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OCCASIONAL NOTE

Worldwide Survey of Foreign Affiliates¹

Abstract

Executives of foreign affiliates questioned by UNCTAD and WAIPA in a worldwide survey are generally optimistic about their future investments in their respective host countries. Overall, when deciding where to invest, macroeconomic and political stability factors are considered to be the most important, followed by access to highly skilled labour, low corporate income taxes and high quality of telecommunications and financial services. This first study of its kind shows some sectoral and regional variation, although a larger sample size would be required for a more detailed analysis. For an investment promotion agency (IPA), the results underline the importance of (a) understanding what factors are of the greatest relevance for the specific investment that they are targeting; and (b) benchmarking their country's relative performance regarding those factors.



United Nations



World Association of
Investment Promotion Agencies

¹ The survey was conducted jointly by the UNCTAD and WAIPA secretariats. Many investment promotion agencies assisted in providing names and e-mail addresses to executives of foreign affiliates. Torbjörn Fredriksson was the overall coordinator of the project team, which comprised Dong Jae Lee, Justin Fisher and Karine Campanelli. Useful comments and inputs were received from Masataka Fujita, Kai Hammerich, Guoyong Liang, Anne Miroux, Jean-François Outreville and Magnus Runnbeck.

1. Survey background

The Worldwide Survey of Foreign Affiliates was conducted jointly by UNCTAD and WAIPA from February to April 2007. This first study of its kind aims to examine the views of foreign affiliates with regard to investment prospects and local business environments in their respective host economies. The survey questionnaire (see annex) was sent to chief executive officers (CEOs) of 850 foreign affiliates located in 59 host countries that are represented in WAIPA. A total of 96 CEOs completed the questionnaire, corresponding to a response rate of 11 per cent. Table 1 shows the geographical distribution of the respondents and of the original questionnaires sent out. Overall, the responses well represent the original distribution, except in the region of Latin America and the Caribbean, which is significantly underrepresented.

Table 1. Distribution of host economies in which 96 foreign affiliates are located

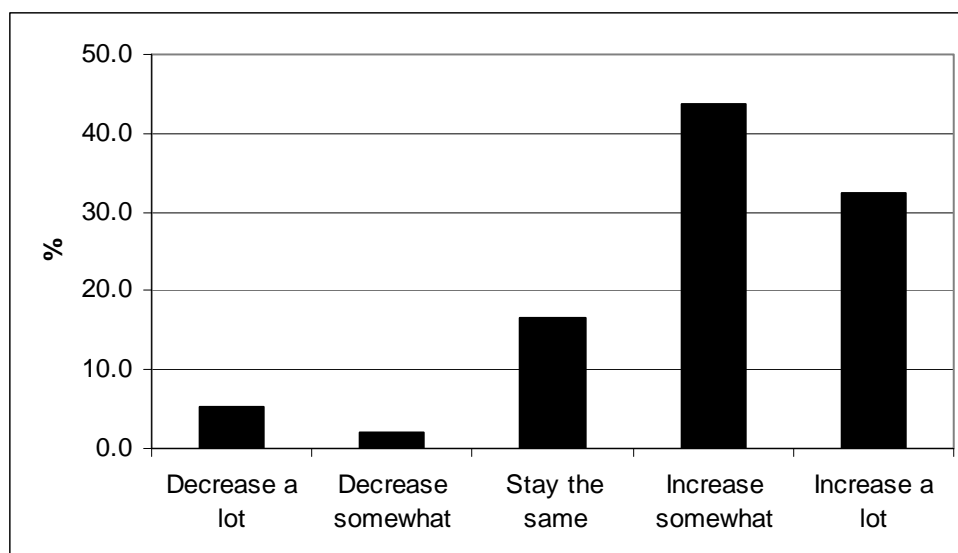
Grouping of countries	Number	%	Distribution of questionnaires sent out (%)
Developed economies	25	26.0	28.0
Developing economies	57	59.4	60.9
Africa	23	24.0	19.2
Latin America and the Caribbean	8	8.3	16.0
Asia and Oceania	26	27.1	25.7
South-East Europe and the Commonwealth of Independent States	14	14.6	11.0
Total	96	100.0	100.0

Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.

2. Investment prospects and business sentiment

Regarding the prospects of their investments in the host economy, most respondents were optimistic: 76 per cent expected their investments to increase, while only 7 per cent expressed the opposite view (figure 1). Almost one third of the foreign affiliates predicted a large increase in their investments in the host country during the period 2008–2010. The picture was similar across host regions. Similar findings were obtained in UNCTAD's World Investment Prospects Survey 2007–2009 of parent companies of transnational corporations (TNCs). More than two thirds of the responding companies in that survey expected their foreign direct investment expenditures to increase each year until 2009 (see www.unctad.org/wips). A third of the respondents expected an increase of more than 30 per cent.

