



World Association of
Investment Promotion
Agencies

NEWSLETTER

Issue 3, October 2008

WAIPA Regional Investment Conference 2008

Rio de Janeiro, Brazil
3-5 December 2008

The third WAIPA Regional Investment Conference, organized in collaboration with Apex-Brasil, will be held in Rio de Janeiro, Brazil, from the 3rd to the 5th of December 2008. The theme of the conference is: Foreign Direct Investment: New Scenario and Challenges. This event will be the opportunity for national and sub-national investment promotion agencies (IPAs) from the South American region to discuss Economic and investment issues; Investment and business climate; Private sector perspectives on investment decision; National government strategies for investment attraction; The Role of Development Banks in financing infrastructure development.

Particular emphasis will be put on new opportunities and challenges for investors, how global value chains and business linkages are evolving and how emerging economies can accelerate the development process through Foreign Direct Investment.

This conference will provide networking opportunities and facilitate the exchange of best practices in investment promotion and IPA capacity building.

Training workshops will be organized in collaboration with WAIPA partners.

We warmly invite our members to attend and participate in this third WAIPA Regional Investment Conference! For registration, please contact karine.campanelli@waipa.org or alexandra.tokareva@waipa.org

231 members and associated members constitute the Association. WAIPA covers now 156 countries.

WAIPA-UNCTAD investigation contributes to the World Investment Report 2008

On 24 September, UNCTAD launched its annual World Investment Report, which this year focuses on Transnational Corporations (TNCs) and the Infrastructure Challenge. Many WAIPA members contributed significant inputs to the report, not least by participating in the survey organized jointly by WAIPA and UNCTAD. We are pleased to be able to present some of the highlights of both studies.

FDI flows reach an all-time high, but are set to decline

After four consecutive years of growth, global inflows of foreign direct investment (FDI) in 2007 reach a record high of US\$ 1,833 billion. According to the World Investment Report 2008, the upward trend was apparent in nearly all parts of the world. While UNCTAD observes some signs of growing concerns and rising protectionism related to inward FDI, the overall policy trend remains one of greater openness to foreign investors.

In 2007, the major share of FDI (US\$ 1,248 billion) went to developed countries. Inflows to developing countries rose by 21%, to the record level of US\$ 500 billion. South Asia, East Asia, South-East Asia, and Oceania accounted for half of all 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.

In terms of FDI outflows, developed countries predominate and the United States remained the largest single source country. However, developing countries continued to gain importance as overseas investors, with outflows reaching a new high of more than US\$ 250 billion. The main driver for this surge was the international expansion of Asian TNCs. A relatively new feature of Asian overseas investment is the growing role of sovereign wealth funds (SWFs) as direct investors.

Looking ahead, UNCTAD cautions that the current slowdown in the world economy will have an impact on FDI flows in 2008. Many developed countries now face liquidity crises in money and debt markets, especially affecting cross-border mergers and acquisitions. First estimates by the organization indicate a 10% decline in FDI flows compared with 2007. Nevertheless, investment flows to developing countries are likely to remain fairly stable (see also the separate article on the World Investment Prospects Survey in this newsletter).

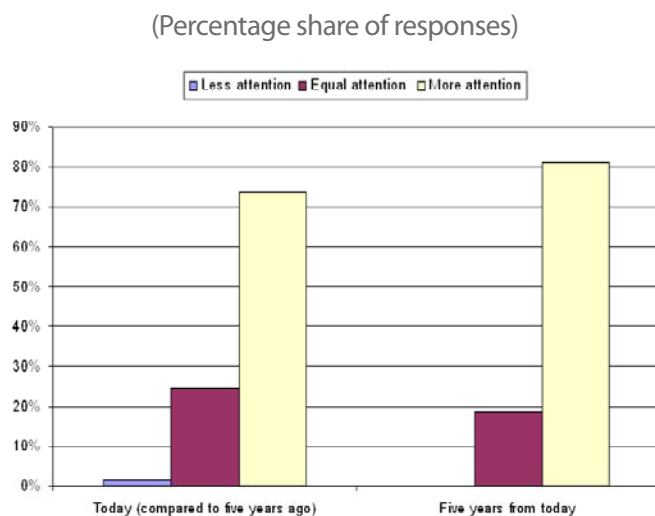
Infrastructure increasingly important for IPAs

As already mentioned, this year's World Investment Report focuses on the role of TNCs in infrastructure. The report points out that "meeting the huge needs of developing countries for infrastructure such as roads, ports, and electricity supply is a major challenge and requires better use of private-sector resources, including those of TNCs". However, it adds that low-income countries are often too poorly equipped to attract or maximize the benefits of TNC involvement in infrastructure development, and that a concerted effort by host countries, the international community, and investors is required to address this challenge.

