



World Association of  
Investment Promotion  
Agencies

# **WAIPA REPORT OF ACTIVITIES 2014 / 2015**



# **ANNUAL REPORT 2014/2015**



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# Note

The WAIPA Annual Report 2014 – 2015 was produced by the WAIPA Permanent Secretariat. WAIPA would like to thank all those who have been involved in the preparation of this report and for their various contributions.

We would also like to thank all those who cooperated with us towards the accomplishment of the activities reported. For further information on WAIPA, please contact the WAIPA Permanent Secretariat at the following address:

## Istanbul

WAIPA – World Trade Center,  
Building A2 12th Floor, No 373  
Yesilkoy, Istanbul, Turkey  
Tel: +90 212 468 69 80

## Geneva

Maison Internationale de  
l'Environnement 2 (MIE2) 9,  
chemin de Balexert 1219  
Châtelaine – Geneva  
Switzerland  
Tel: +41 22 797 26 65  
Fax: +41 22 796 61 55  
Email: [info@waipa.org](mailto:info@waipa.org)

## Mr. Ismail Ersahin

Executive Director (a.i)  
[ismail.ersahin@waipa.org](mailto:ismail.ersahin@waipa.org)  
Homepage: <http://www.waipa.org>

# Objectives

The objectives of WAIPA, as broadly reflected in Article II of the Association's Statutes are to:

## PROMOTE UNDERSTANDING

- Promote and develop understanding and cooperation amongst IPAs;

## SHARE EXPERIENCES

- Share the countries and regional experiences in attracting foreign investment and enhancing outward investments;

## FACILITATE ACCESS to DATA

- Strengthen information gathering systems, promote the efficient use of information and facilitate access to data sources;

## ASSIST IPAs in ADVERTISING

- Assist IPAs in advising their respective governments on the formulation of appropriate investment promotion policies and strategies; and

## PROMOTE TRAINING

- Facilitate access to technical assistance and promote training of IPAs.

# Message from the President

Dear WAIPA members and  
colleagues,

As we reach mid-year, it is with great satisfaction that I look back at a term of thriving investment promotion activities and accomplishments as a result of our hard work. Some of the steps we have taken so far make this year very special; moving our headquarters to the center of the emerging world, Istanbul, holding a strategic conference with the G-20 and beginning to put our strategy document into action.



**Arda ERMUT**

President, World Association of Investment Promotion Agencies (WAIPA)  
President, Investment Support and Promotion Agency of Turkey (ISPAT)

WAIPA  
has taken great  
strides in getting  
the private sector  
engaged

70%  
of all global  
FDI going  
to Asia

We will  
help IPAs  
develop more  
robust FDI  
matrices

Both our strategy and actions reflect the FDI trends that we have been observing in recent years, most markedly, the emerging nations being at the receiving end of investment flows. Companies based in developed economies invest overseas with the aim of gaining access to new markets with lower production costs while expanding their global footprint in the process. Taking this into consideration, WAIPA has taken great strides in getting the private sector heavily engaged in our events and organizations. I believe we have all observed the presence of a large number of private sector representatives and business associations at the World Investment Conference (WIC) 2014 and the WAIPA-G20 Conference on FDI, both held in Istanbul.

Of particular satisfaction, this year has seen the world recovering from the effects of the financial crisis that had crippled the global economy not long ago. Across the globe, governments are removing barriers in sectors that will lead to an increase in FDI flows. These developments will undoubtedly pave the way for an increasingly integrated world, abound with opportunities for a bright and more prosperous tomorrow.

WAIPA is in the catalyst of the process of mobilizing countries. We are aware that now almost 70% of all global FDI going to Asia. This signals a change in the FDI dynamics. With the presence of almost all consultative committee members at the WAIPA-G20 Conference, WAIPA is taking the necessary steps towards an integrated

progress in the field. As repeatedly mentioned during the sessions, no development can be realized without being collaborative first, at that gathering we put that into practice.

The central theme at WAIPA WIC '14 was the diversity of perspectives as well as insights that our members brought to the table. There was a collective agreement on the benefits of concerted action in FDI as well as increased cooperation between IPAs. With the benefits that investments brings to our respective countries and regions, WICs are platforms to help IPAs develop the narratives that make them great advocates of less protectionism and more openness; a more integrated and interdependent world.

We shall continue, without a doubt, to be a part of strengthening this policy with governments; to determine new ways in which to reinforce IPAs, and to help them achieve returns and rewards in terms of developing more robust FDI matrices.

I would like to convey my thanks to our growing list of members for their fruitful cooperation. I am honored to have been designated to lead the WAIPA Steering Committee that is more unified and cohesive than ever and look forward to a newly elected Steering Committee to lead after the elections.

**Arda ERMUT**

President, World Association of Investment  
Promotion Agencies (WAIPA)  
President, Investment Support and  
Promotion Agency of Turkey (ISPAT)



## CONSULTATIVE COMMITTEE

**Dr. Mukhisa KITUYI**

Secretary-General, UNCTAD

[www.unctad.org](http://www.unctad.org)

**Li Yong**

Director-General, UNIDO

[www.unido.org](http://www.unido.org)

**Angel GURRIA**

Secretary-General, OECD

[www.oecd.org](http://www.oecd.org)

**JoAnn CRARY**

Board Chair, International Economic Development Council

[www.iedconline.org](http://www.iedconline.org)

**Pierre GUISLAIN**

Director, Investment Climate Department

and FIAS, World Bank Group

[www.wbginvestmentclimate.org](http://www.wbginvestmentclimate.org)

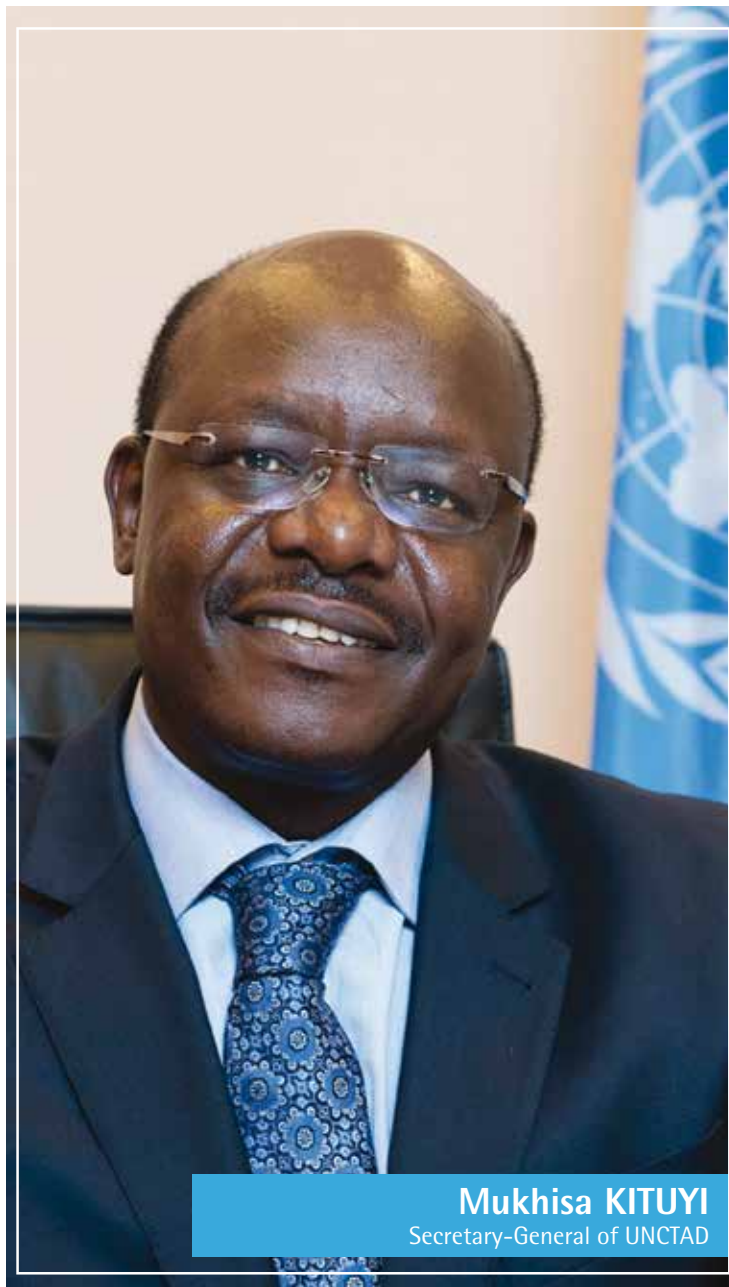


UNITED NATIONS  
UNCTAD

Dear WAIPA members,

Nearly seven years after the start of the financial crisis, the world economy still remains fragile and foreign direct investment (FDI) has not recovered to pre-crisis levels.

Following a rise in FDI in 2013, global FDI inflows dropped by 8% in 2014 to an estimated \$1.26 trillion, one third below its peak in 2007. Investment promotion therefore continues to be challenging in developed and developing countries alike.



**Mukhisa KITUYI**  
Secretary-General of UNCTAD

Since 2000, and especially in the years following the 2008 financial crisis, the global investment landscape has been changing: the share of global FDI flows received by developing and transition economies has increased from 19% in 2000 to nearly 60% in 2014. At the same time, multinationals from developing economies are becoming important international investors with developing Asia in 2014 emerging as the largest investor region.

For a number of countries, especially in Asia, FDI has played a significant role in generating economic growth and development. However, many developing countries have not yet benefitted from international investment and trade and still have large segments of the population living in poverty. To fight this poverty and address the global development and environmental challenges, the UN General Assembly will this September set the sustainable development goals (SDGs) for the next 15 years.

