

Inward Investment Report 2014/15

The Rt Hon Lord Maude of Horsham

This is my first Inward Investment Report since becoming Minister for Trade & Investment. I am pleased that my tenure begins with confirmation of the UK's outstanding success.



We are again the Number One destination for Foreign Direct Investment (FDI) in Europe. In 2014 the UK attracted the highest number of foreign direct investment (FDI) projects and received the largest value of FDI net inflows in Europe, as confirmed by independent sources.

During 2014/15 UKTI recorded a total of 1,988 FDI projects - 12 percent more than in the previous record-breaking year. And UK inward FDI Stock - the amount of foreign direct investment in the UK - is estimated to have passed the £1 trillion level in 2014 - an extraordinary milestone to have achieved. Preliminary estimates from the OECD are that the UK has achieved a 50 percent increase in FDI inflows in a year when the global value of FDI flows fell by 11 percent.

This Government is committed to creating the conditions necessary to grow the economy and allow business to expand, thrive, and create lasting jobs in the UK. I am very pleased that these results show that almost 85,000 new jobs were created by FDI projects recorded in 2014/15 - and that independent reports confirm that the UK created more jobs through FDI than any other country in Europe.

It is clear from these results that all regions of the UK benefit from foreign investment. And it is clear also that foreign investment has great potential to support the priorities of this Government. We will look to investors to back our commitment to build a stronger and rebalanced economy, focused on the creation of jobs and will target investors accordingly.

We are not complacent. We need to continue working hard to make the UK the best place in the world for starting and growing business. The competition in the global market is growing and we need to continue to work to further strengthen our position in the global FDI market.

But these results confirm that we have the right approach. International companies see the strength of the UK as a place to do business. Their commitment to invest in and trust in the UK economy is higher than it has ever been before. The outlook for the UK economy is very positive. It is because of this that the UK continues to increase its leading position in the FDI market.

The Rt Hon Lord Maude of Horsham
Minister for Trade and Investment

Number 1

Destination for FDI in
Europe Source: OECD, FT, EY

£1 trillion

Value of UK inward
FDI stock Source: OECD

Michael Boyd

It gives me great pleasure to report that 2014/15 was another record year for inward investment into the UK. We recorded the highest number of Foreign Direct Investment projects ever, and those projects created the highest number of new jobs on record.



UK Trade & Investment were proud to support more projects than we ever have before – 1,610 of the 1,988 projects that landed in the UK were assisted by UKTI and our partners. We helped to secure over £13bn commitments for funding essential infrastructure and regeneration projects across various parts of the UK.

My focus over recent years has been to maintain and increase the quantity of projects coming to the UK while also driving up the value to the UK economy of those projects. This strategy is working, and I can report that the increase in the numbers of projects has not affected their quality. UKTI exceeded its internal benchmark for 'high value' projects this year.

It is crucial for the long term retention of the UK's position as the leading destination for FDI into Europe that we broaden the global base from which foreign investments are generated. I can report also that we received investment from a record number of countries and territories, demonstrating that the UK's attractiveness as a place to do business is recognised the world over.

Furthermore, our increased focus on emerging markets in recent years is starting to pay off. India has become the third largest source market for FDI projects, and more than 500 opportunities have been generated through a new, private-sector led delivery model in other emerging markets.

The depth of the increase in total investment projects is matched by the breadth of those projects across the economy. The UK is proving increasingly popular as a location for advanced manufacturing and research and development in Europe. A healthy increase in projects in all major sector groups has been recorded, including the reshoring of business from overseas. FDI projects involving R&D have increased by 10 percent. In addition, UKTI supported the delivery of 34 R&D collaborations involving UK research institutions and organisations, creating the building blocks for future growth. Increasingly, we are creating joint trade and investment sector teams to improve the effectiveness of the UK offer and create more export-led inward investment opportunities.

These results show once again that the UK is a world-beater in attracting foreign direct investment. I am proud to lead a team which has contributed to this achievement and delighted that these achievements are receiving global recognition. In October 2014, UKTI was recognised as one of the best Investment Promotion Agencies in the world, when we won a United Nations Conference on Trade & Development (UNCTAD) award for excellence in promoting FDI for sustainable development.

Michael Boyd
Managing Director, Investment

1,988

**FDI projects recorded
by UKTI**

84,603

**new jobs created by
FDI projects**

23,055

safeguarded jobs

A year of outstanding FDI results for the UK

UK strengthens its position as the Number 1 destination for Foreign Direct Investment (FDI) in Europe

Global FDI falls in 2014

Total world growth was a modest 3.4 percent in 2014 according to the International Monetary Fund (IMF), which put the subdued performance down to a slower than anticipated recovery from the financial crisis.

This, combined with a period of prolonged uncertainty, has had a negative impact on worldwide FDI. Global FDI flows were estimated by UNCTAD (United Nations Conference on Trade and Development) to have fallen by 8 percent in 2014, and by 11 percent according to the OECD (Organisation for Economic Co-operation and Development) estimates. UNCTAD figures show that the reduction in global FDI flows was particularly pronounced in developed countries, which were down 14 percent.¹

UK confirmed as the top destination for FDI in Europe

The UK produced the highest growth among G7 countries at 2.8 percent and continues to be a major player in the global FDI arena despite the many challenges and uncertainties across world markets. All major independent sources confirm the UK as the Number 1 destination in Europe for FDI in 2014 across the three main measures of success: financial value of FDI inflows; value of FDI stock (cumulative inflows); and number of individual investment decisions (FDI projects).

UK FDI inflows rise by 50 percent

Despite a reduction in global FDI flows by 11 percent in 2014, and a 16 percent reduction in European FDI, UK net FDI inflows increased by more than 50 percent, according to preliminary estimates available from the OECD. The UK received net FDI inflows of £44 billion (\$72 billion) in 2014 - representing one-third of total European Union inflows and making the UK the Number 1 destination in Europe.

2014 FDI Inflows



Source: OECD, May 2015



¹Global Investment Trends Monitor, UNCTAD, January 2015

£1 trillion

UK inward FDI stock

Source: OECD 2015

+50%

Increase in UK FDI inflows

Source: OECD 2015

UK inward FDI stock reaches £1 trillion level

The UK also remains the preferred destination for foreign investment in Europe in terms of accumulated value of inward FDI stock. FDI stock, which primarily reflects historic FDI inflows, is often used as an indicator of the long term commitment of foreign investors to the host country. A positive economic performance and continued inflows of FDI in recent years has contributed to a steady growth in UK inward FDI stock, demonstrating the trust and confidence foreign investors have in the UK economy.

Based on OECD estimates, the value of the UK's inward FDI stock increased by more than 9 percent during 2014, passing the £1tr level for the first time. UK FDI stock has increased by almost 50 percent since 2010, reaching £1,065bn by the end of 2014. UKTI remains committed to its internal ambition to help increase inward FDI stock to £1.5tr by 2020 and these latest results show that the UK is likely to achieve this.

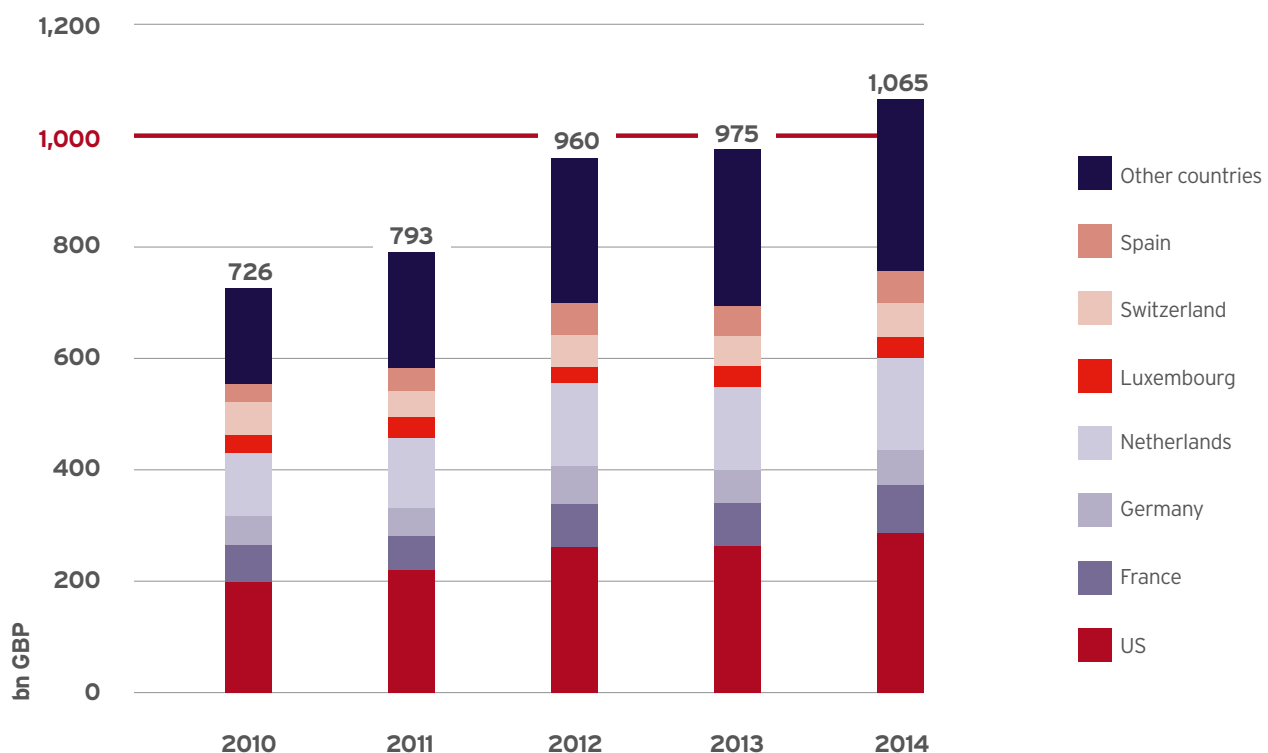
The USA and Europe remain the largest investors in the UK when measured by the value of FDI stock. Investors from the USA hold the largest share of FDI stock (27 percent), followed by the Netherlands (15 percent) and France (8 percent). Globally, the UK is the third largest country in terms of its absolute value of inward FDI stock, behind the USA and China.

