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# Inward Investment Evidence Review Comparator Annex Report

## Scottish Enterprise



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## 1. Introduction

The purpose of this Comparator Annex Report is to present information relating to a number of comparator Investment Promotion Agencies (IPAs) each of which are thought to be of a high standard. The comparator organisations were selected in consultation with Scottish Development International, Scottish Enterprise and the Scottish Government.

The organisations selected for review include:

### UK

- SDI
- UKTI
- International Business Wales
- NWDA
- EMDA

### Europe

- ABA Invest in Austria
- CzechInvest
- Invest in Denmark
- Invest in France
- Invest in Bavaria
- IDA Ireland
- Invest in Sweden

### International

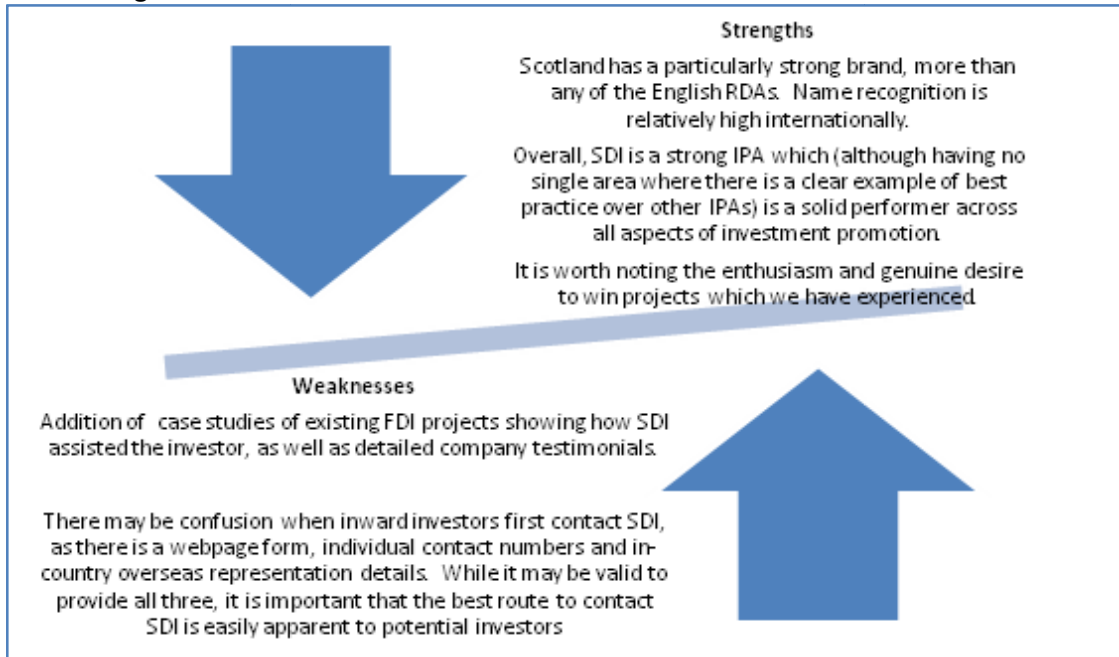
- New Zealand

The remainder of this report contains a section on each of these IPAs which provides details of the efficiency and effectiveness of their activities.

## The UK

### 2. Scottish Development International (SDI)

#### SDI: Strengths and Weaknesses



SDI is a well-established agency, providing a high level of service that would be expected of an IPA for a developed economy. While there are no standout areas of best practice, one trend that reflects very favourably is the keenness to attract investment through excellent inquiry handling.

SDI has responsibility for both inward investment promotion and outbound trade, this means that the organisation has a larger remit than many of the other comparator IPAs, which are solely responsible for inward investment promotion.

SDI is similar to the English RDAs, in that they come under the wing of UKTI for both investment promotion and trade. In addition, the support and expertise provided by the wider Scottish Enterprise network gives SDI the ability to draw on a wide range of sector knowledge and local delivery capabilities. However, this is not the case with all of the English RDAs. Some, such as the North West RDA do have strong sub-regional capabilities provided by well established IPAs (notably the Mersey Partnership and MIDAS). However, others (such as the South West RDA) only have limited sub-regional IPA capabilities and often inquiries are handed directly to local authority economic development officers.

Parts of Scotland are eligible for EU State Aid (under the Regional Selective Assistance programme). SDI do provide information on their website which outlines this, however it does not show which areas of Scotland are eligible, or what the aid ceiling is. While each project has to be considered on its own merits, and is dependent on policy fit within Scotland and in some cases at the UK level, it would be good if more information could be made available on

the website about the programme. SDI is not alone in this approach. Links could be provided to the relevant EU documentation that outlines the rationale for regional policy.

SDI does have a strong sector focus, rather than being organised by geographic region of inward investors. This has been the trend with a number of IPA, which is understandable given the benefits of displaying detailed sector knowledge. Previous organisational structures based on geographic areas, rather than sector specialism, are less relevant in the globalised economy where transnational corporations operate in multiple geographies. Decision-making is rarely undertaken by the head office alone and generally involves local or regional representation.

**Diagram 2.1: Target Sectors**



Of the comparator IPAs, SDI has the joint highest number of target sectors (12, the same number as Austria). However, call centres and shared service centres (SSC) are identified as separate sectors. Many other agencies include these in broader definitions, such as business processing outsourcing or information and communications technology. Given Scotland's success in attracting call centre and SSC projects it is understandable why this approach has been adopted.

Tourism is a sector which is not often promoted by IPAs. Of the other IPAs in this study only Austria and Wales have identified it as a target sector. In the case of Austria, the ABA has marketed the sector as Wellness/Tourism, focusing on the health benefits through spa hotels. In Scotland the focus is more on business tourism (for conferences and other gatherings) and golf-related tourism for which Scotland has a unique advantage.

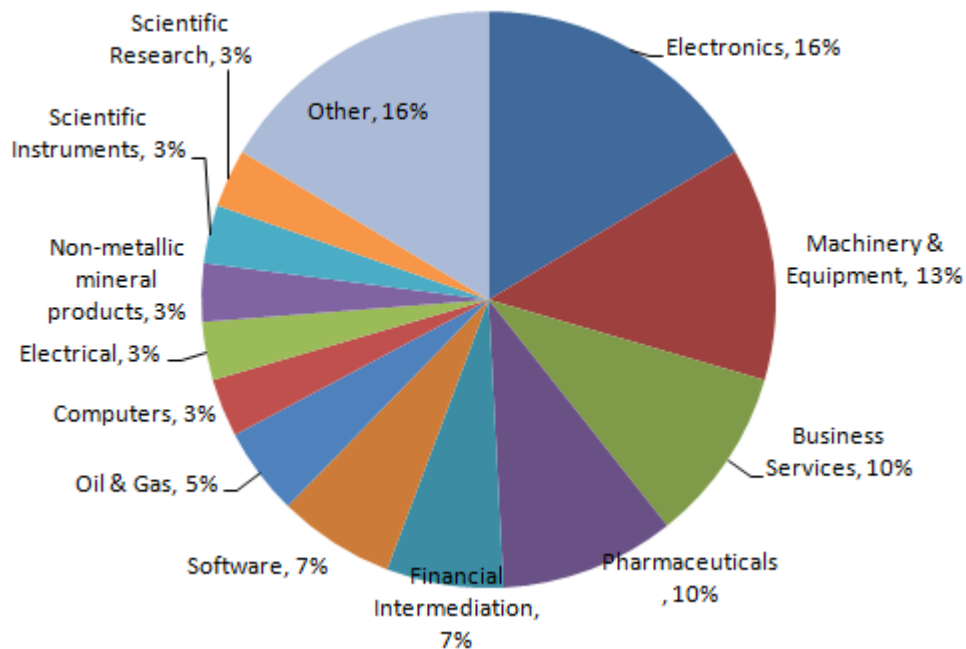
When an IPA selects target sectors there is a clear choice between those where the area has a genuine, or perceived, competitive advantage (or cluster of existing activity) or those sectors which are more aspirational and would bring benefits to the economy of the area. In recent years, the latter has tended to include areas such as biotechnology and nanotechnology, sectors which have generated a lot of media and IPA interest as the most exciting new

technology. However, such trends tend to move quickly. Prior to the 'dot com' bubble bursting, internet data centres were targeted by IPAs.

Currently renewable energy can be considered in the same way. However, this is a sector where Scotland has a genuine competitive advantage and significant company presence. It is important when promoting the sector that the existing presence is highlighted, as this gives confidence to potential new investors that their investment has a better chance to succeed in an area.

Figure 2.1 shows the breakdown of projects into Scotland by sector. With the exception of Machinery and Equipment, all of the other sectors can be directly or indirectly identified from SDI's list of target sectors. Examining the projects that have been defined as Machinery and Equipment, many of these can be assigned to other SDI target sectors, in particular Energy. This is merely an anomaly of the EIM data classification, rather than an issue with SDI and its sector targeting.

**Figure 2.1 - Investment Project Announcements in Scotland by Sector, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

In total SDI employs around 180 staff and has the joint third highest number of overseas offices (with Bavaria), only behind the national agencies of the UK and France (See Table 2.1). The choice of overseas locations for an IPA can be driven by a number of different factors. Firstly, agencies will chose cities where there is a perceived source of potential investors, or from where they can most easily access potential investors in the overseas territory. These tend to either be capital cities, or major centres of business activity (New York, Frankfurt, etc.). Secondly, there are those cities with strong industry sector links with the host country. In the case of Scotland, this would include Houston for the energy sector.

**Table 2.1: SDI Overseas Offices**

Overseas Offices	
<b>Sydney, Australia (Australia &amp; New Zealand)</b>	Singapore (SE Asia)
<b>Beijing, China</b>	Taipei, Taiwan
<b>Shanghai</b>	Düsseldorf, Germany (Central & Eastern Europe)
<b>Hong Kong</b>	Paris, France (Southern Europe, Middle East and Africa)
<b>New Delhi</b>	London, UK (Northern Europe, Israel & South Africa)
<b>Mumbai</b>	Moscow, Russia (Russia & CIS)
<b>Tokyo</b>	Boston
<b>Seoul</b>	New York
<b>Chicago</b>	San Jose
<b>Houston</b>	Toronto

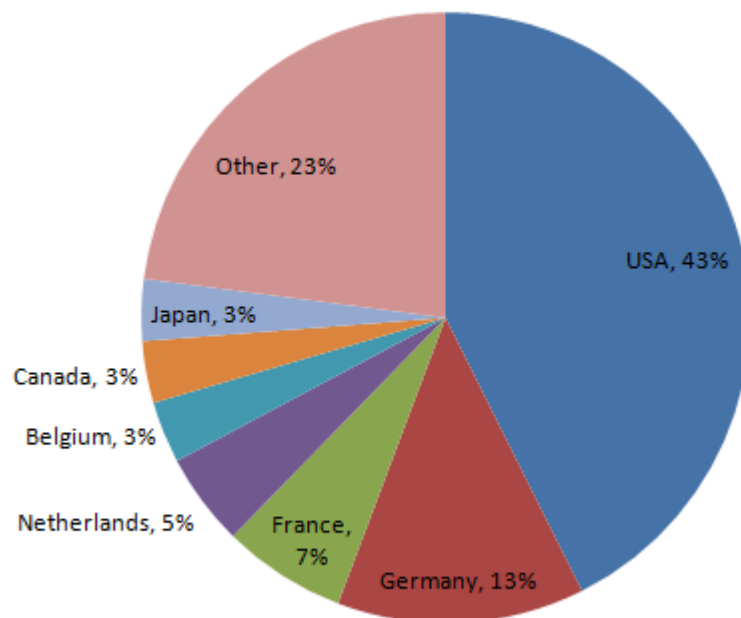
It is interesting to note that both SDI and Invest in Bavaria are both regions which have a greater number of offices than a number of national agencies. Of the comparator IPAs, the two with the least number of overseas offices are both national agencies – Austria and Sweden. There may be a number of reasons for this, not least (in the current economic climate) financial. The cost of running an overseas office can be high, especially when it employs ex-pat staff. In some agencies (including UKTI) there is a trend to employ local staff and then train them to understand the geography, processes and sectors associated with FDI in the host country. However, this can raise doubts about the ability of the individual in post to fully understand these elements.

In the case of SDI, it is important to note that there is a degree of duplication of in-country overseas promotion, since UKTI has a presence in many of these cities. However, SDI as a devolved administration is not under the same pressures as the English Regional Development Agencies (RDA). The English regions had developed a number of strategic alliances, such as the British Midlands (East Midlands and West Midlands RDAs) and the North of England (North West, Yorkshire and The Humber and North East RDAs) to undertake in-country overseas investment promotion in a more cost effective manner. However, a change in policy and arguably budgetary concerns led to these alliances being dissolved and much of the overseas promotion reverting to UKTI.

In the long term, there may be questions raised about the relationship between UKTI and the devolved administrations, as funding becomes increasingly competitive. Should UKTI

continue to support the in-country overseas promotion of the devolved administrations if they have replaced the overseas offices of the English RDA? This issue is independent of the devolution debate, and may arise in the same way questions of the relevance of Scottish MPs voting on England-only issues are currently raised from time to time. The worsening economic conditions will bring into question all public service provision, including the RDAs and DAs roles, are likely to be under increasing scrutiny.

**Chart 2.2 - Investment Project Announcements in Scotland by Country of Origin, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

The USA is the largest single source of FDI projects into Scotland, as it is for the UK as a whole (See Chart 2.2). The European Union countries are a close second, with 39% of all projects. It is interesting to note that in 2007-2008 there were no projects recorded originating from either China or India.

However, as emerging economies this is not necessarily a reason to discontinue overseas representation in those countries. Both need time to mature as sources of FDI and it is important for IPAs to be developing relationships now, in order to react to future projects once both markets have reached sufficient maturity.

SDI's overseas offices cover countries which generate just under 70% of all FDI projects into Scotland.



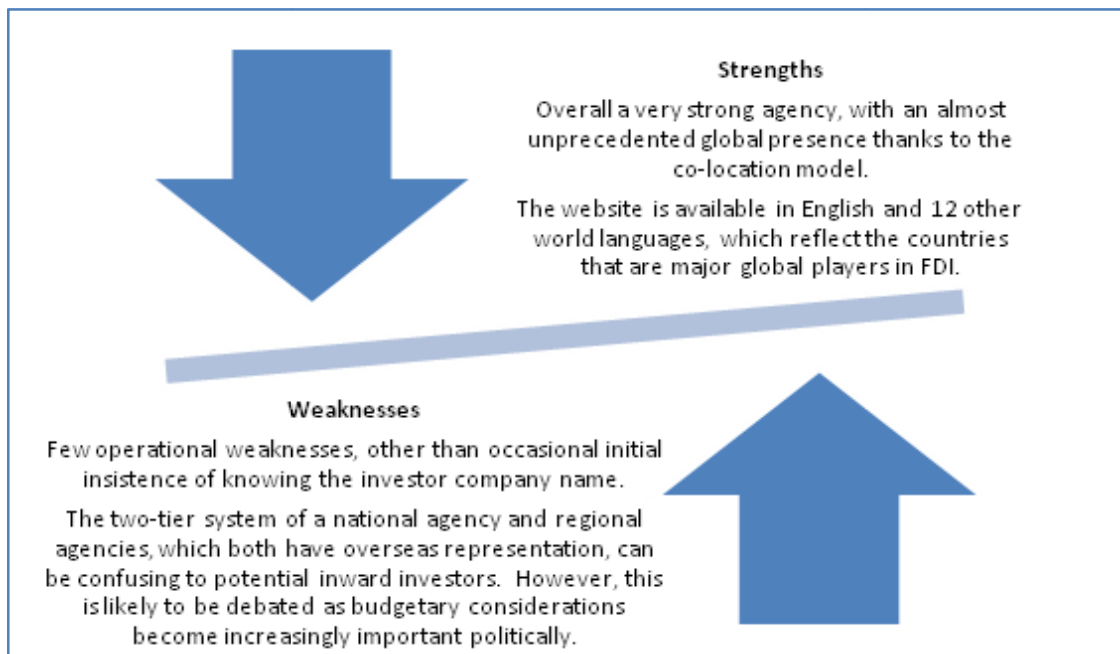
### Investor Experience

- Overall the SDI website is of a high standard, and promotes Scotland well. However, there is scope to include more detailed sector information such as showing number of investors. In addition, case studies of existing investors could be included.
- In handling inquiries from potential investors, our experience with SDI has always been favourable. The service is good, with any information provided of a high standard. The staff handling inquiries are eager to win projects, following up inquiries to check on progress.
- One area that could potentially be improved would be to include sector-specific contact details on the site to ensure that the initial inquiry reaches the relevant person in a timely manner.

## 3. UK Trade & Investment (UKTI)

UKTI is supported by the nine English regional IPAs and the three devolved administrations. The agency is responsible for both inward investment and outbound trade into the UK.

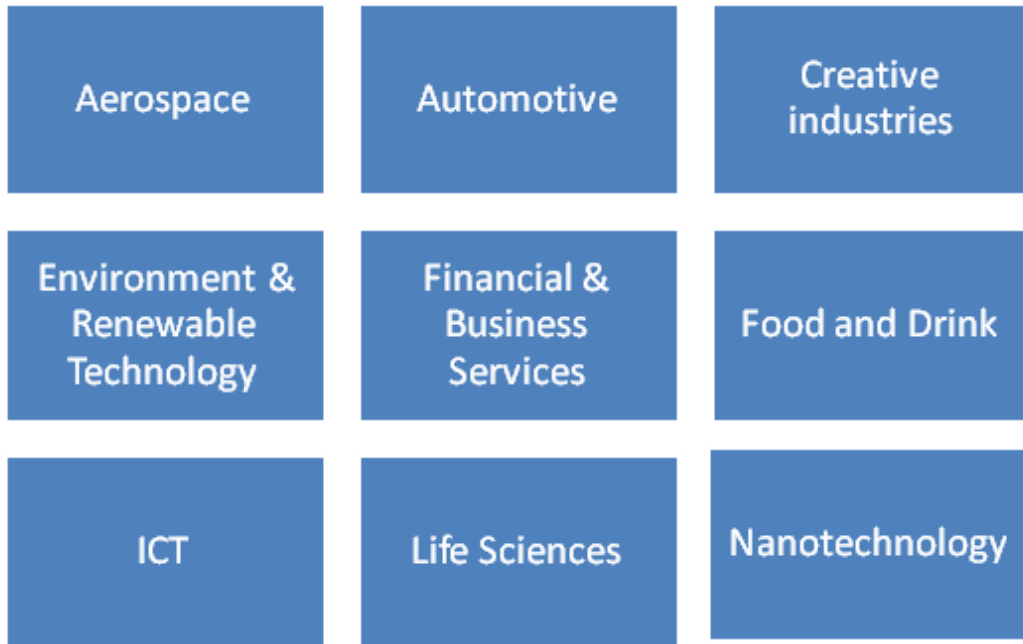
### UKTI: Strengths and Weaknesses



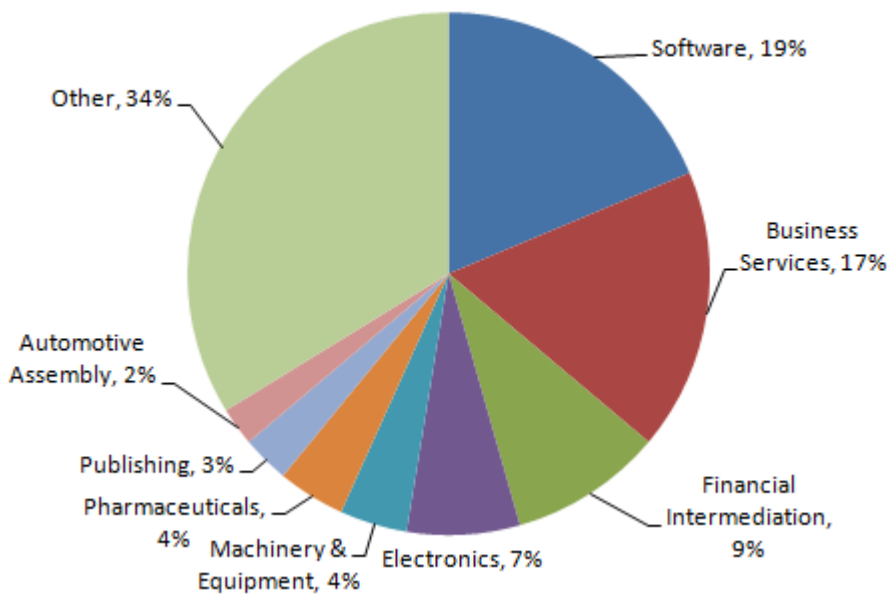
UKTI, like many IPAs, has shifted focus towards higher value added FDI projects. The target sectors chosen reflect this policy as illustrated in Diagram 3.1. As with France, there are also a large number of FDI projects from other sectors which are not specifically identified as headline target sectors including transport, telecommunications and scientific research (See

Figure 3.1). However, the UKTI website does contain a useful link to some of these smaller sectors.

