

Monthly Investment Monitor

September-October 2004



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1. Foreword



Carmel Ferris
Product Manager
(LOCOMonitor)
OCO Consulting

Carmel has been with OCO Consulting for nearly 3 years. As well as been in charge of the day to day running of LOCOMonitor she has been involved in various consultancy projects for clients in inward investment, investor targeting and trade promotion.

Welcome to the September-October 2004 edition of MIM. This edition has a special focus on the Financial Services sector. Since 2002, we have recorded almost 800 financial services companies investing overseas. These companies have accounted for over 1500 FDI projects.

China, UK, USA and India have been the most successful locations attracting investment projects in financial services. China has attracted 13% of global FDI projects in the financial services sector. The UK is consolidating its position as an international financial centre and has been the major location for Financial Services FDI in Europe. Other locations such as Russia, Romania and Poland are emerging as key locations in Europe. US companies are the key active investors in the financial services followed by the UK. Indian financial companies such as ICICI Bank and Vijaya Bank are rapidly becoming global players.

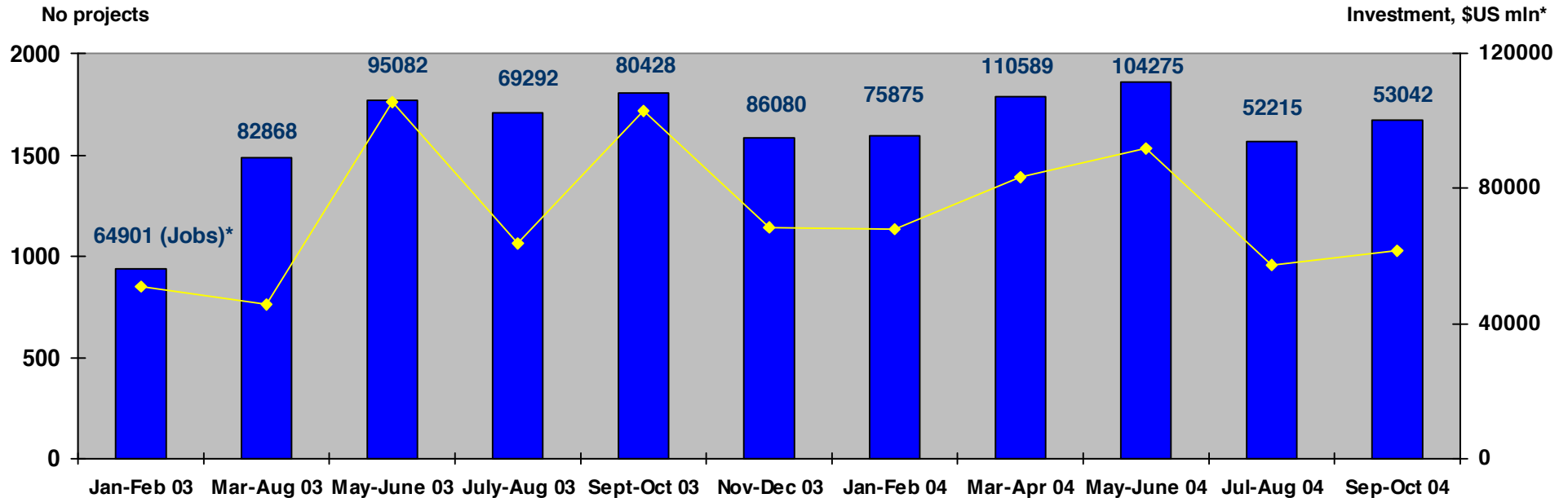
Typically, Financial Services companies expand overseas by establishing representative offices or branches. Financial Services companies are also an important source of front/back office projects and headquarters.

In the spotlight on outward investment from UK, Business & Financial services is the major sector for FDI from UK. UK has a 13% global market share of FDI projects in Business & Financial services. Other key sectors for FDI from the UK include ICT and Heavy Industry. The US and India are leading destinations for FDI projects from UK followed by China and Ireland.

HSBC is one of the key investors from UK. Besides its major operations in India and China, HSBC has recently invested in 19 other countries.

In September-October 2004 all FDI indicators including number of projects, jobs and capital investment increased slightly since the last period.

