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FOREIGN DIRECT INVESTMENTS OBSERVATORY

Foreign direct investments in 2011

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INVEST IN LOMBARDY

The present study was coordinated by Promos through its Invest in Milan service and by the Milan Chamber of Commerce Analysis Office, with scientific consultancy provided by Prof. Marco Mutinelli, professor at Brescia Università degli Studi, Milan Polytechnic MIP lecturer as well as Milan Polytechnic REPRINT databank manager.

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Highlights

- In 2011 the Financial Times FDI Intelligence databank registered, on a global level, 15,588 *cross-border* investment projects. Though the said value, for the third consecutive year, constitutes an increase with respect to the previous year, the level achieved in 2011 still remains approximately 10% less than the record achieved in 2008.
- The fall in the number of investment projects has been accompanied by their continuing modest values in terms of economic size: the number of jobs created and the average value of the investment projects have remained at levels that are 25-30% less than the maximums for the period immediately preceding the crisis.
- Western Europe, as a destination for *cross-border* investment projects, has experienced a negative trend that has been noted for a long period of time, one that sees a progressive deterioration in its quotas on a global level. More specifically, during 2011 Europe attracted only 22.3% of new investment projects, in comparison with 27.7% in 2007, just before the crisis.
- Within this context, which is already by itself less than positive, the attractiveness of Italy in relation to international investments seems to have fallen to historic minimums. In the fourth quarter of 2011 Italy attracted only 21 investment projects: less than a tenth of those aimed at the United Kingdom, a sixth of those for Germany, less than a quarter of those for France and Spain and only half of those for the Netherlands and Ireland (Fig. 5).
- The final figure for 2011 sees Italy not only once again losing badly in comparison with the other major European countries but being overtaken relative to the number of investment projects attracted, including by economies enjoying significantly smaller dimensions, such as Ireland and the Netherlands.
- During 2011 Lombardy has progressively seen its number of investment projects reduced quarter by quarter. In the last quarter 2011 there were only 7 new projects, as against 13 in the previous quarter and 21 in the corresponding quarter for 2010. Lombardy has thus fallen even further behind the group that comprises the ten most attractive European regions.
- Milan too is losing positions relative to other major Western European cities and closed 2011 in fourteenth place as regards the number of *cross-border* investment projects attracted, after five consecutive years in the *Top 10* group.
- Milano also seems to be losing its attractiveness relative to *market seeking* investments, which in recent years have very significantly characterised its competitive profile. At the same time, the progressive reduction in direct *Greenfield* investments, aimed at launching or reinforcing production, technological and research and development activities, appears to show no sign of slowing down.
- From a sector point of view, the variations on an annual basis indicate a general decline in the number of projects in all traditionally attractive sectors such as software and ICT

services, fashion and consultancy; the only exception in 2011 was provided by the financial services sector, which has been characterised by a growth in the number of projects relative to 2010.

- As regards the geographic origin of direct investments in Milan, the analysis on an annual basis indicates that the fall in the number of projects is common to Western Europe, USA and China. The only positive note for Milan and Lombardy is given by India, which displays a modest recovery in investments, contrasting with the ongoing lack of positive signals from Russia and Brazil, with the latter two not making any initiative in the region over the last two years.
- In 2011 ten companies from BRIC countries launched investment projects in Italy. Lombardy was the target of five projects with four of them coming from India and one from China.

Trends in direct *Greenfield* and expansion investment flows, by project origin and destination (2011 relative to 2010)

		Towards				
		World	Western Europe	Italy (Lombardy excluded)	Lombardy	Milan
Coming from	World	↗	↘	↘	↘	↘
	China	↗	⇔	↗	↘	↘
	Brazil	↗	↗	↗	⇔	⇔
	Russia	⇔	⇔	↘	⇔	⇔
	India	↗	↗	↗	↗	↗
	USA	↗	⇔	↘	↘	↘
	Western Europe	⇔	⇔	↘	↘	↘

Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

FOREIGN DIRECT INVESTMENTS IN 2011

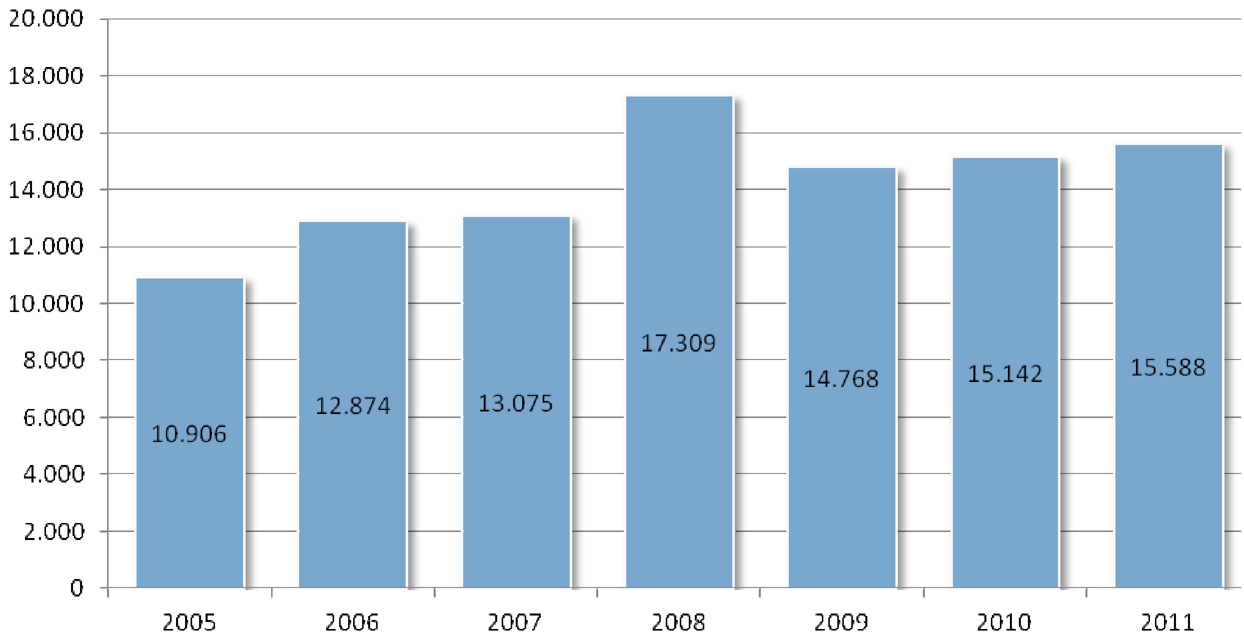
INTERNATIONAL SCENARIO

In 2011 the Financial Times FDI Intelligence databank registered, on a global level, 15,588 *cross-border* investment projects. Though the said value, for the third consecutive year, constitutes an increase with respect to the previous year, the level achieved in 2011 still remains approximately 10% less than the record achieved in 2008.

It must also be noted that 2011 started with a significant recovery in world foreign direct investment flows, encouraged by optimistic forecasts relative to the world economy. The first quarter of the year therefore saw the number of *cross-border* investment projects registered by the Financial Times databanks almost returning to the levels reached in 2008. Already in the second quarter, however, in line with the worsening of the financial crisis in the euro zone and in sovereign debts, there was a sharp reversal in this trend, which continued throughout the remaining quarters of the year.

More specifically, in the fourth quarter 2011 some 3,615 new direct *cross-border* investment projects were registered globally, for a value that was 8.9% lower than that for the preceding quarter and 7% less than the corresponding period in 2010, while the fall relative to the corresponding quarter in 2008 was equal to 19.6%.

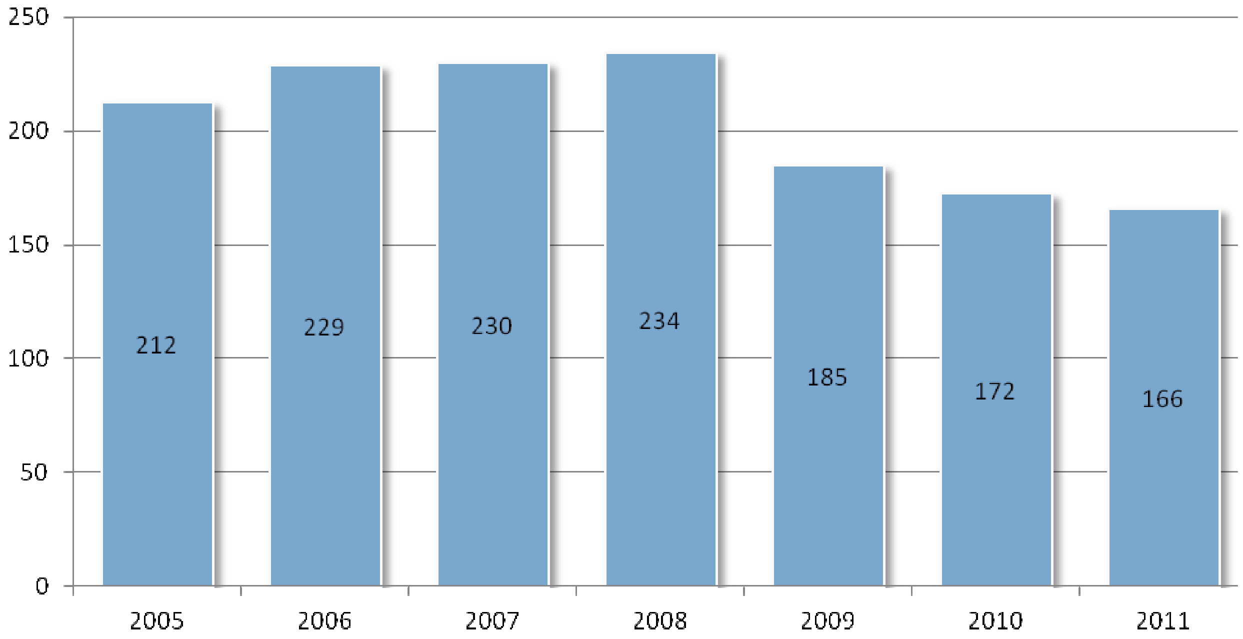
Figure 1 – Number of *Greenfield* and expansion foreign direct investment projects, 2005 – 2011



Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

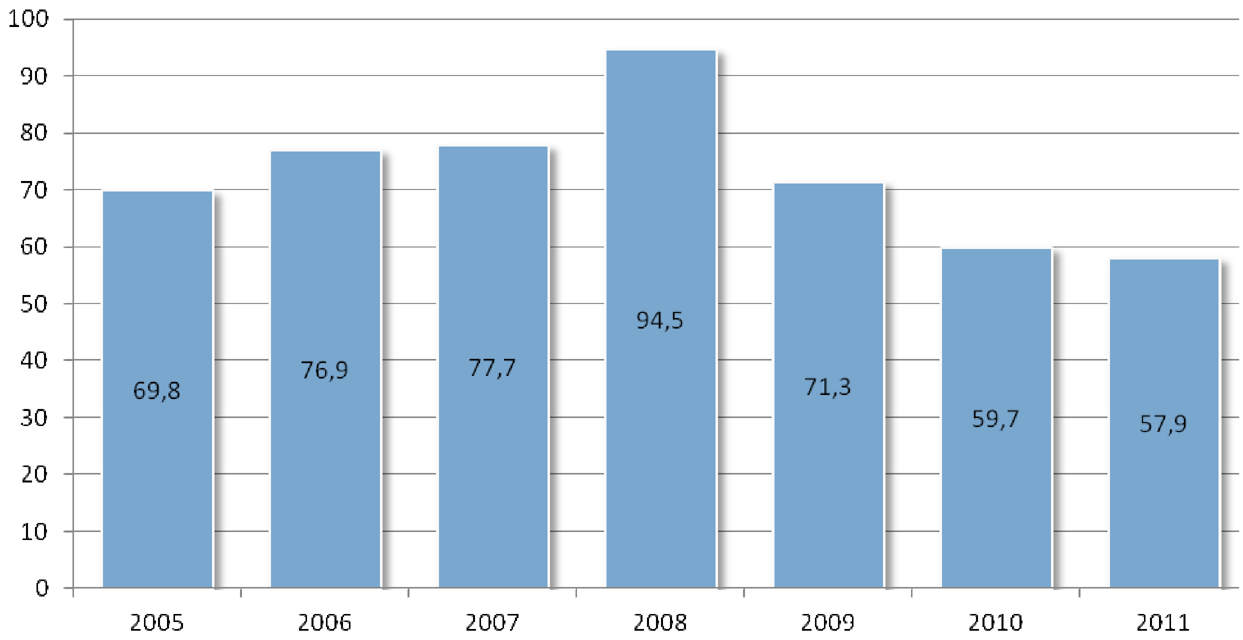
The negative trend in terms of investment project numbers has been accompanied by their ongoing modest economic values. In 2011 the average number of jobs created by new *cross-border* investment projects remained at approximately the average values for 2009 and 2010, approximately 25% less relative to the values registered in the years 2005-2008 (Fig. 2); a similar trend was registered in terms of value (Fig. 3).

Figure 2 – Average number of new jobs created by *Greenfield* and expansion foreign direct investment projects, 2005-2011



Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

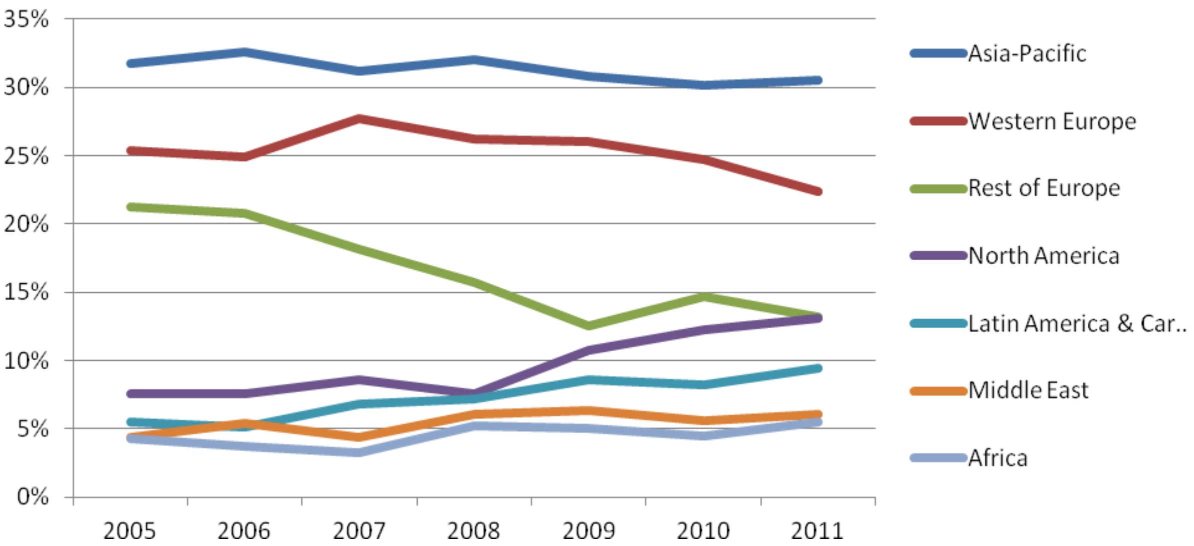
Figure 3 – Average capital invested in *Greenfield* and expansion foreign direct investment projects, 2005-2011 (millions USD)



Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

As regards the destinations of investment projects, in 2011 the trends since the explosion of the financial crisis have consolidated and intensified, with progressive growth in quotas relative to the Americas and Africa, above all at the expense of Europe. More specifically, in 2011 Europe attracted only 22.3% of new *cross-border* investment projects, as against 27.7% in 2007, just before the crisis hit.

