



WAIPA Gets Ready for Executive Meeting in January 2004

Everything is getting in place for the forthcoming WAIPA Executive Meeting, which will be held on 28-29 January 2004 in Geneva (Switzerland). Forty-five days before the Meeting the level of registration already reaches 98 heads of investment promotion agencies (IPAs) from 77 countries.

WAIPA President, Patricia Francis, believes that the success of WAIPA Conferences stems from the fact that IPAs realize the benefits of best practice exchange and understand that FDI attraction is no zero-sum game and. Only WAIPA is able to bring together the most successful IPAs, influential investment strategists, leading policy-makers and top researchers to discuss and debate FDI policy, country competitiveness and corporate development.

The Executive Meeting has a very interactive format, with a carefully designed mixture of plenary sessions and seminars for greater discussion of best practices. The first day includes sessions on crucial topics on IPAs strategy and management, such as; "FDI Target Setting and IPAs Evaluation", "Latest TNCs Investment Decisions in ICT" and "Strengthening the Role of IPAs in Policy Advocacy". Kai Hammerich, Director-General of Invest in Sweden Agency (ISA), Martin Jahn, CEO of CzechInvest and Somphong Wanapha, Secretary General of the Office of the Board of Investment of Thailand (BOI), moderated by William Pedder, Chief Officer of the Inward Investment Group - UK Trade and Investment, will discuss the methodologies they apply for setting targets in FDI attraction and how the performance of their IPAs and most importantly of their staff is evaluated.

Day two of the Executive Meeting features training workshops on "Leading Change in the New FDI Environment: A Workshop for New CEOs" organized by

MIGA, "Strategic Marketing for IPAs: Introducing the Investors' Perspective" organized by IBM-PLI and "The Keys to Success in Policy Advocacy" organized by WAIPA and FIAs.



WAIPA delegates at the WAIPA Annual Conference 2003

The forthcoming WAIPA Executive Meeting will also include for the first time an exhibition area for FDI-related services, such as, business service providers, press and events. The networking opportunities for delegates will be increased at the forthcoming gathering. The eve of the meeting a pre-registration cocktail will allow the participants of the Pro-Invest Workshop, early WAIPA delegates and the government representatives participating in UNCTAD's Commission on Investment, Technology and Related Financial Issues to meet. The first day of the Conference a welcome cocktail sponsored by Euromoney will launch the new WAIPA Annual Magazine, "Global Exchange". The magazine will be released at the WAIPA Annual Conference in São Paulo (Brazil).

Another novelty in the programme is the individual tutorials on FDI statistics. Delegates can benefit from an individual meeting with from the team of the "World Investment Report". The International Investment Agreements (IAAs) section will also provide training on the spot.

Deadline for registration for the WAIPA Executive Meeting is 16 January 2004.

For a preliminary programme and registrations please visit <http://www.waipa.org/conferences.htm>



New Look for WAIPA Newsletter

In tune with the new WAIPA image the quarterly newsletter has also adopted a new format. Based on the design of the WAIPA website, launched in September 2003 the new WAIPA Newsletter has developed a simple but attractive look and features new sections. The new sections aim at strengthening the component in best practices exchange of the Association. The section "IPAs News" will report on the activities of members such as FDI-related events, missions, best deals, etc. IPA News will devote special attention to case studies of successful IPA policy and attraction of important investment deals.

Another section that has been reshaped is the "Spotlight". This section announces the activities of the WAIPA programme as soon as they are confirmed with special attention to training workshops and Study Tours. Spotlight is the equivalent of the WAIPA website section on activities.

The WAIPA Secretariat welcomes comments and news from members for the Newsletter and in particular for the "IPAs News" section. News should reach the WAIPA Secretariat at least 15 days before the month of publication of the Newsletter.

The WAIPA Secretariat is receiving applications for the Study Tours funded by Pro-Invest until 31 January 2004



WAIPA Workshops on Investor Aftercare and Servicing Receive High Ratings by Members

The second workshop in the series of training courses sponsored by Ernst & Young – ILAS- was held in October in Dakar (Senegal) with the Investment Promotion and Major Works Agency (APIX) as host. Training in this area has been long demanded by WAIPA members and the level of participation was very high. Participants came to Dakar from twelve African countries and enjoyed the French and English training (a participants list is available in the WAIPA archive on the website). This type of training is very welcome by IPAs, in particular those that are currently formulating their strategy in Aftercare and those which are revisiting their approach to corporate development services. The next regional workshop in this series is scheduled for 3-4 March 2004 in Ljubliana (Slovenia) hosted by Trade and Investment Promotion Office (TIPO).



