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BENCHMARKING 2009: SUMMARY REPORT
MAY 2009

World Bank Group Advisory Services
Investment Climate



World Bank Group
Multilateral Investment
Guarantee Agency



International
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World Bank Group



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GIPB will provide customized confidential reports for each IPI participating in the survey, IPIs can request additional copies at fias@ifc.org.

The Investment Climate Advisory Services of the World Bank Group assist governments of developing and transitional countries in enhancing the environment in which businesses operate. We provide customized advice to improve and simplify regulations as well as to attract and retain investments, helping clients create jobs, foster growth, and reduce poverty. We rely on close collaboration with donors, in particular through the multi-donor FIAS platform, and World Bank Group partners, the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the World Bank (IBRD), to leverage value and deliver tangible results for client governments.

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CONTENTS

FOREWORD BY LOUIS T. WELLS

8

CHAPTER 1: GLOBAL RESULTS

11

Facilitation Makes More Sense in the Global Downturn	11
GIPB Examines How IPIs Provide Information to Investors	12
Global Overview: Excellence Is Emerging in All Regions	15
IPI Performance Varies, Investors' Needs Do Not	16
Regional Overview: Worlds of Investment Promotion	17
Online Promotion Has Improved, but Customer Inquiries Remain a Challenge	21
Good News: Facilitation Standards Are Rising	22
Priorities for Moving Forward	27

CHAPTER 2: WHAT DOES IT TAKE TO SELL A LOCATION ONLINE?

28

IPI Web Site Assessment Results Reveal Intense Global Competition	28
High-Income Countries Retain a Lead, but the Gap Is Narrowing	29
Investment Promotion Has Moved Online	30
Key Aspects of Online Promotion Continue to Elude IPIs	35
IPIs Are Moving in the Right Direction, but Some Challenges Remain	38
Quick Wins for Effective Online Promotion	40

CHAPTER 3: RESPONDING TO INVESTORS' INFORMATION INQUIRIES

41

National Rankings Reveal Substantial Variation in Global Capability	41
Inquiry-Handling Capability Is Growing in Middle-Income Regions	42
Reactive Capacity to Investment Opportunities Is Improving Slowly	43
Where Could IPIs Do Better to Influence the Investor's Choice?	44
Implications for Foreign Investors Exploring Lesser-Known Destinations	45
Quick Wins for Effective Investor Inquiry Handling	47

CHAPTER 4: SUBNATIONAL IPI PERFORMANCE

49

Investors Approach National and Subnational IPIs
Outperforming Their National Peers

49
50

CHAPTER 5: MEASURING IPIs' INVESTMENT-ATTRACTION ACTIVITIES

53

Why Measure IPIs?
Information Is Key to Site Selection
GIPB's Approach and the Foreign Company's Site-Selection Process
What Does GIPB Tell Us About an IPI?
Who Is GIPB Designed for?
Methodological Note

53
54
55
55
56
57

APPENDICES

59

Appendix A. GIPB 2009 Results
Appendix B. Acronyms
Appendix C. Description and Overall Weightings of Themes and Subthemes
Appendix D. Description of Inquiry-Handling Scenarios
Appendix E. How Scores are Calculated
Appendix F. List of Participating National IPIs by Region
Appendix G. List of Participating Subnational IPIs by Region

59
66
67
70
73
77
83

FIGURES

1. OECD High-Income Countries Retain Investment Facilitation Lead	15
2. Top National IPLs	16
3. Distribution of Scores Across Each Region	17
4. OECD High-Income Countries Provide the Only Cases of IPLs Achieving Overall Best Practice	17
5. Best-Practice/Good-Practice IPLs by Region	19
6. Information Provision Results, 2006 and 2008, by Region	22
7. IPLs Have Mastered the Basics, but Still Struggle with More Advanced Tasks	23
8. Regional Performance, by GIPB Assessment Category	23
9. Major Improvers Since 2006: Croatia and Botswana Lead the Way	24
10. Top-25 National Web Sites	29
11. How Do Web Sites Compare?	30
12. Distribution of Web Site Scores by Region	30
13. Best-Practice Web Sites Are Emerging Across All Regions	33
14. Web Site Development Since 2006	33
15. Croatia Moves Beyond Showing “Why” to Invest to “How” to Invest, and “Where”	34
16. Botswana Makes Investing as Easy as 1, 2, 3	34
17. Belize’s Niche Marketing	34
18. The Performance Gap Between IPLs: Web Sites	35
19. Performance Across the Four Web Site Dimensions	38
20. IPLs Underperform on Key Web Site Aspects	38
21. Web Sites Have Made Progress, but There Is Room for Additional Improvement	38
22. Information Provision on Sectors of Interest to Investors Remains Low	39
23. A Majority of IPLs Do Not Provide Evidence on their Web Sites that They Have Actually Helped an Investor	39
24. Top IPLs in Inquiry Handling	42
25. Regional Performance in Overall Inquiry Handling, and by Inquiry	43
26. Distribution of Inquiry-Handling Scores, by Region	43
27. The Balance of Inquiry-Handling Performance Remains in the Weak and Very Weak Range	43
28. Inquiry-Handling Performance, 2006 and 2008, by Region	43
29. The Performance Gap Between IPLs: Inquiry Handling	44
30. Inquiry-Handling Performance Across the Four Key Dimensions	45
31. IPLs Underperform in Key Inquiry-Handling Aspects	45
32. Inquiry-Handling Through the Eyes of an Investor	46
33. Top-25 National and Subnational IPLs: Overall Performance	50
34. Top-25 National and Subnational IPLs: Web Sites	51
35. Top-25 National and Subnational IPLs: Inquiry Handling	52
36. The Site-Selection Process: From Desk to Field Research	54

BOXES

1. Why Facilitation Is Key: The Role of Invest in Sweden Agency (ISA) in Facilitating an Unlikely Investor	12
2. Budget May Not Be an Excuse for Poor Facilitation	16
3. How the Austrian Business Agency Beat Its Competition	18
4. Ecuador: Facilitation as Strategy	25
5. Securing Business Service Outsourcing in Nicaragua Through Professional Facilitation	26
6. What Do the IPIs of the Czech Republic, France, Latvia, Austria, and Nicaragua Have in Common?	31
7. Types of Investment Promotion Mapping	36
8. How Brazil Delivered First-Class Inquiry-Handling Service	42
9. What Made Turkey's Submissions Stand Out?	45

TABLE

1. Web Site Performance by Region, 2006 and 2008	33
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Global Investment Promotion Benchmarking (GIPB) 2009 is the second in a series of biennial reviews investigating the investment promotion capabilities of investment promotion intermediaries (IPIs) worldwide.

Between March and September 2008 the capabilities of 181 national IPIs and 32 subnational IPIs were assessed, making this the most comprehensive IPI benchmarking exercise ever undertaken.

Using a peer-reviewed methodology replicating actual projects and the decision-making criteria and location selection behaviors of direct investors in the early stages of a location–selection process, independent consultants have assessed IPI Web sites and the ability of IPIs to manage and respond to investment inquiries.

The results give direct insight into information provision capacity around the world, along with indirect insight into the organizational effectiveness of each IPI, its management efficiency, and its understanding of the foreign direct investment marketplace.

The Investment Climate Advisory Services of the World Bank Group hope that GIPB is seen by IPI managers and stakeholders as providing a useful review of their organization's comparative performance. We also hope that this document provides a constructive pathway to gradual and ongoing service improvement.

For investors, we hope that GIPB gives an insight into the partnership opportunities open to them around the world and that it introduces location options that they may not have previously considered.

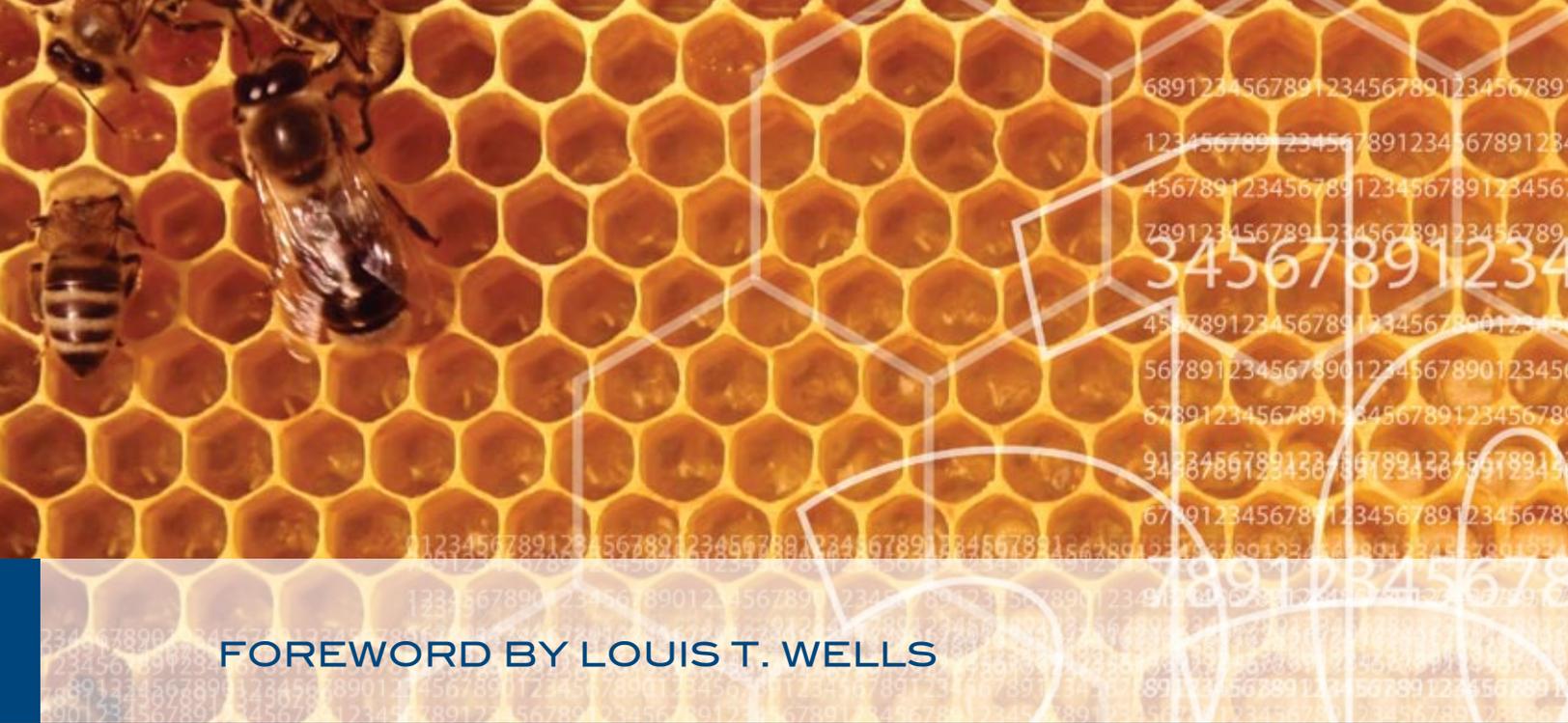
GIPB constitutes two types of reports:

Global Investment Promotion Benchmarking 2009: Summary Report. An analysis of the global results, regional trends, and best-practice examples from top performers.

The Summary Report can be downloaded from www.fdipromotion.com and www.fias.net

Customized IPI Reports. Simultaneously with the launch of the Summary Report, each participating IPI will receive an electronic copy of a customized and detailed diagnostic report of its own performance with insights and specific recommendations for improvement.

IPIs can request additional copies of their customized reports by sending an e-mail to fias@ifc.org.



FOREWORD BY LOUIS T. WELLS

Many countries are convinced that foreign direct investment (FDI) should be an important component of their growth strategy. To encourage FDI, they have improved their business climates, developed various guarantees for investors, and offered incentives. Yet, time and again, reforms have not led to the expected inflows of FDI. Without efforts by countries to market themselves to potential investors, company business managers have generally failed to add new countries to their “short list” of attractive sites for their projects. Through the Global Investment Promotion Benchmarking (GIPB), The Investment Climate Advisory Services of the World Bank Group have developed a unique and valuable approach to measure how well countries are able to market themselves by providing relevant, accurate and timely information to potential investors.

It is tempting to believe that markets work perfectly, leading foreign companies to a country if it just gets its investment climate right. Yet, in business, simply offering a better product is rarely enough to bring in customers. It is a rare business manager who really believes the

old adage: “Build a better mouse trap and the world will beat a path to your door.” New products have to be marketed.

Similarly, regardless of how good they are, domestic reforms are by themselves not enough to attract large numbers of foreign companies to most economies. As a practical matter, neither consumers nor business managers are able constantly to monitor all producers or countries for opportunities. Decision makers typically limit their options to a short list made up of what they are familiar with or what their friends and rivals have chosen.

Marketing efforts, however, can reach customers and investors with messages that encourage a look at something new, something they would not otherwise consider. Thus, a good investment promotion program is essential if foreign companies are to learn about a country’s attractions as an investment site. But many countries have failed at the most basic function of marketing a country: making relevant information easily available to potential investors.

A full-scale investment promotion program comprises several activities. It can attempt to create a favorable image of a country in investors' minds, through advertising and general investment missions abroad; it might undertake investment-generating activities, such as targeted missions and sales visits to potential investors; and it can service potential investors by providing timely and relevant information, hosting potential investors, and helping investors through the investment process. Of course, a good program can do more, such as providing assistance to foreign companies already investing in the country and by encouraging government to take further steps to improve the investment climate.

In the real world, investment promotion intermediaries (IPIs) face tight budget and human resource constraints. Allocating scarce resources among the various possible activities is a major component of developing an effective promotion strategy. Research, including that covered in this report, suggests that many IPIs are failing to devote enough attention to the most basic—and least costly—promotion function, one that, if it fails, undermines all other promotion activities.

Provision of services to potential investors—and particularly the provision of information—is basic to all promotion. Image-building efforts can be hugely expensive. Similarly, targeted missions and personal selling are costly in terms of both time and effort. However, if these activities succeed in convincing investors to look into a country's prospects, they are a waste of resources if the IPI then fails to offer sufficiently informative Web sites and does not respond to requests with accurate and timely information that potential investors need; of course, even worse is not to

respond at all. If information is hard to come by, investors will go elsewhere.

Why do IPIs so frequently fail at this basic function? There are probably several reasons. First, unlike advertising programs and investment missions, collecting and providing information appears rather mundane; it is often not very visible and “countable” to those allocating government budgets. Overcoming this barrier may require better communications with other government bodies on what an IPI is doing and why, and the development of metrics aimed at measuring performance of this function. Second, the task cannot be farmed out to others, as can advertising and even organizing and funding investment missions. Assembly of information and its dissemination has to be done in-house. This means that personnel within the IPI must be trained, evaluated, and rewarded for carrying out this task well. Third, assembling relevant information requires a good deal of understanding—and prediction—of what investors want and need to know. This in turn requires knowledge of the country's individual business sectors. To do better, IPIs must improve business skills among their professionals. This can mean careful hiring decisions, training programs for professionals already in the organization, and learning from relationships with investors in the country. And IPIs must target their efforts. No IPI can have at hand all information for all possible investment sectors; targeting allows for focused efforts. Fourth, storing and retrieving quickly needed data demands that an IPI have good data systems. Fifth, information technology (IT) and other IPI departments are often too separated. Management must make sure that IT departments, or outside Web site developers, are intimately linked to promotion professionals. And, finally, to make sure that requests for information are filled quickly and with relevant

information, IPIs must develop good management systems that assign responsibilities and ensure follow-up.

FDI offers the prospects of growth and jobs to host countries, but attracting it requires a good deal of effort. Effective investment promotion is not only less costly than adding on more incentives for investors; reform and incentives are unlikely to accomplish their goals without promotion. Promotion efforts will, however, fail to attract desired investment if IPIs are not skilled at the most basic function: collecting and providing to potential investors relevant and timely information. Ensuring that this function works well should be the top priority in the promotion strategy and in the development of management systems.

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CHAPTER 1: GLOBAL RESULTS

Why IPIs?

A recent survey of executives with direct site-selection responsibilities for large U.S. companies reveals that:

- 65 percent of companies have worked closely with IPIs while working on a location decision.
- 64 percent of executives indicate a strong likelihood that they would use the IPI Web site in their next location search.
- Only 8 percent of companies would not contact the IPI during the site-selection process.
- The percentage of companies that believe the Web site to be an IPI's most effective marketing tool jumped to 56 percent, up from 34 percent in 2002.

Source: Development Counsellors International (DCI), July 28, 2008. "A View from Corporate America: Winning Strategies in Economic Development Marketing"

Facilitation Makes More Sense in the Global Downturn

Today's shrinking economic environment makes effective promotion of foreign investment an especially competitive activity for countries. The current global economic slowdown and associated financial instability are expected to significantly reduce flows of FDI in 2009 and beyond. The extent of FDI decline will ultimately depend on the depth and duration of the economic slowdown. However, companies are already reluctant to make medium-term investments—many projects have been postponed or even cancelled, and some estimates suggest

that FDI flows could fall by as much as 30–40 percent in 2009.

As the pool of FDI shrinks, there will be more competition for fewer projects. The ability of IPIs to influence investment decisions with timely and relevant country and sector information and facilitation efforts will be more crucial than ever. IPIs should rethink their strategies to maintain their relevance in the current FDI context including shifting focus in the short to medium term from outreach to offering more professional facilitation services to any new opportunities knocking on their doors, and offering aftercare services to existing business

to ensure their retention of jobs in the economy. The effective provision of relevant information can lessen investors' perceptions of risk and their transaction costs during the site-selection process, thereby making the IPI's location more competitive.

A renewed focus on the basics of investment promotion—namely, information provision and facilitation services—may also secure the existence of the IPI itself, in light of government cuts to investment promotion budgets. Surveys such as the Development Counsellors International (DCI) "A View from Corporate America: Winning Strategies in Economic Development Marketing" show clearly that good facilitation pays off, which is good news for IPIs as this is by far the most cost-efficient investment promotion activity.

GIPB Examines How IPIs Provide Information to Investors

GIPB 2009 is a timely and useful tool in the current economic context. It replicates the decision-making process of foreign investors in the early "long-listing" stage of site selection. Piloted in 2005 by the Multilateral Investment Guarantee Agency (MIGA), GIPB was rolled out for the first time in 2006, covering 96 countries and 29 subnationals. GIPB 2009 evaluates 181 country IPIs and 32 subnational IPIs, setting out a framework for assessing and improving IPI capacity to provide information to foreign companies looking to invest. In addition to the global report, GIPB will provide a customized confidential report for each IPI participating in the survey, with insights into their performance and tips for improvement. IPIs can request additional copies at fias@ifc.org.

IPIs are the institutionalization of a country's commitment to attracting FDI to promote growth. Their role is to translate this strategy into results,

Box 1: Why Facilitation Is Key: The Role of Invest in Sweden Agency (ISA) in Facilitating an Unlikely Investor

Within the European Union, much higher import tariffs are levied on polished rice than on raw rice. To keep the price of its basmati rice competitive, the Pakistani company Zeb Rice decided to build a factory in Europe so that it could import raw rice into the European Union and process it into white rice there. It therefore began a Europe-wide site search. The company's main location requirements were a port, reliable shipping to mainland Europe—where most of the production would go—and good labor availability. Several countries competed for the business. Each lacked something, however, so the company began looking at alternative countries. A Norwegian board member of Zeb Rice proposed Sweden.

Zeb Rice contacted ISA in October 2002 to request information on facilities and services for foreign investors, including procedures for incorporating the company, industrial land and buildings, infrastructure, tax system, and investment subsidies. Although the food sector was not a priority sector for ISA, and an inquiry from a Pakistani investor was decidedly uncommon in Sweden, after assessing the credibility of the investment, ISA provided information materials, advice and counseling, contacts with local authorities, and assistance in the actual establishment process.

Throughout the process, the personal involvement of three individuals had an indisputable impact in changing the original investment plans of Zeb Rice: a senior manager at ISA, who took the inquiry from the Pakistani investors seriously and presented different location alternatives; the head of Investment Promotion of Skåne North East, a local investment agency contacted by ISA that got involved in the investment and worked hard to get it to Åhus town; and finally, a local harbor manager, who assisted with logistics such as reconstruction of existing buildings and making local contacts.

The plant was inaugurated in 2004. The initial volume of the investment was \$4.4 million, but the company soon began to expand, going from 15 employees to 23 by early 2005, while simultaneously starting up an additional food production facility nearby. In the words of Makhdoom Abbas, Chief Executive Officer of Zeb Rice's Swedish subsidiary, "ISA's help played a key role in our decision to set up the facility in Sweden, since we got very useful, practical, and reliable information."

namely, productive FDI that increases the country's gross domestic product. While GIPB 2009 does not tell the whole story about a country's investor friendliness or its ability to host FDI, it does indicate which locations offer foreign companies useful support and guidance through the investment-location selection process—and where that support and guidance are lacking.

GIPB evaluated IPIs in terms of their Web sites and inquiry-handling skills¹. GIPB assessed IPIs' ability to meet foreign investors' information needs in two ways:

- The extent to which IPI Web sites offer a business-support gateway for prospective foreign investors;
- IPI capacity to deliver information directly requested by prospective foreign investors.

The assessments were conducted in English, the dominant international business language, between March and September 2008.

GIPB scores are presented in the form of an index, with 100 percent the highest possible score. Final scores were generated as a combination of an IPI's performance in the Web site assessment (50 percent of score) and the two inquiry-handling assessments (25 percent each). All regional averages were calculated on the basis of the scores of the national IPIs only.

Web site assessment: Methodology and scoring

Online marketing is a cost-effective way to promote investment in a country to companies or consultants that are doing preliminary site-selection research. An IPI Web site is usually the first contact a company or consultant has

¹ Chapter 5 offers a more detailed description of the GIPB methodology, and Appendices C-D contain a fuller description of the survey forms, the beverage project and the software development center inquiries, and how scores were calculated.

What does GIPB measure?

- The ability of IPIs to meet investors' information needs at the early stages of the investment process

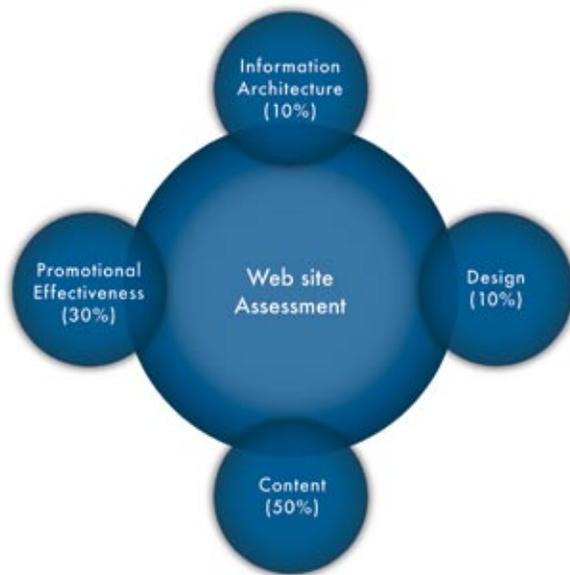
What does GIPB not measure?

- Countries' overall FDI competitiveness
- Countries' business climates
- IPIs' facilitation at the site visit level
- IPIs' services to domestic investors or to established foreign investors

with a potential investment location. Best-practice IPI Web sites clearly show the advantages of a location and convey a sense of the IPI's professional competence—that they understand investors' needs and will support the investment-location decision process.



To understand where and to what extent IPIs are achieving their objective to promote their location online, GIPB assessed each IPI Web site in four main characteristics or themes:



- Information architecture: how easy is it to find country and sector-specific information on the Web site?
- Design: how is information presented to support the online promotion effort?
- Content: how relevant and accurate is the country and sector information for targeted foreign investors?
- Promotional effectiveness: how well does the site market the location and IPI services?

Each Web site was scored to test aspects relating to the four themes. As the number of questions within each theme varies, a weighting system was applied to ensure that final scores reflect the actual importance of each theme from the investor’s perspective. Web site content (core country information and sector information) is the most heavily weighted theme (50 percent).

Inquiry-handling assessment: Methodology and scoring

Inquiry handling is more challenging for IPIs than are at least the basics of Web sites, but it is the core of investment promotion because it involves interacting with the potential investor and thus is the best opportunity for an IPI to influence company investment decisions.

The GIPB framework for assessing inquiry handling defines best-practice attributes under four main characteristics or themes:

- Availability and contactability: how easy is it to find the IPI online and contact a knowledgeable project manager?
- Responsiveness and handling: how skillfully do IPI staff engage with the prospective investor over the telephone and by e-mail?
- Response: how relevant, thorough, and professional is the IPI’s response to specific inquiries?
- Customer care: how well does the IPI follow up to convert initial interest of an investor into a firm lead (a further inquiry or site visit)?



Because service consistency offers important insights into IPI capabilities, each IPI’s inquiry-handling abilities were assessed twice, using a “mystery shopper” methodology. The first assessment related to a beverage manufacturing project with a research and development component, and the second was a software development center inquiry.

The surveys were designed to assess the IPIs’ ability to respond to information requests in a professional and appropriate manner

that would motivate the investor to engage further with the IPI and ultimately invest in the location. Assessing an IPI’s inquiry-handling capability also sheds light on its core functions: the extent to which it understands its market, has done research on its own location so it can inform investors, and ensures that its staff have the requisite project management skills, knowledge, training, and marketing capability.

Similar to the Web site assessment, the content of the responses submitted by IPIs is the most heavily weighted element (55 percent). To read more about GIPB methodology see Chapter 5.

Global Overview: Excellence Is Emerging in All Regions

GIPB 2009 found examples of exceptional capability and performance among IPIs. As a group, IPIs of the high-income economies of the Organisation for Economic Co-operation and Development (OECD) performed substantially better than IPIs in other regions (Figure 1)².

