

# Millennium Cities Initiative

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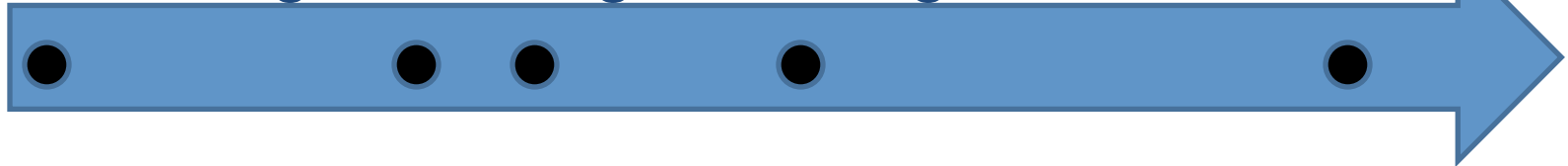
## Image-building and marketing your location



**Rene Samek**  
**Kumasi, Ghana**  
**15 – 17 May 2012**

# Promotion of a location (city, region, country)

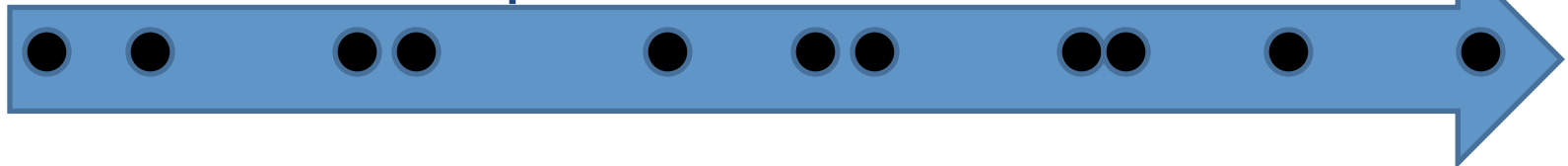
Non-targeted image building activities



Targeted active marketing activities



Assistance to potential investors



# Promotion of a location (city, region, country)

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- Non-targeted image building activities:
  - Exhibiting at trade shows, conferences, ...
  - Advertising, public relations
  - Mailing campaigns, etc.
- Targeted active marketing activities
  - Seminars (organised by someone else / own seminars) – presentations, leaflets, posters
  - Roadshows, company visits
  - Pre-arranged individual one-to-one meetings

# Non-targeted image-building activities

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- + Possibility to reach a wide audience
- + Relatively easy planning of these activities
- + Possibility to control the message, be creative
  
- Limited control over the audience
- Unpredictability of results
- Usually high cost of image-building campaigns

# Targeted active marketing activities

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- + Possibility to define the audience in more detail
- + Possibility to target the message to individual companies
- + Lower costs of these activities (relatively)
- Time-consuming selection of companies to be approached
- Necessity to have the skills to arrange a meeting
- Necessity to have a good understanding of the product (sector plus investment climate)

# Types of potential investors (2)

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1. Greenfield investors: they prefer to build their own plant, typically on a greenfield (industrial zone) or buy or rent an existing manufacturing hall
2. Joint-venture investors: they prefer to establish a joint venture with an existing company which makes the same/similar product(s)

# What information does Kumasi need?

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1. Suggestions for investment into selected sectors or sub-sectors
2. Information on local companies which are looking for potential partner for joint venture or an equity partner
3. Information on the investment and business climate in Kumasi and the surrounding area (the region)
4. Information on potential locations in Kumasi – the industrial zone, other potential locations? Offices?

# How investors decide on their new locations?

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- Investment suggestions = investment propositions = investment opportunities (terminology)
- KPMG / MCI study identified several sectors/sub-sectors as those where:
  - Kumasi and the surrounding area offer some advantages and or inputs
  - Investment into these sectors/subsectors would be beneficial for Kumasi
- The sectors/subsectors are: cocoa farming / processing, agro-processing (eg. palm oil), tourism, manufacture of pharmaceuticals, plus other mentioned briefly (mining, manufacturing of building materials, bamboo products)



# How to create an investment suggestion?

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Most important factors influencing location of companies in 2007-2009 (% of responses from multinational companies) :

1. Size of market (21%)
2. Growth of local market (20%)
3. Access to international/regional market (10%)
4. Stable investment environment (10%)
5. Availability of skilled labor force (9%)

# How to create an investment suggestion?

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- Remember what investors need to decide whether to invest or not:
  - Initial information on potential market
  - Information on the investment and business environment, which enables them to calculate the costs of investing and doing business, profitability ...
  - Information on potential locations
  - Support from the government/government bodies (national, regional, municipal level)
- The investment suggestion(s) should have the following format: (next slide)

