



Co-financed by the European Regional Development Fund

Inspire Policy Making with Territorial Evidence

The World in Europe

Brussels, 10 October 2018

Structure of presentation

PART 1

SME internationalisation

PART 2

SMEs and FDI inflows

PART 3

Drivers of FDI across European regions

PART 4

Concluding remarks

1

SME internationalisation



European SMEs accounted for 25,700 investments (2003-2015)



12,800 **M&As** – EUR 92 million per deal

12,900 **greenfield investments** – EUR 31 million per deal

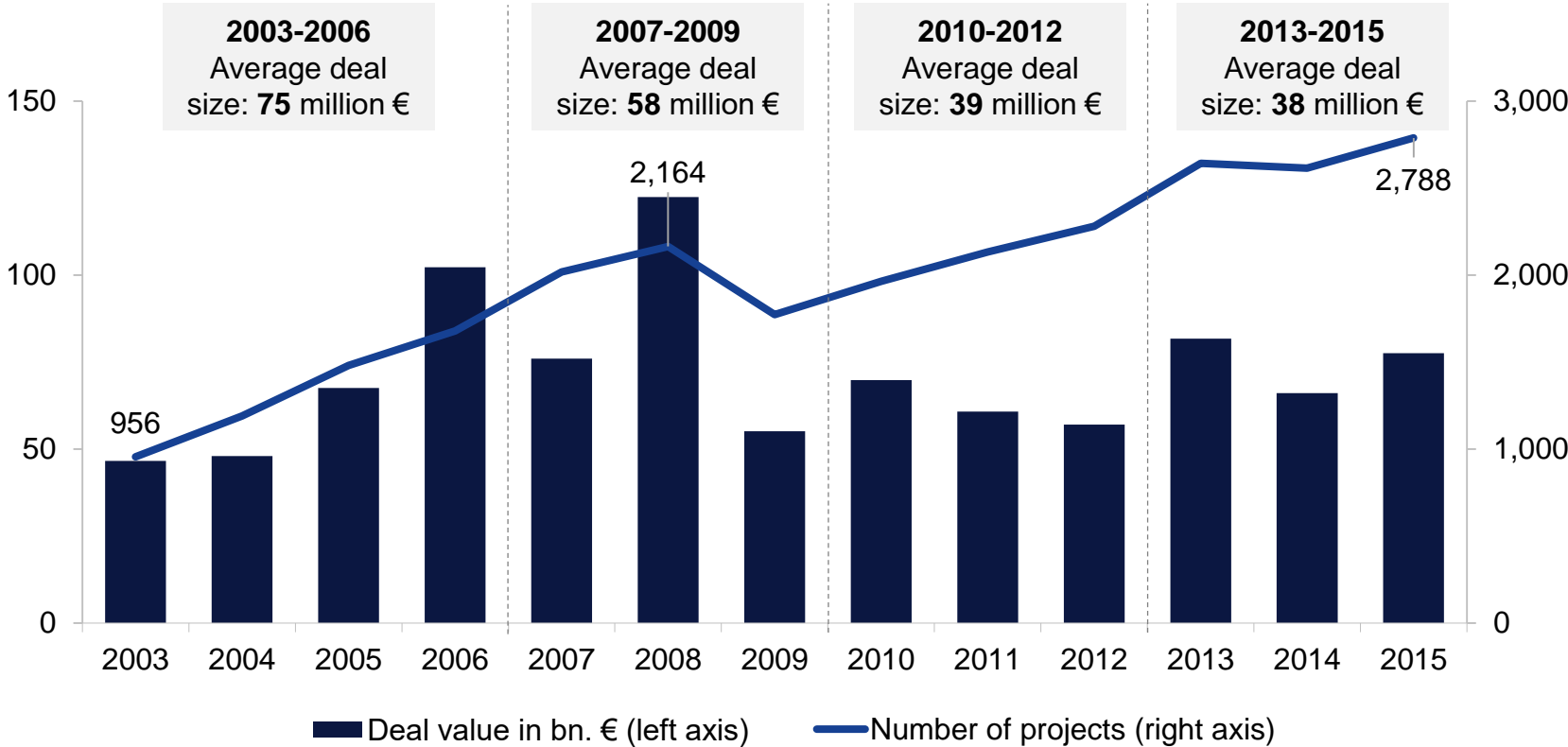
14,400 in **services** – EUR 41 million per deal

