

Common Market for Eastern and Southern Africa
Regional Investment Agency
COMESA RIA

PRIORITY SECTORS FOR PROACTIVE PROMOTION
Capacity Building Training

3rd of April 2024

OUTLINE

- What are Sectors, Industries, and Subsectors?
- What is an Investment Opportunity?
- How to identify priority sectors for promotion?
- The Sector Study – The priority sector identification research process at the core
- Building a value proposition or telling the most convincing story

What are sectors?

- In investment promotion it is common to speak about sectors, industries, subsectors but it can be confusing.
- **Sectors** have two different meanings:
 - An **economic sector** refers to one of four possible categories: primary (extractives – raw materials – mining fishing and agriculture), secondary (Manufacturing – production of finished goods), tertiary (Services – intangible goods and services), and quaternary (knowledge economy, education, research and development). ACADEMIC
 - **Sector** – Government and financial analysts tend to divide sectors in terms of the goods they produce. USED MOST OFTEN IN INVESTMENT PROMOTION
- **Industry** is an economic activity concerned with the processing of raw materials and manufacture of goods in factories (Secondary sector) and usually refers to the final product.
- **Subsectors** are sectors within a wider sector, ie. Automotive sector and automotive component subsector; Chemical sector and basic chemicals, specialty chemicals, consumer care products, and pharmaceuticals subsectors

Investment Opportunities

Investment Opportunities - The Government View

- Any investment that supports the vision and achievement of a country's economic development strategy objectives.
- Public, private, and PPP investments - aim to generate a return which will benefit citizens, business and the economy at large. From infrastructure to job creation, from value addition to participating in global value chains...
- However, public institutions tend to think from their point of view often disregarding two key critical factors:
 - Am I selling an investment opportunity? There is a tendency to think that investors want to buy public assets (i.e. public land) but an investment project always has a purpose and the assets (whether purchased or leased) are just a necessity but rarely the reason for investing.
 - Is there demand for the opportunity I am selling? **If no one wants to buy it, it is not an opportunity!**



Investment Opportunities – The Private Sector View

- First and foremost, an investment opportunity is any transaction which results in an acceptable return or profit.
- The definition is conditioned by profit, meaning clearly that the opportunity's audience is business and therefore, **all investment opportunities must be constructed or identified with business (exclusively) in mind.**
- Profit is a necessity however every investors has his/her own motivations for investing (or problem) and therefore understanding these are essential to be able to know whether your IPA can provide him/her with the right solution.
- Every location has it competitive advantages and therefore offers what it offers – can your location's offer match/ satisfy the investor's needs or motivations?



Investment Opportunities - Where do I begin?

Identifying main Investor motivations (4 main drivers):



Market Access

Natural Resources



Strategic Asset

Cost-Efficiency

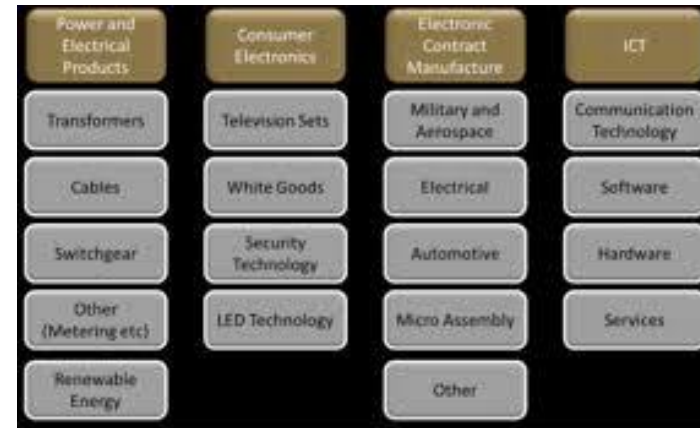


Source: Dunning, J.H., "The Eclectic Paradigm of International Production: A Restatement and Some Possible Extensions", *Journal of International Business Studies*, Vol. 19(1), 1988, pp. 1-31.

Investment Opportunities

- Investment opportunities are to be found always within concrete sectors, subsectors and/or activities.
- Knowing your location in depth, its key sectors of opportunity and all the arguments which support the “opportunity” is the only way to present a credible value proposition; one that will meet a potential investor’s needs.
- As rarely no single location offers a “perfect” opportunity within a wide sector (which incorporates many subsectors), it is important to delve deep into each sector to ascertain those segments in which the opportunity is clearest:

- i.e. Chemicals: Is it basic chemicals, or is it specialty chemicals? Is it for construction, the automotive sector or is it for industrial machinery?
- i.e. Automotive: Is it tier 1, tier 2 or tier 3? Meaning, simple individual parts (3), Components (amassing various parts) (2), or is it modules and systems (combination of components creating a system or module) (1)?
- i.e. Agribusiness: Is it agriculture production? Is it agricultural inputs (seeds, fertilizer, machinery...)? Is it processed foods (chopped, cooked/cured, frozen, canned, or dried...)?



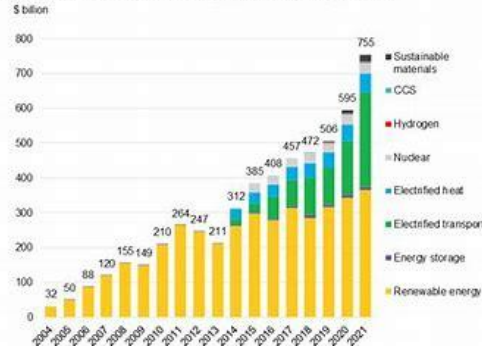
Selecting your Priority Sectors for Promotion

Selecting Priority Sectors – Strategic Alignment

- National and line ministry development strategies are a good starting point to **generate a long list of potential priority sectors** for investment promotion.
- But remember:
 - These strategies showcase the most important sectors for your location's economic development (NOT INVESTMENT PROMOTION).
 - The (national and line ministry strategic) sectors are not selected for their capacity to generate immediate profits or because there is a clear market demand.
- What is important, however, is that such sectors are researched and selected for their **capacity to deliver the desired impact** for an optimum economic development.
- Investment promotion's role is to effectively contribute towards achieving their location's economic development objectives and impacts.

