

**Statement by Principal Deputy Assistant Secretary Kurt Tong at the  
UNCTAD World Investment Forum  
October 16, 2014**

It is an honor to be here in Geneva for this important event. Investment is critical to sustainable economic growth and development. It creates jobs, and generates innovation. It can assist in improving environmental quality, boosting government revenue, strengthening worker's rights and fostering other social goals. Today, I would like to focus on three topics:

- 1- business facilitation,
- 2- favorable investment climates; and
- 3- responsible business practices.

### **Business Facilitation**

Both foreign and domestic investors need procedures for doing business that are transparent, expeditious, and based on the rule of law. We can all leverage technology to support this effort. One new example supporting these objectives is the Global Enterprise Registration portal that was launched just yesterday at the Leaders Summit.

This online portal is an innovative partnership between UNCTAD and Global Entrepreneurship Week. It takes the guess work out of registering a business, and thereby removes one of the major disincentives for registering businesses and for cross-border investment by SMEs. I invite you to visit it online at:

[www.globalereg.co](http://www.globalereg.co)

Some governments -- such as Tanzania, El Salvador, and Guatemala -- have taken business facilitation a step further. They have made it possible for businesses to access related services online, such as applying for finance and health care.

We think that this is the wave of the future. As more economies put their procedures online, it will spur a race to simplicity and transparency.

### **Favorable Investment Climates**

Governments must also continue efforts to create investment climates that are open, transparent, and predictable, with proper contract enforcement, including

respect for intellectual property rights. We welcome UNCTAD's efforts toward this end, such as through its Investment Policy Reviews.

An important topic at this conference has been international investment agreements, including bilateral investment treaties, or "BITs." These agreements support open investment climates, and provide investor protection, transparency, and impartial resolution of investment disputes.

We believe it is critical that these treaties support a sound investment framework, while preserving a government's ability to engage in bona fide regulation in the public interest. To this end, the United States' model BIT text, updated in 2012, clarifies key obligations, improves arbitration procedures, and expands provisions on labor and the environment.

One aspect that has received much public attention is dispute settlement. While such treaty provisions are in fact, not frequently utilized, dispute settlement provides investors with a sense of assurance, which fosters yet more positive cross-border investment.

We believe the U.S. model BIT strikes the right balance of interests. The United States is actively seeking to expand its network of investment agreements, including through ongoing BIT negotiations with China and other partners and through the investment chapters in our free trade agreements.

### **Responsible Business Practices**

Finally, we firmly believe that responsible business practices are part of a sustainable investment environment, and that they are linked to competitiveness. Customers want products that are produced in a socially responsible manner, with protections for the environment, health, safety and worker rights.

President Obama recognized the importance of responsible business practices last month when he announced that our government will "develop a National Action Plan to promote and incentivize responsible business conduct, including with respect to transparency and anticorruption, consistent with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines on Multinational Enterprises."

The United States is already active in multi-stakeholder dialogues to encourage best practices for responsible business, including in the sourcing of minerals from conflict-afflicted areas, agricultural supply chains, and security and human rights.

We are also committed to advancing integrity and transparency, and a level playing field, by promoting the effective enforcement of foreign bribery laws through implementation of the Anti-Bribery Convention.

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In conclusion, let me again thank UNCTAD for hosting this vibrant discussion of how investment can contribute to sustainable development.

As I stated yesterday, investment is not just for big business. Investment is for everyone- for small enterprises and individual entrepreneurs, for families aiming for a better life, and for young people looking to realize their dreams.