

4. Foreign Direct Investment [40]

Commitment

“We will work to reverse the recent decline in FDI, by fostering an open, receptive climate for foreign investment, especially in emerging and in developing countries.”

G8 Leaders Declaration on Promoting Global Recovery

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Canada			+1
France		0	
Germany		0	
Italy		0	
Japan			+1
Russia			+1
United Kingdom			+1
United States			+1
European Union		0	
Average Score			+0.55

Background

The G8 leaders at the 2009 L’Aquila summit committed to creating a more open and hospitable environment for foreign direct investment (FDI) in light of the decline in FDI since the start of the global financial crisis.

Foreign direct investment (FDI) is defined by the UNCTAD as “an investment made to acquire lasting interest in enterprises operating outside of the economy of the investor.”¹⁷⁷ The United States is currently the largest outward investor of FDI, while Europe is currently the region with the greatest inflow of FDI.¹⁷⁸ FDI has also been heralded as a new way to encourage development in least-developed countries (LDCs). By bringing financial and technical resources to developing countries, harnessing the local workforce and providing direct capital flows, FDI can play a major role in global economic development.¹⁷⁹

However, FDI has been on the decline in recent months, largely due to the negative effect of the global financial crisis on the international flow of capital.¹⁸⁰ As outlined in a

¹⁷⁷ Foreign Direct Investment (FDI), United Nations Conference on Trade and Development (Geneva) 2009. Date of Access: 2 November 2009. www.unctad.org/Templates/Page.asp?intItemID=3146&lang=1.

¹⁷⁸ Assessing the Global Impact of Financial and Economic Crisis on Global FDI Flows, United Nations Conference on Trade and Development (Geneva) April 2009. Date of Access: 1 November 2009. www.unctad.org/en/docs/diaeia20093_en.pdf.

¹⁷⁹ Foreign Direct Investment for Development: Maximizing Benefits, Minimizing Costs, Organisation for Economic Co-operation and Development (Paris) 2002. Date of Access: 2 November 2009. www.oecd.org/dataoecd/47/51/1959815.pdf.

¹⁸⁰ Global Foreign Direct Investment now in decline -- and estimated to have fallen during 2008, United Nations Conference on Trade and Development (Geneva) 19 January 2009. Date of Access: 2 November 2009. www.unctad.org/Templates/webflyer.asp?docid=10930&intItemID=1528&lang=1.

January 2009 UNCTAD press release, “In the face of a global economic recession, tighter credit conditions, falling corporate profits, and gloomy prospects and uncertainties for global economic growth, many companies have announced plans to curtail production, lay off workers, and cut capital expenditures, all of which tend to reduce FDI.”¹⁸¹ A joint report by the WTO and the UNCTAD, presented to the Pittsburgh G20 Summit leaders, predicted that FDI levels would decline by 30-40 per cent.¹⁸² The decline in FDI threatened to broaden in 2009 and to spread to developing countries.¹⁸³ As a result, the UNCTAD urged states to implement policies that would encourage the reversal of this downward trend, and it warned them to avoid protectionist measures that might further limit international investment.¹⁸⁴

Commitment Features

This commitment can be said to have two parts. First, members committed to fostering an open and receptive climate for FDI. The word ‘fostering’ is then understood in this context to mean the maintenance and creation of policy that creates a climate receptive to FDI and avoidance of policy that would diminish such an environment.

Second, members committed to exporting such policy practices to emerging and developing countries. Thus, full compliance is understood to mean members not only fostering an open and receptive climate for FDI domestically, but also exporting such policy to emerging and developing nations.

Scoring

-1	Member undertakes policies that restrict FDI flows OR reverses previous policies that fostered an open environment for FDI flows AND does not undertake new initiatives to encourage open economies and FDI flows in foreign countries.
0	Member creates policies that foster an open economy for FDI flows OR undertakes new initiatives to encourage open economies and FDI flows in foreign countries.
+1	Member creates policies that aim to reverse the decline of FDI flows AND undertakes new initiatives to encourage open economies and FDI flows in foreign countries.

Lead Analyst: Sarah Ellis

¹⁸¹ Global Foreign Direct Investment now in decline -- and estimated to have fallen during 2008, United Nations Conference on Trade and Development (Geneva) 19 January 2009. Date of Access: 2 November 2009. www.unctad.org/Templates/webflyer.asp?docid=10930&intItemID=1528&lang=1.

