

Summary EDBR advise International Acquisition

Direct Foreign Investments for Rotterdam

Many countries are actively attracting direct foreign investments (DBI). Foreign investors generate economic growth, generate direct and indirect job opportunities, strengthen the power of innovation, keep the business world on its toes and provide access to international networks and activities. A lot of countries are doing this with ever increasing enthusiasm and energy: in more and more places 'red tape' is giving way to 'red carpets'.

As far as attracting foreign investors is concerned the Netherlands is not doing well enough. We are in tenth place in Europe but we are not doing so well in global terms. Although the Netherlands claims to be fairly successful in attracting foreign investments, as a country we are doing worse than, for example, Belgium and Ireland, despite our economic advantages and our business instinct.

Failure to organise adequate international acquisition can lead to a worsening of your international competitive position. As a city or region, it is important to distinguish yourself from the rest. Attracting foreign companies and foreign investors to a particular country, region or city is a task that devolves to a large extent on the Investment Promotion Agencies (IPA's). Providing potential investors with high quality services is becoming an increasingly distinguishing factor. The success of an IPA depends on a number of critical success factors such as:

- recognising the strategic function of an IPA
- coordination of acquisition activities
- clear-cut service, one-stop shop
- vision and strategy
- performance evaluation
- power to make decisions
- proactive service
- ability to adapt
- personnel
- personal relationships

To achieve sustainable economic growth Rotterdam needs to have an attractive economic climate for companies and knowledge workers. This means that Rotterdam must be physically, socially and economically attractive. Many of the factors that ensure this can be affected by the city's urban policy, such as developing and stimulating the entrepreneurial climate and making sure the educational structure is good, improving the social cohesion, safety and quality of life and improving the administrative machinery. In addition, the world must be properly informed about Rotterdam and its economic climate.

Rotterdam is not an isolated entity. We are part of a much larger region, which has a great deal of strengths and a lot to offer investors. If we recognise these strengths and use them intelligently, we can be much more successful in attracting investors.

Something that we are lacking within our city boundaries may well be found in a neighbouring municipality. So acting in concert means a win-win situation for all the municipalities involved.

Various parties in Rotterdam are engaged in international acquisition, or certain areas of it, and are doing so with verve. Rotterdam can mark up frequent successes in the domain of international acquisition. However, in comparison with our neighbouring cities, regions and countries we ought to and can do a lot better as 'Gateway to Europe'. To achieve that, we need a more incisive approach.

Each of the organisations and services in Rotterdam that are engaged in international acquisition has its own tasks, areas of expertise and rationale. These organisations overlap each other partially and there are still some deficiencies to be found in the service levels required. It is not always clear to the various players in the market who the other players are and what their position is. There is too little coordination or cooperation. The current situation gives rise to several obstacles in terms of implementation:

What

- International acquisition is not recognised as a strategic choice.

How

- Rotterdam does not radiate a clear image to the outside world.
- Rotterdam cannot be seen clearly enough on the radar of the NFIA and other acquisition organisations (in other countries too).
- People are making too little use of the existing Rotterdam business world as a channel for acquisition.

Who

- Various organisations are engaged in international acquisition but do not always work together efficiently: there is no strategic cohesion.
- There is too little clarity between and within the parties about tasks, responsibilities and processes, so collaboration is being hampered.
- The capacity (number of employees), the budget, the autonomy and the position within the municipal machinery of the present I&A department of the OBR are not optimal.

To be able to have greater success as a city in (international) acquisition it is therefore important to create a central organisation that can meet as many as possible of the above-mentioned critical success factors. In the current situation in Rotterdam the natural solution would for the current International and Acquisition department of the OBR to get this central and strategic function. A number of essential steps will have to be taken to achieve this.