Co-financed by the European Regional Development Fund

Inspire Policy Making with Territorial Evidence

FDI ATTRACTIVENESS OF THE GREATER COPENHAGEN REGION

Växjö, 2 October 2018

Structure of presentation

PART 1

Snapshot of the Greater
Copenhagen Region

PART 2

Strategy and policy framework

PART 3

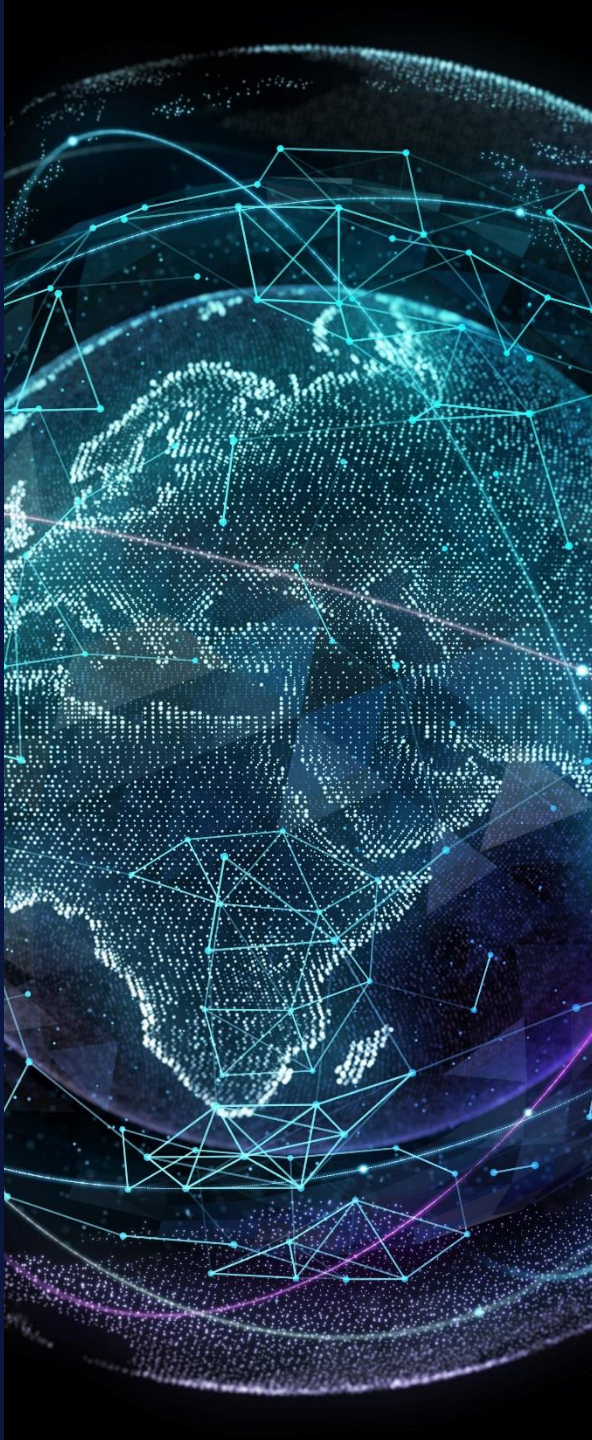
Impact of FDI inflows

PART 4

Concluding remarks

1

Snapshot of the Greater Copenhagen Region



Key facts about the Greater Copenhagen Region

One of the largest regions in the EU	**2 countries** **4 million inhabitants**
Comprises of Region Skåne, Region Zealand and the Capital Region of Denmark	**3 regions** **EUR 193 million GDP**
Aims to be the leading metropolis in Northern Europe	**19 science parks & innovation incubators** **17 universities**
Offers Scandinavia's most knowledge-intensive research and business environment	**190,000 students** **14,000 researchers**

