OCO GLOBAL

World Association of Investment Promotion Agencies

WAIPA

THE NEW LAWS OF FDI ATTRACTION

HOW TO ATTRACT, MEASURE AND SUSTAIN QUALITY FDI

OCO GLOBAL
WAIPA
Innovation Report
2023

Foreword

Welcome to the 2023 IPA Innovation Report. As FDI professionals we have all witnessed investment dynamics going through deep transformations over the past years. Recent events such as the war in Ukraine, the energy crisis, and inflation, have only accelerated the pace at which FDI is evolving and reshaping. But what does that mean for Investment Promotion Agencies (IPAs)?

The OCO Global - World Association of Investment Promotion Agencies partnership has allowed us to survey 74 IPAs from around the world to learn how they are responding to these changes. This global reach has allowed us to take in different perspectives across every continent from national agencies, regions, and cities.

Our respondents have reported a transformation in the global economy over the last few years, and the future remains one of uncertainty and complexity. This is the challenge for IPAs, and as our new research shows, it is a challenge that is already fundamentally changing how they make strategic decisions and operate.

While budgets and staffing are stretched, the investment process is becoming increasingly resource intensive. IPAs are not only dealing with more demanding investors, but policy choices towards quality over quantity require additional work to source and secure the best projects.

Talent is now well and truly part of investment promotion and we have discovered how more IPAs are developing talent attraction strategies to complement their existing work. The role of cities – and their collaboration with companies, universities and national IPAs - is likely to become crucial to address the talent attraction challenge.

Technology and AI have already revolutionised much of the world's economy. But, with a few exceptions, we found IPAs are still behind the curve. The most successful IPAs in the future will be those able to leverage technology and AI across the whole investment attraction cycle.

But how can IPAs demonstrate they are making a difference? There is no doubt that most agencies are proactively seeking better opportunities linked to environmental and social goals. But it is also clear that no one is using the same performance indicators, sometimes not even the same definition of quality FDI. How can we sustain high quality FDI if we can't measure it? If we can't compare it? If we don't speak the same language?

Our research shows that the future of FDI requires a refining - sometimes a reset - of strategies, operating models, and performance indicators for IPAs. OCO Global and WAIPA are committed to bringing solutions to these critical challenges.

FDI attraction isn't always about competition. What is needed to make progress is a collaboration between IPAs, to share the most innovative practices and help facilitate FDI projects that benefit everyone. That's what the OCO – WAIPA IPA Innovation report is about, and we'd like to send our gratitude to the 74 respondents who helped make this happen.

Gareth Hagan
CEO, OCO Global

Ismail Ersahin
CEO, WAIPA

METHODOLOGY

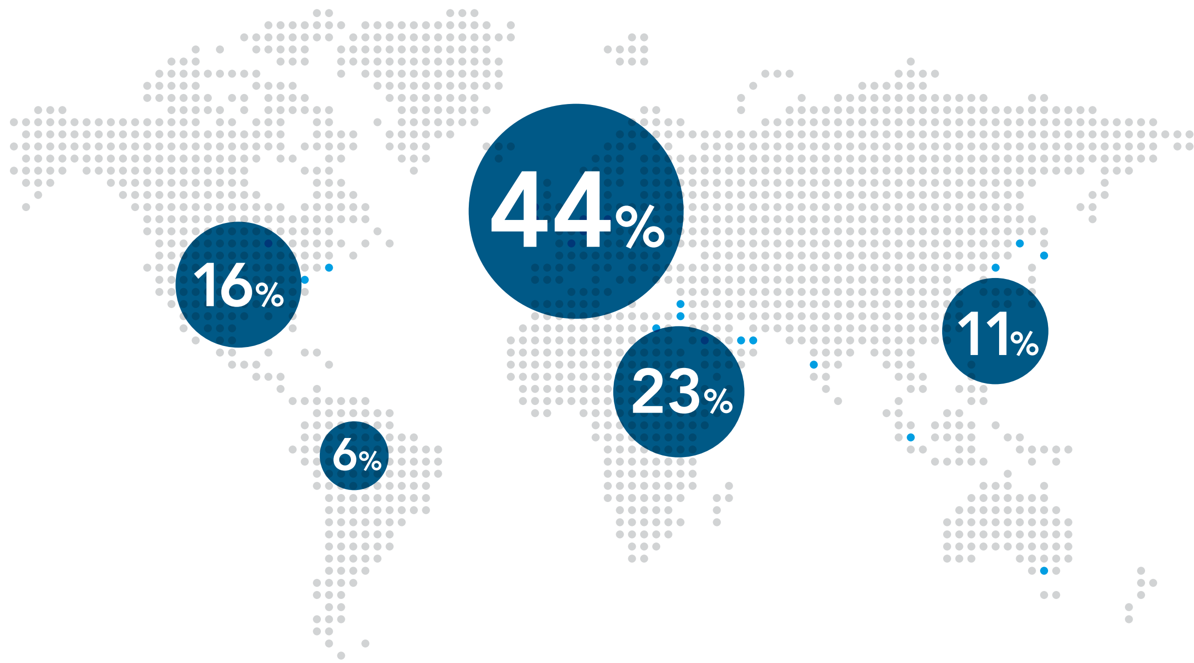
74 IPAs responded to an online survey designed by OCO Global and WAIPA and administered between November 2022 and March 2023.

Respondent profiles were typically CEOs, Head of Invest and Head of strategy and IPA management from Investment Promotion Agencies.

The survey focused on challenges Investment Promotion Agencies (IPAs) are facing in the long and medium term and how they respond and adapt to these challenges.

Results were complemented by a series of in-depth interviews and client conversations.

The survey covered all continents and provided a balanced sample of national and regional/city level IPA.



REGION	%
Europe	44%
Middle East & Africa	23%
North America	16%
Asia Pacific	11%
Latin America & Caribbean	6%

TYPE OF IPA	%
National	44%
Regional/city	56%

Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

KEY FINDINGS FROM OUR SURVEY

Reminder of the new FDI context: What we hear from our clients

Big macro events are dominating the agenda

- Pandemic
- Trade tension between the US and China
- Ukraine war impact
- Post-Brexit adjustments
- Instability in MENA countries

Which have created shockwaves in the global economy

- Supply chain disruptions
- Energy crisis
- Inflation
- Higher interest rates
- Talent shortages
- Need for decarbonisation

Investors' priorities have shifted...

- Supply chain diversification
- Shift from 'Just-in-Time' to 'Just-in-Case' logistics
- Access to talent
- Technology spread
- Business planning
- Margin protection

...As have countries'

- Energy security
- Geopolitical alignment
- Protection of critical industries
- Attracting scarce talent into tight labour markets
- Transition to renewables

How are IPAs responding to these changes?

IPAs are facing challenges across three main areas:

- **Global uncertainty** is damaging investors confidence and slowing down or delaying FDI plans (29%)

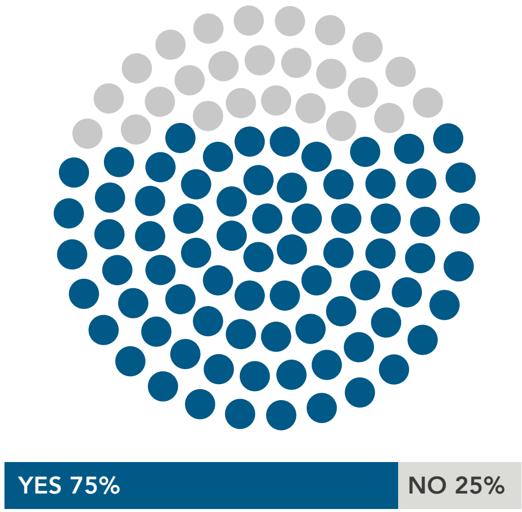
- **IPAs organisational structure and FDI strategy** need a refresh, sometimes a reset (27%)

- Limited resources prompt a **need for innovative marketing and promotion strategies** and tools (23%)

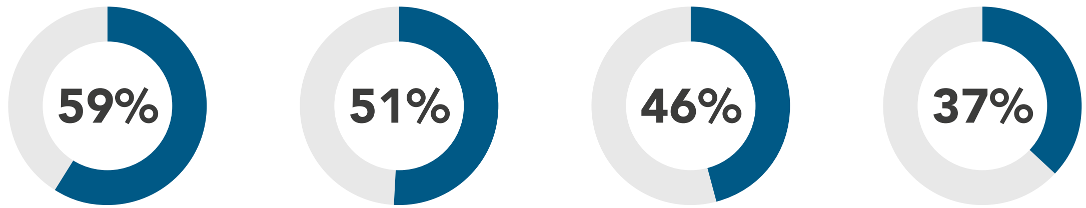
Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

IPAs response: A strategic shift towards 'Quality FDI'

Have you developed a specific strategy to attract quality FDI projects (vs. quantity)?