Selecting Priority Sectors - Demand

Figure 1: Global investment in energy transition by sector



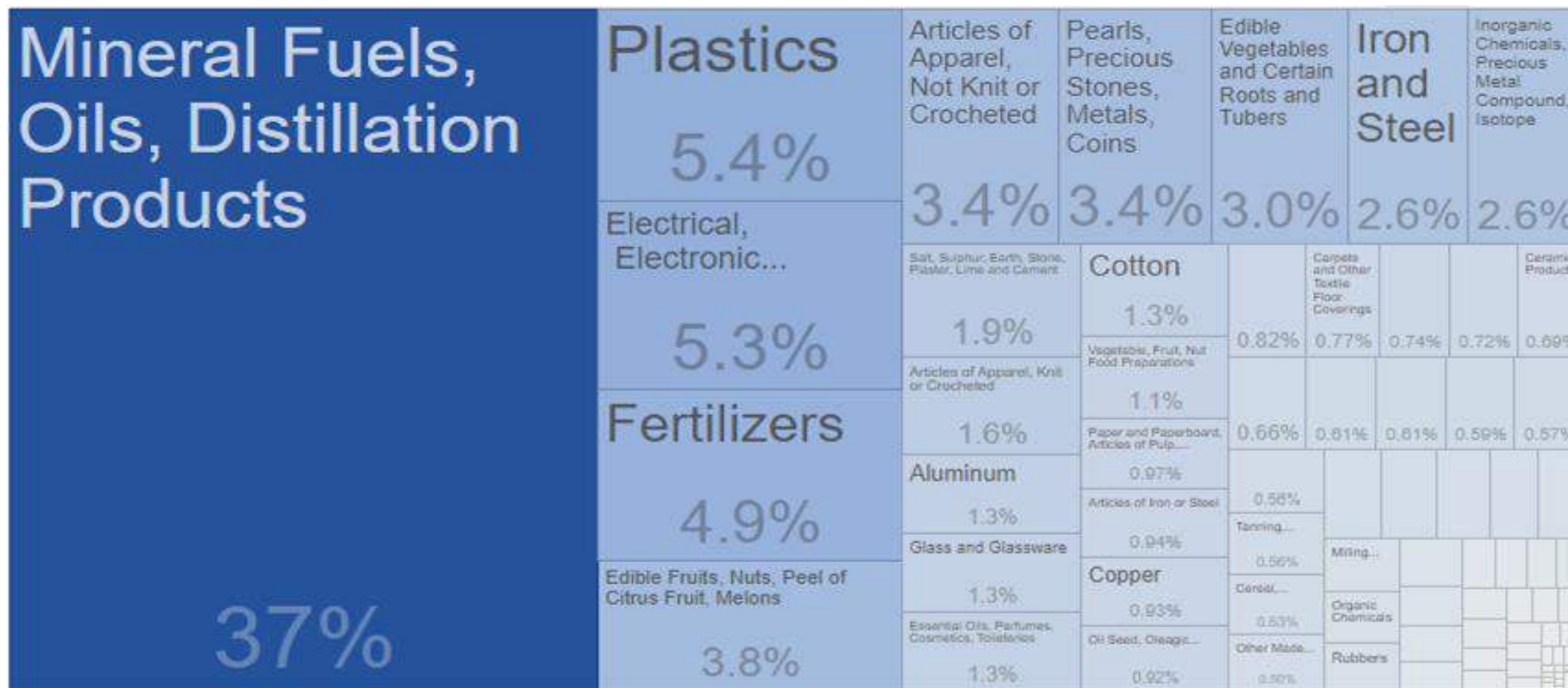
Source: BloombergNEF. Note: start-years differ by sector but all sectors are present from 2019 onwards.

- Demand is identified by researching global, regional and national investment trends (per sector).
- If investors have been investing consistently in a sector for a given time frame it means that there is investment appetite for that sector.
- Another way of explaining it is that if investors invest, it is because they expect a return on their investment and therefore, they have clients (a market) that want to buy their products and/or services.
- Sector demand however should also be complemented by observing the import and export trends for that product/sector.
 - Significant exports values (and ideally sustained growing trend) points to your location being a strong producer market (and that produces with a quality that the world wants to buy).
 - Significant imports points to a national market's (your location) concrete demand for a specific product or service.

Selecting Priority Sectors – National Demand

COUNTRY X Investment 2015 - 2022			
Sector	No of projects	Total Jobs Created in numbers	Total Capital investment in USD
Business services	10	1,80	451.30
Software & IT services	11	676	76
Communications	12	1,23	661.30
Financial services	13	132	57.00
Transportation & Warehousing	14	311	534.50
Hotels & tourism	15	679	270.00
Metals	16	250	428.30
Real estate	17	100	1,927.40
Renewable energy	18	187	554.50
Automotive OEM	19	384	66.00
Other sectors	20	300	2,067.16
Total	X	X	X

Selecting Priority Sectors - Exports



Source: Observatory of Economic Complexity

Selecting Priority Sectors – Exports

IPA Strategic Sectors	Stated subsectors	Imports (average over 5 years in million USD)	Exports (average over 5 years in million USD)	
Agriculture and agribusiness	Rice (HS 1006)	\$400.12	\$39.46	Net importer
	Fruits & nuts (HS08)	\$34.814	\$62.74	Net Exporter
	Harvesters and agri machinery (HS 8433)	\$7.14	\$0.2148	Net importer
	Vegetables (HS 07)	\$69.76	\$70.266	About the same
Digital economy	Computer and information sources (HS 7 Services)	\$141.4 (data 2016 – 2018)	\$240.8 (data 2016 – 2018)	Net exporter
	Other business services (HS 9 Services)	\$151 (data 2016 – 2018)	\$186 (data 2016 – 2018)	Net exporter
Mining	Phosphates (HS2510)	Not needed / Extractives	\$30.7	Net exporter
	Gold (HS7108)		\$422.33	Net exporter
Seafood and aquaculture	Fish and crustaceans, molluscs, ... (HS03)	\$46.2	\$410.1	Net exporter

Selecting Priority Sectors - Demand

- Once you have determined that current (market) demand trends:
 - Support the sector or activity investment trends being researched,
 - That exports values and trends show that your location is an “established” market to produce the sector products and/or services, then
 - **You must research future consumption trends (estimates) for those products and/or services to ensure that the current growth or demand trends, will continue in the future.**
- When analyzing demand parameters discussed, be aware of the relevant details that your research is shedding light on, for example:
 - Is it a whole sector or is it a specific segment or segments within a wider sector that shows a specific demand niche?
 - Sectors research will inevitably bring you to identify the segments in which your location has already a strong position either through already established analysis from industry reports and/or through seeing the various companies operating in the sector which are often categorized by segment (subsector) and activity (manufacturing and/or services).
 - Are the trends pointing to specific source markets of sector/segment investment? Are investment target markets consistent in the trends or are there new one's surfacing?