**Diagram 3.1: Target Sectors**



**Figure 3.1 - Investment Project Announcements in the UK by Sector, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

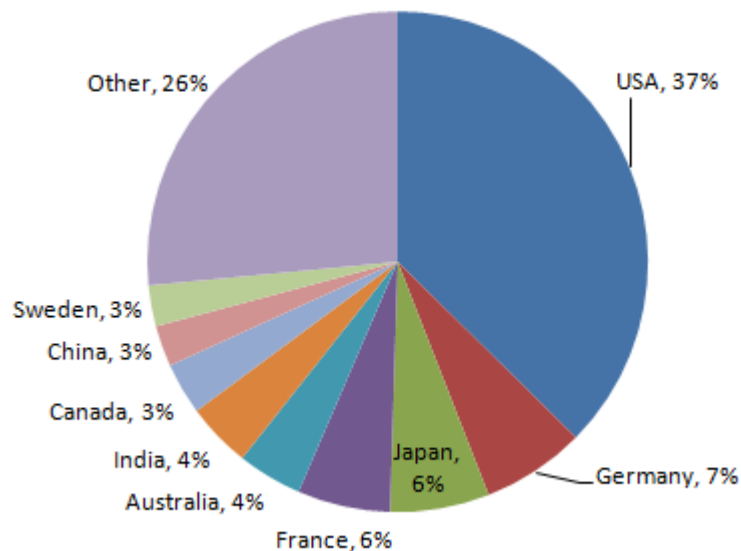
In total, UKTI employs around 2,500 staff including many located in offices around the world:

**Overseas offices**

UKTI has around 60 offices around the world, mainly co-located within British Embassies and Consulates. These are aligned to three global geographic regions: Americas, Asia Pacific & Africa and Europe.

UKTI has a presence in all of the countries that are major sources of FDI into the UK, predominately the US. Unlike many of the other comparator IPAs, the UK is winning projects from India and China (See Figure 3.2).

**Figure 3.2 - Investment Project Announcements in the UK by Country of Origin, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

#### Investor Experience

- The UKTI website has very strong content, and includes sector contact details. However, its design is such that it is not particularly easy to use. Nearly all of the initial information required by potential investors is available on the site, it can be difficult to find.
- Inquiry handling is generally of a high standard, and information supplied is very professionally presented. However, there can be a reluctance to assist with potential investment projects unless the name of the company considering the investment project is divulged. This is not always possible, due to confidentiality issues.

## 4. International Business Wales (IBW)

IBW work with a variety of partnerships across Wales to deliver FDI project support, however there are no sub-regional agencies directly responsible for FDI. They are responsible for both inward investment attraction and outbound trade.

### IBW: Strengths and Weaknesses

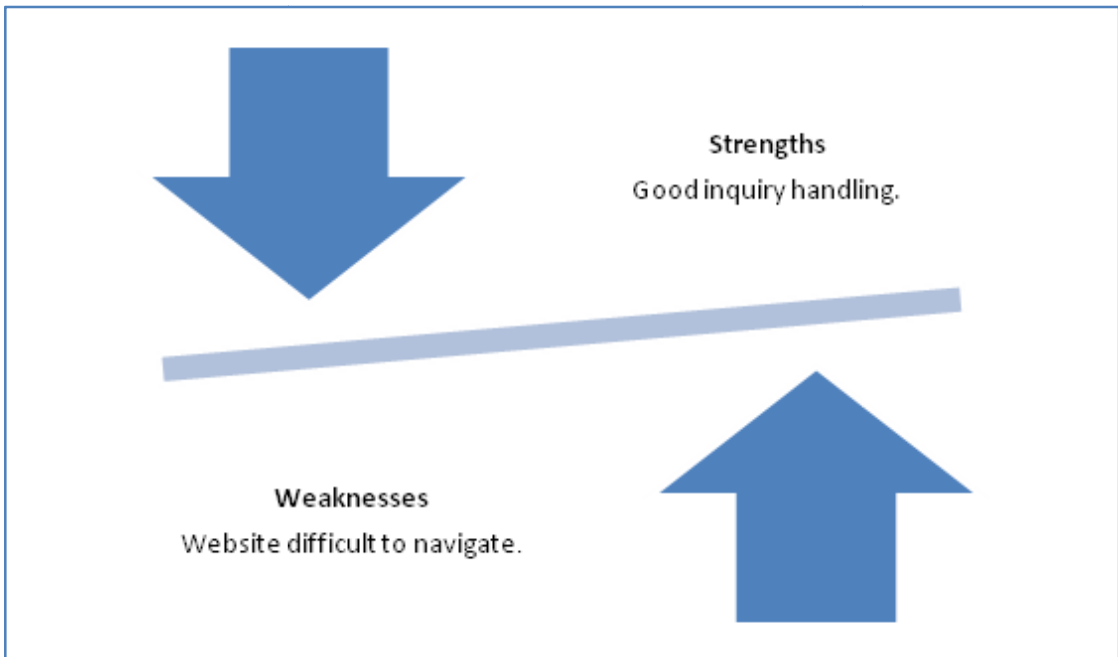
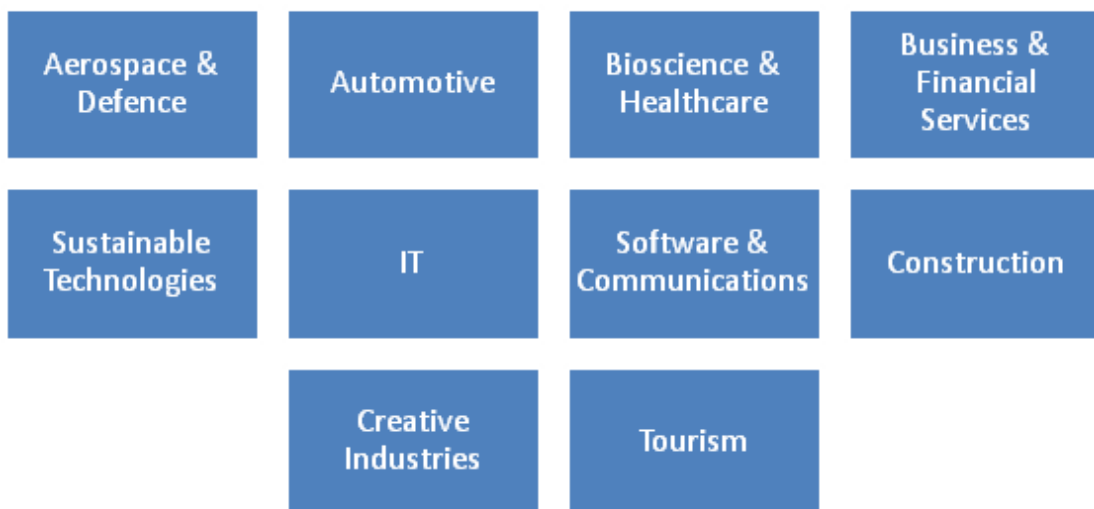
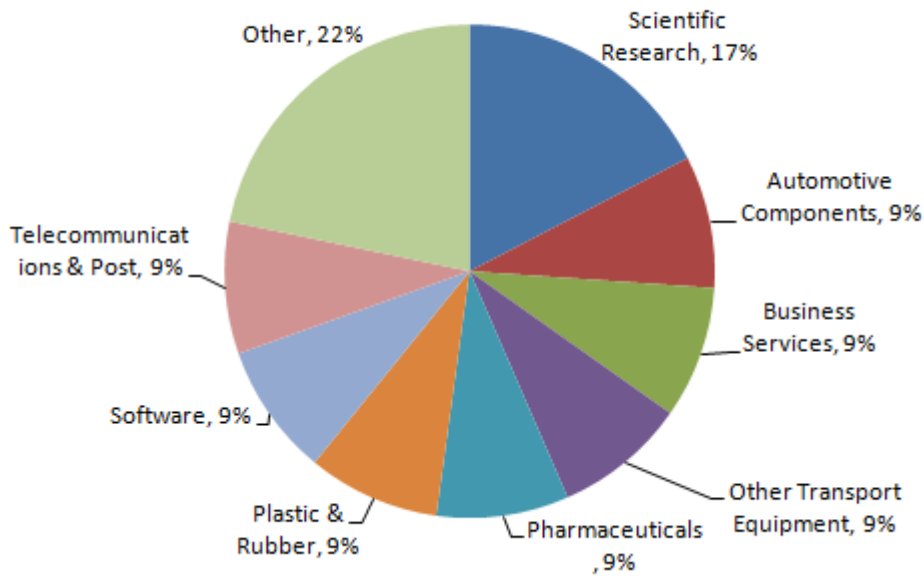


Diagram 4.1: Target Sectors



Wales attracts investments from a wide range of sectors. No single sector is dominant, this is illustrated in Figure 4.1 below. Despite this IBW has targeted a number of key industries, typically corresponding to high value sectors (See Diagram 4.1).

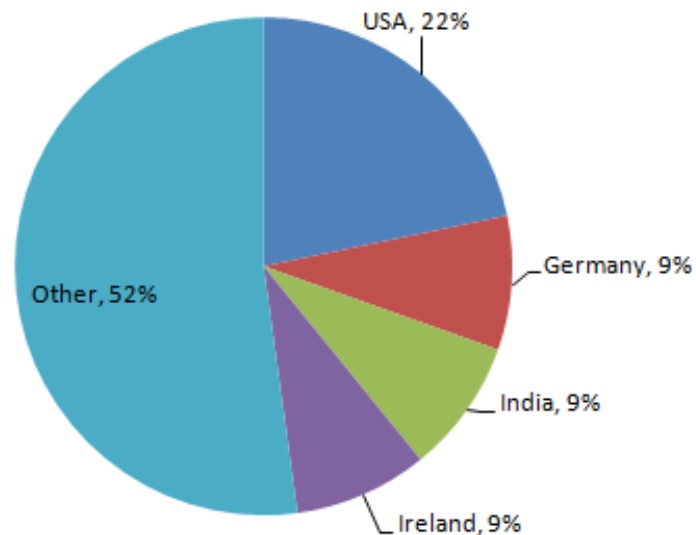
**Figure 4.1 - Investment Project Announcements in Wales by Sector, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

As with the sector profile, there is no dominant origin of FDI projects into Wales, as shown in Figure 4.2. This provides a degree of protection during the economic downturn, as they are less exposed to changes to a single economy. However, it does make the decision of where to locate offices overseas more difficult.

**Figure 4.2 - Investment Project Announcements in Wales by Country of Origin, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor


As with SDI and UKTI, offices are spread throughout Europe, Asia and America.

Overseas offices	
<b>Sydney, Australia</b>	Boulogne-Billancourt, France
<b>Mumbai, India</b>	Seoul, South Korea
<b>Amsterdam, Netherlands</b>	Munich, Germany
<b>Dublin, Ireland</b>	Dubai, UAE
<b>Beijing, China</b>	Hong Kong, SAR China
<b>Milan, Italy</b>	London, UK
<b>Shanghai, China</b>	Bangalore, India
<b>Tokyo, Japan</b>	New York, USA

#### Investor Experience

- Although the IBW website contains detailed information, its design could be improved by incorporating more graphical tools to ease navigation.
- Information provision to potential investors is excellent, although there is less focus on promoting Wales. Other IPAs are more forthright in their information submissions about how their region could best support the project.

**Table 4.1 – Additional Information on IBW**

Country	Wales																																					
<b>Organisation</b>	International Business Wales <a href="http://www.ibwales.com/">www.ibwales.com/</a> 																																					
<b>Organisational Structure</b>	Part of the Welsh Government, International Business Wales promotes both inward investment and internationalisation activity. 25 staff and 18 foreign offices in 15 countries.																																					
<b>Services provided</b>	<p>The majority of IBW's inward investment enquiries are proactively sought through advertising, networking at events, seminars, conferences and exhibitions, the Account Management system, through consultants with which IBW engage and through the close relationship that they have with British Embassies and Consulates and with UKTI.</p> <p>All inward investing businesses qualify for ongoing support from an Account Manager who is assigned to the business. The Account Manager's role is to help the firm maximize the benefit of being in Wales. They will maintain regular contact with the company to discuss their needs and aspirations.</p> <p>The Welcome to Wales Programme is part of the total service offered by IBW to all inward investing companies and provides support to help people relocate with the business.</p> <p>Financial support is available through the Single Investment Fund (SIF) – a grant scheme designed to encourage inward investment. The amount of aid received is dependent on fixed assets and employment numbers. The grant can vary between 10% to 30% of eligible project costs but can be increased for SMEs.</p>																																					
<b>Key performance indicators (evidence of impact)</b>	<p>68 projects in the year to March 2008 and 3,743 new jobs created. The breakdown by country of origin and sector is shown below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Projects</th> <th style="text-align: center;">Jobs</th> </tr> </thead> <tbody> <tr> <td>USA</td> <td style="text-align: center;">15%</td> <td style="text-align: center;">15%</td> </tr> <tr> <td>France</td> <td style="text-align: center;">12%</td> <td style="text-align: center;">12%</td> </tr> <tr> <td>Ireland</td> <td style="text-align: center;">12%</td> <td style="text-align: center;">17%</td> </tr> <tr> <td>Japan</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">7%</td> </tr> <tr> <td>Australia</td> <td style="text-align: center;">9%</td> <td style="text-align: center;">5%</td> </tr> <tr> <td>Environmental</td> <td style="text-align: center;">16%</td> <td style="text-align: center;">18%</td> </tr> <tr> <td>Biotech and Pharma</td> <td style="text-align: center;">12%</td> <td style="text-align: center;">12%</td> </tr> <tr> <td>Software/Computer Servs</td> <td style="text-align: center;">9%</td> <td style="text-align: center;">8%</td> </tr> <tr> <td>Aerospace</td> <td style="text-align: center;">9%</td> <td style="text-align: center;">4%</td> </tr> <tr> <td>Automotive</td> <td style="text-align: center;">6%</td> <td style="text-align: center;">5%</td> </tr> <tr> <td>Business Services</td> <td style="text-align: center;">6%</td> <td style="text-align: center;">13%</td> </tr> </tbody> </table> <p>Of the 3,743 jobs, 2,251 were from new inward investment projects and the</p>			Projects	Jobs	USA	15%	15%	France	12%	12%	Ireland	12%	17%	Japan	10%	7%	Australia	9%	5%	Environmental	16%	18%	Biotech and Pharma	12%	12%	Software/Computer Servs	9%	8%	Aerospace	9%	4%	Automotive	6%	5%	Business Services	6%	13%
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Automotive	6%	5%																																				
Business Services	6%	13%																																				

remainder from reinvestments. 2,564 jobs (1,539 from new projects and 1,025 from reinvestments) were generated by IBW's overseas offices. However, it is recognised that the success of an inward investment project relies upon a 'Team Wales' approach involving IBW, Invest Wales, the Department for Children, Education, Lifelong Learning and Skills and other stakeholders. Therefore, the calculation of whether or not a project recorded in 2007/8 was generated by overseas offices, was based on contact with the company by an overseas office within the last five years (WAG).

Relative to its size, Wales has historically attracted a higher percentage of FDI projects and jobs. With just under 5% of the UK population, Wales attracted 6% of UK projects and over 9% of associated jobs during the period 2001/02 to 2006/07 (Munday and Roberts, 2008).

IBW has an extensive overseas presence with 39 staff comprising:

- 29 people employed on Welsh Assembly Government contracts;
- two on secondment from the British Consulate and Foreign and Commonwealth Office;
- one employed through Beijing Foreign Enterprises Human Resources Services Company Limited;
- one employed through the China Britain Business Council;
- four employed on consultancy contracts; and
- two agency staff.

