



WAIPA Annual Conference 2004 Goes to Brazil

The WAIPA Steering Committee and Secretariat are finalizing the last details for the forthcoming WAIPA Annual Conference 2004, which will be held in the Anhembi Exhibition Complex and Conference Center in São Paulo (Brazil) on 14-16 June 2004.

Investment strategists, leading economist and top researchers will debate on controversial issues such as: "FDI Creating or Stealing Jobs" and "FDI in a Bad News Environment". The Conference will include sessions on "Leveraging FDI for Increased Export Competitiveness" and a special segment on "Developing Your Economy as Part of the Global Supply Chain", which will take two case studies in services and manufacturing: Tourism & Automotive Industry. The case studies discussions will feature speakers from local industries and foreign TNCs.

Other plenary sessions will include: "Global FDI Trends and Prospects 2005-2007" releasing the results of a tripartite survey conducted among 200 TNCs, Location consultants and IPAs; "Aligning IPAs Strategy with Government Development Goals" presenting best practices of IPAs from France, Sweden and the United Arab Emirates (UAE) as well as the International Economic Development Council (IEDC) from the USA; and finally "Helping Your Firms Investing Abroad".

Deliverables to WAIPA Conference participants include: UNCTAD FDI Surveys 2004-2007 Background document, the Linkages Toolkit for IPAs, the World Investment Map (result of UNCTAD/ITC cooperation) and the WAIPA Annual Magazine, "Global Exchange" (GE).

The WAIPA Annual Conference is more than just one event. The meeting will be held in parallel to UNCTAD XI Ministerial Conference and hosted by the Brazilian

Government. 70 Heads of State have been invited by the President of Brazil, H.E. Luiz Inazio Lula da Silva to participate in UNCTAD XI. All WAIPA delegates will enjoy access to the public meetings and activities of UNCTAD XI.

During UNCTAD's one week-long conference, a number of sessions on trade, investment, finance, technology and development-related topics will be organized around the main theme: "Enhancing the coherence between national development strategies and global economic processes towards economic growth and development". Debates will focus on ways to make trade work for development, bearing in mind the outcomes of the recent summits on Financing for Development and Sustainable Development. Emphasis will be on improving competitiveness and building capacity in the productive sector. UNCTAD XI programme of events can be viewed at <http://www.unctadxi.org>



Patricia Francis at the Launch of the WAIPA WAIPA Annual Magazine, "Global Exchange"

Invitations will be reaching WAIPA Members shortly.

Deadline for registration for the WAIPA Executive Meeting is 25 May 2004. Security proceedings will be tight, therefore we advise you to register early.

For the preliminary programme, registrations and hotel bookings please visit.

<http://www.waipa.org/conferences.htm>



WAIPA Awards 2004: Does Your IPA Promote Linkages?

WAIPA will be awarding in the São Paulo Conference the best three IPAs in developing linkages between foreign investors and local enterprises. All formal or informal efforts aimed at promoting and facilitating further cooperation between TNCs and SMEs will be considered. Eventually, the results of the survey will be released in an advisory report for WAIPA Members.

WAIPA is currently conducting a survey among member IPAs

To participate in the WAIPA Awards 2004, visit <http://www.waipa.org> and fill in the IPAs Survey before 30 April 2004.

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.

WAIPA Annual Magazine, "Global Exchange" (GE), will be posting all forthcoming investment events to be held from June to December 2004. If your IPA is preparing an investment roundtable, seminar, conference, privatization or investment fair, etc. please inform the WAIPA Secretariat about:

- * Name of the Event
- * Type of Event
- * Location and Date

before 30 April 2004 to get included in GE magazine. GE will have a circulation of 14,000 copies among TNCs.



WAIPA Executive Meeting: This is The IPAs Meeting Place

WAIPA Executive Meeting (WAIPA EM) took place at the Palais des Nations in Geneva (Switzerland) on 28 and 29 January 2004. In spite of the snow and adverse weather conditions, 268 delegates from 90 countries participated. 65 of whom were Heads of IPAs. This involves an increase of 30% from last year's event and confirms the success of the WAIPA events as an Executive Meeting for Heads of IPAs. WAIPA EM has also attracted numerous representatives of the private sector, ranging from service providers, business information professionals and economic media, as well as officials of international and multilateral organizations, NGOs and the academia. It is broadly acknowledged that WAIPA has consolidated its position as the world's largest annual gathering of senior investment promotion professionals.

