

# fDi Reinvestment Ranking 2017

AN ASSESSMENT OF FDI EXPANSIONS REVEALS WHICH LOCATIONS ENJOY THE MOST FOLLOW-UP INVESTMENTS AND WHY. **CATHY MULLAN** ANALYSES THE RESULTS



**W**hat keeps an investor coming back for more? What drives them to follow up an initial investment with more capital and to root their operation to a location more firmly? Of all reinvestment projects recorded between January 2006 and October 2016 recorded by greenfield investment monitor **fDi** Markets, one-quarter cited the growth potential of the locations as the primary influence behind the decision. The availability of a skilled workforce and proximity to markets and customers were also key factors for investors, accounting for 18.5% and 13.5% of all companies' motives, respectively.

Singapore, a global financial hub and foreign investment titan, attracted the highest number of expansion projects of all locations globally: recording 462 between January 2006 and October 2016. The city-state offers investors a central location and easy access to the Asian market, strengthened by regular appearances in global rankings as a top destination for doing business. Singapore ranked second in the Global Talent Competitiveness Index 2017 from Insead, which measures places' ability to enable, attract and retain staff. This is testament to the level of skill in the city's workforce. US-based audio electronics development company Harman International Industries established its Asia-Pacific headquarters in Singapore in June 2016, citing the city's international and local talent as a motive for its investment decision.

The highest number of Singapore's expansion projects were in the chemicals sector, in which 54 projects were recorded, closely followed by software and IT (51) and business services (42). Reinvestments came from major companies including US-based oil and gas company Exxonmobil, which expanded in Singapore on seven occasions during

Talent pool: Singapore's skilled workforce keeps investment coming back



the time period, creating more than 6000 jobs. The city attracted the highest level of capital investment, with an estimated \$29.7bn invested in the expansion of existing facilities by foreign companies.

## London still booming

UK capital London ranked in second place for reinvestment projects, attracting 356 investments from 326 companies. Nearly 30% of all expansions in London were in software and IT, followed by financial services (21.1%) and business services (19.9%). In May 2016, US-based Capital One Financial Corporation expanded its software centre in the city, citing the technological expertise available around Silicon Roundabout, a tech cluster located in the east of the city.

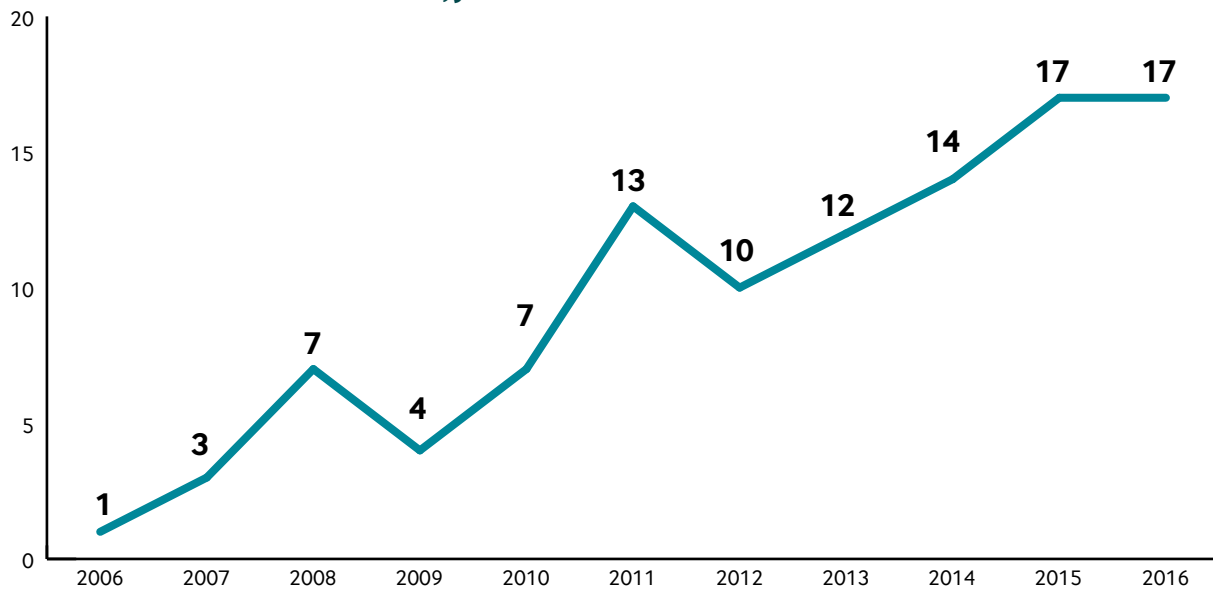
The number of software reinvestments in London increased fairly steadily between January 2006 and October 2016. Expansion projects have come from US-based software giants in recent years: social media company Facebook has expanded its operations in the city four times (including doubling the size of its UK headquarters), IBM three times and online retailer Amazon twice.

Bangalore, in India's Karnataka state, topped the ranking of locations for job creation from reinvestments. More than 60% of the jobs created from expansion projects in the city were in R&D operations, testament to the city's reputation as a research hub, which dates back to the establishment of the Indian Space Research Organisation in the 1970s. China-based Huawei Technologies increased its employee headcount to 7000 over the five-year period to 2015, while in September 2016 Germany-based Bosch announced a \$55.9m investment to expand its research centre in the city, creating 3000 jobs.

