



# OECD FDI Regulatory Restrictiveness Index

**Global Forum VII on International Investment**  
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# OECD FDI REGULATORY RESTRICTIVENESS INDEX

1. What does the index measure (and what it does not)
2. **Data and coverage:** information sources, countries, sectors
3. **Methodology:** type of restrictions, scoring
4. **Main results:** by countries, by sectors

# What does the index measure and what it does not

- “Formal” (or statutory) restrictions on foreign investment: discriminatory measures affecting foreign investors (departure from national treatment)

## but not

- Informal or institutional measures affecting foreign (and sometimes domestic) investors (institutional measures, enforcement)
- Not all sectors are covered



# Data and coverage

- **30 OECD countries:** information based on their reservations under the Code of Liberalisation of Capital Movements and the Declaration on International Investment and MNE (National Treatment Instrument)
- **10 countries** adhering to the OECD Declaration on International Investment (NTI); GATS schedules of commitments (Baltic, several Latin American countries, Egypt)
- **Other non-OECD countries:** China, India, Russia, South Africa, Indonesia: based on GATS commitments and national sources

# Sectors

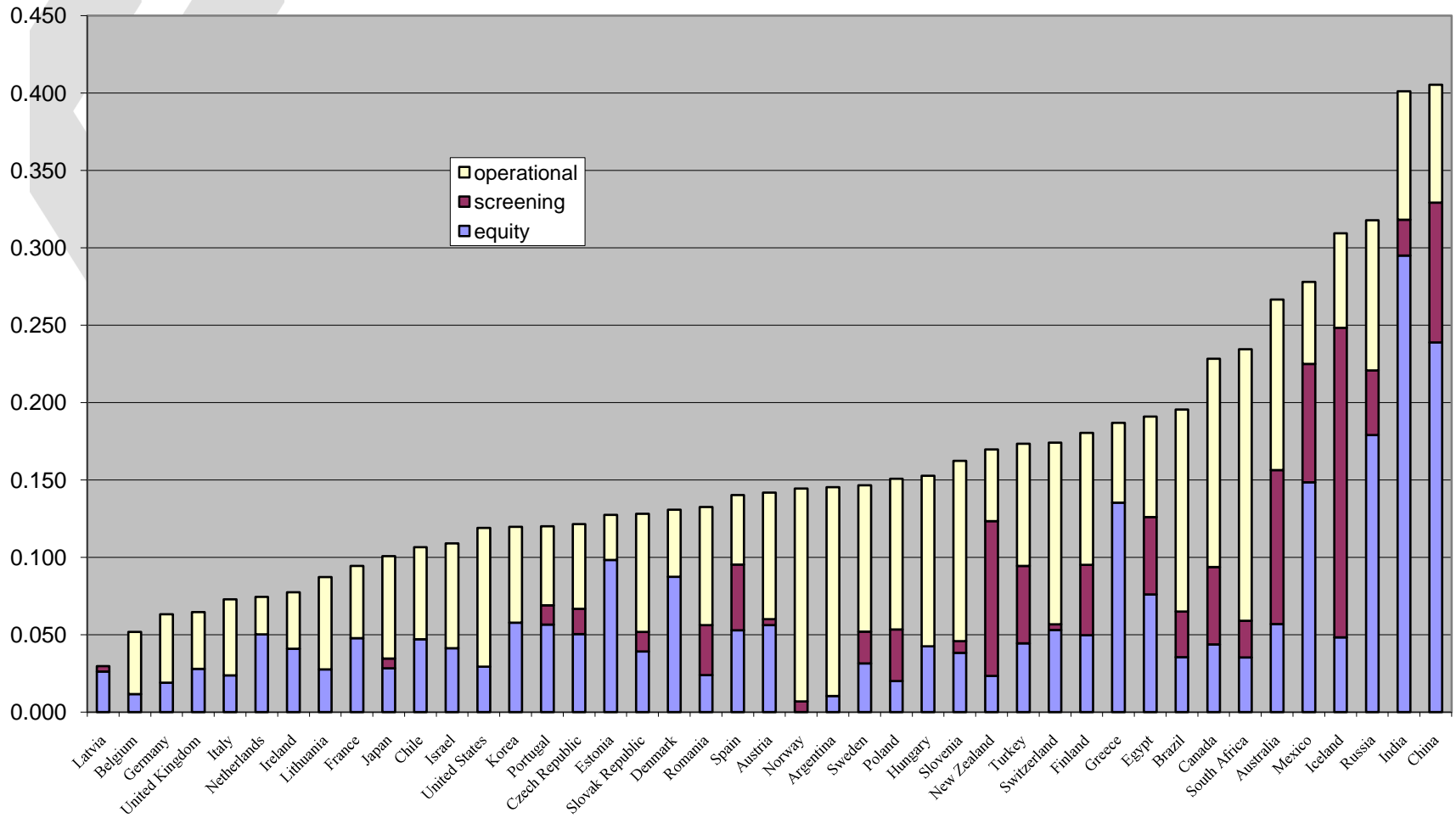
- 9 sectors and 11 sub-sectors:
  - Professional services (legal, accounting, architectural and engineering services)
  - Telecommunications (fixed and mobile)
  - Transport (air, road and maritime)
  - Finance (banking and insurance)
  - Distribution
  - Construction
  - Hotels and restaurants
  - Electricity
  - Manufacturing