From 1990–2006, TNC involvement in infrastructure has grown significantly in both developed and developing countries. Foreign investment was primarily directed at telecommunications and energy (mainly electricity), while much less went into transportation, water and sewage. Recently, a growing number of TNCs from the South have emerged as major investors in infrastructure industries. Also new types of international investors have appeared in this field, such as private equity funds (mainly from developed countries) and government-owned SWFs (mainly from developing economies).

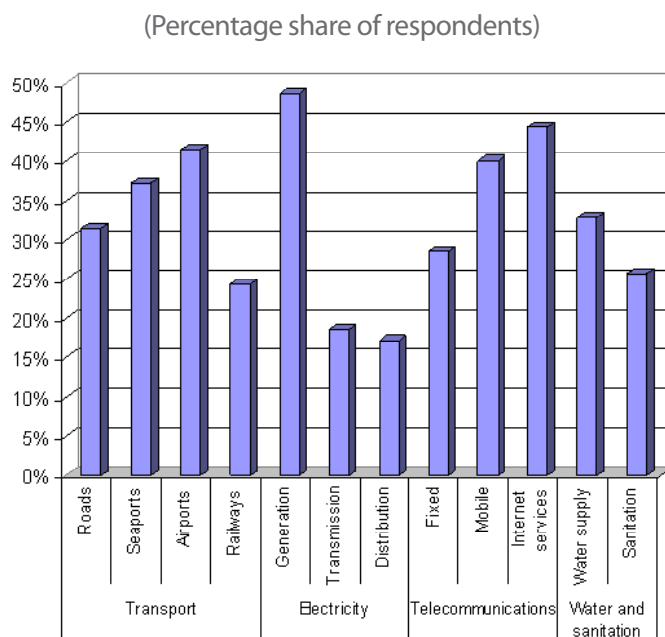
In the context of this research, WAIPA has collaborated with UNCTAD in setting up a joint survey on the priorities and activities of IPAs in this field. An occasional note on this survey has just been released and can be downloaded from the WAIPA website (www.waipa.org). The survey found that IPAs in all regions pay more and more attention to infrastructure (figure 1). However, it also revealed some apparent differences between industries and regions regarding the promotional strategies of IPAs. The largest share of agencies directs attention to attracting FDI into electricity generation. Other frequently targeted industries are Internet services, airport infrastructure and mobile telephony, while electricity transmission and distribution are the least commonly targeted (figure 2).

Figure 1. Extent to which IPAs give attention to infrastructure industries



Source: UNCTAD-WAIPA Survey of IPAs, April-June, 2008.

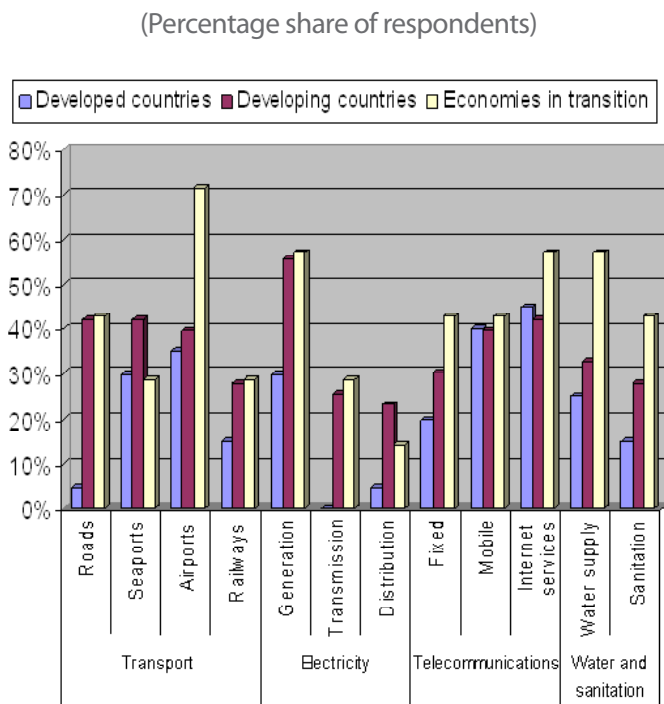
Figure 2. Share of IPAs that actively promote FDI, by infrastructure industry



Source: UNCTAD-WAIPA Survey of IPAs, April-June, 2008.

