

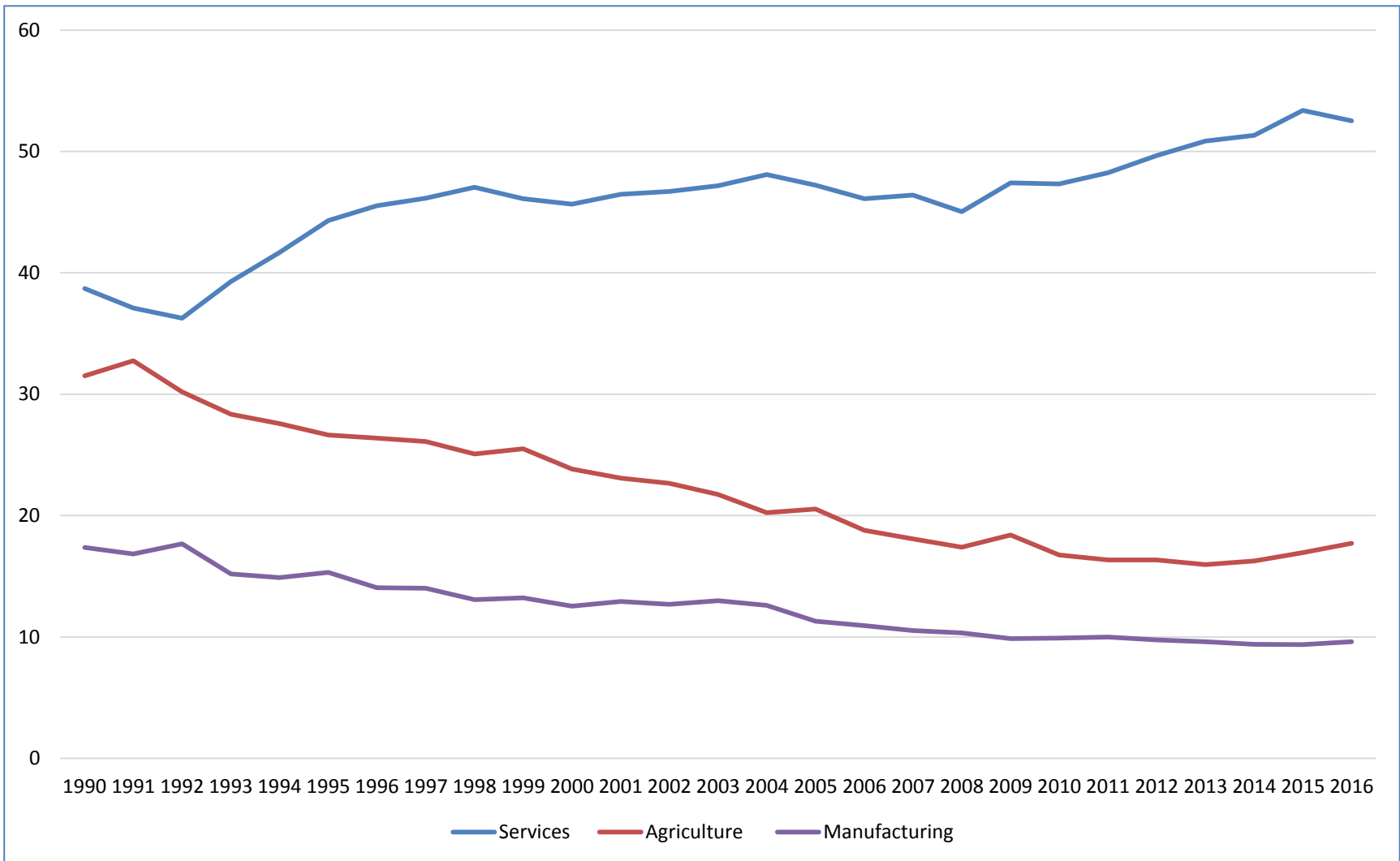
Foreign Direct Investment and LLDCs

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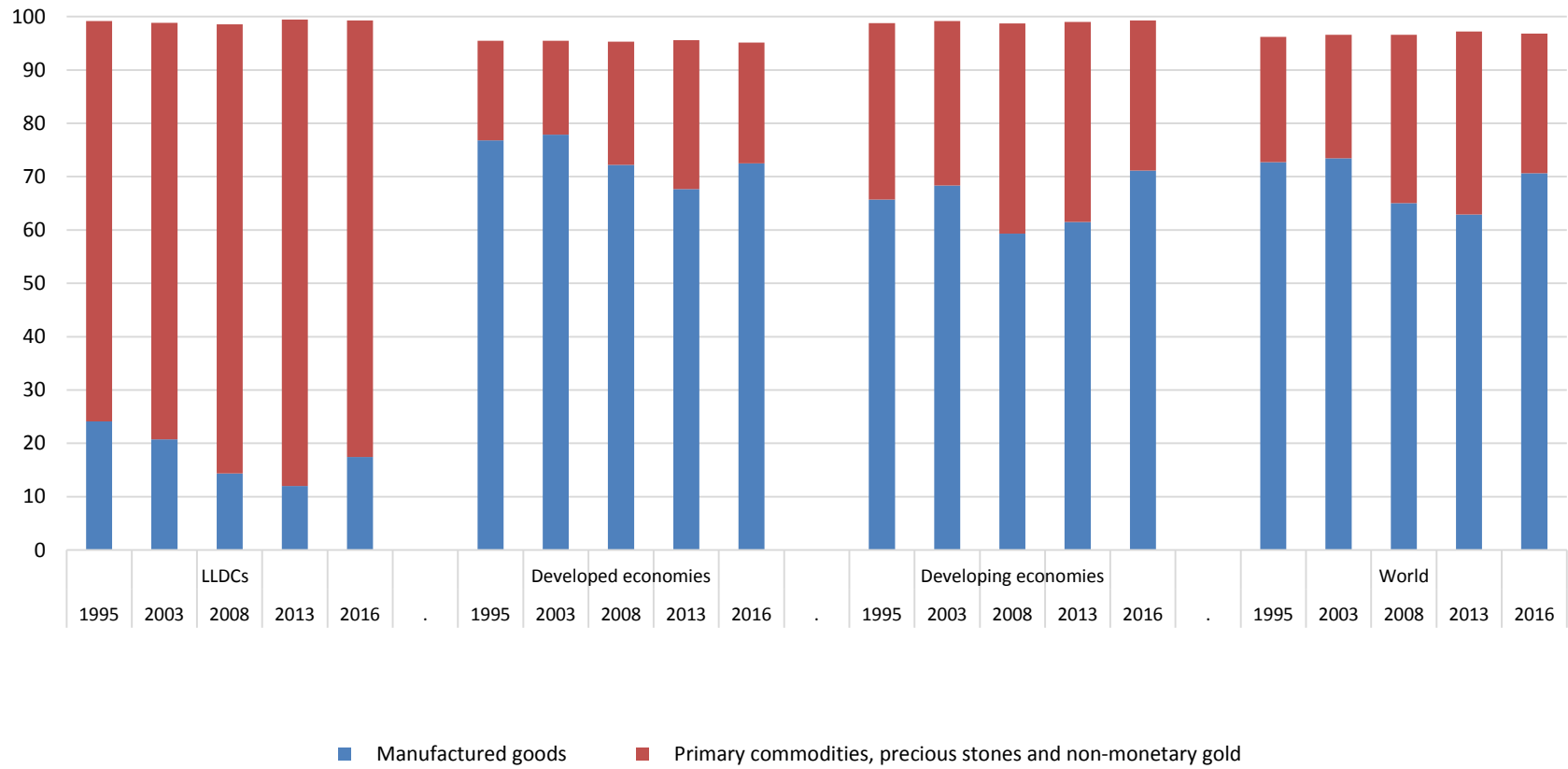


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Value-added share of sectors in economic activity in LLDCs (percentage of GDP)



