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Study Tour to Ireland for the
Investment Promotion Corporation of Jordan
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Final Report

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Background

In furtherance of the technical assistance goals for the Investment Promotion Corporation of Jordan, The Services Group organized a five-day study tour hosted by *Forfás,* the Irish agency responsible for policy making and coordination among government entities that play a role in industrial development, investment promotion, science, and technology. This training program was developed as part of “a continuous system of human resource development, which is (a) systematic, and (b) tailored directly to the individual needs of each staff member, is urgently required in the IPC.” Ireland is a particularly appropriate model for the Jordanian government to consider not only due to the country’s impressive economic and investment promotion success, but because Ireland and Jordan are similar in population size, agricultural tradition, maturity of statehood, and land area.

The participants chosen for the study tour were Ms. Reem Badran, Director General, Ms. Dina Daadaa, USA & Canada Desk Officer – Promotions Department, and Ms. Sahar Hijazi, Project Officer - Promotions Department. Ms. Badran participated in a two-day program, and Ms. Daadaa and Ms. Hijazi received a week of on-the-job training.

Chapter I: Program Design

1.1 Program Objectives

The study tour was designed to accomplish several objectives while exposing the participants to a wide range of counterpart officials. The Jordanian officers met with Irish officials at the senior and middle management levels in *Forfás,* the Industrial Development Agency of Ireland (IDA Ireland; the agency responsible for attracting foreign direct investment), *FÁS* (the agency responsible for workforce training)*,* and Shannon Development (the agency tasked with developing Western Ireland and managing the country's Shannon Free Zone). Individuals responsible for policy and planning, sectoral investment promotion, marketing and media outreach, property management, and post-investment facilitation were among the type of Irish officials who met with the participants.

The participants were given several formal presentations and a large amount of printed material, and all meetings allowed for the Jordanians to ask questions and react to their counterparts' strategy and operations. Participants were also taken to three different regions and met with senior managers in companies that had invested in Ireland. The companies that were chosen represented a broad spectrum of Irish investment. For example, the participants toured a recently established high technology computer chip manufacturer, a machinery manufacturer that had been in Ireland for 30 years, and an Irish owned packaging business that developed as a result of foreign investment in the country.

1.2 Meetings and Discussion Topics

Following is a summary of the major topics discussed in each meeting arranged for the participants:

Meeting 1: Mr. David Lovegrove, Corporate Secretary
Forfás

- Program overview
- Macroeconomic overview and history of Ireland's economic development
- History of investment promotion efforts
- Organizational structure and agency relationships
- Policy objectives of *Forfás* and its sister agencies

Meeting 2: Ms. Cathy Foley, Manager, Secretarial Service
Forfás

- Administrative structure
- Worker benefits
- Organizational culture

Meeting 3: Mr. David O'Donovan, Project Manager
International Services Division, IDA Ireland

- Overview of the International Services Division
- History and rationale for the sector focus for investment promotion
- Strategies for targeting and attracting investment in new industries
- Marketing and information resources

Meeting 4: Mr. Eugene Reilly, Manager, Finance & Taxation
Enterprise & Trade Policy Division, *Forfás*

- Overview of finance & taxation policy issues
- Contribution of FDI on the Irish economy
- Achieving consensus for FDI
- Overview of Ireland's investment incentives
- Access to capital for indigenous small to medium size enterprises (SMEs)

Meeting 5: Mr. Sylvester Cahill, Business Development Manager
Electronics Division, IDA Ireland

- How Ireland adjusts if sectoral focus for investment
- IDA Ireland's goals to create a facilitative environment for investment
- Criteria for determining the amount of incentives
- Contact strategy for approaching a potential investor
- Structure and activities comprising an investor's tour of Ireland
- How to identify the best candidates for investment in a given country
- Cultural issues in attracting investment

Meeting 6: Mr. Michael Flood, Project Manager
Engineering & Consumer Products Division, IDA Ireland

- Overview of the Engineering & Consumer Products Division
- Strategies for and benefits of investment facilitation
- Database contents and the role of data in investment promotion and facilitation
- Advertising strategy and media relations

Meeting 7: Mr. Patrick Byrne, New Business Manager
Financial Services Division, IDA Ireland

