



fdi Markets



Data Dictionary

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FT Specialist

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Frequently Asked Questions

What is classified as a greenfield FDI project on fDi Markets?

fDi Markets tracks crossborder investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. Joint ventures are only included where they lead to a new physical operation. Mergers & acquisitions (M&A) and other equity investments are not tracked.

What is classified as an Investor Signal?

An Investor Signal is an early intention of a company to invest overseas. An Investor Signal signifies that a company is likely to establish a new physical presence overseas or expand an existing site. These are early indicators of FDI projects and once the eventual physical presence is announced, the Investor Signal and the resulting FDI project will be linked via a conversion. fDi Markets currently tracks information on the following signal types:

- **Considering Project (New or Expansion)**
 - The company is considering a new investment project or an expansion at one of its existing subsidiaries. Typically, details of this project are available, and the shortlisted country/countries are known.
- **New Investment Strategy**
 - The company has a new investment plan or strategy for investment overseas or in another state (US only). This is a broad intention to invest overseas or inter-state, without details available yet on specific investment projects or on the specific country selected for investment (except in the case of very large markets like China or USA). Most plans relate to an investment strategy which includes multiple countries or a world region.
- **New Funding/Resources for Expansion**
 - The company has received funding or raised capital with a view to expanding internationally. Typically, the funding has come from venture capital funding or private equity funding with capital also typically raised via the stock market. The company should indicate that it has additional financing to facilitate international expansion or inter-state investment (US only).
- **New Personnel**
 - The company has appointed new personnel (e.g., business development or sales & marketing manager) responsible for expansion into a new region (e.g., Europe). This may indicate that the company will expand its international business. The role must be newly created.
- **New Overseas Supplier Contracts**
 - The company has won a significant contract worth over \$1m in a foreign country or has a new license or subcontracting/outsourcing agreement worth over \$1m overseas. These can be with a foreign government or with a foreign company. The new contract may indicate that the company will consider an overseas investment.

An investor signal can have more than one type of signal.

What data sources are used?

Data is collected primarily from publicly available sources, including:

- Financial Times newswires and internal information sources.
- Thousands of media sources, including all the world's top business sources.
- Over 2000 industry organisations and investment promotion agencies newswires.
- Data purchased from market research and publication companies.

Each project identified is cross-referenced against multiple sources, with primary focus on direct company sources. This allows further company and project information to be captured, including decision making contacts.

As our data is collected primarily from publicly available sources, Financial Times Ltd takes no responsibility for the accuracy or otherwise of the data.

How often is data published?

Data is collected in real time as announced by a company and provided as a daily e-mail newswire and live updates online. Data goes through a rigorous quality control process, before being published at the end of each month to Trends Analysis and reporting tools.

Data will appear in the Project Database, Trends Analysis, and Reporting tools, at a one-month delay. On the last day of the month, data for the previous month will be published. The data on fDi Markets is subject to frequent revision as new or additional information is released on previous investment projects. This can include updating estimated values with actual jobs or investment figures or changing previous reported figures. It can also involve removing a project which is no longer going ahead.

Does fDi Markets track investment and jobs?

fDi Markets tracks information on capital investment and direct jobs associated with an FDI project.

As companies do not always release information on investment amount or job creation, a proprietary algorithm, known as the Jobs and Investment Algorithm, estimates the jobs and investment where the actual value is not known. Customers have the option on fDi Markets to include or exclude these estimates in the *Preferences* section of the database.

How does the Jobs & Investment algorithm work?

fDi Markets records both capital investment and jobs created when announced by the company making the investment. However, if the company does not release this information the system estimates the figures based on an algorithm.

The algorithm looks at projects in the same country/sector/activity with actual jobs and capital investment data and then removes the smallest 5% of projects and largest 5% of projects to create a dataset for estimates. If there are fewer than 5 projects in the dataset, then the algorithm takes the regional data. If there are still not 5 projects in the dataset, then the algorithm takes the global dataset (this would only be for obscure combinations of sector/activity).

If we know either the jobs OR capital investment, then the algorithm uses this dataset to look at the average ratio of jobs to capital investment to complete the gaps. These estimates are broadly accurate as the ratios of jobs to investment in a given combination of country/sector/activity are relatively standard.

