

A NEW GLOBAL INVESTMENT LANDSCAPE, A NEW GENERATION OF INVESTMENT POLICIES

**Presentation on UNCTAD's Investment Policy Framework for
Sustainable Development and the World Investment Report
2015: Reforming International Investment Governance**

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The new global investment landscape

Outline

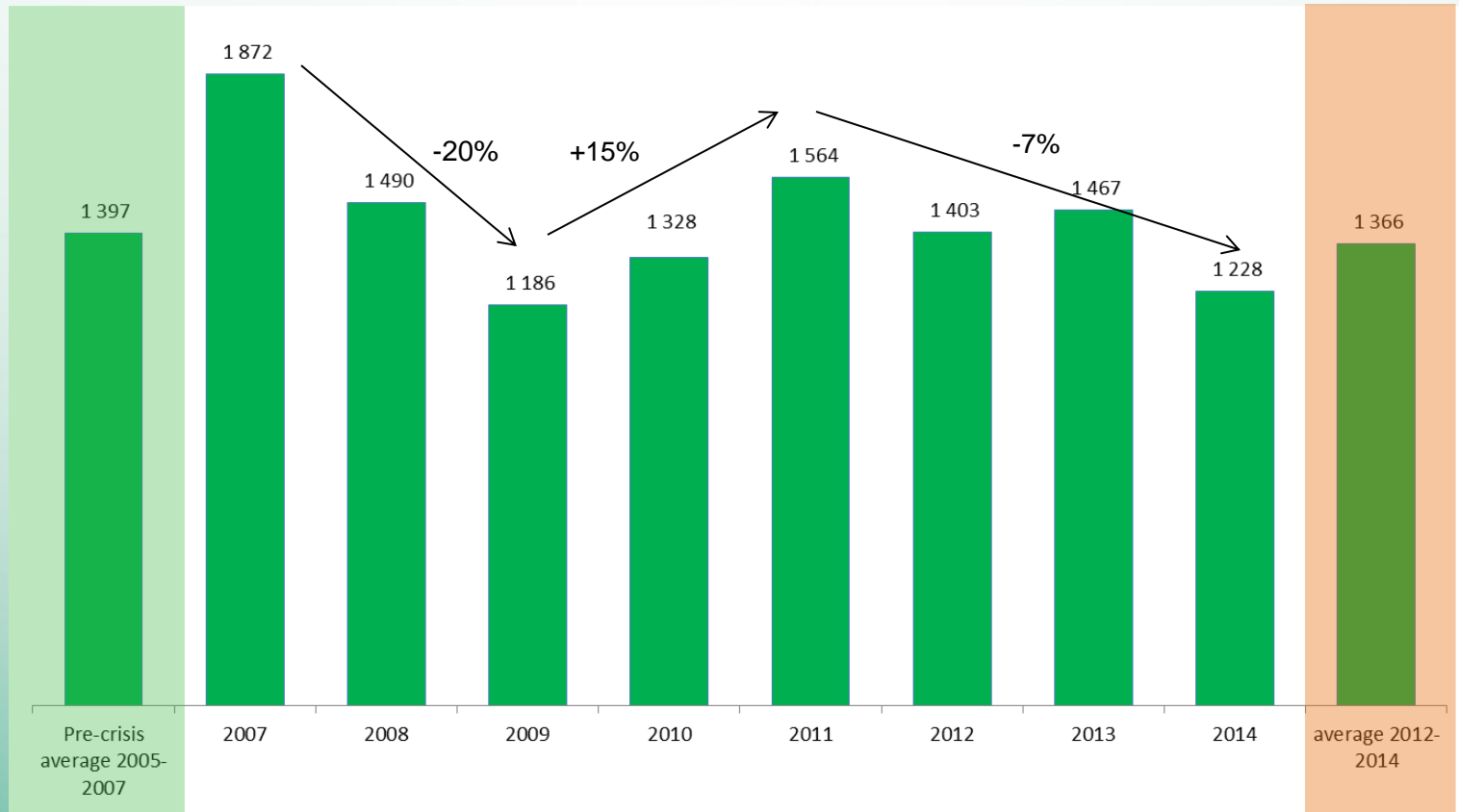
- **Trends in investment flows: tectonic changes**
- **Trends in investment policies**
- **UNCTAD Investment Policy Framework for Sustainable Development**
- **UNCTAD Roadmap for International Investment Governance Reform**



FDI recovery road proves bumpy

Global FDI inflows
(Billions of dollars)

↗ Average annual growth rate



The trend of FDI flows is in contrast with other macro variables

Growth rates of global GDP, GFCF, trade, employment and FDI, 2008-2016

(Per cent)

