



THE WORLD BANK

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Over 70% of Countries Are Missing Out on Foreign Investment Projects and Jobs Finds World Bank Group

Washington, D.C., 11 May 2009-A new report by the World Bank Group finds that over 70 percent of government investment-promotion intermediaries miss out on investment and job-creating opportunities by failing to provide accurate and timely information to potential investors.

Global Investment Promotion Benchmarking 2009 shows how effectively government agencies are promoting their countries to foreign investors. The report examines the ability of 181 countries to influence foreign investors' site-selection process. It assesses the response of these agencies to two potential projects-a software developer and a beverage-manufacturing company seeking to expand operations in each country. According to the report, only 10 out of 181 countries followed up with potential investors to secure projects.

"If country information is hard to obtain, investors will simply go elsewhere," said Cecilia Sager, a manager for the World Bank Group's Investment Climate Advisory Services. She also noted that in the global slowdown, foreign direct investment offers prospects for growth and employment. Attracting investment, however, requires professional facilitation which, unfortunately, many countries do not provide.

The report shows that professional facilitation efforts do pay off. For example, Sitel, a global leader in business service outsourcing, contacted PRONicaragua to request information during the site-selection process. PRONicaragua provided detailed information packages that helped Sitel choose Nicaragua for its \$5 million investment project, which created 1,000 jobs.

The Austrian Business Agency emerged as number one worldwide, based on the report's rankings. Middle-income countries are showing immense progress in competing for mobile investment, particularly Brazil, Botswana, Colombia, Lithuania, and Turkey. Lower-income countries like Honduras and Sri Lanka, which offer strong facilitation services, are evidence that a country's income is not linked to performance.

The *Global Investment Promotion Benchmarking 2009* report is the second in a series that covers the effectiveness of government agencies in facilitating foreign investment projects. It uses a methodology originally piloted by the Multilateral Investment Guarantee Agency. This initiative is led by the Investment Climate Advisory Service, which is jointly funded by IFC, MIGA, and the World Bank. For more information about the report, visit www.fias.net