UNCTAD/ITE/IIT/Misc. 15

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

FOREIGN DIRECT INVESTMENT IN AFRICA: Performance and Potential

UNITED NATIONS
New York and Geneva, 1999

Note

The United Nations Conference on Trade and Development (UNCTAD) serves as the focal point within the United Nations Secretariat for all matters related to foreign direct investment and transnational corporations. In the past, the Programme on Transnational Corporations was carried out by the United Nations Centre on Transnational Corporations (1975–1992) and the Transnational Corporations and Management Division of the United Nations Department of Economic and Social Development (1992–1993). In 1993, the Programme was transferred to UNCTAD. UNCTAD seeks to further the understanding of the nature of transnational corporations and their contribution to development and to create an enabling environment for international investment and enterprise development. UNCTAD's work is carried out through intergovernmental deliberations, technical assistance activities, seminars, workshops and conferences.

The term "country" as used in this study also refers, as appropriate, to territories or areas; the designations employed and the presentation of the material do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. In addition, the designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgement about the stage of development reached by a particular country or area in the development process.

The following symbols have been used in the tables:

Two dots (..) indicate that data are not available or are not separately reported. Rows in tables have been omitted in those cases where no data are available for any of the elements in the row;

A hyphen (-) indicates that the item is equal to zero or its value is negligible;

A blank in a table indicates that the item is not applicable;

A slash (/) between dates representing years (e.g. 1996/97) indicates a financial year;

Use of a dash (–) between dates representing years (e.g. 1996–1998), signifies the full period involved, including the beginning and end years.

References to "dollars" ($) are to United States dollars, unless otherwise indicated.

Annual rates of growth or change, unless otherwise stated, refer to annual compound rates.

Details and percentages in tables do not necessarily add to totals because of rounding.

The material contained in this study may be freely quoted with appropriate acknowledgement.

UNCTAD/ITE/IIT/Misc. 15

Foreword

For many people in other parts of the world, the mention of Africa evokes images of civil unrest, war, poverty, disease, and mounting social problems. Unfortunately, these images are not just fiction. They reflect the dire reality in some African countries – though certainly not in all.

At the turn of the millennium, African countries – together with the United Nations and the whole international community – still face great challenges in their efforts to promote peace, economic prosperity and sustainable development for Africa's people.

The main impetus for improving political, social and economic conditions must come from Africans themselves. Even so, the international community has a vital role to play. The United Nations, for its part – as I stressed in my report to the Security Council last year – sees Africa as one of its top priorities. Together with other international institutions, the Organization has committed itself in various ways to assisting the efforts of African countries to attain peace and economic stability, reduce poverty and solve other persistent social problems.

We are determined to help Africa to develop and to play its full part in the global economy. To achieve this, it is essential to mobilize private capital flows as well as to reverse the shameful decline in official development aid. We are particularly concerned to help promote investment – domestic as well as foreign – as a means of strengthening the supply side of the African economy. This booklet and the fact sheet that comes with it are an important contribution to that effort. They should help to spread the word, among foreign investors especially, that the opportunities Africa has to offer deserve a much closer look.

Kofi Annan
Secretary-General of the United Nations

New York, June 1999

Preface

Many African countries have already done much to create a more business-friendly environment to promote local investment as well as foreign direct investment, and many have made impressive progress towards political and economic stability. In their efforts to revive economic activity they have scaled down bureaucratic obstacles and interventions in their economies, embarked on privatization programmes and are putting in place pro-active investment measures. These efforts -- helped by other factors such as high commodity prices -- have borne fruit in recent years, leading to a turnaround after a long period of economic contraction, in many countries. As a result, for the first time since the early 1980s, per capita gross domestic product of the continent as a whole has grown considerably for a number of consecutive years since 1994. Some countries that not so long ago were being torn apart by civil unrest or war have recovered and are growing again, although this growth has to be nurtured, given recent developments in the world economy.

Foreign direct investment in Africa -- which can make an important contribution to the economic development of the continent -- has increased only modestly in recent years, as the image of Africa among many foreign investors still tends to be one of a continent associated mainly with political turmoil, economic instability, diseases and natural disasters. However, although these problems persist in some African countries and although they are a serious impediment to the development of these countries, little attempt is often made to differentiate between the individual situations of more than 50 countries of the continent.

As a result, many African countries are not even listed for consideration by transnational corporations – let alone make it onto the “short list”– when it comes to locational decisions for FDI, despite offering a number of attractions to foreign investors.

On close examination, however, one finds that a number of “frontrunners” have emerged who have attracted above-average amounts of FDI -- even by the standards of developing countries as a whole -- not only in traditional sectors, such as mining and petroleum, but also in manufacturing and service industries. Most importantly, from the viewpoint of foreign companies, investment in Africa seems to be highly profitable, more profitable indeed than in most other regions.

This booklet is intended to give a more balanced image of Africa and to send a clear message to foreign investors: *"Treat Africa like any other continent or region: do not simply write it off, but have a differentiated look. Look at it closely, country by country, industry by industry, and opportunity by opportunity. Your competitor may well be there already."*

This message needs to get out to as many direct investors as possible. For that purpose, the United Nations Conference on Trade and Development and the International Chamber of Commerce, in cooperation with the Special Unit Technical Cooperation among Developing Countries' of the United Nations Development Programme and the 'Promote Africa' Programme of the Multilateral Investment Guarantee Agency, have produced a fact sheet summarizing this booklet's major findings. This fact sheet will be sent to corporate executives of transnational corporations, from developed and developing countries, involved in locational decisions in their companies, and it will be otherwise disseminated widely.

This booklet is one step, but nevertheless an important one, to help change the image of Africa and to put the continent back on the investment-location map of transnational corporations.

Rubens Ricupero
Secretary-General of UNCTAD

Geneva, June 1999

Acknowledgements

This booklet was prepared by Ludger Odenthal and Zbigniew Zimny, under the direction of Karl P. Sauvant. Specific inputs were received by Georg Kell. Principal research assistance was provided by Mohamed Chiraz Baly. Assistance was also received from Ozavize Lawani and Alain-Christian Pandzou. Secretarial assistance was provided by Bartolomeo D'Addario, Florence Hudry and Jennifer Tacardon. The booklet was desktop-published by Teresita Sabico. It benefited from comments by Masataka Fujita, Vishwas Govitrikar, Khalil Hamdani, Padma Mallampally, Anne Miroux, Fiorina Mugione, Lynn K. Mytelka and Sheila Page.

For further information, please contact:

Ludger Odenthal (tel: 41 22 907 6325;
e-mail: ludger.odenthal@unctad.org),

Zbigniew Zimny (tel: 41 22 907 4643;
e-mail: zbigniew.zimny@unctad.org) or

Mohamed Chiraz Baly (tel: 41 22 907 5697;
e-mail: mohamed.chiraz.baly@unctad.org)

at the International Investment, Transnationals and Technology Branch, Division on Investment, Technology and Enterprise Development, UNCTAD (fax: 41 22 907 0194). This booklet and -- the fact sheet that is based on it -- are also available on the internet at http://WWW.UNCTAD.org.

Executive summary

Foreign direct investment (FDI) is welcomed and, indeed, actively sought by virtually all African countries. The contribution that FDI can make to their economic development and integration into the world economy is widely recognized. For this reason, African countries have made considerable efforts over the past decade to improve their investment climate. They have liberalized their investment regulations and have offered incentives to foreign investors. More importantly, the economic performance of the region had substantially improved from the mid-1990s.

However, the expected surge of FDI into Africa as a whole has not occurred. Too often, potential investors discount the African continent as a location for investment because a negative image of the region as a whole conceals the complex diversity of economic performance and the existence of investment opportunities in individual countries.

While the problems many African countries face are widely known and dominate the perceptions of the continent as a whole, there are a number of positive aspects that, although highly relevant for foreign investors, are little known. Most African countries have substantially improved their FDI framework, and a number of them have already attracted significant amounts of FDI, in absolute or relative terms, or both, from an increasing number of home countries, including developing countries. In addition, FDI in Africa is no longer concentrated in the traditional natural resources sector, but also manufacturing and services industries have received considerable amounts of FDI in recent years. It has proven to be highly profitable and fairly consistently so over time. Direct investors need therefore to differentiate. They need to look at Africa country by country, sector by sector, and opportunity by opportunity. As in other continents, there are profitable investment opportunities to be found.

Contents

Page

Boxes

Page

Figures

Tables

Page

Annex tables

Although it is true that the overall economic performance in Africa was unfavourable for a long time...

The image of Africa as a location for foreign direct investment (FDI) has not been favourable. Too often Africa has been associated only with pictures of civil unrest, starvation, deadly diseases and economic disorder, and this has given many investors a negative picture of Africa as a whole. While this picture is not based on fiction, and in some countries these unfortunate conditions prevail, it is not a true picture of the majority of African countries.

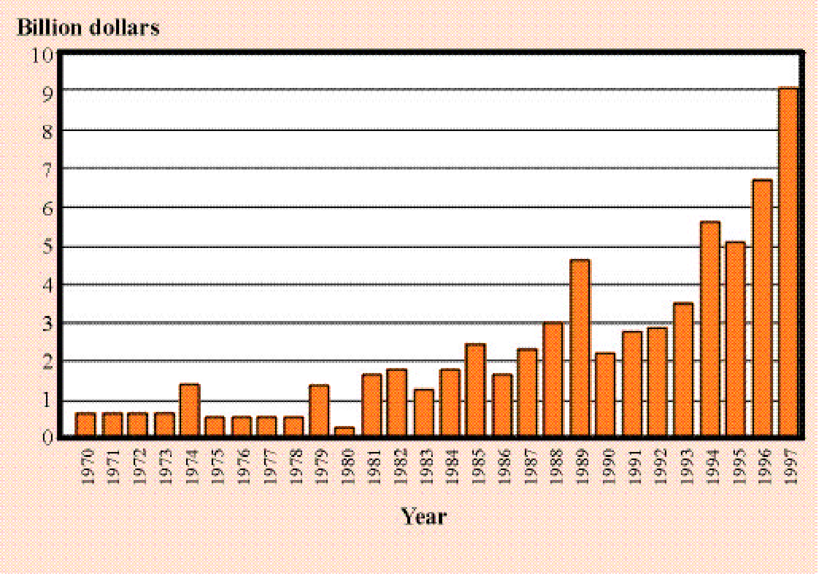
In the economic area, the continent as a whole has not fared as well as other developing regions in the past 20 years or so. Economic growth in Africa has been low, as real gross domestic product (GDP) per capita increased by an average of only 1.5 per cent a year during the 1980s and by 0.4 per cent a year between 1990 and 1994 (UNCTAD, 1997a, p. 288).[1] Growth for the whole of Africa has lagged behind that for other developing regions, with economic stagnation or even decline of output characterizing the experience of a number of African countries; from 1990 to 1994, for example, 15 African countries had negative average rates of growth. Since, 1994, however, this trend has been reversed; per capita income rose for several consecutive years, including in sub-Saharan Africa.[2]

...and Africa did not benefit from the FDI boom that began in the mid-1980s, ...

Weak economic performance over a long period of time was also reflected in the poor record of the continent as regards foreign direct investment inflows. Despite a certain stabilization of inflows since 1994 at a higher level than at the beginning of the 1990s (figure 1), the continent is still struggling to make up for the ground it lost during much of the 1970s and the 1980s.

Figure 1. FDI flows into Africa, 1970–1997

(Billions of dollars)



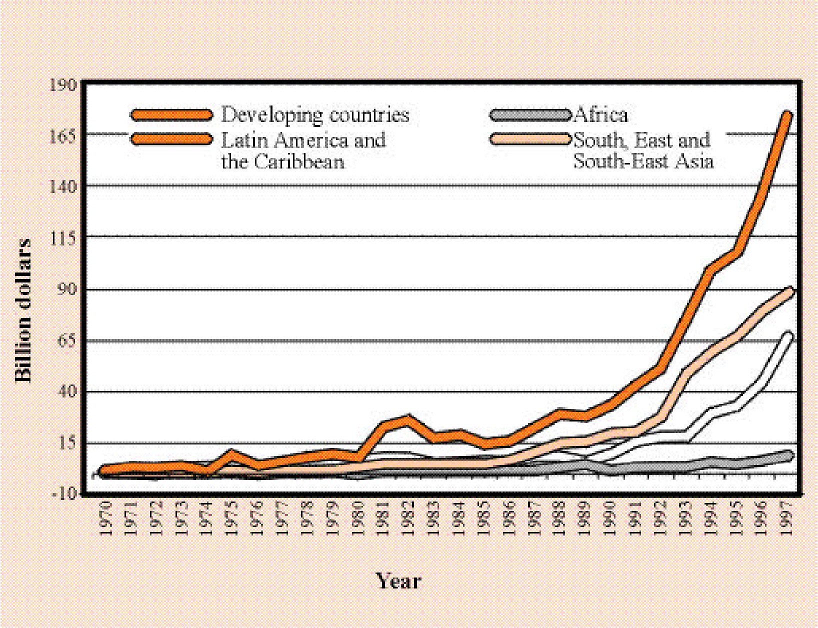
Source: UNCTAD, FDI/TNC database.

