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Weak Private Investment Trends in EMDEs

What Can Governments Do About It?

NANCY LEE · SAMUEL MATTHEWS · JAMES REID

Abstract

This paper begins by looking at private investment and bank credit to the private sector as a share of GDP in EMDEs in this century. It finds worrisome levels and trends, especially compared to private investment ratios for economies that achieved sustained high growth in the last century. As exogenous shocks proliferate and growth slows, EMDEs need better evidence on structural policies that help boost private investment ratios. The World Bank's new B-Ready database scores governments' investment-related policies and services across nearly 1,200 indicators per economy (for an initial sample of 50 economies), organized into 10 topics and 3 pillars.

The paper tests the hypothesis that there are significant correlations between these scores and private investment outcomes. The B-Ready detail helps governments identify areas of strength and weakness. But governments need help in setting priorities across nearly 1,200 indicators. Setting priorities requires evidence not only about the scores themselves but also about which indicators are most correlated with actual private finance flows.

Taking due account of the limitations of analysis based on correlations, our findings suggest that, as a point of departure, governments would do well to pay attention to policies and systems that confer economy-wide benefits attractive to private finance providers. While there are differences between foreign investors, domestic investors, and bank lenders, the evidence points overall to the importance of trade openness; strong and efficient e-payment systems; better access to data for assessing creditworthiness; policies and systems for protecting competition; support for local innovation (including intellectual property protection for domestic innovators); opening up government procurement; and well-functioning dispute settlement mechanisms that don't require court litigation. The cost of making and receiving e-payments and trade openness stand out as significant factors for all three sources of finance.

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Introduction

Much has been written and lamented about collapsing aid flows, but in nearly all economies, other forms of investment play a much larger macroeconomic role. Certainly, it would be hard to find an example of an emerging market or developing economy (EMDE) that has achieved decades of sustained high growth without strong performance in attracting foreign and domestic private capital.

Especially when EMDEs face serious constraints on public funding from all sources—bilateral donors, multilateral funds and banks, and domestic fiscal resources they need to focus on private capital formation. Given that, the weak or declining trends that we observe in EMDE private investment flows critical for growth and job creation are worrisome. This is a good time to revisit the question of what the evidence tells us at the country level about the factors that convince local and foreign private investors and banks to risk their capital.

We set out here to take a look at two broad questions: (1) what are trends in EMDE private investment ratios (annual finance/GDP) across country income groups, regions, and different types of finance to the private sector?; and (2) can we see any relationship between outcomes for private investment and investment climate indicators at the country level?

Internal and external macroeconomic factors are of course critical drivers of investment environments. The global backdrop for EMDE private investment flows during this period showed large shifts that clearly had significant influence over investment outcomes: changes in global monetary policy, heightened trade tensions, supply chain realignments, and changes in investor risk appetite. Here, however, we look at factors shaped by domestic structural policies, which are often highlighted in investor surveys.[1] These include: regulatory policies, market institutions, government services, and government efficiency. We make use of the new World Bank B-Ready database (replacing the Doing Business data). It scores different aspects of investment environments based on experts' views and World Bank Enterprise surveys. (See below for a description of the database.)

Private investment trends in EMDEs

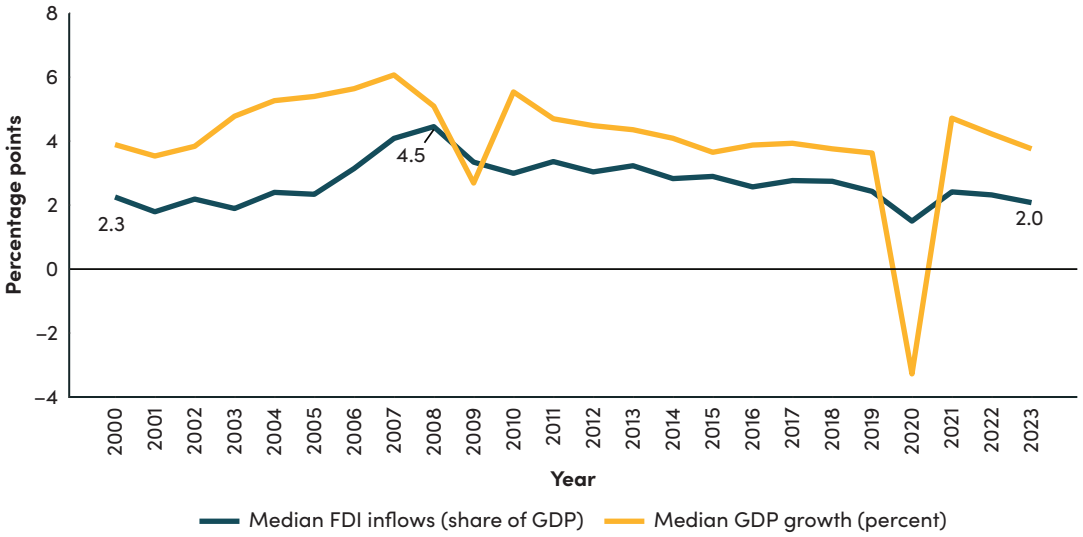
Foreign investment

Figure 1 shows a remarkable negative trend in the median ratio of net foreign direct investment (FDI) inflows to GDP in a sample of 132 EMDEs since the peak of 4.5 percent in 2008.[2] This trend persisted after growth recovered following the global financial crisis of 2008–2009. We see a brief tick upward after the pandemic-related drop in 2020, but a resumption of the downward trend after 2021.