Variable	2007	2008	2009	2010	2011	2012	2013	2014	2015 ^a	2016 ^a
GDP	5.7	3.1	0.0	5.4	4.2	3.4	3.3	3.4	3.1	3.6
Trade	7.9	2.9	- 10.3	12.5	6.7	2.9	3.3	3.3	3.2	4.1
GFCF	8.3	3.0	- 3.5	5.7	5.5	3.9	3.2	2.9	3.0	4.7
Employment	1.7	1.2	1.1	1.2	1.4	1.4	1.4	1.3	1.3	1.2
FDI	34	- 20.4	- 20.4	11.9	17.7	- 10.3	4.6	- 16.3	11.4	8.4
<i>Memorandum:</i>										
FDI value (in \$trillions)	1.9	1.5	1.2	1.3	1.6	1.4	1.5	1.2	1.4	1.5

Source: UNCTAD, FDI/MNE database for FDI in 2007-2014; IMF (2015) for GDP, GFCF and trade, ILO for employment; and UNCTAD estimates for FDI in 2015-2016.

^a Projections.

Note: Excluding Caribbean offshore financial centres. GFCF = Gross fixed capital formation.

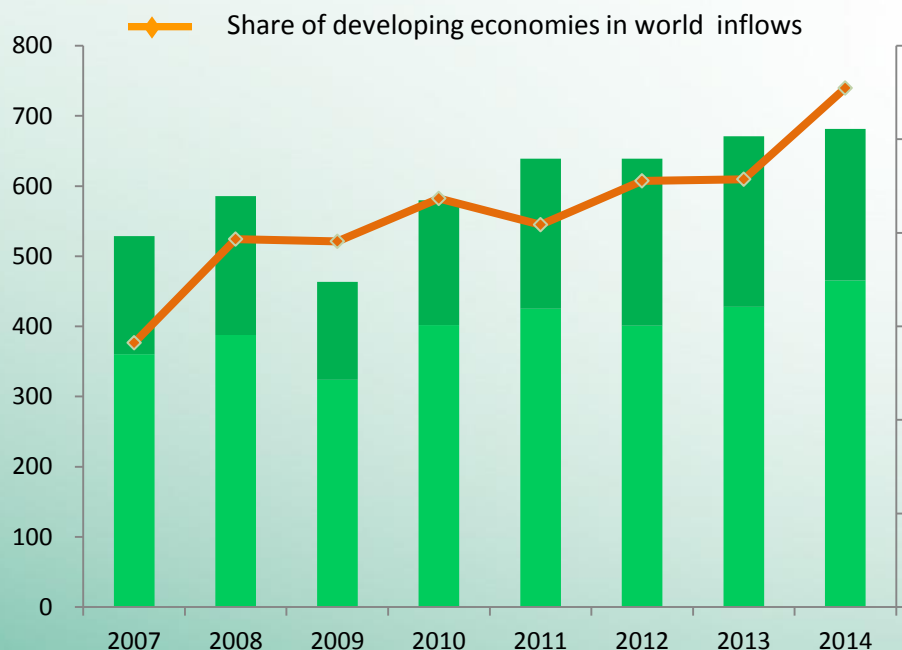


Developing economies are the driver of global FDI flows

Asia is the largest recipient and investor

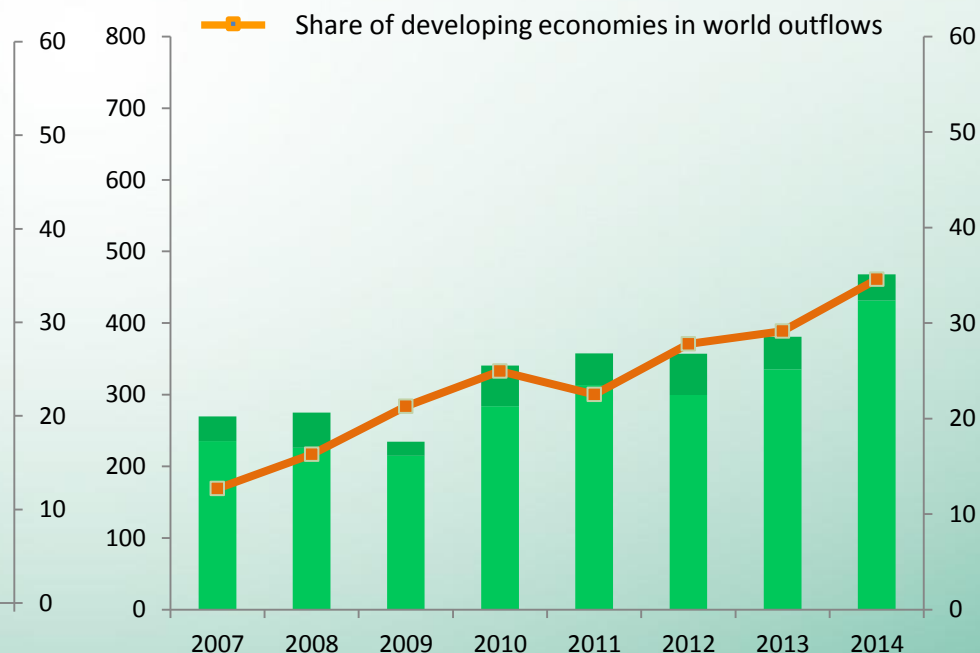
FDI inflows

(Billions of dollars and per cent)



FDI outflows

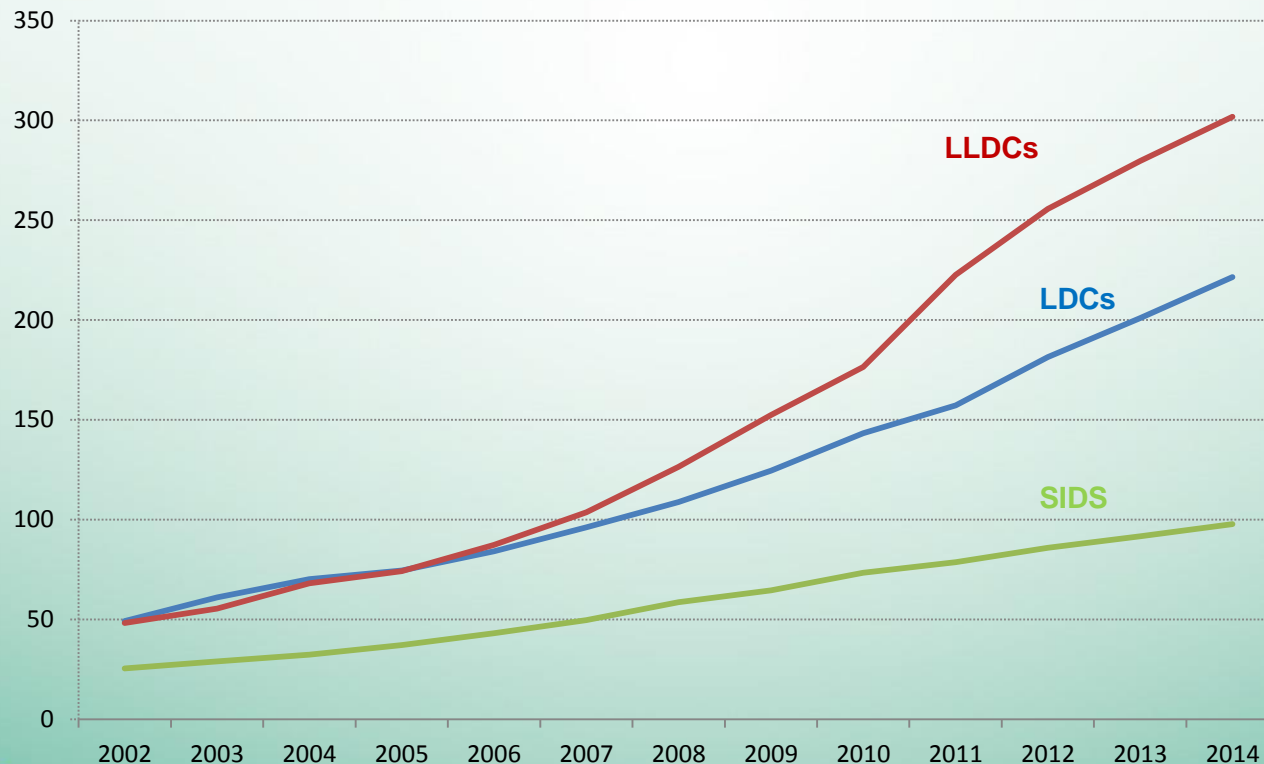
(Billions of dollars and per cent)



