary</b>				
..	..	..	..	..
<b>C. Finance and insurance</b>				
..	..	..	<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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**C. Legal frameworks for transnational corporations**

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In Guinea-Bissau, there are a number of national, bilateral and multilateral legal instruments for regulating the activities of transnational corporations and foreign direct investors. The key ones among them are:

**I. National framework**

Patents: Decreto lei No. 6/96, Capitulo I, February 1997.

Source: WIPO (<http://www.wipo.org>).

Industrial Designs: Decreto lei No. 6/96, Capitulo III, February 1997.

Source: WIPO (<http://www.wipo.org>).

Trade Marks: Decreto lei No. 6/96, Capitulo IV, February 1997.

Source: WIPO (<http://www.wipo.org>).

**II. International Framework****A. Guinea Bissau is a party to the following multilateral and regional instruments:**

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7th June 1959.

Agreement for the Promotion, Protection and Guarantee of Investment Among Member States of the Organization of Islamic Conference, of 1 June 1981; entered into force on 23 September 1986.

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit of 19 February 1992. Entered into force on 1 August 1994.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

**B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** Portugal 1991.

**2. Bilateral treaties for the avoidance of double taxation:** ..

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**D. Sources of information**


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**Official**


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Banque Centrale des Etats De L'Afrique De L'Ouest ([www.bceao.int](http://www.bceao.int)).

**Secondary**


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## Kenya

### A. Definitions and sources of data

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Foreign direct investment (FDI) in Kenya is defined as investment in foreign assets, such as foreign currency, credits, rights, benefits or property, undertaken by a foreign national (for example, a person who is not a Kenyan citizen) for the purpose of production of goods and services, which are to be sold either in the domestic market or exported overseas (Investment Promotion Center Act, chapter 518). The Central Bank of Kenya keeps records of FDI transactions. Until 1995, all foreign investments flowing into the country were subject to approval by the Central Bank. After this point all restrictions were removed, including exchange control. More data are collected by the Kenyan Investment Promotion Center (KIPC), established under the Investment Promotion Center Act, 1987. Information collected by the Center, however, is not complete since it is not obligatory for firms to be registered in the KIPC and some investments are undertaken unreported to the agency. Investors are welcome to contact the KIPC as a source of information on investment rules and procedures, opportunities and possible financing sources in the country.

Kenya has put in place measures to attract foreign investors. The legal framework for FDI in Kenya is provided by the Companies Ordinance (chapter 486), the Partnership Act (chapters 20 and 30) and the Foreign Investment Protection Act. The economic liberalization programme that, also, started first with the manufacturing sector was recently extended to agriculture and communication, bringing to an end the monopolies enjoyed by many companies and commodity marketing boards. Kenya has five export processing zones. The Government of Kenya owns two of them (Mombasa and Athi) and the private industry owns the remaining three (Nairobi, Della Rue and Nakuru). The zones offer considerable advantages such as a ten-year tax holiday followed by a 25% tax rate for the next ten years, exemption from import duties, exemption on value added and sales taxes and no restriction on management or technical agreement. Special incentives are given to transnational corporations that invest in lesser developed areas. The legal investment regime in Kenya provides protection and non-discrimination against foreign investors, and the investment environment is mostly based on a sound principle. For instance, in 2006, the Communications Commission of Kenya announced regulatory reform where all players in the industry are allowed to offer the entire range of telecoms services.

Kenya has increased its outreach to the global economy, signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on 24 May 1966 and was an active participant in the work on a framework for regional co-operation that led to a treaty for the establishment of the East African Community. It is also a member of the African Union, New Partnership for Africa's Development, Common Market for Eastern and Southern Africa countries, Indian Ocean Rim Association for Regional Co-operation, the Intergovernmental Authority on Drought and Development and eligible for the United States' market access initiative for African countries - the African Growth and Opportunity Act; and the Cotonou Agreement for renegotiating the partnership links between the Africa, Caribbean and Pacific countries with the European Union, under the Lomé Convention. The country is also a member of the Multilateral Investment Guarantee Agency and the World Trade Organization.



**B. Statistics on FDI and the operations of TNCs****Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	50.0	10.0
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	1.6	0.3
3. FDI stocks, 2006	1 164	163
4. FDI stocks as a percentage of GDP, 2006	5.0	0.7

Source: Based on tables 3a and 4 and UNCTAD, FDI/TNC database.

**Table 3a. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	15.4	51.5	12.1	79.0	..	1.1	..	1.1
1981	13.6	0.6	..	14.2	..	5.9	..	5.9
1982	12.5	0.5	..	13.0	..	9.6	..	9.6
1983	23.4	0.4	..	23.7	..	14.5	..	14.5
1984	7.0	3.8	..	10.8	..	6.9	..	6.9
1985	10.7	18.1	..	28.9	..	5.4	..	5.4
1986	17.8	14.9	..	32.7	..	4.9	..	4.9
1987	5.7	32.9	0.8	39.4	..	17.0	13.7	30.8
1988	0.8	20.9	- 21.2	0.4	..	-	2.2	2.2
1989	8.6	23.8	29.9	62.2	0.8	-	0.6	1.4
1990	12.0	45.1	-	57.1	-	-	..	- 0.4
1991	2.8	16.0	-	18.8	-	-	..	0.2
1992	4.8	1.6	-	6.0	-	-	..	- 0.1
1993	..	1.6	-	2.0	-	-	..	2.8
1994	..	3.7	-	4.3	-	-	..	1.0
1995	28.2	4.3	-	33.0	-	-	..	13.2
1996	8.4	4.3	-	10.5	-	-	- 0.5	- 2.7
1997	19.7	-	-	52.5	-	-	2.2	2.2
1998	11.4	-	-	11.4	-	-	-	-
1999	13.8	-	-	13.8	-	-	-	-
2000	83.3	-	27.6	110.9	-	-	-	-
2001	0.8	-	4.5	5.3	-	-	-	-
2002	13.1	-	14.5	27.6	7.4	-	-	7.4
2003	27.0	-	54.7	81.7	2.1	-	-	2.1
2004	29.9	-	16.2	46.1	4.4	-	-	4.4
2005	5.6	-	15.7	21.3	9.6	-	-	9.6
2006	3.1	-	47.7	50.7	24.1	-	-	24.1

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)). Data are based on IMF for 1980-1989 and the Central Bank of Kenya thereafter.

