

EMERGING
EUROPE

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INVESTMENT
PROMOTION
REPORT



Comparing IPA performance, recognising best practice and analysing shortfalls
in attracting FDI across 23 emerging Europe countries

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The research is produced in two versions: a general one including general findings regarding all 23 investment promotion agencies; and a bespoke one including an additional chapter with findings and analysis of an individual agency's performance, available only for that agency.

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TABLE OF CONTENTS

1. Abbreviations and Acronyms	4
2. Tables and Boxes	5
3. Foreword	6
4. General Findings	9
5. The Ranking	13
6. Online Communications	15
7. Enquiry Handling	31
8. FDI Inflow	37
9. Top Ten Recommendations	41
10. Editorial: Destination Emerging Europe	43
11. Appendices	47
12. Acknowledgements	54

ABBREVIATIONS AND ACRONYMS

CEE — Central and Eastern Europe

CIT — Corporate Income Tax

DCI — Development Counsellors
International

EE — Emerging Europe

EH — Enquiry Handling

EU — European Union

FAQ — Frequently Asked Questions

FDI — Foreign Direct Investment

GDP — Gross Domestic Product

IEDC — International Economic
Development Council

IPA — Investment Promotion Agency (or
Investment Promotion Institution — IPI, as
referred to by some organisations)

PIT — Personal Income Tax

PR — Public Relations

ROI — Return on Investment

SME — Small Medium Enterprise

UNCTAD — United Nations Conference on
Trade and Development

VAT — Value Added Tax

WAIPA — The World Association of
Investment Promotion Agencies

WB — The World Bank

WIIW — The Vienna Institute for
International Economic Studies



TABLES AND BOXES

1. Emerging Europe Investment Promotion Ranking (page 13)
 2. Website Rankings (page 15)
 3. Website Question Response Analysis (page 17)
 4. Social Media Rankings (page 25)
 5. Social Media Question Response Analysis (page 26)
 6. Newsletter Rankings (page 26)
 7. Newsletter Questions Response (page 29)
 8. Enquiry Handling Ranking (page 31)
 9. Enquiry Handling Question Response Analysis (page 32)
 10. FDI Inflow Ranking Overall (page 37)
 11. Foreign Direct Investment Analysis Ranking (page 38)
 12. List of Investment Promotion Agencies (page 47)
 13. FDI Stock Methodology (page 53)
 14. FDI Inflow Methodology (page 53)
-
- A. Why Use Video Content on the Website (page 16)
 - B. Most Effective Marketing Techniques (page 18)
 - C. Most Useful Features of an IPA's Website (page 20)
 - D. Likelihood of Visiting IPAs' Website During Next Site Search (page 21)
 - E. Social Media Channels Used for Business (page 24)
 - F. The Power of Social Media (page 27)
 - G. How We Use Email (page 29)



FOREWORD

Over the last three decades, Central and Eastern Europe (CEE) has undergone a considerable transformation resulting in the region's reintegration into the global economy. In most cases, this has also significantly helped to improve the living standards of its respective populations.

The CEE region has managed to liberalise trade and prices relatively quickly. However, when it comes to institutional reforms, in areas such as governance, competition policy, labour markets and privatisation, as well as enterprise restructuring, it has often faced opposition from powerful interest groups.

The European Union (EU) has moved further east, with three enlargement phases happening in 2004, 2007 and 2013. The EU is absorbing the majority of the post-communist economies by linking them first with the EU single market and then with the global markets, led by the world's most advanced economies.

The emerging Europe region today consists of 23 countries, including a total population of 200 million and a nominal gross domestic product (GDP) of over 2 trillion US dollars. Most of these economies offer very business friendly environments — 3/4 of them are in the top 50 of the World Bank's *Doing Business* report for 2018, and inbound foreign direct investment (FDI) amounted to almost 44 billion US dollars according to the United Nations Conference on Trade and Development: *World Investment Report 2018*.

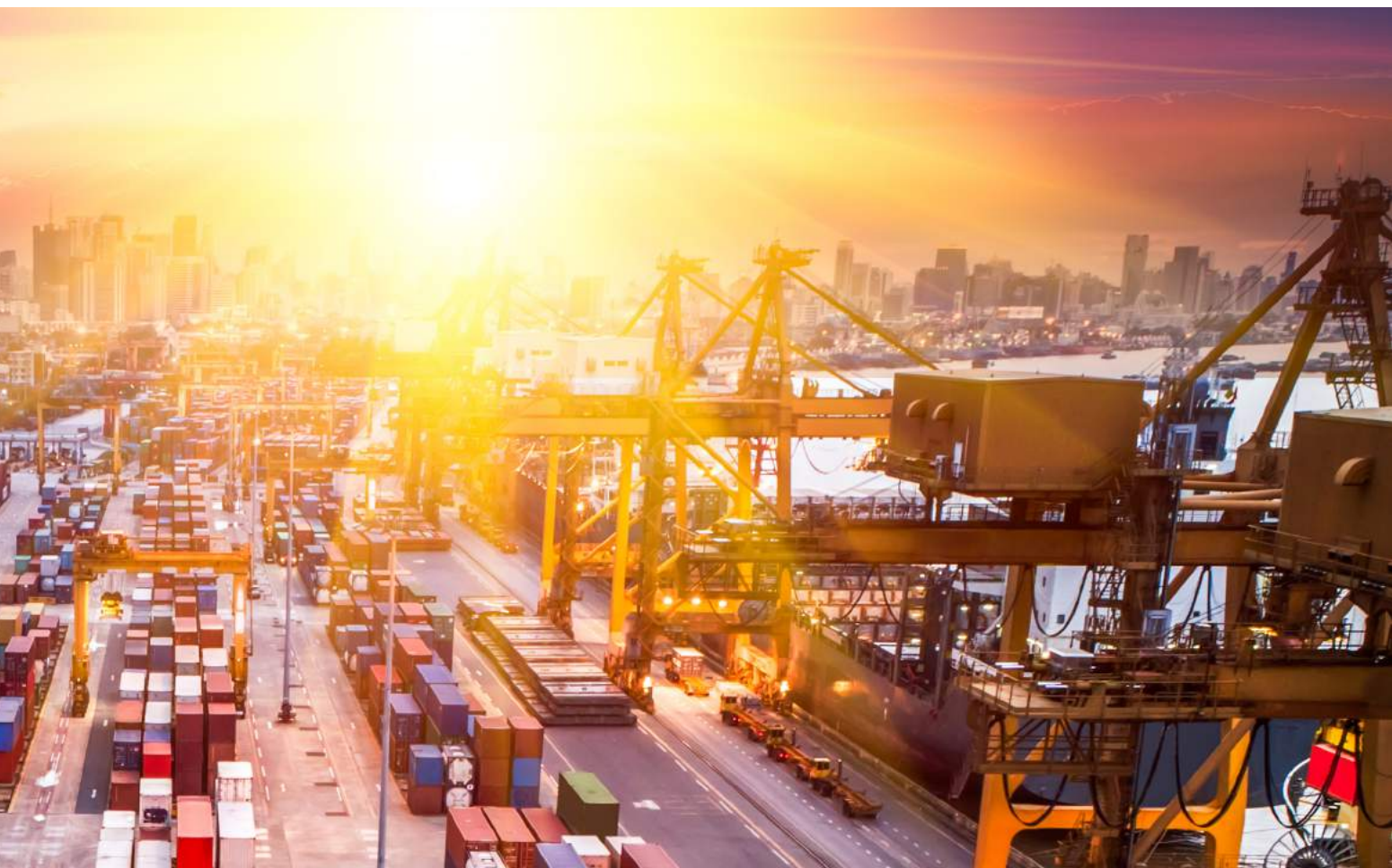
Nation branding, as well as business and investment promotion, are relatively new phenomena internationally. They are the result of growing competition in global markets, especially regarding attracting FDI. At the beginning of the 1990s, only a few countries had agencies that specialised in marketing their nations as FDI destinations. Today, the World Association of Investment Promotion Agencies (WAIPA) has over 170 members. In the CEE region, while all countries have national investment promotion agencies, they have less experience of operating in a free-market economy when compared to Europe's more developed countries.

Interestingly, however, according to the World Bank: *Global Investment Promotion Best Practices 2012*, five out of six IPAs across the globe provide little or no information about their propositions/offers/key sectors and incentives to prospective investors, so the CEE region is not always that different to similar institutions operating in Western Europe.

However, according to *The Place Marketing For Foreign Direct Investment in Central and Eastern Europe*, (Craig Young, 2005), simple promotional campaigns, which aim at raising investor awareness of localities in Central and Eastern Europe, have had only a limited impact and either didn't bring expected results or didn't directly raise awareness amongst potential investors. It suggests that to be successful, place marketing needs to become a sophisticated and complex set of strategies, addressing an investor's specific needs.

Companies, especially SMEs, from emerging Europe, who are located in both EU member states and in states outside the Union, often complain about the stereotypes they have to fight when trying to sell to foreign markets. It can take them several years to convince a single prospective partner about the high quality of their products. Experts and business leaders from Western Europe confirm that almost three decades after the transformation (of the Eastern Bloc) such stereotypes still exist and often awareness about the CEE region is very low.





CEE countries do not yet benefit from country-related positive associations. Future Brand's Country Brand Index of 2014-15 includes three of emerging Europe's countries in the Top 50: the Czech Republic, Poland and Croatia but, according to the researchers, none of them qualifies as a country brand.

According to György Szondi's research, *The role and challenges of country branding in transition economies: The Central and Eastern European Experience, Place Branding and Public Diplomacy* (2007), the institutions, that are responsible for the countries' images, still commit the same errors as those identified a decade ago: a lack of coordination among the elements of reputation management and the institutions and actors involved in country promotion. Country promotion is often a victim of domestic politics, which results in a lack of continuity and strategic approach, an outdated approach to country branding and too much reliance on advertising. Often the image is viewed as being more important than reality, and the brand or the messages are not credible. There is a lack of a long-term approach as well as a lack of evaluation, financial and human resources.

Considering the above, Emerging Europe, a think tank committed to boosting the social and economic development of 23 countries of Central and South Eastern Europe and the Caucasus and raising awareness about the region, has run an independent survey in order to recognise best practice and analyse shortfalls and challenges in attracting FDI across 23 emerging Europe countries. The Emerging Europe Investment Promotion Report 2018 is the first ever investment promotion ranking focusing on the emerging Europe region.



GENERAL FINDINGS

Having interviewed dozens of medium and large businesses operating across emerging Europe, as well as government representatives from the region responsible for FDI promotion, the Emerging Europe team analysed available research related to the subject matter as seen globally and regionally. Our research team then developed an investment promotion ranking using a methodology that would focus on communications (50 per cent), enquiry handling (40 per cent) and per capita FDI inflows and stock into the countries (10 per cent).

The World Bank's *Global Investment Promotion Best Practices* — the latest research discussing investment promotion best practice globally — was published in 2012. Not only does it examine as many as 189 investment promotion agencies (and as such does not give a full picture of where emerging Europe stands), it also analyses the investment promotion context — a few years after the global financial crisis — and leaves out a wide range of new marketing resources which have since become available.

For example, according to *The International Economic Development Council: Winning Strategies in Economic Development Marketing 2017*, the perceived value of having a well-designed internet/website presence — which has been quite high for at least a decade — has increased further from 55 per cent in 2011 to 74 per cent in 2017.

As a general rule, the website is one of the first aspects of an investment promotion agency that a potential investor would see. According to the Development Counsellors International (DCI) report, *Website Insights for Economic Developers: A Survey on Content, Traffic and Budget*, 65 per cent of location advisors and corporate executives reported using the internet during their most recent site location search. DCI also says that the website is also the most effective technique to attract FDI from medium-sized companies and the second-most effective technique from large companies. Searching the web is the primary method companies, and site selectors use for location screening. Typically 20-25 per cent of high quality leads come through the location website.

