

# UNDERSTANDING LONDON+ FDI



LONDON®  
& PARTNERS

# CONTENTS

## EXECUTIVE SUMMARY

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SECTION  
**01** ABOUT THIS RESEARCH

---

SECTION  
**02** METHODOLOGY

---

SECTION  
**03** **LONDON+ UK**  
Quantifying London+ UK  
Countries of origin  
Source sectors and functions  
Destinations  
Economic impact

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SECTION  
**04** **LONDON+ EUROPE**  
Quantifying London+ Europe  
Countries of origin  
Source sectors  
Destinations

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## CONCLUSION



# EXECUTIVE SUMMARY

*This report presents an analysis of the phenomenon of foreign direct investment in London leading to further investment in the rest of the UK and Europe, covering the period 2003-2015.*

## **Key Insights:**

**12.1 per cent of foreign direct investment projects in the UK stem from an investment in London**

**These 504 projects – defined as London+ UK – contributed £7.6 billion to the UK economy between 2003-2015 and created over 38,000 jobs**

**At a European level, 4.2 per cent of FDI projects across Europe stem from an initial investment in London**

**Between 2003-2015, these 2,060 London+ Europe FDI projects created an estimated 163,850 jobs, equating to 2.5 per cent of FDI jobs created in the rest of Europe over this period**

## **London+ UK<sup>1</sup>**

We estimate that London+ UK companies contributed £7.6 billion to the rest of the UK, creating 38,712 jobs outside London.

Our analysis found that the top destinations for London+ across the rest of the UK were the South East, Scotland and the North West, with Scotland seeing the highest number of jobs created by London+ companies.

The US was the top source country for London+ FDI, accounting for 40 per cent of London+ companies, and 35 per cent of all London+ projects created outside of London.

The top five sectors for London+ were hotels and tourism, textiles, financial services, software and IT services, and transportation, together accounting for over two-thirds of all London+ projects.

It took an average of three years for a London+ company to invest elsewhere in the UK, with each company making an average of three further investments after its first London investment.

## **London+ Europe<sup>2</sup>**

Amongst London+ Europe projects, the top five destination countries were Germany, France, Spain, Italy and Russia.

The US was the top source country for London+ FDI in Europe, accounting for 43 per cent of all London+ Europe projects. Japan, Italy, France and Spain made up the rest of the top five source markets, between them accounting for 26.5 per cent of projects.

Companies in the software and IT services sector have created over 12,000 London+ Europe jobs from 451 projects, making it the largest sector. Textiles and financial services also feature highly.

<sup>1</sup> Defined as an overseas-based company that invested in London between 2003-2015, and subsequently followed this with one or more further investments in other locations around the UK.

<sup>2</sup> Defined as an overseas-based company that invested in London between 2003-2015, and subsequently followed this with one or more further investments in other European locations.



# ABOUT THIS RESEARCH

*Research focus: quantifying the benefit that foreign direct investment (FDI) in London contributes to the rest of the UK and Europe; understanding the profile of London+ projects (2003-2015).*

#### Research aims

- Identify the volume, sector and country of origin of London+ companies
- Find out which UK regions and European countries attract London+ firms
- Understand the economic impact London+ companies have on the UK
- Quantify the number of jobs created by London+ companies

This piece of research aims to understand the economic contribution made by foreign companies investing in London first and then expanding to other parts of the UK.

Since 2003, foreign investment has added an estimated 800,000 jobs to the UK economy, and 6.5 million jobs to Europe's economy. The UK is the top country for investment in Europe and third worldwide<sup>3</sup>.

London leads the way for FDI in the UK and Europe. Between 2003-2015 London secured 39 per cent of all UK projects and 26 per cent of all jobs in the UK. Top UK areas for investment also include Scotland and England's South East and North West.

Section Three of this report aims to quantify the net contribution made to the UK economy by the London+ UK phenomenon, and will help us identify the countries and sectors that bring the most benefit to the UK and its regional economies from these investments.

Section Four explores the benefit that FDI in London contributes to the rest of Europe, as well as considering where this investment comes from, where it is most likely to go to and which sectors have the most London+ Europe investments.

<sup>3</sup> London & Partners' analysis based on fDi Markets data. fDi Markets is a service from the Financial Times Ltd which monitors foreign direct investment projects. fDi Markets records the total announced capital investment & job creation a company plans to make in the project at the time of announcement. When such data is unavailable, fDi Markets' algorithms automatically estimate it.

# METHODOLOGY

Previous research studies have been carried out by London & Partners, the Department of International Trade, EY and fDi Markets to assess the trends of FDI in London, the UK and Europe. However, this data did not explore patterns in London+ investment.

In order to assess the proportion of London+ projects and jobs, and estimate their impact, we used a database of projects from fDi Markets as our primary source for the analysis<sup>4</sup>.

This widely used database contains detailed information on cross-border greenfield investments. It provides a comprehensive estimate of investment and jobs created by drawing on profile information for each company, including country of origin, the destination of investment, the amount of capital invested and the number of jobs created.

