INVESTMENT POLICY MONITOR

A PERIODIC REPORT BY THE UNCTAD SECRETARIAT

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Introduction

This *Monitor* is the third of a new series launched by the UNCTAD secretariat in order to provide policymakers and the international community with up-to-date information about the latest developments and salient features in foreign investment policies at the national and international level. It covers measures taken in the period between April and the beginning of October 2010.

The policy measures mentioned in the *Monitor* are identified through a systemic review of government and business intelligence sources. Measures are verified, to the fullest extent possible, by referencing government sources.

Highlights of main developments and policy implications

- The review period (April to beginning of October 2010) witnessed an ongoing trend towards more investment liberalization, facilitation and promotion. At least 41 countries or economies adopted policy measures affecting foreign investment, with countries in Asia being particularly active.
- At the same, numerous countries adopted policies to strengthen the role of the state in the economy. Measures taken include, inter alia, some instances of expropriation/nationalization in Latin America and a stronger regulation of the financial sector. Investment protectionism remains a serious potential threat to the foreign direct investment (FDI) recovery, particularly protectionism that is "hidden" in the implementation of existing laws.
- At the international level, countries continued to conclude new investment agreements – 50 new such agreements were signed between 79 economies. Notable is the continued trend towards signing double taxation treaties.
- The overall trend towards attracting more foreign investment can enhance the economic recovery in the aftermath of the financial crisis, particularly at this critical juncture when public investment has run out of steam in many countries and when private investment is yet to reassume its lead role in the global economy. Likewise, the development towards strengthening the role of the State, in particular in the financial sector, can contribute to more responsible investment in the future. However, finding the right balance between more regulation, on the one hand, and investment promotion, on the other hand, remains a challenge.

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1. Investment-specific policy measures

Numerous investment-specific measures were taken in the review period. Most of them relate to investment liberalization, facilitation and promotion, but there have also been instances where new restrictions have been introduced (annex table 1).

Between April and the beginning of October 2010, at least 27 countries or economies adopted investment-specific policy measures. The great majority of them went into the direction of more investment liberalization, facilitation and promotion.

Investment liberalization measures were mostly taken in the Middle East and Asia. For instance, the *Syrian Arab Republic* issued Law No. 56/2010 allowing the establishment of investment banks in the Syrian Arab Republic for the first time. The law states that a foreign bank's equity stake in a financial institution be normally limited to 25 per cent; however, it can be raised to a maximum of 60 per cent upon cabinet approval.[1] *Lebanon* adopted a law that opens its offshore areas to oil and natural-gas exploration.[2] In *Cambodia*, the National Assembly approved the long-awaited Foreign Ownership Property Law, allowing foreigners to buy real estate above the ground floor.[3] *Indonesia* issued Presidential Regulation No. 36/2010, partially liberalizing the cyclamate and saccharine industries, the construction industry, film and health services, as well as electricity generation.[4] *Canada* removed restrictions on foreign ownership of Canadian satellites.[5] Finally, *Taiwan Province of China* partially liberalized outward investment to China with regard to a number of activities related to agriculture, manufacturing, services, and infrastructure.[6]

Many countries took steps to further ***facilitate investment***, with countries in Asia being particularly active. For instance, in the *Republic of Korea* the Ministry of Knowledge Economy (MKE) announced that it will provide a so-called "red carpet" service for foreign investors recommended by central government agencies, provincial governments and foreign embassies. Government services will include immigration, transportation, escorting, interpretation, related industry consultation and industrial field trip.[7] The government will also step up efforts to attract investments from China with an aim to increase the amount more than 10-fold to $2 billion in 2015.[8] *India* introduced a "Consolidated FDI Policy" circular, which combines in one document all Foreign Direct Investment (FDI) regulations in an effort to make those policies more transparent, predictable, simpler and clearer.[9] In the *Philippines*, the Board of Investment strengthened its National Economic Research and Business Action Center (NERBAC), considered as the investor's door to making investment decisions, with a view to reduce the cost of doing business by streamlining procedures and facilitating business transactions.[10]

In *China*, a "Circular of the Ministry of Commerce on Delegating Approval Authority over Foreign Investment to Local Counterparts" delegates the authority to deal with foreign investment to local authorities.[11] *Tunisia* issued a Presidential order, stipulating, inter alia, the establishment of one-stop shops of the Industry Promotion Agency (IPA) in order to speed up administrative procedures for the setting up of companies.[12] In *Egypt* a centre of investment disputes settlement has been launched within the Ministry of Investment. It

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1 "Capital bar set high for investment banks", Economist Intelligence Unit, 6 September 2010.