With regards to the website, we found that 100 per cent of IPAs offer a website in English as well as downloadable files. Following on from there, only 70 per cent of the sites show as the top results when searching “invest in [country]”. Of the 23 websites that were looked at, 57 per cent offer contact details to other members of the team, including sector contacts.

Our research shows that in a number of cases, once created, the IPAs' websites are often abandoned in subsequent years, as agencies are restructured and website development is dropped. Instead of updating the content online, especially the macroeconomic statistics and sectoral overviews — for example, in February 2018, when a wealth of data regarding 2017 was already available, only 13 per cent of IPAs had data that was less than 12 months old — agencies would provide downloadable materials, in most cases,



Günter Verheugen
former
Vice-President
of the European
Commission

“One important element which is very often underestimated is the exchange of best practices, and that is exactly what you are trying to do here. We tell each other what we have achieved, how we have achieved it, what our problems are. My strong advice would be to concentrate very much on these exchanges.”

hidden in multiple subpages, or as part of massive macroeconomic reports or promotional leaflets. IPAs, therefore, tend to force potential investors to search for information or extract it from broader publications instead of providing them with key statistics that are easy to find and compare.

In general, the most common shortfalls are outdated statistics or no relevant figures; one site with too many objectives which becomes messy and too tricky to navigate and find relevant information, too much irrelevant information and poor English.

The International Economic Development Council: *Winning Strategies in Economic Development Marketing 2017* (IEDC) also says that in 2011 potential investors or site selectors did not treat social media as a leading source of information about locations. This changed in 2014 with 2 per cent of respondents believing in using social media as an essential tool in reaching out to investors and that figure reaching 11 per cent in 2017.

Emerging Europe's survey, apart from evaluating IPA websites, looks at how the organisations utilise other communications tools such as social media (LinkedIn, Twitter, Facebook and YouTube — multimedia content) and newsletters.



**Olga
Grygier-Siddons**
CEO, PwC CEE

“We emphasise the fact that different countries and different markets are at different stages of development, and therefore they are looking for different things. The challenge is that everybody comes to London and says ‘we are open’ but that promise is not delivered when investors try to follow up, because not everyone receives the same level of service they expect.”

According to IEDC, LinkedIn is by far the most popular social media channel for business — 74 per cent of corporate executives and for 82 per cent of location advisers. In emerging Europe, Facebook seems to be the most popular social media channel whereas only every fifth location adviser would consider Facebook a source of information in their location selection process.

Most agencies have not attracted significant numbers of followers across the social media channels they use as they talk at, not to, their audience. Their primary audiences (all IPAs are responsible for attracting FDI and some additionally help national companies internationalise) should be foreign investors who do not usually speak local languages. Yet the vast majority of posts are in their national language and thus exclude their key audience. One IPA posted its last message in English in April 2017, almost a year before our research was carried out.

The enquiry handling process does not look much better. In 2012, the World Bank said that 79 per cent of IPAs completely ignored at least one enquiry, which was in line with the real-life experiences reported by industry-leading investors and site-selection companies. In Emerging Europe's survey, 11 IPAs responded with an email providing some information with regards to our enquiry, which is leaps and bounds ahead of the findings of the World Bank: we recorded a 48 per cent response rate vs the 21 per cent seen by the World Bank.

Common practice, however, remains utterly different from what all governments' tell foreign investors: "reach out to us as we are always available and we will do our best to help."

Again, instead of being flexible and adapting to potential investors' needs agencies create their procedures as regards to how they react to enquiries: they require that a potential investor send an email or fill in an online form. Very seldom are they ready to respond to

questions over the phone. If they respond to emails, they overload the enquirer with a number of links to large reports or irrelevant information instead of providing concise responses to questions asked.

In most cases, IPA representatives are not proactive. This means they don't reach out with additional questions nor follow up on previous correspondence. Only one IPA (AZPROMO) sent a follow-up email within two weeks after they had provided us with the required information and asked if there was anything else they could help with.

Since the final FDI inflow does not fully depend on the IPA's activities — other aspects such as the country's image, social-political, economic and historical elements might have a significant impact on the results, Emerging Europe looked at the UNCTAD World Investment Report and the 2017 FDI figures — FDI inflows in 2017 as well as the difference between the 2016 and 2017 FDI stocks both per capita — but only assigned 10 per cent of the total weight to the results.

Montenegro, with 867.54 US dollars, the Czech Republic with 697.60 US dollars and Estonia with 600.27 US dollars per capita recorded the highest scores, taking the first, second and third positions respectively.





THE RANKING

Invest Lithuania, the Investment and Development Agency of Latvia (LIAA) and the Polish Trade and Investment Agency (PAIH) scored the highest in the ranking, followed by the Montenegrin Investment Promotion Agency (MIPA) and the Kosovo Investment and Enterprise Support Agency (KIESA).

So what makes these agencies the best? Looking at the overall ranking, while we see that website analysis accounts for the highest percentage of the score it is not the deciding factor as to how a country has performed overall. Some IPAs, while not faring well with regards to their online promotion (websites, social media and newsletter), more than made up for it when it came to enquiry handling.

Table 1. Emerging Europe Investment Promotion Ranking

Ranking	Country	Online Communications Score (weighted)	Enquiry Handling Score (weighted)	FDI Inflow Score (weighted)	Emerging Europe Ranking Score
1	Lithuania	44.55	18.00	3.00	65.55
2	Latvia	37.27	22.00	4.00	63.27
3	Poland	41.82	16.00	2.50	60.32
4	Montenegro	20.45	24.00	6.50	50.95
5	Kosovo	28.41	20.00	1.50	49.91
6	Georgia	28.64	16.00	3.50	48.14
7	Bosnia & Herzegovina	34.77	8.00	1.50	44.27
8	Czech Republic	28.18	8.00	6.50	42.68
9	Serbia	20.68	18.00	3.00	41.68
10	Azerbaijan	19.55	20.00	2.00	41.55
11	Slovakia	15.00	22.00	4.50	41.50
12	Romania	30.91	8.00	2.50	41.41
13	Slovenia	31.82	4.00	3.50	39.32
14	Estonia	27.95	4.00	6.50	38.45
15	Croatia	29.55	4.00	4.50	38.05
16	Macedonia (FYROM)	27.50	8.00	1.50	37.00
17	Bulgaria	32.73	2.00	2.00	36.73
18	Belarus	26.36	8.00	1.50	35.86
19	Ukraine	24.55	8.00	1.00	33.55
20	Moldova	25.91	4.00	1.00	30.91
21	Hungary	22.73	-	3.00	25.73
22	Armenia	20.45	-	1.00	21.45
23	Albania	18.41	-	3.00	21.41

The top three agencies scored high mainly because of their websites' scores — out of 20 aspects that we looked at they were given points for at least 16 of them. Montenegro's and Kosovo's communications scores were lower (below 30 points), but they made up for that by scoring relatively high in enquiry handling (24 and 20 points respectively). Georgia, which came sixth, scored much higher in online communications (almost 29 points) than Montenegro, which ranked fourth.

Lithuania as a whole, based on all elements, is Emerging Europe's number one IPA, for several reasons. They scored high in three out of the five elements: the website, social media, newsletter, enquiry handling and FDI inflow per capita.

The Invest Lithuania website is one of the best examples of how an IPA should structure a website concerning the layout and presentation of information. When it came to social media and the newsletter, it was generally agreed that Invest Lithuania ran one of the best campaigns, along with Invest Romania. Both IPAs carry out their campaigns in English (for the most part). One reason why Lithuania stood out is the fact that they also run individual accounts on Twitter for each sector, thus creating a more focused, efficient and targeted social media presence.

Nevertheless, overall the top three agencies scored between 60 and 66 points, which means only 2/3 of the elements factored into the research can be said to have been done in the best way. In all the 23 cases — even amongst the leading IPAs — there is a lot of room for improvement.



ONLINE COMMUNICATIONS

The digital era has made first impressions more critical than ever. Operating a business in a world where people and companies are turning to the internet and social media to gather information on what is available means that we should always be updating and modernising our services. In that regard, a website is an opportunity to showcase a location in the best possible light, and for low-income economies or those that are difficult or expensive to travel, using online tools to reach investors around the world is all the more crucial. In the online communications research, Emerging Europe looked at the websites, social media channels and newsletters, run by the 23 IPAs.

WEBSITE

Table 2. Website Rankings

Ranking	Country	Website Score (score out of 100 points)	Online Communications Score (ratio)*	Online Communications Score (weighted)	Emerging Europe Ranking Score
1	Lithuania	90.00	89.09	44.55	65.55
2	Poland	85.00	83.64	41.82	60.32
3	Latvia	80.00	74.55	37.27	63.27
4	Bosnia & Herzegovina	70.00	69.55	34.77	44.27
5	Slovenia	70.00	63.64	31.82	39.32
6	Bulgaria	70.00	65.45	32.73	36.73
7	Croatia	65.00	59.09	29.55	38.05
8	Kosovo	60.00	56.82	28.41	49.91
9	Georgia	60.00	57.27	28.64	48.14
10	Czech Republic	60.00	56.36	28.18	42.68
11	Romania	60.00	61.82	30.91	41.41
12	Estonia	60.00	55.91	27.95	38.45
13	Macedonia (FYROM)	60.00	55.00	27.50	37.00
14	Belarus	55.00	52.73	26.36	35.86
15	Moldova	55.00	51.82	25.91	30.91
16	Ukraine	50.00	49.09	24.55	33.55
17	Hungary	50.00	45.45	22.73	25.73
18	Montenegro	45.00	40.91	20.45	50.95
19	Serbia	45.00	41.36	20.68	41.68
20	Armenia	45.00	40.91	20.45	21.45
21	Azerbaijan	40.00	39.09	19.55	41.55
22	Albania	35.00	36.82	18.41	21.41
23	Slovakia	30.00	30.00	15.00	41.50

*Online communications — website 100 points + social media 5 points + newsletter 5 points = 110 points — scaled to a ratio of 100 points ($100 \div 110 = 0.9091$)

As the website is often a foreign investor's first interaction with an investment promotion agency, it is imperative that sites be welcoming and provide critical pieces of information.

Agencies very often struggle with low budgets but today, the costs of developing a well-structured and eye-catching website are low, and the ability to maintain and update said sites is becoming easier. Also, it is no longer the available budget which is decisive but creativity: several emerging Europe agencies have proven they could attract highly-educated talent, eager to help the country develop further, who could produce an excellent website at no cost whatsoever.

At the same time, some websites are eye-catching and modern, but they lack the necessary information from an investors' perspective and are not necessarily easy to navigate. There is no excuse for not having a modern and updated website.