Top three countries in the world with the largest FDI stock

Inward FDI Stock Value (2014)	US\$, tr
USA	5.4
China	2.7
United Kingdom	1.7

Source: OECD, May 2015. Note: Directional method of estimation used

UK Inward FDI Stock - Major Source Countries



Source: Office for National Statistics (ONS); 2014 estimate (£1,065bn) is taken from the OECD stats (May 2015); source country proportions from 2013 are applied on the 2014 estimate

Global context

28%

UK share of total capital investment flows into Europe in 2014

Source: *fDi Report*, May 2015

1st

in Europe for FDI projects

Source: FT and EY, May 2015

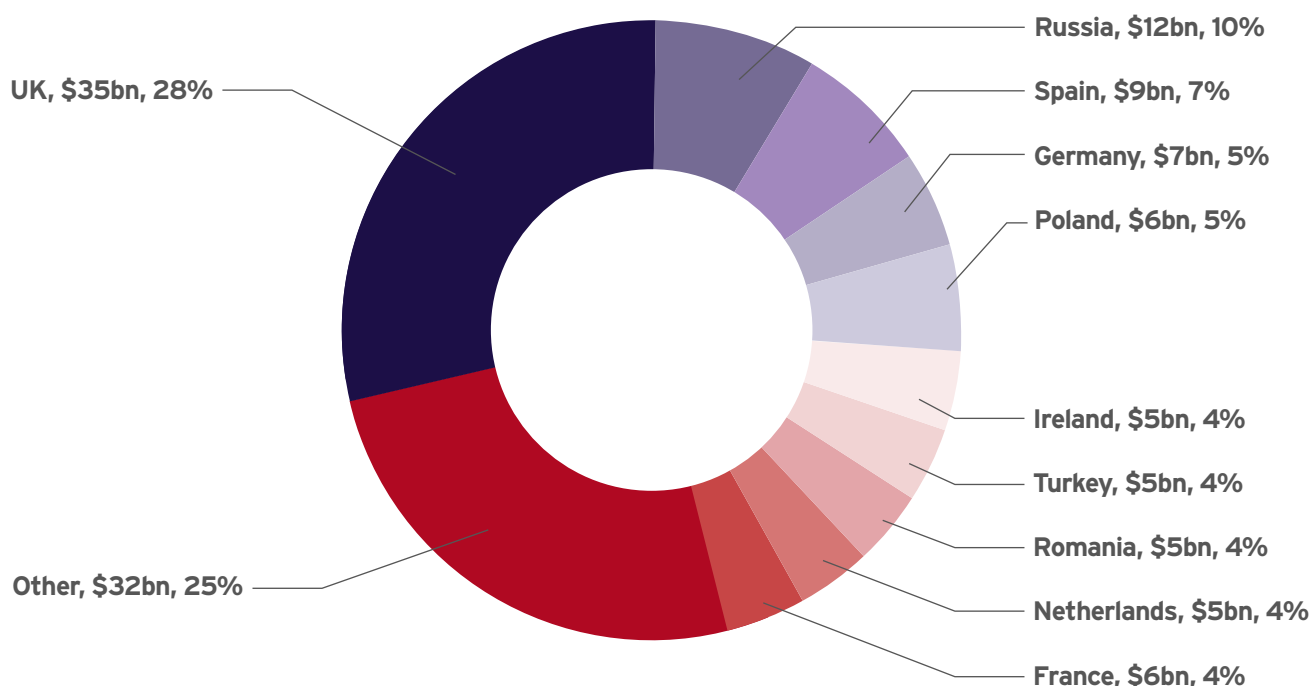
UK receives the largest number of FDI projects in Europe

The UK continues to be the top destination for FDI when measured against the number of successful foreign investment projects (decisions). This is reflected in the data on FDI projects, available from external reports, such as the EY Attractiveness Survey and the FT *fDi Report* (2015).

According to the FT *fDi Report* (2015) the UK received 909 FDI projects in 2014, 8 percent higher than last year and significantly more than other major European economies such as Germany (378), Spain (252) and France (237).

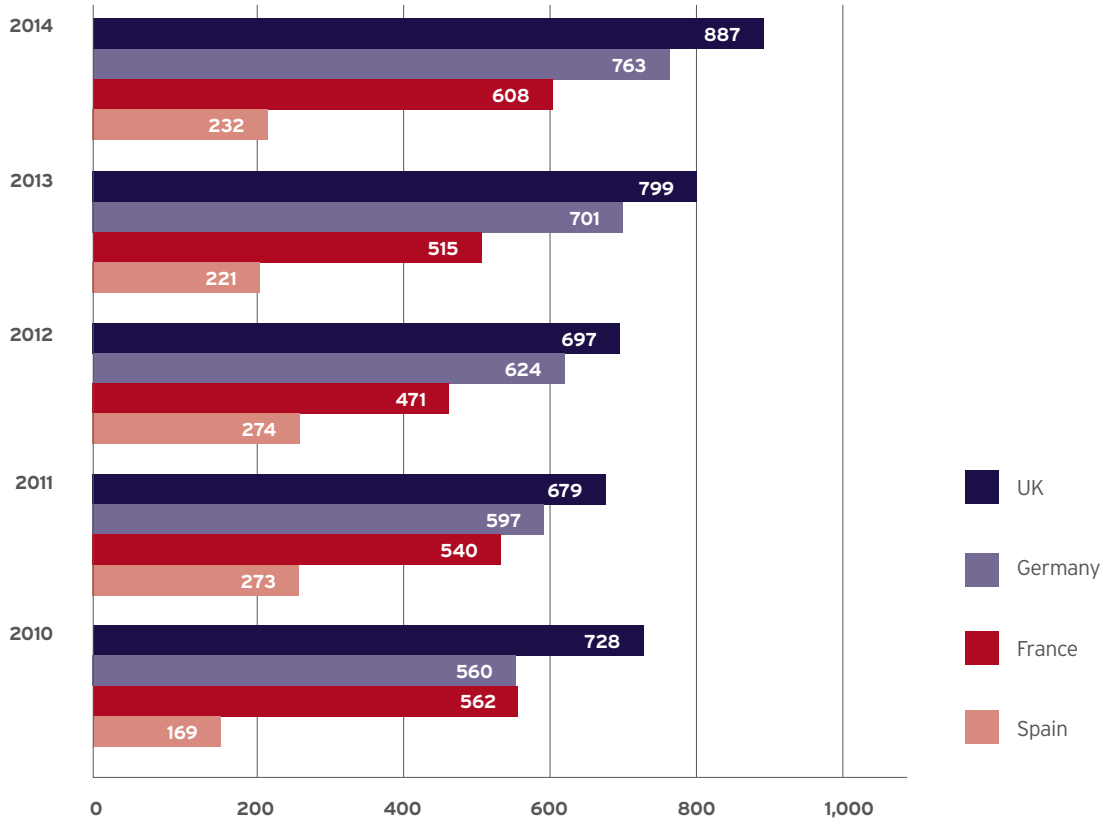
The UK is also the undisputable leader in Europe when measured by the value of FDI projects. According to the FT *fDi Report* (2015), the UK attracted \$35bn of capital investment - 28 percent of the total capital investment flows into Europe.

Capital investment flows into Europe 2014 (FDI project values)



Source: FT *fDi Report* 2015 (including estimates)

Major recipients of FDI projects in Europe



Source: EY Attractiveness Survey, May 2015

EY's 2015 UK Attractiveness Survey echoes the results from other external sources, confirming the UK had an outstanding performance in attracting FDI in 2014.

According to the EY report, the UK received a record number of FDI projects (887) in 2014, 11 percent higher than in 2013, which helped the UK to increase its market share in Europe to 20.4 percent, its highest share since 2009. The UK performed especially well in attracting brand new investments - 12 percent more than in 2013, closing the gap on Germany from 45 to 7 projects.

EY estimates that the UK was the leading location in Europe for FDI in terms of employment - generating over 31,000 new jobs, 12 percent higher than in 2013. FDI is estimated to have created 70 percent more jobs in the UK than in Russia, the next highest competitor, and almost two and a half times more than Germany.

The UK increased its market share in European manufacturing investment, securing 13 percent of all manufacturing FDI projects, up from 12 percent in 2014. There were 164 manufacturing projects initiated in the UK in 2014, compared to 131 in Germany.