2 "Lebanon passes gas law, paves way for exploration", Reuters, 17 August 2010.

3 "Cambodian law to let foreigners buy real estate", Invest in Cambodia, 5 April 2010.

4 "Negative investment list: simplifying, assuring and attracting investors", Indonesia Investment Coordinating Board, June 2010. Another objective is to simplify procedures, increase legal certainty and to fulfill commitments regarding the ASEAN Economic Community.

5 Canada Minister of Finance, Budget 2010: Leading the Way on Jobs and Growth (www.budget.gc.ca).

6 "Restrictions Loosened on Investment in China", Council for Economic Planning and Development, 9 April 2010.

7 "Red Carpet Service for Foreign Investors", Invest Korea, 23 Aug 2010.

8 "Seoul Seeks More Chinese Investment", Invest Korea, 12 August 2010.

9 "Consolidated FDI Policy", Ministry of Commerce and Industry, 1 April 2010.

10 "BOI Strengthens Frontline Services", Board of Investment of Philippines, 23 Aug 2010.

11 "Circular of the Ministry of Commerce on Delegating Approval Authority over Foreign Investment to Local Counterparts", Ministry of Commerce of the People's Republic of China, 10 June 2010.

12 Communication from the Tunisia Foreign Investment Promotion Agency, 24 July 2010 and "Head of State chairs cabinet meeting on easing administrative procedures to boost investment", Government press release, 7 April 2010.

acts as a mechanism for reaching a consensual and speedy settlement of disputes within and between companies.[13] *Uganda* adopted the Contracts Act 2010, aimed at improving the general regulatory climate for investment as well as FDI inflows in the country.[14] *Bosnia and Herzegovina* amended its Law on Direct Foreign Investment Policy, simplifying the registration process for foreign investments.[15] The *Russian Federation* introduced simplified rules for employing highly qualified foreign specialists.[16] Finally, *Ukraine* revoked a number of restrictions on foreign investment, namely the limitation to invest exclusively through investment accounts opened in Ukrainian banks, the mandatory registration of investments, and the prohibition to early (pre-maturity) repay loans received from non-residents.[17]

A third prominent category of policy measures taken in the review period relates to ***investment promotion***. For instance, in *China*, the State Council identified specific sectors that are to be encouraged through tax incentives – but also those which are to be discouraged or banned. The former include high-technology and energy-efficient projects, the latter polluting industries and sectors suffering from overcapacity.[18] *China* also recently announced at the UNCTAD World Investment Form 2010 that it would treat foreign companies hoping to win government contracts equally with domestic firms.[19] In *Taiwan Province of China*, the Parliament passed a revision of the "Offshore Banking Act" to boost the development of the economy as a regional financial centre. In the future, the income that overseas investors earn from investments in structured products through Taiwan's offshore banking units (OBUs) will remain exempt from taxes.[20] In addition, the Government announced that under the new "Business Income Tax Exemption Rules for Foreign Profit-seeking Enterprises Engaged in the Storage or Simple Processing of Goods in Free Trade Zones", foreign owners of goods that undergo storage or simple processing in free trade zones will be exempt from the business income tax. [21] In *Thailand*, the cabinet approved the proposed tax incentives for Regional Operating Headquarters (ROH).[22]

The *Libyan Arab Jamahiriya* adopted an investment promotion law which encourages domestic and foreign investment projects in accordance with national development strategies.[23] In *Bulgaria,* the Government adopted amendments to the Investment Promotion Act reducing the investment thresholds for investment certificates and providing state aid to foreign investors engaged in certain economic activities.[24]

Some countries established new ***free economic zones*** or improved existing regulations therein in order to promote investment, both domestic and foreign. For example, the *Libyan Arab Jamahiriya* adopted a law concerning the establishment and modernization of the Zouara-Ras Ajdir development region. This law grants tax incentives and immunities to investors and investments in this zone and allows English to be used as official language.[25] The *Russian Federation* created a new Special Economic Zone in the Samar Region with a view to attracting investors particularly in the car-making and

[13] Ministry of Investment, Decree No. 170 (2009) on the Establishment of an Investor Dispute Settlement Center at the General Authority for Investment and Free Zones.

[14] Communication from the Uganda Investment Authority, 16 August 2010.

[15] Official Gazette No. 48/10.

[16] Federal Law No.86-FZ of 19 May 2010.

[17] Law No.2155-VI of 27 April 2010.

