

# CEFTA INVESTMENT REPORT

## BACKGROUND

The CEFTA Parties have assumed a number of commitments under both Articles 30-33 of CEFTA and the SEE 2020 Strategy to establish a free and open investment regime that facilitates the free flow of investments across the region. A number of structures have been established to support the governments as they seek to meet these commitments.

CEFTA and RCC have set up a joint Working Group on Investment Policy and Promotion. The main areas of work for this Group include the coordination of investment policies ensuring greater protection for investors and investments and the coordination of investment promotion activities. The Group's activities also seek to include regional supply and value chains into global networks and promote the region as an attractive business location to the global investor community.

The CEFTA Joint Committee established a Working Group on Trade in Services Statistics, FATS and FDI Statistics whose main objective is to facilitate improvements in the quality of trade in services statistics, FATS and FDI statistics across the region and harmonise these with those of the European Union. This Group will support the current negotiations on trade in services liberalisation, as well as potential negotiations in investment.

Both groups require information on investment related issues to support their work and therefore it has been decided to commission a CEFTA Investment Report which will be the first report on FDI trends produced for the region as a whole.



## OBJECTIVES

The main objective of the CEFTA Investment Report is to present the CEFTA stakeholders, investment partners and wider business audiences with relevant information on current and projected regional investment trends and to promote the region as an attractive destination for foreign direct investments.

## ACTIVITIES

- **Collection of data and detailed analysis**

The compilation of statistical data, analysis of investment trends and selected topics related to FDI will be performed by the CEFTA Parties' institutions (central banks, statistical offices, and responsible ministries), the CEFTA Secretariat and independent experts.

- **Preparation and presentation of an informative report**

The purpose of this first report is to outline the regional investment trends, FDI stocks and flows, show a breakdown of FDIs by geography, sectors

and industries, calculate various indices to measure the attractiveness for FDI and implications of FDI and greenfield investments to both the host and home economies. Specific topics, such as FDI trends in selected services of interest to the whole region may also be included.

- **Meeting international standards**

The various activities will be conducted under the guidance of UNCTAD and the preparation, compilation and presentation of all data will respect the new guidelines of relevant international organisations such as sixth edition of the IMF Balance of Payments and International Investment Position Manual (BPM6), and the fourth edition of the OECD Benchmark Definition of Foreign Direct Investment (BD4), where available.

It is envisaged that the report will be launched in 2017 and promoted widely throughout the region and internationally.

## IMPACT ON CEFTA

Taken together with the first Regional Investment Policy Review to be conducted by UNCTAD, the CEFTA Investment Report will constitute a comprehensive analytical tool for policy makers when discussing relevant decisions to facilitate further coordination of investment policies in the region in line with the Articles 30-33 of CEFTA 2006 and SEE 2020.

As it will contain the latest data available, the Report will assist negotiators in potential negotiations to conclude regional investment arrangements. It will also facilitate analysis to assess the impact of such arrangements and provide valuable information for investment partners when considering future actions.

## SUMMARY PROJECT INFORMATION

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|----------------|---|
| Dates:         | 2016 - 2017                                       |
| Budget:        | € 70,000  |
| Partners:      | CEFTA, central banks, statistical offices, UNCTAD |
| Financiers:    | CEFTA Project Facility/EU                         |
| Beneficiaries: | Ministries responsible for trade and investment   |

### CONTACT PERSON/FURTHER INFORMATION

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