

The Role of Diplomats in Investment Promotion

**Workshop on Investment Promotion
for Egyptian Diplomats
Cairo, Egypt
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Degrees of engagement in investment promotion

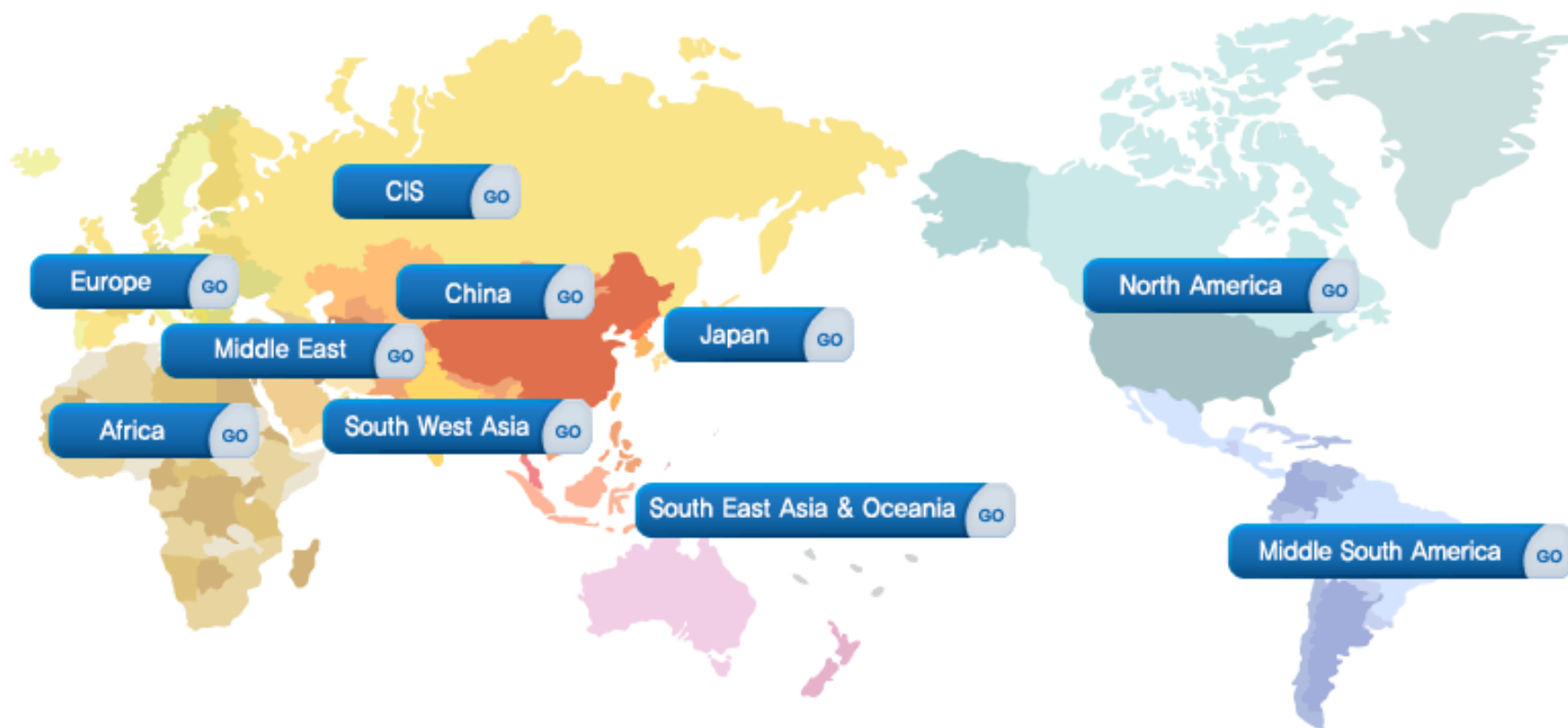
☐ Reactive approach

- Respond to requests from investors, your national IPA or other government institutions dealing with investment and trade

