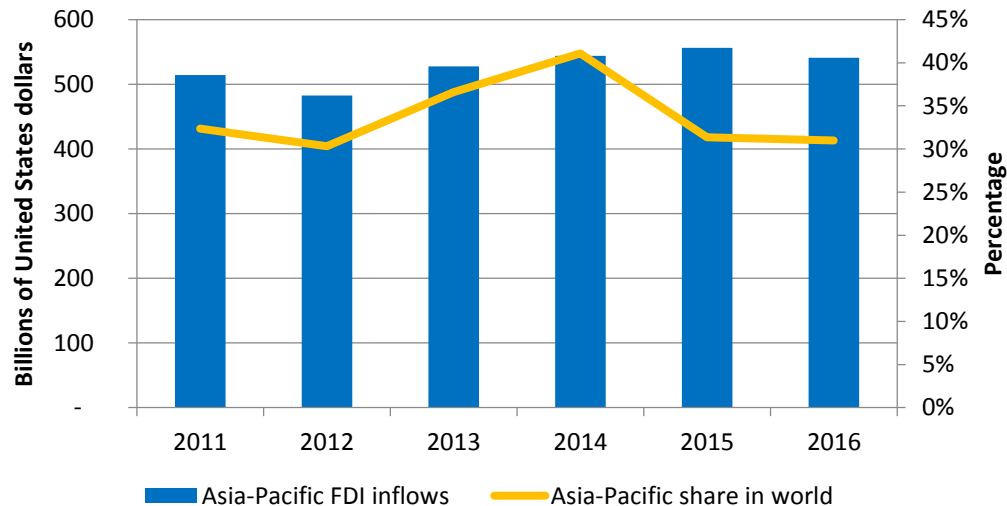


FDI and national policies/ international agreements on investment

Trends and developments in the Asia-Pacific region

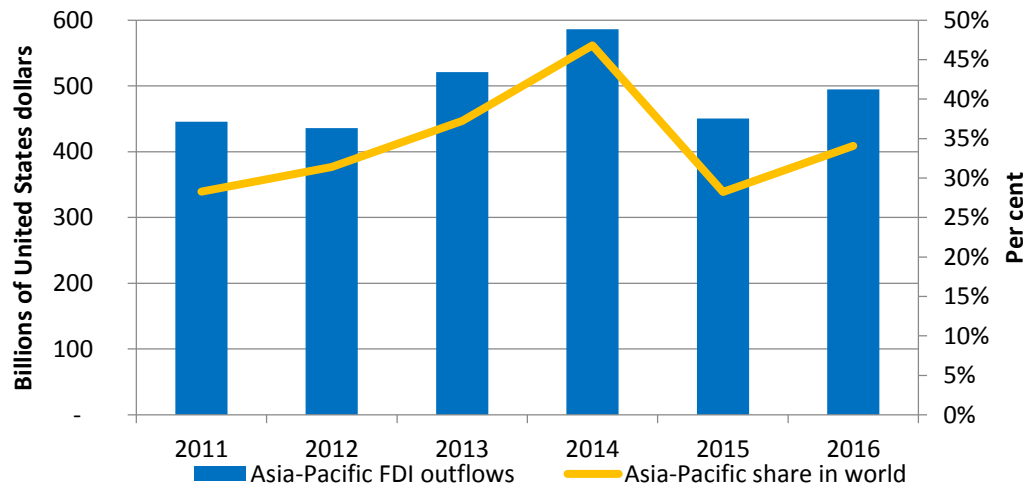
Ms. Soo Hyun Kim (kim51@un.org)
Associate Economic Affairs Officer,
Trade, Investment and Innovation Division