# Info on the potential market

- What is the market we are offering to potential investors:
  - Kumasi? Region of Kumasi? Ghana?
  - Ghana and the surrounding countries?
  - Wider export markets? Which? Western Africa, whole Africa? Europe? Asia? The whole world?
- Data on the size of the market:
  - Production, consumption, export, import
  - Trend in the last 10 years (of the above)
  - Other market indicators: growth of population, growth of spending power, major new corporate customers in the city/region/country/continent

# Info on the potential market

- Reason(s) why we offer this opportunity to potential investors:
  - This product is imported to Ghana/West Africa, but we think/know it could also be produced locally
  - Kumasi has some/all inputs necessary for the production of this product
  - Kumasi has skilled labour, which is necessary for the production of this product
  - The product could be produced in Kumasi at lower costs and/or supplied to customers for lower costs
- Examples of competitors who have built a production facility in Ghana or neighbouring countries

# Info on the potential market

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- The data must show that the market is large enough to justify building of a new production facility – the investment must make economical sense
- The market must be large enough now or within next 2 years – companies will not build a production facility which will not be sufficiently utilised
- The trends must show that the market will continue to be large enough for 10+ years
- It must be possible to deliver the product to customers for reasonable costs

# Suggestions for investment into selected sectors

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- Sectors/sub-sectors identified by the city/MCI or other studies as sectors/sub-sectors which offer some market opportunities
- Also, it should be clear from the suggestion, that the market opportunity can be best realised by investing in Kumasi, not just by importing to Ghana
- The suggestion must be realistic – offer a real opportunity, not a dream
- The suggestion must be doable – it must be possible to make the suggested investment

# Info on Kumasi companies seeking JV partners

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- Profiles of local companies, which are looking for potential partners to establish a joint venture
- Description of each company, its performance, why it is looking for partners,
- What the company offers to the joint venture and what it expects from the partner(s)
- Profiles can be with names of the companies or without names and addresses – “blind profiles”

# Profile of a Kumasi company seeking JV partners

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- Name of the company, contact data / or blind profile
  - a code instead of the name and contact data
- Sector, products or services
- Size of the company: turnover, number of employees
- Ownership, history
- Economic performance of the company
- Certificates the company has
- Markets for the products/services of the company
- Plans of the company
- Reasons for looking for partners



# Profile of a Kumasi company seeking JV partners (cont.)

- What it will insert into the joint venture
  - Land and buildings?
  - Management?
  - Employees?
  - Machinery? (list of machines the have)
  - Production know-how?
  - Market access?
  - Finance?

# Profile of a Kumasi company seeking JV partners (cont.)

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- What it expect the partner to insert into the joint venture:
  - Management?
  - Machinery? (list of machines needed)
  - Production know-how?
  - Market access?
  - Finance?

# Profile of a Kumasi company seeking JV partners (cont.)

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- Each profile should have 2-3 pages
- Created in MS Excel, MS Access or MS Word (alternative: buy an expensive database system)
- Each profile created together with the company which seeks partners for a joint venture and approved by them (written agreement and written approval)
- Profiles to be distributed electronically (email, websites) in the pdf format and in print form (printed on a normal office printer)

# Info on the investment and business climate

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- Labour availability: population, workforce, unemployment rate + number of the unemployed
- Skills: secondary schools/specialisation/ number of students, universities/specialisation/ number of students, large existing companies, number of employees
- Transport channels for goods to and from Kumasi: to other parts of Ghana, to the rest of Africa, Europe, Asia, distances and time for transportation
- Availability of utilities and costs
- Support available from the city

# Info on the investment and business climate (cont.)

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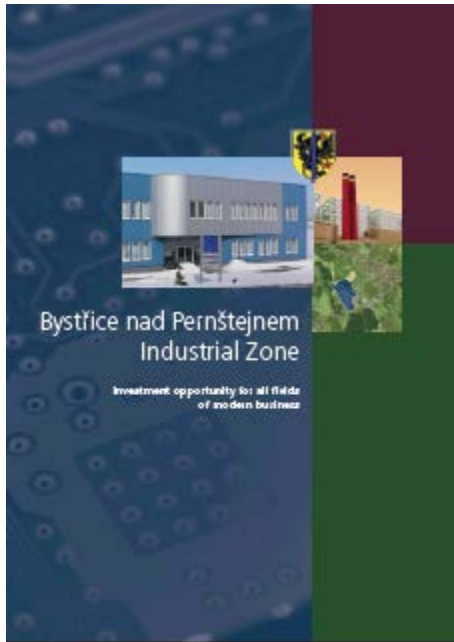
- Statistical data, not too old
- Graphs, tables, no long texts
- Comparison of Kumasi with Ghanaian average and/or with other regions in Ghana, international comparisons
- Maps
- Testimonials from existing investors, foreign and domestic (example: „We had no problem finding 100 qualified workers in Kumasi“, says Mr.X, General Manager of company Y located in Kumasi)