**Table 3b. FDI flows, by type of investment, 1999-2006**  
(Millions of Kenyan Shillings)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1999	972.0	..	..	972.0	..	..	..	..
2000	6 346.2	..	2 102.0	8 448.2	..	..	..	..
2001	63.7	..	352.8	416.6	..	..	..	..
2002	1 035.1	..	1 139.8	2 174.9	584.0	..	..	584.0
2003	2 049.5	..	4 157.4	6 206.8	157.6	..	..	157.6
2004	2 364.3	..	1 282.8	3 647.1	349.6	..	..	349.6
2005	423.9	..	1 184.0	1 607.9	722.3	..	..	722.3
2006	221.1	..	3 436.4	3 657.4	1 738.7	..	..	1 738.7

Source: UNCTAD, FDI/TNC database based on the Central Bank of Kenya, *unpublished*.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	-	-	-	385.7	-	-	-	17.6
1981	-	-	-	399.8	-	-	-	23.5
1982	-	-	-	412.8	-	-	-	33.1
1983	-	-	-	436.5	-	-	-	47.6
1984	-	-	-	447.3	-	-	-	54.5
1985	-	-	-	476.1	-	-	-	59.9
1986	-	-	-	508.9	-	-	-	64.8
1987	-	-	-	548.3	-	-	-	95.6
1988	-	-	-	548.6	-	-	-	97.8
1989	-	-	-	610.8	-	-	-	99.1
1990	-	-	-	667.9	-	-	-	98.7
1991	-	-	-	686.7	-	-	-	98.9
1992	-	-	-	692.7	-	-	-	98.8
1993	-	-	-	694.7	-	-	-	101.6
1994	-	-	-	699.0	-	-	-	102.5
1995	-	-	-	732.0	-	-	-	115.7
1996	-	-	-	742.6	-	-	-	113.0
1997	-	-	-	795.1	-	-	-	115.2
1998	-	-	-	806.5	-	-	-	115.2
1999	-	-	-	820.3	-	-	-	115.2
2000	-	-	-	931.2	-	-	-	115.2
2001	-	-	-	936.5	-	-	-	115.2
2002	-	-	-	964.2	-	-	-	122.6
2003	-	-	-	1 045.9	-	-	-	124.7
2004	-	-	-	1 092.0	-	-	-	129.1
2005	-	-	-	1 113.2	-	-	-	138.7
2006	-	-	-	1 164.0	-	-	-	162.8

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating inflows since 1970. Outward stock are estimated by accumulating inflows since 1975.

**Table 5. Approved FDI flows in the host economy, by industry, 1992-2001**  
(Millions of Kenyan Shillings)

Sector / industry	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
<b>Total</b>	2 092	3 568	2 705	3 568	..	..	..	..	..	..
<b>Primary</b>	74	191	73	1 922	..	..	..	..	..	..
Agriculture, hunting, forestry and fishing	74	189	73	796	..	..	..	..	..	..
Agriculture and hunting	74	189	73	796	..	..	..	..	..	..
Mining, quarrying and petroleum	-	2	-	1 126	..	..	..	..	..	..
<b>Secondary</b>	1 059	1 108	1 835	1 246	..	..	..	..	..	..
Food, beverages and tobacco	300	176	46	654	..	..	..	..	..	..
Textiles, clothing and leather	206	498	135	25	..	..	..	..	..	..
Chemicals and chemical products	21	33	611	95	..	..	..	..	..	..
Other manufacturing	532	402	1 043	473	..	..	..	..	..	..
<b>Tertiary</b>	959	2 270	797	400	..	..	..	..	..	..
Construction	3	39	159	6	..	..	..	..	..	..
Transport, storage and communications	700	322	498	214	..	..	..	..	..	..
Transport and storage	698	217	493	208	..	..	..	..	..	..
Supporting and auxiliary transport activities	698	217	493	208	..	..	..	..	..	..
Activities of travel agencies and tour operators	698	217	493	208	..	..	..	..	..	..
Post and communications	2	105	5	6	..	..	..	..	..	..
Telecommunications	2	105	5	6	..	..	..	..	..	..
Other services	257	1 908	139	180	..	..	..	..	..	..

Source: Kenya Investment Promotion Center, unpublished data.

Notes: Data are on an approval basis. Data in tables 5 and 6a were updated in different periods therefore, data are not strictly comparable.

**Table 6a. Approved FDI flows in the host economy, by geographical origin, 1992-2001**  
(Millions of Kenyan Shillings)

Region / economy	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
<b>Total world</b>	1 935	3 568	2 874	3 177	2 053	4 703	2 615	9 182	..	..
<b>Developed countries</b>	437	2 501	1 206	2 312	1 581	1 024	826	2 911	..	..
Europe	423	300	1 068	2 285	1 115	1 024	826	2 898	..	..
European Union	412	300	1 036	2 285	1 115	1 024	826	104	..	..
Germany	154	56	3	8	17	-	27	-	..	..
Italy	121	51	264	234	-	868	30	92	..	..
United Kingdom	137	193	769	2 043	1 098	155	769	12	..	..
Other developed Europe	11	-	32	-	-	-	-	2 794	..	..
Switzerland	11	-	32	-	-	-	-	2 794	..	..
North America	15	2 202	138	28	466	-	-	14	..	..
United States	15	2 202	138	28	466	-	-	14	..	..
<b>Developing economies</b>	95	542	330	187	123	92	1 011	2 647	..	..
Asia	95	542	330	187	123	92	1 011	2 647	..	..
China	62	240	211	65	91	28	186	2 573	..	..
India	21	301	81	79	17	5	13	74	..	..
Pakistan	13	-	38	43	15	59	812	-	..	..
<b>Unspecified</b>	1 403	526	1 337	678	349	3 588	778	3 623	..	..

Source: Kenya Investment Promotion Center, unpublished data.

Notes: Data are on an approval basis. Data in tables 5 and 6a were updated in different periods therefore, data are not strictly comparable.

**Table 6b. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Belgium	-	-	-	-	-	-	-	-	1.1	-	-	-
Belgium/Luxembourg	1.4	2.6	-	-	-	-0.9	-	-	1.1	-	-	-
China	-	-	-	-	-	-	-	-	0.7	2.7	2.1	-
Denmark	-	-	-	-	-	-	-	-	-	-	2.0	1.0
France	-	3.8	9.0	2.2	2.1	114.2	30.4	11.3	2.3	5.0	5.0	5.0
Germany	-	-0.7	-23.1	-5.7	-	-	-	-0.9	6.8	1.2	12.4	-2.5
Malaysia	-	-	0.4	-	-	-	-	-	-	-	-	-
Netherlands	-	24.8	7.9	30.0	9.6	-	-	-	-	-	-	-
Portugal	-	-0.8	1.1	1.8	2.3	1.6	0.5	-0.2	-0.0	-	-	-
Korea, Republic of	1.3	0.1	0.0	-	-	-	-	0.3	-	-	0.2	-
Sweden	-	-	-	-	0.1	0.1	-	-	0.9	-26.4	-0.1	-0.1
Switzerland	-	-	-	-	-	5.5	2.6	-0.4	-1.3	8.8	11.2	16.0
United Kingdom	105.7	37.4	119.5	64.6	82.5	207.3	60.5	48.0	94.7	86.1	129.1	-
United States	4.0	3.0	52.0	11.0	27.0	-19.0	-	-	7.0	-7.0	38.0	-110.0