FDI inflows to the Asia-Pacific



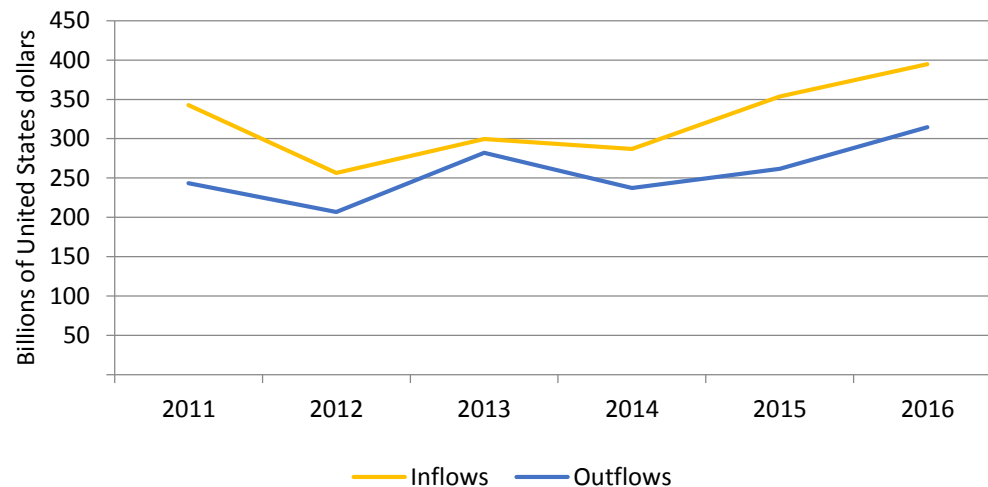
- FDI inflows to the Asia-Pacific region contracted by 3% to \$541 billion in 2016
- A-P's share of global FDI inflows: 31% in 2016
- Still developing A-P accounted for 74% of FDI inflows to developing economies worldwide

FDI outflows from the Asia-Pacific



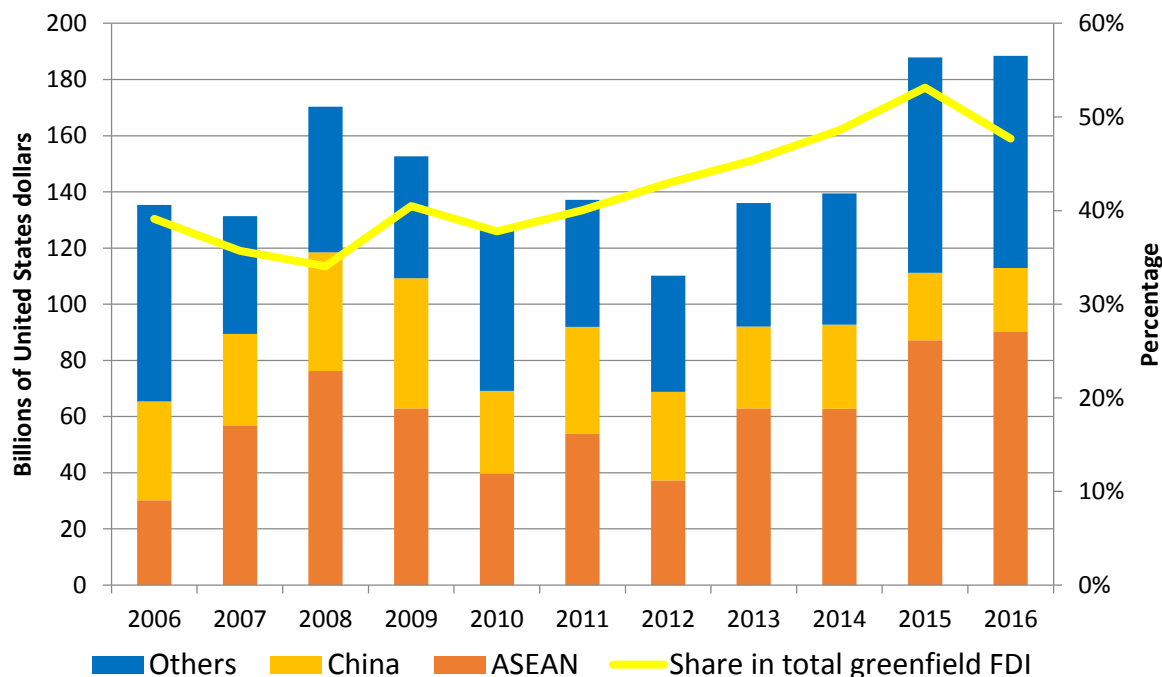
- FDI outflows from the Asia-Pacific region increased by 10% to \$495 billion in 2016
- Slightly picking up from 2015's low level