¹⁸² G20 governments refrain from extensive use of restrictive measures, but some slippage evident, World Trade Organization (Geneva) 14 September 2009. Date of Access: 1 November 2009. www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm.

¹⁸³ Global Foreign Direct Investment now in decline -- and estimated to have fallen during 2008, United Nations Conference on Trade and Development (Geneva) 19 January 2009. Date of Access: 2 November 2009. www.unctad.org/Templates/webflyer.asp?docid=10930&intItemID=1528&lang=1.

¹⁸⁴ Global Foreign Direct Investment now in decline -- and estimated to have fallen during 2008, United Nations Conference on Trade and Development (Geneva) 19 January 2009. Date of Access: 2 November 2009. www.unctad.org/Templates/webflyer.asp?docid=10930&intItemID=1528&lang=1.

Canada: +1

Canada has complied with its commitment to reverse the recent decline in foreign direct investment by fostering an open, receptive climate for FDI within Canada and by encouraging Canadian FDI abroad, especially in developing countries.

On 30 October 2009, the Government of Canada granted L'Agence nationale et internationale du Manitoba and the provincial government in Manitoba a sum of CAD4.4 million to promote business, trade, and investment initiatives that target business immigration and attract new investors to the province. Furthermore, CAD1.4 million has been earmarked for an international business forum that will be held in Winnipeg in 2010. Five hundred business leaders from around the world are expected to attend.¹⁸⁵

On 12 November 2009, Lawrence Cannon, Minister of Foreign Affairs, and Stockwell Day, Minister of International Trade and Minister for the Asia-Pacific Gateway, created Canada's Association of Southeast Asian Nations (ASEAN) Network. In an announcement at the Asia-Pacific Economic Conference, Minister Day stated, "The ASEAN Network will further Canadian interests in the region and help identify new business opportunities for Canadian companies. Additional experts in Canada's mission in Southeast Asia will promote Canada as an investment destination of choice."

On 4 November 2009, Stockwell Day signed an agreement with Ahmad Rashed al-Haroun, the Minister of Commerce and Industry for Kuwait, to enhance economic relations in the fields of trade and investment, to liberalize investment in accordance with national laws and international obligations, to facilitate private-sector involvement in investment cooperation, and to create a favourable environment for private-sector investment.¹⁸⁶ Minister Day stated, "Kuwait offers many opportunities for Canadian companies in the oil and gas sector. In signing this new agreement with Kuwait, the Government of Canada is opening doors for Canadian business by establishing a framework by which both sides can work to increase trade and investment."¹⁸⁷

On 24 September 2009, Stockwell Day launched discussions with Kazakhstan to promote foreign investment. Minister Day announced from Kazakhstan that "Canada is among the top 10 foreign investor in Kazakhstan, with well over CAD2 billion of direct investment, particularly in the uranium mining sector." Minister Day was optimistic about the future economic relations between Canada and Kazakhstan and insisted that the week's

¹⁸⁵ L'Agence nationale et internationale du Manitoba (ANIM) receives funding to help Stimulate Foreign Trade and Investment Attraction, Government of Canada (Ottawa) 30 October 2009 Date of Access: 16 November 2009. www.wd.gc.ca/eng/77_11642.asp.

¹⁸⁶ Minister Day Signs Agreement to Promote Trade Opportunities with Kuwait, Foreign Affairs and International Trade Canada (Ottawa) 4 November 2009. Date of Access: 4 December 2009. www.international.gc.ca/media_commerce/comm/news-communiques/2009/329.aspx?lang=eng.

¹⁸⁷ Minister Day Signs Agreement to Promote Trade Opportunities with Kuwait, Foreign Affairs and International Trade Canada (Ottawa) 4 November 2009. Date of Access: 4 December 2009. www.international.gc.ca/media_commerce/comm/news-communiques/2009/329.aspx?lang=eng

cooperative outcomes “will help Canada and Kazakhstan to build an even stronger economic relationship in the years to come.”¹⁸⁸

On 21 August 2009, Minister Day announced the opening of a new trade office in Recife, Brazil. The office is tasked with building Canada’s trade and investment presence in Brazil. Minister Day said, “A great number of opportunities exist for Canadian companies in Brazil’s northeast, in sectors such as information and communication, oil and gas, agricultural technologies, and health industries. The new trade office in Recife will be the central point of contact for Canadian and Brazilian firms seeking to establish new links in these key sectors.”¹⁸⁹

Canada receives a score of +1 for promoting a more open investment abroad, working to enhance investment opportunities for Canadian business all over the world – with a specific focus on the developing economies – and creating opportunities for foreign direct investment in Canada.

