

fDi Reinvestment Ranking 2018



SINGAPORE IS AGAIN THE LEAD CITY IN fDi's RANKING ASSESSING REINVESTMENT LEVELS, WITH LONDON SECOND AND BANGALORE THIRD. NAOMI DAVIES LOOKS AT THE RESULTS

With so much focus on companies expanding into new markets, it is often easy to overlook the locations that enjoy the most reinvestment and the reasons why businesses continue to build up operations in a certain location. According to investor motives recorded by crossborder investment monitor fDi Markets, 37.3% of companies that gave a reason for their reinvestment were motivated by a location's growth potential, 30.5% by a skilled workforce and 21.1% by proximity to markets.

Singapore is the standout performer when it comes to reinvestment for a second year in a row, recording the most expansion and co-location projects (478) between November 2007 and October 2017. The highest number of projects recorded was in the software and IT sector (57), closely followed by chemicals (56) and business services (44). The city-state also attracted the highest level of capital investment, with an estimated \$29.9bn reinvested by foreign companies in their existing facilities over the past decade. So what is it about Singapore that keeps investors returning time and again?

When US-based power management company Eaton expanded its east Asian headquarters in Singapore in August 2017, chief operating officer Revathi Advaiti said: "The country's business-friendly

environment and drive for innovation provide a strategic backdrop for investment and growth, both locally and in the wider Association of South-east Asian Nations region."

In addition, Singapore has a high concentration of industry-leading companies as well as excellent transportation links, outstanding universities and an educated workforce that has a strong reputation when it comes to technology and innovation. The city ranked second in the World Bank's Doing Business 2018 report and third in the 2018 Bloomberg Innovation Index, up from sixth place in 2017.

Major companies continue to reinvest in Singapore, including US-based data centre provider Equinix, which has expanded its operations in the city six times since November 2007, and US-based oil and gas giant ExxonMobil, which has created an estimated 6000 jobs there during the same period.

Brushing off Brexit?

In the year following the Brexit referendum, London has held on to second place for reinvestment projects, attracting 413 investments. The UK capital reinforced its position as a tech hub with nearly one-third of its total expansion projects in the software and IT sector, followed by financial services (20.8%) and business services (19.4%). In October 2016, when Netherlands-based bank ING

announced plans to expand its office in London, head of financial markets Percy Rueber said: "Following the Brexit vote, the intention to move some functions to London might seem countercyclical. However, even after Brexit, London has and will continue to have a deep labour talent pool to support our business."

Another notable reinvestor is Netherlands-based computer data storage services company Interxion. It has expanded its London operations five times since November 2007 – most recently in February 2017 when it announced plans to open a third data centre at its Brick Lane campus.

Bangalore does the job

Bangalore, dubbed the 'Silicon Valley of India', comes out on top for job creation from reinvestments, with an estimated total of almost 80,000 jobs created between November 2007 and October 2017. UK-based Quanticate, a data-focused clinical research organisation, expanded its office in the city in September 2017, citing the extensive talent pool as its reason for reinvestment.

Bangalore's reputation as an IT hub is further reflected in the types of companies that continue to invest in the city, with China-based Huawei Technologies, a leading telecommunications solutions provider, coming in first place by creating an estimated 6642 jobs, followed by Daimler (5370), General Electric (5369) and Robert Bosch (3558).

Methodology

To compile the results for this ranking, fDi Intelligence, a data division of the Financial Times, looked at the FDI data between November 2007 and October 2017. Locations were ranked on their record of attracting expansion and co-location projects. Data included locations globally and projects in all sectors. ■



IN THE YEAR FOLLOWING THE BREXIT REFERENDUM, LONDON HAS HELD ON TO SECOND PLACE FOR REINVESTMENT





Talent pool: Singapore has outstanding universities and an educated workforce with a strong reputation in the hi-tech industries

TOP 10 CITIES
EXPANSION AND
CO-LOCATION PROJECTS

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

TOP 10 CITIES CAPITAL
INVESTMENT FROM
EXPANSION AND
CO-LOCATION PROJECTS

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Shanghai	China
3	Bangalore	India
4	Austin	US
5	Rio de Janeiro	Brazil
6	Suzhou	China
7	Dublin	Ireland
8	London	UK
9	Xi'an	China
10	Hong Kong	Hong Kong

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	Pune	India
6	Suzhou	China
7	Hyderabad	India
8	Bucharest	Romania
9	Rayong	Thailand
10	Dublin	Ireland

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
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	Kazakhstan
10	France

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	Vietnam
8	Poland
9	Thailand
10	Romania

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	Business services
5	Chemicals
6	Food and tobacco
7	Metals
8	Plastics
9	Communications
10	Transportation

TOP 10 SECTORS
CAPITAL INVESTMENT
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	Food and tobacco
9	Electronic components
10	Software and IT services

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	Business services
6	Electronic components
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
FROM EXPANSION AND
CO-LOCATION PROJECTS AS
PERCENTAGE OF TOTAL FDI

RANK	SECTOR
1	Automotive OEM
2	Semiconductors
3	Automotive components
4	Rubber
5	Pharmaceuticals
6	Plastics
7	Paper, printing and packaging
8	Medical devices
9	Biotechnology
10	Beverages

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

RANK	SECTOR
1	Automotive OEM
2	Semiconductors
3	Rubber
4	Plastics
5	Automotive components
6	Space and defence
7	Paper, printing and packaging
8	Medical devices
9	Engines and turbines
10	Business machines and equipment

TOP 10 COMPANIES
EXPANSION AND
CO-LOCATION PROJECTS

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

Source for all charts: fDi Markets



SINGAPORE'S BUSINESS-FRIENDLY ENVIRONMENT AND DRIVE FOR INNOVATION PROVIDE A STRATEGIC BACKDROP FOR INVESTMENT AND GROWTH, BOTH LOCALLY AND IN THE WIDER ASEAN REGION

