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February/March 2023 | fdiintelligence.com

European Cities and Regions of the Future 2023

THE BEST AND THE BRIGHTEST
AMONG EUROPE'S INVESTMENT
DESTINATIONS



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Peace of Meat. © Filie Roelants

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- ☆ overall ranking of large cities
- ☆ connectivity
- ☆ economic potential
- ☆ human capital and lifestyle
- ☆ business friendliness
- ☆ fDi strategy

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INTRODUCTION

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European Cities and Regions of the Future 2023

Introduction

INVESTMENT IN EUROPE HAS WITHSTOOD A TUMULTUOUS YEAR IN GEOPOLITICS AND ECONOMICS, AND A BOOM IN RENEWABLES HAS HERALDED THE START OF THE MEGA-PROJECT ERA. DANIELLE MYLES REPORTS

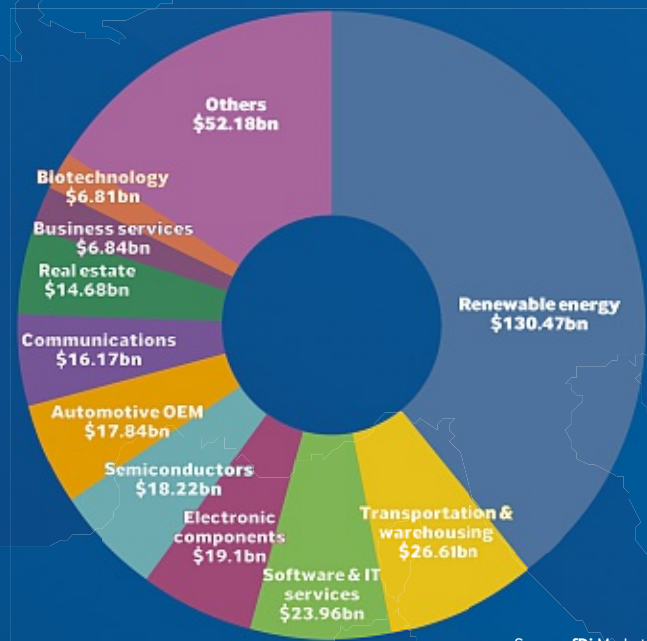
Across Europe, much of 2022 was overshadowed by Russia's invasion of Ukraine and its reverberations across the continent. The war quickly triggered a refugee crisis, an unprecedented number of sanctions against Moscow, a surge in energy prices and a general feeling of uneasiness among investors. Coupled with inflation, the end of rock-bottom interest rates and the easing off from the peak of the Covid-19 pandemic, foreign direct investment (FDI) faced a challenging backdrop.

However, data from fDi Markets paints a resilient picture. Project announcements across Europe last year totalled 6305 – marginally down from 2021 and the record highs of the pre-pandemic years, but around 5% higher than the average number of foreign direct investment (FDI) projects announcements in the 10 years to 2022.

Last year's figures were dampened by the all-but-disappearance of Russia, which is typically one of Europe's top 10 FDI recipients, after its expulsion from the global economic order. However, this was partially offset by a handful of countries that had exceptional FDI performances. The standout was Portugal, which posted a 76.9% increase on its 2021 project announcements, while

RENEWABLES ATTRACTS MORE THAN ONE-THIRD OF EUROPE'S FDI

SECTOR BREAKDOWN OF ANNOUNCED GREENFIELD FOREIGN DIRECT INVESTMENT PROJECTS IN THE REGION IN 2022



Source: fDi Markets

the UK, Ireland, Poland and Italy all made smaller gains.

Europe's slice of the global FDI pie shrank in 2022, accounting for 41.2% of project announcements, down from 49.2% the year prior. However its share is nearly twice as

large as its closest competitor, Asia-Pacific, which attracted 22.1% of announced projects.

Dawn of the mega-projects era

While project announcements are down, a different picture emerges

when looking at capital expenditure (capex). According to **fDi Markets'** preliminary figures, 2022's total capex into Europe hit \$332.9bn and the average pledged capex of each FDI project surged to \$52.8m. These are the second-highest levels on record, being outdone only by the heady pre-financial crisis days of 2008. Meanwhile, the number of investments valued at \$1bn or more hit a record-high of 47. Figures like these suggest FDI in Europe is being powered by a wave of large-scale projects, creating a more concentrated market dominated by larger, well-established companies.

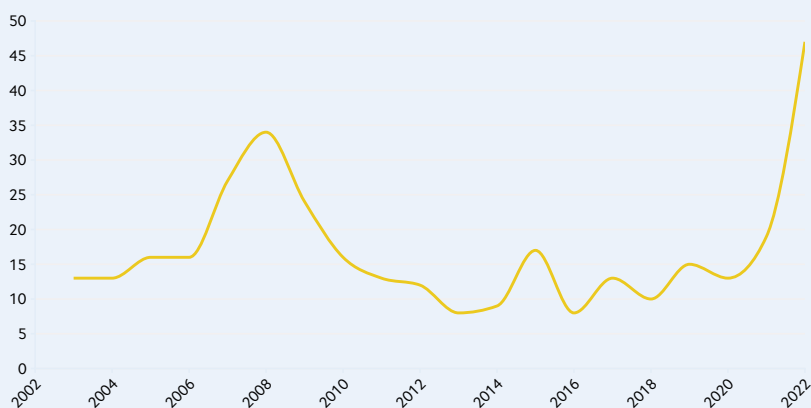
Renewables is one of the key drivers. Project announcements last year were up marginally, but capex more than doubled to reach \$130.5bn, which represents 39.2% of Europe's total inbound FDI. Throughout 2022, **fDi Markets** tracked 23 renewable investments above \$1bn, up from just five the year prior. They include Marubeni and EDP's development of offshore wind farms in Scotland, and Finnish firm Neste's \$2bn expansion of its biomass project in Rotterdam, in the Netherlands. Renewables projects' average capex was \$494.2m, which is 65% higher than any other year on record. However, time will tell if the investors making these bold capital pledges can follow through on their plans.

The UK and Spain continue to propel renewables investment, but other countries are starting to make a mark. Last year, Italy more than doubled its inbound renewables capex, while an influx of wind and solar projects in Romania made it one of Europe's top five recipients of renewables FDI. In January 2023, the European Commission announced plans to further support the sector via a Green Deal Industrial Plan, which promises to loosen restrictions on subsidies and increase funding for research and innovation.

Two other sectors pushing Europe's new dawn of mega-projects are logistics and automotive. Figures from **fDi Markets** show that project announcements in transportation and warehousing were flat in 2022, but capex grew by 53%. Even as the pandemic recedes, e-commerce shows no signs of slowing down. Against this backdrop, the US's GXO Logistics invested in seven

EUROPE'S MEGA-PROJECT ERA HAS BEGUN

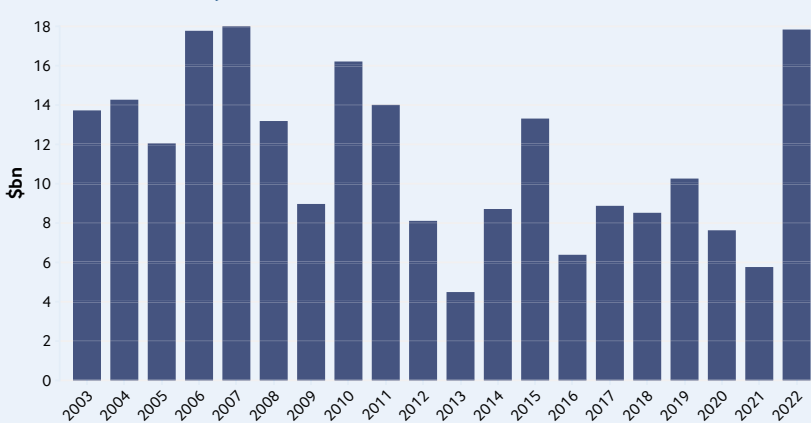
LAST YEAR THE REGION SAW A SURGE IN THE NUMBER OF \$1BN-PLUS PROJECT ANNOUNCEMENTS



Source: **fDi Markets**

CARMAKERS MAKE UP FOR LOST TIME

AFTER PLUMMETING DURING THE PANDEMIC, ANNOUNCED FDI IN AUTOMOTIVE OEM PROJECTS ACROSS EUROPE SURGED IN 2022



Source: **fDi Markets**

European countries last year, while DHL and FedEx Express also aggressively expanded their footprint across the continent.

The automotive original equipment manufacturer (OEM) sector staged an impressive comeback last year, after being pummeled during the pandemic when lockdowns took cars off the roads. Data from **fDi Markets** show the sector mobilised \$17.8bn in FDI across 72 project announcements. The big-ticket investments are, of course, in electric vehicles (EV) as the EU pushes ahead with plans to ban the sale of combustion engine cars by 2035. **fDi Markets** tracked seven EV investments valued at \$1bn-plus, which were announced by a combination of traditional automakers, such as Volkswagen and Volvo, and EV specialists Tesla and Germanys Next.e.GO Mobile.

Two traditionally strong sectors that saw investment nosedive were real estate and semiconductors. In 2021, they were Europe's second- and third-biggest recipients of FDI, respectively.

However, last year property investment slumped by more than half and semiconductors by nearly one-third. The latter, however, was responsible for Europe's biggest investment announcement of 2022: Intel's injection of €12bn into its Irish operations. ■

THE UK AND SPAIN CONTINUE TO PROPEL RENEWABLES INVESTMENT



European Cities and Regions of the Future 2023

Winners – Major cities

LONDON MAINTAINS ITS EDGE AS EUROPE'S MAJOR CITY OF THE FUTURE

London, UK

The UK capital maintains its stranglehold on fDi's European City of the Future title in the major cities category. In the seven years since the country voted to leave the EU, London has continuously seen off competition from the continent's other cities with an immediate population of more than 750,000 and urban area of more than two million people, or an urban area of more than four million people.

Even outside of the EU, London has proven an enviable investment proposition. In the sub-categories assessed by fDi, London comes out on top for Connectivity, Business Friendliness, and Human Capital and Lifestyle. While Brexit prompted the loss of regulated financial business, the city has established itself as a leading fintech and start-up hub. Data from fDi Markets shows that from December 2017 to November 2022, London attracted 2286 inward foreign direct investment (FDI) projects – twice as many as any other major city in this year's top 10. Among 2022's most notable investments was Google's \$1bn purchase of its new UK headquarters.

Amsterdam, Netherlands

The Netherlands' capital climbs to second place in this year's major cities ranking. Amsterdam's innovation credentials make it a magnet for venture capital-backed firms looking for a European base and it has become

one of Europe's most sought-after locations for data centres. It has also been a major beneficiary of Brexit, with Amsterdam-headquartered Euronext overtaking the London Stock Exchange to become Europe's biggest trading venue.

The city's trading roots run deep, with Schiphol – one of Europe's busiest airports – and the Port of Amsterdam supporting its status as a logistics hub. Indeed, the city places second in this year's Connectivity sub-category and is a top-five performer in Economic Potential, Business Friendliness, and Human Capital and Lifestyle. fDi Markets data shows that Amsterdam recorded 623 inbound FDI projects in the five years to November 2022.

Dublin, Ireland

Ireland's capital reclaims third place in this year's ranking, after falling down the table in the previous two editions. While Dublin's population is dwarfed by other cities in this ranking, it punches above its weight in FDI. The city attracted 652 projects from December 2017 to November 2022, according to fDi Markets, with project numbers remaining steady throughout the Covid-19 pandemic. Dublin's finance expertise continues to draw foreign banks, with the US's Citigroup announcing last September that it was setting up a new European headquarters in the city. ■

DUBLIN
ATTRACTED 652
FDI PROJECTS
FROM DECEMBER
2017 TO
NOVEMBER 2022

Silesia Region - ready for a Green Change

Impact on a Green future with EU funds
and the biggest regional operation program
in EU worth 5 billion euros

Silesia Region is a raising giant in terms of human capital. It is also second in the country regarding positive economic indicators. Over 0.5 million companies in Silesia constitute 10.6% of all companies in Poland, which makes it an important domestic market that generated 12% of Poland's GDP in 2020. The key industries include power engineering automotive, ICT, logistics, medicine and BPO/SSC, however the importance of electromobility, e-sports and artificial intelligence is rising.

