



World Association of
Investment Promotion
Agencies

NEWSLETTER

Issue 4, February 2009

WAIPA sincerely greets all its members with happiness and success! Best wishes for 2009!

Foreign Direct Investment: New Scenario and Challenges

Brazil provided the location for the third WAIPA Regional Investment Conference. More than 150 delegates from 30 member-agencies were hosted by ApexBrasil, the national investment promotion agency in Brazil, at Rio de Janeiro, from the 3rd to the 5th of December.



Over two days in early December a wide range of speakers discussed the effects of financial crisis on investment flows and the challenges presented by this new world economic scenario. Mr. Alessandro Teixeira, WAIPA president, set the tone at the opening ceremony, on "Transforming the Crisis Scenario into a Landscape of Prosperity".

Among the key-note speakers - most eagerly quizzed by delegates - were heads of state, senior government officials, and chief executives from different segments of industry and

233 members and associated members constitute the Association. WAIPA covers now 157 countries.

different regions of the world. This afforded the opportunity for investment promotion professionals to network as well as to learn what drives an investment decision from the perspective of the private sector.



The Opening session and the following ones on "Investment Flows in a New World Economic Scenario" and "Redefining Capitalism in a New World Economic Reality" gathered Nobel Prize winners, such as, Edmund S. Phelps and Joseph Stiglitz, as well as Former President of Mexico, Vicente Fox, Former President of Poland, Aleksander Kwasniewski, and Former Prime Minister of New Zealand, Mike Moore.

Reports on sessions and workgroups are available on <http://conference.waipa.org>.

Dinners and a visit at Samba City were kindly organized by the hosting agency. It was the opportunity for participants to meet with the Brazilian culture and traditions. The WAIPA Regional Investment Conference was highly publicized in the local and international media.

Columbia FDIPerspectives

Perspectives on topical foreign direct investment issues by the Vale Columbia Center on Sustainable International Investment

The FDI recession has begun

By Karl P. Sauvart Executive Director, Vale Columbia Center on Sustainable International Investment

With \$1.8 trillion (according to UNCTAD), world foreign direct investment (FDI) flows reached an alltime high in 2007. All major regions benefited from increased flows. But that was then. What is, and what will be the impact of the financial crisis and the recession on FDI flows? Several forces are at work, best discussed in terms of the three sets of FDI determinants: Economic conditions, the regulatory framework and investment promotion. If we are lucky, as far as the first set of factors is concerned, global GDP will not shrink in 2009, although it is currently expected to do so a bit in developed countries offset however by expected growth in emerging markets (according to the International Monetary Fund's (IMF) latest forecasts). Moreover, with the present commodity boom cycle winding down, FDI in natural resources is posed to decline as well, affecting especially FDI flows into Africa, Latin America, Russia, and Central Asia. Since economic growth is the single most important FDI determinant for attracting investment (and developed countries having received some 70 percent of FDI flows in 2007), this economic slowdown, further accentuated by the financial crisis, makes key markets less attractive to invest in -- and hence depresses FDI flows. Even from the narrow perspective of FDI, the proposals by Jeffrey Sachs (Financial Times, 27 October 2008) and George Soros (Financial Times, 29 October 2008) on avoiding a global recession should be heeded. FDI into developing countries. The United States remained the largest recipient last year, followed by the United Kingdom and France. For the first time, Russia was also featuring among the top-10 destinations.

The financial crisis and the credit crunch adds to this impact as it severely restricts the ability of firms to invest abroad and finance crossborder mergers and acquisitions (M&As) which are by far the most important form of entering foreign markets for many multinationals. Even where M&As do occur, they would involve lower values than, say, six months ago, as share prices -- and hence the values of companies -- have declined, depressing the value of FDI flows. The current economic difficulties will also entice parent companies to repatriate earnings if not to sell foreign affiliates to shore up their balance sheets, thus reducing net FDI flows. Earning downgrades and weak balance sheet make it more difficult for firms to finance deals, especially if they have to absorb other financial burdens (e.g. supporting the declining value of pension funds) and further deleveraging takes place. These considerations apply also to private equity funds, a number of which are in great difficulties. (These funds accounted for about one quarter of the value of cross-border

M&As in 2007.) The ability of firms to undertake outward FDI is therefore impaired. Not surprisingly, the value of cross-border M&As has declined by 28% during the first nine months of this year and is likely to decline further.

But the decline could be softened. In particular, if Asian countries and especially China should further stimulate domestic demand it would be even more attractive for multinationals to increase investment in those markets (although China, with \$84 billion of FDI inflows, was already by far the largest emerging market host country in 2007). Similarly, if Asian firms are less affected by the crisis, they may accelerate their outward FDI. Chinese outward FDI, for instance, which was \$23 billion in 2007, was \$26 billion during the first half of 2008 alone, possibly reaching \$50-60bn during this year. Add to that the potential FDI by Sovereign Wealth Funds (SWFs); so far, such sovereign FDI has barely taken off (and, in the financial sector, was not very profitable). Moreover, undervalued or distressed assets in developed countries and elsewhere beckon, helped possibly by the strong currencies of some home countries and the weak currencies of some host countries. What this could mean is that important investors are sitting on the fence, waiting for the stock market to hit rock-bottom, before investing abroad. If so, there is a chance that FDI outflows from emerging markets (which were \$300 billion in 2007) could possibly hold up, at least this year.

