



**Asia-Pacific
Economic Cooperation**

2019/CTI/WKSP4/015

Session: II

Building Consensus, Pursuing Facilitation, in a Changing World

Submitted by: China



**Workshop on Optimizing Investment Measures in
the Asia-Pacific Region
Shanghai, China
11-12 April 2019**

Building Consensus, Pursuing Facilitation, in a Changing World

Prof. Taotao Chen
Director of Latin America Center,
Tsinghua University
20190411

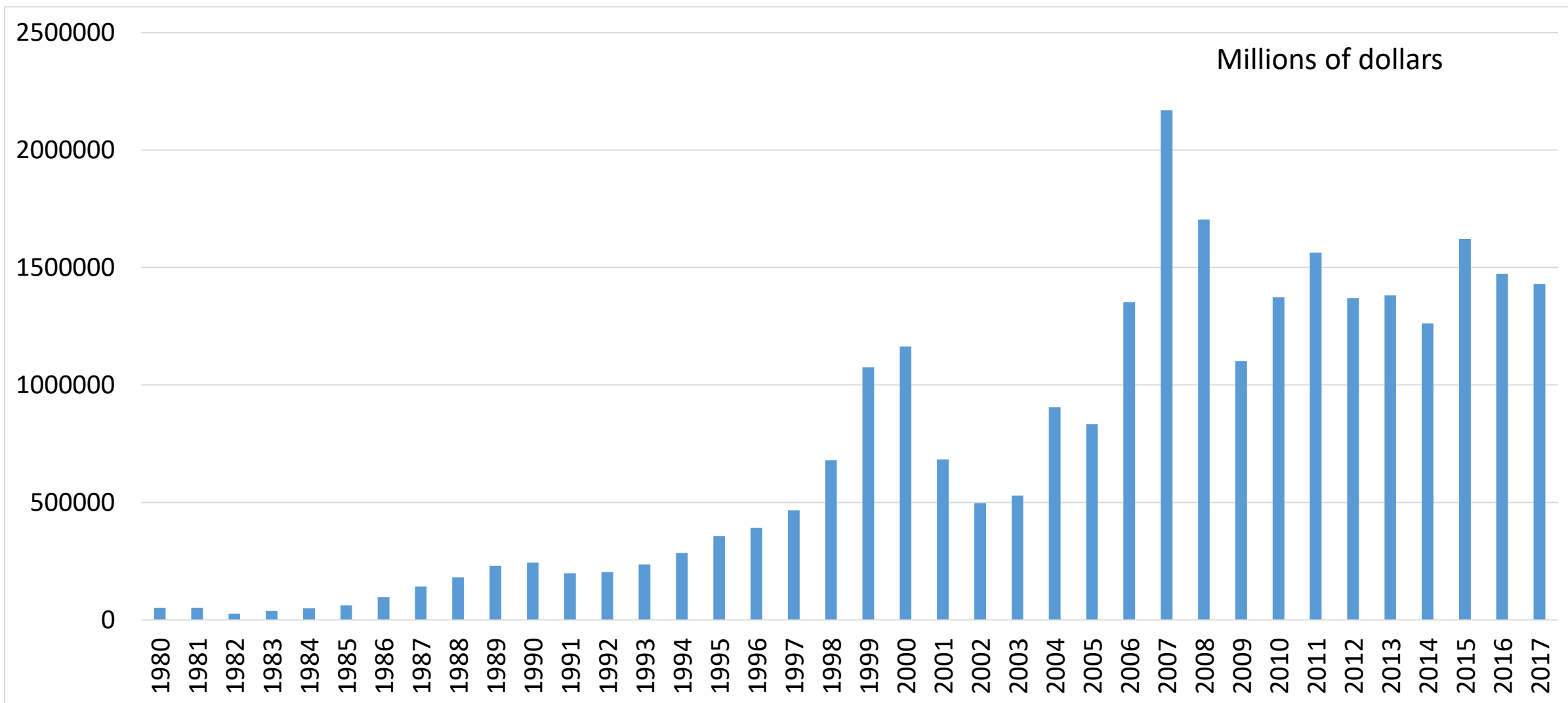
Agenda

- Living in a changing world
- Positive and negative/difficult impacts on the global investment agreement
- Chinese experience

