



□ How investors perceive the investment climate helps government agencies and businesses to: assess the degree to which investment is sustainable; address constraints; promote investment; and assess whether there is a level playing field for domestic and foreign investors. Countries may compare against studies by agencies such as UNIDO, World Bank and WEF.

Initial decision to invest. Factors include political and economic stability, legal system, labour productivity, low corruption, natural resources for extractive industries, markets for market seekers, and the need to establish a presence for strategic purposes. Incentives and privatisation were relatively unimportant.

Outlook. The majority indicate the intention to expand or maintain investment, anticipating an increase in profits and turnover.

Economy & finance. Strongest stimulants include economic stability, and markets. Inflation, tax and interest rates have negative effects.

Politics & governance. Factors that have the most significant impact include political and social stability, and security and crime.

Infrastructure. Electricity supply is most negative, while telecommunications are among the most positive.

Labour. Productivity of management and skilled staff is positive. Views are mixed regarding productivity of unskilled staff, labour cost, and availability. Absenteeism, staff turnover, and recruiting ex-patriates cause problems

Health factors. HIV/AIDS and malaria were rated especially negatively.

Environment. Factors have detrimental effect on certain sectors. These may have a positive effect where degradations have been reversed.

Information sources. Private sector associations and central bank yielded useful information.

Downloads

- [“Why Survey Investors’ Perceptions?”, Strategies for Financing Development #22 \(pages 14-15\)](#)
- ["What Drives Investment?", Private Capital Flows to LICs: Dealing with Boom and Bust, Chapter 5](#)
- ["Perception and the Causes of Flows", Private Capital Flows to Africa: Perception and Reality, Part 2](#)

Links

- [MIGA \(2006\) Benchmarking FDI Competitiveness in SSA Countries](#)
- [UNIDO \(2007\) Africa Foreign Investor Survey 2005](#)
- [World Bank Doing Business](#)
- [World Economic Forum Global Competitiveness Report 2009/10](#)
- [World Economic Forum Africa Competitiveness Report 2009](#)