

1. Record Nr.	UNINA9910821544003321
Autore	Kathuria Sanjay
Titolo	Regional Investment Pioneers in South Asia : : The Payoff of Knowing Your Neighbors / / Sanjay Kathuria
Pubbl/distr/stampa	Washington, D.C. : , : The World Bank, , 2021
ISBN	1-4648-1535-6
Edizione	[1st ed.]
Descrizione fisica	1 online resource (258 pages)
Collana	South Asia Development Forum
Altri autori (Persone)	YatawaraRavindra A ZhuXiao'ou
Soggetti	Conglomerate Diapora Investment Exports FDI Firm Firm Dynamics Firm Entry Foreign Direct Investment Heterogeneity Investment Networks Productivity Regional Integration Value Chain
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Nota di contenuto	Front Cover -- Contents -- Acknowledgments -- About the Authors -- Abbreviations -- Overview -- Context and Motivation -- Investment Landscape: Low Levels of Inward FDI -- Investment Landscape: Low Levels of Outward FDI -- Investment Landscape: Lowest Intraregional Investment Share among Developing Economies -- Key Drivers of Outward Investment of South Asian Firms -- Key Constraint: Restrictiveness of South Asian Inward and Outward FDI Policy Arrangements -- Key Constraint: Low Knowledge Connectivity and

Bilateral Trust -- Regional Pioneers and the Determinants of Investment Entry: Which Firms Succeed and Which Firms Do Not? -- Policy and Operational Implications -- Concluding Remarks -- Notes -- Reference -- Key Messages -- Chapter 1 The State of Play in South Asia -- Introduction -- Factors Influencing Regional Dynamics -- Weak Track Record on Global Inward FDI -- Low Intraregional Investment -- A Spark of Optimism and an Opportunity to Scale Up? -- Relevance of the Report -- Plan of the Report -- Annex 1A: Underlying Profiles of South Asian Economies -- Annex 1B: The South Asian Trade Landscape: Foreshadowing the Trade-Investment Nexus -- Notes -- References -- Chapter 2 Cross-Border Engagement: An Integrated Analytical Framework -- Introduction -- Incorporating a Value Chain Approach -- Foreign Market Entry Decision -- Toward a Spectrum of Engagement Modes: Variation of Entry Costs across Modes -- Information, Networks, and Learning: Variation of Entry Costs across Firms -- Concluding Remarks -- Notes -- References -- Chapter 3 Spotlight on Outward Foreign Investment and Foreign Direct Investment Policies -- Introduction -- Outward FDI and Intraregional Investment: Evidence from CDIS and UNCTAD Data -- Policy Environment for Intraregional Investment -- Scope of and Strategies for OFDI: Evidence from Firm Surveys and Case Studies. Concluding Remarks -- Annex 3A: Investment Hubs: The India-Mauritius Connection and How Singapore Fits In -- Notes -- References -- Chapter 4 Knowledge Connectivity in South Asia and Its Impact on Outward Foreign Direct Investment -- Introduction -- Knowledge Connectivity, Networks, and Bilateral Trust in South Asia -- Key Results on Investor Decision-Making in South Asia -- Beyond Entry: Evolution of Investment Destinations -- Bridges of Knowledge: Key Channels of Awareness of Investment Opportunities -- Concluding Remarks -- Annex 4A: Information, Networks, and Learning -- Notes -- References -- Chapter 5 Policy and Operational Implications -- Introduction -- Information Frictions and Enhancing Knowledge Connectivity -- Physical and Digital Connectivity -- Regulatory and Promotion Policies for OFDI -- Implications for Inward FDI Policy and Promotion -- Emerging Business Practices and Policy Making -- Unilateral National Reforms Can Spur Regional Engagement -- Implications of the Pandemic for Policy Prioritization and Regional Engagement -- Concluding Remarks: Toward a More Engaged South Asia -- Annex 5A: Implications for Policy and Operations -- Notes -- References -- Appendix A Consolidated Direct Investment Survey Data Augmentation -- Appendix B Data Description and Empirical Results -- Glossary -- Boxes -- Box 2.1 Internationalization Strategy Options for Serving Consumer Markets at Home and Abroad -- Box 3.1 Defining Inward and Outward Foreign Direct Investment -- Box 3.2 Issues with Global Foreign Direct Investment Data -- Box 3.4 Timeline of India's Gradual Path to Liberalization of OFDI -- Box 3.5 Promotional Measures for Outward FDI in Selected Economies -- Box 3.6 Summary of Outward Foreign Direct Investment Benefits from a Value Chain Perspective -- Box 3.7 How OFDI Helped MAS Holdings (Sri Lanka) Upgrade along the Apparel Value Chain. Box 4.1 Estimated Equation for the Determinants of Outward Investment -- Figures -- Figure O.1 Low South Asian Intraregional Investment -- Figure O.2 Bilateral Knowledge Connectivity in South Asia, by Home Country -- Figure 1.1 IFDI Stock in Developing Economies from Regional versus Extraregional Source Economies, 2017 -- Figure 1.2 Intraregional Investment as a Share of IFDI from the World: Developing Economies versus All Economies, 2017 -- Figure 1.3 South Asian Intraregional Exports, 1990-2018 -- Figure 1.4 Bilateral

