

# PERSPECTIVE

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## **Facilitating Investment in Southeast Asia: ASEAN and WTO Initiatives**

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The Association of Southeast Asia Nations (ASEAN) is proposing an ASEAN Framework Agreement on Investment Facilitation (AFAIF) as part of its regional economic recovery plan. In this picture, the ASEAN secretariat building in Jakarta, Indonesia, taken on April 20, 2021. Picture by BAY ISMOYO, AFP.

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**EXECUTIVE SUMMARY**

- While investment facilitation is part and parcel of investment treaties and trade agreements, current WTO Investment Facilitation for Development (WTO IFD) negotiations include far more dimensions than those in existing ASEAN agreements.
- ASEAN is proposing an ASEAN Framework Agreement on Investment Facilitation (AFAIF) as part of its regional economic recovery plan.
- Although ASEAN has included investment facilitation in its internal and external agreements for more than a decade, the associated action plans indicate that implementation is left at the unilateral level.
- Measurements of investment facilitation show that ASEAN member states lag behind their Plus partners in the domestic adoption of investment facilitation measures.
- Therefore, ASEAN should consider a regional investment facilitation action plan besides pushing for an AFAIF.
- Such an action plan would allow ASEAN member states that are participating in an AFAIF and a WTO IFD to avail of the WTO IFD's development provisions to meet overlapping commitments in both agreements.

## **INTRODUCTION**

Globally, the volume of foreign direct investment (FDI) has been on a downward slide since 2015. The Covid-19 pandemic's negative impact on the 2020 earnings of multinationals (MNCs) will worsen the decline, especially since more than 50 percent of global FDI are reportedly financed by reinvested earnings. Based on UNCTAD,<sup>1</sup> global FDI fell by 42 percent from USD1.5 trillion in 2019 to an estimated USD859 billion in 2020. This is 30 percent lower than the investment after the global financial crisis in 2008. Inflows of FDI into the Association of Southeast Asian Nations (ASEAN) are likewise affected, shrinking by 31 percent to USD107 billion. The effects of the pandemic on global FDI are expected to persist as investors continue to adopt a cautious attitude towards committing to new investments overseas. Enhancing investment facilitation to improve investment retention and re-investment are key strategies for countering the slowdown in global FDI as it plays an important complementary role to investment promotion.

According to the World Trade Organisation (WTO),<sup>2</sup> investment facilitation aims to ease the conduct of business and investments of domestic and foreign investors by making the business climate more transparent, efficient and predictable. Essentially, investment facilitation strives to remove investment impediments that arise from unnecessary red tape, bureaucratic overlap or out-of-date procedures. Similar to trade flows, simplifying, speeding up and coordinating processes in investment approvals can potentially lead to an expansion of investment flows, *ceteris paribus*. Empirically, the World Bank's Global Investment Competitiveness (GIC) Survey of 2,400 companies in 2019, from ten countries, support extant empirical literature which indicates that a transparent and predictable regulatory environment is crucial for attracting new investments and retaining existing ones.<sup>3</sup> Not surprisingly, investment facilitation is an important component of investment treaties and agreements, be it at the bilateral, regional and multilateral level. These commitments, being binding and irreversible, provides stability and predictability in terms of future policy directions valued by investors, especially as uncertainty in the global economic climate increases.<sup>4</sup>

This paper maps the items in the proposed WTO Investment Facilitation for Development (IFD) with existing initiatives in ASEAN to explore possible synergies between the two.

## **WTO: PROPOSED INVESTMENT FACILITATION FOR DEVELOPMENT (IFD)**

In 2017, encouraged by the entry into force of the WTO Trade Facilitation Agreement (TFA), some WTO members proposed for a multilateral initiative on investment facilitation, leading to a call for "structured discussions with the aim of developing a multilateral framework on investment facilitation".<sup>5</sup> Subsequently, formal negotiations on a multilateral framework on Investment Facilitation for Development (IFD) started in September 25, 2020 with 106 members, with the aim of achieving a concrete outcome by the 12th WTO Ministerial Conference (MC12) in November 2021.<sup>6</sup> Out of the 106 participants in the WTO negotiations for IFD, seven are AMS<sup>7</sup>, and all the Plus partners in RCEP-15 are involved as well. The goal of the negotiations is to agree

to a framework of rules that will promote transparency and predictability by requiring participating members to publish investment laws and regulations, and provide information about their investment authorisation procedures; introduce certain minimum standards in countries' administrative procedures and requirements; and encourage international cooperation, information sharing, and exchange of best practices.

