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Supplement

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fDi European Cities and Regions of the Future 2018/19

WITH EUROPE IN FLUX, WHICH
LOCATIONS HAVE INVESTMENT
POTENTIAL FOR THE LONG HAUL?

PRODUCED BY

fDi
Magazine

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European Cities and Regions of the Future 2018/19

Winners



THE UK'S VOTE TO LEAVE THE EU HAS LEFT EUROPE IN A STATE OF FLUX. HOWEVER, THUS FAR THIS DOES NOT SEEM TO HAVE DENTED LONDON'S ALLURE AS AN FDI DESTINATION, AS **fDi**'S EUROPEAN CITIES AND REGIONS OF THE FUTURE 2018/19 RANKING SHOWS. **CATHY MULLAN** REPORTS

In June 2016, the UK voted to leave the world's largest trading bloc, ending decades of co-operation on economic and regulatory matters that covered everything from trading and finance to product safety. In March 2019, the UK will officially leave the EU and no one knows yet quite how this will look. Prime minister Theresa May's cabinet is reportedly preparing for a 'no deal' scenario, one in which the UK leaves with no agreement with the remaining 27 EU members on trade, security, immigration or the infamous 'divorce settlement'.

fDi's European Cities and Regions of the Future 2018/19 ranking seeks to find the most promising cities and regions across the whole of Europe, not just those that belong to the EU. Since the UK's vote to leave, many companies have made investment decisions that suggest they see a future in the UK. In October 2016, Netherlands-based ING announced it was to create 60 jobs in London, which would be relocated from Belgium and the Netherlands. The finance group stated that even in the light of Brexit, the city still had plenty to offer investors by way of talented workforce.

Other companies see the advan-

tages offered by the uncertainty of the Brexit process. Australia-based mineral and exploration company Peak Resources stated that the expected devaluation of the pound made operating costs more affordable, and any UK efforts to maintain (and potentially improve) its competitiveness on a world stage in a post-Brexit age could present investors with opportunities. In establishing its manufacturing facility in the UK in December 2016, Peak Resources joined a chorus of investors from Amazon to Snapchat who continue to sing the UK's praises.

With a cautious note, we bring you this year's European Cities and Regions of the Future ranking for 2018/19. Politics and personalities could change dramatically before March 2019; however, London will remain a very important city to watch and, we believe, a City of the Future. That said, its FDI competitors that remain in the EU are closing ranks on it, and will have many strong hands to play as uncertainties test London's durability as Europe's premier investment destination.

Here, we present our current findings on the top cities and regions for FDI attractiveness in Europe. ■

TOP 25 EUROPEAN CITIES OF THE FUTURE 2018/19: OVERALL

RANK	CITY	COUNTRY
1	London	UK
2	Dublin	Ireland
3	Paris	France
4	Amsterdam	Netherlands
5	Munich	Germany
6	Moscow	Russia
7	Frankfurt	Germany
8	Zurich	Switzerland
9	Cambridge	UK
10	Helsinki	Finland
11	Warsaw	Poland
12	Luxembourg	Luxembourg
13	Berlin	Germany
14	Stockholm	Sweden
15	Bucharest	Romania
16	Limerick	Ireland
17	Shannon	Ireland
18	Cork	Ireland
19	Copenhagen	Denmark
20	Basel	Switzerland
21	Geneva	Switzerland
22	Stuttgart	Germany
23	Hamburg	Germany
24	Eindhoven	Netherlands
25	Reading	UK



Nearly half of all investments made in London were in software and IT services

TOP 25 EUROPEAN REGIONS OF THE FUTURE 2018/19: OVERALL

RANK	REGION	COUNTRY
1	Paris Region	France
2	Dublin Region	Ireland
3	North Rhine-Westphalia	Germany
4	Baden-Württemberg	Germany
5	Bavaria	Germany
6	South-east England	UK
7	Zurich	Switzerland
8	Uusimaa	Finland
9	Scotland	UK
10	North Holland	Netherlands
11	East of England	UK
12	Greater Copenhagen	Denmark
13	Central Federal District	Russia
14	Hamburg	Germany
15	Stockholm County	Sweden
16	Oslo County	Norway
17	Berlin	Germany
18	Hesse	Germany
19	Bratislava	Slovakia
20	Geneva	Switzerland
21	Prague	Czech Republic
22	Brabant	Netherlands
23	Zug	Switzerland
24	București-Ilfov	Romania
25	West Midlands	UK



“THE CITY OF ZURICH ATTRACTS HIGHLY EDUCATED AND SPECIALISED PEOPLE FROM ALL OVER THE WORLD. THESE BUSINESS-FRIENDLY CONDITIONS ALLOW COMPANIES TO INNOVATE, DEVELOP AND GROW”

CORINE MAUCH, MAYOR OF ZURICH

London leads as Dublin climbs city ranking

LONDON HAS RETAINED ITS TOP SPOT, CELEBRATING MORE THAN A DECADE AS **fDi**'S EUROPEAN CITY OF THE FUTURE, WITH DUBLIN CLIMBING TO SECOND AND KNOCKING PARIS INTO THIRD POSITION. **CATHY MULLAN** DETAILS THE WINNING CITIES

While picking up other accolades along the way, London has won top billing as overall European City of the Future for 2018/19. In the five years to September 2017, London welcomed 1880 foreign investments, the highest of all 301 cities included in the ranking.

London's big lead

In the time period studied, London attracted more projects than Paris and Dublin combined, including investments from companies such as US-based retailing giant Amazon, US-based internet behemoth Facebook and Israel-based co-working solutions company Mindspace. The city's investment landscape was dominated by the service sectors. Nearly half of all investments made were in software and IT services, followed by almost one-fifth in business services and more than 12% in financial services.

In September 2017, Belgium-based security solutions provider Praesidiad moved its corporate headquarters from Belgium to London. The company partly credited its decision to move to the "access to a wealth of talent hubs" it would have in the city. London is home to more than 350,000 students, and over 57% of the population aged between 25 and 64 is educated to tertiary degree level – the highest level of all cities studied. London boasts seven of the world's top 500 universities and three of the city's business schools feature in the Global MBA Rankings for 2016 – factors that also contributed to its first place ranking in the Human Capital and Lifestyle category.

The UK's capital city also topped the ranking for Business Friendliness



Dublin saw soaring project numbers in the financial services sector in the first three quarters of 2017

following the UK's high performance in various indices, including the World Bank's Ease of Doing Business ranking and the Heritage Foundation's Index of Economic Freedom. London is home to nine of the Top 1000 World Banks of 2017 according to *The Banker's* Top 1000 World Banks ranking, and scored the highest of all cities in the Innovation Cities Index.

Irish eyes smiling

Second placed Dublin's FDI success story continues, as the Irish capital rises above Paris in **fDi**'s ranking of European cities. With eyes on the unfolding Brexit negotiations across the Irish Sea, Dublin is seeking to benefit from companies that might consider leaving London to find a new

financial services hub to call home.

Dublin received the same number of projects in the financial services sector in the first three quarters of 2017 as it received in the whole of 2016 and 2015 combined. In August 2017, Canada-based TD Securities (a subsidiary of Toronto-Dominion Bank) announced it was to expand its operations in Dublin with the opening of a post-Brexit EU hub, while in July 2017, Bank of America subsidiary Merrill Lynch said it would establish new EU headquarters in Dublin.

Dublin, which at 12.5% offers one of the lowest rates of corporation tax in Europe, fares well against its main financial services competitors, Amsterdam (ranked fourth overall) and Frankfurt (seventh). In 2015, Dublin attracted the lowest num- ▶

ber of projects in the financial services sector out of the three cities. However, by the end of third quarter 2017 it had surpassed both its rivals. All three cities saw an upswing in financial services investment in the first nine months of 2017 compared with the 12 months of 2016.

Dublin received the highest level of capital investment in R&D of all the cities studied, welcoming more than \$1.6bn in R&D investments in the five years to September 2017. Late in 2015, the Irish government published its Innovation 2020 – Excellence Talent Impact report, which laid out its policy plans for attracting R&D investment and supporting full employment.

As part of the plan, the government aims to increase the number of research personnel in the country by 60% to 40,000 people; to develop the network of research centres in the country; and to reach an R&D intensity target of 2.5% of gross national product. Russia-based software company Kaspersky Lab’s vote of confidence in Dublin came with the opening of a research lab in September 2016. The company said the city was becoming known as the Silicon Valley of Europe and credited opportunities to hire quality tech talent and collaboration with other IT companies as the main drivers behind its decision.

Oui to Paris

Paris, France’s most populous city as well as its capital, has ranked third of all European cities and attracted the second highest number of FDI projects of all locations examined. A total of 728 investments were made into the city during the five years to September 2017. More than 43% of these were sales, marketing and support functions; over one-quarter in business services; and more than 15% in headquarters operations.

US-based software company Intuit acknowledged the city’s talented workforce as a reason for opening a new development centre in Paris – its first move in continental Europe. Thirty-seven higher education institutions in Paris educate 650,000 students and more than half of the population aged between 25 and 64 is educated to degree level. Paris is also home to 10 of the world’s top 500 universities, more than any other European city, which also helped it to rank third of all major European cities for Human Capital and Lifestyle. ■

FIGURE 1 TOP FIVE DESTINATION CITIES BY PROJECTS, INWARD FDI, 2012-2017

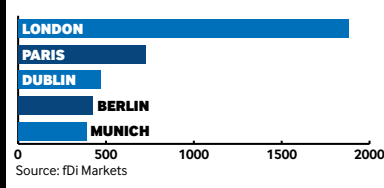


FIGURE 3 TOP FIVE EUROPEAN CITIES FOR CAPITAL INVESTMENT IN R&D, BY \$M

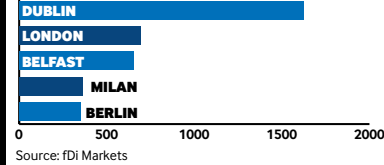


FIGURE 2 INWARD INVESTMENT SECTORS IN LONDON, 2012-2017

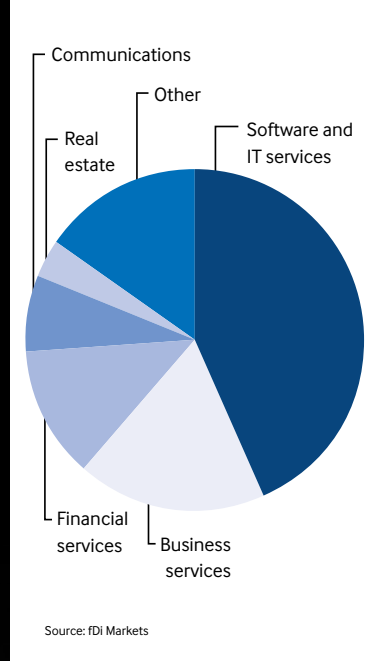
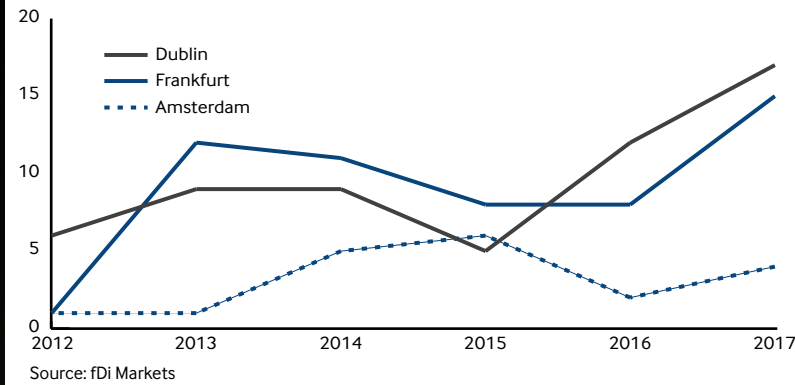


FIGURE 4 FINANCIAL SERVICES FDI BY PROJECT NUMBERS INTO DUBLIN, FRANKFURT AND AMSTERDAM, 2012-2017





PORTO: FIND THE SOURCE OF YOUR COMPETITIVENESS

Portugal's second city combines an outstanding talent pool, cost competitiveness, strategic location and quality of life to be a magnet for investment

Rising from the financial crisis in late 2000s, Portugal has become a hotspot for foreign investment in recent years.

Porto, the country's second largest city and northern economic capital, is also rapidly emerging on international investors' map. According to EY Portugal Attractiveness Survey 2017, the number of projects and jobs created by foreign investors in Northern Portugal grew by 75% and 302% from 2013 to 2016, respectively. Porto and Northern Portugal was the region with the most foreign investments in Portugal in 2016 and was considered by foreign companies established in the country as the most attractive region in Portugal. Examples of recent investments include technology and service centres of prestigious international companies such as Vestas, Natixis, Euronext, BNP Paribas, Bosch and Sitel. Investors are finding success in Porto, as many have expanded or are considering expanding existing operations. The reasons for choosing Porto are plenty.

