



UNCTAD



## **INVESTMENT ADVISORY COUNCIL**

**18 September 2006, 13:00-17:00**

**Millennium UN Plaza Hotel, New York**

**LDCs on the Move - Learning from Success**

***JOINT COMMUNIQUE***

The sixth meeting of the UNCTAD/ICC Investment Advisory Council (IAC) was held on September 18<sup>th</sup>, 2006, in New York, with the objective to provide a platform for an informal public-private exchange on the success factors for attracting foreign direct investment (FDI) to Least Developed Countries (LDCs). The meeting was attended by 31 corporate executives, senior Government officials, and high-level representatives from institutions. It was jointly chaired by Mr. Guy Sebban, Secretary General of the International Chamber of Commerce (ICC), and Mr. Khalil Hamdani, Director of the Division on Investment, Technology and Enterprise Development of the United Nations Conference on Trade and Development (UNCTAD).

The meeting was opened with remarks by the heads of UNCTAD, the UN Office of the High Representative for the Least Developed Countries, Land Locked Developing Countries, and Small Island Developing States (UNOHRLLS), and the Food and Agriculture Organization (FAO), thereby setting the stage for the interventions on the success factors for attracting FDI to LDCs. His Excellency Jakaya Kikwete, President of the United Republic of Tanzania then opened the floor with a presentation of his country case.

Interventions ranged from presentations on corporate contributions towards strengthening LDC competitiveness, such as through business linkages, reports on remaining impediments to business in LDCs that need to be addressed by governments, to announcements from LDC Ministers of various reform programmes. Examples of the increasing corporate South-South cooperation were mentioned, in particular with reference to the rising Chinese-African business relations. The Silk Road Initiative was another indication of a trend towards a regional approach to investment promotion in developing countries. Some of the major challenges that prevail in LDCs in terms of attracting FDI were identified as infrastructure deficits, bureaucratic inefficiency, as well as a complex and unsynchronized set of regulations. In addition, it was suggested that LDC governments should work hand-in-hand with the private sector to tackle the fundamental impediments to business to improve their attractiveness for foreign investors.

In conclusion to the interactive public-private dialogue, new IAC initiatives were announced. These included the Millennium Cities Initiative; an announcement by the Japan Bank for International Cooperation to further support UNCTAD's investment related projects, such as the Blue Books and Investment Policy Reviews; continued cooperation between the ICC and UNCTAD in the context of the Investment Guides; and a proposal from BASF to extend their TNC-SME business linkages methodology to developing countries, particularly to lusophone African countries.