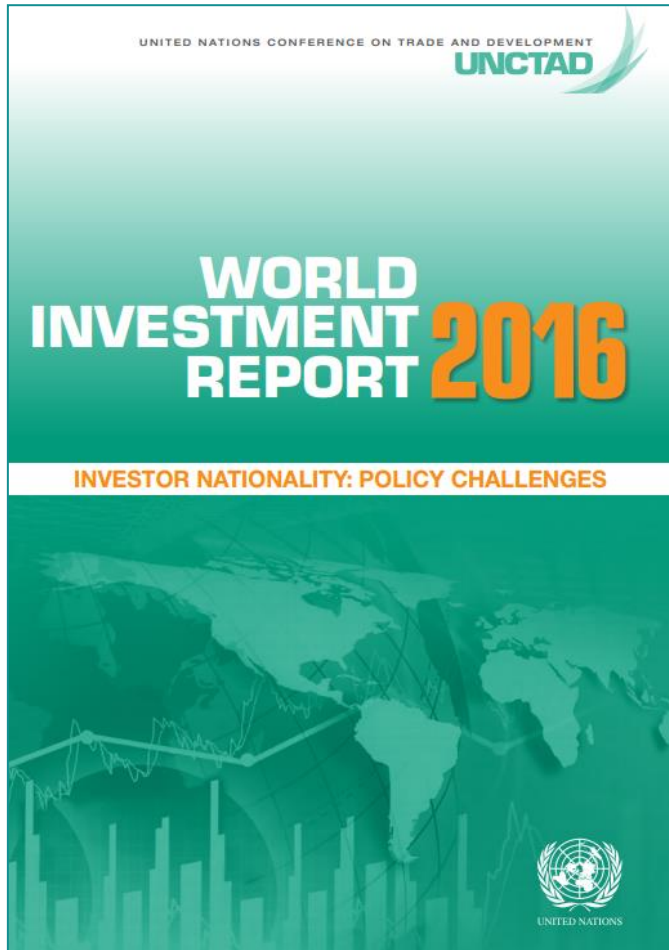


Investment Trends and Prospects

Paul Wessendorp
Chief, Investment Promotion Section
UNCTAD

17 July 2016, Nairobi

FDI trends and prospects

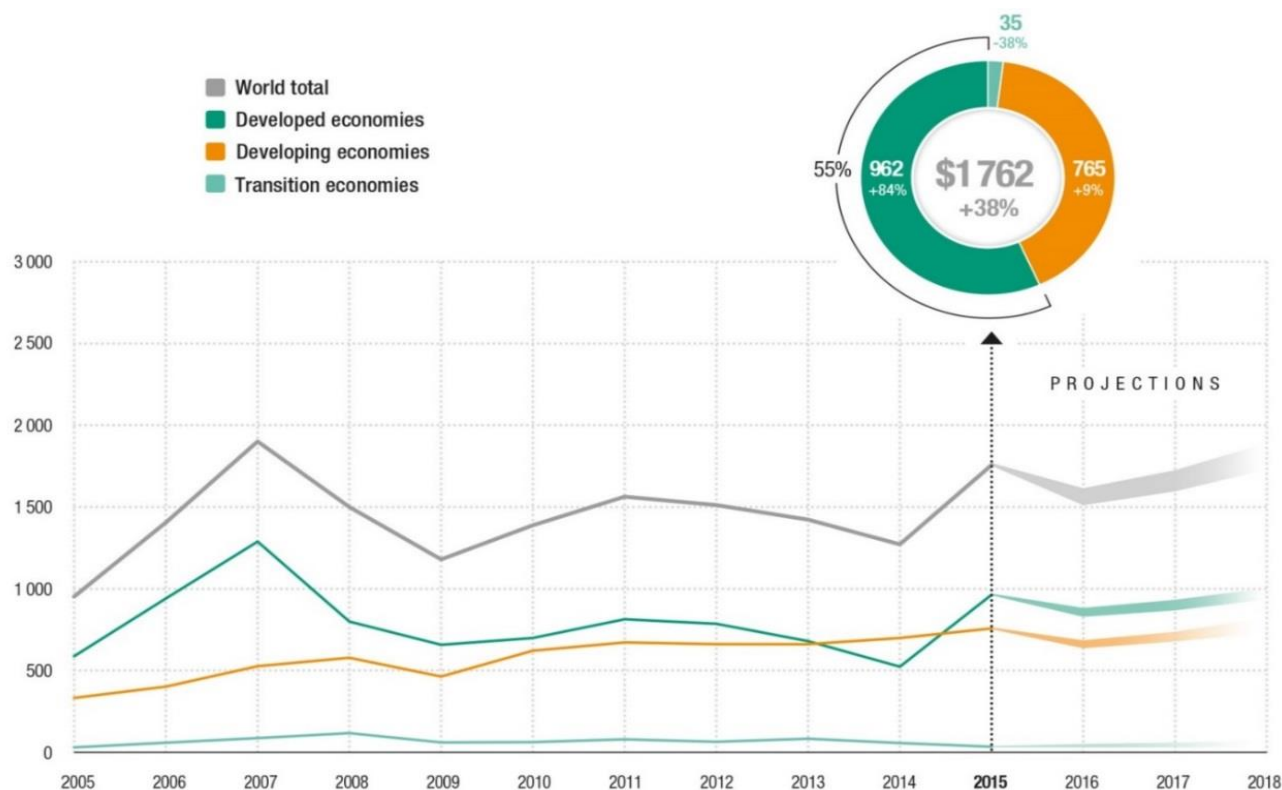


- The [World Investment Report](#) presents the latest data and findings on global and regional investment trends.
- FDI flows continue to be erratic since the global economic crisis, which is