

# IPA Benchmarking Study

Business Development Agency Bermuda

April 2024



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## About ResearchFDI

ResearchFDI is a specialized global market research firm that provides high-quality, customized strategic reports for economic development organizations and regional and investment promotion agencies worldwide. The company was founded in 2010 in Montreal, Canada and remains a Canadian-owned company with offices and partners around the globe. The ResearchFDI team is fluent in numerous languages and has worldwide market experience in North America, Europe, South America, Asia, the Middle East, and Australia.

Our experienced team of economists, analysts, and strategists helps our clients choose the best route forward for their investment attraction activities. All our insights are built on a customized, rigorous, and focused set of primary and secondary research methods, which include detailed stakeholder and business consultations, deep desk research, and data analysis.

Our consulting and strategy services include target industry identification, target market identification, sector studies, reverse site selection studies, benchmarking, value proposition development, action plan development, and marketing material creation.

## About Tractus

Tractus is a leading global Trade Promotion and FDI Attraction advisory firm. It focuses on assisting government organizations, multinational corporations, and smaller companies with their global investment, trade, and growth strategies.

In 1995, Tractus was established in Thailand and began focusing on providing market entry and site selection services as many global multinationals invested in and targeted the growth markets of Asia. Today the firm and its practice areas have grown, and it has offices in China, Taiwan, India, Europe, North America, Japan, Germany, South Korea and ASEAN (Indonesia, Myanmar, Singapore, Thailand, and Vietnam).

Over the years our scope of services has also expanded, and we now have 4 interlinked practice areas (Economic Development, Strategy & Execution, Corporate Finance, and Business Inc.ubator®) and over 50 employees globally. We continue to maintain what some industry experts consider the leading site selection firm. We take pride in our practical business approach and our proven track record of assisting more than 1,000 companies to identify and implement their Asian and global investment and trade strategies over the last 25+ years. We understand Trade Promotion and FDI exceptionally well and this understanding, combined with our extensive experience, has made Tractus a sought-after resource by economic development organizations (EDOs) and investment promotion agencies (IPAs) intending to attract investment into their regions.

# About Business Development Agency Bermuda

The Business Development Agency Bermuda (BDA) is the primary organization tasked with the promotion and facilitation of foreign direct investment from international businesses into Bermuda. The agency's purpose is to promote and protect sustainable and equitable economic growth and prosperity in Bermuda through the promotion of Bermuda's strengths to international businesses and the support of key local stakeholders within the Bermuda economy.

## Introduction

The global landscape of investment promotion agencies (IPAs) is diverse, with each jurisdiction offering unique opportunities and challenges. In Phase 4 of our ongoing project, we undertake a comprehensive evaluation and benchmarking of four IPAs that have been agreed with Business Development Agency Bermuda (BDAB). The focus of this exercise is to enhance strategic planning for organizational transition based on comparative analysis of other similar or benchmark IPAs. This initiative aims to provide a comprehensive analysis of IPAs, encompassing their structures, sector competitiveness, and key performance indicators (KPIs).

## Methodology

Our methodology involved meticulous data compilation and desk-based research to gather insights into the IPAs under study. We have identified 13 critical parameters for benchmarking, covering aspects such as economic profiles, governance, service offerings, digital marketing strategies, success stories, and identified threats and opportunities.

<u>No.</u>	<u>Parameter</u>	<u>Description</u>
1.	Economic profile	Key economic indicators of competing jurisdictions, including population, GDP, FDI stock and flow, tax rates, etc.
2.	IPA Governance & Funding	Governance models and funding sources of each IPA, whether governmental, private, or autonomous, along with total budget allocations.
3.	Employee strength and Geographic Footprint	Workforce composition, leadership teams, and global presence of IPAs through overseas offices and representations.
4.	Service offering	Suite of services provided to potential and confirmed investors, including both core and non-core support services.

5.	Prioritisation	Priority sectors, business segments, and types of investments targeted by each IPA, extending beyond greenfield investments.
6.	Products/Incentives Directly Offered	Products and incentives directly offered to investors by the agencies.
7.	Key performance indicators	Evaluation of IPA performance in terms of projects, job creation, capital expenditure, and top contributing sectors or regions.
8.	Competitive Advantage	Identification of competitive advantages and distinguishing factors of each IPA.
9.	Digital Marketing	Analysis of IPA strategies, particularly in terms of websites and digital marketing.
10.	Success Stories	Examples of successful investment attraction efforts, detailing strategies, execution, and outcomes.
11.	Best Practices	Identification and analysis of best practices employed by IPAs.
12.	Identified Threats	Assessment of potential threats and opportunities that may impact the future of each IPA.
13.	Identified Opportunities	Assessment of potential opportunities that may impact the future of each IPA.

This research methodology entailed establishing criteria for assessing competing locations, focusing on economic profiles, IPA governance, priority sectors, and service portfolios. Supplementary data on Key Performance Indicators (KPIs), including project outcomes, job creation, and capital expenditure (CAPEX), was collected to gauge IPA performance. Additionally, case studies and success stories were compiled to highlight effective business attraction strategies employed by IPAs, offering actionable insights.

Findings were systematically summarized and organized based on prevailing conditions to facilitate a comprehensive analysis, leading to the identification of competitive advantages and weaknesses among the selected IPAs. Furthermore, a review and comparison of Bermuda's KPIs with those of the selected IPAs were conducted to pinpoint areas for improvement and optimization within the Bermuda Business Development Agency (BDAB).

The selection of jurisdictions for inclusion in the study was based on discussions with the BDAB focused on these IPAs due to a combination of factors, including: competition for similar FDI, economic similarities, benchmarking, and other relevant considerations. The selection also happens to represent economies, spanning regions such as the Caribbean, Asia-Pacific, and Europe.

The focus jurisdictions are as follows:

- Bermuda
- Singapore
- Cayman Islands
- Channel Islands – Jersey
- British Virgin Islands (BVI)

Each island nation under study is associated with a distinct Investment & Trade Promotion Agency, namely:

- Business Development Agency Bermuda (BDAB)
- Singapore Economic Development Board (EDB)
- Dept. of Commerce & Investment (DCI) in Cayman Islands
- Locate Jersey
- Dept. of Trade, Investment Promotion and Consumer Affairs in BVI

## Comparative Analysis

### Summary profile of competing locations

The summary profile of competing locations provides key economic indicators, including population, GDP, FDI stock and flow, tax rates, and tax structures, offering insights into the diverse economic landscapes of the selected jurisdictions.

	BERMUDA	SINGAPORE	CAYMAN ISLANDS	JERSEY	BRITISH VIRGIN ISLANDS
LOCATION	North Atlantic	Southeastern Asia	Western Caribbean	English Channel	Caribbean
SPOKEN LANGUAGE(S)	English (official), Portuguese	English (official) 48.3%, Mandarin (official) 29.9%, Malay (official) 9.2%	English (official) 90.9%, Spanish 4%	English (official) 94.5%, Portuguese 4.6%	English (official), Virgin Islands Creole
POPULATION	63,542 (2023)	5.9 M (2023)	65,483 (2023)	102,785 (2023)	39,369 (2023)
GDP (US\$)	6.7 B (2022)	578 B (2021)	4.5 B (2021)	7.2 M (2022)	1.7 B (2022)
FDI INWARD STOCK (US\$)	2.6 B (2022)	2.4 T (2022)	NA	65.7 B (Inbound - 2012)	NA
FDI INFLOWS (US\$)	-33.0 M (2022)	141.2 B (2022)	24.5 B (2022)		38.1 B (2022)
TAX STRUCTURES/RATES					
PERSONAL INCOME	0%	0% to 22%	0%	20%	0%
CAPITAL GAINS	0%	0%	0%	0%	0%

<b>CORPORATE INCOME</b>	15%	17%	0%	0% to 20%	0%
<b>SALES/ VAT/ GOODS AND SERVICES</b>	0%	9%	0%	5%	0%
<b>PROPERTY/ REAL ESTATE</b>	0.8% to 55%	10%	0%	10.5%	1.5%
<b>TAX BENEFIT</b>	Bermuda imposes no taxes on profits, income, dividends, or capital gains, has no limit on the accumulation of profit, and has no requirement to distribute dividends.	Singapore has signed double taxation agreements (DTA) with more than 70 countries around the world, thereby making an important contribution to reducing tax burden for foreign enterprises.	Cayman is a tax haven for multinational corporations, offering a corporate tax-free environment and tax-neutrality for residents. In Cayman's SEZ's there are no taxes on corporate profits, capital gains, or personal income.	In Jersey pay tax on income, goods and services, but there's no capital gains or inheritance tax.	BVI is a tax-neutral jurisdiction which means that no tax is imposed on income, capital gains, or withholding taxes on companies and individuals. The payroll tax is charged at 10% for smaller corporations and as much as 14% for larger enterprises; Small businesses are provided with sector grants and loan programs

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## IPA governance and funding

The section provides insights into the governance models and funding sources of each IPA, encompassing governmental, private, or autonomous structures, along with total budget allocations for operational purposes.

	GOVERNANCE	SOURCE(S) OF FUND	TOTAL FUNDING/BUDGET	FOUNDING YEAR
<a href="#"><b>BUSINESS DEVELOPMENT AGENCY BERMUDA (BDAB)</b></a>	Public Under the Ministry of Economy and Labour	Bermuda government and the private sector through fund raising	US\$ 5.3 M (80% from public sector funding and 20% from fund raising) (2023)	2013
<a href="#"><b>SINGAPORE ECONOMIC DEVELOPMENT BOARD (EDB)</b></a>	Public Under the Ministry of Trade and Industry	Government	US\$ 293.9 M (FY 2022)	1961
<a href="#"><b>DEPT. OF COMMERCE &amp; INVESTMENT (DCI), CAYMAN ISLANDS</b></a>	Public Under the Ministry of Commerce, Cayman Islands Public	Government	US\$ 2.8 M (FY 2019)	2007
<a href="#"><b>LOCATE JERSEY</b></a>	Under the Department for the Economy, Jersey	Government	NA	2020
<a href="#"><b>DEPT. OF TRADE, INVESTMENT PROMOTION AND CONSUMER AFFAIRS, BVI</b></a>	Government Under the Government of Virgin Islands (British)	Government	US\$ 1.5 M (FY 2022-23)	2020

## Notes:

- In the case of the Cayman Islands and the British Virgin Islands (BVI), there isn't a specific investment promotion agency with a distinct name, unlike some other jurisdictions. Instead, the mandate for investment promotion falls under the purview of government departments. The Department of Commerce & Investment (DCI) in the Cayman Islands (formerly known as the Cayman Islands Investment Bureau, CIIB) is responsible for facilitating and promoting investment opportunities across various sectors. Similarly, in the BVI, the Department of Trade, Investment Promotion, and Consumer Affairs is mandated to handle investment promotion efforts.
- However, it's important to note that although these entities are not categorized as IPAs, they effectively serve similar functions in promoting investment in their respective jurisdictions. Hence, in the context of this study and for the purpose of comparative analysis, we will consider these agencies/departments as IPAs to facilitate a meaningful comparison with other jurisdictions.
- In the Cayman Islands, while there isn't a dedicated IPA, certain standalone organizations, such as Cayman Enterprise City, oversee investment promotion for specific sectors or special economic zones (SEZs) within the jurisdiction.
- Similarly, in the BVI, various entities contribute to investment promotion efforts. These include the British Virgin Islands Financial Services Commission (BVIFSC), the BVI International Affairs

Secretariat, and the BVI International Finance Centre, each playing a role in promoting investment in specific sectors.

- Regarding Jersey: In Jersey, "Finance Jersey" refers to Jersey Finance, the promotional body for the Jersey financial services industry. Jersey Finance represents and promotes Jersey as an international finance center of excellence. It provides support to businesses in the financial sector and promotes the jurisdiction's financial services globally. Jersey Finance plays a crucial role in attracting investment, facilitating business growth, and maintaining Jersey's position as a leading international finance center.
- Locate Jersey is a brand used by the Government of Jersey for the purpose of promoting Jersey for inward investment and as a place to do business. It is not an Arm's Length Body, or independent organisation. Activity to undertake the promotion of Jersey for inward investment and as a place to do business is part of the job role of employees within the Department for the Economy.
- Note: Latin America and the Caribbean, the median IPA has a total annual budget of US\$ 4.2 million to attract investment into their economies, mainly financed by the public sector.