[18] "Several Opinions of the State Council on Further Utilizing Foreign Capital", State Council, 6 April 2010.

[19] Press Release on the Opening of the UNCTAD World Investment Forum, Xiamen, China, 6-9 September 2010, available at www.unctad.org.

[20] "Tax Exemption Reinstated for OBU Investment in Structured Products", Council for Economic Planning and Development, 11 June 2010.

[21] "Business Tax Exemption for Foreign Goods Stored or Processed in FTZs", Council for Economic Planning and Development, [21] May 2010.

[22] "Revised Tax Package for Regional Operating Headquarters", Board of Investment, 4 June 2010; "BOI Investment Initiatives and Policies", Board of Investment, 15 June 2010.

[23] Law No. 9 of 2010.

[24] Regulations for application of the Investment Promotion Act. State Gazette No.62, 10 August 2010.

[25] Law No. 14/2010.

related industries.[26] In the *Republic of Korea*, the government is offering an improved package of incentives to lure foreign investors into free economic zones (FEZs).[27]

On the other hand, some countries continued their ***nationalization and expropriation policies***. In *the Plurinational State of Bolivia*, the Government nationalized several electricity generation companies as well as the Vinto Antimonio smelter, a Swiss foreign subsidiary.[28] The Government of the *Bolivarian Republic of Venezuela* took over the domestic assets of a Mexican food company.[29] In *Panama*, the Government announced its decision to assume control of two toll-road concessions awarded to foreign companies in the 1990s.[30] Outside Latin America, the *Kyrgyz Republic* nationalized one of the country's largest banks, the foreign-controlled "AsiaUniversalBank".[31]

Several countries, in particular in Africa, adopted or prolonged ***other restrictive measures*** for foreign investors. *Algeria* adopted a new measure which increases the preference margin in favour of domestic firms in awarding public contracts and requires foreign companies that are selected in the process to enter into a joint venture with national firms.[32] *Nigeria* adopted the Oil and Gas Industry Development Act 2010. It creates the Nigerian Content Development Agency and demands that 70 per cent of Nigeria's oil and gas production is done locally by 2010.[33] *Australia* announced a tightening of the foreign investment rules relating to residential real estate.[34] In *Brazil*, existing restrictions on the sale of farm land to foreign investors, including domestic companies with more than a 50 per cent stake controlled by foreigners, have been formalized through a new interpretation of an existing law.[35]

2. Investment-related policy measures

A number of general policy measures were adopted during the review period that may affect foreign investors. They primarily include new privatization programmes and amendments of tax regulations. Countries in all regions were active in this respect. Most of the policies aim at improving investment conditions, but there were also some instances where investors have been subject to stricter regulatory conditions or higher taxes. Of major importance for foreign investors are also new regulatory policies that some countries adopted in the banking sector in response to the financial crisis (annex table 1).

Between April and the beginning of October 2010, at least 16 countries or economies adopted investment-related policy measures. Privatization programmes and tax reductions figure prominently among them, but there was also a trend towards more regulation of the financial sector.

Various countries around the globe adopted new ***privatization programmes***, opening up investment opportunities for both domestic and foreign private investors. In the *Russian Federation,* the Government has provisionally approved a list of 10 State-run companies in which the Government will sell part of its shareholding over the course of 2011-2013 – the biggest privatization programme since the asset sales of the 1990s. The companies include (a) the country's largest oil producer, Rosneft; (b) the pipeline monopoly Transneft; (c) leading banks Sberbank and Vneshtorgbank (VTB); and (d) the rail and shipping giants Russian Railways (RZhD) and Sovkomflot. However, the Government has no intention of surrendering majority control of these giant companies.[36] *Poland* sold a 30 per cent stake in PZU – Central Europe's largest insurance company.[37] *Kuwait* passed a privatization law, allowing the sale of up to 35 per cent of the shares of a privatized company to foreign investors. The Government will retain a "golden share" in the

26 Government Resolution No. 621 of 12 August 2010.
27 "More Incentives to be Offered for FEZ Foreign Investors", Invest Korea, 1 Sep 2010.
28 Supreme Decrees 493 and 494 of 1 May 2010 and "Bolivia revierte a su dominio fundidora Vinto Antimonio", Agencia Boliviana de Información, 2 May 2010.
29 Decree No. 7.394, Gaceta Oficial de la Republica Bolivariana de Venezuela No. 39422.
30 "Estado adquiere acciones totales del Corredor Sur y el 51% del Corredor Norte", Government press release, 25 March 2010.
31 Decree of the Provisional Government of the Kyrgyz Republic No.56 of 7 June 2010.
32 Communiqué du Conseil des Ministres, 11 July 2010.
33 UNCTAD, World Investment Report 2010, p. 80.
34 Foreign Acquisitions and Takeovers Amendment Regulations, 24 April 2010.
35 New interpretation of Law No. 5.709/71 by the Brazilian General Attorney, approved by President Luiz Inacio Lula da Silva, published in the Official Gazette (Diário Oficial da União) 23 August 2010.
36 "Russia economy: Privatisation with a twist", Economist Intelligence Unit, 29 July 2010.
37 "PZU shares rocket", New Poland Express, 14 May 2010.