Living in a changing world

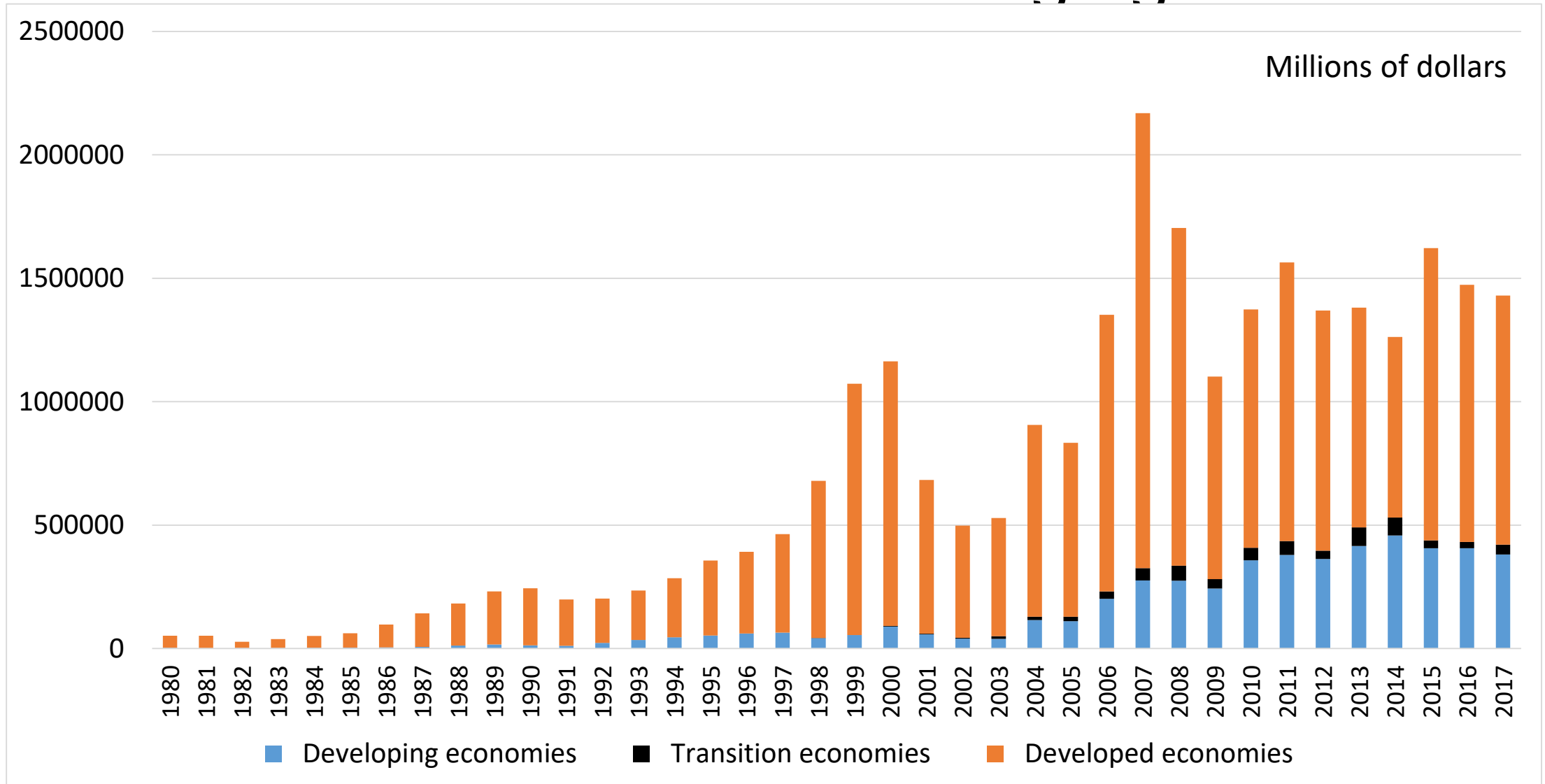
- FDI world trend kept on changing.
 - Before and after financial crisis
 - Both developed countries and developing countries started to re-think about how to get more from the globalization/FDI.
- Source of the FDI has been changing.
 - More FDI comes from developing countries.
 - As new comers, raise more doubt and expectations.