Box A. Why Use Video Content on the Website

- The value of a one-minute video is 1.8 million words (source: Video Brewery).
- The average user spends 16 minutes and 49 seconds watching online video ads every month (source: Video Brewery).
- 52 per cent of marketing professionals worldwide name video as the type of content with the best ROI (Syndacast).
- 55 per cent of people watch videos online every day (source: MWP).
- 65 per cent of video viewers watch more than 3/4 of a video (source: Syndacast).
- 59 per cent of executives agree that if both text and video are available on the same topic, they are more likely to choose video (source: MWP).
- 54 per cent of senior executives share work-related videos with colleagues weekly (source: Tubular Insights).
- The most-viewed brand videos are on average 31–60 seconds long (32 per cent of all views, source: BrandWatch)
- Nearly two-thirds of consumers prefer video under 60 seconds (source: Animoto).
- Marketers who use video grow revenue 49 per cent faster than non-video users (source: VidYard).
- People spend on average 2.6x more time on pages with video than without (source: Wistia).
- 74 per cent of 2017 online traffic was video content (source: KPCB).
- Including video in a landing page can increase conversion by 80 per cent (source: EyeView).
- 26 per cent looked for more information about the subject of the video after viewing it (source: Video Brewery)
- More video content is uploaded in 30 days than the major US television networks have created in 30 years (source: WordStream)
- Video attracts two to three times as many monthly visitors, doubles their time spent on the site and has a 157 per cent increase in organic traffic from search engines. (source: MarketingSherpa)

Table 3. Website Question Response Analysis

Question Number	Questions	Number of IPAs that received a positive score	Per cent of IPAs that received a positive score
1	Websites offering relevant information about macroeconomic conditions	11	48%
2	Websites offering relevant information about sectors	6	26%
3	Websites offering data not older than 12 months old	3	13%
4	Websites offering information on country's tax system (CIT, PIT, Property Tax, VAT)	17	74%
5	Websites offering latest data about the labour market	-	0%
6	Websites offering information on infrastructure (air, airports, rail, roads, internet)	8	35%
7	Websites offering up to date information on property/real-estate	7	30%
8	Website offering information about available incentives (e.g. grants, funding, economic zones, tax breaks etc.)	20	87%
9	Website including case studies of past investors (testimonials from investors included)	19	83%
10	Websites providing email addresses and telephone numbers in international format with sector contacts	13	57%
11	Simple navigation on websites	18	78%
12	Data from reliable sources	20	87%
13	Top result using google search "invest in [country]"	16	70%
14	The English version of the site opens first	16	70%
15	Information on assistance/support offered by IPA	23	100%
16	Graphics relevant to content, attractive, and enhancing user experience	10	43%
17	Downloadable content	23	100%
18	Links to other key institutions/organisations (public or private)	22	96%
19	Attractive video content (short, dynamic, eye-catching, informative, etc)	11	48%
20	English without many mistakes	5	22%

The investment promotion agency's website should be the top result in a general Google search with the phrase "invest in [country]." However, only 70 per cent of the IPAs came up in the top search results. In addition to those results, 70 per cent of the websites opened in English when the web address was typed in, or at least asked the visitor to choose a language before proceeding to the home page. While these are excellent results that still means that 30 per cent of the websites did not meet these necessary criteria, making it more challenging for investors to find and navigate the sites.

Box B. Most Effective Marketing Techniques

% rating 4 and 5 on a 5-point scale (response over time)

Technique	2017	2014	2011	2008	2005	2002	1999	1995
Internet/website	74%	67%	55%	56%	53%	34%	37%	18%
Planned visits to corporate executives	66%	64%	57%	55%	54%	53%	46%	53%
Media relations / publicity	51%	48%	33%	52%	50%	21%	19%	19%
Hosting special events	51%	46%	—*	45%	49%	37%	42%	49%
Trade shows*	39%	38%	35%	—*	33%	32%	45%	39%
Advertising	32%	17%	16%	15%	20%	21%	19%	19%
Direct mail	23%	14%	15%	19%	23%	33%	25%	25%
Telemarketing	17%	6%	4%	4%	6%	4%	6%	7%

Source: The International Economic Development Council: Winning Strategies in Economic Development Marketing 2017

* not included in the survey

As a general rule, the website is one of the first aspects of an investment promotion agency that a potential investor would see. Therefore the website should be as up-to-date as possible containing the latest statistics available. Our research, which assumed the data should not be older than 12 months, was carried out in February 2018. A lot of the statistics relating to 2017 were already available. We even did a second round of checks in March yet in the vast majority of cases the data on the websites were either from 2016 or older: only three IPAs had data that was less than 12 months old. Also, not a single IPA received a full score for available information about unemployment rates, the annual cost per employee, number of students, vocational training, even though each and every emerging Europe country boasts about their highly educated talent.

Out of the 23 IPAs in the region, 26 per cent provided relevant data on sectors such as the share in the economy, sector growth, investment opportunities, access to the labour force in the industry, existing investors in the sector. We believe that these five elements are necessary for potential investors to gauge the industry and to see if it is worth investing in.

The vast majority of IPAs relied on downloadable materials when presenting more up-to-date statistics. The question is why would one add a subpage with old macroeconomic data and then use a different section of the website to provide more up-to-date information? Relying on delivering this content in a downloadable attachment is insufficient. The best practice would be to provide basic relevant and up-to-date information. Once an investor has seen the main statistics, they can then choose to download the sector guide in full and read a more detailed analysis of the sector.

Only 30 per cent of the IPAs that we analysed provided any form of information on property and real-estate. The vast majority did, however, indicate and made reference to Special Economic Zones; however not all investors would necessarily want to set up a business in said zones. We at Emerging Europe do not expect a breakdown of the rental price or cost per square metre in all cities across the country, but it would be good to cover the average price per square meter in the capital as well as other major cities. While there may be information on Special Economic Zones, this is not indicative of the overall market, and will not be included as providing information on property/real-estate. We are looking for general information regarding rental or purchase price per square meter in the country. This does not have to cover the whole country: the capital or key cities would suffice.

Besides, 35 per cent of the websites researched provided information regarding infrastructure, although one area where IPAs struggled was with giving information on internet speeds. Other details missing related to new developments to infrastructure in the country, else there was data that had not been updated for several years. As a whole, it would be good practice if the websites included information with regards to public transport, air, rail and sea as well as general necessities needed to start a business.

Out of the 23 IPAs, 96 per cent provided links to other key institutions such as government agencies or chambers of commerce, and only one of the 23 did not have this information available when the assessment was being carried out.



Peter Stracar
CEO, GE Europe

“We are not in a position where we can be unfriendly with each other, as there are a million different options for investors. They could go to Singapore or somewhere else. The only way that the region can win is by promoting talent. If we do not have talent, why should people invest?”

Another great indicator is that 87 per cent of IPAs provided information about available incentives in the country, as well as 87 per cent citing sources such as international organisations, statistics offices, ministries of economy and such like as the source of their data.

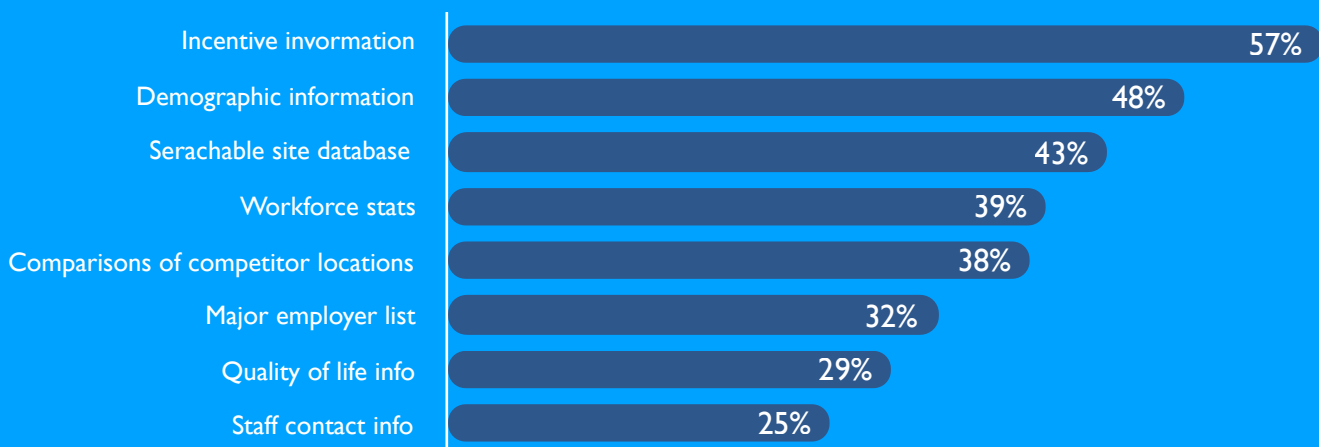
Another aspect that was quite surprising regarded graphics, and multimedia. Some sites do not present any data in charts or graphics at all (43 per cent of IPAs had graphics), or if they did, they were not uniform to the theme of the site and were probably copy and pasted from the original source. When it comes to graphics, we are looking at graphs/charts, large icons and other types of infographics that display the provided information cleanly and concisely. Uniformity of all infographics is essential. Ideally, the charts should be interactive.

Also, only half of the sites have video content embedded (48 per cent). Video content should not open a new page or take the viewer to a different link, e.g. YouTube or any other site where the videos may be stored. The point of the videos should be to promote the country, be it testimonials, an advertisement spot or any other form of promotion in the country as a business destination.

The fact that out of 23 IPAs only five (22 per cent) did not have many or any mistakes on the English version of their websites is worrying. Considering that the international language for business is English, and that the role of the IPA is targeting investment from foreign companies, it is surprising to find mistakes relating to language, bearing in mind that the region is promoting itself as a place where potential employees are well versed in languages and would be ideal for future investment projects.

Box C. Most Useful Features of an IPA's Website

Source: The International Economic Development Council: Winning Strategies in Economic Development Marketing 2017



Best Practice

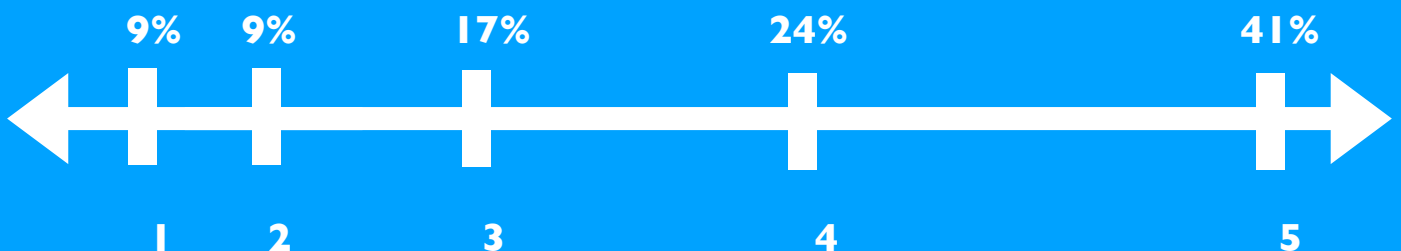
Certain communications aspects have been tackled differently by various investment promotion agencies, sometimes leveraging on external resources or coming up with creative solutions.

- Ukraine Invest’s website includes an excellent example of reporting news on their portal. Teaming up with *the Ukraine Business Journal* to do a weekly news report provides a great outlet and use of external resources. The only area where it may fall short is the fact that there are no pictures/graphics or events listed in the news reports. We would also suggest enabling readers to subscribe to it.
- Armenia showcases the country through a video that starts to play as soon as you get on to the websites. While the video is excellent: eye-catching as well as promoting the country, the fact that there is no way to pause, mute or stop the video is a challenge.
- Armenia also provides links to international schools which could be of importance to future investors if they plan on moving with their families.
- While many IPAs provided quite detailed pages dedicated to the tax system (among those that were good are Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, and Poland), the best examples come from Belarus and Estonia, as the pages were clean, they offered detailed information and covered all bases without overwhelming the visitor with details that would be needed later in the investment process.
- Investor feedback or testimonials. Who would not want to show the world that they are doing a great job of helping their clients and taking advantage of the opportunity of having those investors provide quotes and testimonials for the world to see? Of the 23 IPAs, there were some that stood out in the way they used this information. Hungary includes quotes from investors as the first thing a potential investor would see on a sector page. Romania also includes a brief summary of the investment project and a quote from key figures in those companies in a dedicated section, which makes viewing these quite easy.

