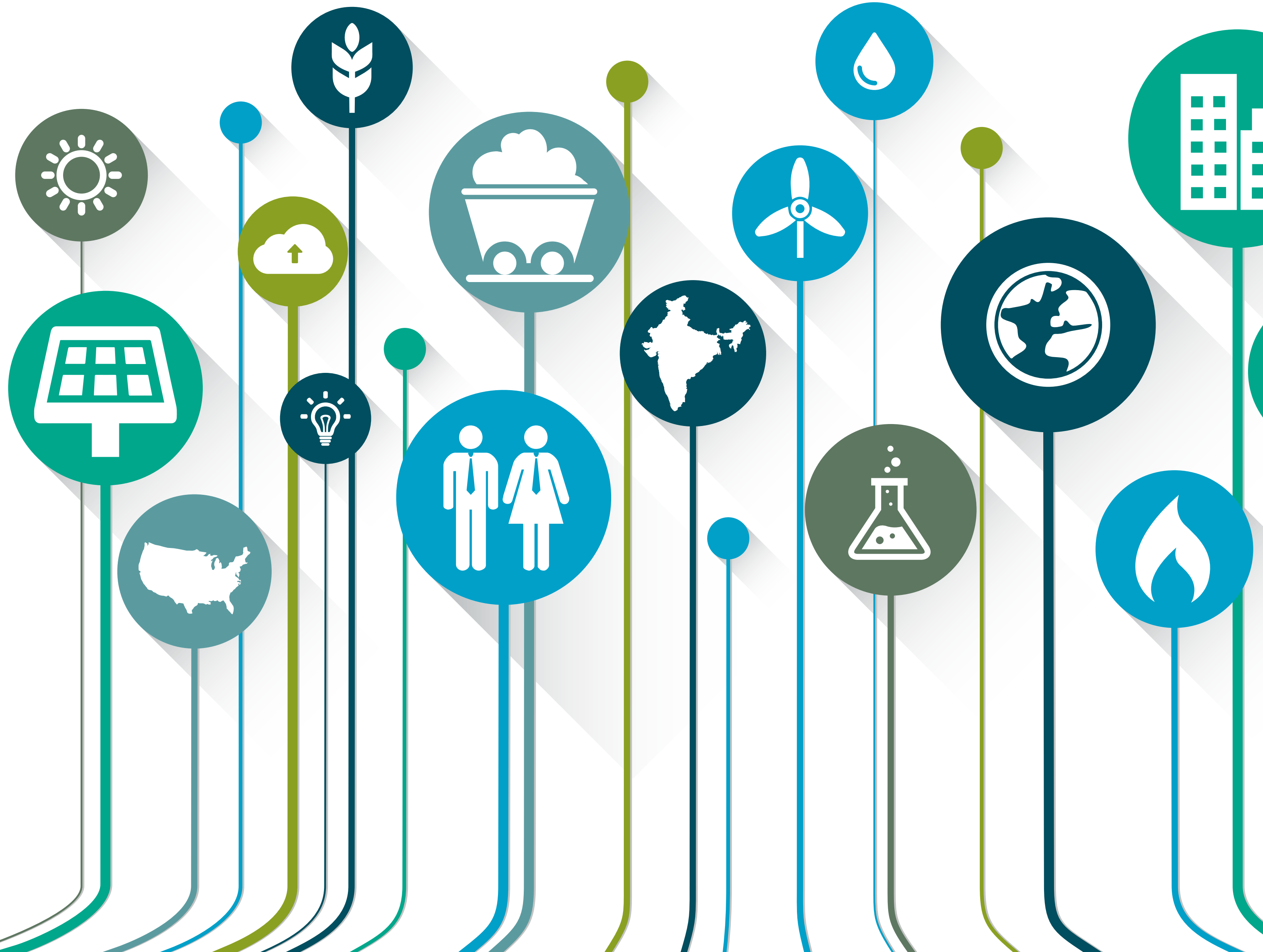
THE fDi REPORT 2016
Global greenfield investment trends



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Executive summary

Against a background of global geopolitical and economic uncertainty, greenfield FDI is continuing its tentative recovery phase. According to the findings of this report, capital investment increased by nearly 9% in 2015, while the number of jobs created via FDI grew by 1% to 1.89 million. However, the number of projects declined 7%.

The **fDi** Report 2016 is our annual report recapping the global greenfield investment trends of the previous year, based on figures from our data service **fDi** Markets. We focus on greenfield investment as it is the sharp edge of foreign investment: it has the most tangible impact on economic development and is the most solid indicator of a country's competitiveness. Greenfield investment is less volatile than mergers and acquisitions and other types of foreign investment: hence, M&A flows, which reached a post-crisis peak in 2015, caused headline FDI flows to swell by more than a third in contrast with the more tepid growth of strictly greenfield flows. Dr Henry Loewendahl explains the differences in how FDI figures are calculated and how they can best be interpreted on page 3.

There is much to wade through when assessing 2015's FDI data, but a few highlights stand out.

> The big FDI story of the past year is India. After a long period of trailing behind China, the south Asian country is now racing past its formidable rival

The big FDI story of the past year is India. After a long period of trailing behind China, the south Asian country is now racing past its formidable rival. India was the highest ranked country by capital investment in 2015, with $63bn-worth of FDI projects announced. Meanwhile, China saw a 23% decline in capital investment and a 16% drop in FDI projects. We analyse India's rise on page 6.

Asia-Pacific remained the leading destination region for FDI in 2015, attracting 45% of all capital investment globally in 2015 (see page 4). Although the number of FDI projects into the region decreased by 7%, the total capital investment increased by 29%.

While coal, oil and natural gas has reclaimed its top spot as the largest generator of capital investment globally, with $113.5bn of announced FDI recorded in 2015, the once-hot renewable energy sector is on the rise again, with project numbers increasing by 50% and capital investment reaching $76bn. This accounts for more than 10% of all capital investment globally last year. We detail what is driving expansion in this sector in a special section beginning on page 18.

For more on all the other top FDI trends of 2015, and a breakdown of regional and country-level performance as well as sector analysis, read on. You can also download a copy of this report, The **fDi** Report 2016, at www.fDiIntelligence.com/fDiReport.

Courtney Fingar is editor-in-chief of **fDi** Magazine *and head of content for* ***fDi*** *Intelligence, the Financial Times' specialist unit dedicated to foreign direct investment*

Global overview

In 2015, greenfield FDI continued to show signs of recovery, with capital investment increasing by nearly 9% to $713bn, alongside an increase in job creation by 1% to 1.89 million. However, the number of FDI projects declined 7% to 11,930. India was the highest ranked country by capital investment in 2015, with $63bn-worth of FDI projects announced. Major companies such as Foxconn and SunEdison have agreed to invest in projects valued at $5bn and $4bn, respectively, in India. The US was the highest ranked destination by FDI projects, recording 1517 FDI projects in 2015.

Asia-Pacific remained the leading destination for FDI in 2015, with 3883 announced FDI projects bringing in an estimated capital investment of $320.5bn. The region attracted 45% of all capital investment globally in 2015. Western Europe was the leading source region for FDI in 2015. Despite a decline of 9% in project numbers to 5047, the region announced capital investments of $234.4bn. In total, 42% of FDI projects were sourced from western Europe.