## **London+ UK**

London & Partners 'cleaned' the fDi Markets database by removing all projects that did not specify city or region information, and then filtered it by retaining projects defined as 'new' only – therefore excluding 'expansion' and 'co-location' projects<sup>5</sup>. This left a database of 7,706 projects recorded between 2003-2015.

We then undertook work on the data to exclude companies that had invested in London alone and gone no further, and to leave out companies that had made a follow-up investment in London but not in the rest of the UK.

## **London+ Europe**

This research was conducted as a second phase of analysis following the London+ UK analysis. All new FDI projects into Europe (Western and Eastern) between Jan 2003 – July 2015 were included, expansion or co-location projects were excluded. Companies must have had a first recorded project in London, with subsequent new investments recorded elsewhere in Europe (but excluding the home source market of the company, if they are European).

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<sup>4</sup> fDi Markets is a service from the Financial Times Ltd which monitors foreign direct investment projects. fDi Markets records the total announced capital investment and job creation a company plans to make in the project at the time of announcement. When such data is unavailable, fDi Markets' algorithms automatically estimate it. fDi Markets was considered more suitable for our analysis compared to the EY European Investment Monitor (EIM) which only tracks jobs where they are announced, and Bureau Van Dijk (BVD) database, which only provides data on companies' current employment.

<sup>5</sup> fDi Markets defines an 'expansion' as the expansion of a current facility to increase overall production capacity or services offered, while a 'co-location' is an addition of a new business function onto the same premises as another business function. Both expansion and co-location were considered outside the definition of London+, since they do not represent new follow-up investments in a different location from the original premises.



# LONDON+ UK

*Key findings: 12.1 per cent of FDI projects across the rest of the UK stem from London FDI; 10.8 per cent of the rest of the UK's FDI jobs originated from a London+ project.*

## Quantifying London+ UK

- One in every 13 overseas companies who first invested in London go on to subsequently invest somewhere else in the UK
- 38,712 jobs were created across the rest of the UK by these London+ companies
- London+ companies take on average three years to expand to another UK location

This part of our analysis looks at quantifying the proportion of London+ projects and their impact in terms of job creation.

Our analysis found that between 2003-2015, 12.1 per cent of FDI projects in the rest of the UK stemmed from an initial London FDI project. These projects led to the creation of 38,712 jobs, which means that 10.8 per cent of all FDI jobs across the rest of the UK were created by foreign companies investing first in London and then investing subsequently outside the capital.

6.1 per cent of foreign companies initially investing in London went on to subsequently invest in the rest of the UK. This is a far smaller percentage compared to findings from London & Partners' own primary research<sup>6</sup>, where 33 per cent of the FDI

companies we interviewed were considering investing in or expanding to another UK location following their initial London investment.

Our analysis also found that on average, London+ companies take three years to invest elsewhere in the UK and go on to make three further investments in the rest the UK after they have set up in London.

**Figure 1: Jobs created by FDI in the UK (excluding London), 2003-2015**



Source: London & Partners' analysis of 'rest of the UK' FDI projects and jobs.

<sup>6</sup> Research carried out by London & Partners in 2015-2016 with all successfully completed FDI clients (311 in total). 17 per cent of the businesses claimed that they were considering investing elsewhere in the UK within the following 12 months, and a further 26 per cent within the following three years.



# 12.1%

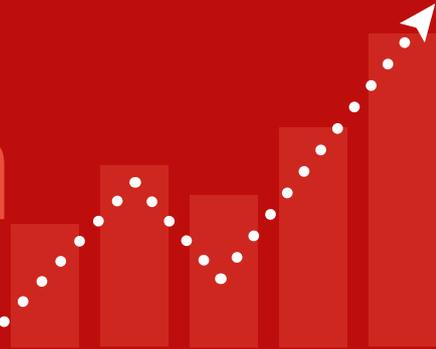
of FDI projects across the rest of the UK stemmed from London FDI

# 38,712

new jobs   
across the rest of the UK due to companies expanding

# £7.6 billion

GVA between 2003 and 2015



An average of **3 years** for a company to expand to the rest of the UK after coming to London; these companies create an average of **3 new projects**

## Top sectors for London+



HOTELS & TOURISM



TEXTILES



FINANCIAL SERVICES



SOFTWARE & IT SERVICES

## Top source countries for London+ projects





## Top 5 destination regions for London+ UK projects and jobs



## Countries of Origin

Key finding: the US is the top source country for London+, accounting for 40 per cent of London+ companies, and 35 per cent of all London+ projects created in the rest of the UK.

- **UAE, Germany, France, Spain and Japan are among top London+ investors**
- **US firms have created more than 13,000 jobs outside London**
- **Tech giant Apple created 25 projects across the UK (excluding London)**

Our analysis discovered that the United States was the biggest single London+ contributor to the economy outside London. Some 77 companies first landed in London between 2003-2015, before going on to create 174 projects and 13,601 jobs outside the capital.

