

Attracting sustainable FDI in strategic sectors

Asia-Pacific Foreign Direct Investment Network

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Topics

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

Selecting priority (target) sectors

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

Components of an FDI attraction strategy

- 1. Clear objectives why do we want FDI? What type of FDI?
- 2. Target groups who do we want to attract?
- 3. Value propositions why should they invest here?
- 4. Go-to-market approach how will we identify and engage with potential investors?
- 5. Organizational structure and roles who will be responsible for results?
- 6. Resources, processes and tools what do we require to operate effectively?
- 7. Performance indicators how will we measure and communicate results?
- 8. Financial plan how will we deploy our resources?

Selecting priority (target) sectors – starting point

- 1. What do we mean by "sustainable investment"?
- 2. Why do we want to attract sustainable investment?
- 3. What are the specific types of sectors and activities that we want to attract?
- 4. How attractive are we as a location for those sectors and activities?
- 5. Who are the individual companies that we want to attract?

External assessment

Selecting priority (target) sectors – approach

Internal assessment

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

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

