

Foreign Direct Investment Policies

Seminar organized on behalf of the Austrian Authorities (Austrian Ministry of Finance and Oesterreichische Nationalbank, Austria's central bank)

at the Joint Vienna Institute (JVI)

Vienna, 8 to 12 December 2003

Implementation: The Vienna Institute for International Economic Studies (wiiw)

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Outline

It has become general wisdom that foreign direct investment contributes positively to economic growth and efficiency in transformation countries. Still, many governments find it difficult to put this message in the focus of their economic policy. They are not always able to provide investors with a stable and attractive environment.

The seminar focuses on benefits and problems related to foreign direct investment policy. Austrian and other countries' experience and policy options are discussed in the framework of globalization and European integration. Technical knowledge related to foreign direct investment promotion and location policy is delivered through country, regional and case studies.

Structure

The seminar is structured in ten half-day blocks of about three hours each. The lectures are held by experts of the theme. One third of the time in each block is devoted to the case study of an Austrian company or institution. Further case studies and country experience is to be brought in by the participants.

Target group

The seminar addresses mainly countries labelled as applicants to EU Membership, namely Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and the Western Balkans, Albania, Bosnia and Herzegovina, Croatia, Macedonia, Yugoslavia.

Advanced language abilities of the participants in spoken and written English are expected.

The participants should be on the level of decision-makers involved in foreign direct investment policy who are familiar with general investment promotion policy and/or touch upon the relation with foreign investors.

Costs

The costs of participation (accommodation and daily allowance) are borne by the Austrian Authorities. Only travel costs to and from Vienna have to be covered by the home institution.

Preparation

A reading list and the outline of two major papers is sent to the candidates. The list is representative for the theoretical foundations of the course and was prepared for the information of the participants. Some of the more important papers will be mailed to the participants for preparatory reading.

Participants are asked to take with them a description of their country's FDI and/or privatization policy objectives and instruments, as well as some case studies. This knowledge will be confronted with new ideas learned during the course and presented at the end of the seminar.

Programme:

1. FDI in the transformation process

Special attention is paid to the impact of FDI on restructuring and growth. FDI policies in transition countries will be examined.

2. Austria

The session focuses on Austria's development and its determinants, as well as the lessons being drawn from inward and outward FDI.

3. Tax incentives

Focus is on the design of tax incentives as well as their application in transition countries. Attention is also paid to industrial policy environment for investments

4. Case studies:

Analysis of the Gmünd (Austria) – Czech Republic business park; Győr industrial park; Austrian Business Agency; Eco Plus and Wibag/Bic.

5. Determinants of FDI

Firm specific and country advantages as joint determinants of FDI are analyzed as well as the role of local competition.

6. Clusters

The session deals with cluster oriented policies in Austria, the liberalization and privatization of the Austrian energy sector and European integration in relation with trade and FDI.

7. FDI policies

The session deals with the motivation of foreign investors, of host country governments and firms in privatization. Privatization policies to attract FDI, in particular the privatization of utilities to foreign owners are discussed.

Faculty

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