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Outward FDI from the United Kingdom and its policy context

by

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The United Kingdom consistently has ranked among the biggest investor economies in terms of outward foreign direct investment (OFDI). However, the recent financial and economic crisis has had a strong negative effect on OFDI from the United Kingdom. OFDI flows fell from their peak in 2007 (US\$ 272 billion) to their lowest level of the decade in 2010 (US\$ 40 billion). This sharp decline in OFDI flows was reversed in 2011, with flows recovering to around US\$ 107 billion. The OFDI stock of the United Kingdom fell by 17% in 2008 compared with that in 2007. However, by 2011 the country's OFDI stock had recovered some of the lost ground and was only 6% lower than at the peak of 2007. With regard to FDI policy, while the United Kingdom Government has long supported inward investment with general and specific measures, and systematically supported exporting, it has not either supported or discouraged outward FDI for at least 30 years. As United Kingdom OFDI is diversified both across industries and globally, it may be advisable in the current economic climate for the Government to increase its support to outward FDI in order for United Kingdom firms of all sizes to reap the benefits of overseas markets.

Trends and developments

Country-level developments

Along with Germany, the United States, France, and Japan, the United Kingdom (UK) has more than doubled the stock of its OFDI around the world between 2000 and 2007 (annex table 1).

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The years 2006 and 2007 represented boom years in which OFDI stock increased by at least 20% year-on-year. However, with the onset of the recent global financial and economic crisis, this trend was reversed, particularly in 2008 when the stock of OFDI fell by 17% due to a number of high-profile disinvestments where ownership was transferred to domestic companies in host countries. Figures for 2009 show a 9% increase in the stock, followed by a modest 3% fall in 2010 before growing again at 6% in 2011.

OFDI flows from the United Kingdom show a similar pattern of significant, gradual increase from 2002, to just before the crisis in 2007 (annex table 2). However, since the crisis and especially in 2009 and 2010, flows of OFDI collapsed to a mere 15% of the level recorded at the peak of 2007. During this difficult period, FDI flows from France, Japan and the United States fell less sharply, while German OFDI flows rose modestly in 2009 and 2010, due to the improved financial situation of German private companies, which in turn led them to lend more to their foreign affiliates. However, figures for 2011 show that German OFDI halved from the previous year. There are suggestions that UK firms are in part retrenching as a result of the global downturn, so market-seeking OFDI has declined. However, it is clear that the downturn has put pressure on costs in certain sectors, and led to more offshoring or efficiency-seeking FDI.¹

In terms of sectoral distribution, in 2008, 60% of the OFDI stock of the United Kingdom went to the services sector, followed by around 25% to the manufacturing sector and 15% to the primary sector (annex table 3). These shares of OFDI stock have remained constant since 2000. The main industries in the manufacturing sector that attract FDI from the United Kingdom are the food and chemical industries, whereas the financial, trade, transport, and communications industries are the leading industries in the services sector in terms of UK FDI stock.

The spread of OFDI from the United Kingdom is global (annex table 4). In 2010, 50% of the total OFDI stock was located within the European Union and 20% in North America. The remainder was in many other economies, most of which have special and historical relationships with the United Kingdom. Some economies have seen at least a doubling in their stocks of FDI from the United Kingdom during 2000-2010. They include Australia, Belgium, Canada, France, Gulf Arabian countries, Luxembourg, Hong Kong (China), India, Republic of Korea, Mexico, Russia, Spain, Singapore, and Switzerland. The motives of UK multinational enterprises (MNEs) for locating in these economies vary, ranging from cheaper factor costs to market access and tax reasons.

The corporate players

The United Kingdom was home to 14 of the world's top 100 non-financial MNEs in 2010 (annex table 5). They can be found in the primary sector (Royal Dutch Shell, BP, Anglo American, Rio Tinto), the secondary sector (GlaxoSmithKline, Astra Zeneca, British American Tobacco, SABMiller, BAE Systems) as well as the tertiary sector (Vodafone Group, BG Group, Tesco,

¹ Y. Temouri, Y. N. Driffield and D. Anon Higon, "Offshoring: A multi-country study of FDI in high-technology sectors," *Futures* (special edition on the future of international business), vol. 42 (9) (2010), pp. 960-970.

National Grid, WPP). Their foreign assets ranged from US\$ 271.7 billion (Royal Dutch Shell) to US\$ 31.2 billion (BAE Systems).