9,500 in **manufacturing** – EUR 48 million per deal

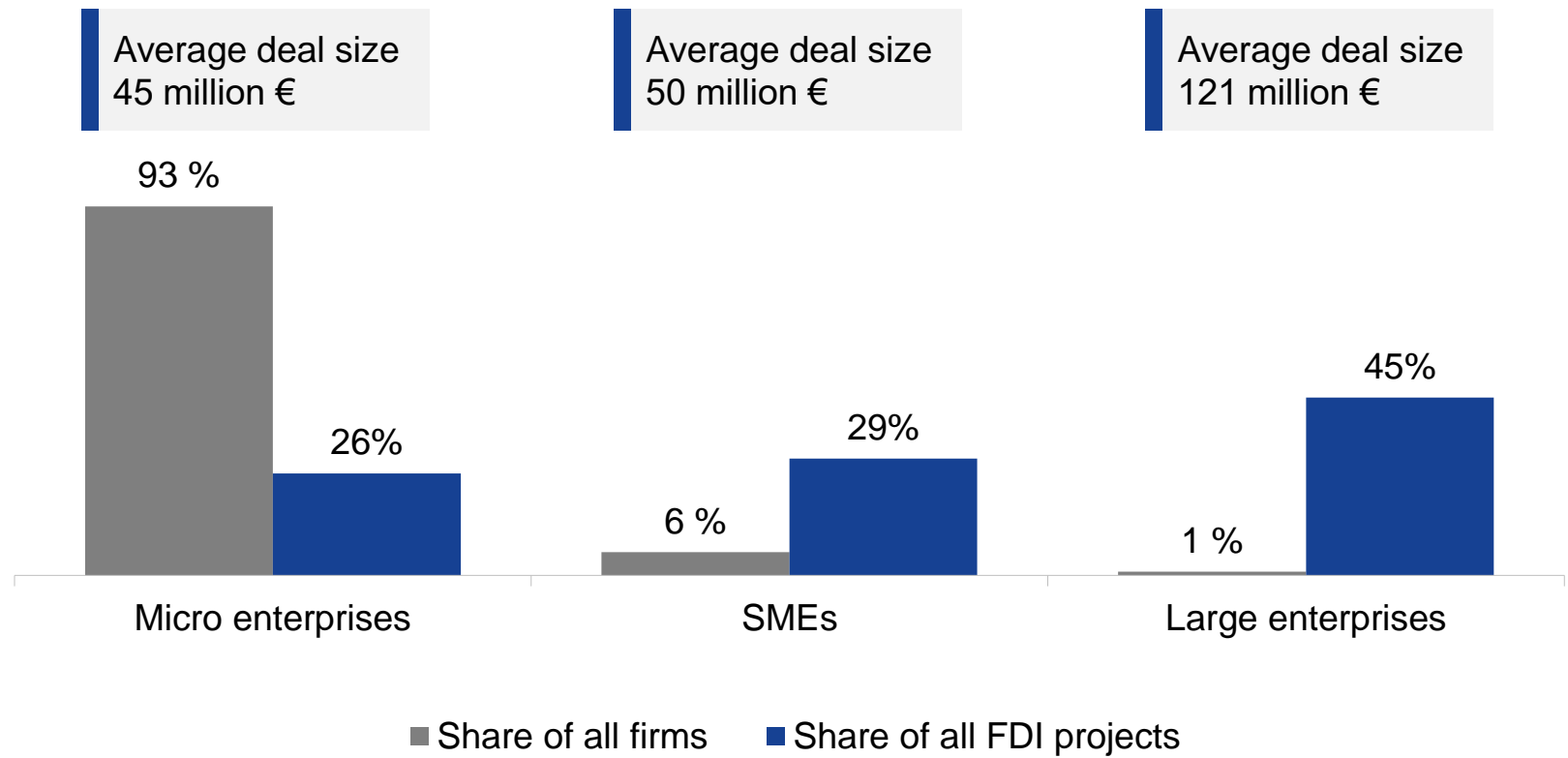
SMEs undertake more but smaller investments abroad

Have investment barriers been reduced?