☐ Proactively approach

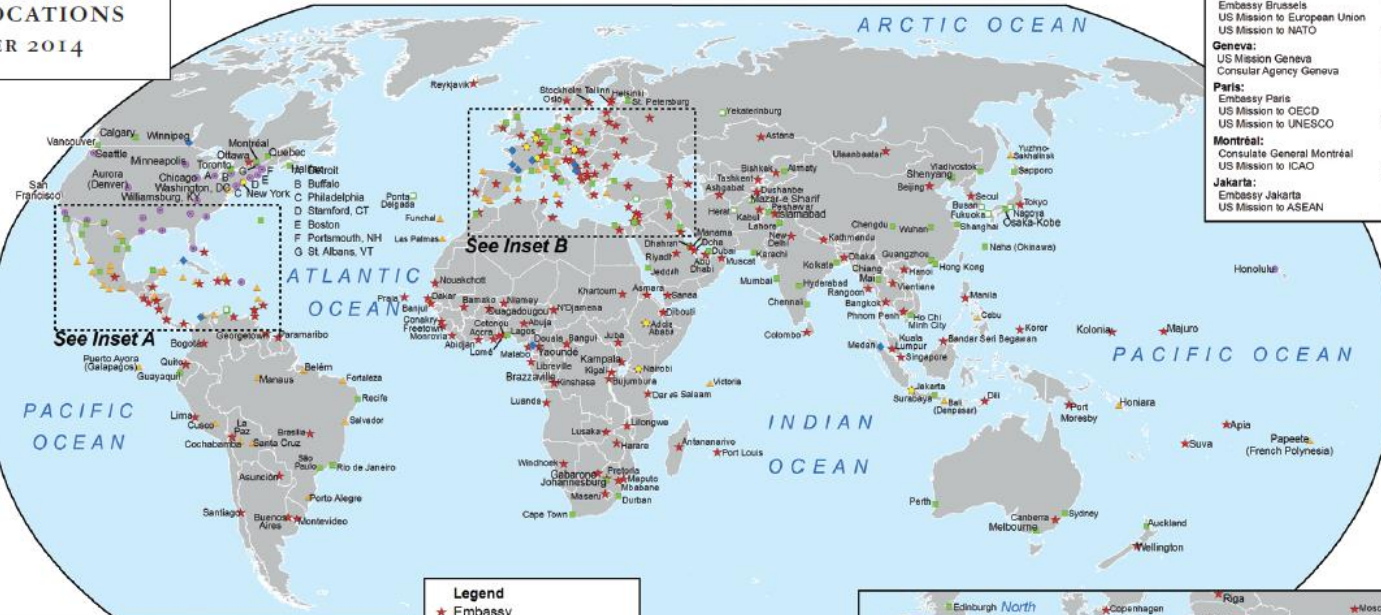
- Develop a relationship with your national IPA and agree on a set of activities that you can perform
- Dedicate a percentage of your time to investment promotion
- Develop and follow an action plan for investment promotion

The Republic of Korea's KOTRA Overseas Network



Global reach: U.S. diplomatic network

DEPARTMENT OF STATE LOCATIONS OCTOBER 2014



Cities with multiple Department of State facilities

Addis Ababa: Embassy Addis Ababa US Mission to the African Union	Nairobi: Embassy Nairobi US Mission to UNEP and Habitat
Brussels: Embassy Brussels US Mission to European Union US Mission to NATO	New York: US Mission to UN New York Passport Center
Geneva: US Mission Geneva Consular Agency Geneva	Portsmouth, NH: National Passport Center National Visa Center
Paris: Embassy Paris US Mission to OECD US Mission to UNESCO	Rome: Embassy Rome Embassy Holy See US Mission to FAO
Montreal: Consulate General Montreal US Mission to ICAO	Vienna: Embassy Vienna US Mission to OSCE US Mission to UNWIE
Jakarta: Embassy Jakarta US Mission to ASEAN	Washington, DC: Department of State US Mission to OAS Washington Passport Agency



Legend

- ★ Embassy
- Consulate general
- Consulate
- U.S. Mission
- ◆ Other post or location
- Consular agency
- U.S. passport or visa center

This map does not show Diplomatic Security field offices in the United States.