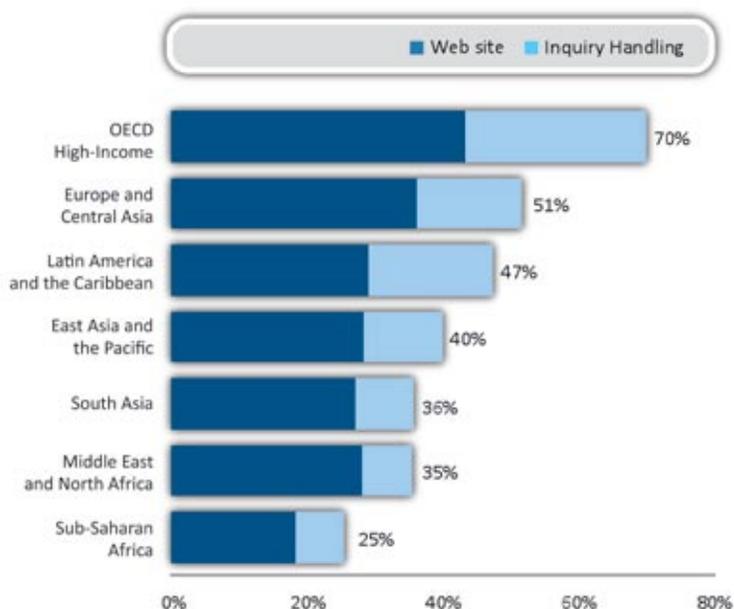
Figure 2 shows the top-performing national IPIs in GIPB 2009. While only two non-OECD countries (Latvia and Costa Rica) were among the top 10, the top 25 had representatives from each region (except MENA) and income category except the low-income group.

Indeed, an important finding of GIPB 2009 shows that a nation’s wealth is not a determinant of excellence in investment

² GIPB 2009 surveys 181 countries which for methodological purposes were classified into seven groups. These comprise OECD high-income countries as well as WBG regional groups, i.e. EAP, ECA, LAC, MENA, SA and SSA. Every reference in this report to OECD countries concerns exclusively the OECD high-income category. For the list of countries falling under each category please see Appendix F.

promotion. Many middle-income countries, such as Botswana, Brazil, Colombia, Costa Rica, Croatia, Ecuador, Lithuania, and Turkey, performed very well, often on tight budgets. In addition, a number—admittedly still small—of low-income countries, such as Senegal and Ghana, outperformed some OECD economies. Their IPIs are not yet best practice

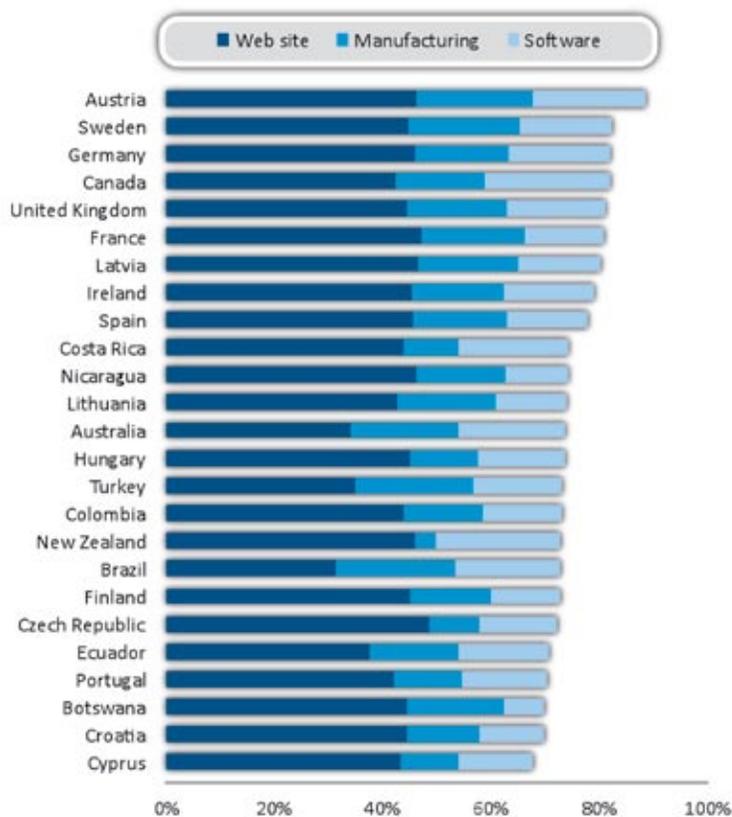
Figure 1: OECD High-Income Countries Retain Investment Facilitation Lead



but their capability is growing. Moreover, their shortcomings might be attributed to limited exposure to foreign investors and many lack a focused mandate from government.

Clearly, IPIs that performed well across all three GIPB assessments (Web site and two project inquiries) had invested time and effort to do research, in particular on their key target sectors, develop informative materials based on the research, establish internal management protocols, and train and supervise staff meeting those protocols.

Figure 2: Top National IPIs



GIPB 2009 also suggests that the center of best practice is moving. Newer IPIs from recent FDI host economies are challenging well-established IPIs. Several top-25 IPIs, including Brazil, Cyprus, Spain, and Turkey, have been operating for less than five years. New IPIs in countries where until recently there was no institutionally organized approach to FDI promotion are coming in strongly in all regions.

IPI Performance Varies, Investors' Needs Do Not

Figure 3 shows distribution of scores across the regions. OECD IPIs tend to cluster in the 61-80 percent range. Some of the traditional best-practice IPIs are within this group, such as the Industrial Development Agency of Ireland, UK Trade & Investment, and Invest in Sweden Agency. Latin American and the Caribbean IPIs

show some clustering in the 61-80 percent and 21-40 percent ranges. European and Central Asian IPI scores are widely dispersed, with IPIs in Eastern Europe generally having a very strong performance, while most IPI Web sites in Central Asia are substantially weaker. Sub-Saharan Africa shows the greatest variation, with many poor results explained primarily by the absence of the most fundamental capacity in some countries—for example, lack of Web sites or even telephone and fax connections make it very

Box 2: Budget May Not Be an Excuse for Poor Facilitation

Often an IPI attributes its lack of results to its own budget constraints or its country's level of income. These reasons might be justified for an IPI's inability to undertake expensive activities such as image building and outreach and proactive promotion, complex sector strategy development, and design and production of costly marketing materials. However, facilitation is by far the least expensive and most cost-efficient of all investment promotion activities. GIPB 2009 results challenge the assumption that it takes a big budget and a rich economy to be a strategic and service-oriented facilitator. Indeed, GIPB results for a number of low and middle-income countries* bear this out. For example, Moldova and Honduras have for the first time appeared among the top performers worldwide and in fact lead the best practice in their regions. Similarly, Nicaragua, a lower-middle-income country, is now among the top-25 performers worldwide and ranked - a close second (only 0.6 percent behind) to Bogota (Colombia) - the leading best-practice case in Latin America and the Caribbean.

Another lower-income economy outperforming the other players in its region is Sri Lanka. Several IPIs in Africa also show that a country's income does not automatically preclude professional facilitation in investment promotion. Low-income Ghana, Senegal, and Uganda outperformed middle-income countries like South Africa and Namibia.

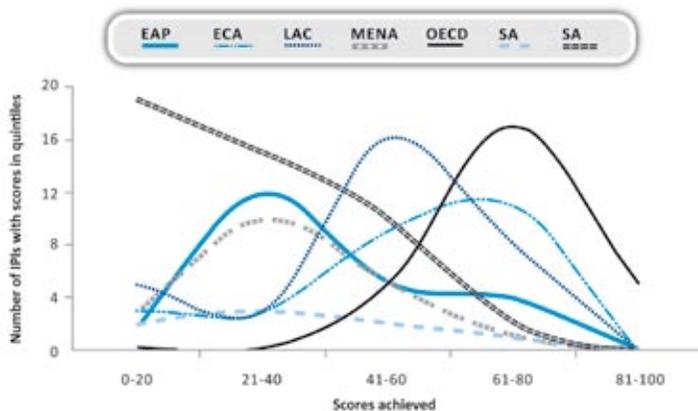
*The definition of a low and middle-income country is based on the World Bank's classification of income groups according to 2007 GNI per capita.

difficult for investors to contact them. However, on the brighter side, a growing number of IPIs such as Botswana, Ghana, Mauritius, and Senegal are moving into the higher performance tiers.

In GIPB 2009, 19 percent of OECD IPIs achieved *best-practice* scores of over 80 percent (Figure 4). Europe and Central Asia and Latin America and the Caribbean are the regions with the greatest proportion of IPIs starting to challenge the OECD high-income countries in terms of excellence, although they have a long way to go, particularly with respect to going beyond the mere provision of information to actually attempt to “sell” their locations and influence the investor’s decision.

In almost every region there is a marked differentiation in performance between countries. Some countries (often clustered in specific subregions) stand out for their more dynamic approach to investment promotion. For example, within Europe and Central Asia, the countries of Eastern Europe and the Balkans show levels of performance rapidly approaching OECD IPIs. In Latin America, the countries of Central America also show some world-class practices. In the East Asia and the Pacific region, the countries of

Figure 3: Distribution of Scores Across Each Region

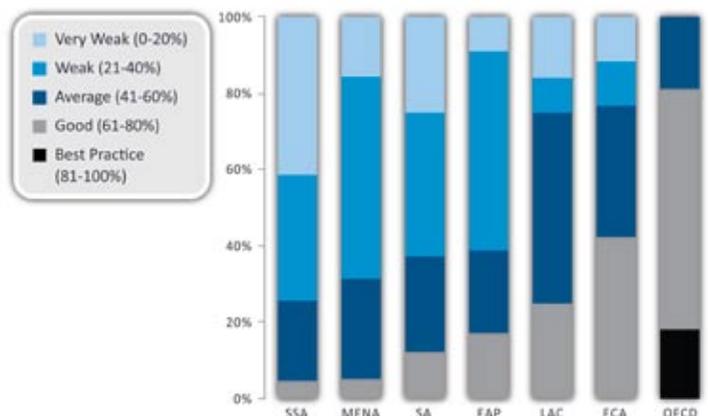


South East Asia are leading the way forward. The evidence of this year’s survey suggests that good practice is shifting from the traditional centers in Western Europe to some of the more dynamic regions in the developing world. GIPB will continue to monitor whether this trend continues.

Regional Overview: Worlds of Investment Promotion

While *best-practice* performance (81-100 percent) is currently found only in OECD high-income countries, it is possible to identify IPIs in all regions that are moving toward this level with current good-performance scores (61-80 percent).

Figure 4: OECD High-Income Countries Provide the Only Cases of IPIs Achieving Overall Best Practice



Sub-Saharan Africa: On the right track but moving at different speeds

Only two IPIs in Africa meet investors’ long-listing needs at the level of good practice: Botswana and Mauritius. Many other African IPIs in the average performance tier (41-60 percent) scored well in one project inquiry but failed to respond or provided limited information for the other inquiry. Several IPIs in the Eastern Africa region, in particular, are in this performance category. Their uneven

performance in inquiry handling may be due to weak internal systems for knowledge management, different levels of preparedness for the job by IPI staff, and limited oversight by management to ensure that all investors receive similar service standards. Thus, it would seem

that many African IPIs currently performing in the tier below *good practice* have the potential to upgrade their facilitation services if their management makes it a priority to set up internal service standards and information functions, and to invest in the training of staff and performance monitoring.

It is worth noting that most of the weakest performers in Africa (below 20 percent) are French-speaking countries. This may be due in part to the “bias” of the English-language GIPB methodology, which is based on its need for a standardized approach and the fact that English is by far the most commonly used language in the international investment community. Most IPIs in non-English-speaking countries accommodate to this by having an English-language Web site and hiring English-speaking staff. As a result, they scored well on GIPB; for example, Spanish-speaking Latin American countries performed well, and one out of the three best performers in Africa is French-speaking Senegal.

For the weakest performers, simple visibility of the IPI (that is, finding the IPI Web site) and accessibility by investors (being able to contact the IPI) need immediate attention if the agency is to fulfill its role in investment promotion. The facilitator role of the weakest IPIs is paradoxically all the more critical, because their countries tend to be those where information relevant to investors is not easily accessible from other sources.

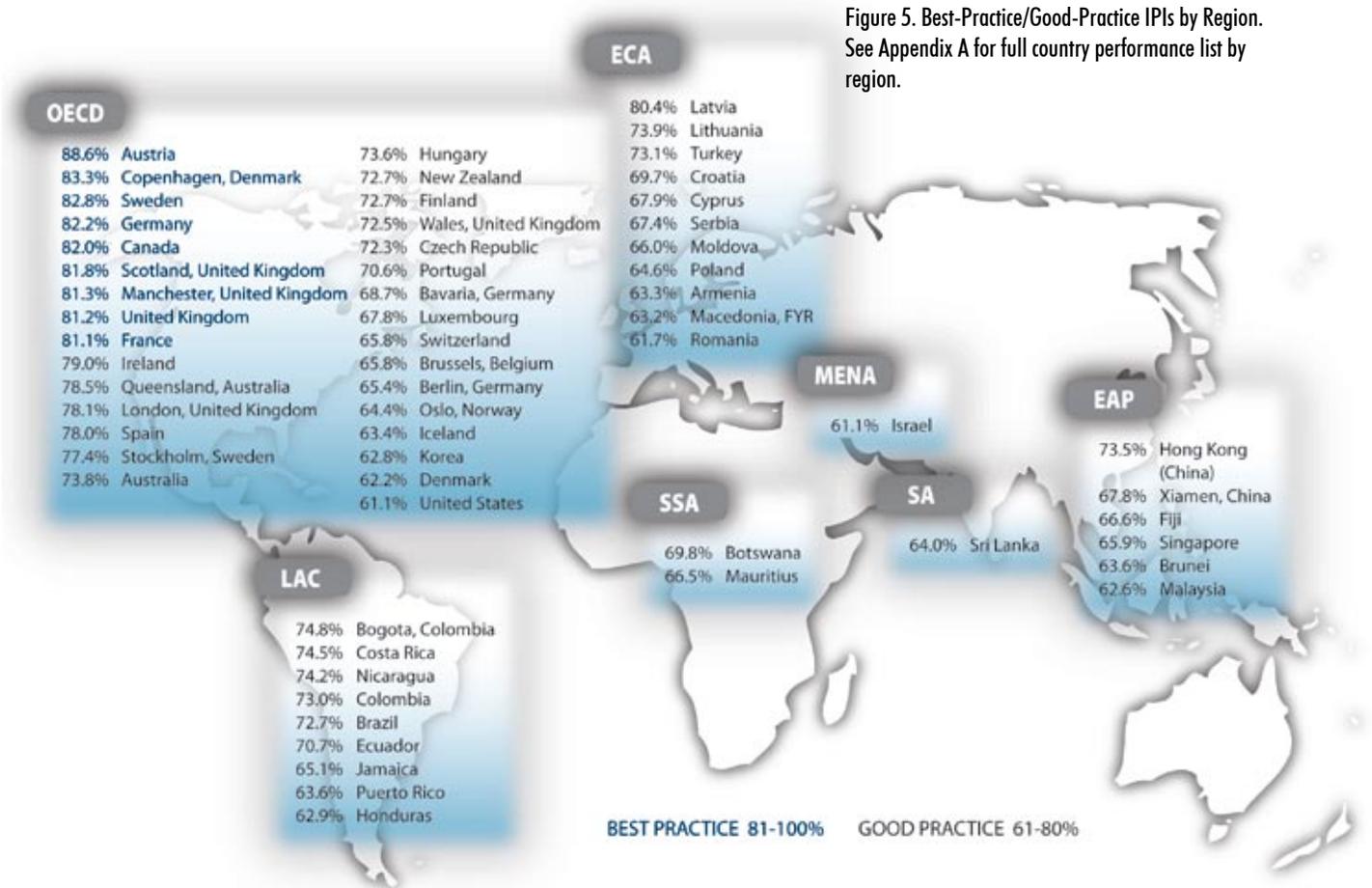
Europe and Central Asia: A tale of two regions - close to the top ... and to the bottom

In terms of performance, IPIs in this region operate in two different leagues. IPIs in Eastern Europe, many of them less than 10 years old, benchmark themselves against and are indeed comparable to some of the best performers in Western Europe. In GIPB 2009, the vast majority

Box 3: How the Austrian Business Agency Beat Its Competition

The Austrian Business Agency (ABA) was the top performer overall, even though it was not the best performer in the individual assessments. It consistently delivered good service, because Austria has invested time and resources into training its staff and the staff in turn has devoted efforts into researching, building expertise, and developing detailed material of interest to foreign investors. The IPI's Web site (www.aba.gv.at) offers multiple language options, and most importantly, concise overviews of its sectors with excellent downloadable brochures, along with “key facts” of certain interest to investors. The key facts section of the Web site provides comparative statistics that benchmark Austria second, third, or even fifth behind other countries. This comparative data enhances the overall credibility of Austria's claims as the destination of choice. Austria's inquiry handling was excellent, but not because it submitted the best responses—the information was there but not compiled or organized as well as that of other locations. The agency did well because its staff is superb at project management—they responded quickly to GIPB inquiries and could talk through projects on the telephone, conveying key pieces of information that they already knew. On the software project, the project manager was immediately able to advise where the key clusters were in Austria and also where competition for staff may prove to be an issue (while simultaneously mentioning well-known investors and the locations of major universities with computing facilities). Unlike most IPIs, ABA offered excellent “customer care.” It was one of the few agencies to proactively check whether responses had arrived, and staff also checked with GIPB reviewers at appropriate times to find out how “the investor” had responded and whether there was anything else that they could supply. ABA is, in short, an IPI that has substance behind the marketing—it can actually deliver a value-adding service to investors.

Figure 5. Best-Practice/Good-Practice IPIs by Region. See Appendix A for full country performance list by region.



of the new European Union member countries have achieved good-practice standards and show they will continue to improve. Rapidly approaching them are IPIs in the Balkan countries, all of which performed at the world average or above (scoring over 50 percent). In particular, Croatia, Serbia, and Macedonia scored over 61 percent, with a balanced approach to online and offline information provision.

In contrast, IPIs in Russia and Central Asia operate in a lower performance league. Only Armenia made it into the *good-practice* tier in responding to investor information needs. The average score for the Central Asian IPIs is only 38 percent. For many of them, simple contactability via e-mail or phone is problematic. If investors find it difficult to get in touch with the IPI and to obtain even the most

basic of information they are unlikely to pursue their location interest further.

Latin America and the Caribbean: The most homogeneous region

IPIs in the Latin American and the Caribbean region are the most homogenous. They have the smallest performance spread between Web site assessment and inquiry-handling scores: an average of only 21 points. Encouragingly, in the key dimension of customer care, these IPIs scored on average almost at the same level as OECD high-income countries. Investors who are long-listing locations in Latin America and the Caribbean will find contacting these IPIs to be useful. The IPIs are clearly providing service to potential investors at a level that exceeds the global average.

Costa Rica and Nicaragua are interesting cases of good performance. Costa Rica has been a good-practice IPI for over 25 years and seems committed to maintaining the standards of good service to continue attracting FDI. Nicaragua is the new entrant to the high performers' league. In only six years, it has caught up with the best performers in the region. Nicaragua's online facilitation service is now at par with the top IPIs worldwide, illustrating how a Web site with a basic design but the right content and marketing angle can do effective promotion. Honduras' IPI is another success story in terms of facilitation.

East Asia and the Pacific: Trying to overcome history

East Asia and the Pacific is a region with a long, distinctive investment promotion tradition. The Boards of Investment and similar ministerial agencies that predominate in this region (and South Asia) have struggled for some years to shift emphasis from their historical regulatory functions to a more balanced approach to investment promotion and investor servicing. Investor facilitation is a major challenge for these institutions—despite their efforts, none of the IPIs in the region has reached *best-practice* levels.

Among the top performers in this region are the long-established IPIs such as Hong Kong (China), Singapore and Malaysia. Brunei and one subnational Chinese IPI, Xiamen, have performed well, consistently providing good information in the software and manufacturing exercises.

South Asia: Significant progress but a long way to go

South Asia comprises only nine countries, with IPIs similar to those in East Asia, namely, the Boards of Investment focused on enforcing regulation and on overseeing incentives. Starting from a very low base in 2006, South Asian IPIs have improved their overall average performance over the last two years by 25 percentage points, which makes this region,

along with East Asia and the Pacific, the top regional improver in investment facilitation in the period 2006-2008. Despite this improvement, actual performance remains relatively weak. IPIs have finally moved online, yet their websites still do not meet investor information needs. The problem seems to be that IPI efforts have been made on the Web site "shop window" but not in the contents of the shop. In other words, the Web sites look good and are designed nicely but they do not contain sufficient country and sector information for investors, nor do they seek to answer questions that investors may have about their locations.

South Asian IPIs perform even less well in handling investors' direct inquiries. Despite repeated GIPB attempts to contact IPI staff by e-mail and telephone, few responses were received. IPIs in this region would benefit from management giving facilitation and customer service a much higher priority in core IPI activities, as well as ensuring that staff is exposed to investor needs and acquire at least some sector specialization.

Middle East and North Africa: Danger of falling further behind

The Middle East and North Africa region is one of the weakest performing regions. Only one IPI, Israel's, performed at *good-practice* levels (61-80 percent) thanks to its very good Web site. The regional average for inquiry handling is very weak (15 percent), only 1 percent better than Sub-Saharan Africa. While most of the IPIs in this region are contactable (average score of 68 percent), the quality of response to inquiries and customer follow-up are very poor (average 6 percent). With Sub-Saharan African IPIs working on rapidly improving their performance in dealing with potential investors, they might overtake this region shortly.

The Middle East and North Africa countries boast well-designed Web sites (a 73 percent average regional score for design and architecture) that promote their country’s image. However, IPI Web site performance falls (to an average 52 percent) when it comes to the availability of country and sector information. This may indicate a limited understanding of the use of the Web for investment promotion. While being online is important, and an attractive Web site has promotional value, investors visit the IPI Web site to get basic country data and sector-specific information. IPIs should revisit their online effort to ensure they capitalize on the upfront investment in Web development by providing suitable content to ensure that investors keep their countries in the location’s search list.

Online Promotion Has Improved, but Customer Inquiries Remain a Challenge

IPI facilitation performance is critical to a country winning FDI projects. An IPI is often a foreign company’s first point of contact with a location and companies may perceive their treatment by the IPI as a predictor of the ease of doing business in the location. A good IPI—with an attractive and informative Web site, and a staff that responds quickly and effectively to inquiries—promotes the overall attractiveness of a location in addition to its business attributes. Conversely, poor-performing IPIs risk portraying their country as a worse location than it may actually be. IPIs that let bureaucratic and procedural matters impede service provision may also reflect badly on their country as an investment destination.

Figure 6 shows that IPIs’ overall information facilitation has improved since GIPB 2006.³ The

³ Not all IPIs were evaluated in both years; 181 national IPIs were assessed in 2008, while only 96 national IPIs were evaluated in 2006.

biggest improvement (25 percent) occurred in East Asia and the Pacific and South Asia, followed by Middle East and North Africa (16 percent) and Europe and Central Asia (13 percent).

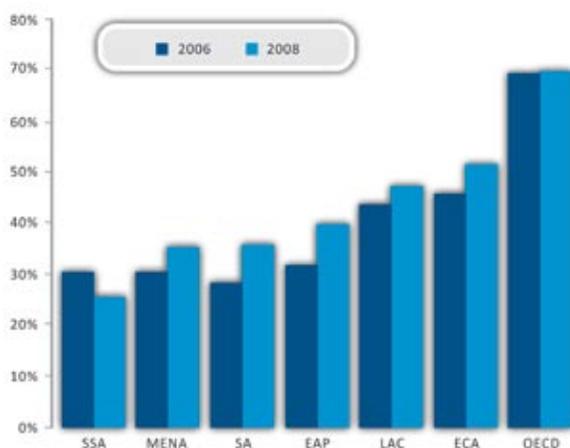
In all regions, score improvement was due primarily to improved Web sites. The worldwide average score on the Web site assessment was 58 percent while worldwide Web site improvement since 2006 was 22 percent.⁴ Unfortunately, this means that most improvement was usually limited to the “IPI shop window”. Web sites are visually appealing and well organized, and architecture is user-friendly, with information that is easy to read presented on pages that are easy to navigate.

Meanwhile, significant work is needed on the “IPI shop floor” to develop information that is specifically useful for investment purposes—appropriately targeted, accurate, and up to date—and that promotes, rather than merely presents, the location. This is illustrated in Fig. 7 below.

Thus, IPI Web site performance was better than that of inquiry handling: The average global inquiry score is 28 percent in 2008. Since 2006, worldwide performance in inquiry handling has declined by 2 percent suggesting that IPIs are

⁴ The year-on-year change that is presented in the report is calculated from the scores of all national IPIs in each survey. On a like-for-like basis, namely, using only those IPIs that were evaluated in both surveys, the results and change between years was different however, the trend was the same. Increases tended to be slightly amplified, as did declines. Trends, whether positive or negative, remained substantially the same for all regions except Sub-Saharan Africa, where the 2008 survey measured many new IPIs that tend to perform substantially worse than those Sub-Saharan Africa IPIs that were included in both years. Therefore, although there may be a few percentage points of variance, we have elected to use the averages based on the total samples of each year, that is, we have not excluded IPIs that were evaluated only in one or the other survey.

Figure 6: Information Provision Results, 2006 and 2008, by Region



falling behind in the services they offer to potential investors contacting them for information. For example, OECD IPIs achieved an average score of 86 percent for the Web site assessment, and 53 percent in inquiry handling; Europe and Central Asia’s respective scores are 72 percent and 31 percent. As Figure 8 shows, this pattern repeats in all other regions. Only individual countries, not regions, showed that excellence across the board is possible. For example, Austria scored 93 percent in its Web site assessment and 84 percent in inquiry handling. GIPB 2009 finds that a majority of IPIs still fail to understand that potential investors expect Web sites to demonstrate that the IPI thoroughly knows the location being promoted, understands the nature of the foreign company’s business, and has a sophisticated understanding of international business-location rationale.