privatized firms. The bill expressly excludes the production of oil and gas, oil refineries, and health and education services from privatization.[38] The country also adopted a law to privatize power and water desalination plants under specific conditions.[39] *The Islamic Republic of Iran* reduced its stake in the country's two biggest automotive manufacturers, Saipa and Khodro, from 49 per cent to 31 per cent.[40] In *Bhutan*, the Financial Services Bill was ratified by the National Assembly, requiring all banks to be public limited companies with a maximum of 25 per cent public ownership. This means that shares in banks with a higher public ownership have to be sold to private investors.[41] In *Jamaica*, the Government approved the sale of the last three sugar factories under State control.[42]

Several countries ***reduced corporate tax rates or provided other forms of tax incentives***. For example, the *United Kingdom* decreased corporate income tax by 1 per cent per year from 28 per cent in 2010 to 24 per cent in 2014.[43] *Tunisia* passed Law No. 29/2010 relating to the encouragement of companies to list their shares at the stock exchange. It reduces for these companies the corporate tax rate from 30 per cent to 20 per cent.[44] *Jordan* decided for tax breaks to the ICT sector.[45] In *Uzbekistan*, a decree issued by the President exempted the bus manufacturer "MB Central Asia" – a joint venture between Daimler AG and Uzavtosanoat – from payment of all taxes on the territory of Uzbekistan for a five-year term.[46] *Namibia* reduced the corporate tax rate payable by non-mining companies to 34 per cent from previously 35 per cent.[47]

Vice versa, some countries, mostly in Latin America, adopted new restrictive measures for investment, both domestic and foreign. In *Peru*, a decree by the Ministry of Transport and Communications regulates the ***forms in which an investment may be made***. The decree establishes that any private firm bidding for a port infrastructure concession would have to enter into a partnership with the Empresa Nacional de Puertos (ENAPU, the State-owned ports enterprise). The decree also states that concessions would not necessarily be awarded on the basis of a public bidding process, as has been the case up to now.[48] In *Ecuador*, the Government put into effect a reform of the hydrocarbons law. It obliges private oil companies to ***renegotiate their contracts*** from a production-sharing to a service arrangement, and will give effective control of the industry to the State.[49]

Some countries ***increased taxes*** for companies. *Kazakhstan* reintroduced an oil export tax for nearly all crude oil products. The oil export tax is designed to apply to hydrocarbons companies operating in Kazakhstan, including those with foreign participation.[50] In *Viet Nam*, the Law on Natural Resources Tax entered into force. The tax applies to new investment projects as of 1 July 2010 and affects companies exploiting precious stones and coal, and companies using forest products, marine products or natural water. The new law also increased royalty rates for some categories of natural

[38] "Kuwait MPs pass privatisation law, exclude energy production", France24, 12 May 2010.

[39] "Kuwait to privatise new power plants", Middle East Online, 26 May 2010, available at http://www.middle-east-online.com/english/business/?id=39199.

[40] "State reduces stake in Saipa and Khodro", Economist Intelligence Unit, 1 September 2010.

[41] "A new bill may lead to divestment in the BoB", Economist Intelligence Unit, 5 August 2010.

[42] "Gov't Finalising US$9 Million Sale of Last 3 Sugar Factories", Jamaica Information Service, 13 July 2010.

[43] Price Waterhouse Coopers, Worldwide tax summaries, available at http://www.pwc.com/gx/en/worldwide-tax-summaries/index.jhtml.

[44] Communication from the Tunisia Foreign Investment Promotion Agency, 24 July 2010.

[45] "Government gives tax breaks to the ICT sector", Economist Intelligence Unit, 2 August 2010.

[46] "JV Mercedes-Benz Central Asia was released from taxes", Uzbekistan Daily, 7 July 2010, available at http://www.uzdaily.uz/articles-id-3258.htm.