International Business Wales Busnes Rhyngwladol Cymru		Group : DE&T Division : International Business Wales				
DRCs Summary 2007-8						
	Staff Costs	Residential and associated costs	Office rent	Office costs	Travel & Subsistence	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>AMERICAS</b>						
New York	308.4	232.8	174.2	123.2	100.0	
Chicago/Houston	186.9	74.1	44.1	7.1	45.3	
San Francisco	240.1	22.5	19.3	0.6	31.1	
Toronto	27.2	5.2	5.6	5.8	20.8	
<b>Total</b>	<b>762.6</b>	<b>334.6</b>	<b>243.2</b>	<b>136.7</b>	<b>197.1</b>	
<b>EMEA</b>						
Paris	75.0	33.9		6.9	32.8	
Munich	80.9	38.5	26.5	24.2	31.7	
Amsterdam	69.9	24.5	24.1	6.5	35.2	
Milan	70.7		6.0	2.2	4.3	
Dubai	55.9	33.7		31.0	22.7	
Dublin	72.5	36.8	32.2	9.6	16.6	
<b>Total</b>	<b>424.9</b>	<b>167.4</b>	<b>88.8</b>	<b>80.5</b>	<b>143.2</b>	
<b>ASIA</b>						
Tokyo	185.7		89.5	32.1	62.3	
Seoul	102.6		40.8	9.7	32.9	
Hong Kong	134.3	96.3	59.6	40.9	120.8	
Beijing/Shanghai	127.8	20.4	47.4	27.9	58.6	
Taipei	31.3		12.2	2.9	1.1	
Bangalore/Mumbai	28.7		28.9	16.9	97.4	
Sydney	176.8	67.6	46.4	31.9	93.7	
Singapore	65.6		18.5	15.5	19.8	
<b>Total</b>	<b>852.8</b>	<b>184.3</b>	<b>343.3</b>	<b>177.8</b>	<b>486.6</b>	
<b>TOTAL</b>	<b>2,040.3</b>	<b>686.3</b>	<b>675.3</b>	<b>394.9</b>	<b>826.9</b>	

Source: Welsh Assembly Government

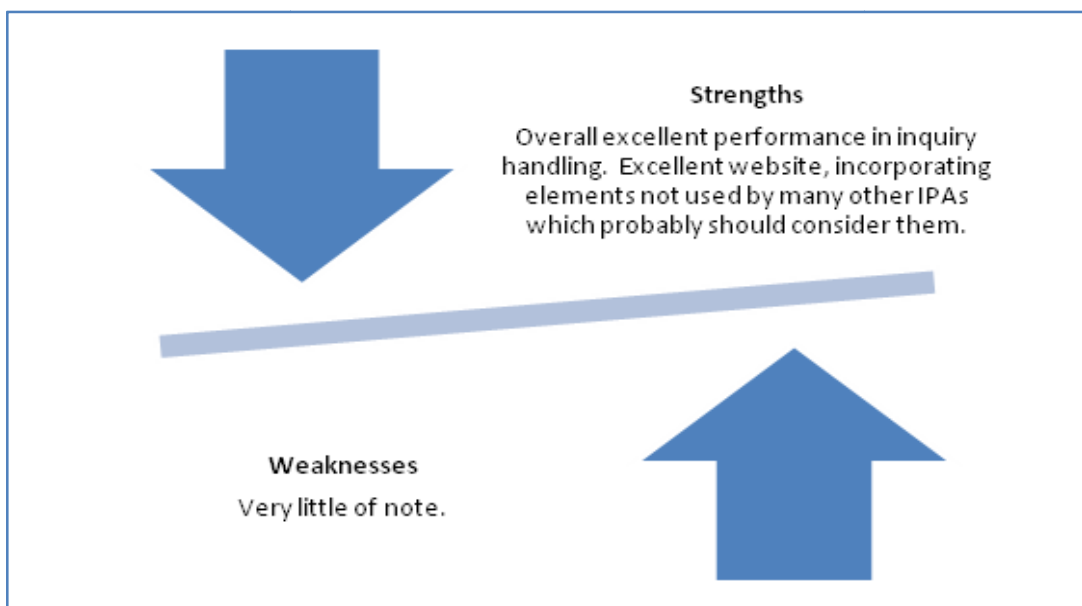


<p>During the period from 6 May 2005 to 19 April 2007, IBW logged over 700 initial inward investment enquiries that had been made direct to IBW or that had been proactively identified by IBW; of these, nineteen were in the form of written representations via the website. This includes around 90 requests received from UKTI against inward investment prospects where various parts of the UK have been considered, either by UKTI or the potential inward investor, as competing locations (WAG).</p>
<p><b>Sources</b></p> <p><a href="http://www.ibwales.com/">http://www.ibwales.com/</a>  <i>A Guide to investing in Wales</i> Deloitte report for International Business Wales, 2009  <a href="http://www.ibwales.com/upload/pdf/IBW_Guide_to_Investing_in_Wales.pdf">http://www.ibwales.com/upload/pdf/IBW_Guide_to_Investing_in_Wales.pdf</a>  Munday, M. and Roberts, A. (2008) 'Foreign direct investment in Wales: past, present and future' in <i>Welsh Economic Review</i>, Vol 20 Winter 2008, pp18-22  <a href="http://www.cardiff.ac.uk/carbs/research/groups/weru/20.pdf">http://www.cardiff.ac.uk/carbs/research/groups/weru/20.pdf</a>  Welsh Assembly Government – FOI requests on IBW  <a href="http://new.wales.gov.uk/publications/accessinfo/disclosurelogs/disclosures2000-2099/disclog2036/?lang=en">http://new.wales.gov.uk/publications/accessinfo/disclosurelogs/disclosures2000-2099/disclog2036/?lang=en</a>  <a href="http://new.wales.gov.uk/publications/accessinfo/disclosurelogs/DL1300-1399/1474580/?lang=en">http://new.wales.gov.uk/publications/accessinfo/disclosurelogs/DL1300-1399/1474580/?lang=en</a></p>

## 5. North West Development Agency (NWDA)

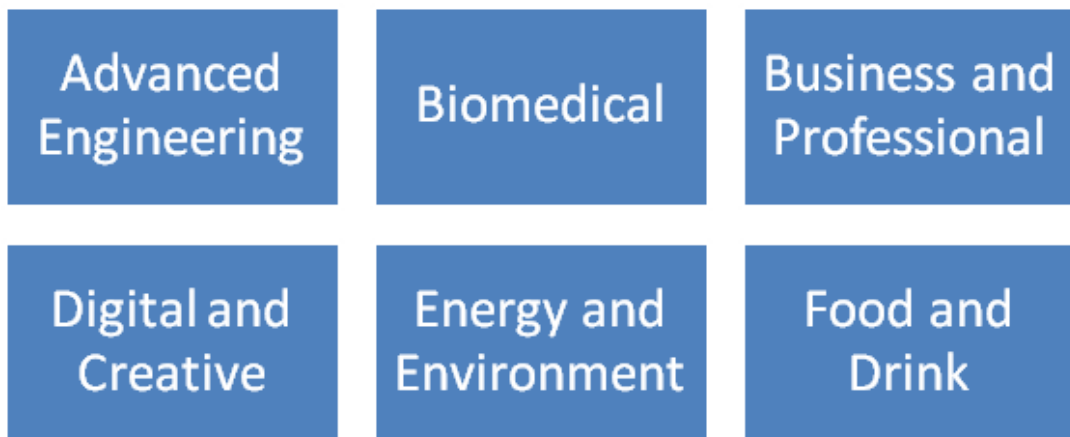
The NWDA is supported by two large, highly professional agencies – The Mersey Partnership and MIDAS – as well as emerging areas such as Invest in Cumbria. NWDA is responsible for both inbound FDI and outbound trade.

### NWDA: Strengths and Weaknesses

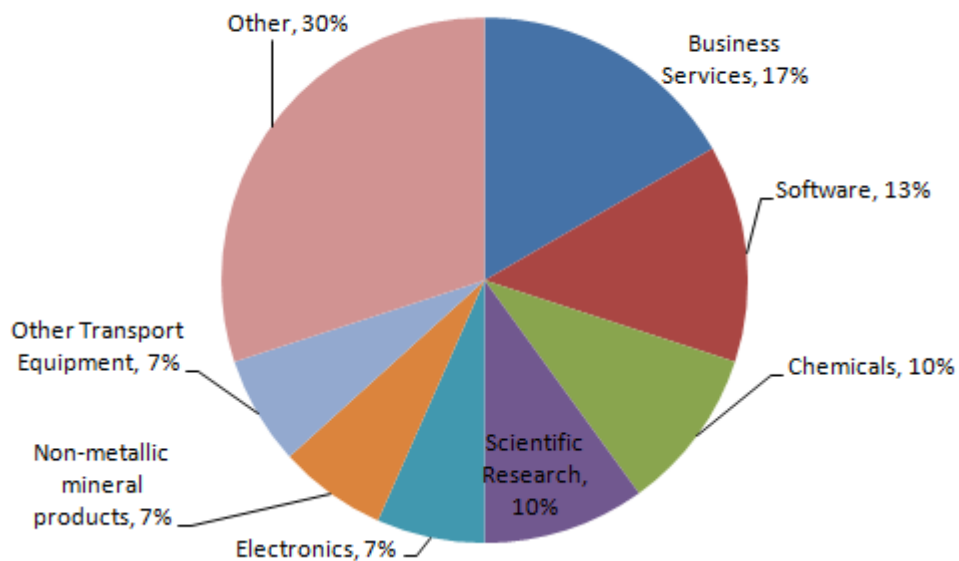


While the NWDA target sectors are broadly aligned to the breakdown of FDI projects, it is important to note that the chemicals sector, which is not a regional headline target sector, provided 10% of all projects into the region in 2007-2008. Diagram 5.1 outlines the key sectors targeted by NWDA while Figure 5.1 shows the sectors of investment.

**Diagram 5.1: Target Sectors**



**Figure 5.1 - Investment Project Announcements in the North West by Sector, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

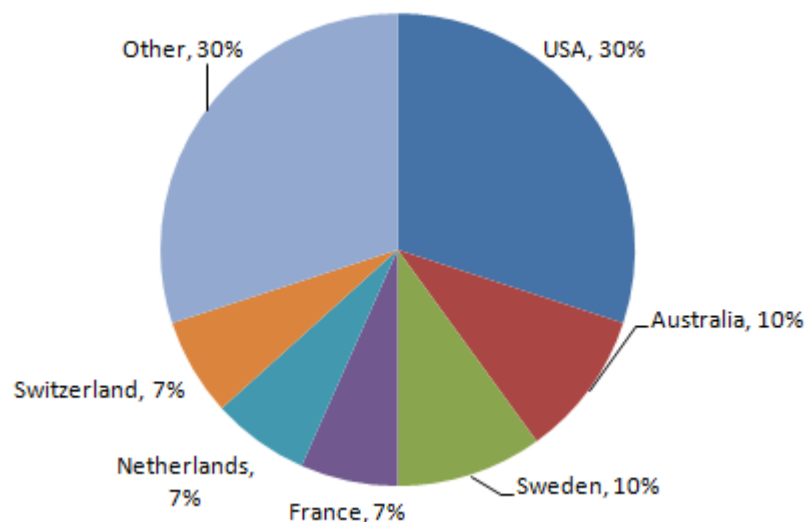
Overall, NWDA employs a significant number of staff with over 400 employees. Of which some are based overseas:

**Overseas offices**

The NWDA does not maintain direct offices overseas but works in collaboration with other organisations to have representation in key markets for the purposes of FDI. However, many of these were collaborations with the North of England initiative, and as such no longer exist.

By country of investment, similar to other areas of the UK, the NWDA attract a substantial 30% of its inward investment from the US. A further 20% is brought in through Australia and Sweden (See Figure 5.2).

**Figure 5.2 - Investment Project Announcements in the North West by Sector, Origin Country 2007-2008**



Source: Ernst & Young European Investment Monitor

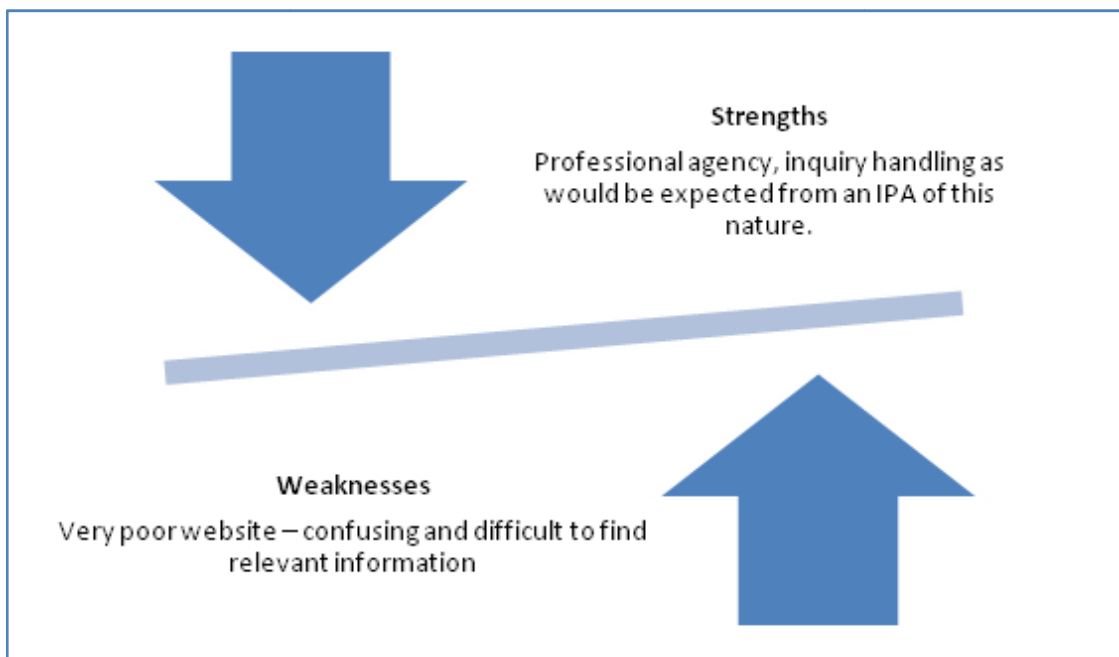
#### Investor Experience

- The NWDA website is one of the best IPA sites at present. It is one of the few which incorporates video which is surprising when the technology is readily available and easy to implement.
- The overall inquiry handling process is very professional, and tends to involve strong sub-regional investment promotion agencies to support the case for the region.

## 6. East Midlands Development Agency (EMDA)

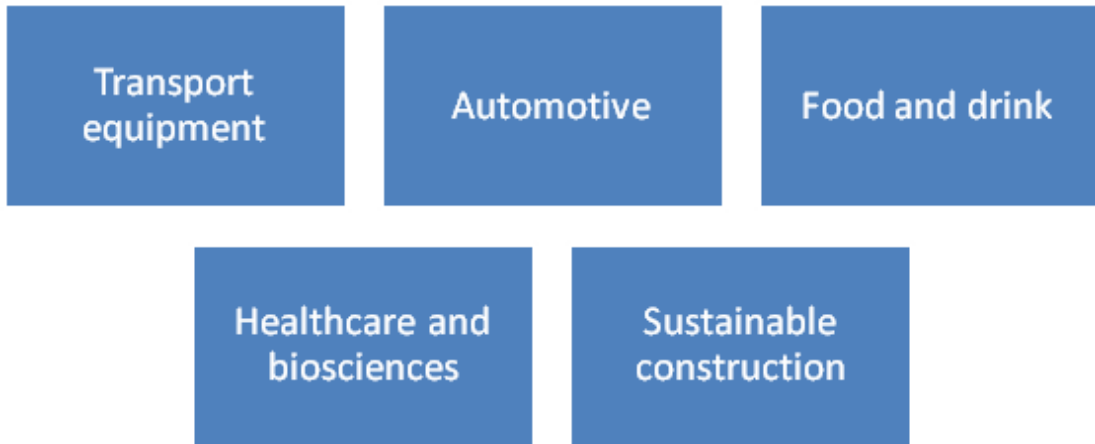
As with the other UK Regional Development Agencies and Development Agencies, EMDA is responsible for both inward investment promotion and outbound trade. In addition, the Leicester Shire Economic Partnership did provide some sub-regional IPA promotion support, however the organisation has now ceased to exist and its activities have been returned to the Economic Development team at Leicester City Council.

### EMDA: Strengths and Weaknesses



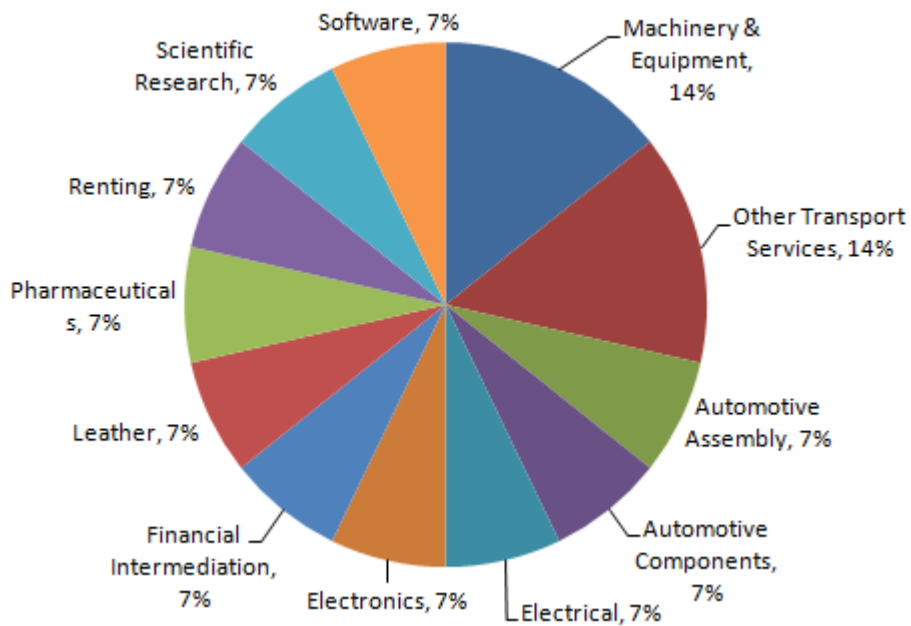
EMDA has relatively few headline target sectors. These are set out in Diagram 6.1

**Diagram 6.1: Target Sectors**



There is a broad spread of sectors in FDI projects coming into the region (see Figure 6.1). However, it is important to note that the sample size is relatively small. EMDA received the fewest projects of all comparator IPAs.

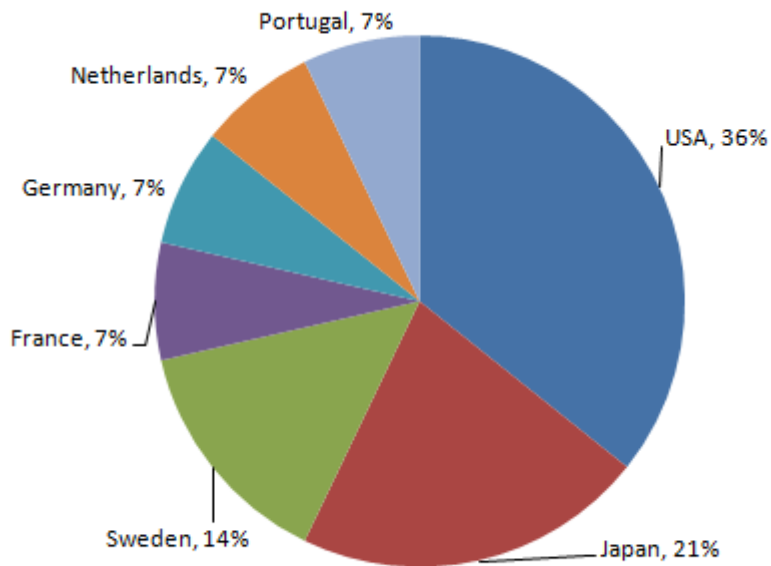
**Figure 6.1 - Investment Project Announcements in the East Midlands by Country of Origin, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

EMDA has a presence in both of the countries which are the top two sources of FDI projects (See Figure 6.2). The other countries are all within Europe and therefore can be served from within the UK.