troubling in light of the investment needs associated with the newly adopted Sustainable Development Goals and the ambitious action envisaged in the landmark Paris Agreement on climate change.

FDI recovery was strong in 2015, but lacked productive impact

Global FDI inflows by group of economies, 2005-15, and projections, 2016-18

(Billions of dollars and per cent)

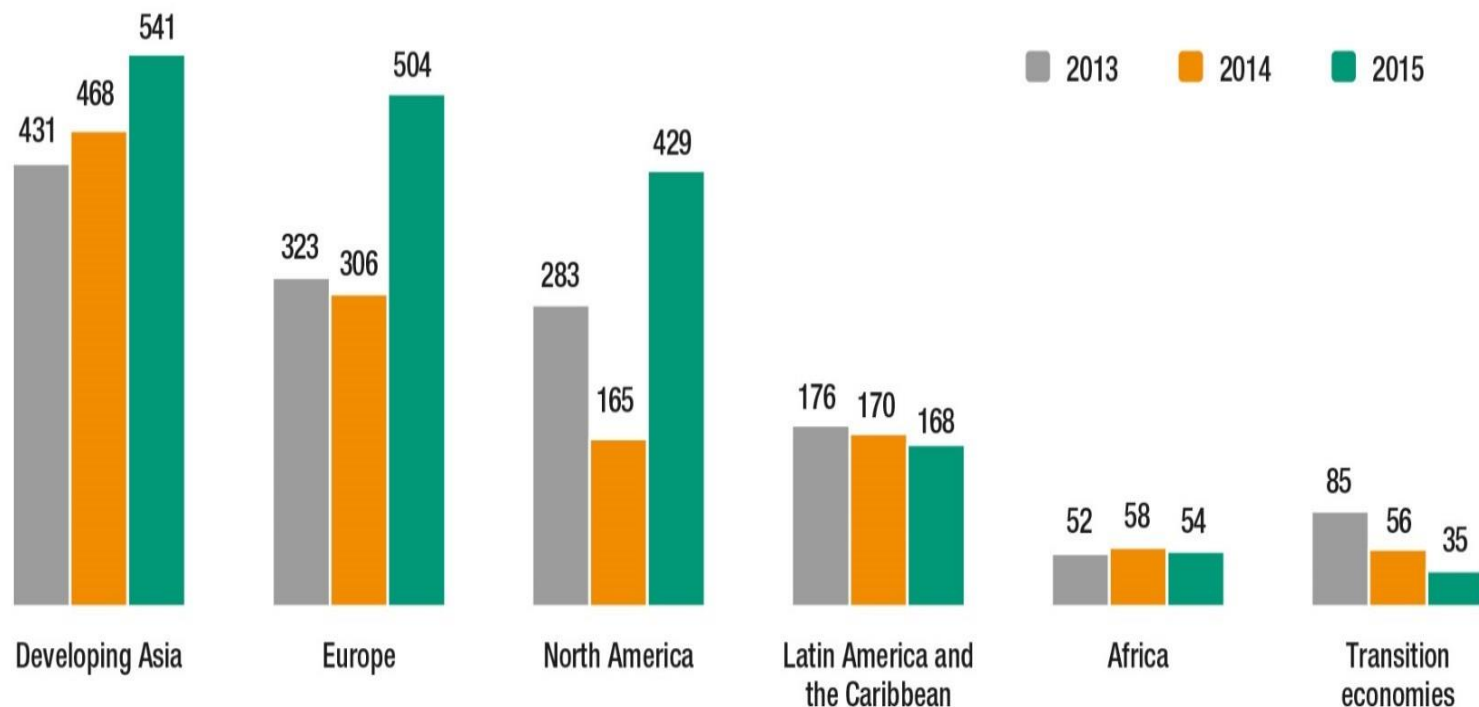


Source: UNCTAD.