[47] Income Tax Amendment Act, 2010, Government Gazette of the Republic of Namibia No. 4475, 30 April 2010, and Namibian TAX Alert Issue No. 5/2010, Deloitte, 30 April 2010.

[48] Decreto Supremo 019-2010-MTC, El Peruano, 13 April 2010.

[49] "Proyecto de Ley Reformatoria a la Ley de Hidrocarburos y a la Ley de Regimen Tributario Interno", National Assembly Memorando No. PAN-FC-2010-160, 25 June 2010.

[50] Government Resolution No.709 of 13 July 2010, effective from 15 August 2010.

resources.[51] *Hungary* introduced a temporary bank tax, payable by a wide range of financial institutions, in order to reduce its budget deficit.[52]

The continuation of **State aid and stimulus packages** with potential impacts on international capital movements continued to be among the most common investment-related measure taken by G-20 governments. Furthermore, some G-20 countries strengthened the **regulation of the financial sector**. For example, the *United States* passed the "Wall Street Reform and Consumer Protection Act of 2010". The bill increases the role of the State in the financial markets by restricting the activities of financial companies and enhancing consumer protection. To this purpose, the Act (a) prohibits future bailouts in the banking sector (end of "too big to fail" approach); (b) separates banking and speculative trading; (c) increases consumer protection; and (d) reinforces the regulatory oversight over operations and advisors.[53] In the *European Union*, agreement was reached on the establishment of a new framework for financial supervision in order to help prevent future financial crises (establishment of the European Systemic Risk Board and of three additional supervisory bodies that will oversee banking, financial markets, insurance and pensions). The introduction of a European-wide transaction tax and bank levies is under discussion. *Germany, France* and the *United Kingdom* have already decided to introduce a bank tax.[54]

"Basel III" is considered to be the biggest change to global banking regulation. It will, inter alia, require banks to increase their percentage of top-quality capital of their risk-bearing assets from 2 per cent to 7 per cent. Due to Basel III regulations, banks are required to perform less risky business strategies and have to secure enough reserves in cases of financial shocks without needing taxpayers' bailout. "Basel III" has been agreed by central bank governors and top supervisors from the 27 member countries of the Basel Committee.[55] It is expected to be approved by the G-20 leaders at their summit in November 2010.[56]

3. International investment rulemaking

Between April and the beginning of October 2010, 79 economies concluded 50 international investment agreements (IIAs). This number includes 39 double taxation treaties (DTTs), 1 bilateral investment treaty (BIT) and 10 agreements other than BITs and DTTs.

Within the reporting period (April to beginning of October 2010), countries continued to sign other agreements with investment provisions and DTTs (annex tables 2 and 3). Partly motivated by international efforts to increase cooperation against tax evasion, 39 DTTs were signed in the reporting period. Twenty-two of these treaties involved either a G-20 country (*Australia*, *China*, *Germany*, *Japan*, *Saudi Arabia*, *Turkey* and *United Kingdom*) or a European Union (EU) member State (*Austria*, *Belgium*, *Denmark*, *Finland*, *Hungary*, *Ireland*, *Malta*, *Netherlands*, *Portugal* and *Spain*).[57] Other countries that stand out as very active in concluding DTTs are *Georgia*, *Hong Kong (China)*, *Kuwait*, *Serbia* and *Switzerland*.[58]

During the reporting period, countries concluded 1 BIT (between the *Russian Federation* and *Singapore*) and 10 IIAs other than BITs and DTTs. Seven of them involved one or several G-20 countries (*Canada*, *China*, *France*,

[51] Natural Resources Tax Law (Law number 45/2009/QH12), available at www.dalat.gov.vn.

[52] Investment, Trade and Development Agency (ITD), available at http://www.itdh.com/engine.aspx?page=showcontent_befekteto&content=10pwc0811.

[53] See www.financialstability.gov and http://www.whitehouse.gov/wallstreetreform.

[54] See http://article.wn.com/view/2010/09/07/EU_agrees_new_financial_supervision_framework/.

[55] Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Hong Kong (China), India, Indonesia, Italy, Japan, Republic of Korea, Luxembourg, Mexico, the Netherlands, Russian Federation, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

[56] "Global regulators agree on tougher Basel III bank rules", Reuters, 12 September 2010 and the Bank for International Settlements (http://www.bis.org/bcbs/).

[57] Only one agreement was reached between two G-20 countries (Australia–Turkey) and two more between a G-20 country on the one hand and an EU member State on the other (China–Finland, Japan–Netherlands).