Silesia boosts its economy to the next level of innovation using the EU funds, thanks to one of the biggest operation programs in EU that totals 5 billion euros.

Moreover, its innovative entrepreneurship strategy was one of the reasons for picking Silesia to be a European Entrepreneurial Region for the years 2021-2022. It also ranked among the top ten European regions in terms of attracting foreign direct investments (FDI) and cost-effectiveness according to fDi Intelligence for years 2022-2023.

LOCATION AND TRANSPORT ACCESSIBILITY

Silesia is considered a gateway to the European market. The region is situated in the southern part of Poland in the heart of Central Europe, with the capital in the city of Katowice. There are 13 European capitals, with a total population of 225 million, within a radius of 1000 km from the Silesia Region. Thanks to the highest density of road infrastructure and the longest and densest railway network, Silesia has the best transport accessibility in Poland.

Euroterminal Sławków serves railway cargo traffic from China to Europe which is 9500 km long. Silesia is also home to Katowice Airport, which is a national leader in the charter traffic segment and a regional leader in commercial cargo transport.

INVESTMENT POTENTIAL

Silesia offers a well-developed infrastructure for investors. Only in the central part of the region

700,000 sq. m of class A office space exist, including co-working spaces, while another 70,000 is already under construction. Surpassing one million sq. m is expected in the nearest future.

20% of the warehouse space in Poland, which is about 5 million sq. m, is located in Silesia and the huge demand for this type of space means that another 600,000 sq. m is already in development.

Projects in the field of production and industry also have a significant presence in the region.

The KSSENON Business Accelerator will be commissioned in March 2023. It's a project implemented for small and medium-sized entrepreneurs who are looking for development opportunities.

Silesia is also all about innovative initiatives. The Katowice Gaming and Technology Hub is going to be one of the most important projects in Poland with IT in mind. It is to be a common space for technology companies, game developers, i.e. game producers, as well as the e-sport environment. The hub is being built on the site of a former hard coal mine.

Silesia is also the home of Katowice Special Economic Zone, the best special economic zone in the Europe and third in the world according to fDi Intelligence.

TALENT POOL

Silesia has enormous investment potential, especially in terms of human capital with around 4.5 million inhabitants, and excellent academic and technological base. 30 institutions of higher education is located in the Silesia Region, with 130 thousand students every year with unique competences especially in terms of IT, medicine, construction, architecture and green technologies.

In 2020, there were also more than 700 research and development organizations operating in the region with more than 26,000 employees, including almost 15,000 researchers.

A GREAT PLACE TO LIVE

Silesia is a green, ecologically friendly place to live in, as third of the region is covered by forests. There are also 15 protected landscape areas and 65 nature reserves.

The city of Katowice holds the title of European City of Science in 2024, and it's also a venue of major cultural, business and sporting events. Fest Festival, UN's World Urban Forum, Climate Change Conference COP24 in 2018, athletics Diamond League and FIVB Men's World Championships were held here. Every year during Intel Extreme Masters Katowice becomes the world's capital of e-sports.

In recent years, Silesia Region has been visited by almost 6 million people a year.

Silesia means power of attraction, creating the future, and a perfect place for developing business projects!

MORE INFORMATION CAN BE FOUND AT:
WWW.INVEST-IN-SILESIA.PL



Silesian
Voivodeship



Silesian Voivodeship
European Entrepreneurial Region 2021-2022



European
Funds
Regional Programme



Republic
of Poland



Silesia.

European Union
European Regional
Development Fund



Project entitled: 'Economic promotion of the region and activities related to the creation of friendly conditions for investment and export' co-financed by the Regional Operational Programme of the Silesian Voivodeship for 2014-2020 from the European Regional Development Fund

ADVERTISEMENT FEATURE

Winners: Major European cities

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2023 – OVERALL

RANK	CITY	COUNTRY
1	London	UK
2	Amsterdam	Netherlands
3	Dublin	Ireland
4	Paris	France
5	Madrid	Spain
6	Warsaw	Poland
7	Stockholm	Sweden
8	Munich	Germany
9	Berlin	Germany
10	Barcelona	Spain

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2023 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	COUNTRY
1	London	UK
2	Oslo	Norway
3	Madrid	Spain
4	Berlin	Germany
5	Amsterdam	Netherlands
6	Bucharest	Romania
7	Prague	Czech Republic
8	Paris	France
9	Copenhagen	Denmark
10	Stockholm	Sweden

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2023 – CONNECTIVITY

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

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2023 – COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Tbilisi	Georgia
2	Ankara	Turkey
3	Sofiya	Bulgaria
4	Kyiv	Ukraine
5	Bucharest	Romania
6	Istanbul	Turkey
7	Budapest	Hungary
8	Prague	Czech Republic
9	Warsaw	Poland
10	Zagreb	Croatia

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2023 – BUSINESS FRIENDLINESS

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

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2023 – ECONOMIC POTENTIAL

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

“THIS RECOGNITION GIVES US THE STRENGTH TO KEEP PUSHING FORWARD THE BARCELONA GREEN DEAL, AN OPEN ROADMAP FOR A FUTURE WHERE NO ONE IS LEFT BEHIND”

PAU SOLANILLA, CITY PROMOTION COMMISSIONER, BARCELONA



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European Cities and Regions of the Future 2023

Winners – Large cities

HAMBURG AND FRANKFURT SIT ON TOP, WHILE KRAKÓW ENTERS THE TOP THREE

Hamburg, Germany

Germany's second biggest city jumps to pole position in this year's ranking of large European cities of the future. In this category – which consists of locations with an immediate city population of more than 500,000 and urban area of one million, or an urban area of over two million people but below four million people – Hamburg scored strongly in Economic Potential, Business Friendliness and Connectivity. It also topped the sub-category for Human Capital and Lifestyle, which is testament to its reputation as a music and cultural hub.

Hamburg's proximity to the North Sea has made it a logistics centre and a key player in the EU's push to install 65 gigawatts of offshore wind by 2030. These strengths are reflected in fDi Markets data which shows that renewables, real estate, and hotels and tourism attracted more FDI capital expenditure than any other sectors from December 2017 to November 2022. Its total project numbers continued to grow in 2021 and 2022, despite the Covid-19 pandemic.

Frankfurt am Main, Germany

The finance capital of Germany tops this year's sub-categories for Economic Potential and ranks highly

for Business Friendliness. Key EU finance watchdogs are headquartered in Frankfurt, which has helped draw a steady stream of finance firms as they continue to redraw their European presence in the wake of Brexit.

But Frankfurt is more than just a banking centre. It is also home to one of the world's biggest internet exchange points, which makes it a prime location for firms requiring world-class communications infrastructure. Indeed, fDi Markets data shows that the biggest driver of inbound capital expenditure in the five years to November 2022 was ICT, thanks in part to big-ticket investments by the likes of Interxion, Global Switch and Vantage Data Centers. Over this period, Frankfurt attracted more FDI projects than any other large city in this year's top 10.

Kraków, Poland

Poland's second city climbs to third place this year after taking top honours in the Business Friendliness sub-category and placing second in Human Capital and Lifestyle.

As an investment destination, Kraków has proven itself resilient to crises. fDi Markets data shows that inbound projects are up 40% on pre-pandemic levels, and that it contin-



Hamburg has taken the top spot

ued to win over prominent global firms throughout 2022, despite the spillover effects of the nearby conflict in Ukraine.

Ryanair announced an \$800m expansion of its Kraków operations while Google also grew its local presence. Meanwhile, the real estate developer Panattoni, Hungarian developer Echo Investment and Finland's YIT all announced new property projects. Over the past five years real estate and software and IT services have attracted the lion's share of inbound investment. ■



Out Now: The fDi Report 2022

Global greenfield investment trends

The **fDi** Report 2022 is the annual assessment of crossborder investment, based on data from **fDi** Markets – a service from the Financial Times.

Key foreign direct investment trends spotted include:

- For the second year in a row, renewable energy is the top sector by capital investment, accounting for \$85.2bn
- The US is the top destination country, attracting \$81.7bn of FDI and accounting for 22% of global FDI projects
- The semiconductor sector sees the largest growth in capital investment, rising to \$59.1bn
- India remains the top destination for FDI in Asia-Pacific by project numbers, ahead of China
- Germany, the UK and Spain account for 42% of FDI projects into Europe

Download your free copy of the report:
fdiinsights.com/fdi/report22

Winners: Large European cities

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2023 – OVERALL

RANK	CITY	COUNTRY
1	Hamburg	Germany
2	Frankfurt am Main	Germany
3	Kraków	Poland
4	Düsseldorf	Germany
5	Rotterdam	Netherlands
6	Manchester	UK
7	Poznań	Poland
8	Cologne	Germany
9	Stuttgart	Germany
10	Antwerp	Belgium

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2023 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	COUNTRY
1	Hamburg	Germany
2	Kraków	Poland
3	Gothenburg	Sweden
4	Rotterdam	Netherlands
5	Lyon	France
6	Cologne	Germany
7	Belgrade	Serbia
8	Toulouse	France
9	Antwerp	Belgium
10	Stuttgart	Germany

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2023 – CONNECTIVITY

RANK	CITY	COUNTRY
1	Rotterdam	Netherlands
2	Hamburg	Germany
3	Manchester	UK
4	Antwerp	Belgium
5	Cologne	Germany
6	Glasgow	UK
7	Düsseldorf	Germany
8	Marseille	France
9	Frankfurt am Main	Germany
10	Seville	Spain

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2023 – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Frankfurt am Main	Germany
2	Hamburg	Germany
3	Düsseldorf	Germany
4	Stuttgart	Germany
5	Cologne	Germany
6	Kraków	Poland
7	Manchester	UK
8	Rotterdam	Netherlands
9	Antwerp	Belgium
10	Gothenburg	Sweden

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2023 – COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Kharkiv	Ukraine
2	Konya	Turkey
3	Antalya	Turkey
4	Manisa	Turkey
5	Adana	Turkey
6	Izmir	Turkey
7	Mersin	Turkey
8	Bursa	Turkey
9	Belgrade	Serbia
10	Odessa	Ukraine

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2023 – BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	Kraków	Poland
2	Poznań	Poland
3	Manchester	UK
4	Düsseldorf	Germany
5	Belgrade	Serbia
6	Frankfurt am Main	Germany
7	Hamburg	Germany
8	Antwerp	Belgium
9	Rotterdam	Netherlands
10	Leeds	UK

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Barcelona





European Cities and Regions of the Future 2023

Winners – Mid-sized cities

DESPITE TOUGH COMPETITION, THREE CITIES HAVE CEMENTED
THEMSELVES ATOP THE MID-SIZED RANKINGS

Zürich, Switzerland

Zürich continues its run as Europe's preeminent mid-sized city for FDI, fending off competition from other cities with an immediate population of more than 200,000 and an urban area of more than 750,000 people, or an immediate population of more than 350,000 and less than two million people.

Switzerland's most populous city has a highly educated workforce, which has been a major drawcard for investors. Zürich ranked third globally – and first in Europe – in Insead Business School's latest Global City Talent Competitiveness Index. In fDi's sub-categories, it is ranked first in Economic potential and Human Capital and Lifestyle.

In line with the Swiss reputation for economic and political stability, data from fDi Markets shows that Zürich's inbound project numbers remained stable throughout the pandemic. Finance firms continue to make the biggest investments, with Citadel Securities and asset manager Algebris Investments behind some of 2022's biggest deals. Another highlight was Microsoft's opening of a new technology centre in the city.

Vilnius, Lithuania

For the second year running, Lithuania's capital claims the second spot in the mid-sized city category. In the five years to November 2022, Vilnius drew more FDI projects than any other city in this year's top 10 ranking, with software and IT services being the dominant sector. However, the city's thriving life sciences sector has also attracted significant investment from Swiss drug developer Alpen Pharma, Thermo Fisher Scientific and artificial intelligence-driven women's health platform Flo.

The city benefits from Lithuania being one of Europe's most digitised countries with technologically advanced public e-services. Indeed, Vilnius is a top-three performer in this year's Business Friendliness sub-category. It places second in Economic Potential and Human Capital and Lifestyle.