**Figure 6.2 - Investment Project Announcements in the UK by Country of Origin, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

EMDA employs around 240 staff overall, with overseas offices located across North America , Europe and Asia:

Overseas offices	
Chicago, USA	Paris, France
Alexandria, USA	Tokyo, Japan
Montreal, Canada	Mumbai, India
Munich, Germany	Melbourne, Australia

Investor Experience

- Of all the comparator IPA websites, the emda site is probably the least user-friendly. While it is graphically appealing, it is difficult to find information. For example, neither the target sectors, nor a link to them appear on the homepage. There seems to be a mix of information for inward investors and outbound trade on the same page.
- We have had the least amount of experience with emda, which is reflected in the relatively small number of projects that the region has been able to attract. However, in previous dealings the agency has always been efficient and provided strong evidence to invest in the East Midlands.

## Europe

### 7. ABA-Invest in Austria

The ABA is supported by a network of excellent regional IPAs (such as the Vienna Business Agency and Salzburg-Agentur). The organisation is solely responsible for inbound investment promotion. However, overall, the Austria brand has less name recognition than many countries in Europe.

#### ABA: Strengths and Weaknesses

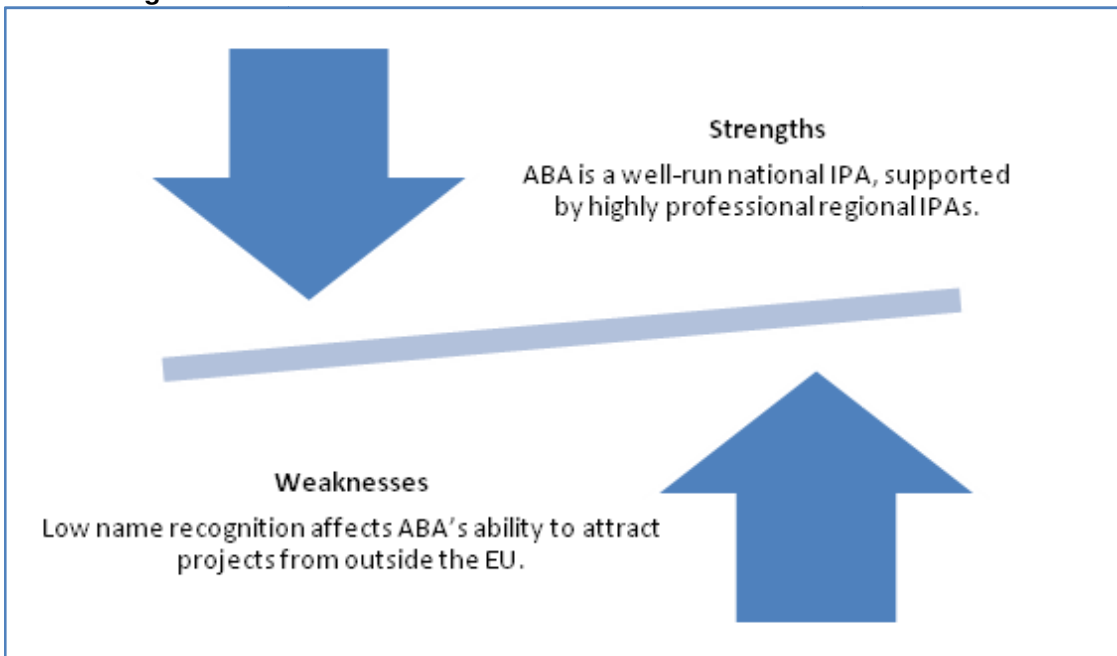
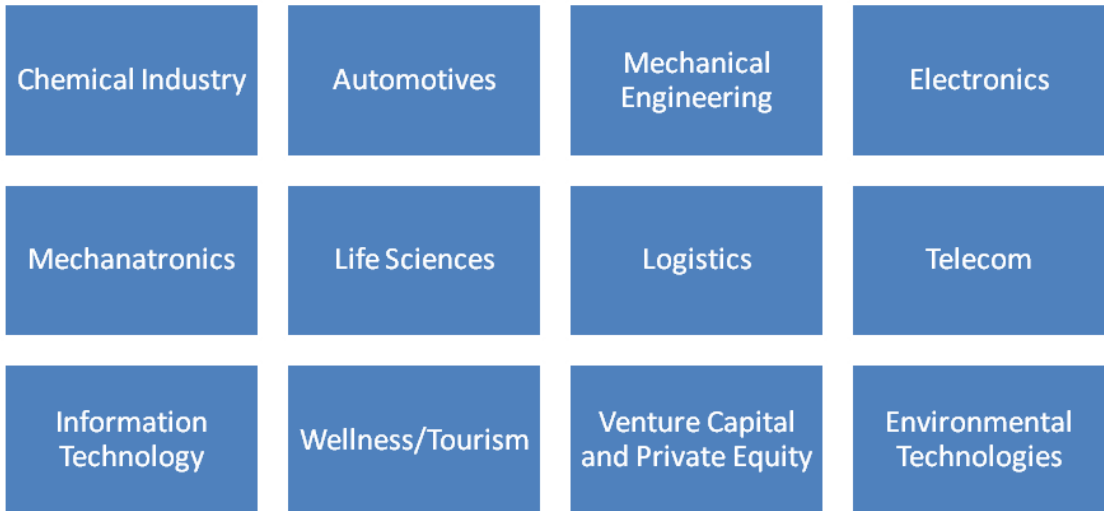
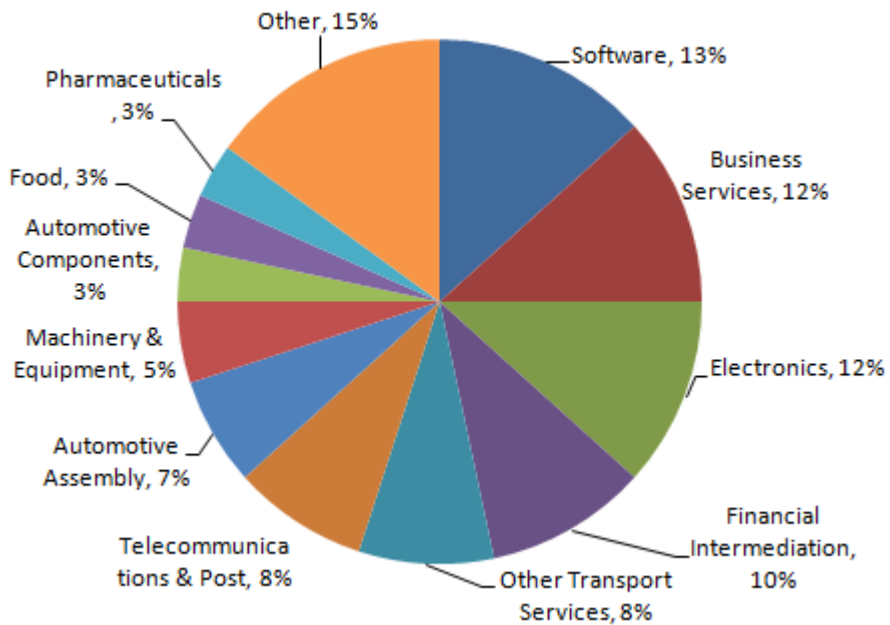


Diagram 7.1 shows that Austria has the joint highest number of target sectors (12, the same as Scotland). The EIM results for 2007-2008 show that these target sectors are broadly aligned to those in which Austria attracted investment projects (Figure 7.1).

**Diagram 7.1: Target Sectors**



**Figure 7.1 - Investment Project Announcements in Austria by Sector, Financial Year 2007-2008**



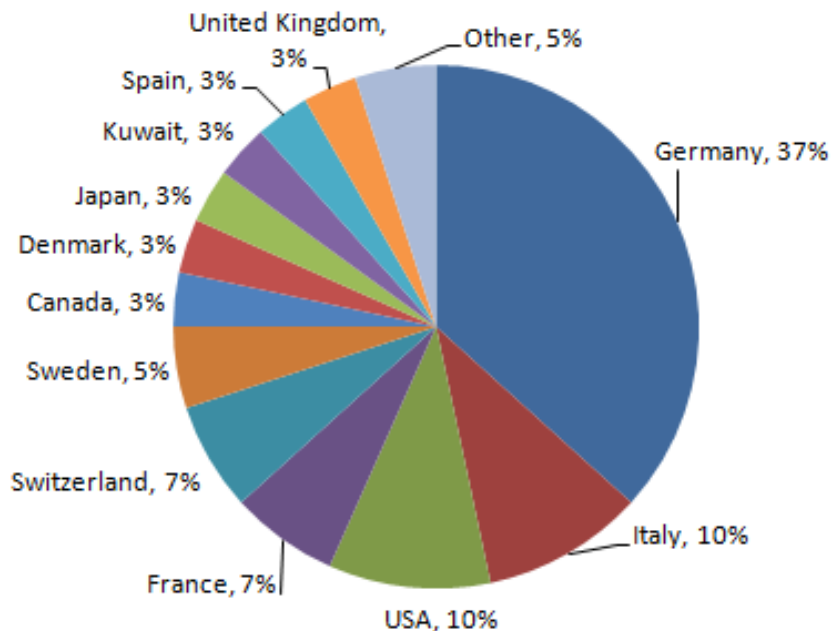
Source: Ernst & Young European Investment Monitor



Of the comparator IPAs, Austria has the joint fewest (with Sweden) number of overseas offices and only 30 staff. One key consideration in this is over half of all projects in 2007-2008 came from countries which border Austria. While the USA is the largest source of FDI projects for many countries and regions, it is only responsible for 10% of all FDI projects in Austria (Figure 7.2).

Overseas offices
New York, USA
Tokyo, Japan

**Figure 7.2 - Investment Project Announcements in Austria by Country of Origin, Financial Year 2007-2008**




Source: Ernst & Young European Investment Monitor

#### Investor Experience

- The ABA website is well presented, and very clearly focused on its primary aim to promote Austria as a suitable location for FDI projects. The site contains a lot of useful information, much of which is presented graphically.
- However, there were limited case studies on the site.
- ABA provides a very high level of customer service, and deals with investor inquiries quickly and efficiently. Staff interact well with intermediaries and potential investors and are keen to explain why Austria is a suitable location for specific FDI projects.

**Table 3.1 – Additional Information on ABA Invest in Austria**

Country	Austria
<b>Organisation</b>	ABA Invest in Austria <a href="http://www.aba.gv.at/EN/ABA-Invest+in+Austria.aspx">http://www.aba.gv.at/EN/ABA-Invest+in+Austria.aspx</a> 
<b>Organisational Structure</b>	<p>ABA-Invest in Austria the national investment promotion company and the first point of contact for foreign companies aiming to establish their own business in Austria. ABA- Invest are owned and operated by the Republic of Austria, and report directly to the Austrian Ministry of Economics and Labor.</p> <p>The organisation has a total staff of around 27 working out of the company's headquarters in Vienna and handling projects from Europe, USA, Canada and Asia. ABA-Invest in Austria also operates offices in New York and Tokyo, which are responsible for the American and Japanese markets.</p> <p>The organisation is a Limited liability company owned by the Ministry of Economy and has an international network of offices. In addition the organisation works closely with each of the 9 economic development agencies in each of Austria's regions.</p> <p>ABA- Invest is a government-operated consulting firm dealing only with investment into the country. ABA- Invest does not deal with support for trade and industry out with Austria.</p>
<b>Services provided</b>	<p>The services provided by ABA-Invest in Austria are largely around information provision for potential investors. ABA- Invest provide professional consulting services to firms interested in setting up business operations in Austria, focusing on all issues relevant to selecting an appropriate location. In addition, detailed information is provided about Austria as a business location, and the organisation proactively approach potential investors. In addition to ongoing care and support during setup, ABA Invest in Austria also provide aftercare services such as surveys and company visits.</p> <p>Staff in the "Location Austria" team promote Austria as an optimal hub for international film productions, offering advisory services on selecting suitable film locations.</p> <p>In addition to the services above, ABA Invest in Austria also offer a series of investment incentives based around:</p> <ul style="list-style-type: none"> <li>- Regional assistance</li> <li>- Small and medium-sized enterprises</li> <li>- Technology promotion</li> <li>- Environmental protection</li> </ul>

<b>Key performance indicators (evidence of impact)</b>	<b>of</b> In 2008, ABA-Invest in Austria provided professional consulting services to 256 companies locating their business operations in Austria, accounting for a total investment volume of EUR 426 million. 2,442 new jobs were created as a result of these investments. Since it was first established in 1982, ABA-Invest in Austria has concluded projects attracting total investments of EUR 5.65 billion, creating 39,120 new jobs. <sup>1</sup>
<b>Strategic objectives</b>	The yearly budget and the strategic targets are defined by the Ministry of Economics and Labor. (together with ABA). Essentially the corporate mission of the ABA is to provide comprehensive support to foreign investors, to establish business or planning equity investments in Austria.

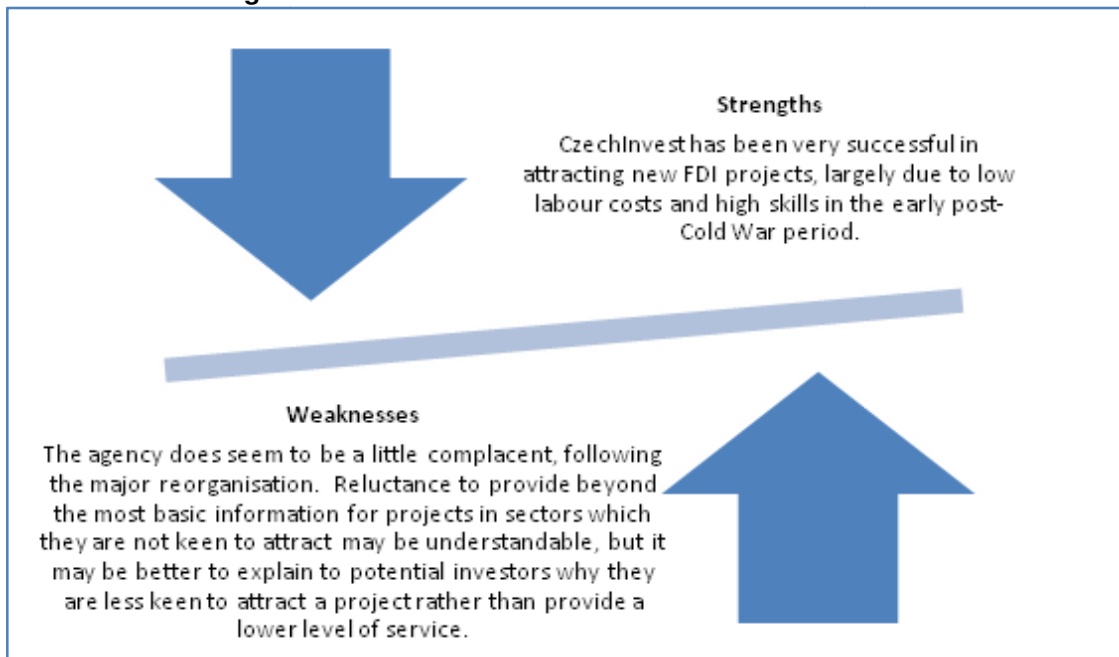
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<sup>1</sup> <http://www.aba.gv.at/EN/ABA%20-%20Invest%20in%20Austria/Company%20Profile/ABA+-+About+us.aspx>

## 8. Czech Invest

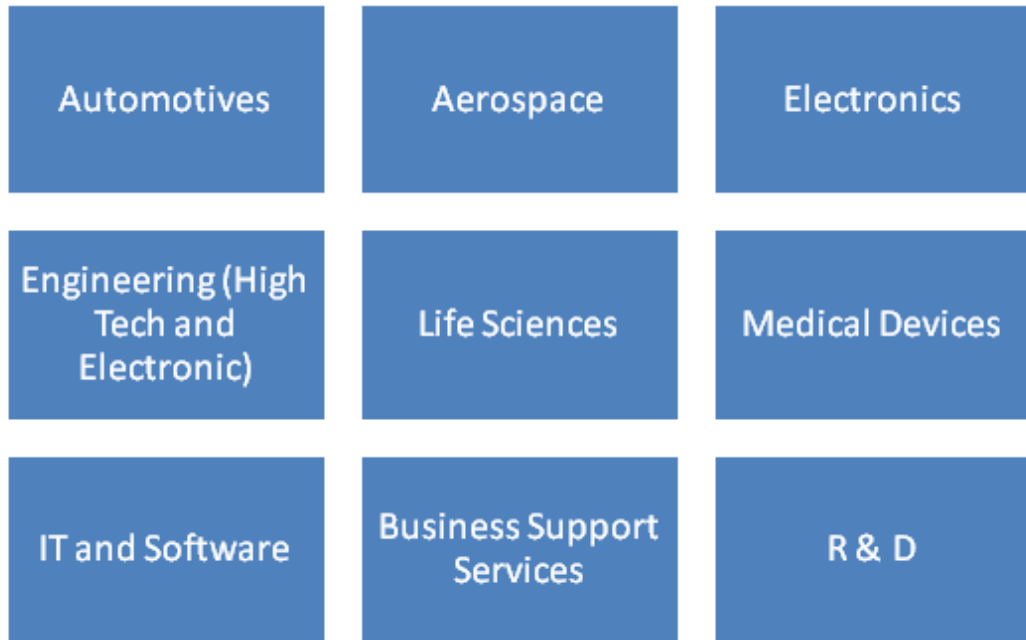
The Czech Republic generally has good international name recognition, much of it derived from its strong success in attracting FDI projects following the end of the Cold War. CzechInvest does not have a network of sub-national IPAs and inquiries tend to be handled centrally, with limited involvement from local stakeholders on validation visits. The agency remit covers both inbound FDI and outbound trade.

### CzechInvest: Strengths and Weaknesses

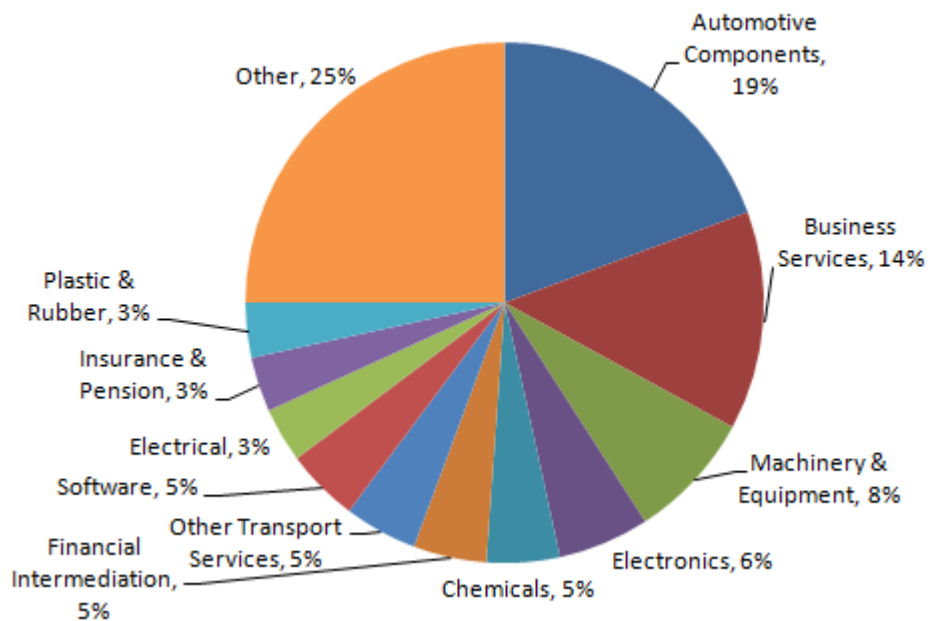


The Czech Republic attracts investment in a wide range of sectors from services through to manufacturing. The target sectors chosen are broadly aligned to sectors in which the country has either a competitive advantage or existing investors (See Diagram 8.1 and Figure 8.1).