Home to over 1.7 million people in the metropolitan area and more than 170,000 university students in the catchment area, Porto stands out for its highly qualified talent. Porto's workforce is underpinned by a world-class education system that includes more than 40 higher education institutions. About 27% of the population in Porto holds a higher education degree. Portugal was the fourth European country with the highest rate of PhD holders per 1000 inhabitants aged 20 to 29 in 2012. Its

"HOME TO OVER 1.7 MILLION PEOPLE IN THE METROPOLITAN AREA AND MORE THAN 170,000 UNIVERSITY STUDENTS IN THE CATCHMENT AREA, PORTO STANDS OUT FOR ITS HIGHLY QUALIFIED TALENT"

workforce is highly flexible, open, committed, multicultural and multilingual. Over 60% of the Portuguese population speaks a second language. The city's ability to attract international talent is equally noteworthy.

Porto is also a remarkable place for innovation and entrepreneurship. The city hosts a considerable number of prestigious R&D centres which have established formal programmes with reputed organisations such as MIT, UT Austin, Carnegie Mellon University, and Harvard Medical School. The excellence in R&D and innovation enabled Porto to attract the first subsidiary of the Fraunhofer Institute outside Germany. Furthermore, Porto has a vibrant entrepreneurial ecosystem. The recent strong growth of Porto's startup ecosystem is highlighted by a Startup Europe Partnership report, which considered Porto as the most entrepreneurial region in Portugal. Numerous high-tech startups and companies in Porto, such as Farfetch, BLIP, Critical Software,

Feedzai, Talkdesk and Veniam, have caught international media's attention and have been listed among the most promising businesses in the world.

Another reason for investors to choose Porto is its strategic location. Located at the crossroads between Europe, Africa and the Americas, in a time zone that suits different regions, with excellent connectivity by air, land and sea, Porto is an ideal gateway to the European market with over 500 million people, Portuguese-speaking countries with more than 250 million people, as well as other parts of the world.

Porto's attractiveness for international investors and talents has also much to do with its exceptional quality of life. Portugal was ranked the second country in the world in the Migrant Integration Policy Index and the third most peaceful country in the world according to Global Peace Index. Being awarded the title of European Best Destination in 2012, 2014 and 2017, Porto provides expatriates a welcoming, inclusive and safe city, a mild and pleasant climate with around 220 sunny days a year, a vibrant and dynamic cultural life, as well as high-quality health services and international schools.

In Porto, investors can also find world-class infrastructure. Portugal has Europe's best fibre optic network and the fourth best road network. Porto Airport was the best European Airport in 2016 in the category of 5-15 million passengers per year and is well connected to the main hubs in Europe and other continents.

All the above-mentioned benefits that Porto offers come at extremely competitive costs. Labour costs, real estate costs, and cost of living in Porto are among the lowest in major Western European cities.

INVESTPORTO

One-stop-shop support services for investors in Porto (www.investporto.pt).

DISTINCTIONS

- 3rd Best City to Invest in Southern Europe, **fDi** Intelligence European Cities and Regions of the Future 2014/15
- 8th Best Mid-Sized City for FDI Strategy, **fDi** Intelligence European Cities of the Future 2018/19

THE NORTH REGION OF PORTUGAL IN NUMBERS

- 3.6 million inhabitants
- 100 higher education institutions
- 117,000 university students
- 1200 foreign companies

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Porto.

Winners: Major European cities

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2018/19

RANK	CITY	COUNTRY
1	London	UK
2	Dublin	Ireland
3	Paris	France
4	Amsterdam	Netherlands
5	Moscow	Russia
6	Helsinki	Finland
7	Warsaw	Poland
8	Berlin	Germany
9	Stockholm	Sweden
10	Bucharest	Romania

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2018/19 – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	London	UK
2	Dublin	Ireland
3	Paris	France
4	Amsterdam	Netherlands
5	Helsinki	Finland
6	Moscow	Russia
7	Berlin	Germany
8	Stockholm	Sweden
9	Milan	Italy
10	Copenhagen	Denmark

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2018/19 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	COUNTRY
1	London	UK
2	Moscow	Russia
3	Paris	France
4	Madrid	Spain
5	Prague	Czech Republic
6	Bucharest	Romania
7	Berlin	Germany
8	Istanbul	Turkey
9	Oslo	Norway
10	Vienna	Austria

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2018/19 – COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Tbilisi	Georgia
2	Sofia	Bulgaria
3	Kiev	Ukraine
4	Minsk	Belarus
5	Bucharest	Romania
6	Riga	Latvia
7	Zagreb	Croatia
8	Saint Petersburg	Russia
9	Warsaw	Poland
10	Prague	Czech Republic

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2018/19 – CONNECTIVITY

RANK	CITY	COUNTRY
1	London	UK
2	Stockholm	Sweden
3	Amsterdam	Netherlands
4	Copenhagen	Denmark
5	Paris	France
6	Barcelona	Spain
7	Brussels	Belgium
8	Oslo	Norway
9	Helsinki	Finland
10	Madrid	Spain

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2018/19 – BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	London	UK
2	Dublin	Ireland
3	Warsaw	Poland
4	Bucharest	Romania
5	Moscow	Russia
6	Prague	Czech Republic
7	Paris	France
8	Oslo	Norway
9	Istanbul	Turkey
10	Amsterdam	Netherlands



“BOTH LOCALS AND NEWCOMERS LOVE THE COMFORTABLE SIZE OF RIGA AND ITS VERY SPECIAL MENTALITY: A FRIENDLY, HARMONIOUS MIX BETWEEN ANCIENT HISTORY AND ENTREPRENEURIAL SPIRIT”

ARMANDS KRŪZE, RIGA CITY COUNCIL
CITY DEVELOPMENT DEPARTMENT

Winners: by European zone

TOP 10 NORTHERN EUROPEAN CITIES OF THE FUTURE 2018/19

RANK	CITY	COUNTRY
1	London	UK
2	Dublin	Ireland
3	Cambridge	UK
4	Helsinki	Finland
5	Stockholm	Sweden
6	Limerick	Ireland
7	Shannon	Ireland
8	Cork	Ireland
9	Copenhagen	Denmark
10	Reading	UK

TOP 10 EASTERN EUROPEAN CITIES OF THE FUTURE 2018/19

RANK	CITY	COUNTRY
1	Moscow	Russia
2	Warsaw	Poland
3	Bucharest	Romania
4	Prague	Czech Republic
5	Bratislava	Slovakia
6	Budapest	Hungary
7	Wrocław	Poland
8	Poznań	Poland
9	Kraków	Poland
10	Plzeň	Czech Republic

TOP 10 SOUTHERN EUROPEAN CITIES OF THE FUTURE 2018/19

RANK	CITY	COUNTRY
1	Istanbul	Turkey
2	Barcelona	Spain
3	Madrid	Spain
4	Milan	Italy
5	Lisbon	Portugal
6	Rome	Italy
7	Ljubljana	Slovenia
8	Zagreb	Croatia
9	Bilbao	Spain
10	Valencia	Spain

TOP 10 WESTERN EUROPEAN CITIES OF THE FUTURE 2018/19

RANK	CITY	COUNTRY
1	Paris	France
2	Amsterdam	Netherlands
3	Munich	Germany
4	Frankfurt	Germany
5	Zurich	Switzerland
6	Luxembourg	Luxembourg
7	Berlin	Germany
8	Basel	Switzerland
9	Geneva	Switzerland
10	Stuttgart	Germany



PARIS RIDING HIGH

The mood in Paris is buoyant as the capital region continues to attract multinational companies and start-ups alike, landing it the award of top overall European region in the fDi rankings

There's something of a feel-good factor in France these days, and it is being felt in particular in the Paris region, where businesses are optimistic about the future and investment is thriving. Since the election of Valérie Pécresse as head of the region

SPOTLIGHT ON PARIS REGION ADVERTISEMENT FEATURE

in December 2015, the Paris region has greatly changed the actions deployed to attract international companies. Already in 2016, the region had an increase of 15% in the number of international companies setting up business and 2017's figures should look even better, the election of President Macron being an important step in changing the perception of France by international companies.

It is against this backdrop that the region notched up high positions in major categories in this year's fDi Cities and Regions of the Future 2018/19 rankings. This includes: the highly prestigious top overall European Region of the Future placement; the top Western European region overall; the top large European region overall; the top large European region for economic potential; and top 10 positions among large European cities for human capital and lifestyle, connectivity and FDI strategy.

ATTRACTING BLUE CHIPS

With an area of 12,012 square kilometres and a population of 12 million, the Paris region is the largest in Europe, boasting GDP of €649bn.

It is no surprise that major tech firms including Facebook and Google have chosen recently to invest in Paris region, as have global banks such as HSBC and Bank of America Merrill Lynch. The region's position as a banking hub was further solidified by the announcement that the European Banking Authority will be moving to Paris in 2018. The

French capital already hosts Europe's highest concentration of Fortune 500 companies.

The Paris region is well equipped to welcome new investors that appreciate the abundance of high-quality and competitively priced office space that is helping it to keep ahead of its major rivals.

What is more, this gateway to continental Europe boasts great infrastructure, with its air, rail, road and waterways links to the rest of Europe putting a market of 510 million European consumers within easy reach of investors.

Innovation rules throughout the Paris region, whose support for the innovation ecosystem is encouraging tech companies from overseas either to establish R&D bases there or to capitalise on business opportunities for start-ups and corporates in the region.

Investors in this sector enjoy having space to grow as well as the business-friendly environment that is encouraging both start-ups and more established firms to locate here.

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Winners: Large European cities



“EXCELLENT PLACEMENTS IN THE **fDi** RANKING SPUR US ON TO CONTINUE MUNICH'S SUSTAINABLE DEVELOPMENT IN THE FACE OF GLOBAL COMPETITION. THE DIGITISATION OF USER INDUSTRIES IN PARTICULAR HAS EMERGED AS A POWERFUL DRIVER OF INNOVATION AND GROWTH”

JOSEF SCHMID, HEAD OF DEPARTMENT OF LABOUR AND ECONOMIC DEVELOPMENT, CITY OF MUNICH

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2018/19

RANK	CITY	COUNTRY
1	Munich	Germany
2	Frankfurt	Germany
3	Stuttgart	Germany
4	Hamburg	Germany
5	Düsseldorf	Germany
6	Manchester	UK
7	Glasgow	UK
8	Rotterdam	Netherlands
9	Cologne	Germany
10	Kraków	Poland

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2018/19 – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Munich	Germany
2	Frankfurt	Germany
3	Stuttgart	Germany
4	Düsseldorf	Germany
5	Hamburg	Germany
6	Manchester	UK
7	Hannover	Germany
8	Cologne	Germany
9	Antwerp	Belgium
10	Nuremberg	Germany

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2018/19 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	COUNTRY
1	Lyon	France
2	Munich	Germany
3	Hamburg	Germany
4	Stuttgart	Germany
5	Dresden	Germany
6	Cologne	Germany
7	Leipzig	Germany
8	Frankfurt	Germany
9	Kraków	Poland
10	Hannover	Germany

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2018/19 – COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Kharkiv	Ukraine
2	Odessa	Ukraine
3	Dnipropetrovsk	Ukraine
4	Belgrade	Serbia
5	Samara	Russia
6	Rostov-na-Donu	Russia
7	Nizhny Novgorod	Russia
8	Kazan	Russia
9	Novosibirsk	Russia
10	Yekaterinburg	Russia

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2018/19 – CONNECTIVITY

RANK	CITY	COUNTRY
1	Rotterdam	Netherlands
2	Frankfurt	Germany
3	Antwerp	Belgium
4	Manchester	UK
5	Hamburg	Germany
6	Düsseldorf	Germany
7	Cologne	Germany
8	Lyon	France
9	Birmingham	UK
10	Glasgow	UK

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2018/19 – BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	Manchester	UK
2	Kraków	Poland
3	Frankfurt	Germany
4	Glasgow	UK
5	Birmingham	UK
6	Munich	Germany
7	Leeds	UK
8	Katowice	Poland
9	Belgrade	Serbia
10	Hamburg	Germany

Winners: Mid-sized European cities

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2018/19

RANK	CITY	COUNTRY
1	Zurich	Switzerland
2	Edinburgh	UK
3	Bratislava	Slovakia
4	Vilnius	Lithuania
5	Bristol	UK
6	Gothenburg	Sweden
7	Wrocław	Poland
8	Coventry	UK
9	Bonn	Germany
10	Poznań	Poland

