



State of FDI in OIC Member Countries: Challenges and Prospects

**SESRIC - UNCTAD Webinar on
Foreign Direct Investment (FDI) Statistics in OIC Countries**

28 June 2021

Ankara, Republic of Turkey

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1. Introduction

2. State of FDI in OIC Member Countries

3. Challenges and Prospects

4. The Way Forward

INTRODUCTION

Research

Training

Statistics

**STATISTICAL, ECONOMIC AND SOCIAL
RESEARCH AND TRAINING CENTRE FOR
ISLAMIC COUNTRIES (SESRIC)**

SINCE 1978 IN ANKARA, TURKEY

SOCIO-ECONOMIC IMPACTS OF COVID-19 PANDEMIC IN OIC MEMBER COUNTRIES:

Prospects and Challenges



ORGANISATION OF ISLAMIC COOPERATION
STATISTICAL, ECONOMIC AND SOCIAL RESEARCH
AND TRAINING CENTRE FOR ISLAMIC COUNTRIES



OIC ECONOMIC OUTLOOK 2020

Trade and Integration Challenges amid
Rising Uncertainties



ORGANISATION OF ISLAMIC COOPERATION
STATISTICAL, ECONOMIC AND SOCIAL RESEARCH
AND TRAINING CENTRE FOR ISLAMIC COUNTRIES

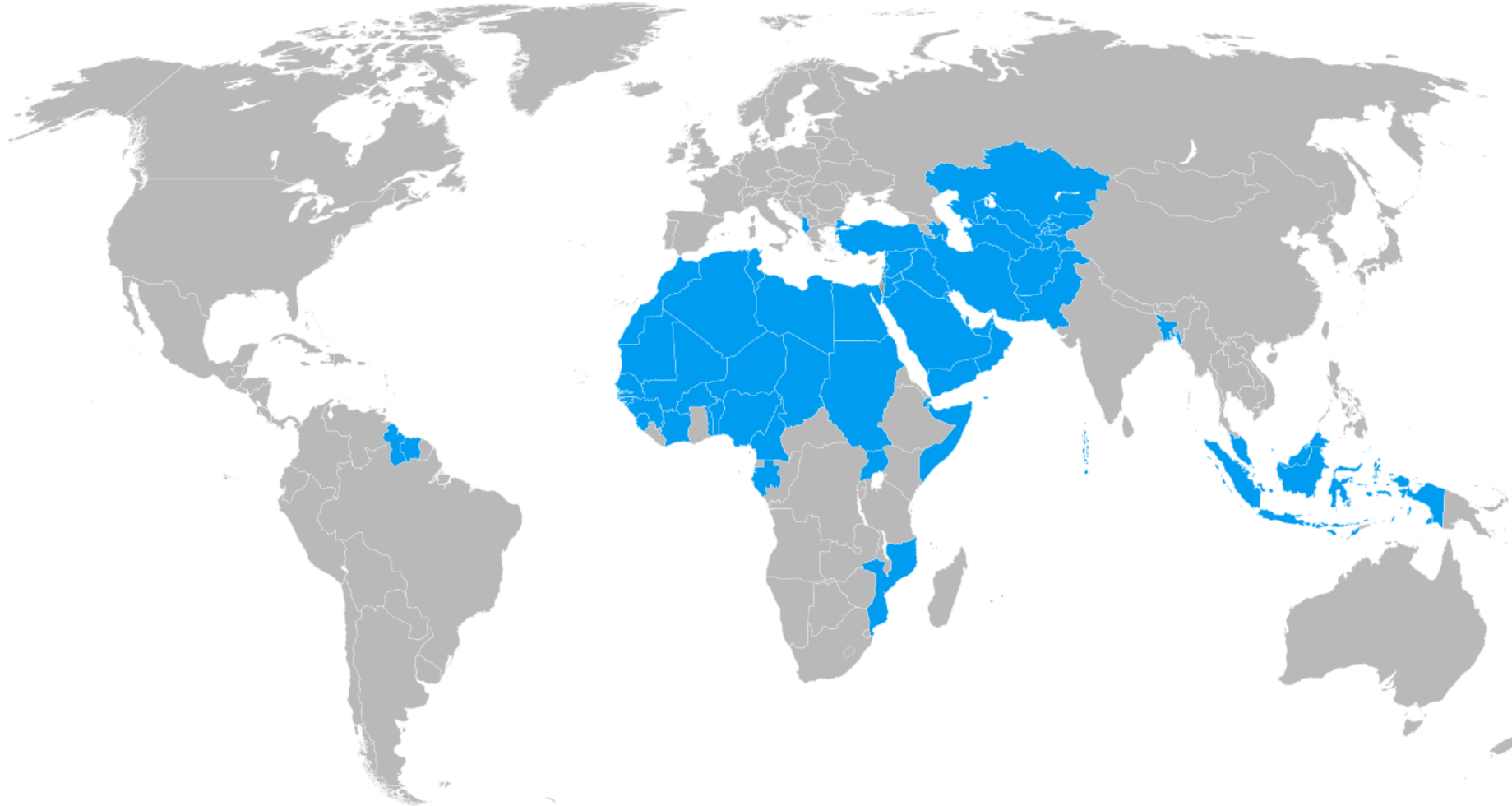


THE STATE OF
INVESTMENT IN
OIC MEMBER COUNTRIES
AND THE ROLE OF
EXPORT CREDIT
AGENCIES AND INVESTMENT
PROMOTION AGENCIES

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INTRODUCTION

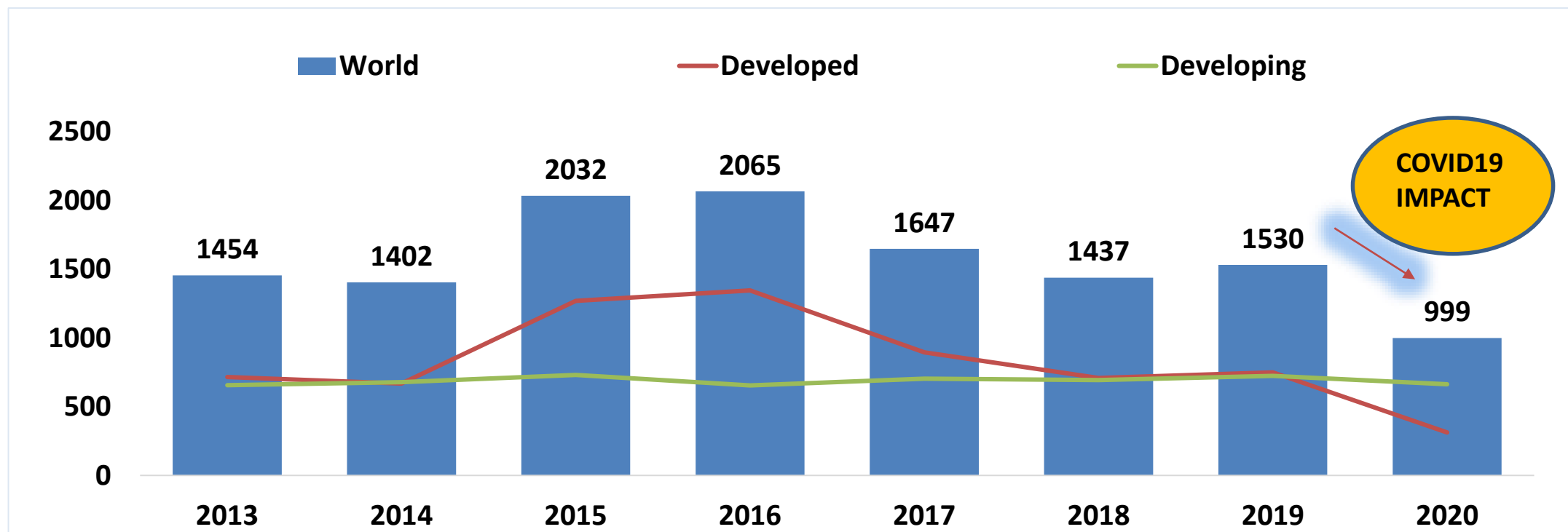
ORGANISATION OF ISLAMIC COOPERATION (OIC)