- Overview of the Financial Services Division
- Calculating the cost and benefits of investment promotion
- Strategies for investment promotion in financial services
- How to assess where to set up overseas promotion offices
- Post-investment contact and facilitation strategy

Meeting 8: Mr. Tom O'Dwyer, Manager, Press & Communications
Forfás

- Overview of *Forfás'* media and communications strategy
- Media coordination among the economic development agencies

- Managing criticism of FDI and IDA Ireland's support for foreign business
- Communicating the benefits of FDI to local officials and the public

Meeting 9: Mr. John McKeon, Property Manager
Property Division, IDA Ireland

- Types of facilities and land options available in Ireland
- How IDA Ireland purchases, services, and leases or sells land and buildings
- Infrastructure tour to:
    - Citywest Digital Park
    - Pearse Street Enterprise Centre
    - East Point Business Centre
    - IDA Owned Industrial Estates
    - International Financial Services Centre
    - Kingston Technology

Meeting 10: Mr. Tom Hyland, Area Director
West Regional Office, IDA Ireland

- Overview of IDA Ireland's regional office structure
- Simulated marketing presentation
- Key selling points of Galway: quality of labor, tax regime, and quality of life
- The impact of industrialization and FDI on rural incomes and lifestyle
- Collaborative design and financing of training courses to suit labor demand
- How investments and partnerships in infrastructure can support investment promotion efforts

Meeting 11: Mr. James Murren, Manager
West Region, IDA Ireland

- Case examples of why industries moved to West Ireland
- Rural investment incentives
- The role of education and skill development in rural areas
- Infrastructure tour of IDA owned industrial estates
    - Factory Tour of Crown Equipment
    - Tour of Nelipak Thermoforming

Meeting 12: Mr. Jack Bourke, Company Secretary and Ms. Lorraine Hogan, Development Consultant, Shannon Development

- Overview and organizational structure of Shannon Development
- Shannon Development's free zone program
- Publicly supported regional development strategies
- Ireland's SME and entrepreneurial development programs

Chapter 2: Investment Promotion in Ireland

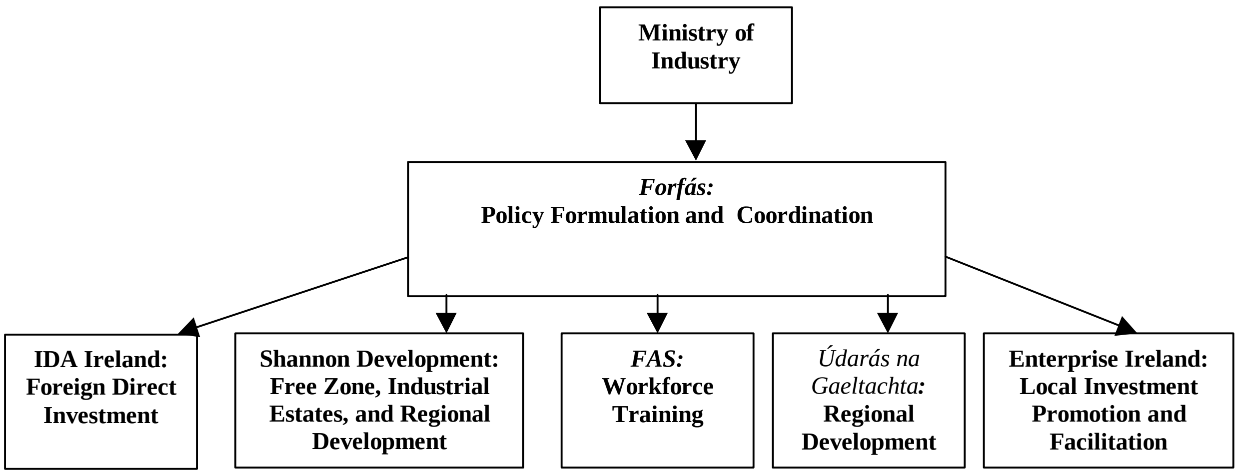
2.1 Organizational Structure and Institutional Arrangements

There are six principal agencies under the Ministry of Industry that are tasked with investment promotion in Ireland. These agencies are:

- *Forfás,* which is tasked with advising the Minister on industrial development and investment policy and inter-agency coordination. *Forfás* is also charged with encouraging investments in education, science, and technology to promote economic development.
- Industrial Development Agency of Ireland (IDA Ireland), which is responsible for attracting foreign direct investment and encouraging existing foreign firms to expand their operations. Reflecting its sectoral focus, since the 1980s IDA Ireland, which employs some 280 personnel in Ireland and in a network of ten office overseas, is itself divided into five divisions, as follows: Pharmaceuticals and Chemicals; Electrical and Engineering; Services; Accounting; and Legal. These sectoral departments are further subdivided at the industry level. IDA Ireland has seven regional offices within the country. IDA Ireland is considered a quasi-state enterprise and most of its employees are hired on a performance contract basis.
- *FÁS,* which is the agency responsible for workforce training and upgrading the competitiveness of companies in Ireland through skills improvement. *FÁS* creates tailor-made training programs for businesses, relying on a nominal fee from firms, GoI, and European Union funds. *FÁS* maintains a network of over 50 offices throughout Ireland.
- Enterprise Ireland, which promotes indigenous investment and business development. Enterprise Ireland was established in 1998 to bring increased focus to GoI's efforts to promote and improve the capacity of domestic investment.
- Shannon Development, which is charged with developing Western Ireland and managing the country's Shannon Free Zone. Shannon Development is a state agency but set up as a limited liability company with significant financial and decision-making autonomy.
- *Údarás na Gaeltachta,* which is a regional development agency akin, but with a much smaller portfolio of responsibilities and projects, to Shannon Development. *Údarás na Gaeltachta* is responsible for promoting the economic, cultural, and social development of the Gaeltacht areas.

Figure 1 illustrates the organizational structure of the Irish investment promotion agencies.

Figure 1: Irish Development Agency Structure



2.2 Trends in Investment in Ireland

Ireland began to actively attract investment in the late 1960s with the 1969 establishment of *Forfás'* predecessor agency. For years, educated young Irish workers emigrated to pursue work. Due in part to its colonial subjugation to the United Kingdom, Ireland's trade was highly dependent on the U.K., which offered a limited market for exports, which were mostly agricultural, and engaged in several tariff wars with Ireland. Throughout the 1970s and early 1980s, most Irish firms were small, often family owned concerns employing ten or fewer people in such low technology sectors as agriculture and food processing, textiles, crafts, paper making, metal working, and retail and services. Even as recently as the mid-1980s unemployment in Ireland surpassed 20%.

Ireland's success in attracting foreign direct investment (FDI) has dramatically changed the country's economic landscape and transformed one of Western Europe's most agricultural and poverty stricken countries into the fastest growing industrialized economy today. Gross Domestic Product per capita in Ireland reached US $20,031 in 1997, an increase of about 5% over the previous year.[1] The unemployment rate is presently estimated at 6%, which many regard as the natural rate. According to official statistics, the Irish unemployment rate fell from 9.8% in 1997 to 7.7% at the end of 1998, representing an increase of 77,000 jobs.[2] *Forfás* estimates that Ireland's 1,200 foreign investments directly account for 120,000 jobs today, many of which are highly skilled and well-remunerated, and tens of thousands of jobs indirectly. According to Mr. Sylvester Cahill,

[1] U.S. Department of Commerce, *Country Commercial Guide, Ireland 1998.*
[2] *Forfas Annual Report*, *1998*, pg. 15.

Business Development Manager of IDA Ireland's Electronics Division the diversity of FDI sources attests to Ireland's FDI promotion success, as of these 1,200 foreign firms operating in the country approximately 500 are American, 120 German, 100 British, and 55 are Japanese. Half of Ireland's manufacturing jobs are a result of FDI. Foreign direct investment also accounts for some 70% of Ireland's exports and 65% of national output.

In its early years, Ireland tended to attract lower skilled export oriented manufacturing firms based in part on Ireland's status as a low wage European country. These manufacturing firms were desirable in the early years in part because they tended to employ large workforces. The public pressure to create jobs and stem the flow of Ireland's talented young workers was such that Ireland was not particularly selective in the type of investment in its early years. Similarly, investment incentives were much more generous, including a 15-year tax holiday and capital grants of up to 60% of a company's start-up costs, and less regionally targeted in the 1970s. At the time, the GoI determined that such generous financial incentives, including up-front cash incentives for the development of a business' infrastructure, were necessary because the country was highly underdeveloped.

