

U - LEAD

W I T H E U R O P E

**Developing institutional capacity for attraction of FDI
in Ternopil region**

**Workshop: Practical aspects of investment promotion
and support at the local level**

Why communities need FDI?

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Investment Promotion Advisor



THE MINISTRY OF REGIONAL DEVELOPMENT,
CONSTRUCTION, HOUSING
AND COMMUNAL SERVICES



September 26, 2018

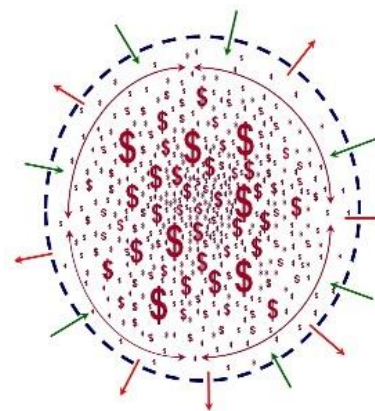
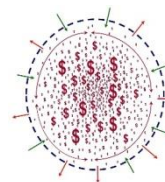
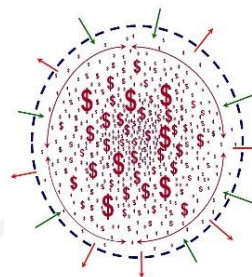
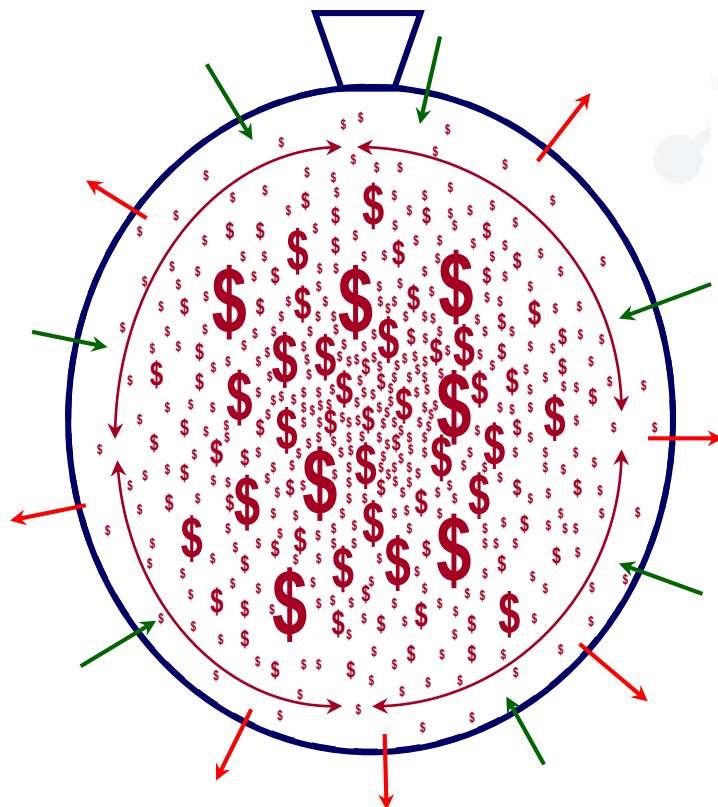
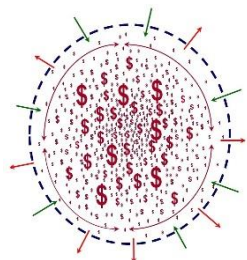
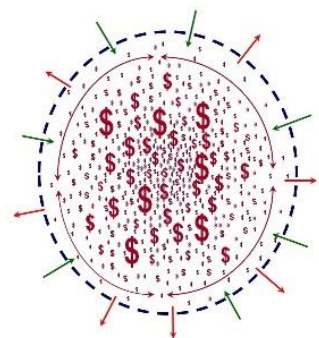
Structure of the presentation:

- Why companies make (overseas) investments and why communities support them
- What's local economic development (regional development)?
- Examples of Czech municipalities
- Local economic development / definition
- Case study / Kiekert CZ
- Economic development pyramid
- Discussion

Important thing to realize:



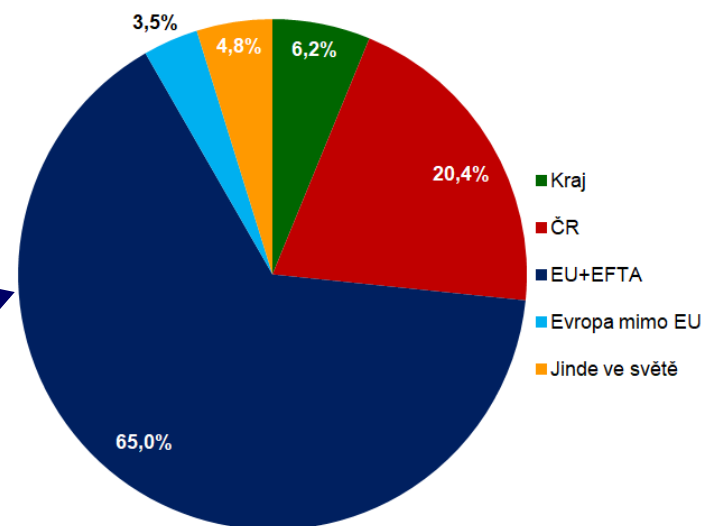
What is that economic development?



What makes up local economies

Example 1: Moravská Třebová in 2017

Markets of local companies



22 / 62

Announced investments
and new jobs

Local economic
aggregate (estimate)
EUR 340 million

Top 25 local companies
EUR 262 million

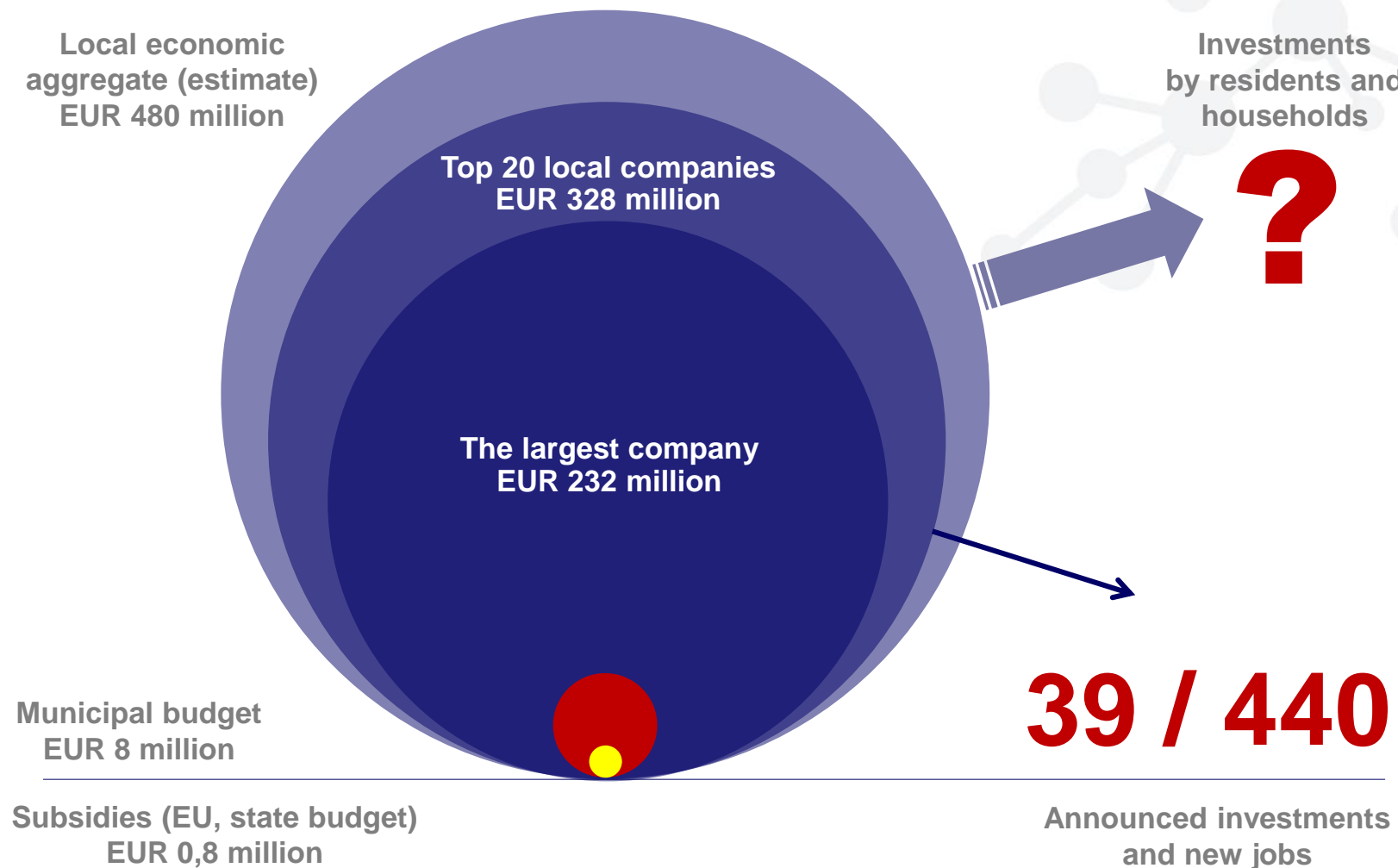
The largest company
EUR 104 million

Municipal budget
EUR 10 million

Subsidies (EU, state budget)
EUR 1,8 million

What makes up local economies

Example 2: Přelouč in 2013



Місцевий економічний розвиток (МЕР) – це процес стратегічного партнерства,

- який допомагає прискорити **темп зростання продуктивності** (ключова економічна мета),
- стимулюючи **інвестиції** в нові та існуючі підприємства з **високим потенціалом до зростання** і