The SDGs will have significant resource implications. Given the current levels of investment in SDG-related sectors, including power generation, transport, food security and agriculture, health and education, UNCTAD estimates that developing countries alone will face an annual investment gap of \$2.5 trillion. The role of private investment, including FDI, will be critical in filling this gap.

Tapping into the potential for private sector participation in SDG sectors entails concerted efforts by all stakeholders. As the interface between governments and the international business community, investment promotion agencies (IPAs) are well positioned and have a strategic role to play in attracting investment for the SDGs. This will require new and ambitious investment promotion strategies. It also needs the development of concrete sizeable, impactful, and bankable projects. IPAs should prepare and market such

projects, which requires specialist expertise and dedicated units within agencies. International organizations, such as UNCTAD, could support the development of the necessary IPA capacity to develop and target SDG projects. UNCTAD and WAIPA have been partners since WAIPA's inception at UNCTAD's headquarters in 1995. I am pleased to note the substantial growth and accomplishments of your Association over the years and congratulate WAIPA on its 20th anniversary.

At UNCTAD, we look forward to continuing our long successful working relationship. In this spirit, I would like to invite WAIPA, and its members, to UNCTAD's upcoming World Investment Forum, which will take place in March 2016 in Lima, Peru. I hope to welcome you there in great numbers.

**Mukhisa Kituyi**  
Secretary-General of UNCTAD  
United Nations Conference on Trade and Development

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I congratulate WAIPA on its  
**20<sup>th</sup>**  
anniversary

You are invited to UNCTAD's upcoming World Investment Forum





Foreign direct investment has been the main engine of economic growth for centuries, stimulating industrial, technological, and institutional upgrading, and fostering knowledge transfer and job creation.

It is therefore the main ingredient for igniting and sustaining the dynamics of change that allow societies to combat poverty. Global foreign direct investment flows rose by 9 per cent in 2013, and are expected to continue growing in the years to come, contributing to the implementation of the post-2015 agenda for sustainable development.



**Li Yong**  
Director General, UNIDO

National Investment Promotion Agencies have been key drivers for providing quality services to foreign investors, and thereby influence whether the investments are short-term and footloose or whether FDI remains in the country to positively shape a sustainable industrial and technological transformation process.

IPAs have been valuable partners for UNIDO in the promotion of domestic and foreign investment through the UNIDO Network of Investment and Technology Promotion Offices (ITPOs) as well as the African Network of Investment Promotion Agencies (AFRIPANET).

Developing countries and countries with economies in transition are fully aware of both the opportunities and the competitive challenges of FDI. Many have liberalized their regulatory frameworks and introduced investment incentives and trade reforms. But not all have been equally successful in attracting FDI or in enjoying the development benefits expected from it. Three factors, inter alia, influence the success of FDI promotion efforts: the business environment, infrastructure, and human capital. UNIDO is convinced that economic growth cannot be sustained in developing countries without connecting developing economies to global value chains. FDI is therefore at its best when it focuses initially on infrastructure financing

in selected industries and geographic locations with a big potential for positive spillovers through industrial parks. At the same time, the promotion of an entrepreneurial ecosystem is critical for human capital development and innovation, and for supporting a generation of young and successful entrepreneurs ready to match the expectations of foreign investors.

**Three factors,  
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human capital**

Given the still sluggish state of the world economy today, we should find innovative ways of channelling the surplus savings from places where there is excess capacity and fewer investment opportunities, to countries where there is an urgent need for profitable ventures. Inclusive and sustainable industrialization is the appropriate platform for establishing mutually beneficial partnerships between low-, medium-, and high-income countries, and has been recognized as an important element of the post-2015 development agenda.

UNIDO's role as an investment catalyst is widely acknowledged. The cooperation between UNIDO and WAIPA is a winning alliance to scale up investments for inclusive and sustainable industrial development and establish a new global partnership between Governments, DFIs, development agencies, the private sector and donors to foster global growth and generate employment across boundaries, thus making profitable investments while also raising human dignity and contributing to global stability and peace.

I would like to express my appreciation for the leadership, vision and devoted work of the President of WAIPA, Mr. Ermut, and to thank the members of the Consultative Committee of WAIPA for their support and commitment to actively implement WAIPA's Strategy and Action Plan.

I hope that the recommendations and conclusions presented in this report will be considered and implemented to make the best use of FDI as one of the main engines for the achievement of shared prosperity.

**Li Yong**  
Director General  
United Nations Industrial  
Development Organization



On behalf of the International Economic Development Council (IEDC), we are proud to continue to serve as a member of WAIPA's Consultative Committee. IEDC and WAIPA's formalized our relationship over 10 years ago to promote camaraderie and mutual respect in the global economic development community.

IEDC looks forward to the upcoming year and its many opportunities for collaboration, with the common goals of increasing stakeholder attendance at events, promoting a platform of knowledge sharing, and bringing IEDC's broad expertise and economic development practices to WAIPA's broad membership.



As an association, IEDC's body of expertise and knowledge resides largely in our 4,600 members. Economic developers promote well-being and enhanced quality of life for their communities by facilitating the creation, retention, and expansion of businesses. This results in the creation of jobs, enhancement of wealth and stabilizes the tax base. From public to private, rural to urban, and local to international, IEDC's members are engaged in the full range of economic development experience.

Our programs and services have been developed accordingly: they provide educational opportunities, analyze and disseminate information, and improve decision-makers' responsiveness to economic development needs.

In 2014, the North American and global economies continued to recover, albeit at slower rates than expected. According to the World Bank's Global Economic Prospects report, growth climbed globally only 0.2 percent from the previous year to 2.6 percent in 2014.

The report emphasizes the struggle of high-income countries in navigating the fallout of the global financial crisis. In a complementary fashion, the report finds that emerging economies are less dynamic than in the past. Anticipating the future, the report estimates growth in 2015 to

advance to 3 percent achieving an average of approximately 3.3 percent through 2017. These forecasts hold true for the three large economies of North America, according to the International Monetary Fund, with the United States showing continued growth, averaging 3.9 percent annualized during the final three quarters of 2014. The IMF also notes that although lower energy prices have boosted growth momentum in the United States, the same prices pose risks to the Canadian economy owing to the relatively large size of the country's energy sector.

As such, collaboration among economic development professionals at all levels and across all regions remains crucial in order to accelerate collective growth.

**Growth climbed globally only 0.2 percent from the previous year to 2.6 percent in 2014**

By attracting investment and enhancing job growth, national, regional, and local governments—as well as private organizations—seek innovative means by which to sustainably grow their economies. Knowledge-sharing cooperation between WAIPA and IEDC forms a valuable foundation upon which members may remain abreast of

innovative strategies to improve competitiveness in both developed and emerging economies.

At WAIPA events worldwide, IEDC strives to share its expertise on economic development and good practices for growing economies and investment. Our collaborative relationship with WAIPA fosters the exchange of practical experiences and exposes IEDC members to high-level international professionals dedicated to the promotion of trade and investment.

In May 2014, IEDC's then-Board Chairperson Bill Sproull participated at WAIPA's annual conference in Istanbul, sharing his knowledge on the business retention aspect of IPA work ("after-care," as referenced outside of the United States). Additionally, Bill further represented IEDC at the WAIPA meeting of stakeholders.

The year ahead holds a new set of opportunities as our organizations strive to find new ways to collaborate and share our expertise. Together we will continue to help guide our members and the recovery of the global economy.

**Ms. JoAnn Crary**  
Board Chair, International Economic Development Council  
President, Saginaw Future, Inc.



With the backdrop of the Financing for Development agenda, the Sustainable Development Goals and the COP21 Climate Change Conference, 2015 can be a turning point for making investment work for development.

However, the developmental impact of investment does not happen automatically, and requires concrete steps on the part of both governments and investors.



**Angel GURRÍA**  
Secretary-General of the OECD

Targeted efforts are needed to increase the absorptive capacity of the host economy through investment in human capital and infrastructure, to ensure government coordination across the policy spectrum, and to promote responsible business conduct. Because of their specific position at the juncture between private investors and various government bodies, WAIPA members are uniquely placed to bring out such results; and the OECD can make several contributions towards that end.

In this spirit, the OECD's recently updated Policy Framework for Investment (PFI) treats investment promotion as part of an integrated framework which spans a much broader array of policy areas. It has already been used by over 25 emerging and developing country governments to date, with the objective of attracting more and better investment, and making it work as a lever for broad-based development. The PFI has been updated based on user feedback and we look forward to collaborating with Investment Promotion Agencies (IPAs) on using the new PFI to enhance the development benefits of investment for host societies. Together, we can help governments prioritise reform, and implement the right policy mix for a sound investment climate. This will be essential in order to bridge the financing gaps that in many countries

have delayed the achievement of the Millennium Development Goals, and might remain in the way of the Sustainable Development Goals if nothing is done.

For investment to work for the benefit of development, it also needs a firm commitment from the business community to act in a responsible manner. Going hand-in-hand with the PFI, the OECD Guidelines for

I welcome WAIPA,  
its collaborators  
and its members  
to make full use of  
these cross-cutting  
policy tools

Multinational Enterprises are being used by business and government alike to promote standards of responsible business conduct, including in specific industries such as textiles or extractives.

IPAs, as interfaces with private investors, can actively contribute to

the promotion of the standards of responsible business conduct which are embedded in the Guidelines. IPAs can also play an important role in the development of local production chains, business clusters, and SME capacity, and more generally by helping build business linkages across investors of all sizes and origins.

