

DEVELOPMENT ECONOMICS

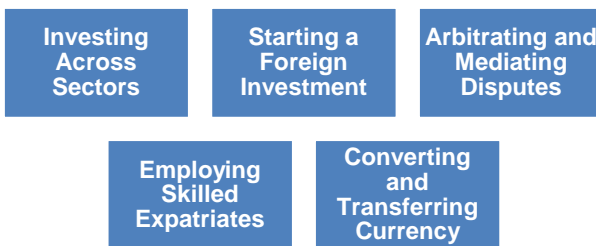
FDI Regulations Database

Boosting FDI Competitiveness through Better Regulations

The *Foreign Direct Investment (FDI) Regulations Database* is a World Bank Group initiative comparing the regulation of foreign direct investment in 105 economies. The dataset presents quantitative indicators on economies' laws, regulations and practices that affect how foreign companies invest across sectors, start businesses, arbitrate commercial disputes, hire expatriate staff, and convert and transfer currency. The indicators are based on a survey of private-sector practitioners and government regulators. They evaluate the quality of laws and policies, as well as their implementation and enforcement in practice.

THEMATIC COVERAGE:

The indicators cover the following five thematic areas of FDI regulations and administrative processes:



Investing Across Sectors: These indicators measure statutory restrictions on foreign ownership of equity in new investment projects across 32 sectors (among others telecommunications, electricity, media, oil and gas).

Starting a Foreign Investment: These indicators quantify the procedural burden that foreign companies face when entering a new market (the time required and the regulatory regime for establishing a subsidiary). They also include key elements of access to industrial land and information on Special Economic Zones.

Arbitrating and Mediating Disputes These indicators analyze aspects of domestic and international arbitration regimes: the strength of the legal framework for alternative dispute resolution, rules for the arbitration process, and the extent to which the judiciary supports and facilitates arbitration.

Employing Skilled Expatriates: These indicators measure regulations and practices applicable to temporary work permits for highly skilled expatriates.

Converting and Transferring Currency: These indicators measure the regulations related to converting local currency and foreign exchange, and to transferring foreign exchange into or out of a country, for investment or trade-related transactions.

PRACTICAL USE:

Governments & Investment Promotion Intermediaries

- Identify good practices
- Stimulate and advise investment policy reforms
- Strengthen the credibility of information provided by Investment Promotion Intermediaries (IPI) by using third-party evaluations of the quality of the investment climate
- Publicize investment climate reforms from year to year

Foreign Investors & Site Location Consultants

- Facilitate their global investment-location decisions by complementing other available sources of information
- Access to easy-to-use, practical indicators available online on the efficiency of investment processes and the quality of investment laws as implemented worldwide

OUR PROJECT IN NUMBERS:

105 economies covered in the database

5 indicators

3,000+ contributors worldwide

50+ international experts consulted:

- To develop the surveys & methodology
- Experts from UNCTAD, OECD, IMF, UNCITRAL, as well as many leading law firms and universities

20,000+ data points available online and more to come

MAIN FINDINGS:

- Between 2009 and 2012, the South Asia Region saw a general easing of restrictions on foreign ownership in a number of industries. For example, the following sectors eased foreign equity ownership restrictions in Pakistan, India and Sri Lanka: manufacturing of basic chemicals, professional services, higher education, courier activities, freight transportation, and water distribution.
- New Special Economic Zones (SEZ) regimes created additional opportunities for foreign investors (Kazakhstan, Rwanda, and Serbia enact new laws on SEZ).
- 59 percent of OECD economies and 43 percent of East Asia Pacific and Eastern Europe and Central Asia economies amended, adopted or are about to adopt new laws or provisions on international commercial arbitration, mediation or conciliation in 2011 and 2012.
- The time to obtain a Temporary Work Permit (TWP) ranges widely: from one week (in Singapore) to eight months (in Saudi Arabia). In most countries, it takes an average of four to six weeks to obtain such a permit.
- Only 25 percent of economies measured (mostly OECD economies) have a Skilled Expatriates Program to attract skilled expatriates, simplify TWP procedures and decrease processing times.
- The majority of the economies measured applies quotas or has other limitations with regard to employing skilled expatriates.
- There has been a general trend toward openness around the world, but many economies still maintain administrative restrictions or even outright controls on foreign exchange transactions that are key to foreign investors.
- More than 20 percent of economies measured require government approval for a firm to receive a foreign loan. It takes around 25 days to receive such an approval in Vietnam, and there is discretion involved in the central bank's review of loan applications.

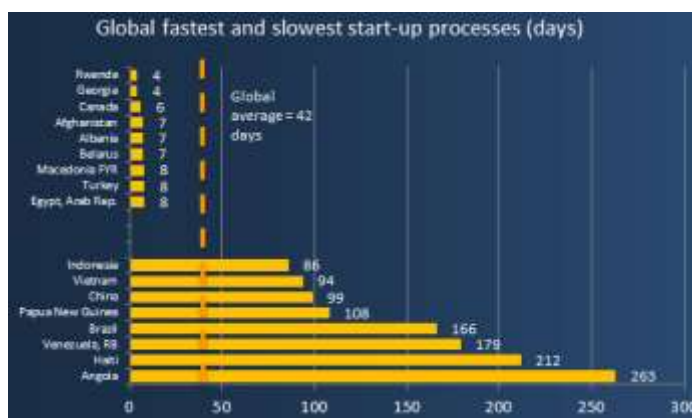
RECENT PUBLICATIONS:

The recent publications from FDI Regulations Database project are now online.

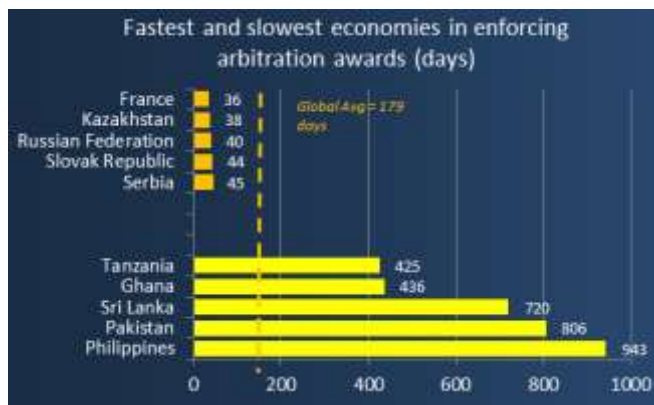


- [Arbitrating and Mediating Disputes](#) by Sophie Pouget
- [Employing Skilled Expatriates](#) by Dieter De Smet
- [Starting a Foreign Investment Across Sectors](#) by Christian De la Medina Soto and Tania Ghossein
- [Converting and Transferring Currency](#) by John Anderson

SAMPLE DATA:



Starting a Foreign Business indicators quantify the procedural burden that foreign companies face when entering a new market. The legal and administrative requirements for establishing a new subsidiary vary greatly in scope and stringency. For instance, in Angola and Haiti, excessive red tape means it can take half a year to establish a subsidiary of a foreign company. In Canada, Georgia, and Rwanda, this can be done in less than a week.



Arbitrating Commercial Disputes indicators measure how efficiently courts enforce arbitration awards. For instance, this graph illustrates the fastest and the slowest jurisdictions for the enforcement of arbitral awards: It takes 943 days in the Philippines, compared to 36 days in France. Reasons can include additional appeal processes, sluggish courts, or short mandatory decision periods set out in the law.

Did you know?

Economies that provide a good regulatory environment for domestic firms tend to also provide a good one for foreign firms

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