2. Global overview



* Note: jobs and investment information not captured on every FDI project

	Mar-Apr 2004	May-June 2004	Jul-Aug 2004	Sep-Oct 2004
Top destination country (no. FDI projects)	China	China	China	China
Top destination country (capital investment)	China	China	Indonesia	India
Top origin country (no. FDI projects)	US	US	US	US
Top origin country (capital investment)	US	Japan	US	US
Top industry sector (no. FDI projects)	IT & Software	IT & Software	IT & Software	IT & Software
Top industry sector (capital investment)	Energy	Real Estate	Energy	Energy

3. FDI rankings

September-October 2004

Top destination countries

	No. Of Projects	Market Share
China	259	15.50%
India	117	7.00%
USA	95	5.70%
UK	91	5.40%
Russia	58	3.50%
Spain	53	3.20%
Romania	49	2.90%
Poland	49	2.90%
France	47	2.80%
UAE	41	2.40%

Top source countries

	No. Of Projects	Market Share
USA	412	24.60%
Japan	179	10.70%
Germany	160	9.60%
UK	116	6.90%
France	94	5.60%
Spain	64	3.80%
Italy	48	2.90%
Canada	46	2.70%
Sweden	43	2.60%
Netherlands	42	2.50%

Top sectors

	No. Of Projects	Market Share
IT & Software	206	12.30%
Textiles	132	7.90%
Food & Drink	132	7.90%
Financial Services	125	7.50%
Consumer Products	87	5.20%
Business Services	83	5.00%
Auto Components	76	4.50%
Machinery & Industrial Goods	70	4.20%
Logistics & Distribution	69	4.10%
Hotels, Tourism & Leisure	68	4.10%

Top companies

	Country	Investment \$mn
Royal Indian Raj International (RIRIC)	Canada	9000
Pohang Iron & Steel (POSCO)	South Korea	8400
ChevronTexaco	USA	7000
Royal Dutch Shell Group	Netherlands	4650
ExxonMobil	USA	3410
Russian Aluminium (RusAl)	Russia	2160
Niko Resources	Canada	2000
De Beers	South Africa	1212
Parkview International	Hong Kong	1100
Volkswagen	Germany	853

4. Mega projects

Developing countries

	Company	Destination	Project Type
Asia-Pacific	Cybernet Software Systems Royal Philips Electronics Royal Indian Raj Int (RIRIC)	India India India	1500 jobs 3rd offshore advanced tech support facility located in Chennai 1900 jobs and \$50 mil Innovation Campus in Bangalore \$9 billion real-estate project named Royal Garden City
Europe	Detea Grupo Elcoteq Network Inter Groclin Auto	Bulgaria Russia Ukraine	2000 jobs and \$61 mil Commercial Park Sofia 1500 jobs and \$127 mil telecommunication equipment plant 1500 jobs second phase of the car upholstery plant in Uzhhorod
Latin America	Nippon Suisan Kaisha PSA Peugeot-Citroen Russian Aluminium (RusAl)	Chile Argentina Venezuela	1000 jobs salmon processing plant in Chonchi 1000 jobs and \$ 151 mil expansion of car manufacturing facility \$1 billion mione bauxite project and a 1 mln tonne alumina plant
MEA	Derma Clinic eSys Technologies Zee Network	UAE UAE UAE	\$17 million dermatological and cosmetics clinic \$14 million PC plant in Jebel Ali Free Zone \$8 million headquarters at Dubai Media City