For most of the time since 1970, FDI inflows into Africa have increased only modestly (figure 2), from an annual average of almost $1.9 billion in 1983–1987 to $3.1 billion in 1988–1992 and $6.0 billion in 1993–1997.[3] While inflows to developing countries as a group almost quadrupled, from less than $20 billion in 1981–1985 to an average of $75 billion in the years 1991–1995, inflows into Africa only two folded during that period. As a result, Africa's share in total inflows to developing countries dropped significantly (figure 3): from more than 11 per cent in 1976–1980 to 9 per cent in 1981–1985, 5 per cent in 1991–1995 and to 4 per cent in 1996-1997.[4] Its share in total outflows from the European Union, Japan and the United States – the so-called "Triad", the most important source regions for FDI flows -- was even lower during 1987–1997 period (annex table 1) as other developing regions became more attractive as investment locations: until 1996 it never exceeded 2 per cent, increasing to 2.4 per cent in 1997.

The deterioration of Africa's position is also reflected in the ratio of FDI to GDP. In 1970, Africa had attracted more FDI per $1,000 of GDP than developing countries in Asia and Latin America and the Caribbean (table 1). Although both the value of its FDI inflows and the FDI/GDP ratio grew for most of the time between 1975 and 1997, by 1990, Africa had fallen behind other developing regions and has stayed behind since then.[5] The gap became even more pronounced during the 1990s, when the worldwide surge in FDI flows into developing countries largely bypassed the region.

Figure 2. FDI flows into Africa, developing countries and selected regions, 1970–1997

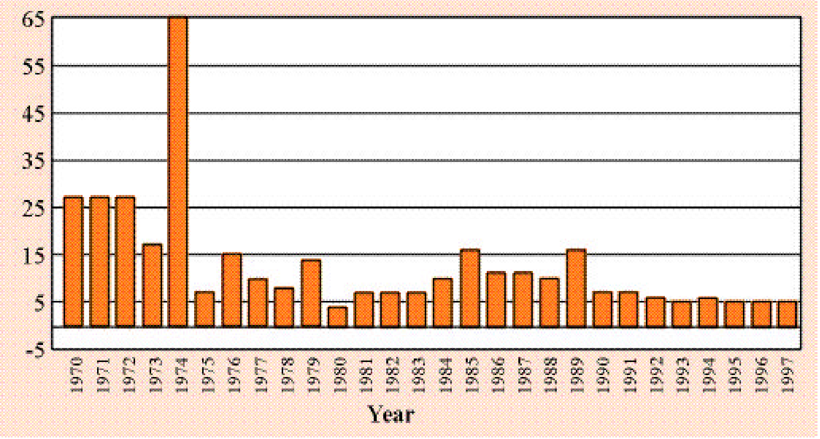
(Billions of dollars)



Source: UNCTAD, FDI/TNC database.

Figure 3. The share of Africa in total FDI flows into developing countries, 1970–1997

(Per cent)



Source: UNCTAD, FDI/TNC database.

Table 1. The relative importance of FDI inflows: Africa, Latin America and the Caribbean, and South, East and South-East Asia, 1970–1997

(FDI in dollars per $1,000 of GDP)

Year	Africa	Latin America and the Caribbean	South, East and South-East Asia
1970	7.9	6.7	2.7
1975	3.1	10.5	4.0
1980	0.8	10.0	4.3
1985	6.0	10.1	4.6
1990	5.1	8.5	12.4
1991	6.5	13.6	12.5
1992	6.6	14.4	14.9
1993	8.1	12.7	23.6
1994	13.2	18.4	25.6
1995	10.9	19.8	24.2
1996	13.6	24.8	25.7
1997	14.7	33.8	28.3

Source: UNCTAD, FDI/TNC database.

...there are a number of positive but little-known facts about Africa, such as the considerable improvement by African countries of their FDI policy frameworks, ...

As much as it is true that some African countries have been characterized by economic depression, military conflicts, unstable political regimes and mounting social and health problems, it is also true that there have been some positive developments in Africa that are highly relevant for foreign direct investors but that are seldom reported and not widely known.

Like any other region in the world, Africa deserves to be looked at in a differentiated way. Too often it is forgotten that Africa is a continent consisting of over 50 countries -- around a quarter of the nation States of the world -- which differ in terms of their political systems, economic and human development and, last but not least, their attractiveness as locations for FDI. There is, then, a need to take a closer and differentiated look at the conditions and opportunities for FDI in Africa.

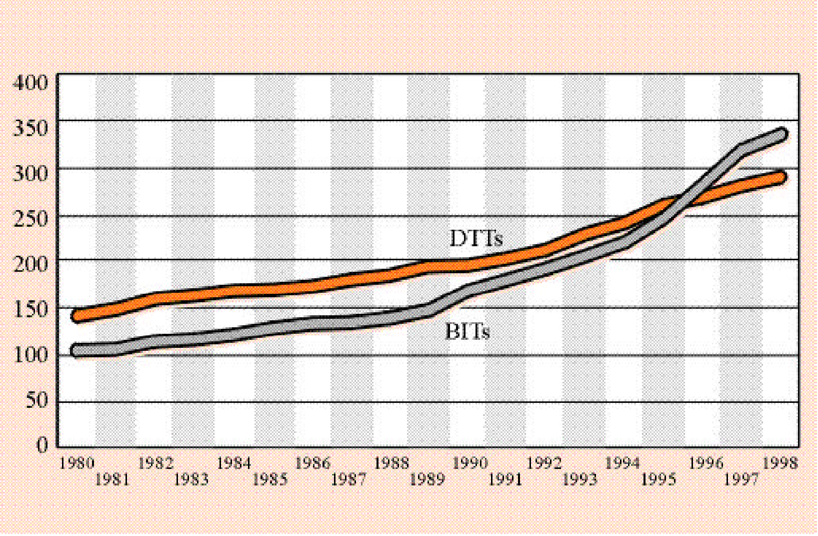
A number of African countries have initiated economic reforms aimed at increasing the role of the private sector, for example by privatizing State-owned enterprises. In addition, they have taken steps to restore and maintain macroeconomic stability through the devaluation of overvalued national currencies and the reduction of inflation rates and budget deficits (UNCTAD, 1998a, p. 124).

As part of these reforms, African countries have also improved their regulatory frameworks for FDI, making them far more open, permitting profit repatriation and providing tax and other incentives to attract investment. For example, 26 of the 32 least developed countries in Africa covered in a 1997 survey had a liberal or relatively liberal regime for the repatriation of dividends and capital (UNCTAD, 1997b). Progress has also been made in other areas that are important for the FDI climate, such as trade liberalization, the strengthening of the rule of law, and improvements in legal and other institutions as well as in telecommunications and transport infrastructure (World Economic Forum, 1998, p. 20).

Improvements in the regulatory framework for FDI have been buttressed in many countries by the conclusion of, or accession to, international agreements dealing with FDI issues. Most African countries (50) had concluded bilateral investment treaties (BITs) with other countries which aim at protecting and promoting FDI and which clarify the terms under which FDI can take place between partner countries. Egypt, for instance, had signed 58 BITs by 1 January 1999 (annex table 2), more than any other developing country (the Republic of Korea had signed 49 and Argentina 44 BITs). As at 1 January 1999, African countries had concluded 335 BITs, the majority of which had been signed since the beginning of the 1990s (figure 4). The treaties contribute to the creation of a more secure environment for foreign investors in the continent.

Figure 4. Bilateral investment treaties and double taxation treaties concluded by African countries, 1980–1998

(Cumulative number of treaties concluded by African countries since 1980)



Source: UNCTAD, FDI/TNC database.

African countries have also accelerated the conclusion of double taxation treaties (DTTs) in the 1990s (figure 4). DTTs can make it more attractive for foreign investors to invest in a country by helping them to avoid paying taxes twice on the same transaction. African DTTs are, however, concentrated in a few countries such as Egypt, Mauritius, South Africa and Tunisia, most of which already have a long track record of receiving considerable amounts of FDI (annex table 3). Nevertheless, other countries that only recently have become attractive destinations for FDI have become more active in this area: Uganda, for instance, concluded four such treaties in 1997 alone, three of which were with neighbouring Kenya, South Africa and the United Republic of Tanzania (Uganda Investment Authority, 1998, p. 6).

Finally, the majority of African countries have signed multilateral agreements dealing with the protection of FDI, such as the Convention establishing the Multilateral Investment Guarantee Agency (MIGA) and the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (table 2).

With all these improvements, the policy framework for FDI of many African countries has become similar to that of most other developing countries. However, realizing that, because of the negative image of Africa as a whole, it may not be sufficient to improve the investment climate and have economic determinants in place to catch investors' attention, many African countries have established investment promotion agencies to change this image as well as to facilitate investment. In the Southern African Development Community (SADC), for example, all 14 member States have established such agencies, seven of which were set up only in the 1990s (Mwinga et al., 1997). Since 1995, investment promotion agencies from 25 African countries have also joined the World Association of Investment Promotion Agencies (WAIPA) in order to benefit from an exchange of information on best practices in investment promotion. Some African agencies, such as the Uganda Investment Authority, are widely respected as successful agencies that adopt state-of-the-art practices in all areas of promotion (Tillett, 1996).

Table 2. FDI framework of African countries: membership in international agreements and institutions concerning FDI, as of 1 January 1999

Year of accession

Country	Convention establishing the Multilateral Investment Guarantee Agency	Convention on the Settlement of Investment Disputes between States and Nationals of other States	Convention on the Recognition and Enforcement of Foreign Arbitral Awards	World Intellectual Property Organisation (WIPO)
Algeria	1996	1996	1989	1975
Angola	1989	-	-	1985
Benin	1994	1966	1974	1975
Botswana	1990	1970	1971	1998
Burkina Faso	1988	1966	1987	1975
Burundi	1998	1969	-	1977
Cameroon	1988	1967	1988	1973
Cape Verde	1993	-	-	1997
Central African Republic	-	1966	1962	1970
Chad	-	1966	-	1963
Comoros	-	1978	-	-
Congo	1991	1966	-	1975
Congo, Democractic Republic of the	1989	1970	-	1975
Côte d'Ivoire	1988	1966	1991	1974
Djibouti	-	-	1983	-
Egypt	1988	1972	1959	1975
Equatorial Guinea	1994	-	-	1997
Eritrea	1996	-	-	1997
Ethiopia	1991	-	-	1998
Gabon	-	1966	-	1975
Gambia, The	1992	1975	-	1980
Ghana	1988	1966	1968	1976
Guinea	1995	1968	1991	1980
Guinea-Bissau	-	-	-	1988

/...

Table 2 (concluded)

Kenya	1988	1967	1989	1971
Lesotho	1988	1969	1989	1986
Liberia	-	1970	-	1989
Libyan Arab Jamahiriya	1993	-	-	1976
Madagascar	1988	1966	1962	1989
Malawi	1988	1966	-	1970
Mali	1992	1978	1994	1982
Mauritania	1992	1966	1997	1976
Mauritius	1990	1969	1996	1976
Morocco	1992	1967	1959	1971
Mozambique	1994	1995	-	1996
Namibia	1990	-	-	1991
Niger	-	1966	1964	1975
Nigeria	1988	1966	1970	1995
Rwanda	-	1979	-	1984
Sao Tome and Principe	-	-	-	1998
Senegal	1988	1967	1994	1970
Seychelles	1992	1978	-	-
Sierra Leone	1996	1966	-	1986
Somalia	-	1968	-	1982
South Africa	1994	-	1976	1975
Sudan	1990	1973	-	1974
Swaziland	199	1971	-	1988
Togo	1988	1967	-	1975
Tunisia	1988	1966	1967	1875
Uganda	1992	1966	1992	1973
United Republic of Tanzania	1992	1992	1964	-
Zambia	1988	1970	-	1977
Zimbabwe	1992	1994	1994	1981
Total	42	42	26	41

Source: UNCTAD, FDI/TNC database.