FDI flows to developed countries nearly doubled

Developing Asia remains largest FDI host region

FDI inflows, by region, 2013–2015 (Billions of dollars)

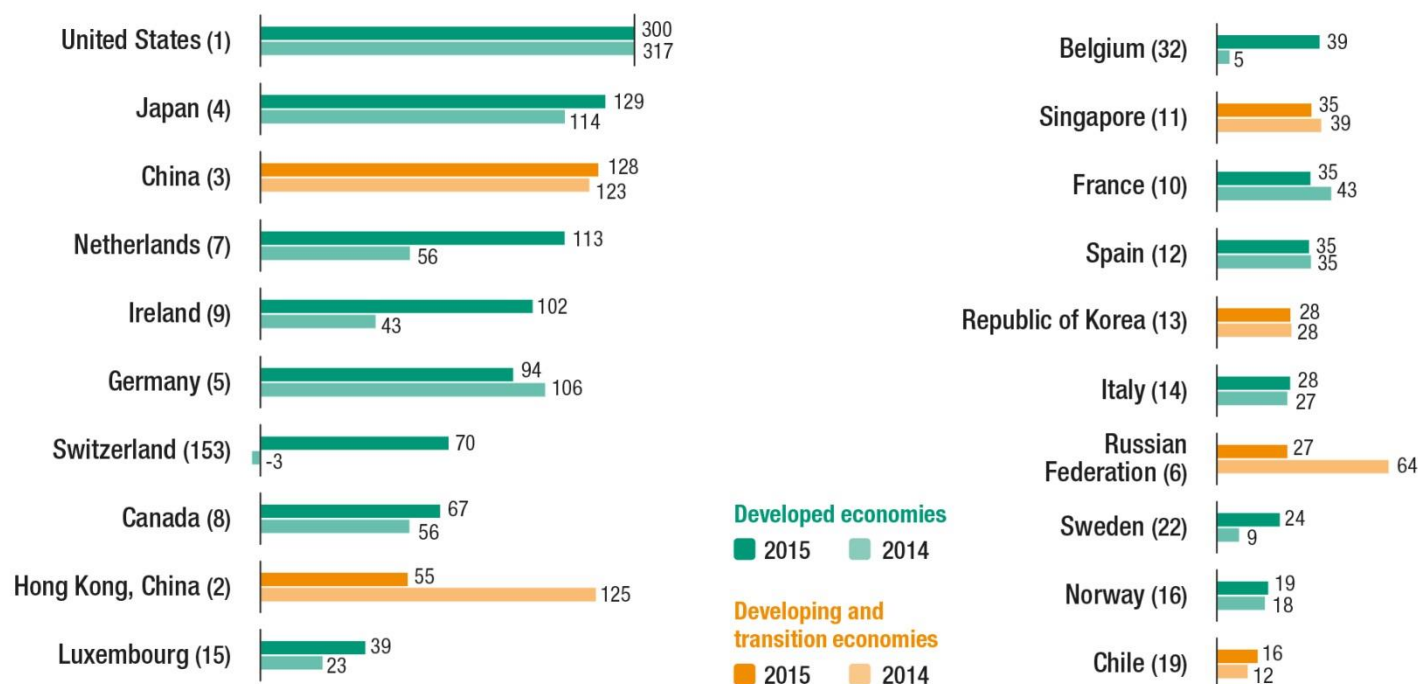


Source: UNCTAD.