[58] Hong Kong, China was involved in six treaties; Albania, Georgia, Kuwait, Serbia and Switzerland were involved in three. Bahrain, the former Yugoslav Republic of Macedonia, Morocco, New Zealand, Panama, Qatar, Saudi Arabia, and the United Arab Emirates signed two DTTs each.

Germany, *Italy, Republic of Korea*, *United Kingdom* and *United States*) as well as the EU.[59] Apart from the "Economic Cooperation Framework Agreement" between *China* and *Taiwan Province of China*, and the "Trade and Investment Framework Agreement" (TIFA) between the *United States* and the *Libyan Arab Jamahiriya*, all agreements were free trade agreements (FTAs). Three of these FTAs were formed between a regional economic organization on the one hand and one or several individual countries on the other (*EFTA–Ukraine*, *EU–Central America*, *EU–Republic of Korea*). The *EU–Central America* treaty involves all EU member States as well as *Costa Rica*, *El Salvador*, *Guatemala*, *Honduras*, *Nicaragua* and *Panama*. In addition, another 5 of the 9 agreements involve Latin American countries (*Canada–Panama*, *Chile–Malaysia*, *China–Costa Rica*, *Costa Rica–Singapore* and *Republic of Korea–Peru*), making the continent the most active region in terms of concluding IIAs. Finally, on 6 October 2010 the *EU–Republic of Korea* FTA was signed – a key step towards the provisional application of the treaty on 1 July 2011.[60]

In terms of content, the *Costa Rica–Singapore* FTA includes a chapter on investment protection with provisions similar to those found in BITs, including with regard to investor–State dispute settlement. The *Canada–Panama* FTA also includes substantive investment provisions and provides for pre-establishment rights. The *China–Costa Rica* FTA takes a commercial presence approach and includes provisions on the free movement of capital (both in chapter 9). It also reaffirms the commitments of the parties under the *China–Costa Rica* BIT of 2007. Likewise, the *EU–Republic of Korea* FTA includes provisions on establishment and commercial presence (chapter 7) as well as on the free movement of payments and capital (chapter 8). Thus, it follows the typical EU template for FTAs. Finally, all of the above agreements establish legally binding obligations on the protection of foreign investment.

The remaining IIAs include limited investment provisions, mainly aimed at encouraging and promoting investment flows between the parties or at establishing an institutional framework to monitor investment relations, to identify new opportunities and to remove impediments to investment (see, for example, the *Libyan Arab Jamahiriya–United States* TIFA).[61]

Important policy developments were also underway at the European level. Following the entry into force of the Lisbon Treaty (December 2009), which shifted certain responsibilities in the field of FDI from the member States to the EU, the European Commission issued two policy documents in July 2010: one being the "Communication" entitled "Towards a comprehensive European international investment policy"[62] and the other one being a proposal for a Regulation.[63] The Communication looks at main directions of a future EU investment policy that contributes to the objectives of smart, sustainable and inclusive growth, and possible next steps to be taken in this context. The draft "Regulation" establishes transitional arrangements for existing and pending BITs between EU and non-EU countries, with a view to providing legal certainty to European and foreign investors operating under such IIAs.[64]

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[59] The Costa Rica–Singapore and Chile–Malaysia free trade agreements present the only exceptions.

[60] The Foreign Affairs Council of the EU had authorized the signature of FTA between the EU and the Republic of Korea on 16 September 2010.

[61] It has to be noted that the texts of the agreements between Ukraine and EFTA as well as between China and Taiwan, Province of China, are not yet available.

[62] Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, COM (2010) 343 final.

[63] Proposal for a Regulation of the European Parliament and of the Council, COM (2010) 344 final.

[64] The draft Regulation is now subject to discussion in the European Parliament and the Council. The Communication has been submitted to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, who have an opportunity to express their opinion the topic.

Of global importance was the UNCTAD World Investment Forum (WIF) 2010, held 6–9 September in Xiamen, China. With its 8 high-level meetings and conferences, bringing together more than 1,800 participants from more than 120 countries and 16 international organizations, WIF established itself as the new centre of gravity for open, universal, inclusive and high-level international investment discourse and policy formulation. The Forum aimed at enhancing the understanding of the challenges and opportunities emerging in the post-crisis investment landscape, in particular for developing countries and least developed countries (LDCs).

