

OECD FDI Regulatory Restrictiveness Index

■ Abstract

The FDI Regulatory Restrictiveness Index (FDI Index) measures statutory restrictions on foreign direct investment across 22 economic sectors. It gauges the restrictiveness of a country's FDI rules by looking at the four main types of restrictions on FDI: 1) Foreign equity limitations; 2) Discriminatory screening or approval mechanisms; 3) Restrictions on the employment of foreigners as key personnel and 4) Other operational restrictions, e.g. restrictions on branching and on capital repatriation or on land ownership by foreign-owned enterprises. Restrictions are evaluated on a 0 (open) to 1 (closed) scale. The overall restrictiveness index is the average of sectoral scores. The discriminatory nature of measures, i.e. when they apply to foreign investors only, is the central criterion for scoring a measure. State ownership and state monopolies, to the extent they are not discriminatory towards foreigners, are not scored. The FDI Index is not a full measure of a country's investment climate. A range of other factors come into play, including how FDI rules are implemented. Entry barriers can also arise for other reasons, including state ownership in key sectors. A country's ability to attract FDI will be affected by other factors such as the size of its market, the extent of its integration with neighbours and even geography among other. Nonetheless, FDI rules can be a critical determinant of a country's attractiveness to foreign investors.

○ [FDI Index webpage](#)

■ Source Periodicity

Yearly

■ Data source(s) used

For OECD and non-OECD countries adherents to the OECD Declaration on International Investment and Multinational Enterprises, the measures taken into account by the index are limited to statutory regulatory restrictions on FDI as reflected in countries' lists of exceptions to National Treatment and measures notified for transparency under OECD instruments without assessing their actual enforcement. For the non-OECD countries, information is collected through Investment Policy Reviews. Information is updated on a yearly basis following the OECD Freedom of Investment monitoring of investment measures.

■ Reference period

As of 31 December.