Over the last 30 years, the type of investment that Ireland has pursued has increased in sophistication, and the jobs created have correspondingly becoming more highly skilled. Building on the development of somewhat simple industries, such as textiles and electronics, and a trained workforce, government sought attract related but more complicated and high value types of investment, including high technology microchip and computer component manufacturing, pharmaceuticals, medical devices, call back services, and financial services. Ireland views electronic commerce service centers and media as a likely new area for its investment promotion efforts. According to Mr. David O'Donovan, Project Manager of the International Services Division of IDA Ireland today there are 110 software companies located in Ireland, including flagship companies like Microsoft and Lotus, employing 9,000 people. Ireland's financial services sector, comprised of approximately 600 firms, employs 4,800 people. Ireland now has 70 call centers employing 6,500 people and in 1993 there were none of these types of firms in the country.

The role of Shannon Development has changed over the past 40 years. Shannon Development was established in 1959 as an experimental agency devoted to managing an export processing zone (EPZ) and pioneering regional development concepts in Ireland's rural and comparatively impoverished western region. Situated at what was Europe's most westerly major airport and an important refueling and transshipment site for goods and passengers traveling between the U.S. and Europe, Shannon Development's EPZ took advantage of its existing infrastructure to lure new types of investment. By 1959, advances in airplane technology had nullified Shannon's unique locational advantages, as air travel to and from the heart of Europe became possible at reasonable prices.

Initially, Shannon Development focused on attracting industries, developing regional tourism, and maintaining and increasing the airport's role as a transshipment point. The company established a duty free manufacturing zone and attracted a variety of short- and long-term investments. From its initial base, Shannon Development has gone on to develop significant tourism projects, industrial estates, an aviation park, a technology park linked to the University of Limerick, and retail and food centers. Some of the businesses developed by the company have been sold off over the years, and in collaboration with other Irish agencies, Shannon Development has actively supported the development of Irish-owned services businesses linked to and supporting the EPZs major industrial tenants. Today, the zone is comprised of 400,000 square meters of factory, retail, and office space and its 120 tenants employ more than 6,000 people.[3]

IDA Ireland and *Forfás* officials noted that supporting Ireland's investment promotion efforts was a liberal immigration policy. While the GoI does review a staffing and training plan included in an investor's application for incentives, officials stated that the market almost always determined which roles were filled by more expensive expatriates and which were staffed by cheaper local labor. Typically, officials noted, the only expatriates brought in to manage the firm in Ireland would be the top management and technical personnel who would generally train local employees to replace them within a couple years. Today, Ireland faces labor skilled shortages in several industries and in accordance with European Union agreements, Ireland does not oppose the emigration of EU workers to Ireland to fill these vacancies.

Mr. David Lovegrove, Corporate Secretary of *Forfás,* noted that even when Ireland was competing based on the fact that it was a low wage and surplus labor country they never sought investment that was environmentally risky or exploitative of labor. This type of investment is considered transient, unworthy of GoI effort, and potentially dangerous to general public welfare.

IDA Ireland and *Forfás* have recently reassessed their investment promotion facilitation goals. Currently, the agencies are focusing on ways to upgrade Ireland's transport and telecommunications infrastructure, spreading investment more evenly throughout the country, and moving up the value-added ladder, in part through upgrading the workforce's skills in such areas as foreign language, management, and computer technology.

2.3 Incentives Offered

Ireland's incentives have changed over the years, becoming less generous as investment levels rose. The basic incentives have included a comparatively low rate of corporate tax for exporting firms, financial grants, property tax deferrals,

[3] *Shannon Development: Innovative Action – Regional Growth*, pg. 11.

tax treaties, and facilitating location decisions through the development of fully serviced shell and build-to-suit factory buildings. IDA Ireland first offered a 15-year tax holiday for companies that exported 75% or more of their production, then moved to a 10% corporate tax rate. Due in part to EU regulations, the corporate tax rate is scheduled to rise to 12.5% within the coming months. In rural areas, two-thirds of property tax can be deferred for ten years. Ireland's network of 32 bilateral tax treaties also makes the country attractive for FDI. Further, an individual investor's profits from mutual funds are not taxed in Ireland.

