



OECD Greater Mekong Subregion Investment Policy Forum

28-29 March 2012

Government Palace, Sisowath Quay, Wat Phnom, Phnom Penh, Cambodia

Advancing Investment Policy Reform

Conclusions

Senior officials from Cambodia, Lao PDR, Myanmar, Thailand, and Viet Nam met with private sector representatives from ASEAN Member States, and with officials from Japan and other OECD member countries, as well as international organisations, at the **OECD Greater Mekong Subregion Investment Policy Forum**. Supported by the Government of Japan, and jointly organised with the Council for the Development of Cambodia and the ASEAN Secretariat back-to-back with the ASEAN-6 Outbound Investment Mission to Cambodia, the Forum focused on investment opportunities in the Greater Mekong Subregion (GMS). It also highlighted national and regional challenges that remain to be tackled to maintain the momentum of recent advances and consolidate the policy frameworks for investment.

Participants acknowledged that, fuelled by the expansion of trade and investment, the GMS has been one of the fastest growing regions in the world and represents a successful example of economic transition and integration. Economic growth is underpinned by new political dynamics at the national level.

Trade and investment liberalisation have been important components of reform in almost all countries in the subregion that encourage foreign direct investment (FDI) as a means of promoting economic development, employment, and technology transfer. Over the past two decades, FDI inflows in the GMS have risen sharply.

Participants shared the view that:

- Private investment, domestic and foreign, will continue to play a crucial role in diversifying economies in the region, promoting exports, creating jobs, reducing poverty and in achieving closer economic integration within the context of the ASEAN Economic Community;
- Investment policy tools such as the Policy Framework for Investment (PFI) currently being used or considered by a number of ASEAN Member States, offer useful mechanisms to chart national investment policy reforms against global standards and best practices. In this regard, governments in the GMS region should be encouraged to continue the positive dialogue around investment policy reforms as a way to promote private-sector led growth, in co-operation with the OECD Investment Committee, as well as existing platforms/initiatives and technical assistance coordinated by the ASEAN Secretariat with the support of development partners (e.g., AANZFTA ECWP).
- Responsible business practices can encourage sustainable regional development. In particular, responsible investment in agriculture plays a vital role in uplifting rural economies and contributing to long-term food security. International organisations, such as the FAO and the OECD, should be encouraged to continue partnering with governments in the region to promote responsible investment in agriculture, which will also contribute to the global agenda on the issue, such as in the context of the G20.