
FDI Confidence Index 2007

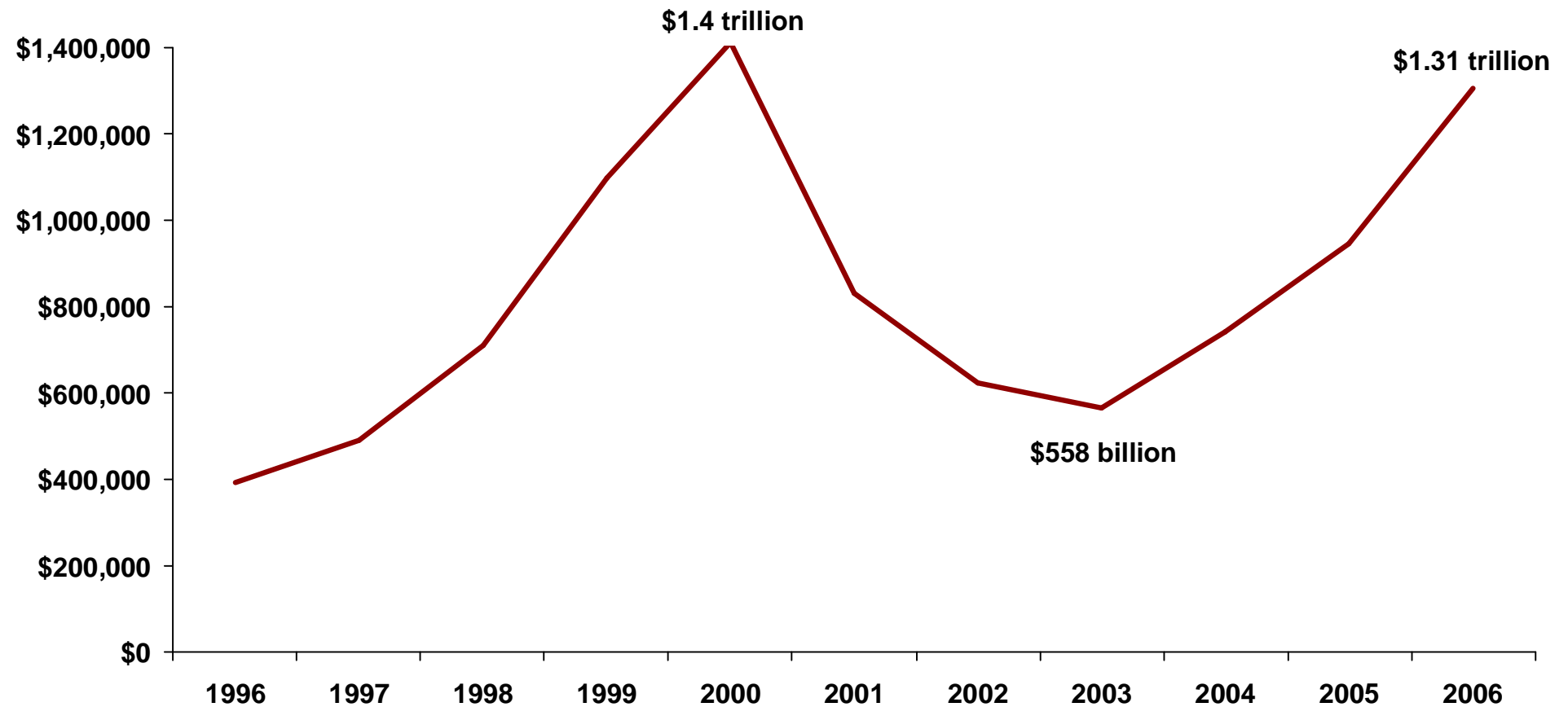
A.T. Kearney

December 10, 2007

ATKEARNEY

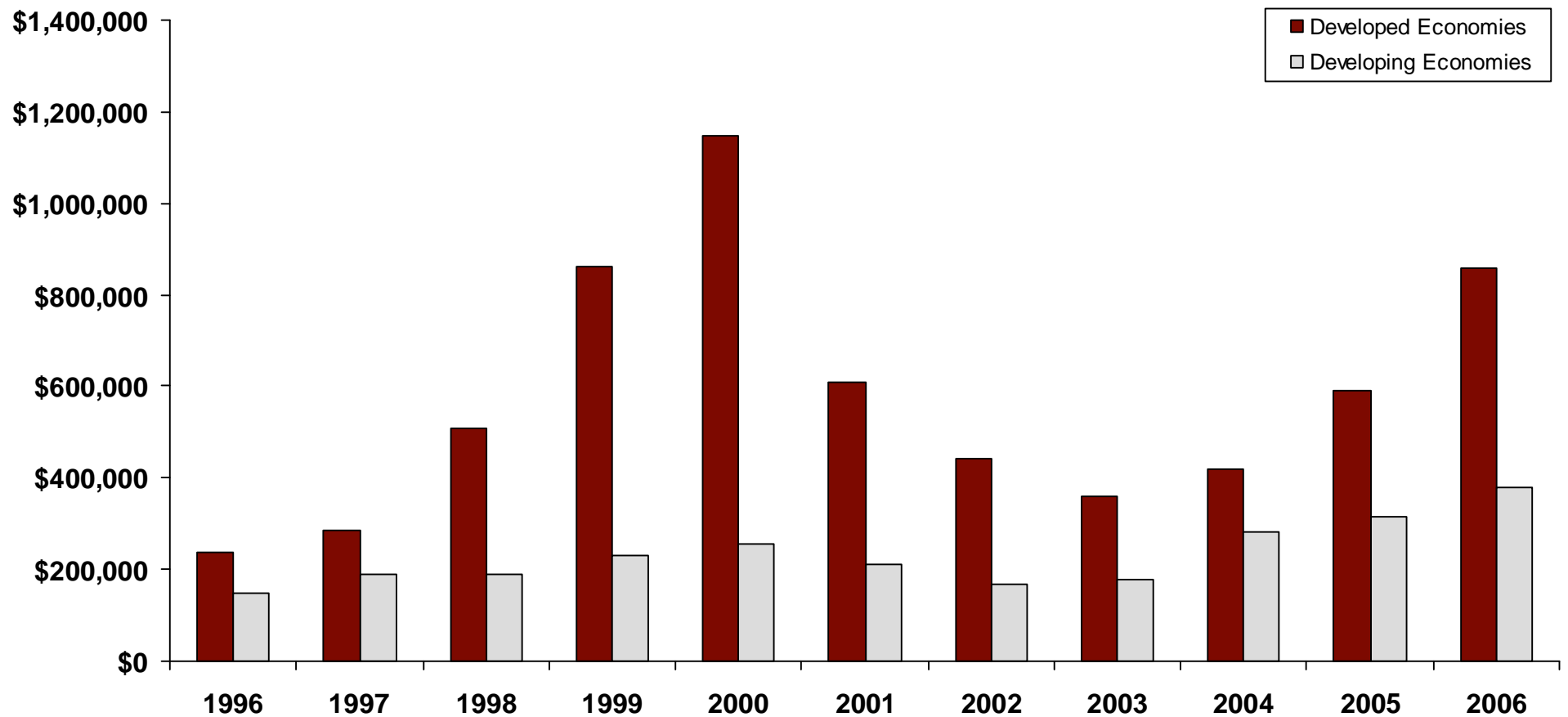
Global FDI flows continued their post-2003 recovery

