Chair’s Summary of the Promoting FDI to LLDCs Meeting

UNCTAD World Investment Forum 2018
25 October, Geneva, Switzerland

On 25 October 2018, ministers and ambassadors from over 20 Landlocked Developing Countries (LLDCs) and Friends of LLDCs met during a luncheon at the UNCTAD World Investment Forum 2018. The meeting, co-organized with UN-OHRLLS, was chaired by Ms. Isabelle Durant, Deputy Secretary-General of UNCTAD.

Interventions were made by the ministers of Nepal, Malawi and Zimbabwe as well as by the Ambassador of Paraguay, UN-OHRLLS and the Deputy Executive Director of ITC. Ambassadors and high-level representatives from Bolivia, Ethiopia, Kazakhstan, Laos and Mongolia provided comments and suggestions.

Participants highlighted some of the reforms that LLDCs had carried out to promote and facilitate investment. They took note of reforms that LLDCs had undertaken to improve information on investment opportunities and streamline investment procedures—through the creation of One-Stop-Investment Services Centres. They also presented efforts to establish Special Economic Zones and industrial parks, to fight corruption, to expand bilateral tax agreements with countries where much of FDI originates from, and to repeal legislation that stifle FDI. Along the same line, they discussed the progress made in improving trade facilitation, including the establishment of one-stop-border posts and transport corridors. They pointed out that the above measures are aimed at reducing the cost of trade and investment and noted that trade facilitation indicators are an important consideration for large multinational corporations when making investment decisions.

Participants underlined the importance of regional integration in helping to attract and retain FDI. In particular, they underscored that improved transport connectivity will help turn LLDCs into land-linked countries and reduce the cost of doing business. They also underscored the importance of improved access to reliable energy to attracting FDI and in this regard highlighted the efforts that they were making, including in establishing common power grids and markets among countries from same sub regions. Participants emphasised that LLDCs had put in place incentives to encourage value addition and employment generation in the mining and agriculture sectors. These efforts had contributed to developing vertically and horizontally integrated industries, hence structural transformation. Participants also recalled the great economic potentials and comparative advantages of LLDCs, among other things, their proximity to large markets, the vast natural resources, and low costs of production.

Despite progress made, participants also mentioned the continued challenges that their countries face in their endeavour to promote FDI. It was noted that considerable financing is required to close the infrastructure gap in LLDCs and that public funds will not be sufficient. The meeting also underscored that LLDCs have capacity building needs in several areas such as policymaking, institution-building and in the creation of an enabling environment for private investment.
In summary, the meeting recommended that:

- Regional integration, especially in terms of infrastructure and transportation and harmonization of procedures in the areas of trade and investment, be deepened so as to improve the ability of LLDCs to attract and retain FDI.
- More capacity-building support is needed to improve the business environment in LLDCs and the ability to attract FDI, especially in the development of bankable projects.
- LLDCs should seek more support in areas such as negotiating contracts, particularly in the mining industry, to ensure that FDI meets national development objectives, such as infrastructure development, job creation, value addition, and technology transfer.
- A platform for investment promotion agencies (IPAs) from LLDCs should be created to exchange experiences in promoting and facilitating FDI in LLDCs.
- More studies and collaboration on e-commerce for streamlining trade and investment should be done.
- LLDCs should move beyond investment generation to investment facilitation and build capacity to do so.

UN-OHRLLS, UNCTAD, and ITC pledged support to LLDCs in improving their investment environment, strengthening their capacity to promote and facilitate investment and in helping LLDCs build a platform for the exchange of best practices, particularly for IPAs.

These recommendations will feed into the preparations of the High-Level Mid-Term Review of the Vienna Programme of Action for the LLDCs that will be held in 2019.

The Ambassador of Kazakhstan announced that the 12th WTO Ministerial Meeting will be held in Astana in June 2020 and that this would be a good occasion to announce new initiatives on investment for LLDCs.