## Insights

- IPAs from more developed countries typically command larger financial resources compared to those from less developed nations.
- There are significant variations in investment promotion budgets among IPAs, ranging from a maximum of US\$ 293.9 million to a minimum of approximately US\$ 1.5 million. These disparities not only reflect differences in size and income levels among the selected jurisdictions but also underscore potential variations in the priority given to investment promotion by their respective governments.
- Among the jurisdictions mentioned above, most IPAs are financed primarily through public funds provided by their respective governments. This observation aligns with the findings of the State of Investment Promotion Agencies report (WAIPA-WBG's Joint Global Survey), which indicates that globally, government funding remains the predominant budget source for IPAs.
- However, current trends suggest a growing prevalence of private funding in addition to government financing. This shift is evident in cases such as the Bermuda Business Development Agency, where a small private fund-raising component supplements government support. While public funding continues to play a leading role, there is a discernible movement towards a blend of public and private financing models in investment promotion initiatives.
- Globally, more IPAs are accessing private funding streams, and the private sector is increasingly influencing IPA governance. Some IPAs supplement their budgets with contributions from international organizations, donors, and the private sector.
- A closer collaboration between IPAs and the private sector offers mutual benefits and reflects the unique interface IPAs have with private enterprises in attracting investment.

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## Employee strength and geographic footprint

The section on Employee Strength and Geographic Footprint offers insights into the workforce composition, leadership structure, and global presence of IPAs through overseas offices and representations.

	NO. OF EMPLOYEES	LEADERSHIP COMPOSITION	OVERSEAS OFFICES
<u><a href="#">BUSINESS DEVELOPMENT AGENCY BERMUDA (BDAB)</a></u>	11	<u>8</u> Board members (Includes a Chair and a Deputy Chair); CEO and COO	<u>N/A</u> Office only in Bermuda
<u><a href="#">SINGAPORE ECONOMIC DEVELOPMENT BOARD (EDB)</a></u>	<u>530+</u>	<u>15</u> Board members (Includes a Chairman and a Managing Director); <u>9</u> Executive Committee members; <u>16</u> International Advisory Council members (Includes a Chairman - Deputy Prime Minister and Minister for Finance)	<u>37</u> Asia Pacific – 24; EMEA – 5; Americas – 5; Africa -3
<u><a href="#">DEPT. OF COMMERCE &amp; INVESTMENT (DCI), CAYMAN ISLANDS</a></u>	<u>20+</u>	<u>2</u> Directors; <u>9</u> Special Economic Zone Authority Board Members	<u>4</u> Offices in Grand Cayman and Cayman Brac & Little Cayman (Sister Islands), Singapore
<u><a href="#">LOCATE JERSEY</a></u>	<u>10+</u>	<u>4</u> Ministers; <u>6</u> Members of Management (Includes a Director General)	<u>3</u> - Brussels, London & France (*For the Dept. for the Economy, Jersey)
<u><a href="#">DEPT. OF TRADE, INVESTMENT PROMOTION AND CONSUMER AFFAIRS, BVI</a></u>	<u>10+</u>	<u>1</u> Director Trade	<u>2</u> – London & Hong Kong

## Insights

- The distribution of overseas offices among IPAs reflects strategic prioritization of markets based on economic factors and investment potential. More economically advanced jurisdictions, such

as Singapore have established a portfolio of foreign offices with an investment promotion mandate. For instance, the Singapore EDB's 37 overseas offices strategically cover APAC, EMEA, Americas, and Africa, highlighting its robust international outreach. Singapore EDB strategically allocates most of its overseas offices (65%) in the APAC region, emphasizing proximity and maximizing investment opportunities in this high-growth area.

- Conversely, some IPAs opt for a more diversified approach, distributing their overseas offices across multiple regions to ensure a balanced geographic presence, exemplified by agencies from Australia, Canada, France, Portugal, and Sweden.
- Each IPA's targeted outreach strategy is reflected in the location of overseas offices. For example, the Department for the Economy, Jersey, focuses its global offices within Europe, particularly in Brussels, London, and France, to attract investments from European markets.
- Research by Anderson and Sutherland (2015), Lim (2018), and Volpe-Martincus and Sztajerowska (2019) indicates that a larger overseas presence, facilitated by dedicated offices, is positively correlated with higher levels of efficiency and higher foreign investment attraction by IPAs, emphasizing the significance of maintaining a robust international presence for effective investment promotion.
- Overseas and in-country representatives: Having both overseas and in-country regional representatives is a crucial practice that influences an IPA's overall performance and its alignment with national development objectives. This dual presence allows IPAs to establish strong networks, facilitate investor relations, provide tailored support to potential investors, and effectively deliver aftercare to established investors.
- Focus on emerging markets: Emerging markets in Asia, particularly China and India, are increasingly becoming the focus of IPAs' widening office networks. These markets offer significant growth potential and present attractive investment opportunities for foreign investors. However, developed countries continue to hold importance due to their established economies and investment climates.
- In examining the organizational structures of IPAs, notable disparities emerge. For instance, the BDAB operates with a lean workforce overseen by a board and executive leadership, contrasting sharply with the expansive operations of the Singapore EDB, boasting over 530 employees and a comprehensive leadership structure.
- Most jurisdictions have a board of directors overseeing their IPAs, with over 70% of IPAs globally having such a structure, as indicated by the State of Investment Promotion Agencies report (WAIPA-WBG's Joint Global Survey).
- In the cases of both BDAB and EDB Singapore, the leadership includes members from the private sector. BDAB has a board that represents both government and key investment sectors from the private sector, while EDB Singapore's International Advisory Council comprises CEOs of private companies.
- Business-like structure: IPAs with a business-like structure, institutional autonomy, and operational independence are more successful in attracting investors. Clarity of mandate and strong coordination with regulatory agencies and key stakeholders also contribute to their effectiveness in promoting investments.
- Tripartite approach: The EDB's board composition, comprising a mix of public and private sector leaders alongside a senior official from the National Trades Union Congress (NTUC), reflects

Singapore's tripartite approach to development planning. This structure ensures representation of diverse perspectives and aligns with the country's growth strategies.

Sources:

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## Service offering

This section outlines the comprehensive suite of services provided/advertised by IPAs to potential and confirmed investors, encompassing both core and non-core support services. There is very little differentiation when it comes to how IPAs present themselves. The reality of what is delivered does become a differentiator in terms of how an IPA, the stakeholders and ultimately the country is able to serve investors. Smaller organizations do not have the capacity to deliver the services below and must rely on partners/stakeholders to support in the delivery. This means that the IPA must also have the capacity to manage a network of partners (stakeholder management) to be able to deliver the range of advertised services.

	<u>BUSINESS DEVELOPMENT AGENCY BERMUDA (BDAB)</u>	<u>SINGAPORE ECONOMIC DEVELOPMENT BOARD (EDB)</u>	<u>DEPT. OF COMMERCE &amp; INVESTMENT (DCI), CAYMAN ISLANDS</u>	<u>LOCATE JERSEY</u>	<u>DEPT. OF TRADE, INVESTMENT PROMOTION AND CONSUMER AFFAIRS, BVI</u>
GENERAL/ MARKET SECTOR RESEARCH	✓	✓	✗	✗	✗
BESPOKE REPORTS	✗	✓	✗	✗	✗
PROPERTY SOLUTIONS	✗	✓	✓	✓	✓
FINANCIAL SUPPORT	✗	✓	✓	✓	✓
LINKS TO INDUSTRY/ ACADEMIA/ GOVT. START-UP SUPPORT	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓

BUSINESS DEVELOPMENT	✓	✓	✓	✗	✓
AFTERCARE SERVICES	✓	✓	✗	✓	✗
FINANCIAL SOLUTIONS	✓	✓	✓	✓	✓
BUSINESS INCUBATORS	✓	✓	✓	✓	✗
TRAINING OR RECRUITMENT OF STAFF	✗	✓	✓	✓	✓
INCENTIVES, R&D GRANTS, TAX REBATES ETC.	✓	✓	✓	✓	✓
TECHNOLOGY/ INNOVATION PARKS	✗	✓	✓	✓	✗
ENTERPRISE ZONES	✓	✗	✓	✗	✗
REGULATORY SANBOXES	✓	✓	✓	✓	✓
WEBSITE/ CONTENT MANAGEMENT	✓	✓	✓	✓	✓
ROADSHOWS/ BUSINESS EVENTS/ CONFERENCES	✓	✓	✓	✓	✗
STRATEGY/ CONSULTING	✓	✓	✓	✓	✓
LEAD GENERATION	✓	✓	✓	✓	✓
PERFORMANCE REVIEWS/ BENCHMARKING	✓	✓	✗	✗	✗
ENQUIRY HANDLING	✓	✓	✓	✓	✓
POLICY ADVOCACY	✗	✓	✓	✓	✓

## Highlighting specific services



BUSINESS  
DEVELOPMENT  
AGENCY  
BERMUDA

- *Concierge service* for businesses, serving as a single point of contact to connect clients with industry professionals, government officials, and service providers like realtors and law firms.
- *One-stop shop* arrangement simplifies business operations in Bermuda, making it easier for enterprises to start up, relocate, or expand within the jurisdiction.



- *One-stop agency* which facilitates and supports local and foreign investors in both manufacturing and services sectors, as they move up the value chain to achieve higher sustainable returns and seek out new business opportunities.
- Specialised support for start-ups activities



DEPARTMENT OF  
COMMERCE & INVESTMENT  
CAYMAN ISLANDS GOVERNMENT

- More emphasis on working with partners Chambers, finance institutes & SEZs to promote business friendly environment for the investors



- Start-up and financial services support through organisations like Jersey Finance and Digital Jersey, which are funded by the government.



- *One Stop-Shop* for trade, business, investment, fair competition and consumer affairs.
- The *National Business Bureau (NBB)* was established specifically for the development of the MSME sector
- BVI prioritizes digital technology for economic growth,
- as seen in events like the BVI Digital Economy Symposium 2019, emphasizing fintech and blockchain sectors.

## Insights

- Growing scope of IPA services: Despite facing challenges such as fewer projects and increased competition (15,000 IPAs globally) are expanding their service offerings. This includes a pivot towards SME and start-up initiatives, recognizing the importance of talent and technology in today's mobile economy. For example, IPAs are now offering bespoke reports, financial support, business development assistance, and aftercare services to attract and support businesses.
- Focus on start-up support: There is a noticeable trend towards providing specialized support for start-ups, driven by advancements in technology. IPAs are increasingly recognizing the importance of nurturing start-ups with high growth potential. For instance, they provide information about the country's ecosystem, organize events to create a start-up community, and connect start-ups with incubators and accelerators. Additionally, they sponsor events to connect start-ups with larger companies and facilitate live challenges and competitions.
- Sector-specific expertise: IPAs are placing a strong emphasis on sector expertise, with staff trained to support key industries. Strategies are regularly updated to reflect market dynamics, and there is a growing recognition of the link between investment and export agendas. For instance, some IPAs provide regular intelligence meetings and calls to communicate trends and signals to investors. They also offer targeted campaigns and marketing materials tailored to specific sectors.
- Digitalization prioritization: Digital initiatives and innovation hubs are a current priority for many IPAs. These initiatives aim to bring together established companies and start-ups to foster collaboration and accelerate innovation. For example, some IPAs have established digital innovation hubs across the country, each representing a unique innovation. These hubs share knowledge and developments to further accelerate innovation. This focus on digitalization has attracted foreign companies and experts, contributing to the growth of the digital ecosystem.
- Active policy advocacy: While policy advocacy is often overlooked by IPAs, Singapore EDB and BDAB actively engage in advocacy efforts. By advocating for favourable policies and regulations, these IPAs create an enabling environment for businesses to thrive.
- Support for Financial Investments: IPAs are increasingly providing support for financial investments, including venture capital (VC) funding. This assistance aims to help businesses, particularly start-ups and SMEs, secure the necessary funding for growth and expansion.
- Support for talent and expats: Support for talent and expats is a key focus for IPAs, involving efforts to attract skilled professionals to their jurisdictions while simultaneously developing local talent. For instance, the EDB collaborates with companies to train and reskill Singaporeans, enabling them to seize job opportunities in growth sectors and build a robust leadership pipeline.
- Leveraging intermediaries: IPAs are leveraging intermediaries such as consulting companies and other service providers to organize events and roadshows overseas. By collaborating with intermediaries, they extend their outreach and visibility in key markets, attracting potential investors and businesses.
- Innovation in lead generation: IPAs are embracing innovation in lead generation by utilizing new technologies like analytical data services, news & intelligence, social media and interactive web sites to effectively reach and engage with target audiences.

