

Syrian Banking & Investment Conference

Driving Inward Investment

Notes by Poul Gadegaard
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When talking about “inward” investment
we talk about *foreign investors* investment in Syria

Foreign Direct Investment

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Inward + Outward Investment



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In Syria and for that matter all over the Middle East the Inward Investment has three faces:

➔ **Foreign Corporate Investor**

➔ **Syrian Investor**

> *Syrians living abroad*

> *Syrians living in Syria*

but with financial resources from outside Syria

➔ **Regional Investor**



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Economic development benefit:

A. Foreign Corporate Investor

- Foreign companies injecting capital from external sources into the country
- Transfer of modern technology
- Development of new industries
- In most instance export building
- Job creation
- Staff capacity building
- Networking - more investment might be expected



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Economic development benefit:

B. Syrian investor

B1 Syrians living abroad

B2 Syrians living in Syria but transferring financial resources from abroad

- Foreign capital to Syria
- Development of new industries
- Job creation

!NB But less transfer of modern technology, HR capacity building, export and competitiveness



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Economic development benefit:

C. Regional Investor

The regional investor has an investment patter similar to Syrian Inward investors they are typical ***financial investors***

- Foreign capital to Syria
- Development of new industries
- Job creation

!NB But less transfer of modern technology, HR capacity building, export and competitiveness



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**To maximise Economic Development Benefit,
focus should therefore be on
*Foreign Corporate Investors***

but

*Why have Syrian nationals
invested overseas in the first place
and not in their own home country?*



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If Syria wants to attract Investors,
Syria needs to know who they are and
what attracts them

- Regional Investors
*are typically **financial investors** with only a limited element of technology transfer and staff development*
- Foreign Corporate Investors
*are typical driven by **development and growth**, hence building on technology, R&D and staff development*



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By considering these elements,

How do we drive inward investment?

Most countries try to attract investors by offering *Infrastructure* and *Investment Project Opportunities*

>> If Syria wants to attract Regional Investors
Syria are doing just right – by offering Investment
Project Opportunities – for financial investment

but

>> If Syria wants to attract Foreign Corporate Investors,
the project approach will not do the job



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Foreign Corporate Investors

are looking for

Financial Stability and ***Business Prosperity*** for ***Growth***

Syria needs to take a proactive approach:

1. Identify target investors
2. Approach them
3. Understand their values, needs, wishes and what they are looking for
4. Offer them their desired values at a Global market offering



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My last Notes:

The Financial Institutions

I find them too Introverted in their own operation
It would be nice to see more

Corporate Social Responsibility



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Let me qualify my remarks

The behavior of financial institutions is absolutely crucial for any 'well functioning' developed economy

SO

Marketing your products (services) in an educational way

this will be a win-win approach – all to benefit

- Banks will get more and better *knowledgeable customers*
- The general society will learn and become aware of the variety of financial offerings



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At **SEBC**, we are very much aware of the training needs and the needs for a variety of financial services, we are therefore:

Running a high number of training sessions, produce booklets, papers, flyers and presentations on SME, financial and business issues – in order to raise the general business knowledge in the country

SEBC/SSP is at present in the process of Establishing a ***Loan Guarantee Institution*** in collaboration with the Central Bank of Syria



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THANK YOU FOR YOUR ATTENTION

**I WILL BE LOOKING FORWARD TO YOUR
CONTRIBUTION**



Poul Gadegaard

