Investment promotion agencies in the time of COVID-19

Unpredictable events and crises – such as the current COVID-19 pandemic – pose significant challenges to public authorities. Investment promotion agencies (IPAs) are at the forefront of business attraction and supply chain management and need to be ready to react quickly to these challenges. This note reviews the impact of the COVID-19 crisis on international investment flows and government responses. It summarises the findings of the OECD IPA Network meeting on 9 April 2020 and outlines short-term and long-term responses.¹

The COVID-19 pandemic has provoked a worldwide health and economic crisis. The economic contraction, projected drop in foreign direct investment (FDI), changes to wider government policies and the pressure on public budgets are just some of the areas that will have an impact on the operations and activities of OECD IPAs. The OECD IPA Network provides a forum for IPA experts to discuss challenges and exchange best practices and innovative solutions (see Box 1).
1. The impact of the COVID-19 crisis

**Foreign investment and global supply chains**

According to the latest OECD projections, global FDI is expected to decline sharply in 2020. Besides the dramatic health and social implications, the COVID-19 crisis has caused severe economic disruptions. The IMF (2020) foresees a 3% global contraction, and the OECD (2020a) a loss of 2 percentage points in annual GDP growth for each month of containment. The recession is also going to affect global FDI flows.

![Figure 1. Outlook for FDI flows under different scenarios](image)

Note: For more information on the scenarios, see OECD (2020b)
Source: OECD FDI statistics database and OECD projections

**Even the most optimistic scenario predicts that FDI flows will drop by more than 30% in 2020** compared to 2019, before returning to pre-crisis levels at the end of 2021 (Figure 1). More pessimistic scenarios predict the drop in FDI flows could be deeper and last longer (OECD, 2020b). This shock is adding to the pre-existing **steady decline of FDI flows observed in the past five years**. Overall, IPAs’ core function of FDI attraction will be affected profoundly as less FDI will be available globally in the next 18 months.

**Companies are also likely to rethink their supply chains in the medium and long run.** MNEs are likely to review their operations in light of COVID-19. The direction of changes will depend on how companies will balance risk-mitigation with cost-efficiency, among others. On the one hand, a more systematic valuation of risk of disruptions might encourage shortening of global value chains (GVCs). On the other hand, firms may seek resilience to location-specific shocks through geographic diversification. Some reshoring and nearshoring opportunities may arise but are likely to affect more developing countries (OECD, 2020b).² **Divestments** by MNEs can also play a role in this economic reallocation process as some companies may exit some markets as they seek to restore financial health and focus on their core business (Borga, Ibarlucea-Flores and Sztajerowska, 2020). More information on FDI flows in the time of COVID-19 can be found online at [www.oecd.org/investment/statistics.htm](http://www.oecd.org/investment/statistics.htm).
Government policies in light of the crisis

Governments across the world have undertaken wide-ranging measures to combat the negative economic effects of the crisis. The fiscal packages announced to date have aimed at cushioning the impact of the drop in economic activity and maintaining productive capacity (OECD, 2020d). Supporting business cash-flow has been the core goal of such measures, and they have focused primarily on extending deadlines for tax filing and deferral of tax payments but also faster tax refunds, more generous loss offset provisions and tax exemptions (OECD, 2020d). Countries have also taken or are planning to take temporary state ownership of firms and implemented measures to help firms retain their workers through short-time work schemes or wage subsidies. While in many such support programmes, affiliates of foreign-owned companies are not explicitly excluded, the determination of their eligibility may be complex if they have operations in several countries.

Several countries have also tightened FDI screening. Before, and independent of the pandemic, many countries already had used such mechanisms to protect their essential security interests against threats of acquisitions of certain sensitive assets. The current crisis is a further incentive for countries to consider such instruments, and adds to the growing interest in these policies in the past years (OECD, 2020c; OECD, 2019). Several countries have also already temporarily tightened such policies, for example by reducing the review thresholds (e.g. Australia, Italy and Spain). Yet, FDI review mechanisms can increase uncertainty and costs and delay transactions. Their design should, hence, be guided by principles of transparency and non-discrimination, among others (OECD, 2020c).