The significance of FDI from the United States is further demonstrated as it accounts for 40 per cent of all companies (1,430) investing in London. From these 1,430 companies, 5 per cent of US companies make further investments in the UK<sup>7</sup>. Germany saw a larger percentage of companies investing outside of London with 11 per cent, while France saw a smaller percentage with 6 per cent.

**Table 1: Top 10 countries of origin for London+, and projects and jobs created in the rest of the UK, 2003-2015**

Country of Origin	Total number of London+ companies	Total number of London+ projects in the rest of the UK (excluding London)	Total jobs created in the rest of the UK (excluding London)
United States	77	174	13,601
Germany	12	55	3,855
France	11	40	3,855
Ireland	9	18	1,116
Japan	7	18	736
Switzerland	7	11	585
India	6	20	342
Spain	6	34	396
Australia	5	7	1,603
Italy	5	6	137
Other	30	121	12,486
<b>Total</b>	<b>175</b>	<b>504</b>	<b>38,712</b>

Source: fDi Markets, 2015.

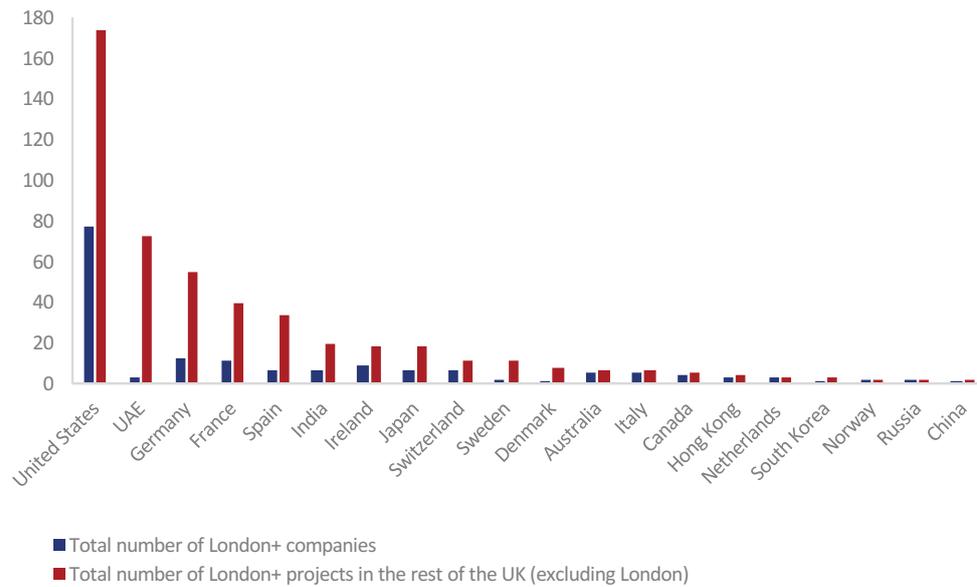
When analysing individual companies, we discovered a small number of leading brands were responsible for the lion's share of investment and jobs. For example Apple accounted for seven projects in London, leading to a further 25 projects across the rest of the UK. In total, Apple has created 1,704 jobs: 379 in London and 1,325 across the rest of the UK.

<sup>7</sup> The breakdown for total investment in London by source countries is similar for the London+ trends, where the US is the top investor, followed by France, Spain, Germany and Italy. Measured by all projects in London.

The London+ process saw Apple land in London in 2004, opening its first retail store in Europe on Regent Street in London's West End<sup>8</sup>. From 2004 to 2015 it expanded its retail offering across the UK alongside opening additional stores in London. In 2008, Apple consolidated its HQ in London, and in 2014 it set up a Research and Development centre in Cambridge<sup>9</sup>.

Figure 2 shows the top 20 countries of origin alongside the associated number of London+ projects.

**Figure 2: Top 20 countries of origin for number of London+ companies in London and London+ projects across the rest of the UK, 2003-2015**



Source: fDi Markets, 2015.

Beyond the US, companies from the United Arab Emirates, Germany, France, Spain and India are the leaders in investment across the rest of the UK.

<sup>8</sup> Apple Press Info, 2014. <https://www.apple.com/uk/pr/library/2004/11/18Apple-to-Open-First-Retail-Store-in-Europe-on-Londons-Regent-Street-Saturday-November-20.html>

<sup>9</sup> The Telegraph, 2014. <http://www.telegraph.co.uk/technology/apple/11221574/Apple-to-open-research-and-development-centre-in-Cambridge.html>

## Source Sectors And Functions

Key finding: the leading London+ sector is hotels and tourism, followed by textiles, financial services, software and IT services, and transportation.

- **London+ companies in hotels and tourism have created more than 4,000 jobs outside London**
- **United States dominates the London+ textiles sector**

Our analysis shows that the hotels and tourism sector dominates the London+ landscape. This chimes with the role played by the capital in driving the UK's tourism sector: 15 per cent of London visitors heading to the city take in another destination across the UK, making a contribution of £641m to the UK economy<sup>10</sup>.