1 For example, see Peterson and Toland (2025) and Teigland (2025).

2 Note that the World Bank reports data for China, Hong Kong SAR, and Macao SAR separately. For more on trends in FDI flows, see World Bank, 2025. This report highlights that investment growth has been negatively impacted by recessions, shocks, and instability in the later period.

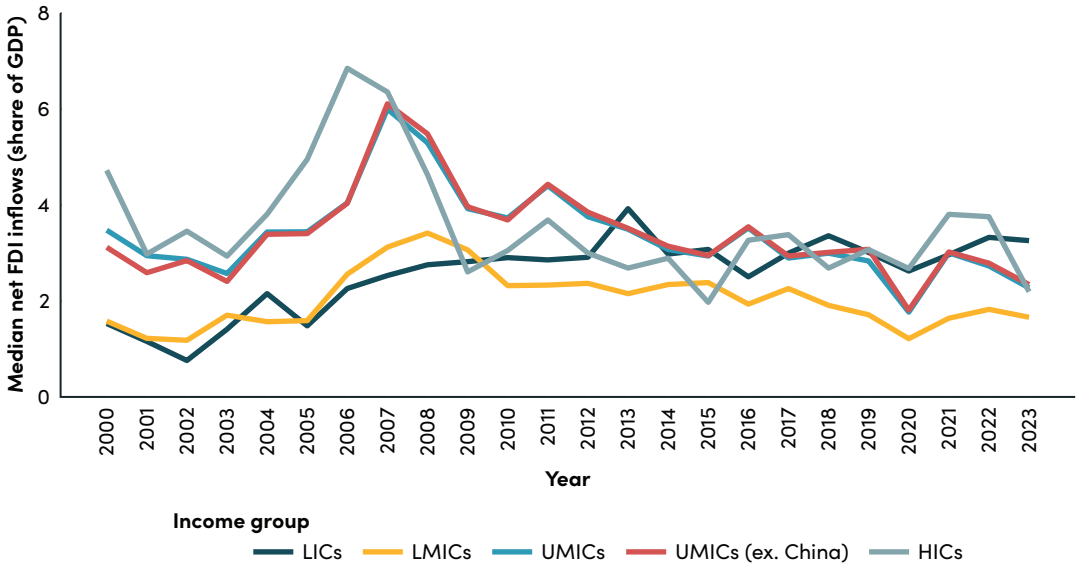
FIGURE 1. Net FDI inflows and GDP growth for EMDEs (2000–2023)



Source: World Bank, World Development Indicators.

One might assume that this trend is mostly driven by countries at the poorer end of the EMDE spectrum. Figure 2 suggests the opposite. The largest decline in the median ratio was for UMICs (from 6.0 to 1.2 percent), followed by LMICs (from 3.4 to 1.2 percent). The ratio for LICs shows a positive overall trend, with some variability, from 1.5 in 2005 to 3.3 percent in 2023. LICs in fact had the highest ratio in 2023.

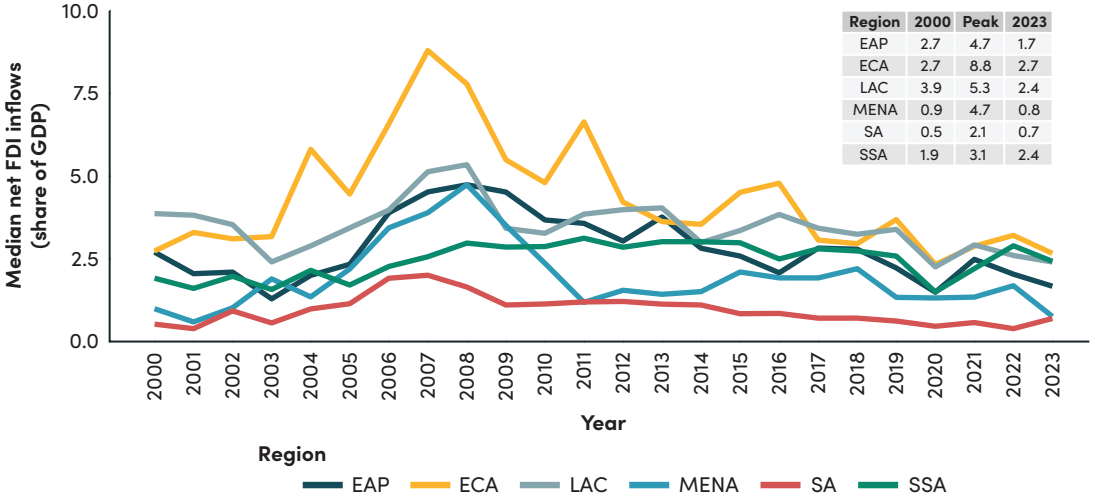
FIGURE 2. Net FDI inflows for EMDEs by income group (2000–2023)



Source: World Bank, World Development Indicators.

Data show considerable variation by region, but a general pattern is declining ratios after peaks just before the global financial crisis (Figure 3).

FIGURE 3. Net FDI inflows for EMDEs by region (2000–2023)



Region	2000	Peak	2023
EAP	2.7	4.7	1.7
ECA	2.7	8.8	2.7
LAC	3.9	5.3	2.4
MENA	0.9	4.7	0.8
SA	0.5	2.1	0.7
SSA	1.9	3.1	2.4

Note: The regional country groups are defined by the World Bank.
Source: World Bank, World Development Indicators.

