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Global Investment Trends

fDi Forum

Presentation by Henry Loewendahl, CEO WAVTEQ

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www.wavteq.com | www.incentivesmonitor.com | www.fdiaccounting.com



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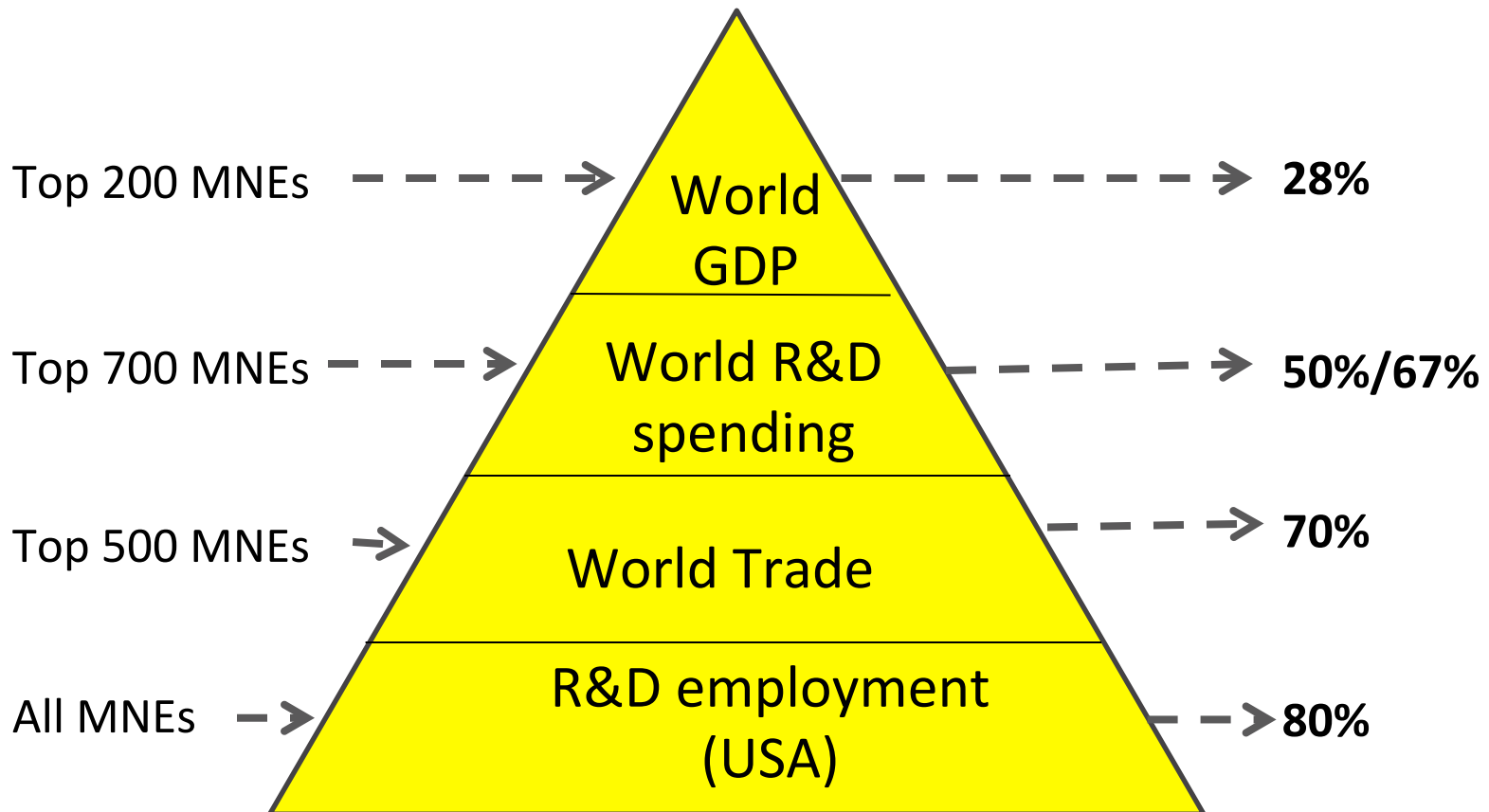


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What is the role of FDI in the world economy?