## Sector prioritization

This section outlines the targeted priority sectors, business segments, and types of investments pursued by each IPA, encompassing a diverse range of industries and investment types beyond greenfield initiatives.

	PRIORITY SECTORS	BUSINESS SEGMENTS	MANDATE/ TYPES OF INVESTMENT
 <b>BUSINESS DEVELOPMENT AGENCY BERMUDA</b>	<ul style="list-style-type: none"> <li>Risk Solutions (insurance, reinsurance, captives, ILS, healthcare and cyber liability, long-term, and insurtech)</li> <li>Asset Management (traditional and alternative funds and private equity)</li> <li>High-Net-Worth Services (trust &amp; private client, family offices, private jets, superyachts, fine art, real estate)</li> <li>Emerging Technologies (fintech, ICOs, virtual assets business)</li> <li>Infrastructure (Hotel development, subsea cables, space and satellites, renewable energy, and the blue economy)</li> </ul>	<ul style="list-style-type: none"> <li>Financial services</li> <li>Professional services</li> <li>Technology</li> <li>Headquarters</li> <li>Hotel/resort development</li> <li>Energy</li> <li>Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Investment facilitation</li> </ul>
	<ul style="list-style-type: none"> <li>Consumer businesses</li> <li>Aerospace</li> <li>Electronics</li> <li>Energy &amp; chemicals</li> <li>ICT</li> <li>Renewable Energy</li> <li>Financial services</li> <li>Logistics &amp; Supply Chain Management</li> <li>Medical Technology</li> <li>Oil &amp; Gas Equipment &amp; Services</li> <li>Precision Engineering</li> <li>Pharmaceuticals &amp; Biotechnology</li> <li>Urban Solutions &amp; Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Advanced manufacturing</li> <li>Corporate venturing</li> <li>Family office</li> <li>Headquarters</li> <li>Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Trade promotion</li> <li>Investment facilitation-greenfield /brownfield (M&amp;A)</li> <li>Start-up facilitation</li> <li>Legal, banking and Insurance firms' investments</li> </ul>
	<ul style="list-style-type: none"> <li>Financial Services</li> <li>Tourism</li> <li>Real Estate and Development</li> <li>The Special Economic Zone</li> <li>Medical Tourism</li> </ul>	<ul style="list-style-type: none"> <li>Headquarters</li> <li>Sales &amp; Marketing</li> <li>Manufacturing</li> <li>Supply Chain &amp; Logistics</li> </ul>	<ul style="list-style-type: none"> <li>Investment facilitation-greenfield /brownfield (M&amp;A)</li> <li>Start-up facilitation</li> <li>Hedge funds investments</li> </ul>
	<ul style="list-style-type: none"> <li>Financial Services</li> <li>Digital</li> <li>Legal</li> <li>Tourism &amp; Hospitality</li> <li>Agriculture &amp; Fishing</li> <li>Retail</li> <li>Renewable energy</li> <li>R&amp;D, Medical &amp; Bioscience</li> </ul>	<ul style="list-style-type: none"> <li>Headquarters</li> <li>Sales &amp; Marketing</li> <li>International Finance Centres</li> <li>Manufacturing</li> <li>Retail</li> <li>Medical Tourism</li> </ul>	<ul style="list-style-type: none"> <li>Investment facilitation-greenfield /brownfield (M&amp;A)</li> <li>Start-up facilitation</li> <li>Legal, banking and</li> </ul>

	<ul style="list-style-type: none"><li>• Aircraft &amp; Maritime</li><li>• Financial Services</li><li>• Tourism</li><li>• Agriculture</li><li>• Fishing</li></ul>	<ul style="list-style-type: none"><li>• Offshore companies</li><li>• Sales &amp; Marketing</li><li>• Manufacturing</li><li>• Supply Chain &amp; Logistics</li></ul>	<p>Insurance firms' investments</p> <ul style="list-style-type: none"><li>• Investment facilitation-greenfield /brownfield (M&amp;A)</li><li>• Hedge funds investments</li></ul>
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## Insights

- IPAs in offshore jurisdictions are prioritizing high-growth, knowledge-intensive and financial services sectors such as risk solutions, asset management, emerging technologies, and infrastructure development, along with traditional sectors like financial services and tourism.
- The researched IPAs prioritize sectors such as financial services, IT services, pharmaceuticals, biotechnology, medical devices, tourism and hospitality, electronics, and retail. They offer services to a wide range of businesses, both foreign and domestic, including small and medium-sized firms, large corporations, joint ventures, and various industry segments.
- Despite the wide array of sectors being prioritized, there is a concerted effort among IPAs to transform existing industries and transition towards sustainability. For instance, EDB aims to collaborate with large corporates to leverage AI and digitalization for increased productivity while transitioning towards a low-carbon future in sectors like Energy and Chemicals by promoting sustainable products and solutions.
- IPAs exhibit a fluid approach to lead generation, with their focus evolving in response to market dynamics. For instance, there has been a notable emphasis on renewable energy initiatives in recent years, reflecting a strategic shift towards sustainable and environmentally friendly investments.
- There is a trend towards providing support for a wide range of investment types, including greenfield projects, mergers and acquisitions (M&A), and start-up facilitation, reflecting a more diversified approach to investment promotion.
- Recent research by the World Bank Group (WBG) underscores the importance of IPAs having a clear and focused mandate, particularly in targeting specific sectors, industries, or precise segments to effectively attract and retain FDI. This research suggests that IPAs with a singular and uncontested focus on investment promotion experience faster ramp-up and deliver greater impact compared to those with multiple mandates, especially in developing economies.
- Analysis based on country income groups reveals a trend where developed countries tend to have more specialized IPAs with fewer mandates, while IPAs from low-income countries often have a broader scope of mandates, including more than five priorities. This underscores the significance of sector prioritization in investment promotion practices, as focusing on select priority sectors has been found to be more effective in attracting FDI than attempting to cater to all types of investors.

## Products/incentives directly offered

The section on Products/Incentives directly offered outlines the range of offerings provided by each IPA, either exclusively or in collaboration with other government agencies/departments, to investors. These offerings include start-up support, investment incentives, innovation and R&D programs, enterprise zones, training and recruitment support, and environmental grants, all aimed at fostering economic growth and development.

 <p>BUSINESS DEVELOPMENT AGENCY BERMUDA</p>	<ul style="list-style-type: none"> <li>Concierge service: The BDA provides dedicated investment facilitation services to expedite and build efficiency in the location process. This is offered to both companies and high net worth individuals.</li> <li>Economic Investment Residential Certificate; offers individuals an opportunity to receive residency by making a \$2.5 million investment in Bermuda</li> <li>Regulatory Sandbox and the Innovation Hub: These tracks allow disruptive companies to test new methods and technologies in a collaborative "sandbox"</li> <li><i>Ignite Bermuda</i>: Start-up &amp; incubators facilitation, funding, Access to industry experts &amp; investor network</li> <li>Bermuda Department of Workforce Development: provides skills &amp; training</li> <li>Bermuda Economic Development Corporation: <ul style="list-style-type: none"> <li>provides local small business support, training etc.</li> <li>Economic Empowerment Zones (EEZs) – Northeast Hamilton, South East Hamilton, Somerset, and St. George's</li> </ul> </li> <li>Start-up Support: <i>SEEDS</i>(Start-up Enterprise Development Scheme) and the <i>Business Angel Scheme</i> for entrepreneurs to foster innovation and entrepreneurship.</li> <li>Investment Incentives: PC (Pioneer Certificate), DEI (Development and Expansion Incentive), FTC (Finance and Treasury Centre), ALS (Aircraft Leasing Scheme), and AIM (Aircraft Investment Manager) Incentives to encourage economic activities and finance management.</li> <li>Innovation and R&amp;D: <i>Tech@SG</i>(Technology at Singapore), <i>Tech.Pass</i>, RIS(C) (Research and Innovation Scheme for Companies), TGC (Training Grant for Company), and IDI (Intellectual Property Development Incentive) promote technology and talent development.</li> <li>Resource Efficiency: REG(E) (Resource Efficiency Grant for Emissions) and LIA (Land Intensification Allowance) support energy efficiency and land use intensification for sustainability.</li> <li>Singapore EDB oversees a network of industrial parks and innovation hubs, including Agri-Food Innovation Park, Tuas Biomedical Park, Cleantech Park, Jurong Innovation District, and Changi Business Park. These facilities drive innovation and research across sectors like agri-food, biomedical, cleantech, and technology, positioning Singapore as a global leader in various industries.</li> </ul>
 <p>EDB: SINGAPORE</p>	<ul style="list-style-type: none"> <li><i>Enterprise Cayman</i>, has initiated a new incubator programme designed to prepare projects for the crucial step of pitching to, and ultimately taking on, initial investors.</li> <li><i>Cayman Enterprise City (CEC)</i> is a SEZ which facilitates the technology &amp; innovation centre</li> <li>Other enterprise zones are Cayman Maritime &amp; Aviation Services Park (CMASP), and Cayman Commodities &amp; Derivatives City (CCDC)</li> <li>Training or recruitment support is partnered with Cayman Islands Chamber of Commerce</li> </ul>
 <p>Locate Jersey</p>	<ul style="list-style-type: none"> <li><i>Digital Jersey</i> provides the start-up ecosystem in the island</li> <li><i>Jersey Finance</i> promotes the finance services industry</li> <li><i>Jersey Business</i> provides advice &amp; support (finance, training &amp; recruitment, operations) to all sectors &amp; all stages of business lifecycle</li> <li>Dept. provides environmental grants: Electric vehicle and charger incentives</li> <li>The <i>National Business Bureau (NBB)</i> was established specifically for the development of the Micro, Small &amp; Medium Sized Enterprises (MSME) sector.</li> <li>The National Business Bureau Loan Guarantee Programme provides the financial aid to small startup or existing businesses.</li> <li>Dept. facilitates training &amp; education opportunities</li> <li>Dept. will focus on traditional industries and new age digital sectors</li> </ul>

## Key performance indicators

The section on Key Performance Indicators evaluates IPA performance in terms of projects, job creation, capital expenditure, and top contributing sectors or regions, providing a comprehensive overview of their economic impact and effectiveness in attracting investments and fostering growth.



BDA Bermuda annually releases a report that focuses on the number of leads generated through business development outreach and activities. In contrast to other investment promotion agencies, this report does not specifically highlight the actual investments made or the number of jobs created. Here are the key numbers for 2023:

- Potential investments were valued at US\$560M and that will/have created 200 new jobs.
- 922 new contacts engaged through business development outreach.
- 148 new leads created through business development activities.
- 74 referrals provided to key stakeholders.
- 18 new Economic Investment Certificate (EIC) applications valued at US\$82.8M (40 new residents).

Top contributing sectors (2023):

- Risk and Insurance
- High Net-Worth Services (including the Economic Investment Residential Certificate (EIRC))
- Technology
- Climate Risk Solutions and Asset Management
- Infrastructure (including hotel developments, subsea cables, space/satellites, renewable energy, and the blue economy)

Top contributing regions (2023): US, Canada, Mexico, UK, EU, Middle East, and Asia



Singapore EDB publishes its annual year in review, outlining its commitments and achievements through media releases on EDB's website, annual reports, and official statements. This review is instrumental in assessing the organization's performance and setting future directions.

EDB sets committed KPIs annually, outlining objectives for each year.

EDB measures success through various KPIs:

- Fixed Asset Investment (FAI)
- Total Business Expenditure Per Annum (TBE)
- Expected Value-Added Per Annum
- Expected Jobs creation

These metrics serve as benchmarks for evaluating the effectiveness of EDB's initiatives.

The organization establishes annual commitment goals, aligning with its medium- to long-term targets. These goals encompass diverse sectors such as biomedical manufacturing, chemicals, electronics, engineering, and environmental services, among others.

In its annual reports and media releases, EDB presents both its commitments and actual realized figures. Notably, in 2023, EDB attracted SG\$12.7 billion in FAI and SG\$8.9 billion in TBE, surpassing its set targets despite a challenging global environment.

This table summarizes the medium- to long-term targets, commitments, and actual figures for key indicators including Fixed Asset Investment, Total Business Expenditure Per Annum, Expected Value-Added Per Annum, and Expected Jobs for the years 2022 and 2023.