**Table 2: Top 10 sectors for London+ in the rest of the UK, 2003-2015**

Sectors	Total London+ projects in the rest of the UK (excluding London)	Total jobs created in the rest of the UK (excluding London)
Hotels & tourism	90	4,008
Textiles	83	3,275
Financial services	79	3,614
Software & IT services	42	2,020
Transportation	39	2,942
Consumer products	34	3,362
Business machines & equipment	29	1,402
Business services	19	884
Communications	16	985
Automotive OEM	13	957

Source: fDi Markets, 2015.

The top source country for hotels and tourism was United Arab Emirates, Dubai Holding in particular has expanded rapidly in the UK with a total of 70 projects within this sector<sup>11</sup>. Luxury hotels from Ireland were the second source for London+ within this sector; following were hotel chains from the US.

The second most dominant sector is textiles; in the main comprising clothing retailers rather than manufacturers. Of the 83 textiles projects we identified, 82 relate to retail activities, and just one to logistics, distribution and transportation.

<sup>10</sup> Understanding the London+ Visitor, London & Partners, 2015. <http://files.londonandpartners.com/l-and-p/assets/our-insight-understanding-the-london-plus-visitor.pdf>

<sup>11</sup> Dubai Holding is a global investment holding company which manages an extensive portfolio of companies focused on business communities, hospitality, tourism, real estate and telecommunications.

We also sought to identify the top source countries for leading sectors. For example, we found the top source countries for textile brands landing in London and then expanding across the UK were the US, Germany, Spain, France and Italy with major players including Abercrombie & Fitch, Adidas and Punto FA.

For Financial Services, Spain was the top source country due to Santander's investment across the UK, India came second with banks such as ICICI Bank and State Bank of India (SBI). The US also contributed with a mix of banks and investments firms setting up across the country.

Table 3 represents the function of the projects across the UK. Following on from sectors, retailers are the top function for London+, with construction in second place for project numbers.

**Table 3. Top 10 functions for London+ in the rest of the UK (excluding London) by projects, 2003-2015**

Function	Total London+ projects in the rest of the UK (excluding London)
Retail	146
Construction	95
Business Services	81
Sales, Marketing & Support	55
Logistics, Distribution & Transportation	41
Design, Development & Testing	22
ICT & Internet Infrastructure	13
Manufacturing	12
Maintenance & Servicing	10
Headquarters	8

Source: fDI Markets, 2015.

Table 4 shows a different perspective, focusing on jobs created. Construction has led the way, accounting for 27 per cent of all London+ jobs in the rest of the UK. A further trend seen is in the creation of more 'back office' support function jobs, evidenced by over 11,000 jobs being created by logistics, business services, design, customer contact centres, sales, ICT and tech support projects.

**Table 4. Top 10 functions for London+ in the rest of the UK (excluding London) by jobs, 2003-2015**

Function	Total London+ jobs created in the rest of the UK (excluding London)
Construction	10,548
Retail	9,689
Manufacturing	4,558
Logistics, Distribution & Transportation	3,925
Business Services	3,242
Design, Development & Testing	1,603
Customer Contact Centre	1,221
Sales, Marketing & Support	1,108
ICT & Internet Infrastructure	669
Technical Support Centre	505

Source: fDI Markets, 2015.

## Destinations

Key finding: the top destinations for London+ companies are the South East, Scotland, North West, West Midlands and the South West.

- **Greatest number of London+ jobs created in Scotland at over 7,000**
- **Top cities for London+ are Manchester, Edinburgh, Birmingham, Leeds and Bristol**
- **South East England secures the highest number of London+ projects**



Although ranking in second place by number of projects, Scotland saw the highest number of jobs created, with over 7,000 generated between 2003-2015 thanks to London+ projects. Further analysis of the data pinpointed two dominant sectors contributing to this with real estate firms accounting for 1,708 jobs, and the engines and turbines industry for 1,462.

**Table 5: Top regions in the UK for London+ by projects and jobs created, 2003-2015**

Region	Total London+ projects in the rest of the UK (excluding London)	Total London+ jobs created in the rest of the UK (excluding London)
South East	104	5,354
Scotland	77	7,235
North West	75	4,751
West Midlands	55	3,617
South West	43	2,101
Yorkshire and Humberside	35	3,944
East of England	27	2,948
East Midlands	26	4,573
Wales	22	1,205
Northern Ireland	17	1,394
North East (UK)	16	1,316
Other	7	274
Total	504	38,712

Source: fDi Markets, 2015.

Table 6 displays the top destination cities for London+ projects, with Manchester leading the way, followed by Edinburgh and Birmingham – between them accounting for 30% of all London+ UK projects.

**Table 6: Top cities in the UK for London+ by projects created, 2003-2015**

Region	Total London+ projects in the rest of the UK (excluding London)
Manchester	40
Edinburgh	35
Birmingham	21
Leeds	18
Bristol	17
Liverpool	14
Belfast	14
Glasgow	14
Aberdeen	12
Cambridge	8
Leicester	8
Other	303

Source: fDi Markets, 2015.

