



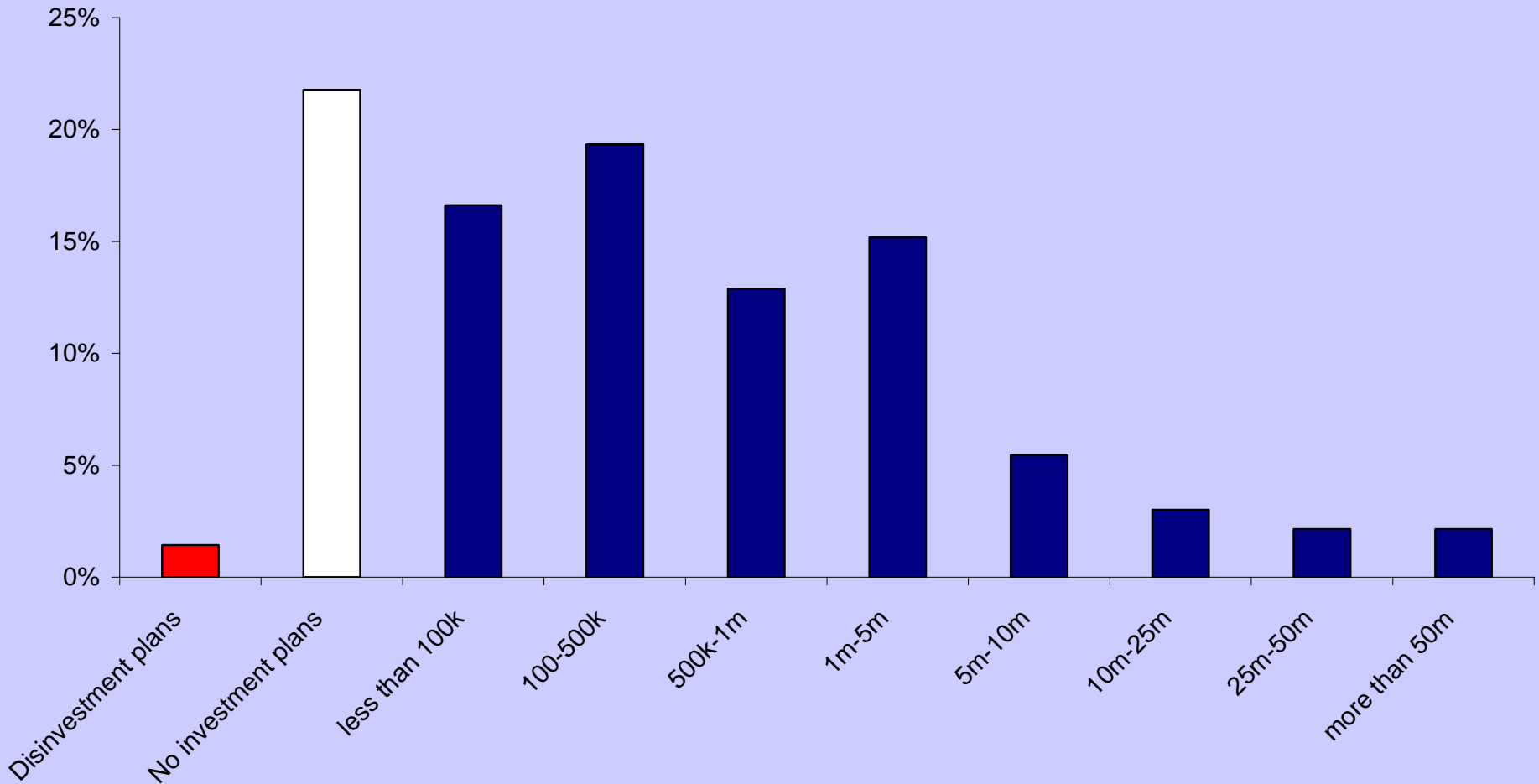
AfrIPANet II
UNIDO-Africa

**Investment Promotion
Agency Network**
Second Meeting

BURKINA FASO
CAMEROON
ETHIOPIA
GHANA
GUINEA
KENYA
MADAGASCAR
MOZAMBIQUE
MALAWI
MALI
NIGERIA
SENEGAL
UGANDA
UNITED REPUBLIC OF
TANZANIA

US\$ 1.6 – 3.1 billion in new investment

**Distribution of foreign investors by expected investment (USD)
over the next three years**

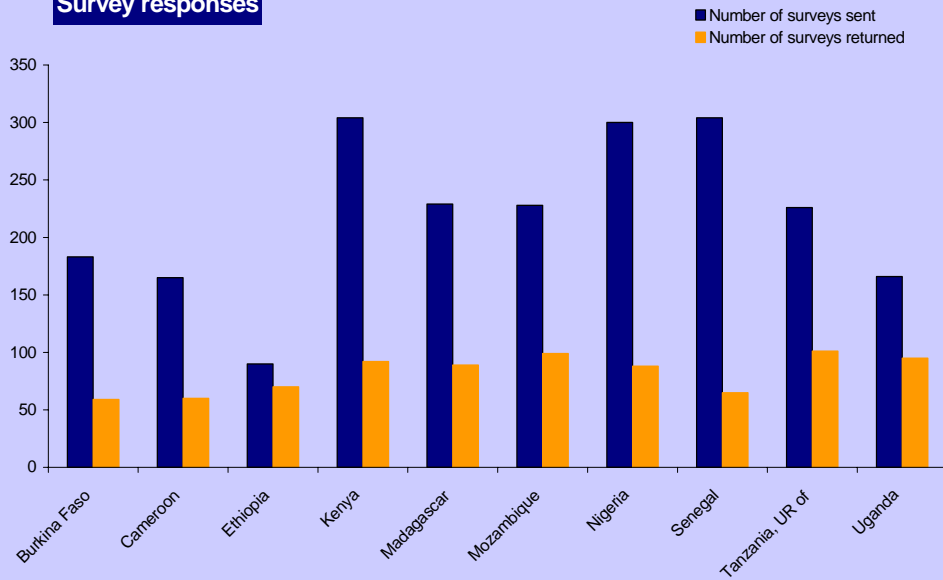


Summary

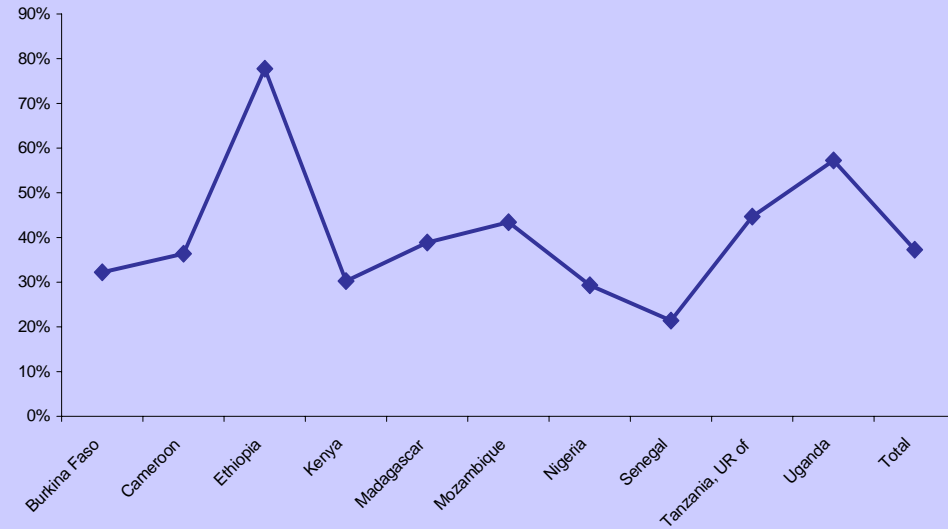
- Analysis of categories of investors:
 - Market seeking, efficiency seeking, resource seeking
- Their respective impacts and requirements
- Trends:
 - Maturing sectors, source, investment climate, impact of AGOA
- Benchmarking
 - Investment climate, IPA performance,

2,195 Surveys sent
818 Surveys returned
Response rate: 37.3%

Survey responses



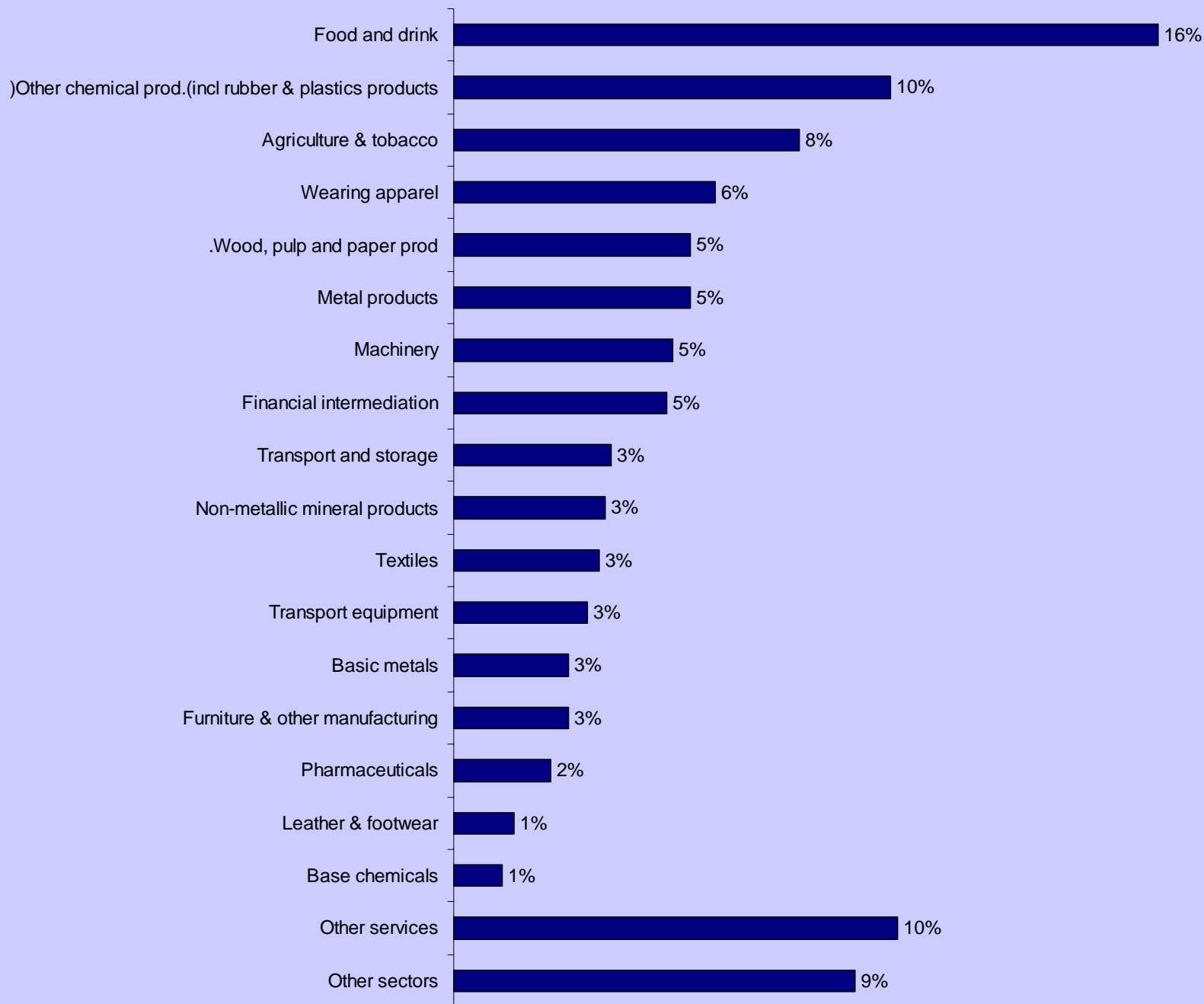
Survey response rate



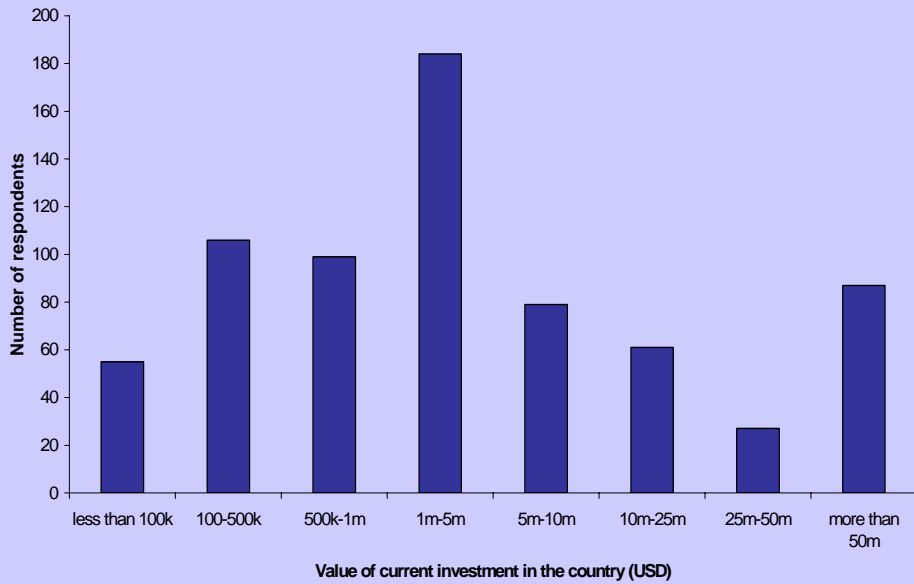
Distribution of respondents by position within the company



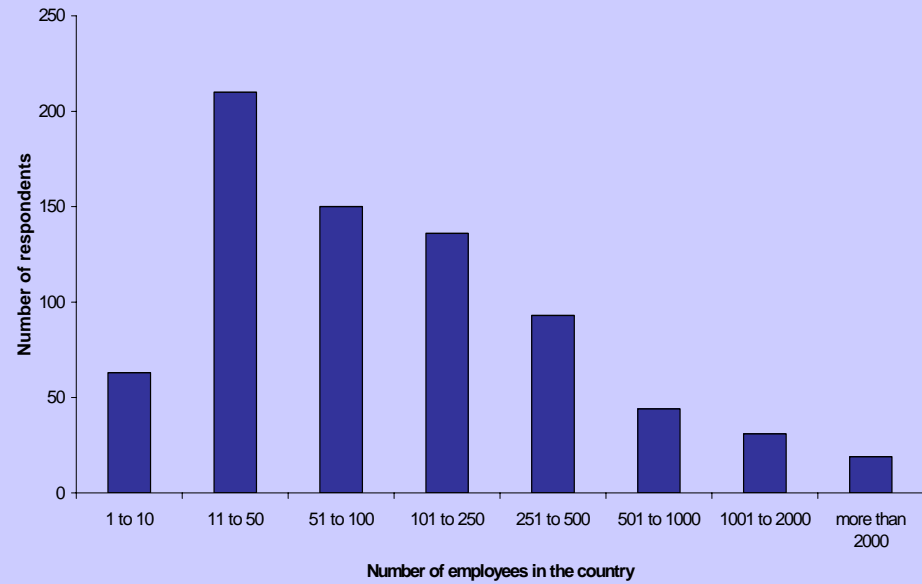
Distribution of foreign investors by sector



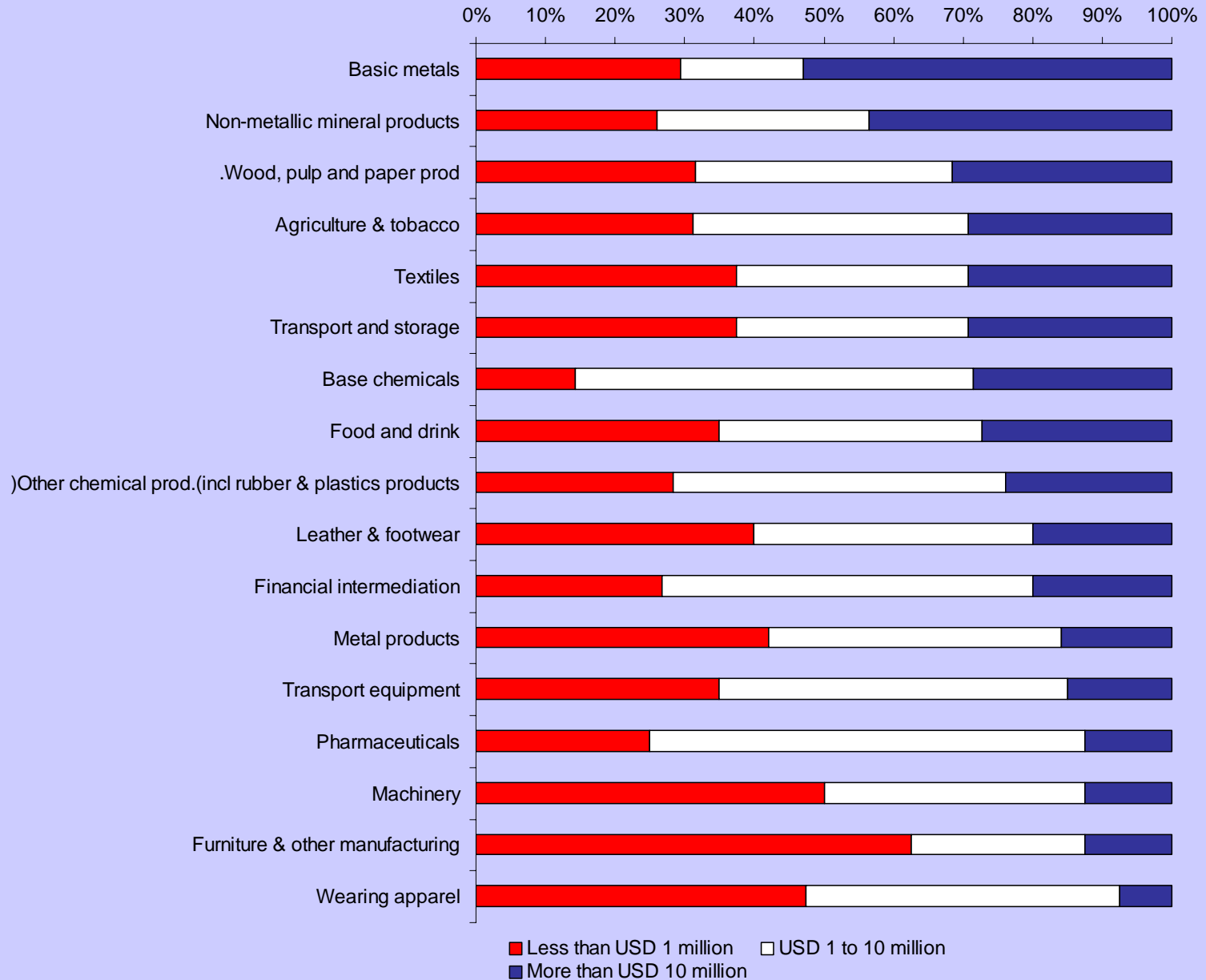
Distribution of respondents by value of current investment



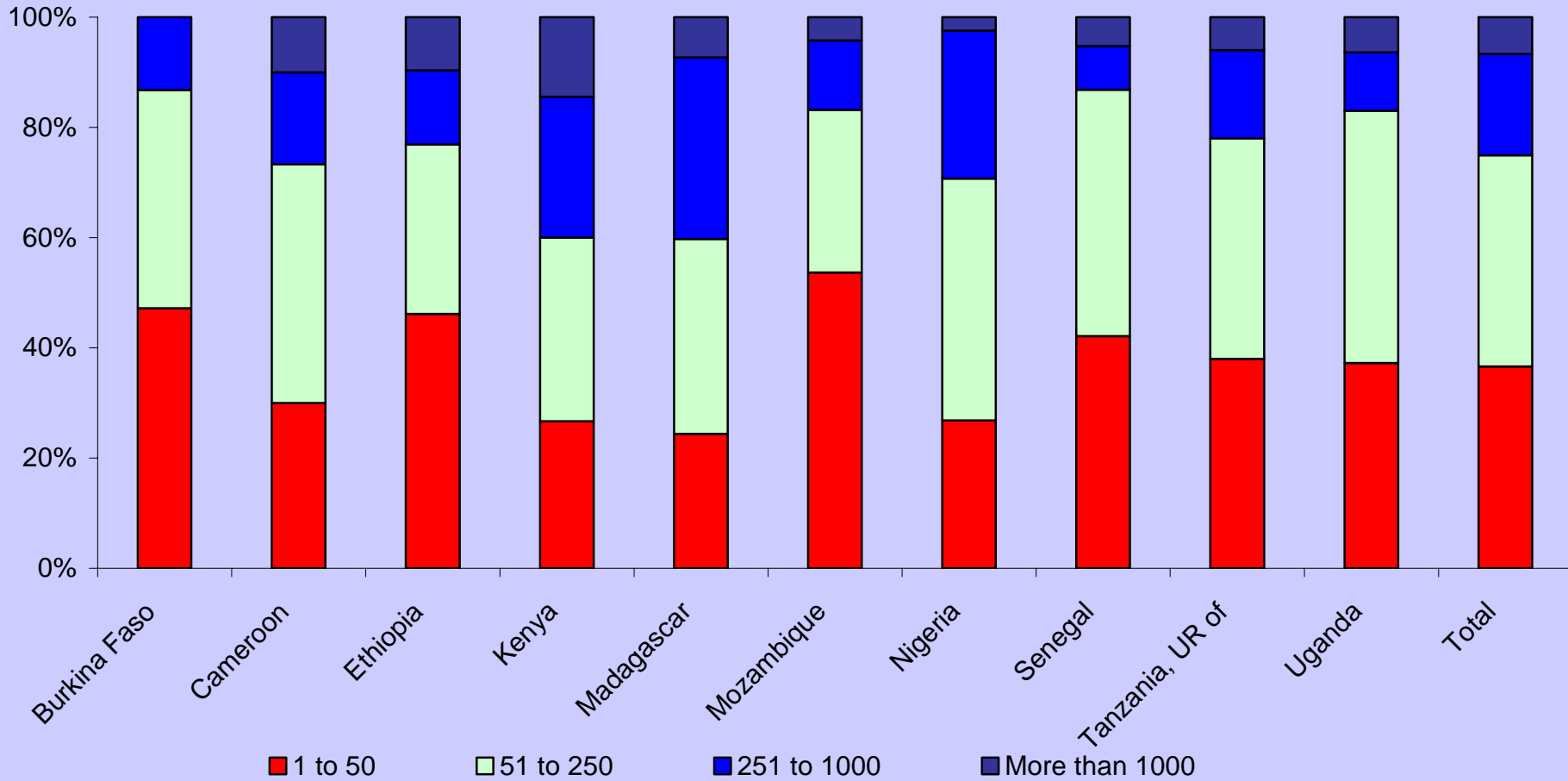
Distribution of respondents by number of employees



