

# Global Cities of the Future 2018/19

## Winners



SINGAPORE HAS BEEN CROWNED **fDi**'s GLOBAL CITY OF THE FUTURE FOR THE THIRD YEAR IN A ROW, WHILE LONDON AND DUBLIN HAVE RETAINED THEIR POSITIONS IN SECOND AND THIRD, RESPECTIVELY. **CATHY MULLAN** REPORTS

**S**ingapore has once again been crowned **fDi**'s Global City of the Future, marking the third successive victory for the Asian city-state. London and Dublin have retained their respective second and third positions – although the gap between them is closing.

Growth in global greenfield FDI has been sluggish in recent years, not exceeding 14,000 projects since 2013, according to data from greenfield investment monitor **fDi** Markets. Globally, although FDI projects have increased slightly between 2015 and 2017, the size of both the investment value and the number of jobs has decreased. In 2016, the average capital investment of FDI projects was \$58.1m and the average number of jobs per investment was 151, but by 2017 this had fallen to \$47.3m and 135 jobs.

### The big two

Singapore and London are the top destinations for foreign investment globally, accounting for almost 5% of all investment since **fDi** Markets records began in 2003. Between 2008 and 2014, Singapore accounted for a larger share of global FDI than London, however London overtook Singapore in 2015, taking 3.34% of global FDI

(Singapore's figure was 2.67%). The gap between the two cities narrowed between 2015 and 2017, and data to date for 2018 suggests that Singapore is on course to overtake London.

Singapore's economic stability helped to attract almost 1900 FDI projects between 2013 and 2017, with its low unemployment rate of 2.8% and GDP per capita of more than \$90,000 at purchasing power parity. The culture of attracting R&D investments contributed to the city's top ranking in the Economic Potential category, having welcomed 220 such projects in the five years to 2017 – the highest number of all locations globally.

As part of the RIE2020 plan, which details Singapore's strategy for research, innovation and enterprise investment, the government plans to invest \$19bn between 2016 and 2020. The investment will aim to develop its research base, labour force and innovation and enterprise in four key sectors: advanced manufacturing and engineering, health and biomedical sciences, urban solutions and stability, and services and the digital economy.

### London stays strong

London, which is facing a period of political and economic change,

ranks second overall. The city received the highest number of FDI projects globally between 2013 and 2017, while also notching up the highest number of outward FDI projects. Six international airports are located within 80 kilometres of the UK capital, which remains the world's most connected city with over 335 international destinations directly accessible, helping it to rank first in the Connectivity category.

The UK as a whole has a high penetration of internet usage and performs well on various indices, including the ICT Development Index from ITU and the Logistics Performance Index from the World Bank.

Dublin boasts the highest level of FDI on a per capita basis of all locations in the study. The city has established a reputation as a software and IT hub, with major investments in recent years from US software giants including Facebook and Google. In the five-year period analysed, almost half of all investments in the city were tech-based. US-based Equifax, which provides information solutions, credited its November 2017 announcement to expand its Dublin operation to Ireland's globally recognised reputation as a tech hub. ■



Emerging market: Bangalore leads among cities in locations where GDP per capita is below 35,000 international dollars

**TOP 25 EMERGING MARKET CITIES ONLY –  
OVERALL – GDP PER CAPITA < \$35,000**

RANK	CITY	COUNTRY
1	Bangalore	India
2	Ho Chi Minh City	Vietnam
3	Silao	Mexico
4	Pune	India
5	Chongqing	China
6	Suzhou	China
7	Chengdu	China
8	Gurgaon	India
9	Santiago	Chile
10	Hyderabad	India
11	Chennai	India
12	Mumbai	India
13	San José	Costa Rica
14	Monterrey	Mexico
15	Panama City	Panama
16	Mexico City	Mexico
17	Bogotá	Colombia
18	Tangier	Morocco
19	Queretaro	Mexico
20	San Luis Potosí	Mexico
21	Manila	Philippines
22	Hanoi	Vietnam
23	New Delhi	India
24	Guadalajara	Mexico
25	Jeddah	Saudi Arabia