Knowledge Connectivity in South Asia, by Home Country of Investors -- Figure 1A.1 Geographic Profile of South Asia -- Figure 2.1 Multinational Location Options and Frictions -- Figure B2.1.1 Internationalization Options for Serving Consumer Markets at Home and Abroad -- Figure 2.2 Relationship of Productivity to Serving Foreign Markets by Exporting and Investing Abroad -- Figure 3.1 Developing Economy Share of World OFDI Flows and Stocks -- Figure 3.2 Outward FDI Stock from Developing Economies to the World, 2017 -- Regional versus Extraregional Destination Economies -- Figure 3.3 Intraregional Investment as a Share of Total OFDI, 2017 -- Regional Developing Economies and All Regional Economies -- Figure 3.4 Intraregional Outward Foreign Direct Investment into South Asia, 2012-17 -- Figure 3.5 Outward Foreign Direct Investment from South Asia, 2012-17 -- Figure 3.6 Global Trends in Inward FDI Policies, 2003-18 -- Figure 3.7 Share of Female Chief Executive Officers in South Asia -- Figure 3.8 Outward Investors from Various Sectors (Based on International Standard Industrial Classification of All Economic Activities) -- Figure 3.9 Motivations for Investing in South Asia and outside South Asia -- Figure 3.10 Detailed Motivations for Investing in South Asia. Figure B3.7.1 How OFDI Helped MAS Holdings Upgrade along the Apparel Smile Curve -- Figure 3.11 Distribution Investment Abroad -- Figure 3.12 Export Platform Investment -- Figure 3.13 Dynamic Story: From Distribution to Export Platform Investment -- Figure 3.14 Complex Investment with Horizontal, Vertical, and Export Platform Features -- Figure 3.15 Hybrid Horizontal Investment -- Figure 3.16 Horizontal Investment with a Twist -- Figure 3.17 Franchise Option -- Figure 3.18 Management Contracts and Investment in Hotels -- Figure 3A.1 Indirectly Routed Inflows from India's Top Foreign Direct Investment Sources -- Figure 4.1 Bilateral Knowledge Connectivity Scores, by Destination: Identification of Knowledge Surplus and Deficit Pairs -- Figure 4.2 Bilateral Network Connection Scores, by Destination -- Figure 4.3 Bilateral Trust Scores, by Destination -- Figure 4.4 The Knowledge-Trust Nexus: To Know Me Is to Trust Me? -- Figure 4.5 Networks Reduce the Fixed Entry Costs of Investing and Lead to More Investors with Greater Variability in Productivity -- Figure 4.6 Exporters Become Investors -- Figure 4.7 The Role of Conglomerates and Business Groups in South Asia -- Figure 4.8 Learning from Pioneers Induces Entry of Follower Firms by Reducing Follower Entry Costs -- Figure 4.9 Varying Reduction of Fixed Entry Costs of Investing Based on Level of Information Frictions -- Figure 4.10 Awareness of South Asian Investment Opportunities: Actual Investors -- Figure 4.11 Top Three Channels of Awareness of Investment Opportunities in South Asia and Outside South Asia, across Investors and Noninvestors -- Figure 4.12 Due Diligence Intermediaries, by Destination -- Figure 4A.1 Bilateral Knowledge Connectivity, Network Connectivity, and Trust: Raw Z-Scores. Figure 5.1 Trends in World Trade in Goods versus Intellectual Property Payments, Services Imports, and Foreign Direct Investment Flows, 1990-2017 -- Figure 5A.1 Market Opportunities Dominate the Type of Information Support Requested -- Figure 5A.2 Access to Finance Dominates OFDI Support Requests -- Figure A.1 CDIS Data Augmentation Doubles Data Availability and Increases Value by US\$3 Trillion -- Figure A.2 Top Destinations for Outward FDI Stock from Each South Asian Economy, 2017 -- Figure A.3 Ease of Investing across Borders: Developing Regions, 2010 (0-100, best) -- Figure A.4 Geography of India's North Eastern Region -- Figure B.1 Comparison of Firm Activities: Full Sample versus Investors -- Tables -- Table 1.1 Case Studies in South Asian Intraregional Investment -- Table 1.2

