



invest|UK



Carter Lemon Camerons

Rupert Gather

Chairman, InvestUK

Foreign Direct Investment in  
the United Kingdom

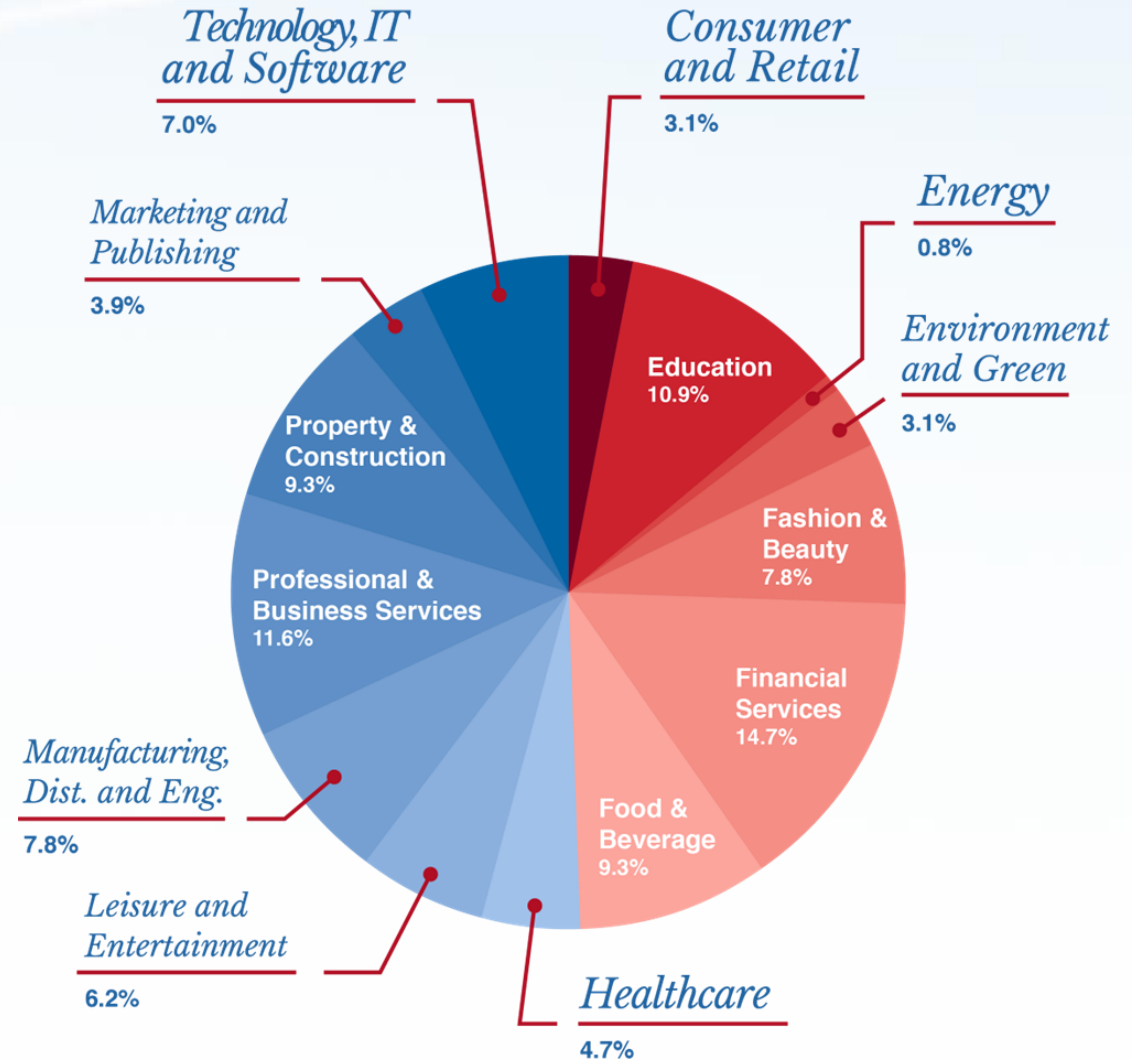
# What is Foreign Direct Investment?