Our sector-specific tools (such as the OECD Principles for Private Sector Participation in Infrastructure, the OECD Policy Guidance for Investment in Clean Energy Infrastructure and the G20/OECD High Level Principles of Long-term Investment Financing by Institutional Investors) can also help IPAs attract quality, long-term investment to the very backbones of economic growth and productivity. Better functioning, better connected and more affordable infrastructure is a prerequisite for all firms – regardless of size and origin – to be on an equal footing in terms of production and trade opportunities.

In 2015 and beyond, I welcome WAIPA, its collaborators and its members to make full use of these cross-cutting policy tools, in order to truly make investment flows work towards national and global sustainable development objectives.

**Angel Gurría**  
Secretary-General of the OECD





# WAIPA ACTIVITES

# World Investment Conference (WIC) 2014

## Opening Session of WAIPA WIC 14

### CONCERTED ACTION IN FDI STRATEGY AND POLICY

Cooperation between IPAs is a key issue for WAIPA members. Coordinating efforts among different government actors was the topic that opened the WIC 14 debates in Istanbul on May 15.



The multi-faceted aspects of promoting FDI may prove quite a daunting a task to achieve.

The particular standing of IPAs, between their public and private stakeholders creates a challenge. On the one hand IPAs need to conciliate government procedures and formalities with the needs of businesses for expediency and clarity.

On the other hand, the IPA needs to reconcile the local and the international dimensions of investment promotion. In this context, IPAs have their "hands full". As wisely put by WAIPA President M. İlker Aycı: "Taking into account for the particularities (and interests) of your own National government, on the one side, while still seeking to advocate for regulatory improvements on the business side of things is a balancing act".

İlker Aycı reminded the audience that certain IPAs acted very independently from their central government. Most of them increasingly tend to now act in a more client-focused way.

The WAIPA President made a reference to those IPAs that report to Ministries, and to yet those fewer other IPAs that are linked to the highest echelons of their country's government. Invest in Turkey (ISPAT) reports to the Prime Minister's Office.

IPAs have their "hands full"

"This is a balancing act"

IPAs acted very independently from their central government

IPAs work has multiple facets



The second panelist, Mr. William Sproulls, Chairman of IEDC (International Economic Development Council), drew attention to the business retention aspect of IPA work (or after-care, as more commonly referred to outside of the US). His remarks emphasized the point that IPA work has multiple facets, national and international; government and business. Mr. Sproulls saw aftercare however as crucial.

**“Trainings in capacity building must go beyond the classical trainings for IPAs.”**

The IEDC Chairman cited as an example a company in the insurance business which had recently invested in his region in Texas. The prospecting work of an incoming investor, he clarified, “may start long before they first reach out to us” (i.e. to the facilitation services we provide as IPAs). The cited example was that of the company “State Farm”.

State Farm’s first contact with local Economic Development Organization (EDO), (as IPAs are referred to in the US) came only two years after their initial

interest in northern Texas. Our US panelist underscored that, while no direct contact was being made, State Farm nonetheless had already researched the various businesses established in that area as well as on possible sites.

The moderator, taking cue from the reference to the two-year time frame, introduced Russia’s Minister of Regional Development Igor Slyunyaev to the plenary. Igor Slyunyaev introduced Invest in Russia which had only recently been created and also thanked the support received from WAIPA as it established itself. Russia’s Cabinet Minister first addressed the expectations of his government, in terms of what type of investments Russia wished to attract.

The final panellist from the Islamic Development Bank (IsDB), contributed to the debate on the need for concerted action for IPAs. The IsDB has also cooperated considerably with WAIPA in the recent past. Mr. Gasan Al Bhabar introduced the plenary to the IsDB’s Business Forum THIQAH. He explained the Business Forum initiative of the bank as a platform where 56 member countries may showcase available investment opportunities and identify business leads.



As far as the IPAs, and to its world body, Ghasan Al Bhabar expressed his hope for a stronger partnership with WAIPA. He stressed the IsDB could assist OIC Member countries’ IPAs to build HR capacity, for example by developing “Business skills”.

Ghasan Al Bhabar’s underscored this thought, by making reference to a comment made earlier by Mehmet İlker Ayçi, that IPAs have begun acting in “client focused” ways. THIQAH panelist Dr. Al Bhabar underscored the importance of improving human resources performance. Trainings in capacity building, he said, must go beyond the classical trainings for IPAs. IsDB is scheduled to meet with WAIPA to develop a framework for technical assistance to tailor trainings that suit today’s needs, so that IPAs may work in a less “government -like” manner.

WAIPA President seconded the imperative that IPAs place greater importance in upgrading the skills of its human resources with a market based approach. Both the WAIPA President as well as THIQAH’s representative however acknowledged the difficulty in retaining talent when compensation paid by the private sector is more competitive. “There are alternative methods to compensate IPA officers that may be looked at”. said WAIPA President M.İlker Ayçi.



## WIC 14 Istanbul 2nd Panel Summary

# EMERGING AND ESTABLISHED SOURCES OF FDI

The shifts we have witnessed in the world economic landscape constituted the backdrop for the second set of panelists. They were called to address the recent (and strengthening phenomenon) of bi-directional trends in in-flows and out-flows of FDI.

Increasingly, FDI projects emanate out of so-called "emerging economies". A phenomenon that is set to continue, as these countries have larger shares of global GDP output.



As emerging  
economies integrate  
more into the  
global economy,  
their economies  
keep growing

The first panelist introduced to WIC14 plenary was Mr. Erdal Karagöl from Istanbul's SETA, a think-tank for social, political and economic research.

The panelist attributed the change to a growing confidence in emerging economies. The economic reforms and privatizations in these countries were increasingly successful. The increasing role of emerging

economies gained momentum after the 2008 crisis in the US, where emerging economies were more resilient as compared to advanced economies. They felt the recessionary effects more strongly.

As emerging economies integrate more into the global economy, their economies keep growing, and hence their ability to invest overseas.



The second panelist was a long-time Japanese investor in Turkey, Mitsui and Company. It provided an example of outbound FDI from an emerging country.

Mr. Satoru Muto of Mitsui, stated that company makes smaller stakes investments over a long period of time. It transfers know-how to the invested company, based in a fast developing market that allows the subsidiary to expand or invest elsewhere. This panel was moderated by the founder of InnovaBrics, Mr. Fernando Faria.. Satoru Muto stated that they took into account the size of the market and the average age of the population, which they see as key indicators of future country's GDP growth prospects. As Emerging markets' consumption levels rise, as a result of GDP growth, the panelist forecasted a resulting increase in investments in services: "Services have to be produced when and where they are consumed", he said.

With the advent of IT, services may be produced outside. As far as geographical distribution of sources of FDI, Mr Satoru Muto highlighted that three-fourths of emerging market-sourced FDI originates in Asia. Asia-Pacific's Inbound FDI receives 33% of global FDI with a noticeable share of which being intra-regional.

The Innova Brics founder then introduced the third panelist Mr Hiroshi Miyoshim, representing Mitsubishi, a large Japanese Investment and Trading Company. This panelist reinforced the premise on which WAIPA built its second debate panel. At the time Mr. Miyoshi joined Mitsubishi's, its largest office was New York, and the second



largest was London. Mitsubishi's geographical orientation has shifted along with the changing economic landscape to the detriment of mature markets. New York has ceded way to Shanghai (now the company's largest office), while London has given way to Jakarta, now the second largest office. As relates outbound FDI flows from Emerging Markets (EM), the Mitsubishi executive underscored a point earlier made by Mr Saturo Muto. This related to joint investments from EM companies and Japanese partners.

Mr. Miyoshi and Mr. Faria, the moderator reminded the plenary of a comment made in the opening discussions by IEDC Chairman William Sproulls that IPAs (and their countries' governments) should take to heart: sometimes outward investment of a country acts to improve inward investment. Mr Hiroshi Miyoshi agreed that it sent a signal there are strong local businesses, ready for partnership. This has begun to be the case with various emerging markets, such as the WAIPA WIC14 host, Turkey.

In order to understand why capital and other investments flow in two directions, WAIPA sought the contribution of the economic research team of Banco Bilbao-Vizcaya Argentaria (BBVA). Chief EM economist Mr. Alvaro Ortiz shared with our plenary what are in his

view the most important trends that lie beneath the changes leading to bi-directional FDI flows. Emerging market economies stand out because of their demographics, the structural economic changes pursued and, more recently, due to investors' new attitude towards risk. Demographics, with population growth expected in most of the emerging world is a key factor driving FDI into emerging markets. Investments in urbanization is also an important conditioning factor in determining the sense of investment flows. In the 1980s only two cities in the world (Tokyo and New York) had a population above 10 million inhabitants, by 2015 there will be 37 populous cities (26 of which will be located in Asia). According to the panelist from BBVA most of the new wealth to be created in the world will happen in the Asia-Pacific region, there including Latin America. Álvaro Ortiz stated that these, among other factors, will direct trade and investment. Already at the Bilbao-Vizcaya research teams, the final panelist says that they have observed a substantive increase not only in South to North flows of investments, but also in South-South flows. The practical conclusion for IPAs investor targeting approaches, is the growing need to balance their efforts among looking for leads among businesses in Europe and North America and in Asia-Pacific, mostly, and in other non-traditional markets. This will be more evident in the near future.



## Summary of WIC 14 Istanbul 3rd Panel

# IN-COUNTRY REALITIES. OUTSIDE PERCEPTION.

To what extent are the business environment rankings representative of the ability of a country to attract Foreign Direct Investment?



The plenary session, closing the WIC14 debates on the afternoon of May 15, tried to reconcile the reality and perception of business and economic conditions for foreign direct investment. It focused on emerging markets.