Figure 4 – Distribution of *Greenfield* and expansion foreign direct investment projects, by geographic area of destination, 2005-2011



Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

In a Western Europe that continues to lose quotas in the international context, the level of attractiveness of Italy in 2011 relative to international investments is clearly declining. At the end of 2011 it reached an historic minimum level: Italy attracted only 21 investment projects, a number equal to a tenth of those intended for the United Kingdom, a sixth of those for Germany, less than a quarter of those for France and Spain and only half of those for the Netherlands and Ireland (Fig. 5).

This negative data was certainly not unexpected, in the light of the dramatic financial crisis and the loss of international credibility that have characterised Italy since last autumn. One can legitimately hope, however, that the changes underway can promote Italy's level of attractiveness and encourage international investors to once again look at Italy with interest.

In the meantime, one cannot fail to note that the final figures for 2011 saw Italy not just once again significantly losing in comparison with other major European countries but being overtaken in terms of the number of *cross-border* investment projects attracted, including by economies of considerably smaller size, such as Ireland and the Netherlands.

Figure 5 – New *Greenfield* and expansion foreign direct investment projects in Western Europe, by country of destination, 2005 – 2011

	2005	2006	2007	2008	2009	2010	2011	Total
United Kingom	670	734	735	967	1,119	941	1,013	6,179

Germany	291	383	469	743	715	784	604	3,989
France	508	602	605	724	429	390	335	3,593
Spain	179	321	471	595	410	413	341	2,730
Italy	144	162	202	253	181	203	142	1,287
Ireland	192	144	119	184	177	190	228	1,234
Netherlands	120	147	142	181	167	160	201	1,118
Belgium	164	136	216	184	111	147	101	1,059
Switzerland	80	108	174	186	142	121	129	940
Sweden	106	129	89	91	101	70	76	662
Austria	107	91	111	114	74	87	105	689
Portugal	34	61	85	84	58	57	36	415
Denmark	78	71	68	69	37	36	38	397
Other countries	94	120	137	162	117	138	132	900
Total	2,767	3,209	3,623	4,537	3,838	3,737	3,481	25,192

Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

Figure 6 – New *Greenfield* and expansion foreign direct investment projects in Western Europe, by country of destination, 2005 – 2011

	2005	2006	2007	2008	2009	2010	2011	Total
South East (UK)	331	363	359	454	453	425	465	2.850
Île-de-France	194	222	213	260	152	165	144	1.350
Nordrhein-Westfalen	50	59	75	95	152	175	188	794
Comunidad de Madrid	48	84	127	143	90	112	69	673
West-Nederland	71	81	89	103	93	102	104	643
Cataluña	53	82	101	114	100	87	92	629
Bayern	55	81	96	130	88	87	78	615
Scotland	41	78	54	86	122	102	82	565
Hessen	52	55	67	90	100	107	75	546
Baden-Württemberg	19	31	30	137	132	157	39	545
Vlaams Gewest	55	58	97	80	43	94	32	459
Lombardy	33	62	76	83	55	73	54	436
North West (UK)	36	41	40	75	84	75	63	414
Centre-Est (FR)	62	61	75	79	51	44	23	395
Östösterreich	50	54	67	66	50	47	49	383
Bassin Parisien	62	72	69	79	31	27	16	356
West Midlands (UK)	44	33	23	42	65	44	60	311
Berlin	25	37	32	58	57	43	42	294
Est (FR)	59	63	45	64	21	17	21	290
Reg. Bruxelles-Cap.	37	38	50	52	31	28	49	285
Mediterranean	29	48	54	56	47	33	16	283
Andalucia	12	24	48	83	41	29	29	266
Rank Lombardy	20th	10th	8th	11th	14th	14th	13th	12th

Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

Within this context, in 2011 Lombardy experienced a progressive reduction in the number of projects attracted, quarter on quarter: in the fourth quarter of 2011 there were just 7 new investment projects – against 13 in the third quarter and 21 in the fourth quarter of 2010 – which meant the region achieved a modest 24th position in Europe. At the end of the year, Lombardy closed 2011 in thirteenth position among European regions as regards the number or projects attracted (Fig. 6), improving its ranking by one position relative to 2009 and 2010. However, the distances with respect to the leading regions are becoming more marked, and the eighth position achieved in 2007, which would be a more accurate reflection of the region's economic size, increasingly looks like a thing of the past.

In the light of these partly negative trends, the evaluation of Milan's performance too suffers when compared to other major Western European cities (Fig. 7).