13%

UK increases its share of European manufacturing investment to 13%

Source: 2015 EY Attractiveness Survey

Global context

Strong outlook for future growth

The global outlook over the short-term still reflects uncertainty. The IMF expects world growth to increase only 'slightly' over 2014's growth to 3.5 percent in 2015 before reaching 3.8 percent the following year. However, it forecasts that the UK will continue its relatively strong growth in 2015, supported by lower oil prices and further improved financial market conditions.

UK expected to continue performing strongly in the global FDI markets in 2015-16

The UK is recognised by global business executives as the top destination in Europe for investment and has risen in the 2015 AT Kearney FDI Confidence Index to become the third most sought after country in the world for investment. This is the third consecutive year in which the UK has improved its ranking, further confirming the confidence and trust that the global business community places in the UK and signalling that this strong performance will continue in 2015/16.

UK is the Number 1 target country in Europe for investment in 2015

Source: 2015 FDI Confidence Index, AT Kearney

Top 10 Target Countries for FDI				
Country ranking		2013	2014	2015
	United States	1	1	1
	China	2	2	2
	United Kingdom	8	4	3 ▲
	Canada	4	3	4 ▼
	Germany	7	6	5 ▲
	Brazil	3	5	6 ▼
	Japan	13	9	7 ▲
	France	12	10	8 ▲
	Mexico	9	12	9 ▲
	Australia	6	8	10 ▼

Source: 2015 AT Kearney FDI Confidence Index

The attractiveness of the UK as a top destination for FDI in Europe is also confirmed by the EY 2015 Attractiveness Survey. Around 8 percent of investors identified the UK as first choice in their ranking of global attractiveness, putting the UK fourth in the world, behind only China, the USA and India.

Another record year for the UK

For the second year running, UKTI achieved a record number of foreign direct investment (FDI) projects which brought with them record numbers of new jobs across all parts of the UK



UKTI receives UNCTAD Inward Investment Promotion Award

UKTI's continued efforts to attract and retain high value and better quality FDI were recognised by the World Investment Forum in October 2014. UKTI received an Investment Promotion Agency of the Year award from the United Nations Conference on Trade and Development (UNCTAD) for its efforts on promoting sustainable FDI.

UNCTAD's awards recognise and celebrate outstanding achievements from the world's best investment promotion agencies. UKTI was commended for the support it provided to Gamma Solutions (Spain) which specialises in sponsoring and promoting renewable energy investments (development, engineering, procurement and contracting).

UKTI results

UKTI Investment Results 2014/15

The UK's exceptionally strong performance in the European and global FDI markets in 2014 is borne out by UKTI's official inward investment results. During 2014/15 UKTI recorded a total of 1,988 FDI projects successfully landing in the UK, up by 12 percent year-on-year, and the strongest performance since records began in the early 1980s.

UKTI's FDI figures differ from other sources due to differences in methodology and verification criteria. For example, UKTI reports a broader category of foreign investment (e.g. mergers and acquisitions) as well as those projects not publically announced by the companies involved, hence not captured by external databases, such as FT and EY.

UKTI and its partners across the UK supported the delivery of 1,610 projects, around 81 percent of the total number of successful FDI projects recorded. This represents a 10 percent increase in supported projects compared to 2013/14. This increase has not affected the quality and value of investment received. UKTI estimates that the share of 'higher value' FDI projects - as

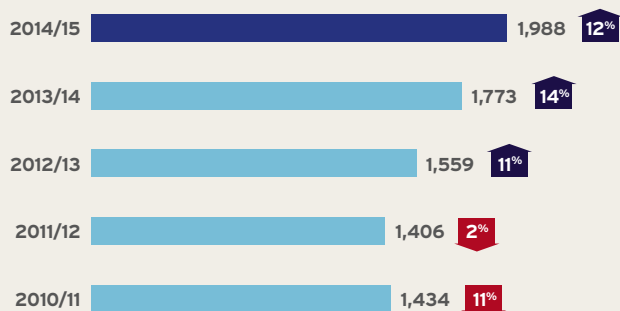
defined through its internal multi-indicator framework using various quantitative and qualitative aspects of investments - has increased from 26 percent in 2013/14 to almost 38 percent of all UKTI supported projects in 2014/15. We also estimate the total value of investment commitments and projects in infrastructure and regeneration was more than £13bn last year.

A record number of new jobs brought by foreign investments

Foreign investments bring with them a significant number of new and safeguarded jobs across the UK and in all sectors of the economy. It is estimated that almost 85,000 new jobs¹ were created by inward investment projects, 27 percent higher than in the previous year and the highest since records began in early 1980s.

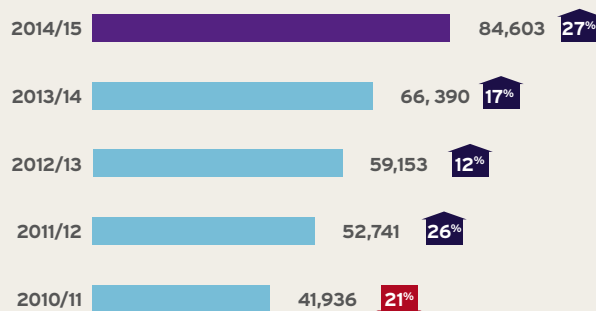
Foreign investment has also helped to secure many existing jobs in the UK. Last year the number of safeguarded jobs associated with FDI projects was just over 23,000. Overall, FDI projects are estimated to have brought with them almost 108,000 new and safeguarded jobs over the last year.

FDI projects in the UK



Source: UKTI

New jobs created in the UK



Source: UKTI

¹ Job and value figures are estimates made at the start of investment projects. See notes section for more details.

UKTI results

Increase in FDI projects largely driven by new investments

New investments in the UK reached a record level of 1,058 projects in 2014/15, an increase of 29 percent on 2013/14. There has also been an 18 percent increase in expansion projects, reaching 740 in 2014/15 and further illustrating the growing confidence that existing investors have in the UK economy. In addition, UKTI recorded 190 mergers and acquisitions successfully completed in 2014/15.

Distribution of investment projects in the UK

Inward investment plays an important role in supporting growth across all parts of the UK and last year saw strong investment and jobs growth in most regions, particularly within Wales and England. During 2014/15 England (excluding London) received the highest number of FDI projects (905), followed by London (796), Scotland (119), Wales (101) and Northern Ireland (48). The spread of foreign investments across all parts of the UK demonstrates the strength and attractiveness of the UK as a whole for foreign investors.

The largest number of new jobs were created in England, excluding London (38,157). Despite Northern Ireland receiving the lowest number of investments, these projects on average created the highest number of new jobs (83) for any one region. Individual investments in England (excluding London), Scotland and Wales, on average, were associated with 42, 46 and 50 new jobs respectively.

Types of investment					
Investment type	2010/11	2011/12	2012/13	2013/14	2014/15
New Investments	724	752	777	820	1,058
Expansions (inc. retention)	544	506	577	677	740
Mergers and acquisitions, and Joint Ventures	166	148	205	276	190
Total	1,434	1,406	1,559	1,773	1,988

Note: Expansions include retentions

1,058

New investments

Source: UKTI

740

Expansions

Source: UKTI

190

Mergers and acquisitions

Source: UKTI

UKTI results

1,988
FDI projects
Source: UKTI

84,603
New jobs created
Source: UKTI

23,055
Safeguarded jobs
Source: UKTI

Distribution of FDI projects in the UK



Nineteen multiple-location projects associated with 10,133 new jobs are not included

Source: UKTI internal statistics

Strong global investment figures

Geographical spread of inward FDI projects increases to 74 countries and territories

Top source markets for FDI projects in the UK

 **Ireland**
51 Projects
1,797 New jobs
572 Safeguarded jobs

 **Canada**
72 Projects
3,557 New jobs
205 Safeguarded jobs

 **United States**
564 Projects
26,505 New jobs
10,273 Safeguarded jobs

 **Spain**
59 Projects
3,643 New jobs
3 Safeguarded jobs

 **Switzerland**
42 Projects
1,079 New jobs
410 Safeguarded jobs

 **Italy**
91 Projects
1,251 New jobs
942 Safeguarded jobs

Rest of Americas
34 Projects
1,151 New jobs
9 Safeguarded jobs

UK widens international base for FDI

The UK's international base for source FDI countries has broadened significantly during 2014/15. FDI projects were recorded from over 70 countries and territories - a record number for UKTI. This is partly explained by UKTI's new, strengthened strategy and focus on promoting and attracting FDI from emerging markets.

In terms of individual countries, the USA remains the single largest source of FDI projects. During 2014/15 a total of 564 FDI projects were recorded from the USA, up more than 12 percent on the previous year. France has become the second largest source of FDI projects for the UK (124 projects) - an almost 13 percent increase on last year. Investments from India increased by 65 percent making it the third largest source of FDI, while 97 projects were recorded from Germany.

UKTI results



70+

Countries invested in the UK during 2014-15

564

Projects recorded from the USA

65%

Increase in investment from India

Added to this was a strong showing from the Nordic region, which recorded 101 FDI projects for the year. Activity from Japan again showed itself to be a key investment partner in Asia, delivering 107 projects across a variety of sectors. China also showed signs that it is prepared to commit to the UK economy, with 112 projects, including 13 investments from Hong Kong.