This possibility depends on the continuous openness of the regulatory framework for FDI, especially in developed countries. While this is, *grosso modo*, most likely assured, there are mounting signs of a reevaluation of, if not distinct uneasiness about, at least certain forms of FDI. This is reflected, among other things, in the increase of national policy changes, as well as more restrictive review processes, that make the investment environment less hospitable, especially for crossborder M&As. A good part of such protectionist attitudes is directed against sovereign FDI by state-owned enterprises and SWFs from emerging markets -- precisely those entities that, at least for the moment, still are in a position to continue, if not increase, their outward FDI. It is actually surprising how little FDI SWFs have undertaken so far; the skeptical attitude in developed countries partly explains this.

Regulatory risk could exacerbate the negative economic factors. It is here where investment promotion comes in: investment promotion agencies worldwide can be expected to make an extra effort to convince their governments to keep the investment climate welcoming. In fact, investment promotion agencies and individual firms seeking strong partners can be expected to make an extra effort to entice multinationals, private equity groups and sovereign FDI to come to their shores. How influential investment promotion agencies will be in their national decision-making processes remains to be seen.

So what does this all add up to? In the current situation of uncertainty it is impossible precisely to predict how these various factors will play out. Moreover, they need to be seen against the long-term nature of FDI, undertaken in-line with broader corporate strategies, which makes this type of investment more stable than portfolio investment (as we have seen during the Asian financial crisis) and hence could mitigate some of the immediate negative effects. In the past, a recession was typically followed in one-to-two years by a decline in FDI flows. This time, the credit crunch is accelerating the onset of the decline and it is likely to deepen it. It is quite certain that FDI flows in 2008, and especially in 2009, will decline – the only question is by how much and for how long.

The steepness of the decline will largely be a function of how deep, long and widespread the recession will be. The decline is likely to be at least 20% this year and could well reach another 30% or more next year – making an already difficult economic situation even more difficult. If anything, the FDI recession puts a premium on maintaining a welcoming investment climate.

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Vale Columbia Center on Sustainable International Investment (VCC), led by Dr. Karl P. Sauvant, is a joint center of Columbia Law School and The Earth Institute at Columbia University. It seeks to be a leader on issues related to foreign direct investment (FDI) in the global economy. VCC focuses on the analysis and teaching of the implications of FDI for public policy and international investment law.

Columbia Law School, founded in 1858, stands at the forefront of legal education and of the law in a global society. Columbia Law School joins traditional strengths in international and comparative law, constitutional law, administrative law, business law and human rights law with pioneering work in the areas of intellectual property, digital technology, sexuality and gender, and criminal law.

The Earth Institute at Columbia University, directed by Jeffrey D. Sachs, is the world's leading academic center confronting the practical challenges of sustainable development. Based on interdisciplinary research and WAIPA Newsletter page 3 education, The Earth Institute is dedicated to finding effective solutions to humanity's most urgent challenges, including climate change, sustainable energy, environmental degradation, extreme poverty and natural and human-made hazards, among many others.

A View from Corporate America: Executives Reveal Best Practices and Best Places

According to the United Nations Conference on Trade and Development's (UNCTAD) most recent reporting, the United States is the single largest source country of FDI, accounting for over \$300 billion in 2007. Even in the wake of the worldwide financial crisis, it is unclear that Corporate America's favorable perception of a country's investment climate is critical to success in attracting investment.

In 1996, Development Counsellors International (DCI) conducted the comprehensive survey of U.S. corporate executives with site selection responsibilities. The aim was straightforward: to understand best practices in marketing places by going directly to the economic development world's "customer." Replicated every three years, the study was released recently for the fifth time as "A View from Corporate America: Winning Strategies in Economic Development Marketing."

In the 2008 survey, DCI took things a step further also asking executives to select the countries they view as "most favorable" for investment.

While we certainly encourage you to read the entire 46-page report, here are four key findings of the survey:

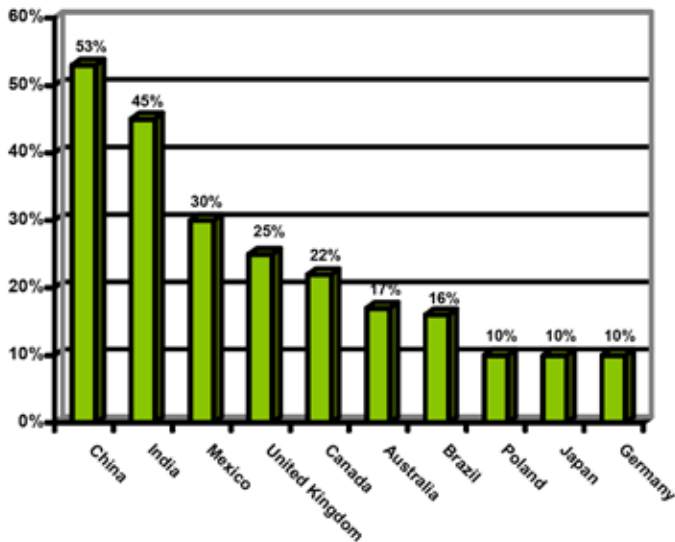
Finding #1: China, India, and Mexico top the list for U.S. executives as having the most favorable climates for investment.