Wrocław, Poland

The city of Wrocław in the south-west of Poland holds onto third spot after attracting a record number of FDI projects in 2022, according to fDi Markets. Big-ticket investments in Poland's fourth-biggest city came

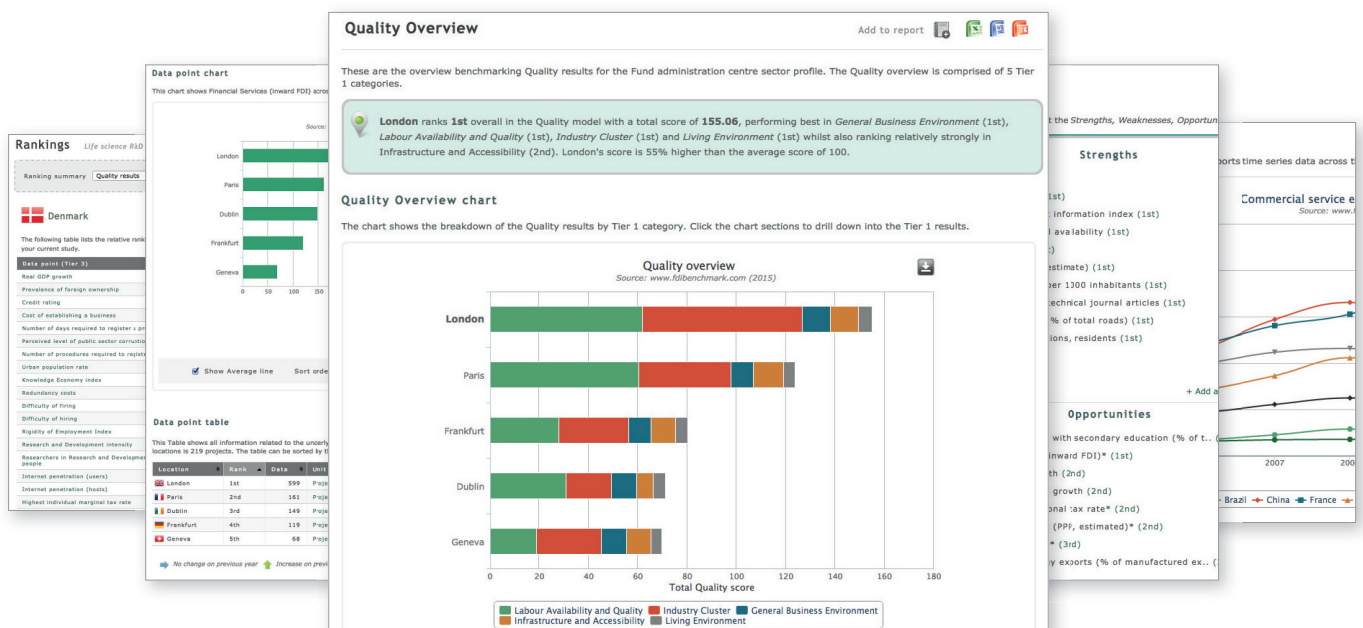
from the likes of Japan's Hitachi, which opened a new headquarters for its local subsidiary, Italian logistics firm BCUBE and Germany's BSH Home Appliances.

The city's tech credentials are also gaining traction overseas. The CEO of Boston-based AirSlate, a document workflow automation platform which recently opened a branch in Wrocław, described the city as among the "fastest growing technology, business, and education hubs in the heart of Europe". Meanwhile, in late 2021, Richard Branson's Virgin Orbit invested in SatRevolution, a Wrocław-based manufacturer of nanosatellites. ■

"OUR PROACTIVE, ENGAGING POLICYMAKING HAS BEEN FOUNDATIONAL FOR THIS SUCCESS AND I WOULD LIKE TO THANK EVERYONE INVOLVED FOR THESE ACHIEVEMENTS"

REMIGIJUS ŠIMAŠIUS,
MAYOR, VILNIUS

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Winners: Mid-sized European cities

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2023 – OVERALL

RANK	CITY	COUNTRY
1	Zürich	Switzerland
2	Vilnius	Lithuania
3	Wrocław	Poland
4	Edinburgh	UK
5	Bratislava	Slovakia
6	Eindhoven	Netherlands
7	Tallinn	Estonia
8	Bristol	UK
9	Belfast	UK
10	Riga	Latvia

“BELFAST IS BRIMMING WITH A FRESH ENERGY, SPARKING INNOVATION AND DRIVING THINGS FORWARD”

CHRISTINA BLACK,
 LORD MAYOR, BELFAST

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2023 – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Zürich	Switzerland
2	Vilnius	Lithuania
3	Edinburgh	UK
4	Wrocław	Poland
5	Eindhoven	Netherlands
6	Essen	Germany
7	Bristol	UK
8	Belfast	UK
9	Bonn	Germany
10	Mannheim	Germany

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2023 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	COUNTRY
1	Zürich	Switzerland
2	Vilnius	Lithuania
3	Tallinn	Estonia
4	Riga	Latvia
5	Wrocław	Poland
6	Bratislava	Slovakia
7	Edinburgh	UK
8	Utrecht	Netherlands
9	Bristol	UK
10	Den Haag (The Hague)	Netherlands

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2023 – COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Chisinau	Moldova
2	L'viv	Ukraine
3	Pristina	Kosovo
4	Skopje	North Macedonia
5	Eskisehir	Turkey
6	Tirana	Albania
7	Iasi	Romania
8	Bydgoszcz	Poland
9	Dnipro (Dnipropetrovsk)	Ukraine
10	Gebze	Turkey

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2023 – CONNECTIVITY

RANK	CITY	COUNTRY
1	Duisburg	Germany
2	Den Haag (The Hague)	Netherlands
3	Eindhoven	Netherlands
4	Dortmund	Germany
5	Essen	Germany
6	Bratislava	Slovakia
7	Utrecht	Netherlands
8	Liverpool	UK
9	Zürich	Switzerland
10	Nice	France

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2023 – BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	Wrocław	Poland
2	Bratislava	Slovakia
3	Vilnius	Lithuania
4	Tallinn	Estonia
5	Lodz	Poland
6	Gdańsk	Poland
7	Szczecin	Poland
8	Zürich	Switzerland
9	Belfast	UK
10	Edinburgh	UK

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European Cities and Regions of the Future 2023

Winners – Small cities

THE ACHIEVEMENTS OF BASEL, CORK AND READING DEFY THEIR SMALL-CITY STATUS

Basel, Switzerland

Basel holds onto top spot in this category, which recognises cities with an immediate population between 100,000 and 350,000.

Biotechnology continues to be a driving force behind the Swiss city's FDI performance. It is a key player in Europe's BioValley, the life sciences cluster which stretches from Basel into neighbouring Germany and France. fDi Markets data shows that biotechnology generated the lion's share of FDI capital expenditure to land in Basel in the five years to November 2022.

At the height of the Covid-19 pandemic in 2020, Moderna chose the city as a location for the manufacture of its coronavirus vaccine. That same year, MindMed, which develops psychedelic-inspired medicines, established a research and development facility there. Other sectors favoured by foreign investors are software, IT and business services.

Cork, Ireland

Cork retains second spot in this year's small cities category. In 2022, the port city's standing as a gateway for international trade was boosted by the opening of a new €89m container

terminal and the council's approval of a €350m plan to regenerate the city's docklands. Ireland's government has also designated Cork as the country's fastest-growing city over the next generation.

All these developments bode well for foreign investors, of which Cork has no shortage. It is home to Apple's European headquarters and data tracked by fDi Markets shows that software and IT was a major source of inbound investment in the five years to November 2022. The city is also a pharmaceuticals hub, with global firms such as Janssen, AbbVie, Eli Lilly, Pfizer and Novartis having local operations.

Reading, UK

Reading's proximity to London has long made it a favoured commuter town. But for foreign firms, it is an investment destination in its own right. Reading takes third place in the small cities ranking, and tops the table in the Business Friendliness sub-category.

The city has become a magnet for software and IT firms, with the sector amassing 26 project announcements in the five years to November 2022, according to fDi Markets. However,



Basel has held onto its top spot

the city's biggest inbound project in recent years is Shinfield Studios, a \$195m film and television studio being set up by US-based Shadowbox Studios, which is due to be complete in 2024. ■

Winners: Small European cities

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2023 – OVERALL

RANK	CITY	COUNTRY
1	Basel	Switzerland
2	Cork	Ireland
3	Reading	UK
4	Luxembourg	Luxembourg
5	Geneva	Switzerland
6	Espoo	Finland
7	Cambridge	UK
8	Ghent	Belgium
9	Slough	UK
10	Oxford	UK

“THESE HIGH RANKINGS REFLECT THE QUALITY OF CORK CITY’S ECONOMIC OFFERING, QUALITY OF LIFE AND BUSINESS ENVIRONMENT”

ANN DOHERTY, CHIEF EXECUTIVE,
CORK CITY COUNCIL

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2023 – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Cork	Ireland
2	Basel	Switzerland
3	Luxembourg	Luxembourg
4	Geneva	Switzerland
5	Espoo	Finland
6	Reading	UK
7	Cambridge	UK
8	Ghent	Belgium
9	Timisoara	Romania
10	Lausanne	Switzerland

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2023 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	COUNTRY
1	Nicosia	Cyprus
2	Oxford	UK
3	Cambridge	UK
4	Bergen	Norway
5	Basel	Switzerland
6	Geneva	Switzerland
7	Linz	Austria
8	Cordoba	Spain
9	Graz	Austria
10	Lausanne	Switzerland

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2023 – COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Ruse	Bulgaria
2	Kragujevac	Serbia
3	Burgas	Bulgaria
4	Nis	Serbia
5	Podgorica	Montenegro
6	Varna	Bulgaria
7	Plovdiv	Bulgaria
8	Novi Sad	Serbia
9	Oradea	Romania
10	Satu Mare	Romania

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2023 – CONNECTIVITY

RANK	CITY	COUNTRY
1	Slough	UK
2	Delft	Netherlands
3	Leiden	Netherlands
4	Crawley	UK
5	Venlo	Netherlands
6	Almere	Netherlands
7	Getafe	Spain
8	Oberhausen	Germany
9	Basel	Switzerland
10	Leuven	Belgium

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2023 – BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	Reading	UK
2	Milton Keynes	UK
3	Gliwice	Poland
4	Cork	Ireland
5	Kaunas	Lithuania
6	Lublin	Poland
7	Slough	UK
8	Cambridge	UK
9	Cluj-Napoca	Romania
10	Basingstoke	UK



European Cities and Regions of the Future 2023

Winners – Micro cities

ZUG TAKES TOP SPOT BUT IT IS CLOSELY FOLLOWED BY TWO OF WESTERN IRELAND'S RISING STARS

Zug, Switzerland

Once again Switzerland's Zug claims top spot in the ranking of cities with an immediate population below 100,000. Financial services, software and IT, and business services are Zug's biggest sources of FDI, while its buoyant pharmaceutical cluster also attracts significant investment. Over the past four years, it has attracted the new headquarters of Israel's Medison Pharma and America's Agios Pharmaceuticals, and a research and development project by Japan's Taiho Pharmaceutical worth an estimated \$19.4m.

Zug makes the top 10 in four of fDi's six sub-categories, coming out on top in Economic Potential and Human Capital and Lifestyle.

Limerick, Ireland

The city of Limerick in Ireland's mid-west climbs to second place in this year's micro-category rankings. Figures from fDi Markets show that in the five years to November 2022 it attracted FDI worth €1.57bn, with the lion's share going to biotech and medical device manufacturing. During this period, US firms Regeneron Pharmaceuticals, Edwards Lifesciences, Analog Devices and Becton Dickinson all established local production or research and development facilities.

Ireland's third-most-populous city has a long history as a manufacturing hub and is home to the country's Advanced Manufacturing Centre, which enables foreign and Irish firms to accelerate the adoption of digital technologies into their factory floors and supply chains.

Galway, Ireland

Sitting along Ireland's west coast, Galway has long been a favoured city among foreign tourists. It has also surged up the micro-cities table in recent years and now sits in third place.

In the five years to December 2022, Galway attracted 53 FDI project announcements, the highest of any micro-city in this year's top 10. The software and IT sectors accounted for 40% of these projects, with the likes of US-based Genesys's expansion of its Centre of Excellence for Customer Experience AI and fresh investment from Hewlett Packard.