# Info on potential locations in Kumasi

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- Size of available land in the industrial zone – now and planned in 2-3 years, other options in Kumasi
- Map/plan of the zone, showing available land plots
- Availability of utilities within the industrial zone
- Map showing the industrial zone in relation to the city, existing and planned roads, airport, ...
- List of limitations (environmental, legal) on location of different investment projects within the zone
- List of conditions for renting the land in the zone
- Price and mechanism for receiving permission to rent land within the zone

# Brochure of a municipal industrial zone in the CR



## Bystřice nad Pernštejnem Industrial Zone

Investment opportunity for all fields of modern business

### Bystřice nad Pernštejnem

The town of Bystřice nad Pernštejnem is located approximately 50 km northwest of Brno in the East-Moravian Highlands, and has a population of 10,000. The city currently has the use of the Bystřice water system covering approximately 500 municipal units, approximately 21,000 citizens. Specific and Particular has a long industrial tradition, primarily in the field of advanced engineering (production of elastic control, metal machining, the furnace industry and processing of heat resistant metal products. Current zoning law also placed an important role in the region.

The first modern industrial zone covering over 100 hectares was established in the city in the beginning of the 1970s. The area was an area almost fully occupied by the construction with German capital companies like companies WAG, WAG and Ruppelhof. Following the occupation of this industrial zone, the first proposal of new development with the total area of 80 ha. In 2002-2004, the first site assessment of Czech manufacturing firms was implemented there, and in 2008 the French company S. Thibault began implementation of an investment on 10 hectares.






### Infrastructure in depth

With regard to the business plan, the industrial zone is fully prepared to accommodate any particular business. The address on the site was created in the most accessible area. With regard to proximity of the plot concerned, the city center is approximately 10.3 km. It has an access to the motorway of the Czech Republic, South border of the CR, 1 km. It is a major highway interchange and 12.5 km are occupied by forests.

The purchase price of plots is negotiable and is in the range of CZK 1000/m<sup>2</sup> (EUR 8,300/m<sup>2</sup>). This is the starting price, nevertheless, the city is prepared to make concessions for the importance of a specific investor's project by possibly lowering this price.

Water 100 T/h	total pressure gas line 0.6/0.3 bar	sewerage 100,000 sewer	electricity 10kV 22 kV
0 km	600 to 800 m <sup>2</sup>	15 km	3 km

General information on the plot's coverage can be provided to investors in the form of a series of typical parking spaces and the method of parking spaces are on an individual basis. This is valid especially with electricity and gas where technical regulation is necessary; the price is calculated in connection with the actual annual consumption. The price of water is approximately CZK 27.50/m<sup>3</sup> and sewage price amounts to CZK 50/m<sup>3</sup>. The price of gas is at 0.02 EUR.

Note 1: In the case of connection of electricity network 10 kV, it is possible to bring in a special high-voltage 10 kV line with capacity up to 20 MW from a substation at a distance of approximately 1,500 meters. In the case of full high-voltage, a substation can be installed from the high-voltage line at a distance of approximately 3 km with possibly unlimited capacity.

Note 2: The necessary supply of natural gas amounts to 400 m<sup>3</sup> or 100 m<sup>3</sup> depending on power. By increasing the pressure to 300 MPa, a maximum capacity of 800 m<sup>3</sup> can be achieved. In the case of gas consumption exceeding the stated capacity, a connection to the high-pressure line at a distance of approx. 1,000 meters is possible.

#### Transport connections of the city and industrial zone

national roads	directly through the zone
colony station with loading and unloading ramp	500 m
railway siding	directly in the zone
highway	directly in the zone
1st-class highway	2 km
main highway E5 Prague - Brno	23 km
international airport - Brno Tuřany	60 km
Prague Airport	170 km

# Website of a municipal industrial zone in the CR

Triangle Strategic Industrial Zone - Internet Explorer provided by Dell

http://www.triangle-city.cz/general-information-en.php

Triangle Strategic Industrial Zone

**TRIANGLE**  
PRŮMYŠLOVÁ ZÓNA

General Information  
Owner and Contact  
Technical Infrastructure  
Transport Connection  
Investors in the Zone  
Offer of Job  
Press Reports  
Useful Links  
Photo Gallery  
Maps

### General Information

**Name:** Triangle Strategic Zone  
**Country:** Czech Republic  
**NUTS II:** North - West  
**Region:** Ústí Region  
**District:** Louny  
**Municipality with extended competency:** Žatec  
**Municipality/administrative territory:** Žiželice, Staňkovice, Velemyšleves, Bitozveves  
**Former use:** Žatec military airport  
**Type of the zone:** strategic industrial zone / large-scale business park  
**Total area:** 365 ha  
**Area for investors:** 295 ha  
**Planned number of jobs:** first phase 5 - 8 000, target number 15 - 20 000