Selecting Priority Sectors – Future Demand

IPA Strategic Sectors	Stated subsectors	World /regional Demand	Source
Digital Economy	ICT and electronics (Communication & ICT Software)	<ul style="list-style-type: none"> - Investment in the order of \$3 bn a year will be required to address low ICT penetration. - Internet usage in Country X in 2017 was 46%. - The African IT/BPM industry is highly competitive; favourable time zone and population speaks french or English. 	https://saiia.org.za/research/africas-ict-infrastructure-its-present-and-prospects/ https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/African%20IT%20and%20BPO%20Market%20%20Report%20201109_02.pdf
Seafood and aquaculture	N.A.	<ul style="list-style-type: none"> - global per capita fish consumption increased 3.1% every year from 1961 to 2017 (FAO) - fish production from aquaculture has outpaced capture fish production – some experts believe that by 2030, almost ⅓ of all seafood produced for human consumption will come from aquaculture. - research shows that small reservoirs in West Africa tend to be more productive than larger ones. - Global aquaculture demand to reach US\$232.4 Bn by 2026, growing at a CAGR of 4.4%, (2020-2026) 	https://www.empowerafrica.com/why-you-should-invest-in-aquaculture-in-west-africa/ https://www.prnewswire.com/news-releases/global-aquaculture-market-to-reach-232-4-billion-by-2026--301301021.html
Transportation & logistics	N.A.	<ul style="list-style-type: none"> - Global Digital Logistics is expected to grow at CAGR of 7.9 % 2021-2027 owing to the increasing adoption of advanced technologies in the logistics sector. - Lack of warehousing space to increase logistics. 	https://www.envisageresearch.com/reports/digital-logistics-market/

Selecting Priority Sectors – Sector Competitiveness

1. Strategic alignment – identifies sectors for economic development
 2. Establishing (market) demand – which national priority sectors (for economic development) are currently in demand by investors.
 3. **Which of the national priority sectors for development which have an established investor demand is our location best positioned to attract investment in?**
 - How good (competitive) is our offer considering the sector’s main investment drivers?
Investment drivers – main considerations or factors which allow to maximize the profits for a specific sector investment for each sector is sensitive to different business environment factors.
 - How good is our comparative advantage (how does our offer compare) vis-à-vis other competing locations?
- Researching your location’s sector competitiveness will determine which national priority sectors for which you have identified clear market demand are most ready for your IPA to take to market or in other words, which sectors are most ready to be marketed and sold to prospective investors.

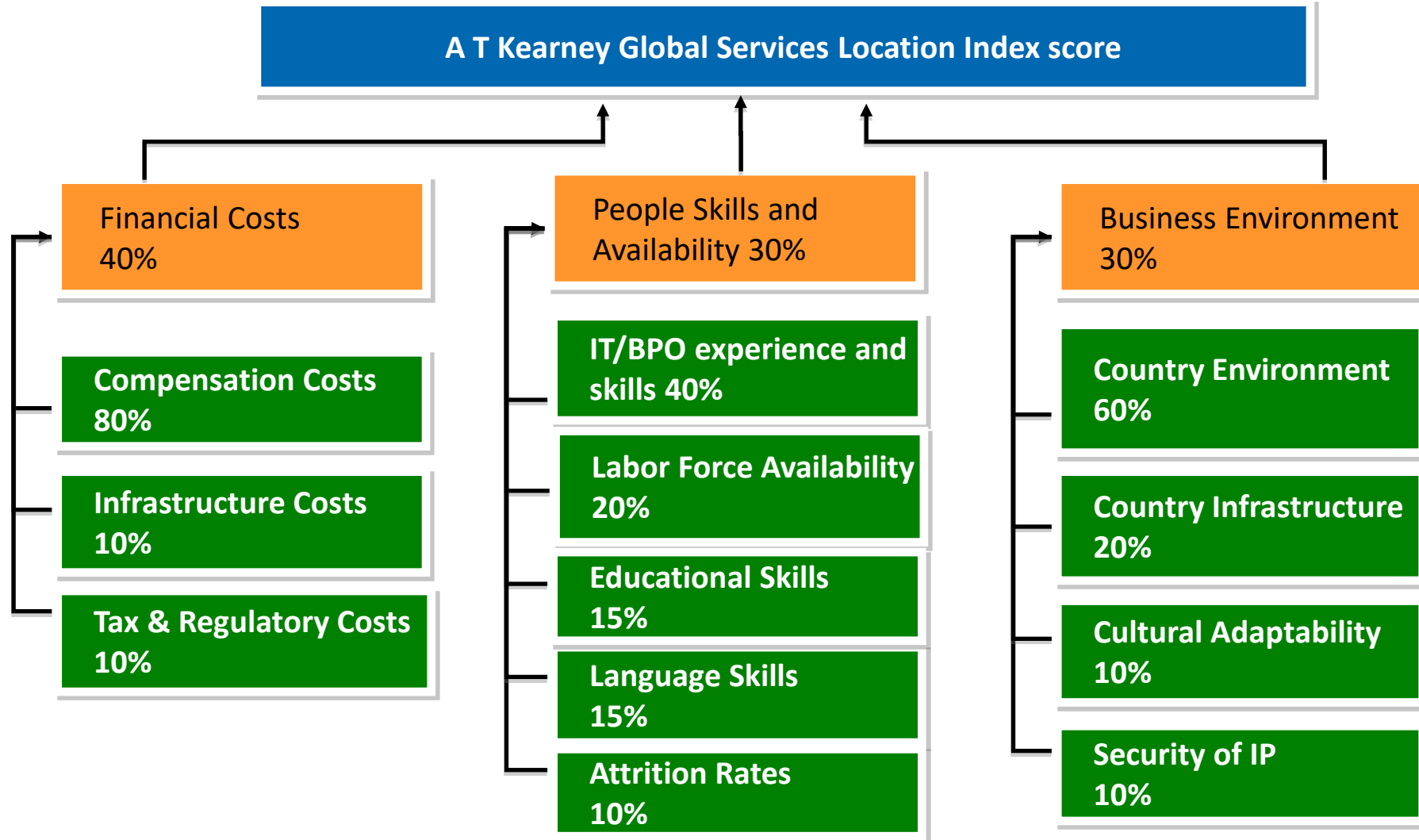
Selecting Priority Sectors – Sector Competitiveness

