THE fDi REPORT 2020
Global greenfield investment trends

fDi Intelligence

Editor's comment

Just a few months into the new year and 2019 feels like a distant memory already. Covid-19 has wiped out those uncertainties that flattened global foreign direct investment until a few months ago. It replaced them with a much bleaker scenario, that of a global health emergency and an ensuing economic recession. Traditional sources of FDI such as tourism and automotive feature among the worst hit. Innovative and tech-driven industries may prove more resilient, but governments in developed countries are raising new barriers to protect them from "predatory takeovers". Overall, Unctad estimated global FDI will fall by as much as 40% in 2020.

A closer look at the figures in our 2019 **fDi** Report suggests that a rebalancing of global FDI was already happening. As much as Covid-19 accelerates the decline of legacy industries, it may well end up bolstering those that showed fresh dynamism in 2019.

The **fDi** Report is based on our proprietary **fDi** Markets database, which is the world's most comprehensive service for tracking and analysing crossborder greenfield investment, launched in 2003. It provides a snapshot of what was captured for 2019 in the way of data and trends. The volume of announced greenfield FDI projects was flat in 2019 from a year earlier, and their estimated capital investment fell by about 15%, but a number of major sectors certainly bucked that trend.

> As much as Covid-19 accelerates the decline of legacy industries, it may well end up bolstering those that showed fresh dynamism in 2019

FDI into renewable energy reached new highs in 2019, with total pledged investment estimated at $92.2bn, second only to that of oil and gas at $123bn. The industry is coming of age in geographies whose potential for renewable energy has often struggled to translate into investment opportunities, most notably Latin America. The ongoing paradigm shift in energy production is even more meaningful in Texas, the traditional cradle of the US oil and gas industry, where investment into renewables dwarfed new investment into traditional energy, except for a $10bn LNG terminal announced by Qatar Petroleum and Exxon in Sabine Pass.

FDI into the production of lithium-ion batteries also reached new record levels, thus highlighting another paradigm shift in the way we move. But the sector that experienced the biggest leap in announced FDI projects in 2019 was healthcare, as an ageing population in developed economies, combined with the fiscal constraints of policymakers in Europe and elsewhere, are widening the need for private providers of healthcare services. From a geographical standpoint, Africa attracted the highest ever volume of FDI projects as reform efforts in major economies both in North Africa and sub-Saharan Africa are paying dividends.

The **fDi** Report brings to light those trends that were already changing the landscape of global FDI. As Dr Henry Loewendahl, a creator of the **fDi** database in its original inception, argues on page 4, investment promotion agencies and economic development organisations must focus on their existing investors and do all they can to retain their investment to weather the storm in the short term. In the long term, they will have to start over from these trends to shape up a much-needed new FDI agenda for their communities and, eventually, for the whole global economy.

*Jacopo Dettoni is the deputy editor of **fDi** Magazine*

Global overview

In 2019, greenfield FDI remained stationary with the number of FDI projects reaching 15,558, compared to the 15,561 recorded in 2018. Capital investment declined 15% to $795.7bn, but remained above the 2017 total of $651.1bn. Job creation declined 5% to 2.2 million.

The US replaced China as the highest ranked country for inward FDI by capital investment, with $92.2bn recorded. The US was also the highest ranked country for FDI by number of projects, recording 1832, compared with the UK's 1271 and China's 771.

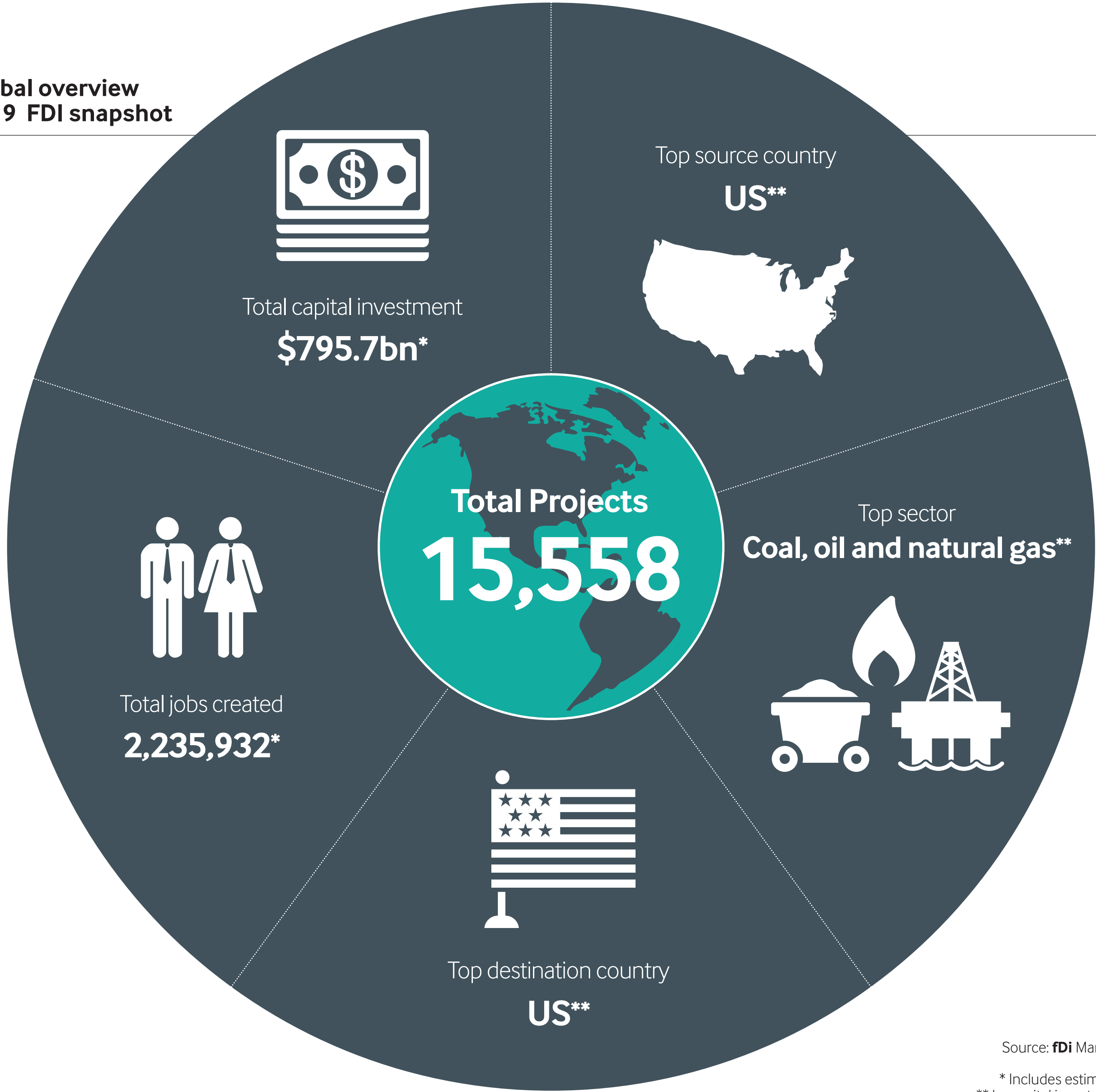
Western Europe was the leading destination region for FDI in 2019 by number of projects with 4789 announcements. Asia-Pacific received the largest amount of capital investment in 2019, with $255.9bn-worth of FDI recorded.

Western Europe was the leading source region for FDI in 2019, with 7210 FDI projects recorded. This accounted for 46% of all FDI globally and $300.5bn in capital investment.

Key trends in 2019 include:

- FDI into Africa by number of projects grew 49% to 998, compared with a 12% increase between 2017 and 2018.
- Despite a 9% decline in the number of FDI projects into India in 2019, figures remain above the 2017 level of 642 projects, with 655 projects recorded in 2019.
- The UK was the top destination for FDI in Europe, with a total of 1271 projects in 2019, an overall market share of 20% and a 1% decrease on the number of projects in 2018. Capital investment declined to $32.3bn.
- The number of FDI projects from China into the US declined by 51% and capital investment dropped 58.3% to $2.62bn.

Global overview
2019 FDI snapshot



Source: fDi Markets

* Includes estimates
** by capital investment

The big numbers

IN 2019...

15,558

Greenfield FDI remained stationary with the number of FDI projects reaching 15,558, compared to the 15,561 recorded in 2018

15%

Capital investment declined 15% to $795.7bn, but remained above the 2017 total of $651.1bn

