

17 May 2022

**High-level Regional Roundtable on Investment
Facilitation for Development:
How Asia-Pacific Economies Will Benefit**

19 May 2022, 9:00 to 11:30 a.m. CET (Geneva time)

DDG Anabel Gonzalez Guest address

Thank you, Rupa [CHANDA].

Dear colleagues, friends,

It's a real pleasure to join you. I would like to thank the organizers –ITC, UN-ESCAP, ASEAN, the German Development Institute and the World Economic Forum – for inviting me today.

This High-Level Roundtable is a great opportunity for government officials, international organizations and the private sector to exchange views and experiences on how investment facilitation – and the ongoing negotiations on an **Agreement on Investment Facilitation for Development in the WTO** – can benefit Asian and Pacific economies.

The negotiations gather **over 110 WTO members** – more than two-thirds of our membership. A majority are developing countries and LDCs, who have been actively engaged from the very start of the discussions.

The **pandemic has hit global trade and investment hard**. And yet, FDI flows to developing countries in Asia and the Pacific have proved resilient, having fallen by 4% in 2020, compared with more than 40% globally.

In a time of turmoil and increased uncertainty, your region has remained a top destination for FDI, with more than half of worldwide inward FDI in 2020. Encouragingly, **FDI flows to the region have started to rebound in 2021**, even though the recovery is uneven across the region.

I was also encouraged to learn that several economies in your region used the pandemic to **revisit and revise their FDI strategies and investment laws**. All this is a testimony to the region's progress towards a competitive and business-friendly investment climate.

But we all know that **improving the investment climate is a work in progress**. And that's why your participation in WTO discussions on investment facilitation is so important.

Today I want to highlight **three points** on the region's participation in the IFD Agreement negotiations at the WTO.

My first point is this: **Asia-Pacific countries have been pioneers on investment facilitation**. So we need to bring your full experience and expertise to bear on the IFD work at the WTO.

Countries in the Asia-Pacific region have been at the **forefront of forward-looking and collaborative approaches on investment facilitation** for a long time. They have spearheaded a new generation of both voluntary and legally binding frameworks and instruments on investment facilitation at the national, bilateral, regional, and mega-regional levels.

Let me highlight a few examples:

- ASEAN Comprehensive Investment Agreement, which has **investment facilitation** as one of its four pillars;
- Asia-Pacific Economic Cooperation **Investment Facilitation Action Plan**;
- the provisions on investment facilitation in the RCEP and in many ASEAN free trade agreements;
- And, importantly, ASEAN's ongoing discussions on a possible **ASEAN Investment Facilitation Work Plan**.

Another important initiative is the **ASEAN Investment Website**, a gateway for sharing information on investing in the region.

Many principles and good practices under these regional instruments and treaties **correspond to provisions that are being negotiated** in the IFD negotiating text. That says a lot about the role of regional initiatives as stepping stones to multilateral initiatives.

That being said, the investment facilitation discussions in Geneva are not simply about copying and pasting provisions from elsewhere. Participants in the WTO negotiations are trying to come up with a **tailor-made text that uniquely serves their collective goals and aspirations.**

So, in contrast to many investment-related disciplines in Asia-Pacific regional trade and investment agreements, the future IFD Agreement explicitly **excludes market access, investment protection and investor-State dispute settlement.** It contains not just binding commitments, but also flexible, best-endeavour language.

It is critically important that as many of you as possible **participate and make your voices heard** in the negotiations. The voice of this region is essential to produce a high-quality agreement, and to do so by the end of this year, the target date that the participants have set themselves to wrap up the negotiations.

This brings me to my second point. **Global rules on investment facilitation can complement and strengthen national and regional reform efforts on investment facilitation in the Asia-Pacific region and beyond.**

The negotiations in Geneva focus on developing international rules to improve the investment climate. The focus is not on changing national investment policies, but rather on

implementing them and administering them **transparently, efficiently and predictably.**

And that makes a lot of sense. Survey after survey underscores the critical importance of transparency, efficiency and predictability for investors and businesses across all countries and sectors of economic activity.

The future IFD Agreement can set a **gold standard for investment facilitation.**

- A gold standard for **improving the transparency and predictability of investment measures**, for example by making available electronically information, laws and regulations relevant to investors, ideally via single information portals;
- A gold standard for **simplifying and speeding up investment authorization procedures** by reducing unnecessary procedural red tape and processing times;
- A gold standard for **strengthening cooperation** between governments and investors, and between host and home country governments;
- And a gold standard for **promoting the uptake by companies of responsible business conduct practices**, and to help prevent and fight corruption. This is important as Investment Facilitation for Development is not only about

attracting more, but also better and more sustainable investment.

Adopting global rules on investment facilitation in the WTO can act as a **force multiplier for national and regional efforts on investment facilitation throughout the Asia-Pacific region.**

Anchoring domestic investment facilitation reforms in **shared international commitments** will increase policy stability and predictability, give impetus to domestic reform efforts, and send a strong signal to investors, both foreign and domestic.

Providing a global forum to enhance cross-border cooperation on investment facilitation will help **prevent potential disputes.**

And linking multilateral investment facilitation reforms to the **ability of each Member to implement them** will ensure that developing countries and LDCs receive the support they need to reap the benefits of a future Agreement.

This brings me to my third and final message. Special and differential treatment is a key part of the future IFD Agreement.

The future IFD Agreement contains a well-advanced chapter on **Special and Differential Treatment**, including technical assistance and capacity-building to developing countries. We owe this in no small measure to key text proposals from developing and LDC participants, including from the Asia-Pacific region.

The special and differential treatment provisions of the future Agreement are modelled on the Trade Facilitation Agreement. That will allow developing countries and LDCs to implement the Agreement **at their own pace** and request the technical assistance and capacity building support they need to do so.

What's more, we have started preparatory work on **investment facilitation needs assessments**. That's a priority for Members, and rightly so. Because needs assessments are powerful tools to help developing and least-developed countries who so request to properly categorize the provisions of the IFD Agreement – and to signal their need for additional time, technical assistance and capacity building support.

Work on an investment facilitation '**Needs Assessment Guide**' is ongoing and is being coordinated by the WTO Secretariat in cooperation with seven leading international organizations. Let me take this opportunity to thank them for their support in this important endeavour.

Let me conclude by saying that the **establishment of investment-facilitation best practices at the global level** can strengthen domestic and regional reforms in the Asia-Pacific region. An Agreement on IFD at the WTO would also be a big step towards making the Organization more responsive to the **challenges of the 21st century**.

Asian and Pacific economies have a lot to bring to the table. Your unique perspectives and experiences are essential to produce a high-quality Agreement that serves businesses, communities

and countries in Asia and the Pacific and around the world. **The time is now to contribute to this trailblazing effort.**

I wish you a very successful High-level Roundtable.