European SME FDI flows by number and value

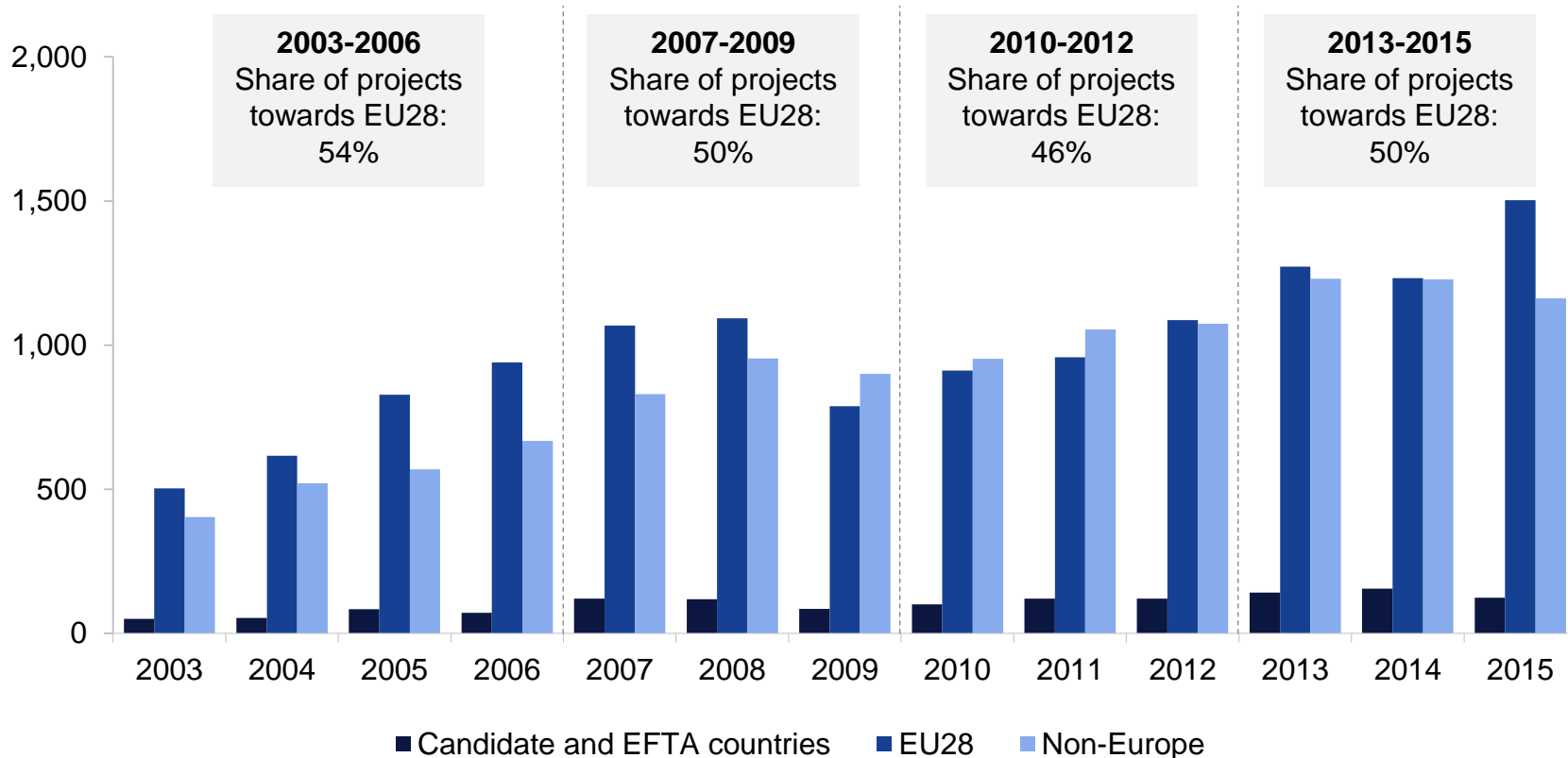


29 per cent of all FDI projects are by SMEs



Half of all projects by SMEs are located in the EU

Number of European SME FDI projects by destination



2

SMEs and FDI inflows

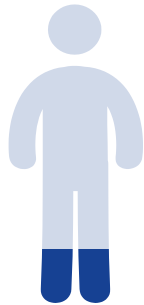


Foreign firms have a large footprint in the EU



Foreign firms account for **3%** of the number of firms but...