### Characteristic of the Industrial Zone

Triangle strategic industrial zone is situated at the border of three districts: Chomutov, Most and Louny. From traffic point of view the zone military airport. The site adjoins arterial road I/7 Prague - Chomutov - Hora Sv. Šebestiána/Reitzenhain (FRG) (to become R7 express) about 1 km from the site. The Triangle industrial zone is mainly intended for investors whose business and investment plans are for processing of raw materials), strategic services, technological centres and/or those operating in the field of research and development. V Region, and the Ministry of Industry and Trade, the Triangle zone can also host businesses from the field of logistics, facility management support companies servicing businesses already based in the zone (so called "manufacture servicing"). The Triangle zone's priority is projects, the size of which would be about 20 - 25 ha each.

- Close vicinity of larger towns in the catchment area (about 300 thousand inhabitants)
- Flat countryside
- Location in the area with high unemployment rate
- Relatively low labour cost
- Advantageous strategic location near the border with the FRG, suitable for export - oriented manufacturers
- Very good transport connection to the existing arterial road network
- Location about 40 km from the D8 highway (under construction)
- Good qualification level of labour force due to industrial tradition of the region
- Number of potential supply firms mainly in automotive industry sector
- State system of investment incentives; in this region in the largest extent possible
- The zone is primarily prepared for a strategic investor from manufacturing industry sector, i.e. a multinational company with si

Triangle Strategic Industrial Zone - Inter

http://www.triangle-city

Triangle Strategic Industrial Zone

**TRIANGLE**  
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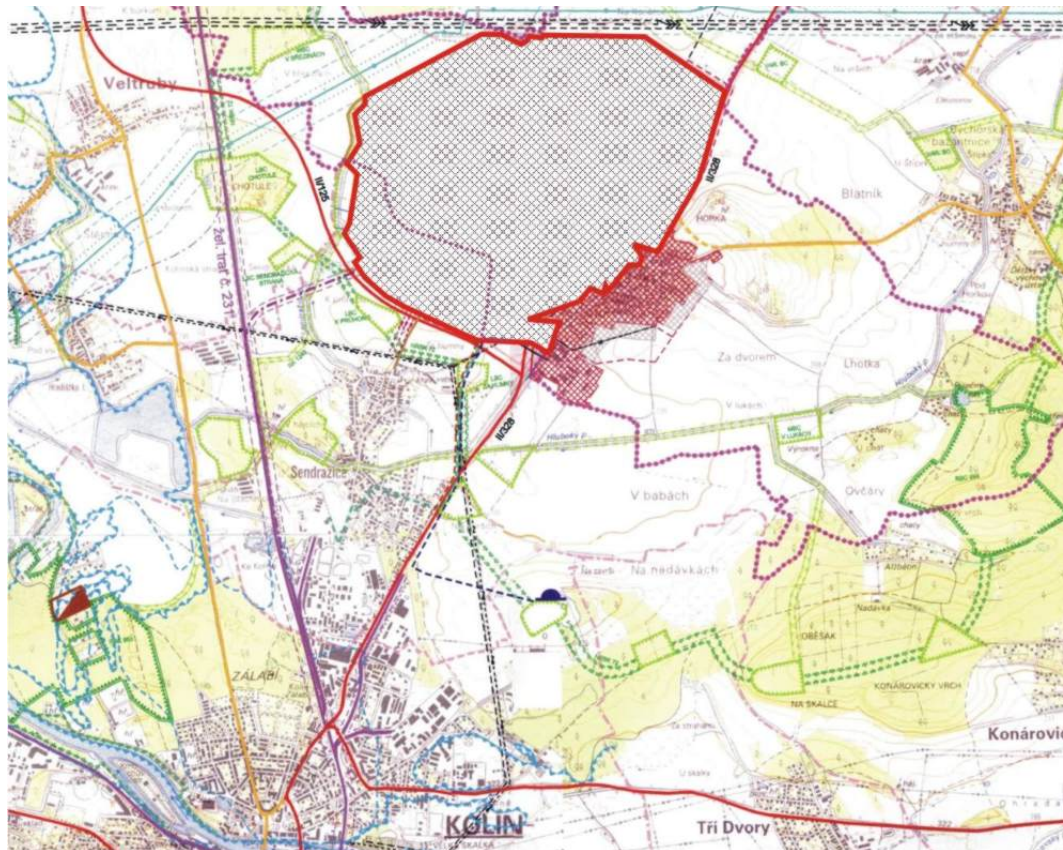
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**Country**  
**NUTS II:**  
**Region:**  
**District**  
**Municip**  
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**Type of**  
**Total ar**  
**Area fo**  
**Planned**



# Info on potential locations, an example from the Czech R.

## Info on the municipal industrial zone in Kolin (separate presentation)



# Thank you

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## Thank you for your attention

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