- створюючи такі **місцеві факторні умови**, які тривалий час сприяють цьому зростанню (“тверда” і “м'яка” інфраструктура); коротше кажучи, місцевий економічний розвиток допомагає закласти мікрооснову національного процвітання

Defining Local Economic Development

Local Economic Development (LED) is

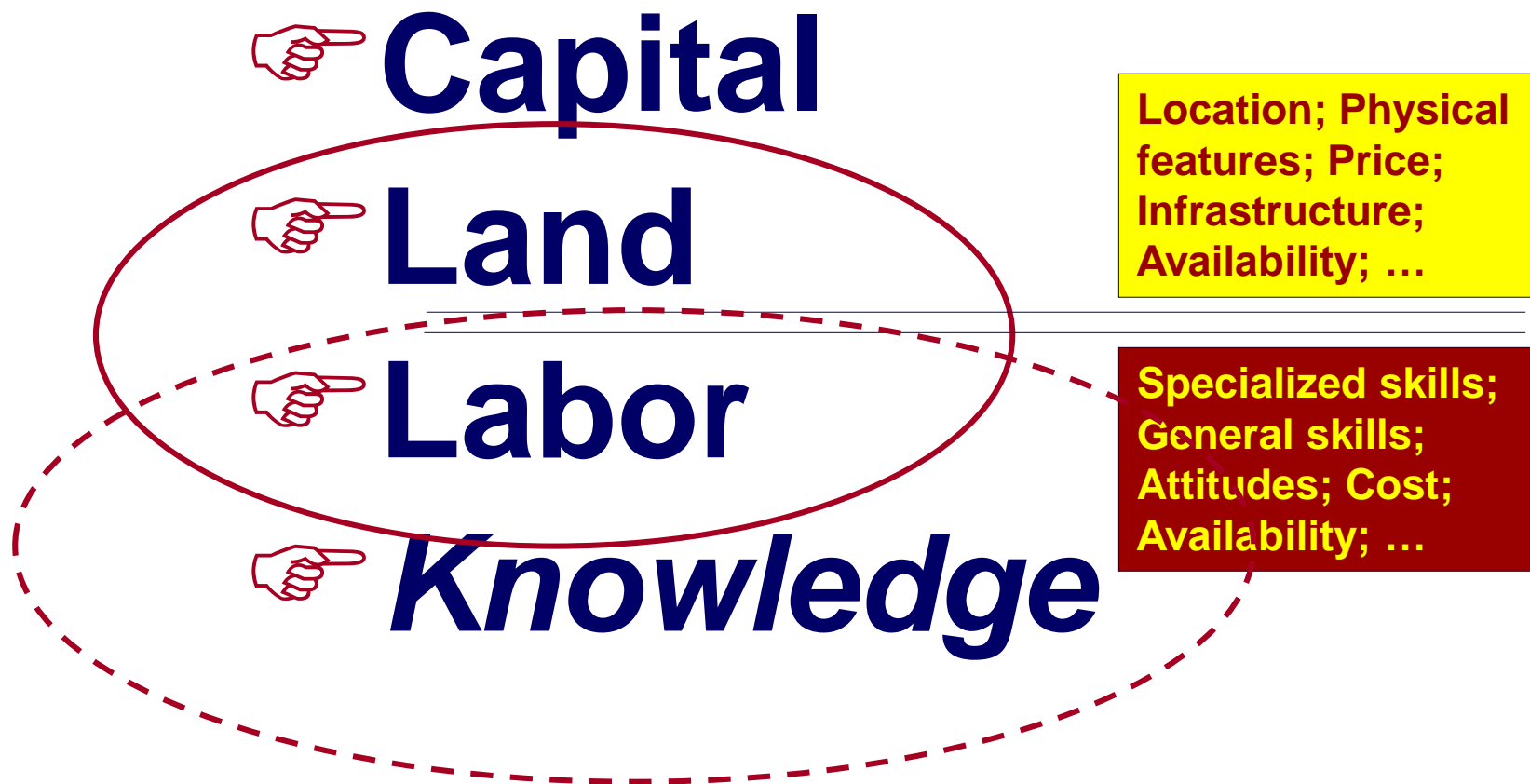
A process of strategic partnership

- That helps boost the **trend growth rate in productivity** (a key economic objective) by
- Stimulating **investment** in new and existing businesses with **high growth potential**; and
- Creating **local factor conditions** capable of sustaining this growth over the economic long-run (hard / soft infrastructures); in short

