



Union of Industrial and Employers' Confederations of Europe
Union des Confédérations de l'Industrie et des Employeurs d'Europe

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UNICE STATEMENT ON INTERNATIONAL INVESTMENT

In 1995, UNICE identified the need for a global régime for the liberalisation and protection of foreign direct investment, to complement those for trade in goods and services in the WTO, as one of the highest priorities for business.

To this end, together with industry throughout the OECD, UNICE supported the negotiation of a Multilateral Agreement on Investment by OECD governments as a potentially valuable contribution to the objective of a global régime. However for UNICE, that Agreement was meant to be complementary to, and not a substitute for the studies, initiated by the WTO Ministers in December 1996, leading to possible negotiations. Throughout, UNICE has emphasised that nothing should be done by OECD governments to inhibit either accession to the MAI by non-OECD countries, or the establishment of an eventual WTO agreement. This position has been endorsed by recommendations of the Transatlantic Business Dialogue (TABD).

UNICE is therefore seriously concerned by indications that the extended negotiations in Paris will not be completed in time for endorsement by Ministers in April. There appears to be a real risk that the value-added which business expected from the MAI - liberalisation, non-discrimination, state-of-the-art protection and dispute settlement provisions - will not be achieved. Not only would such an outcome be to the detriment of European companies, especially smaller companies which rely more on transparent and predictable conditions for investment than larger, more experienced investors, but it would send a damaging negative signal to non-OECD countries only a month before WTO Ministers meet in May.

European business reiterates the overriding importance it attaches to the establishment of a non-discriminatory, transparent, stable and liberal global régime for investment, which it believes will be beneficial to the whole of society in all countries by increasing the flow of foreign direct investment. UNICE therefore urges OECD governments to bring the MAI negotiations to a satisfactory conclusion, in line with their initial objectives, if not by their deadline of April 1998 certainly not later than the end of this year, and thereby encourage the development of investment rules in the WTO.