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2018/19 – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Zurich	Switzerland
2	Edinburgh	UK
3	Bonn	Germany
4	Bristol	UK
5	Bratislava	Slovakia
6	Wrocław	Poland
7	Tyumen	Russia
8	Coventry	UK
9	Vilnius	Lithuania
10	Gothenburg	Sweden

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2018/19 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	COUNTRY
1	Zurich	Switzerland
2	Bordeaux	France
3	Vilnius	Lithuania
4	Bratislava	Slovakia
5	Toulouse	France
6	Brno	Czech Republic
7	Lille	France
8	Utrecht	Netherlands
9	Aarhus	Denmark
10	Gothenburg	Sweden

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2018/19 – CONNECTIVITY

RANK	CITY	COUNTRY
1	The Hague	Netherlands
2	Gothenburg	Sweden
3	Liverpool	UK
4	Zurich	Switzerland
5	Utrecht	Netherlands
6	Duisburg	Germany
7	Nottingham	UK
8	Essen	Germany
9	Sheffield	UK
10	Fife	UK



“POZNAŃ IS AN OPEN CITY FOR PEOPLE. ITS RESULT IN THE FDI RANKING PROVES ITS OPENNESS FOR FOREIGN INVESTORS. WE KNOW HOW IMPORTANT THEY ARE FOR THE CITY DEVELOPMENT”

JACEK JASKOWIAK, MAYOR OF POZNAŃ

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2018/19 – COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Luhansk	Ukraine
2	Mykolaiv	Ukraine
3	Chisinau	Moldova
4	Zaporizhia	Ukraine
5	Iași	Romania
6	Vilnius	Lithuania
7	Bydgoszcz	Poland
8	Yaroslavl	Russia
9	Lviv	Ukraine
10	Kaliningrad	Russia

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2018/19 – BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	Zurich	Switzerland
2	Wrocław	Poland
3	Poznań	Poland
4	Bratislava	Slovakia
5	Coventry	UK
6	Edinburgh	UK
7	Tallinn	Estonia
8	Bristol	UK
9	Nottingham	UK
10	Newcastle upon Tyne	UK



DERRY AND STRABANE — THE GATEWAY TO SUCCESS

Northern Ireland's second largest city is a prime investment target thanks to its highly competitive business environment

Situated in the North West of Ireland, the Derry City and Strabane District Council area is a connected, competitive and cohesive city region, a place ripe for investment opportunity. The second largest city in Northern Ireland and fourth largest on the island of Ireland, Derry is a regional city boasting long established links with London and strong international relations with the US and China.

A SMALL REGION WITH A BIG GLOBAL OUTLOOK

Add to the list quality healthcare, housing, education and the vibrant culture which saw it win UK City of Culture in 2013 and you'll find it hard not to agree that it's the perfect place to invest, live and work.

CONNECTIVITY

With three airports located within 90 minutes of the city and flights to more than 180 destinations worldwide, getting there couldn't be easier. The UK's capital is only an hour away, with a twice-daily flight from the city's airport to London. Foyle Port and Belfast Harbour are also on the doorstep, both key gateways for commerce.

Two major infrastructure projects will further improve accessibility to the region. The A5 Western Transport Corridor (Derry-Dublin) is the largest road scheme ever undertaken in Northern Ireland, and the completion of the A6 Derry to Belfast will soon mean that

"SOME 34% OF THE POPULATION ARE UNDER 25, WITH A WELL-ESTABLISHED UNIVERSITY/THIRD LEVEL COMMUNITY OF 40,000 STUDENTS"

getting there will be faster, easier and commercially, better.

COMPETITIVE

The facts speak for themselves. A strong track record in attracting FDI is proven by the city's place among the "Top 10 European small cities for FDI strategy".

Some 34% of the population are under 25, with a well-established university/third level community of 40,000 students. Thirty-one per cent of school leavers are educated to degree level, 22% are under 16, and all are reaping the rewards of a world renowned education system. Some 65% are of working age, providing a diverse range of skills to the local economy.

Working with central government, the local Council provides investors with a secure pipeline of talent to rival the best in the world, with initiatives such as Assured Skills Academies and an apprenticeship hub, seeing a 19% rise in employment opportunities over the past three months (NIJobs.com).

With a formal agreement recently forged between Ulster University, North West

Regional College and Letterkenny Institute of Technology, the area is emerging as Ireland's leading cross-border learning region.

The benefits don't stop there. Labour costs are more than 30% lower than in other European cities, including London and Dublin. There's an abundance of high-quality office, retail and industrial space at the lowest prices in Western Europe. With a government commitment to reduce Corporation Tax in Northern Ireland, it's little wonder 80% of international investors continue to invest or plan to expand.

It's easy to see why global leaders in R&D excellence are already here, supporting local industry and driving innovation: Clinical Translational Research & Innovation Centre, Intelligent System Research Centre and Cognitive Analytics Research Lab, alongside the NW Centre for Advanced Manufacturing. Also located there are the big players in data analytics, advanced manufacturing, translational medicine and clinical research, AI and automated systems.

COHESIVE

While the Irish border continues to play a pivotal role in Brexit negotiations, cross-border relations in this cohesive city region have never been stronger. With collaborative work taking place on a civic, local and central government level, the relationship with Donegal County Council is a unique string to the North West's bow. By investing in the North West, you're investing in the only UK city region to straddle the ROI border, with access to UK, ROI and European markets.

The region's Inclusive Strategic Growth Plan outlines economic, social and environmental growth plans for the next 15 years. With key projects such as the expansion of Ulster University, including a graduate entry medical school, by 2032, it forecasts that an investment of €3.4bn will deliver 15,100 new jobs, 10,000 additional people, €203m additional wages and €1.1bn additional GVA. The Council is also pursuing a Growth Deal (or UK City Deal) which will further accelerate the economic transformation of the region.

There's never been a better time to invest in a place that has never been better.

Invest in Derry and Strabane, the gateway to success.

Please contact the team on:

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Email: investment@derrystrabane.com

Twitter: twitter.com/InvestDCSDC

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Comhairle
**Chathair Dhoire &
Cheantar an tSrátha Báin**
**Derry Cittie & Strabane
District Council**

Winners: Small and Micro European cities

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2018/19

RANK	CITY	COUNTRY
1	Cambridge	UK
2	Luxembourg	Luxembourg
3	Cork	Ireland
4	Basel	Switzerland
5	Geneva	Switzerland
6	Eindhoven	Netherlands
7	Reading	UK
8	Belfast	UK
9	Lund	Sweden
10	Aberdeen	UK

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2018/19

RANK	CITY	COUNTRY
1	Limerick	Ireland
2	Shannon	Ireland
3	Waterford	Ireland
4	Galway	Ireland
5	Inverness	UK
6	Mechelen	Belgium
7	Drogheda	Ireland
8	Coburg	Germany
9	Lincoln	UK
10	Nitra	Slovakia

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2018/19 – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Luxembourg	Luxembourg
2	Cambridge	UK
3	Cork	Ireland
4	Geneva	Switzerland
5	Basel	Switzerland
6	Eindhoven	Netherlands
7	Belfast	UK
8	Espoo	Finland
9	Aberdeen	UK
10	Reading	UK

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2018/19 – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Shannon	Ireland
2	Limerick	Ireland
3	Galway	Ireland
4	Waterford	Ireland
5	Coburg	Germany
6	Inverness	UK
7	Szokesfehervar	Hungary
8	Drogheda	Ireland
9	Monaco	France
10	Mechelen	Belgium

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2018/19 – HUMAN CAPITAL/LIFESTYLE

RANK	CITY	COUNTRY
1	Nicosia	Cyprus
2	Basel	Switzerland
3	Geneva	Switzerland
4	Oxford	UK
5	Espoo	Finland
6	Lund	Sweden
7	Linz	Austria
8	Bergen	Norway
9	Innsbruck	Austria
10	Salzburg	Austria

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2018/19 – HUMAN CAPITAL/LIFESTYLE

RANK	CITY	COUNTRY
1	Tartu	Estonia
2	Pau	France
3	Coburg	Germany
4	Bangor	UK
5	Limerick	Ireland
6	Monaco	France
7	Inverness	UK
8	Limassol	Cyprus
9	Östersund	Sweden
10	Nitra	Slovakia

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2018/19 – COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Skopje	Macedonia
2	Bijeljina	Bosnia-Herzegovina
3	Pleven	Bulgaria
4	Ruse	Bulgaria
5	Burgas	Bulgaria
6	Melitopol	Ukraine
7	Ternopil	Ukraine
8	Kremenchuk	Ukraine
9	Berdiansk	Ukraine
10	Plovdiv	Bulgaria

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2018/19 – COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Štip	Macedonia
2	Prilep	Macedonia
3	Prijedor	Bosnia-Herzegovina
4	Zvornik	Bosnia-Herzegovina
5	Yuzhnoukrainsk	Ukraine
6	Vranje	Serbia
7	Zaječar	Serbia
8	Sremska Mitrovica	Serbia
9	Zrenjanin	Serbia
10	Sombor	Serbia



“CORK IS IRELAND’S SOUTHERN POWERHOUSE, A PLACE OF COLLABORATION AND CONNECTIVITY WHERE BUSINESSES ARE ENABLED TO GROW AND SUCCEED. GLOBAL GIANTS ARE BEING JOINED BY A NEW WAVE OF INVESTORS IN CYBER, TECH AND PHARMA”
TONY FITZGERALD, LORD MAYOR OF CORK

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2018/19 – CONNECTIVITY

RANK	CITY	COUNTRY
1	Lund	Sweden
2	Slough	UK
3	Malmö	Sweden
4	Eindhoven	Netherlands
5	St Albans	UK
6	Hemel Hempstead	UK
7	Basel	Switzerland
8	Geneva	Switzerland
9	Ghent	Belgium
10	Stavanger	Norway

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2018/19 – BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	Cork	Ireland
2	Reading	UK
3	Cambridge	UK
4	Belfast	UK
5	Brighton	UK
6	Milton Keynes	UK
7	Hemel Hempstead	UK
8	Slough	UK
9	Kecskemét	Hungary
10	Aberdeen	UK

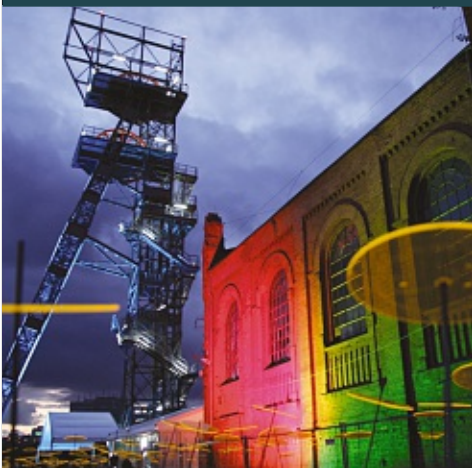
TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2018/19 – CONNECTIVITY

RANK	CITY	COUNTRY
1	Mechelen	Belgium
2	Lincoln	UK
3	Hartlepool	UK
4	Shannon	Ireland
5	Halifax	UK
6	Pau	France
7	Jelgava	Latvia
8	Drogheda	Ireland
9	Great Yarmouth	UK
10	Newry	UK

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2018/19 – BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	Limerick	Ireland
2	Shannon	Ireland
3	Galway	Ireland
4	Waterford	Ireland
5	Drogheda	Ireland
6	Inverness	UK
7	Nitra	Slovakia
8	Zrenjanin	Serbia
9	Székesfehérvár	Hungary
10	Tartu	Estonia

“MECHELEN'S WELL-DEFINED VISION FOR THE FUTURE HAS ALREADY CONVINCED MANY COMPANIES TO CHOOSE US. THEIR EXAMPLE INSPIRES OTHERS”
BART SOMERS,
MAYOR OF
MECHELEN



WHY KATOWICE MEANS BUSINESS

Excellent transport links may have brought investors to Poland's Katowice, but the city's business-friendly attitude, skilled labour pool and great quality of life is what keeps them there

The southern Polish city of Katowice is building a reputation for attracting investors in the business services and automotive sectors, thanks to its skilled workforce, convenient location and good infrastructure.

These factors, along with competitive costs for salaries, rent, establishing a business, energy and tax, have all helped the city to achieve eighth place in the Top 10 Large European Cities for Business Friendliness category in this year's **fDi** Cities and Regions of the Future ranking.

BSS IS BOOMING

The city has become the fifth largest location in Poland in terms of people employed in the business services sector, with an estimated 20,000 working in the industry.