Participants in the WAIPA Aftercare Workshop in Dakar (Senegal)

Tools for IPAs on the WAIPA Website

The WAIPA site keeps expanding to include useful sections for IPAs. A new feature is now on-line with links to training materials, publications, IT tools etc, that are available free of charge to investment professionals.

Strategic Marketing for IPAs: Introducing the Investors' Perspective in Dubai

This is the first of a new series of workshops in the WAIPA activity programme on "Strategic Marketing"

under the sponsorship of IBM -PLI-. On this occasion the workshop was hosted by the Dubai Development and Investment Authority (DDIA). The objective of the courses was to help investment promotion practitioners to understand foreign investors' needs and on that basis design a marketing strategy. Workshop participants were introduced to analytical tools for IPAs to segment sector and country targets and market their country and the IPA services in the most cost-effective way.



Participants in the WAIPA Strategic Marketing Workshop in Dubai (UAE)

The workshop also created awareness of the different marketing tools available and their performance ratios. The curriculum included best practices by IPAs in the region and specific sector-based case studies, which were selected on the basis of the composition of workshop participants.

The workshop structure was designed to allow participants to work on a marketing strategy for their own IPA during the course. This allowed them to benefit from the input of other participants and the trainers. This workshop curriculum addresses mainly IPA professionals from the marketing, sales and strategy departments.

Second AfrIPANet Meeting in Vienna (Austria)

The UNIDO-Africa Investment Promotion Agency Network (AfrIPANet) was launched in 2001 in response to the challenges facing African IPAs. African IPAs have been facing unrealistically high expectations that they would prevail over government and market failures hindering the flow of FDI into Africa. However, challenges such as complex international marketing, intense competition, over-regulation and weak

governance, as well as limited financial and human resources, have constrained their impact. UNIDO hosted the second AfrIPANet meeting on 1-5 December 2003. The programme included a number of discussion groups on challenges, opportunities and experiences of attracting FDI in Africa, with special emphasis on Sub-Saharan Africa. Invited speakers discussed the dynamics of FDI, how it relates to increasing industrialization, the marginalization of Africa from FDI flows, the rationale and motivations of FDI, how to exploit those motivations for channeling investment resources into developing economies and how to maximize the positive externalities of FDI.

Maggie Kigozi, WAIPA Vice-President and CEO of the Uganda Investment Authority (UIA), as well as Kwasi Abeasi, member of the WAIPA Steering Committee and CEO of the Ghana Investment Promotion Centre (GIPC), participated in the meeting.

WAIPA at the World Summit on the Information Society

The first phase of the World Summit on the Information Society was held on 9-10 December in Geneva (Switzerland). Patricia Francis, WAIPA President, participated in a symposium on how to mobilize private investment for ICT. The ICT industry has the potential for tremendous impact on development in Africa. However, the growth of the telecommunications infrastructure will not happen without a significant increase in FDI. This theme and others, such as: network competitiveness, capacity building through SMEs, and network security and affordability were discussed at the event

WAIPA Reaches 160 IPAs New members keep joining WAIPA's global network. The last IPAs to join are UK Trade & Investment, Royal Commission for Jubail and Yanbu (Saudi Arabia) and Manchester Investment Development Agency Service (UK).



China Goes Outward

Despite the decline in FDI in 2001-2002 China received record high flows. However, China is not only a magnet for FDI flows any longer, but also increasingly a source of FDI for Asian and African countries. Accumulated outward FDI flows from China reached 35 billion USD in 2002. They were invested in 7.000 projects in 160 countries according to a newly released UNCTAD Report "China: An emerging FDI Outward Investor".

Given the country's rapid economic development and the Government's interest in encouraging outward FDI, Chinese investments abroad can be expected to increase further. Should the Chinese currency strengthen against other major currencies, more Chinese enterprises could be potentially pushed to invest abroad because of relatively lower investment cost and to avoid the disadvantage of less competitive export prices at home. IPAs from Denmark, Malaysia, Netherlands, Singapore, Thailand and the UK are targeting the Chinese investors and have already opened offices in China.

The lion's share of Chinese outward flows goes to Hong Kong. The United States is the second most popular destination. These two economies accounted for more than half of the cumulative approved Chinese outward FDI value during 1979-2002. Despite its concentration, Chinese outward FDI flows are reaching more and more countries.

