

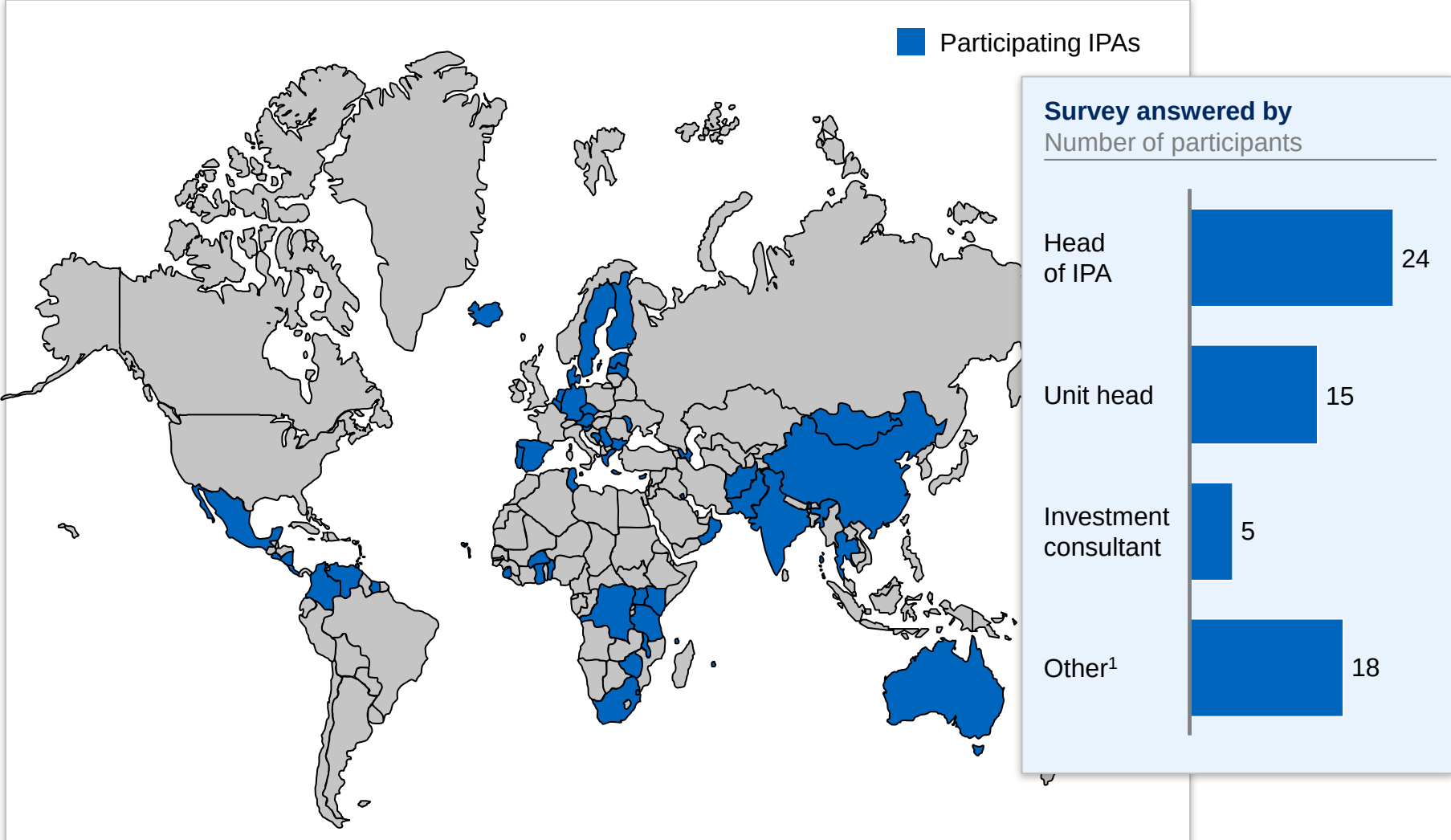
McKinsey&Company

Winning in a World of Professional Investment Promotion

RESULTS OF THE UNCTAD/MCKINSEY IPA SURVEY

UNCTAD & WAIPA Investment Promotion and Facilitation Workshop | July 2016

>60 IPAs representing almost 50% of global FDI-inflows participated in UNCTAD/McKinsey IPA performance survey



1 e.g. Market Intelligence Officer, Research Analyst, Policy Officer, (Senior) Investment Advisor

SOURCE: UNCTAD/McKinsey IPA performance survey

Basic idea: investment promotion – a normal business?!