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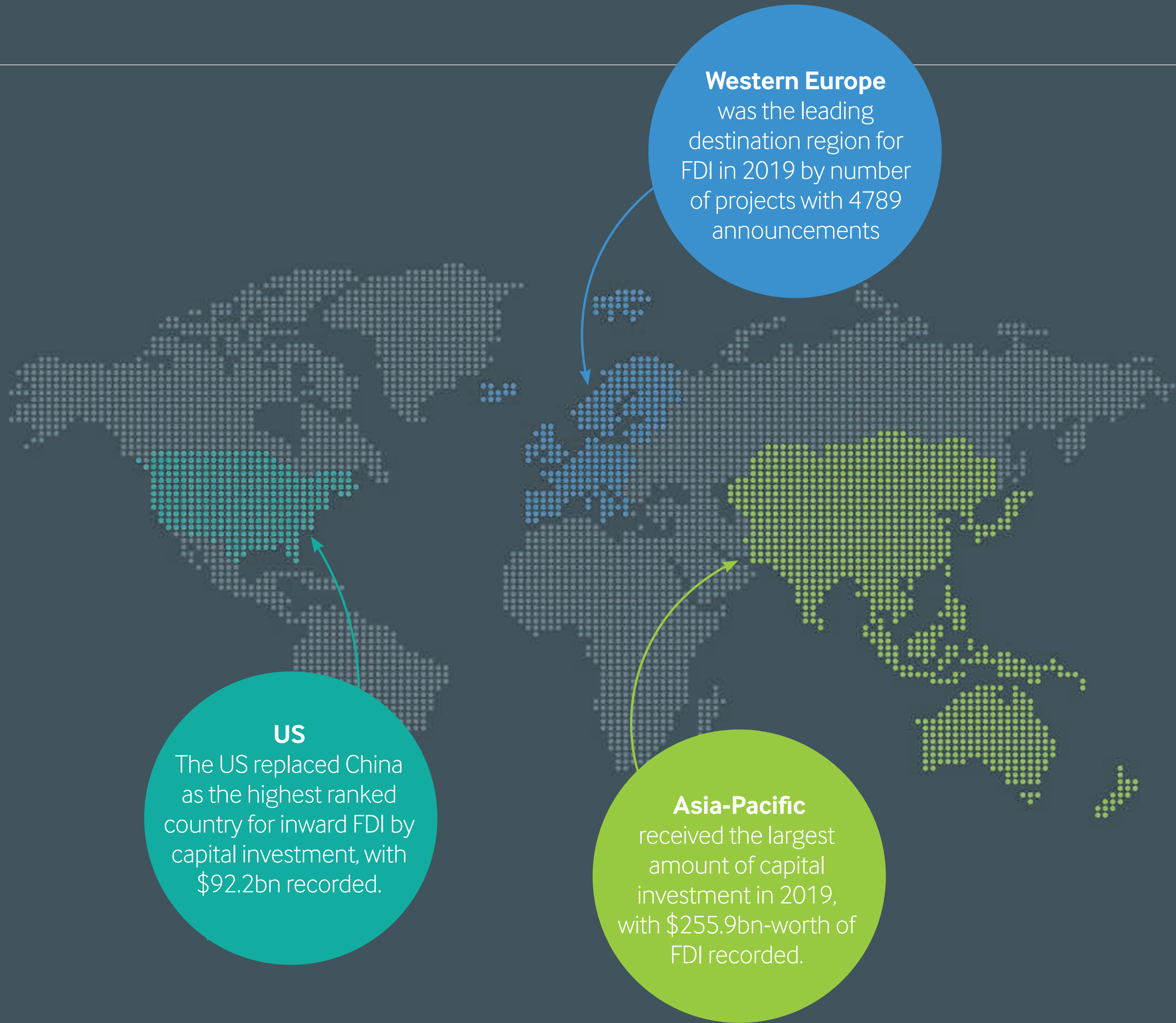
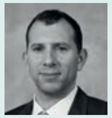
Job creation declined 5% to 2.2 million



Covid-19: Impact on FDI and what economic development organisations can do

by Dr Henry Loewendahl, CEO, Wavteq



Last year was a challenging one for greenfield FDI, with the volume of FDI projects flat and the value of projects declining, in addition to a 15% decline in announced and estimated capital investment.

The US-China trade war and host country restrictions on Chinese FDI had a major impact on FDI into China and on Chinese FDI into the US, pulling down the global FDI market.

There were some bright spots in 2019, in particular strong growth of FDI projects into Africa and Latin America and also a growth of projects into North America. Stronger economic growth and growing home country measures to support outward FDI into developing countries boosted FDI into these regions. There was also strong growth of greenfield FDI in the renewable energy and healthcare sectors.

At the end of 2019, we were forecasting a small growth of greenfield FDI in 2020, but Covid-19 has dramatically changed that forecast.

> In times of economic dislocation, it is more important than ever for economic development organisations to focus on their existing investors and do all they can to retain their investment

With international travel closed down,workforces forced to stay home, and with a decline in GDP of 15% to 30% expected in many major economies (including the US) in the second quarter of 2020, the global FDI market is in freefall. Many markets are evaporating in the short term and it is not possible to close deals and make investments with all the restrictions that have been introduced.

Initial data from fDi Intelligence and Wavteq for January and February 2020 showed around a 15% decline in greenfield FDI projects and a 25% decline in FDI leads compared with same period in 2019. We were forecasting an 11% to 25% decline in greenfield FDI for 2020, assuming Covid-19 would be contained during in the second quarter and assuming a short-lived global recession.

However, our preliminary data for March 2020 shows a 50% decline in greenfield FDI compared with March 2019, and we have downgraded our forecasts to a 40% decline of greenfield FDI in 2020. The impact will vary significantly across sectors. Some sectors, such as tourism, airlines, leisure and entertainment, luxury goods and oil and gas have been hit the hardest, with a near total collapse in demand in many of these sectors. Other sectors, including e-commerce, e-health, medical products, edtech, video conferencing and basic consumer and food and beverage products have seen growing demand as a result of the Covid-19 crisis, in some cases with spectacular growth in sales and valuations of leading companies.

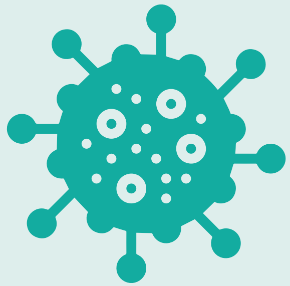
According to data from Unctad, 61% of FDI flows into developed economies and 40% of FDI into developing countries are reinvested earnings. As earnings decline this has a major impact on FDI, affecting investments made by existing investors as well as by new ones.

In times of economic dislocation, it is more important than ever for economic development organisations (EDOs) to focus on their existing investors and do all they can to retain their investment. EDOs need to ensure they fully support existing investors to avail of government financial support and retain their workforce and the viability of their investments (for inward investors) and businesses (for local firms).

Many companies are facing an existential threat due to the restrictions imposed by governments to contain Covid-19 and they will not survive without government support. EDOs need to do all they can to ensure the survival of businesses and we have seen some EDOs, especially in North America and Europe, move very fast to develop new support programmes.

EDOs should also be proactive in identifying and engaging with existing investors and local firms who can retool their operations to provide products and services in the battle against Covid-19. Retooling their operations may require support with sourcing essential inputs, in forming partnerships with other companies and research institutes in the country and overseas, and could generate significant export opportunities, which EDOs can help facilitate.

EDOs should also be proactive in looking at how their location can benefit from growing investment in sectors and their supply chains that are resilient and are continuing to grow. With greenfield FDI currently very challenging to implement, EDOs should adapt their services to also support joint ventures, alliances and partnerships.



EDOs can play a critical role in business retention and expansion and being fully prepared for the rebound in FDI, which will occur when the Covid-19 crisis is over

While we are in the midst of the biggest crisis in generations, EDOs can play a critical role in business retention and expansion and being fully prepared for the strong rebound in FDI, which will occur when the Covid-19 crisis is over.

In preparing for the rebound in FDI, EDOs should be finetuning their FDI attraction strategies and value propositions and using this time to conduct comprehensive corporate intelligence research on which companies (and decisionmakers in those companies) they will target so they can hit the ground running. Our experience is that, while a sensitive approach is needed, companies are receptive to virtual contact during these times, and as decisionmakers are not on the road they are more available. FDI decisions may not be made but the groundwork can be done and relationships built.

EDOs need to be more agile and themselves retool to support investors and local companies. Smart FDI attraction strategies are needed that take into consideration the different recovery periods of major source markets. For example, China and other east Asian countries are likely to recover first and move back into outbound investment.

EDOs should also consider using this time where no one is travelling to strengthen the skills and expertise of their teams and utilise the cost-effective e-learning and FDI certification platforms now available.

Crisis brings opportunities. Opportunities to forge stronger relations with existing investors and local business communities, opportunities to demonstrate the value added your EDO can provide, opportunities to be more strategic in how you go about attracting FDI, and opportunities for professional development.

Now is the time for EDOs, foreign investors, and local businesses to work together, to support each other, and to do everything possible to minimise the economic and social costs of this crisis.

Asia-Pacific

Key trends in 2019 include:

- The number of FDI projects into Asia-Pacific decreased by 10% in 2019, with 3787 projects announced. Capital investment also decreased by 30%. The 2019 figures, however, represent a 6% increase in project numbers when compared with 2017 and a 29% increase in capital investment.

- China was the top destination for FDI in Asia-Pacific with a total of 771 projects in 2019, despite a 3% decrease in comparison with 2018.

- Despite a 9% decline in the number of FDI projects into India in 2019, figures remain above the 2017 level of 642 projects, with 655 projects recorded in 2019.

- Sri Lanka experienced a dramatic rise in capital investment from $2.2bn in 2018 to $24.9bn in 2019. This was solely due to Sugih Energy International announcing a $24bn petroleum refinery project in Hambantota through a local subsidiary.

- Vietnam experienced a 6% increase in capital investment from $28.8bn in 2018 to $30.6bn in 2019, moving from third to second place among the top 10 Asia-Pacific countries.

- After significant growth in 2018, Thailand experienced a 24% decline in project numbers in 2019 to 131, though this figure still represents an 18% increase when compared with 2017.

- China retained its position as the largest source of outward capital investment in Asia-Pacific with $61.4bn invested overseas. Japan again ranked second, with outward investment totalling $43bn.