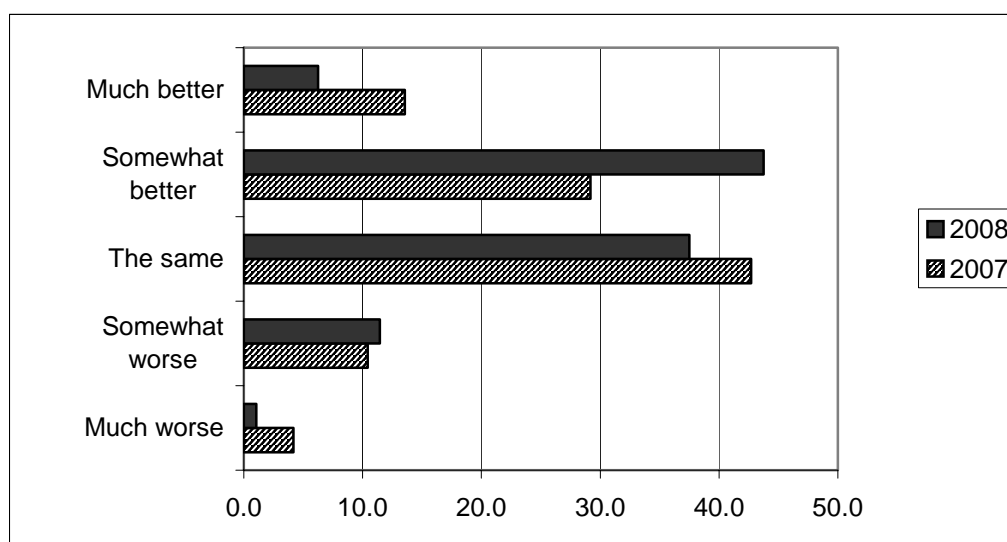
Figure 1. Investment plans by respondents in the host country, 2008–2010



Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.

More than 40 per cent of the respondents found that the general business sentiment in their industry had improved during the past year, and about half expected it to continue doing so in 2008 (figure 2). Conversely, 14 per cent of the respondents thought that the business sentiment had already deteriorated, and about 12 per cent expected it to become still worse.

Figure 2. Business sentiment in 2007 and for 2008
(Percentage of responses)



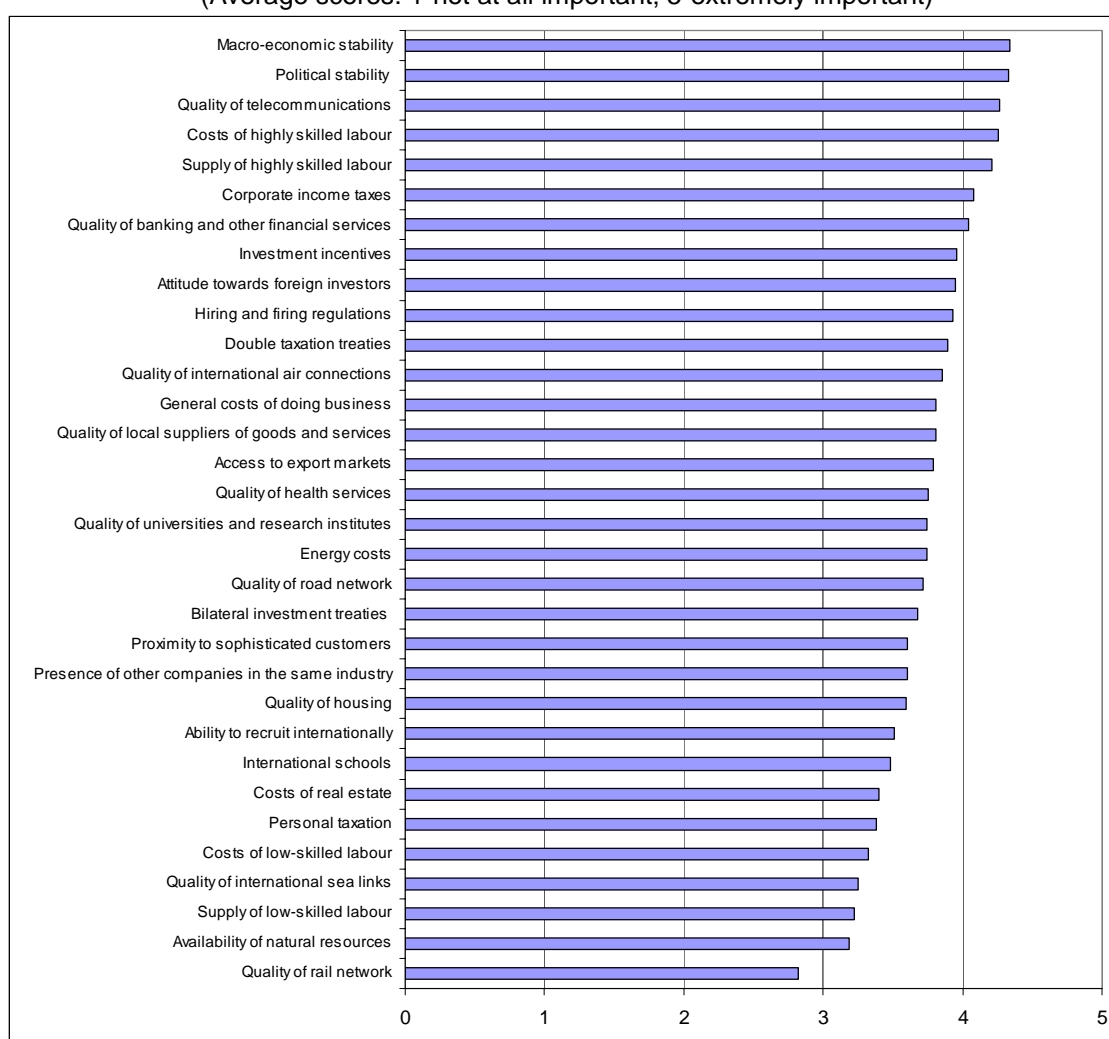
Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.

3. Locational determinants

3.1 Stability factors most important for investment decisions

The survey asked the CEOs of foreign affiliates to rank various locational factors (see annex) according to their importance in investment decision-making. Macroeconomic and political stability factors were considered the most important, with average scores of 4.3 (figure 3). This applies to foreign affiliates across regions and industries.² Other important factors include the quality of telecommunications, the supply and costs of skilled labour, corporate taxes and the quality of banking and other financial services.

