

# Investments

*Note:* The coding of this section draws on the coding developed by Leshner and Miroudot (2006) and Houde, Kolse-Patil, and Miroudot (2007). Moreover, the coding has been designed to be as similar as possible to the section on services, given how closely related investment and services are.

[**inv\_sect\_cov**] Does this agreement include an investment chapter?

- 
- 0 No mention
  - 1 Endeavors without specific scope
  - 2 Based on bilateral investment treaty
  - 3 Services only (included in service chapter)
  - 4 Beyond services (separate chapter)
- 

*Explanation:* An agreement is coded 1 if the aim of protecting investment is mentioned in the agreement's preamble; 2 if it relies on an existing BIT; 3 if only investment in the services sector is protected; 4 if investment protection goes beyond services. *Note (from Kotschwar, p. 12):* in GATS-type agreements, investment disciplines are contained in the services chapter as well as a limited investment chapter and interactions between these chapters are governed as stated in one of these chapters. In the NAFTA-type agreements, investment disciplines are contained in the investment chapter and there is limited interaction with the services chapter.

## Scope of Non-Discrimination Provisions

[**inv\_pre\_est\_oper**] Pre-establishment operation: 1 if yes, 0 otherwise

[**inv\_est\_oper**] Establishment operation (i.e. greenfield): 1 if yes, 0 otherwise

[**inv\_post\_est\_oper**] Post-establishment operation (i.e. free movement of capital and resale): 1 if yes, 0 otherwise

[**inv\_merger**] Acquisition (i.e. merger): 1 if yes, 0 otherwise

*Explanation:* An agreement is coded 1 if non-discriminatory provisions are granted to foreign investors in each phase of the investment procedure in a given country.

[**inv\_mfn**] Most Favored Nation (MFN): 1 if MFN is granted, 0 otherwise

[**inv\_nt**] National Treatment (NT): : 1 if NT is granted, 0 otherwise

[**inv\_stand\_treat**] Whether there are standards of treatment

- 
- 0 No treatment
  - 1 Minimum standard of treatment
  - 2 Treatment in case of strife
  - 3 Expropriation and compensation
- 

*Explanation:* An agreement is coded 0 if no standard of treatment is granted to investors; 1 if a minimum standard of treatment is granted. Note: in contrast to national treatment and most-favored nation treatment, which are contingent standards based on the treatment afforded to other groups of investors, the standard treatment is an absolute standard drawn from customary international law. Moreover, an agreement is code 2 and 3 if compensation is granted to investors respectively in case of strife and expropriation.

[**inv\_transf\_pay**] Transfers and Payments

---

0	Restrictions
1	No restrictions specifically mentioned

---

*Explanation:* An agreement is coded 1 if there are no restrictions on transfers or payments except to safeguard balance of payments.

### **Bibliography**

Houde, M. A., A Korse-Patil, and Sébastien Miroudot (2007). “The Interaction between Investment and Services Chapters in Selected Regional Trade Agreements.” OECD Trade Policy Working Papers, No. 55.

Leshner, Molly, and Sébastien Miroudot (2006). “Analysis of the Economic Impact of Investment Provisions in Regional Trade Agreements.” OECD Trade Policy Working Papers No. 36. <http://www.oecdilibrary.org>.