4. Mega projects

Developed countries

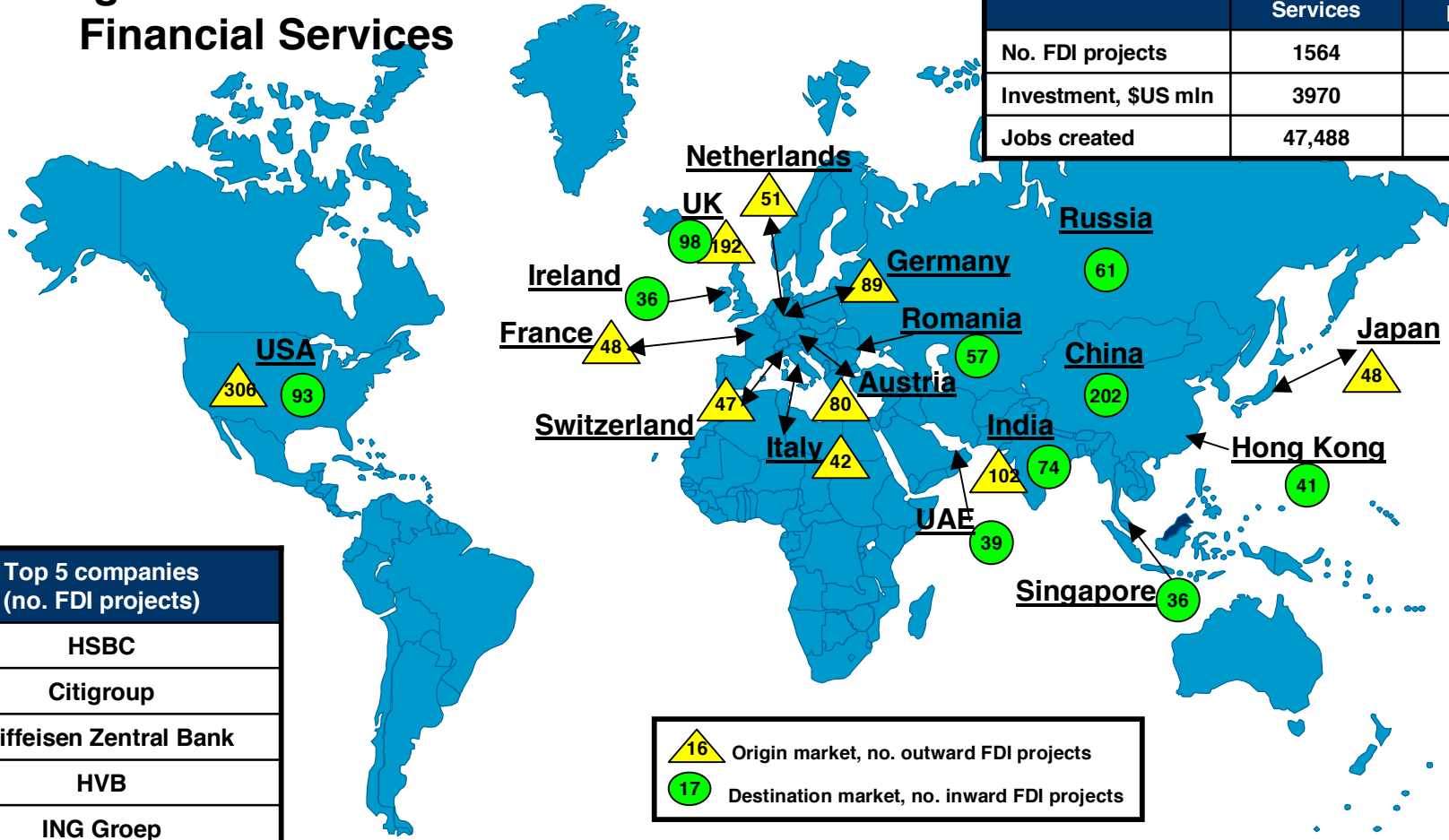
	Company	Destination	Project Type
Asia-Pacific	Genesis Investment Emirates National Oil MediaTek	Singapore Singapore Singapore	200 jobs relocation of HQ form Hong Kong \$82 million expansion of oil terminal storage facility \$50 million R&D centre with a plan to employ 300 in 5 years
Europe	Winterthur Group Onex Parkview International	Spain UK UK	450 jobs call centre in Barcelona 400 jobs expansion of call centre in Newcastle \$1 billion Battersea Power station property development project
North America	De Beers Kubota Royal Dutch Shell	Canada US Canada	550 jobs and \$498 mil underground diamond mine and processing plat 500 jobs agricultural machinery plant in Georgia \$4 billion expansion of the Athabasca Oil sands project

5. FDI Spotlight: Industry

Financial Services

Top 10 origin/destination markets for Financial Services

	Financial Services	% of all projects
No. FDI projects	1564	7%
Investment, \$US mln	3970	0.3%
Jobs created	47,488	3.6%



Top 5 companies (no. FDI projects)
HSBC
Citigroup
Raiffeisen Zentral Bank
HVB
ING Groep