Despite not having an agreed definition on investment facilitation, different WTO members have submitted various proposals for a multilateral initiative, with differing elements.<sup>8</sup> These include definitions of investment facilitation, regulatory transparency and predictability, streamlining and simplifying the administrative process, non-discrimination, single-window processing, e-application, protection of confidential information, facilitation of outward investment, appeals and reviews of administrative decisions, national institution arrangements, multilateral institution arrangements, institutional cooperation, special and differential treatment, technical assistance, corporate social responsibility, dispute prevention and/or dispute settlement, as well as future disciplines on market access and treatment.<sup>9</sup> Subsequent additional proposals include authorisation fees in the financial sector; “firewall provisions”, which aim to insulate the future investment framework from international investment agreements; and revised proposals for a single portal, domestic supplier databases and investment facilitator.<sup>10</sup>

Importantly, three key disciplines on investment are excluded from the current negotiations, namely market access, investment protection and Investor-State dispute settlement (ISDS), which allow companies to seek damages from governments.<sup>11</sup> Investment promotion is also deemed as separate from IFD in these negotiations, with the former linked to image building and marketing of a country/region as an investment destination.

The measures under current negotiations are summarised in Table 1. They cover seven key dimensions: transparency, streamlining and speeding up administrative processes and requirements, contact point, development, sustainable development, cross cutting issues, institutional and final provisions as well as “firewall” provisions, based on the list of proposed measures from different WTO members.<sup>12</sup>

**Table 1. WTO IFD: Measures/Policies/Tools under Discussion**

Items	Measures/Policies/Tools
Transparency of investment measures	<ul style="list-style-type: none"> <li>● Publication of laws and regulations of general application</li> <li>● Online publication of information of particular relevance to investors, information portals</li> <li>● Information to be published when authorisation to invest is required (requirements, procedures, time-frames, fees)</li> <li>● Opportunity to comment on proposed measures</li> </ul>
Streamlining and speeding up administrative processes and documentation requirements	<ul style="list-style-type: none"> <li>● Consistent, reasonable, objective and impartial administrative measures</li> <li>● Authorisation procedures to not unduly complicate or delay investment</li> </ul>

	<ul style="list-style-type: none"> <li>● Authorisation procedures: clear criteria and time-frames; acceptance of authenticated copies; stating of reasons if authorisation is rejected; submission of applications online, electronic copies</li> <li>● Appeal and review</li> <li>● To the extent practicable, avoiding requirement for an applicant to approach more than one competent authority</li> </ul>
Contact/focal points/Ombudsperson-types of mechanisms, domestic coordination cross-border cooperation on IF	<ul style="list-style-type: none"> <li>● Each member to designate a contact/focal point/appropriate mechanism to respond to investors' enquiries, assist investors (advisory services), help resolve investors' grievances, conduct policy advocacy</li> <li>● Domestic coordination (good regulatory practices, whole-of-government approach)</li> </ul>
Development Dimension	<ul style="list-style-type: none"> <li>● Special and differential treatment for developing and LDC members</li> <li>● Extent and timing of implementation linked to capacity</li> <li>● Technical capacity and capacity building</li> <li>● Cooperation with other international organisations</li> <li>● Investment Facilitation Facility (similar to Trade Facilitation Agreement Facility)</li> </ul>
Sustainable Investment	<ul style="list-style-type: none"> <li>● Promote voluntary responsible business conduct, good practices</li> <li>● Combat corruption</li> <li>● Social and environmental responsibility</li> </ul>
Cross-cutting issues, institutional and final provisions	<ul style="list-style-type: none"> <li>● Scope (including exclusions, definitions)</li> <li>● Facilitation of entry and temporary stay of business persons for investment purposes</li> <li>● WTO Committee on Investment Facilitation</li> <li>● General exceptions, security exceptions</li> <li>● Dispute settlement</li> </ul>
"Firewall" provisions	<ul style="list-style-type: none"> <li>● Future IFDA will coexist with IIAs</li> <li>● Objective: insulate IFDA from IIAs and mitigate spillover effects between the two</li> <li>● Current discussions show convergence towards multi-pronged approach to "firewall" with provisions under different sections (notably scope, MFN and dispute settlement)</li> </ul>

Source: Locatelli, Claudia, 2021

However, investment facilitation is not a new issue in trade and investment agreements as it is covered in numerous international investment agreements (IIAs) as well as ASEAN's trade and investment agreements.