Galway is a hub for the pharmaceutical and biotech industries thanks to the long-standing presence of industry leaders such as Boston Scientific, Medtronic and Abbott. In 2022, the city also welcomed US-based Biomerics's new centre of excellence, and gained fresh investment from Switzerland's TE Connectivity. ■

ZUG MAKES THE
TOP 10 IN FOUR
OF FDI'S SIX
SUB-CATEGORIES

Winners: Micro European cities

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2023 – OVERALL

RANK	CITY	COUNTRY
1	Zug	Switzerland
2	Limerick	Ireland
3	Galway	Ireland
4	Shannon	Ireland
5	Lutterworth	UK
6	Sligo	Ireland
7	Livingston	UK
8	Sandwich	UK
9	Farnborough	UK
10	Dundalk	Ireland

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2023 – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Zug	Switzerland
2	Limerick	Ireland
3	Shannon	Ireland
4	Galway	Ireland
5	Sandwich	UK
6	Sligo	Ireland
7	Monaco	Monaco
8	Waterford	Ireland
9	Vaduz	Liechtenstein
10	Dundalk	Ireland

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2023 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	COUNTRY
1	Frederiksberg	Denmark
2	Sligo	Ireland
3	Zug	Switzerland
4	Limerick	Ireland
5	Galway	Ireland
6	Lugano	Switzerland
7	Athlone	Ireland
8	Konstanz	Germany
9	Hasselt	Belgium
10	Dundalk	Ireland

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2023 – CONNECTIVITY

RANK	CITY	COUNTRY
1	Rijswijk	Netherlands
2	Welwyn	UK
3	Farnborough	UK
4	Willich	Germany
5	Ratingen	Germany
6	Daresbury	UK
7	Windsor	UK
8	Zug	Switzerland
9	Hilden	Germany
10	Maidenhead	UK

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2023 – COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Laktasi	Bosnia & Herzegovina
2	Leskovac	Serbia
3	Subotica	Serbia
4	Zrenjanin	Serbia
5	Panevezys	Lithuania
6	Simanovci	Serbia
7	Legnica	Poland
8	Strykow	Poland
9	Bor	Czech Republic
10	Mlada Boleslav	Czech Republic

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2023 – BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	Zug	Switzerland
2	Lutterworth	UK
3	Galway	Ireland
4	Limerick	Ireland
5	Strykow	Poland
6	Castle Donington	UK
7	Bor	Czech Republic
8	Shannon	Ireland
9	Panevezys	Lithuania
10	Nitra	Slovakia



European Cities and Regions of the Future 2023

Winners – UK Local Enterprise Partnerships

LONDON'S LEP HOLDS ONTO TOP SPOT, BUT GREATER MANCHESTER IS RISING UP THE RANKS.

London

The London Economic Action Partnership (LEAP) maintains top spot in fDi's ranking of the UK's 38 Local Enterprise Partnerships (LEPs), which are charged with fostering local development across the country.

Throughout a tumultuous few years, London has proven its enduring ability to attract and retain investment by industry heavyweights and start-ups alike. fDi Markets shows that from December 2017 to November 2022 London attracted 2286 inward FDI projects worth \$29.7bn. The sectors attracting the most capital expenditure were real-estate, and software and IT services.

London boasts six airports, four of the world's top 100 universities (according to QS's latest global rankings), and a gross domestic product that is higher than any other LEP area.

These credentials put LEAP atop fDi's sub-categories for Business Friendliness, Economic Potential, Connectivity, and Human Capital and lifestyle.

Greater Manchester

The Greater Manchester Local Enterprise Partnership (LEP) moves

up two spots to take second place in this year's rankings. In the five years to November 2022, the area attracted 219 new FDI projects, with software and IT being the biggest drivers. Key announcements from last year include Google's expansion of its Manchester operations and meat processing company Danish Crown's \$123m investment in Rochdale.

The University of Manchester is the sixth-best in the UK, according to QS's World University Rankings 2023, and provides investors with a wealth of local talent. Manchester was named the UK's most liveable city by the Economist Intelligence Unit in its latest Global Liveability Index, suggesting there are plenty of reasons why Greater Manchester LEP performs well in fDi's sub-categories for Business Friendliness, Economic Potential and Connectivity.

Cambridgeshire and Peterborough Combined Authority

The Cambridgeshire and Peterborough Combined Authority maintains its top-three ranking thanks to its strong performance in Business Friendliness, Economic Potential, and Human Capital and

Lifestyle. Overseas, the area is perhaps best known for being home to Cambridge University, the second-best in the world, according to QS's latest university rankings.

The technology cluster surrounding the university is home to 5300 knowledge-intensive companies, and in 2022 welcomed US semiconductor firm Advanced Micro Devices and product engineering firm Spanidea Systems.

In line with the Authority's mission to create sustainable and evenly-spread growth, the area's investment story extends beyond high-tech. Last year, US packaging company Crown Holdings set up a new factory in Peterborough which created 280 jobs, while Spanish foods group AMC announced a new facility in Huntingdon. ■

LONDON BOASTS
SIX AIRPORTS AND
FOUR OF THE
WORLD'S TOP 100
UNIVERSITIES

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2023 – OVERALL

RANK	LEP
1	London
2	Greater Manchester
3	Cambridge & Peterborough
4	Thames Valley Berkshire
5	West of England
6	South-East Midlands
7	Leeds City Region
8	South-East
9	Enterprise M3
10	Oxfordshire

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2023 – ECONOMIC POTENTIAL

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

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2023 – COST EFFECTIVENESS

RANK	LEP
1	Greater Lincolnshire
2	North-East
3	The Marches
4	Black Country
5	Worcestershire
6	New Anglia
7	Cornwall and the Isles of Scilly
8	Liverpool City Region
9	Heart of the South-West
10	Derby, Derbyshire, Nottingham and Nottinghamshire

TOP 5 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2023 – FDI STRATEGY

RANK	LEP
1	Oxfordshire
2	Greater Manchester
3	Coventry & Warwickshire
4	Leeds City Region
5	West Of England

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2023 – CONNECTIVITY

RANK	LEP
1	London
2	South-East
3	Coast to Capital
4	Hull and East Yorkshire
5	South-East Midlands
6	Greater Manchester
7	Greater Birmingham and Solihull
8	North-East
9	Leeds City Region
10	Solent

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2023 – BUSINESS FRIENDLINESS

RANK	LEP
1	London
2	Greater Manchester
3	Thames Valley Berkshire
4	South-East Midlands
5	Leeds City Region
6	Cambridge & Peterborough
7	North-East
8	Greater Birmingham and Solihull
9	Coventry and Warwickshire
10	Enterprise M3

TOP 10 LOCAL ENTERPRISE PARTNERSHIPS OF THE FUTURE 2023 – HUMAN CAPITAL AND LIFESTYLE

RANK	LEP
1	London
2	West of England
3	Enterprise M3
4	Oxfordshire
5	Cambridge & Peterborough
6	South-East
7	Coast to Capital
8	Solent
9	Buckinghamshire
10	Heart of the South West

“THE FACT THAT BIRMINGHAM, WOLVERHAMPTON AND COVENTRY & WARWICKSHIRE ALL RANKED SO HIGHLY EMPHASISES THAT THEY ARE WORLD-CLASS FDI HOTSPOTS IN THEIR OWN RIGHT”

NEIL RAMI, CEO, WEST MIDLANDS GROWTH COMPANY



LEIPZIG REGION

Region of Talent with Room to Grow



It has been almost ten years since the hype about Leipzig began. First the British Guardian, later even the New York Times called the city “Germany’s new cultural hot spot” and “better than the capital”.

The positive echo increased in the media and paid off. Leipzig was openly treated as an insider tip. Tourists, students and curious people of all kinds followed. In the meantime, the entire region has impressively proved that its attractiveness has long-term substance and is generating enthusiasm in many respects. It also shows enormous appeal to investors and entrepreneurs. As a historic trade city, Leipzig has always been a place of business. This is manifested by one of the oldest German trade fairs, Leipziger Messe, which is hosting more than 1.2 million visitors per year from all around the world.

Leipzig and its surrounding area have become Saxony’s business centre and have long been successfully ranked as one of Germany’s top locations, attracting both international companies and innovative start-ups. In the last ten years, the city’s population has increased by more than 100,000 people. This trend seems unbroken; the metropolis is considered the fastest growing in Germany. In 2040, according to forecasts, it will be the sixth largest city in Germany, with 700,000 inhabitants.

A DIAMOND IN THE ROUGH WITH GREAT POTENTIAL

Today’s successful course was not a foregone conclusion, but rather results from years of polishing a diamond in the rough. The region received an immense economic boost in 2002

when Porsche settled in the north of Leipzig, a clear and important signal that was followed by BMW, Amazon, Future Electronics and Beiersdorf. These are all strong examples of companies that saw the potential of the economic region and have been both confirmed and encouraged in their confidence.

Leipzig and its surrounding area are cosmopolitan, hospitable and cooperative, and can score with numerous locational advantages. The short and safe transport routes within Europe are particularly decisive for settling here. The economic area benefits directly from the internationally operating 24/7 Leipzig/Halle cargo airport, where one of DHL’s three global hubs is located. Additionally, the region has excellent transport links via motorways, rail and waterways.

Those who have settled here want to stay. This is evidenced by the numerous local company expansions, such as Porsche, which has grown in and with the region. In 2022, on its 20th anniversary, Porsche’s Leipzig plant could look back on five expansions. Over 4,300 new jobs have been created in the two decades, and more than 1.7 million sports cars have rolled off the assembly line here.

BMW is also expanding in Leipzig and extending its component production with an investment of 800 million Euros and the creation of 300 new jobs. From 2023, the successor to the Mini Countryman will be produced in the Saxon metropolis, and according to the plant management, it will soon be emission-free. This will make Leipzig the BMW Group’s first German location to produce both BMW

and Mini brand vehicles.

Despite the enormous development in recent years, the city and the surrounding district of Leipzig still offer enough potential space for all sectors. The steady supply of skilled workers from the local universities, research institutions, training centres and vocational schools, as well as numerous economic development programmes, are attractive incentives for companies and investors. Today, the region is home to a wide variety of industries: first and foremost, advanced manufacturing & supply chain, IT and life sciences, but also e-commerce/logistics as well as energy and environment.

INTELLIGENT PRODUCTION AT THE HIGHEST LEVEL

Central Germany attracts international high-tech investments like no other economic area, examples being Intel in Magdeburg and Tesla in Grünheide/Brandenburg. Large investments of this kind are often followed by numerous companies along the entire supply chain. Now Europe’s leading manufacturer of ultracapacitors is coming to Saxony.

The Estonian company Skeleton Technologies will invest 220 million Euros in Markranstädt, in the district of Leipzig, to build the world’s largest production facility for supercapacitors. Skeleton is working hand in hand with technology partner Siemens to fully automate the production line and digitalise the entire value chain. In the first expansion phase, approximately 240 jobs will be created, and production is scheduled to start in 2024. From then



Copyright: LTM, Philipp Kirschner

on, up to twelve million cells per year are to be produced in the highly efficient plant, which will also serve as a blueprint for other factories.

The region is also flourishing in the field of e-commerce. For example, Mytheresa, the leading online platform for luxury fashion, chose the location. The new logistics centre in the immediate vicinity of Leipzig's cargo airport is nearing completion and represents a major step towards international growth for the company. The 105,700 square metre site in the north-west of the city is being currently developed. Mytheresa wants to create 1,000 jobs here by 2030.

DIGITAL INNOVATION DRIVER

The fastest growing sector in and around Leipzig is the technology and digital industry. Around 15,000 people are employed in over 1,200 start-ups, scale-ups and large IT companies, such as adesso, Arvato Systems and Siemens. Topics driving IT research and development in the region include digital transformation, cyber security, big data and artificial intelligence. With interdisciplinary competence centres and research institutions, for example ScaDS.AI (Center for Scalable Data Analytics and Artificial Intelligence) or InfAI (Institute for Applied Computer Science), the IT industry in the economic region is well equipped for the future.

The ambitions of the Leipzig Region to firmly establish itself as a digital centre of excellence in Germany are also confirmed by the investment of Belgium-based AKKA Technologies Group. The globally operating consultancy, which specialises in engineering and R&D services for clients in the mobility sec-

tor, has established a new Digital Centre of Excellence in Leipzig in 2021 and created 250 jobs. AKKA Technologies is thus responding to the strong increase in demand for expertise in the areas of cloud architecture, software development, AI, machine learning and data analysis.