The increased pressure on public budgets may also affect IPAs. As governments come to grips with the challenges posed by the downturn, there will be increased pressure on government coffers. This may mean public budget reductions or freezes and an increased pressure to “do more with less”, including through reallocating resources and undertaking new tasks. In this context, IPAs may also see their budgets strained, in particular as governments may shift their priorities and reconsider their approach to international trade and investment. In addition, ministries may require IPAs to reorient themselves towards servicing domestic firms and other government bodies (e.g. ministries and regional agencies) and away from their foreign clients. Yet, considering the potentially important benefits of FDI to local economies and the role of IPAs in attracting it, it is important that the right balance is sought.

FDI attraction and retention can be part of the solution and support economic recovery. MNEs are responsible for a large share of global value-added, trade, employment and research and development (R&D) (e.g. OECD, 2018a; Cadenstein et al., 2018). FDI can also have potentially important direct and indirect effects on the local economy, including by generating jobs and facilitating access to foreign inputs, goods and services and knowledge. MNEs also tend to be larger, more productive, and R&D-intensive than purely domestic firms. As such, they are well-positioned to help governments deal with the effects of the pandemic; as is shown below, IPAs can facilitate such business relations.

For more information on impact of COVID-19 on investment policies, see this OECD note.

2. What are IPAs doing?

The factors discussed above will affect IPAs’ core functions, activities and operations. Health measures have already changed IPAs’ modus operandi and the type of assistance required by clients. The speed of economic recovery, changes to global FDI and government policies may, in turn, influence IPA strategies going forward. These are discussed below with examples of practices of different OECD agencies. While lessons-learned will differ depending on a regional and development context, many challenges faced by OECD IPAs are shared by other agencies and can be relevant in other countries (see Box 1).
Short term responses

A. Re-organisation and innovation

Many IPAs have seen an immediate impact of the crisis on the way of “doing business”. As with many other organisations, IPAs have had to switch overnight to remote working arrangements, and face various organisational, IT and management challenges. For IPAs this has meant cancelling in-person investor visits, events, fairs and missions, which have been a critical component of image-building and lead-generation efforts; regularly providing COVID-19-related information via their websites; and switching immediately to digital tools and solutions, among others changes.

Most OECD IPAs have a dedicated and regularly updated COVID-19 section on their website with information on government support and applicable restrictions. Close to two-thirds of OECD IPAs have a dedicated section translated into English, and even more have some information available (see Annex Table 1 for a detailed list). Some IPAs also use creative digital solutions to assist firms. For example, Invest in Estonia has integrated an Artificial Intelligence (AI)-powered chat assistant (SUVE) to provide investors with COVID-19 information and supported a national hackathon initiative to help identify needed solutions. Czech Invest has also organised a hackathon and created an online platform to allow companies to collaborate in face of the crisis, in partnership with the Ministry of Industry and Trade. The Polish Investment and Trade Agency (PAIH) and AICEP Portugal Global have started organising virtual site-selection visits to assist in project definition. Some IPAs, such as Business Finland or Invest in Spain, also used this time to organise training for staff and webinars for firms; or, in the case of Enterprise Greece, to facilitate e-learning opportunities via existing platforms. Agencies like Business France also provided interactive tools to allow firms to monitor COVID-19 developments in different markets and IPAs such as JETRO and Germany Trade & Invest have conducted online surveys to assess better the impact on firms. Overall, for those with well-designed websites, fully operational Customer Relationship Management (CRM) systems and good access to digital tools and services, the shift has been smoother than for others.

B. Focus on existing clients and information provision

The nature of services provided by IPAs has changed radically by shifting away from marketing to intense aftercare. While IPAs are immediately and significantly scaling down their communications and marketing campaigns and activities, focus is now given to engaging and maintaining contact with existing investors. Informing them about government programmes, helping them to cope with the crisis and supporting their ongoing investments or operations are the IPAs’ immediate priorities. Business continuity and a problem-solving approach are becoming the main drivers of IPAs’ actions.

OECD IPAs have been particularly active in providing rapid, regular and up-to-date information on COVID-19 related developments and government support programmes. Firms are often deeply affected by the crisis and IPAs are central information sources on existing stimulus packages, tax measures, compensation schemes and other policies affecting businesses. In addition to dedicated sections on COVID-19 available on their websites, IPAs are reaching out to their clients via a number of digital tools described above and have developed comprehensive information brochures (e.g. IDA Ireland’s COVID-19 Response...
Plan). KOTRA, Germany Trade and Invest and ABA Invest in Austria, among others, provide daily updates, news and continued information on the evolution of the COVID-19 situation for investors. Austrade provides details on government support for Australian businesses but also uses its wide network of overseas staff to inform its clients on the evolution of the COVID-19 crisis in foreign markets.

