MARCH/APRIL 2025

REAL FDI

Where opportunities meet investment

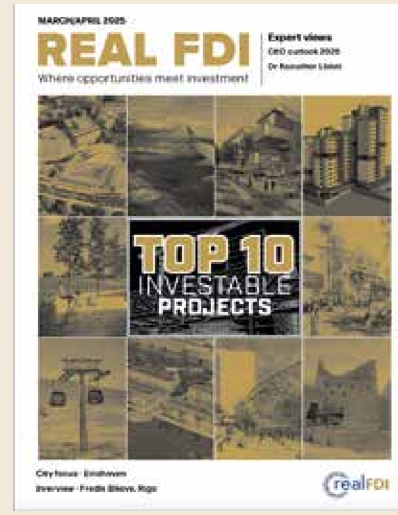
FDI CEO Outlook 2025

What's ahead for foreign direct investment?

CEO predictions

City focus - Eindhoven

Interview - Fredis Bikovs, Riga



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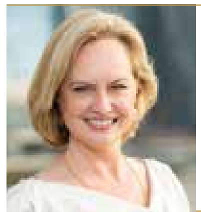


LEADER
Courtney Fingar

Investment-ready opportunities are essential to attracting private capital

In an increasingly competitive market, governments are working harder than ever to attract private capital. The ability to secure investment depends on more than just ambitious development goals – it requires presenting bankable and investable projects that give investors confidence in their financial viability and long-term returns. As foreign direct investment (FDI) slows amid economic and geopolitical uncertainty, ensuring a steady pipeline of investment-ready projects is not just an option, it is an imperative for economic growth.

These are projects that have been thoroughly vetted, financially structured and de-risked to make them attractive to investors. They are supported by feasibility studies, clear regulatory frameworks and effective risk mitigation strategies. For investors, a project's bankability signals that their capital will be deployed efficiently, with a strong likelihood of returns.

Competitive edge in securing capital

Governments that prioritise the clarity, readiness, and viability of investment projects will gain a competitive edge in securing private capital. Investors weigh multiple factors when making decisions, and uncertainty – regulatory, financial, or operational – acts as a deterrent. A well-structured project demonstrates government competence and commitment, minimising risks related to bureaucratic delays, contract enforcement and financial mismanagement.

This is particularly important for infrastructure investment, where public funding alone is insufficient to meet demand. Roads, ports, airports, renewable energy and digital infrastructure require substantial financing, and without bankability, governments will struggle to close the investment gap. The alternative is stagnation, where essential projects remain stalled due to a lack of financing.

Investment promotion agencies (IPAs) play a crucial role in identifying, structuring and showcasing investment-ready projects. They must bridge the gap between government ambitions and investor expectations by ensuring that projects meet international investment standards.

Connecting investors with projects

At *Real FDI*, we see ourselves as also having a role in bridging that gap, and bringing investable projects to the attention of our global audience of investors. There are thousands of attractive projects around the world, waiting to be discovered. In the coming months we intend to build up a database of investable projects, to help play that connector role. As a starting point, we are showcasing here 10 projects from around the world that we feel are worthy of investor attention.

Real asset investors play an essential part in deploying much-needed capital to drive economic growth, infrastructure development and sustainability worldwide. By investing in tangible assets such as transportation networks, energy infrastructure, real estate, and natural resources, they provide long-term financing for projects that are critical for national development.

In an era of heightened geopolitical and economic uncertainty, real asset investors provide stability, innovation and expertise, ensuring that capital flows into projects that generate long-term value, create jobs and enhance economic competitiveness across the globe. *Real FDI* was created to bring the worlds of real asset investment and FDI closer together, for mutual benefit.

The results all stem from the ground-level work of creating investable projects, and we applaud the IPAs who are doing just that. ▮

Courtney Fingar is the founding partner of Fingar Direct Investment and a contributing editor to Real Asset Insight.

> **"IPAs must bridge the gap between government ambitions and investor expectations by ensuring that projects meet international investment standards."**
> Courtney Fingar, editor

Investors shift focus as Europe's markets evolve amid uncertainty

By **Courtney Fingar**

Participants at the roundtable in London discussed the opportunities for global investment

Leading advisers, investors and investment promotion agencies convened to discuss the top opportunities and market considerations for 2025 during Real Asset Media's CEO Outlook Summit. The roundtable brought together voices from across Europe to examine where capital is flowing and what factors are shaping decision-making. The event took place in February in London, and was hosted by RSM.

