



**Remarks by Prime Minister Imran Khan
at the Global Leaders Investment Summit**
(Delivered by Minister of Industries Mr. Hammad Azhar)

World Investment Forum 2021
(19 October 2021)
“Investing in sustainable recovery”

**Excellencies
Ladies and Gentlemen,**

I commend UN Conference on Trade and Development (UNCTAD) for pioneering this important global forum.

Investment is obviously a key enable of economic growth and development, especially in developing countries.

FDI inflows are perhaps more necessary now than ever.

They have a critical role in global economic recovery from the devastating effects of COVID pandemic.

For developing countries like Pakistan, we often reflect on this puzzle- where on the one hand there is huge demand for infrastructure, energy and human development; yet there are significant constraints on the supply side.

We know there is annual four trillion dollars shortfall in meeting the Sustainable Development Goals (SDGs) across the world. There is abundance of international finance available, both from private and public sources that can be deployed.

We also know that international investments can fetch between 10-12 per cent rates of return. And the issue of impact (of investments) is a key consideration.

The challenge is how to bridge this gap between demand and supply on the one hand and to ensure good returns and create impact, on the other.

Let me make four points:

First is the issue of **de-risking**. Investors require legitimate guarantees to mitigate risks and secure reasonable returns. I propose deployment of public finance as a means to de-risk private investments. In doing so, we should prioritize investment flows to areas aligned with SDGs.

Working together, Multilateral Development Banks (World Bank, Asian Development Bank), Development Aid Agencies and Private Sector can play a major role to mitigate potential risks. Such a shift in approach can create huge impact in terms of human development, poverty alleviation, public health, education, jobs and livelihoods.

Second, the issue of **credit rating**. Currently, the global credit rating agencies have a short-term horizon of one year to determine sovereign ratings. This is too short a timeframe. It is a handicap for developing countries. This needs to change to a more long-term horizon to allow for a more reasonable sovereign rating mechanism.

Third, the issue of **dispute resolution**. There are over 20,000 international investment agreements, many of which have encountered disputes between investors and states.

I propose revisiting the present approach with a special focus on reforming the investor-state dispute resolution mechanism. I would also suggest placement of moratorium on claims that may arise due to the pandemic-induced investment disputes.

UNCTAD has done commendable work to reform International Investment Agreements including dispute resolution mechanism. Their proposals deserve serious consideration.

Four, the issue of **sustainable infrastructure**. Pakistan has proposed an integrated sustainable infrastructure facility under the UN umbrella.

The idea is for this facility to harmonize investment policies, provide assistance to developing countries for preparation of project and feasibility studies, and to access financing both from public and private sources.

The required 1.5 trillion dollars annual investment in sustainable infrastructure can and must be mobilized. I take this opportunity to reiterate the proposal on sustainable infrastructure facility.

Excellencies,

Of course, as recipients of investment flows, developing countries need to provide an enabling investment environment and a regulatory framework that is fair and balanced.

My Government has made progress on the investment front. Pakistan has been ranked among the top ten improvers in the World Bank's Doing Business Report 2020.

Pakistan is home to more than 1000 foreign companies.

In terms of alignment with SDGs, we have issued Green Bonds. We are exploring options to swap debt for environmental protection related projects.

We are setting up Special Economic Zones and Technology Parks.

I would like to invite global investors to avail a range of investment opportunities in infrastructure, energy, communications, technology and other areas.

Thank you.