Domestic investment

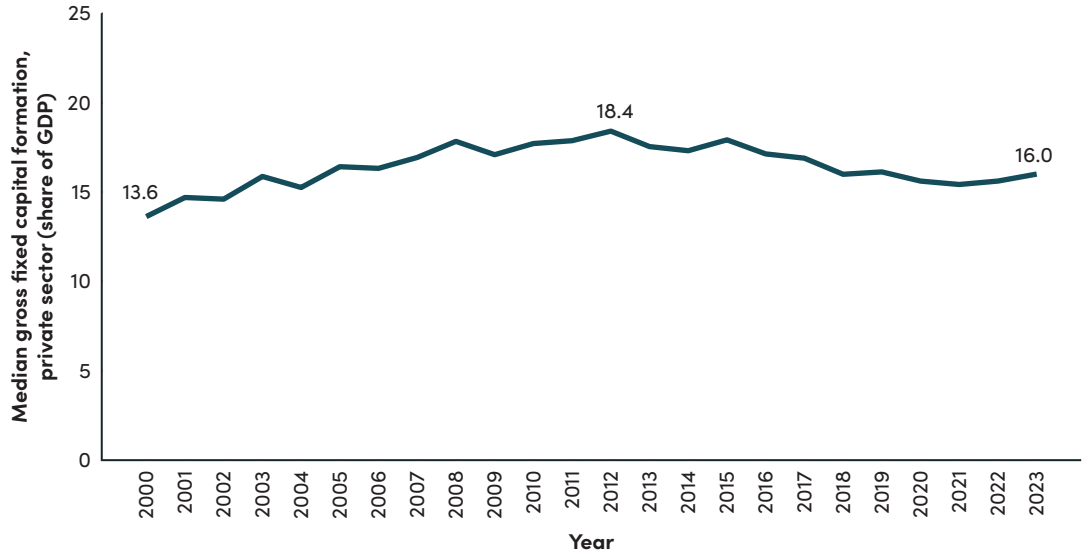
Private domestic investment represents a much larger share of EMDE economies than FDI. Trends in private investment, including the ratio of private investment to GDP, are critical drivers of growth, as well as being themselves influenced by growth.[3]

EMDEs started this century with a ratio of median gross fixed capital formation by the private sector of less than 15 percent, well below the ratios found in Hong Kong, Singapore, and South Korea in the previous century.[4]

Few doubt the need to boost capital formation and investment ratios to raise growth rates. But Figure 4 shows that, overall for EMDEs, limited progress has been achieved.[5] The median EMDE ratio ticked up until 2012 but then began slipping well before the pandemic. The ratio in 2023 at 16.0 percent is just 2.4 percentage points above its level in 2000.

3 Ahamed, 2021; Jollaes, 2024; Reinhart, 2025; Turan, 2021.
4 Private investment as a share of GDP for these three countries over 1980–2000 averaged 26 percent according to the World Bank's World Development Indicators.
5 Gross fixed capital formation by the private sector measures additions (net of sales) to the stock of domestic fixed capital assets owned by private entities. Assets are measured in gross terms, not accounting for depreciation.

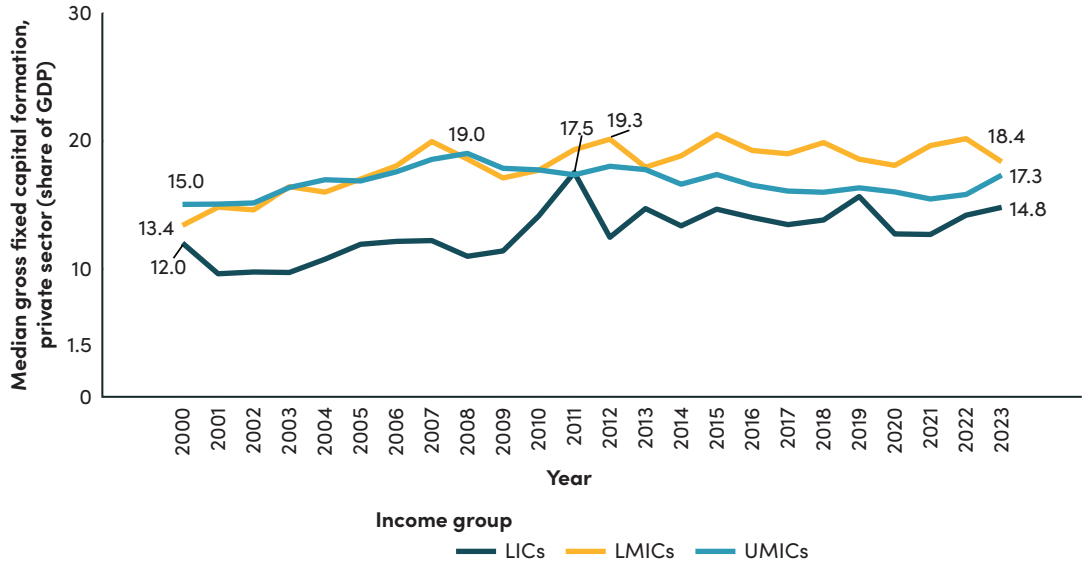
FIGURE 4. Private gross fixed capital formation for EMDEs (2000–2023)



Source: World Bank, World Development Indicators.

Disaggregating by country income group shows relative ratios at the beginning of the century that many would expect. UMIC ratios were highest, followed by LMICs and then LICs (Figure 5). The UMIC ratio fell, however, after 2008. LMIC ratios delivered the greatest progress over the whole period, rising 5 percentage points, while the LIC ratio rose from 12.0 percent in 2000 to 14.8 percent in 2023.