Analyst: Nikki Cargill

France: 0

France has partially complied with its commitment to reverse the recent decline in foreign direct investment by fostering an open, receptive climate for FDI within France and by encouraging French FDI abroad, especially in developing countries.

On 30 October 2009, the Invest in France Agency (IFA) announced the inauguration of the Brazilian Investors Network in France.¹⁹⁰ The IFA noted that “while there are 420 French companies currently active in Brazil, there are only around 30 Brazilian subsidiaries operating in France.”¹⁹¹ The Brazilian Investors Network aims to expand Brazilian direct investment in France by advertising incentives such as research and development credits.¹⁹²

¹⁸⁸ Minister Day Strengthens Canada’s Economic Ties with Kazakhstan, Foreign Affairs and International Trade Canada (Ottawa) 24 September 2009. Date of Access: 4 December 2009.

www.international.gc.ca/media_commerce/comm/news-communiques/2009/387613.aspx?lang=eng

¹⁸⁹ Minister Day Opens Doors for Canadian Business and New Trade Office in Brazil, Foreign Affairs and International Trade Canada (Ottawa) 21 August 2009. Date of Access: 4 December 2009.

www.international.gc.ca/media_commerce/comm/news-communiques/2009/387484.aspx?lang=eng

¹⁹⁰ Inauguration of a “Brazilian Investors Network” in France, Invest in France Agency (Paris) 30 October 2009. Date of Access: 19 December 2009. www.invest-in-france.org/uploads/files-en/09-11-10_143956_CP_clubBresil_oct09_en.pdf

¹⁹¹ Inauguration of a “Brazilian Investors Network” in France, Invest in France Agency (Paris) 30 October 2009. Date of Access: 19 December 2009. www.invest-in-france.org/uploads/files-en/09-11-10_143956_CP_clubBresil_oct09_en.pdf

¹⁹² Inauguration of a “Brazilian Investors Network” in France, Invest in France Agency (Paris) 30 October 2009. Date of Access: 19 December 2009. www.invest-in-france.org/uploads/files-en/09-11-10_143956_CP_clubBresil_oct09_en.pdf

On 19 October 2009, the Invest in France Agency announced a new communications plan to be launched in 2010, aimed at encouraging emerging economies, including India, China, and the Gulf Region, to establish foreign direct investment projects in France.¹⁹³

Therefore, France has been awarded an interim compliance score of 0 for actively encouraging FDI inflows into France but not demonstrating credible action to foster FDI outflows from France to other countries.

Analyst: Nerin Ali

Germany: 0

The Federal Republic of Germany has partially complied with its commitment to reverse the recent decline in foreign direct investment by fostering an open, receptive climate for FDI within Germany and by encouraging German FDI abroad.

On 30 October 2009, Germany Trade and Investment celebrated the 20th anniversary of the fall of the Berlin Wall with a press release encouraging emerging Asian economies to consider investing in East Germany, “a hotbed for growth sectors such as IT, machinery, chemicals, and renewable energies.”¹⁹⁴ The same announcement also reported that several German representatives would be holding conferences in East Asian countries in order to further inform potential investors about the benefits of investing in Germany.¹⁹⁵

Thus, Germany has been awarded a score of 0 by encouraging foreign direct investment within its borders but lacking efforts to improve the environment for FDI abroad.

Analyst: Nikola Cvetkovic

Italy: 0

Italy has partially complied with its commitment to improve conditions for foreign direct investment (FDI) by facilitating the inflow of investments and engaging with developing countries.

On 30 November 2009, Italian Prime Minister Silvio Berlusconi visited Belarus in order to foster business ties. Over the course of the visit, an Italian engineering company, Finmeccanica, signed a draft agreement with the government of Belarus.¹⁹⁶ Prime Minister Berlusconi stated that the relations between Italy and Belarus “are not what they

¹⁹³ The IFA Launches a New Communications Plan, Invest in France Agency (Paris) 19 October 2009. Date of Access: 19 December 2009. www.invest-in-france.org/uploads/files-fr/09-10-20_110539_CP_Plan09_2_.pdf