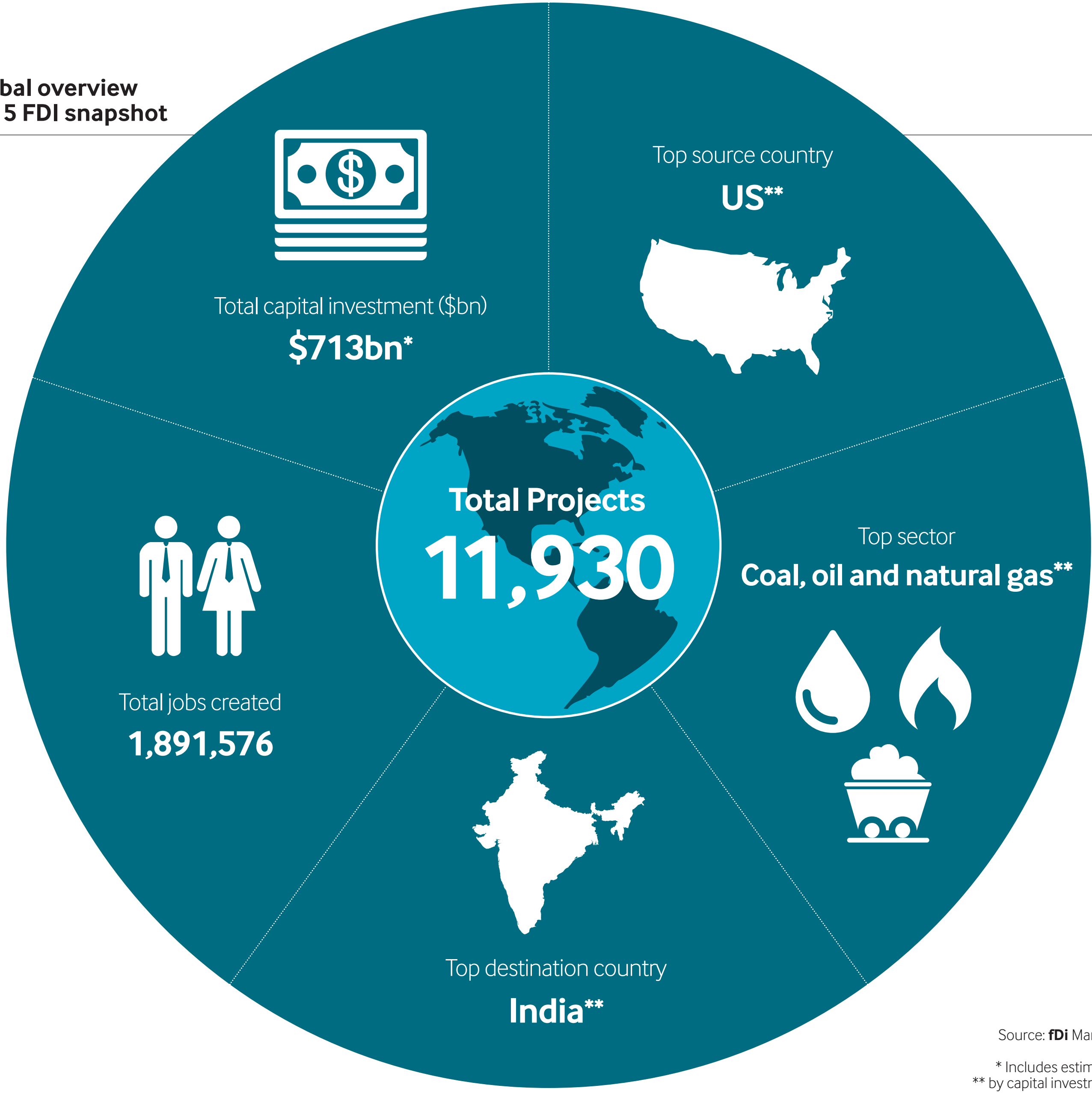
Key trends in 2015 include:

• The number of FDI projects into Africa in 2015 increased by 6%

• Inward investment into the region consisting of Russia, the Commonwealth of Independent States, and central, eastern and south-eastern Europe was the only region to witness an increase in FDI across project numbers (6%), capital investment (12%) and job creation (13%)

• India replaced China as the top destination for FDI by capital investment following a year of high-value project announcements, specifically across the coal, oil and natural gas and renewable energy sectors

Global overview
2015 FDI snapshot



Source: fDi Markets

* Includes estimates
** by capital investment

A tale of two numbers – how to interpret the FDI statistics for 2015

by Henry Loewendahl

Unctad, in its January 2016 Investment Monitor, estimates that global FDI flows increased by 36% in 2015 to $1700bn. This compares with The fDi Report 2016, which estimates that greenfield capital investment by foreign investors was $700bn in 2015, an 8.6% increase over the previous year.

So by how much did the FDI market actually recover in 2015? The answer is in the different ways of measuring FDI. Unctad FDI flows data records all types of FDI, based in most countries on the official OECD definition of FDI, while the fDi Markets data published in this report is based on the announcement of greenfield FDI projects only.

The year-on-year changes in greenfield FDI, published yearly in The fDi Report, has closely tracked that of the official FDI flows data published by Unctad. This changed in 2015 due to record levels of M&A, leading to the highest crossborder M&A flows since 2007. As a result, official FDI flows grew substantially in 2015 by more than one-third. Developed economies, and the US in particular, attracted most of the growth in FDI flows in 2015 largely due to inbound M&As. FDI flows to the US in 2015 reached $384bn – nearly three times more than FDI flows to China.

While FDI flows emanating from M&As can provide a valuable source of foreign exchange and long-term capital to finance the balance of payments, the economic impact of M&As on the host economy is generally regarded as neutral in terms of the impact on job creation and capital investment; the impact is very much deal specific and depends on what the plans of the foreign investor are for the acquired company – to re-invest and expand or to rationalise or even close down – and if the M&A deal is a successful organisational merger.

The economic impact of greenfield FDI is generally regarded as positive – it is new net capital investment and job creation for the host economy. As published in this report, nearly 2 million jobs were directly created by foreign investors in their new or expanded operations in 2015 based on estimates from fDi Markets. Increased domestic capital investment and job creation through the supply chain and the wealth effect further increases the direct and indirect impact of greenfield FDI.

Greenfield FDI data is critical for economic development, as discussed in an article I wrote titled "A new foreign direct investment accounting methodology for economic development organizations" published by the Columbia Centre on Sustainable Development in January 2016. The data published in this report is a strong barometer of FDI trends that will have a direct impact on employment and GDP.

Forecasts

With world GDP growth in 2016 being revised downwards and given the continued unrest in the Middle East, the Chinese economic slowdown and the growing impact of Zika on Latin America, we are forecasting greenfield FDI to decline by at least 5% in 2016. Unctad is also forecasting a decline in FDI in 2016, if crossborder M&A does not stay at its 2015 peak levels. Looking at the 2017-20 period, we expect greenfield FDI to slowly recover with annual growth of 3% to 5% per annum over this period.

The growth in greenfield FDI by 8.6% in 2015 was therefore very positive for economic development, although nearly all the growth in capital investment and related job creation was in Asia-Pacific, where greenfield FDI increased by more than $70bn.

The biggest change in greenfield FDI in 2015 was the near tripling of greenfield FDI into India, with an estimated $63bn. In 2015, India was for the first time the leading country in the world for FDI, overtaking the US (which had $59.6bn of greenfield FDI) and China ($56.6bn).