STATE OF FDI IN OIC MEMBER COUNTRIES

➤ Global foreign direct investment (FDI) flows fell by **35%** in 2020, reaching \$1 trillion, from \$1.5 trillion in 2019

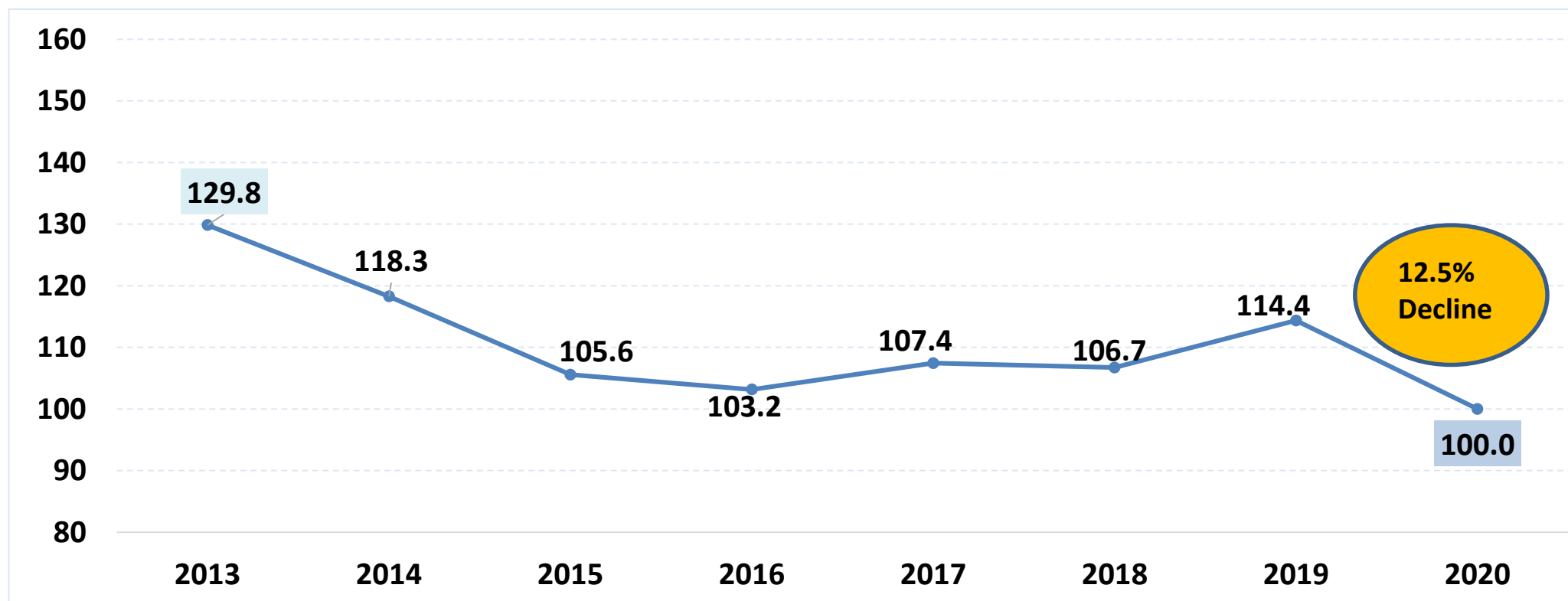
Figure 1: FDI Inflows in the World (Billion USD)



STATE OF FDI IN OIC MEMBER COUNTRIES

➤ FDI inflows in OIC countries hit by the pandemic moderately, which declined by **12.5%** in 2020