Box D. Likelihood of Visiting IPAs’ Websites During Next Site Search

(1= not at all likely and 5= highly likely)

Source: The International Economic Development Council: Winning Strategies in Economic Development Marketing 2017



- Invest Romania includes on their site a *Life in Romania* section, which while brief it does provide links to applications that can be installed to view events or things happening in the country's capital. Other sites that should be mentioned here are Bosnia and Herzegovina, whose *Must-see places* and *A great place to work...* and to enjoy life sections provide lots of information on things other than business.

- Infographics show data in a different way and it is great when they are uniform across the site and immerse the user, either by offering interactive charts and tables or by allowing the user to scroll over data and highlight it. Most if not all countries have provided some form of infographics, however, they are not always uniform and seem to be copied from their original source and uploaded to the website. Three countries that stood out are Belarus, Georgia and Romania. Georgia offers very nice infographics that are interactive and allow the user to compare Georgia against other similar or larger markets. Romania has also provided great infographics and allow, the user to download/print them in different formats. Ukraine also offers very clean and clear infographics on almost every page of the site, keeping them clean and uniform, they are also interactive as the user can scroll over points to see the exact data provided in a particular area. Belarus go one step further and take an approach different to all others, the images are uniform across the site as are the charts, irrespective of the source. They have icons that you can click on for further information offering a somewhat interactive feel. This does two things, it limits the amount of information seen on the site but offers the user a chance to choose what information is important and lets them click on it. Armenia also provides photos on every page that is opened, and while this does not provide any particular information, it does make the site look more attractive and give it some life.



Anne-Marie Martin
Chief Executive
Council of British
Chambers of
Commerce in
Europe

“If I walk past a shop window and it's shabby, it's unlikely I am going to walk in, and that is the reality. If I do have the guts to walk in and I am treated pretty badly and what I need is not available to me, then this isn't terribly positive. I will walk away.”

- When it comes to the presentation of contact details, Lithuania has done a great job. Not only do they provide all contact details to staff members with photos, but they also include a short bio and a hyperlink to their respective LinkedIn profiles. Estonia and Azerbaijan also offer a nice layout with photos and direct contact details.

- With regards to opening in English, whilst most sites would do that when you click on their link in a google search, Bosnia and Herzegovina have gone a step further if you type in the address, it refreshes and opens a page where you are able to choose from four languages before proceeding to the site.

- The inclusion of links to other organisations and institutions is important and in this area, Estonia has done one of the best jobs. Links are split by category and you are able to choose based on your search criteria. One thing that we did notice is while a lot of IPAs included useful links, one challenge that they had was that the hyperlinks lead to the site in their local language as opposed to English where possible.

- Displaying sector information should be unified across all sectors and include a variety of information. While a majority of the IPAs did provide relevant information a lot was out of date. In regards to the presentation and layout, both Hungary and Lithuania presented the sector data in a cohesive way. Slovenia also presented a lot of data on sectors and have presented the information in a clear and attractive way.

- **Frequently Asked Questions (FAQ)** — it is good practice to keep an FAQ section on the website as it could potentially limit the number of emails sent for information if available across the site. Whilst some of the sites did have an FAQ section, it would be beneficial to provide these sections in each of the sectors, as well as a general FAQ section.
- **Innovation** — Ukraine took a unique approach to providing certain data (cost of living), instead of having the information on the website, they used Numbeo.com to provide information about the cost of living. This is another way that IPAs can make use of tools that are readily available to provide people with more information. However, it may be an idea to either embed the tool on the site or have it open in a new tab/window rather than the same page.



SOCIAL MEDIA

In this digital world, there is an increasing number of people switching to social media to get their daily dose of information, and it would, therefore, make sense for IPAs to follow suit. Emerging Europe looked at the social media pages/accounts of the various IPAs as well as their respective newsletters.

With regards to social media, we looked at both the Facebook pages and the Twitter accounts of all the IPAs. While we do understand that not all use these media to promote themselves the vast majority do, and again we must reiterate that we live in a digital world, and a website is no longer enough as an online source.

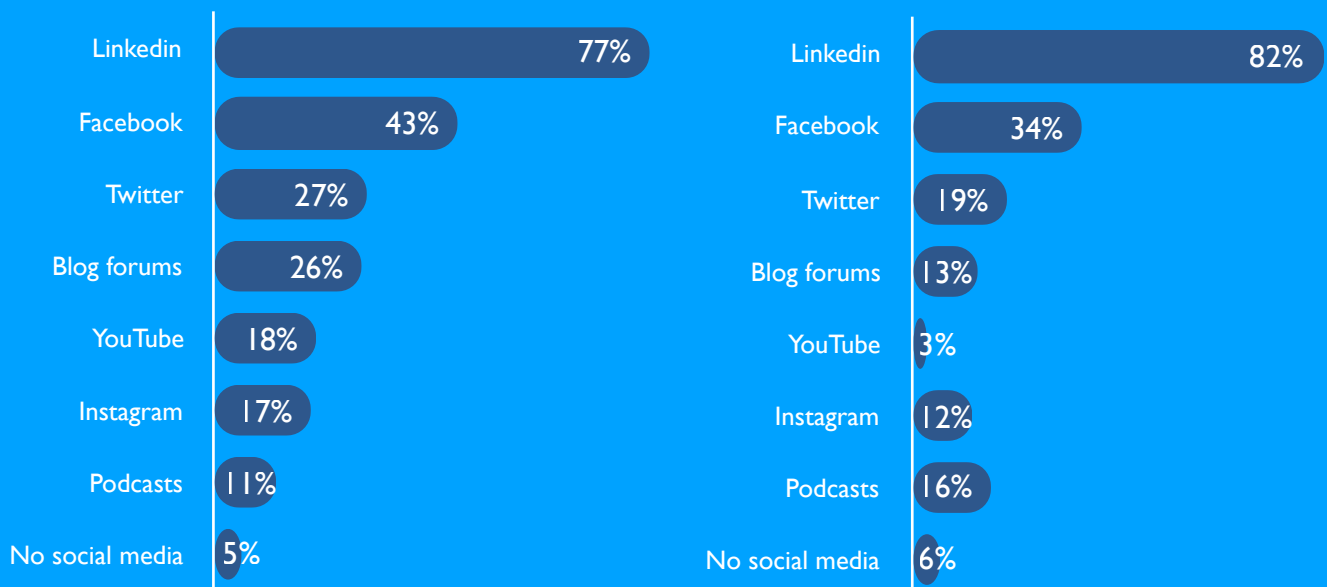
While the highest possible score for using both Facebook and Twitter is 5 points, we looked at each account individually and averaged the score for the IPA.

Since its advent, social media is becoming a more important source of information. It seems to have a life of its own, people, businesses and governments are turning to social media to promote themselves or to find out what is happening in the world. According to The International Economic Development Council: *Winning Strategies in Economic Development Marketing 2017*, the use of social media has grown in popularity. According to the report they noted that the use of social media as a form of information did not exist, then in 2014, 2 per cent of those surveyed in the report said that they turn to social media for updates.

Box E. Social Media Channels Used for Business

(left — used in general, right — used by location advisers)

Source: The International Economic Development Council: *Winning Strategies in Economic Development Marketing 2017*



In three years, from its first show of popularity, the IEDC noted that 11 per cent of people surveyed turned to social media as a source of information, thus showing that, we should expect this ratio to increase over the coming years. This also ties in with the growth of online sources in general. While global growth slowed following the financial crisis in 2008, in our emerging Europe region, on the whole, we have seen tremendous economic growth. While that has been happening, it would seem like the region has been relatively slow at adopting new methods of exposure, choosing to stick with the more traditional forms of marketing. Yes, these channels are still relevant. However as can be seen in the table below they are losing ground at a substantial pace, dropping by 10 per cent over three years.

Table 4. Social Media Rankings

Ranking	Country	Social Media Score (out of 5 points)	Online Communications Score (Ratio)	Online Communications Score (weighted)	Emerging Europe Rankings Score
1	Lithuania	4.00	89.09	44.55	65.55
2	Romania	4.00	61.82	30.91	41.41
3	Ukraine	4.00	49.09	24.55	33.55
4	Bosnia & Herzegovina	3.50	69.55	34.77	44.27
5	Albania	3.50	36.82	18.41	21.41
6	Poland	3.00	83.64	41.82	60.32
7	Georgia	3.00	57.27	28.64	48.14
8	Azerbaijan	3.00	39.09	19.55	41.55
9	Slovakia	3.00	30.00	15.00	41.50
10	Belarus	3.00	52.73	26.36	35.86
11	Kosovo	2.50	56.82	28.41	49.91
12	Latvia	2.00	74.55	37.27	63.27
13	Czech Republic	2.00	56.36	28.18	42.68
14	Bulgaria	2.00	65.45	32.73	36.73
15	Moldova	2.00	51.82	25.91	30.91
16	Estonia	1.50	55.91	27.95	38.45
17	Serbia	0.50	41.36	20.68	41.68
18	Macedonia (FYROM)	0.50	55.00	27.50	37.00
19	Montenegro	-	40.91	20.45	50.95
20	Slovenia	-	63.64	31.82	39.32
21	Croatia	-	59.09	29.55	38.05
22	Hungary	-	45.45	22.73	25.73
23	Armenia	-	40.91	20.45	21.45

*Online communications — website 100 points + social media 5 points + newsletter 5 points = 110 points — scaled to a ratio of 100 points (100 ÷ 110 = 0.9091)

Table 5. Social Media Question Response Analysis

Question Number	Social Media Findings	Number of IPAs that received a positive score	Per cent of IPAs that received a positive score
1	Social media in English (Facebook, Twitter)	9.50	41%
2	Targeting international investors	12.00	52%
3	Multipple posts per week (3 or more)	9.00	39%
4	Multimedia included in posts	16.50	72%
5	Good English	-	0%

*seven of the IPAs run Facebook and 12 run Twitter in English (19 social media channels divided by 2 channels researched).

**17 IPAs have Twitter accounts listed on their website, 18 have Facebook listed on their websites.

*** We only looked at those that were active in 2018. If posts were from 2017 or older we did not asses the social media account.

First and most importantly, who are the IPAs' target audience? Are we looking at targeting companies and people in our respective markets or those in foreign markets? The majority of IPAs failed to use English as their main language when posting on social media. Whilst it may be easier to post and promote in the native language, it must be remembered that the audience is the global market and therefore its needs have to be catered to.

Of the 23 that we looked at, we assessed that only seven run Facebook pages where 70-80 per cent of the posts is in English. Most posted articles, referring to their markets published on other portals in English, or only posted in English once a week, a month or even less. On the other hand, there were more (12) IPAs that ran a Twitter account where 70-80 per cent of content was in English.

Flawless English? Unfortunately, our findings show that not a single IPA runs a social media account to the level of English we would expect. This also applies to Newsletters. The most disheartening part when it comes to language is that all IPAs have stated that access to staff skilled in languages is great and very easy in their native markets. If this truly is the case the IPA should be setting an example.

Another area for improvement comes with regards to the frequency of posts. We would expect to see a minimum of three posts a week on each of the social media accounts. This practice ensures that the messages are getting out and that the IPA continues to stay relevant. This too goes hand in hand with potentially developing sub-accounts for each of the different sectors and targeting tweets or posts to various international institutions (tagging them in the post, or tweeting them, or any number of methods possible). This not only ensures that you get noticed but it also shows followers of those accounts what is happening thus increasing your individual reach.