Interestingly, there is a divergence between 'projects' and 'job creation' across cities. For example, Derby had the highest number of jobs created at 3,390 and Bradford secured 1,812. The retail giant Westfield is responsible for the majority of these jobs. Despite these high figures, neither city makes the top ten for project numbers.

**Table 7: Top cities in the UK for London+ by jobs created, 2003-2015**

Region	Total London+ jobs in the rest of the UK (excluding London)
Derby	3,390
Edinburgh	1,999
Liverpool	1,877
Manchester	1,853
Aberdeen	1,820
Bradford	1,812
Leeds	1,101
Bristol	1,026
Belfast	951
Glasgow	919
Other	21,964

Source: fDi Markets, 2015.



## Economic Impact

Key finding: overall gross value added (GVA) generated by London + companies between 2003 and 2015 totalled £7.6 billion.

- **Scotland benefits the most with a £1.5bn contribution**
- **The South East has the highest GVA per jobs contribution (all sectors average)**
- **2009 was the most successful year in terms of contribution (£1.2bn)**

In order to estimate the gross value added (GVA) impact of London+ companies on the rest of the UK, the number of 'jobs created' was converted into GVA using regional 'GVA per workforce job' figures<sup>12</sup>.

Table 8 displays the GVA per job for the UK's countries and main regions, using an all-sector average definition.

**Table 8: All-sector average GVA per workforce job**

Region	GVA per job, all-sector average
London	£58,374
South East	£44,587
Scotland	£41,625
East	£39,941
North West	£38,008
East Midlands	£37,646
Northern Ireland	£37,439
West Midlands	£36,955
North East	£36,856
South West	£36,513
Yorkshire and Humber	£36,306
Wales	£33,657
United Kingdom	£42,780

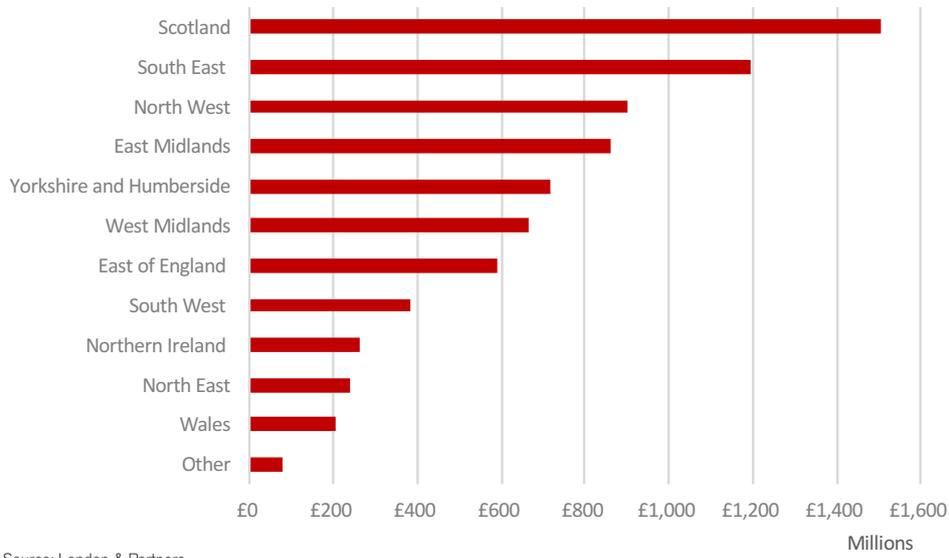
The regional GVA per job figures were then multiplied by the number of jobs created in each UK region by London+ companies, under the assumption that each job would deliver a five-year benefit and at the net of any multiplier effect<sup>13</sup>.

Figure 3 shows the overall economic impact of London+ jobs on UK countries and regions, while Figure 4 shows the cumulative contribution by year

<sup>12</sup> The calculation of GVA per workforce job for nations and regions is based on the methodology first set out in GLA Economics' Working Paper 63 GVA per Workforce Job in London and the UK: [www.london.gov.uk/working-paper-63-gva-workforce-job-london-and-uk](http://www.london.gov.uk/working-paper-63-gva-workforce-job-london-and-uk)

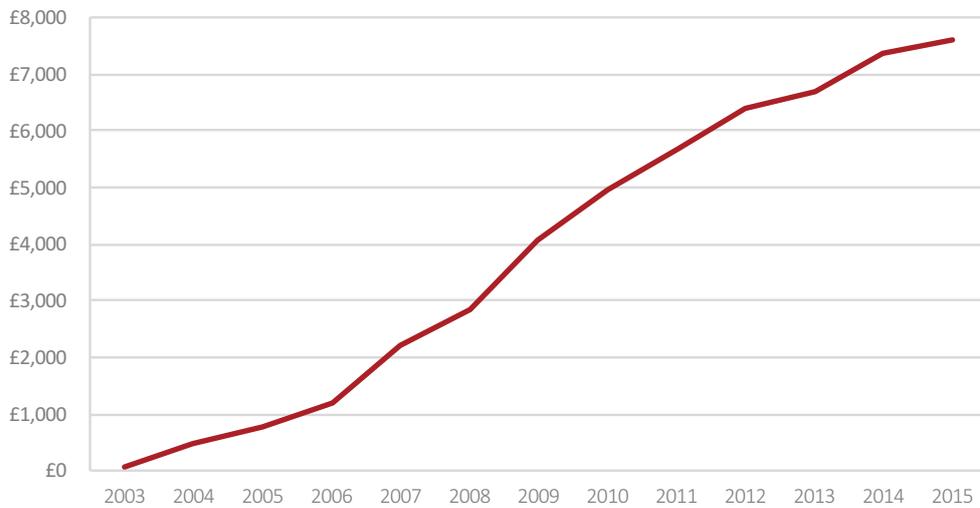
<sup>13</sup> This is in line with the assumptions on persistence of benefits adopted by PwC in its study on the impact of RDA spending for the Department for Business, Enterprise and Regulatory Reform (2009).