If we do not know either the jobs OR capital investment, the algorithm uses the average value of the dataset. In these cases, we suggest that estimates are only used where there is a minimum of 20 projects in the search criteria and that you check the projects carefully as the average size of project can, of course, vary considerably for each project.

It is important to stress that these figures are estimates and we do not make claims that they are a direct reflection of the actual jobs or capital investment in individual projects.

How are FDI projects classified?

Each project is classified according to its cluster, sector, sub-sector, and business activity, based on a proprietary industry classification system. The sub-sectors recorded in fDi Markets can be aligned with the North American Industry Classification System (NAICS). Each project is classified individually based on the activity at the site in question and as such, a company can have projects classified in multiple sectors.

What is meant by Sector, Subsector, Cluster and Business Activity?

- **Sector:** The Sector selected on an FDI project indicates what is being provided at the site of the FDI project. This is unique to each FDI project and while it is guided by the company involved, a company may have projects in multiple sectors.
- **Subsector:** A Subsector is defined as a more specific area within a sector in which the FDI project is involved. i.e. a project may be classified as the Video Games subsector within the Software & IT Services sector.
- **Cluster:** A Cluster is defined as the industry the project is serving/the end user i.e. ICT & Electronics, Life Sciences, Energy.
- **Business Activity:** The Business Activity is the function being carried out at the new facility i.e. manufacturing, sales, extraction, construction, R&D etc.

The Cluster can sometimes cause confusion as it is not the traditional straight grouping of various sectors.

Example 1:

While the ICT & Electronics Cluster is mainly made up of the Software & IT Services, Communications, Electronics Components, Business Machines & Equipment sectors. It will also include some other sectors when the project is specifically serving the ICT & Electronics industry, for example:

Sector: Chemicals / Cluster: ICT & Electronics / Activity: Manufacturing

Linde North America, which develops and manufactures industrial and speciality gases and is a subsidiary of Germany-based Linde Group, is to expand its production facility in Hillsboro, Oregon, with the addition of a plant for the manufacture of ultra-high purity nitrogen and oxygen. The expansion will serve a semiconductor company in the Pacific north-west.

Example 2:

The Construction Cluster will mainly be made up of the Real Estate and Building & Construction Materials sectors. However, it will also include sectors like Ceramics & Glass, Chemicals and even Software projects if these are specifically for the Construction Industry, for example:

Sector: Software / Cluster: Construction / Activity: Design, Development & Testing

France-based Dassault Systemes, a 3D design and digital mock-up company and Shanghai Municipal Engineering Design Institute, a public engineering company, have announced that they will jointly open a new R&D centre in Shanghai, China. The centre is to develop industry solution experiences for civil engineering and infrastructure construction professionals.

Each project will only have one sector, subsector, cluster, and business activity. Where a site is engaged in multiple industries, the project will be reviewed to determine the primary industry. Where a site has multiple business activities, the largest activity by site area is selected, with only headquarters superseding other activities.

What is a Tag?

Tags are a relatively new feature on fDi Markets that are a bespoke layer of classifications for projects and investor signals. Tags operate in addition to Sector, Subsector, Cluster and Business Activity. Tags allow users to add additional layers of technological and political criteria to their searches that are of high interest, but not well covered by current classifications. Tags range from business areas such as Blockchain to current events such as Coronavirus.

Tags are available on Projects and Investor Signals dated January 2016 onwards and can be applied to companies that have projects in all years.

- **Project and Investor Signal Tags:** These tags are related to the specific investment.

Companies may be involved in a business area but the Project or Investor Signal may not be tagged unless the company has identified the investment as being related to this business area.

- **Company Tags:** These Tags indicate that a company is involved in a particular business area. Note, there may not be any Projects or Investor Signals tagged as investments in this area could be primarily domestic or pre-2016.

What is the difference between Announced, Opened and Closed projects?

fDi Markets includes a combination of both announced and completed (or opened) projects. The data is collected real time as announced by a company, sometimes the first announcement can be when the project is being opened i.e. completed.

This tends to be for smaller projects such as sales offices etc, while longer term investments such as manufacturing facilities, extraction projects etc are announced well in advance of the opening. The data on fDi Markets is subject to revision as new or additional information is released on previous investment projects. This can include changing the project status from announced to opened **IF** this information is announced in a further release by the company. However please note that the project status can remain as "announced" if no further updates are found, this does not mean that the project is not opened, just that there was no public announcement of the opening.

