



cutting through complexity



Greater Paris Investment Agency

GLOBAL CITIES INVESTMENT MONITOR 2013

NEW RANKINGS, TRENDS AND CRITERIA

WHY THIS MONITOR?



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THE GREATER PARIS INVESTMENT AGENCY



The Greater Paris Investment Agency was established as a non-profit organisation more than twenty years ago by the Paris Chamber of Commerce and Industry. With over a hundred major French and international firms, our membership guarantees our independence. Our missions include promoting Greater Paris abroad and lobbying political and economic decision-makers.

The Greater Paris Investment Agency is also specialized in benchmark studies and surveys designed to compare present and future attractiveness, as well as assessing perception and reality of Greater Paris.

The Monitor was designed to provide international decision-makers with the arguments on which to base their future investments. The Greater Paris Investment Agency presents the results during road shows organized in: Brazil, the United States, Japan, Korea, the Gulf Countries, Russia, India, China, Turkey...

The Monitor is also a reliable tool to advise local, national, and international policymakers worldwide. It has also been a useful basis for the Greater Paris Investment Agency to attract new investors, foster the development of innovative clusters and to frame the “Grand Paris” Project.

KEY POINTS



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The competition to attract international Greenfield investments is stronger than ever. For the first time, all continents are represented in the top 10 Global Cities ranking.

*While international investors have become more volatile worldwide, **Global Cities** act as anchors. Each year, they attract a growing share of international Greenfield investments.*

1. **Europe is still the first source and destination of international Greenfield investments**, far ahead of America and Asia. Greater Paris is the most attractive city in continental Europe, both in image and in reality.
2. Investors continue to focus on essential criteria to select locations, including political stability, market size, economic growth and talents, but they are also paying increasing attention to infrastructure and R&D quality.
3. BRIC cities have taken the lead in the Top 10. Shanghai and Hong Kong are now firmly established in the Top 3. São Paulo is continuing its rapid ascent and Moscow has maintained its ranking. New Delhi is in the Top 10 for best overall image.
4. New York and San Francisco hold a remarkable position in the Top 10 as “digital Smart Cities”.
5. Paris enjoys an excellent image in all world regions, in fourth position globally. Moreover, investors’ origins are increasingly diversified. The New Greater Paris Project will build on that favorable trend over the next few years.

METHODOLOGY

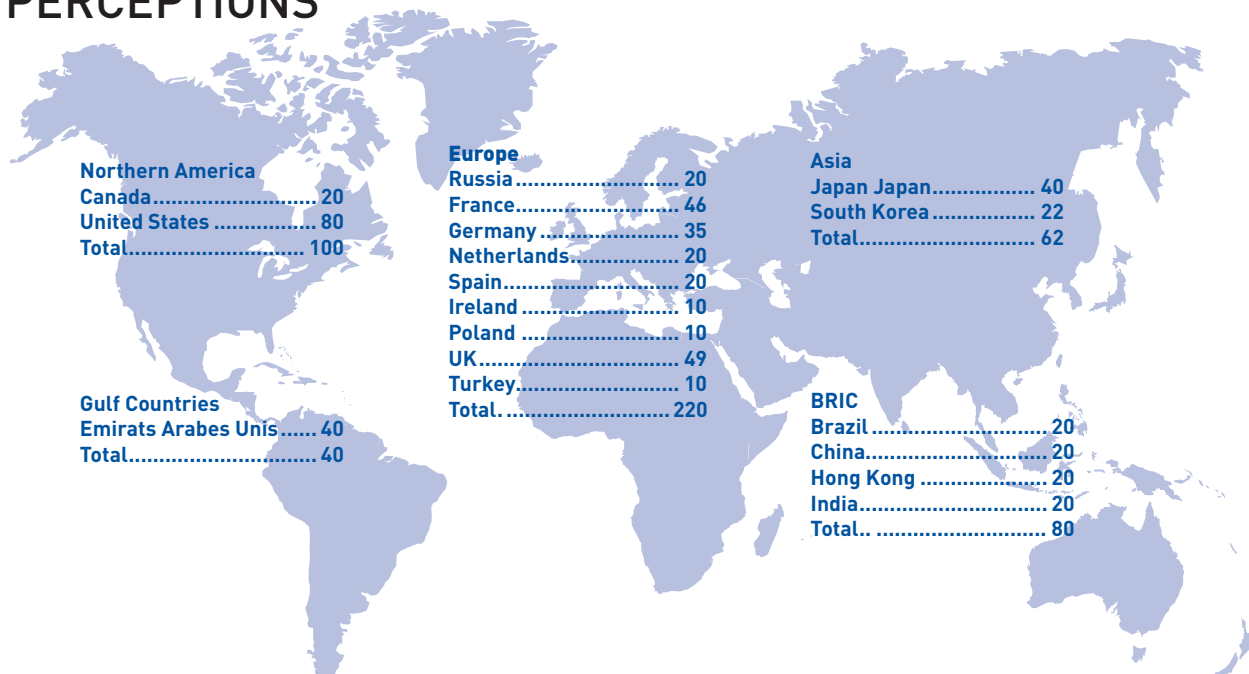
A SCIENTIFIC APPROACH BASED ON A REPRESENTATIVE SAMPLE



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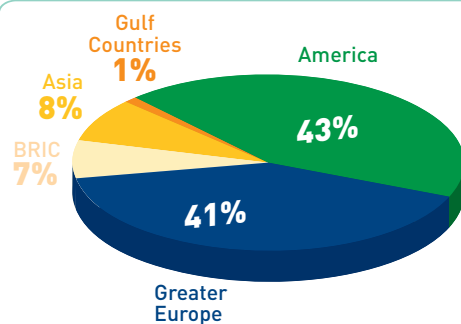
PERCEPTIONS



A poll conducted by **"opinionway"**
The innovative research company

- Representative sample of **502 companies with international business settlements**
- 18 countries
- **3 criteria:**
 - Headquarter location
 - Industry
 - Turnover
- **Phone interviews with global business leaders** (CEO, managing director, administrative and financial manager, sales manager, head of international investment)
- From 4th Decembre 2012 to 25th January 2013

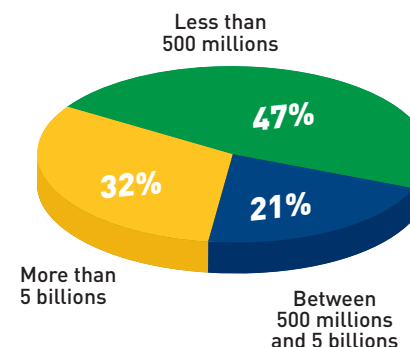
COMPANIES BY COUNTRY OF ORIGIN



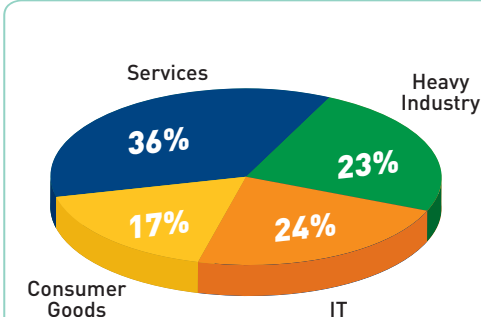
POSITION OF THE INTERVIEWEE



TURNOVER (in euros)



BUSINESS ACTIVITY



METHODOLOGY

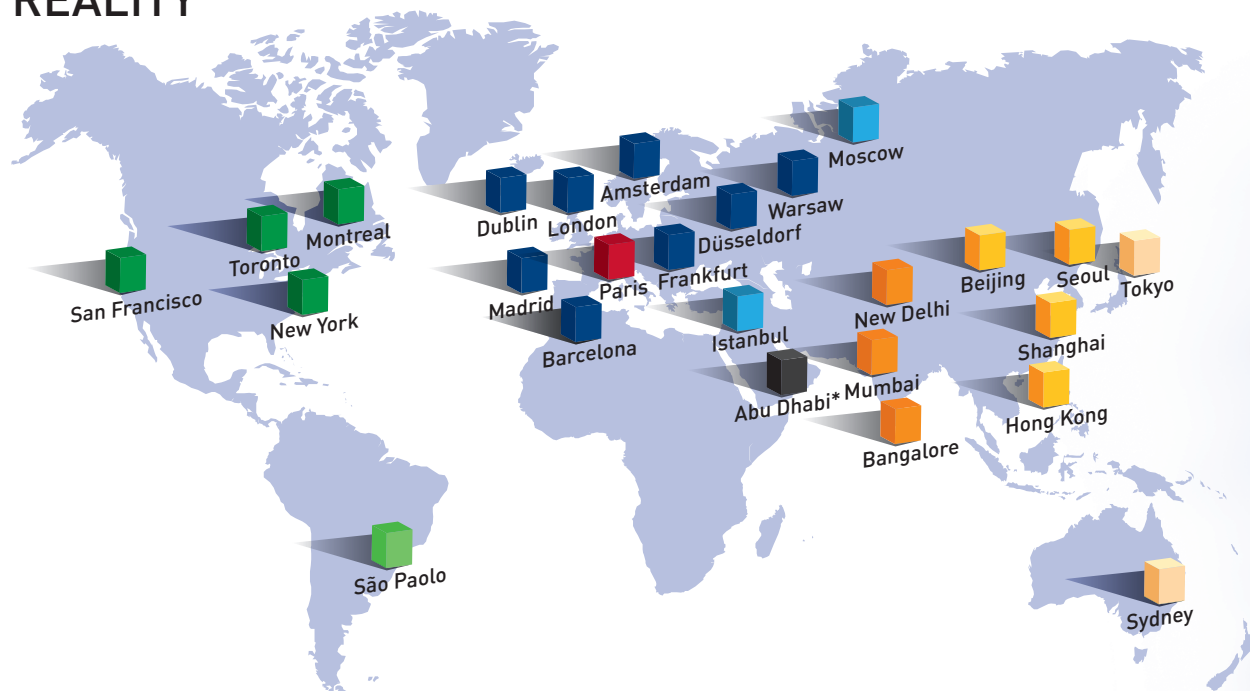
AN OBJECTIVE FOCUS ON THE LATEST INVESTMENTS



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REALITY



The annual period begins with the fourth quarter:



To enable verification of our sources, the Monitor allows four months to elapse from the recording of investments in the fDi Markets. Thus, the period reviewed starts with the 4th quarter of the previous year.