China leads the pack for most favorable business climate for factors cited by corporate executives including, "Growing economy/Business opportunities" (53%), "Labor (Cost)" (41%), and "Low overall/operating costs" (21%).

India earned its spot as runner up for similar reasons. Meanwhile, Mexico came in at number 3 due to factors such as "Proximity to the United States" (52%), "Labor (cost, quality)" (50%), "Low overall/operating costs" (21%), and "Businessfriendly/ opportunities" (21%).

Additionally, all three subgroups participating in the survey (large company executives, midsize company executives and location advisors) named China, India, Mexico, the United Kingdom, and Canada in their top five. Midsized company executives also think highly of business climate in Brazil and the Republic of Korea.

Finding #2: What others say about your country is more important than what you say about yourself.



Top Ranking Countries for Most Favorable Business Climate

For the fifth time, the Winning Strategies survey asked corporate executives to tell us which sources of information influence their perceptions of a place's business climate. The top two responses have been consistent since the survey's inception: "dialogue with industry peers" and "articles in newspapers and magazines." Economic developers need to be innovative in their approach to influencing these two independent information sources.

One avenue of influence includes stimulating greater "dialogue with industry peers," essentially getting key business leaders to discuss a country or region's business advantages with external colleagues. Although sometimes a challenging endeavor, it's also a potentially fruitful marketing opportunity. "Ambassador programs" have been around for decades but only a handful actually succeed in generating true "buzz" about a region. Instead, think social media, online communications, and other new arenas where these "peer-to-peer" dialogues are evolving. Progressive economic developers are now diving into these new approaches.

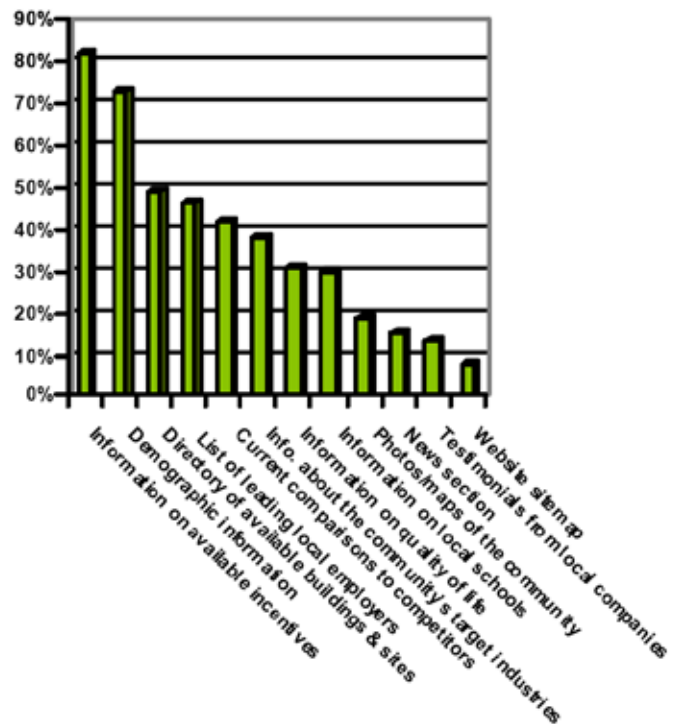
Another equally effective marketing technique is a media relations campaign. Placement of favorable stories about your country's business climate in international, national and key trade press can be managed internally via your own communications department or through an outside media relations firm. However, it's important to keep in mind that while we, as economic developers, can do our best to shape the messages put forth, we cannot ultimately control them.

Finding #3: A strong web presence is essential to being in the investment attraction game.

Consider the fact that for the first time in the survey's 12-year

history, "Internet/website" captured the highest rating among all economic development marketing tools, outranking "Planned visits to corporate executives" and "public relations/publicity".

Simply put, a strong Internet presence has become vital. In fact, 64% of survey respondents indicated a strong likelihood that they would use an economic development organization's website in their next site location search. In terms of content on your organization's website, corporate executives ranked the following top three items are being most useful: "Information on available incentives" (selected by 82% of respondents), "Demographic information" (73%), and "Directory of available buildings & sites" (49%). Make sure your organization keeps these statistics and information current and up-to-date, as corporate executives search for them when consulting your websites.



Most Useful Features of an Economic Development Organization's Website

Finding #4: Face-to-face meetings still matter.

Even in this electronic age, the personal touch still makes a difference. Nearly one-third (32%) of all respondents identified "meetings with economic development organizations" as a leading source of information influencing their perceptions of an area's business climate and that number soars to over 50% for site location advisors. In addition, 54% of the executives identified "planned visits to corporate executives" as the most effective marketing tool – second only to "Internet/website."

Arranging these meetings can be a daunting task as it requires identifying companies that may be expanding or relocating, zeroing in on the right decision maker and convincing the executive to sit down with your organization. Find people up to the challenge – whether within your organization or a consultant specializing in prospect development and qualification – and reward them for their successes.