Quality FDI is a project that…



Brings innovative technology

Creates more qualified jobs

In strategic sectors

Fills a gap in local or regional value chain

Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

What’s on IPAs agenda for 2025?

Find new FDI opportunities

- 86% of IPAs are looking to source new FDI opportunities from the regionalisation of value chains
- The most cited strategic sectors for FDI attraction are energy (85%), digital (81%), health (45%) and advanced manufacturing (45%)

Improve digital adoption

- Digital tools are well adopted for image building (56% of respondents)
- But digital adoption is still ‘behind the curve’ on some strategic areas such as investor targeting (42%), market intelligence (39%) and aftercare (23%)

Think beyond FDI projects and attract talent

- 49% of IPAs have developed a talent attraction strategy, in addition to investment attraction strategy. This new positioning surges to 80% for city IPAs
- The most wanted talent is in the Software & IT sector (73% of respondents), followed by healthcare (58%) and advanced manufacturing (53%)

Contribute to sustainable development goals

- 51% of IPA respondents state that they have changed their FDI strategy to comply with sustainable development goals
- But only 36% are actually monitoring the environmental and social impact of FDI projects

Monitor quality

- A consistent trend across IPAs in all regions was the gap between the pursuit of quality FDI and the lack of monitoring for those projects
- For example, 59% of respondents stated that quality FDI means fostering innovation, while only 30% are currently using innovation as a KPI to monitor progress

Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

HOW IPAS ARE ADAPTING TO THE NEW FDI CONTEXT

IPAs are being challenged on five key levers of investment attraction

What are the three biggest challenges your organization is currently facing?
Open-ended question. Percentage of all respondents

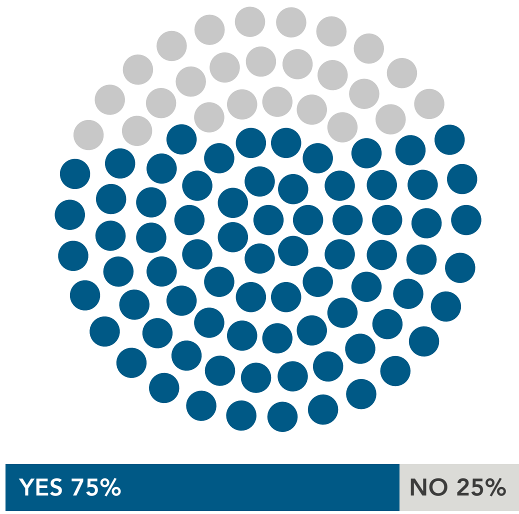
REPORTED CHALLENGES		%	REGIONS MOST AFFECTED
1	Global economic uncertainty is reducing investor confidence	29%	Asia-Pacific / Europe / Middle East & Africa
2	IPAs organisational structure & strategy is not optimal	27%	Latin America / North America
3	Limited resources prompt a need for innovative marketing and promotion strategies and tools	23%	Latin America / Middle East & Africa
4	Key areas/sectors have a shortage of talent	21%	Europe / Asia Pacific
5	There are not enough quality sites for investors	18%	Europe

Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

There is a shift to recognising the value of quality over quantity

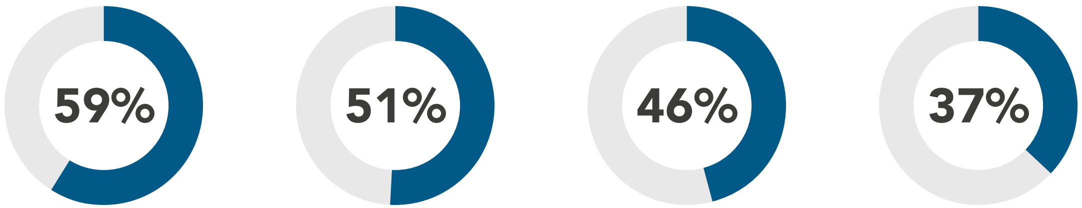
- Three quarters of respondents have developed a strategy to attract "quality FDI projects" (as opposed to looking only for quantity)
- This is consistent across all regions, ranging from 55% in North America to 82% in Europe
- IPAs representing cities stand out as the leader in quality FDI strategies. All respondents stated they had a strategy compared to 74% at national level and 63% at a regional level

Have you developed a specific strategy to attract quality FDI projects (vs. quantity)?



What defines quality?

When asked to define what quality FDI meant, the four most common responses were:



Innovative FDI projects with a strong technology element

FDI project creating quality jobs

FDI projects in strategic sectors for the country or region

FDI projects filling a gap in the local value chain

Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

Marie-Cecile Tardieu
Director General
Business France

BUSINESSFRANCE

Case study

How Business France has adapted to the new challenges of FDI

Business France are focussed on the internationalisation of the French economy, and are responsible for both inward investment and exporting.

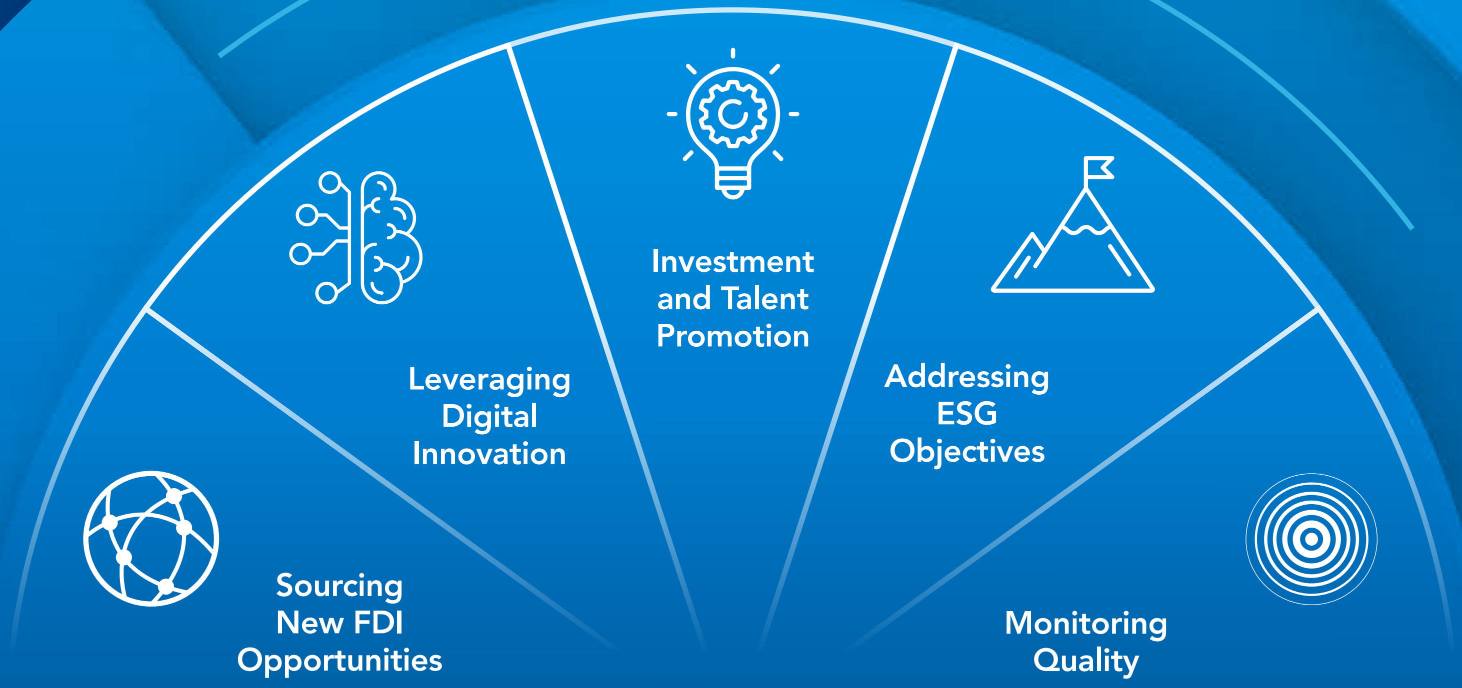
Two words that summarise our last few years are ‘uncertainty’ and ‘competition’. Recent significant shocks such as COVID-19 and the energy crisis, are making it ever more difficult to foresee where the next challenges will come for companies in the value chain, and where Business France can help. At the same time there are more agencies than ever competing for that investment and they are very active in addressing the needs of investors.

