Brazilian National Confederation of industry

Position on an Investment Facilitation Agreement at the WTO

For the Brazilian National Confederation of Industry (CNI) an Investment Facilitation Agreement should be on the center of WTO's agenda as a way to help to recover the world's levels of investments.

The value of foreign direct investment (FDI) in the world is declining. In 2017 the total amount (US$ 1.5 trillion) was less than in 2011 (US$ 1.6 trillion).

An Investment Facilitation Agreement also is essential for Brazil not only as a receiver of FDI but also for its multinationals activities abroad.

Brazil is one of the most opened countries for FDI with an index of 4.4% of FDI over GDP, the highest among largest economies.

But to reach higher levels of growth, Brazil needs more foreign investments and an important way to do this is **cutting red tape**.

Brazilian multinationals would also benefit from an Investment Facilitation Agreement. They have around US$ 200 billion in assets abroad and, according to our surveys, they face barriers such as:

- lack of knowledge about countries` legislation;
- lack of transparency in countries` licenses criteria (and in some cases screening transparency);
- lack of information about specificities of the market; and
- bureaucracy for investment projects approvals.

In this context, the Brazilian National Confederation of Industry suggests four pillars for an Investment Facilitation Agreement: i) information; ii) less red tape; iii) transparency and iv) regulatory cooperation.

- **Information**: creation of focal points in every country responsible to assist promptly foreign investors providing them information on laws, regulations and other relevant information for investors.

- **Less red tape**: establish a single-entry point for submission of documents, for example an electronic platform similar to trade facilitation single window. Investor would have only one gate to submit only once the necessary documents.

- **More transparency**: countries that have criteria to approve investments, such as licenses or screening, they should make them transparent, expeditious and non-discriminatory between countries.

- **Cooperation**: engage countries to exchange and adopt better regulatory practices in the field of investments.