Want more? Visit www.aboutdci.com to download your complimentary copy of "A View from Corporate America: Winning Strategies in Economic Development Marketing." Simply click on the "New Winning Strategies Report Released" banner at the top of the homepage.

By Andy Levine

Andy Levine is President of Development Counsellors International (DCI), a firm that specializes in economic development and tourism marketing. The agency has worked for more than 350 countries, states, regions and cities since it was established in New York City in 1960.

FDI Training & Capacity Building

International Development Ireland has scheduled an important 2-week Investment Promotion Program which will take place in Dublin from the 8th to the 19th of June 2009. This program covers all the critical areas of a successful 'Best Practice' Investment Promotion Agency. There is little by way of meaningful benchmark reports on 'best practice' for IPAs, however, it is clear that the best in class IPAs successfully differentiate themselves by following best business practice in dealing with the unique challenges facing them rather than pursuing policies developed by other IPAs. The best in class IPAs continuously review their strategies using FORESIGHT, PEST and SWOT techniques to arrive at strategies which exploit opportunities and eliminate weaknesses. There is wide acceptance as to the very important role that IPAs play in the development of their economies. The majority of developed and developing countries have established IPAs with varying degrees of success. The more successful IPAs have succeeded in developing close links with industry and have developed considerable influence with their governments. It is important that all employees are exposed to all aspects of FDI which is the essential ingredient of attracting Investors to your country. This training program can assist a fully integrated policy on economic development in order to add value and further progress to the economic strategy in attracting FDI. In an increasingly global world, business models are changing rapidly requiring rapid response by governments in the area of education, training and infrastructure. Marketing and promoting indigenous and FDI investment requires continuous investment both in

marketing/image creation and in the provision of high quality infrastructure and services. In this rapidly changing economic environment it is difficult for Governments to understand the motivations of investors and Government have difficulty in designing implementing effective incentives aimed at investment attraction. Governments should be continuously advised as to the steps that are necessary to attract and retain investment particularly in the rapidly changing sectors. This forthcoming program should get serious consideration as it fits in with the creation of the country's National Development Plan.

The program objectives include:

- improving your understanding on how to attract investors
- identify the benefits from an exchange of best practice with other agency professionals
- apply your knowledge to practical situations
- increase your skills in targeting, aftercare and coordinating itineraries
- identify current trends in the market
- learn about the role that incentives pay in investment decisions
- develop sales and marketing strategies to attract international investment

Modules include: Competitive Challenges; Strategy & Development; Strategic Marketing & Lead Generation; Handling the Site Visit; Aftercare; Trade & Exports; Tourism Development; Company Visits; Cluster Development; SME and Indigenous Industry; Export Processing Zones; Integrated into the program are Workshops, Exercises, Project development, and Study Tours.

Who should attend: Senior Management in Ministries, Trade and Investment Promotion personnel, Tourism and SME Executives, Industrial Development Corporations, Personnel from Industrial Zones, Special Parks, Special Regions and Cluster Zones, Industrialists interested in Foreign Direct Investment/ Joint Ventures/Licensing.

Applications: Contact Bernadette Carew, Director of Training and Capacity Building, International Development Ireland, Wilton Park House, Wilton Place, Dublin 2.

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Australia integrates investment attraction

Against the background of the current global financial crisis, global investment flows are shifting, changing, evolving and in some cases stopping completely.

These are challenging times for global, regional and national financial systems and the importance of the combined roles of WAIPA members to work collaboratively to enhance FDI flows should not be underestimated.

From the Australian perspective, the importance of foreign direct investment in Australia's development is unquestionable.

As a country of migrants, Australia has always welcomed and embraced foreign investment as an integral part of our nation's development - majority foreign owned firms in Australia, account for: 50% of the value of exported goods, 46% of services exports, 42% of R&D spending.

Overseas investment in Australia and the further development of strong trade linkages with our Asian neighbours, particularly China and India, will be crucial for Australia's future prosperity. Today, China and India contribute around 14 per cent of world output. By 2030 these two countries alone will contribute about one-third of world output - so it is clear that Australia will continue to have strong linkages with these two countries as well as with our other vitally important trading and investment partners in the APEC region and beyond. China is now Australia's largest trading partner, and our investment relationship is also developing rapidly. The stock of total foreign investment from China rose 78 per cent year-on-year over the past 12 months - representing an almost 120 per cent increase in the past five years.

As an example of the contribution of foreign investment into Australia's mining industry, recent research from the Committee for Economic Development of Australia (CEDA) illustrates the extent of the contribution that relatively small increases in foreign investment in the mining industry could make to the household incomes of Australians. An additional three iron ore mines, three new coking coal mines and a new bauxite mine constructed between 2010 and 2030 could add almost half a percentage point to Australia's GDP in 2030, generate over 7000 new jobs and, in net present value terms, lift every Australian household's real consumption by over \$2800.

The importance of foreign investment to Australia is therefore clear. How does this then translate to the activities of the Australian Trade Commission (Austrade) to promote and facilitate investment in Australia?