In response, Business France has had to become more efficient and is turning to digital solutions. These include the ability to better connect the agencies, investors, and local regions, and developing tools to increase their ability to transact with investors in secure data exchange rooms.

The other major challenge is supporting the shift towards a green economy. Not only is Business France looking to attract investment that could provide the transformative green technologies, but it is also changing how it assesses any investment. Now, there is more awareness of issues such as land use, energy consumption, and water consumption.

A critical question on the shift to more sustainable environment is how to make sure this is a genuine green investment and not 'greenwashing'? Overcoming this has involved developing a set of questions Business France want to ask investors to decide how green is their investment. This helps to get a better decision of how green the investment is, but will also provide useful information on whether there is something they can do to make it more sustainable. For example, changing road transport to rail transport, or brownfield instead of greenfield.

In this way Business France is positioning itself to better understand what quality investment looks like and demonstrate how they are making a contribution to the government's goal of quality and green growth.



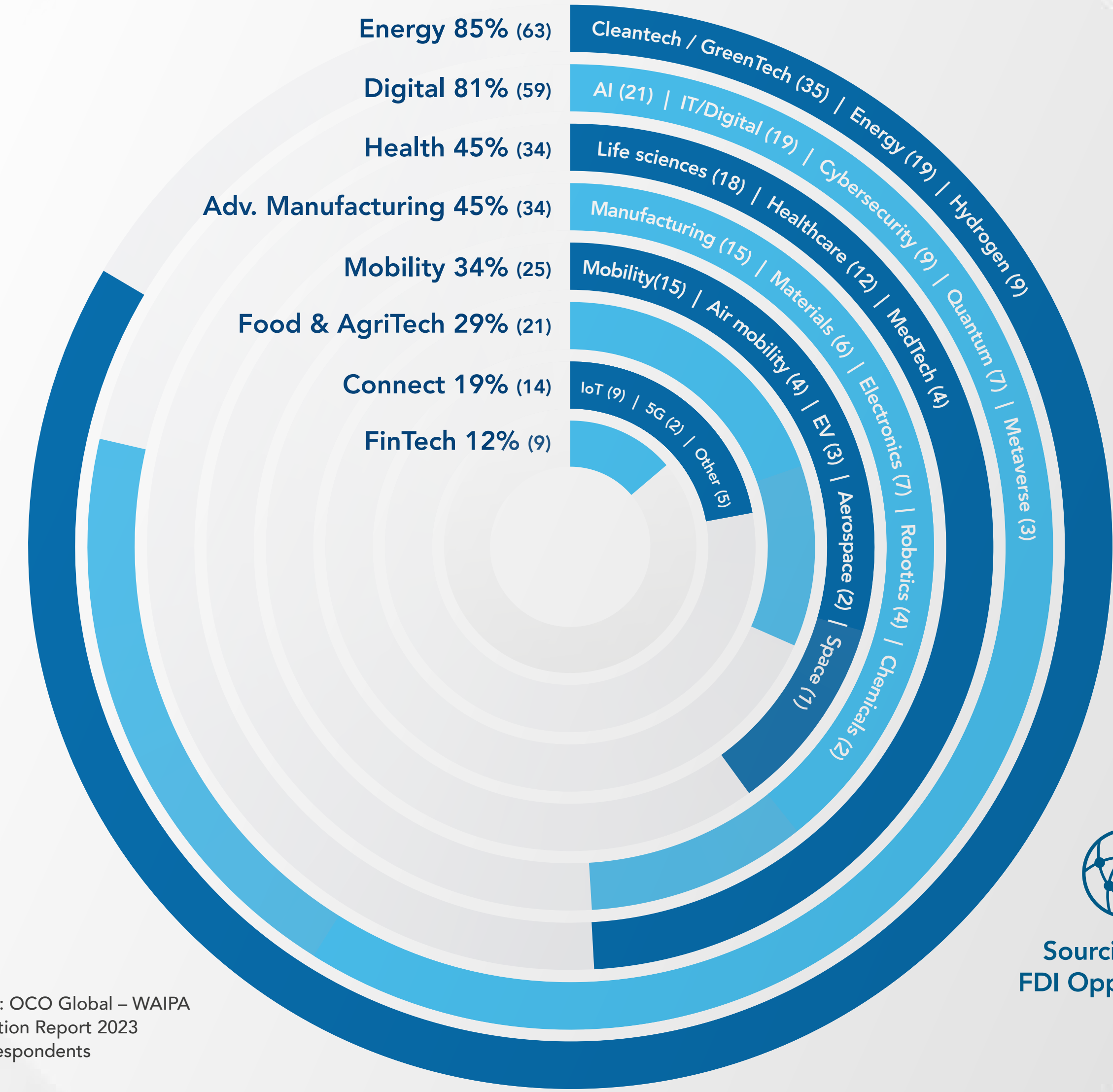
WHAT IS AT THE TOP OF IPAS' AGENDA

The sectors of the future: Back to fundamentals!

- Energy (85%), digital (81%), health (45%) and manufacturing (45%) are the most commonly cited "sectors of the future", suggesting a deep transformation of foundational industries and a spread of technology across all sectors
- The results reflect the context in which IPAs must work: the major transformations of the twenty-first century in energy and digital; shifting patterns of manufacturing away from low-cost production; and increasing value of health security
- These were the top four sector groupings across all regions

What are, according to you, the "sectors of the future"?

Percentage of all respondents (number of responses)



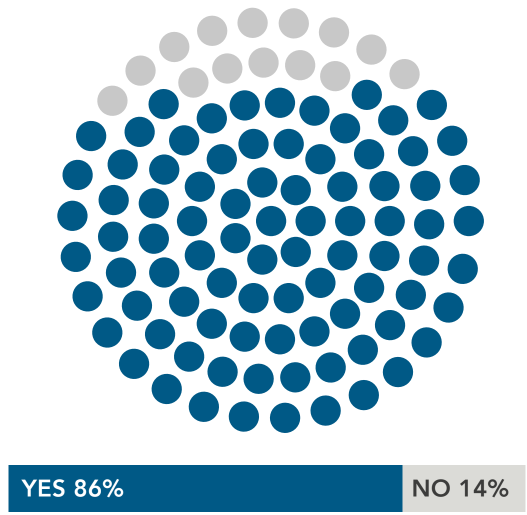
Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

Sourcing New FDI Opportunities

IPAs are looking for new FDI opportunities out of the regionalisation of value chains

- Almost nine out of ten (86%) of respondents are proactively seeking investment opportunities from the regionalisation of value chains
- This trend helps explain why manufacturing was rated as the third most important sector of the future, and manufacturing talent as the second most important talent attraction sector
- While the majority of respondents were looking to take advantage of regionalisation, this will mean different things to different IPAs
- In Latin America and Caribbean IPAs are targeting US companies looking to take advantage of lower costs, strong logistics, and free trade agreements
- Meanwhile in Europe, the supply chain issues caused by the global pandemic have focussed attention primarily on greater control of strategic industries such as semiconductors and pharmaceuticals. But the type of manufacturing being attracted is more high value/low impact activities around digitalisation and automation

Are you proactively seeking new investment opportunities from the regionalisation of value chains?



Sourcing New FDI Opportunities

Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

Samet Akyuz
Strategy & Corporate Planning
Manager Invest In Türkiye

Case study

For the Investment Office of Türkiye, regionalisation is an opportunity that spans the value chain

The main mandate of the Investment Office of Türkiye is to attract international investors into Türkiye, with services provided before, during and after their investment. We have two offices in Türkiye and have representatives in 14 countries providing services to international investors in 10 languages.

A key trend for the region is the reconfiguration of the global value chains and regionalisation of global production. This has resulted in a steep increase in relocation projects, with logistics proximity, logistics speed and resilience becoming of much more importance than price factors.

Like most countries, Türkiye is trying to attract new investors and encourage expansion of existing investors. But the Investment Office of Türkiye is also looking at the opportunities further along the supply chain.