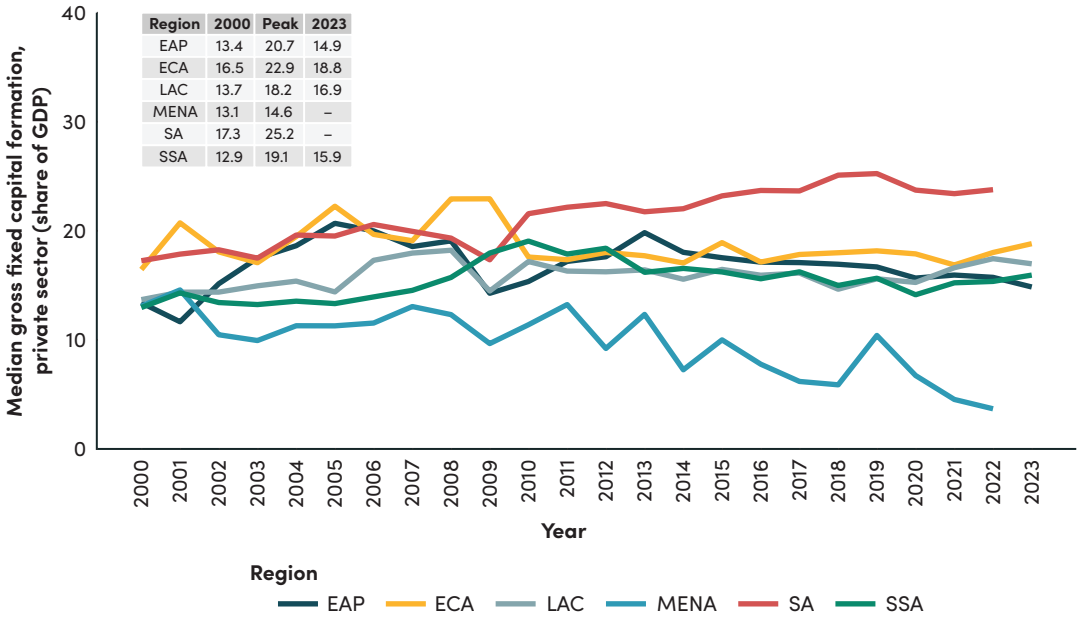
FIGURE 5. Private gross fixed capital formation for EMDEs by income group (2000–2023)



Source: World Bank, World Development Indicators.

The picture for private domestic investment ratios by region does not reveal a strong and sustained upward trend for any region (Figure 6).

FIGURE 6. Private gross fixed capital formation for EMDEs by region (2000–2023)



Note: The regional country groups are defined by the World Bank. The missing values for MENA and SA for 2023 are due to a large number of missing observations.

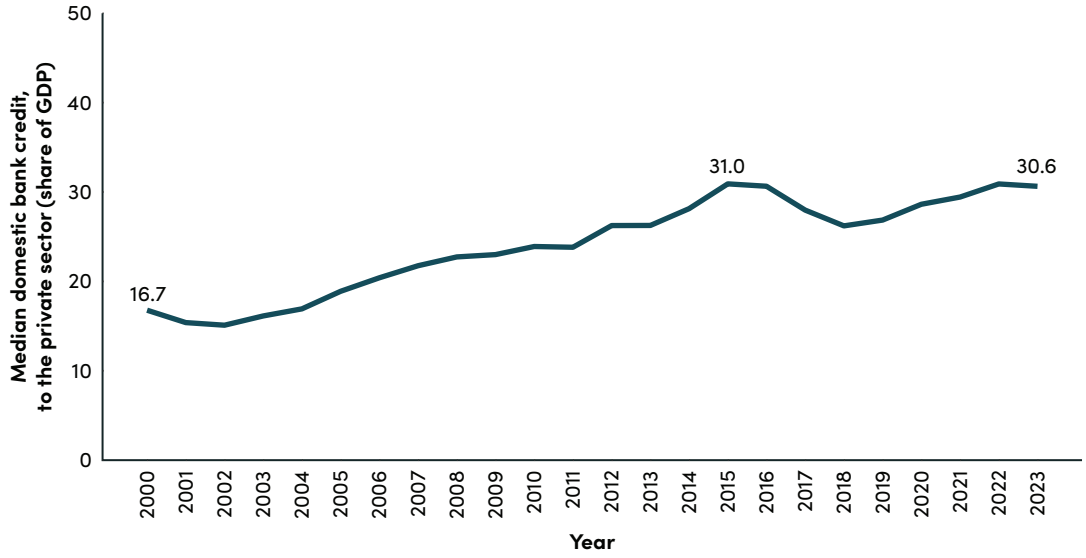
Source: World Bank, World Development Indicators.

Domestic bank credit to the private sector

As a key source of domestic finance for private investment, we examined domestic credit to the private sector from banks, which dominate capital markets in EMDEs. Banking sector development is critical for expanding firms' access to finance for working capital and investment in plant and equipment. But it is important to note that bank credit also goes to individuals for consumption and other purposes, so these flows are not directly comparable to purely investment flows.

Figure 7 shows a clear upward trend in the median ratio of bank credit to the private sector over most of the period (including during the pandemic). The ratio rose from 16.8 percent in 2000 to 30.6 percent in 2023.