- First identify the main investment drivers for the sector:
 - First step should be to figure out whether the sector or segment **investment is capital intensive or labor intensive or both**.
 - Capital intensive: The costliest part of the investment is that which goes into assets such as i.e. machinery, land, the facility needed for production...
 - Labor intensive: The costliest part of the investment are people and now a days, it is not just people but people and skills.
 - Second step: understand the **(physical and operational) inputs** required to make the product or provide the service.
 - Are the essential inputs needed found easily in your location? If so, do they have the necessary quality or sophistication? Must they be imported?
 - Are they energy or water intensive?
 - Is the final product or service in need to travel long distances to go to market?
 - Third step: What kind of **ecosystem** does the product/operation need to grow in the mid to long term?
 - Educational / excellence environment, innovation and R&D possibilities, strong aftercare support, right development policies...

Manufacturing General Competitiveness

	<i>Very Important</i>	<i>Important</i>
<i>Costs</i>	<p>Labor Freight</p>	<p>Real estate Power and gas (processors) Taxes Incentives</p>
<i>Conditions</i>	<p>Skilled labor supply Labor quality Labor relations Market access Real estate quality and availability</p>	<p>Utility services Transportation access Industry dynamics Semi-/unskilled labor Industrial training Regulations/permitting</p>

Business Outsourcing Competitiveness Factors



Selecting Priority Sectors – Comparative advantage

- I. Identify the key location determinants for each sector or business activity being considered for inward investment attraction
- II. Identify the key competitor or comparator locations for each sector.
- III. Identify the key data points that are available to benchmark the location determinants for each sector and location
- IV. Add a “weight” to each data point as some data points will be more important than others in the corporate location decision so should have a higher weight in the benchmarking model
- V. Understand the operating cost model of each sector and collect data on each location for the key cost inputs (e.g. labour, property, and utility costs) - (done in sector competitiveness assessment)**
- VI. Crunch the data to compare locations for each sector across the key location determinants and weighted data points assigned to each location determinant
- VII. Evaluate the competitive position and key strengths, weaknesses, opportunities, and threats for inward investment in each location.

Source: Based on Loewendahl and Barklie, *How to Identify*, 14.

Selecting Priority Sectors – Comparative advantage

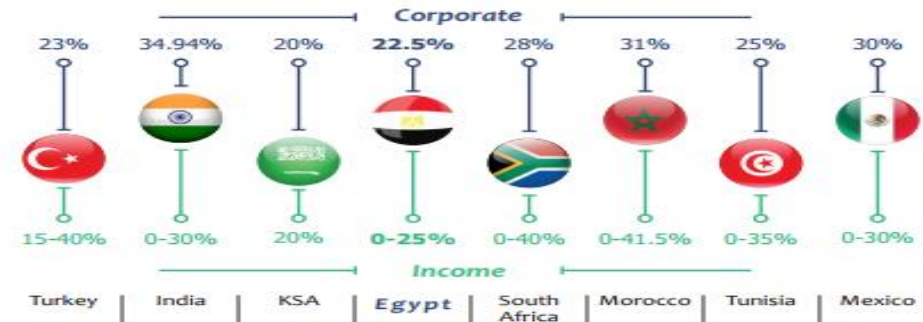
Egypt Competitiveness among selected countries

>> Comparison of VAT Rate in Egypt vs. some of Regional & Emerging Countries



Source: Worldwide-tax - 2022

>> Tax rates on Corporate Profits & Income in 2022



Source: Worldwide-tax - Deloitte - KPMG

>> Egypt's rank in Market Size Index in Global Competitiveness Report 2019 vs. some of Emerging and Regional Economies



Source: Global Competitiveness Report 2019 – World Economic Forum

>> Average Weekly Working Hours in Egypt vs. some of Emerging and Regional Economies (hours)



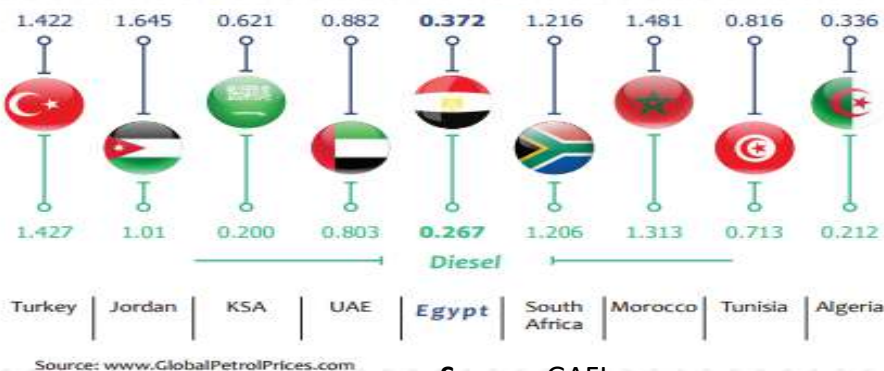
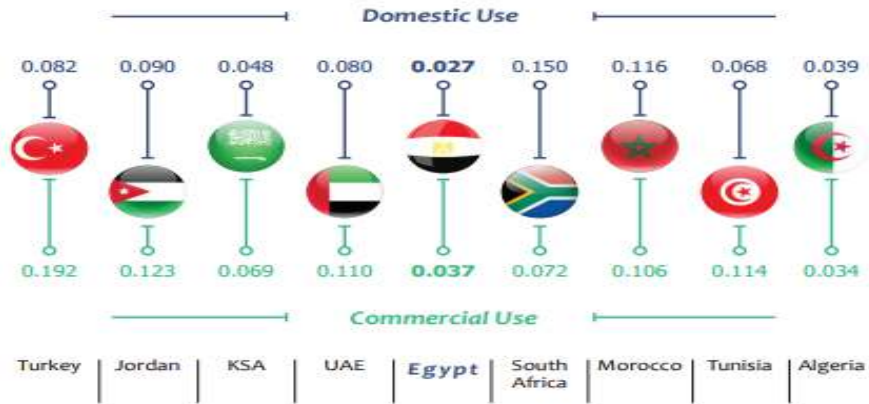
Source: ILO - April 2023