Global FDI inflows (US\$ millions)



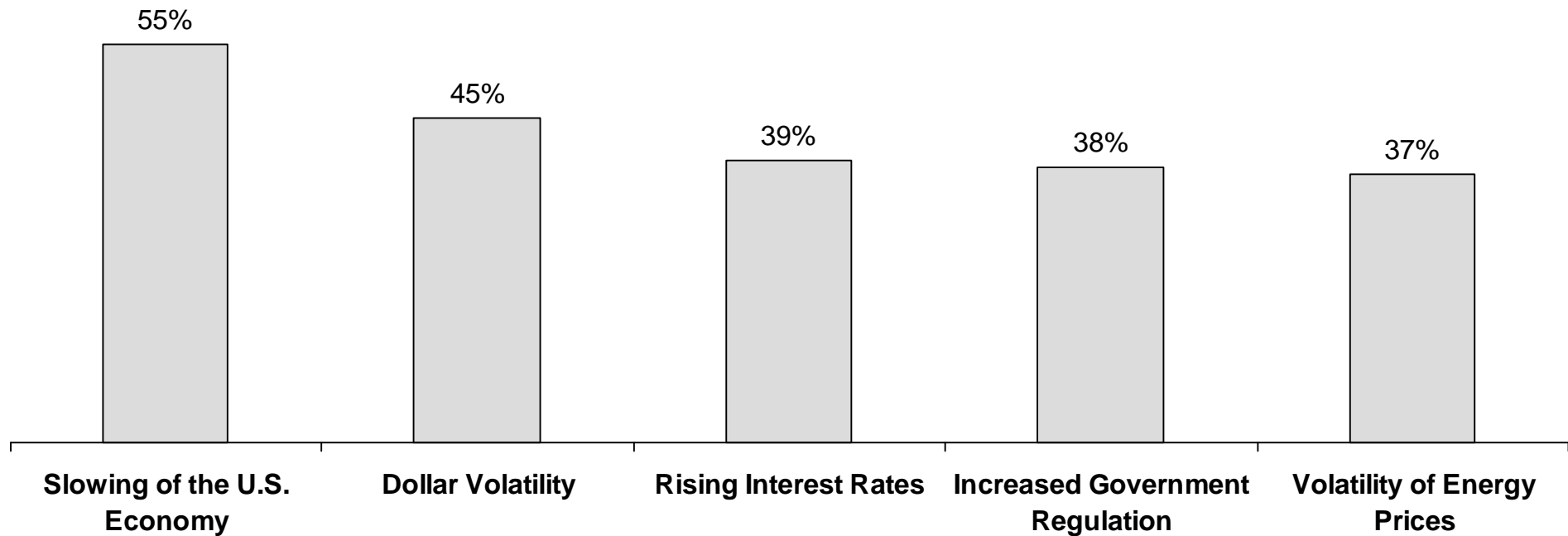
Both developed and developing countries saw gains to inbound FDI

Global FDI inflows (US\$ millions)



The economic downturn and currency volatility of the U.S. top investors' concerns over the world economy

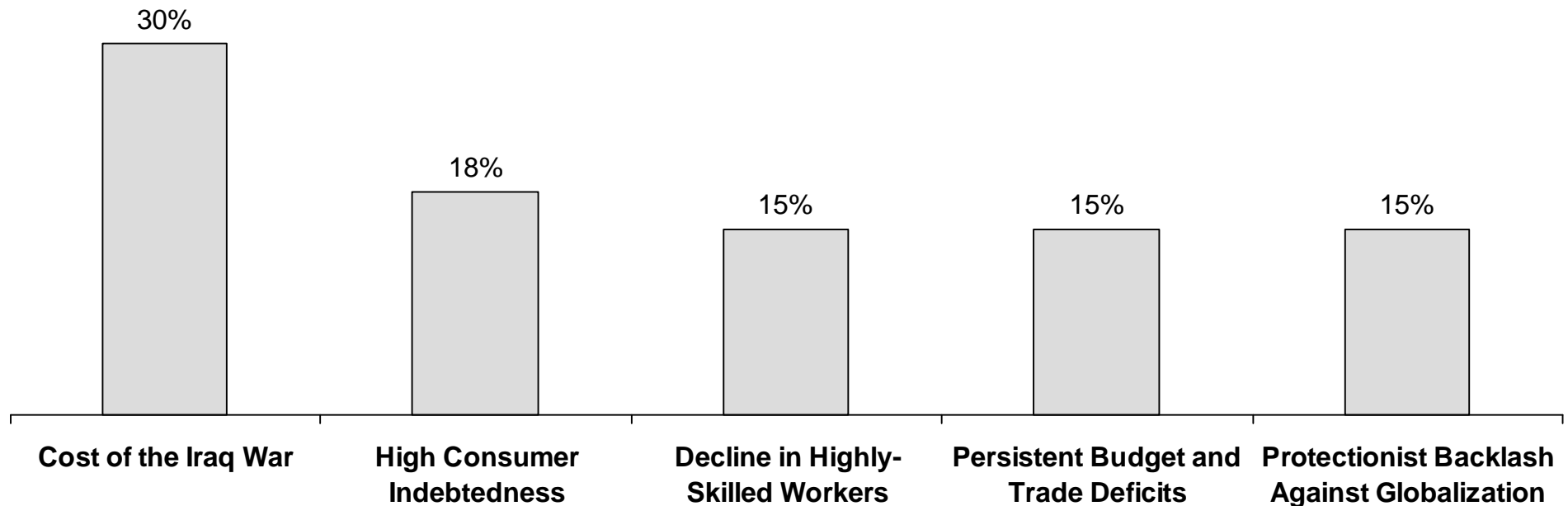
Top Five Developments Affecting Investors' Decision-Making (% Respondents)