While developing our national FDI strategy we discovered that almost half of existing investors are working towards relocating their suppliers to Türkiye. This became a second function of aftercare, to support investors to move their suppliers here.

We were also aware of the need to increase the capacity of the local suppliers and we have started developing policies and tools to increase the capabilities of domestic companies. This includes improving the relationships with existing international investors and Türkiye is developing incentives to boost backwards-forwards linkages as well as knowledge sharing.

In order to benefit from shortening or regionalising of global value chains it is essential to have a robust logistics infrastructure and the Investment Office for Türkiye is playing a key role in attracting strategic financing investment. We have set up a separate and independent Public Private Partnership (PPP) department which is responsible for PPP projects in logistics and other infrastructure investments.

The incentive for Türkiye is quality investment as the sectors attracted by changes in the global value chain have higher employment creation potential that can open up high value opportunities for our people.

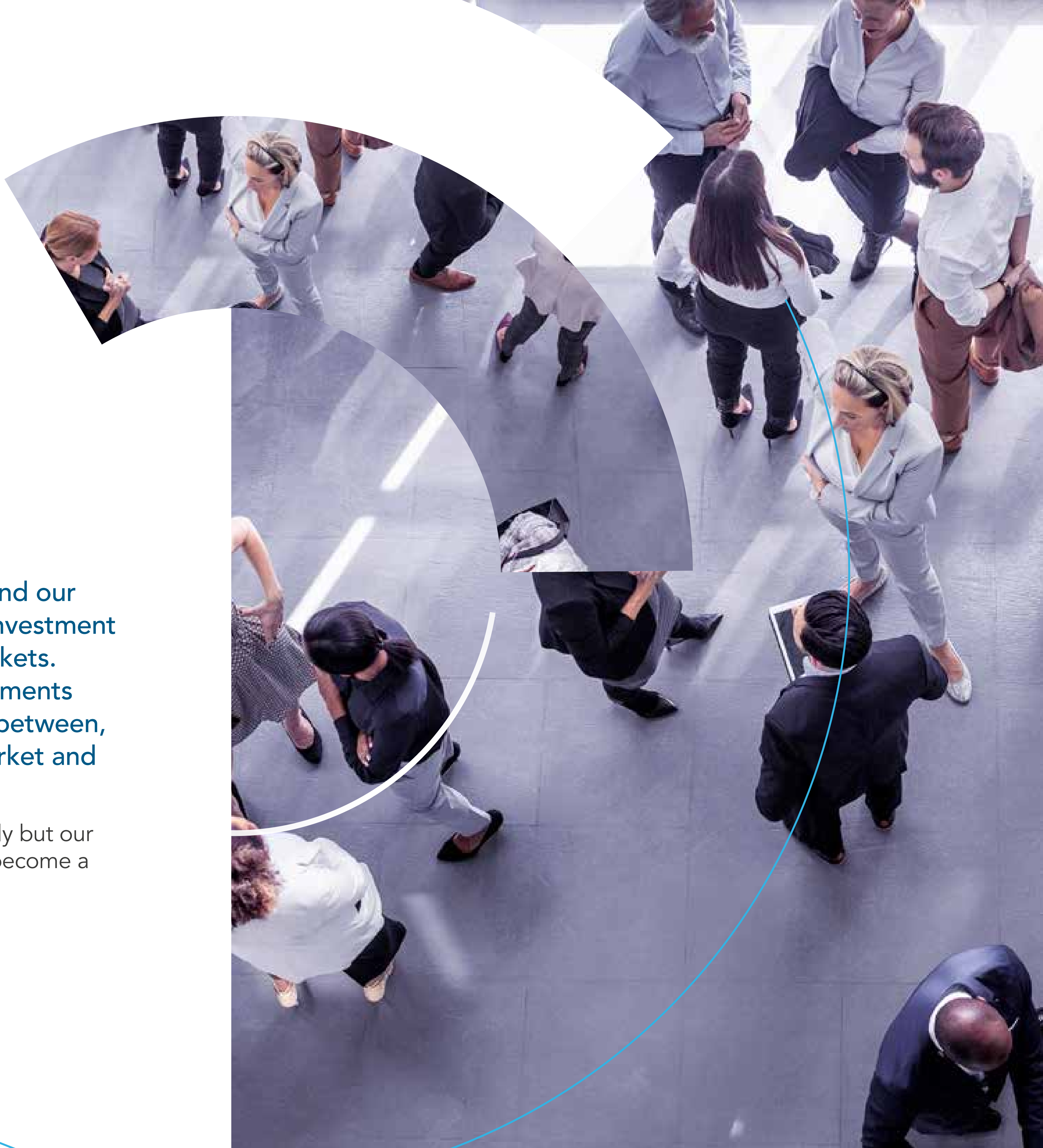
Uyi Idahosa
Senior Investment Officer
IFC

Case study

How donors and IPAs can work together

IFC is a part of the World Bank group and our mandate is to promote private sector investment in emerging markets or non-OECD markets. This can involve multiple financial instruments from equity to debt, and everything in between, alongside technical support such as market and environmental studies.

Currently the IFC invests around $30bn annually but our goal is to grow that over the coming years to become a $50bn plus financier by 2030.



The extent to which regionalisation is rising up the IFC's agenda can be seen in our own organisational changes - moving more staff out into regional positions to be closer to clients and where these projects are happening.

While the IFC is regionalising its own operations, it cannot have people in every country trying to connect with opportunities as they evolve. For that reason, IPAs as immensely valuable as they are often the first port of call when investors are looking to enter a new market or make investment in a place they haven't invested in before.

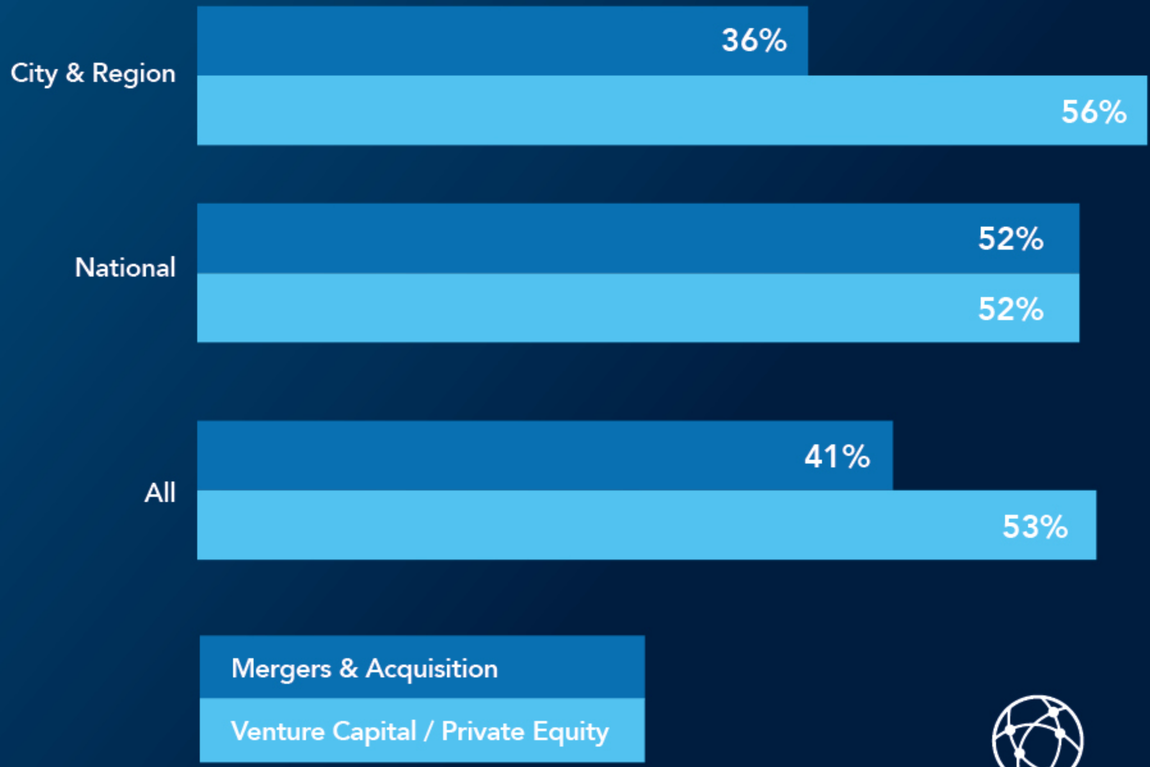
Building a relationship with financiers such as the IFC is a win-win for both parties. For the financier, IPAs play a key role in screening and identifying companies, categorising them into scalable, meaningful projects, and then connecting them with financiers such as the IFC.