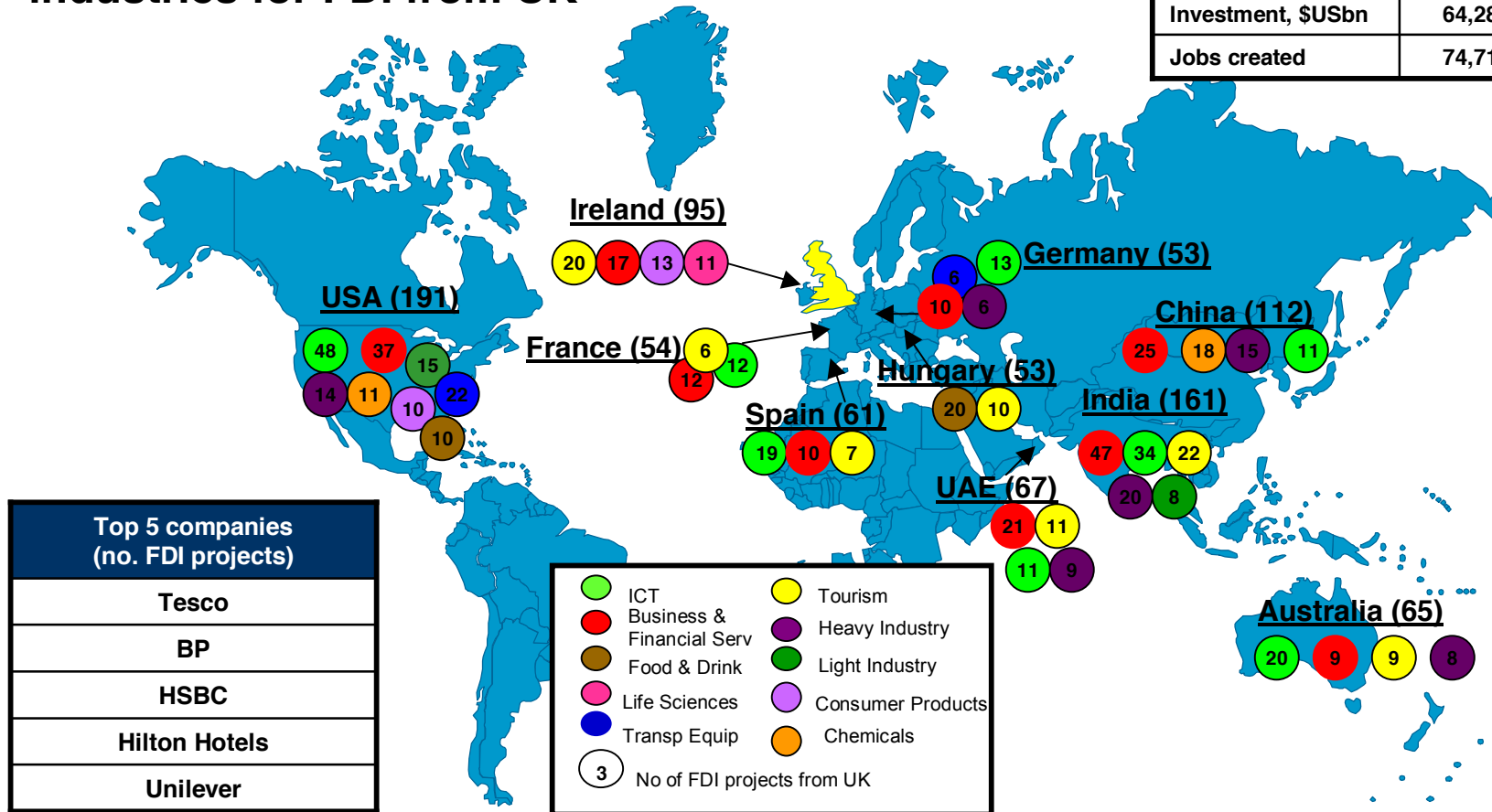
▲ 16 Origin market, no. outward FDI projects
● 17 Destination market, no. inward FDI projects