Global FDI Trend(OFDI)



Source: UNCTAD

Source of the FDI has been changing



Source: UNCTAD

Living in a changing world

- With the development of the human society, we accumulated more knowledge of what kinds of world we want to have.
 - Raise the issue of sustainability.
 - Raise the issue of social responsibility.
 - Realize the importance of collaboration.
 - ✓ Collaboration between government and private sector (PPP)
 - ✓ Collaboration between foreign firms & local firms
 - ✓ Collaboration among government, academies/ think tanks, and business society.

Positive and negative/difficult impacts

- Negative / difficult impacts
 - Before 2007, even though the motivation was quite different, it ended up with both pushing FDI going up;
 - After 2007, different countries pursued different goals, with which the original coherence broke.
- Fortunately; there are good impacts
 - BIT to multinational/regional (NAFTA, EU) , more are trying...
 - most of the difficulties have been experienced, so that more common senses have formed.
 - G20 2016, interests of host countries and the right of supervision have been recognized.
 - G20 2016, the issue such as sustainable grow and social responsibility has also been accepted.

Positive and negative/difficult impacts

- Besides, compared with investment freedom, investments promotion and investors' protection, investments facilitation measures have been recognized as a relatively clearer and more common interests to pursue, especially regarding government efficiency, which can be greatly enhanced by IT system.
 - China has been learning and practicing the facilitation measures such as one stop window; building data, etc. in latest two or three years.
 - China's young MNCs has been experiencing the convenience of the host countries that take on the facilitation measures.

