

# Investment Promotion by Diplomats

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# PART I

## Why diplomats need to be involved?

# Degrees of engagement in investment promotion by diplomats

## Do nothing

## Do little (reactive approach)

- Respond to requests from investors, your national IPA or other government institutions dealing with investment and trade
- Support for promotional activities
- Market intelligence

## Proactively work on investment promotion

- Develop a relationship with your national IPA and agree on a set of activities that you can perform
- Dedicate a percentage of staff/time to investment promotion
- Develop and follow an action plan for investment promotion

# Added value to investment promotion by diplomats

- Global reach
- Proximity to clients
- A prestigious channel to reach out to the investment community
- Cost efficiency through shared facilities and other assets

# The case of the UK

- ❑ **The Foreign and Commonwealth Office (FCO) is tasked with supporting trade and investment (including inward investment) through its commercial diplomacy agenda**
- ❑ **FCO is one of the two parent departments of UK Trade & Investment (UKTI), the national IPA of the UK**
- ❑ **The majority of overseas staff of UKTI (1,340) is from FCO**
- ❑ **Certain posts in UK's overseas missions are allocated for investment promotion officials**

# Case study: helping a company to expand in the UK

*In 2009, a leading pharmaceutical company from Japan opened a new facility in the UK, with an investment of £100 mn.*

- ❑ In 2004, the investment team in the British Embassy in Japan , through its aftercare services, learned the intention of the company to expand in Europe.
- ❑ With support of UKTI, the team delivered presentations to the company on government supports, 30 possible sites, available properties, etc.
- ❑ The Embassy and UKTI brokered meetings between the company and British ministers, local government officials, and local service providers on different occasions.
- ❑ After announcement of the investment, the Embassy remained in touch with the company to ensure smooth implementation of the project.

# PART II

## What can diplomats contribute?

# Possible roles in the investment promotion cycle

- ❑ **Image building:** build the country/location's image overseas
- ❑ **Investor targeting:** target MNEs in priority sectors, generate leads, help organize host country visits
- ❑ **Investment facilitation:** channel business information, assist in obtaining licenses and approvals
- ❑ **Investor aftercare:** develop a long-term relationship with the investor and assist when issues arrive
- ❑ **Policy advocacy:** based on company feedback, provide government institutions information on issues that need attention
- ❑ **Research:** obtain key contacts and relevant information on relevant sectors and investors



# Possible support throughout the site selection process

## Long listing

- Project specifications
  - Generic factors
  - Project economic screening factors
- Long list of countries/regions
- Compare costs and conditions
- Narrow down to a short list

IPA or Diplomat provides country and sector information

## Short listing

- Field investigations (site visits) to a few locations
- Verify screening and process—drill down
  - Identify specific opportunities and risks

Diplomat liaises with company and IPA to ensure agenda meets site visit objectives. He/she may also join site visit.

## Negotiations

- Risk analysis
  - Real estate
  - Incentives

IPA or diplomat provides quality contacts, facilitates meetings, and troubleshoots if needed.

## Implementation

- Transition planning
  - Facilities plan
  - Vendor selection
  - Construction

IPA services investor to fast-track project implementation. Diplomat follows up with headquarters to ensure satisfaction and capture re-investment.

# Key messages for diplomats

- Get to understand the investment process
- Work within the framework of your country's development and investment promotion strategy
- Set ambitious but realistic goals
- Take a targeted approach
- Coordinate with other stakeholders
- Set guidelines for enquiry handling
- Do company research before meeting with potential investors
- Build trust - keep confidentiality of client information!
- Stay in touch with established investors
- Evaluate your promotional activities

## PART III

# Investment promotion products & tools for diplomats

# UNCTAD training workshops for diplomats



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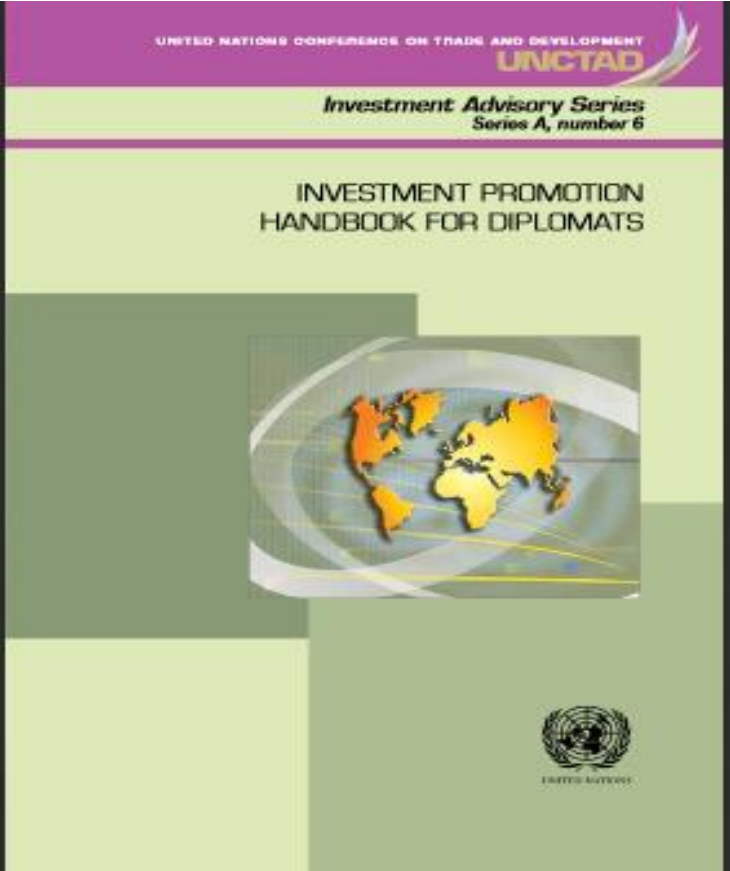
WORKSHOP CAIRO, EGYPT

## Workshop On Investment Promotion For Egyptian Diplomats

21–22 July 2015, Cairo, Arab Republic of Egypt

The Government of Egypt would like to further increase the level of FDI into the country. The principal government body regulating and facilitating investment in Egypt is the

Facebook, Twitter, Email, Print, +





# Individual action plan for investment promotion at your post

Name: ..... Post (if known): .....

## TARGETS AND OBJECTIVES

Which sectors would you target?

■ *Renewable energy* ..... ■ .....

Which measurable objective(s) do you think you can achieve within two years?

**Objective A** *Inform wind energy and biodiesel companies about opportunities in Egypt*

**Objective B** *Establish close relationships with industry associations*

## RELATED ACTIVITIES

	Which activities would you carry out to meet this/these objective(s)?	Objective(s) it contributes to	Share of your time
Image building	<i>Present at a renewable energy industry event and place a feature on wind energy and biodiesel opportunities in the event booklet</i>	A B <input checked="" type="checkbox"/> <input type="checkbox"/>	2 %
Investor targeting	<i>Identify wind energy and biodiesel companies with activities in the region, establish contact, and communicate relevant information</i>	A B <input checked="" type="checkbox"/> <input type="checkbox"/>	5 %
Facilitation and aftercare		A B <input type="checkbox"/> <input type="checkbox"/>	%
Policy advocacy		A B <input type="checkbox"/> <input type="checkbox"/>	%
Research	<i>- Carry out research on industry associations in and near the post - Obtain additional information on leading renewable energy companies</i>	A B <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	5 %
Other (e.g. internal discussions)	<i>Attend monthly networking events sponsored by local business networks</i>	A B <input type="checkbox"/> <input checked="" type="checkbox"/>	2 %

Thank you!