

Recent Progress in Measuring FDI in the Wake of Globalization

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Multinational Enterprises (MNEs) represent an important driving force behind globalization. Most of the cross border financial activities of multinationals are captured in Foreign Direct Investment (FDI) statistics. The paper we propose will take stock of the Coordinated Direct Investment Survey (CDIS) initiative.

The introduction of the paper will provide an overview of the importance of direct investment worldwide, both in magnitude and how it compares to other cross border investment, such as portfolio, banking and other investment.

Direct investment is generally considered to be more stable than other forms of cross-border investment. The next section will describe the logistics that led to as many as 130 countries indicating their intent to participate to the CDIS (e.g., conducted under the auspices of the IMF; Task Force involving agency partners, including the OECD, ECB, Eurostat, UNCTAD, and others; and outreach in economies to encourage participation). The next section will cover the tools provided to economies to conduct their surveys, the intent being to improve the overall quality of direct investment data worldwide (e.g., guide to CDIS and model questionnaires to ensure consistent definitions, and encourages best practices in collecting data on foreign direct investment positions. such as measuring cross border financial assets of fellow enterprises).

A last section will provide a report on the progress achieved and the next steps, such as publishing the results of the IMF website, so as to enhance the understandings of the extent of globalization through direct investment.