Investors report that it is easy to do business in the city and they are enthusiastic about the attractive investment incentives on offer, particularly those available through the Katowice Special Economic Zone.

As well as Katowice's rich cultural heritage and location, they appreciate its transport infrastructure, which includes one of Poland's best road networks. In addition, there is easy access to three international airports, which are all within a short distance of the city.

As the biggest urban area in Poland and central Europe, Katowice offers access to a large consumer market and a considerable pool of skilled workers. For example, more than 2.2 mil-

SPOTLIGHT ON KATOWICE ADVERTISEMENT FEATURE

lion people live in the metropolis and its 20 universities produce 25,000 graduates annually.

GREEN AND CULTURED CITY

Katowice is the fifth largest regional market in Poland for office space, with about 460,600 square metres on offer, much of it available at competitive prices.

The city's inhabitants enjoy a good quality of life and have access to excellent medical, sports and recreation centres. There are plenty of open spaces, with 45% of the area given over to green areas or forests. Its culture zone features the International Congress Centre, the new headquarters of the Polish National Radio Symphony Orchestra and the Silesian Museum. What is more, the city has also been designated a Unesco Creative City in the field of music.

For this reason, major names to have recently set up in the city include Accenture, Arvato Bertelsmann, Altium, Groupon, Guardian Industries, Knauf, ITI Neovision and Jamf Polska.

Katowice City Hall
Investors Assistance Department
www.invest.katowice.eu; oi@katowice.eu

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FDI Strategy: Barcelona continues its winning streak

BARCELONA RETAINS ITS CROWN AS THE LEADING MAJOR CITY FOR FDI STRATEGY IN **fDi**'S EUROPEAN CITIES AND REGIONS OF THE FUTURE 2018/19 RANKING, WHILE BIRMINGHAM TOPS THE TABLE OF ITS LARGE PEERS. **CATHY MULLAN** EXPLAINS WHY THESE CITIES, ALONG WITH BORDEAUX, DEBRECEN AND LIMERICK, ARE THE BEST IN THEIR CATEGORIES

Barcelona, the capital of Catalonia, hit the headlines recently for the political upheaval that followed an independence referendum that was judged illegal by the Spanish government. Reports of companies abandoning their operations in the region rolled forth (according to *The Economist*, more than 3200 companies have fled). However, despite these major upheavals, what **fDi** found was a city thoroughly engaged with its FDI landscape and ready to adapt to the new challenges it was facing, and such factors are behind it winning **fDi**'s European Cities and Regions of the Future 2018/19 FDI Strategy award for major cities.

The City Council of Barcelona has recently launched its city branding project, which brings together local private and public bodies and promotes knowledge sharing between them. The project aims to coordinate strategies to promote and protect the city's reputation on the world stage.

A transparency policy has been implemented to promote the message of a positive business climate to the world, while measures are in place to retain talent and attract foreign companies, supported by business initiatives that encourage growth and reinvestment.

The city is focused on the tech industry, playing a role as an urban laboratory in order to attract start-up companies and entrepreneurs. Grants and funding are available to R&D investors, including tax breaks for labour costs and rebates for strategic projects.

As a socially progressive city, Barcelona is encouraging businesses to include gender diversity in their HR policies (to that end, an LGBT projects coordinator has been hired to support businesses). Meanwhile, special grants are available for companies hiring previously unem-



Barcelona's city branding project unites private and public bodies to promote knowledge sharing

ployed young staff and candidates over 45 years of age.

Booming Birmingham

Birmingham has ranked first of all large European cities for its FDI Strategy. The West Midlands Growth Company, which is responsible for promotion and attraction of inward investment, works in conjunction with local enterprise partnerships, local authorities, universities and a range of private sector entities to promote the city and the wider Midlands region.

Birmingham is home to five enterprise zones, each specialised and designed to attract certain investors. The Enterprise Zone boasts 39 sites and aims to attract digital media and tech companies, while the Advanced Manufacturing hub in Aston, Life Sciences Campus in Edgbaston and the Food Hub in north Birmingham all offer space, facilities and business support for targeted sectors.

Investors choosing Birmingham will also benefit from the new High

Speed 2 (HS2) rail service, which will allow investors to travel between London and Birmingham in about 50 minutes, and has brought with it investment in housing and office space around two HS2 stations in the Greater Birmingham area.

There are residential and commercial projects currently under development in the city. These include Birmingham Snow Hill, offering companies more than 200,000 square metres of office space and 4000 residential units; and Paradise, a £500m (\$695m) grade A office space development, offering 33,000 square metres of office space in the first phase and 27,000 square metres in the second.

The West Midlands Growth Company assists investors with settling into the city, helping with recruitment for their operations and linking R&D businesses with higher education institutions. The agency organises business networking events and its research arm, the Regional Observatory, provides companies with data and analysis to guide ►



DEBRECEN: A RISING STAR IN THE EAST

Debrecen in Hungary has a labour force that is renowned throughout central and eastern Europe for its skills and low costs. It is particularly strong in the business services sector and manufacturing industry

A historically noteworthy trading hub, the Hungarian city of Debrecen remains an important regional centre for central and eastern Europe.

The country's prime minister recently referred to it as "the other capital"; in fact Debrecen has twice, briefly, been the nation's capital when – as locals remark – Hungary was in trouble.

It ranks first in top 10 Small European Cities for FDI Strategy in the fDi Cities and Regions of the Future rankings, scoring particularly well in areas such as unemployment, inflation and labour force participation rates.

It also rated highly for salaries for skilled and semi-skilled workers; rents for grade-A office and industrial space; costs of establishing a business and registering a property; construction permits and electricity connections; corporation tax rate; distance to nearest international airport; and number of days taken to start a business.

DIVERSE SECTORS

The city's diverse and balanced business sector, where no single industry segment dominates, contributes to its stability and encourages firms to set up shop. For example, in 2017, Flowserve announced plans to establish its

global financial centre in Debrecen and create more than 400 jobs. In the same year, Diehl Aircabin said it planned to launch its engineering centre here, employing more than 150 engineers. Other companies already operating in the city, such as BT, are continually expanding their capacity.

The University of Debrecen has always played a key role in the city's development and is now the biggest in Hungary. It offers more than 100 courses and teaches 14 languages, educating students from Hungary and around the world.

Well positioned as the second largest city in Hungary, Debrecen has ambitions to increase its population from 210,000 to 250,000 by 2050. To achieve this, it is working to expand its student numbers. Key to this is the continued improvement in the variety and capacity of courses offered by the University of Debrecen. City authorities are also working with partners to create new high-value jobs, and provide high-quality business infrastructure and favourable conditions for new foreign investors. This two-pronged approach aims to help Debrecen attract skilled local workers and provide career opportunities for new graduates.

BUSINESS SERVICES HUB

Hungary has long been favoured for shared service centre (SSC) investments, and Debrecen is emerging as an important hub. With 3300 employees working in local service centres, the business services sector is enjoying the strongest growth. Investors in this sector are attracted by the ready availability of talent in key service areas such as technology and languages; fully serviced A-class offices at moderate prices; and competitive operational costs. More and more high-value activities are being added to the range of functions offered by the local service centres, including software development and IT solutions, engineering R&D, finance and accounting, procurement, human resources and legal services.

In 2017, Debrecen gained international recognition at the CEE Shared Services and Outsourcing Awards in Warsaw, Poland, when it was named Emerging City of the Year and its BT service centre was awarded Best University-Business Cooperation of the Year.

ELECTRONICS, AUTOMOTIVE AND MACHINERY

In recent years the electronics, automotive and machinery sectors have become increasingly important to manufacturing in Debrecen, with multinationals such as FAG-Schaeffler Group and National Instruments reinvesting. These companies have not only expanded their production capacity and R&D infrastructure, but have also created hundreds of high-quality jobs. In addition, ThyssenKrupp is investing €35m that will lead to 250 extra jobs, while Kronos is building a €49m production unit that will create 500 new jobs in the city.

Keen to develop its position in the CEE fDi scene, the city has implemented a local investment incentive programme whereby it provides direct cash support to new investments, in addition to national VIP grants. The maximum regional aid offered is 50% of the total investment value, the highest rate permissible in the EU.

For businesses interested in making a move to Debrecen, the municipality established EDC Debrecen Urban and Economic Development Center offering one-stop-shop assistance, including looking for a suitable business location with transparent and up-to-date information, and a wide range of professional services throughout the whole investment process, from data collection to after-care.

invest.debrecen.hu
investment@edc.debrecen.hu

Sponsored by the Municipality of Debrecen



and support their business decisions. Public relations support is also provided through the agency's channels.

Vintage Bordeaux

Bordeaux, a city of more than 250,000 people in south-west France, has ranked first of all mid-sized European cities for its FDI Strategy. Invest in Bordeaux is the main agency for the promotion of the city and the attraction of foreign investment. As part of the Bordeaux Attractiveness Mission initiative, Invest in Bordeaux works with other organisations such as the city's tourist office, Bordeaux Airport, the Port de Bordeaux, Congrès et Expositions de Bordeaux as well as local entrepreneurs and others to "fuel the vitality and dynamism" of the city's business environment and to put it on a world stage.

Investors coming to Bordeaux can benefit from the new high-speed train line, which will bring Paris within two hours' reach. The city's specialist investment park for the aerospace industry, Bordeaux Aéroparc OIM, welcomes investors in the aerospace, space and defence sectors, and offers 2500 hectares of development space. Its aim is to house 45,000 employees (up from the current 35,000). The Bordeaux Inno-Campus spans 1350 hectares and has a focus on health, research and innovation. There are eight hospitals and a university on site, and the park supports employment for 40,000 people.

Debrecen on the rise

Debrecen, Hungary's second largest city after Budapest, has ranked first of all small cities for FDI Strategy. The city's economic development agency, EDC Debrecen, is proactive in creating a welcoming and successful environment for investors. The agency has coordinated the development of grade-A office space in the city ('Forest Offices Debrecen'), which offers investors 22,000 square metres of offices. A 584-hectare industrial park (Debrecen South Industrial Park) has also been initiated and established.

EDC Debrecen has worked to implement a local incentives programme, which comes in addition to national VIP grants and allows the municipality to provide cash incentives to investors, as well as initiating the establishment of the city's first International School of Debrecen, offering an educational programme in English to international baccalaureate standard, which may be attrac-



"THE AWARD IS TESTAMENT TO GREATER BIRMINGHAM'S ROBUST GROWTH STRATEGY, CRITICAL MASS OF TALENT AND CONTINUOUSLY EVOLVING LANDSCAPE"

IAN WARD, LEADER OF BIRMINGHAM CITY COUNCIL

tive to international investors. Investors can access a comprehensive property database from EDC Debrecen, and benefit from site visits and business meetings organised by the agency with key actors in the investment process.

Irish enterprise

Limerick City and County Council is responsible for the promotion of the city – the winner in the micro city ranking – as an investment location, and was instrumental in the implementation of the Limerick 2030 Plan, a strategic economic development plan. The Limerick Twenty Thirty Strategic Development DAC (Designated Activity Company) has been created as part of the plan, and will aim to deliver more than €500m of transformational investment infrastructure to attract foreign investors to Limerick.

The city's local enterprise office implements a business and retail incentive scheme that encourages the use of vacant commercial properties in the city. Four sites are currently under development as part of Limerick 2030. The Opera site's 1.5 hectares have a mix of public and private sector investment that will provide 5109 square metres of accommodation; the Gardens International Office site will provide more than 10,219 square metres of space; and the mixed-use Cleaves Riverside Campus measures 3.25 hectares and will house education, tourism, residential, incubator and commercial office space when completed in 2020.