Foreign direct investment (FDI) is cross-border investment made with the objective of establishing a lasting interest in the host economy.

Foreign Direct Investment has two channels:

- Greenfield - new ventures and JVs (>50%) being formed by international companies and entrepreneurs
- Direct - minority investments(>10% <50%) into companies

InvestUK has managed £300m investment across 500 projects creating 10,000 jobs



# Importance of the private sector

## International Context

- UK ~£70bn
- GCC ~£44bn
- USA ~£135bn

FDI stock in the UK stands at £2,000bn

5% of projects by number (those >£100m) generate 70% of inward investment by quantum

Greenfield FDI projects by value	Average annual Greenfield UK FDI projects by number between 2016/17-2022/23	Average annual total investment in category 2016/17-2022/23/£bn		UK share of regional greenfield FDI capex
		UK	Rest of Europe	
>£200m	32	25.5	52.6	32.7%
£100-£200m	16	2.3	16.1	12.4%
<£100m	1,306	12.5	77	14%
<b>TOTAL</b>	<b>1,354</b>	<b>40.3</b>	<b>145.7</b>	<b>21.7%</b>

Source: FDI Markets (2023)

Source: Harrington Review of Foreign Direct Investment - November 2023

# Role of Government

---

Harrington Review gives role of Government



These were announced last week and were expanded on at the International Investment Summit.

- Appointment of Senior Investment Minister reporting to the Chancellor and Business Secretary. The new minister is Poppy Gustafsson.
- An expanded and resourced Office For Investment to offer the cross – government concierge service that the Review identified was needed to attract investors.
- Implementation of the new Industrial Strategy under a new Industrial Strategy Council.

