

**WAIPA Ninth Annual Conference  
Sao Paulo, Brazil, 15-16 June 2004**

The ninth Annual Conference of WAIPA was held in Sao Paulo, Brazil, from 15 to 16 June 2004 as a parallel event to the eleventh session of UNCTAD. As in the case of the Expert Meeting, the Conference was preceded by a two-day (13-14 June 2004) training workshop facilitated by Pro-Invest on "How to Promote and Target FDI into Tourism and Benefit from it". The main objective of the event was to develop an appreciation among participants from the ACP region of the role of tourism in generating sustained growth and of the nature, design and development of investment promotion strategies for attracting FDI into this sector.

On the morning of 15 June 2004, a Joint High-level UNCTAD/WAIPA session on "Leveraging FDI for Export Competitiveness" was held under the chairmanship of H.E. Mr. Celso Amorin, Minister of Foreign Affairs of the Federative Republic of Brazil. In the context of addressing the need to build internationally competitive productive capacity in developing countries, this session focused on the role of policy in promoting greater development benefits from FDI. The discussion was constructive, interactive and lively. There were five panelists, more than 20 ministerial interventions and several contributions from international organizations, civil society and the private sector. Several participants emphasized the fact that FDI offers important development benefits to host economies, including access to capital, technology, knowledge, markets and supply sources. Thus, the debate is no longer about whether or not FDI should be promoted, but rather how to maximize the benefits and reduce the associated risks with FDI. Export-oriented FDI in the developing world remains highly concentrated, and benefits from such investment flows cannot be taken for granted. It therefore remains a challenge for the international community as a whole to find ways to spread benefits more evenly.

A number of policy challenges were addressed, including how to promote export-oriented FDI in countries that are still integrated in the global economy; avoid enclave-like situations with limited linkages between foreign and local firms; secure development gains from the offshoring of services; integrate investment promotion efforts into broader development strategies; and assist developing countries in improving their investment climates, and to disseminate investment opportunities. The debate underscored the importance of active policies in all these areas, recognizing the responsibility of both host and home countries. The experience of those countries that have been most successful in leveraging FDI for export competitiveness showed that an appropriate policy and institutional setting is needed to complement market forces. Particular reference was made to the need for stable, predictable and reliable investment frameworks, efficient infrastructure (e.g. ICT and transportation), as well the efforts that were needed to develop appropriate skills. Proactive investment promotion has often also been instrumental.

In the afternoon of 15 June 2004, at the official opening session, speakers underlined the importance of the work of investment promotion agencies (IPAs) in attracting foreign direct investment (FDI), and in assisting governments in developing country strategies, as well as in building productive capacities and forming partnerships. It was also underlined that a number of IPAs have played a critical role in the economic development of front-runner countries and it was emphasized that through the exchange of best practices and South-South cooperation, other countries can accelerate their efforts to attract FDI and benefit from it. UNCTAD surveys of IPAs, investment experts and TNCs, were presented to highlight prospects for FDI flows and transnational corporation (TNC) strategies from 2004 to 2007. The discussion focused on how to get the most from the forthcoming boom of FDI as foreseen by these surveys. All speakers agreed that while there is a projected increase in FDI, competition will become fiercer. Some of the IPAs, such as those from Thailand and China, indicated that they are well prepared to benefit from the forthcoming FDI boom by upgrading their production value chains. Panelists discussed how development goals could be better integrated within the strategy and work programme pursued by IPAs. Following case studies of IPAs in Dubai, France and Sweden, the discussion focused on the means by which government development policies and investment promotion strategies can supply important inputs and feedback to each other, as well as how science and technology policy and investment promotion strategies can effectively interact.

A Gala Dinner sponsored by the Dubai Development and Investment Authority (DDIA) was organized on the evening of 15 June. The WAIPA awards for Best Business Linkages Programme were presented during the dinner to the Thailand Board of Investment (BOI) for the Industrial Linkage Development Unit, the Ghana Investment Promotion Centre (GIPC) for its Oil Palm Out-grower Scheme and to the Industrial Development Institute of Minas Gerais (INDI) in Brazil for its "Buy in Minas" programme. Winners were selected on the basis of a survey of 123 IPAs from 109 countries undertaken jointly by WAIPA and UNCTAD secretariats.

During the morning sessions on 16 June 2004, panelists discussed how IPAs can better position a country to become part of the global supply chain. With respect to the tourism sector, speakers stressed the complementarities of sustainable development objectives and the spin-off effects of investments in the tourism industry on local economies. With respect to the automobile sector, a study was presented on FDI in the automotive industry in Latin America with a focus on different characteristics of the industries in Brazil and Mexico. An overview was also given on the history of the automotive industry in Thailand, the biggest car-producing country in ASEAN. For developing a successful car industry, speakers emphasized the importance of good cooperation between governments and companies, especially in strengthening the export base and in the creation of efficient local supplier networks.

The afternoon sessions on 16 June 2004 focused on programmes encouraging national firms to invest abroad. Public and private sector speakers from Europe emphasized the many benefits of outward investment for national companies and home country economies. It was also stated that outward IPAs play an important complimentary role vis-à-vis inward IPAs in facilitating the investment process and in providing aftercare.

The issue of whether outward FDI, especially in the services industry had an effect on employment in home countries, and on employment conditions in FDI host countries was debated in a town hall-style meeting. Speakers agreed that IPAs should play a role in advocating policies that attract quality long-term FDI investment, and that these policies should include a commitment to internationally recognized labour standards.

A number of side events were organized during the Conference, including the launch of a training programme for IPAs "Targeting FDI in Tourism" and a WAIPA-EMPRETEC roundtable "Promoting Linkages between TNCs and Indigenous Enterprises". Delegates at the Conference had also a possibility to network during several coffee breaks sponsored by the Royal Commission for Jubail and Yanbu, Saudi Arabia.

At the closing session, elections were held for WAIPA Steering Committee members, as well as the WAIPA President and Vice-Presidents. Mr. Kai Hammerich, President and Director-General of Invest in Sweden Agency (ISA), Sweden, was elected to a two-year term as President of WAIPA. The Agence de Promotion des Investissements Privés (APIP), Gabon, represented by Mr. Carlos Okinda, Director of Investment Promotion; and the Investment Promotion Agency of Ministry of Commerce, China, represented by Ms. Ming Zhou, Deputy Director General, were both elected to the position of Vice-President for a two-year term.

The first meeting of the newly elected WAIPA Steering Committee was held in Geneva on 4 November 2004. Mr. Kai Hammerich, President of WAIPA, gave an overview of developments since his election in June 2004. He briefed participants on his consultations with a number of partners in Europe and Washington. A discussion was held on the merits of establishing a small cabinet consisting of some Steering Committee members, as well as the financial implications of holding additional Steering Committee meetings. It has been mentioned that working at a regional level with regional directors could be an advantage for strengthening the Association, and that modern technologies, such as videoconferencing or conference calls, could provide the means for cheaper communication. Two Steering Committee meetings per year with good participation and meetings of task forces between Steering Committee meetings composed of between three to five members working on specific issues and reporting to the Steering Committee was presented as a potential solution.

It was agreed that the President would further consult on these matters and report to the Steering Committee. The issue of establishing new types of associate members to widen WAIPA membership to include other potential partners, especially from the private sector, was discussed as well as its implications for the WAIPA Statutes.