25 Global Cities

- Top destinations in terms of international Greenfield investments
- Excluding City States
- The most open economies, not necessarily the top GDPs.

International Greenfield Investments

The Monitor measures the number of published international "Greenfield" investments collected by the "fDi Markets" data.

International Greenfield investments occur when a company launches new activities in a Global City. They build up its economic potential and create jobs. Purely financial investments, like real estate transactions, privatisations or alliances are not included. Joint ventures are included only when they result in job creation.

Database :

"fDi markets" Financial Times, January 2003

- 132,000 international investment projects
- 64,000 businesses all over the world
- 10,000 information sources: newspapers, magazines, associations, websites...



METHODOLOGY

AN UPDATED, RIGOROUS OVERVIEW OF 2012 INVESTMENTS



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25 Global Cities



For the fourth edition of the Global Cities investment Monitor by the Greater Paris investment Agency and KPMG, the Top Global Cities for international Greenfield investment list has been updated to take account of the significant rebalances experienced by the global economy.



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Chrysler Building
(318m)
New York

World Financial
Center
(492m)
Shanghai

Gherkin Tower
(180m)
London

La Défense
(111m)
Paris

Bank of china
(226m)
Hong Kong

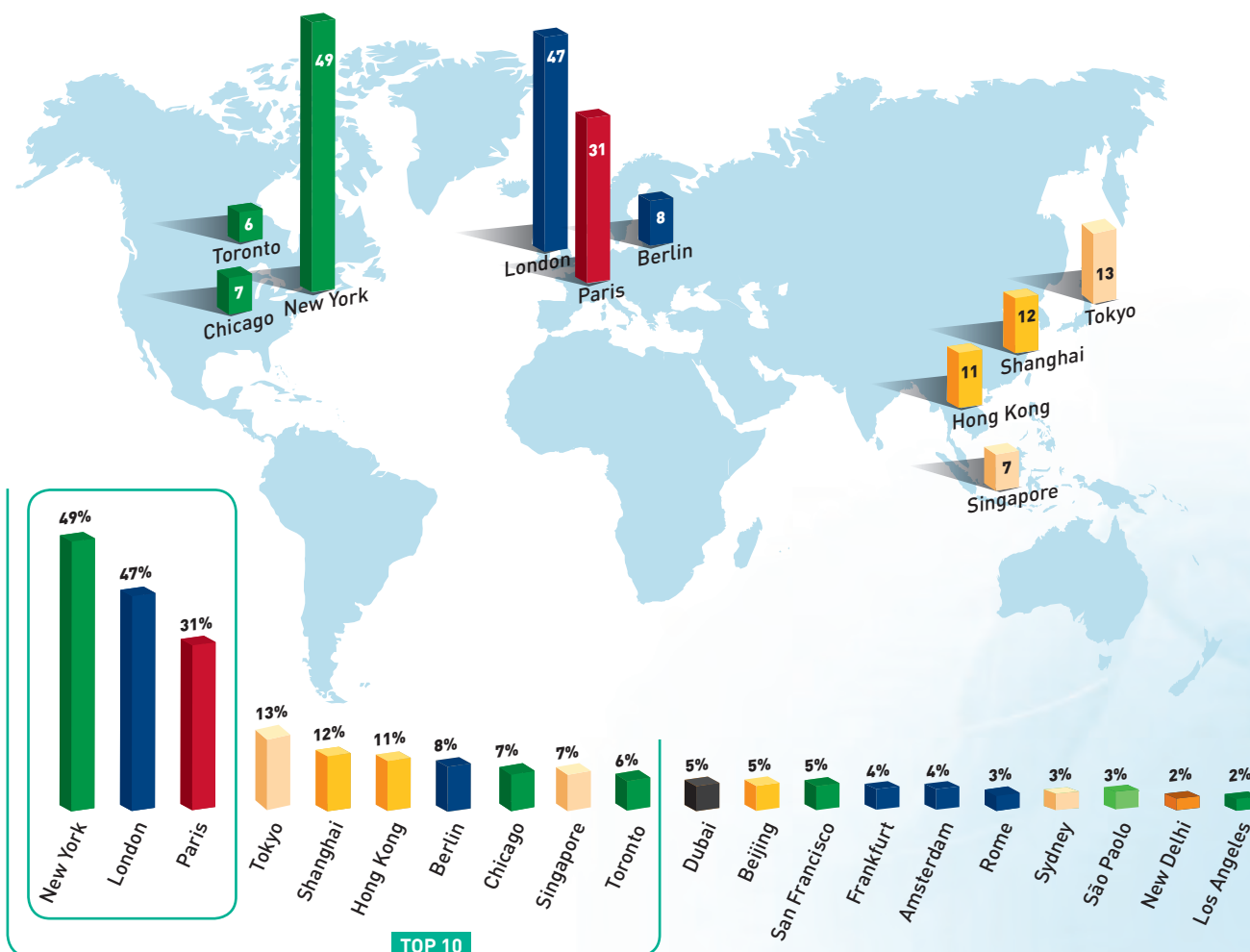
Burj al Arab
(321m)
Dubai

PERCEPTION BENCHMARKS

GLOBAL CITIES INVESTMENT MONITOR 2013

CITIES' GLOBAL IMAGE

“According to you, which 3 cities or major world capitals have the best overall image?”



Paris takes the leads in continental Europe and ranks third in the spontaneous global image category.

Paris, New York and London top the list for the third year.

Tokyo has improved its image, jumping from seventh to fourth position.

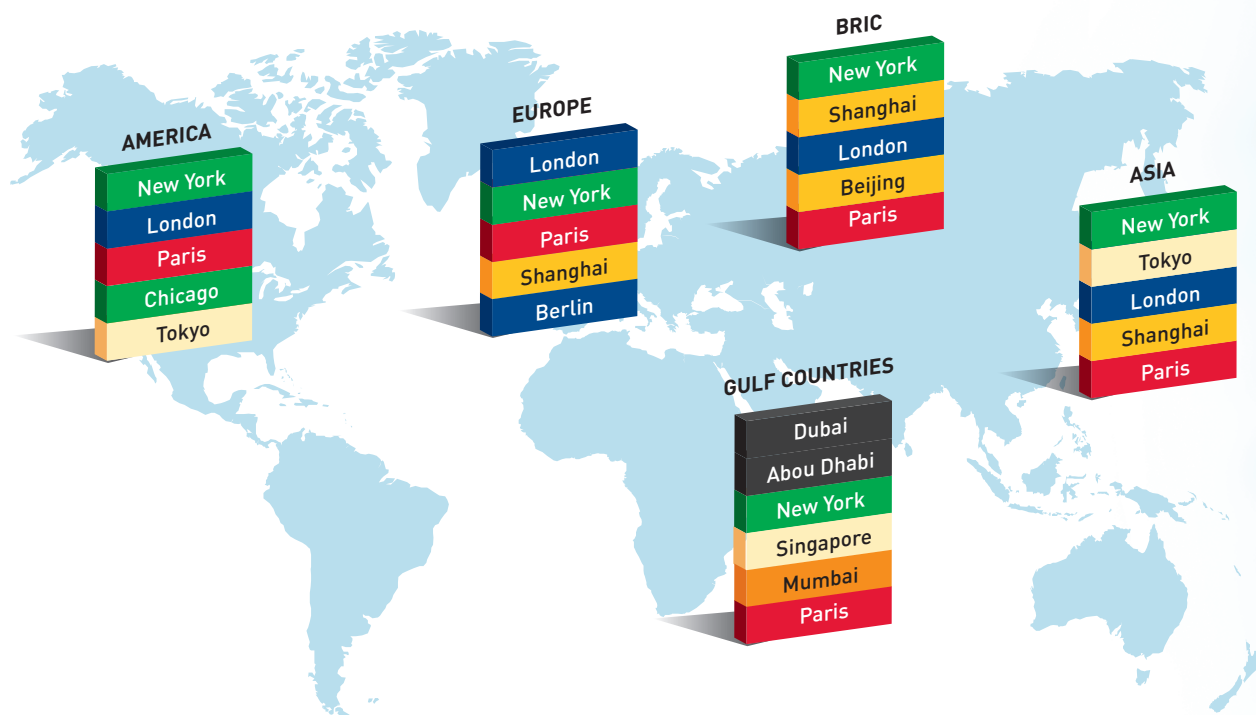
Chicago has entered the Top 10, following São Paulo's departure.

“New York City is a brand.”
Fashion & fragrance, Barcelona

“London counterbalances its label as an expense city through its international language as well as its cosmopolitan lifestyle.”
Pharmaceutical industry, Shanghai

CITIES' REGIONAL IMAGE

"According to you, which 3 cities or major world capitals have the best overall image?"



Only New York, Paris, London and Shanghai have a genuinely strong interregional image.

For the first time, Northern American investors have ranked Tokyo among the top Global Cities.

Singapore and Mumbai are also quoted among the top cities by investors from the Gulf countries.

Berlin, Chicago, Dubai and Abu Dhabi enjoy strong regional images.