A regional comparison shows that IPAs from developed countries focus on fewer specific industries. They particularly target technologically advanced industries, such as Internet services and mobile telephony. By contrast, developing-country IPAs demonstrate strong interest across industries, but especially in such basic infrastructure as transport and electricity. Agencies in transition economies pay relatively much attention to investments in airports, but also into electricity generation, Internet services and water supply (figure 3).

Figure 3. Share of IPAs that actively promote FDI, by industry and country group



Source: UNCTAD-WAIPA Survey of IPAs, April-June, 2008.

The survey also noted some differences in terms of barriers faced by IPAs when seeking to attract TNCs. In general, IPAs perceive poor legal or licensing systems as the most important obstacles to attract foreign investment in infrastructure. Somewhat surprisingly perhaps, relatively few agencies stated that they target investors from specific home countries. However, among those that did, the most often targeted sources were the United States and countries in the European Union, followed by countries in Southeast Asia and the Gulf region. Growing competition for FDI makes it important for IPAs to develop a sound strategy that takes into account both industry-specific investment barriers and available promotional instruments. In this respect, agencies should be aware of specific regional concerns for attracting FDI into infrastructure.

Despite recent increases of FDI in infrastructure, the World Investment Report 2008 cautions countries not to attract TNCs at any cost. Failed investment projects can adversely affect infrastructure availability and the price of infrastructure services. TNC participation should be seen as a complement to, not a substitute for, domestic public and private investment in infrastructure.

In this context, close coordination between the IPA and the host-country government may prove crucial in determining where foreign participation is likely to make the most effective contribution. The challenge is to identify those areas where foreign investment may complement other efforts, such

as domestic public and private investment or investments financed by development partners. Both reports note that there is no one-size-fits-all solution and encourage governments, and IPAs, to find the appropriate mix of public and private involvement.

Both WAIPA and UNCTAD would like to express our sincere thanks to all those IPAs that contributed to the research. The full note on the joint WAIPA-UNCTAD survey can be accessed at www.waipa.org or www.unctad.org. The World Investment Report 2008 can be downloaded free of charge at www.unctad.org/WIR.

For further information on this article please contact Thomas van Giffen at: thomas.van.Giffen@unctad.org

Corporate offshoring and location decision making in a 'Flat World'

Globalization has been debated and analyzed on numerous WAIPA seminars and conferences over the last 10 years. More recently the discussion on corporate globalization has been stimulated by the book of the New York Times columnist Thomas Friedman: "The World is Flat". The book has become a bestseller among CFOs, business leaders and policy makers. Friedman argues that today's globalization 3.0 is characterized by a greater number of 'participants' (i.e. localities and individuals) that are participating in the global economy and that it is driven by greater (inter)connectedness in which the level playing field has 'flattened'. In this flat world multinational corporations must make their investment and location decision and optimize their location portfolios and policy makers must develop competitive FDI policies to attract corporate investments.

Apart from the stimulating stories on doing business abroad that Friedman displays shares with us, the book has been criticized by numerous corporate executives and senior policy makers. Most importantly is that many multinational corporations and their senior management do not experience this 'flattening' process at all. Obviously they see more people and citizens participating in the global economy given the rapid economic growth in many emerging markets, but do not see a harmonization nor flattening of the global level playing field.

In contrast corporate executives face a much more complex process of globalization in their daily practice. With FDI becoming more specialized, the decision where to locate it has also become more specialized. CFOs moreover experience what we call the "paradox of corporate globalization" that can best be summarized as follows. Globalization increasingly offers more locational opportunities for offshoring and supply chain

management in the form of new and upcoming emerging markets. This process increases the competitive pressure of multinationals to reap the benefits of globalization driving multinationals in a continuous process of restructuring their value chains and defining new FDI opportunities. This in turn enhances the need for objective information and analyses on locational conditions, a process which in itself has increasingly become more difficult as the information explosion through the internet has created new challenges in the form of good objective qualitative data collection and new tools to analyze this information. One lesson for IPAs is that they can make a difference by providing objective and qualified information about investment opportunities in your country and region.

In order to meet the requirements of our corporate and government clients Investment Consulting Associates (ICA) has developed a web based location benchmarking tool: LocationSelector.com®. The software product, allows for multiple analyses and benchmarks of operational business costs worldwide using various tools that were developed and tailored to corporate and government preferences. Our software was introduced and given the test of academic quality at the recent Academy of International Business (AIB 2008) in Milan. ICA organized a roundtable panel discussion titled: "The practice, policy and theory of location selection and optimization in a 'flat world'". Panel participants were Professor John Dunning (Rutgers University), Professor Alan Rugman (Indiana University), Dr. Michael Gestrin (Senior Economist, OECD) and Dr. Douglas van den Berghe (ICA). The panel was widely attended and unique in its set up as it approached corporate FDI location decision making and location optimization from various angles: practice, policy making and theory. The roundtable panel discussion as well as LocationSelector.com® show, that the practice of corporate international location decision making has become more complex and counterintuitive to the central thesis of Friedman's book.

