

Foreign Direct Investment Policies

Seminar held at the *Joint Vienna Institute (JVI)*, **Vienna, 10 to 14 October 2005**, organized by *The Vienna Institute for International Economic Studies (wiiw)* on behalf of the *Austrian Authorities* (Austrian Ministry of Finance and Oesterreichische Nationalbank, Austria's central bank)

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Deadline for application: 1 August 2005
(Please e-mail your CV and a letter of interest to the coordinator, or fax to wiiw)



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Outline

It has become general wisdom that foreign direct investment contributes positively to economic growth and efficiency in transition 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 the benefits and problems related to foreign direct investment policy. Austria's 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 on the topic. One third of the time in each block is devoted to a case study of an Austrian company or institution. Further case studies and country experience are to be brought in by the participants.

Target group

The seminar addresses the following countries: Belarus, Bulgaria, Moldova, Romania and Ukraine, as well as the Western Balkans: Albania, Bosnia and Herzegovina, Croatia, Macedonia, and Serbia and Montenegro.

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, 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. Travel costs to and from Vienna are partly subsidized by the Joint Vienna Institute.

Preparation

Participants will receive some papers in advance for preparatory reading. These papers are representative of the theoretical foundations of the course.

Participants are asked to take with them a concise presentation 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

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

4 Case studies

'The investment decision process and its application for transition countries' by the Soravia Group Austria,

'Investment promotion in Austria', Presentation of the Activities of the Austrian Business Agency (ABA), Eco Plus and Wibag/Bic.

5 Determinants of FDI

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

6 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.