Figure 2: Inward FDI Flows in OIC Countries (Billion USD)

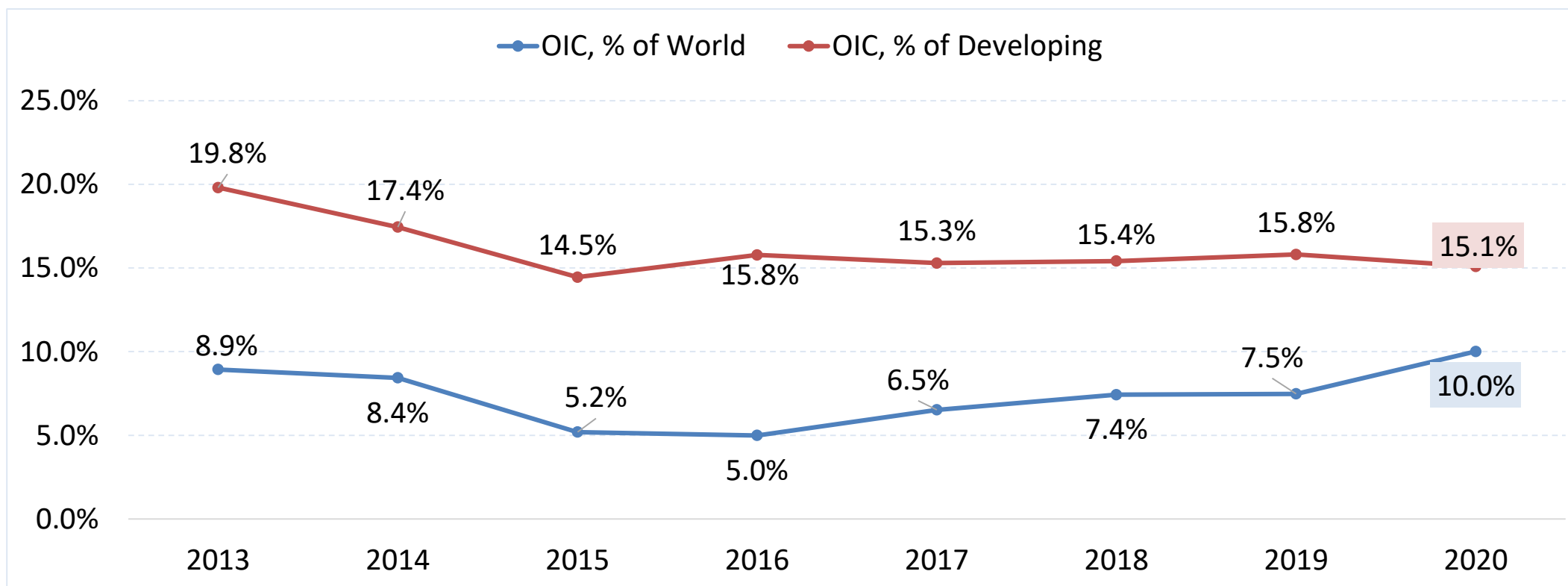


Source: UNCTAD, World Investment Report 2021, Geneva

STATE OF FDI IN OIC MEMBER COUNTRIES

➤ The share of OIC countries in the global FDI inflows stayed far below their potential

Figure 3: Share of OIC Countries in Inward FDI Flows (%)