Seven UK companies were among the world's top 50 financial MNEs as ranked by UNCTAD's Geographical Spread Index in 2010.² HSBC, Barclays and the Royal Bank of Scotland each recorded foreign assets of over US\$ 2 trillion (annex table 5). They were followed by insurance companies such as Aviva, Standard Chartered, Prudential, and Old Mutual, with foreign assets ranging from US\$ 577 billion to US\$ 201.8 billion. Similar to their rival MNEs based in other countries, most of the sales and value added for the majority of these large MNEs are generated abroad rather than at home.³

Annex table 6 shows that the majority of the top cross-border M&A deals undertaken by UK MNEs during 2008-2011 were investments within the same broad industry (except, for example, Barclays, which acquired a crude petroleum and natural gas company in 2010). The acquired shares in the target companies are overwhelmingly majority-owned, which is not uncommon in M&A deals. Most of the top deals occurred in other developed markets. However, there have also been deals in Bermuda, Brazil, Eastern Europe, and South Africa.

Annex table 7 shows the main greenfield projects abroad by United Kingdom companies during 2008-2010. Most of the greenfield investments were concentrated in the manufacturing and extraction industries. There were three greenfield transactions in business services, by Standard Chartered in China, India and Singapore. One retail investment was undertaken by Marks and Spencer in India in 2010. Unlike their M&A deals, which take place predominantly in developed markets, UK MNEs tend to make greenfield investments in emerging and other less developed markets.

The policy scene

The United Kingdom has not had a stated policy stance on outward FDI for at least the past thirty years. It has been the implicit position of successive governments that openness, both in terms of inward and outward FDI, is the best policy. Indeed, governments have embraced firms such as Dyson moving their manufacturing operations to lower cost locations, on the basis that it secures the company's future, increases its competitiveness and retains the core technology of the firm in the United Kingdom. There is no official organization that encourages outward FDI, though the UK Trade and Investment Department puts significant resources into encouraging both exports and inward investment, both of which may be considered precursors to outward FDI.

The United Kingdom has also seen much outsourcing and offshoring in the services sector, with many large UK MNEs setting up call centers in India, for example. The Government has been silent on this issue, despite the apparent loss of jobs at home. In this respect, the United Kingdom

² UNCTAD, *World Investment Report 2011: Non-Equity Forms of International Production* (New York and Geneva: United Nations, 2011), web table 31, available at: <http://www.unctad.org>.

³ UNCTAD, *World Investment Report 2012*, "Country fact sheet: United Kingdom," available at http://unctad.org/sections/dite_dir/docs/wir12_fs_gb_en.pdf.

pursues policies designed to make its labor market as flexible as possible, so that efficiency-seeking FDI by UK firms relocating activities abroad is easier than it would be for French or German firms. Finally, one could argue that tax policy in the United Kingdom supports outward FDI, with many UK firms establishing offshore operations through overseas subsidiaries.

As UK OFDI is diversified both across industries and globally, it may be advisable in the current economic climate for the Government to increase its support to outward FDI in order for United Kingdom firms of all sizes to reap the benefits of overseas markets.

At the international level, as of June 1, 2012, the United Kingdom had concluded 105 bilateral investment treaties with foreign economies, of which 93 were in force. The United Kingdom had also concluded, as of June 1, 2011, 115 double taxation treaties.⁴

Conclusions

The United Kingdom is one of the world's major sources of outward FDI; the impact of such investment on its economy is therefore of considerable interest. In manufacturing, outward FDI from the United Kingdom is dominated by investment abroad in sectors and industries that have lower unit labor costs than the United Kingdom, but there is evidence of an increasing trend toward technology sourcing by UK firms, leading to productivity growth at home.⁵ UK productivity increases are also associated with OFDI in low-cost locations, as high-skill activities are retained at home, and average productivity at home increases. The dominance of outward FDI in low-cost locations also has implications for labor in the United Kingdom, markedly reducing the demand for unskilled labor, and to some extent also for skilled labor. The only form of outward investment that increases labor demand is technology-sourcing FDI, which typically accounts for less than 10% of total UK OFDI.⁶

A recent study on the outward investment strategies of UK MNEs, examining employment growth at home, has found that MNEs that invest in low-wage economies are engaged in vertical FDI, and the employment in the United Kingdom in these firms is orientated toward high-technology activities and lower employment growth.⁷ Such firms are also more likely to close down plants in the United Kingdom, and have a lower propensity to open new ones in low-skill manufacturing industries within the United Kingdom.