In return, IPAs can significantly improve their offer to investors through an enhanced relationship with the financier that goes beyond simply capital. This could include co-funding market or environmental studies, bringing in environmental and social experts, and connecting them to partners in their existing portfolio that might be interested in joint ventures.

IPAs are extending their targeting to financial investors

- Around half of respondents were covering Venture Capital and Private Equity for domestic start-ups as part of their investment promotion activities
- Cities and regions were marginally more likely to be covering these areas. This was driven mainly by the city IPAs who responded to this survey. These respondents represent global economic centres and it is not surprising that they well ahead for VC/PE activity
- Less than half of respondents (41%) were covering Merger & Acquisition opportunities as part of their investment promotion activities
- National agencies were most likely to be involved in M&A activities, although this was still only 52% of respondents from national agencies

Percentage of respondents covering Venture Capital/Private Equity and Mergers and Acquisitions

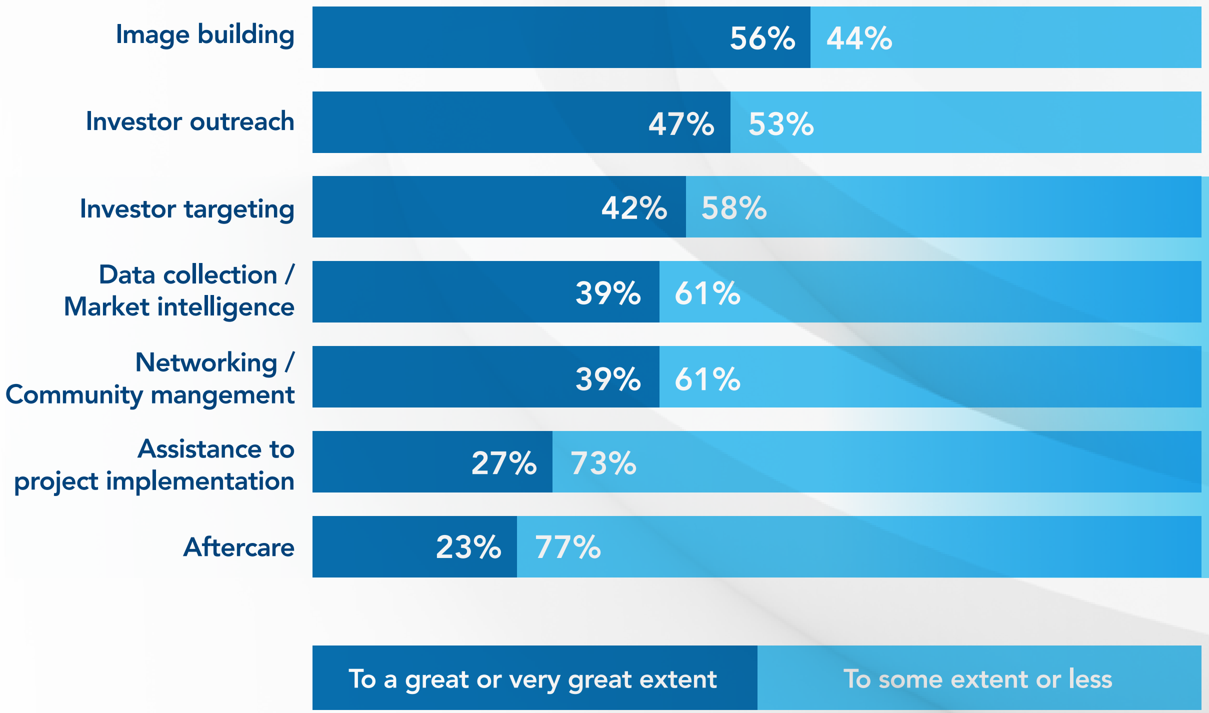


Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

Sourcing New FDI Opportunities

Digital innovation is still underleveraged

To what extent are you leveraging digital tools for the following activities?



- IPAs are typically adopting digital practices that have been common in other industries – digitising their processes, remote/flexible working and digital marketing

- Digital tools are well adopted for image building (56% of respondents) and investor outreach (47%)

- But IPAs remain 'behind the curve' on some key areas and not yet leveraging the full potential of digital tools in the following key activities:

  - Investor targeting (only 42%).
  - Market intelligence (only 39% of IPAs)
  - Community management (only 39% of IPAs)
  - Aftercare (only 23% of IPAs)

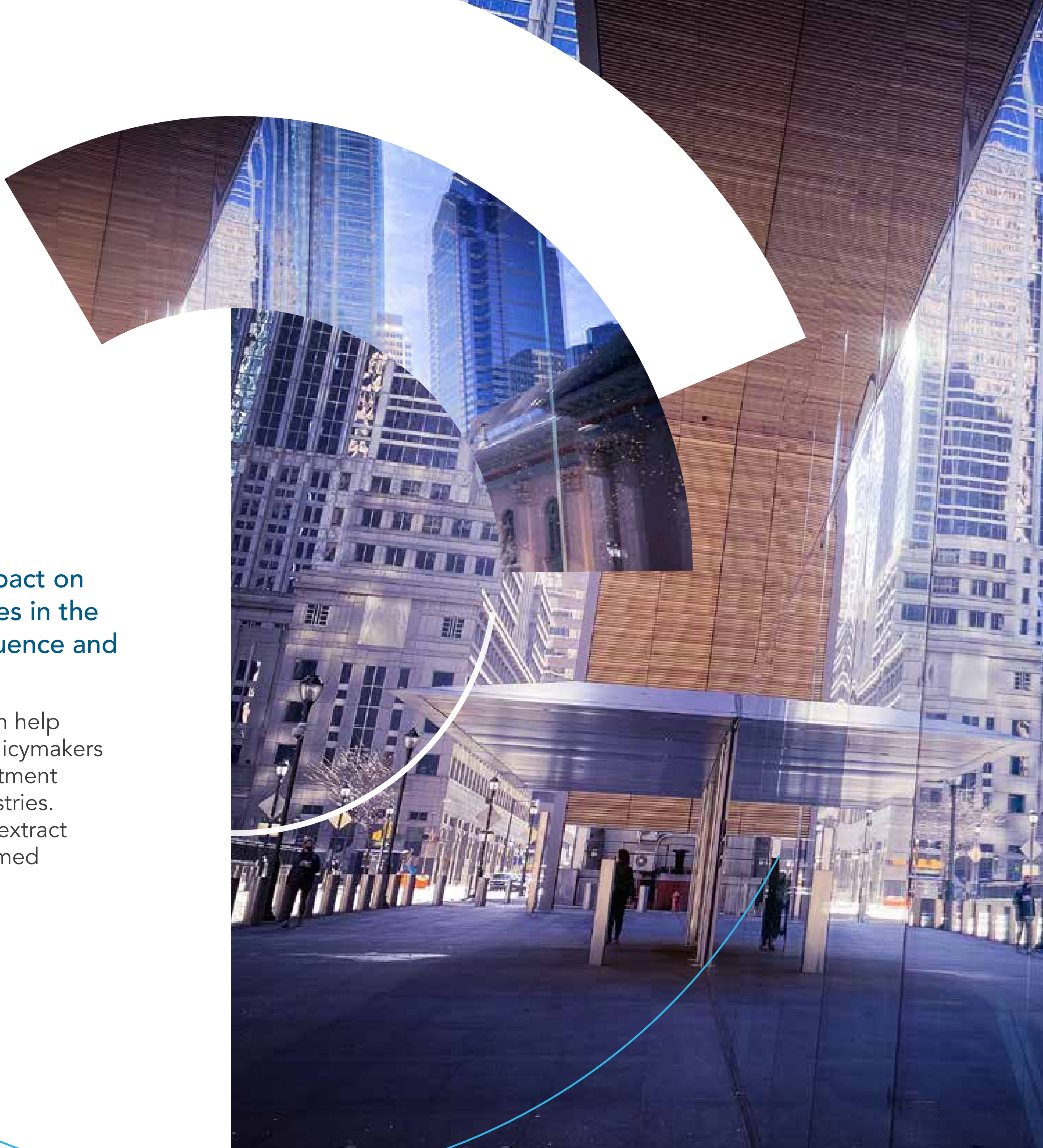
Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

Leveraging Digital Innovation

How will AI impact investment promotion and strategies in the future? Chat GPT's opinion

AI is expected to have a significant impact on investment attraction and FDI strategies in the future. Here are some ways AI can influence and enhance these areas:

Data Analytics: AI-powered data analytics can help investment promotion agencies (IPAs) and policymakers analyze vast amounts of data to identify investment trends, market opportunities, and target industries. AI algorithms can process large datasets and extract valuable insights, allowing IPAs to make informed decisions when formulating FDI strategies.



