

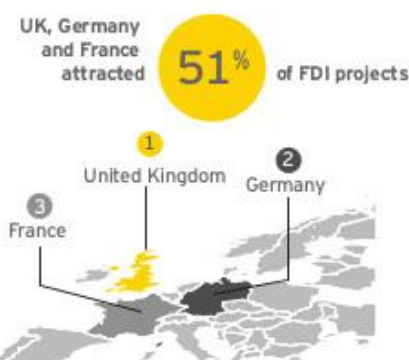
# Executive summary

## Europe's attractiveness in 2016: the reality



### 5,845 FDI projects, up 15% in 2016

With 5,845 new projects in Europe in 2016 (up 15%), foreign direct investment hit a new record and created 259,673 jobs (up 19%): that's twice as many as were being created in the wake of the financial crisis.



### UK, Germany and France top the country rankings

The United Kingdom remained Europe's champion, closely followed by Germany, which is mounting a strong challenge, and a resurgent France.

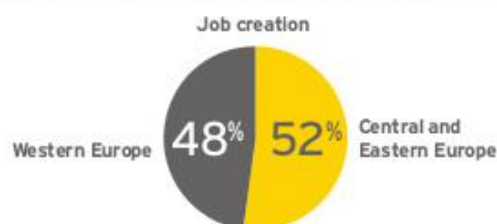
### European investors provide 56% of projects in Europe

US companies remained Europe's biggest investors, but European companies together are the biggest source of the continent's cross-border flows (56%), with German, British and French companies in the vanguard.



### 1 million jobs created by FDI between 2012 and 2016

In five years, foreign investors brought almost one million new jobs to the 43 countries of "business Europe", including Russia and Turkey.

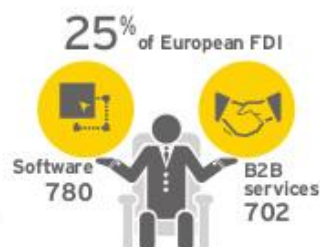


### CEE attracted more than half the jobs

CEE remained highly competitive and attractive, capturing 23% of FDI projects but 52% of jobs: Poland leaped to fifth place in the national ranking, while the Czech Republic, Hungary and Slovakia achieved firm gains.

### A quarter of FDI goes into software and B2B services

Business services and software underpin Europe's digital transformation. The software sector was the single biggest source of FDI in Europe in 2016, launching 780 projects, up 12%, and business services the next most active (702, +46% in 2016). Together they provide 25% of European FDI.



### Chinese investors up 25%

Chinese companies launched 297 FDI projects in Europe in 2016, up 25%. But they are cooling on the UK in favor of Germany, France and other continental destinations.



## Europe's attractiveness in 2017: changing perceptions



### Europe remains one of the world's top regions for executives

Despite major geopolitical events, growth around the world lifts demand for European products and services and gives business decision makers the confidence to expand and invest.

Asked to rank the attractiveness of global regions, investors vote Western Europe first overall (53%). CEE comes third (37%), right after the US (39%). China's vote is 37%, down from 48% in 2007.



### Uncertainty is weighing on projects for 2017

The proportion of decision makers planning to invest in Europe over the next year has eased four points since 2015, to 28%.

Investors who have already invested in Europe are confident about EU



### Long-term faith in EU's future still strong

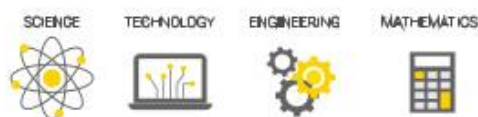
Among our panel of investors, those who have already invested in Europe are markedly more confident about the future of the European Union (EU) (69%) than those who have yet to invest here (45%).

### Recommendations for investors and policymakers



#### Innovation

Policy makers must do more to help develop ecosystems for Europe-born start-ups. Businesses must constantly scan for opportunities and impacts of digital technologies to transform their activities.



#### Skills

Policy makers need to invest in turning out more people, more able in science, technology, engineering and mathematics at all levels. Companies must take on their share of the responsibility for developing talent.

#### Brexit

Policy makers need to work on creating clarity. Companies need to think through all the implications of Brexit strategically.



#### Change

Europe needs to overhaul its national tax regimes in favor of jobs, innovation and the environment. Companies need to provide greater support and speak up.

