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A New Generation in Strategic Advisory

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"ICA presents vision on FDI destinations of the future, incentives and investment promotion at SEZ Summit in Kuala Lumpur, Malaysia"

CEO Dr. Douglas van den Berghe presented Investment Consulting Associates' (ICA) vision at the recent 2nd SEZ Summit in Kuala Lumpur, Malaysia.

According to ICA's team of professionals the future center of gravity for FDI will be in the South East Asian region. Although the BRICS will remain a powerhouse for inward and moreover outward FDI expansion, some of the emerging markets are among the Next 11, in particular Indonesia, Malaysia, Philippines and Vietnam. A heterogeneous group of countries that will have their own distinct characteristics to attract FDI. While some of them have the absorptive capacity to attract large scale FDI projects in manufacturing or business services (Philippines and to some extent Vietnam) others offer a huge domestic market with a growing middle class (Indonesia) that cannot be ignored by firms looking to expand their market share, while a country like Malaysia will be able to leverage on its existing investor base to move up the value chain.

Incentives play a role in attracting inward invest, but are often regarded as the 'icing on the cake' by corporate investors. In addition, ICA's CEO observes that many corporate investors often do not see the value in the incentive packages offered since they are not tailored to the specific operational costs of the industry they operate in or the nature of their business activities.

Investment promotion strategies that take into account the corporate perspective can only be successful. According to Dr. Douglas van den Berghe: "Investors increasingly face a more protective business environment that is instable and non-transparent and are reluctant to make the next steps if governments cannot guarantee a long-term vision and policy towards their investment environment. FDI is per definition a long-term investment and requires a similar view by the governments that need to facilitate these investments."

Dr. Douglas van den Berghe
CEO & President EMEA

"ICA's Chris Steele presents on Foreign Investment Incentives at SIDO and Council of State Governments"

Mr. Chris Steele recently presented ICA's outlook of foreign investment trends and best practices to both the State International Development Organizations' annual meeting as well as on a webinar to the Council of State Governments.

The two events - which took place on March 27 in Washington DC - provided opportunities for economic development and state elected officials to ask questions and learn more about how international site selection has changed, factors that are considered most frequently and which affect location decisions, as well as emerging trends. Mr. Steele also discussed currently active sectors as well as issues currently in the press.

Of particular interest was the role that incentives play in the location decision. Mr. Steele noted that while an incentive package cannot address basic business realities or make a 'bad' location into an optimal one, the incentive process can provide an effective forum for developing a strong, mutually beneficial relationship between company and community. However, success is only possible if goals and responsibilities are clearly outlined in advance. Mr. Steele also noted that international companies are very wary of incentive policies if they are suspicious of other liabilities in the community, such as high taxes.

Mr. Steele noted that successful international business attraction strategies must address the fact that communities are increasingly contacted much later in the location process. According to Mr. Steele, "Communities need to be much more proactive at understanding what their location can offer in terms of talent, proximity, and total landed cost. Once they understand the true possibilities, they can do a much more effective job of marketing themselves upstream to potential investors."

Mr. Chris Steele
COO & President NA

For more information about ICA's perspective on foreign investment, incentives and corporate strategy or ICA's services and speaking engagement please contact us at: info@ic-associates.com or call us at +31 20 227 0115 or at +1 617 314 6527.

About Investment Consulting Associates (ICA)

[Investment Consulting Associates \(ICA\)](#) is an independent adviser to companies optimizing their global supply chains and location portfolios. ICA also supports governments in building and enhancing their Foreign Direct Investment (FDI) and economic development strategies. Through our global partner network and multi-disciplinary approach we can assist our clients with an integrated package of service offerings.

Our business philosophy is to utilize smart and efficient software solutions in providing dedicated and tailored consulting services.

LocationSelector.com and ICAincentives.com are two of our flagship web based products for companies and governments assessing and benchmarking the competitiveness of global business locations and optimizing their incentive potential. This unique service offering differentiates Investment Consulting Associates from traditional management consulting firms who are active in the field of investment promotion and corporate site selection services.

Many of our clients are ranked among the world's 500 largest companies, but we also advise midsized businesses, nonprofit organisations, and government agencies. Our global track record supports our mission to become world leader in FDI advisory.



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