These top concerns are consistent across industry sectors, geographic regions and firm sizes

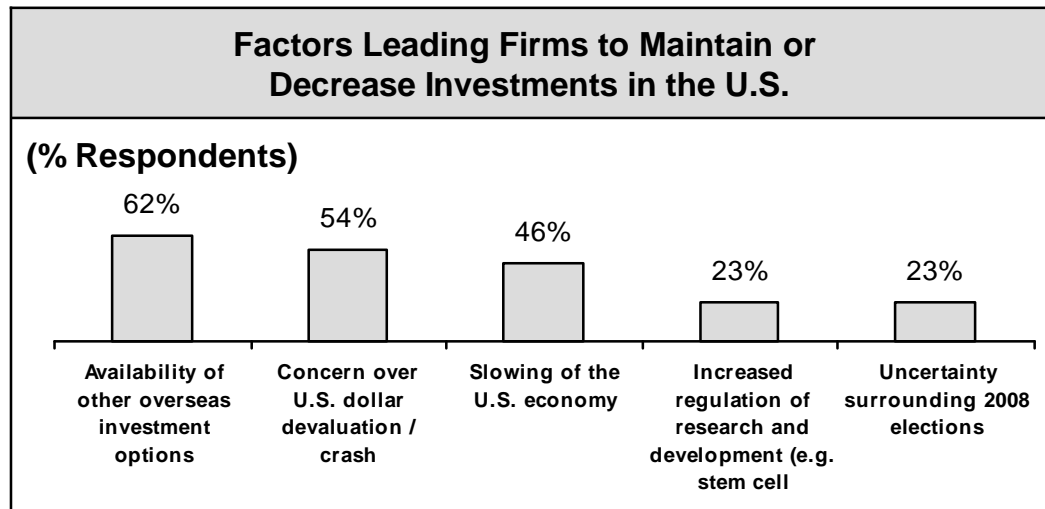
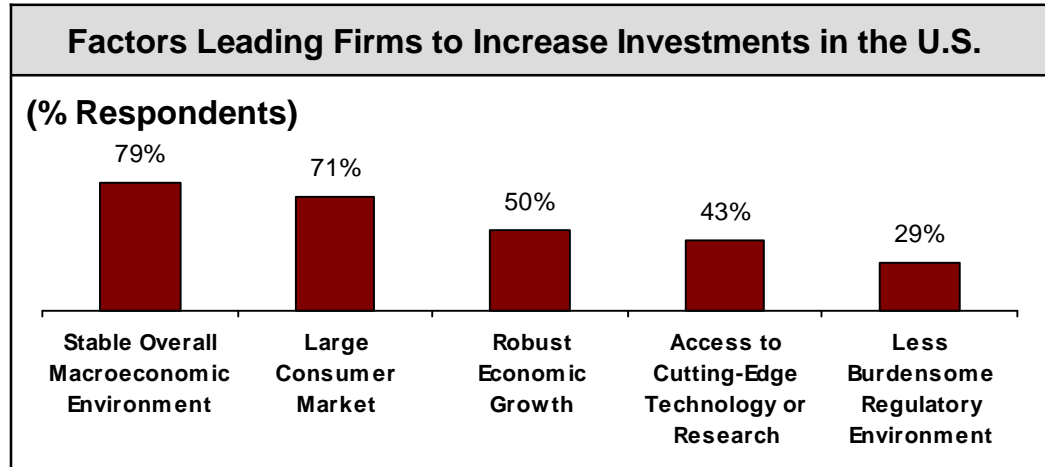
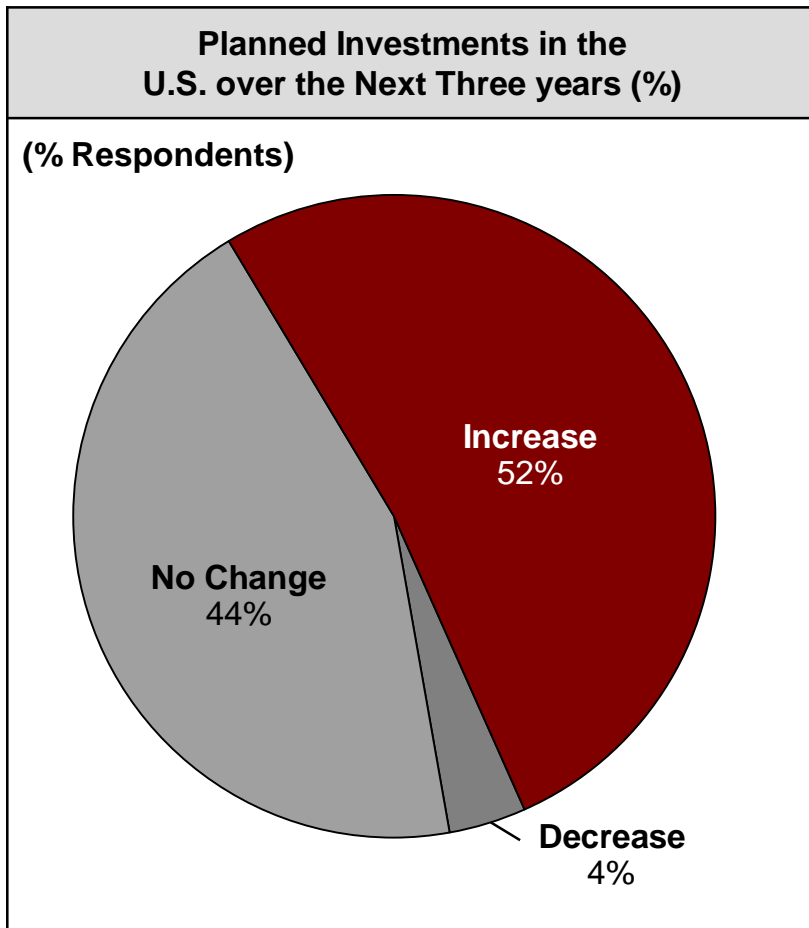
Top concerns about the U.S. range from policy choices to structural problems

