

# personality of the year

## 2003

**T**he winners of **FDI's** first Personality of the Year awards have truly earned their trophies. From Spain's Basque Country, which has had to convince the world of its merits despite an ongoing terrorist campaign by separatist guerrillas, to Mexico, part of a region that has had more than its fair share of economic troubles this year, FDI promoters have been waging an uphill battle to boost business confidence. It hasn't been any easier for Namibia, in a continent hit by civil unrest and stagnant economies, or Dubai, in the same region as the Iraqi battlefield. But as Namibia's former trade and industry minister Hidipo Hamutenya notes, winning those contracts requires sharp investment tools and being able to provide investors with rapid and convincing answers. This is what makes a winner.



## Overall runner-up

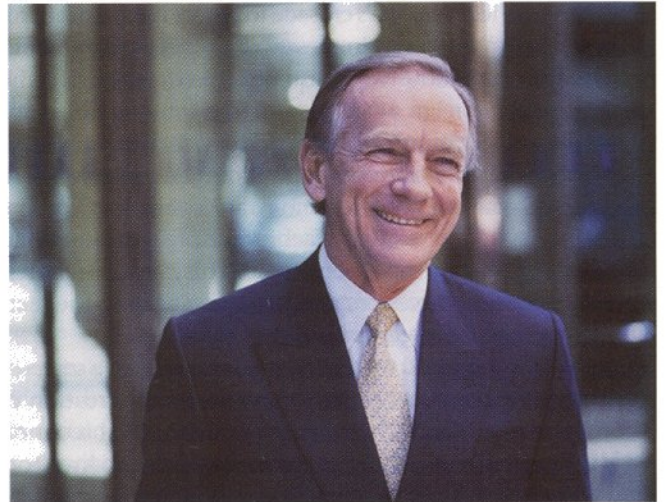
### James R Thompson, chairman of Crown Worldwide Holdings Ltd

Indefatigable, Jim Thompson has spent the past 25 years jetting round the world to promote Hong Kong to investors, when not running his own relocation company Crown Worldwide Holdings, which operates in 43 countries. Last year alone, he led or participated in a dozen Hong Kong investment missions from Houston to Seoul. Some of the companies he has courted that have invested or expanded their operations in Hong Kong include Walt Disney, Microsoft, Boeing and AOL Time Warner.

Mr Thompson says that in the past, the principal obstacle to overcome in attracting FDI to Hong Kong were the high costs of labour and property. "This has undergone a dramatic correction in the past five years or so, but the challenge now is the Sars epidemic," he says. "This is now coming under control but there is a lot of damage repair work to be done and this could take six to eight months to accomplish."

Hong Kong's biggest competitive advantage, according to Mr Thompson, remains its simple and low corporate tax, which stands at 17.5%.

"This means that regional offices can keep most of the money they make, and there is no tax on dividends or off-shore income. The high quality of the city's infrastructure and transport system are also major incentives, as is the



Mr Thompson: low corporate tax is a major advantage for Hong Kong

rock solid and effective rule of law."

Mr Thompson says that going forward, Hong Kong will remain a major financial services centre, but it is also promoting other sectors such as the logistics industry and tourism. "The Sars epidemic itself could be the catalyst to develop Hong Kong as a centre for medical technology," he says.

## Winner Europe

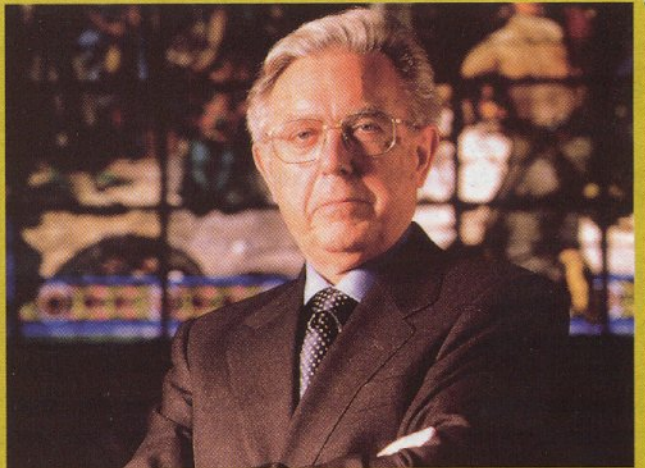
### Josu Bergara, prime minister of the Basque province of Biscaya

Attracting FDI to a region plagued by 35 years of terrorism requires tenacity and imagination. For Josu Bergara, who heads the local government of the Basque province of Biscaya, the task is made easier by the region's infrastructure and competitive advantages.

"Biscaya is the strongest of the three Basque provinces in terms of economics, finance and demographics," he says. "But it should not be viewed out of context with the other two provinces, which are less than a hour away by motorway."

Mr Bergara cites the high degree of political and economic autonomy as a major incentive for investors. "The Basque Country collects its own taxes of more than €9.4bn a year, it boasts a first rate financial and business infrastructure and a highly skilled workforce. Within this regional framework, Biscaya offers the most attractive incentives for investment, with its port and outstanding technology park."

Mr Bergara says he is striving to promote media technology, biotechnology and electronics as new areas of invest-



Mr Bergara: level of regional autonomy provides major incentive

ment. The region also aims to become self-sufficient in energy generation by 2005. But there is no doubt that the Basque terrorist group ETA poses an obstacle to achieving these objectives.

"However, we believe that while this is a factor investors should be aware of, it should not dissuade them from coming to the Basque region," he says. "ETA is part of the story, but so is our quality of life, the low level of street crime and high standards of education, our modern business outlook and the ability to solve problems for investors."