Share of primary commodities and manufactured goods in exports



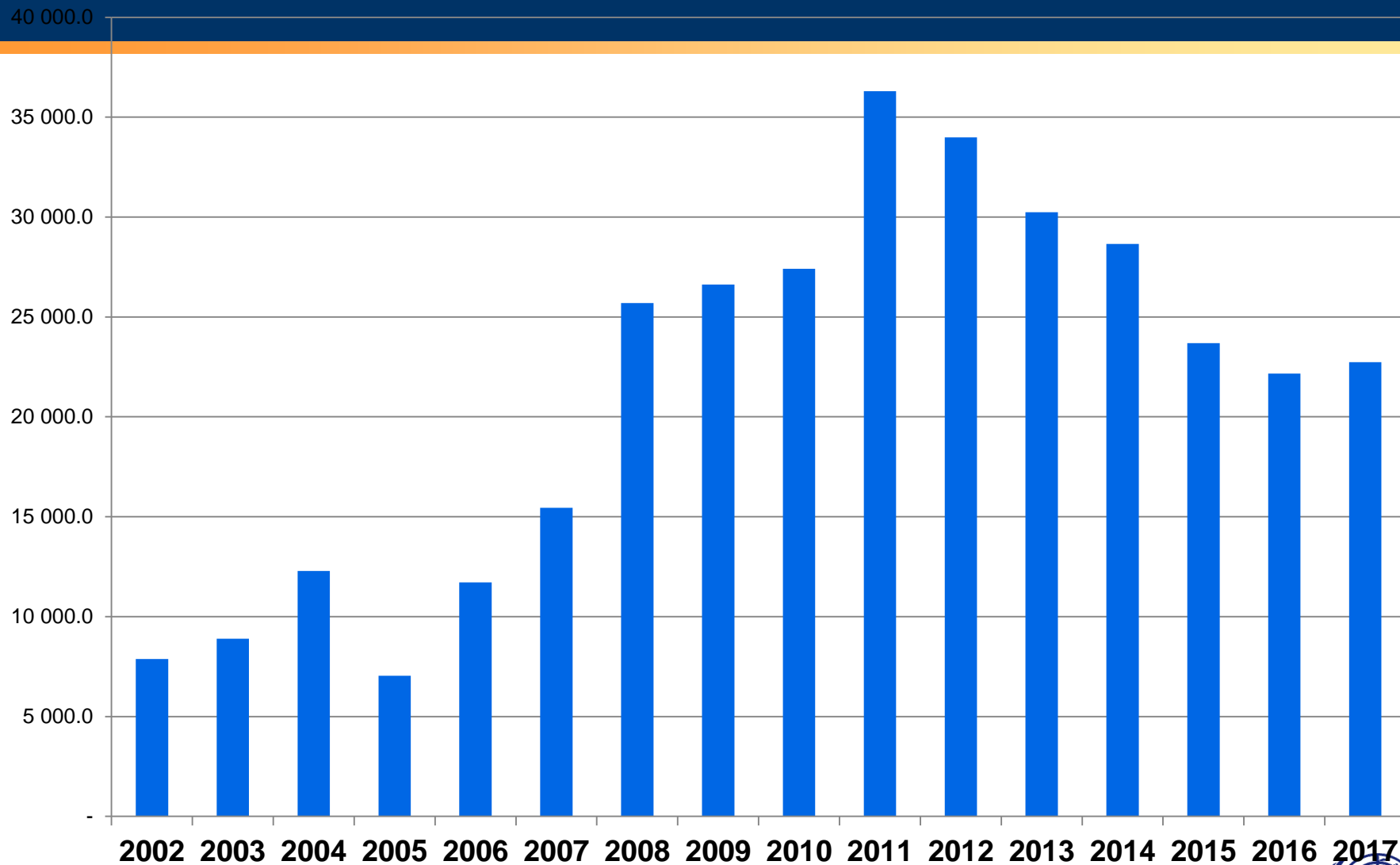
Importance of FDI For LLDCs

FDI has great potential to spur economic growth and development in LLDCs through:

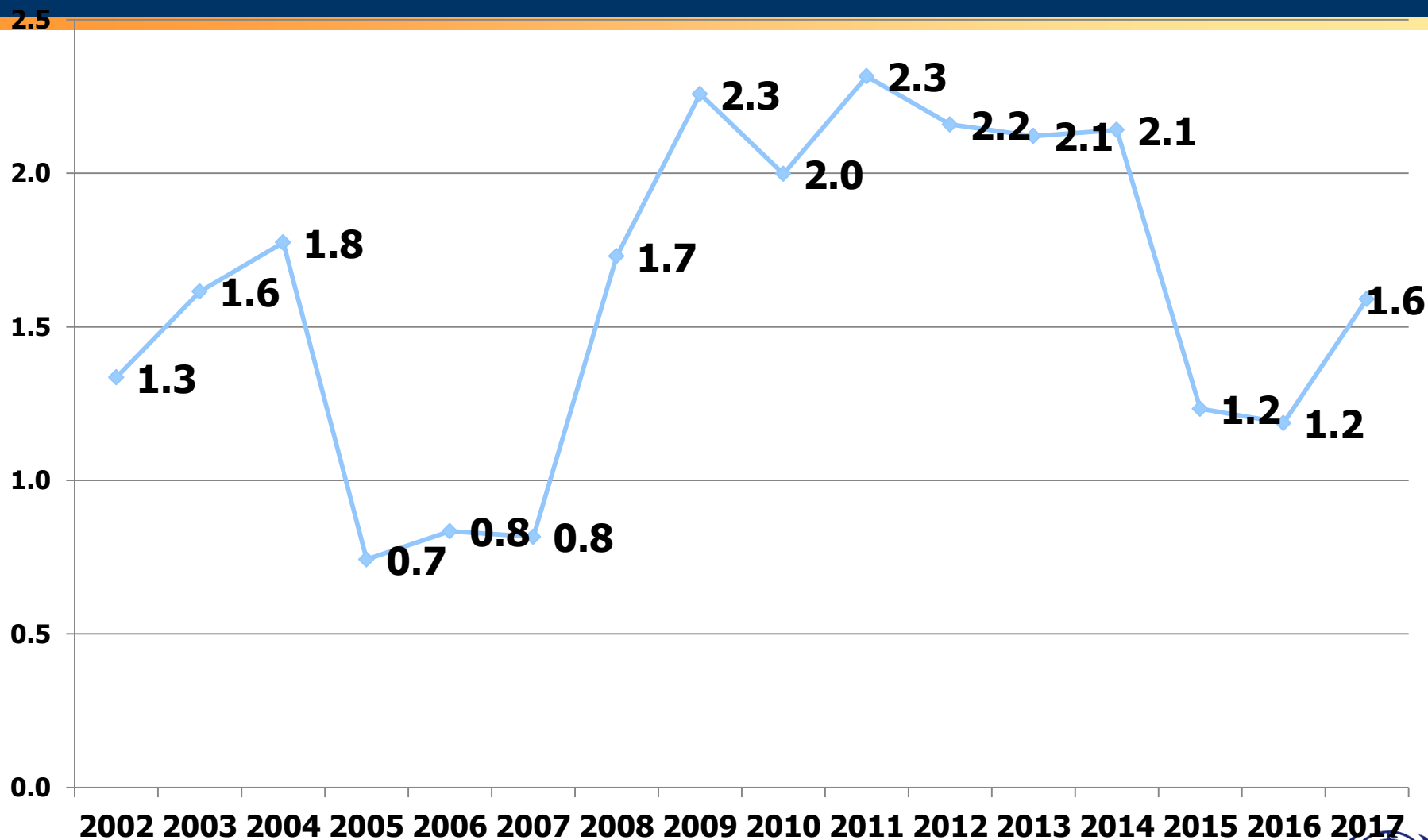
- Building of productive capacities – drive structural transformation
- Enhanced financing
- Technology transfer and innovations
- Infrastructure development
- Increased export capacity
- Employment creation and improved management techniques