Source: GAFI

Selecting Priority Sectors – Comparative advantage

Egypt Competitiveness among selected countries

>> Electricity Prices in Egypt vs. some of Emerging Countries (USD/ kWh) - (December 2022)

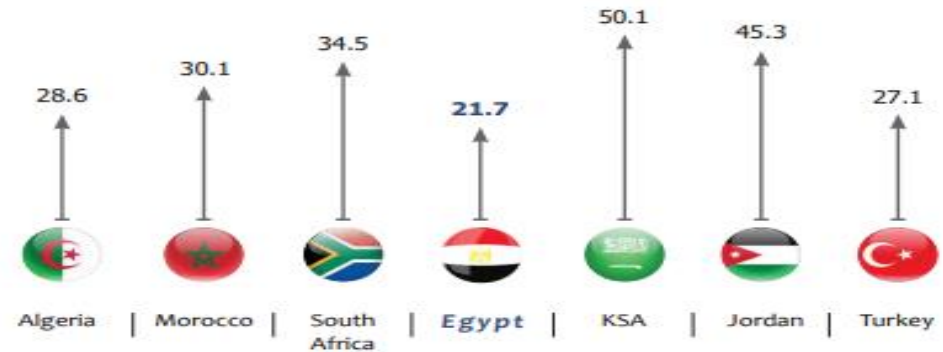


Source: GAFI

>> Electricity Prices in Egypt (Piasters/ kWh)

	Commercial Use			Households		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
0:100	65	65	65	0:50	58	71
0:250	123	123	123	50:100	68	71
0:600	140	140	140	0:200	83	97
601:1000	155	155	155	201:350	111	123
n-1000				351:650	131	136
				0:1000 & Less	136	136

>> The Cost of Living Index in Egypt vs. some of Emerging and Regional Countries during H1 2023



Source: Numbeo H1 2023

Components of a sector specific presentation

Content of a sector specific presentation

- SECTOR OVERVIEW
- BASIC INFORMATION
- INDUSTRY STRUCTURE
- PRODUCTION
- HUMAN RESOURCES
- INFRASTRUCTURE
- ACCESS TO MARKETS
- LEGAL AND REGULATORY FRAMEWORK
- REASONS TO INVEST
- INVESTMENT OPPORTUNITIES

Sector Overview / Basic Info / Industry Structure / Production

A sector overview is a key necessary ingredient to showcase what makes it strong and appealing.

It can be shown through various ways (the more the better):

- Value of the sector as a whole – in terms of revenue, contribution to GDP, investment, jobs...
- How it compares in weight to other productive sectors
- But a view of the whole sector is just a part of the picture, for as discussed, no one is competitive in all segments of a sector.
- Providing an overview of the segments shows that you have an understanding of where the opportunities lie.
- You will have to select which segments are most attractive to promote and provide a detailed overview of these.



Sector Overview Section



- **Basic information refers to the accomplishment of the sector** and covers mostly: Export and FDI data of the sector as well as its main segments provides investors with a good picture of the quality of production and demand for the sector.
 - The more you export, the more markets find that your products are worth buying.
 - More FDI is a result of a strong demand and the attractiveness of your location to cater to this demand.
- Sector/segment export and FDI trends are also important. Growth can also be manifested through exports and FDI.
- **Sector Structure** encompasses the subsectors and main players in the industry.
- **Sector Production** usually incorporates the following descriptive elements:
 - Technology (level of sophistication, value added)
 - Raw materials and natural resources (inputs for manufacturing and/or processing – local or imported, existence of suppliers)
 - Processes (where in the value chain – final or intermediate product; mechanized vs hand made; ...)
 - Products (actual concrete production, quantities, value, etc...)

2.3. THE CHEMICAL SECTOR IN SPAIN (I)

Spain

- The chemical industry has a specific out-standing weight and a great importance within the Spanish economy.
- This sector represents 10% of the Spanish Industrial GDP.
- Spain maintains its position as the 5th European producer and the 7th worldwide producer.
- The Chemical Sector occupies the second position as exporting sector in Spain, with exports that represent 46.6% of total local production.
- The Chemical Sector includes 4,617 companies and 137,000 direct jobs.
- Moving on the sub-sectors, basic chemistry represents 38% of the production, industrial chemistry 34%, and the chemical products destined for the human, animal and vegetable health account for the remaining 28%.

Sector Overview

Picks up key highlights of the sector which in the subsequent slides is further detailed

Location of the main chemical sites in Spain

- Areas of high level of sectorial concentration
- Other chemical sites



2.3. THE CHEMICAL SECTOR IN SPAIN (II)

BASIC DATA OF THE CHEMICAL INDUSTRY IN SPAIN

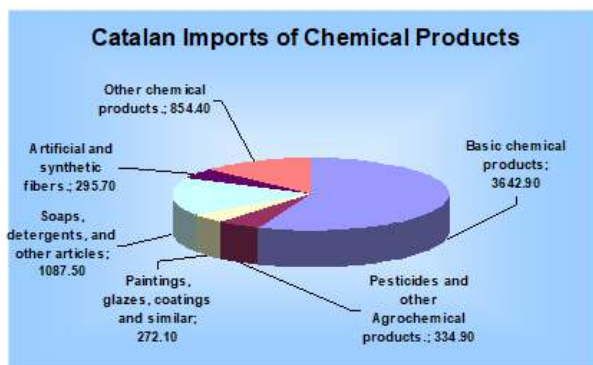
BASIC DATA	2004	2003	2002
APPARENT CONSUMPTION	42,537	40,300	38,491
PRODUCTION (in million euro)	33,951	32,120	31,032
PRODUCTION GROWTH (increase over previous year)	5.7%	3.5%	1.7%
• Ratio of production to apparent consumption	81%	81.8%	81.9%
• Production per employee	N/A	0,211	0,211
IMPORTS (in million euro)	24,412	23,265	21,954
IMPORT GROWTH (increase over previous year)	4.9%	5.9%	12.2%
• Ratio of exports to imports (coverage ratio)	64.8%	64.8%	66.0%
EXPORTS (in million euro)	15,826	15,085	14,495
EXPORT GROWTH (increase over previous year)	4.9%	4.0%	13.3%
• Ratio of exports to production	46.6%	47.0%	46.7%
INVESTMENT (in million euro)	N/A	1,302	1,747
• Ratio of investment to production	N/A	4.1%	5.7%
WORKFORCE (in thousands of employees)	N/A	136,9	133,2

