

**UNCTAD World Investment Forum 2018**  
**Roundtable on Regional Integration and Investment Policy**

**Opening Statement by**

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Thursday 25 October 2018

Excellencies,

Ladies and Gentlemen,

It is my pleasure to welcome you to the Roundtable on Regional Integration and Investment Policy.

Significant efforts towards regional economic integration are under way in most regions of the world, involving developing and developed countries alike. As globalization is entering a new phase, regional economic cooperation has served as a response strengthening participants' competitiveness vis-à-vis global forces. Economic integration among developing countries has the potential to support national development strategies and to increase the bargaining power of countries in the global economic governance system.

Regional trade agreements (RTAs) and regional economic integration organizations (REIOs) offer a number of benefits to developing countries: they provide preferential access to a larger market, which can help build economies of scale in production and support exports. They also help diversify economic activity and develop niche industries that form part of regional value chains, thereby expanding intra-industry trade. Among countries with similar economic structures and technological capabilities, firms that cross various thresholds in terms of size, productivity performance and technological know-how tend increasingly to trade abroad, giving rise to an interactive and cumulative process between internal and external integration.

In some circumstances, being a member of a regional trade agreement can also help attract higher FDI flows. Regional investment agreements, and investment provisions in free trade agreements and other treaties lead overall to increased FDI by opening up sectors for investment, by expanding market size, and by harmonizing policies for the treatment of foreign investors.

The experience of long-established regional groups such as the European Union suggests that regional economic integration provides a strong boost to intraregional cross-border investment linkages. The gradual expansion of the EU has also demonstrated that it supports industrial growth, through the relocation of production to lower-cost countries and the regional specialization of production. Such patterns have so far proved more difficult to achieve for

regional groups of developing countries, with some exceptions, such as ASEAN (with whom we will be launching the ASEAN Investment Report at its Business and Investment Summit soon).

Today, we will be hearing about the latest trends and the prospects for investment in different regions around the world, and about the experience with regional integration – from an investment perspective – in selected REIO areas. I am keen that we address:

What are the main challenges of regional integration in the area of investment policy?

How has regional integration in your parts of the world shaped investment trends and how will they affect them in the future?

What are some good investment-policy practices and lessons learned that can be replicated across regional groupings?

I am pleased that we have representatives from all the UN Regional Commissions at the table today: ESCAP, ESCWA, ECLAC, ECE and ECA. They will bring the experience and insights from their geographical area. In addition, we have some distinguished speakers and experts from regional organizations who will add their perspectives in the debate on their region.

Thank you all very much for coming, and I would like to thank you also for joining the working meeting you will have with us tomorrow to broaden our collaboration in the area of investment.

For now, a warm welcome to all, and I look forward to a lively debate.