

Division on Investment and Enterprise

Capacity-building in FDI Statistics

2007 Activities

Source: Review of the technical cooperation activities of UNCTAD and their financing (Annex I: Review of activities undertaken in 2007), TD/B/WP/202/Add.1.

1. Regional and national workshops and seminars

Development context: Scarcity, unreliability and inconsistency in existing data reporting systems cause severe problems in formulating policies and strategies regarding FDI. There is also a shortage of studies on the role of FDI and its impact on sustainable economic development and its contribution to the transfer of technology, human resource development and export performance. In response to recommendations made by the UNCTAD Expert Meeting on capacity-building in the area of FDI, related to data compilation and policy formulation in developing countries in December 2005 and endorsed by the tenth session of the Commission on Investment, Technology and Related Financial Issues (Geneva, 6–10 March 2006), UNCTAD continues to provide technical cooperation in the area of FDI statistics.

Objectives/features: The overall objective of the project is to increase FDI inflows to developing countries, particularly LDC, by formulating FDI policies based on quality FDI data, and information of transnational corporations operating in the region or the country. This project aims at enhancing the capacity of government agencies in these countries to compile, disseminate and analyse data on FDI and TNC activities through implementing internationally recommended methodological standards and enabling national authorities to maintain high-quality and up-to-date databases. It also intends to strengthen networking among national authorities involved in FDI data compilation and reporting, and in FDI policy issues and investment promotion activities, so as to facilitate the exchange of experience.

Outputs: In 2007, a national seminar was held in Morocco on 12–15 February 2007 on the methodology of compilation of FDI statistics. A regional workshop was also co-organized with COMESA in Zambia in September on the same topic. The latter resulted in the establishment of a regional FDI task force in FDI/TNC statistics to collect and harmonize data in the region, to enhance region's attractiveness and competitiveness, and support regional FDI policies development by providing useful information to the investors, policymakers and the general public.

Results: These workshops and seminars increased government officials' understanding of FDI statistics and initiated to undertake a survey on FDI. These meetings also made a step towards establishing a regional association of FDI data compilers to harmonize FDI statistics in the region and to share experiences of data collection and reporting. The launch of the COMESA task force on statistics on FDI and transnational corporations was approved by the COMESA Council of Ministers, as well as by central bank governors, in 2007. Work related to harmonizing FDI statistics for the COMESA region will be done in part under the framework of the development account project during 2008–2009, taking into account the different needs of and levels of development in each respective member State.

2. Association of South-East Asian Nations (ASEAN)

Development context: The establishment of a harmonized and quality FDI data system could help the Association of South-East Asian Nations (ASEAN) achieve the ASEAN Investment Area aim of transforming the region into a competitive, transparent and attractive area for FDI inflows. However, the FDI data collection systems in the 10 ASEAN member States are not harmonized and are at various stages of development, often leading to reporting of data that are not comprehensive or comparable to support policy analysis. To address this problem, the ASEAN Investment Area Council established the Working Group on Foreign Direct Investment Statistics in ASEAN. UNCTAD has been invited to attend the ASEAN FDI statistical activities aimed at producing methodology for harmonizing the regional FDI data collection system.

Objectives/features: To advise the working group and the ASEAN Secretariat on a harmonized FDI data methodology and strategies, and organize joint training seminars and workshops to support capacity-building in the region.

Outputs: UNCTAD and ASEAN continue to organize a number of events together to support the regional integration and the ASEAN Investment Area process. UNCTAD was invited to the sixteenth Working Group on Foreign Direct Investment Statistics in ASEAN, held in Tuan Chau, Viet Nam, on 7–9 August 2007, and organized a joint ASEAN/UNCTAD seminar on key issues of FDI and activities of transnational corporations in extractive industries in Hanoi, Viet Nam, on 30 March 2007.

Results: One of the major tasks to be carried out in the region is to provide comprehensive, high-quality and timely FDI statistics for ASEAN countries to make policy analysis and monitor the accurate FDI situation in the context of the ASEAN Investment Area. UNCTAD continues to play an advisory role in and provide expertise to the various activities aimed at improving the quality of FDI data and harmonizing FDI statistics, and thus helping the ASEAN Investment Area process.