PERCEIVED ATTRACTIVENESS

PARIS IN THE TOP 7

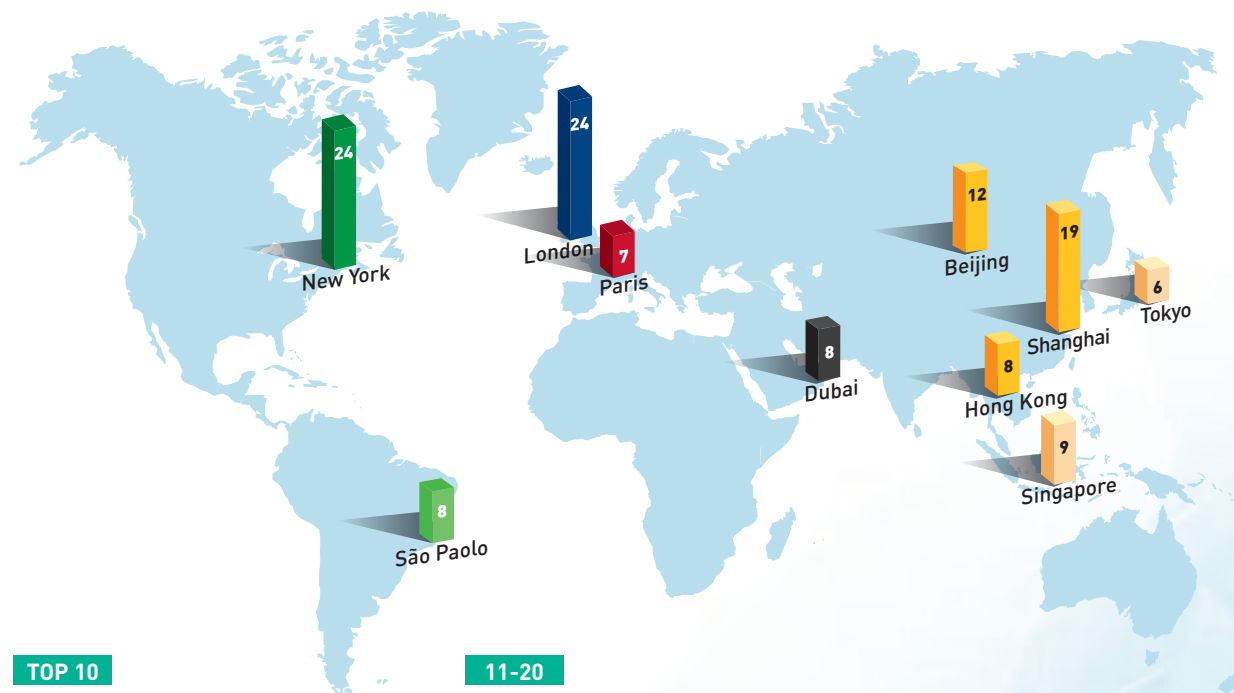


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CITIES' GLOBAL ATTRACTIVENESS

“According to you, which 3 major world capitals are currently the most attractive locations for setting up a business generally (either your business or other businesses)?”



TOP 10

New York	24%
Londres	24%
Shanghai	19%
Beijing	12%
Singapore	9%
São Paulo	8%
Hong Kong	8%
Dubai	8%
Paris	7%
Tokyo	6%

11-20

Berlin	6%
Chicago	5%
Mumbai	5%
Toronto	4%
Moscow	4%
Rio de Janeiro	4%

Sydney	4%
New Delhi	4%
Bangkok	4%
Abou Dhabi	3%

Logically enough for investors, the city's anticipated growth is a key factor in its perceived attractiveness. The ranking tends to favor fast-growing economies. Opinions for Shanghai, Beijing, São Paulo and Mumbai are more positive regarding their attractiveness than their image.

However, top Global Cities like New York, London and Paris tend to rank well in terms of both image and attractiveness.

“São Paulo is an active city, and has managed to stabilize its social environment and currency through Lula's presidency.”
Fashion & fragrance, Barcelona

INVESTORS BELIEVE IN EUROPE

CONTINENT IN THE WORLD

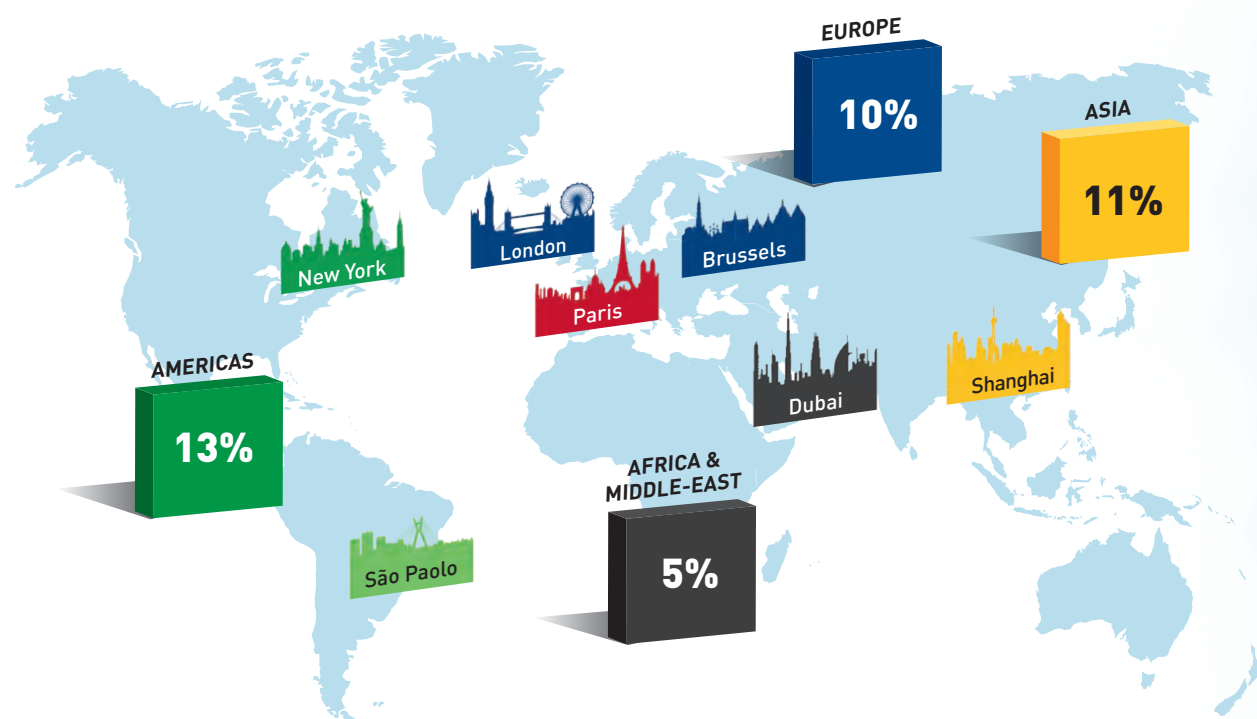


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INVESTMENT PROJECTS OVER THE NEXT 3 YEARS

“In which major cities will your company invest over the next 3 years ?”



Of all companies interviewed, about a third declared their intention to develop Greenfield projects over the next three years. Europe, the Americas and Asia each account for about 30% of projects: between 10% and 13% of the companies interviewed have declared an interest in each of them. The Middle East and Africa account for about half that level. Paris is expected to benefit from the favorable trend.

“Greater Paris is an important strategic project for the French capital”

Fashion & fragrance, Barcelona

“The European market offers less potential for many investors; however, it represents a stable and mature market with less risk compared to emerging and volatile countries.”

Hospitality, Paris

INVESTMENT CRITERIA

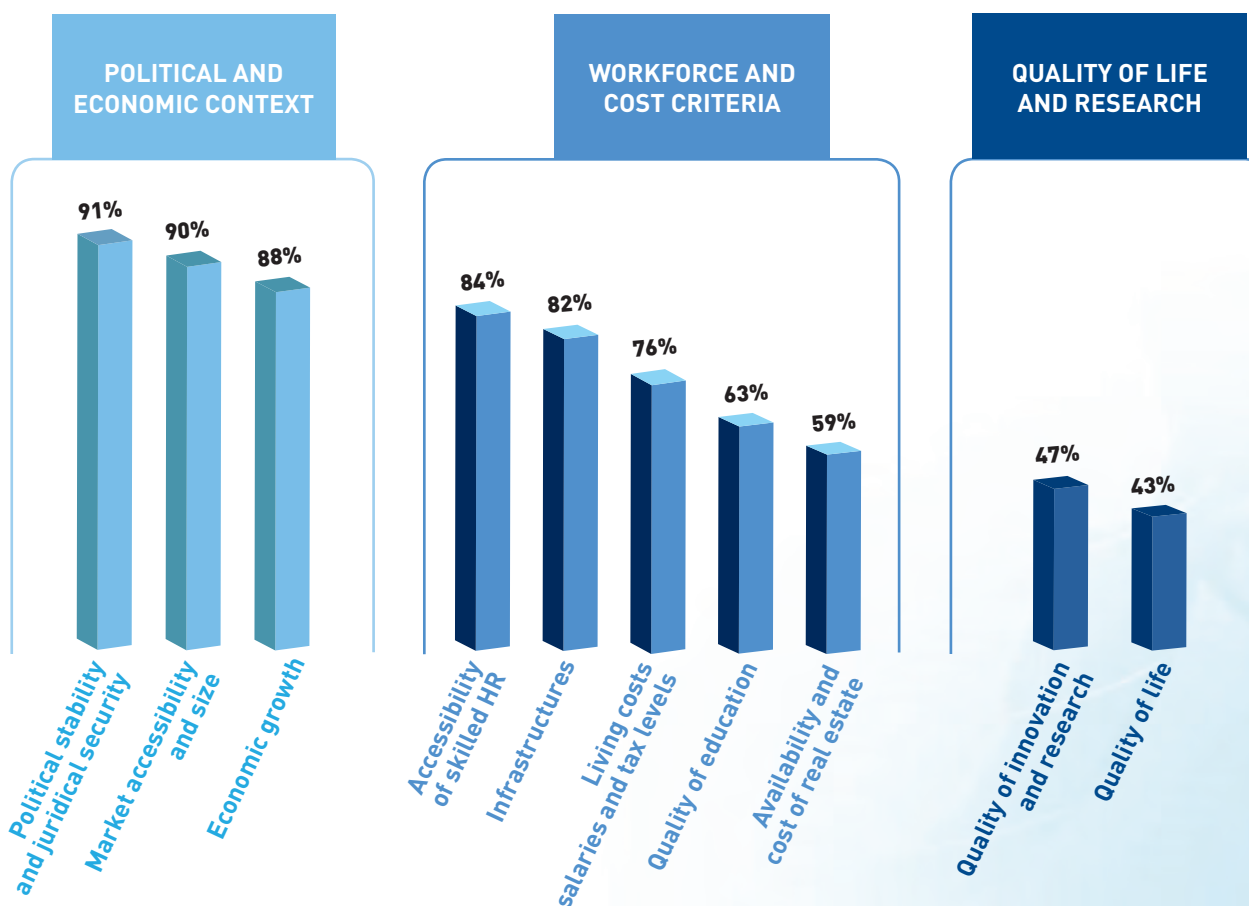
A RENEWED INTEREST FOR INFRASTRUCTURE AND R&D