Figure 3. Perceived importance of location factors
(Average scores: 1-not at all important; 5-extremely important)



Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.

² The responding firms were classified into three groups: natural resource-based, manufacturing and services companies. The natural resource-based group comprises the entire primary sector, natural resource-based manufacturing (wood products, coke, petroleum products, metal and metal products) and trade of fuels and minerals under the International Standard Industrial Classification (ISIC) codes. Manufacturing includes the complete secondary sector under the ISIC code, except those industries that are included in the natural resource-based category. Services include all tertiary industries except those included in the natural resource-based group. Of all 96 respondents, 93 companies indicated their principal industry. Of these, 12 were in the natural resource-based sector (13 per cent), 33 were in manufacturing (35 per cent) and 48 in services (52 per cent).

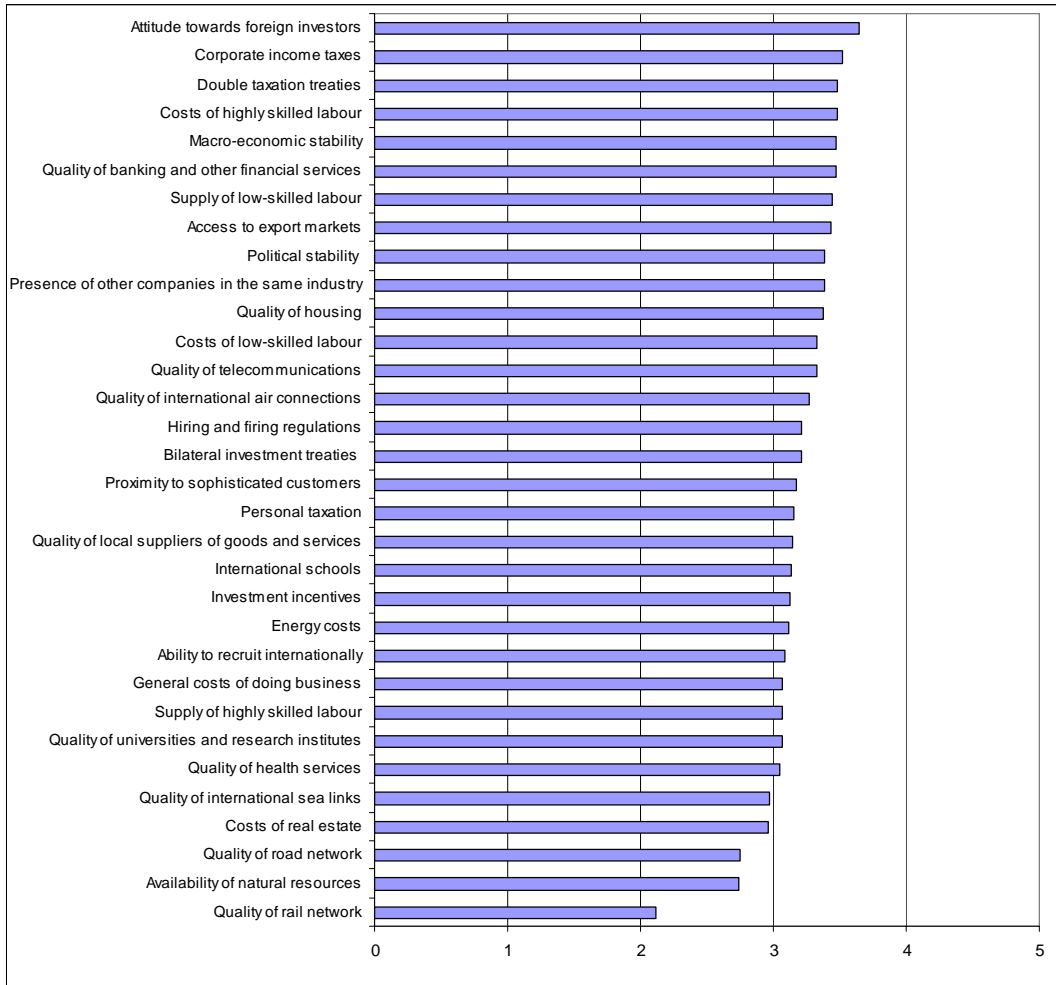
Corporate income taxes are regarded as particularly important by foreign affiliates in manufacturing and services, while incentives seem to be of the greatest importance for those in manufacturing (annex table 1). In terms of geographical variation, foreign affiliates in developing economies put more emphasis on political stability, compared with those in other host economies (annex table 2).

Among the least important factors were the quality of rail and sea transportation, availability of natural resources and the supply and costs of low-skilled labour (figure 3), albeit with considerable variation among respondents. For example, rail and sea transportation as well as access to natural resources were considered relatively important by foreign affiliates in resource-based industries. Meanwhile, foreign affiliates in manufacturing gave high importance (4.0) to the cost of low-skilled labour (annex table 1).

3.2 Investors feel welcome and find corporate income taxes to be competitive

In the survey, executives were asked to assess how well their host country performed on the various locational factors. The highest scores were given to countries' attitudes towards foreign investors, corporate income taxes and double taxation treaties (figure 4). In contrast, the five factors for which the host countries as a whole received the lowest scores were rail infrastructure, natural resources, road infrastructure, real estate and international sea links (annex table 4). A regional comparison reveals that developed countries generally score better than developing and transition economies. They do particularly well with regard to double taxation treaties, telecommunications and financial services, as well as stability factors. Not surprisingly, developing and transition economies received higher scores with regard to the supply of low-skilled labour.