This backs up earlier work which found that large firms are the most likely ones to engage in outsourcing and offshoring, and that domestic jobs have been lost as a result of outward FDI.⁸ However, the same study also argued that companies have become more competitive as a result, and that in 1995-2005, such activity created some 100,000 new jobs in the United Kingdom.

⁴ Data on BITs and DTTs are from UNCTAD's IIA databases, available at: <http://www.unctad.org>.

⁵ Nigel Driffield, Jim Love and Karl Taylor, "Productivity and labour demand effects of inward and outward FDI on UK industry," *Manchester School*, vol. 77 (2) (2009), pp. 171-203.

⁶ Ibid.; Helen Simpson, "How do firms' outward FDI strategies relate to their activity at home? Empirical evidence for the UK," *The World Economy*, vol. 35 (3), 2011, pp. 243-272.

⁷ Ibid.

⁸ Alex Hijzen et al., "International outsourcing and the skill structure of labour demand in the United Kingdom," *Economic Journal*, vol. 115 (506) (2005), pp. 860-878.

Overall, while total employment in these firms has increased as a result of this strategy, there has been a reduction in the proportion of those jobs that are based in the United Kingdom.

Additional reading

Allen, G. and A. Dar, “Foreign direct investment (FDI),” *Economic Policy and Statistics*, House of Commons Library Standard, Statistics Resource Unit, Note: SN/EP/1828, 2011.

HM Treasury: EU membership and FDI: http://www.hm-treasury.gov.uk/d/foi_eumembership_fdi.pdf

Office of National Statistics (UK) Foreign Direct Investment involving UK companies, 2010 Release. http://www.ons.gov.uk/ons/dcp171778_245878.pdf

UKTI : International Trade and Investment – the Economic Rationale for Government Support. <http://www.bis.gov.uk/files/file32297.pdf>

Useful websites

Official Statistics, United Kingdom: <http://www.statistics.gov.uk/hub/index.html>

Department of Business, Innovation and Skills, United Kingdom: <http://www.bis.gov.uk/>

UNCTAD, 2011 UK Country Fact Sheet available at http://unctad.org/sections/dite_dir/docs/wir12_fs_gb_en.pdf

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Statistical annex

Annex table 1. United Kingdom: outward FDI stock, 2000-2011^a

(US\$ billion)

Economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
United Kingdom	898	870	994	1,187	1,247	1,199	1,455	1,836	1,531	1,674	1,627	1,731
Memorandum: comparator economies												
Germany	5412	618	696	831	925	928	1,081	1,332	1,327	1,412	1,437	1,442
United States	2,694	2,315	2,023	2,729	3,363	3,638	4,470	5,275	3,102	4,287	4,767	4,500
France	926	798	639	947	1,154	1,232	1,610	1,795	1,268	1,583	1,580	1,373
Japan	278	300	304	336	371	387	450	543	680	741	831	963

Source: UNCTAD's FDI database, available at <http://unctadstat.unctad.org>

^a Due to differences in statistical recording, data for the selected economies are not fully comparable.

Annex table 2. United Kingdom: outward FDI flows, 2000-2011^a

(US\$ billion)

Economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
United Kingdom	233	60	50	62	91	81	86	272	161	44	40	107
Memorandum: comparator economies												
Germany	57	40	19	6	21	76	119	171	73	75	109	54
United States	143	125	135	129	295	15	224	394	308	268	304	397
France	177	87	50	53	58	115	111	164	155	107	77	90
Japan	32	38	32	29	31	46	50	74	128	75	56	114

Source: UNCTAD's FDI database, available at <http://unctadstat.unctad.org>

^a Due to differences in statistical recording, data for the selected economies are not fully comparable.

Annex table 3. United Kingdom: sectoral distribution of outward FDI stock^a, 2000, 2008

(US\$ billion)

Sector/industry	2000	2008
All sectors/industries	897.8	1,531.1
Primary	84.7	230.3
Agriculture, forestry and fishing	0.4	0.2
Mining and quarrying (including oil/gas)	84.3	230.1
Secondary	239.7	388.9
Food products	59.4	118.7
Textile and wood, printing and publishing	14.1	15.3
Chemical, plastic and fuel products	98.8	137.0
Metal and mechanical products	13.8	42.8
Office, IT and communications equipment	3.0	6.0
Transport equipment	18.9	29.2
Other manufacturing	31.7	39.9
Services	573.4	896.1
Electricity, gas and water	23.1	48.4
Construction	4.5	44.4
Retail/ wholesale trade and repairs	48.1	130.1
Hotels and restaurants	10.1	28.4
Transport and communications	278.2	227.7
Financial services	114.8	268.9
Real estate and business services	77.9	62.4
Other services	16.6	85.8

Source: United Kingdom Office for National Statistics, Foreign Direct Investment and Business Monitor MA4 2002-2008, available at: www.statistics.gov.uk. The end-of-year stock data in pounds sterling was converted into US\$-values by using the end of year US dollar/pound sterling exchange rates of the International Monetary Fund (IMF, Exchange Rate Archives, available at: <http://www.imf.org>).

