
Global Location Trends

Implications for Denmark

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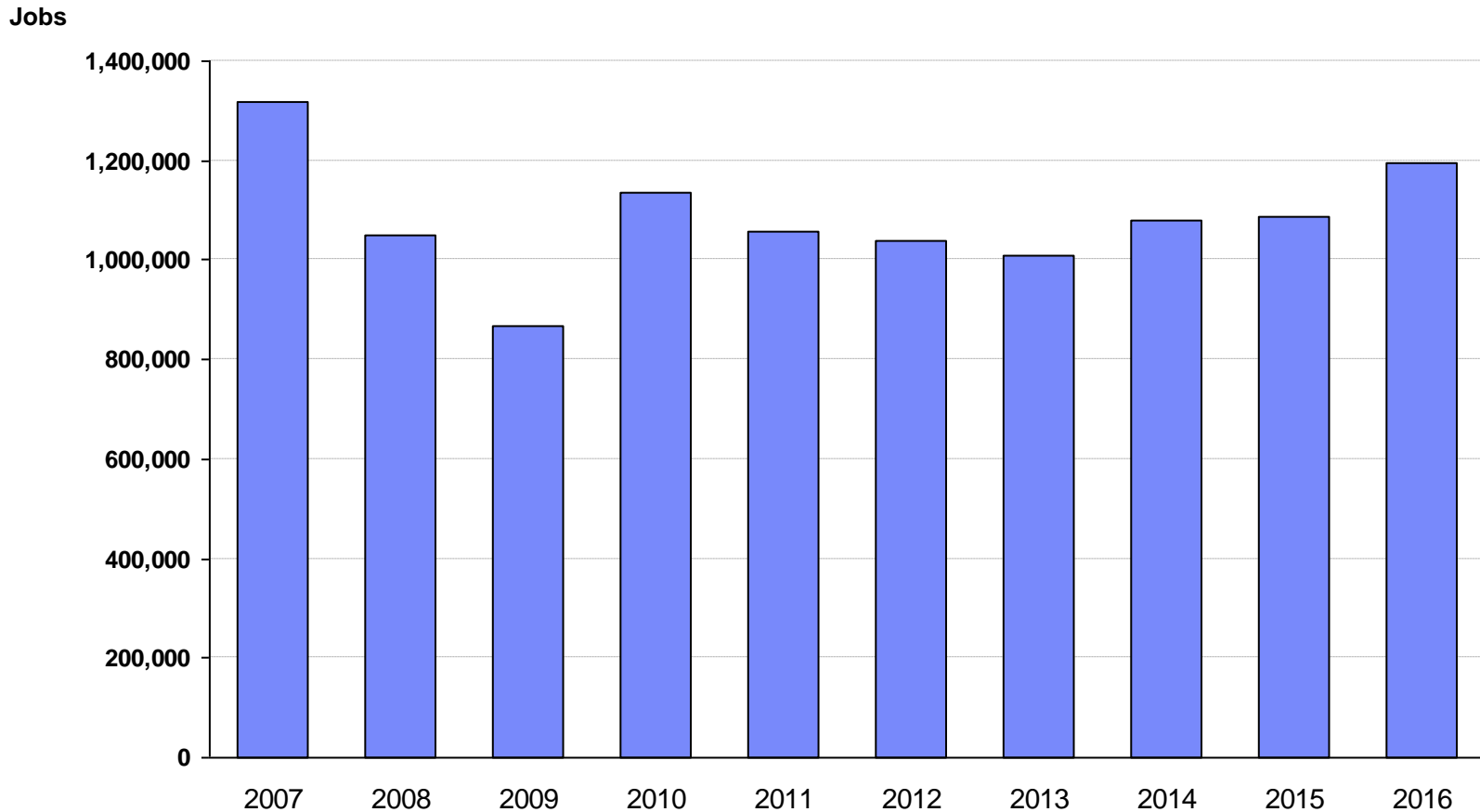


Content

- Global location trends
- Position of Denmark
- Current dynamics and outlook
- Implications for Denmark

Job creation through foreign investment increased 10% in 2016 Three continuous years of growth after much volatility post-crisis

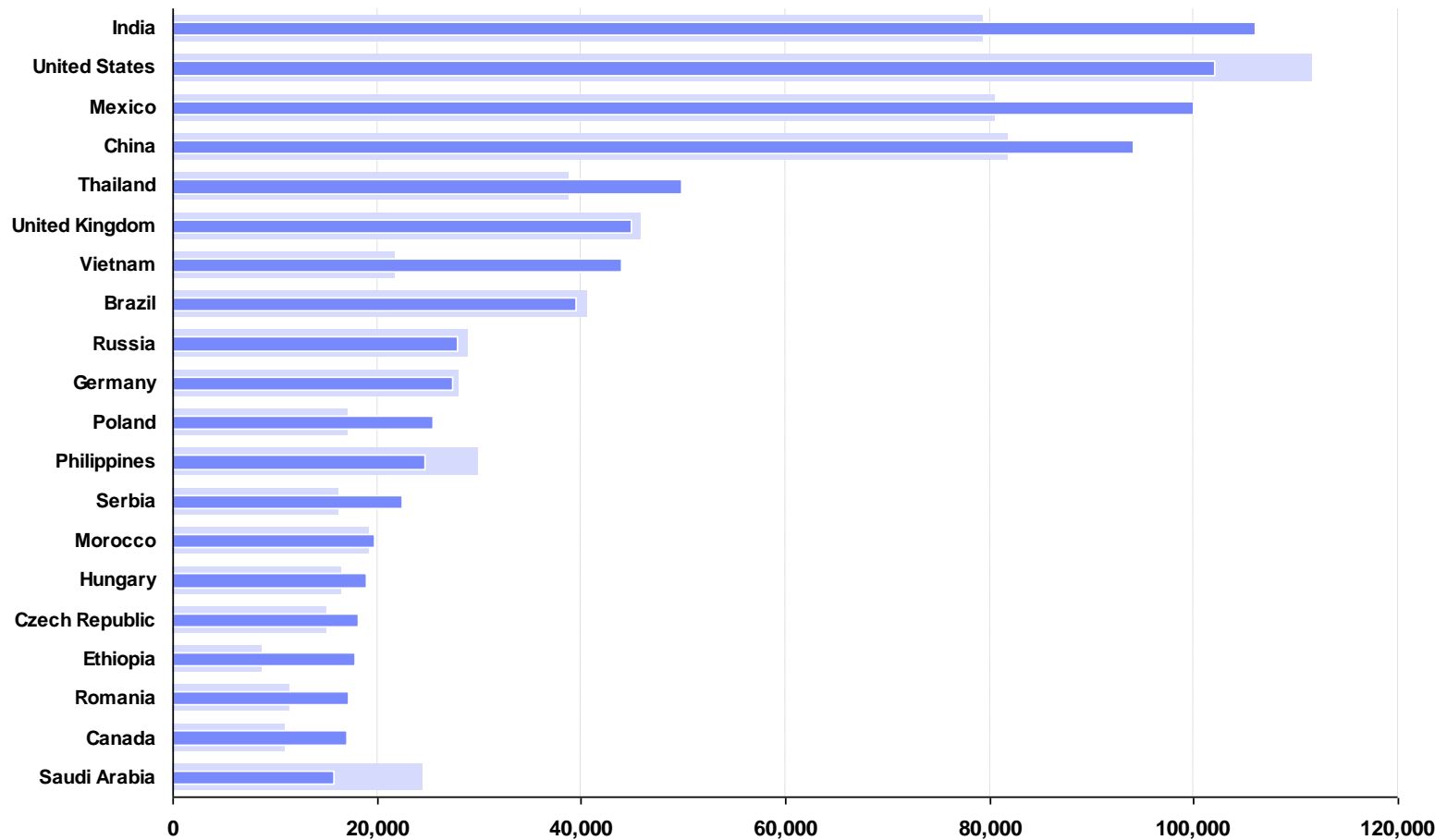
New foreign investment activity in 2007-2016: Job creation