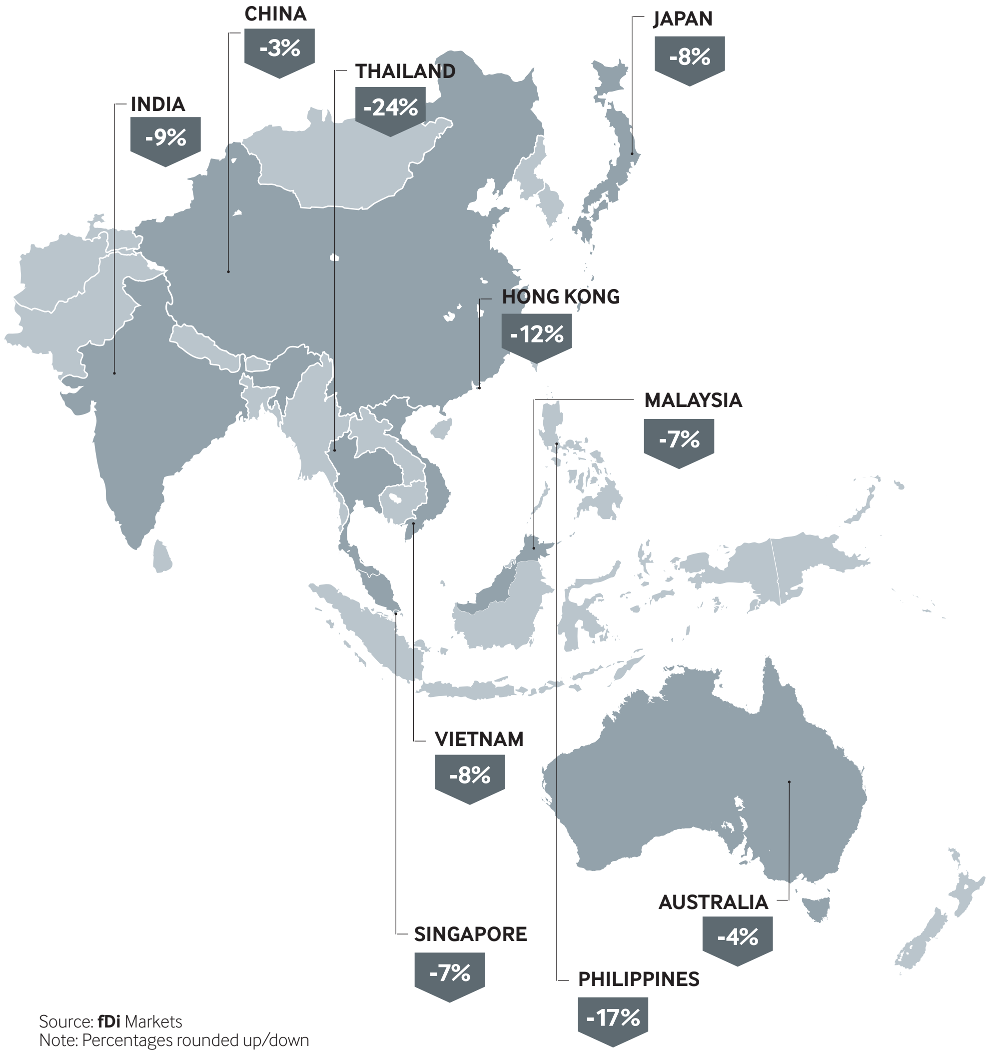
Table 1

FDI INTO ASIA-PACIFIC BY PROJECT NUMBERS 2019

Country	Projects
China	771
India	655
Singapore	361
Australia	357
Vietnam	256
Japan	210
Malaysia	153
Hong Kong	151
Thailand	131
Philippines	125
Other	617
Total	3787

Source: **fDi** Markets

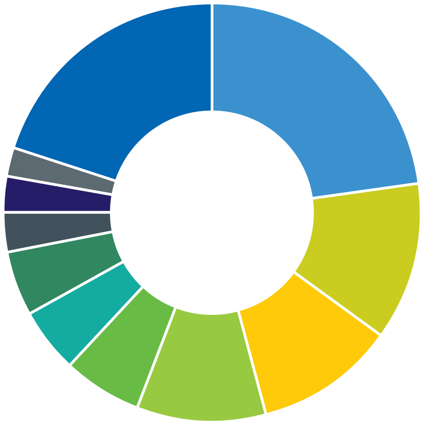
PERCENTAGE CHANGE ON 2018 BY PROJECT NUMBERS



Source: **fDi** Markets
Note: Percentages rounded up/down

Chart 1

FDI INTO ASIA-PACIFIC BY CAPITAL INVESTMENT 2019



Asia-Pacific market share %		Capital investment ($bn)
23%	China	59.5
12%	Vietnam	30.6
11%	India	29.0
10%	Sri Lanka	24.9
6%	Australia	15.0
5%	Philippines	11.9
5%	Indonesia	11.9
3%	Malaysia	8.8
3%	Japan	7.7
2%	Singapore	6.4
20%	Other	50.4

Source: **fDi** Markets
Note: Includes estimates

Table 2

FDI OUT OF ASIA-PACIFIC BY CAPITAL INVESTMENT 2019

Country	Outbound $bn
China	61.4
Japan	43.0
South Korea	30.0
Indonesia	24.7
Singapore	19.0
Hong Kong	11.0
Australia	10.5
Thailand	9.9
India	7.1
Taiwan	6.2
Other	5.7
Total	228.5

Source: **fDi** Markets
Note: Includes estimates

Table 3

FDI OUT OF ASIA-PACIFIC BY PROJECT NUMBERS 2019

Country	Outbound projects
Japan	787
China	576
Australia	283
India	281
Singapore	230
South Korea	213
Hong Kong	159
Taiwan	118
Thailand	61
New Zealand	48
Other	123
Total	2879

Source: **fDi** Markets

KEY TREND

Sri Lanka experienced a dramatic rise in capital investment from $2.2bn in 2018 to $24.9bn in 2019 due to a large petroleum refinery project announcement.

Recent major projects

- **Sugih Energy International** plans to open a $24bn petroleum refinery project in Hambantota, Sri Lanka, through a local subsidiary. The refinery will have a capacity of 420,000 barrels per day.
- **South Korea-based Hyundai Motor** has announced that it will establish a vehicle assembly plant in Malaysia. The $2bn facility will be set up by a consortium comprising Hyundai, Thailand-based PAP Gas and Oil and Malaysia-based Astana City Group. It will produce 150,000 cars a year.
- **Netherlands-based Royal Vopak, a tank terminal operator**, has announced plans to invest $1.5bn in a land-based LNG terminal facility in Pakistan.
- **US-based AES Corporation, a diversified power generation and utility company,** is planning to invest $3.1bn to build a combined cycle gas turbine power plant and an LNG import terminal in Binh Thuan province, Vietnam. The plant is expected to begin commercial operations in 2024 and will have a total capacity of 2.2 gigawatts.

Trade wars and FDI: China and the US

An escalation in US-China tensions seemed inevitable once Donald Trump came to power. While tensions had been rising since the mid-2010s following China's covert military expansion into the South China Sea and the Belt and Road Initiative, it is China's intention to move up the value chain that appears to have triggered the US's retaliation.

The first shot was fired by Mr Trump in 2018, imposing tariffs in three waves to cover more than $250bn-worth of goods shipped between the US and China. Following retaliatory measures by China, more than $360bn-worth of goods were covered by the end of 2018. Throughout 2019, a further $260bn-worth of goods were subject to tariffs.

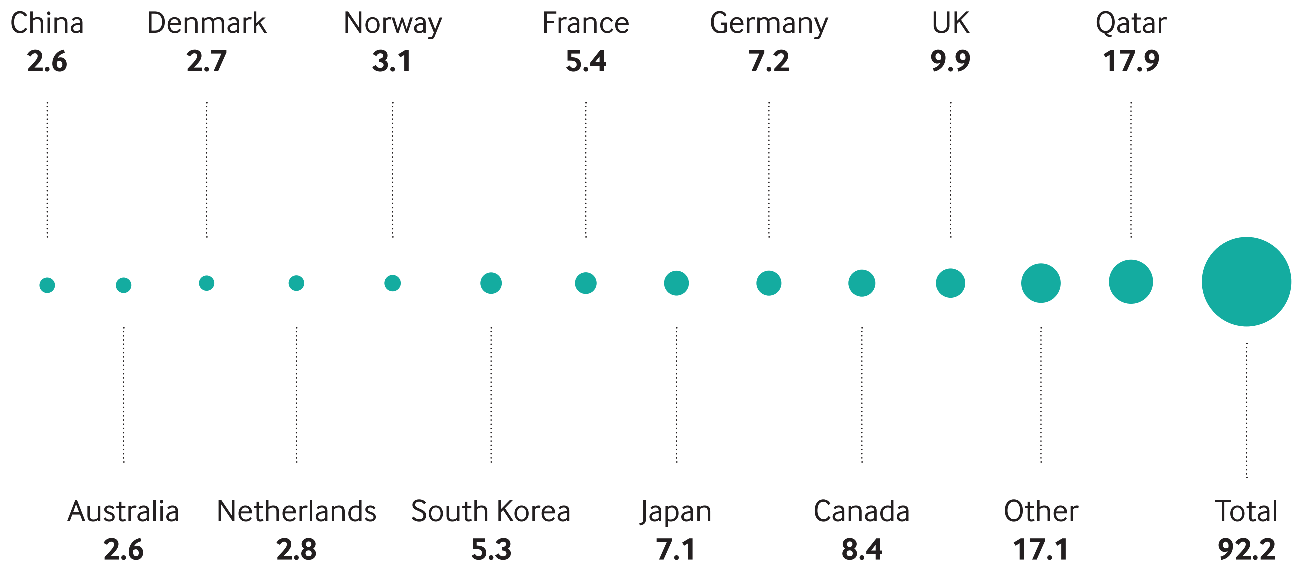
While it is still unclear how the new trade tariffs have influenced FDI, a shift in the source of FDI for both countries could be seen in 2019. The US attracted a 37.5% increase in the value of capital investment, reaching $67bn. China attracted $59.5bn-worth of FDI in 2019, demonstrating a 45% decline on a high 2018 figure. The number of FDI projects remained relatively stable, showing only a 3% decline.

The source of FDI projects into both countries has changed significantly over the course of the trade war, with the number of FDI projects from China into the US dropping by 51% and the capital investment dropping 58.3% to $2.6bn. The value of US investment into China dropped 40.97% in 2019. However, it is worth noting that this figure is more of a return to normal following a jump in 2018 and the US is still ranked as the biggest source of investment into China.