The plenary sessions of WAIPA EM were devoted to the following topics: "Best Practices in IPAs Target Setting and Performance Evaluation", "ICT Industries, An Opportunity for FDI?" and "Strengthening the Role of IPAs in Policy Advocacy". This year, the Conference repeated the format of plenary meetings on day one and workshops a la carte on day two, whose dynamism and openness has been greatly appreciated by WAIPA members.

The sponsors of the WAIPA Executive Meeting included Ernst & Young –ILAS–, IBM-PLI, OCO Consulting, IPAWorld, The World Free Zone Convention, and Euromoney Publications Ltd.

For a full conference report visit <http://www.waipa.org/conferences.htm>

WAIPA Training on Investor Aftercare and Servicing for European IPAs

The third workshop in the series of training courses sponsored by Ernst & Young –ILAS– has just been held in Ljubljana (Slovenia) with Slovenian Trade and Investment Promotion Agency (TIPO) as host. Participants came to Slovenia from thirteen European

countries (a participants list is available in the WAIPA archive on the website). The next regional workshop in this series is scheduled for 15-16 May 2004 in Algiers (Algeria).



Participants in the WAIPA Aftercare Workshop in Ljubljana (Slovenia)

New Staff Member Joins The WAIPA Secretariat

Ms. Celia Ortega, who has been in charge of the WAIPA Secretariat for the last three years, is leaving the Association to join MIGA (World Bank Group). There, she will develop the e-learning component of the newly launched portal "FDI Promotion Center". The WAIPA Secretariat will be taken over by Ms. Hanna Daoudi, an experienced Economist who has been previously working in technical assistance projects with UNCTAD and as a journalist in Dubai. Ms. Daoudi is looking forward further developing WAIPA, strengthening the membership and broadening the services of the Association to include advisory studies in partnership with location consultants on different aspects of investment promotion, such as aftercare, performance requirements, etc



Ms. Hanna Daoudi takes over the WAIPA Secretariat

WAIPA Brings Training on FDI Attraction into Clusters to Botswana

OCO Consulting has successfully delivered the second WAIPA Regional training for IPAs on Cluster Creation and Development. The sector selected for the case studies by the host, the Botswana Export Development and Investment Authority (BEDIA), was the automotive industry. Most of the workshop participants came from South African IPAs, but there were also representatives of Western Africa.



Some participants of the WAIPA Cluster Development Workshop held in Gaborone (Botswana)

Twenty Study Tours Participants on The Road

The IPAs of Costa Rica, Italy, Jamaica, Jordan and Uganda are already making arrangements to welcome in May and June the twenty participants of the WAIPA Study Tours 2004. Pro-Invest participants come from: Antigua & Barbuda, Belize, Benin, Cameroon, Congo, Djibouti, Gabon, Gambia, Ghana, Jamaica, Ivory Coast, Kenya, Niger, Nigeria, Papua New Guinea, St. Lucia, Tanzania, Trinidad & Tobago and Uganda. Other WAIPA members from Lesotho and Yemen will join the Pro-Invest participants in their host IPAs.

WAIPA Reaches 163 IPAs This Month

WAIPA Membership keeps soaring as new members join WAIPA's global network. The last IPAs to join are the Agency for Investment Promotion, from Kosovo, the Export Processing Zones Authority (EPZA) from Kenya and Investment Promotion Agency of Catalonia (CIDEM) from Spain.



Sweden Beats USA As Most Creative Nation

A creative crescent of northern European countries is challenging the economic power of the USA and "old Europe" according to the "Europe in the Creative Age Index". The Index has been developed by Carnegie Mellon University's Software Industry Center.

The top five countries in the Index are Sweden, the USA, Finland, Netherlands and Denmark. The report also looks at growth trends, with Ireland coming top by showing "extraordinary growth" in its creative capacity. Although the UK has a strong creative class, it is not growing its innovation and technology capacity as quickly as its Nordic neighbours. Other countries included in the study are Greece, Portugal, Italy, Austria, Spain and Belgium.

In the executive summary of the Index, the authors say that creativity has become a driving source of economic growth and that the ability to compete and prosper in the global economy "increasingly turns" on a nation's ability to attract, retain and develop creative people. The research ranks European countries according to three interlinked factors, the 3Ts of economic growth: talent, technology and tolerance. Tolerant societies are able to attract talented people who contribute to technological innovation, according to the Index authors.

