

LONDON & PARTNERS

FDI BAROMETER

NOVEMBER 2010

As the official promotion agency for London and the voice of foreign direct investment (FDI) in London, London & Partners (formerly Think London) have commissioned a long-term study that tracks the satisfaction, confidence and loyalty of overseas-owned companies towards London as a business location.

The survey is conducted on behalf of London & Partners by Ipsos MORI three times a year, tracking movements in business confidence and changes of opinion amongst the capital's more than 20,000 overseas-owned companies.

The survey respondents are C-level decision makers responsible for selecting and maintaining a company's location. Interviews were conducted over the phone. The results of the interviews are treated on an anonymous basis and the data are weighed by sector and country of origin to match the profile of foreign-owned businesses in London.

Every effort has been made to ensure that the survey fully represents the diversity of London's FDI in terms of sector, size and country of origin. More than 300 companies have participated in the third survey, representing an employment base in excess of 100,000 staff across the capital.

SUMMARY OF KEY FINDINGS:

- **95%** of overseas-owned companies are **satisfied with London** as a location for their business, an increase of 5 percentage points from the first survey undertaken in January 2010. Within this group of satisfied businesses, more respondents are 'very satisfied' with London as a location for their business, rather than just 'satisfied'. Their number has shifted by 15 percentage points (47 to 62%).



- Business confidence for the next 12 months is at the same level, though respondents now expect bigger increases in revenue and staff numbers than during the previous survey in June '10. **62%** of firms said they were more **confident of the prospects for their business** in London over the next 12 months, when compared to the previous 12 months. This results remained stable over the past five months.

“Two sophisticated markets in Europe for my business - London and Switzerland and I need to be in one of them . London was chosen because of culture, quality of workforce.”

SME Branding

- Even more executives focus on the **proximity to markets and customers** as the principal reason for their London presence (75%, compared to 73% in June '10).
- The majority of overseas businesses with a London presence have not changed their views of London as a business location following the announcement of the gradual reduction in **corporation tax**. 60% of 300 senior executives interviewed said that the corporate taxation policies of the new coalition government had not changed their views of London as a business location. 22% had adopted a slightly more or much more negative view, while 13% had taken a slightly more or much more positive view of doing business in London, as a result of new corporate taxation rules.
- **Four in five (82%)** executives agreed that London provides a particularly good environment for strongly **innovative companies**. Companies from EMEA are particularly supportive of this view, with 46% strongly agreeing, as opposed to 33% of strong supporters on average. Business culture, the supply of talent, R&D and the regulatory environment are considered as London assets that are particularly helpful for innovative companies.
- **88%** of the 300 executives interviewed are **not currently re-considering London as a business location**. Over **three quarters** have **never reconsidered London** as a location for their business.

Survey conducted between 11th October and 15th November 2010

LONDON & PARTNERS

London & Partners is the official promotional agency for London attracting and delivering value to businesses, students and visitors. London & Partners is a not-for-profit public private partnership, funded by the Mayor of London and our network of commercial partners. londonandpartners.com