Figure 4. Competitiveness of host countries
(Average scores: 1-not at all competitive; 5- world class)



Source: UNCTAD–WAIPA Worldwide Survey of Foreign Affiliates.

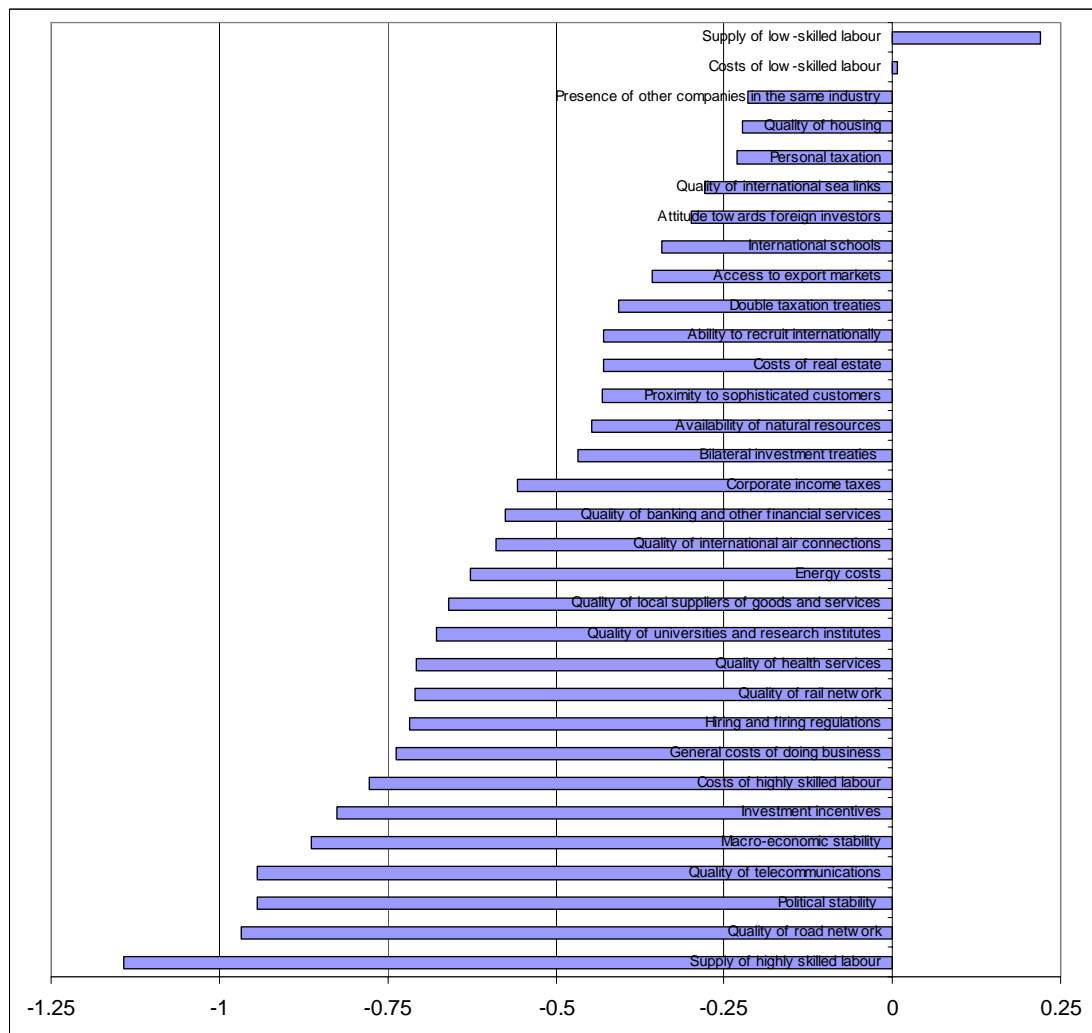
3.3 Access to highly skilled labour among the greatest bottlenecks for investors

It is useful for an IPA to know how well its country performs in areas that are particularly important for TNCs' locational decisions. This can be done by comparing the score assigned to the importance of a factor and the score assigned for a country's competitiveness regarding the same factor. Such an analysis is obviously most relevant on a country-by-country basis, but we conduct the exercise here based on all responses to illustrate the methodology. For the sample as a whole, the most negative gap score was observed for the supply of high-skilled labour. Meanwhile, the only two factors for which a positive gap score was observed were the supply and cost of low-skilled labour (figure 5). This suggests that, on average, the supply of skilled labour often represents a bottleneck for TNCs when investing abroad, whereas similar problems seldom arise in the case of less-skilled workers.

In terms of sectoral variation (annex table 5), foreign affiliates in resource-based industries had a particularly low gap score for political stability, possibly suggesting that they are more often present in countries with relatively unstable political situations. Moreover, the quality of road networks had relatively low gap scores in resource-based and manufacturing industries. The same applied for the supply of highly skilled labour in manufacturing and services.

Region-wise, developing and transition economies have relatively low gap scores with regard to political stability and telecommunications infrastructure, while developed country hosts perform relatively poorly in terms of investment incentives and personal income taxes (annex table 6). In host countries in South-East Europe and the Commonwealth of Independent States, the gap scores were relatively low for double taxation treaties, suggesting that these economies might improve their attractiveness by entering into such treaties with key home countries.

Figure 5. Gap between competitiveness and importance of location factors
 (Gap score: the score of competitiveness minus the score of importance)



Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.

