

BENCHMARKING THE OPENNESS OF COUNTRIES

TO FOREIGN DIRECT INVESTMENT

FDI Indicators Project

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FIAS

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WHAT ARE THE FDI INDICATORS?

- *Doing Business*-type indicators of investment policy
- Country benchmarks for the ease of establishment and operation of a foreign-owned business in a country
- Measures of formal statutory restrictions on FDI, and regulatory and administrative barriers in practice

DB

vs.

FDI INDICATORS

Starting a business

Dealing with licenses

Employing workers

Registering property

Getting credit

Protecting investors

Paying taxes

Trading across borders

Enforcing contracts

Closing a business

Foreign ownership restrictions

Investment promotion

Pre-establishment procedures

Access to land

Currency convertibility and repatriation

Expropriation and int'l arbitration

THEMATIC COVERAGE FOCUSED ON INVESTMENT POLICY

- Possible topics for future inclusion:
 - Employment restrictions on expatriates
 - IPR protection and enforcement
 - ADR mechanisms
 - Etc.
- Excluded investment climate variables:
 - Infrastructure
 - Human resources
 - Trade policy
 - Etc.

METHODOLOGICAL CONSISTENCY WITH DOING BUSINESS

- Survey of laws/regulations (objective info) and administrative processes (subjective info)
- Respondents are private sector intermediaries (i.e. investment lawyers, consultants, accounting)
- Survey filled out by governments for validation / cross-checking purposes

PROJECT TIMELINE

Project Phase	Timing	Country Coverage
Design	Mar 07 - Oct 07	Preliminary design completed and currently under testing.
Pilot testing	Nov 07 - Jun 08	~20 countries worldwide.
Operation - 1st year	Jul 08 - Mar 09	80-100 countries. First FDI Indicators Project report available in spring/summer 2009.
Operation - 2nd year	Apr 09 - Dec 09	178 countries (i.e. current country coverage of the <i>Doing Business</i> project).

KEY USES AND PURPOSES

Audience



Purpose

governments

to target, stimulate, implement and communicate investment policy reforms

Investors

to help guide their investment location decisions and policy dialogue with governments

advisors / consultants

to focus their assistance to client countries on key policy-level constraints to increasing FDI competitiveness

SUMMARY OF KEY CHARACTERISTICS OF FDI INDICATORS

- **Topics** – combination of restrictions on FDI and departures from national treatment
- **Measures** – combination of statutory restrictions and their application in practice
- **Periodicity** – annual
- **Geographic coverage** – global
- **Impact** – track and analyze reforms

CONCLUSION

- Main project objective – trigger competition among countries to support investment policy reforms and open doors to broader investment climate improvements
- We welcome your feedback. Thank you.

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