Greenfield FDI flows: Asia-Pacific region



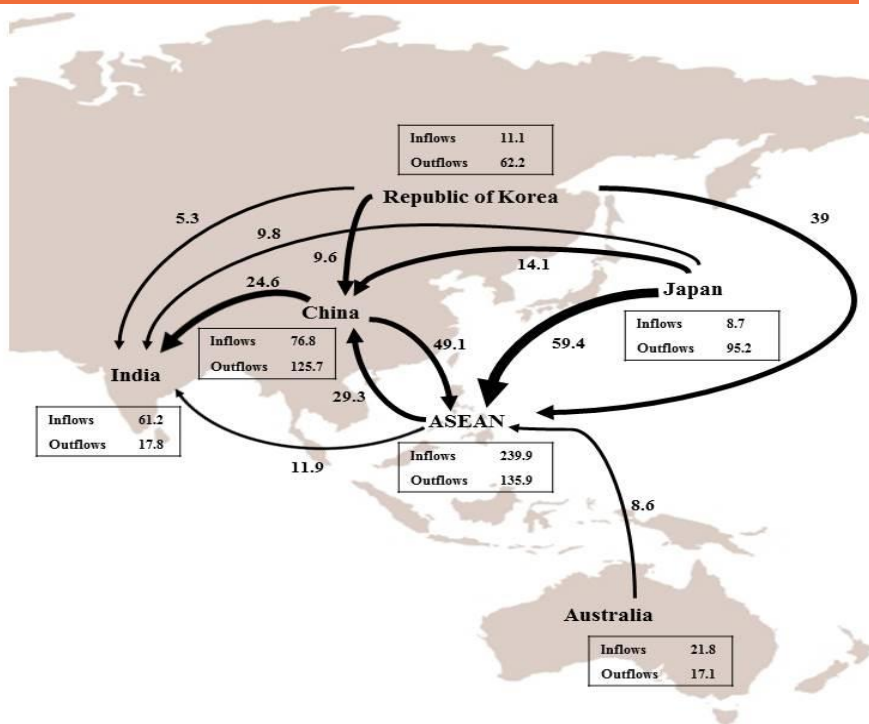
- Greenfield FDI inflows increased by 12% in 2016, accounted for 43% of global greenfield FDI inflows
- Greenfield FDI outflows also increased by 20%
- Positive signs: greenfield investment - long-term investment and barometers of FDI contribution to local economic development: job generation, skills development, capital and technology transfer

Intraregional FDI flows



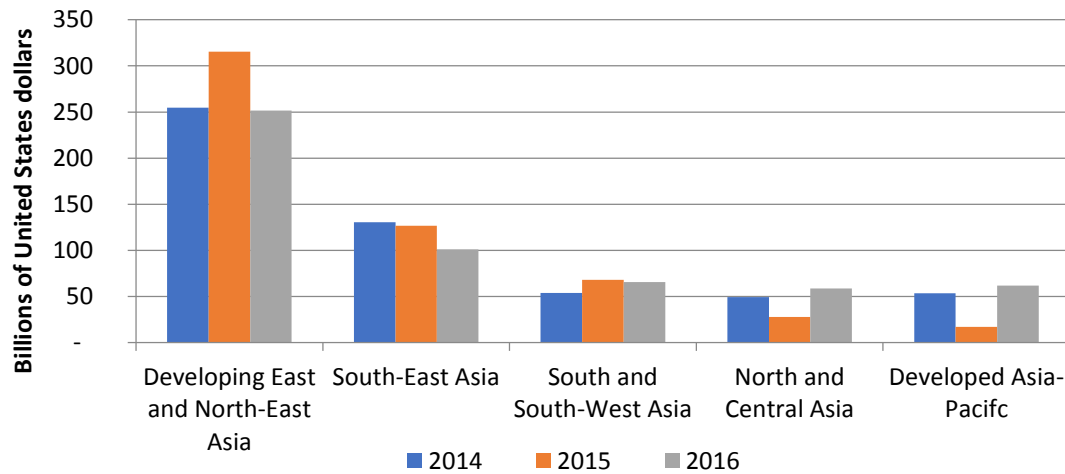
- Intraregional greenfield FDI inflows – increased over the last decade, with annual growth rate of 4%
- Stagnated in 2016, with share of 48% in total greenfield FDI inflows to the region

Intraregional FDI flows



- ASEAN continues to attract significant amount of intraregional investment
 - Continued economic integration efforts
 - Relocation of investment from China (capturing labour-intensive productions and advantageous geographical locations)