^a Figures correspond to the industry of the foreign affiliate. Data in this table are based on the 2003 version of the SIC system.

Annex table 4. United Kingdom: geographical distribution of outward FDI stock, 2000, 2010

(US\$ billion)

Region/economy	2000	2010
World	897.8	1,626.9
Developed economies	820.9	1,337.5
Europe	573.3	954.7
European Union	533.8	832.4
Netherlands	273.0	227.6
Luxembourg	78.3	213.6
France	32.6	83.5
Irish Republic	49.7	64.1
Belgium	10.9	63.7
Spain	8.8	54.6
Sweden	28.4	36.2
Germany	34.8	35.4
Italy	5.4	17.6
Denmark	3.2	12.3
Poland	1.5	5.6
Portugal	1.6	5.6
Greece	1.5	3.1
Malta	0.1	2.1
Finland	0.9	1.8
Romania	0.0	0.9
Cyprus	0.1	0.9
Austria	1.6	0.8
Hungary	0.6	0.8
Czech Republic	0.7	0.8
Slovakia	- 0.1	0.4
Bulgaria	- 0.0	0.2
Estonia	..	0.1
Latvia	0.0	- 0.0
Lithuania
Slovenia
EFTA	16.0	42.5
Switzerland	9.6	33.9
Norway	6.3	8.3
Other European economies	23.5	79.8
UK Offshore Islands	22.3	53.3
Russia	0.4	15.5
North America	226.1	334.8
United States	210.9	284.5
Canada	15.1	50.3
Other developed economies	21.5	47.9
Australia	12.1	43.1
Japan	6.9	4.1
New Zealand	2.5	0.7

Developing economies	77.0	281.1
Africa	14.0	46.4
South Africa	5.6	16.3
Nigeria	1.4	2.4
Kenya	0.6	0.7
Zimbabwe	0.2	0.0
Asia and Oceania	30.3	150.8
Hong Kong	7.1	46.1
Gulf Arabian countries	1.1	25.2
India	1.8	16.7
Singapore	4.9	14.7
China	2.2	9.3
Republic of Korea	0.7	6.1
Indonesia	0.9	4.1
Malaysia	3.6	2.1
Thailand	1.0	2.4
Latin America and the Caribbean	32.7	83.9
Bermuda	9.0	24.8
Brazil	4.9	9.8
Mexico	1.5	5.3
Colombia	2.5	3.9
Chile	2.2	0.8
Panama	0.3	0.3

Source: United Kingdom Office for National Statistics, Statistical Bulletin, "Foreign direct Investment involving UK companies, 2010" and "Business Monitor MA4 Foreign Direct Investment, 2009", available at: www.statistics.gov.uk. The end-of-year stock data in pounds sterling was converted into US\$-values by using the end of year dollar/pound exchange rates of the International Monetary Fund (IMF, Exchange Rate Archives by Month, available at: <http://www.imf.org>).

Annex table 5. United Kingdom: principal MNEs headquartered in economy, ranked by foreign assets, 2010

Rank	Name	Industry	Foreign assets (US\$ billion)
	Non-financial MNEs		
1	Royal Dutch Shell PLC	Petroleum	271.7
2	BP PLC	Petroleum	244.0
3	Vodafone Group PLC	Telecommunications	224.4
4	Anglo American PLC	Mining and quarrying	62.2
5	Rio Tinto PLC	Mining and quarrying	61.6
6	GlaxoSmithKline PLC	Pharmaceuticals	53.5
7	BG Group plc	Electricity, gas and water	43.4
8	British American Tobacco PLC	Food, beverages and tobacco	42.9
9	AstraZeneca PLC	Pharmaceuticals	39.0
10	SABMiller PLC	Food, beverages and tobacco	38.8
11	Tesco PLC	Retail & trade	37.5
12	National Grid PLC	Utilities (electricity, gas and water)	37.4
13	WPP PLC	Business services	33.1
14	BAE Systems PLC	Aircraft	31.2
	Financial MNEs		
1	HSBC Holdings PLC		2,454.7
2	Barclays PLC		2,322.5
3	Royal Bank Of Scotland Group PLC		2,266.3
4	Aviva PLC		577.0
5	Standard Chartered PLC		516.5
6	Prudential PLC		406.6
7	Old Mutual PLC		201.8