The adesso Group, one of the leading IT consulting and system integration service providers in German-speaking countries, is also growing rapidly. In 2020, the Leipzig branch started with 25 employees, and within a year it already had 100. Now adesso is expanding its representative office with additional office space, and another 100 jobs will be added. The company is represented with offices in 24 German cities as well as at other locations in Europe and has 7,500 employees worldwide. According to the company, the decision to expand in Leipzig is based on the good availability of highly trained specialists, the established university network, which enables close links between business and science, as well as the excellent urban infrastructure.

AN ECOSYSTEM FOR LIFE SCIENCES

South-east of the city centre, in BioCity Leipzig, beats the heart of the local life sciences cluster. Here, companies research and work together with six biotechnology-oriented professorships and non-university institutions. The surrounding 100,000 square metre BioCity Campus offers a unique environment and a wide range of development opportunities in the field of biotechnology and life sciences.

Leipzig's attractiveness for this industry is testified both by this broad life sciences ecosys-

tem with R&D expertise and supporting funding programmes, and by the fact that the city continues to offer room for growth: both on the BioCity Campus and through new construction projects and laboratory space by private investors. The BioSquare Leipzig, another biotechnology campus, is now being built in the immediate vicinity. The initial ground-breaking ceremony for the high-tech building took place in September 2022, where life sciences companies will soon find space in a state-of-the-art working environment. With around 10,500 square metres of above-ground rental space, the first part of the building has already been let to c-LEcta as its new headquarters.

As a globally active biotechnology company, c-LEcta specialises in the development, production and distribution of enzyme products. With the help of innovative cutting-edge technologies, enzymes and microbial strains are provided for cost-efficient industrial manufacturing processes. In addition to 100 jobs, sustainable, future-oriented office and laboratory space, production areas with biotechnical facilities, as well as training and conference areas are being planned for the new Leipzig headquarters.

The fact that Leipzig is a dynamic centre of the life sciences industry has been impressively demonstrated by the city, most recently by hosting BIO-Europe in October 2022, Europe's largest annual biotech partnering conference. With more than 5,000 guests from 66 countries, it was the largest BIO-Europe event to date.

INVEST REGION LEIPZIG - THE DOOR OPENER TO THE REGION

As the international economic development organisation for the city and neighbouring district of Leipzig, Invest Region Leipzig (IRL) supports companies that consider expanding their business to the Leipzig Region. IRL provides essential decision-making data and first-class services that are individual, confidential and free of charge to ensure a "soft-landing" for companies. Large corporations as well as small start-ups can rely on IRL's strong network, which actively supports them in their search for a location, in funding opportunities and in attracting skilled workers within the economic region.

To discover more about regional business opportunities and our service to support your expansion to Leipzig, visit www.invest-region-leipzig.com

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European Cities and Regions of the Future 2023

Winners – FDI Strategy (Cities)

IPAs IN SPAIN, PORTUGAL AND THE UK
 ARE BEHIND EUROPE'S LEADING FDI STRATEGIES

In choosing the winners of this year's FDI Strategy categories, a judging panel comprised of leading figures in the world of FDI reviewed the submissions of IPAs from 60 European cities of all sizes. The investment promotion agencies (IPAs) laid out their strategies for attracting, retaining and expanding foreign investment, and the judges awarded marks on everything from aftercare initiatives to energy resilience. Here are their winners.

Barcelona, Spain

Once again, Barcelona wins the FDI Strategy category for Europe's major cities. Technology and sustainability lie at the heart of Barcelona City Council's approach to foreign investment, and it continues to make gains on both fronts. The city's flourishing tech ecosystem was boosted last year by Intel's decision to partner with the Barcelona Supercomputing Center in setting up a microchip design laboratory.

The council is accelerating the energy transition via its Barcelona Sustainable Energy Mechanism, which encourages private investment in solar panelling and energy renewal. Spain's first green hydrogen

plant for public use commenced operations last year and will help power Barcelona's buses.

To promote the city, the council is launching an interactive installation called 'Plaça de Barcelona' in locations across Europe, which will include a virtual reality experience. Another innovative project is its 'Workation' program, which supports digital nomads looking to work remotely from Barcelona.

Porto, Portugal

Portugal's second city moves up to the large cities bracket in this year's rankings and immediately claims top spot in the FDI Strategy category.

Porto is an emerging tech hub that InvestPorto is helping to grow. In 2022, it lured British Kantar Group's new global technology and innovation hub, while BMW and French bank Natixis expanded their local operations by announcing more than 1300 new jobs.

InvestPorto's new programme 'Porto. Leading Investors' accelerates the city's green transition by assigning priority aftercare to investors that help it achieve its sustainable development goals. It is also forging

TOP 10 MAJOR EUROPEAN CITIES OF THE FUTURE 2023 – FDI STRATEGY

RANK	CITY	COUNTRY
1	Barcelona	Spain
2	Dublin	Ireland
3	Berlin	Germany
4	Munich	Germany
5	Milano	Italy
6	London	UK
7	Sofia	Bulgaria
8	Ankara	Turkey

stronger business networks via a new online marketplace which connects incoming investors with local service providers, and promoting shared workplaces to improve the visibility of the city's talent.

Newcastle, UK

Newcastle is this year's winner of the FDI Strategy category for mid-sized cities, thanks to its efforts to identify and enhance industries that are strategic areas for future growth.

Invest Newcastle's campaigns have targeted niche sub-sectors, such as healthy ageing, smart city technologies and video games. New investors benefit from a tailored soft-landing programme and access to the NewcastleGateshead Initiative's partnership scheme, which helps ►

TOP 10 LARGE EUROPEAN CITIES OF THE FUTURE 2023 – FDI STRATEGY

RANK	CITY	COUNTRY
1	Porto	Portugal
=2	Birmingham	UK
=2	Glasgow	UK
4	Antwerp	Belgium
5	Manchester	UK
6	Katowice	Poland
7	Izmir	Turkey
8	Göteborg	Sweden
9	Adana	Turkey
10	Bilbao	Spain

TOP 10 SMALL EUROPEAN CITIES OF THE FUTURE 2023 – FDI STRATEGY

RANK	CITY	COUNTRY
=1	Braga	Portugal
=1	City of Wolverhampton	UK
3	Cork City	Ireland
4	Derby	UK
=5	Debrecen	Hungary
=5	Doncaster	UK
7	Kaunas	Lithuania
8	Nicosia	Cyprus
9	Klaipėda	Lithuania
10	City of Ostrava	Czech Republic

TOP 10 MID-SIZED EUROPEAN CITIES OF THE FUTURE 2023 – FDI STRATEGY

RANK	CITY	COUNTRY
1	Newcastle	UK
2	Vilnius	Lithuania
3	Belfast	UK
4	Łódź	Poland
5	Wrocław	Poland
6	Bydgoszcz	Poland
7	Edinburgh	UK

TOP 10 MICRO EUROPEAN CITIES OF THE FUTURE 2023 – FDI STRATEGY

RANK	CITY	COUNTRY
1	Limerick	Ireland
2	Ventspils City	Latvia
3	Galway City	Ireland
4	Panevėžys (Panevezys)	Lithuania
5	Jelgava city	Latvia
6	Waterford	Ireland
7	Valmiera	Latvia
8	City of Trebinje	Bosnia and Herzegovina

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Limerick came top in the Micro Cities category

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RICARDO VALENTE, PORTO CITY COUNCILLOR FOR ECONOMY, EMPLOYMENT AND ENTREPRENEURSHIP

them connect and collaborate with some 140 organisations. Among its biggest sustainability achievements is the Newcastle & Gateshead Net Zero 2030 Forum, which is an informal platform for investors and other organisations to share ideas on reducing their carbon footprint.

Braga, Portugal

Two cities tie for first place in this year’s small cities FDI Strategy category. The first is Braga, which sits in Portugal’s far north and is home to a growing tech cluster which InvestBraga focused on growing. One of its biggest success stories is Bosch, which has been in the city for two decades and continues to expand. And last year, Mercedes-Benz.io, which develops technology for the car company’s digital platforms, opened a new office in the city.

On the sustainability front, the Braga Urban Innovation Laboratory Demonstrator is fostering projects to reduce the city’s carbon intensity. To deepen its talent pool, the city worked with local companies to launch the Work in Braga website which provides a snapshot of local life and helps connect employers with candidates.

Wolverhampton, UK

The other joint-winner of the small cities category is Wolverhampton.

Sitting in the heartland of England, the local council expanded its investment team in 2022 and is growing its green credentials. It is positioning the city as a leading hub for sustainable construction, leveraging the University of Wolverhampton’s highly regarded school of architecture and its new National Brownfield Institute, which is helping the construction industry unlock disused land for greener, safer and cheaper building projects. The council itself has reduced its direct carbon footprint by 52% since 2019 and is decarbonising its 500-strong vehicle fleet.

Limerick, Ireland

Knowing the Covid-19 pandemic had strained cross-border investment flows, Limerick council decided to focus its investment and marketing efforts on the city’s recognised strengths, such as pharmaceuticals, medtech and technology. In 2022, these efforts came to fruition, with the city attracting fresh capital pledges from Eli Lilly, Johnson & Johnson, US software company FileCloud and respiratory diagnostic specialist Vitalograph. Local development is supported by a free, high-quality Wi-Fi service being rolled out across public spaces, and climate change pilot programmes sparked by Limerick’s designation as an EU Lighthouse Smart City. ■



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European Cities and Regions of the Future 2023

Winners – Large regions

THE PARIS REGION CLIMBS UP THE RANKINGS TO TAKE THIS YEAR'S REGIONAL PRIZE

Île-de-France, France

Île-de-France has reclaimed its place atop fDi's ranking of large European regions – those with a population of more than four million.

Paris, which lies at its heart, has long been one of Europe's most sought-after cities, thanks to its business infrastructure and the talent generated by the world-class Université PSL and Sorbonne University. However, the region's biggest-ticket investments in recent years have landed outside the capital's centre. In 2021, German online retailer Zalando announced it was spending €300m on a new logistics centre in Montereau-sur-le-Jard, which would create 2000 jobs, while Interxion released plans for a \$1.16bn data centre in Les Ulis. Last year, FedEx Express announced it was adding 1200 new jobs at its logistics site in Roissy.

In fDi's sub-categories, the region is a top-two performer in Economic Potential, Business Friendliness, Connectivity, and Human Capital and Lifestyle.

South-east England, UK

South-east England falls from top spot in this year's rankings, however its performance in terms of foreign direct investment (FDI) is second to none. According to fDi Markets, it

attracted 2,732 project announcements between December 2017 and November 2022 – more than any other region across Europe.

England's south-east has lured nearly half the UK's inbound FDI projects in recent years. Its beating heart is, of course, London – this year's major European city of the future. However, the past year's big-ticket investments stretch from the region's north to south. American real estate developer Trammell Crow broke ground on a new logistics site in Milton Keynes worth an estimated \$573.2m. Meanwhile in Kent, Kansai Electric Power Company announced the development of a £1.4bn direct power link between Great Britain and Germany.

North Rhine-Westphalia, Germany

North Rhine-Westphalia holds onto third place in this year's rankings thanks to a strong showing across fDi's sub-categories and its continuing ability to attract quality investment. According to fDi Markets, in the five years to November 2022 it recorded 1195 project announcements worth \$16.3bn, more than any other state in Germany.

