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ON THE MOVEMENT OF CAPITAL AND THE FREEDOM OF PAYMENTS

APPENDIX I

FDI through M&As and greenfield investment

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FDI through M&As and greenfield investment[1]

1. M&As developments

1. Global developments

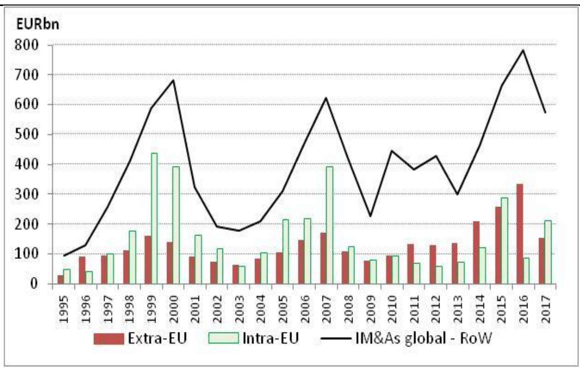
1.1.1. Global value and number of cross-border transactions

After an exceptionally high level of activity in 2016, global cross-border M&As (IM&As) declined in 2017 both in terms of disclosed value as well as in terms of number of transactions (Figure 1, Panel 1). Against this backdrop, the announced EU-targeted transactions were a bright spot and increased both in terms of disclosed value as well as in terms of number of deals. The more positive EU dynamics than that for the rest of the world was due to the increase in the volume of intra-EU transactions which almost tripled, while extra-EU transactions declined, after reaching record high levels in 2016. The 2017 decline in extra-EU IM&As was mostly due to lower value and number of US acquisitions of European companies.

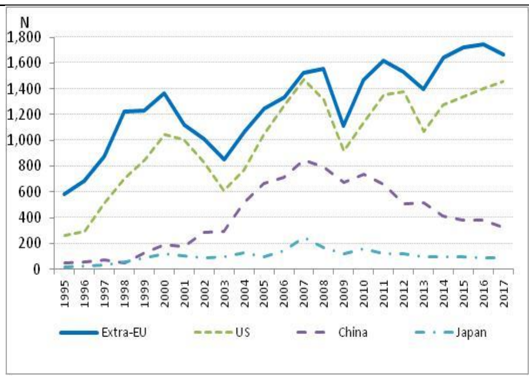
The EU retained for the 22nd consecutive year in 2017 the top global ranking as a host destination of IM&As, with approximately 1700 announced acquisitions of European companies by non-EU investors (Figure 1, Panel 2). The United States was the second most targeted destination, hosting more than 1400 cross-border transactions in 2017. The number of inward foreign acquisitions in China (excluding Hong Kong) as well as in Japan continued to decline in 2017.

Figure 1, Inward cross-border M&As — a global comparison

1. Disclosed value



2. Number of transactions



Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by date of announcement, acquired stakes higher than 10 %.

1.1.2. Shares in cross-border transactions — extra-EU compared to the rest of the world

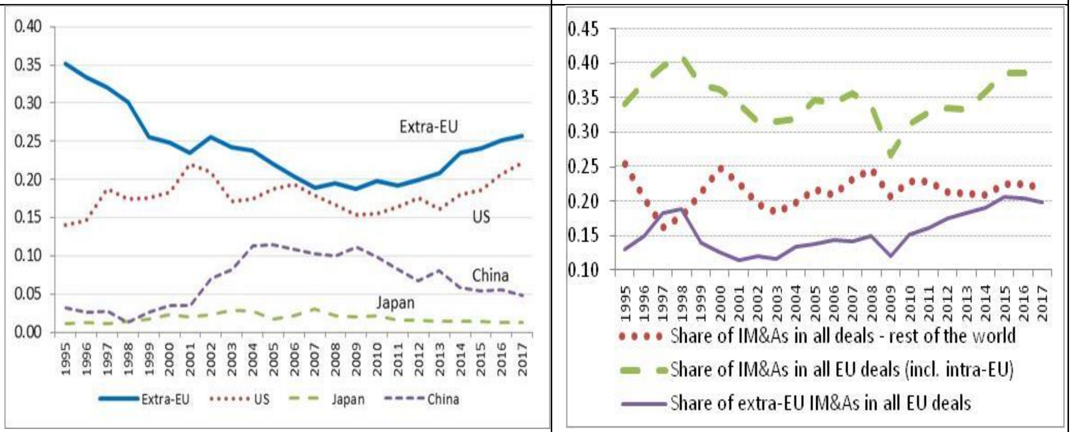
[1] This appendix has been prepared by the European Political Strategy Centre, FISMA B2 and B1.

The EU has traditionally been the top host destination of M&As since 1995 (the start year of our database) with respect to extra-EU acquisitions. Its share was on a downward path in the pre-crisis period but started rising again after 2007. The share of extra-EU M&As in the total number of global cross-border transactions increased further to 26 % in 2017, up from 25 % in 2016. The United States received 22 % of all global cross-border deals, while China (excluding Hong Kong) hosted 5 % of all global cross-border deals in 2017. The share of China in the number of global inward cross-border transactions has been declining since 2004.

The share of extra-EU transactions in all M&As in the EU (including as well domestic and intra-EU transactions) has been increasing sharply since 2001 (Figure 2, Panel 2). It reached levels above 20 % in 2015 and is now close to the levels of the levels of the ratio of cross-border deals to all M&A transactions for the rest of the world (around 22 % on average in 2015-2017). If intra-EU transactions are also taken into account, the European share in all cross-border transactions globally reaches close to 40 %.

Figure 2, Shares in the number of global cross-border transactions

1. EU compared to other advanced economies	**2. EU compared to the rest of the world**



Source: Commission services calculations based on DEALOGIC M&A ANALYTICS as of 8 January 2018,

Notes: The figure for global cross-border acquisitions in the denominator for the calculation of the shares does not include intra-EU transactions. Only acquired stakes above 10 % are considered, by completion date. IM&As are cross-border M&A transactions.

1.2. EU M&A activity overview

Against the backdrop of lower M&A activity in the rest of the world in 2017, cross-border transactions in the EU were a bright spot and the number of transactions continued to increase (Figure 3). With respect to the disclosed value of transactions, the announced inward EU acquisitions declined less than the rest of the world, after reaching record high levels in 2016.

The increase in the number of cross-border inward M&As in the EU in 2017 was due to intra-EU transactions as both the disclosed value and the number of announced intra-EU M&As increased more than twofold. For the first time since 2009 (with the exception of 2015) intra-EU acquisitions turned again higher than extra-EU acquisitions in line with the traditional pattern recorded in the pre-crisis period. Extra-EU acquisitions declined but remained at high levels. Most of the decline of extra-EU M&As in 2017 was due to lower inflows from the United States.

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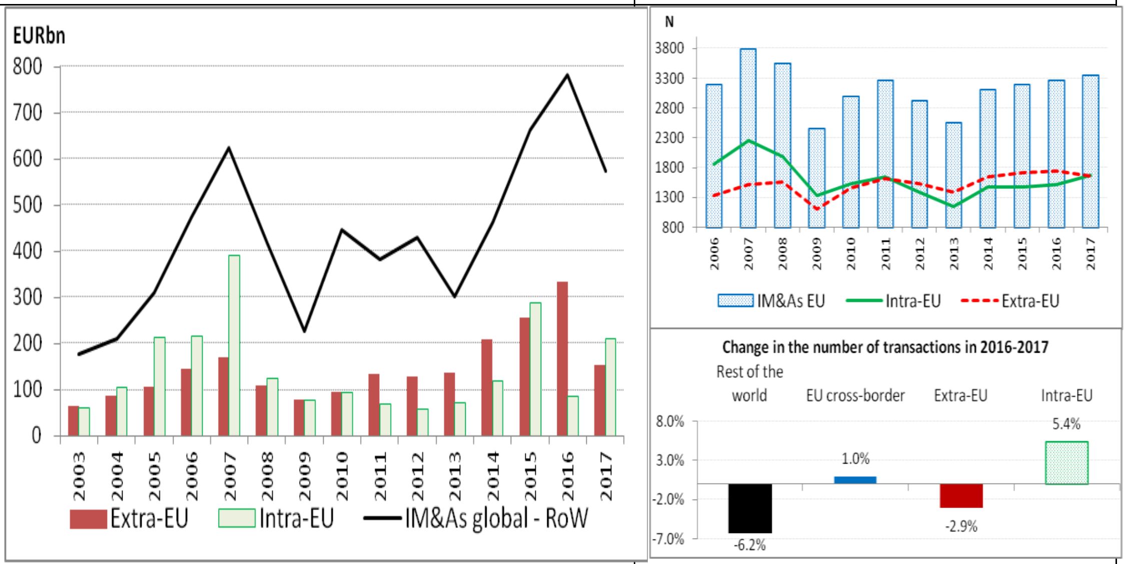
Figure 3. Cross-border EU transactions

1. Disclosed value of transactions	2. Number of transactions

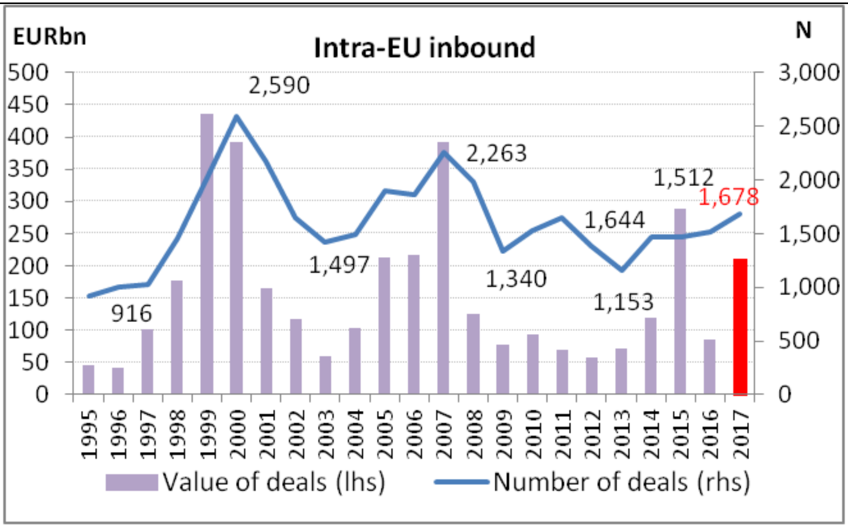


Source: Commission services calculations based on DEALOGIC M&A ANALYTICS as of 8 January 2018, *Notes*: Only acquired stakes above 10 % are considered, by announcement date. IM&As are cross-border M&A transactions.

1.3. Intra-EU FDI through M&As

Both the disclosed value as well as the number of the announced 2017 intra-EU transactions increased in 2017 (Figure 4). The 2017 rebound follows a year of lower and closer to the average level of activity in 2016, after a record high pick up in the value of transactions in 2015 boosted by the mega acquisition of SABMiller by the Belgian beer producer Anheuser-Busch InBev.

Figure 4, Dynamics of intra-EU M&A transactions

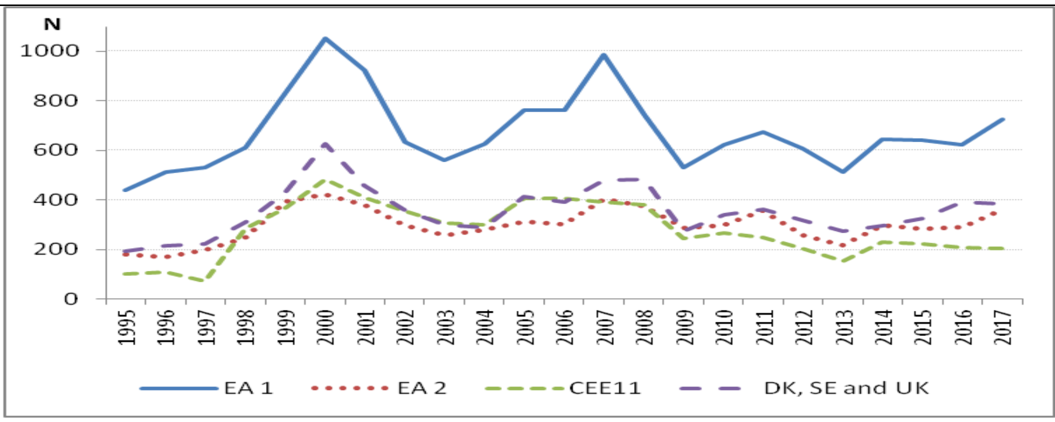


Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

The *Euro area 1* (EA1)[2] economies were by far the most targeted group of countries with respect to intra-EU transactions in the entire period 1995-2017. They were followed by Denmark, Sweden and the UK, the second group of euro area Member States, *Euro area 2* (EA 2)[3], and the CEE11[4] (Figure 5).

The number of intra-EU transactions increased in 2017 in both groups of 'older' euro area countries (by 17 % in the *Euro area 1* Member States and by 25 % in the *Euro area 1* Member States). By contrast, it declined by approximately 2 % compared to 2016 in Denmark, Sweden and the UK as well as in the CEE11 countries.

Figure 5, Number of inward intra-EU transactions by groups of Member States



[2] *Euro area 1* includes Austria, Belgium, Finland, France, Germany, Luxembourg and the Netherlands.

[3] *Euro area 2* includes Cyprus, Greece, Malta, Italy, Ireland, Portugal and Spain.

[4] CEE11 includes Bulgaria, Croatia, Czech Republic, Hungary, Estonia, Latvia, Lithuania, Poland, Romania, Slovenia and Slovakia.

Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

With respect to the cumulative value of all acquisitions in the entire period 1995-2017 the UK and Germany are the Member States that hosted the highest volume of intra-EU transactions with 25 % and 18 % of the value of all intra-EU acquisitions, respectively. They were followed by the Netherlands (11 %), France (8 %) and Spain (8 %). Among the CEE11 countries, the Czech Republic hosted the highest cumulative volume of transactions, followed by Hungary and Slovakia. Regarding the source of investment countries, UK is the Member State with the highest value of intra-EU outbound acquisitions cumulatively for the entire period 1995-2017 with 29 % of the value of all EU transactions. It is closely followed by France (25 %) and Germany (17 %).

In 2017 the patterns of the intra-EU ranking of Member States with respect to M&A transactions changed: Spain leads the ranking for announced intra-EU M&As, while UK which traditionally had been one of the most targeted EU countries slipped to the 4th place. Regarding outbound M&As, France was the Member State with the highest number of outbound intra-EU acquisitions in 2017 (285 intra-EU outward acquisitions), followed by the Germany (257 transactions) and Italy (245 transactions).

Table 1, Top five intra-EU M&A transactions by disclosed value in 2017

Completion date	Target	Target country	Target general industry group	Acquirer	Acquirer country	Deal value (EURbn)
31/1/2017	IDC Salud Holding SLU-Quironsalud	Spain	Healthcare	Fresenius SE & Co KGaA	Germany	5.8
07/03/2017	Pioneer Global Asset Management SpA	Italy	Finance	Rue La Boetie SAS	France	3.9
09/12/2017	Berendsen plc	Kingdom	services	Elis Services SA	France	3.2
03/04/2017	BSN medical GmbH	Germany	Healthcare	Svenska Cellulosa AB SC	Sweden	2.7
10/04/2017	14 Regional Airports Operating Concession	Greece	Transportation	Fraport AG; Copelouzos Group	Germany	2.5

Source: DEALOGIC M&A ANALYTICS as of 20 October 2017

Average time to complete intra-EU M&A transactions

The time to complete M&As transactions can be measured as the period between the date of announcement of the acquisition and the date of its completion. It can be considered as a rough proxy of the scrutiny and the administrative burden of regulatory and legal procedures, even though other factors can also influence the length of the negotiation period (for instance corporate governance requirements, shareholders activism or the complexity of the transaction — i.e. deals that include the acquisition of several entities in a corporate group may need longer time to completion).

It is expected that in 2017 Greece will be the EU Member State with the longest time to complete intra-EU M&A transactions (209 days on average), followed by Cyprus (71 days on average) and Slovenia (64 days on average). In contrast, Luxembourg was the Member State with the fastest completion of intra-EU transactions (all deals were completed on the day of their announcement), although the number of intra-EU acquisitions of companies located in Luxembourg was relatively low in 2017 (only 14 transactions).

Box 1, Illustrative transaction 1: The slowest intra-EU transaction completed in the EU in 2017

The acquisition of *AXA Life Insurance SA* located in Romania by *Vienna Insurance Group AG* was the intra-EU transaction finalised in 2017 with the longest to complete.

The transaction was subject to regulatory approvals. It took almost 9 months (267 days) to obtain the necessary regulatory approvals and to complete the negotiations. On 4 August 2016 *Vienna Insurance Group AG*, an Austrian insurance group, through its subsidiaries *BCR Asigurari de Viata SA* and *OMNIASIG Vienna Insurance Group SA* has agreed to acquire *AXA Life Insurance SA*, a Romanian life and savings insurance provider. The divestor (seller) was *AXA SA*, French holding company of financial services group providing life and non-life insurance. The transaction represented a sale (divestment) from one foreign investor to another and, therefore, did not result in a direct increase (or decline) of the total stock of foreign assets in Romania. The terms of the transaction were undisclosed.

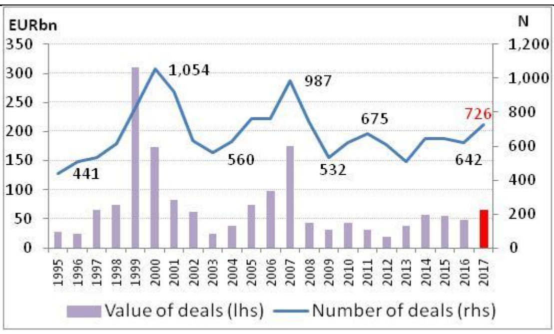
1.3.1. *Euro area 1* Member States

Inward and Outward intra-EU

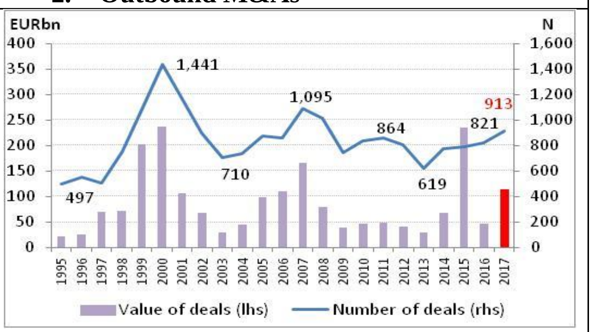
In 2017 the disclosed value and the number of both inward as well as outward intra-EU M&A transactions in the core 7 euro area countries increased despite the lower number of mega transactions, after the record high level of outbound transactions reached in 2015 with the announcement of to the mega acquisition of SABMiller in the UK by the Belgian company Anheuser-Busch InBev. The number of outward transactions largely exceeded that of inward transactions in 2017 (913 and 726, respectively).

Figure 6, Euro area 1: intra-EU inbound and outbound transactions

1. Inbound M&As



2. Outbound M&As



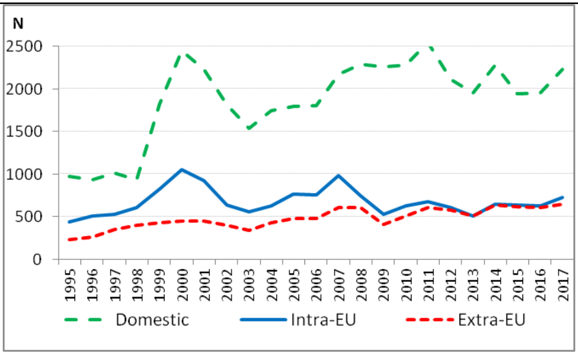
Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

Intra and extra-EU transactions

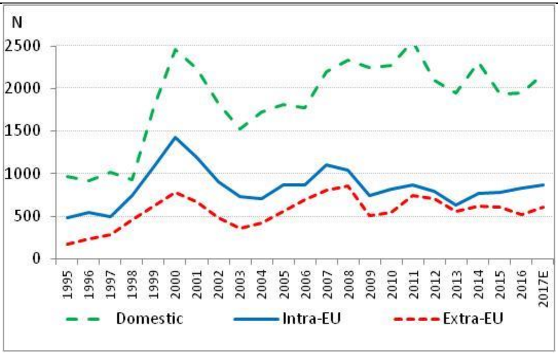
Domestic transactions[5] exceed by far cross-border deals *Euro area 1* Member States, despite a broadly downward trend in the post-crisis period.

Figure 7, *Euro area 1*: number of domestic, intra and extra-EU transactions

1. Inbound M&As



2. Outbound M&As



Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

Regarding cross-border inbound transactions intra-EU acquisitions have traditionally exceeded extra-EU acquisitions until 2013 (Figure 7, Panel 1). Afterwards, the number of intra-EU transactions has been almost equal to that of extra-EU transactions[6]. With respect to outbound transactions (Figure 7, Panel 2), intra-EU acquisitions exceeded the number of extra-EU deals in the entire period 1995-2017 with the difference becoming larger in 2013 - 2017.

1.3.2. *Euro area 2* Member States

Inward and Outward intra-EU

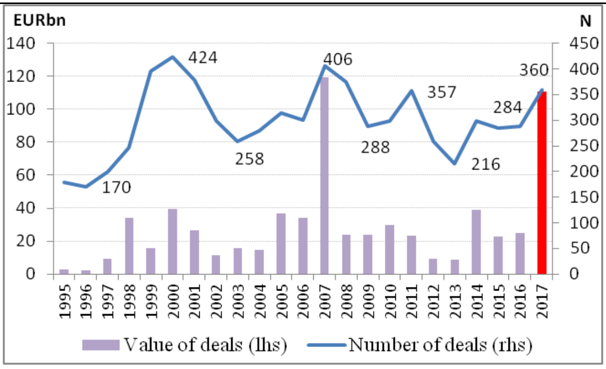
All indicators for intra-EU M&As in *Euro area 2* recorded a positive dynamics in 2017. Both the number as well as the disclosed value of inbound and of outbound transactions was higher in 2017 compared to 2016. In particular, the value of inward intra-EU acquisitions reached almost a record high level approaching the pre-crisis peak. The *Euro area 2* Member States remained net recipients of intra-EU M&As in 2017 with 360 inbound acquisitions that largely exceeded the number of outbound transactions (standing at 226).

Figure 8, *Euro area 2*: inbound and outbound intra-EU transactions

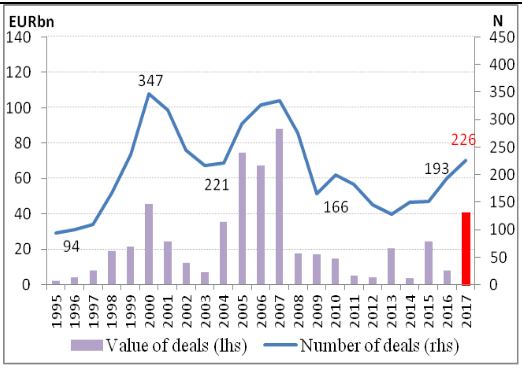
[5] In the context of M&A analysis '*domestic transactions*' are those in which the target company and the acquirer are located in the same country (have the same nationality).