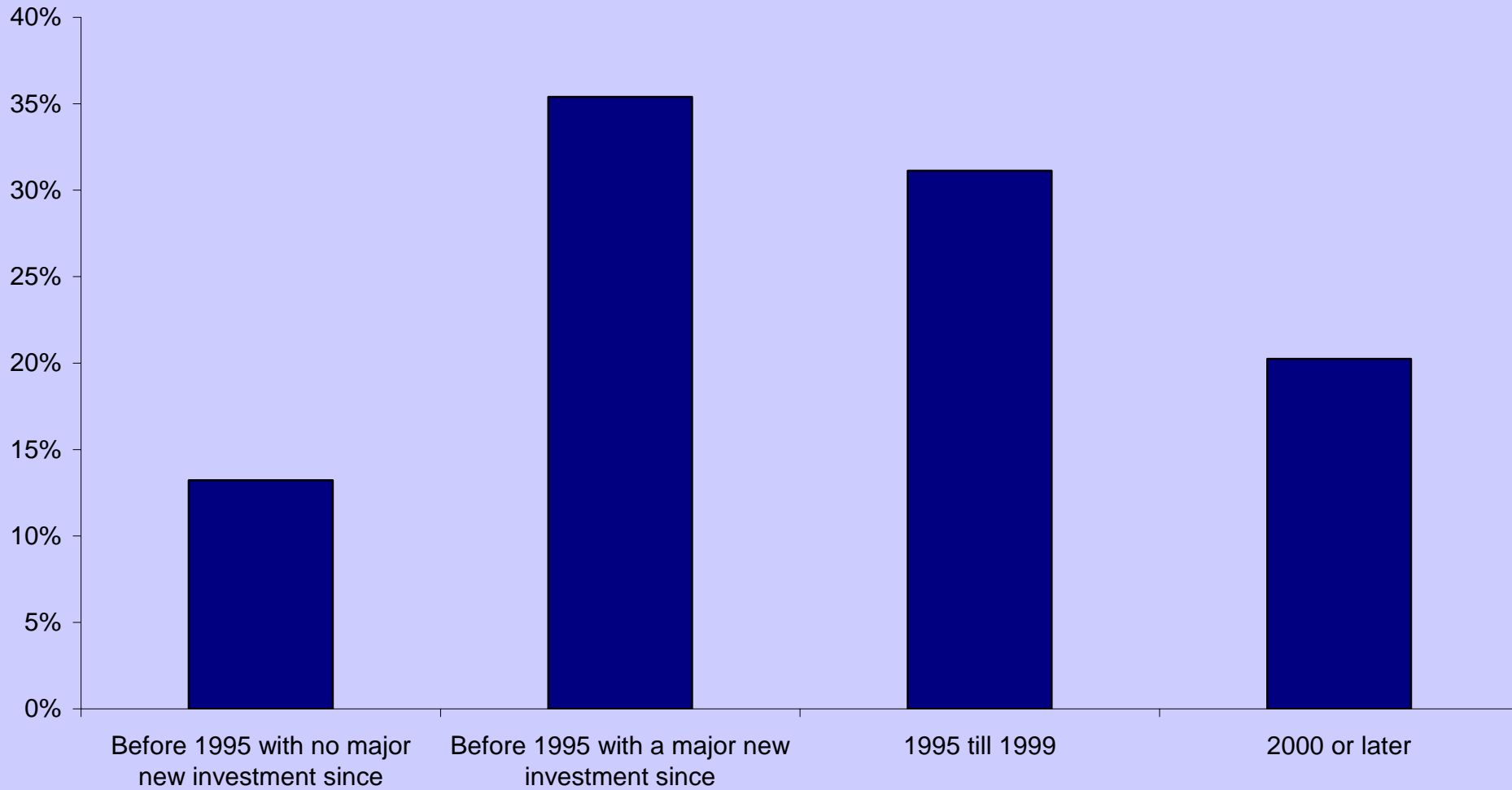
Distribution of respondents by current investment in the country per sector



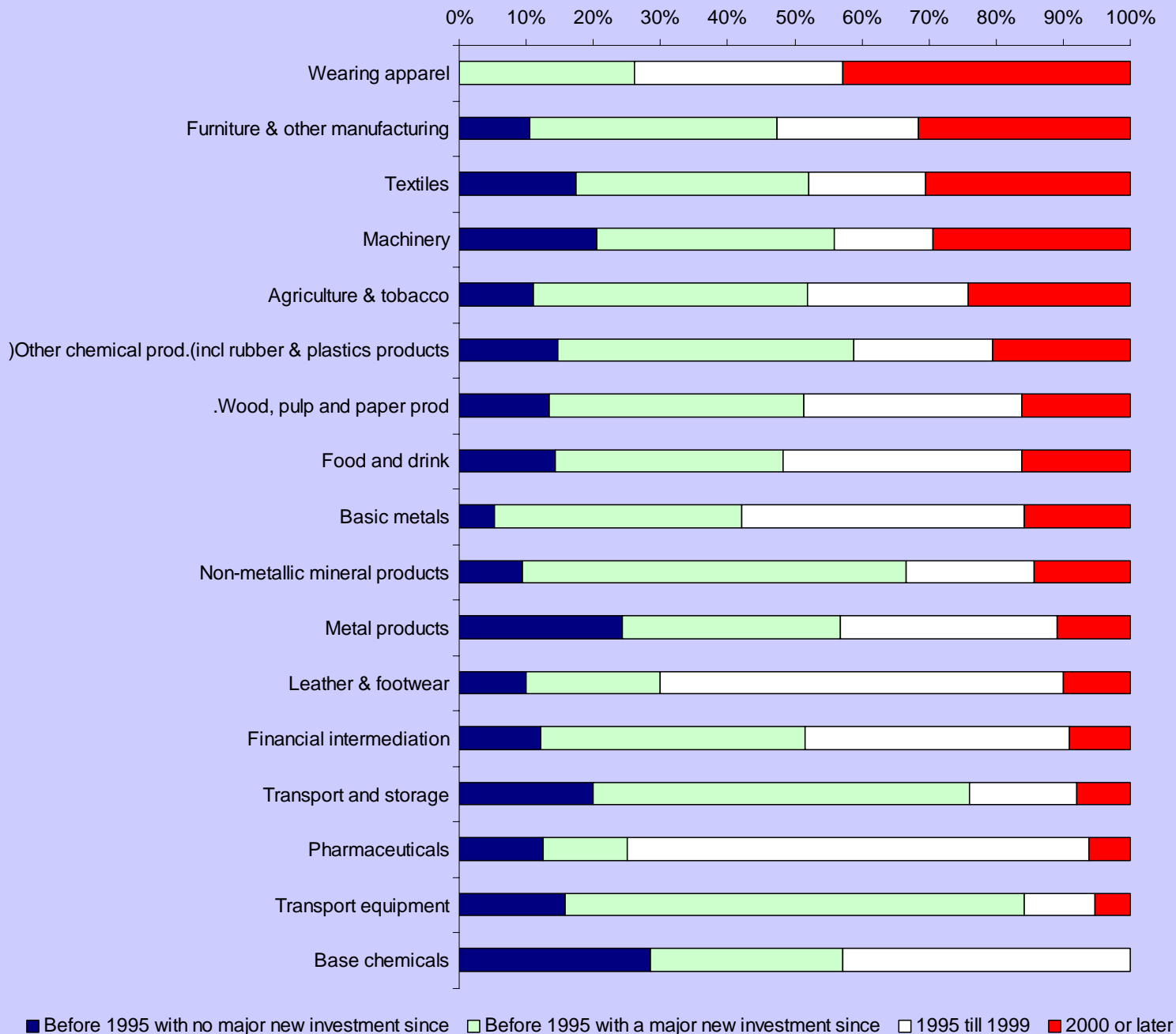
Distribution of foreign investors by employment category per country



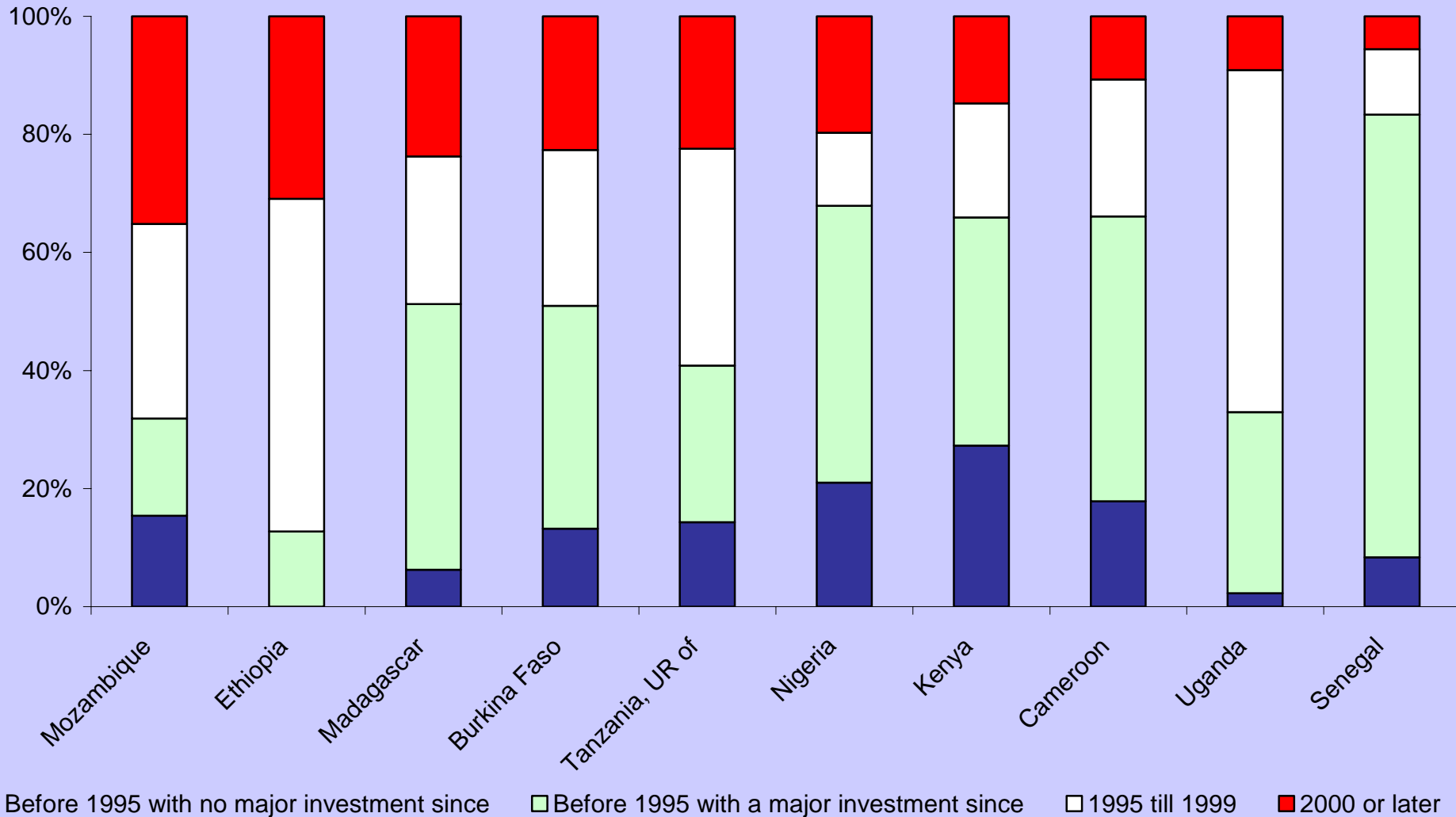
Distribution of foreign investors by year of establishment



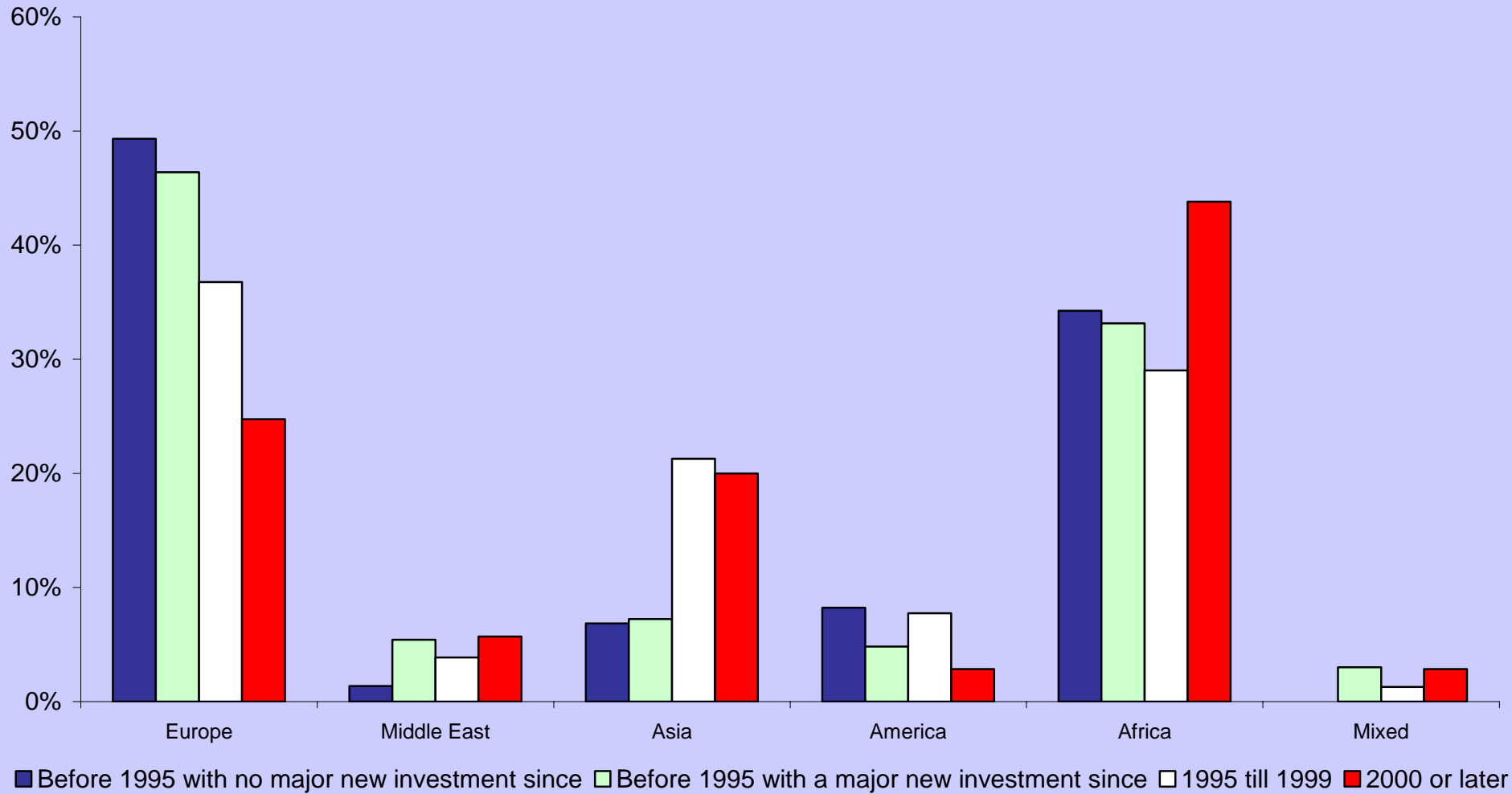
Distribution of sector categories by year of establishment