Indicator	Medium- to Long-term Targets	2022 Commitment	2022 Actual	2023 Commitment	2023 Actual
Fixed Asset Investment (\$\$ billion)	8.0 – 10.0	22.4	22.5	12.6	12.7
Total Business Expenditure Per Annum (\$\$ billion)	5.0 – 7.0	6.2	6.2	8.9	8.9
Expected Value-Added Per Annum (\$\$ million)	-	-	20.6	-	26.7
Expected Jobs	16,000 – 18,000	17,113	-	20,045	-

Top contributing sectors (2022):

- Electronics 66.7%
- ICT & Media 9.9%
- R&D 6.3%

Top contributing regions (2022):

- USA 50.6%
- Europe 21.2%
- China 8.5%



Unlike other Economic Development Organizations (EDOs), the Department of Commerce & Investment in the Cayman Islands does not adhere to the standard practice of publishing an annual year in review or economic impact report on its website through media releases. However, according to the Cayman Islands government's annual economic report for 2022, the following statistics were recorded:

- The total employment witnessed a significant increase of 22.7% to reach 56,255 in 2022.
- The number of newly registered companies amounted to 11,796 in 2022.
- Additionally, 4,684 new partnership registrations were recorded in the same year.

The following information has been sourced from a report published by Cayman Enterprise City in 2021, focusing on the economic impact of CEC (SEZ) on the island over a ten-year period from 2010 to 2019. The report reveals that over the past decade, a total of 12,288 new employment opportunities were created, with 4,275 of those being specifically for Caymanians. Furthermore, Cayman Enterprise City (SEZ) contributed a total of US\$ 502 million in Capex during this period.

Additionally, according to the report released by UNCTAD's World Investment Report 2023, in the financial year of 2019, the Cayman Islands experienced an inflow of inward investments amounting to US\$ 28 billion. This figure encompasses equity, stocks, reinvested earnings, and intra-company loans, and is presented net of repatriation of capital and repayment of loans.

Top contributing sectors:

- Financial Services (Banking, Hedge funds, insurance)
- Technology (AI, Blockchain, FinTech)
- Tourism

The primary contributing nations to the BVI economy are the United States, United Kingdom, China, and other countries worldwide.



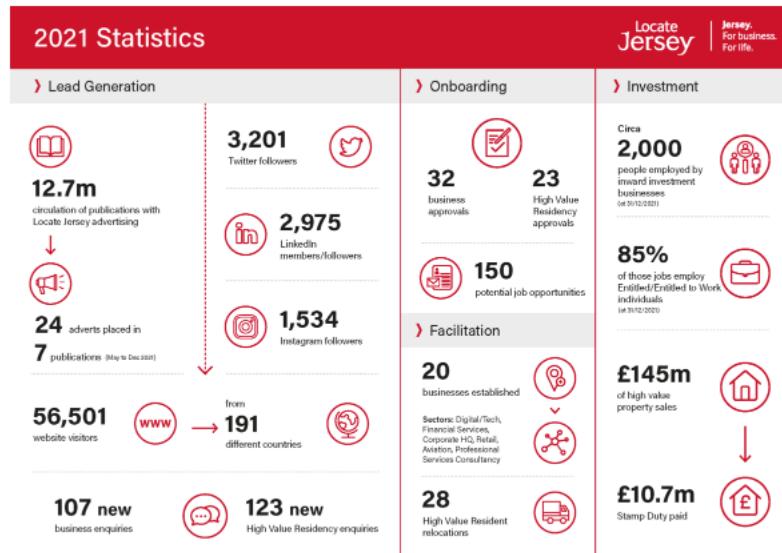
Locate Jersey releases its annual year in review in the form of an infographic, which showcases the significant aspects of their activities and the resulting outcomes. The report encompasses the following points:

- Lead Generation: This section focuses on the various initiatives undertaken, such as advertisements, publications, and social media and website metrics. It also highlights the number of new inquiries received for businesses, high-value residency, onboarding, and investments.
- Onboarding: This segment provides insights into the number of newly approved businesses and high-value residencies, along with the potential job opportunities created. Additionally, it includes data on the

facilitation of business establishments in specific sectors and the relocation of high-value residents to Jersey.

- **Investment:** In this part, the report elaborates on the employment figures associated with inward investment businesses. It also highlights the value of high-value property sales and the amount of stamp duty paid.

Please refer to the image below, which showcases the key areas of activity and outcomes as depicted in Locate Jersey's 2021 infographic.



#### Top contributing sectors (2021):

- Financial Services
- Digital/Tech
- Corporate HQ
- Retail
- Aviation
- Professional consultancy

#### Top contributing regions (2021): US, UK, Ireland, France, India, South Africa, Russia



The Department of Trade, Investment Promotion, and Consumer Affairs in the British Virgin Islands (BVI) differs from other economic development organizations in terms of its approach to sharing an annual year in review. Unlike traditional investment promotion agencies, the department, being a part of the ministry, does not publish such reviews on its website or through media releases. However, there is a focus on press releases that highlight the outward investments made by BVI companies.

In the fiscal year 2023, it was reported that BVI companies supported approximately 2.3 million jobs globally and generated tax revenues of around US\$14 billion.

Additionally, according to the report released by UNCTAD's World Investment Report 2023, in the financial year of 2022, the British Virgin Islands experienced an inflow of inward investments amounting to US\$ 38 billion. This figure encompasses equity, stocks, reinvested earnings, and intra-company loans, and is presented net of repatriation of capital and repayment of loans.

Based on the most recent BVI FSC Statistical Bulletin, which is the latest available, as of the conclusion of Q3 2022, there were a combined total of 374,890 registered companies within the country. In the twelve-month period leading up to 30 September 2022, a notable addition of 31,200 newly incorporated companies was recorded on the BVI register.

The primary contributing nations to the BVI economy are the United States, United Kingdom, China, and other countries worldwide. The tourism and financial services sectors serve as the foundational pillars of the BVI economy.

## Insights

- While larger and more diversified IPAs like EDB Singapore showcase impressive achievement metrics, including significant inward direct investment and job creation, the availability of standardised comprehensive data across all IPAs for direct comparison poses a challenge. This limited data availability may hinder the ability to draw meaningful comparisons and assess relative performance accurately.
- The fact that Singapore publishes an annual report while other IPAs do not underscore the need for standardized reporting practices across all jurisdictions. This highlights a potential gap in transparency and accountability among smaller IPAs. Strengthening the capacity of smaller IPAs to collect and report data effectively has long-term benefits for investment promotion efforts. Enhanced transparency and accountability can attract more investors, drive economic growth, and contribute to the overall development of the jurisdiction.
- Across the jurisdictions studied, there is a diverse sectoral focus, including financial services, technology, tourism, and infrastructure. This diversification indicates a strategic approach to attract investments across multiple industries, mitigating risks associated with sector-specific fluctuations.
- All jurisdictions demonstrate a strong emphasis on global connectivity, with investments originating from major economic regions such as the USA, UK, Europe, China, and India. This global outreach underscores the importance of international partnerships and market diversification in attracting investments.

### Sources:

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## Competitive advantage

The Competitive Advantage section highlights the distinctive strengths and distinguishing factors of each island nation that its IPA leverages during investment promotion. These include strategic location, favorable tax environments, regulatory compliance, industry specialization, and infrastructure, collectively positioning them as attractive destinations for investors seeking growth opportunities and market access.

## Bermuda

- Location, Time Zone, and Access: Bermuda's strategic position as a 21-square-mile, self-governing British Overseas Territory in proximity to major international hubs like New York, Toronto, and London, coupled with its Atlantic Standard Time zone, facilitates seamless access to global markets.
- Major insurance centre: Bermuda stands as one of the top two largest re/insurance hubs globally, with a strong presence in property and catastrophe markets, captive insurance, and insurance-linked securities (ILS), bolstering its reputation for compliance and transparency.
- Reputation: Globally respected for its leadership in compliance and transparency, Bermuda boasts over 100 treaty partnerships worldwide and full equivalence with Europe's Solvency II insurance regulatory regime, showcasing its commitment to regulatory standards. Recent legislative and regulatory developments have positioned Bermuda as an increasingly attractive destination for asset managers, investors, and trust companies, driving growth in high-net-worth client services and asset management industries.
- Tax-neutral environment: Bermuda's tax-neutral jurisdiction offers an attractive environment for businesses with zero income, corporate, withholding, or capital gains taxes, fostering an environment conducive to growth.
- Economic Investment Residential Certificate (EIRC) – enables individuals – plus their spouses and minor dependents – to invest US\$ 2.5 M in certain Bermuda industries and sectors to receive immediate residency rights upon approval.

## Singapore

- Strategic location and connectivity: Singapore's central position in Southeast Asia, coupled with its well-established transport and trade infrastructure, including the Port of Singapore and Changi Airport, makes it a preferred gateway for businesses in ASEAN and the broader Asia-Pacific region. Recognized as a key entry point to Asia, Singapore's geographic advantage facilitates access to significant markets, particularly China, appealing to foreign investors seeking regional expansion and growth opportunities.
- Favorable business environment: Singapore's welcoming business environment is a key factor driving foreign direct investment (FDI). With a corporate tax rate capped at a flat rate of 17% and high levels of political stability and low corruption, Singapore offers an attractive proposition for businesses seeking a conducive climate for growth. Additionally, its diverse economy and emphasis on business transparency further enhance its appeal to investors. For example, Singapore maintains a heavily trade-dependent economy characterized by an open investment regime, which contributes to its reputation as a global business hub.
- Multinational corporate presence: Singapore's attractiveness as an investment destination is underscored by its robust ecosystem of multinational companies (MNCs). With approximately 7,000 multinational corporations calling Singapore home, including the largest number of headquarter jobs from global Fortune 500 companies in Asia, the country offers a conducive environment for multinational operations. This concentration of MNCs further solidifies Singapore's position as a premier business and management hub in Southeast Asia.

- Language and cultural advantages: Singapore's multicultural society, with English as the primary working language, provides a strategic advantage for international businesses seeking to establish operations in the region. The high level of English proficiency, coupled with knowledge of other major Asian languages, grants companies a solid foundation for market entry and engagement in the Asia-Pacific market. This linguistic diversity facilitates effective communication and collaboration with stakeholders across various cultural backgrounds, contributing to Singapore's appeal as a business destination.
- Strategic ports: Singapore boasts four strategically located ports—Jurong Port, Pasir Panjang Port, Sembawang Port, and Keppel Port—facilitating efficient cargo handling and maritime activities. With connections to over 600 ports in 120 countries worldwide, Singapore's ports serve as vital gateways for international trade and commerce.

## Cayman Islands

- Location, time zone, and access: Cayman Islands is situated in the western Caribbean, approximately 150 miles south of Cuba, 460 miles south of Miami, Florida, and 167 miles northwest of Jamaica. Its proximity to the US and its Eastern Standard Time zone enables convenient access to global markets. Cayman Islands serves as a major contributor to foreign investment.
- Offshore international financial centre: Recognized as a premier international banking center. It is the world's leading domicile for alternative investment funds. The jurisdiction is the second largest captive domicile globally. Cayman Islands is a global leader in structured finance. It possesses an extensive range of financial services, making it the only offshore international financial center with such comprehensive offerings.
- Tax-neutral environment: Cayman Islands serves as a tax haven for multinational corporations. It provides a corporate tax-free environment. Residents enjoy tax-neutrality within the jurisdiction. Political stability

## Jersey

- Location, time zone, and access: location which is geographically close to Europe and the United Kingdom and in a time zone which is also well-placed to serve clients based in the Gulf States, North America, Far East and Africa. Same time zone as the UK.
- Reputation: Well-regulated and leading international financial center. An independent legislature with a comprehensive framework of financial services and product laws and regulations.
- International finance center: Ranked as one of the top international finance centers for over six decades. Forward-thinking and robust regulatory framework. Expertise in banking, corporate services, fintech, funds, investment management, private wealth, Islamic finance, and philanthropy. A deep pool of skills and experience with over 13,000 people employed in the financial services industry.
- Tax-neutral environment: Clear tax-neutral environment. No capital gains or inheritance tax. Efficient collaboration and taxation on income, goods, and services.

## British Virgin Islands (BVI)

- Location, time zone, and access: British overseas territory in the eastern Caribbean Sea. Follows Atlantic Standard Time. Facilitates seamless access to global markets.
- Offshore finance centre: One of the oldest and most respected offshore financial centres. Known for flexibility in corporate structures, fast registration systems, minimal administrative requirements, and high levels of privacy. Lower annual fees.
- Tax- neutral environment: Tax-neutral jurisdiction. No tax is imposed on income, capital gains, or withholding taxes on companies and individuals.