...investment opportunities discovered by firms in new home countries, ...

Traditionally, most of the FDI in Africa originated in a few countries of Western Europe and in the United States: France, Germany, the United Kingdom and the United States accounted for the lion's share of total inflows from the member countries of the Organisation for Economic Co-operation and Development (OECD) to Africa in 1983–1987 (annex table 4). The situation was similar with regard to FDI stock, with the difference that Japan took the place of Germany. In 1992, four countries accounted for three-quarters of FDI stock (UNCTAD, 1995, p. 32). Although traditional home countries as a group have significantly increased their FDI in Africa since 1983–1987 (annex table 4), these increases have not been sufficient to sustain Africa's share in total FDI flows into developing countries, which, as shown earlier, has fallen. Had it not been for increased inflows from other, non-traditional investor countries, the fall would have been even steeper. It is to be hoped that these new investors, who have recently discovered the investment opportunities the continent has to offer, will become sustainable sources of FDI in Africa.

Within the group of OECD countries, new investors include countries such as Canada, Italy and the Netherlands, and to some extent also Norway, Portugal and Spain. They have emerged as important sources of FDI in Africa over the past 10 years (annex table 4). Between 1988–1992 and 1993–1997, these six countries increased their share in African inflows from some 8 per cent to more than 22 per cent, making up for the declining share of some traditional home countries such as Japan and the United Kingdom. In this connection it is also interesting to note that, in 1983–1987, there were only six countries for which accumulated flows to Africa for that period exceeded $100 million, while nine countries exceeded this amount in 1988–1992 and eleven in 1993–1997.

Investors from other developing-country regions, particularly South-East Asia, have also emerged as new actors on the African FDI screen. Although many of the big investment projects are undertaken in South Africa -- as illustrated by the example of Telekom

Malaysia, which has formed a consortium with SBC International of the United States to invest $1.2 billion in the privatized South African Telkom -- South-East Asian investors have also shown interest in other African countries. Thus, investors from Asia have also contributed to the recent FDI boom in Morocco, with transnational corporations (TNCs) from the Republic of Korea being at the forefront of that development (box 1). While the recent economic turmoil in Asia might have a temporary slowing-down effect on its FDI in Africa, developing countries from that continent, and especially the newly industrialized economies, will remain a new source of inward FDI for Africa in the long run.

Box 1. Morocco: sustained increase in FDI inflows

During the 1990s, broad macroeconomic reforms have created a favourable investment climate in Morocco. The privatization programme and the liberalization of the FDI regime have also contributed to making the country more attractive to foreign investors. As a result, FDI inflows to Morocco increased from an annual average of $231 million in 1988–1992 to an average of $562 million in 1993–1997 (annex table 5); in 1997, they amounted to $1.1 billion. The single largest FDI project has been undertaken by Corral (Sweden), which invested some $380 million in the petroleum sector when buying into the privatized SAMIR corporation. Another $270 million of FDI went into energy, while banking attracted some $178 million of investment.

Prospects for sustained FDI inflows are promising. Recent announcements of large investment projects include a $400 million investment by Daewoo (Republic of Korea) and ABB-CMS' investment of $1.6 billion.

Morocco has established itself as one of the largest recipients of FDI in Africa and it is at the forefront of changing the image of Africa.

/...

(Box 1, concluded)

According to the national investment authority, the success is due to, among other things, improvements in the macroeconomic framework, the establishment of a sound institutional and legal framework for FDI (including the liberalization and simplification of administrative procedures) and the provision of incentives, as well as the modernization of the stock exchange, reforms of the banking sector, the privatization programme and the establishment of export processing zones.

Source: UNCTAD, based on national sources.

Following the example of developing Asia, where FDI from developing countries of the region accounted for a significant share of the rapid growth of inward FDI, some African firms, particularly but not only from South Africa, are becoming TNCs and are investing in other African countries (annex table 6). Although African TNCs remain relatively small in both number and size (their total outward FDI stock was almost $43 billion in 1997, representing 13 per cent of total outward stocks of all developing countries in that year), they have become important regional and subregional players, demonstrating that there are firms in Africa that can compete internationally, not only through trade but also through production in foreign markets. There is a small but growing number of mergers and acquisitions between firms from South Africa and firms from other African countries, leading to the emergence of new TNCs or an increase in the size of existing ones (UNCTAD, 1997c). Among the continent's biggest TNCs are the Anglo American Industrial Corporation Ltd. and Barlow Rand Ltd. (both based in South Africa), Conserverie Chérifiennes, a Moroccan firm in the food business and Consolidated Copper Mines of Zambia (UNCTAD, 1997d).[6]

Box 2. South Africa: an emerging growth pole for southern Africa?

Ever since South Africa emerged from apartheid in 1994, hopes have been high that it could become a "growth pole" for the region, contributing positively through both trade and FDI to the development of its neighbours, especially those associated with it in the Southern African Development Community (SADC). With GDP exceeding $129 billion in 1997, South Africa's economy is about three times larger than the combined GDP of the other 13 SADC member countries: thus, a small increase in South Africa's import demand from its neighbouring countries has a disproportionately large economic impact. Initially, because of South Africa's political and economic isolation during the apartheid era, trade with its neighbours remained modest. However, after 1994, it began to expand rapidly, fuelled by increases in South Africa's demand for primary and intermediate goods and the expansion of its manufactured production. As regards FDI, expectations were that South African TNCs could help growth in these economies through the provision of FDI capital, technology transfer, and contributions to human resource development and to export revenues to these economies. In addition, FDI flows could offset the rising trade deficits of many of South Africa's neighbours and fuel trade further.

Box table. South Africa's FDI stock in selected African countries, 1993–1997

(Millions of dollars)

Country	1993	1994	1995	1996	1997
Botswana	34	38	73	65	60
Lesotho	17	16	42	30	40
Namibia	32	37	204	180	191
Swaziland	26	28	48	48	113
Zimbabwe	35	35	43	30	46
Others	663	746	657	643	860
Total	806	900	1 067	996	1 310

Source: UNCTAD, based on unpublished data provided by the South African Reserve Bank.

Note: FDI stock denominated in South African rand increased much more than in dollars from 1993 to 1997 because of a significant devaluation of the rand against the United States dollar since 1994.

/...

(Box 2, concluded)

So far, little information is available on the actual role of South African TNCs in the development of the region. In terms of capital contribution, South African FDI in southern Africa had already increased significantly before 1994. Most of these investments were by mining companies, often accompanied by investments by financial firms providing financial services to farmers. More recently, South African TNCs have also been investing in food processing, retailing and other services in the region. Privatization programmes are also attracting investment from South Africa. South African Breweries, for example, purchased Cervejas de Moçambique when it was privatized in 1995. All in all, the company now operates in 11 African countries and employs about 7,000 people.

The indications are that South Africa's potential as a regional growth pole through trade has not yet been fully realized. A growth pole strategy depends crucially on two factors: the first is free access to the South African market for products from neighbouring economies. In 1995, South Africa started a process of progressive import-tariff reductions in accordance with its obligations as a member of the World Trade Organization (WTO): its average import protection in manufacturing is due to be reduced from 19 per cent in 1994 to just 8 per cent in the year 2000. However, the exclusion of some sectors from liberalization will reduce the effects of this change, including its effects on neighbouring countries. As regards trade liberalization within SADC, in 1996 all member countries signed the SADC trade protocol that provides for the creation of a free trade zone among member countries by the year 2004. The protocol, however, which foresees a transition period of 8 years to complete the implementation of all agreed liberalisation measures, will come into effect only after the required number of countries have ratified it (Business Map, 1998, p. 31). The second condition is faster demand growth in South Africa. South Africa's GDP growth rates of below 4 per cent in recent years have proved to be too modest to exert a significant influence on SADC partner countries.

Source: UNCTAD, 1997c.

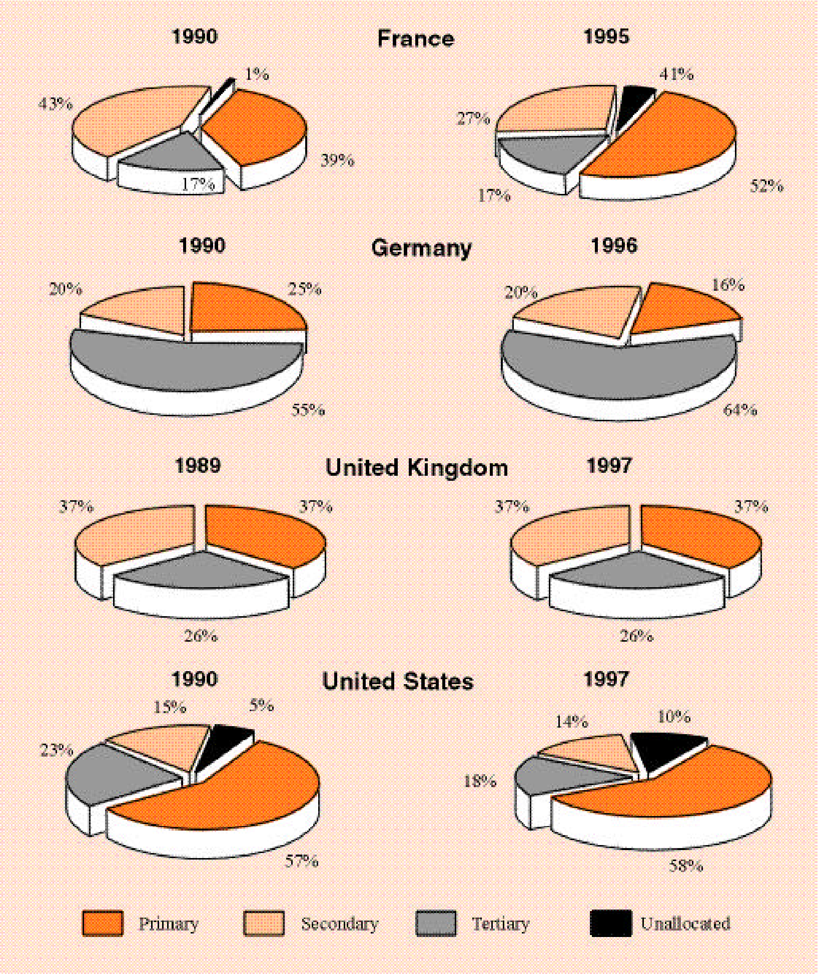
...significant investment in the services and manufacturing sectors...

Contrary to common perception, FDI in Africa is no longer concentrated in the primary sector. Even in oil-exporting countries, services and manufacturing are key sectors for FDI. For example, the primary sector accounted for only a little over 30 per cent of the total FDI stock in Nigeria in 1992, while manufacturing accounted for almost 50 per cent and services close to 20 per cent. Almost half of the FDI inflows into Egypt (48 per cent) went into services in 1995, with a further 47 per cent going into manufacturing and a mere 4 per cent into the primary sector (UNCTAD, 1997d). Mauritius is another example of an African country that has managed, particularly since the beginning of the 1980s, to increase significantly the amount of FDI going into manufacturing industries such as textiles and electronic equipment (UNCTAD, 1998b, p. 168).[7]

This new (and rather unexpected) picture is confirmed by the data for the most important home countries for FDI into Africa in the 1990s (figure 5). FDI from Germany is going increasingly into manufacturing and away from the primary sector, while more than 60 per cent of the British FDI stock in Africa are in the manufacturing and services sector. Also in French and -- to a lesser extent -- in United States FDI stocks manufacturing and services account for significant shares.[8] The importance of non-traditional sectors for FDI from some of the major home countries is illustrated by FDI outflow figures for the United States as well, which show that FDI in manufacturing was almost as important in 1996 as the traditionally most important sector, petroleum. Among industries, food and kindred products, primary and fabricated metals and other manufactures have been primarily responsible for the significant upward trend in FDI in manufacturing (United States, Department of Commerce, various years).

Figure 5. The sectoral composition of FDI stock in Africa of selected major home countries, 1989/1990 and 1995/1996/1997

(Per cent)



Source: UNCTAD, FDI/TNC database.

Note: “Unallocated” includes holdings.

France was the only major home country for which the share of FDI stock in the primary sector in total FDI stock in Africa increased significantly in the 1990s. However, it should be noted that in 1990–1995 this share was fluctuating significantly, and although the share of services declined in relative terms, FDI stock in both manufacturing and services increased in absolute terms.

... and in particular the high profitability of FDI in Africa. ...