The third panel built on the previous session at WAIPA WIC13 in Geneva, when panelists addressed the effects of business environment rankings.

This last topic of discussion comprised the philosophical underpinning for WAIPA's strategy document: to effectively assist Member IPAs to understand the utility of assessments, rankings and reports; to seek to correct misconceptions created – through the use of debate, research, advocacy and through other means and channels.

The first panelist to address the plenary was local economist Murat Üçer, who underlined that the topic has been the object of a long debate in Turkey. Whether the country deserved or not an investment grade rating took center stage in local private and public sector circles. Murat Üçer who works with the Istanbul Analytics clarified that while short term investors are more sensitive to sovereign rate assessments, such sensitivity is less noticeable

when it comes to FDI. "Credit and currency risk are shorter term concerns" the economist reminded the audience. Referring to emerging countries' fundamentals, Mr. Üçer highlighted that 2014 growth outlooks have been reduced.

As relates to Turkey, specifically, an added problem is its current account deficits. That being said, he commented that by strictly focusing on GDP growth, current account shortfalls and other larger macro-economic indicators, one might not get a full picture of a market's true potential. The dynamism and resilience of Turkey's (and of other markets) often defy those indicators.

In a reference to structural indicators such as the World Bank and World Economic Forum indices, the economist warned that these were more akin to snapshots of a country, capturing one moment only. "Unlike a video, one still photograph is static". The panelist advanced the idea that new metrics are needed, i.e metrics that captured, in a quantifiable way, the dynamism of emerging markets "as in a motion picture". New markets such as Turkey have recently proved very resilient to outside economic pressure, said the panelist.



# In-Country Reality and Outside Perception

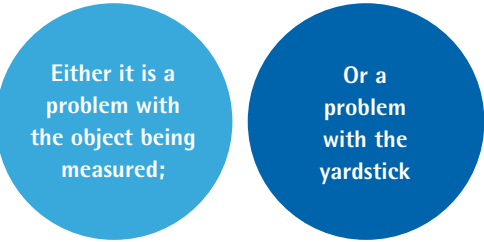
The WIC14 final panel was moderated by the then Head of the WAIPA Permanent Secretariat, Carlos Bronzatto who at this stage reinforced Murat Üçer's point reminding that Turkey's currency along with Brazil's Real and South African Rand, had recently been labelled fragile, along with India and Indonesia: "The Fragile Five" label did not stick well. Indeed those countries have proven not to be as fragile as repeatedly portrayed in mainstream financial media. Therefore, their resilience is an overlooked factor. The initial negative impact from reductions in bond buying by the US Federal Reserve were quickly reversed.

This was a useful segue into yet another key market; the moderator introduced Russian economist Konstantin Korishchenko. The Russian economist was asked whether such a failure to take into account a broader range of factors, by widely publicized indices, was an accident. Or, whether there may in fact be biases that have held up even as developing and transition economies emerged. The panelist said he had long reached the conclusion that some indices could not be "farthest from reality", and that was due to the indices being greatly influenced by the personal opinion of those experts who create them.

Then the panelist from IMD in Switzerland Carlos Braga clarified that while FDI flows, in the period of stability, represented 18% of the total financial flows; at exceptional

(harsher) times such as at the height of the 2008 and 2009 crisis, FDI made up for close to 90% of all flows. FDI therefore was resilient as compared to other types of cross-border flows. The IMD Professor stated that the "Ease of Doing Business guide" is aimed at Small and Medium Enterprises and not specifically meant for larger transnational corporations. The debate moved on to the utility of, and alternatives to, major indices. Murat Üçer pointed out that sovereign ratings have a specific purpose of measuring the health of the public sector's balance sheet, yet it is also generally (mistakenly therefore) taken as measurement of the whole economy. It was contended that an alternative would be to develop indices that tried to identify growth potential and cited an attempt by Goldman Sachs sic "Growth Environment Scores". IPAs should try to identify growth potentials and communicate it correctly to the outside world.

Konstantin Korishchenko attempted a classification of indices, in an arithmetic exercise aiming to highlight (question) their utility. First he included those used for socio-political decisions such as transparency, and attractiveness of the country. Rather than having any practical use, these are – according to Invest in Russia's advisor – more PR instruments in foreign relations. A second category would be those indices used for financial decisions that impact the cost of funding. And yet a third category that applies to investment projects. Mr. Korishchenko wisely stated that if we have problems with an index we will be faced with only one of two options: either it is a problem with the object being measured, or a problem with the yardstick.



The panelist then proposed a comparative test between two set of countries against the backdrop of certain mainstream indices. Konstantin Korishchenko looked at the Ease of Doing Business, Economic Freedom, Global Competitiveness and Corruption Perception comparing 5 countries in two different groups: the BRICS group on the one side, and the US, Japan, France and the UK on the other. In the aggregate, these 10 countries correspond to more than 60% of global GDP.

In most aspects of the selected indices, the advanced economies ranked 4 to 5 times better than the BRICS. The Russian panelist then looked at hard data such as foreign trade volumes for the two groups which came to be about the same (not 4 to 5 times better for the top 5 advanced economies).

The GDP was about two and a half times bigger than the BRICS' average GDP (again, not four or five folds better). Advanced economies, in terms of debt burden, actually fared 5 times worse than the BRICS. Driving the point home, the panelist stated that if these major indices were truly reflective of the macro-economic reality, the BRICS should be rated (or ranked) much better. The perception of those who craft the rankings and other metrics can be much dissociated from reality.



# G20 WAIPA INVESTMENT CONFERENCE

G20 - The World Association of Investment Promotion Agencies (WAIPA) Conference on Foreign Direct Investment (FDI) took place on 27 April, 2015 in Istanbul, Turkey.

Speakers and panelists explored the drivers of FDI; the main barriers to entry for investors; the private sector's view of the policy framework; the importance of industrialization for job creation and how governments prioritize sustainable investment.



The conference's crux was to promote cooperation and collaboration between different stakeholders to achieve long-term effectively designed development

The conference was attended not only by national and regional promotion agencies from different countries, but also influential decision-makers and stakeholders the world over. Dignitaries included Deputy Prime Minister of Turkey, Ali Babacan; Former President of WAIPA, İlker Aycı; representatives from UN, OECD, World Bank and private companies such as PepsiCo and GE.

This flagship event of WAIPA brings together fulfilling discussions on cooperation, year after year. This time around a compelling business case for cooperation was presented by speakers. The conference's crux

was to promote cooperation and collaboration between different stakeholders to achieve long-term effectively designed development. Panellists emphasized the importance of sharing ideas and views to cooperate more effectively and also to compete in order attract more FDI.

The turbulence in global markets demand that stakeholders must be more connected now than ever, to minimize damage to local economies, particularly in terms of jobs. To facilitate cross-border investment, greater cooperation is needed, and Investment Promotion Agencies (IPAs) are the best tools to implement investor-friendly



Some governments erroneously believe that cooperating with other promotional agencies creates a dent in their own efforts to attract investors. By providing an opportunity to understand how global markets are changing and what should be done to enhance global value chains, the conference presented the benefits, albeit starkly to cynics. To cooperate, every player in this global value chain must realize that competition does not and should not clash with cooperation.

**"We announced that there will be three "I"s of G20 Turkish presidency: Inclusivity, Implementation and Investment."**

İlker Aycı, the Former President of Investment Support and Promotion Agency of Turkey (ISPAT) and the World Association of Investment Promotion Agencies (WAIPA) talked about the need for special emphasis on the vision of WAIPA in 2050. "WAIPA members should share and exchange ideas and experiences, cooperate, help each other to increase the quality of the competition and create a better investment environment for investors." Talking about the exemplary performance of ISPAT he said, "FDI in Turkey was about 1 billion dollar per year until the end of 2002, but between 2002 and 2012 the country's FDI had reached 130 billion dollars."

What makes Foreign Direct investment (FDI) magical is its ability to fuel auxiliary matrix related to economic development. Echoing this sentiment, Deputy Prime Minister of Turkey Ali Babacan said: FDI is the most important component of efficiency increasing

technologic improvement, job creation and high production quality. Babacan also talked about the G20 Turkish presidency. "We announced that there will be three "I"s of G20 Turkish presidency: Inclusivity, Implementation and Investment." Babacan explained inclusiveness as the quality of growth. He said FDI growth helps reduce and improve income distribution. This has a positively compounded effects on poverty. He said that implementation is especially about reforms that many countries have promised already. "Now this requires getting concrete results," he said.

Secretary General of United Nations Conference on Trade and Development (UNCTAD), Mukhisa Kituyi declared that 70 percent of FDI amounting to 700 billion dollars went to Asia last year marking a record.

On the other hand FDI to developed economies decreased %14 and the overall FDI also decreased %8 to \$1.26 trillion. Kituyi suggested that some UNCTAD surveys prove that multinational companies have increased their strategic investments to developing countries and are going to continue to do so. "We live in uncertain times and the world is entering in a very challenging period of sustainable economic development and these challenging times require a full mobilization of countries," he added. He said it is possible to align profit and social inclusion and private investments can then play an important role to overcome this challenge. "The world needs a better use of private sector and UNCTAD is willing to cooperate with WAIPA for that to happen," said Kituyi.



Neil Pryor, General Manager of PepsiCo Turkey discussed the need to work closely with investment agencies to be successful in local markets.

Pryor said that PepsiCo is evaluating the role of investment promotion agencies in 3 ways: access to information and personal relationships; removing barriers to entry and strategic alignment. "When we define success, we look for a balance between vertical and horizontal connections in a country," he said. "All of our goals are related to create a dynamic and a deeper understanding of the market with a shared agenda of all stakeholders," Pryor said. He said that is how long-term growth is possible and that this is something necessary not only from an investor's point of view alone, but also from the point of view of the country.

