

# Foreign Direct Investment (FDI) in North Rhine-Westphalia

## Results for 2021

# Executive Summary

## NRW achieves record result for FDI projects in 2021

- Global recovery in foreign direct investment, but uncertain outlook due to geopolitical situation and ongoing supply chain issues
- North Rhine-Westphalia records growth of +12% compared to 2020, thereby slightly outpacing global and German growth
- 458 FDI projects represent a new record since data collection began in North Rhine-Westphalia
- Investments from Europe account for over 60% of all projects
- Greater China, the Netherlands, the USA and Turkey in particular were significant investment source countries in 2021
- A particularly large number of major projects were realized in North Rhine-Westphalia in 2021
- Investments in important future areas underscore NRW's status as a location for innovation



# 1. FDI Reporting

## Definition of Foreign Direct Investments (FDI)

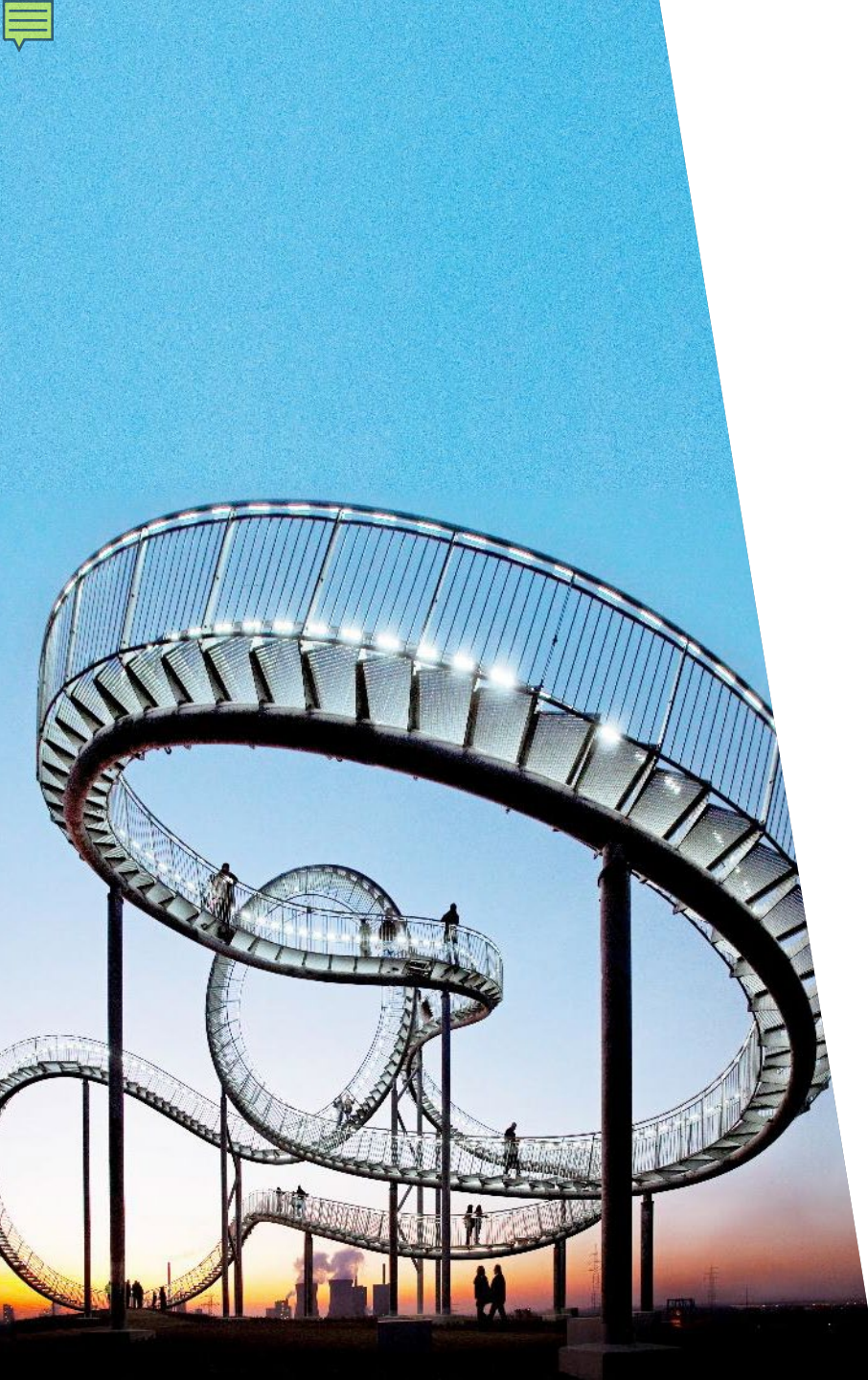
### Definition:

Recording of direct investments by foreign investors (> 50%) that lead to

- the establishment of a new enterprise or
- the expansion of an existing enterprise in North Rhine-Westphalia.

The investor's country of origin is the location of the global parent company. Not included as FDI are:

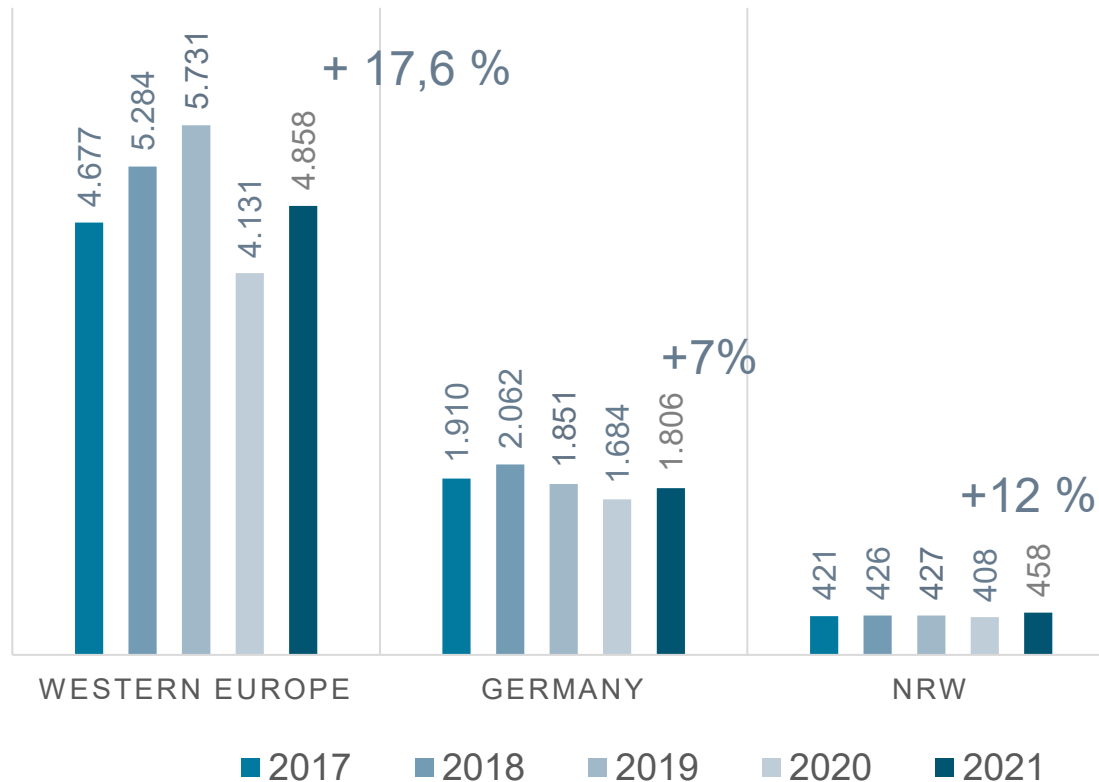
- The establishment of companies by individuals who contribute foreign capital or are of foreign origin.
- The establishment of joint ventures (unless they involve the creation of new jobs or a significant investment).
- Relocations of companies within North Rhine-Westphalia, provided they do not involve the creation of new jobs or a significant investment at the new location.
- Minority interests of foreign investors in a company of  $\leq 50\%$ .