Following the election of the Labor Government in November 2007, Austrade was given new responsibilities for delivering services that not only assist Australian businesses initiate, sustain and grow *exports - but also facilitate outward investment and promote Australia as an inward investment destination. The inwards investment function was transferred from what was formerly another agency, Invest Australia, under the Federal Department of Innovation, Industry, Science and Research - effective from 1 July 2008 this year.

Over the past five months Austrade has undertaken an extensive program of work integrating investment functions into our global operations. Austrade has a clear focus on emerging, high growth markets where there is a clear business demand and where the value-add of Austrade representation will be greatest. Austrade's inward investment attraction efforts are focused towards clearly identified priorities, with an emphasis on investment that brings technologies, skills, innovation and contributes to Australia's export capability. A whole-of-government perspective, with a single point of national representation is desirable in order to enhance Australia's international branding efforts and to maximise the use of our national trade and investment resources. Against this background, Austrade now has an investment specialist network that functions as an integral part of our overall operations - both offshore and in Australia. The integration also enables Austrade to very effectively leverage the interface between Australian exporters and foreign customers - many of whom are also potential investors or strategic partners in working together to access global supply chains and third country markets. Our investment specialists located in key strategic markets undertake the "quality control" and detailed investor relationship management needed to convert investment leads into secured new foreign direct investment into Australia.

Austrade's investment attraction activities are run along targeted industry sector lines, including a number of specific new industry sectoral priorities which are a high priority for the Australian Government, in particular:

- delivering on a Clean Energy strategy covering the renewable energy, emissions trading, water and irrigation technology and lower emissions trading technology
- increasing the export and investment outcomes from Financial Services from key financial services sub sectors of funds management, investment banking, MIS funds and insurance
- a greater focus on the Services sector more generally including working with Australia's Department of Foreign Affairs and Trade to better reflect this sector in future bilateral and multilateral agreements

As part of the detailed strategic assessment and planning process Austrade has undertaken as part of our investment integration, it is very apparent that one of the critical factors for any IPA's foreign investment attraction success is the provision of timely, detailed, industry specific information – delivered through a variety of channels – media, marketing and promotional materials, face-to-face, email, blogs and websites. Austrade has commenced an extensive program of engagement, coordination and information sharing with Australian Federal, State & Territory Government agencies involved in, or able to provide information inputs, to assist foreign companies in their investment decision processes.

We also have a strong Corporate Partners program with formal partnership arrangements with key private sector service providers critical to company investment decision processes – accounting, banking, legal, business advisory, insurance and other services. As we continue our inwards investment information journey we will draw on best practice examples from IPAs represented in WAIPA and look forward to further discussions and engagement in the years ahead.

Austrade now also has a developing focus on assisting Australian companies with their outward investment objectives. We are developing a new suite of outward investment services for Australian companies, particularly in key markets such as India, China, and ASEAN.

Our extended mandate to cover both inwards and outwards investment also presents a unique opportunity to significantly enhance real collaboration between IPAs in key markets across the world. This is particularly appropriate between IPAs like Austrade that have both an inwards, and outwards, investment mandate – IPAs such as JETRO and KOTRA for example – and where there are economic and industry complementarities.

In it's simplest terms:

- Australian outwards investors are other IPAs' targets for foreign direct investment
- Other IPAs' outwards investors are our targets for inwards foreign direct investment

While IPAs are also competitors for foreign investment flows, Austrade believes there are considerable opportunities to work effectively together to meet mutual objectives – particularly on a company by company basis.

Austrade already has a number of MOUs in place with other TPOs and IPAs in the APEC region – with the Hong Trade Development Council, with KOTRA, JETRO, CCPIT and others. Austrade will be looking to deepen and expand our relationships

with other IPAs where there are mutual benefits in relation to investment flows.

To provide you with some concrete examples:

There are now over 3,000 Australian companies with an on the ground presence in China, most have established there under their own steam.

- We'll be looking to form much closer partnerships with CCPIT and the Ministry of Commerce to assist Australian companies with their outward investment objectives in China
- We have commenced discussions with KOTRA's Sydney representatives looking at information exchange and procedures for assisting Korean investors to Australia, particularly in minerals and energy, and for Australian companies establishing in Korea – in information technology.

As part of the ongoing WAIPA framework for investment, Austrade will actively look to consider how IPAs can better cooperate across a range of areas that are critically important for the promotion and attraction of investment, including:

- Information sharing in identified areas of strategic or industry interest
- Development of "best practice" templates for the collection and efficient sharing of investor information between IPAs to increase the speed or assistance provided by IPAs to potential investors as they move between markets
- Website linkages and development of referral mechanisms of investors between IPAs While Austrade is not a young organisation in terms of trade promotion, we are a relative newcomer to the broader issues of investment promotion and attraction – so we consider ourselves more of a student than a teacher in this regard.

As Confucius said "Three people walking abreast, my teacher must be amongst them".

As a keen new member of the WAIPA family, Austrade looks forward to working closely with our new family members and teachers.

Peter Osborne

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Are you maximizing your investment potential?