- Developing economies w/o developing Asia
- Developing Asia

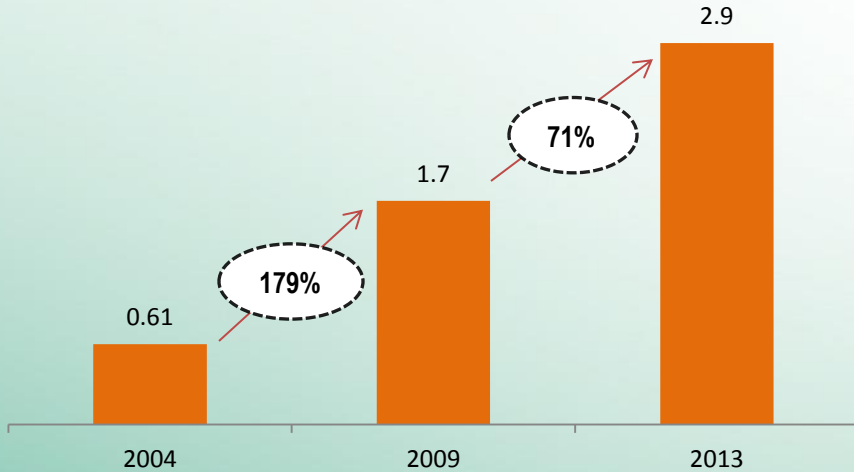
Over the past decade, FDI stock tripled in LDCs and SIDS and quadrupled in LLDCs

FDI inward stock, 2002- 2014
(Billions of dollars)

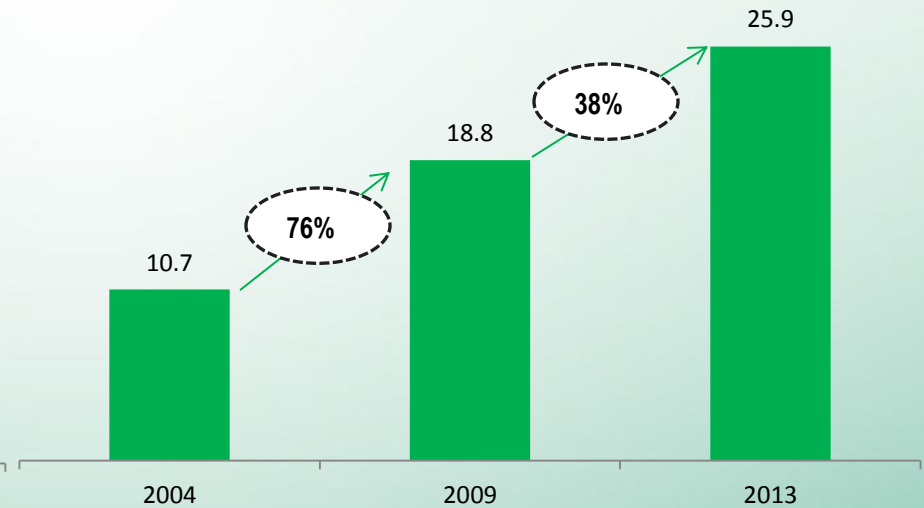


South-South FDI have intensified in recent years

Estimated South-South FDI stock
(Trillions of dollars and per cent)