IDA Ireland and Enterprise Ireland offer several types of grants to help spur investment. Start-up capital grants, which are disbursed based on job creation performance and the fulfillment of other conditions in the business-GoI contract, are offered to offset the cost of building facilities. When considering the amount of a grant, IDA Ireland staff considers an investor's job creation plan, the durability of the firm, and the type of investment, offering better incentives for the type of high value-added businesses that the government is hoping to attract. The amount of a grant is negotiable, but specific ceilings apply. When GoI grants were first established, the maximum capital outlay covered by the government was 60% of a project's cost in the west of the country and 45% in the east. Today, these grants can not surpass 35% of capital outlays in the west and 0% in the east, which is now considered well developed. As a general rule, IDA Ireland staff estimate that it takes two and a half years of an average company's operations to break even on the grants that they offer through corporate tax, the income tax of a firm's workers, and indirect contributions to government revenue. If a company stays in business for ten years, it is considered a long-term investment. Financial services firms can not imply for financial incentives.

FÁS offers grants to cover most of the cost of tailor-made training programs for workers. *FÁS* courses, which can be designed on site or at a government owned training facility, are designed with significant input from business, and firms pay a small levy to offset some of the agency's costs. Employees must apply to participate in a *FÁS* course, but they do not incur any costs.

Research and development grants are offered to induce firms to expand their operations in Ireland and create a more dynamic and innovative commercial environment. These grants are actively marketed to existing firms as part of IDA Ireland's emphasis on inducing firms to expand existing investments and further upgrade the technological value of the investment. The grants range from 35-50% of a project's cost, depending on the location, type of business, and potential to create jobs, up to a maximum of IrL 350,000.

IDA Ireland leases and sells land and buildings to investors. In the 1960s and 1970s, the government would develop the land itself, but now it relies on private firms to construct buildings and develop a site. The government negotiates contracts to guarantee a certain amount of rent to developers for as long as three years until tenants are identified. IDA Ireland suggests that the use of pre-built factories and land greatly reduces the lead time in planning and making an investment operational, as well as reducing bureaucracy. Shannon Development also offers investors the chance to locate in a free zone located near the Shannon International Airport.

Several of Ireland's incentives are subject to European Union regulations; for example, the EU states that capital grants can not exceed 57% of a project's cost and training and incentive schemes can not spend more than IrL 11,000 per job created.

2.4 Marketing Strategy and Techniques

IDA Ireland uses a variety of techniques to attract would be investors. Key to their approach is the use of overseas offices in target countries. Approximately 40% of IDA Ireland's 280 staff members are overseas. IDA Ireland maintains an office in France, Germany, the Netherlands, the United Kingdom, Australia, Hong Kong, Japan, South Korea, Taiwan, and six offices in the U.S. Previous experience relying on embassy officials to promote investment proved to be ineffective. IDA Ireland maintains some ten offices overseas located strategically in areas that are home to the type of investors they are seeking and where cultural ties would provide a competitive marketing advantage. For example, in order to focus on high technology companies and medical instruments IDA Ireland has situated an office in Silicon Valley and the greater Boston area in the U.S.

Staff in these offices are primarily responsible for conducting research on firms and making contact with company decision makers. IDA Ireland relies on public stock market information, trade association journals, industry magazines, and direct research to keep abreast of relevant market trends and identify leading companies in the sectors that they are interested in targeting. IDA Ireland staff consider where and how a company exports, what presence it has in Europe, and its size when choosing which companies to target. As a general rule, Mr. O'Donovan noted, U.S. companies with less than $30 million in sales are unlikely to have the interest of capacity to open a significant office in Europe. In part because they tend to be large employers, as a general rule the companies sought by IDA Ireland today are large multinational firms in high technology and high growth industries. These large multinationals bring balance to Ireland's traditional agricultural and limited service-based economy where, according to Mr. Eugene Reilly, Finance & Taxation Manager for the Enterprise & Trade Policy Division of *Forfás,* approximately 90% of Irish owned firms employ ten or fewer people and have low profit margins.