Investment opportunities from emerging markets are growing

Over the last year, UKTI's investment arm continued to expand its footprint across the globe, particularly in emerging markets. Four outsourced contracts to deliver FDI from Latin America, Russia, the Gulf and Central & Eastern Europe were established. Initial results are impressive, with a combined pipeline of over 500 registered opportunities.

Strength across all sectors

Foreign direct investment continues to strengthen UK competitiveness across key industries and sectors



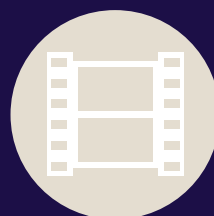
Software and Computer Services - **253** projects



Financial Services - **222** projects



Business and Consumer Services - **143** projects



Creative and Media - **124** projects



Automotive - **117** projects



Food and Drink - **104** projects



Biotechnology and Pharmaceuticals - **85** projects



Mechanical, Electrical and Process Engineering - **80** projects



Clothing, Footwear and Fashion - **77** projects



Electronics and IT Hardware - **75** projects

There were a further 708 projects landed from other individual sectors.

Sector focus

Delivering results across sectors

Businesses are seen as key partners in helping the Government to drive economic growth in the UK, something which is reflected in the Industrial Strategy - a whole of Government approach to economic growth. The Industrial Strategy gives investors the confidence to make long term decisions based on the benefits of joining an economy that creates opportunities and jobs and provides a competitive edge on the world stage.

UKTI's trade and investment sector teams are closely aligned to the Government's Industrial Strategy. Bringing together the best of private and public sector experience, the joint trade and investment sector teams provide the expert knowledge and project leadership to deliver inward investment success. This approach is providing tangible results and over the last year UKTI has supported an unprecedented number of investment projects across all sectors and industries.

In terms of major industry groups - which are made up of multiple individual sectors - financial, professional and business services received the largest number of inward FDI projects and associated jobs - 515 projects, representing a 34 percent increase. The advanced manufacturing sector recorded a 12 percent increase in the number of new investments.



Foreign investment boosts UK Research & Development

In order to increase productivity and remain competitive in the global economy, businesses need to invest in R&D; in the UK much of this activity is funded through foreign investment. The UK's lead position in R&D is reflected in the 345 inward investment projects reported as containing an R&D element this year, an 11 percent increase on 2013/14.

UKTI has promoted and secured 34 R&D collaboration and partnerships between UK-based research centres or organisations and foreign investors. These collaborations are often a precursor to major FDI investment, paving the way for long-term relationships.



UK remains top destination for international corporate headquarters (HQs)

The UK remains one of the major global locations for international companies seeking to establish and grow their HQs. According to the EY UK attractiveness survey 2015, the UK attracted the highest number of HQ-based investments in Europe (35 percent). UKTI's results bear this out, showing the number of foreign investments involving some kind of headquarters function in the UK reached 370 this year.

Projects and total jobs by industry group 2014/15

Industry Group	Projects	Total jobs
Advanced Manufacturing	468	33,288
Energy and infrastructure	241	14,738
Financial and professional services	515	34,921
Creative industries and ICT	486	13,590
Life Sciences	168	6,583
Electronics and Telecoms	110	4,538
Grand Total	1,988	107,658

Source: UKTI

Advanced Manufacturing and Engineering

The UK has world-leading capabilities in automotive, aerospace and the full range of manufacturing disciplines, from advanced materials to food and drink. Investments recorded by UKTI into these high tech R&D intensive industries rose by 12 percent this year.

Automotive

The UK's reputation as a leading centre for the automotive industry gathered momentum this year as more than 1.5m vehicles rolled off the production line, contributing to a record £63bn turnover and establishing the UK as the third largest car producer in Europe.¹ This accelerated growth reflects the UK's unique offer to the automotive industry and presents a compelling proposition for foreign trade and investment.

The Automotive Investment Organisation (AIO) works across industry and Government to promote the UK automotive sector and bring investment into the country. With a particular focus on investment into R&D, motorsport and the UK supply chain, the AIO helped attract 104 FDI projects in 2014/15 creating or securing 15,761 jobs – the most in any sector this year.

Sunderland – home to the Nissan car factory, one of Europe's most efficient – saw two major investments from US automotive suppliers this year. Supported by the AIO, automotive technology company TRW committed to building new production and assembly facilities in the region, bringing 130 new jobs, while the Lear Corporation has been able to secure major expansion plans for a new foam plant, creating 100 new jobs.

The AIO's R&D strategy has focused on intelligent mobility and advanced propulsion. Working closely with the Advanced Propulsion Centre, which has over £1bn of funding, shared equally between Government and industry, the AIO helped attract 43 projects with an R&D element this year – 37 percent of all automotive projects landed.



Total FDI projects recorded **117**
New jobs **9,703**
Safeguarded jobs **6,987**

Geely – London Taxi Company

The Prime Minister, the Mayor of London and the Trade and Investment Minister visited the London Taxi Company in March 2015 for the announcement of a £250m investment in a new research, development and assembly facility to produce a new generation of revolutionary ultra-low emission London taxis. Supported by the UK Government's Regional Growth Fund, this ground-breaking investment by the Chinese owners of the London Taxi Company, Geely, is the first green-field investment of its kind in the UK by a Chinese automotive company. Up to 1,000 new jobs will be created at the Ansty Park site, which will eventually have the capacity to assemble up to 36,000 vehicles a year. In addition, the new vehicle will be developed using increased UK content, bringing economic benefits through the supply chain.



“In recent years we have seen significant growth in vehicle and engine production, export sales, inward investment manufacturers and the supply chain. In addition, the innovation infrastructure within the UK has been transformed so that we are well placed to lead in the development of new automotive technologies in the future.”

Joe Greenwell CEO Automotive Investment Organisation

¹ Source: SMMT May 2015

Sector focus

Aerospace

The UK is home to Europe's largest aerospace industry, contributing around £2.8bn to the balance of trade. UKTI remains focused on winning business from the USA - by far the largest aerospace manufacturing nation - promoting the UK's R&D capabilities and opportunities for technology development partnerships. Inward investment in the sector remained strong this year with UKTI recording a total of 43 projects, creating and securing 2,044 jobs.

Lockheed Martin Civil Space opens first office outside US

In July 2014 Lockheed Martin's Civil Space division announced the opening of their first office outside the USA with their investment at Harwell near Oxford. For more than 50 years Lockheed Martin has led the way in the development of spacecraft that have helped scientists understand our planet. The new office will expand the company's relationships with the UK supply chain to share technology and expertise, and will support UK-based capabilities in space exploration and access. It will also explore new technologies from small businesses and academia. Current areas of focus include environmental monitoring, space exploration, global security and small communications satellites.



Total FDI projects recorded **43**
New jobs **1,626**
Safeguarded jobs **418**

Chemicals

The UK chemical industry is the second largest industry in terms of value added at £9.4bn and employs over 160,000 people.² Alongside pharmaceuticals, it is the second largest exporter in the UK, contributing £4bn to the balance of trade. Its products and technologies are used in vital medicines, foods, construction, transport and a variety of other aspects of daily life. Focusing on speciality chemical applications in personal care, cosmetics, adhesives, construction products and bio-based chemicals and coatings the team contributed to 36 FDI successes, creating or safeguarding 2,800 jobs.



Total FDI projects recorded **36**
New jobs **818**
Safeguarded jobs **1,982**

Agricultural Technology

The UK is at the vanguard of agricultural technologies, pioneering new approaches to food and farming systems to help address the growing global challenges faced by the food industry.

The Agri-Tech Organisation (ATO) promotes the UK as a leading European nation for agri-tech innovation and the global location of choice for agri-tech companies and investors. Focusing on the key areas of plant science, animal health, aquaculture and precision agriculture, the ATO contributed to 17 FDI successes, developing and manufacturing a wide range of agricultural technologies for use on-farm.

Sector experts within ATO drawn from business and academia provide free, bespoke and confidential advice to inward investors looking for collaboration in R&D through to location of commercial operations or partnerships. The ATO continues to strengthen relations with Government, as well as national and regional organisations to support large scale businesses, SMEs, and institutions access investments to improve the transfer of world-leading research into commercial applications in the agri-food supply chain.

Animal health R&D in Edinburgh

Chinese animal health company Sinovet has opened a new facility based at the Moredun Research Institute near Edinburgh. Focused on developing and transferring existing and new livestock vaccines from around the world to China - the world's quickest growing major animal vaccine market - Sinovet was attracted to Scotland because of its status as the largest cluster of animal health R&D expertise in Europe.

² UK Chemical & Pharmaceutical Industries Facts & Figures January 2014 (Chemical Industries Association)

Energy, Environment and Infrastructure

The Government is committed to equipping the UK with world-class infrastructure, to ensure that we remain globally competitive. Much of this work is being driven by global investors, who since 2010 have provided around £15bn for UK infrastructure, representing around 40 percent foreign ownership.

Infrastructure

The Government's National Infrastructure Plan (NIP) sets out an ambitious vision to 2020 and beyond, identifying a pipeline of £466bn of planned public and private investment – most of which is needed in the energy and transport sectors.

UKTI's Institutional Investment and Infrastructure team is helping to realise this vision. Working closely with UKTI's extensive overseas network, the team has developed strategic relationships with the most important Sovereign Wealth and Pension Funds, regulators and policy departments.

