

Cities that Invest 2017

Business Services; Textiles and Communications Nov 2017

1. General Overview

This sector fact sheet provides key investment related statistics for source cities for foreign direct investment. Specifically, it gives an overview of the cities that invest in business services, textiles and communication. In addition it shows the top companies in the top investing cities and the number of projects, USD value spend and primary activity.

It is by now generally accepted and confirmed by economic data that cities are the world's engines of growth. This fact sheet looks to draw the link between global cities and their investment trends into different sub-sectors. It looks at cities as sources of FDI as opposed to destination markets.

The source used for this analysis is the Financial Times database of over 142,000 international investment projects, 65,000 businesses and 12,000 information sources including newspapers, magazines, associations, websites etc. This fact sheet looks at published international greenfield and brownfield investments collected by FDIintelligence. These investments are recorded when companies launch new activities in a global city. Purely financial investments like real estate transactions, privatisations or alliances are not included. Joint ventures are only included when the result is job creation.

Global Source Cities for FDI

Out of a total of 6 722 source cities given in FDIintelligence from 2006-June 2017, the top five account for one-sixth of projects. London is the top source city accounting for 4.9% of projects tracked. Project volume in this source city peaked during 2013, with 955 projects tracked.

Tokyo has generated the highest number of total jobs and greatest investment with a total of 1,299,353 jobs and USD 453.72 billion investment. Beijing and Seoul have the largest project size on average in terms of investment and jobs creation, respectively.

FDI TRENDS BY SOURCE CITY 2006-JUNE 2017						
SOURCE CITY	PROJECTS		COMPANIES		JOBS CREATED	CAPITAL INVESTMENT (USD M)
	No	%	No	%		
London	8,651	4.94	2,871	4.52	941,732	392,031.50
Paris	6,996	3.99	1,822	2.87	1,064,911	423,576.70
Tokyo	6,706	3.83	2,381	3.75	1,299,353	453,724.10
NYC (NY)	4,492	2.56	1,442	2.27	495,431	158,039.50
Stockholm	2,108	1.20	481	0.76	185,390	49,250.80
Seoul	2,054	1.17	605	0.95	712,912	256,811.60

FDI TRENDS BY SOURCE CITY 2006-JUNE 2017						
SOURCE CITY	PROJECTS		COMPANIES		JOBS CREATED	CAPITAL INVESTMENT (USD M)
	No	%	No	%		
Dubai	1,840	1.05	566	0.89	412,237	174,971.70
Singapore	1,724	0.98	685	1.08	571,799	186,337.80
Hong Kong	1,706	0.97	738	1.16	494,026	190,901.40
Amsterdam	1,638	0.93	479	0.75	250,596	69,759.00
Munich	1,615	0.92	466	0.73	272,078	82,663.90
Madrid	1,513	0.86	494	0.78	250,276	103,157.70
Mumbai	1,438	0.82	450	0.71	273,328	88,983.90
Beijing	1,340	0.76	523	0.82	272,959	204,119.50
Dublin	1,303	0.74	470	0.74	150,201	61,763.80
Milan	1,265	0.72	291	0.46	159,921	54,652.80
Moscow	1,223	0.70	441	0.70	163,261	106,733.00
Luxembourg	1,222	0.70	252	0.40	161,752	69,158.10
Barcelona	1,201	0.69	375	0.59	123,935	34,004.60
San Francisco (CA)	1,194	0.68	369	0.58	123,698	41,377.00
Other source cities	116,112	66.28	44,404	69.98	17,781,804	6,021,968.00
Not Specified	7,856	4.48	4,913	7.74	1,138,954	344,049.60
Total	175,197	100.00	63,451	100.00	27,300,554	9,568,035.70

Source: fDi Intelligence, 2017

2. Business Services: Global Cities for outward FDI from 2006-June 2017

Between January 2006 and June 2017 a total of 17,343 FDI projects were recorded globally into the business service sector. These projects represent a total capital investment of USD208.58bn which is an average investment of USD12.00m per project. During the period, a total of 1,195,544 jobs were created.