Leading Risks to the Health of the U.S. Economy (% Respondents)



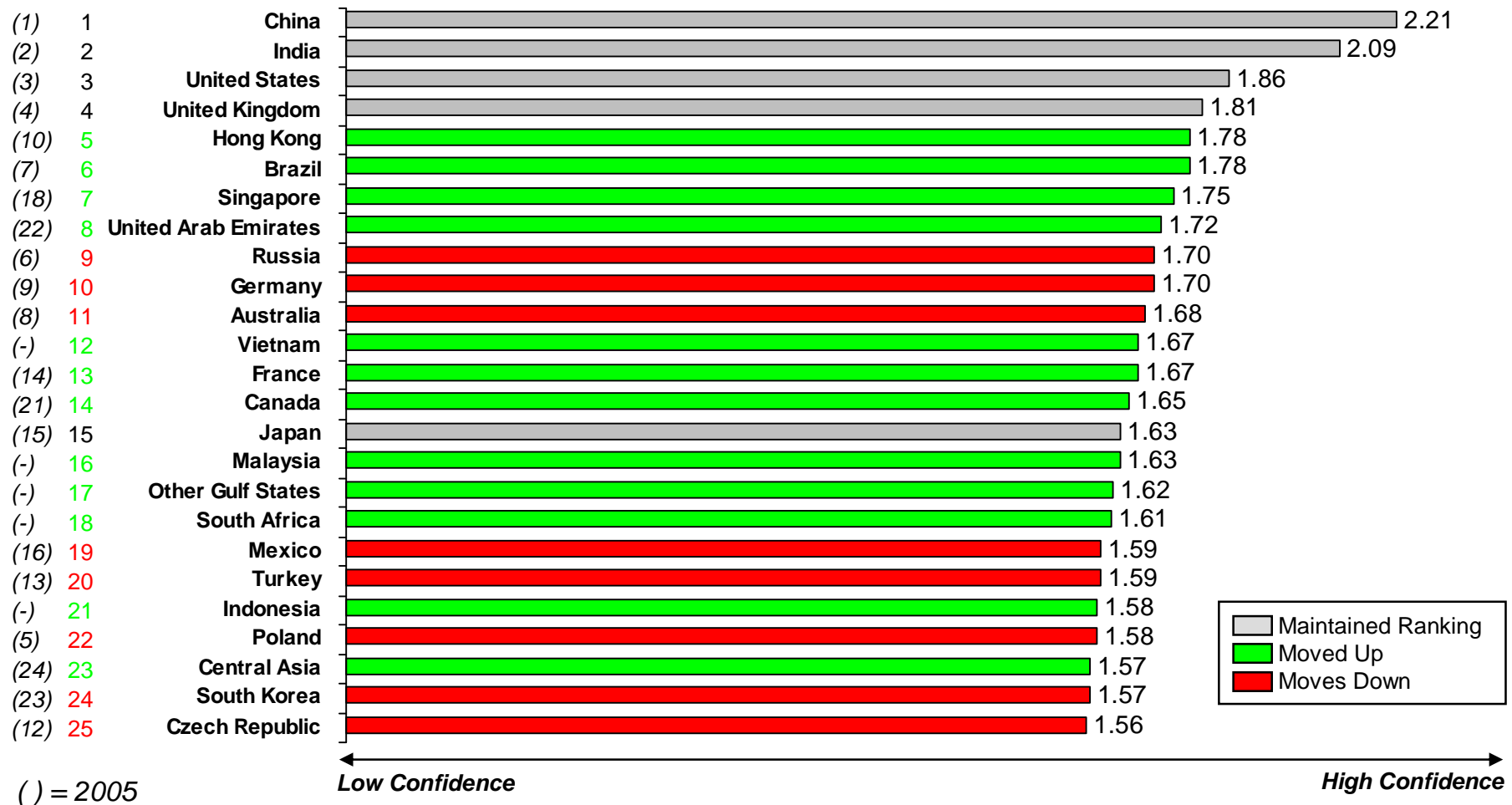
Investors are divided over the future prospects of the U.S. economy

Investors Are Almost Evenly Split Over Future Investment Plans In The U.S. Over The Next Three Years