We need to note as well there were some IPAs that run very good examples of a Twitter account, however, did not run a Facebook page, therefore resulting in a lower score or vice versa. In addition to this, it is imperative that hyperlinks or linked accounts on the websites show potential investors or clients all your different accounts and ask them to

follow the IPAs, and that they lead to the right account/page. We have come across instances where these hyperlinks or accounts lead to a random account or simply do not work.

Best Practice

- Lithuania runs the main account for the IPA and sub-accounts for sectors on Twitter. While we did not assess the sub-accounts it should be noted that this is a way to make good use of social media. This way an IPA can target specific industries and companies with their tweets and not be worried that the tweets will get lost in those of the main account.
- Ukraine, Romania and Lithuania received the highest individual scores for their Twitter accounts, each receiving a score of 4/5. The one area all IPAs fell short on was English. Invest in staff that can speak and communicate at the highest level.
- Tweet multiple times a day or week. Staying engaged and active on social media is important. The more often you tweet or post things the higher the chances of your account trending or showing up in searches.
- Make use of hashtags and popular terms. Being in a digital world requires us to adapt to the terminology used on Twitter or any other form of social media. Just make sure to check that there is nothing offensive and that the person posting understands what the terminology means before posting.

Box F. The Power of Social Media

- In 2015, 90 per cent of young adults use social media, compared with 12 per cent in 2005. (source: Pew Research Centre).
- Social video generates 1,200 per cent more shares than text and images combined (source: Responsive Bound Marketing).
- 85 per cent of Facebook video is watched without sound (source: Digiday).
- YouTube has over a billion users, almost one-third of all people on the internet (source: YouTube).
- 45 per cent of people watch more than an hour of Facebook or YouTube videos a week (source: WordStream).
- 500 million people watch videos on Facebook every day (source: TubularInsights).
- 48 per cent of marketers plan to add YouTube to their content strategy in the next year (source: HubSpot).
- 82 per cent of Twitter users watch video content on Twitter (source: Bloomberg).
- Among millennials, YouTube accounts for two-thirds of the premium online video watch across devices (source: ThinkWithGoogle).
- More than 200 million broadcasts have been created on Periscope alone (source: Medium).
- 100 million hours of video are watched every day on Facebook. (source: TechCrunch).

NEWSLETTER

If prepared correctly, newsletters are a valuable marketing tool. Each organisation faces the same challenges with their websites: how to within just a few seconds capture the attention of a visitor before they are gone forever. Developing a strategy to attract a new and retain an existing audience is crucial to successful marketing and a newsletter programme with a solid audience could prove to be a very important marketing asset for your organisation.

The newsletter should give enough information to create and/or increase awareness about the organisation and position the brand. A newsletter that provides prospective

Table 6. Newsletter Rankings

Ranking	Country	Newsletter Score (out of 5 points)	Online Communications Score (Ratio)*	Online Communications Score (weighted)	Emerging Europe Rankings Score
1	Lithuania	4.00	89.09	44.55	65.55
2	Poland	4.00	83.64	41.82	60.32
3	Romania	4.00	61.82	30.91	41.41
4	Bosnia & Herzegovina	3.00	69.55	34.77	44.27
5	Albania	2.00	36.82	18.41	21.41
6	Latvia	-	74.55	37.27	63.27
7	Montenegro	-	40.91	20.45	50.95
8	Kosovo	-	56.82	28.41	49.91
9	Georgia	-	57.27	28.64	48.14
10	Czech Republic	-	56.36	28.18	42.68
11	Serbia	-	41.36	20.68	41.68
12	Azerbaijan	-	39.09	19.55	41.55
13	Slovakia	-	30.00	15.00	41.50
14	Slovenia	-	63.64	31.82	39.32
15	Estonia	-	55.91	27.95	38.45
16	Croatia	-	59.09	29.55	38.05
17	Macedonia (FYROM)	-	55.00	27.50	37.00
18	Bulgaria	-	65.45	32.73	36.73
19	Belarus	-	52.73	26.36	35.86
20	Ukraine	-	49.09	24.55	33.55
21	Moldova	-	51.82	25.91	30.91
22	Hungary	-	45.45	22.73	25.73
23	Armenia	-	40.91	20.45	21.45

*Online communications — website 100 points + social media 5 points + newsletter 5 points = 110 points — scaled to a ratio of 100 points (100 ÷ 110 = 0.9091)

partners with valuable information helps them make better decisions, allows the organisation to demonstrate their expertise, and provides a mechanism for staying in touch. The organisation can offer visitors to its website a subscription to the newsletter in return for providing their email (and other contact information). Also, people who respond to your newsletter are better informed about what the organisation does and are pre-sold on its ability to do it, in contrast to people who come to you via advertising.

Table 7. Newsletter Questions Response Analysis

Question Number	Newsletter Findings	Number of IPAs that received a positive score	Per cent of IPAs that received a positive score
1	English newsletter	5.00	22%
2	Are macroeconomics, business climate, statistics included	4.00	17%
3	Promote events	5.00	22%
4	Brief and concise	5.00	22%
5	Good English	3.00	13%

When it came to assessing the newsletters, our findings were astonishing: only five IPAs came out with a score above zero. We assumed that for the newsletter to be effective it needs to be sent at least once per quarter, which is why we looked at newsletters that were posted in 2018 only. Therefore if an IPA did have a newsletter in the past and decided to stop running it, they would have scored zero.

While some IPAs run a quarterly or weekly news section, these were discounted as there was no way to subscribe to them. At the end of the day, a potential investor is not going to keep coming back to a website to find out about the news. It is the job of the IPA to keep subscribers informed of what is happening on the market. Therefore the use of social media or a newsletter is their best tools in getting the attention of those investors.

Box G. How We Use Email

- People most commonly check their email while watching TV (70 per cent), from bed (52 per cent), on vacation (50 per cent), while on the phone (43 per cent), from the bathroom (42 per cent), and even while driving (18 per cent) (source: Adobe).
- 48 per cent of emails are opened on a smartphone so videos should be compatible (source: Movable Ink).
- Using the word 'video' in an email subject line boosts the open rates by 19 per cent (source: Syndacast).

Best Practice

- Invest Ukraine has taken a great approach, offering a weekly business bulletin produced by the *Ukraine Business Journal*. Working in partnership with such an organisation is a great way not only to relieve pressure on a stringent budget but also to gain exposure on different platforms. The only challenge here is that we found no way to subscribe to the newsletter.
- Invest in Estonia also takes a unique approach, producing a quarterly digital magazine which is quite comprehensive and contains a lot of information on various topics, such as culture, business, economics, and politics to name a few. While we would see this as a potential best practice, it was thwarted because it is neither a newsletter nor is there any way to subscribe to it.
- Invest Romania also had a very good example of a newsletter, broken down into sections and offering snapshots as well as infographics or photos of what is happening in Romania.
- Invest Lithuania had one of if not the best newsletters: the synopsis of the articles is short, with a hyperlink should the reader want to find out more. The newsletter has different sections: New Investments, Investment Climate, Other News, Meet us at Events. Not only was it well organised, the use of graphics/logos was also relevant to the content.



ENQUIRY HANDLING

As an investment promotion agency becomes better at using its website to market its location and its services, more and more investors will take the next step of contacting the agency for personalised information. With the majority of agencies now operating good or best practice websites, an investment promotion agency wishing to distinguish itself from its competitors must be ready to help a potential investor at the next stage of the research process, the enquiry.

For the purpose of this research, Emerging Europe teamed up with a British medium-sized company looking to expand to a new location in emerging Europe.

Table 8. Enquiry Handling Ranking

Ranking	Country	Enquiry Handling (score out of 100 points)	Enquiry Handling Score (weighted)	Emerging Europe Rankings Score
1	Montenegro	60.00	24.00	50.95
2	Latvia	55.00	22.00	63.27
3	Slovakia	55.00	22.00	41.50
4	Kosovo	50.00	20.00	49.91
5	Azerbaijan	50.00	20.00	41.55
6	Lithuania	45.00	18.00	65.55
7	Serbia	45.00	18.00	41.68
8	Poland	40.00	16.00	60.32
9	Georgia	40.00	16.00	48.14
10	Bosnia & Herzegovina	20.00	8.00	44.27
11	Czech Republic	20.00	8.00	42.68
12	Romania	20.00	8.00	41.41
13	Macedonia (FYROM)	20.00	8.00	37.00
14	Belarus	20.00	8.00	35.86
15	Ukraine	20.00	8.00	33.55
16	Slovenia	10.00	4.00	39.32
17	Estonia	10.00	4.00	38.45
18	Croatia	10.00	4.00	38.05
19	Moldova	10.00	4.00	30.91
20	Bulgaria	5.00	2.00	36.73
21	Hungary	-	-	25.73
22	Armenia	-	-	21.45
23	Albania	-	-	21.41

Table 9. Enquiry Handling Question Response Analysis

Question Number	Questions	Out of 23 IPAs		Of the 11 IPAs that Responded	
		Number of IPAs that received a positive score	Per cent of IPAs that received a positive score	Number of IPAs that received a positive score	Per cent of IPAs that received a positive score
1	First call answered within local working hours in destination country.	17	74%	9	82%
2	The operator spoke English.	19	83%	10	91%
3	The operator transferred to project manager on first attempt.	9	39%	5	45%
4	Less than three calls needed to speak to a project manager.	11	48%	7	64%
5	A project manager or someone from the IPA responded with email.	10	43%	10	91%
6	The IPA representative is proactive (e.g. they include additional questions which can help provide accurate information)	10	43%	10	91%
7	Number of IPAs that responded to an email.	6	26%	6	55%
8	The project manager made a follow up call.	-	0%	-	0%
9	The project manager explained how they can help.	8	35%	8	73%
10	The project manager sent a follow-up email within two weeks after the main email was received.	1	4%	1	9%
11	The project manager offered location suggestions.	2	9%	2	18%
12	The project manager informed about incentives.	9	39%	9	82%
13	The project manager provided information on access to labour force: key staff, employment regulations.	7	30%	7	64%
14	The project manager included information about the advantages over similar locations.	-	0%	-	0%
15	The project manager included information about the agency's assistance.	10	43%	10	91%
16	The project manager included information about common business costs for the sector and sub-sector.	1	4%	1	9%
17	The project manager offered to put the investor in touch with existing investors in the sector or sub-sector.	-	0%	-	0%
18	The project manager offered to put the investor in touch with other organisations, such as recruitment agency, real estate agencies, etc.	1	4%	1	9%
19	The project manager offered a study visit	-	0%	-	0%
20	The project manager offered a meeting with the agency's representative in the UK.	-	0%	-	0%

The subject of the investment enquiry was based on manufacturing/food processing, in particular the establishment of a fruit and vegetable processing plant. The facility would prepare and package fresh fruit and vegetables, manufacturing products similar to those available in the UK.

The IPA should be prepared to offer advice on a variety of areas and be proactive in asking appropriate questions. The idea was that the company and facility should be up and running within six months of establishing/registering the company. For more details about the investment projects, go to the Methodology Appendix.

The enquiry handling ranking brought to light many challenges that investors would face when it comes to dealing or working with IPAs.

The highest possible score for this part of the analysis is 100 points. However, based on our assessment the highest score that an IPA received was 60 points. In addition to this, there were three IPAs that received a score of zero. This was due to the fact that not only did they not answer the first call or subsequent calls, but also they did not respond to the initial email that was sent to them. In one case, after introducing ourselves, either the line got disconnected, or the person on the other end hung up, in which case the IPA in question received no points, as subsequent calls also ended up being unanswered, waiting on the line for over three minutes and the phone then cutting off.

One of the first observations that can be made is that out of all 23 IPAs only 17 answered the call made to the general enquiry number provided on the IPA's website. In some cases, the number provided did not work at all. In others, after three attempts with the phone ringing constantly but not being answered, we had to hang up.