Targeted Marketing and Lead Generation: AI can assist IPAs in identifying potential investors and target markets more effectively. By leveraging machine learning and natural language processing, IPAs can analyze various data sources, including online platforms, social media, and industry reports, to identify and engage with potential investors. AI can also help personalize marketing messages and campaigns based on investors' preferences and needs.

Investment Opportunity Screening: AI algorithms can help IPAs screen and evaluate potential investment opportunities more efficiently. By analyzing various parameters such as market conditions, financial data, industry trends, and risk factors, AI can assist in identifying promising investment projects and filtering out less viable options.

Investor Assistance and Support: AI-powered chatbots and virtual assistants can enhance the support provided to potential investors. These AI systems can answer investor queries, provide information on investment procedures, regulations, and incentives, and guide investors throughout the investment process. This can improve the overall investor experience and streamline the investment attraction process.

Risk Assessment and Predictive Modeling: AI can assist IPAs in assessing investment risks and predicting market trends. Machine learning algorithms can analyze historical data, economic indicators, geopolitical factors, and other relevant variables to identify potential risks and forecast investment outcomes. This can help IPAs mitigate risks and make informed decisions when developing FDI strategies.

However, it's important to note that while AI offers significant potential, it also raises ethical and policy considerations. Ensuring data privacy, addressing algorithmic biases, and maintaining human oversight in decision-making processes are crucial aspects that need to be carefully managed when integrating AI into investment attraction and FDI strategies.

Pilar Madrigal
Investment Advisory Director
CINDE

CINDE
INVEST IN COSTA RICA

Case study

Harnessing the power of AI to find insights in your CRM

The Costa Rican Investment Promotion Agency, CINDE, is a private, non-political, and non-profit organisation that has advised and guided over 400 high-tech companies to establish in the country.

For us, AI is about the analysis of data and we have benefited from measuring data for a good ten year through a CRM system that includes around 80 data points for every project, lead and opportunity that comes into the organisation. Armed with that amount of data we have been able to use machine learning to analyse performance and focus strategies on what has been effective.

For example, our analysis discovered that their strongest source of leads comes from the website, and we have worked hard to understand the user experience and the type of information potential investors are gathering.

This also led us to understand what would resonate with potential investors in their digital advertising. On top of this we have been able to automate digital advertising workflows to leverage multiple scenarios and match advertising messages to specific companies.

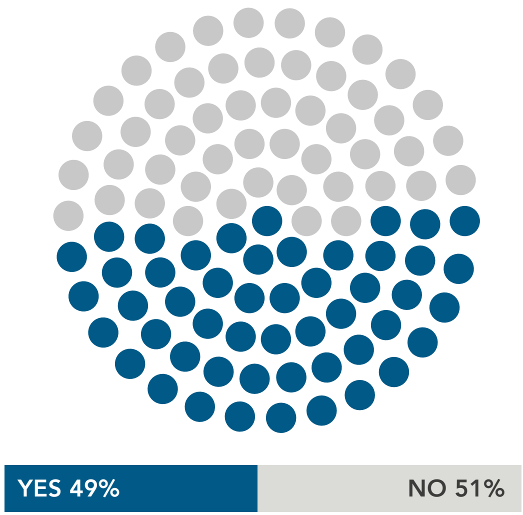
Taking the analytics a step further, we have been working on developing a predictive analytics model using all our data on project type and size combined with information on companies, geographies and timelines. The data can be run for 800,000 multinationals around the world to compare different scenarios and identify the most promising future leads based on analysis of over ten years of data.

However, AI and analytics is only one part of the equation as we recognise that you can they can have as many digital strategies and tools as you want, but ultimately it is the human talent that talks to those companies that is exactly what is needed to make that project materialise.

Talent attraction is moving up the IPA agenda

- Just under half of respondents (49%) had developed a talent attraction strategy, in addition to investment attraction strategy
- The growing importance of talent is demonstrated by the fact that only 5% of respondents identified it as having an impact in the previous five years, compared to 18% who consider it a challenge now. It is likely that the battle for talent will only intensify in the future as it becomes more of a priority
- Talent attraction is a more significant issue for cities where around 80% of city respondents had developed a talent attraction strategy. While city respondents were only a small sample they were large cities that typically attract the highest proportion of talent. Compelling trends in these locations are worth the attention of other IPAs
- While it may be difficult to compete with the draw of global cities, many IPAs are adopting different strategies to attract talent. For example, they are making greater use of Placemaking to develop their brand, or emphasising the quality of life advantages of areas with access to open spaces and nature but strong infrastructure

Have you developed a talent attraction strategy, in addition to investment attraction strategy?



Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

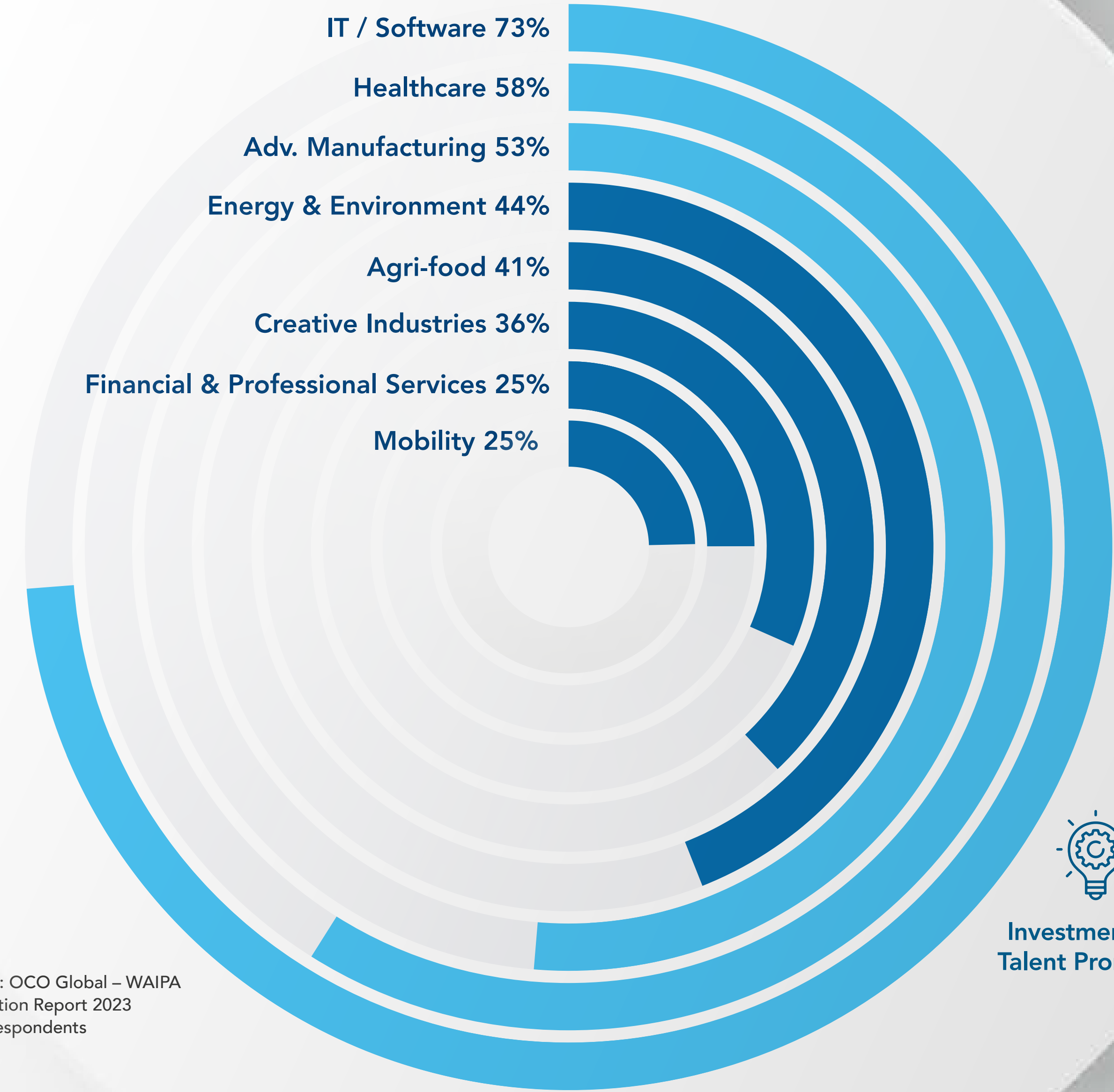
Investment and Talent Promotion

Three strategic sectors for talent attraction

- Nearly three quarters of respondents (73%) were focussed on attracting Software and IT talent. This is significantly more than any other skill set, recognising the enabling nature of technology across most sectors
- The other skills in demand by more than half of all respondents were healthcare (58%) and advanced manufacturing (53%)
- Although energy was the leading sector of the future, less than half of the respondents were focused on attracting energy and environment talent. This is understandable, as IT and software are the drivers of change in the energy industry
- The fact that most sectors will be trying to attract IT/Software talent will only add to the battle for talent mentioned earlier, and increase the urgency to secure the required talent