The most striking result is the poor performance of the USA, which is losing ground to the creative crescent of northern European countries. It placed second behind Sweden on the overall creativity index and fell to 10th out of 14 countries in terms of growth of creative capabilities in recent years. Restrictions on biotechnology research and "unwelcoming" immigration policies are reducing USA competitiveness. There is a growing perception around the world that the USA is becoming less welcoming to people from other countries. Its direct policies restricting the flow of individuals and scientific information – such as severely limiting stem cell research –

have chilled the climate for creative talent. This is happening at the same time other countries are increasing their efforts to attract top talent. The "Europe in the Creative Age Index" can be downloaded in pdf from <http://www.creativeclass.org>

Latin Economies Experience FDI Slowdown

Brazil remained the largest recipient of FDI in Latin America, although FDI flows declined from \$22.5 billion in 2001 to \$16.6 billion in 2002, or more than 26%, the country. Flows continued to be relatively strong despite possible contagion from the crisis in Argentina, Brazil's main trading partner in MERCOSUR, and despite uncertainty in 2002 over the outcome of that year's presidential elections. TNCs from developed countries are still the largest investors in the Brazilian market, with the US accounting for a quarter of inflows over the 1990s. Developing-country FDI remained relatively stable over the same period.

After Brazil, Mexico is the second largest recipient of FDI in Latin America and the Caribbean. Its FDI flows plunged 47% in 2002, down to \$13.0 billion from \$26.1 billion in 2001. However, the exceptionally large inflows of 2001 were the result of US-based Citigroup's \$12.5 billion acquisition of Banamex. Since the late 1990s the services sector (and financial services in particular) has become increasingly important for inward FDI, attracting the bulk of the country's flows.

FDI flows to Colombia also declined in 2002, falling from \$2.5 billion to \$2.0 billion, or 18%. This downturn is modest compared to other South American economies; UNCTAD attributes Colombia's relative good fortune to its favoured position within the Andean Community as an export platform for manufacturing TNCs.

<http://www.unctad.org>



Transfer of Technology for Successful Integration in the Global Economy

UNCTAD has just released a study that illustrates the experiences of Brazil in the aircraft industry, India and pharmaceuticals and the success of South Africa in the automotive industry. The three cases present examples of "created" comparative advantage, that is, cases where a country's factor endowments were modified through investment in physical capital, human resources and the building up of capacities so as to develop and use new technologies. Lessons for other countries lie in how handicaps can be overcome to secure a place in the world market.

FDI and Performance Requirements: New Evidence from Selected Countries

Openness alone is not always sufficient for the expected benefits of FDI to materialized. Often, governments use performance requirements to narrow the gap between host countries objectives and TNCs. This UNCTAD publication explores four developing country case studies; Chile, India, Malaysia and South Africa and reviews the experience of developed countries. The focus of the analysis is on performance requirements allowed by the WTO Agreement on Trade-Related Investment Measures.

Investment Policy Review: Algeria

In 2002 Algeria was ranked in terms of FDI flows the third highest host country in Africa - and first within the Maghreb countries -. However, the country has not fully benefited from the downstream effects of FDI. This review proposes the modernization of the national investment framework in order to attract FDI into sectors such as agribusiness, ICT and electronics.

All these publications are available free of charge upon request for WAIPA Members at the WAIPA Secretariat.

Interview with Prof. Antonino Catara, President of the Sicily Scientific and Technological Park

WN: Catania (Sicily) is the epicentre of a high technology district, known as the Etna Valley. This centre embraces about 200 Italian enterprises, 1,000 new micro companies and 23 TNCs such as Nokia, Olin, IBM, Alcatel, Omnitel, Accent etc and employs about 5,000 (i.e. 10% of the labour force). Prof. Catara, how did the Etna Cluster get started?

AC: The father of the Etna Cluster is Mr. Pasquale Pistorio, who restructured the existing company, the SGS, producing semi-conductors, and attracted human and financial resources through the merging with the French company Thomson. Thus, in 1997 the ST Microelectronics was established attracting other local investors in related sectors, as biotechnology, chips, software and connective services.

WN: Has the Etna Cluster been conducive for the general economic growth of the region?