## ASEAN AGREEMENTS

The idea of investment facilitation in ASEAN has a long history. It was first mooted in the 1998 Framework Agreement on the ASEAN Investment Area (AIA) as one of

the objectives. The agreement aimed to progressively reduce or eliminate investment regulations and conditions which may impede investment flows and the operation of investment projects in ASEAN.<sup>13</sup> Schedule 1 of the Framework Agreement has a cooperation and facilitation programme whereby individual member countries intend to: (i) increase transparency of Member State's investment rules, regulations, policies and procedures through the publication of such information on a regular basis and making such information widely available; (ii) simplify and expedite procedures for applications and approvals of investment projects at all levels; and (iii) expand the number of bilateral Double Taxation Avoidance Agreements among ASEAN Member States.

In the subsequent ASEAN Comprehensive Investment Agreement (ACIA)<sup>14</sup> that replaced the earlier AIA Framework as well as the Investment Guarantee Agreement (IGA) signed in 2009 and ratified in 2012, investment facilitation is explicitly included as an article in the agreement. Five other elements in the discussions in the WTO IFD are also found in the ACIA. These are: transparency; development, as in the provision of Special and Differential Treatment (SDT) for newer ASEAN members which includes technical assistance; cross-cutting such as the facilitation of entry and stay of business persons for investment purposes; and dispute settlement, as shown in Table 2. Since the exact provisions in the proposed WTO IFD are still under negotiation, Table 2 is merely illustrative and not comprehensive in coverage.

ASEAN-Plus agreements such as ASEAN-Japan Comprehensive Economic Partnership (AJCEP) agreement, ASEAN-Korea Investment Agreement and ASEAN-Australia-New Zealand Free Trade Agreement, which were signed prior to the signing of the ACIA in 2009 do not have provisions on investment facilitation. However, they may include some of the other provisions in the ACIA. Although the ASEAN-China Investment agreement included investment facilitation, there are no provisions for SDT for the newer ASEAN member states. In contrast, the ASEAN-Plus agreements signed and ratified after the ACIA tend to follow the provisions of the ACIA.

It should be noted that while some of the provisions may not be in the investment chapter, they can be included in other parts of an agreement with partner countries. Notably, the entry and stay of business persons for investment purposes may be included in a trade in services agreement under Mode 4 or a separate agreement on the movement of natural persons (MNP). The Regional Comprehensive Economic Partnership (RCEP) which has been signed but not ratified at the time of writing, is an example. While specific provisions are made for investment facilitation, the other provisions are not in the investment chapter, but there are related dimensions in other chapters (Table 2).

**Table 2. Investment Facilitation in ASEAN and ASEAN-Plus Agreements,  
as at April 2021**

<b>Agreement, entry into force</b>	<b>Investment Facilitation</b>	<b>Transparency</b>	<b>Special and Differential Treatment</b>	<b>Technical Assistance</b>	<b>Facilitation of entry and stay of business persons for investment purposes</b>	<b>Dispute settlement</b>
ASEAN Japan Comprehensive Economic Partnership Agreement (AJCEP) (2008)	None	Article 51.1	None	None	Included in Movement of Natural Persons (MNP)	Not applicable for investments
ASEAN-Korea Investment Agreement (2009)	None	Article 8	Article 16	Article 16	Under Mode 4 in ASEAN-Korea Trade in Services Agreement	Article 18
ASEAN-Australia-New Zealand FTA (January, 2010)	None	Article 13	Article 15	Article 15	Under MNP	Section B, Articles 18-28
ASEAN-China Investment Agreement, (January 2010)	Article 21	Article 19	None	None	Under Mode 4 in ASEAN-China Trade in Services Agreement	Article 13, 14
ACIA (2012)	Article 25	Article 21	Article 23	Article 23	Article 22	Article 12, 27

Agreement on Investment for ASEAN-India (2015)	Article 18	Article 14	Article 16	Article 16	Mode 4 in ASEAN-India Trade in Services agreement	Article 20
ASEAN-Hong Kong China Free Trade Agreement (2019)	Article 16	Article 7	Article 18	Article 18	Mode 4 in Chapter 8 Trade in Services in the ASEAN-HK FTA	Article 20
RCEP (signed, not yet ratified)	Article 10:17	None in the investment chapter, but Article 17.4 on the provision of information relates to some aspects of transparency	None in the investment chapter, but provided under Article 15.3.2 on economic and technical cooperation, which includes investments; Article 15.6 provides capacity building and technical assistance to	None in the investment chapter, but Article 15.3.2 on economic and technical cooperation which includes investments; Article 15.6 provides capacity building and technical assistance to least developed	Chapter 9 under Temporary Movement of Natural Persons	Chapter 19



			least developed countries of ASEAN	countries of ASEAN		
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Note: This table is illustrative only, since the WTO IFD is still under discussions and hence the exact provisions are not known at time of writing