# Influence of Policy

## Factors determining country choice:

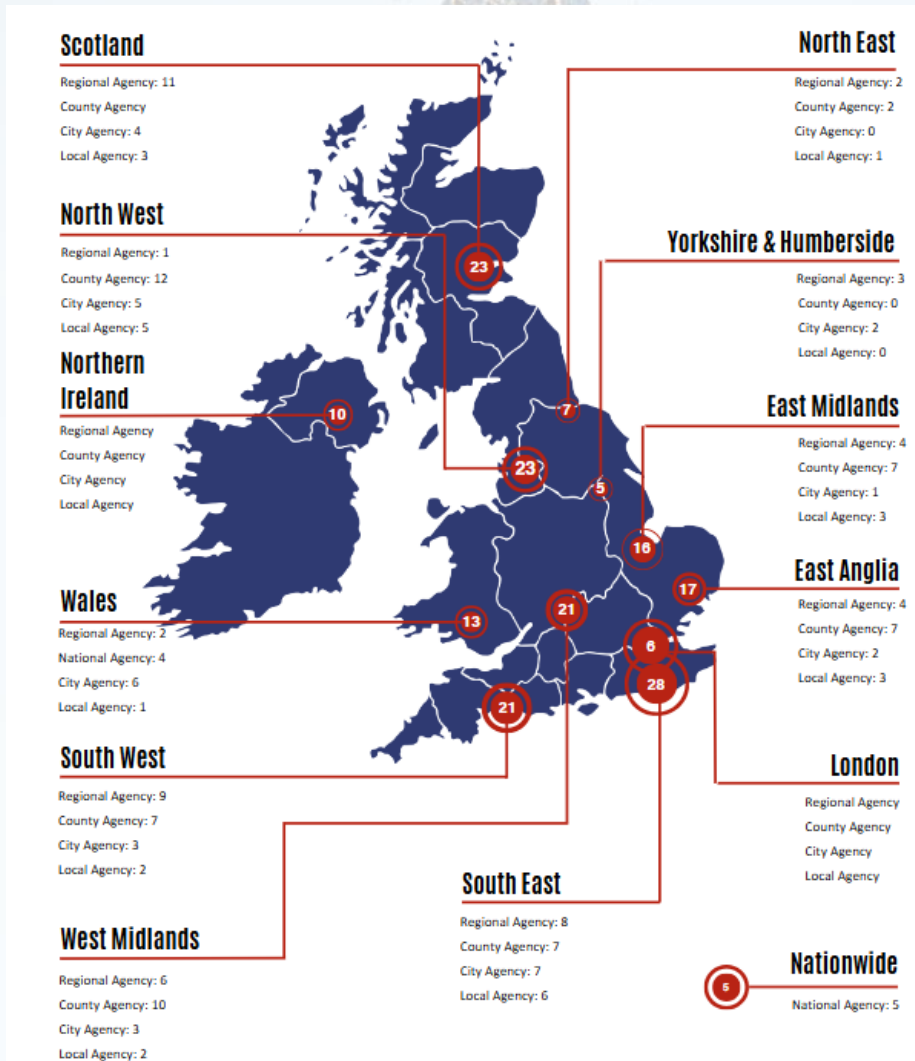


## Factors determining local choice:

- **Finance** – access to localized grants, tax breaks etc
- **Logistics** – access to distribution, space, raw materials
- **Skills** – access to skilled trained workers, universities

# Access to local knowledge is key

## Accessing the UK



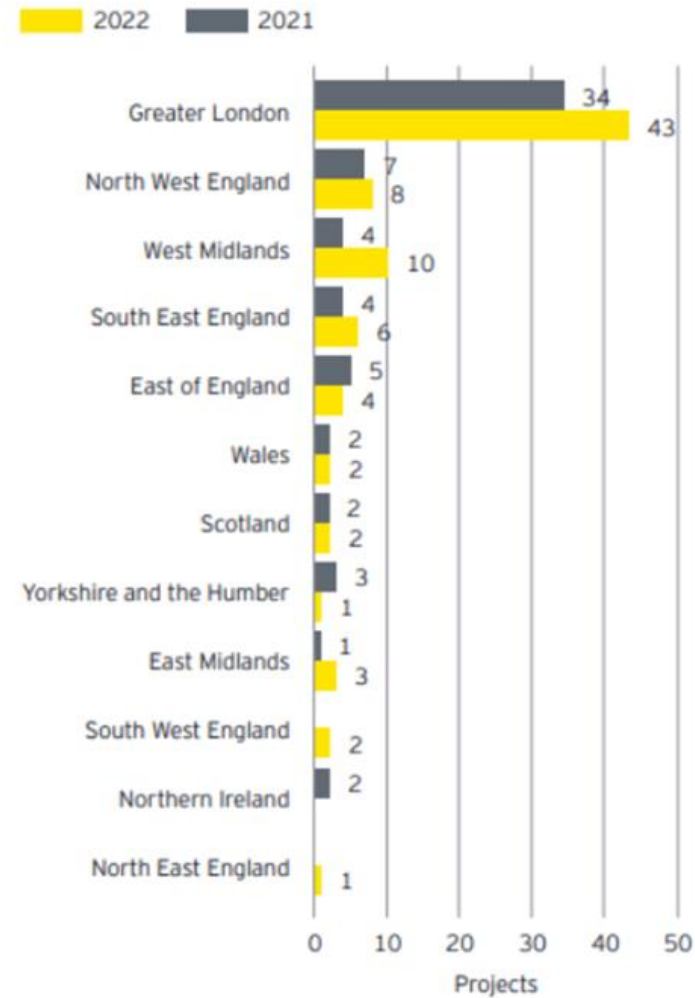
## Same issue in all countries:

### KSA - £18bn FDI:

- Ministry of Investment of Saudi Arabia (MISA)
- Saudi Industrial Development Fund (SIDF)
- Economic Cities Authority (ECA)
- Saudi Arabian General Investment Authority (SAGIA)
- Saudi Authority for Industrial Cities and Technology Zones (MODON)
- Public Investment Fund (PIF)

# Challenges of Regional Disparity

- Regional inequality in FDI distribution
- Need to promote growth in secondary cities and rural areas and foster economic growth to reduce geographic inequality
- Solutions to unlock untapped potential eg freeports:



Source: EY European Investment Monitor (EIM), 2021-22



invest|UK

Thank you

[rupert.gather@investuk.com](mailto:rupert.gather@investuk.com)

+44 (0) 7885665543