Figure 7 – New *Greenfield* and expansion foreign direct investment projects in Western Europe, by city, 2005 – 2011

	2005	2006	2007	2008	2009	2010	2011	Total
London	230	271	266	342	303	323	357	2.092
Paris	128	169	155	212	132	152	129	1.077
Madrid	44	73	109	128	71	86	61	572
Dublin	74	58	48	66	70	85	90	491
Frankfurt	38	43	54	51	72	72	51	381
Barcelona	28	57	58	69	61	49	52	374
Munich	32	47	58	70	56	66	42	371
Milan	31	52	61	71	46	59	39	359
Amsterdam	40	46	57	58	40	61	52	354
Vienna	40	42	52	55	43	35	43	310
Berlin	25	37	32	58	57	43	42	294
Stockholm	43	50	34	33	38	32	42	272
Brussels	36	36	48	46	31	27	45	269
Düsseldorf	18	17	21	27	44	57	70	254
Zurich	28	30	30	41	29	38	37	233
Hamburg	19	22	28	35	31	38	31	204
Copenhagen	43	35	33	34	18	22	16	201
Lyons	23	22	35	38	23	21	8	170
Geneva	19	19	25	30	33	16	25	167
Manchester	13	23	16	28	33	27	21	161
Antwerp	13	24	38	25	11	33	7	151
Cologne	8	8	17	14	30	35	36	148
Rome	21	14	16	33	26	18	14	142
Belfast	16	18	21	20	21	19	19	134
Lisbon	8	19	25	23	19	16	10	120
Athens	14	14	18	29	17	13	12	117
Edinburgh	6	10	12	13	26	18	32	117
Glasgow	8	17	18	12	19	20	16	110
Birmingham	14	14	10	13	19	13	22	105
Rank Milan	12th	7th	4th	4th	9th	8th	14th	8th

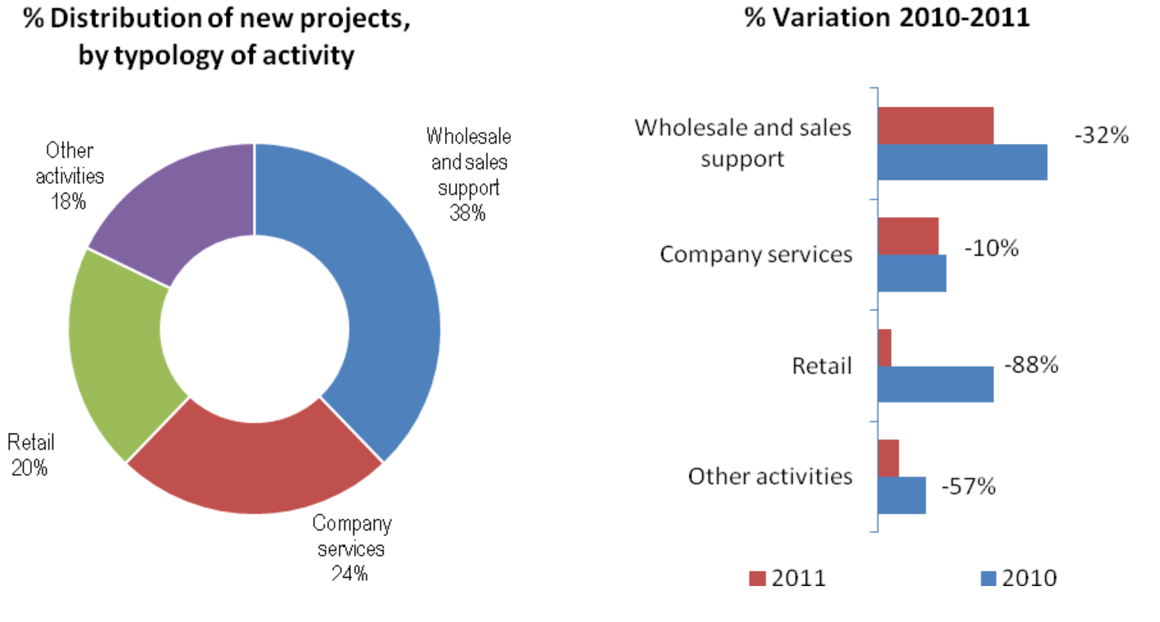
Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

If we look at the entire period under consideration, Milan is placed among the first ten cities in Western Europe in terms of the number of foreign investment projects, preceded in the ranking by London, Paris, Madrid, Dublin, Frankfurt, Barcelona, Munich and Amsterdam, but ahead of important cities like Vienna, Berlin, Stockholm, Brussels, Düsseldorf, Zurich, Hamburg and Copenhagen. Recent dynamics have certainly not been flattering: after consecutive years in the *Top10* on the continent, with a satisfactory fourth position realised in 2007 and 2008 (preceded only by global cities like London, Paris and Madrid), the Lombard city unfortunately slid back in 2011 into fourteenth position.

Looking at the typology of investment projects, one notes that the ranking of Milan has been sustained in particular over these years by the numerous investment projects regarding commercial activities (both wholesale and retail), marketing and sales support, functions that easily represent more than half of the foreign direct investment projects in Milan in the period 2005-2011 (Fig. 8). For some considerable time Milan has been highly attractive as regards *market seeking* investments, due to both its own potential market, constituted by the regional and metropolitan area in which it is located, and the fact that multinationals see it as a privileged access route to the entire Italian market.

Moreover, the comparison between 2011 and 2010 indicates a particularly marked fall in new investment projects in the retail sector, in line with a progressive deterioration in domestic consumption.