FDI inflows: subregions



- Mixed performance among subregions and individual economies

FDI inflows: subregions - Highlights



Japan
Philippines
Viet Nam
India
(greenfield)

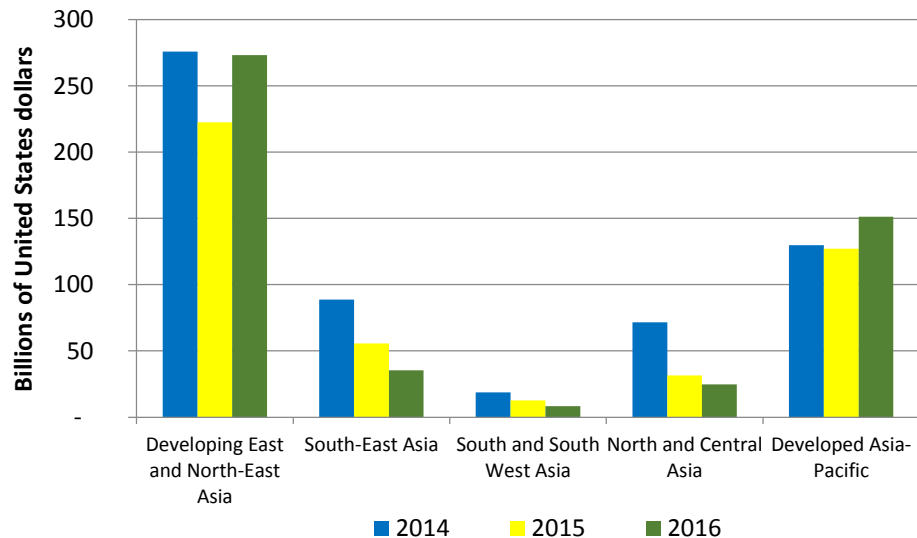


China (-1%)
-liberalization
and facilitation
-losing
competitive cost
advantage



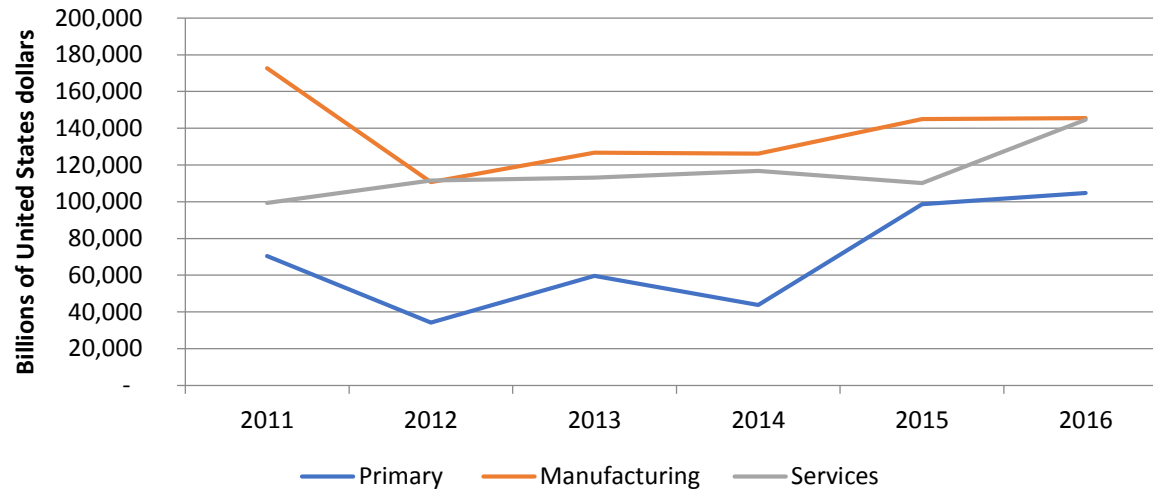
Hong Kong
(China)
Malaysia
Indonesia
Thailand