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“According to you, which of the following investment criteria are the most important when choosing your location?”



International Greenfield investments are firstly designed to improve access to a stable, large and profitable domestic market. This fundamental motive is clearly acknowledged by investors who admit that they give priority to three criteria: political and legal stability, market accessibility and size and economic growth. They are also realistic and increasingly focus on the quality of infrastructure.

Investors, however, often enter mature domestic markets. Outbeating competition means investing in human resources and R&D. A growing number of large metropolises are actually fully-fledged Global Cities where businesses expect intense competition to obtain a share of highly prized resources, including clients, capital, and talents.

THE COMEBACK OF MATURE CITIES

BEST PROGRESSION BY PARIS



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PERCEPTION OF CITIES' ATTRACTIVENESS, BY INVESTMENT CRITERION



	1	2	3	4	5	6
Political stability and juridical security	New York	London	Toronto	Berlin	Paris	Shanghai
Economic growth	Shanghai	Beijing	São Paulo	New York	Hong Kong	Toronto
Infrastructures	New York	London	Shanghai	Frankfurt	San Francisco	Paris
Market accessibility and size	New York	Shanghai	London	Beijing	Hong Kong	São Paulo
Availability of skilled HR	New York	London	Berlin	Shanghai	Toronto	Paris
Living costs, salaries and tax levels	New York	Shanghai	London	Bengalore	Hong Kong	New Delhi
Quality of education	London	New York	Tokyo	Paris	Berlin	Frankfurt
Availability and cost of real estate	São Paulo	Mumbai	New York	Shanghai	Bengalore	Toronto
Quality of research and innovation	New York	San Francisco	Tokyo	London	Beijing	Paris
Quality of life	New York	London	Paris	Toronto	Sydney	Amsterdam
Total	New York	London	Shanghai	Beijing	Paris	San Francisco

Paris is highly regarded by international investors on major criteria such as political stability, infrastructure, quality of human resources and education. Its image is traditionally strong and reinforced by the New Greater Paris Project.

Note the global rise of Paris, New York and Toronto, and the decline of Mumbai, Berlin and Beijing.

“Paris has a stable political environment, good infrastructure and communication networks, free social and welfare benefits and an excellent educational system. However Paris also presents unstable labour policies and tax levels”
International auction sales, London

“Paris has a lot of know-how but struggles to sell it.” Hospitality, Paris

“São Paulo benefits from the entire Brazilian economic situation and from its large domestic market”
Fashion & fragrance, Barcelona

OVERALL RANKING

PARIS ON THE MOVE



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The global ranking is the mean of the previous results of the study based on investors' perception of the Global Cities. It combines elements of image with elements of attractiveness.



Paris moves up two spots to fourth position. This may be the result of investors' increasing awareness of the New Greater Paris project aimed at boosting not only transport infrastructure, real estate and quality of life in the coming decade through a €100 billion program, but also innovation and economic growth, through the development of high-tech clusters in aeronautics, nanotechs, biotechs and greentechs. The New Greater Paris project builds on one of the most diversified economies in a Global City.

RANKS 2013



RANKS 2012





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➤ Federation Tower
(506m)
Moscow

➤ Transamerica
Pyramid
(260m)
San Francisco

➤ Shanghai Tower
(632m)
Shanghai

➤ Phare Tower
(297m)
Paris

➤ Imperial I et II
(249m)
Mumbai

➤ Sapphire Tower
(261m)
Istanbul

REALITY BENCHMARKS

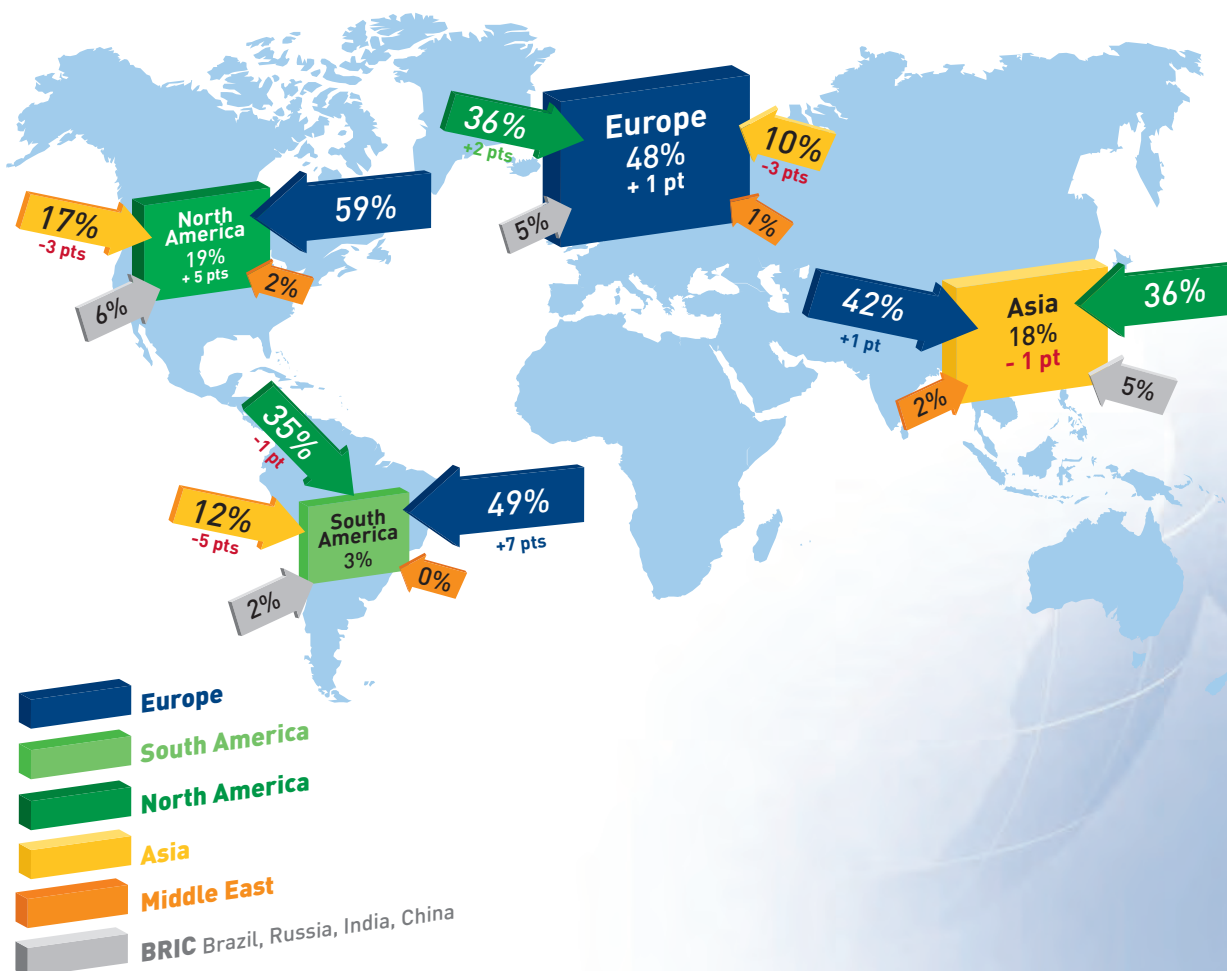
GLOBAL CITIES INVESTMENT MONITOR 2013

EUROPE, THE LEADING DESTINATION OF INTERNATIONAL INVESTMENTS



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ORIGINS OF INTERNATIONAL GREENFIELD INVESTMENTS, BY WORLD REGION



Europe is the biggest investor in North America and Asia.

BRIC investments lag relatively far behind. They represent only 5% of investments in Europe.

Year-on-year, intra-zone investments are gaining ground compared with intercontinental ones.