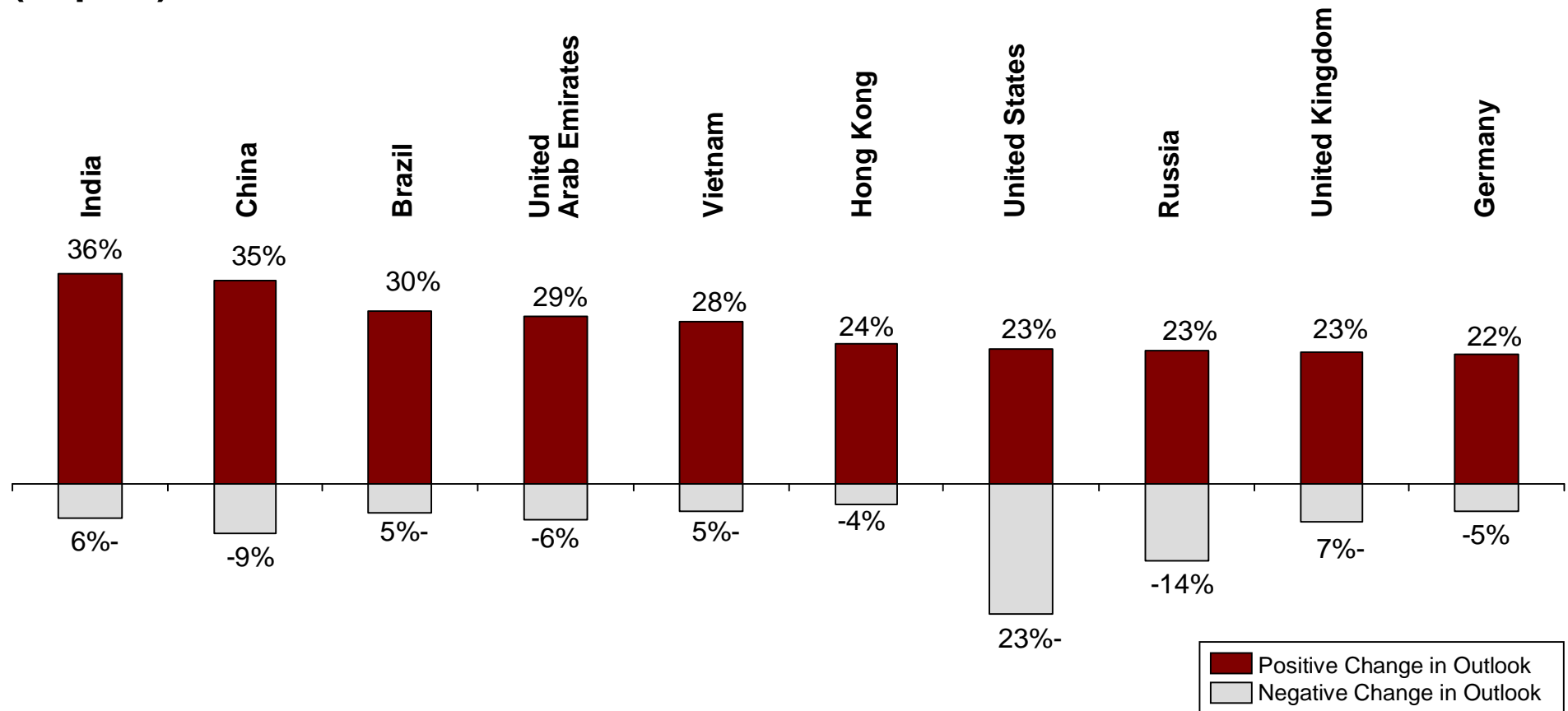
China and India remain the most attractive FDI destinations in 2007

FDI Confidence Index 2007 (Top 25)



Emerging markets have the strongest investor outlook

Percentage Change In Outlook Compared to a Year Ago (Top 10)



Beyond China and India, Asian and European investors continue to prefer the “near abroad”

FDI Confidence Index 2007 by Region (Top 15)

Asian Investors

- 1 **China**
- 2 **India**
- 3 **Vietnam**
- 4 Brazil
- 5 UAE
- 6 **Singapore**
- 7 United States
- 8 United Kingdom
- 9 **Malaysia**
- 10 **Hong Kong**
- 11 **Indonesia**
- 12 **Thailand**
- 13 **Australia**
- 14 Russia
- 15 Germany

European Investors

- 1 India
- 2 China
- 3 **Russia**
- 4 United States
- 5 **Poland**
- 6 **Romania**
- 7 **Ukraine**
- 8 Brazil
- 9 **France**
- 10 UAE
- 11 **Germany**
- 12 **Czech Republic**
- 13 **Bulgaria**
- 14 Hong Kong
- 15 Australia

North American Investors

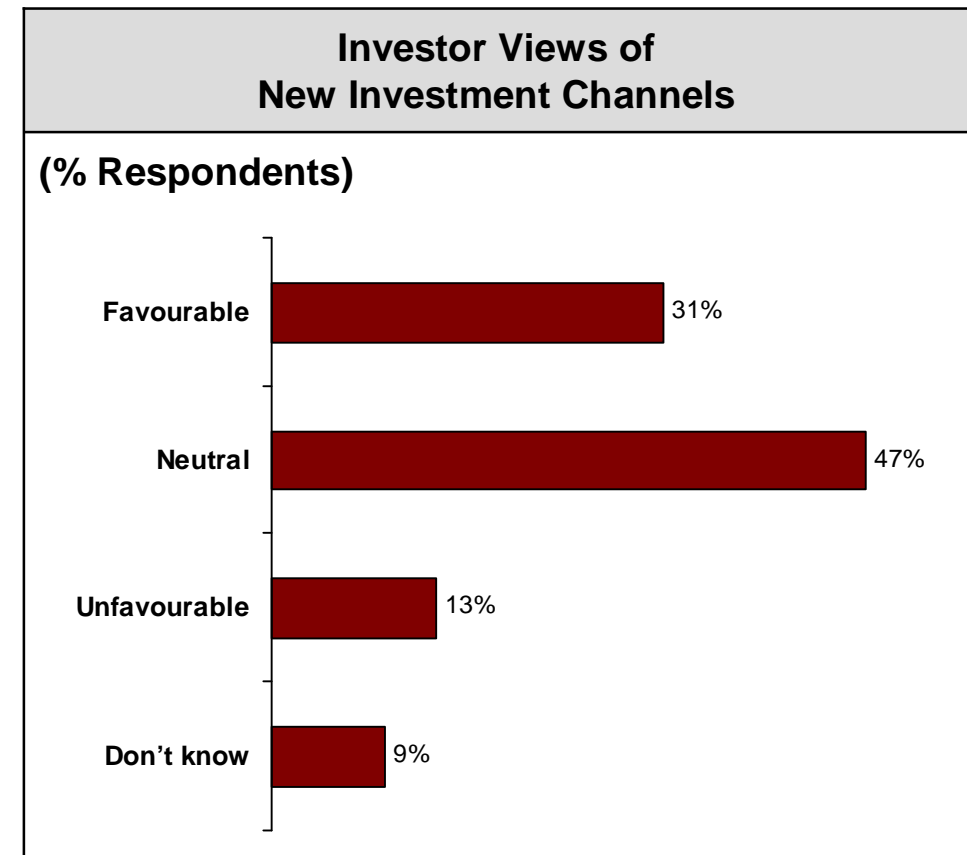
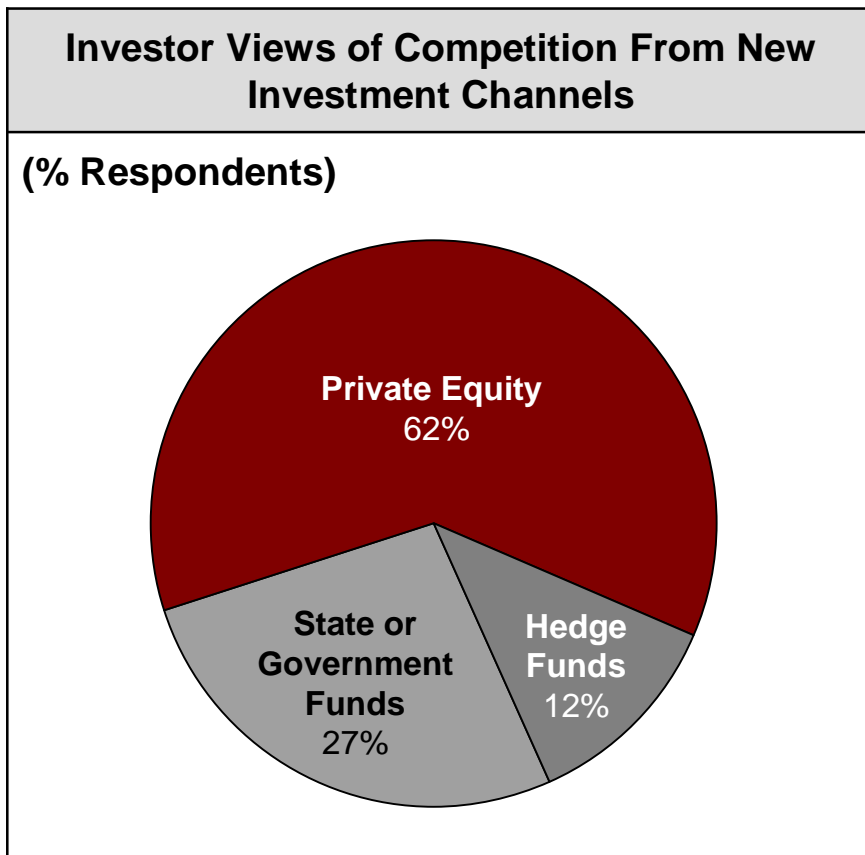
- 1 **United States**
- 2 China
- 3 India
- 4 **Canada**
- 5 Hong Kong
- 6 United Kingdom
- 7 Brazil
- 8 Australia
- 9 Singapore
- 10 **Mexico**
- 11 France
- 12 Japan
- 13 Germany
- 14 South Korea
- 15 Argentina