Inquiry handling shows this lack of international business acumen even more. When the IPIs respond to inquiries—which does not always happen; only 24 of the 181 country IPIs assessed responded to all questions in both GIPB inquiries. In addition, most IPIs simply react to inquiries, without pursuing a broader promotional strategy—to establish an ongoing relationship or make other efforts to win the investment project.

In short, while they have improved their communication technology, IPIs have not demonstrated that they have the skills and organizational systems to professionally service investment inquiries. Unless IPIs can improve in these areas, they will not attract much investment—or investors will bypass them, hiring instead local consultants or experts who can provide the needed information. In such cases, IPIs will have failed at their fundamental task of providing information and other services, and of influencing the company’s selection process.

While the previous section noted the shortcomings in IPIs’ information services, there are bright spots in every region.

Good News: Facilitation Standards Are Rising

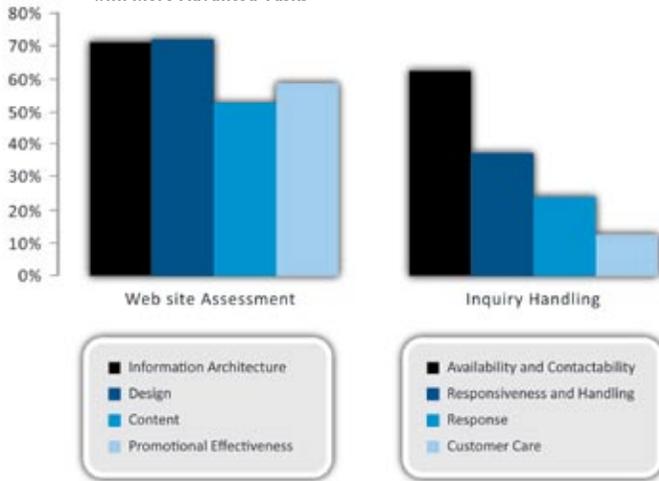
Of the 95 IPIs that were surveyed in both 2006 and 2008, some 66 IPIs saw an improvement in their performance with an overall average improvement in score of 14 percentage points. A further 7 IPIs recorded the same performance in both years. 22 of the 95 IPIs saw a decline in performance.

For those Sub-Saharan African IPIs that were evaluated in 2006 and 2008,⁵ the direction is positive

Most African IPIs included for the first time in GIPB 2009 are in countries where information is difficult to obtain on- and offline. Some of these countries are experiencing political or military conflict or have recently emerged from conflict. The performance of their

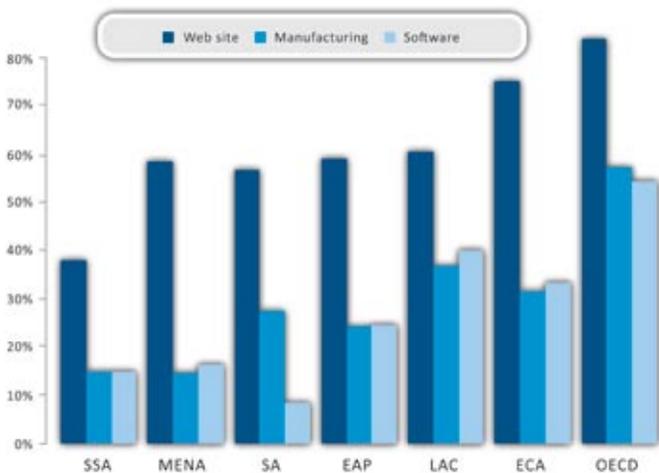
⁵ It should be noted that the number of IPIs from Sub-Saharan Africa assessed in 2006 was 23, while in 2008 this number was increased to 46, including several IPIs with no Web presence, or that we were unable to contact, such as Burundi, Central African Republic, Chad, the Comoros, and Eritrea. In fact, if one compares the 2006 and 2008 overall performance for only those IPIs from Sub-Saharan Africa that participated in both surveys, the region improved by 7 percent.

Figure 7: IPIs Have Mastered the Basics, but Still Struggle with More Advanced Tasks



IPIs is perhaps more important than that of IPIs elsewhere, because they are often the only source of information for foreign companies. Nevertheless, these IPIs clearly struggle against difficult circumstances and the inclusion of these more difficult countries is undoubtedly the main reason why the overall Sub-Saharan average performance declined between 2006 and 2008. Botswana is a star performer in GIPB 2009. It improved its overall score to an excellent 70 percent, an almost 140 percent improvement (Figure 9). It improved its Web site substantially by making it more business-focused and user friendly.

Figure 8: Regional Performance, by GIPB Assessment Category (All Scores Computed Over 100 Percent)



Botswana does a very good job of integrating two different information needs: those of foreign investors and those of local exporters. Botswana’s Web site reveals a good understanding of clients needs. Mauritius has a competitive IPI. Its consistent performance in the Web site and inquiry-handling assessments places it near OECD high-income country levels, and reveals solid internal systems and information management. Mauritius’ Web site evidences a robust understanding of their economy and their competitiveness for companies in a number of well-researched sectors, making the site an effective promotional tool. Mauritius is the reference for best practice in the region.

IPIs in Europe and Central Asia made substantial progress in their Web sites

The most impressive improvement in Europe and Central Asia was from Croatia, with its score increasing by 45 percentage points. Gains by Croatia were driven solely by an enhanced online information facilitation service, which did not exist at the time of the 2006 assessment. Romania also increased its performance due to improvements in the quality of the country and sector information offered in its Web site. Latvia has outperformed most of the IPIs in high-income countries, and some of the traditional good performers. The average Web site score for Eastern European countries alone is 85 percent (versus 41 percent for Central Asia).

Europe and Central Asia is one of the regions that has made the most progress since the GIPB 2006. As noted above, it would not be surprising to see IPIs Eastern Europe and the Balkans overtake the more established IPIs in Europe over the next years. To achieve *best-practice* status, Eastern European and Balkan IPIs should make their strongest effort in sales (making the business case), customer care, and follow-up.

Latin America and the Caribbean made gains in customer service

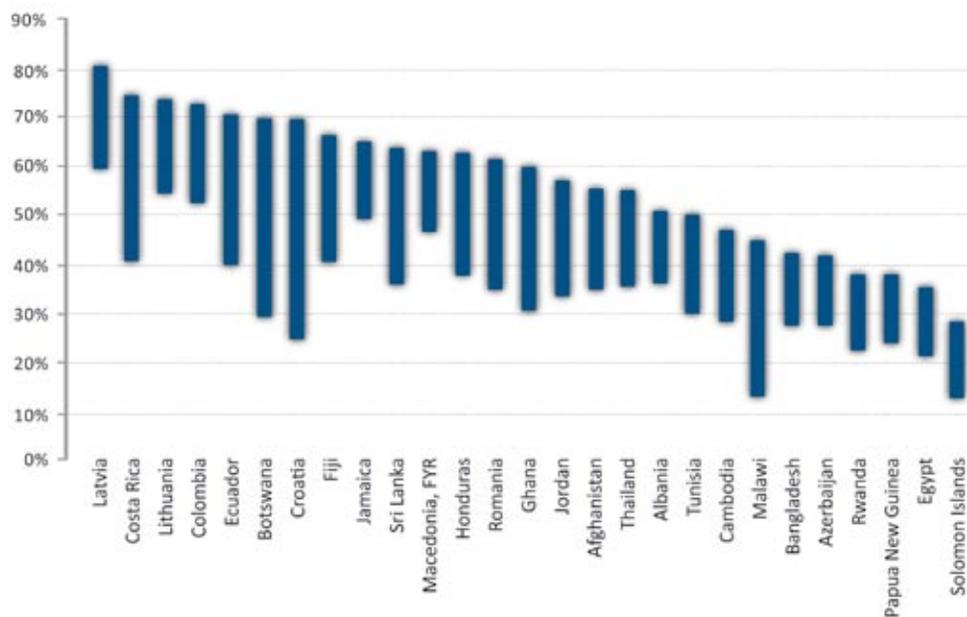
Within the Latin America and the Caribbean region, Central American IPIs have shown the most improvement since 2006—in fact, almost all IPIs in Central America perform in the average or good performance tiers. It is equally remarkable that some of the better performing IPIs (Guatemala, El Salvador and Nicaragua) operate in countries with limited government resources.

Costa Rica’s performance in 2006 was average, but its overall score of 74 percent in 2008 has clearly moved it toward the *best-practice* range; its gain was due to improvement in the design and content of its Web site and by providing a very strong response to the software inquiry. Ecuador also moved from the middle ranks toward *best practice*, increasing its overall score by 31 points to 71 percent.

Middle East and North Africa IPIs improved their Web sites, but a bureaucratic approach stifles interaction with potential investors

Middle East and North Africa is a region where every country has an IPI, and where most governments seem eager to attract FDI to diversify their economies to create jobs for their young, growing, and often highly skilled populations. Jordan is the only IPI that has made improvements since 2006. There seem to be two types of IPI in the region: the newly created, small, purely promotional body, and the large organization that often originated as a ministerial department and still has some regulatory activities. However, performance throughout the region is similar. The quality of Web sites has improved since 2006, and an increased focus on the service sector, particularly financial services, might indicate that the character of the IPIs in the region could be changing. Yet, the region has no global top performers, and inquiry handling remains less than customer friendly.

Figure 9: Major Improvers Since 2006: Croatia and Botswana Lead the Way



South Asia, and East Asia and the Pacific are moving in the right direction, but more needs to be done

Overall, Asia has improved its performance by 25 percentage points in the last two years. Eight of the top improvers worldwide are in this region: Afghanistan, Bangladesh, Cambodia, Fiji, Papua New Guinea, Solomon Islands, Sri Lanka and Thailand. National IPIs in East Asia and the Pacific may well have improved even more than 25 percent had their regional score not included several newly created subnational IPIs in China and Indonesia.

Sri Lanka was the most improved IPI in South Asia. It increased its score in 2008 by 29 points, mainly due to an improved Web site that offers detailed, reliable, and current data. Although its inquiry handling remains below average, it did increase that score by 18 points by providing a well-researched answer to the one inquiry to which it responded. Its failure to respond to both inquiries may point to weak internal systems, which may result in losing investment opportunities.

Also in South Asia, Afghanistan deserves special mention—it increased its inquiry-handling score by 26 points to earn a score of 40 percent, and its Web site was found to be very strong, achieving a score of 72 percent. Afghanistan’s first inquiry-handling result, on the beverage inquiry, was extremely well researched and solidly backed by current data from the private sector such as labor costs and property data. Clearly the inquiry played to Afghanistan’s strengths, and the IPI demonstrated that it can and does interact very professionally with prospective investors in projects relating to its target markets. Afghanistan is a case where the professionalism of the IPI can have an impact on the country’s image. The Board of Investment of Bangladesh achieved a significant improvement in its Web site by some 34 percentage points

The *Corporación de Promoción de Exportaciones e Inversiones del Ecuador* (CORPEI), Ecuador’s national IPI, was created in 1997 with the mandate to promote exports as well as foreign and local direct investment. In 2001, the agency put in place a department to deal with the improvement of the investment climate and proactively promote investment in non-oil sectors. However, the country’s political instability, the deterioration of its image abroad, as well as resource limitations inspired CORPEI’s management to develop a strategy of reactive investment promotion. This strategy aimed at maximizing the potential of local investors, responding to foreign investors who showed interest in Ecuador, and supporting existing investors to encourage re-investment (aftercare). Following an assessment of investors’ needs, a small, dedicated unit of five officers was set up. It reports directly to CORPEI’s vice president and deals with pre- and post-investment services. The unit focused on two investment promotion vehicles:

- **Web site.** Based on an internal list of Frequently Asked Questions and a good assessment of competing countries’ IPI Web sites, CORPEI prioritized the in-house development of the information a foreign investor would need to set up a business in the country. A senior investment promotion officer was responsible for updating investment climate information, in-depth sector information, and opportunities for investment that were posted regularly on CORPEI’s site. Availability of quality information on the site was part of the image-building strategy to lessen country risk perceptions.
- **Facilitation of investor inquiries.** CORPEI trained its team to provide fast, complete, consistent, and tailored information to the approximately 400 investor inquiries received each year. Soon the team became specialized along sectors and project types that allowed better management and more efficient response times. A key element for the team was the clear definition of each member’s responsibilities for each project and potential investor, which improved Knowledge Management, service quality, and appropriate follow-up, and at the same time avoided duplications.

In 2008, the Government of Ecuador decided to boost proactive investment promotion by creating a program called “Invest Ecuador”. “With a solid budget, well-trained professionals and a strong reactive capacity to investors’ interest, Ecuador can effectively move to proactive promotion,” said Ricardo Estrada, CORPEI’s Executive President.

The Business Service Outsourcing (BSO) Industry is one of the most dynamic industries in today's world. The search for the right combination of talent and competitive cost structure has been the driving force for the growth of the industry.

In 2006, *Sitel*, a leader in business outsourcing, was acquired by ClientLogic and, seeking to expand operations in Central America, the new company contacted PRONicaragua in January 2007 for further details on the local BSO industry.

Two years earlier, PRONicaragua had carried out a benchmark study of the Central American region to identify Nicaragua's major competitive advantages for outsourcing. Therefore, recognizing the value of attracting a world-renowned BSO player to the country to raise visibility, PRONicaragua assigned a special team to respond to *Sitel's* information requests. PRONicaragua worked closely with the National Free Zone Commission, which provided additional governmental support and financial resources for promotional activities related to the attraction of *Sitel*, and authorized fiscal incentives to increase the attractiveness of the investment opportunity. PRONicaragua also reached out to already established private sector investors who had helped increase Nicaragua's credibility as a good location for investment and provided detailed information about their operations there.

After more than a year of preparing tailored information packages, arranging productive agendas for both *Sitel* executives and clients, and carrying out a job fair with the objective of testing the English skills of Nicaraguan workers, with *Sitel's* direct participation throughout the process, the company inaugurated its first Contact Center operation in April 2008, with an investment of \$2.5 million and the creation of 500 jobs. In November 2008, *Sitel* announced an expansion of its operations in Managua with an additional investment of \$2.5 million and another 450 jobs.

Looking back, PRONicaragua identifies three elements as crucial in influencing *Sitel* to decide in their favor: Principal among these was an ability to respond to *Sitel's* inquiries in a way that clearly demonstrated Nicaragua's potential for the successful development of the sector and of the *Sitel* project in particular. This was supported by partnering with other government institutions and the private sector, and by PRONicaragua's close and constant follow-up with *Sitel*. *Sitel's* executives clearly agree: "Instrumental in *Sitel's* decision to make its initial investment in Nicaragua was the information, advice, and support provided by PRONicaragua. The agency's resources, contacts, and assistance have been an important part of *Sitel's* initial success during its first year in Nicaragua, and played an important part in the decision to move forward with additional investment in 2008," acknowledged Val Vandegrift, *Sitel's* Site Director-Nicaragua.

between 2006 and 2008. Cambodia is also a remarkable example of a low-income country running up in the scores with an improvement of some 20 percentage points in its performance since 2006.

However, elsewhere in Asia, performance has remained weak, with average overall scores of 40 percent in East Asia and the Pacific and 36 percent in South Asia. These weak results are primarily explained by a failure to respond to inquiries.

PRIORITIES FOR MOVING FORWARD

- **Focus and substantiate promotion efforts.**

Foreign companies search for information related to their industries and needs. They need to understand the viability in an investment destination, and to do this, they require specific data relating to their sector and proposed operation, be it manufacturing or services. To provide this, IPIs need to adopt an investment strategy that reflects their comparative and competitive advantages; this often means adopting a sector strategy and providing substantive information on those sectors. Faced with limited resources, IPIs should give priority to facilitating investments aimed at their competitive sectors.

- **Constantly source and refresh information.**

IPIs need to focus on building in-house capacity to gather and consolidate relevant information—on players, sector composition, and key selling points—on the country, economy, and targeted sectors. IPIs need to constantly anticipate foreign companies' needs and ensure that they have the needed information at hand. They should develop networks with other in-country organizations that could provide information.

- **Introduce regular training and quality assurance programs.**

IPI staff must understand that foreign companies, particularly from OECD high-income countries, often have more demanding professional service standards than those in many other regions. IPIs need to invest in staff training, for front-line staff in how to interact with foreign investors (honing sales skills and customer service) and for professional staff in research, and knowledge building and presentation. When staff turnover occurs, training new staff in these areas should be a priority. Requesting customer feedback on IPI services is a way for IPIs to check whether their services are professional and add value.

- **Understand the competition and benchmark location factors.**

IPIs should get to know their competition and understand how their location compares with competing ones, and with investor norms. If it is falling short, an IPI should make the improvements in its purview and lobby relevant areas of government for improvement in others.



CHAPTER 2: WHAT DOES IT TAKE TO SELL A LOCATION ONLINE?

Assessing IPI Web sites

To assess the extent to which IPI Web sites credibly promote a location and provide foreign companies a gateway to more information or IPI support, GIPB used four indicators: information architecture, design, content, and promotional effectiveness.

Best-practice sites clearly show the advantages of an investment location. They also convey the IPI's professional competence: its understanding of the target customer, of the factors influencing the decision on an investment location, and how the IPI can influence selection of an investment site.

IPI Web Site Assessment Results Reveal Intense Global Competition

A country's IPI Web site is like a shop window, presenting information to entice foreign investment. GIPB 2009 found that many IPI Web sites look good, but content needs to be improved

Investment promotion has moved online. Of the 181 country IPIs that the GIPB reviewed, 165 have a Web site. Most sites have an attractive design and demonstrate technical competence. Relatively few of them, however, provide concise, relevant information that shows the IPI understands—and therefore can fulfill—foreign companies' needs.

All regions have at least one IPI Web site among the top 25. Sites are increasingly innovative and show a growing level of IPI professionalism.

Early IPI Web sites, even best-practice ones, tended to resemble each other, and less-experienced IPIs adopted similar looks. Now, sites with individualistic design are emerging; the best ones offer increased interactivity and functionality—always keeping in mind that the potential investor should find needed information quickly, within three clicks from the home page.

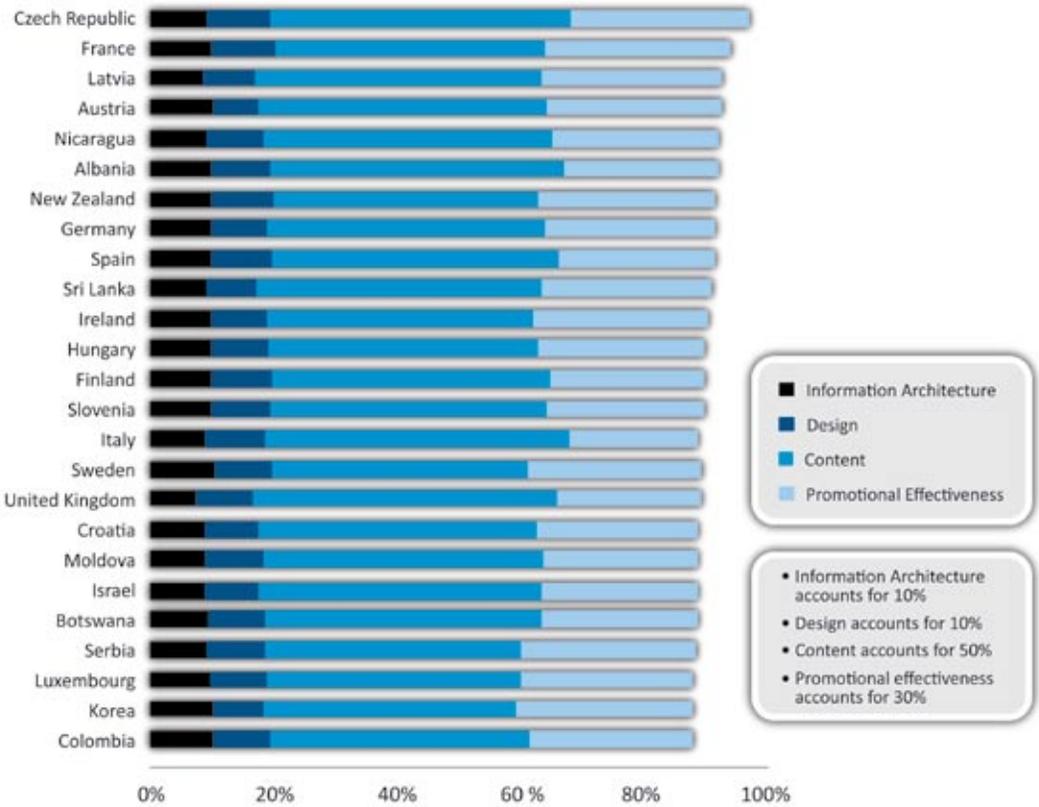
Figure 10 shows the 25 top-performing, *best-practice* national Web sites. All sites performed well across the four themes on which they were assessed: information architecture, design, content, promotional effectiveness. They meet users' needs with a clear navigation system, targeted content on key industries, and clearly stated services and support for investors (Box 6). While scores for individual elements varied, there was only a 10 percent spread in the overall scores.

worldwide Web site improvement drove increases in overall GIPB performance. Figure 11 shows scores by group.

However, except for the OECD high-income countries, Web site performance varied within regions (Figure 12).

There was evidence of *best practice* in all regions. As Figure 13 shows, OECD IPI Web sites lead in the percentage of *best-practice* sites, but sites in Europe and Central Asia also

Figure 10: Top-25 National Web Sites



High-Income Countries Retain a Lead, but the Gap Is Narrowing

While OECD high-income countries continue to lead the IPI Web site assessment, capability is growing worldwide and centers of excellence are emerging in all regions.

IPI Web site performance was generally strong in GIPB 2009—in fact, an average 22 percent

performed very well. The top performers in each region were:

- Czech Republic among OECD high-income countries with 97.4 percent
- Latvia in Europe and Central Asia with 93 percent

Figure 11: How Do Web Sites Compare?

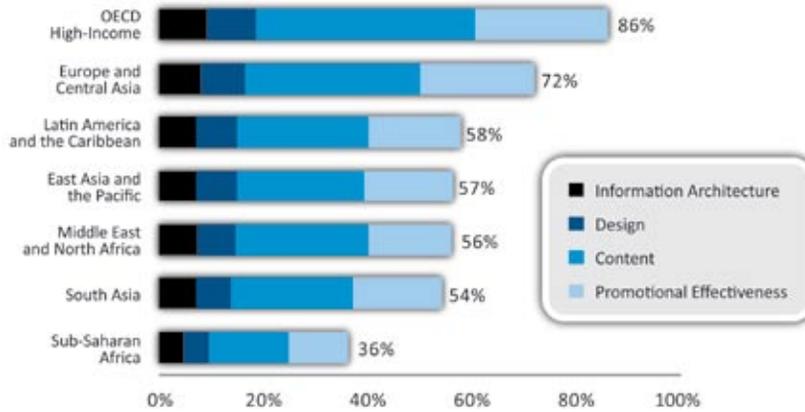
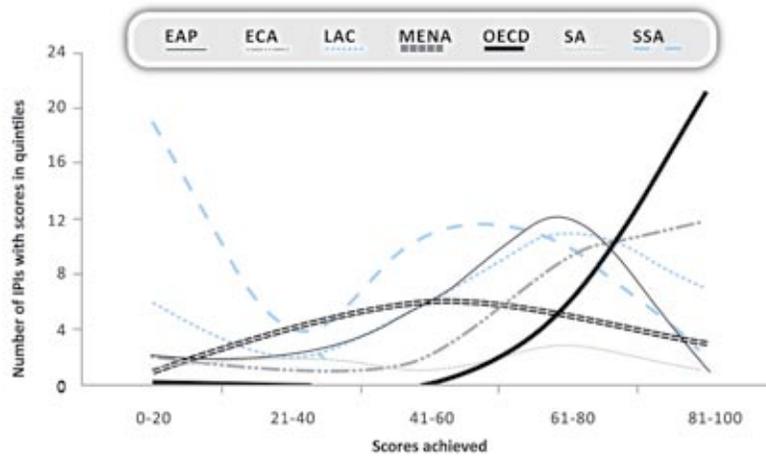


Figure 12: Distribution of Web Site Scores by Region



- Nicaragua in Latin America and the Caribbean with 92.3 percent
- Sri Lanka in South Asia with 91.1 percent
- Israel in Middle East and North Africa with 88.9 percent
- Botswana in Sub-Saharan Africa with 88.8 percent.

Achievement falls off in other regions; in Sub-Saharan Africa, 41 percent of IPUs had very weak scores. This lack of strong IPU Web sites in Sub-Saharan Africa makes it less likely that companies will consider investing there, because there are few alternative sources of information to promote this region. Thus, African countries risk falling into a negative cycle: paucity of

thorough and positive information fails to pique the interest of foreign companies or overcome their reluctance to invest there, and low volumes of FDI reinforce investors' poor perceptions of the region.

Investment Promotion Has Moved Online

The Webscape has changed radically since 2006, with IPU Web sites in all regions showing marked improvement and many making a rapid transition from below average to best practice

The world is now competing online to attract investment. As noted above, of the 181 country IPUs that GIPB reviewed, 165 have a Web site.

Box 6: What Do the IPIs of the Czech Republic, France, Latvia, Austria, and Nicaragua Have in Common?

All have a best-practice Web site. Each site presents information to prospective investors in a clear, concise, and engaging way. Each states who they are, what they target, why their locations are optimal investment destinations, and how they can help.

The highest scoring Web site, **CzechInvest** (www.czechinvest.org), is provided in six languages, and has a clear navigation structure and topical news. Excellent sector content is accompanied by testimonials from satisfied investors.