“Europeans are the first to believe in Europe.”
International auction sales, London

Source: fDi Markets, Financial Times Ltd

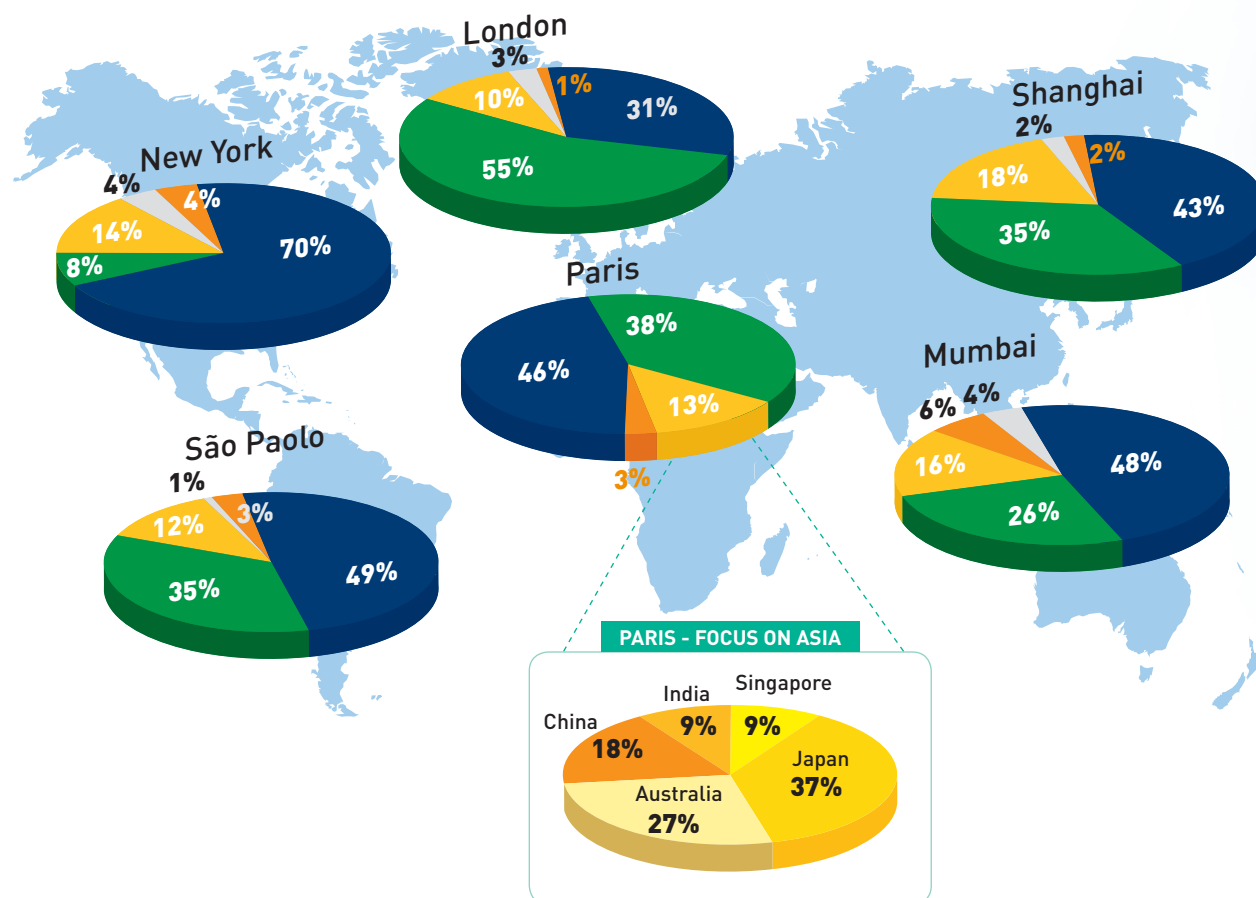
EUROPE, THE MAIN INVESTOR IN GLOBAL CITIES



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ORIGINS OF INTERNATIONAL GREENFIELD INVESTMENTS, IN SELECTED CITIES



Investments are mainly from Europe, except in London, where American investments predominate.

European investments have been redirected to New York, to the detriment of Mumbai and Shanghai.

Paris is still a key destination for Western Europe investments (46%) and, since 2011, the city has also attracted a larger number of American and Asian investors. This year, Australian and Japanese companies have largely increased their share.



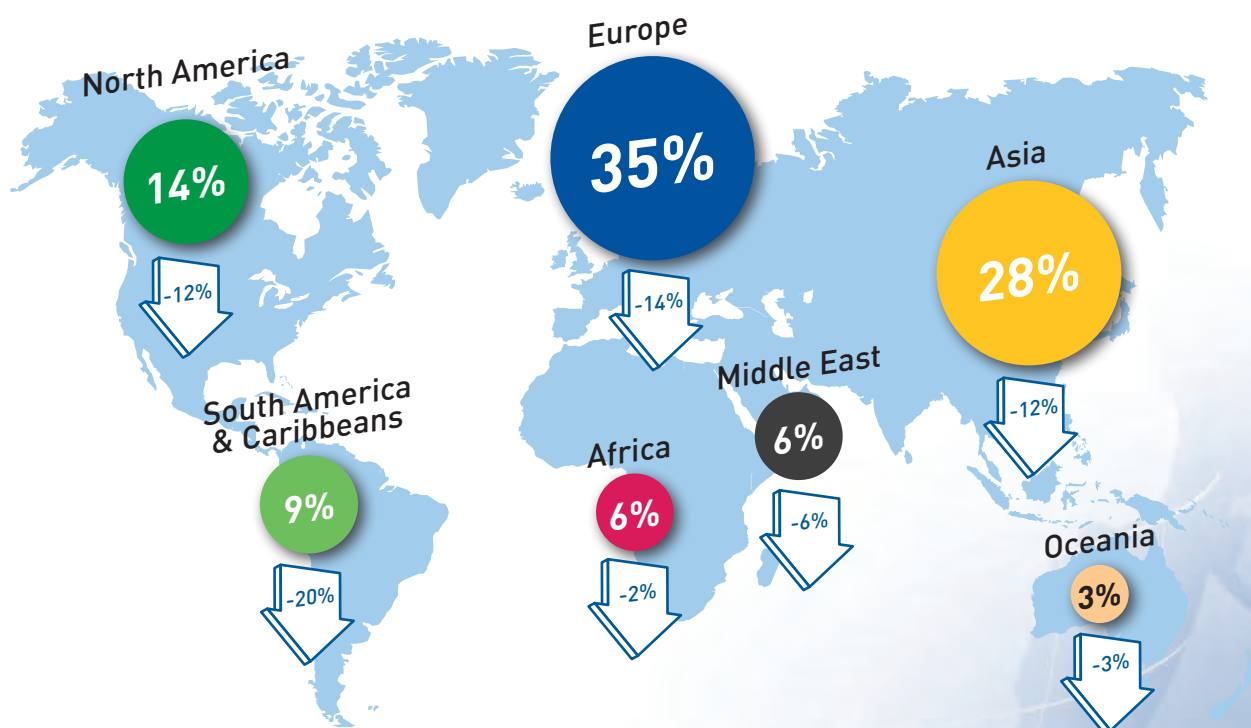
Source: fDi Markets, Financial Times Ltd

➔ EUROPE, THE MOST ATTRACTIVE CONTINENT IN THE WORLD



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INTERNATIONAL GREENFIELD INVESTMENTS, BY WORLD REGIONS



Worldwide evolution: -12%

Despite the greatest global decline in international Greenfield investments ever covered by the Monitor, with a 12% drop in 2012, Europe remains the most attractive zone (35%), with Asia in second place (28%).

With a 9% share, Latin America is now a big challenger, but also the continent that has suffered most from the global decline (down 20%).

"A large portion of China's domestic market remains available to Western brands as local companies have yet to satisfy demand."
International auction sales, London

"The best ambassadors for Europe are the Europeans."
Food industry, Shanghai

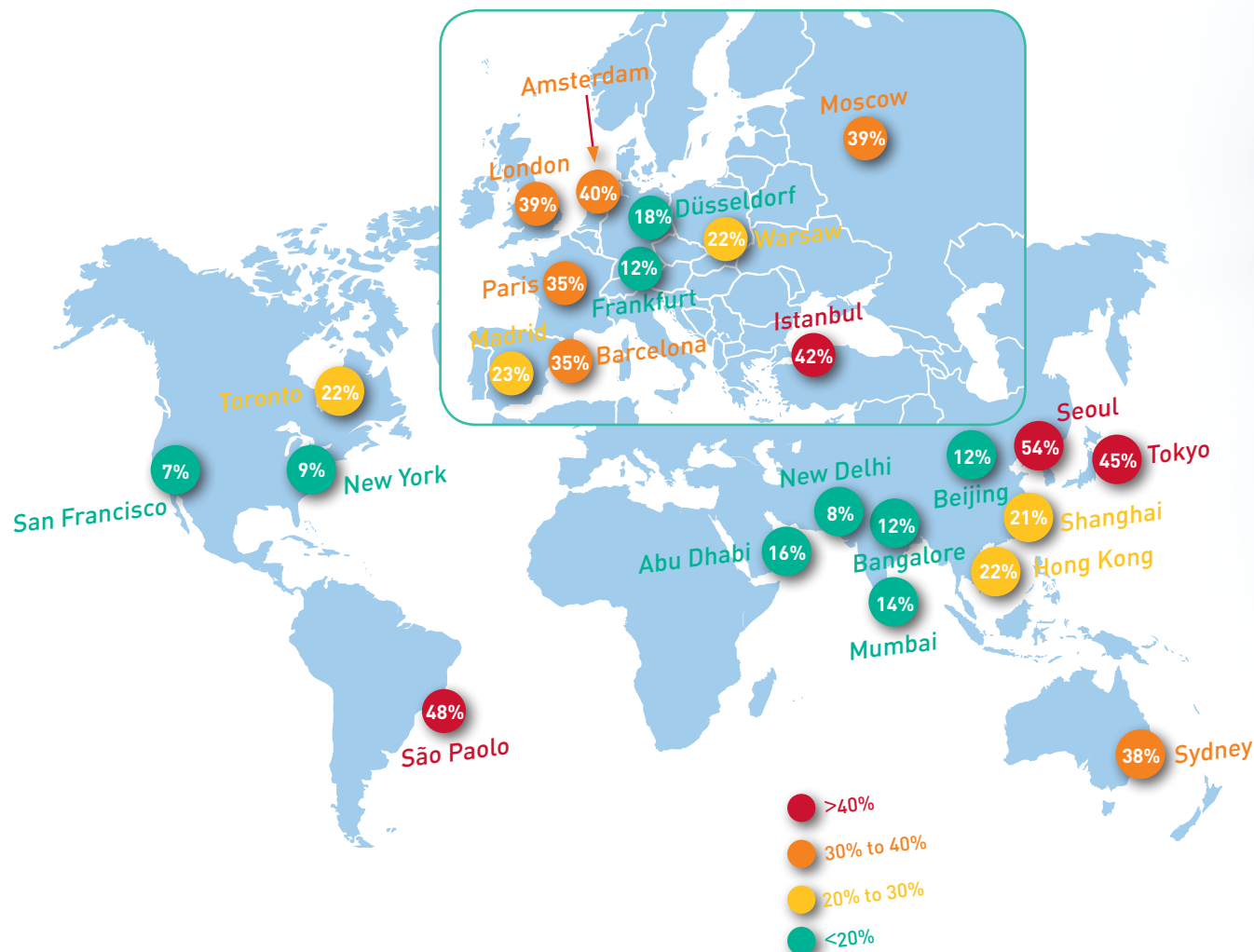
Source: fDi Markets, Financial Times Ltd