Low risk outweigh a small market in a peripheral region

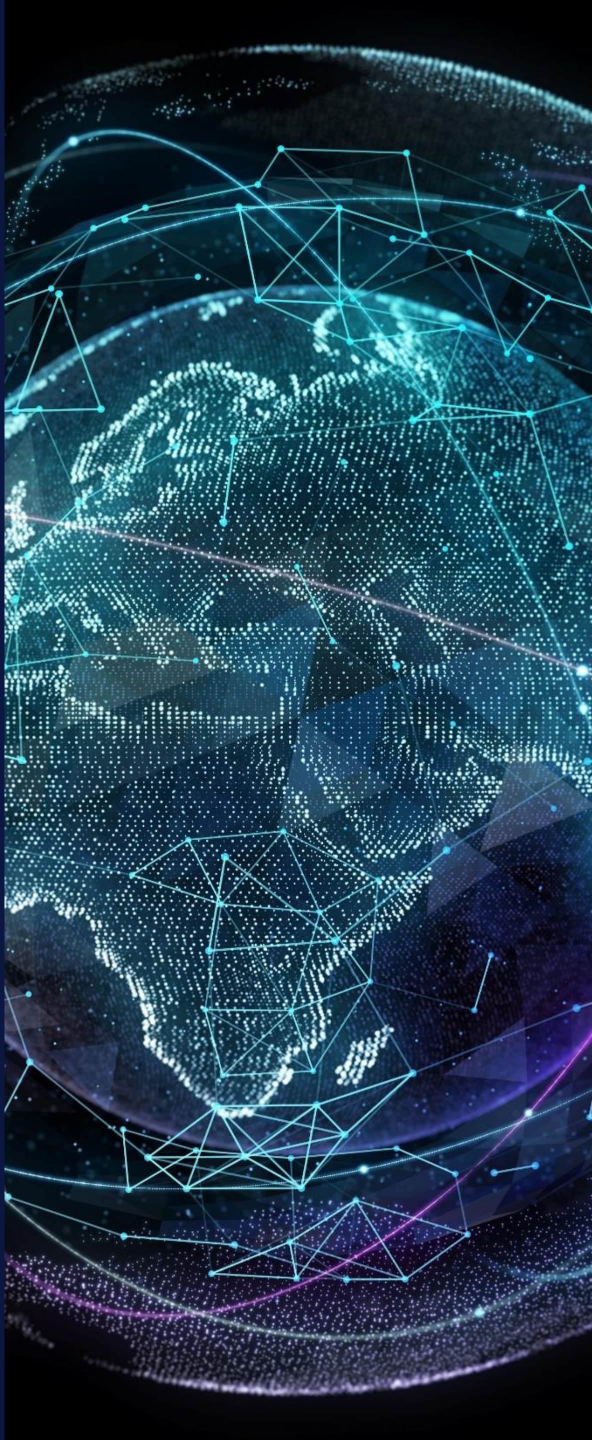
	Fundamental Drivers	Challenges and Weaknesses
Geography and Proximity	• Part of cross-border region • Central in Nordic context	• Peripheral region
National Market Characteristics	• High income consumers • 25 million consumers	• Small market
Public Institutions	• High security • Political stability • Low corruption • Strong public sector	
Economic Prosperity	• High quality of life	

High quality outweigh high costs – no tradition of using incentives

	Cost and Quality Drivers	Challenges and Weaknesses
Infrastructure and Accessibility	• Well-functioning infrastructure	
Environment for doing business		• High costs of setup and ongoing operations • Low fiscal incentives
Skill/Education of workforce	• Highly educated • Proficiency in English	
R&D and Innovation	• R&D spending: 5% of GDP in 2013 • Greatly exceeds EU average of 2% • Innovation Leader	
Agglomeration and clustering	• Life science cross-border cluster – Medicon Valley	
Digitisation level	• High penetration of digitisation • “Living lab” of testing digital solutions	

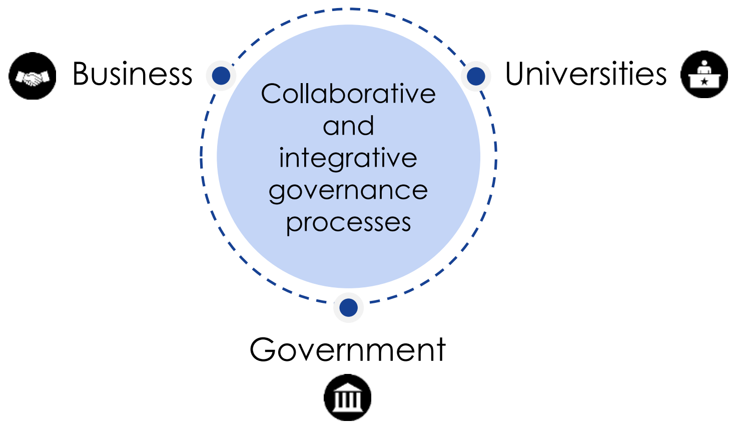
2

Strategy and policy framework



Greater Copenhagen cooperation is a business-policy partnership

Collaboration with business



Cross-border regions cooperation

- Labour market integration
- Low costs of highly skilled labour
- Internal division of labour