Home to cities Cologne and Düsseldorf, it is Germany's most populous state with 17.9 million inhabitants and is the largest contributor to



North Rhine-Westphalia is a key part of Germany's industrial heartland

national gross domestic product. It is the country's industrial heartland, with the automotive, chemicals and industrial equipment sectors accounting for one-quarter of FDI capital expenditure in recent years. According to Germany Trade & Invest, some 20,000 foreign investors control their German or European activities from North Rhine-Westphalia. ■

Winners: Large European regions

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2023 – OVERALL

RANK	REGION	COUNTRY
1	Île-de-France	France
2	South-East England	UK
3	North Rhine-Westphalia	Germany
4	Bavaria	Germany
5	Baden-Württemberg	Germany
6	Comunidad de Madrid	Spain
7	Scotland	UK
8	Hesse	Germany
9	East of England	UK
10	Catalonia	Spain

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2023 – HUMAN CAPITAL AND LIFESTYLE

RANK	REGION	COUNTRY
1	Île-de-France	France
2	Comunidad de Madrid	Spain
3	South-East England	UK
4	Baden-Württemberg	Germany
5	North Rhine-Westphalia	Germany
6	Scotland	UK
7	Bavaria	Germany
8	South-West England	UK
9	Masovian	Poland
10	East of England	UK

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2023 – CONNECTIVITY

RANK	REGION	COUNTRY
1	Andalusia	Spain
2	Île-de-France	France
3	Comunidad de Madrid	Spain
4	Catalonia	Spain
5	East of England	UK
6	North Rhine-Westphalia	Germany
7	Nouvelle-Aquitaine	France
8	Hauts-de-France	France
9	South-East England	UK
10	North-West England	UK

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2023 – ECONOMIC POTENTIAL

RANK	REGION	COUNTRY
1	Île-de-France	France
2	South-East England	UK
3	North Rhine-Westphalia	Germany
4	Baden-Württemberg	Germany
5	Bavaria	Germany
6	Hesse	Germany
7	Catalonia	Spain
8	Scotland	UK
9	Masovian	Poland
10	Flanders	Belgium

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2023 – COST EFFECTIVENESS

RANK	REGION	COUNTRY
1	Ankara	Turkey
2	Izmir	Turkey
3	Masovian	Poland
4	Silesian	Poland
5	Istanbul	Turkey
6	East Midlands	UK
7	Occitanie	France
8	Valencian Community	Spain
9	Grand-Est	France
10	Nouvelle-Aquitaine	France

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2023 – BUSINESS FRIENDLINESS

RANK	REGION	COUNTRY
1	South-East England	UK
2	Île-de-France	France
3	North Rhine-Westphalia	Germany
4	East of England	UK
5	Bavaria	Germany
6	North-West England	UK
7	Baden-Württemberg	Germany
8	Hesse	Germany
9	Silesian	Poland
10	Scotland	UK

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ALBERT CASTELLANOS, CEO,
CATALONIA TRADE & INVESTMENT



European Cities and Regions of the Future 2023

Winners – Mid-sized regions

NORTHERN EUROPE IS HOME TO THIS YEAR'S BEST-PERFORMING MID-SIZED REGIONS

North Holland, Netherlands

North Holland once again takes pole position in fDi's ranking of mid-sized regions, fending off tough competition from other regions with populations between 1.5 million and four million people.

The Dutch province benefits from being home to Amsterdam, which received a significant chunk of the finance business that left the UK post-Brexit, and its geographic position – jutting into the North Sea – which harbours much of Europe's offshore wind potential.

The province is also a favoured location for data centres; fDi Markets data shows that the communications sector attracted almost half North Holland's inbound capital expenditure in the five years to November 2022. Last year's standout investments, however, were in clean energy. Australia's HyCC announced it would build a 500-megawatt green hydrogen plant in the Amsterdam port area and UK renewables developer Anesco chose Amsterdam for its first overseas office.

Stockholm County, Sweden

Stockholm County jumps to second position in this year's rankings after

attracting 48 FDI announcements in 2022, its highest number on record. The region's standing was also boosted by its strong performance in the Economic Potential and Human Capital and Lifestyle sub-categories.

Sweden's capital is among Europe's leading tech hubs, and claims to have fostered more tech 'unicorns' per capita than any other region in the world save for Silicon Valley. Software and IT accounted for 36% of the region's FDI project announcements in the five years to November 2022 with fresh investment from the likes of Israeli's Optibus, which runs an artificial intelligence-enabled public transportation platform, and blockchain-based game technology studio Mythical Games.

Uusimaa, Finland

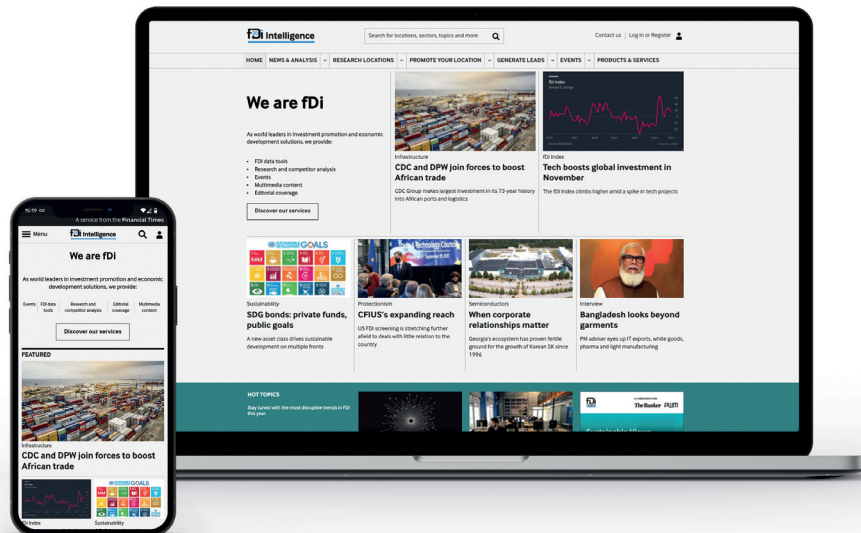
The Finnish region sits in third place of the mid-sized rankings, thanks to a strong performance in the sub-categories for Economic Potential and Human Capital and Lifestyle, and some big FDI wins. In 2022, China's National Silicon Industry Group announced a \$416m investment in the city of Vantaa and Switzerland's Acronis opened a new



Stockholm County has risen to second place

data centre in Helsinki.

Measured by project numbers, software and IT services has attracted more FDI than any other sector in the five years to November 2022, according to fDi Markets. In its latest Regional Innovation Scoreboard, the European Commission identified Uusimaa as an innovation leader. ■



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Winners: Mid-sized European regions

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2023 – OVERALL

RANK	REGION	COUNTRY
1	North Holland	Netherlands
2	Stockholm County	Sweden
3	Uusimaa	Finland
4	Berlin Region	Germany
5	South Holland	Netherlands
6	Capital Region of Denmark	Denmark
7	Canton of Zürich	Switzerland
8	Hamburg Region	Germany
9	North Brabant	Netherlands
10	Central Hungary	Hungary

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2023 – CONNECTIVITY

RANK	REGION	COUNTRY
1	North Holland	Netherlands
2	Capital Region of Denmark	Denmark
3	South Holland	Netherlands
4	North Brabant	Netherlands
5	Stockholm County	Sweden
6	Hamburg Region	Germany
7	Pays de la Loire	France
8	Canary Islands	Spain
9	Canton of Zürich	Switzerland
10	Uusimaa	Finland

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2023 – ECONOMIC POTENTIAL

RANK	REGION	COUNTRY
1	North Holland	Netherlands
2	Stockholm County	Sweden
3	Berlin Region	Germany
4	Uusimaa	Finland
5	Capital Region of Denmark	Denmark
6	Canton of Zürich	Switzerland
7	Hamburg Region	Germany
8	South Holland	Netherlands
9	North Brabant	Netherlands
10	Bucuresti-Ilfov	Romania

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2023 – HUMAN CAPITAL AND LIFESTYLE

RANK	REGION	COUNTRY
1	Stockholm County	Sweden
2	Berlin Region	Germany
3	Vienna Region	Austria
4	Uusimaa	Finland
5	Lisbon Region	Portugal
6	Canton of Zürich	Switzerland
7	Central Hungary	Hungary
8	North Holland	Netherlands
9	South Holland	Netherlands
10	Attica	Greece

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2023 – COST EFFECTIVENESS

RANK	REGION	COUNTRY
1	Bosnia	Bosnia and Herzegovina
2	Sud-Est	Romania
3	Sud-Vest	Romania
4	Kyiv Oblast	Ukraine
5	Nord-Est	Romania
6	Sud	Romania
7	Kocaeli	Turkey
8	Vest	Romania
9	Nord-Vest	Romania
10	Centru	Romania

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2023 – BUSINESS FRIENDLINESS

RANK	REGION	COUNTRY
1	North Holland	Netherlands
2	Lower Silesian	Poland
3	Lesser Poland	Poland
4	Greater Poland	Poland
5	Lodz	Poland
6	Berlin Region	Germany
7	North-East England	UK
8	South Holland	Netherlands
9	Pomerania	Poland
10	Central Hungary	Hungary



European Cities and Regions of the Future 2023

Winners – Small regions

DUBLIN CONTINUES ITS SIT ATOP THE TABLE OF REGIONS WITH LESS THAN 1.5 MILLION PEOPLE

Dublin Region, Ireland

For the fifth time in a row, County Dublin is crowned fDi's European small region of the future – those with a population of less than 1.5 million. The region is Ireland's economic powerhouse and benefits from the city of Dublin's financial centre, talent pools and business infrastructure.

Data from fDi Markets shows that in the five years to November 2022 it recorded \$25.6bn of inbound capital expenditure, which is one-third of the nation's total. Ireland's government wants to diversify investment away from the capital and towards other regions. However, Dublin is not expected to lose its lustre, particularly among software firms. Last year, US enterprise software firm Workday chose Ireland's capital for its new European headquarters. Iceland's Kara Connect, a healthtech platform for employee wellbeing, also opened an office in the city.

Oslo County, Norway

Oslo County climbs to second spot in the 2023 rankings after falling out of the top half of the table last year. Home to Norway's capital, the communications sector accounted for

more than half the region's inbound FDI tracked by fDi Markets between December 2017 and November 2022. This was driven by data centre and cloud investments by Singaporean crypto firm GMT Token, Amazon's cloud computing provider AWS and Israeli-owned Green Mountain.

Norway is known as a renewables leader and generates 98% of its electricity from clean energy sources. The Oslo area supports this via its cleantech hub which the city claims is home to more than 80 start-ups and scale-ups. It is attracting foreign investment with Swedish software firm Claims Carbon opening a local office last year.

Prague Region, Czech Republic

Sitting in third place is the Prague Region, whose business friendliness, human capital and lifestyle factors continue to win over investors. The Czech capital's booming property market has been a major draw in recent years, with real estate accounting for nearly 30% of the \$3.4bn worth of foreign capital expenditure to land in the city during the review period. In 2022, for example, US-based Prologis announced an expansion of its logistics park on the



Oslo County is back towards the top of the table

city's outskirts.

Prague is home to four universities in QS's latest global ranking of top universities and its tech credentials continue to grow. The likes of Microsoft, Oracle, Cisco and Skype all have long-established operations in the city, and its software and IT sector attracted \$778m worth of FDI during the review period. ■

Winners: Small European regions

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2023 – OVERALL

RANK	REGION	COUNTRY
1	Dublin Region	Ireland
2	Oslo County	Norway
3	Prague Region	Czech Republic
4	Luxembourg Region	Luxembourg
5	Vilnius County	Lithuania
6	Canton of Geneva	Switzerland
7	Canton of Zug	Switzerland
8	South-West Region	Ireland
=9	Brussels Capital Region	Belgium
=9	Canton of Vaud	Switzerland

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2023 – HUMAN CAPITAL AND LIFESTYLE

RANK	REGION	COUNTRY
1	Prague Region	Czech Republic
2	Oslo County	Norway
3	Canton of Vaud	Switzerland
4	Riga Region	Latvia
5	Skåne County	Sweden
6	Sofia City	Bulgaria
7	Dublin Region	Ireland
8	Vilnius County	Lithuania
9	Canton of Geneva	Switzerland
10	Brussels Capital region	Belgium

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2023 – CONNECTIVITY

RANK	REGION	COUNTRY
1	Southern Denmark	Denmark
2	Balearic Islands	Spain
3	Oslo County	Norway
4	Canton of Geneva	Switzerland
5	Luxembourg	Luxembourg
6	Rogaland county	Norway
7	Brussels Capital Region	Belgium
8	Prague Region	Czech Republic
9	Aragon	Spain
10	State of Bremen	Germany

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2023 – ECONOMIC POTENTIAL

RANK	REGION	COUNTRY
1	Dublin Region	Ireland
2	Luxembourg Region	Luxembourg
3	South-West Region	Ireland
4	Oslo County	Norway
5	Canton of Zug	Switzerland
6	Canton of Vaud	Switzerland
7	Canton of Geneva	Switzerland
8	Brussels Capital Region	Belgium
9	Utrecht Region	Netherlands
10	Vilnius County	Lithuania

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2023 – COST EFFECTIVENESS

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

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2023 – BUSINESS FRIENDLINESS

RANK	REGION	COUNTRY
1	Dublin Region	Ireland
2	Prague Region	Czech Republic
3	Oslo County	Norway
4	Harju County	Estonia
5	Vilnius County	Lithuania
6	Bratislava Region	Slovakia
7	Sofia City	Bulgaria
8	Canton of Zug	Switzerland
9	Brussels Capital Region	Belgium
10	Utrecht Region	Netherlands

Pomerania – a region of top brands

Amazon, Intel, Nike – these are just a few of the brands that have decided to set up branches in Pomerania, a region in northern Poland. This was made possible thanks to an effective strategy for attracting FDI and cooperation between institutions and investors.