Douglas van den Berghe is Managing Partner of Investment Consulting Associates (ICA) an alliance partner of TPA – Global and member of WAIPA's Consultative Advisory Group (CAG).

For more information on ICA's roundtable panel discussion or ICA's new software product: LocationSelector.com® please visit ICA's website at www.ic-associates.com or go to www.locationselector.com. ICA offers a special first year discount for WAIPA members on an annual license fee.

Please send an email to: info@ic-associates.com to request an online demo session of LocationSelector.com® or if you require more information.

Invitation to the ASEM Roundtable Meeting for IPAs

Oct. 22-23, 2008

Nanning, Guangxi Zhuang Autonomous Region, P.R. China

As endorsed by the 11th ASEM Senior Official Meeting on Trade and Investment held in Maribor, Slovenia, China is going to host the ASEM (Asia-Europe Meeting) Roundtable Meeting for Investment Promotion Agencies in Nanning, Guangxi Zhuang Autonomous Region on October 22-23, 2008. We have the honor to invite you to participate in the above event.

The ASEM, launched in 1996, is an informal process of dialogue and co-operation bringing together the 27 European Union Member States and the European Commission with 16 Asian countries (10 ASEAN countries, China, Japan, Korea, India, Pakistan and Mongolia) and the ASEAN Secretariat. The ASEM dialogue addresses political, economic and cultural issues, with the objective of strengthening the relationship between our two regions, in a spirit of mutual respect and equal partnership.

The aim of the ASEM Roundtable Meeting for Investment Promotion Agencies is to build up a platform of communication and dialogue among ASEM investment promotion agencies and enterprises in a view of providing advices and sharing information on investment environment and policies, as well as to promote two-way investment to bring on the development and prosperity of regionaleconomy. The Meeting will be hosted by the Ministry of Commerce of the People's Republic of China (MOFCOM) and co-hosted by the Investment Promotion Agency of MOFCOM and the Guangxi Zhuang Autonomous Region Government.

The theme of the event is "Investment Promotion and Common Development". Representatives from international organizations, investment promotion agencies, government agencies and enterprises from the ASEM members will be invited to the event. The Meeting will discuss the initiative of setting up "ASEM Investment Promotion Centre", and a field visit to Qin Zhou will be arranged after the meeting.

In addition, Nanning will host the 5th China-ASEAM Exposition on October 22-25, 2008, where all the participants are kindly invited.

A draft agenda and a registration form are available on www.waipa.org. The meeting will be conducted in English.

News on: Master of Science on Investment Promotion & Economic Development

MSc IPED - Distant Learning (2year flexible)
www.master-iped.com

Inspirational comments from MSc IPED students, all IPAs high-level management professionals ...



Esteban Rosas, Durango, MEXICO
Deputy Minister for Development

"Globalization is making of this world a "global village" in which competition in every aspect of the economy is fierce. Countries and their Investment Promotion

Agencies; private, semi-private or publicly funded organizations must design and develop intelligent planning to compete for FDI. I am a Deputy Minister for a México's State IPA, and convinced that the professionalization of the personnel engaged in these matters must be dynamic and continuous, regardless of their original background. I have found that the modules and the complete program offered by Napier on the IPED MSc., is giving us that competitive advantage edge we are looking for to compete. It's quality, logistics and content is first class, pure enjoyable learning. The learning from the program has resulted in practical actions that are undertaken by my IPA, with success. I am a Chemical Engineer, I have 50+ years, no problem! »



Adesoji Adesugba, NIGERIA
Director of Investment Promotion
Commission, Lagos

"I am thankful for the immense knowledge and support I get from the Msc. IPED programme for my career as an investment

promotion practitioner and student".

Worldwide interest

Continuous worldwide strategic communications campaign led by DIAS in collaborations with WAIPA & other partners, have allowed the enrolment of an important June 2008 intake, from countries such as Afghanistan, Azerbaijan, Benin, Commonwealth of Dominica, Fiji, Lesotho, Morocco, Mozambique, Papua New Guinea, Swaziland, Switzerland/Argentina. Since October 2007, the Master is then globally and gradually composing a comprehensive picture with many participants from Africa &

Middle East, Latin & Central America, Caribbean Islands and Small Pacific islands and Asia.