Provisional data. Source: CIDEM, based on data supplied by FEIQUE

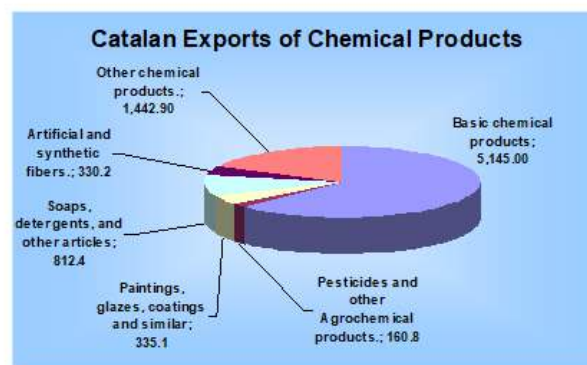


2.2. EVOLUTION AND TRENDS OF THE CHEMICAL SECTOR (II)

External trade of chemical products in Catalonia, 2004



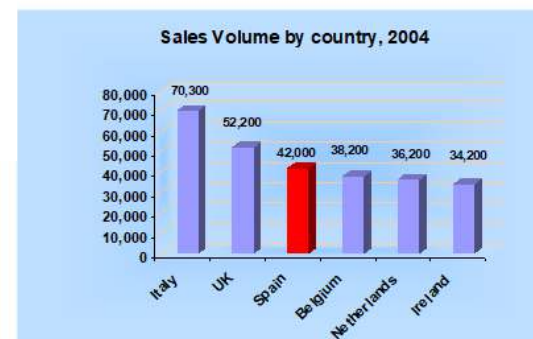
Data for 2004. Amounts in Million euro
Source: IDESCAT, Catalan Statistics Institute.



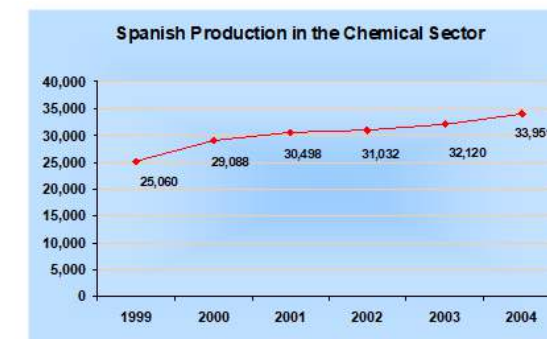
Data for 2004. Amounts in Million euro
Source: IDESCAT, Catalan Statistics Institute.

2.2. EVOLUTION AND TRENDS OF THE CHEMICAL SECTOR (I)

- In 2004, the world chemical sector has experienced a strong recovery, with a growth rate higher than 7%.
- Taking into consideration the case of Spain, we must say that the performance of the chemical industry in Spain and Catalonia was also positive during 2004. In the last 5 years this sector has registered a growth of 36%. This increase was greater than the one experienced by the EU average.



Amounts in million euro
Source: CIDEM, based on data supplied by FEIQUE

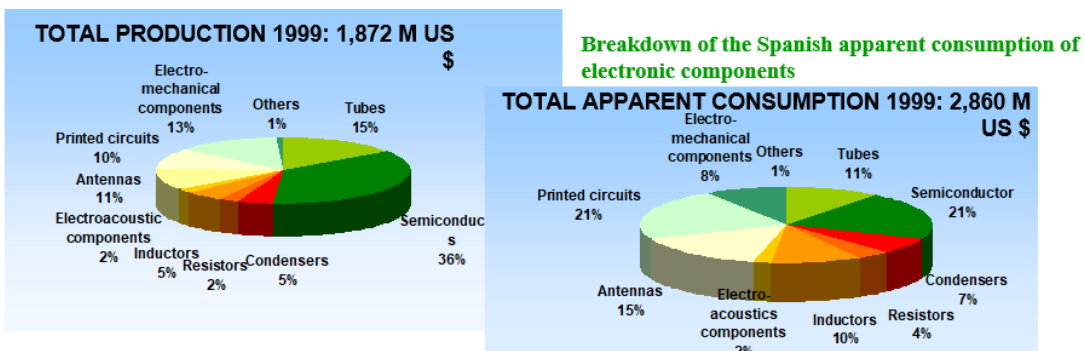


Amounts in million euro
Source: CIDEM, based on data supplied by FEIQUE

THE ELECTRONICS SECTOR IN CATALONIA

**DIVERSIFIED ELECTRONIC COMPONENTS
PRODUCTION STRUCTURE**

Breakdown of the Spanish production of electronic components

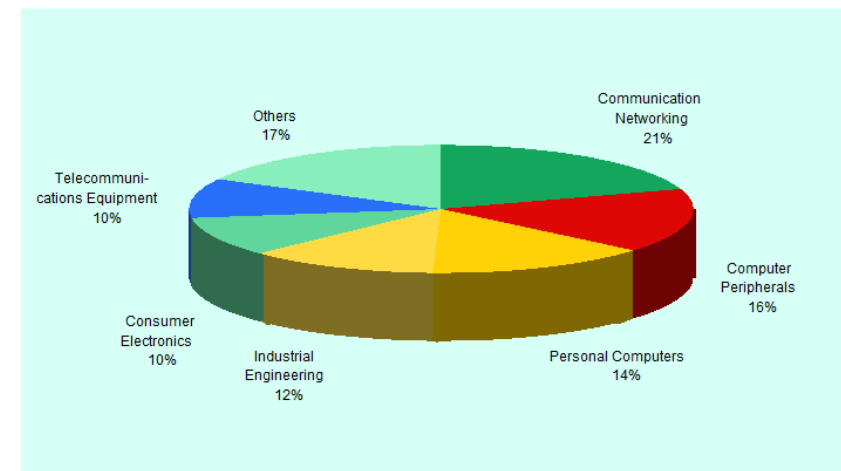


Data for 1998. Percentage of total production
Source: CIDEM based on data provided by ANIEL