Local economic development helps to lay the microfoundations of national prosperity

Source: Ewen Peters

Factor conditions



Case study

Kiekert investment in Přelouč



Case study

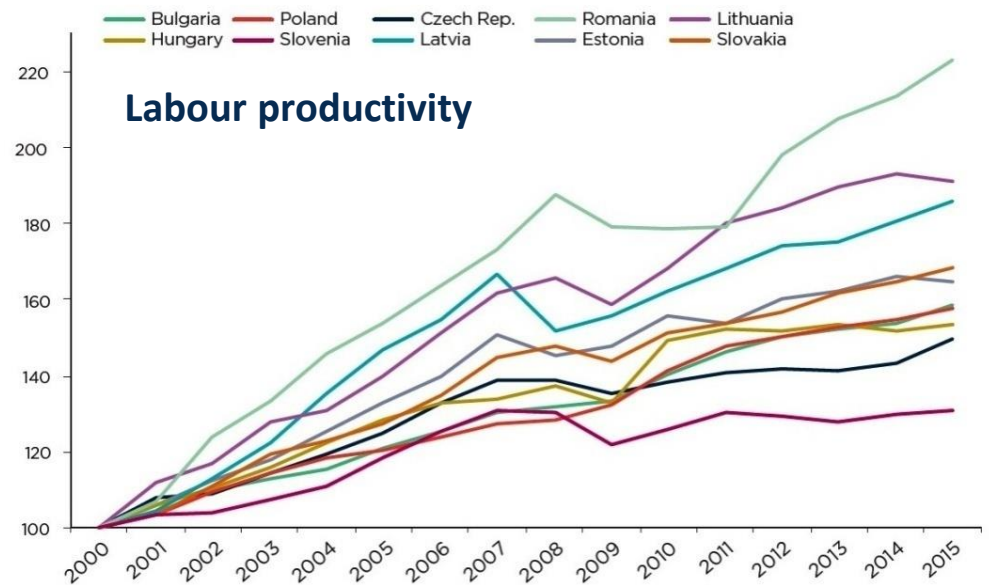
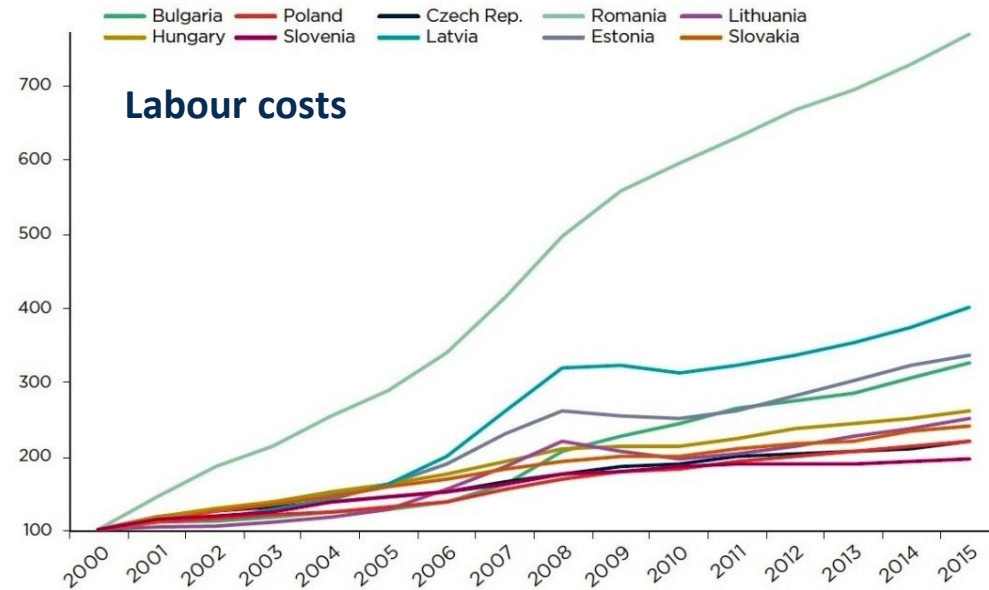
Kiekert investment in Přelouč