The profitability of investments is, of course, of prime interest to foreign investors. The least known fact about FDI in Africa is that the profitability of foreign affiliates of TNCs in Africa has been high, and that in recent years it has been consistently higher than in most other host regions of the world.[9]

- In the case of United States FDI (table 3), it is noteworthy that between 1983 and 1997 there was only one year (1986) in which the rate of return in Africa was below 10 per cent;

- Since 1990, the rate of return in Africa has averaged 29 per cent; since 1991, it has been higher that in any other region, including developed countries as a group, in many years by a factor of two or more;

- Net income from British direct investment in sub-Saharan Africa (not including Nigeria) was reported to have increased by 60 per cent between 1989 and 1995 (Bennell, 1997a, p. 132);

- In 1995, Japanese affiliates in Africa were more profitable (after taxes) than in the early 1990s, and were even more profitable than Japanese affiliates in any other region except for Latin America and the Caribbean and West Asia (figure 6).

Earlier studies (UNCTAD, 1995) confirm the high rate of return of foreign affiliates of TNCs in Africa.

Table 3. Rates of return on United States FDI in Africa and selected regions, 1983–1997 [a]

(Per cent)

Region/sector	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997 [b]
Africa [c]	17.7	23.7	17.3	5.6	15.5	13.9	17.4	24.2	30.6	28.4	25.8	24.6	35.3	34.2	25.3
Primary [d]	19.3	27.1	19.6	4.9	12.8	10.2	13.0	22.8	35.4	29.1	26.1	23.9	34.2	36.9	..
Secondary [d]	13.9	13.6	8.8	13.8	19.0	24.0	15.4	20.4	16.0	18.9	30.5	30.0	42.8	21.3	
Tertiary [d]	11.9	7.1	3.4	19.5	20.6	8.7	..	23.8	..	22.2	23.5	21.7	21.6	23.1	..
Other industries [d,e]	2.0	7.0	16.9	21.5	36.6	41.7	..	48.0	28.4	40.8	13.5	44.1	35.0	17.4	
Memorandum															
Asia and the Pacific	27.6	26.1	18.1	13.0	20.3	22.4	23.3	27.6	23.8	22.6	20.7	18.4	20.2	19.3	16.2
Latin America and the Caribbean	7.0	9.9	9.5	10.3	9.5	14.2	15.7	13.0	12.1	14.3	14.9	15.3	13.1	12.8	12.5
Developing countries	14.9	17.3	13.4	10.9	13.2	16.5	17.8	17.2	15.9	17.2	16.9	16.5	15.8	15.3	14.0
All countries	13.0	14.3	12.6	12.2	13.4	15.5	14.8	14.3	11.6	10.4	11.1	11.7	13.3	12.5	12.3

Source : UNCTAD 1998b, based on United States, Department of Commerce, various issues.

a The rate of return is calculated as the net income of United States foreign affiliates in a given year divided by the average of beginning-of-year and end-of-year FDI stock. The FDI stock data are valued at historical costs, resulting in an under-valuation of investment undertaken recently as compared to investments of an older date. This could create a bias towards higher rates of return for Africa in relation to other regions, under the assumption that a relatively higher share of FDI stocks in Africa than in other regions would be of a relatively old date.

b The stock data for 1997 used in the calculation are estimates by the United States Department of Commerce.

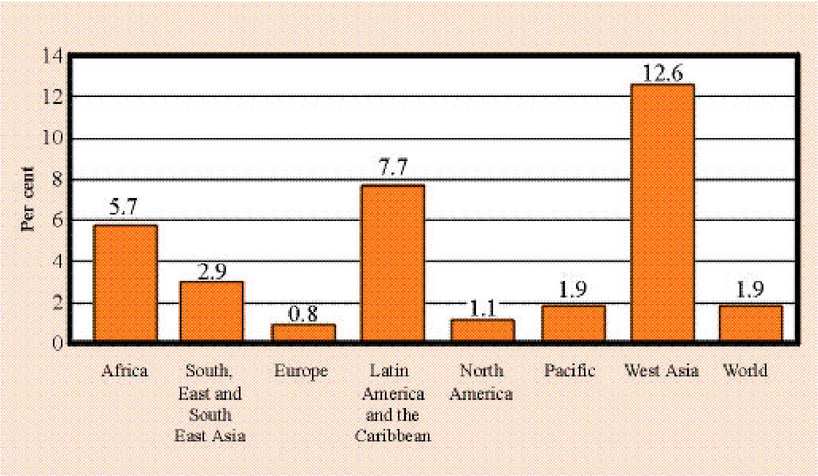
c Not including South Africa.

d Including South Africa.

e Includes agriculture, forestry and fishing, mining, constructon, transportation and communication as well as public utilities.

Figure 6. The profitability of foreign affiliates of Japanese TNCs, by selected host region, 1995 [a]

(Per cent)



Source: UNCTAD, based on Japan, Ministry of International Trade and Industry, 1998.

[a] Current income divided by sales.

Given this, it should not be surprising that a more differentiated analysis reveals a number of countries that have been successful in attracting FDI...

Aggregate FDI inflow data for Africa conceal a diverse picture. In particular, they conceal that a number of African countries have been quite successful, especially when flows are standardized in relation to the size of recipient economies or when recent growth rates are taken into account.

Traditionally, two large economies, Egypt and Nigeria, have received significant inflows in terms of absolute size (though these have fluctuated from year to year); these two countries have always accounted for a high share of total inflows into Africa, though this share has declined from more than 67 per cent in 1983–1987 to 54 per cent in 1988–1992 and 38 per cent in 1993–1997 (annex table 5). In 1997, Nigeria -- primarily owing to its oil reserves -- topped the list of the largest FDI recipients in the continent with estimated inflows of $1.5 billion, followed by Egypt with nearly $891 million, although the best performances of these countries took place earlier, when these flows reached $2.0 billion (1994) and $1.3 billion (1994), respectively.

The relatively small figures for FDI inflows into other African countries have to be seen in perspective, because many of these countries are small or very small. When FDI inflows are standardized to take into account the size of the domestic market, by measuring them in terms of inflows per capita or per $1,000 of GDP, several African countries fare considerably better than the average for the developing countries as a group. In the early 1990s, notable examples included Angola, Botswana, Equatorial Guinea and Seychelles (UNCTAD, 1995, p. 26).[10] By another relative measure -- inward FDI flows as a percentage of gross fixed capital formation -- Africa's performance was comparable to that of the developing countries as a group: for 1991–1997, this percentage was 5.6 per cent for Africa (6.7 per cent for sub-Saharan Africa) as compared to 7.5 per cent for all developing countries (annex table 7). This relatively high percentage reflects partly the small size of many African economies, as well as inadequate domestic savings and investment, but it also means that FDI was not deterred and that the same amount of FDI may have a much larger developmental impact than in other parts of the developing world.

More recently, a group of African countries including Botswana, Equatorial Guinea, Ghana, Mozambique, Namibia, Tunisia and Uganda have attracted rapidly increasing FDI inflows, reaching absolute levels never attained before and comparable to those of other well performing developing countries. It should be underlined that, in all cases, inflows increased gradually, so that the high levels they reached did not result from an one-off jump related to, say, a few large projects in one year (which may happen in small countries attracting FDI to capital-intensive projects in natural resources). Among the countries that have emerged as "recent frontrunners" (see below) are some least developed countries (box 3). This demonstrates that countries with a very low income level can become attractive to foreign investors.

Success with respect to FDI inflows in Africa, where there is not only minimal FDI in many countries but also prolonged divestment in some, can also be measured in other ways. It can include countries whose inflows do not grow but stay at a consistently high level over a number of years (e.g. Swaziland), or countries that received substantial FDI in the past and, after a period during which their inflows declined, are again receiving high levels of inflows (e.g. Mozambique). And last but not least, success can refer to countries that have been able to reverse a negative FDI trend, characterized by years of negative flows. For example, the United Republic of Tanzania, which experienced four years of negative flows between 1984 and 1990, has seen consistently positive and continuously increasing inflows since 1991. Though these flows were until recently not enormous in absolute size, the reversal of the negative trend may be a precursor of future FDI growth. More generally, in 1997, only five African countries experienced negative FDI flows while, as recently as in 1992, the number of countries with negative flows was nine.

Box 3. Recent FDI frontrunner countries in Africa

To be classified as a frontrunner, a country had to perform well on at least one of the following criteria: annual inflows of FDI; FDI inflows per $1,000 GDP; ratio of FDI inflows to gross fixed capital formation; or FDI inflows per capita.[a] Based on these, seven countries were identified as recent frontrunners (box table 3.1).

These countries accounted for more than one quarter of FDI flows into Africa in 1996 while representing only 9 per cent of Africa's population and 8 per cent of the continent's GDP. The group does not include some African countries that were among the largest recipients of FDI flows during 1992-1996 (e.g. Nigeria). These lacked dynamism as defined by the second criterion mentioned above.

/...

(Box 3, continued)

Box table 3.1. Recent FDI frontrunners, by selected indicator, 1987-1991 and 1992-1996

(Millions of dollars and per cent)

Country	Average FDI inflows per year			FDI inlows per $1000 GDP			Ratio of FDI inflows to GFCF [a]			FDI inflows per capita		
	1987-1991	1992-1996	Change [b]	1987-1991	1992-1996	Change [b]	1987-1991	1992-1996	Change [b]	1987-1991	1992-1996	Change [b]
	(Million dollars)		(Per cent)	(Million dollars)		(Per cent)	(Million dollars)		(Per cent)	(Million dollars)		(Per cent)
Botswana	56.7	137.9	143	18.6	33.1	78	6.5	12.9	100	46	95	108
Equatorial Guinea	11.1	109.7	888	82.9	689.8	732	30.2	285.2	845	32	282	778
Ghana	11.9	121.4	920	2.1	20.5	869	1.7	14.9	754	1	7	778
Mozambique	9.2	33.3	263	6.8	23.5	247	1.2	3.6	201	1	2	228
Namibia	29.6	108.4	267	14.3	37.5	163	8.4	16.8	99	23	72	221
Tunisia	86.4	387.3	348	7.8	23.3	197	3.5	9	158	11	44	306
Uganda [c]	-1.4	77.6	19 796	-0.1	15.9	18 816	-0.1	10.3	15 175	0.0	4	16 672
Average for Africa	60.1	96.1	60	6.7	10.4	54	3.3	5.9	77	5	7	39
Average for all developing countries	212.1	613	189	8.2	17.3	111	3.5	6.8	98	8	20	164

Source: UNCTAD FDI/TNC database.

[a] GFCF = gross fixed capital formation.

[b] Percentage change during the period 1987-1991 to 1992-1996.

[c] In the years 1989 and 1990, Uganda experienced negative FDI inflows of $1.8 and $5.9 million, more than offsetting the positive inflows of the other years in the period 1987-1991 and resulting in a negative sum for the FDI inflows of that period as a whole.

/...

(Box 3, continued)

The frontrunners have different levels of development: Equatorial Guinea, Mozambique and Uganda are least developed countries (LDCs) while Botswana and Tunisia are middle-income countries. Also their location on the continent is quite different. As regards economic structure, Equatorial Guinea is an oil-based economy, while other frontrunners -- such as Tunisia and Ghana -- have more diversified economies.

Factors behind good FDI performance also differ from country to country: in the case of Equatorial Guinea it was mainly rich reserves of oil and gas. Natural resource reserves also played a role in the case of Botswana, Ghana, Mozambique and Namibia; however, these countries have also received some market-seeking FDI fueled by the relatively strong growth of their economies in recent years. Privatization has attracted considerable FDI into Mozambique, Ghana and Uganda. Finally, Tunisia has not only attracted market-seeking FDI, but also efficiency-seeking FDI, in particular into the textile and apparel industry. Apart from these differences the frontrunners -- or most of them -- have had a number of things in common:

- A stable and predictable policy and macroeconomic environment is an important factor in attracting FDI -- as well as a stable and predictable framework regarding FDI and a high degree of investment protection.

- Privatization programmes have become a source for attracting FDI.

- Significantly higher GDP growth rates in the past ten years underlining the importance of growth-oriented policies aimed at macroeconomic stability (box table 3.2).

- Efforts to improve the education levels of their citizens, particularly at the primary and secondary levels: in addition to a well-educated labour force and a relatively well-developed infrastructure, favourable trade policies have also played an important role in attracting foreign companies into most of these countries, particularly into manufacturing industries and especially in the apparel and textile industries (Sachs

/...