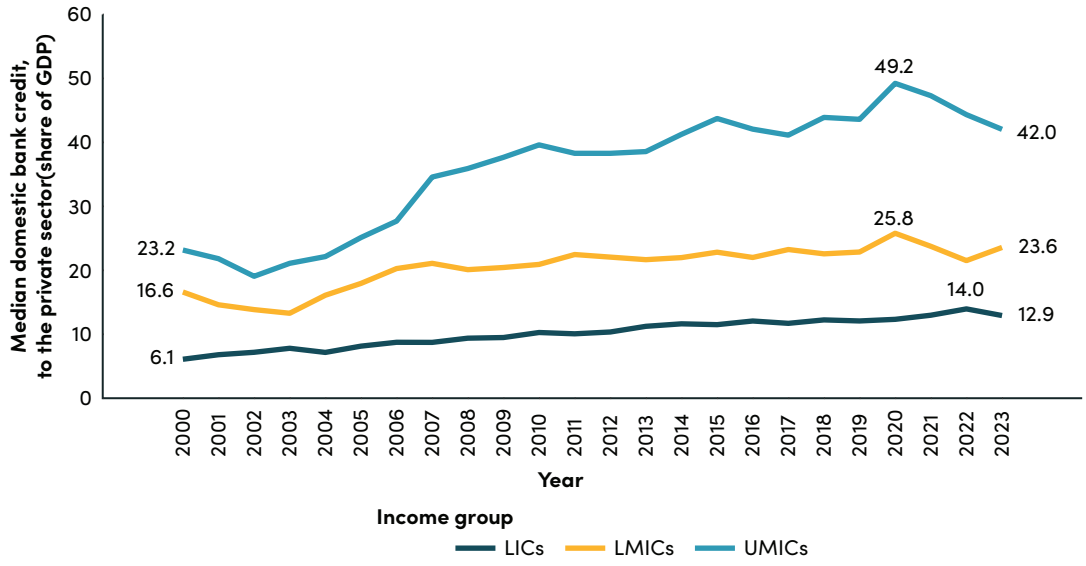
FIGURE 7. Domestic bank credit to the private sector for EMDEs (2000–2023)



Source: World Bank, World Development Indicators.

But in this case, that positive trend is dominated by UMICs (Figure 8). The ratios for LMICs and LICs have increased but remain a third or half of the UMIC ratio.

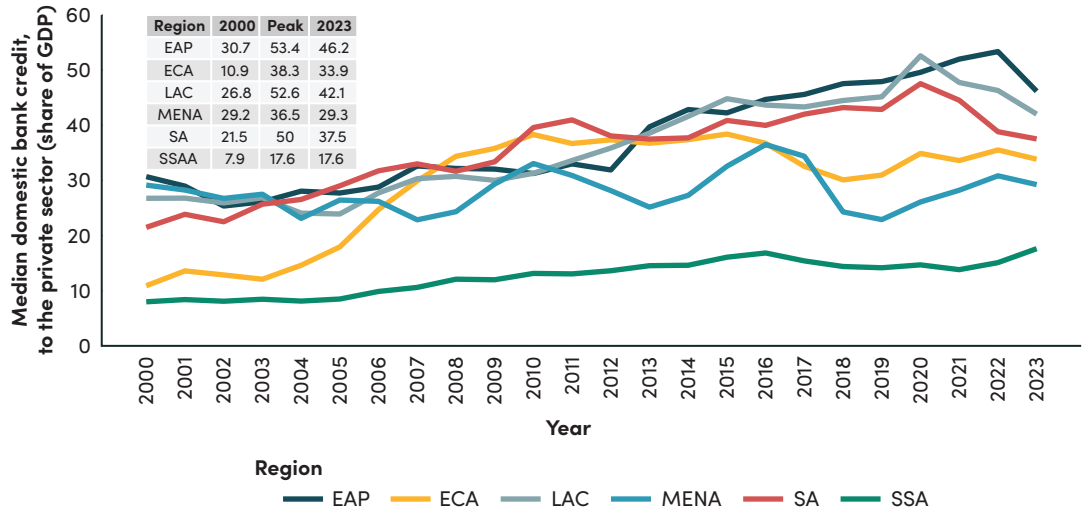
FIGURE 8. Domestic bank credit to the private sector for EMDEs by income group (2000–2023)



Source: World Bank, World Development Indicators.

The regional comparison shows rising ratios for all regions except MENA (Figure 9).

FIGURE 9. Domestic bank credit to the private sector for EMDEs by region (2000–2023)



Note: The regional country groups are defined by the World Bank.
Source: World Bank, World Development Indicators.

These findings—falling or weakly rising foreign and domestic private investment ratios—raise serious alarm bells as fundamental constraints on long-term growth. They present a clear policy challenge: how can macroeconomic and structural policies change these trends.

A recent report by the World Bank finds that both private and public investment growth has slowed sharply in EMDEs since the global financial crisis.[6] In addition to slowing economic growth and adverse commodity price shocks, rising investor uncertainty, high levels of government debt, and declining trade openness contributed to declining investment growth in EMDEs since the 2000s. Regression analysis is used to identify the most important drivers of domestic investment for 86 EMDEs from 1972 to 2019. GDP growth and FDI inflows both have large effects, but the authors also find that financial development and the quality of a country's institutions are significant drivers.

In what follows, we take a more granular look at the role of structural policies: can government regulation, service delivery and operational efficiency affect private investment ratios at the country level?