India and Mexico continue recent strong performance

Denmark is a small player: 1,700 new jobs in 2016

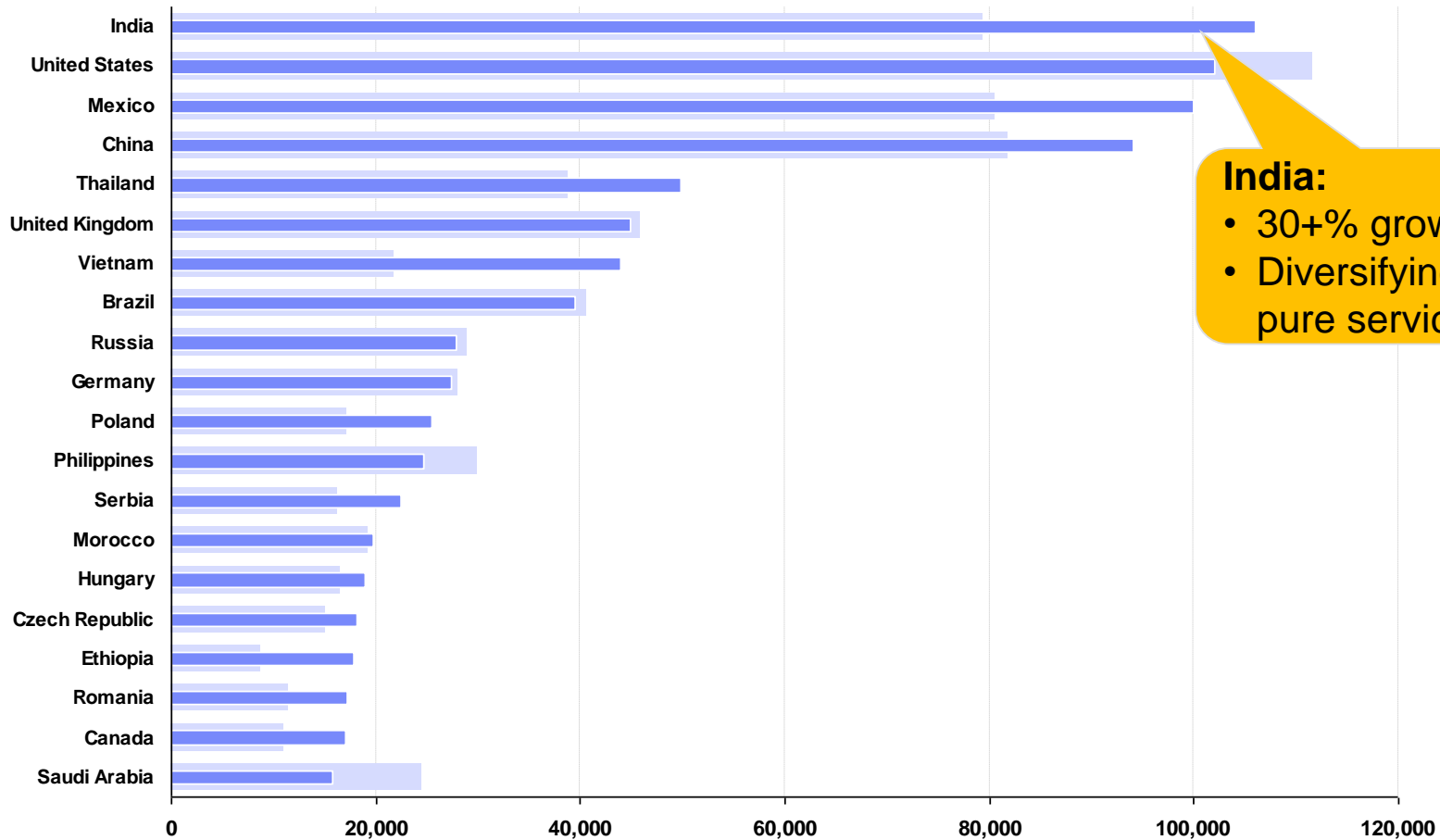
Top ranking destination countries by estimated jobs – 2016 (15)