The rapid growth of greenfield FDI in India shows that while economic development organisations try to attract FDI for the contribution greenfield FDI can make to employment and GDP, FDI is strongly attracted to high-growth economies. Success breeds success and to attract high volumes of FDI, locations need to create the conditions for strong economic growth and development to take place.

Dr Henry Loewendahl is the founder and CEO of FDI consultancy Wavteq Ltd and a senior vice-president of fDi Intelligence. He has nearly 20 years of industry and academic experience and has worked with more than 100 governments and corporations.

Asia-Pacific

Key trends in 2015 include:

• While the number of FDI projects into Asia-Pacific decreased by 7%, the total capital investment increased by 29% to $320.5bn

• India replaced China as leading recipient of capital investment in Asia-Pacific with announced FDI of $63bn, as well as an 8% increase in project numbers to 697

• China suffered a 23% decline in capital investment and a 16% drop in FDI projects

• FDI into Indonesia by capital investment increased by 130% to $38.5bn as a result of multiple metals, chemicals and coal, oil and natural gas projects

• Pakistan increased its capital investment figure by 147% to $18.9bn backed by energy-related major investments, including Rostec's plans to invest in a $2.5bn gas pipeline

• The top three countries for capital investment, namely India, China and Indonesia, accounted for almost half (49%) of FDI in the region

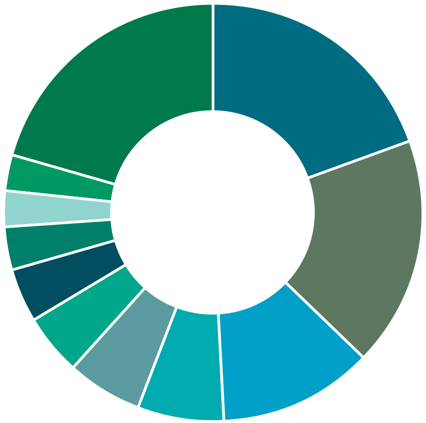
• The total number of FDI projects out of Asia-Pacific decreased by 1% to 2802, which was offset by a 13% increase in capital investment

• Outward capital investment from China decreased by 10%, while project numbers increased by 7% to 486

Graph 1

FDI INTO ASIA-PACIFIC IN 2015

Capital investment



% Asia-Pacific market share		Capital investment ($bn)
20%	India	63.0
18%	China	56.6
12%	Indonesia	38.5
7%	Vietnam	21.1
6%	Pakistan	18.9
5%	Australia	15.2
4%	Malaysia	13.4
3%	Myanmar	10.8
3%	South Korea	8.9
3%	Philippines	8.5
20%	Other	65.6

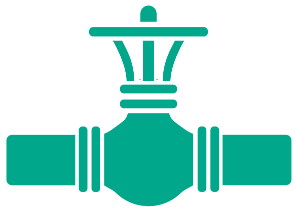
Source: **fDi** Markets
Note: Includes estimates; percentages rounded up/down

Table 1

FDI INTO ASIA-PACIFIC BY PROJECT NUMBERS IN 2015

Country	Projects 2015	% change
China	789	-16%
India	697	8%
Singapore	355	-13%
Australia	288	-19%
Vietnam	224	-8%
Philippines	168	16%
Indonesia	166	6%
Malaysia	159	-15%
Thailand	159	7%
Japan	153	-22%
Other	725	-4%
Total	3883	-7%

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



$18.9bn

Pakistan increased its capital investment figure by 147% to $18.9bn backed by energy-related major investments, including Rostec's plans to invest in a $2.5bn gas pipeline

Table 2

FDI OUT OF ASIA-PACIFIC BY CAPITAL INVESTMENT ($BN) IN 2015

Country	Capital investment 2015 ($bn)
China	59.0
Japan	53.5
Singapore	26.3
South Korea	25.7
Taiwan	18.5
Hong Kong	17.5
India	14.7
Thailand	13.9
Australia	8.9
Malaysia	7.9
Other	9.9
Total	255.7

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

Table 3

FDI OUT OF ASIA-PACIFIC BY PROJECT NUMBERS IN 2015

Country	Projects 2015
Japan	853
China	486
India	302
Australia	208
Singapore	197
South Korea	194
Hong Kong	156
Taiwan	146
Thailand	76
Malaysia	68
Other	116
Total	2802

Source: **fDi** Markets

> India replaced China as leading recipient of capital investment in Asia-Pacific with announced FDI of $63bn

KEY TRENDS IN 2015

$10.8bn

FDI by capital investment in Myanmar increased to $10.8bn with three major investments each valued at $1.6bn or above

Capital investment in China declined 23%, to $56.6bn

23%

28%

Malaysia-based companies invested in 68 projects globally, representing an increase of 28% in project numbers

Recent major projects

- **UK-based Lightsource Renewable Energy** plans to design, install and manage three gigawatts of solar photovoltaic infrastructure in India. The company will invest $3.04bn over five years and will work in partnership with several India-based companies.
- **Sokolov-Sarbai Mining Production Association, part of Luxembourg-based Eurasian Resources Group**, plans to build a new hot briquetted iron plant in Kazakhstan. The company will partner with MCC Baosteel in the $1.2bn project, which is expected to create 550 jobs.
- **Huchems Fine Chemical, a subsidiary of South Korea-based Taekwang Industrial**, has launched the construction of a $1bn complex in Tanjung Kidurong, Malaysia. The facility is scheduled to open in 2019 and will create 400 jobs.
- **S-Oil, a subsidiary of Saudi Arabia-based Saudi Aramco**, plans to establish a new petrochemical complex in Ulsan, South Korea. The $4.1bn project will develop new residue enhancement and olefin production facilities in the Onsan Industrial Complex.

In focus: India overtakes China

In 2015, India replaced China as the leading destination for FDI projects in the Asia-Pacific region with $63bn of announced inward capital investment across the year, accounting for 53% of FDI into China and India collectively.

India, unlike China, has experienced growth in both project numbers and capital investment for the past two years. China managed nominal growth (2%) in 2013 but between 2011 and 2015 this was the only year it was achieved. In 2015, a 23% decline in capital investment has mirrored the 16% decline in projects destined for the country. India, on the other hand, had a turbulent five years but achieved growth in both 2014 and 2015 for capital investment and project numbers, bolstering its position and allowing it to overtake China.

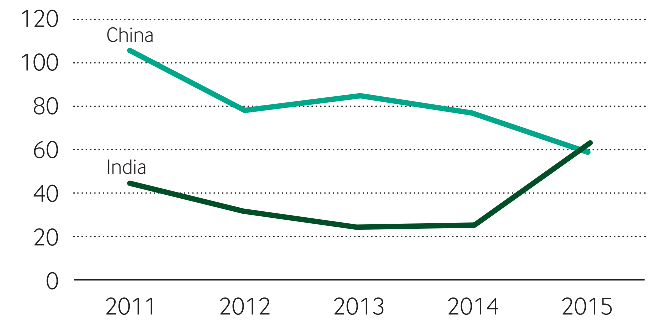
Of the top 10 destination states for FDI in 2015, India claims five places, with the top place going to Gujarat, which attracted $12.4bn and claimed 10% of all capital investment into both countries. In 2011, Gujarat was ranked the 14th most popular state for FDI within the two countries.

Maharashtra in western India has been one of the strongest performers across the years and it has continued to close the gap on the top Chinese destination, Shanghai Municipality, with the locations attracting $8.3bn and $10.6bn, respectively, in 2015.