Role of FDI

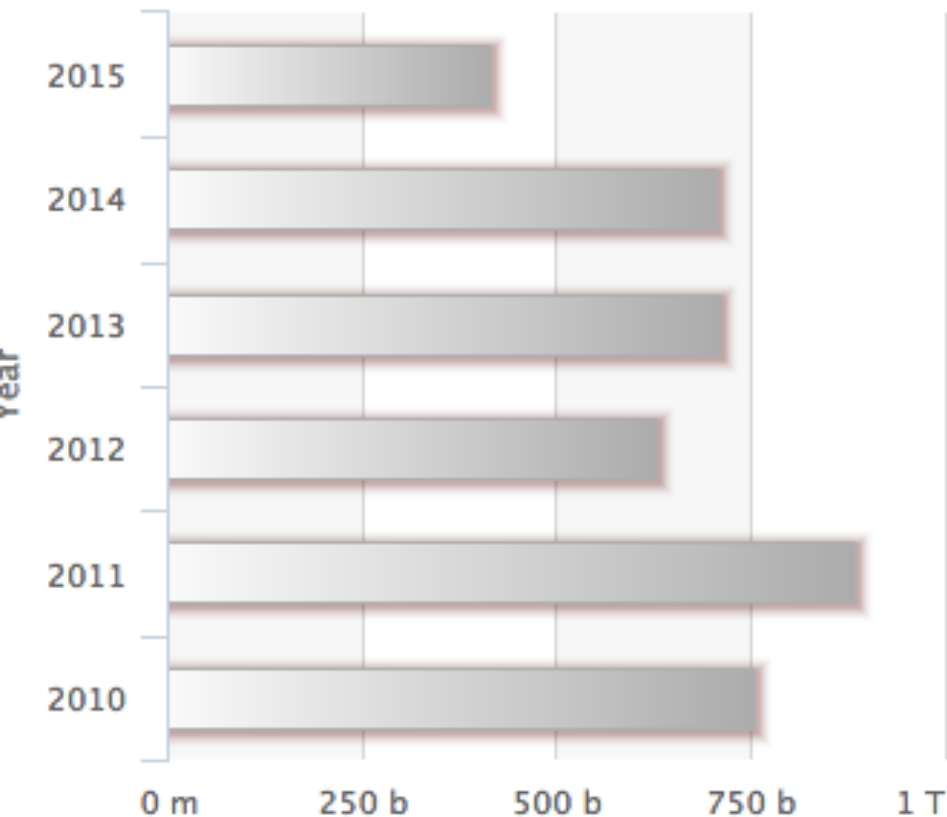
- FDI is the defining feature of a multinational enterprise



Is global FDI in growth or decline?

Greenfield FDI - declining

Capex (Yearly)



- FDI expected to be 15% lower than 2014
- FDI down in every region of world
- Most industries down
- Ren. Energy growing (after big declines)

M&A - Growing

- Global M&A over \$3 trillion by end August
- Cross-border M&A 2nd highest ever since 2007
- Record M&A levels in North America, AsiaPac in many sectors including healthcare, tech & telecom
- Driven by:
 - Consolidation (semiconductor, telecom)
 - Buy or be bought (pharma)
 - Technology disruption (media & entertainment)
 - Volatility (oil & gas)
- Enabled by cash balances and low interest rates and encouraged by tax structures