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 9. FDI flows abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Australia	-	-	-	-	-	-	-0.2	0.2	0.0	0.0	0.3	-
China	3.3	-	-	-	0.4	-	-	-	-	-	-	-
Cyprus	-	-	-	-	-	-	-	0.1	0.2	-0.0	0.1	-
Denmark	-	-	-	-	-	-	-	-	-	-	-0.8	-
France	-	-1.3	-	-	-1.1	-	-	-	-	2.5	2.5	3.8
Germany	-	-	1.7	-1.1	-	-	0.9	-2.8	-	-	-	-
Portugal	-	0.0	-	-	-	-	-	-	0.3	-	-	-
United Rep. of Tanzania	-	-	-	-	35.4	6.5	14.2	-	-	-	-	-

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	25.5	28.5	58.3	-
Denmark	-	-	-	-	-	-	-	-	-	8.0	10.8	12.4
Germany	38.4	40.5	26.8	31.7	37.2	48.4	46.7	59.8	68.2	80.4	99.1	-
Malaysia	-	-	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-
Portugal	-	1.3	2.3	3.7	4.0	4.5	2.9	3.5	4.2	-	-	-
Korea, Republic of	1.5	1.7	1.7	1.7	1.7	1.7	1.7	2.0	2.0	2.0	2.2	-
Slovenia	0.4	0.4	0.3	1.3	0.9	0.6	0.2	0.2	0.3	0.3	-	-
Switzerland	-	-	-	-	-	33.5	33.7	42.0	77.2	92.8	91.4	-
United Kingdom	427.8	402.4	597.0	690.4	628.8	556.6	426.4	448.1	508.6	459.7	501.1	-
United States	142.0	143.0	188.0	198.0	89.0	66.0	-	73.0	90.0	86.0	145.0	68.0

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Australia	-	-	-	-	-	-	-0.2	-0.0	-	-	-	-
Bulgaria	-	-	-	-	-	-	-	-	-	-	0.0	0.1
Canada	-	-	-	-	0.7	-	-	-	-	-	-	-
Denmark	-	-	-	-	-	-	-	-	-	0.7	-	-
Ethiopia	2.7	-	-	-	-	-	-	-	-	-	-	-
Madagascar	-	-	-	-	-	-	-	-	-	-	0.1	-
Malawi	-	-	-	-	-	1.0	3.9	4.4	5.3	7.4	-	-
Pakistan	2.5	1.4	22.5	14.8	1.1	5.3	1.4	0.1	9.0	1.2	-	-
Portugal	-	0.4	-	-	-	-	-	-	0.3	-	-	-
Uganda	-	-	-	-	67.2	74.7	65.9	62.9	60.9	-	-	-
United Rep. of Tanzania	-	-	-	110.0	55.8	113.7	275.5	-	-	-	-	-
United States	1.0	-	1.0	1.0	1.0	1.0	-	-	-	-	-	-

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Tables 21 and 28. The number and assets of foreign affiliates of Kenyan TNCs in the United States, 1994-2005**  
(Number and millions of dollars)

Table no./Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
21. Number	..	..	..	1	1	1	1	1	..	..	..	..
28. Assets	..	..	..	1	1	1	..	..	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

**Table 23. The number of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	19	19	19	18	16	18	16	20	12	10	8	13
India	..	..	11	..	..	..	..	..	..	..	..	..
Italy	..	1	..	1	..	..	..	..	..	..	..	..
Rep. of Korea	..	..	5	6	6	6	6	6	8	8	8	11
United States	24	25	23	22	22	16	17	18	16	17	16	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 30. Assets of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	64.6	69.8	64.3	55.8	..	..	..	88.1	..	..	..	..
United States	527.0	632.0	632.0	634.0	684.0	598.0	701.0	742.0	696.0	746.0	724.0	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 35. Employment of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Thousands of employees)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Belgium	..	..	..	..	..	..	..	0.1	0.1	0.1	..	..
Germany	3.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Italy	..	0.3	..	0.3	..	..	..	..	..	..	..	..
Switzerland	..	..	..	..	..	..	1.7	1.6	1.1	1.2	1.2	1.5
United States	5.7	5.3	4.1	4.0	3.9	4.4	5.0	4.9	3.7	4.0	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Tables 40 and 50. Wages and salaries and value added of affiliates of United States TNCs in Kenya, 1994-2005**  
(Millions of dollars)

Table no./Variable	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
40. Wages and salaries	37.0	44.0	39.0	36.0	36.0	49.0	53.0	57.0	47.0	54.0	38 <sup>a</sup>	..
50. Value added <sup>a</sup>	130.0	160.0	163.0	181.0	228.0	164.0	210.0	204.0	184.0	184.0	133.0	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States. <sup>a</sup> Majority-owned affiliates only.

**Table 45. Sales of affiliates of foreign TNCs in the host economy, by geographical origin, 1994-2005**  
(Millions of dollars)

Economy	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Germany	184.9	139.6	132.9	115.3	113.7	106.5	92.1	89.5	94.1	112.9	124.2	80.4
Italy	..	120.9	..	150.8	..	..	..	..	..	..	..	..
United States	625.0	708.0	683.0	724.0	737.0	681.0	910.0	888.0	771.0	879.0	842.0	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

**Table 86. Largest home-based TNCs, 2007**  
(Billions of dollars)

Company	Industry	Sales
<b>A. Industrial</b>		
Kenya Oil Company	Petroleum expl./ref./distr.	0.57
East African Breweries	Consumer goods/brewers	0.48
Kenya Power and Lighting	Electricity/gas/water	0.39
Bamburi Cement	Building materials	0.21
Mumias Sugar Company	Food products, beverages and tobacco	0.17
British American Tobacco	Food products, beverages and tobacco	0.15
Kenya Electricity Generating Company	Electricity/gas/water	0.12
Jambo Biscuits	Food products, beverages and tobacco	0.10 <sup>a</sup>
<b>B. Tertiary</b>		
Kenya Airways	Air Transportation	0.73
Safaricom	Telecommunications	0.48
Total Kenya	Petroleum expl./ref./distr.	0.46
<b>C. Finance and Insurance</b>		
..	..	<b>Assets</b> ..

Source: Jeune Afrique Hors-serie No. 14, 2007.

<sup>a</sup> 2004.