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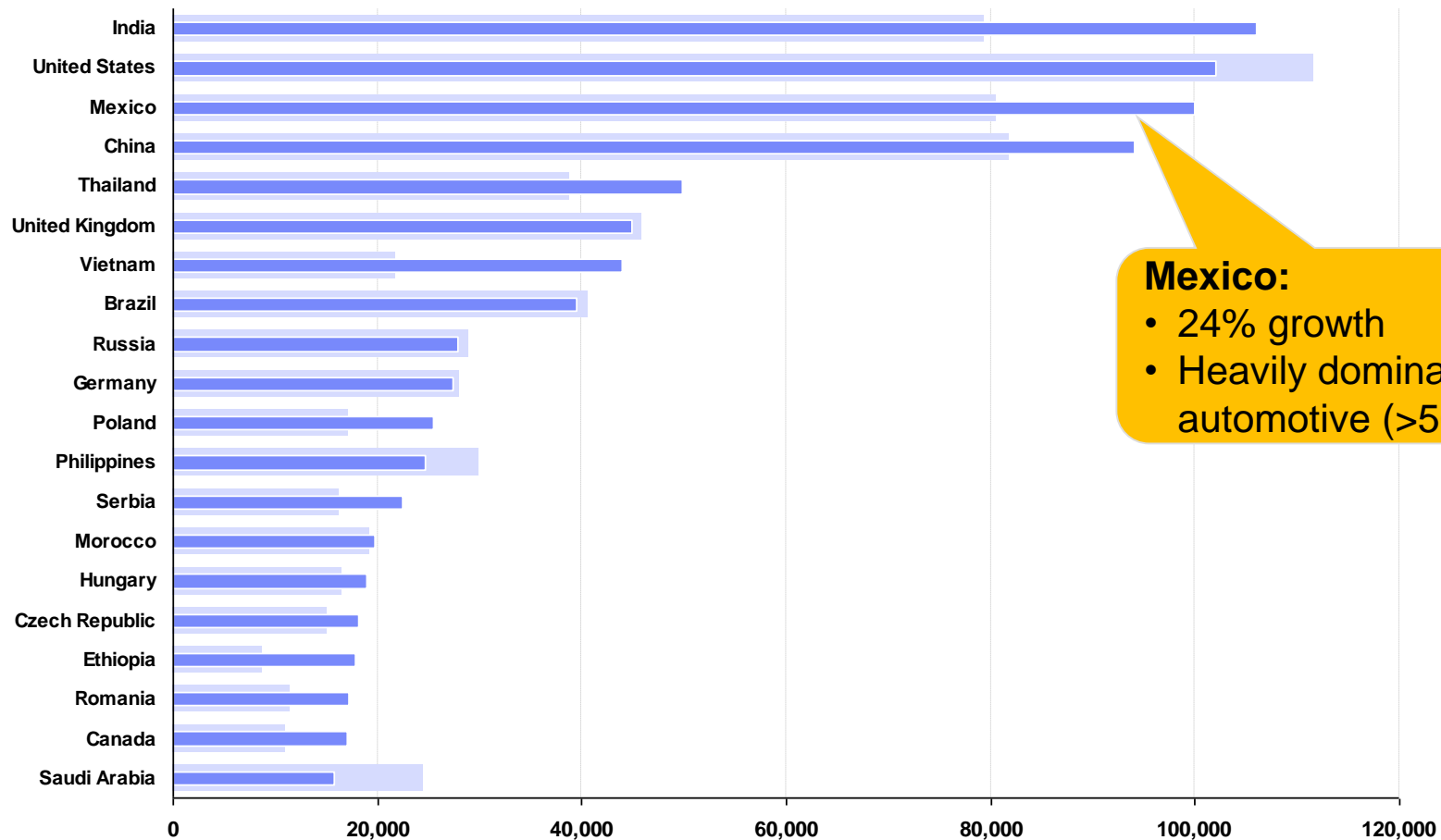
India:

- 30+% growth!
- Diversifying from pure services

India and Mexico continue recent strong performance

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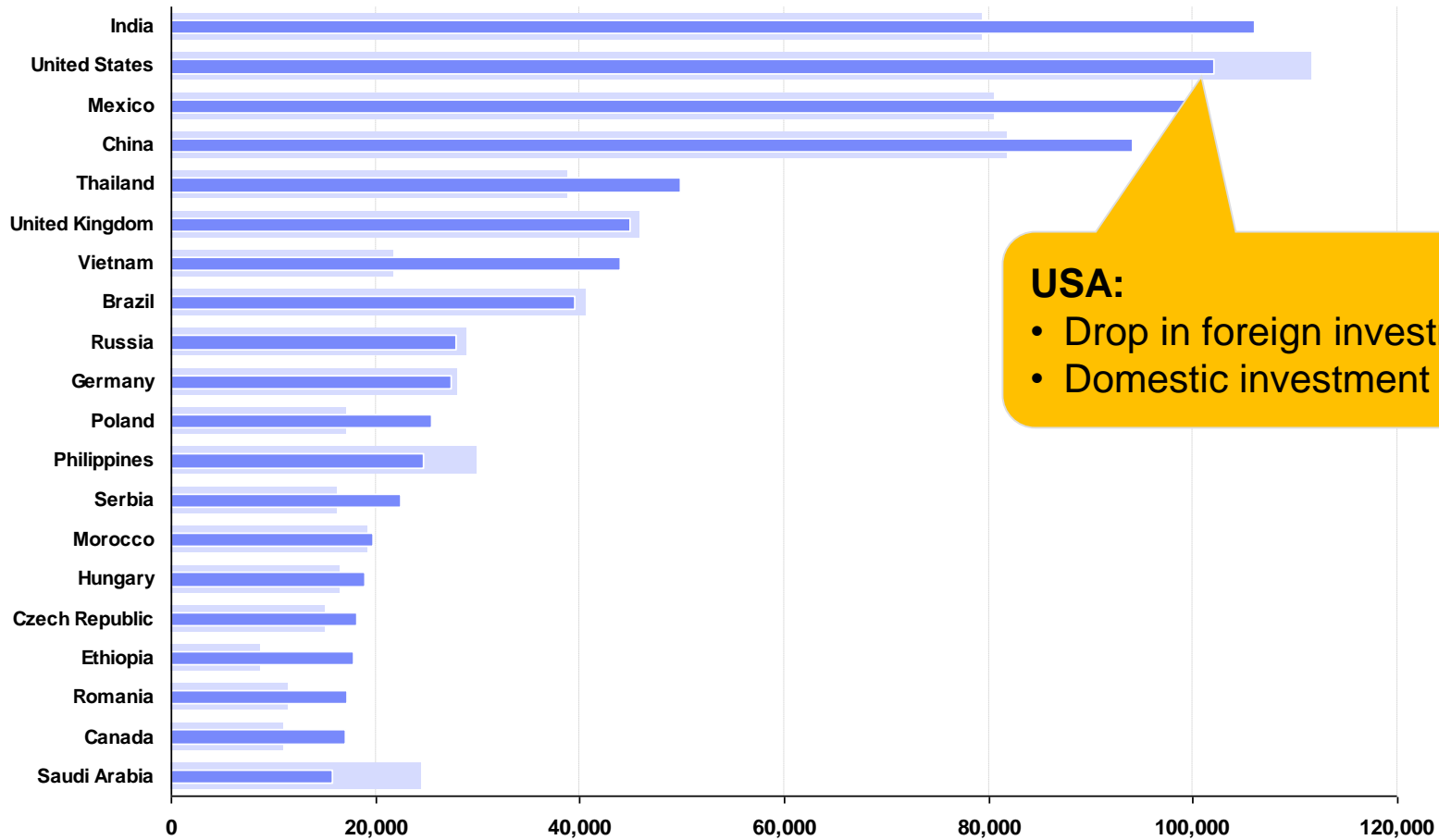
Mexico:

- 24% growth
- Heavily dominated by automotive (>50%)

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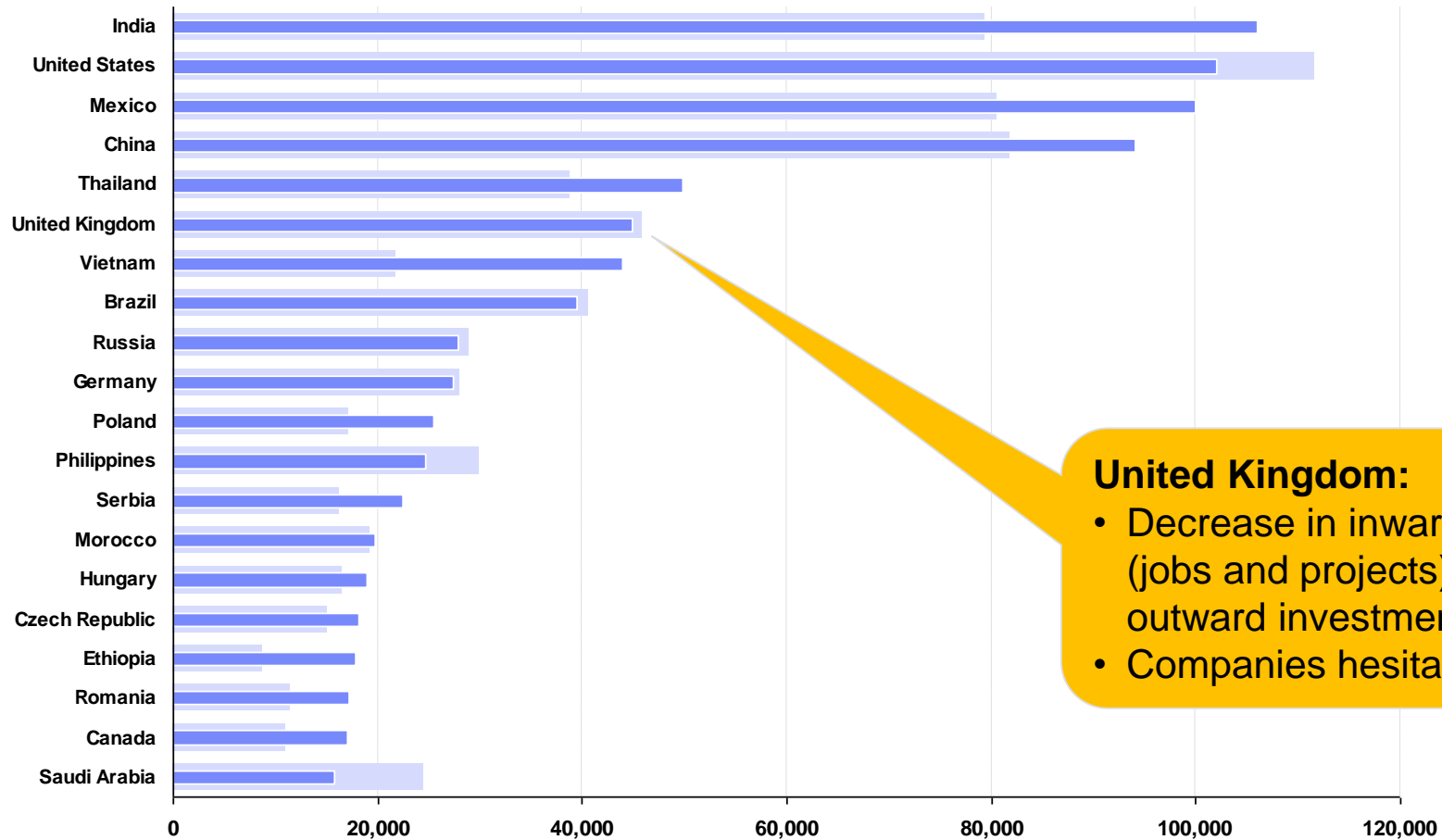
USA:

- Drop in foreign investment
- Domestic investment up

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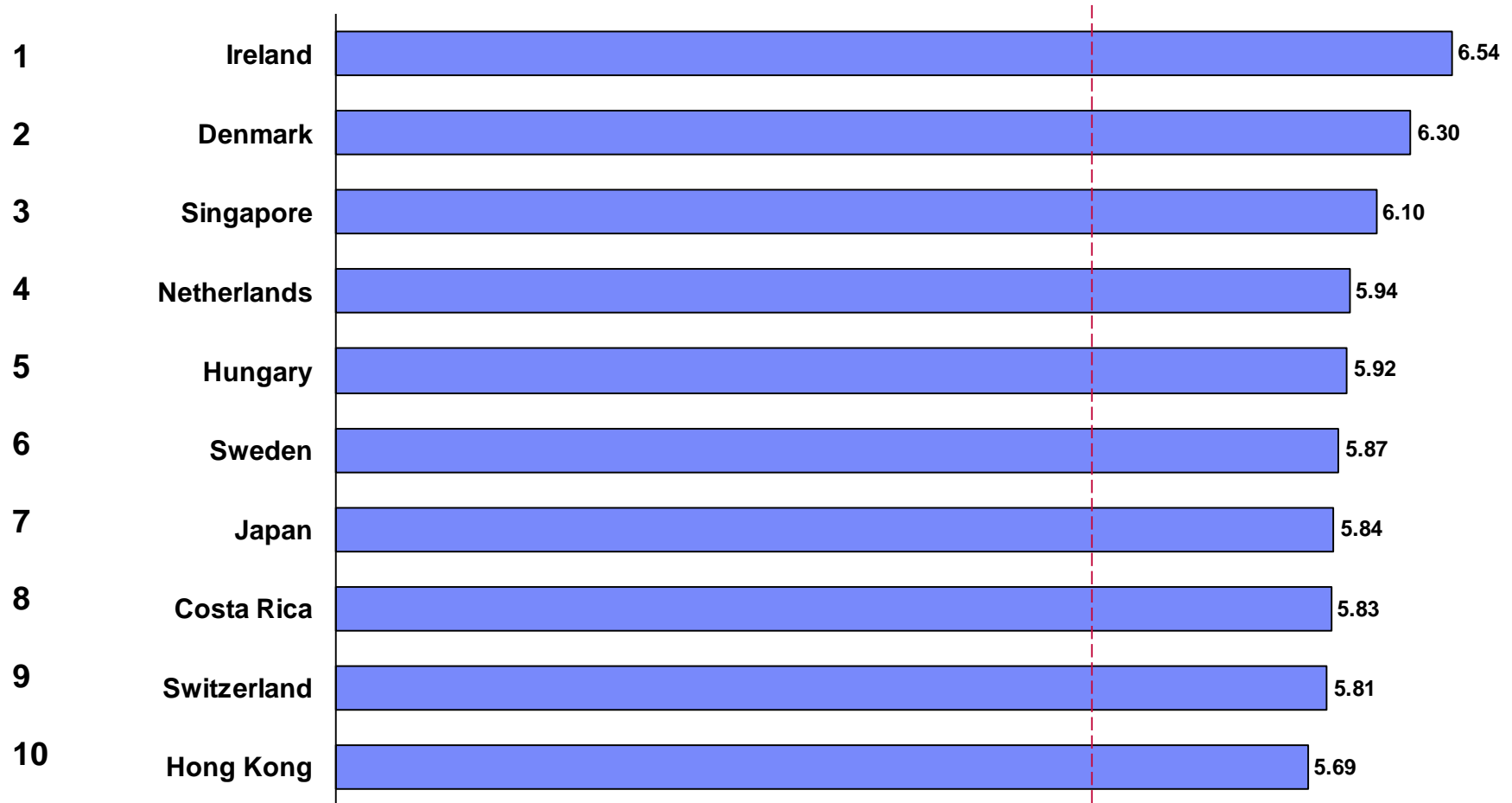


United Kingdom:

- Decrease in inward (jobs and projects) and outward investment
- Companies hesitating

High value job creation is increasingly important for mature economies.
Denmark consistently ranks high: top 3 in past 5 years.

Top ranking countries by average job value of investment projects – 2016



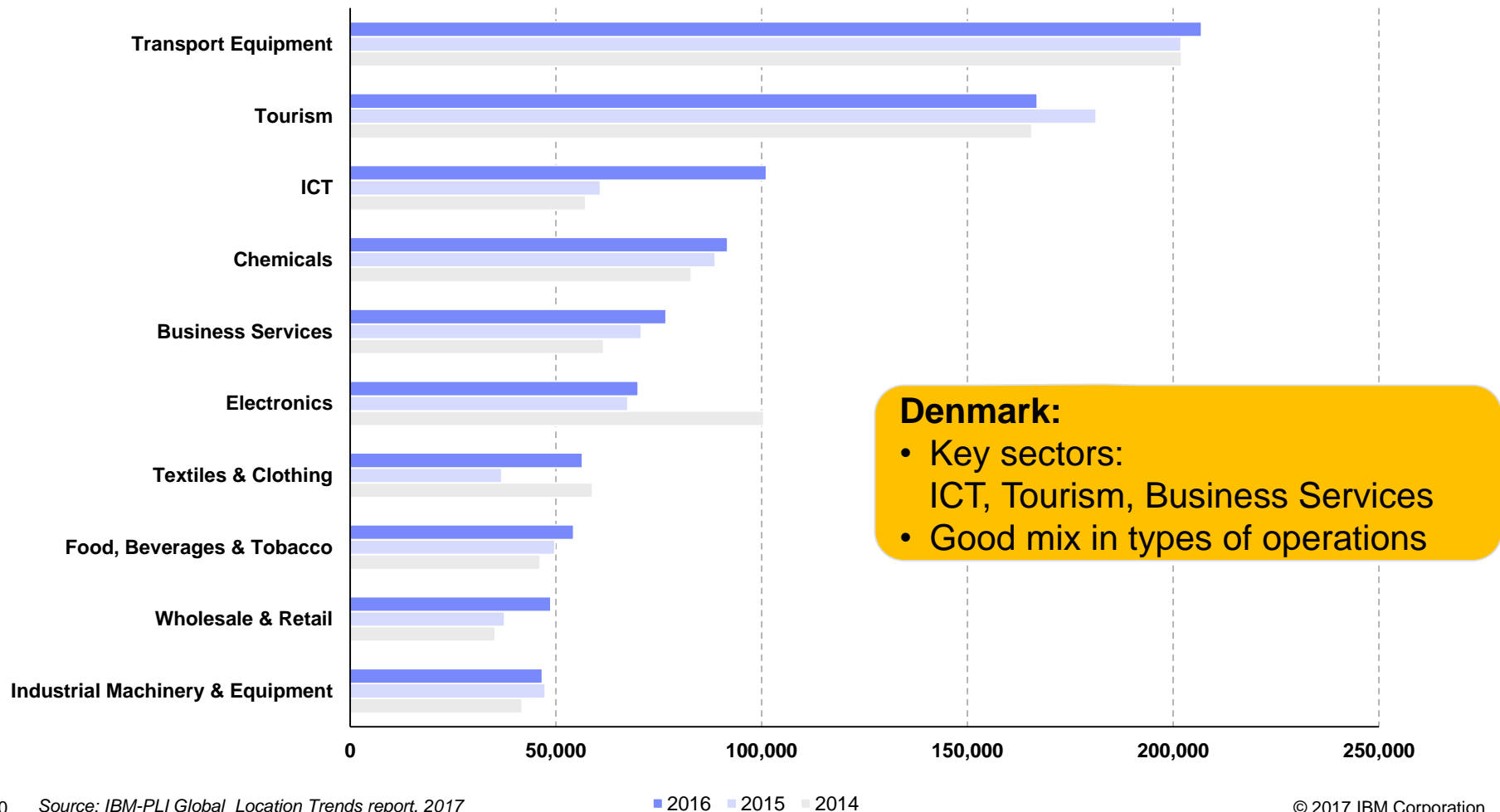
Note: Countries with less than 30 projects were not assessed because of sample size . Scoring is on 10-point scale.
Source: IBM-PLI Global Location Trends report, 2017