Magenta Color Indicates Same Region

New investment channels are competing with FDI and are generally viewed as favorable

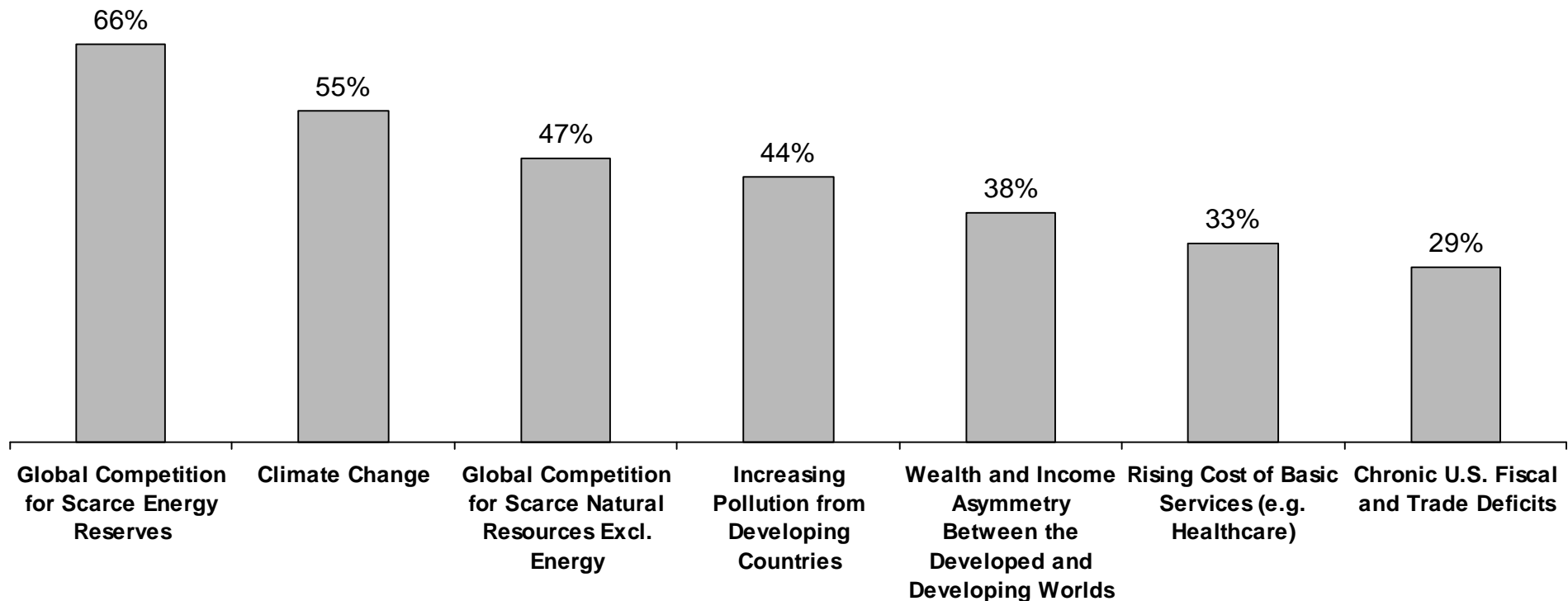
Private equity is viewed as the new investment channel posing greatest competition to traditional FDI

Few investors have negative views of the growth of such new investment channels



Energy and the environment rank at the top of investor concerns about global sustainability