**Table 87. Largest affiliates of home-based TNCs, 2007**  
(Millions of dollars and number)

Company Name	Host Economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Tri Clover Industries ( T ) Limited	Tanzania	Chemicals and chemical products	..	500
Kibo Breweries Ltd	Tanzania	Food products, beverages and tobacco	..	250
Uganda Grain Milling Co Ltd	Uganda	Food products, beverages and tobacco	..	125
Treadsetters Tyres (T) Ltd	Tanzania	Rubber and plastic products	..	65
Henkel Polmer Company Uganda Limited	Uganda	Chemicals and chemical products	..	..
Kinyara Sugar Works Ltd	Uganda	Food products, beverages and tobacco	..	..
Metsec (T) Ltd	Tanzania	Electrical and electronic equipments	..	..
The Coopers Motors Corporation (Uganda) Ltd	Uganda	Motor vehicles and trailers	..	..
<b>B. Tertiary</b>				
Regional Air Services	Tanzania	Air transport	2.2	31
Als Europe Ltd	England	Air transport	0.5	..
Alunox Ltd	England	Wholesale trade	0.2	1
Alliance Gineries Ltd	Tanzania	Agriculture and hunting	..	300
Laxmanbhai & Co (Pty) Ltd	Seychelles	Construction	..	40
Monitor Publications Ltd	Uganda	Publishing, printing	..	40
Farm Engineering Industries Ltd	Uganda	Wholesale trade	..	30
Transpaper (U) Ltd	Uganda	Wholesale trade	..	30
Car & General (U) Ltd	Uganda	Wholesale trade	..	30
Service And Computer Industries Ltd	Tanzania	Wholesale trade	..	26
Desbro Tanzania Ltd	Tanzania	Wholesale trade	..	18
Lasurit 94 A D	Bulgaria	Wholesale trade	..	7
Car & General ( Tanzania ) Ltd	Tanzania	Wholesale trade	..	..
Evolution Auto Parts Ltd	England	Wholesale trade	..	..
Mowlex Ltd	England	Other business activities	..	..
Sameer (Europe) Ltd	England	Other business activities	..	..
<b>C. Finance and Insurance</b>				
Laiki Factors Limited	Cyprus	Finance	12.9	31

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home Economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Unilever Kenya Limited	United Kingdom	Food products, beverages and tobacco	117.3	..
Johnson Wax (E.A) Ltd	United States	Chemicals and chemical products	2.7	..
Raymond Woolen Mills ( Kenya ) Ltd	India	Textiles and clothing	..	1 622
Cadbury Kenya Ltd	Netherlands	Food products, beverages and tobacco	..	544
Eatec Limited	United Kingdom	Wood and wood products	..	300
Glaxo Wellcome (Kenya) Limited	United Kingdom	Chemicals and chemical products	..	38
Ceva Animal Health Eastern Africa Ltd	Sweden	Chemicals and chemical products	..	20
Nestle Foods Kenya Limited	Switzerland	Food products, beverages and tobacco	..	20
Pfizer Laboratories Ltd	United States	Chemicals and chemical products	..	20
Boc Kenya Ltd	United Kingdom	Chemicals and chemical products	..	..
Carnaud Metalbox ( K ) Ltd	United Kingdom	Machinery and equipment	..	..
Castle Brewing Kenya Ltd	United Kingdom	Food products, beverages and tobacco	..	..
Colgate-Palmolive (Ea) Ltd	United States	Chemicals and chemical products	..	..
Ecolab East Africa (K) Ltd	United States	Chemicals and chemical products	..	..
Greif Kenya Limited	Spain	Machinery and equipment	..	..
<b>B. Tertiary</b>				
Henkel Kenya Limited	Germany	Wholesale trade	11.8	..
Mccann-Erickson (Kenya) Limited	United States	Other business activities	5.6	280
Amiran Kenya Limited	United Kingdom	Wholesale trade	2.2	1 920
Hotel Inter-Continental Nairobi	United Kingdom	Hotels and Restaurants	1.4	..
East African Storage Company Ltd	United Kingdom	Land transport	..	730
Interfreight (Kenya) Limited	Switzerland	Supporting transport activities	..	546
Egl, Inc	United Kingdom	Water Transport	..	530
S G S Kenya Ltd	Switzerland	Public administration	..	500
D.T Dobie & Co. (K) Ltd	France	Automotive trade and repair	..	500
Maersk Logistics Kenya Ltd	Denmark	Supporting transport activities	..	500
Limuru Tea Co Limited	United Kingdom	Forestry and fishing	..	400
Tibbett & Britten Kenya Ltd	Germany	Supporting transport activities	..	350
Caltex Oil (Kenya) Limited	United States	Wholesale trade	..	300
Mackenzie Maritime Ltd	Denmark	Supporting transport activities	..	225
Schindler Ltd	Switzerland	Public administration	..	207
<b>C. Finance and Insurance</b>				
Citi Bank Na Limited	United States	Finance	3.2	..
Stanbic Bank Kenya Limited	South Africa	Finance	1.7	16
British American Insurance Co. (K) Ltd	Mauritius	Insurance	..	550
Barclays Bank Of Kenya Limited	United Kingdom	Finance	..	300
Standard Chartered Bank Kenya	United Kingdom	Finance	..	300
Acro Traders Ltd	France	Finance	..	230
Aon Minet Insurance Brokers Limited	United States	Insurance	..	148
Aon Minet Nyerere	United States	Insurance	..	120
East African Development Bank	Uganda	Finance	..	90
Old Mutual Asset Managers	United Kingdom	Insurance	..	50
Old Mutual Holdings Ltd	United Kingdom	Insurance	..	..
Old Mutual Investment Services (Kenya)	United Kingdom	Insurance	..	..
Old Mutual Life Assurance Company	United Kingdom	Insurance	..	..
UAP Provincial Insurance Company Ltd	United Kingdom	Insurance	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.



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**C. Legal frameworks for transnational corporations**

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Kenya has adopted a number of national, bilateral and multilateral legal instruments to attract and regulate transnational corporations and foreign direct investors. The key legal instruments in the country include:

**I. National framework**

The Partnership Act, Chapter 29; effective on 1 July 1934.

*Source:* Laws of Kenya, vol. II, Chapter 29, 1962.

The Mining Act, Chapter 306; effective on 1 October 1940.

*Source:* Laws of Kenya, vol. IX, Chapter 306.

The Trade Marks Act, cap. 506, No. 51 of 1955, No. 39 of 1956 (revised edition 1962)

*Source:* WIPO (<http://www.wipo.org>).

Trade Marks Rules, L.N. 575/1956, 454/1959 (revised edition 1962), as amended by L.N. Nos. 44 of 1970, 138 of 1971, 131 of 1975, 249 of 1988 and in 1994.

*Source:* WIPO (<http://www.wipo.org>).

The Companies Ordinance No. 50 of 24 November 1959; effective on 15 December 1959.

*Source:* Kenya Gazette Supplement No. 88, Ord. 1959, of 15 December 1959.

Appellations of Origin / Geographical Indications / Indications of Source: The Trade Descriptions Act, cap. 505, No. 27 of 1962 (revised edition 1963).