70% of IPAs may be missing out on investors knocking on their doors

FIAS Global Investment Promotion Benchmarking 2008
FIAS Global Investment Promotion

Benchmarking 2008 (GIPB) points that 70% of IPAs do not consistently provide a response when investors or their site location consultants contact them with project inquiries. In the real world, this means that their countries will fall out of the short list of the potential investor and that they will not be further considered as a possible project destination.

FIAS has assessed the ability of 181 countries to react to investors' interest. By mirroring the decisionmaking process of foreign investors, independent consultants have assessed IPA's Web sites and the ability of IPAs to manage and respond to two investment inquiries, a beverage manufacturing project and a software development project.

According to a recent study by Development Counselors International (DCI), a U.S.-based consulting firm, potential investors are likely to look to the locations' IPA for assistance in their site-selection process. The DCI study, based on a sample of 3,591 U.S. companies with annual revenues of more than \$25 million, found that 64 percent of respondents indicated a strong likelihood that they would use the IPA Web site in their next location search.

GIPB 2008 is the second in a series of surveys assessing the responsiveness of IPAs to investment opportunities, which allows for comparisons in performance between 2006 and 2008. The main findings of GIPB 2008 are that the world of investment promotion has finally moved online. Virtually every country's IPA has a web presence.

However, most IPAs still struggle with facilitating information to companies and with client interaction.

Although most IPAs have a professional online presence, the web effort is poor. Investor relevant information is often shallow and conveys a lack of broad and deep knowledge about their economies. It seems that IPAs have finally realized the importance of promoting online and have allocated some budget to the development of the Web site, but they have not invested enough to develop in-house capacity to gather and consolidate relevant information for investors.

The most striking findings are in the area of responding to investors' requests for information. Only 53 out of 181 IPAs provided a response to both inquiries and, with an average global score of 27 percent for the quality of answers received, it can be assumed that in most cases, the foreign company would lack the information needed to make an investment decision. Furthermore, only 8 percent of all IPAs made an effort to "sell" their location and influence the investor's decision, and less than 6 percent followed up to make sure that responses had been received and to request an update on the progress of the project. This reflects weak internal systems and translates into very low levels of service to investors.

The top performers this year are Austria, Sweden, Germany, Canada, the United Kingdom and France.

These IPAs demonstrated consistent business-focused investment promotion and facilitation. It is this consistency of performance excellence that differentiates the toptier IPAs from their competition.

Clearly, IPAs that performed well in all three exercises were those that have invested time and resources in developing-country information materials and supporting research for their target sectors, and that have also invested in staff training and internal protocols.

Interestingly, many middle income countries such as Nicaragua, Lithuania, Turkey, Botswana, Colombia, Brazil and Ecuador have performed very well, ranking among the top 30 performers. Middle East and North Africa and Sub-Saharan Africa still lag behind in their institutional efforts to attract foreign investors, but encouragingly, some African countries such as Botswana, Senegal and Ghana are 'punching above their weight' and outperforming some OECD economies.

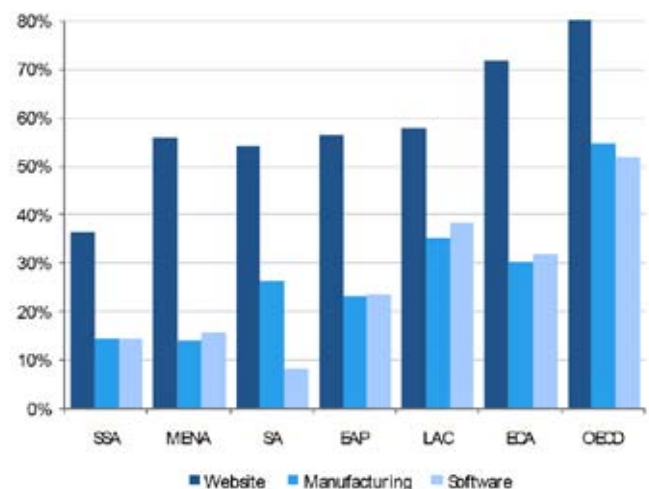


Figure: Regional performance, by GIPB assessment category

Overall IPAs performed better in the GIPB Web site assessment than in the inquiry-handling evaluations. The worldwide

average in the Web site assessment was 58%, compared with 28% in inquiry handling.

Unfortunately, in both assessments, performance levels declined as the complexity of the aspect being measured increased. The decline was sharper in inquiry handling. IPAs in the developing economies performed markedly better on the Web site assessment than in inquiry handling, indicating that many IPAs have made initial investments in communications technologies but have not yet developed the organizational systems and skills needed to successfully interact with, and support, inward investors. In addition, while Web sites are increasingly attractive, GIPB found that IPA performance is measurably weaker when its content is considered from an investor's point of view. The same pattern could be seen in inquiry handling: although most IPAs could be contacted with relative ease, a majority lacks an understanding of their key sectors and their competitiveness for promotion as well as an understanding of the investor information needs.