**TOP 25 OVERALL (INCLUDES EMERGING  
AND DEVELOPED MARKETS)**

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	London	UK
3	Dublin	Ireland
4	Hong Kong	Hong Kong
5	Shanghai	China
6	Dubai	UAE
7	New York	US
8	Amsterdam	Netherlands
9	San Francisco	US
10	Tokyo	Japan
11	Paris	France
12	Frankfurt	Germany
13	Zürich	Switzerland
14	Belfast	UK
15	Helsinki	Finland
16	Seoul	South Korea
17	Montreal	Canada
18	Seattle	US
19	Beijing	China
20	Copenhagen	Denmark
21	Sydney	Australia
22	Munich	Germany
23	Toronto	Canada
24	Houston	US
25	Miami	US

# Megacities

## TOP 10 OVERALL

RANK	CITY	COUNTRY
1	London	UK
2	Shanghai	China
3	New York	US
4	Tokyo	Japan
5	Paris	France
6	Seoul	South Korea
7	Beijing	China
8	Los Angeles	US
9	Bangkok	Thailand
10	Bangalore	India

## TOP 10 ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Shanghai	China
2	London	UK
3	New York	US
4	Beijing	China
5	Bangalore	India
6	Tokyo	Japan
7	Paris	France
8	Seoul	South Korea
9	Bangkok	Thailand
10	Guangzhou	China

## TOP 10 HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	COUNTRY
1	New York	US
2	London	UK
3	Seoul	South Korea
4	Los Angeles	US
5	Beijing	China
6	Buenos Aires	Argentina
7	Tokyo	Japan
8	Paris	France
9	Shanghai	China
10	São Paulo	Brazil

## TOP 10 COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Cairo	Egypt
2	Tehran	Iran
3	Bangkok	Thailand
4	Jakarta	Indonesia
5	Manila	Philippines
6	Moscow	Russia
7	Lagos	Nigeria
8	Chongqing	China
9	Bangalore	India
10	Suzhou	China

## TOP 10 CONNECTIVITY

RANK	CITY	COUNTRY
1	London	UK
2	Paris	France
3	Tokyo	Japan
4	New York	US
5	Seoul	South Korea
6	Los Angeles	US
7	Istanbul	Turkey
8	Moscow	Russia
9	Shanghai	China
10	Bangkok	Thailand

## TOP 10 BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	London	UK
2	New York	US
3	Tokyo	Japan
4	Paris	France
5	Seoul	South Korea
6	Los Angeles	US
7	Shanghai	China
8	Bangalore	India
9	Bangkok	Thailand
10	Moscow	Russia

# Major cities

## TOP 10 OVERALL

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Hong Kong	Hong Kong
3	Dubai	UAE
4	Amsterdam	Netherlands
5	San Francisco	US
6	Montreal	Canada
7	Sydney	Australia
8	Munich	Germany
9	Toronto	Canada
10	Houston	US

## TOP 10 ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Dubai	UAE
3	San Francisco	US
4	Amsterdam	Netherlands
5	Hong Kong	Hong Kong
6	Abu Dhabi	UAE
7	Munich	Germany
8	Bucharest	Romania
9	Sydney	Australia
10	Ho Chi Minh City	Vietnam

## TOP 10 HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	COUNTRY
1	Melbourne	Australia
2	Chicago	US
3	Houston	US
4	Sydney	Australia
5	Montreal	Canada
6	Hong Kong	Hong Kong
7	Singapore	Singapore
8	Atlanta	US
9	San Diego	US
10	Amsterdam	Netherlands

## TOP 10 COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Yangon	Myanmar
2	Addis Ababa	Ethiopia
3	Accra	Ghana
4	Nairobi	Kenya
5	Amman	Jordan
6	Kuala Lumpur	Malaysia
7	Hanoi	Vietnam
8	Tunis	Tunisia
9	Dar es Salaam	Tanzania
10	Abidjan	Côte d'Ivoire

**TOP 10 CONNECTIVITY**

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Hong Kong	Hong Kong
3	Amsterdam	Netherlands
4	Miami	US
5	Brussels	Belgium
6	Houston	US
7	Manchester	UK
8	Dubai	UAE
9	Barcelona	Spain
10	Berlin	Germany

**TOP 10 BUSINESS FRIENDLINESS**

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Hong Kong	Hong Kong
3	San Francisco	US
4	Dubai	UAE
5	Warsaw	Poland
6	Miami	US
7	Prague	Czech Republic
8	Bucharest	Romania
9	Atlanta	US
10	Amsterdam	Netherlands



Building up: Phnom Penh is the leading large city for Cost Effectiveness

# Large cities

**TOP 10 OVERALL**

RANK	CITY	COUNTRY
1	Dublin	Ireland
2	Frankfurt	Germany
3	Helsinki	Finland
4	Seattle	US
5	Copenhagen	Denmark
6	Düsseldorf	Germany
7	Vancouver	Canada
8	Stuttgart	Germany
9	Glasgow	UK
10	Sharjah	UAE