Copenhagen Capacity

Life science

Invest in Skåne

Automotive sector

Close coherence between national and regional development

National and Regional Development Goals

One-to-one relation between:

- Capital Region of Denmark and Copenhagen Capacity
- National policy framework and Copenhagen Capacity

Strategic Growth Areas

- Health-tech, medico, biotech, pharmacies and hospitals
- Green and Clean-tech
- Smart City Solutions
- Design and Creative Industries

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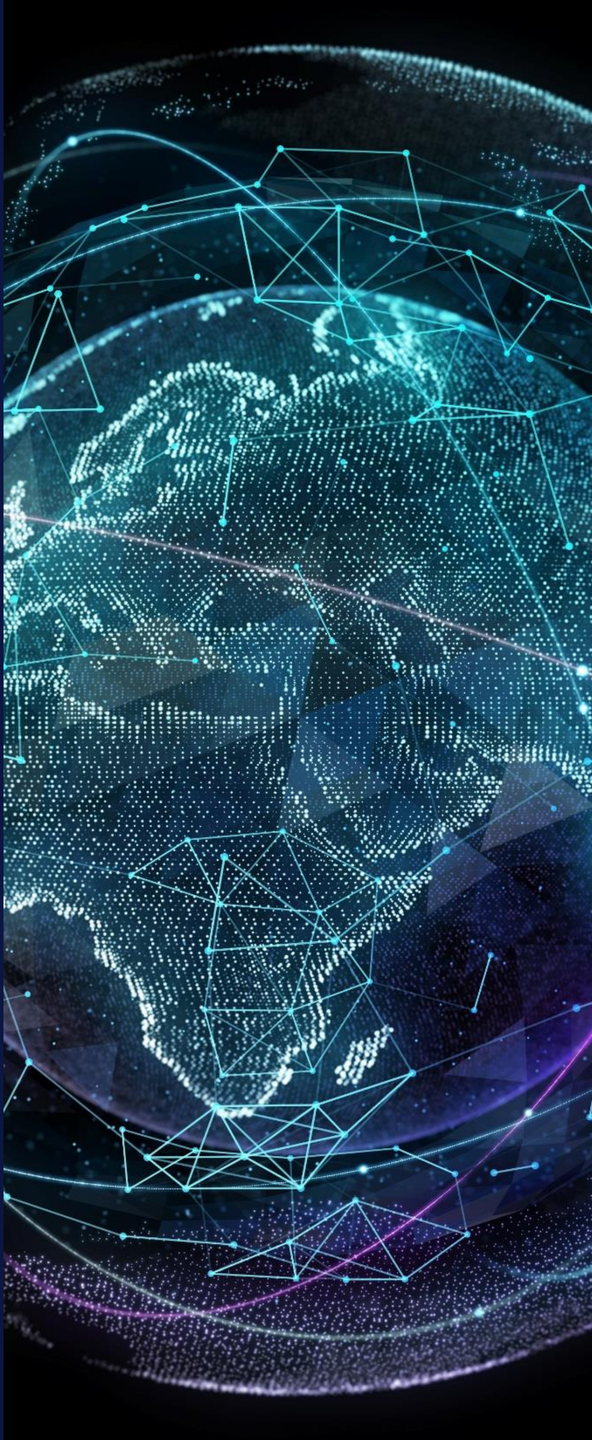
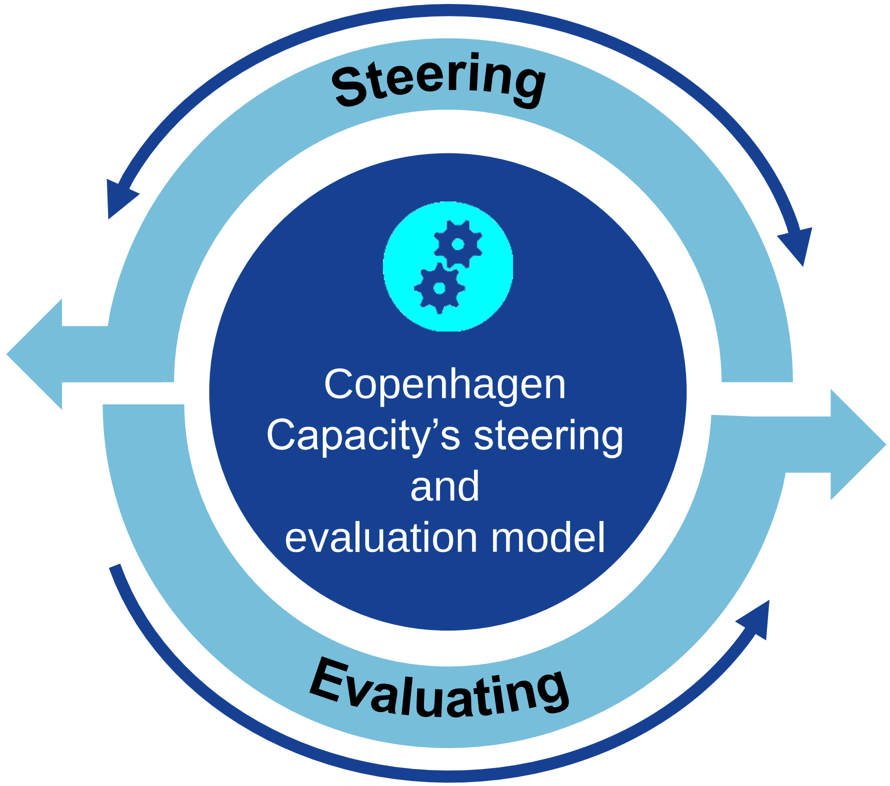
Impacts of FDI inflows