6 Adarov, 2025.

Scoring the investment environment

The B-Ready database

Business Ready (B-Ready) is the World Bank's latest effort to measure business environments across economies. The first report was published in 2024 and scored 50 economies. The program aims to cover 180 economies by 2026.[7]

This is not the first time the Bank has tried to systematically assess business conditions. In 2002, it launched the Doing Business program. Doing Business used questionnaires and case studies to collect data about twelve areas of business regulation, with a focus on the regulatory burden faced by firms.[8] But Doing Business was discontinued in 2020, with the Bank citing data irregularities.[9]

B-Ready expands on its predecessor in several areas. It covers entire economies, not just the largest business city. B-Ready relies on more questionnaires and uses firm-level surveys instead of case studies. All the raw data are made publicly available.

An economy's B-Ready scores are organized according to three pillars and ten topics. Each topic can be broken down first by the three pillars and then by more granular categories, subcategories, and indicators. The three pillars are Regulatory Framework, Public Services, and Operational Efficiency.

Regulatory Framework covers the rules and regulations faced by businesses in the economy. Higher scores are given for de jure structures that better enable effective and sustainable business environments. **Public Services** describes the quality of the public institutions and infrastructure that enable and enforce these regulatory frameworks. This pillar has a particular emphasis on the digitalization of public services to make them more easily accessible. **Operational Efficiency** looks at the burden for firms of business regulations and the ease of interacting with the relevant public institutions.

These pillars are applied across ten topics covering the most important aspects of private sector development:

- **Business Entry** is the ease with which new businesses can be incorporated.
- **Business Location** covers building permits, environmental permits, and land administration associated with obtaining a location for a new business.
- **Utility Services** is divided into three utilities: electricity, internet, and water. Higher scores here indicate that businesses can more easily, reliably, and sustainably access these key inputs.

7 World Bank, 2024a.
8 World Bank, 2020.
9 World Bank, 2021.

- **Labor** considers factors affecting both workers and businesses. Here, the Bank strikes a balance between safeguards for workers and labor market efficiency. Low scores might mean that labor protections are either too few or too burdensome.
- **Financial Services** measures the quality of an economy's credit, transaction, and e-payment infrastructure.
- **International Trade** covers the regulations, institutions, and infrastructure that firms interact with when importing and exporting goods and services.
- **Taxation** (administration and transparency) gives higher scores for clear and transparent taxation systems and considers the administrative and financial burdens businesses experience when paying taxes.
- **Dispute Resolution** measures the efficiency and quality of court litigation and alternative dispute resolution mechanisms for commercial cases.
- **Market Competition** looks at how an economy incentivizes efficient markets through competition, innovation, and public procurement.
- **Business Insolvency** looks at what happens when firms are no longer viable. It covers how easily businesses can be liquidated or reorganized.

Each topic and pillar is assigned a score between 0 and 100. These scores are based on expert consultations and firm-level data. The Bank developed questionnaires covering the Regulatory Framework and Public Services pillars for the ten topics. For example, the Business Entry survey asks whether there is an electronic payment option for business registry fees. This is one of the indicators used to calculate that topic's Public Services score. Several experts from each economy are selected to answer each questionnaire. Nearly 2,500 survey responses were collected for the 2024 B-Ready report.

To measure the de facto conditions experienced by firms, the Bank turned to its longstanding Enterprise Surveys. Since 2006, the program has interviewed thousands of managers from randomly selected private firms about the day-to-day conditions they experience. Data from the most recent Enterprise Surveys were used as indicators for Operational Efficiency scores.[10] This included questions like the amount of time required to obtain a construction-related permit. Where firm-level responses are quantitative indicators, they are aggregated at the economy level by taking means or medians, depending on the measure.[11]

Both the expert consultations and firm-level survey data will be updated in regular intervals to show how business conditions in a given economy are changing over time. The B-Ready dataset is an invaluable source of information about the investment environments of EMDEs because of its scale and granularity. Nearly 1,200 investment climate indicators are scored for each of the initial sample of 50 economies.

10 Of the fifty countries in the sample, 45 used surveys from 2023, four used surveys from 2022, and one used surveys from 2021.

11 World Bank, 2024b.

That detail is useful to help governments identify areas of strength and weakness. But all governments have to set priorities. Having B-Ready scores for nearly 1,200 indicators gives governments a comprehensive picture, but it's less helpful in guiding their decisions on where to focus their efforts. Setting priorities requires evidence not only from the scores themselves but also about which indicators are most correlated with actual private investment flows. The next section explores that question.

The relationship between investment flows and B-Ready scores

Table 1 below shows correlation coefficients between country-level EMDE investment/credit flows (three-year averages for ratios for 2021–2023) and country B-Ready scores for each of the 10 topic areas, broken down by pillar. Given the relatively small country sample size, only coefficients significant at the 99 and 95 percent confidence levels are highlighted in teal and yellow.[12]