*Source:* WIPO (<http://www.wipo.org>).

The Foreign Investments Protection Act, No. 35 of 12 December 1964; effective on 15 December 1964.

*Source:* Kenya Gazette Supplement, No. 170, Acts 1964, of 17 December 1964.

Copyright Statute of 24 February 1966; effective on 1 April 1966.

*Source:* Kenya Gazette Supplement, No. 15, Acts 1966, of 1 March 1966.

Trade Marks (Amendment) Acts, Nos. 11 of 1965, 1 of 1984,.

*Source:* WIPO (<http://www.wipo.org>).

Patents and Designs (Convention Countries) Order of 1971 (commencement December 1971).

*Source:* WIPO (<http://www.wipo.org>).

The Income Tax Act, No. 16 of 21 December 1973; effective on 24 December 1973.

*Source:* Kenya Gazette Supplement No. 87, Acts 1973, of 24 December 1973.

The Statute Law (Miscellaneous Amendments) Act, No. 6 of 25 March 1976; effective on 4 June 1976.

*Source:* Kenya Gazette Supplement No. 27, Acts 1976, of 4 June 1976.

Foreign Investments Protection Act Interpretation.6 of 1976, Sch. CHAPTER 518 Revised Edition 1981 (1967).

*Source:* Kenya Law- Sage: <http://www.kenyalaw.com/theForeignInvestmentsProtectionAct.htm>

The Prevention of Fraud (Investments) Act, No. 1 of 1 March 1977; effective on 4 March 1977. *Source:* Kenya Gazette Supplement No. 11, Acts 1977, of 4 March 1977.

The Partnership (Amendments) Act 13 of 8 November 1978; effective on 10 November 1978.

*Source:* Kenya Gazette Supplement No. 70, Acts 1978, of 10 November 1978.

Trade Description Act, Chapter 505; effective on 1 April 1979.

*Source:* Laws of Kenya, vol. XV, Chapter 505.

The Employment Agents Licensing Act, No. 2 of 25 April 1979; effective on 4 May 1979.

*Source:* Kenya Gazette Supplement No. 25, Acts 1979, of 4 May 1979.

Copyright (Amendment) Act No. 5 of 25 May 1982; effective on 28 May 1982.

*Source:* Kenya Gazette Supplement No. 25, Acts 1982, of 28 May 1982.

Investment Promotion Center Act, No. 3 of 22 May 1986; effective since 15 December 1964.

*Source:* Kenya Gazette Supplement No. 30, Acts 1986 of 30 May 1986.

The Finance Act No. 10 of 4 September 1986; effective on 13 June 1986.

*Source:* Kenya Gazette Supplement No. 68, Acts 1986, of 7 September 1986.

Statute Law (Miscellaneous Amendments) Act No. 18 of 23 December 1986. Effective: 30 December 1986.

*Source:* Kenya Gazette Supplement No. 93, Acts 1986, of 30 December of 1986.

The Companies Ordinance (Amendments) Act No. 10 of 30 July 1987; effective on 1 January 1988.

*Source:* Kenya Gazette Supplement No. 55, Acts 1987, of 7 August 1987.

Investment Promotion Center (ammendment) Act No. 22 of 30 December 1987; effective on 31 December 1987.

*Source:* Kenya Gazette Supplement No. 98, Acts 1987 of 3 December 1987.

The Restrictive Trade Practices, Monopolies and Price Control Act, CHAPTER 504, enacted in 1988 and came into force on 1st February 1989, Revised Edition 1990.

*Source:* ([http://www.treasury.go.ke/mon\\_law\\_part1.htm](http://www.treasury.go.ke/mon_law_part1.htm)).

Fisheries Act No. 5 of 1989.

*Source:* FAO: <http://www.fao.org/docrep/V9982E/v9982e2b.htm>

Regulations under Fisheries Act 1989, sect. 23

*Source:* FAO: <http://www.fao.org/docrep/V9982E/v9982e2b.htm>

The Industrial Property Act of 1989, cap. 509 (in force in February 1990).

*Source:* WIPO (<http://www.wipo.org>).

The Industrial Property Act of 1989, cap. 509 (in force in February 1990).

*Source:* WIPO (<http://www.wipo.org>).

The Industrial Property Act of 1989 (sections 43-71), since February 1990.

*Source:* WIPO (<http://www.wipo.org>).

The Industrial Property Act of 1989 (in force in February 1990) (to be amended), as above, under Patents.

*Source:* WIPO (<http://www.wipo.org>).

Statute Law No. 7 of 1990 and as last amended 1994.

*Source:* WIPO (<http://www.wipo.org>).

Export Processing Zones Act of 1990, Parliament Act of 7 June 1990. Completed by Administrative Rules of Export Processing Zones of 1990.

*Source:* The Industrial and Promotion Advisory Center, P.O.Box 30007 Nairobi, 1992.

Legal Notice No. 227 on Exemptions on the EPZ Act 1990.

*Source:* The Industrial and Promotion Advisory Center, P.O.Box 30007 Nairobi, 1992.

Legal Notice No. 228 on the EPZ Regulations of 1991.

*Source:* The Industrial and Promotion Advisory Center, P.O.Box 30007 Nairobi, 1992.

Legal Notice No. 234 on Customs and Excise (Amendment) Regulations of 1991.

*Source:* The Industrial and Promotion Advisory Center, P.O.Box 30007 Nairobi, 1992.

The Industrial Property Regulations of 1993.

*Source:* WIPO (<http://www.wipo.org>).

Exchange Control (Repeal) Act of 1995

*Source:* The Economist Intelligence Unit: <http://www.viewswire.com>

Copyright Act cap. 130 of the Laws of Kenya as last amended by the Copyright (Amendment) Act, October 1995.

*Source:* WIPO (<http://www.wipo.org>).

Central Bank (Amendment) Act of 1995, effective 27 December 27 1995.

*Source:* The Economist Intelligence Unit: <http://www.viewswire.com>

Finance Act 1997

*Source:* The Economist Intelligence Unit: <http://www.viewswire.com>.

Kenya Communications Act (No. 2 of 1998)

*Source:* Communications Commission of Kenya, <http://www.cck.go.ke/lgislation/legis.html>

Industrial Property Act of July 2001, not yet in force.

*Source:* WIPO (<http://www.wipo.org>).

Companies Act (Cap. 486) of 1959.

*Source:* Communications Commission of Kenya, <http://www.cck.go.ke/lgislation/legis.html>

Central Bank of Kenya Act (CAP) 491 of 1966.

*Source:* Central Bank of Kenya: <http://www.centralbank.go.ke/>

The Banking Act of 1994.

*Source:* Central Bank of Kenya: <http://www.centralbank.go.ke/>

Copyright law 2001.