## Digital Marketing

This section endeavors to uncover best practices in digital media and how IPAs can utilize their online presence to provide added value to its service offering. Additionally, it compares the Business Development Agency's (BDA) performance against its competitors in this benchmark study.

### The significance of online presence

Online presence is paramount for IPAs in today's internet-centric era, where virtually every activity is linked to the web. The rise of social media platforms further amplifies the significance of online presence, particularly in the realm of investment promotion. On the one hand, a well-designed website is often perceived as the "digital front door" of an organization, making it a critical asset for IPAs. On the other hand, social media platforms continue to wield significant influence for IPAs, with an increasing number of organizations utilizing them for business purposes.

Marketing strategies that utilize digital tools, such as maintaining an internet/website presence and leveraging social media, have seen an increase in effectiveness over time<sup>1</sup>. In 2023, establishing an internet/website presence was recognized as the most effective marketing technique, with 76% of respondents acknowledging its high efficacy.

### Pivotal role of a website in investment promotion

If having a website marks a turning point for an IPA, it is crucial to recognize that a poorly designed website could potentially deter investors, whereas a well-designed website, containing a range of online services and necessary information, could entice investors to further explore the region as a viable investment destination.

The website presence of IPAs consistently ranks as one of the most effective marketing techniques<sup>2</sup>. During nearly every phase of investment attraction, the website and its content should be utilized, with information tailored to meet specific needs and requirements<sup>3</sup>:

<sup>1</sup> "DCI-2023-Winning-Strategies-Final.Pdf."

<sup>2</sup> "DCI-2023-Winning-Strategies-Final.Pdf."

<sup>3</sup> World Bank Group, "STATE OF INVESTMENT PROMOTION AGENCIES Evidence from WAIPA-WBG's Joint Global Survey."

- During the attraction phase, the availability of a downloadable location investment guide from the website is ranked as a top investor service provided by IPAs.
- The website serves as a valuable tool in the aftercare phase with 30% of the IPAs in the study utilize their website to gather and report investor complaints, showcasing its effectiveness as a valuable tool for enhancing IPA services.

## Essential components of an IPA website

Tailoring an economic development organization's website to meet the needs of corporate executives and location advisors is crucial for effective engagement. The most useful features to include on an IPA website, according to DCI, are as follows<sup>4</sup>:

- Workforce statistics
- Incentives information
- Demographics
- Searchable database of available buildings and sites
- Quality of life information
- Major employer list
- Staff contact details
- Target industry/related information
- Comparison to competitors' locations
- Map of the region
- Current press releases/announcements
- Education institution information
- Testimonials from local employers
- Video content

These features are instrumental in providing comprehensive and valuable information to corporate executives and location advisors, aiding them in their decision-making processes regarding investment and development opportunities.

## The impact of websites on investor decision-making

Websites are prominently identified as the fourth-ranked source of information influencing executive perceptions of the local business climate, with social media trailing at eighth place. While executives heavily depend on dialogues with industry peers, this reliance is nearly as significant as general internet research and websites, which are primary sources of information<sup>5</sup>.

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<sup>4</sup> "DCI-2023-Winning-Strategies-Final.Pdf."

<sup>5</sup> "DCI-2023-Winning-Strategies-Final.Pdf."

## The growing role of social media in investment promotion

IPAs leverage social media platforms to promote their services and engage with their target audiences. It is crucial to recognize that each social media platform should be utilized according to its specific objectives, and that each core activity of an IPA should be aligned with the appropriate social media channels<sup>6</sup> :

- **LinkedIn** holds significant importance from an HR perspective, serving as a platform for talent acquisition and recruitment. It also plays a crucial role in investor targeting and intelligence gathering.
- **YouTube** is leveraged to enhance the image of the IPA's location.
- **Facebook** serves as a platform to disseminate IPA news to the public.
- **Twitter** plays a dual role in promoting the IPA's image and engaging with stakeholders, while also tracking activities of competitive IPAs.

## Enhancing BDA's website

This section aims to explore opportunities for enhancing the BDA's website to introduce additional content that could significantly impact its effectiveness. The objective is to assess best practices by comparing competitors' websites, ensuring that the BDA remains competitive and aligned with industry standards.

The BDA's website features an appealing design that effectively showcases the island's business potential through captivating visuals. The top bar menu facilitates easy navigation and access to essential information. While the website covers all necessary details, enhancing certain sections with deeper information would be beneficial.

- **Industries section:**
  - The contact information should be clearer, specifying the name of the person in business development who will take care of the inquiry. Additionally, the contact buttons should be linked to the individual's email address and direct phone line.
  - Augmenting the content with more numerical/statistical information, as well as success stories and BDA's experience in those industries would likely benefit investors' engagement on the website. For instance, the EDB Singapore website highlights, for each of the target sectors, major companies that have invested in the region. This approach could serve as a model for enhancing the content and presentation of sector-specific information on the BDA website<sup>7</sup>. Furthermore, EDB Singapore's creative services section lists personalities in creative industries who serve as promoters/ambassadors of the Singapore brand in this sector.
- **Service providers:**

<sup>6</sup> World Bank Group, "STATE OF INVESTMENT PROMOTION AGENCIES Evidence from WAIPA-WBG's Joint Global Survey."

<sup>7</sup> "Professional Services | Singapore EDB."

- Enhancing the business directory with a better search tool would significantly improve user experience. This could enable direct searches by company name and include other criteria such as subsector, product/service type, location, and other relevant parameters, thereby facilitating easier navigation and access to desired information. IDA Ireland's [service directory](#) serves as a good example.
- **Other observations:**
  - BDA's concierge service [link](#) is not functional.
  - "Stay Connected" window takes over one minute to display.
  - Certain buttons ("Forms & Templates", "Brochures & Reports") open a new tab instead of remaining in the same window.

## Insights

The current BDA website lacks several key elements that are instrumental in providing comprehensive information and enhancing user experience.

- **Location and transportation:** Given that Bermuda comprises of several islands, providing a clear map of the territory, including existing projects and future initiatives, could incentivize investors to stay longer on the website. Moreover, transportation concerns may arise, therefore, taking inspiration from the Jersey website<sup>8</sup>, incorporating a location page detailing transportation options, including local mobility, could enhance the overall user experience.
- **Real estate locator:** A searchable database of the entire real estate inventory (available sites, buildings, office spaces, incubators, etc.).
- **Demographics and workforce:** Although the website discusses workforce and demographics, it lacks specific statistical data on the number of graduates, population size, and the available talent pool, which are crucial for potential investors. Including details about educational institutions, their programs, and the educational attainment levels of residents and the current workforce would be a beneficial addition to BDA's website.
- **Success stories/anchor companies:** As mentioned, the website lacks mention of success stories and major companies in the region. Highlighting such information could significantly enhance investor interest and perception of Bermuda as an investment destination. An even stronger addition would be to include testimonials (currently there is only one testimonial) detailing how it successfully established itself in Bermuda. For example, the Jersey website includes an entire section dedicated to local success stories<sup>9</sup>.
- **Comparison data:** Presenting favorable data points from a comparative analysis and emphasizing Bermuda's location advantages across key elements would strengthen investor confidence.

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<sup>8</sup> "Location."

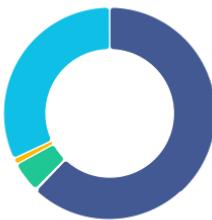
<sup>9</sup> "Relocation Stories."

## Website traffic analysis

A 3-month website traffic analysis conducted by our team revealed several findings that require attention. Among all IPAs benchmarked in this report, BDA's website received significantly fewer visits during this period, accounting for less than 1% of the total traffic. This indicates that the website is largely overlooked, highlighting the need for significant improvements in the future.



Domain	Total Visits
 <a href="http://edb.gov.sg">edb.gov.sg</a>	300,738
 <a href="http://bda.bm">bda.bm</a>	854
 <a href="http://dci.gov.ky">dci.gov.ky</a>	22,708
 <a href="http://locatejersey.com">locatejersey.com</a>	4,652
 <a href="http://bvi.gov.vg">bvi.gov.vg</a>	154,796



 <a href="http://edb.gov.sg">edb.gov.sg</a>	62.17%
 <a href="http://bda.bm">bda.bm</a>	0.18%
 <a href="http://dci.gov.ky">dci.gov.ky</a>	4.69%
 <a href="http://locatejersey.com">locatejersey.com</a>	0.96%
 <a href="http://bvi.gov.vg">bvi.gov.vg</a>	32.00%

Source: Similarweb

## Insights

This section outlines several technical strategies that the BDA could adopt to improve its website traffic and user engagement.

- **Website:**
  - Implementing SEO strategies to boost website visibility.
  - Optimize website content, including meta titles and descriptions, headings, and body copy, with targeted keywords.
  - Begin backlink building process by collaborating with industry partners and other reputable websites.
  - Integrate social media sharing options throughout the website to encourage visitors to share content and connect with the IPA on social media platforms. This can help increase the website's reach and drive traffic from social media channels.
  - Create optimized landing pages for its target industries to convert investors into leads.

## Success stories

The Success Stories section showcases examples of successful investment attraction efforts by various IPAs, highlighting their strategies, execution, and outcomes, including initiatives like Digital Jersey's start-up support, Singapore's Business News campaign, Corporate Venture Launchpad Programme, and EDB Investments, demonstrating effective approaches to fostering economic growth and innovation.



### Digital Jersey

- Overview: Government of Jersey started the Digital Jersey initiative, aimed at helping innovative and scalable start-ups from overseas to set up there.
- Execution: The initiative provides specialized services to start-ups, including information about the Jersey ecosystem, events to create a start-up community, and support for their growth.
- Result: As a result of this initiative, Jersey secured a US\$ 4.7 million drone project, connected 20+ businesses with investors, and welcomed 133+ new members to the digital ecosystem in FY 2022-23.

Source: <https://www.digital.je/our-work/annual-report-2022/>



### Singapore Business News (SBN)

- Overview: Singapore Business News (SBN), an initiative launched by the Singapore Economic Development Board (EDB) in March 2014, aimed to bolster Singapore's business appeal and attract FDI. SBN focused on showcasing key FDI announcements and Asian business trends, catering to investors and companies interested in the region.
- Execution: To expand SBN's reach and engage a broader audience, EDB collaborated with Outbrain Inc (a tech-enabled advertising firm), leveraging its extensive network of premium publishers to drive traffic. Through a strategic campaign launched in April 2014, using SBN's diverse content library, including news articles and infographics, EDB amplified its message across the US.
- Result: The campaign yielded remarkable results, with SBN experiencing a 40% surge in daily traffic within six months. EDB's dedication to content optimization led to a remarkable 400% increase in headline click-through rates. Notably, 90% of these visitors were first-time users, showcasing the effectiveness of the outreach strategy.

Source: <https://www.outbrain.com/case-studies/edb/>



## Corporate Venture Launchpad (CVL) Programme

- **Overview:** The Corporate Venture Launchpad (CVL) programme, initiated by the Singapore EDB through its venture building arm, EDB New Ventures, was rolled out in 2021 with an aim to enable companies to create new, globally competitive products, services and business ventures. This programme operates by partnering with established companies to drive corporate venture building, with a focus on innovation and market potential.
- **Execution:** EDB New Ventures leverages its extensive networks, advisory services, and risk-sharing capital to support the CVL program. Collaborating with experienced venture studios like Bain & Company, BCG X, FutureLabs Ventures, and Leap by McKinsey, it brings complementary expertise, methodologies, and resources to facilitate the ideation, incubation, and building of new ventures.
- **Result:** Since its inception with an initial commitment of US\$ 30 million, the CVL program has enabled 25 large companies to nurture new venture concepts, with 15 of them planning or already launching ventures in areas like artificial intelligence (AI), data services, climate technology, fintech and agricultural technology.