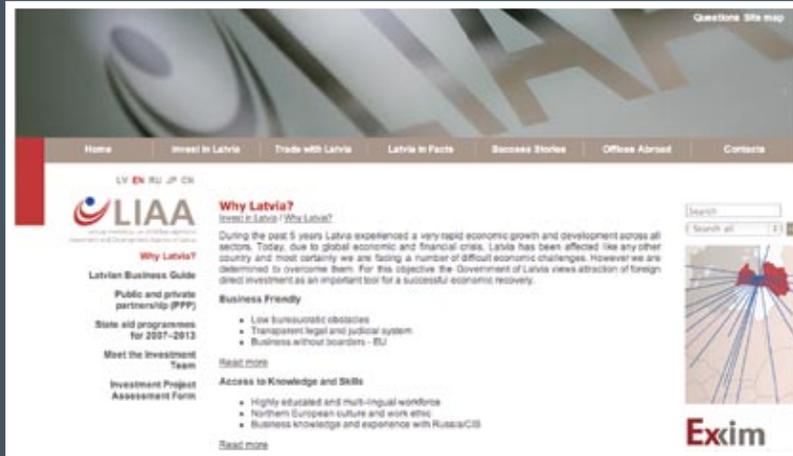
The screenshot shows the CzechInvest website. The header includes the logo, navigation links (About Czechinvest, News & Events, Contact Us, Press Centre, Download), and a search bar. The main menu on the left lists various investment opportunities. The main content area features a banner for 'Electrical Engineering and Electronics' with a sub-header 'Not just cost efficient! Experience and tradition are key factors in the Czech Republic's success'. Below this, there are bullet points listing reasons to invest in the Czech Republic's electronics sector, such as its long history and high-quality workforce. A 'We've got the talent... just ask the world leaders' section follows, highlighting the country's technical education and research capabilities.

Invest in France's site (www.invest-in-france.org) offers interactive, cutting-edge design as well as easy-to-read, substantive content on business sectors. The home page opens with a sophisticated business case, using existing investors to show how the IPI helps an investor to make a project happen.

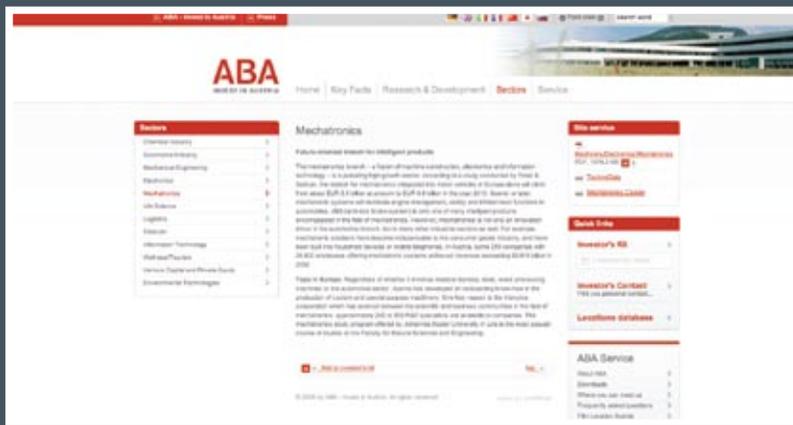
The screenshot shows the Invest in France Agency website for the United Kingdom. The header includes the logo, navigation links (Where to find us, Who we are, Contact), and a search bar. The main content area features a banner for 'Now 71 competitive clusters in France' with a map of France highlighting various sectors like Digital multimedia, Automobile and air transportation, and Pharmaceuticals. Below this, there are three columns of content: 'Why choose France?' (The top reasons to invest in France), 'How we can help you' (IFA can help you determine the best environment for your business investment), and 'Want to know more about France?' (All you need to know to do business in France). The 'They are talking about France' section features a quote from Daniel O'Riain, Managing Director of Zoom, stating 'There is real expertise and competence here in France which we can use combined with the tax credit.' The 'Latest news' section includes three articles: '2008-03-29 - News: Do you have an R&D project? Do you need an R&D project? Can't get funding? Perhaps you should be thinking about moving the project to France?', '2008-03-13 - Press Release: France Remains Attractive in 2008: The Contribution Of Foreign Direct Investment To Employment', and '2008-02-26 - ICT: Alveo Services to create a customer services center near Dunkirk, creating 75 jobs'.

Box 6: What Do the IPIs of the Czech Republic, France, Latvia, Austria, and Nicaragua Have in Common?

Investment and Development Agency of Latvia (www.liaa.gov.lv) uses a proven format to make its case: success stories that target a key aspect of the location. Latvia was one of the very few IPIs to address specific business concerns such as return on investment.



Austrian Business Agency's site (www.aba.gov.at) offers a simple architecture, good sector segmentation, and innovative mapping technologies. Key information can be found quickly and downloaded if required. The site is offered in seven languages.



ProNicaragua's site (www.pronicaragua.org) covers all the information needed to convince foreign companies to take a closer look at Nicaragua. Engaging animation features (unlike on other such sites, it loads quickly), including animated navigation bands on the home page, take users to key statistics, sectors, and testimonials, including videos from existing investors.

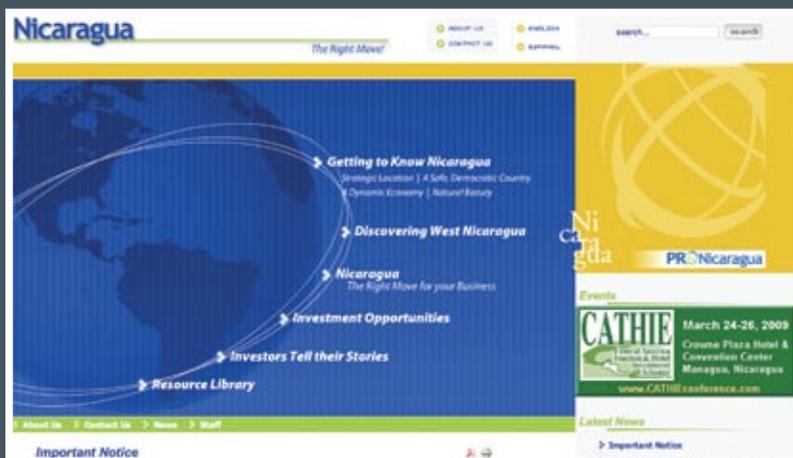
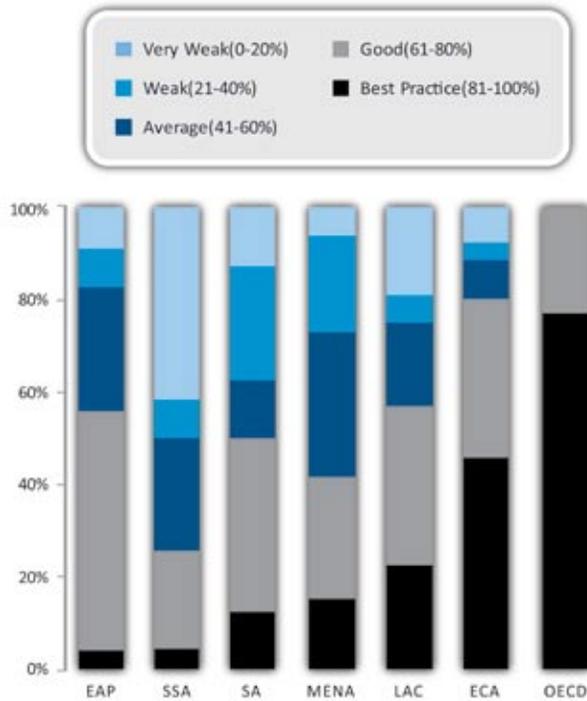


Figure 13: Best-Practice Web Sites Are Emerging Across All Regions



Clearly, many IPIs have devoted appreciable resources to their visibility on the Internet. The sites are increasingly effective, in particular in respect to site architecture and design.

Table 1 shows IPI Web site scores for 2006 and 2008. (See also Figure 14.) In 2008, GIPB found a worldwide improvement of 22 percent in Web site performance. The greatest increase was in Europe and Central Asia (36 percent). As was mentioned earlier, Sub-Saharan Africa experienced a slight decline, but this is attributable to the fact that more than twice the number of IPIs there were surveyed in 2008 (46, in contrast to 23 in 2006); of the 23 evaluated in both years, all but two showed improvement.

Individual countries illustrate the progress that has been made in just two years

Croatia has moved from having no Web site at the time of the 2006 assessment to

Table 1: Web Site Performance by Region, 2006 and 2008

Region	2006	2008	Change
All	48%	58%	22%
East Asia and the Pacific	44%	57%	30%
Europe and Central Asia	53%	72%	36%
Latin America and the Caribbean	49%	58%	19%
Middle East and North Africa	45%	56%	23%
OECD	79%	86%	9%
South Asia	46%	54%	19%
Sub-Saharan Africa	38%	36%	-5%

Note: Percentage change figures are based on an indexed improvement or decline between 2006-08. For example, 48% to 58% is calculated as a 22% improvement, rather than 10%, as the 2006 score is treated as the base figure from which a change is measured.

earning a score of 89 percent in 2008. Croatia's site (www.apiu.hr) has most of the features an investor would expect as well as a sophisticated promotional capacity: it presents facts, backs them up with real-life examples, and describes how projects can be implemented in Croatia (Figure 15).

Figure 14: Web Site Development Since 2006

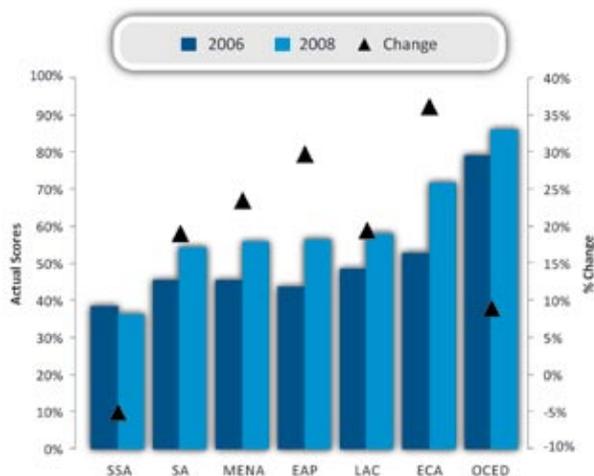
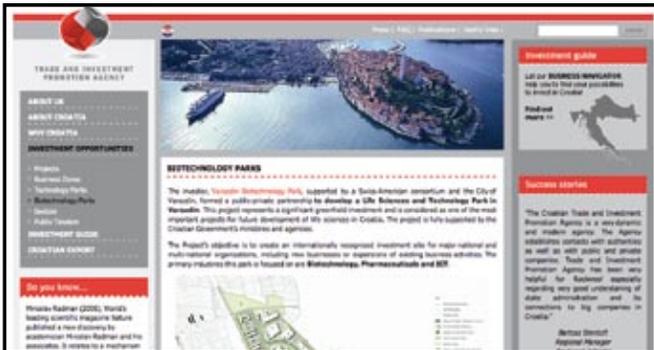


Figure 15: Croatia Moves Beyond Showing “Why” to Invest to “How” to Invest, and “Where”



Malawi is a low-income country whose IPI has moved from no online presence to having a very good Web site. Malawi joined the online community with a Web site score just under 70 percent. Its site has a glossy online presence with good architecture and design, and it provides the type of information that companies request. The Web site (www.malawi-invest.net) shows that the IPI has put considerable effort into researching sectors with the greatest potential to attract foreign investment. A mapping tool shows where key industries are located, and an indicator of operating costs is offered with utilities tariffs listed.

Botswana, one of the most improved Web sites overall, made major improvements to its site between 2006 and 2008. Its score jumped by 49 points, moving the Web site from below average to *best practice*. The site (www.bedia.co.bw) is business focused and user friendly—it makes understanding the investment process as easy as “1, 2, 3” with innovative use of quick links on the home page banner (Figure 16).

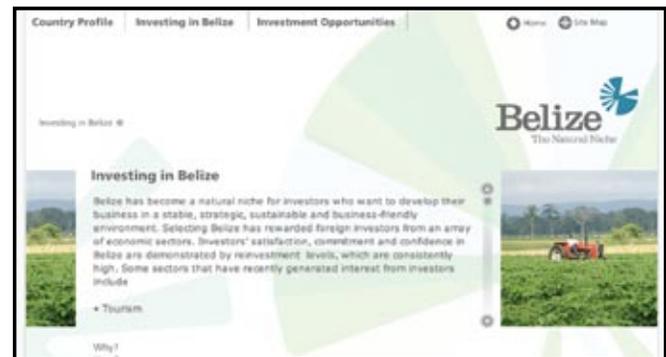
Figure 16: Botswana Makes Investing as Easy as 1, 2, 3



Like many IPIs, Botswana’s does export promotion along with investment attraction. It avoided a common mistake of IPI Web sites with this type of mandate, in which the design makes it hard to see what information is specific for which customer. On Botswana’s Web site, two prominent banners on the home page indicate where a local manufacturer or an investor should click for export or investment information.

Belize has another IPI that emerged from the pack with a *best-practice* site (Figure 17). It increased its score by 45 points to 87 percent. Belize’s site is visually appealing, crisp, clear, and uncluttered. Information is summarized well and easy to find. The site provides good interactive mapping, helpful to investors who are not familiar with the economy.

Figure 17: Belize’s Niche Marketing



Many other IPIs made substantial improvements in their Web sites over the 2006–08 period, and jumped from average or below average to *best practice*:

- Costa Rica (increased 42 points)
- Albania (39 points)
- Sri Lanka (38 points)
- Ecuador (38 points)
- Montenegro (35 points)
- Bangladesh (34 points)

As the country examples above show, some IPIs are using the growing availability and sophistication of online mapping tools to display

information that is highly relevant to potential investors. Unfortunately, the number of IPI Web sites doing so is relatively low. This is disappointing, especially when geography and location are an inherent investor consideration. Maps convey certain information far more efficiently and effectively than text alone. For example, advances in technology promise three-dimensional representations of cities, which could enable IPIs to add properties and city fly-throughs to their sites, vastly enhancing the investor experience. GIPB research identified five types of mapping functionality already used by IPIs (Box 7) to influence investment decisions.

Key Aspects of Online Promotion Continue to Elude IPIs

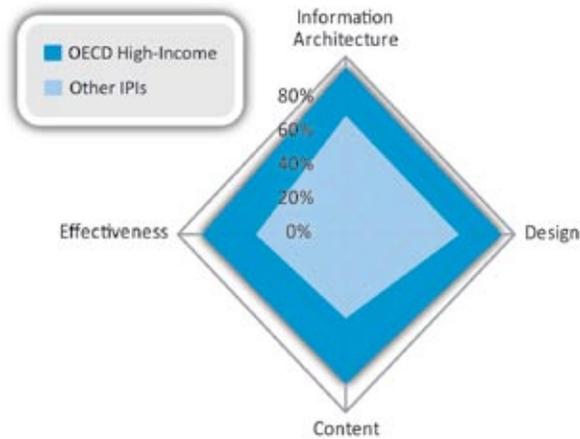
There remains a substantial gap between the Web site performance of OECD and non-OECD regions in key dimensions

Many IPIs have mastered the basics of Web site information architecture and design. Worldwide, IPIs achieved an average score of 71 percent and 72 percent for these assessment dimensions, respectively. This alone, however, does not translate into true capacity for investment promotion. GIPB results show that most IPIs outside the OECD struggle with the more advanced Web site aspects of content and promotional effectiveness (Figure 18).

For content, for example, OECD high-income IPIs achieved an average of 84 percent, while the next highest average was 68 percent for Europe and Central Asia, the lowest 30 percent for Africa (Figure 19). These scores are low because most Web sites do not provide reasons why their locations are good investment destinations. They list superficial details about the economy but do not provide targeted, company-oriented content about target sectors, industries, and business activities. Nor do they make a business case or communicate

the services that the IPI offers in a business-friendly, non-bureaucratic manner. Some do not even display detailed and accurate contact information. As a result, they fail to engage investors’ interest or convince them to contact the IPI for additional information, let alone to select their location.

Figure 18: The Performance Gap Between IPIs: Web Sites



The scores also show that many IPIs do not understand their target customers well, nor the factors that investors consider when making an investment decision. An IPI that is unable to demonstrate its unique access to local knowledge and its understanding of its customers is unlikely to be able to add value to the investor’s location-decision making.

The pattern is similar for promotional effectiveness, how the IPI “sells” the location. This calls for a solid knowledge of the strengths and weaknesses of the IPI’s location, as well as of its competitors. It requires an IPI Web site to convey a clear business case supporting investment in the country and sector of interest. Figure 20 shows that non-OECD IPIs lag substantially behind OECD IPIs on many of the most critical subthemes within the four Web site themes. (See Chapter 5 for discussion of weighting of subthemes.)

Static location maps simply show a static map of a location on a Web page or as a download. The maps show the major centers of population or infrastructure, or the position of the investment location relative to others. Examples of this type of mapping were found on the Uganda Investment Authority site (www.ugandainvest.com), Slovak Investment and Trade Development Agency (www.sario.sk), and St. Lucia National Development Corporation (www.stluciandc.com). It is important that static maps are of high quality, so they can be easily read and printed or copied and pasted into other documents. Paper maps that are scanned and uploaded often are difficult to read.

Home » Slovakia

General information

Published: 27. 3. 2009

General information on the Slovak Republic

Geographical location: Central Europe
Area: 49 035 km²
Population: 5 379 455

Borders:

- Hungary
- Poland
- Austria
- the Czech Republic
- Ukraine

Religions:

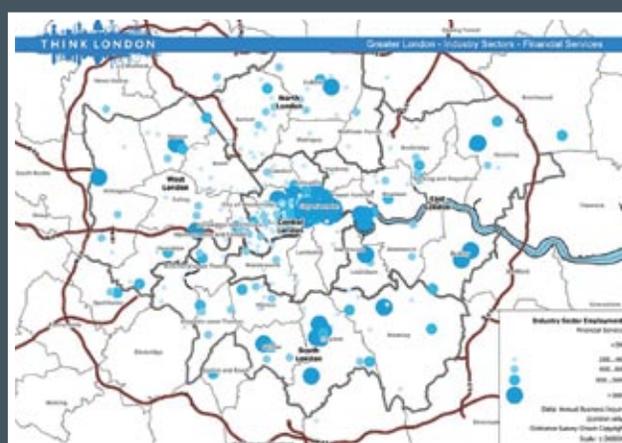
- Catholic Church - 68.9%
- Evangelical Church - 6.9%
- No faith - 13.0%
- Others - 11.2%

Minority groups:

- Slovak nationality - 85.5%
- Hungarian - 9.7%



Sector clusters and company location maps let the IPI deliver significant value to potential investors who seek to identify areas within locations that specialize in a certain industry or contain a number of blue chip international companies. This type of map can be seen on the Think London site (www.thinklondon.com) and on sector downloads on the CzechInvest site (www.czechinvest.org). Showing sector clusters also demonstrates that an IPI has a particular focus on those sectors.



Interactive maps allow the user to navigate around the map and zoom in and out on specific areas. Zooming in allows more detailed information to be displayed and makes the map more engaging. Examples of this approach are found on the State of Qatar Investment Department site (www.investinqatar.com.qa) and Invest New Zealand site (www.investmentnz.govt.nz). The functionality to produce such maps is now available, through products such as Google Earth and Microsoft Virtual Earth.

New Zealand Interactive Map



0 200 km
0 125 miles

North

NZ INFRASTRUCTURE

Shows

- Major Highways
- Ports
- Airports
- Rail Network
- Electricity Network
- Fibreoptic Network
- Tertiary Institutes

Major Highways

The efficiency of the country's internal transport system has played a critical role in New Zealand's economic growth. Despite the rugged landscape of much of the country, the New Zealand's transport system is well established and of a high standard.

The state highway network of 10,837 kilometres of major roads and motorways provides a strategic... more »

Click on map to zoom in

Static maps with layer controls allow the user to highlight certain features by turning on and off different layers of information, such as the road network. Examples of this can be found on the Web sites of the Agencia Nacional de Desarrollo de Inversiones (Argentina) (www.prosperar.gov.ar) and MIDAS, Manchester Investment and Development Agency Service (United Kingdom) (www.investinmanchester.com).



Spatial decision support systems are the culmination of some of the above functionalities, enabling potential investors to query databases for relevant information and map the results to show a number of location options. Users first select demographic and labor market indicators that are favorable to their investment and then select those areas that meet other criteria, such as being within a certain distance of an international airport. While implementation of this functionality is limited, The Austrian Business Agency (www.aba.gv.at) has a Geographic Information Systems (GIS) interface that allows potential investors to make similar queries. The resulting maps are supported by links to show the number of companies in each region, allowing the user to see which areas meet their criteria and other companies that operate there.

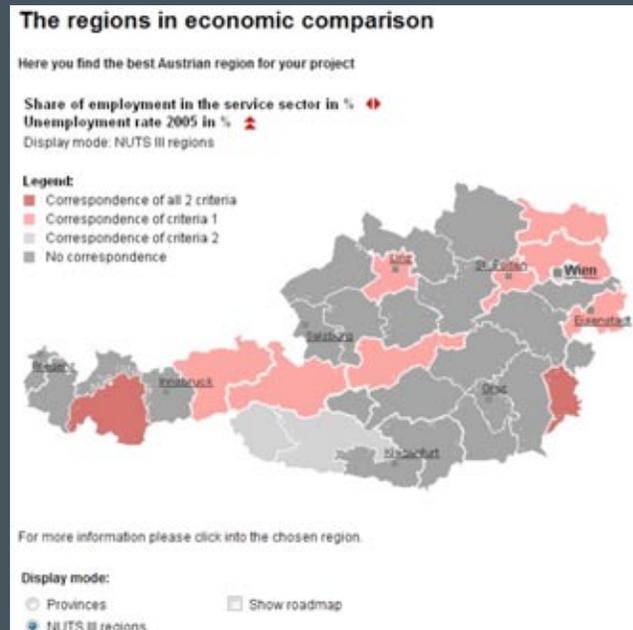
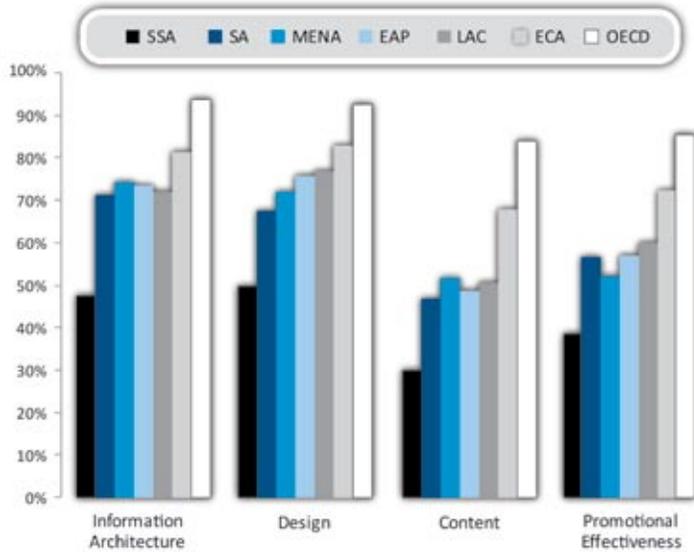
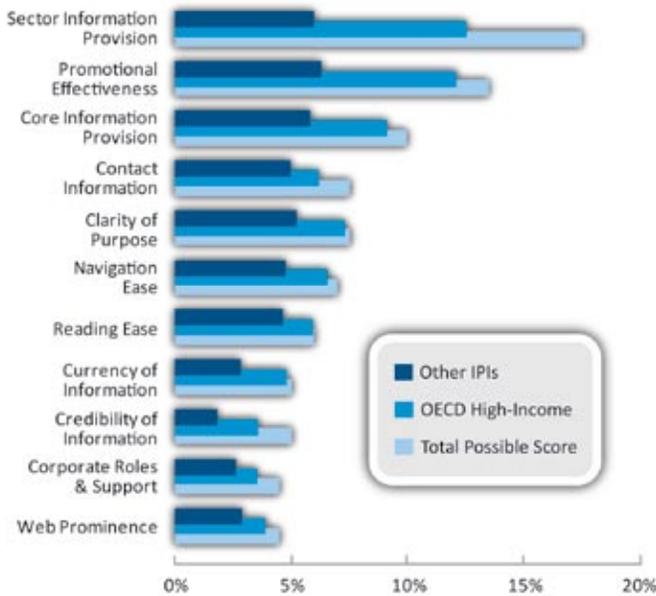


Figure 19: Performance Across the Four Web Site Dimensions



Finally, all IPIs could have scored high in the Web prominence category, which measured the ease of finding the IPI's Web site when searching by terms such as "invest" or "business" and the country's name in major search engines (e.g. Google, Yahoo, etc). GIPB found that many IPI Web sites could only be found by typing in an IPI's full name, and often these names did not include the country name. For a number of IPIs,

Figure 20: Non-OECD IPIs Underperform on Key Web Site Aspects



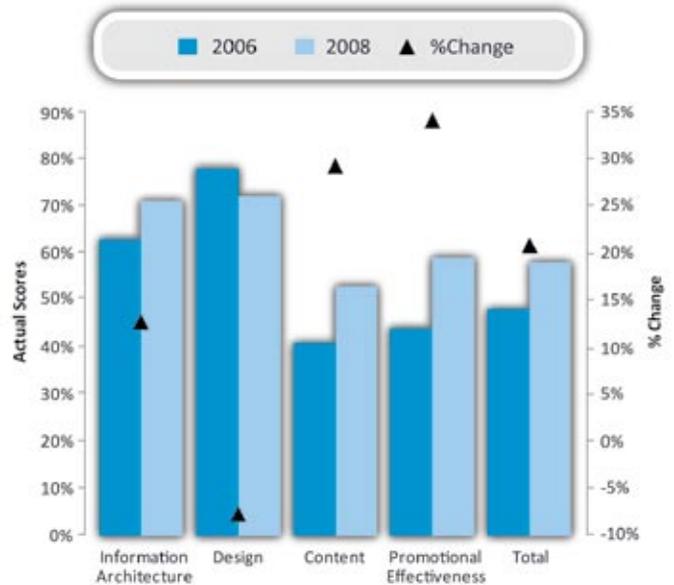
the only way an investor would find their Web site is to already know the Web site address.