Positive and negative/difficult impacts

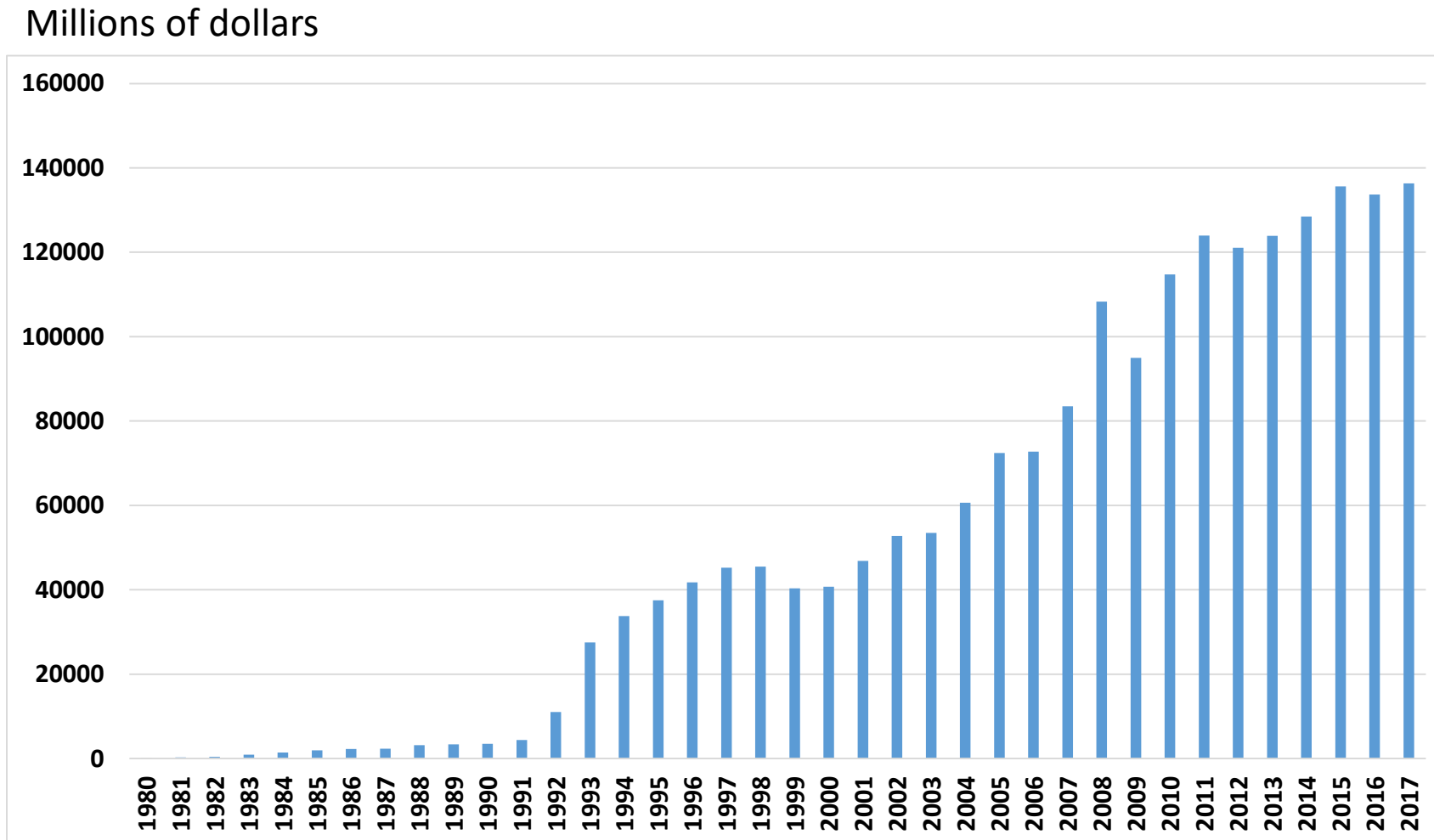
- **More than what we are trying ,we alliance with WTO**

- In 2016, under the Chinese G20 Presidency and efforts, G20 Trade Ministers agreed G20 Guiding Principles for Global Investment Policymaking.
- On April 2017, under the efforts of China and other countries, Investment Facilitation discussions were launched in the WTO platform in, and a group called “Friends of Investment Facilitation for Development” (FIFD) – comprising 14 developing and least-developed economy members – proposed an Informal WTO Dialogue on Investment Facilitation for Development.
- On 5 September 2017 in Xiamen, China, the BRICS Summit approved the “Outlines” for BRICS Investment Facilitation as a key deliverable of the Summit.
- On December 2017, at the WTO Ministerial Conference level, a group of 70 member-states, including both developed and developing states, signed a Joint Ministerial Statement on Investment Facilitation for Development, calling for structured discussions toward the development of a multilateral framework on investment facilitation.

China's FDI position & its Experience

- China's FDI position
 - Top II in FDI inflow
 - Top II /Top III in FDI outflow
 - As developing countries, growing from opening up welcoming IFDI to developing its capabilities to invest abroad.
- A real practitioner in developing world on both side of FDI.