*Source:* The Economist Intelligence Unit: <http://www.viewswire.com>

Capital Markets (Foreign Investors) Regulations, 2002.

*Source:* The Economist Intelligence Unit: <http://www.viewswire.com>

Corruption Control Bill, May 2002.

*Source:* The Economist Intelligence Unit: <http://www.viewswire.com>

Public Officer Ethics Bill, May 2002.

*Source:* The Economist Intelligence Unit: <http://www.viewswire.com>

## II. International Framework

### A. Kenya is a party to the following multilateral and regional instruments:

Paris Convention for the Protection of Industrial Property of 20 March 1883, as amended and revised.

Convention on the Settlement of Investment Disputes between States and Nationals of Other States of 18 March 1965. Entered into force on 14 October 1966.

Convention Establishing the Multilateral Investment Guarantee Agency of 11 October 1985. Entered into force on 12 April 1988.

Fourth ACP-EEC Convention signed at Lomé on 15 December 1989, Official Journal L 229, 17/08/1991 p. 0003 - 0280

Charter on a Regime of Multinational Industrial Enterprises (MIEs) in the Preferential Trade Area for Eastern and Southern African States (PTA), signed on 21 November 1990, entered into force August 1995.  
*Source:* Preferential Trade Area for Eastern and Southern African States: Report of the Sixteenth Meeting of the Council of Ministers, 17-19 november, 1990, Mbabane, Swaziland (PTA/CM/XVI/2)

Treaty Establishing the Market for Eastern and Southern Africa (COMESA), 1993.

The Agreement on Trade-Related Aspects of Intellectual Property Rights, signed on 15 April 1994; in force on 1 January 1995.

The General Agreement on Trade in Services, signed on 15 April 1994; in force on 1 January 1995.

The Fourth Protocol to the General Agreement on Trade in Services of 15 February 1997.

The Fifth Protocol to the General Agreement on Trade in Services of 12 December 1997.

Treaty for the Establishment of the East African Community, 30 November 1999.

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2. **Bilateral treaties for the avoidance of double taxation:** Zambia 1968, Denmark 1972, Norway 1972, Sweden 1973, United Kingdom 1973, Germany 1977, Italy 1979 and 1997, Canada 1983, India 1985, France 1996..

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## Lesotho

### A. Definitions and sources of data

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The Central Bank of Lesotho is the only agency that collects data on foreign direct investment (FDI) in the country. The Central Bank defines FDI in line with the fourth edition of the balance-of-payment manuals published by the International Monetary Fund (IMF). The IMF also provides data on FDI in Lesotho in its balance-of-payment statistics.

Lesotho adheres to a strong commitment to private investment and is generally welcoming to FDI, especially in export manufacturing; labour-intensive manufacturing and import substitution activities. In 2006, the Government cut the standard rate of company tax from 35% to 25%, while the concession rate for manufacturing was cut from 15% to 10% and, provided that they held a tax clearance certificate from the Lesotho Revenue Authority, no tax would be levied on companies' exports of manufactured goods outside the Southern African Customs Union SACU. Additional sectors have been opened to FDI as steady progress is made in privatizing State-owned enterprises. Lesotho has neither foreign investment law nor foreign ownership restrictions in the sectoral licensing laws. There is no performance requirements imposed solely on foreign investors. But there are foreign investment restrictions in licensing of consumer services and in a de-facto form of FDI screening for small-scale manufacturing.

FDI entry restrictions in business and consumer services were introduced in 1999 into Lesotho's trade licensing system. Trading licenses are required for a wide range of services. FDI is not permitted in designated services that require a reserved trading license. No foreign ownership of any level or even board directorship by a non-citizen is permitted in reserved trading license businesses. All manufacturing businesses employing over 10 people or utilizing machinery of more than 25 horsepower require an industry license. Lesotho has a standard and good practice of treatment and protection of foreign investors. The country has some bilateral investment treaties (BITs). The specific standard of treatment and protection afforded to foreign investors are: national treatment, non-discrimination, funds transfer, expropriation and dispute settlement.

Lesotho signed to the Convention on the Settlement of Investment Disputes between State and Nationals of other States on 19 September 1995. Lesotho is a member of a Common Monetary Area through a trilateral Agreement with South Africa, Swaziland and recently Namibia. There are no restrictions on imports from members of SACU - Botswana, Namibia, South Africa and Swaziland. Licensing of imports from outside SACU is similar to that of the Republic of South Africa. There are no controls on exports, except for diamonds for which a license is required. Lesotho is a member of the African Union, New Partnership for Africa's Development and the Southern Africa Development Community. Lesotho is also eligible for the market access initiative for African countries by the United States - the African Growth and Opportunity Act, European Union (EU) led Everything But Arms (EBA) and the Cotonou Agreement for renegotiating the trade links between the African, Caribbean and Pacific countries with the EU. It is a member of the Multilateral Investment Guarantee Agency and the World Trade Organization.



## B. Statistics on FDI and the operations of TNCs

**Table 1. Summary of FDI**  
(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2003-2006 (annual average)	52.4	0.0
2. FDI flows as a percentage of GFCF, 2003-2006 (annual average)	10.0	0.0
3. FDI stocks, 2006	594	2
4. FDI stocks as a percentage of GDP, 2006	36.4	0.1

Source: Based on tables 3a and 4a and UNCTAD, FDI/TNC database.

**Table 3. FDI flows, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	4.5	..	..	..	..
1981	..	..	..	4.8	..	..	..	..
1982	..	..	..	3.0	..	..	..	..
1983	..	..	..	4.8	..	..	..	..
1984	..	..	..	2.3	..	..	..	..
1985	..	..	..	4.8	..	..	..	..
1986	..	..	..	2.0	..	..	..	..
1987	..	..	..	5.6	..	..	..	..
1988	..	..	..	20.6	..	..	..	0.1
1989	..	..	..	13.3	..	..	..	..
1990	..	..	..	16.1	..	..	..	..
1991	..	..	..	7.2	..	..	..	..
1992	..	..	..	7.6	..	..	..	..
1993	..	..	..	15.3	..	..	..	..
1994	..	..	..	42.6	..	..	..	..
1995	..	..	..	23.4	..	..	..	..
1996	..	..	..	28.0	..	..	..	..
1997	..	..	..	31.7	..	..	..	1.9
1998	..	..	..	26.8	..	..	..	..
1999	..	..	..	32.7	..	..	..	..
2000	..	..	..	31.5	..	..	..	..
2001	..	..	..	28.2	..	..	..	..
2002	..	..	..	26.9	..	..	..	0.1
2003	..	..	..	41.9	..	..	..	0.0
2004	..	..	..	53.3	..	..	..	0.1
2005	..	..	..	57.3	..	..	..	..
2006	..	..	..	57.0	..	..	..	..