Chinese FDI made up 9.4% of capital expenditure in the US in 2018 and this dropped to only 2.8% in 2019, with FDI projects from China accounting for a similar proportion. Other countries have stepped in to invest in the US in 2019 including the UK, Australia, Canada, Germany and South Korea, which all increased

Chart 1

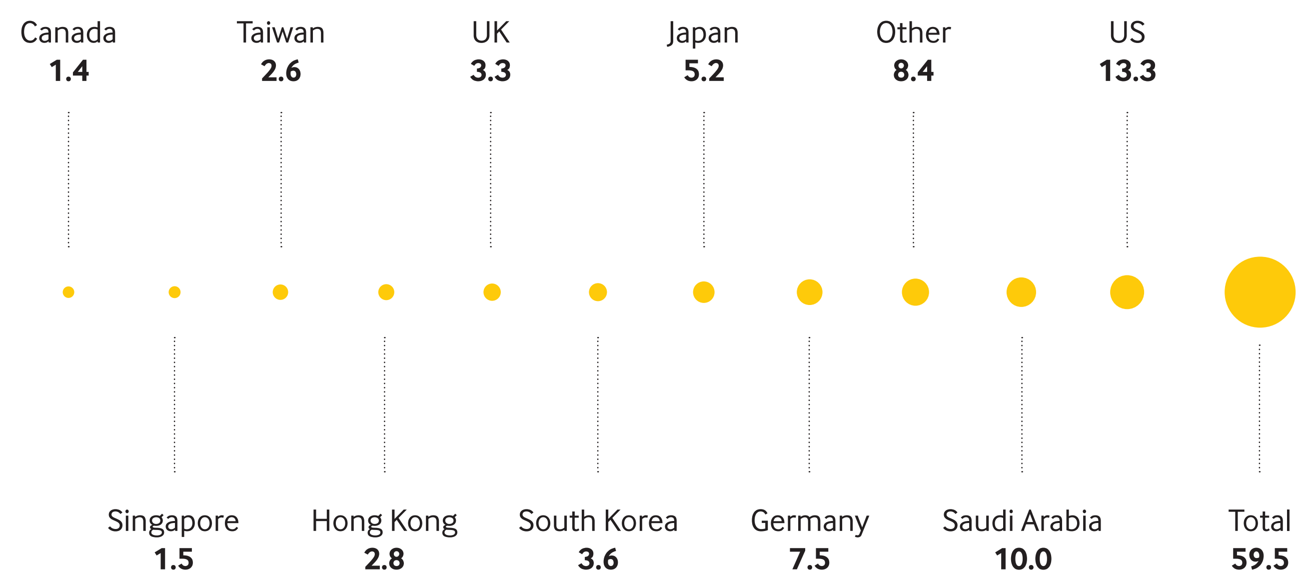
SOURCE OF FDI INTO THE US BY CAPITAL EXPENDITURE($BN) IN 2019



Source: **fDi** Markets
Note: Includes estimates

Chart 2

SOURCE OF FDI INTO CHINA BY CAPITAL EXPENDITURE ($BN) IN 2019



Source: **fDi** Markets
Note: Includes estimates

the value of their investments in the US. The UK increased the number of projects into the US by 17% and capital investment from the UK increased by 89.6%. South Korea continues to increase investments with the US, seeing a 65.9% increase in its investments there, totalling $5.3bn. Australia increased the value and number of projects into the US; however, it still accounted for only 2.9% of FDI in the country.

In 2019, the US was the top investor in China, with capital investment totalling $13.3bn across 205 projects, but the decline has allowed new sources of FDI to rise in the rankings. The UK increased the amount of capital investment into China by 54.5% to $3.2bn, and Germany showed an 11% increase in the number of FDI projects destined for China. Switzerland more than doubled its number of projects into China in 2019.

The disruption caused by these tariffs has caused some levels of trade diversion, with neighbouring countries seeing an increase in FDI to as a result of China's complications.

fDi Markets recorded 21 projects that were relocations from China and, of these, 52% were destined for Vietnam, 10% to Mexico and 5% to Thailand.

With the 'phase one' trade deal signed in January 2020, China has committed to buying $200bn more in goods from the US. However, the outbreak of Covid-19 casts doubts on whether China will be expected to implement the deal any time soon and might even leave the door open to the deal being renegotiated. The disruption Covid-19 has caused to global supply chains has been a wake-up call for companies who are dealing with the realities of being too dependent on China and this might result in a push for supply chain diversification, with China losing out.

Europe

Key trends in 2019 include:

- The number of FDI projects into Europe in 2019 declined by 6% to 6344. Capital investment declined 11% to $214bn.

- Capital investment into western Europe declined by 12% in 2019 to $136.1bn. Project numbers decreased by 6% to 4789.

- FDI into Emerging Europe also declined by 6%, with 1555 projects announced.

- The UK was the top destination for FDI in Europe, with a total of 1271 projects in 2019, an overall regional market share of 20% and a 1% decrease on the number of projects in 2018. Capital investment declined to $32.3bn.

- Finland witnessed a 33% growth in project numbers to 177, alongside a 3% decrease in capital investment from 2018.

- FDI into Spain increased by 19% by number of projects to 658. However, capital investment declined by 40% to $19.1bn.

- The number of greenfield FDI projects into Poland grew 14% in 2019, resulting in a 43% increase in capital investment to $21.8bn.

- The UK was the top source country for FDI projects from Europe, following a 12% increase. This accounted for 19% of FDI projects from the region.

Table 1

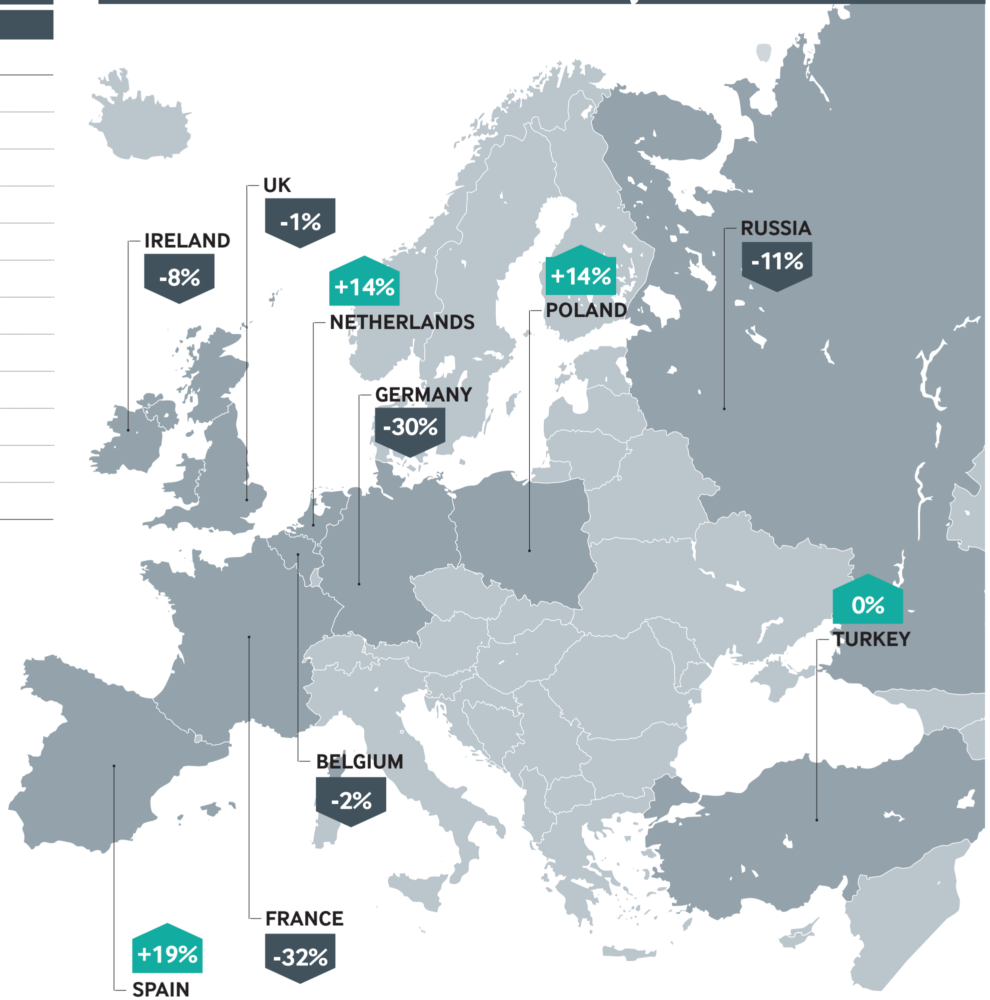
FDI INTO EUROPE BY PROJECT NUMBERS 2019

Country	Projects
UK	1271
Germany	702
Spain	658
France	500
Poland	373
Netherlands	314
Russia	245
Turkey	211
Ireland	203
Belgium	182
Other	1685
Total	6344

Source: **fDi** Markets

Editor's note: Our German and French data sources had not released all 2019 figures as this report went to press in April 2020, so 2019 data for Germany and France in the report is underestimated.

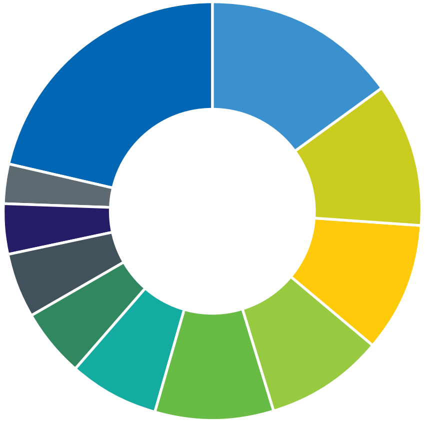
PERCENTAGE CHANGE ON 2018 BY PROJECT NUMBERS



Source: **fDi** Markets
Note: Percentages rounded up/down

Chart 1

FDI INTO EUROPE BY CAPITAL INVESTMENT 2019



Europe market share %		Capital investment ($bn)
15%	UK	**32.3**
11%	Russia	**23.6**
10%	Poland	**21.8**
9%	Germany	**19.2**
9%	Spain	**19.1**
7%	France	**15.7**
5%	Ireland	**11.0**
5%	Netherlands	**10.8**
4%	Belgium	**8.1**
3%	Hungary	**7.5**
21%	Other	**45.0**

Source: **fDi** Markets
Note: Includes estimates

Table 2

FDI OUT OF EUROPE BY CAPITAL INVESTMENT 2019

Country	Outbound $bn
Germany	69.7
UK	44.8
France	40.5
Spain	25.8
Switzerland	24.9
Netherlands	21.8
Italy	10.8
Ireland	10.2
Sweden	9.8
Norway	7.7
Other	59.5
Total	325.5

Source: **fDi** Markets
Note: Includes estimates

Table 3

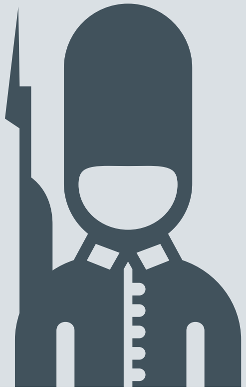
FDI OUT OF EUROPE BY PROJECT NUMBERS 2019

Country	Outbound projects
UK	1484
Germany	1395
France	879
Switzerland	716
Spain	491
Netherlands	466
Sweden	305
Italy	277
Ireland	228
Denmark	198
Other	1252
Total	7691

Source: **fDi** Markets

KEY TREND

The UK was the top destination for FDI in Europe, with a total of 1271 projects in 2019, an overall regional market share of 20% and a 1% decrease on the number of projects in 2018. Capital investment declined to $32.3bn.