Copenhagen Capacity's new steering and evaluation model

Prioritise

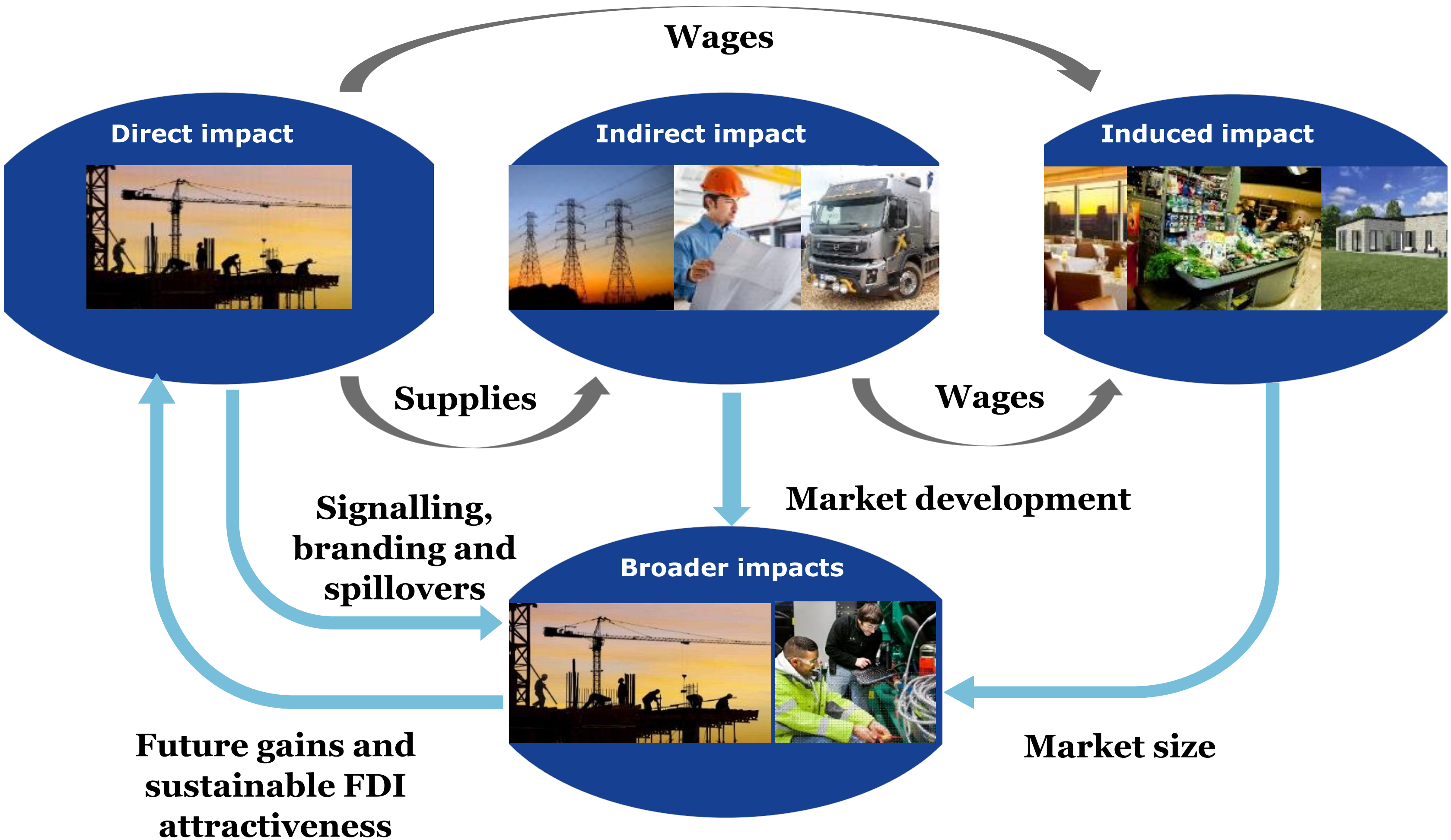
Focus resources to areas where Greater Copenhagen has a competitive advantage and therefore can attract investments of high impact **(qualitative)**



