

# Some Issues in Adopting the Right Strategies for Investment Attraction according to the Requirements of Developing Reality

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One of the important problems in expediting the construction of an economically powerful socialist nation is to extensively introduce investment and to extend and develop foreign economic exchanges with many countries in the world in a broad and diversified way.

The great leader Comrade **Kim Il Sung** said as follows.

**“We will actively develop economic and technical exchange and cooperation with those countries which are friendly towards our country and want economic exchange with us, irrespective of idea, ideal and system.”**(“**KIM IL SUNG WORKS**” Vol. 39 P. 176)

It is of great significance in giving full play to the existing huge potentials of our independent national economy, introducing advanced technology and developing technical equipments of the national economy to world level to develop economic exchange and cooperation with foreign countries to a new high stage.

In order to develop economic exchange and cooperation with foreign countries to a new high stage it is necessary to actively perform investment attraction on the basis of the scientific strategy for investment attraction.

Today many countries in the world are striving to attract investment competitively and it is a global trend to work out the strategy for investment attraction and to attract investment on the basis of it.

Only when the scientific strategy for investment attraction is worked out and carried out, is it possible to attract investment according to the correct direction and aim of investment attraction without any deviation and also to carry out the activities for investment attraction more effectively and actively by various forms and methods on the basis of the scientific methodology.

It is reasonable to work out the strategy for investment attraction dividing into the national strategy and the tactics of individual units - the tactics for investment attraction.

In order to work out the scientific strategy for investment attraction, to begin with, it is important to work out the national strategy for investment attraction.

The national strategy for investment attraction is the guide that defines the general aim and direction of investment attraction, main ways for realizing them.

First of all, in order to work out the national strategy for investment attraction, it is essential to scientifically prescribe the general direction of investment attraction.

The general direction of investment attraction is to introduce more investment on advantageous condition in direction to thoroughly carry out the line of building an independent national economy that our Party laid down. In other words, investment attraction has to depend on and serve the development of national economy in any case.

It is a necessary requirement for ensuring and maintaining the initiative position in investment attraction without economic yoke by other nations to introduce investment from them depending on the foundation of independent national economy.

Unless investment attraction is based on the firm foundation of the independent national

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economy, not only it is impossible to extricate from the economic yoke by imperialists and to develop our economy independently, but also it is impossible to prevent imperialists from plundering our precious wealth. Therefore, the investment has to be attracted on the basis of the foundation of independent national economy. Only by doing so, it is possible to satisfy each other's needs. Without one's own possession, nobody gives and even in case of receiving the aid, it results in being deep in debt.

If one were deep in debt in the foreign economic relations, one not only can't maintain independence, but also can't develop the national economy.

The objective of investment attraction is to make our country rich and powerful and to make our people lead a happy life.

In order to work out the strategy for investment attraction so as to strengthen independence of our national economy and serve the construction of our rich and powerful nation, it is necessary to accept only parties beneficial to introduction of advanced technology and not to admit businesses who plunder our resources or destroy our environment.

Next, in order to work out the national strategy for investment attraction, we must determine the correct method of investment attraction.

In the present stage the correct method of investment attraction corresponding to our conditions is to set up special economic zones or economic development zones and introduce investment there with priority, and to combine it with the investment attraction in the main objects. Along with this, it is also to run equity joint venture and contractual joint venture and to use foreigner's business well.

In our country many equity joint ventures and contractual joint ventures are running and so are foreigner's businesses.

We have to do equity joint ventures and contractual joint ventures with various purposes and methods. The purpose that we do equity joint ventures and contractual joint ventures with foreign countries is to introduce foreigners' advanced technologies.

In our country, foreign businessmen are allowed to establish their own enterprises in Rason Economic and Trade Zone. By attracting them on the basis of the law on foreigner's businesses in some degree, it is necessary to make it helpful in introducing new technologies and increasing the state revenues.

Next, in order to work out the national strategy for investment attraction, it is very important to correctly select the countries from which we attract investment.

It is of great significance in the development of foreign economic relation to correctly select countries from which we attract investment. When we select correctly the investing country, we can find favorable investors and develop the investment transaction with them, and can gain the utility in investment attractions.

Selecting the investing country depends on its economic structure, level of its economic development, the condition and circumstance of international market, and the political and diplomatic relations between those countries.

The basic orientation of selecting investing country is to extensively develop the investment relationship with many countries in the world.

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The first important thing in the selection of investing country is to extend and develop the investment from neighboring countries.

It is very advantageous in aspect of economic effectiveness to attract investment from neighboring countries.