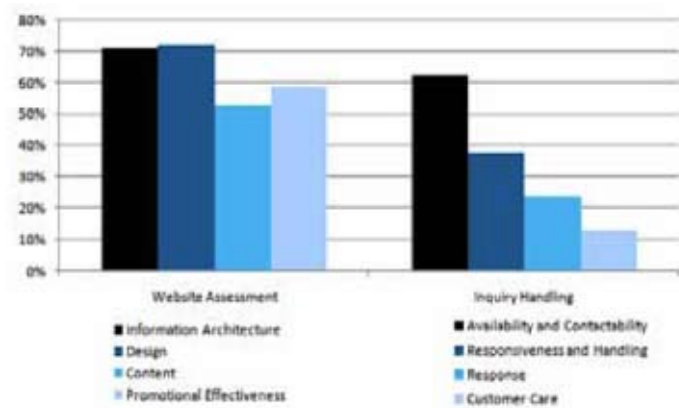


Figure: IPAs have mastered the basics but still struggle with more advanced tasks

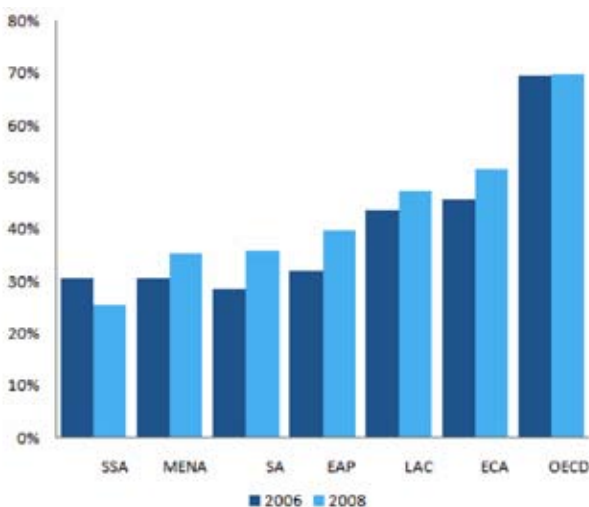


Figure: GIPB results 2006 and 2008, by region

Web site gains drove overall performance improvements between 2006 and 2008. The biggest improvement in providing

information to investors online and offline since 2006 came in the East Asia and the Pacific and South Asia regions, with both improving 25 percent. The top improvers were Croatia, Botswana, Costa Rica, Malawi, Ecuador and Ghana. Generally, however, gains in inquiry handling have proved to be elusive. Indeed, the inquiry-handling performance declined by 2 percent globally over the period.

In addition to the global report, GIPB provides customized confidential reports for each IPA participating in the survey with detailed insights into their performance, to help IPAs improve their information services as well as monitor their performance over time against their strategic objectives and against best practice standards of competitors. IPAs

OMEGA's 11th Annual Euro-African Conference Series

London – Tuesday 20 January 2009
 Hamburg – Thursday 22 January 2009
 Munich – Tuesday 27 January 2009

Dear Delegate,

Omega Investment Research, Deloitte London, HypoVereinsbank, Afrika-Verein and the Munich Chamber of Commerce & Industry, organized the 11th Annual Euro-African Conference Series which took place in London, Hamburg and Munich in January 2009.

The focus of the conference was sub-Saharan Africa and the theme of the event was "Africa is Changing and Changing Fast" due to groundswell developments in African societies, politics and economies. The event offered sponsors, participants and delegates an effective networking and marketing platform.

Our exciting line-up of speakers, included:

Saki Macozoma, Deputy Chairman – Standard Bank South Africa

Mbhazima (Sam) Shilowa, Former Premier of Gauteng and one of the leaders of the breakaway Congress of the People (COPE)

Zamo Gwala, CEO, Trade and Investment Kwa-Zulu Natal

Caiphus Chauke, Executive Director: Local Economic Development – City of Tshwane, South Africa

Edward Bickham, Head of External Affairs – Anglo American plc

Steve Godfrey, Managing Director –
Commonwealth Business Council

Vassi Naidoo, Managing Partner – Deloitte, London

Dr Denis Worrall, Chairman – Omega Investment Research

Andreas Wenzel, Regional Manager
Southern Africa, Afrika-Verein

Walter Englert, Deputy Secretary General, Afrika Verein

Leslie Maasdorp, Vice President – Barclays Capital

Dr Christian Nägele, Chief Representative for
Sub-Saharan Africa, UniCredit Group

Tozi Mthethwa, General Manager: Marketing &
Communications, Trade & Investment Kwazulu-Natal

Peter Driessen, Chief Executive Officer –
IHK für München und Oberbayern

Colin Coleman, Managing Director – Goldman Sachs

TOPICS INCLUDED:

- The Global Financial Crisis & Africa
- How is Africa Changing?
- Key Sectors of Development – Mining, Tourism, Financial Services, Infrastructure and more.
- Looking Ahead: the New Emerging Markets
- The World and Africa in Turbulent Times: What can Africa offer the World?

The WAIPA Secretariat will develop a collaboration with OMEGA in order to inform in time the WAIPA members about such events.

Should you require any further information, please do not hesitate to contact Cheryl Peters, cherylp@omegainvest.co.za

Kilimanjaro International Institute for Telecommunications Electronics and Computers

Throughout the last twenty years, new technologies and more specifically micro electronics, micro computers and telecommunications have developed and increased the gap between industrialized countries and the emerging countries of Africa.

People living in the latter have demonstrated a perfect adaptation to imported mechanical devices due to their good know-how and cleverness.