5.46 **World average**

Automotive and hotels are strongest job creators

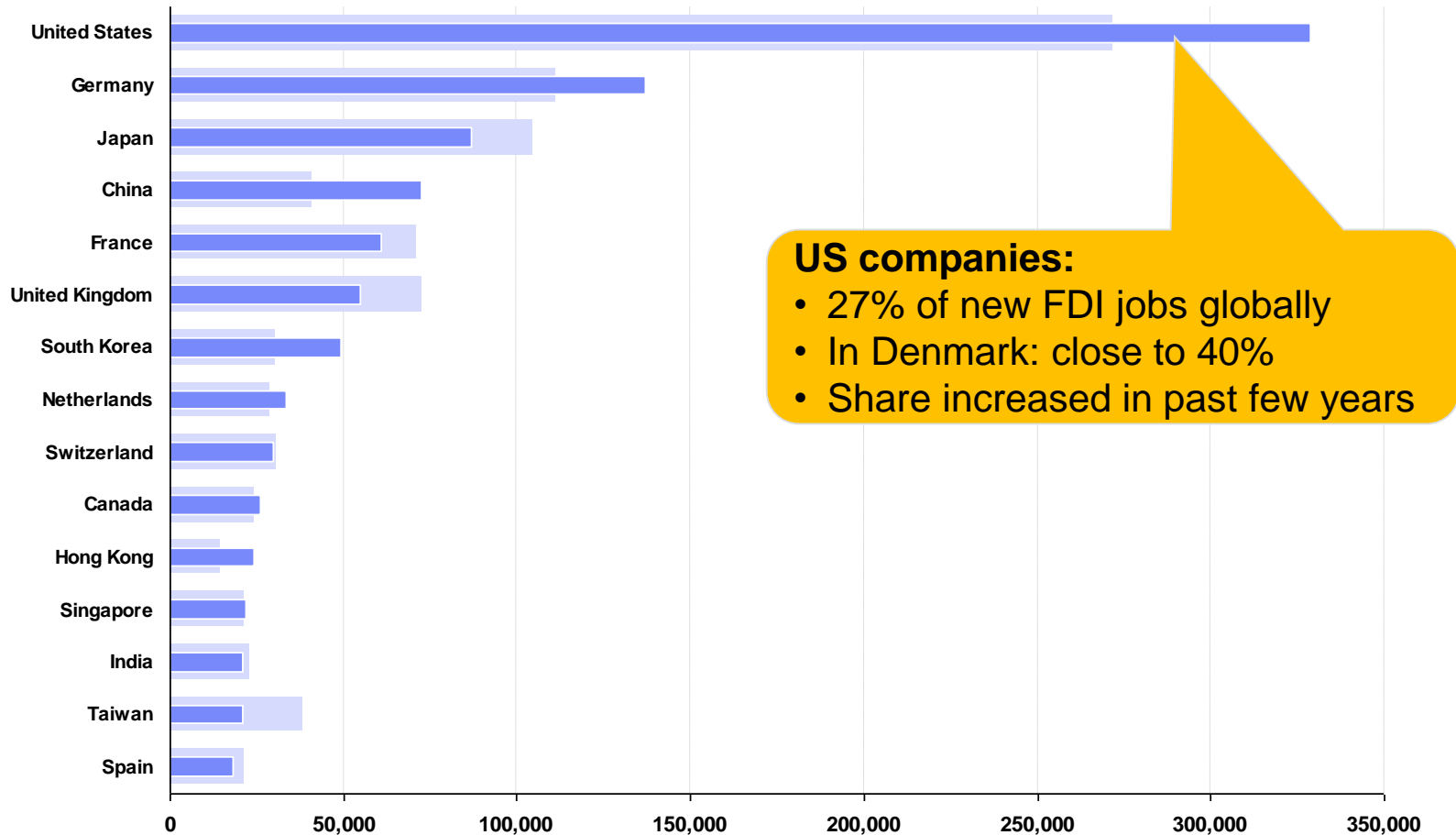
Information and Communications Technology shows strong increase

Top ranking sectors by estimated jobs – 2016 (2014/2015)



Global FDI growth mostly driven by strongest mature economies USA and Germany, and fast runner up China. UK companies hesitate.