In terms of creating a friendly environment for Foreign Direct Investment, Pomerania was awarded 5th place in the Mid-Sized European Regions of the Future 2023 - FDI Strategy category in the fDi Intelligence ranking. This positions the region as one of the most attractive investment destinations in Europe.

Pomerania as a region for investments

Yet another award received by the Pomeranian Voivodeship proves that the region is attractive to foreign investors and is seen as a great location for business development. This view is shared by, among others, Bayer, Epam, Alteams Group, ThyssenKrupp, State Street, Aptiv, Lacroix, PwC, Nordea, Sii and Capgemini. It is worth emphasising that the entire region was awarded, which means that both large urban centres and smaller cities are characterised by a wide range of ongoing investments.

An important contribution to the development of Pomerania was made by Invest in Pomerania, a local government initiative for the economic promotion of the region. Over the last ten years, it has implemented 172 FDI projects, creating 22,500 jobs. According to the fDi Markets database, the value of all projects announced in Pomerania amounted to USD 7 billion.

The World Bank evaluation

The report Impact Evaluation of Invest in Pomerania, co-produced with experts from the World Bank Group, was published last year. The publication indicates that since 2011, the gross value-added ratio for priority sectors has increased from 32 to 36 per cent. This is also directly related to an increase in employment figures (48 per cent) in key industries, which in turn contributed to a reduction in unemployment (4.5 per cent at the end of last year).

The nature of investments in the region was varied, with technology and business services projects located in the metropolitan area and manufacturing and logistics investments made in the sub-regions, along European transport corridors intersecting in the region. Particularly noteworthy are IT-BPO investments, whose multitude and quality have already been recognised by the fDi Intelligence committee – 4th and 12th place in the fDi X TNW Tech Cities of the Future 2020/21 and 2021/2022 rankings.

– Thanks to specialists from the World Bank and the estimation of FDI inflows, we can see just how much Pomerania has developed in recent years. The analysis shows that strategic actions in priority sectors increased FDI inflows by an average of 160 per cent and the number of FDI-related jobs grew by 230 per cent – says **Wojciech Tyborowski**, Director of Invest in Pomerania.

Sectors of the future

The World Bank study identified two investment groups. The first includes sectors that are already active and whose development is most likely and expected from the region's growth perspective. This group includes, among others, the electromobility, SSC, BPO and IT industries. The aforementioned sectors are especially attractive for investments oriented at domestic customers and those looking to create a production and service centre for exports.

The second group of priority investments is made up of sectors with development potential and dynamic growth observed in recent times – the semiconductor and offshore wind industries. These investments should be based on a medium and long-term perspective or treated as potential high-profit niches with an undeveloped potential. Behind the region's attractiveness to semiconductor investors are its proximity to mature markets, well-developed research facilities and an extensive workforce with industry-related skill sets.

Huge development opportunities can be found in the renewable energy sector, where a number of significant investments have already been completed in Pomerania, translating into an installed RES capacity of 11.7 GW.

Particularly noteworthy is the investment potential of Offshore Wind Farms, which stands at 28 GW for the Polish Exclusive Economic Zone. In addition, the region is responding to a strong demand for highly-specialised equipment and vehicles for the construction and operation of offshore wind platforms.

The rich history of shipbuilding development and technological background can ensure integration between manufacturers and suppliers of cells and end products.

Pomerania – a great choice for investors

The significant share of FDI in the Pomeranian market has started some interdependent processes. The increase in the number of jobs, combined with

immigrant integration programmes, has contributed to a significantly bigger proportion of skilled workers in the region's employment structure. Numerous universities and educational facilities regularly expand their range of studies and courses, preparing specialists and senior executives.

In addition, the region's favourable location in terms of logistics, wide availability of seaports and investment areas are conducive to the development of FDI and facilitate activities based on a sustainable supply system. The strategy to support foreign capital inflows, as revised with the the World Bank Group, assumes better investor care. It envisages a continuous expansion of the region's talent pool. In addition to pro-migration initiatives implemented for years to support the relocation of talented professionals from around the world, investment in reskilling has recently been introduced.

To respond to the needs of the market, using suggestions from investors – which is unique not only in the country but also in Europe – a programme has been launched to provide qualifications needed for key industries. But that is not all. In order to build the best possible conditions for reinvestment, upskilling measures have been introduced as well to supply employees with both junior and senior skills.

In the long term, these ambitious objectives of the revised strategy are expected to result in an intensification of foreign capital inflows. A focus on key sectors and an emphasis on modern technology will undoubtedly play a key role. It is Pomerania's ambition to create an even more FDI-friendly location, which benefits both the region and investors.

More information available at:
<https://investinpomerania.pl/en/knowledge-base/>



ADVERTISEMENT FEATURE



European Cities and Regions of the Future 2023

Winners – FDI Strategy (Regions)

THE JUDGING PANEL HAS IDENTIFIED FOUR INVESTMENT PROMOTION AGENCIES
TAKING FDI STRATEGY TO THE NEXT LEVEL

The winners of this year's regional FDI Strategy awards were chosen by the judging panel after reviewing the submissions of 29 investment promotion agencies charged with drawing investment to their region. Northern Ireland and Ireland South-east fought off tough competition to take the mid-sized and small region awards, respectively. In the large-region category, the judges found it impossible to separate Catalonia and Île-de-France, leaving the two to share top honours.

Catalonia, Spain

Once again Catalonia Trade & Investment takes pole position in the large regions category, having established itself as a thought leader in investment promotion.

The agency has designed its FDI strategy through the lens of the UN's Sustainable Development Goals, focusing on sectors linked to digital transformation and the green economy. Last year, South Korean battery manufacturer Iljin Materials chose the region for its first factory in Europe, which will create 500 jobs and inject €600m into the local economy.

Catalonia's 12 universities collectively offer 50 engineering degrees, which is creating a deep talent pool to accelerate the region's transformation from an industrial powerhouse to a leader in Industry 4.0. Via its ProAcció Green programme, the agency offers grants and other services to support investors' sustainability projects. Its strong track-record in retaining investment is partly down to its aftercare team which organises around 250 meetings each year and works closely with its global network of 40 offices.

Île-de-France, France

The other co-recipient of the FDI Strategy award for large regions is Île-de-France, which shoots up the rankings from fifth place last year.

The Paris region, as it is otherwise known, is also fDi's large European region of the future; however, it is not resting on its laurels. Choose Paris Region, which promotes Île-de-France abroad, has adopted forward-thinking strategies both within the organisation and its attraction of foreign investment. Its focus on high-growth sectors is bear-

ing fruit with the likes of Spanish deep-tech start-up Multiverse Computing and US electric vehicle charging specialist Volta injecting fresh capital into the region over the past 18 months.

The agency is a model for other investment promotion agencies wanting to improve their environmental, social and governance standards. Its Gender Equality Index score sits at 98 points out of 100, and its team is based in co-working spaces to reduce its carbon footprint and adopt a more collaborative work environment. Its aftercare service has recently been enhanced by a new platform which matches investors with rigorously-vetted service providers.

Northern Ireland, UK

After tying for top spot last year, Northern Ireland shakes off competition to be named this year's sole recipient of the FDI Strategy award among mid-sized regions. Aftercare is at the heart of Invest Northern Ireland's strategy which has a strong focus on integrating new investors into the local community and business networks. Its success is borne

out by some 70% of investors choosing to re-invest. Citibank is a case in point. Since setting up shop in Belfast nearly two decades ago, the US investment bank has grown its headcount from 375 to more than 4000. The agency also helps investors improve their energy efficiency via technical audits, a matching service that enables industrial symbiosis and capital grants.

The agency is planning a new talent attraction programme which leverages the region's vast diaspora. The goal is to deepen the region's labour pool by enticing overseas nationals to move back home and to pick up some new international talents along the way.

Ireland South-east, Ireland

Ireland South-east continues its winning streak in the FDI strategy category for small regions, thanks to a burst of new initiatives and continued success in attracting high-quality projects. Following the opening in 2022 of the South East

Technological University, the region's development office launched a new strategy which aims to develop a wider economic ecosystem to support local investment. This focuses on encouraging entrepreneurship, green economy opportunities, clustering, and research and innovation capacity.

One of the region's high-growth sectors is life sciences, which was boosted last year by Abbott Laboratories' pledge to invest €440m in a new manufacturing plant in Kilkenny and hire 1000 employees.

The sustainability efforts of the region's development office are second to none. It has supported Rosslare Europort in its €350m offshore wind plans and has identified four so-called decarbonising zones across the region to act as pilots for innovations tackling climate change. It also plans to launch a new regional energy agency to support the local transition to a low-carbon economy. ■

“THIS AWARD FOR BEST STRATEGY IS AN ACKNOWLEDGEMENT THAT OUR COLLABORATIVE APPROACH IS CREATING THE IDEAL ECONOMIC ENVIRONMENT FOR OUR INVESTORS TO THRIVE WITHIN”

PATSY CARNEY, CHAIR, IRELAND SOUTH EAST DEVELOPMENT OFFICE



ECONOMIC STRENGTH

Cork City has been included in the top 10 of various categories in fDi's Small European Cities of the Future 2023 awards and has been named as the no.1 small European city for economic potential and 2nd overall for two years running, 2022 and 2023.

Located in Ireland's southwest region, Cork City is Ireland's second largest city home to a population of 222,333 people which is expected to increase by 50- 60% over the next 20 years. Contributing roughly 20% of Ireland's national GDP Cork City is Ireland's second largest economic driver.

SPOTLIGHT ON CORK ADVERTISEMENT FEATURE

Cork is home to over 194 multinational companies including 7 of the top 10 global pharmaceutical companies which form a stunning cluster of medical devices and biopharma companies who are driving the future of healthcare, such as Boston Scientific, Johnson & Johnson, and Stryker. There are also many indigenous and multinational firms operating in the software, life sciences, financial, business services, engineering, agri-food, and maritime sectors and Cork is privileged to host the European headquarters of Apple and NetApp.

Human Capital and Skills

Global leaders are attracted by Cork City's hot bed of skills and talent, many of whom have been primed by an impactful third-level education system driven by two of Ireland's most prestigious universities, University College Cork, and Munster Technological University. There are over 30,000 students enrolled in both universities which produce over 10,000 ambitious and motivated science, engineering, technology, and business graduates a year.

Quality Infrastructure

Cork City is a critical centre of growth in Ireland's National Development Plan and will significantly develop scale and capability as a key economic driver for Ireland. As a result, significant investments have been made by regional, national, and international property developers and agents most notably in the Cork City

Docklands redevelopment which is one the largest redevelopments in Europe. The Docklands redevelopment will encompass both residential accommodation and Grade A office spaces.

Cork City offers a variety of prime Grade A and LEED Dynamic office spaces which are 30-50% cheaper than Dublin. The continued development and investment in high-quality office spaces in Cork City signals confidence for continued economic growth and job creation.

Connectivity

Cork City is well connected, a gateway to Europe for centuries, Cork City's connectivity is boosted by Ireland's second largest airport, Cork airport. Cork Airport is located just 7km outside the city which provides access to almost 50 international destinations.