South Asian Intraregional Goods Exports and Imports, 2018 (US millions) -- Table 1A.1 Profile of South Asian Economies, 2019 -- Table 1B.1 Sector Shares of Exports to South Asia and the Rest of the World, 2015 -- Table 1B.2 South Asian Intraregional Trade Agreements -- Table 2.1 Serving Foreign Markets: Alternative Modes in Rising Order of Fixed Entry Costs (1 Low-9 High) -- Table 3.1 South Asian Intraregional Investment Stocks, by Country, 2017 -- Table 3.2 Laws and Institutions Related to Outward Direct Investment Policy in South Asia -- Table 3.3 Summary of OFDI Regulatory Policies in South Asia -- Table B3.5.1 OFDI Policy Measures in Selected Economies -- Table 3.4 Laws and Institutions Related to Inward Foreign Direct Investment -- Table 3.5 Special Economic Zones in South Asia and East Asia and Pacific, 2018 -- Table 3.6 South Asian Outward Investments, by Investment Type and Investor Origin -- Table 3.7 Destination of South Asian Outward Investments -- Table 3.8 Sector Origin Breakdown, by Investor and Noninvestor, and Destination Region. Table 4.1 Evolution of Investment Destinations: First Destination and Sequential Investing, by Investment Type.

Sommario/riassunto

Regional economic engagement within South Asia may gain increasing importance owing to several factors that are currently in play, including strategies to diversify global value chains and locate such value chains nearer home. These developments offer South Asia a chance to enhance its low levels of regional economic engagement and capitalize on significant unrealized development opportunities. This report shows that examining intraregional investment and knowledge connectivity enhances our understanding of the low levels of intraregional trade and limited regional value chains in South Asia. Creating a new and unique data set for South Asian investment, it provides a detailed and nuanced understanding of the drivers of outward investment, both regional and global, for South Asian firms. "Regional Investment Pioneers in South Asia" provides key considerations for policy makers in South Asia, which remain particularly relevant in the aftermath of the pandemic. First, it makes a case for regulatory relaxation of outward FDI regimes, based on new micro foundations, grounded in value chains. Second, it spells out details of smart inward FDI promotion techniques and investment facilitation. Third, it identifies distinct cross-border information-enhancing and network development activities. Fourth, it suggests that digital connectivity and continued interventions in reducing trade costs are warranted to increase investment as well as trade flows. There is particular scope to build on the digitalization initiatives in trade and investment facilitation taken during the pandemic. "Regional Investment Pioneers in South Asia" follows on, and is complementary to, the earlier World Bank report, "A Glass Half Full: the Promise of Regional Trade in South Asia."