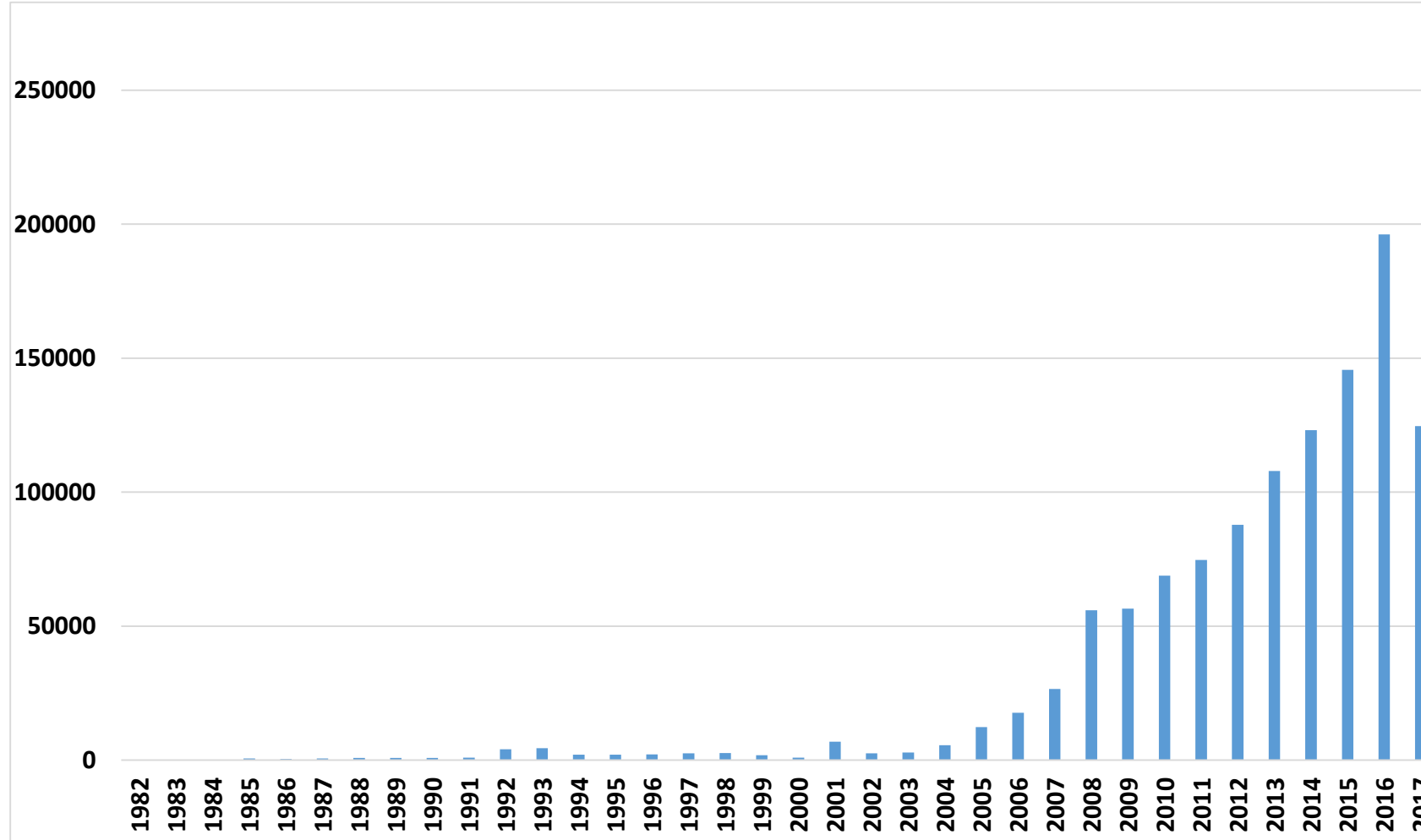
World to China(From 1980 to 2017)