Top ranking origin countries by estimated jobs – 2016 (15)

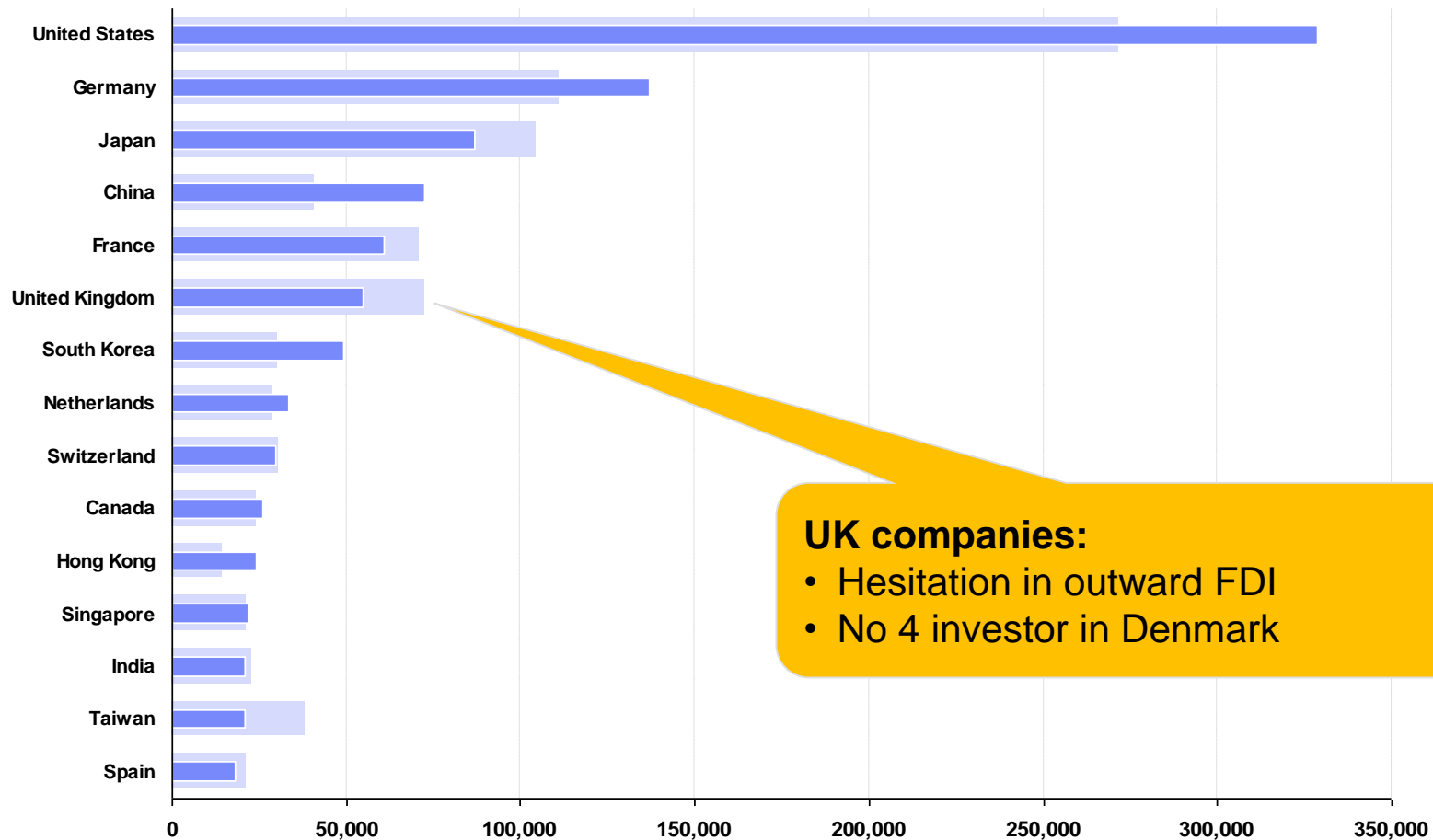


US companies:

- 27% of new FDI jobs globally
- In Denmark: close to 40%
- Share increased in past few years

Global FDI growth mostly driven by strongest mature economies USA and Germany, and fast runner up China. UK companies hesitate.

Top ranking origin countries by estimated jobs – 2016 (15)



UK companies:

- Hesitation in outward FDI
- No 4 investor in Denmark

Current dynamics and outlook

- Growth outlook generally positive
- China: seeking growth and investment opportunities globally
- New service delivery models (smaller centers, near shoring)
- Digitalization and automation: new opportunities and reduced role of labour
- Uncertainties around trade agreements
- Brexit decision

