

The top 6 UK industries for Foreign Direct Investment

Savoy Stewart are confident the UK will remain a key
market – just as it ever was

Up until recently in the UK, local institutions such as insurance companies and pension funds were the biggest direct investors; now, they account for just a fifth of the total, down from a quarter in 2005. But, whilst UK investors appear to be in decline, the same cannot be said for foreign investors with a penchant for commercial property.

In terms of foreign investment, interest in commercial property has soared over the last decade and overseas investors currently own 28% of the UK's commercial property.

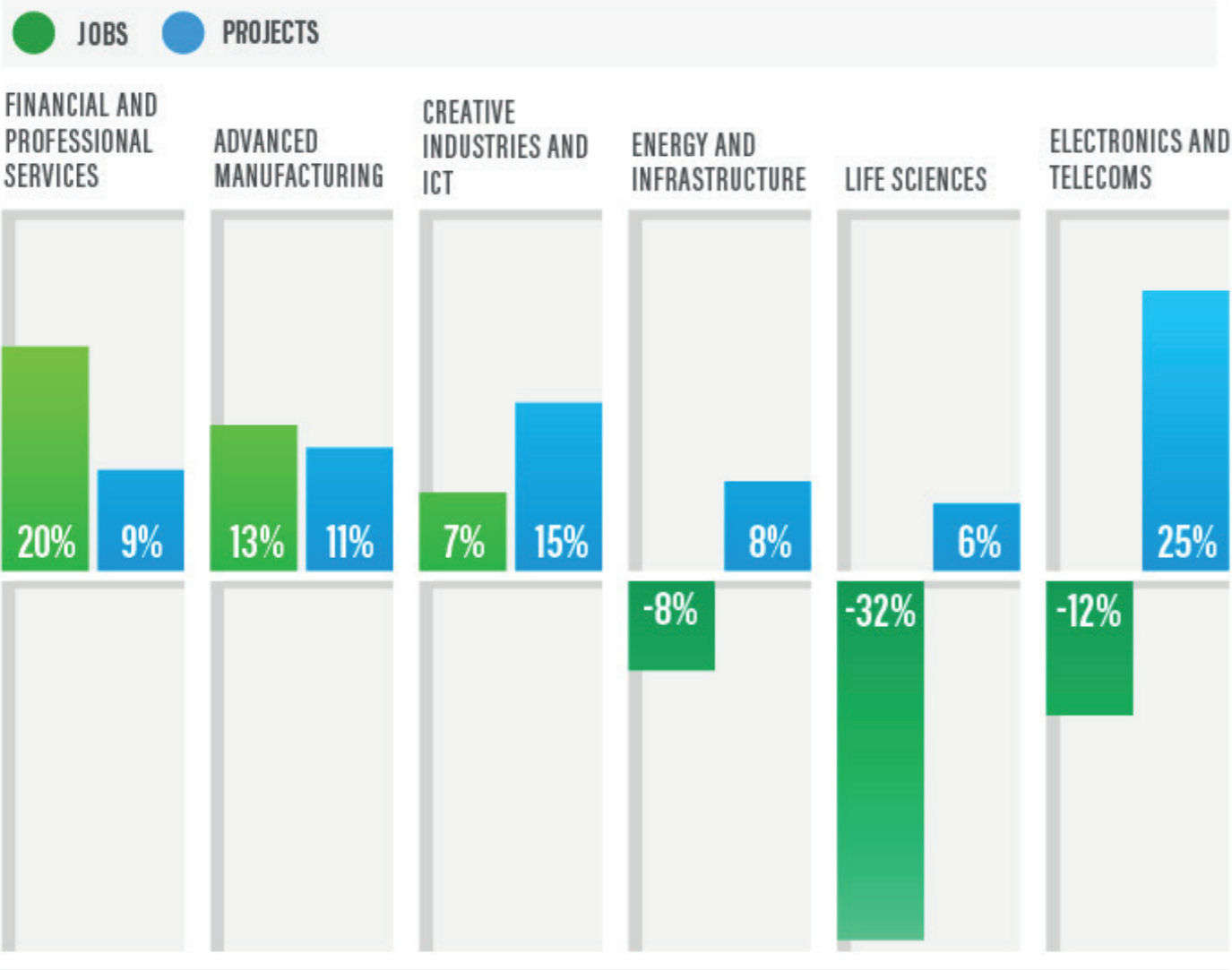
Certainly, it has been reported investors now own £483 billion pounds of commercial property in the UK, representing 55% of the combined total. Not only is this the highest value to date, but it exceeds the previous peak reached prior to the global financial crisis in 2008.

Commercial property aside, foreign direct investment (FDI) is also having a direct impact on our job market. Data collated from the 'Department for International Trade' report by [Gov.uk](#) dictates 2,213 FDI inward investment projects were secured in 2015 to 2016, generating 116,000 job roles – the second highest number on record.

The same year, approximately 1,600 new jobs were created each week by FDI and, since 2010, nearly 390,000 new jobs have been created here in the UK. [Savoy Stewart](#) decided to investigate exactly which industries are benefiting the most from this surplus of foreign investment; in terms of job creation specifically.

Data indicates it is the financial and professional services sector which is the industry benefiting the most from foreign investment, with job numbers increasing by 20% in the last year. In fact, this sector has previously attracted more investment than any other; with overseas companies inputting more than £100 billion into UK financial services over the past decade.

DATA INDICATES THE TOP 6 INDUSTRIES BENEFITING THE MOST FROM FOREIGN DIRECT INVESTMENT IN THE UK



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Source: Savoy Stewart

The advanced manufacturing industry follows in second place, with an increase of 13% in job roles, surpassing creative industries and ICT with a 7% increase. The energy and infrastructure, life sciences and electronics and communications industries have collectively seen a decrease in job opportunities in the past year – life sciences most affected with a drop of 32%.

Yet, each industry has maintained a positive increase in the amount of FDI projects forming. Overall, the USA remains the UK's largest source of inward investment; providing 570 projects. This was followed by efforts from China (including Hong Kong) with 156 and India with 140.

An excerpt from the *Telegraph* further cites that Britain's science and technology sectors need not fear; they are expected to make a drastic 'leap' in terms of hiring in 2017 (per the Confederation of British Industry) – a vote of confidence following Brexit.

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The report claims 41% of companies expect to grow their workforce this year and certainly, this positive, alongside the UK's strong FDI performance across these 6 sectors, does indicate that we will manage to maintain our position as one of the top countries to invest in. What's more, we stand to provide – and create – valuable job roles across every industry.

Savoy Stewart director, Darren Best comments:

“There’s no doubt that we are in a dubious time: a lot is set to change in 2017, and the free fall we are all experiencing post-Brexit is certainly chaotic, particularly in terms of business. However, from analysing recent data, I am confident the UK will remain a key market – just as it ever was. Our ties with investors all over the world remain interwoven and strong; we should embrace change, reaffirm our partnerships and focus on all that we have to offer.” ■