IPIs Are Moving in the Right Direction, but Some Challenges Remain

IPIs are improving content and promotional effectiveness, but actual capability remains low

The overall level of Web sites design is very good. The lower level of achievement in design shown in Figure 21 is largely attributable to methodological change between 2006 and 2008 and should not be taken to indicate any slippage in real terms. IPI Web sites are now more clearly showing that they are directed at business. Worldwide, 72 percent of sites are now clearly identifiable as investment Web sites, whereas in 2006, only 53 percent were.

Figure 21: Web Sites Have Made Progress, but There Is Room for Additional Improvement



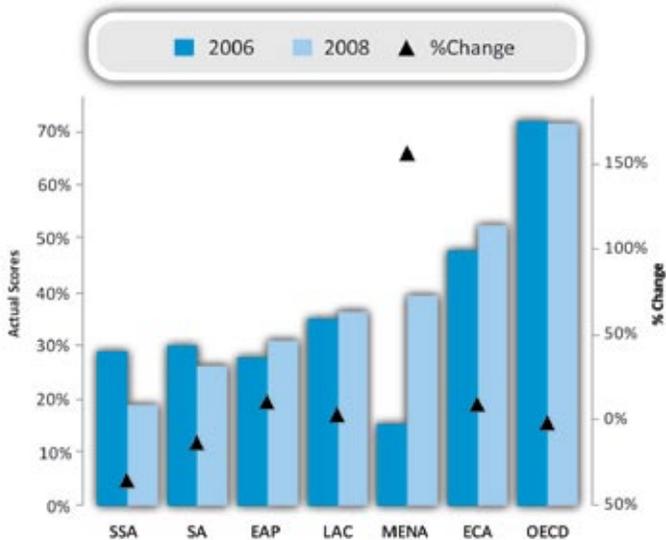
Two-thirds of IPI Web sites clearly project their core purpose of promoting the country for investment. This too is a substantial improvement from 2006, when many sites promoted the organization itself, its bureaucratic responsibilities, and its reporting mechanisms.

A sense of purpose is also clearly emerging in terms of IPIs' ability to provide core information about the host-country's investment climate and operating conditions; the worldwide average score is now 61 percent, compared with only 31 percent in 2006. Also, in 2008, 69 percent of all national sites clearly identify their core industries or sectors.

However, IPIs achieved an average score of only 39 percent in the quality of information they provide on key sectors (Figure 22). This is a significant issue—most companies will naturally look for information relating to their own sector. They want to know, for example, if a location has a history of manufacturing cars or if the labor force has the engineering skills they need. Most companies search for growth projections for their industry, demand forecasts, operating costs, and labor availability.

With regard to promotional effectiveness, the worldwide average increased 32 percent, the average score moving from less than 50 percent in 2006 to 60 percent in 2008. However, Europe and Central Asia and the OECD high-income countries were the only regions with substantial gains in this area. Europe and Central Asia

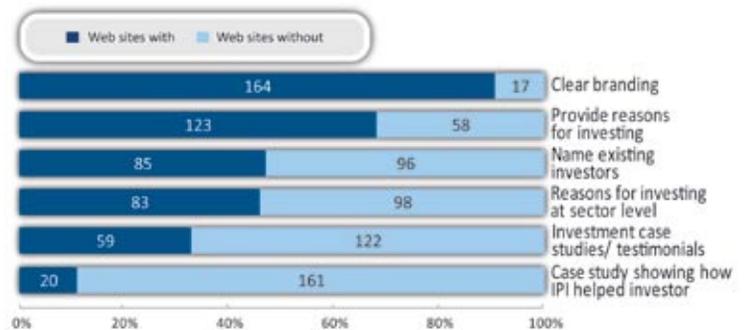
Figure 22: Information Provision on Sectors of Interest to Investors Remains Low



gained 28 points to earn an average score of 72 percent, and the OECD gained 16 points for an average score of 86 percent. Most IPIs have not taken on the more complicated aspects of promotion, as the following numbers (and Figure 23) show:

- 164 IPIs (91 percent) had clear branding on their Web site.
- 123 (68 percent) gave at least some reasons for investing in the location.
- 83 (46 percent) gave reasons to support investment at the sector level.
- 85 (47 percent) named companies that had already invested.
- Only 59 (33 percent) provided case studies or testimonials of companies that had invested.
- Only 20 (11 percent) provided case studies or investor testimonials to show how or why the IPI itself was able to help an investor.

Figure 23: A Majority of IPIs Do Not Provide Evidence on Their Web Sites That They Have Actually Helped an Investor



This last point, third-party endorsements from companies in specific sectors, is important, because testimonials are one of the best ways an IPI can demonstrate an investment track record, and the credibility and financial feasibility of undertaking a project in the country. A lack of testimonials may indicate that an IPI does not have a relationship with companies that have set up in its locations.

QUICK WINS FOR EFFECTIVE ONLINE PROMOTION

The following tips will make for Web sites improvements that will have a positive effect on investment promotion.

- **Convert the IPI Web site into your key promotional and facilitation tool.** The IPI Web site is probably the first interaction with the country for the foreign investor. Being online is the first step, but is not enough. A beautifully designed Web site alone will not sell the location. The key to getting promotional value out of the IPI Web site is providing the type of information the investor is seeking in a professional way.
- **Manage the Web site budget efficiently.** Web sites are not a one-time outsourced design effort. Funds must also cover site development; research, content development, regular updating; and ongoing Web hosting.
- **Ensure that IPI management understands the importance of and adequately assigns responsibility for the Web site.** An investment promotion officer with marketing knowledge (not the webmaster who is usually an information technology staff) should be responsible for content development and Web site maintenance.
- **Get IPI contact information right.** Contact information—telephone number, e-mail and street addresses—or links to the information, must be accurate, complete, and clearly visible on the home page. If information appears in multiple places on the Web site, it should be consistent.
- **Avoid using free, non-proprietary e-mail domains** such as Google and Yahoo. This implies a lack of IPI professionalism, credibility, or permanence, and a company's e-mail system may filter out responses from such addresses.
- **Ensure search engine optimization by listing the IPI under common search terms** such as country name and terms like "business" and "invest." Many IPIs appear on international search engines only if the full IPI name is entered; potential investors are unlikely to know the name.
- **Refine site architecture to make navigation clear.** Headers or side bars should quickly lead busy investors to the location information they need. Useful topics include "About Us," "Key Sectors," "Business Costs," "How to Set Up," "Contacts," "Other Investors," and "Investor Services."
- **Make the content clear, consistent, and readable,** in common international business languages. Basic information should be prominent on the home page and other content should be targeted and succinct so that users can learn a lot just by scanning.
- **Most importantly, make the content relevant to investors.** Web sites need to convey specific promotional and informational messages that are structured around sectors of the economy most likely to attract investment and that show why companies should invest in these sectors.
- **Make the content credible, so it will convince a user to take a second look at the location.** Do not just claim your location is best, use statistics, testimonials, news stories, and images to prove that it is.
- **Make information fast to download,** because business people will not wait for slow sites.
- **List IPI services for investors** in a way that shows the value added. Descriptions should not focus on an IPI's bureaucratic or regulatory activities but on how it can help an investor.

CHAPTER 3: RESPONDING TO INVESTORS' INFORMATION INQUIRIES

Assessing IPI inquiry handling

To provide a balanced view of the real abilities of each IPI, GIPB evaluated each agency twice—first via a manufacturing research and development inquiry and then with a software engineering inquiry.

The surveys assessed the IPIs' ability to respond to requests for information in a professional and appropriate manner—and in a way that would likely increase the investor's motivation to engage further with the IPI and ultimately invest in the location.

An assessment of an IPI's ability to manage investment inquiries also provides an insight into many of its core functions. Inquiry handling is not only about how an IPI interacts with an investor but also the extent to which an IPI understands its market, does research into its own location so it can respond to investors, and ensures its staff has project management skills, knowledge, training, and marketing capability.

National Rankings Reveal Substantial Variation in Global Capability

Inquiry handling is at the core of investment promotion. It enables an IPI to influence company perceptions and win investment projects—but it remains a stumbling block for many IPIs

A clear top tier of IPIs emerged from the GIPB inquiry-handling assessments (Figure 24); IPIs with scores 75 percent and higher provide a consistently high level of service in both inquiries.

IPIs scoring 65-75 percent also provide excellent service. The OECD high-income countries once again dominated the top positions but there was

strong competition from Latin America and the Caribbean, and Europe and Central Asia had several *best-practice* IPIs in the top 25. Below this tier, the service provided to investors was inconsistent.

Only 29 IPIs scored above 50 percent—meaning that 84 percent of assessed IPIs failed to score at least 50 percent, and indicating that the majority of IPIs are unable to provide an adequate level of support to companies.

IPIs that performed well delivered excellent service in both inquiries. In some cases, a disparity in the two scores may reflect an IPI's

Box 8: How Brazil Delivered First-Class Inquiry-Handling Service

The *Agência Brasileira de Promoção de Exportações e Investimentos* (APEX) scored 82.7 percent for its inquiry-handling efforts and ranked second overall. APEX would have beaten top-ranked Austria had it matched on the second inquiry its level of performance on the first inquiry. Brazil excelled in the quality of its responses and its level of customer care after a response was submitted. Both submissions highlighted key industry players, labor availability and costs, and where graduates are trained. The beverage submission was rounded out with an excellent conclusion, summarizing all previous information and clearly showing how Brazil would meet any beverage manufacturer requirements.

In fact, the beverage submission was particularly impressive, and earned Brazil the highest score (88 percent) in the beverage inquiry. The submission revealed the winning formula for investment promotion: It responded specifically to the questions asked. It provided relevant, comprehensive, and substantiated statistical and industry trend data to support its claims. Brazil even provided beverage consumption patterns by industry segment along with forecasts at the state level. APEX displayed organizational professionalism by meeting deadlines and providing a well-constructed report. It exemplified promotional sophistication with its inclusion of a business case justifying why an investor would thrive in Brazil.

Brazil did not perform quite as well in the second (software development) inquiry. One might assume that this is because Brazil has more experience with agribusiness or manufacturing projects. But a closer look at the results shows key variations in staff performance, especially in initial interactions between investor and IPI. GIPB could sometimes contact the IPI easily but sometimes not, and some project managers were more responsive than others.

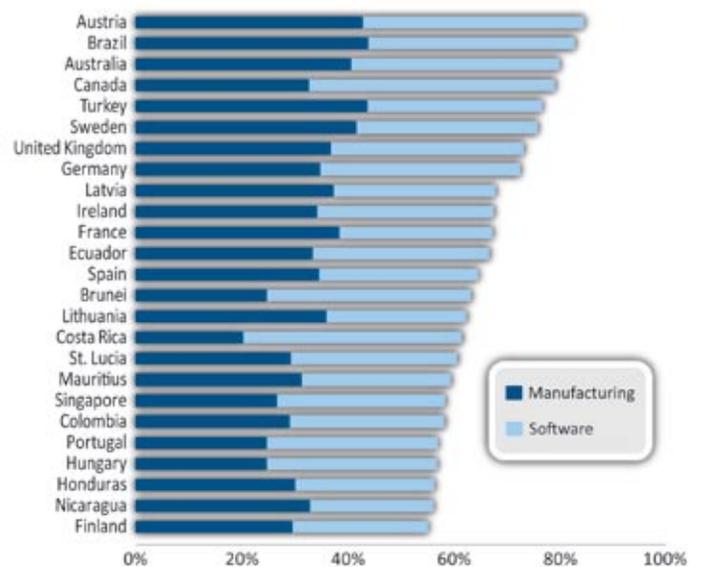
Brazil's performance in each inquiry-handling assessment



The variation in performance in Brazil's case may be caused by inquiry-handling processes within the agency. This is common among IPIs and indicates that IPIs must work harder to ensure service quality. They should monitor if e-mails are being answered, particularly when they use a non-proprietary e-mail domain, and if front-line staff perform well: Do they answer the phones promptly? Do they know how to direct calls? If not, they may need additional training. Likewise, IPIs need to ensure that all project managers follow agency protocols in working with investors, have expert knowledge of the region and sectors being promoted, and familiarity with other core areas.

experience and priorities in one inquiry field or the other, more than how staff managed each inquiry.

Figure 24: Top IPIs in Inquiry Handling



Inquiry-Handling Capability Is Growing in Middle-Income Regions

OECD IPIs again showed that they offer satisfactory investment facilitation, but expertise in Latin America and Eastern Europe is growing

OECD high-income countries achieved an average score of 53 percent in inquiry handling, followed most closely by Latin America and the Caribbean (37 percent) and Europe and Central Asia (31 percent). As Figure 25 shows, each region's performance was fairly consistent in the two (beverage and software) inquiries, except for South Asia's, where IPIs may have been more prepared for the manufacturing inquiry based on their historically strong agricultural industries.

Within regions, inquiry-handling performance was uneven (Figure 26). Except for the OECD high-income countries and Latin America and the Caribbean, all regions had their largest cluster of scores in the 0-20 percent range.

Unlike the Web site assessment, there was little evidence that centers of excellence are emerging in most regions (Figure 27). Even within the OECD, only 34 percent of IPLs scored in the best-practice or good ranges.

Figure 25: Regional Performance in Overall Inquiry Handling, and by Inquiry (All Scores Computed Over 100 Percent)

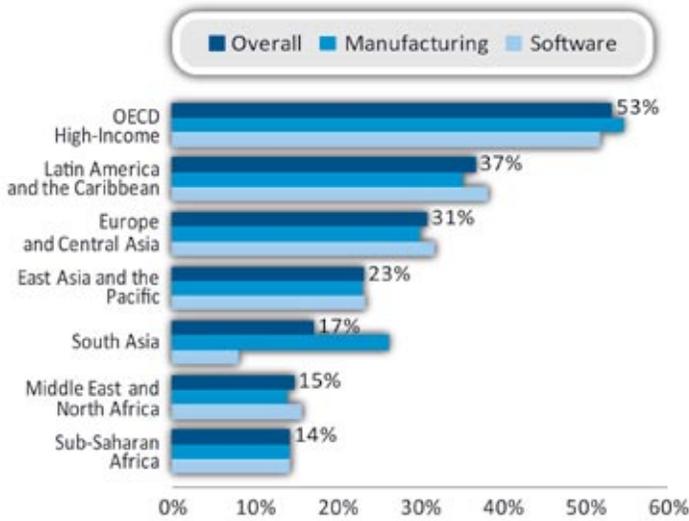
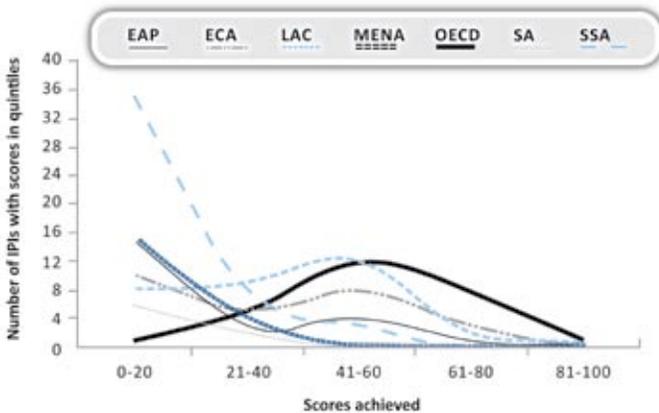


Figure 26: Distribution of Inquiry-Handling Scores, by Region

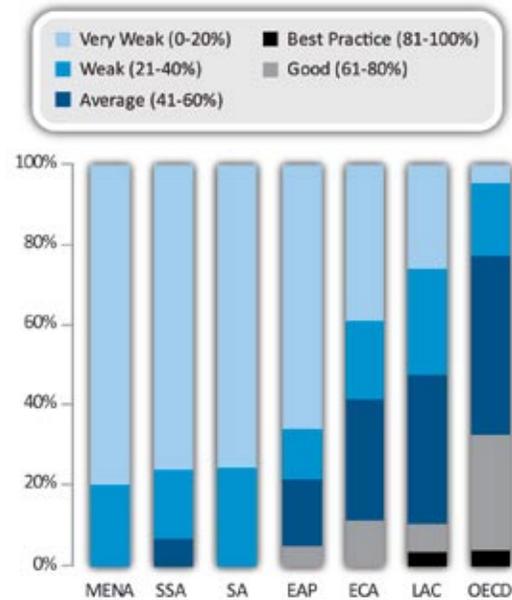


Reactive Capacity to Investment Opportunities Is Improving Slowly

In contrast to IPLs' improved Internet presence, their inquiry-handling performance is substantially unchanged from 2006

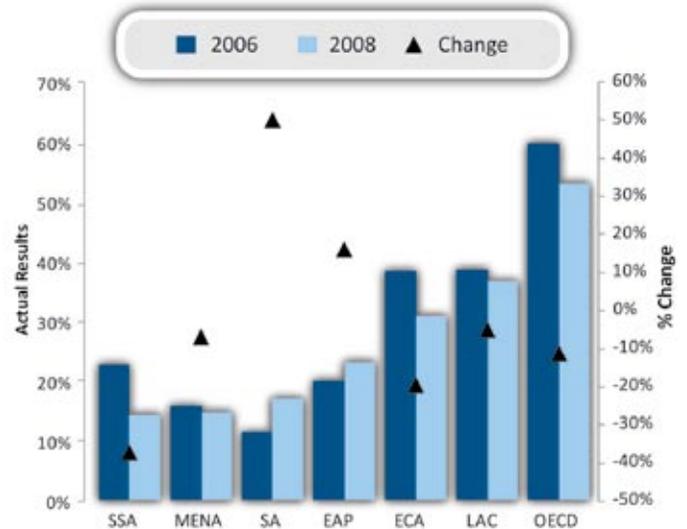
Most regions' inquiry-handling scores actually declined somewhat since 2006 (Figure 28).

Figure 27: The Balance of Inquiry-Handling Performance Remains in the Weak and Very Weak Range



South Asia was the only region to substantially improve its score, but its 55 percent gain was from an extremely low base and the actual quality of investment facilitation there remains very low. East Asia and the Pacific also improved—but by only 15 percent, and again absolute quality remains low. The findings suggest that IPLs are not moving more rapidly

Figure 28: Inquiry-Handling Performance, 2006 and 2008, by Region



from *weak* to average performances than they are moving from *average* to *best practice*.

That said, some individual IPIs (42 of 105 measured in both years) made at least some progress and a few improved admirably:

- Fiji improved its performance by 43 points to achieve an overall score of 55 percent in 2008.
- Botswana improved its inquiry handling by 31 points to earn a score of 51 percent.
- Ghana gained 28 points, for a score of 41 percent.
- Jordan improved by 26 points from a very low base.
- Costa Rica’s gain of 25 points has meant a substantial change in the investor’s experience, as Costa Rica scored 61 percent in 2008.
- Romania moved up 25 points.
- Latvia and Lithuania gained 19 and 18 points, respectively, moving from an average performance to one approaching very good service.
- Also making double-digit increases were China, Colombia, Honduras, Kiribati, Sri Lanka, and Thailand.

Where Could IPIs Do Better to Influence the Investor’s Choice?

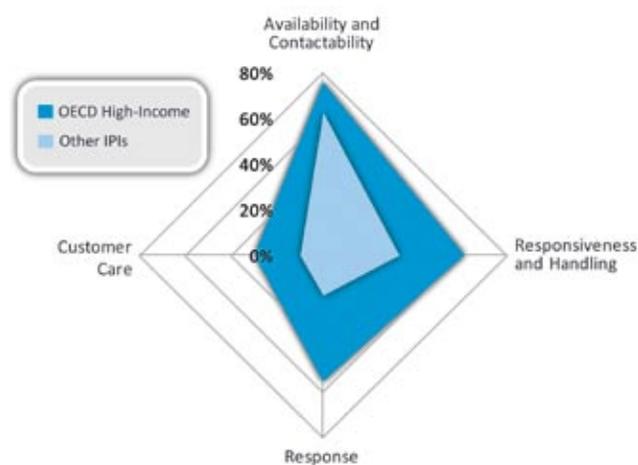
Often IPIs fail to seize opportunities—and investors—that come to them

GIPB found that a majority of IPIs were unable to provide information or advice to an investor beyond what appeared on the IPI Web site. They clearly had not identified likely clients, nor done the research required to respond to specific information requests from those clients, nor identified the strengths and weaknesses of their location in terms of the investor’s needs.

Figure 29 shows how, outside the OECD high-income countries, IPIs often fail to respond

adequately to investor inquiries or to deal with the more complex customer care aspect of following up with the potential investor.

Figure 29: The Performance Gap Between IPIs: Inquiry Handling



Contacting and interacting with IPIs is far from guaranteed outside the OECD

Figure 30 illustrates regional results regarding the four inquiry-handling themes. On simple contactability, some regions’ IPIs earned low scores even though, with today’s mobile telecommunications and the Internet, there is no excuse for an IPI being uncontactable from abroad. A related problem with contactability, as has been mentioned elsewhere, is that it was not uncommon for IPIs to list inaccurate or incomplete telephone numbers and e-mail addresses on their Web sites. It was even more common for telephone calls and e-mails to go unanswered.

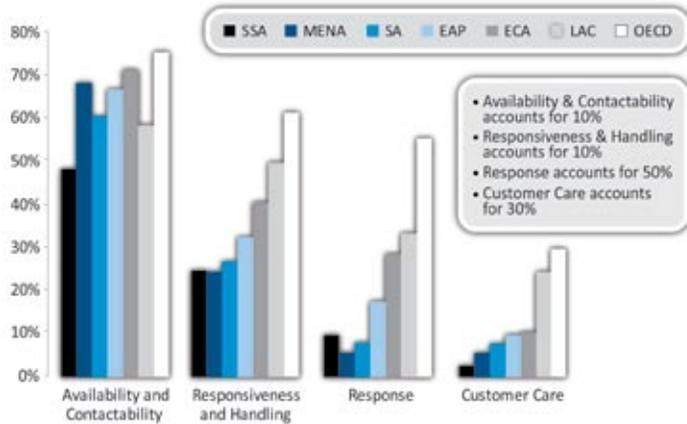
Similarly, with the responsiveness and handling dimension (a measure of real project management capability and ability to interact with investors), capability was poor outside the OECD high-income countries—and less than ideal even within the OECD. The OECD achieved an average score of 62 percent, and other regional groups scored lower. Many OECD

IPIs failed to provide a satisfactory response to both inquiries; OECD IPIs on average scored 55 percent for the quality of the response; outside the OECD, the average was 17 percent.

Finally, a majority of IPIs globally do not provide good customer care—even when they provide a response to a prospective investor, very few follow up. Only 30 percent of OECD IPIs attempted to develop their relationship with the prospective investor beyond basic information provision; the regional groups scored lower. This lack of follow-up means that an IPI misses an opportunity to further influence the investment decision, and perhaps to persuade the potential investor to make a site visit. It also misses the

In both inquiry exercises, Invest in Turkey's business case for investment was short but perfectly formed. For example, Invest in Turkey provided a solid summary of the country's strengths for beverage production in the first inquiry. Turkey highlighted the scale of their domestic market, its consumer value and demographics. It highlighted its modern consumer and manufacturing base and the growing disposable income of its population along with its education levels. It then reinforced its business case by providing a comparative paragraph highlighting its market's strengths and its ideal position for trade and export. They finished with a list of highly relevant points, reinforcing their claims. Importantly, items in their list correlated perfectly with the types of factors that an investor in this type of project is likely to be using as their location criteria. Invest in Turkey provided a concise, incisive and highly polished business case that relates exactly to those factors that a company would be using to identify and select the optimal location for its sector and type of proposed operations.

Figure 30: Inquiry-Handling Performance Across the Four Key Dimensions



opportunity to get feedback on the quality of information it provides. Within each dimension, some of the most important attributes—measured from the perspective of the foreign company—tend to be key areas of IPI weakness (Figure 31).