**TOP 10 ECONOMIC POTENTIAL**

RANK	CITY	COUNTRY
1	Dublin	Ireland
2	Frankfurt	Germany
3	Seattle	US
4	Helsinki	Finland
5	Doha	Qatar
6	Stuttgart	Germany
7	Düsseldorf	Germany
8	Copenhagen	Denmark
9	Gurgaon	India
10	Vancouver	Canada

**TOP 10 HUMAN CAPITAL AND LIFESTYLE**

RANK	CITY	COUNTRY
1	Copenhagen	Denmark
2	Helsinki	Finland
3	Vancouver	Canada
4	Glasgow	UK
5	Seattle	US
6	Dublin	Ireland
7	Stuttgart	Germany
8	Frankfurt	Germany
9	Düsseldorf	Germany
10	Lisbon	Portugal

**TOP 10 COST EFFECTIVENESS**

RANK	CITY	COUNTRY
1	Phnom Penh	Cambodia
2	Erbil	Iraq
3	Maputo	Mozambique
4	Sofia	Bulgaria
5	Kigali	Rwanda
6	Beirut	Lebanon
7	Gurgaon	India
8	Kuwait City	Kuwait
9	San Luis Potosí	Mexico
10	Tijuana	Mexico

**TOP 10 CONNECTIVITY**

RANK	CITY	COUNTRY
1	Düsseldorf	Germany
2	Frankfurt	Germany
3	Antwerp	Belgium
4	Sharjah	UAE
5	Copenhagen	Denmark
6	Glasgow	UK
7	Helsinki	Finland
8	Lisbon	Portugal
9	Seattle	US
10	Stuttgart	Germany

**TOP 10 BUSINESS FRIENDLINESS**

RANK	CITY	COUNTRY
1	Dublin	Ireland
2	Copenhagen	Denmark
3	Glasgow	UK
4	Vancouver	Canada
5	Seattle	US
6	Frankfurt	Germany
7	Helsinki	Finland
8	Düsseldorf	Germany
9	Sofia	Bulgaria
10	Lisbon	Portugal



Pointing the way: Zürich is the overall mid-sized and small cities winner, and also takes the top spots for Human Capital and Lifestyle and Connectivity

## Mid-sized and small cities

### TOP 10 OVERALL

RANK	CITY	COUNTRY
1	Zürich	Switzerland
2	Belfast	UK
3	Luxembourg	Luxembourg
4	Geneva	Switzerland
5	Edinburgh	UK
6	Aberdeen	UK
7	Vilnius	Lithuania
8	Silao	Mexico
9	Manama	Bahrain
10	San José	Costa Rica

### TOP 10 ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Luxembourg	Luxembourg
2	Zürich	Switzerland
3	Geneva	Switzerland
4	Silao	Mexico
5	Belfast	UK
6	Edinburgh	UK
7	Aberdeen	UK
8	Manama	Bahrain
9	Vilnius	Lithuania
10	San José	Costa Rica

### TOP 10 HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	COUNTRY
1	Zürich	Switzerland
2	Geneva	Switzerland
3	Belfast	UK
4	Aberdeen	UK
5	Edinburgh	UK
6	San José	Costa Rica
7	Luxembourg	Luxembourg
8	Manama	Bahrain
9	Vilnius	Lithuania
10	Silao	Mexico

### TOP 10 COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Durban	South Africa
2	Vilnius	Lithuania
3	Manama	Bahrain
4	Silao	Mexico
5	San José	Costa Rica
6	Belfast	UK
7	Aberdeen	UK
8	Edinburgh	UK
9	Luxembourg	Luxembourg
10	Geneva	Switzerland

### TOP 10 CONNECTIVITY

RANK	CITY	COUNTRY
1	Zürich	Switzerland
2	Geneva	Switzerland
3	Edinburgh	UK
4	Belfast	UK
5	Aberdeen	UK
6	Luxembourg	Luxembourg
7	Vilnius	Lithuania
8	Manama	Bahrain
9	Durban	South Africa
10	Silao	Mexico

### TOP 10 BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	Belfast	UK
2	Aberdeen	UK
3	Edinburgh	UK
4	Zürich	Switzerland
5	Geneva	Switzerland
6	Vilnius	Lithuania
7	Luxembourg	Luxembourg
8	Silao	Mexico
9	San José	Costa Rica
10	Manama	Bahrain



# HONG KONG: A MAGNET FOR ALL

Ranked as the world's freest economy for the 24th consecutive year, Hong Kong is an ideal place for overseas and Mainland companies to run their regional and local operations

**These are exciting times in Hong Kong and Asia, as the region continues to be the centre of global growth.** There are three broad areas which offers unparalleled opportunities for businesses in Hong Kong in particular.