In the panel discussions, Dr. Celestin Monga, Managing Director UNIDO, pointed out the linkage between industrialization and job growth. "No country in history can be successful in economy without industrialization and industrialization is the real force behind the ability to create jobs," he said.

He also emphasized that every country should select 3 or 4 specific areas or sectors and then focus on these areas so it does not get lost among hundreds of structural reform programmes. Citing China as an example he said the country employs one billion people with focused investment policies. Lauding WAIPA's role he said that IPAs should prioritize finding practical solutions to provide large scale employment.



**James Zhan**, Director of the Investment and Enterprise Division (UNCTAD) centred his discussion on the need for companies to find sustainable investments. He said companies now observe the investments from a different viewpoint. Instead of only funding, they look instead for sustainable investments.

Zhan said, "Companies are worried about the investments. They are hesitating. The cash they are holding back doubled since the beginning of the global financial crisis. He asked: "How can we initialize the use of this great source of 2.5 trillion dollars?"

**Fahad Al Gergawi**, CEO- Dubai FDI/ MENA Regional Directorship (WAIPA) said, "While developing environmental strategies, knowing strategically what to do is important for development agencies especially because there are a lot of institutions related to sustainable development." He said that strategies should be developed using your available sources.

"Investors should be coordinated to act together with the governments and an investor-friendly environment should be provided," he said. He said there are regions with numerous opportunities in which rising of the green economy and green technology

can be foreseen. Al Gergawi pointed that investment in green economy has positive influences on local communities and also ensures the provision of better public services.

**Emily Sims**, Multinationals and Enterprise Engagement Unit - (ILO) discussed how workforce standards have an implication on investments and therefore special emphasis must be placed on devising the right policy framework. She said that countries are facing problems in providing social facilities as they grow. This situation has a negative influence on not only that country, but also on the future investments. Companies

do not want to invest because of this. Sims pointed out that, workforce standards are based on the standards of ILO and the company investments are formed according to these standards. She said, "This is the first time a representative from ILO is attending your meetings and I hope won't be the last. This is why we consider it is very important to work in cooperation with WAIPA. You are a very rich source of information. To provide a better employment rate, it is very important for us to learn from you, what specific investor needs are."

**Will Morris**, Director of Global Tax Policy – General Electric (GE) spoke about the relationship between investment and taxes and how profit transfer policies are at stake. He said, "G20 established an advisory support service on this subject, brought out some suggestions and showed that in most situations international criteria aren't met. He said, "There are incomes which are not taxed anywhere and have to cope with these." Morris also indicated that when tax rules are not met, direct investments are highly affected. He said that there should be a balance. Karim Dahou, Deputy Head of Investment Division at OECD started his speech with the question: "How can we direct existing capital to long-term investments?" He stated that investment incentives should be organized accordingly. Impacts of the financial crisis are still continuing.

"We are looking for the ways to channelize the capital accumulated in the hands of the institutions to firm and dependable investment goals," said Dahou. He said that there should be more transparency in these areas so that financial incomes may be increased and this income may be channelized to other areas such as education.

**Fahad Al Gergawi**, CEO- Dubai FDI/ MENA Regional Directorship (WAIPA) said, "While developing environmental strategies, knowing strategically what to do is important for development agencies especially because there are a lot of institutions related to sustainable development."

**Dr. Ghassan Al Baba**, Executive Director, Islamic Development Bank (IDB) Group Business Forum (THIQAH) spoke about how excessive incentives were actually detrimental to FDI. "My advice to developing countries is to be careful not to step into the trap of providing excessive incentives, which brings tax avoiding problem and create other problems too." He said that turning the country

into a tax paradise has a handicap because it creates an illusion of very high investment rate but this is not the reality. "Ultimately country where investments were made is left with limited benefits," said Al Baba. Al Baba said that the developing countries should share the experiences of other countries and take steps in transparency and proper tax policies.

**Herald Jedlicka**, Senior Investment Policy Officer at The World Bank Group shed light on the excessive nature of competition between countries to attract FDI. Jedlicka said: "The investment incentives may be plenty, but they can be used at circumstances where investment climate is suitable. In the climate not suitable for the Business World, these incentives would not be of importance. The countries should give out incentives under the focus on their goals."

In his closing speech, **ilker Ayçi** thanked everyone who attended the meeting and said: "We need to stand together and cooperate. I am truly feeling lucky to be the president of this organization and to have such incredible colleagues. We will be continuing to work harder in synergy for the benefit of our members. We would make it more feasible for foreign direct investment. We would make FDI a lever for our respective economies".







# OTHER ACTIVITIES

# Implementing the Strategy

The WAIPA Presidency, Steering Committee, and Permanent Secretariat is actively working to realize the visionary strategy that was disseminated during the World Investment Conference

(WIC) 2014 in Istanbul. This strategy is now being turned into an action plan with concrete steps to be taken to achieve:

More  
value for all  
members

More  
transparent and  
accountable  
organization

More  
visible and  
more credible  
WAIPA globally



# Setting up a state-of-the-art Office Premises

Implementing the WAIPA strategy started off with the opening of the new well equipped office in Istanbul.

Next to Istanbul Ataturk International Airport, WAIPA's new home is fully functional and at the disposal of all our member IPAs, as promised.

This was also where we organized our last WAIPA Steering Committee Meeting and the office space was officiated accordingly.





# World-Class IT Infrastructure

A world class IT infrastructure was provided to our Association.

Under this, WAIPA's brand new website with a plugged-in social media component is launched. Members will be able to acquaint themselves with the new interface at [www.waipa.org](http://www.waipa.org) and can share ideas to make it even better.

Over time, the website will be turned into an extensive FDI informational portal for the service of our members.



Over time, the website will be turned into an extensive FDI informational portal

Members will be able to acquaint themselves with the new interface



## A Growing Source of Outward FDI & Destination for Knowledge-Based FDI

The WAIPA Directorship for Latin America has hosted an event that reviewed Latin America's growing share of global FDI, the economic context in which Latin outflows gained strength, the FDI intra-regionally, the types of projects now flowing from Latin America due to the surge of "MultiLatinas" as well as given other Latin businesses' recent expansions worldwide.

While as a source of FDI the region gains momentum, WAIPA also explored Latin American countries' potential as a destination for innovation based, knowledge-intensive FDI.



WAIPA also explored Latin American countries' potential as a destination for innovation based, knowledge-intensive FDI



# WAIPA PALiZ Study Tour

Friday August 29th  
Investment Promotion  
Agencies Members of  
WAIPA from South Africa,  
Lesotho and Morocco, in  
Africa, from Moldova and  
Serbia in Eastern Europe  
as well as from Azerbaijan,  
Georgia and Kyrgyzstan  
from the South Caucasus  
and Central Asia all sent  
representatives to a 5-day  
Study Tour in Poland in  
August 2014.

The meetings took place in Warsaw, Cracow, Gliwice and Katowice. The Polish Information and Foreign Investment Agency (PALiZ) as well as the Ministry of Economy of the Republic of Poland were hosts to this 3rd edition of the WAIPA Study Tour which, this year welcomed IPAs from outside Eastern Europe as well. At the city level, Rio Negócios and Durban Investment Promotion Agency were also represented.

Rio de Janeiro's case in Investment Promotion was presented by Marcelo Haddad, the IPA's CEO who shared Rio's successes as an investment destination and explained how IPAs may seize the opportunity of international sports event to engage with businesses and attract new FDI projects. The Polish study tour's main sector focus were business services and automotive. Deputy Prime Minister Janusz Piechocinski presented Poland's experience in the two sectors and generally exposed the country's accomplishments in overall business climate. PALiZ's Vice-President Anna Polak-Kocinska welcomed WAIPA Members and her team presented the Polish Incentive System generally, and as regards the two main sectors in focus. PALiZ newly launched initiatives Go Africa and Go China were also presented to participants. These represent

Poland's attempt to now also act on Outward FDI supporting Polish companies on its efforts to establish a presence in African countries and China. The Go Africa and Go China programs underscore WAIPA's position that emerging markets will increasingly also become sources and recipients of FDI projects of one another as well as sources of projects to mature markets.

Sector experience sharing was enhanced by the fact that the WAIPA PALiZ Study Tour included visit to two automotive plants in Cracow and Gliwice respectively for MAN Trucks Sp. z o. o. and General Motors Manufacturing Poland S.A. MAN Trucks CEO Ralph Kimmich welcomed WAIPA to their plan outside of Cracow and in Gliwice the group was received by GM Director General Andrzej Korpak.

The GM investment dated back to 17 years, and participants had an opportunity to learn first-hand how the Polish incentive schemes affected the automotive sector in Poland over the years from mainly assemblage capacities to R&D and business services being conducted out of Poland to GM units abroad.

This latter cross-section capacity of GM's serving as a highlight of the BPO advantages of Poland which were also seen in depth when the



WAIPA group visited HCL an Indian company operating in services out of Cracow.

Business services centers with foreign capital in Poland now employ approximately 130'000 workers. BPO sector was not present in Poland only

a decade ago. HCL General Manager Trevor Rulton mentioned that Poland has become the most attractive destination in Central and Eastern Europe. IPA participants established business contacts with Polish-based companies with a potential interest in investing in their countries in the sectors of

focus of the WAIPA PALiZ Study Tour as well as in certain unrelated sectors. Relationship building with business has increasingly become an added benefit of WAIPA generally and of participation in the Study Tours specifically and trainings in particular.



