

2-16-1989

# On Investment Climate Deterioration: U.S. Agency For International Development

John Neagle

Follow this and additional works at: <https://digitalrepository.unm.edu/notisur>

---

## Recommended Citation

Neagle, John. "On Investment Climate Deterioration: U.S. Agency For International Development." (1989).  
<https://digitalrepository.unm.edu/notisur/2733>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiSur by an authorized administrator of UNM Digital Repository. For more information, please contact [amywinter@unm.edu](mailto:amywinter@unm.edu).

## **On Investment Climate Deterioration: U.S. Agency For International Development**

*by John Neagle*

*Category/Department: General*

*Published: Thursday, February 16, 1989*

According to a report by the US Agency for International Development, to be released next week, Peru, Liberia, Honduras, Egypt, Cameroon and Botswana have experienced the greatest deterioration in their "investment climates" among 42 Third World nations in the 1980s. Investment climate improvements were most notable in the 1979-1987 period in Bolivia, Guinea, Ghana, Costa Rica and Zaire. Agency director Alan Woods defined the changes in investment climates as how much a country adopted or abandoned "pro-growth" policies promoting competition, private ownership and individual opportunity." At a Feb. 15 meeting sponsored by the US Chamber of Commerce, Woods said that in countries with the best investment climates, growth averaged almost 6% percent in 1987, compared to a negative 1% growth rate in countries with the worst investment climate. Discussing the report, Woods said Singapore, Hong Kong, Taiwan and Spain had the best investment climates of 95 Third World countries, according to a survey that AID commissioned from Frost and Sullivan Inc., a consultant that specializes in assessing political risks for businesses. Woods did not name the countries with negative growth rates. The study, titled "Development and the National Interest: US Economic Assistance into the 21st Century," is aimed at showing Third World countries the advantages of welcoming foreign investment, Woods said. Among the indicators of a country's investment climate, he said, are the extent of bureaucratic controls, corruption, political stability, exchange controls, taxation and the ability of foreign investors to take their earnings home." In much of Latin America bankrupt governments and stagnant official economies exist side by side with vibrant informal economies," he said. (Basic data from AP, 02/15/89)

-- End --