The first is the Belt and Road initiative which is designed to boost connectivity between Mainland China and countries spanning three continents. Many immediate opportunities lie in infrastructure-related projects, but there is interest in sectors as wide-ranging as healthcare, education, legal and dispute resolution, logistics, finance, creative, business and professional services.

The second opportunity is the Guangdong-Hong Kong-Macao Greater Bay Area development, which covers nine prosperous cities in Guangdong, plus Hong Kong and Macao, altogether with a total population of close to 70 million and a GDP valued at US\$1.5 trillion. What is most significant is all of these cities will be within around one hour travelling from each other, offering an incredibly vibrant market for companies to leverage Hong Kong's openness and strength in international connections, with the strong manufacturing base in the Greater Bay Area.

The infrastructure connecting Hong Kong to the Greater Bay Area is world-class, with the opening of the Hong Kong-Zhuhai-Macao Bridge and the commissioning of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link in October and September 2018 respectively.

The third area is the exciting opportunities in innovation in Hong Kong, with wide-ranging

government initiatives to promote Hong Kong's innovation and technology development including infrastructure development, R&D incentives, lower profits tax, talent schemes and many more. There is a particular focus on artificial intelligence and robotics, smart city, biomedicine and FinTech.

According to the latest survey jointly conducted by Invest Hong Kong (InvestHK) and the Census and Statistics Department, there are over 8,700 business operations in Hong Kong with parent companies situated overseas or in Mainland China. Among them, 1,530 have their regional headquarters situated in Hong Kong, representing an increase by 8.3 percent as compared with the same period last year.

Meanwhile, Hong Kong's ranking in World Bank's latest Doing Business Report has risen from the fifth to the fourth. That is testimony to Hong Kong's business-friendly environment, from a simple and competitive tax regime to the level playing field the city offers all business, whatever they do and wherever they come from.

This is also why Hong Kong is not only a place for multinationals and regional headquarters. It is a very welcoming place for startups and entrepreneurs as well. According to the latest startup profiling survey conducted by InvestHK, there are about 2,600 startups in Hong Kong, recording an 18 percent year-on-year increase, employing over 9,500 people. The UK, USA, Mainland China and Australia are among the top origins of non-local founders, in businesses such as FinTech, e-commerce/supply chain

management/logistics technology, professional and consultancy services, information, computer and technology.

## **ABOUT INVESTHK**

InvestHK is a government department responsible for attracting and retaining foreign direct investment. It offers free, confidential and tailor-made advice and services to support companies from the planning stage right through to the launch and expansion of their business.

InvestHK has specialists in Hong Kong's priority sectors: Business & Professional Services, Consumer Products, Creative Industries, Financial Services, Financial Technology, Information & Technology, Startups & Entrepreneurs, Tourism & Hospitality and Transport & Industrial plus an overseas network of staff and representatives based in 31 key business cities worldwide covering its target markets.

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# FDI Strategy

**H**ong Kong has topped the ranking for FDI Strategy, impressing judges with its commitment to accelerating and empowering start-up companies.

StartmeupHK, the worldwide initiative introduced in 2013, has gone from strength to strength. It staged events or roundtables in a host of global cities in 2018, including Toronto, Amsterdam, London and Singapore, showcasing the city's offering for innovative start-up investors. The StartmeupHK Festival in 2018 welcomed more than 6000 participants and 195 speakers from 39 countries, while a dedicated website informs start-up communities on events and success stories and hosts resources and information useful to investors.

In 2016, a dedicated fintech team was established to promote Hong Kong as a leading destination for investment in the sector and to facilitate investors with a one-stop-shop service. Since its inception, the team has assisted about 350 fintech companies and it sponsored more than 20 events across Europe, mainland China and the US in 2017. The city's FinTech Week is the world's first crossborder fintech event, hosted in both Hong Kong and Shenzhen.