More recently we have also started to change the status of a project to "closed" if the project closes after it has been operational for some time.

What is a relocation project?

An FDI project will be marked as a relocation when a new project is announced as a result of the closure or downsizing of another operation run by the company. If a company chooses to close a site and move operations to an alternative site, this will be marked as a relocation and the country losing the investment will be recorded.

Singapore-based Musiio, an AI music start-up, is planning to open an office at Tileyard North in Wakefield, UK. The company is planning to relocate half of its workforce from Singapore to the new site in the UK.

This will be recorded as an FDI project into the UK, but also a relocation from Singapore.

It is sometimes known that the project is a relocation from another site, but sometimes the country or region only is known.

What are the types of FDI projects recorded?

fDi Markets records three types of projects; New, Expansion, Co-Location and these are defined as such:

- **New:** New projects are those FDI projects where a new operation being established at a new site. The company can already be present in the country, but this project is in a new location within the country. It can also include relocation from one country to another.
- **Expansion:** Expansion projects are those where a company is investing in the extension of an existing operation, creating additional jobs and/or investment. Expansions do NOT include the acquisition of more shares in the company, installations of new machinery etc.
- **Co-Location:** A Co-Location project is a new facility at an existing site which will involve a new business activity. For example, a company setting up a new R&D unit at an existing manufacturing facility would be included as co-location.

What types of FDI are not tracked by fDi Markets?

fDi Markets does not record the following types of investments:

- Mergers and Acquisitions and other international equity investments.
- Investment projects that do not create new jobs. This criterion excludes investment projects that only increase operational efficiency, energy efficiency or add new machinery without an increase in jobs or production capacity.
- Contracts to supply and build or consult on international projects without ownership or a resulting physical presence.
- Companies which establish a foreign subsidiary without a physical company presence. These are typically “letterbox companies”, Special Purpose Vehicles (SPVs), or often Special Purpose Acquisition Companies (SPACs) and are registered solely at the offices of accountancy or legal firms.
- Franchised locations where the franchise holder is based within the destination country.
- Hotels where the hotel is run via a management agreement or licensing arrangement with the hotel brand. In these cases, the project will be added under the company which owns the hotel if the firm is based in another country.
- Restaurant or cafe investments where the number of outlets at the time of announcement is fewer than five.
- Expansion projects where fewer than three new jobs are being created.
- Interstate US retail projects are not recorded, and interstate projects are not recorded at all before January 2007.
- Seasonal or temporary jobs.

What is a Data Partnership?

A data partnership is a process in place with some of our biggest clients to allow IPAs and EDOs to share a full list of their projects with fDi Markets. The list is reviewed by the fDi Markets team to ensure all FDI has been captured and their location is well represented. This partnership works

particularly well for capturing the very small investments that are exceptionally hard to track such as companies opening offices in co-working facilities that are often not publicly announced.

Glossary:

Business Activity:

The Business Activity is the function being carried out at the new facility i.e. manufacturing, sales, extraction, construction, R&D etc.

Cluster:

A Cluster is defined as the industry the project is serving/the end user i.e. ICT & Electronics, Life Sciences, Energy.

Company Profile:

Recorded for both Parent and Investing companies, the company profile will include a short description of the company's business areas, its headquarters, and where available, it will include the year of establishment, headcount, R&D spend, general email address, phone number, company LinkedIn page and company Twitter handle.

Data Source:

The data source for a project on fDi Markets is the primary source for the information in the project. The primary source is more than often not the only source of information for the project and as such, not all information can be viewed in the initial URL. Where no URL is shown, this indicates that the information is from a paid source and the name of the publication should be in its place. A number of projects added from data partnerships will display the name of the IPA.

Destination Country:

The destination country of an FDI project is the country into which the investment is being made.

Freezone:

A Freezone, or Special Economic Zone, is an area in a country that is subject to different economic regulations than other regions within the same country. The SEZ economic regulations tend to be conducive to - and attract - FDI. When a country or individual conducts business in an SEZ, there are typically additional economic advantages for them, including tax incentives and the opportunity to pay lower tariffs.

Interstate Projects:

These are investment projects between states in the United States. The US is the only country in which we track these internal investments.

