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World Investment Forum

Forum Mondial de l'Investissement – Foro Mundial de la Inversión

Accra, Ghana, 18-22 April 2008

UNCTAD XII

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
ACCRA, GHANA, 20 - 25 APRIL 2008

Part 2





Global Leaders Investment Debate

Moderator:

Simon Hobbs, CNBC

List of panellists

H.E. Tarja Halonen, President of Finland;

H.E. Ana Vilma Albanez de Escobar,

Vice-President of El Salvador;

Supachai Panitchpakdi,

Secretary-General of UNCTAD;

Ian Cockerill, CEO of Gold Fields Ltd.;

Peter Barker Homek, CEO of Abu Dhabi

National Energy Company (TAQA);

Mo Ibrahim, Chairman of the Mo Ibrahim

Foundation and Founder of Celtel;

Gengshu Miao, President of the China

International Investment Council

and President of SINOTRANS;

Rajendra K. Pachauri, Nobel Peace Prize

Laureate and Chairman of the

Intergovernmental Panel on Climate Change.

Discussant

H.E. Mary Robinson, former President of Ireland, former United Nations High Commissioner for Human Rights and current Chair of Realizing Rights: the Ethical Globalization Initiative.

The Global Leaders Investment Debate was a highlight of the first WIF. It brought together a distinguished panel of Heads of State and CEOs of global companies to evaluate the opportunities and challenges arising from the rapidly changing international investment landscape. Corporate and country perspectives were offered by political, business and senior academic leaders from across the world, with policymakers and representatives from IPAs and non-governmental organizations making contributions from the floor.

Pertinent to the United Nations Secretary-General Ban Ki-moon's dedication of 2008 as the year of the "bottom billion", i.e. those living on less than a dollar a day, the opening segment stressed the importance of ensuring that the benefits of FDI are widely shared and accessible to those who need new opportunities the most. It was also stressed that the protection of the environment and climate change policies offered vast areas for new investment initiatives. Other issues emphasized were the role of policy in leveraging technology transfer from FDI; the increasing importance of South-South FDI in the development process; and the need for developing countries to adopt the right

investment strategies. Also highly targeted research and development, as well as communications technologies, should be put in place as a priority. UNCTAD had concentrated on all those areas in the past and would continue to do so in the future.

Following the opening remarks, the panel moderator led a lively discussion. Private sector participants were asked to share with the audience their companies' investment plans for the future. The need for transparency and simplicity in regulation quickly emerged as a central theme. It was clear that companies were keen to invest in countries open to foreign investment, especially with a separation of politics from rules regulating investment and trade, regardless of the prevailing political system in a country.

It was also agreed that the burden of regulation needed to be contained and that it was also necessary for executives to adhere to the highest compliance standards. It was further noted that investment was a two-way street requiring fair





business practices on the one hand and good governance on the other. If Africa could improve its governance, the relatively high rates of return on investment in Africa would attract additional FDI to the region.

In terms of what countries needed to do to attract FDI, governments had to ensure open markets, innovative marketing opportunities and the necessary support regarding taxes and other matters.

It was pointed out that the multilateral trading system was the foundation upon which development took place but that individual countries needed to build tailor-made policy frameworks on that foundation in order to maximize gains. However, it was also important to decide what kind of economy a country wished to have. Such clarity of vision allowed countries to target the sort of investment that could best achieve strategic economic and social objectives.

On environmental issues, it was critically important for developing countries to

ensure that their rules of investor engagement met the objectives of sustainable development, especially environmental protection. While understanding how attractive some investment offers could be, it was necessary to be cautious, lest overeager countries took a leap that ultimately – and perhaps irreparably – damaged the environment. Great intellectual energy was needed

to devise policies to achieve sustainable development and avoid future conflicts flowing from climate change.

In his summing up of what he described as a “landmark event”, Secretary-General Supachai Panitchpakdi highlighted the positive contribution of UNCTAD’s Investment Policy Reviews for countries when framing their regulatory environments. The Secretary-General, alluding in his closing remarks to the power cuts which periodically left the debate without light, said that the difficult circumstances under which the debate was held underscored the real need for greater investment in the infrastructure of the developing countries.