## Methodology

To compile the results for this ranking, **fDi** Intelligence, a data division of the Financial Times, looked at the FDI data between January 2006 and October 2016. Data was drawn from **fDi** Markets, a crossborder investment monitor, and includes strictly greenfield investment. Locations were ranked on their record of attracting expansion and co-location projects. Data included locations globally and projects in all sectors. ■

NUMBER OF EXPANSION AND CO-LOCATION PROJECTS IN LONDON IN THE SOFTWARE AND IT SECTOR, JANUARY 2006 TO OCTOBER 2016



**TOP 10 CITIES**  
EXPANSION AND  
CO-LOCATION PROJECTS

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	London	UK
3	Shanghai	China
4	Dublin	Ireland
5	Bangalore	India
6	Dubai	UAE
7	Paris	France
8	Hong Kong	Hong Kong
9	Suzhou	China
10	New York	US

**TOP 10 CITIES** CAPITAL  
INVESTMENT (\$M) FROM  
EXPANSION AND  
CO-LOCATION PROJECTS

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Shanghai	China
3	Port Arthur (TX)	US
4	Bangalore	India
5	Austin (TX)	US
6	Rio de Janeiro	Brazil
7	Suzhou	China
8	Chennai	India
9	London	UK
10	Dublin	Ireland

**TOP 10 CITIES** JOBS  
FROM EXPANSION AND  
CO-LOCATION PROJECTS

RANK	CITY	COUNTRY
1	Bangalore	India
2	Shanghai	China
3	Singapore	Singapore
4	Chennai	India
5	Suzhou	China
6	Hyderabad	India
7	Bucharest	Romania
8	Pune	India
9	Rayong	Thailand
10	Guangzhou	China

**TOP 10 COUNTRIES**  
EXPANSION AND  
CO-LOCATION PROJECTS

RANK	COUNTRY
1	US
2	UK
3	China
4	France
5	Germany
6	India
7	Mexico
8	Spain
9	Poland
10	Ireland

**TOP 10 COUNTRIES**  
CAPITAL INVESTMENT (\$M)  
FROM EXPANSION AND  
CO-LOCATION PROJECTS

RANK	COUNTRY
1	US
2	China
3	UK
4	India
5	Brazil
6	Mexico
7	Canada
8	Germany
9	France
10	Spain

**TOP 10 COUNTRIES** JOBS  
FROM EXPANSION AND  
CO-LOCATION PROJECTS

RANK	COUNTRY
1	China
2	India
3	US
4	Mexico
5	UK
6	Brazil
7	Poland
8	Romania
9	Vietnam
10	Thailand

Source for all charts: fDi Markets

**TOP 10 SECTORS**  
EXPANSION AND  
CO-LOCATION PROJECTS

RANK	SECTOR
1	Software and IT services
2	Automotive components
3	Industrial machinery and tools
4	Chemicals
5	Business services
6	Metals
7	Food and tobacco
8	Plastics
9	Communications
10	Automotive OEM

**TOP 10 SECTORS**  
CAPITAL INVESTMENT (\$M)  
FROM EXPANSION AND  
CO-LOCATION PROJECTS

RANK	SECTOR
1	Coal, oil and natural gas
2	Automotive OEM
3	Metals
4	Chemicals
5	Automotive components
6	Communications
7	Semiconductors
8	Electronic components
9	Software and IT services
10	Food and tobacco

**TOP 10 SECTORS** JOBS  
FROM EXPANSION AND  
CO-LOCATION PROJECTS

RANK	SECTOR
1	Automotive OEM
2	Automotive components
3	Metals
4	Software and IT services
5	Electronic components
6	Business services
7	Industrial machinery and tools
8	Real estate
9	Communications
10	Food and tobacco

**TOP 10 SECTORS**  
EXPANSION AND  
CO-LOCATION PROJECTS  
AS PERCENTAGE OF FDI

RANK	SECTOR
1	Plastics
2	Automotive components
3	Paper, printing and packaging
4	Rubber
5	Automotive OEM
6	Ceramics and glass
7	Beverages
8	Pharmaceuticals
9	Chemicals
10	Wood products

**TOP 10 SECTORS** CAPITAL  
INVESTMENT (\$M) FROM  
EXPANSION AND  
CO-LOCATION PROJECTS AS  
PERCENTAGE OF TOTAL FDI

RANK	SECTOR
1	Automotive OEM
2	Automotive components
3	Rubber
4	Pharmaceuticals
5	Semiconductors
6	Plastics
7	Medical devices
8	Biotechnology
9	Aerospace
10	Minerals

**TOP 10 SECTORS** JOBS  
FROM EXPANSION AND  
CO-LOCATION PROJECTS AS  
PERCENTAGE OF TOTAL FDI

RANK	SECTOR
1	Automotive OEM
2	Rubber
3	Automotive components
4	Plastics
5	Space and defence
6	Medical devices
7	Semiconductors
8	Beverages
9	Consumer electronics
10	Pharmaceuticals

**TOP 10 COMPANIES**  
EXPANSION AND  
CO-LOCATION PROJECTS

RANK	COMPANY
1	Nestlé
2	Toyota Motor
3	Volkswagen
4	Deutsche Post
5	Robert Bosch
6	General Motors
7	Siemens
8	BASF
9	Continental
10	Honda

Source for all charts: fDi Markets



THE AVAILABILITY OF A SKILLED WORKFORCE AND PROXIMITY TO MARKETS AND CUSTOMERS WERE KEY FACTORS FOR INVESTORS, ACCOUNTING FOR 18.5% AND 13.5% OF ALL COMPANIES' MOTIVES

