Scotland's capital, Edinburgh, has ranked first in the 2016/17 FDI Strategy category for Global Cities of the Future. The investment department in the city council is responsible for the promotion of the city as an investment destination, and focuses on working with, and sharing knowledge with, other agencies. The council regularly hosts colleagues from cities including Shenzhen and Munich, and staff in the council benefit from EU-funded staff exchange programmes.

The city has entered into an agreement with the southern Chinese city of Shenzhen to encourage investment and broaden links between the cities. The council has embarked upon several bilateral trade delegations, while incubator space has been set up in Edinburgh to accommodate incoming investors from Shenzhen. A counterpart facility has been established in China to attract and facilitate investors from Edinburgh.

Free soft landing services are offered to all new investors coming into Edinburgh, which includes advice on property options, information on relocating staff and access to meeting and work spaces in the city. The Invest Edinburgh website is published in French, German, Spanish, Mandarin and Arabic, as well as its native English, while a parallel website has been created in Chinese – a further bolster to the council’s China strategy.

Hong Kong improves
Hong Kong has ranked second for FDI Strategy, with Invest Hong Kong impressing judges with its network of 30 overseas offices and its extensive reach in global markets. The city’s start-up strategy (StartmeupHK) encourages young innovative companies to use the city as a springboard for business growth. The first StartmeupHK festival was held in Hong Kong in January 2016, showcasing the city as a destination for fintech and healthtech sector investments, as well as for the Internet of Things and data analytics.

Chicago, the third most populous city in the US and a newcomer to the FDI Strategy category in this year’s ranking, has placed third. World Business Chicago (WBC), in charge of investment promotion for the city, has a staff of 42 people based in both Chicago and at the organisation’s permanent office in Shanghai. The agency is also responsible for the Sister Cities International programme, which is an investment and cultural exchange programme with 28 other global cities.

The city’s China initiative has established Chicago as the US FDI gateway for investment from Beijing, Shanghai, Tianjin, Qingdao, Shenyang, Hangzhou, Wuhan and Chengdu. WBC’s international outlook extends further than China, with an outreach to global cities including London, Paris and Toronto, and an official economic partnership with Mexico City. A range of benefits are available to prospective investors, including state tax credits; relief from training costs; industrial growth zones with streamlined development incentives; and green incentives to encourage environmentally responsible development.

“Strengthening partnerships, both regionally and worldwide, will ensure that Manchester, and the UK, continues to welcome international businesses to innovate in the areas of science, commerce and culture”

Tim Newns, chief executive, Midas, Manchester’s inward investment agency

Editors’ choice award

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At the summit: Edinburgh ranks first for FDI Strategy
To create a shortlist for fDi’s Global Cities of the Future 2016/17, the fDi Intelligence division of the Financial Times collected data using the specialist online tools fDi Markets and fDi Benchmark.

The list of 131 locations was drawn up to include the top 100 locations in terms of inward FDI projects on fDi Markets, plus any additional locations in the top 15 as classed for each region, not in the original list of 100 locations. Data was then collected for these 131 locations under five categories: Economic Potential, Business Friendliness, Human Capital and Lifestyle, Cost Effectiveness and Connectivity. Locations scored up to a maximum of 10 points for each datapoint, which were weighted by importance to the FDI decision-making process in order to compile both the subcategory rankings as well as the overall ‘Global Cities of the Future 2016/17’ ranking.

In addition, surveys were collected under a sixth category, FDI Strategy. This category is the only qualitative category, and does not feed into the overall result. For this category there were 53 submissions – locations submitted details about their strategy for promoting FDI, which was then scored by fDi’s judging panel.

An emerging cities location list was determined and ranked, comprised of locations where GDP per capita is below 35,000 international dollars.