[6] Similar pattern can be observed as well for inward FDI figures with intra-EU and extra-EU FDI having almost equal shares in the post-crisis period.

1. Inbound M&As



2. Outbound M&As



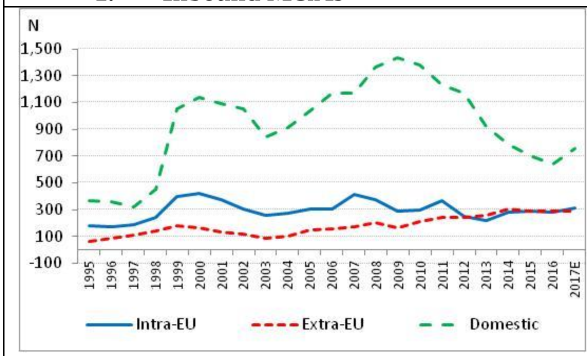
Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

Intra and extra-EU transactions

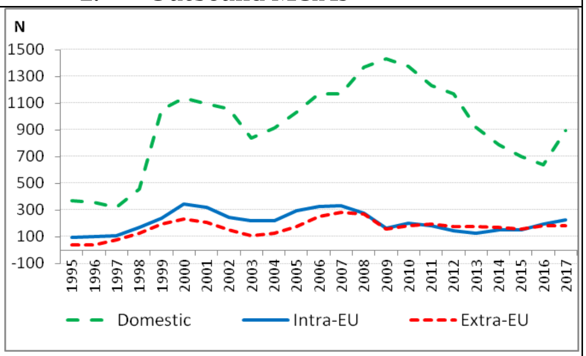
The number of domestic transactions in *Euro area 2* Member States increased in 2017, after being on a downward path in the entire post-crisis period. Extra-EU inward and outward transactions increased moderately by 2.9 % and 1.7 %, respectively, in 2017 compared to 2016. While before 2012 the number of intra-EU inbound acquisitions was higher than that of extra-EU transactions in every single year, afterwards the number of intra and extra-EU transactions were broadly at equal levels. Similar pattern change occurred with respect to the number of outward acquisitions of *Euro area 2* Member States, although it started 3 years earlier, in 2009. In most of the post-crisis years intra-EU acquisitions were almost as important for *Euro area 2* Member States as extra-EU acquisitions. In 2017 the number of inward intra-EU acquisitions surpassed again that of extra-EU acquisitions but it remains to be seen whether this trend will be confirmed later on.

Figure 9, *Euro are 2*: number of domestic, intra and extra-EU transactions

1. Inbound M&As



2. Outbound M&As



Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

1.3.3. CEE11

CEE11 countries have traditionally been net recipients of M&A transactions as inward transactions were higher in value and number than outward acquisitions. In 2017 the disclosed value of both inward and outward transactions increased, while the number of inward deals declined marginally from 208 in 2016 to 203 in 2017. The number of inward transactions has been broadly on a downward path in the post-crisis period, after a wave of deals related to privatisation and cross-border expansion triggered by the EU accession.

Figure 10, CEE11: intra-EU transactions

1. Inbound M&As	2. Outbound M&As
	

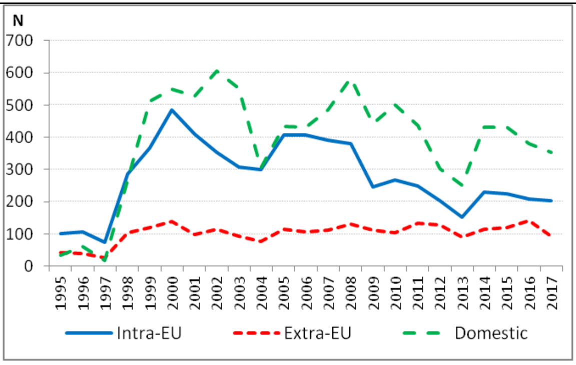
Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

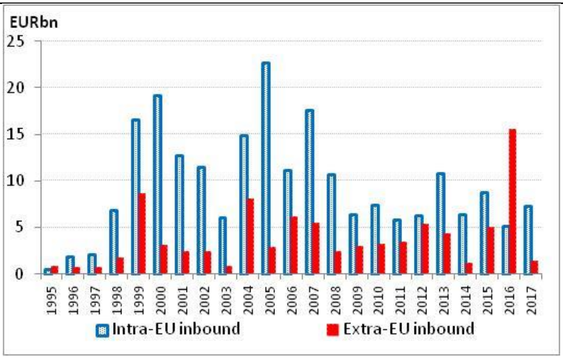
Intra and extra-EU transactions

Despite rebounding temporarily in 2013-2015, domestic restructuring through M&As in CEE11 countries remained broadly on a downward path in the post-crisis period (Figure 11, Panel 1). Regarding inward acquisitions, the number of intra-EU transactions traditionally has been higher than that of extra-EU acquisitions. The difference, however, has been declining in 2005-2017 due to a slowing down of intra-EU transactions, after exceptionally strong growth in the pre-accession period. The number of extra-EU transactions remained broadly constant. In 2016, however, the disclosed value of extra-EU transactions in CEE11 countries increased sharply as a result of some mega acquisitions in the Czech Republic, Hungary and Poland (Figure 11, Panel 2). After record high investment from non-EU countries in 2016 (mostly from Japan) extra-EU acquisitions in CEE11 countries declined in 2017 and their disclosed value reached its lowest level since 2014.

Figure 11, CEE11: spotlight on inbound transactions

1. Number of M&As	2. Disclosed value of M&As





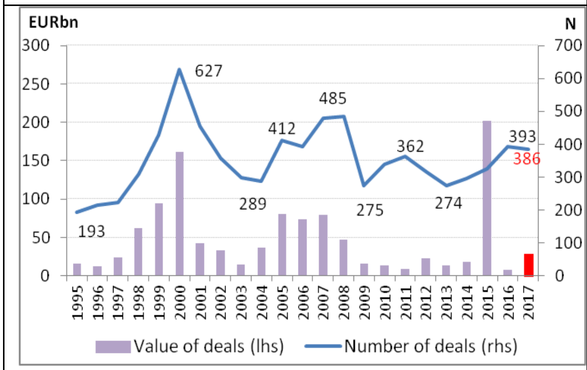
Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

1.3.4. Denmark, Sweden and the UK

The number of both inward and outward transactions in Denmark, Sweden and the UK declined in 2017. The disclosed value of outbound transactions was lower as well, while the value of inward acquisitions increased marginally but remained well below the record high level reached in 2015 due to the mega intra-EU acquisition of *SABMiller* located in the UK.

Figure 12, Denmark, Sweden and the UK: inbound and outbound intra-EU transactions

1. Inbound M&As



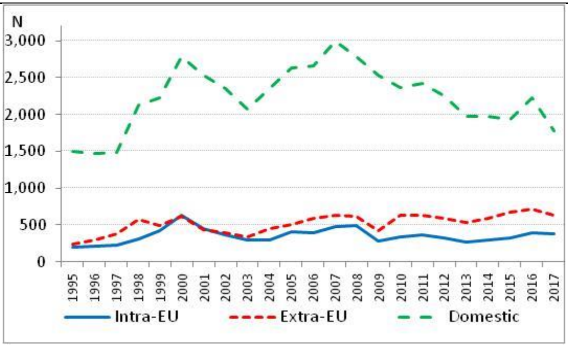
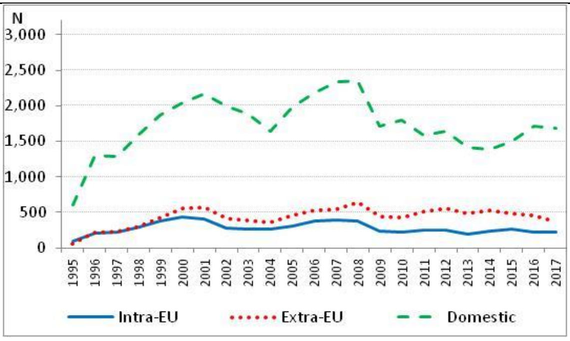
2. Outbound M&As

Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

Intra and extra-EU transactions

Domestic restructuring increased in 2016, after being on a downward path in the entire post-crisis period, but resumed declining in 2017. The number of extra-EU transactions was higher than that of intra-EU transactions since 2002 for both inward as well as outward transactions. The number of extra-EU transactions was lower in 2017 compared to 2016 for both inward as well as outward transactions by 12 % and 19 %, respectively. The number of intra-EU transactions declined as well in 2017 for both inward and outward transactions (down by 2 % and 1 %, respectively).

Figure 13, Denmark, Sweden and the UK: number of domestic, intra and extra-EU transactions

1. Inbound M&As	2. Outbound M&As
	

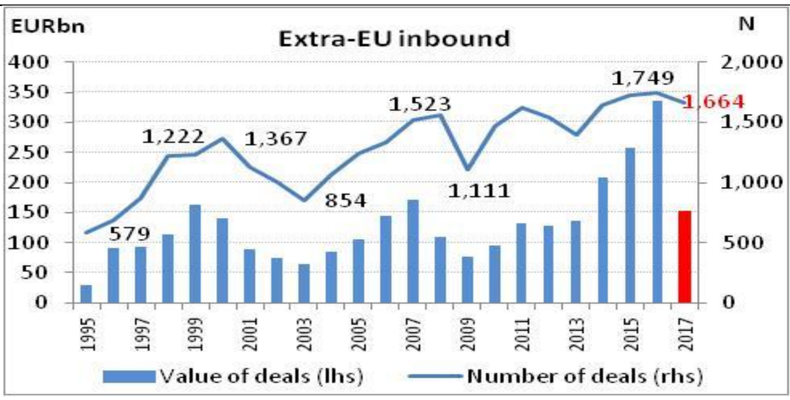
Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

1.4. Extra-EU M&A developments

Dynamics of extra-EU gross inbound M&As

The number of extra-EU transactions was almost unchanged in 2017 (declining marginally to 1664 transactions compared to 1749 transactions in 2016), while the disclosed value of transactions was almost 55 % lower, after exceptionally high deal volumes in 2014 - 2016 that were well above the pre-crisis period (Figure 14). Highest contribution to the 2017 decline of extra-EU inward M&As have lower inflows from US (down by more than EUR 140 bn in 2017 compared to 2016). Japan decreased the announced value of investment by more than EUR 45 bn. Another non-EU country with lower inward investment in 2017 was Mexico (down by EUR 7 bn). Some of the non-EU countries that increased their inward acquisitions into the EU the most were Switzerland, Canada and Australia (up by almost EUR 6 bn, EUR 5 bn and EUR 4 bn, respectively).

Figure 14, Dynamics of extra-EU gross inbound M&As

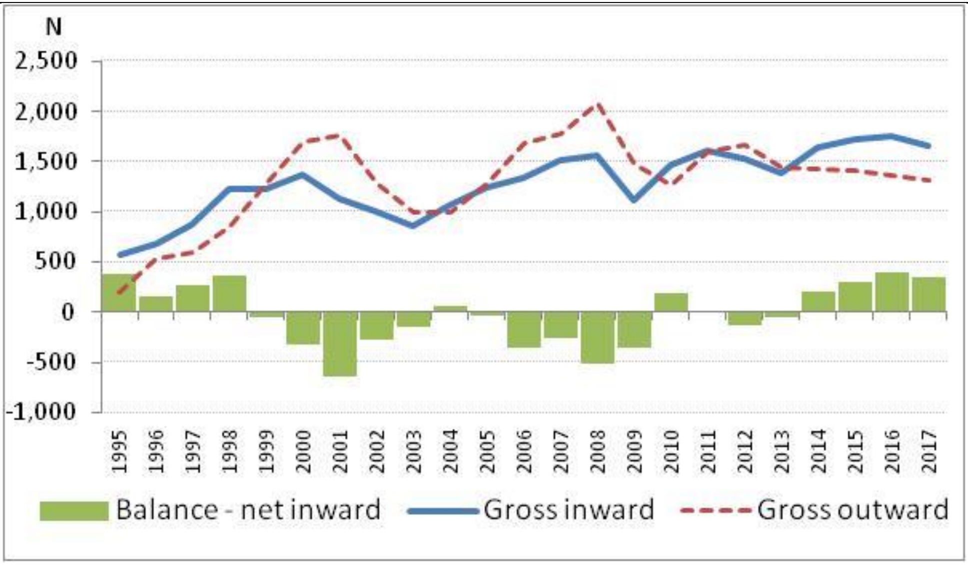


Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

Net inbound flows

Traditionally, the EU has been net exporter of capital with respect to extra-EU M&A transactions and the number of outbound acquisitions of EU investors in non-EU countries has exceeded that of non-EU acquisition within the EU. However, since 2013 the number of inward acquisitions of non-EU countries investors started to be higher than that of EU investors outside the EU, now for 4 years in a row. Both smaller number of outward EU acquisitions as well as higher number of inward extra-EU transactions contributed to this outcome and to the appearance of a net surplus due to higher inward transactions compared to outward deals.

Figure 15, Gross and net number of extra-EU acquisitions in the EU

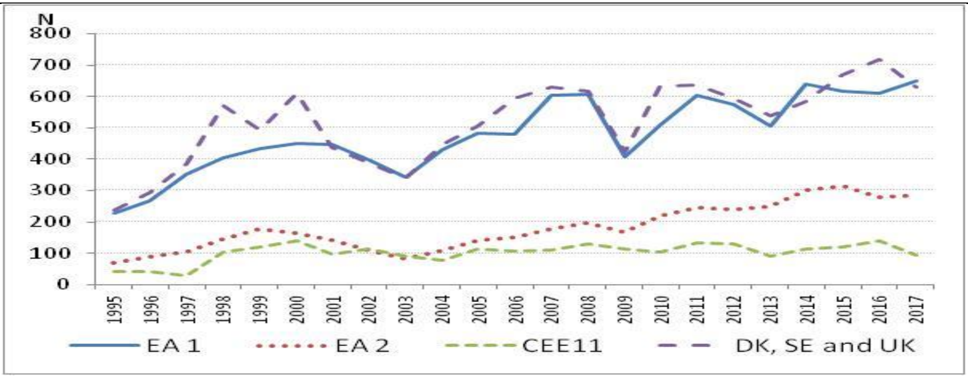


Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

Extra-EU inbound transactions by groups of hosting Member States

Euro area 1 economies have been the most targeted group of EU Member States in 2017 not only with respect to intra-EU transactions but also with respects the extra-EU acquisitions. The number of extra-EU transactions in *Euro area 1* Member States had almost the same dynamics as that of Denmark, Sweden and the UK until 2015 when extra-EU flows to the *Euro area 1* countries started to decline, while those to Denmark, Sweden and the UK kept increasing for one more year. In 2017 the reverse dynamics unfolded: namely extra-EU transactions declined in Denmark, Sweden and the UK and increased in the *Euro area 1* Member States. The number of extra-EU inward transactions increased as well in 2017 in *Euro area 2* countries and declined in CEE11 countries. The highest reduction of inward flows was registered in Denmark, Sweden and the UK and was due to lower investment from US.

Figure 16, Number of extra-EU acquisitions by groups of hosting Member States



Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

Ranking of EU Member States as recipients of extra-EU M&A investment

UK, Germany and France are the Member States that hosted the highest volume and number of extra-EU transactions in 2017. They were followed by the Netherlands and the Czech Republic (4th and 5th, respectively, in terms of disclosed value of transactions). Slovenia was the CEE country having the highest number of extra-EU M&As in 2017 and ranked 10th as a host of non-EU acquisitions.

Ranking of non-EU countries as sources of M&A investment

Regarding the ranking of extra-EU countries based on the disclosed value of their acquisitions in the EU (Table 2), the United States has the largest cumulative value of M&A transactions in the EU in 1995-2017 (almost 50 % of the value of the total stock of extra-EU M&As). They are followed by China including Hong Kong (7 % of the total stock of extra-EU M&As) and Switzerland (also 7 % of the total stock of extra-EU M&As). The ranking of extra-EU countries based on the total number of their acquisitions in the EU is again topped by the United States with more than 14500 transactions. The second place, however, is occupied not by China including Hong Kong but by Switzerland (approximately 2800 transactions) followed by Norway (with 1700 transactions). With more than 1200 transactions China including Hong Kong takes the 6th place in the ranking of extra-EU investor countries based on the number of their acquisitions in the EU (while they take the second place in the ranking based on the total disclosed value of acquisitions). This highlights that the acquisitions of China including Hong Kong comprise more high value acquisitions and mega transactions.

Table 2, Top 15 extra-EU countries by cumulative stock of their M&A acquisitions in the EU

	Value of deals (EURmn)	Ranking by value	Shares in total value	Number of deals	Ranking by number	Shares in numb
US	1,427,643	1	0.50	14,538	1	0.49
China including Hong Kong	208,897	2	0.07	1,217	6	0.04
Switzerland	185,830	3	0.07	2,781	2	0.09
Canada	175,396	4	0.06	1,649	4	0.06
Japan	169,087	5	0.06	1,511	5	0.05
Australia	137,472	6	0.05	1,045	7	0.04
South Africa	63,844	7	0.02	437	10	0.01
Norway	55,820	8	0.02	1,664	3	0.06
United Arab Emirates	54,669	9	0.02	201	12	0.01
Quatar	43,906	10	0.02	108	13	0.00
Singapour	34,004	11	0.01	418	11	0.01
India	32,973	12	0.01	726	8	0.02
Russia	28,167	13	0.01	526	9	0.02
Mexico	27,190	14	0.01	102	14	0.00
Brazil	18,740	15	0.01	101	15	0.00
Total	**2,842,097**		**0.94**	**29,431**		**0.92**

Source: DEALOGIC M&A ANALYTICS as of November 2017.

Table 3, Top five announced or completed extra-EU acquisitions in 2017

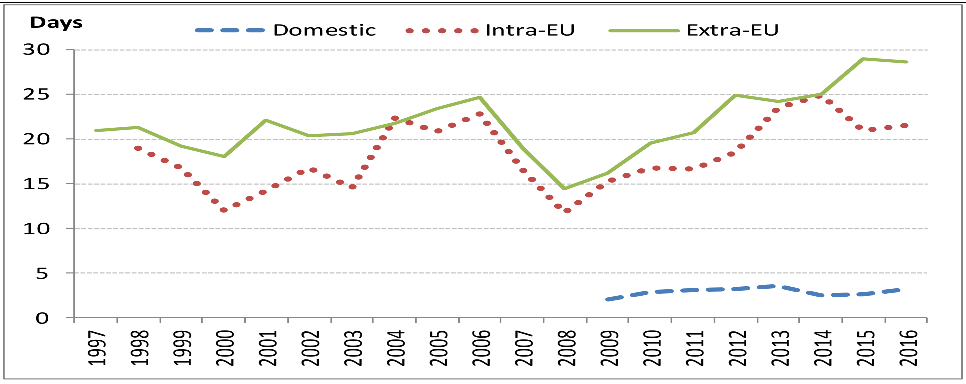
Announcement date	Target	Target country	Acquirer	Acquirer country	Deal value (EURtr)	Target Specific Indu Group
2-Jun-17	Logicor Europe Ltd	UK	China Investment Corp	China	12.3	Real Estate/Property
5-Jul-17	Worldpay Group plc	UK	Vantiv Inc	US	10.3	Computers & Electro
27-Jul-17	Ista International GmbH	DE	Cheung Kong Property Holdings Ltd	Hong Kong	5.6	Finance, Insurance
1-Jun-17	Wirtgen Group Holding GmbH	DE	Deere & Co	US	4.6	Machinery
30-Oct-17	Advanced Accelerator Applications SA	FR	Novartis AG	Switzerland	3.3	Healthcare-Products

Source: DEALOGIC M&A ANALYTICS as of November 2017

1.4.1. Average time to complete extra-EU acquisitions within the EU

The time needed to complete extra-EU M&As measured as the time period between the date of announcement of a transaction and the date of its completion can be a proxy, among other things, for the screening of foreign investment and the burden of regulatory approval procedures. In the EU the time to complete extra-EU transactions has been longer than that for intra-EU transactions for the entire period 1997-2017 with the difference starting to increase as of 2013 (Figure 17). In 2013-14 the time to complete intra-EU transactions has temporarily increased and became close to that for extra-EU transactions but it has been on a downward trend afterwards which resulted in an increasing difference in the time to complete intra-EU and extra-EU transactions.

Figure 17, Time to complete M&A transactions in the EU

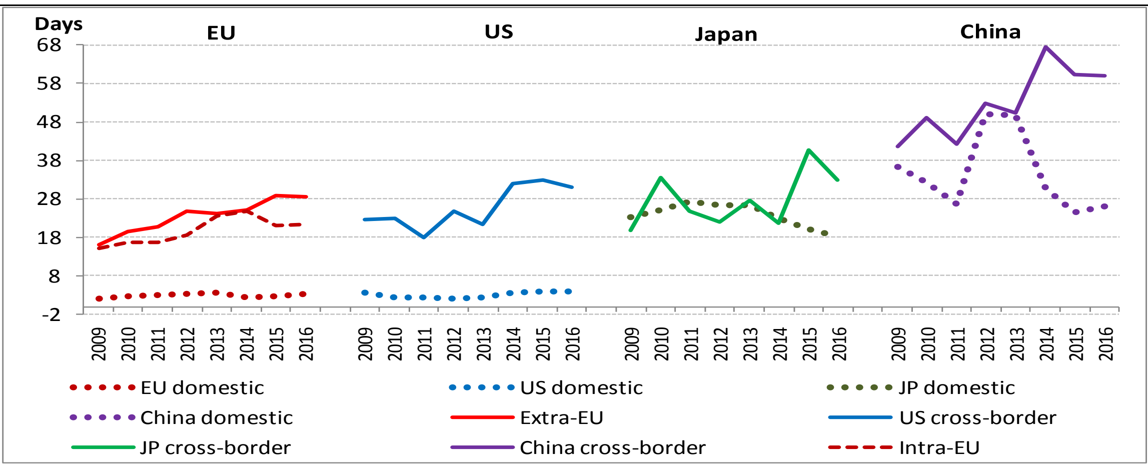


Source: DEALOGIC M&A ANALYTICS as of November 2017.

In 2016 the average time to complete extra-EU transactions has been approximately 29 days. It has been higher than that for intra-EU acquisitions (21.5 days on average) but in the same range as the time to complete cross-border acquisitions in the United States (27.4 days on average). In contrast, the time to complete inward cross-border acquisitions in China was considerably longer (60 days on average).