What sectors are you focusing on for talent attraction?

(multiple options)



Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

Investment and Talent Promotion

Steve Duncan
Digital marketing expert
CEO of C Studios

Point of view on talent attraction: the oven and microwave approach

Globally, companies are struggling with skills and labour shortages, posing an immediate threat to economic growth. Even regions that were once able to tout lower employee turn-over, lower wages and untapped talent pipelines are not immune, tampering growth and productivity potential everywhere.

Strategic messaging has shifted from what skills and talent a country or region already has to more about what government is doing to support the private sector. International study programmes are no longer enough on their own; investment promotion agencies must address short-term and long-term talent demand.

We refer to these as the oven and microwave approach. It's imperative that long-term skills development – the "oven" – be addressed through partnering with the private sector for training, apprenticeship programs and international student attraction. Concurrently, short-term initiatives like visa fast-tracking, creating soft-landing resources, job matching and international marketing programmes – the "microwave" – are now also necessary to fill gaps for the quick-changing needs of industry.

A common question in many locations is this: "Who's responsibility is this?" In our view, investment promotion agencies possess the relationships across government and private industry to fill the void. And more than at any time in the past, fulfilling this function provides IPAs with a very tangible service offering to address a primary pain point and assist companies in successfully launching within their jurisdiction

Investment and Talent Promotion

Only 36% of IPAs are monitoring the ESG impact of FDI as part of their quality strategy

- Linked with the shift to quality FDI, 51% of IPA respondents state they have changed their strategy to comply with sustainable development goals. However just over a third are actually monitoring the ESG impact of projects they target and attract
- The only exception was with city IPAs as 58% of these respondents stated they were monitoring ESG impact
- This shows a critical gap between IPAs strategy and FDI market trends, since 6 of the 10 largest FDI projects in 2022 were from the renewable sector

Are you monitoring the ESG impact of your FDI projects?

Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

Missed opportunities?

Table 1. Largest greenfield projects announced in 2022

Host economy	Industry segment	Parent company	Home economy	Estimated capex (Millions of dollars)
United States	Semiconductors	Taiwan Semiconductor Manufacturing (TMSC)	Taiwan, Province of China	28 000
South Africa	Real estate	URB	United Arab Emirates	20 000
India	Semiconductors	Vedanta Resources	United Kingdom	19 500
Ireland	Semiconductors	Intel	United States	13 366
Egypt	Renewable energy	ACME Group (ACME Cleantech Solutions)	India	13 000
United Kingdom	Renewable energy (wind)	Marubeni	Japan	12 240
Egypt	Renewable energy	Globeleq Generation	United Kingdom	11 000
Egypt	Renewable energy (wind)	Mubadala Investment Company	United Arab Emirates	10 815
Morocco	Renewable energy	Eren Groupe	Luxembourg	10 280
Egypt	Renewable energy	Fortescue Metals Group	Australia	10 000

Source: UNCTAD, based on information from the Financial Times Ltd, fDi Markets (www.fDimarkets.com).

Addressing ESG objectives

Trevor Gunn
VP International Relations,
Medtronic

Case study

An investors view of the importance of demonstrating ESG

Medtronic is the world's largest manufacturer of medical technology. The company started as the inventor of the pacemaker and has since grown quite significantly to a $33bn revenue and 100,000 employees across active in 160 countries.

In response to supply chain shocks from the global pandemic we are looking at a lot of different opportunities around the world to invest, to rationalise, to take in suppliers from less risky destinations than in the past. But we are also looking for countries that can prove they are serious about ESG.

ESG really matters for Medtronic's present and future investment strategy and how we evaluate different

countries around the world. For Medtronic, ESG is about more than just the E (Environment) as the S (Social) and G (Governance) also play a very important role.

When it comes to the S (Social), as a healthcare company Medtronic is very much focussed on key metrics and wants to ensure access and equity for universal healthcare. If countries have plans in this area, they will become a more attractive location for Medtronic.

Governments that agree with the company's ethos on healthcare access, and make investment in it, will also be viewed positively. Examples such as Ghana or Kenya in Africa, or Norway in Europe, or Thailand and Japan in East Asia are all very attractive countries for investment, or for just further engagement with Medtronic.

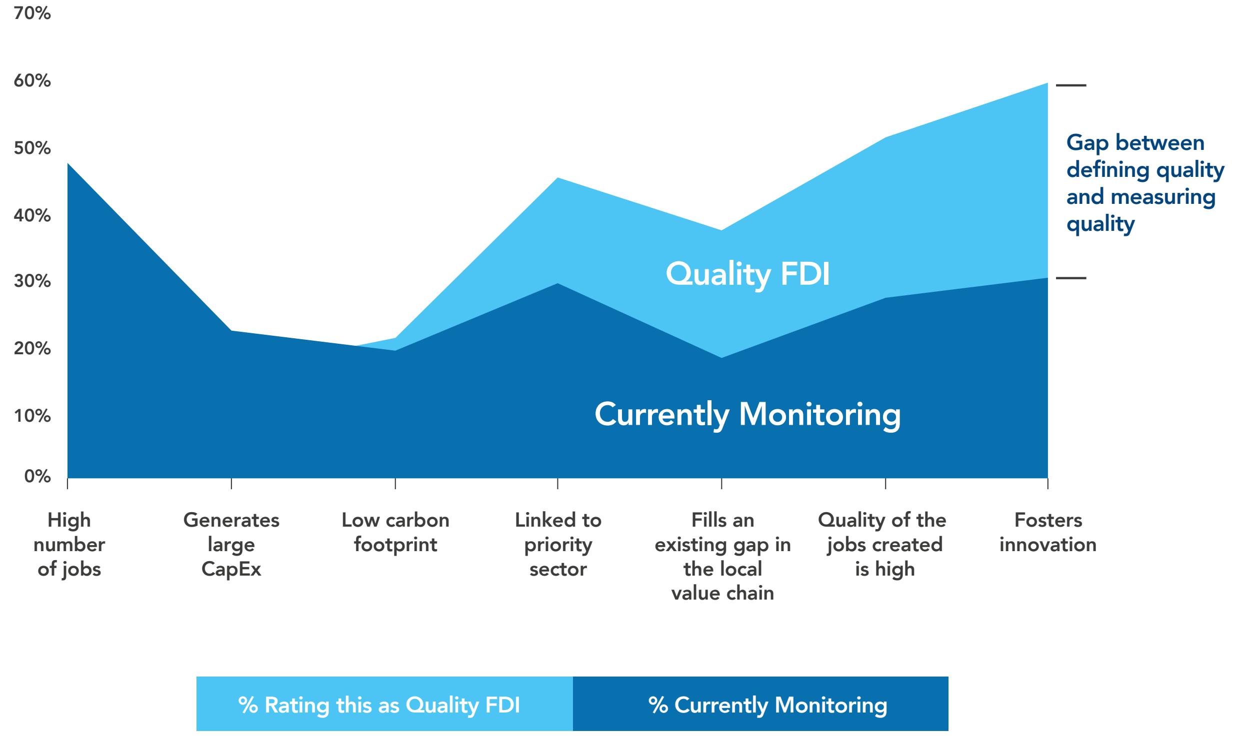
And then of course there is the G (Governance) which gets talked about less but is very important to Medtronic. We know that our investment in time and effort will go nowhere if we are investing in environments that are not transparent or accountable.