### HUMAN CAPITAL AND LIFESTYLE
- Labour force as % of population aged 15+
- Literacy rate (%)
- Secondary enrollment rate (%)
- Tertiary enrollment rate (%)
- Education expenditure (% of GNI)
- Number of higher education institutions
- Number of higher education institutions per 100,000 people
- Number of IB schools
- Number of IB Schools per 100,000 population
- Number of top 500 universities
- Number of students
- Third-level students as % of population
- HDI
- Number of physicians per 1000 people
- Life expectancy
- Ability to attract and retain talent

### COST EFFECTIVENESS
- Average salary ($) for unskilled worker
- Average salary ($) for semi-skilled worker
- Average salary ($) for skilled worker
- Annual rent for prime Grade A office space ($ per sq m)
- Annual rent for prime Grade A industrial space ($ per sq m)
- 4*/5* hotel in city centre ($ per night)
- Minimum wage ($ per month)
- Cost of establishing a business (absolute value using GNI)
- Cost of registering a property (absolute value using GNI)
- Cost of construction permits (% of warehouse value)
- Petrol prices ($ per litre)
- Cost of establishing an electricity connection (absolute value using GNI)
- Corporation tax rate (%)
- VAT/ common indirect tax rate (%)
- Total tax rate, % of profit
- Country PPP/exchange rate

### CONNECTIVITY
- Upload speed (kb/s)
- Download speed (kb/s)
- People using the internet (%)
- ICT Development Index
- Number of airports - within 50 miles of the city
- Number of international destinations served
- Number of ports (medium)
- Number of ports (large)
- Number of ports (very large)
- Number of ports (medium+)
- Liner shipping connectivity index (2015)
- Mobile phone subscribers (2014) per 100
- Environmental Performance Index 2016
- Logistics Performance Index 2016
- Networked Readiness Index 2015
- Quality of overall infrastructure
- Quality of roads
- Quality of railroad infrastructure
- Companies in transportation per 100,000 people

### BUSINESS FRIENDLINESS
- Total number of companies within hi-tech manufacturing sector 2015
- Total number of companies within hi-tech service sector 2015
- Total number of companies within hi-tech manufacturing sector per 100,000 population
- Number of companies within hi-tech service sector per 100,000 population
- Number of companies within the knowledge based sector 2015
- Number of companies within hi-tech manufacturing sector per 100,000 population
- Number of companies within hi-tech service sector per 100,000 population
- Number of companies within the knowledge based sector per 100,000 population
- Number of jobs created by all inward FDI (2011-2015)
- Number of jobs created by all inward FDI (Jan 2011 - Dec 2015) per 100,000 people
- Number of expansion/co-location projects (2011-2015)
- Top 1000 World Banks 2015
- FT Global 500 companies (2015)
- Corporation tax rate (%)
- Days taken to start a business
- Firing costs
- Ease of doing business index 2015
- Index of Economic Freedom
- Corruption Perception Index 2015
- Strength of Investor Protection Index
- Fragile States Index 2015

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**METHODOLOGY**

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**DATA POINTS**

**ECONOMIC POTENTIAL**
- Population
- Average annual population growth rate (2011-2015)
- Unemployment rate
- Inflation
- GDP (PPP current $m)
- GDP per capita (PPP current $m)
- Average annual growth in GDP 2011-2015
- Average annual forecast GDP growth (2016-2020)
- Outward FDI (Jan 2011 - Dec 2015)
- Outward FDI per 100,000 people (Jan 2011 - Dec 2015)
- Inward FDI (Jan 2011 - Dec 2015)
- Inward FDI per 100,000 people (Jan 2011 - Dec 2015)
- FDI in advanced manufacturing (Jan 2011 - Dec 2015)
- FDI in R&D and DDT (Jan 2011 - Dec 2015)
- Number of mega projects by capex (over $100m) (Jan 2011 - Dec 2015) inc estimates
- Number of mega projects by capex (over $100m) per 100,000 people (Jan 2011 - Dec 2015) inc estimates
- Number of mega projects by jobs (over 1000 jobs) (Jan 2011 - Dec 2015) inc estimates
- Number of mega projects by jobs (over 1000 jobs) per 100,000 people (Jan 2011 - Dec 2015) inc estimates
- Number of patents 2003-2015
- Number of patents 2003-2015 per 100,000 people

**BUSINESS FRIENDLINESS**
- Number of companies within hi-tech manufacturing sector 2015
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