

# Japan – SADC Presentation 13 March 2012



## Investment for African Productive Capacity

*Monitoring Investment Flows*  
*Calibrating Investment Governance*  
*Enhancing Investment Impact  
on Local Economies*



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION





## Working with the Private Sector and Governments to:

- ▶ Enhance flow of investments into productive sectors
- ▶ Provide timely advice and critical services to investors
- ▶ Measure development impact of foreign investments and formulate policies that attract quality investors
- ▶ Link foreign investments to growth of domestic industry by building local supply chains
- ▶ Sustain governance reform process

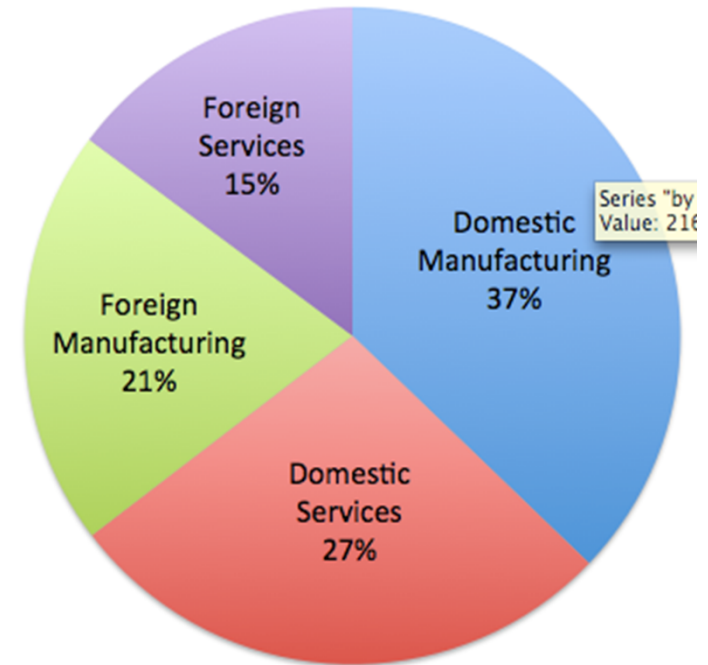


## How to achieve objectives

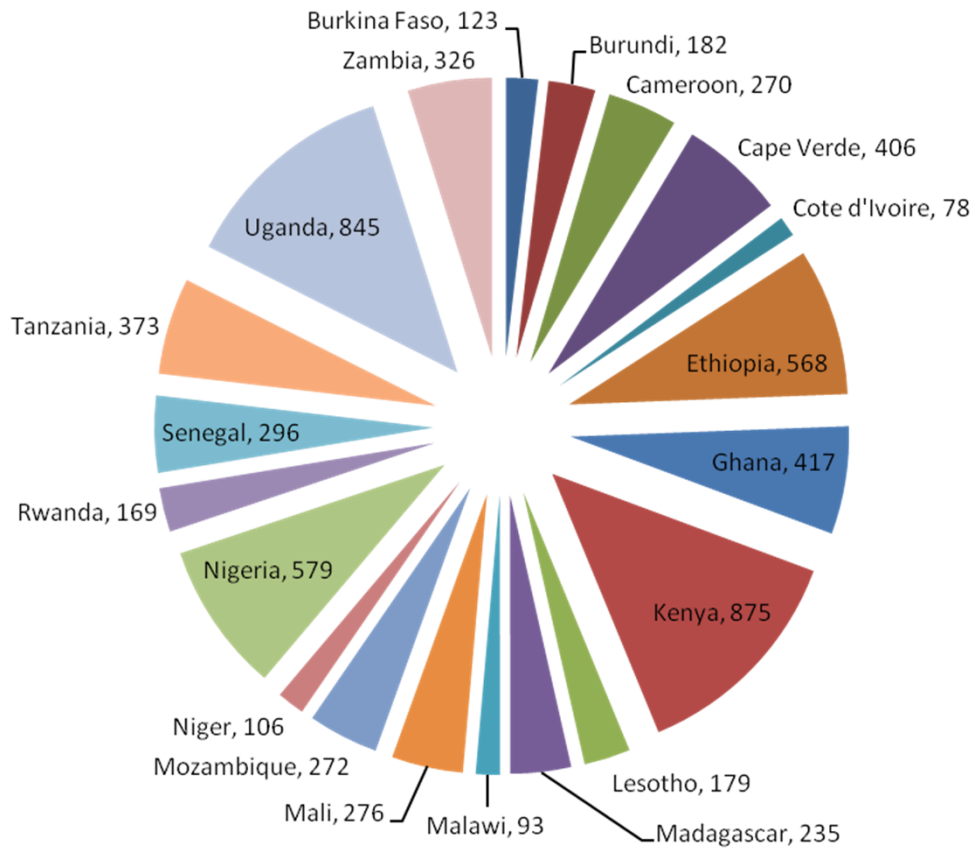
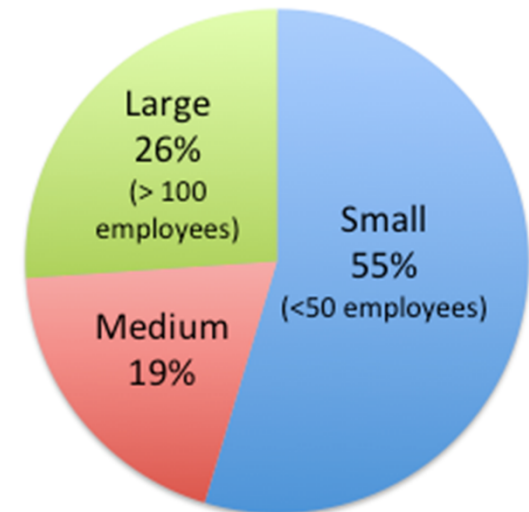
- ▶ Facilitate B2B linkages (ITPO network)
- ▶ Assist in assessment of investment projects (COMFAR)
- ▶ Provide tools for investors to:
  - Evaluate locations and benchmark their own performance
  - Identify investment opportunities and business partners
- ▶ Provide tools for governments and institutions to:
  - Monitor progress of countries and regions
  - Design investor friendly policies based on empirical evidence
  - Identify and promote investment opportunities
  - Identify and address major impediments to attracting FDI and generating DI