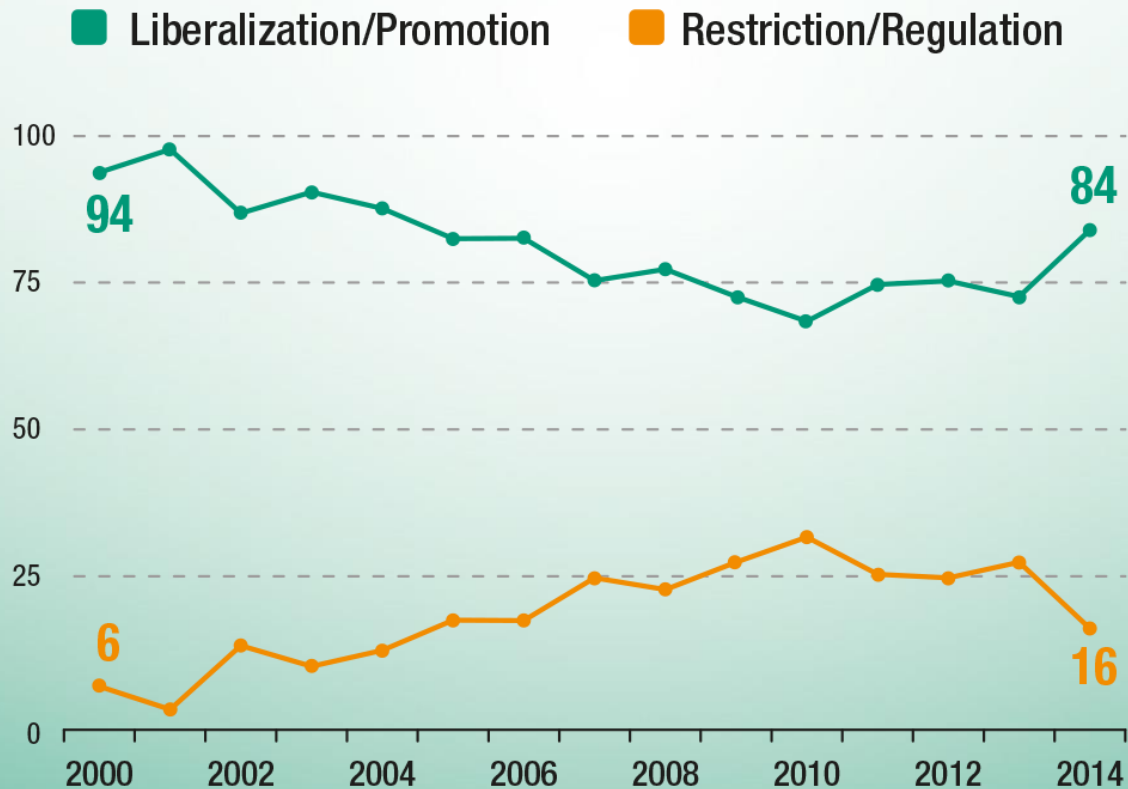


Global outward FDI stock
(Trillions of dollars and per cent)



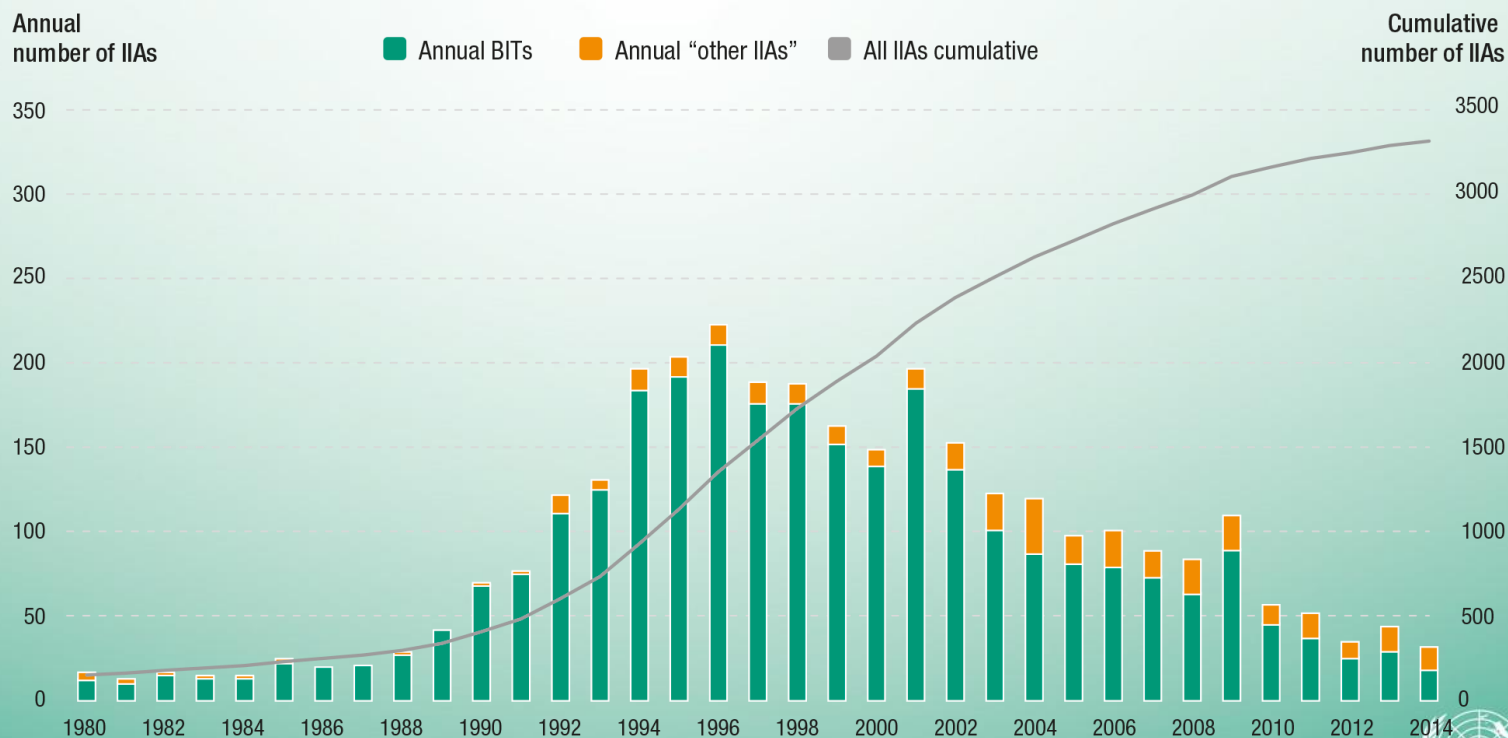
Dichotomy in national investment policy developments

