

OECD FDI Regulatory Restrictiveness Index

A tool for benchmarking countries, measuring reform and assessing its impact

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FDI Index: What does it measure?

Statutory restrictions

- All discriminatory measures affecting foreign investors, including market access restrictions and departures from national treatment

What is not covered?

- Degree of implementation
- Institutional quality

FDI Index: Methodology

Four types of restrictions

- Sectoral equity limits
- Screening
- Restrictions on key personnel: managers, directors
- Other restrictions: land, reciprocity, capital repatriation, branches, etc.

Weighting

- Each restriction given a score based on an assessment of its importance.
- Aggregate score is weighted average of sectoral scores

FDI Index: data & coverage

- **OECD countries:** information based on reservations under the OECD Code of Liberalisation of Capital Movements and the National Treatment Instrument
- **Countries** adhering to the OECD Declaration on International Investment and Multinational Enterprises
 - Argentina, Brazil, Colombia, Egypt, Latvia, Lithuania, Morocco, Peru, Romania, Tunisia
 - Other countries currently requesting adherence
- **Other non-OECD countries** (China, India, Indonesia, Russia, Saudi Arabia, South Africa, Ukraine), based on OECD Investment Policy Reviews, national sources, GATS and other international agreements, APEC

Sectors

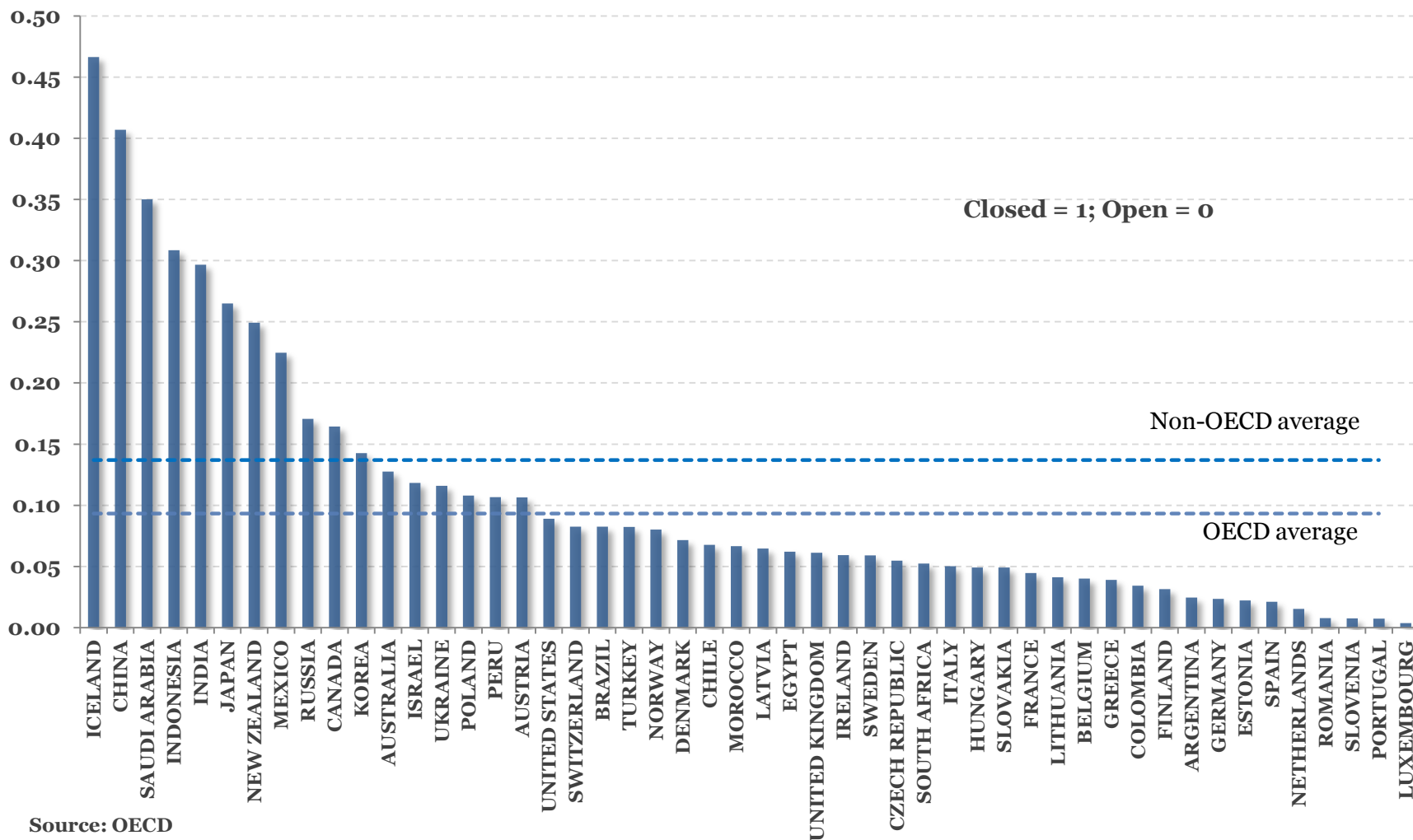
- Agriculture, forestry, fishing
- Mining & quarrying
- Manufacturing (5 sub-sectors)
- Electricity (generation, distribution)
- Construction
- Distribution (wholesale, retail)
- Transport (surface, water, air)
- Hotels & restaurants
- Information & communication (fixed & mobile telecoms, broadcasting, other media)
- Financial services (banking, insurance, other finance)
- Professional services (accounting & auditing, legal, architecture, engineering)
- Real estate