# Ca. 7,000 Survey Responses

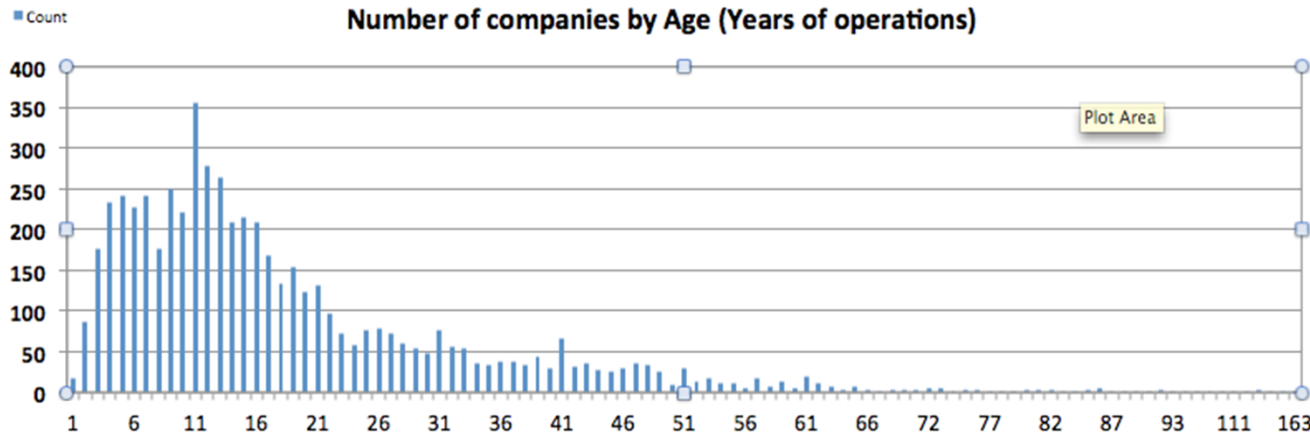
Questionnaires received  
... by Questionnaire Type



... by Company Size



Number of companies by Age (Years of operations)





# Types of data collected

Investor Characteristics	Performance Measures	Impact Indicators
Size (employment, sales, assets)	Profit, Profit rate before taxes	Employment
Motivation (raw materials, markets, low cost & export)	Growth (investment, employment, sales, exports)	Wages
Export orientation/intention (local, regional, global)	Capacity utilization	Local partners
Ownership (foreign, domestic, JV)	Past and future investment	Local content
Origin (North vs. South, region, country)	Labour and capital productivity	Supplier development
Transnational corporation (TNC), foreign entrepreneur (FE), diaspora	Input costs	Training
		R&D
		Technology transfer
		Taxes
Sector (main & disaggregated as ISIC)		