**Figure 3: London+ GVA impact on UK regions (£m), 2003-2015**



Source: London & Partners

**Figure 4: London+cumulative GVA impact per year (£m), 2003-2015**



Source: London & Partners

# LONDON+ EUROPE

*Key findings: 4.2 per cent of FDI projects across the rest of Europe stem from London FDI; 2.5 per cent of FDI jobs created in the rest of Europe's originate from a London+ project.*

## Quantifying London+ Europe

- **Between January 2003 – July 2015, a total of 2,060 London+ Europe FDI projects were recorded**
- **These projects generated an estimated 163,850 jobs across Europe**

This part of our analysis looks at quantifying the proportion the London+ Europe projects and their impact in terms of job creation. Over the period, fDi Markets recorded a total of 49,469 FDI projects into these European countries, generating an estimated 6.55m jobs, meaning that the 2,060 London+ Europe projects account for 1 in 24 of all FDI projects into Europe and 1 in 40 jobs. This is more than all qualifying projects over the period originating from the likes of Switzerland (1,981), The Netherlands (1,859), and Sweden (1,838).



# 4.2%

of FDI projects across the rest of Europe stem from London FDI

## Top source countries for London+ Europe projects

- 📍 US
- 📍 Japan
- 📍 Italy
- 📍 France
- 📍 Spain
- 📍 Germany

# 163,850 new jobs

across the rest of Europe due to companies expanding

## Top destinations for London+ Europe projects

- 📍 Germany
- 📍 France
- 📍 Spain
- 📍 Italy
- 📍 Russia
- 📍 Netherlands

## Top sectors for London+ Europe



SOFTWARE &  
IT SERVICES



TEXTILES



FINANCIAL  
SERVICES

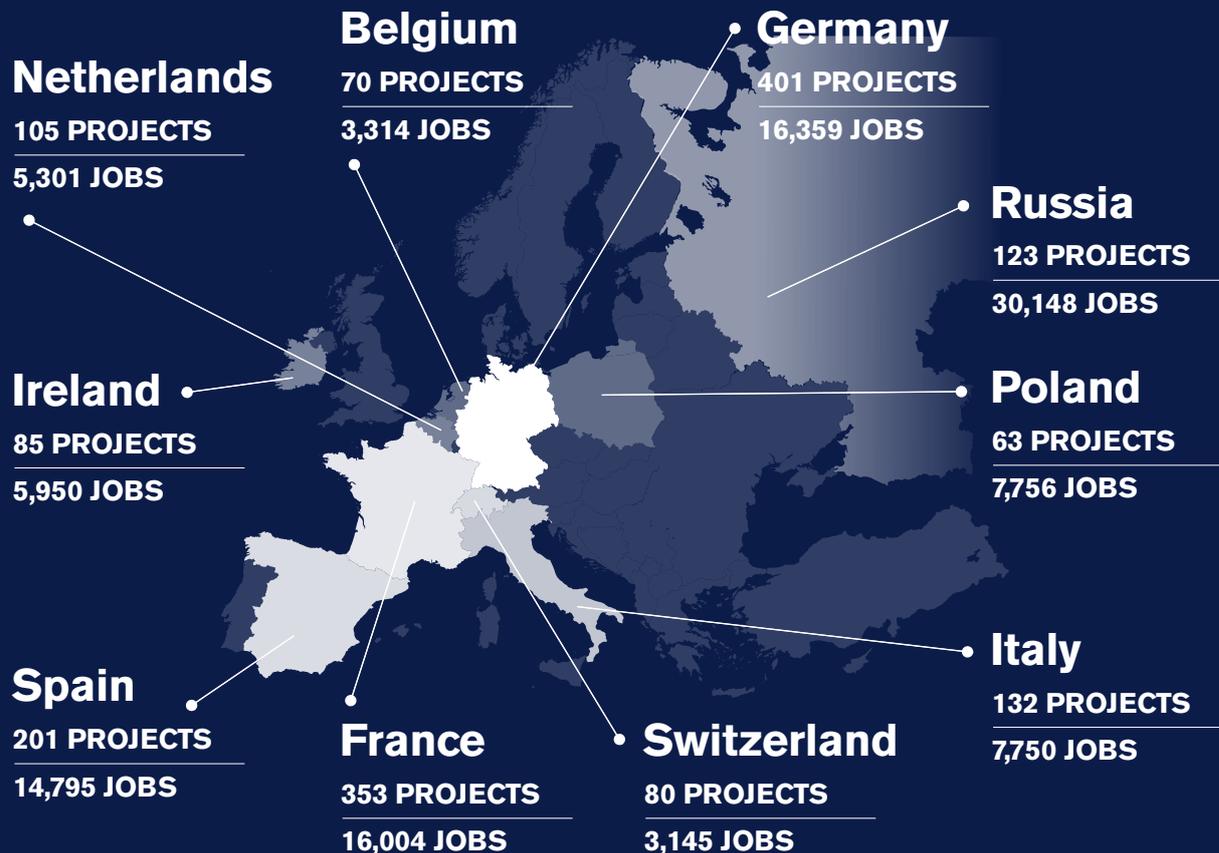


BUSINESS  
SERVICES



CONSUMER  
PRODUCTS

## Top 10 destination regions for London+ Europe projects and jobs



## Countries of Origin

Key finding: the US is the top source country for London+ in Europe, accounting for 888, or 43 per cent, of all London+ Europe projects recorded, and 32% of all London+ Europe jobs created.

- **Japan, Italy, France, Spain and Germany are among top London+ investors**
- **US firms are the leading job creators, with more than 52,000 jobs created in Europe from London+ projects**

Further analysis indicates that Japanese companies are the most likely to be London+ investors, with London+ projects accounting for 9.4 per cent of all Japanese FDI projects to these Europe countries over the period.

The US and Italy are also likely to be London+ investors with London+ projects comprising 8.2 per cent of US investment, and 7.1 per cent of Italian investment into Europe. Countries that are less likely to be a source market for London+ projects include Germany (1.2%), France (3.8%), Spain (4%) and Switzerland (4%) respectively.