**“Normal”
business**

**Offer an attractive
product**

**Know your customers
and address them
directly**

**Support the customer
along the sales process**

**Investment
promotion
agencies**

1 Identification of investment opportunities

- 1a** Sub-sector targeting
- 1b** Identification of investment projects and pitch preparation
- 1c** Development of value proposition

2 Investor outreach

- 2a** Country promotion/marketing
- 2b** Investor prioritization and targeted outreach

3 Investment facilitation and aftercare

- 3a** Information and navigation service
- 3b** Administrative/regulatory one-stop-shop
- 3c** Identification of inputs and partnerships
- 3d** Financial assistance

Offer an attractive product

Most promising sectors for FDI in your country

Percentage of respondents rating these sectors among top 5 (N=50)



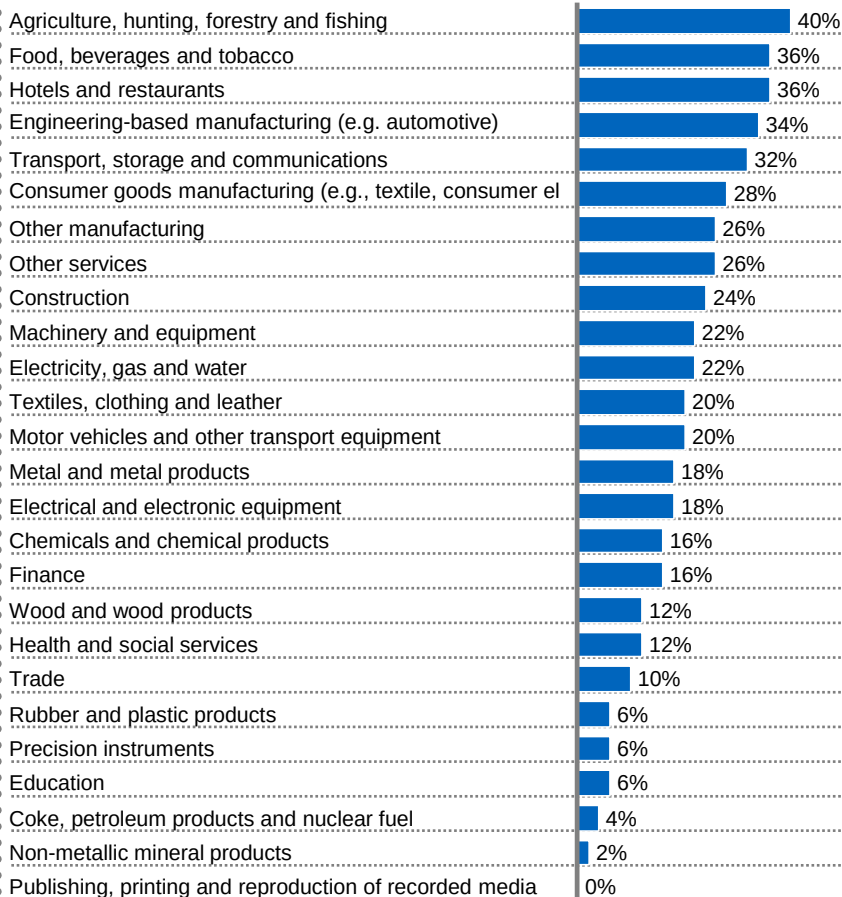
1 0 - None; 1- Basic project list and investment values ; 2- Detailed project descriptions and requirements; 3 - Package including basic regulatory preparation, environmental impact studies, feasibility studies; 4 - Full investor pitch packs, including regulatory approvals, incentive packages, business case

