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## UK attracts increased foreign investment in 2008-09 Canadian companies continue to enjoy success in the UK

**Toronto** – Over the last financial year (2008-09), foreign direct investment in the UK has risen, with 1,744 investment projects locating and expanding here. Every day, five new foreign direct investment projects make the decision to locate in the UK.

Despite some of the most difficult economic conditions for generations, the UK maintains its position as the number one destination for foreign investors in Europe, and second in the world.

And the UK is seen as an attractive commercial destination by more nations than ever before. This year 53 countries have invested in the UK, with investment projects from Canada increasing by 25% in the past year to become the UK's fifth largest source - 83 FDI projects. The USA remains the first source of investment – which this year rose by 30% to 621 projects. Other nations providing increased investment into the UK this year were Italy (up 45%), France (up 15%), India (up 44%) and The Gulf (up 25%).

Although many of the investments from Canada have been made by major companies like RIM and OMERS the bulk of investments have come from small to medium sized companies such as Knowaste, a company that recycles diapers into new and useful products and Baylis Medical a leading supplier of high-technology cardiology, pain management, and radiology products. Other companies UKTI Canada has worked with include BTI Systems, Smartcool Systems, D&D Leasing, Conceptwave Software and OnX Enterprise Solutions an IT Solutions Provider.

“Despite these challenging economic times, the UK continues to be the preferred overseas destination for Canadian investment,” said Jonathan Dart, British Consul General in Toronto and Director for Trade and Investment in Canada. “The UK provides the best of global business and, as this year's results demonstrate, more and more Canadian companies are recognising the role the UK plays in gaining them access to the global economy.”

UK Minister for Trade, Investment and Business Lord Davies said, “International trade and investment is vital to the long term economic health of the UK. Today's results illustrate strong international confidence in the UK economy and the contribution of this investment will be critical to our ability to compete and succeed as a country in the future.”

Investment increased across a range of sectors such as advanced engineering, the creative industries, software computer and other business services - and the financial services.

- Investment projects in the UK's high tech **manufacturing** sector have increased this year by 18% - reinforcing the fact that the UK is the sixth largest manufacturer in the world.
- 251 **HQs or European HQs** were set up in the UK.
- Investment projects in the **Creative Industries** increased by 65%, in the **Financial Services** sector increased by 20%, **Business Services** increased by 34%, **Advanced Engineering** increased by 15%, **Software and Computer Services** increased by 36%.

This month London saw China Construction Bank - second largest bank in the world by market capitalisation set up their European HQ in London.

Speaking of the financial services, Lord Davies added, "The City of London remains fundamentally strong and attractive to overseas investors - a leading global hub for financial services and an unrivalled gateway to world markets for international companies looking for a place to grow."

The biggest rise is in new investment projects (up 26% on last year) rather than M&As, JVs or expansions.

Sir Andrew Cahn, Chief Executive of UK Trade & Investment (UKTI) – the government's international business development organisation – who announced the results today, said: "Investment is a significant, expensive and long-term decision for every company. UK Trade & Investment plays a key role in supporting the best international companies to invest in the UK and the UK economy is reaping the rewards.

"True, the climate remains tough and the competition remains strong. We need to work even harder to stay a global destination of choice. We are committed to ensuring the UK remains the best place to start and grow your international business – both for foreign investors, and our home grown businesses."

The UNCTAD Stock Report for 2007 (latest figures) confirms that the UK continues to have the highest stock of FDI in Europe at \$US1,348 billion.