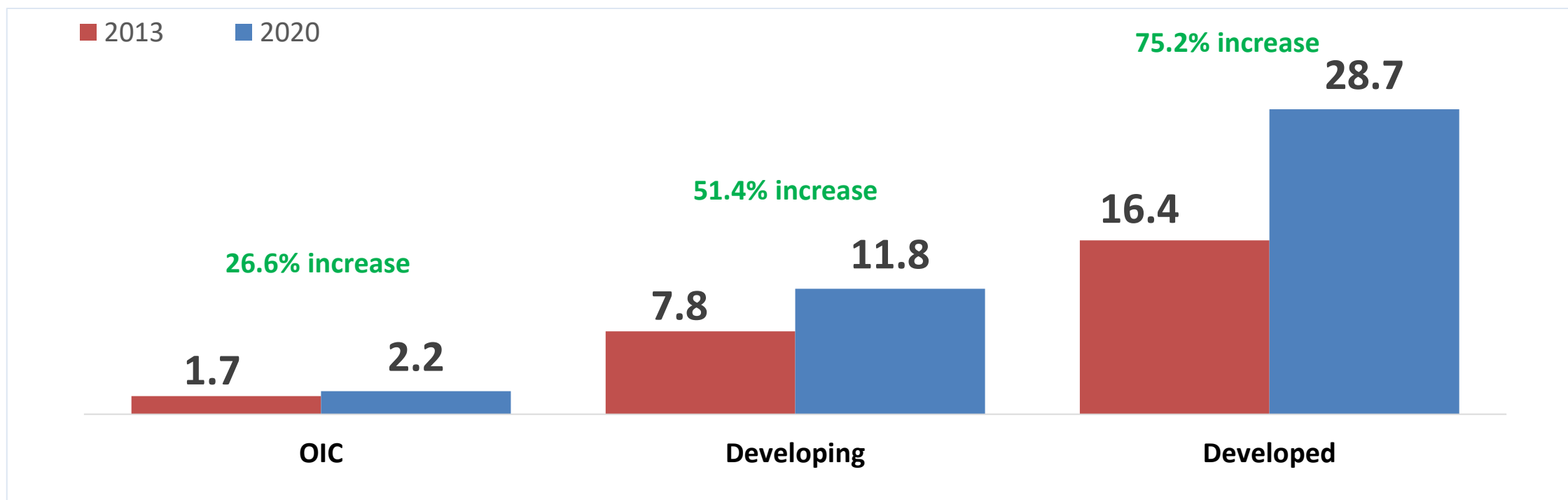


Source: UNCTAD, World Investment Report 2021, Geneva

STATE OF FDI IN OIC MEMBER COUNTRIES

➤ The FDI Inward Stocks in OIC countries followed a positive trend between 2013 and 2020