Trends in national investment policies, 2000–2014
(Percent)



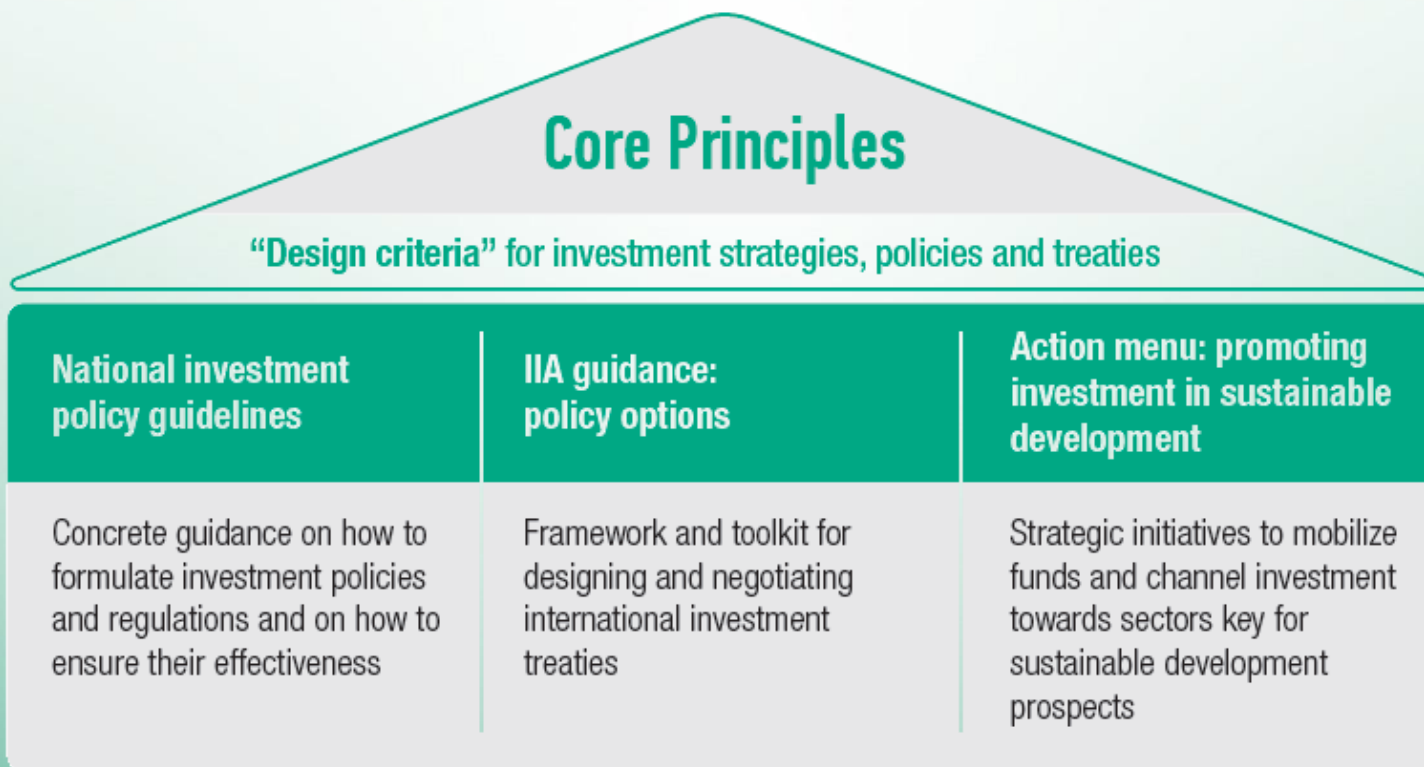
International investment policies: new IIAs in 2014: 31 88 countries involved in 7 megaregional negotiations (concluded and/or ongoing)