Domestic transactions were completed faster in both the EU and the United States. In most cases domestic acquisitions were completed almost at the date of their announcement (on average 2-3 days were needed to complete transactions).

Figure 18, Time to complete M&A transactions: EU compared to other large economies, (average, in days)



Source: DEALOGIC M&A ANALYTICS as of November 2017. *Note*: By date of announcement.

In 2016 the non-EU countries with the longest time to complete acquisitions in the EU were Sierra Leone (132 days on average), Mauritius (130 days on average) and Lebanon (110 days on average).

Table 4, Top 15 extra-EU countries with the longest time to complete acquisitions in

the EU in 2016

Investing third country	Average duration of M&A in the EU (days)	Ranking by average duration
Sierra Leone	132	1
Mauritius	130	2
Lebanon	110	3
Peru	94	4
Tunisia	92	5
Guernsey	81	6
Kazakhstan	80	7
New Zealand	72	8
China	72	9
Bermuda	61	10
South Korea	56	11
Mexico	56	12
Qatar	54	13
Indonesia	50	14
Venezuela	50	15

Source: DEALOGIC M&A ANALYTICS as of November 2017

Box 2, Illustrative transaction 2: The slowest extra-EU transaction completed in the EU in 2016

Announcement date	Completion date	Duration (days)	Target company	Target nationality	Target Specific Industry Group	Acquirer	Acquirer Nationality	Acquirer General Industry Group	Divestor Nationality
19-Jan-16	30-Nov-17	681	All Circuits SAS (57%)	France	Computers & Electronics-Semiconductors	Aerospace Hi-Tech Holding Group Co Ltd	China	Aerospace	China

In 2017 the Chinese Aerospace Hi-Tech Holding Group Co Ltd became the controlling shareholder of All Circuits SAS, a French company possessing globally leading manufacturing capacity in passenger identification and controlling systems. The acquisition of control (a total cumulative stake of 96 % with the remaining 4 % owned by the management of the company) was the longest M&A extra-EU transaction in 2016 as it took 681 days to complete the deal (the acquisition was announced on 19 January 2016 and it was completed on 30 November 2017). The acquisition was done indirectly by acquiring controlling stakes in the three other European companies located in another EU country (Luxembourg) that already had stakes in All Circuits and owned it.

Timeline and steps. On 19 Jan 2016 Aerospace Hi-Tech Holding Group Co Ltd, a listed Chinese aerospace product developer, announced that it will acquire a stake of 97 % in International Electronics & Engineering SA, a Luxemburg-based sensor-based automotive safety systems developer, from an indirect subsidiary of the state-owned China Aerospace Science & Industry Corp, Ascend Capital Management Ltd and an indirect subsidiary of Shanghai Automotive Industry Corp, a state-owned automotive manufacturer. The announced value of the transaction was RMB 1.4 bn. Concurrently, Aerospace Hi-Tech Holding acquired additional **33 %** and **24 %** stakes in All Circuits SAS, a French developer of automotive electronic system, from China Aerospace Science & Industry Corp and GUOXIN International Investment Corp Ltd. As IEE already owned a **39 %** stake in All Circuits, Aerospace Hi-Tech would hold altogether a

96 % stake in All Circuits.

Statistical treatment and current shareholders. Regarding the statistical treatment of the transaction in the different databases on M&As the Zephyr database reflected the three acquisitions individually; while ORBIS reflected the current ownership and the historical dates at which the change in ownership occurred (see the table below).

All Circuits — Current shareholders, ORBIS database as of 30 November 2017

Company	Country	Direct ownership (%)	Total ownership (%)	Date of information
Aerospace Hi-Tech Holding Group Co Ltd	China	-	95.26	12/2016
IEE International Electronics & Engineering SA	Luxembourg	39.00	n.a.	08/2017
HIWINGLUX SA	Luxembourg	33.00	n.a.	08/2017
Navilight SARL	Luxembourg	24.00	n.a.	08/2017
All Circuits management	France	4.00	n.a.	08/2017

After the transaction the global ultimate owner of All Circuits has become Aerospace Hi-Tech Holding Group Co Ltd as it acquired close to 100 % of the ownership in the three companies that have stakes in All Circuits. The sellers were other Chinese companies that had previously acquired stakes in the three companies owning stakes in All Circuits. Some of those Chinese companies were as well state-owned. Therefore, from the point of view of Aerospace Hi-Tech Holding Group Co Ltd the transaction represented a consolidation aimed at achieving control and strategic scaling up of its operations. As Aerospace Hi-Tech Holding Group Co Ltd is state-owned, all four companies can be considered to be under control of a state-owned entity.

Financing and likely impact on bilateral FDI flows. The consideration was RMB 324.7 m ($49.5 m), to be satisfied with RMB137.7 m cash and the issuance of 4.2 m shares. The acquisition was subject to shareholders' approval. On 27 May 2016 the consideration was changed to RMB323.2 m ($49.2 m), to be satisfied by paying RMB137.7 m in cash and issuing 6 038 554 shares at RMB30.72. A new feature of the acquisition of GUOXIN was that for the first time the Chinese authorities were allowing Chinese publicly listed companies to issue shares to acquire assets abroad[7]. Chinese laws and regulations permit for many years the use by listed companies of equities for the acquisition of companies abroad. However, the acquisition of GUOXIN is one of the first in which the investor managed to obtain all necessary approvals from various government authorities[8]. As the acquiring company is state-owned, it remains to be seen whether the same approach will be applied as well to private companies. Given that the newly issued

[7] For more details see: https://www.pillsburylaw.com/images/content/7/4/74772.pdf.

[8] It is to be noted that any foreign buyers of the newly issued shares by the Chinese acquirer will be foreign investors in China and, therefore, they need to obtain approval by the MOC regarding strategic investment in a domestic public company as required under the Strategic Investment rules.

shares were sold to designated foreign investors this can be expected to result in higher inward FDI into China. However, in line with Chinese regulations, the stakes acquired remain way below 10 % and, therefore, would be treated from statistical point of view as portfolio investment.

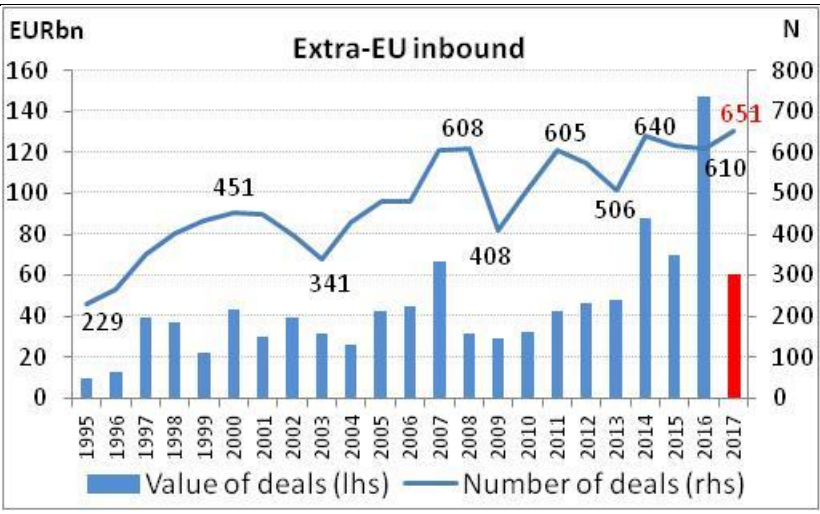
Regulatory and approval proceedings. The long time to complete this acquisition seems to be due not so much to the length of regulatory approval procedures but rather to the strategic and indirect character of the acquisition which involved first buying stakes in all three companies that already owned All Circuits. The DEALOGIC M&A Analytics database reflected the strategic character of the acquisition of All Circuits by Aerospace Hi-Tech Holding Group Co Ltd and accounted it as a single transaction to acquire the control of All Circuits.

1.4.2. Extra-EU acquisitions by groups of recipient Member States

Extra-EU acquisitions in Euro area 1 Member States

The number of extra-EU acquisitions in *Euro area 1* Member States increased in 2017 by close to 7 % to 651 in 2017 compared to 610 in 2016. The disclosed value of transactions declined in 2017 by almost 59 % to slightly more than EUR 61 bn, compared to EUR 147 bn in 2016. However, the 2016 disclosed value of transactions was exceptionally high due to several mega acquisitions and the 2017 decline can be deemed rather as a normalisation and a return to the usual average levels of activity.

Figure 19, Extra-EU acquisitions in *Euro area 1* Member States

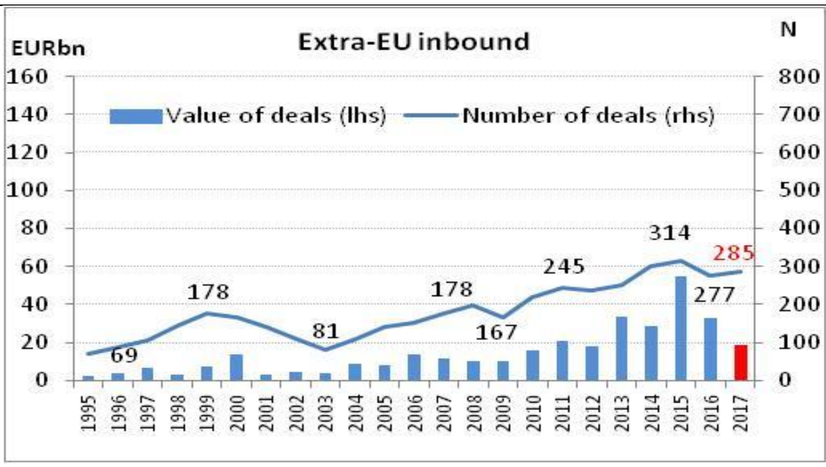


Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

Extra-EU acquisitions in Euro area 2 Member States

The number of extra-EU acquisitions in the *Euro area 2* Member States has been on a steep upward path since 2003 that was briefly interrupted by the economic crisis in 2009 and the sovereign debt crisis in 2013-14. Since 2014 the number of extra-EU acquisitions has been on a moderately downward path. It increased in 2017 by approximately 2.9 % from 277 transactions in 2016 to 285 transactions. The disclosed value of extra-EU acquisitions in the Euro area Member States increased sharply in 2013-20165 peaking at more than EUR 53 bn in 2016. In 2017, however, the value of extra-EU acquisitions declined sharply by more than 43 %, after reaching record high levels in 2015-2016.

Figure 20, Extra-EU acquisitions in *Euro area 2* Member States

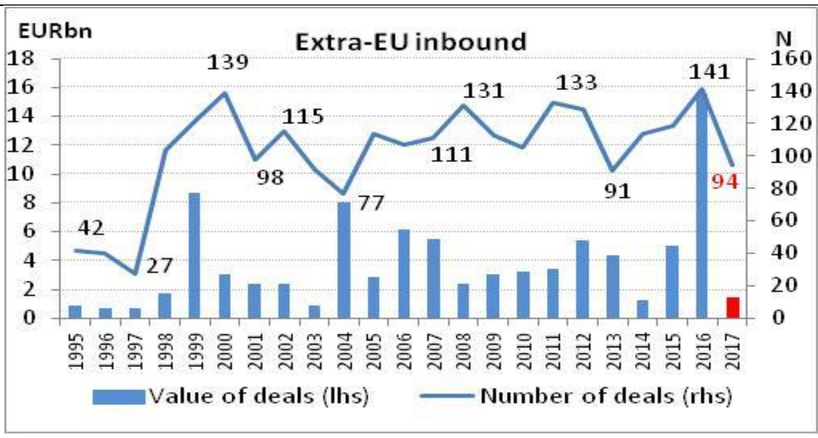


Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

Extra-EU acquisitions in CEE11

The number of extra-EU acquisitions in CEE11 countries declined by almost 33 % in 2017 to 94, however, from the record high level of 141 transactions in 2016. The value of transactions declined sharply in 2017, again after reaching record high levels in 2016 due to mega non-EU acquisitions in Poland, the Czech Republic and Hungary.

Figure 21, Extra-EU acquisitions in CEE11 countries

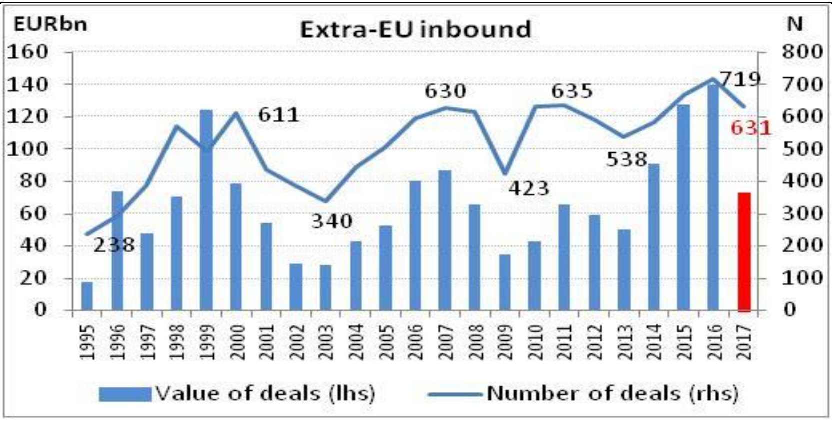


Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

Extra-EU acquisitions in Denmark, Sweden and the UK

Both the number as well as the disclosed value of extra-EU acquisitions in Denmark, Sweden and the UK declined in 2017 by close to 12 % and 47 %, respectively. The sharp decline of the disclosed value of extra-EU acquisitions to levels below those from 2014 follows a period with very high levels of non-EU countries investment in 2014 - 2016.

Figure 22, Extra-EU acquisitions in Denmark, Sweden and the UK



Source: DEALOGIC M&A ANALYTICS as of 8 January 2018, by announcement date, stakes above 10 %.

1.4.3. Extra-EU acquisitions by targeted sectors

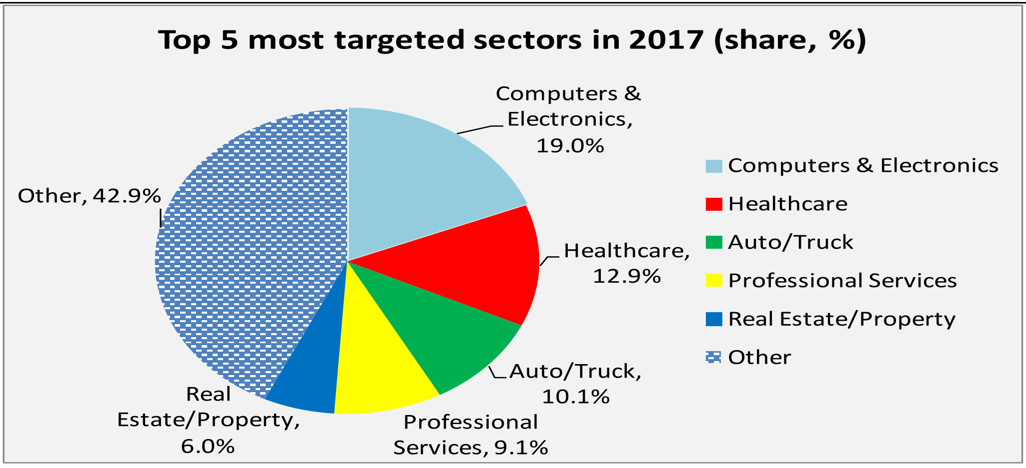
Targeted sectors by General Industry Groups

Expected dynamics in 2017

In 2017 the top 5 most targeted sectors by extra-EU investors are expected to be '*Computer&Electronics*' (19 % of the total value of extra-EU acquisitions), '*Healthcare*' (12 %), '*Auto/Truck*' (10 %), '*Professional services*' (9 %) and '*Real estate*' (6 %). These five sectors are expected to represent almost 57 % of the disclosed value of all extra-EU acquisitions in 2017.

After a record high M&A activity in European high technology sectors in 2016, investment in those sectors is expected to be lower in 2017. Highest increases are expected in the '*Auto / Truck*', '*Food & Beverage*' and '*Healthcare*' sectors, while investment in '*Computer & Electronics*' is expected to be down by almost EUR 54 bn to EUR 26 bn compared to the record high inflows of EUR 84 bn in 2016. Despite the annual decline in 2017 from the record high levels reached in 2016, '*Computer & Electronics*' is expected to remain the most targeted sector in the EU in 2017 both with respect to the disclosed value of transactions as well as with respect to the number of deals.

Figure 23, Extra-EU acquisitions in the EU by targeted sectors, 2017



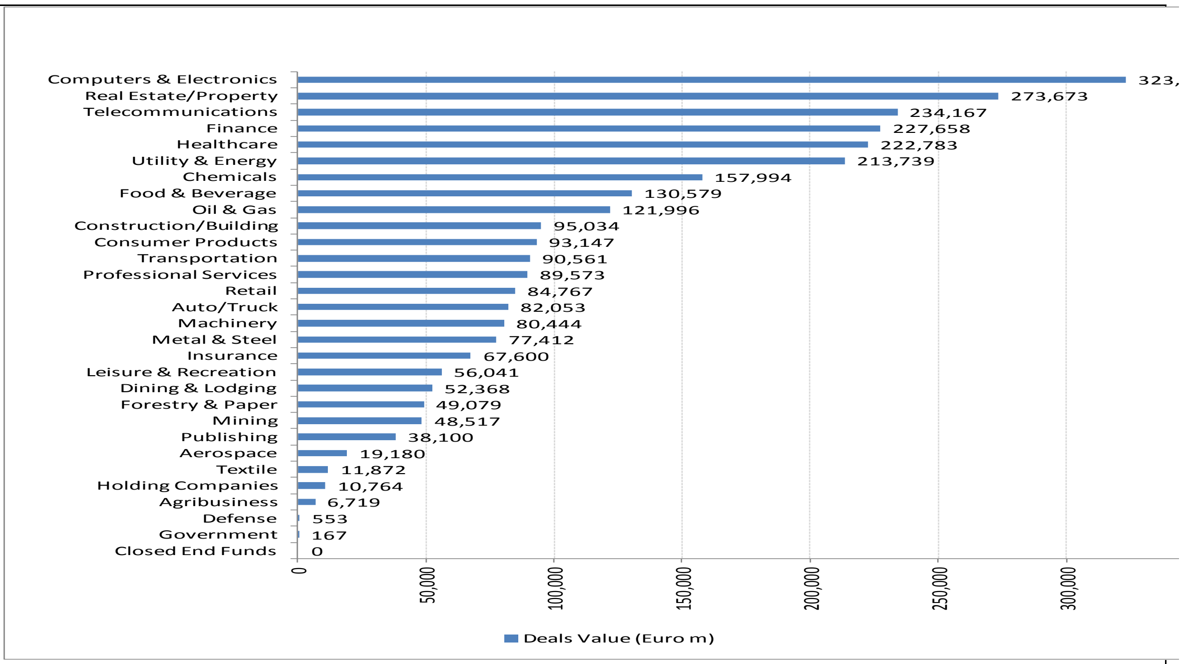
Source: DEALOGIC M&A ANALYTICS as of November 2017.

Total stock of extra-EU acquisitions by General Industry Groups

Cumulatively, extra-EU M&As in 1995-2017E were highest in the following sectors: '*Computer & Electronics*', '*Real estate/Property*' and '*Telecommunications*'. M&As were lowest in sensitive sectors in which Member States keep certain restrictions due to public order and security grounds like the '*Defence*' sector with extra-EU M&As worth less than EUR 1 bn for the entire reporting period 1995-2017. In contrast, other regulated sectors in the EU have been successfully targeted by extra-EU investors over the years and rank high with respect to the cumulative disclosed value of M&As. For instance the sector '*Finance*'[9] rank 4th with total disclosed value of extra-EU M&As of more than EUR 227 bn, while '*Utility & Energy*' rank 5th with cumulative investment of more than EUR 213 bn. The most targeted sector '*Computer & Electronics*' is in general neither regulated not subject to investment screening except if the companies are related to defence supplies or in case of data protection concerns.

Figure 24, Total cumulative disclosed value of inward M&As by General Industry Groups, 1995 -2017 E

[9] It has to be noted that not all specific subsectors included in the General Industry Group 'Finance' are (heavily) regulated and in some cases investment was very high in the less-regulated components of this General Industry Group. For instance, the most heavily regulated components of this sector are those related to banking, while other subcomponents like '*Special Purpose Vehicles*', '*Credit Agencies*', '*Capital Pool Companies*', '*Automobile Financing*', '*Restructuring*' are less regulated. Some companies related to the financial services sector like financial and market data analysis or infrastructure are included in other (not regulated for prudential purposes) sectors like '*Professional services*' or '*Business Services*'.



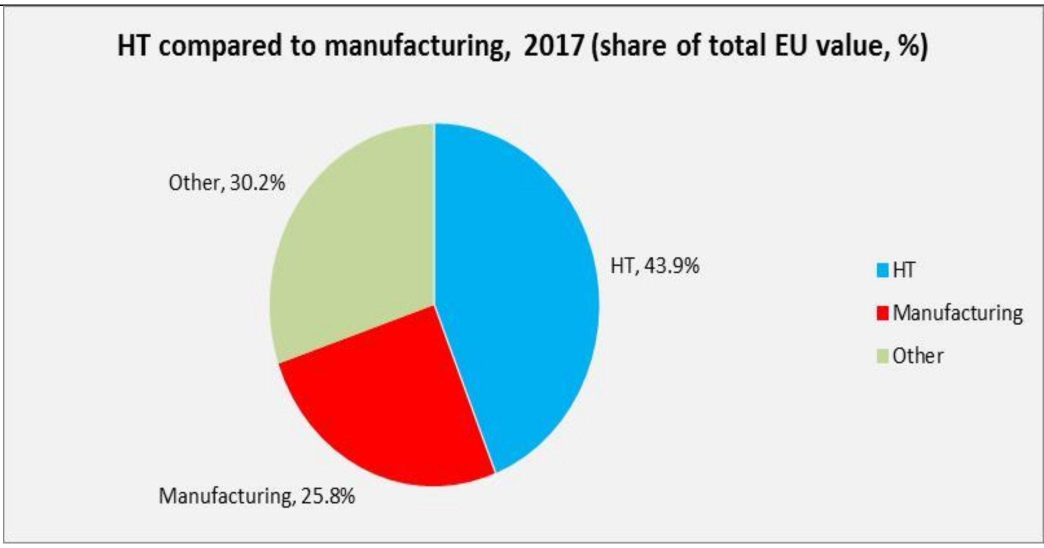
Source: DEALOGIC M&A ANALYTICS as of November 2017. *Note*: By announcement date.