The main target markets overseas are China, Japan, South Korea, the Gulf, Canada, Australia and the USA as well as key European countries such as Norway. Successes this year have included Japanese, Emirati and European investment into offshore wind; Canadian and Australian investment into transport and solar energy; and Chinese investment into oil and gas.

This year, UKTI secured £10.4bn in capital investment commitment from institutional and corporate investors in 30 major infrastructure projects, creating over 3,000 jobs.

Offshore Wind

The UK has more offshore wind capacity than the rest of the world combined. Already employing 8,000 people directly and with a similar amount of jobs in the wider supply chain, the sector has the potential to support up to 30,000 jobs and contribute £7bn to the UK economy.

Set up at the end of 2013 to help drive this expansion, the Offshore Wind team is already delivering significant benefits, attracting £483m of investment into the supply chain and creating 1,700 direct factory jobs in offshore wind in 2014/15. UKTI's Offshore Wind team is doubly effective because of its cross-governmental structure and works as one team with the Department for Energy and Climate Change, and Department for Business, Innovation and Skills to support strategic investments.

Oil & Gas

Formed in spring 2015, the Oil & Gas Team is the latest addition to UKTI's group of specialist trade and investment teams. Working closely with the newly formed Oil & Gas Authority as a result of the Wood Review, and across wider Government, the Oil & Gas Team is playing a key role in attracting the estimated £250bn investment required by the UK oil and gas sector.

Oil and gas remains a national priority in the UK, based on demand for sustained energy supply and the substantial contribution that the sector makes to UK tax revenues. The Oil & Gas Team is collaborating with key industry and Government stakeholders to determine opportunities to drive efficiency and reduce cost in North Sea exploration, production and maintenance; decommissioning; and the development of unconventional hydrocarbons.



Over **£10bn** capital investment commitments secured and **30** major infrastructure projects initiated, creating over **3,000** new jobs



Total FDI projects recorded **48**
New jobs **2,203**
Safeguarded jobs **758**

Sector focus

£525m for Dudgeon offshore wind farm

The Dudgeon offshore wind farm off the north Norfolk Coast will generate electricity to power 410,000 homes, provide 450 jobs and create opportunities for manufacturers across the UK. The investment makes Masdar the largest overseas investor in the UK offshore wind sector. It follows extensive UK/UAE government-to-government collaboration.

Statnett and National Grid invest up to £1.5bn for interconnector between UK and Norway

The NSN interconnector is a 1400 MW, 730 kilometre cable that will connect the two countries' electricity markets. When completed in 2021 it will be the world's longest sub-sea power cable. By providing access to Norwegian hydropower, it will help the UK meet the challenge of accessing greener, affordable energy. In addition, UK industry will help to construct and develop the cable. Ministers across Government, UKTI and the British Embassy in Oslo actively supported Statnett and National Grid to reach their investment decision.

£60m investment in Felixstowe port

Hutchison Port Holdings, the Ports arm of the Hutchison Group, invested £60m to extend two berths at Felixstowe port, the UK's largest container port, to provide greater flexibility to receive the largest ships afloat. UKTI in Hong Kong and the UK, including Ministers, worked with the company to ensure attractive conditions for investment in UK Ports.

£30m investment into Teesside manufacturing

Two leading international suppliers of offshore wind foundations, EEW SPC of Germany and Bladt Industries of Denmark, have acquired the former TAG Energy facility in Teesside in the north east of England. Following an investment of up to £30m for the acquisition, development and upgrade of the facilities, this will become a key part of the European manufacturing base for the firms, generating up to 350 direct jobs in the local area, as well as a significant additional number of jobs in the local supply chain.

"UKTI gave us a good understanding of how to create a UK company, the local tax system and financial support that might be available to us. It was useful to hear this information first hand from UKTI London and we valued their input into our plans for acquiring TAG."

Karl Klös-Hein Managing Director, EEW SPC

Texas firm expands Great Yarmouth Operations

Texas-headquartered NOV Hydra Rig manufactures oil well completion and production equipment from its factory in Great Yarmouth. Hydra Rig, which sources many of its components locally, made an investment of £4.2m into its Great Yarmouth factory this year, creating 21 new jobs. The company is now operating from 150 percent more floor space, allowing it to meet a rapidly growing order book from projects on the UK Continental Shelf and further afield- up to 80 percent of Hydra Rig's sales come from export markets. UKTI provided Hydra Rig with advice on government policy and manufacturing support schemes and is continuing to support the company with advice on growing markets, specifically in the area of shale gas.

Major investment for Golden Eagle North Sea Development

CNOOC Ltd has committed to invest heavily in the UK's Continental Shelf over the next 10 years with around \$300m invested in 2014. The commitment follows sustained engagement from UKTI and DECC with the company in China and the UK. Their oil fields in the UKCS are operated by Nexen, a CNOOC Ltd company.

Sector focus

Nuclear

The UK plans to develop 16GW of new nuclear power over the next decade and a half, representing c.£80bn of investment, and is one of only a few countries with experience across the nuclear life cycle. UKTI is working closely with foreign investors and developers (NNB, Horizon Nuclear Power and NuGeneration) to integrate UK companies into their supply chains, and to promote partnership opportunities with overseas suppliers to ensure successful delivery of new build projects. The UK is also a world leader in decommissioning civil nuclear power reactors and is currently spending over £3bn per year on this work.

Regeneration

Most major UK regeneration schemes are private-sector led. These are proving attractive for global investors across a range of sectors throughout the UK. The Regeneration Investment Organisation (RIO) acts as an honest broker, helping foreign investors identify, understand and fund these opportunities. RIO helps investors penetrate and benefit from the full UK market, for instance supporting key cities by presenting urban renewal propositions to global investors.

RIO has worked with national and local partners to help stimulate £3.2bn of investment commitments into UK regeneration from a combination of foreign and domestic sources. For example, RIO worked with UKTI Kuala Lumpur to secure a commitment for Malaysian investment into high-profile London schemes. UKTI teams also helped gain investment commitments from the UAE for the regeneration of inner-city Manchester neighbourhoods.

RIO significantly increased its institutional investor engagement this year. Working across priority markets including China, Singapore, Malaysia, Qatar, the UAE and the Netherlands, by year end RIO was engaged in more than 50 commercial dialogues reflecting positively the continuing high levels of investor interest in UK regeneration.



£3.2bn of investment commitments achieved in 2014/15 from a combination of foreign and domestic sources

US investment for Derbyshire leisure development

Announced during the Prime Minister's visit to the USA in January, RIO helped facilitate investment to create Peak Resorts, a new £400m integrated year round leisure, health, sport and education destination. A partnership between UK development company Birchall Properties and US firm Grand Heritage Hotel Group, the US investor was identified by UKTI Denver who - along with other colleagues across North America - sourced potential investors for the scheme. The project will be developed near Chesterfield in Derbyshire, bringing to life a former open-cast mining site, and creating over 1,000 full time equivalent jobs and many more in the construction phase.

Financial Services

The UK is a leading global financial services centre and the single most internationally focused financial marketplace in the world. With an unrivalled concentration of capital and capabilities, as well as a regulatory system that is effective, fair and principled, more overseas financial institutions and investors choose to do business in, and with, the UK than any other country.

Working from these strong foundations the UKTI Financial Services Organisation (FSO) promotes the UK as both an investment destination and a springboard to other markets. This year has seen a particular focus on asset management, insurance and financial technology.

Asset management

FSO has established a one-stop-shop concierge service for fund managers wishing to set up in the UK, bringing together access to the entire range of service providers needed to establish a presence in the UK. The service is already achieving results and was instrumental in Harvest Global Investments' - one of China's oldest and largest asset management companies - decision to set up an office in London, underlining the UK's prominence as a destination for offshore RMB asset management.

Sector focus

Insurance

The Insurance Growth Action Plan (IGAP) is designed to help deliver the Government's commitment to make the UK one of the most competitive places in the world for insurance. Facilitated by FSO and working across UKTI's overseas network, the IGAP has focused on growing markets in Asia and Latin America and attracting investment into the UK market. Key achievements this year include the granting of a Beijing branch licence to Lloyd's of London and the addition of Hiscox to Lloyd's Brazilian reinsurance platform.

Financial technology

Over the course of this year, the policy work of Government, combined with the trade promotion activities of Financial Services Trade & Investment Board partners, Innovate Finance and UKTI FSO, have delivered a number of commercial successes in the fast growing financial technology (FinTech) sector. This includes Infocomm Investments of Singapore's investment into London-based FinTech Accelerator, Startupbootcamp.



Total FDI projects recorded **222**
New jobs **9,832**
Safeguarded jobs **2,011**



Information Economy and Creative Industries

The Information Economy and Creative Industries sectors continued to exceed expectations for inward investment this year, bolstered by one of the world's most comprehensive packages of Government support.

Creative Industries

The UK is a global engine room for creative innovation and a highly competitive investment market for creative industries. The Government's introduction of tax reliefs for animation, high-end TV and video games has helped establish the UK as the leading European destination for creative industries FDI.

This year, the creative industries brought 124 FDI projects to the UK, creating and securing 2,915 jobs. Key among the FDI projects was Indian VC fund Vistaar Group's establishment of a post-production studio in MediaCity, Manchester. The company plans to invest £13m this year and £20m over the next four to five years. In addition to their investment, Vistaar Group also plans to move their HQ to the UK from India.