## 2. Development of FDI projects in Germany and North Rhine-Westphalia 2017 - 2021

### Strong recovery of FDI projects in NRW

FDI cases in 5-year trend



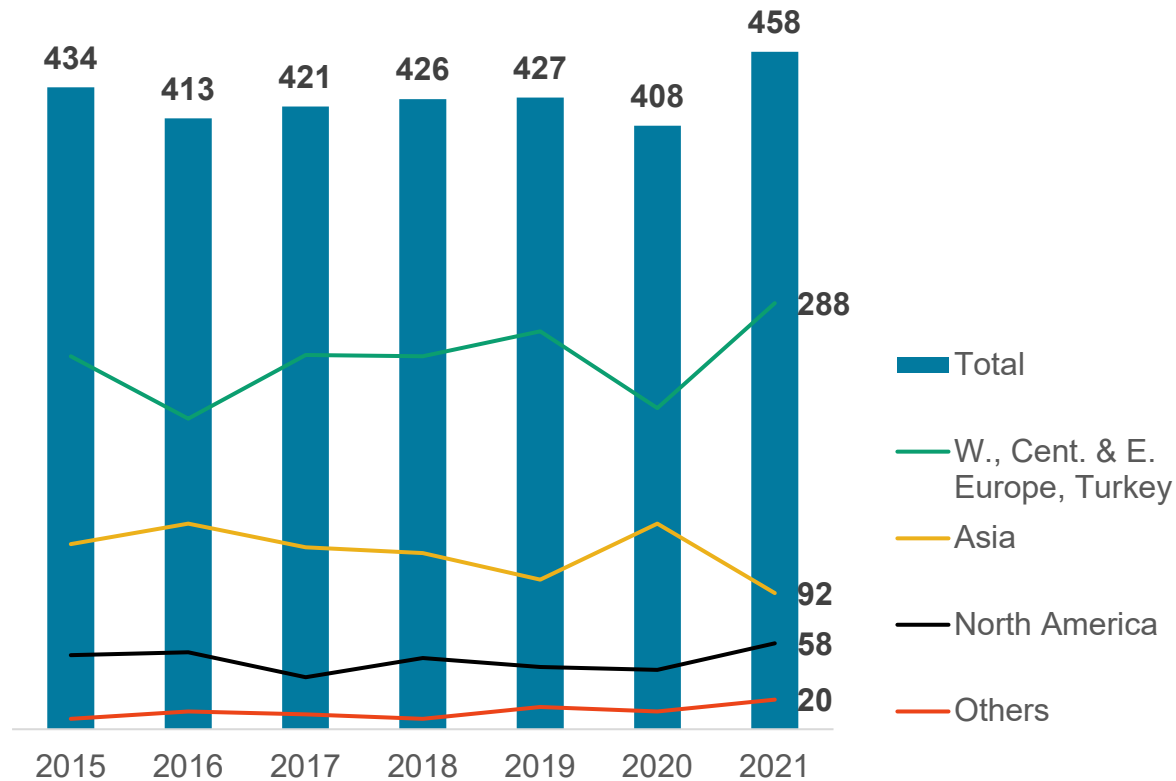
- Global rebound of Foreign Direct Investment
- NRW records growth of 12% year-on-year, slightly outperforming global and German growth
- Supply chain problems and a tense geopolitical world situation cloud future prospects
- Investments in semiconductors & renewable energy dominate investment activity worldwide

Source: Orbis, GTAI, EY, UNCTAD, own surveys

### 3. Development of FDI projects in North Rhine-Westphalia 2021

#### NRW achieves record in foreign direct investment

FDI cases in North Rhine-Westphalia 2017 - 2021



Sources: fdi-Markets, Orbis database, own surveys









- With 458 FDI projects, NRW records most investments since start of data collection
- Investments from Europe account for over 60% of all projects
- After a particularly strong year in 2020, investment projects from Asia are back at the level of previous years
- The level of investment from North America remains largely constant