As far as general observations are concerned, all the telephone operators spoke English to some extent. In some of the agencies, the general level of English when speaking on the phone was probably at a B1-B2 level. Also, important to note, we would say that the general greeting on the phone — especially the call log will show an international number — the caller should be greeted in English and not the local language.

When it came to transferring calls to a project manager, in most cases where the call was answered, and we were able to speak to the operator, they did attempt to put us in contact with someone from the relevant team, but not always the person covering the sector. This could have been due to the fact that the dedicated project manager was either in a meeting or out of the office, which is to be expected. However, not a single agency attempted to return our call if we had to leave a message with one of their colleagues or on their own answer phone.

With regards to taking down our details, email or phone number, all IPAs requested that we email them first. After a short discussion, only two IPAs did eventually take our email address and proceeded to email us first. In all other cases, we had to initiate first email contact. Additionally, in the majority of the cases, we were told that it is the IPA's policy that we initiate email contact either by sending an email to the general address or by filling in the online application.



Peter Stracar
CEO, GE Europe

“I think that it is really important for governments and IPAs to look 'outside in' and not 'inside out'. This is what they are doing at the moment: they see everything from a local perspective, and everyone as competition.”

This seems contradictory to multiple regular reassurances from the governments that their investment promotion teams are always available to assist a potential investor. Also, this was clearly not a pro-active approach whose goal would be to serve a potential investor as well as possible. Instead, they seem to have treated the potential investor as an intruder who disrupts their busy daily routine not realising that the same investor has a great number of other markets to explore and invest in.

Also, we appreciate the fact that some countries focus on specific sectors (e.g. technology and innovation) or specific companies (e.g. multinationals). Our research included an investment project in manufacturing, which could potentially not be of interest for some IPAs. One IPA stated that openly, something which did not align with the information provided on the website (that the agency provides support for foreign and domestic investments, implying that any type of investors can seek assistance).

Out of the 23 IPAs that we contacted only 11 responded with an email providing any information with regards to our enquiry. Considering that we had called all the IPAs beforehand, and irrelevant of whether we spoke to the dedicated project manager, the IPAs should have been actively looking out for our emails or at least notified someone within the organisation that a call or email will be coming through. Only six sent any type of follow up emails after the first contact. Out of the 11, only ten responded within five working days, and just eight provided additional information on how the IPA can help.

Only one IPA (not necessarily the same IPA in each of the cases) sent a follow-up email within two weeks. Only one included information about common business costs for the sector and sub-sector. Only one offered to put the investor in touch with other organisations, such as a recruitment agency, real estate agencies, etc. Nine IPAs put us through to the dedicated project manager of which five responded to our email.

An area that was very surprising is the fact that not a single IPA tried to call us on the number provided in the email, nor did they try to return our call when we left a message. We had one case where we were asked to provide a mobile number so that they could call back using WhatsApp as opposed to calling internationally.

There is much work that needs to be done on the part of the IPAs when it comes to enquiry handling. As investment promotion agencies, they should be proactive in pursuing any and all calls that come in, as well as actively chasing for further information. As a potential investor, being told that either we need to complete an online application or that we need to send a general email before having a chance to talk to a real person is frustrating. If we look at the statistics noted above, of all 23 IPAs only 11 responded to an email that was sent by us, and in some cases the email sent was to a specific person and not to the general email, which makes matters worse.

A private sector approach is fundamental when dealing with business. Bureaucrats have a very different mindset that is very difficult to transform.



Anne-Marie Martin
Chief Executive
Council of British
Chambers of
Commerce in
Europe

“These are publicly funded organisations which spend taxpayers' money, so they do have a duty to deliver on behalf of the government that funds them, and on behalf of the people that pay them to do so.”

Best Practice

- Being proactive and adapting to the client's request is paramount in establishing a good relationship with clients. That said the only IPA that sent any form of follow up after not receiving an email back from us was Azerbaijan. They were also the first to agree to send us an email with some form of background information on the sector in question. Besides, we received our first email within an hour of our phone conversation with the project manager.

- In regards to adapting to the client, most if not all IPAs requested that applications/ requests for information be submitted online or that we emailed the general address. Those that went beyond this show their willingness to cater to the clients' needs: Azerbaijan, Kosovo, and Serbia.

- Serbia was also the only IPA to ask about Emerging Europe consultancy activities, and how our organisation operates. The rest took the call or email at face value, not attempting to find out more about our company, even though we were representing an investor.

- When it comes to establishing a good rapport with clients, one IPA stood out: Kosovo. After being put through, the project manager was quick to open a full dialogue, joked a little and made the caller feel at ease, a skill which many forget, and is challenging to master.

- Being forthright, the Czech Republic, while the sector proposed was not one they deal with, they were quick to state this and offered to put us in touch with their sister organisation as well as others so that we could proceed with our project should we wish.

- Returning calls, we understand that an IPA can receive many calls from investors or companies every day and that it may not be possible to respond to all queries on the same day. However, all efforts should be made to take down messages, contact details and return calls in a timely manner. We would say that by close of business the next working day is a good rule of thumb to follow. Unfortunately, this is not something we experienced with any of the IPAs.

- Do not assume that all callers use popular applications such as WhatsApp or Skype. If a person calls, return their call utilising the office line or whatever means possible. One cannot expect that all companies provide individuals with mobile phones, and if they do, due to security reasons quite often the installation of third-party applications not approved by the employer are prohibited.

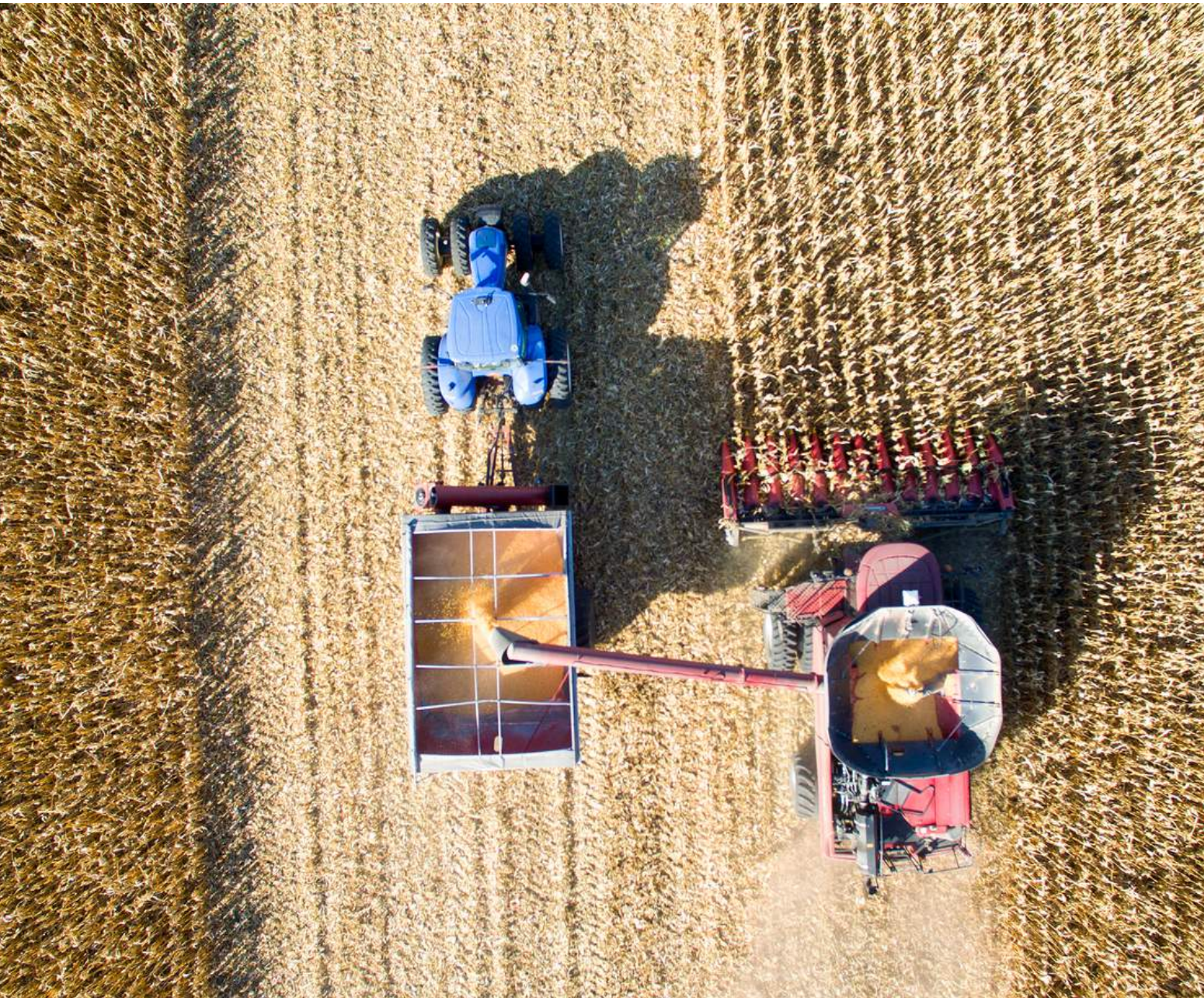
- Take the time to talk to the caller, in many cases the phone calls to the IPAs were very short — long enough to give a bit of background, but that is about it. Navigating a caller to pages or downloadable content on the website is not the way to go. Offer to send them the links or attachments in an email, so they do not need to search the site again.



**Olga
Grygier-Siddons**
CEO, PwC CEE

“If you have few resources, please focus those resources on what investors are looking for as opposed to what you are really keen to get out there and promote.”

- Ensure presentations and attachments that are sent are up-to-date. Kosovo offered a very in-depth analysis of the food processing sector, the only one to provide such a specific report, however, the data was published in 2014 so could be out of date. Poland and Romania both also offered very in-depth reports/presentations, however, these covered the broader sector and were not geared to the specific sub-sector. In addition, Romania provided additional information in their report with information about regulations and taxation as well as links to other organisations.



FDI INFLOW

There are many different factors that determine foreign direct investment inflows, and it is hard to isolate individual factors, given there are many different variables: size of the economy and the potential for growth, availability of workforce, labour skills and wage rates, political stability, property rights, the tax system, transport and infrastructure, access to free trade areas, perception, to name a few.