SOURCE: UNCTAD/McKinsey IPA performance survey

Offer an attractive product

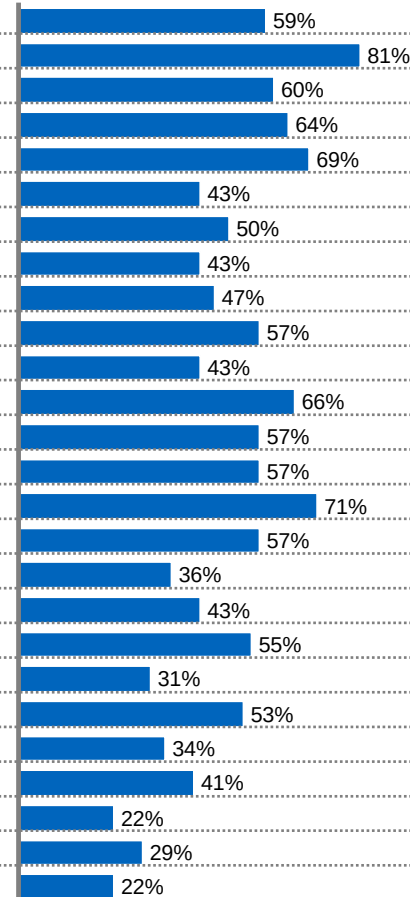
Most promising sectors for FDI in your country

Percentage of respondents rating these sectors among top 5 (N=50)



IPAs' focus sectors

Percentage of respondents (N=58)



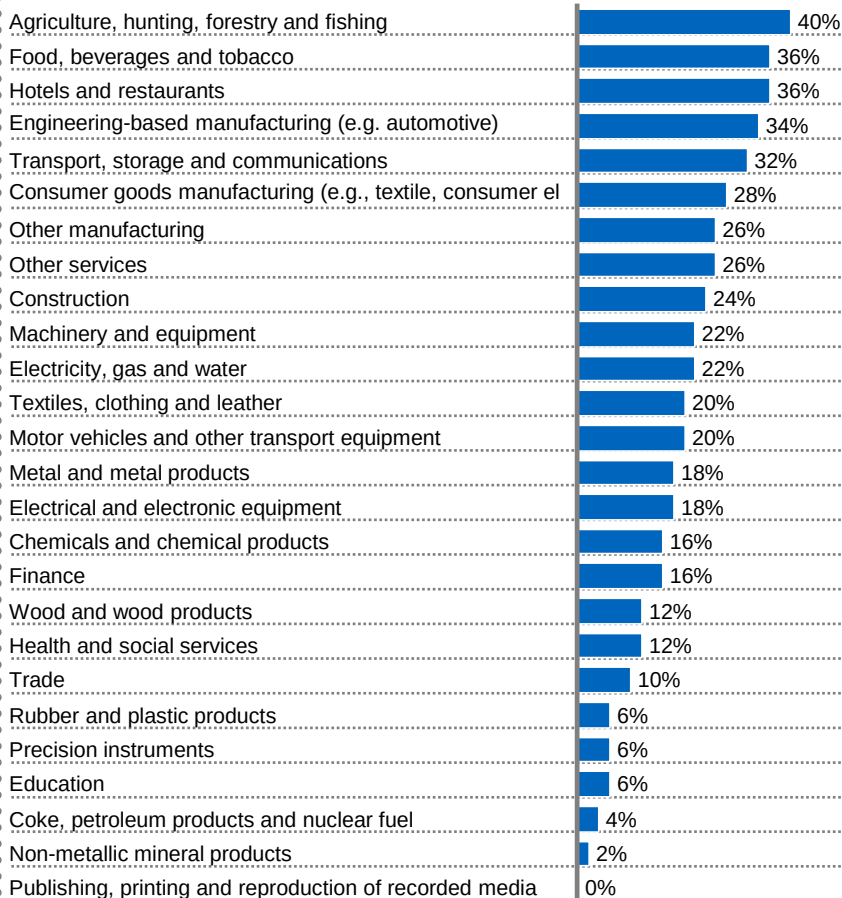
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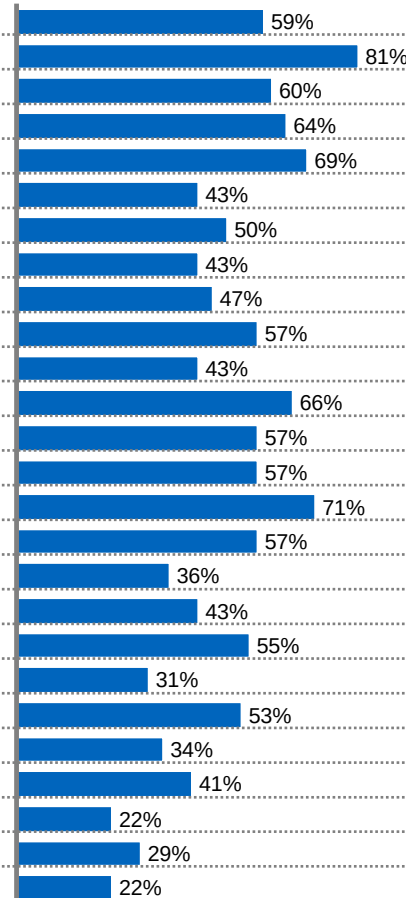
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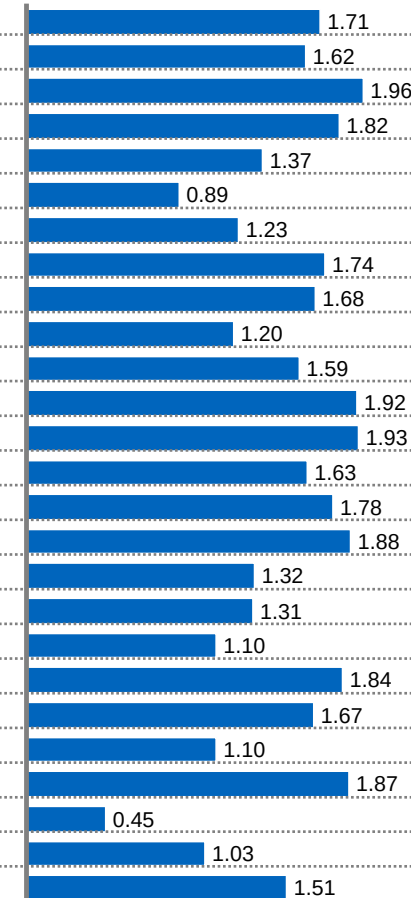
IPAs' focus sectors