Trends in IIAs signed, 1980–2014



UNCTAD's Investment Policy Framework 2015

Investment Policy Framework for Sustainable Development



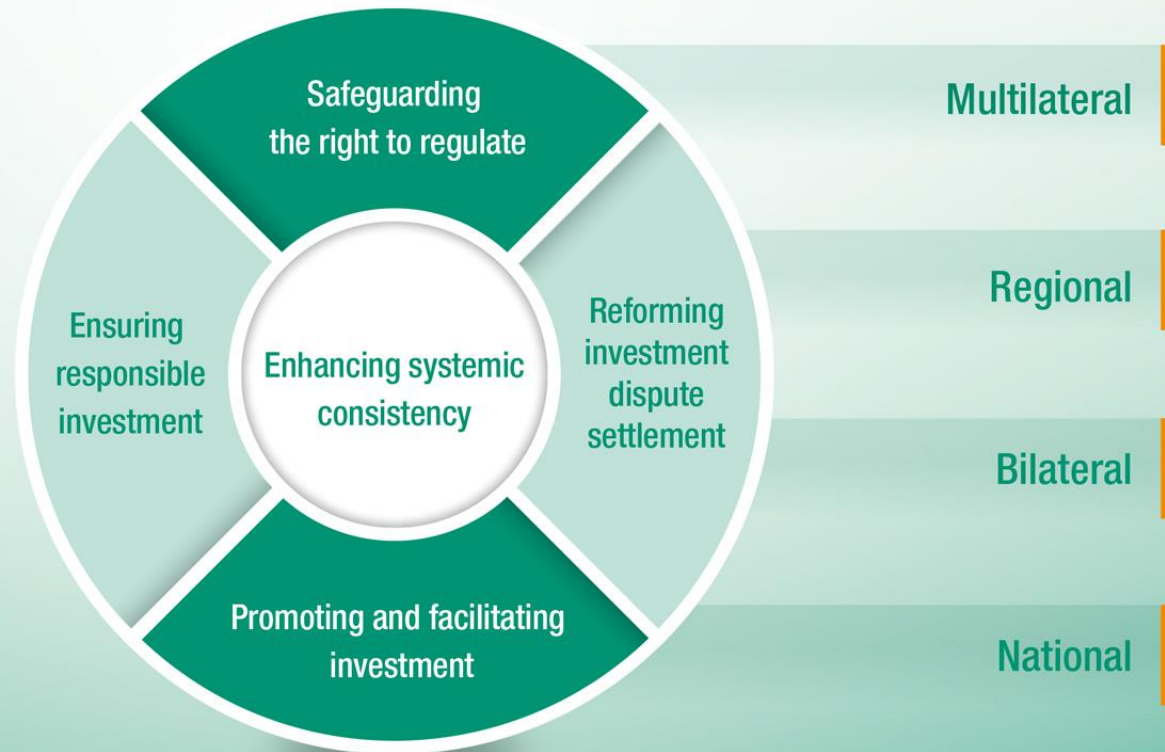
UNCTAD Roadmap for IIA Reform (WIR 2015)

6 GUIDELINES

5 AREAS

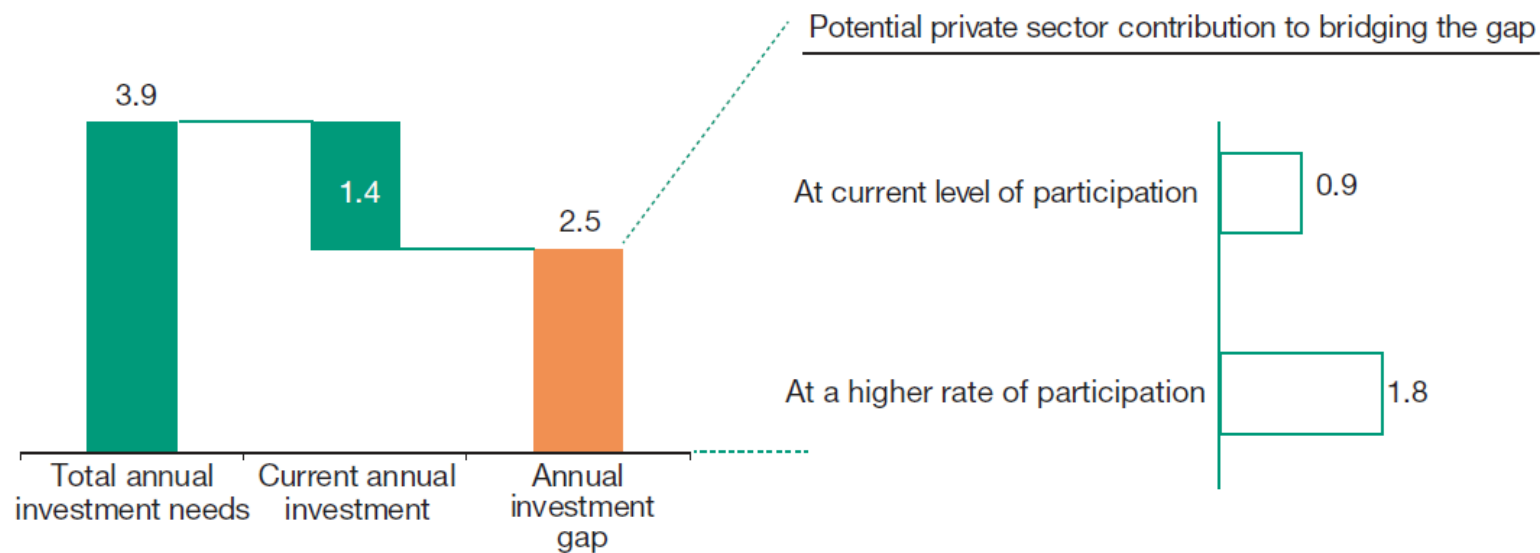
4 LEVELS

- Harness IIAs for SD
- Focus on critical reform areas
- Act at all levels
- Sequence properly
- Inclusive / transparent process
- Multilateral support structure