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inflows are from the IMF for 1980-1981 and the Central Bank of Lesotho thereafter. Investment in the Lesotho Highland Water Project is excluded from its FDI statistics as they are not considered as foreign investment by UNCTAD. Investment in this project is reported as "other capital" by the Central Bank of Lesotho and the IMF. Outflows are from the IMF for 1988; thereafter, proxy data are used based on investments reported by France for 1997, and the Central Bank of Lesotho for 2002-2004.

**Table 4. FDI stocks, by type of investment, 1980-2006**  
(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Other	Total	Equity	Reinvested earnings	Other	Total
1980	..	..	..	5.2	..	..	..	..
1981	..	..	..	9.9	..	..	..	..
1982	..	..	..	13.0	..	..	..	..
1983	..	..	..	17.8	..	..	..	..
1984	..	..	..	20.1	..	..	..	..
1985	..	..	..	24.9	..	..	..	..
1986	..	..	..	26.9	..	..	..	..
1987	..	..	..	32.6	..	..	..	..
1988	..	..	..	53.2	..	..	..	0.1
1989	..	..	..	66.5	..	..	..	0.1
1990	..	..	..	82.6	..	..	..	0.1
1991	..	..	..	89.9	..	..	..	0.1
1992	..	..	..	97.5	..	..	..	0.1
1993	..	..	..	112.9	..	..	..	0.1
1994	..	..	..	155.4	..	..	..	0.1
1995	..	..	..	178.8	..	..	..	0.1
1996	..	..	..	206.9	..	..	..	0.1
1997	..	..	..	238.6	..	..	..	1.9
1998	..	..	..	265.4	..	..	..	1.9
1999	..	..	..	298.1	..	..	..	1.9
2000	..	..	..	329.6	..	..	..	1.9
2001	..	..	..	357.8	..	..	..	1.9
2002	..	..	..	384.7	..	..	..	2.0
2003	..	..	..	426.6	..	..	..	2.1
2004	..	..	..	479.9	..	..	..	2.2
2005	..	..	..	537.2	..	..	..	2.2
2006	..	..	..	594.2	..	..	..	2.2

Source: UNCTAD, FDI/TNC database ([www.unctad.org/statistics](http://www.unctad.org/statistics)).

Notes: Data on inward stock are estimated by accumulating inflows since 1977. Outward stock are estimated by accumulating inflows since 1988.

**Table 6. FDI flows in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	..	-	..	..	..	..	..	..	..	0.0	0.6	..
France	..	0.8	..	..	..	..	..	..	..	-	-	..
Germany	..	-	..	..	..	..	..	..	..	-2.5	-	..

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Table 12. FDI stocks in the host economy, by geographical origin, 1995-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
China	-	-	-	-	-	-	-	-	0.2	0.0	0.6	-
South Africa	-	-	-	-	-	-	15.5	18.8	30.7	45.5	35.9	34.3
United States	1.0	1.0	1.0	1.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by the economies listed above.

**Table 15. FDI stocks abroad, by geographical destination, 1994-2006**  
(Millions of dollars)

Economy	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
South Africa	-	-	-	-	-	2.5	4.3	8.1	11.1	13.1	11.9	10.8

Source: UNCTAD, FDI / TNC database.

Note: Data is based on the information reported by South Africa.

**Tables 23, 30, 45 and 50. The number, assets, sales and value added of affiliates of United States TNCs in Lesotho, 1995-2006**  
(Number and millions of dollars)

Table no./Variable	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
23. Number	1	1	1	1	..	..	..	..	..	1	..	..
30. Assets	3	3	3	3	..	3	3	4	4	..	..	..
45. Sales	..	8	8	7	..	7	8	8	9	..	..	..
50. Value added <sup>a</sup>	1	1	1	1	..	..	..	..	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Data refer to majority-owned affiliates only.

**Table 87. Largest affiliates of home-based TNCs, 2007**  
(Millions of dollars and number)

Company Name	Host Economy	Industry	Sales	Employees
<b>A. Industrial</b>				
..	..	..	..	..
<b>B. Tertiary</b>				
Fast N Fresh Transport (Pty) Ltd	South Africa	Land transport	..	400
Imperial Cargo (Pty) Ltd	South Africa	Land transport	6 773	..
<b>C. Finance and insurance</b>				
..	..	..	<b>Assets</b>	<b>Employees</b>
..	..	..	..	..

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2007**  
(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
<b>A. Industrial</b>				
Astoria Bakery (Pty) Ltd	South Africa	Food, beverages and tobacco	..	159
<b>B. Tertiary</b>				
Standard Bank Lesotho Ltd	South Africa	Public administration	1 282	..
Vodacom Lesotho Proprietary Limited	South Africa	Telecommunications	..	55
Maseru Business Machines	United States	Public administration	..	..
Maseru Cash & Carry (Inc In Lesotho)	South Africa	Wholesale trade	..	..
Lesotho Oxygen Company (Pty) Ltd	Germany	Public administration	..	..
Letseng Diamonds (Pty) Ltd	South Africa	Public administration	..	..
<b>C. Finance and Insurance</b>				
Lesotho Bank	South Africa	Finance	143	..
Nedbank	United Kingdom	Finance	67	137

Source: Who Owns Whom database (<https://solutions.dnb.com/wow>), retrieved January 2008.

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**C. Legal frameworks for transnational corporations**

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Lesotho has adopted a number of national, bilateral and multilateral legal instruments to regulate the activities of transnational corporations and foreign direct investors. The key instruments applicable in the country include:

**I. National framework**

Merchandise Marks Regulations, High Commissioner's Notice No. 83, April 1937.

*Source:* WIPO (<http://www.wipo.org>).

Lesotho National Development Corporation Act No. 20 of 1967: effective on 2 June 1967.

*Source:* International Center for Settlement of Investment Disputes (ICSID), *Investment Laws of the World*, August 1981, (1), p. 5.

The Employment Act No. 22 of 1967; effective on upon notification in the Official Gazette.

*Source:* Lesotho Government Gazette, Lesotho Government Gazette, No.20 of 1967, Supplement (reprinted in August 1971).

Companies Act No. 25 of 1967; effective on 3 July 1967.

*Source:* Lesotho Government Gazette, vol. XII of 1967, p. 169. Amendment: Companies Act 1984; effective on 1 March 1985. *Source:* Lesotho Government Gazette, vol. XXIX, No. 35 of 1984, p. 132.

Pioneer Industries Encouragement Act No. 19 of 1969; effective on 1 July 1969.

*Source:* Lesotho Government Gazette, vol. X:V, No, 19 of 1964, p. 62.

Pioneer Industries Encouragement Regulations 1969 (Legal Notice No. 21 of 1969); effective on 18 July 1969.

*Source:* Lesotho Government Gazette, No.35 of 1969, p. 301.