Percentage of respondents (N=58)



Depth of information

Depth of sector proposals¹



Potential lack of focus on quality offerings

1 0 - None; 1- Basic project list and investment values ; 2- Detailed project description and feasibility studies; 4 - Full investor pitch packs, including regulatory approvals, incentive packages, business case

SOURCE: UNCTAD/McKinsey IPA performance survey

Know your customers and address them directly

We have asked IPAs about their investor targeting approach by region



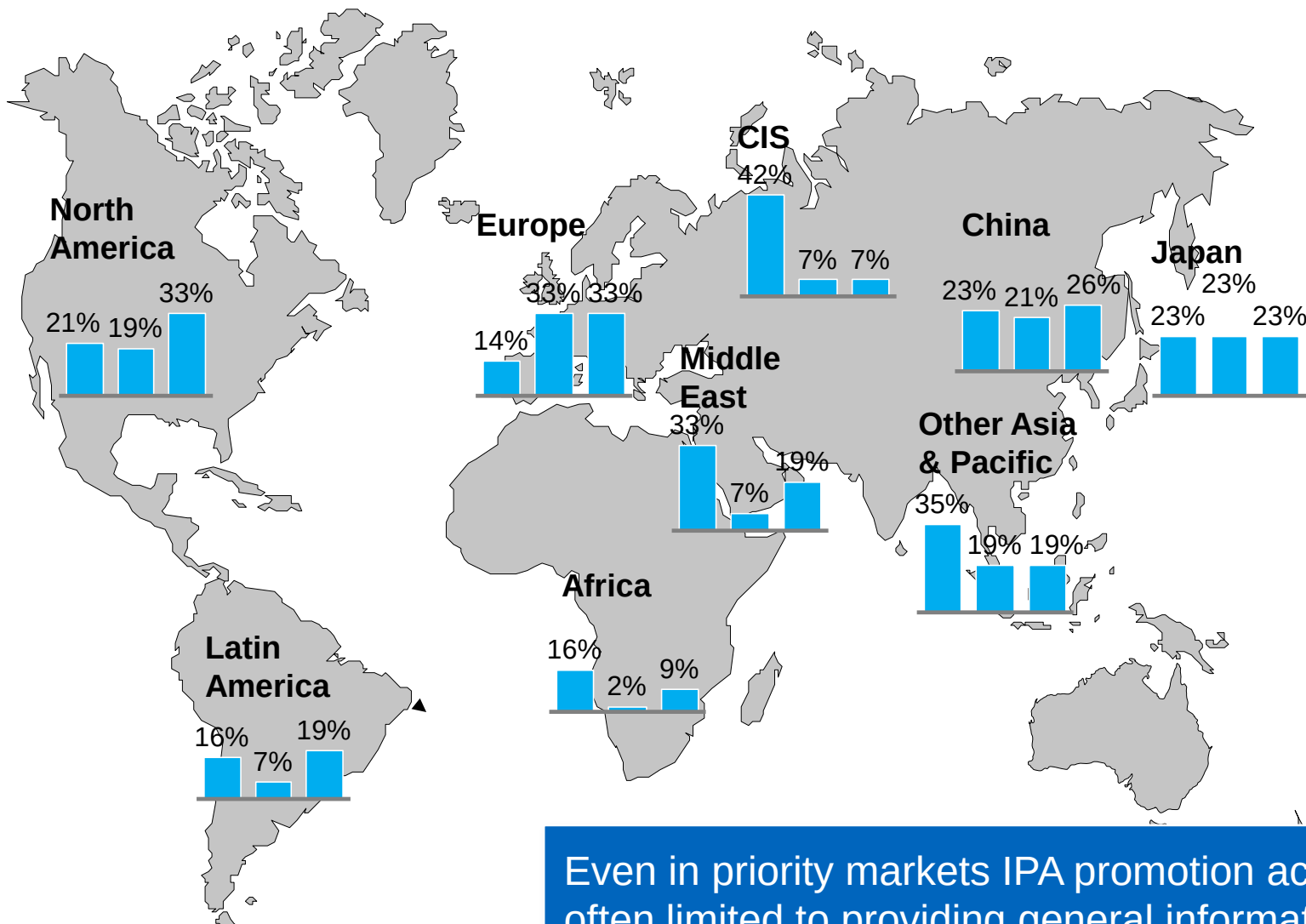
Know your customers and address them directly