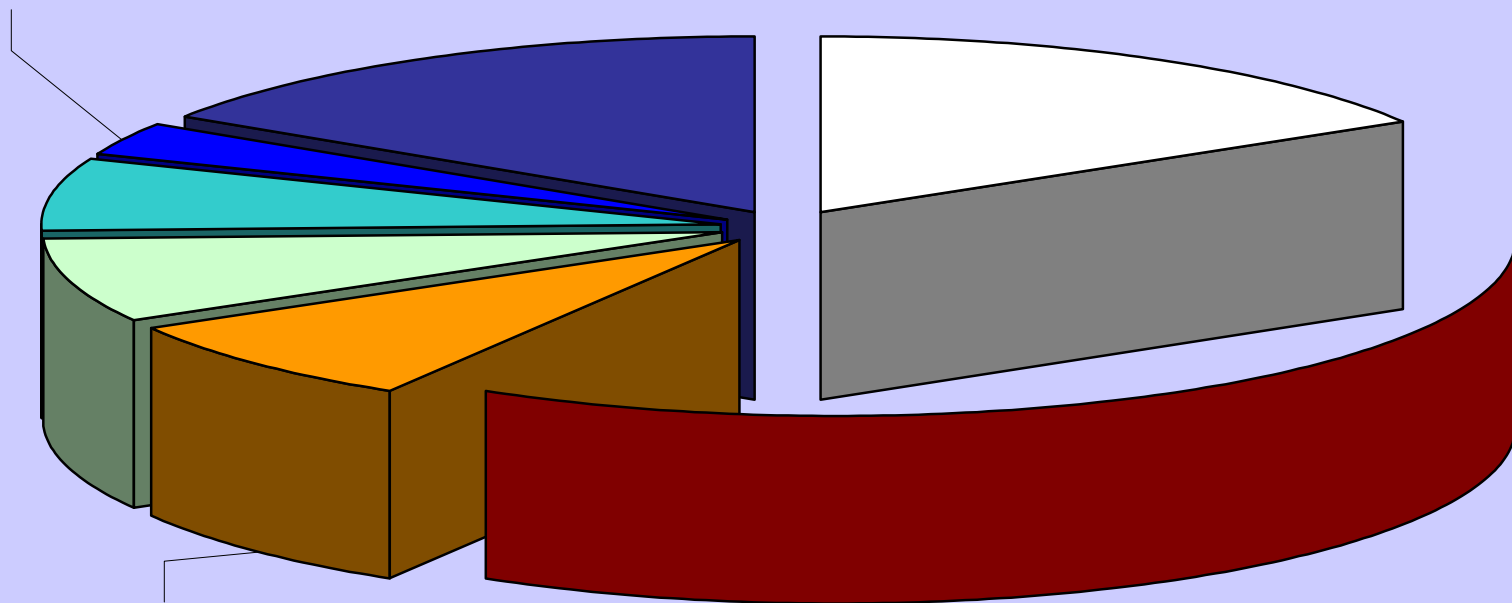


Distribution of foreign investors by year of establishment

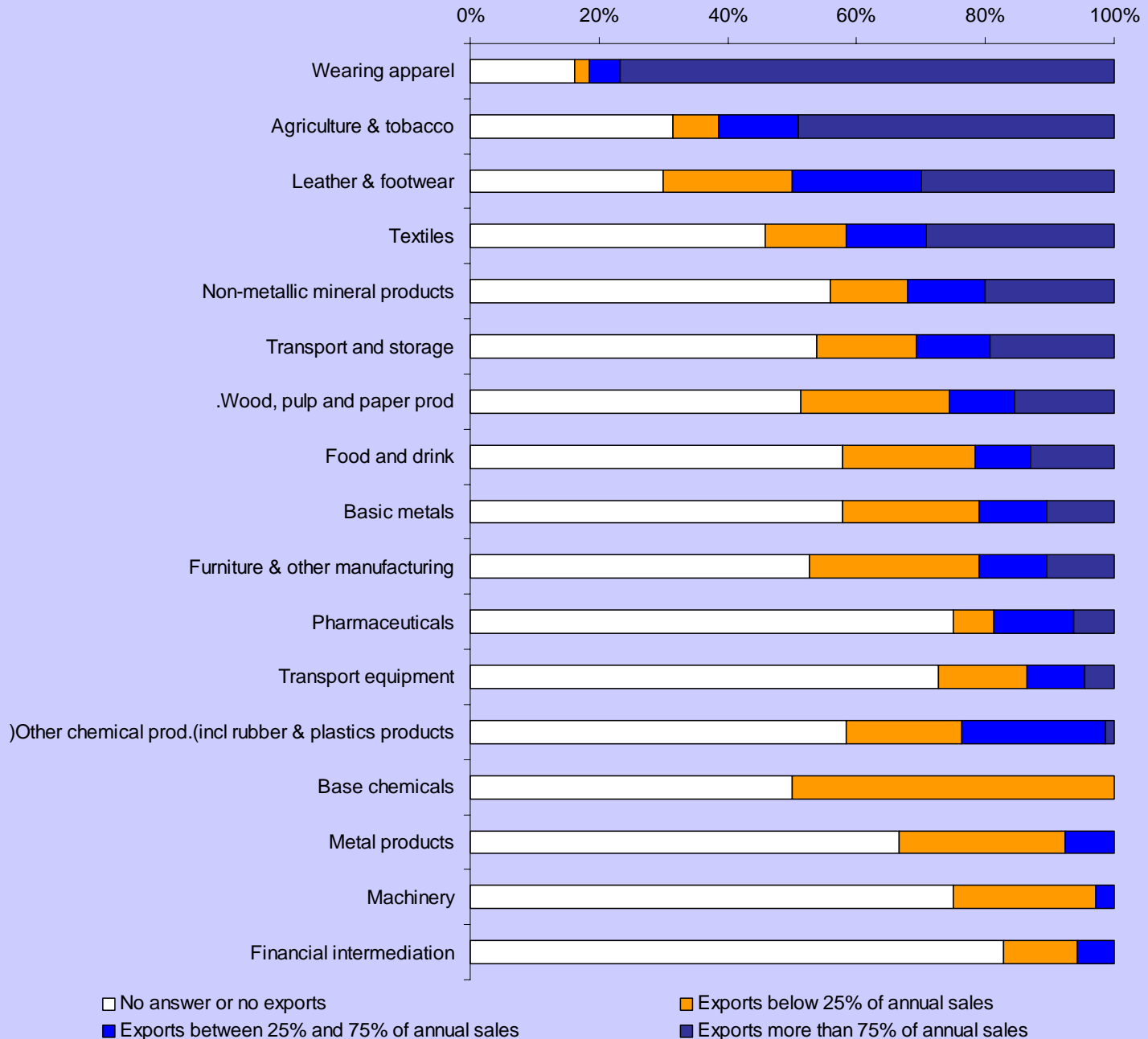


Distribution of year of establishment by origin

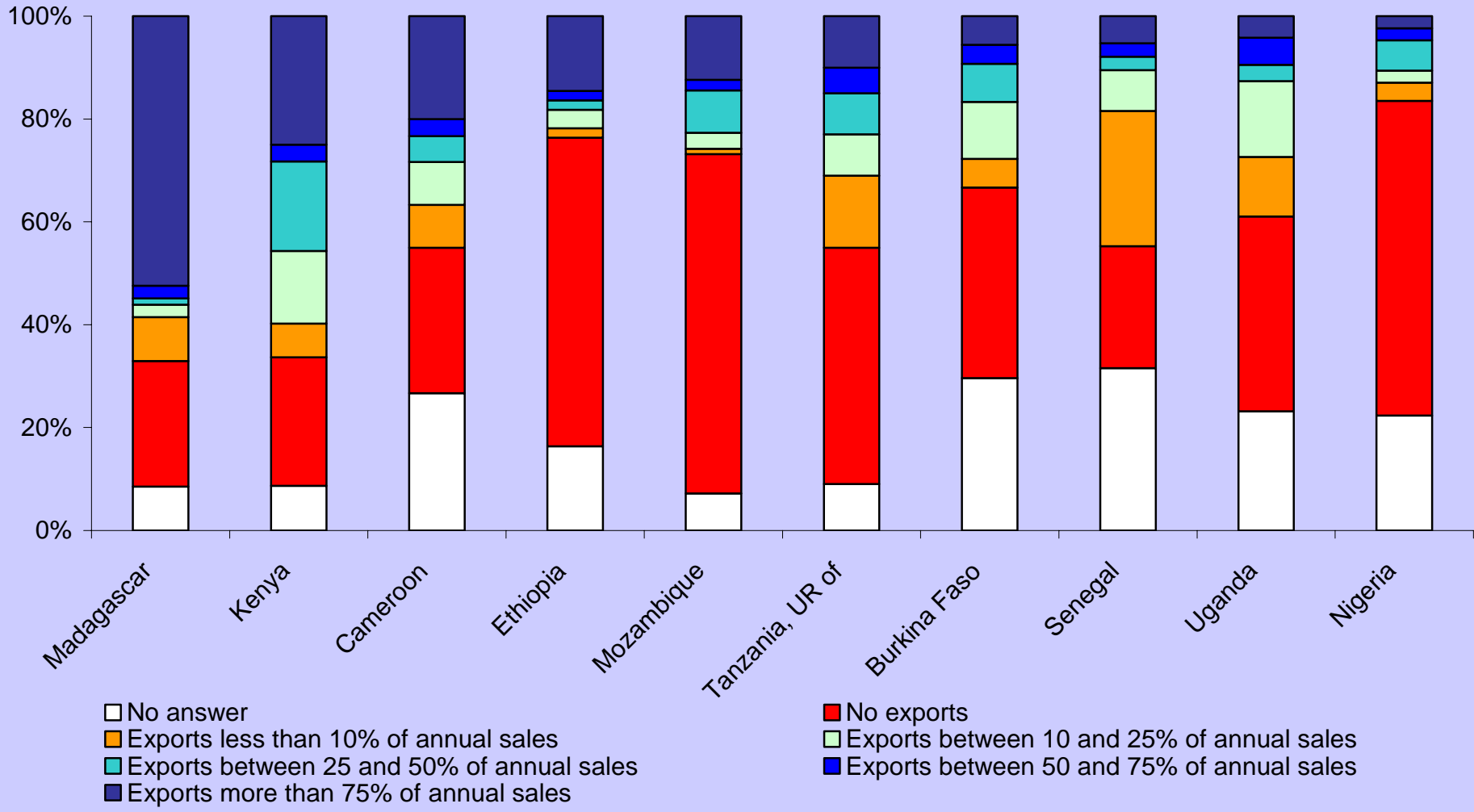




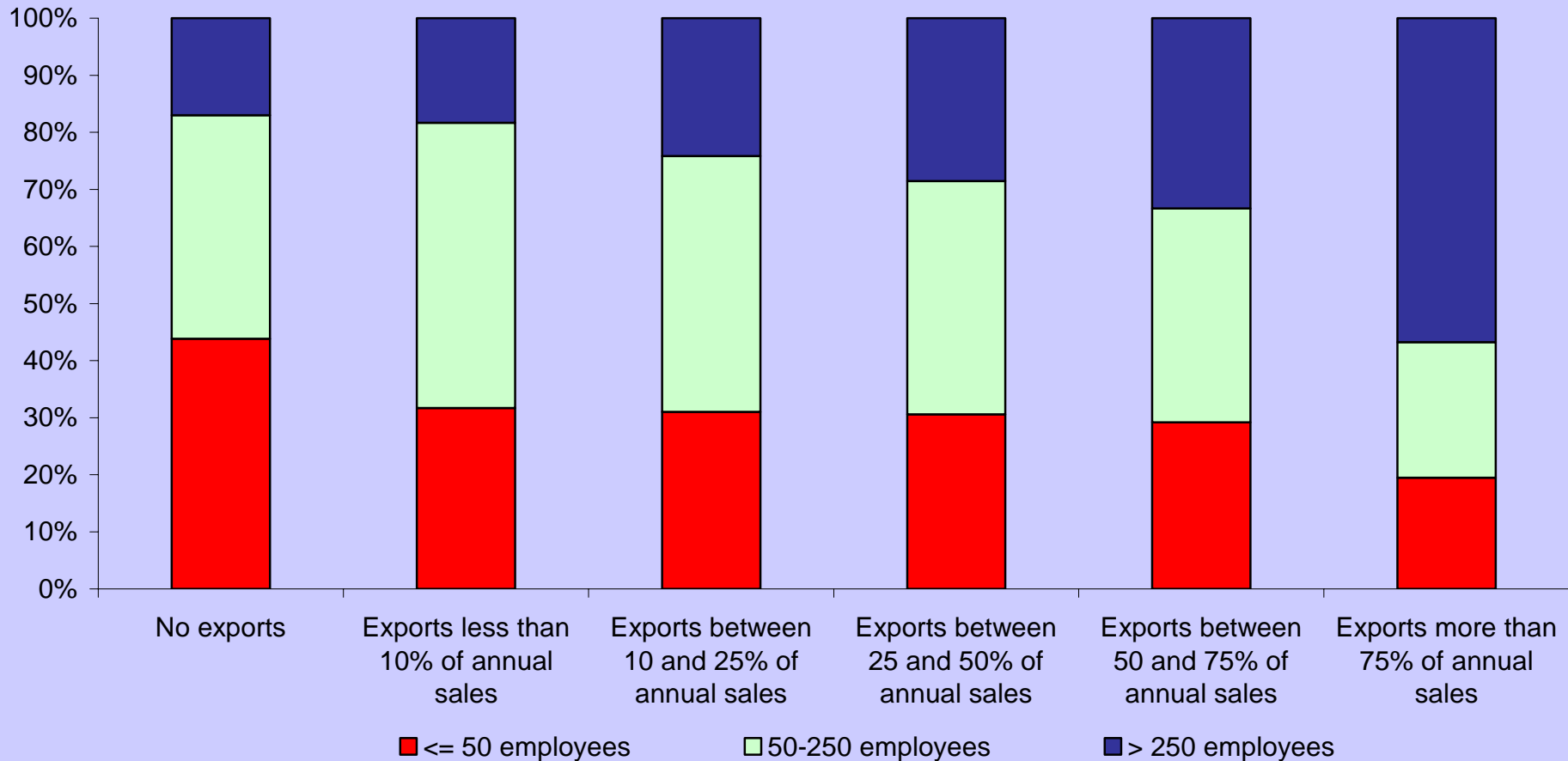
Distribution of sector categories by export intensity



Distribution of foreign investors by export intensity per country

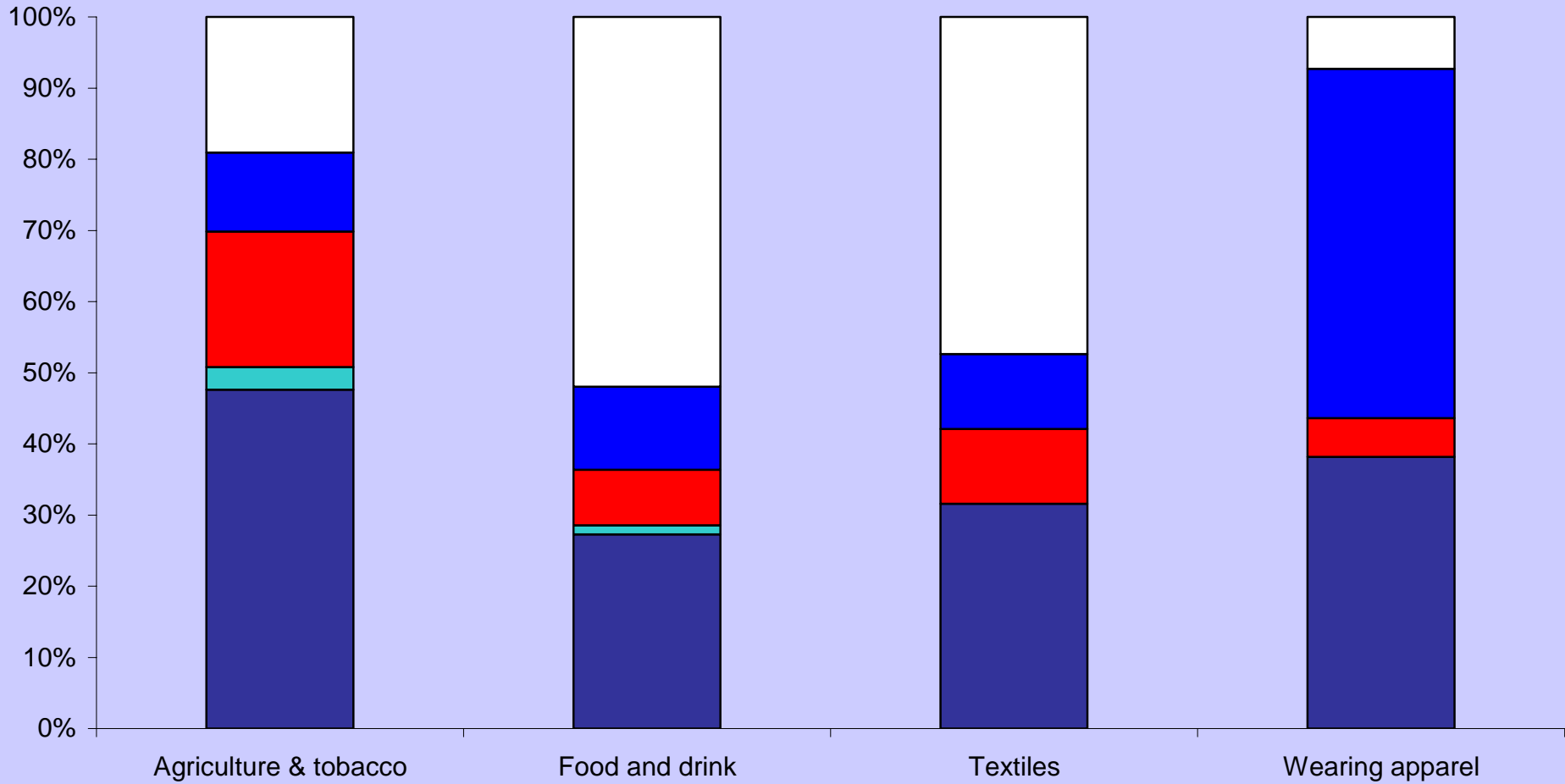


Distribution of foreign investors by employment category per level of export intensity

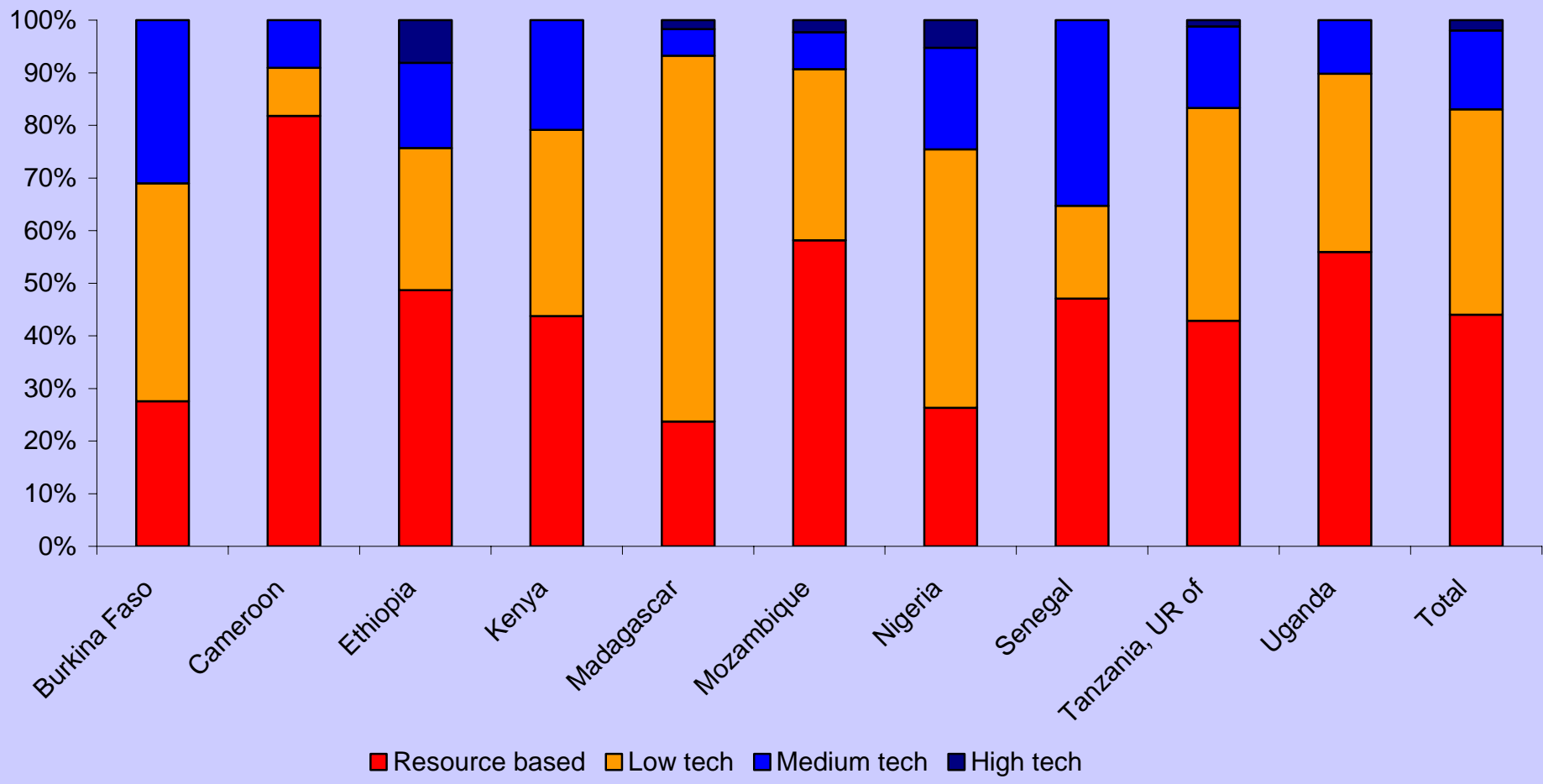


Main exporting sectors by destination region

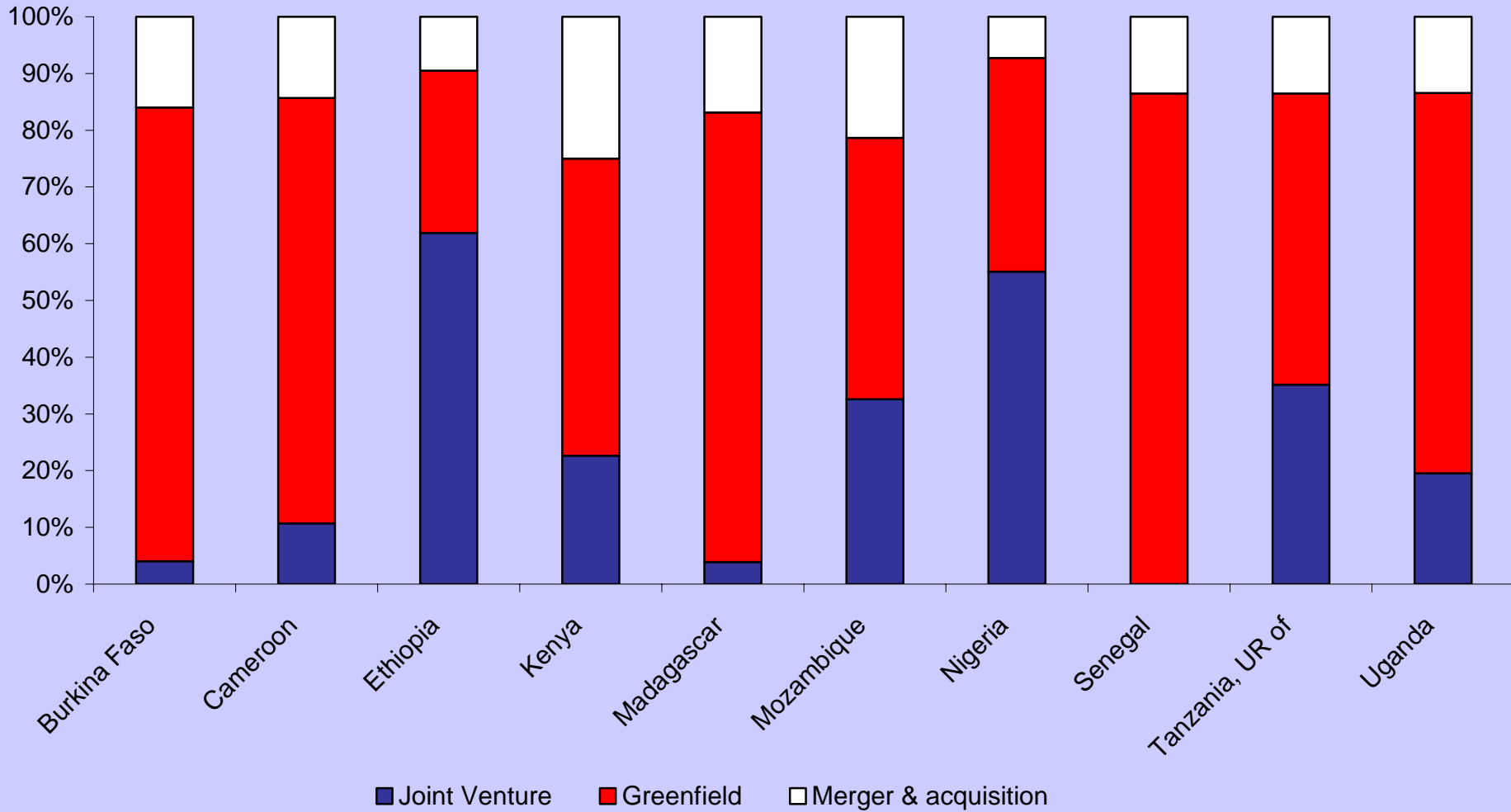
- Europe
- Middle East
- Asia
- America
- Africa



Distribution of respondents (manufacturing) by technology intensity

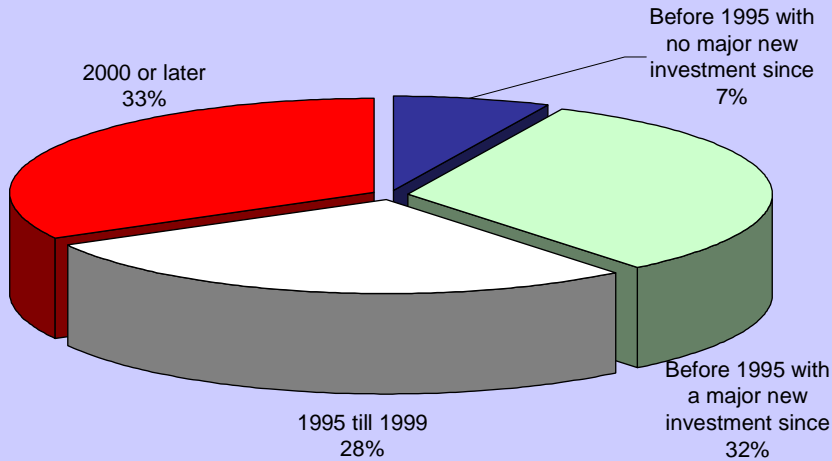


Distribution of respondents by mode of entry per country

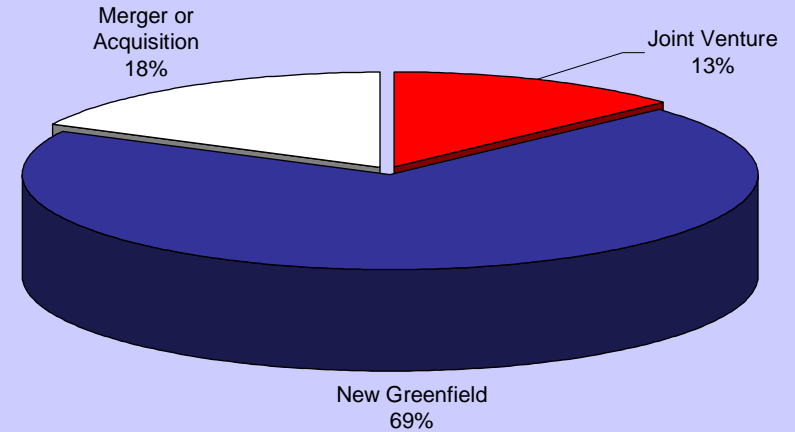


Profile of large exporters

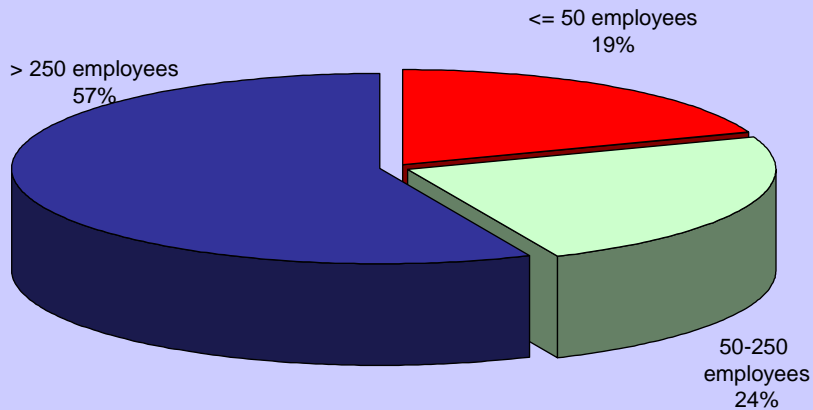
Large exporters by period of investment



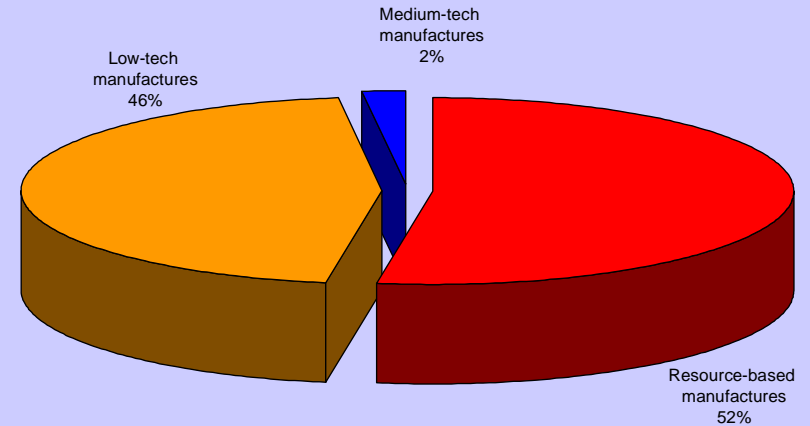
Large exporters by mode of entry



Large exporters by employment



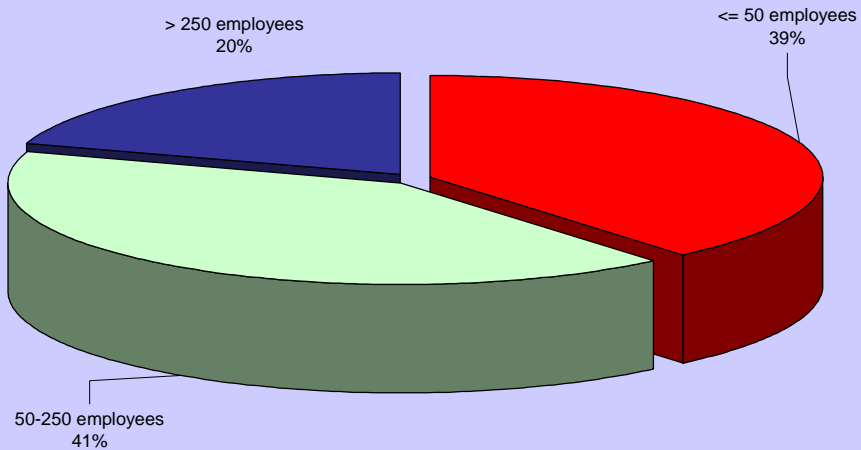
Large exporters by technology intensity



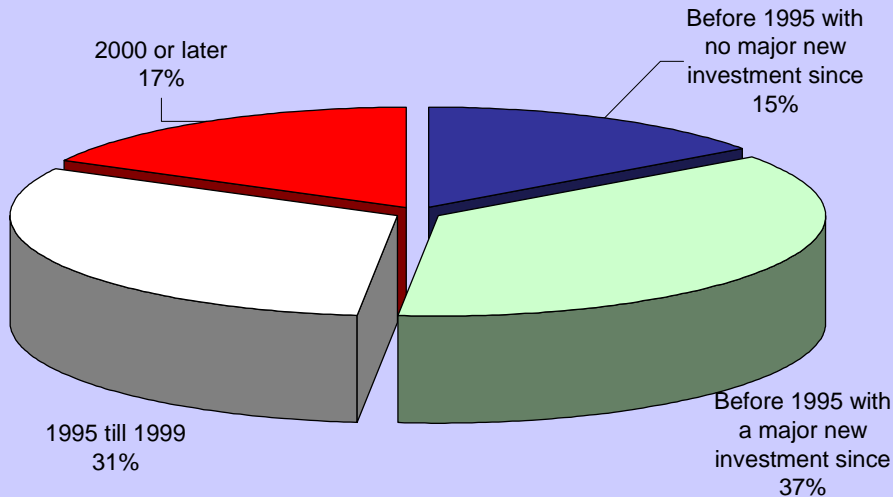
Top Sectors: Wearing Apparel (28%), Agriculture (23%), Food & Drink (13%)