The Industrial Licensing Act 1969; effective on upon notification in the Official Gazette.

*Source:* Lesotho Government Gazette, vol. XIV, No. 27 of 1969, p. 110.

Industrial Licensing Regulations 1969 (Legal Notice No. 22 of 1969); effective on 18 July 1969. *Source:* Lesotho Government Gazette, No. 35 of 1969, p. 304.

Regulation of Wages and Conditions of Employment Act No. 35 of 1969; effective on 14 November 1969.

*Source:* Lesotho Government Gazette, No. 53 of 1969.

Employment (Amendment) Act No. 14 of 1977; effective on 14 October 1977

*Source:* Lesotho Government Gazette, vol. XXII of 1977, p. 49.

Wages and Conditions of Employment Order, 1978 (Legal Notice No. 5 of 1978); effective on 1 April 1978.

*Source:* Lesotho Government Gazette, No. 12 of 31 March 1978, Supplement No. I.

Lesotho National Development Corporations (Amendment) Act No. 18 of 1978. Effective: upon promulgation

*Source:* Lesotho Government Gazette, No. 44 of 1 December 1978, Supplement No. I.

The Industrial Licensing (Amendment) Act No. 15 of 1979; effective on 23 November 1979.

*Source:* Lesotho Government Gazette, No. 39 of 23 November 1979, Supplement No. 2.

Workmen's Compensation Regulations, 1980 (Legal Notice No. 5 of 1981).

*Source:* Lesotho Government Gazette, No. 4 of 23 January 1981, Supplement No. 11.

Income Tax Act No. 7 of 1981; effective on 1 April 1981.

*Source:* Lesotho Government Gazette, No. 38 of 16 October 1981, Supplement No. 1.

Income Tax (Amendment) Act No. 3 (Order No. 30 of 1986); effective (Section 8) on 1 April 1981; remainder: 1 April 1986.

*Source:* Lesotho Government Gazette, No. 13 of 13 March 1986, Supplement No. 1.

Pioneer Industries Encouragement (Amendment) Order 1987; effective on 9 June 1987.

*Source:* Lesotho Government Gazette (Extraordinary), vol. XXXII, No. 25 of 9 June 1987, p. 168,

Trading Enterprises Order No. 10 of 1987; effective on 24 October 1987.

*Source:* Lesotho Government Gazette, No. 47 of 23 October 1987, Supplement No. 1.

Amendment: Trading Enterprises, Order No. 22 of 1988; effective on 21 October 1988.

*Source:* Lesotho Government Gazette, No. 74 of 21 October 1988, Supplement No. 1.

Trading Enterprises Regulations No. 30 of 1988; effective on 13 February 1988.

*Source:* Lesotho Government Gazette, No. 8 of 12 February 1988, Supplement No. 5.

Industrial Property Order No. 5, May 1989: Part II: Patents (sections 3 to 16, in force in May 1989) (F) IP/PI, May 1990.

Industrial Property Order No. 5 of 1989: Part III: Utility Model Certificates (sections 17 to 19) (in force in May 1989) (F) IP/PI, May 1990.

*Source:* WIPO (<http://www.wipo.org>).

Industrial Property Order No. 5 of 1989: Part III: Industrial Designs (sections 20 to 25) (in force on May 1989) (F) IP/PI, May 1990.

*Source:* WIPO (<http://www.wipo.org>).

Copyright Order No. 13, May 1989.

*Source:* WIPO (<http://www.wipo.org>).

Industrial Property Order No. 5, May 1989: Part V: Marks, Collective Marks and Trade Names (sections 26 to 33) (in force on May 1989) (F) IP/PI May 1990.

*Source:* WIPO (<http://www.wipo.org>).

Industrial Property Order No. 5 of 1989: Part VI: Acts of Unfair Competition (section 34) (in force in May 1989) (F) IP/PI, May 1990.

*Source:* WIPO (<http://www.wipo.org>).

Wages and Conditions of Employment (Amendment of Schedule) Order, 1989 (Legal Notice No. 54 of 1989); effective on 1 April 1989.

*Source:* Lesotho Government Gazette, Extraordinary, No. 19 of 2 March 1989, p. 143.

Industrial Property Order (Commencement) Notice, Legal Notice No. 84, May 1989.

*Source:* WIPO (<http://www.wipo.org>).

Rectification of Errors Orders L.N. Nos. 137 and 138, August 1989.

*Source:* WIPO (<http://www.wipo.org>).

Industrial Property Regulations, Legal Notice No. 85, May 1989(in force in January 1990) (F) IP/PI, May 1990.

Source: WIPO (<http://www.wipo.org>).

Industrial Property Regulations (Commencement) Notice, Legal Notice No. 1, January 1990.

Source: WIPO (<http://www.wipo.org>).

Industrial Property (Amendment) Order No. 22, April 1993.

Source: WIPO (<http://www.wipo.org>).

Industrial Property Amendment Act of 1995.

Source: WIPO (<http://www.wipo.org>).

Industrial Property Amendment Act 1997, June 1997, Sections 3 and 4 came into force in April 1998.

Source: WIPO (<http://www.wipo.org>).

Monopoly extended, 2006

Source: [www.eiu.com](http://www.eiu.com) EIU Country report Main report April 2006

## II. International Framework

### A. Lesotho is a party to the following multilateral and regional instruments:

Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958, which entered into force on 7th June 1959.

Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965. Entered into force on 14 October 1966

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

Charter on a Regime of Multinational Industrial Enterprises (MIEs) in the Preferential Trade Area for Eastern and Southern African States (PTA), signed on 21 November 1990, entered into force August 1995.

Source: Preferential Trade Area for Eastern and Southern African States: Report of the Sixteenth Meeting of the Council of Ministers, 17-19 november, 1990, Mbabane, Swaziland (PTA/CM/XVI/2)

Southern Africa Development Community (SADC), signed on 17 August, 1992.

Source: [http://www.sadc.int/about\\_sadc/history.php](http://www.sadc.int/about_sadc/history.php).

Treaty Establishing the Market for Eastern and Southern Africa (COMESA), 1993.

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Marrakesh Agreement Establishing the World Trade Organisation of 15 April 1994. Entered into force on 1 January 1995.

Agreement on Trade-Related Investment Measures.

General Agreement on Trade in Services.

Agreement on Trade Related Aspects of Intellectual Property Rights.

Partnership Agreement between the Members of The African, Caribbean and Pacific Group of States, of the one part and the European Community and its member states, of the other part signed in Cotonou, Benin on 23 June 2000.

**B. Bilateral treaties**

**1. Bilateral investment treaties for the protection and promotion of investments:** United Kingdom 1981, Germany 1982, Switzerland 2004.

**2. Bilateral treaties for the avoidance of double taxation:** South Africa 1995, Mauritius 1997, United Kingdom 1997.



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**D. Sources of information**

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