According to **fDi** Markets, the motives cited by companies investing in the two countries are quite similar in nature. For both countries, companies identify domestic market growth potential and proximity to markets as the main two reasons for investing.

Graph 1

FDI INTO CHINA AND INDIA BY CAPITAL INVESTMENT ($BN)



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

Table 1

FDI INTO CHINESE AND INDIAN STATES BY CAPITAL INVESTMENT ($BN)

Destination state	2011	2012	2013	2014	2015
Gujarat (India)	3.77	2.78	0.82	2.01	12.36
Shanghai Municipality (China)	12.69	14.73	10.65	9.69	10.57
Jiangsu (China)	14.21	8.11	10.18	11.24	9.53
Maharashtra (India)	6.58	6.86	6.73	6.58	8.28
Andhra Pradesh (India)	4.07	1.99	1.95	2.42	6.10
Karnataka (India)	5.58	3.07	2.86	3.05	4.98
Guangdong (China)	7.68	5.16	8.13	3.96	4.49
Anhui (China)	1.89	0.92	1.90	1.38	4.03
Tianjin Municipality (China)	2.28	2.37	2.46	5.95	3.27
Jharkhand (India)	0.00	0.03	0.20	0.00	3.20
Other	92.11	63.81	63.36	55.46	56.23
Total	150.86	109.82	109.25	101.75	123.05

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

“India, unlike China, has experienced growth in both project numbers and capital investment for the past two years

$12.4bn

Of the top 10 destination states for FDI in 2015, India claims five places, with the top place going to Gujarat, which attracted $12.4bn

Graph 2

FDI INTO INDIA 2011-2015 BY CAPITAL INVESTMENT

Capital investment ($bn)

24.1	Transport equipment
23.9	ICT and electronics
22.5	Environmental technology
16.6	Financial services
16.4	Industrial
86.3	Other

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

Graph 3

FDI INTO CHINA 2011-2015 BY CAPITAL INVESTMENT

Capital investment ($bn)

22.5	ICT and electronics
19	Environmental technology
13.8	Transport equipment
12.6	Energy
9.6	Construction
45.6	Other

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

The rise of India

by Kavan Bhandary, managing director of Wavteq India

"FDI into India has increased by 40%, thus displaying the increasing international confidence in India," Narendra Modi, the country's prime minister, stated in a speech at London's Wembley Stadium amid 60,000 cheering Indians in November 2015.

Factors such as the lack of progressive FDI reforms, retrospective taxation, excessive permit requisites, centre-state political stalemates, inflexible labour markets, land acquisition issues and inadequate infrastructure hindered large-scale FDI into India prior to 2013. Subsequently, FDI flows into India increased from $24bn in 2013 to $59bn in 2015. The floodgates had been opened.

India's dramatic ascension in the global FDI rankings has largely been due to a dynamic Modi-led government focusing on 'big bang' FDI and labour law reforms. Relative stability within the government coupled with an effort to reduce the stagnating effects of bureaucracy has given foreign investors, across many industries, confidence in India as a remunerative investment opportunity.

India announced itself as a global force in the FDI sector as it broke into the top 10 economies in terms of incoming FDI flows in 2014. Mr Modi's marquee visit to New York in late 2015 saw a plethora of US-based CEOs of Fortune 500 companies such as Google, Ford, Cisco, IBM, Lockheed, Marriott, Starwood, MasterCard, Merck, Pepsi, DuPont, Dow and EY hosting the prime minister and citing plans to expand in India. This event turned out to be a causative indicator for 2015 as India moved up to number six in the world for FDI flows in 2015 (and number four if entrepôt countries Hong Kong and Netherlands are excluded). In terms of greenfield FDI, India overtook economic superpowers China and the US with an estimated $60bn-plus of announced FDI projects; for the first time, India became the world's leading location for greenfield investment.

Mr Modi's iconic 'Make in India' campaign is structured to attract more FDI to India and make the country a global manufacturing and industrial hub. This campaign has garnered global attention as he has encouraged foreign investors to privatise key sectors such as the railways, defence manufacturing and insurance, as well as the liberalisation of medical devices. Ease of doing business has always been a problem in India, and Mr Modi's campaign has addressed this by removing archaic laws. The controlled elevation of FDI caps and the elimination of unnecessary red tape restrictions in decision making has gone a long way towards ensuring India's exponential growth of inward FDI. The campaign and the resultant boost in FDI has resulted in a whopping increase in FDI job creation from 116,000 new jobs in 2013 to 225,000 in 2015 – the highest number in the world.

According to excerpts from a written reply to the upper house of India's parliament by the country's commerce and industry minister, Nirmala Sitharaman, FDI inflows received through the automatic and approval routes during April to December 2015 were 90.24% and 9.76%, respectively. This shows that the liberalisation of rules pertaining to sectors open to 100% FDI has buoyed foreign investors with the prospect of completely avoiding government red tape and other bureaucratic inconveniences.

It is safe to say that India's rise in the global FDI inward rankings will not stagnate in the near future. Increasing global investor confidence due to gradual redressal of key hindrance factors will see a further rise in incoming FDI capital over the next five years. With Mr Modi's Bharatiya Janata Party government entering its third year in power, it will be interesting to see if it is still be in the top five annual FDI league tables.

Europe

Key trends in 2015 include:

• FDI into Europe by project numbers fell by nearly 9% in 2015, following on from a decline in 2014

• The UK and Ireland both witnessed increases in FDI, with project numbers rising 3% and 4%, respectively

• FDI into Finland by project numbers rose by 23% in 2015, reaching 127 announced projects

• The Czech Republic experienced an increase in FDI across project numbers (33%), capital investment (54%) and jobs (36%)

• The number of recorded projects in France and Spain continued to decline in 2015, falling 1% and 19%, respectively. However, the amount of capital invested in the countries has increased by a respective 24% and 13%

• Turkey gained momentum in 2015 with project numbers rising 47% to 147 and capital investment reaching $5.8bn

• Capital investment in Serbia almost doubled to $4.4bn following a United Arab Emirates-based real estate investor committing to jointly invest $3bn in the country

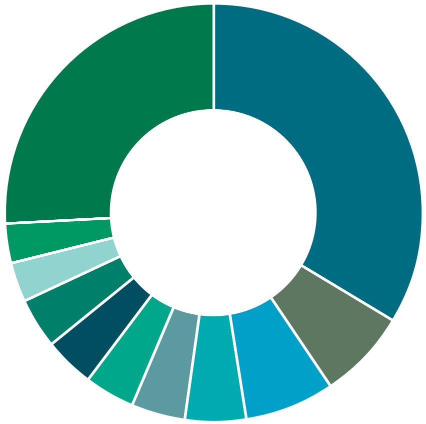
• Despite Europe declining as a source of FDI projects, capital investment from the region increased 7% to $258.5bn

• Companies from the UK, Germany and France collectively account for more than 50% of FDI projects from the region

Graph 1

FDI INTO EUROPE IN 2015

Capital investment



% Europe market share		Capital investment ($bn)
34%	UK	**53.3**
7%	Russia	**11.6**
7%	Spain	**10.4**
5%	France	**7.1**
4%	Germany	**6.8**
4%	Netherlands	**5.8**
4%	Turkey	**5.8**
4%	Ireland	**5.5**
3%	Poland	**5.3**
3%	Serbia	**4.4**
26%	Other	**40.5**