Limerick recently welcomed the Troy Film Studios Film Hub, a 31,587-square-metre film studio that includes 6503 square metres of sound stages and provides opportunities to invest in a new sector in the city. ■

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2018/19 – FDI STRATEGY

RANK	CITY	COUNTRY
1	Barcelona	Spain
2	Amsterdam	Netherlands
3	Paris	France
4	Berlin	Germany
5	Dublin	Ireland
6	Vienna	Austria
7	Milan	Italy
8	Warsaw	Poland
9	Budapest	Hungary
10	Kiev	Ukraine

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2018/19 – FDI STRATEGY

RANK	CITY	COUNTRY
1	Birmingham	UK
2	Glasgow	UK
3	Rotterdam	Netherlands
4	Düsseldorf	Germany
5	Frankfurt	Germany
6	Antwerp	Belgium
7	Cologne	Germany
8	Hamburg	Germany
9	Gaziantep	Turkey
10	Kazan	Russia

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2018/19 – FDI STRATEGY

RANK	CITY	COUNTRY
1	Bordeaux	France
2	Szczecin	Poland
3	Vilnius	Lithuania
4	Liverpool	UK
5	Poznań	Poland
6	Ostrava	Czech Republic
7	Bilbao	Spain
8	Porto	Portugal
9	Newcastle upon Tyne	UK
10	Brno	Czech Republic

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2018/19 – FDI STRATEGY

RANK	CITY	COUNTRY
1	Debrecen	Hungary
2	Derby	UK
3	Plovdiv	Bulgaria
4	Plzeň	Czech Republic
5	Reading	UK
6	Derry/Londonderry	UK
7	Niš	Serbia
8	Oulu	Finland
9	Middlesbrough	UK
10	Belfast	UK

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2018/19 – FDI STRATEGY

RANK	CITY	COUNTRY
1	Limerick	Ireland
2	Waterford	Ireland
3	Valmiera	Latvia
4	Ventspils	Latvia
5	Mechelen	Belgium
6	Rēzekne	Latvia
7	Maribor	Slovenia
8	Pardubice	Czech Republic
9	Prijedor	Bosnia-Herzegovina
10	Šabac	Serbia



“MIDDLESBROUGH HAS A RICH HISTORY OF INDUSTRY, INNOVATION AND PIONEERING EXPLORATION, AND WE’RE BUILDING ON THAT IN THE 21st CENTURY WITH A BOOMING CITY CENTRE ECONOMY, BURGEONING DIGITAL AND CREATIVE SECTORS AND A THRIVING UNIVERSITY”

DAVID BUDD, ELECTED MAYOR OF MIDDLESBROUGH



“WITH A HIGHLY SKILLED WORKFORCE, INVESTMENT IN INFRASTRUCTURE AND PUBLIC-PRIVATE PARTNERSHIPS, WHICH SUPPORT NEW BUSINESSES AND INVESTORS INTO THE CITY, DERBY IS AN ATTRACTIVE PROPOSITION FOR FOREIGN DIRECT INVESTMENT”

MARTIN RAWSON, DEPUTY LEADER OF DERBY CITY COUNCIL

Matthew Jones

Paris rises to lead regional ranking

PARIS REGION HAS RANKED FIRST IN THE **fDi** EUROPEAN CITIES AND REGIONS OF THE FUTURE 2018/19 REGIONAL RANKING, CLINCHING THE TOP SPOT FROM PREVIOUS WINNER NORTH RHINE-WESTPHALIA, WHICH NOW FINDS ITSELF IN THIRD PLACE. **CATHY MULLAN** REPORTS

Home to eight départements including the country's capital, Paris Region is the jewel in the crown of France's FDI achievements. The region attracted more than 1000 investments between October 2012 and September 2017, greater any other region in the study, and this is why it is our regional winner in the European Cities and Regions of the Future 2018/19 ranking.

More than one-quarter of the region's investments came from companies headquartered in the US, including a €200m investment from shipping services provider FedEx Express and a new logistics centre set up in Moissy-Cramayel by Coca-Cola, which created 1000 jobs. Job creation from foreign investments in the region peaked in 2016, at almost 11,000, increasing just over 78% from the level in 2012.

In part owing to its FDI performance, the region has also ranked first of all large European regions for Economic Potential. Paris Region also boasts the highest GDP of all regions studied (more than \$800bn at purchase power parity) and has the highest level of outward FDI of all regions (more than 2600 projects between October 2012 and September 2017).

The region is well connected as investors can reach 269 international destinations from its two international airports, Orly Airport and Paris Charles de Gaulle. France also performs well on the Logistics Performance Index and the Liner Shipping Connectivity Index, which, along with a high quality of overall infrastructure including rail and roads, helped the region to rank third of all large European regions in the Connectivity category.



Investors in Paris Region can reach 269 international destinations from its two airports, Orly and Charles de Gaulle

Dublin to second

Rising from fifth place in 2016/17's ranking, the Irish region of Dublin has placed second and has also been named **fDi**'s Northern European Region of the Future, top small European region overall, as well as top small region for Economic Potential and Business Friendliness. Nearly 9% of all companies in the Dublin region are in the knowledge-based sector, testament to the area's reputation as a location for high-quality investments.

South Africa-based Synexa Life Sciences established its international headquarters in Dublin in mid-2017, noting the city's ecosystem of hi-tech companies, innovative research institutions and the skilled workforce as reasons for investment. The company's chief executive also

acknowledged Ireland's reputation as a business-friendly location, where companies can be started in just five days. Ireland has a corporate tax rate of just 12.5% and a high ranking on the World Bank's Ease of Doing Business Index.

Engine of Germany

Germany's largest state with nearly 18 million citizens, North Rhine-Westphalia has ranked third among all European regions. The region incorporates some important German cities, including Cologne, Düsseldorf and Dortmund. Almost half of investments into the region were into three cities – Düsseldorf (36.1%), Cologne (10.1%) and Duisburg (3.1%).

Sales, marketing and support operations were the primary business functions in the region, accounting for over 50% of total investments. North Rhine-Westphalia is an established centre of Germany's automotive sector, attracting almost one-quarter of all Germany's automotive investment, more than any other state in the country.

Car manufacturer Adam Opel, a subsidiary of US-based General Motors, invested more than \$70m in a spare parts facility in Bochum in August 2017, creating 700 jobs; and brake manufacturer TMD Friction, a subsidiary of Japan-based Nisshinbo Group, expanded its production in the state, investing nearly \$60m to increase the production of brake pads from 18 million to 60 million per year.

North Rhine-Westphalia had the third highest number of patents registered with the US Trade and Patent Office of all regions studied, with nearly 15,500 registrations between 2007 and 2016. ■

FIGURE 1 JOBS CREATED FROM FDI IN PARIS REGION, 2012-2016

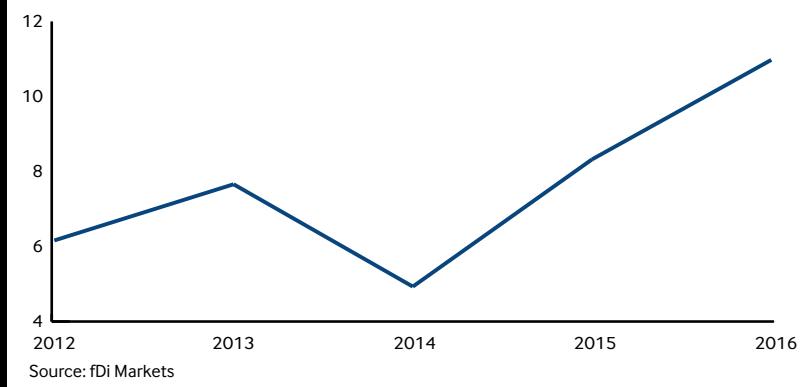
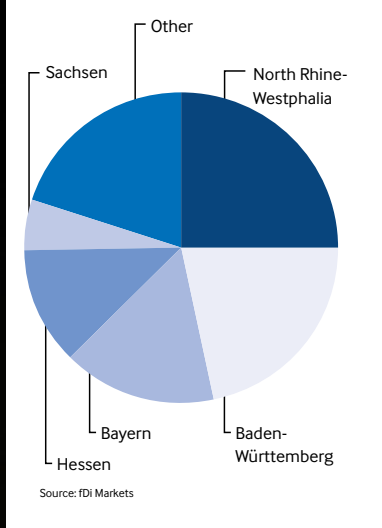
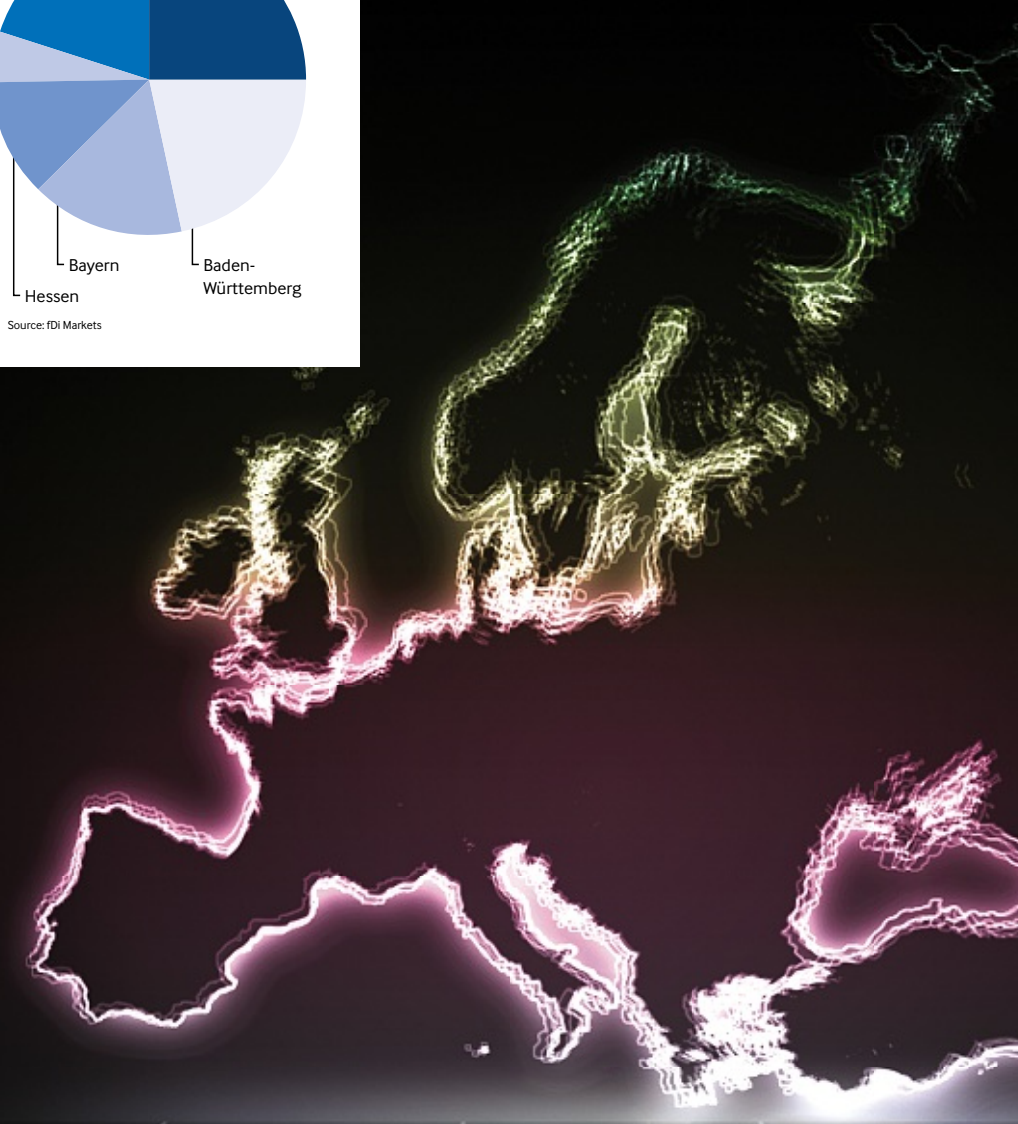


FIGURE 2 TOP STATES FOR AUTOMOTIVE INVESTMENT IN GERMANY, 2016-2017



Cologne attracts more than 10% of NRW's FDI



Winners: by European zone



“WE AIMED FOR A WELCOME NETWORK WHERE THE PUBLIC ADMINISTRATION IS NOT SEEN AS AN OBSTACLE TO ENTREPRENEURIAL INITIATIVE, BUT AS AN EFFICIENCY FACTOR CAPABLE OF FACILITATING”

MAURO PAROLINI, REGIONAL MINISTER FOR ECONOMIC DEVELOPMENT, LOMBARDY REGION

TOP 10 NORTHERN EUROPEAN REGIONS OF THE FUTURE 2018/19

RANK	REGION	COUNTRY
1	Dublin Region	Ireland
2	South-east England	UK
3	Uusimaa	Finland
4	Scotland	UK
5	East of England	UK
6	Greater Copenhagen	Denmark
7	Stockholm County	Sweden
8	Oslo County	Norway
9	West Midlands	UK
10	North-west England	UK

TOP 10 SOUTHERN EUROPEAN REGIONS OF THE FUTURE 2018/19

RANK	REGION	COUNTRY
1	Catalonia	Spain
2	Comunidad de Madrid	Spain
3	Lombardy	Italy
4	Istanbul	Turkey
5	Lisbon Region	Portugal
6	Emilia-Romagna	Italy
7	Lazio	Italy
8	City of Zagreb	Croatia
9	Basque Country	Spain
10	Comunidad de Valencia	Spain