## Kazan Workshop on Public Private Partnerships

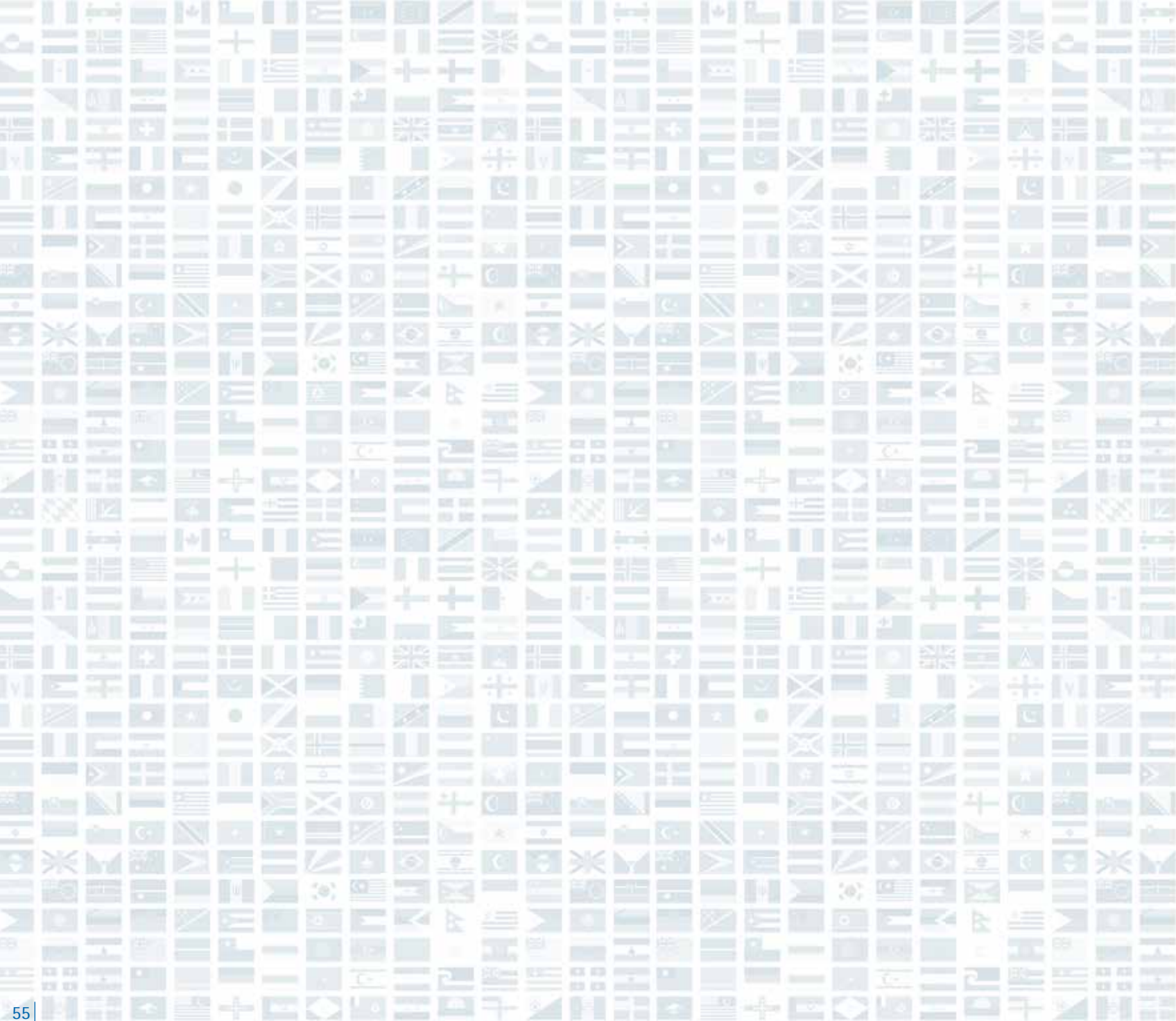
WAIPA together with Tatarstan Investment Development Agency (TIDA), our Directors for Eastern Europe, held a WAIPA Workshop on Public Private Partnerships in Kazan, Russian Federation, from August 6th through 8th, 2014. International best practices in structuring a PPP were shared with attendants.







# LEADERSHIP VISION



# STEERING COMMITTEE

## Presidency

**Arda ERMUT**  
President, Investment Support and  
Promotion Agency of Turkey (ISPAT)

## Vice-Presidency

**Rufat MAMMADOV**  
President, AZPROMO, Azerbaijan

## Vice-Presidency

**Yunus HOOSEN**  
Deputy Director- General, Trade and  
Investment South Africa (TISA)

## Sub-Saharan Africa

**Marthe-Angeline MINJA**  
Director General, Cameroon Investment  
Promotion Agency (CIPA/C.G.C.I.), Cameroon

## MENA –

## Middle East and North Africa

**Fahad Seddiq Al GERGAWI**  
Chief Executive Officer, Dubai Foreign  
Investment Office, U.A.E.

## European Union

**Andrea NAPOLETANO**  
Director, Foreign Direct Investment Unit, The  
Italian Trade Promotion Agency (ICE)

## Eastern Europe

**Linar YAKUPOV**  
Chief Executive Officer, Tatarstan Investment  
Development Agency – Russia, Tatarstan

## South America

**Ana Maria BADEL**  
Executive Director, ProBarranquilla,  
Colombia

## Central America and the Caribbean

**Diane EDWARDS**  
President, Jamaica Trade and Invest  
(JAMPRO)

## North America

**Francisco N. González DIAZ**  
ProMexico, Mexico

## South Asia

**Mohammad Ilyas GHOURI**  
Chief Executive Officer, Punjab Board of  
Investment, Pakistan

## East Asia and South East Asia

**Yang Yi HANG**  
Deputy Director General, Investment  
Promotion Agency (CIPA), China

## Oceania

**Auelau Samuelu ENARI**  
Chief Executive Officer, Ministry of  
Commerce, Industry & Labour, Samoa





During the past two years as members of the steering committee and head representatives of the South Americans IPAs, WAIPA has become a valuable partner in the accomplishment of our mutual goal: Generation of value in the investment promotion practice.

ProBarranquilla, the investment Promotion Agency of Barranquilla and the State of Atlantico in Colombia, has been entrusted with the coordination and representation of the interests of the South American IPAs within this World Association. This duty has made us realized the importance of sharing the experiences in attracting foreign investment.

The opportunity of holding a seat in the Steering Committee of WAIPA strengthens the relationship and work with our pairs in the region. A clear example of this was the organization of a seminary in 2012 oriented to sharing best practices of the IPAs in Colombia and in South America.

We visualize WAIPA, in the upcoming years, consolidating its position as a supraorganization that enhances the IPAs around the globe, generating a wide network of best practices in investment promotion. An entity that sets, an effective framework for the formulation of appropriate investment promotion policies, empowering IPAs to propose solutions to the regional governments, that demonstrates the impact of the investment promotion activities in the development of the territories.

**Ana Maria Badel**  
Executive Director  
ProBarranquilla



Trade and Investment South Africa (TISA), the National Investment Promotion agency of South Africa has served as the Executive Vice President of WAIPA. During our tenure as Vice President over the last two years we were heavily involved in the restructuring of the organization and provided support to the President with the relocation of the WAIPA headquarters. We also hosted the Steering Committee meeting in Cape Town that served as the platform for much of the reforms that took place within WAIPA over the last two years. TISA was also instrumental in drafting the 2014 strategic plan for WAIPA, and has intimate knowledge of the challenges faced by IPA's of developing countries.

As an IPA today, TISA is globally recognised having won a number of awards such as the award by UNCTAD in October 2014, as the global winner for attracting the best sustainable investment project. In March 2015, the Investment unit received another award at the

Annual Investors Meeting in Dubai as the overall winner in Africa for facilitating the best green investment project.

TISA is continuously improving its investment promotion, facilitation and aftercare services and is pleased to make such contributions to the WAIPA family. TISA has supported the former President of WAIPA, Mr Ilker AYCI in transforming WAIPA and wishes to thank him for his leadership and guidance. TISA also welcomes the new President of Invest in Turkey Mr. Arda ERMUT. TISA looks forward to working with the WAIPA family and the secretariat to serve the IPA fraternity.

Our vision is to increase the WAIPA membership, to be a global voice for FDI and advocacy for IPA's.

**Yunus Hoosen**  
Director General  
Trade and Investment South Africa (TISA)



**Mohammad Ilyas GHAURI**  
Chief Executive Officer  
Punjab Board of Investment & Trade

On behalf of the Punjab Board of Investment & Trade, It is an honour and a privilege for me to be a member of the steering committee of World Association of Investment Promotion Agencies (WAIPA), one of the finest investment promotion institutions in the world.

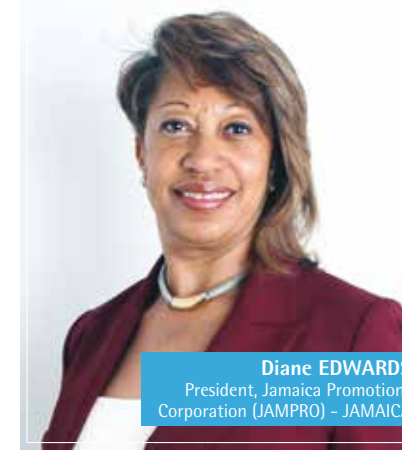
Over the past decade, WAIPA has played a vital role in promoting and developing understanding and cooperation amongst a large number of global investment promotion agencies and will continue to do so in the future.