Source: **fDi** Markets
Note: Includes estimates; percentages rounded up/down

Table 1

FDI INTO EUROPE BY PROJECT NUMBERS 2015

Country	Projects 2015	% change
UK	974	3%
Germany	364	-54%
France	356	-1%
Spain	227	-19%
Belgium	192	40%
Poland	188	4%
Russia	179	33%
Ireland	178	4%
Netherlands	166	-2%
Turkey	147	47%
Other	1078	-8%
Total	4049	-9%

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

$4.4bn

Capital investment in Serbia almost doubled to $4.4bn following a United Arab Emirates-based real estate investor committing to jointly invest $3bn in the country

Table 2

FDI OUT OF EUROPE BY CAPITAL INVESTMENT ($BN) IN 2015

Country	Capital investment 2015 ($bn)
UK	45.6
Germany	41.0
France	31.8
Spain	20.5
Italy	14.5
Russia	13.7
Switzerland	12.5
Luxembourg	11.3
Denmark	10.9
Norway	10.1
Other	46.6
Total	258.5

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

Table 3

FDI OUT OF EUROPE BY PROJECT NUMBERS IN 2015

Country	Projects 2015
UK	1127
Germany	1007
France	632
Switzerland	343
Netherlands	311
Spain	293
Italy	206
Sweden	189
Luxembourg	176
Belgium	136
Other	994
Total	5414

Source: **fDi** Markets

FDI into Europe by project numbers fell by nearly 9% in 2015, following on from a decline in 2014

KEY TRENDS IN 2015

90%

Capital investment into Serbia grew by 90%, helping the country break into the top 10 destination countries in Europe

FDI into Russia by capital investment declined by 4% to $11.6bn, while outbound investment reached $13.7bn

4%

19%

Belgium as a source country rose into the top 10 with project numbers increasing 19%

Editor's note: Our German data sources have not released all 2015 data yet so 2015 data for Germany in this report is underestimated.

Recent major projects

- **Maersk Oil, a subsidiary of Denmark-based AP Moller-Maersk**, is to invest $4.58bn in the offshore UK Culzean oil field. Production is expected to start in 2019 and will continue for at least 13 years. It will create 400 new jobs. The Culzean project is part of a joint venture with Japan-based JX Nippon and UK-based Britoil.
- **Automotive company Jaguar Land Rover**, a subsidiary of India-based Tata Group, plans to invest $1.43bn to establish a manufacturing plant in Nitra, Slovakia. Production is scheduled to launch in late 2018 with an initial capacity of 150,000 vehicles.
- **TH Milk Food, a dairy company that operates as part of Vietnam-based TH Group**, has established a $1bn dairy in a Moscow suburb. The plant is expected to specialise in animal feed, breeding and milk production.
- **Germany-based automotive company Volkswagen** plans to invest $3.52bn in its Martorell plant in Spain by 2020. The investment will allow Seat, its Spain-based subsidiary, to launch four new car models by 2017, the first of which will be on the market in the first quarter of 2016.

North America

Key trends in 2015 include:

• FDI into North America increased in 2015 by nearly 10%, with total inward capital investment of $68.8bn. Project numbers declined by 6% to 1734 FDI projects

• The US was the top destination in the region, with 88% of the continent's FDI projects and 87% of capital invested

• The top Canadian state for FDI in 2015 was Ontario, as it was in 2014, with 6% market share of North American FDI projects

• New York, Texas and Florida were the top three destination states in 2015 for FDI by capital investment. California dropped from second position to fifth and its market share of North American FDI reduced from 11% to 6%

• Florida attracted $5.2bn worth of announced FDI in 2015, an increase of 245% on its 2014 figures, thanks to an increase in project numbers from 68 to 80 in the same time period

• The top three states for outward capital investment were California, New York and Texas, which invested $15.9bn, $14.4bn and $12bn, respectively

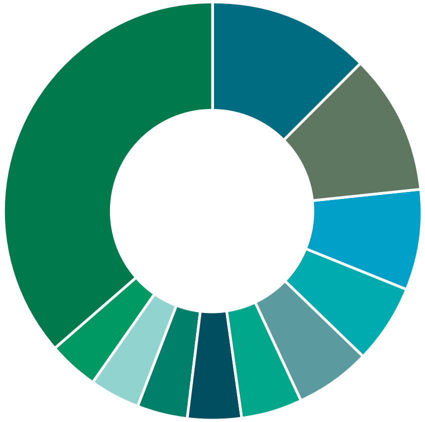
• Texas, which ranked sixth in 2014, rose to become the third most prolific outward investor in 2015

• Canadian provinces are represented twice in the top 10 table for outward FDI, with Ontario accounting for 8% of outward capital investment and Alberta ranking 10th, accounting for a further 4%

Graph 1

FDI INTO NORTH AMERICA IN 2015

Capital investment



% North America market share		Capital investment ($bn)
13%	New York	**8.8**
11%	Texas	**7.5**
8%	Florida	**5.2**
6%	Ontario	**4.1**
6%	California	**4.0**
5%	Ohio	**3.2**
4%	Quebec	**3.0**
4%	Tennessee	**2.8**
4%	Alabama	**2.7**
4%	Louisiana	**2.4**
37%	Other	**25.1**

Source: **fDi** Markets
Note: Includes estimates; percentages rounded up/down

Table 1

FDI INTO NORTH AMERICA BY PROJECT NUMBERS 2015

State/province	Projects 2015	% change
California	230	-17%
New York	192	-3%
Texas	147	19%
Ontario	109	-4%
Florida	80	18%
Georgia	58	2%
North Carolina	55	8%
Ohio	52	21%
Massachusetts	51	-27%
Quebec	51	-7%
Other	709	-11%
Total	1734	-6%

Source: **fDi** Markets

$12bn

Texas, which ranked sixth in 2014, rose to become the third most prolific outward investor in 2015 due to an 83% increase in capital investment to $12bn

Table 2

FDI OUT OF NORTH AMERICA BY CAPITAL INVESTMENT ($BN) IN 2015

State/province	Capital investment 2015 ($bn)
California	15.9
New York	14.4
Texas	12.0
Ontario	9.7
Michigan	6.8
Missouri	6.7
Colorado	6.5
Massachusetts	5.8
Florida	5.3
Alberta	4.9
Other	39.3
Total	127.2

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

Table 3

FDI OUT OF NORTH AMERICA BY PROJECT NUMBERS IN 2015

State/province	Projects 2015
California	640
New York	348
Ontario	182
Texas	144
Massachusetts	131
Michigan	117
Illinois	116
Florida	111
Connecticut	103
Washington	99
Other	953
Total	2944

Source: **fDi** Markets

> The US was the top destination in the region, with 88% of the continent's FDI projects and 87% of capital invested

KEY TRENDS IN 2015

42%

FDI into Washington state by project numbers increased by 42% to 27 in 2015, while capital investment increased from $487.3m to $803.5m

North American FDI projects overseas declined by 8%, with capital investment dropping 9% to $127.2bn

8%

66%

Florida increased its profile as a source of FDI with outward investments increasing 66% and the number of projects increasing by 3% to 111

Recent major projects

- **Canada-based Triple Five Worldwide, a development corporation**, is to invest $4bn to open an 80-hectare entertainment and retail complex in Miami-Dade County, Florida, named American Dream Miami.
- **Austria-based AMS, a semiconductor manufacturer**, plans to invest $2bn to open a 33,445-square-metre wafer fabrication facility in Utica, New York. The project will create 700 new jobs.
- **Total Petrochemicals, a chemicals producer and a subsidiary of France-based Total**, plans to expand its facility in Port Arthur, Texas. The company will invest $2bn to build a new ethane cracker, creating 45 jobs.
- **China-based Sun Paper, a paper and forest products company**, is to build a pulp mill in Arkansas. The company will invest $1.36bn on the facility to manufacture fluff pulp.
- **US-based General Electric** is set to open new $265m gas engines factory in Canada. The firm plans to stop manufacturing gas engines in Waukesha, Wisconsin, and relocate operations to Canada.