Entering the Master

The programme's flexible approach gives students the opportunity of starting the Master each new trimester. Next possibility is to start on October 1st 2008 with deadline for application and finalization of matriculation, September 15th, then February 1st 2009 (deadline January 15th) and June 1st, 2009 (deadline May 15th).

Our Message

We look forward to integrating qualified students in the Master international academic and professional platform in order to ensure worldwide representation and growing investment partnerships contributing to best development processes.

Thank you for helping us spreading this information among your potentially interested colleagues and other connections at the country and international level!

Yours sincerely,

DIAS Management & Academic Training, acting as Napier Overseas Academic & Strategic Partner

Further information, including student's Assessment & Mentoring leading to application:

Dr. Francesca GIANNOTTI, Strategic & Academic Advisor, MSc IPED – francesca.giannotti@dias-management.ch

DIAS Management GmbH, CH-5400 Baden, Switzerland

Emerging Market Global Players Project

The Emerging Market Global Players Project, as part of the Vale Columbia Center on Sustainable International Investment's (VCCI) efforts to describe and detail the investment activities of multinational enterprises (MNEs) in emerging markets, has been publishing lists that identify and rank MNEs in terms of foreign assets owned. The lists, which are prepared in partnership with scholars in some of the top institutions in emerging markets, are unique, providing valuable information to both the research and investment communities. Lists for Brazil, Russia, Slovenia, and Israel have already been published, and lists for India and China are in their final stages. Some companies on these lists, such as Vale from Brazil and Gazprom from Russia, already are well known globally, but others, such as Mercator (Slovenia) and Amdocs (Israel) soon could be. Many of the MNEs on the

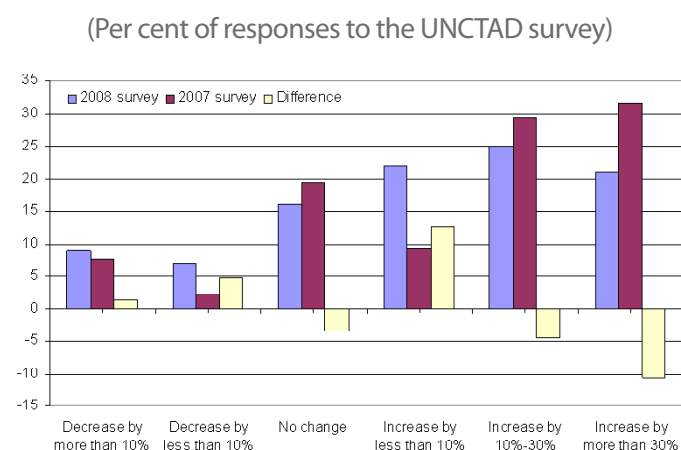
lists are relatively small (under \$500 million in total assets), which demonstrates that even smaller companies are capable of making strategic investments abroad. All current and future lists are accessible through the VCC website, www.vcc.columbia.edu/projects. For additional information, contact Karl P. Sauvart, Executive Director of VCC (ksauva@law.columbia.edu), or John Dilyard, Director of the Emerging Market Global Player Project (jdilyard@stfranciscollege.edu).

UNCTAD World Investment Prospects Survey 2008-2010

Global economic instability affects FDI prospects

The financial instability and worldwide economic downturn following the United States sub-prime mortgage crisis have caused the largest transnational corporations (TNCs) to become more cautious about their medium-term foreign direct investment (FDI) ambitions. According to UNCTAD's World Investment Prospects Survey 2008-2010, companies are very sensitive to the risk of a further deterioration of the global economic situation. The share of TNCs planning large increases in investment overseas over the next three years has dropped significantly from 2007 (figure 1). However, more than half of the companies surveyed still plan to increase their international investment expenditures. Thus, the underlying long-term trend towards further international expansion may be more resilient to the ongoing economic and financial turmoil than one could expect.