**Diagram 8.1: Target Sectors**



**Figure 8.1 - Investment Project Announcements in Czech Republic by Sector, Financial Year 2007-2008**



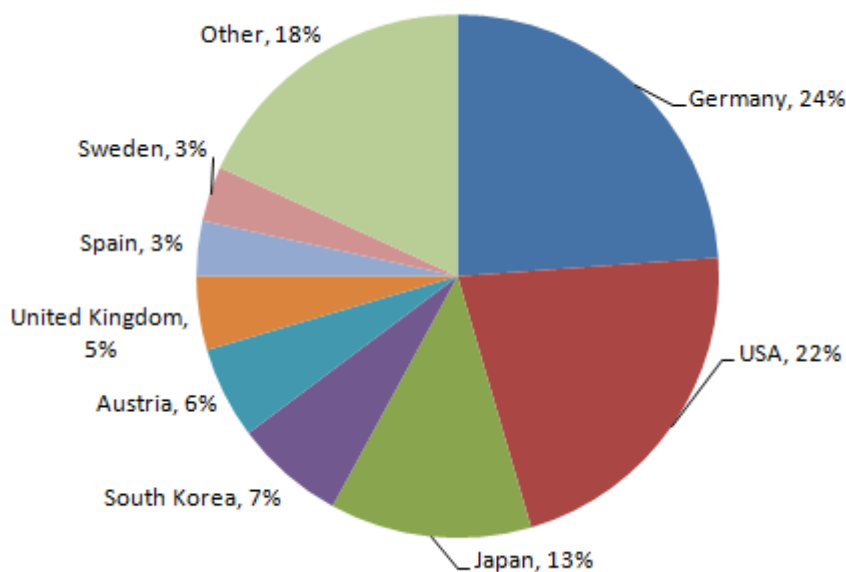
Source: Ernst & Young European Investment Monitor

Czech Invest has overseas offices in the countries which are the three largest sources of FDI projects. These account for just below 60% of all investments into the country. Total CzechInvest staff amounts to 168.

Overseas offices
Brussels, Belgium
Paris, France
Hong Kong, SAR China
Tokyo, Japan
Munich, Germany
Cologne, Germany
Chicago, USA

In terms of the country of origin for investment projects, Figure 8.2 gives a summary, showing that Germany is the largest market followed by the US.

**Figure 8.2 - Investment Project Announcements in Czech Republic by Country of Origin, Financial Year 2007-2008**




Source: Ernst & Young European Investment Monitor

### Investor Experience

- Although less visually appealing than other comparator IPAs websites, the CzechInvest site provides most of the information that would be expected by potential inward investors. The site makes good use of case studies and contains links to legal and other regulatory information.
- However, CzechInvest has gone through large reorganisation in the past 18 months. This has apparently affected their ability to handle inquiries as professionally as they

have in the past. There can be a sense that they are less keen to attract certain types of investment project. We have also found that the agency can use multiple contacts, which makes it slightly confusing for the potential investor.

**Table 4.1 – Additional Information on CzechInvest**

Country	Czech Republic
<b>Organisation</b>	Czech Invest <a href="http://www.czechinvest.org/en">http://www.czechinvest.org/en</a> 
<b>Organisational Structure</b>	<p><b>Investment and Business Development Agency, CzechInvest</b> is an organisation of the Ministry of Industry &amp; Trade that strengthens the competitiveness of the Czech economy by supporting small- and medium-sized companies, business infrastructure, innovation and gaining foreign investment from the fields of manufacturing, business support services and technology centres. In order to simplify communication between the government, businessmen and women and the European Union, CzechInvest covers the entire field of support for enterprise in manufacturing, both from EU funds and from the national budget. CzechInvest also promotes the Czech Republic abroad as a suitable location for mobile investments. It is the sole organisation allowed to submit applications for investment incentives to superior authorities, and supports Czech companies interested in linking up with the supply chains of multinational companies.</p> <p>In the first half of 2004, CzechInvest opened 13 regional offices in individual regional cities, while the area of Prague and the Central Bohemian region remain the location of the CzechInvest's headquarters. The regional staff provide information on individual support programmes, carry out basic activities related to implementation and administration of European development programmes and cooperate on the development of the local business environment. CzechInvest also has eight offices around the world: two in the USA (Campbell, CA; Chicago), and one each in Brussels, Hong Kong, Yokohama, Cologne, London and Paris.</p>
<b>Services provided</b>	<p>The agency formulates customised offers of business properties for domestic and foreign investors using its database that contains both municipal industrial zones and commercially developed industrial parks, production facilities of various types, office spaces, brownfields and other business properties.</p> <p>In addition to business support, CzechInvest offer a programme to support new job creation in the regions worst affected by unemployment. Investors were able to apply for this until the end of 2007. Companies wanting to apply for the support had to realise an investment or enlarge an already working facility in a region with unemployment 50% higher than the current average for the whole</p>

	<p>country. To be eligible for the support, a company had to invest at least CZK 10 million and employ 10 new people. For each new employee the investor was granted CZK 200 000 and could draw as much as 35% of the amount of money spent on training and retraining new personnel. CzechInvest accepted 100 applications for the Programme. The total amount of supported investment reached USD 237 million, 10,409 new jobs are being created via the scheme.</p> <p>In 2007 CzechInvest processed 391 requests to invest the Czech Republic, including expansions, 182 of which were brought to the project stage. CzechInvest actively seeks out interesting investment projects in sectors with high added value. The agency addresses investors at sector-related events in territories with the greatest investment potential, at conferences, and through individual meetings. Over the course of 2007, the agency's sector specialists participated in more than 60 professional seminars, international conferences and trade fairs. The most significant of these included, for example, the BIO 2007 conference in the United States, Shared Services Week, CeBIT, Hannover Messe, Farnborough Air Show and a range of other events.</p>
<p><b>Key performance indicators (evidence of impact)</b></p>	<p>963 investments in the country between 1993 to 2007. 187,873 jobs created and 616,778 CZK MI invested all created through CzechInvest mediated projects. In 2007 alone, 182 investment projects were mediated by CzechInvest, this amounted to 30,598 jobs and 70,934 CZK MI. In 2007 76% of projects invested in the country were in manufacturing, 14% technology and 10% business support services. Out of the total of 182 investment projects mediated by CzechInvest in 2007, expansions accounted for 112 (62%).<sup>2</sup></p>
<p><b>Strategic objectives</b></p>	<p>Increase the competitiveness of the Czech Republic in the global marketplace by:</p> <ol style="list-style-type: none"> <li>1. Creating new jobs in high value added sectors</li> <li>2. Supporting innovation</li> <li>3. Developing new industries and technologies</li> <li>4. Ensuring a competitive business environment for all companies</li> <li>5. Providing effective access to and delivery of EU Structural funds for business</li> </ol>

<sup>2</sup> Annual report 2007, CzechInvest,



## 9. Invest in Denmark

Invest in Denmark is supported by a network of regional IPA, including Copenhagen Capacity which we would consider to be among the best IPA in the world at present. The agency is solely concerned with inward investment attraction.

### Invest in Denmark: Strengths and Weaknesses

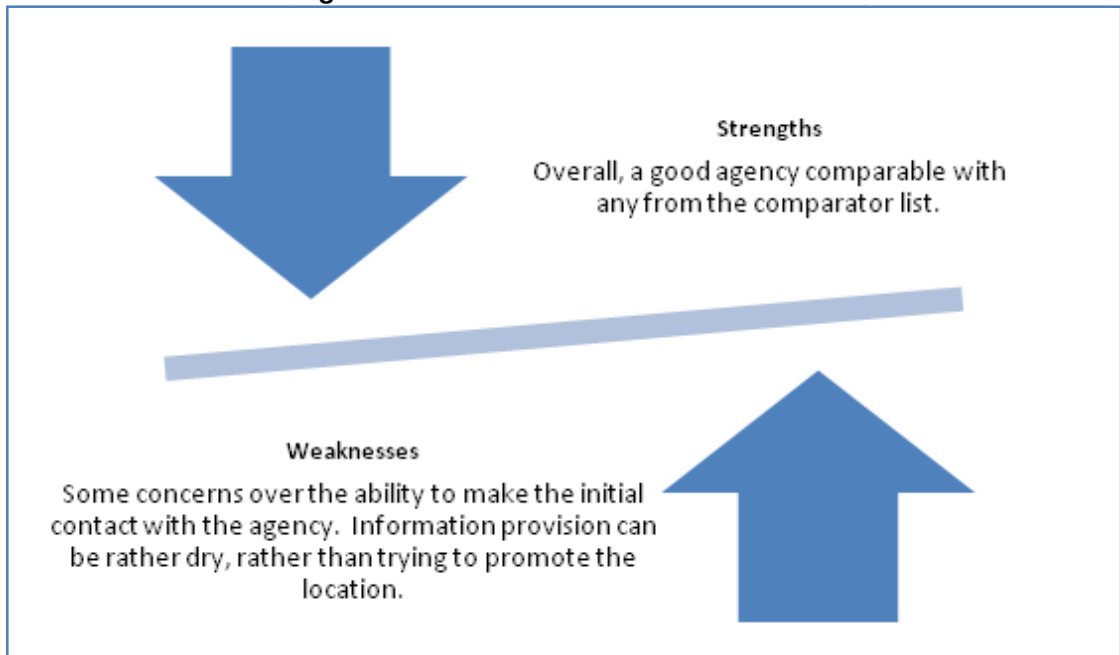
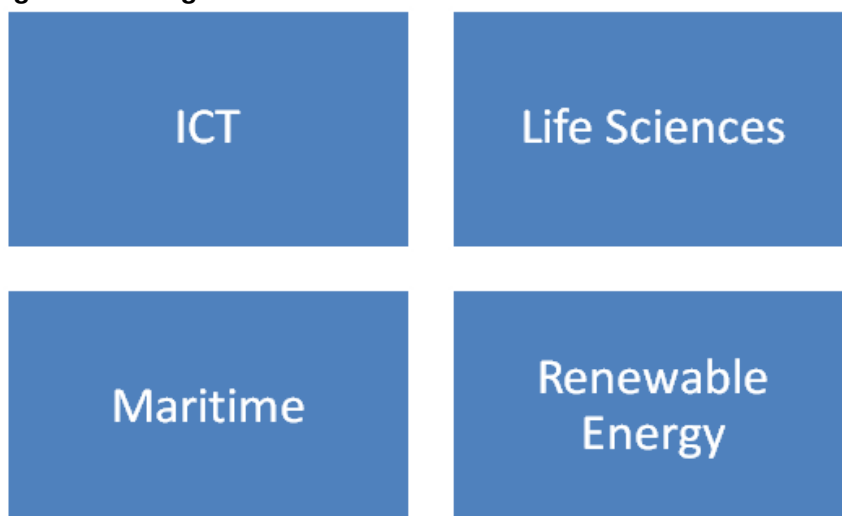
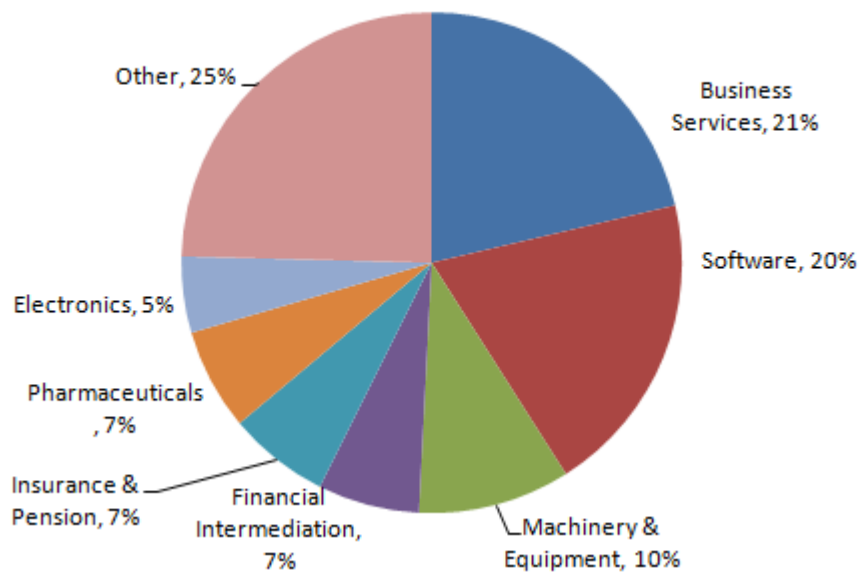


Diagram 9.1: Target Sectors



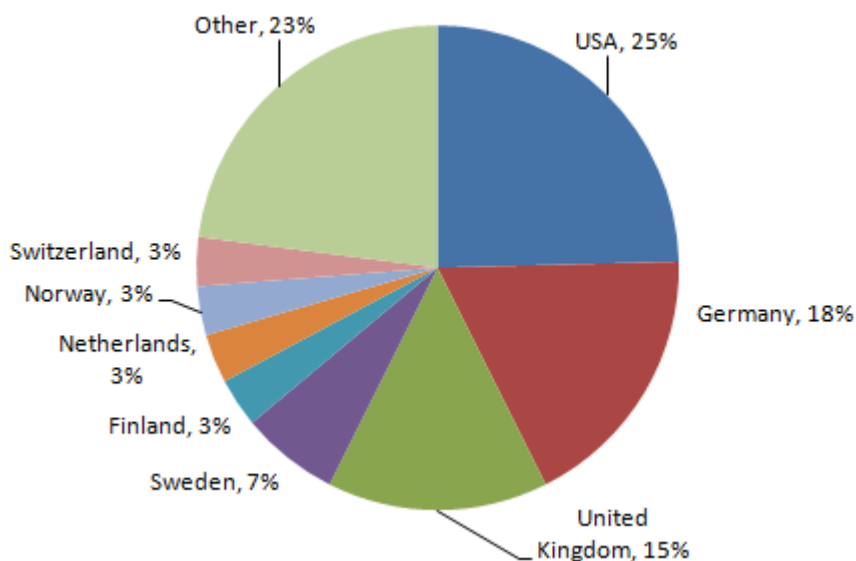
Of the comparator IPAs, Denmark has the joint lowest (with the East Midlands) number of target sectors (See Diagram 9.1). Those which it does promote do broadly match those in which it has had success in attracting projects (See Figure 9.1).

**Figure 9.1 - Investment Project Announcements in Denmark by Sector, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

**Figure 9.2 - Investment Project Announcements in Denmark by Country of Origin, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

Figure 9.2 shows the countries investing in Denmark, these are predominantly European, however 25% of all investment projects are from US firms, the largest share by country.


Invest in Denmark's overseas offices cover countries that are the source of just over 60% of all FDI projects into Denmark. Of the remainder, a significant amount of investment comes from neighbouring countries which can be adequately covered from Denmark.

Overseas offices	
Silicon Valley, USA	Shanghai, China
New York, USA	Tokyo, Japan
Toronto, Canada	Seoul, South Korea
London, UK	Paris, France
Bangalore, India	Munich, Germany
Hong Kong, SAR China	Taipei, Taiwan

#### Investor Experience

- The Invest in Denmark website has a good level of information and promotes the location effectively. There remains scope to improve the use of graphics and enhance the provision of sector information.
- Our experience of Invest in Denmark is mixed, with staff being helpful and professional, but at the same time we have had problems making initial contact. We have also found information to be presented in a relatively unattractive style.

**Table 9.1 – Additional Information on IDK**

Country	Denmark
<b>Organisation</b>	Invest in Denmark  <a href="http://www.investindk.com/">www.investindk.com/</a>
<b>Organisational Structure</b>	<p>Invest in Denmark (IDK) is part of the Danish Trade Council in the Ministry of Foreign Affairs of Denmark. The role of the organisation is to service foreign companies considering the possibility of establishing business operations in Denmark. Through active, focused marketing efforts in North America, Asia and Europe, potential investors are given an insight into the business opportunities that Denmark can offer.</p> <p>Invest in Denmark cooperates with the Danish Regions to ensure that all of Denmark is profiled and present in the national investment promotion efforts. The organisation uses a combination of support from both regional and national resources. Services are supported by the Regional Partnership Agreements (Regionale Partnerskabsaftaler) between the Danish State and the individual Regions. These regions are set out as:</p> <p>WestDenmark            In 2005, the first agreement with 7 counties in Jutland and Funen was signed. This entailed a contribution from IDK's side, covering 3 new positions abroad as well as establishing a position of Regional</p>

Coordinator in IDK HQ. In return, the counties contributed with the employment of 7 Regional Project Managers placed in strategic innovation- and knowledge environments in Jutland-Funen. In 2007, the agreement was negotiated and continued in cooperation with the 3 West Danish Regions (The Regions of South Denmark, North Jutland and Central Jutland) for a 2-3 year period (2007-2009).

#### ZealandRegion

In 2007, an agreement with the Zealand Region was reached to employ a Regional Project Manager to be placed in a regional innovation environment.

#### CopenhagenCapacity

Copenhagen Capacity markets Greater Copenhagen and is financed by the Greater Copenhagen Region and to some extent the Zealand Region.

To create a more coordinated effort, Copenhagen Capacity and Invest in Denmark entered a framework agreement in 2006 covering specific investment promotion activities on selected markets. Invest in Denmark and Copenhagen Capacity seek to avoid any uncoordinated action which may confuse or be otherwise unhelpful to a potential investor, seeking to locate in the Copenhagen Region.

Overall, IDK has a total of 33 staff of whom 13 are in Copenhagen, 4 are regional coordinators in Paris, Tokyo, New York, and Shanghai, and 16 are specialised staff at selected representations – a very narrow organisation that tries to cover a wide geographical spread. On some markets, IDK is only staffed with a single person e.g. India, Korea, Canada, and Germany.

#### **Services provided**

Invest in Denmark's goal is to make foreign investors aware of the high level of competence and experience within business areas like Information Communications Technology (ICT), Life Sciences, Creative Denmark, Maritime Denmark and Renewable Energy. The organisation also promotes Denmark as a location of choice for inward investors.