Figure 8 – New Greenfield and expansion foreign direct investment projects in Milan in the period 2005 – 2011, by typology of activity

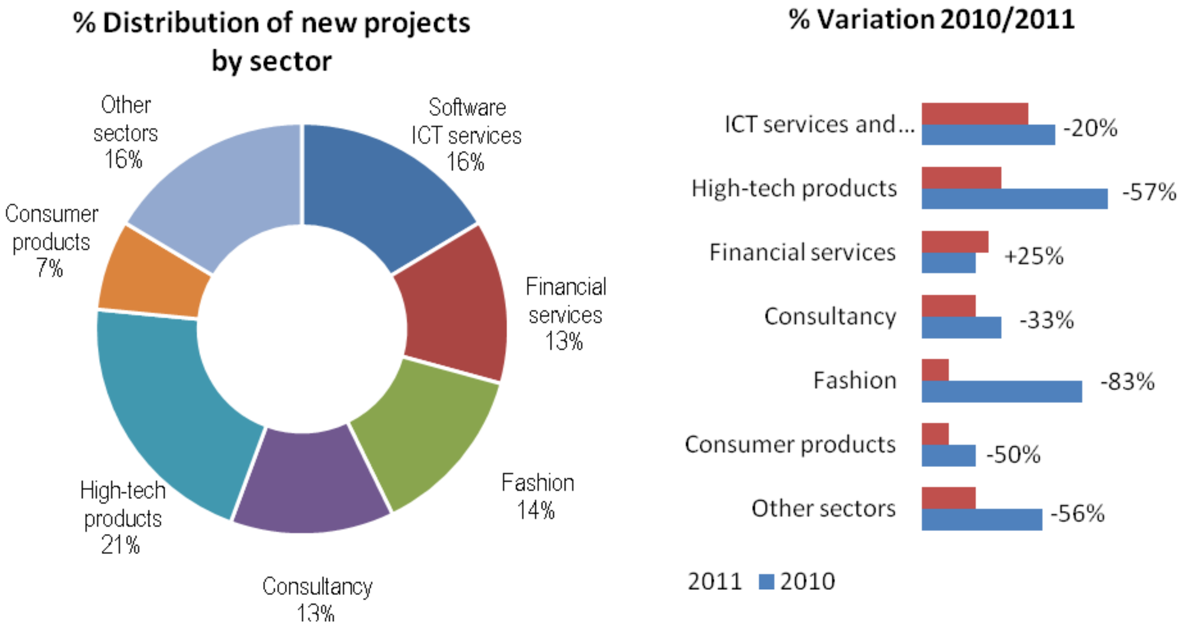


Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

At the same time there has also been an unfortunate progressive decline in *Greenfield* investments aimed at launching or reinforcing production, technological and research and development activities, albeit with some interesting and significant exceptions, above all in past years. In 2011 such initiatives were extremely rare, while those projects concerning company services activities performed comparatively better, with a reduction in their numbers relative to the previous year that did not exceed 10%.

From a sector point of view, the variations on an annual basis indicate a general fall in the number of projects in all sectors that are traditionally attracted to Milan, such as software and ICT services, fashion, consultancy and hi-tech products. The only compartment that showed an increase in the number of projects from abroad in 2011 relative to 2010 was that of financial services (Fig. 9).

Figure 9 – New Greenfield and expansion foreign direct investment projects in Milan in the period 2005 – 2011, by sector



Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

Some interesting observations relative to the most recent trends can be noted by crossing the origin and destination of investment projects and comparing the data relative to 2011 with that for 2010. Fig. 10 analyses, from among the investor countries Western Europe, USA and the four BRIC countries (Brazil, Russia, India and China) and, as destinations the world, Western Europe, Italy (Lombardy excluded), Lombardy and Milan.

Figure 10 – Trends in the flows of *Greenfield* and expansion foreign direct investments, by origin and destination of projects (2011 with respect to 2010)

		Towards				
		World	Western Europe	Italy (Lombardy excluded)	Lombardy	Milan
Coming from	World	↗	↘	↘	↘	↘
	China	↗	⇔	↗	↘	↘
	Brazil	↗	↗	↗	⇔	⇔
	Russia	⇔	⇔	↘	⇔	⇔
	India	↗	↗	↗	↗	↗
	USA	↗	⇔	↘	↘	↘
	Western Europe	⇔	⇔	↘	↘	↘

Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

On a global level the overall number of cross-border investment projects in 2011 registered a slight increase relative to 2010 (+2.9%), exclusively due to the positive trend in the first quarter of the year, during which there was growth of more than 15% on the first quarter 2010 (while the overall balance of the last three quarters was negative in comparison with the corresponding period in 2010).

Among the countries that contributed to this positive balance it is important to note the USA (+7% on annual basis), China (+13%), Brazil (+15%) and India (+11%), while Western Europe and Russia registered a very modest reduction in the number of projects (in both cases this involved only a few tenths of a percentage point).

Among the destination areas, Western Europe lost almost 7% of projects, though Italy was much worse than the European average (-29.7%). Unfortunately even worse performances characterised Lombardy (which fell from 73 projects in 2010 to 45 in 2011, -37.5%) and Milan, which lost half of its projects on an annual basis (only 31 investment projects in 2011 as against 59 in 2010, -47.5%). In the face of a major contraction in investment from advanced countries, and from china, the only positive element for Milan and Lombardy came from India, which demonstrated a modest recovery in investments, contrasting with a persistent lack of positive signals from two important emerging countries like Russia and Brazil, neither of which has generated any initiative in the region over the last two years.

