



World Association of
Investment Promotion
Agencies



28th World Investment Conference

Ministerial Roundtable

“Industrial Policy and Investment Promotion Strategy in the New Era”

Executive Summary

Date: November 25, 2024

Location: Fairmont Hotel, Riyadh, Kingdom of Saudi Arabia

Attendees: 28 Ministers and Heads of International Organizations

Chair: H.E. Khalid Al-Falih, Minister of Investment, Kingdom of Saudi Arabia

Moderator: James Zhan, Chair, Executive Board of the World Investment Conference, WAIPA

Context

In the new era of the global economy, industrial policy and investment promotion play pivotal roles in shaping national economic development trajectories. Industrial policy focuses on fostering the growth and competitiveness of key sectors, driving structural transformation, and ensuring economic resilience. Meanwhile, investment promotion aims to attract capital, technology, and expertise, create jobs and generate exports to fuel economic activities and innovation.

As global economic governance evolves, challenges such as climate change, technological disruption, and shifting geopolitical dynamics demand more strategic and adaptive approaches. Countries now strive to integrate industrial policy and investment promotion strategies. In this context, creating synergies between the two is essential for achieving sustainable development and boosting competitiveness.

The Ministerial roundtable convened at the World Investment Conference tackled the above key policy challenges for investment in development. Ministers and the heads of international organizations focused their discussion on three key questions and concluded as follows.

I. *What are the challenges for the effective interface between industrial policy and investment promotion strategy?*

Creating synergies between industrial policy and investment promotion strategies involves several challenges:

1. **Alignment of Objectives:** Industrial policies often focus on long-term structural goals, while investment promotion tends to prioritize immediate investment inflows. Harmonizing these timelines can be difficult.
2. **Policy Coherence:** Conflicting policies may arise between industrial development goals and investment incentives, leading to inefficiencies.
3. **Sector Prioritization:** Industrial policy may target specific sectors, while investment promotion agencies might adopt a broader approach, creating mismatches in focus.
4. **Coordination Across Agencies:** Collaboration between different governmental bodies responsible for industrial policy and investment promotion requires effective communication and shared frameworks.
5. **Balancing Domestic and Foreign Interests:** Industrial policies often emphasize strengthening local industries, which might conflict with the preferential treatment sought by foreign investors.
6. **Resource Constraints:** Limited financial and human resources can hinder efforts to integrate industrial policy and investment promotion.
7. **Global Competition:** The need to attract foreign direct investment (FDI) often requires flexible policies, which may conflict with rigid industrial development frameworks.
8. **Measurement and Evaluation:** Defining metrics to assess the joint impact of industrial policy and investment promotion strategies is challenging.

Addressing these challenges requires clear goals, streamlined processes, and collaborative governance.

II. How to address these challenges?

Addressing the challenges of aligning industrial policy and investment promotion strategies requires deliberate planning, coordination and cooperation:

1. **Define Clear Goals:** Establish shared objectives that align industrial development with investment priorities. This ensures both policies work toward common outcomes.
2. **Enhance Policy Coherence:** Regularly review and harmonize policies to eliminate conflicts, streamline processes, and align incentives.
3. **Sectoral Collaboration:** Identify and prioritize sectors that align with both industrial goals, investment opportunities and sustainable development. Focus resources on high-potential industries.

4. Strengthen Interagency Coordination: Create mechanisms for collaboration between industrial policymakers and investment promotion agencies. Joint task forces or coordination councils can improve communication.
5. Balance Domestic and Foreign Interests: Design incentives that attract foreign investment while supporting local industries, including SMEs and startups.
6. Leverage Resources Efficiently: Pool financial, human, and institutional resources to avoid duplication and maximize impact.
7. Adapt to Global Competition: Develop flexible, market-responsive strategies that align with global trends while maintaining consistency with industrial and sustainable goals.
8. Engage Stakeholders: Involve the private sector's participation through policy tools and mechanisms such as Public Private Partnerships, and to ensure policies are practical, inclusive, and aligned with market realities.
9. Promote Policy Stability and Sustainability: Ensure consistency in policy frameworks to build investor confidence and support long-term industrial goals, while supporting sustainable development.