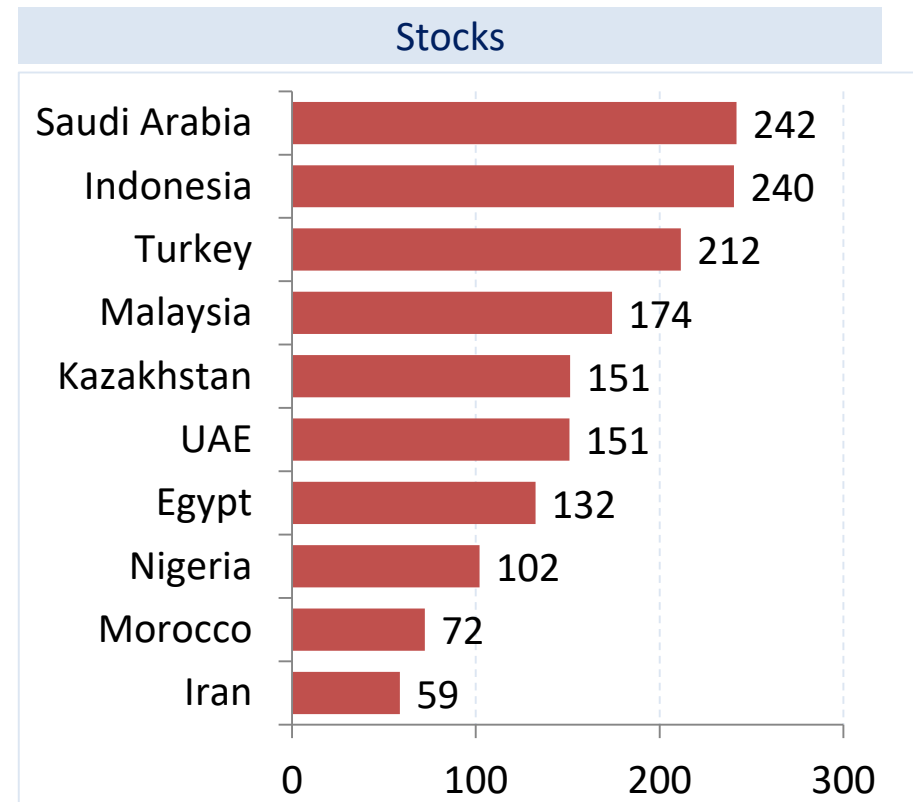
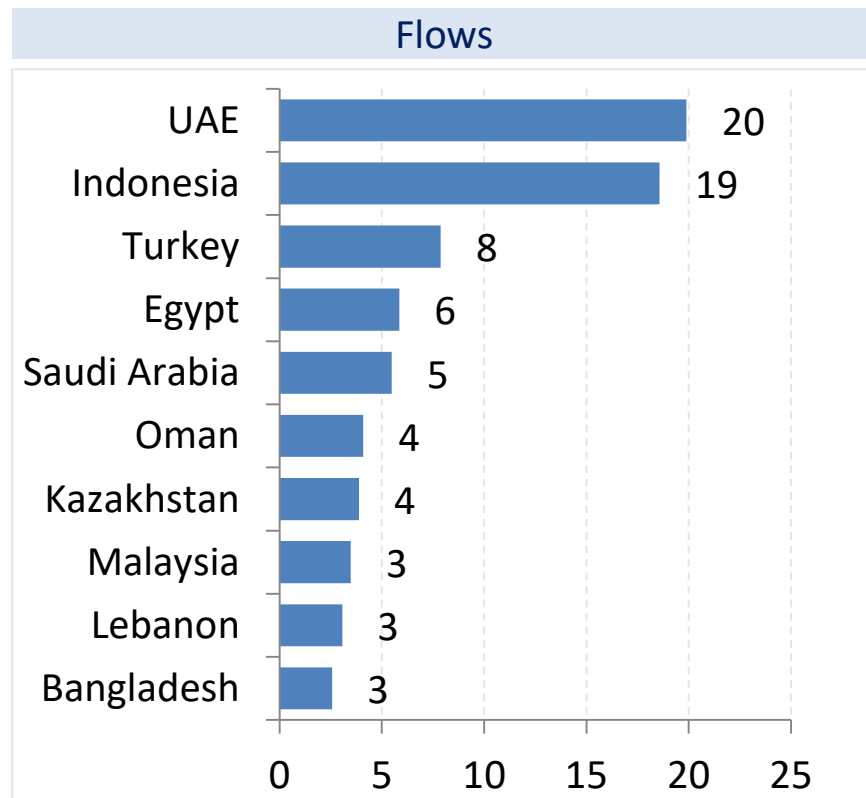
Figure 4: FDI Inward Stocks (Trillion USD)



STATE OF FDI IN OIC MEMBER COUNTRIES

➤ The FDI Inward Flows and Stocks are concentrated in only a few number of OIC countries

Figure 5: Top 10 Hosts of Inward FDI Flows and Stocks (2020, Billion USD)