IDK operates as one global organisation in offices throughout Europe, North America and Asia. In close cooperation between staff in Denmark and abroad, the body offers potential investors a customised one-stop-shop service - free of charge and with full confidentiality, typical services include:

- Information and analyses relevant to establishing business activities in Denmark, including strategic strengths, business climate, investment incentives, business costs, location factors such as distribution, working environment and human resources
- A comprehensive benchmarking service which allows objective comparison of Denmark with up to 35 different global locations
- Facilitating contacts with potential partners, public authorities

	<p>and research institutions</p> <ul style="list-style-type: none"> <li>- Planning of fact-finding tours for companies from abroad</li> <li>- Practical assistance in setting up a base in Denmark</li> <li>- Selected aftercare programmes to grow your business once you are here</li> </ul> <p>Invest in Denmark's global team provides you with professional advice, services and connects you to the right people. Whether your company considers to relocate, consolidate, set up new production facilities, is on the lookout for new innovation partners or other strategic business solutions in Europe, Invest in Denmark is a good place to begin.</p>
<b>Key performance indicators (evidence of impact)</b>	<p>From 2002 to 2005, IDK was involved in 652 investment projects, with the result that 143 foreign investors have placed activities in Denmark. This has created or maintained 2,470 knowledge intensive jobs, corresponding to approx. 620 jobs per year.<sup>3</sup></p>
<b>Strategic objectives</b>	<p>The overall political goal of IDK is to maintain and attract foreign direct investment to Denmark, thereby strengthening the globalisation of Danish business and increasing the level of competence and knowledge. This leads to improved competitiveness for the Danish business community and contributes to the creation of healthy and attractive jobs.</p>

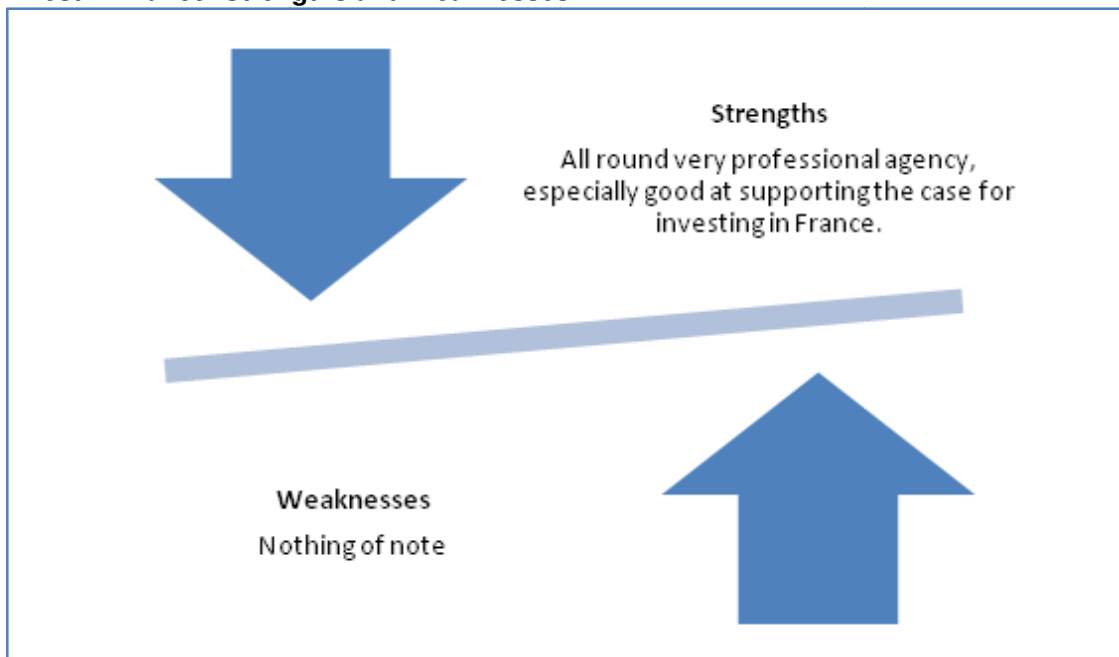
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<sup>3</sup> Denmark as an Investment Location, Invest in Denmark & Deloitte Business Consulting, 2006

## 10. Invest in France Agency

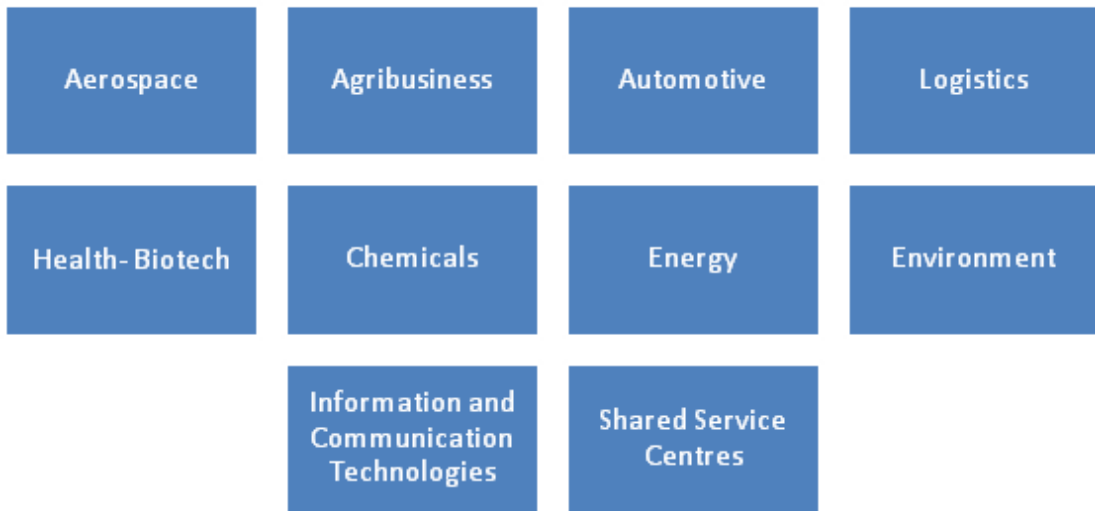
Invest in France is responsible for inward investment promotion only and is supported by a number of regional IPA covering the whole of France. Many of these are very strong in their own right, e.g. Ile-de-France Regional Development Agency.

### Invest in France: Strengths and Weaknesses

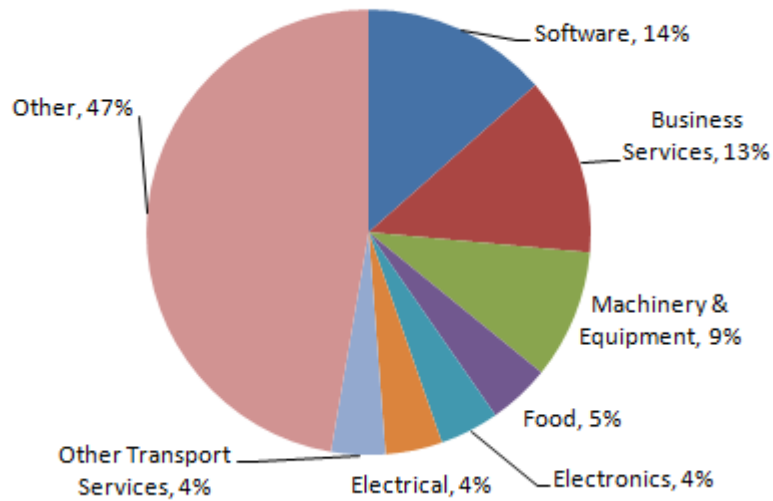


Invest in France's target sectors are broadly aligned to those in which it has a comparative advantage or existing sector presence, this can be seen in Diagram 10.1 and Figure 10.1. However, given the size of the country it is also able to attract investment from a wider range of sectors which it does not actively promote at the highest level.

**Diagram 10.1: Target Sectors**



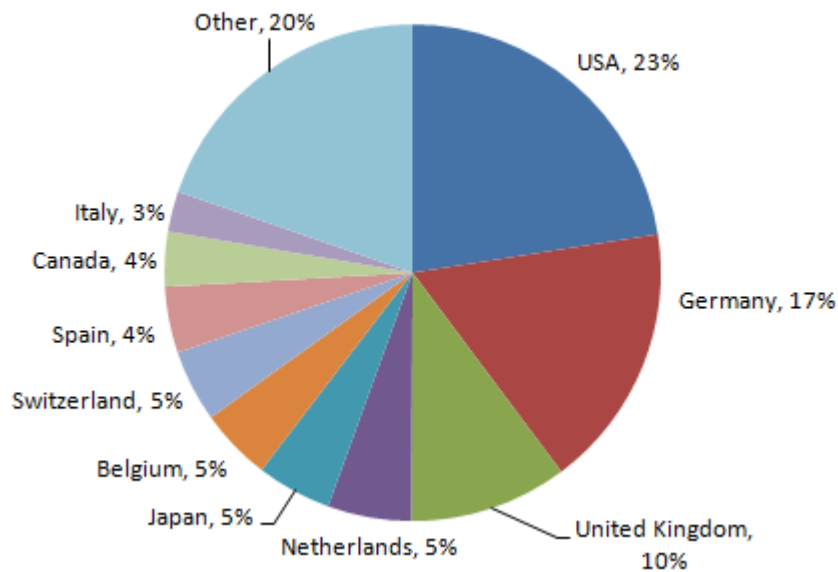
**Figure 10.1 - Investment Project Announcements in France by Sector, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

By country, France attracts investment from a variety of different areas, predominantly the US, Germany and then the UK as shown in Figure 10.2.

**Figure 10.2 - Investment Project Announcements in France by Country of Origin, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

Invest in France has overseas offices in countries which account for 82% of all FDI into France. In total the organisation has over 150 staff.


Overseas offices	
<b>San Francisco, USA</b>	Madrid, Spain
<b>Chicago, USA</b>	Milan, Italy
<b>Toronto, Canada</b>	Brussels, Belgium
<b>New York, USA</b>	Moscow, Russia
<b>London, UK</b>	Tel Aviv, Israel
<b>Amsterdam, Netherlands</b>	Abu Dhabi, UAE
<b>Düsseldorf, Germany</b>	New Delhi, India
<b>Stockholm, Sweden</b>	Singapore, Singapore
<b>Seoul, South Korea</b>	Taipei, Taiwan
<b>Tokyo, Japan</b>	Hong Kong, SAR China
<b>Shanghai, China</b>	

#### Investor Experience

- Although designed differently to a number of the other comparator IPA websites, the Invest in France website is attractive, engaging and easy to use. It is particularly strong on detailed sector information and the use of case studies and testimonials.
- Overall, when handling inquiries Invest in France are very professional, and respond quickly.



**Table 6.1 – Additional Information on IFA**

Country	France
<b>Organisation</b>	Invest in France <a href="http://www.invest-in-france.org/">www.invest-in-france.org/</a> 
<b>Organisational Structure</b>	<p>Invest in France Agency (IFA) was established under the New Economic Measures Law of 15 May 2001. The organisation is a public industrial and commercial body (EPIC), placed under the responsibility of the Minister for Economy, Finance and Industry, and the Minister for Regional Development.</p> <p>The Agency is responsible for promoting, prospecting and facilitating international investment in France working closely with local authorities across each region of the country.</p> <p>In order to achieve its objectives of promoting, prospecting and facilitating international investment in France, Invest in France Agency is specifically in charge of:</p> <ul style="list-style-type: none"> <li>- Promoting the French territory to international investors and opinion leaders</li> <li>- Prospecting investors and internationally mobile investment projects</li> <li>- Acting as a link between investing businesses, local authorities, economic development organizations, government bodies and service providers to facilitate international investment and ensure coherence among site selection bids</li> <li>- Monitoring and studying international investment flow and site selection factors.</li> </ul> <p>IFA has a central office in Paris (60 staff members) and offices overseas (79 staff members). These offices are part of the French public service, and staff members have private contracts. In total IFA has 154 staff members worldwide.</p> <p>IFA has a network of 21 offices overseas (Invest in France Agencies) set up by the Inter-ministerial delegation for regional development and competitiveness (DIACT):</p> <ul style="list-style-type: none"> <li>- 11 offices in Europe</li> <li>- 3 offices in North America</li> <li>- 7 offices in Asia</li> </ul>
<b>Services provided</b>	<p>IFA provides foreign companies with quality service to help them with every stage of the business set-up process and beyond:</p> <p>Services include:</p> <ul style="list-style-type: none"> <li>- <b>During the negotiation stage</b>, IFA provides information to help foreign investors make the best decisions, including</li> </ul>

information on the country, location, regional proposals, site visits, available

- **During the set-up process**, IFA acts as a facilitator to ensure the initial success of the investment project. Advice and information on the local economic and regulatory environment is provided and the organisation acts as intermediary for contact with French administration.
- **IFA provides long-term support for investment projects and concentrates on an after-care service that is based on individual action:** Contact is maintained between IFA and the investing company to determine whether the company is satisfied with its location, detect possible problems or ascertain possible new development projects. This is the purpose of the IFA “grands comptes” program, which was set up three years ago, and whose objective was recently broadened. These businesses receive two visits per year: one visit to their development site in France and the second in their home country.
- **Maintaining collective links with foreign business networks set up in France:** collaboration with international chambers of commerce and foreign business clubs set up in France, such as the IFA “Japan Club”.
- **Intervening** at the request of businesses to assist them in the event of a specific challenge, particularly concerning contact with French administration.
- **Facilitating the integration of foreign businesses** into the fabric of the local economy, particularly through the mobilization of potential partners, sub-contractors and suppliers.

IFA and the regional development agencies form a network to provide a quality service for foreign businesses in France. The various French regional partners offer expertise in terms of economic development and professional training. They are IFA’s main contacts concerning project locations. The French regional “departments” are the competent partners in terms of regional development and local infrastructures. The network also includes urban sites and other partners including clusters and major companies that have the capacity to revitalise sites that they wish to restructure.

**Key performance indicators (evidence of impact)**

In 2008, 641 European and international projects were attracted to invest in France with support from the IPA Invest in France and 31,932 jobs were supported. Of these, 36% were new investments and 39% expansions.

Relative to 2007, the number of jobs created or maintained fell by 7.5% in 2008. Even so, this was the fourth best result since the Annual Report was first produced in 1993. 2006 had been a record year, with almost 40,000 jobs created.

Conversely, the number of foreign investment projects announced in 2008 increased by 2.7% relative to 2007. This was the third best result

since 1993, behind 2005 and 2006. In general terms, this trend corresponds to the pattern observed in Western Europe by independent consultants, who note an increase in the number of foreign projects over the period 2000-2008 and a reduction in the number of jobs created since 2006. (See Appendices A and B of this report for an overview of the methodology used and the international context.)

The average number of jobs created or maintained per project – of the order of 50 in 2008 – was slightly down relative to the level achieved in 2007 (55 jobs per project). It was close to the average seen for the period from 2000 to 2007 (of the order of 51 jobs per project), and confirmed the fall in average project size since 2000. The average figure for the period from 1993 to 1999 was 67 jobs per project. This change is largely explained by the growing proportion of projects in the service sector, which are smaller on average than manufacturing production projects.<sup>4</sup>

**Strategic objectives**

- Invest in France has 3 primary objectives:
- Helping Foreign Businesses in France
  - Making Recommendations to the Government on Measures to Boost the Attractiveness of France
  - Promoting and Improving France's Business Climate

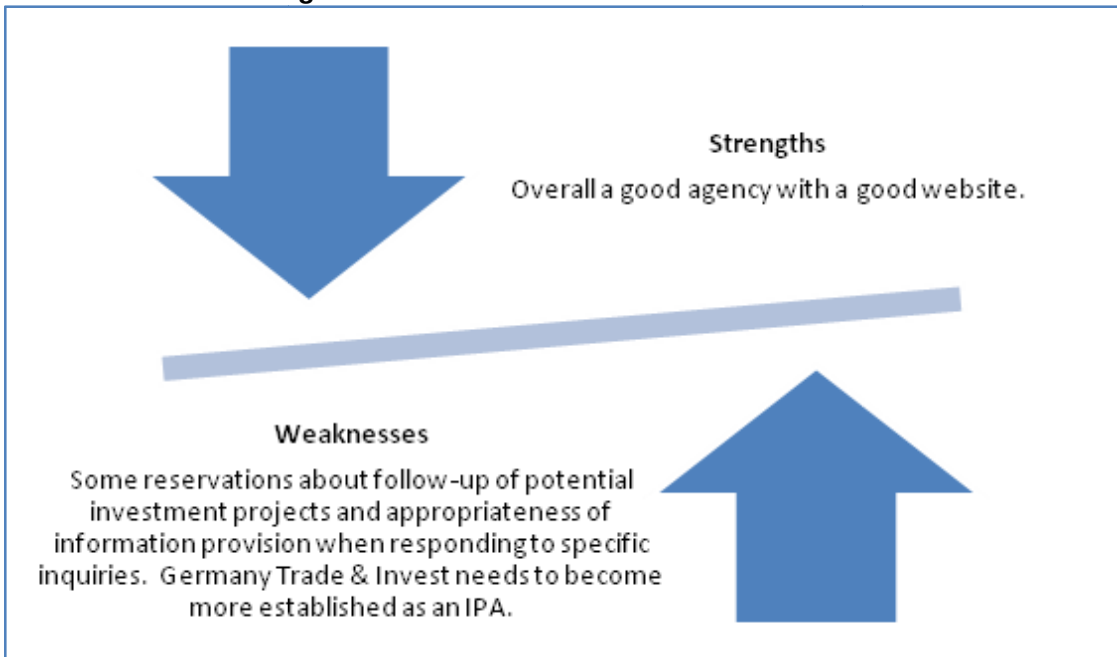
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<sup>4</sup> The Contribution of Foreign Direct Investment to Employment in France, Invest in France, 2008

## 11. Invest in Bavaria

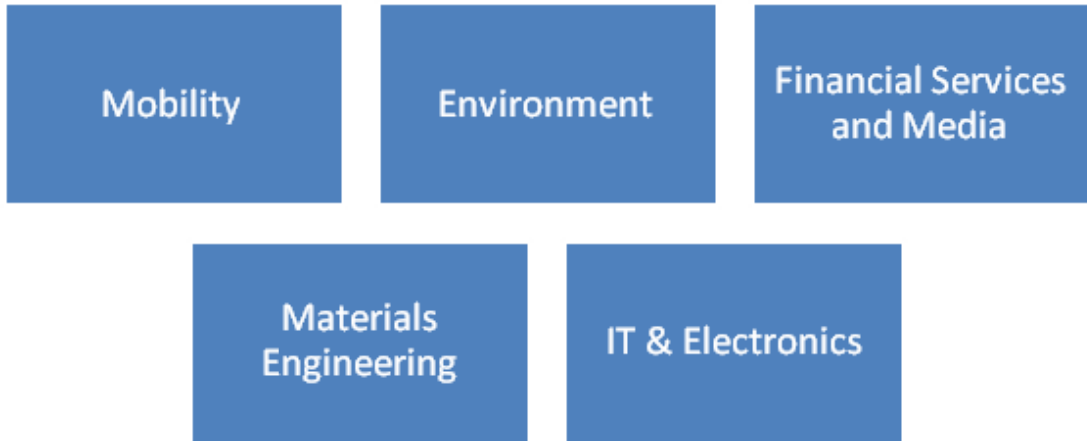
Invest in Bavaria falls under the activities of Germany Trade & Invest, and as such is similar to Scotland. Germany T&I has a similar remit to UKTI, however Invest in Bavaria is only responsible for inward investment attraction.