Data for 1998. Percentage of total apparent consumption
Source: CIDEM based on data provided by ANIEL

THE ELECTRONICS SECTOR IN CATALONIA

**DISTRIBUTION OF ELECTRONIC CONTRACT
MANUFACTURING BY BRANCHES**



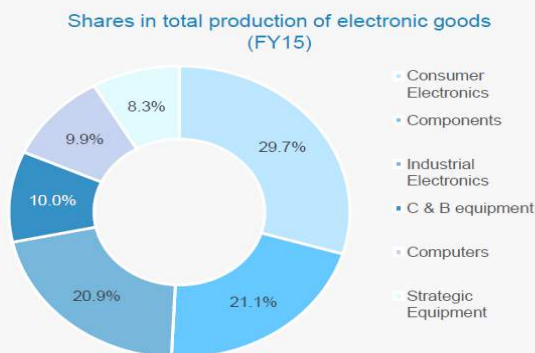
Data expressed in percentages of subcontracted workers over total value, 1997
Source: Aniel; Technology Forecasters

ELECTRONICS



CONSUMER ELECTRONICS HAVE THE HIGHEST SHARE IN PRODUCTION

- ★ According to government estimates, Consumer Electronics has the highest share (29.7 per cent) in the total production of electronic goods in India. The growth in consumer electronics over the years has been accompanied by an increase in imports in respect of certain items like LCD/LED TVs
- ★ The Electronic Components had witnessed a growth of about 23.74 per cent from the previous year which was supported by the rapid growth in domestic manufacturing of electronic components. Industrial electronics contributed 20.9 per cent of the total output of electronics goods industry in FY15. Industrial electronics is expected to grow at a considerable pace with the new plans and schemes by government
- ★ Communication and broadcasting equipment constitutes 10 per cent of total production of electronic goods in India in FY15. Not surprisingly, computers are a key component of total electronics output in India (9.9 per cent in FY15); the segment's share is likely to go up over this decade, given greater policy focus on encouraging computer hardware manufacturing.
- ★ As of FY16, production of industrial electronics, mobile phones and LEDs, in value terms, stood at around USD6887.11 million, USD8249.31 million and USD548.43 million, respectively.



Source: Department of Information Technology (2014-15 Annual Report); TechSci Research
Notes: C&B – Communication and Broadcasting.

MAY 2017

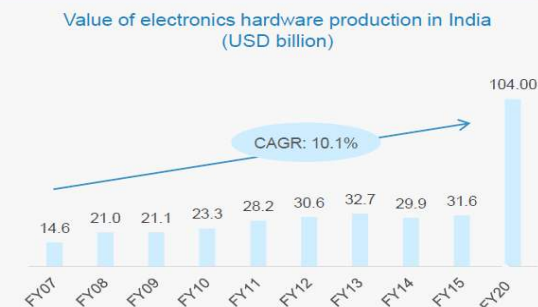
For updated information, please visit www.ibef.org 11

ELECTRONICS



ELECTRONICS PRODUCTION IN INDIA HAS BEEN GROWING AT A RAPID PACE

- ★ Total production of electronics hardware goods in India reached US\$ 31.6 billion in FY15 and is expected to reach US\$ 104 billion by 2020
- ★ Production expanded at a CAGR of 10.1 per cent during FY07-15
- ★ High production is majorly contributed by accelerating demand for advanced TVs, mobile phones, computers and defence related electronic equipments during FY07 to FY15
- ★ During FY16, production of industrial electronics, mobile phones and LED was recorded at USD6.89 billion, USD8.25 billion and USD0.55 billion, in value terms, respectively.
- ★ In March 2017, Xiaomi announced its 2nd manufacturing plant along with Taiwan based company Foxconn, in Andhra Pradesh. This will help create employment in 100 nearby villages for at least 5,000 people.



Source: Department of Information Technology Annual Reports; TechSci Research
Notes: LED – Light Emitting Diodes

MAY 2017

For updated information, please visit www.ibef.org 10

Sector Human Resources/Infrastructure/Access to Markets

- **Human resources:**
 - Labor costs (sector specific)
 - Availability of skilled workers (to the sector in question)
 - Education and training institutions (supplying skilled workers to sector)
- **Infrastructure:** (Availability, reliability, and cost)
 - Utilities (Electricity, Water and Gas)
 - Telecommunications (telephone, internet)
 - Transport (Air, railway, surface)
 - Industrial parks and EPZ
 - Soft infrastructure (support infrastructure like labs, technical centers, design & engineering services...)
- **Access to Markets:**
 - Size of local market
 - Regional market
 - Access to world markets
 - Trade agreements (**keeping in mind these are relevant to the sector in question**)

**INFORMATION &
COMMUNICATION TECHNOLOGY**

	INTERMEDIATE	SENIOR
Software Development	From R 33 018 To R 42 755	R 43 091 R 52 761
Technical & Business Architecture	From R 41 319 To R 52 545	R 53 791 R 62 337
Business Analysis	From R 35 197 To R 42 793	R 43 905 R 51 580
Systems Analysis	From R 32 625 To R 41 771	R 43 374 R 50 533
Database Design, Development & Administration	From R 33 366 To R 41 442	R 39 167 R 47 340
Systems & Network Administration	From R 21 885 To R 26 322	R 29 913 R 38 211
UX & GUI Design	From R 26 001 To R 35 631	R 38 545 R 44 162
IT Project Administration & Management	From R 32 183 To R 44 583	R 40 067 R 51 692
Data Analysis & Data Warehousing	From R 33 887 To R 43 298	R 39 548 R 46 967
Networking Planning, Design & Installation	From R 20 167 To R 26 043	R 29 447 R 39 591
Radio & Satellite Technology	From R 28 128 To R 38 476	** **
Telecommunication Technical Product Specialist	From R 16 917 To R 24 455	** **