Profile of local market seekers

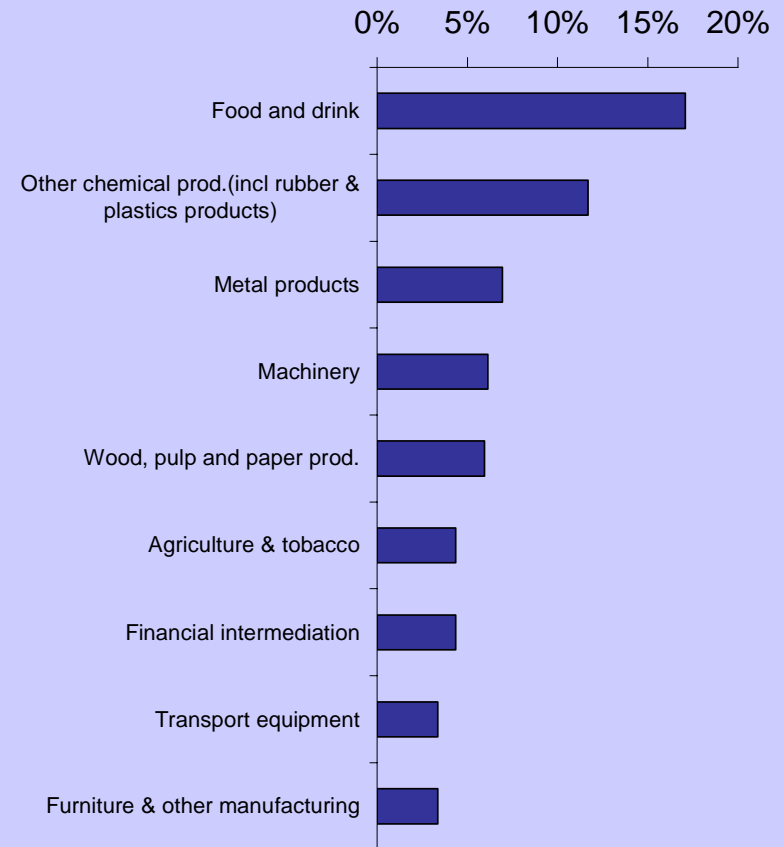
Local market seekers by employment



Local market seekers by period of investment

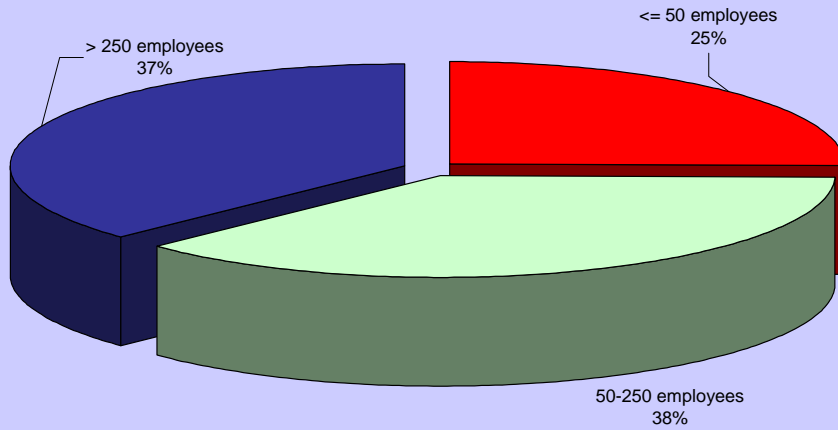


Local market seekers by sector (main sectors)

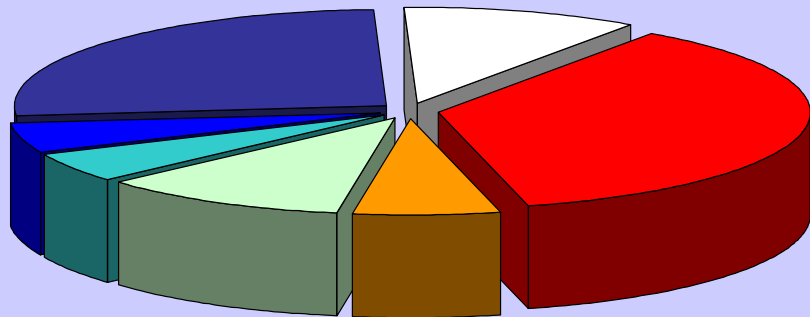


Profile of resource based manufacturers

Resource based manufacturers by employment

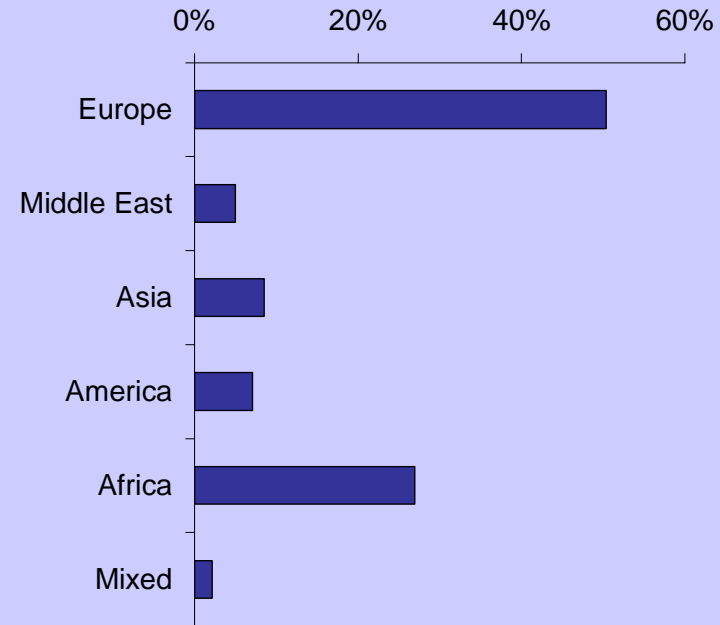


Resource based manufacturers by export intensity

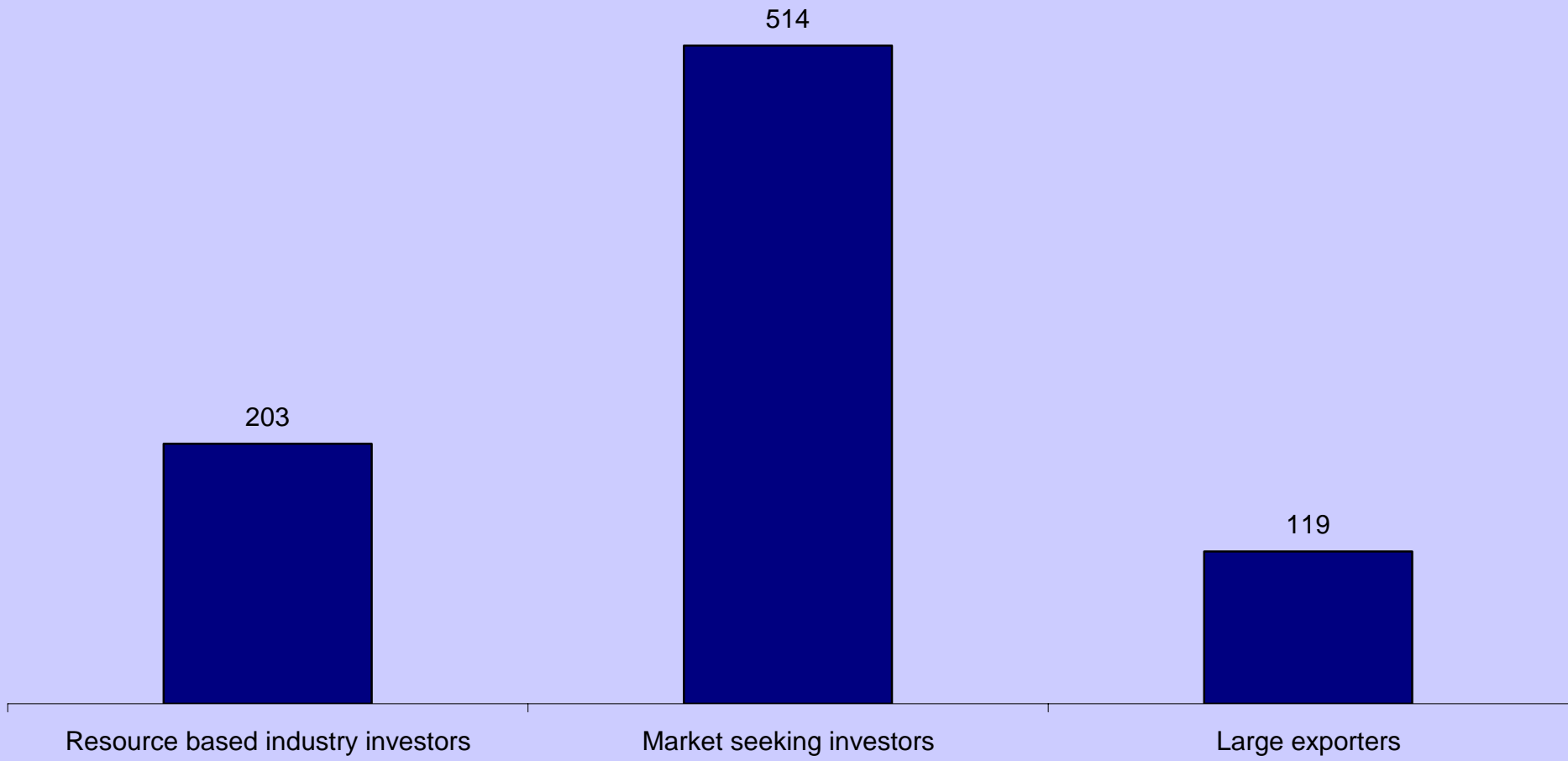


- No exports
- Exports between 10 and 25% of annual sales
- Exports between 50 and 75% of annual sales
- Exports less than 10% of annual sales
- Exports between 25 and 50% of annual sales
- Exports more than 75% of annual sales
- No answer

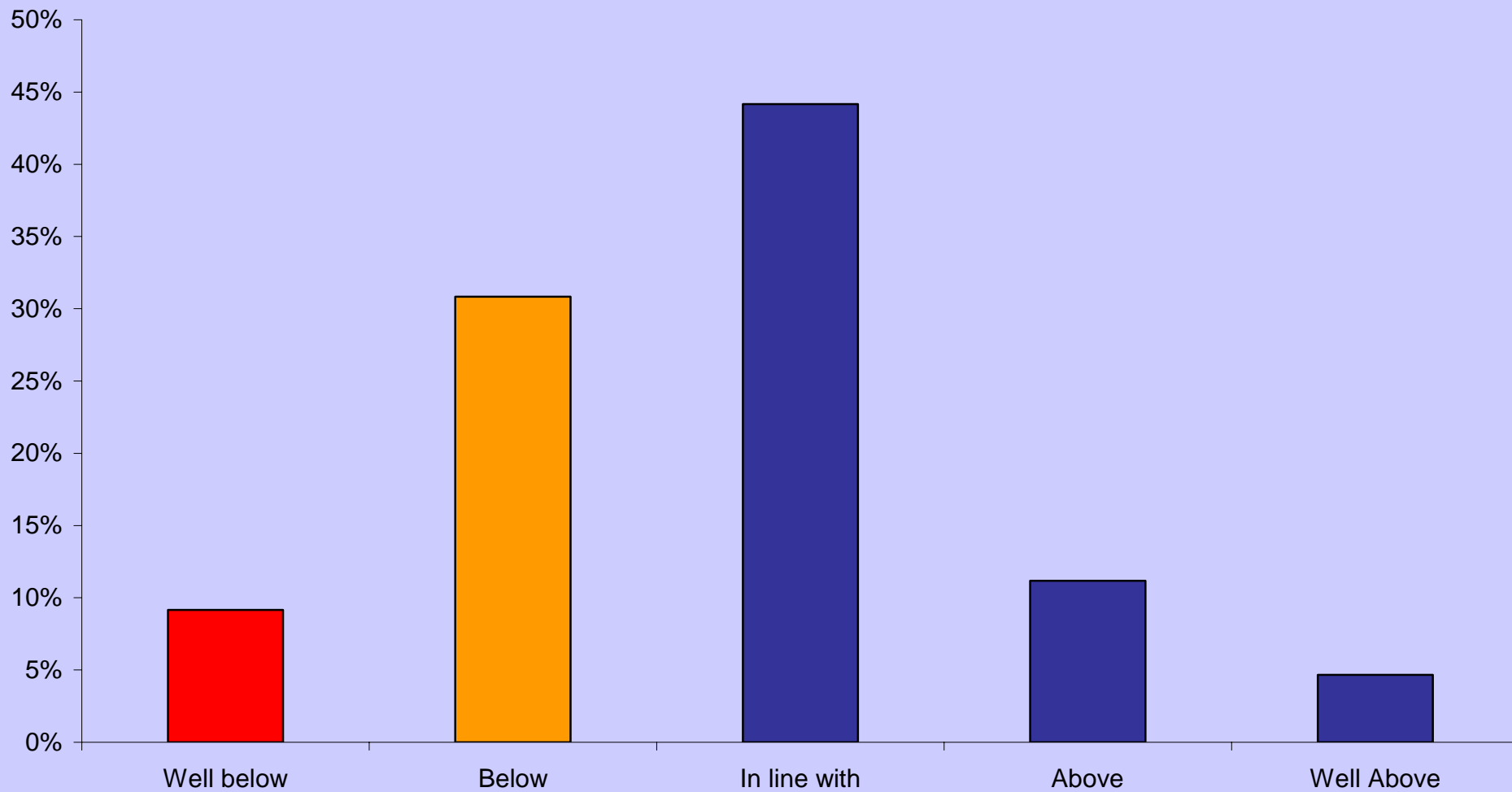
Resource based manufacturers by origin



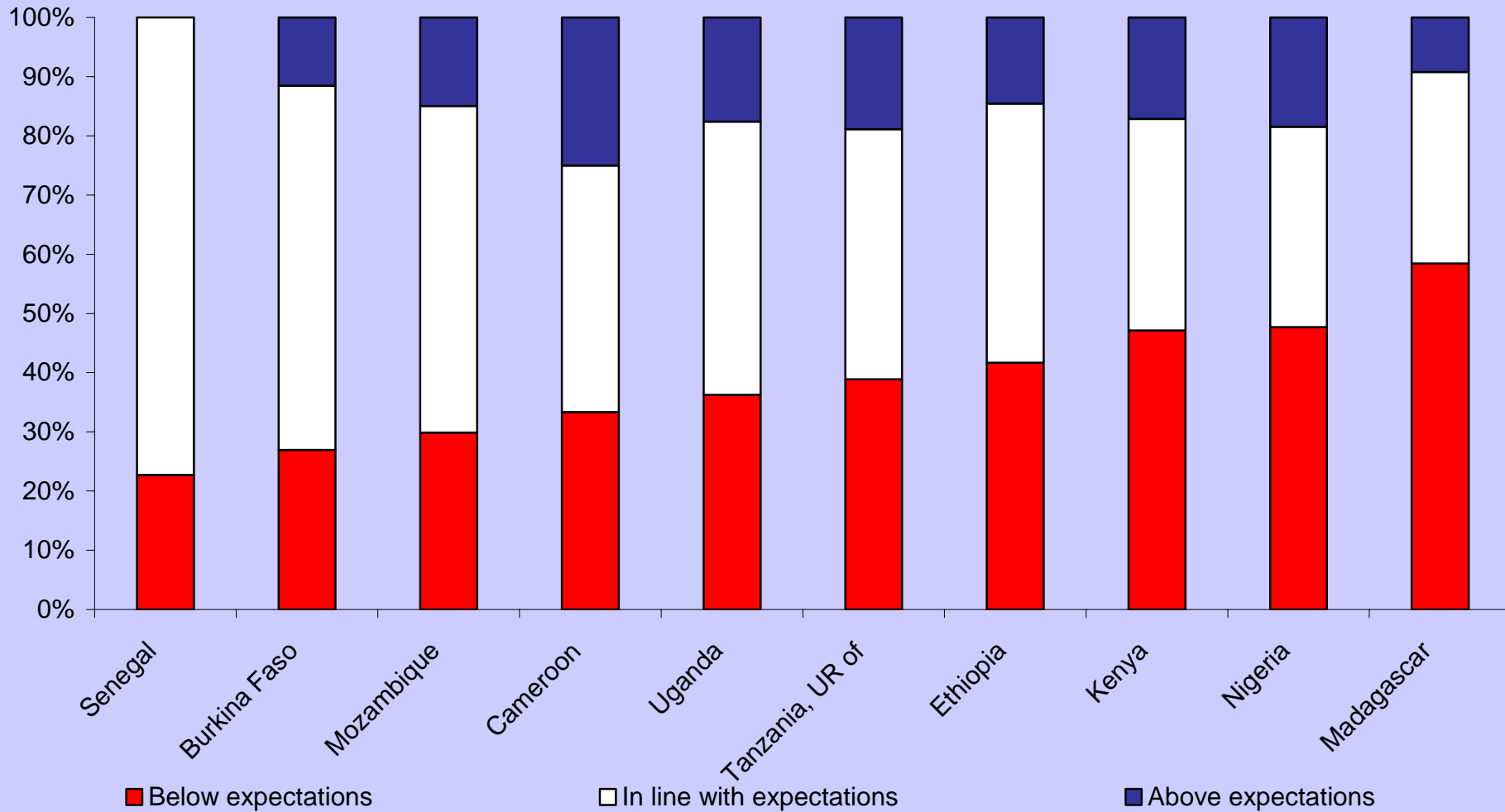
Key investors categories in Sub-Saharan Africa



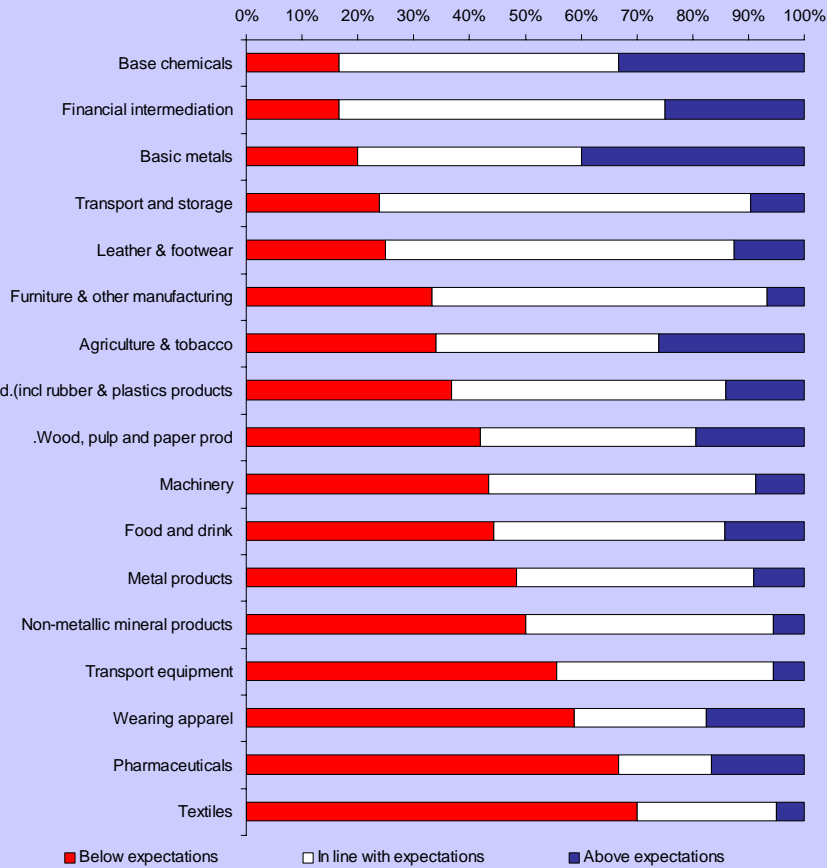
Has your investment performed to expectations in the last 3 years?