Boundary representation is not authoritative
1107 10-14 STATE (INR)



Added value to investment promotion by diplomats

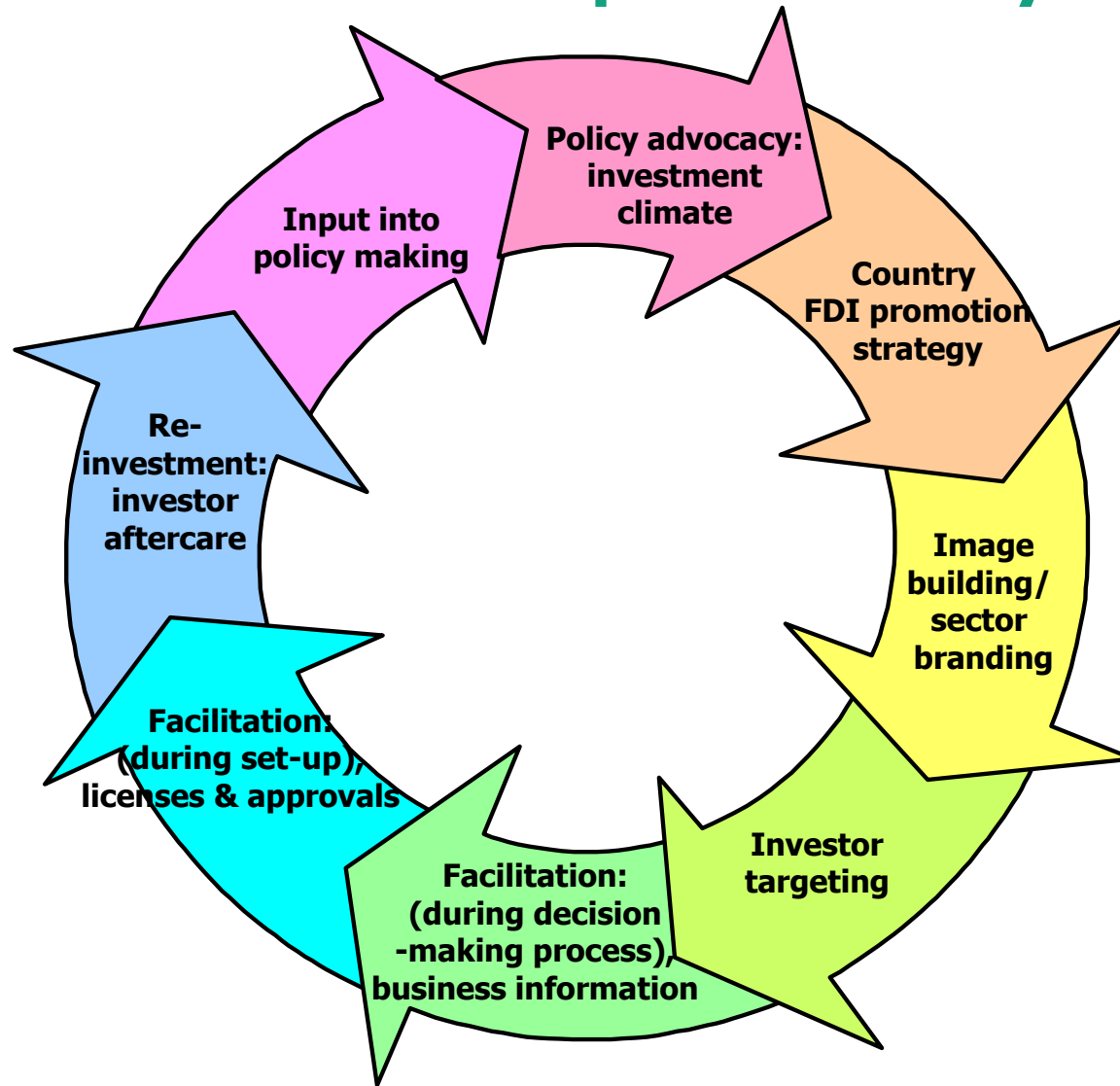
- ☐ Global reach
- ☐ Proximity to clients
- ☐ A prestigious channel to reach out to the investment community
- ☐ Cost efficiency through shared facilities and other assets

Example: helping a company to expand in the UK

In 2009, a leading pharmaceutical company from Japan opened a new facility in the UK, with an investment of £100 mn.