After identifying promising prospects, IDA Ireland will either call a company executive directly or write a letter. Mr. Cahill detailed the content of this letter, which includes:

- statement establishing the clout and mandate of IDA Ireland, including that it is a government agency empowered to negotiate with investors;
- expression of the desire to meet and discuss investing in Ireland;
- statement that the IDA Ireland representative will discuss reasons why a company may wish to invest in Ireland, including incentives that are specifically of interest to the firm;
- the names of other, similar companies that have already taken advantage of Ireland's offer, preferably firms that are from the same country; and
- note that the meeting will take a maximum of one hour.

During the meeting with the targeted executive, Mr. Cahill advised not to give a presentation unless asked. Other IDA Ireland officials suggested that slide presentations and videos are not effective. During the presentation, Mr. Cahill suggested that an executive would retain five key points, and presentations should reflect this retention capacity and hammer home a limited number of themes. After the presentation, IDA Ireland staff will leave notes summarizing the key points and sectoral and tax brochures. IDA Ireland staff warn that competition for investment is fierce, so the more an investment promotion officer understands the interests and needs of the targeted executive the more distinct their sales pitch will seem.

IDA Ireland has placed print advertisements in local newspapers and such publications as *The Wall Street Journal, Time, Forbes, The Economist,* and *The Financial Times of London*, as well as radio. In most markets, print advertising is regarded as more cost effective than other media. When launching a new push for investment in a given sector, IDA Ireland would also take out advertisements in industry specific journals. Mr. Michael Flood, Project Manager of Engineering & Consumer Products Division of IDA Ireland, conceded that while they had anecdotal evidence that some of their advertisements were effective, tracking the impact of such outreach activities is quite hard to do. IDA Ireland also maintains a website as well that receives 25 to 30 inquiries per day. A staff member is designated to answer these queries on a daily basis. Mr. Flood does not have much faith in the use of videos, CD ROMs, or trade fairs.

IDA Ireland also actively tries to court "free media" coverage from the business and economic reporters of numerous newspapers, magazines, and radio and television networks. For example, in 1998 approximately 75 journalists came to Ireland and met with IDA Ireland or *Forfás* officials, who will suggest story ideas and facilitate their meetings with companies and government officials that the journalists wish to meet.

Forfás manages press relations with the domestic media. A key issue that the agency has confronted over the years has been whether or not Ireland's incentive schemes favor foreign firms over domestic business. Questions also arise when an area does not receive an investment as hoped.

Typically, the overseas staff will create a site visit agenda for a visiting executive based on his or her needs and request that staff in Ireland prepare a program. Typically, the investor's site visit will last two or three days. The agenda will often include visits to or a working lunch and dinner with suppliers, other firms in the same sector, human resources consultants, an international accounting firm, bankers, management consultants, and relevant government officials. IDA Ireland will meet the investor at the airport and make hotel reservations, if requested. Executives will also be taken to where IDA Ireland feels they would want to locate, including government owned industrial estates and regions of interest.

IDA Ireland staff stresses the importance of aftercare in creating new jobs and keeping companies in Ireland. Convincing a firm to expand a project is almost as important to IDA Ireland as the initial investment attraction. Mr. Patrick Byrne, New Business Manager of the Financial Services Division of IDA Ireland noted that if the GoI can help a subsidiary in Ireland increase its management, research, and sales capacity, the firm can more successfully make a case to its parent company for expansion in Ireland. IDA Ireland has changed how it handles aftercare over the years. Previously, investment promotion and aftercare were separate departments but now investment promotion officers are tasked with tracking the progress of firms that they attract for one year after and initial investment. After one year, other staff will assume the aftercare and investment expansion promotion duties. Mr. Flood noted that existing company expansions account for some 15,000 new jobs per year.

IDA Ireland promotions staff suggest that one out of four investors that visit will actually invest in Ireland. The ratio of contacts to visits in not tracked. It is estimated that 10% of investments fail after locating in Ireland.

