

Paris, February 18, 2010

## **Media Release**

### **Geographic Shift in Global Attractiveness**

#### **Paris remains very attractive but is increasingly threatened by the emerging metropolitan regions in Asia**

Paris-Île de France Capitale Économique, in cooperation with KPMG, has just established the first **Observatory on international investments in major global cities**.

The results of this unprecedented benchmarking study, announced on February 18, 2010, provide an exclusive global look at both the **perceived and actual attractiveness of the large international business centres during a time of economic crisis**.

They are based on a representative sample of more than 500 executives of international companies surveyed by OpinionWay as well as on 2009 international investment statistics and on the last five years analyzed by KPMG.

**Paris has a very strong image with the international decision makers surveyed, ranking third in the world (35%) after New York (41%) and London (42%).**

The hierarchy of investment criteria has changed during the course of the economic crisis: political stability and legal security (92%) and economic growth (89%) are now the most influential factors for international decision makers.

**Paris ranks fifth in the world** based on all of the criteria, and holds a position of choice with respect to political stability, infrastructure (transportation, telecommunications, hotels), education and quality of life.

However, **attractiveness is shifting toward Asia**, where five major global cities rank in the top 10 in the world. **Paris is in sixth place** behind New York, Shanghai, London, Bombay and Beijing.

When asked about their **business location choices** over the next three years, decision makers gave priority to four Asian cities: Shanghai, Beijing, Bombay and Singapore. According to Jean-Luc Decorny, President of KPMG, *“On a global level, with regard to the choice of international business locations, we have observed a shift to the Asian centres, associated with the risk of moving economic activities to that continent, which is becoming increasingly attractive.”*

**The situation noted with respect to international investments is even better for Paris since it ranked fourth in 2008-2009 and third over the past five years.**

**In fact, Paris is bearing up well to the global downturn (-0.5%) in investments (-8% on average).** Only Hong Kong moved into the top five. However, London remains the undisputed leader, with 270 projects compared to 191 for Paris.

Finally, Paris has experienced **the strongest growth in terms of the establishment of research centres and now ranks** third in the world and first in Europe. Excellent performance in terms of the **establishment of new head offices (+175%), with Paris positioned fourth globally.**

According to Paris-Île de France Capital Économique: *“There is a strong shift between the level of investment in Paris, which remains excellent, and the perception of its future attractiveness. Paris is still doing well at present, but the tendency clearly shows that the position it has acquired is not enough to maintain its ability to compete globally. To overcome the drive and vitality of the emerging cities, investment must be jump started with a major, ambitious project.”*

**Paris-Île de France Capital Économique**, created almost 20 years ago by the Chambre de Commerce et d'industrie de Paris, includes approximately 100 large French and international companies, which guarantee its independence. Its mission is to attract foreign investors to Île de France and reinforce its attractiveness by lobbying political and economic decision makers.

## **KPMG France**

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