As new regulations are adopted to mitigate the impact of the crisis, IPAs have to support investors navigate the rapidly evolving legal framework. Some IPAs, such as SARIO, have to translate the new laws and regulations into English, serving their function of helping and informing foreign investors. InvestChile prepared a comprehensive report on the Impact of COVID-19 on the Economy and FDI, which provides information on the likely economics effects of the crisis as well as an overview of government measures in Chile and in selected countries worldwide. Regulations affecting specifically foreign investment are often a key concern and the IPA’s role to reassure the international business community is even more important. For example, Invest in Spain and Business France have been actively informing and sensitising foreign investors about possible measures affecting FDI.

IPAs can also play a key facilitating role to support companies with their ongoing operations and supply chain relationships. IDA Ireland started a client impact assessment process to understand how firms respond to the crisis and ensure that supply chains and critical infrastructure continue to function. IPAs play their facilitating roles and make their network available to their clients. Business Sweden, established a taskforce and, jointly with regional partners, helps foreign companies with supply chain relationships. Invest in Denmark supports foreign affiliates building up exports again and focuses on maintaining jobs. Some agencies, including Czech Invest, Enterprise Greece and the Polish Investment and Trade Agency stepped up their existing matchmaking services and adopted virtual approaches.

C. Refocusing and activating business networks

IPAs have activated their existing business networks, particularly in the health sector, to help the government fight the crisis. While IPAs have shifted their activities towards aftercare and facilitation services, investment promotion practitioners have proven to be innovative in making themselves useful in these times of crisis. In particular, working with their wide business networks, IPAs seek to use existing facilities to support the crisis response. Invest in Canada and Invest in Denmark are using their networks and making their business contacts available to the authorities to support immediate medical and source healthcare supplies. IDA Ireland also ensures that companies have the supplies they need to produce the medical equipment – especially ventilators – that the Irish healthcare system needs, but also to supply European and global markets. Similarly, IPAs like CINDE Costa Rica and the Netherlands Foreign Investment Agency (NFIA) help with donations to government coming from multinationals while others use their leverage within government to advocate for measures in favour of efficient medical supply chains.

Beyond the health sector, OECD IPAs are also focusing their efforts on hardest hit activities. Germany Trade and Invest narrowed down its consultancy services to five industries, which are both the most hit by the crisis and for which the IPA can maximise its impact. Invest in Finland is exploring immediate industry opportunities that align with Finland’s existing broader strengths in healthcare and digitalisation. AICEP’s aftercare team has established taskforces in specific sectors (health, food, logistics) to support clients solve their supply chain problems and help them access personal protection equipment. There is a tendency by IPAs, not only those that bear both export promotion and investment promotion functions (i.e. more than 50% in the OECD), to devote efforts primarily to exporting firms, as cross-border supply chains are disrupted. The UK Department for International Trade (DIT) issued a comprehensive guidance for UK businesses trading internationally, including on the use of export insurance, while Invest in Denmark prioritises export-oriented investors and those that are likely to maintain jobs. Invest in Estonia is working with border controls to ease trade flows while Business France and the Italian Trade Agency are primarily concerned with small firms’ capacities to export. Some IPAs have also reported that they faced more pressure to assist domestic firms in their investment activities, even if this does not feature in their formal mandates.
Medium and long term responses

A. Going digital

The COVID-19 response has drastically accelerated the earlier trend towards greater digitisation of IPAs. First, many services provided in person may need to be provided digitally in the medium to long term. As direct visits may be cancelled and lead generation via traditional means rendered more difficult or costly, digital means will allow IPAs to continue servicing and identifying future clients. This will require access to different information and communication technology (ICT) tools, ranging from videoconferencing and virtual site-visit facilities, robust CRMs and communication tools and relevant data and AI-business solutions. For example, digital client prospecting, capable of correctly identifying potential leads, and virtual-reality solutions for site visits can gain in importance. IPAs are already planting the seeds of, or speeding up, this transformation. For example, CINDE Costa Rica has accelerated its digital plans, including AI-based marketing, providing services and products online. IDA Ireland is planning to recalibrate its strategy to include more digital solutions and services (e.g. via increased use of e-meetings, webinars and other e-solutions). Business Sweden and Switzerland Global Enterprise are also planning to expand their digital tools and activities. For example, Business Sweden already provides investors with access to online interactive maps of different industrial clusters and proximity of key infrastructure.

