



THE WORLD BANK GROUP

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Countries Have Opportunities to Boost Global Investment Competitiveness, Finds World Bank Group

Vienna, Austria, July 7, 2010—Overly restrictive and obsolete laws are an impediment to foreign direct investment and their poor implementation creates additional costs to investment, finds *Investing Across Borders 2010*, a new report by the World Bank Group.

This is the first World Bank Group report to offer objective data on laws and regulations affecting foreign direct investment that can be compared across 87 countries. Clear and effective laws and regulations are vital for ensuring best results for host economies, their citizens, and investors.

“Foreign direct investment is critical for countries’ development, especially in times of economic crisis. It brings new and more committed capital, introduces new technologies and management styles, helps create jobs, and stimulates competition to bring down local prices and improve people’s access to goods and services,” said Janamitra Devan, Vice President of Financial and Private Sector Development, World Bank Group.

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. Leasing industrial land in Nicaragua and Sierra Leone typically requires half a year as opposed to less than two weeks in Armenia, Republic of Korea, and Sudan. In Pakistan, Philippines, and Sri Lanka it can take up to two years to enforce an arbitration award.

The report finds that countries that do well on the *Investing Across Borders* indicators also tend to attract more foreign direct investment relative to the size of their economies and population. Conversely, countries that score poorly tend to have higher incidence of corruption, higher levels of political risk, and weaker governance structures.

Investing Across Borders 2010 aims to help countries develop more competitive business environments by identifying good practices in investment policy design and implementation. It provides indicators examining sector-specific restrictions on foreign equity ownership, the process of starting a foreign business, access to industrial land, and commercial arbitration regimes in 87 countries. *Investing Across Borders* does not measure all aspects of the business environment that matter to investors. For example, it does not measure security, macroeconomic stability, market size and potential, corruption, skill level, or the quality of infrastructure. However, the indicators provide a starting point for governments wanting to improve their global investment competitiveness.

For more information, please visit www.investingacrossborders.org.

About the World Bank Group

The World Bank Group is one of the world’s largest sources of funding and knowledge for developing countries. It comprises five closely associated institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), which together form the World Bank; the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Centre for Settlement of Investment Disputes (ICSID). Each institution plays a distinct role in the mission to fight poverty and improve living standards for people in the developing world. For more information, please visit www.worldbank.org, www.miga.org, and www.ifc.org.