(Box 3, continued)

Box table 3.2. Selected indicators of macroeconomic stability for recent FDI frontrunner countries and averages for all Africa

(Per cent)

Country	Rate of inflation 1980-1990 (I) [a]	Rate of inflation 1990- most recent year (II) [a b]	Difference (II)- (I)	Overall government deficit(-) or surplus (+) as a percentage of GDP (current prices) 1980-1990 (III)	Overall government deficit(-) or surplus (+) as a percentage of GDP (current prices) 1990-most recent year [b] (IV)	Difference (IV) - (III)
Botswana	10.9	11.8	+ 0.9	9.4	5.5	-3.9
Equatorial Guinea	17.3	11.7	- 5.6	- 14.0	- 4.9	9.1
Ghana	47.4	30.8	-16.6	- 12.0	- 6.8	5.2
Mozambique	52.3	43.2	- 9.1	- 18.2	- 5.8	12.4
Namibia	17.5	10.5	- 7.0	- 1.6	- 4.0	2.4
Tunisia	8.3	5.2	- 3.1	- 4.7	- 3.8	0.9
Uganda	103.5	16.9	- 86.6	- 9.5	-3.0	6.5
Average, all Africa	16.1	30.7	+ 14.6	- 6.7	- 3.8	2.9

Source : UNCTAD, based on African Development Bank, 1998.

a Refers to consumer price indices (general), (1980 = 100).

b "Most recent" refers, in most cases, to 1996.

/...

(Box 3, continued)

and Sievers, 1998, p. 40). In fact, some of these countries stand out among African countries, the majority of which have pursued restrictive trade policies for a long time, with high tariff barriers on imports as well as exports, representing significant disincentives for export-oriented foreign firms in these industries.

- Deregulation paired with intense investment promotion activities: almost all successful countries have an investment promotion agency that often includes a one-stop shop that can give foreign companies quick and non-bureaucratic assistance in all aspects of their investment projects.

As natural resources have been among the main determinants for the attraction of FDI to almost all the frontrunners, some face the problem of sustaining such flows over a longer time. They have therefore used revenues derived from the extraction of these resources to fund the creation of other assets. For example, in the case of Botswana, revenues from the mining industry have been strategically invested to build up human capital in order to make the country attractive to other kinds of investment.

Even though Africa as a whole has been less successful than other regions in attracting FDI, the recent performance of the group of frontrunners shows that being located in Africa does not per se rule out success in attracting foreign firms. What is required is that countries offer a combination of policies, facilities for conducting business and an economic environment that foreign investors find appealing. The lessons outlined above are relevant for other countries seeking to increase inward FDI as well as for the frontrunners themselves, if they wish to sustain their recent performance. It should be noted that in addition to recent frontrunners selected on the basis of their performance in the 1990s, there are a number of "traditional" frontrunners such as Egypt, Mauritius, Morocco and Nigeria that have attracted substantial amounts of FDI over longer periods of time.

/...

(Box 3, concluded)

Source : UNCTAD 1998b.

[a] As the analysis focusses on the *size* of FDI flows, no indicators of the *quality* of the investment have been used. Cumulative FDI flows for the period 1992-1996 aim at averaging out annual fluctuations. Because of the focus on recent success stories, flow indicators have been used, as opposed to stock indicators, which tend to reflect FDI performance over a longer period.

To qualify as a frontrunner, a country had, first, to receive FDI flows above the developing-country average as measured by at least one of these indicators, and typically better than the average African country (though exceptions could happen). This filter yielded the following 18 countries: Angola, Botswana, Chad, Democratic Republic of Congo, Egypt, Equatorial Guinea, the Gambia, Ghana, Lesotho, Liberia, Mozambique, Namibia, Nigeria, Seychelles, Tunisia, the United Republic of Tanzania, Uganda and Zambia.The four indicators used capture only the level of FDI performance during a given period; they are static forms of measurement.

To capture the dynamics of performance, these 18 candidates had to pass through an additional test, namely an improvement in the performance on any of the four indicators the period 1987-1991. The improvement had to be higher than the increase in the same indicator for the average developing country, subject to the additional condition that in the case of an indicator that related absolute FDI inflows to an economic variable, the latter (the denominator) did not decline.

Notes

1 The relevant figures for South Africa are 1.3 per cent for 1980-1990 and -0.1 per cent for 1990-1994. In general, South Africa is included in all data for Africa published in this booklet unless otherwise stated.

2 GNP per capita for sub-Saharan Africa grew by an annual average of 1.9 per cent in the period 1995-1996 and 4.4 per cent for the period 1996-1997. For North Africa (including some countries of the Middle East) this figure stood at 4.1 per cent for the annual average 1996-1997, while for 1995-1996 no figures were available (World Bank, 1998 and 1999).

3 FDI flows are not adjusted for inflation.

4 The figure increased temporarily to 11 per cent in 1986-1990.

5 It should be noted, that the FDI per $1,000 of GDP ratio in a number of African countries is most likely inflated, because GDP stagnated or even fell for some years in the past.

6 In the finance and insurance sector, the group of the biggest African TNCs include, as of 1993, Banque Algerienne de Developpement, Nedcor Bank Ltd. of South Africa and Banque Misr of Eqypt (UNCTAD, 1997d).

7 After its success in attracting FDI into its labour-intensive manufacturing industries, Mauritius now faces the challenge of upgrading existing FDI and attracting new FDI into higher value-added production activities (UNCTAD, 1998b, p. 169).

8 For both countries the share of natural resources increased in recent years. However, at least in the case of United States FDI stocks in Africa, the relative importance of FDI in natural resources has significantly decreased since the 1980s: the share of the primary sector in total United States FDI stock in Africa dropped from 79 per cent in 1986 to 53 per cent in 1996.

9 It should be noted in this context that investors perceive, rightly or wrongly, Africa in general as a risky place to invest and that there are some factors, such as the difficulty of reversing investment decisions as a result of weak capital markets, that increase the risk for foreign companies of investing in the continent (Collier and Gunning, 1999, p. 85). However, there is no systematic evidence that FDI in Africa in general is associated with more risks than FDI in other developing regions.

10 The relatively high FDI inflows into Angola and Equatorial Guinea appear to be odd at first sight, given these countries' prolonged difficult political and economic situation. The inflows were attracted by petroleum deposits.

11 For an elaboration, and for proposals of how this can be achieved, see United Nations (1998) and United Nations (forthcoming).

12 For an elaboration and proposals of how this can be achieved, see UNCTAD 1998a.

13 Also, access problems can sometimes be aggravated by the emergence of new international standards in areas such as product quality and environmental protection. Although affiliates of TNCs are in general in a much better position to meet these standards than domestic firms, increased technical assistance for African countries to introduce these standards can help all firms in these countries to access better developed countries markets.

UNCTAD
Foreign Direct Investment in Africa: Performance and Potential
New York and Geneva, 1999
[Doc. symbol: UNCTAD/ITE/IIT/Misc.15]

ANNEX TABLES

Annex table 1. FDI outflows from the Triad [a] to developing countries and Africa, 1987-1997

(Millions of dollars)

Region/country	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
European Union [b]											
Developing countries	8 576.2	10 825.3	10 336.8	13 018.8	15 016.3	11 447.0	10 478.9	16463.8	17273.6	29 177.5	33 876.5
Africa	142.0	308.1	1 663.6	537.9	1 862.2	1 221.6	1 523.1	824.3	1928.6	3 282.6	4 339.0
World	69 639.6	88 434.6	106 947.9	119 520.6	100 600.4	93 937.2	84 680.3	103 744.7	151064.6	146 474.8	205 916.7
United States											
Developing countries	10 050.0	6 256.0	10 688.0	13 440.0	11 006.0	17 873.0	24 193.0	28 907.0	22 490.0	25 978.0	39 537.0
Africa	155.0	-607.0	-554.0	-451.0	75.0	-84.0	837.0	762.0	352.0	737.0	3 790.0
World	30 153.0	18 598.0	37 604.0	30 982.0	32 696.0	42 647.0	77 247.0	73 252.0	92 074.0	74 833.0	114 537.0
Japan [c]											
Developing countries	4 419.0	5708	6 982.0	4 987.0	3 093.0	1 332.0	1 128.0	5 482.0	7 415.7	8 263.9	9 464.5
Africa	165.5	492.5	457.2	488.9	568.7	121.2	207.0	152.5	166.6	101.4	160.3
World	20 299.1	35 464.3	46 023.9	50 497.0	31 620.2	17 390.3	13 833.8	18 089.1	22 507.5	23 442.0	26 058.8
Triad											
Developing countries	23 045.2	22 789.3	28 006.8	31 445.8	29 115.3	30 652.0	35 799.9	50 852.8	47 179.3	63 419.4	82 878.0
Africa	462.4	193.6	1 566.8	575.8	2 506.0	1 258.9	2 567.1	1 738.7	2 447.3	4 121.0	8 289.3
World	120 091.7	142 496.9	190 575.8	200 999.6	164 916.6	153 974.5	175 761.1	195 085.8	265 646.1	244 749.8	346 512.5
Memorandum:											
The share of developing countries and Africa in total FDI flows from the Triad.											
Developing countries	19.2	16	14.7	15.6	17.7	19.9	20.4	26.1	17.8	25.9	23.9
Africa	0.4	0.1	0.8	0.3	1.5	0.8	1.5	0.9	0.9	1.7	2.4
World	100	100	100	100	100	100	100	100	100	100	100

Source: UNCTAD, FDI/TNC database.

[a] The European Union, Japan and the United States.

[b] Excluding Austria, Finland, Greece, Ireland, Italy, the Netherlands and Sweden.

[c] Because of the lack of detailed breakdowns for actual FDI flows, data on Africa was estimated by appying the percentage share of Africa in total approved FDI outflows.

Annex table 2: The number of bilateral investment treaties concluded by individual African countries with developed and developing countries, as of 1 January 1999

Country	France	Germany	United Kingdom	United States	Japan	Developed countries	Developing countries	Africa	Total world
Africa	18	39	18	7	1	198	136 [a]	56 [b]	363 [c]
Algeria	1	1	0	0	0	5	4	1	10
Angola	0	0	0	0	0	1	1	1	2
Benin	0	1	1	0	0	3	0	0	3
Botswana	0	0	0	0	0	1	1	0	2
Burkina Faso	0	1	0	0	0	2	2	1	4
Burundi	0	1	1	0	0	3	0	0	3
Cameroon	0	1	1	1	0	6	1	0	8
Cape Verde	0	1	0	0	0	6	3	1	9
Central African Republic	1	1	0	0	0	3	0	0	3
Chad	1	1	0	0	0	4	1	1	5
Congo	1	1	1	1	0	6	0	0	6
Congo, Democratic Republic of	1	1	0	1	0	7	2	0	9
Côte d'Ivoire	0	1	1	0	0	6	1	1	7
Egypt	1	1	1	1	1	15	32	10	58
Equatorial Guinea	1	0	0	0	0	1	0	0	1
Eritrea	0	0	0	0	0	1	0	0	1
Ethiopia	0	1	0	0	0	3	2	0	5
Gabon	1	1	0	0	0	5	3	2	9
Gambia, The	0	0	0	0	0	1	0	0	1
Ghana	0	1	1	0	0	5	2	0	9
Guinea	0	1	0	0	0	3	3	1	6
Guinea-Bissau	0	0	0	0	0	1	0	0	1
Kenya	0	1	0	0	0	3	0	0	3
Lesotho	0	1	1	0	0	2	0	0	2
Liberia	1	1	0	0	0	4	0	0	4
Libyan Arab Jamahiriya	0	0	0	0	0	0	5	3	5
Madagascar	0	1	0	0	0	4	0	0	4

/...

Annex table 2 (concluded)

Country	France	Germany	United Kingdom	United States	Japan	Developed countries	Developing countries	Africa	Total world
Malawi	0	0	0	0	0	0	2	0	2
Mali	0	1	0	0	0	2	2	2	4
Mauritania	0	1	0	0	0	3	1	1	5
Mauritius	1	1	1	0	0	4	5	2	9
Morocco	2	1	1	1	0	15	11	5	31
Mozambique	0	0	0	0	0	1	2	2	3
Namibia	0	1	0	0	0	2	1	0	3
Niger	0	1	0	0	0	2	2	2	4
Nigeria	1	0	1	0	0	3	3	0	6
Rwanda	0	1	0	0	0	3	0	0	3
Sao Tome and Principe	0	0	0	0	0	1	0	0	1
Senegal	1	1	1	1	0	7	7	3	15
Sierra Leone	0	1	1	0	0	2	0	0	2
Somalia	0	1	0	0	0	0	0	0	1
South Africa	1	1	1	0	0	10	7	3	17
Sudan	1	1	0	0	0	4	3	1	8
Swaziland	0	1	1	0	0	2	1	0	3
Togo	0	1	0	0	0	2	1	1	3
Tunisia	2	1	1	1	0	17	20	11	42
Uganda	0	1	0	0	0	4	1	1	5
United Republic of Tanzania	0	1	1	0	0	4	0	0	4
Zambia	0	1	0	0	0	2	1	0	3
Zimbabwe	0	1	1	0	0	6	3	0	9

Source: UNCTAD FDI/TNC database.