¹⁹⁴ 20 Years After the Wall, East Germany Attractive to Asian Companies, Germany Trade and Investment (Berlin) 30 October 2009. Date of Access: 18 December 2009. www.gtai.com/homepage/info-service/press-releases/sep-oct-09/20-years-after-the-wall-eastern-germany-attractive-to-asian-companies/?backlink=Back%20to%20Press%20Releases

¹⁹⁵ 20 Years After the Wall, East Germany Attractive to Asian Companies, Germany Trade and Investment (Berlin) 30 October 2009. Date of Access: 18 December 2009. www.gtai.com/homepage/info-service/press-releases/sep-oct-09/20-years-after-the-wall-eastern-germany-attractive-to-asian-companies/?backlink=Back%20to%20Press%20Releases

¹⁹⁶ Italy's Berlusconi Visit Ends Belarus Isolation, EU Business (Minsk) 30 November 2009. Date of Access: 4 December 2009. www.eubusiness.com/news-eu/belarus-italy.1pz

could be,” but he indicated that there is real potential to improve relations between the two countries, given that Italy is the 15th largest foreign investor in Belarus.¹⁹⁷

Since the L’Aquila Summit in July 2009, Italy has not announced the undertaking of any specific initiatives or implementation of new policies in order to promote foreign investment domestically. It has not, however, reverted to protectionist policies, nor has it halted or reversed earlier initiatives.

Therefore, Italy has received a score of 0 because it has continued to facilitate inflow of foreign investment and has not taken initiative with developing countries.

Analyst: Nerin Ali

Japan: +1

Japan has complied with its commitment to reverse the recent decline in foreign direct investment by fostering an open, receptive climate for FDI within Japan and by encouraging Japanese FDI abroad, especially in developing countries.

On 7 December 2009, Japan hosted the first meeting of the Japan-Arab Economic Forum in Tokyo. The Ministry of Foreign Affairs of Japan announced that the primary goal of the meeting was to “strengthen mutual economic relations between Japan and the LAS members through cooperation in a wide range of fields such as trade, investment, energy, technology and human resource development.”¹⁹⁸ The two-day forum included events that aimed to encourage private-sector foreign investment between Japan and the Middle East, including a government and private sector joint meeting, a business seminar, and a business fair.¹⁹⁹

On 10 November 2009, Japan and Peru entered into a bilateral agreement known as the Japan-Peru Investment Agreement. This agreement is set to strengthen economic ties between Peru and Japan by supporting Japanese business in Peru and the rest of Latin America.²⁰⁰

On 1 September 2009, The Agreement on Free Trade and Economic Partnership between Japan and the Swiss Confederation entered into force.²⁰¹ Chapter 9 of the Agreement outlines the legal rights of each party’s foreign investors and asserts that “[e]ach Party

¹⁹⁷ Italy's Berlusconi Visit Ends Belarus Isolation, EU Business (Minsk) 30 November 2009. Date of Access: 4 December 2009. www.eubusiness.com/news-eu/belarus-italy.lpz

¹⁹⁸ The First Meeting of Japan-Arab Economic Forum, Ministry of Foreign Affairs of Japan (Tokyo) 2 December 2009. Date of Access: 18 December 2009. www.mofa.go.jp/announce/event/2009/12/1202_02.html

¹⁹⁹ The First Meeting of Japan-Arab Economic Forum, Ministry of Foreign Affairs of Japan (Tokyo) 2 December 2009. Date of Access: 18 December 2009. www.mofa.go.jp/announce/event/2009/12/1202_02.html

²⁰⁰ Japan-Peru Summit Meeting (Tokyo) 10 November 2009. Date of Access: 4 December 2009. www.kantei.go.jp/foreign/hatoyama/actions/200911/10peru_e.html?ref=rsshp

²⁰¹ Entry into force of the Agreement on Free Trade and Economic Partnership between Japan and the Swiss Confederation and the first meeting of the Joint Committee, Ministry of Foreign Affairs of Japan (Tokyo) 1 September 2009. Date of Access: 4 December 2009. www.mofa.go.jp/region/europe/switzerland/agree0909/index.html

shall accord to investments of investors of the other Party fair and equitable treatment and full protection and security. Neither Party shall impair by unreasonable or arbitrary measures the management, conduct, operation, maintenance, use, enjoyment, liquidation, sale or other disposition of such investments.”²⁰² Such measures reduce the risks posed to each party’s potential foreign investors and therefore encourage Swiss FDI in Japan as well as Japanese FDI in Switzerland.

