

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**UNCTAD**



# WORLD INVESTMENT REPORT **2019**

**SPECIAL ECONOMIC ZONES**



# TABLE OF CONTENTS

PREFACE .....	iii
FOREWORD .....	iv
ACKNOWLEDGEMENTS .....	v
ABBREVIATIONS .....	ix
KEY MESSAGES .....	x
<b>CHAPTER I. GLOBAL INVESTMENT TRENDS AND PROSPECTS .....</b>	<b>1</b>
A. CURRENT FDI TRENDS .....	2
1. Global trends .....	2
2. Trends by geography .....	3
3. Trends in cross-border M&As and greenfield projects by sector .....	7
4. FDI and other cross-border capital flows .....	11
B. FDI PROSPECTS .....	13
1. Short-term prospects .....	13
2. Long-term trends .....	14
3. IPAs' expectations .....	16
C. INTERNATIONAL PRODUCTION .....	18
1. Key indicators of international production .....	18
2. Internationalization trends of the largest MNEs .....	19
3. State-owned multinational enterprises .....	24
D. THE GLOBAL FDI NETWORK .....	28
<b>CHAPTER II. REGIONAL TRENDS .....</b>	<b>33</b>
A. DEVELOPING ECONOMIES .....	34
1. Africa .....	34
2. Developing Asia .....	40

3. Latin America and the Caribbean .....	48
<b>B. TRANSITION ECONOMIES .....</b>	<b>54</b>
C. DEVELOPED ECONOMIES .....	60
D. STRUCTURALLY WEAK, VULNERABLE AND SMALL ECONOMIES.....	66
1. Least developed countries .....	66
2. Landlocked developing countries .....	71
3. Small island developing States .....	76
<b>CHAPTER III. RECENT POLICY DEVELOPMENTS AND KEY ISSUES .....</b>	<b>83</b>
<b>A. NATIONAL INVESTMENT POLICIES.....</b>	<b>84</b>
1. Overall trends .....	84
2. Merger controls affecting foreign investors .....	89
3. Entry regulations for inward investment: recent developments in FDI screening .....	92
<b>B. INTERNATIONAL INVESTMENT POLICIES .....</b>	<b>99</b>
1. Trends in IIAs: new treaties and other policy developments .....	99
2. Trends in ISDS: new cases and outcomes .....	102
3. Taking stock of IIA reform .....	104
4. Conclusions: lessons learned and way forward.....	113
<b>C. CAPITAL MARKETS AND SUSTAINABILITY .....</b>	<b>116</b>
1. Stock exchanges' sustainability trends.....	116
2. Securities regulators and sustainability .....	118
3. Sustainability-themed indexes, segments and products .....	120
4. Conclusions.....	124

<b>CHAPTER IV. SPECIAL ECONOMIC ZONES.....</b>	<b>127</b>
INTRODUCTION.....	128
A. THE UNIVERSE OF SEZs.....	133
1. Mapping SEZs: scope, definitions and taxonomy .....	133
2. Overview of SEZs worldwide .....	137
3. International cooperation and regional development zones .....	154
B. THE REGULATORY AND INSTITUTIONAL FRAMEWORK FOR SEZs .....	161
1. The national regulatory framework .....	161
2. Institutional set-up of SEZs .....	167
3. International regulations and SEZs.....	172
C. THE PERFORMANCE AND IMPACT OF SEZs .....	177
1. A sustainable development impact assessment of SEZs .....	177
2. Direct and indirect economic contributions of SEZs .....	179
3. Zone costs and revenues .....	185
4. Dynamic zone contributions: industrial development and upgrading.....	186
5. Social and environmental impacts .....	187
6. Critical success factors of SEZs.....	189
D. TOWARDS A NEW GENERATION OF SEZs.....	195
1. Lessons learned from past experience.....	196
2. A forward-looking perspective.....	200
3. SDG model zones.....	202
<b>REFERENCES .....</b>	<b>207</b>
<b>ANNEX TABLES.....</b>	<b>211</b>
Annex table 1. FDI flows, by region and economy, 2013–2018.....	212
Annex table 2. FDI stock, by region and economy, 2000, 2010 and 2018 .....	216