TABLE 1. Correlations with B-Ready topic-pillar combinations

	Net FDI Inflows (% of GDP)			Gross Fixed Capital Formation, Private Sector (% of GDP)			Domestic Bank Credit to the Private Sector (% of GDP)		
Topic	P1	P2	P3	P1	P2	P3	P1	P2	P3
Business Entry	0.14	0.02	−0.01	0.06	0.35	−0.01	−0.06	0.21	−0.04
Business Location	0.20	0.14	−0.09	0.22	0.32	0.10	0.19	0.30	0.31
Utility Services	0.09	0.07	−0.09	0.12	0.21	0.33	0.10	0.26	0.27
Labor	0.20	0.22	−0.04	0.28	0.21	−0.02	0.33	**0.45*** **	0.03
Financial Services	0.25	0.21	**0.38** **	0.04	**0.40** **	**0.40** **	0.04	**0.41** **	**0.47*** **
International Trade	**0.42*** **	−0.15	0.17	0.27	0.16	0.35	0.22	0.25	**0.43** **
Taxation	0.24	−0.05	−0.14	**0.41** **	0.20	0.11	0.17	0.11	0.30
Dispute Resolution	**0.32** **	0.30	0.29	0.08	0.30	0.32	0.09	0.25	0.27
Market Competition	0.31	0.28	0.25	**0.38** **	**0.51*** **	0.14	0.18	0.26	0.31
Business Insolvency	**0.46*** **	0.21	**0.32** **	−0.02	0.08	0.34	0.12	0.09	−0.05

Note: ■ ***p < 0.01, ■ **p < 0.05.

12 The 2024 B-Ready data include 50 countries: 38 EMDEs and 12 high-income countries. Our correlation analysis only includes the 38 EMDEs. Sample sizes for the correlation analysis vary based on the availability of data at the country level for investment and credit flows. The country sample size was 38 for FDI flows, 31 for gross fixed capital formation by the private sector, and 38 for domestic bank credit to the private sector.

Seven out of ten topics show significant correlations with investment flows, but the significant topics differ across the three flows.

For FDI, correlation coefficients for financial services (pillar 3), trade (pillar 1), dispute resolution (pillar 1), and business insolvency (pillars 1 and 3) are significant.

For domestic capital formation, financial services (pillars 2 and 3), taxation (pillar 1), and market competition (pillars 1 and 2) show significant correlations.

And for domestic bank credit to the private sector, labor (pillar 2), financial services (pillars 2 and 3), and trade (pillar 3) show significant correlations.

Financial services is the one topic which is significantly correlated with all three flows. Efficiency of access to financial services (pillar 3) appears to be important to foreign investors, domestic investors, and domestic banks. The more detailed analysis below suggests that digital payments are the key here.

But some topics that are frequently cited as important to investors do not appear at all among those with significant correlation coefficients: e.g., ease of business entry, business permitting, and utility services (power, internet, and water).

While foreign investors focus on dispute resolution and business insolvency regimes, domestic investors appear to care more about market competition and taxation, and banks look to government services related to labor. Different aspects of trade regimes are of interest to foreign investors (trade regulations) and banks (government efficiency).

A deeper dive

But evidence at the highly aggregated topic level does not tell us enough about what specific aspects of the investment climate are correlated with finance flows from different sources. To better understand the relationships between these flows and B-Ready scores, we took the analysis to the next level of detail—subcategory indicators for each of the topics.

The matrix in Table 2 includes B-Ready subcategories that meet two conditions: both the subcategory and its overarching topic-pillar are significantly correlated (p-values less than 0.05) with at least one of the investment flows. The shaded boxes represent all significant correlations.[13] Note that we adjusted some of the language of the B-Ready subcategories in the matrix to clarify what was being measured, taking account of the underlying variables (the next level of detail) that have significant correlations.

13 This includes a few cases where an investment flow is only significantly correlated with the subcategory, not the topic-pillar—as long as at least one of the other investment flows has a significant relationship with the topic pillar.

TABLE 2. Correlations with B-Ready subcategories

Topic	Pillar	B-Ready Subcategories	FDI (% of GDP)	Domestic Investment (% of GDP)	Bank Credit (% of GDP)
Labor	Government support	Unemployment insurance			0.33**
		Retirement pensions			0.40**
		Labor inspection data reported			0.39**
Financial services	Government support	Credit bureaus and registries		0.52***	0.37**
	Operational efficiency	Time and obstacles associated with obtaining a loan			0.41**
		Cost of making and receiving e-payments	0.48***	0.42**	0.41**
International trade	Regulatory framework	Participation in international trade agreements	0.51***	0.54***	0.40**
		Restrictions on international trade in goods (absence of price floors and guidelines for freight transport and logistics; equipment safety regulations for logistics)	0.35**		
	Operational efficiency	Cost of complying with import and export regulations			0.44**
Taxation	Regulatory framework	Tax record keeping and accessing VAT refunds		0.40**	
Competition	Regulatory framework	Coverage and quality of antitrust/ competition regulations		0.44**	0.40**
		Enforcement powers of antitrust/ competition agencies	0.34**	0.57***	
		Licensing and technology transfer regulations (royalties and patents)		0.43**	
	Government support	Institutional framework for the competition authority (operational independence; anti-corruption protections; cooperation with foreign counterparts)	0.39**	0.60***	
		Public infrastructure to support innovation (legal assistance for IPOs and digitalization of intellectual property services)		0.42**	
		Digitalization and transparency of e-procurement procedures for government contracts		0.48**	
Dispute resolution	Regulatory framework	Legal safeguards for alternative dispute resolution (arbitration and mediation)	0.46***		
Business insolvency	Regulatory framework	Protections for debtor's assets and rights for creditors in insolvency proceedings	0.51***		

Note: ■***p < 0.01, ■**p < 0.05.

Policy findings

The detail helps tease out specific policies and capacities that are positively and significantly correlated with investment flows, recognizing the "third-variable challenge" i.e., both the scores and investment flows may be influenced by a third variable like country income levels.