Source: UNCTAD Database

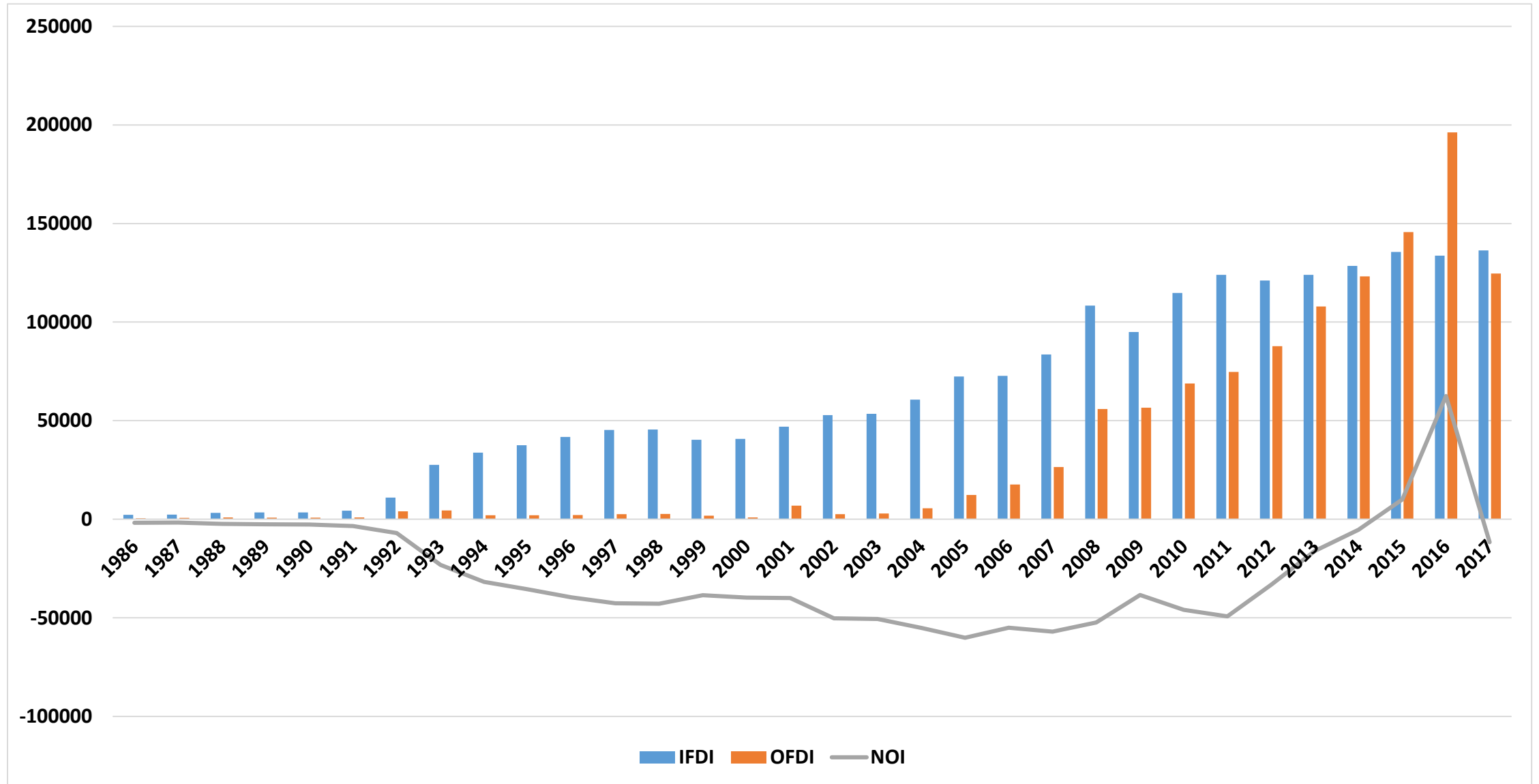
China FDI Outward overall condition (From 1982 to 2017)

Millions of Dollars



Source: UNCTAD

China's IFDI vs. OFDI



Chinese Experience

- First, It is so much important to be open-minded, learning from each other, meaning that, learning from economy cases, learning the best practice;
- Second, we need more patience toward the need for the testing of new roads of development for developing countries;
- Third, which I believe the most important one, is to promote collaboration, and the collaboration of all levels and with all the players.
 - In fact, we are trying this in the collaboration of governments, think tanks, academies, business, and from both sides.

Thanks for listening!