



PRESS RELEASE  
May 24, 2017

## Germany Pressing But UK Remains Premier Market in Europe for FDI

A new report shows the UK secured its highest level of investment in 2016 and retained its title as Europe's premier location for international investment, ahead of Germany, France and Spain.

*David Rankin* reports

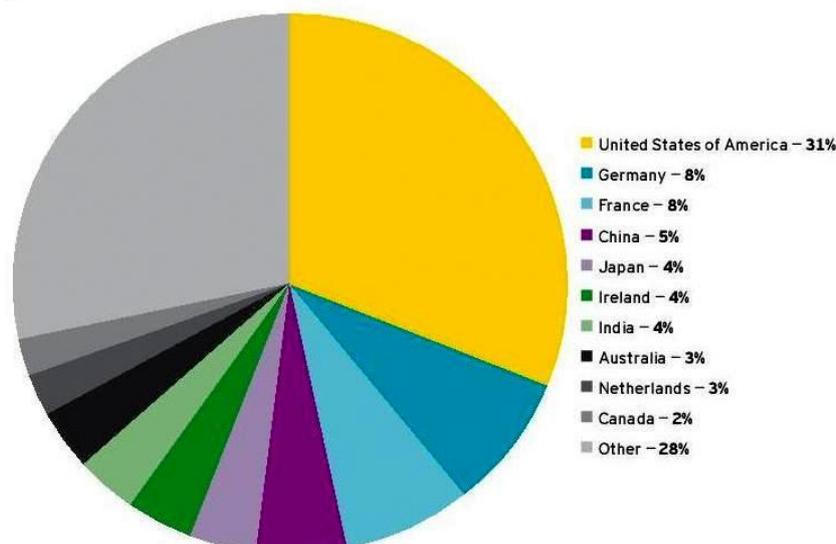


**The strength of the UK in attracting Foreign Direct Investment (FDI) is highlighted in the latest *EY UK Attractiveness Survey* published this week.**

The UK retained its position as Europe's leading recipient of FDI projects ahead of Germany, with a 7% rise in total projects to 1,144 - the highest number on record.

The UK was also the top recipient of FDI jobs in Europe, recording a 2% rise in FDI-generated employment to 44,700. Employment created by FDI across Europe as a whole grew by 19% to 260,000 jobs. The United States remains the leading source of European FDI projects, responsible for almost one-third of the total (*see chart below – all charts courtesy of EY*)

Origin of all UK projects by country 2016



The UK proved particularly successful in attracting logistics businesses in 2016, with the number of projects increasing by 30%. And the UK continues to lead Europe in Financial Services and Business Services, two sectors which are perennial bastions of strength.

EY's survey showed the proportion of investors planning to establish or expand operations in the UK over the coming year is 24%, in line with the results over the past seven years. The UK has also regained second place behind Germany in investors' ranking of Europe's top three FDI destinations.

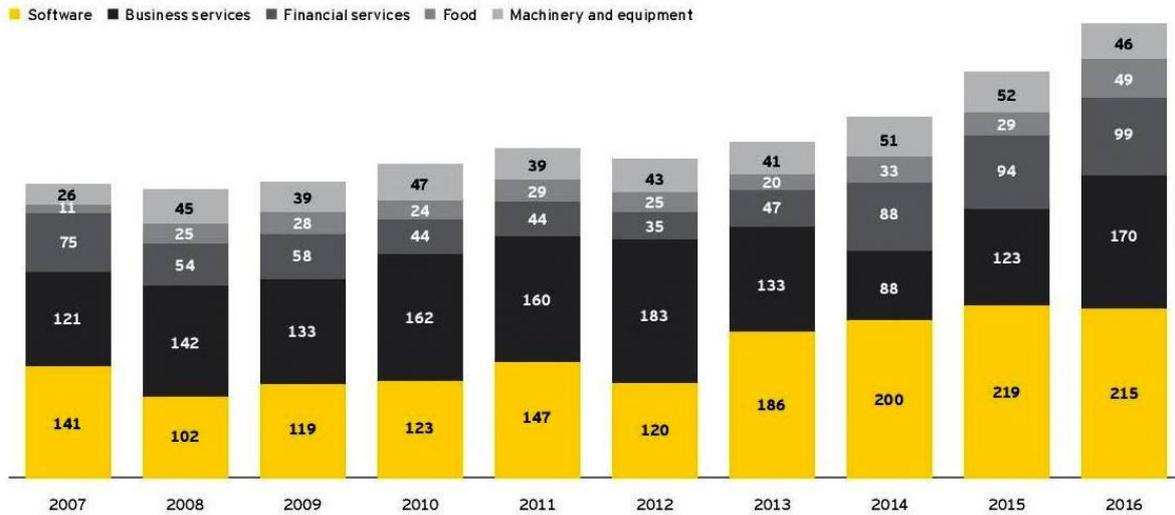
The top 10 sectors for FDI in Europe, and the leading recipient for each, 2016

	2016 projects	Leading country	Share of projects
 Software	780	UK	 28%
 Business services	702	UK	 24%
 Machinery and equipment	369	Germany	 27%
 Automotive assembly	345	UK	 12%
 Financial services*	295	UK	 34%
 Food	271	UK	 17%
 Chemical	218	Germany	 17%
 Electrical	214	Germany	 24%
 Electronics	202	Germany	 24%
 Plastic and rubber	189	Germany	 21%

While the survey results are encouraging for the UK Government, there are concerns that continued success rests heavily on the outcome of Brexit negotiations. Among investors based in Western Europe, 50% expect the UK to become less attractive for FDI over the next three years.

"As a UK-based specialist in FDI, naturally, we were pleased to see the increase in projects and jobs coming our way," said David Rankin, director in charge of international business at Harwood Hutton.

**Top five leading sectors in UK by project numbers 2007 – 16**



“Our own research shows that while Brexit is undoubtedly an issue, there will always be powerful reasons for businesses to set up operations here, not least our deep-rooted expertise in finance and a culture of enterprise, boosted by very favourable taxation rates for corporations and individuals.”

**ABOUT HARWOOD HUTTON**

*Harwood Hutton is a leading UK chartered accountant, business and tax adviser with a dedicated foreign direct investment unit known as London Landing. Harwood Hutton has offices in the West End of London and close to Heathrow Airport. We are both UK and international in focus with a multi-lingual team servicing the varied and often complex requirements of our clients.*

**CONTACT**

For more information, contact David Rankin on +44 (0)1494 739500 or at [davidrankin@harwoodhutton.co.uk](mailto:davidrankin@harwoodhutton.co.uk)