### Invest in Bavaria: Strengths and Weaknesses

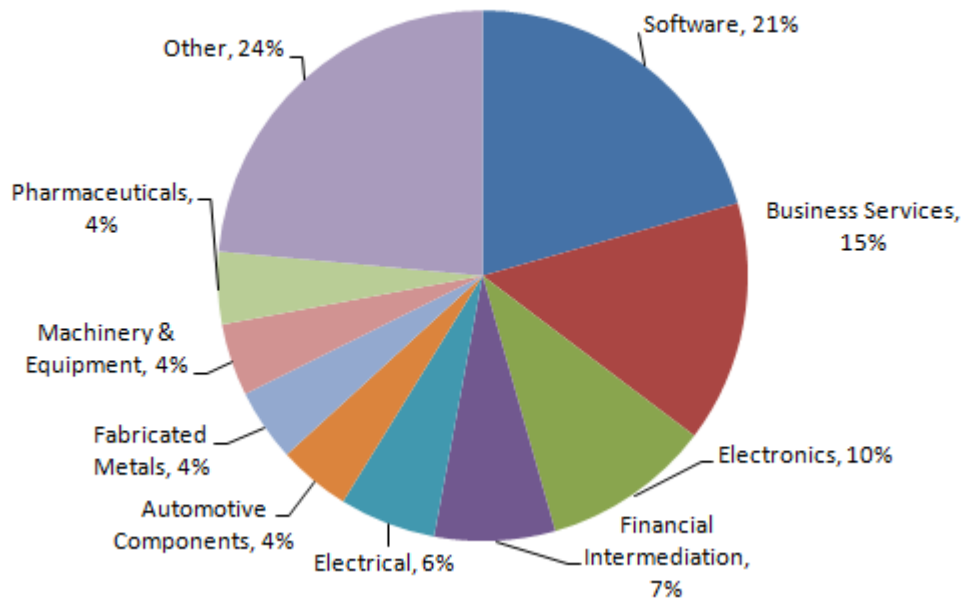


Although Invest in Bavaria have a headline list of five target sectors, each one tends to cover a group of sub-sectors, or ones which other IPA would be likely to identify separately. In both cases, the list is broadly similar to the FDI projects attracted to the region in 2007-2008. Diagram 11.1 and Figure 11.1 provide more detail.

**Diagram 11.1: Target Sectors**



**Figure 11.1 - Investment Project Announcements in Bavaria by Sector, Financial Year 2007-2008**



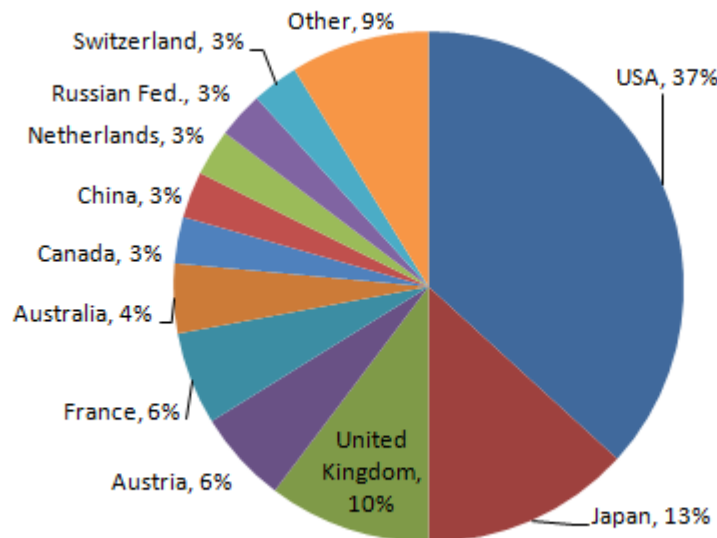
Source: Ernst & Young European Investment Monitor

Although Bavaria has a large number of overseas offices (20, the same as SDI) many of these are part of the wider German Chamber of Commerce. However, despite their many offices, they only cover countries which generate 60% of all FDI into the region. There is no Invest in Bavaria presence in the UK, France or Australia, which together generate just over 20% of all FDI projects into the region (See Figure 11.2).

This is offset by the role of Bavaria as one of the regions under the wider Germany Trade and Invest national IPA. However, the national IPA in its current form is a relatively new entity.

Overseas offices	
<b>Qingdao, China</b>	New York, USA
<b>Bangalore, India</b>	San Francisco, USA
<b>Tokyo, Japan</b>	Johannesburg, South Africa
<b>Ho Chi Minh City, Vietnam</b>	Sofia, Bulgaria
<b>Abu Dhabi, UAE</b>	Tel Aviv, Israel
<b>Sao Paulo, Brazil</b>	Zagreb, Croatia
<b>Montreal, Canada</b>	Warsaw, Poland
<b>Mexico City, Mexico</b>	Bucharest, Romania
<b>Kiev, Ukraine</b>	Prague, Czech Republic
<b>Moscow, Russia</b>	Budapest, Hungary

**Figure 11.2 - Investment Project Announcements in Bavaria by Country of Origin, Financial Year 2007-2008**




Source: Ernst & Young European Investment Monitor

### Investor Experience

- The Invest in Bavaria website is well-designed and visually appealing, with excellent content.
- Overall the agency interaction with potential investors is highly professional. However, there can be difficulties contacting the sector specialists, and the follow-up process could be more proactive.

**Table 11.1 – Additional Information on Invest in Bavaria**

Country/ Region	Bavaria, Germany
<b>Organisation</b>	Invest in Bavaria <a href="http://www.invest-in-bavaria.de/en/home/">http://www.invest-in-bavaria.de/en/home/</a> 
<b>Organisational Structure</b>	Invest in Bavaria is the inward investment and location marketing unit of the Bavarian State Ministry of Economic Affairs, Infrastructure, Transport and Technology. Invest in Bavaria is jointly operated by the State Ministry and Bayern International. The organisation has 20 Bavarian representative offices worldwide, from Moscow to São Paulo, from California to Tokyo and less than 40 staff members.
<b>Services provided</b>	<p>Invest in Bavaria is the division for foreign direct investment and location marketing within the Bavarian Ministry of Economic Affairs. Invest in Bavaria provides free and confidential information, advisory and support services to investors from Germany and abroad on setting up or expanding business operations in Bavaria. Invest in Bavaria provide support in the form of:</p> <ul style="list-style-type: none"> <li>- Marketing</li> <li>- Pitching to investors</li> <li>- Disseminating information</li> <li>- Providing investors setting up and expanding operations with all necessary services</li> </ul> <p>In these main functions Invest in Bavaria provide high quality information (free of charge), detailed site descriptions and analysis on an individual basis, on site consultation services, e-listings of commercial properties and buildings. They also provide support in processing plan approvals and other official procedures.</p> <p>In addition, investors to the area can apply for programmes of support if they are active in the manufacturing sector, skilled trades, tourism and other service industries provided they achieve more than 50% of their turnover out with their local area of operation. Credit facilities are also available for small and medium sized firms. Other grants and subsidies are available to specific businesses investing in the region from the central government.</p>



<b>Key performance indicators (evidence of impact)</b>	Germany has the 6 <sup>th</sup> highest foreign direct investment potential globally according to the 2007 Inward FDI Potential Index, Unctad, 2007. <sup>5</sup>
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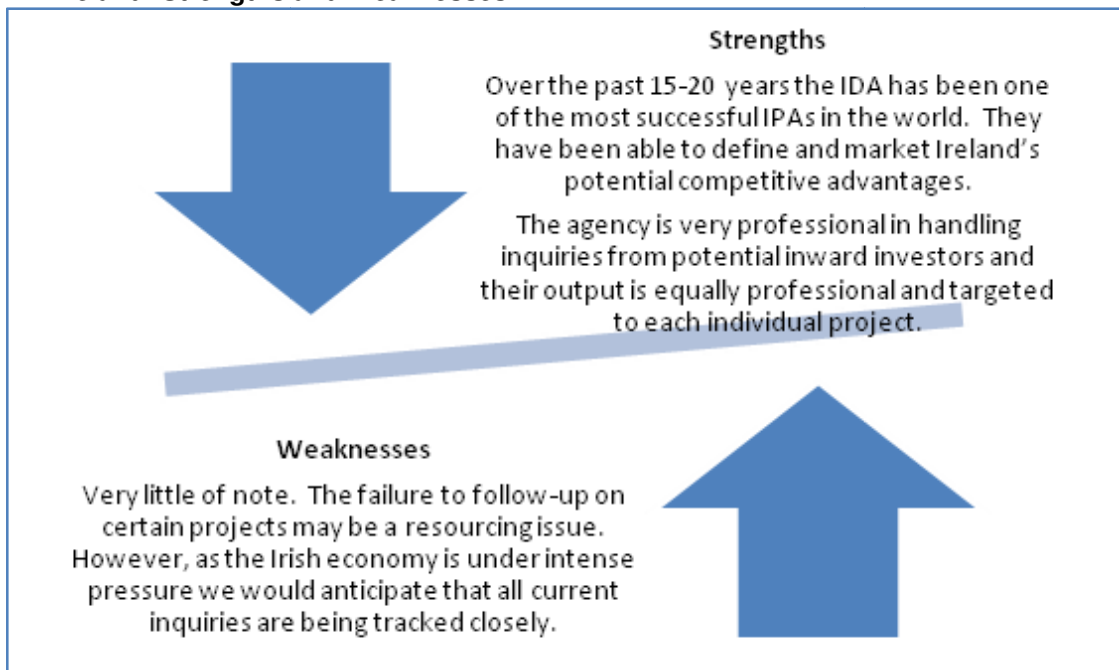
<sup>5</sup> 2007 Inward FDI Potential Index, Unctad, 2007



## 12. IDA Ireland

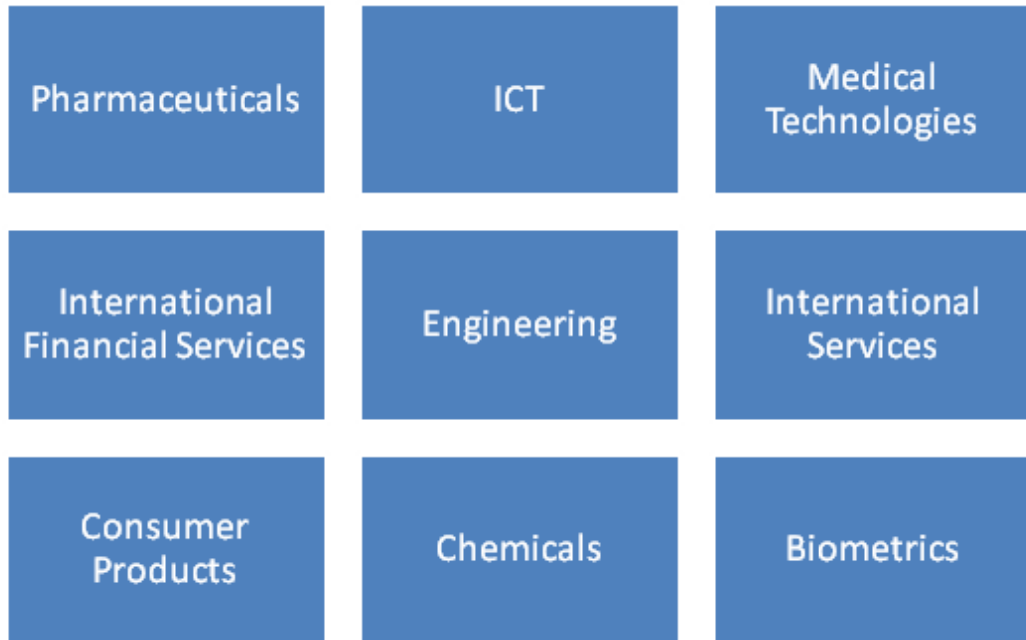
With the exception of Shannon Development, IDA Ireland is the sole agency involved in any form of investment promotion in Ireland. The IDA is solely responsible for inbound FDI while Enterprise Ireland handles outbound trade.

### IDA Ireland: Strengths and Weaknesses

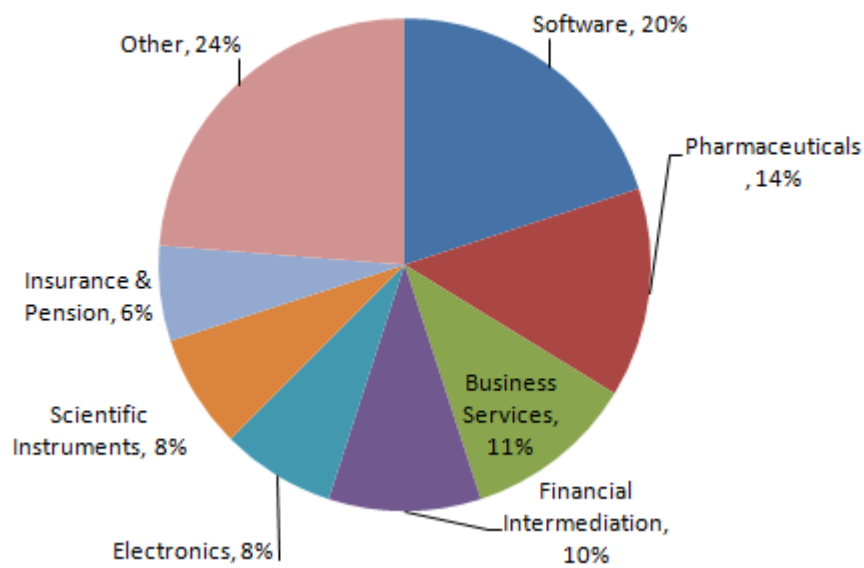


In terms of target sectors, there is a strong correlation between the target sectors that the IDA has identified and the inward FDI profile. For example, pharmaceuticals and ICT together make up 24% of Ireland's investment and these two sectors are identified by the IPA. See Diagram 12.1 and Figure 12.1.

**Diagram 12.1: Target Sectors**



**Figure 12.1 - Investment Project Announcements in Ireland by Sector, Financial Year 2007-2008**



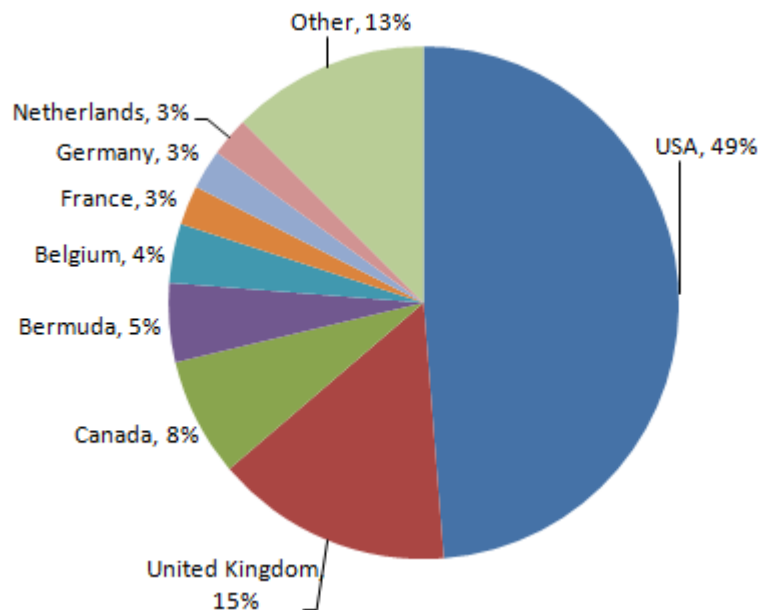
Source: Ernst & Young European Investment Monitor

In total IDA Ireland has 275 staff located in offices across the globe:

Overseas offices	
Boston, USA	Frankfurt, Germany
New York, USA	Mumbai, India
Atlanta, USA	Shanghai, China
Chicago, USA	Seoul, Korea
Mountain View, USA	Taipei, Taiwan
Irvine, USA	Tokyo, Japan
Sao Paulo, Brazil	Sydney, Australia
London, UK	Paris, France

The USA is the largest single source of FDI projects into Ireland (See figure 12.2). Just under half of all projects originate from the USA, the highest percentage of any origin country to any of the comparator IPAs. This has made FDI into Ireland particularly exposed during the current economic downturn.

**Figure 12.2 - Investment Project Announcements in Ireland by Country of Origin, Financial Year 2007-2008**




Source: Ernst & Young European Investment Monitor

### Investor Experience

- The IDA website is well designed, with detailed content and has recently been updated making it more visually appealing.
- Overall, the IDA is an extremely professional IPA who responds quickly to investor inquiries. At all stages of interaction they are keen to attract the investment.

- Information submitted to investors is of a very high standard, professionally branded and focuses on promoting Ireland as a good location for each project.
- However, the IDA not always follow-up on project inquiries.

**Table 12.1 – Additional Information on IDA Ireland**

Country	Republic of Ireland	
<b>Organisation</b>	IDA Ireland <a href="http://www.ida.ie/">http://www.ida.ie/</a>	
<b>Organisational Structure</b>	<p>Ireland's inward investment promotion agency, IDA Ireland (Industrial Development Agency) is responsible for the attraction and development of foreign investment in Ireland. IDA Ireland is an autonomous state sponsored Agency funded through Government grant under the National Development Plan. The Agency reports to the Minister for Enterprise, Trade and Employment.</p> <p>The organisation is structured to gather expert knowledge and skills through a network of offices overseas. In total IDA Ireland has 15 offices worldwide and 275 staff.</p> <p>The IDA Ireland headquarters offices are structured on the basis of having the sectoral expertise and the business management skills to support companies as they locate in Ireland. In addition the organisation has a network of regional offices around the country who deal with inward investment projects for those regions.</p> <p>The organisation has increased its international presence in recent years through the expansion of existing offices and the development of new offices in France (Paris) and China (Shanghai). The plan for 2008 was to further developed its expansion with new offices in India (Mumbai) and USA (Boston, Southern California) and extra personnel in Atlanta and London as part of a significant redeployment of personnel to the overseas activities.</p>	
<b>Services provided</b>	<p>A range of services and incentives, including funding and grants, are available to those considering foreign direct investment in Ireland. These are offered by IDA Ireland, to both new and existing clients.</p> <p>Inward investment is attracted by:</p> <ul style="list-style-type: none"> <li>- Focusing on business sectors that are closely matched with the emerging needs of the economy and that can operate competitively in global markets from an Irish base.</li> <li>- Compilation of up-to-date statistics and facts for research into industry, the economy and foreign direct investment in Ireland.</li> <li>- Building links between international businesses and third level</li> </ul>	

education, academic and research centers.

- Pursuing Ireland's policy of becoming a knowledge-based economy by actively building world-leading clusters of knowledge-based activities.
- Strongly influencing the competitive needs of the economy by actively engaging in the development of infrastructure and business support services, telecoms, education, regulatory issues especially in relation to EU policy.