### 3. Development of FDI projects in North Rhine-Westphalia 2021

#### Large number of investments from Turkey and Greater China

FDI cases in North Rhine-Westphalia - comparison 2020 & 2021

Ranking		2020	No. of projects
1		Greater China	88
2		Turkey	63
3		Japan	40
4		Netherlands	38
5		USA	37
6		Denmark	16
7		United Kingdom	14
8		Switzerland	14
9		France	11
10		Sweden	10

Ranking		2021	No. of projects
1		Greater China	69
2		Netherlands	56
3		Turkey	49
4		USA	47
5		United Kingdom	30
6		Switzerland	27
7		Russia	27
8		France	17
9		Japan	16
10		Austria	11

Sources: fdi-Markets, Orbis database, own surveys

### 3. Development of FDI projects in North Rhine-Westphalia 2021

#### Record number of jobs created

FDI cases in North Rhine-Westphalia - comparison 2020 & 2021

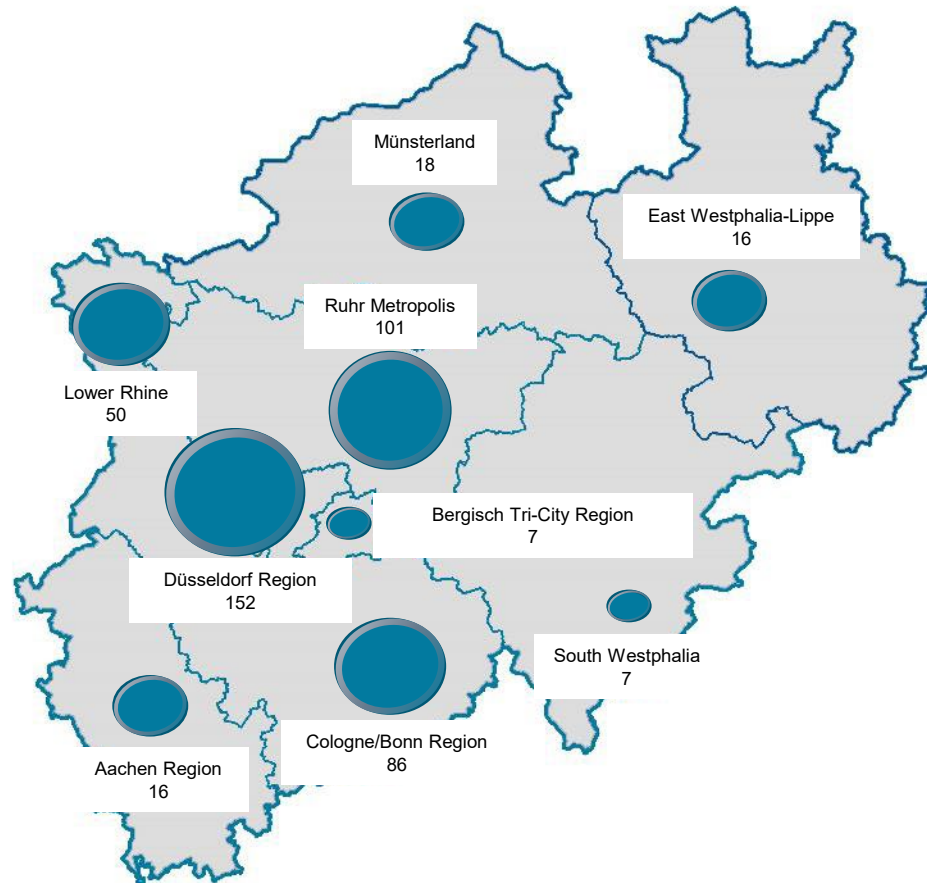
Rang		2020	No. of jobs*
1		USA	2,547
2		Greater China	1,203
3		Japan	820
4		Denmark	790
5		Turkey	703
6		Netherlands	611
7		United Kingdom	421
8		Thailand	300
9		India	153
10		Switzerland	140
		Total number of jobs forecast	<b>8,659</b>