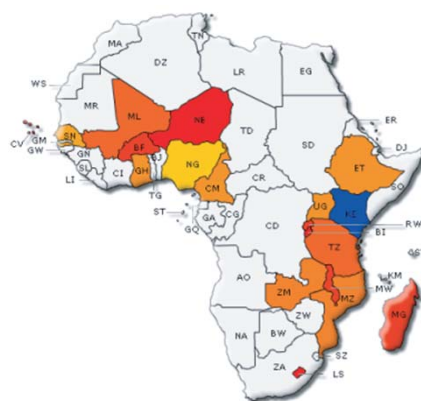


# Investment Monitoring Platform

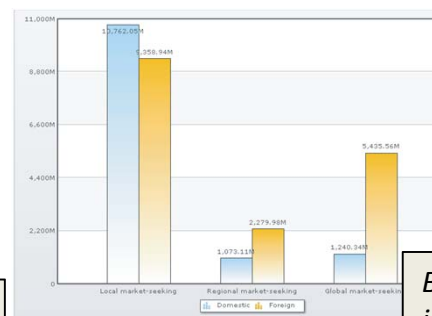
- Global web-based tool to analyze, research and share investment data
- User-friendly and intuitive graphical interface for analysis of data
- Online information sharing of research results on the platform
- Creation of rich country- and sector specific knowledge base



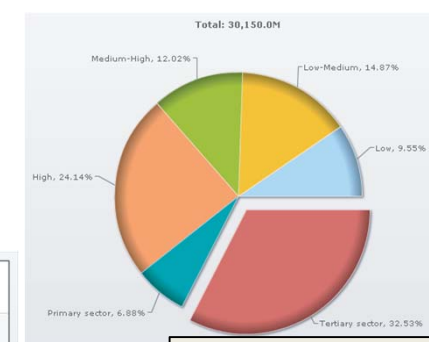
*Bubble charts for development impact analysis*



*Heatmaps for easy Country comparison*



*Bar charts for investment performance analysis*



*Quick drill-down to pie charts*



# Investor as user of IMP

- ▶ Analyze trends in investment flows
- ▶ Compare productivity, costs, profitability, incentives, quality of support services
- ▶ Assess how different policies are benefiting investor performance
- ▶ Identify sectors with rapid growth
- ▶ Analyze strengths of different locations
- ▶ Identify business partners
- ▶ Compare their own operations against sector averages
- ▶ Find investment opportunities
- ▶ See how different investors finance their projects



## Government and IPA as users of IMP

- ▶ **Policy makers** analyze data by investor origin, sector, motivation and type to assess impact of FDI on domestic companies, understand dynamics of regional trade and Industrial policy. Identify bottlenecks and growth opportunities to craft policies
- ▶ **IPA** tool for information, promotion, investor tracking, self evaluation. Generate interaction.
- ▶ **Statistics Offices** - Survey Generation and Analysis Tool
- ▶ **B2B Platform**
- ▶ **RECs**





# Capacity building

- ▶ Support IPAs and other intermediary organizations in using the IMP
- ▶ Capacity building:
  - Policy advocacy
  - Response to enquiries
  - Aftercare
  - Country benchmarking
  - Investor tracking
  - Investment project appraisal using COMFAR
  - Promotion
- ▶ Sub-contracting and Partnership Exchanges (SPXs) established to develop local suppliers and sub-contractors



# THANK YOU

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# Report

- Statistical analysis of relationships
  - Impact of FDI
  - Role of IPA services
  - Regional trade impact
  - Influence of origin, structure, motivation, sector, market orientation
- Analyzing the interaction between investor characteristics and host country characteristics to guide countries in targeting and improving performance



## Programme development

- ▶ AfriPANet launched in 2001; Three previous surveys as input to discussions
- ▶ 11 country level validation workshops and 5 conferences
  - Johannesburg June 2006
  - Addis Ababa March 2007 (AU)
  - Durban October 2008 (CAMI)
  - Addis Ababa July 2009 (AU)
  - Tripoli November 2010 (EU-Africa Business Forum)
- ▶ Calls for expanding Program beyond 20 Pilot countries to cover all Africa
- ▶ Program Steering Committee co-chaired by EU and AU
- ▶ Funding (ACP-EC, SA, Austria, Italy, Finland, Turkey)



## Next Steps

- ▶ Use IMP to interlink all national and regional level surveys
  - Use tool to ensure sustainability, expansion, local ownership, broaden data consumption
- ▶ Use IMP to attract more companies to join platform (carrot)
- ▶ Country level consensus building and management
- ▶ Continuous updating – eventually time-series analysis
- ▶ At end of year expand DB to over 10,000 so it serves as:
  - Observatory for Governments and RECs;
  - Management tool for IPAs;
  - Business Platform for PS