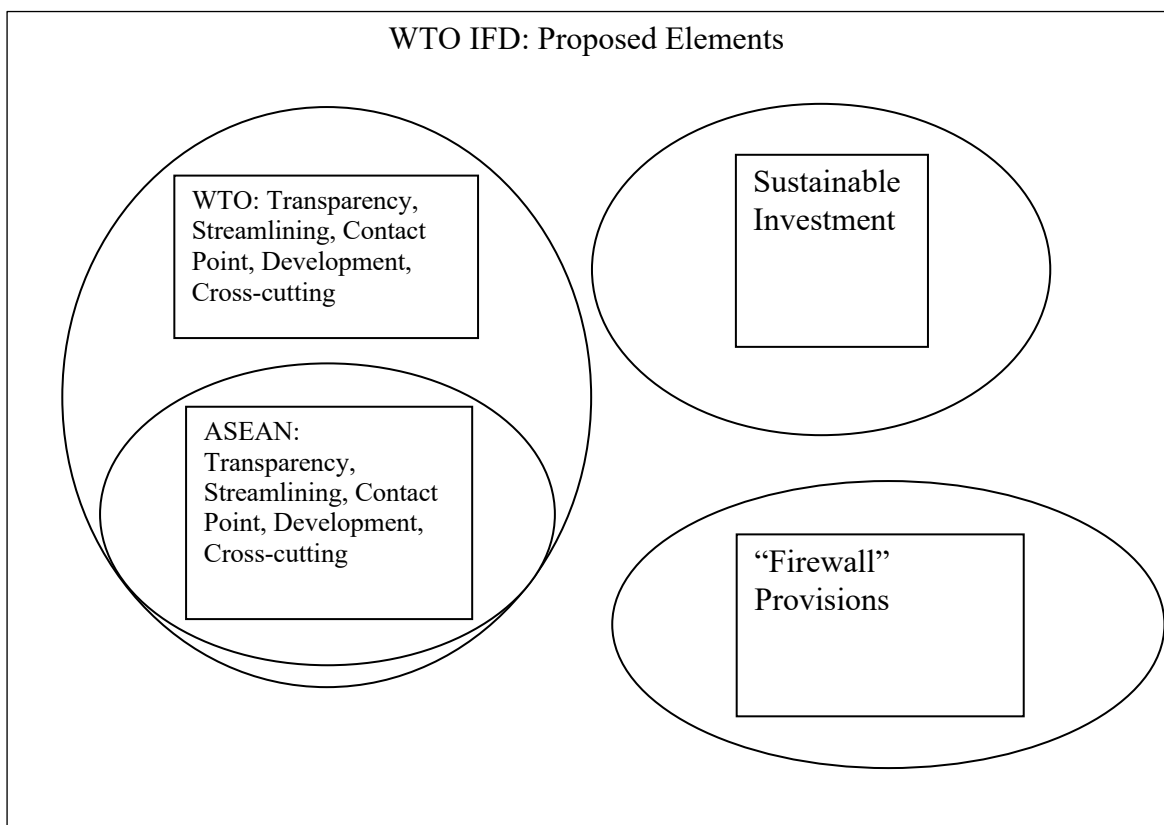
Source: Compiled by Author<sup>15</sup>

**COMPARING THE PROPOSED WTO TFA AND ASEAN AGREEMENTS**

When comparing the provisions in ASEAN (Table 2) with the proposed elements under discussions at the WTO (Table 1), one sees that the four common provisions for investment facilitation in ASEAN agreements (Appendix 1) do cover some aspects in the proposed provisions for a WTO IFD. These are streamlining and simplifying procedures for investment applications and approvals and contact/focal point as in the establishment of one-stop centres. The RCEP also contains additional provisions for the focal point such as addressing investor aftercare by providing assistance in the resolution of conflicts and grievances, which is in fact another aspect covered in the on-going WTO negotiations.

In the ACIA, investment facilitation is expanded to cover three additional elements, namely: (i) strengthening databases on all forms of investments for policy formulation to improve ASEAN’s investment environment, (ii) undertaking consultation with business community on investment matters; and (iii) providing advisory services to the business community of the other member states. These correspond with the proposed elements of the WTO on transparency requirements and contact point (Table 1).

