

**Opening remarks by
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Secretary-General of UNCTAD**

WIF 2010 High-level tripartite conference

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Mr. Chairman,
Distinguished delegates,
Ladies and gentlemen,

It gives me great pleasure to open the High-level Tripartite Conference of the World Investment Forum 2010. This Conference deals with prominent issues related to the trends and prospects of international investment, the emerging international production patterns of transnational corporations, new investment promotion strategies, and emerging investment opportunities in green sectors.

The debate will address the role that foreign direct investment (FDI) can play in enhancing sustainable development. Topics will be discussed from a tripartite perspective, that is, the perspective of the three main investment stakeholders: policymakers, promoters and the business community.

The first session of this Conference will address world investment prospects in the wake of the current economic and financial crisis. Participants will be asked for their views on international investment trends and prospects, future policy directions as well as industrial patterns in the post-crisis environment.

As UNCTAD reported in its World Investment Report 2010 – which is the main background document for the World Investment Forum – global investment flows witnessed a modest, but uneven, recovery at the beginning of 2010. This has sparked cautious optimism about the short-term recovery of foreign investment flows and a full recovery further down the line.

UNCTAD expects global inflows of FDI to reach more than \$1.2 trillion in 2010, heading towards \$1.6–2 trillion in 2012. However, these prospects are subject to risks and uncertainties, including the fragility of the global economic recovery, which in the medium to long term is mutually dependent on private investment. For the recovery to remain on track, private investment is crucial for stimulating growth and employment.

Developing and transition economies are currently leading the FDI recovery. These economies attracted about half of global FDI inflows in 2009, and invested one quarter of global FDI outflows. Global investors show an ever-growing interest in the developing and transition economies and, in particular, the BRIC countries.

At the level of investment policy, there is an emerging dichotomy, characterized by simultaneous moves towards further investment liberalization and promotion on the one hand, and a tendency towards increased investment regulation in pursuit of public policy objectives on the other. As we point out in the World Investment Report 2010, striking the right balance between liberalization and regulation is a challenge.

The second session of the Conference will deal with new investment promotion strategies. The international investment landscape is changing continuously, and countries must be ready to revisit their investment promotion strategies, both in order to stay competitive and to ensure a positive development impact from FDI.

The determinants of investment are changing as quickly as the shifting strategies of transnational corporations. To “stay ahead of the curve”, countries need to identify new, fast-growing sectors in which they can target foreign investors, and investment promotion agencies (IPAs) must be ready to adjust their services to meet demands from new types of investors. For example, attracting investment from the global South, and strengthening South-South economic ties.

The global competition for FDI has also led to a growing number of partnerships at both the national and the international levels. A prominent example of such cooperation is the investment promotion cooperation between the countries of the East African Community, from which several representatives are here today.

The third session of the Conference will explore opportunities for the promotion of green FDI. Perhaps the most important driver of such investment is the global recognition and impact of climate change, which has created markets for new low-carbon products and services.

The focus of this year's World Investment Report deals with the question of investment in a low-carbon economy and, in the Report, UNCTAD suggests creating a global partnership to promote investment in low-carbon technologies and industries. One of the main elements of this partnership is the establishment of clean-investment promotion strategies. Such strategies should encompass the development of conducive national policy frameworks and the implementation of effective promotion programmes that target green investors and foster linkages with domestic firms.

UNCTAD is working together with the investment promotion community to identify best practices for the attraction of environmentally friendly FDI. As part of this work, the 2010 Investment Promotion Awards – which will be presented this afternoon during the luncheon – are given to IPAs for excellence in the promotion of green FDI.

Finally, in the last session of this Conference, the panellists will discuss measures that countries can take in order to attract and benefit from green FDI, and what transnational corporations can do to promote sustainable business practices in host countries.

I would like to conclude by expressing my hope that this Conference will improve our understanding of the many important issues to be discussed today. Let me wish you all success in your deliberations.

Thank you.