IPA
targeting
approach

General
promotion

Sector-
specific
promotion

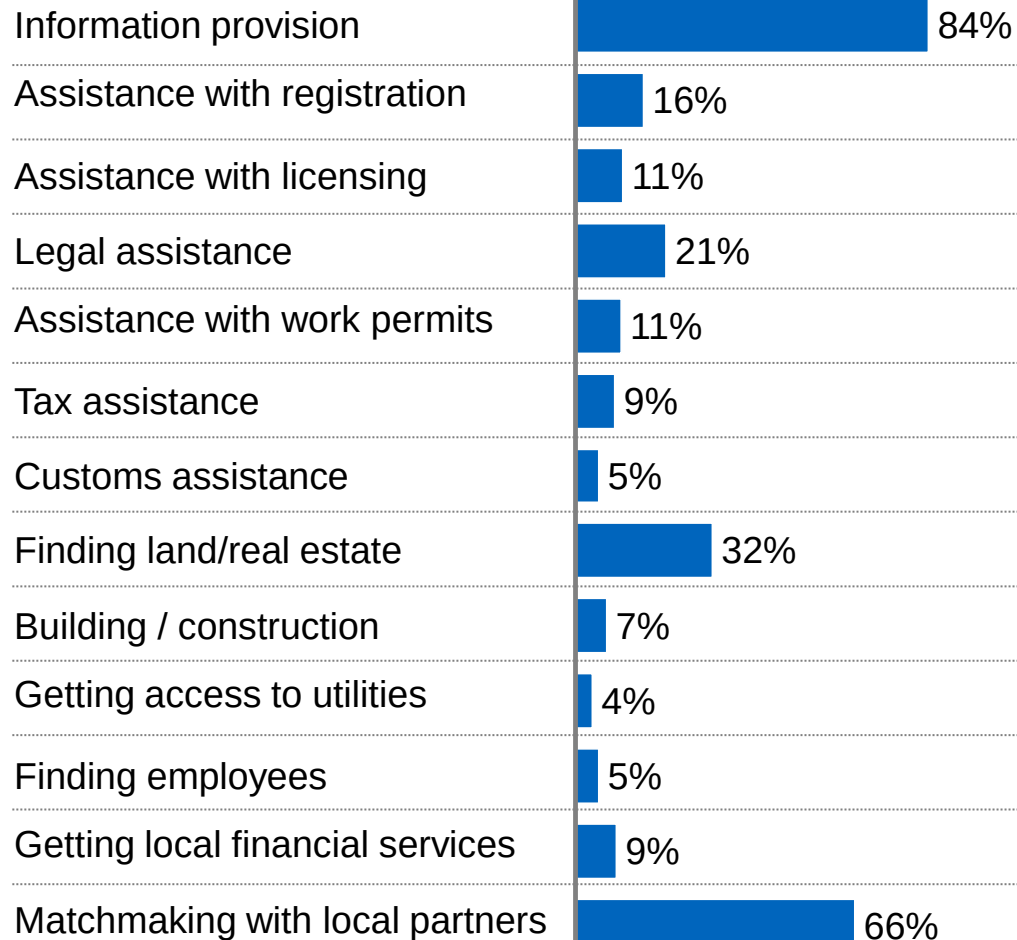
Target list
of investors



