



**Opening Remarks by Dr. Supachai Panitchpakdi,
Secretary-General of UNCTAD**

27 March 2008

Secretary-General Gurría,
Excellencies,
Ladies and Gentlemen,

It is a great pleasure and indeed a privilege for me to add my welcome to the remarks of my friend Angel. UNCTAD is delighted to have been invited to join the OECD in the organization of this 7th Global Forum on International Investment which deals with the topic of "Best practices in promoting investment for development: Pursuing a common agenda".

As you are all aware, foreign investment has become an increasingly important source of finance for development and economic growth. Global investment flows topped \$ 1.5 trillion last year, cumulating in a total worldwide stock of (an estimated) \$14 trillion at the end of 2007 – the equivalent of about 20 per cent of global GDP. Harnessing this enormous resource for development is a key challenge for policy-makers today.

Recognizing the important development potential of FDI inflows, national policy-makers have increasingly adopted open policies to attract FDI over the past two decades, with over 90 per cent of related policy changes (recorded by

UNCTAD since the mid-1980s) having that effect. While the incidence of measures aimed at greater control of FDI inflows has also grown since 2004, fortunately, these more restrictive measures have been limited to a few countries and sectors.

We have also seen an increase in the number of international investment agreements (IIAs) between countries. Indeed, all countries are now parties to at least one IIA, with the current universe of IIAs exceeding 2,600 bilateral investment treaties, and almost 300 other international treaties with investment components, including free trade and regional integration agreements.

In line with these trends, many developing countries have requested UNCTAD's assistance in strengthening their foreign investment policy-making capacity at the national level, so as to be able to take full advantage of the emerging regional and global investment opportunities, as well as to benefit from the best-practices and lessons learnt in other countries.

As a development organization, UNCTAD is well placed to assist developing countries in formulating appropriate investment policies. The need for such assistance is particularly urgent in the case of the least developed countries, most of whom have so far not benefited sufficiently from the recent boom in FDI. These countries are homes to a significant proportion of what the Secretary-General of the UN has called the "bottom billion", and if we are to address their plight, then we must urgently take measures to help them attract and benefit from FDI.

Making foreign investment work better for development has been at the heart of UNCTAD's work for more than 30 years. We have accumulated significant experience and expertise, so as to now take stock of best practices in

investment policy-making. Indeed, our research and policy analysis work, our technical assistance delivery and our intergovernmental consensus building over the past decades have been guided by distilling lessons learnt for investment policies and adapting them to the specific country situations that we were called upon to address. UNCTAD's *Investment Policy Reviews* provide the framework for our country-specific work in this area.

In this context, it is gratifying that the leaders of the G8 recognized the useful work of UNCTAD when they gathered last year in Germany, and called on UNCTAD to join hands with the OECD in developing best practices for building an institutional environment conducive to increased investment and sustainable development, and in engaging industrialized countries, emerging economies and developing countries in a dialogue aimed at building international consensus and disseminating best practices in this respect. Our meeting today and tomorrow is an important step in this direction.

As you may know, the dialogue on best practices called for by the G8 commenced with an expert meeting at UNCTAD in September last year. After today's high-level discussion, the dialogue will continue in a Ministerial-level Roundtable on Best Practices at the 12th Ministerial Conference of UNCTAD, which will be held in Accra from 20 to 25 April 2008. At the Roundtable, the OECD will report on the results of this 7th Global Forum. Allow me to take this opportunity to extend to all of you an invitation to join us at the Conference in Accra and the parallel World Investment Forum. This Forum is conceptualized as a pragmatic multi-stakeholder event that focuses on global trends and emerging issues, challenges and opportunities and policy response.

In addition, it is a pleasure for me to inform you that late last year, UNCTAD launched a new programme of country case studies of best practices

in FDI. These studies, which examine successful practices in developing and developed economies, will be a further source of useful experiences that developing countries can draw upon in designing their own policies. I would welcome the OECD's inputs into these case studies, including lessons learned by developing countries that have been putting the OECD's Policy Framework for Investment into action in recent years.

Ladies and Gentlemen,

UNCTAD stands ready to engage with other international organizations and other development partners, based on the respective comparative advantages and commonalities of our work, in the interest of development and fulfilling the development potential of FDI.

I am looking forward to joining hands with the OECD in this endeavour.

Thank you.