## Belfast boost

Northern Irish regional capital Belfast ranks second for FDI Strategy, having offices in Europe, the Americas, the Middle East and Asia-Pacific. The city council employs more than 100 people to promote Belfast as a leading destination for investment, tourism and study, and enjoys sister city networks with Boston, Nashville and Shenyang. As part of an agreement with the UK government, Belfast stands to benefit from a £1bn (\$1.28bn) deal to develop infrastructure, boost innovation and improve employability. Since 2015, £100m of office space has been developed with a further £100m currently under construction.

A dedicated investment webpage was established early in 2018, with information on Belfast's key strengths and development plans, as well as resources such as the Belfast Investment Guide and relevant facts



First choice: Hong Kong impressed the judges with its investment attraction strategy

and figures. Developers and those applying for planning permission can also access VU.City, a digital 3D model that gives interactive views of Belfast and can inform pre-planning application discussions.

## New York's cutting edge

New York ranks third for FDI Strategy, where more than 50 people employed at the New York City Economic Development Corporation promote the city and facilitate inward investment. A new department was created at the organisation in 2017, the Partnerships Team, which engages in outreach with growth industries and brings together relevant programmes at local, state and federal level which could encourage investment in the city.

New York is at the cutting edge of industry, with various initiatives to promote innovative investment. LifeSci NYC is a 10-year, \$500m initiative that aims to create a world-class hub for life sciences, while CyberNYC is a \$30m investment to grow the cybersecurity ecosystem in the city. New York's Digital Health Marketplace initiative has matched more than 900 growth-stage start-up companies and market-ready products with local hospitals and healthcare providers. ■

## Editors' choice award

### TOP 25 FDI STRATEGY

RANK	CITY	COUNTRY
1	Hong Kong	Hong Kong
2	Belfast	UK
3	New York	US
4	Frankfurt	Germany
5	Chicago	US
6	Manchester	UK
7	Düsseldorf	Germany
8	Montreal	Canada
9	Miami	US
10	Helsinki	Finland

**METHODOLOGY**

To create a shortlist for fDi's Global Cities of the Future 2018/19, the fDi Intelligence division of the Financial Times collected data using the specialist online tools fDi Markets and fDi Benchmark. The list of 129 locations was drawn up to include the top 100 locations in terms of inward FDI projects on fDi Markets, plus any addi-

tional locations in the top 15 as classed for each region, not in the original list of 100 locations. Data was then collected for these 129 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 data-

point, 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 2018/19' ranking.

In addition, surveys were collected under a sixth category, FDI Strategy. This category, the only qualitative category, feeds

into the overall result. For this category there were 31 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, comprising locations where GDP per capita is below 35,000 international dollars. ■

**DATA POINTS**

**ECONOMIC POTENTIAL**

- Population
- Average annual population growth rate (2013-2017)
- Unemployment rate
- Inflation
- GDP (PPP current \$m)
- GDP per capita (PPP current \$)
- Average annual growth in GDP 2013-2017
- Average annual forecasted GDP growth (2018-2022)
- Outward FDI (Jan 2013-Dec 2017)
- Outward FDI per 100,000 people (Jan 2013-Dec 2017)
- Inward FDI (Jan 2013-Dec 2017)
- Inward FDI per 100,000 people (Jan 2013-Dec 2017)
- FDI in advanced manufacturing (Jan 2013-Dec 2017)
- FDI in R&D and DDT (Jan 2013-Dec 2017)
- Number of megaprojects by capex (over \$100m) (Jan 2013-Dec 2017) inc estimates
- Number of megaprojects by capex (over \$100m) per 100,000 people (Jan 2013-Dec 2017) inc estimates
- Number of megaprojects by jobs (over 1000 jobs) (Jan 2013-Dec 2017) inc estimates
- Number of megaprojects by jobs (over 1000 jobs) per 100,000 people (Jan 2013-Dec 2017) inc estimates
- Capital expenditure on R&D and DDT projects

(\$) (2013-2017)

- Number of patents 2008-2017
- Number of patents 2008-2017 per 100,000 people

**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 population
- 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
- Human Development Index
- Number of physicians per 1000 population
- 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 as % 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 as % of profit

**CONNECTIVITY**

- Upload speed (kb/s)
- Download speed (kb/s)
- Percentage of people using the internet
- ICT Development Index
- Mobile phone subscribers (2017) per 100,000 people
- Number of airports within 50 miles of the city
- Number of international destinations served
- Number of ports (medium+)
- Liner Shipping Connectivity Index (2017)
- Environmental Performance Index 2017
- Logistics Performance Index 2017
- Networked Readiness Index 2017