FDI inflows to LLDCs \$million

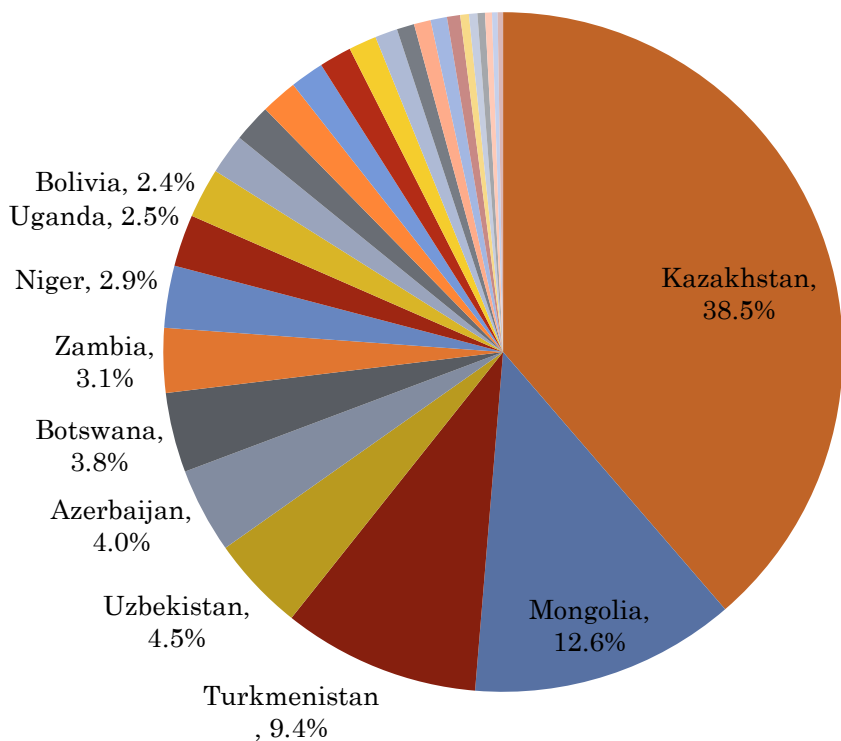


LLDCs Share of Global Total %

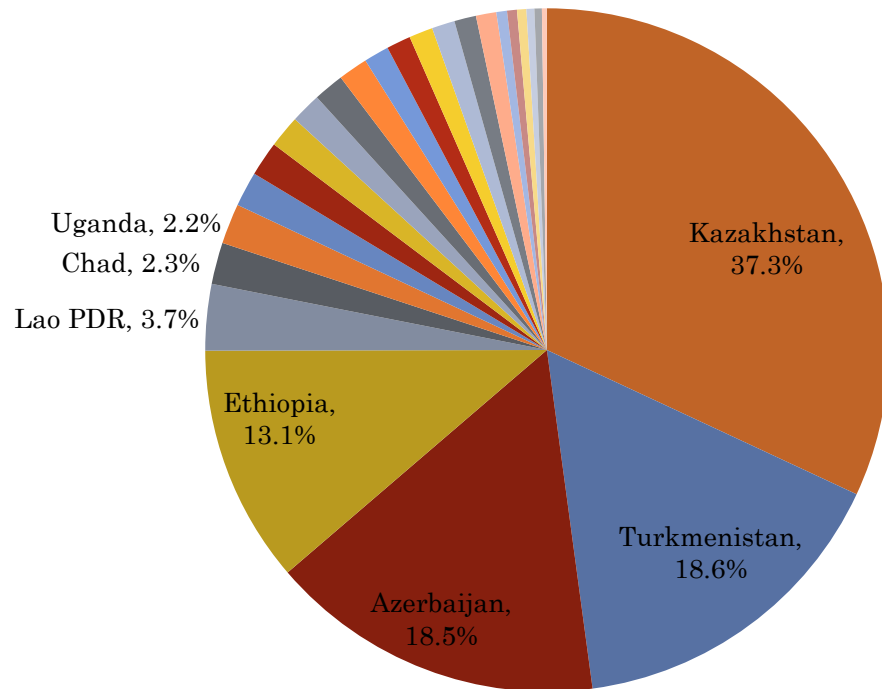


FDI inflows (% of LLDC total)

