Attracting sustainable FDI in strategic sectors

Asia-Pacific Foreign Direct Investment Network

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Topics

- The role of FDI strategy in FDI attraction
- Selecting target sectors
- Project example
Selecting priority (target) sectors

- The selection of “priority sectors” should reflect a location’s FDI attraction strategy
- The strategy aligns FDI attraction efforts with overall economic policy and objectives
- Strategy is typically developed and implemented by an investment promotion agency (IPA)
- A comprehensive and clear strategy at the IPA level is essential for FDI attraction
Components of an FDI attraction strategy

1. Clear objectives – *why do we want FDI? What type of FDI?*

2. Target groups – *who do we want to attract?*

3. Value propositions – *why should they invest here?*

4. Go-to-market approach – *how will we identify and engage with potential investors?*

5. Organizational structure and roles – *who will be responsible for results?*

6. Resources, processes and tools – *what do we require to operate effectively?*

7. Performance indicators – *how will we measure and communicate results?*

8. Financial plan – *how will we deploy our resources?*
Selecting priority (target) sectors – starting point

1. What do we mean by “sustainable investment”?
2. Why do we want to attract sustainable investment?
3. What are the specific types of sectors and activities that we want to attract?
4. How attractive are we as a location for those sectors and activities?
5. Who are the individual companies that we want to attract?
Selecting priority (target) sectors – approach

**Internal assessment**
- What are our specific advantages as a location?
- How do these compare to competitor locations?
- What are the real opportunities for investors in our location?
- Can we articulate credible and convincing value propositions?
- What types of investors can benefit from these advantages and opportunities?

**External assessment**
- Which sectors are experiencing growth?
- Are companies in those sectors expanding internationally?
- Where are they investing and why?
- Are there examples of recent investments in our part of the world?
- How big is the pool of potential investors?
- Do the advantages/opportunities of our location match the key requirements of potential investors?