On the contrary, importation of TV sets, cell phones and personal computers has led them to insolvable maintenance problems because the national education system favors theoretical knowledge to the detriment of hands-on training. The only solution to overcome in the lack of maintenance resources, know-how, tools, components or spare parts has been to create KIITEC. This idea was born of an engineer and his team of friends to create schools to train maintenance technicians so as to contribute in solving this problem. The Foundation for Technical Education (FTE), a Swiss based non-profit organization, obviously seemed to be the right institution to support financially and legally such a project, so it was decided to take up the challenge. Since FTE has been established, KIITEC, located in Arusha, is an operational realization ready to teach our know-how to young people of Tanzania. More than ten expert personalities comprising years of experience are involved in this project.

The Programme

KIITEC is a day school that provides a two-year academic program and awards a rewarding full technician's certificate, leading to various job opportunities related to installation, maintenance and repairing.

The academic year begins in January and lasts until early December. It is divided into three sessions (January to March, April to July and September to December), all ending with an examination. The first year consists in brushing up the student's level in mathematics, physics and English and in studying for a major in analogical electronics. All courses are followed by hands-on practice in our laboratories. A series of lectures will also offer more information about the student's further specialization.

The second year includes the digital electronics courses, the training for a specialization (from the second session) and a creative workshop during which the student can develop his/her own project. Finally, a two to three-month internship takes place during the third and last session, giving the student the opportunity to demonstrate his/her full ability to work in a professional environment before graduation. Visits to various companies are also organized in order to demonstrate to students the concrete applications of what they are learning at KIITEC. In addition to the courses, KIITEC will assist its graduate students in job seeking and company set up. Several students have already shown their interest in opening their own workshops. We will help them start and to become job

creators.

KIITEC Advisory Board

KIITEC is setting up an advisory board made up of professionals coming from the region and beyond and who are connected to various sectors (industry, sales and marketing, administration, education, human resources, etc.). Their knowledge of the local market makes them an asset to the institute and guarantees that the training provided by KIITEC is in line with the job market.

Its main mission consists of advising the institute by taking an external look at our student curriculum. This is also the place to discuss the needs and expectations of the companies because we believe that together we can work to improve the students' know-how, skills and abilities in order to accommodate the national industrial and business needs.

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For information, please contact Mr. François Ullman: +33 685 21 66 21.

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. The Association currently has more than 230 member agencies from all over the world. WAIPA acts as a forum for investment promotion agencies (IPAs) to provide networking opportunities and facilitate the exchange of best practices in capacity-building and investment promotion. Membership is open to all agencies whose prime function is to promote any country or territory for investment.

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?

WAIPA's Consultative Committee comprises the following international and multilateral organizations:

- Foreign Investment Advisory Services (FIAS) of the World Bank Group,
- International Economic Development Council (IEDC),
- Organization for Economic Cooperation and Development (OECD),
- PROINVEST,
- United Nations Conference on Trade and Development (UNCTAD),
- United Nations Industrial Development Organization (UNIDO).

WAIPA's Consultative Advisory Group members are the following:

- Buck Consultants International,
- Ernst & Young,
- GDP Global,
- IBM-PLI Global Location Strategies,
- ICA Investment Consulting Associates,
- OCO Consulting

WAIPA shall establish working relations with organizations which have relevance to WAIPA's objectives.

Where do WAIPA members come from?

Afghanistan, Albania, Algeria, Angola, Anguilla, Antigua and Barbuda, Argentina, Armenia, Aruba, Australia, Austria, Azerbaijan, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Belize, Benin, Bolivia, Bosnia-Herzegovina, Botswana, Brazil, Bulgaria, Cameroon, Canada, Cape Verde, Cayman Islands, Chile, China, Colombia, Congo (Democratic Republic or the),

Costa Rica, Côte d'Ivoire, Croatia, Cuba, Curacao (Netherlands Antilles), Cyprus, Czech Republic, Denmark, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, Fiji, Finland, France, Gabon, Gambia, Georgia, Germany, Ghana, Greece, Grenada, Guatemala, Guinea, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iraq, Iran (Islamic Republic of), Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kiribati, Korea (Republic of), Kuwait, Kyrgyzstan, Latvia, Lebanon, Lesotho, Libya, Lithuania, Macedonia, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mauritius, Mexico, Moldova (Republic of), Mongolia, Montenegro, Morocco, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Oman, Pakistan, Palestinian National Authority, Papua New Guinea, Paraguay, Peru, Poland, Portugal, Qatar (State of), Romania, Russian Federation, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Senegal, Serbia, Seychelles, Sierra Leone, Slovakia, Slovenia, Solomon Islands, South Africa, Spain, Sri Lanka, Sudan, Swaziland, Sweden, Tajikistan, Tanzania (United Republic of), Thailand, Trinidad and Tobago, Tunisia, Turkey, Turks and Caicos Islands, Uganda, Ukraine, United Arab Emirates, United Kingdom, Uzbekistan, Vanuatu, Venezuela, Vietnam, Yemen (Republic of), Zambia and Zimbabwe.

For comments and submissions to WAIPA Newsletter please contact Mrs. Karine.campanelli at:
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