Global economic policies, sustainability regulations and geopolitical shifts are reshaping investor sentiment and driving a shift from core markets to emerging opportunities. Despite renewed optimism, experts warn of ongoing structural risks. Investors are navigating valuation uncertainties, regulatory changes and the risk of economic slowdown as they allocate capital for 2025.

"The way investors are seeing the geographies and the asset classes and also real estate equity versus debt — it's a new world," said Guillaume Turcas, managing partner at Paris-based Faro Capital Partners.

Hugh Garnett, investor strategies senior specialist for real assets at the Institutional Investors Group on Climate Change, underscored that, despite a backlash against ESG in the US, European investors remain committed to net zero. They are prioritising high-performing, energy-efficient assets and increasingly integrating climate-risk assessments into financial decision-making.

Ken Wood, managing director, UK and Ireland, at consultancy Drees & Sommer, noted that investor interest is evolving beyond traditional hubs like London, Paris and Frankfurt toward Madrid, Milan and Amsterdam, which are now seeing increased liquidity and rental growth opportunities. Simon Wallace, managing director and head of the UK real estate group at DWS, echoed this view, explaining that London and Paris remain first-movers in attracting capital, but secondary cities across Europe are gaining traction as investors seek better valuations and long-term growth potential.

US safe havens

Meanwhile, US real estate and debt markets are perceived as safer havens, offering better credit protection and equity stability. However, Southern European markets, particularly Spain and Italy, are emerging as attractive alternatives, driven by favourable tax policies and rising investor interest in leisure and residential assets.

Real estate remains a key driver of foreign direct investment in places such as Italy, the UK and Iceland, where international investors are fuelling market growth.

Italy's real estate sector contributes 21% to GDP, with 70% of commercial investment coming from abroad, led by the US, France and the UK. Northern Italy is emerging as a hub for logistics and data centres, benefiting from its strategic location and lower costs than Germany and Austria, said Aster Thackery, investment director for the Italian Trade Agency in London.

In the UK, the West Midlands is now second only to London in FDI-driven job creation, Jon Baty, head of inward investment at the West Midlands Growth Company, pointed out. Financial and professional services dominate the region's economy, while logistics faces land constraints. New investment zones and incentives aim to boost further capital inflows.

Meanwhile, Iceland is leveraging its renewable energy to attract data centres, hospitality and logistics investors, according to Arnar Guðmundsson, head of Invest in Iceland. The Keflavík Airport redevelopment is a major draw, offering residential, industrial, and eco-industrial park opportunities to international investors, he noted.

Report highlights FDI's impact on US jobs

The Global Business Alliance (GBA) has released its latest state-by-state analysis of foreign direct investment (FDI) in the US, which reveals the economic impact and job creation trends driven by international companies.

According to Bureau of Economic Analysis (BEA) data highlighted in the GBA report, South Carolina leads the nation in FDI employment concentration, with 9.8% of private-sector jobs linked to foreign investment. Other top states include Delaware (9%), Kentucky (8.8%), Michigan and New Hampshire (8.6%).

Manufacturing remains a key sector for FDI-related employment, with Michigan ranking top with nearly 64% of the state's FDI jobs in this sector.

Wyoming has seen the fastest FDI job growth, with employment surging 56.2% between 2017 and 2022. From 2017 to 2022, FDI employment in the US increased by 9%, outpacing overall private-sector job growth of 5%.

Canada braces for repercussions as tariffs threaten key industries

By **Courtney Fingar**

Canada is preparing for the economic repercussions of newly imposed US tariffs, which could significantly impact the country's manufacturing sector, foreign direct investment (FDI) and overall economic stability. President Donald Trump has announced tariffs on Canadian imports, including a 25% duty on most Canadian goods, with a lower 10% rate applied to energy exports. Mexico and China face similar trade restrictions.

The action has raised fears of a potential North American trade conflict, with economic experts warning that the tariffs could drive inflation, slow economic growth and lead to job losses across multiple sectors. Canadian leaders, including government officials and industry representatives, have strongly condemned the tariffs.

The manufacturing industry accounts for roughly 9% of Canada's GDP and constitutes 70% of its total trade with the US. Among the top 15 industries engaged in US trade, most are manufacturing-based, collectively employing 3.1% of the Canada's workforce.

The automotive, energy and primary metals industries are especially exposed, given their deep reliance on exports to the US. These tariffs are likely to increase production costs, weaken competitiveness and strain supply chains. In addition, the tariffs may incentivise companies to relocate operations from Canada to the US, further weakening Canada's industrial base. A survey by KPMG found that 48% of 250 Canadian business leaders are considering shifting investments to the US in an attempt to lower operational costs and remain competitive.