18% of employment



32% of production value

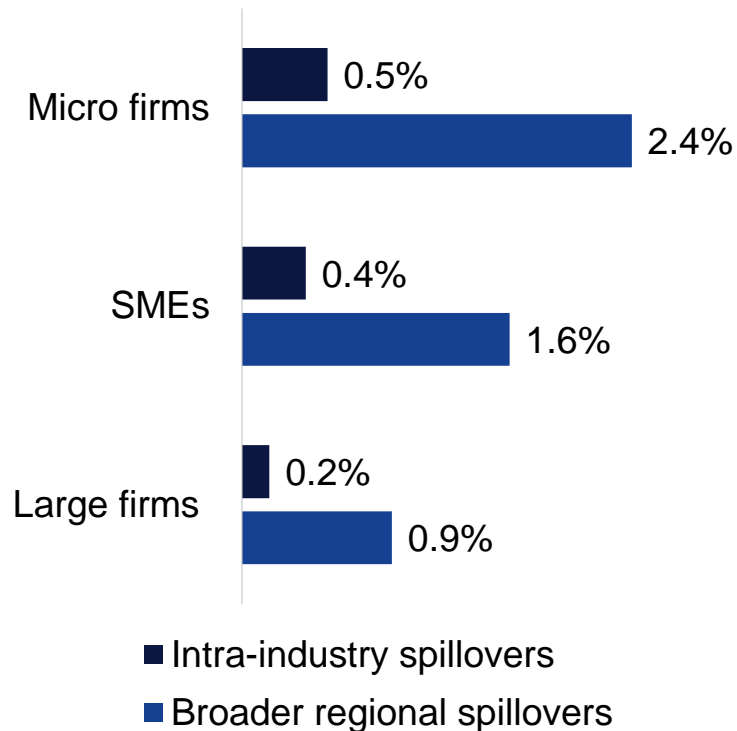


28% of value added

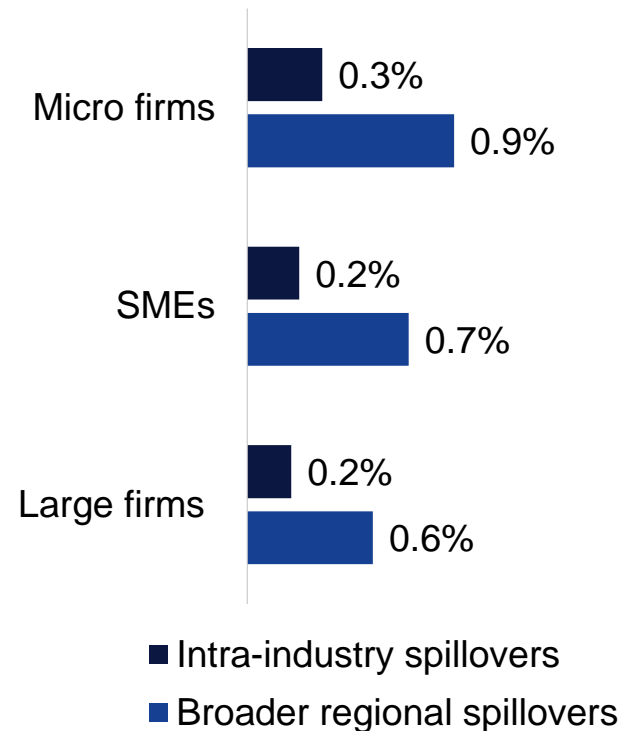


SMEs located near foreign firms are more productive

Extra-European FDI

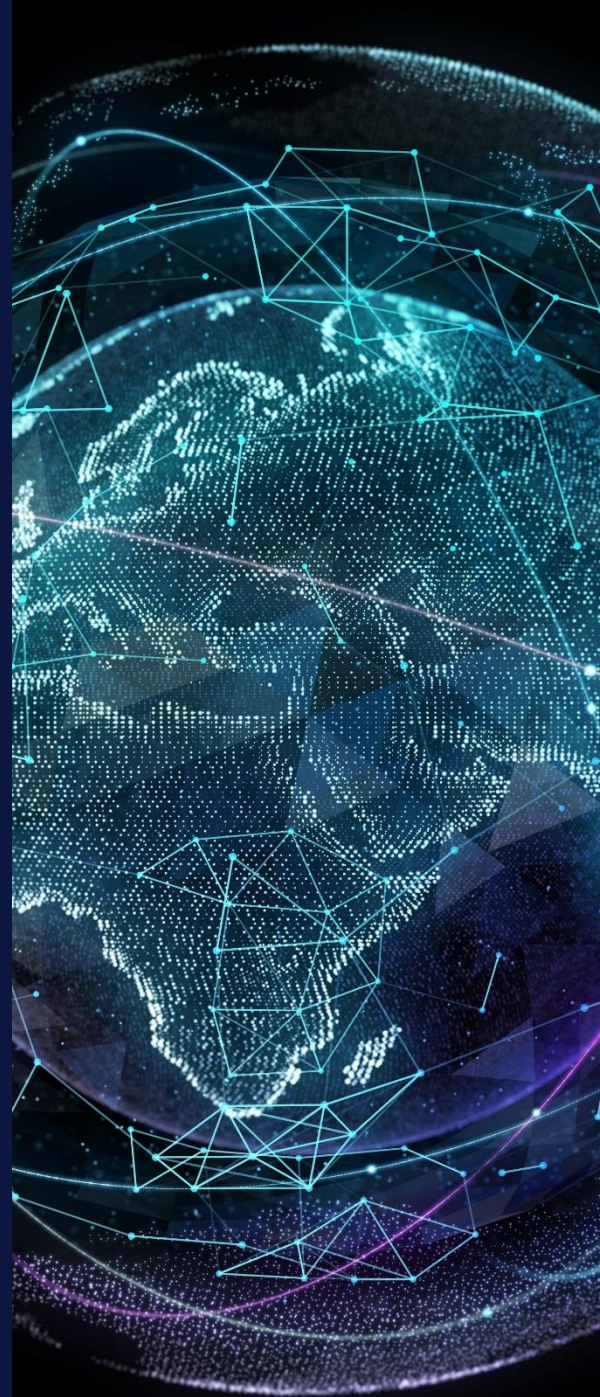


Intra-European FDI



3

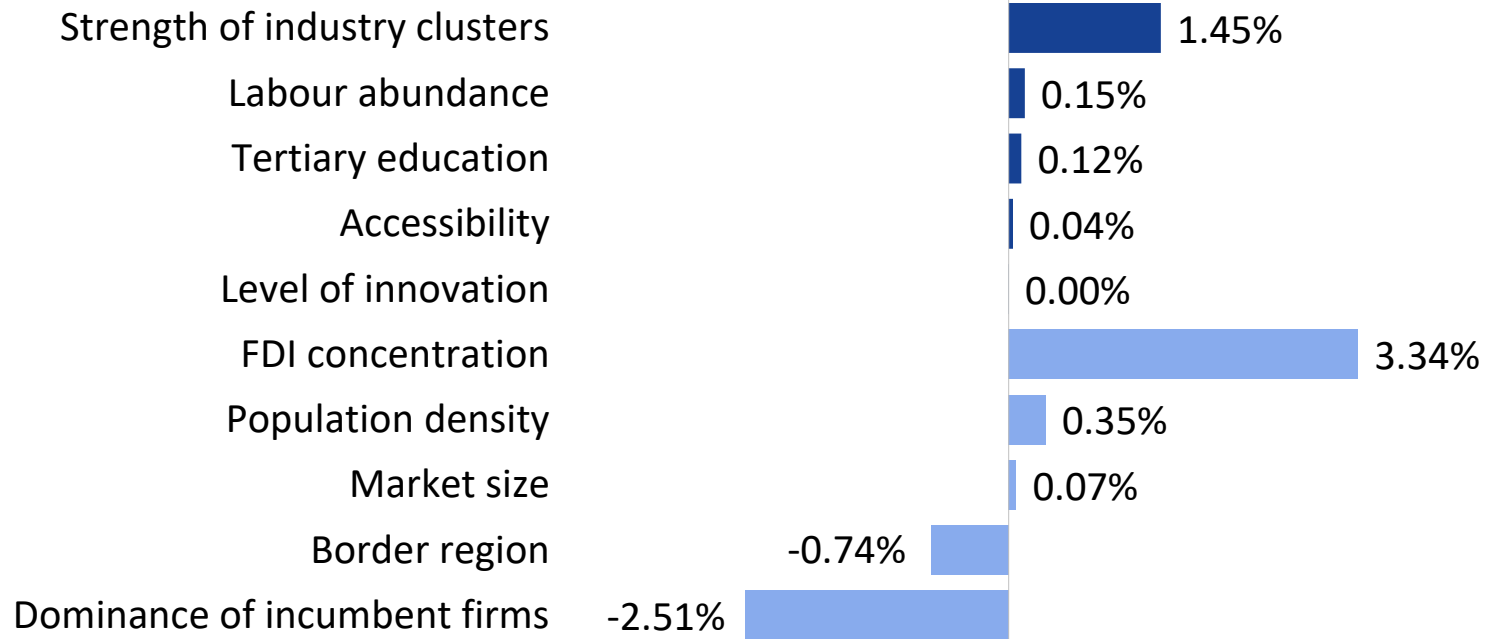
Drivers of FDI across European regions



Regional policy makers can improve the investment climate