Contact

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The Region of Tuscany placed second for Mid-Sized Regions

TOP 10 LARGE EUROPEAN REGIONS OF THE FUTURE 2023 – FDI STRATEGY

RANK	REGION	COUNTRY
1	Catalonia	Spain
1	Île-de-France	France
3	Scotland	UK
4	Flanders	Belgium
5	Lombardy	Italy
6	Comunidad de Madrid	Spain
7	Silesian	Poland
8	North Rhine-Westphalia	Germany
9	Emilia-Romagna	Italy
10	Istanbul	Turkey

TOP 10 MID-SIZED EUROPEAN REGIONS OF THE FUTURE 2023 – FDI STRATEGY

RANK	REGION	COUNTRY
1	Northern Ireland	UK
2	Region of Tuscany	Italy
3	Greater Canton of Zürich	Switzerland
4	Dnipropetrovsk Region	Ukraine
5	Pomorskie, Poland	Poland
6	The Basque Country	Spain
7	Region of Murcia	Spain

TOP 10 SMALL EUROPEAN REGIONS OF THE FUTURE 2023 – FDI STRATEGY

RANK	REGION	COUNTRY
1	Ireland South-East	Ireland
2	Basel Area	Switzerland
3	Mid-West of Ireland	Ireland
4	Leipzig	Germany
5	Kaunas region	Lithuania
6	Region of Stara Zagora	Bulgaria
7	Republic of Srpska	Bosnia and Herzegovina
8	Region of Niš	Serbia
9	Upper Austria	Austria

“THE BASEL AREA HAS ATTRACTED NEW PLAYERS AND EXCEPTIONAL TALENT – IT’S A HEALTHY CIRCLE WE PLAN TO SPIN FURTHER”

CHRISTOF KLÖPPER, CEO, BASEL AREA BUSINESS & INNOVATION

“INTERNATIONAL COMPANIES CHOOSE NORTHERN IRELAND FOR OUR TALENTED WORKFORCE, A SUPERB TELECOMMUNICATIONS INFRASTRUCTURE, ACCESS TO GLOBAL MARKETS AND OUR STRONG SUPPORT FOR BUSINESS”

STEVE HARPER, EXECUTIVE DIRECTOR, INTERNATIONAL BUSINESS & SKILLS, INVEST NI

JUDGING PANEL

Carolina Arriagada Peters

Carolina Arriagada Peters is one of the very few FDI consultant specialised in the complete investor lifecycle. As MD of Cities & Collaboration and training portal www.fdiCampus.com, she is a sought-after senior advisor and trainer for investment promotion and economic development helping them “master FDI faster”. Her book *Investment Aftercare Explained* has become the reference guide for Aftercare practitioners around the world.

Jacopo Dettoni

Jacopo Dettoni is the editor of **fDi** Intelligence, where he leads the title’s multimedia editorial coverage and strategic development. Prior to joining **fDi**, he lived and reported in Europe, Asia and Latin America, covering some of the world’s fastest-growing economies for international media. He is a regular speaker and moderator at events discussing the perks and perils of global trade and investment. He holds a master’s degree in economics and finance from the Catholic University of Milan, Italy, where he focused on trade policies and economic welfare.

Sean Duggan

Sean is a Director and Lead Consultant with the specialist location consultancy firm, ILSA Consulting.

An economist, Sean has over 30 years’ professional experience in the areas of industry policy and strategy, economic development, investment promotion and location benchmarking.

During his career Sean has delivered more than 130 programs and projects in 30 countries. This includes working with economic development and investment promotion organisations such as BKPM, GIPC, Hong Kong Science and Technology Parks Corporation, Invest Hong Kong, JIC, SBRD, and ZIPA.

He has previously held senior roles with OCO Global, FIAS - World Bank/IFC and PwC.

Judith O’Doherty

Judith O’Doherty is the Founder of eutopia – a specialist place strategy and marketing firm. She has more than 20 years’ experience in investment promotion in both the private and public sector with organisations including OCO Global, Invest Northern Ireland and Wavteq. Judith works with a range of clients across Europe and the US to enhance their investment propositions and has led development of place brands for cities and regions. Eutopia has also developed a unique methodology for measuring FDI and place performance.

Seth O’Farrell

Seth O’Farrell is global investment reporter for **fDi** Intelligence, a specialist publication at the Financial Times, where he covers foreign direct investment and geopolitics with a particular focus on renewable energy and China. He previously worked at MandateWire, another FT Specialist publication, reporting on institutional investors in Italy, the UK and France. He speaks French, Mandarin and Italian and holds a degree in Modern Languages from the University of Oxford.

**Firdaous Oussidhoum**

Firdaous Oussidhoum is the special adviser of the United Cities and Local Governments’ (UCLG) secretary general. The UCLG is the world institution for local and regional governments advocating for shared values and principles, and for local democracy as representative of the citizens and communities. She is also a member of the UNESCO Chair for Intermediate Cities and World Urbanization.

Architect, urban planner and philosopher, Firdaous developed her expertise, within a human-focused approach, in the sustainable and resilient development strategies through 20 years of experience as a practitioner, consultant and policymaker at local, national and international levels. She has developed in parallel an expertise in international relations and development, and international public affairs, with a particular eye on global resilience. ■

METHODOLOGY

To create a shortlist for fDi's European Cities and Regions of the Future 2023, 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 549 locations (370 cities, 141 regions and 38 LEPs), under five categories: Economic Potential, Human Capital and Lifestyle, Cost Effectiveness, Connectivity 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 to compile the subcategory rankings as well as the overall 'European Cities and Regions of the Future 2023' ranking.

In addition, surveys were collected under a sixth category, FDI Strategy, for which there were 89 submissions. In this category, locations submitted details about their strategy for promoting FDI, which was then scored by fDi's judging panel.

Bonus points were awarded to locations ranking in the top ten for FDI Strategy within their population

brackets. The highest-ranking location was awarded an extra one 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 considered 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 2 million, or a LUZ of more than 4 million

Large cities: Cities with an immediate city population over 500,000 plus a LUZ of more than 1 million, or a LUZ more than 2 million people

Mid-sized cities: Cities with an immedi-

ate city population over 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 with a LUZ of more than 1 million which received more than 30% of its country's FDI was upgraded to the 'Major' category. In addition, we looked at FDI data for any non-capital cities whose populations 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 and 4 million people

Small regions: Fewer than 1.5 million people

DATA POINTS

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 - % (2021-2026))
- GDP average annual growth rate (%)
- Outward FDI (H2 2017 – H1 2022)
- Outward FDI per 100,000 people (H2 2017 – H1 2022)
- Inward FDI (H2 2017 – H1 2022)
- Inward FDI per 100,000 people (H2 2017 – H1 2022)
- Nominal growth of inward FDI projects per 100,000 people (October 2010 - September 2015) vs (October 2016-September 2021)
- Inward FDI in R&D and DDT per 100,000 people (H2 2017 – H1 2022)
- Inward FDI in advanced manufacturing per 100,000 people (H2 2017 – H1 2022)
- Number of mega projects by capex (over \$100m) (H2 2017 – H1 2022) per 100,000 people
- Number of mega projects by jobs (over 1000 jobs) (H2 2017 – H1 2022) per 100,000 people
- Capital expenditure on R&D projects (\$) (H2 2017 – H1 2022)
- Number of patents 2013 - 2021
- Number of patents per 100,000 people 2013 - 2021

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 universities
- Number of universities per 100,000 people
- Number of IB schools
- Number of top 1500 universities
- Skillset of graduates
- Life expectancy
- Social Progress Index
- Human Development Index
- Number of physicians per 1000 people
- Ease of finding skilled employees

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 m2)
- Annual rent for prime Grade A industrial space (\$ per m2)
- 4*/5* hotel in city centre (\$ per night)
- Minimum wage (\$)
- Cost of establishing a business (absolute value using GNI)
- Cost of registering a property (absolute value using GNI)
- 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)
- Corporation tax rate (%)
- VAT/ common indirect tax rate (%)
- Total tax rate (% of profit)

CONNECTIVITY

- Download speed (mb/s)
- 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 +)
- Logistics performance index
- Networked Readiness Index
- Environmental Performance Index
- Quality of overall infrastructure
- Quality of roads
- Quality of railroad infrastructure
- Companies in the transportation sector per 100,000 people

BUSINESS FRIENDLINESS

- Total number of companies within the hi-tech manufacturing sector 2022

- Total number of companies within the hi-tech service sector 2022
- Total number of companies within the knowledge-based sector 2022
- Proportion of companies within the hi-tech manufacturing sector 2022
- Proportion of companies within the hi-tech service sector 2022
- Proportion of companies within the knowledge-based sector 2022
- Total number of companies within the hi-tech manufacturing sector 2022 (per 100,000 people)
- Total number of companies within the hi-tech service sector 2022 (per 100,000 people)
- Total number of companies within the knowledge-based sector 2022 (per 100,000 people)
- Number of jobs created by all inward FDI (H2 2017 – H1 2022)
- Number of jobs created by all inward FDI per 100,000 people (H2 2017 – H1 2022)
- Number of expansion/colocation projects per 100,000 people (H2 2017 – H1 2022)
- Fragile States Index 2022
- Number of top 1000 World Banks 2022
- Corporation tax rate (%)
- Days taken to start a business
- Ease of doing business index
- Index of Economic Freedom
- Corruption Perception Index
- Protecting Minority Investors Score
- Country risk score
- Firing costs (\$)
- Credit rating

ADVERTISEMENT FEATURE



BRAGA, BIMILENAR CITY
AV. DA LIBERDADE (LEFT) AND SÉ CATHEDRAL

BRAGA - THE RIGHT CITY TO INVEST IN



The positioning of Braga as one of the leading cities in the economic development of Portugal is the result of an effort that unites public companies, educational institutions and companies of the city, which resulted in the elaboration of a 12-year strategic plan for economic development (2014-2026).

The emergence of projects which, having started in Braga, now reach highly competitive international markets, such as DST, Casais, Trés60, and, in the technological sector, F3M, Primavera, Edigma, Mercedes Benz.io, Mobelium, Checkmarx, ISSUU, UTrust, PeekMed and Nutrium, among others, led to the creation of the signatures “invented and designed in Braga” or “from Braga to the world”.

The establishment of large transnational companies, such as Bosch Car Multimedia, APTIV, FEHST, Accenture, Webhelp, Fujitsu, Uphold, Fiducial or TX Services, has also contributed to the economic boom that occurred in Braga, also enhancing the retention of highly qualified talent.

With over 2000 years of history and a past linked to the development of Portugal, Braga is a city that combines history with an avant-garde perspective, able to foster the entrepreneurial spirit and to bet on attracting the right companies for development.

Braga is the right city to invest in, being one of the prodigious cities of development in Europe, a position increasingly consolidated by the significant contribution of the innovation ecosystem, the talent that has been formed and installed in the city, and the vibrant, but highly specialized and technological business fabric.

Strategically located in the north of Portugal, Braga is only a few kilometers away from Francisco Sá Carneiro International Airport (Oporto), from the port of Leixões and from the region of Galicia.

Encouraging the development of ideas and highly scalable business projects has contributed significantly to this growth, an example of which is InvestBraga.

The company, 100% municipal, has been the flagship of a city open to the transfer of knowledge between universities and research centers to companies, contributing to the development of entrepreneurial, scalable projects with a clear gain in value creation for the community. The creation of InvestBraga marked the beginning of a new economic paradigm in the Municipality of Braga, by encompassing such disparate business areas as the Economic Boosting and Investment Attraction, Startup Braga, Altice Forum Braga (an infrastructure built to host fairs, congresses and events) and Braga Youth Center (a unit to support youth support with a hotel component).

Braga also has the university, the polytechnic, and the nanotechnology laboratory institutions responsible for the largest number of knowledge transfer and innovation projects for companies registered in the country: the University of Minho; the Cavado and Ave Polytechnic Institute and the International Iberian Nanotechnology Laboratory.

Ready to invest in Braga?

Everyone is welcomed in Braga!

Ricardo Rio, Mayor of Braga



www.cm-braga.pt

www.investbraga.com

HAMBURG

EUROPEAN

CITY OF

THE FUTURE

2023



Combining economic dynamism with a high quality of life, Hamburg is the economic heart of Northern Europe. Located between North Sea and Baltic Sea, the Hamburg Metropolitan Region is highly attractive for international and national companies. As a powerful driver of innovation the city became an outstanding test field for new business models and cutting-edge technologies. With the ambitious goal of establishing a green hydrogen economy, Hamburg is also the trailblazer for a future-oriented energy-system.

Hamburg Invest is the one-stop agency for relocation and investments.

www.hamburg-invest.com



fdi
EUROPEAN
CITIES AND REGIONS
OF THE FUTURE 2023

OVERALL
LARGE CITIES
WINNER

BEST HUMAN CAPITAL AND
LIFESTYLE
LARGE CITIES
WINNER

BEST CONNECTIVITY
LARGE CITIES
RUNNER-UP

BEST ECONOMIC POTENTIAL
LARGE CITIES
RUNNER-UP

BEST BUSINESS FRIENDLINESS
LARGE CITIES
TOP 10

HAMBURG