Figure 1. Expected change in FDI expenditures over the next three years



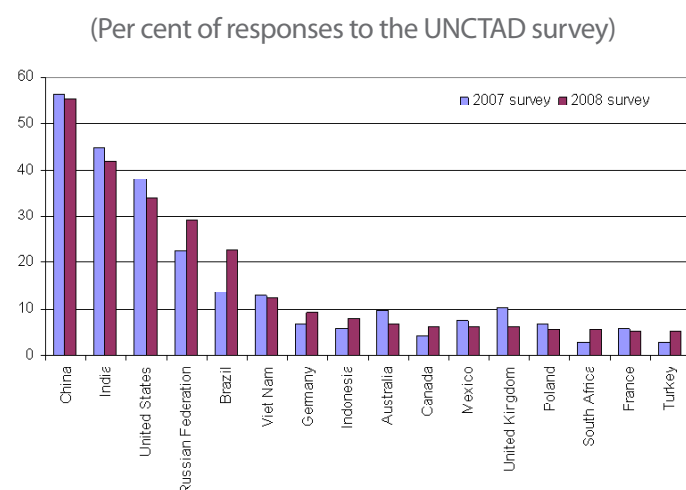
Source: WIPS 2008-2010 a comparison between this year's survey and last year's relate to the periods 2008-2010 and 2007-2009 respectively.

Asia increasingly important as destination for new FDI

The TNCs surveyed indicated growing interest in investments in emerging economies. Of all regions, South, East and South-East Asia is the most preferred destination for FDI, confirming the results of last year's survey. Asia also hosts the largest share of companies that expect to increase their FDI expenditures. The EU-15 and North America remain the 2nd and 3rd most preferred investment locations in TNCs' investment plans for the next three years. The greatest decline in overseas investment plans was observed among North American companies.

The five most preferred destination countries for future FDI are China, India, the United States, the Russian Federation, and Brazil. Although the ranking of these destinations is unchanged compared to the 2007 survey, both the Russian Federation and Brazil are fast catching up in terms of attractiveness for future investments (figure 2). Viet Nam remained in sixth place, just ahead of Germany – the highest ranked economy in Europe.

Figure 2. The 15 most attractive economies for the location of FDI



Source: WIPS 2008-2010

TNCs expand their scope beyond the home region

Although still very focused on investing in their own home regions, companies express growing interest in other regions of the world and continue to increase the degree of internationalization of all of their business functions. Investment prospects appear to be the most promising in services, notably in infrastructure industries (telecommunications, transport, electricity, gas and water). This tendency is supported by technical innovation (e.g. nanomaterials), dynamic demand (e.g. services for the elderly in developed countries), organizational changes (e.g. outsourcing of business services) and by the need of newly industrialized countries to improve their infrastructure

provisions. In general, market growth, market size, and access to international/regional markets are the prime factors influencing TNCs' choices of investment location (figure 3).

Figure 3. Location criteria in order of importance, 2008-2010

(Per cent of responses to the UNCTAD survey)



Source: WIPS 2008-2010

For more information on the World Investment Prospects Survey, please contact Mr Masataka Fujita (masataka.fujita@unctad.org) or visit UNCTAD's website (www.unctad.org/fdi).

What's next in Asia ? The hot spots of foreign direct investors in 2008

by Ernst & Young

At the request of Japan's Ministry of Economy, Trade and Industry the first Japan attractiveness survey, launched the 23rd of June 2008 by JETRO and Ernst & Young, revealed Japan as the most attractive location in Asia, on par with China, according to international investors' perceptions. Both countries are deemed the most attractive Asian locations by 27% of international investors surveyed. India ranks second, with an 11% citation rate, followed by Hong-Kong and Singapore, joint third (10%).

A high-quality advantage

"While Japan confirms its strong regional leadership for qualitative location factors, the country is facing tough competition from China and India – highly competitive locations for business costs criteria," said Fabrice Reynaud, Ernst & Young France and author of the survey. "Given this situation, Japan is being forced to update its positioning, focusing on the most strategic foreign direct investments, in particular its attractiveness for knowledge-intensive activities."

Japan's greatest difference from its Asian competitors is location criteria related to quality. The country is deemed the most attractive Asian country for both Research and Development (R&D) quality and labor skill level, with citation rates of 39% and 27% respectively; ahead of China and India (16% and 10% for R&D and 23% and 16% for labor skill level respectively).

Japan also leads the Asian competition on connectivity-related location criteria. On telecommunication infrastructures for instance, Japan ranks first, ahead of China, with a 32% citation rate. In addition, Japan is also deemed the most attractive location for the quality of transport and logistics infrastructures (33% citation rate).

This high quality attributed to Japan provides the country with a significant advantage for knowledge-intensive activities, such as R&D centers and headquarters. Japan is ranked first by investors for R&D centers and headquarters, with citation rates of 25% and 20% respectively.

Reality does not match perception... yet?

While Japan and China appear to have the same level of perceived attractiveness, the reality of foreign direct investment flows positions China as the first host country for FDI projects in Asia. Japan ranks fifth in Asia for actual inward FDI projects and 20th at a global level.