Source: UNCTAD, World Investment Report 2021, Geneva

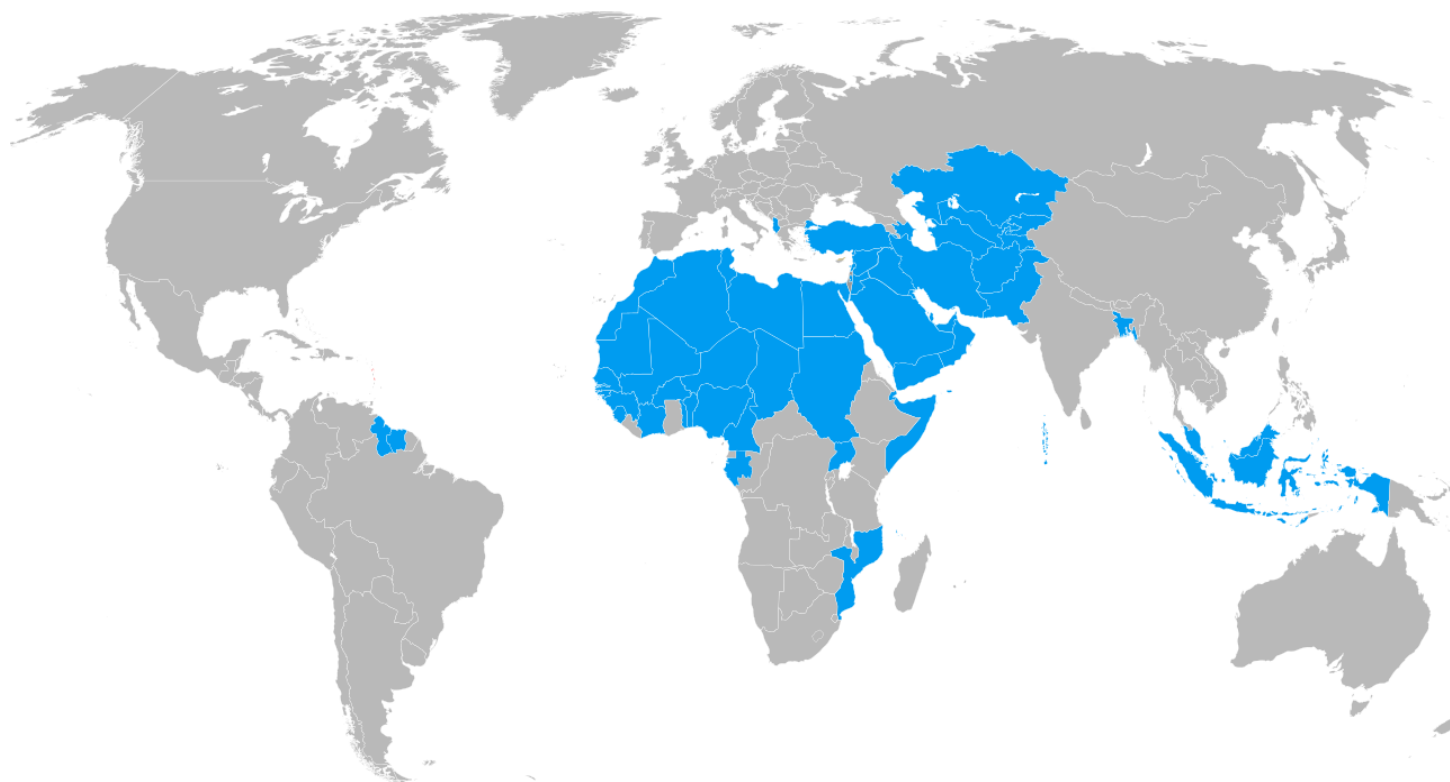
CHALLENGES AND PROSPECTS

➤ Challenges are diverse yet there are some commonalities among OIC Member Countries regarding the investment climate that affects the investment decision of MNEs

