



Investor Targeting in the Services Sector

UNCTAD-WAIPA Regional Workshop for South America

Report

30 November – 2 December 2009

Hotel Emperador

Buenos Aires, Argentina

This workshop was jointly organized by the United Nations Conference on Trade and Development (UNCTAD), the World Association of Investment Promotion Agencies (WAIPA) and Argentina's Investment Development Agency, ProsperAr. The project benefited from a contribution by the Government of Sweden through the Swedish International Development Agency (SIDA).

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OVERVIEW

In 2008, foreign direct investment (FDI) flows to Latin America and the Caribbean (LAC) remained overall resilient with an increase of 13% despite the spreading financial crisis and the world economic slowdown. FDI flows to South America increased even by 29%, while Central America and the Caribbean experienced a decline. The increased FDI flows in South America were due to the sharp rise of inflows to top recipients Brazil (30%), Chile (33%), Colombia (17%) and Argentina (37%), which together represented 89% of total inflows to the sub-region.¹ In 2009, however, developing countries did not escape the effects of the global crisis. UNCTAD's Global Investment Trends Monitor recently reported that for 2009 global FDI flows suffered an overall decline of 39% with a decrease of 35% in developing economies and 41% in Latin America and the Caribbean.

Against this backdrop, UNCTAD together with the Argentina Investment Development Agency (ProsperAr) and WAIPA organized the training workshop on *Investor Targeting in the Services Sector*. The objectives of the training were to familiarize participants with the most recent trends in FDI in the services sector, in particular Shared Services Centers (SSC) and tourism, and to enhance participants' investor targeting skills in these sectors.

SSCs have evolved vastly over the past few years and functions become increasingly diversified, moving from business to knowledge process outsourcing. Depending on the sector to which the SSC belongs, investment location drivers vary from language and technical skills to tax regimes and time zones. South America is an emerging market for SSCs in contrast to other regions, like Western Europe and the US.²

With respect to investment in tourism, UNCTAD presented parts of its forthcoming publication, entitled *Promoting Foreign Investment in Tourism*. FDI in tourism is rather small as a percentage of the global total, since non-equity forms of investment (e.g. franchises and management contracts) are often preferred in the tourism sector. Although these investments may not bring new capital, they can benefit the host country through employment creation, new skills, new management systems and realization of improvements in productivity, and linkages with global value chains.

During the workshop, case studies were presented on investor targeting in Morocco and Peru. The Morocco case covered the development of beach resorts through public-private partnership (PPP), while the case presented on Peru dealt with tourism cluster development. The presentations were aimed at providing participants with an overview of and the lessons learned from two different investor targeting processes.

The workshop included a discussion on the relevance of "investor aftercare" and its growing importance in generating further investment in the services sectors. Among others, ProsperAr shared its own experience with a transnational corporation in the manufacturing

¹ World Investment Report 2009: Transnational Corporations, Agricultural Production and Development. United Nations Publications.

² Targeting investment in Shared Services Center. UNCTAD and OCO Consulting, December 2009. Working paper.

sector, which - due to effective aftercare services - decided to locate a shared services center in Argentina. The workshop also included a visit to the IBM Shared Services Center in Buenos Aires. Participants were received by high-level representatives of the company, who explained how an IBM manufacturing plant transferred into a SSC.

The workshop was facilitated by Paul Wessendorp and Natalia Guerra from UNCTAD and Mark O'Connell, UNCTAD consultant. In total, 39 trainees from 8 countries participated (20 males and 19 females). In their replies to the workshop evaluation questionnaire all participants indicated that they were satisfied with the workshop. Fifty per cent specified that they "substantially" benefited from the training, while the other half said that they "sufficiently" benefited.

This regional workshop for South American IPAs was part of a series of training sessions which were organized by UNCTAD in partnership with the World Association of Investment Promotion Agencies (WAIPA). UNCTAD takes the opportunity to thank ProsperAr and the Swedish International Development Agency (SIDA) for sponsoring this event. The most recent workshops in this series were held in El Salvador, Ghana, Mauritius, Tanzania and Trinidad & Tobago.

PROGRAMME

30 November 2009

SEMINAR: TRENDS OF SERVICES SECTOR FDI IN SOUTH AMERICA

08:30 - 09:00 **Registration of participants. Salon Gran Via**

09:00 -09:30 **Opening**

09:30 – 10:45 **2009 FDI trends and investment promotion policies: The Outlook for South America**

- ❖ Paul Wessendorp, Chief, Investment Facilitation Section, UNCTAD
- ❖ Carlos Razo, Investment and Enterprise Strategies Unit, ECLAC

10:30 - 11:00 *Coffee Break*

11:00 – 12:15 **Overview of recent FDI trends in the services sector and implications for IPAs**

- ❖ Mark O'Connell, UNCTAD Consultant

12:15 – 13:00 **The IPA perspective**

- ❖ Dr. Beatriz Nofal, President of ProsperAr and WAIPA's Director for South America

The TNC perspective

- ❖ Pascal Bonachera, Responsible for IT Platform Development, Peugeot Citroen, S.A. Argentina
- ❖ Carlos Zárate, Director, Open Solutions, Ex.Director of Motorola e Intel

13:00-14:30 *Lunch offered by ProspeAr*

WORKSHOP: INVESTOR TARGETING IN THE SERVICES SECTOR

14:30 – 15:00 **Introduction of the workshop and participants**

15: 00 – 16:00 **Investor targeting – Key issues**

- ❖ Natalia Guerra, Programme Officer and Training Coordinator
Exercise 1

10:30 - 11:00 *Coffee Break*

- 16:30 – 17:30** **Investor targeting case study 1: Shared services.** UNCTAD consultant
- ❖ Guillermo Allen, Regional, Chief Financial Officer, DHL
 - ❖ Mark O'Connell, UNCTAD Consultant

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- 9:00 – 10:30** **Investor targeting case study 1: Shared services (cont...)**

10:30 - 11:00 Coffee Break

- 11:00 – 13:00** **Investor targeting case study 2: Tourism**
- ❖ Natalia Guerra, UNCTAD: Morocco's investor targeting case study
 - ❖ Harry Chang, Deputy Director, Investment Promotion and Facilitation, ProInversion: Developing a Tourism Cluster in Peru.