AC: The Etna Cluster has surely made a remarkable contribution to the social and economic development of the metropolitan area of Catania in terms of employment. However, standard macroeconomic statistics have not been greatly affected by the growth of the hi-tech cluster. GDP per capita in the area of Catania is still very much below the national average and not above the regional average. The present state is more adequately reflected in other statistics like the number of new companies in the hi-tech and related field and the number of qualified workforce, which find a job in the area.

WN: What were the key issues in developing the high technology cluster?

AC: Once you allow for the role played by the founding father, there is no doubt that the Catania area provided two main

assets: on the one hand, a competitive cost structure, on the other, an area of excellence in the University. Such costs are not only labour costs, but also taxes, transportation, energy and other facilities, like land costs and office space. The research work by various University departments, too, made the establishment of a hi-tech cluster possible. In 1987 the ST Microelectronics and the University of Catania together had established a research laboratory. Today there is a NRC laboratory within the ST industrial site working on microelectronics. In the area of microelectronics, therefore, the bridge between research institutions, industrial laboratories and market scenarios is extremely solid. It is one of those cases where the distance between university departments and the production fields is no longer felt.



Prof. Antonio Catara will be sharing the experiences of the Etna Valley at the WAIPA Annual Conference in Sao Paulo.

WN: How do you think that IPAs can support clusters creation and development?

AC: A participative system of local governance, that encourage relationship, local network and cooperation, is the key to economic and social development. In the process of development stakeholders can be expected to contribute only if they are properly rewarded. The main role of IPAs should be precisely the following: summon all the main actors of local development, identify the lines of development where contributions are maximized and allocate expected rewards according to the given contributions. A natural consequence of this approach is that rewards to external contributors (like a foreign investor) could be made very attractive as all local actors agree to trade short-term benefits for

longer-term ones, i.e. they might be prepared to accept lower rewards, so that more can be granted to external contributors. In that case the long-term effect on local development becomes stronger.

WN: How was the cooperation between the local IPA, *Investiacatania Agency*, and the national IPA, *ICE*?

AC: Recently, ICE has made a remarkable contribution to the development of the Etna cluster. An initiative has been launched in the area of biotechnologies. A new cluster is emerging from the wider hi-tech one, based on biotechnology. A major effort was made last year trying to connect the Ontario (Canada), biotechnologies clusters and the newly born Catania cluster in the same field. This has resulted in the establishment of stable relationships between the Catania leading actors and their counterparts in Ottawa and Toronto in Canada. There is no doubt that greater collaboration between the local IPA and ICE would contribute to the success of those initiatives and of similar ones.

WN: What other clusters do you have in Italy and why does Italy have a comparative advantage for these particular sectors?

AC: As you know, Italy is the country of industrial districts, so there is general agreement, borne out by experience, that clustering, information sharing, joint ventures, geographical agglomeration, and so on, are generally cost-reducing organizational solutions. So, the organizational know-how of traditional industrial districts is being transferred to new ones. Innovative fields as nanotechnologies, wireless, life sciences, and ITC, have seen many applications to industry. New clusters can now be observed in these areas, especially in the northern regions of Lombardy, Veneto and Piedmont.

Prof. Catara will present the details of the Etna Valley Experience during the session on "Aligning IPAs Strategy and Government Development Goals", which will be held at WAIPA Annual Conference in São Paulo (Brazil) on 15 June 2004.



New CEO of Trade and Investment KwaZulu-Natal (TIK) Reaches FDI Annual Target in First Six Months in Office

Dr. Nadeli Moyo-Ndwande took over 18-month old TIK when this was close to collapse, staff morale was low, less than 20 projects operational, strategy was fragmented and corruption had taken root. Within three months, she had flattened structures, re-trained staff, outsourced non-core functions and got 50 projects on the table. \$743 million in FDI have been secured, mostly in the tourism sector and textile industry, creating over 40.000 jobs. Her new project is to promote investment and trade in cultural industries. Dr. Moyo-Ndwande will shortly present her "pet project"; an FDI deal recently closed in the film industry.

More and More African IPAs to Launch Their Web Presence

Congo's Agence Nationale pour la Promotion des Investissements (ANAPI) and the Ethiopian Investment Commission (EIC) have both recently launched their websites. At present, almost all WAIPA Members in the continent showcase their investment opportunities and the services of their IPAs to investors in the Internet. The Uganda Investment Authority (UIA) is soon to launch a new website to target Ugandans abroad to invest in their home country.