**Chart 1. Comparison of Proposed WTO IFD and ASEAN Investment Facilitation**



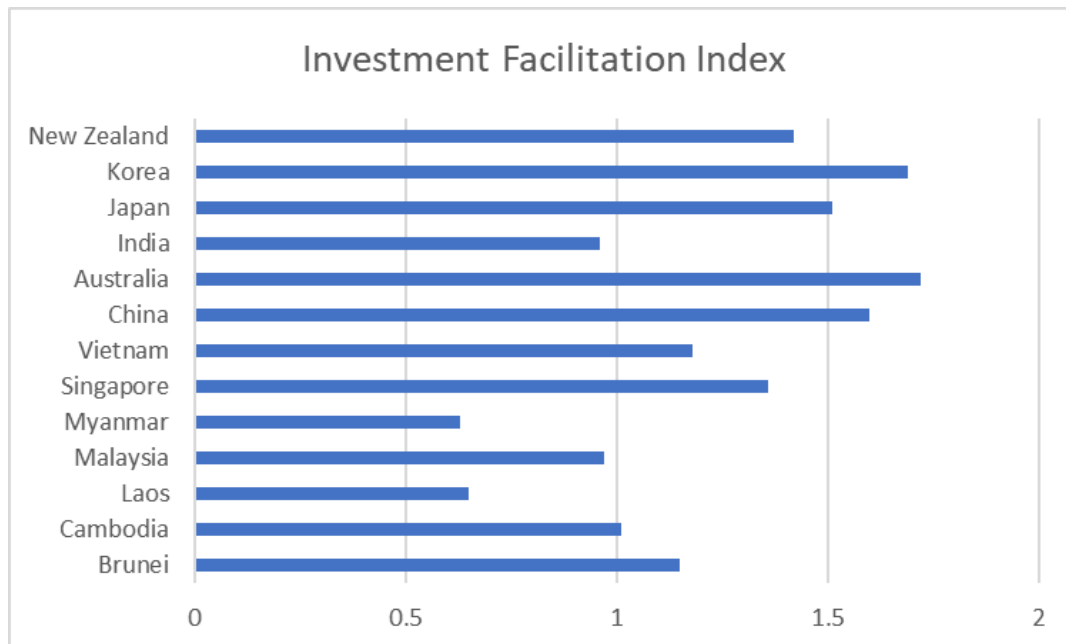
Source: Author

As can be observed from Chart 1, there are overlaps between ASEAN and some of the ASEAN Plus agreements, and the proposed WTO IFD. These pertain to the elements on transparency, streamlining, contact point, development and cross-cutting issues. However, the discussions at the WTO include additional aspects within these elements, which exceed those in the existing ASEAN and ASEAN Plus agreements. Importantly, ASEAN’s commitments in investment facilitation are especially lacking in terms of provisions for sustainable investments as well as “firewall” provisions.

**OPPORTUNITIES AND CHALLENGES**

Despite ASEAN’s long-standing interest in investment facilitation, the Investment Facilitation Index, developed by The German Development Institute indicates relative shortfalls for ASEAN member states. The Investment Facilitation Index aims to measure the scope of investment facilitation measures used domestically.<sup>16</sup> It is a weighted average of measures taken along six policy areas: transparency and predictability, electronic governance, cooperation, application process, outward investment and focal point review. The index can range from a minimum score of 0 to a maximum of 2, with 0 denoting no implementation, 1 for planned or partial implementation and 2 for full implementation. As shown in Chart 2, there is a clear difference between ASEAN member states, including Singapore which has the highest score for ASEAN, and most of its Plus partners, namely Australia, New Zealand, Korea, Japan, and China. The index therefore shows that AMS have fewer investment facilitation measures in place compared with these Plus partners.

**Chart 2. Investment Facilitation Index for RCEP countries**



Note: The Index is not available for Indonesia, the Philippines and Thailand

Source: The German Development Institute

The results are not surprising since investment facilitation in ASEAN has focused on improving transparency through largely unilateral actions, despite the commitments in existing agreements. It can be clearly seen in ASEAN's Consolidated Strategic Action Plan 2025,<sup>17</sup> where the main focus is on investment peer review, policy dialogues, databases, sharing of knowledge and best practices, with no substantive ASEAN-wide Action Plans for investment facilitation. This is very different from ASEAN's trade facilitation initiatives which have several ASEAN-wide action plans to reduce trade costs such as the ASEAN Trade Repository, ASEAN Single Window and ASEAN Customs Transit System as well as the development of a databank of non-tariff measures (NTMs) at the ASEAN level. Hence, even though ASEAN has negotiated and listed investment facilitation in ASEAN's internal and external agreements, it lacks concrete initiatives in terms of ASEAN-wide action plans.

