

## PRESS RELEASE ON CONFERENCE CONCLUSIONS

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### **OECD Investment Forum calls for improved enabling policy environment and new partnership for promoting foreign direct investment for development**

The OECD Global Forum for International Investment (GFII) “*New Approaches and Policy Challenges for Foreign Direct Investment in the 21<sup>st</sup> Century*” was launched on 26-27 November in Mexico City, by the Minister of the Economy of Mexico, Luis Ernesto Derbez, and the OECD Deputy Secretary General, Thorvald Moe. This inaugural conference attracted more than 300 experts and representatives from OECD member countries, non-members, multilateral organisations and civil society.

Co-chairs, Juan Antonio García Villa, Vice-Minister of Regulations and Foreign Trade Services, Luis de la Calle Pardo, Vice-Minister of International Trade Negotiations and William Witherell, Director, OECD, summed up the deliberations of the Conference as follows:

#### ***FDI is needed more than ever....***

We all affirmed the importance of sustained FDI flows in the current juncture of the world economic slowdown. FDI is a powerful engine for achieving the international community’s reinvigorated development goals, particularly reducing poverty.

FDI should be strongly linked to local enterprise development and not be confined to small enclaves. An important challenge is to bring in the less developed countries, particularly in parts of Africa and Asia, into the fold of countries, which benefit from FDI inflows.

#### ***Policies matter...***

We agreed that with the current uncertainty surrounding the short-term economic prospects and FDI, it is all the more necessary to get the conditions right for the forces driving the FDI surge over the last decade to reassert themselves and for reaping the full benefits of existing FDI.

The benefits of FDI do not accrue automatically and are not uniform across sectors and countries. Policies and institutions matter. Experience shows that governments need to go beyond traditional liberal FDI policies. They need to pay more attention to the broad set of regulatory and institutional frameworks conducive to an enabling environment both for foreign investment and domestic entrepreneurship. These include the prevalence of rule of law, more transparent administrative practices, effectively combating corruption, good corporate governance, sound competition policy, as well as protection of labour rights and the environment.

Mexico is a case in point. Its reform efforts are paying off: FDI flows have been very robust, and they have been increasing amid the global economic slowdown.

### ***Forging new partnership for capacity building***

Building necessary capacities is key to the coherence of policies and their effective implementation. We all agreed that there was a need to establish strong and new partnerships to contribute to the domestic capacity building efforts in FDI host countries. These partnerships should include host and home countries, multinational enterprises, international organisations and civil society groups. They need to be turned into relevant and effective action. For its part, the OECD remains committed to making this Global Forum on International Investment and its other initiatives open to non-Members and other stakeholders for expertise sharing and broad based dialogue.

### ***Input to UN Financing for Development and other multilateral organizations***

The results of the Forum will be shortly published as an input into the preparatory process of the UN Conference on Financing for Development that will take place in Mexico next March. They could also be fed into the investment work taking place in other multilateral organisations.

### ***Contact Persons***

For further information, journalists are invited to contact Mehmet Ögütçü, Principal Administrator, OECD Global Forum on International Investment and Non-Members (tel. 33 1 45 24 93 95) or Gabriela Ramos, Head of the OECD Mexico Centre (tel. 52 52 80 03 30 or 52 52 81 38 10). On the Mexican side, the media contact person is Alan Nahum Kain, Director-General of Media Relations at the Mexican Economy Ministry (tel. 52 57 29 91 00 ext. 1200, 1201 or 1202).

All conference documentation including papers, presentations and final list of participants are available the OECD website (<http://www.oecd.org/daf/investment>) and at Mexico's website (<http://www.economia-snci.gob.mx>).