Implications for Foreign Investors Exploring Lesser-Known Destinations

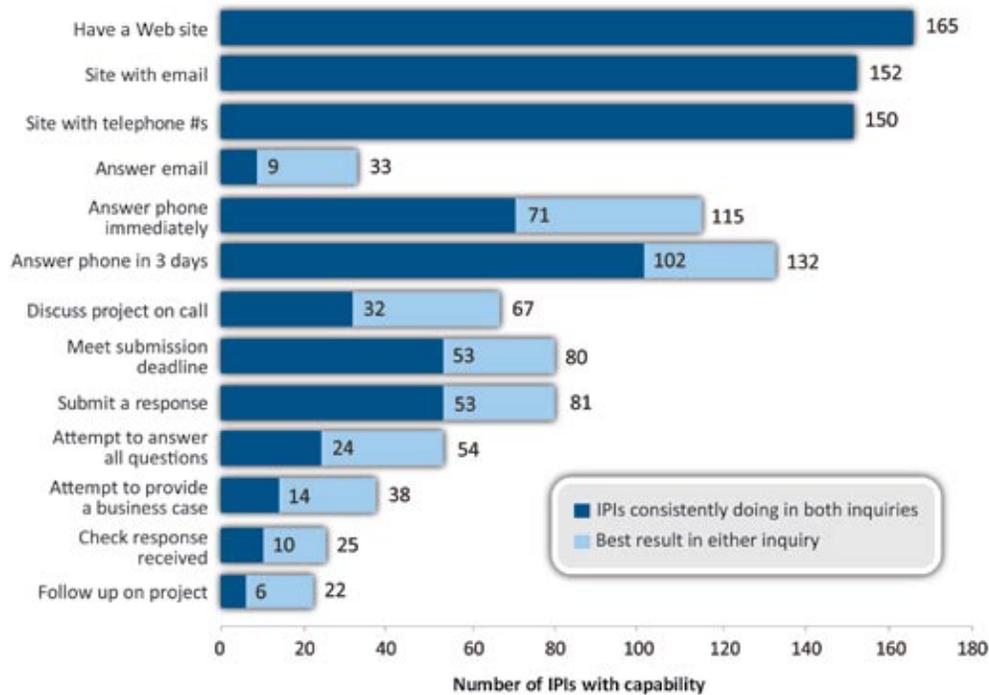
Looking at GIPB results from the perspective of an investor clearly reveals the lack of IPI capability to deliver good service

As the GIPB beverage manufacturer and software engineering “companies” started their searches for an investment location, 165 of the 181 target IPIs could be researched online, that is, they had a Web site (Figure 32). However, only 152 of the Web sites (84 percent of IPIs) provided an e-mail address at which the IPI could be contacted. When our companies sent them an e-mail, only 9 IPIs (5 percent) replied within 24 hours, a typical deadline for busy

Figure 31: IPIs Underperform in Key Inquiry-Handling Aspects



Figure 32: Inquiry Handling Through the Eyes of an Investor



executives. This is surprising in the highly competitive world of investment promotion. In an effort to speak to someone about their project, our “companies” found telephone numbers for 150 of the 181 IPIs. They reached IPIs immediately in only 39 percent of cases; after three days of repeated attempts, 102 of the 181 had been contacted for both inquiries.

Our “investor” was considerably discouraged to find that, even when able to speak to someone at the IPI, only 32, or about a third, of those persons knew the sector well enough to discuss the project. More frequently, the person had not seen the investor’s e-mail and, rather than taking advantage of the investor being on the phone to ask questions and provide information, they asked the investor to re-send the e-mail—usually to the same address that had produced no reply in the first place.

Some conversations were productive and proactive—the IPIs usually seemed keen to assist. But only 53 of them submitted a response within

the 10 working-day deadline set by our busy investors. This means that a foreign company that initially considered all 181 countries for their investment would have received data on only 29 percent of locations at this stage. Worse, only 24 IPIs (13 percent) attempted to provide answers to all questions asked in both inquiries. And, with an average global score of 27 percent for the quality of answers received, in most cases the foreign company would lack the information they needed to make an investment decision.

Further, only 14 IPIs made ongoing efforts to actually promote their location by providing reasons for the project to go forward. This means that only 8 percent of all IPIs made an effort to “sell” their location. In terms of customer care, only 10 IPIs consistently checked to ensure that responses had been received, and only six asked for the investor’s reaction and inquired about the progress of the project. What all of this means is that only 3 percent of IPIs globally can be seen to provide consistently excellent service.

QUICK WINS FOR EFFECTIVE INVESTOR INQUIRY HANDLING

The following tips will improve IPI interaction with foreign companies:

- **Expedite the investor's communication with the IPI.** Post correct and complete contact information on the IPI Web site. Ensure that an investor can contact an appropriate project manager as the key liaison throughout a project.
- **Use business practices that demonstrate the IPI's professionalism.** Train reception staff in proper ways to answer and direct telephone calls. Encourage them to announce the IPI's name and their own. Include electronic signatures on all e-mails. Provide branded, well-written, professional-looking materials.
- **Establish inquiry-handling protocols** so that all inquiries are logged into a central system and ensure that a staff member is assigned to monitor the progress of inquiries and completed forms that are received via the Web site. Acknowledge receipt of all e-mails with investor inquiries and let investors know when the IPI will respond in full. Assign a staff person to check.
- **Have materials available** on key features and advantages about the location, such as labor costs of key positions, employment regulations or costs for key sectors and subsectors, and names of existing investors, for quick response to investors.
- **Meet deadlines—or respond even sooner.** If research for an investor takes longer than expected, inform the investor and propose another date.
- **Respond to investor inquiries in a way that is informative and promotes the location:**
 - Organize responses according to the company's specific questions. Provide responses in a single report or presentation with a table of contents.
 - Include germane, accurate, and comparative data, visuals, case studies about current investment in the location, and testimonials from well-known companies doing business there, to demonstrate the viability of the location.
 - Anticipate and answer questions that the company has not yet asked. This demonstrates the IPI's expertise and understanding of the company's needs.
- **Develop a template for responses so that documents look professional, are branded, and follow a standard format including a table of contents, executive summary, and business case.**
 - Include a summary, at the beginning or the end of the document that specifies why the IPI's location is the best one for investment. Investors often use this summary in their own reports—so by providing it, the IPI saves the investor time and ensures that the right arguments about the location are made.
 - E-mail or call the investor to confirm receipt of the sent information.

- Follow up in 1-2 weeks to ascertain what more the IPI can do to support the project and offer to meet or arrange a site visit for the investor (budget permitting).

These additional tips will improve the internal management skills of the IPI:

- **Set performance targets for staff** based on the number and quality of investor inquiries serviced and converted into meetings or site visits. This gives staff a personal stake in the outcome of their efforts.
- **Have managers set quality standards and introduce systems for monitoring quality.** These include staff performance targets, goals for project success, and systems for gathering feedback from companies, to ensure that the IPI responds to company needs. This provides for continuous learning and improvement throughout the IPI.
- **Train project managers** to discuss a project and anticipate issues that may arise. Staff should know enough about the location to be able to suggest where projects could go, and what infrastructure, universities, and so forth will be available to the investor. Staff also needs customer relationship management skills so they can effectively build “trusted advisor” relationships with investors.
- **Work in close coordination with high levels of governments** to assess their country’s business climate and economy, and identify the sectors in which the IPI can realistically compete for investment. This assessment of their sector comparative attractiveness should be the foundation for the IPI’s investment strategy, and thus for all research and promotion activities, including facilitation.
- **Be able to coordinate and supervise the work of subnational IPIs,** if they exist.

CHAPTER 4: SUBNATIONAL IPI PERFORMANCE

Investors Approach National and Subnational IPIs

When companies are seeking information about a location, they may approach the national or subnational IPI⁶. Over recent years a large number of subnational agencies have appeared at the regional, provincial or city level, not only in big countries like Brazil, China or South Africa but also in small countries like Belgium, Switzerland or Malaysia.

GIPB sample was not a homogeneous group as it included city, provincial and regional IPIs. The 32 subnationals included in GIPB 2009 are either current clients of the Investment Climate Advisory Services of the World Bank Group (21)

⁶ There are often significant constitutional (mandate, reporting, etc.) and institutional structural differences between the national IPI and subnational IPIs in the same country, although this can and does vary substantially by country. National and subnational IPIs in the same country sometimes compete with each other to win investment. However, one common factor is that all IPIs are mandated to do investment facilitation and thus they all have to be able to perform that function to acceptable levels in the eyes of investors. Thus, the comparison of performance between national and subnational IPIs seems appropriate.

or were selectively included as best-practice IPIs in facilitation (11). Many client IPIs performed remarkably well. Many of the best-practice group were indeed found to be very good performers, although, surprisingly, not all were. However, because the sample was not representative, it is difficult to draw specific conclusions for subnational IPIs.

It may look odd to compare IPIs with such different scope (a country or region vs. a city). However, it should also be noted that the economies of some countries may be smaller or less complex than some regions or cities. For example, compare Fiji or Rwanda with London or Bogota. Similarly, in terms of investment information provision, the investors' expectations of service are the same no matter what the geographical coverage or nature of the IPI.

It is clear that many of the world's most innovative and customer-focused IPIs are subnational. Subnationals may perform better than national IPIs because their often more-focused mandates on investment promotion allow them to become leading

experts on their local economies and to generate detailed information about the area’s assets and advantages. In addition, many subnational IPIs, especially those outside the OECD, are of recent creation. This has allowed them to learn lessons from the experiences of their national counterparts. Another factor that may play a role in the good performance of subnational IPIs is that many of these organizations exist outside the civil service recruitment structures, which allows them to recruit a broader range of staff, often making for more dynamic teams with private sector backgrounds.

Outperforming Their National Peers

In many cases, subnational IPIs outperformed their national counterparts (Figure 33), particularly because they do well in customer service. IPIs seeking best-practice lessons in sales skills and customer care may want to address their attention to subnational agencies.

Figure 33 shows the top-25 IPIs worldwide, in an integrated list of national and subnational IPIs. It shows that three of GIPB subnational IPIs join the top 10 performers and a total of eight subnational IPIs join the top 25 performers. Although some subnational IPIs had excellent

Figure 33: Top-25 National and Subnational IPIs: Overall Performance

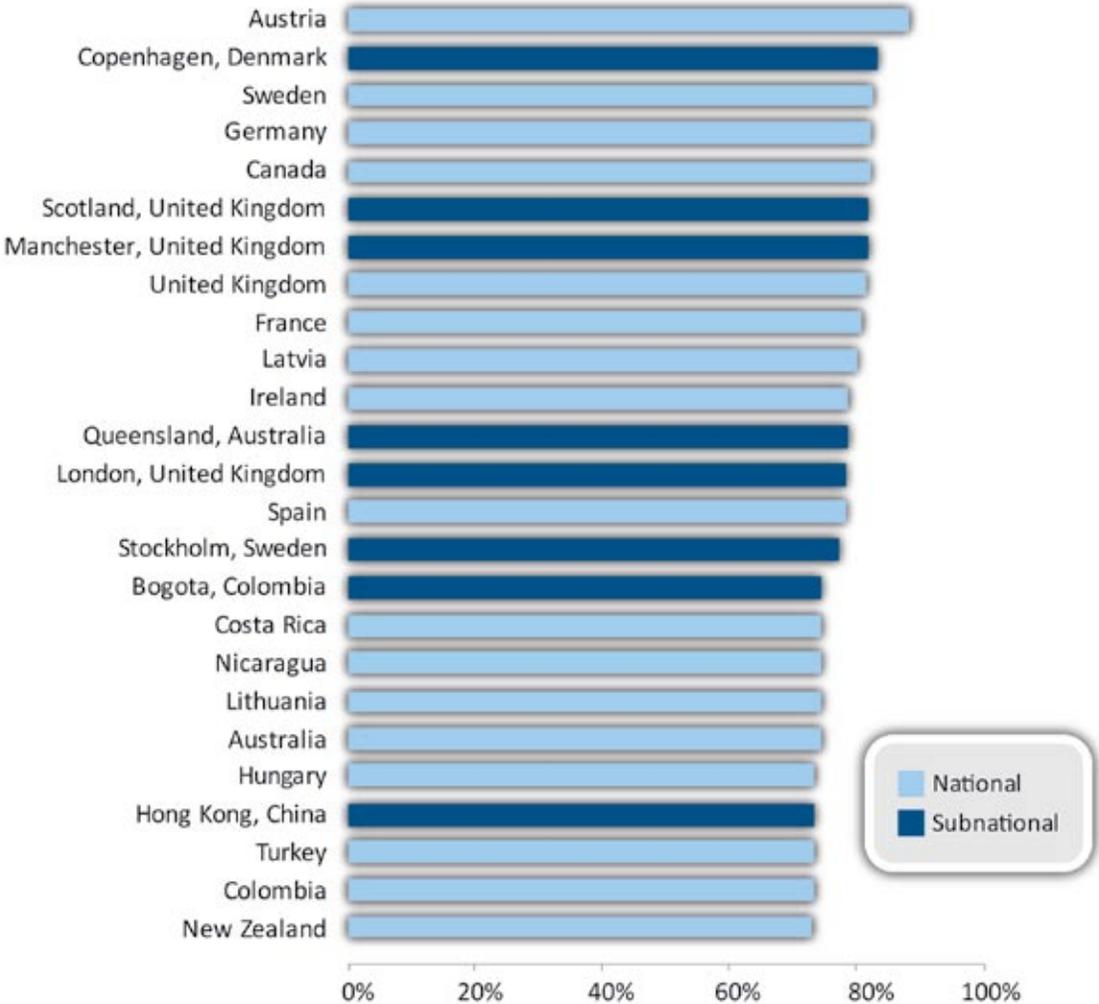
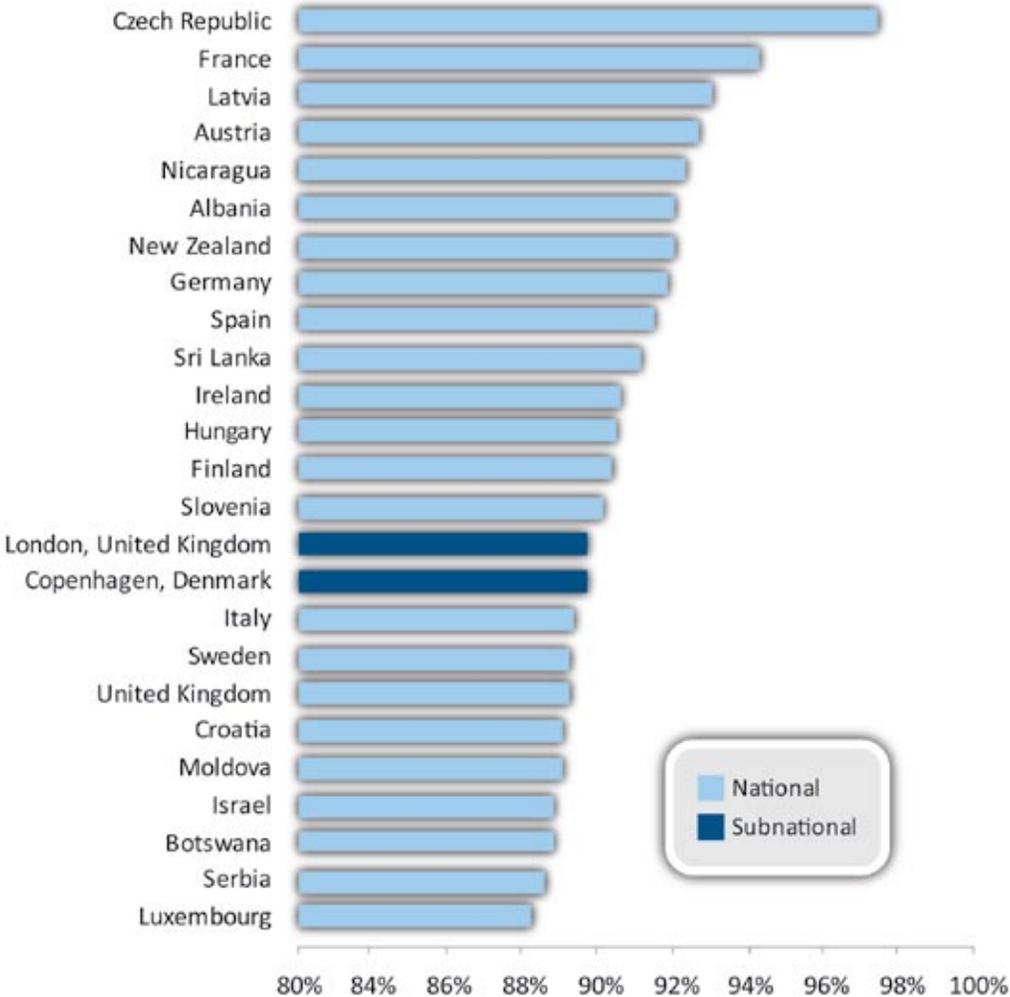


Figure 34: Top-25 National and Subnational IPIs: Web Sites



Web sites, only two, Think London (United Kingdom) and Copenhagen Capacity (Denmark), ranked in the top 25 performers. (Figure 34).

However, where subnationals set *best-practice* standards was in dealing offline with potential investors – four subnationals in the top-10 performers and nine in the top-25 performers for inquiry handling (Figure 35).

Perhaps not surprising, subnationals did best in what nationals scored worst: responding to company inquiries. This is because their geographic focus area is smaller, enabling them

to become experts on their local economies. However, it should be noted that most of the *best-practice* subnational IPIs represent economies that are larger and more complex than those of many of the national IPIs in the survey.

The United Kingdom boasts some of the best-performing IPIs in the world. In general, these IPIs have a longer tradition than subnational IPIs in many other countries, many having been created as long ago as the mid-1980s. The United Kingdom showed great consistency of performance with an average overall performance score of 78 percent. Scottish

Development International recorded the highest United Kingdom score of 82 percent and MIDAS (Manchester) came in a close second. Scottish Development International particularly excelled over its peers in the area of customer care and follow-up. The strongest area of United Kingdom subnational performance was in the quality of the information itself and the tailoring of responses to meet investor' needs, a significantly different position from many IPIs, where quality of information is typically the weak component.

Invest in Bogota (Colombia) and Xiamen Investment Promotion Agency (China) proved that a focused facilitation team can meet investors' needs and potentially influence the long-listing process even working in countries where information might not be so readily available. Both are relatively young IPIs operating in countries where there is a national IPI and a network of subnational agencies, and both easily outperformed their national and subnational counterparts.

Two subnational IPIs from developing countries made it into the top 25 in inquiry handling.

Figure 35: Top-25 National and Subnational IPIs: Inquiry Handling





CHAPTER 5: MEASURING IPIs' INVESTMENT- ATTRACTION ACTIVITIES

Why Measure IPIs?

Information provision is a cost-effective way for a country to address information failures and barriers to FDI

IPIs' timely provision of information to potential investors is important—especially so for economies where information from other sources is scarce, where there is not a long track record of FDI, or where country or economy is viewed negatively. Unless positive information is readily available, foreign companies may not consider a location in the first place, or they may reject it prematurely. Addressing information failures is likely to be the most cost-effective way for an IPI to stimulate market interest and attract investment.

Virtually all countries now have a national government-mandated IPI—a government ministry, investment promotion agency, board of investment—that is responsible for promoting FDI and facilitating the investment process.

According to a recent study by Development Counsellors International (DCI), a U.S.-based consulting firm, potential investors are likely to look to the IPI for assistance in their site-selection

process.⁷ The DCI study, based on the aggregate responses of 281 executives with direct site-selection responsibilities in U.S. companies with annual revenues of more than \$25 million, found that 65 percent of companies have worked closely with IPIs during past location decisions, and 64 percent of executives indicate a strong likelihood that they would use an IPI Web site in their next location search. Only 8 percent of companies would not contact an IPI during the site selection process. GIPB helps IPIs to increase their relevance during companies' location decisions: by assessing their information services. GIPB helps to measure countries' competitiveness in the complex world of investment promotion and create a framework for improving performance.

IPIs vary substantially across regions. Differences in historic background, mandate and competencies, staffing, and oversight seem to have an impact on ability to perform

⁷ Development Counsellors International (DCI). July 28, 2008. "A View from Corporate America: Winning Strategies in Economic Development Marketing"

investment promotion functions, and as GIPB 2009 evidences, in responding to investors' information needs. However, all IPIs by definition have the mandate to facilitate investment. Facilitation is the most basic activity in investment promotion. It underpins all other IPI activities such as policy advocacy, proactive promotion, aftercare, etc. Unless professional facilitation is in place it may not be credible for an IPI to engage in other investment promotion activities.

Most importantly, although IPI mandates, functions and structures may vary across the world, the needs for site location information by companies and their consultants does not vary. International investors expect at least basic international standards of service to be met. IPIs failing to meet those standards will be most likely those that will lose out in the race to win investment projects.

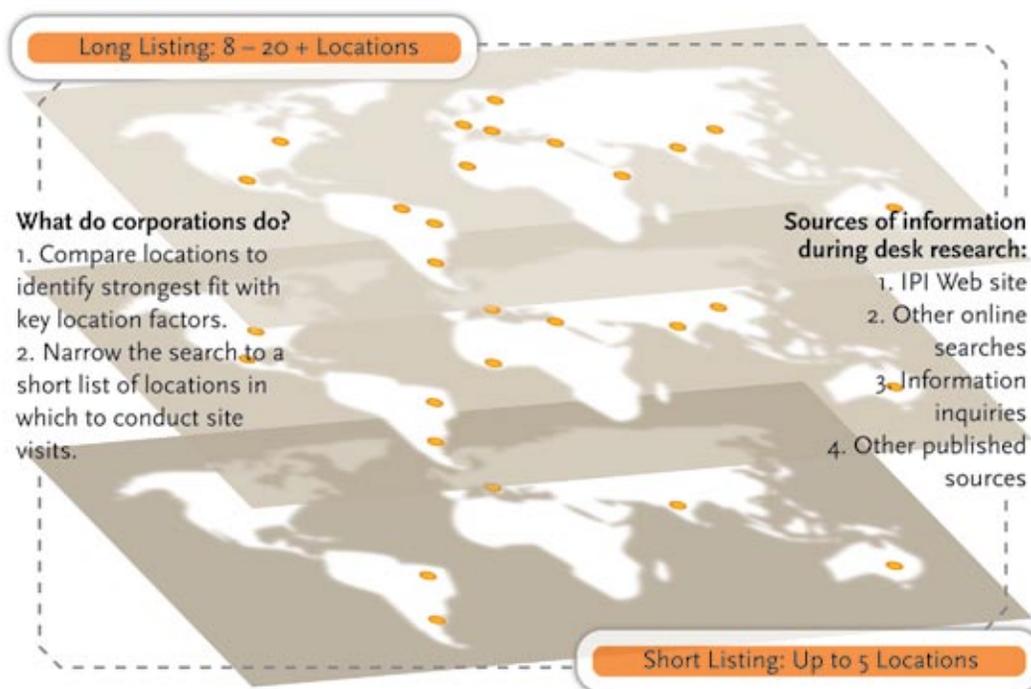
Information Is Key to Site Selection

Companies seeking to expand their production or service capacity abroad typically undertake a careful site-assessment process that requires enormous amounts of information ranging from the more general at the initial stages of their desk research, to the more specific at the site visit stage (Figure 36). This process may be performed in-house but often is outsourced to site-selection consultants.

The desk research is called location "long listing" and usually involves collecting online information about a relatively large number of countries and locations (typically 8 to 20). Then, the company contacts the country's IPI to fill in information gaps.

Once they have collected this detailed information, investors employ "benchmarking" techniques to compare and evaluate the relative

Figure 36: The Site-Selection Process: From Desk to Field Research



advantages of investing in each location. In the context of investment promotion, benchmarking is the use of investment-related criteria to compare and contrast potential investment performance in competing locations.

If there is not enough information on a given location, the location will probably not make it to the next level of the selection process: “short list.” Thus, it is critical for countries to ensure that relevant, up-to-date, and good-quality information is available to potential investors at the desk research stage if the new investment is to be secured.

GIPB’s Approach and the Foreign Company’s Site-Selection Process

GIPB 2009 measures country and sector information provision and foreign company relationship management, particularly at the early information-gathering stages of the location-screening process. Its focus is on information provision at this “long-listing” stage because if an IPI “loses” the investor at this stage, its location usually will not be reconsidered at later stages of the site-selection process. This makes these early interactions with potential investors critical to capturing investment projects.

GIPB mirrors the actions of a foreign company as it assesses its investment-location options at the long-listing stage: An international site-selection consultant uses the “mystery shopper” approach. In a carefully selected simulated investment project, the survey first assesses the quality and usefulness of the information provided in the IPI’s Web site. Then, the consultant contacts the IPI to request details to further inform the location decision-making, such as costs of land, availability and cost of labor, overall operating costs, infrastructure, quality of life, and legal framework.

A focus group with leading site-selection consultants, among them OCO Global, Jones Lang Lasalle, and DTZ, helped validate and improve the GIPB approach and the questionnaires used to evaluate IPI performance.

What Does GIPB Tell Us About an IPI?

In simulating the site selection, GIPB makes a comparative measure of the organizational effectiveness of each IPI, its management efficiency, and its understanding of the FDI marketplace, along with its knowledge of its local economy, and its key selling points and weaknesses

GIPB assesses an IPI’s ability to provide information to prospective investors. However, the value of GIPB is enhanced by the fact that information provision depends on many other activities being undertaken and competencies being mastered. Therefore, GIPB provides an indirect assessment of the overall effectiveness of an IPI to perform its core mission of attracting productive FDI.

For example, the IPI Web site assessment gives an insight into:

- **The IPI’s investment strategy.** A strong Web site is evidence that the IPI has an investment strategy based on an understanding of the location’s comparative or competitive advantages, its core sectors for promotion and, via the selection of those sectors, whether the probability of demand for investment in those sectors has been assessed.
- **How well an IPI has considered the attributes of its location,** which is the “product” the IPI is selling. It is immediately obvious to a Web site user whether the IPI possesses a clear knowledge of its country.
- **The IPI’s perception of the market in which it operates.** Its choice of target sectors indicates whether or not the IPI has

researched the investment potential of given sectors.

- Finally, a Web site clearly shows **whether an IPI understands its customer**: *Best-practice* sites reveal that the IPI knows what will motivate the foreign company to invest in the location.

Similarly, an IPI's ability to successfully service an investment inquiry reveals:

- **Whether the IPI has undertaken extensive research into target sectors.** Effective IPIs already have prepared materials that answer questions frequently asked by investors, according to their sector of interest and the type of business activity they propose to undertake. The extent to which IPIs have prepared these materials is revealed by how quickly they respond to information requests and the quality of the information they provide.
- **Whether the IPI has a robust investment strategy.** An inability to provide detailed material about the sector that the IPI is promoting suggests that the IPI has not developed a robust investment strategy.
- **To what extent the IPI understands customer needs.** As with the Web site assessment, IPIs that cannot answer basic questions most likely have not researched their own market and sectors of interest. Conversely, an IPI that understands customers presents answers in a way that responds to the investor's key location drivers and provides evidence that the location meets or exceeds the investor's requirements.
- **Whether the IPI has the capacity to facilitate or implement a project.** Investors want reassurance that they will be able to

successfully implement a project in the IPI's country. An experienced IPI will be able to demonstrate that projects are viable through the use of case studies and testimonials but companies will also look for clues that the IPI itself has the connections in the marketplace that will ensure that their project will succeed.