In the next five years, I can envision WAIPA assisting the formulation of a strong experience and information sharing network between global IPA's. Another important objective that WAIPA is working towards is to promote and facilitate training and technical assistance for IPA's, enabling them reach their capacity and harness the maximum potential of their respective regions. PBIT is looking forward to further strengthening its existing partnership with WAIPA in order to stabilize and

boost the economy of Punjab. We intend to collaborate in exploring the growth potential in the premier investment areas in Punjab such as agribusiness, industrial development and IT & communication through policies like image reformation, policy advocacy, investor facilitation and economic liberalization. Coupled with specialized training and capacity building cooperation, we aim to increase the level of foreign direct investment in country, enhance outward investments, assist economic stability and help Pakistan realize its potential as one of the fastest growing emerging economies in the world.

In the end, I wish WAIPA and the organizers of World Investment Conference '15 in Milan all the best for a successful event. I also look forward to receiving a WAIPA delegation to Punjab and Pakistan. On behalf of PBIT, I would like to extend all kinds of assistance and facilitation to WAIPA and its member countries.

**Mohammad Ilyas Ghauri**  
Chief Executive Officer  
Punjab Board of Investment & Trade



**Diane EDWARDS**  
President, Jamaica Promotions  
Corporation (JAMPRO) - JAMAICA

JAMPRO has been pleased to be a long-standing member of the World Association of Investment Promotion Agencies (WAIPA) and even more elated to share Jamaica's vision for the Association for the next five years.

Let me first applaud the agency in providing an opportunity for collaboration and networking of the various Investment Promotion Agencies (IPAs) around the world.

I cannot emphasize the importance of WAIPA, especially to developing countries like Jamaica, that rely on its technical support and training to attract Foreign Direct Investments to its shores.

WAIPA has been extremely helpful in assisting IPAs in the formulation and implementation of appropriate investment promotion policies and

strategies. To this end, Jamaica has been successful in developing new and innovative strategies geared towards global positioning of the country as an investment location. This is reflected in the country's improving recovery in attracting high levels of FDI in a post-economic crisis era.

In providing further "hand-holding" support to its members, I envision WAIPA providing a more facilitating role between Investors and IPAs in the short term. This can be achieved by:

- Providing a forum for stimulating best practices for all IPAs represented in WAIPA.
- Facilitating and organizing practical best practice sessions to share case studies and learn (from other IPAs) which techniques work best.
- Providing a platform to build database on investment projects promoted by members. WAIPA will consequently become the clearing-house for investors seeking opportunities.
- Using WAIPA's various platforms to market investment opportunities for its members.

- Hosting a major annual meeting for investors and encourage multinationals to attend.

Finally, I commend the strategic move of the WAIPA headquarters to Istanbul. This was seen as a benefit to its members and I anticipate even greater support and more targeted collaborations through the WAIPA activities, due in part to the strong backing from the Turkish government.

We always look forward to participating in the various events hosted by WAIPA, particularly the upcoming World Investment Conference. These forums are instrumental in providing an open platform to promote the investment opportunities in Jamaica, tabling challenges faced by IPAs and gaining insight from the brilliant minds leading global investment discussions.

**Diane Edwards**  
President, Jamaica Promotions  
Corporation (JAMPRO)  
JAMAICA





The growing role of foreign direct investment (FDI) in improving levels of welfare, emphasizes the need for a pro-active approach to attract FDI, and the increasingly important role of investment promotion agencies (IPAs) in economic and social development.

Whilst IPAs compete for companies to locate in their country, they also co-operate and collaborate to develop their common goal of increasing global FDI flows. The World Association of Investment Promotion Agencies (WAIPA) is the only global institution promoting and developing

co-operation amongst IPAs. In an environment of changing patterns of global FDI, and fluctuating FDI flows over the last 10 years, IPAs have had to respond and adapt to the new realities, by adjusting their strategies, increasing efficiency of their promotion activities and playing a greater role in policy advocacy.

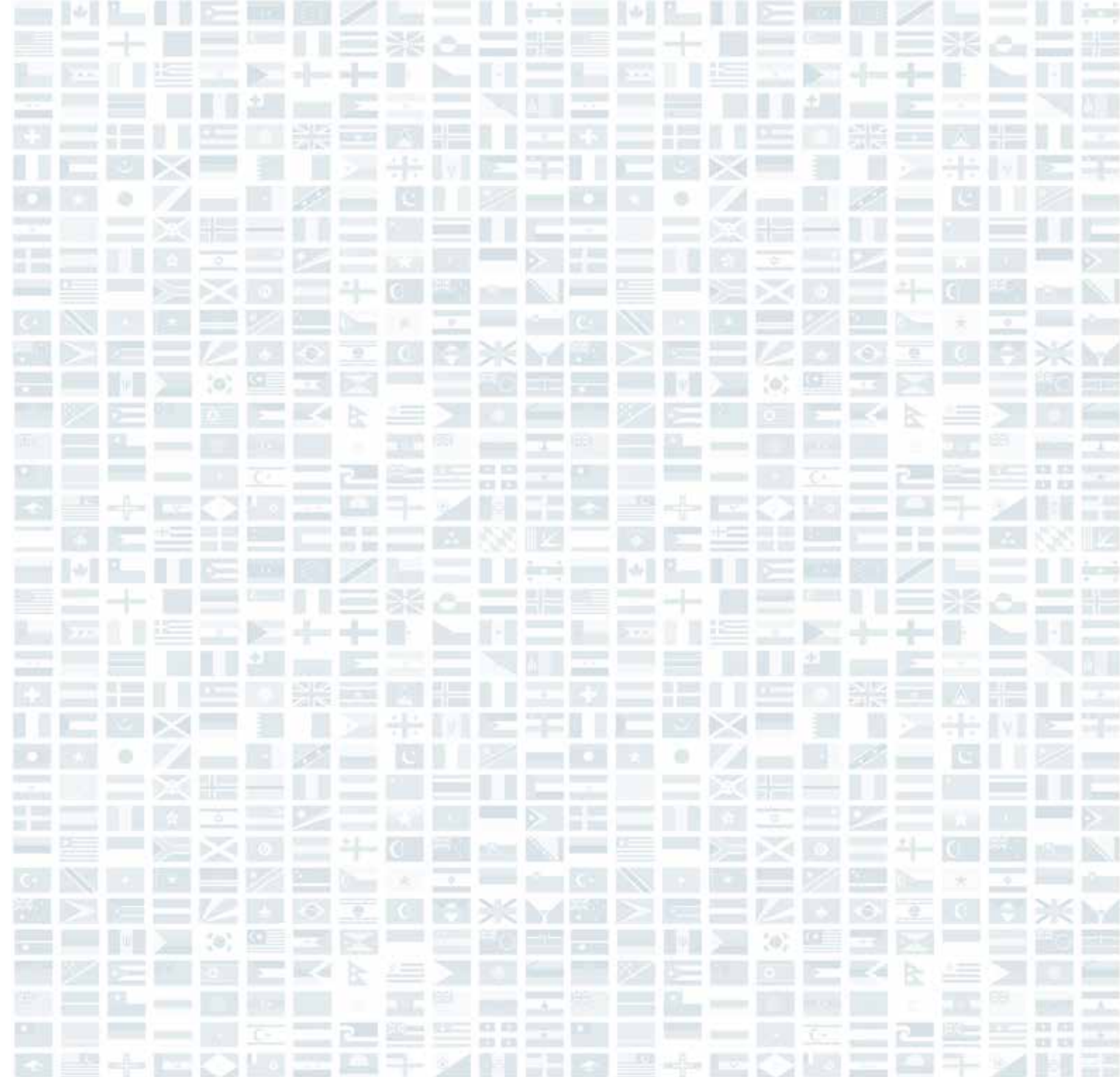
To assist IPAs to meet this challenge, requires an understanding of these realities and the real, practical needs of IPAs, within their own context and situation.

WAIPA has been evolving as the important reference source for the investment promotion agencies worldwide. It is a living organism, which develops together with its members. In the past period, we were successful in structural transformation of WAIPA, strengthening its role and capacity towards becoming a premier reference point for FDI and its promotion. WAIPA offers a prominent platform for networking and exchanging of best practices in investment promotion. Its success is reflected in the growing number of members covering, nowadays, over 170 IPAs from 130 countries.

This trend will continue in the years to come. WAIPA will become a source of advice and consultancy on key aspects of FDI promotion. Its unique position in connecting members to other IPAs, key people in academia, think-tanks, government and investors will be strengthened. WAIPA will facilitate lead generation through various events worldwide. The effectiveness of its services will be improved through the promotion of intra- and inter-regional co-operation between members, through bi-lateral meetings and conferences, and between governments and private companies.

I believe these improved services will help facilitate an increase in FDI flows, to the benefit of all members. I strongly believe that WAIPA will cover all countries and regions where IPAs exist.

**Rufat Mammadov**  
President, AZPROMO







# FINANCIAL STATEMENTS

Geneva, May 28, 2015

**Report of The Statutory Auditors on the limited statutory examination to the general assembly of the World Association of Investment Promotion Agencies, Geneva**

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement, notes) of the World Association of Investment Promotion Agencies (hereinafter "WAIPA"), Geneva, for the year ended December 31, 2014.

These financial statements are the responsibility of the Steering Committee. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law. An employee of our firm was involved in the bookkeeping of WAIPA during 2014. However this employee did not participate to the limited statutory examination of WAIPA financial statements.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements, disclosing accumulated reserves of USD 506'486, do not comply with Swiss law and the association's statutes.