Significantly, the UK also attracted a record amount of screen investment: 39 international films and 21 major international television series were produced in the UK amounting to investment of £1.2bn and £352m respectively.



Total FDI projects recorded **124**
New jobs **2,692**
Safeguarded jobs **223**

Sector focus

Information Economy

The UK is the leading destination in Europe for foreign direct investment in the ICT sector – second only in the world to the USA. The UK has a reputation as a global centre for digital technologies, with world-leading academics and businesses working in media, internet, communications and cyber security, and a growing open data movement.

To encourage more US technology companies to build their international headquarters in the UK, UKTI, together with the wider Government and private sector partners launched HQ-UK in February 2015. The new programme provides a complete concierge service to simplify and accelerate the process of building an international headquarters in the UK. Overall, sectors covered by the information economy group (including ICT, software, electronics and communications) have generated a total of 454 FDI projects in 2014/15.



Total FDI projects recorded **454**
New jobs **13,663**
Safeguarded jobs **1,208**

Cray chooses UK for European headquarters

Cray Inc., a supercomputer manufacturer based in Seattle, selected Bristol as the site for its European headquarters after working closely with UKTI. The company has since secured its largest international contract outside the US, supplying the Met Office with its next generation supercomputers. According to the Met Office: "The advanced capabilities it will offer will deliver an estimated £2bn of socio-economic benefits for the UK through enhanced resilience to severe weather and related hazards."

Life Sciences

The life sciences sector is critical to the UK economy, accounting for 183,000 UK jobs and with a total annual turnover of £56 bn¹. It is underpinned by a long term industrial strategy, and since 2014 has been championed by a Minister for Life Sciences.

UKTI's Life Sciences Organisation (LSO) works to bring high quality inward investment into the UK, from the earliest R&D collaborations through to clinical trials, commercial and manufacturing operations and partnerships. It offers inward investors a bespoke service, tailoring support to the requirements of the client, whether they are making their first business inquiry and need to understand the UK landscape, or looking to connect with professional services, R&D opportunities, and supply chain partners.

The LSO focuses on bringing value added investment to the UK, and recorded an increase of more than double the number of new jobs and financial investment compared to last year's results. Over 20 percent of the life sciences FDI projects supported by UKTI teams involved global, international, or European headquarters functions being performed in the UK, while 25 percent were linked to manufacturing, and almost half involved an R&D element. Priority source markets such as the USA continued to perform strongly while there was a notable increase in new investors from India and China.

This year, the LSO joined forces with the Office for Life Sciences, data partners and industry to launch the new UK Life Sciences Portal www.lifesciences.ukti.gov.uk. Serving as the central online access point to connect international and UK companies, associations, academia and R&D organisations, the platform is already enabling valuable collaborations.



Total FDI projects recorded **168**
New jobs **5,623**
Safeguarded jobs **960**

Sector focus

Tokyo Electron launches its open innovation Stem Cell Technology Centre (STC) in the UK

UKTI LSO worked with Tokyo Electron and the Local Enterprise Partnership to establish an open innovation centre for Smart Cell Processing Technologies, based at the Stevenage Bioscience Catalyst. The new centre will enable the company to work with ecosystem partners from academia and industry to develop standardised technologies for cell culture and inspection. Tokyo Electron has unique experience in automation and quality management frameworks from decades of innovation and development in the semiconductor industry, so is well placed to lead on the transfer of these techniques into life sciences. The LSO team now looks forward to supporting Tokyo Electron's international plans.



Pfizer establishes London-based genetics institute

UKTI LSO was a key partner in helping Pfizer to establish their London-based Genetic Medicine Institute and the Pfizer Rare Disease Consortium. The consortium is a novel and innovative framework agreement between Pfizer and over 18 UK universities, which enables collaboration in the area of rare diseases with the overarching intent to develop new therapies for these currently poorly served patient groups. UKTI worked with ministers and Pfizer's senior leadership in the UK and USA to secure high-level support for the investment. Practical help was also provided to identify suitable laboratory space for Pfizer's Genetic Medicine Institute at the London Bioscience Innovation Centre, and in the high profile launch of the Pfizer Rare Disease Consortium in September 2014, accessing a suitable venue and identifying high level delegates and speakers.

Food & Drink

The food and drink industry is the largest manufacturing sector in the UK with a turnover of £90bn, accounting for nearly 16 percent of the total manufacturing sector.²

This year, UKTI and its partners were involved in bringing 93 projects to the UK including Heineken's £50m investment into a cider making facility in Herefordshire and Brazilian company, Moy Park's £170m expansion to its existing facilities in Northern Ireland.



Total FDI projects recorded **104**
New Jobs **3,621**
Safeguarded jobs **2,451**

UK's first sake brewery to open in 2015

Practical UKTI support and guidance helped Japanese company Dojima set up a branch office in London. To help realise Dojima's ambitious plans to invest £8.9m in developing the UK's first sake brewery, UKTI developed an investment plan, provided advice and support on securing visas for staff, introductions to third parties, assistance with finding premises in London, and advice on planning and licencing approval. Production of sake will begin in 2015, and Dojima expects to be using the UK as a base from which to export to Europe within two to five years.

Retail

The UK is the location of choice for the world's leading brands, with London considered the most attractive destination for international retailers in Europe, ahead of Paris, Moscow, Milan and Madrid. There is also a growing trend for these brands to bring their manufacturing operations to the UK, and this year the retail team supported 13 such investments.

Lingerie company brings jobs to Northamptonshire

Japan-based intimate apparel manufacturer and wholesaler, Wacoal, acquired European lingerie manufacturer Evenden Group in 2012. As a result, Wacoal integrated the sales channels, technology, and management know-how of Wacoal (UK) Limited and Wacoal France S.A into Wacoal Evenden - now Wacoal Europe Limited, headquartered in Northamptonshire. The company's impressive momentum has made it a valuable UK investor, particularly in terms of its regional manufacturing and design hubs.

² Source: FDF May 2015

Sector focus

Innovation Gateway

Formed in 2014, UKTI's Innovation Gateway is a commercially focused science and innovation organisation. As well as identifying and creating tailored investment opportunities for large international funds and corporates, it supports innovation-focused start-ups and early stage companies.

Working with cutting-edge organisations, the UKTI Innovation Gateway provides support at the critical stages of funding across all sectors, with a particular focus on space, robotics, advanced materials and synthetic biology.

In its first full year of operation the UKTI Innovation Gateway exceeded its £60m target to deliver over £156m in Venture Capital.



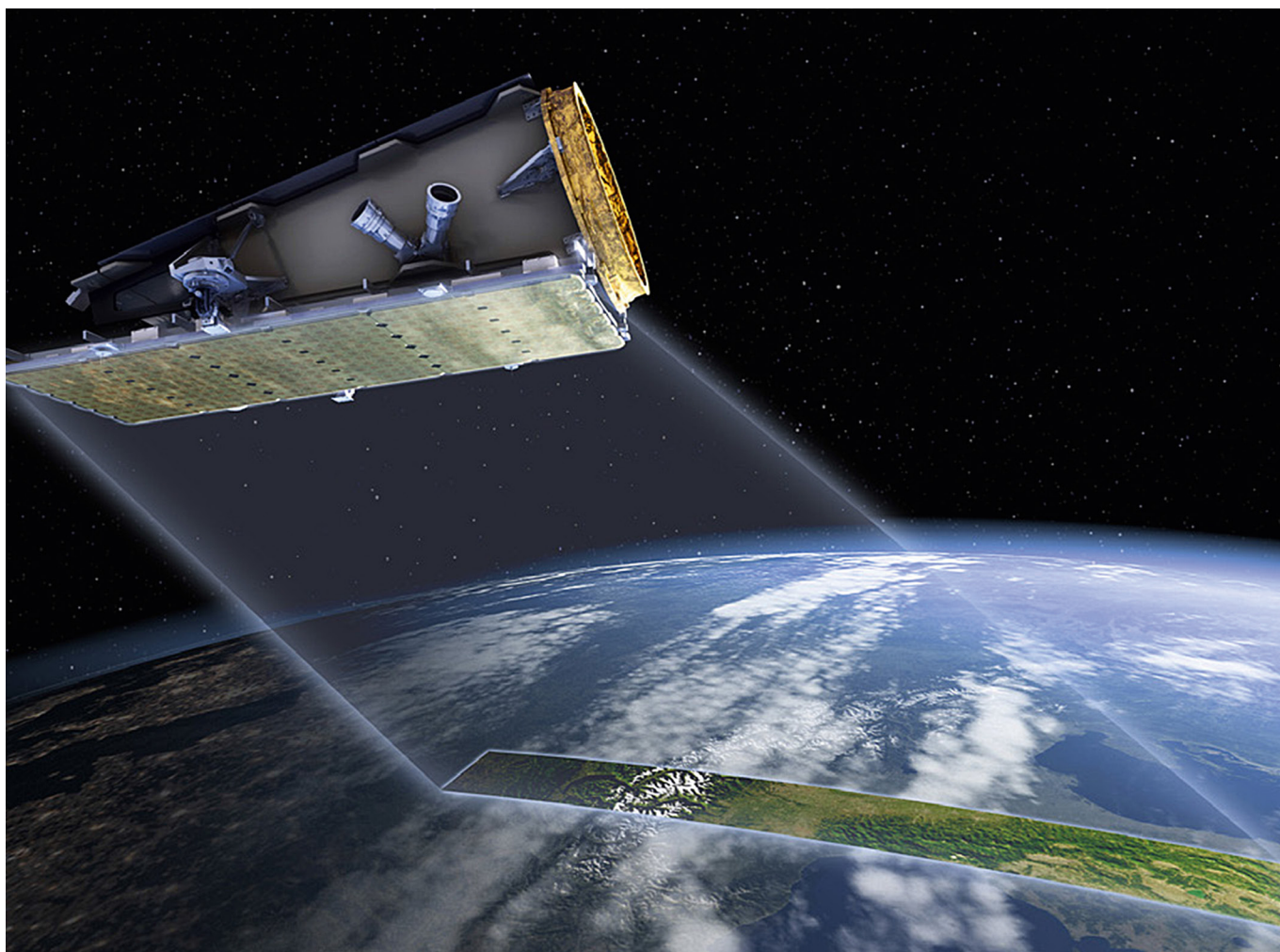
£156m Venture
Capital investment
delivered