Extra-EU acquisitions in the High Technology sectors compared to investment in Manufacturing

Expected dynamics in 2017

Extra-EU acquisitions in European high technology sectors are expected to have reached more than 43 % in 2017, while the share of investment in EU manufacturing companies is expected to be less than two thirds of that figure and to stand at around 26 % of the total value of extra-EU acquisitions.

Figure 25, High technology compared to manufacturing extra-EU M&As — state of play in 2017



Source: DEALOGIC M&A ANALYTICS as of 8 January 2018.

Notes: By announcement date.

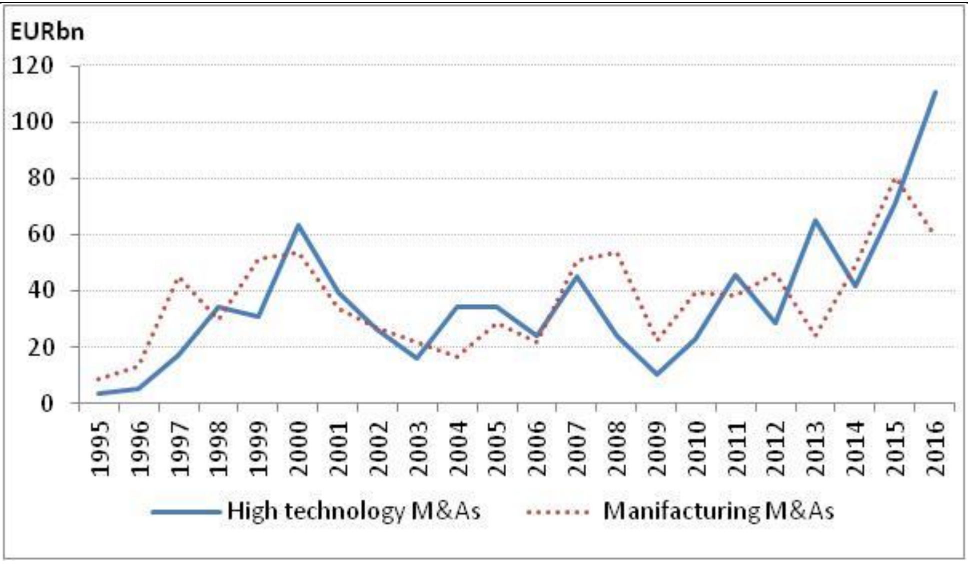
High technology is defined here as aerospace, renewables, biotechnology, consumer electronics, electronic components, chemicals, engines/turbines, medical equipment, pharmaceuticals, semiconductors, software/IT services, space/defence, telecommunications;

Manufacturing is defined as automotive, beverages, building/construction materials, business machines, ceramics, coal/gas/oil, consumer products, food, industrial machinery, metals, minerals, paper, plastics, rubber, textiles, wood products.

Dynamics in 1995-2016

The high 2017 share of extra-EU acquisitions in high technology sectors in the EU is a continuation of a an upward trend of rapidly increasing gross inward flows that started broadly in 2009 and continued with few disruptions in the entire post-crisis period. Investment flows in Manufacturing started to increase as well in the post-crisis period but later on (in 2013-2015) and at a slower pace. Furthermore, the upward trend seems to have reversed in 2015 and M&As in EU Manufacturing declined sharply in 2016.

Figure 26, Extra-EU M&As in high technology sectors compared to manufacturing, 1996-2016



Source: DEALOGIC M&A ANALYTICS as of 10 November 2017.

Notes: Gross inward annual flows by completion date. Acquired stakes above 10 %;

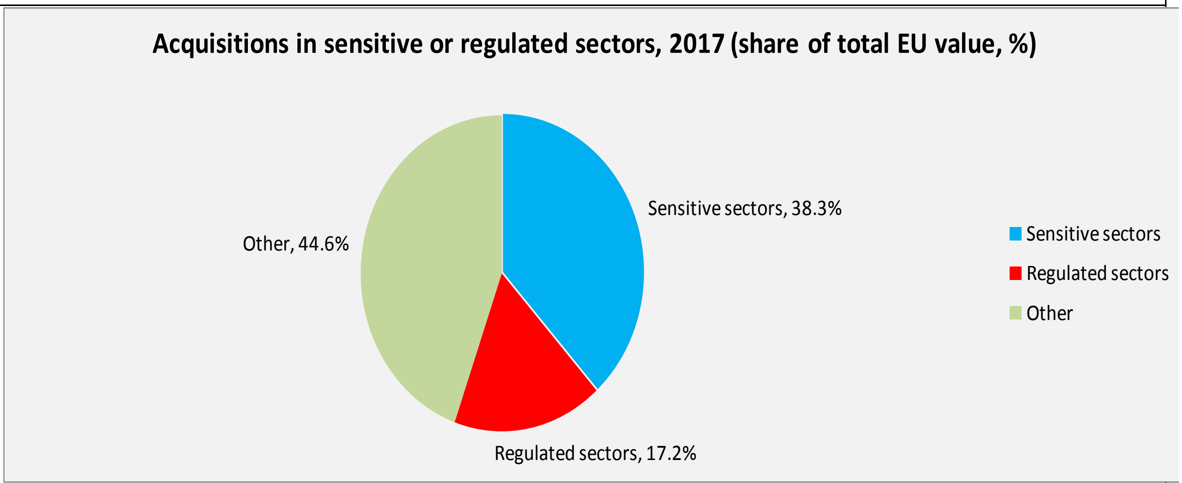
High technology is defined here as aerospace, renewables, biotechnology, consumer electronics, electronic components, chemicals, engines/turbines, medical equipment, pharmaceuticals, semiconductors, software/IT services, space/defence, telecommunications;

Manufacturing is defined as automotive, beverages, building/construction materials, business machines, ceramics, coal/gas/oil, consumer products, food, industrial machinery, metals, minerals, paper, plastics, rubber, textiles, wood products.

Investment in sensitive or regulated sectors

It is expected that in 2017 almost 55 % of the acquisitions of EU companies by non-EU country investors will be in sectors that can be considered as either sensitive or regulated (38.3 % in sensitive sectors and 17.2 % in regulated sectors).

Figure 27, Extra-EU M&As in sensitive and other regulated sectors, by disclosed value in 2017



Source: DEALOGIC M&A ANALYTICS as of 10 November 2017.

Notes: *Sensitive sectors* are considered to be: Agribusiness-Agriculture, Computers & Electronics-Components, Computers & Electronics-Measuring Devices, Computers & Electronics-Memory Devices, Computers & Electronics-Miscellaneous, Computers & Electronics-Networks, Computers & Electronics-PCs, Computers & Electronics-Peripherals, Computers & Electronics-Semiconductors, Computers & Electronics-Services, Computers & Electronics-Software, Defence-Contractors/Products & Services, Healthcare-Biomed/Genetics, Healthcare-Hospitals/Clinics, Healthcare-Instruments, Healthcare-Medical/Analytical Systems, Healthcare-Products, Machinery-Electrical, Machinery-Farm Equipment, Machinery-General Industrial, Machinery-Machine Tools, Machinery-Material Handling, Metal & Steel-Distributors, Metal & Steel-Processing, Metal & Steel-Products, Professional Services-Security/Protection, Retail-Pharmacies, Transportation-Airports, Transportation-Road, Transportation-Ship, Utility & Energy-Hydroelectric Power, Utility & Energy-Nuclear Power, Utility & Energy-Water Supply.

Regulated sectors are considered to be: Finance-Commercial & Savings Banks, Finance-Credit Cards, Finance-Development Banks/Multilateral Agencies, Finance-Investment Banks, Finance-Investment Management, Finance-Leasing Companies, Finance-Miscellaneous, Finance-Mortgages/Building Societies, Finance-Provincial Banks, Finance-Savings & Loan, Finance-Student Loan, Insurance-Accident & Health, Insurance-Brokers, Insurance-Life, Insurance-Multi-line, Insurance-Property & Casualty, Oil & Gas-Diversified, Oil & Gas-Exploration & Development, Oil & Gas-Field Equipment & Services, Oil & Gas-Pipeline, Oil & Gas-Refinery/Marketing, Telecommunications-Radio/TV Broadcasting, Telecommunications-Satellite, Telecommunications-Services, Telecommunications-Telephone, Transportation-Air Freight/Postal Services, Transportation-Airlines, Transportation-Rail, Utility & Energy-Diversified, Utility & Energy-Electric Power, Utility & Energy-Gas.

1.4.4. Transactions by sector

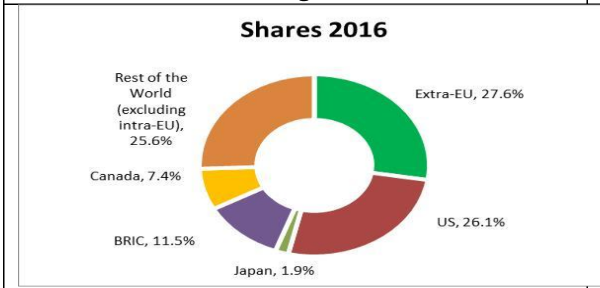
1.4.4.1. Spotlight on extra-EU acquisitions in '*Computer & Electronics*' sector

This section analyses in more details non-EU countries acquisitions in the EU in the sector '*Computer & electronics*' as this sector has the highest cumulative value of extra-EU acquisitions for the entire reporting period 1997-2017.

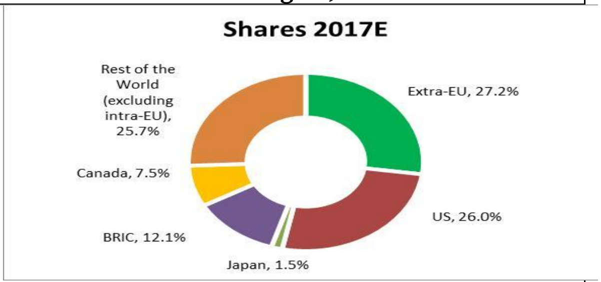
The EU was the leading investment destination for acquisitions in the sector '*Computer & Electronics*' in 2016 and is expected to maintain its top ranking as well in 2017 (Figure 28). More than 27 % of all acquisitions in the sector globally (excluding intra-EU transactions) were targeting the EU in both 2016 as well as in 2017. The United States is the second most targeted investment destination with 26 % of all acquisitions globally.

Figure 28, Global shares in the number of transactions in '*Computer & Electronics*'

1. Number of transactions per country or region, 2016



2. Number of transactions per country or region, 2017E

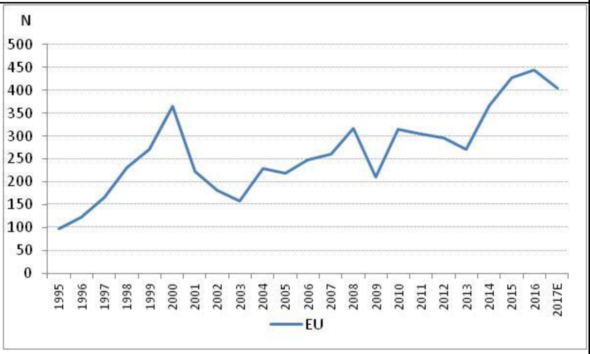


Source: DEALOGIC M&A ANALYTICS as of 30 November 2017. *Notes*: By announcement date; 2017 figures are projected with the December figure equal to the average value of the preceding 11 months. Global shares are calculated excluding intra-EU cross-border acquisitions.

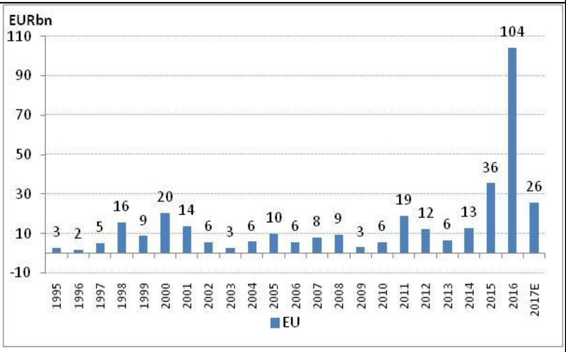
Both the number as well as the disclosed value of extra-EU transactions in '*Computer & Electronics*' have been on an upward path since 2003 (Figure 29). In 2017 again both the number of transactions as well as the value of transactions is expected to decline, after the value of transactions reached a record high level in 2016.

Figure 29, Dynamics of extra-EU acquisitions in 'Computer & Electronics'

1. Number of transactions



2. Disclosed value of transactions

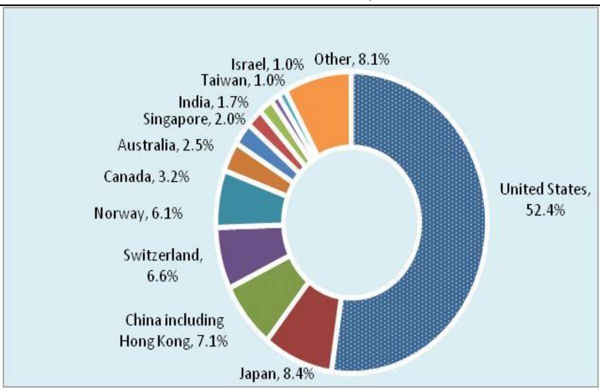


Source: DEALOGIC M&A ANALYTICS as of 10 November 2017.

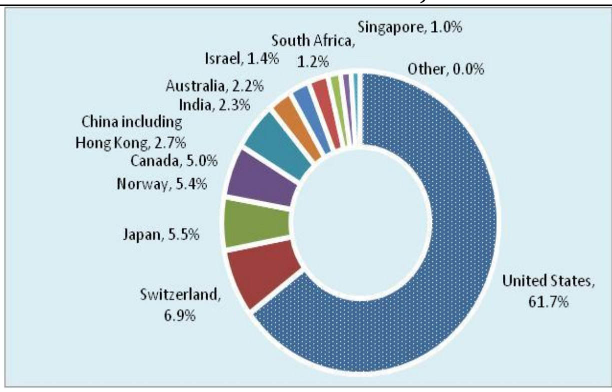
Figure 30 illustrates the number of extra-EU acquisitions by investing non-EU countries. The United States has by far the largest number of acquisitions in the EU in the '*Computer & Electronics*' sector and by 2017 their share in the total number of non-EU countries acquisitions in the sector stood at almost 62 % (Panel 2). However, in recent years other emerging and advanced economies started to increase their share in the non-EU acquisitions in the sectors. For instance in 2017 (Panel 1 of Figure 30) Japan had a share of more than 8 % in the total number of non-EU acquisitions, while the share of China including Hong Kong stood at more than 7 %.

Figure 30, Number of acquisitions by non-EU countries, shares in total

1. **Annual number of deals, 2017**



2. **Cumulative number of deals, 1995-2017**

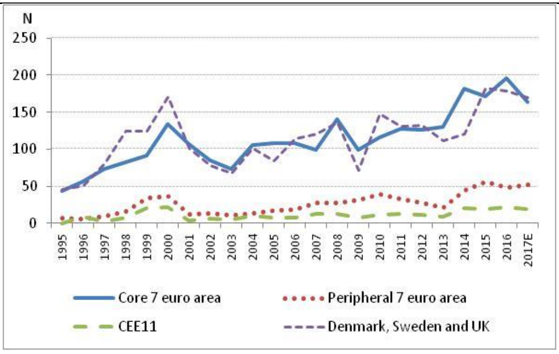


Source: DEALOGIC M&A ANALYTICS as of 10 November 2017.

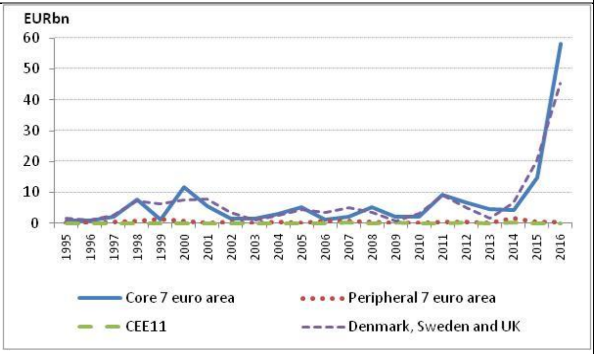
The number of extra-EU transactions in the sector increased in all groups of Member States in the post-crisis period (Figure 31 Panel 1). The increase, however, was especially rapid in the Euro area 1 Member States and in Denmark, Sweden and the UK. With respect to the disclosed value of transactions (Figure 31 Panel 2), the increase in these two groups of Member States was spectacular since 2014 as a result of several mega acquisitions.

Figure 31, Dynamics of extra-EU acquisitions in '*Computer & Electronics*' by groups of hosting Member States

1. Number of transactions



2. Disclosed value of transactions



Source: DEALOGIC M&A ANALYTICS as of 10 November 2017.

Table 5 shows the number of extra-EU acquisitions in the sector '*Computer & Electronics*' in 2016-17 with disclosed value equal or above EUR 1 billion. In 2016 there were 10 such mega acquisitions for total value of almost a trillion euro (EUR 96 bn), while in 2017 it is expected that there will be only three such mega transactions with total value of less than EUR 15 bn.

Table 5, Extra-EU acquisitions with disclosed value above EUR 1 bn in the sector of '*Computer & Electronics*', 2016-17

Announcement date	Target	Target Nationality	Acuirer nationality	Value (EURbn)	Sub-sector
2017	Bernecker+Rainer Industrie Elektronik GmbH	Austria	Switzerland	1.9	Measuring Devices
2017	Bureau van Dijk Electronic Publishing BV	Netherlands	United States	3	Software
2017	Worldpay Group plc	UK	United States	10	Prepackaged software
2016	Schneider Electric SE	France	United States	1.6	Components
2016	Markit Ltd	UK	United States	5.8	Publishing
2016	Nexperia BV	Netherlands	China	2.4	Semiconductors
2016	Supercell Oy	Finland	China	7.6	Prepackaged software
2016	ARM Holdings plc	UK	Japan	28.7	Semiconductors
2016	Premier Farnell plc	UK	United States	1	Electronic parts and equipmen
2016	NXP Semiconductors NV	Netherlands	United States	43	Semiconductors
2016	Skyscanner Ltd	UK	China	1.6	Internet Publishing and Broadc
2016	Host Europe Holdings Ltd	UK	United States	1.7	Data processing and preparati
2016	Global Switch Holdings Ltd	UK	China	2.9	Data processing and preparati

Source: DEALOGIC M&A ANALYTICS as of 10 November 2017.

2. Greenfields Investment Developments[10]

2.1. Global overview

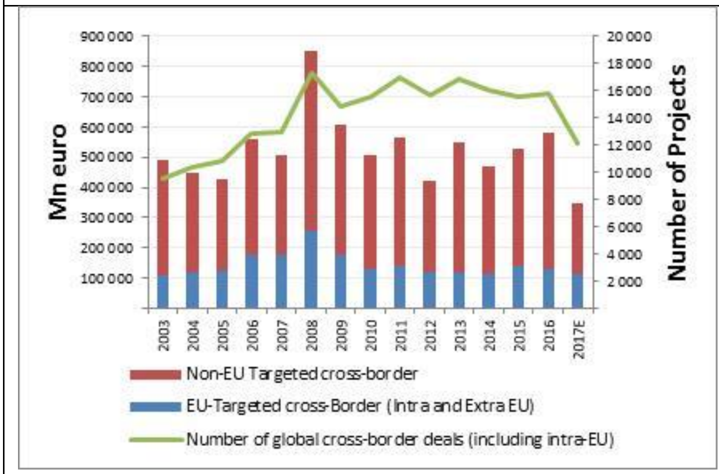
2.1.1. Global value and number of cross-border greenfield projects

Global greenfield FDI is expected to decline significantly in 2017 with one of the worst Q1-Q3 figures in the last 15 years, representing a reduction of 39.2 % over the same time period in the previous year, with a volume of roughly 12 000 projects and an expected value of 460 bn euro by years' end (see Figure 32, panel 1).

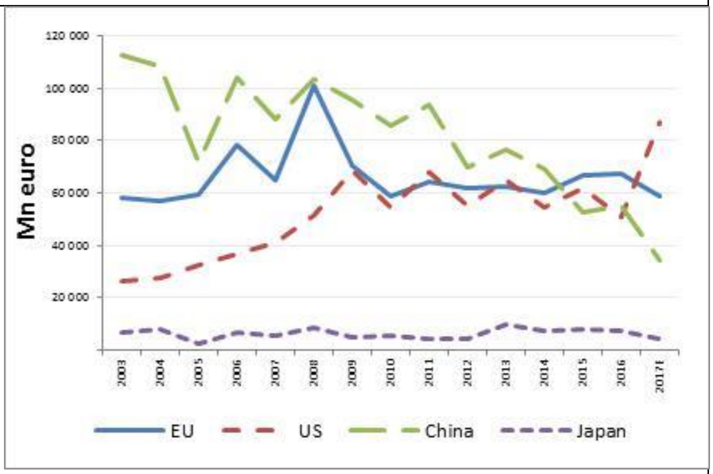
The United States is projected to close the year having attracted an impressive 87 bn euro worth of investment –equivalent to 18.8 % of the total value of greenfield FDI from roughly 1 600 greenfield projects. In terms of Capex (capital expenditure) values, if current trends continue into the 4th quarter, the United States will end 2017 with a 70.8 % increase over last years' figures. The United States will take over from the EU as the top global investment destination after three years of EU dominance, as the EU is expected to draw in roughly 59 bn euro in investments by years' end from 2 000 investment projects, which represented a 12.2 % decrease over last years' figures (Figure 32, panel 2). Although investments in the EU have declined over last year, the region has remained a relatively stable investment destination given the global cooldown of greenfield FDI, with emerging markets seeing the most significant declines. China has continued its near 15 year decline in hosting greenfield inward FDI, while Japan has seen markedly lower inward flows in 2017 compared to previous years.

Figure 32: Global cross-border greenfield FDI

1. Number and value of projects globally



2. Value of projects — EU compared to other large economies



Source: Commission services based on fDi Markets as of November 2017.

2.1.2. Shares in global greenfield projects — EU compared to the rest of the world

[10] Unless specified, all 2017 figures represent annualised data based on an extrapolation of the previous three quarters.

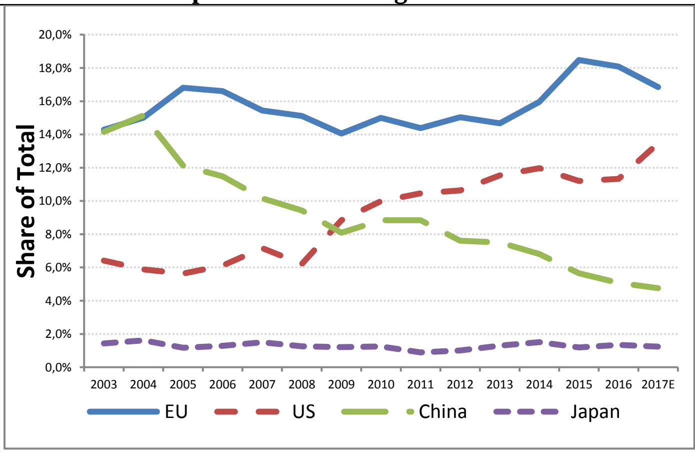
The EU is expected to remain the top host destination of greenfield FDI in terms of number of projects with roughly 2 000 projects expected to be announced by end of 2017 and a global share of 16.8 %. The United States, with 1 600 expected projects and a global share of 13.5 % will take second place, while the number of inward FDI projects hosted by China continued declining as the country attracted nearly 600 foreign projects with a global share of 4.8 %. Inward Greenfield FDI in Japan has remained stable and its global share was 1.2 % (Figure 33, Panel 2).