Japan has implemented measures that aim to stimulate FDI both within Japan and abroad. Thus, Japan has been awarded a score of +1.

Analyst: Polliana Mendonca

Russia: +1

Russia has fully complied with the commitment on FDI.

On 25 December 2009, the Federal Law amending the Federal Law on Special Economic Zones in the Russian Federation and other statutes were signed. The amendments aim to improve legal regulation of the activities in special economic zones in Russia.²⁰³ It seeks to increase the attractiveness of special economic zones for both domestic and foreign investments.²⁰⁴

On 15 December 2009, Russia and Vietnam decided to mandate relevant ministries and government agencies with negotiating the establishment of a free trade zone to foster favourable trade conditions, develop investments between the two countries, and help Vietnam reduce the trade imbalance with Russia.²⁰⁵

At the EU-Russia summit held on 18 November 2009, the European Commission and the Russian Minister of Regional Development signed financial agreements to launch five cross-border cooperation programs, which will allow the regions on both sides of the border to intensify cooperation in the areas of common interest.²⁰⁶

²⁰² Agreement on Free Trade and Economic Partnership Between Japan and the Swiss Confederation, Ministry of Foreign Affairs of Japan (Tokyo) 19 February 2009. Date of Access: 19 December 2009. www.mofa.go.jp/region/europe/switzerland/epa0902/agreement.pdf

²⁰³ Dmitry Medvedev signed a Federal Law amending the Federal Law On Special Economic Zones in the Russian Federation and other statutes, President of Russia (Moscow) 25 September 2009. Date of Access: 29 December 2009. eng.kremlin.ru/text/news/2009/12/223541.shtml

²⁰⁴ Dmitry Medvedev signed a Federal Law amending the Federal Law On Special Economic Zones in the Russian Federation and other statutes, President of Russia (Moscow) 25 September 2009. Date of Access: 29 December 2009. eng.kremlin.ru/text/news/2009/12/223541.shtml

²⁰⁵ Prime Minister Vladimir Putin and his Vietnamese counterpart Nguyen Tan Dung made statements for the media after the bilateral talks, Government of the Russian Federation (Moscow) 15 December 2009. Date of Access: 29 December 2009.

www.government.ru/content/governmentactivity/mainnews/archive/2009/12/15/8600428.htm

²⁰⁶ Five Cross-border Cooperation Programmes Launched, Europolitics (Brussels) 18 November 2009. Date of Access: 6 December 2009. www.europolitics.info/external-policies/five-cross-border-cooperation-programmes-launched-art254891-44.html

On 9 November 2009, Prime Minister Vladimir Putin and the Foreign Investment Advisory Council decided to form an executive committee to review and settle problems of foreign investors.²⁰⁷

On 27 September 2009, Russia ratified the Agreement with Venezuela on Encouragement and Mutual Protection of Investment.²⁰⁸

On 22 July 2009, President Dmitry Medvedev approved the Federal Law On Changes to Some Legislative Acts of the Russian Federation, which aims to combat corporate raiding and to define the order of corporate disputes investigation. This document seeks to enhance trust in foreign investors.²⁰⁹

During the compliance cycle, Russia has created policies aimed to reverse the decline in FDI flows and undertaken new initiatives to encourage open economies and FDI flows in foreign countries. Thus, Russia has been awarded a score of +1.

Analyst: Tatyana Lanshina

United Kingdom : +1

The United Kingdom has complied with its commitment to reverse the recent decline in foreign direct investment by fostering an open, receptive climate for FDI within Britain and by encouraging British FDI abroad, especially in developing countries.

In a speech to the Confederation of British Industries on 23 November 2009, UK Prime Minister Gordon Brown insisted that he aims to promote “an outward-facing Britain, attracting inward investment and sustaining high value-added jobs.”²¹⁰ As part of this goal, the Prime Minister announced his plan to host a conference on investment in 2010, so that foreign investors might “come and see the great opportunities that Britain can offer the world.”²¹¹

On 8 December 2009, Lord Davies, Britain’s Minister for Trade, Investment, and Small Business launched a “Soft Landing” program for British businesses interested in expanding direct investment to Saudi Arabia. The program “will help UK businesses to source accommodation and business services and will provide a dedicated UKTI trade

²⁰⁷ Prime Minister Vladimir Putin held a meeting of the Foreign Investment Advisory Council, Government of the Russian Federation (Moscow) 9 November 2009. Date of Access: 6 December 2009. www.premier.gov.ru/events/4058.html. - (BROKEN LINK!)