In addition, the type of services offered by IDA Ireland include:

- The provision of information and statistics on key business sectors and locations within Ireland
- Assistance in setting up a business in Ireland
- An introduction to potential investors to local industry, government, service providers and research institutions
- Advice on property solutions for international investors

Financial assistance may be provided to companies wishing to locate in Ireland or expand their existing operations in Ireland by IDA Ireland. The unique characteristics of any proposed project will determine the incentive package available. Potential investment projects are evaluated through a process of negotiation with IDA Ireland.

The main criteria applied to determine the availability of incentives include:

- The quality of employment created
- Location chosen within Ireland

The types of grants that are available include grants for Employment , Research and Development (R&D), Training and Capital Grants.

**Key performance indicators (evidence of impact)**

In 2007, IDA Ireland supported 114 new investment projects, 39 of which were expansion projects, 30 greenfield and 45 R&D/innovation projects. Capital investment in approved projects amounts to €2.3bn and 9,216 new jobs were created.

In terms of the direct expenditure into the Irish economy, IDA Ireland have estimated €15.9bn in 2006. In total 994 companies were supported by IDA Ireland in 2007 amounting to 136,394 full time jobs.

IDA Ireland monitors the cost per job sustained by its investment and the impact of supported companies:

**Cost per Job Sustained**

Constant 2007 Prices

Euro	1992/ 1998	1993/ 1999	1994/ 2000	1995/ 2001	1996/ 2002	1997/ 2003	1998/ 2004	1999/ 2005	2000/ 2006	2001/ 2007
IDA Ireland (€)	20,266	17,855	16,618	16,549	18,804	18,483	16,408	14,432	13,097	12,577

Source: Forfás Annual Employment Survey 2007.

Note: The cost per job sustained is calculated by taking into account all IDA Ireland expenditure to all firms in the period of calculation. Only jobs created during and sustained to the end of each seven-year period are credited in the calculations.

### Economic Impact of IDA Supported Companies

	€billion 2004	€billion 2005	€billion 2006	% Change 2005-2004
Sales	78,302	90,112	95,136	5.69
Exports	74,357	85,855	90,841	5.89
Direct Expenditure in the economy	15,594	14,678	15,873	8.19
of which:				
Payroll costs	5,732	5,982	6,734	12.69
Irish Materials	3,690	3,223	3,425	6.39
Irish Services	6,172	5,473	5,714	4.49
Direct Expenditure as % of Sales	19.9%	16.3%	16.7%	-

Source: Based on the Annual Business Survey of Economic Impact, co-ordinated by Forfás and administered by Insight Statistical Consulting / Economic and Social Research Institute (ESRI).

Note 1: The Survey is based on manufacturing and internationally traded services companies with 10 or more employees (excluding regulated financial services companies).

Note 2: Results are based on companies responding to the survey in 2007 (grossed-up to reflect non-respondents). Results can vary from previous estimates due to revisions made by companies and differences in the base of respondents from one survey period to the next.

Source: IDA Ireland Annual Report 2007

The wider impact of FDI companies is recognised in terms of their influence on the following:

- Investment in excellence in lifelong learning with educational and training institutes.
- Leading productivity improvements across business activities and seeding techniques such as Six Sigma, Lean Manufacturing and Total Quality Management.
- Making inputs at both policy and infrastructural levels on a very wide enterprise agenda (education, science, physical and digital infrastructure) to the greater national benefit.
- Driving novel collaborations, consortia and independent research and innovation activities in conjunction with each other and with Third Level institutions.
- Enhancing an entrepreneurial ethos resulting in both internationally traded start-up businesses and those that supply goods and services to the existing FDI base.

According to the Economist Intelligence Unit Business Environment Rankings, Ireland will remain one of the most attractive business locations in the world throughout the period 2007-2011. Ireland is ranked 10th globally out of 82 countries (IDA, Ireland 2008).

#### Strategic objectives

The mission of IDA Ireland is to accelerate the development of world-class Irish companies to achieve strong positions in global markets, resulting in increased national and regional prosperity. Enterprise Ireland adopted a new strategy for the years 2008-2010 with seven strategic goals:

1. transform Irish industry;
2. drive growth and internationalism;
3. increase Irish innovation;
4. grow companies of scale;
5. grow and compete in existing and emerging sectors;
6. drive growth in the service sector; and
7. increase entrepreneurship and regional development in Ireland.



The focus of IDA Ireland has now been aligned to three main investment areas: Global Services, High Technology Manufacturing and Research, Development and Innovation (RD&I).

**Sources**

<http://www.ida.ie/>

*Ireland Vital Statistics*, IDA Ireland, December 2008

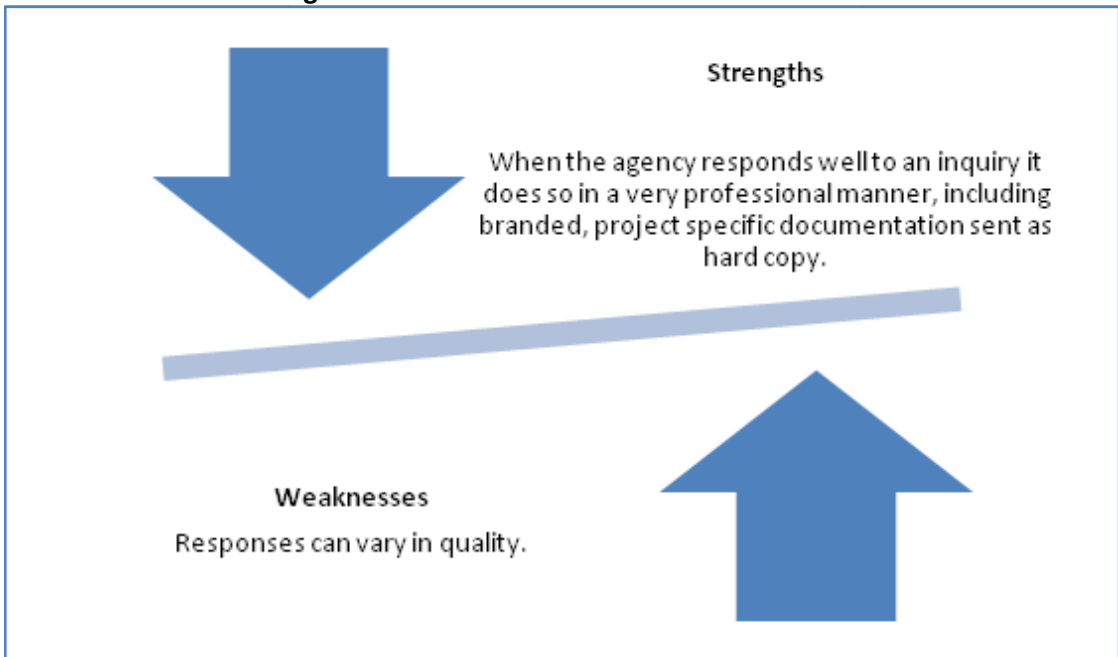
[http://www.idaireland.com/news-media/publications/library-publications/ida-ireland-publications/Vital\\_Statistics\\_Dec.\\_2008.pdf](http://www.idaireland.com/news-media/publications/library-publications/ida-ireland-publications/Vital_Statistics_Dec._2008.pdf)

*IDA Ireland Annual Report 2007*

### 13. Invest in Sweden

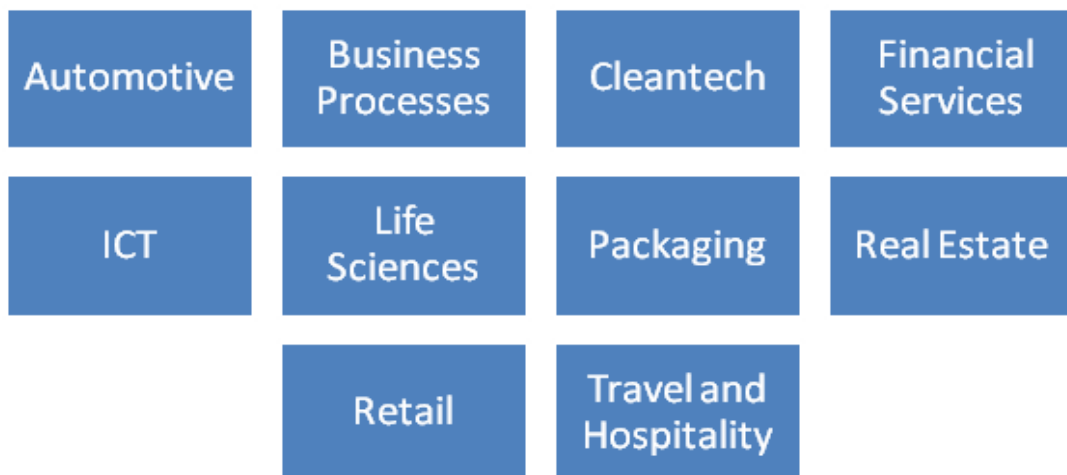
Invest in Sweden is supported by a number of very strong regional IPA (Stockholm Business Region, Business Region Göteborg, etc.) which often demonstrate best practice of their own. The organisation is only responsible for inward investment promotion.

#### Invest in Sweden: Strengths and Weaknesses



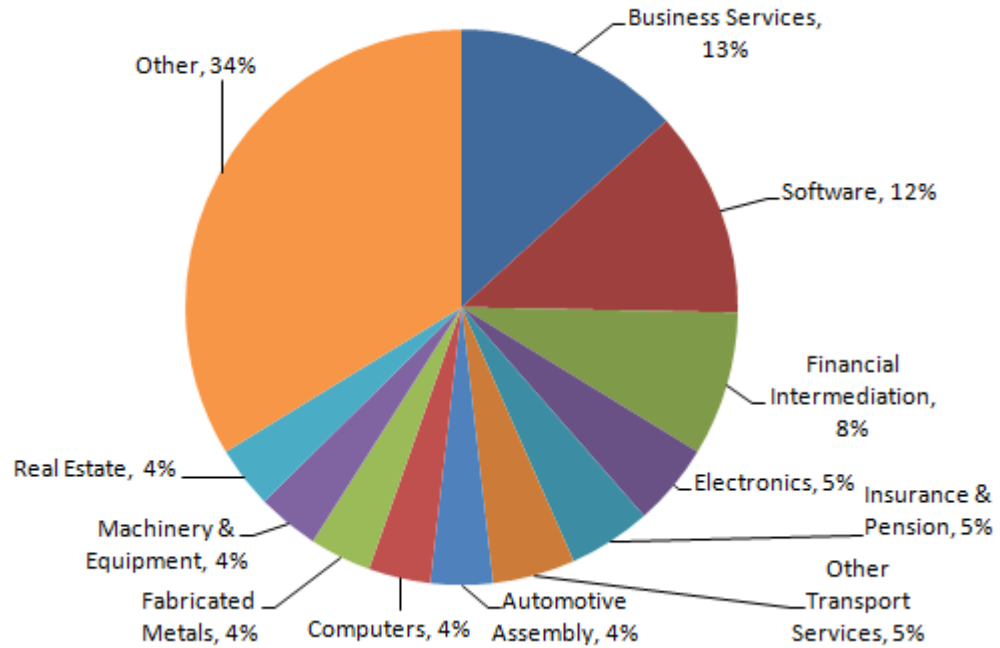
FDI into Sweden is characterised by the diverse range of sectors. None is particularly dominant. There is a broad overall match between Invest in Sweden’s target sectors and inbound FDI (See Diagram 13.1 and Figure 13.1).

**Diagram 13.1: Target Sectors**





**Figure 13.1 - Investment Project Announcements in Sweden by Sector, Financial Year 2007-2008**

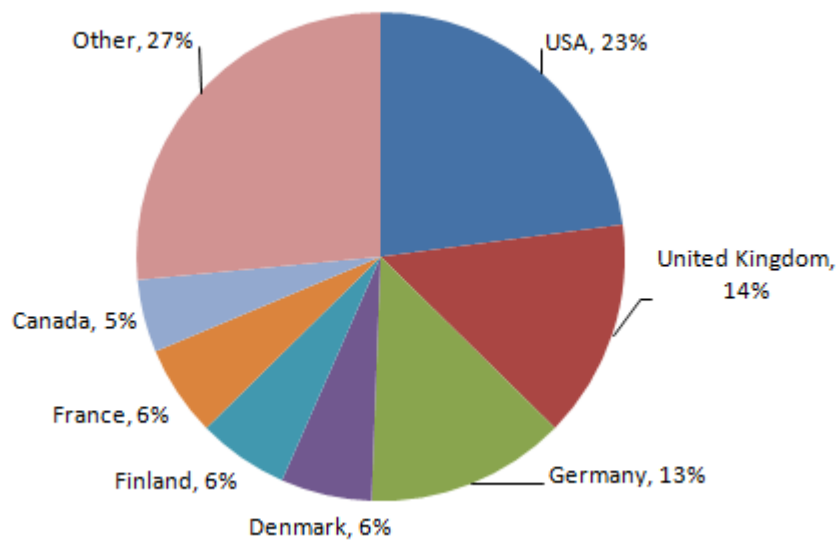


Source: Ernst & Young European Investment Monitor

Sweden has the second fewest overseas offices of any of the comparator IPAs and a total staff of 70. However, many of the countries which are major sources of FDI can easily be served from Sweden. The agency has a presence in the US, the largest single source of FDI (Figure 13.2) and offices in both India and China, looking at the future development of FDI.

Overseas offices
Tokyo, Japan
New York, USA
Shanghai, China
New Delhi, India

**Figure 13.2 - Investment Project Announcements in Sweden by Country of Origin, Financial Year 2007-2008**



Source: Ernst & Young European Investment Monitor

#### Investor Experience

- The Invest in Sweden website is well designed and meets most of the requirements of potential inward investors. However, the sector information is a little light and could be strengthened.
- Our experience of Invest in Sweden's inquiry handling ability has been mixed. While the interaction with staff is generally of high standard, information provided by the agency can vary in quality and suitability.

**Table 13.1 – Additional Information on ISA**

Country	Sweden
<b>Organisation</b>	Invest in Sweden <a href="http://www.isa.se">http://www.isa.se</a>
<b>Organisational Structure</b>	Invest in Sweden Agency (ISA) is the government agency assisting and informing foreign investors about business and investment opportunities in Sweden, ISA therefore deals solely with the attraction of inward investment into Sweden. With a staff of 70, ISA provides services to investors from its offices in Stockholm, China, India, Japan and the US. In addition, ISA cooperates with Swedish embassies and consulates throughout the world. The head office for Invest in



	<p>Sweden is located in Stockholm with 17 regional offices across the country, each regional office deals with each investment for their region individually. The agency has a further 4 offices internationally.</p>
<b>Services provided</b>	<p>Invest in Sweden provide comprehensive information on business and investment opportunities in Sweden, key business sectors and the Swedish economy.</p> <ul style="list-style-type: none"> <li>- Tailor-made information and practical advice on how to proceed when setting up a business in Sweden.</li> <li>- Introductions to relevant contacts among Swedish authorities, utility providers and professional service companies such as lawyers, accountants, relocation specialists and recruitment companies.</li> <li>- Assistance in finding and arranging visiting programs to the most suitable locations in Sweden.</li> <li>- Support in finding companies for possible joint ventures or other forms of cooperation.</li> </ul>
<b>Key performance indicators (evidence of impact)</b>	<p>In 2008, Sweden received 116 investments and about 500 new jobs all assisted by Invest in Sweden. Since the organisation was first formed in 1996, it has participated in 1,600 investments to the country.<sup>6</sup></p> <p>Sweden has the 8<sup>th</sup> highest foreign direct investment potential globally according to the 2007 Inward FDI Potential Index, Unctad, 2007<sup>7</sup>. Inward investment stock stands at \$210bl as of 2006. Sweden has also experienced a tenfold increase in the inward FDI stock as a percentage of GDP from 1990 to 2005.<sup>8</sup></p>
<b>Strategic objectives</b>	<p>ISA sets out a number of key objectives, these include:</p> <ul style="list-style-type: none"> <li>- <b>Attract FDI to Sweden</b> to enhance Swedish competitiveness and promote growth.</li> <li>- <b>Increase awareness of business opportunities in Sweden</b> and the image of Sweden as an attractive country for investments.</li> <li>- <b>Extend cooperation with players in the private and public sectors</b>, and increase FDI skills and expertise in municipalities, counties and regions.</li> <li>- <b>Provide the government and other relevant players with high-quality investment analysis</b> of the Swedish and international economies.</li> </ul>

<sup>6</sup> Presentation of Invest in Sweden Agency, 2009, [www.isa-northamerica.org/literature/ISA%20presentation%202009\(eng\)%20March.ppt](http://www.isa-northamerica.org/literature/ISA%20presentation%202009(eng)%20March.ppt) -

<sup>7</sup> 2007 Inward FDI Potential Index, Unctad, 2007

<sup>8</sup> Business and Investment Opportunities, Invest in Sweden, 2008/09

## International

### 14. Investment New Zealand

There are a number of city IPAs in New Zealand, part of the local authorities, which support Investment New Zealand. The agency handles both inward FDI promotion and outbound trade.

**Diagram 14.1: Target Sectors**



Overseas offices	
London, UK	Hong Kong, SAR China
Paris, France	Tokyo, Japan
Singapore, Singapore	Los Angeles, USA
Sydney, Australia	New York, USA
Melbourne, Australia	

#### Investor Experience

- Particularly strong website, visually appealing and excellent at promoting the location. Strong use of case studies.

The investor experience with New Zealand has been mixed, on one occasion we failed to receive any response from the Agency, whilst on a second occasion we found the quality of the information sent to us to be extremely professional. Investment New Zealand has a particularly well designed website, which is immediately attractive to the user. It excels in terms of promotion of the location, with a good use of case studies. There can at times though, be some lack of detail in terms of information provision.



## 15. Comparator Summary

Country	Agency Name	Total Population (m)	# Target Sectors	# IPA Employees	# Overseas Offices	Total Projects 2007-2008	Projects per Capita 2007-2008 (millions)	Strengths of IPA	
Ireland	IDA	6	9	275	16	80	13	Very professional at handling enquiries and successful at attracting projects	
UK	SDI	5.1	12	180	20	61	12	Strong brand and enthusiastic staff who maintain close contact with investors	
UK	UKTI	61.6	9	2,500	150	717	12	A large, global presence and good model of co-location	
Denmark	Invest in Denmark	5.5	4	-	13	61	11	Good level of information provision	
Sweden	Invest in Sweden	9.3	10	70	4	83	9	High quality information provided to users	
Czech Republic	CzechInvest	10.5	9	168	8	88	8	Organised centrally and focused	
France	Invest in France	65.1	10	154	21	533	8	Professional organisation with a strong regional network	
UK	IBW (Wales)	3	10	-	16	23	8	Good inquiry handling	
Austria	ABA	8.3	12	30	2	60	7	Good organisation of regional offices	
Germany	Invest in Bavaria	12.5	5	-	20	68	5	Good website and professional staff	
UK	NWDA	6.9	6	431	6	30	4	Good inquiry handling and clear website	
UK	EMDA	4.2	4	242	6	14	3	Professional service offered	
New Zealand	Investment Zealand	New Zealand	4.3	6	-	9	-	NA	Good use of case studies and promotion