Tailor-made and robust CRMs have become even more important. As many IPAs have seen directly when faced with the task of working remotely and reaching out to existing clients, having a well-developed client database with critical information easily available to all relevant staff can affect the agency’s agility and competitiveness. The capacity of CRMs across OECD IPAs varies widely, however (OECD, 2018b). While some IPAs have well-established and high-performing systems, others are starting to implement them (Sztajerowska, 2019). For example, CINDE Costa Rica has a highly-developed system with rich information on all of its assistance since 2000, including the type and cost of service given and other features, which allowed detailed impact evaluations of its activities. IDA Ireland, Business France, Austrade and NFIA also have rich systems, which would permit similar exercises. As CRMs are a key component of IPAs’ monitoring and evaluation (M&E) systems in a context where IPA budgets might become more scarce and the agencies’ value-added closely monitored, the OECD stands ready to facilitate the reflection on possible adjustments and peer-to-peer exchanges in this area.

Investment facilitation, in a broad sense, will also have to enter the digital age. As illustrated by COVID-19, there is a benefit to having paperless and automated procedures. This may stress the need for and value of digital signatures, one-stop shops and, more generally, government facilities that do not require physical visits to obtain relevant information, licenses or permits. For example, Invest in Estonia, Invest in Israel, KOTRA and the Investment and Development Agency of Latvia (LIAA) operate a one-stop shop for investors. Yet, progress on investment facilitation and retention as well as digitisation of procedures lies far beyond the responsibility of IPAs (Novik and de Crombrugghe, 2018). As exemplified by Invest in Estonia and the government-wide e-Estonia initiative, or the case of many Nordic IPAs, it takes a concerted and long-term government effort to implement the necessary regulatory adjustments to make public services available online.

B. New focus and prioritisation

The COVID-19 crisis may propel agencies to reconsider their prioritisation strategies in the medium to long run. Changed economic dynamics may entice IPAs to revise the lists of prioritised sectors, making them more focused and altering the sectoral mix. In general, while the lists of priority sectors are set every few years, nearly half of the agencies review them annually (OECD, 2018b: 67). Some IPAs, such as Czech Invest, Invest in Denmark and Business Sweden already had short and specific lists of sectors prior to the crisis, and others may follow suit. ICT and life-sciences sectors already have been prioritised by most OECD IPAs (OECD, 2018b: 62; Volpe Martincus and Sztajerowska, 2019: 75). Some IPAs, such as
Invest in Israel or Invest in Estonia, have already specifically targeted activities in e-health. As those sectors expand going forward – as new healthcare and remote-work and digital solutions are being developed – an intensification of IPA support for such activities may take place, with other sectors being relegated to a more passive assistance (e.g. answering queries). Finally, some IPAs may also explore new opportunities related to possible near- and re-shoring, supporting start-ups and matchmaking MNEs and domestic firms. For example, when entering supplier-buyer relationships, MNEs may help hard-hit small and medium enterprises (SMEs) recuperate sales and seek new markets. As such, IPAs can play a role in facilitating linkages between domestic SMEs and MNEs (65% of OECD IPAs offered such services prior to the COVID-19 crisis, see OECD, 2018b).

The earlier trend towards more and better developed targeting may be accentuated. Prior to the crisis, several IPAs had been reflecting and developing tools to better identify and support FDI projects that can have the highest impact on the local economy and support sustainable and green growth. For example, Business Sweden has used for years a qualitative evaluation system to identify “high-quality” projects and the UK DIT will continue to build on its work to maximise its economic impact through use of economic analysis and intelligence driven prioritisation, ensuring FDI plays an effective role in economic recovery. Many other IPAs have expressed a strong interest in better prioritisation that is evidence-based and centred around sustainable development. This trend may be accentuated as the pressure on IPA budgets increases, and the recovery requires a concerted effort to create and sustain jobs. Effective prioritisation, however, relies on agencies’ capacity to track and assess their past performance and effectiveness of different services through M&E systems (see the OECD note on IPA monitoring and evaluation). The OECD stands ready to help IPAs reflect on how to adjust them to make them useful for prioritisation.

