



## **RCE WORKSHOP – FOREIGN INVESTMENT FRAMEWORKS**

Hybrid event: Mauritius FSC / Zoom

17 May 2021

### **Opening Remarks – Antonio Gomes**

Ladies and gentlemen, it is a great pleasure to introduce today's workshop on good practices in foreign investment frameworks.

This workshop is one of a series organised by the Government of Mauritius's Regional Centre for Excellence in collaboration with the Organisation for Economic Cooperation and Development or OECD.

These workshops aim to share experience and good practices and to introduce OECD policy tools to an audience of African policymakers and to discuss how these tools can be adapted to the African context.

Today's topic on foreign investment frameworks is an important one. Essential. The need to attract foreign investment is a challenge faced by all countries worldwide and there is much to be learned from sharing this broad experience across countries and continents.

OECD tools build not only on the example of its own members but also from the experience of working with dozens of countries worldwide in investment climate reforms.

Through its Investment Policy Reviews using the Policy Framework for Investment or PFI, the OECD has worked with countries at all levels of development to foster greater inflows of foreign direct investment and enhance its impact in the economy.

This includes many countries which have successfully built their development model on integrating into global value chains by attracting foreign investment. This includes countries such as Malaysia, Thailand and most recently Viet Nam, as well as of course Mauritius.

Experience in leveraging foreign investment for economic development depends first and foremost on the overall framework for investment. The OECD Policy Framework for Investment was developed at the OECD by both members and non-members. It reflects a political consensus on what constitutes an appropriate investment environment.

It goes beyond narrow metrics to take a comprehensive view of the full range of policies affecting investors' decisions and conduct.

The PFI's potential relevance in the African context can be attested by the fact that it has been adapted as a basis for investment policy frameworks in both SADC and ECOWAS.

The good news from the development and adaptation of these frameworks is that there is now a better understanding of the most appropriate policy settings to attract foreign investment and to stimulate domestic investment.

In the challenging context of declining global flows and the need to recover from the economic and social effects of Covid, stimulating investment will become even more important.

But at the same time, we have to admit that the experience of countries that have attracted foreign investment has sometimes left much to be desired. The expected benefits from foreign investment have not always materialised, and some governments might occasionally ask whether that investment has not made them worse off.


The second part of this workshop today will focus on recent work at the OECD on an FDI Qualities Policy Toolkit to help address the question of how to maximise the benefits of foreign investment to ensure that it contributes fully to achieving the Sustainable Development Goals.

Beyond a suitable enabling environment, what more can governments do to facilitate the potential gains from investment?

The answer to this question requires a more calibrated approach than what is provided in the PFI.

The FDI Qualities project focuses on four clusters: productivity and innovation; low carbon transition; gender equality; and job quality and skills development.

We look forward to an interesting exchange on these tools and the challenges they are trying to address.



Our involvement in the Regional Centre for Excellence is very much an exchange – we are here to learn from you as well, to hear about the needs of the region and to see where and how we can work with you to align local policy with OECD good practices and international norms.

Let me conclude by thanking the Financial Services Commission of Mauritius, our hosts for today's event, and by thanking you all for joining us here today. I wish you all a very productive workshop.