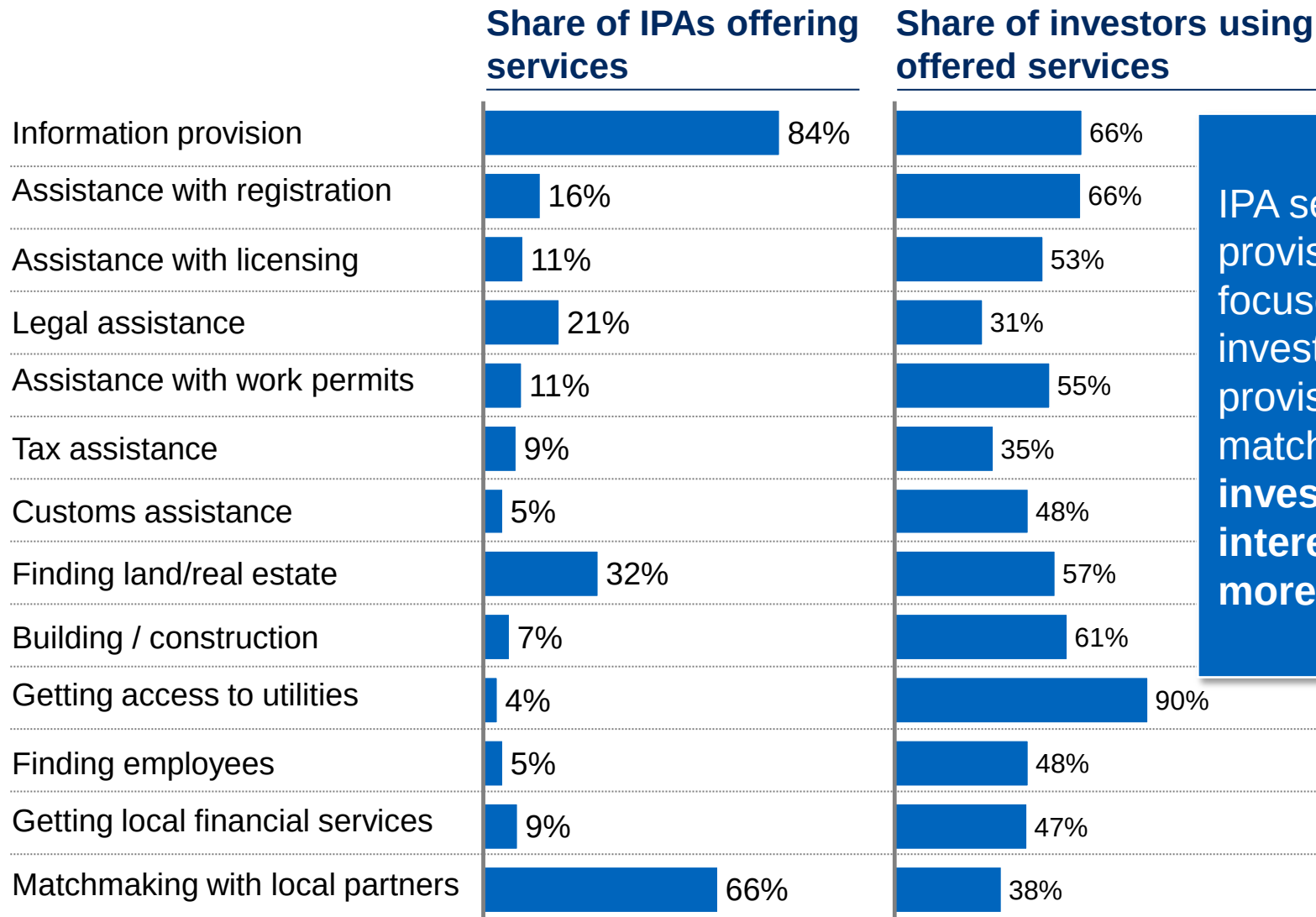
Even in priority markets IPA promotion activities often limited to providing general information