[a] Because of the involvement of two parties in each treaty in Africa, the figure reflects double-counting. The actual number if BITs between developing countries as a whole and African countries is 108.

[b] Because of the involvement of two parties in each treaty in Africa, the figure reflects double-counting. The actual number of BITs between African countries is 28.

[c] Because of the involvement of two parties in each treaty in Africa, the figure reflects double-counting. The actual number of BITs between the world as a whole and African countries is 335.

Annex table 3. The number of double taxation treaties concluded by individual African countries with developed and developing countries, as of 1 January 1999

Country	France	Germany	United Kingdom	United States	Japan	Developed countries	Developing countries	Africa	Total world
Africa	27	13	29	7	4	196	103 [a]	62 [b]	319 [c]
Algeria	1	0	1	0	0	4	4	3	10
Angola	0	0	0	0	0	1	1	0	2
Benin	1	0	0	0	0	2	0	0	2
Botswana	0	0	1	0	0	2	2	2	4
Burkina Faso	1	0	0	0	0	1	0	0	1
Cameroon	1	0	1	0	0	3	0	0	3
Central African Republic	1	0	0	0	0	1	0	0	1
Comoros	1	0	0	0	0	1	0	0	1
Congo	2	0	1	0	0	3	0	0	3
Côte d'Ivoire	1	1	1	0	0	8	0	0	8
Egypt	1	2	1	1	1	16	7	1	27
Ethiopia	0	0	1	0	0	1	0	0	1
Gabon	1	0	0	0	0	1	0	0	1
Gambia, The	0	0	1	0	0	6	1	0	7
Ghana	1	0	3	0	0	5	0	0	5
Kenya	1	1	1	0	0	9	2	1	11
Lesotho	0	0	2	0	0	2	3	3	5
Liberia	0	1	0	1	0	3	0	0	3
Libyan Arab Jamahiriya	0	0	0	0	0	0	4	1	4
Madagascar	1	0	0	0	0	1	1	1	2
Malawi	1	0	1	0	0	7	1	1	8
Mali	1	0	0	0	0	1	0	0	1
Mauritania	1	0	0	0	0	1	1	1	2
Mauritius	1	1	1	0	0	8	20	9	29

/...

Annex table 3 (concluded)

Country	France	Germany	United Kingdom	United States	Japan	Developed countries	Developing countries	Africa	Total world
Morocco	1	1	1	1	0	15	2	2	18
Mozambique	0	0	0	0	0	1	1	1	2
Namibia	0	1	1	0	0	4	3	2	7
Niger	1	0	0	0	0	1	0	0	1
Nigeria	1	0	1	0	0	7	1	0	11
Senegal	1	0	0	0	0	3	2	2	5
Seychelles	0	0	0	0	1	3	1	1	4
Sierra Leone	0	0	1	0	0	3	1	0	4
South Africa	1	2	2	2	1	24	19	13	47
Sudan	0	0	1	0	0	1	2	1	3
Swaziland	0	0	1	0	0	2	2	2	4
Togo	1	0	0	0	0	1	1	1	2
Tunisia	1	1	1	2	0	15	9	4	26
Uganda	0	0	2	0	0	3	2	2	5
United Republic of Tanzania	0	0	0	0	0	6	3	2	9
Zambia	1	1	1	0	1	13	5	4	19
Zimbabwe	1	1	1	0	0	8	3	2	13

Source: UNCTAD, FDI/TNC database.

[a] Because of the involvement of two parties in each treaty in Africa, the figure reflects double-counting. The actual number if DTTs between all developing countries and African countries is 72.

[b] Because of the involvement of two parties in each treaty in Africa, the figure reflects double-counting. The actual number of DTTs between African countries is 31.

[c] Because of the involvement of two parties in each treaty in Africa, the figure reflects double-counting. The actual number of DTTs between the world as a whole and African countries is 288.

Annex table 4. FDI outflows from selected OECD countries to Africa,[a] 1983-1997 cumulative flows

(Millions of dollars)

Country	1983-1987	Country	1988-1992	Country	1993-1997	Country	1983-1997
United States	1 091	United Kingdom	3 077	United States	5 710	United Kingdom	5 751
France	1 002	France	1 329	France	2 654	United States	5 327
Germany	416	Japan	995	United Kingdom	2 381	France	4 985
United Kingdom	292	Australia	412	Netherlands	1 512	Netherlands	1 763
Italy	280	Germany	330	Germany	666	Germany	1 412
Sweden	200	Switzerland	306	Canada	658	Italy	1 047
Norway	48	Netherlands	206	Italy	621	Japan	1 011
Netherlands	45	Belgium	190	Japan	383	Canada	698
Austria	41	Italy	145	Portugal	239	Portugal	268
Denmark	30	Canada	38	Spain	184	Norway	254
Finland	2	Finland	35	Norway	172	Sweden	218
Canada	2	Norway	34	Denmark	58	Spain	184
Portugal	0	Portugal	29	Austria	23	Switzerland	113
Spain	0	Austria	20	Sweden	16	Denmark	95
Belgium	-35	Denmark	7	Australia	5	Austria	84
Switzerland	-73	Sweden	3	Finland	3	Finland	41
Japan	-367	Spain	0	Switzerland	- 120	Belgium	28
Australia	-617	United States	-1 474	Belgium	- 128	Australia	- 200
Total	**2 359**		**5 679**		**15 038**		**23 077**

Source: UNCTAD, FDI/TNC database, based on information provided by the OECD.

[a] Only the member countries of the OECD Development Assistance Committee (DAC).

Annex table 5. FDI inflows into African countries[a], 1983-1997

(Annual average, millions of dollars)

Country/region	1983-1987	1988-1992	1993-1997
Nigeria	369	892	1503
Egypt	912	777	775
South Africa	-38	9	755
Morocco	35	231	562
Tunisia	112	173	367
Angola	160	190	254
Algeria	2	-2	203
Côte d'Ivoire	49	-19	182
Ghana	4	15	133
Uganda	-1	0	112
Namibia	5	53	110
Equatorial Guinea	2	12	109
United Republic of Tanzania	-0	4	100
Zambia	39	108	93
Zimbabwe	-5	-5	79
Libyan Arab Jamahiriya	-102	82	66
Madagascar	2	14	57
Mali	0	-0	51
Senegal	-7	22	51
Mozambique	2	13	50
Swaziland	20	63	39
Seychelles	13	19	35
Cameroon	114	-18	33
Mauritius	8	27	29
Gabon	67	50	26
Liberia	18	234	26
Chad	20	5	23
Congo	34	6	20
Sudan	1	-6	20
Malawi	1	14	19
Cape Verde	1	1	14
Kenya	27	29	14
Lesotho	3	12	13
Benin	0	3	11
Gambia, The	0	6	10
Djibouti	0	1	10
Burkina Faso	1	2	9
Guinea	5	21	9
Ethiopia	-0	2	9

/...

Annex table 5 (concluded)

Country/region	1983-1987	1988-1992	1993-1997
Mauritania	5	4	6
Togo	4	9	6
Sierra Leone	-25	7	3
Rwanda	15	10	3
Guinea-Bissau	1	2	2
Burundi	2	1	1
Comoros	2	2	0
Congo, Democratic Republic of	-41	-3	0
Central African Republic	7	-3	0
Somalia	9	-16	0
Niger	5	24	-6
Botswana	65	34	-12
Memorandum:			
Developing countries	17788.0	36827.1	118 372.6
Africa	1922.7	3112.5	5982.2
North Africa	960.4	1256.0	1992.2
Other Africa	962.2	1856.4	3990.0
Least developed countries:[b]			
Total	262.8	1080.8	1560.7
Africa	238.6	673.1	1012.8
Oil-exporting countries:[c]			
Total	7158.5	10967.9	25264.2
Africa	1668.9	2149.7	3246.7
North Africa	924.5	1030.9	1411.0

Source: UNCTAD, FDI/TNC database.

[a] Countries are ranked by the size of their average annual inflows in 1993-1997.

[b] Least developed countries include: Afghanistan, Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Western Samoa, Sierra Leone, Solomon Islands, Somalia, Sudan, Togo, Uganda, United Republic of Tanzania, Vanuatu, Yemen and Zambia. Not included are Bhutan, Eritrea, Sao Tome and Principe and Tuvalu due to unavailability of data.

[c] Oil-exporting countries include: Algeria, Angola, Bahrain, Brunei Darussalam, Cameroon, Congo, Ecuador, Egypt, Gabon, Indonesia, Islamic Republic of Iran, Iraq, Kuwait, Libyan Arab Jamahiriya, Malaysia, Mexico, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, Tunisia, United Arab Emirates and Venezuela.

Annex table 6. FDI outward stock from Africa, 1980-1997

(Millions of dollars)

Home region/economy	1980	1985	1990	1995	1996	1997
Africa	6 253	15 319	26 632	38 098	39 041	43 137
North Africa	299	448	865	1 239	1 273	1 417
Algeria [a]	98	156	183	233	233	233
Egypt [b]	39	91	163	365	370	499
Libyan Arab Jamahiriya [c]	162	207	517	517	517	517
Morocco	..	..	..	114 [d]	141 [d]	150 [d]
Sudan	..	..	..	..	..	..
Tunisia	..	.. [e, f]	2 [e]	10 [e]	11 [e]	17 [e]
Other Africa	5 954	14 870	25 767	36 858	37 768	41 721
Angola	..	..	1 [g]	0 [g]	-1 [g]	-2 [g]
Benin [h]	-	2	2	2	14	26
Botswana [i]	3	3	10	88	87	83
Burkina Faso [j]	3	3	3	3	4	5
Burundi	..	..	- [k]	1 [k]	1 [k]	1 [k]
Cameroon [l]	23	53	150	227	235	243
Cape Verde	..	..	1 [m]	4 [m]	5 [m]	5 [m]
Central African Republic [m]	-	2	18	46	52	57
Chad [n]	1	1	36	84	92	102
Comoros	..	..	1 [g]	1 [g]	1 [g]	1 [g]
Congo	..	..	..	..	..	..
Congo, Democratic Republic of the	..	..	..	..	..	..
Côte d'Ivoire	..	..	..	..	..	..
Djibouti	..	..	..	..	..	..
Equatorial Guinea	..	..	- [k]	- [k]	- [k]	- [k]
Ethiopia	..	..	..	- [o]	- [o]	- [o]
Gabon [j]	77	102	163	205	204	219
Gambia, The	..	..	..	..	..	..
Ghana	..	..	..	..	..	..

/...

Annex table 6 (continued)

Home region/economy	1980	1985	1990	1995	1996	1997
Guinea	..	..	..	..	..	..
Guinea-Bissau	..	..	..	..	..	..
Kenya [m]	18	60	99	99	99	101
Lesotho	..	..	- [p]	- [p]	- [p]	- [p]
Liberia [q]	48	361	453	717	287	1 315
Madagascar	..	..	..	..	..	..
Malawi	..	..	..	..	..	..
Mali [m]	22	22	22	22	24	24
Mauritania	..	..	3 [r]	3 [r]	3 [r]	3 [r]
Mauritius	..	..	1 [p]	93 [p]	96 [p]	99 [p]
Mozambique	..	..	..	..	..	..
Namibia	..	..	80	15	13	16
Niger [j]	2	8	54	109	116	120
Nigeria [h]	5	5 193	9 508	11 438	11 442	11 447
Rwanda	..	..	..	..	..	..
Senegal [i]	7	43	49	96	98	98
Seychelles [i]	14	44	61	93	106	116
Sierra Leone	..	..	..	..	..	..
Somalia	..	..	..	..	..	..
Souh Africa	5 722	8 963	15 010 [s]	23 326 [s]	24 604 [s]	27 461 [s]
Swaziland	9	9	40	155	100	64 [t]
Togo [u]	2	2	2	2	9	11
Uganda	..	..	..	..	..	..
United Republic of Tanzania	..	..	..	..	..	..
Zambia	..	..	..	..	..	..
Zimbabwe	..	..	..	28 [o]	78 [o]	106 [o]
Memorandum:						
Developing countries	13 380	28 057	72 806	235 097	287 755	315 660
Least developed countries [v]						
Total	78	406	602	1 000	612	1 677
Africa	78	402	596	994	606	1 668

/...