The largest source city for global FDI into business services was London with 2533 projects and 9.2% of total CAPEX amounting to USD19.3bn. NYC was the second largest FDI investor with 1100 projects worth USD12.4bn. Ranked third was the French city of Paris with 817 projects (4.7%) valued at USD9bn. Most of the top 20 cities were from the United States (6) the United Kingdom (2) and Spain (2).

TOP CITIES FOR INVESTING IN BUSINESS SERVICES, 2006- JUNE 2017								
RANK	SOURCE CITY	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	AVG CAPEX (USDm)	COMPANIES
1	London	United Kingdom	2 533	14.6	19 266.0	9.2	7.6	925
2	NYC (NY)	United States	1 100	6.3	12 438.5	6.0	11.3	386
3	Paris	France	817	4.7	8 987.2	4.3	11.0	306
4	Dublin	United Kingdom	330	1.9	2 329.2	1.1	7.1	129
5	Tokyo	Japan	297	1.7	2 794.4	1.3	9.4	137
6	Madrid	Spain	284	1.6	2 976.7	1.4	10.5	109
7	Mumbai	India	253	1.5	3 103.2	1.5	12.3	69
8	Singapore	Singapore	202	1.2	4 155.6	2.0	20.6	87
9	Los Angeles (CA)	United States	183	1.1	1 332.4	.6	7.3	64
10	Chicago (IL)	United States	182	1.0	2 149.7	1.0	11.8	64
11	Sydney	Australia	178	1.0	1 302.2	.6	7.3	92
12	Beijing	China	175	1.0	1 337.8	.6	7.6	83
13	Barcelona	Spain	174	1.0	2 360.2	1.1	13.6	83
14	Amsterdam	Netherlands	159	.9	1 613.2	.8	10.1	80
15	San Francisco (CA)	United States	157	.9	1 038.8	.5	6.6	71
16	Dubai	UAE	136	.8	1 017.1	.5	7.5	75
17	Stockholm	Sweden	133	.8	639.3	.3	4.8	66
18	Toronto	Canada	133	.8	883.7	.4	6.6	65
19	Houston (TX)	United States	130	.7	1 040.2	.5	8.0	54
20	Boston (MA)	United States	128	.7	1 409.2	.7	11.0	42

Source: FDI Intelligence, 2017

When looking at the top cities it is important to understand the nature of the investing companies within these cities and the sub sectors that they belong to within the broader business services sector. WPP is the largest investing company from London, with 86 projects. Other top companies include Intertek Group and Ernst & Young.

COMPANIES INVESTING IN BUSINESS SERVICES FROM LONDON, 2006-JUNE 2017					
RANK	PARENT COMPANY	PROJECTS	CAPEX (USDm)	AVG CAPEX (USDm)	AVG JOBS
1	WPP	86	563.3	6.5	23
2	Intertek Group	70	536.8	7.7	102
3	Ernst & Young	62	1 545.0	24.9	150
4	HAYS	42	327.7	7.8	45
5	PageGroup (Michael Page International)	41	272.3	6.6	34
6	SThree	37	236.0	6.4	17
7	Clyde & Co	28	156.2	5.6	17
8	M&C Saatchi	27	196.0	7.3	18
9	Spencer Ogden Energy	26	133.3	5.1	14
10	Dentsu Aegis Network	24	217.7	9.1	38

Source: FDI Intelligence, 2017

Interpublic was the largest investing company from New York, investing in 111 projects. Omnicom followed with 107 projects.