Strong perception gaps also appear between investors already operating in Japan and those having no experience of the country. Japan is indeed ranked as the most attractive Asian country for 40% of companies already operating in Japan, against only 22% for companies not operating in Japan.

"While Japan is perceived as attractive to investors, its strong image needs to be turned into actual investment projects," concluded Fabrice Reynaud. "Japan has a card to play with its leadership on quality and connectivity factors to become tomorrow's Asian hub. But Japan has to convince the international business community of its capacity to play as a gateway to the Asian market rather than a market in itself."

OTHER SURVEY FINDINGS INCLUDE:

Investors confident about the future of Asia's attractiveness

The evolution of Asia's attractiveness over the past year demonstrates the strong satisfaction of international investors. More than half (59%) of foreign investors note an improvement, against only 6% who perceive a deterioration

in the region's attractiveness. 71% of them believe that Asian attractiveness will improve over the next three years, against 56% only for Europe.

Japan among the top three destination countries for future Asian investment projects

When interviewed on their location plans, 43% of investors state that they are currently considering establishing or developing their activities in Asia. Japan is among the top three preferred locations for these investment plans, with an 18% citation rate, although behind China (57%) and India (35%).

Well targeted measures to enhance Japan's attractiveness: costs and language skills

In order to remain among the preferred Asian destinations, Japan needs to undertake a certain number of measures to improve its attractiveness to international investors. Language and costs are among the main barriers highlighted by investors and are also identified as key axes for improvement. Among investors interviewed, 45% would like to see measures taken to reduce taxation levels and 38% to reduce labor costs. 40% identify the need for measures to improve language skills.

China knocks Western Europe from top spot for FDI 'attractiveness'

But perception yet to match reality: in record year for investment flows globally, Western Europe still receives 37% of foreign direct investment

China has been ranked the most attractive destination for foreign direct investment, ahead of Eastern Europe and Western Europe, in a survey of business leaders.

Ernst & Young's fifth annual European attractiveness survey, an open world, shows that the world's regions have become much more equal in terms of where businesses want to invest. But these investor perceptions are not yet backed up by the reality of investment flows. Although 47% of survey respondents ranked China as the most attractive investment destination, it still draws 8% (including Hong Kong) of global foreign direct investment (FDI) inflows according to the United Nations Commission for Trade and Development (UNCTAD). While only 33% of respondents ranked Western Europe as their top choice investment location, the region still accounts for 37% of global FDI inflows according to UNCTAD. "The world is becoming a level playing field when it comes to businesses' perceptions of their cross-border investment options," said Marc Lhermitte, Partner of Ernst & Young France. "The developed markets of

Western Europe and the US are being challenged by competing equals. As they look ahead, businesses are chasing growth through Asian consumers' spending power, but Europe and the US still remain vastly diversified and powerful markets."

Other findings of the survey include:

- The number of FDI projects across Europe was up by 5% to 3,712 in 2007 (up from 3,531 in 2006), but FDI job creation fell by 18% in 2007, with a total of 176,551 jobs created (down from 214,987 in 2006).
- The top five countries for number of projects in 2007 remained the same, but Central and Eastern Europe countries rose quickly
- UK, France and Germany remained 1st (713 projects attracted), 2nd (541) and 3rd (305) respectively. The UK topped the job-creation ranking as well.
- The Czech Republic maintained its place, despite attracting 27% fewer projects. It moved from fourth to third place in the job creation table despite creating 14% fewer jobs than last year.
- Russia leapt to fourth position for jobs created (+85%) and moved from 13th to 8th for number of projects (+60%).
- Poland and Romania maintained their position in terms of number of projects. In terms of job creation, Poland fell to second, creating 41% fewer jobs than last year.
- Slovenia saw the biggest growth in terms of job creation (multiplied by five) and jumped to 15th position in the ranking.
- "How to" invest is becoming more important than "how much" for investors considering sustainable location options. Survey respondents pay more attention to political and legal stability (54%) and telecoms infrastructure (51%) than labor costs (47%).
- Russia, still an outsider FDI destination in our previous surveys, scored this year's sharpest climb up the attractiveness ladder (up nine points, to a 21% rating). Russia has made notable progress in attracting investor interest over the last two years, rising from a 5% rating in 2006 to gain the confidence of one-fifth of our global panel.
- The shift towards a knowledge economy in Western Europe is slower than the relocation of traditional industries from Europe. Western Europe is more active in services FDI (60% of all jobs created through FDI in 2007, 43% in 2006), but it is not yet snaring the large high-tech, high value-added services projects

needed to replace its declining industrial base (30,000 fewer industrial jobs created in 2007 than 2006, a drop of 51%).