“GLASGOW IS NOW CONSISTENTLY ACHIEVING RECOGNITION AS ONE OF EUROPE’S TOP CITIES FOR FDI STRATEGY AND BUSINESS FRIENDLINESS. THESE IMPRESSIVE RESULTS CONFIRM THAT GLASGOW IS TRULY A WORLD CLASS CITY”

SUSAN AITKEN, LEADER, GLASGOW CITY COUNCIL

TOP 10 EASTERN EUROPEAN REGIONS OF THE FUTURE 2018/19

RANK	REGION	COUNTRY
1	Central Federal District	Russia
2	Bratislava Region	Slovakia
3	Prague Region	Czech Republic
4	București-Ilfov	Romania
5	Masovian Voivodeship	Poland
6	Central Hungary	Hungary
7	Lower Silesia	Poland
8	Sofia City Region	Bulgaria
9	Pišeň Region	Czech Republic
10	South Moravia	Czech Republic

TOP 10 WESTERN EUROPEAN REGIONS OF THE FUTURE 2018/19

RANK	REGION	COUNTRY
1	Paris Region	France
2	North Rhine-Westphalia	Germany
3	Baden-Württemberg	Germany
4	Bavaria	Germany
5	Canton of Zurich	Switzerland
6	North Holland	Netherlands
7	Hamburg Region	Germany
8	Berlin Region	Germany
9	Hesse	Germany
10	Canton of Geneva	Switzerland

Welcome European XFEL & Elbphilharmonie / www.mediaserver.hamburg.de / © Asja Caspari



HAMBURG – A CENTRE OF SCIENCE IN NORTHERN EUROPE

The city's new research facilities have put it on the map as a hotspot for start-ups and innovators in all industries

In 2017, Hamburg was in the limelight of international attention like no other city in Germany. Major events included the opening of the Elbphilharmonie Hamburg, the G20 summit, and the launch of the European XFEL super-laser – to name but a few. In particular, Hamburg has made a name for itself with several new research facilities. Dr Rolf Strittmatter, managing director of Hamburg Invest, talks about the background to this and Hamburg's bold plans for the future.

In a well-received speech a couple of weeks ago, Hamburg's mayor Olaf Scholz announced his vision of Hamburg as a city that is on its way to become a centre of science in Northern Europe. Is Hamburg now turning away from its centuries-old tradition of being a trading town?

Not quite, but it is certainly a step forward and it is pointing the way towards Hamburg's future. Hamburg will always remain a merchants' town, and yet it has always had a much broader profile too. Even in the old days, the port and trade provided the basis for innovative stakeholders from industry and services associated with such industry.

Could you explain this in more detail? I would figure that innovation isn't the first thing to come to mind when thinking of Hamburg.

And yet not rightly so. I suppose this notion is due to Hamburg's understatement. Take, for instance, Nivea, Leukoplast, Tesa or Montblanc – all of these are world-renowned brands from Hamburg. Or take the cruise industry, the chip card, and navigation devices: all of these are inventions from Hamburg that have changed



our lives. In areas such as medical technology, pharmaceuticals and aviation, Hamburg businesses are innovation champions even at this stage. And we would like to strengthen and promote this facet of Hamburg's economy to a greater extent.

So what exactly are your plans for the future?

Hamburg is strengthening its research and science landscape. Our beacon project, the European XFEL, can be regarded as the "science sector's Elbphilharmonie". In addition to this, we have also been supporting application-oriented research. Our agenda includes the foundation of science institutes, an expansion of existing ones, and further support to university-based research. Prominent names here include the Max Planck Society, the Fraunhofer Gesellschaft, and the German Aerospace Center (DLR).

And what is the role of Hamburg Invest in this process?

In Hamburg there are currently four research and innovation parks underway, and these are being developed and operated by Hamburg Invest. What is more, we serve as the main port of call for knowledge- and technology-based start-up businesses. And of course we promote Hamburg as a start-up and innovation location at both national and international levels.

When thinking of start-ups in Germany, the UK audience would tend to think of Berlin rather than Hamburg, though.

Berlin is certainly very appealing to young entrepreneurs. That said, Hamburg has actually replaced Berlin as Germany's number one start-up city since 2016. Hamburg performs particularly well when it comes to linking up the old economy with the new. Traditional Hamburg businesses invest heavily in fresh ideas and provide room for growth. This is something Berlin cannot offer to such an extent. As regards lower rents, the gap is becoming narrower with each year. Commercial leases are nearly at the same level now.

Ever since the Brexit referendum, Berlin has been prompting London-based businesses to relocate to Berlin. Is Hamburg also active in this regard?

Yes of course, but mostly with targeted activities and less "loud". We focus on start-ups that have connecting factors with Hamburg businesses within their field and on those that can be provided with specific science partners in Hamburg. There are a number of recent examples e.g. in logistics and in the pharmaceuticals industry. And then there are start-ups that may suffer from the more restrictive immigration policy in London and the skills shortage resulting from this. We will be happy to help these companies.

So how does Brexit affect your overall work?

In fact, it affects our work considerably. And yet we are currently focusing on businesses from Asia and North America who are expanding into Europe and who don't consider London their first choice anymore. At this point in time, companies outside the financial and pharmaceutical sectors are not under pressure to decide. They are currently preparing and will base their decision on the final conditions agreed. While we do not believe in an exodus of UK-based companies, there will certainly be additional activities to be launched in Continental Europe. And of course Hamburg provides an ideal gateway to the European Union. This has also been confirmed by many UK businesses we have spoken to to date.

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Winners: Large European regions

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2018/19

RANK	REGION	COUNTRY
1	Paris Region	France
2	North Rhine-Westphalia	Germany
3	Baden-Württemberg	Germany
4	Bavaria	Germany
5	South-east England	UK
6	Scotland	UK
7	East of England	UK
8	Central Federal District	Russia
9	Hesse	Germany
10	West Midlands	UK

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2018/19 – ECONOMIC POTENTIAL

RANK	REGION	COUNTRY
1	Paris Region	France
2	Baden-Württemberg	Germany
3	Bavaria	Germany
4	North Rhine-Westphalia	Germany
5	Scotland	UK
6	South-east England	UK
7	Hesse	Germany
8	Central Federal District	Russia
9	East of England	UK
10	Flanders	Belgium



“THIS AWARD WILL BE AN ADDITIONAL MOTIVE FOR OUR REGION TO CREATE AN EVEN MORE BUSINESS-FRIENDLY ENVIRONMENT. TO THAT END, WE WILL MAKE EVERY EFFORT TO ENCOURAGE INVESTMENTS”

ZDENKO ĆOSIĆ, PRESIDENT, WEST HERZEGOVINA CANTON

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2018/19 – HUMAN CAPITAL AND LIFESTYLE

RANK	REGION	COUNTRY
1	North Rhine-Westphalia	Germany
2	South-east England	UK
3	Paris Region	France
4	Central Federal District	Russia
5	Bavaria	Germany
6	Baden-Württemberg	Germany
7	Comunidad de Madrid	Spain
8	Hesse	Germany
9	Saxony	Germany
10	South-west England	UK

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2018/19 – COST EFFECTIVENESS

RANK	REGION	COUNTRY
1	Southern Federal District	Russia
2	Volga Federal District	Russia
3	Silesia	Poland
4	Siberian Federal District	Russia
5	Far Eastern Federal District	Russia
6	Ural Federal District	Russia
7	North-western Federal District	Russia
8	Central Federal District	Russia
9	Masovian Voivodeship	Poland
10	Yorkshire and the Humber	UK

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2018/19 – CONNECTIVITY

RANK	REGION	COUNTRY
1	East of England	UK
2	Flanders	Belgium
3	Paris Region	France
4	North-west England	UK
5	Catalonia	Spain
6	North Rhine-Westphalia	Germany
7	Scotland	UK
8	Hesse	Germany
9	Yorkshire and the Humber	UK
10	South-east England	UK

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2018/19 – BUSINESS FRIENDLINESS

RANK	REGION	COUNTRY
1	South-east England	UK
2	West Midlands	UK
3	Central Federal District	Russia
4	Scotland	UK
5	East of England	UK
6	North Rhine-Westphalia	Germany
7	Bavaria	Germany
8	Baden-Württemberg	Germany
9	North-west England	UK
10	East Midlands	UK

Winners: Mid-sized European regions

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2018/19

RANK	REGION	COUNTRY
1	Uusimaa	Finland
2	North Holland	Netherlands
3	Greater Copenhagen	Denmark
4	Hamburg Region	Germany
5	Stockholm County	Sweden
6	Berlin region	Germany
7	Brabant	Netherlands
8	București-Ilfov	Romania
9	South Holland	Netherlands
10	Vienna Region	Austria

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2018/19 – ECONOMIC POTENTIAL

RANK	REGION	COUNTRY
1	Uusimaa	Finland
2	North Holland	Netherlands
3	Hamburg Region	Germany
4	Berlin Region	Germany
5	Greater Copenhagen	Denmark
6	Stockholm County	Sweden
7	Brabant	Netherlands
8	București-Ilfov	Romania
9	Vienna region	Austria
10	South Holland	Netherlands

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2018/19 – HUMAN CAPITAL AND LIFESTYLE

RANK	REGION	COUNTRY
1	Stockholm County	Sweden
2	Berlin Region	Germany
3	Greater Copenhagen	Denmark
4	București-Ilfov	Romania
5	Uusimaa	Finland
6	Hamburg Region	Germany
7	Vienna Region	Austria
8	North Holland	Netherlands
9	Västra Götaland County	Sweden
10	Central Hungary	Hungary

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2018/19 – COST EFFECTIVENESS

RANK	REGION	COUNTRY
1	Sud-Vest	Romania
2	Nord-Est	Romania
3	Bosnia	Bosnia-Herzegovina
4	Sud	Romania
5	Sud-Est	Romania
6	Centru	Romania
7	Vest	Romania
8	Nord-Vest	Romania
9	Kuyavian-Pomeranian	Poland
10	Kiev Oblast	Ukraine



“THE AMBITION OF THE SILESIA VOIVODESHIP UNTIL 2020 IS TO BECOME A REGION WITH A DIVERSIFIED MODERN ECONOMIC STRUCTURE THANKS TO INNOVATION AND CREATIVITY OF ENTERPRISES”

WOJCIECH SAŁUGA, MARSHAL, SILESIA VOIVODESHIP

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2018/19 – CONNECTIVITY

RANK	REGION	COUNTRY
1	South Holland	Netherlands
2	Brabant	Netherlands
3	Stockholm County	Sweden
4	Greater Copenhagen	Denmark
5	Västra Götaland County	Sweden
6	North Holland	Netherlands
7	Wallonia	Belgium
8	Lisbon Region	Portugal
9	Hamburg	Germany
10	Wales	UK

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2018/19 – BUSINESS FRIENDLINESS

RANK	REGION	COUNTRY
1	București-Ilfov	Romania
2	Northern Ireland	UK
3	North Holland	Netherlands
4	Stockholm County	Sweden
5	Greater Copenhagen	Denmark
6	Central Hungary	Hungary
7	Lower Silesia	Poland
8	Wales	UK
9	North-east England	UK
10	Greater Poland	Poland

Winners: Small European regions

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2018/19

RANK	REGION	COUNTRY
1	Dublin Region	Ireland
2	Canton of Zurich	Switzerland
3	Oslo County	Norway
4	Bratislava	Slovakia
5	Canton of Geneva	Switzerland
6	Prague Region	Czech Republic
7	Canton of Zug	Switzerland
8	South-west Region	Ireland
9	Luxembourg	Luxembourg
10	Vilnius County	Lithuania

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2018/19 – ECONOMIC POTENTIAL

RANK	REGION	COUNTRY
1	Dublin Region	Ireland
2	Luxembourg	Luxembourg
3	Canton of Zurich	Switzerland
4	Oslo County	Norway
5	Canton of Geneva	Switzerland
6	Canton of Zug	Switzerland
7	South-west Region	Ireland
8	Bratislava Region	Slovakia
9	Mid-west Region	Ireland
10	West region	Ireland

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2018/19 – HUMAN CAPITAL AND LIFESTYLE

RANK	REGION	COUNTRY
1	Prague Region	Czech Republic
2	Oslo County	Norway
3	Canton of Zurich	Switzerland
4	Canton of Zug	Switzerland
5	Bratislava Region	Slovakia
6	Canton of Vaud	Switzerland
7	Vilnius County	Lithuania
8	Canton of Geneva	Switzerland
9	Utrecht Region	Netherlands
10	Kaunas County	Lithuania

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2018/19 – COST EFFECTIVENESS