Assess impacts

Assess the full impact of Copenhagen Capacity's investment promotion activities **(quantitative)**

FDI may benefit the regional economy – risk of crowding out



KPI model used to assess impacts of Copenhagen Capacity's activities

Impact	*Quantification method*
Productivity spillovers to local firms	• Econometric model (intra-industry and inter-industry spillovers)
Indirect and induced impacts due to increased production by local suppliers and private consumption	• Input-output analysis
Direct impact due to the increased production by foreign firms	• Number of jobs in foreign firms that have been exposed to invest-in activities
Total economic contribution	

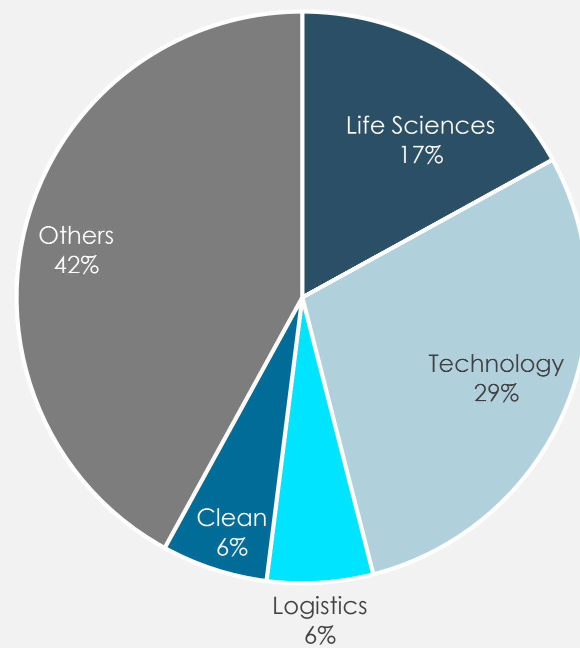
Impact of new investments supported by Copenhagen Capacity

~3.050 new jobs created
(direct: 1,260 jobs)

GDP contribution
DKK 3.7 bn.
(direct: DKK 1.0 bn.)

35 successful investment cases[1]