Investing Company:

An Investing Company on fDi Markets is the company involved at the site of the investment project. Where the Parent Company and the Investing Company are the same, this indicates that the parent company, and not a subsidiary, is involved at the site of the investment.

Investment Amount:

The investment amount on an FDI project is the total investment in an FDI project from all involved parties. Where an investment is deployed over multiple planned phases, the initial investment is added.

Jobs created:

This is the number of direct jobs created in a greenfield FDI project or expansion. The number of jobs recorded will be only those created by the investing company at the site and not those created in construction or in related supply chains.

Markets Served:

The markets served for an FDI project is the geographical area the company intends to serve from the physical presence. A location can serve domestic, regional, or global markets.

Motives:

A motive on fDi Markets details the reason for a company to have selected the particular destination as the location for an investment. These are country, state, or city specific but will not include the region. These motives are sourced from the company via press releases or quotes from company contacts.

Parent Company:

On fDi Markets a Parent Company is the firm that has a controlling interest in another company, giving it hands-on or hands-off control of its operations. The parent company selected for fDi Markets is the ultimate parent company and as such, intermediate companies between the Investing Company and the ultimate Parent Company will not be recorded. Companies classified as a venture

capital or private equity firm are not considered valid parent companies on fDi Markets and in these instances, the parent company defers to the next valid company.

Project Date:

The project date on an fDi Markets project is the date the project was announced. If a project is only announced at the time of opening, the project date will also be the date of opening.

Relocation:

An FDI project is marked as a relocation when a part or the whole of an operation is moved to a new location outside the original country.

Sector:

The sector of an FDI project indicates what is being provided at the site of the FDI project. This is unique to each FDI project and while it is guided by the company involved, a company may have projects in multiple sectors.

Source Country:

The source country of an FDI project is the country in which the ultimate parent company is headquartered.

Subsector:

A Subsector is defined as a more specific area within a sector in which the FDI project is involved. i.e. a project may be classified as the Video Games subsector within the Software & IT Services sector.

Appendix

fDi Markets Motives and Definitions

Motive	Definition	Example
Domestic Market Growth	The Domestic Market Growth motive is cited when a company has identified that demand for its product or service in this market (country, city, or state) is growing or on the cusp of growth.	<i>"We anticipate that within a few years, the demand for our services in India will skyrocket and we want to be well positioned to service that demand."</i>
Government Support	The Government Support motive is cited when the company has cited non-financial support from the local IPA or government body as a reason for locating there. This can include general welcome from the IPA and help setting up the new presence, however the company must cite the IPA as being influential in their decision.	<i>"The warm welcome and informed advice of Scottish Development International made Edinburgh a first choice for our customer contact centre"</i>
ICT Infrastructure	The ICT Infrastructure motive is cited when the company has identified the location's internet or telecoms infrastructure as the reason for locating there. This will include high internet speeds, good mobile coverage, and access to reliable data centres.	<i>"Seoul is one of the most 'switched on' cities in the world and at the forefront of internet infrastructure globally. Locating there will allow us to provide some of the fastest data centre connectivity in the region"</i>
Industry Cluster	The Industry Cluster motive is cited when the company identifies the location as having multiple similar companies or companies working on similar projects in the area. This differs from proximity to markets as the company is locating close to similar companies rather than choosing to located close to the companies it serves.	<i>"Manhattan, and Madison Avenue in particular, is the place to be for advertising companies and locating here places us right in the centre of our peers and competitors"</i>
Language Skills	The Language Skills motive is cited when the company has identified that the workforce in the destination country, city or state possesses high levels of foreign language abilities. These staff are bilingual, often speaking English as well as native languages.	<i>"Singapore was chosen as the site for our technical centre due to the high concentration of multilingual staff. From here we can serve customers in China, Australasia, India and Malaysia"</i>
Lower Costs	The Lower Costs motive is cited when the company identifies lower cost labour or lower costs for other resources when compared to competing locations.	<i>"We relocated our shared service operations to Manila in order to benefit from the high skilled, but lower cost employee base available here than in the Germany."</i>
Natural Resources	The Natural Resources motive is cited when the company has stated their reasoning to locate in an area is because of the natural resources the locality has to offer. The natural resources must pertain to the presence in question.	<i>"The pulp mill has been located in Spokane to take advantage of the good quality forestry in the Pacific north-west"</i>
Proximity to markets or customers	The Proximity to markets or customers motive is cited when the company has identified a location as beneficial due to its location close to existing customers and potential clients	<i>"Many of our biggest clients have established offices in Belfast and it is a vital part of our strategy to be easily accessible to them"</i>
Quality of Life	The Quality of Life motive should be cited when the company has identified the country or city's general attractiveness as a place to be located. This includes	<i>"New York City is a world class city that allows us to offer an excellent lifestyle to our new employees"</i>