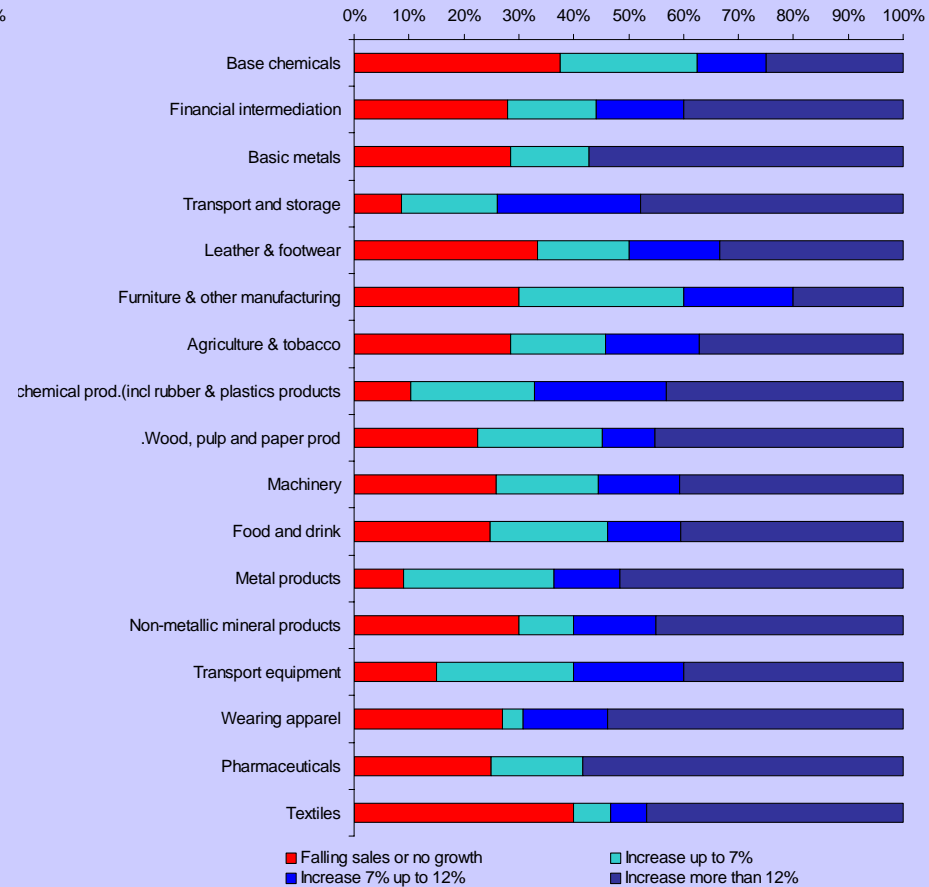
Distribution of foreign investors by performance of their investment in the last three years per country



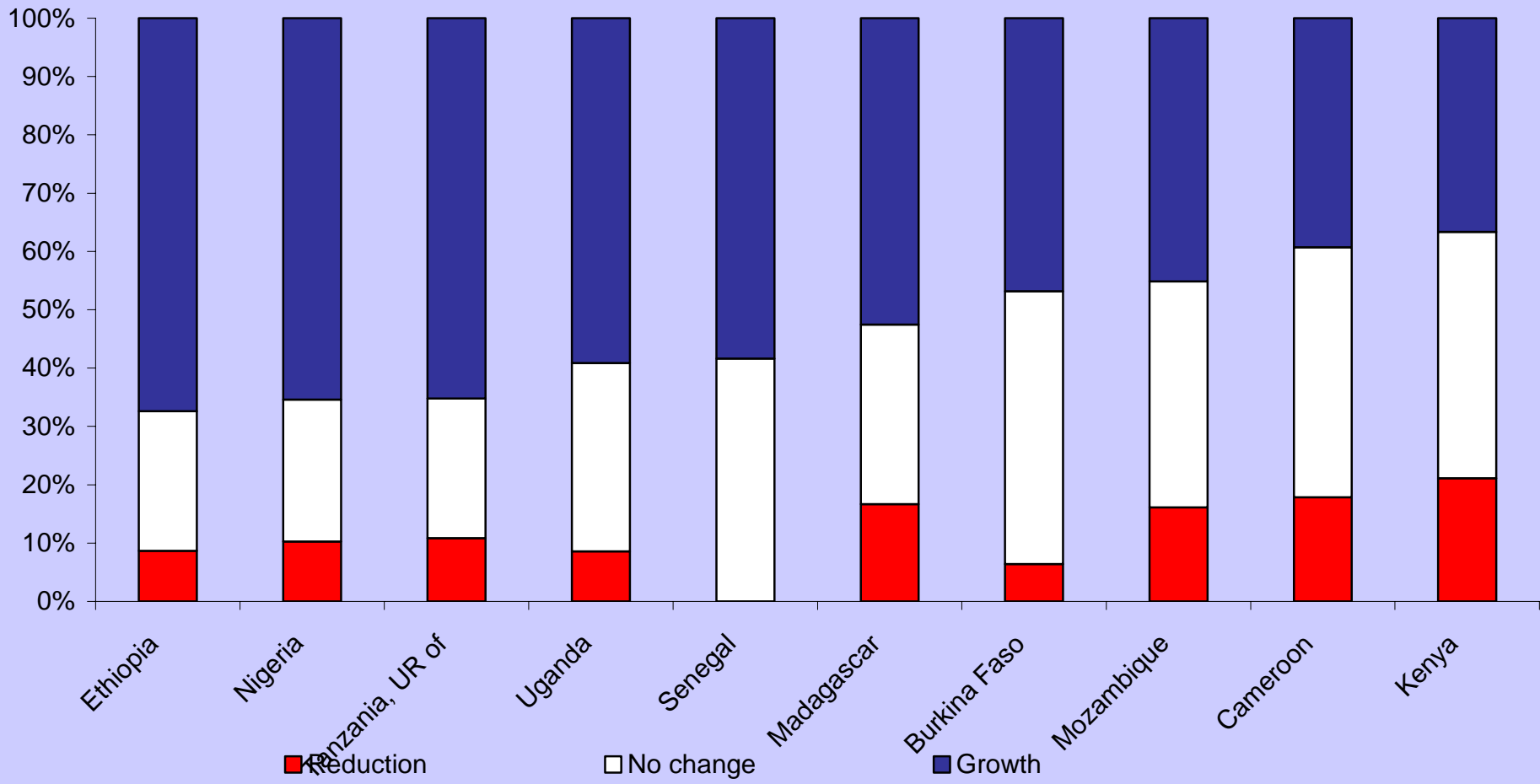
Distribution of respondents by performance of the investment per sector category



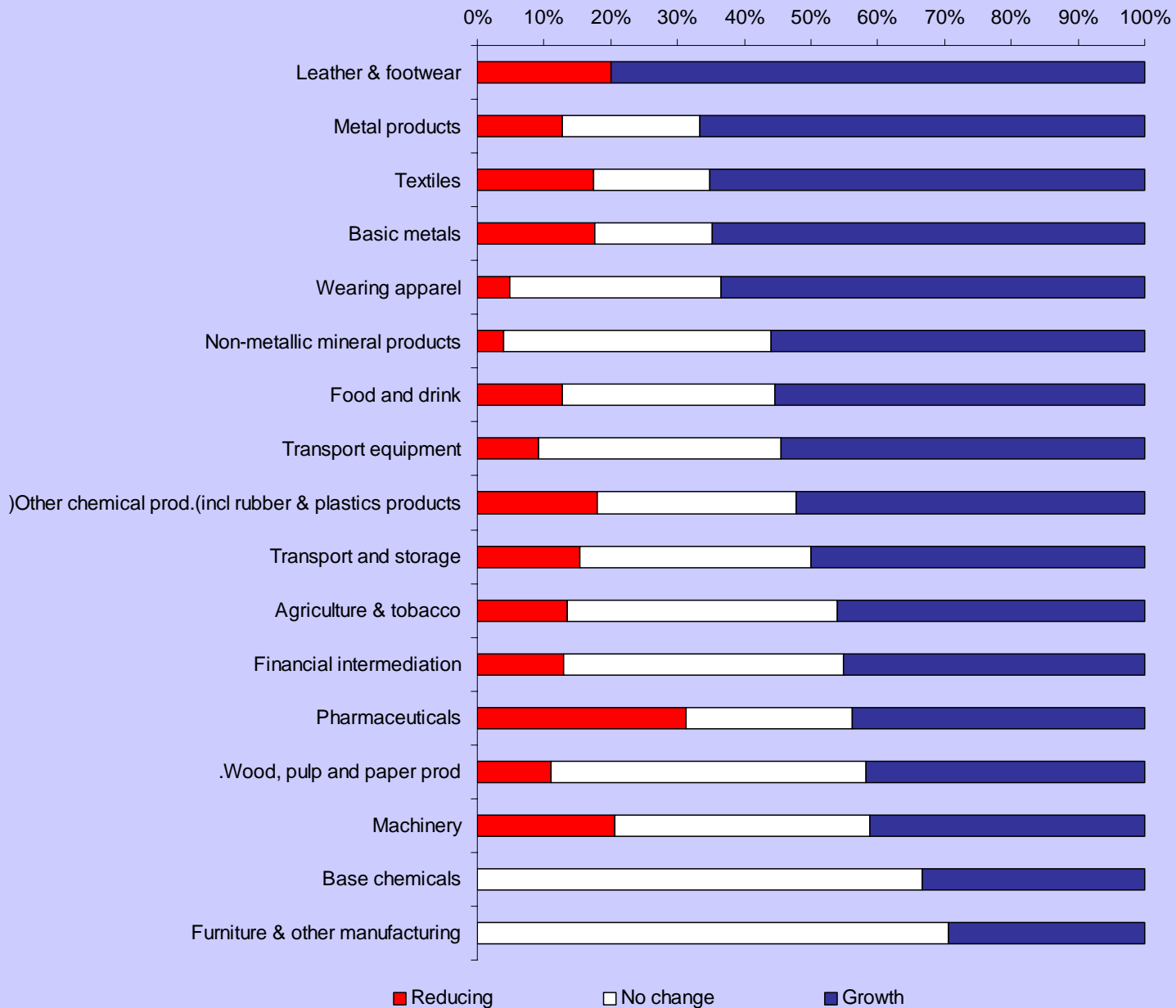
Distribution of respondents by sales growth (compared to the previous fiscal year) per sector



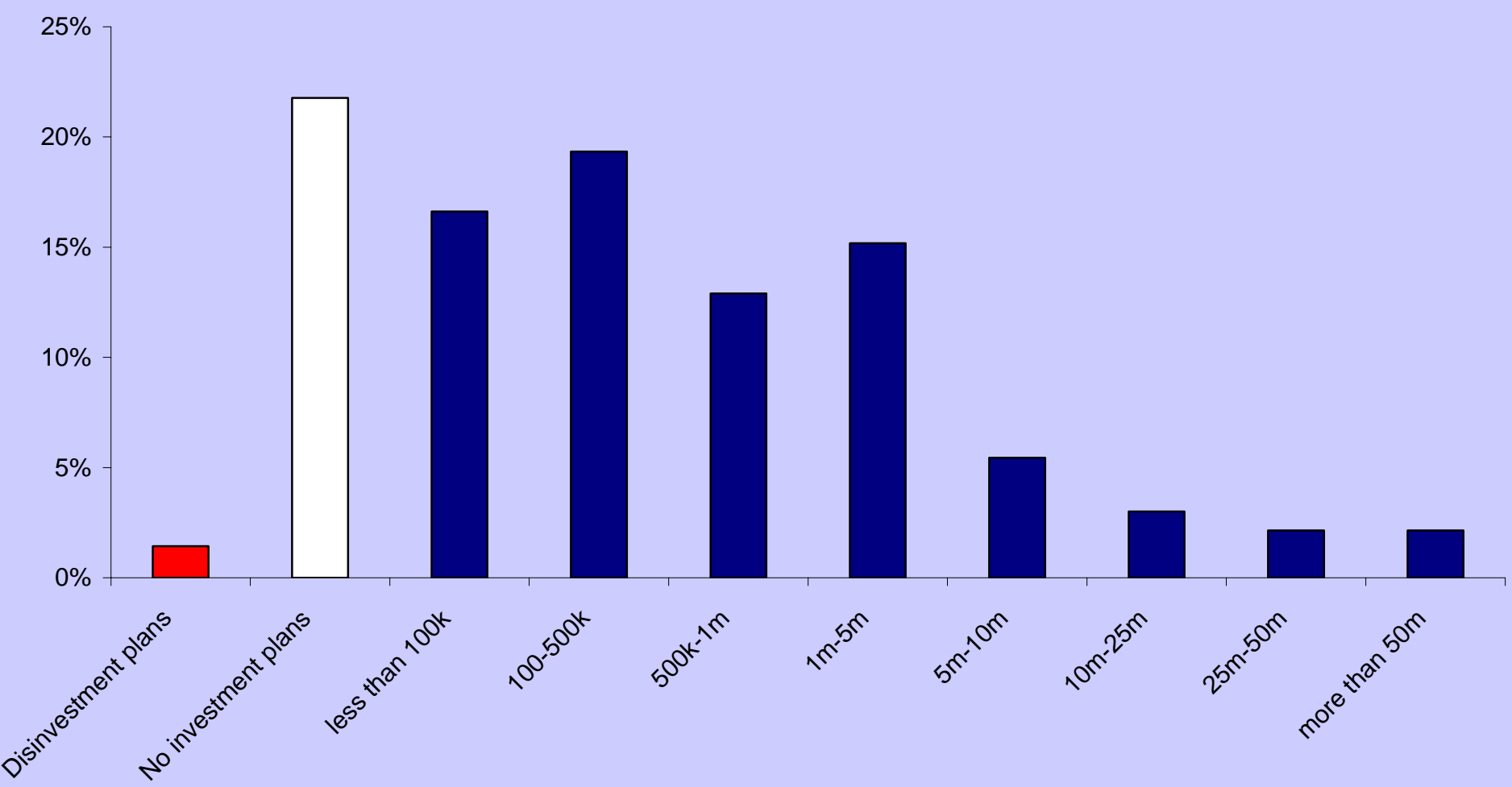
Distribution of foreign investors by expected employment growth per country



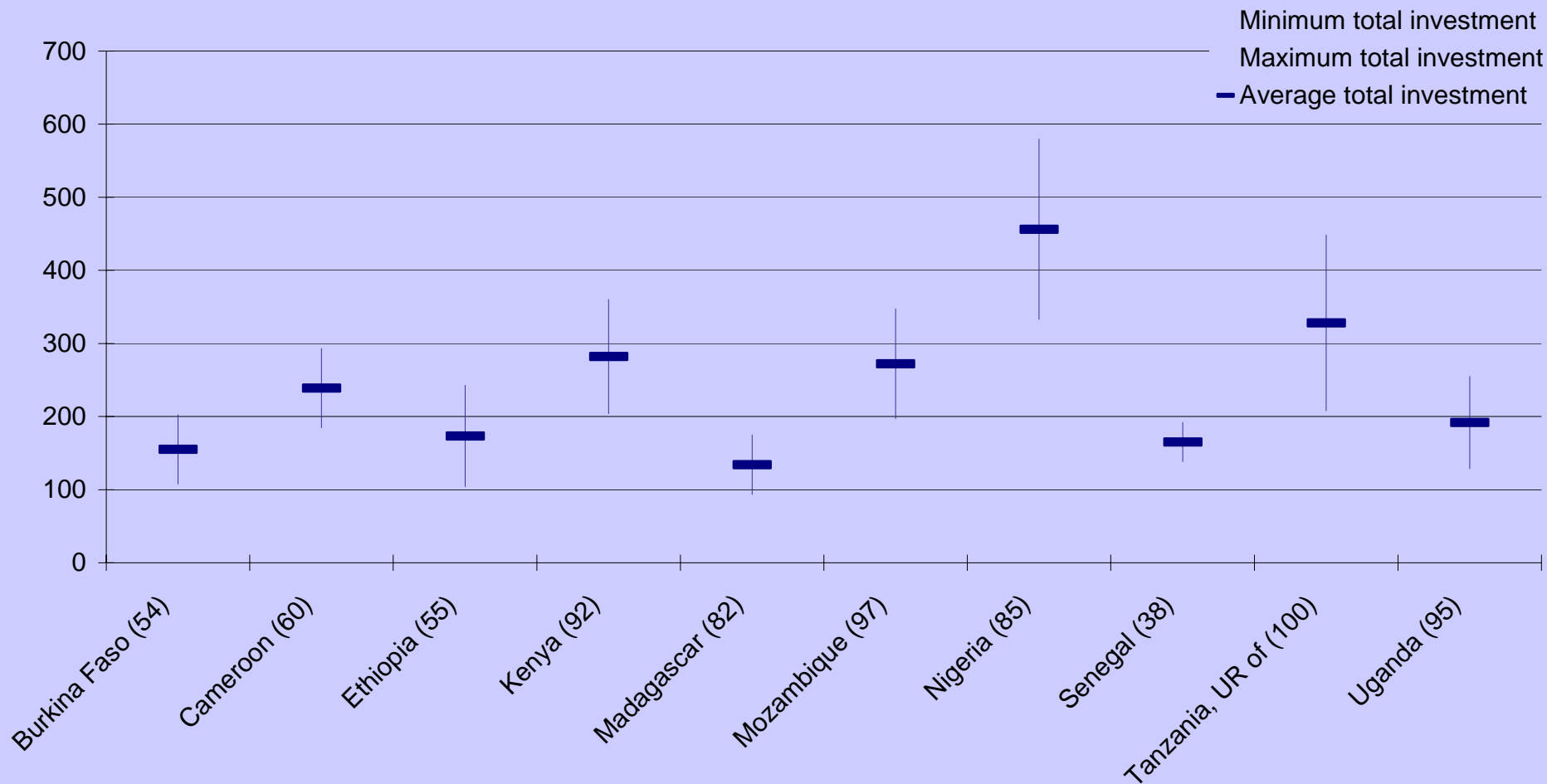
Distribution of respondents by expected employment growth per sector category



Distribution of foreign investors by expected investment (USD) over the next three years

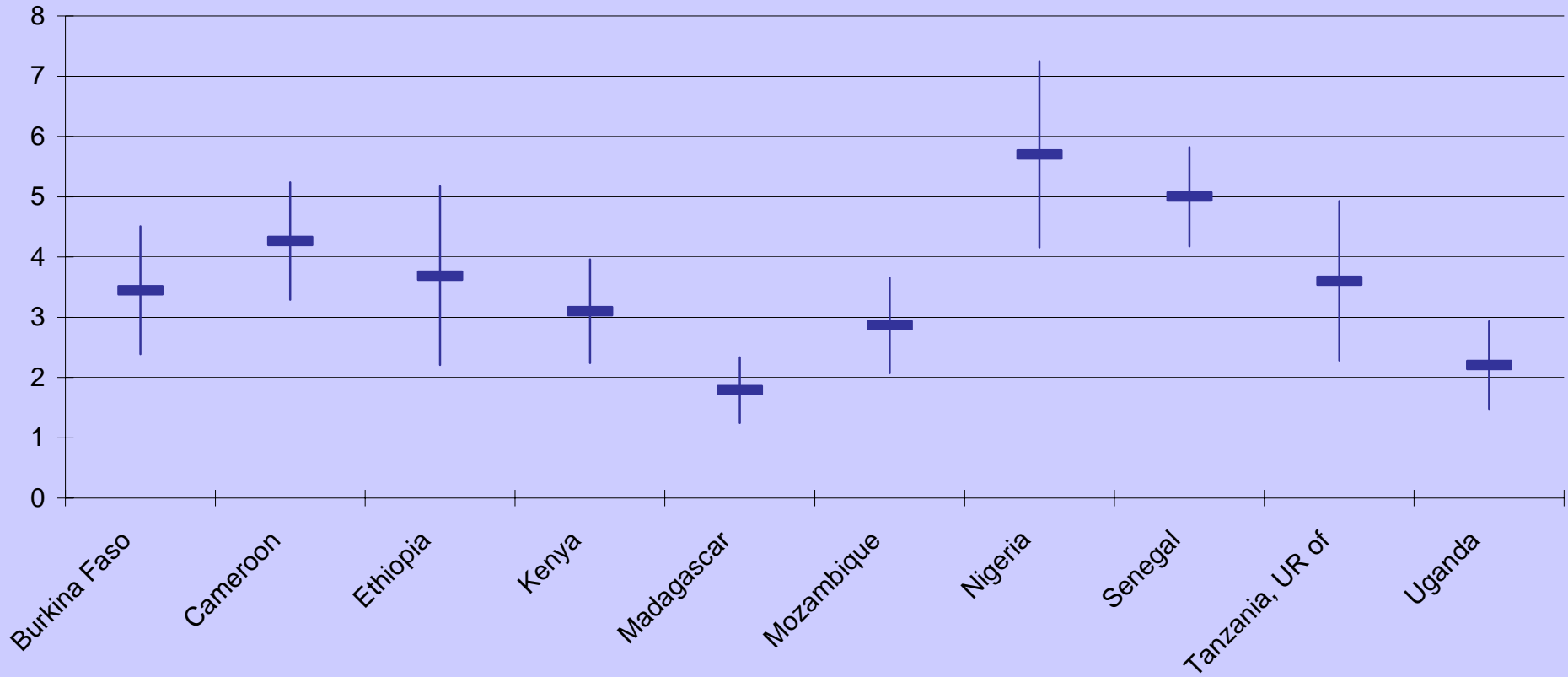


Capital investments announced by all respondents in the next 3 years (in mio USD)

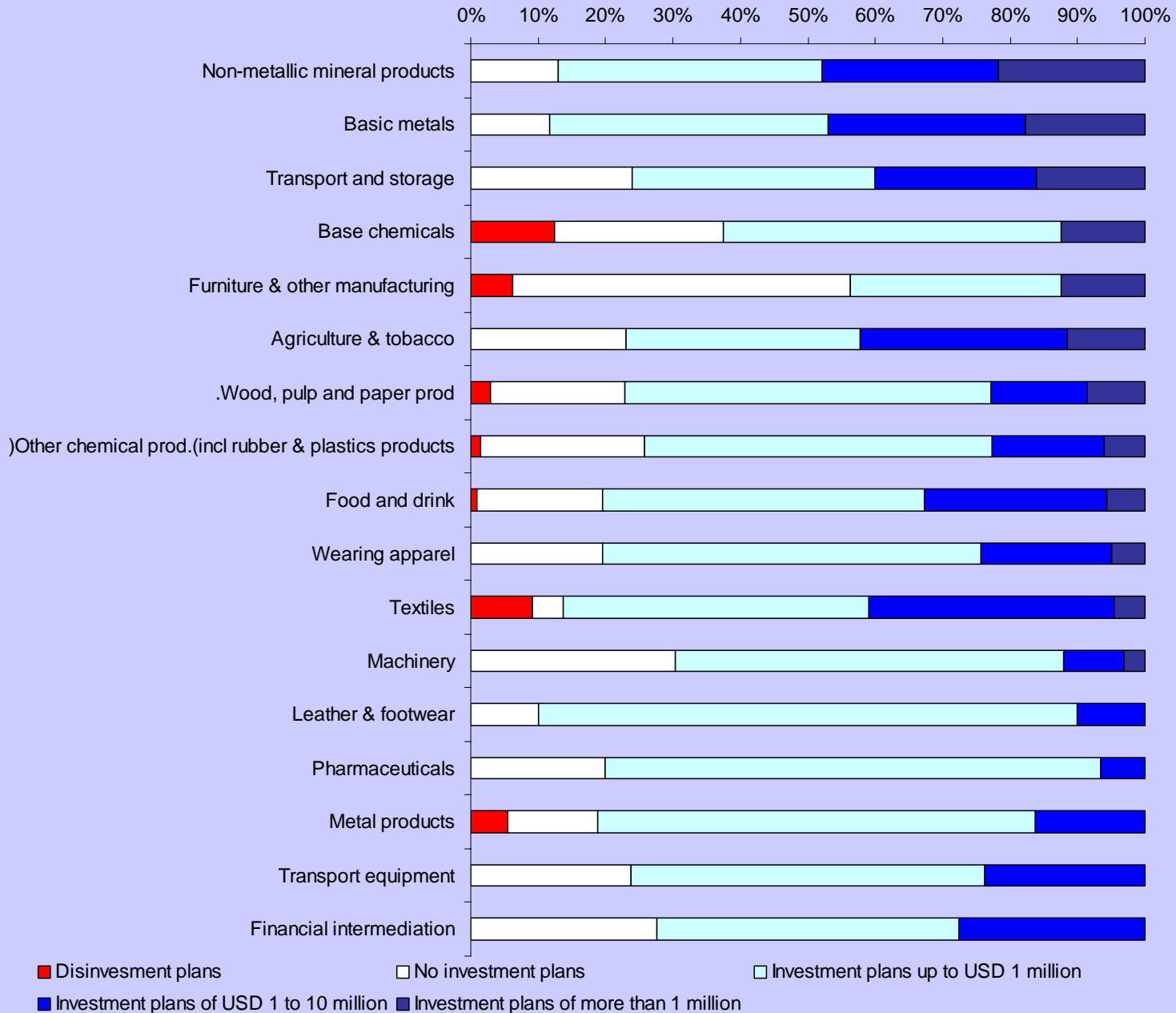


Announced capital investments (as average per respondent) per country in the next 3 years (in mio USD)