The second important thing in the selection of investing country is to introduce investment from the developing countries including southeast Asian countries.

They are relatively near to our country geographically and have some economic relations with us. Also they oppose aggression, plunder and domination of imperialism and established amicable relation with us.

The third important thing in the selection of investing country is to extend the investment relations with the capitalist countries.

In entering the capitalist countries' markets and expanding economic relations with them, it is necessary to pay prime attention to development of investment transactions with the developed countries that have the amicable relations with us.

Next, it is essential to envisage training of investment attraction officials in a far-sighted way.

It is important because success of investment attractions depends on the ability and preparedness of them.

What is important in training investment attraction officials in a far-sighted way is to establish the complete system for training them and increase the number of investment attraction experts.

For doing this, we must strengthen the units training them and raise the education level. Thus we must train capable investment attraction officials who are proficient in foreign languages, become fully versed in theoretical and practical business on investment attraction, and have enough common and comprehensive knowledge.

What is also important in training investment attraction officials in a far-sighted way is to encourage them to continuously improve their qualifications and abilities.

Investment attraction officials have to be conversant with the economic knowledge and the practical business on investment attraction, acquire the profound knowledge on the municipal and international laws, and be proficient in foreign languages.

Also they have to become people of wide knowledge and have the excellent analytical ability, judgment and representation ability, and put them to practical use.

In order to work out the scientific strategy for investment attraction, next, it is important to map out scientifically the strategy for investment attraction by invested projects and individual units (the tactics for investment attraction).

The strategy for investment attraction by invested objects and individual units refers to the methods of investment attraction that enables to hold the initiative in it and attract the most advantageous investment by making the most use of knowledge, ability and experience of investment attraction officials. This is also called the tactics for investment attraction.

First, the aim of investment attraction has to be correctly set up.

The aim of investment attraction is determined by the total amount of investment, the number of investment projects, the period, the level of introduction of technology, the conditions of investment,

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and so on.

The first important thing in setting up the aim of investment attraction is to set it up high. Because if the aim is low and passive, it is difficult to attract investors and the investment attraction is not able to be performed actively. Therefore, it is necessary to set up a high aim boldly and find a way to implement it.

The second important thing in setting up the aim of investment attraction is to set it up clearly.

The total amount of investment, the number of investment projects, the scale by investment projects, the realization stages of investment, the level of introduction of technology, the specific conditions of investment etc. have to be determined clearly, and especially when contract for investment is made, which project is made a contract, and how much scale of it is have to be correctly determined. And the aim has to be made concretely by stages.

The third important thing in setting up the aim of investment attraction is to set it up them in a far-sighted way.

Investment attraction is difficult and complicated, and it needs some period. Therefore the aim has to be set up in a far-sighted way from a long-term viewpoint.

For doing so, long-term interests have to be taken account and long-term prospect of economic development has to be correctly considered.

Second, the tactics to take the initiative thoroughly has to be correctly set up.

To take the initiative means that the investment attraction officials meet their requirement by holding a dominant position in the whole process of investment attraction.

Without the initiative, the success is not able to be made in investment attraction and although the success is achieved, it is impossible to gain the utility or the loss could occur.

The important thing in setting up the tactics to take the initiative in investment attraction is to know investors well.

To begin with, we must correctly know the requirement of investors. That is, we must understand how the intention to invest is, which projects they are interested in, what the concrete conditions of investment is, what aversion they have, and what causes them uneasiness.

Next, we must analyze the conditions of investors concretely, that is, investigate and study their pecuniary ability, the track record, the present reality, the future prospect, the relation with other countries or enterprises, personal details of individual people etc.

Third, the tactics to make the best use of various forms and techniques skillfully has to be set up correctly.

Investment attraction is expedited by meeting for investment attraction, interview, introduction and propaganda of investment climate and so on. The main thing is to motivate investor and to get their credit through contact with them.

For doing this, it is necessary to win their confidence and to establish an intimacy with each other through various informal contacts in addition to formal forms and procedures

To attract investment, it is necessary to make use of various methods including a dinner, a visit, watching performance, and a picnic.

And it is necessary to know character, hobby and faith of investors, and have an interview with

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them and give souvenirs in accordance with them.

Forth, the tactics to correctly find the main link in the chain and concentrate our efforts on it has to be set up accurately.

For this purpose, it is necessary to find out the point that investors take much interest in and it is important to grasp their weakest link.

In this manner, we have to set up the scientific strategy for investment attraction and offensively attract investment on our own initiatives on the basis of it.