

Global Cities of the Future 2014/15

FDI Strategy winners

IN THE FDI STRATEGY CATEGORY FOR fDi'S INAUGURAL GLOBAL CITIES OF THE FUTURE RANKING FOR 2014/15, DUBAI WAS RANKED FIRST BY A PANEL OF JUDGES, WITH HONG KONG AND COPENHAGEN PLACED SECOND AND THIRD, RESPECTIVELY. **CATHY MULLAN** REPORTS ON WHAT TOOK THESE CITIES TO THE TOP



**GLOBAL CITIES
OF THE FUTURE 2014/15**

In the FDI Strategy category of fDi's Global Cities of the Future 2014/15 rankings, published in December 2014 – the only category in the rankings to be subjectively judged – Dubai was placed first by the judging panel. Its investment promotion body, Dubai FDI, forms part of the city's Department of Economic Development and has 12 staff in total working to promote and facilitate inward investment.

Judges were impressed with the city's moves towards becoming a 'smart city', with government services available around the clock. Such attributes appeal to foreign investors – it means that doing business is easier, with more time and help when it comes to sorting official tasks, and time differences with a head office are often less of a problem. In its Business Strategy Engagement programme, Dubai is aiming to communicate new government initiatives with the private sector, so they can be taken into consideration when companies are planning growth strategies. Foreign investors also have the option of operating under UK common law when dealing with disputes in the Dubai International Financial Centre courts.

Financial incentives are plentiful in Dubai, with no VAT, income tax, corporate tax, capital gains tax, profit

restrictions or repatriation of profit expenses. Free zones are plentiful throughout the Dubai emirate, many of which allow 100% foreign ownership. Dubai has been developing at a rapid pace, and this shows no signs of slowing down. Many infrastructure developments are under way, including upgrades to sea transportation and the expansion of the city's ports, an extension of its metro lines, new highway and tram projects, and the expansion of the city's main airport as well as the construction of a second – Dubai World Central.

Hong Kong's second thoughts

Invest Hong Kong's FDI Strategy was ranked second by fDi's judging panel. The investment promotion agency employs 70 staff at its head office, and also has employees based in dedicated economic and trade offices globally, in addition to working with 13 external consultancies who promote the Invest Hong Kong brand.

In 2013, Invest Hong Kong introduced a new global branding initiative – StartmeupHK. This campaign aims to attract start-up companies and entrepreneurs to the city, and to promote the city as a destination for companies' second ventures. The brand has a dedicated website and virtual platform, as well as an accom-

panying roadshow and an engaging social media presence. Supported by the city's government, whose initiatives are designed to attract such investment projects, StartmeupHK runs an annual venture programme – a competition for early- to growth-stage companies to launch their second ventures in the city.

Major infrastructure developments are also serving to make Hong Kong a more attractive location for investment. Such developments include extensions at Hong Kong international airport and the development of the Science Park in the city, which is designed to attract environmental and renewable energy technology investments. Transport infrastructure improvements, including rail and road projects, will link the city to the Chinese market more effectively – a huge potential market for any investor.

Copenhagen's clustered thinking

Denmark's capital city, Copenhagen, ranked third in fDi's FDI Strategy category. Copenhagen Capacity, its official investment promotion and business development agency, employs 39 people dedicated to promoting inward investment, while also collaborating with a network of agents, cluster organisations and

TOP 25 FDI STRATEGY

RANK	CITY	COUNTRY
1	Dubai	UAE
2	Hong Kong	Hong Kong
3	Copenhagen	Denmark
4	Stockholm	Sweden
5	Brisbane	Australia
6	Barcelona	Spain
7	Tel Aviv	Israel
8	Bogota	Colombia
9	Wroclaw	Poland
10	São Paulo	Brazil
11	London	UK
12	Montreal	Canada
13	Atlanta	US
14	Calgary	Canada
15	Berlin	Germany
16	Perth	Australia
17	Helsinki	Finland
18	Los Angeles	US
19	Cologne	Germany
20	Toronto	Canada
21	Dallas	US
22	San Jose	Costa Rica
23	Vancouver	Canada
24	Miami	US
25	Kuala Lumpur	Malaysia

chambers of commerce globally.

The agency has a notable web presence, with its website also available on a mobile platform and in a variety of languages, allowing it to clearly communicate its services and objectives. There are also links to a variety of social media platforms – LinkedIn, Twitter, Facebook and Google+ – where potential investors can get real-time news on what is happening in the city. Copenhagen Capacity also sends targeted newsletters as part of its marketing campaign, allowing the agency to focus on a specific cluster for development, ensuring it is contacting the right people in the right companies.

Copenhagen's cluster focus is on life sciences, and the city is home to Medicon Valley – the third largest life sciences cluster in Europe. The agency is in the process of establishing its Copenhagen Health-Tech cluster, which aims to “create healthcare technology solutions, increase exports and attract foreign companies and investors”. Denmark is planning to construct five super hospitals and renovate 11 existing ones, at a total cost to the state of €5.7bn.

Elsewhere in Copenhagen, the pan-European science and research project European Spallation Source is establishing a state-of-the-art multi-

disciplinary research centre in the city, in the grounds of the University of Copenhagen, Metropolitan University College and Copenhagen University Hospital – one of the largest areas of research, education and applied science for pharmacology, health and natural sciences in Europe.

The best of the rest

European locations performed particularly well in the FDI Strategy category, with Stockholm, Barcelona and Wroclaw all ranking in the Global Cities of the Future top 10 by this measure. Stockholm markets itself as the ‘capital of Scandinavia’, increasingly accessible thanks to its Connect Sweden initiative, which aims to attract more direct intercontinental flights to Stockholm Arlanda airport. The city has a thriving cleantech industry and much of Stockholm Business Region Development's strategy, including its international Cleantech Forum and Swedish Cleantech Tour, is focused on attracting cleantech companies.

Montreal, the largest city in Canada's Quebec province and the highest ranking North American city in the FDI Strategy category, finished in 12th place. The city has implemented its ambitious strategic plan to double FDI between 2014 and 2018.

Local investment promotion agency Montréal International has established an interactive website to coincide with the refreshing of its brand. Montreal is also developing and targeting the aerospace cluster in the city with backing from the national government, which will cover up to 30% of the cost of strategic R&D projects through refundable contributions. Montreal's Strategic Aerospace and Defense Initiative aims to build upon what is a thriving sector in the city, which is the largest in Canada and employs more than 42,500 people in the Greater Montreal area alone.

It is important for investment promotion agencies to distinguish themselves from the crowd. Agencies are facing increased competition and investors are expecting more up-to-date and relevant information than ever. An effective web strategy is becoming more important to give the investor an insight into a location even before any short-listing of locations has begun. Important too is not just what a location can do to get a company to invest, but how attentive it is to the investors' needs afterwards. Aftercare services should not be overlooked, and can make an impression when a company is considering further overseas expansion. ■