5. FDI Spotlight: Market

Inward investment from UK

Top 10 Destinations and main industries for FDI from UK

	UK	% global
No projects	1767	7.5%
Investment, \$USbn	64,286	6%
Jobs created	74,710	5.6%

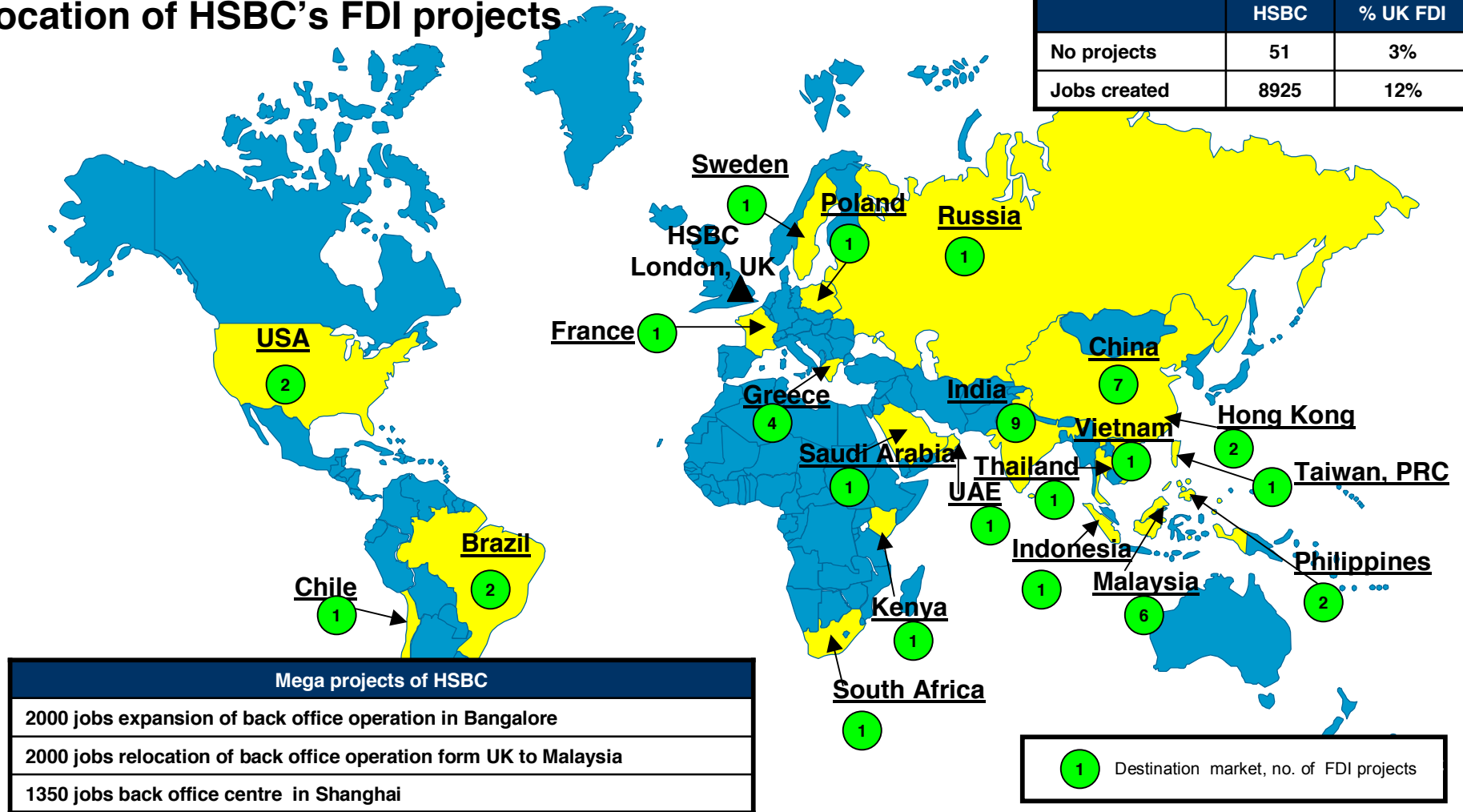


5. FDI Spotlight: Company

HSBC's global FDI projects

Location of HSBC's FDI projects

	HSBC	% UK FDI
No projects	51	3%
Jobs created	8925	12%



6. Schedule of FDI spotlights

May – June 2004	Industry Market Company	Semiconductor California (origin) Intel
July – August 2004	Industry Market Company	Front/Back offices India (destination) Dell Computer
September - October 2004	Industry Market Company	Financial services UK (origin) HSBC
November – December 2004	Industry Market Company	Research & Development South Africa (destination) Siemens
January – February 2005	Industry Market Company	Tourism & Leisure France (origin) Accor
March – April 2005	Industry Market Company	Life Sciences Ireland (destination) GlaxoSmithKline