Dubai Development and Investment Authority (DDIA) Gets Companies Directory On-Line

DDIA has developed a search machine on its website, which allows you to find any economic operator in the United Arab Emirates (UAE) without leaving the IPA website. This comprehensive directory is segmented by sector and is fully sponsored by the publicity of local companies.

http://www.ddia.ae/biz_directory.html

UK Trade & Investment Reinforces Its Aftercare Programme

The "Investor Development Network" is designed to support existing investors. The Network aims at helping the companies maximize its investment in the UK and achieve and exceed business objectives. UK Trade & Investment sits at the center of this Network and works alongside their colleagues in the UK's regional development agencies, sector experts in government departments and British Embassies and Consulates around the world. The Network aims at maximizing the value that it can add to existing businesses. The programme provides assistance in voicing policy issues, staff training, staff recruitment and retention and provides links with centers of excellence (e.g. universities) among others. The Network brochure is available at:

<http://www.invest.uktradeinvest.gov.uk>

Tanzania: Lessons for LDCs to Target Effectively for FDI in Tourism

The Tanzania Investment Centre (TIC) has recently carried out a tourism investment promotion campaign, which has already produced over \$50 million in new FDI. The project brought together government, the business community, the IPA and donors into an effective team to produce a roundtable for investors, which attracted 280 participants - including over 50 current and potential tourism industry investors-. The roundtable successfully initiated the investment promotion process for the sector in Tanzania. The largest group of participants included current investors in Tanzania and included tour operators, hotels and airlines. There were about 30 international investors coming mostly from the African continent (Ethiopia, Kenya, Mauritius and South Africa) and a handful from Europe (Austria, Cyprus, the Netherlands and Portugal), the UAE, and the USA.

Invest in Colombia Corporation (COINVERTIR) Brings Best Practices to Local SMEs

In cooperation with the Inter-American Bank for Development (IDB), COINVERTIR is running a mentorship

programme for local SMEs, called PROINVEST. The programme activities goes from information seminars creating awareness of the benefits of FDI to assisting technically and financially local companies in preparing business plans and supporting their targeting efforts. COINVERTIR has developed the programme methodology based on sources, such as: "How to prepare your business plan" (UNCTAD), "Business Plan Competition" (North Bavarian Business Plan Competition) and "Sample Business Plan" (McKinsey & Company).

Women Entrepreneurs Network (WEN) Launched by Uganda Investment Authority (UIA)

A women's desk, comprising 50 medium to large companies, has been established at the UIA to give special facilitation to medium and large-scale women entrepreneurs so as to improve their competitiveness and participation in international business activity. The objective is to strengthen women's capacity to participate in private sector investment through networking, information and experience sharing, knowledge dissemination, mentoring, sharing of best practices and successes that already exist in Uganda.

Making Europe More Attractive at La Baule, 27-28 May 2004

Invest in France, the EU Commission and Ouest Atlantique have partnered to create the meeting place for European IPAs to enhance Europe as a competitive destination for FDI. IPAs will have the opportunity to discuss with CEOs from Apple, General Electric, Microsoft, Motorola, Renault, Siemens, Volkswagen and Xerox, among others, topics such as manufacturing and innovation, impact of outsourcing on location strategies, retaining strategic human resources, the appeal of clusters, etc. WAIPA members attending La Baule 2003 reported "An excellent investment Conference, I'll surely be back in 2004".

<http://www.world-investment-conference.com/>



Spotlight

Regional Workshop on Investor Servicing and Aftercare for MENA & Gulf Region

with the sponsorship of Ernst & Young - ILAS

15-16 May 2004, Alger (Algeria)

Regional Workshop on Strategic Marketing for Asia

with the sponsorship of IBM - PLI

20-21 October 2004, New Delhi (India)

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

featuring high-level sessions on:

How to Leverage FDI for Increased Export Competitiveness

Aligning IPAs Strategy with the Government Development Plans

FDI Promotion in a Bad News Environment

Developing Your Economy as Part of the Global Supply Chain
Case Studies: Tourism and Automotive Industries

Helping Your Companies Invest Abroad

FDI: Creating or Stealing Jobs

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 163 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, Kosovo, 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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