Japan's DOCOMO invest in UK

"In early 2014 CertiVox started seeking funding for a growth round. As part of the process we were introduced to the venture capital arm of UKTI, who were very helpful and proactive in connecting us with prospective investors. One of these was NTT DOCOMO Ventures, NTT Group's corporate venture capital firm. They are based in Japan and the UKTI team helped facilitate a number of meetings, culminating in a significant investment by them. This was DOCOMO's first investment in Europe and, together with follow-on investment from Octopus Ventures, was the cornerstone of our B round. The validation this gave also helped us close additional funding from two new investors (Paladin Capital and Mitsui). The support from UKTI has been invaluable."

Ian Peacock, (CFO, CertiVox) May 2015

CertiVox is a VC-backed software company based in London



Entrepreneurs

Entrepreneurs

UKTI's Global Entrepreneur and Sirius Programmes are attracting the world's best entrepreneurs to the UK.

Global Entrepreneur programme (GEP)

This year has been GEP's most successful yet, delivering 89 inward investments from 30 different countries. Projects range from developing smart cells for use in the 3D printing of organs for transplant, to carbon capture and storage technology.

These achievements are in part due to GEP's regional expansion, which has seen nine new dealmakers – established entrepreneurs who work part time for GEP – introduced across the English regions. Significantly, 29 of GEP's projects this year were outside of London.

GEP's dealmakers are able to harness their experience and networks to help GEP client businesses scale and grow. Support is free and can include advice on relocating, tailored mentoring on developing the business proposition and guidance on raising investment. Since 2004, the programme has helped to relocate over 390 businesses, creating more than 3,000 UK jobs.

Sirius Programme

UKTI's Sirius Programme seeks to encourage the world's brightest graduate talent, who have world-class start-up ideas, to relocate and establish a business in the UK.

Taking the form of an annual competition, Sirius targets graduates with innovative business ideas who are either resident overseas or have studied in the UK. Overall Sirius received 2,200 applications from 93 countries, from which 75 start-ups were selected – 50 percent of which were outside London.

The programme offers a 12 month place at one of five accelerators across the UK including office space, mentoring, financial support, and visa endorsement. Since the programme began in 2013, £3.6m in equity investments has been raised and more than 50 jobs created.

Carbon Clean Solutions (CCS)

CCS have developed a carbon capture technology that allows 90 percent of carbon emissions to be removed from the output of power stations, which can help lower energy costs by up to 30 percent. The GEP supported them to move from Delhi to the UK and has helped them partner with the University of Sheffield and the Department for Energy and Climate Change. With the help of their GEP dealmaker they recently closed a £4 million funding round. Their move to the UK has helped them push their technology further, and they won the 'most promising technology company' award at the 2015 CleanTech Forum Europe.

Algaris Cell

Algaris Cell has developed a new technology for rapidly growing smart cells for use in regenerative medicine and in particular in the 3D printing of new organs for transplant. The GEP helped the team of researchers behind the company make the move to the UK from Spain at the end of 2014. Their GEP dealmaker has worked with them to help them hire their first UK employees and has helped them partner with universities and hospitals in the UK. Now they have made the move here the GEP will continue to support them as they look to raise funding to expand further.

Audazzle

Sirius winner Audazzle creates specialised gaming solutions that are accessible to the visually impaired and blind. Most of the existing electronic games for the blind and the visually impaired are audio-only. Unappealing to the rest of the population, they unintentionally reinforce social isolation. Audazzle uses novel 3D audio/video technologies, currently under-utilised in the videogaming industry to level the playing field, allowing sighted and VI/blind gamers to play together and compete on an equal footing.

Carbon Analytics

Sirius winner Carbon Analytics super charges sustainability with Big Data, allowing companies to make a real impact on their environmental footprint with minimal investment. Carbon Analytics' online platform packages powerful carbon analytics algorithms into easy to use tools and offers the unique ability to quickly assess and work with the supply chain to improve impact, gain marketing advantage and reduce costs.

Putting the customer first

UKTI is committed to building stronger relationships with its existing customers, focusing on those sectors where investment opportunities are greatest



Relationship Management

With around half of all projects coming from existing investors in 2014/15, effective relationship management is crucial to UKTI's success. Through its Strategic Relationship Management team, Global Accounts Programme and newly introduced Global Commercial Partners initiative, UKTI has placed relationship management at the heart of its approach to working with companies.

Strategic Relationship Management

The UKTI's Strategic Relationship Management (SRM) team works across Government with the top 76 companies of strategic importance to the UK. In 2014-15, SRM companies delivered 82 investment projects, creating or safeguarding more than 18,000 jobs.

The SRM programme helps join-up Government departments so that they fully understand the commercial agendas of the largest inward investors and exporters. This year it has continued to help companies navigate a wide range of investment decisions, from making introductions to universities to support their R&D, to letting them know about relevant Government schemes to develop skills in their sector.

SRM's autumn 2014 survey shows that this approach is working with 92 percent of responding companies having a positive view of SRM, while 86 percent felt SRM has made departments work more effectively together. 90 percent agreed SRM provided the Government with greater company understanding. However, there is more that can be done to improve the 'trade' offer to SRM companies who export from the UK and UKTI is working hard to strengthen its programme of support.

Global Accounts Programme

The Global Accounts Programme is embedded into UKTI's trade and investment sector teams and focuses on building relationships with those businesses that have the ability to yield multiple high value successes for the UK across both inward investment and exports. This approach has yielded significant returns for the UK this year, delivering almost 100 FDI projects, mostly higher value investments across different parts of the economy.

Over 200 global accounts are now being actively managed by UKTI sector teams, providing real benefits to both the client and the economy. Several thousand other accounts are managed by UKTI's commercial and local partners.

Global Commercial Partners

This year UKTI established the Global Commercial Partners initiative (GCP) to build strong, long-term partnerships with the UK's major banks (Barclays, HSBC, Lloyds, RBS, Santander and Standard Chartered) and the 'Big 4' professional services organisations (Deloitte, EY, KPMG and PWC).

These partnerships combine the networks, client base and expertise of our organisations, bringing together the best of public and private sector expertise to provide a stronger range of support and advice to a much greater number of exporters and investors.

The first three agreements with Lloyds Commercial Bank, Santander UK and KPMG were announced in March 2015. With Lloyds, we are supporting global cross-sector trade and investment, while co-ordinating work in key markets such as China. We aim to reach 40,000 UK businesses through joint events and activities with Santander UK; and Healthcare UK is collaborating with KPMG and the NHS Leadership Academy to take their training programmes global.

Business Views on Strategic Relationship Management (SRM's autumn 2014 survey Survey 71% response rate)

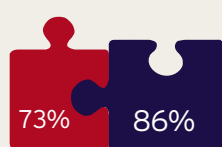
Responses from SRM companies on their experiences, challenges and successes since joining the initiative.



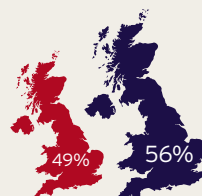
94% class their **relationship** with HMG as **very good** or **quite good**



86% agree that SRM ensures Government departments work **more effectively** together in the way they **engage with the UK's top companies**, compared to 73% in the two-year-on survey.



77% agree that SRM has **improved** the ability of Government to co-ordinate to **solve issues and interact with business** in a joined up way, compared to 60% in the previous year



56% agreed that SRM has **improved** the perception of the UK as a place to **invest in and trade from**, compared to 49% in the previous year

Making the UK attractive to investors

UKTI works across Government, influencing business policy to create the best possible environment for overseas investors

Policy

The UK remains the nation to beat for Europe-bound investment, and consistently ranks in the top three locations of choice for global investors. Independent assessments by EY and the World Bank, credit the UK as the most attractive market in Europe for inward investment and the easiest place to do business in both the EU and G8 respectively, while management consultants, AT Kearney report that investor confidence in the UK is the strongest in Europe.

To ensure the UK retains its competitive advantage, Government recently reduced the rate of corporation tax to 20 percent - making it by far the lowest in the G7 and the joint lowest in the G20.

The Government is also doing all that it can to strengthen and enhance Britain's attractiveness to overseas investors, removing unnecessary regulation; providing tax credits and tax rate reductions; enhancing visa support; and improving the skills of our workforce.

