FDI in the EU, EAEU and DCFTA: IIASA 2017 Fast-Track Study

IIASA, Laxenburg, 30th October 2017

Peter Havlik havlik@wiiw.ac.at
Vienna Institute for International Economic Studies (wiiw)
International Institute for Applied Systems Analysis (IIASA)
IIASA 2017 Fast-Track Study on FDI in the EU, EAEU and AA/DCFTA countries at a glance

- Interim study between Phase I and Phase II of Eurasian Integration Research at IIASA
- Conducted by international/interdisciplinary team

Study focuses on:
- The evolution of FDI, 2005-2016
- Political and policy factors affecting FDI flows
- FDI-related regulations in the EU, EAEU and DCFTA
- Specific features of FDI in the energy sector
- Conclusions (preliminary)
FDI inflows in the main regions, EUR million

- EU-CEE
- Western Balkans
- Turkey
- BY, KZ, MD, UA
- Russia
FDI inward stocks per capita, in EUR
Russian FDI inward stock: EUR 360 billion (end-2016); Top 10 investors

- Cyprus: 35.9%
- Netherlands: 10.6%
- Germany: 4.3%
- France: 3.8%
- Ireland: 1.7%
- other EU-15: 11.0%
- other: 8.4%
- Virgin Islands, British: 2.9%
- Bermuda: 5.8%
- Bahamas: 8.8%
- Jersey: 3.0%
- Singapore: 3.9%
Ukraine’s FDI inward stock: EUR 43.3 billion (end-2016); Top 10 investors

- Cyprus, 30.5
- Netherlands, 14.0
- United Kingdom, 5.1
- Germany, 4.3
- Austria, 4.0
- France, 3.2
- Luxembourg, 2.4
- EU-15 other, 3.2
- Virgin Islands, British, 4.1
- Russia, 10.0
- Switzerland, 3.9
Kazakhstan FDI inward stock: EUR 124 billion (end-2016); Top 10 investors
FDI inward stock by economic activities, 2016/2015; in % of total FDI stocks

- Agriculture, forestry and fishing (A)
- Mining and quarrying (B)
- Manufacturing (C)
- Electricity, gas, steam, air conditioning supply (D)
- Water supply, sewerage, waste management, remediation (E)
- Construction (F)
- Wholesale, retail trade, repair of motor vehicles etc. (G)
- Transportation and storage (H)
- Accommodation and food service activities (I)
- Information and communication (J)
- Financial and insurance activities (K)
- Real estate activities (L)
- Professional, scientific and technical activities (M)
- Other service activities (S)
Preliminary conclusions

- Stick to existing international commitments
- Respect these commitments also in future preferential agreements
- Improve political, practical and technical conditions for FDI
- Address issues related to off-shore roundtripping FDI flows
- Evaluate (preliminary) lessons from AA/DCFTA implementation experience
- Bring together conflicting parties and aim at re-building of dialogue and mutual trust
Thank your for your attention!