What are Chinese TNCs looking for abroad? Mainly access to natural resources, followed by market and strategic assets, such as technology and brands. A number of factors have contributed to China's outward FDI:

- Chinese firms that are exporting abroad are investing abroad to support their exports, to service their markets or to expand their market presence.

- Growing financial strength and exposure to international business have encouraged Chinese firms to venture abroad.
- Chinese FDI in developed countries is rising because of the need to access to technology and other strategic assets such as brand names.
- The need for access to natural resources.
- Avoiding trade quotas for exports to developed countries.

Nevertheless, 32% of 100 surveyed Chinese TNCs say that they are primarily seeking to invest in a host country, which privileges foreign investors. As a result, an increasing number of Chinese firms are among the largest TNCs from developing countries, in terms of foreign assets. Six of them hold foreign assets of above 2 billion USD. These TNCs are in the sectors of construction, trading, metals, and petroleum.

The Government has encouraged Chinese firms to invest abroad, in particular to secure the supply of resources to meet the growing demand at home and transferring matured technologies in which Chinese firms have a comparative advantage (eg. electronics, textile and garment processing industries).

The more China becomes integrated in the world economy and Chinese firms become subject to international competition through imports and inward FDI, the more these firms will invest abroad, to acquire a portfolio of locational assets that helps them improve their international competitiveness.

The full report is available in pdf at http://www.unctad.org/en/subsites/dite/fdi_stats_files/pdfs/China_ebrief.pdf



The Effectiveness of Promotion Agencies at Attracting Foreign Direct Investment

Does investment promotion really work? How much should IPAs spend and on what kind of activities are frustrating questions for the IPA CEO. FIAS most recent paper "The Effectiveness of Promotion Agencies at Attracting FDI" shows that expenditures by IPAs on policy advocacy are at the top of the list of high returns, whereas efforts at so-called investment-generating activities produce the smallest return per dollar spent.

How to Prepare Your Business Plan

This UNCTAD publication is intended for use by senior and middle managers in mobilizing resources. It is a reference manual for preparing business plans for investment projects.

Investment Promotion Review: Nepal

Nepal does not attract much FDI despite substantial policy reforms. Geographically, Nepal is at clear disadvantage. However, other similarly situated countries are receiving more FDI. This paper examines how Nepal can improve its FDI performance by exploiting advantageous factors such as access to its neighbours' markets, landmarks in tourism and mineral.

All these publications are available at no charge at the WAIPA Secretariat upon request.



Interview with John Wille, Program Manager in MIGA's Investment Marketing Services Department

WN: What is the FDI Xchange?

JW: FDI Xchange is the newest component of MIGA's suite of online investment information services, building upon the IPAnet and PrivatizationLink portals developed in the mid-to-late 1990's. For investors, the FDI Xchange customized e-mail alert service is a free means of keeping abreast of new business opportunities, market research and regulatory changes in their target countries and sectors. For IPAs, it is a free means to conduct outreach to prospective foreign investors by leveraging their existing website investment. To do this, IPAs can catalog their new website content into our database through a secure interface. Once an IPA has posted information on its website and entered the URL in our database, the e-mail alerts direct interested users back to the IPA site for the full text.

WN: What are the reasons leading to the inception of this tool? What specific needs is MIGA trying to cover?

JW: Previous surveys of IPAnet users indicated that it was a great resource for site location shortlisting and country research, however they also wanted to have new information filtered and delivered to them. At the same time, our client IPAs were looking for low cost investor outreach tools but also realized that many investors would be put off by unsolicited e-mails from them. The solution therefore was to provide a free service where investors could sign up to receive e-mail updates directing them to information relevant to their interests.

WN: How has the FDI Xchange been accepted? What has been the user's feedback?

JW: Thanks to our promotional partnerships with business

organizations such as the US Council for International Business and SOFI, we have increased our penetration within the international investment community. We have had a number of companies and site selection consultants report that MIGA's online services are their first stop when looking for information on developing countries – indeed, the site selection specialists at Intel report that they feature our services on their Intranet home page.

WN: What is the level of subscriptions of the FDI Xchange and what type of entities do subscribe?

JW: We are just closing in on 5,000 FDI Xchange users, which means that most IPAs utilizing it will reach up to 2,000 users who have opted to receive information on their countries. This, coupled with the 50,000 individuals who utilize MIGA's Web sites each month to consult the 13,000+ information resources cataloged on our database, adds up to a substantial audience within the international business community. The demographics of our user base encompass major multinationals, SMEs, financial intermediaries, site selection consultants, other development agencies, as well as IPAs who are monitoring their competition.