Annex table 6 (concluded)

Home region/economy	1980	1985	1990	1995	1996	1997
Oil-exporting countries [w]						
Total	1 780	9 353	20 837	36 136	42 621	41 295
Africa	404	5 796	10 686	12 996	13 011	13 174
North Africa	299	448	865	1 125	1 131	1 267
Other Africa	105	5 347	9 821	11 870	11 880	11 907

Source: UNCTAD, FDI/TNC database.

Data for 1997 are based on estimates.

a Estimated by accumulating flows since 1970.
b Estimated by accumulating flows since 1977.
c Estimated by accumulating flows since 1972.
d Estimated by accumulating flows since 1991.
e Estimated by accumulating flows since 1981.
f Negative accumulation of flows. However, this value is included in the regional and global total.
g Estimated by accumulating flows since 1990.
h Estimated by accumulating flows since 1979.
i Estimated by accumulating flows since 1976.
j Estimated by accumulating flows since 1974.
k Estimated by accumulating flows since 1989.
l Estimated by accumulating flows since 1973.
m Estimated by accumulating flows since 1975.
n Estimated by accumulating flows since 1978.
o Estimated by accumulating flows since 1993.
p Estimated by accumulating flows since 1988.
q Estimated by using the inward stock of the United States as a proxy.
r Estimated by accumulating flows since 1986.
s Estimated by adding flows to the stock of 1988.
t Estimated by adding flows to the stock of 1996.
u Estimated by accumulating flows since 1980.
v Least developed countries include: Afghanistan, Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Western Samoa, Sierra Leone, Solomon Islands, Somalia, Sudan, Togo, Uganda, United Republic of Tanzania, Vanuatu, Yemen and Zambia. Not included are Bhutan, Eritrea, Sao Tome and Principe and Tuvalu due to unavailability of data.
w Oil-exporting countries include: Algeria, Angola, Bahrain, Brunei Darussalam, Cameroon, Congo, Ecuador, Egypt, Gabon, Indonesia, Islamic Republic of Iran, Iraq, Kuwait, Libyan Arab Jamahiriya, Malaysia, Mexico, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, Tunisia, United Arab Emirates and Venezuela.

Annex table 7. FDI inflows as a percentage of gross fixed capital formation in Africa, 1991-1997

(Per cent)

Algeria	1.1
Angola	50.6
Benin	3.0
Botswana	-0.9
Burkina Faso	1.1
Burundi	0.5
Cameroon	1.6
Cape Verde	8.5
Central African Republic	-1.8
Chad	14.9
Comoros	1.0
Congo	4.1
Congo, Democratic Republic of	0.5
Côte d'Ivoire	9.5
Djibouti	9.9
Egypt	6.1
Equatorial Guinea	226.7
Ethiopia	0.7
Gabon	2.5
Gambia, The	16.1
Ghana	10.4
Guinea	2.9
Guinea-Bissau	2.1
Kenya	0.9
Lesotho	1.7
Liberia	18.1
Libyan Arab Jamahiriya	1.4
Madagascar	12.7
Malawi	6.1
Mali	6.2
Mauritania	3.3
Mauritius	2.6
Morocco	7.7
Mozambique	4.6
Namibia	18.3
Niger	3.5
Nigeria	18.7
Rwanda	1.1
Senegal	5.2
Seychelles	19.6
Sierra Leone	4.7
Somalia	0.0

/...

Annex table 7 (concluded)

South Africa	2.7
Sudan	0.5
Swaziland	16.7
Togo	2.4
Tunisia	8.5
Uganda	10.9
United Republic of Tanzania	6.4
Zambia	9.5
Zimbabwe	3.5
Memorandum:	
Developing countries	**7.5**
Africa	**5.6**
North Africa	4.3
Other Africa	6.7
Least developed countries a:	
Total	4.8
Africa	6.9
Oil-exporting countries b:	
Total	6.8
Africa	6.9
North Africa	3.9
Other Africa	15.8

Source: UNCTAD, FDI/TNC database.

a Least developed countries include: Afghanistan, Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Western Samoa, Sierra Leone, Solomon Islands, Somalia, Sudan, Togo, Uganda, United Republic of Tanzania, Vanuatu, Yemen and Zambia. Not included are Bhutan, Eritrea, Sao Tome and Principe and Tuvalu due to unavailability of data.

b Oil-exporting countries include: Algeria, Angola, Bahrain, Brunei Darussalam, Cameroon, Congo, Ecuador, Egypt, Gabon, Indonesia, Islamic Republic of Iran, Iraq, Kuwait, Libyan Arab Jamahiriya, Malaysia, Mexico, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, Tunisia, United Arab Emirates and Venezuela.

Annex table 8. Programmes of selected OECD countries to promote outward FDI in developing countries, 1997

Measures/ Country	Provision of information	Matchmaking between companies	Missions and seminars	Support of sectorial studies	Support of feasibility studies	Project development and start-up
Austria	x	No	x	No	No	x
Belgium	x	x	x	x	x	x
Canada	x	x	x	No	x	x
Denmark	x	x	No	No	x	x
Finland	x	No	x	x	x	x
France	x	No	No	No	x	x
Germany	x	x	x	x	x	x
Italy	x	x	x	x	x	x
Japan	x	x	x	x	x	x
Netherlands	x	x	x	x	x	x
Sweden	x	x	No	No	x	No
Switzerland	x	x	x	x	x	x
United States	x	x	x	x	x	x

Source: UNCTAD, based on International Finance Corporation, 1997.

UNCTAD's contribution to African development

UNCTAD has in recent years considerably stepped up its activities in connection with Africa. These can be summarized in two closely related clusters, that is research and policy analysis and technical cooperation and advisory services.

Research and policy analysis

A major research project on the "Economic development and regional dynamics in Africa: Lessons from the East Asian experience" was initiated by UNCTAD in early 1997 with funding from the Government of Japan. The project examined issues including reasons for poor supply side responses to policy reform, lack of export diversification and difficulties in building up domestic capacity in the private and public sectors, drawing on earlier research and successful development experiences in Asia. This work resulted in the convening of a Conference in Mauritius at which 13 papers covering a full range of issues with regard to African economic development were discussed.

In 1998, the annual Trade and Development Report drew on this and other research for a comprehensive study of African development, covering national savings and investment, debt, agriculture, structural adjustment, trade, industry and institutional reform. Current research focusses on the development implication of high transport costs for African competitiveness and trade.

Technical cooperation and advisory services

UNCTAD has developed an extensive programme of assistance to African countries in the areas of trade, investment, services development, debt management and enterprise development.

Trade

UNCTAD is a active participant in the context of the United Nations System-wide Special Initiative on Africa and acts as lead agency for the trade access and opportunities cluster of the Initiative. In this connection, it works closely with other United Nations agencies in assisting African countries in their trade and trade-related activities.

In particular, in cooperation with the WTO and ITC, a Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries has been developed which has aimed at assisting African countries in implementing the Uruguay Round agreements and assisting them in preparations for future multilateral trade negotiations and in the formulation of strategic export options to cope with the changing global market environment.

Furthermore, 17 African countries are benefitting from the Integrated Framework for Trade-related Technical Assistance to support least-developed countries in their trade and trade-related activities. This is a capacity building programme for trade and round table meetings for trade and for market access are scheduled to take place on the basis of needs assessments prepared by the LDCs concerned.

Also in cooperation with the UNDP, a programme has been organized *inter alia* to prepare the African countries for the next round of trade negotiations. A workshop will bring together African countries to address Africa specific concerns in the new trade round as well as issues related to the ACP-EU negotiations and a successor to the Lomé Convention.

UNCTAD's activities include issues related to commodity diversification and commodity risk management in which UNCTAD has been particularly active. UNCTAD has also provided extensive assistance and advisory services to African countries on issues related to competition policy and law.

Services development

A special programme of assistance to developing countries on services has also benefited 20 African countries in reducing the knowledge gap about the role and contribution of services in the national economy, policy formulation and assisting African countries in linking the liberalization process in the framework of the WTO with clearly identified national development objectives.

Trade facilitation

In the area of trade facilitation, UNCTAD's trade point programme now covers 32 African countries. The programme has the objective of establishing trade points in individual countries which would be enabled to participate in global electronic trade through a global trade point network (GTPN) established by UNCTAD. Further, the Automated System for Customs Data which aims at facilitating customs procedures through an information based system has been installed in 25 African countries.

Debt

UNCTAD has undertaken considerable work with respect to the debt problems of African countries and has made numerous innovative proposals for the relief of the African countries' debt burden. In addition, UNCTAD assists African countries in their negotiations in the context of the Paris Club, and its Debt Management and Financial Analysis System which is a programme aimed at the management of national debt has been installed in a large number of African countries.

Investment

In the area of investment, UNCTAD has undertaken a project on investment guides and capacity building for least developed countries for which projects have commenced and are in the pipeline for five African countries. Investment policy reviews are under way in three sub-Saharan countries and, linked to them, science and technology innovation policy reviews will be undertaken in two countries which have requested them.

UNCTAD has assisted a number of African countries in their investment codes and regulatory frameworks in order to attract foreign direct investment and has undertaken considerable work for investment promotion in African together with the World Association of Investment Promotion Agencies.

Enterprise development

The Entrepreneurship Development Programme (EMPRETEC) has assisted more than 4,000 entrepreneurs through four local EMPRETEC centres in Africa.

Selected UNCTAD publications on transnational corporations and foreign direct investment

A. IIA Issues Paper Series

Investment-Related Trade Measures. *UNCTAD Series on issues in international investment agreements.* 64p. Sales No. E.99.II.D.12. $12.

Most-Favoured-Nation Treatment*.* *UNCTAD Series on issues in international investment agreements.* 72p. Sales No. E.99.II.D.11. $12.

Admission and Establishment*.* *UNCTAD Series on issues in international investment agreements.* 72p. Sales No. E.99.II.D.10. $12.

Scope and Definition*.* *UNCTAD Series on issues in international investment agreements.* 96p. Sales No. E.99.II.D.9. $12.

Transfer Pricing*.* *UNCTAD Series on issues in international investment agreements.* 72p. Sales No. E.99.II.D.8. $12.

Foreign Direct Investment and Development*.* *UNCTAD Series on issues in international investment agreements.* 88p. Sales No. E.98.II.D.15. $12.

B. Individual studies

The Financial Crisis in Asia and Foreign Direct Investment: An Assessment. 101 p. Sales No. GV.E.98.0.29. $20.

World Investment Report 1998: Trends and Determinants. 430 p. Sales No. E.98.II.D.5. $45.

World Investment Report 1998: Trends and Determinants. An Overview. 67 p. Free-of-charge.

Bilateral Investment Treaties in the mid-1990s. 314 p. Sales No. E.98.II.D.8. $46.

Handbook on Foreign Direct Investment by Small and Medium-sized Enterprises: Lessons from Asia. 200 p. Sales No. E.98.II.D.4. $48.

Handbook on Foreign Direct Investment by Small and Medium-sized Enterprises: Lessons from Asia. Executive Summary and Report on the Kunming Conference. 74 p. Free-of-charge.

International Investment Towards the Year 2002. 166 p. Sales No. GV.E.98.0.15. $29. (Joint publication with Invest in France Mission and Arthur Andersen, in collaboration with DATAR.)

World Investment Report 1997: Transnational Corporations, Market Structure and Competition Policy. 420 p. Sales No. E.97.II.D.10. $45.

World Investment Report 1997: Transnational Corporations, Market Structure and Competition Policy. An Overview. 70 p. Free-of-charge.

International Investment Towards the Year 2001. 81 p. Sales No. GV.E.97.0.5. $35. (Joint publication with Invest in France Mission and Arthur Andersen, in collaboration with DATAR.)

World Investment Directory. Vol. VI: West Asia 1996. 192 p. Sales No. E.97.II.A.2. $35.

World Investment Directory. Vol. V: Africa 1996. 508 p. Sales No. E.97.II.A.1. $75.

Sharing Asia's Dynamism: Asian Direct Investment in the European Union. 192 p. Sales No. E.97.II.D.1. $26.

Transnational Corporations and World Development. 656 p. ISBN 0-415-08560-8 (hardback), 0-415-08561-6 (paperback). £65 (hardback), £20.00 (paperback). (Published by International Thomson Business Press on behalf of UNCTAD.)