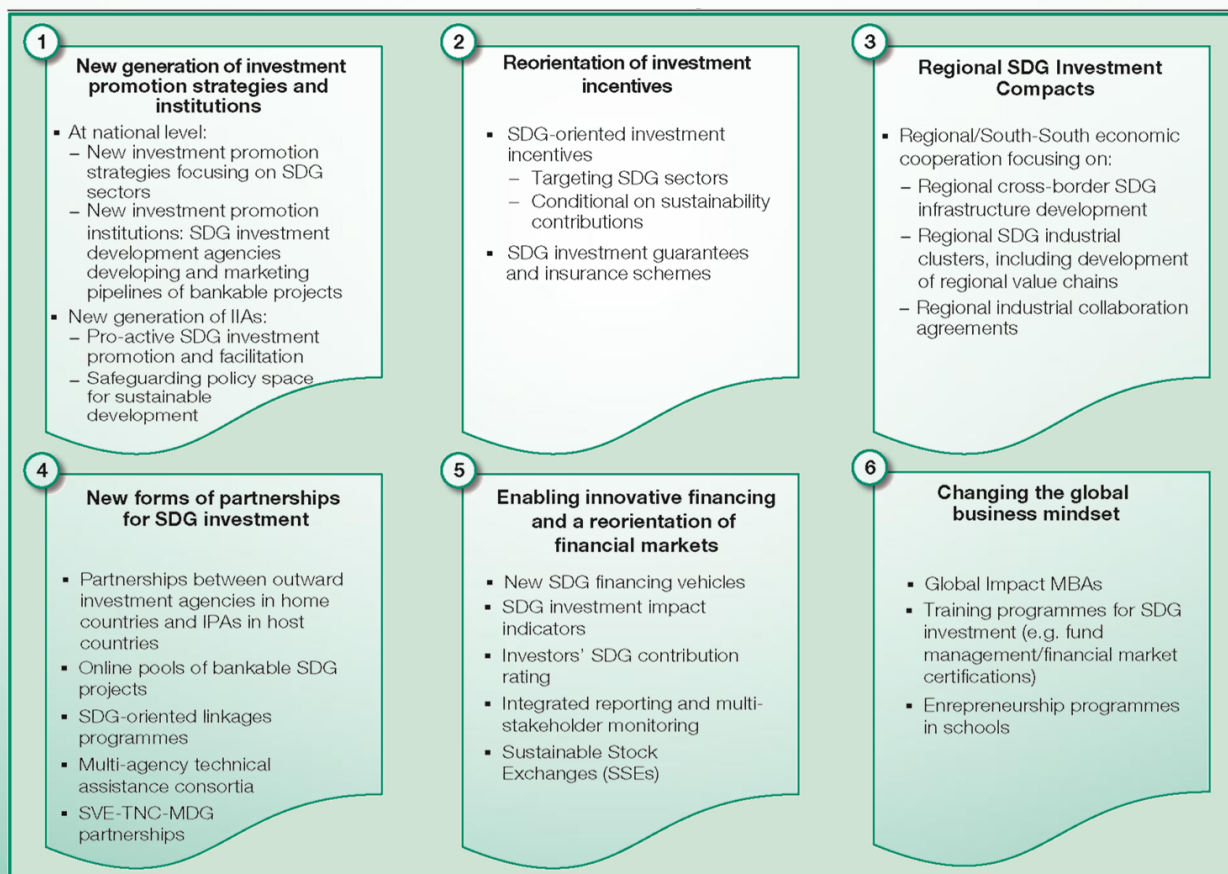


Estimated annual investment needs for SDGs and potential private sector contribution (WIR2014)

(Trillions of dollars)



A Transformative Action Plan for the SDGs (WIR 2014)



Guiding Principles

Balancing liberalization and regulation

Balancing the need for attractive risk-return rates with the need for accessible and affordable services for all

Balancing a push for private funds with the push for public investment

Balancing the global scope of the SDGs with the need to make a special effort in LDCs



THANK YOU!

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