Recent major projects

- **US-based microchip processing group Intel** plans to further expand manufacturing capacity at its facility in Leixlip, Ireland. The company will add 110,000 square metres to the existing facility. The $4.3bn investment is set to create 1600 jobs upon completion.
- **Innogy, a subsidiary of Germany-based energy specialist RWE Group**, has announced plans to develop a $3.9bn wind farm off the north-east coast of the UK. The 1.4-gigawatt Sofia project will be located on Dogger Bank, and will power approximately 1.2 million homes. Full commissioning of the park is scheduled for 2026.
- **Switzerland-based chemical company Ineos** is to establish a $3.3bn ethane cracker with a propane dehydrogenation unit in the port of Antwerp, Belgium. It will produce 750 kilotonnes of propylene per annum. The facility will supply Ineos' ethylene and propylene derivatives units in central and northern Europe.

Brexit and its impact on UK FDI

The UK referendum held on June 23, 2016, and the UK's subsequent exit from the EU on January 31, 2020, has created uncertainty within the investment world. With the transition period set to end on December 31, 2020, this year looks set to be key.

While in the early stages foreign investors seemed hesitant to invest in the UK, data from **fDi** Markets highlights the decline in FDI witnessed in 2016 and 2017 was offset by a recovery in 2018 and 2019, though capital investment and jobs have not yet reached pre-referendum levels.

In 2019, FDI into the UK remained stable with the number of FDI projects showing a slight decline of 1% on 2018 figures. Capital investment and jobs created, however, have not recovered as rapidly. In 2019, FDI into the UK totalled $32.3bn, a 10% decline on 2018 and $18.5bn short of 2015 totals. The average FDI project size in 2015 was $44m; in 2019 this dropped to $25m.

FDI by number of projects shows that the UK remains attractive to investors wanting to operate within the country and many are establishing UK-based operations to combat any effects of Brexit. In the short term this may be helping to increase the number of FDI projects but longer term worries remain.

Sectors

Key FDI sectors including software and IT services, as well as communications, are continuing to grow in the UK, which mirrors the pattern globally. Thanks to the growing number of tech hubs outside of London, the UK continues to attract large numbers of IT companies.

FDI from food and beverage companies has grown year on year in the UK since 2015, going from 33 projects in 2013 to 59 projects in 2019.

Despite areas of growth there are a number of sectors that have suffered as a result of the UK leaving the EU. The number of FDI projects in the automotive sector declined by 53% in 2019 compared with 2015. Automotive companies including Nissan and Honda both announced their departures from the UK in the wake of the referendum result. Financial services and business services also witnessed a decline as the country is no longer a hub from which to serve the European market. Financial services companies are among the big players halting re-investment in the UK. Bank of America is moving part of its markets business to Paris and part of its banking business to Dublin. Morgan Stanley is also relocating roles to Paris, Frankfurt and Dublin as a result of Brexit.

Table 1

OVERVIEW OF FDI INTO THE UK

	2015	2016	2017	2018	2019
Number of projects	1143	1053	1084	1290	1271
% change		-8%	3%	19%	-1%
Capital investment ($bn)*	50.8	29.1	24.9	35.7	32.3
% change		-43%	-14%	43%	-10%
Jobs created*	74,433	63,645	51,823	71,942	61,527
% change		-14%	-19%	39%	-14%

Source: **fDi** Markets
Note: Includes estimates

1%

In 2019, FDI into the UK remained stable with the number of FDI projects showing a slight decline of 1% on 2018 figures

Relocation projects from the UK, 2017 to 2019

Between January 2017 and December 2019, **fDi** Markets recorded 70 companies relocating their UK operations, with 60 of these projects moving to elsewhere in Europe.

Of the 70 projects recorded, 25 were headquarter relocations from the UK to elsewhere in Europe. One of the largest global conglomerates, Sony, announced in 2019 its decision to relocate

Table 2

NUMBER OF FDI PROJECTS BY SECTOR

Sector	2015	2016	2017	2018	2019	% change from 2015
Software and IT services	290	262	290	347	373	29%
Business services	173	151	144	165	164	-5%
Communications	67	56	58	59	86	28%
Industrial equipment	47	47	56	80	79	68%
Financial services	81	83	78	103	78	-4%
Food and beverages	33	38	39	55	59	79%
Real estate	41	43	53	89	59	44%
Transportation and warehousing	44	59	40	39	38	-14%
Pharmaceuticals	14	25	19	21	30	114%
Automotive	59	39	30	34	28	-53%
Other	294	250	277	298	277	-276%
Total	1143	1053	1084	1290	1271	11%

Source: **fDi** Markets

its European headquarters to the Netherlands to avoid the disruption of Brexit. The European Medicines Agency also relocated its UK-based global headquarters to the Netherlands in March 2019, resulting in the loss of 900 UK jobs. Of the 25 headquarter relocations, 40% were UK-based companies.

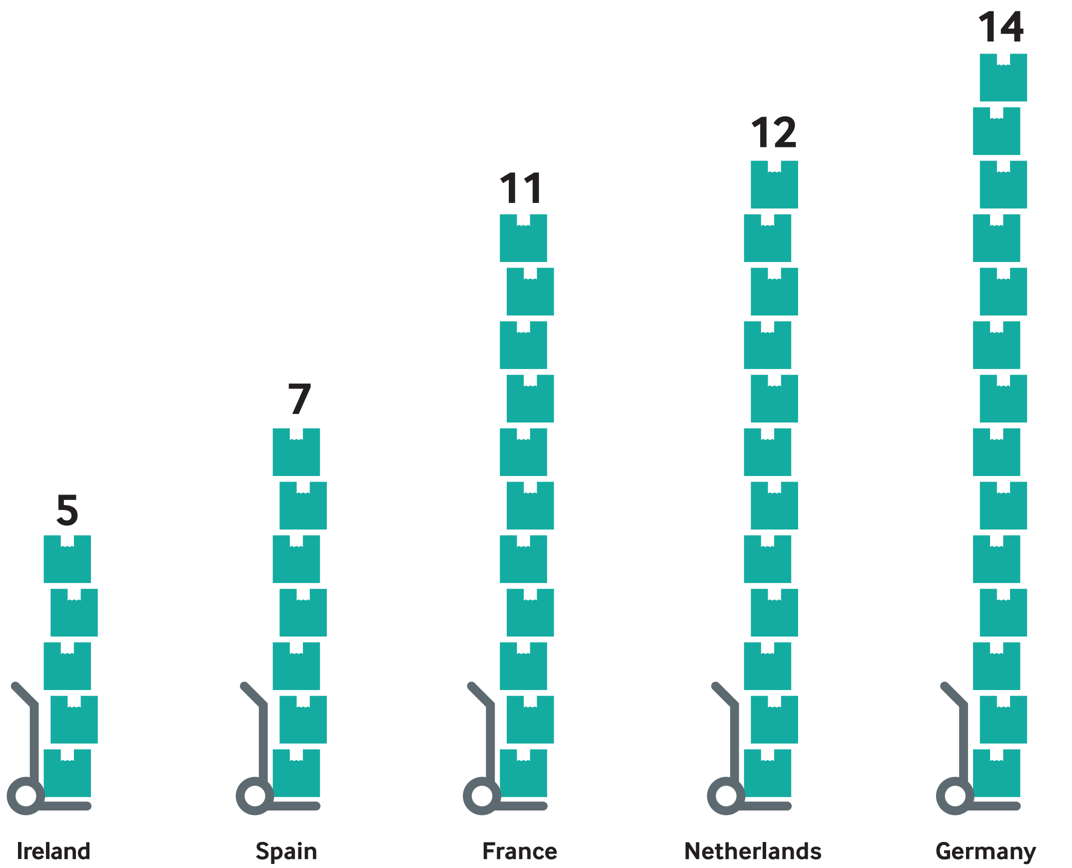
Between 2017 and 2019, the top five recipient countries of FDI relocation projects from UK accounted for 70% of relocations from the UK. A total of 14 companies announced relocations to Germany, with a further 12 going to the Netherlands, while France, Spain, and Ireland received 23 relocation projects collectively.

Overall, the impact of Brexit continues to remain uncertain. While the number of FDI projects has recovered in the past couple of years, it remains to be seen how attractive the UK will be for FDI once the transition period has ended and the final deal has been completed. Trade agreements will be key for FDI and will be essential to navigating the UK's departure and mapping out the country's future.

Financial services and business services witnessed a decline as the UK is no longer a hub from which to serve the European market

Chart 1

TOP FIVE RECIPIENT COUNTRIES OF FDI RELOCATION PROJECTS FROM UK



Source: **fDi** Markets

> Between 2017 and 2019, **fDi** Markets recorded 70 companies relocating their UK operations, with 60 of these projects relocating to elsewhere in Europe

North America

Key trends in 2019 include:

- The number of FDI projects into North America in 2019 increased by 14% to 2177, despite an 11% fall in capital investment.

- The US remained the top destination in the region, attracting 84% of FDI projects and 90% of capital invested. This is an increase from 2018's capital share of 58% and 2017's 86%.

- The number of FDI projects into Canada increased from 328 in 2018 to 345 in 2019. Total capital investment into the country declined by 79%, though this was largely due to Shell's 2018 announcement of a $29.8bn LNG facility in the country.

- California and New York remained the top two destination states in 2019 for FDI projects. Together, the two destinations accounted for 20% of FDI project numbers in North America during 2019.

- Texas received the highest influx of capital investment of any North American state, bringing in $19.1bn. The state is a constant presence in the top three North American states for inward FDI. Projects in Texas also increased by 35% between 2018 and 2019, with 175 deals recorded. This growth is in part due to the rise of the energy and environmental technology sectors.