Companies without Borders: Transnational Corporations in the 1990s. 224 p. ISBN 0-415-12526-X. £47.50. (Published by International Thomson Business Press on behalf of UNCTAD.)

The New Globalism and Developing Countries. 336 p. ISBN 92-808-0944-X. $25. (Published by United Nations University Press.)

Investing in Asia's Dynamism: European Union Direct Investment in Asia. 124 p. ISBN 92-827-7675-1. ECU 14. (Joint publication with the European Commission.)

World Investment Report 1996: Investment, Trade and International Policy Arrangements. 332 p. Sales No. E.96.II.A.14. $45.

World Investment Report 1996: Investment, Trade and International Policy Arrangements. An Overview. 51 p. Free-of-charge.

International Investment Instruments: A Compendium. Vol. I. 371 p. Sales No. E.96.II.A.9; Vol. II. 577 p. Sales No. E.96.II.A.10; Vol. III. 389 p. Sales No. E.96.II.A.11; the 3-volume set, Sales No. E.96.II.A.12. $125.

World Investment Report 1995: Transnational Corporations and Competitiveness. 491 p. Sales No. E.95.II.A.9. $45.

World Investment Report 1995: Transnational Corporations and Competitiveness. An Overview. 51 p. Free-of-charge.

Accounting for Sustainable Forestry Management. A Case Study. 46 p. Sales No. E.94.II.A.17. $22.

Small and Medium-sized Transnational Corporations. Executive Summary and Report of the Osaka Conference. 60 p. Free-of-charge.

World Investment Report 1994: Transnational Corporations, Employment and the Workplace. 482 p. Sales No. E.94.II.A.14. $45.

World Investment Report 1994: Transnational Corporations, Employment and the Workplace. An Executive Summary. 34 p. Free-of-charge.

Liberalizing International Transactions in Services: A Handbook. 182 p. Sales No. E.94.II.A.11. $45. (Joint publication with the World Bank.)

World Investment Directory. Vol. IV: Latin America and the Caribbean. 478 p. Sales No. E.94.II.A.10. $65.

Conclusions on Accounting and Reporting by Transnational Corporations. 47 p. Sales No. E.94.II.A.9. $25.

Accounting, Valuation and Privatization. 190 p. Sales No. E.94.II.A.3. $25.

Environmental Management in Transnational Corporations: Report on the Benchmark Corporate Environment Survey. 278 p. Sales No. E.94.II.A.2. $29.95.

Management Consulting: A Survey of the Industry and Its Largest Firms. 100 p. Sales No. E.93.II.A.17. $25.

Transnational Corporations: A Selective Bibliography, 1991-1992. 736 p. Sales No. E.93.II.A.16. $75. (English/French.)

Small and Medium-sized Transnational Corporations: Role, Impact and Policy Implications. 242 p. Sales No. E.93.II.A.15. $35.

World Investment Report 1993: Transnational Corporations and Integrated International Production. 290 p. Sales No. E.93.II.A.14. $45.

World Investment Report 1993: Transnational Corporations and Integrated International Production. An Executive Summary. 31 p. ST/CTC/159. Free-of-charge.

Foreign Investment and Trade Linkages in Developing Countries. 108 p. Sales No. E.93.II.A.12. $18.

World Investment Directory 1992. Vol. III: Developed Countries. 532 p. Sales No. E.93.II.A.9. $75.

Transnational Corporations from Developing Countries: Impact on Their Home Countries. 116 p. Sales No. E.93.II.A.8. $15.

Debt-Equity Swaps and Development. 150 p. Sales No. E.93.II.A.7. $35.

From the Common Market to EC 92: Regional Economic Integration in the European Community and Transnational Corporations. 134 p. Sales No. E.93.II.A.2. $25.

World Investment Directory 1992. Vol. II: Central and Eastern Europe. 432 p. Sales No. E.93.II.A.1. $65. (Joint publication with the United Nations Economic Commission for Europe.)

The East-West Business Directory 1991/1992. 570 p. Sales No. E.92.II.A.20. $65.

World Investment Report 1992: Transnational Corporations as Engines of Growth: An Executive Summary. 30 p. Sales No. E.92.II.A.24. Free-of-charge.

World Investment Report 1992: Transnational Corporations as Engines of Growth. 356 p. Sales No. E.92.II.A.19. $45.

World Investment Directory 1992. Vol. I: Asia and the Pacific. 356 p. Sales No. E.92.II.A.11. $65.

Climate Change and Transnational Corporations: Analysis and Trends. 110 p. Sales No. E.92.II.A.7. $16.50.

Foreign Direct Investment and Transfer of Technology in India. 150 p. Sales No. E.92.II.A.3. $20.

The Determinants of Foreign Direct Investment: A Survey of the Evidence. 84 p. Sales No. E.92.II.A.2. $12.50.

The Impact of Trade-Related Investment Measures on Trade and Development: Theory, Evidence and Policy Implications. 108 p. Sales No. E.91.II.A.19. $17.50. (Joint publication with the United Nations Centre on Transnational Corporations.)

Transnational Corporations and Industrial Hazards Disclosure. 98 p. Sales No. E.91.II.A.18. $17.50.

Transnational Business Information: A Manual of Needs and Sources. 216 p. Sales No. E.91.II.A.13. $45.

World Investment Report 1991: The Triad in Foreign Direct Investment. 108 p. Sales No.E.91.II.A.12. $25.

C. Serial publications

Current Studies, Series A

No. 30. ***Incentives and Foreign Direct Investment***. 98 p. Sales No. E.96.II.A.6. $30. (English/French.)

No. 29. ***Foreign Direct Investment, Trade, Aid and Migration***. 100 p. Sales No. E.96.II.A.8. $25. (Joint publication with the International Organization for Migration.)

No. 28. ***Foreign Direct Investment in Africa***. 119 p. Sales No. E.95.II.A.6. $20.

No. 27. ***Tradability of Banking Services: Impact and Implications***. 195 p. Sales No. E.94.II.A.12. $50.

No. 26. ***Explaining and Forecasting Regional Flows of Foreign Direct Investment***. 58 p. Sales No. E.94.II.A.5. $25.

No. 25. ***International Tradability in Insurance Services***. 54 p. Sales No. E.93.II.A.11. $20.

No. 24. ***Intellectual Property Rights and Foreign Direct Investment***. 108 p. Sales No. E.93.II.A.10. $20.

No. 23. ***The Transnationalization of Service Industries: An Empirical Analysis of the Determinants of Foreign Direct Investment by Transnational Service Corporations***. 62 p. Sales No. E.93.II.A.3. $15.

No. 22. ***Transnational Banks and the External Indebtedness of Developing Countries: Impact of Regulatory Changes***. 48 p. Sales No. E.92.II.A.10. $12.

No. 20. ***Foreign Direct Investment, Debt and Home Country Policies***. 50 p. Sales No. E.90.II.A.16. $12.

No. 19. ***New Issues in the Uruguay Round of Multilateral Trade Negotiations***. 52 p. Sales No. E.90.II.A.15. $12.50.

No. 18. ***Foreign Direct Investment and Industrial Restructuring in Mexico***. 114 p. Sales No. E.92.II.A.9. $12.

No. 17. ***Government Policies and Foreign Direct Investment***. 68 p. Sales No. E.91.II.A.20. $12.50.

The United Nations Library on Transnational Corporations
(Published by Routledge on behalf of the United Nations.)

Set A (Boxed set of 4 volumes. ISBN 0-415-08554-3. £350): Volume One: ***The Theory of Transnational Corporations***. 464 p.
Volume Two: ***Transnational Corporations: A Historical Perspective***. 464 p.
Volume Three: ***Transnational Corporations and Economic Development***. 448 p.
Volume Four: ***Transnational Corporations and Business Strategy***. 416 p.

Set B (Boxed set of 4 volumes. ISBN 0-415-08555-1. £350): Volume Five: ***International Financial Management***. 400 p.
Volume Six: ***Organization of Transnational Corporations***. 400 p.
Volume Seven: ***Governments and Transnational Corporations***. 352 p.
Volume Eight: ***Transnational Corporations and International Trade and Payments***. 320 p.

Set C (Boxed set of 4 volumes. ISBN 0-415-08556-X. £350):
Volume Nine: ***Transnational Corporations and Regional Economic Integration***. 331 p.
Volume Ten: ***Transnational Corporations and the Exploitation of Natural Resources***. 397 p.
Volume Eleven: ***Transnational Corporations and Industrialization***. 425 p.
Volume Twelve: ***Transnational Corporations in Services***. 437 p.

Set D (Boxed set of 4 volumes. ISBN 0-415-08557-8. £350): Volume Thirteen: ***Cooperative Forms of Transnational Corporation Activity***. 419 p.
Volume Fourteen: ***Transnational Corporations: Transfer Pricing and Taxation***. 330 p.
Volume Fifteen: ***Transnational Corporations: Market Structure and Industrial Performance***. 383 p.
Volume Sixteen: ***Transnational Corporations and Human Resources***. 429 p.

Set E (Boxed set of 4 volumes. ISBN 0-415-08558-6. £350):
Volume Seventeen: ***Transnational Corporations and Innovatory Activities***. 447 p.
Volume Eighteen: ***Transnational Corporations and Technology Transfer to Developing Countries***. 486 p.
Volume Nineteen: ***Transnational Corporations and National Law***. 322 p.
Volume Twenty: ***Transnational Corporations: The International Legal Framework***. 545 p.

D. Journals

Transnational Corporations (formerly ***The CTC Reporter***).

Published three times a year. Annual subscription price: $45; individual issues $20.

ProInvest, a quarterly newsletter, available free of charge.

United Nations publications may be obtained from bookstores and distributors throughout the world. Please consult your bookstore or write to:

United Nations Publications

Sales Section	OR	Sales Section
Room DC2-0853		United Nations Office at Geneva
United Nations Secretariat		Palais des Nations
New York, NY 10017		CH-1211 Geneva 10
U.S.A.		Switzerland
Tel: (1-212) 963-8302 or (800) 253-9646		
Tel: (41-22) 917-1234		
Fax: (1-212) 963-3489		Fax: (41-22) 917-0123
E-mail: publications@un.org		E-mail: unpubli@unorg.ch

All prices are quoted in United States dollars.

For further information on the work of the Division on Investment, Technology and Enterprise Development, UNCTAD, please address inquiries to:

United Nations Conference on Trade and Development
Division on Investment, Technology and Enterprise Development
Palais des Nations, Room E-9123
CH-1211 Geneva 10
Switzerland
Telephone: (41-22) 907-5707
Telefax: (41-22) 907-0194
E-mail: almario.medarde@unctad.org

QUESTIONNAIRE

Foreign Direct Investment in Africa: Performance and Potential

UNCTAD/ITE/IIT/Misc. 15

In order to improve the quality and relevance of the work of the UNCTAD Division on Investment, Technology and Enterprise Development, it would be useful to receive the views of readers on this and other similar publications. It would therefore be greatly appreciated if you could complete the following questionnaire and return it to:

Readership Survey
UNCTAD Division on Investment, Technology and Enterprise Development
United Nations Office in Geneva
Palais des Nations
Room E-9123
CH-1211 Geneva 10
Switzerland
Fax: 41-22 907-0194

1. Name and address of respondent (optional):

____

____

____

____

2. Which of the following best describes your area of work?

____

____

Government	☐	Public enterprise	☐
Private enterprise institution	☐	Academic or research	☐
International organization	☐	Media	☐
Not-for-profit organization	☐	Other (specify)	

3. In which country do you work? ____________________

4. What is your assessment of the contents of this publication?

Excellent	☐	Adequate	☐
Good	☐	Poor	☐

5. How useful is this publication to your work?

Very useful ☐ Of some use ☐ Irrelevant ☐

6. Please indicate the three things you liked best about this publication:

7. Please indicate the three things you liked least about this publication:

8. If you have read more than the present publication of the UNCTAD Division on Investment, Enterprise Development and Technology, what is your overall assessment of them?

Consistently good ☐ Usually good, but with some exceptions ☐

Generally mediocre ☐ Poor ☐

9. On the average, how useful are these publications to you in your work?

Very useful ☐ Of some use ☐ Irrelevant ☐

10. Are you a regular recipient of ***Transnational Corporations*** (formerly ***The CTC Reporter***), the Division's tri-annual refereed journal?

Yes ☐ No ☐

If not, please check here if you would like to receive a sample copy sent to the name and address you have given above ☐