FDI outflows: subregions



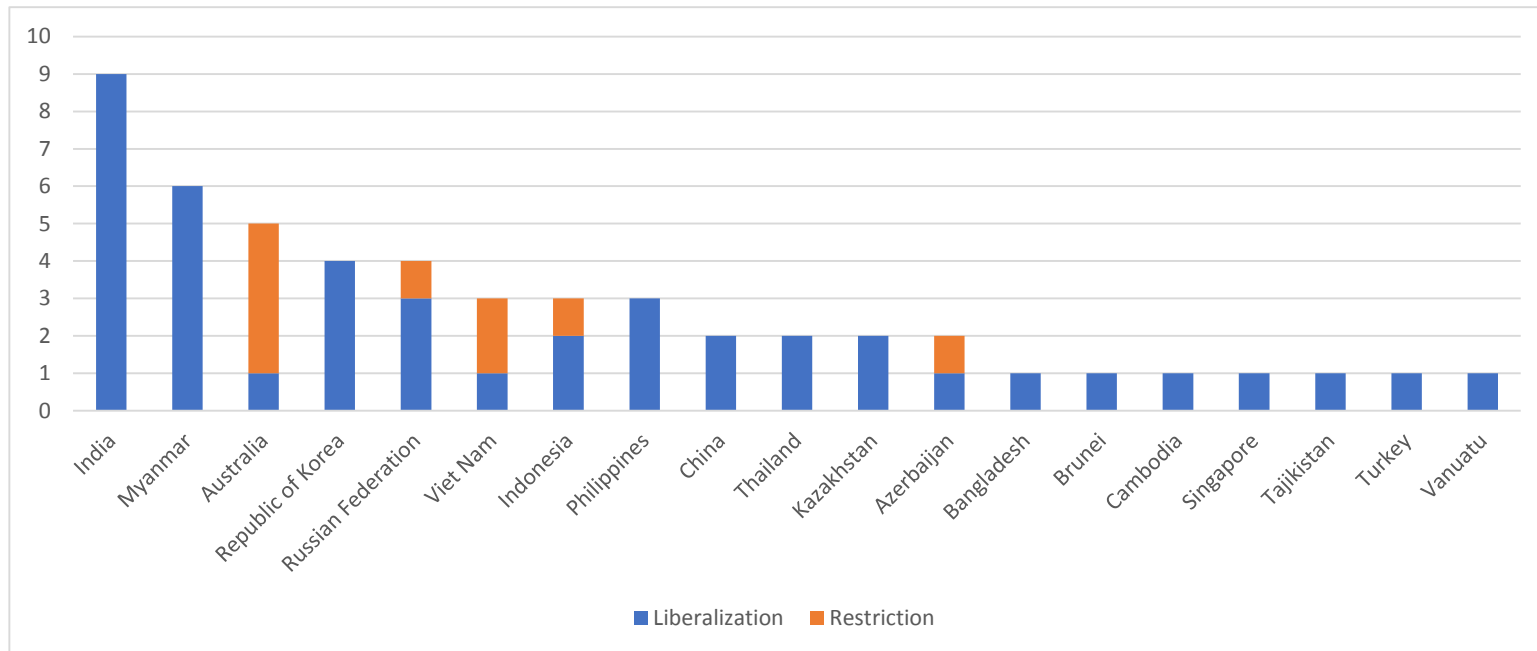
- Led by East and North-East Asia
 - mainly China, Hong Kong (China), Japan

FDI inflows: sectoral



- Greenfield FDI inflows in the services sector increased by 31% in 2016
- Manufacturing: affected by industrial reconfiguration of the subregions' value chains