Trade Barriers

Limited Skilled
Labour Force

Quality of
Institutions



Macroeconomic
Volatilities

Quality of
Infrastructure

Limited Intra-OIC
Investment

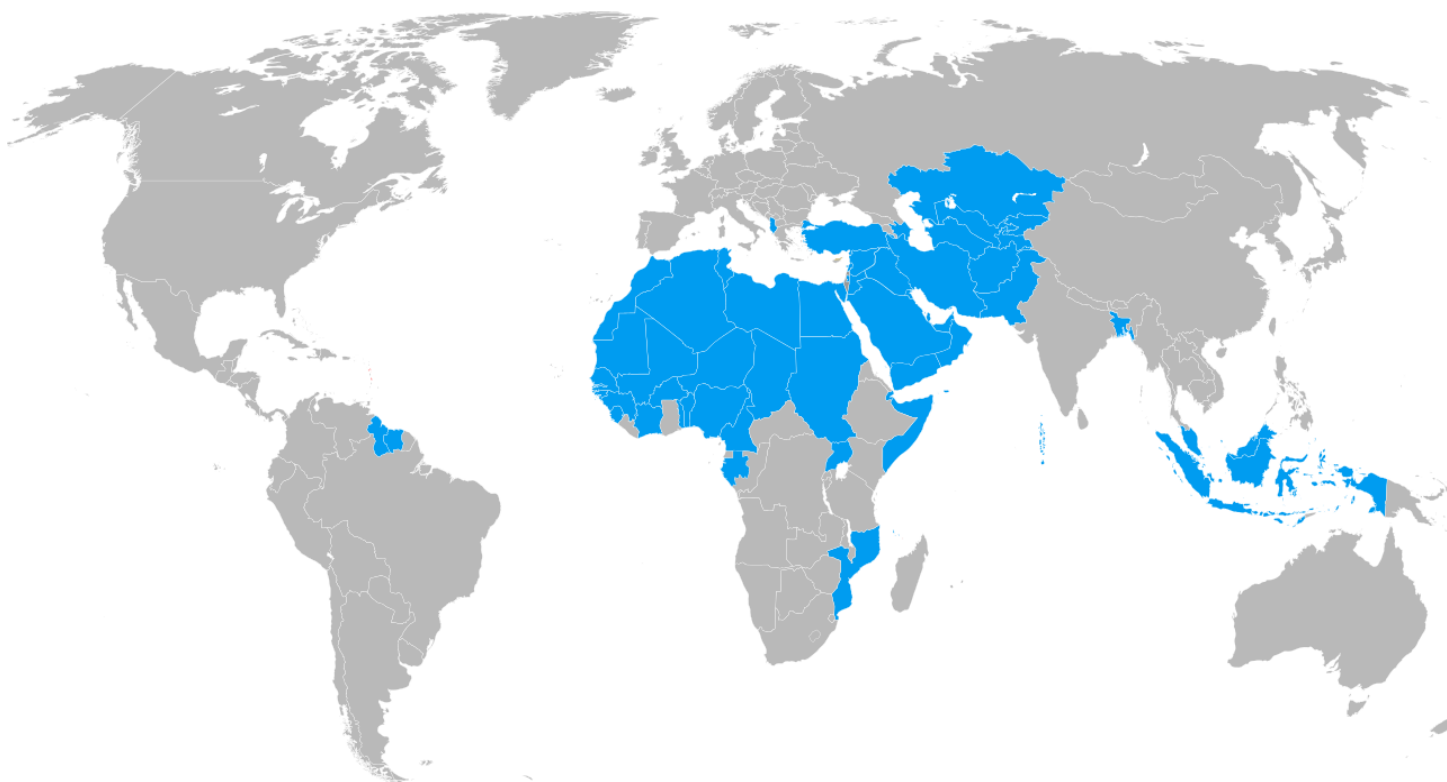
CHALLENGES AND PROSPECTS

➤ OIC member countries have some unique factors that make them attractive for more FDI

Relatively Young
Population

Increasing
Purchasing
Power

Higher
Integration to
GVCs



Rich Natural
Resources


Geostrategic
Importance

Incentives for
Investors

THE WAY FORWARD

- 
- **Improve Investment Climate** such as by reducing macroeconomic uncertainties and volatilities and increasing trade openness

- 
- **Enhance intra-OIC FDI** such as through promotion and marketing of investment opportunities among OIC member countries

- 
- **Take actively part in international and regional initiatives** especially during the pandemic as preparation of the post-pandemic period (e.g. improving capacities on data and monitoring)



Thank you for your attention!

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