Source: UNCTAD's FDI/TNC database, available at:

<http://www.unctad.org/templates/Page.asp?intItemID=5545&lang=1>

Annex table 6. United Kingdom: main M&A deals, by outward investing firm, 2008-2010

Year	Acquiring company	Target company	Target industry	Target economy	Shares acquired (%)	Value of Transaction (US\$ billion)
2011	International Power PLC	GDF Suez Energy Europe	Natural gas transmission	Belgium	100.00	25.06
2011	BHP Billiton PLC	Petrohawk Energy Corp	Crude petroleum and natural gas	United States	100.00	11.78
2011	BP PLC	Reliance Industries Ltd-21 Oil	Crude petroleum and natural gas	India	30.00	9.00
2011	EnSCO PLC	Pride International Inc	Drilling oil and gas wells	United States	100.00	7.31
2011	BP PLC	Devon Energy Corp-Assets	Crude petroleum and natural gas	United States	100.00	7.00
2011	Vedanta Resources PLC	Cairn India Ltd	Crude petroleum and natural gas	India	30.36	4.54
2011	Rio Tinto PLC	Riversdale Mining Ltd	Bituminous coal and lignite surface mining	Australia	100.00	3.91
2011	Unilever PLC	Alberto-Culver Co	Perfumes, cosmetics, and other toilet preparations	United States	100.00	3.84
2011	Vodafone Group PLC	Hutchison Essar Ltd	Telephone communications, except radiotelephone	India	22.00	3.32
2011	BC Partners Ltd	Com Hem AB	Cable and other pay television services	Sweden	100.00	2.68
2010	CVC Capital Partners Ltd	Sunrise Communications AG	Radiotelephone communications	Switzerland	100.00	3.27
2010	Lion Capital LLP	Picard Surgeles SA	Grocery stores	France	100.00	2.03
2010	Apax Partners Worldwide LLP	Advantage Sales & Mktg LLC	Management consulting services	United States	-	1.90
2010	Unilever PLC	Sara Lee Corp-European Bus	Specialty cleaning and polishing preparations	Netherlands	100.00	1.87
2010	Man Group PLC	GLG Partners Inc	Investment advice	United States	100.00	1.54
2010	Barclays Bank PLC	Chesapeake Energy Corp-Barnett	Crude petroleum and natural gas	United States	100.00	1.15
2010	Cinven Ltd	Sebia SA	In vitro and in vivo diagnostic substances	France	-	1.09
2010	Birds Eye Iglo Group Ltd	Findus Italy	Frozen specialties, nec	Italy	100.00	1.04
2010	Lion Capital LLP	Bumble Bee Foods LLC	Canned and cured fish and seafoods	United States	100.00	0.98
2010	BG Group PLC	EXCO Resources Inc-Producing &	Crude petroleum and natural gas	United States	50.00	0.84

