



## **Treasury's Open Investment Initiative**

### **President Bush reaffirmed the United States' longstanding commitment to open investment in his Statement on Open Economies on May 10, 2007:**

*“A free and open international investment regime is vital for a stable and growing economy, both here at home and throughout the world .... **The United States unequivocally supports international investment in this country and is equally committed to securing fair, equitable, and nondiscriminatory treatment for U.S. investors abroad.** Both inbound and outbound investment benefit our country by stimulating growth, creating jobs, enhancing productivity, and fostering competitiveness that allows our companies and their workers to prosper at home and in international markets .... I urge other nations to join us in supporting an open investment policy and protecting international investments.”*

**Treasury's Open Investment Initiative reinforces this national commitment, both internationally and domestically.** Components of the Initiative include (1) highlighting the benefits of international investment, (2) warning against the dangers to the U.S. and global economy posed by investment protectionism, and (3) explaining how our recent reforms to the Committee on Foreign Investment in the United States (CFIUS) reinforce our open investment policy. Internationally, we are engaging both bilaterally and multilaterally. Below, we highlight three of the principal areas in which Treasury's Open Investment Initiative is most engaged:

*Investment Dialogues:* At the Transatlantic Economic Council summit on May 13, 2008, the United States and European Union issued an unprecedented joint Open Investment Statement, which signaled the continued commitment of the world's two largest economies to promoting open investment policies. The statement was a product of the U.S.-EU Investment Dialogue. Through the Dialogue and two similar ongoing endeavors – the U.S.-China Investment Forum and the U.S.-Japan Investment Initiative – we are addressing practical investor concerns in both bilateral and global contexts.

*Investment Review Reforms:* Our CFIUS reforms over the last two years provide investors with greater clarity and predictability and strengthen Congressional and public confidence in CFIUS's ability to safeguard national security while continuing to welcome foreign investment. We are participating in the OECD Investment Committee's peer review process, emphasizing that CFIUS upholds the OECD's investment policy principles of non-discrimination, transparency, predictability, accountability, and proportionality. We are also sharing our experience and commitment with several countries that are implementing or reforming their investment review regimes, which should not be used to mask investment protectionism.

*Sovereign Wealth Funds:* Treasury recognized that the growth of SWFs raises legitimate issues concerning financial stability and investment policy. We called for and support multilateral efforts meant to address those issues in a way that maintains openness to SWF investment. A working group facilitated by the International Monetary Fund released voluntary best practices for SWFs, known as the “Santiago Principles,” on October 11, 2008. Complementary to the Santiago Principles are inward investment policy principles identified by the OECD, which reinforce the importance of countries' open investment commitments and are applicable to SWF investments. The OECD's report was endorsed by OECD ministers on June 5, 2008. On October 8, 2008, the OECD also endorsed an enhanced peer review mechanism, as described in the previous paragraph. The OECD will release a final report in early 2009 that will include best practices of countries that receive SWF investment.

*For additional information on CFIUS, please consult <http://www.treas.gov/offices/international-affairs/cfius/>.  
For information on “Invest in America”, please consult <http://www.trade.gov/investamerica/>.*

11/14/2008