

WAIPA Regional Investment Conference, 17-18 November 2006, Sharm El Sheikh, Egypt

Egypt provided the location for the second regional WAIPA conference, following the first such meeting in Busan, South Korea, in November 2005. More than 150 delegates from 30 member-agencies were hosted by GAFI—Egypt's investment promotion agency—at the Red Sea resort of Sharm-El-Sheikh.

Over two days in late November a wide range of speakers discussed South-South investment trends, with developments in the Middle-East and Africa receiving particular attention given the concentration of delegates from those regions. With rising interest among the policy and scholarly communities in the phenomenon of investment flows within the developing world, and a growing body of research into its recent trends, there was much to debate.

Dr Ziad Bahaa El Din, GAFI's president, set the tone at the opening ceremony by summarising the reforms implemented in Egypt in recent years and describing some of the trends in FDI inflows. His speech was strongly upbeat. This reflected not only higher levels of inward investment his country has been attracting, but also the benign international economic environment which has seen global flows of FDI recover strongly since the downturn in the early part of the decade. Among the reasons for his sanguine view of future prospects was the emergence of new sources of FDI from the developing world.

But while there was no shortage of optimism during the two-day event, debate was inevitably focused on IPAs' methods and, as is often the case at WAIPA meetings and conferences, many different—and often quite passionate—views were expressed. Among the most controversial issue to arise was the importance of national image: what effect it has on investors and—more importantly--what can and should be done to improve it.

Some speakers believed that the resources needed to influence international perspectives of their countries were simply too great and the effectiveness of so doing too uncertain. Those who took such a view believed focusing on national image should, therefore, not be attempted. At the other end of the spectrum, others maintained that without a better overall country image the task of being long-listed (never mind short-listed) as a location by investors was doomed to failure. Given its importance, it simply could not be ignored advocates of this approach contended. Nothing approaching consensus was reached on this point, and the debate looks likely to run for some time yet.

Among the speakers most eagerly quizzed by delegates were the representatives from the business community. Very considerable interest was shown in the experiences of AstraZeneca's head of Egyptian operations, Dr Ahmed Zhagoul, whose firm has recently expanded its operations in the country by constructing a major production facility. Delegates were particularly interested in gleaning from him what the key issues were in his company's decision to make the investment, as well as understanding the persuading role his subsidiary played with corporate headquarters in the UK.

As the CEO of an Egyptian multinational investing abroad, Mr Ahmed El Sewedy's presentation also generated considerable interest. This appeared to reflect concerns among delegates about the potential for shifting production out of the home country, a concern that has long been confined to the developed world but is now spreading as MNEs from the South gain prominence.

Among the other trends of note that emerged from the conference was the growing influence of IPAs as champions of economic reform in the domestic policy debate. This was illustrated not only by the frequency with which it was raised by delegates in different contexts, but also in the very considerable media attention the event generated. The large numbers of journalists covering the conference appeared to be testament not only to GAFI's public relations efforts, but more widely to the role IPAs can play as persuaders for the improvement of the overall business environment, to the benefit of foreign and home-grown companies alike.