

## London prevails as European City of the Future in foreign direct investment rankings

*Germany's North Rhine-Westphalia claims top spot among Europe's regions.*

**15 February 2016: In a study of the most promising investment locations in Europe, fDi Magazine** – a Financial Times publication – has named London and North Rhine-Westphalia in Germany as respective winners of the European City and Region of the Future 2016/17 titles.

London – which has held the position since 2006 - is a beacon to investors and has performed particularly well in this ranking, also being named Northern City and Major European City of the Future for 2016/17. London's ability to attract the highest number of foreign direct investment (FDI) projects of any European city helped to shape this year's results, with it bringing in more than 1,600 projects between 2010 and 2014.

Among Europe's regions, North Rhine-Westphalia performed well in multiple categories, also being named Western European Region of the Future 2016/17 and coming first in the Large European Regions ranking.

Cologne, a large city in Germany's North Rhine-Westphalia state, ranked second of all large European cities in the Connectivity category. German cities took five of the top 10 places in this category, while the country performed well.

London saw off stiff competition from Paris, which was ranked second, and Dublin in third. Paris was also named Western European City of the Future and ranked second in the Major European Cities category.

France's Île-de-France, home to capital city Paris, ranked second. It also placed second among all western European regions, while claiming the top spot in the Connectivity category for Large European Regions.

The Spanish city of Barcelona came first in the continent for FDI Strategy. Its policies for attracting investors top **fDi's** ranking for major cities, ahead of London and Stockholm.

"These are the most established and high-profile of **fDi Magazine's** rankings and we are proud to present this year's results. Cities and regions that perform well in our league tables should be proud and we applaud their success," commented Courtney Fingar, editor-in-chief of **fDi Magazine**.

Highlights include:

- Software and IT services was the largest sector for inward FDI into London, commanding 40% of all investment in the city, up from 35% in the previous ranking.
- Dublin's standing improved in the 2016/17 ranking, increasing from fifth position in 2014/15, to third this time. The city is becoming a hotbed for investment in software and IT with the sector attracting more than 45% of all Dublin's inward FDI between 2010 and 2014.
- Munich ranked top for outward FDI, with more companies from the city investing abroad than from Berlin and Frankfurt.

- The UK's South East England region, the most populous of all UK regions, rose nine places on its 2014/15 position to finish in third place overall.
- Kiev Oblast in Ukraine had the most cost-friendly labour cost levels of all European regions analysed, across three skills sets, helping it reach the top 10 for Cost Effectiveness among Mid-sized European Regions.
- Scotland is the leading region for FDI Strategy in the European Cities and Regions of the Future 2016/17 ranking. The region received the highest number of expansion projects per 100,000 people of all European regions analysed.
- North Rhine-Westphalia has ranked second among all large European regions for FDI Strategy, followed by Lombardy in third - the largest region in Italy.
- Of all 39 UK local enterprise partnerships (LEPs) analysed, London generated the highest GDP by purchasing power parity (PPP) in absolute terms, as well as per 100,000 people.
- Greater Manchester was judged first in the FDI Strategy category for LEPs. The internationalisation strategy in place in the LEP provides three-year plans for target source countries.

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You may have to go through a short registration process to access the page.

### **Notes to editors**

#### **Methodology of the rankings**

To create a shortlist for the **fDi** European Cities and Regions of the Future 2016/17 rankings, the **fDi** Intelligence division of the Financial Times collected data using the specialist online FDI tools **fDi** Benchmark and **fDi** Markets as well as other sources.

Data was collected for 481 locations (294 cities, 148 regions and 39 local enterprise partnerships), under five categories: Economic Potential, Labour Environment, Cost Effectiveness, Infrastructure and Business Friendliness. Locations scored up to a maximum of 10 points for each data point, which were weighted by importance to the FDI decision-making process in order to compile both the subcategory rankings as well as the overall European Cities and Regions of the Future 2016/17 ranking.

In addition, surveys were collected under a sixth category, FDI Strategy, for which there were 190 submissions. In this category, locations submitted details about their strategy for promoting FDI, which was then scored by **fDi**'s judging panel, which this year included Douglas Clark, director of consultancy Location Connections in addition to members of **fDi**'s editorial and research teams. In previous rankings, FDI Strategy had been included in the overall ranking. However, in order to separate totally qualitative and quantitative data, we chose to list FDI Strategy as a standalone ranking.

#### **Population categories methodology**

To categorise cities, **fDi** took into account both the population of the immediate city and that of the larger urban zone (LUZ). In addition, where locations were in the large or

major categories, we took into consideration the location's receipt of FDI as a percentage of the country's overall total.

#### City size categories

Major cities: The cities in this category had an immediate city population of more than 750,000 plus an LUZ of more than 2 million, or an LUZ of more than 4 million.

Large cities: Cities with an immediate city population of more than 500,000 plus an LUZ of over 1 million, or an LUZ of more than 2 million people.

Mid-sized cities: Cities with an immediate city population over 200,000 plus an LUZ of over 750,000, or an immediate city population of over 350,000.

Small cities: Cities with an immediate city population of between 100,000 and 350,000.

Micro cities: Cities with an immediate city population of less than 100,000.

#### City FDI Parameters

Where a capital city was not classed as major by its population, we looked at its inward FDI figures. Any capital city that received more than 30% of its country's FDI was upgraded to the 'major' category. In addition, we looked at FDI statistics for any noncapital cities whose populations classed as 'major'. Any city that received less than 10% of its country's FDI was classed as 'large'.

#### Regional size categories

Large regions: More than 4 million people.

Mid-sized regions: Between 1.5 and 4 million people.

Small regions: Fewer than 1.5 million people.

### **Referencing**

Please state the source as **fDi** Magazine, from the Financial Times. The source is *not* the Financial Times newspaper.

### **About fDi Magazine**

**fDi** Magazine ([www.fDiIntelligence.com](http://www.fDiIntelligence.com)) is a specialist publication which reports on crossborder investment and is read by senior-level executives at multinational corporations and others involved in corporate greenfield site-selection decisions.

A bi-monthly publication, **fDi** Magazine is part of the **fDi** Intelligence division of the Financial Times.

### **About fDi Intelligence**

**fDi** Intelligence is the largest global FDI centre of excellence. Specialising in all areas relating to foreign direct investment and investment promotion, the full suite of services includes: location advertising to generate brand awareness; industry-leading intelligence tools to develop FDI strategies and identify potential investors; and tailored FDI events and investor roundtables to meet target companies and generate business leads.

Products within the portfolio include **fDi** Markets, a database tracking crossborder greenfield investment on a real-time basis; **fDi** Benchmark, a database which benchmarks global locations on their attractiveness to foreign investors; and **fDi** Magazine.