	factors such as the weather, time zone, cultural status, and lifestyle attractiveness.	
Regulatory Environment	The Regulatory Environment motive should be cited when the company has identified the wider economic and political climate in the country as a reason to locate there. This can encompass the country's legal framework, government, and general economic outlook	<i>"The Colombian economy is one of the strongest in the region of Latin America."</i>
Sites & Property	The Sites & Property motive is cited when the company has identified the building or business park etc as the reason for locating in the area.	<i>"We chose the Gdansk Connect office for our Eastern European headquarters as no other building offered the high-quality space, layout and amenities"</i>
Skilled Workforce Availability	The Skilled Workforce Availability motive is cited when the company has stated that a qualified, skilled, or appropriately educated workforce in the area was one of the reasons to establish there. This should not include language skills which are accounted for in their own motive selection	<i>"With the closing of the Boise metalworks in July, we know that the area is home to many skilled and experienced metallurgists who are now without work"</i>
Suppliers & JV partners	The Suppliers & JV partners motive is cited when the company cites a location as being desirable because its suppliers are close by. This is also applicable when the site is close to joint venture partners and often most appropriate when locating close to their fellow business units.	<i>"We located in Osaka to more quickly source the composite components direct from our supplier's production site in Kasai."</i>
Taxes & Incentives	The Taxes & Incentives motive is cited when the company has had financial incentives from the destination state or country. The taxes mentioned here are only for when taxes and tax breaks form part of the incentives package. The company must cite the incentives as being influential in their decision.	<i>"The incentives offered to us by the state of Louisiana were a key factor in our decision to locate here rather than Mississippi."</i>
Technology & Innovation	The Technology & Innovation motive is cited when the company has identified the location as being an area of high innovation, development, and technology advances.	<i>"Silicon Valley is home to the most pioneering and innovative companies in the world. Locating close to these companies will aid in our synergy and boost our own development."</i>
Transport Infrastructure	The Transport Infrastructure motive is cited when the company has identified the location as being easily accessible by any method of transport and having good physical utilities infrastructure including electricity grids, water works etc.	<i>"The Wan Chai office is located ideally within Hong Kong, easily accessed via the MTR, the Star Ferry and also Hong Kong International Airport."</i>
Universities or Research hubs	The Universities or Research hubs motive is cited when a company has decided to locate in a city or country to be close to institutions of research and learning.	<i>"Locating in Cambridge allows us to more easily collaborate with the Massachusetts Institute of Technology and other leading universities in the state."</i>

Contacts

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About fDi Intelligence

fDi Intelligence – part of the Financial Times Group, is recognised globally for its credible full range of investment promotion and research solutions. Relied upon by the most prominent FDI professionals, we have provided in-depth commentary and comprehensive data and intelligence since 2001 and continue to pioneer new ground-breaking products to better serve our clients.

Products and services include:

fDi Markets – is the most comprehensive greenfield FDI tracking database on the market, from the Financial Times. We have an unrivalled track record of real-time data since 2003. Our data is chosen to power the most influential global FDI analytics, decision making and identify future opportunities and trends.

fDi Benchmark – is the only comprehensive analysis tool that compares costs and qualities of investment destinations. Its unique patented algorithmic technology is used by locations, intermediaries, and investors alike to assess global footprint strategies.

GIS Planning – offers a suite of industry-leading online GIS data and mapping tools to attract investment, support business and facilitate research and analysis. The interactive SaaS tools are robust, intuitive, and mobile responsive, engaging potential investors directly on Investment Promotion Agency websites.

fDi Intelligence magazine – firmly established as the world's premier publication for the business of globalisation. Published on a bi-monthly basis with an ABC-certified, highly targeted circulation of more than 14,000, **fDi** provides corporate decision-makers with an up-to-date image of the ever-changing global investment map.