How can the FDI Index be used?

To measure:

- relative FDI restrictiveness of each country
- changes in restrictiveness over time
- a country's performance in attracting FDI for a given level of restrictiveness
- the effect of FDI liberalisation on FDI inflows

FDI regulatory restrictiveness, 2010

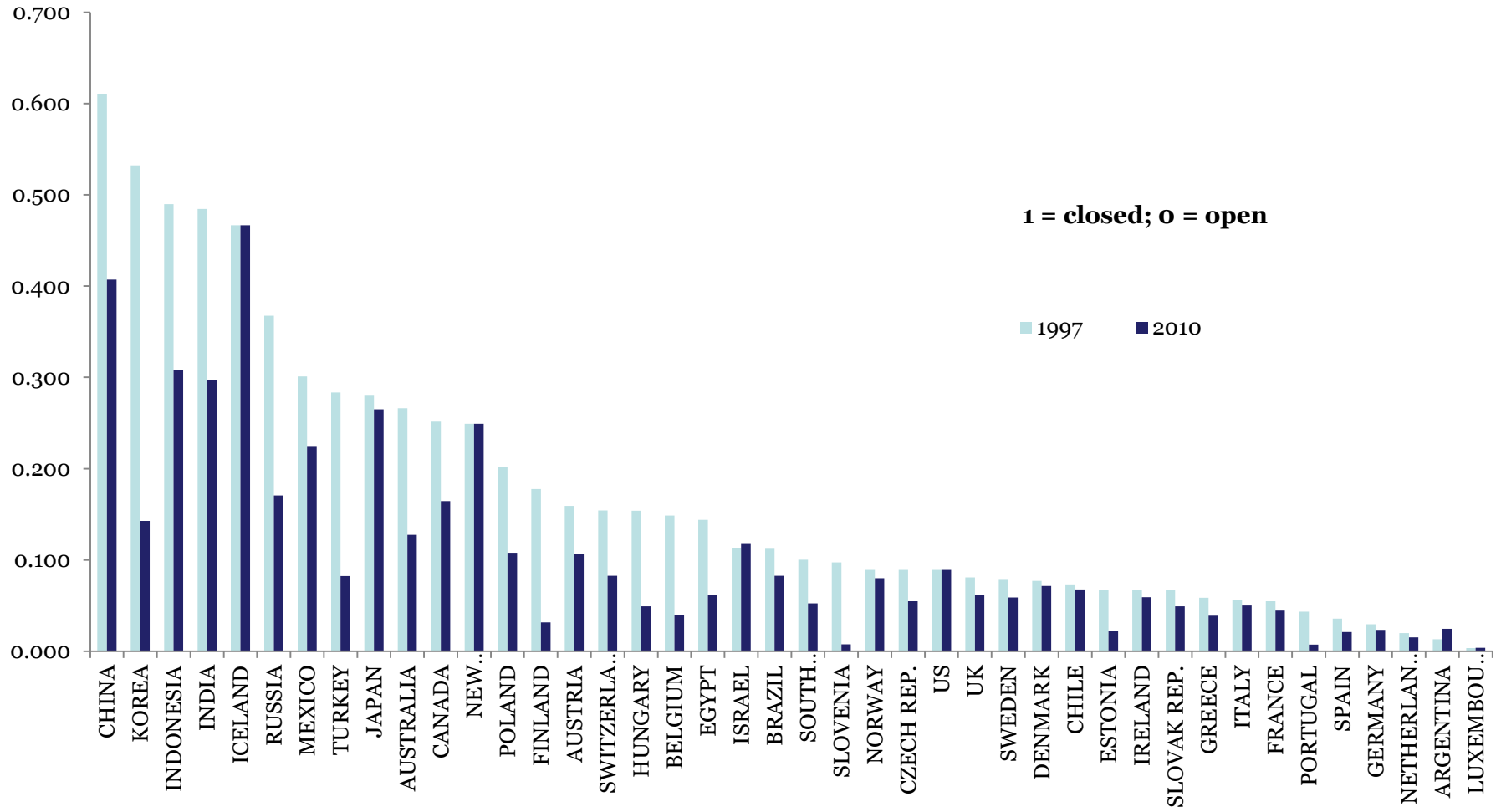


Source: OECD



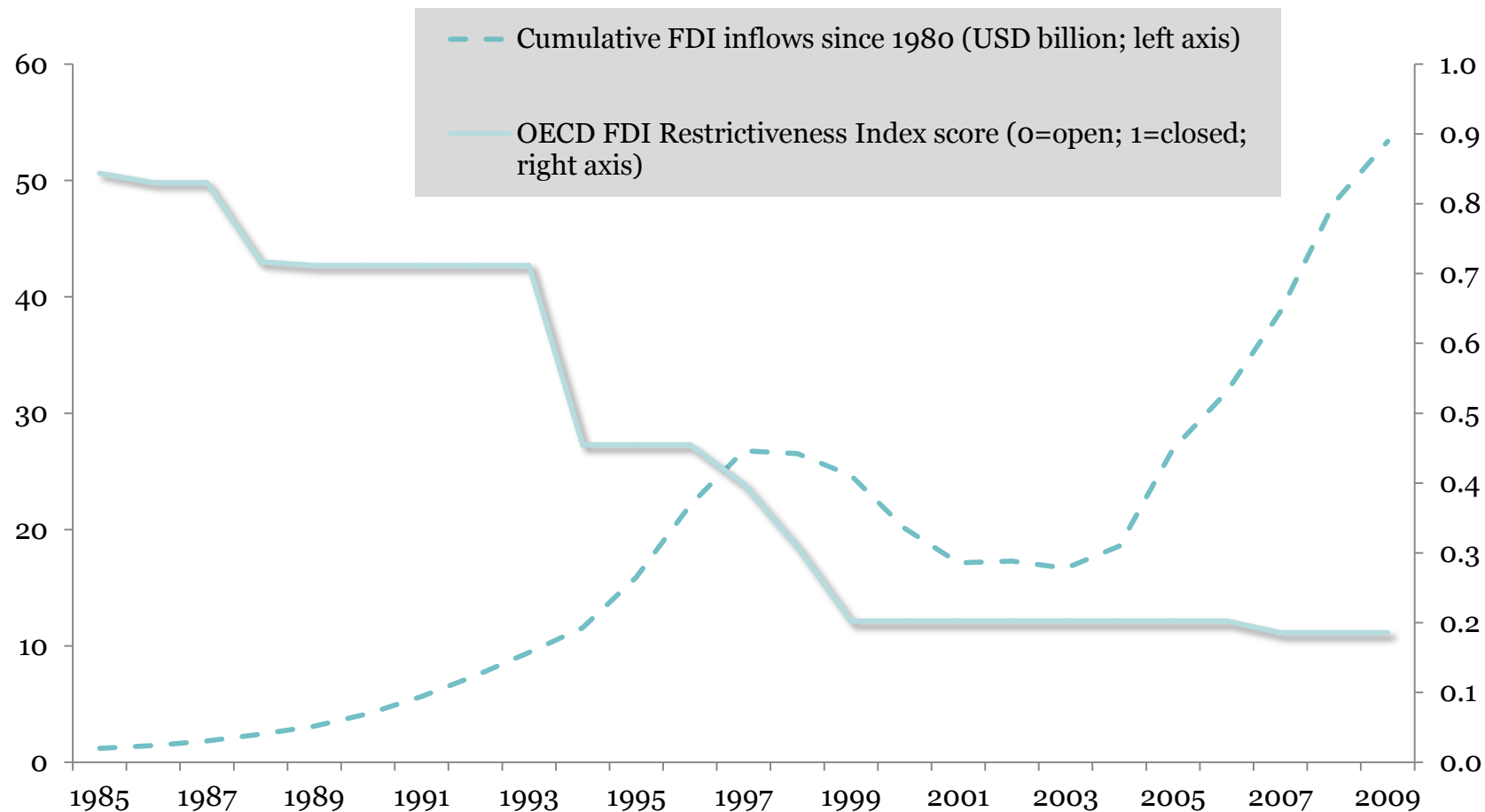
FDI liberalisation in selected countries