MAIN GREENFIELD INVESTMENTS IN ITALY IN 2011

Useful indications in identifying some advantages which can be exploited to improve the attractiveness and international positioning of Italy, Lombardy and Milan relative to international cross-border investments can be obtained from a more in-depth analysis of the most significant investment initiatives carried out in the last year by international investors in Italy. To this end Milan Polytechnic has analysed 142 foreign investment initiatives registered by the fDi Markets databank, and aimed at Italy in 2011, and has classified them relative to their strategic relevance, identifying a group of thirty initiatives of particular strategic significance (figure 11), on which we have concentrated our attention.

Figure 11 – The thirty *Greenfield* and expansion foreign investment projects in Italy in 2011 of greatest strategic relevance

Investor	Nation	Region	Sector	Activity
Aditya Birla	India	Lombardy	Energy and environment	Production
Amazon.com	USA	Emilia-Romagna	Logistics and real estate	Services
Axiros	Germany	Lombardy	ICT Services	Services
Beijing Automotive Industry	China	Piedmont	Mechanics	R&S and Design
Blancco	Finland	Lombardy	ICT Services	Services
Catalent	USA	Lazio	Electronics	Production
Centric Software	USA	Lombardy	ICT Services	Services
Chemtura	USA	Lazio	Chemicals and life sciences	Production
DSM	Netherlands	Piedmont	Chemicals and life sciences	Production
Dubai World	Arab Emirates	Lombardy	Logistics and real estate	Construction
Equinix	USA	Lombardy	ICT Services	Services
Flint Group	Luxembourg	Lombardy	Chemicals and life sciences	Production
General Electric	USA	Sardinia	Energy and environment	Energy
General Motors	USA	Piedmont	Mechanics	R&S and Design
Genomatica	USA	Veneto	Chemicals and life sciences	Production
Google	USA	Lombardy	ICT Services	Services
Information Builders	USA	Lombardy	ICT Services	Services
Kemet	USA	Emilia-Romagna	Electronics	Production
LinkedIn	USA	Lombardy	ICT Services	Services
Merlin Entertainments Group	United Kingom	Veneto	Logistics and real estate	Construction
Panattoni	USA	Friuli-Venezia Giulia	Logistics and real estate	Construction
Power-One	USA	Tuscany	Electronics	R&S and Design
Solarhybrid	Germany	Puglia	Energy and environment	Energy
Solvay	Belgium	Piedmont	Chemicals and life sciences	Production
TCG Lifesciences	India	Lombardy	ICT Services	Services
Trans-Adriatic Pipeline (TAP)	Switzerland	Puglia	Energy and environment	Energy
Vacon	Finland	Trentino-Alto Adige	Mechanics	Production
Vodafone	United Kingom	Lombardy	ICT Services	Services

Webtrekk	Germany	Lombardy	ICT Services	Services
Yanmar	Japan	Tuscany	Electronics	R&S and Design

Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

In the classification of investment projects, consideration was given to both quantitative parameters, like the economic size of the investment and the number of jobs created, and qualitative elements, such as any supranational responsibility attributed to the Italian company forming the subject of the investment within the multinational investor, the technological level of the activities involved (with a "premium" for investments regarding research and development activities and production or high-tech services), the possible knock-on effects of the investment on the territory's competitiveness (with a tendency to exclude activities aimed solely at the commercial development of the investor company). Figure 12 sets out the distribution of thirty investment projects selected on the basis of various parameters, focusing on those investment projects targeting Lombardy and Milan.

Figure 12 – Distribution of the thirty *Greenfield* and expansion foreign investment projects in Italy in 2011 enjoying the greatest strategic relevance

	Number of projects	in Lombardy	in Milan
Total projects	30	13	11
By Region			
Lombardy	13	13	11
Piedmont	4	-	-
Lazio	2	-	-
Veneto	2	-	-
Emilia-Romagna	2	-	-
Tuscany	2	-	-
Puglia	2	-	-
Other regions	3	-	-
By geographic area of origin of investor			
Western europe	14	5	5
North America	11	5	5
Asia	5	3	1
By sector			
Information and communication technologies	10	10	9
Chemicals, pharmaceutics and *life sciences*	5	1	1
Electronics	4	-	-
Energy and environment	4	1	1
Logistics and real estate	4	1	-
Mechanics and transport	3	-	-
By typology of activity			
Services	11	10	9
Production	9	2	2
Research and development, planning and design	4	-	-
Energy	3	-	-
Construction	3	1	-
By specific experience of the foreign investor			
Investors already present in Italy	20	6	5
Investors already present in Lombardy	14	6	5
Investors with first investment Italy	10	7	6

Source: processing by Milan Polytechnic using Financial Times FDI Intelligence data.

From the analysis of the investment projects selected it is possible to draw some interesting conclusions, summarised in the following points.