Latin America and Caribbean

Key trends in 2015 include:

- FDI into Latin America by capital investment dropped in 2015 to $70.2bn with 13% fewer projects. The number of jobs created by FDI in the region increased, however, by 4% to 237,277

- The top three destination countries for FDI by capital investment in the region were Mexico, Brazil and Chile, which attracted $24.3bn, $17.3bn and $9.7bn, respectively

- Brazil managed to maintain its capital investment levels in 2015 with a decline of only 0.2% despite a 17% decline in the number of FDI projects to 268. A decline across the region as a whole has allowed Brazil to increase its market share from 19% of total inward capital investment to 25%

- In the top 10 destination countries, only three experienced growth in capital investment: Chile, Bolivia and Jamaica

- Combined, the top five destination countries in Latin America accounted for 79% of all projects into the region and 81% of all capital investment

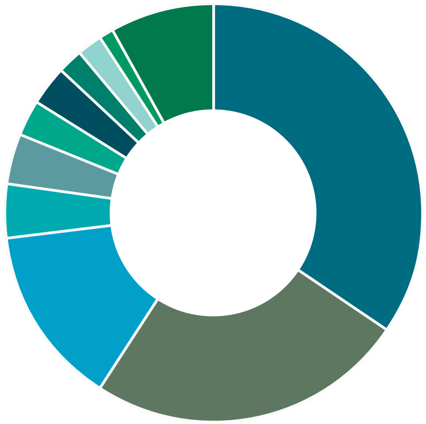
- The value of FDI destined for Jamaica increased 175% in 2015 with project numbers increasing by 27%

- Puerto Rico experienced a decline in FDI projects (45%) and capital investment (73%) in 2015

Graph 1

FDI INTO LATIN AMERICA AND THE CARIBBEAN IN 2015

Capital investment



% Latin America and Caribbean market share		Capital investment ($bn)
35%	Mexico	24.3
25%	Brazil	17.3
14%	Chile	9.7
4%	Argentina	2.9
4%	Bolivia	2.4
3%	Colombia	2.3
3%	Panama	2.3
2%	Peru	1.4
2%	Jamaica	1.4
1%	Uruguay	0.8
8%	Other	5.4

Source: **fDi** Markets
Note: Includes estimates; percentages rounded up/down

Table 1

FDI INTO LATIN AMERICA AND THE CARIBBEAN BY PROJECT NUMBERS 2015

Country	Projects 2015	% change
Mexico	351	-4%
Brazil	268	-17%
Colombia	74	-20%
Chile	66	8%
Argentina	40	-30%
Costa Rica	32	7%
Peru	25	-41%
Panama	23	-8%
Jamaica	14	27%
Uruguay	13	-38%
Other	104	-24%
Total	1010	-13%

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

237,277

FDI into Latin America by capital investment dropped in 2015 to $70.2bn with 13% fewer projects. The number of jobs created by FDI in the region increased, however, by 4% to 237,277

Table 2

FDI OUT OF LATAM AND THE CARIBBEAN BY CAPITAL INVESTMENT ($BN) IN 2015

Country	Capital investment 2015 ($bn)
Bermuda	4.2
Mexico	2.9
Brazil	1.9
Chile	1.2
Argentina	0.6
Peru	0.4
Jamaica	0.3
Ecuador	0.1
Cayman Islands	0.1
Barbados	0.1
Other	0.2
Total	11.9

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

Table 3

FDI OUT OF LATIN AMERICA AND THE CARIBBEAN BY PROJECT NUMBERS IN 2015

Country	Projects 2015
Brazil	54
Mexico	47
Bermuda	31
Chile	22
Argentina	15
Peru	11
Cayman Islands	5
Ecuador	4
Jamaica	4
Colombia	3
Other	12
Total	208

Source: **fDi** Markets

Brazil managed to maintain its capital investment levels in 2015 with a decline of only 0.2% despite a 17% decline in the number of FDI projects to 268

KEY TRENDS IN 2015

48%

Chile saw a 48% increase in investment, bringing levels to $9.7bn

Brazil was the source for 10% fewer FDI projects in 2015

10%

91%

The top five source countries accounted for 91% of all capital investment originating in the region

Recent major projects

- **US-based TransGas Development Systems, a coal power plant developer**, plans to establish a new plant in Candiota, Brazil. The $2.8bn facility will create 300 permanent jobs and become fully operational in 2019.
- **Spain-based renewable energy company Abengoa** is to invest $1.55bn to construct, operate and maintain a 924-megawatt combined cycle plant in Ciudad Juarez, Mexico, by mid-2017.
- **US-based automotive manufacturer Ford** plans to expand its production plant in Chihuahua, Mexico. The $1.3bn expansion will enable the company to produce two new diesel engines and create approximately 4000 new jobs.
- **Canada-based SkyPower, a renewable energy specialist**, is to invest $1bn in solar energy projects in Panama. The company plans to build 500 megawatts of utility-scale solar energy by 2020.
- **US-based Karisma Hotels & Resorts** is to invest more than $900m in a mega-hotel project in Jamaica.

Middle East and Africa

Key trends in 2015 include:

• FDI into the Middle East and Africa by project numbers increased by 0.6% in 2015

• The United Arab Emirates retained its position as the top FDI destination by project numbers, accounting for 24% of projects

• Bahrain recorded strong inward FDI growth during 2015, entering the top 10 by project numbers for the first time since 2012. It also saw a 143% increase in outbound projects

• Capital investment in Uganda rose to $4.6bn following a joint investment in the coal, oil and natural gas sector by a Russia-based investor

• Africa recorded 156 more FDI projects than the Middle East in 2015, a figure that has widened by 98% compared with 2014. It also continued to dominate job creation with 95,387 more jobs created than in the Middle East

• South Africa was the top African destination for inward FDI by project numbers, continuing a long-term trend

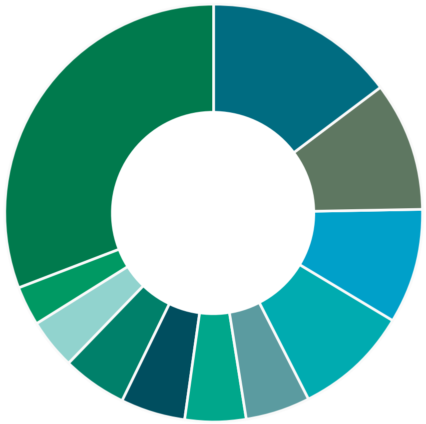
• Saudi Arabia was the top country by capital investment in the Middle East, with $9.8bn recorded in 2015

• The Middle East and Africa region was responsible for $59.8bn in outward capital investment, up 54% on 2014

