

UNCTAD World Investment Forum 2014

Geneva, 16 October 2014

Launch of the Investment Guide to the Silk Road

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

Excellencies,
Distinguished delegates,
Ladies and Gentlemen,

It is my great pleasure to welcome you to the launch of UNCTAD's Investment Guide to the Silk Road. The Guide is one concrete example of UNCTAD's work in the Silk Road region and today we are presenting the third version of the Guide, which covers five Central Asian countries: Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and, for the first time, Turkmenistan; and the four western Chinese provinces of Gansu, Ningxia, Shaanxi and Xinjiang.

The Silk Road region lies at the heart of the Eurasian continent, and is part of a historic pattern of exchange, of goods, culture and technology between East and West. Two decades ago, this region embarked on a new endeavor to rejuvenate itself as an inter-regional economic hub, through the introduction of market-based reforms and infrastructure development to help facilitate its integration into the global market. These efforts have led to continuous improvements in the investment climate, better infrastructure, increased cross-border trade, and economic growth across the region. Consequently, the region now offers investors a variety of opportunities in many sectors, ranging from tourism, mining and agriculture to transportation, chemicals and equipment manufacturing. Indeed, the region has witnessed a surge in FDI inflows, rising from just \$2 billion in 2000 to \$18 billion in 2012.

While much of this increase is still driven by resource-seeking FDI, investors are also looking to the region for its expanding market size and regional linkages, as well as efficiencies driven by lower production costs. With 155 million people living in the region, the Silk Road offers investors a promising regional market, and it is also linked to large markets such as China, India, the Russian Federation, Turkey and the Middle East.

However, this huge potential is far from fully tapped. The Silk Road region as a whole is still largely unknown to international investors. Huge differences across the region, in terms of natural resources, industry composition and laws and regulations, remain a daunting challenge. Meanwhile, investment promotion agencies (IPAs), which can play an important role in attracting and supporting foreign investors, are either underdeveloped or, in some areas, do not exist at all. For all these reasons, it is not surprising that FDI stock across the region remains relatively low, in particular compared to other regions in Asia.

The aim of this Investment Guide, therefore, is to help the Silk Road economies fill this information gap and raise awareness about the region as an investment destination. The Guide provides potential investors with information on the economic conditions in the region, outlines investment opportunities and gives an overview of the regulatory framework affecting investment in each Silk Road country. We hope that the Guide will promote a constructive dialogue among key investment stakeholders and will help shine a spotlight on the region.

Let me close by thanking the IPAs and other government institutions in the Silk Road countries for their support in preparing the Guide. In partnership with them, UNCTAD looks forward to continuing its work in the region.
Thank you.