4. Policy changes called for by investors

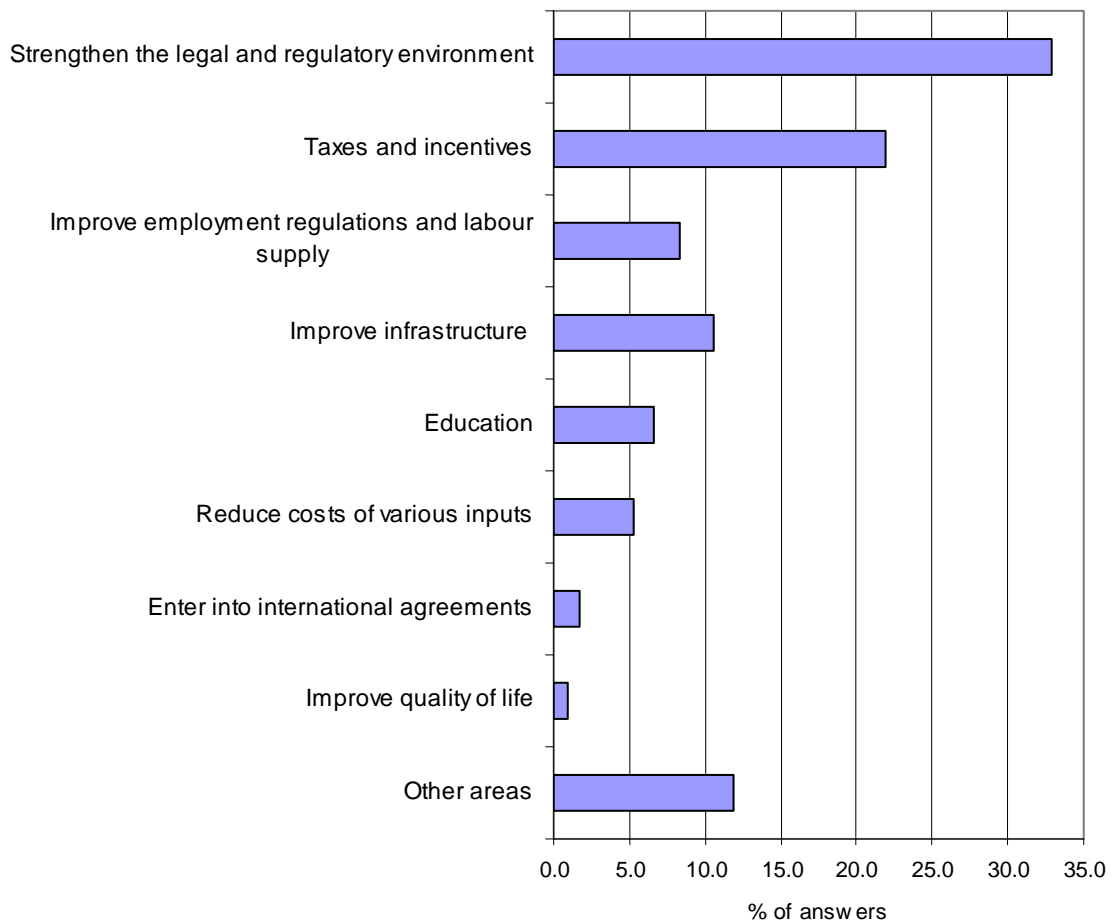
In the survey, CEOs of foreign affiliates were asked to indicate where host-country Governments should devote more attention if they want to make their locations more attractive to foreign direct investment. The most frequently mentioned policy area in this regard was strengthening the regulatory and institutional environment (33 per cent) (figure 6).³ This seems to correspond to the particular importance assigned by the CEOs to political and macroeconomic stability as locational factors. The second policy area that needs attention, according to the respondents, concerns tax and other incentives.⁴ The third area is related to the improvement of

³ This category includes stability, enhanced legal and regulatory environment, institutional strength, anticorruption measures and crime reduction.

⁴ This category includes tax incentives, including an efficient tax system and investment incentives other than tax incentives.

infrastructure.⁵ Other important suggestions are associated with employment regulations, labour supply and improvements in the education system.

Figure 6. Policies to improve host-country investment environment
(Percentage of all policies proposed by the respondents)



Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.

5. Conclusions

The UNCTAD–WAIPA Worldwide Survey of Foreign Affiliates suggests that most foreign affiliates are optimistic with regard to their future investment prospects. In terms of the importance of different locational factors, the results show that economic and political stability factors are the most important for foreign affiliates, followed by high-skilled labour, corporate income taxes and the quality of telecommunications and financial services.

Despite the small sample, the results underline that locational factors vary in importance for different kinds of investments. IPAs therefore need to consider carefully what factors are of

⁵ This category includes infrastructure improvement and financial market improvement.

the greatest relevance for the particular kinds of investment they are targeting, and then analyze how host countries are performing in those areas. IPAs may subsequently highlight the areas in which they are performing particularly well in their marketing materials, and address weak areas in their work related to policy advocacy. The results suggest that developing economies and transition economies may need to pay specific attention to political stability and telecommunications infrastructure, whereas developed economies should be aware of their relative weakness in the areas of investment incentives and corporate income tax rates. Overall, policymakers may have reason to improve the supply of high-skilled labour. In many of these cases, an IPA has little power to change things on its own, but it may provide useful inputs to government ministries as they set priorities for and design future policy developments.

An important question is to what extent executives of foreign affiliates can in fact influence investment decisions. While the answer is likely to vary by industry, company and the nature of investment, foreign affiliates often find themselves in “competition” with other business units of the same TNCs. Thus, it matters how the executives of individual affiliates view the investment climate of their host country. At the same time, as regards the expectations on future investments in their locations, they may be somewhat more optimistic than if the same questions had been asked of people at headquarters, who will consider all potential locations for new or expansion investments. In any event, it is important for IPAs to understand the internal political process of investment decision-making within TNCs. In this context, improving the understanding of how existing foreign affiliates perceive the location is a useful first step.