Who is GIPB Designed for?

- **Governments.** GIPB allows policymakers to assess the competitiveness of their promotional effort in attracting investment.
- **Investment promotion practitioners.** GIPB allows IPIs to monitor their performance over time against their strategic objectives and against best-practice standards of competitors. It highlights areas for improvement of an IPI's information services.
- **Technical assistance providers.** GIPB constitutes the standard reference for best practice in investor facilitation.
- **The World Bank Group.** GIPB allows for a quick and effective diagnostic of IPIs' capacity, and is a key tool to build a baseline to measure the impact of investment promotion projects over time.

GIPB constitutes a number of reports:

- **The Global Investment Promotion Benchmarking 2009 Summary Report.** An analysis of the global results, regional trends, and best-practice examples from top performers.
- **The Customized Report.** Each participating IPI receives a customized diagnostic of its performance with useful insights and specific recommendations for improvement. IPIs can request additional individual reports by sending an mail to fias@ifc.org

- “Getting Information” Sub-Indicator of Investing Across Borders Project. GIPB results will feed into a new set of indicators which measure the ease of starting and operating a foreign-owned business in countries around the world.

Methodological Note

GIPB 2009 investigated the investment promotion capabilities of IPIs worldwide

A total of 213 IPIs were assessed; 181 national IPIs (two of which are subnational IPIs from a country’s most populous city and, in the absence of a national IPI, are treated as national proxies) and 32 subnational IPIs.

Each IPI was assessed in two ways:

- First, IPI Web sites were evaluated across four themes to assess the extent to which they offer country and sector information, and are a business-support gateway for prospective foreign company investors;
- Second, IPI capacity to interact with and manage investment inquiries was evaluated. Because service consistency offers important insights into IPI capabilities, each IPI’s inquiry-handling abilities were assessed twice using a “mystery shopper” methodology. To ensure that we offered IPIs a balanced opportunity to demonstrate their capabilities, the first assessment related to a beverage project with a research and development component, and the second was a software development center inquiry.
- These scenarios are based on real project inquiries, one by a leading soft drink manufacturer and the other by a leading Internet and software development company. They represent two different sectors and types of activity that require different combinations of labor, property,

and other information relevant to potential investors.

- Both scenarios require the IPIs to perform in a similar manner, since the initial project briefs were delivered via e-mail and then followed up by telephone interaction. Each IPI was provided with an outline of the simulated companies, information on company strategy, and details of the proposed investment project. This was followed by a detailed outline of the information required, such as the background of the sector in the location, labor skills and availability, employment regulations, and potential sites.
- The methodology favored IPIs which responded to the initial e-mail, without prompting, within 48 hours. Where there was no follow-up to the initial e-mail, GIPB’s approach was to call the IPI at three different times on three different days to allow for any temporary staff shortages or system failures. This probably showed more determination than a regular potential inward investor would have. The calls were conducted in English.

See Appendix D for full scenarios.

Dealing with languages other than English

GIPB assessment of Web sites and inquiry-handling abilities was conducted in English. Many IPIs may have good reasons for not hosting an English-language version of their Web site. Some countries and regions may have taken an informed management decision not to provide English versions because they realize that for historical, cultural, or developmental reasons, they are unlikely to attract investors from English-speaking countries. Some IPIs might be able to attract English-speaking investors but their financial resources preclude

creating an English version of their Web site.

English is a dominant international business language and much FDI is currently from English-speaking nations. At the very least, contact information should be prominently located on the home page so that any company, regardless of language, can locate a telephone number or e-mail address.

Because some aspects of the Web site review are not language sensitive, sites were scored in those areas, regardless of the language of the Web site. Areas in which non-English-language Web sites were evaluated are the following:

- Web optimization and Internet accessibility
- Web site architecture
- Web site look and feel
- Contact information

In the case of the inquiry-handling assessment, non-English speaking IPIs that did not submit a response scored zero for that particular assessment.

Methodological variations on 2006 survey

- The sample size increased from 125 IPIs in 2006 (96 nationals and 29 subnationals) to 213 in 2008 (181 nationals and 32 subnationals). Not all of those surveyed in 2006 were included in the GIPB 2009 report.
- Regional averages in the 2009 report are calculated only on the basis of the national IPIs. Subnational IPIs were not included in regional averages.
- In 2006, the top-five IPI were used as the benchmark. In GIPB 2009, because of the extended global sample, this group has been removed.

Where quoted in this report the 2006 scores have been standardized by applying the GIPB 2009 weightings at both the theme and subtheme levels, and removing any indexing that had been used in 2006. In addition, regional averages have been updated to use the 2009 regional classifications, and by removing subnational IPIs from those calculations.

APPENDICES

Appendix A. GIPB 2009 Results

Consolidated Results for Web Site and Inquiry Handling. IPIs listed in alphabetical order in each category

IPI Name	Performance
East Asia and the Pacific (EAP)	
Brunei Economic Development Board	GOOD
Fiji Islands Trade & Investment Bureau	
Malaysian Industrial Development Authority	
Singapore Economic Development Board	
Council for the Development of Cambodia	AVERAGE
Foreign Investment and Foreign Trade Agency, Mongolia	
Philippine Board of Investments	
Thailand Board of Investment	
Vanuatu Investment Promotion Authority	
Department of Commerce, Trade and Industries - Foreign Investment Division, Solomon Islands	WEAK
Department of Economic Affairs, Micronesia	
Department of Investment Services, Taiwan, Province of China	
Indonesia Investment Coordinating Board	
Invest in China	
Invest in Palau	
Investment Promotion Authority, Papua New Guinea	
Laos Department of Domestic and Foreign Investment	
Ministry of Commerce, Industry & Labour - Industry Development and Investment Promotion Division, Samoa	
Ministry of Planning and Investment - Foreign Investment Agency, Viet Nam	
Ministry of Resources and Development, Marshall Islands	
Philippine Economic Zone Authority	
Foreign Investment Commission, Kiribati	
TradeInvest Timor-Leste	

Europe and Central Asia (ECA)

Armenian Development Agency
Cyprus Investment Promotion Agency
Invest in Turkey
Invest Macedonia
Investment and Development Agency of Latvia
Lithuanian Development Agency **GOOD**
Moldovan Investment and Export Promotion Organization
Polish Information and Foreign Investment Agency
Romanian Agency for Foreign Investment
Serbia Investment and Export Promotion Agency
Trade and Investment Promotion Agency, Croatia

AlbInvest, Albania
Azerbaijani Export & Investment Promotion Foundation
Enterprise Estonia
Foreign Investment Promotion Agency of Bosnia and Herzegovina
Georgian National Investment Agency **AVERAGE**
Invest Bulgaria Agency
Montenegrin Investment Promotion Agency
Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments
Uzinfoinvest, Uzbekistan

Invest Ukraine
Kazakhstan Investment Promotion Center
State Committee on Investment and State Property Management of the Republic of Tajikistan **WEAK**

Ministry of Economic Development and Trade, Kyrgyz Republic
Ministry of Economic Development and Trade/Department of Investment Policy, Russia **VERY WEAK**
Ministry of Economy, Belarus

Latin America and the Caribbean (LAC)

Agência Brasileira de Promoção de Exportações e Investimentos
Coalición Costarricense de Iniciativas de Desarrollo, Costa Rica **GOOD**

<p>Corporación de Promoción de Exportaciones e Inversiones del Ecuador</p> <p>FIDE, Inversión y Exportaciones, Honduras</p> <p>Jamaica Trade and Invest</p> <p>Proexport, Colombia</p> <p>PRONicaragua</p>	GOOD
<p>Agencia Nacional de Desarrollo de Inversiones, Argentina</p> <p>Belize Trade and Investment Development Service</p> <p>Comisión Nacional de Promoción de Inversiones, El Salvador</p> <p>Consejo Nacional de Promoción de Inversiones, Venezuela</p> <p>Foreign Investment Committee, Chile</p> <p>Grenada Industrial Development Corporation</p> <p>Guyana Office for Investment</p> <p>Invest Dominica</p> <p>Invest in Guatemala</p> <p>Invest Trinidad & Tobago - Investment Promotion Department</p> <p>National Investment Promotions Incorporated, St. Vincent and the Grenadines</p> <p>ProInversión, Peru</p> <p>ProMexico</p> <p>Red de Inversiones y Exportaciones, Paraguay</p> <p>St. Lucia National Development Corporation</p> <p>Uruguay XXI Investment and Export Promotion Institute</p>	AVERAGE
<p>Antigua and Barbuda Investment Authority</p> <p>Bahamas Investment Authority</p> <p>St. Kitts Investment Promotion Agency</p>	WEAK
<p>Centre de Facilitation des Investissements en Haiti</p> <p>Centro de Exportación e Inversión de la República Dominicana*</p> <p>Centro de Promoción Bolivia</p> <p>Chamber of Commerce and Industry, Suriname</p>	VERY WEAK

*Centro de Exportación e Inversión de la República Dominicana has two Web sites with investment-related information: www.cepodex.gov.do and www.investinthedr.com. Following GIPB's methodology which is to mirror the process used by foreign investors to locate the country's investment promotion intermediary and its investment information sources, the former Web site was used to complete the 2008 survey. However, CEI-DR has recently carried out some development work to the latter Web site which may impact positively its facilitation to a potential investor.

Ministerio de Comercio e Industria - Dirección Nacional de Promoción de la Inversión, Panama	VERY WEAK
Middle East and North Africa (MENA)	
Invest in Israel	GOOD
Bahrain Economic Development Board Foreign Investment Promotion Agency, Tunisia Investment Development Authority of Lebanon Jordan Investment Board Saudi Arabian General Investment Authority	AVERAGE
Agence Nationale de Développement des Investissements, Algeria Agence Nationale pour la Promotion des Investissements, Djibouti Dubai Development and Investment Authority General Authority for Investment and Free Zones, Egypt Invest in Iraq Kuwait Foreign Investment Bureau Omani Centre for Investment Promotion and Export Development Organization for Investment, Economic and Technical Assistance of Iran Palestinian Investment Promotion Agency Qatar Investment Promotion Department	WEAK
General Investment Authority, Yemen Investir au Maroc Syrian Investment Agency	VERY WEAK
Organisation for Economic Co-operation and Development (OECD)	
Austrian Business Agency Invest in Canada Invest in France Agency Invest in Germany Invest in Sweden Agency UK Trade & Investment, United Kingdom	BEST PRACTICE
Agência para o Investimento e Comércio Externo de Portugal Austrade, Australia	GOOD

Board of Economic Development, Invest in Luxemburg	GOOD
CzechInvest	
Hungarian Investment and Trade Development Agency	
Industrial Development Agency of Ireland	
INTERES, Invest in Spain	
Invest in America	
Invest in Brussels*	
Invest in Denmark	
Invest in Finland	
Invest in Iceland Agency	
Invest Korea	
Investment New Zealand	
OSEC Business Network Switzerland	
Oslo teknopol, Norway*	
Invest in Greece Agency	AVERAGE
Invest in Italy	
Japan External Trade Organization	
Netherlands Foreign Investment Agency	
Slovak Investment and Trade Development Agency	
South Asia (SA)	
Board of Investment of Sri Lanka	GOOD
Afghanistan Investment Support Agency	AVERAGE
Board of Investment, Bangladesh	
Department of Industries - Foreign Investment Division, Nepal	WEAK
Foreign Investment Services Bureau, Maldives	
Pakistan Board of Investment	
Department of Industrial Policy & Promotion, Ministry of Commerce and Industry, India	VERY WEAK
Ministry of Trade and Industry, Bhutan	

* Belgium and Norway do not have a national agency in charge of investment promotion. Therefore, the agencies of the capital cities, Brussels and Oslo have been taken as proxies.

Sub-Saharan Africa (SSA)

Board of Investment of Mauritius

Botswana Export Development and Investment Authority

GOOD

Economic Development Board of Madagascar

Ghana Investment Promotion Centre

Investment Promotion and Major Works Agency, Senegal

Kenya Investment Authority

Lesotho National Development Corporation

Malawi Investment Promotion Agency

Seychelles Investment Bureau

Tanzania Investment Centre

Trade and Investment South Africa

Uganda Investment Authority

AVERAGE

Agence Nationale pour la Promotion des Investissements, Congo Dem. Rep.

Agência Nacional para o Investimento Privado, Angola

Centro de Promoção de Investimentos, Mozambique

Ethiopian Investment Agency

Gambia Investment Promotion and Free Zones Agency

Ministry of Industry, Commerce and Promotion of Small and Medium Companies,
Equatorial Guinea

Ministry of Investment, Sudan

Namibia Investment Centre, Ministry of Trade and Industry

National Investment Commission, Liberia

Nigeria Investment Promotion Commission

Office de Promotion des Investissements Privés, Guinea

Rwanda Investment and Export Promotion Agency

Swaziland Investment Promotion Authority

Togo Free Zone

Zanzibar Investment Promotion Authority

Zimbabwe Investment Authority

WEAK

Agence de la Promotion de l'Investissement au Mali	
Agence de Promotion des Investissements Privés, Gabon	
Cabo Verde Investimentos	
Cellule de Gestion du Code des Investissements, Cameroon	
Centre de Promotion des Investissements en Côte d'Ivoire	
Centre de Promotion des Investissements, Benin	
Centre de Promotion des Investissements, Niger	
Commission Nationale des Investissements, Burundi	
Eritrea Investment Center	
Investment Promotion Bureau, Comoros	
Ministère de l'Economie, des Finances et du Budget/Commission Nationale des Investissements, Congo, Rep.	VERY WEAK
Ministère des Affaires Economiques et du Développement, Mauritania	
Ministère du Commerce, de la Promotion de l'Entreprise et de l'Artisanat, Burkina Faso	
Ministério dos Negócios Estrangeiros, Cooperação e Comunidades, São Tomé and Príncipe	
Ministry of Economy and Finance - Private Investment Promotion Office, Guinea-Bissau	
Ministry of Industry, Commerce and Promotion of Small and Medium Sized Business and Industries, Central African Republic	
Office de Promotion Industrielle du Tchad	
Sierra Leone Investment and Export Promotion Agency	
Zambia Development Agency	

Coding:

BEST PRACTICE	81-100%
GOOD	61-80%
AVERAGE	41-60%
WEAK	21-40%
VERY WEAK	0-20%

Appendix B. Acronyms

ABA	Austrian Business Agency
APEX	Agência Brasileira de Promoção de Exportações e Investimentos
BSO	Business Service Outsourcing
CORPEI	Corporación de Promoción de Exportaciones e Inversiones del Ecuador
EAP	East Asia and the Pacific
ECA	Europe and Central Asia
DCI	Development Counsellors International
FDI	Foreign Direct Investment
FIAS	The Multi-Donor Investment Climate Advisory Service of the World Bank Group
GIPB	Global Investment Promotion Benchmarking
GIS	Geographic Information Systems
IDA	International Development Association
IFC	International Finance Corporation
IPI	Investment Promotion Intermediary
ISA	Invest in Sweden Agency
IT	Information Technology
LAC	Latin America and the Caribbean
MENA	Middle East and North Africa
MIGA	Multilateral Investment Guarantee Agency
OECD	Organisation for Economic Co-operation and Development
SA	South Asia
SSA	Sub-Saharan Africa
UNCTAD	United Nations Conference on Trade and Development

Appendix C. Description and Overall Weightings of Themes and Subthemes

Web Site Assessment Themes and Subthemes

- 1 Information Architecture (10%) - the layout and organization of information in a Web site and the extent to which the site was designed using a consistent and logical structure that allows users to quickly identify key pieces of information.
 - 1a Web Friendly Structure (10%) - home page setup and appearance on standard PC screens and whether extensive scrolling is required to see information.
 - 1b Navigation Ease (70%) - whether the site uses navigation bars or prompts and whether it is easy to move from page to page.
 - 1c Web site Functionality (20%) - whether the site signposted key topics, is downloadable in a standard time, and whether its graphics and links worked.
- 2 Design (10%) - the general appearance and readability of a site.
 - 2a Look and Feel (10%) - industry terminology for the visual appeal and visual consistency of pages.
 - 2b Use of Graphics (30%) - whether the site uses graphics that enhance the IPI's image for business, and the use of maps to showcase key infrastructure in the location
 - 2c Reading Ease (60%) - whether the choice of color or text support readability, whether font sizes are consistent, headings short and "web friendly."
- 3 Content (50%) - the extent to which the site contains content that is relevant, accurate, current, and easily accessible to potential investors.
 - 3a Clarity of Purpose (15%) - whether the Web site sets out its location as a destination for foreign investment as well as the IPI's services for investors on the home page.
 - 3b Core Information Provision (20%) - provision of key information for foreign businesses that is both relevant and useful.
 - 3c Sector Information Provision (35%) - provision of sector information online and whether this information is consistent in terms of its depth and quality across multiple target sectors.
 - 3d Credibility of Information (10%) - use of statistics to support claims and whether these statistics are well sourced, dated, and from credible origins.

3e Currency of Information (10%) - use of up-to-date information on business events and investor-related news.

3f Downloads (5%) - ability to download investor reports or presentations from the site and the comprehensiveness of this information for inward investors.

3g International Accessibility (5%) - use of English and other frequently used (relevant) business language options that are accurate and consistent in terms of the level of information provided in each language option.

4 Promotional Effectiveness (30%) - refers to the extent to which the Web site is effective in its primary aim of selling the location and IPI services to inward investors.

4a Web Prominence (15%) - whether the Web site was easy to identify from an Internet search.

4b Corporate Roles and Support (15%) - whether the Web site clearly sets out the role of the organization and the services provided including clear methods for accessing further information and advice.

4c Contact Information (25%) - whether the Web site clearly sets out a good range of detailed contact options for site visitors.

4d Promotional Effectiveness (45%) - the effectiveness of the Web site at selling the location to business, and use of comparative data.

Inquiry-Handling Themes and Subthemes

1 Availability & Contactability (10%) - defined as the extent to which an investor can identify the IPI and officers within the IPI that they can contact in their search for information and also whether the IPI was easy to contact from a client perspective.

1a Web Availability and Contactability (30%) - whether the IPI had a Web site and the ease of finding that Web site.

1b Quality of Contact Details (70%) - the level of contact details available to a potential inward investor from the Web site including whether they were clearly set out, easy to identify, and accurate.

2 Responsiveness and Handling (15%) - defined as the ease with which an investor can communicate with an IPI and the IPI's ability to engage with the investor in a professional and informed manner.

2a E-mail and Phone Responsiveness (40%) - whether the IPI had good internal systems at first contact level for dealing with investor inquiries from the Web site and whether it was effective at handling clients who contacted the organization directly.

2b E-mail Handling (10%) - the way in which the IPI responded to initial e-mail inquiries to the Web site and whether e-mail correspondence was well linked to the original client project inquiry and projected a clear and professional image of the IPI for the client.

2c Call Handling (10%) - whether the IPI demonstrated that their first-level communication channels and project officers were competent and thorough at taking client inquiries.

2d Inquiry-handling Competence and Responsiveness (40%) - whether the IPI showed that their project officers were aware of the original client e-mail inquiry and were willing and able to provide a timely inquiry response. Also, whether they provided good coordinated management of the inquiry and completed work to deadline.

3 Response (55%) - refers to the actual response that the IPI provided to the investment inquiry.

3a Response Format (5%) - whether the IPI provided a final response that was presented in a clear manner, preferably as one document in an appropriate business software package.

3b Response Branding (5%) - whether the response was well branded, ensured good consistency, and projected a strong image to the client.

3c Response Organization (5%) - whether the response included a cover letter as well as a contents page, introduction, and other relevant headings relating to the project and whether the IPI addressed each of the client's issues that were raised.

3d Answer Quality (55%) - whether the IPI addressed each client issue in turn and customized their response to the client's particular needs, thereby providing information that has real value in the long-listing process.

3e Answer Credibility (10%) - whether the response made good use of comparative data, relevant and well-referenced case studies, and testimonials. Also whether the IPI response was accurate in terms of grammar and spelling.

3f Business Case (20%) - whether the IPI set out why their location was good for the client project.

4 Customer Care (20%) - the actions that an IPI takes following delivery of a client request.

4a Follow Up (100%) - the extent to which the IPI took action to follow up on the information sent to the client as well as to establish whether they could offer more help or arrange to move the project on.

Appendix D. Description of Inquiry-Handling Scenarios

Each IPI was presented with a project request, with the layout and organization for the request varying between the projects.

The request provided core project information, relating to the company's objectives and detailing the size and scale of the requirement. A good IPI would be able to pick up on this information and ask questions about key aspects; best-practice IPIs anticipate issues that may arise in later stages of the investment project decision making or implementation and discuss these with investors.

Information in all cases was requested for 12 days after the initial e-mail was sent and 10 days after the telephone call.

Inquiry 1: International beverage firm – new pilot plant & development centre

Project

A multinational soft drinks and consumer products company is seeking a new manufacturing plant, with some basic research and development capability. Within this new plant, the client wants to investigate new flavors and look at local beverages, flavors and produce with a view to assessing the potential for international marketing or regional development.

Company Background

The client is a growing international soft drinks brand. They currently have operations in 40 locations with 7 manufacturing plants in their established markets. They had a global turnover in 2006/07 in the order of \$8 billion.

Project Details

The client aims to have the pilot plant fully operational by the third quarter 2009. The plant itself will be around 50,000 sq ft/5,000 sq meters with an additional 20,000-30,000 sq ft/2,000 sq m of office and lab space. The sizes stipulated are only indicative at this stage- as the project details become more defined and plans are finalized, the scale of the plant may change. Depending on the short-listed locations, and the options available to the client they may elect to configure the plant differently, locate the plant at an existing facility with the local activity to be contained to some R&D as well as a marketing office. Although this is not the preferred option, the client may look at splitting the plant and the R&D functions, depending on what is most practical in their short-listed location. Initial staff estimates are at approximately 75 staff by Q4 2009, but we expect that staff numbers may double over following three years, depending on success and the availability and cost of labor. Local staff requirements will be as follows:

1 HR manager.

1 financial controller (5 years Financial Director experience with an international firm or food and beverage experience).

10 experienced R&D technicians (experienced in new product development, food testing, quality control).

15 graduate technicians (graduates with food science, chemistry qualifications). Some language capability.

1 computer technician (university qualified graduate or qualified with around 3 years work experience).

1 mechanical engineer (university qualified with food production experience).

1 electrical engineer (university qualified with industrial plant/ production line experience).

1 health & safety manager (5+ years experience having held similar health and safety roles).

20 general plant staff (secondary school graduates with factory experience, preferably in a food environment).

14 marketing and market testing staff (university qualified social science graduates responsible for undertaking market surveys and conducting blind tasting and testing with local panels).

7 administrative staff (trained secretarial staff or graduates able to work common office computer system such as Word, Outlook and Excel).

Required Information

- Details about the local (non-alcoholic) beverage industry (market value, annual production volumes, imports and exports) and details of any relevant agricultural produce (e.g. fruits and dairy). Ideally, we would also seek additional details about local consumer preferences and firms that currently hold significant market share.
- Please provide information about skilled labour availability and indicative annual salary costs for each position noted above.
- Employment regulations: hiring & firing laws and number of annual working days, hours of work and rules about employing expatriate workers- can our client bring in existing staff from other countries and are there any barriers to the numbers of expatriate staff or their citizenship? How long will permits take?
- Location of appropriately zoned industrial sites with excellent logistics and an indication of land costs and/ or availability or existing industrial facilities for rent on the open market.

The software inquiry was intended to be more closely aligned to the short-listing phase of a project and thus it requested more specific data. Because of the development gap between OECD high-income economies and less-developed economies, three tiers of inquiry were provided: Group A, OECD high-income economies, the specifications for the inquiry that is presented below included higher numbers of technical staff (graduates in IT or mathematics, and software developers).

Group B, middle-income economies, were asked the same questions, but the numbers of technical staff required were smaller than for Group A.

Group C, less-developed economies, were asked the same questions, but the numbers of technical staff required were smaller than for groups A and B.

Inquiry 2: Software engineering center (“Group A” example)

Project

A publicly traded software development company is actively looking for a new software development center to cater especially for international retailers. They have appointed us to carry out

more detailed due diligence on a small number of economies. We are looking at 6 locations and plan to select the two most attractive so that we can carry out site visits in August/ September.

We have short-listed your location and we are seeking your help to provide information in some additional areas of interest to our client.

Company Background

The company designs innovative online 'experiences' for a wide range of clients- mainly companies in the retail and hospitality sector. They have developed some of the most memorable corporate and consumer Web sites and have won various awards. They also develop sophisticated back end systems, including in-house data management and intranet systems, particularly for hotels. In the future, the client wishes to focus on, and develop its offering to retailers since they are experiencing strong growth in this sector.

Project Details

The client intends to recruit up to 60 recent graduates in IT or Mathematics from local Universities in Year 1 & 2 of the project but may expand in the future. These graduates will be expected to pass the client's own intensive training program before being accepted onto the latest projects.

The client also expects to source around 20 software developers with more than 5 years experience developing software, and recent experience leading teams to deliver projects. Graduates and experienced engineering staff would be expected to have experience in at least one object orientated language (preferably Java), experience in Web site design and preferably with a working knowledge of PHP and SQL. They will also look to the local market for approximately 10 administrative staff.

The client has stringent quality assurance guidelines, therefore they will only consider locating their new operation within a major population centre offering a wealth of IT literate graduates from universities with robust academic programs.