Chapter 3: Conclusion

3.1 Lessons Learned

Ireland's history of successful investment promotion offers several lessons to counterparts in other countries. Different members of the staff point to varying factors that helped transform the economy and account for the success of *Forfás,* IDA Ireland, and its sister agencies. This success should be viewed in the context of Ireland's establishment of an overall framework that enables investment and business to flourish. As outlined by Mr. Reilly the fundamental characteristics of an Ireland's enabling environment are a "partnership approach" involving workers, management, and government and deliberate public-private investments in areas that enhance national competitiveness. The competitiveness factors include education, skills, infrastructure, telecommunications capacity, and efficient and responsive public administration.

Various interviewees offered suggestions about what accounted for Ireland's success in attracting investment. Key concepts are outlined below:

Assess Competitive Advantages for Investment – In choosing which economic sectors to target, Ireland has tried to assess what its competitive advantages are. To do this effectively, IDA Ireland and *Forfás* officials analyze which investment destinations are likely competitors for a project, what the infrastructure and labor needs are of firms in a given sector, and what the GoI can offer to satisfy the needs of an investor. For example, according to Mr. Cahill, U.S. investors in particular regard Ireland favorably for the access it provides to the European market, comparatively low labor rates, and an English speaking workforce, making Ireland a offers a low-cost and effective base for products and services to enter the EU. Some Asian firms have located in Ireland to avoid U.S. export quotas in textiles. In general, Ireland's political stability, high and increasing skilled and flexible workforce, and good infrastructure, including telecommunications, are also highlighted as comparative advantages. This assessment also factors in what the needs may be of a particular country, sector, and firm. Understanding how a foreign company views a country's population size, domestic purchasing power, and consumer spending trends and tastes is important, especially for mid-sized companies (those with fewer than 3,000 employees).

Attract Flagship Projects – Over the course of the past three decades, Ireland has often courted a business that was new to the country. IDA Ireland promotions staff regularly assess which companies are the "market leaders" in a sector that they wish to promote and target these top firms. Once a respected investment within a given industry has been located in Ireland, IDA Ireland officials made a significant effort to work with the company to demonstrate Ireland's ability to support firms in that sector. When approaching similar investors, the fact that a known firm had already invested in Ireland added credibility to the country's promotional effort.

Exploit Cultural Links – Most officials interviewed mentioned that a large degree if Ireland's success was due to their ability to woo firms from America, with which Ireland has a specific cultural bond due in part to the large number of Irish immigrants that have settled in the U.S. When interacting with American investors, promotions staff highlight cultural similarities, historical connections, and knowledge of the U.S. Company executives with Irish surnames have been contacted in order to identify a potentially sympathetic person within targeted companies. Further, IDA Ireland prides itself on fielding staff overseas who are able to understand the culture and interests of targeted investors. IDA Ireland attempts to use this knowledge when meeting with investors and arranging a site visit. In general terms, Mr. Cahill noted the importance of knowing how to approach corporate decision makers from foreign companies, and discussed differences in formality, ease of access, and time management with the executives of various countries.

Win and Utilize the Support of Top Government Officials – Throughout its history, senior government officials have actively supported the government's investment promotion efforts. This has been manifest in funding levels, granting a degree of policy and operational autonomy to the agencies involved, and having top officials directly interface with would-be investors.

Never Abrogate a Contract – IDA Ireland and *Forfás* officials stress that they take their contracts with investors seriously and have never broken a contract. Trust is imperative, and despite scaling back incentives and other commitments to the European Union, incentive agreements have been grandfathered.

Don't Force Firms to Enter into Joint Ventures – Ireland's investment promotion experience has demonstrated that limiting foreign investment to joint ventures discourages investment. In line with its philosophy of letting investors determine how to structure and conduct their business in a manner that best suits them, the GoI has not restricted full foreign ownership of businesses, land, or other assets. Additionally, Mr. Lovegrove noted that the joint ventures that IDA Ireland has supported have not performed up to expectations. Officials suggest that this is due in part to clashes in organizational culture and placing artificial limitations on business. Noting that some businesses in Jordan can not be wholly owned by foreigners, Mr. David O'Donovan, Project Manager of the International Services Division of IDA Ireland suggested that Ireland would never have been successful in attracting services companies if the government placed restrictions on foreign ownership.