- (German) company Kiekert AG Heiligenhaus is a leading producer of latch closing systems for cars (5800 employees, sales €825 million in 2015, Germany, USA, Mexico, China, CZ and Russia)
- 20% of global market share (No.1 in Europe / 35% and in North America / 25%, 12% in China)
- Strong R&D – more than 1900 patents
- Supplying to approx. 60 car brands

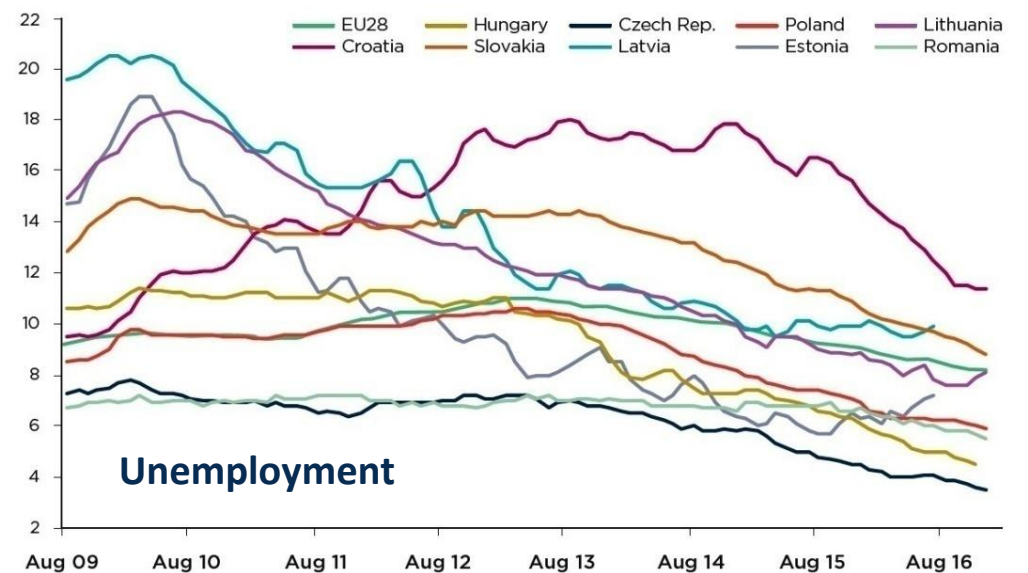
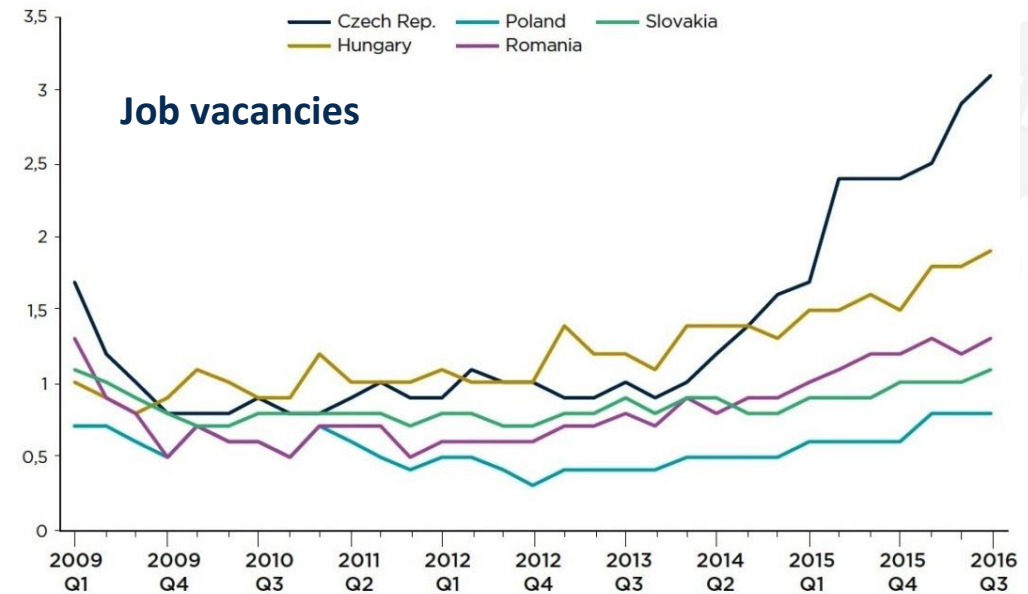


Economic development pyramid





Bonus slide





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Дякую за увагу!