Annex: Tables and questionnaire

Annex table 1. Perceived importance of location factors, by sector

Factor	Sector			
	All sectors	Resource-based	Manufacturing	Services
Macroeconomic stability	4.34	4.17	4.42	4.30
Political stability	4.33	4.50	4.16	4.38
Quality of telecommunications	4.27	4.08	4.09	4.44
Costs of high-skilled labour	4.26	3.67	4.39	4.32
Supply of high-skilled labour	4.21	3.83	4.38	4.18
Corporate income taxes	4.08	3.67	4.23	4.10
Quality of banking and other financial services	4.04	3.58	4.03	4.15
Investment incentives	3.95	3.33	4.32	3.83
Attitude towards foreign investors	3.95	3.67	3.70	4.17
Hiring and firing regulations	3.93	3.50	4.07	3.98
Double taxation treaties	3.89	3.83	4.22	3.70
Quality of international air connections	3.86	2.92	3.70	4.17
General costs of doing business	3.81	3.45	3.81	3.95
Quality of local suppliers of goods and services	3.80	3.75	3.84	3.76
Access to export markets	3.79	3.09	4.21	3.64
Quality of life	3.75	3.25	3.78	3.85
Quality of universities and research institutes	3.74	2.91	4.03	3.72
Energy costs	3.74	3.42	4.15	3.53
Quality of road network	3.72	4.00	4.03	3.43
Bilateral investment treaties	3.68	3.33	3.96	3.63
Proximity to sophisticated customers	3.60	3.17	3.41	3.86
Presence of other companies in the same industry	3.60	3.25	3.72	3.62
Quality of housing	3.60	3.08	3.56	3.73
Ability to recruit internationally	3.51	2.70	3.30	3.84
International schools	3.48	3.08	3.42	3.57
Costs of real estate	3.40	3.17	3.16	3.63
Personal taxation	3.38	3.67	3.34	3.35
Costs of low-skilled labour	3.32	2.91	3.97	2.98
Quality of international sea links	3.25	3.30	3.46	3.03
Supply of low-skilled labour	3.23	3.09	3.68	2.93
Availability of natural resources	3.19	3.27	3.19	3.14
Quality of rail network	2.82	3.25	3.15	2.33
Number of respondents	96	12	33	48

Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.

Note: Only 93 respondents indicated their principal industry.

Annex table 2. Perceived importance of location factors, by country group

Factor	Region			
	All countries	Developed	Developing	SEE/CIS
Macroeconomic stability	4.34	4.50	4.30	4.21
Political stability	4.33	4.17	4.47	4.07
Quality of telecommunications	4.27	4.46	4.21	4.14
Costs of high-skilled labour	4.26	4.40	4.15	4.43
Supply of high-skilled labour	4.21	4.46	4.09	4.23
Corporate income taxes	4.08	4.39	3.86	4.36
Quality of banking and other financial services	4.04	4.25	3.98	3.93
Investment incentives	3.95	3.91	3.96	4.00
Attitude towards foreign investors	3.95	4.00	3.93	3.93
Hiring and firing regulations	3.93	4.09	3.81	4.15
Double taxation treaties	3.89	4.21	3.61	4.23
Quality of international air connections	3.86	3.83	3.96	3.50
General costs of doing business	3.81	3.80	3.73	4.07
Quality of local suppliers of goods and services	3.80	3.92	3.74	3.86
Access to export markets	3.79	3.68	3.87	3.69
Quality of life	3.75	3.74	3.84	3.43
Quality of universities and research institutes	3.74	3.82	3.78	3.50
Energy costs	3.74	3.58	3.72	4.07
Quality of road network	3.72	3.74	3.65	3.93
Bilateral investment treaties	3.68	3.71	3.52	4.15
Proximity to sophisticated customers	3.60	3.86	3.60	3.21
Presence of other companies in the same industry	3.60	3.61	3.56	3.71
Quality of housing	3.60	3.42	3.66	3.64
Ability to recruit internationally	3.51	3.61	3.52	3.27
International schools	3.48	3.38	3.52	3.50
Costs of real estate	3.40	3.38	3.30	3.85
Personal taxation	3.38	3.65	3.18	3.64
Costs of low-skilled labour	3.32	3.50	3.06	4.00
Quality of international sea links	3.25	2.37	3.79	2.73
Supply of low-skilled labour	3.23	3.22	3.12	3.73
Availability of natural resources	3.19	2.50	3.41	3.38
Quality of rail network	2.82	2.72	2.74	3.14
Number of respondents	96	25	57	14

Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.