As a share of total global greenfield FDI projects, inward intra and extra-EU investment projects in the 28 member block account for 36.2 % of global investment, while the rest of the world accounted for 36.1 % of inward greenfield FDI (Figure 33 Panel 1). Following the 2008 economic crisis, investment in the EU as a share of global greenfield FDI saw a protracted slump, hovering around 30 % for the better part of the decade, while during the same time period, the rest of the world attracted an increasing share of Greenfield FDI. In 2015 this figure returned to pre-2008 proportions, although it is difficult to say if it will continue this way given a global FDI slowdown that has primarily affected emerging markets (Figure 33 Panel 2).

Figure 33: Shares in global cross-border Greenfield FDI (number of projects, inward)

1. EU compared to the rest of the world

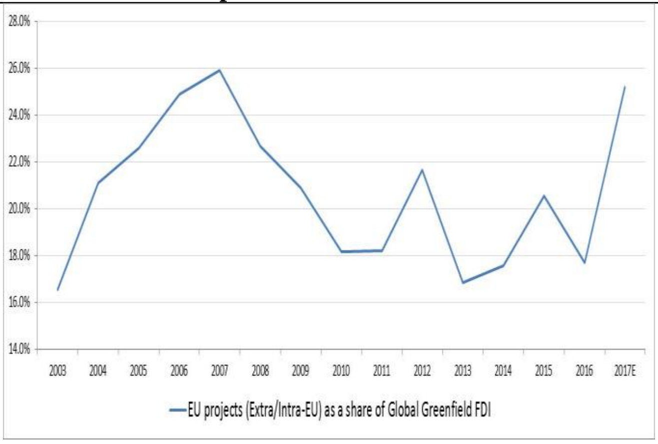
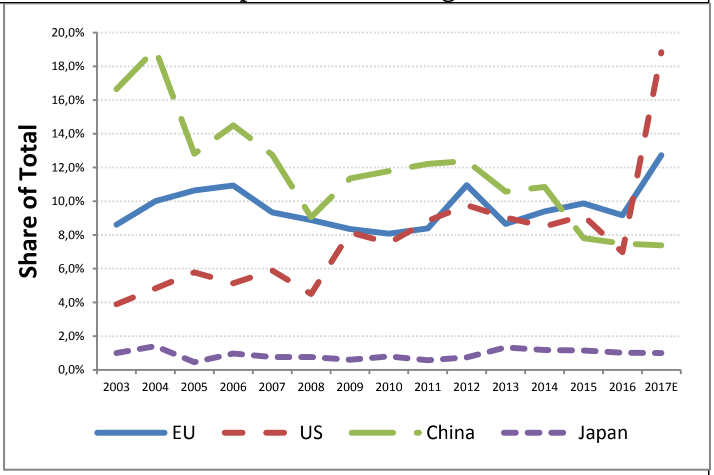
2. EU compared to other large economies



Source: Commission services based on fDi Markets as of November 2017.

Capex figures indicate similar trends to project number figures, namely that the investment in emerging markets has dramatically dropped, EU figures have seen a slight dip, while the United States has leveraged a considerable increase in investments, due to among others, large-scale Gulf States' investments in the US Petro-Chemicals industry such as the Saudi Basic Industries' (SABI) 8.8 bn euro and Kuwait Petroleum's (KPC) 1.5 bn euro investments. Average Capex per project figures for the EU and US show a large divergence this year with 28.8 m euro and 53.3 m respectively in 2017, with the EU attracting smaller scale projects on average than the United States. As a share, the United States is projected to attract 18.8 % of the global greenfield FDI, a dramatic increase over last years' 7 % share, with 87 bn euro investments, while the EU will garner 12.7 % of global greenfield FDI figuring roughly 59 bn euro (see figure 34).

Figure 34: Shares in global cross-border greenfield FDI (value of projects, inward)

1. EU compared to the rest of the world	2. EU compared to other large economies
	

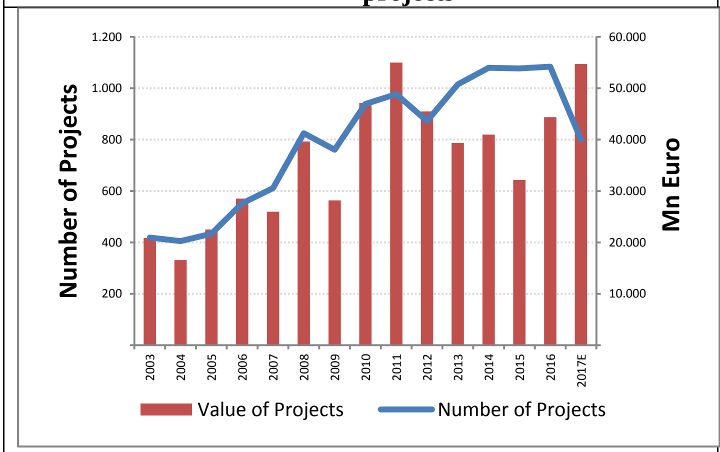
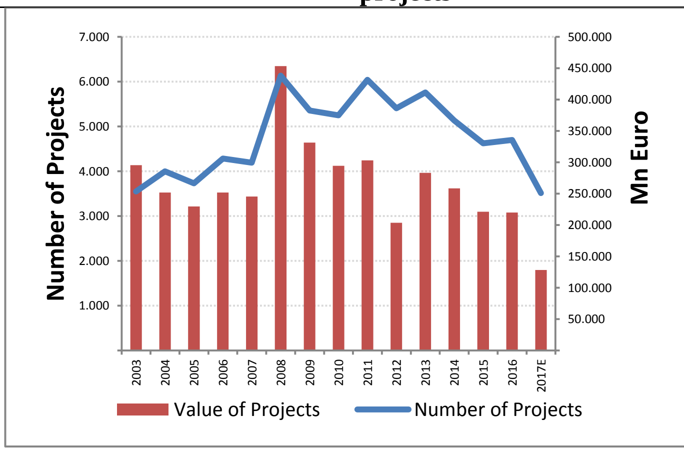
Source: Commission services based on fDi Markets as of November 2017.

2.1.3. Developed and developing economies — a comparison

Inward greenfield FDI figures for developed economies in 2017 indicate a significant drop over last years' project numbers while maintaining growth in absolute Capex figures, likely due to the United States' large average company Capex figures for this year. Roughly 800 greenfield projects have been announced in developed economies, attracting an estimated 54 bn euro.

Alternatively, inward greenfield FDI figures for developing economies in 2017 continue the downward investment trend since 2008, however, at an accelerated rate given the global FDI downturn primarily affecting emerging and developing economies. Developing economies attracted an estimated 3 500 projects with a total Capex value of 128.2 bn euro, a sharp decline over last years' 219.9 bn euro.

Figure 35: Developed and developing economies — inward/inbound Greenfield FDI

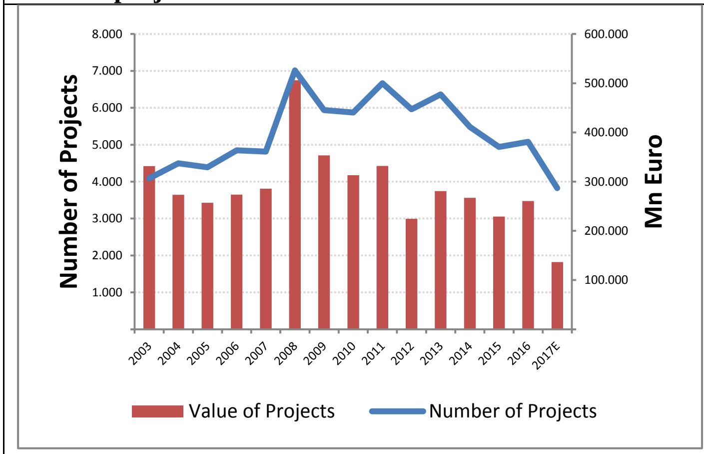
1. Developed economies — value and number of projects	2. Developing economies — value and number of projects
	

Source: Commission services based on fDi Markets as of November 2017.

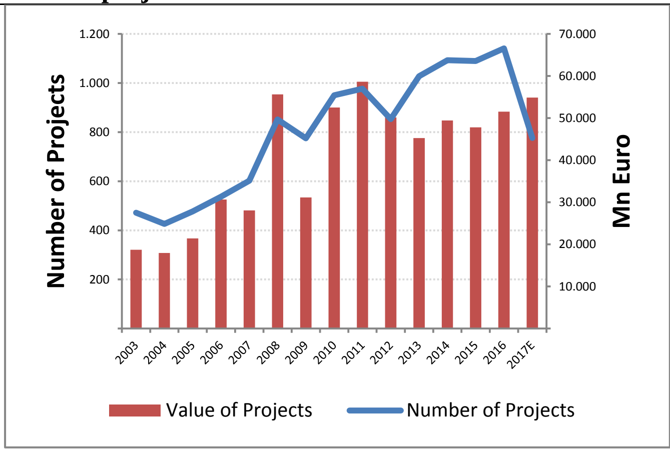
With respect to outward Greenfield FDI (Figure 36), developed economies have continued the trend of declining investment in the rest of the world, this year investing only an estimated 136.6 bn euro in 3 800 greenfield projects, a sharp decline over the last few years. Developing Economies have continued their near 15 year increase in investments in the rest of the world in absolute values with 54.9 bn euro invested, despite the lower expected number of projects in 2017.

Figure 36: Developed and Developing Economies — Outward/Outbound Greenfield FDI

A. Developed economies — value and number of projects



B. Developing Economies — value and number of projects

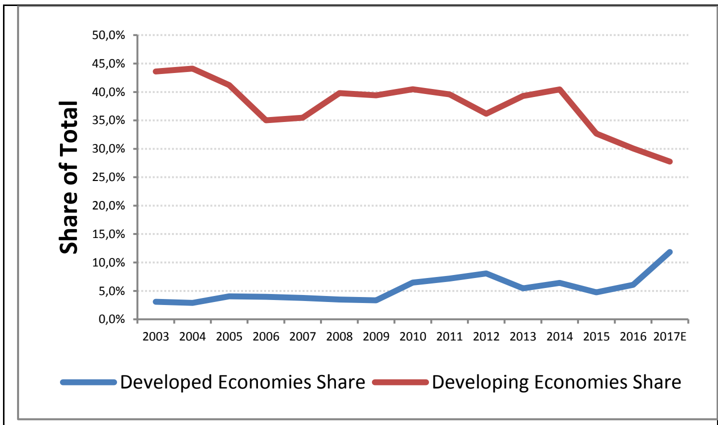


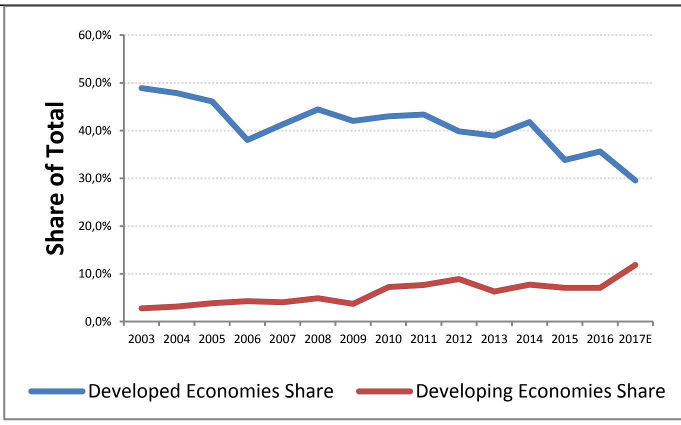
Source: Commission services based on fDi Markets as of November 2017.

As a share of global greenfield investment, long-term trends indicate a convergence between developed and developing economies in both inward and outward FDI. The gap is still wide however, but 2017 saw this gap shrink significantly. For inward FDI, whereas developed economies attracted 11.8 % of global FDI and developing economies 27.7 % in 2017, they attracted 4.7 % and 32.7 % respectively in 2015. Equally for outward FDI, developed economies were responsible for 29.6 % of the global share of greenfield FDI and developing economies responsible for 11.9 % in 2017, while in 2015 those figures were 33.8 % and 7.1 % respectively. This trend has been driven by the growing importance of emerging markets in global investment, especially the BRICS and the Gulf States.

Figure 37, Shares of developed and developing economies in global Greenfield FDI

1. Global share of developed and developing economies — inward — value of projects	2. Global shares of developed and developing economies — outward — value of projects





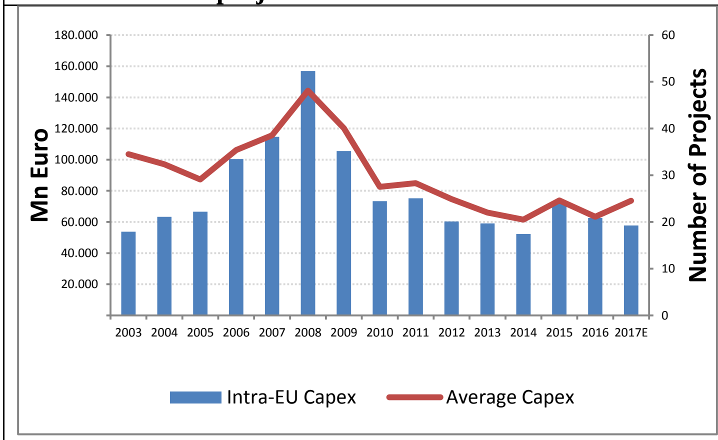
Source: Commission services based on fDi Markets as of November 2017.

2.2. EU overview

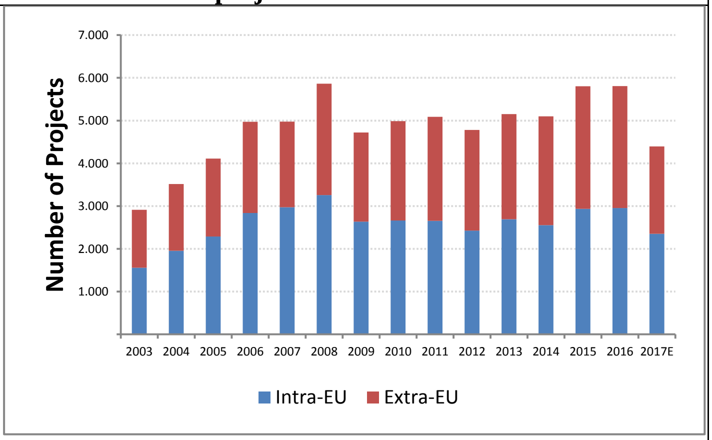
Intra-EU greenfield projects have been remarkably stable from 2009 onwards, revolving around 60 bn euro worth of investments, albeit with a small decline in 2017 largely due to lower inflows from emerging markets. Average Capex by companies has also remained relatively stable, as has the number of greenfield projects year-on-year. As it stands, the volume of **intra-EU greenfield** projects is expected to be around 2 350, while total Capex investments are estimated to be roughly 57.7 bn euro, similar to expected **extra-EU investments** into the EU of 59 bn euro, once again highlighting the importance of intra-EU investments.

Figure 38: Cross-border EU transactions

1. **Value of projects**



2. **Number of projects**



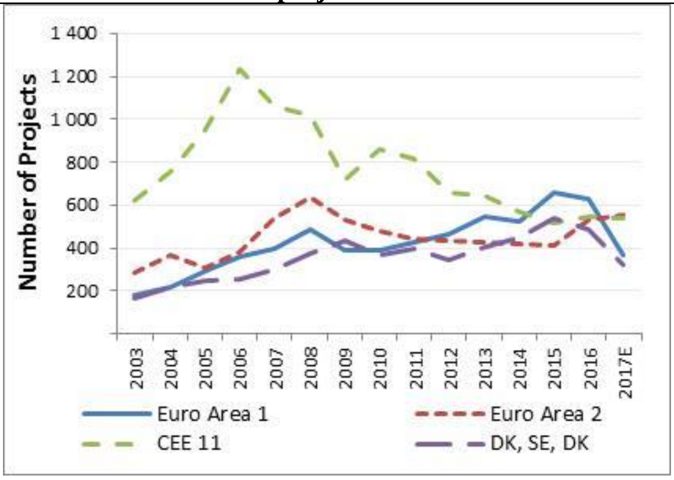
Source: Commission services based on fDi Markets as of November 2017.

2.3. Intra-EU greenfield activity

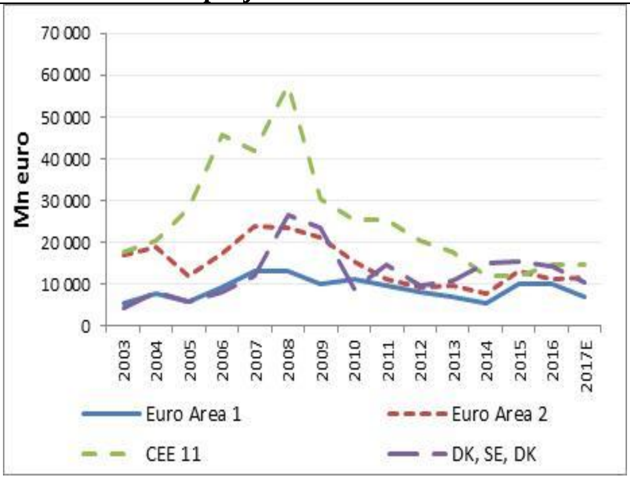
A regional analysis of inward greenfield investment amongst the four groups of EU Member States indicates a long-term trend of convergence in both the number of projects as well as the total Capex values. This trend follows a large wave of investments in the CEE 11 following the accession to the EU, with the economic crisis negatively impacting investment in the region from the rest of the EU. The Euro *area 1* Member States have seen a marked decline in both the number and the total value of investments, standing at an estimated 367 projects and 7 bn euro, respectively, compared to 2016 figures of 630 projects with a total value of 9.9 bn euro. The *Euro area 2* countries maintained similar investment figures in 2017 as those in 2016 and 2015, while Denmark, Sweden and the UK saw a drop in investments in the last 2 years, largely driven by a slump in investment in the UK. The CEE11 countries have maintained similar levels of investment to previous years, managing to remain stable, after a general decline in investments in the post-crisis period, and are expected to end the year with 540 projects worth a total Capex value of 14.7 bn euro. Although the Euro area 2 countries and CEE11 countries both registered similar number of expected greenfield projects, the average Capex of 20.6 m euro for the Euro area 2 countries and 27.2 m euro for the CEE11 countries, explains the large difference in total Capex values of 11.4 bn euro and 14.7 bn euro, respectively.

Figure 39: Intra-EU projects by groups of Member States

A. Number of projects



B. Value of projects



Source: Commission services based on fDi Markets as of November 2017.

Germany and France are expected to be the top contributing countries to intra-EU greenfield FDI in 2017, with 395 and 228 projects announced in Q1-Q3 and a total value of 9.8 bn euro and 5.1 bn euro, respectively. The UK, with 236 projects and 3.8 bn euro value of investment has so far invested in the EU at a much slower rate compared to previous years as in 2016 and 2015 Q1-Q3 UK investments in the EU averaged 4.5 bn euro on average.

The UK has so far remained the EU’s number one destination of greenfield investment, far outpacing other Member States with 243 recorded projects totalling 7.5 bn euro in the first three quarters of 2017. This, however, is a large decline over last year’s Q1-Q3 figures totalling 11.8 bn euro worth of investments in the UK. Poland has attracted numerous large-scale investments in real estate totalling nearly 2 bn euro in the first three quarters, which made it the second most important destination of intra-EU greenfield FDI after the UK with 158 projects and 5.4 bn euro worth of investments. Spain, France and Germany round off the top 5 recipient countries of intra-EU investments, much in line with previous years’ Q1-Q3 figures.

Table 6: Top 5 Member States as greenfield FDI destination and origin, Q1-Q3 2017

1. Outward

	Capex	Jobs	No Projects
Germany	9.8	44273	395
France	5.1	25041	228
UK	3.9	15609	236
Netherlands	3.5	11626	121
Luxembourg	3	2056	50

2. Inward

	Capex	Jobs	No Projects
UK	7.5	17457	243
Poland	5.4	34358	158
Spain	4.7	21619	246
France	3.9	8926	203
Germany	3.2	11652	168

Source: fDi Markets as of November 2017.

Note: Capex figures are in Bn euro

Table 7: Top five intra-EU projects by Capex in 2017

Project Date	Investing Company	Parent Company	Source Country	Destination Country	Industry Sector	Capital Investment	Jobs Created
Mar 2017	E.On	E.On	Germany	Netherlands	Coal, Oil and Natural Gas	1175.4	54
Jan 2017	Murapol Spolka Akcyjna	Murapol Spolka Akcyjna	Poland	UK	Real Estate	650.3	752
Mar 2017	iCredit	Management Financial Group (MFG)	Bulgaria	Romania	Financial Services	528.3	500
Sep 2017	Mercedes-Benz	Daimler AG	Germany	Spain	Automotive OEM	482.6	600
Mar 2017	HSBC	HSBC	UK	France	Financial Services	446.6	1000

Source: fDi Markets as of November 2017.
Note: Values are represented in M euro.

2.3.1. Euro Area 1 Member States[11]

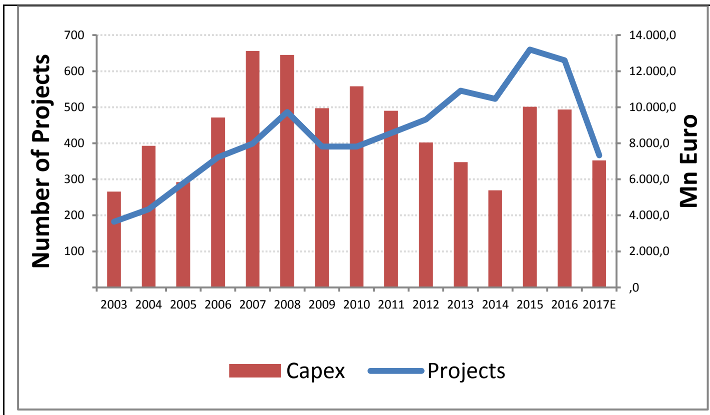
The *Euro area 1* countries are expected to suffer the largest decline in intra-EU inward FDI in 2017, both in number of greenfield projects and in total Capex, while maintaining levels of outward intra-EU investments in line with the last 6 years. Inward figures stand at 367 announced projects with a total value of 7.1 bn euro, a sharp decline from 2016 and 2015 figures when total investments stood at roughly 10 bn euro stemming from approximately 650 greenfield projects each.