Through these actions, countries can create a more integrated approach that drives sustainable industrial development while attracting high-quality investments.

III. What can be done through international cooperation?

Collaboration at the international level can strengthen synergies between industrial policy and investment promotion by fostering shared goals, knowledge exchange, and coordinated action. Key initiatives include:

1. Bilateral and Multilateral Agreements: Develop agreements that align trade, industrial, and investment policies to promote mutually beneficial growth and reduce barriers. Also, it is important to abide by the multilateral rules and collaborate through multilateral institutions.
2. Regional Integration: Participate in regional economic blocs to harmonize industrial standards, streamline cross-border investments, and create shared value chains.
3. Global Investment Platforms: Engage in international investment institutions such as WAIPA, and platforms such as World Investment Conference, to share best practices and advocate sustainable development related investment policy approaches.
4. Knowledge Sharing: Collaborate with international organizations (e.g., UNIDO, UNCTAD, or World Bank) to exchange insights on effective industrial strategies and investment frameworks, and on the facilitation of access to funds.



5. Joint Initiatives: Establish cross-border initiatives focusing on innovation, green technologies, or infrastructure development that align with global industrial and investment priorities.
6. Harmonizing Standards: Work with international bodies to standardize regulations, making it easier for investors to navigate different markets while fostering industrial upgrades.
7. Capacity Building: Partner with international institutions to build capacities in developing countries, supporting their industrial and investment goals.
8. Collaborate in SDG Sectors: Promote investment in sustainable agriculture for food security, and provide assistance to developing countries to drive innovation for agriculture related industries.

By fostering international collaboration, countries can amplify the impact of their industrial policies and attract high-quality investments aligned with the sustainable development goals.

Chair



H.E. Khalid A. AlFalih
Minister of Investment, Saudi Arabia

Moderator



Dr. James Zhan
Chair of the WIC Executive Board, WAIPA

Participants

	The Hon. Mr. Henry Fernandez Minister of Tourism and Investment, Antigua & Barbuda		H.E. Ms. Noor bint Ali Alkhulaif Minister of Sustainable Development; Chief Executive, Bahrain EDB, Bahrain
	H.E. Mr. Moustoifa Hassani Mohamed Minister of Economy, Industry, Investments, in charge of Economic Integration, Comoros		H.E. Ms. Safia Mohamed Ali Gadileh Secretary of State for Investments and Private Sector Development, Djibouti
	H.E. Mr. Hassan El Khatib Minister of Investment and Foreign Trade, Egypt		H.E. Mr. Kostas Fragogiannis Deputy Minister of Foreign Affairs, Greece
	H.E. Ismael Nabe Minister of Planning and International Cooperation, Guinea		Dr. Haider Muhammad Makiya, Chairman of the National Investment Commission, Iraq
	H.E. Mr. Abdolnasser Hemmati Minister of Economy and Financial Affairs, Iran		H.E. Mr. Renat Bekurov Governor of the Astana International Financial Center, Kazakhstan
	Hon. Salim Mvurya Cabinet Secretary for Investments, Trade and Industry, Kenya		H.E. Mr. Musadiq Masood Malik Minister for Petroleum & Water Resources, Pakistan
	The Rt. Hon. Dr. Denzil Douglas Minister of Int'l Trade, Industry & Commerce*, Saint Kitts & Nevis		Mr. Bakary Séga Bathily Directeur Général, APIX Senegal
	H.E. Mr. Sulton Rahimzoda Chairman of the State Committee on Investments and State Property Management, Tajikistan		H.E. Mr. Sameer Abdul Hafiz Minister of the Economy and Planning, Tunisia
	H.E. Mr. Laziz Kudratov Minister of Investment, Industry and Trade, Uzbekistan		Hon. Mr. Chipoka Mulenga Minister of Commerce, Trade and Industry, Zambia
	H.E. Dr. Sidi Ould Tah President, Arab Bank for Economic Development in Africa (BADEA)		Dr. Abdulhamid Alkhalifa President, OPEC Fund