- **Milan and Lombardy are confirmed as the preferred location of foreign investment projects in Italy,** especially as regards investors who are investing in Italy for the first time. Out of ten investments carried out by multinational companies in Italy, no less than seven concern Lombardy (six in Milan and one in Monza), while the other three were divided among other regions (Piedmont, Veneto and Puglia). Vice versa, of the twenty investments realised by multinationals already present in Italy, the ratio between Lombardy and the other Italian regions is in the other direction (6 projects in Lombardy and 14 in other regions).

- There is an extremely intense concentration of initiatives in the services sector in Milan and Lombardy, which in 2011 were for the most part concentrated in the ICT services and software compartment. As regards foreign multinationals in the tertiary sector, Milan has easily confirmed its position as the most attractive location for investments in Italy.

- A very different context can be seen as regards industrial activities (including within this term the manufacturing, energy and building industry), where the majority of the projects were focused on other regions. More specifically, the databank registered in 2011 three foreign projects in construction work, the same number in energy and nine projects concerning manufacturing activities; of the latter only one project in the construction sector and two in manufacturing were carried out in Lombardy (more specifically, the two manufacturing projects were carried out in the Milan area).

- Of the nine investment projects regarding manufacturing activities, no less than eight were launched by foreign multinationals already present in Italy, of which six were present in Milan. It must also be emphasised that of the nine projects considered only one concerns the launch of a new industrial site, while the other eight involved the expansion of already existing manufacturing activities. These observations provide us with two interesting indications:

    - The first consists in confirming that **Milan** acts as the ***preferred gateway* for foreign multinationals** that intend to invest in Italy; once the first operation has been set up, they better understand the settlement insertion conditions, features and opportunities offered by the various territorial contexts in Italy, and hence often direct their subsequent investments to other regions. In addition, there is also confirmation of the fact that the international image of Italy appears to be worse than the real situation in the eyes of those who have not yet started to work in Italy. Due to its attitude, there are very few *Greenfield* investments in the manufacturing sector, while it is not unusual to see multinational companies that are already present in Italy developing and strengthening production plants which they own in Italy, sometimes assigning them important responsibilities on a corporate level as regards product line, technology or geographic area.

    - Secondly, one notes that **Lombardy** confirms its role as a **logistic *hub* for access to the Italian market for foreign multinationals**. Indeed, one of the main projects regarding the real estate sector, developed by an Arab group (Dubai World), concerns the construction of two distinct and very large logistics centres, both in Lombardy, in the provinces of Brescia and Cremona; another important project concerns logistics, that realised by Amazon.com, located just beyond the regional border, in the province of Piacenza.

It is also interesting to note that of the ten main investment projects launched in 2011 by BRIC companies (of which five were Indian, four Chinese and one Brazilian), no less than five were aimed at Lombardy; the other five were divided among Piedmont (2), Veneto (2) and Lazio (1). More specifically, in Lombardy there are no less than four Indian projects and one Chinese project.

Figure 13 – The main investment projects by BRIC companies in Lombardy in 2011

Investor	Country	Destination	Sector	Activity
Aditya Birla (Novelis)	India	Pieve Emanuele (MI)	Metals	Production
Essar Group (Essar Steel)	India	Milan	Metals	Sales and Marketing
Jet Airways (India) Litd.	India	Milan	Transport	Sales and Marketing
TCG Lifesciences (Labvantage Solutions)	India	Monza	ICT Services	Education & Training
Powerway Renewable Energy	China	Varese	Mechanics	Sales and Marketing

In particular, in February 2011 the Indian iron and steel group, Essar Steel, among the world leaders in the production of carbon steel coils, decided to set up its branch **Essar Steel Processing and Distribution Italia** in Milan, with the aim of providing a world class service for its customers and as a way to access the EU market. Essar Steel group factories, located in Canada, USA, India and Indonesia, boast an overall annual production capacity of almost 14 million tons of coils, which are located on international markets via 592 distribution centres, focusing above all on the automobile, household goods, building, engineering and marine constructions sectors.

In March, the Indian air company, **Jet Airways**, leader on the domestic market with a quota of 43%, opened its first operational site in Italy in via Albricci in Milan, following the great success enjoyed by the direct Milan Malpensa – New Delhi route, which in just two months from the first flight (on 5 December 2010) had already registered a *load factor* of 89%.

In June **Novelis**, controlled by the Indian group, Aditya Birla, announced an investment of 15.8 million dollars for the construction of a new line of continuous casting in its factory at Pieve Emanuele (MI), which will recycle prepainted scrap for the production of aluminium sheets. The investment is part of Novelis' strategic decision to increase the content of recycled material used in all its global associate companies from the current 34% to 80% in 2020. The installation of the new plant, which comprises a double chamber fusion furnace, a continuous casting line and auxiliary equipment, will be completed by the end of 2012.

Finally, in November, **LabVantage Solutions**, controlled by the Indian pharmaceutical company, TCG Lifesciences, opened a new training centre at its plant in Monza, Italy. The training structure will serve its European customers and will act as a strategic business centre for the European and Mediterranean market. The Italian company will soon launch a series of training programs on its site, including the chance to try out Sapphire, an *on line* workshop that will make it possible to manage critical workshop information via its search *pipeline*.

The Chinese investment, on the other hand, is that of **Powerway Renewable Energy**, a manufacturer of components for assembling solar plants, which opened its first European branch in Varese in May 2011.