7. LOCOmonitor™ description and access

Description

The Monthly Investment Monitor (MIM) is brought to you by OCO Consulting. The data is drawn from LOCOmonitor™ - a unique FDI market research tool.

LOCOmonitor™ tracks up to 1000 FDI projects every month worldwide. Over 25,000 FDI projects have been tracked with associated capital investment of well over \$1 trillion. Every month, around 700 companies with FDI projects are identified. Only Greenfield and Expansion FDI is included. Mergers & acquisitions, equity investments, privatisation and non-equity investment are not covered.

Detailed information is captured on each FDI project, including company details, the sector and product, investment motives and decision-making contacts. Initiatives by Governments to attract FDI are also recorded.

LOCOmonitor™ helps Governments, Corporations, International Organisations and other institutions develop investment strategies, assess locations, understand sector trends, identify companies with FDI projects and profile company and competitor activity.

Access to LOCOmonitor™

You can access LOCOmonitor™ in different formats depending on your needs:

Full package subscription: This gives you access to the full market research and lead generation tools (including our complete dataset) and FDI reports for a period of one year. Data is updated monthly. Please contact us for fact-sheets and pricing.

Standard reports: You can view reports on our website (www.locomonitor.com) and purchase from as little as €200. Over 10,000 reports are available on all major sectors, companies and markets (countries, regions and cities) that are attracting significant FDI projects. Each report provides comprehensive and up-to-date data, and we will update the report for you every month for one year.

Special reports: We produce 12 special reports each year. These are detailed consultancy reports, prepared by FDI and industry experts. The first report titles are Shared Service Centres; Semiconductors; Financial Services and Research & Development. These reports are available from €1000.

We can also provide consultancy services and data for all inward investment requirements. Please see www.ococonsulting.com for more information.

8. OCO Consulting news

Jul-Aug 2004

OCO Consulting are awarded a contract by the Department of Trade and Industry in the UK to assess mobile investment opportunities in 6 sectors and in 10 city areas.

OCO Consulting are awarded a lead generation contract from one of Europe's most respected investment agencies, to prospect for financial services and front/back office inward investment opportunities.

May-Jun 2004

OCO Consulting attend the UNCTAD expert meeting for the World Investment Report 2004, and conduct research on outsourcing for the WIR.

As part of the Nathan Associates Consortium, OCO Consulting are selected as one of two consultancies to develop and implement the global benchmarking project of MIGA, World Bank – the most ambitious location benchmarking project to be conducted.

Mar-Apr 2004

OCO Consulting are awarded the contract by the Foreign Investment Advisory Service (FIAS) of the World Bank to facilitate the Corporate Investment Promotion Strategy for the Fiji Trade & Investment Bureau.

UK Trade and Investment (UKTI) subscribe to LOCOmonitor™, together with three other leading investment agencies.

OCO Consulting lead a WAIPA workshop in Botswana for African investment agencies, focusing on cluster development and FDI attraction.

Jan-Feb 2004

OCO Consulting is represented at WAIPA's annual conference in Geneva. Mark O'Connell, Managing Director of OCO Consulting, gives a speech on FDI trends in ICT. The speech can be downloaded at www.ococonsulting.com.

OCO Consulting led a project to facilitate the North America annual marketing plan for the North of England investment agency.

Useful web-links

- About LOCOmonitor™ www.locomonitor.com
- About OCO Consulting www.ococonsulting.com
- Access to previous MIM issues www.ococonsulting.com/publications/downloads.htm
- Access to free FDI papers & studies www.ococonsulting.com/publications/downloads.htm
- Information on our services www.ococonsulting.com/services/client_services_matrix/matrix.htm
- Partner organisations www.mintel.com and http://www.waipa.org/works_programme1.htm

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