Nevertheless, the Implementation Plan for the ASEAN Comprehensive Recovery Framework, 2021 has proposed a new ASEAN Framework Agreement for Investment Facilitation (AFAIF). It is part of ASEAN's initiatives for maximising the potential for an intra-ASEAN market and broader economic integration, including attracting more FDI to the region to support economic recovery from the Covid-19 pandemic.<sup>18</sup>

## **POLICY IMPLICATIONS FOR ASEAN**

A meaningful AFAIF will enhance ASEAN's relevance in this important issue. The AFAIF should therefore go beyond the existing provisions in the ACIA and other ASEAN external agreements. Chart 1 indicates there is room for extending and deepening provisions in the five existing overlapping elements with the proposed WTO IFD, namely, Transparency, Streamlining, Contact Point, Development, and Cross-cutting issues. However, since not all AMS are parties to the current negotiations on a WTO IFD, it is unlikely that the provisions in an AFAIF will match all the proposed provisions in the WTO IFD, especially for non-overlapping elements such as sustainable development.

AMS that commit to both an AFAIF and a WTO IFD can potentially utilise both agreements synergistically, especially in the development dimension. This dimension is based on the WTO Trade Facilitation Agreement (TFA) which is the first WTO agreement to allow members to determine their own implementation schedule, with technical and financial support linked to the implementation of the core provisions. AMS that are also members of the WTO TFA are able to draw upon technical and financial support from the WTO TFA for the implementation of their ASEAN commitments in trade facilitation,<sup>19</sup> thereby killing two birds with one stone. ASEAN's trade facilitation has specific ASEAN-wide initiatives to reduce trade costs such as the ASEAN Single Window, ASEAN Trade Repository which links the National Trade Depositories in one web-site, and ASEAN Customs Transit System. Since all AMS are also members of the WTO TFA, AMS can tap on technical support from the WTO TFA to fulfil ASEAN's action plans in some of these areas.

The development dimension in the proposed WTO IFA indicates the possibility of using the SDT provisions in the agreement for implementing reforms to meet the commitments of such an agreement. If these commitments overlap with those in an AFAIF, ASEAN can potentially benefit from committing to a plurilateral agreement and an ASEAN-wide agreement on investment facilitation. For this to be possible, drawing on the example of the WTO TFA and ASEAN's initiatives on trade facilitation, ASEAN will need to embark on a regional action plan for facilitating investment.

## **CONCLUSION**

While investment facilitation is part and parcel of investment treaties and trade agreements, current negotiations for a WTO IFD have included in it far more dimensions than found in existing ASEAN agreements. In particular, the current negotiations have included sustainable investment, which is not part of any of ASEAN's internal and external commitments in investment facilitation. Advancing towards an AFAIF that extends and deepens provisions beyond that found in current ASEAN agreements will nurture economic cooperation to further strengthen the region's attractiveness for FDI. This will facilitate regional economic recovery from the Covid-19 pandemic.

Although ASEAN has included investment facilitation in its internal and external agreements for more than a decade, the action plans indicate that the implementation of investment facilitation has been left at the unilateral level. It is therefore not surprising to find that recent measures of investment facilitation in AMS show scores that are lower than the Plus partners.

Having a regional action plan in investment facilitation means that AMS that are participating in an AFAIF and a WTO IFD will be able to tap on the proposed development provisions of the WTO IFD to meet overlapping commitments in both agreements. ASEAN should therefore consider including a regional action plan in investment facilitation besides pushing for an AFAIF. The lack of region-wide action plans in investment facilitation in ASEAN means that ASEAN will not be able to obtain mutual gains from regional and multilateral/plurilateral commitments, as in the case of trade facilitation.

**Appendix 1. Investment Facilitation in ACIA and ASEAN-Plus Agreements**

Agreement, entry into force	Investment Facilitation
<b>ACIA, 2012</b>	<p><b>Article 25</b></p> <ul style="list-style-type: none"> <li>● Creating the necessary environment for all forms of investments,</li> <li>● Streamlining and simplifying procedures for investment applications and approvals</li> <li>● Promoting dissemination of investment information, including investment rules, regulations, policies and procedures</li> <li>● Establishing one-stop investment centres</li> <li>● Strengthening databases on all forms of investments for policy formulation to improve ASEAN's investment environment</li> <li>● Undertaking consultation with business community on investment matters; and</li> <li>● Providing advisory services to the business community of other member states</li> </ul>
<b>ASEAN China Investment Agreement (ACFA), 2010</b>	<p><b>Article 21</b></p> <p>Facilitation of Investment Subject to their laws and regulations, the Parties shall cooperate to facilitate investments amongst China and ASEAN through, amongst others:</p> <ul style="list-style-type: none"> <li>● creating the necessary environment for all forms of investment;</li> <li>● simplifying procedures for investment applications and approvals;</li> <li>● promoting dissemination of investment information, including investment rules, regulations, policies and procedures; and</li> <li>● establishing one-stop investment centres in the respective host Parties to provide assistance and advisory services to the business sectors, including facilitation of operating licences</li> </ul>