- British Columbia was the standout province for project number growth in Canada. The province attracted 33% more projects than it did in 2018, and has continued its trend of continual growth in project numbers from 2016.

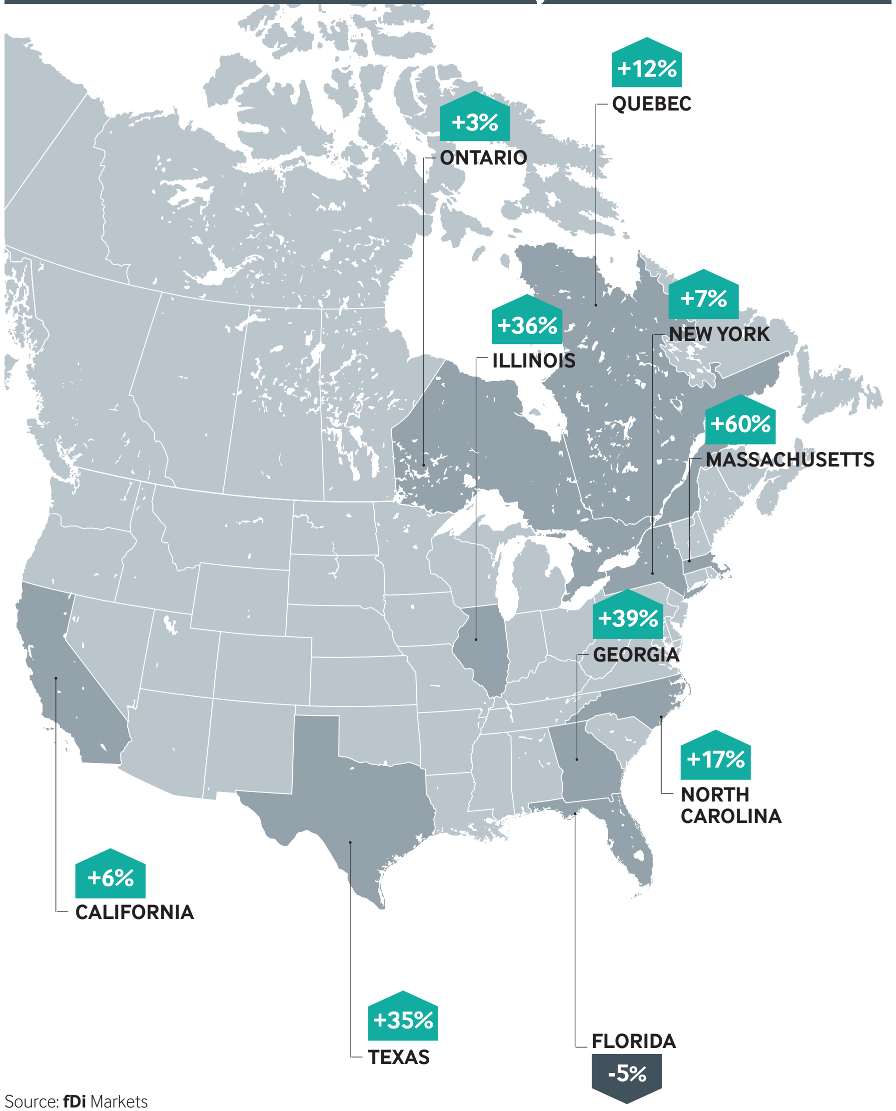
Table 1

FDI INTO NORTH AMERICA BY PROJECT NUMBERS 2019

State/province	Projects
California	236
New York	194
Texas	175
Ontario	153
Illinois	101
Massachusetts	91
Florida	84
Quebec	82
Georgia	78
North Carolina	68
Other	915
Total	2177

Source: **fDi** Markets

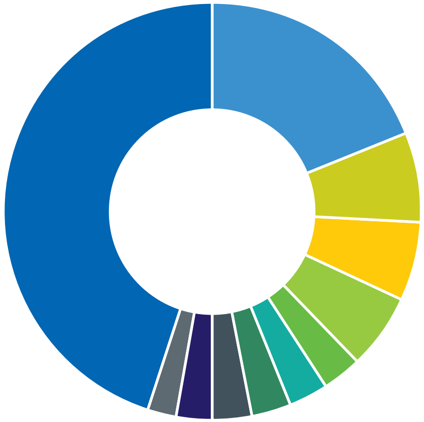
PERCENTAGE CHANGE ON 2018 BY PROJECT NUMBERS



Source: **fDi** Markets
Note: Percentages rounded up/down

Chart 1

FDI INTO NORTH AMERICA BY CAPITAL INVESTMENT 2019



North America market share %		Capital investment ($bn)
19%	Texas	**19.1**
7%	California	**7.1**
6%	Ohio	**6.2**
6%	New York	**5.6**
3%	Michigan	**3.6**
3%	Ontario	**3.4**
3%	Illinois	**3.0**
3%	Quebec	**2.9**
3%	Louisiana	**2.6**
2%	Georgia	**2.5**
45%	Other	**46.4**

Source: **fDi** Markets
Note: Includes estimates

Table 2

FDI OUT OF NORTH AMERICA BY CAPITAL INVESTMENT 2019

State/province	Outbound $bn
California	35.9
Illinois	12.4
New York	9.9
Texas	9.4
Ontario	7.9
Washington	6.9
Virginia	6.4
Massachusetts	5.7
British Columbia	5.6
Maryland	4.9
Other	45.3
Total	150.2

Source: **fDi** Markets
Note: Includes estimates

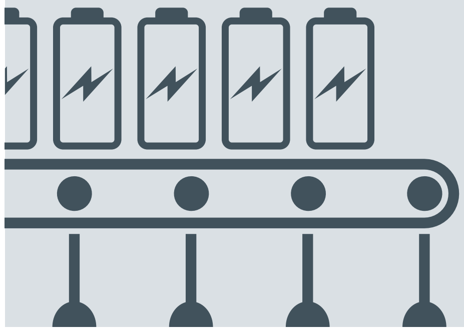
Table 3

FDI OUT OF NORTH AMERICA BY PROJECT NUMBERS 2019

State/province	Outbound projects
California	925
New York	649
Ontario	234
Illinois	193
Texas	172
Massachusetts	160
Washington	154
Pennsylvania	105
Quebec	98
Florida	89
Other	1135
Total	3914

Source: **fDi** Markets

KEY TREND



Capital investment into Ohio increased by 328% from 2018 to 2019, with $6.2bn-worth of investment. This is largely due to the announcement of LG Chem and General Motor's $2.3bn electric vehicle battery manufacturing plant in Lordstown.

Recent major projects

- **Qatar Petroleum and ExxonMobil are investing $9.9bn** to expand a LNG plant at Lake Sabine, Texas. The expansion of the 70-30 joint venture will be completed in 2024 and generate 200 permanent jobs. It will have the capacity to produce 16 million tonnes of LNG per year.

- **Kennecott Utah Copper, a subsidiary of UK-based Rio Tinto**, will invest $1.5bn to expand its Bingham Canyon copper mine in Salt Lake County, Utah. The expansion will allow the firm to deliver up to 1 million tonnes of refined copper between 2026 and 2032 to meet growing demand for copper in the electric vehicles and renewable power sectors in the US.

- **LG Chem, a subsidiary of South Korea-based LG, and General Motors will invest $2.3bn** to establish an electric vehicle battery manufacturing plant in Lordstown, Ohio, creating 1100 jobs. It will accelerate GM's initiative to introduce 20 new electric vehicles globally by 2023.

Latin America and the Caribbean

Key trends in 2019 include:

- The number of FDI projects into Latin America and the Caribbean increased by 6% in 2019 to 1504, and capital investment grew by 44% to reach $108bn.

- Mexico maintained its status as the top destination for FDI in the region by number of projects, reaching 482 in 2019, up 6% on the previous year.

- Brazil became the fourth largest country for FDI by capital investment globally in 2019. The country also overtook Mexico as the leading destination of FDI by capital investment in the region, registering a 103% increase to an estimated $30.7bn.

- Colombia and Chile ranked third and fourth, respectively, by FDI project numbers. Colombia continued its upward trajectory following an increase of 117% in 2018 and 3% in 2019, while FDI project numbers into Chile surged by 26% in 2019.

- Capital investment into Peru more than doubled in 2019, rising to $13bn. This can mostly be attributed to China-based Cosco's agreement with locally based Volcan to build a $3bn port facility at Chancay port near Lima, as well as a series of capital-intensive investments by Southern Copper, a subsidiary of Mexico-based Grupo Mexico, to expand its operations in Peru.