Support the customer along the sales process

Share of IPAs offering services



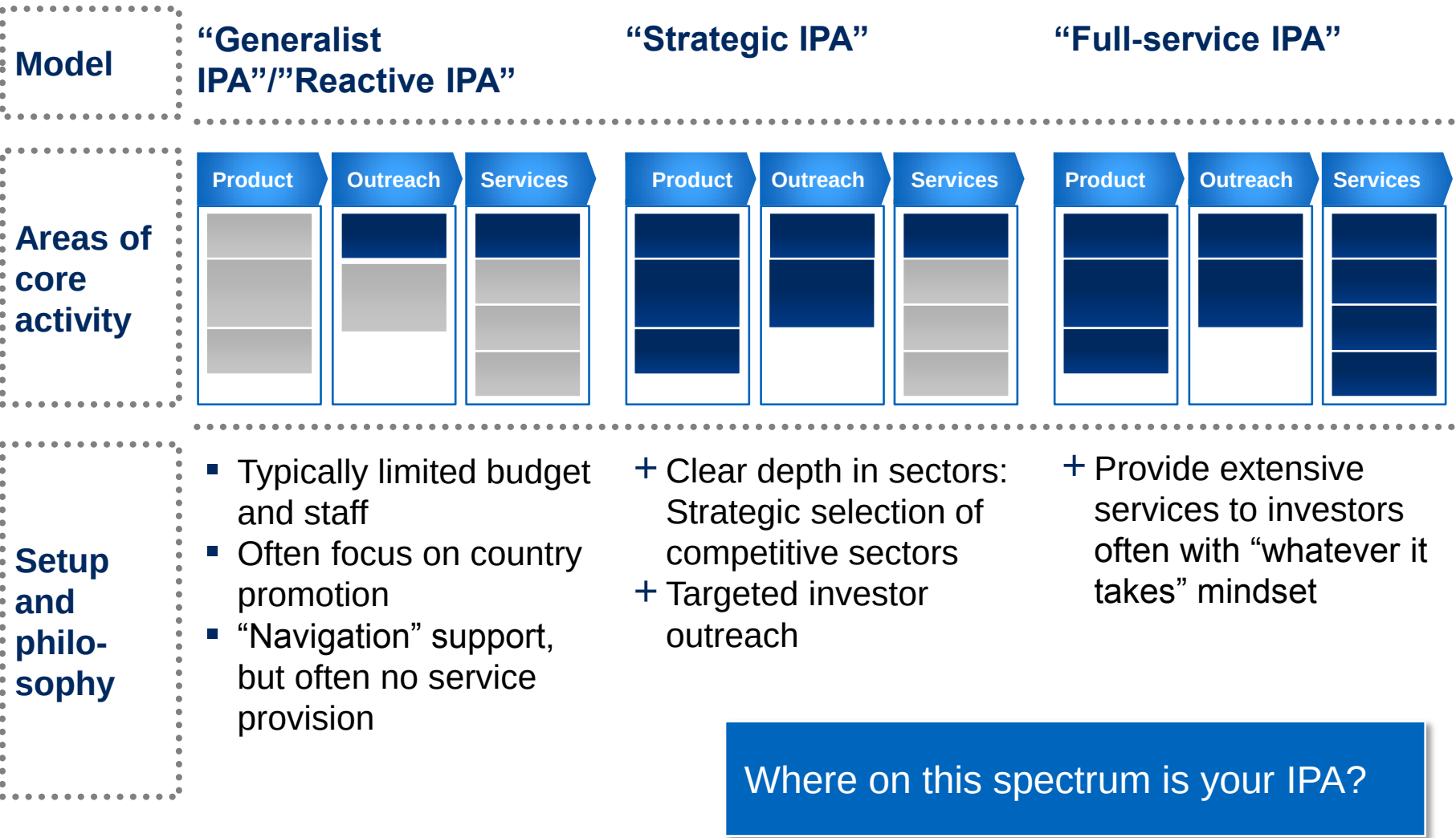
Support the customer along the sales process