Labor. Somewhat surprisingly, bank credit/GDP is correlated with government support for unemployment insurance, retirement pensions, and transparent labor inspections. This could partly be related to consumer credit: repayment capacity would be supported by unemployment insurance and pensions. But these three indicators may also serve as a proxy for the size of the formal labor market and the formal sector. Banks have a well-established preference for lending to formal businesses and workers in the formal sector.

Financial services. Both domestic investors and banks appear to value credit bureaus and registries as an information source for assessing creditworthiness. We do not, however, find a significant correlation with collateral enforcement regimes. Unsurprisingly bank credit is positively correlated with efficient government administration of regulations that affect the time and obstacles associated with obtaining a loan. *Most notably, all three sources of finance are significantly associated with the cost of making and receiving e-payments*.

International trade. While foreign investors are focused on trade rules and restrictions themselves, banks focus on the cost of complying with import and export regulations. We can see a rationale for this finding. Foreign investors likely require a trade regime which assures their freedom to import and export as an integral part of their business. But they have more resources to devote to complying with the rules. Bank clients, on the other hand, may find the cost of compliance too high if government administration of trade regulations is inefficient or subject to corruption. *But all three sources of finance are significantly correlated with the extent of a country's participation in trade agreements*. So, it appears that overall trade openness matters.[14]

Taxation. Recall that what is being measured is not tax rates, tax types, and coverage of taxation, but rather how transparent the tax system is and the administrative and financial burdens businesses experience when paying taxes. With this focus, only one aspect of tax administration is found to have a significant correlation and only for domestic investors: the burden of tax record keeping and accessing VAT refunds. Here again, foreign investors likely have more resources to comply with tax administration. They may or may not be more focused on tax policy and rates; this evidence does not address that question.

14 Trade agreements here include preferential trade agreements and trade agreements with provisions on duty free trade, digital trade, investment and movement of capital, trade in services, harmonization of regulation on non-tariff measures, freight transport services sector, and logistics services sector.

Competition. Competition and antitrust regimes are relevant across all three sources of finance. For all three, finance is significantly correlated with one or more aspects of these regimes—the policies themselves, the quality of the institutions that implement them, or their enforcement powers. Government support for innovation is also important for domestic investors. While intellectual property rights (IPR) are usually thought to be foreign investor concerns, this analysis finds that domestic investment is positively correlated with the quality of licensing and technology transfer regulations (royalties and patents) and government support for IPOs and intellectual property. In addition, domestic investment is correlated with e-procurement for government contracts, which likely opens up contract opportunities that might otherwise be locked in crony relationships and corruption.

Dispute settlement and business insolvency. These are important considerations for foreign investors, but not for domestic investors or lenders. The correlations suggest foreign investors are focused on access to mediation and arbitration and on protections for debtor assets and creditor rights in insolvency proceedings, but not on court litigation.

Policy implications

Caution is important in drawing policy conclusions from these results. First, correlation coefficients, even when statistically significant, show associations between variables, not causation or the direction of causation. A positive correlation between certain policies attractive to foreign investors and FDI ratios, for example, could indicate that the increased presence of foreign investors has spurred better policy or it could mean that the better policies attracted more foreign investment or both. Second, as the B-Ready database is new, these findings are based on a small sample size. Third we do not yet have a time series so cannot construct panel data. Fourth, it is important to note that, given the number of correlations estimated, these findings are subject to bias from multiple hypothesis testing. As the number of hypotheses tested increases, the probability of false positive correlations increases.[15]

Future work as the database grows will allow more robust estimates. And larger samples will enable us to disaggregate the analysis by country income level to explore whether there are differences in these relationships for countries at different levels of development.

With these important caveats, this analysis is intended to help governments that want to boost private investment ratios grapple with the challenge of deciding where to focus policy and administrative reforms when confronted with nearly 1,200 B-Ready scores. They could, of course, concentrate on their lowest scores. But those may not be the factors most associated with investment outcomes.

15 For further explanation, see Ranganathan et al., 2016.

First, we do find significant correlations between investment ratios and some of the B-Ready topic/pillar combinations, demonstrating that the B-Ready system is likely measuring aspects of the investment climate that are relevant to country-level outcomes for foreign and domestic investment and bank lending.

Second, while there is some consistency between our findings and those from investor surveys (e.g., the importance of access to finance), we do not find significant correlations for some of the topics often cited in investor surveys—ease of business entry, business permitting (location) and access to utilities. Our evidence, however, relies on ex-post data for actual investment flows, while surveys ask investors what factors are most important in their ex-ante assessments of country investment environments. Subject to the caveats noted, the ex-post data may tell us more about what are make or break factors in investor/creditor decisions at the country level. In addition, these country-level correlations do not capture sector-specific ways that location affects investment decisions.

Third, we find differences in correlations between foreign investors, domestic investors, and banks that are consistent with reasonable explanations of which factors would likely be more important to each of the three.

Finally, our findings suggest that governments would do well to pay attention to policies and systems that confer economy-wide benefits attractive to a wide array of finance providers, including:

- trade openness: participation in international trade agreements and efficient trade administration;
- strong and efficient e-payment systems;
- better access to data for assessing creditworthiness;
- policies and systems for protecting competition;
- support for local innovation;
- opening up government procurement; and
- well-functioning dispute settlement mechanisms that don't require court litigation.

This is an ambitious, but not unrealistically long, list. As more data become available, it should be possible to refine and strengthen the cross-country evidence base for investment policies most relevant for better private investment outcomes. In the meantime, these cross-country results suggest a point of departure for countries that can help them build structural policy strategies aimed at achieving private investment ratios large enough to underpin sustained robust growth.

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