



# Smart Promotion Network

*UNCTAD: Investing in Sustainable Development*

## FDI Trends

**AT Kearney 2012 FDI Confidence Index.** China, India and Brazil lead the Confidence Index 2012, while the United States falls two spots in the rankings to 4th place. No doubt, the political gridlock on fiscal policy weighs heavily on investor sentiment. For similar reasons, Europe also suffers from poor investor expectations. Over 200 executives from 27 countries and 17 industry sectors show confidence in Southeast Asia, with its large and growing consumer base: Indonesia, Malaysia, Singapore, Thailand, and Vietnam. Russia and Turkey make large gains, especially in comparison to neighboring Europe. [< more >](#)

## Strategy, Did You Know?

**All You Want to Know About Policy.** UNCTAD's Investment Policy Hub is at the center of strategies for better and more inclusive FDI flows: the Hub covers material from bilateral and regional treaties, to core principles of sustainable investment policymaking, country policy reviews and best practice illustrations. The Hub provides policymakers and investment practitioners with an interactive forum to discuss the latest developments in investment policy and trends, exchange best practices and network. [< more >](#)

## Smart Promoter Practices

**Business Transparency Pays Off.** InvestHK reports that the number of foreign companies in Hong Kong has reached a record high at 7,250 in 2012. The increase, up 4.3% from 2011, comes mainly from the US followed closely by mainland China and represents a rise of 5.7% in job creation. InvestHK's recent survey shows that 73% of foreign investors based in Hong Kong state that its simple tax system and low tax rate is as a key factor affecting their choice of location, but 69% also highlight the "free flow of information" as a crucial location factor. Transparency of investment laws and regulations pays off when it comes to investment promotion. [< more >](#)

## What's On

**Attracting More FDI to Special Economic Zones.** The 12th World Free Zone Convention taking place on 10-13 December in London will focus on maintaining the competing edge of special economic zones in light of increasing competition for FDI flows. Infrastructure, policy and promotion strategies are topics on the agenda for speakers who include the Secretary-General of UNCTAD, government ministers, zone authorities and operators from some of the most innovative zones worldwide. [< more >](#)

## Read of the Month

**Basics of Attracting FDI.** Size and the growth potential of markets are the most powerful drivers of FDI. However, a good investment climate with strong institutions and investor friendly regulations also matters and, moreover, can boost the development impact of FDI. Governments have room for manoeuvre, by reforming elements of the investment climate in the short run at comparatively low cost. Improving the investment climate offers an excellent opportunity for governments seeking to increase their FDI attraction performance. Evidence shows that an economy with a poor investment climate is likely to attract both less FDI and lower-quality FDI than it otherwise could. [< more >](#)



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