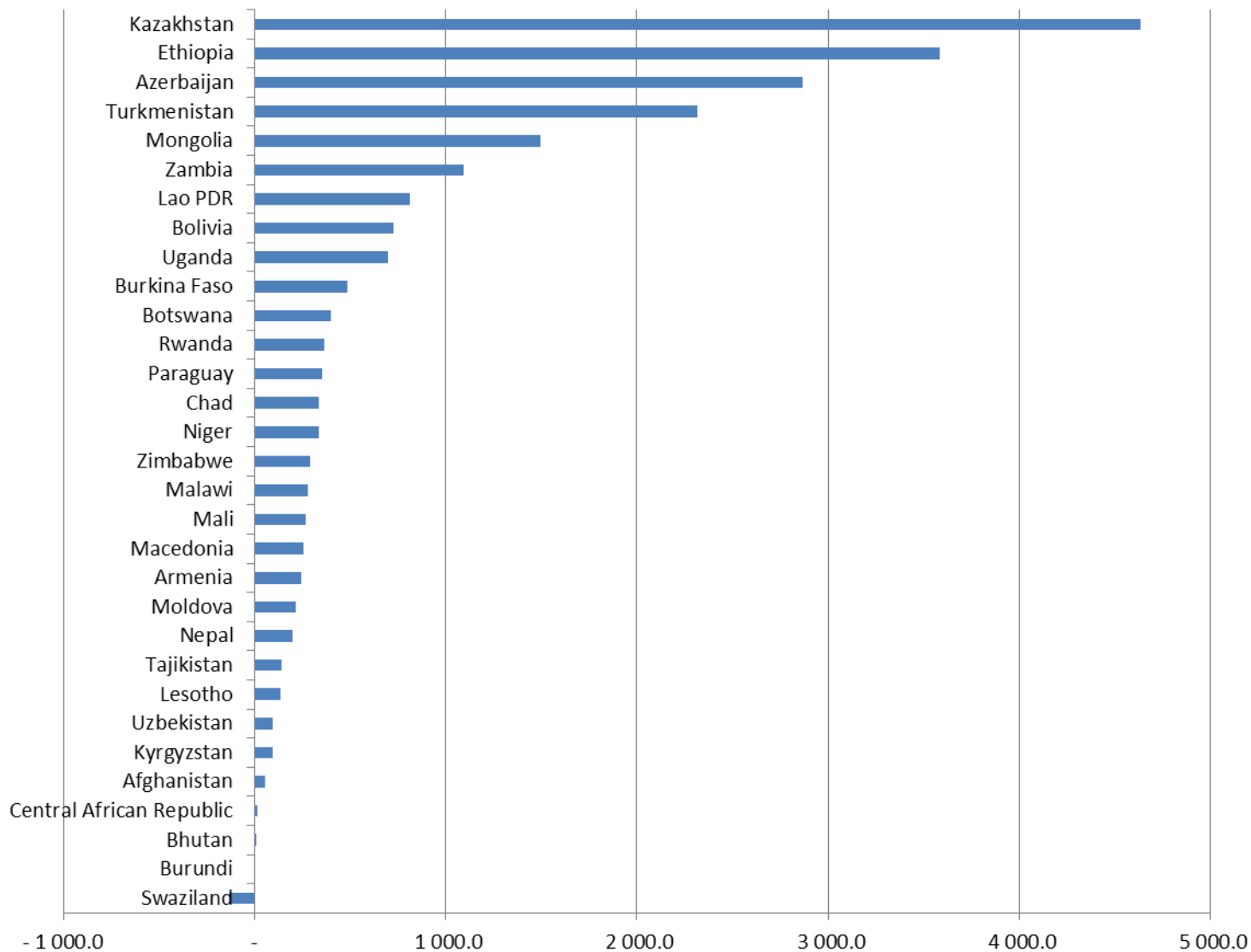
2011



2016



2017 FDI inflows \$millions

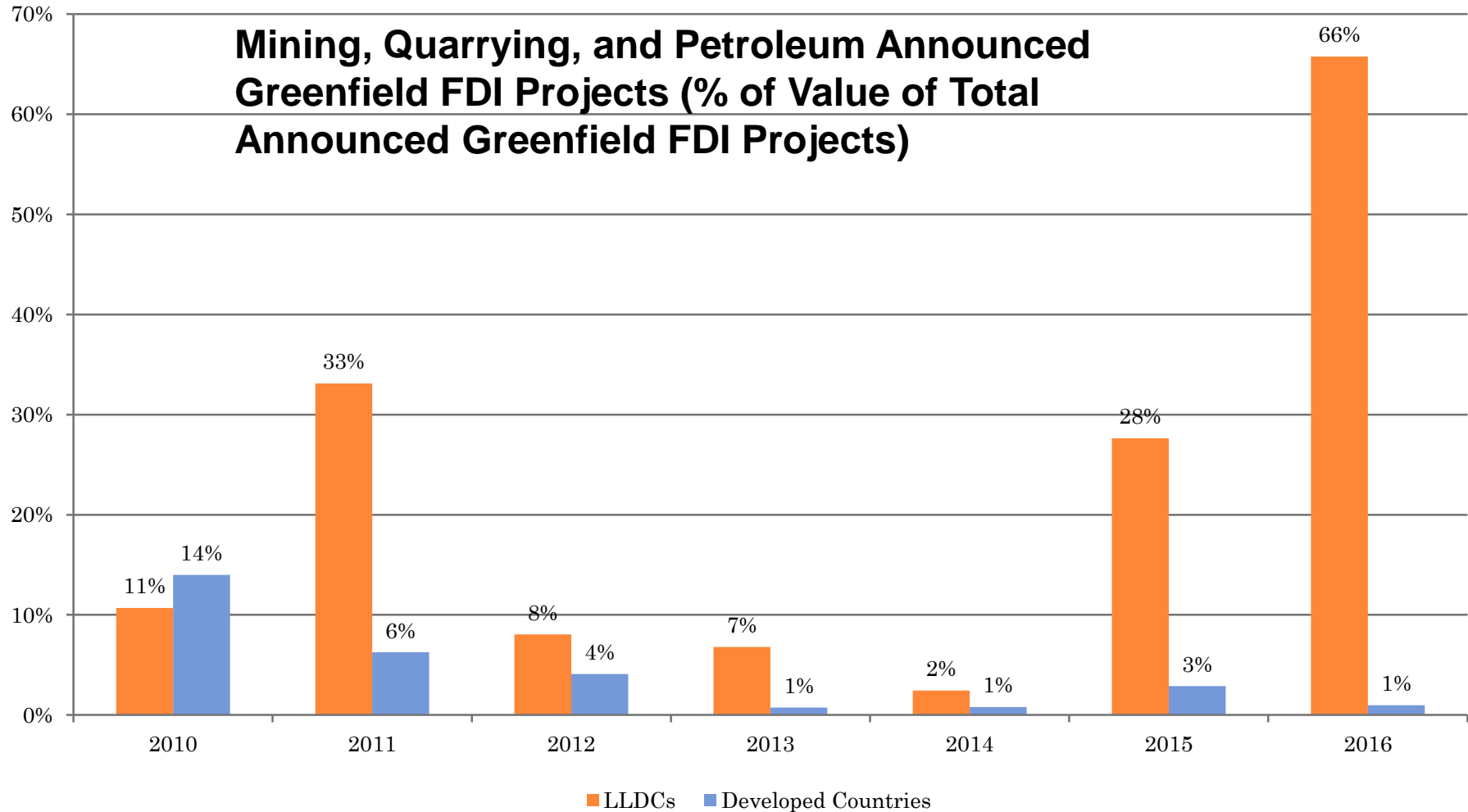


Top 10 investor economies by FDI stock

	2011 (\$billion)	2016 (\$billion)
China	11	29
France	2	13
Canada	0	6
Russia	6	5
South Africa	4	4
Thailand	1	3
Korea	2	2
Italy	1	2
Spain	2	2
Turkey	6	2



Which sectors is FDI going into in LLDCs?



Challenges

- **Challenge of attracting FDI – limited competitiveness**
- **Supportive policies are required to attract and retain**
- **Creating the right mix of FDI - extraction of resources, value addition, diversification, high skill/low skill job creation**
- **Technical support required to negotiate investment agreements/contracts.**
- **Skills to develop bankable projects**



Way Forward

- **Conducive business environment needed to attract FDI – Macro-economy; regulatory framework; governance; infrastructure - investment facilitation**
- **Technical and capacity building assistance need to be increased – contracts, bankable projects, investment facilitation.**
- **Support and encourage FDI flows to LLDCs**
- **Strike a balance on use of FDI to support local processing; value addition, infrastructure development, trade facilitation and technology transfer.**



Thank you