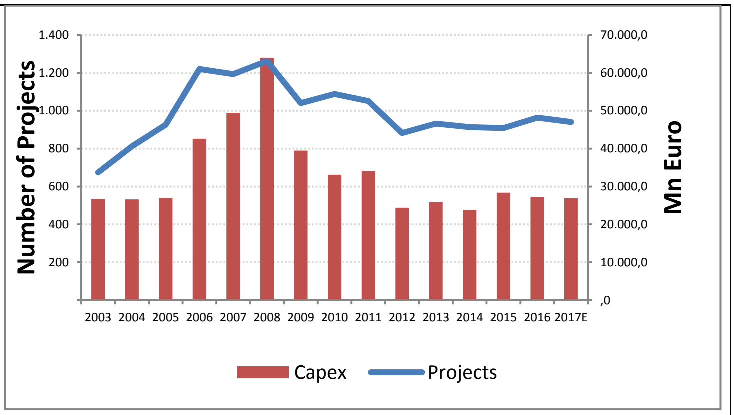
Figure 40: Euro Area 1 Member States: intra-EU inbound and outbound projects

A. Inbound greenfield FDI

B. Outbound greenfield FDI

[11] *Euro area 1* Member States Include: Austria, Belgium, Finland, France, Germany, Luxembourg, Netherlands.



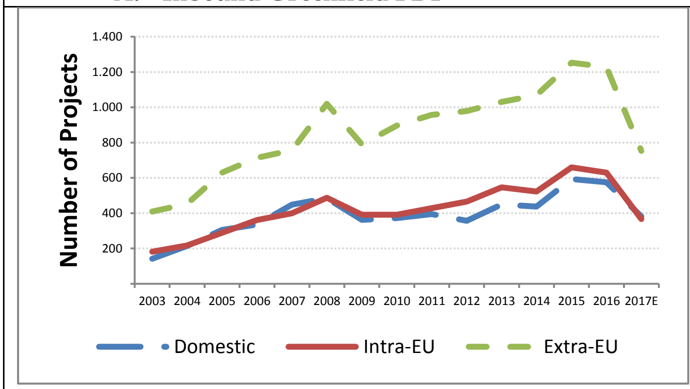


Source: Commission services based on fDi Markets as of November 2017.

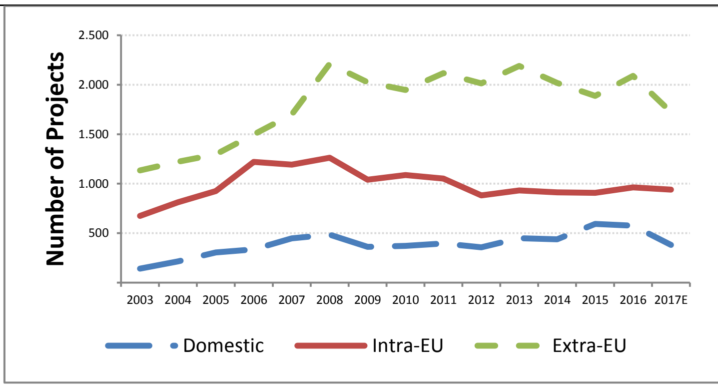
As far as regional dynamics are concerned, the largest drop in inward investment in the *Euro area 1* Member States comes from the rest of the world, while domestic[12] and intra-EU investments have similar declines, experiencing a 33.7 % and 41.8 % decrease over last years' project numbers. Outbound investments have remained roughly stable across the board, with only slight dips experienced by both domestic and rest of world partners.

Figure 41: Euro Area 1 Member States: number of domestic, intra and extra-EU projects

A. Inbound Greenfield FDI



B. Outbound Greenfield FDI



Source: Commission services based on fDi Markets as of November 2017.

2.3.2. Euro Area 2 Member States[13]

Euro area 2 (EA 2) Member States have managed to continue attracting intra-EU investment at similar rates as in the last 2 years, confirming the end of the protracted slump in inward investment experienced after the euro area sovereign debt crisis that has affected investment in the region disproportionately. While most EA 2 countries have

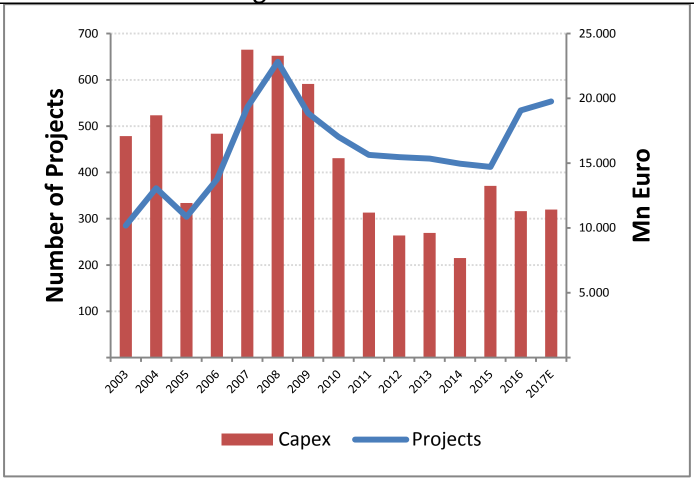
[12] *Domestic* in this section (regarding Greenfield FDI) refers to intra-regional investment.

[13] *Euro area 2* Member States include: Cyprus, Greece, Ireland, Italy, Malta, Portugal, Spain.

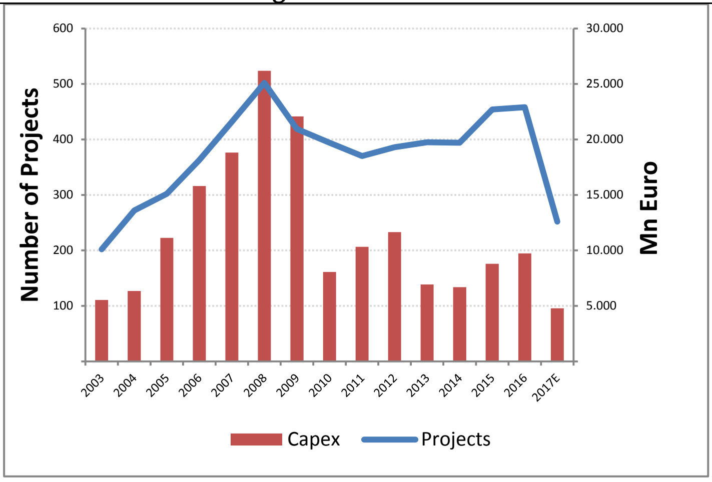
registered growth in inward investment from the rest of the EU, investment in Cyprus, Malta and Greece continues to stagnate seeing only marginal growth. Following 2009, investment stemming from the region has slumped and has never recovered, this year marking the lowest outbound investment in 15 years, with total Capex figures expected to total 4.8 bn euro.

Figure 42: Euro Area 2 Member States: inbound and outbound intra-EU projects

A. Inbound greenfield FDI



B. Outbound greenfield FDI

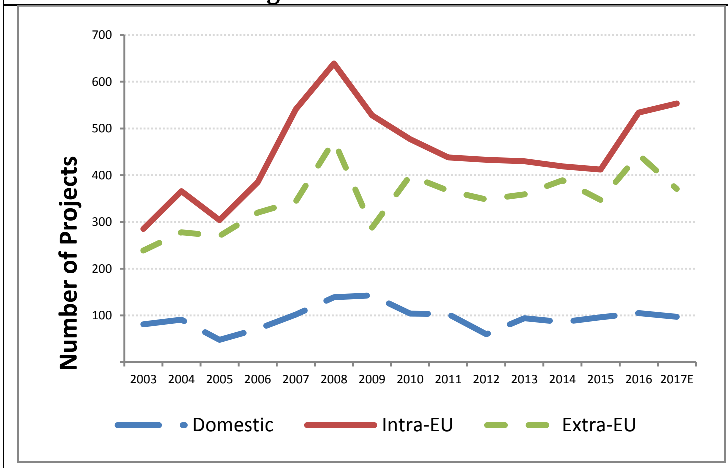


Source: Commission services based on fDi Markets as of November 2017.

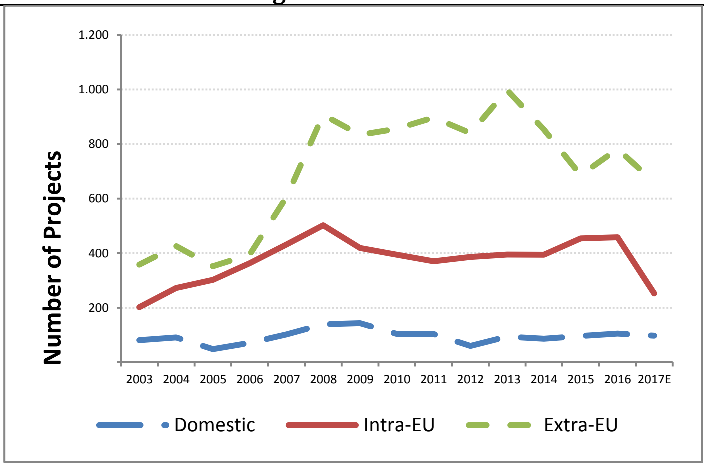
However, the rest of the EU has invested in more projects in the EA 2 countries compared to last year with 553 projects, while domestic investment has remained stable and the rest of the world has registered a drop, expected to end the year at 370 projects. The region's decline in outbound investment is explained by large drops in investment in the rest of the EU this year and a general decline in the rest of the world over the last 4 years, while domestic investment has remained relatively constant.

Figure 43: Euro area 2 Member States: number of domestic, intra and extra-EU projects

A. Inbound greenfield FDI



B. Outbound greenfield FDI



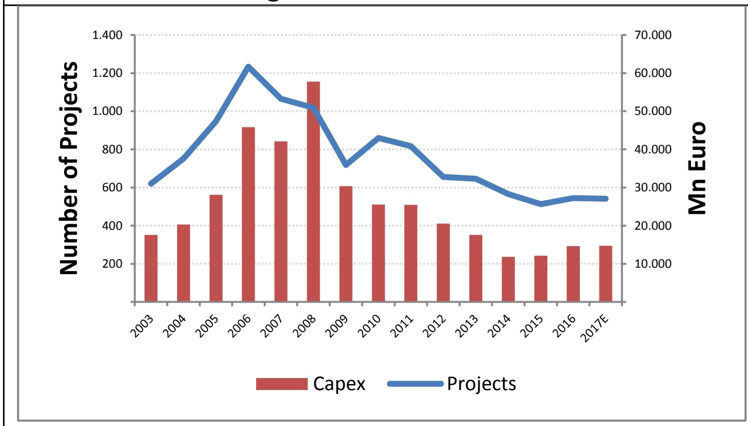
Source: Commission services based on fDi Markets as of November 2017.

2.3.3. CEE 11 Member States[14]

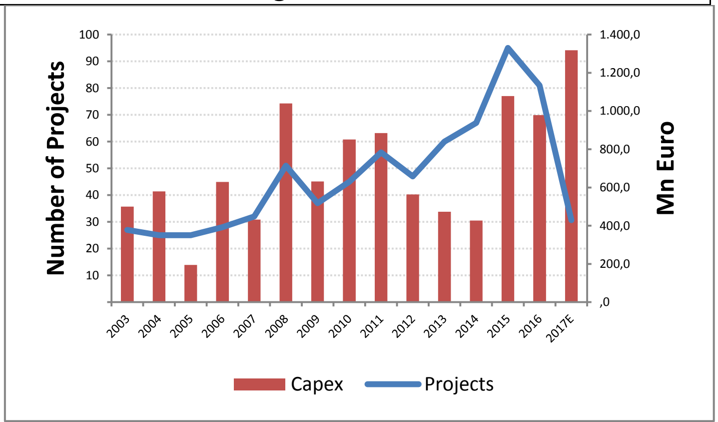
The CEE11 countries are anticipated to end 2017 having attracted roughly 540 projects, with a total Capex value of 14.7 bn euro, similar to last year's figures. The 2017 figures confirm the stabilisation of inward investment in the region, after a protracted decline following 2009, while outbound intra-EU investments from the region have seen a large uptick in the last 4 years. Outbound investments in the EU are expected to continue their incline and to stand at 1.3 bn euro by the end of the year. Although total capex values indicate a marked increase over last year, the number of expected projects has dramatically declined (standing at 31 greenfield projects), explained by large-scale Polish investments in the real estate sector in the UK and Germany worth roughly 720 mn combined, making these two investments more than half of the total capex invested by the region in the rest of the EU.

Figure 44: CEE 11 Member States: inbound and outbound intra-EU projects

A. Inbound greenfield FDI



B. Outbound greenfield FDI



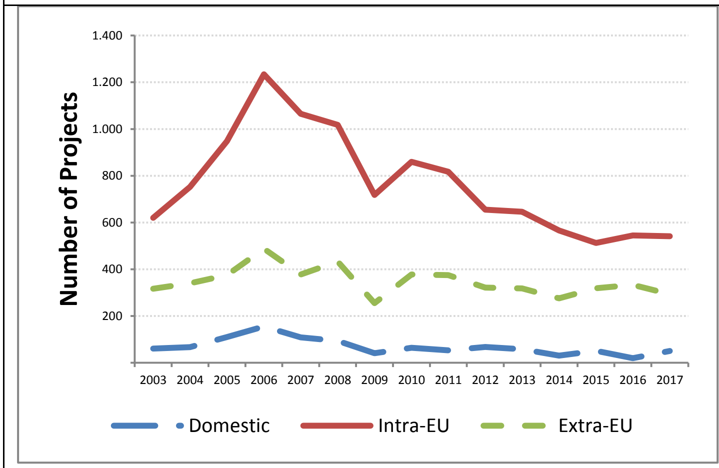
Source: Commission services based on fDi Markets as of November 2017.

Domestic investment in the CEE11 countries remains marginal but stable, when compared to other sources of investment in the region. The primary source of greenfield projects in the region comes from the EU, followed by the rest of the world. All sources of investment in the CEE11 block have remained relatively stable over the last 5 years. The dynamics of outbound investment from the CEE11 countries have seen dramatic shifts over the last 5 years, with investment domestically within the region and outside the EU having seen declines in the number of projects, while investments in the rest of the EU have seen a general incline in both number of projects, but especially in terms of absolute value, with the exception of 2017, that saw its lowest number of announced projects in 10 years, standing at 31, but with the highest level of total outbound value of investments on record.

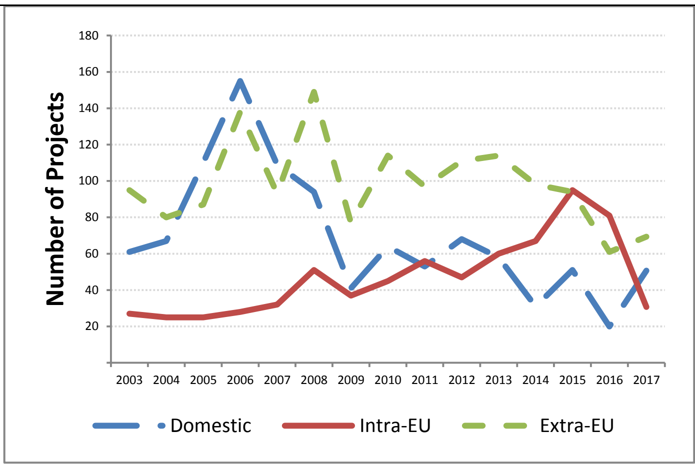
[14] CEE 11 Member States include: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia.

Figure 45: CEE 11 Member States: number of domestic, intra and extra-EU projects

A. Inbound Greenfield FDI



B. Outbound Greenfield FDI



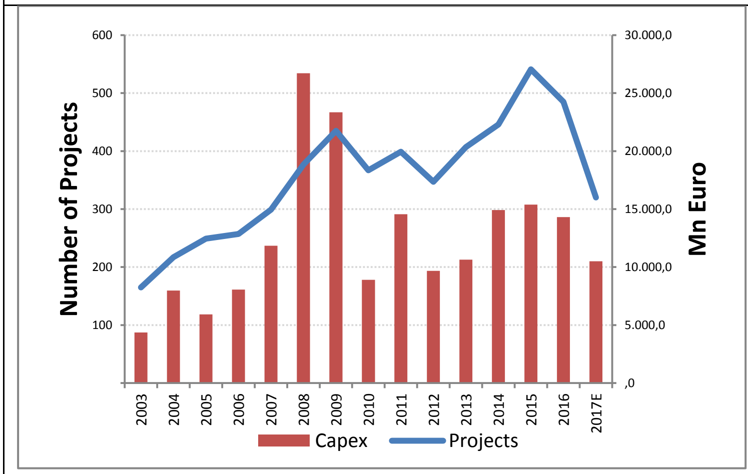
Source: Commission services based on fDi Markets as of November 2017.

2.3.4. Denmark, Sweden and United Kingdom

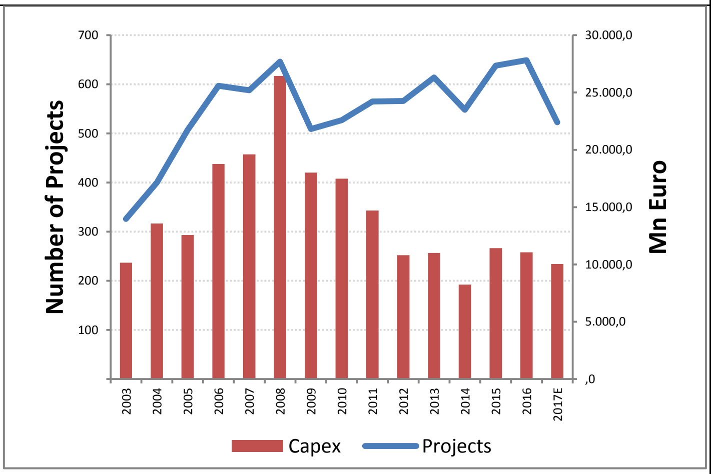
Greenfield investments in Denmark, Sweden and the UK have seen a slight decline in 2017, largely driven by a slowdown of investments in the UK, while outbound investments from the region have continued their general decline, after a brief increase in 2015.

Figure 46: DE, SE, UK Member States: inbound and outbound intra-EU projects

A. Inbound Greenfield FDI



B. Outbound Greenfield FDI

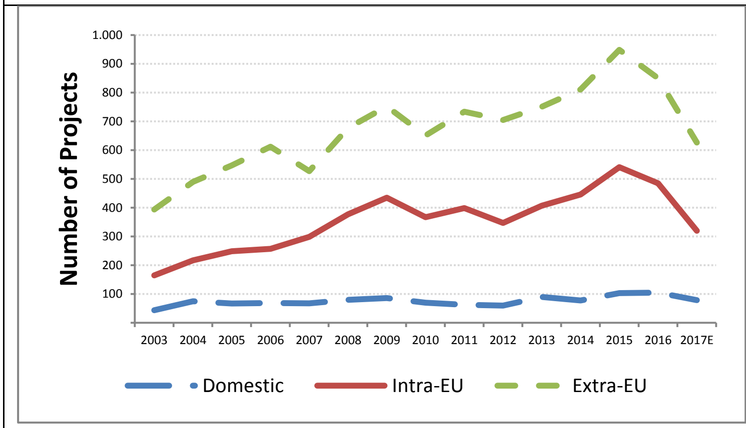


Source: Commission services based on fDi Markets as of November 2017.

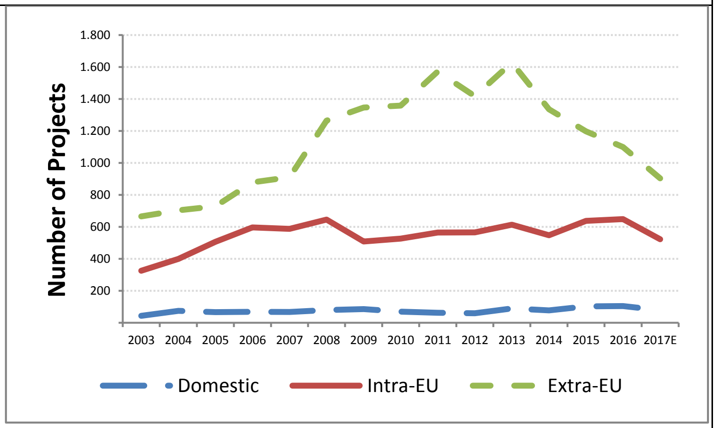
The drop in inward investment projects in the three countries stems from declines in investment from both Extra-EU and Intra-EU, due in large part to the UK's significant drop in inward investments in 2016. Investments amongst the three countries remain relatively stable but marginal compared to the volumes from Extra-EU and Intra-EU. Denmark, Sweden and the UK have maintained similar levels of investments into the rest of the EU and amongst each other, while the last 5 years have seen a steady decline of investment in the rest of the world in terms of absolute value, moving from 42.1 bn euro in 2015, currently expecting to end the year at 22.9 bn euro worth of outbound investments.

Figure 47: DE, SE, UK Member States: number of domestic, intra and extra-EU projects

A. Inbound Greenfield FDI



B. Outbound Greenfield FDI



Source: Commission services based on fDi Markets as of November 2017.