MORE CONCENTRATED INVESTMENTS IN MAJOR GLOBAL CITIES



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GLOBAL CITIES' WEIGHT IN NATIONAL INCOMING INVESTMENTS



Global Cities once again act as anchors and prime assets on the international competition scene to attract capital and jobs.

International Greenfield investments have become more volatile. In 2012, the year-on-year change was a 12% fall (against a 9% rise in 2011, a 3% drop in 2010 and an 8% decrease in 2009).

However, they are increasingly concentrated in the top Global Cities. While the global decrease was 12%, it was only 8.5% in the top 25 Global Cities covered by the Monitor, and 7.5% in the top 5 Global Cities.

Source: fDi Markets, Financial Times Ltd

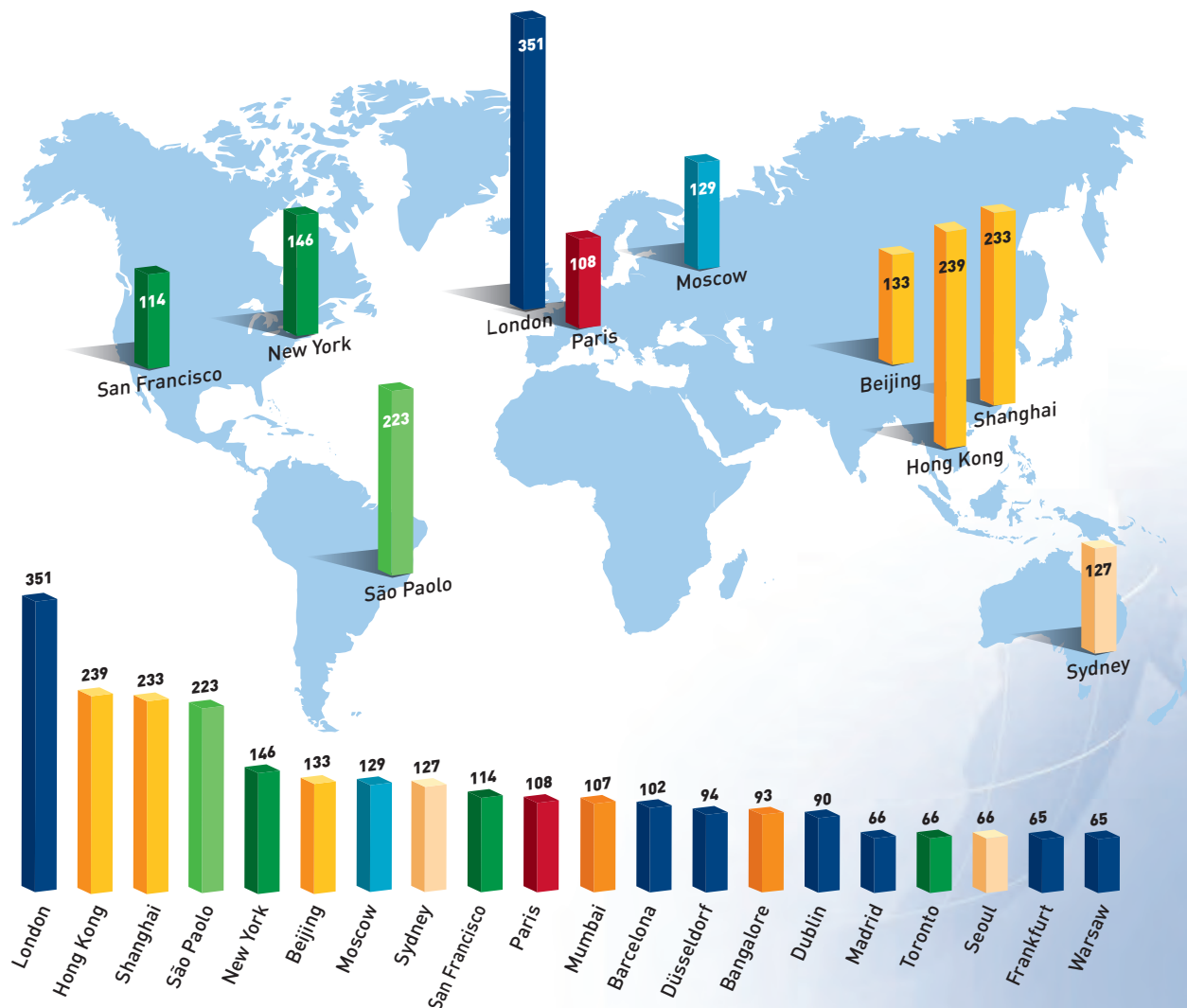
NEW TRENDS

SAME LEADERS BUT NEW CHALLENGERS



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NUMBER OF INVESTMENTS



The global ranking is quite stable, with nine out of the ten top Global Cities already there the year before. Sidney has snapped up the spot left behind by Mumbai.

The top 5 Global Cities have remained the same as last year, and the cities in fifth to tenth place moved little compared with a much more volatile ranking among the lower spots.

São Paulo is enjoying the benefits associated with the Olympic Games and Football World Cup. It is the only top Global City to have actually increased its net influx of international Greenfield investments (+14.4%). Paris, sixth on the world scale for Greenfield International Investments, is the undisputed leader in continental Europe.

“The perspective of the football world cup and of the Olympic Games in Brazil have improved São Paulo’s international visibility”
Fashion & fragrance, Barcelona

“Shanghai is a up-and-coming city compared to Hong Kong which is still the traditional entry point to Asia” Food industry, Shanghai

“London takes advantage of its strong Middle East and Russian communities. Moreover its commonwealth’s heritage contributes to its promotion” Fashion & fragrance, Barcelona