Rang		2021	No. of jobs*
1		USA	3,038
2		Greater China	2,362
3		Canada	1,755
4		Netherlands	1,695
5		Norway	767
6		Turkey	596
7		India	520
8		Switzerland	490
9		Luxembourg	490
10		United Kingdom	479
		Total number of jobs forecast	<b>14,334</b>

### 3. Development of FDI projects in North Rhine-Westphalia 2021

The Rhine and Ruhr metropolitan regions continue to lead in investment

Number of FDI projects in 2021 in the NRW regions



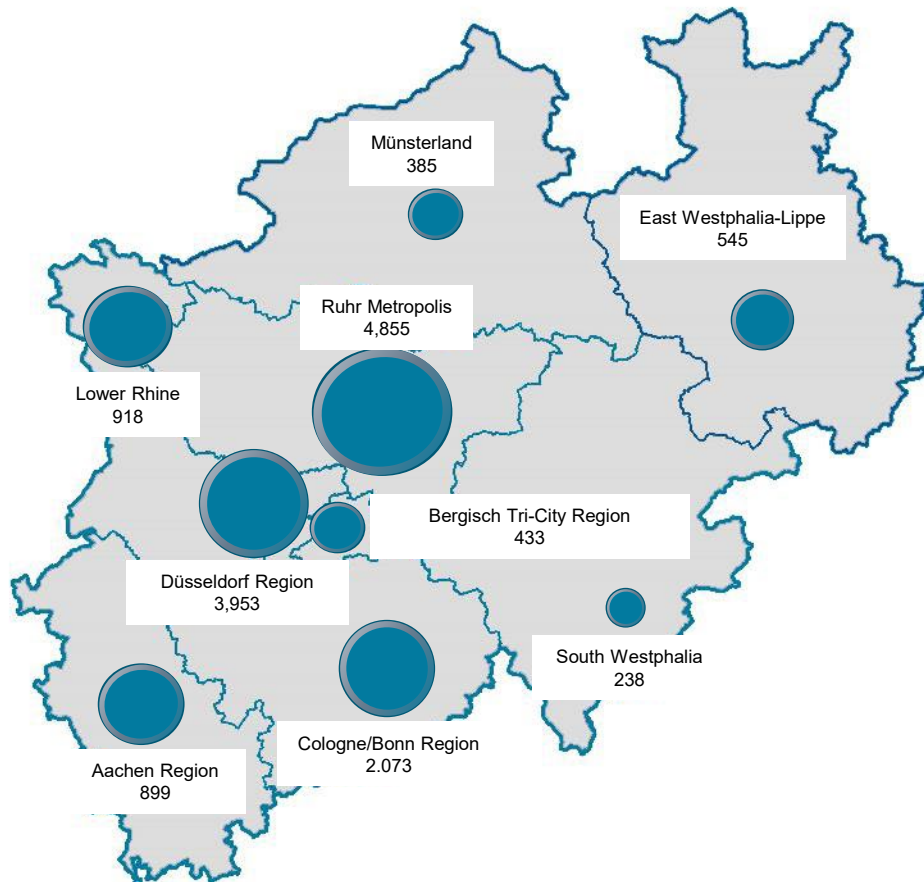
- One-third of all FDI projects in North Rhine-Westphalia are carried out in the Düsseldorf region - meaning that, as in previous years, a large number of projects are concentrated in the state capital
- Once again, the Ruhr Metropolis shows a clear improvement with a focus on commerce and logistics
- Rural regions also report major projects
- Particularly large number of expansions in the Düsseldorf and Cologne/Bonn regions



# 3. Development of FDI projects in North Rhine-Westphalia 2021

## Record employment creation figures

Number of jobs\* in 2021 in the NRW regions



- Most potential jobs will be created in the Ruhr Metropolis with 4,855 – on average, the largest FDI projects were also located here in 2021
- In the Düsseldorf region, too, more new jobs than ever before were created by FDI projects, namely 3,963 jobs
- The size of projects in NRW has increased significantly compared to previous years, with an average of 31 jobs per project.