

Prospects for Foreign Direct Investment and the Strategies of Transnational Corporations, 2005-2008

CHAPTER 1



UNITED NATIONS
New York and Geneva, 2005

I. Introduction

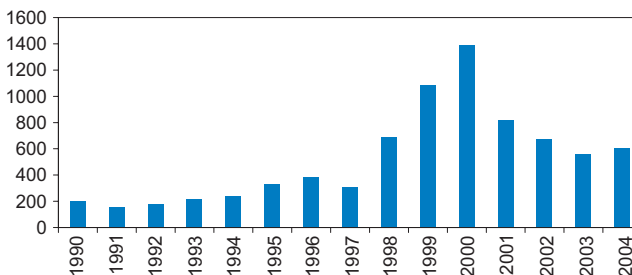
The Global Investment Prospects Assessment (GIPA) is designed to present short- and medium-term prospects for foreign direct investment (FDI) at the global, regional and industry levels. It also analyses the evolving trends in the strategies of transnational corporations (TNCs), as well as national FDI policies.

GIPA is designed to equip governments and business alike with an instrument for proactive development of policies and strategies, as opposed to a *post facto* assessment of foreign investment facts.

This study, the third in the GIPA series, assesses the 2005-2008 prospects for FDI trends, TNC activities and policy developments using a methodology similar to last year's report. GIPA is a comprehensive analysis based on the findings of three parallel global surveys of TNCs, FDI experts and IPAs, as well as on relevant macroeconomic and microeconomic indicators and policy initiatives that shape the future global FDI.

The GIPA 2005 survey was conducted against the backdrop of the end of a three-year downturn in global FDI, with the recovery, which began in 2004, being led by a rise in FDI to developing countries as flows to developed countries remained modest (figure I.1).¹

Figure I.1. Trends in global FDI flows, 1990-2004
(US\$billion per year)



Source: UNCTAD, www.unctad.org/fdistatistics.