²⁰⁸ Federal Law of 27 September 2009 No. 221-FZ, Government of the Russian Federation (Moscow) 28 September 2009. Date of Access: 29 December 2009. graph.document.kremlin.ru/doc.asp?ID=54514

²⁰⁹ A Bomb for Raider, Russian Business-Newspaper 28 July 2009. Date of Access: 7 December 2009. www.rg.ru/2009/07/28/reydery.html

²¹⁰ Address by Prime Minister Gordon Brown at the CBI Conference, Office of the Prime Minister (London) 23 November 2009. Date of Access: 15 December 2009. www.newsroom.uktradeinvest.gov.uk/assets/PDFs/CBISPEECH%2023112009.pdf

²¹¹ Address by Prime Minister Gordon Brown at the CBI Conference, Office of the Prime Minister (London) 23 November 2009. Date of Access: 15 December 2009. www.newsroom.uktradeinvest.gov.uk/assets/PDFs/CBISPEECH%2023112009.pdf

expert for each UK firm.”²¹² By providing British industry with resources that will help them to establish themselves within Saudi Arabia, the Soft Landing program reduces the risks posed to British firms considering investing abroad.

On 20 October 2009, Lord Mandelson, British Secretary of State for Business, Innovation, and Skills signed a Memorandum of Understanding with leaders of the United Arab Emirates that promised to “give the UK and UAE access to UK Trade & Investment’s Global Entrepreneurs Programme pioneering client companies and pave the way for continued collaboration in building global businesses and world class technologies.”²¹³

On 2 November 2009, Sir Andrew Cahn, Chief Executive of UK Trade and Investment, travelled to Iraq to discuss ways to create and support trade and investment opportunities for British industries within the country.

Thus, the United Kingdom has been awarded a +1 for its efforts to expand foreign investment within Britain and to support British foreign direct investment abroad.

Analyst: Sarah Ellis

United States: +1

The United States has complied with its commitment to reverse the recent decline in FDI by fostering an open, receptive climate for FDI within the United States and by encouraging US FDI abroad, especially in developing countries. On 23 November 2009, the United States signed a Memorandum of Intent (MOI) with India “to collaborate on the promotion of investment in both countries.” The MOI would ease information-sharing between the two countries and look to ease the burden on investors seeking to invest in both countries.²¹⁴

On 12 August 2009, the United States announced formal negotiations toward a bilateral investment treaty with Mauritius with the goal of increasing business and investment opportunities. United States Secretary of State Hillary Clinton stated, “President Obama and I share the belief that investment and trade should not be ends in themselves but tools to actually spread development and opportunity deep within societies.”²¹⁵

²¹² Lord Davies Launches “Soft Landing” Programme for UK Firms in Saudi Arabia, UK Trade and Investment Office (London) 08 December 2008. Date of Access: 15 December 2009.

www.newsroom.uktradeinvest.gov.uk/~content/middle-east/lord-davies-launches-soft-landing-programme-for-uk.ashx

²¹³ UK and UAE to Increase Trade to £12billion by 2015, UK Trade and Investment Office (London) 20 October 2009. Date of Access: 15 December 2009. www.newsroom.uktradeinvest.gov.uk/~content/market/uk-and-uae-to-increase-trade-to-12billion-by-2015.ashx

²¹⁴ USA and India Agree To Enhance Promotion of Foreign Investment, US Department of Commerce (Washington) 23 November 2009. Date of Access: 4 December 2009.

www.trade.gov/press/press_releases/2009/india_112309.asp

²¹⁵ Hillary Clinton says Mauritius has the potential to make a big impact in Africa, Orange (Nairobi) 12 August 2009. Date of Access: 4 December 2009. www.orange.mu/kinews/dossiers/business/231937/hillary-clinton-says-mauritius-has-the-potential-to-make-a-big-impact-in-africa.html

On 7 October 2009, United States Under Secretary for Political Affairs William J. Burns agreed to strengthen the United States' existing Trade and Investment Framework Agreement. Burns stated that "USAID will streamline business registration, facilitate customs and enhance and strengthen the legal and regulatory framework for a more transparent, predictable, and fair field for commercial enterprises to thrive."²¹⁶