Source: <https://medium.com/minq-labs/how-edb-is-empowering-corporate-innovation-in-asia-cba470cc1ecb>



## EDB Investments

- **Overview:** EDBI, the investment arm of the Singapore EDB, champions growth and innovation in high-growth technology sectors. With a focus on facilitating companies expanding into Asia via Singapore, EDBI serves as a global investor, driving strategic investments to propel economic development and technological advancement.
- **Execution:** Despite pandemic challenges, EDBI recorded its strongest year in 2021. It supported 11 portfolio companies in successfully listing on stock exchanges and provided crucial support to start-ups navigating pandemic uncertainties, offering funding and access to investments for growth.
- **Result:** EDBI's robust investment strategy led to around 45 unicorn investments over the past decade. In 2021, six portfolio firms had successful IPOs, and five were special purpose acquisition companies (Spacs). Additionally, EDBI launched the Growth IPO Fund, focusing on late-stage enterprises poised for listing, aligning with Singapore's strategic priorities in the digital economy, financial services, urban solutions, sustainability, and healthcare.

Source: <https://www.straitstimes.com/business/economy/edbs-investment-arm-had-strongest-year-on-record-in-2021-despite-pandemic>

## Best practices



- Innovative regulatory support: Bermuda's proactive approach to innovation in insurance is evident through initiatives like the Insurance Regulatory Sandbox, overseen by the Bermuda Monetary Authority (BMA). This Sandbox offers a safe space for insurance companies to test new technologies, ensuring they comply with regulations. The BMA provides valuable real-time feedback and ensures regulatory compliance, which ultimately speeds up the market entry process and enhances traction and momentum. AkinovA, an electronic marketplace for trading re/insurance risk, as a prime example of this collaborative process. Through ongoing interaction and discussions with the Bermuda regulator, AkinovA successfully navigated regulatory frameworks, paving the way for similar platforms to thrive in Bermuda's supportive regulatory environment.
- Legislative advocacy: The BDAB works closely with the government to drive legislative changes that enhance global competitiveness and compliance. By focusing on sectors like superyachts, anti-money laundering (AML) and anti-terrorism financing (ATF), and beneficial ownership disclosure, the BDA ensures alignment with international standards while promoting business growth and investment.
- Reputation management: The BDAB has been proactive in addressing misinformation, addresses negative news, and advocating Bermuda's commitment to compliance and transparency, ensuring high standards of business conduct.



- Strategic sector focus: EDB's approach involves targeted sector selection based on market demand and growth potential. Initially focusing on labor-intensive industries like textiles and consumer electronics, EDB progressively shifted towards high-tech sectors aligned with Singapore's economic goals, such as biotechnology and fintech.
- International Advisory Panels (IAPs): EDB strategically engages with global industry leaders through IAPs, leveraging their expertise to refine policies and attract investments. These panels comprise CEOs from industries vital to Singapore's economic growth, ensuring insights align with the country's development trajectory.
- Leadership composition: EDB's leadership blends business acumen with public service expertise, facilitating effective decision-making and policy implementation. This mix includes leaders from the private sector and career public servants, ensuring a balanced approach to industrial development.
- Board composition and oversight: EDB's board comprises a mix of public and private sector leaders, including foreign CEOs resident in Singapore, reflecting a tripartite approach to development planning. This structure ensures that private sector perspectives are heard, while also allowing for labor representation and strategic oversight of EDB's activities. As a statutory

board, EDB is answerable to Parliament through its parent ministry (MTI), although it operates with a degree of autonomy. While not subject to full parliamentary scrutiny, EDB's activities are overseen by its parent ministry, ensuring transparency and accountability in its operations.

- Overseas expansion strategy: Beyond domestic efforts, EDB strategically invests abroad and fosters international partnerships to enhance Singapore's economic reach. This approach includes establishing diplomatic and economic ties, ensuring access to foreign markets and technological advancements.
- Talent development and trusted leadership: EDB prioritizes continuous learning and career advancement for its officers, exposing them to diverse industry sectors and global markets to cultivate expertise and foster innovation. This emphasis on talent development aligns with Singapore's strategy of delegating authority to trusted individuals within key statutory boards like EDB and TDB (now IESingapore). These individuals, often with close ties to senior cabinet members, bring a wealth of experience and trust to their roles, ensuring effective implementation of strategic initiatives. For instance, the establishment of sectors like biomedical sciences under A\*Star and Defence Science and Technology Agency (DSTA) underscores Singapore's reliance on trusted leadership to drive critical economic and defense initiatives, preventing disruptive influences and promoting stability and progress.
- Strategic investment initiatives: EDB's investment arms, such as EDB Investments and SEEDS, play a pivotal role in fostering entrepreneurship and innovation. Through initiatives like the Strategic Direct Investments (SDI) and Startup Enterprise Development Scheme, EDB spurs new projects and nurtures startups, contributing to Singapore's economic growth and cluster development.
- Collaborative platforms: EDB fosters collaboration among industry leaders through initiatives like the Singapore Leaders Network (SGLN), facilitating knowledge sharing and networking across sectors to drive collective efforts towards economic objectives. Additionally, international advisers provide valuable feedback and inputs for policy making and implementation. This two-way flow of information creates a dynamic exchange of theoretical thinking, pragmatism, and public policy design, enriching Singapore's strategic approach to economic development.
- Culture of Excellence: EDB has cultivated a robust organizational culture over its nearly five-decade existence, characterized by hands-on learning, cross-sectoral expertise, and international exposure for its officers. Officers start at the industry level, gaining in-depth knowledge of specific sectors and engaging with investors, before progressing to broader roles across multiple sectors and gaining international experience. Task-oriented challenges and clear communication protocols ensure continuous improvement and efficient collaboration within the organization, fostering a performance-oriented culture akin to leading consulting firms.
- Incorporating best practices: EDB incorporates international best practices into its strategies by tapping into the knowledge and networks of international advisers and businessmen on government committees. Lessons from elsewhere are adapted to Singapore's context, driving innovation and competitiveness. Examples include adopting successful models from logistics centers like Rotterdam and Antwerp for the Port of Singapore Authority (PSA), or replicating innovation clusters from regions like the North Carolina Research Triangle for A\*Star's biomedical sector. Additionally, the development of the Biopolis biomedical research hub draws inspiration

from global innovation hubs like the Boston science belt and Silicon Valley, reflecting Singapore's commitment to adapting proven strategies for local success.

- Pegging performance to milestones: Singapore's unique system of pegging public service remuneration to performance against agreed milestones ensures accountability and incentivizes achievement of strategic objectives. By aligning salaries with economic performance and key milestones, Singapore motivates public servants to drive tangible outcomes in line with national priorities.



- Special Economic Zones (SEZ): The Cayman Islands offers unique opportunities for businesses to thrive and prosper through Special Economic Zones (SEZs). There are three main SEZs in the Cayman Islands: Cayman Enterprise City (CEC), Cayman Maritime & Aviation Services Park (CMASP), and Cayman Commodities & Derivatives City (CCDC). These SEZs provide a favorable environment for local and international businesses, with benefits such as tax incentives, streamlined regulations, and state-of-the-art infrastructure. By establishing a presence within these zones, companies can access an ecosystem that promotes growth and innovation. The strategic geographical location of the Cayman Islands, situated at major international trade routes, serves as a gateway to the Americas, Europe, and Asia, enabling efficient global supply chains and connectivity.
- The Cayman Islands' SEZs also focus on innovation and technology-driven industries. The government has invested in cutting-edge infrastructure, including fiber-optic networks, data centers, and advanced telecommunication systems, enabling businesses to leverage digital transformation and capitalize on the opportunities presented by the digital economy. As a result, businesses from various industries, such as finance, technology, healthcare, and logistics, are choosing to establish their presence in the Cayman Islands, drawn by these advantages.

Sources:

1. <https://www.dci.gov.ky/licensing/special-economic-zones/overview>
2. <https://1st-offshore.com/unlocking-growth-potential-the-success-story-of-cayman-islands-special-economic-zones/>



- Collaboration with stakeholders: Government's role is to provide leadership, to nurture relationships with our partners across the world, to encourage effective co-operation between stakeholders, and above all to provide a responsive and enabling business environment within which the core industry sectors, and innovation and enterprise, can continue to thrive. Stakeholders like Jersey Finance: promotional body for the Jersey financial services industry, with offices and representation in London, Dubai, Hong Kong, New York, Johannesburg and Shanghai and Digital Jersey: economic development agency for Jersey's digital and fintech offering

- Overseas expansion strategy: The government of Jersey is fostering a relationship with Europe and set-up offices in Brussels, France and London to tap the inward investment and facilitate trade opportunities to Jersey business.
- Strategic sector focus: Jersey is focusing towards the digital future and creating the vibrant network of tech organisations, entrepreneurs and investors that all form a thriving community for business collaboration and growth.

Sources:

1. [https://www.gov.je/Industry/Finance/pages/policyframeworkforjerseyfinancialservicesindustry.aspx#StakeholdersAssist DeliveringOurPriorities](https://www.gov.je/Industry/Finance/pages/policyframeworkforjerseyfinancialservicesindustry.aspx#StakeholdersAssistDeliveringOurPriorities)
2. <https://www.gov.je/SiteCollectionDocuments/Industry%20and%20finance/P%20Outline%20Economic%20Strategy%20for%20Jersey.pdf>

## Identified threats

### Bermuda

- Reputational challenges: Bermuda's international financial standing faces heightened scrutiny from global geopolitical and regulatory entities due to negative perceptions labeling it as a "tax haven" or a non-compliant jurisdiction. This scrutiny was exemplified when Bermuda briefly appeared on the EU's tax haven blacklist, damaging its reputation despite subsequent removal.
- Erosion of tax advantages: Changes in US tax laws, notably the Base Erosion and Anti-Abuse Tax (BEAT) rules, have diminished Bermuda's tax advantages, impacting its attractiveness for US-based insurers. This has led to a reduction in ceded business from the US to Bermuda, affecting the island's reinsurance sector.
- Technological innovation: Bermuda's competitiveness in technological innovation within the insurance sector is waning, with advancements predominantly occurring elsewhere. This is evidenced by the limited technological developments within the island's reinsurance sector and the increasing importance of centers like London and Zurich in driving innovation. Without significant investments in technology and talent development, Bermuda risks falling behind in this critical aspect.
- Cost of living and tax policy shifts: Bermuda's high cost of living, coupled with global shifts in tax policies, poses economic challenges. The island's second-highest cost of living worldwide, according to Number, contributes to the migration of talent and businesses to more cost-effective locations. Additionally, tax policy shifts, such as those implemented by the US to discourage offshore profit shifting, further impact Bermuda's financial landscape, necessitating adaptive strategies to maintain economic viability.
- Overreliance on traditional industries: Bermuda faces the risk of overreliance on its traditional industries, particularly insurance and reinsurance. While these sectors have been historically strong, the island's economy may become vulnerable to external shocks or regulatory changes. To mitigate this threat, Bermuda must diversify its financial services sector.

## Singapore

- The implementation of recommendations from Pillar 2 of the Inclusive Framework on Base Erosion and Profit Shifting (BEPS) from 2025 onward, as announced in Budget 2023, presents a potential threat. BEPS Pillar 2 specifies the introduction of a minimum effective tax rate of 15% for multinational enterprises (MNEs) with annual global revenues of at least US\$ 813 million. This may particularly affect larger organizations with a global footprint, potentially reducing the efficacy of tax incentives traditionally used by Singapore to attract foreign direct investments (FDI). With BEPS Pillar 2 in effect, the attractiveness of Singapore's tax incentives in attracting FDI from global MNEs may diminish, impacting its ability to maintain its status as a preferred investment destination.
- Shortage of digital talent: Singapore faces a scarcity of skilled digital professionals crucial for its growth ambitions. To address this, initiatives like Skills Ignition SG, in partnership with Google, provide specialized training to nurture local digital talent, ensuring a skilled workforce for the evolving digital industry.
- Limitations in land space and labor costs: Rising business costs and resource constraints in Singapore have impacted its competitiveness for attracting investments. Singapore faces challenges due to its significantly smaller domestic market compared to larger economies. The Country's compact size poses challenges for large-scale manufacturing and high labor costs may deter investment in labor-intensive sectors like call centers.

Source: [https://www.ey.com/en\\_sg/tax/how-to-reframe-singapores-investment-promotion-strategies](https://www.ey.com/en_sg/tax/how-to-reframe-singapores-investment-promotion-strategies)

## Cayman Islands

- Cost of living: The Cayman Islands has a higher cost of living compared to other locations, which may impact affordability for individuals and businesses.
- While the Department of Commerce & Investment provides support to investors, it is comparatively small in size compared to investment promotion agencies (IPAs) worldwide.
- The events and networking support provided by the Department of Commerce & Investment in the Cayman Islands are limited in scope.
- Global Minimum Tax could impact the way investment is executed.