Annex table 3. Perceived competitiveness of host countries, by sector

Factor	Sector			
	All sectors	Resource-based	Manufacturing	Services
Attitude towards foreign investors	3.65	3.75	3.73	3.52
Corporate income taxes	3.52	3.33	3.48	3.59
Double taxation treaties	3.48	3.25	3.65	3.41
Costs of high-skilled labour	3.48	3.58	3.48	3.44
Macroeconomic stability	3.47	3.17	3.52	3.52
Quality of banking and other financial services	3.47	3.17	3.61	3.43
Supply of low-skilled labour	3.45	3.91	3.35	3.36
Access to export markets	3.43	2.75	3.55	3.54
Political stability	3.39	3.08	3.32	3.49
Presence of other companies in the same industry	3.39	2.58	3.71	3.45
Quality of housing	3.37	3.25	3.47	3.31
Costs of low-skilled labour	3.33	3.45	3.31	3.28
Quality of telecommunications	3.32	3.00	3.44	3.34
Quality of international air connections	3.27	2.75	3.28	3.37
Hiring and firing regulations	3.22	3.17	3.26	3.21
Bilateral investment treaties	3.21	3.08	3.41	3.13
Proximity to sophisticated customers	3.17	2.83	3.30	3.20
Personal taxation	3.15	3.17	2.87	3.40
Quality of local suppliers of goods and services	3.15	3.33	3.38	2.93
International schools	3.13	3.33	3.13	3.02
Investment incentives	3.13	2.75	3.23	3.13
Energy costs	3.11	3.17	3.12	3.07
Ability to recruit internationally	3.08	2.64	3.00	3.29
General costs of doing business	3.07	3.17	2.94	3.12
Supply of high-skilled labour	3.07	3.33	3.16	2.93
Quality of universities and research institutes	3.07	2.67	3.23	3.07
Quality of life	3.04	2.83	3.34	2.86
Quality of international sea links	2.97	2.44	3.00	3.06
Costs of real estate	2.97	2.75	3.10	2.91
Quality of road network	2.75	2.50	2.84	2.74
Availability of natural resources	2.74	3.00	2.82	2.58
Quality of rail network	2.11	2.09	2.12	2.12
Number of respondents	96	12	33	48

Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.

Note: Only 93 respondents indicated their principal industry.

Annex table 4. Perceived competitiveness of host countries, by country group

Factor	Region			
	All countries	Developed	Developing	SEE/CIS
Attitude towards foreign investors	3.65	3.75	3.58	3.71
Corporate income taxes	3.52	3.71	3.33	3.86
Double taxation treaties	3.48	4.04	3.37	2.86
Costs of high-skilled labour	3.48	3.68	3.38	3.50
Macroeconomic stability	3.47	3.83	3.43	3.00
Quality of banking and other financial services	3.47	3.92	3.28	3.43
Supply of low-skilled labour	3.45	3.17	3.48	3.83
Access to export markets	3.43	3.65	3.40	3.15
Political stability	3.39	3.79	3.46	2.43
Presence of other companies in the same industry	3.39	3.74	3.20	3.43
Quality of housing	3.37	3.52	3.28	3.50
Costs of low-skilled labour	3.33	3.38	3.19	3.77
Quality of telecommunications	3.32	4.00	3.09	3.07
Quality of international air connections	3.27	3.58	3.27	2.71
Hiring and firing regulations	3.22	3.61	3.13	2.85
Bilateral investment treaties	3.21	3.63	3.05	3.00
Proximity to sophisticated customers	3.17	3.52	3.02	3.14
Personal taxation	3.15	2.92	3.21	3.36
Quality of local suppliers of goods and services	3.15	3.38	3.06	3.07
International schools	3.13	3.30	3.13	2.86
Investment incentives	3.13	3.04	3.13	3.29
Energy costs	3.11	3.42	2.90	3.36
Ability to recruit internationally	3.08	3.32	3.06	2.75
General costs of doing business	3.07	3.44	2.90	3.00
Supply of high-skilled labour	3.07	3.75	2.75	3.08
Quality of universities and research institutes	3.07	3.39	2.94	3.00
Quality of life	3.04	3.23	2.96	3.07
Quality of international sea links	2.97	2.89	3.20	2.00
Costs of real estate	2.97	3.13	2.87	3.08
Quality of road network	2.75	3.36	2.62	2.29
Availability of natural resources	2.74	2.28	2.95	2.69
Quality of rail network	2.11	2.59	2.00	1.77
Number of respondents	96	25	57	14

Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.

Annex table 5. Gap analysis, by sector

Factor	Sector			
	All sectors	Resource-based	Manufacturing	Services
Supply of low-skilled labour	0.22	0.82	-0.32	0.43
Costs of low-skilled labour	0.01	0.55	-0.66	0.30
Presence of other companies in the same industry	-0.21	-0.67	-0.01	-0.17
Quality of housing	-0.22	0.17	-0.09	-0.42
Personal taxation	-0.23	-0.50	-0.47	0.05
Quality of international sea links	-0.28	-0.86	-0.46	0.03
Attitude towards foreign investors	-0.30	0.08	0.03	-0.64
International schools	-0.34	0.25	-0.29	-0.55
Access to export markets	-0.36	-0.34	-0.66	-0.10
Double taxation treaties	-0.41	-0.58	-0.57	-0.29
Ability to recruit internationally	-0.43	-0.06	-0.30	-0.56
Costs of real estate	-0.43	-0.42	-0.06	-0.72
Proximity to sophisticated customers	-0.43	-0.33	-0.12	-0.67
Availability of natural resources	-0.45	-0.27	-0.36	-0.57
Bilateral investment treaties	-0.47	-0.25	-0.56	-0.50
Corporate income taxes	-0.56	-0.33	-0.74	-0.51
Quality of banking and other financial services	-0.58	-0.42	-0.42	-0.72
Quality of international air connections	-0.59	-0.17	-0.42	-0.80
Energy costs	-0.63	-0.25	-1.03	-0.46
Quality of local suppliers of goods and services	-0.66	-0.42	-0.47	-0.83
Quality of universities and research institutes	-0.68	-0.24	-0.81	-0.65
Quality of life	-0.71	-0.42	-0.44	-0.99
Quality of rail network	-0.71	-1.16	-1.03	-0.21
Hiring and firing regulations	-0.72	-0.33	-0.81	-0.77
General costs of doing business	-0.74	-0.29	-0.87	-0.84
Costs of high-skilled labour	-0.78	-0.08	-0.91	-0.87
Investment incentives	-0.82	-0.58	-1.10	-0.71
Macroeconomic stability	-0.86	-1.00	-0.90	-0.78
Quality of telecommunications	-0.94	-1.08	-0.66	-1.10
Political stability	-0.94	-1.42	-0.83	-0.89
Quality of road network	-0.97	-1.50	-1.19	-0.68
Supply of highly skilled labour	-1.14	-0.50	-1.22	-1.25
Number of respondents	96	12	33	48

Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.