• When asked how to make Europe more attractive, respondents cited a combination of increased flexibility in European labor markets (42%) and simplified regulations (39%).

• Investors are also calling for innovation in education and the supply chain. Alongside high technology clustering and research and development, respondents also seek innovation in high-performance communication channels (48%), and supply chain (27%) that will also allow them to prosper in mature economies. According to investors, the improvement of European innovation capacity is primarily a matter of culture and education (34% each), rather than financial and tax incentives (31%).

About the survey :

The Ernst & Young's European attractiveness survey, now in its fifth year, is based on an original two-fold methodology that reflects:

First, the perceived attractiveness of Europe and its competitors by foreign investors based on the views and opinions of a representative panel of 834 international decision makers. These executives were interviewed by research organization Institut CSA between February and March 2008. The attractiveness of a location is a combination of image, investors' confidence and the perception of the country or area's ability to provide the most competitive benefits for FDI.

Second, the 'real' attractiveness of Europe for foreign investors – the reality of FDI, based on Ernst & Young's European Investment Monitor (EIM). This database tracks foreign direct investment projects that have resulted in new facilities and/or the creation of new jobs. By excluding portfolio investments, mergers and acquisitions, it shows the reality of investment in manufacturing or services operations by foreign companies across the continent

Infrastructure Partnerships for African Development

(iPAD) Central Africa 2008, 7-9 October, Kinshasa, DRC

Dear WAIPA members,

Infrastructure Partnerships for African Development (iPAD) Central Africa 2008 will be taking place at the Grand Hôtel, Kinshasa, DRC from the 7th to the 9th of October 2008. As a member of WAIPA, which is a supporting association of this event, you are entitled to a special registration rate for this

important industry conference and exhibition.

iPAD Central Africa 2008 is the only business to business, international forum for mining, trade and investment in the DRC. Addressing the mining, energy and infrastructure sectors, this high-level conference and exhibition provides an opportunity to network directly with key partners, facilitating sound investment and collaboration in the reconstruction of the DRC. The event enables collaboration under one roof between the government, the public sector and business. iPAD Central Africa 2008 is a one-stop-shop for investigating investment opportunities in the DRC and, indeed, the whole of Central Africa.

You can register for:

- 3 day - GOLD PASS (Includes access to the preconference Mining sector roundtable and the two-day conference, exhibition for two days)

Why you should attend:

- The only international business to business event in the DRC
- Engage directly with the DRC government
- Gain an overall and accurate picture of the investment climate
- Update your company on the DRC Mining code, legal and fiscal information crucial for the investor
- Make the right business contacts in a cross-section of business sectors
- Learn about strategies and technologies for development in the DRC
- Focus on new opportunities to increase regional cooperation
- Reinforce existing relationships with clients in the region

The WAIPA offer enables you to attend the conference at a special discounted rate of 20% off the usual rate.

Please fill in the registration form available on www.waipa.org, and remember to write down the discount code (see below) to qualify for the WAIPA members' discount. Registration forms should be faxed to: +27 21 700 3501.

Code: iPADC01

We look forward to seeing you in Kinshasa and welcoming you to the largest and most prestigious meeting event in DRC.

PUBLICATIONS

The Millennium Cities Initiative (MCI) at The Earth Institute at Columbia University and the Vale Columbia Center on Sustainable International Investment (VCCI) - a joint center of Columbia Law School and The Earth Institute - are pleased to announce the launch of the MCC and VCCI Working Papers Series on Investment in the Millennium Cities. (A separate MCI working papers series on the social sector will be available.)

The first working paper in the series is entitled "Kumasi Marketing Strategy: Tourism" (Working Paper No. 02/2008). It presents a strategy for how the Millennium City of Kumasi, Ghana, can capitalize on the growth of tourism in Ghana, market itself more effectively as a tourist destination, and differentiate itself from other locations. It can be accessed on the MCI website at: www.earth.columbia.edu/mci/?page=news#MCI_WPS and the Vale Columbia Center website at: www.vcc.columbia.edu

The MCC and VCCI Working Papers Series on Investment is intended to provide policy analysis and outline challenges and opportunities for investment across the Millennium Cities.

This paper is one of the background papers for the Kumasi Investment Day North America, to be held at Columbia University on September 29, 2008. The program of this event is available at www.earth.columbia.edu/mci and the Vale Columbia Center website at: www.vcc.columbia.edu

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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 Co-operation 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,
- GDB Global,
- IBM-PLI Global Location Strategies,
- Investment Consulting Associates - ICA,
- 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 of 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 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.

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