## Jersey

- Cost of living & Setting-up business: Jersey has a higher cost of living compared to other jurisdiction, which may impact affordability for individuals and businesses. Jersey company is more expensive to incorporate compared to another offshore jurisdiction.
- Global Minimum Tax could impact the way investment is executed.

## British Virgin Islands

- Lack of IPA: Unlike some other jurisdictions, the British Virgin Islands lacks a specific investment promotion agency with a distinct name, which may impact its visibility and promotional efforts.

- Negative reputation: The reputation of the British Virgin Islands has been recently affected due to instances of tax evasion and money laundering, which may raise concerns among investors. In February 2023, the European Council blacklisted the British Virgin Islands for non-compliance with OECD standards on information exchange. However, in October 2023, the Council of the EU removed it from the list after the BVI took steps to improve information exchange. As of February 2024, the BVI is on a "grey list," signifying its commitment to addressing identified deficiencies pending further assessment.
- The British Virgin Islands still relies on traditional sectors and has yet to focus on developing new-age sectors, potentially limiting diversification and growth opportunities in emerging industries.
- Global Minimum Tax could impact the way investment is executed.

Sources:

1. <https://www.pwc.com/gx/en/about/pdf/pwc-eu-approves-changes-to-list-of-noncooperative-jurisdictions.pdf>
2. <https://kpmg.com/us/en/home/insights/2024/02/tnf-eu-updates-list-non-cooperative-jurisdictions.html>

## Common threats

- Uncertainty around US policies, risking disruption to existing pipelines and partnerships.
- Global protectionist policies reducing international expansion prospects.
- Local political changes jeopardizing IPA funding and support.
- Brexit impacting investment flows and labor mobility.
- Difficulty in attracting talent due to low unemployment rates.
- Lack of digital technology hindering IPA operations, notably post the pandemic.
- Uneven digital readiness hindering IPA competitiveness.
- Global minimum tax

## Identified opportunities

### Bermuda

- Expansion in reinsurance and insurance-linked securities (ILS): Bermuda has emerged as a leading player in reinsurance for life insurance companies and the growth of insurance-linked securities. With US\$ 93 billion deployed globally in these securities, Bermuda has become a hub for companies creating and managing such vehicles, overtaking the Cayman Islands as the global center for ILS. This success has attracted attention from other jurisdictions like Paris, Guernsey, and Singapore, which are now competing to capture a share of the ILS market.
- Technological advancements: There is growing interest among Bermuda's stakeholders in leveraging emerging technologies such as blockchain and artificial intelligence (AI) to enhance back-office operations, streamline data processing, and improve risk management. While adoption of these technologies has been gradual, the maturation of the Insurtech market suggests a potential for widespread adoption in the future.
- Membership in CAIPA: Bermuda's inclusion as the 24th member of the Caribbean Association of Investment Promotion Agencies (CAIPA) presents opportunities for collaboration, growth, and

innovation in the region. The BDAB aims to leverage this partnership to promote Bermuda as a premier business destination and facilitate economic development within the Caribbean.

## Singapore

- Singapore continues to attract MNCs and foreign startups, with investment commitments related to R&D and innovation activities increasing in 2023-24. This trend underscores Singapore's appeal as a hub for innovation and entrepreneurship.
- Singapore's long-standing deployment of tax incentives has been instrumental in attracting and anchoring FDI. The presence of about 80 of the world's top 100 tech companies and leading fast-moving consumer goods companies in Singapore reflects its success in attracting major MNEs globally.
- The increasing partnerships between MNCs and Singapore's Research, Innovation, and Enterprise (RIE) ecosystem underscore collaborative efforts driving innovation and product development. Spearheaded by the Economic Development Board (EDB), initiatives like the US\$ 10 million Corporate Venture Launchpad (CVL) programme launched in 2021 facilitate the nurturing of new venture concepts in areas such as Artificial Intelligence (AI), data services, climate technology, and agricultural technology. These endeavors further solidify Singapore's position as a preferred destination for foreign investments while enhancing its reputation as a dynamic innovation hub.
- Singapore has strategically focused on developing key sectors such as interactive digital media and energy through initiatives like the Energy Innovation Programme Office and the Clean Energy Programme Office. These efforts not only enhance Singapore's industrial landscape but also attract investment, fostering sustainable economic growth and innovation within the country.
- Climate strategy opportunities: Singapore's commitment to achieving net-zero emissions by 2050 and its implementation of the Green Plan present opportunities for foreign investments in sustainable initiatives. The focus on sustainability, carbon reduction, and climate resilience creates avenues for innovative projects and partnerships in renewable energy, green technology, and climate adaptation solutions.
- Economic resilience amid global turbulence: Despite global turmoil from conflicts in Russia and Ukraine, Singapore stands out for its economic stability. With minimal ties to these nations, Singapore remains unaffected by their disruptions, making it an appealing destination for foreign investments seeking reliability.

### Sources:

1. [https://www.ey.com/en\\_sg/tax/how-to-reframe-singapores-investment-promotion-strategies](https://www.ey.com/en_sg/tax/how-to-reframe-singapores-investment-promotion-strategies)
2. <https://www.tntra.io/blog/investing-singapore-new-economy-opportunities-risks/>
3. [https://www.viettonkinconsulting.com/global-business/singapore-investment-strategic-considerations/#:~:text=Singapore's%20legal%20system%20is%20characterized,\)%2C%20with%202027%20FTAs%20worldwid](https://www.viettonkinconsulting.com/global-business/singapore-investment-strategic-considerations/#:~:text=Singapore's%20legal%20system%20is%20characterized,)%2C%20with%202027%20FTAs%20worldwid)

## Cayman Islands

- The Cayman Islands offers a streamlined process for conducting business operations, serving as a comprehensive solution for all investor needs, from business setup to expansion.
- Renowned as a tax haven, the Cayman Islands provides advantageous tax benefits for individuals and businesses.
- With special economic zones, the Cayman Islands offers unique opportunities for businesses to thrive and prosper.
- Technological advancements: The Cayman Islands maintains its prominent status as a global financial hub, effectively connecting law-abiding users with investment capital and financing worldwide, benefiting both developed and developing nations. Cayman Islands has emerged as a crypto-friendly alternative, attracting a growing number of blockchain companies and startups in the jurisdiction.
- Supported by a robust regulatory regime, political and economic stability, and a pool of highly skilled service providers, the Cayman Islands ensures a secure and reliable environment for investors.
- The Cayman Islands boasts well-developed infrastructural facilities to support business operations and enhance connectivity.
- Regulation & reputation: In October 2023, Cayman Islands has been removed from the Financial Action Task Force (FATF) grey list after significant progress in enhancing its AML/CFT regime, addressing strategic deficiencies identified since February 2021. This delisting enhances the jurisdiction's attractiveness for investments and paves the way for further removal from the EU list of high-risk third countries.
- The Dart family, with investments exceeding \$1.5 billion across real estate, hospitality, finance, and entertainment sectors, has been the driving force behind the development boom in the Cayman Islands. Over the past 30 years, their contributions have transformed approximately 685 acres of land and infused \$400 million into the real estate sector since 2005 alone. Dart's initiatives extend beyond mere investment; they are among the largest employers in the region and actively engage in public-private partnerships, fostering a strong relationship with the government. Their projects have significantly enhanced the Cayman Islands' infrastructure, tourism offerings, and commercial landscape, positioning them as key contributors to the islands' economic success and attractiveness to potential investors.

### Sources:

1. <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-october-2023.html>
2. [https://baselgovernance.org/sites/default/files/2023-12/cayman\\_dec\\_23.pdf](https://baselgovernance.org/sites/default/files/2023-12/cayman_dec_23.pdf)

## Jersey

- Jersey, as a jurisdiction, offers stability with a stable government, independent legal, administrative, and fiscal systems, along with robust regulation.

- It benefits from a longstanding yet flexible companies' law, providing a solid foundation for businesses.
- Jersey's tax-neutral status makes it an attractive jurisdiction for individuals and businesses seeking favorable tax conditions.
- With connections to key financial centers in the UK, Europe, the US, and Asia-Pacific, Jersey's convenient time zone facilitates business interactions across multiple regions.
- Track Record in finance industry: With its proven track record as an award-winning international financial center, Jersey boasts a wealth of expertise in fiduciary services, legal matters, and accounting.
- Business services Support: The government of Jersey provides support for new businesses and relocation through partner networks, fostering a favorable environment for entrepreneurs.
- Technology: Jersey has a robust start-up ecosystem, offering opportunities and resources for emerging businesses. Encouraging the local and international investors from new and emerging technologies like Ai, Blockchain, IoT, cloud computing and VR & AR.
- The jurisdiction benefits from a highly skilled workforce, ensuring access to top talent for businesses operating in Jersey.
- Jersey boasts world-class infrastructure, providing unparalleled support for businesses and their operations.
- Jersey's strong commitment to investor protection and regulatory compliance adds to its appeal as a trusted and secure jurisdiction for financial activities.

## British Virgin Islands (BVI)

- The jurisdiction of the British Virgin Islands is known for its tax neutrality, attracting businesses and individuals seeking favorable tax conditions.
- Asset protection and a high level of confidentiality are key strengths of the British Virgin Islands, providing a secure environment for financial activities.
- The process of setting up a business in the British Virgin Islands is easy, straightforward, and simplified, facilitating a smooth entry for entrepreneurs.
- Offshore corporate domicile: Recognized as the largest offshore corporate domicile, the British Virgin Islands offers a wide range of corporate services and opportunities.
- Collaborative approach: The government department collaborates with partner networks such as the British Virgin Islands Financial Services Commission (BVIFSC), BVI International Affairs Secretariat, and the BVI International Finance Centre to promote investment in the jurisdiction effectively.
- Technology advancement: In 2020, the BVI introduced the Regulatory Sandbox for FinTech Innovation, creating an ecosystem where tech start-ups and traditional financial institutions can create new solutions for financial services without restrictive regulatory burdens.

Source: <https://www.ifcreview.com/articles/2022/june/the-bvi-is-shaping-the-future-by-enabling-innovation-and-progress/>

## Common opportunities

- IPAs focusing on innovation are attracting new fast-growing companies
- Brexit and US policy shifts creating opportunities for IPAs outside those regions, although they also come with perceived threats too.
- Global minimum tax positioning – how jurisdictions position their offering to embrace the new legislation.
- New free trade areas and tax agreements encouraging companies to explore new regions.
- The digital revolution enabling faster company growth and investment, enhancing communication for IPAs.
- Digitalization of operations prioritized post-COVID-19.
- Enhanced sector-specific expertise and service through continuous staff training and adaptive strategies tailored to market dynamics.
- Increased focus on technology integration, leveraging partnerships to stay abreast of industry developments.
- Regular intelligence meetings and calls to disseminate trends and signals, facilitating informed decision-making.
- Specialized support for startups in digital sectors, with staff possessing relevant backgrounds.
- Deployment of targeted campaigns and marketing materials to attract investment and promote exports.
- Acknowledgment of the interconnectedness between investment and export agendas, driving cohesive strategies.

## Conclusion / Recommendations

- Enhance governance and funding: BDA should review their governance models and funding sources to ensure transparency, accountability, and long-term financial sustainability. Exploring diverse funding options and partnerships with public and private stakeholders can provide a stable financial base for BDA to be an IPAs.
- Enhance sector focus and value propositions: Many of the IPAs are very clear on what sectors they focus on and provide investment support for. This includes clear proposition materials and dedicated resource to facilitate the investment.
- Strengthened reporting practices: Establishing standardized reporting practices, such as publishing an annual report, would enhance transparency and accountability for BDAB. Strengthening data collection and reporting capabilities would enable BDAB to track and communicate its performance effectively, attracting more investors and contributing to Bermuda's overall development.
- Strengthen service offerings: BDA should continuously evaluate and enhance their service offerings to meet the evolving needs of investors. This includes providing a wide range of services, such as investment facilitation, market intelligence, aftercare support, and networking opportunities.