**Table 9: Top source countries for London+ by projects and jobs created, 2003-2015**

Country	Total London+ projects in the rest of Europe (excluding UK)	Percentage of total London+ projects	Total London+ jobs created in the rest of Europe (excluding UK)	Percentage of total London+ jobs
United States	888	43.1%	52,474	32%
Japan	162	7.9%	16,934	10.3%
Italy	150	7.3%	12,548	7.7%
France	142	6.9%	10,379	6.3%
Spain	91	4.4%	6,735	4.1%
Germany	80	3.9%	3,157	1.9%
Switzerland	80	3.9%	5,807	3.5%
China	59	2.9%	2,735	1.7%
Canada	36	1.7%	3,570	2.2%
India	32	1.6%	1,311	0.8%
Other	340	16.5%	48,200	29.4%
Total	2,060	100%	163,850	100%

Source: fDi Markets, 2017. The table is arranged in descending order by the number of London+ projects, with the country's corresponding job numbers alongside.

## Source Sectors

Key finding: the leading London+ Europe sector is software and IT services, followed by textiles (primarily retail operations), financial services, business services and consumer products.

- **London+ Europe companies in software and IT services have created over 12,000 jobs from 451 projects**
- **London+ Europe companies working in the textiles sector have created more than double the job numbers of software and IT services (27,569), from fewer projects (418)**

Further analysis shows that some sectors have created a large number of London+ Europe jobs from a relatively small number of projects. For example, consumer products have accounted for the creation of 20 per cent of London+ Europe jobs from just 5.1 per cent of London+ Europe projects. Similarly, the business machines and equipment sector created 8.2 per cent of London+ Europe jobs from 4.3 per cent of London+ Europe projects.

By contrast, the software and IT services sector only accounted for 7.7 per cent of London+ Europe jobs, despite representing 21.9 per cent of London+ Europe projects.

**Table 10: Top sectors for London+Europe by projects and jobs created, 2003-2015**

Sector	Total London+ projects in the rest of Europe (excluding UK)	Percentage of total London+ projects	Total London+ jobs created in the rest of Europe (excluding UK)	Percentage of total London+ jobs
Software & IT services	451	21.9%	12,679	7.7%
Textiles	418	20.3%	27,569	16.8%
Financial Services	363	17.6%	16,452	10%
Business Services	161	7.8%	4,253	2.6%
Consumer Products	104	5.1%	32,690	20%
Transportation	91	4.4%	7,810	4.8%
Business Machines & Equipment	88	4.3%	5,214	8.2%
Communications	76	3.7%	3,878	2.4%
Hotels & Tourism	72	3.5%	7,618	4.7%
Automotive OEM	34	1.7%	4,281	2.6%
Other	202	9.8%	41,406	25.3%
<b>Total</b>	<b>2,060</b>	<b>100%</b>	<b>163,850</b>	<b>100%</b>

Source: fDi Markets, 2017. The table is arranged in descending order by the number of London+ projects, with the sector's corresponding job numbers alongside.

## Destinations

Key finding: the top destination countries for London+ Europe projects are Germany, France, Spain, Italy and Russia. The leading destination cities are Paris, Madrid, Frankfurt am Main, Moscow and Munich.