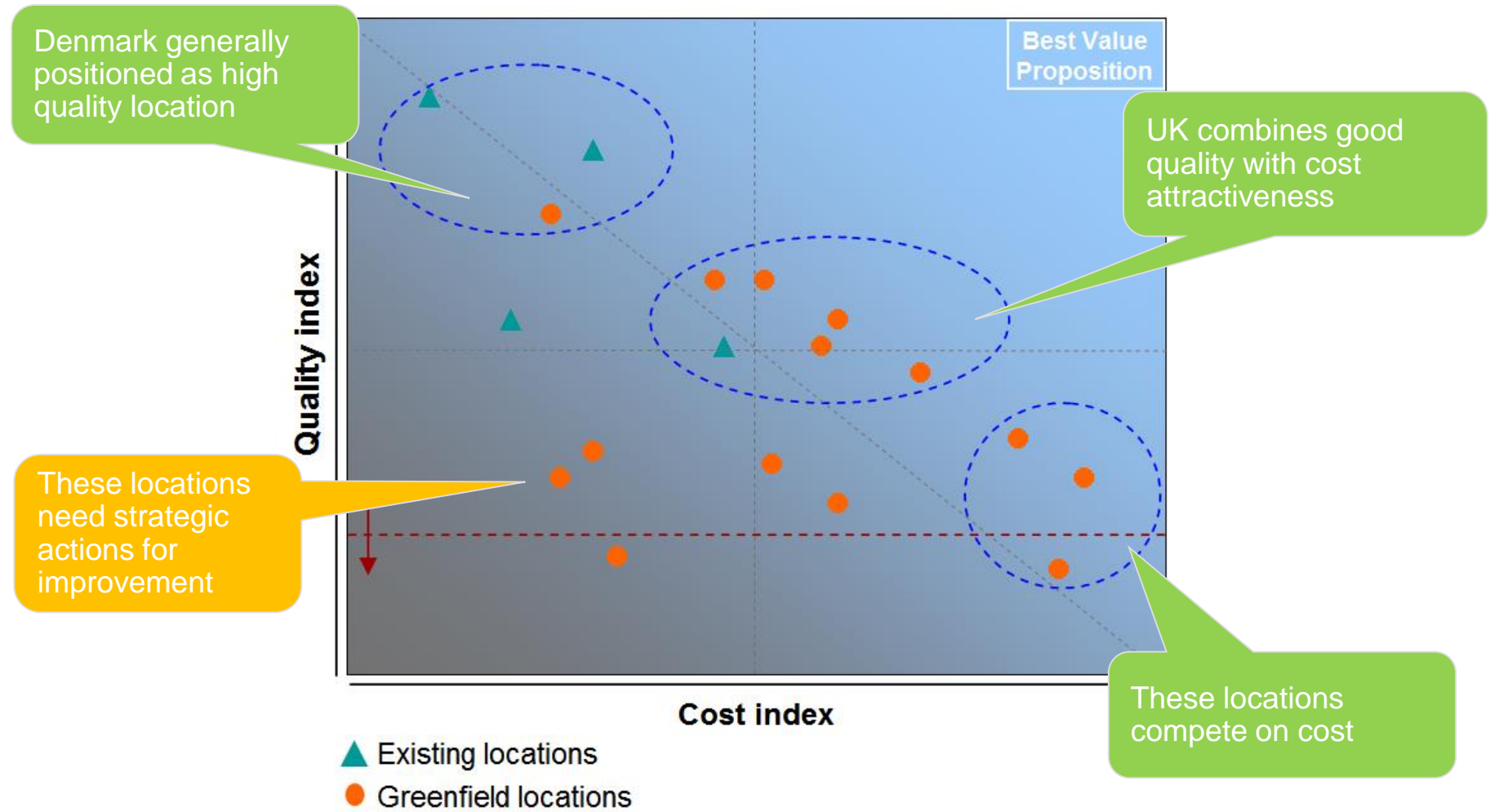
Implications for Denmark

- Stronger focus on access to talent and access to market
 - Less need for low cost labor; labor cost less important as strategic driver
 - Further increased focus on education and talent attraction: DK stay ahead of the game

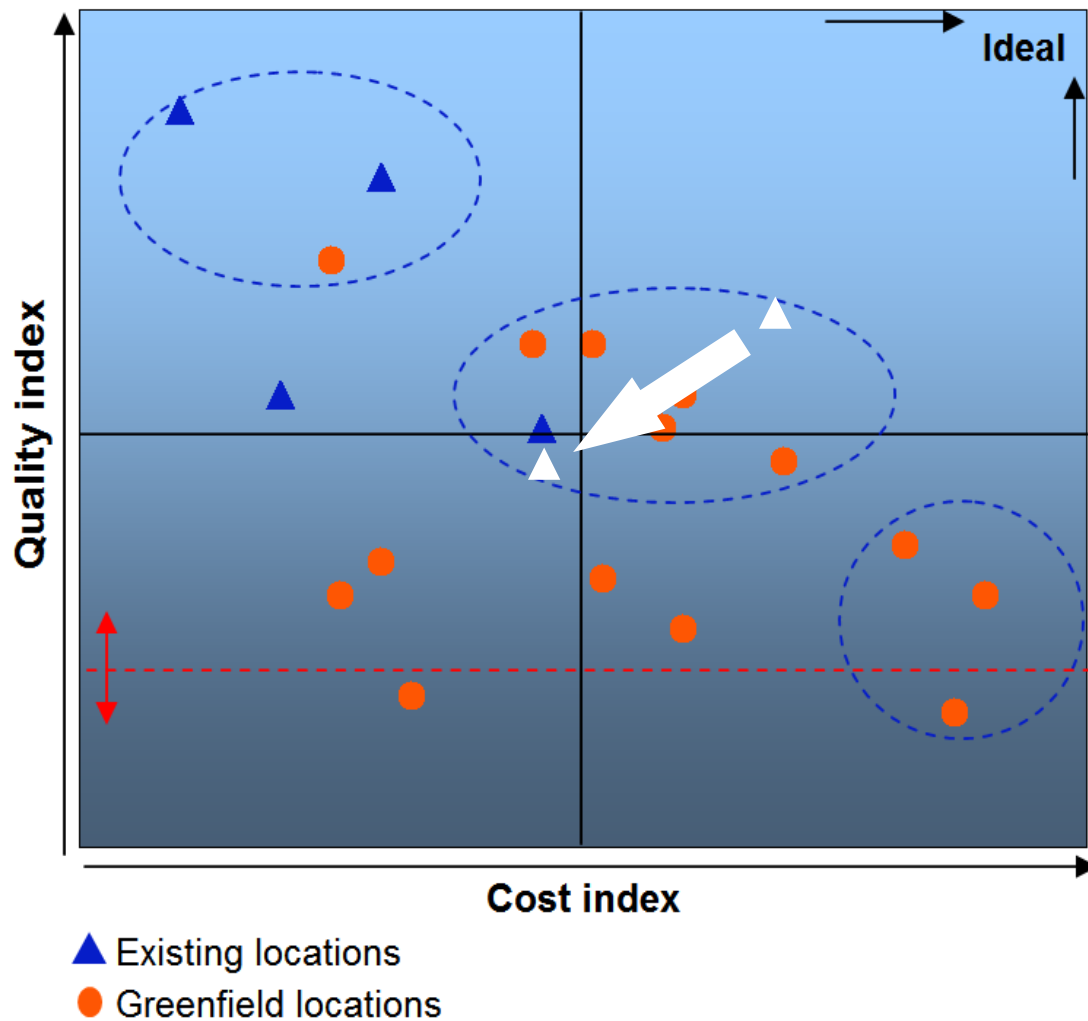
- Technology increasingly important
 - Technology disruption and development across many industries
 - High quality digital infrastructure becomes critical location requirement
 - Technology education crucial: more fundamental, in early stages of education

- Brexit will bring opportunities, but also threats
 - Proposition of EU locations will change, once UK is not part of EU anymore
 - UK based companies will reconsider their European footprint: DK to assess implications for key targets sectors
 - Proposition of UK will change for Danish and other companies (presence in UK?)
 - UK position as magnet for international talent may weaken. Opportunity for others.

Denmark's location value proposition is based on high quality



UK proposition will change for many companies



Thank you!

Plant Location International (PLI)

Global Location Strategies

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Global Location Trends

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