



FCS/84/232

SECRETARY OF STATE FOR TRADE AND INDUSTRY

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Direct Private Investment Overseas

1. I was glad to have your letter of 10 August and the report by the interdepartmental group of officials which has examined out policy towards British private direct investment overseas.
2. Like you, I believe there is a useful role for Government to play, by a more coherent and positive approach, in encouraging the flow of overseas investment. And this is in line with the London Economic Summit Declaration. While the benefits to the UK might be more difficult to quantify than they are for the developing countries they do, nevertheless, exist. As you rightly point out, we need to bear in mind, in this context, the obvious attractions of investment flowing into the UK.
3. You expressed doubts about two of the report's recommendations: an aid-financed scheme and a BOTB leaflet. On the first, Tim Raison will be meeting with ODA officials on 11 September to discuss the scheme put to the working group by them. I shall therefore let you have my views on this a little later.
4. On the second, while I appreciate your reluctance to launch a BOTB leaflet on the subject, I hope that any lack of central focus for advice available to investors will not place additional burdens on the Commercial Sections of Overseas Posts. It would seem better for enquiries to be directed to specific desks in London. We shall, of course, aim to draw up revised instructions for overseas Posts, in line with paragraph 20 iv(a) of the report, once a concerted view on the report as a whole has been achieved.
5. Subject to these comments, I am content with the approach set out in your letter and, at this stage, see no need for a meeting.



6. I am copying this minute to the Prime Minister, the Lord President, the Chancellor of the Exchequer, the Secretary of State for Employment and Sir Robert Armstrong.

A handwritten signature in dark ink, consisting of a stylized 'G' followed by a series of loops and a final flourish.

GEOFFREY HOWE

Foreign and Commonwealth Office  
31 August, 1984

Econ Pol. Jan 84

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