Overall assessment

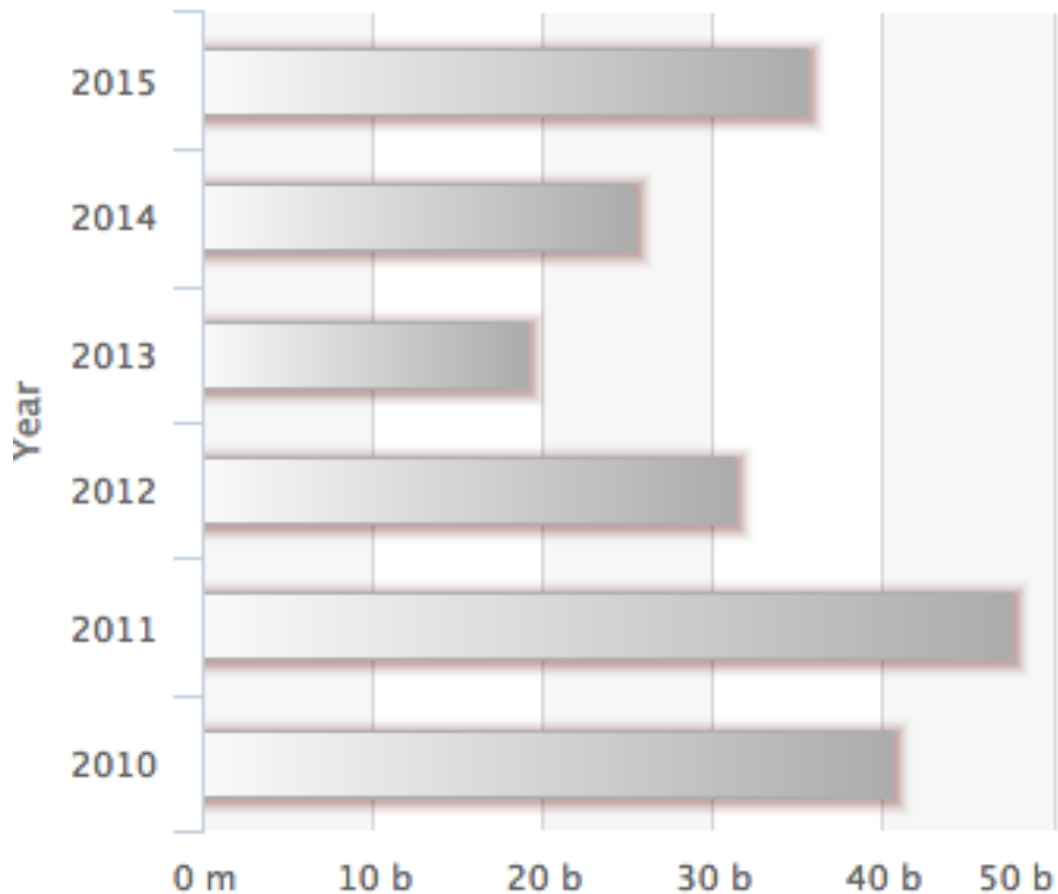
- UNCTAD estimates FDI flows will increase by 11% in 2015 to \$1.4 trillion
- EIU forecasts FDI to exceed \$1.6 trillion in 2015 with 14% growth

=Overall FDI flows to increase in 2015

**The best performing
country for Greenfield
FDI in 2015 YTD is?**

INDIA

Capex (Yearly)



- Greenfield FDI already 40% up
- Major mfg projects from Sun Edison, POSCO, Cricket, Vedanta, Trina Solar, Toyota, Zhejiang Leo, J&J, etc.

Country ranking greenfield FDI

2014

1. China
2. US
3. UK
4. India
5. Mexico
6. Vietnam
7. Malaysia
8. Canada
9. Brazil
10. Egypt

2015 (Jan-July)

1. US
2. India
3. China
4. UK
5. Mexico
6. Indonesia
7. Vietnam
8. Australia
9. Canada
10. Spain

What % of FDI is R&D?

Role of R&D

- 2.3% of OECD GDP
- 2.9% of total FDI capital investment
- 5% of total FDI jobs

Since 2008, the number of US patents granted to foreign companies has exceeded the number granted to US companies every year with the gap widening

**What is the leading city
in the world for
attracting FDI in R&D?**

City ranking greenfield FDI # projects (location)

2014

1. **Singapore**
2. Shanghai
3. Bangalore
4. Dublin
5. Beijing
6. Hyderabad
7. Pune
8. Edinburgh
9. Montreal
10. Belfast/London

2015 (Jan-July)

1. **Bangalore**
2. Singapore
3. Shanghai
4. Pune
5. Dublin
6. **Chennai**
7. **Paris**
8. London
9. Hyderabad
10. **Wroclaw**

**What is the leading city in
the world by # home-
grown companies
investing overseas in R&D?**

City ranking greenfield FDI # companies (source)

2014

1. Tokyo
2. Paris
3. NYC
4. London
5. Munich
6. Beijing
7. San Jose
8. Stuttgart
9. Seoul
10. San Francisco

2015 (Jan-July)

