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'Investment Facilitation for Development' is a Trojan Horse for Investment Rules in WTO, Say Civil Society Advocates

BUENOS AIRES, ARGENTINA---Civil society experts from around the globe in Buenos Aires as part of Our World Is Not For Sale Network (OWINFS) reacted with concern at the news that some WTO members are aggressively pushing for an outcome on investment facilitation at the 11th Ministerial Conference (MC11).

The network distributed the following statement to govenrment delegates at MC11:

"Investment is called a 'Singapore issue' because its inclusion in the WTO was rejected at the Singapore ministerial in 1996 for a simple reason that still applies today**: foreign investment is not trade, so foreign investment rules don't belong in the WTO**.

The Multilateral Agreement on Investment in the OECD died in 1998. A new push to negotiate on investment in the WTO was rejected for lack of explicit consensus at the Cancun ministerial in 2003.

Now they are trying to re-legitimise the discredited international investment regime using the Trojan Horse of "investment facilitation" for "development" in the WTO. They say it won't include market access, investor protection and ISDS. But **once investment is on the WTO agenda they are bound to reappear**.

They may not need ISDS if the WTO dispute body, or a parallel investment body, serves as **the EU's proposed multi-lateral investment court.**

Investment facilitation for development relies on **myths about the link between international investment rules and development**.

Myth 1: investment agreements attract FDI to developing countries:

> *UNCTAD said in 2014: 'results do not support the hypothesis that BITs foster bilateral FDI. . . Thus developing-country policymakers should not assume that signing up to BITs will boost FDI.' A World Bank study in 2011 found 'Size and growth potential of markets is the strongest determinant of FDI.'*

Myth 2: foreign investors won't come without agreements

> *South Africa was ranked by UNCTAD as the top recipient of FDI inflows among the African countries in 2013, despite withdrawing from BITs. FDI inflows to Bolivia steadily increased after it denounced all its BITs, reaching an unprecedented peak of US$1.75 billion in 2013. Brazil, which never had BITs, was the 5th largest recipient of FDI in the world in 2013.*

The WTO needs to stick to its core business and **deal with the development deficit.**
No new issues. No investment in the WTO."

Selected quotes from civil society on investment facilitation:

Georgios Altintzis, Trade Policy Officer, **International Trade Union Confederation:**

"Investment facilitation is a matter in which UNCTAD has expertise and has developed significant body work on; that is not the only reason why it shouldn't be a WTO business: In 2003 investment negotiating mandate was rejected by the WTO membership."

Malcolm Damon, Executive Director, Economic Justice Network, **South Africa;**

"Investment facilitation is just a way to expand the reach and grasp of rich and developed countries and to strengthen the reach of multinational corporations. It is a cover up for free and unhindered investment facilitation for multinational corporations at the expense of developing countries. Developing countries don't need investment facilitation, instead they need the space to decide on investment flows on their own terms and to their benefit."

Adhemar Mineiro, Economist, REBRIP, **Brazil:**

"Once again, instead of focusing its concerns on countries' development and policy space for national development strategies, negotiations on WTO are focussed on facilitating greedy through financial flows."

Melinda St. Louis, International Campaigns Director, Public Citizen, **USA:**

"The current regime of expansive investor rights and powers for corporations and expansive obligations and constraints for governments is facing a crisis of legitimacy around the globe for good reason: corporations have used these rigged rules to attack public interest laws, seize taxpayer funds, extract resources and avoid responsibility to communities harmed by their investment. The old system of extreme investor protectionism is being rejected by a growing number of countries and faces public backlash worldwide, yet inserting the same corporate-rigged rules into the WTO is the goal of the corporate interests behind the innocuous-sounding language about "investment facilitation" discussions at the WTO. Why any government would agree to negotiate new rights for multinational corporations at the expense of their populations is beyond perplexing."

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Contact information for these and other OWINFS civil society experts can be found at:
www.ourworldisnotforsale.net.