The UNCTAD WIF 2010 also provided inputs to the formulation of new national and international investment policies that cater to the need for investment to work for development and the achievement of the Millennium Development Goals and that encourage the transformation towards a low-carbon economy and sustainable recovery. During the Ministerial Roundtable, the more than 30 Ministers present stressed that reassigning investment policies is a must, both in terms of rebalancing the rights and obligations of investors and States, and paying more attention to the interaction of investment policies with other public policies, such as climate change and financial system reforms. The main challenge is to find the "right" balance, nationally and internationally, i.e. establishing rules and norms that ensure predictability, transparency and stability on the one hand, and that are flexible enough to serve the purpose of sustainable development on the others. Ministers also noted the merits of exploring multilateral cooperation in this respect.

Annex 1. Summary table of national investment policy measures undertaken between April and the beginning of October 2010

COUNTRY/ECONOMY	INVESTMENT MEASURES					
	Entry	Facilitation	Promotion	Operation	Taxation	Outward
Algeria	●					
Australia	●					
Bhutan	●					
Bolivia				●		
Bosnia and Herzegovina		●				
Brazil	●					
Bulgaria			●			
Cambodia	●					
Canada	●				●	
China		●	●			
Hungary					●	
Ecuador				●		
Egypt		●				
India		●				
Indonesia	●					
Iran, Islamic Republic of	●					
Jamaica	●					
Jordan					●	
Kazakhstan					●	
Korea, Republic of		●	●			
Kuwait	●					
Kyrgyz Republic				●		
Lebanon	●					
Libyan Arab Jamahiriya			●			
Namibia					●	
Nigeria				●		
Panama				●		
Peru	●					
Philippines		●				
Poland	●					
Russian Federation	●	●	●			
Syria	●					
Taiwan Province of China			●			●
Thailand					●	
Tunisia		●			●	
Uganda		●				
Ukraine		●				
United Kingdom					●	
Uzbekistan			●			
Venezuela, Bolivarian Republic of				●		
Viet Nam					●	

Annex 2: Summary table of international investment agreements signed between April and the beginning of October 2010

NAME OF AGREEMENT	DATE
Albania–Kuwait Income and Capital Tax Treaty 2010	signed 04.04.2010
Albania–Germany Income and Capital Tax Treaty 2010	signed 06.04.2010
Free Trade Agreement between Costa Rica and Singapore	signed 06.04.2010
Free Trade Agreement between Costa Rica and China	signed 08.04.2010
Bahrain–Malta Income Tax Treaty	signed 12.04.2010
Botswana–Swaziland Income Tax Treaty 2010	signed 21.04.2010
New Zealand–Turkey Income Tax Treaty 2010	signed 22.04.2010
Bahrain–Seychelles Income and Capital Tax Treaty 2010	signed 24.04.2010
Australia–Turkey Income Tax Treaty 2010	signed 28.04.2010
Saudi Arabia–Singapore Income Tax Treaty 2010	signed 03.05.2010
Austria–Serbia Income and Capital Tax Treaty 2010	signed 07.05.2010
The former Yugoslav Republic of Macedonia–Morocco Income Tax Treaty 2010	signed 11.05.2010
Hong Kong, China–Hungary Income Tax Treaty 2010	signed 12.05.2010
Georgia–Israel Income Tax Treaty 2010	signed 12.05.2010
Hong Kong, China–Kuwait Income Tax Treaty 2010	signed 13.05.2010
Azerbaijan–Serbia Income and Capital Tax Treaty 2010	signed 13.05.2010
Free Trade Agreement between Canada and Panama	signed 14.05.2010
Free Trade Agreement between Chile and Malaysia	negotiations concluded 14.05.2010
Free Trade Agreement between the EU and Central America	negotiations concluded 18.05.2010
Trade and Investment Framework Agreement between the United States and the Libyan Arab Jamahiriya	signed 20.05.2010
Pakistan–Serbia Income Tax Treaty 2010	signed 21.05.2010
China – Finland Income Tax Treaty 2010	signed 25.05.2010
Austria–Hong Kong, China Income and Capital Tax Treaty 2010	signed 25.05.2010
Egypt–Georgia Income and Capital Tax Treaty 2010	signed 25.05.2010
Georgia–Switzerland Income and Capital Tax Treaty	signed 14.06.2010
Switzerland–Turkey Income Tax Treaty 2010	signed 18.06.2010
Hong Kong, China–United Kingdom Income Tax Treaty 2010	signed 21.06.2010
Ireland–Morocco Income Tax Treaty 2010	signed 22.06.2010
Denmark–Kuwait Income and Capital Tax Treaty 2010	signed 22.06.2010
Hong Kong, China–Ireland Income Tax Treaty 2010	signed 22.06.2010
Switzerland–Tajikistan Income and Capital Tax Treaty 2010	signed 23.06.2010
Free Trade Agreement between EFTA and Ukraine	signed 24.06.2010
Economic Cooperation Framework Agreement between China and Taiwan, Province of China	signed 29.06.2010
Germany–United Arab Emirates Income Tax Treaty 2010	signed 01.07.2010
Ireland–United Arab Emirates Income and Capital Tax Treaty 2010	signed 01.07.2010
Albania–Spain Income Tax Treaty 2010	signed 02.07.2010
Belgium–the former Yugoslav Republic of Macedonia Income and Capital Tax Treaty 2010	signed 06.07.2010
Non-Double Taxation Agreement between Tunisia and Saudi Arabia	signed 08.07.2010
Bosnia and Herzegovina–Qatar Income Tax Treaty 2010	signed 21.07.2010
Marshall Islands–New Zealand Income Tax Treaty	signed 04.08.2010
Hong Kong, China–Liechtenstein Income and Capital Tax Treaty 2010	signed 12.08.2010
New Zealand–Samoa Income Tax Treaty 2010	signed 24.08.2010
Japan–Netherlands Income Tax Treaty 2010	signed 25.08.2010
Panama–Portugal Income Tax Treaty 2010	signed 27.08.2010
Colombia–Portugal Income Tax Treaty 2010	signed 30.08.2010
Free Trade Agreement between the Republic of Korea and Peru	negotiations concluded 01.09.2010
Non-Double Taxation Agreement between Mozambique and Viet Nam	signed 08.09.2010
Non-Double Taxation Agreement between Panama and Qatar	signed 23.09.2010
Promotion and Protection Agreement/Bilateral Investment Treaty (IPPA) between the Russian Federation and Singapore	signed 27.09.2010
Free Trade Agreement between the EU and the Republic of Korea	signed 06.10.2010

