



Strategic Measures to Attract and Retain Foreign Investment

Globally, leaders and governments work towards attaining economic prosperity which is usually achieved through the quality of production, workforce and export activities. Foreign investment, over the years, has become a cornerstone for governments and businesses. For a government to attract and retain investment, it must develop investment-friendly policies and ensure consistency. Consequently, by attracting favourable investment, governments can create jobs for the population and improve economic growth.

The following are some useful measures aimed at attracting investment:

- 1. Reduction of restrictions on Foreign Investments:** By providing open, transparent and favourable conditions to businesses, the desire and ease at which foreign investors come into an economy will improve. Important policies such as the ease of doing business and protection of intellectual property rights should be promoted in order to attract investment.
- 2. Stability of the government:** This is an important measure and factor that controls the rate at which foreign investors and investments flow into a nation. By ensuring a stable government in a country, this will significantly reduce or eliminate any fear of business takeover by the government, which will enable foreign investments to expand.

3. Standard infrastructure required for doing business: Measures such as expansion of transport facilities such as seaports, rail and rail networks, provision of cargo facilities, provision of adequate and reliable supply of energy, and so on will attract favourable foreign investments.

4. Establishing a business-friendly financial system: Setting up financial systems that are favourable to foreign companies and domestic businesses help businesses respond quickly to challenges and boosts the economy.

5. Adopt uniform tax policies in line with international best practices: Stringent tax impositions will prevent foreign investments in an economy. For foreign investors to feel welcome, a moderate tax policy which is predictable and consistent should be put in place.

6. Quality of labour and logistics: The government and system should encourage expansion to both domestic and foreign markets. This can be encouraged through the provision of labour especially skilled labour in various technical areas.

7. Security of lives and property: Instability, ethnic and religious crisis, insurgencies and other security threats discourage foreign investors. The security of lives and property play a major role in attracting and retaining foreign investment.

8. Judicial enforceability: Law enforcement, judicial interpretation of laws and enforcement of agreements/contracts play a pivotal role in economic development and attraction of foreign investment. An ideal legal system that attracts foreign investment is efficient, expeditious and predictable, its judicial courts are also provided with adequate infrastructure coupled with trained and adequately compensated staff.

Conclusion

It is evident that in addition to economic and governmental strategies, law and the rule of law plays a significant role in attracting foreign investments as the rule of law is the foundation for peaceful and prosperous nations. In cases where foreign investors experience instability in the legal system, or rule of law challenges, they are more likely to withdraw investments. For rule of law and judicial enforcements to be effective, there must be transparency, clarity, equality before the law and easy access to legal remedy; to which law firms play a significant role.

Legal service providers play a major role in providing relevant legal and regulatory advisory to foreign investors, foster the drafting and enforcement of agreements and provide practical and pragmatic solutions on the most beneficial steps to be taken based on the country's laws and nuances taking into cognizance the peculiarities of its economic and legal framework.