C. Rethinking strategies and reforms

IPAs’ capacity to adapt to new situations makes them key actors in governments’ responses to the COVID-19 crisis. By working closely with the private sector and on different policy areas, IPAs are often flexible and prone to adapt to new situations. The average OECD IPA has experienced close to two organisational reforms in recent years (OECD, 2018b), making them accustomed to frequent, efficient and profound institutional changes. Some agencies have taken advantage of a previous crisis situation to better adapt to that of COVID-19. As such, InvestChile was already functioning on a remote basis before the COVID-19 outbreak due to existing social unrest in the country and can thus use this head start to better adapt to the future. The UK DIT is leveraging its current institutional set-up to ensure strategic planning is informed by broader economic policy-making and analysis on the role of FDI in the UK economy prepared in a Brexit context.

In light of their evolving roles, IPAs are rethinking their strategic orientations to better respond to both public and private sector needs. While aftercare services have naturally taken a prominent role in the short term, IPAs are inclined to put further emphasis on investor retention and expansion in their medium to long term investment promotion strategies. In doing so, co-ordination with local and regional partners takes on special importance. Switzerland Global Enterprise will focus its attention on retention activities in close co-operation with subnational IPAs while Germany Trade and Invest is also planning future aftercare services jointly with Federal agencies. SelectUSA continues to scale up its retention and expansion activities, to support existing investors and state-level economic development organisations, and plans to continue this trend.

Investment climate reforms, supported by IPA policy advocacy, will become ever more important in a context of uncertainty and possible protectionist tendencies. IPAs have a key role to play through policy advocacy (see the OECD note on IPA policy advocacy), which they perceive will become more important in the long run. As FDI declines, sound business environments will become even more salient for investors. Working at the intersection of business and public service, IPAs are particularly well-placed to advocate
for open, transparent and well-regulated markets. In this context, Invest in Spain will reinforce its policy advocacy role to limit trade and investment barriers and improve the investment climate. Similarly, the UK DIT seeks to play a greater policy advocacy role to ensure that policy instruments are non-discriminatory and based on openness. Germany Trade and Invest plans to gather intelligence from its overseas employees to prepare its policy advocacy strategy and feed into the German government policy decisions.

**IPAs are well placed to leverage on synergies with other policy areas but may undergo organisational changes.** Many IPAs highlight the importance of effective government co-ordination for a comprehensive and effective response for investors. As investment is horizontal by nature, they equally note the value and necessity of cross-fertilising with other policy areas, especially in IPAs combining different mandates. As governments and IPAs rethink their approaches to investment promotion and investment policy, organisational changes are likely in the future. The OECD stands ready to advise IPAs in their quest for best-practices in this area and support whole-of-government business climate reforms.

### 3. The way forward and the role for the OECD

- **Monitoring new COVID-19-related developments:** In the short term, the bulk of IPA activities will focus on monitoring relevant COVID-19 developments, informing clients on policies and regulations, focusing on business continuity and trouble-shooting. As the measures implemented by other countries will influence foreign investors and IPAs, several OECD tools can assist IPAs in this task. For example, the [OECD Country Policy Tracker](#) is an interactive map that allows tracking of crisis measures taken by governments in different countries; while [COVID-19 Watch](#) is an AI-powered tool that allows for live-tracking of the spread of the virus. The [OECD FDI Statistics database](#) and newsletter can help countries monitor recent developments in FDI at the global level and at the country level for OECD and G20 economies. The OECD will continue to provide detailed information and analysis of the impact of COVID-19 on FDI.

- **Peer-to-peer exchanges and foresight planning in the OECD IPA Network:** IPAs often look across borders to obtain ideas and learn from others. Exchanges among peers on experiences and lessons-learned can be critical where short-term responses require quick adaptation and medium-term responses can have a long-lasting impact. The OECD’s multidisciplinary expertise spanning investment as well as macroeconomic forecasting, health, SME development, digital and other emerging technologies, and climate change can also provide critical insights into the discussion on IPAs’ future in the post-COVID-19 world. In this context, the OECD will maintain the ongoing dialogue within the OECD IPA Network on the impact of COVID-19 and its annual activities provide an opportunity to discuss in detail key IPA tools that may have gained in importance.