- Talent development and trusted leadership: BDAB should prioritize talent development initiatives aimed at cultivating expertise among its officers while concurrently delegating authority to trusted individuals within the organization. This approach, similar to Singapore's strategy, ensures effective implementation of strategic initiatives, promoting stability and progress in Bermuda's economic development efforts.
- Fostered sector-specific expertise: BDAB should actively foster sector-specific expertise by developing partnerships with industry associations, academic institutions, and relevant government entities. This will enable BDAB to provide specialized support and facilitate sector-specific investments, positioning Bermuda as an attractive destination for investment in key industries.
- Pegging performance to milestones: Implementing a system to peg public service remuneration to performance against agreed milestones could enhance accountability and incentivize BDAB officers to achieve strategic objectives aligned with national priorities. This could help drive tangible outcomes in line with Bermuda's economic goals.
- Digitalization prioritization and innovation hubs: To boost Bermuda's economic growth, BDAB should prioritize investing in digital initiatives and establishing innovation hubs. These hubs serve as collaboration centers for local businesses, start-ups, and foreign companies, fostering innovation and technological advancement. Creating an environment conducive to digital innovation attracts foreign expertise and investment, particularly in fintech, biotech, and other emerging digital sectors.
- Leverage digital marketing: BDAB should enhance its digital marketing capabilities and utilize social media platforms to effectively promote investment opportunities. Targeted digital campaigns, compelling content, and interactive online platforms can significantly enhance visibility and attract a broader investor base.
- Focus on emerging markets: BDAB should consider focusing on emerging markets such as Asia, specifically China and India. These markets offer substantial growth potential and attractive investment opportunities. By prioritizing efforts in these regions, BDAB can capitalize on emerging trends and establish strategic partnerships to facilitate investment flows into Bermuda. This targeted approach aligns with global economic shifts and positions Bermuda as an attractive destination for investors from rapidly growing economies.
- Support for start-up ecosystem: BDAB should prioritize support for start-ups with high growth potential to foster a thriving entrepreneurial ecosystem in Bermuda. By providing resources, mentorship, and access to funding, BDAB can nurture the development of innovative ventures. This aligns with the observed trend among IPAs, where there's a growing emphasis on supporting start-ups as drivers of economic growth. By cultivating a vibrant start-up community, BDAB can attract talent, innovation, and investment, further enhancing Bermuda's competitiveness on the global stage.
- Prioritizing private sector collaboration: Prioritize closer collaboration with the private sector by appointing private sector members to leadership positions, akin to EDB Singapore's model. Consider recruiting a CEO and COO from the private sector to leverage industry expertise. Establish collaborative platforms like the Singapore Leaders Network (SGLN) to facilitate knowledge sharing and networking across sectors, enriching Bermuda's economic development strategy with diverse perspectives.

- Support for talent development and expats: BDAB should prioritize supporting talent and expats by collaborating with companies to train and reskill locals, aligning skills with growth sectors. This initiative, akin to EDB Singapore's approach, ensures a robust leadership pipeline and enhances competitiveness in attracting skilled professionals.
- Leveraging intermediaries: BDAB should leverage intermediaries like consulting companies to organize events and roadshows overseas. By extending outreach through such collaborations, BDAB can increase visibility in key markets, attracting potential investors and businesses, similar to strategies employed by other IPAs.

## Appendix I - Tax Benefits

### Tax Benefits in Bermuda

Bermuda offers a favorable tax environment with no taxes imposed on profits, income, dividends, or capital gains. There is also no limit on the accumulation of profit, and companies are not required to distribute dividends.

Employers in Bermuda are subject to Payroll Tax, which is levied on all employers. However, if you are an employee, your employer may deduct a 6% withholding amount from your salary to contribute towards the total Payroll Tax obligation. If you are self-employed, you are responsible for paying the Payroll Taxes yourself.

Starting from 2025, a 15% corporate income tax (CIT) will apply to Bermuda businesses that are part of multinational enterprise (MNE) groups with annual revenue of US\$814 million or more.

As of July 1, 2019, Bermuda has implemented a progressive scale of tax rates for property tax based on the annual rental value of the property. The tax rates range between 0.80% and 55.00%, depending on the property's annual rental value.

Bermuda has developed special Economic Zones and they are currently there are four Economic Empowerment Zones - North East Hamilton, South East Hamilton, Somerset and St George.

### Tax Benefits in the Cayman Islands

The Cayman Islands is known as a tax haven for multinational corporations, providing a corporate tax-free environment. Residents can enjoy tax-neutrality for up to 20 years.

Within the Cayman Islands' Special Economic Zones (SEZs), such as Cayman Enterprise City (CEC), Cayman Maritime & Aviation Services Park (CMASP), and Cayman Commodities & Derivatives City (CCDC), there are no taxes imposed on corporate profits, capital gains, or personal income. These SEZs

also allow for 100% foreign ownership and provide exemptions from import duties. The setup process is streamlined, with business license and work visa approvals typically granted within 4-6 weeks.

Additionally, the Cayman Islands offers financial incentives specifically tailored for micro and small businesses.

## Tax Benefits in the British Virgin Islands

The British Virgin Islands (BVI) is a tax-neutral jurisdiction, meaning that no taxes are imposed on income, capital gains, or withholding taxes for both companies and individuals.

The payroll tax in the BVI varies based on the size of the corporation, with smaller businesses being charged at a rate of 10% and larger enterprises facing a rate of up to 14%.

Small businesses in the BVI are eligible for sector grants and loan programs, providing them with additional financial support.

Property taxes, also known as house tax, are levied at a rate of 1.5%. For land owned by British Virgin Islanders or BVI companies, the tax is \$10.00 on the first acre or part thereof, and \$3.00 on each subsequent acre or part thereof. For land owned by expatriates, the tax is \$50.00 for half an acre or less, \$150.00 for more than half an acre but not exceeding 1 acre, and an additional \$50.00 for each additional acre or part thereof.

## Tax Benefits in Singapore

Singapore offers a progressive personal income tax system, with rates ranging from 0% for lower income levels to a maximum of 22% for residents earning above US\$238,081. Non-residents are subject to a flat tax rate of 15% to 22%.

The corporate income tax rate in Singapore is 17% for corporations.

GST-registered businesses in Singapore are required to charge and account for a Goods and Services Tax (GST) of 9% on all sales of goods and services, unless the sale qualifies for zero-rating or exemption under the GST law.

Property tax rates in Singapore are applied on a progressive scale for owner-occupied and non-owner-occupied residential properties. Other properties are taxed at 10% of the Annual Value.

Singapore does not impose capital gains or withholding tax.

Singapore provides various tax incentives, including:

- Double Tax Deduction for Internationalization, allowing companies to claim 20% of taxed paid for international market expansion.
- The start-up tax exemption scheme provides newly incorporated companies some exemption on their taxable profits in their first three years of operation.

- Progressive Wage Credit Scheme where the government will provide support for wage increases at the stipulated co-funding levels from 2022 to 2026
- Angel Investor Tax Deduction Scheme. The amount of money which can be deducted is capped at US\$ 185,900.
- Fund Management Incentive, which grants fund management companies a 5% tax concession for up to 10 years.
- Global Trader Program, offering a 5% to 10% corporate tax deduction for specific trading income for 3 to 5 years.
- Section 13H Tax Incentive, providing fund management companies with a 0%-rated tax relief for up to 10 years.

## Tax Benefits in Jersey Islands

In Jersey, individuals are subject to taxes on income, goods, and services, but there are no capital gains or inheritance taxes. The maximum personal income tax rate is 20%. Corporate income tax in Jersey is 0%, except for financial service companies, which are taxed at a rate of 10%, utility companies at 20%, and large corporate retailers at varying rates depending on their profits (with a maximum rate of 20%). Income from property or property development by companies is taxed at 20%. Shareholders are liable for tax on any dividends or distributions received from the company.

The sales tax, known as the Goods and Services Tax (GST), is set at 5%.

Property tax in Jersey is 10.5%, and there is a stamp duty of 0.5% along with a document fee of US\$100 applicable to any borrowing secured over Jersey real estate.

Jersey also offers additional tax benefits, including:

- Co-funded payroll schemes, which are financial incentives provided by the government.
- Social Security contributions in Jersey serve as the equivalent of national insurance contributions.
- Every taxpayer in Jersey contributes towards the long-term care fund.

## Appendix II - Case Study: IDA Ireland Aftercare Services

IDA Ireland is the Irish government agency responsible for attracting and supporting foreign direct investment (FDI) in Ireland. It provides tailored support to international companies considering Ireland as a location for investment, offering assistance with site selection, talent acquisition, and accessing government incentives.

IDA Ireland also provides ongoing aftercare services to support the growth and success of client companies already established in Ireland, including:

- Account management

- Networking opportunities
- Market intelligence
- Advocacy

According to the Irish Department of Jobs, Enterprise and Innovation, IDA Ireland's principal mandate is to:

- **Proactively market Ireland as a prime investment destination in international markets**, directly engaging with decision-makers to influence and/or inform a company's location decisions.
- **Establish robust partnerships with foreign-owned companies operating in Ireland**, implementing a comprehensive aftercare program of assistance and resources. This ensures that multinational corporations (MNCs) based in Ireland become more integrated into the local ecosystem.
- **Shape the creation and execution of policies, regulations, and government investments** related to enterprise, fostering an appealing environment and location for conducting business.

## Aftercare Success

IDA Ireland's aftercare services include personalized account management, networking opportunities, market intelligence, access to government support programs, assistance with expansion and scaling, talent development and recruitment support, and advocacy.

Our research indicates that Ireland's FDI strategy consistently aimed to encourage existing foreign investors to further expand their operations and add different activities up the value chain, thereby attracting further investment into the country.

One of the drivers for such strategy could be the country's favorable tax system. The OECD indicated (FDI Qualities Assessment of Ireland, 2014) that due to Ireland's competitive corporate tax system, profits play a substantial role in the value added by foreign affiliates, partly due to MNCs relocating intangible assets to Ireland. However, these substantial profits often return to the foreign investor, potentially bypassing the local economy. Therefore, IDA Ireland concentrates on identifying opportunities for reinvestment through its aftercare services, aiming to boost the portion of these profits reinvested and thereby recording a greater economic impact from these foreign affiliates.

Our research aimed to pinpoint specific factors contributing to the success of IDA Ireland's aftercare services, identifying several potential possibilities:

- **Dedicated aftercare team:** In an article from fDi Intelligence which was examining the importance of aftercare services, IDA Ireland's employee described the organization's aftercare strategy is to maintain consistent contact with client companies. Constant contact via dedicated project teams enables IDA Ireland to identify new investments, better understand the company's needs, and this in turn enables it to produce tailor-made solutions.
- **Property solutions:** According to the Policy Statement on Foreign Direct Investment in Ireland, IDA Ireland has maintained a strong emphasis on the provision and availability of appropriate site and building solutions for future FDI. Over more recent years, IDA has worked with the National Asset

Management Agency (NAMA) to secure suitable properties for key investments, and will continue to ensure that potential investors are offered a range of property solutions.

- **Track record:** According to IDA Ireland, in 2022, of the 242 investments won that year, 103 of them were new name investments. Similarly, the fDi Report 2012 found that Ireland led the rankings the year prior when it came to attracting the highest proportion of reinvestments. According to that report, 49% of recorded FDI investments in Ireland were of such nature. Our team compared Ireland with France and the UK over a 5-year period using fDi Markets' data to determine the proportion of reinvestments. Between January 2019 and January 2024, Ireland's reinvestment projects accounted for 38.9% of total projects, whereas France was at 31.4% and the UK at 26.9%. Although inherent attractiveness of a market as well as other factors play a crucial role in FDI inflows, these statistics can also be tied to the quality and range of aftercare services, as well as Ireland's emphasis on creating a positive investment climate through fostering close ties with its existing investors.
- **International network:** 21 international business development offices that play a crucial role in attracting foreign direct investment to Ireland and supporting the growth of multinational corporations in the country.
- **Specialized partnership network:** Partner organizations can offer complementary support services to investors, such as legal and financial advice, market entry assistance, and business networking opportunities. These services enhance the overall investment experience and increase investor satisfaction. In IDA Ireland's case, its partner network is available on its website by which lists 80 dedicated professional services firms that offer assistance with a variety of services from financial, legal and consulting to recruitment and real estate needs. Each entry contains contact information, as well as success stories with past investors.

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## Remaining Phases

The following will be produced in the last stage of this project (grey highlights indicate requested additions that are not outlined in the contract):

- Phase 5:
  - Outline of existing target sectors and proposal for realignment of existing sector pillars
  - Recommendations of new sectors for consideration based on basic opportunity evaluation

- Target market identification study to guide geographical recommendations for investment attraction efforts in coming 1-3 years
- Action plan (1-3 years) detailing specific events, marketing activities, outsourcing services, and sponsorships, including proposed budgets for each type of activity



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