Note: Only 93 respondents indicated their principal industry.

Annex table 6. Gap analysis, by country group

Factor	Region			
	All countries	Developed	Developing	SEE/CIS
Supply of low-skilled labour	0.22	-0.04	0.36	0.11
Costs of low-skilled labour	0.01	-0.15	0.13	-0.23
Presence of other companies in the same industry	-0.21	-0.36	-0.37	-0.29
Quality of housing	-0.22	0.10	-0.38	-0.14
Personal taxation	-0.23	-0.74	0.03	-0.29
Quality of international sea links	-0.28	0.52	-0.58	-0.73
Attitude towards foreign investors	-0.30	-0.25	-0.35	-0.21
International schools	-0.34	-0.07	-0.38	-0.64
Access to export markets	-0.36	-0.03	-0.47	-0.54
Double taxation treaties	-0.41	-0.17	-0.25	-1.37
Ability to recruit internationally	-0.43	-0.29	-0.46	-0.52
Costs of real estate	-0.43	-0.24	-0.43	-0.77
Proximity to sophisticated customers	-0.43	-0.34	-0.58	-0.07
Availability of natural resources	-0.45	-0.22	-0.46	-0.69
Bilateral investment treaties	-0.47	-0.08	-0.48	-1.15
Corporate income taxes	-0.56	-0.68	-0.53	-0.50
Quality of banking and other financial services	-0.58	-0.33	-0.70	-0.50
Quality of international air connections	-0.59	-0.25	-0.69	-0.79
Energy costs	-0.63	-0.17	-0.82	-0.71
Quality of local suppliers of goods and services	-0.66	-0.54	-0.68	-0.79
Quality of universities and research institutes	-0.68	-0.43	-0.83	-0.50
Quality of life	-0.71	-0.51	-0.88	-0.36
Quality of rail network	-0.71	-0.13	-0.74	-1.37
Hiring and firing regulations	-0.72	-0.48	-0.68	-1.31
General costs of doing business	-0.74	-0.39	-0.79	-1.08
Costs of high-skilled labour	-0.78	-0.72	-0.77	-0.93
Investment incentives	-0.82	-0.87	-0.84	-0.71
Macroeconomic stability	-0.86	-0.67	-0.86	-1.21
Quality of telecommunications	-0.94	-0.46	-1.12	-1.07
Political stability	-0.94	-0.38	-1.01	-1.64
Quality of road network	-0.97	-0.38	-1.04	-1.64
Supply of highly skilled labour	-1.14	-0.71	-1.34	-1.15
Number of respondents	96	25	57	14

Source: UNCTAD-WAIPA Worldwide Survey of Foreign Affiliates.



United Nations



World Association of
Investment Promotion Agencies

Worldwide Survey of Foreign Affiliates

1. Basic data about company

Name of foreign affiliate	
Name of contact person	
Host country	
Principal industry	
Principal activity	
Total sales	
Total exports	
Number of employees in host country	
Name of ultimate parent company	
Home country	

2. Assessment of investment environment

a. Importance of different factors

Please assess the following aspects of the investment climate in terms of their importance to your company's activities in the host country:
(1: Not at all important; 5: Extremely important).

b. Competitiveness of different factors

Please assess the following aspects of the investment climate in terms of how internationally competitive the host country is:
(1: Not at all competitive; 5: World class).

Host country characteristics	Importance					Competitiveness				
	1	2	3	4	5	1	2	3	4	5
INFRASTRUCTURE										
Quality of telecommunications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of banking and other financial services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of road network	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of rail network	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of international sea links	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of international air connections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of universities and research institutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INDUSTRY CLUSTER										
Access to export markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proximity to sophisticated customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of local suppliers of goods and services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of natural resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Presence of other companies in the same industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
STABILITY										
Macroeconomic stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Political stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TAXATION										
Personal taxation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate income taxes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment incentives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
QUALITY OF LIFE										
Quality of health services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attitude towards foreign investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LABOUR										
Supply of low-skilled labour	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supply of high-skilled labour	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to recruit internationally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hiring and firing regulations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COSTS										
Energy costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Costs of low-skilled labour	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Costs of high-skilled labour	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Costs of real estate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other costs of doing business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INTERNATIONAL AGREEMENTS										
Bilateral investment treaties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Double taxation treaties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Investment plans

Please indicate whether investments by your company in the host country in the coming three years will:

Increase a lot	Increase somewhat	Stay the same	Decrease somewhat	Decrease a lot
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Policies to improve investment environment

Please indicate the most important policy initiatives the host country Government could take to increase the country's attractiveness as a location for investment by your company:

1.
2.
3.

5. Current business sentiment

How would you rate the current general business sentiment in your industry compared with one year ago?

Much worse	Somewhat worse	The same	Somewhat better	Much better
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. Business sentiment a year from now

How do you expect the general business sentiment in your industry to be one year from now?

Much worse	Somewhat worse	The same	Somewhat better	Much better
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Thank you very much for your cooperation.
All information will be treated with absolute confidentiality.