The FDI-Xchange helps IPAs to communicate effectively with investors

WN: What are your plans for further development of the tool?

JW: Our information delivery mechanisms are now well developed. The emphasis now is on helping our IPAs to develop quality information

resources and integrate web tools into their overall marketing strategies. We have improved our IPAsworks Web template, which allows IPAs to maintain and update a professional web presence without the need for in-house technical expertise. In addition, our Investment Information Development Program is funding technical assistance to six IPAs - assisting them to develop their investment information resources, including mechanisms to keep the information up to date.

WN: How does the FDI Xchange differentiate itself/relate to other private sector e-mailing services providing business news?

JW: The focus of MIGA's online services is providing market research, specific business opportunities (e.g., privatization tenders), and in-depth data on the costs and conditions for investing in developing countries, so it does not attempt to compete with business news services or the emerging set of FDI market intelligence services which track the investing activities and plans of multinationals. They also provide developing country investment promotion intermediaries with a direct means of communicating with prospective investors.

WN: Are you planning to integrate the MIGA data country/sector benchmarking series in the FDI Xchange?

JW: Yes, the benchmarking program which we are undertaking is designed to improve the quality and comparability of sector-specific information on operating costs and conditions as well as to help our client IPAs better understand their competitive advantage -- or lack thereof -- vis-a-vis their regional competitors. This information will be made available through our online services and will presumably be integrated into the sector marketing materials, which our clients make available to investors.



More African IPAs Go On-Line

Two WAIPA Members have recently launched their websites. The *Centre de Promotion des Investissements* from Benin has just launched its institutional website. The web has been developed in French and the English version is underway. The Sudanese Investment Authority is also going on-line with a website that contains basic information on the country's investment climate and opportunities.

JETRO Releases Trade and Investment Report

The latest Japan External Trade Organization "White Paper" a report on trends in trade and FDI combined for the first time, was just been launched. The report states that FDI from Japan declined in 2003 by 16% to 32.3 billion USD, while FDI into Japan increased by 48% to 9.2 billion USD. Despite the decline, Japanese investment into China and the United States continued to increase. Slightly more than half of Japanese multinationals in China export more than 70% of their output, while about a third of them sell their products in the local market. The report documents the growth of East Asian consumer markets and notes that Japanese firms doing business in East Asia face stiff competition from Korean, Taiwanese and Chinese firms, as well as competitors from Europe and the United States.

Why Did Your Company Come to Flanders?

The website of Flanders Foreign Investment Office (FFIO) (Belgium) contains an interesting section with company profiles, describing in detail the reasons why a range of TNCs decided to relocate its operations in Flanders. The profiles highlight how each of the companies benefits from their new location. <http://www.ffio.com>

CzechInvest To Open 13 Regional Offices to Assist SMEs in 2004

The newly reformulated Business and Investment Development Agency (CzechInvest) has set as one of its strategic goals to support the competitiveness of Czech firms. CzechInvest is opening 13 new regional offices to get as close and accessible as possible to SMEs. CzechInvest will mainly provide information on individual aid programs and basic consulting. They will also actively cooperate on developing the local business environment, take part in projects in the field of human resources development as well as coordinate the development of business clusters and incubators.

Centro de Promoción de Inversiones (CPI) (Cuba) Organizes TECNOTRANSFER 2004

The First Symposium on Technological Transfers (TECNOTRANSFER) will take place in Havana, Cuba from 20 to 25 September 2004. The main target of this Symposium is to increase the exchange of experiences between experts participating in the process of technology transfer at different levels: national, regional and international. Special attention will be devoted to South/South technology transfers and those involving biotechnology, renewable energies, sustainable agriculture and sustainable cattle-raising, environment and genetic resources commercialization.

JAMPRO Looks to Canada and UK for Film Industry Investment

JAMPRO is in discussion with Canadian and British film councils, with a view to develop co-production treaties to allow for increased investment in local film production. Jamaica earned approximately 400 million USD in 2003 from the expenditure of overseas-based film and photographic crews that shot pictures for magazine editorials. Some of that revenue was also generated from screen and television productions, as well as music videos. The initiative, he said, was also

designed to bring increased exposure to the country as an ideal location for filmmaking.