13:00 - 14:30 Lunch Break free
Working lunch for WAIPA South American IPAs representative

- 14:30 – 16:00** **The growing importance of investor aftercare: A tool to generate investment in the services sector**
- ❖ UNCTAD team
 - ❖ ProsperAr
 - ❖ Interactive discussion with participants

10:30 - 11:00 Coffee Break

- 16:30 - 17:30** Wrap up, evaluation of the workshop and handout of certificates to participants.

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Site visit to IBM Shared Services Center

PARTICIPANTS

Country	Organization	Name
ARGENTINA	Prosperar	Beatriz Nofal
ARGENTINA	Prosperar	Fernando Sedano
ARGENTINA	Prosperar	Agustina Vila
ARGENTINA	Prosperar	Lucia Belliz
ARGENTINA	Prosperar	Matias Molinari
ARGENTINA	Prosperar	Sebastian Mini
ARGENTINA	Prosperar	Mariana Blanco
ARGENTINA	Secretaría de Turismo, Directora de Inversiones turísticas	Elena Blasi
ARGENTINA	Secretaría de Turismo	María Alejandra Corral
ARGENTINA	Secretaría de Turismo	Adriana Curukia
BRASIL	Apex Brasil	Tatiana Palermo
BRASIL	Apex Brasil	Marcio Guerra
BRASIL	Apex Brasil	Lilian
BRASIL	Apex Brasil	Fabio
CHILE	Abogado de la Vicepresidencia Ejecutiva del Comité de Inversiones Extranjeras	Eduardo Bobadilla
COLOMBIA	Agencia de Cooperación e Inversión de Medellín	Juan Eugenio Sierra Garrido
ECUADOR	Invest Ecuador - Especialista en Promoción de Inversiones	Jorge Luis Hidalgo
PARAGUAY	REDIEX - Director Inversions	Sebastián Bogado
PERU	PROINVERSION; Subdirector de Promoción y Facilitación de Inversiones	Harry Chang
URUGUAY	URUGUAY XXI - Instituto de Promoción de Inversiones y Exportaciones	Jorge Calvete

Argentina's Provinces		
Provinces	Position and Organization	Name
BUENOS AIRES	Director de Planeamiento y Estrategias para la Inversión	Miguel Binstock
CIUDAD DE BUENOS AIRES	Director General de Atención al Inversor	Damian Specter
CIUDAD DE BUENOS AIRES	Coordinadora del Centro de Atención al Inversor	Melisa Piceda
CIUDAD DE BUENOS AIRES	Direccion General de Atención al Inversor	Guadalupe Tuñón
CÓRDOBA	Asesor del Secretario de Industria	Jorge Freidemberger
CORRIENTES	Instituto de Fomento Empresarial	Juan Pablo Ybarra
CORRIENTES	Instituto de Fomento Empresarial	Rodrigo Martín Morilla

CHACO	Coordinadora de la Agencia de Inversión, Comercio Exterior y Relaciones Internacionales del Chaco	Theresa Durnbeck
CHACO	Agencia de Inversión, Comercio Exterior y Relaciones Internacionales del Chaco	Marcos Sotelo
FORMOSA	Gerente General Agencia de Desarrollo Empresarial	Guillermo Arévalo
LA PAMPA	Subsecretario de Industria	Susana Medina
LA RIOJA	Coordinadora de Comercio Interior y Exterior	Analía Gutierrez
MENDOZA	Agencia Pro Mendoza	Emilio Escayol
NEUQUÉN	ADI - Agencia para la Promoción y Desarrollo de Inversiones del Neuquén	Monica Negronida
RÍO NEGRO	Subsecretaria de Control de Gestión de Empresas Públicas y Relaciones Interprovinciales	Andrea Telleriarte
SAN JUAN	Director de la Agencia San Juan Desarrollo de Inversiones	Leonardo Gioja
SAN JUAN	Agencia San Juan Desarrollo de Inversiones	Alberto Bórbore
SANTA FE	Directora Provincial de Gabinete de Estudio y Áreas Específicas	Monica Liendo
SANTIAGO DEL ESTERO	Coordinador del Consejo de Promoción y Desarrollo Provincial	Castor López

Participants only to the opening SEMINAR		
	Position and Organization	Name
	Bruchou, Fernández Madero & Lombardi	Andrés Moncayo Von Hase
	Bruchou, Fernández Madero & Lombardi	Diego H. Cavanagh
	Embajada de Nueva Zelanda	Peter Martin
	Cámara de Comercio Argentino Finlandesa	Irma Albisu
	Cámara de Industria y Comercio Argentino-Alemana	Diego Niki Rossi
	Cámara de Comercio Argentino Portuguesa	Gabriela Branco
	AmCham	Daniela Sekiguchi
	Agregado de Embajada de Rusia	Sergei Parhomemko

PICTURE GALLERY