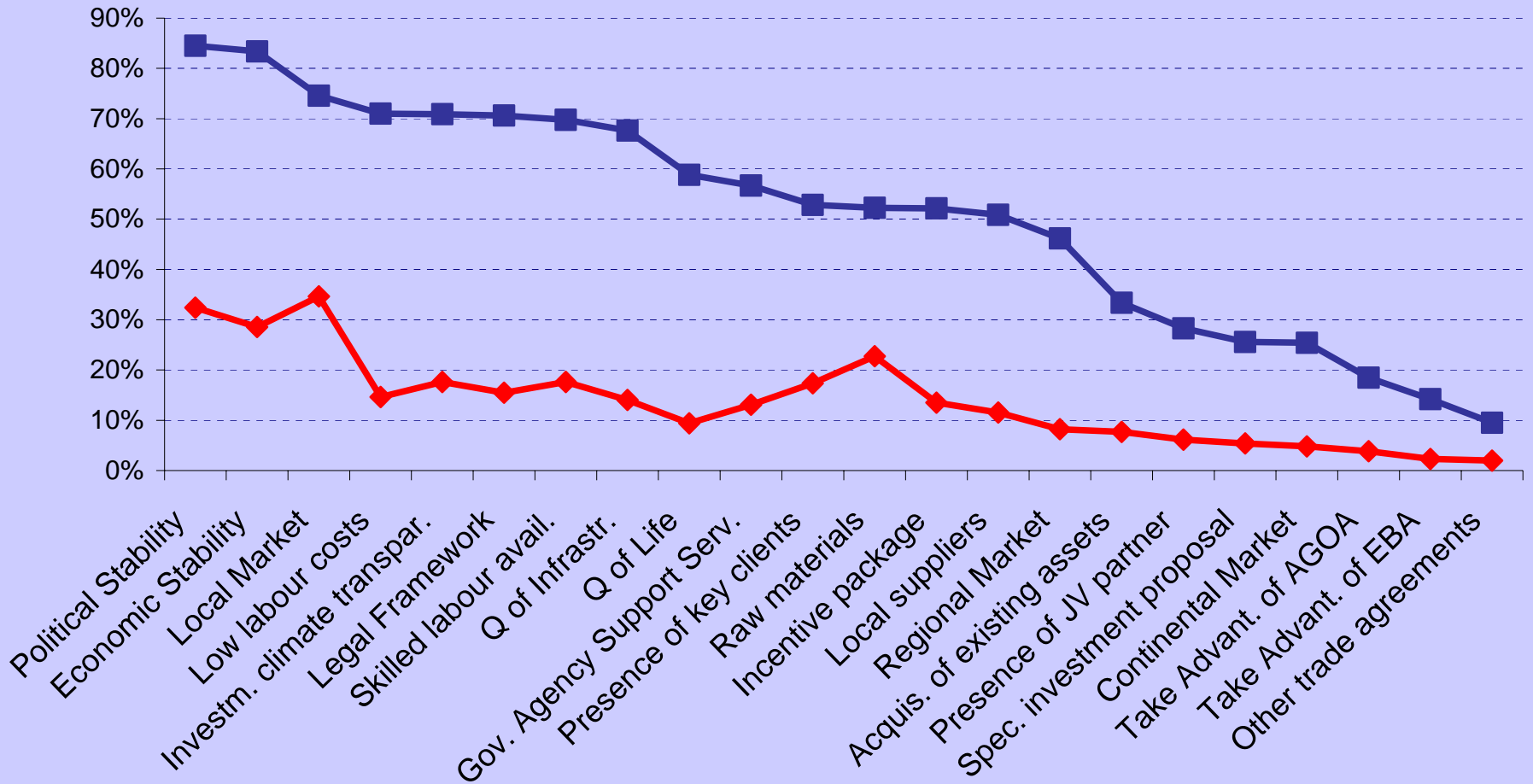
Minimum total investment
Maximum total investment
Average total investment



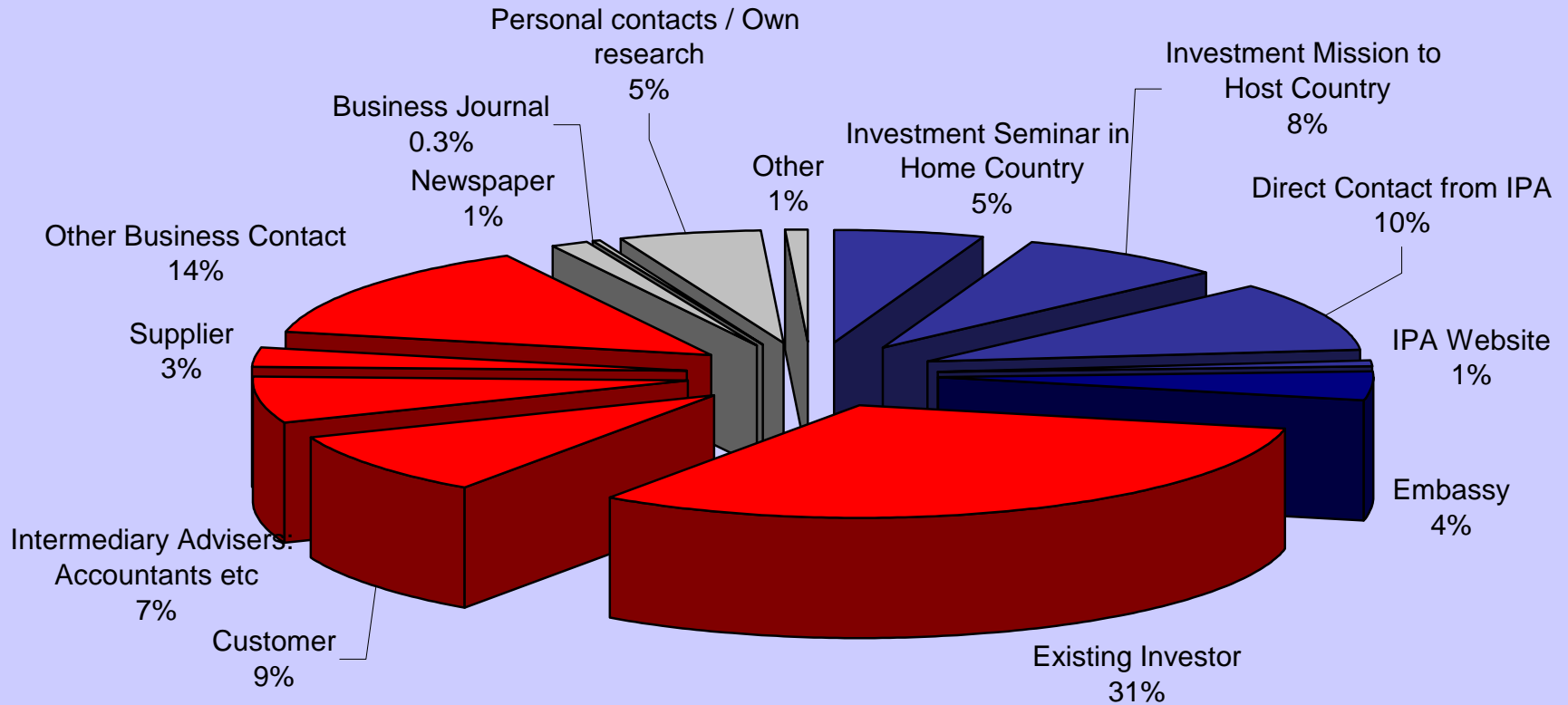
Distribution of respondents by future investment plans per sector



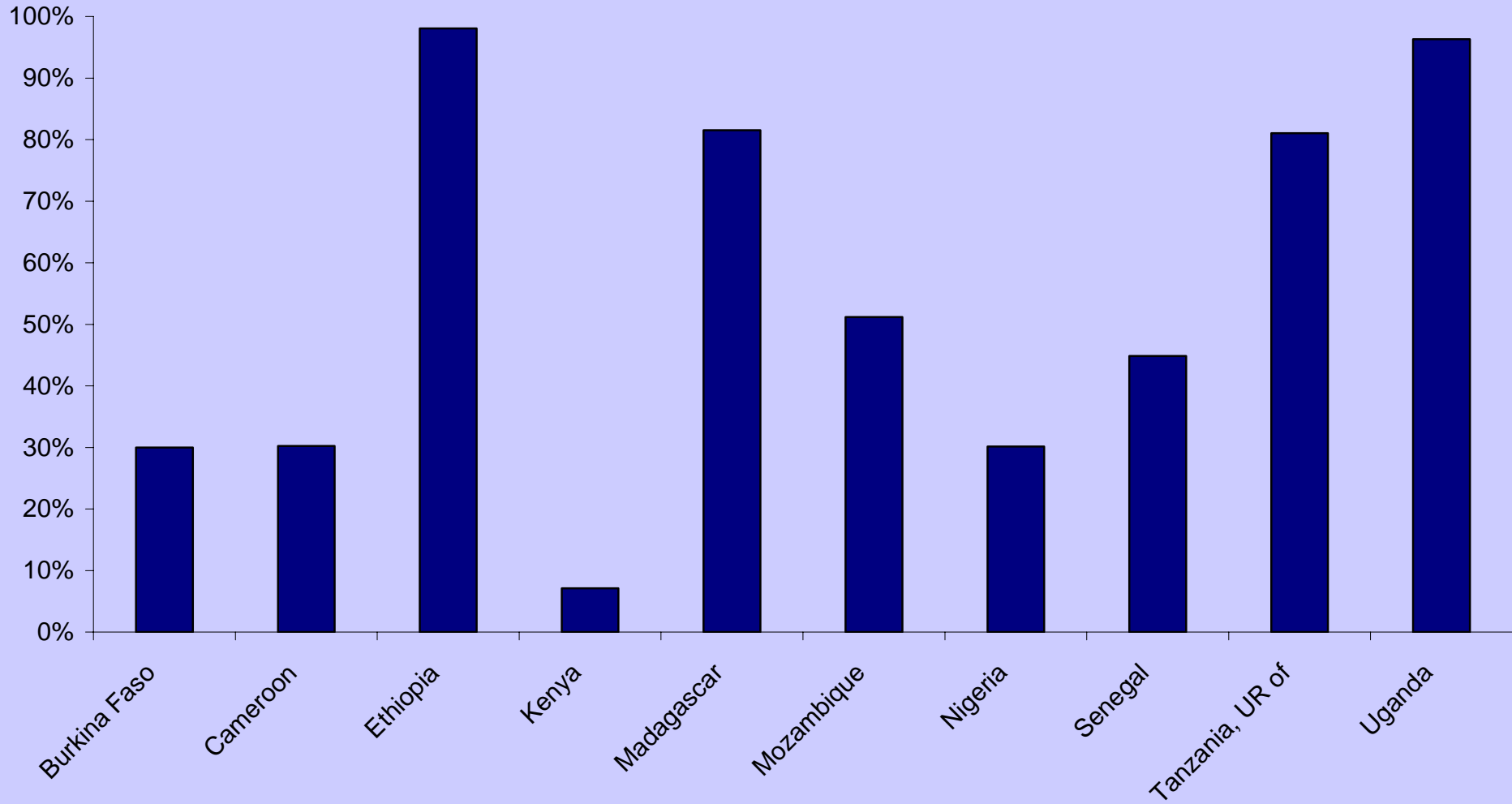
Importance of location factors in the decision process



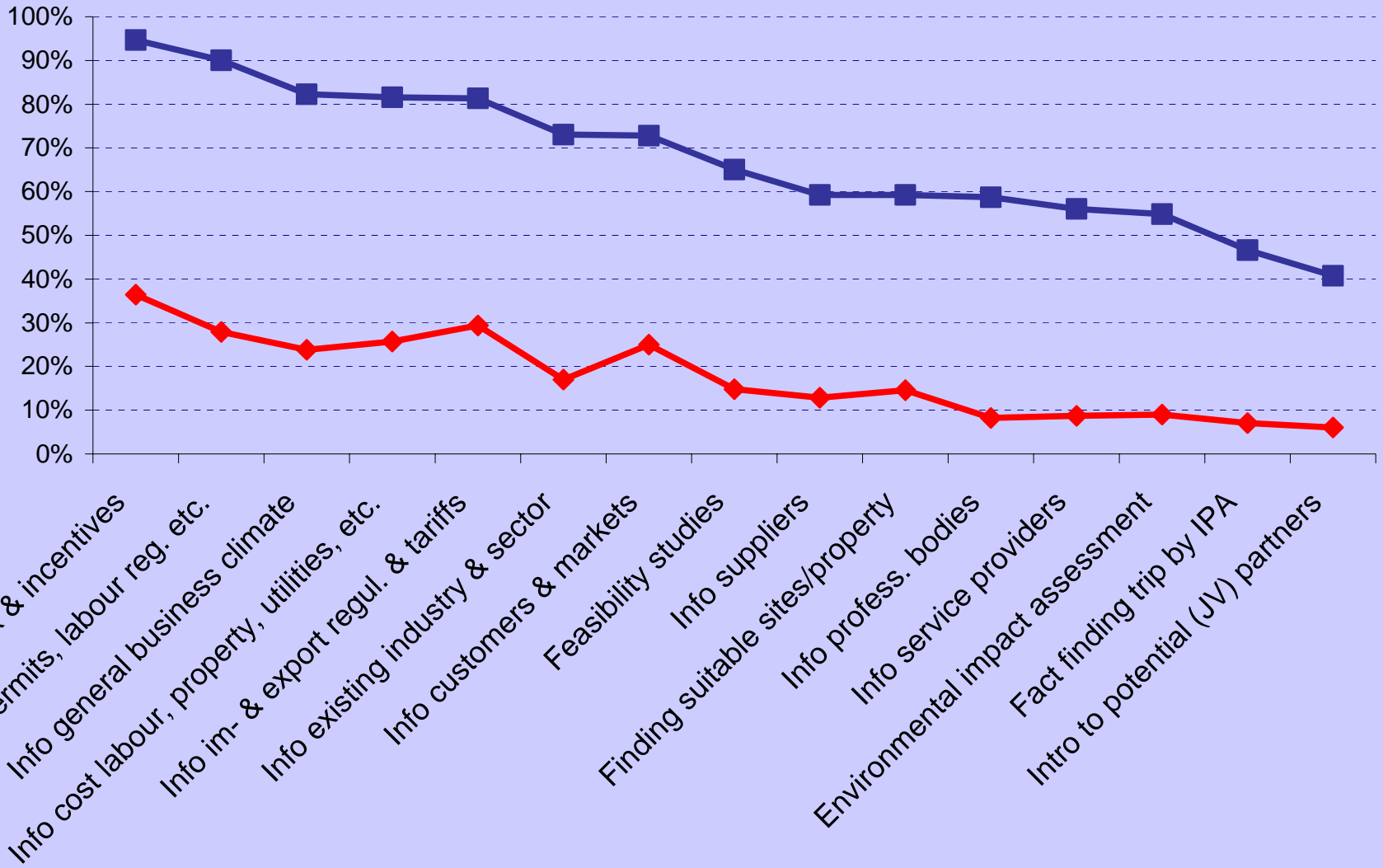
Analysis of how investors were made aware of investment opportunities



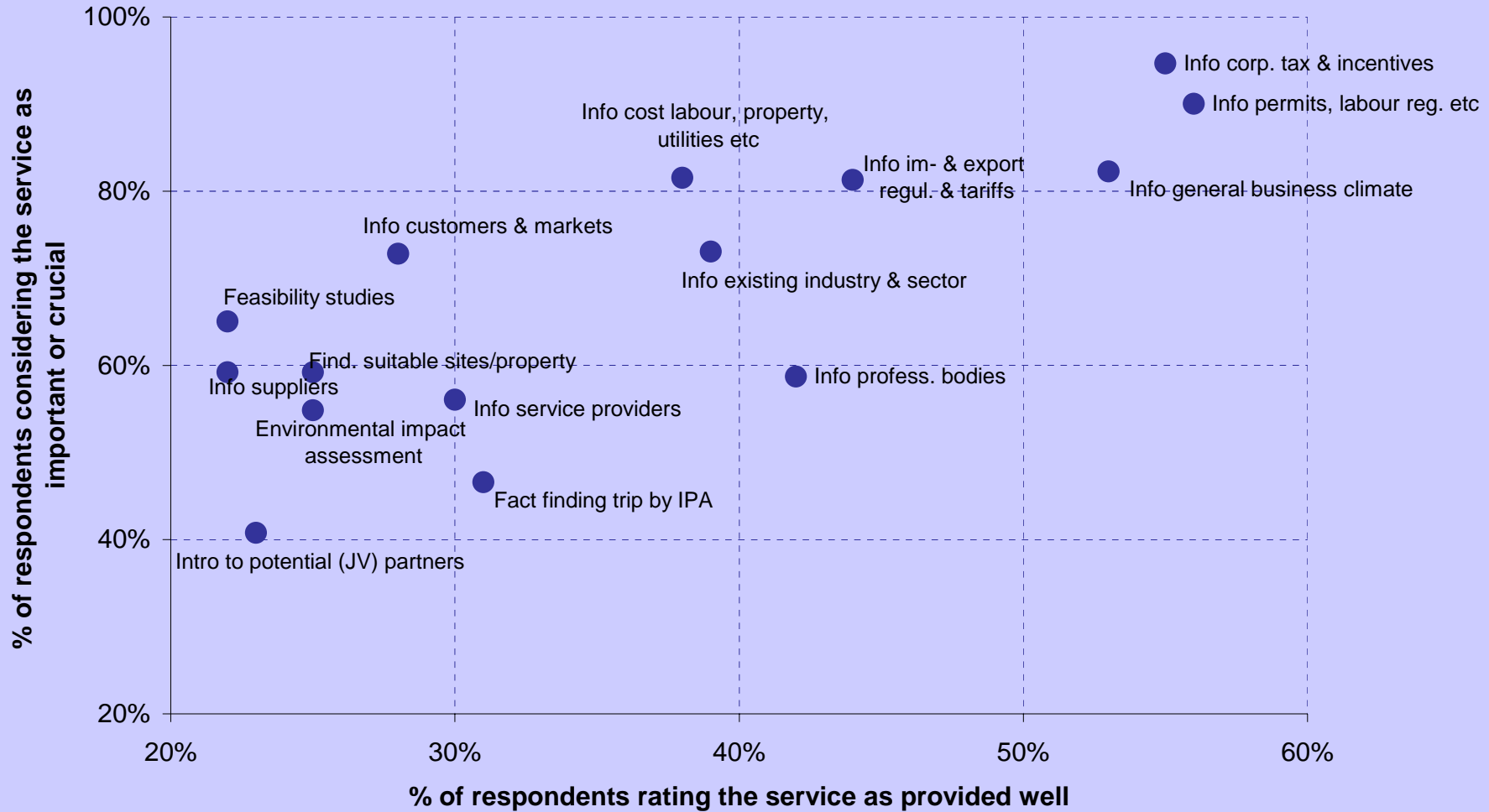
Percentage of respondents registered with the IPA



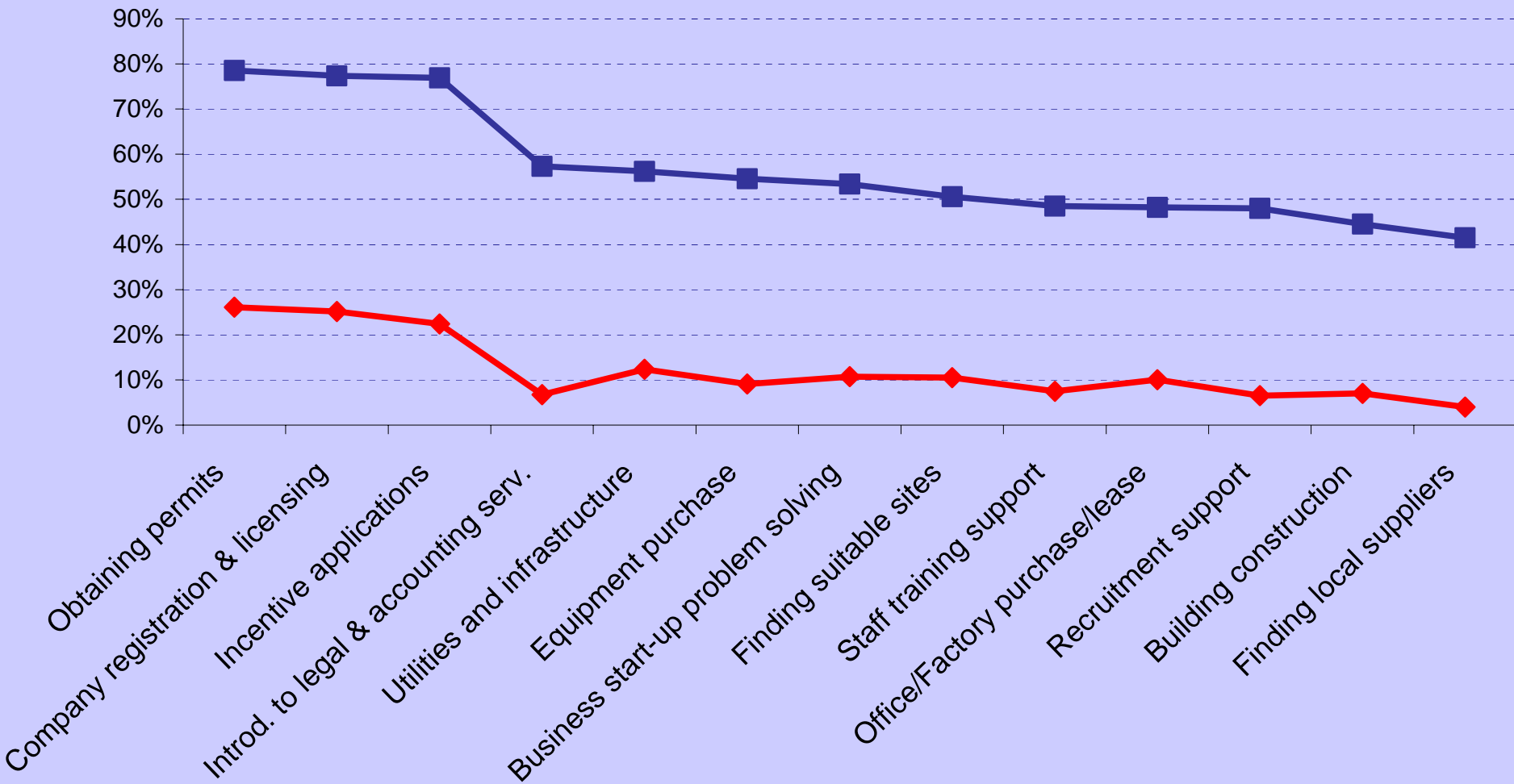
Importance of pre-investment services requested or used



