

**WORLD EXPORT DEVELOPMENT FORUM 2007**  
**Bringing Down the Barriers –**  
**Creating a Dynamic Export Development Agenda**

**Tuesday, 9 October 2007**

**Attracting Buyers and Fencing In Investors - The Business Environment Imperatives**  
**Breakout Series 2: Building Competitive Business Environments**

Richard Ong, Leading Executive, Smart Education Centre, Malaysia  
Celina McLean, Project Director, Institute of International Strategy, Argentinian  
Chamber of Exporters (CERA), Argentina  
Esperanza Durán, Executive Director, Agency for International Trade Information  
and Cooperation (AITIC), Switzerland

Moderator: Martin Watson, Representative for Global Economic Issues, Quaker UN Office, Switzerland

“We all know that the best way of attracting investors and buyers is having a business-friendly environment,” said Esperanza Duran, Executive Director of the Geneva-based Agency for International Trade Information and Cooperation (AITIC). “Governments must give priority to establishing a transparent and consistent regulatory framework to encourage and regulate business and competition.” Without this, she added, “developing countries will be unsuccessful in attracting the necessary sustained investment from the private sector.”

In order to convince governments to create an investor- and buyer-friendly climate, it is best to look for solutions to regulatory problems rather than treat them as a problem, said Celina McLean of the Argentinian Chamber of Exporters (CERA). CERA works to tackle thorny issues through special sectoral commissions which come up with proposals for government action then transmitted to the authorities in a non-confrontational manner. Government should not be treated as a hurdle, and relations between business and government should be built on trust.

### **National interest at heart**

From the audience, Ricardo Estrada of the Ecuadorean trade and investment promotion agency CORPEI agreed. Business should be a promoter of its sector rather than a political and policy opponent when dealing with government. It is important, said McClean, for business to emphasize that it is not seeking sectoral advantage but has the overall national interest at heart. This view was supported by Dattuk Supperamaniam of the Federation of Malaysian Manufacturers.

The Malaysian government tackles the issue of attracting buyers and investors through posting trade missions around the world, said Richard Ong of the Kuala Lumpur-based Smart Education Centre. It also provides grants to its companies to help them send representatives to exhibitions and trade fairs.

But this approach was challenged by participant Hilmy Cader, of the Bahrain-based MTI Consulting Group. A study of buyers’ attitudes carried out by his organization showed that they reached deals rather on the basis of one-on-one negotiations. The study also showed that buyers are no longer looking at one supplier but at supply chains.

### **PPPs for investment**

Duran said private-public partnerships, or PPPs, including joint ventures, are perhaps the best vehicle for developing countries to attract long-term investment.

They have been very successful but largely in developed countries. The large informal sectors with jumbled operational structures that exist in many developing countries make it very difficult for outside investors or potential trade partners to identify potential groups for cooperation.

Aid-for-trade requires a private-public dialogue in developing countries where it does not already exist, said Duran. “Developing countries must not let the occasion slip through their hands: they should work swiftly towards establishing long-lasting private-public partnerships.”