COMPANIES INVESTING IN BUSINESS SERVICES FROM NEW YORK, 2006-JUNE 2017					
RANK	PARENT COMPANY	PROJECTS	CAPEX (USDm)	AVG CAPEX (USDm)	AVG JOBS
1	Interpublic Group (IPG)	111	618.1	5.6	26
2	Omnicom Group	107	900.9	8.4	45
3	PriceWaterhouseCoopers (PwC)	91	2 095.00	23	137
4	Deloitte Touche Tohmatsu	76	3 289.80	43.3	201
5	TransPerfect Translations	38	250.4	6.6	33
6	Avenues: The World School	22	284.4	12.9	42
7	Marsh & McLennan (MMC)	19	192.7	10.1	32
8	Alvarez & Marsal	18	79.3	4.4	27
9	McKinsey	17	121.2	7.1	47
10	White & Case	15	64.1	4.3	22

Source: FDI Intelligence, 2017

3. Textiles: Global Cities for outward FDI from 2006-June 2017

Between January 2006 and June 2017 a total of 13,481 FDI projects were recorded into the global textile sector. These projects represent a total capital investment of USD243.74bn which is an average investment of USD18.10m per project. During the period, a total of 1,834,998 jobs were created.

The largest source city for global FDI into textiles was Paris with 1 119 projects and 10% of total CAPEX amounting to USD25.2bn. London was the second largest FDI investor with 754 projects worth USD15.4bn. Ranked third was the Swedish city of Stockholm with 725 projects valued at USD13bn. Most of the top 20 cities were from the United States, with 5 of the top cities.

TOP CITIES FOR INVESTING IN TEXTILES, 2006- JUNE 2017								
RANK	SOURCE CITY	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	AVG CAPEX (USDm)	COMPANIES
1	Paris	France	1 119	8.30	25 207.3	10.3	22.5	142
2	London	United Kingdom	754	5.59	15 419.2	6.3	20.4	114
3	Stockholm	Sweden	725	5.38	12 995.6	5.3	17.9	25
4	La Coruna	Spain	691	5.13	8 385.5	3.4	12.1	13
5	Milan	Italy	629	4.67	12 690.4	5.2	20.2	61
6	NYC (NY)	United States	503	3.73	8 871.8	3.6	17.6	65
7	Barcelona	Spain	394	2.92	6 234.2	2.6	15.8	32
8	Croix	France	216	1.60	2 685.2	1.1	12.4	6
9	Los Angeles (CA)	United States	199	1.48	2 536.2	1.0	12.7	15
10	Hong Kong	Hong Kong	192	1.42	5 392.5	2.2	28.1	74
11	Herzogenaurach	Germany	190	1.41	3 563.6	1.5	18.8	14
12	Dubai	UAE	181	1.34	1 002.9	.4	5.5	41
13	Yamaguchi	Japan	177	1.31	3 810.1	1.6	21.5	12
14	Greensboro (NC)	United States	148	1.10	1 996.6	.8	13.5	18
15	Florence	Italy	134	0.99	2 505.9	1.0	18.7	9
16	Istanbul	Turkey	127	0.94	2 431.5	1.0	19.1	51
17	Amsterdam	Netherlands	126	0.93	2 000.0	.8	15.9	24
18	Framingham (MA)	United States	126	0.93	1 626.2	.7	12.9	5
19	San Francisco (CA)	United States	123	0.91	2 220.4	.9	18.1	9
20	Madrid	Spain	122	0.90	1 505.3	.6	12.3	28

Source: FDI Intelligence, 2017

LVMH (Louis Vuitton Moët Hennessy) is the largest investing company from Paris, with 278 projects. Other top companies include Kering (PPR) and Hermes International.