Table 10. FDI Inflow Ranking Overall

Ranking	Country	FDI inflow points	FDI Inflow Score (weighted)	Emerging Europe Rankings Score
1	Montenegro	65.00	6.50	50.95
2	Czech Republic	65.00	6.50	42.68
3	Estonia	65.00	6.50	38.45
4	Slovakia	45.00	4.50	41.50
5	Croatia	45.00	4.50	38.05
6	Latvia	40.00	4.00	63.27
7	Georgia	35.00	3.50	48.14
8	Slovenia	35.00	3.50	39.32
9	Lithuania	30.00	3.00	65.55
10	Serbia	30.00	3.00	41.68
11	Hungary	30.00	3.00	25.73
12	Albania	30.00	3.00	21.41
13	Poland	25.00	2.50	60.32
14	Romania	25.00	2.50	41.41
15	Azerbaijan	20.00	2.00	41.55
16	Bulgaria	20.00	2.00	36.73
17	Kosovo	15.00	1.50	49.91
18	Bosnia & Herzegovina	15.00	1.50	44.27
19	Macedonia (FYROM)	15.00	1.50	37.00
20	Belarus	15.00	1.50	35.86
21	Ukraine	10.00	1.00	33.55
22	Moldova	10.00	1.00	30.91
23	Armenia	10.00	1.00	21.45

Table 11. Foreign Direct Investment Analysis Ranking

Ranking	Country	2017 FDI Flows Inward (in millions)	FDI Inward per capita 2017	Points for FDI Inflow 2017	FDI Stock: Difference 2017/2016 (in millions)	FDI Stock: Difference per capita	Points for FDI stock difference 2017/2016	Points for FDI
1	Montenegro	545.9	867.54	45.00	1,178.8	1,873.49	20.00	65.00
2	Czech Republic	7,412.2	697.60	35.00	31,613.1	2,975.28	30.00	65.00
3	Estonia	784.4	600.27	35.00	3,780.5	2,893.00	30.00	65.00
4	Slovakia	2,276.7	417.76	25.00	8,290.1	1,521.17	20.00	45.00
5	Croatia	2,104.2	505.25	30.00	5,829.7	1,399.76	15.00	45.00
6	Latvia	721.2	373.70	20.00	3,050.0	1,580.35	20.00	40.00
7	Georgia	1,861.9	476.54	25.00	2,700.7	691.22	10.00	35.00
8	Slovenia	702.0	337.30	20.00	2,382.3	1,144.66	15.00	35.00
9	Lithuania	595.4	206.98	15.00	2,897.4	1,007.29	15.00	30.00
10	Serbia	2,866.7	327.18	20.00	7,298.9	833.01	10.00	30.00
11	Hungary	2,491.6	257.17	15.00	12,782.2	1,319.27	15.00	30.00
12	Albania	1,119.1	381.42	20.00	1,831.7	624.29	10.00	30.00
13	Poland	6,433.5	168.84	10.00	48,130.5	1,263.11	15.00	25.00
14	Romania	5,160.0	263.53	15.00	14,292.6	729.93	10.00	25.00
15	Azerbaijan	2,867.0	288.90	15.00	2,867.8	288.98	5.00	20.00
16	Bulgaria	1,070.7	152.15	10.00	6,220.5	883.99	10.00	20.00
17	Kosovo***	324.7	179.53	10.00	130.8	72.31	5.00	15.00
18	Bosnia Herzegovina	425.2	121.35	10.00	1,298.6	370.65	5.00	15.00
19	Macedonia (FYROM)	256.3	122.94	10.00	947.8	454.59	5.00	15.00
20	Belarus	1,276.4	135.04	10.00	1,153.0	121.98	5.00	15.00
21	Ukraine	2,202.0	50.03	5.00	2,585.0	58.74	5.00	10.00
22	Moldova	213.8	52.92	5.00	669.3	165.63	5.00	10.00
23	Armenia	245.7	83.75	5.00	112.6	38.39	5.00	10.00

*The current population as of Wednesday, June 6, 2018, based on the latest United Nations estimates.

** All values are in US Dollars

*** Source: WIIW FDI report 2018, exchanged from euros to dollars on oanda.com, 6 June 2018

Investment promotion agencies have been established in order to position their countries to compete for foreign direct investment, hence it is their mandate to provide information on business conditions and opportunities to potential foreign investors. When IPAs develop relevant, accurate and timely information and make it easily available to potential investors, they reduce the risk perceptions and transaction costs of investment projects.

It is not possible to estimate exactly how an IPA's strategy and activities have contributed to the country's actual FDI inflows. For the purpose of this research, the Emerging Europe team have taken data published in the latest *United Nations Conference on Trade and Development (UNCTAD): World Investment Report 2018* looking at value of inward FDI in 2017 as well as the FDI stocks in 2016 and 2017 and calculating the per capita values.





TOP TEN RECOMMENDATIONS

- Be a one-stop shop. The IPA's website should be the go-to place for every single investor and a gateway to doing business in the country. Make sure you provide all relevant information and links to other organisations and agencies that can take over at a later stage to tackle particular issues.

- Define the value proposition. Before going out to promote investment opportunities, one needs to know why particular sectors can and should be promoted. Find out what particular sectors can offer investors and how your offer is better than your competitors. Do research and then boast about that.

Choose quality over quantity. Potential investors or location consultants will not have time to go through large texts or brochures in search for basic statistics. Make sure you do the work for them, extract the key numbers present them attractively and concisely

- Be accessible. If you say, you're ready to help potential investors be open to them by making sure there is always someone to answer the phone and take a message and find someone to act on it. Ideally, provide contact details to all relevant employees so the potential investor could reach them directly.

- Be prepared. An internal enquiry handbook for all employees could help improve the process. Most questions asked by investors are similar so make sure that you have all the answers handy. It should be editable so you could send it to potential investors as soon as possible.

- Be flexible. A procedure that every single employee should know when dealing with enquiries is critical. It should take into account possible scenarios in order for the IPA to handle enquiries well. But be flexible and don't ask the investor to send you an email if their question can be answered over the phone, or fill in an online form which asks them to provide irrelevant information.

- Be proactive. When contacted, one can respond to the questions asked, or they can be ready to provide more information and assistance. Ask the investor if they need more information, offer to connect them with suppliers or potential partners on the ground. Or if they go quiet, send them a short email to ask if there is anything else you could help them with.

- Be qualified, fluent and accurate. The emerging Europe region boasts about its highly educated talent. That should be translated to how the IPA operates: business-oriented individuals understanding an investor's needs and speaking excellent English. The latter also refers to the language used on the website and in communications.

- Leverage what you need. There are plenty of elements that you can leverage. Find partners who can provide you with detailed and updated content at no cost or as a part of a counter-marketing arrangement.

- Be social. Social media play an important role. Make sure you utilise this channel to reach out and communicate your opportunities to potential investors. Design a campaign that will include the key social media channels and a newsletter and make sure you execute the plan.



EDITORIAL: DESTINATION EMERGING EUROPE

By Andrew Wrobel

Emerging Europe is the new darling of the outsourcing world, but its countries, regions and cities need to make sure that they sell themselves to investors as effectively as possible.

"Listen first, then sell," writes Timi Nadela, in her book, *Get To The Top: It's About The Heart Sell, Not The Hard Sell*. And bearing in mind her experience as a senior business development professional working with Fortune 100 companies such as American Express, JP Morgan Chase, Delta Air Lines, she seems to know her subject.

Do emerging Europe locations listen to the needs of prospective investors? My observation is that they more frequently talk at those business people than talk to them. Just imagine a location pitch at a conference — the same power point presentation regardless of the sector discussed or of the country those investors represent, always emphasising the strategic location as one of the country's strengths.

A bit confused

David Haigh, the founder and CEO of Brand Finance, tells me that audiences from other geographies often lack clarity on what differentiates emerging Europe's nation brands from each other. "Governments, agencies, and trade bodies in charge of managing nation brands from the region need to rigorously evaluate their countries' strengths and weaknesses as well as the resources they have available to market their nations' unique selling propositions effectively," he says.

On top of that comes confusion regarding whether to promote a region, a city or the entire country. I spoke to Elias van Herwaarden, EMEA service leader for global location strategies at Deloitte's Brussels-based Centre of Excellence for Corporate Site Selection and Foreign Direct Investment Services.

He says that from an investment promotion agency's perspective, each investment project counts and individual regions are as crucial as the entire country. "But of course, there might be huge differences between the cities, and their value propositions should reflect that," he tells me, citing the examples of Bratislava and Košice or Prague and Brno.

"There are cases when the potential investor is interested in getting an analysis of up to three countries in the CEE cluster and then select cities. There is also an approach, which is becoming more popular, to start the location analysis with a selection of cities within the CEE cluster or even compare cities from the global selection. The main driver though, is the overall strategy on target operating model considered," says Violetta Małek, managing partner at Gekko advisoryNOW and formerly director, Management Consulting at KPMG Poland.

What really matters

Globalisation and advancements in technology are making it less of an issue (in terms of geography) in which country the work is placed, as communication channels are ever-improving — as long as the primary safety factors such as the lack of earthquakes or military conflicts are ticked.

“What is critical is access to ongoing resources like graduates or ably-qualified people, the steady supply of future skills like IT, design-thinking, programming etc. On top of that, considerations like how easy it is to do business in the country, how supportive is the local municipality — even looking at capabilities like do they have an international airport with regular daily flights, or fast broadband,” says Tom Quigley, CEO of the Emerging Europe Alliance for Business Services, Innovation and Technology.

Till Hahndorf, managing director at German BW Business Bridge, which identifies and certifies high-quality ICT product and service offerings for the German market, shares Tom’s view. “For a potential buyer, it generates little value to meet a group of companies whose only common capacity is that they all came from the same country. Let’s value domain focus over geographical focus or the actual solutions’ content over where the solution comes from,” he tells me.

Still on the rise

Interestingly, emerging Europe keeps on strengthening its position on the outsourcing map. “Our clients are still very bullish on CEE,” says Charlie Aird, global leader at PwC Shared Services and Outsourcing Advisory and Business Services Transformation. Avinash Vashistha, the founder and board member at Tholons, admits that the region might not be the cheapest but its strength is the talent and the quality delivered. And increasingly more countries see their potential as an outsourcing destination, as far as business process outsourcing and shared services or research and development centres and ICT are concerned. Over the last six months, I have spoken to at least half a dozen government representatives who tried to convince me that their location is excellent for business services.

“The main part is advertising and making people understand that the capability is there,” Charlie tells me.

“Perception is key because people don’t like what they don’t know,” Elias says, and gives an example of Poznań in Poland, which was unknown several years and is now one of the leading BPO/SSC destinations in the country.

Consistency needed

“But that requires work. You need to take part in conferences and seminars, and before you can sell your location, you need to elicit from potential investors and consultants what they know about it, what their concerns are and what they are looking for. Most importantly, listen to them. Then you need to sit down and look at your strengths — how you can use them for your benefit, and at your weaknesses and see how you can mitigate them,” Elias adds.

David tells me that the recipe is simple: work out what you can promote, who you want to target, and how to do it cost-effectively. “The difficulty, however, lies in garnering the universal support of different political, social, and business stakeholders within the country to ensure that all identify with the strategy and adhere to it in their marketing and communications activities,” he adds.

And if you are service providers, join your efforts with other vendors to change the perception or raise awareness about your capabilities.

Kerry Hallard, president of the Global Sourcing Association, shows Ukraine and Romania as examples. “Few people know that Ukraine is a significant player, the potential it has as a destination to set up in, nor the strength of Ukrainian service providers. There are some key service providers, all battling one by one to raise the profile of Ukraine. Certainly, there is a general awareness of Romania as an outsourcing destination, amongst the most critical section of the sourcing community — the buyers, but the fact is that the country lacks real presence in the UK in this area on a macro level,” she tells me.

Better together

Avinash advises taking this joint approach to another level. “There would be a lot of power of having a more regional collaboration,” he tells me.

Tom Quigley thinks it makes sense as buyers or investors will typically look at a region first, and then country and then city. The reason for this is that they want to understand the political, economic, social and technological environment of the broader region. “The region is stronger together and countries can complement one another, thus serving buyers and investors better with their service or location,” he tells me.

“I was at the World Economic Forum in Davos this year and the region is not visible there,” Olga Grygier-Siddons, CEO at PWC Central and East Europe, adds. “We do need to come together to be visible.”

As Farshad Asl, the author of *The “No Excuses” Mindset: A Life of Purpose, Passion, and Clarity*, wrote, “selling is serving, helping others find solutions, impacting lives positively with passion and integrity.”

Andrew Wrobel is the co-founding partner of Emerging Europe and the think tank's head of content strategy and publishing. He is also the chief strategist at the Emerging Europe Alliance for Business Services, Innovation and Technology. Andrew has authored and contributed to a number of international business, investment and trade-related publications, guides and reports, mainly about the CEE region. Currently, Andrew is pursuing a PhD degree in nation branding.