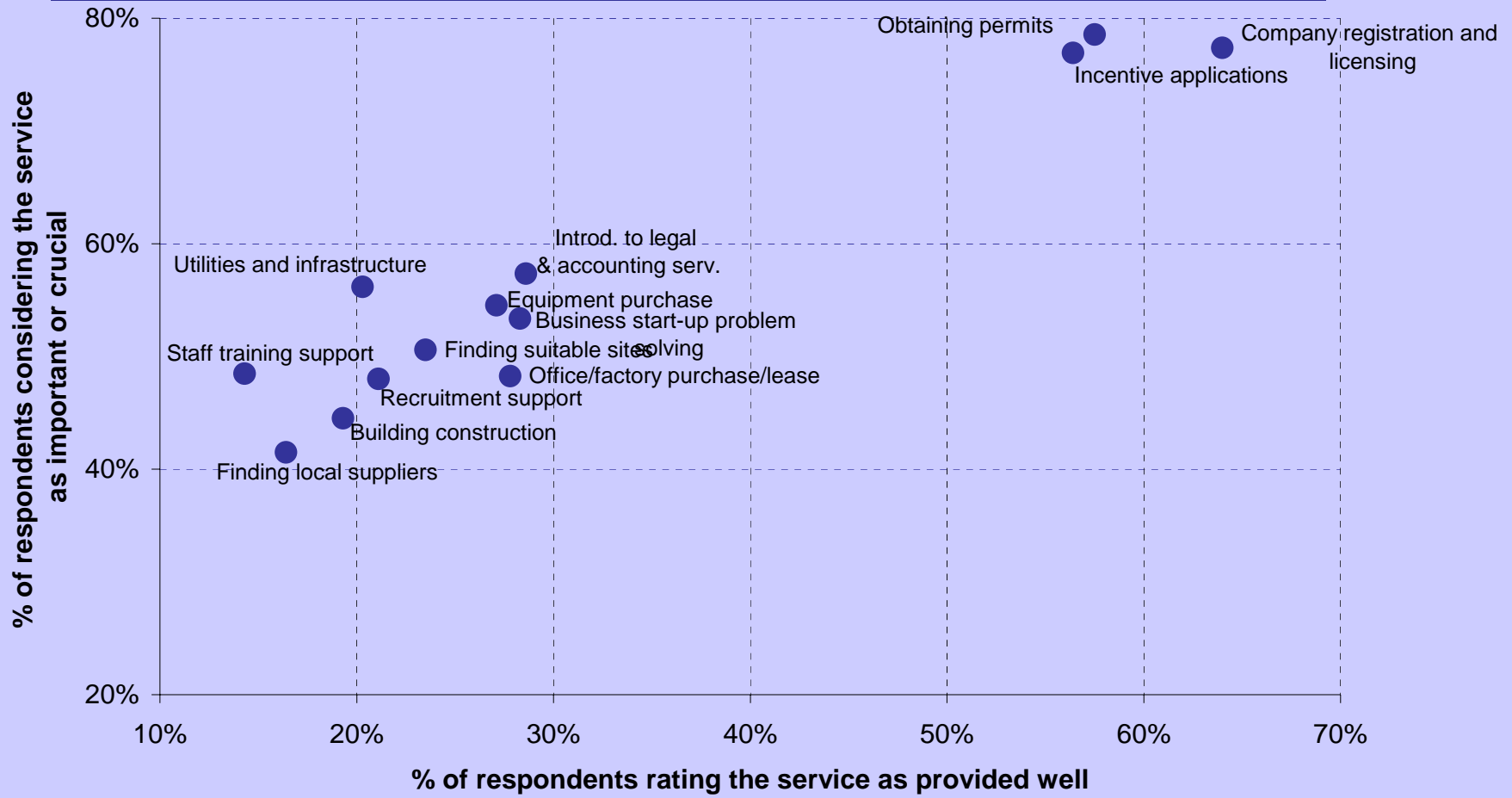
Evaluation of importance versus quality of services investors did request or use from IPAs in the pre-investment phase



Importance of investment and post-investment services requested or used

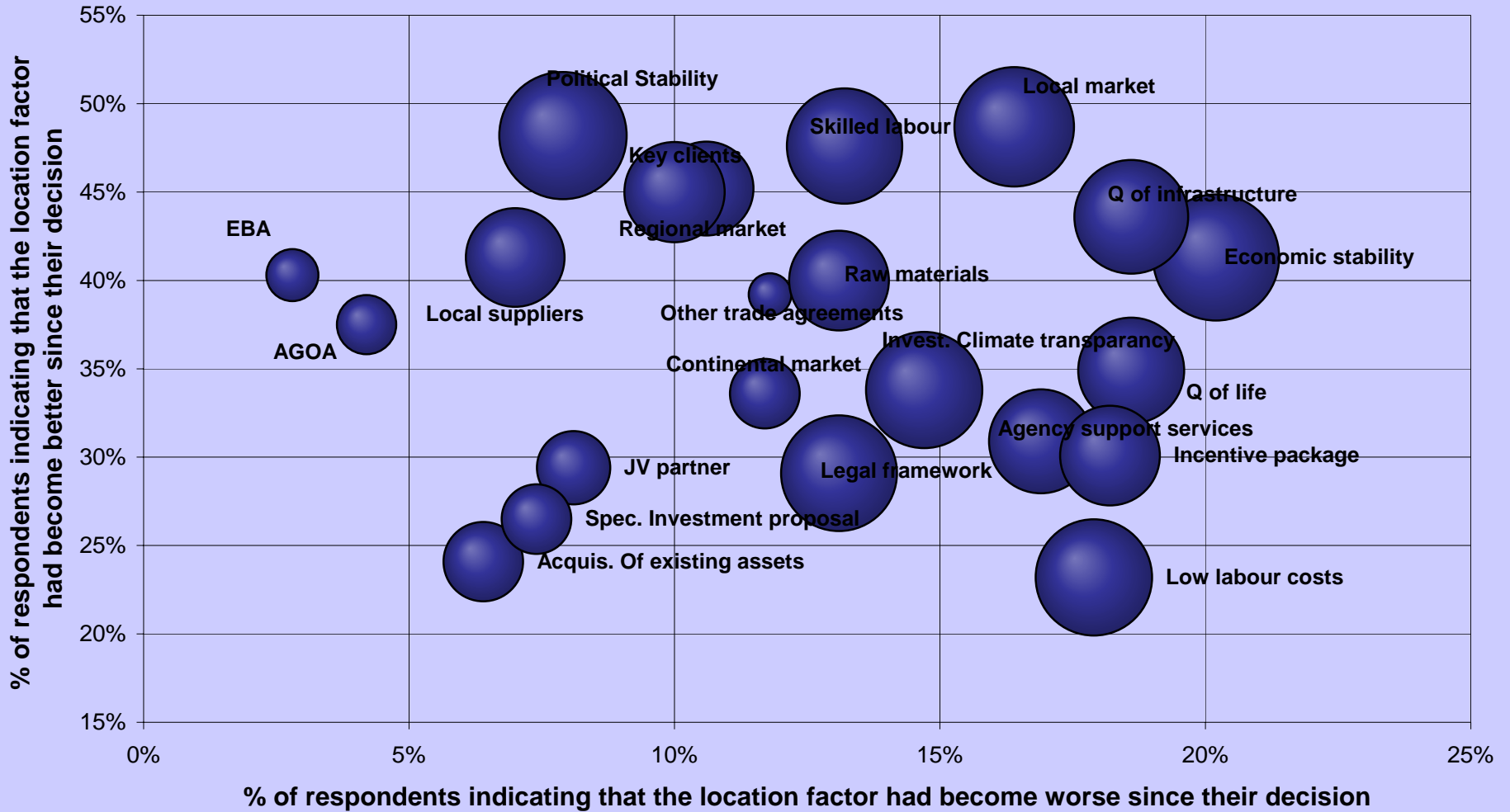


Evaluation of importance versus quality of services investors did request or use from IPAs to facilitate their investment in the host country

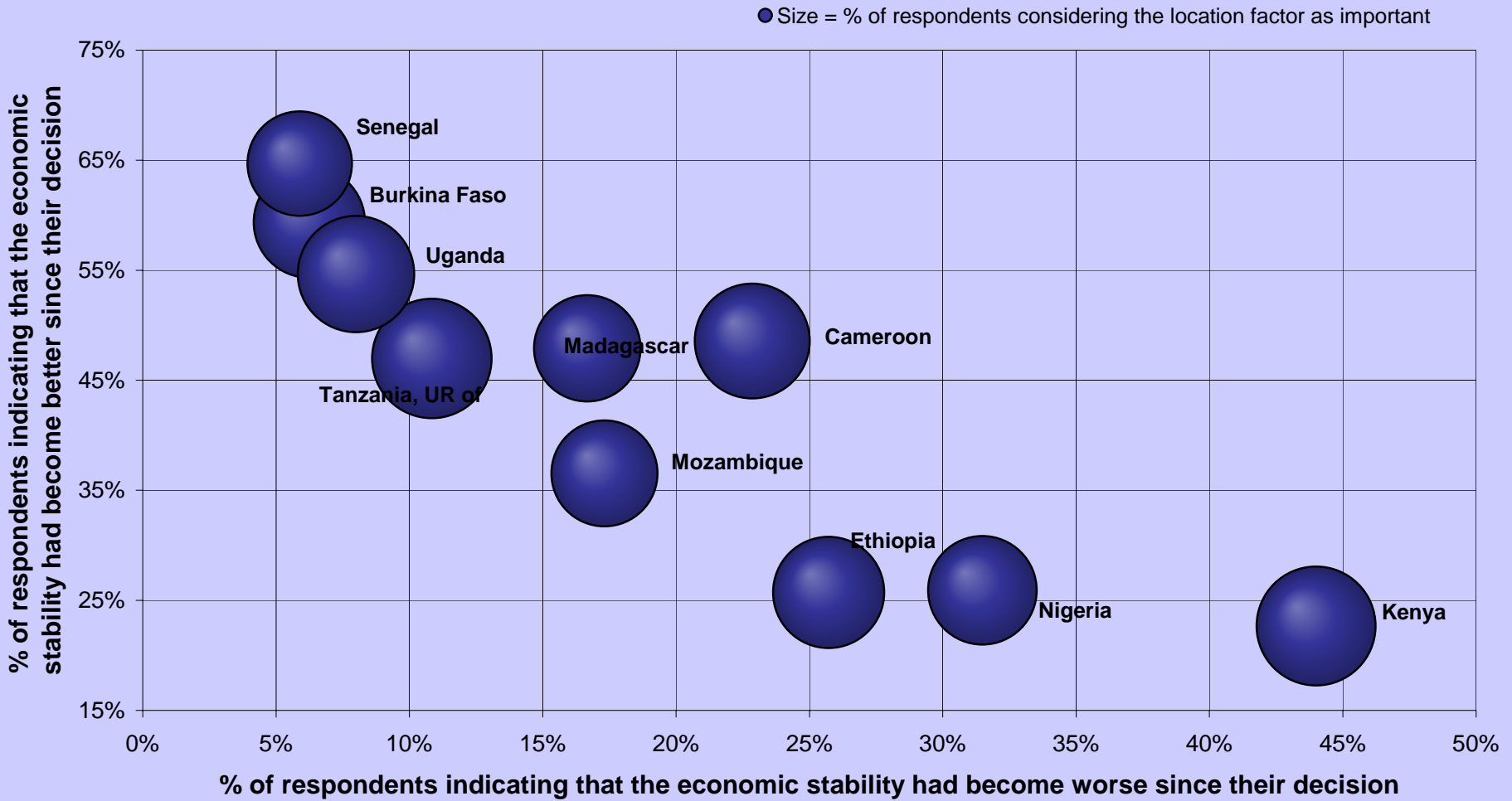


Evolution of location factors since the respondent's decision

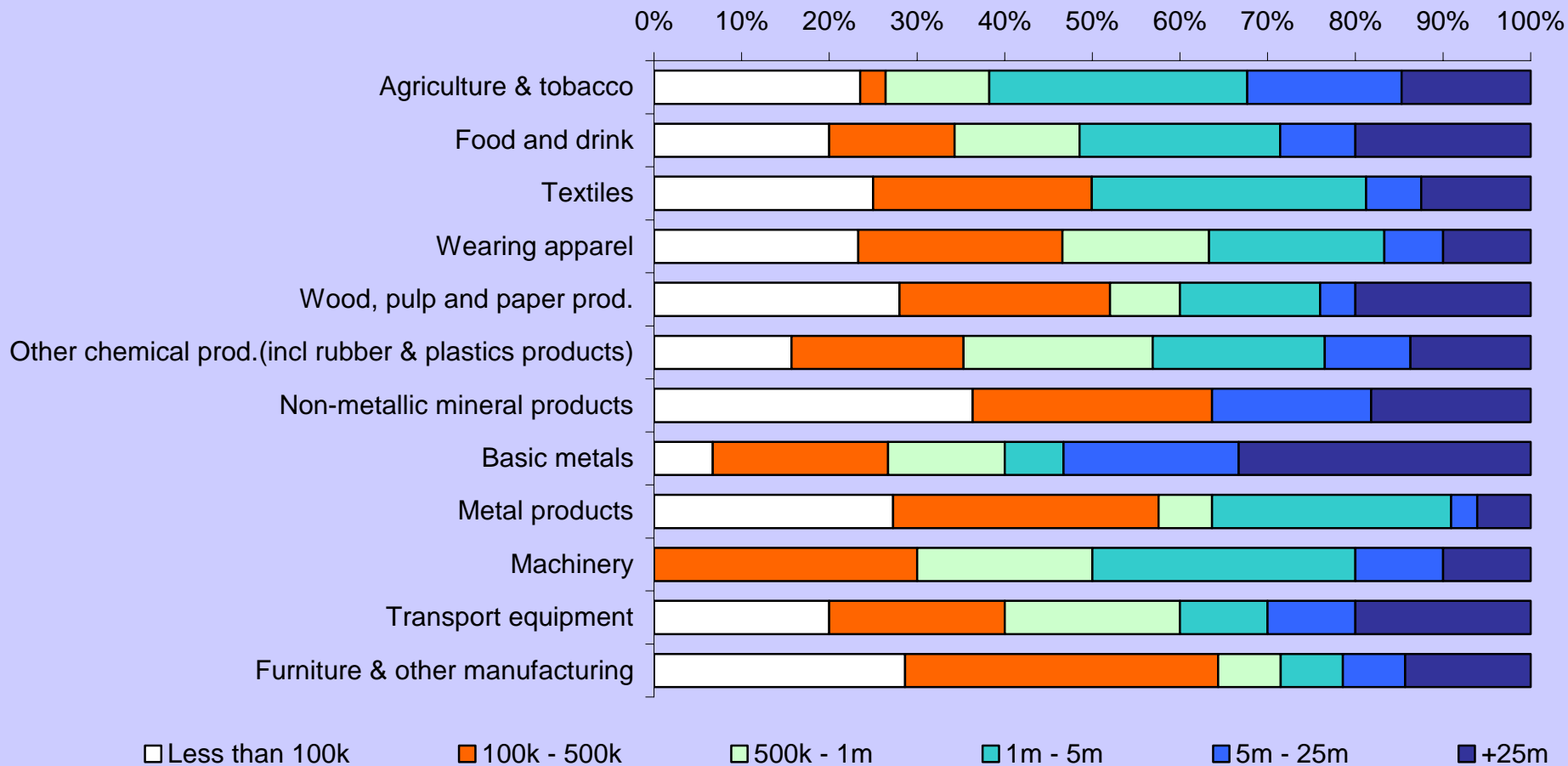
● Size = % of respondents considering the location factor as important



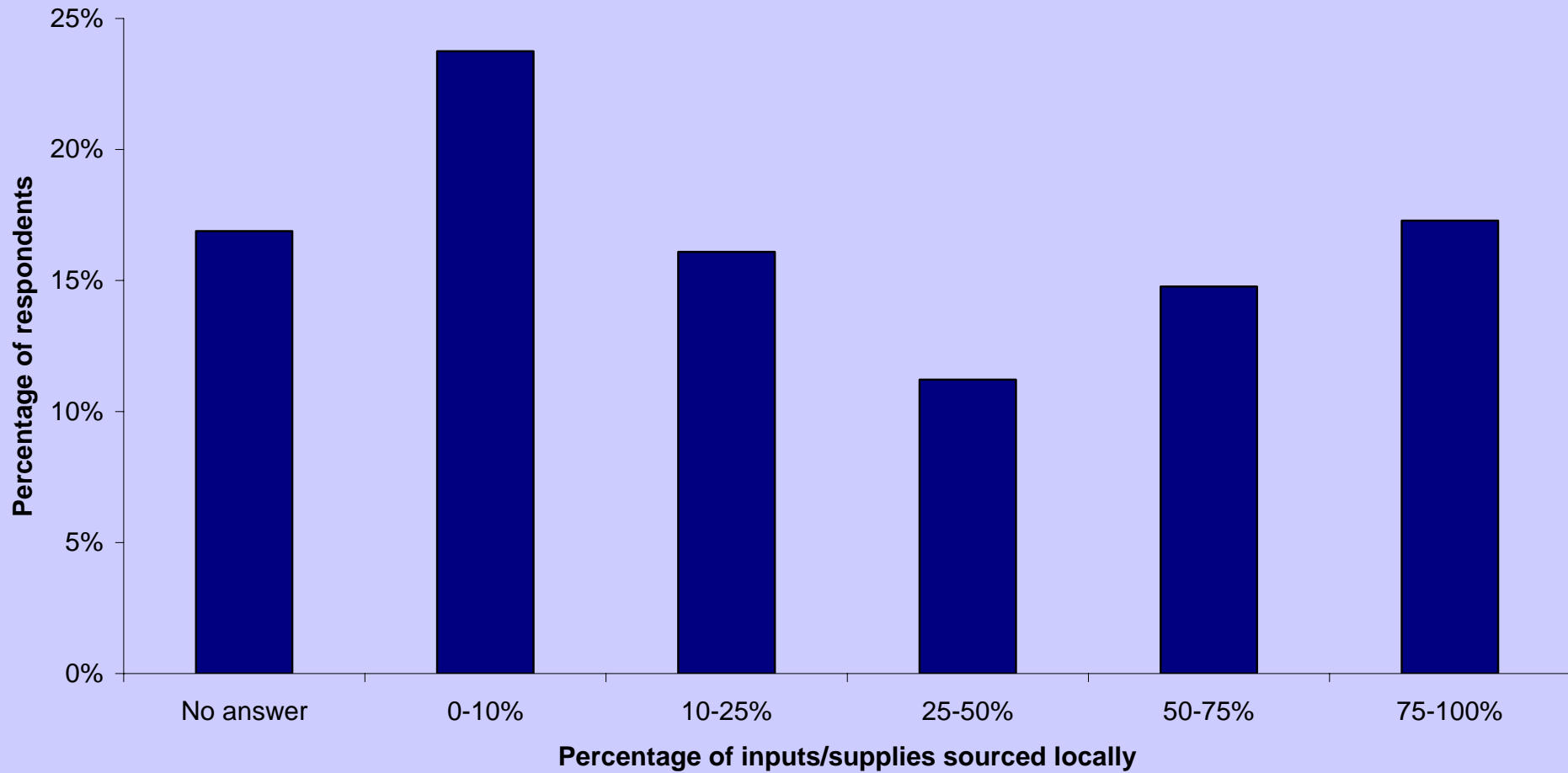
Evolution of the economic stability since the respondent's decision



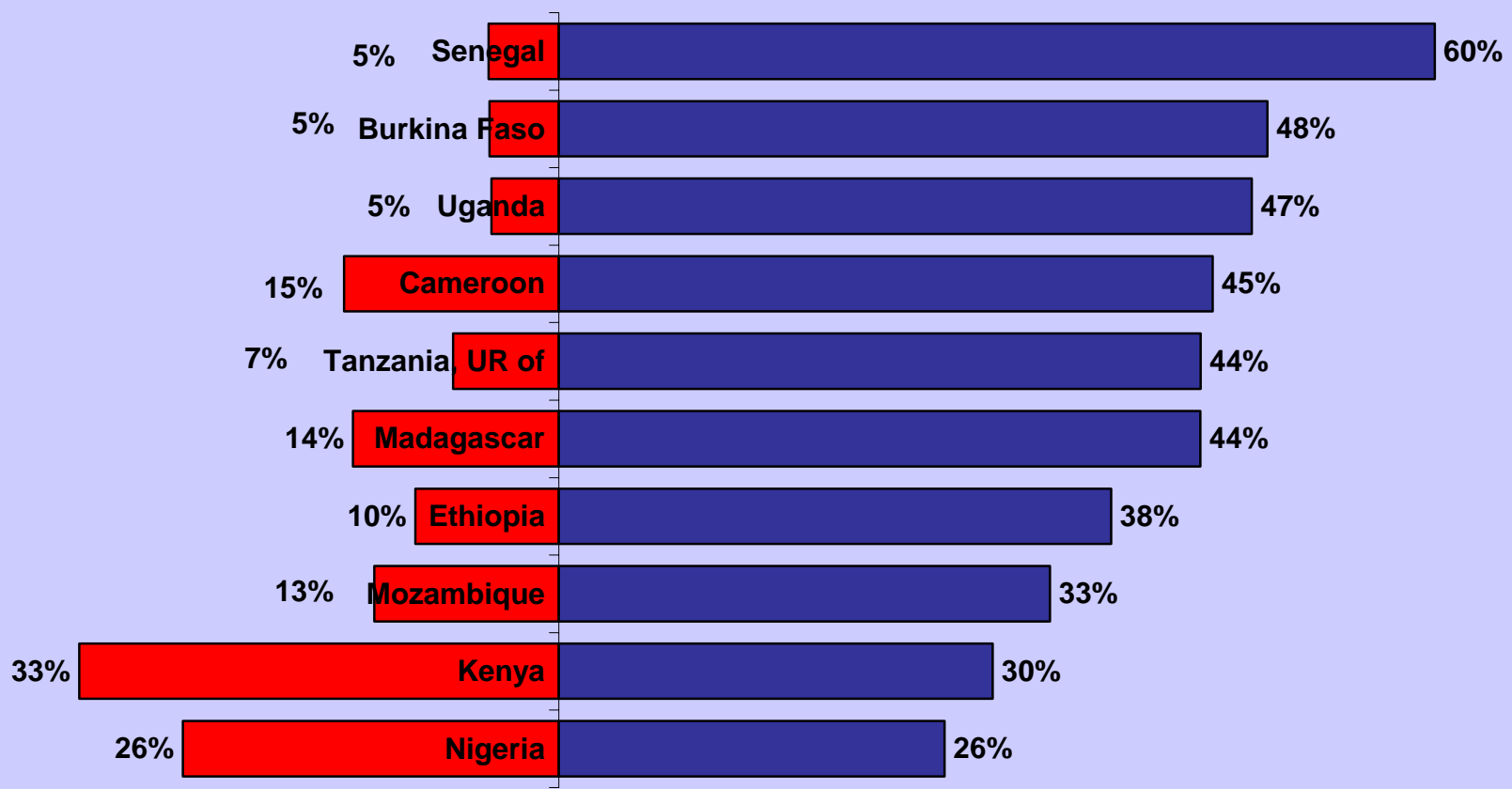
Distribution of respondents by MVA for a key manufacturing sectors