- **Germany is the top destination for London+ Europe projects, accounting for 19.5 per cent of these projects and 10 per cent of London+ Europe jobs (16,359)**
- **France is the second highest destination country for London+ projects (17.1%), but Paris is the top destination city for London+ projects (10.9%)**

### Destination Countries

The top five destination countries account for over half of London+ Europe projects, led by Germany (19.5%), France (17.1%), Spain (9.8%), Italy (6.4%) and Russia (6%). Germany and France are also the second and third largest markets in terms of jobs created, behind only Russia – which, although receiving only 6 per cent of the London+ Europe projects, accounts for 18.4 per cent of London+ Europe jobs created.

**Table 11: Top countries in Europe for London+ by projects and jobs created, 2003-2015**

Country	Total London+ projects in the rest of Europe (excluding UK)	Percentage of total London+ projects	Total London+ jobs created in the rest of Europe (excluding UK)	Percentage of total London+ jobs
Germany	401	19.5%	16,359	10%
France	353	17.1%	16,004	9.8%
Spain	201	9.8%	14,795	9%
Italy	132	6.4%	7,750	4.7%
Russia	123	6%	30,148	18.4%
Netherlands	105	5.1%	5,301	3.2%
Ireland	85	4.1%	5,950	3.6%
Switzerland	80	3.9%	3,145	1.9%
Belgium	70	3.4%	3,314	2%
Poland	63	3.1%	7,756	4.7%
Other	447	21.7%	53,328	32.5%
<b>Total</b>	<b>2,060</b>	<b>100%</b>	<b>163,850</b>	<b>100%</b>

Source: fDi Markets, 2017. The table is arranged in descending order by the number of London+ projects, with the country's corresponding job numbers alongside.

### Destination Cities

The top five cities for London+ Europe projects are Paris (10.9%), Madrid (3.8%), Frankfurt am Main (3.4%), Moscow (3.4%) and Munich (3.4%).

Within Germany, the London+ Europe investments are spread across the country, with 3.4 per cent in Frankfurt am Main, 3.4 per cent in Munich and 3.1 per cent in Berlin.

By contrast, more than half of London+ Europe projects which land in France concentrate in Paris, with Lyon being the only other French city that features in the ranking of the top 30 destination cities for London+ Europe.

Within Russia, most of the investment concentrates in Moscow, which receives 3.4 per cent of London+ projects and 9.7 per cent of London+ jobs. This is by far the largest proportion of London+ Europe jobs among the destination cities.

**Table 12: Top cities in Europe for London+ by projects and jobs created, 2003-2015**

Country	Total London+ projects in the rest of Europe (excluding UK)	Percentage of total London+ projects	Total London+ jobs created in the rest of Europe (excluding UK)	Percentage of total London+ jobs
Paris	224	10.9%	9,425	5.8%
Madrid	78	3.8%	4,637	2.8%
Frankfurt am Main	71	3.4%	2,733	1.7%
Moscow	70	3.4%	15,877	9.7%
Munich	70	3.4%	1,575	1%
Berlin	63	3.1%	2,911	1.8%
Amsterdam	62	3%	2,558	1.6%
Milan	61	3%	3,011	1.8%
Dublin	59	2.9%	3,738	2.3%
Barcelona	47	2.3%	3,171	1.9%
Other	467	22.7%	114,214	69.7%
Total	2,060	100%	163,850	100%

Source: fDi Markets, 2017. The table is arranged in descending order by the number of London+ projects, with the city's corresponding job numbers alongside.



# CONCLUSION

For the first time, we have quantified the contribution made to the UK and European economies by London+ FDI. We now know that between 2003-2015:

- **12.1 per cent of FDI projects in the rest of the UK stemmed from London FDI, creating 38,712 new jobs**
- **Overall gross value added (GVA) generated by London+ UK companies between 2003-2015 totalled £7.6 billion**
- **4.2 per cent of FDI projects across Europe stem from London FDI, creating 163,850 jobs**
- **This research has also generated some interesting insights into London+ UK countries of origin and source sectors: the leading industry is hotels and tourism and the dominant contributing nation the United States**

We also now know that London+ companies generate significant benefits across the UK to differing degrees, with Scotland and the South East being the biggest winners. Similarly, we have been able to investigate the impact of London's FDI on Europe. 4.2 per cent of FDI projects across the rest of Europe stem from London FDI, with the majority coming from the US, Japan, Italy and France.

Within Europe, Germany is the largely beneficiary of London+ Europe projects, attracting 19.5 per cent. France isn't far behind Germany, but Paris ranks as the top destination city for London+ Europe projects.

However, London & Partners is very much at the beginning of its investigations. We need to find out much more about the appeal of 'beyond London' for overseas businesses, and explore any perceived barriers to using London as a gateway for the rest of the UK or Europe.

The analysis results confirm the importance of FDI for the economies of London, UK and Europe, particularly when investment in London is followed by multiple investments elsewhere.

## Contact

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