APPENDICES

A FULL LIST OF INVESTMENT PROMOTION AGENCIES

Table 12. List of Investment Promotion Agencies

Country	Name of Organisation (IPA)	Website
Albania	Albanian Investment Development Agency (AIDA)	http://www.aida.gov.al/
Armenia	Business Armenia (Development Foundation of Armenia, DFA)	https://www.businessarmenia.am/en (http://www.dfa.am/)
Azerbaijan	Azerbaijan Export and Investment Promotion Foundation (AZPROMO)	http://azpromo.az/
Belarus	National Agency of Investment and Privatisation (NAIP)	http://www.investinbelarus.by/
Bosnia & Herzegovina	Foreign Investment Promotion Agency of Bosnia and Herzegovina (FIPA)	http://www.fipa.gov.ba/
Bulgaria	Invest Bulgaria Agency	http://www.investbg.government.bg/
Croatia	Agency for Investment and Competitiveness (AIK)	http://www.aik-invest.hr/
Czech Republic	CzechInvest: Investment and Business Development Agency	https://www.czechinvest.org/
Estonia	Estonian Investment Agency (EIA)	https://investinestonia.com
Georgia	Invest in Georgia	https://www.investingeorgia.org
Hungary	the Hungarian Investment Promotion Agency	https://hipa.hu/
Kosovo	the Kosovo Investment and Enterprise Support Agency (KIESA)	https://kiesa.rks-gov.net/
Latvia	the Investment and Development Agency of Latvia (LIAA)	http://www.liaa.gov.lv/
Lithuania	Invest Lithuania	https://investlithuania.com/
Macedonia	The Agency for Foreign Investment and Export Promotion	http://www.investinmacedonia.com/
Moldova	The Moldova Investment and Export Promotion Organisation (MIEPO)	http://www.miepo.md/
Montenegro	The Montenegrin Investment Promotion Agency (MIPA)	http://www.mipa.co.me/
Poland	The Polish Investment and Trade Agency (PAIH)	https://www.paih.gov.pl/
Romania	Invest Romania	http://investromania.gov.ro/
Serbia	The Development Agency of Serbia (RAS)	http://ras.gov.rs/
Slovakia	The Slovak Investment and Trade Development Agency (SARIO)	http://www.sario.sk/
Slovenia	Invest Slovenia	http://www.investslovenia.si/
Ukraine	Ukraine Invest	http://ukraineinvest.com/

METHODOLOGY

Online Communications (max 110 points or 50 per cent of the total score)

The Emerging Europe team has analysed the websites, newsletters and social media of the 23 investment promotion agencies. We have assigned the largest proportion of points to the website performance, compared to the social media and the newsletter.

Website

(each YES answer receives 5 points, max 100 points, later scaled to a ratio of 100 points ($100 \div 110 = 0.9091$))

Twenty questions answered in the process:

1. Does the website offer relevant information about the country's macroeconomic conditions (all five elements/conditions — GDP, unemployment, FDI inflows, trade, CIT and VAT tax rates)?
2. Does the website offer relevant information about sectors (all five elements — share in the economy, sector growth, investment opportunities, access to labour force in the sector, existing investors in the sector)?
3. Does the website offer clear and up-to-date information (not more than 12 months old)?
4. Does the website offer up-to-date information about the country's tax system (all five elements — general information on taxes, CIP, PIT, property tax, VAT)?
5. Does the website offer up-to-date information about the labour market (all five elements — unemployment, annual cost per employee, number of students, vocational training, labour law)?
6. Does the website offer up-to-date information about available infrastructure (all five elements — roads, rail, airports, air connections, internet speed) or a link to a relevant website)?
7. Does the website offer up-to-date information about property/real-estate space — cost, availability?
8. Does the website offer up-to-date information about available incentives (e.g. grants, funding, economic zones, tax breaks etc.)?
9. Does the website include case studies of past investors, where possible, sector by sector? Are testimonials from investors included, also saying why the location was selected? (In order to score 5 points, both questions have to be answered YES).
10. Does the website provide email addresses and telephone numbers in international format with sector contacts?
11. Is navigation simple and straightforward with simple top bar or sidebar menus?

12. Does more than 50 per cent of the content have a reliable source (international organisations, statistical offices, ministries of economy/finance, national banks)?
13. Is the website searchable through common search engines such as Google (keywords ‘invest in xxx’, top result, tested in three locations outside the region)?
14. Does the English version of the website open first, ahead of the local-language version?
15. Does the website include information that specifies what forms of assistance IPA staff can offer to investors?
16. Are the graphics relevant to content, attractive but not excessive, and do they enhance the user experience?
17. Does the website offer downloadable content that is easy to print and distribute (e.g. in pdf format)?
18. Does the website offer links to other key institutions and organisations in the country?
19. Does the website offer attractive video content (short, dynamic, eye-catching, informative, etc)?
20. Is the English used on the website correct, accurate and without basic grammar and spelling mistakes, formatting issues?

Newsletter

(each YES answer receives 1 point, max 5 points)

Five questions answered in the process

1. Does the IPA offer a newsletter in English?
2. Does the newsletter include news related to macroeconomic data and the business climate (new regulations, ease of doing business, etc)?
3. Does it include upcoming events, national or international?
4. Is the newsletter brief and easy to navigate, easy to register for and to opt out of?
5. Is the English used correct, accurate and free from basic grammar and spelling mistakes?

Social Media

(each YES answer receives 1 point, max 5 points)

Five questions answered in the process — all responses adhere to the fact that posts or information is provided in English:

1. Does the IPA run social media channels in English (Twitter, LinkedIn, Facebook — at least two out of the three)?

2. Are posts targeted to global investors?
3. Do they post three or more times a week?
4. Do the posts include multimedia content?
5. Is the English correct, accurate and free from basic grammar and spelling mistakes?

Enquiry handling

As an investment promotion agency becomes better at using its website to market its location and its own services, more and more investors will take the next step of contacting the agency for personalised information. With the majority of agencies now operating good or best practice websites, an investment promotion agency wishing to distinguish itself from its competitors must be ready to help a potential investor at the next stage of the research process, the inquiry.

Emerging Europe Awards case:

A British investor is looking to expand to a new location in Central and Eastern Europe or the Commonwealth in Independent States (CIS) area.

Investment project: Manufacturing

Description: The subject of the investment enquiry will be one based on manufacturing, in particular the establishment of a fruit and vegetable processing plant. The facility will prepare and package fresh fruit and vegetables, manufacturing “ready to cook/eat” products, such as a stir-fry vegetable medley that just needs to be cooked, or sliced apples or other fruit ideal for on-the-go eating. The IPA should be prepared to offer advice on a variety of areas and be proactive in asking appropriate questions. The idea is that the company and facility should be up and running within six months of establishing/ registering the company, pursuant to that within 12 months we should start seeing a 50 per cent return on investment, and within 24 months we should start seeing a profit. There will be a lot of factors that affect the performance of our goals, as we are planning to export the goods, suppliers need to have the relevant certifications and need to meet various international and European standards. If these standards are not met, it will not be possible to export the goods to the EU, for example.

Information that will be necessary for the project to be fulfilled:

1. Proposition of a location (pre-existing facility or land where the investor can build their facility). The size of the property will depend largely on the scale of the project and availability of land, but should easily facilitate a building of about 1,400 square metres with additional land for development and parking. The property should have access to electricity, clean water and be located in an area that is easily accessible for suppliers (farms, packaging, and logistics).

2. They should be ready to offer advice on various topics such as taxes, both on imports and exports as specialised machinery will have to be imported from other countries in Europe and duties may apply. Legal advice, on employment, regulations and health and safety. Advice on the preparation and handling of produce may also be needed. Also the goods produced in the facility will be exported so details as to whether suppliers meet EU regulations if target market is within the EU, or other markets.

3. We will also be looking for advice on employment, key staff should be employed immediately (CEO, HR, IT, Logistics, food technicians, Accounting, Sales and Marketing, eventually 30 or so labourers will be needed also).

4. As to the value of the investment, we will be looking to the IPA to advise as to what would be the appropriate amount of capital for said endeavour. As markets in the region vary it will be hard to set a fixed sum for the investment due to the price of property, cost of hiring staff and amenities.

Process

Emerging Europe's agent makes a call to a general number and wants to speak to the agency's project manager responsible for the given sector. He makes three attempts. When transferred to the project manager, he briefly explains the investment project and asks the representative to send him a follow-up email. In reply he will provide more information and ask additional questions.

(Each YES answer receives 5 points, max 100 points.)

Twenty questions answered in the process:

1. Is the first call, within local working hours, answered promptly (we shall attempt to call the general enquiries number three times)?
2. Is the operator handling the call able to communicate in English?
3. Is the caller transferred to the project manager responsible for the sector at the first attempt? If the project manager is not available, does he or she call back the caller within a reasonable time (by the end of the next day)?
4. Are less than three calls necessary to speak to the project manager?
5. When briefed about the purpose of the call and asked to send a follow-up email, does the project manager respond within five working days?
6. Is the agency's representative proactive (for example, do they include additional questions which can help provide accurate information)?
7. Once you have replied to the initial email from the project manager, does the project manager respond with detailed information within five working days?

8. Does the project manager make a follow-up call to ensure that their second email, to you, has been received?

9. Does the project manager describe how the agency can help the investor?

10. Does the project manager send a follow-up email within two weeks after the main email was received? (At this point the IPA should have sent two emails to the EE, and should have received two email replies from Emerging Europe).

Questions 11-18 pertain to information provided by the project manager. Does the project manager's email:

11. Offer potential location suggestions?

12. Include information about incentives?

13. Include information about access to labour force: key staff, employment regulations?

14. Include information about the advantages over similar locations?

15. Include information about the agency's assistance?

16. Include information about common business costs for the sector and sub-sector?

17. Offer to put the investor in touch with existing investors in the sector or sub-sector?

18. Offer putting the investor in touch with other organisations, such as recruitment agency, real estate agencies, etc?

19. Does the project manager offer a study visit?

20. Does the project manager offer to organise a meeting with the agency's representative in the UK (or wherever the investors base of operation is, provided they have an office/rep there)?

FDI Inflows

In order to calculate the FDI inflows and the FDI stock increase in 2017 per capita, we have used the *United Nations Conference on Trade and Development (UNCTAD): World Investment Report 2018*, and in one case (Kosovo), the findings of the *FDI in Central, East and Southeast Europe: declines due to disinvestment* report by the Vienna Institute for International Economic Studies.

The maximum number of points: 100 (50 for the FDI inflows and 50 for the FDI stock increase).

Table 13. Foreign Direct Investment Stock Methodology

FDI stock increase per capita in US dollars	Score
0.00-499.99	5
500.00-999.99	10
1,000.00-1,499.99	15
1,500.00-1,999.99	20
2,000.00-2,499.99	25
2,500.00-2,999.99	30
3,000.00-3,499.99	35
3,500.00-3,999.99	40
4,000.00-4,499.99	45
4,500.00-5,000.00	50

Table 14. Foreign Direct Investment Inflow Methodology

FDI inflow per capita in US dollars	Score
0.00-99.99	5
100.00-199.99	10
200.00-299.99	15
300.00-399.99	20
400.00-499.99	25
500.00-599.99	30
600.00-699.99	35
700.00-799.99	40
800.00-899.99	45
900.00-1,000.00	50

The final calculation

- A — online communications — x out of 110 points scaled to a ratio of 100 points (50% of the final score)
- B — enquiry handling — x out of 100 points (40% of the final score)
- C — UNCTAD World Investment Report Analysis — x out of 100 points (10% of the final score)

$$A \times 50\% + B \times 40\% + C \times 10\% = \text{final score}$$

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