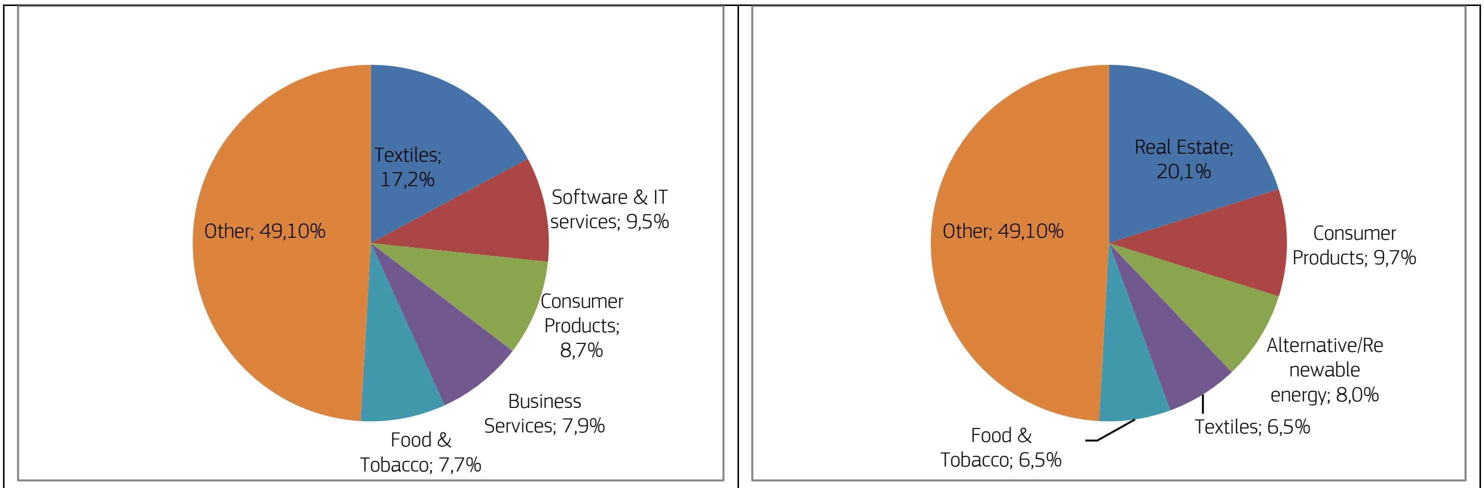
2.3.5. Intra-EU Greenfield FDI by targeted sectors

A little over half of all intra-EU greenfield investment projects are focused on five sectors, namely *Textiles* with 17.2 % of the share, *Software & IT Services* with 9.5 %, *Consumer Products* with 8.7 %, *Business Services* with 7.9 % and *Food & Tobacco* with 7.7 %. Together they account for 705 projects in the first three quarters of 2017.

Given the very high average capex figures for *Real Estate* projects this year, this sector is as of the third quarter of 2017 the largest intra-EU investment destination in terms of Capex with 20.1 % of the total share. *Consumer Products* with 9.7 % of the share, *Alternative/Renewable energy* with 8 %, *Textiles* with 6.5 % and *Food& Tobacco* with 6.5 % round off the top 5 destinations of investment in terms of total value, with a total share of just over half at 50.9 %.

Figure 48: Intra-EU, number and value of projects in the EU by targeted sectors, Q1-Q3 2017

1. Number of projects	2. Value of projects

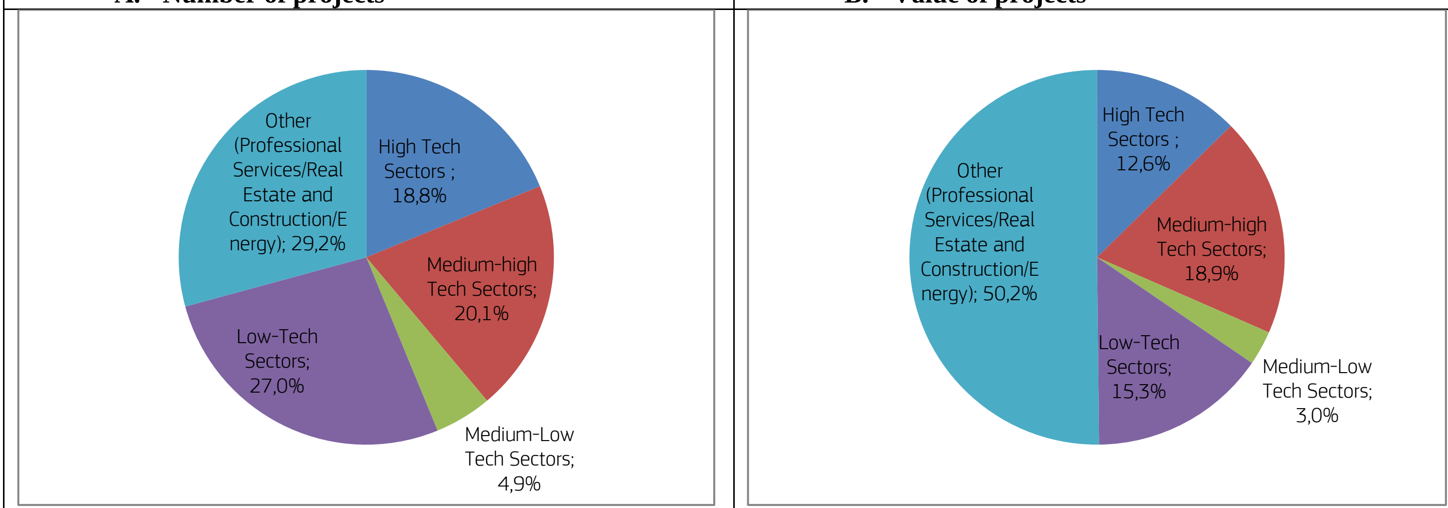


Source: Commission services based on fDi Markets as of November 2017.

Intra EU investment in high and medium-high technology intensive industries remains high but subdued compared to extra-EU investments. *Financial and Business Services*, *Real Estate*, *Energy* and *Other services* remain of high importance in the EU but have limited impact on high-technology industry development and R&D.

Figure 49: Breakdown of intra-EU investment in the EU by technology intensive sectors, 2017 Q1-Q3

A. Number of projects **B. Value of projects**



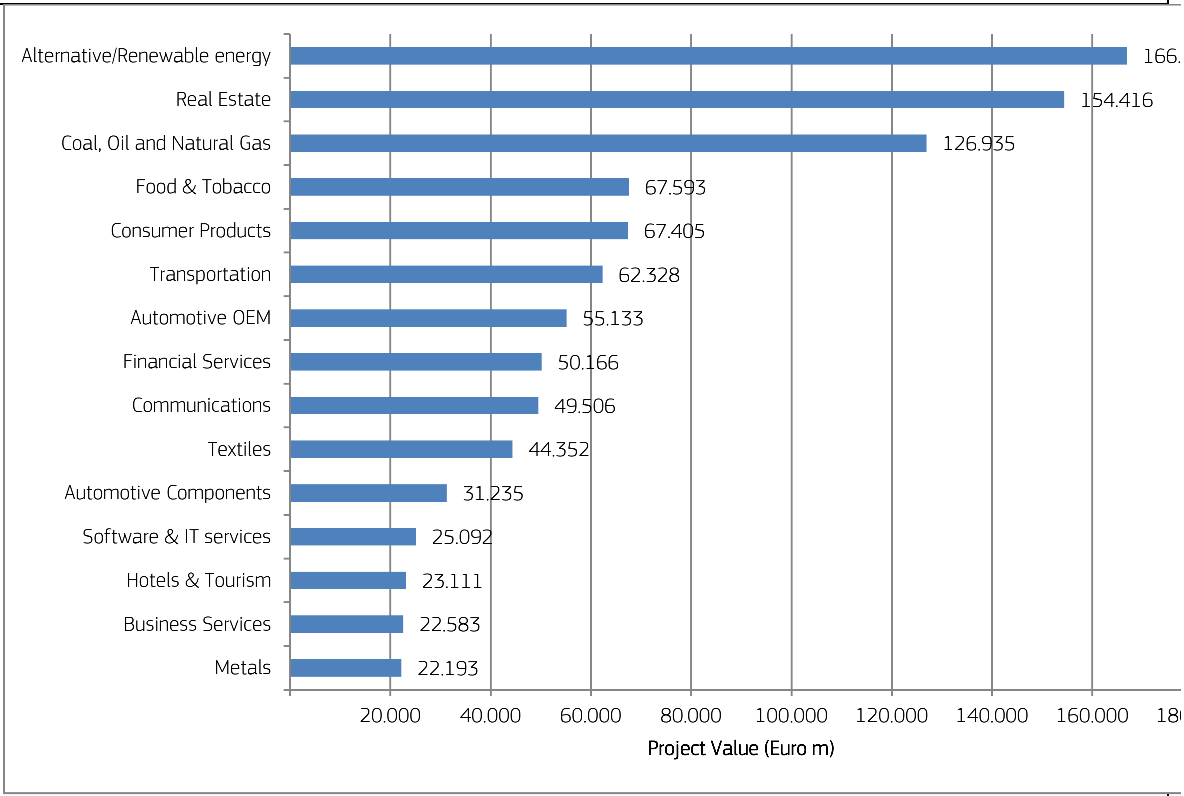
Source: Commission services based on fDi Markets as of November 2017.

Notes: ISIC Rev 3. Technology Intensity Definition. Approximation with NASIC code clusters as NASIC does not have own high tech sector classification.

Intra-EU investments from 2003 to September 2017 are focused on the renewable energy, real estate and coal, oil and natural gas sectors, with to 38.7 % of the total intra-EU greenfield stocks being concentrated in these three sectors, totalling 448 bn euro in 2003-2017. Agri-business, consumer products, transportation, automotive, financial services, communications and textiles rounding up the top

10 sectors in Europe with highest values of investment ranging between 44 and 67 bn euros.

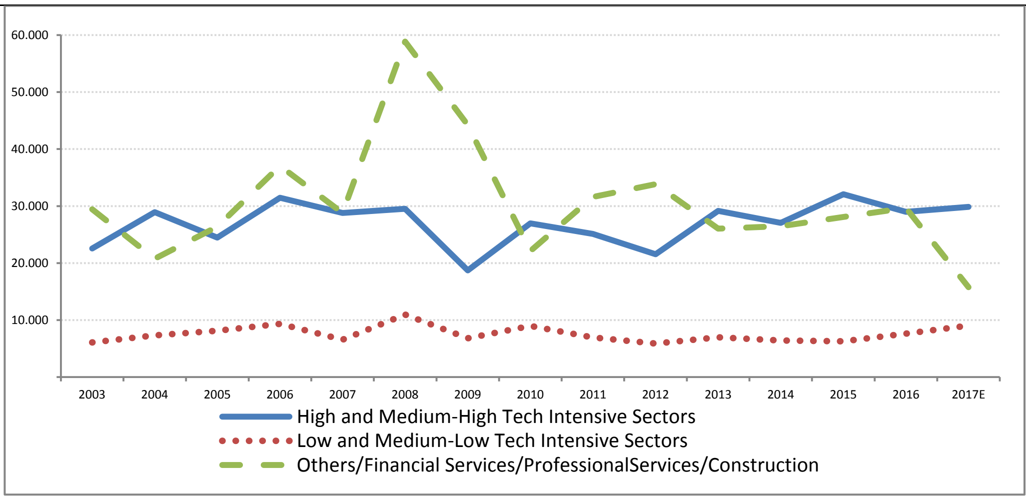
Table 8: Total intra-EU Greenfield FDI stocks, 2003 — Q3 2017



Source: fDi Markets as of November 2017.

Extra-EU investment in the EU is largely focused on high technology intensive sectors, with similar values as in other sectors such as *Financial and Business Services*, *Real Estate* and the *Energy* sector.

Figure 50: Extra-EU Greenfield Projects in high technology sectors compared to low technology sectors, by value in 2003-2017



Source: Commission services based on fDi Markets as of November 2017.

Investment in sensitive or regulated sectors[15]

Sensitive sectors in the EU see a large share of investment from foreign actors, with 28 % of the total value of projects for the period Q1-Q3 2017. Software and IT services, food and tobacco and transportation being the top three destinations for investment in sensitive sector this year. Foreign investments in regulated sectors account for 22 % of the total, with communications and financial services as well as business services being the top destinations.

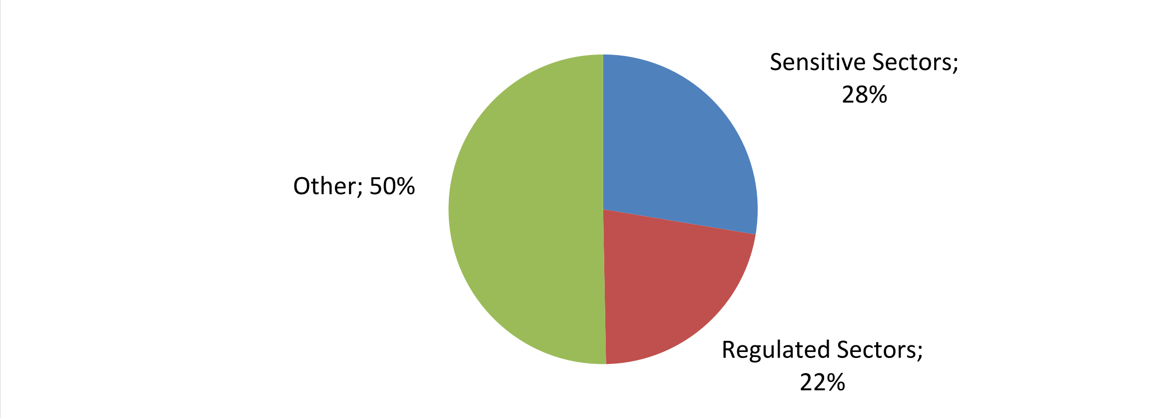
Figure 51: Extra-EU investments in sensitive and regulated sectors, by value of projects, 2017

[15] Classification Notes:

Sensitive Sectors: Software & IT services, Alternative/Renewable Energy, Transportation, Food & Tobacco, Pharmaceuticals, Semiconductors, Electronic Components, Metals, Consumer Electronics, Aerospace, Medical Devices, Biotechnology, Healthcare, Space & Defence

Regulated Sectors: Coal, Oil and Natural Gas, Communications, Financial Services, Business Services

Other Sectors: Real Estate, Automotive Components/OEM, Consumer Products, Hotels & Tourism, Chemicals, Warehousing & Storage, Textiles, Industrial Machinery, Plastics, Business Machines & Equipment, Paper, Printing & Packaging, Rubber, Leisure & Entertainment, Building & Construction, Ceramics & Glass, Non-Automotive Transport, Beverages, Engines & Turbines, Wood Products, Minerals.



Source: Commission services based on fDi Markets as of November 2017.

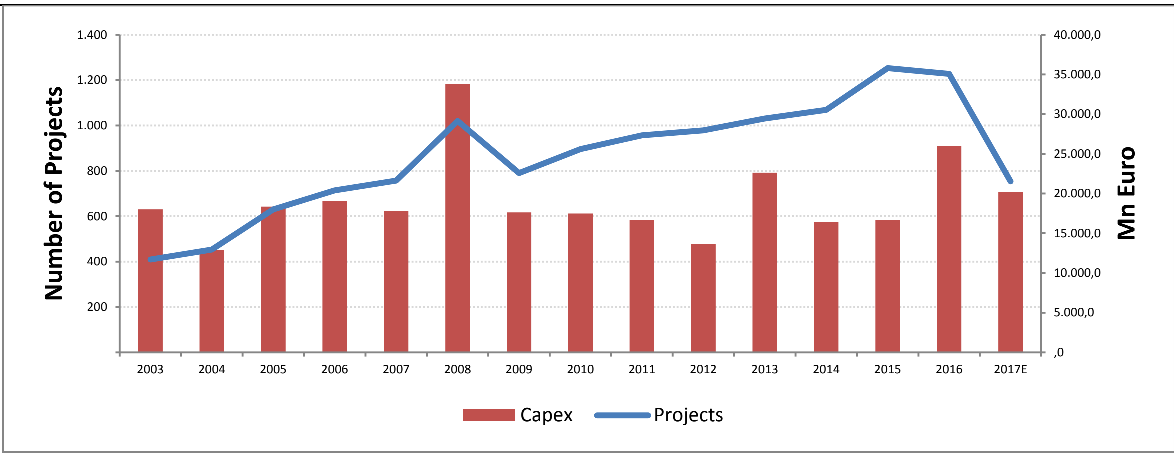
2.4. Extra-EU activity

2.4.1. Extra-EU investment by groups of recipient Member States

Extra-EU investment in the Euro area 1 Member States

Greenfield Investment projects in the *Euro area 1* Member States are set do decline by 38.7 % in 2017, from 1228 to 753. Similarly, total capex is expected to decline by a more attenuated 22.3 % compared to last year, from 26 bn euro to 20.2 bn euro. This is a sharp decline, putting an end to an 8 year generalised upward trend in greenfield investment from extra-EU in the *Euro area 1* Member States.

Figure 52: Extra-EU investment in the Core 7 euro area Member States



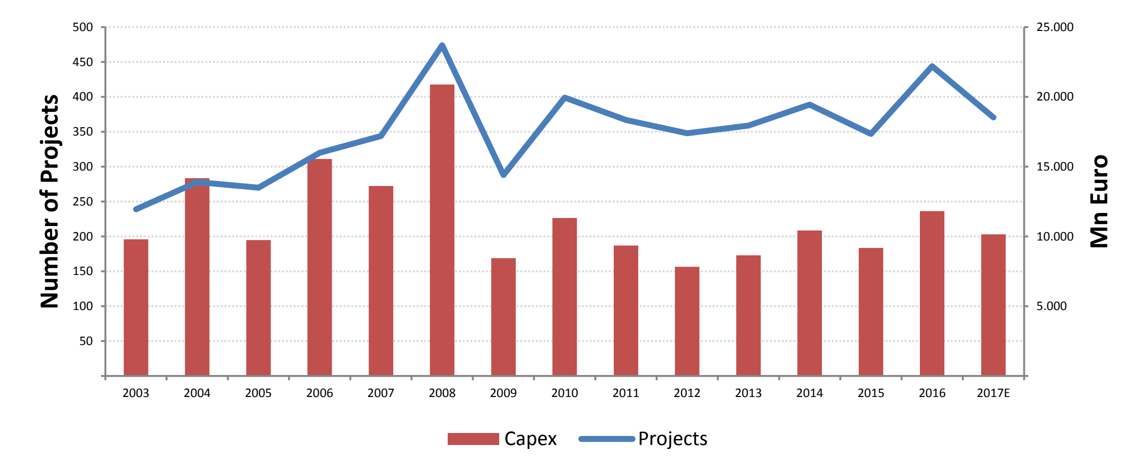
Source: Commission services based on fDi Markets as of November 2017.

Extra-EU investment in the Euro area 2 Member States

The *Euro area 2* Member States experienced a slight decline in investments in 2017 compared to the previous year, with a 16.5 % decline in announced projects standing at

371 and a 14 % decline in total Capex figures expected to close the year at around 10 bn euro. The drop remains marginal and within the trends experienced in the last 8 years.

Figure 53: Extra-EU investment in the *Euro area 2* Member States

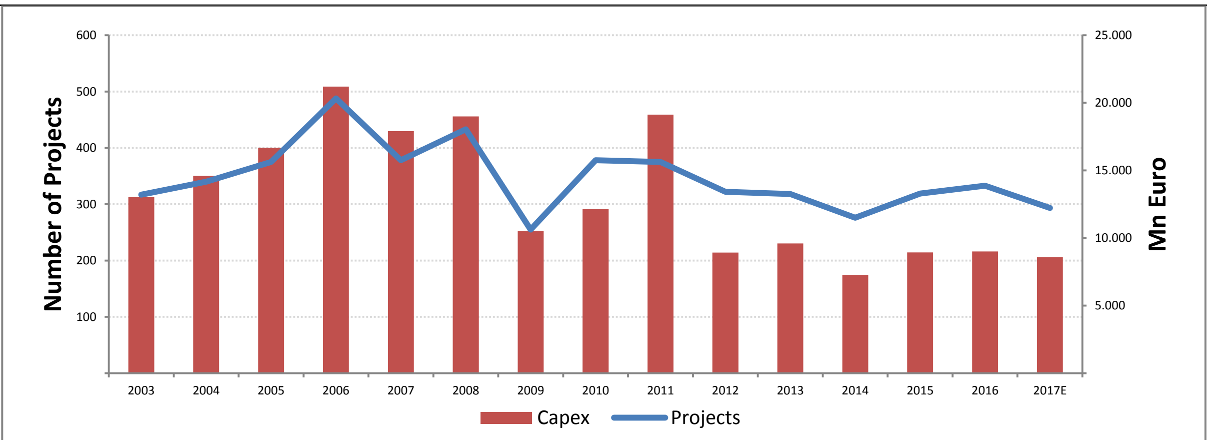


Source: Commission services based on fDi Markets as of November 2017.

Extra-EU investment in the CEE 11 Member States

Announced investment projects in the CEE 11 saw a 11.9 % decline over last year from 333 projects to 293 in 2017. In terms of total Capex, CEE 11 experienced a slight decline over last year of 4.6 %, from 9 bn to 8.6 bn euro. Overall, CEE 11 experienced the least disruption in investment from outside the EU compared to the other groups of Member States.

Figure 54: Extra-EU investment in the CEE 11 Member States

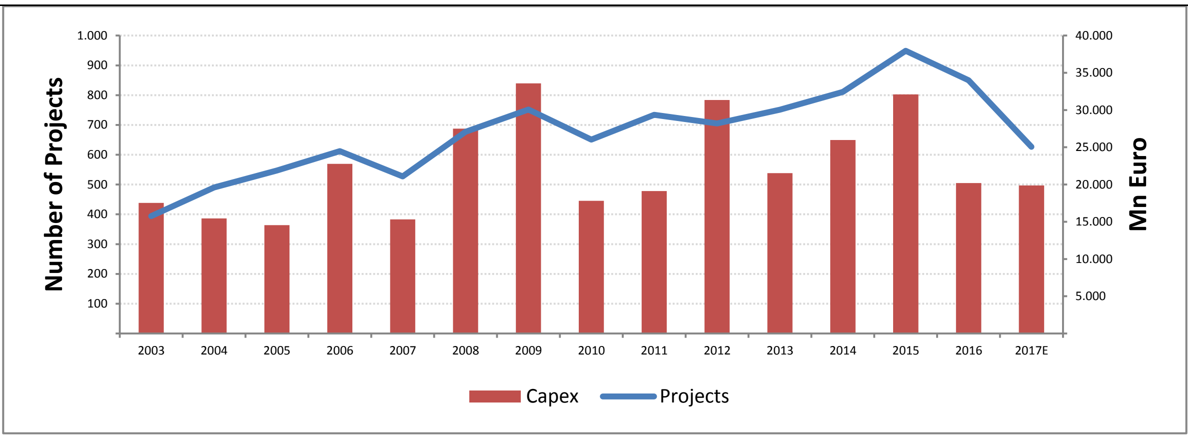


Source: Commission services based on fDi Markets as of November 2017.

Extra-EU investment in the UK, Denmark and Sweden

Greenfield investment continued to decline in the UK, Denmark and Sweden in 2017, in terms of announced projects, while maintaining the same level of total Capex, due to a number of very large investment projects from the United States and China. Announced projects declined in 2017 by 26 % from 850 projects to 627, while total investments in terms of project values remained relatively constant at 19.9 bn euro.

Figure 55: Extra-EU investment in the UK, Denmark and Sweden



Source: Commission services based on fDi Markets as of November 2017.