1997-2010



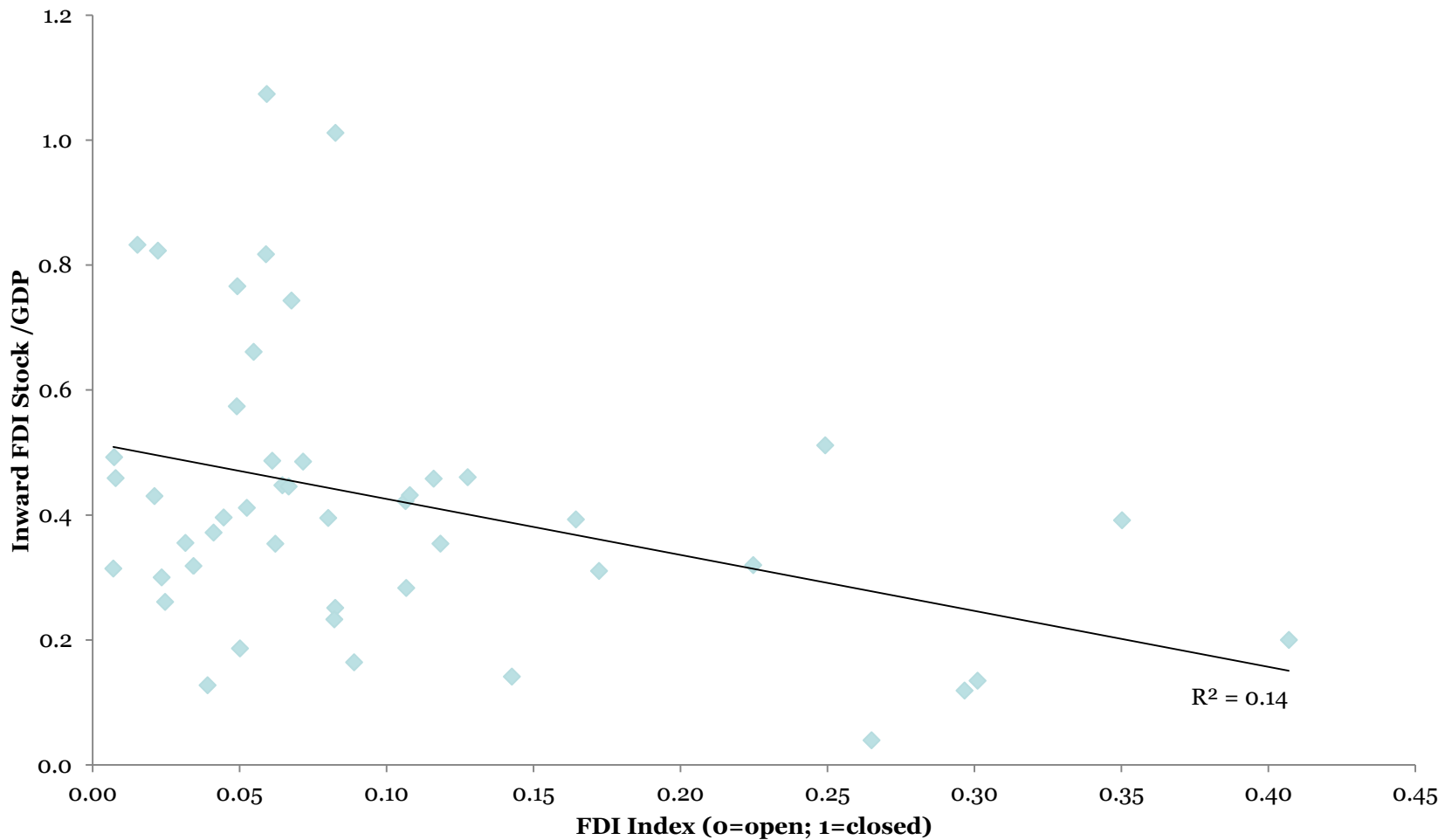
Source: OECD

FDI liberalisation in Indonesia, 1985-2009*



*The historical series is based on a simplified index and hence the score for 2009 does not correspond to the overall Index score.

FDI performance vs. Openness



Source: OECD

Find out more about the FDI Index

For information on the methodology:

Blanka Kalinova, Angel Palerm, Stephen Thomsen (2010) “OECD’s FDI Restrictiveness Index: 2010 Update”, OECD Working Papers on International Investment No. 2010/3

<http://dx.doi.org/10.1787/5km91p02zj7g-en>

For the latest data for 50 countries:

www.oecd.org/investment/fdiindex.htm