# Methodology

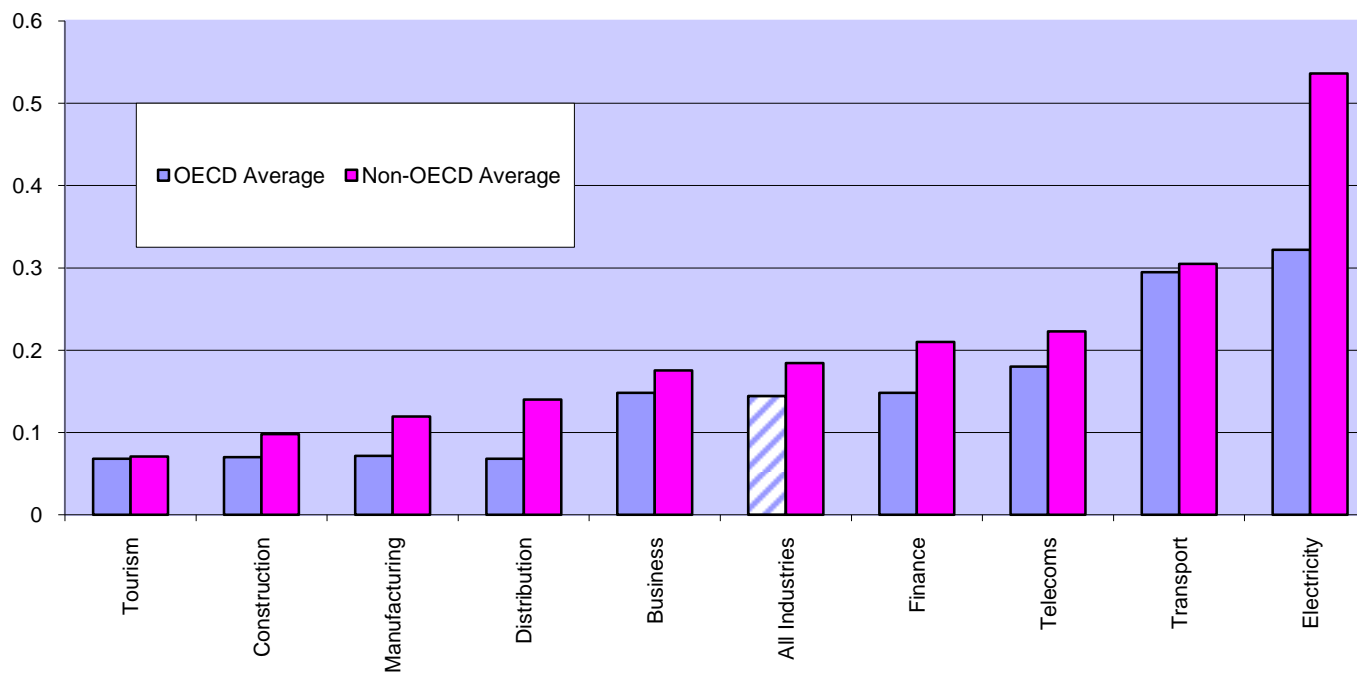
- **Restrictions on foreign ownership:** from 0 (open) to 100% (no entry; most important limitation)
- **Screening and approval:** prior notification, the level of ceiling
- **Other restrictions:**
  - Board of directors/managers: limits on foreigners
  - Movement of people: visa procedures, work permits
  - Input or operational restrictions: obligations of domestic content

The index ranges from 0 (completely open sector) to 1 (completely closed sector)

# Nine-sector FDI regulatory restrictiveness by type of restrictions



# Regulatory restrictiveness by industry, OECD and non-OECD average



# Main findings

- **OECD countries:** EU generally more open
- **Non-OECD countries:** Eastern Europe, Chile, Argentina among the most open; India, China and Russia most restrictive
- **Most restricted sectors:** electricity, transport, telecommunications and finance
- **Less restricted sectors:** manufacturing, tourism, construction and distribution

# Where to find more information

- OECD publication: International Investment Perspectives 2007
- OECD Investment Policy Working Paper No. 4/2006 and ECO Working Paper

see: [www.oecd.org/daf/investment](http://www.oecd.org/daf/investment)