Companies attracted within priority sectors



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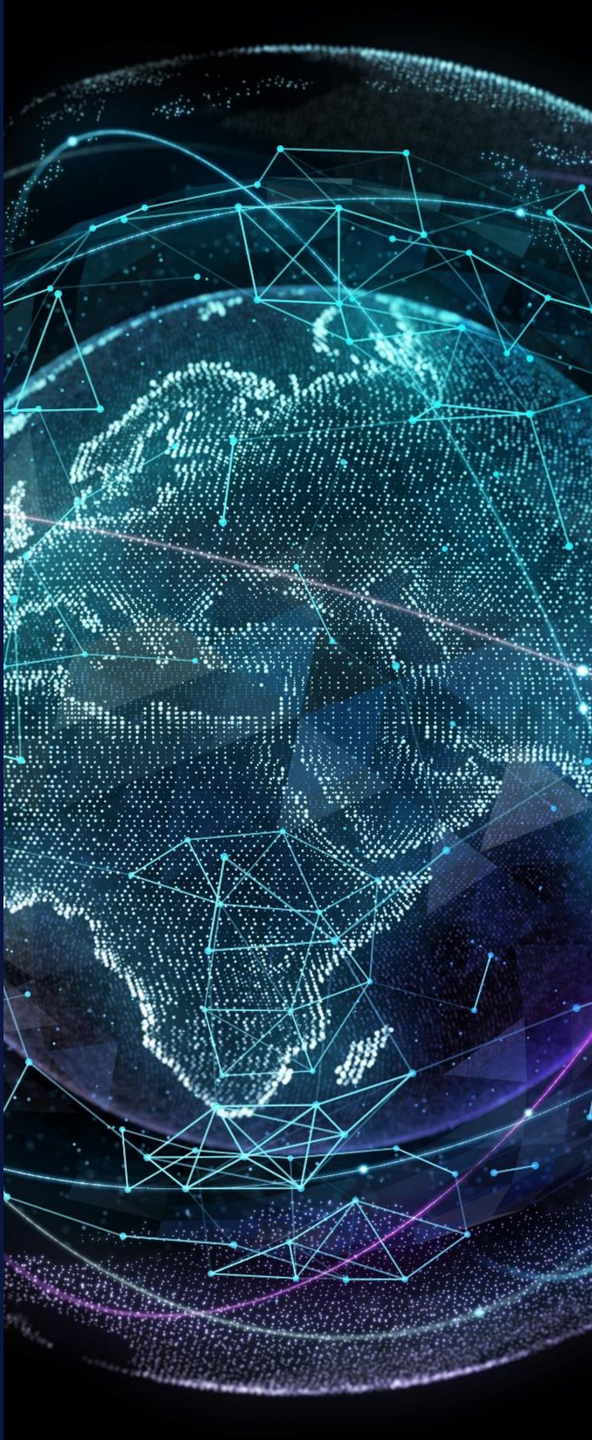
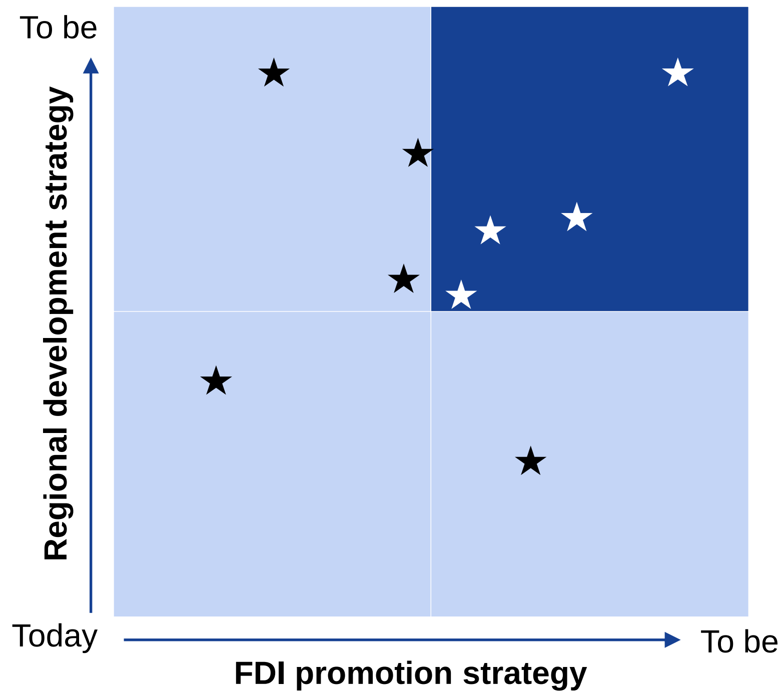
Concluding remarks



A place-based approach to FDI promotion is required

1

Map the economic structure, comparative advantages and growth drivers and restraints in the region to identify needs



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Optimise benefits from FDI by capitalising on synergies between the region's needs and the opportunities inherent in existing FDI

2

Map the FDI attractiveness of the region, understand drivers at the EU, national and regional level, and benchmark against peers to identify potentials

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Thank you for your attention!

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