	MANAGEMENT	SENIOR
IT Management	From R 48 278 To R 56 168	R 47 394 R 56 649



3.7. COMPETITIVE LABOUR COSTS IN THE CHEMICAL SECTOR (IV)

AVERAGE GROSS ANNUAL WAGES IN SPAIN FOR THE CHEMICAL INDUSTRY, 2005-2006 (II)

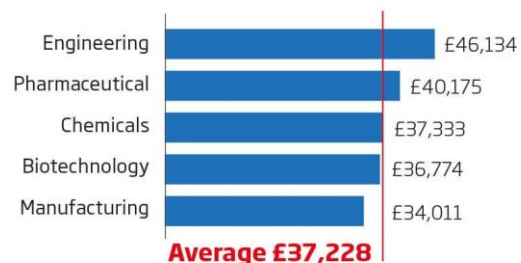
CATEGORY	DESCRIPTION	Gross Annual Wage
Project engineer	Design and projection of new products, equipments or installations inside the industrial area.	33,218
Warehouse Manager	Loading and unloading tasks, goods fitting-out to the warehouse.	27,568
1st class operator	Production tasks, which require specialized knowledge and some years experience.	19,454
2nd class operator	Production tasks with medium complexity, with less experience and knowledge than required to the previous category.	15,654
Laborer	Simple jobs execution, with no qualification required.	13,528

Source: CIDEM based on data provided by CEINSA Yearbook, Spanish remunerations 2005-2006. Average gross annual market wages corresponding to centile 25 of the workers in Catalonia for 2005-2006.

Government of Catalonia
Ministry of Employment and Industry

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Average UK salary by industry



Based on 2600 UK respondents
SOURCE: NEW SCIENTIST/SRG/2017 SALARY SURVEY

Catalonia Investment Agency CIDEM

Shared Services Centres in Barcelona

Universities in Catalonia

- 13 Universities, 7 located in the city of Barcelona, all of them with collaboration agreements with major university centres worldwide.
- 230,000 university students, of whom 60,000 technical students and 50,000 business-related students
- Barcelona is home to some of the most renowned business schools in the world, including ESADE, the University of Chicago and IESE, which offers the best Executive MBA in Europe according to 2003 Financial Times ranking.
- 20.6% of the population in Barcelona aged over 16 has university education.

Notes: (*) with several centres all over Catalonia.
Source: CIDEM, based on data provided by universities in Catalonia.

Logistics Connectivity



Source: Central Bank of Egypt - Prokerala website.



Biomedical Research Park of Barcelona (I) www.prbb.org

MAIN FOOD TECHNOLOGY CENTRES IN CATALONIA

- 50,000 m² Established by the University Pompeu Fabra, the Government of Catalonia and the City Hall of Barcelona in 2002. In expansion process to be completed by the end of 2005.
- Government of Catalonia → Center for Genomic Regulation (CRG), established in the year 2000 fostering basic biomedical research in the fields of genomics, proteomics and gene regulation.
- Barcelona City Council → Municipal Institute for Medical Research (IMIM) working on cancer, cardiovascular diseases, respiratory and biomedical informatics. One of the two non-US nodes of the US ENCODE project.
- Gov. of Catalonia & Gov. of Spain → Center of Regenerative Medicine in Barcelona cooperation with the Salk Institute (La Jolla, California). To be completed by 2006, will be the Spanish National Center in Stem Cell Research with innovative research activities in the fields of stem cell biology, regeneration, and early embryo development.

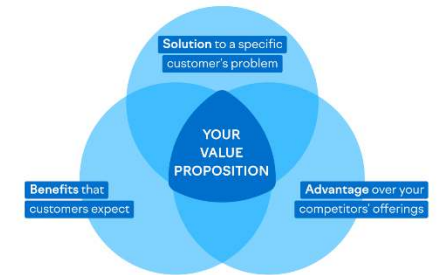
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Building a Value Proposition

Setting your value proposition first

- Your value proposition is in essence your location's most attractive offer (investment opportunity) presented in a concise, direct and appealing way – **Why invest in your location's sector**
- The unique selling proposition (USP) must come first and is the characteristic that sets your location apart from the competition as the investment location. The USP represents those features that are superior to those of your competitors, and that are likely to be highly attractive to certain types of industries.



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- Your competitive and comparative advantages will help you determine how to construct your value proposition – **It's not about quantity but quality.**
- Three components to a value proposition are:
 - What “solution” is offered to me by investing in your location? (is it access to markets? Cost efficiency?...)
 - What advantage do I get by investing in your location (access to talent? Low transportation costs? Strong supplier network?)
 - How does my investment in your location ensures I do well (govt assistance, incentives, linkages)

Strategic Positioning and Competitive advantage

- A good value proposition is derived from your competitive advantages and establishes your strategic position.
- Competitive advantages are mostly related to cost.
 - Attractive costs for labor, utilities, and land for example can help strengthen your case.
 - But competitive advantages can also be related to geographic positioning, availability of suppliers or of a qualified workforce.
 - While these may not seem at first hand cost related they are very much so in terms of for example; being located close to a port or major highway can lessen transportation costs; availability of suppliers makes it easier and cheaper to contract needed supplies closer to home, also cheapening transportation and other potential delay costs. The same is true of availability of skilled workforce which otherwise you would have to pay more for if you had to bring them from other locations.
- However, strategic positioning refers to the “full package”. The main sector, activity or product of opportunity in your location along with all the competitive advantages that strengthen the case for your sector, activity or product of opportunity.

Start right with a strong Value Proposition

- Ideally, just 1-2 sentences long, a **value proposition** is the foundation of your marketing message.
- A **value proposition** is a clear statement of the concrete results an investor gets from doing business in your location.
- Worth repeating **what benefits the investors get from doing business in your location...**not what they get from your IPA.
 - Your IPI provides customer service, but your location is the product.
- Benefits should be direct. For example, the highest profitability rate among 10 objectively evaluated clusters.
- Should be as specific to an audience's needs as possible
 - For a large audience, such as on the Web site: (sub)sector-specific
 - For an outreach campaign: company-specific

Thank you valued COMESA RIA member states participants,
we appreciate your precious time!

Your team,
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