2.4.2. Extra-EU Greenfield FDI by targeted sectors[16]

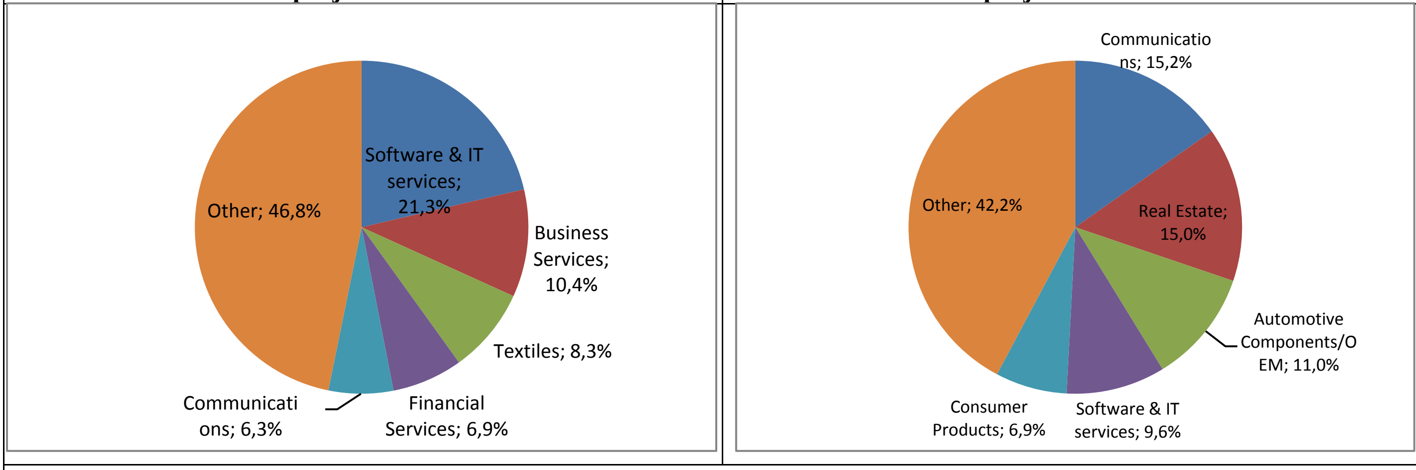
Extra-EU greenfield investment so far in 2017 focused on *Software & IT services* which received 21.3 % of the total. Together with communications, ICT maintains a combined share of all projects of 27.6 %, with 423 approved investments. Other sectors of importance for foreign investors in the EU are *Financial and Business Services* with shares of 10.4 % and 6.9 %, respectively, and *Textiles* standing at 8.3 % of the total extra-EU projects.

Given the high density of investment per project, *Communications* and *Real Estate* are the top two most important destinations of investments in terms of Capex values, each with a share of roughly 15 % of the total and invested amounts of about 6.7 bn euro, respectively. *Automotive Components/OEM*, *Software & IT Services* and *Consumer Products* rounded out the top 5 sectors. Together, these five sectors account for almost 60 % of total investment in Q1-Q3, totalling 25.5 bn euro.

[16] Classification Notes:
High-Technology industries: Aerospace, Biotechnology, Business Machines & Equipment, Communications, Electronic Components, Pharmaceuticals, Semiconductors, Software & IT services, Space & Defence
Medium-High Technology industries: Automotive Components/OEM, Consumer Products, Chemicals, Industrial Machinery, Equipment & Tools, Medical Devices, Non-Automotive Transport OEM, Consumer Electronics, Engines & Turbines
Medium-Low Technology industries: Rubber, Plastics, Metals, Ceramics & Glass, Minerals
Low-Technology industries: Textiles, Food & Tobacco, Wood Products, Paper, Printing & Packaging, Beverages
Other industries: Real Estate, Alternative/Renewable energy, Transportation, Financial Services, Coal, Oil and Natural Gas, Business Services, Hotels & Tourism, Building & Construction Materials, Leisure & Entertainment, Warehousing & Storage, Healthcare.

Figure 56: Extra-EU, number and value of projects in the EU by targeted sectors, Q1-Q3 2017

A. Number of projects | **B. Value of projects**

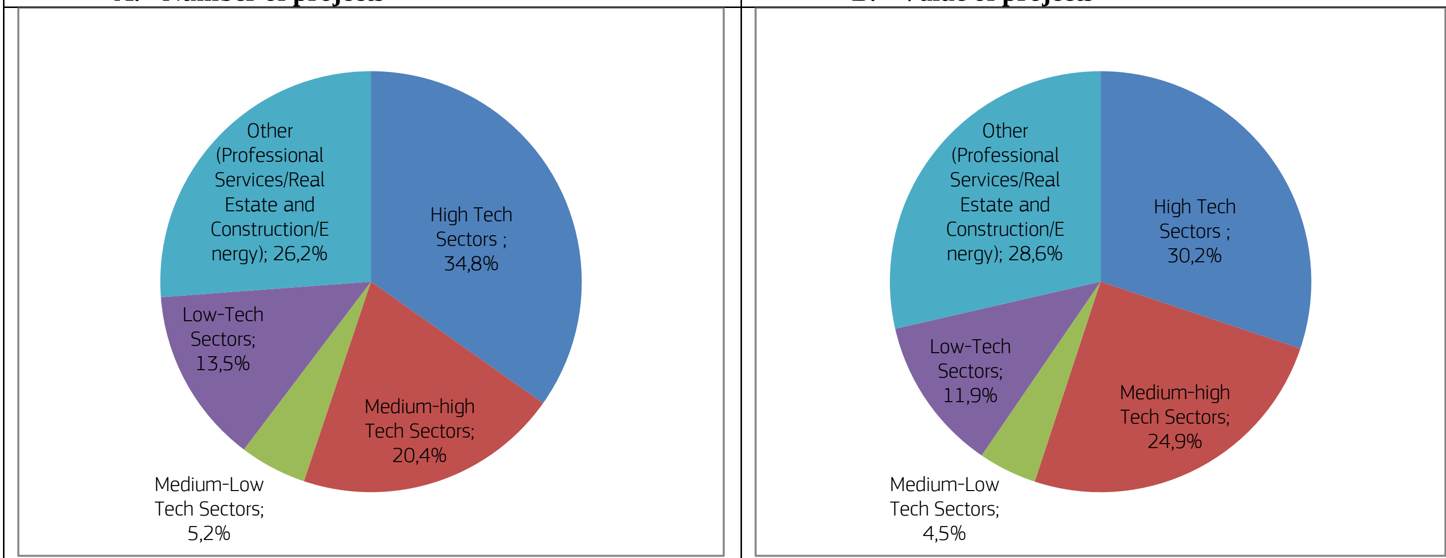


Source: Commission services based on fDi Markets as of November 2017.

The EU attracted 533 greenfield projects in the first three quarters of 2017 in High-Technology intensive sectors, representing a share of almost 35 %. Medium-High and Medium-Low technology intensive industries represented a quarter of the extra-EU projects, while the Low-Technology industries had a share of 13.5 % of the total number of extra-EU projects. *Professional Services*, *Real Estate* and *Construction and Energy* remain important destinations of greenfield FDI with roughly a quarter of the share of total projects. In terms of value of projects, similar proportions remain.

Figure 57: Breakdown of extra-EU investment in the EU by Technology Intensive sectors, 2017 Q1-Q3

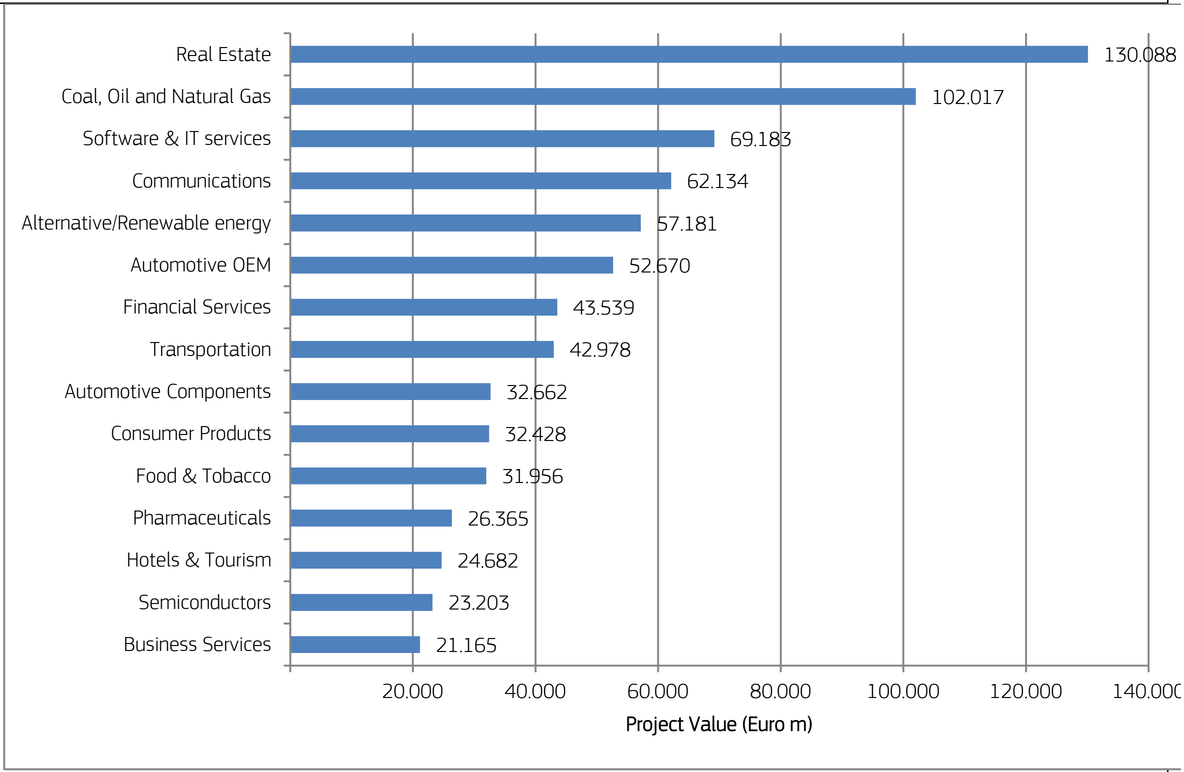
A. Number of projects | **B. Value of projects**



Source: Commission services based on fDi Markets as of November 2017.

Notes: ISIC Rev 3. Technology Intensity Definition. Approximation with NASIC code clusters as NASIC does not have own high tech sector classification.

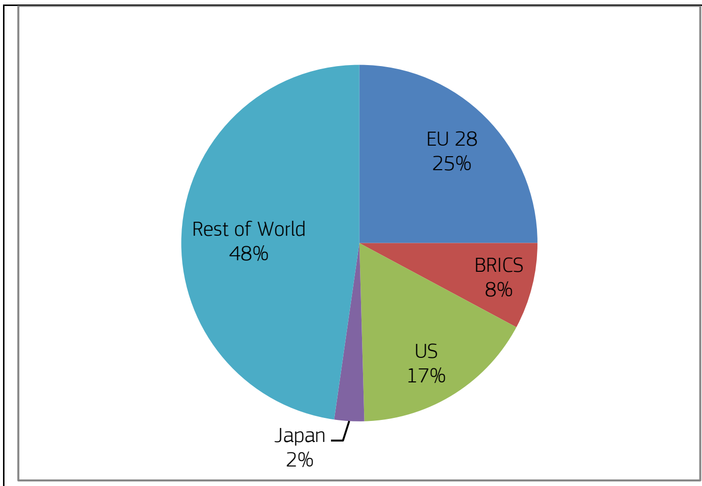
Table 9: Total extra-EU greenfield FDI stocks in the EU, top 15 sectors, 2003-Q3 2017

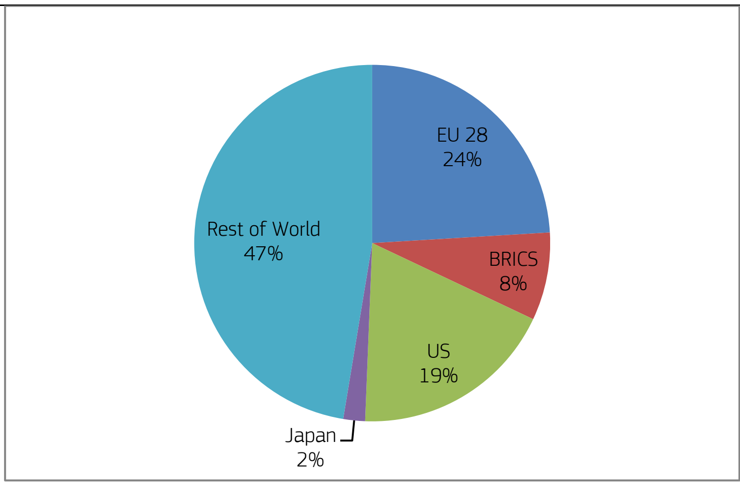


2.4.3. Spotlight on the extra-EU projects in the *Information and Communication Technology* (ICT) sector

The EU stands out as the number one destination of ICT investments globally, followed by the United States. The EU attracted roughly a quarter of all investments in ICT, with almost 900 projects in 2016 and in Q1-Q3 of 2017 with a combined project value of 32 bn euro. The UK, Germany and France stand out as the main EU ICT investment destinations in 2016 and 2017 so far, while the United States, India, Australia, Singapore, China and Canada round off the top ICT investment destinations globally.

Figure 58: Global shares of transactions in the ICT sector	
1. Number of projects per country or region, 2016	**2. Number of projects per country or region, 2017**



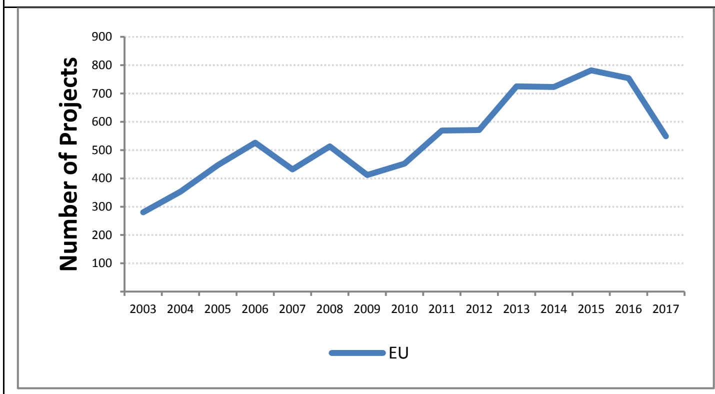


Source: Commission services based on fDi Markets as of November 2017.

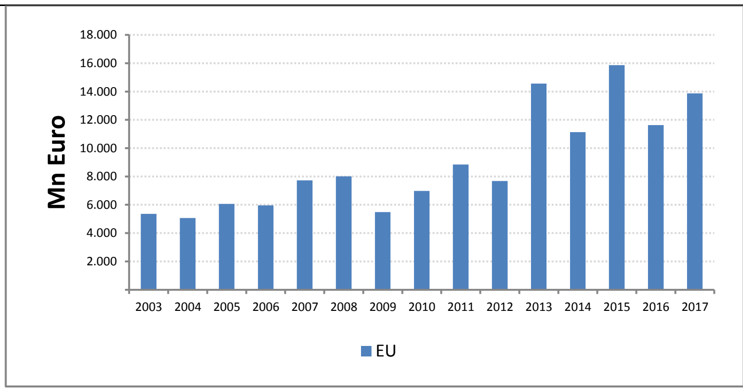
While managing to solidify its position as the main global destination of ICT greenfield investments, the EU has seen consistent growth in this sector over the last 14 years in both the number of announced projects and in their total capex. The EU is expected to attract 550 ICT projects, valued at roughly 14 bn euro in 2017, which represent a decline over the previous year in terms of announced projects, but an overall increase in Capex due to a number of large-scale ICT projects from Google, Amazon and Apple in Luxembourg, Ireland and Denmark, respectively. Those projects have average Capex value of roughly 900 mn euros each.

Figure 59: Dynamics of extra-EU projects in the EU in the ICT sector

1. Number of transactions



2. Disclosed value of transactions



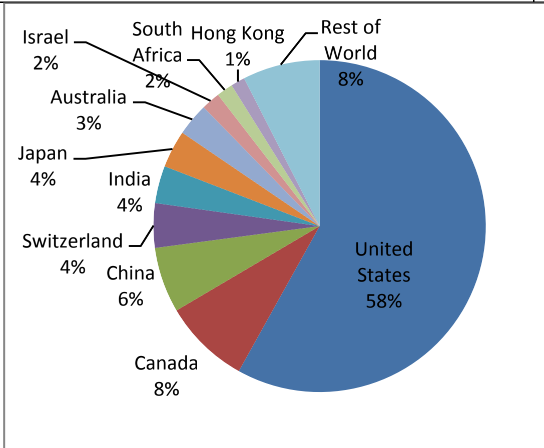
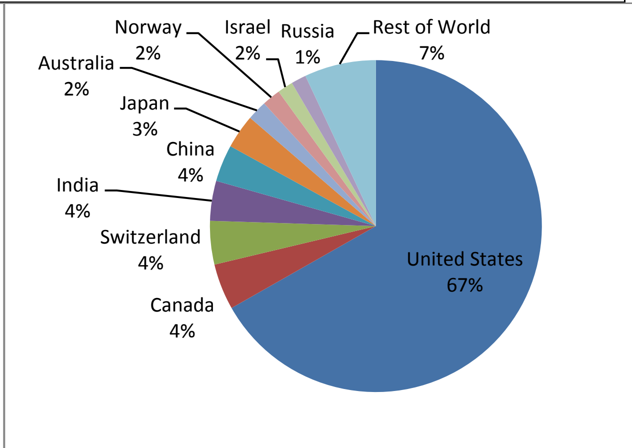
Source: Commission services based on fDi Markets as of November 2017.

The United States remains by far the largest ICT investment partner of the EU Member States, with 58 % of all announced projects in the EU in 2017 of US based firms, while in terms of total projects over the 2003 — Q3 2017 period, the United States is the source of 67 % of all ICT investments in the EU.

Cumulatively, after the United States, Canada, Switzerland, India, China and Japan stand out as the most prominent investment partners of the EU in the ICT sector with each having roughly 4 % of the total share of announced projects in the last 14 years.

In 2017, the total investments in the ICT sector from abroad for the Q1-Q3 period stand at 11.1 bn euros. The United States is the largest contributor with 255 projects and 8.7 bn euros, followed by Canada with 37 projects and 521 mn euro and China with 28 projects and 478 mn euro.

Figure 60: Number of projects by non-EU countries, shares in total

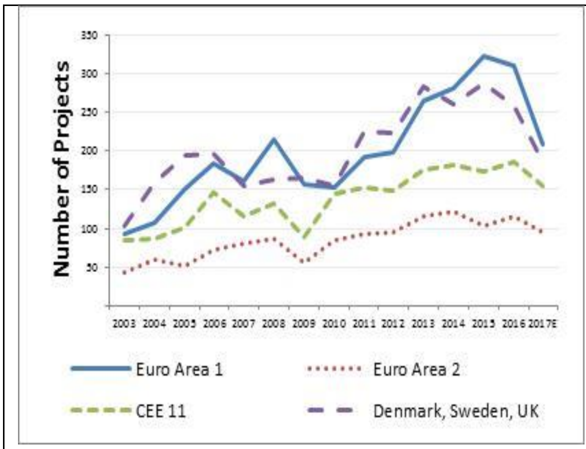
1. Annual number of projects, 2017	2. Cumulative number of projects, 2003-2017*
	

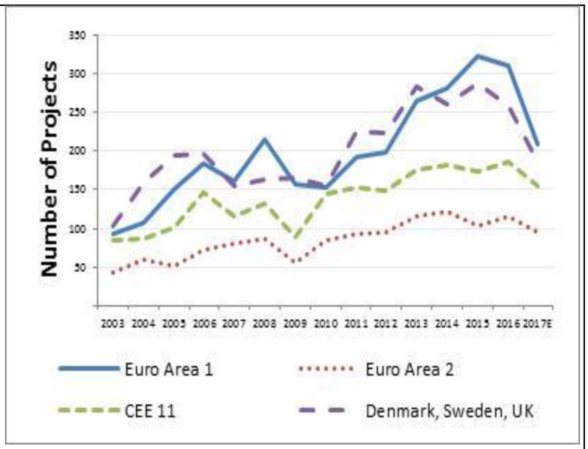
Source: Commission services based on fDi Markets as of November 2017.

The *Euro area 1* Member States as well as Denmark, Sweden and the UK remain the EU's main destinations of ICT investment in terms of both number of projects and their total value. The *Euro area 2* Member States have continued to experience an increasing level of ICT investments, largely driven by Ireland and Spain. The average capex values of transactions have also disproportionately increased in the *Euro area 2* countries due to large-scale investments in Ireland from global ICT giants such as Google, Amazon, Apple and others. The CEE 11 countries have experienced a stagnation of investment in the ICT sector from 2012 onwards in both the number and the value of projects, with Poland, Hungary and Romania standing out as the main destination of such investment in the region, while the other CEE11 countries have seen marked declines.

Figure 61: Dynamics of extra-EU projects in the ICT sector by groups of hosting Member States

1. Number of transactions	2. Disclosed value of transactions





Source: Commission services based on fDi Markets as of November 2017.

Table 10: Top 15 Extra-EU projects in the ICT sector, 2016-2017*

Project Date	Investing Company	Source Country	Destination Country	Sub-Sector	Capital Investment	Jobs Created
2017	Google	United States	Luxembourg	Data processing, hosting, & related services	1033.9	882
2017	Amazon.com	United States	Ireland	Data processing, hosting, & related services	839.2	340
2017	Apple Inc	United States	Denmark	Data processing, hosting, & related services	805.3	687
2017	Google	United States	Netherlands	Data processing, hosting, & related services	535.4	57
2017	Cloudbric	United States	Netherlands	Data processing, hosting, & related services	535.4	57
2017	Psychz Networks	United States	Netherlands	Data processing, hosting, & related services	535.4	57
2016	Bombora Wave Power	United States	Sweden	Data processing, hosting, & related services	351.2	300
2017	CloudFlare	United States	Italy	Data processing, hosting, & related services	274.4	57
2016	Montblanc	United States	Italy	Data processing, hosting, & related services	274.4	57
2016	Cooper Tire & Rubber Company Europe	United States	Italy	Data processing, hosting, & related services	274.4	57
2016	Coulter Ventures (Rogue Fitness)	United States	Italy	Data processing, hosting, & related services	274.4	57
2016	Decomplex Marketing	Saudi Arabia	Italy	Data processing, hosting, & related	274.4	57

				services		
2016	Hiscox	United States	Germany	Other (Software & IT services)	175.0	3000
2016	Mainfreight Romania	United States	Italy	Software publishers, except video games	131.2	1101
2016	OppenheimerFunds	United States	Finland	Data processing, hosting, & related services	122.6	57

Source: fDi Markets as of November 2017.