Rising investment by European MNEs reshuffled the top 20 investors

FDI outflows, top 20 home economies, 2014 and 2015 (Billions of dollars)

(x) = 2014 ranking

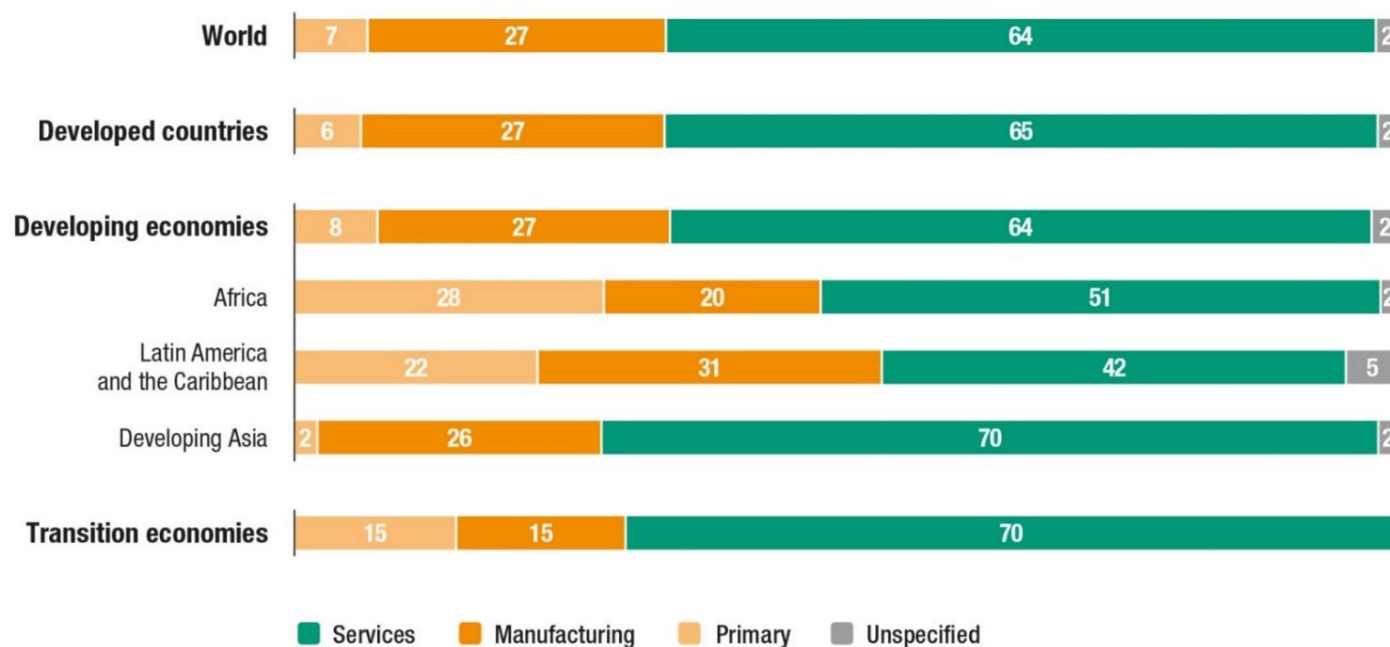


Source: UNCTAD.

The services sector accounts for almost two thirds of global FDI stock in both developed and developing economies

Global inward FDI stock, sectoral distribution by grouping and region, 2014

(Per cent)



Source: UNCTAD.

Looking ahead: FDI prospects

FDI flows are expected to decline by 10-15 per cent in 2016, reflecting:

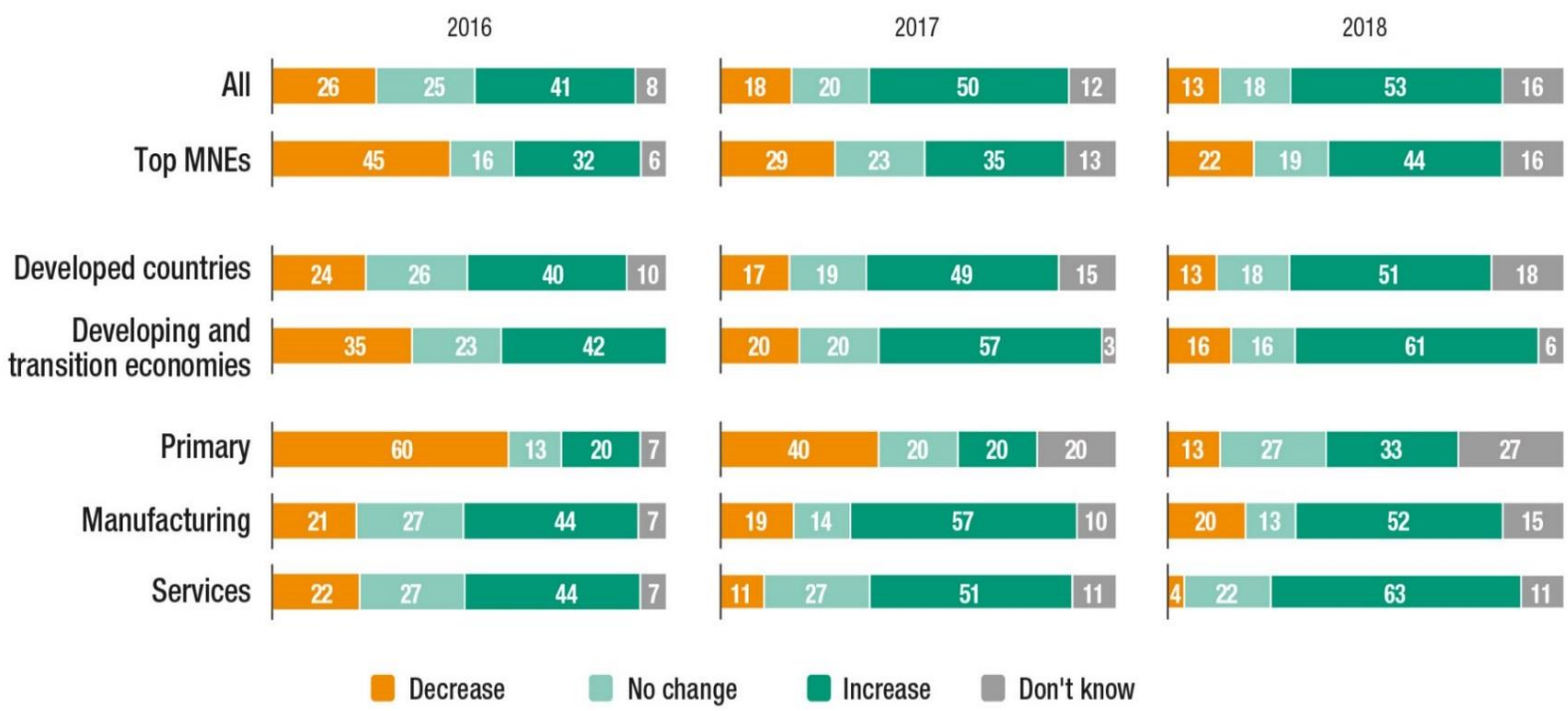
- Fragility of the global economy
- Persistent weakness of aggregate demand
- Sluggish growth in some commodity exporting countries
- Effective policy measures to curb tax inversion deals
- A slump in MNE profits



**WORLD
INVESTMENT
REPORT 2016**

UNCTAD Business survey reveals muted overall FDI spending intentions in 2016, but improving over the medium term

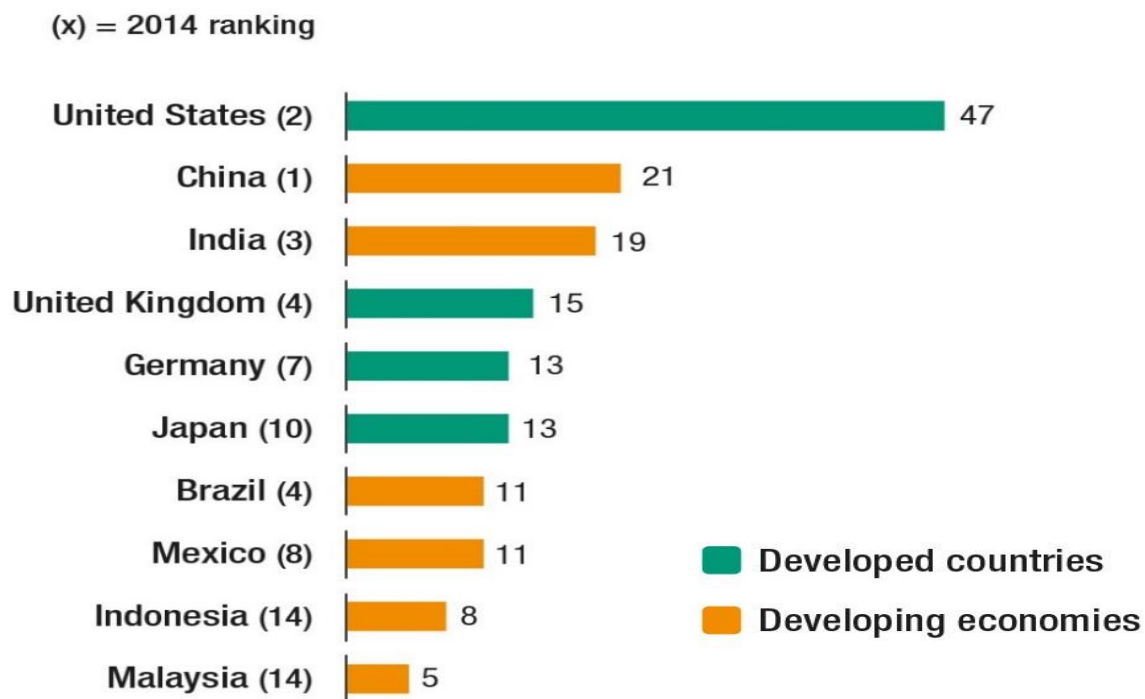
Executives' global FDI spending intentions, 2016–2018, with respect to 2015 levels
(Per cent of responding executives, based in each region and sector)