Source: fDi Markets, Financial Times Ltd

INVESTMENTS BY SECTOR

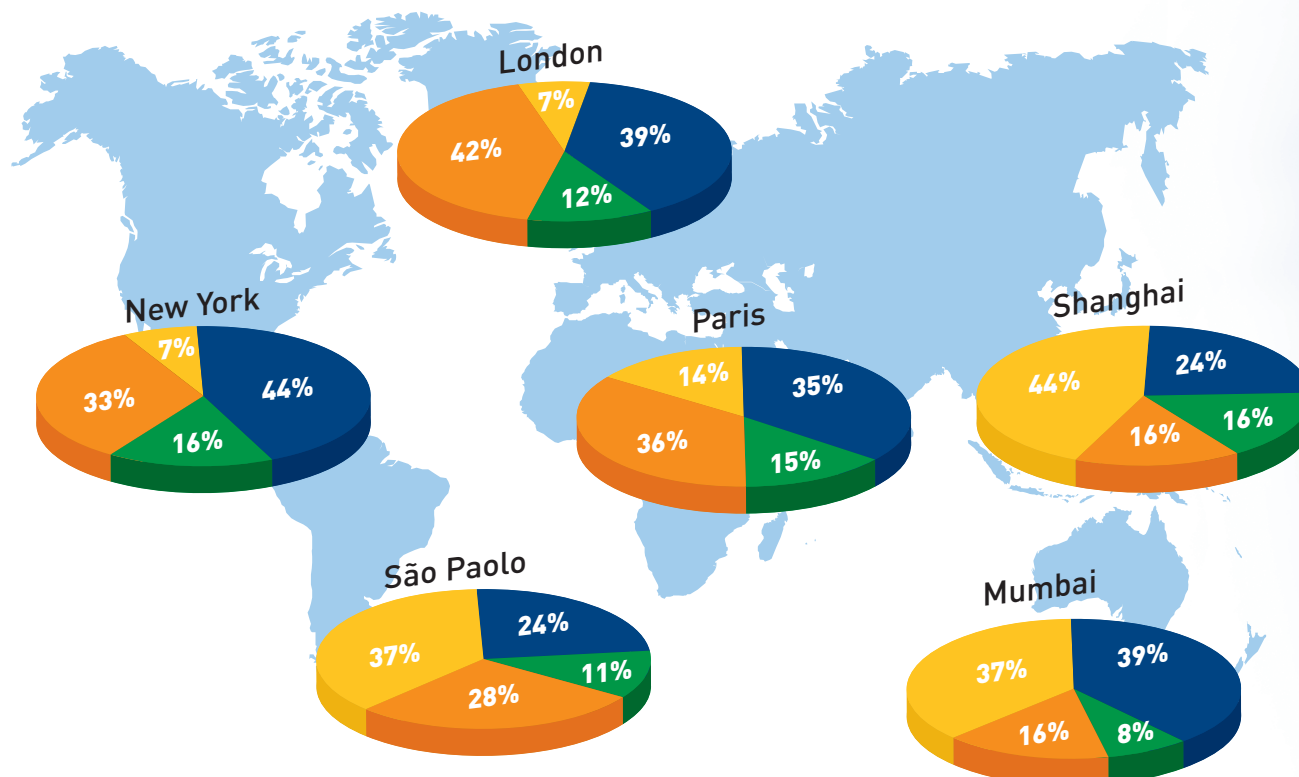
PARIS: A PERFECTLY BALANCED ECONOMY



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TYPE OF GREENFIELD INVESTMENT BY SECTOR OF ORIGIN



Paris, London and New York are deemed mature markets, where industry has ceased to be dominant, in contrast with São Paulo, Mumbai and Shanghai, which are nonetheless undergoing rebalances.

Paris, however, stands out as one of the most diversified economies, where industry and IT still play a significant role in balancing business and financial services or consumer products and services.

In 2012, IT& communication investments increased in all six cities, except Mumbai, and business and financial services in all cities except New York.



Source: fDi Markets, Financial Times Ltd

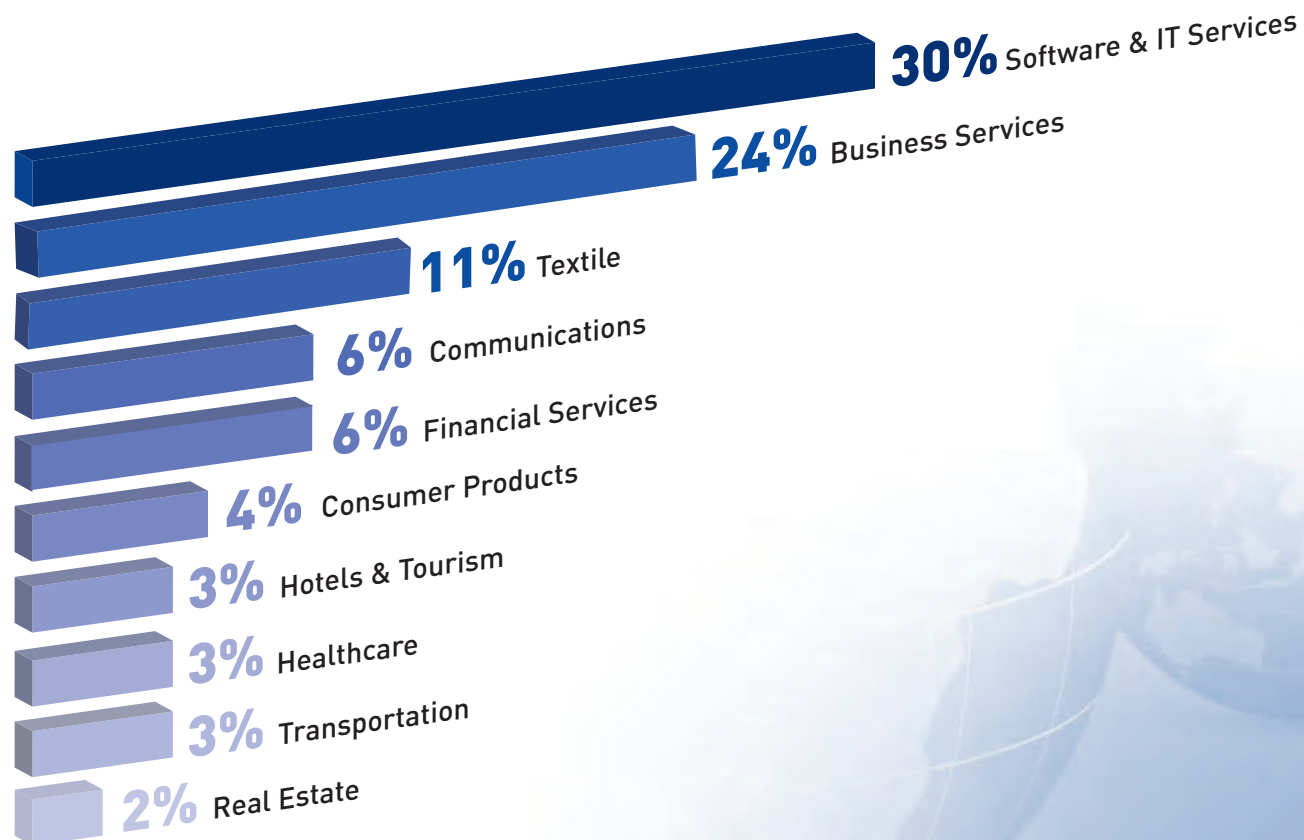
↑ FOCUS ON PARIS

INVESTMENTS BY SECTOR



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TOP 10 ACTIVITIES



In 2012, foreign companies invested in the Paris production chain. IT services, new technologies and business services dominate.

High-added-value sectors recognized by investors in 2012 were healthcare and transportation. Greater Paris is a global hub for car, train and aerospace manufacturers, a unique example of a mature Global City with a highly diversified range of high-tech industries.

As the world's leading tourist destination, Paris is also well-positioned in textile, consumer products and tourism.

"A good understanding of the IT element represents substantial savings and economy of scale for new businesses."
Agribusiness, America & Asia Pacific

"The rise of IT investments: cities and countries need to place themselves at the cutting edge of technology."
Pharmaceutical industry, Shanghai

Source: fDi Markets, Financial Times Ltd



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Al Hamra Tower
(412m)
Koweit City

CCTV Tower
(234m)
Beijing

Cocoon Tower
(204m)
Tokyo

Hermitage Tower
(320m)
Paris

Mirante do Vale
(170m)
São Paulo

Westend Strasse 1
(208m)
Frankfurt

REPORT 2008/2012

REAL TOP GLOBAL CITIES

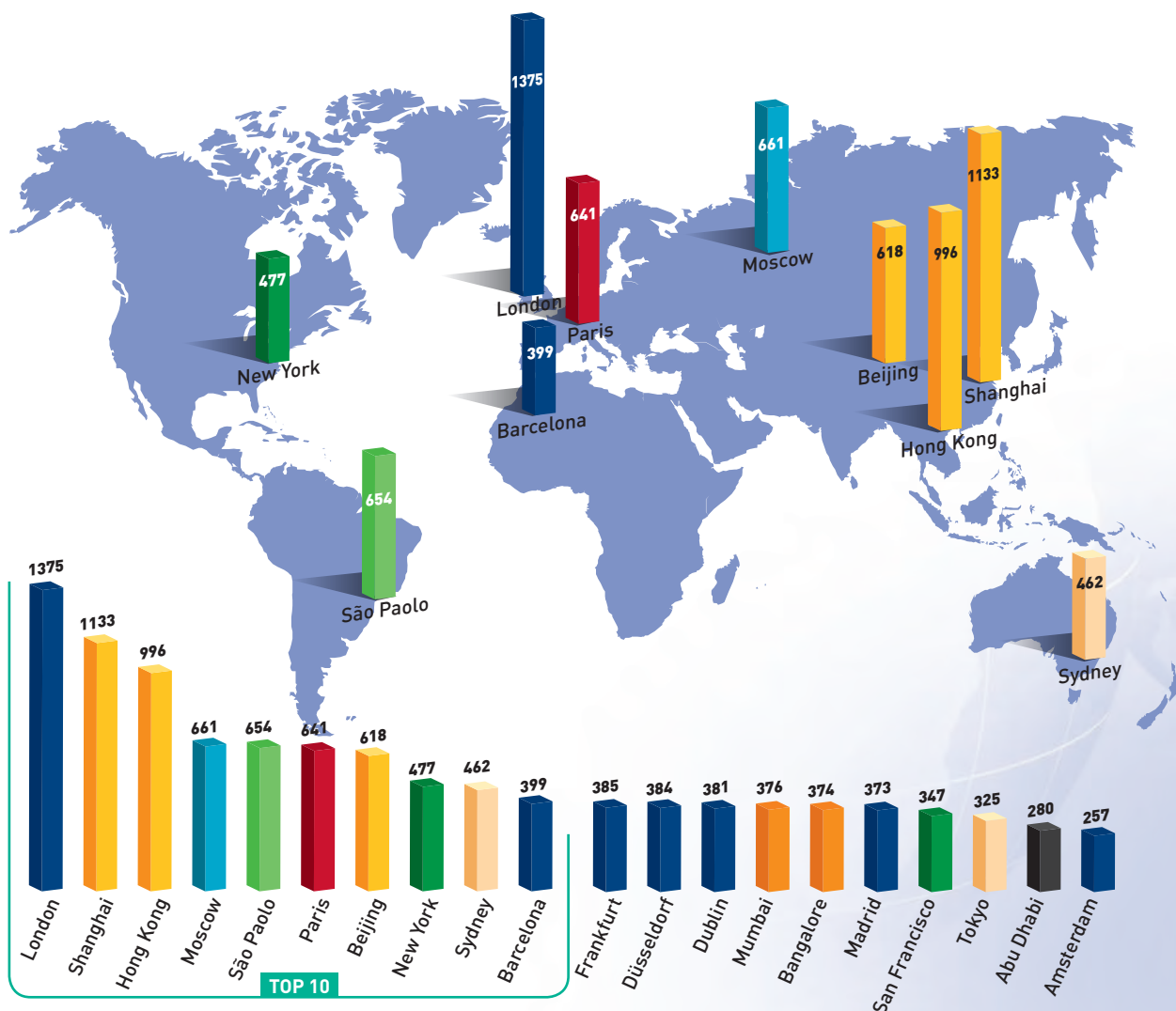
THE GLOBAL RANKING

FOR THE LAST FIVE YEARS, 2008 TO 2012



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NUMBER OF INVESTMENTS



Three European cities have remained in the top ranking throughout the period too: London, Paris and Barcelona. Madrid has slipped below its original ranking. On the contrary, Frankfurt, Dusseldorf and Dublin have gained better positions.