	and permits.
<b>ASEAN-India Investment Agreement (AIFTA), 2010</b>	<p><b>Article 18</b></p> <p>Facilitation of Investment Subject to their laws and regulations, the Parties shall cooperate to facilitate investments amongst ASEAN and India through, amongst others:</p> <ul style="list-style-type: none"> <li>● endeavouring to create the necessary environment for all forms of investment;</li> <li>● simplifying procedures for investment applications and approvals;</li> <li>● promoting dissemination of investment information, including investment rules, regulations, policies and procedures; and</li> <li>● establishing one-stop investment centres in the respective host Parties to provide assistance and advisory services to the business sectors, including facilitation of operating licences and permits.</li> </ul>
<b>Agreement on Investment, ASEAN-HK</b>	<p><b>Article 16</b></p> <p>Subject to their laws and regulations, the Parties shall cooperate to facilitate investments among the Parties through, among others:</p> <p>(a) creating the necessary environment for all forms of investment;</p> <p>(b) simplifying procedures for investment applications and approvals;</p> <p>(c) promoting dissemination of investment information, including investment rules, regulations, policies and procedures; and;</p> <p>(d) ) establishing one-stop investment centres in the respective host Parties to provide assistance and advisory services to the business sectors, including facilitation of operating licences and permits.</p>
<b>Regional Comprehensive Economic</b>	<p><b>Article 10:17</b></p> <p>1. Subject to its laws and regulations, each Party shall endeavour to facilitate investments among the Parties, including</p>

<p><b>Partnership (RCEP), signed 2020, not yet ratified at time of writing</b></p>	<p>through:</p> <ol style="list-style-type: none"> <li>a) Creating the necessary environment for all forms of investments,</li> <li>b) Simplifying procedures for investment applications and approvals</li> <li>c) Promoting dissemination of investment information, including investment rules, regulations, policies and procedures</li> <li>d) Establishing one-stop investment centres in the respective host Parties to provide assistance and advisory services to the business sectors including facilitation of operating licences and permits.</li> </ol> <p>2. Subject to its laws and regulations, a Party’s activities under sub-paragraph 1(d) may include, to the extent possible, assisting investors of any other Party and covered investments to amicably resolve complaints or grievances with government bodies which have arisen during their investment activities by: (a) receiving and, where appropriate, considering referring or giving due consideration to complaints raised by investors relating to government activities impacting their covered investment; and (b) providing assistance, to the extent possible, in resolving difficulties experienced by the investors in relation to their covered investments.</p> <p>3. Subject to its laws and regulations, each Party may, to the extent possible, consider establishing mechanisms to make recommendations to its relevant government bodies, addressing recurrent issues affecting investors of another Party.</p> <p>4. The Parties shall endeavour to facilitate meetings between their respective competent authorities, aimed at exchanging knowledge and approaches to better facilitate investment.</p> <p>5. Nothing in this Article shall be subject to, or otherwise affect, any dispute resolution proceedings under this Agreement.</p>
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Source: Compiled by author



<sup>1</sup> UNCTAD, 2021. “Global foreign direct investment fell by 42% in 2020, outlook remains weak”. <https://unctad.org/news/global-foreign-direct-investment-fell-42-2020-outlook-remains-weak> <Accessed 1 April 2021>.

<sup>2</sup> See WTO, 2020. “Negotiations on an investment facilitation agreement show high level of engagement”.

[https://www.wto.org/english/news\\_e/news20\\_e/infac\\_09oct20\\_e.htm#:~:text=In%20the%20context%20of%20the,and%20expand%20their%20existing%20investments.](https://www.wto.org/english/news_e/news20_e/infac_09oct20_e.htm#:~:text=In%20the%20context%20of%20the,and%20expand%20their%20existing%20investments.) <Accessed 1 April 2021>.

<sup>3</sup> See World Bank, 2020. *Global Competitiveness Report 2019/20*.

<https://pubdocs.worldbank.org/en/314571591134463825/211536-Chapter-1.pdf> <Accessed 1 April 2021>. The ten countries covered in the survey are Brazil, China, India, Indonesia, Malaysia, Mexico, Nigeria, Thailand, Turkey, and Vietnam.

<sup>4</sup> See World Bank, 2020. *Op cit.* p. 43.