Required Information

1. A list of the location and name of key Universities for Computing and Mathematics in your region. For each University provide the average number of students graduating per year with: A Bachelors degree in Computing / Mathematics or equivalent qualification; A Masters degree in Computing / Mathematics or equivalent qualification; A PhD degree in Computing / Mathematics or equivalent qualification
2. A list of companies in your region who undertake software development or Web development. We would be grateful if you were able to provide some information on the nature of their business, especially whether there is any niche expertise in software development (e.g. animations etc) and an estimate of their software engineering workforce.
3. Salary costs for graduate software engineers and engineers with 5+ years experience, working within multinational companies.
4. Employment regulations: particularly, rules about employing expatriate workers. Can our client bring in existing experienced staff from other countries and are there any barriers to the numbers of expatriate staff or their citizenship? Are there ratios that need to be maintained and how long will permits take?

Appendix E. How Scores Are Calculated

As stated earlier, final scores were generated as a combination of an IPI’s performance in the Web site assessment and the two inquiry-handling assessments. The final score for inquiry handling is the average performance of an IPI in both inquiry-handling assessments. The overall score consisted of 50 percent Web site assessment and 50 percent inquiry handling (50 percent Web site plus 25 percent from each inquiry-handling assessment).

$$\text{Thus, the final score} = \text{Web site assessment} \times 0.5 + (\text{beverage inquiry} \times 0.25) + (\text{software inquiry} \times 0.25)$$

Performance for each assessment was scored against a survey form where each question was expressed in a binary form. An IPI either achieved a 1 or a 0 according to whether its performance complied with the question.

Web site assessment

In total, each Web site was scored against 106 individual questions. Each question was designed to test whether the Web site provided a certain type of information or allowed a user to find certain information. Individual questions were developed to test aspects relating to the four core dimensions (information architecture, design, content, and promotional effectiveness) and within this, subtheme areas such as “contact information” within the promotional effectiveness dimension.

Some dimensions have more subthemes than others, and some subthemes have more individual questions. For this reason, a weighting system was applied to ensure that, regardless of the number of individual questions a dimension or subtheme has, the final score for that subtheme or dimension related back to the actual importance of that dimension and subtheme from the investor’ perspective.

Web site	Weight
Information Architecture	10%
Web-friendly structure	10%
Navigation ease	70%
Web functionality	20%
Design	10%
Look & feel	10%
Use of graphics	30%
Reading ease	60%
Content	50%
Clarity of purpose	15%
Core information provision	20%

Sector information provision	35%
Credibility of information	10%
Currency of information	10%
Downloads	5%
International accessibility	5%
Promotional Effectiveness	30%
Web prominence	15%
Corporate roles & support	15%
Contact information	25%
Promotional effectiveness	45%
Total	100%

Weights have been attributed according to the perspective of a foreign company that is trying to obtain basic information about the location for the purposes of investment long listing and ideally to be able to progress the inquiry further (hence the requirement for accurate, current contact details). Where possible, weights have also been attributed according to more general research around Internet behaviors and preferences of Web users, along with Internet industry standards for best practice.

Because the core purpose of a site visit from the users' point of view is to obtain information about the location, content is weighted at 50 percent of the overall score. An attractive Web site that lacks useful data that can inform an investor's decision making will thus only obtain a maximum score of 50 percent. While design is important it is not critical and has been given a weight of only 10 percent. An attractive site is important but a site that is visually unappealing would not prevent a user from obtaining information.

Within design, the subtheme "reading ease" has been given a weight of 60 percent. This means that reading ease has an overall weight of 6 percent, or that it accounts for a maximum of 6 out of 100 points (that is, 60 percent of 10 percent). Reading ease was given the highest weighting in this section because the use of Internet writing conventions (short, clear sentences and short paragraphs) ensures that a user can skim the page rather than having to read a text-dense page as they would a book. While "look and feel" is very important, GIPB minimized the weight attributed to this subtheme because it sought to avoid subjective assessments of what looks good on a Web site. GIPB specifically aimed to reduce the potential for Web site reviewers to include their personal qualitative judgments of Web sites.

Information architecture refers to the navigation structure and the ease with which a user can find and navigate to key items of interest. Information architecture has been weighted at 10 percent of the overall score, meaning that an IPI could obtain a maximum of 10 points out of 100 for this dimension. In reality, having a strong architecture is critical to having a user-friendly and effective Web site. However, the weight for this was kept at 10 percent because it is the foundation on which content is accessible. As such a strong score for information architecture is required for an IPI to score well in content.

Promotional effectiveness relates to the extent to which the Web site fulfills one of its core mandates—to promote the location and facilitate investment inquiries. For this reason, the subthemes relate to the extent to which the site is ranked highly on Internet search engines, whether it provides contact details, and whether it presents a case for investment.

Many of the dimensions are interrelated—unless a site has a good information architecture, it is unlikely to be able to provide good content (or users will not be able to find content) and similarly there is a relationship between design and promotional effectiveness. Within most dimensions and subthemes, there is a progression from basic attainment towards mastery. For example, within content, unless an IPI is able to provide a good level of core content, it is unlikely to provide good sector content.

As GIPB findings have shown, there is also a very strong progression from mastery of the first two dimensions toward the level of attainment in the content and promotional effectiveness dimensions. The weighting reflects this progression and the level of attainment that competence in each theme means for the end user.

Inquiry Handling

Each inquiry-handling assessment measured IPI performance with 76 individual questions. Each question was designed to test whether a certain action was completed or whether a certain threshold had been met.

A similar approach was adopted when attributing weights to the inquiry-handling assessments. In some ways, the attribution of weights for inquiry handling was more straightforward because the inquiry-handling assessments are fundamentally evaluations of a process whereby failure at early stages of a process means failures at later stages.

For this reason, consideration was given to the cumulative performance of an IPI throughout the process, rather than simply according to the importance of individual dimensions. As such, although availability and contact-ability (that is, the ease with which an IPI can be successfully contacted) is critical, a higher weighting was not applied because an ability to be contacted presupposes an ability to provide a response.

Weights for the inquiry-handling assessment are below:

Inquiry Handling	Weight
Availability and Contact-ability	10%
Web availability	30%
Quality of contact details	70%
Responsiveness and Handling	15%
E-mail and phone responsiveness	40%
E-mail handling	10%

Call handling	10%
Inquiry-handling competence and responsiveness	40%
Response	55%
Response format	5%
Response branding	5%
Response organization	5%
Answer quality	55%
Answer credibility	10%
Business case	20%
Customer Care	20%
Follow up	100%
Total	100%

Response accounted for 55 percent of an IPI's overall score, with the majority of this relating to the quality of the answers that were provided for each of the questions that IPIs were specifically asked. As with all other aspects being measured, the quality of the answers was evaluated via use of binary questions. IPIs were assessed in terms of whether an answer to a question was provided, whether this directly addressed the specific question asked, and in terms of the thoroughness of the answer and whether evidence was provided in support of the claims made.

Another important category within the response dimension is the "business case" subtheme. This was weighted as 20 percent of the score for the dimension and as such contributed to 11 points out of the overall 100 points. There were only five questions in this subtheme making these highly important questions to the overall score of an IPI. A heavy weighting in this instance is believed to be appropriate because unless an IPI is able to provide information in a way that demonstrates the location's advantages for the investor, the IPI fails to perform a promotional function, relying instead on information that may or may not enhance the chances of the location winning the project.

Customer care relates to the IPIs' attempts to extract maximum value from the inquiry. Basically it relates to the efforts of the IPI to use the inquiry to develop an ongoing business relationship with the foreign company so as to maximize opportunities to influence the company's decision in the IPI's favor. It represents the final stage of the inquiry-handling process and is the pinnacle of inquiry-handling sophistication. IPIs should strive to use inquiries as the basis for a longer-term relationship with the foreign company whereby the IPI becomes a trusted advisor as opposed to simply an information gateway. For this reason, it has been given a weighting of 20 percent, which means that the six questions in this dimension have a substantial impact on the IPI's score. The customer care and responsiveness and handling dimensions provide a sound measure of the IPI's project management capability when read together. As such, the two themes combined are weighted at 35 percent and this 35 percent effectively measures the project management sophistication of the IPI's project managers.

Appendix F. List of Participating National IPIs by Region

East Asia and the Pacific

Country	IPI	Web site
Brunei Darussalam	The Brunei Economic Development Board	www.bedb.com.bn
Cambodia	Council for the Development of Cambodia	www.cambodiainvestment.gov.kh
China	Invest in China	www.fdi.gov.cn
Fiji	Fiji Islands Trade & Investment Bureau	www.ftib.org.fj
Indonesia	Indonesia Investment Coordinating Board	www.bkpm.go.id
Kiribati	Foreign Investment Commission	No Web site
Lao PDR	Laos Department of Domestic and Foreign Investment	www.invest.laopdr.org
Malaysia	Malaysian Industrial Development Authority	www.mida.gov.my
Marshall Islands	Ministry of Resources and Development	www.rmirnd.net
Micronesia, Federated States of	Department of Economic Affairs	www.fsminvest.fm
Mongolia	Foreign Investment and Foreign Trade Agency	www.investmongolia.com
Palau	Invest in Palau	www.palau-investment.com
Papua New Guinea	Investment Promotion Authority	www.ipi.gov.pg
Philippines	Philippine Board of Investments	www.boi.gov.ph
Samoa	Ministry of Commerce, Industry & Labour - Industry Development and Investment Promotion Division	www.mcil.gov.ws/idipd_invest.html
Singapore	Singapore Economic Development Board	www.edb.gov.sg
Solomon Islands	Department of Commerce, Trade and Industries - Foreign Investment Division	www.investsolomons.com
Taiwan, China	Department of Investment Services	www.dois.moea.gov.tw
Thailand	Thailand Board of Investment	www.boi.go.th
Timor-Leste	TradeInvest Timor-Leste	www.turismotimorleste.com/en/institutional/tradeinvest/
Tonga	Ministry of Labour, Commerce and Industry	www.mlci.gov.to
Vanuatu	Vanuatu Investment Promotion Authority	www.investinvanuatu.com
Viet Nam	Ministry of Planning and Investment - Foreign Investment Agency	www.fia.mpi.gov.vn

Europe and Central Asia

Country	IPI	Web site
Albania	AlbInvest	www.albinvest.gov.al
Armenia	Armenian Development Agency	www.ada.am
Azerbaijan	Azerbaijani Export & Investment Promotion Foundation	www.azpromo.org

Belarus	Ministry of Economy	www.economy.gov.by
Bosnia and Herzegovina	Foreign Investment Promotion Agency of Bosnia and Herzegovina	www.fipi.gov.ba
Bulgaria	Invest Bulgaria Agency	www.investbg.government.bg
Croatia	Trade and Investment Promotion Agency	www.apiu.hr
Cyprus	Cyprus Investment Promotion Agency	www.cipi.org.cy
Estonia	Enterprise Estonia	www.investinestonia.com
Georgia	Georgian National Investment Agency	www.investingeorgia.org
Kazakhstan	Kazakhstan Investment Promotion Center	www.kazinvest.kz
Kyrgyz Republic	Ministry of Economic Development and Trade	www.mvtp.kg
Latvia	Investment and Development Agency of Latvia	www.liaa.gov.lv
Lithuania	Lithuanian Development Agency	www.lida.lt
Macedonia, FYR	Invest Macedonia	www.investinmacedonia.com
Moldova	Moldovan Investment and Export Promotion Organization	www.miepo.md
Montenegro	Montenegrin Investment Promotion Agency	www.mipi.cg.yu
Poland	Polish Information and Foreign Investment Agency	www.paiz.gov.pl
Romania	Romanian Agency for Foreign Investment	www.arisinvest.ro
Russian Federation	Ministry of Economic Development and Trade- Department of Investment Policy	www.economy.gov.ru
Serbia	Serbia Investment and Export Promotion Agency	www.siepa.sr.gov.yu
Slovenia	Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments	www.investslovenia.org
Tajikistan	State Committee on Investment and State Property Management of the Republic of Tajikistan	www.amcu.gki.tj
Turkey	Invest in Turkey	www.invest.gov.tr
Ukraine	Invest Ukraine	www.investukraine.org
Uzbekistan	Uzinfoinvest	www.uzinfoinvest.uz

Latin America and the Caribbean

Country	IPI	Web site
Antigua and Barbuda	Antigua and Barbuda Investment Authority	www.investantiguabarbuda.org
Argentina	Agencia Nacional de Desarrollo de Inversiones	www.prosperar.gov.ar
Bahamas, The	Bahamas Investment Authority	www.bahamas.gov.bs
Belize	Belize Trade and Investment Development Service	www.belizeinvest.org.bz
Bolivia	Centro de Promoción Bolivia	www.ceprobol.gov.bo
Brazil	Agência Brasileira de Promoção de Exportações e Investimentos	www.apexbrasil.com.br
Chile	Foreign Investment Committee	www.cinver.cl

Colombia	Proexport	www.proexport.com.co
Costa Rica	Coalición Costarricense de Iniciativas de Desarrollo	www.cinde.org
Dominica	Invest Dominica	www.investdominica.dm
Dominican Republic	Centro de Exportación e Inversión de la República Dominicana	www.cedopex.gov.do
Ecuador	Corporación de Promoción de Exportaciones e Inversiones del Ecuador	www.corpei.org
El Salvador	Comisión Nacional de Promoción de Inversiones	www.proesa.com.sv
Grenada	Grenada Industrial Development Corporation	www.grenadaworld.com
Guatemala	Invest in Guatemala	www.investinguatemala.org
Guyana	Guyana Office for Investment	www.goinvest.gov.gy
Haiti	Centre de Facilitation des Investissements en Haiti	www.cfihaiti.net
Honduras	FIDE, Inversión y Exportaciones	www.hondurasinfo.hn
Jamaica	Jamaica Trade and Invest	www.jamaicatradeandinvest.org
Mexico	ProMexico	www.investinmexico.com.mx
Nicaragua	PRONicaragua	www.pronicaragua.org
Panama	Ministerio de Comercio e Industria - Dirección Nacional de Promoción de la Inversión	www.mici.gob.pa
Paraguay	Red de Inversiones y Exportaciones	www.rediex.gov.py
Peru	ProInversión	www.proinversion.gob.pe
Puerto Rico	Puerto Rico Industrial Development Company	www.pridco.org/portal/
St. Kitts and Nevis	St. Kitts Investment Promotion Agency	No Web site
St. Lucia	St. Lucia National Development Corporation	www.stluciandc.com
St. Vincent and the Grenadines	National Investment Promotions Incorporated	www.svg-nipi.com
Suriname	Chamber of Commerce and Industry	www1.sr.net/~t100779/
Trinidad and Tobago	Invest Trinidad & Tobago - Investment Promotion Department	www.investtnt.com
Uruguay	Uruguay XXI Investment and Export Promotion Institute	www.uruguayxxi.gub.uy
Venezuela, R. B. de	Consejo Nacional de Promoción de Inversiones	www.conapri.org

Middle East and North Africa

Country	IPI	Web site
Algeria	Agence Nationale de Développement des Investissements	www.andi.dz
Bahrain	Bahrain Economic Development Board	www.bahrainedb.com
Djibouti	Agence Nationale pour la Promotion des Investissements	www.djiboutinvest.dj
Egypt	General Authority for Investment and Free Zones	www.gafinet.org
Iran, Islamic Republic of	Organization for Investment Economic and Technical Assistance of Iran	www.investiniran.ir

Iraq	Invest in Iraq	www.investpromo.gov.iq
Israel	Invest in Israel	www.investinisrael.gov.il
Jordan	Jordan Investment Board	www.jordaninvestment.com
Kuwait	Kuwait Foreign Investment Bureau	www.kuwaitfib.com
Lebanon	Investment Development Authority of Lebanon	www.idal.com.lb
Morocco	Investir au Maroc	www.invest.gov.ma
Oman	Omani Centre for Investment Promotion and Export Development	www.ociped.com
Qatar	Qatar Investment Promotion Department	www.investinqatar.com.qa
Saudi Arabia	Saudi Arabian General Investment Authority	www.sagia.gov.sa
Syrian Arab Republic	Syrian Investment Agency	www.investinsyria.org
Tunisia	Foreign Investment Promotion Agency	www.investintunisia.tn
United Arab Emirates	Dubai Development and Investment Authority	www.emiratesfreezone.com
West Bank and Gaza	Palestinian Investment Promotion Agency	www.pipi.gov.ps
Yemen, Republic of	General Investment Authority	www.giay.gov.ye

OECD High-Income

Country	IPI	Web site
Australia	Austrade	www.austrade.gov.au
Austria	Austrian Business Agency	www.aba.gv.at
Belgium, Brussels*	Invest in Brussels	www.investinbrussels.com
Canada	Invest in Canada	www.investincanada.gc.ca
Czech Republic	CzechInvest	www.czechinvest.org
Denmark	Invest in Denmark	www.investindk.com
Finland	Invest in Finland	www.investinfinland.fi
France	Invest in France Agency	www.invest-in-france.org
Germany	Invest in Germany	www.invest-in-germany.de
Greece	Invest in Greece Agency	www.elke.gr
Hungary	Hungarian Investment and Trade Development Agency	www.itdh.hu
Iceland	Invest in Iceland Agency	www.invest.is
Ireland	Industrial Development Agency of Ireland	www.idaireland.com
Italy	Invest in Italy	www.investinitaly.com
Japan	Japan External Trade Organization	www.investjapan.org
Korea, Rep. of	Invest Korea	www.investkorea.org
Luxembourg	Board of Economic Development, Invest in Luxembourg	www.bed.public.lu
Netherlands	Netherlands Foreign Investment Agency	www.nfia.nl
New Zealand	Investment New Zealand	www.investmentnz.govt.nz

Norway, Oslo*	OsloTeknopol	www.osloTeknopol.com
Portugal	Agência para o Investimento e Comércio Externo de Portugal	www.investinportugal.pt
Slovak Republic	Slovak Investment and Trade Development Agency	www.sario.sk
Spain	Invest in Spain	www.investinspain.org
Sweden	Invest in Sweden	www.isa.se
Switzerland	OSEC Business Network Switzerland	www.osec.ch
United Kingdom	UK Trade & Investment	www.uktradeinvest.gov.uk
United States	Invest in America	www.trade.gov/investamerica/

NB: *denotes subnational IPI evaluated in absence of a national IPI

South Asia

Country	IPI	Web site
Afghanistan	Afghanistan Investment Support Agency	www.aisa.org.af
Bangladesh	Board of Investment	www.boi.gov.bd
Bhutan	Ministry of Trade and Industry	www.mti.gov.bt
India	Department of Industrial Policy & Promotion, Ministry of Commerce and Industry	www.dipp.nic.in
Maldives	Foreign Investment Services Bureau	www.investmaldives.org
Nepal	Department of Industries - Foreign Investment Division	www.ip.np.wipo.net/foreign.htm
Pakistan	Pakistan Board of Investment	www.pakboi.gov.pk
Sri Lanka	Board of Investment of Sri Lanka	www.boi.lk

Sub-Saharan Africa

Country	IPI	Web site
Angola	Agência Nacional para o Investimento Privado	http://investinangola.com
Benin	Centre de Promotion des Investissements	www.cpi-benin.com
Botswana	Botswana Export Development and Investment Authority	www.bedia.co.bw
Burkina Faso	Ministère du Commerce, de la Promotion de l'Entreprise et de l'Artisanat	www.commerce.gov.bf
Burundi	Commission Nationale des Investissements	No Web site
Cameroon	Cellule de Gestion du Code des Investissements	No Web site
Cape Verde	Cabo Verde Investimentos	www.cvinvest.cv
Central African Republic	Ministry of Industry, Commerce and Promotion of Small and Medium Sized Business and Industries	No Web site
Chad	Office de Promotion Industrielle du Tchad	No Web site

Comoros	Investment Promotion Bureau	No Web site
Congo, Dem. Rep.	Agence Nationale pour la Promotion des Investissements	www.anapi.org
Congo, Rep. of	Ministère de l'Economie, des Finances et du Budget/Commission Nationale des Investissements	www.mefb-cg.org
Côte d'Ivoire	Centre de Promotion des Investissements en Côte d'Ivoire	www.cepici.ci
Equatorial Guinea	Ministry of Industry, Commerce and Promotion of Small and Medium Companies	www.ceiba-guinea-ecuatorial.org
Eritrea	Eritrea Investment Center	No Web site
Ethiopia	Ethiopian Investment Agency	www.ethiomarket.com/eic/
Gabon	Agence de Promotion des Investissements Privés	www.invest-gabon.com
Gambia, The	Gambia Investment Promotion and Free Zones Agency	www.gipfza.gm
Ghana	Ghana Investment Promotion Centre	www.gipc.org.gh
Guinea	Office de Promotion des Investissements Privés	www.mirinet.com/opip/
Guinea-Bissau	Ministry of Economy and Finance - Private Investment Promotion Office	No Web site
Kenya	Kenya Investment Authority	www.investmentkenya.com
Lesotho	Lesotho National Development Corporation	www.lndc.org.ls
Liberia	National Investment Commission	www.nic.gov.lr
Madagascar	Economic Development Board of Madagascar	www.edbm.gov.mg
Malawi	Malawi Investment Promotion Agency	www.malawi-invest.net/inves_opp_agri.html
Mali	Agence de la Promotion de l'investissement au Mali	No Web site
Mauritania	Ministère des Affaires Economiques et du Développement	www.maed.gov.mr
Mauritius	Board of Investment of Mauritius	www.investmauritius.com
Mozambique	Centro de Promoção de Investimentos	www.cpi.co.mz
Namibia	Namibia Investment Centre, Ministry of Trade and Industry	www.mti.gov.na
Niger	Centre de Promotion des Investissements	www.investir-au-niger.org
Nigeria	Nigeria Investment Promotion Commission	www.nipc.gov.ng
Rwanda	Rwanda Investment and Export Promotion Agency	www.rwandainvest.com
São Tomé and Príncipe	Ministério dos Negócios Estrangeiros, Cooperação e Comunidades	www.mnecc.gov.st
Senegal	Investment Promotion and Major Works Agency	www.investinsenegal.com
Seychelles	Seychelles Investment Bureau	www.sib.gov.sc
Sierra Leone	Sierra Leone Investment and Export Promotion Agency	No Web site
South Africa	Trade and Investment South Africa	www.thedti.gov.za
Sudan	Ministry of Investment	www.sudaninvest.org
Swaziland	Swaziland Investment Promotion Authority	www.sipi.org.sz
Tanzania	Tanzania Investment Centre	www.tic.co.tz

Togo	Togo Free Zone	www.zonefranchetogo.tg
Uganda	Uganda Investment Authority	www.ugandainvest.com
Zambia	Zambia Development Agency	www.zda.org.zm
Zimbabwe	Zimbabwe Investment Authority	www.zia.co.zw

Appendix G. List of Participating Subnational IPIs by Region

East Asia and the Pacific

Country	IPI	Web site
China, Anhui	Anhui Provincial Foreign Investment Promotion Bureau	www.ahinvest.gov.cn
China, Gansu	The Investment and Trade Promotion Bureau of Gansu Province	www.gsinvest.gov.cn
China, Heilongjiang	Heilongjiang Investment Promotion Bureau	www.hljszsj.com
China, Henan	Henan Foreign Investment Administration	www.hncom.gov.cn
China, Hubei	Hubei Provincial Department of Commerce	www.hbdofcom.gov.cn
China, Hunan	Hunan Provincial Department of Commerce	www.hninvest.gov.cn
China, Jiangxi	Jiangxi Provincial Investment Promotion Center	www.investjx.com.cn
China, Ningxia	Ningxia Investment Promotion Bureau	www.nxinvest.gov.cn
China, Shanghai	Shanghai Foreign Investment Development Board	www.fid.org.cn
China, Shanxi	Shanxi Provincial Department of Commerce	www.docsx.gov.cn
China, Xiamen	Xiamen Investment Promotion Agency	www.xipi.com.cn
Hong Kong (China)	Invest HongKong	www.investhk.gov.hk
Indonesia, Central Java	Central Java Investment Board	www.central-java.com
Indonesia	Investment Outreach Office	www.investinaceh.org
Philippines	Philippine Economic Zone Authority	www.peza.gov.ph

Europe and Central Asia

Country	IPI	Web site
Russian Federation, Rostov-on-Don	Investment Promotion Agency of Rostov Region	www.ipi-don.ru
Russian Federation, Tomsk	Invest in Tomsk	www.investintomsk.com
China, Heilongjiang	Heilongjiang Investment Promotion Bureau	www.hljszsj.com

Latin America and the Caribbean

Country	IPI	Web site
Colombia, Barranquilla	Probarranquilla	www.probarranquilla.org
Colombia, Bogotá	Invest in Bogotá	www.investinbogota.com
Colombia, Medellín	Agencia de Cooperación e Inversión de Medellín y el Área Metropolitana	www.acimedellin.org

OECD High-Income

Country	IPI	Web site
Australia, Queensland	Invest Queensland	www.investqueensland.com.au
Denmark, Copenhagen	Copenhagen Capacity	www.copcap.com
Germany, Bavaria	Invest in Bavaria	www.invest-in-bavaria.com
Germany, Berlin	Berlin Partner	www.berlin-partner.de
Sweden, Stockholm	Stockholm Business Region	www.stockholmbusinessregion.se
United Kingdom, London	Think London	www.thinklondon.com
United Kingdom, Manchester	Manchester Investment and Development Agency Service	www.investinmanchester.com
United Kingdom, Scotland	Scottish Development International	www.sdi.co.uk
United Kingdom, Wales	International Business Wales	www.ibwales.com

South Asia

Country	IPI	Web site
Bangladesh	Bangladesh Export Processing Zones Authority	www.epzbangladesh.org.bd
India, Bihar	Bihar State Investment Promotion Board	No Web site

Sub-Saharan Africa

Country	IPI	Web site
Tanzania, Zanzibar	Zanzibar Investment Promotion Authority	www.zanzibarinvest.org