2009	GlaxoSmithKline PLC	Stiefel Laboratories Inc	Pharmaceutical preparations	United States	100.00	3.60
2009	CVC Capital Partners Ltd	Anheuser-Busch Inbev-Central	Malt beverages	Bulgaria	100.00	3.03
2009	Vodafone Group PLC	Vodacom Group(Pty)Ltd	Radiotelephone communications	South Africa	15.00	2.41
2009	SABMiller PLC	Kompania Piwowarska SA	Malt beverages	Poland	28.10	1.11
2009	BG Group PLC	EXCO Resources Inc-Upstream	Crude petroleum and natural gas	United States	50.00	1.06
2009	Centrica Overseas Holdings Ltd	Segebel SA	Electric and other services combined	Belgium	50.00	0.97
2009	Autonomy Corp PLC	Interwoven Inc	Prepackaged software	United States	100.00	0.78
2009	BG Group PLC	Pure Energy Resources Ltd	Bituminous coal and lignite surface mining	Australia	100.00	0.72
2009	GlaxoSmithKline PLC	UCB-Commercial Op	Drugs, drug proprietaries, and druggists' sundries	South Africa	100.00	0.67
2009	Balfour Beatty PLC	Parsons Brinckerhoff	Engineering services	United States	100.00	0.64
2008	Imperial Tobacco Overseas Hldg	Altadis SA	Cigarettes	Spain	100.00	17.87
2008	Serafina Holdings Ltd	Intelsat Ltd	Telephone communications, except radiotelephone	Bermuda	76.00	16.00
2008	British American Tobacco PLC	House of Prince A/S	Cigarettes	Denmark	100.00	4.14
2008	Reed Elsevier Group PLC	ChoicePoint Inc	Credit reporting services	United States	100.00	3.79
2008	CVC Capital Partners Ltd	Evonik Industries AG	Electric services	Germany	25.01	3.71
2008	Anglo American PLC	IronX Mineracao SA	Iron ores	Brazil	63.50	3.49
2008	BG Group PLC	Queensland Gas Co Ltd	Crude petroleum and natural gas	Australia	91.30	3.27
2008	Investor Group	Ciudad Financiera Santander	Operators of non-residential buildings	Spain	100.00	2.80
2008	Reckitt Benckiser Group PLC	Adams Respiratory Therapeutics	Pharmaceutical preparations	United States	100.00	2.27
2008	Scottish & Southern Energy PLC	Airtricity Holdings Ltd	Cogeneration, alternative energy sources	Ireland-Rep	100.00	2.15

Source: The authors, based on Thomson ONE Banker. Thomson Reuters.

Annex table 7. United Kingdom: main greenfield projects, by outward investing firm, 2008-2010

Year	Company Name	Destination country	Sector	Business Activity	Investment (US\$ billion)
2010	Tullow Oil	Uganda	Coal, oil and natural gas	Manufacturing	5.00
2010	Rio Tinto Group	Paraguay	Metals	Manufacturing	3.50
2010	BG Group	Egypt	Coal, oil and natural gas	Extraction	2.00
2010	Standard Chartered Bank	Singapore	Financial services	Business services	1.58 ^a
2010	Albright International Ltd	Turkey	Electronic Components	Manufacturing	1.50
2010	Standard Chartered Bank	China	Financial services	Business services	1.47 ^a
2010	Vodafone	Italy	Communications	ICT & Internet Infrastructure	1.39
2010	Marks & Spencer	India	Consumer products	Retail	1.35
2010	Rio Tinto Group	Guinea	Metals	Extraction	1.35
2010	Rio Tinto Group	Australia	Metals	Extraction	1.20
2009	Anglo American	Brazil	Metals	Extraction	3.63
2009	Cairn Energy	India	Coal, oil and natural gas	Extraction	2.80
2009	British Petroleum (BP)	United States	Coal, oil and natural gas	Manufacturing	2.50
2009	Antofagasta	Chile	Metals	Extraction	2.30
2009	Hydrogen Energy	UAE	Alternative/Renewable energy	Electricity	2.00
2009	British Gas Group (BG)	Tunisia	Coal, oil and natural gas	Manufacturing	1.70 ^a
2009	Standard Chartered Bank	India	Financial services	Business services	1.58 ^a
2009	Afren	Nigeria	Coal, oil and natural gas	Extraction	1.26 ^a
2009	British Gas Group (BG)	Egypt	Coal, oil and natural gas	Extraction	1.00
2009	Jumbo Lane Investments	China	Coal, oil and natural gas	Manufacturing	0.81 ^a
2008	Klesch & Company	Libya	Coal, oil and natural gas	Manufacturing	8.00
2008	British Gas Group (BG)	Australia	Coal, oil and natural gas	Manufacturing	7.44
2008	Vedanta Resources	India	Metals	Manufacturing	5.00
2008	Tullow Oil	Ghana	Coal, oil and natural gas	Extraction	3.20
2008	British Petroleum (BP)	Angola	Coal, oil and natural gas	Extraction	2.34 ^a
2008	Rio Tinto Group	Oman	Metals	Manufacturing	2.30
2008	Vedanta Resources	India	Metals	Manufacturing	2.00
2008	Starbay Holdings	Vietnam	Hotels & tourism	Construction	1.60

2008	Energy Equity Resources (EER)	Nigeria	Coal, oil and natural gas	Extraction	1.26 ^a
2008	Rio Tinto Group	Australia	Minerals	Extraction	1.26

Source: The authors, based on fDi Intelligence, a service from the Financial Times Ltd.

^a Estimated investment.