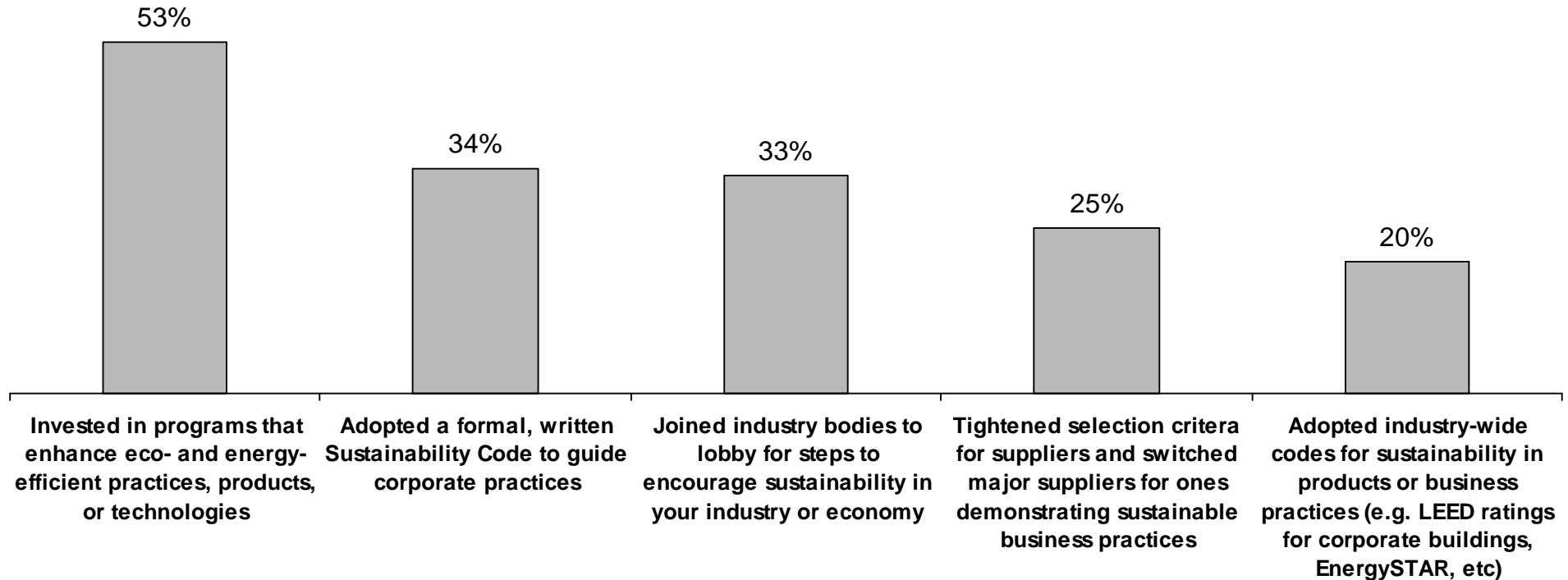
Most Important Challenges to The Sustainability of Global Economic Order Over the Next Twenty Years (% Respondents)



These concerns show remarkable consistency across investors from different regions, sectors, and firm sizes

Investment, corporate policy changes, and lobbying lead industry responses to sustainability challenges

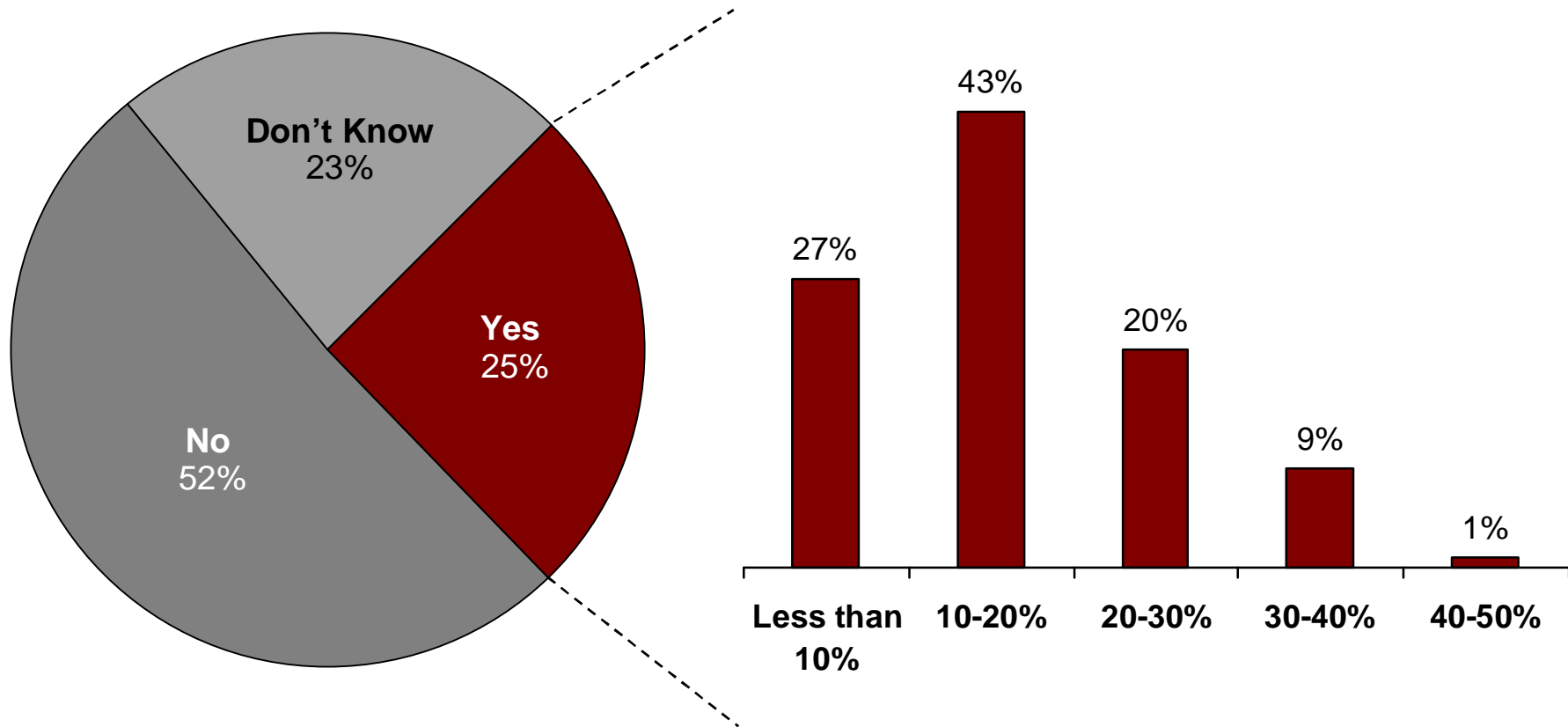
Most Common Firm Response to Sustainability Risks (% Respondents)