Source: UNCTAD.

The top prospective destinations remain unchanged

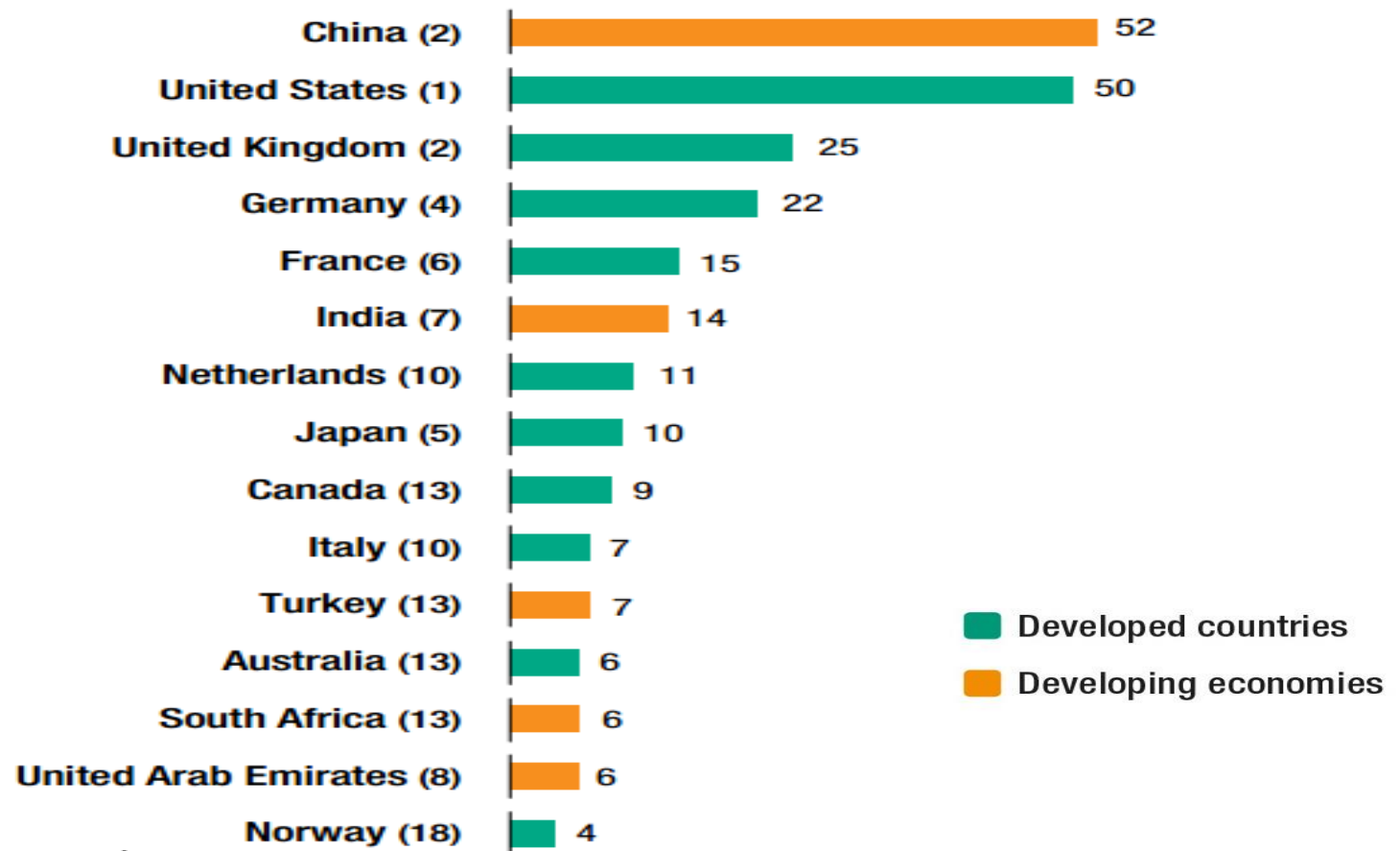
MNEs' top prospective host economies for 2016–2018 (Per cent of executives responding)



Source: UNCTAD.