Graph 1

FDI INTO MIDDLE EAST AND AFRICA IN 2015

Capital investment



% Middle East and Africa market share		Capital investment ($bn)
15%	Egypt	14.5
10%	Saudi Arabia	9.8
9%	UAE	8.8
9%	Nigeria	8.6
5%	Mozambique	5.1
5%	South Africa	4.7
5%	Uganda	4.6
5%	Morocco	4.5
4%	Côte d'Ivoire	3.5
3%	Angola	2.7
31%	Other	30.1

Source: **fDi** Markets
Note: Includes estimates; percentages rounded up/down

Table 1

FDI INTO MIDDLE EAST AND AFRICA BY PROJECT NUMBERS 2015

Country	Projects 2015	% change
UAE	298	-2%
South Africa	118	3%
Kenya	84	47%
Saudi Arabia	78	3%
Morocco	71	8%
Egypt	59	14%
Nigeria	51	19%
Ghana	40	21%
Oman	35	9%
Bahrain	34	31%
Other	386	-13%
Total	1254	1%

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

$4.6bn

Capital investment in Uganda rose to $4.6bn following a joint investment in the coal, oil and natural gas sector by a Russia-based investor

Table 2

FDI OUT OF MIDDLE EAST AND AFRICA BY CAPITAL INVESTMENT ($BN) IN 2015

Country	Capital investment 2015 ($bn)
UAE	21.8
Saudi Arabia	13.5
Bahrain	4.2
Kuwait	3.9
Morocco	3.5
South Africa	2.5
Israel	2.3
Mauritius	2.1
Egypt	1.7
Kenya	1.0
Other	3.4
Total	59.8

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

Table 3

FDI OUT OF MIDDLE EAST AND AFRICA BY PROJECT NUMBERS IN 2015

Country	Projects 2015
UAE	163
Israel	92
South Africa	66
Kenya	38
Saudi Arabia	24
Morocco	19
Nigeria	19
Bahrain	17
Egypt	14
Oman	14
Other	96
Total	562

Source: **fDi** Markets

> Bahrain recorded strong inward FDI growth during 2015, entering the top 10 by project numbers for the first time since 2012

KEY TRENDS IN 2015

47%

FDI into Kenya by project numbers rose by 47% in 2015, reaching 84 announced projects

Egypt retained its position as the top destination by capital investment with $14.5bn recorded in 2015, despite a 19% decrease

19%

$11.8bn

Saudi Arabia recorded the largest increase in outward capital investment with $11.8bn more tracked in 2015 compared with 2014

Recent major projects

- **France-based Total,** an oil and gas major, plans to invest $16bn to develop the Kaombo offshore oilfield in Angola. The development will be established through a joint-venture initiative, with Total as the main operator with a 30% share.
- **Italy-based EniSpA, an oil and gas major**, plans to develop a newly discovered gas field in Egypt. Located offshore, the Zohr gas field is expected to require a minimum of $6bn to fully develop.
- **Total E&P Angola, a subsidiary of France-based Total**, has expanded its extraction operations in offshore Angola. The firm's Rosa field in Block 17 has been expanded to provide an additional 30,000 barrels of oil per day. Total E&P Angola holds a 40% stake in the project.
- **Real estate development company Shumool**, a subsidiary of Kuwait-based Mabanee, plans to undertake a new mixed-use project in Riyadh, Saudi Arabia. The $1.87bn project will cover 170 hectares and encompass residential units, a commercial complex, office blocks and a shopping mall.

Sector analysis

Key trends in 2015 include:

• Coal, oil and natural gas has reclaimed its top spot for FDI by capital investment globally, with $113.5bn of announced FDI recorded in 2015

• Renewable energy is on the rise again, with project numbers increasing 50% and capital investment reaching $76bn, which accounts for more than 10% of all capital investment globally in 2015

• The top three sectors by project numbers – software and IT services, business services and financial services – account for more than one-third (35%) of all FDI globally by project numbers

• Real estate continues to recover in 2015, with FDI project numbers up 6% and capital investment up 17% to $96.6bn

• Within the top five sectors by project numbers, business services was the only sector to witness growth, with 1413 projects recorded in 2015

• FDI into aerospace rose marginally, with 154 projects recorded at a value of $5.8bn

• Financial services experienced one of the biggest declines, with project numbers falling 29%

• Investment into the software and IT services and communications sectors dropped in 2015, with capital investment figures falling to $22bn and $46.2bn, respectively, mirroring the decline in project numbers

Graph 1

FDI BY SECTOR IN 2015

Capital investment

% market share		Capital investment ($bn)
16%	Coal, oil and natural gas	113.5
14%	Real estate	96.6
11%	Renewable energy	76.0
7%	Communications	46.2
6%	Metals	40.9
4%	Chemicals	28.3
4%	Financial services	27.5
4%	Automotive OEM	27.0
4%	Transportation	25.8
3%	Automotive components	22.9
29%	Other	208.3

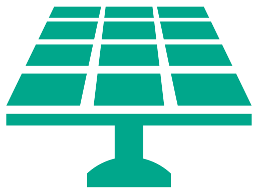
Source: **fDi** Markets
Note: Includes estimates; percentages rounded up/down

Table 1

NUMBER OF PROJECTS BY SECTOR IN 2015

Country	Projects 2015	change
Software and IT services	1826	-11%
Business services	1413	5%
Financial services	886	-29%
Industrial machinery, equipment and tools	820	-8%
Communications	648	-17%
Transportation	570	-12%
Automotive components	498	-4%
Real estate	461	6%
Food and tobacco	433	-16%
Chemicals	394	-17%
Other	3981	0%
Total	11930	-7%

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



$76bn

Renewable energy is on the rise again, with project numbers increasing 50% and capital investment reaching $76bn, which accounts for more than 10% of all capital investment globally in 2015

In focus: Renewable energy on the rise

Since 2010, FDI into renewable energy has fluctuated, though capital investment peaked in 2015, with $76bn of announced FDI recorded. **fDi** Markets has recorded 1615 projects within the sector between 2010 and 2015.

Solar power and wind power continue to dominate the sector, with almost 67% of all renewable FDI between 2010 and 2015 falling into these sub-sectors. FDI in solar power has more than doubled since 2010, with $36.7bn of FDI announced in 2015, an increase of 136% from its 2010 figures. Egypt recorded $5.9bn of announced FDI projects in solar power in 2015. Almost 60% of this can be attributed to Terra Sola's plans to invest in a $3.5bn solar plant. The UK is the leading destination for wind power projects, with investment peaking in 2015 at almost $8bn.

In 2010, the big economies dominated FDI by capital investment in renewable energy, with the US, Germany and UK leading the way. In contrast, in 2015 developing economies were increasingly at the forefront of investments.

India is emerging as a key destination for renewable energy projects, helped by a wider government policy of incentives, infrastructure and programmes designed to attract investment. The country topped the rankings in 2015 with $11.8bn of announced FDI in the sector. This includes Lightsource Renewable Energy's plans to invest $3bn to design, install and manage more than 3 gigawatts of solar power within the country. Chinese companies Sany Group and Chint Group are also planning to invest a total of $5bn in the country's renewable energy sector.

The developing economies of Myanmar, South Africa, Panama and Pakistan have also entered the top 10 table for capital investment in renewable energy for 2015, thanks to single major investments of $1bn and above in each country.