“São Paulo is the entry point for Brazil but it is hard to do business there because skilled labour is more expensive than in India, Europe and even America.”
Global merchandiser of commodities

“Everyone wants to invest in New York but not everyone can afford to.”
Global merchandiser of commodities

“The United States of America and Europe will still play a crucial part in worldwide economic growth over the coming years. Western countries proved to show strong business resilience over the last years.”
Agribusiness, America & Asia Pacific

Source: fDi Markets, Financial Times Ltd

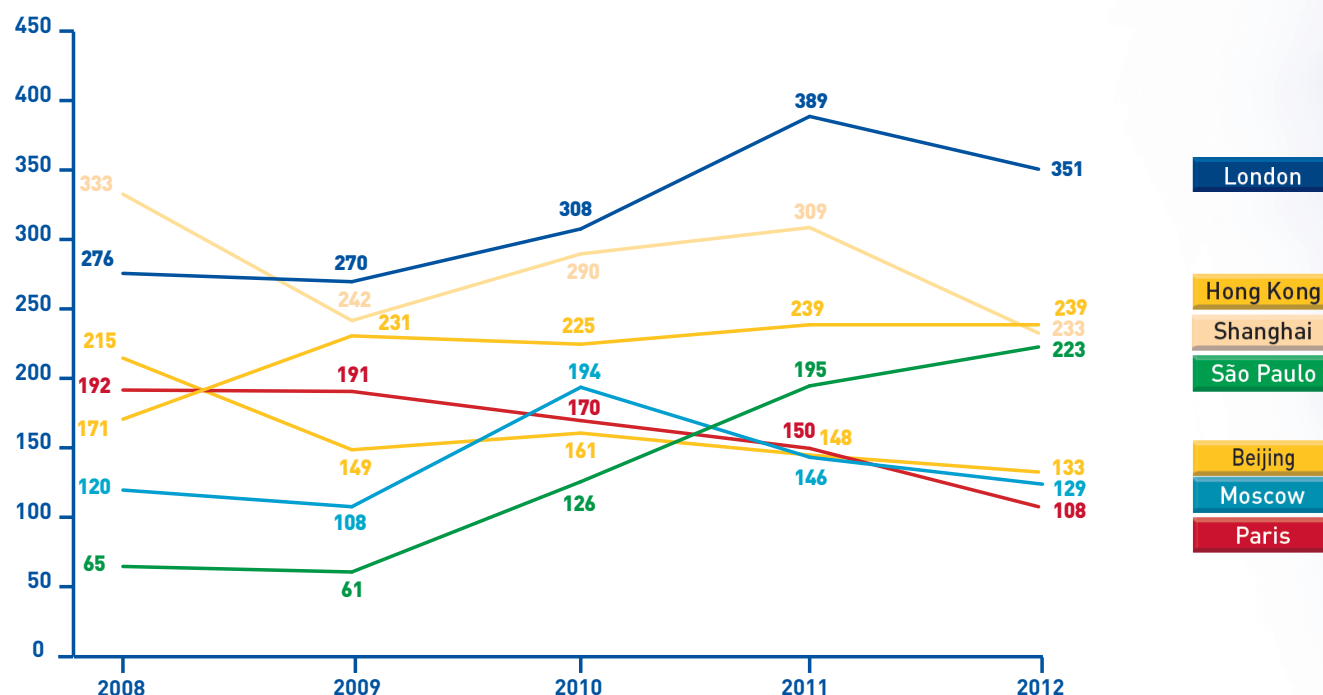
EUROPE AND BRIC **COMPETE FOR GLOBAL LEADERSHIP**



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EVOLUTION IN THE TOP 5 CITIES, 2008 TO 2012

Number of investments



Over the last five years, the BRIC economic capitals have generally improved their ranking. This is especially the case of Sao Paulo and Moscow. Beijing and Mumbai have been less successful while Shanghai and Hong Kong have remained in the top throughout the period.

The Americas have gained to cities in the top 10 over the last five years and Oceania one, another since that the global competition between Global Cities has become more diverse and open.

“Moscow is an attractive place for international luxury brands thanks to the increasing purchasing power of the middle classes.”
 Logistics, Shanghai

“Beijing is a city where we can now find experienced young workers. The business environment has improved and the city’s culture is appropriate for huge international investment. However the administrative system is complex. This is why the logical conclusion for mid-size companies is to establish themselves in secondary cities in China.”
 Pharmaceutical industry, Shanghai

Source: fDi Markets, Financial Times Ltd

GLOBAL CITIES: A COMPETITION MORE OPEN THAN EVER



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The Global Cities Investment Monitor is a unique worldwide survey conducted exclusively by the Greater Paris Investment Agency in partnership with KPMG. It ranks the attractiveness of Global Cities which compete at worldwide level.

Whereas there is no strict definition for a Global City, they all benefit from a dynamic and stimulating environment where financial and business innovation meets top decision-makers. Global Cities are focal points whose influence reaches all continents, both densely linked and intensely competing with one another to define the best economic, urban and political standards.

Competition among Global Cities is more open than ever before. For most of the twentieth century, Paris, London and New York formed the leading triad. Berlin was sidelined in the course of the two world wars. Moscow stood in the Soviet Bloc apart from economic competition. Tokyo was probably the first strong challenger.

Even with a much more open competition, very few cities can hope to figure among the top global ones. As the Monitor shows, investors' perceptions as well as actual investments tend to focus on a handful of cities and concentrate there.

For more than twenty years, the Greater Paris Investment Agency has conducted studies to compare and rank European cities. The Global Cities Investment Monitor is the first yearly global benchmark study. It fully acknowledges the changing global hierarchy.

What can Paris, a long-standing Global City, expect from the Monitor? It demonstrates that Paris enjoys attractiveness and a remarkable image. It shows that Paris is very-well positioned in terms of actual investments too, even better than its image suggests.

The Monitor is a unique instrument for the Greater Paris Investment Agency to advocate and support world-class investments in infrastructure, architecture, and clusters in Greater Paris, to make it one of the world's leading business capitals of the twenty-first century.

OUR MEMBERSHIP: GLOBAL&MAJOR COMPANIES



ABB, Accor, Aéroports de Paris, Altran Technologies, Bal du Moulin Rouge, BNP Paribas, Bouygues Bâtiment Ile-de-France, Cailliau Dedouit & Associés, Caisse des Dépôts, Chambre de commerce et d'industrie de Paris Ile-de-France, Chambre des Notaires de Paris, Cisco, Colas S.A., Colony Capital Europe, Comexposium, Crédit Agricole CIB (Calyon), Defacto, Deloitte, Ecole Normale de Musique de Paris, EDF, ERDF, Ernst & Young, Etablissement Public d'aménagement de La Défense Seine Arche (EPADESA), Ernst & Young, Fédération nationale des travaux publics, Fédération Régionale des travaux publics Ile-de-France, Fidal International, FNAIM Paris et Ile-de-France, France Amériques, France Télécom, Galeries Lafayette, GDF-Suez, Gecina, Générale Continentale Investissements, Gide Loyrette Nouel, Groupe G7, HCL Technologies, Hermitage, Klepierre, IBM, KPMG, La Foncière des Régions, La Poste, Marne-la-Vallée Epamarne/Epafrance, MEDEF Ile-de-France, Port Autonome de Paris, PwC, Randstad, RATP, Regus, Ricol Lasteyrie, Siemens, SILIC, SNCF, Tata Communications, Tata Consultancy Services, Total, Unibail-Rodamco, Veolia, Vinci Construction France – Ile-de-France, Viparis, Wipro ...



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KPMG in France

KPMG is the leading Audit, Accounting and Advisory services provider in France, employing 8,000 professionals located in 217 cities. In 2012, KPMG S.A.'s revenue stood at €860 million. KPMG serves major international companies, SMEs and family groups, in all industry areas.

KPMG is a member firm of KPMG International Cooperative, a global network of professional firms providing Audit, Tax and Advisory services with a presence in 156 countries across the world. KPMG employs 152,000 professionals and generates \$23.03 billion in sales.

The network is structured around three regions: the Americas, Asia-Pacific, and EMEA (Europe – Middle East – Africa).

(*Source: "La Profession comptable 2010")

www.kpmg.fr



Greater Paris Investment Agency

Greater Paris Investment Agency is a non-profit organization founded over twenty years ago by the Paris Chamber of Commerce and Industry to attract new international investors in Greater Paris and to bolster its attractiveness.

It is comprised of more than one hundred major French and multinational companies; they guarantee a total independence and provide support in fulfilling the Association's main missions.

As Greater Paris Business Ambassador, our Agency is your privileged partner and advisor: linking governmental decision-makers and our prestigious business partners' network.

Chiara Corazza
Managing Director
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