RANK	REGION	COUNTRY
1	Stara Zagora Region	Bulgaria
2	Ruse Region	Bulgaria
3	Skopje Statistical Region	Macedonia
4	Burgas Region	Bulgaria
5	Plovdiv Region	Bulgaria
6	Varna Region	Bulgaria
7	Srem District	Serbia
8	Sofia (province)	Bulgaria
9	Kaunas County	Lithuania
10	Sofia City Region	Bulgaria



“ZUG OFFERS STABILITY, ATTRACTIVE TAXATION, QUALITY OF LIFE, HIGH LEVEL OF EDUCATION, AND A BUSINESS-FRIENDLY ENVIRONMENT”

BEAT BACHMANN, HEAD OF ECONOMIC PROMOTION, CANTON OF ZUG

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2018/19 – CONNECTIVITY

RANK	REGION	COUNTRY
1	Skåne County	Sweden
2	Canton of Geneva	Switzerland
3	Southern Denmark	Denmark
4	Brussels Capital Region	Belgium
5	Rogaland County	Norway
6	Canton of Zurich	Switzerland
7	Utrecht Region	Netherlands
8	Oslo County	Norway
9	Canton of Vaud	Switzerland
10	Vilnius County	Lithuania

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2018/19 – BUSINESS FRIENDLINESS

RANK	REGION	COUNTRY
1	Dublin Region	Ireland
2	Prague Region	Czech Republic
3	Bratislava	Slovakia
4	Canton of Zurich	Switzerland
5	Canton of Zug	Switzerland
6	Oslo County	Norway
7	Mid-West Region	Ireland
8	Canton of Geneva	Switzerland
9	Harju County	Estonia
10	South-west Region	Ireland



SABAC PLANS ITS ROUTE TO SUCCESS

The city of Sabac responds to all the demands of investors, in terms of completely equipped industrial zones as well as the most efficient administration in the country

Sabac, the city of rich tradition and great potential, is situated in the north-west part of Serbia, on the right bank of the river Sava. Set in a modern urban planning way, with good traffic connections (only 80km from Belgrade, 40km from Croatian border, 35km from the border with Bosnia and Herzegovina and 24km from the highway), Sabac always gladly accepts all progressive ideas.

More than 115,000 people live in Sabac area, with 53,000 in the city itself. Sabac is the centre of the Macva region, with almost 300,000 inhabitants.

Sabac is the first city in Serbia to reach the international standard ISO 9001:2000 for quality management. The National Alliance for Local Economic Development (NALED) measures the efficiency of all municipalities in Serbia, and according to their results, Sabac is the most efficient city in Serbia in issuing construction permits (five days), use permits (two days) and location conditions (11 days) which is one of the key measures of administration.

Even though Sabac is the city with the lowest number of public servants per inhabitant, two years ago we received the BFC SEE certificate from NALED, and the city of Sabac was declared as the best investment destination in the country.

The city of Sabac has formed the biggest industrial zone in this region. The North-west Work Zone covers 600 hectares of land. When

we say land, we mean a fully developed industrial plot with road access and connectivity to all utilities – and no hidden costs. Urban planning created blocks of land so every investor can choose the shape and the size of the plot. Last year we built a modern public parking covering four hectares. The Zone is also connected to the Wastewater Treatment Plant which makes a significant saving for investors, and, of course, the environment. Some 208 hectares in the Zone are part of the Free Zone regime, which provides additional benefits for all investors operating in it.

We are currently adding 32.5MW of power in the Zone as a preparation for future growth activities, because investors in the city, as we have seen, target more value-added projects.

Top management leads this city on the basis of five policies, and the first one of them is support to the economy, the backbone of the city. This is why the city has formed the Local Economic Development Department which is at the disposal of all investors, any time of the day. Investor's representatives are members of the Business Council which holds regular meetings, and in that way they can express their opinion and needs in development strategies. None of the city's decisions and strategies is made without canvassing companies' opinion.

There is a quality workforce in Sabac, but as a local government, we are ready to help our unemployed citizens to become more

competitive at the labour market through training and educations. We will also provide a quality workforce for every investor, that we will prepare for specific jobs in their companies through training.

We are working to make Sabac an even better place for living, and to retain young people. That is why we invest in culture, education, science and sports. Close to 2000 children learned to swim through a free training programme at the newly built City Pool in Sabac. This programme will continue until all children in our city learn to swim.

However, the best way for measuring our work is the number of new investments in the city. In the past three years, 38 investors made a decision to buy land in our Industrial Zone and establish a business in Sabac.

www.sabac.rs
invest@sabac.org

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FDI Strategy: Catalonia and Nordic regions show their strength

CATALONIA HAS BEEN NAMED TOP LARGE REGION IN **fDi**'S EUROPEAN CITIES AND REGIONS OF THE FUTURE 2018/19 RANKING FOR ITS FDI STRATEGY, WITH GREATER COPENHAGEN TOPPING THE TABLE FOR MID-SIZED REGIONS AND GREATER HELSINKI FIRST OF ALL SMALL REGIONS. **CATHY MULLAN** REPORTS

As Catalonia scoops the FDI Strategy award for large region, local investment agency Catalonia Trade & Investment (CT&I) is tasked with attracting financial support and promoting the region to companies around the world. Supported by a strong team, the agency has an international vision, and prioritises its efforts by countries, top sectors and the types of investment.

Its USA Plan initiative is primarily focused on attracting companies involved in future technologies and US unicorn start-ups. It is intended to encourage start-up companies that will eventually be valued at more than \$1bn. The agency's international start-ups programme aims to put the region on the international stage and attract unicorn start-ups from around the world.

Major events planned for the region include Mobile World Capital and Congress and the Smart City Expo, which are contributing to the region's reputation as a digital and start-up hub.

Relevant investors can also take advantage of a multitude of research facilities, living labs and testing facilities, which include smart cities, autonomous driving facilities and a global 3D printing hub. The region is home to MareNostrum4, Spain's premier (and Europe's third largest) supercomputer.

Companies that invest in Catalonia – 146 of which did in 2017, according to data from investment monitor **fDi** Markets – have access to an aftercare manager at CT&I, who holds meetings with all companies post-investment to assess their requirements and challenges and help find solutions. Companies can also participate in networking events organised by CT&I, as well as international trade fairs and roadshows.



Copenhagen is keeping an eye on its tech prospects in a post-Brexit Europe

Wonderful Copenhagen

Greater Copenhagen has ranked first in the mid-sized region category. Copenhagen Capacity, Copenhagen's promotion and investment attraction agency, has recently welcomed major international investors including US-based IBM and Japan-based Hitachi.

Copenhagen Capacity is proactive in assessing the global economic landscape, and works to ensure Greater Copenhagen is on investors' maps. In April 2017, the agency brought together 70 fintech companies based in the UK to explain the advantages and opportunities

offered by Greater Copenhagen in a post-Brexit era.

In June 2017, the region hosted Copenhagen Fintech Week, which attracted 1000 start-up companies and investors from 30 countries. The agency promotes other high-value FDI sectors, as the region is home to Copenhagen Science City, a €1bn science facility for business and research, as well as the European Spallation Source. One of the world's largest science and technology infrastructure projects it is jointly hosted by Sweden and Denmark in Greater Copenhagen.

Heaven in Helsinki

Greater Helsinki, which incorporates the Finnish capital of Helsinki and its urban area of Espoo and Vantaa as well as some commuter towns, has ranked first of all small European regions for FDI Strategy. Helsinki Business Hub, which is involved in the promotion and attraction of investment, operates a close network with local private and academic sectors, as well as public bodies, to offer investors a comprehensive service.

The agency is seeking to build on the region's reputation as a destination for innovative and hi-tech companies, a region that boasts 116,000 ICT professionals (75% with advanced programming skills). Investors in R&D projects can access grants and loans as part of the Finnish Funding Agency for Technology and Innovation, while Helsinki's Kalasatama neighbourhood offers companies a smart city platform, where solutions can be tested in an urban environment. ■



"THIS RANKING ENCOURAGES US TO WORK EVEN HARDER IN THE FUTURE TO MAKE HELSINKI REGION THE BEST POSSIBLE HUB FOR BUSINESSES TO DEVELOP, GROW, CHANGE THE WORLD, AND FOR COMPANIES TO INNOVATE, DEVELOP AND GROW"

JAN VAPAAVUORI, MAYOR OF HELSINKI

SPOTLIGHT ON VILNIUS ADVERTISEMENT FEATURE



VILNIUS, YOUR OPEN CAPITAL

On the occasion of launching a new branch of his company in Vilnius last summer, multi-millionaire founder of US payment giant Harbouroch Jared Isaacman, said, "After my first visit to Vilnius I just felt that this city is a small version of Silicon Valley, and this was absolutely unexpected. The city, its infrastructure, and the prevalence of technology made an impression on me."

Just some years ago Vilnius was the best

kept secret of the region. But the hidden gem is not so hidden anymore. Vilnius is constantly growing in terms of population, infrastructure and real estate. The growing demand for hotel rooms and office space in Vilnius as it attracts increasing numbers of tourists and businesses.

AN EXPLOSION OF TALENT

Young talent, openness, speed, technology and entrepreneurship. This is the explosive mixture that is throwing the City of Vilnius into the new orbit.

Investors are flocking to Lithuanian capital Vilnius, driven by its, ambitious and highly skilled population, excellent infrastructure and very attractive property market. Today Vilnius hosts 44 shared service centres, with Booking.com set to open the city's 45th – employing 900 people – later this year. One of the reasons of Vilnius becoming a hotspot for CEE – human capital. Vilnius is home to more than 60,000 students, 7000-plus of whom are studying IT-related subjects.

A VIBRANT YOUNG CITY

Vilnius being the second youngest capital in Europe, has a well-deserved reputation as an innovative and dynamic city. According to the European Commission report on Innovation in the EU, Vilnius is one of the fastest growing innovators in Europe. Plus, it won the Most Dynamically Developing City of the Year in Central and Eastern Europe at February

2018's Annual CEE Shared Services and Outsourcing Awards.

The city has a favourable legal and tax environment, and is rated highly by fast-growth companies, as well as having a strong reputation for the ease of starting a business. Vilnius has highly digitalized procedures which marks it out as one of the leaders in the region. In fact, the fastest market entry recorded worldwide was made in Vilnius, when Uber went from idea to full-scale operations in the city in just one month.

These benefits have proven attractive to investors such as Western Union, Barclays, Uber, Revolut and Trustpilot. As Šarūnas Šuipis, general manager of Western Union Lithuania, says: "Western Union invested in Vilnius because of its large talent pool, highly educated, skilled and multilingual professionals, good technical infrastructure and positive economic trends."

This Strategy in action was acknowledged and Vilnius achieved third place in Mid-Sized European Cities for FDI Strategy. This high position may be a result that Vilnius focuses not only in attracting potential investors, but also providing the tailored soft-landing programs and top-notch aftercare which makes Vilnius the perfect host for a company that decided expand operations or relocate to Vilnius.

Come join us in Vilnius!