Annex 3: Summary table of international investment agreements signed between April and the beginning of October 2010 ordered by type of agreement and country

Worldwide IIAs/01 April 2010 - 06 October 2010			
Country	**BITs**	**DTTs**	**other IIAs**
Albania		●	
Australia		●	
Austria		●	● [a]
Azerbaijan		●	
Bahrain		●	
Belgium		●	● [a]
Bosnia and Herzegovina		●	
Botswana		●	
Bulgaria			● [a]
Canada			●
Chile			● [c]
China		●	●
Colombia		●	
Costa Rica			● [a]
Cyprus			● [a]
Czech Republic			● [a]
Denmark		●	● [a]
Egypt		●	
El Salvador			● [a]
Estonia			● [a]
Finland		●	● [a]
France			● [a]
Georgia		●	
Germany		●	● [a]
Greece			● [a]
Guatemala			● [a]
Honduras			● [a]
Hong Kong, China		●	
Hungary		●	● [a]
Iceland			● [b]
Ireland		●	● [a]
Israel		●	
Italy			● [a]
Japan		●	
Korea, Republic of			● [d]
Kuwait		●	
Latvia			● [a]
Liechtenstein		●	● [b]
Lithuania			● [a]
Luxembourg			● [a]
Libyan Arab Jamahiriya			●
Malaysia			● [c]
Malta		●	● [a]
Marshall Islands		●	

Annex 3: Summary table of international investment agreements signed between April and the beginning of October 2010 ordered by type of agreement and country (contd)

Morocco		●	
Mozambique		●	
Netherlands		●	●[a]
New Zealand		●	
Nicaragua			●[a]
Norway			●[b]
Pakistan		●	
Panama		●	●[a]
Peru			●[d]
Poland			●[a]
Portugal			●[a]
Qatar		●	
Romania			●[a]
Russian Federation	●		
Samoa		●	
Saudi Arabia		●	
Serbia		●	
Seychelles		●	
Singapore	●	●	●
Slovakia			●[a]
Slovenia			●[a]
Spain			●[a]
Swaziland		●	
Switzerland		●	●[b]
Sweden			●[a]
Taiwan, Province of China			●
Tajikistan		●	
The former Yugoslav Republic of Macedonia		●	
Tunisia		●	
Turkey		●	
Ukraine			●
United Arab Emirates		●	
United Kingdom		●	●[a]
United States			●
Viet Nam		●	

[a] Includes FTA between EU and Central America. The negotiations were concluded, however the agreement has not yet been signed.

[b] Includes FTA between EFTA and Ukraine.

[c] FTA negotiations between Chile and Malaysia were concluded, however the agreement has not yet been signed.

[d] FTA negotiations between the Republic of Korea and Peru were concluded, however the agreement has not yet been signed.

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