National policies on investment

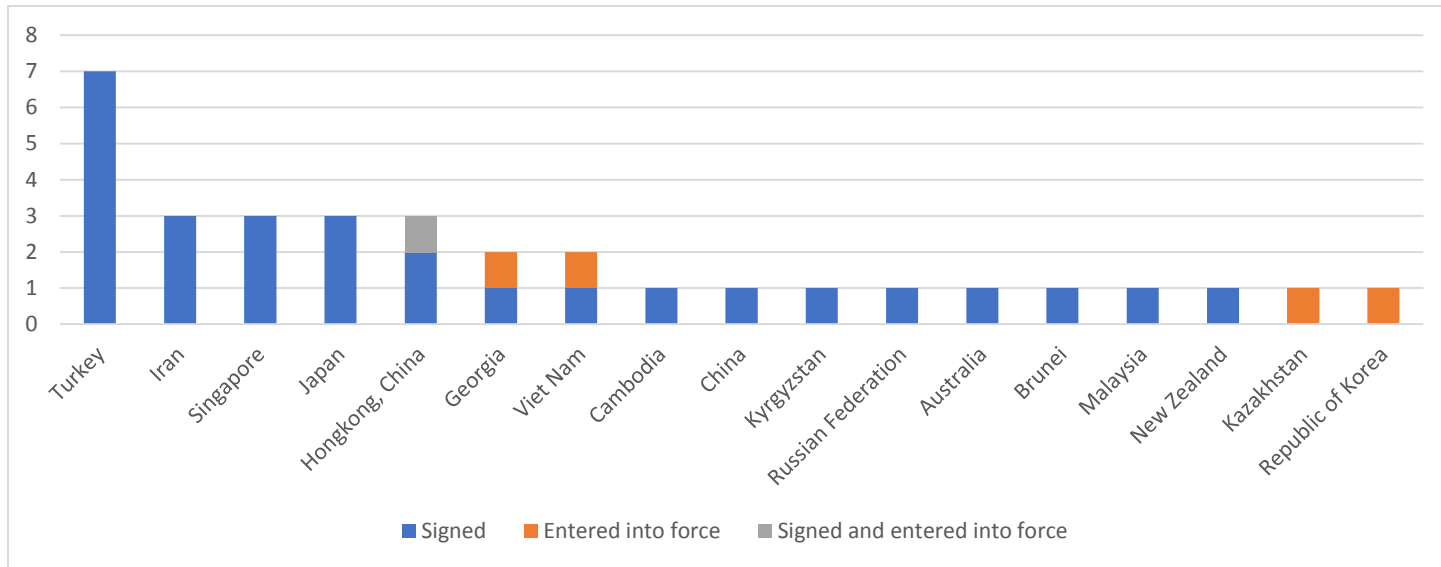


- 43 policy changes related to liberalization, promotion and facilitation
- 9 new restrictions or regulations on investment

National policies on investment

- 1 Relaxation on foreign ownership
- 2 Privatization
- 3 Promotion and facilitation of foreign investment

International agreements on investment

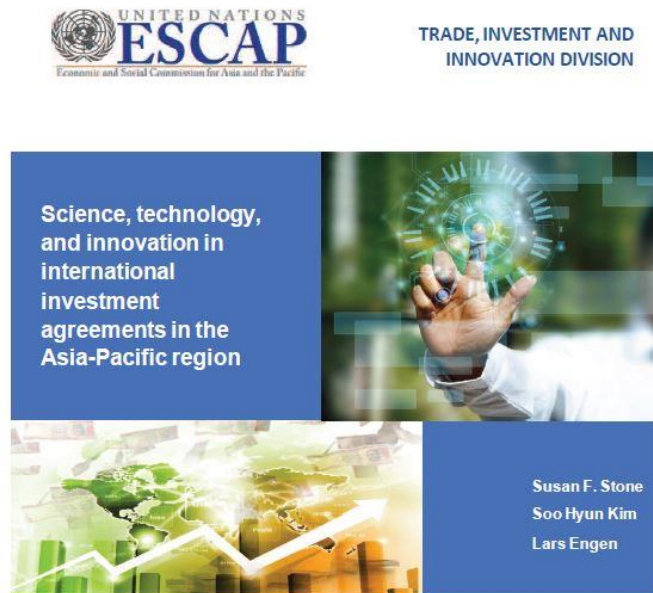


- 20 new IIAs signed and 5 entered into force
- Also some terminations of IIAs (Indonesia (11) and India (7))

Regional integration agreements

- 1 ASEAN Economic Community & ASEAN Comprehensive Investment Agreement
- 2 Treaty on the Eurasian Economic Union
- 3 Regional Comprehensive Economic Partnership

Science, technology, and innovation in international investment agreements in the Asia-Pacific region (Working Paper)



Trade, Investment and Innovation
Working Paper Series

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The paper examines the degree to which STI related provisions are included in IIAs, and provides further analysis of STI-related provisions by categorization based on common themes, such as technological and technical cooperation, information technology, clean technology, and Intellectual Property Rights (IPR), separately for bilateral investment treaties (BITs) and regional trade agreements (RTAs). The paper concludes by suggesting areas for future research.

Thank you

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