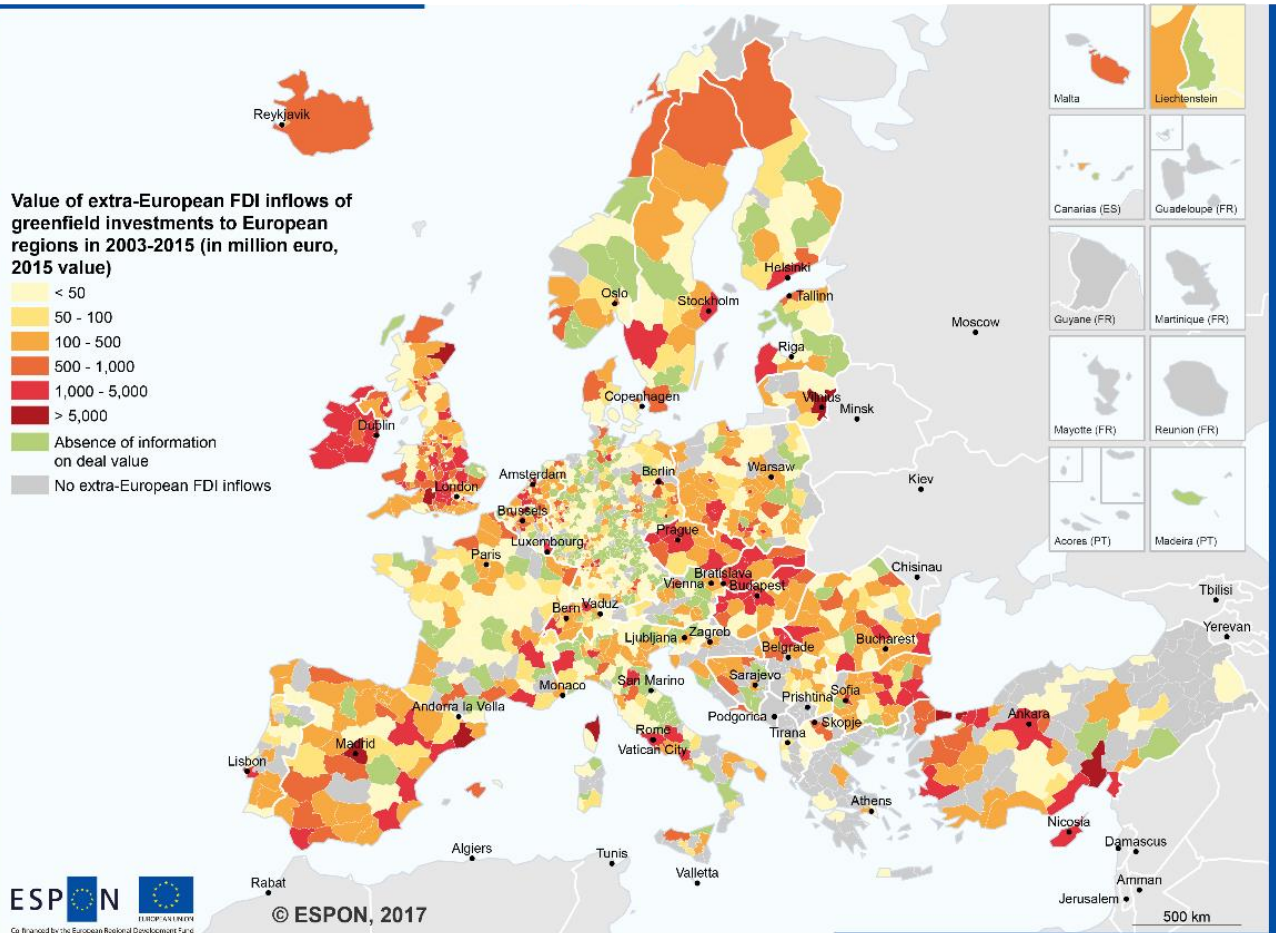
1% increase in the regional FDI driver

x% increase in the likelihood of receiving an FDI project



Value of greenfield investments varies across regions

Extra-European FDI inflows across European regions 2003-2015



4

Concluding remarks



National policies to attract more FDI

Ensure efficient collaboration between different layers of public administration

Use financial incentives selectively

Ensure labour market flexibility and integration

Implement efficient competition policies

Regional policies to attract more FDI

Secure competitive skills base

Persistently build strong clusters around existing strengths

Invest in accessibility

Stimulate internationalisation and targeted international branding

Attract foreign talent



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Thank you for your attention!

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