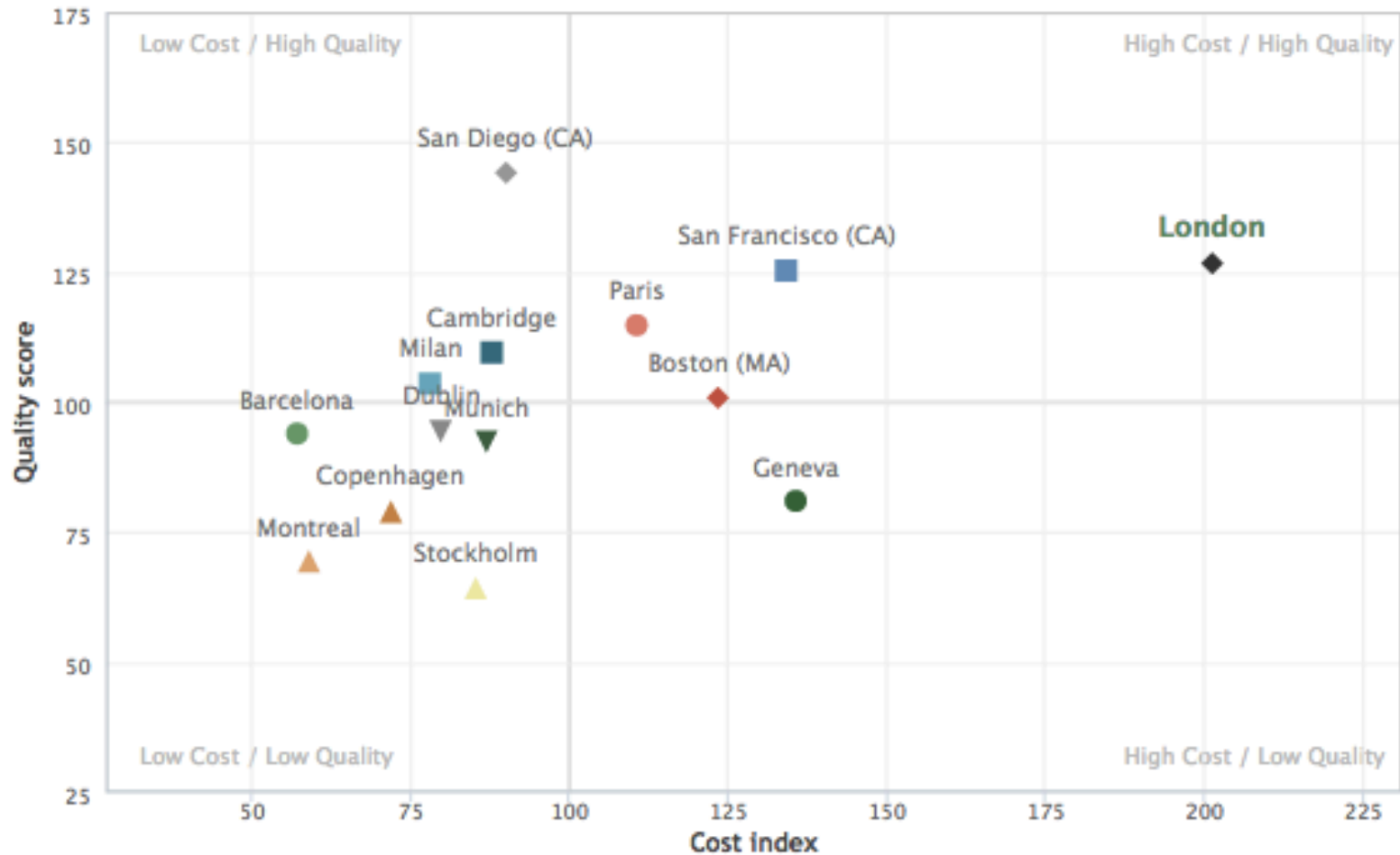
- 1. London**
2. Tokyo
3. NYC
4. Paris
5. Munich
6. Stuttgart
7. San Francisco
8. Beijing
- 9. Chicago**
- 10. Austin**

What is the best city in the world for biotech R&D?

Biotech R&D: cost-quality competitiveness

Matrix

Source: www.fdibenchmark.com (2015)



Thank you!

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