UKTI plays a key role in influencing these policy decisions, listening to businesses to understand the issues they face, and using its leverage with the rest of Government to deal with them effectively. UKTI's investment policy team gathers intelligence from its staff around the world about obstacles to investment reported by potential and actual investors. Over the last year, the team has put in place systems to analyse this information, identifying the most significant issues before collaborating with the wider Government to take action wherever possible.

Working alongside UKTI's policy team are a group of six investment specialists covering the cross-cutting areas which have most impact on investors: visas and migration; skills; tax; planning and major infrastructure consent; banking; and finance. Sharing their extensive private sector experience with UKTI colleagues around the world, each specialist provides the expertise our global teams need to inform and support potential investors.

For example, our banking specialist helps UKTI staff and their clients understand the compliance requirements for the UK's anti-money-laundering regulations; while for migration a specialist works closely with UK Visas and Immigration to highlight blockages reported by businesses and to share business perceptions of the UK visa system - paving the way for improvements to business applicants.

Simplifying UK bank accounts for investors

At the beginning of last year UKTI began receiving reports that a significant number of investors were encountering issues with opening a UK bank account. To address this, UKTI's Policy Team, working in conjunction with HM Treasury, the British Banking Association and the UK's major banks has developed a number of initiatives to improve the situation for investors.

These include the appointment of a UKTI specialist to work closely with inward investors on the process of opening a UK bank account, and with the major banks to reduce timescales and improve the customer experience. In addition, UKTI worked with the British Banking Association and HM Treasury on the development of guidance for businesses on how to open a bank account in the UK.

As well as the practical support put in place for investors, HM Treasury is engaging extensively with governments, banks and regulators globally, both through the Financial Action Task Force and the G20, to ensure we better understand the scale and varied causes of this trend. It is only by understanding this issue globally, that we may work towards finding global solutions, and ultimately make the process of foreign investors opening bank accounts less complex.

Investment throughout the UK

UKTI's partnerships with both regional and local partners are delivering record levels of FDI across the UK

To ensure that the UK is best represented on the world stage, UKTI works with its partner organisations in the devolved administrations - Scottish Development International, the Welsh Government and Invest Northern Ireland - and with London and Partners and Local Enterprise Partnerships (LEPs) throughout England, to promote each region's particular strengths and expertise to overseas investors.

Through its system of local partnership managers in England, UKTI has increased its involvement with LEPs this year, working with them to land a greater number of projects than in 2013/14. New initiatives and collaborations such as the Inward Investment City Summits programme are helping to drive this work forward. The first summit was held in Manchester in

June 2014, with a further seven planned across core English cities to establish FDI as an integral part of their economic growth strategies.

Both the LEPs and devolved administrations have access to UKTI's comprehensive global network of experts and connections. Our advisers and partners are vital in providing insight into market opportunities and local sector expertise, and in opening doors to the wider business community right across the UK. These partnerships continued to provide tangible results for the UK this year, encompassing not only every region of the UK but a broad range of sectors from advanced manufacturing to financial services.

Local and regional partners

DriveNow establishes in London

DriveNow is a subsidiary of BMW in partnership with Sixt which provides a flexible car-sharing service. The service has now been introduced into London with the Mini and BMW 1 series cars being made available. 50 jobs are to be created in the first year, with 300 by the end of three years. UKTI started working with the client in November 2012 and provided a range of information for cities around the UK, which included demographics, vehicle ownership, driving licence holders, economic activity, population by occupation, average gross weekly pay. The data provided the basis for the client to make a more informed decision and to focus on London; further data was then provided. The client was connected with London & Partners who guided them through the investment/set up process and provided introductions.



Doosan Babcock investing in Western Scotland

Engineering, manufacturing, construction and asset management services firm Doosan Babcock announced the creation of almost 400 jobs, investing £4.5m in the launch of a new Process Engineering Centre at Renfrew in Western Scotland. The new department will draw on all elements of Doosan Babcock's business to deliver a complete service that is tailored to companies operating in process industries such as oil and gas, refining, petrochemicals, chemicals and pharmaceuticals. The opening of this centre is the first step in Doosan Babcock's plans to almost triple the size of its process business over the coming five years. The development will create 266 jobs in Renfrew and 114 at other sites within the UK and internationally by 2018, including engineers, and project management and professional services personnel.

Baker & McKenzie chooses Belfast

Global law firm Baker & McKenzie chose Northern Ireland as the location for its new Global Services Centre, creating 256 jobs. The new centre, based in Belfast, comprises over 70 staff in legal services and 185 in administrative global services providing HR, IT, payroll and billing services, among other support lines. The legal services operation is the first unit of its type globally for Baker & McKenzie. The firm is also keen to work closely with local universities to help develop curricula that will produce graduates with industry-relevant skills.

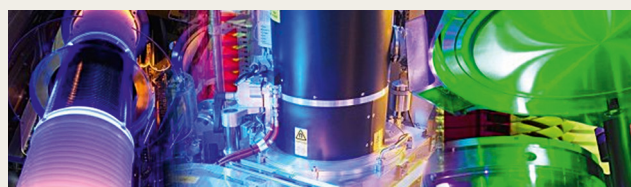
Webhelp UK grows in Derby

Webhelp UK is part of Paris-based Webhelp Group, an international market leading provider of innovative outsource solutions. As a result of winning new clients such as Sky and EE, Webhelp UK needed to expand and now employs over 2000 staff at its Derby centre. Invest in Derby and Derby City Council were praised by the company for the support they offered, including help in securing new premises at Pride Park.



SPTS expands in Wales

Israel-headquartered industry leader in wafer processing equipment and solutions for the global semiconductor and microelectronics industry, SPTS Technologies Ltd's equipment is used to make electronic devices found in every smartphone in the world and many household consumer electronics. The company is expanding its R&D capabilities in Newport, South Wales, to address next generation microelectronics. The Welsh Government helped the company expand its R&D capabilities in the UK, leading to a £4.6m investment.



Elring Klinger and Tees Valley Unlimited

Elring Klinger, a German-headquartered automotive supply chain manufacturer was supported by UKTI and Tees Valley Unlimited in its £1.5m investment to expand its Redcar plant. The installation of a new four-part production line will facilitate the move towards a three-shift working pattern and increase manufacturing to 500,000 units, enabling the company to fulfil a new contract worth approximately £10m over the next five years.



How UKTI can help investors

UKTI's tailored service supports investors with every aspect of starting and expanding a business

UKTI develops bespoke programmes in support of each segment of the inward investor value chain

High Growth Potential

UKTI Services

Sirius Programme
Global Entrepreneurs Programme
Access to networks and the entrepreneur ecosystem

UK Product offer

Seed Enterprise Investment Scheme
Enterprise Investment Scheme
R&D Tax Credit / Corporate Tax Relief
Catapult Centres

Medium and Large

UKTI Services

Relational management
International trade (export) advice
Sector Trade & Investment Organisations
Access to industry networks and sector ecosystems

UK Product offer

Enterprise Investment Scheme
R&D Tax Credit / Corporate Tax Relief
Enterprise Zones
Catapult Centres
Innovation Gateway

Institutional Investors

UKTI Services

Relationship management
Regeneration investment
Organisation/ online platform
Infrastructure and regeneration pitch books
Infrastructure and regeneration pipelines

UK Product offer

Regeneration investment
UK Regeneration Guarantee
Enterprise Zones
National Infrastructure Plan
Innovation Gateway

UKTI's services to international investors in the UK are free of charge and commercial-in-confidence.

Contact UKTI

Contact UKTI's Investment Services Team
via email at enquiries@ukti-invest.com
or by telephone **+44(0)20 7333 5442**.

Investment staff at a British embassy, high commission or trade office can also put investors in touch with the Investment Services Team.

Methodological note on FDI statistics:

FDI flow and stock: In 2014 many countries implemented the latest international guidelines (IMF BPM6, and OECD BMD4) for compiling FDI statistics. These recommend that aggregate FDI statistics be presented according to the asset/liability principle rather than the directional principle. The figures presented in this report have been compiled on a directional basis rather than to the asset/liability principle. The OECD reports that “the directional presentation is more useful for examining the natures and motivations for FDI” - the main concern of this report. UNCTAD has also confirmed its intention to report its FDI statistics in the 2015 World Investment Report using the directional principle.

FDI projects: UKTI and its partners make all reasonable efforts to record and report all eligible FDI projects that meet UKTI's definitions and verification and reporting criteria. Figures about the recorded FDI projects include those investments which received support from UKTI and/or one of its regional and local partners ('involved'), as well as 'non-involved' projects, i.e. those projects which have 'landed' in the UK without any involvement from UKTI or partners. Various external sources and FDI project and company databases have been used to identify, qualify and report eligible 'non-involved' FDI projects. UKTI's definition of FDI projects covers wider types of investments, including those projects which are not announced by companies. This and other differences in methodology and verification processes can explain the difference in the FDI project numbers published by UKTI and other organisations, such as FT and EY.

Estimates of jobs and value of investment: Job figures and investment values included in this report are estimates, made at the start of each investment project. New jobs capture total jobs likely to be created within three years from the start of the project. Safeguarded jobs include those jobs which were 'saved' as a result of the additional/ new inward investment.

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