COMPANIES INVESTING IN TEXTILES FROM PARIS, 2006-JUNE 2017					
RANK	PARENT COMPANY	PROJECTS	CAPEX (USDm)	AVG CAPEX (USDm)	AVG JOBS
1	LVMH Group	278	6 940.60	25	123
2	Kering (PPR)	270	6 040.00	22.4	99
3	Hermes International	75	1 766.20	23.5	109
4	Christian Dior	52	1 118.40	21.5	105
5	Christian Louboutin	44	1 075.40	24.4	99
6	Longchamp	36	805.9	22.4	94
7	Groupe SMCP	29	525.7	18.1	84
8	Zadig & Voltaire	24	542.8	22.6	81
9	Vivarte	16	99.3	6.2	86
10	Karl Lagerfeld	14	177.4	12.7	72

Source: FDI Intelligence, 2017

The top company investing from London was AB Foods with 129 projects. Their largest investment was USD117.8m in new Primark stores in Spain. Burberry and Pentland Group were other companies investing from London.

COMPANIES INVESTING IN TEXTILES FROM LONDON, 2006-JUNE 2017					
RANK	PARENT COMPANY	PROJECTS	CAPEX (USDm)	AVG CAPEX (USDm)	AVG JOBS
1	Associated British Foods (AB Foods)	129	2 402.4	18.6	134
2	Burberry	77	1 576.8	20.5	101
3	Pentland Group	57	505.5	8.9	64
4	Arcadia Group	48	1 131.7	23.6	115
5	Pepe Jeans	44	429.9	9.8	87
6	Ted Baker	42	1 098.2	26.1	100
7	Jimmy Choo	31	494.4	15.9	108
8	Agent Provocateur	20	346.0	17.3	77
9	All Saints	20	610.0	30.5	81
10	Marks & Spencer	19	1 094.8	57.6	324

Source: FDI Intelligence, 2017

4. Communications: Global Cities for outward FDI from 2006-June 2017

Between January 2006 and June 2017 a total of 8,699 FDI projects were recorded into the global communications sector. These projects represent a total capital investment of USD473.54bn which is an average investment of USD54.40m per project. During the period, a total of 914,203 jobs were created.

The largest source city for global FDI into the communications sector was London with 435 projects and 4.2% of total CAPEX amounting to USD19.9bn. Shenzhen was the second largest FDI investor with 385 projects worth USD14.3bn. Ranked third was Paris with 347 projects valued at USD22.7bn. The largest CAPEX investment over the decade was from Liberty Global (United States), into the United Kingdom worth USD4.6bn. Most of the top 20 cities were in the United States (3) and China (3).

TOP CITIES FOR INVESTING IN COMMUNICATIONS, 2006- JUNE 2017								
RANK	SOURCE CITY	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	AVG CAPEX (USDm)	COMPANIES
1	London	United Kingdom	435	5.00	19 856.0	4.19	45.6	170
2	Shenzhen	China	385	4.43	14 287.8	3.02	37.1	44
3	Paris	France	347	3.99	22 682.0	4.79	65.4	113
4	Tokyo	Japan	320	3.68	17 435.2	3.68	54.5	116
5	Stockholm	Sweden	288	3.31	11 366.3	2.40	39.5	67
6	NYC (NY)	New York	219	2.52	11 267.5	2.38	51.4	84
7	Newbury	United Kingdom	204	2.35	13 131.9	2.77	64.4	29
8	Amsterdam	Netherlands	195	2.24	6 777.2	1.43	34.8	46
9	Espoo	Finland	194	2.23	8 389.5	1.77	43.2	13
10	Madrid	Spain	186	2.14	29 768.9	6.29	160.0	44
11	San Jose (CA)	United States	146	1.68	9 157.0	1.93	62.7	23
12	Beijing	China	132	1.52	8 170.8	1.73	61.9	35
13	Moscow	Russia	130	1.49	3 728.6	.79	28.7	46
14	Singapore	Singapore	126	1.45	6 758.4	1.43	53.6	44
15	Luxembourg	Luxembourg	110	1.26	8 286.7	1.75	75.3	32
16	Hong Kong	Hong Kong	99	1.14	3 814.2	.81	38.5	43
17	Sunnyvale (CA)	United States	96	1.10	2 367.9	.50	24.7	16
18	Bonn	Germany	95	1.09	4 891.1	1.03	51.5	23
19	San Francisco (CA)	United States	93	1.07	6 268.2	1.32	67.4	25
20	Taipei	China	93	1.07	6 011.6	1.27	64.6	28

Source: FDI Intelligence, 2017

British Telecom (BT) is the largest investing company from London, with 55 projects worth USD3.7bn investing in ICT and internet infrastructure. BT invested in 3 projects in South Africa worth USD450m. Other top companies include Cable & Wireless Worldwide (ICT and internet infrastructure) and Infobip (Sales, Marketing & Support).