Foreign Investment Committee (FIC) in Chile Celebrates "Best Business Choice in Latin America" Ranking

Chile is the best country to conduct business in Latin America over the next five years (2003 - 2007), according to the latest *Business Environment Rankings* published by the Economist Intelligence Unit (EIU). Obtaining a 7.99 score in a 1 to 10 scale, Chile was ranked in 18th place among 60 economies, up two notches as compared to the 2002 ranking. Chile also appears better rated than Spain, Norway, Italy, the Czech Republic and Japan. EIU global business ranking model is applied to the world's 60 largest economies, which account for than 95% of global output, trade and FDI. It measures the quality or attractiveness of the business environment and its key components. The model considers 70 factors, across 10 categories, which affect the opportunities for, and hindrances to, the conduct of business.

Omani Centre for Investment Promotion & Export Development (OCIPED) Engages in Investors in People Programme

OCIPED has received the "Investors in People" quality standard, which sets a level of good practice for improving an organization's performance through its people. An "Investor in People" is fully committed to developing its staff in order to achieve its aims and objectives. Its staff is encouraged to improve their own and other people's performance and believe their contribution to the organization is recognized.

The standard means that OCIPED is an organization with clear aims and objectives, which are understood by all staff members. An "Investor in People" understands the impact of its investment in people on its performance.



Spotlight

Regional Workshop on Investor Servicing and Aftercare for Europe

with the sponsorship of
Ernst & Young – ILAS

3-4 March 2004, Ljubljana (Slovenia)

Regional Workshop on FDI and Cluster Creation and Development for Africa

with the sponsorship of
OCO Consulting

10-11 March 2004, Gaborone (Botswana)

WAIPA Annual Conference 14-16 June 2004, São Paulo (Brazil)

featuring high-level sessions on:

How to Leverage FDI for Increased
Export Competitiveness

The Transfer of Back Office Operations

Aligning IPAs Strategy with the
Government Development Plans

IPAs Funding: Exploring Alternative
Sources

Visit <http://www.waipa.org> for the preliminary programmes of each training activity, application forms and updates on forthcoming WAIPA events.

What is WAIPA?

The World Association of Investment Promotion Agencies (WAIPA) was established in 1995 and is registered as a non-governmental organization (NGO) in Geneva, Switzerland. It currently has 160 member agencies from all over the world. WAIPA acts as a forum for investment promotion agencies (IPAs).

What are the goals of WAIPA?

WAIPA aims to improve co-operation amongst IPAs on a regional and global scale and facilitate the exchange of experiences in attracting FDI. The objectives of WAIPA, as reflected in its statutes, are to:

- Promote and develop understanding and co-operation amongst IPAs;
- Strengthen information gathering systems and information exchange amongst IPAs;
- Share country and regional experiences in attracting investment;
- Help IPAs gain access to technical assistance and training through referrals to relevant agencies;
- Assist IPAs in advising their respective governments on the formulation of appropriate investment promotion policies and strategies.

Who are the partners of WAIPA? The official WAIPA partners are:

- United Nations Conference on Trade and Development (UNCTAD),
- United Nations Industrial Development Organization (UNIDO),
- Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group,
- Foreign Investment Advisory Services (FIAS) of the World Bank Group,
- Organisation for Economic Co-operation and Development (OECD).

Where do WAIPA members come from?

Albania, Algeria, Angola, Anguilla, Antigua and Barbuda, Armenia, Aruba, Australia, Austria, Azerbaijan, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Belize, Benin, Bolivia, Bosnia-Herzegovina, Botswana, Brazil, Bulgaria, Cameroon, Cape Verde, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Curaçao, Cyprus, Czech Republic, Democratic Republic of Congo, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, Fiji, Finland, France, Gabon, Gambia, Georgia, Germany, Ghana, Greece, Guatemala, Guinea, Guyana, Haiti, Hungary, Iceland, India, Indonesia, Ireland, Islamic Republic of Iran, Israel, Italy, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Kuwait, Kyrgyzstan, Latvia, Lebanon, Lesotho, Libya, Lithuania, Macedonia, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mexico, Mongolia, Morocco, Namibia, Nepal, Netherlands, Nicaragua, Niger, Nigeria, Oman, Pakistan, Palestinian National Authority, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Slovakia, Slovenia, Solomon Islands, South Africa, Spain, Sri Lanka, Sudan, Sweden, Tajikistan, Thailand, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukraine, United Republic of Tanzania, United Arab Emirates, United Kingdom, Uzbekistan, Vanuatu, Venezuela, Yemen, Yugoslavia, Zambia and Zimbabwe.

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