Medtronic's investment strategy shows how companies are thinking seriously about ESG. We are following countries that can demonstrate they are supportive of the E, the S and the G.

Monitoring the FDI attraction performance: A complete set of KPIs yet to be developed

- A consistent trend across IPAs in all regions was the gap between how they define quality FDIs and the KPIs they are using to monitor activity
- For example, 59% of respondents stated that quality FDI means fostering innovation, while only 30% are currently using innovation as a KPI to monitor progress
- The areas with the largest gaps between a definition of quality and actual measurement included innovation, quality of jobs created, filling a gap in the local value chain, and linking to a priority sector
- Critically, these are some of the most important factors in IPA's definition of quality

Percentage of respondents rating a criteria as quality FDI, and percentage currently using that criteria to monitor progress



Monitoring Quality

Source: OCO Global – WAIPA Innovation Report 2023 – 74 respondents

Laura Citron
CEO
London & Partners

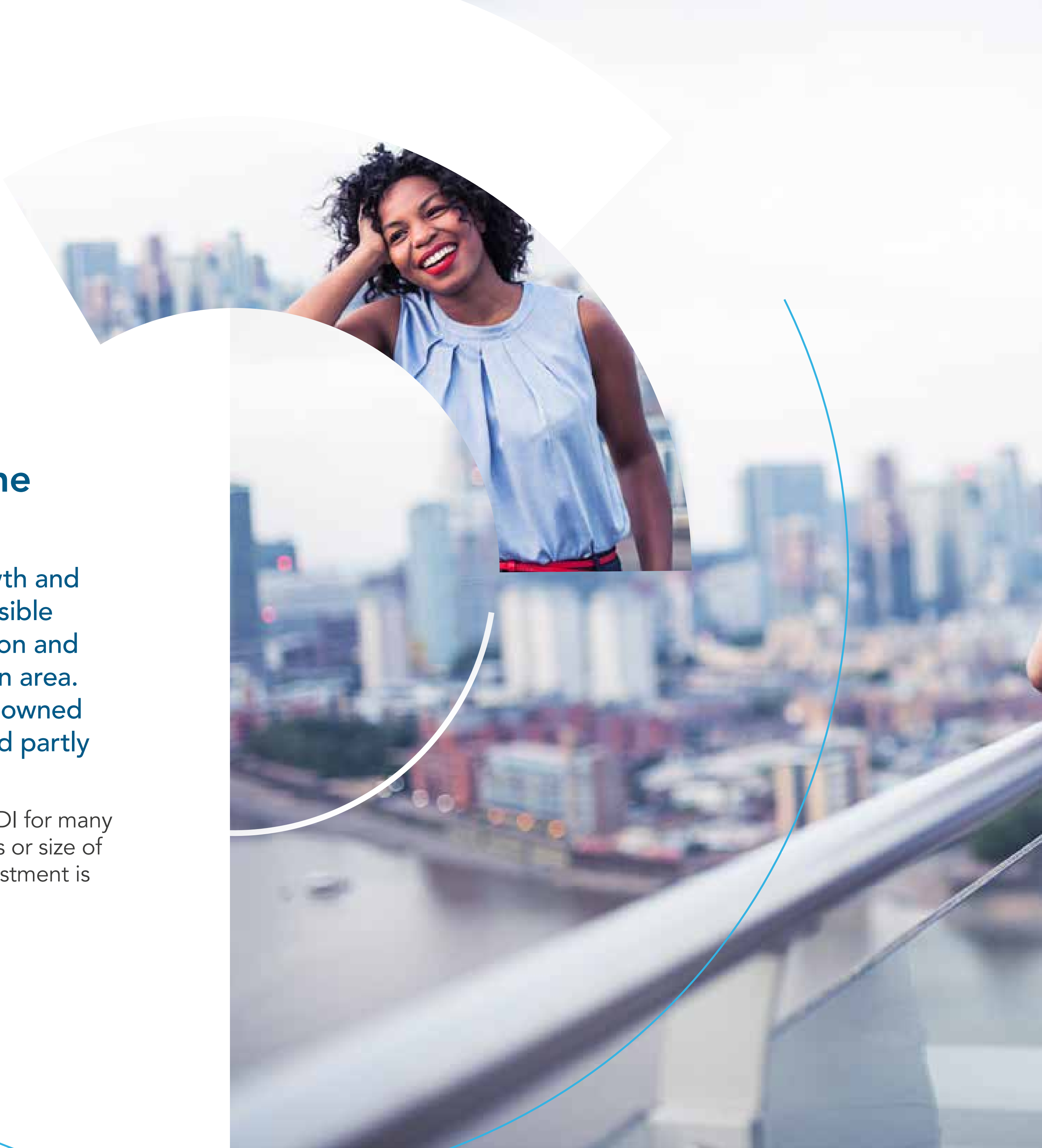
LONDON
& PARTNERS

Case study

London & Partners show the value of measuring ESG

London & Partners is the business growth and destination agency for London. Responsible for FDI but also trade, tourism, innovation and events promotion in the Greater London area. Set up as a social enterprise, it is partly owned and funded by the Mayor of London and partly funded by London businesses.

The agency has been on a journey to quality FDI for many years, and we no longer count project numbers or size of investment but instead look at whether an investment is creating high quality jobs for local people.



An important element of this is what companies do once they land in London. How do they behave in the local area and what impact do they have on the local economy? London & Partners are increasingly working with their clients after they land in London to help them become a positive force in the economy.

One example is a new initiative we are launching around talent where we are working with our clients to help them understand where and how to recruit from in an inclusive way. This includes making the connection between the company and the community to ensure that jobs are accessible for local people and for disadvantaged communities.

London & Partners use an evaluation methodology that is rigorous and we only include an investment if we can evidence we were directly responsible for the decision to invest in London.

This is not only about reporting, but also plays a really important part in talent attraction for our own organisation. People increasingly go to work because they want to feel they are having an impact, and the London & Partners methodology, where teams can see what they did and it is a fair reflection of their effort, really helps with recruitment and retention of staff.

Thomas Arnaud
Operations & Purchasing Manager
Argronutris

Agronutris

Case study

A sustainable world fed and preserved through bioconversion

Agronutris is a French-based company specialized in insect production. We raise and transform insects for petfood, aquaculture, and tomorrow human food, with high-quality and low carbon footprint proteins.

As the need of alternative proteins will increase in the next few years, our company's first ambition is to feed and preserve a sustainable world through bioconversion. Sustainability is, indeed, one of the true DNA of our company.

We chose to implement our first 16,000 m^2 production unit, that we inaugurated this year, in the north-east of France, not only because it is located at the crossroads of Europe but also because it's near our inputs.

However, our business model is being disrupted, and with strong competition, we have to embrace a quick and ambitious international growth agenda. We are planning for a fast expansion and diversification of our industrial footprint in the short to mid-term, across the 3 main global regions: Europe, APAC and North-America.

What makes us different is our ability to provide a high-quality product with a very low carbon footprint. To reach such an ambitious target, we need to be supported by top industrial partners, and we need to be close to them. That is why we have developed, with OCO Global, a complex and actionable footprint evaluation approach, mixing availability and proximity of raw materials with more traditional location criteria such as costs, supply chain efficiency, risks and talents etc.

OCO Global helped Agronutris in the development of a complex and actionable footprint evaluation approach. We did select and investigate more than 30 potential locations around the globe. This step has been – and still is - critical to our decision-making process as we need to rapidly get technical, detailed, and accurate information around local industrial ecosystems. In this process, we heavily rely on a number of key partners. Investment Promotion Agencies are amongst the most critical ones. The most professional and responsive IPAs make a true difference by facilitating the right information at the right time, which is fundamental to our investment-decision process.

For more information on
OCO Global or WAIPA services get in touch:

OCO GLOBAL

World Association of Investment Promotion Agencies

Gareth Hagan
CEO, OCO Global
gareth.hagan@ocoglobal.com

Vincent Raufast
Market Director, OCO Global
vincent.raufast@ocoglobal.com

ocoglobal.com

Ismail Ersahin
CEO, WAIPA
ismail.ersahin@waipa.org

Andreas Hora
Coordinator, WAIPA
andreas.hora@waipa.org

waipa.org