- **Getting ready for the future:** The future is uncertain and may require profound changes. As discussed above, IPAs may need to consider adjustments to prioritised sectors, rethink their strategies and experiment with institutional solutions. Updated information on cross-country practices will become important. Its utility was showcased by the [in-depth benchmarking of IPAs in OECD](#) and other regions, enabled by the OECD-IDB survey of IPAs. In addition, investments in evaluation of IPA activities can generate critical inputs for future decision-making. The OECD can provide such information and analysis for individual IPAs. The analytical work on different aspects of FDI policies, including [FDI restrictions](#) and [national-security screening](#) mechanisms, [FDI qualities indicators](#), and broader [business climate reforms](#) can also prove useful, and be shared with the OECD IPA Network.
Box 1. OECD IPA Network

The OECD contributes to global thinking and international co-operation on investment promotion and facilitation through analysis and experience sharing. In 2016, the OECD IPA Network was created under the auspices of the OECD Investment Committee and brings together senior investment promotion practitioners from OECD and partner countries to facilitate peer-learning on issues of common interest.

The Network’s main objectives are:

- To bring together a community of like-minded investment promotion practitioners willing to engage in discussions, exchanges and experience sharing;
- To benefit from OECD expertise to gather, build and use knowledge and evidence-based analysis on investment promotion and related topics; and
- To engage with policy makers and IPAs from other regions.

The OECD IPA Network is currently chaired by the Commissioner of the Netherlands Foreign Investment Agency and closely advised by a Steering Group composed of IPA representatives from Costa Rica, Denmark, France, Germany, Ireland, Israel, Sweden and the United Kingdom.

The OECD IPA Network has established itself as an important forum for exchange and networking among practitioners from IPAs across the OECD area. The Network provides tailored policy analysis and advice to IPAs in the OECD area and around the world. It forms an important cornerstone of the OECD’s work on international investment. The thematic discussions, which take place during annual meetings every October, advance collective understanding on issues of joint interest and facilitate exchanges on best practices.

## Table 1. Overview of COVID-19 information on IPA websites

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<th>Dedicated COVID-19 Section in English</th>
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<tr>
<td>Costa Rica***</td>
<td><a href="http://www.cinde.org">www.cinde.org</a></td>
<td>✓**</td>
</tr>
</tbody>
</table>

Note: Information on the content of IPA websites as of 20th April 2020. *Belgium does not have a national IPA, hence, the two principal regional agencies are listed. **Some information available in English or the original language but not a dedicated section with information on the applicable government policies (e.g. support and health measures). ***OECD Accession Country.
Notes

1 The information presented in this note draws on the discussions during the OECD webinar on 9 April 2020 as well as research by the OECD Secretariat. For more information on the OECD work on investment promotion and facilitation, see: www.oecd.org/investment/investment-promotion-and-facilitation.htm.

2 The existing OECD evidence suggests that, while aided by technological advances, reshoring to the developed economies has been limited thus-far (e.g. de Backer, et al., 2018 and 2016) and that the rise of “new” emerging markets and a growing consumer demand is likely to expand GVC by 2030 (de Backer and Flaig, 2017).


4 For example, there is no exclusion in the CARES Act for US businesses owned or operated by foreign entities or individuals and local subsidiaries of foreign companies may be eligible to receive assistance. However, as it is required that the company has significant operations and a majority of its employees based in the United States, the determination of eligibility would depend on the exact characteristics of the company.

5 For example 14 out of 27 European Union member states have FDI screening in place, and the European Commission has issued guidance to its members on its increased use in the current context. For the list of all EU countries with FDI screening mechanisms in place, https://trade.ec.europa.eu/doclib/docs/2019/june/tradoc_157946.pdf.

6 See e.g. Alfaro (2016), or OECD (2019), Farole and Winkler (2014) for a policy-relevant summary.

7 This is because operating abroad involves additional risks and fixed costs, associated with building distribution and supplier networks or getting acquainted with local tastes and conditions, that only the most productive firms can bear (e.g. Helpman, Melitz and Yeaple, 2004; Antràs and Yeaple, 2014).

8 Most OECD IPAs provide investment-promotion services to foreign rather than domestic firms albeit those that serve a dual function of investment and export promotion (56%) serve both types of firms. Job creation and innovation have already been one of the most commonly used prioritisation criteria by OECD IPAs (OECD, 2018).

References


OECD (2020b) FDI Flows During the COVID-19 Crisis: What Can Happen in the Short and Longer Run?


OECD (2020d), Tax and Fiscal Policy in Response to the Coronavirus Crisis: Strengthening Confidence and Resilience.