- ❑ In 2004, the investment team in the British Embassy in Japan, through aftercare services, learned the intention of the company to expand in Europe.
- ❑ With support of UKTI, the team delivered presentations to the company on government supports, 30 possible sites, available properties, etc.
- ❑ The Embassy and UKTI brokered meetings between the company and British ministers, local government officials, and local service providers on different occasions.
- ❑ After announcement of the investment, the Embassy remained in touch with the company to ensure smooth implementation of the project.

The investment promotion cycle



What can diplomats do within the investment promotion cycle?

- ❑ **Image building:** build the country/location's image overseas
- ❑ **Investment targeting:** target MNEs in priority sectors, generate leads, help organize host country visits
- ❑ **Investment facilitation:** channel business information, assist in obtaining licenses and approvals
- ❑ **Investor aftercare:** develop a long-term relationship with the investor and assist when issues arrive
- ❑ **Policy advocacy:** based on company feedback, provide government institutions information on issues that need attention to improve the country's investment climate

The site selection process

Long listing

- Generic factors
 - Project economic screening factors
 - Project specifications
 - Countries/regions
- Compare costs and conditions

IPA or Diplomat provides country and sector information

Short listing

- Field investigations (site visits) to a few locations
- Verify screening and process—drill down
- Identify specific opportunities and risks

Diplomat liaises with company and IPA to ensure agenda meets site visit objectives. He/she may also join site visit.

Negotiations

- Risk analysis
- Real estate
- Incentives
- Permitting and licensing

IPA or diplomat provides quality contacts, facilitates visas, ensures permits are granted speedily, and troubleshoots if needed.

Implementation

- Transition planning
- Facilities plan
 - Vendor selection
- Construction

IPA services investor to fast-track project implementation. Diplomat follows up with headquarters to ensure satisfaction and capture re-investment.

Key messages to diplomats

- ☐ Work within the framework of your country's development strategy
- ☐ Set ambitious but realistic goals
- ☐ Get to understand the investment process
- ☐ Identify target firms and focus your efforts on them
- ☐ Coordinate with other stakeholders
- ☐ Do company research before meeting with potential investors
- ☐ Build trust - keep confidentiality of client information!
- ☐ Stay in touch with established investors
- ☐ Evaluate your promotional activities

Individual action plan for investment promotion at your post

Name: _____

Post (if known): _____

TARGETS AND OBJECTIVES

Which sectors would you target?

■ *Renewable energy*

Which measurable objective(s) do you think you can achieve within two years?

Objective A *Inform wind energy and biodiesel companies about opportunities in Egypt*

Objective B *Establish close relationships with industry associations*

RELATED ACTIVITIES

	Which activities would you carry out to meet this/these objective(s)?	Objective(s) it contributes to	Share of your time
Image building	<i>Present at a renewable energy industry event and place a feature on wind energy and biodiesel opportunities in the event booklet</i>	A B ☒ ☐	2 %
Investor targeting	<i>Identify wind energy and biodiesel companies with activities in the region, establish contact, and communicate relevant information</i>	A B ☒ ☐	5 %
Facilitation and aftercare		A B ☐ ☐	%
Policy advocacy		A B ☐ ☐	%
Research	<i>- Carry out research on industry associations in and near the post - Obtain additional information on leading renewable energy companies</i>	A B ☒ ☒	5 %
Other (e.g. internal discussions)	<i>Attend monthly networking events sponsored by local business networks</i>	A B ☐ ☒	2 %



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