<sup>5</sup> See Zhang, Joe, 2018. *Investment Facilitation: Making sense of concepts, discussions and processes*. <https://blogs.die-gdi.de/longform/investment-facilitation-for-sustainable-development/> <Accessed 2 April 2021>.

<sup>6</sup> See WTO 2020. “Structured discussions on investment facilitation for development move into negotiation mode”. [https://www.wto.org/english/news\\_e/news20\\_e/infac\\_25sep20\\_e.htm](https://www.wto.org/english/news_e/news20_e/infac_25sep20_e.htm) <Accessed 2 April 2021>.

<sup>7</sup> Brunei, Thailand and Vietnam are not part of the current negotiations.

<sup>8</sup> These are proposals submitted by Russia (30 March 2017), MIKTA (4 April 2017), China (21 April 2017), Friends for Investment Facilitation (FIFD) (21 April 2017), Argentina and Brazil (April 24 2017) and Brazil (13 December 2017).

<sup>9</sup> Zhang, *op cit.* p.6.

<sup>10</sup> See WTO structured discussions on investment facilitation for development negotiating meeting held on 7 and 8 December 2020,

<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/INF/IFD/R19.pdf&Open=True> <Accessed 15 April 2021>

<sup>11</sup> Locatelli, Claudia, 2021. “Negotiations on Investment Facilitation for Development (IFD) at the WTO.” [https://www.unescap.org/sites/default/d8files/event-documents/Session%203\\_Claudia%20L\\_IF%20for%20Development\\_1.pdf](https://www.unescap.org/sites/default/d8files/event-documents/Session%203_Claudia%20L_IF%20for%20Development_1.pdf) <Accessed 2 April 2021>.

<sup>12</sup> This is to prevent spillover effects from similar provisions in the proposed WTO IFA with existing international investment agreements (IIAs). For more details, see Chi, M., 2020. *Insulating a WTO investment facilitation framework for development from international investment agreements*. International Trade Centre, Geneva, Switzerland.

[https://www.intracen.org/uploadedFiles/intracenorg/Content/Redesign/Events/Insulating%20an%20IF4D%20from%20IIAs%20\(Final\)\\_as%20of%20Dec%2023%20FV%20.pdf](https://www.intracen.org/uploadedFiles/intracenorg/Content/Redesign/Events/Insulating%20an%20IF4D%20from%20IIAs%20(Final)_as%20of%20Dec%2023%20FV%20.pdf) <Accessed 2 April 2021>.

<sup>13</sup> See <https://cil.nus.edu.sg/wp-content/uploads/2019/08/2.5-1998-Framework-Agreement-on-the-ASEAN-Investment-Area.pdf> <Accessed 1 April 2021>. The other three objectives are: (i) substantially increase the flow of investments into ASEAN from both ASEAN and non-ASEAN sources; (ii) jointly promote ASEAN as the most attractive investment area, and (iii) strengthen and increase the competitiveness of ASEAN's economic sectors.

<sup>14</sup> See ACIA at <http://investasean.asean.org/index.php/page/view/asean-comprehensive-investment-agreement-acia---section-a/view/799/newsid/834/article-25--facilitation-of-investment.html> <Accessed 2 April 2021>.

<sup>15</sup> I would like to thank Ms. Aidonna Jan Ayub, Deputy Director, Research at Khazanah Research Institute for her useful comments on improving this table.

<sup>16</sup> For more details, see <https://blogs.die-gdi.de/longform/investment-facilitation-for-sustainable-development/> <Accessed 2 April 2021>.

<sup>17</sup> See ASEAN Economic Community 2025 Consolidated Strategic Action Plan. <https://asean.org/storage/2012/05/Updated-AEC-2025-CSAP-14-Aug-2018-final.pdf> <Accessed 2 April 2021>.

<sup>18</sup> See Implementation Plan for ASEAN Comprehensive Recovery Framework at [https://asean.org/storage/ACRF-Implementation-Plan\\_Pub-2020.pdf](https://asean.org/storage/ACRF-Implementation-Plan_Pub-2020.pdf) <Accessed 6 April 2021>. Page 31.

<sup>19</sup> See Tham Siew Yean, 2017. “Trade Facilitation: Exploring Synergies between WTO and ASEAN initiatives”, *Perspective* 2017, No. 4. [https://www.iseas.edu.sg/wp-content/uploads/2015/07/ISEAS\\_Perspective\\_2017\\_47.pdf](https://www.iseas.edu.sg/wp-content/uploads/2015/07/ISEAS_Perspective_2017_47.pdf) <Accessed 6 April 2021>.

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