IPA's selection of most promising home economies for 2016-2018

Per cent of IPAs respondents selecting economy as a top source of FDI



Source: UNCTAD.

UN Sustainable Development Goals (SDGs)

UN SDGs for 2030 focus efforts on fighting poverty and addressing global development and environmental challenges



Source: United Nations

How to promote and facilitate SDG projects

Broaden IPA's network of in-country partnerships

Develop pipelines of bankable SDG projects, *incl. green projects*

Broaden contacts with potential investors

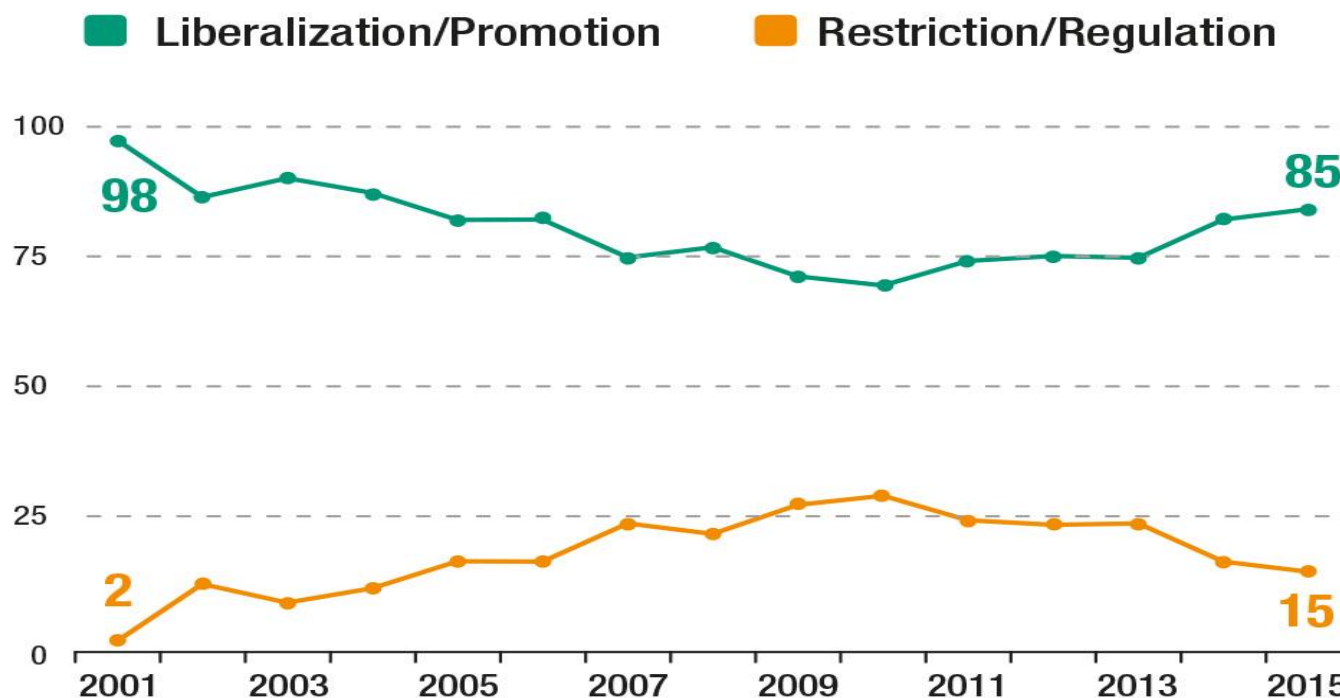
Regional cooperation between governments and their IPAs

Develop in-house expertise

Build partnerships with outward investment agencies (OIAs)

Most new investment policy measures continue to be geared towards investment liberalization and promotion