- 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 the knowledge-based sector (2017)
- Percentage of companies within the knowledge-based sector 2017
- Number of companies within the knowledge-based sector per 100,000 population
- Number of jobs created by all inward FDI (2013-2017)
- Number of jobs created by all inward FDI (Jan 2013-Dec 2017) per 100,000 population
- Number of expansion/co-location projects (2013-2017)
- Top 1000 World Banks 2017
- Corporation tax rate (%)
- Days taken to start a business
- Firing costs
- Ease of Doing Business Index 2017
- Index of Economic Freedom
- Corruption Perception Index 2017
- Strength of Investor Protection Index
- Country risk score
- Fragile States Index 2017





# COSTA RICA

A lifelong-centred hub to deliver the triple bottom line

**Over the years, Costa Rica, a country of approximately 5 million people, has gained attention worldwide for its progressive leadership.** Costa Rica bets on a future where biodiversity, sustainability and technology pave the way for development. IT, life sciences and green technology are transforming a country with a young and ambitious population.

In a time of disruption, industry 4.0, megatrends and SDGs, companies are focusing beyond costs, efficiencies, big markets, or new bases for exports. Nowadays, FDI challenges include enhancing collaboration within business units, integrating data to drive relevant and innovative customer experiences, as well as maintaining and applying digital to transform the business through multiple channels and across borders.

Costa Rica is the proven business partner to deliver on that lifelong-centred hub state of mind. This small yet smart country acts as a natural testing lab for new customer-centric solutions, allowing companies to dream bigger while scaling operations. Located at the heart of the Americas and

**“COSTA RICA HAS MADE THE MOST OUT OF ITS HUMAN CAPITAL BASE, LEVERAGING THE BEST EDUCATIONAL SYSTEM IN LATIN AMERICA”**

with the capacity to ship products and services to roughly two-thirds of the world's markets, this beautiful nation holds a perfect combination of top-notch human talent, vigorous collaboration across various sectors like IT, life sciences or biotech, alongside a rooted innovation-fuelled mindset.

Long before global commitments to sustainability development goals, Costa Rica has shown the world how putting people and the planet first can yield amazing results in terms of profit. It joined a small group of countries in the Wellbeing Economies Alliance, responsible for implementing ideas for constructing better welfare metrics. Sustainability used to be a side dish, but now it has become the main course. Naturally, more than 76 leading companies in new technologies and 19 members of the

RE100 corporations chose Costa Rica as their proven partner for excellence in operations.

Costa Rica has made the most out of its human capital base, leveraging the best educational system in Latin America, according to the World Economic Forum (2017-2018), and allocating almost 8% of its GDP solely to education. Here, you can literally build your own talent pipeline, working together with sector peers and academic institutions. In fact, it also tops industry-academia collaboration rankings, as well as indicators related to knowledge transfer. These are all essential elements to achieve retooling and upskilling for the jobs of tomorrow.

Digital transformation and disruptive technologies are reshaping the ever-changing business landscape, creating profound variations in the skills needed by industries and companies. The speed to create and adapt knowledge has become the main driver of the new economy.

Moreover, Costa Rica has developed an acute sense of urgency on building capabilities in hot trends in information technology like big data, analytics, artificial intelligence, the internet of things, robotic process automation, blockchain, cybersecurity, machine learning, virtual and augmented reality and cloud engineering.

Today, more than 300 multinational companies, including 29 of the Fortune 100, have found true ROI in Costa Rican soil. IBM's largest cybersecurity centre in the world is in Costa Rica; as is Intel's only research and development megalab outside the US. Developing ecosystems and clusters, as well as cross-sector collaboration has resulted in significant outcomes. Sectors and synergies in IT, med-tech and biotech forge the next wave of ideas "Made in Costa Rica".

Costa Rica is already the top IT services exporter per capita in Latam and third largest in overall dollars just behind Brazil and Argentina. In the same way, Costa Rica is also the second largest exporter of medical devices in overall dollars in the region.

As Nobel Prize Winner in Economic Science Joseph Stiglitz recently said, the country is a beacon of enlightenment, a world leader in democratic, sustainable and inclusive economic growth. It provides an ideal ecosystem with remarkable business climate conditions for companies to grow and thrive. Costa Rica is a blue zone for lifelong living, and a wise choice for investors, naturally.

More information:  
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