COMPANIES INVESTING IN COMMUNICATIONS FROM LONDON, 2006-JUNE 2017					
RANK	PARENT COMPANY	PROJECTS	CAPEX (USDm)	AVG CAPEX (USDm)	AVG JOBS
1	British Telecom (BT)	55	3 659.40	66.5	93
2	Cable & Wireless Worldwide (Cable & Wireless)	22	2 313.80	105.2	76
3	Infobip	16	268.1	16.8	33
4	Telecity Group plc (TelecityRedbus)	15	1 856.10	123.7	56
5	British Broadcasting Corporation (BBC)	14	80.7	5.8	44
6	Sky plc (British Sky Broadcasting)	14	765.6	54.7	127
7	Interoute	13	919.6	70.7	75
8	Tru (Truphone Ltd)	13	135.9	10.5	43
9	Carphone Warehouse Group	10	110.5	11.1	99
10	Global Switch	8	1 274.20	159.3	67

Source: FDI Intelligence, 2017

The top company investing into communications from Shenzhen was Huawei Technologies with 253 projects worth USD9,5bn investing in Design, Development & Testing. Huawei invested in 8 projects in South Africa worth USD130m. Other top companies include ZTE (Design, Development & Testing) and TP-Link Technologies (Sales, Marketing & Support).

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COMPANIES INVESTING IN COMMUNICATIONS FROM SHENZHEN, 2006-JUNE 2017					
RANK	PARENT COMPANY	PROJECTS	CAPEX (USDm)	AVG CAPEX (USDm)	AVG JOBS
1	Huawei Technologies	253	10 301.50	40.7	145
2	ZTE	59	2 169.30	36.8	164
3	TP-Link Technologies	20	201	10.1	37
4	Tencent	11	856.3	77.8	69
5	Hytera Communications	9	94.7	10.5	30
6	BYD Electronics	3	90	30	457
7	Fang-Ka	3	3.9	1.3	12
8	Gionee Communication Equipment	3	54.2	18.1	315
9	ZTS International Industrial (G-Tide)	3	72.3	24.1	200
10	Cellon	2	12.5	6.3	227

Source: FDI Intelligence, 2017

The top company investing into communications from Paris was Orange (France Telecom) with 174 projects worth USD13.5bn investing in ICT and internet infrastructure. Orange invested in 4 projects in South Africa worth USD240m. Other top companies include Alcatel-Lucent (Design, Development & Testing) and Technicolor (Design, Development & Testing).

COMPANIES INVESTING IN COMMUNICATIONS FROM PARIS, 2006-JUNE 2017

RANK	PARENT COMPANY	PROJECTS	CAPEX (USDm)	AVG CAPEX (USDm)	AVG JOBS
1	Orange (France Telecom)	174	13 451.60	77.3	104
2	Alcatel-Lucent	49	3 221.30	65.7	128
3	Technicolor (Thomson SA)	12	741.5	61.8	206
4	Arkadin	11	88.2	8	70
5	Vivendi (Vivendi Universal)	8	1 646.70	205.8	156
6	Alcatel	6	427.2	71.2	340
7	Parrot	6	28	4.7	25
8	Green United Music	5	60.6	12.1	68
9	Lagardere	5	45.3	9.1	25
10	StreamWide	4	19.6	4.9	26

Source: FDI Intelligence, 2017

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