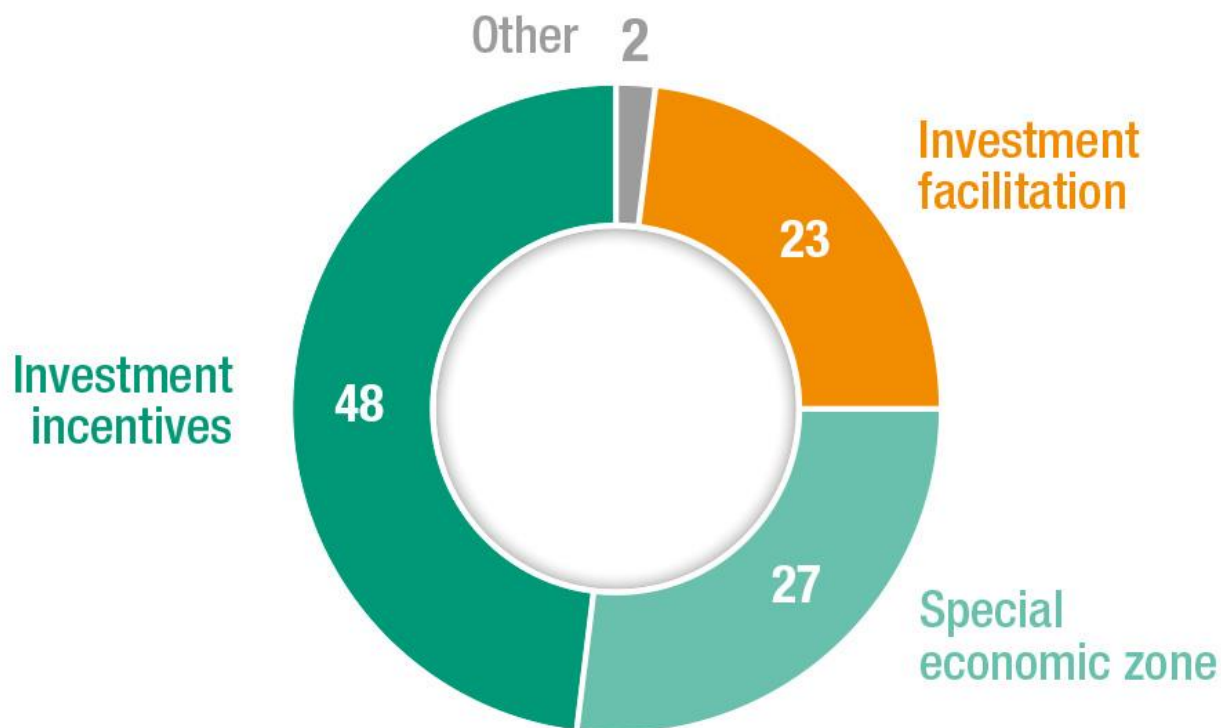
Changes in national investment policies, 2001-2015 (per cent)



Source: UNCTAD.

Investment facilitation: filling a systemic gap

Categories of promotion and facilitation policies, 2010-2015



Source: UNCTAD.

UNCTAD's Global Action Menu for Investment Facilitation

Action lines:

1. Promote accessibility and transparency in the formulation of investment policies, regulations and procedures relevant to investors
2. Enhance predictability and consistency in the application of investment policies
3. Improve the efficiency and effectiveness of investment administrative procedures
4. Build constructive stakeholder relationships in investment policy practice
5. Designate a lead agency or investment facilitator with a specific mandate for disputes prevention and mediation
6. Establish monitoring and review mechanisms for investment facilitation
7. Enhance international cooperation for investment facilitation
8. Strengthen investment facilitation efforts in developing-country partners through technical assistance
9. Enhance investment policy and proactive investment attraction in developing-country partners
10. Enhance international cooperation towards investment for development, including through provisions in IIAs

Source: UNCTAD.

UNCTAD services to support investment promotion and facilitation

1. Investment promotion and facilitation advisory services and training
2. Publications on investment promotion and facilitation
3. Investment guides
4. Business linkages programme
5. UNCTAD's Investment Promotion Awards
6. UNCTAD's World Investment Forum
7. greenFDI.org platform

Publications on investment promotion and facilitation & investment guides

Investment promotion and facilitation publications and newsflashes help investment promotion professionals learn about investment promotion strategies, best practices, and trends. Special emphasis is put on green and sustainable sectors.

Investment guides both paper-based and web-based (*iGuides*), jointly developed with Governments, provide investors with key information on the business environment of a specific country or region: regulations, taxes, and main costs and prices, plus experiences of established investors and investment case studies.



GreenFDI.org, a tool for promoting green investment





Thank you!

Paul Wessendorp
Chief, Investment Promotion Section
UNCTAD

paul.wessendorp@unctad.org