Distribution of respondents by percentage of inputs/supplies sourced locally

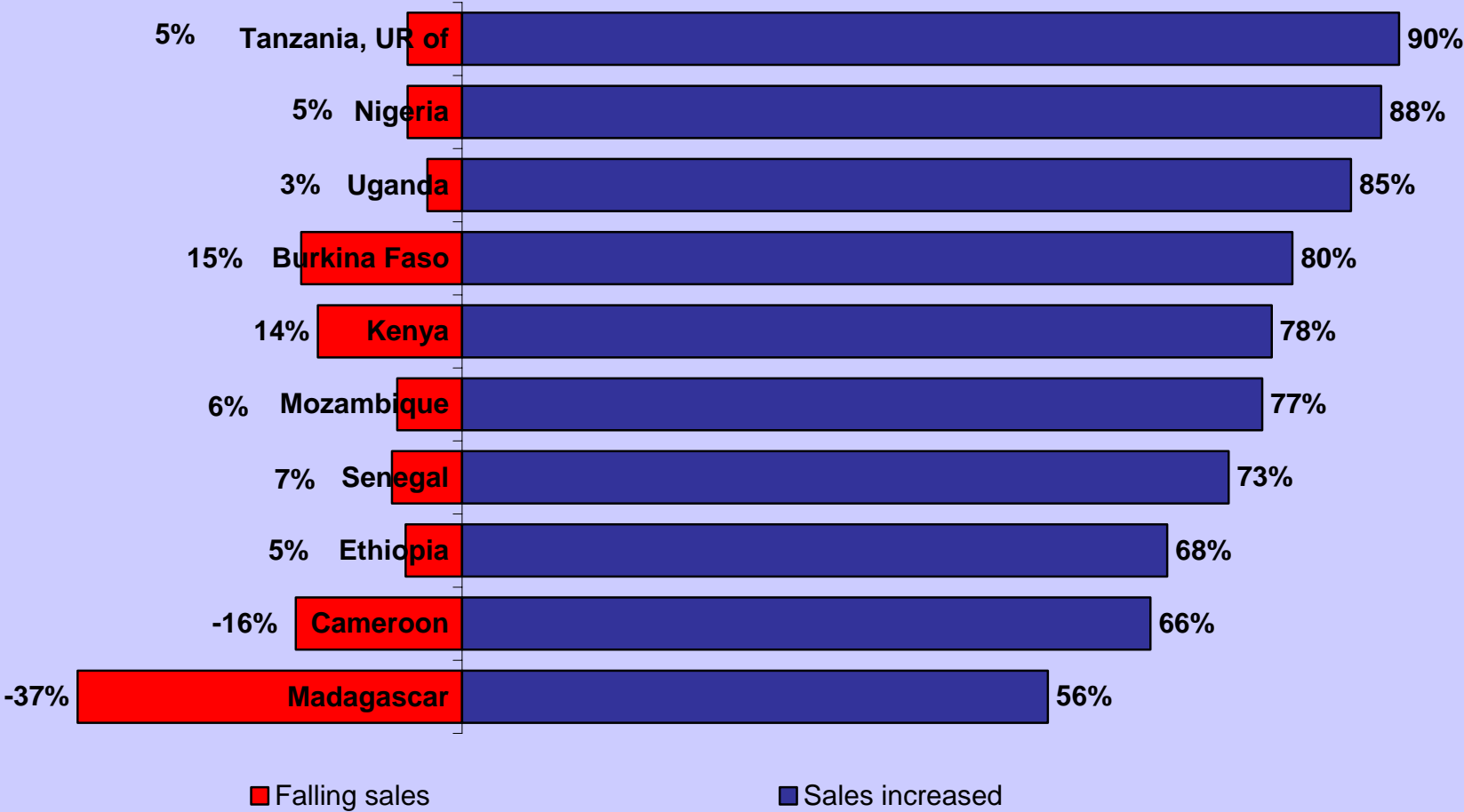


Foreign Investor Perceptions *Investment Climate Improvement Monitor*

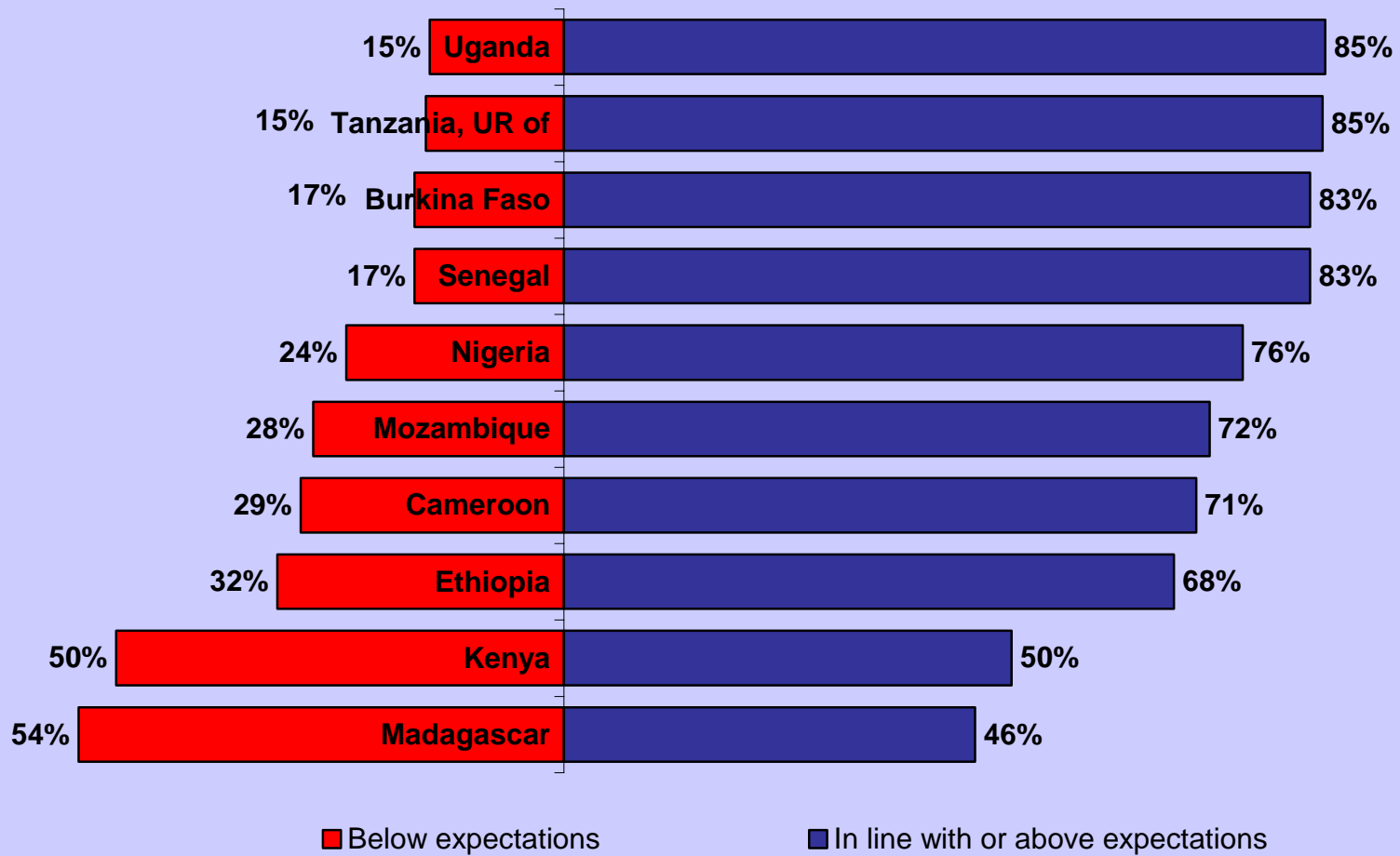


■ % of foreign investors indicating investment climate has deteriorated
■ % of foreign investors indicating investment climate has improved

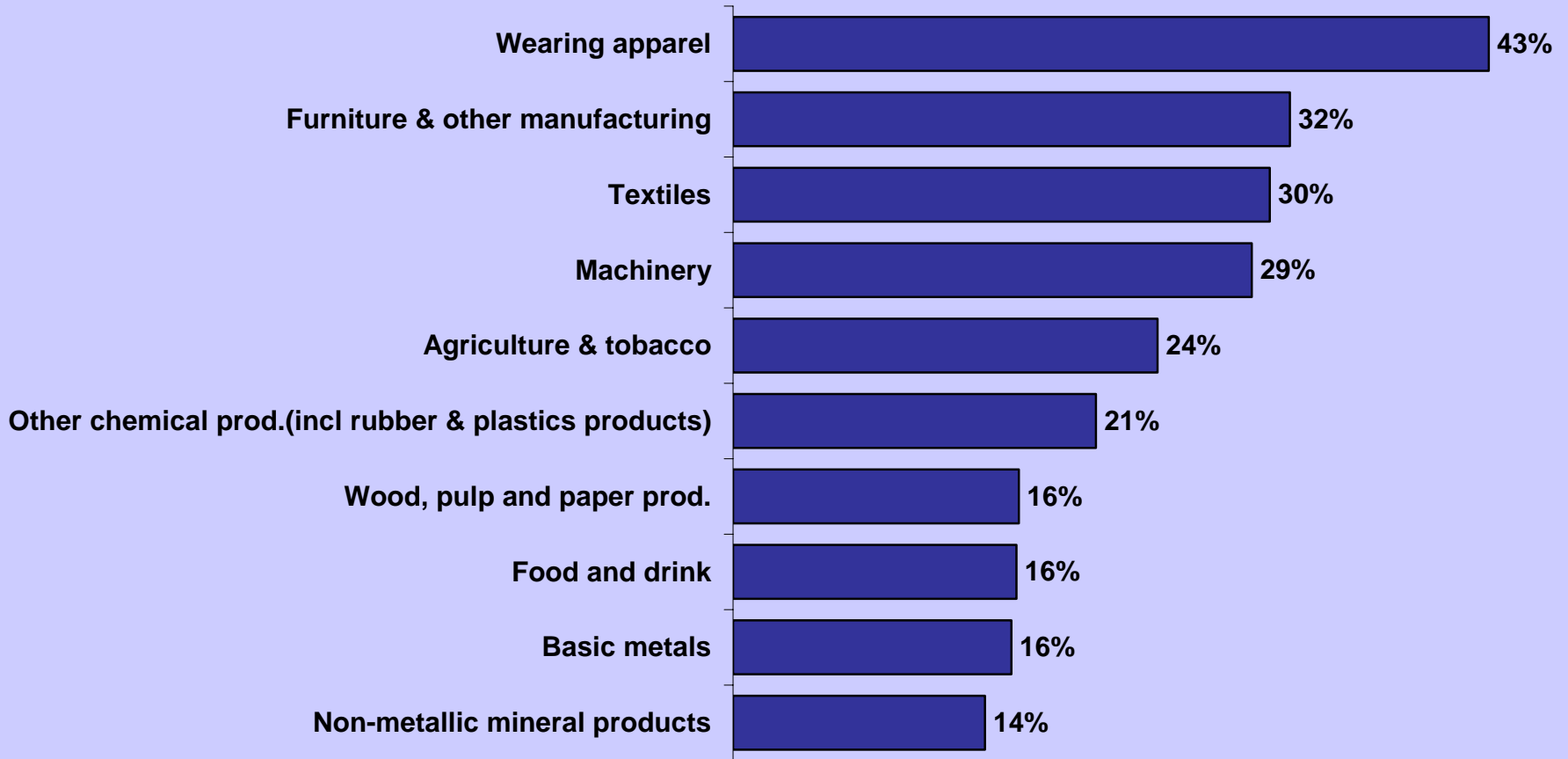
Foreign Investor Perceptions Sales growth last year



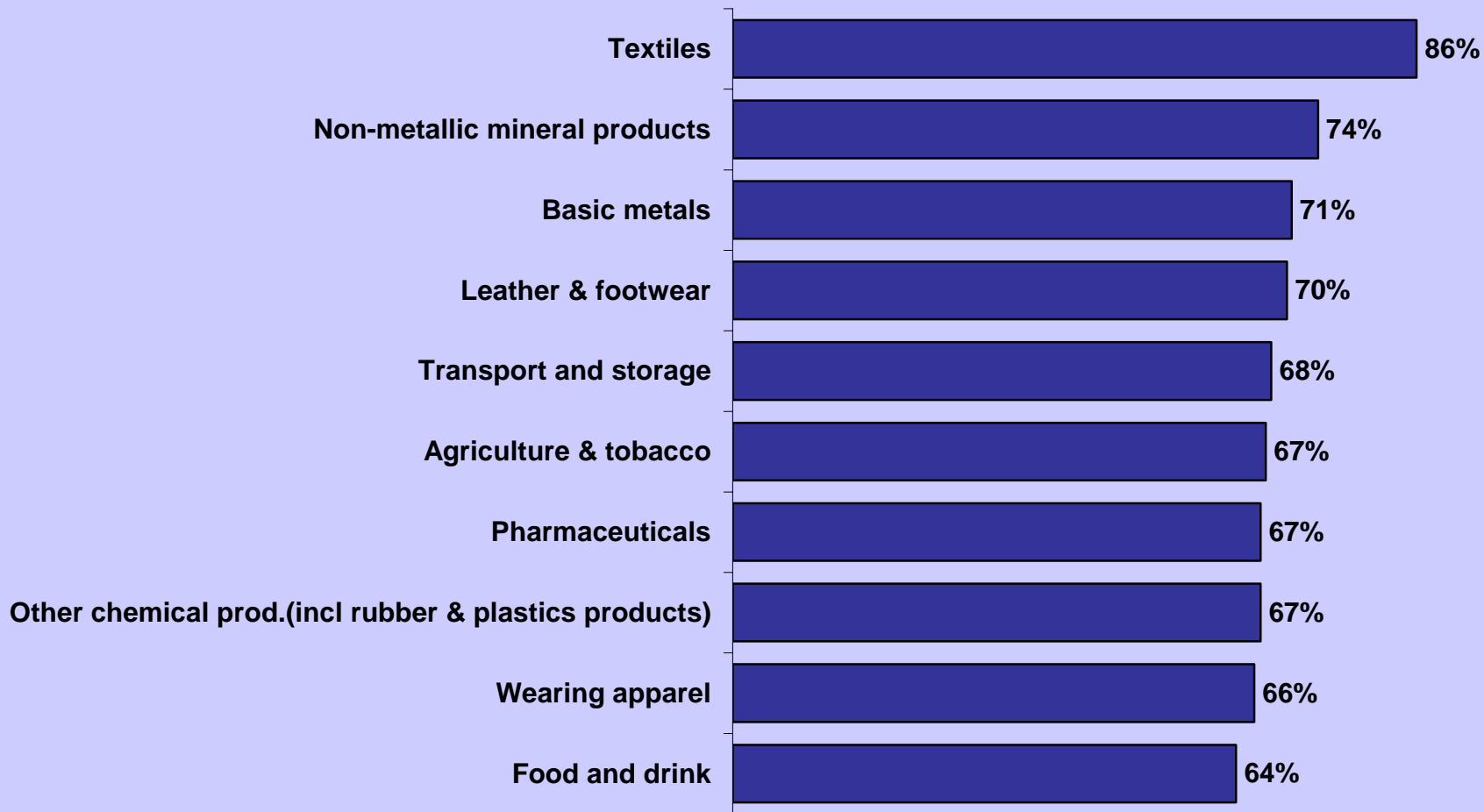
Foreign Investor Perceptions IPA performance last three years



Top 10 mobile sectors for inward FDI in Sub-Saharan Africa (in the last three years)



Top 10 sectors planning expansion investments in Sub-Saharan Africa (in the next three years)



Some preliminary take-aways

- Confirmation of pilot survey conclusion
 - Importance of close links to existing investors
 - Investors want to be contacted by IPAs
 - Client relationship management programme
- Importance of general business climate
 - By far most important “*initial*” decision factor
 - Are improving in most of the countries
 - Identify priority factors that can be influenced

Some preliminary take-aways

- Importance of registration/certification process?
 - Early contact with investors proved useful
 - Lack of awareness among investors about IPA
 - Institutional networking
- 70% of existing investors planning new investments
 - 51% would consider other locations for that new project

Some preliminary take-aways

- Breakdown of investor motivations
 - Market seeking, resource seeking, efficiency seeking
- For each group analyze:
 - Impact
 - Employment, future growth, MVA and technology
 - Requirements
 - IPA services, matching inputs, incentives
- Policy advocacy and targeting

Some preliminary take-aways

- Investors that received IPA services found it useful but 43% of investors did not receive any service → scope for expanding coverage
- Areas indicated where investors want services but they are not provided or inadequately provided → priority areas to develop/strengthen

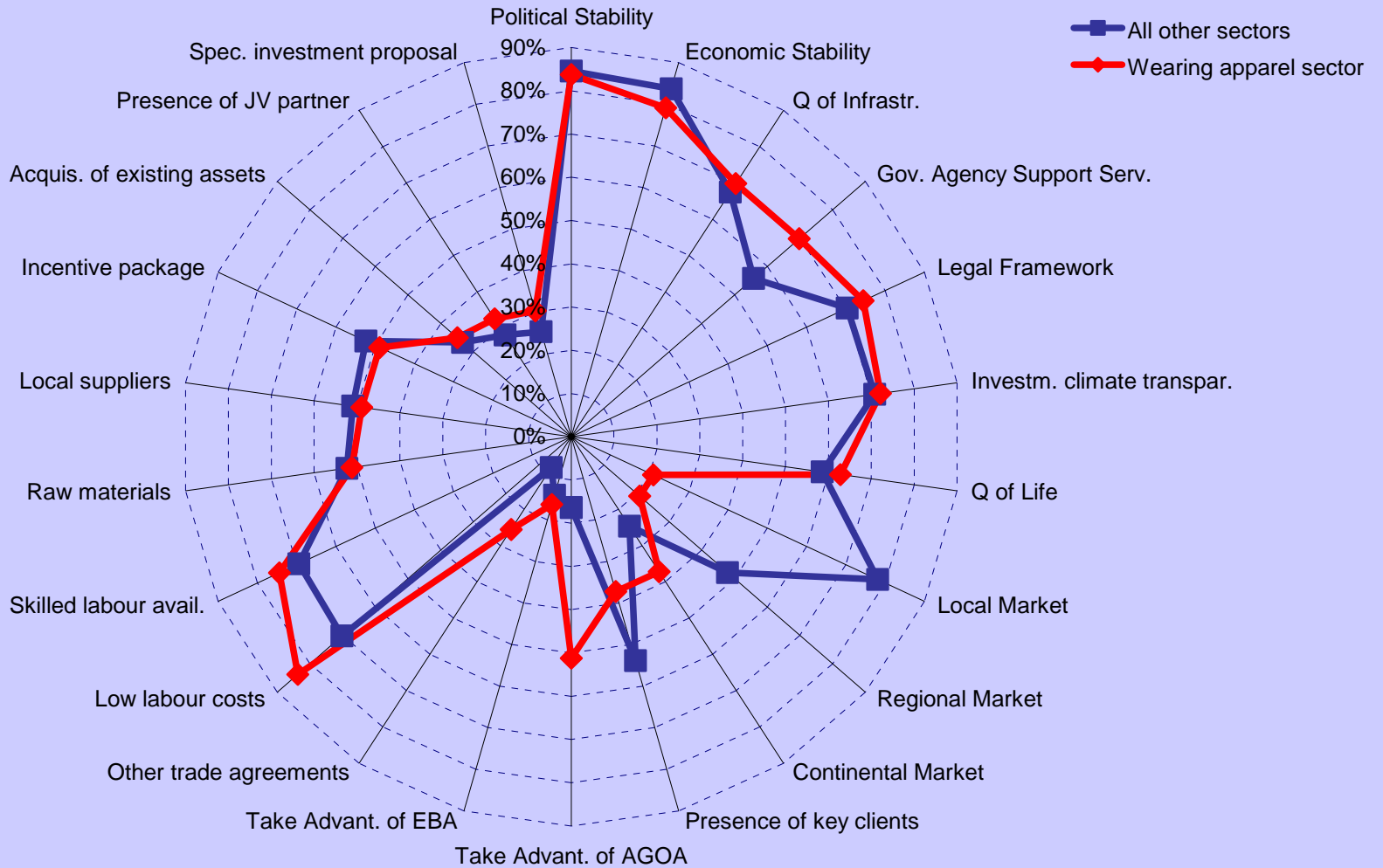
Final Remarks

- IPAs should use the survey data to do some of their own analysis and draw some of their own conclusions
- Survey basis of a regional programme or individual country programmes for “targeted” capacity building
 - Aftercare service programme (workshop)
- Information for domestic companies so they can adjust their strategies and strengthen linkages

Final Remarks

- Use the relative importance given to decision factors by different investor groups for qualitative part of competitiveness benchmarking together with COMFAR for analysis of cost factors and their sensitivity analysis (workshop).

Importance of location factors in the decision of the wearing apparel sector



Scope for expanding survey

- Existing base of companies
 - Give feedback, bring them into the process
 - Design a follow up questionnaire
 - Follow evolution of companies
- Expand number of companies, eventual census
- Track changes of perceptions, performance and plans over time
- Develop capacities for analysis at the country level

Scope for expanding survey

- As companies get more integrated into the survey process expand analysis of economic impact
 - Local linkages with companies and institutions
 - Wages and salaries and trends
 - Output trends
 - Skill usage and need trends
 - Productivity trends
 - RoI trends



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**Investment Promotion
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Second Meeting

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