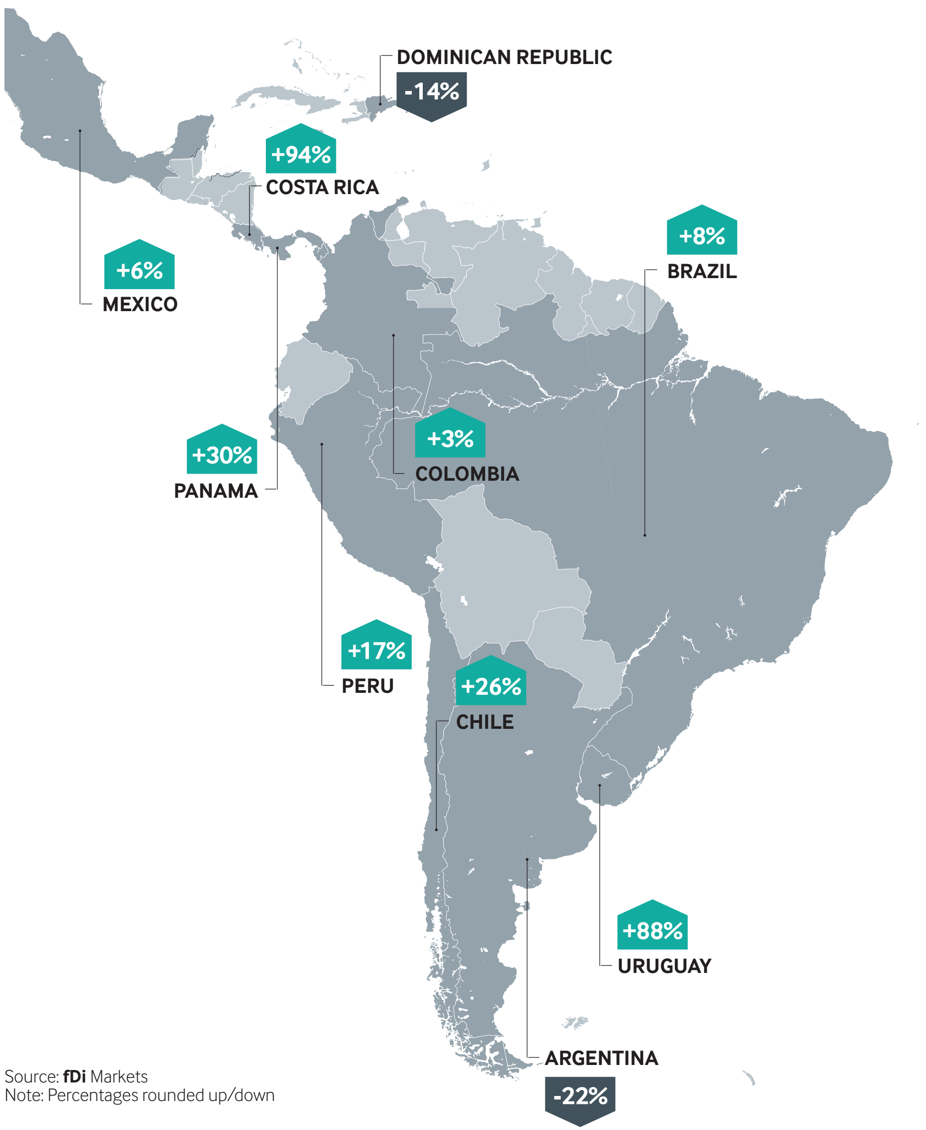
Table 1

FDI INTO LATIN AMERICA AND THE CARIBBEAN BY PROJECT NUMBERS 2019

Country	Projects
Mexico	482
Brazil	342
Colombia	170
Chile	113
Costa Rica	103
Argentina	80
Peru	68
Panama	26
Dominican Republic	19
Uruguay	15
Other	86
Total	1504

Source: fDi Markets

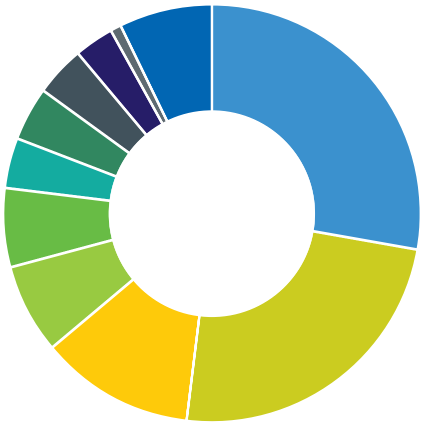
PERCENTAGE CHANGE ON 2018 BY PROJECT NUMBERS



Source: fDi Markets
Note: Percentages rounded up/down

Chart 1

FDI INTO LATIN AMERICA AND THE CARIBBEAN BY CAPITAL INVESTMENT 2019



Latin America and the Caribbean market share %		Capital investment ($bn)
28%	Brazil	30.7
24%	Mexico	25.7
12%	Peru	13.0
7%	Chile	7.9
6%	Colombia	6.0
4%	Cuba	4.5
4%	Argentina	4.0
4%	Uruguay	3.9
3%	Bolivia	2.8
1%	Panama	1.6
7%	Other	7.9

Source: **fDi** Markets
Note: Includes estimates

Table 2

FDI OUT OF LATIN AMERICA AND THE CARIBBEAN BY CAPITAL INVESTMENT 2019

Country	Outbound $bn
Mexico	7.2
Brazil	2.6
Panama	2.1
Chile	2.0
Bermuda	2.0
Colombia	1.0
Argentina	0.8
Bolivia	0.5
Cayman Islands	0.5
Peru	0.3
Other	0.8
Total	19.9

Source: **fDi** Markets
Note: Includes estimates

Table 3

FDI OUT OF LATIN AMERICA AND THE CARIBBEAN BY PROJECT NUMBERS 2019

Country	Outbound projects
Brazil	79
Argentina	48
Mexico	44
Panama	36
Chile	26
Peru	22
Colombia	20
Bermuda	14
Uruguay	10
Cayman Islands	9
Other	27
Total	335

Source: **fDi** Markets

KEY TREND

Mexico maintained its status as the top destination for FDI in the region by number of projects, reaching 482 in 2019, up 6% on the previous year.

Recent major projects

- **Finland-based printing and writing paper company UPM-Kymmene** is to invest $2.7bn to establish a new eucalyptus pulp mill in Paso de los Toros, Uruguay. It will have an output capacity of 2.1 million tonnes and will raise UPM's pulp-making capacity by more than 50% after it comes online in the second half of 2022. It is expected to create 4000 new jobs. Some of the output will be exported to Asia.

- **Colomi Iron Mineracao, a company engaged in iron mining activities which operates as a subsidiary of Colomi Singapore**, plans to invest more than $2.4bn to set up operations in the state of Bahia, Brazil. The company will invest $1.01bn in the construction and operation of a mine located some 200 kilometres from Juazeiro. Further investment will go towards improvements to the Centro-Atlântica rail line and the Aratu-Candeias port for exportation. The project is expected to start operations by the end of 2023. It will principally serve markets in China.

Middle East and Africa

Key trends in 2019 include:

- FDI into the Middle East and Africa by project numbers increased 38% in 2019, from 1261 to 1746, while capital investment dropped 16% to $115.2bn.

- FDI by number of projects into the Middle East increased 27%, from 590 to 748. This compares with a modest 2% increase between 2017 and 2018. Capital investment fell 37% to $38.7bn.

- FDI into Africa by number of projects grew 49% to 998, compared with a 12% increase between 2017 and 2018, increasing its market share of FDI into the region to 57%.

- The United Arab Emirates remained the top destination by project numbers in the Middle East and Africa, with 393 investments. This represented a 28% increase from 2018, accounting for 23% of projects in the region.

- Egypt replaced South Africa as the second ranked destination by projects in the region, experiencing a 60% increase from 85 to 136 projects.

- FDI into Kenya by number of projects increased 78% to 87, accounting for 5% of FDI in the region and more than double the number of FDI projects recorded in 2017.

- FDI into Nigeria increased with regards to number of FDI projects and capital investment by 35% and 28%, respectively.

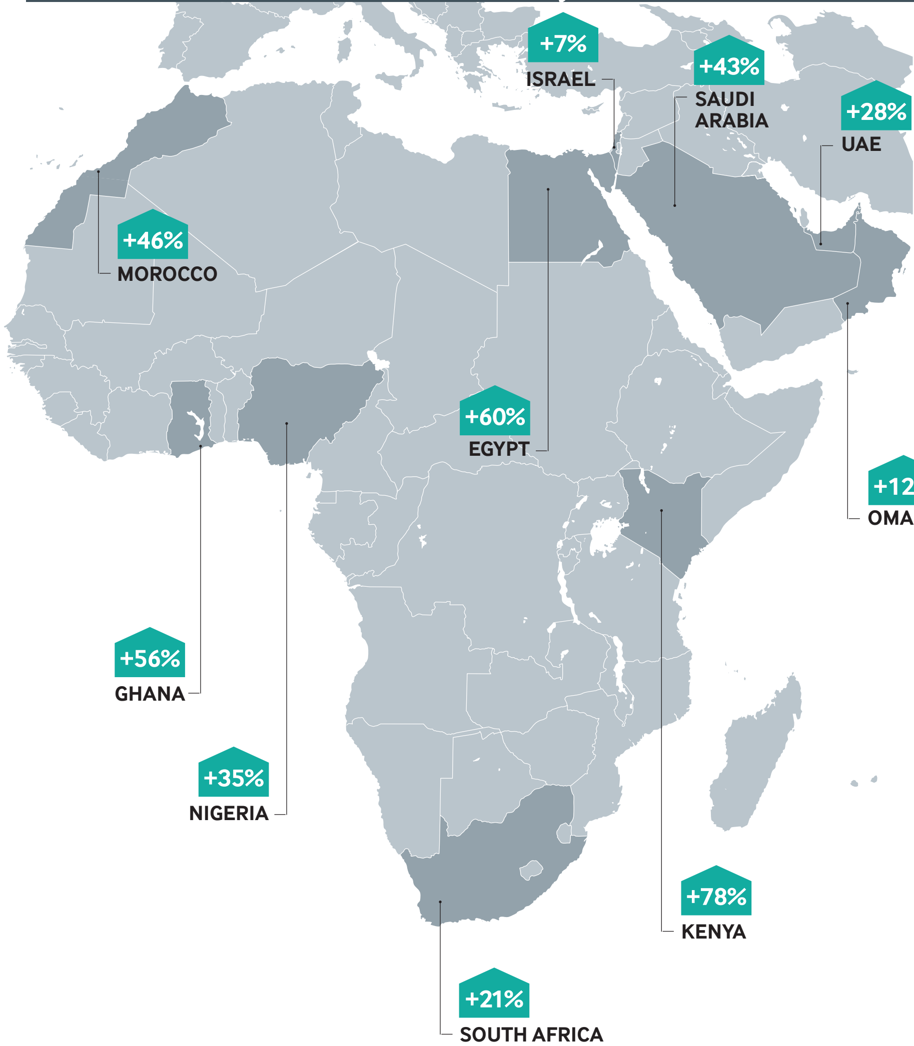
Table 1

FDI INTO MIDDLE EAST AND AFRICA BY PROJECT NUMBERS 2019

Country	Projects
UAE	393
Egypt	136
South Africa	123
Saudi Arabia	117
Morocco	102
Kenya	87
Israel	74
Nigeria	73
Oman	47
Ghana	42
Other	552
Total	1746