IPA service provision mostly focused on investment provision and matchmaking – investors are interested in more

Different models for IPAs have been identified

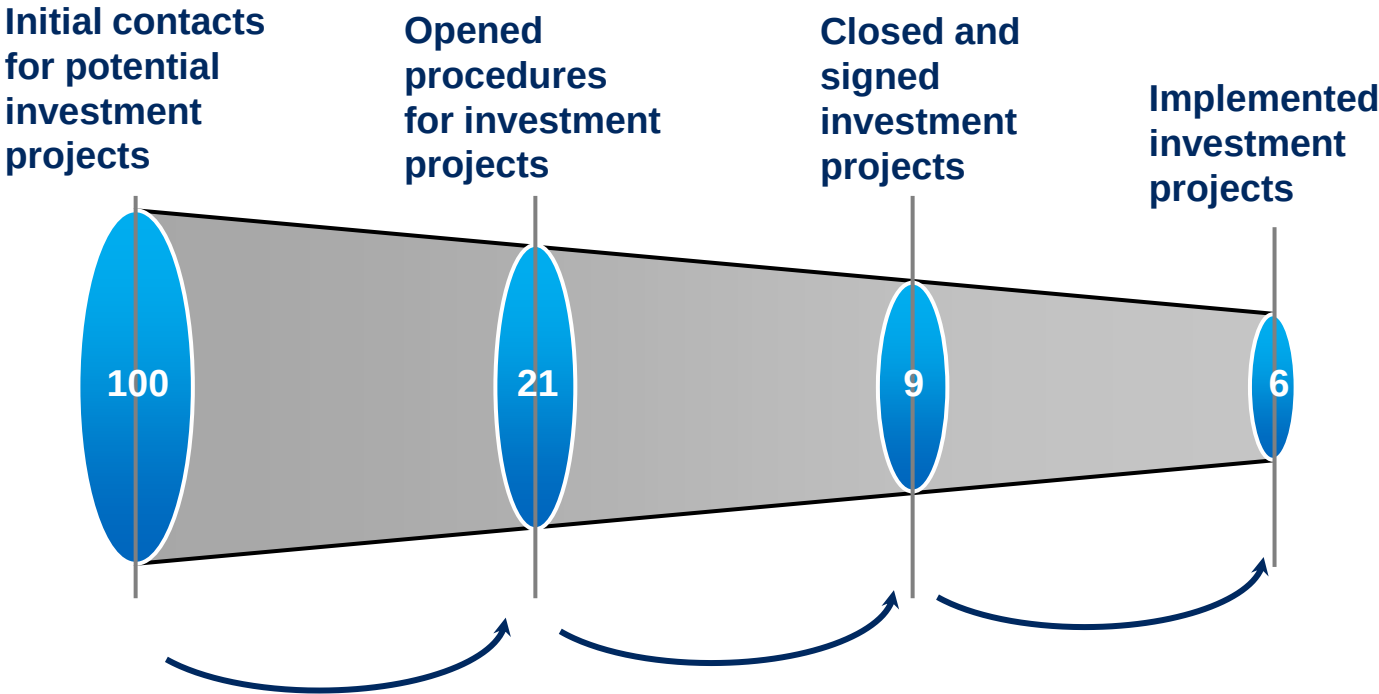
■ Core area of service provision ■ No/light involvement



Difference in conversion rates reflects alternative IPA models

INDICATIVE

Average numbers, last full year (2013 or 2014)



Conversion rate

Average	21%	42%	66%
Bottom 10%	2%	12%	26%
Top 10%	62%	87%	78%

How to use survey results?

Product offering

Realign focus of IPA activities on most promising sectors and increase depth of knowledge and information in these sectors

„Strategy is as much about what you do as it is about what you not do“

Promotion focus

Sequence identification of likely investors before choosing promotion channels

„Do you know the return on your promotion investment?“

Service offering

Compare service offerings with investor demand and improve coverage of most important services

“Investors often have better information than we do”

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Thank you for your time

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