Sponsored by: Go Vilnius

TOP 8 LARGE EUROPEAN REGIONS OF THE FUTURE 2018/19 – FDI STRATEGY

RANK	REGION	COUNTRY
1	Catalonia	Spain
2	North Rhine-Westphalia	Germany
3	Scotland	UK
4	Lombardy	Italy
5	Emilia-Romagna	Italy
6	Madrid	Spain
7	Paris Region	France
8	Silesia	Poland

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2018/19 – FDI STRATEGY

RANK	REGION	COUNTRY
1	Greater Copenhagen	Denmark
2	Brabant	Netherlands
3	Greater Manchester	UK
4	Province of Vojvodina	Serbia
5	Wallonia	Belgium
6	Lesser Poland	Poland
7	Basque Country	Spain
8	Lublin Voivodeship	Poland
9	Canary Islands	Spain
10	Noord-Holland Noord	Netherlands

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2018/19 – FDI STRATEGY

RANK	REGION	COUNTRY
1	Greater Helsinki	Finland
2	Eindhoven Region	Netherlands
3	Niš Region	Serbia
4	Plovdiv Region	Bulgaria
5	Plzeň Region	Czech Republic
6	Podravje Region	Slovenia
7	Međimurje County	Croatia
8	Opolskie Region	Poland
9	Republic of Srpska	Bosnia-Herzegovina
10	West Herzegovina Canton	Bosnia-Herzegovina



The Madrid region has risen two places since fDi's last European Cities and Regions ranking



“IN THE YEARS TO COME WE WILL CONTINUE TO WORK ON OUR BUSINESS CLIMATE. OUR LEADING, HI-TECH REGION WELCOMES INNOVATION AND TRADE COLLABORATION WITH FOREIGN PARTNERS”

BERT PAULI, VICE GOVERNOR OF THE PROVINCE OF NOORD-BRABANT

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2018/19

RANK	LEP
1	London
2	Thames Valley Berkshire
3	South-east Midlands
4	Greater Manchester
5	Coventry and Warwickshire
6	West of England
7	Greater Birmingham and Solihull
8	South-east
9	Solent
10	Greater Cambridge and Greater Peterborough

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2018/19 – CONNECTIVITY

RANK	LEP
1	South-east Midlands
2	Thames Valley Berkshire
3	South-east
4	London
5	Cheshire and Warrington
6	Enterprise M3
7	Hertfordshire
8	Liverpool City Region
9	Coast to Capital
10	New Anglia

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2018/19 – ECONOMIC POTENTIAL

RANK	LEP
1	London
2	Thames Valley Berkshire
3	Greater Cambridge and Greater Peterborough
4	Coventry and Warwickshire
5	Greater Manchester
6	Oxfordshire
7	West of England
8	Greater Birmingham and Solihull
9	South East Midlands
10	Enterprise M3

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2018/19 – BUSINESS FRIENDLINESS

RANK	LEP
1	London
2	Thames Valley Berkshire
3	South-east Midlands
4	Greater Manchester
5	Greater Birmingham and Solihull
6	Coventry and Warwickshire
7	Coast to Capital
8	Hertfordshire
9	Solent
10	Leeds City Region

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2018/19 – HUMAN CAPITAL AND LIFESTYLE

RANK	LEP
1	London
2	Solent
3	West of England
4	South East
5	Oxfordshire
6	Coast to Capital
7	Leeds City Region
8	Greater Manchester
9	Heart of the South West
10	Leicester and Leicestershire

TOP 5 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2018/19 – FDI STRATEGY

RANK	LEP
1	Liverpool City Region
2	West of England
3	Leeds City Region
4	Sheffield City
5	Leicester and Leicestershire

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2018/19 – COST EFFECTIVENESS

RANK	LEP
1	Tees Valley
2	Cornwall and the Isles of Scilly
3	Black Country
4	Humber
5	Dorset
6	The Marches
7	Heart of the South West
8	Greater Lincolnshire
9	Stoke-on-Trent and Staffordshire
10	Lancashire



METHODOLOGY

To create a shortlist for the **fDi** European Cities and Regions of the Future 2018/19, the **fDi** Intelligence division of the Financial Times collected data using the specialist online FDI tools **fDi** Benchmark and **fDi** Markets, as well as other sources.

Data was collected for 489 locations (301 cities, 150 regions and 38 LEPs), under five categories: Economic Potential, Labour Environment, Cost Effectiveness, Infrastructure and Business Friendliness. Locations scored up to a maximum of 10 points for each data point, which were weighted by importance to the FDI decision making process in order to compile the subcategory rankings as well as the overall European Cities and Regions of the Future 2018/19 ranking.

In addition, surveys were collected under a sixth category, FDI Strategy, for which there were 146 submissions. In this category, locations submitted details about their strategy for promoting FDI, which was then scored by **fDi**'s judging panel.

In a departure from the methodology of recent rankings, bonus points were awarded to locations ranking in

the top 10 for FDI Strategy within their population brackets. The highest-ranking location was awarded an extra point, on a sliding scale to 10th position, which was awarded an additional 0.1 point. Bonus points contributed to the scores for the overall results tables, but not the five categories as mentioned above.

Population categories methodology

To categorise cities, **fDi** took into account both the population of the immediate city and that of the larger urban zone (LUZ). In addition, where locations were in the large or major categories, we took into consideration the location's receipt of FDI as a percentage of the country's overall total.

City size categories

Major cities: The cities in this category had an immediate city population of more than 750,000 plus a LUZ of more than two million, or a LUZ of more than four million

Large cities: Cities with an immediate city population over 500,000 plus a LUZ of more than one million, or a LUZ more than two million people

Mid-sized cities: Cities with an immediate city population more than 200,000 plus a LUZ over 750,000, or an immediate city population over 350,000

Small cities: Cities with an immediate city population between 100,000 and 350,000

Micro cities: Cities with an immediate city population below 100,000

City FDI parameters

Where a capital city was not classed as major by its population, we looked at its inward FDI figures. Any capital city which received more than 30% of its country's FDI was upgraded to the 'Major' category. In addition, we looked at FDI stats for any non-capital cities whose populations were classed as 'Major'. Any city which received less than 10% of its country's FDI was classed as 'Large'.

Regional size categories

Large regions: More than 4 million people

Mid-sized regions: Between 1.5 million and 4 million people

Small regions: Fewer than 1.5 million people

JUDGING CRITERIA

ECONOMIC POTENTIAL

- Population
- Population growth rate
- Unemployment rate (%)
- Inflation
- GDP (PPP current intl \$) (millions)
- GDP per capita (PPP current intl \$)
- GDP forecast (average annual growth rate - %)
- GDP average annual growth rate - %
- Outward FDI (October 2012-September 2017)
- Outward FDI per 100,000 people (October 2012-September 2017)
- Inward FDI (October 2012-September 2017)
- Inward FDI per 100,000 people (October 2012-September 2017)
- Nominal growth in inward FDI projects per 100,000 people (2007-2011 vs 2012-2016)
- Inward FDI in R&D and DDT per 100,000 people (October 2012-September 2017)
- Inward FDI in advanced manufacturing per 100,000 people (October 2012-September 2017)
- Number of mega projects by capex (over \$100m) (October 2012-September 2017)
- Number of mega projects by capex (over \$100m) (October 2012-September 2017) per 100,000 people
- Number of mega projects by jobs (over 1000) (October 2012-September 2017)
- Number of mega projects by jobs (over 1000) (October 2012-September 2017) per 100,000 people
- Capital expenditure on R&D and DDT projects (\$) (October 2012-September 2017)

- Number of patents 2007-2016
- Number of patents per 100,000 people 2007-2016

HUMAN CAPITAL AND LIFESTYLE

- Labour force participation rate, total (% of total population ages 15+) (modelled ILO estimate)
- Secondary educational attainment
- Tertiary educational attainment
- Education expenditure (% of GNI)
- Number of students
- Number of students per 100,000 people
- Number of higher education institutions
- Number of higher education institutions per 100,000 people
- Number of IB Schools
- Number of Top 500 universities
- Ability to attract and retain talent
- Life expectancy
- Social Progress Index
- Human Development Index 2015
- Number of physicians per 1000 people

COST EFFECTIVENESS

- Average annual salary (\$) for a semi-skilled worker
- Average annual salary (\$) for a skilled worker
- Annual rent for prime Grade A office space (\$ per square metre)
- Annual rent for prime Grade A industrial space (\$ per m square metre)
- 4*/5* hotel in city centre (\$ per night)
- Minimum wage (\$)
- Cost of establishing a business (absolute value using GNI)
- Cost of registering a property (% of property value)

- Cost of construction permits (absolute value using GNI)
- Cost of establishing an electricity connection (absolute value using GNI)
- Petrol prices (\$)
- Cost of electricity (\$ per kWh)
- Cost to export (\$ per container)
- Cost to import (\$ per container)
- Corporation tax rate (%)
- VAT/ common indirect tax rate (%)
- Total tax rate (% of profit)
- Country PPP rate

CONNECTIVITY

- Upload speed (kb/s)
- Download speed (kb/s)
- Percentage of people using the internet
- ICT Development index
- Number of airports within 80 km of the city
- Number of international destinations served
- Distance to nearest international airport (km)
- Number of ports within 100km (medium)
- Number of ports within 100km (large)
- Number of ports within 100km (very large)
- Number of ports within 100km (medium+)
- Liner shipping connectivity index (2017)
- Logistics Performance Index (2016)
- Networked Readiness Index (2016)
- Environmental Performance Index (2016)
- Quality of overall infrastructure 2017
- Quality of roads 2017
- Quality of railroad infrastructure 2017
- Companies in the transportation sector per 100,000 people

BUSINESS FRIENDLINESS

- Total number of companies within the hi-tech manufacturing sector 2017
- Total number of companies within the hi-tech service sector 2017
- Total number of companies within the knowledge-based sector 2017
- Proportion of companies within the hi-tech manufacturing sector 2017
- Proportion of companies within the hi-tech service sector 2017
- Proportion of companies within the knowledge-based sector 2017
- Total number of companies within the hi-tech manufacturing sector 2017 (per 100,000 people)
- Total number of companies within the hi-tech service sector 2017 (per 100,000 people)
- Total number of companies within the knowledge-based sector 2017 (per 100,000 people)
- Number of jobs created by all inward FDI (July 2012-June 2017)
- Number of jobs created by all inward FDI per 100,000 people (July 2012-June 2017)
- Number of expansion/colocation projects (July 2012-June 2017)
- Fragile States Index 2017
- Number of top 1000 World Banks 2017
- Corporation tax rate (%)
- Days taken to start a business
- Ease of Doing Business index
- Index of Economic Freedom
- Corruption Perception Index
- Strength of Investor Protection Index
- Country risk score
- Firing costs (\$)
- Credit rating



STARA ZAGORA, READY FOR BUSINESS

A diverse workforce and engineering talents, a favourable business climate, strong support from the local authority and a high quality of life make Stara Zagora the right investment destination

Stara Zagora City, the centre of the most dynamically developing region of Bulgaria, invites investors and businesses to thrive and grow because:

- It is the most rapid growing in the country, ahead of Sofia and Plovdiv
- It has the largest growth rate by 19% on an annual basis
- It has significant potential for new investment attraction with a new industrial zone and a hi-tech park establishment.

The dynamically developing and many-faced Stara Zagora is a cosy and vital city, located in the central part of Bulgaria, EU. It has 8,000 years of history and a unique Neolithic Dwellings museum exhibiting the remains of human life on its land from prehistoric times. It is not surprising that the BBC History channel chose Stara Zagora for its documentary entitled "The Birth of Europe".

The city went through many years of turbulent history, with a continuing sustainable development.

Stara Zagora is the perfect city in which to live, invest and work. The city was awarded "The Best City to live" prize in 2017 because of its achievements in areas such as environment, green infrastructure, modern in-city transport, rate of investments and growth, childcare, medical facilities, quality and diversity of educational institutions, host of the biggest opera-house of the Balkans.

VERY GOOD AND SUPPORTIVE BUSINESS DESTINATION

Stara Zagora is ready to provide full support for innovative investment, providing appropriate plot

and assistance in the next steps throughout the administrative procedures to the final investment, including trainings of the workforce needed.

The well organized East Industrial Zone ZAGORE is currently being planned. It includes 95 hectares of municipal land, available for business development and High-Tech Business Park of some 50 hectares, developed as a private-public partnership. The area is located near the Metro Cash&Carry store, only 6 km from Stara Zagora Freight Railway Station and 15 minutes away from Trakia Highway.

ELENINO Industrial Zone, located 6 km west of the city of Stara Zagora, only 15 km from Trakia Highway and 6 km from Stara Zagora Freight Railway Station includes 21 hectares of land, which is suitable for business development, including a logistics hub. There is a possibility to extend the zone area.

The CONSTRUCTION PERMIT goes through a clear workflow that takes up to 105 days - A SHORTER TIME THAN OECD AVERAGE.

LOCAL TAXES AND FEES

Compared to the nationally adopted tax rates, Bulgaria has one of the lowest corporate and personal income tax rates in Europe (10%). Costs of fixed intangible assets created through research and development are deductible. In addition, Bulgaria applies EU customs legislation and has signed double tax avoiding treaties with 68 countries. The same rates and rules for Stara Zagora, as the local property taxes and waste fees are among the lowest in Bulgaria. Income tax rates are noticeably higher in other CEE countries: Romania - 16%; CEC – between 15 to 18 %.

WORLD DIRECTIONS CONNECTED

The City is a road intersection point of three Pan-European corridors: IV, IX, VIII; it has also a well developed railroad network through which major transport routes connect the eastern, western, northern and southern parts of Europe.

INTERNET: According to Cisco, Bulgaria ranks 5th in the world and 3rd in Europe for Internet connection speed. Fiber-optic cable connecting and ADSL connections are the most popular choices for Bulgarians. In 2018, LoRaWAN network is expected to be available in Stara Zagora - a new generation communication protocol used for IoT. Among its many advantages are security and dual data encryption, the ability to work on terminals for up to 10 years without changing the battery, and the open LoRa Alliance ecosystem, allowing for a variety of devices and solutions.

Acting on its strategy the City extends an invitation to explore its investment opportunities and the tax incentives Bulgaria provides.

STARA ZAGORA READY TO HOST YOUR INVESTMENT!

Sponsored by



**MUNICIPALITY OF
STARA ZAGORA**