Source: **fDi** Markets

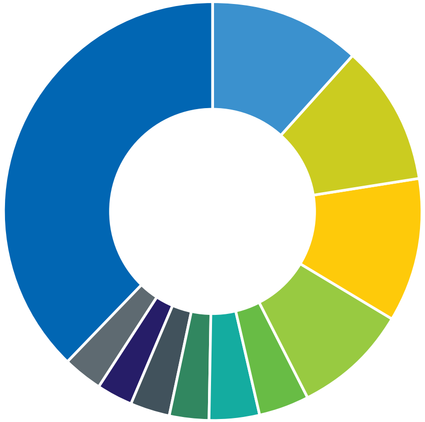
PERCENTAGE CHANGE ON 2018 BY PROJECT NUMBERS



Source: **fDi** Markets
Note: Percentages rounded up/down

Chart 1

FDI INTO MIDDLE EAST AND AFRICA BY CAPITAL INVESTMENT 2019



Middle East and Africa market share %		Capital investment ($bn)
12%	Egypt	**13.7**
11%	UAE	**12.8**
11%	Saudi Arabia	**12.3**
9%	Nigeria	**10.2**
4%	Ghana	**4.8**
4%	South Africa	**4.1**
3%	Kenya	**3.8**
3%	Oman	**3.5**
3%	Morocco	**3.0**
3%	Côte d'Ivoire	**2.9**
38%	Other	**44.1**

Source: **fDi** Markets
Note: Includes estimates

Table 2

FDI OUT OF MIDDLE EAST AND AFRICA BY CAPITAL INVESTMENT 2019

Country	Outbound $bn
Saudi Arabia	21.2
Qatar	18.9
UAE	14.2
Morocco	3.3
Israel	3.1
Nigeria	3.0
South Africa	2.7
Egypt	1.7
Bahrain	0.8
Kuwait	0.4
Other	2.3
Total	71.6

Source: **fDi** Markets
Note: Includes estimates

Table 3

FDI OUT OF MIDDLE EAST AND AFRICA BY PROJECT NUMBERS 2019

Country	Outbound projects
UAE	218
Israel	149
South Africa	81
Saudi Arabia	45
Morocco	29
Bahrain	25
Nigeria	24
Qatar	22
Egypt	19
Kuwait	17
Other	110
Total	739

Source: **fDi** Markets

KEY TREND

$4.8bn

Ghana entered the top 10 destinations by number of FDI projects in the Middle East and Africa. It saw a 56% increase on 2018 figures, equivalent to 15 additional projects. Ghana also saw capital investment growth of 479%, an increase to $4.8bn. This was driven by projects such as a $2.8bn production facility being developed by Sweden-based Greenland Resources as part of a public-private partnership with the government of Ghana.

Recent major projects

- **Sweden-based pulp and paper company Greenland Resources** is to establish a $2.8bn production facility in Ghana. It will be developed in a public-private partnership with the Ghanaian government, creating 3500 domestic jobs and serving the domestic and west African markets with an annual output capacity of 1.5 million tonnes.
- **Nigeria-based business conglomerate Dangote Group** is to establish a new $2bn phosphate fertiliser plant in Togo. The investment will create 2500 jobs.
- **China-based construction firm China State Construction Engineering Corporation** is to establish a $848m phosphoric acid plant in the New Valley Governorate of Egypt. The site will be developed as part of a joint venture with China-based companies Wengfu Group and East China Engineering Science and Technology, in addition to Egypt-based Phosphate Misr.

Sector analysis

Key trends in 2019 include:

- Coal, oil and gas maintained the top spot for capital investment in 2019 with $123bn of FDI recorded.

- The top three sectors in 2019 in terms of capital investment were coal, oil and gas, renewable energy and real estate, accounting for 36% of FDI globally.

- The top three sectors by number of projects in 2019 were software and IT services, business services and real estate, accounting for 36% of FDI globally.

- Software and IT services maintained its place as the top sector by project numbers, with 2738 projects recorded in 2019, up 9% from 2018.

- FDI in renewable energy by number of projects increased by 38% in 2019. The number of projects has also more than doubled since 2017. Capital investment of $92.2bn accounted for 12% of FDI globally in 2019.

- Of the top five sectors by number of projects, real estate was the only one to see a decline in project numbers. However, it continues to maintain a dominant status, thanks in part to the growing concept of co-working office space.

- Healthcare witnessed the largest increase by number of projects with a 146% rise, recording 69 projects in 2018 and 170 in 2019. This follows a 19% decrease between 2017 and 2018.

FDI BY SECTOR BY CAPITAL INVESTMENT ($BN) FOR 2019

Sector	2019	% change	% market share 2019
Coal, oil and gas	123.0	-9%	15%
Renewable energy	92.2	43%	12%
Real estate	71.6	-40%	9%
Hotels and tourism	48.8	0%	6%
Transportation and warehousing	42.9	-3%	5%
Communications	39.1	-14%	5%
Chemicals	37.4	-38%	5%
Automotive OEM	37.2	-22%	5%
Software and IT services	32.9	-8%	4%
Electronic components	31.0	56%	4%
Other	239.8	-23%	30%
Total	795.7		

Source: **fDi** Markets
Note: Includes estimates

FDI BY SECTOR BY NUMBER OF PROJECTS FOR 2019

Sector	2019	% change
Software and IT services	2738	9%
Business services	1655	9%
Real estate	1074	-6%
Financial services	1032	3%
Industrial equipment	960	5%
Transportation and warehousing	764	-3%
Communications	745	-11%
Food and beverages	678	-14%
Renewable energy	516	38%
Hotels and tourism	506	-3%
Other	4890	-5%
Total	15558	0%

Source: **fDi** Markets

KEY TREND

Healthcare witnessed the largest increase by number of projects with a 146% rise, recording 69 projects in 2018 and 170 in 2019. This follows a 19% decrease between 2017 and 2018.

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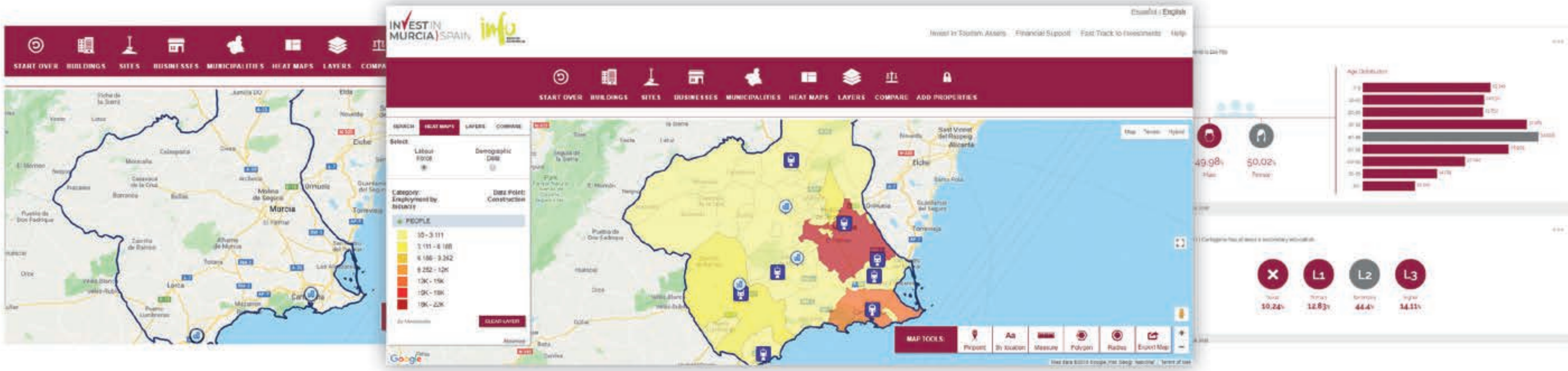

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About fDi Intelligence

fDi Intelligence is a specialist service from the Financial Times established to provide industry leading insight into globalisation with a portfolio of world-class products, services and business tools that allow organisations such as investment promotion agencies, companies, services providers and academic institutions to make informed decisions regarding foreign direct investment and associated activities.

Products and services include:
fDi Markets – the only online database tracking crossborder greenfield investment covering all sectors and countries worldwide. It provides real-time monitoring of investment projects, capital investment and job creation with powerful tools to track and profile companies investing overseas.

fDi Benchmark – the only online tool to benchmark the competitiveness of countries and cities in more than 65 sectors. Its comprehensive location data series covers the main cost and quality competitiveness indicators for more than 900 locations around the world.

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fDi Magazine – firmly established as the world's premier publication for the business of globalisation. Published on a bi-monthly basis with an ABC-certified, highly targeted circulation of more than 15,000, **fDi** provides corporate decision-makers with an up-to-date image of the ever-changing global investment map.

GIS Planning – an online service providing comprehensive demographic and industry data businesses need to select optimal geographic locations through powerful mapping analysis.

About the data

The report is based on the **fDi** Markets database of The Financial Times Ltd, which tracks greenfield investment projects. It does not include mergers and acquisitions or other equity-based or non-equity investments. Only new investment projects and significant expansions of existing projects are included. **fDi** Markets is the most authoritative source of intelligence on real investment in the global economy, and the only source of greenfield investment data that covers all countries and industries worldwide. Retail projects have been excluded from this analysis but are tracked by **fDi** Markets.

It is important to note that the data presented includes FDI projects that have either been announced or opened by a company. Following the Covid-19 crisis, projects announced in 2019 may not necessarily be implemented in 2020 as planned. We are reviewing this as new information becomes available.

The data on capital investment and job creation is based on the investment the company is making at the time of the project announcement or opening. As companies can raise capital locally, phase their investment over a period of time, and can channel their investment through different countries for tax efficiency, the data used in this report is different to the official data on FDI flows. The data from **fDi** Markets is more accurate and a real-time indicator of the real investment companies are making in their overseas subsidiaries

The data shown includes estimates for capital investment and job creation derived from algorithms when a company does not release the information.

Note that the investment projects tracked by **fDi** Markets are constantly updated and revised based on new intelligence being received and the underlying algorithms are constantly improving their accuracy over time. The data presented in this report may therefore differ slightly from the real-time data available at **fDi**Markets.com.

The World Bank, Unctad, the Economist Intelligence Unit and more than 100 governments around the world as well as major corporations use the data as the primary source of intelligence on greenfield investment trends.

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