Enel is the top investor for FDI into renewable energy plants between 2010 and 2015. It announced investments in 68 projects totalling $13.7bn. In 2015, SkyPower announced projects into India, Panama, Djibouti, Bangladesh, Egypt and Kenya, ranking it as one of the top five investors for capital investment across the time frame. SunEdison's investment peaked in 2015, with $3.9bn of announced renewable energy plants recorded.

Graph 1

FDI INTO RENEWABLE ENERGY BY CAPITAL INVESTMENT ($BN)

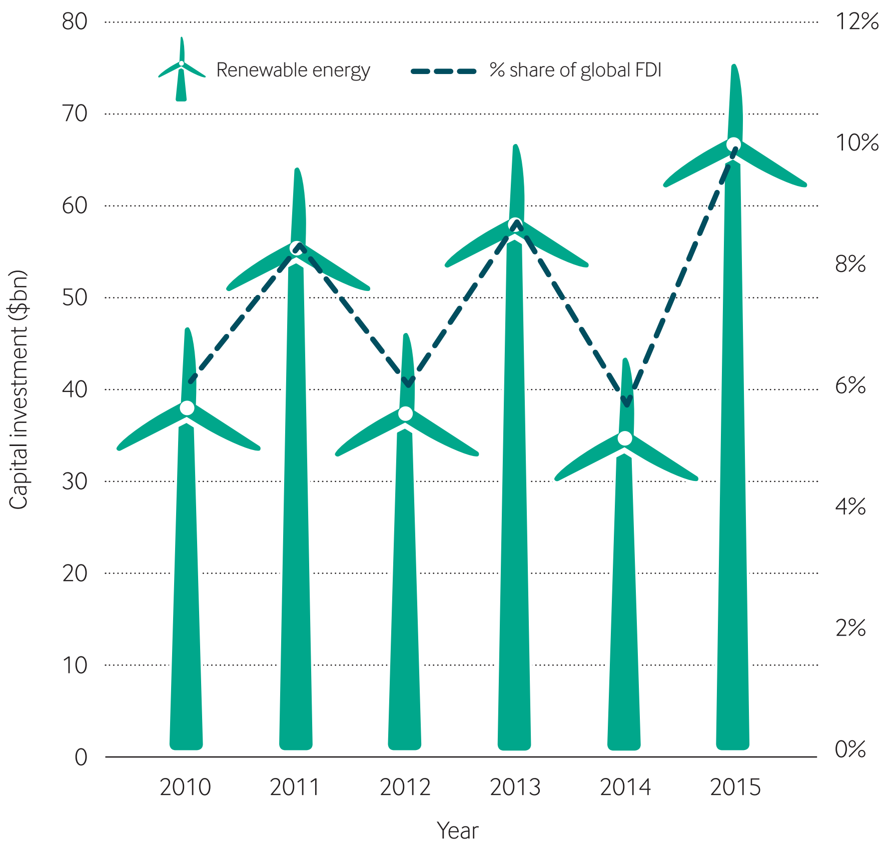


Table 1

TOP FIVE INVESTORS IN RENEWABLE ENERGY PLANTS BY CAPITAL INVESTMENT ($BN) BETWEEN 2010 AND 2015

Parent company	2010	2011	2012	2013	2014	2015	Total
Enel	0.6	3.1	1.6	5.0	0.9	2.5	13.7
SunEdison Inc	1.1	1.1	0.6	0.8	1.6	3.9	9.1
Mainstream Renewable Power	0.0	0.3	3.4	2.1	0.8	1.1	7.7
Iberdrola	3.4	0.7	0.9	2.2	0.1	0.0	7.3
SkyPower	0.0	0.0	0.0	0.0	5.0	2.1	7.1

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

Table 2

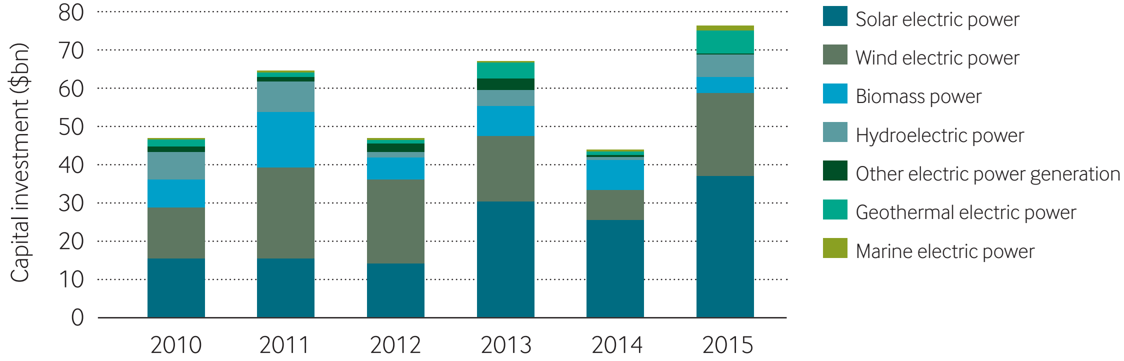
TOP FIVE INVESTORS IN RENEWABLE ENERGY PLANTS BY PROJECT NUMBERS BETWEEN 2010 AND 2015

Parent company	2010	2011	2012	2013	2014	2015	Total
Enel	3	13	8	26	6	12	68
SunEdison Inc	6	9	3	4	8	15	45
Electricite de France (EDF)	8	6	7	5	2	6	34
Engie (GDF Suez)	5	8	4	4	4	3	28
Iberdrola	9	3	3	9	1	0	25

Source: **fDi** Markets

Graph 2

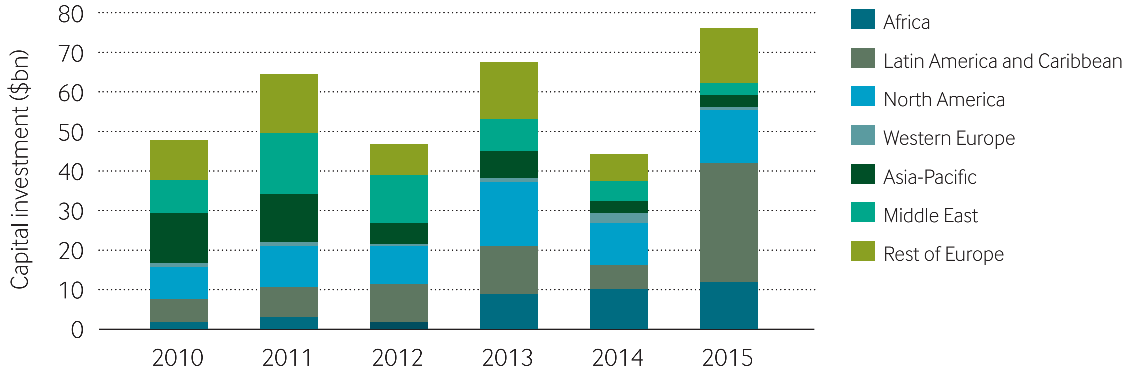
SUB-SECTOR BREAKDOWN OF FDI INTO RENEWABLE ENERGY BY CAPITAL INVESTMENT ($BN)



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

Graph 3

RENEWABLE ENERGY FDI BY CAPITAL INVESTMENT BY REGION ($BN)



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

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About fDi Intelligence

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Products and services include:
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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.

The data presented includes FDI projects that have either been announced or opened by a company. 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 (patent pending) when a company does not release the information.

Note that the investment projects tracked by **fDi** Markets are being 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 **www.fdimarkets.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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