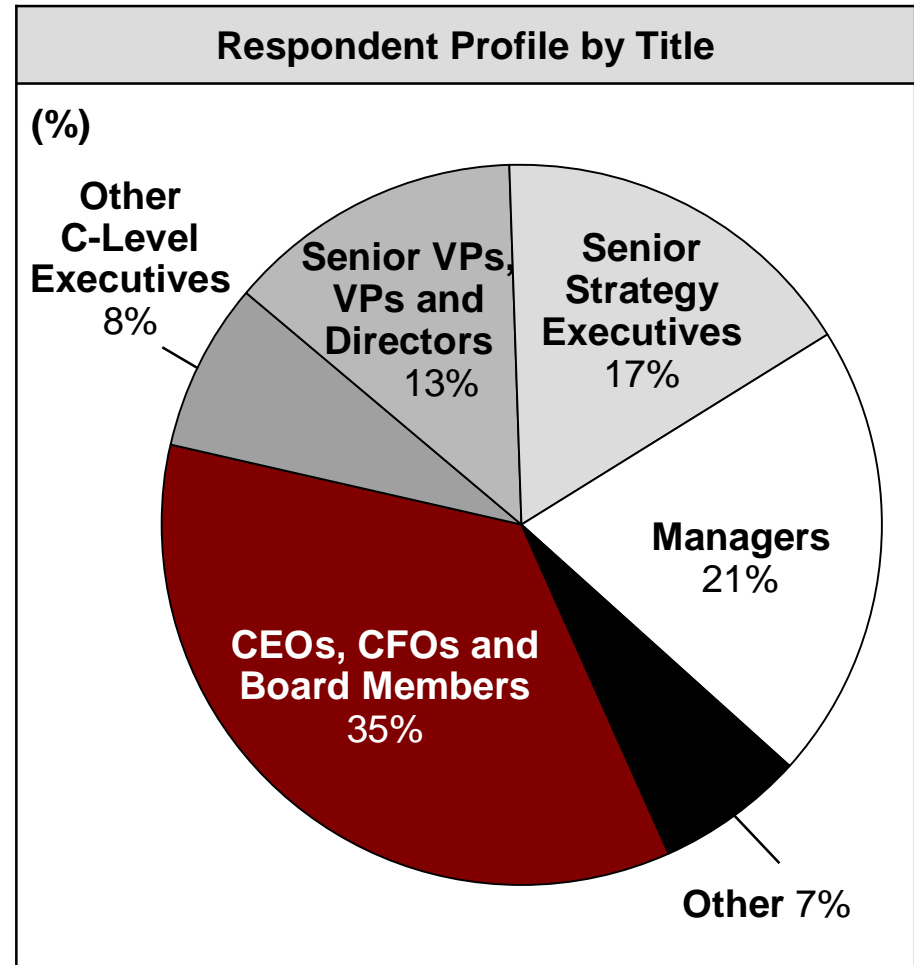
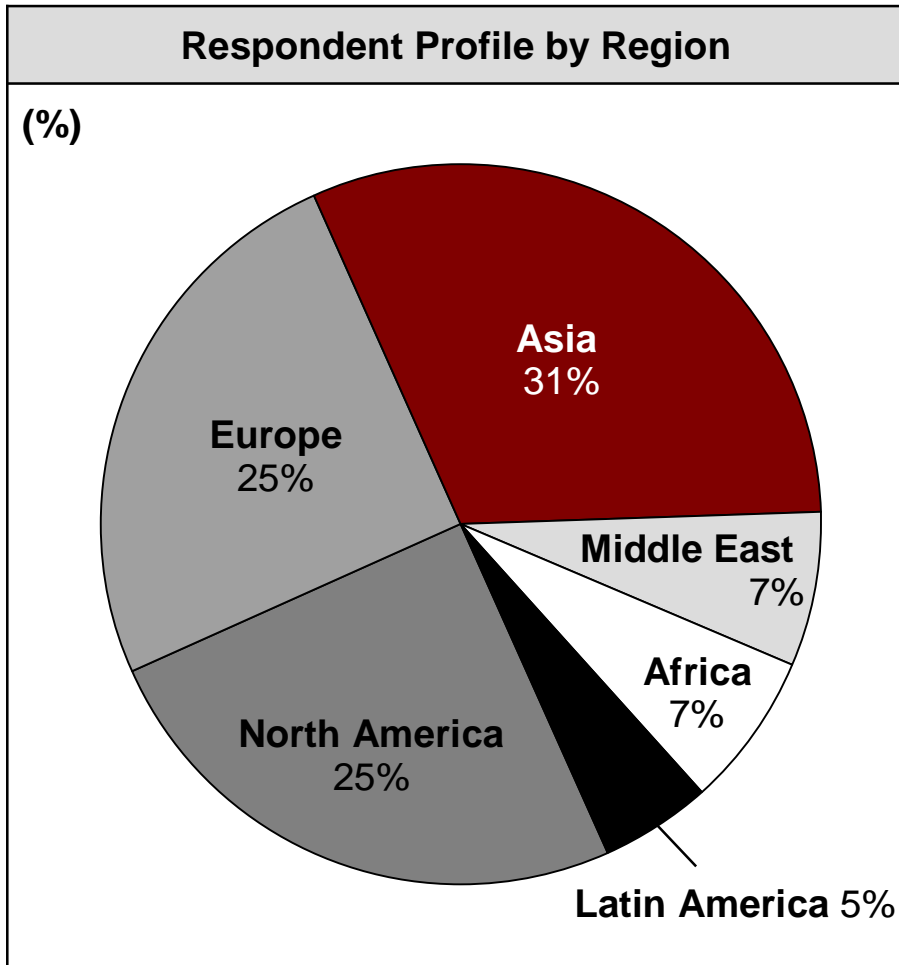
Investors see sustainability as both a challenge and a potential opportunity for innovation

Though only a quarter of respondents indicated that their firms measured ROI for sustainability investments...

...Of that 25%, over 70% indicated expected ROIs for sustainability investments of 10-40%



Respondent Demographics



Respondent Demographics

Respondent Profile by Sector (%)

