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THE EFFECT OF TREATIES ON FOREIGN DIRECT INVESTMENT

Bilateral Investment Treaties, Double Taxation Treaties and Investment Flows

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In recent years, the treaties and strategies promoting foreign direct investment (FDI) have changed dramatically. In particular, countries have liberalized their FDI laws and have entered into bilateral investment treaties (BITs) and double taxation treaties (DTTs) to attract such investment. The basic purpose of these treaties is to signal to investors that investments will be legally protected under international law in case of political turmoil and to mitigate the possibility of double taxation of foreign entities. But the actual effect of BITs and DTTs on the flows of foreign direct investment has been debated. *The Effect of Treaties on Foreign Direct Investment* is a comprehensive assessment of the performance of these treaties in this respect, and presents the most recent literature on BITs and DTTs and their impact on foreign investment flows.

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- BRINGS together all major studies analyzing the effect of BITs and DTTs on FDI flows in the past decade
- PLACES these studies in the context of the major FDI determinants
- TRACES the development of these treaties and looks at their salient features

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