Yours faithfully,  
HORWATH BERNEY AUDIT SA



**Sebastien BRON**  
Swiss Certified Accountant



**Philippe Joerg**  
Swiss Certified Accountant  
Auditor in charge

**Enclosures:** financial statements (balance sheet, income statement, notes)

World Association of Investment Promotion Agencies, Geneva  
**Balance Sheet as of December 31, 2014**

	Note	31.12.2014 USD	31.12.2013 USD
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	618'178	901'192
Accounts receivable		-	3'000
Prepaid expenses		4'758	8'771
<b>TOTAL ASSETS</b>		<b>622'936</b>	<b>912'963</b>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Provisions		22'115	22'115
Dubai restricted funds	6	60'047	60'047
Accrued liabilities		34'286	19'011
<b>Reserves</b>			
Accumulated reserves		506'486	811'789
		<b>506'486</b>	<b>811'789</b>
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>622'936</b>	<b>622'936</b>



World Association of Investment Promotion Agencies, Geneva

**Income Statement for the Year 2014**

	Note	2014	2013
		USD	USD
<b>REVENUES</b>			
Membership fees			
Participation Annual Conference WIC 2014	7	443'657	392'849
Financial revenues		699'980	1'146'611
Other income		201	376
Exchange gain		1'407	2'188
		-	5'186
		<b>1'145'245</b>	<b>1'547'210</b>
<b>EXPENSES</b>			
Staff salaries and related costs		477'898	479'998
Annual Conference direct costs		670'797	676'953
Regional meetings and workshops		92'543	52'184
Staff travel expenses		-	257
Steering committee expenses		49'831	38'109
Office expenses		37'157	42'796
Rental expenses	5	31'105	27'182
Other expenses		24'046	55'248
Exchange loss		65'891	-
Bank charges		1'280	1'128
		<b>1'450'548</b>	<b>1'373'857</b>
<b>(Deficit) / surplus for the year</b>		<b>(305'303)</b>	<b>173'353</b>

World Association of Investment Promotion Agencies, Geneva

**Notes to the Financial Statements as of December 31, 2014**

<b>1 Introduction</b>		
The World Association of Investment Promotion Agencies (hereinafter « WAIPA ») is a Swiss association, established in 1995 and registered as a non-governmental organization in Geneva, Switzerland.		
WAIPA acts as a forum for investment promotion agencies to provide networking opportunities and facilitate the exchange of best practices in investment promotion and capacity-building.		
<b>2 Accounting Principles</b>		
<b>2.1 Revenue recognition</b>		
Membership fees and conference related fees are recorded on an accrual basis. Membership fees and conference fees not collected at the time of the preparation of the financial statements are not accrued for.		
Other revenues such as grants and financial revenues are recorded on an accrual basis.		
Donations are recorded on a cash basis except for donations for specific projects which are recognized as income when the related project expenses are actually incurred.		
<b>2.2 Expenses</b>		
Expenses are recorded on an accrual basis.		
<b>2.3 Cash and cash equivalents</b>		
Cash is stated at its nominal value.		
<b>2.4 Accounts receivable from sales and services to members</b>		
Accounts receivable are stated at their net realizable value by recording a provision in the case that the accounts receivable are not fully recoverable.		
<b>3 Cash and cash equivalents</b>		
The cash and cash equivalents balance consists of:		
	<b>31.12.2014</b>	<b>31.12.2013</b>
	USD	USD
Cash at banks on current account (incl. cash on hand)	353'534	605'995
Cash at banks on savings account	264'644	295'197
<b>Cash and cash equivalents</b>	<b>618'178</b>	<b>901'192</b>

World Association of Investment Promotion Agencies, Geneva

# Notes to the Financial Statements as of December 31, 2014

**4 Income and capital taxes**

WAIPA does not pay any income or capital taxes as it benefits from a tax exemption, which is renewed every five years. WAIPA employees are subject to personal income tax and social charges.

**5 Rental agreement**

WAIPA has entered into a new rental agreement from April 1, 2011 through March 31, 2013, which has been extended through December 31, 2014.

**6 Dubai Restricted fund**

In 2010, WAIPA received a sponsoring income of USD 95' 000 from Dubai to finance a specific project. Such project did not materialize. Part of the funds was used in 2012 for organizing an event in Dubai. The remaining funds, i.e. USD 60' 047, shall be used by WAIPA for financing a future conference.

**7 Sponsoring funds**

In 2014, WAIPA received a sponsoring income of approximately USD 700'000 from Invest in Turkey to finance the Annual Conference costs and the running expenses of WAIPA. An additional amount of SD 800' 000 has been collected in the first four months of 2015. As the sponsoring income is recognized as income when it is actually received, such additional amount was not recognized in the 2014 income statement. This explains the deficit incurred by WAIPA in 2014.

**8 Risk Assessment**

WAIPA's Steering Committee has not performed any risk assessment.



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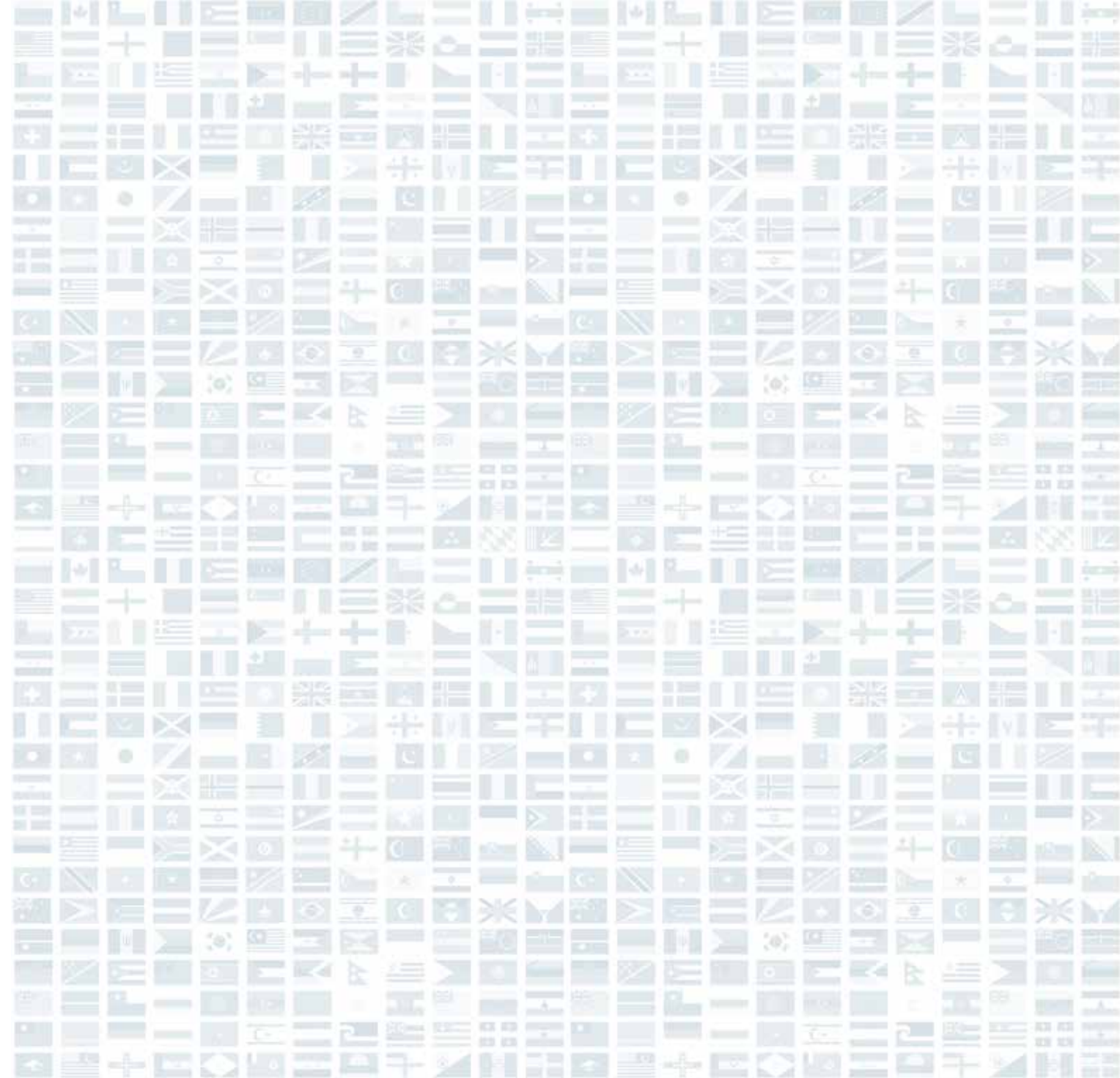
With technology becoming ever more important in communication, WAIPA is keeping up pace with expectations of an international organization.

A fully revamped website, with parallax scroll technology and easy-to-navigate interface was designed. It is fully optimized to fit the needs of a web browser as well as a mobile platform. Just in its infancy now, our Twitter timeline has launched with a regular feed of the current information that comes out of the secretariat since WIC14.



Our website and Twitter are linked and we hope to expand our connection with members, consultative committee organizations, FDI companies and the economic beat journalists alike. Do not forget to follow us at @WaipaOrg. View WAIPA statutes and a world map with mouse-over technology depicting a robust and growing member list.

[www.waipa.org](http://www.waipa.org)





World Association of  
Investment Promotion  
Agencies

**Istanbul**

WAIPA – World Trade  
Center, Building A2  
12th Floor, No 373 Yesilkoy  
Istanbul, Turkey  
Tel: +90 212 468 69 80

**Geneva**

Maison Internationale de  
l'Environnement 2 (MIE2) 9,  
chemin de Balexert 1219  
Châtelineau – Geneva  
Switzerland  
Tel: +41 22 797 26 65  
Fax: +41 22 796 61 55  
Email: [info@waipa.org](mailto:info@waipa.org)



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