In August 2009, Secretary of State Hillary Clinton travelled to Africa for the 8th annual US - Sub-Saharan Africa Trade and Economic Cooperation Forum (AGOA Forum). In a speech to the Forum of the African Growth and Opportunity Act, Secretary of State Clinton outlined the United States' goals for expanding US and African foreign direct investment: "We want to provide assistance to help new industries take advantage of access to our markets. We will pursue public-private partnerships, leveraging the efforts of our export-import bank and OPEC and organizations like the Corporate Council on Africa that identify and invest in young entrepreneurs with innovative ideas. We will work to expand the number of bilateral investment treaties with African nations, one of which Ambassador Kirk and I will be signing this afternoon. Above all, we will create stronger and more sensible links between our trade policies and our development strategies."²¹⁷

Thus, the United States has been awarded a +1 for its efforts to expand foreign investment within the US and to support US foreign direct investment abroad.

Analyst: Nikki Cargill

European Union: 0

The European Union has partially complied with its commitment to reverse the recent decline in foreign direct investment by encouraging European FDI abroad, especially in developing countries, and by not taking steps to reserve the FDI flow within the European Union.

On 16 November 2009, the European Investment Bank (EIB) agreed to provide EUR82 million to aid in the production and operation of the Ohorongo cement factory in Namibia.²¹⁸

On 30 October 2009, the EIB outlined its plans to provide EUR100 million as a co-financier of the construction of an automobile manufacturing plant in India, alongside Volkswagen India Private Ltd.²¹⁹

²¹⁶ Silk Road Trade and Investment: New Pathways for US-Central Asia Economic ties, US Department of State (Washington) 7 October 2009. Date of Access: 4 December 2009.

www.state.gov/p/us/rm/2009a/130389.htm

²¹⁷ Remarks at the 8th Forum of the African Growth and Opportunity Act, US Department of State (Washington) 5 August 2009. Date of Access: 4 December 2009.

www.state.gov/secretary/rm/2009a/08/126902.htm

²¹⁸ European Investment Bank provides EUR 82 million for Namibia's only cement factory, European Investment Bank (Luxembourg) 16 November 2009. Date of Access: 4 December 2009.

www.eib.org/projects/press/2009/2009-225-european-investment-bank-provides-eur-82-million-for-namibias-only-cement-factory.htm?lang=-en

On 27 October 2009, the EIB agreed to provide 50 per cent, or EUR170 million, to Alternegy and Bontex for the construction of Dos Mares Hydroelectric Plant in Panama.²²⁰

On 28 September 2009, the EIB agreed to part-finance the construction of a Syrian Cement Company, totaling USD170 million.²²¹

On 29 November 2009, the EIB and the Inter-American Development Bank signed a Memorandum of Understanding, which the Vice President of the EIB, Eva Srejber, insisted would “[allow] the two institutions to provide better support to the Latin American investment effort.”²²²

On 24 November 2009, the EIB announced that it signed agreements with the Asian Development Bank and the Islamic Republic of Pakistan to finance the development of a renewable energy sector in Pakistan.²²³

The European Union has complied with its commitment to increase FDI outflows, especially to the developing world. However, the EU has not yet complied with its commitment to create new policies that would be conducive to FDI inflows. Thus, the European Union has been awarded an interim score of 0.

²¹⁹ Volkswagen India, European Investment Bank (Luxembourg) 15 September 2009. Date of Access: 4 December 2009. www.eib.org/projects/pipeline/2009/20090004.htm?lang=-en.

²²⁰ Dos Mares Hydroelectric Plant, European Investment Bank (Luxembourg) 27 October 2009. Date of Access 4 December 2009. www.eib.org/projects/pipeline/2008/20080581.htm?lang=-en

²²¹ Syrian Cement Company, European Investment Bank (Luxembourg) 28 September 2009. Date of Access: 4 December 2009. www.eib.org/projects/pipeline/2009/20090033.htm?lang=-en

²²² European Investment Bank and Inter-American Development Bank sign Memorandum of Understanding, European Investment Bank (Luxembourg) 29 November 2009. Date of Access: 4 December 2009. www.eib.org/about/press/2009/2009-235-european-investment-bank-and-inter-american-development-bank-sign-memorandum-of-understanding.htm?lang=-en

²²³ European Investment Bank signs agreements to finance renewable energy projects in Pakistan, European Investment Bank (Luxembourg) 24 November 2009. Date of Access: 4 December 2009. www.eib.org/projects/press/2009/2009-228-european-investment-bank-signs-agreements-to-finance-renewable-energy-projects-in-pakistan.htm?lang=-en