Of particular concern is the automotive sector, where production is deeply integrated between Canada, the US and Mexico. Auto parts frequently cross the border many times before final assembly, so a single vehicle could incur multiple rounds of tariffs, driving up costs. These barriers threaten to disrupt cross-border supply chains, leading to logistical challenges, price hikes and shortages.

In the face of the new tariff regime, Canada must take decisive action to minimise economic risks, enhance supply chain resilience and expand trade partnerships, according to Hilda Fankah-Arthur, president of the Ottawa-based Global Economic Diversification Council. The council will address these issues at its Global Economic Diversification Summit in Ottawa on May 21-23.

"While this presents a significant economic challenge, Canada has the capacity to respond effectively. The priority now is on strengthening resilience, fostering innovation and deepening global partnerships to ensure long-term economic stability," said Fankah-Arthur.

Mixed global landscape continued to define FDI fortunes in 2024

Preliminary figures for 2024 reveal the hoped-for recovery in foreign direct investment (FDI) has still not manifested itself. At first glance, global FDI grew by 11% in 2024 to $1.4 trillion, according to UN Trade & Development (UNCTAD), marking a partial recovery from previous years of sluggish growth. However, this figure conceals significant disparities. When flows through European conduit economies – often intermediaries in global investment – are excluded, FDI actually fell by 8%.

While in developed economies there was a 43% surge in FDI in 2024, largely due to activity in conduit economies, FDI to developing countries declined by 2%, marking a second consecutive annual drop. UNCTAD warned this will hinder the Global South's progress in achieving the Sustainable Development Goals (SDGs), as these countries rely heavily on international project finance. Investments in SDG-related sectors dropped 11% globally in 2024, with fewer projects in agrifood systems, infrastructure and water and sanitation compared with 2015, when the goals were adopted.

UNCTAD predicts that FDI will grow moderately in 2025, driven by improved financing conditions and increased mergers and acquisitions (M&A) activity, while cautioning that risks and investor uncertainty remain high.

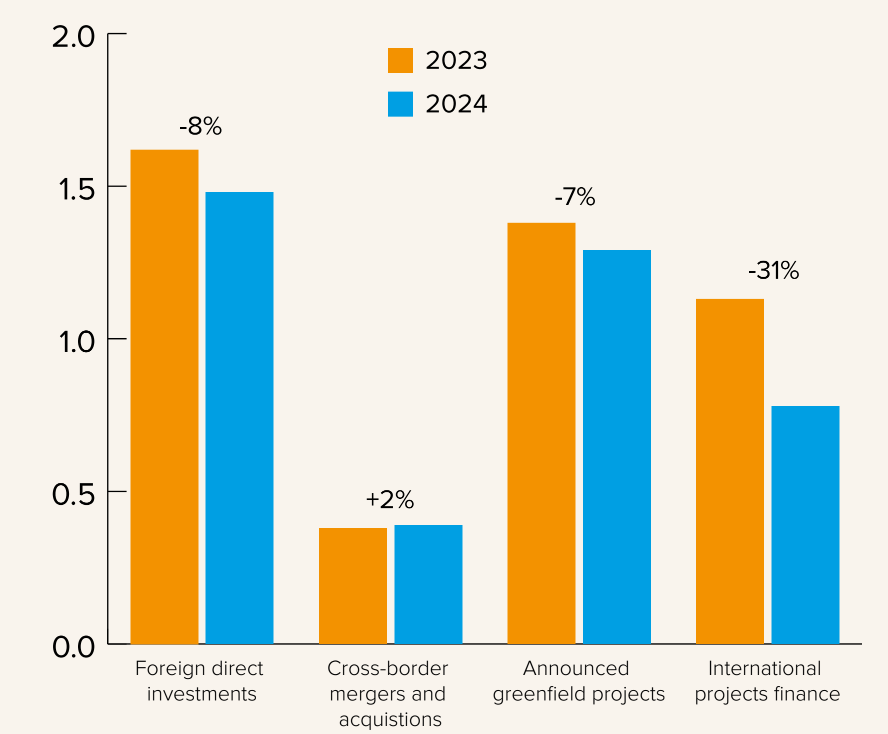
Global FDI trends reveal a mixed landscape. Greenfield projects dropped 8% in number and 7% in value, although sectors like semiconductors and artificial intelligence helped maintain near-record investment values. International project finance, dominated by infrastructure, declined sharply, with deals falling 26% and values dropping by nearly a third. Cross-border M&A deals dipped 13% in volume, but their total value rose 2%, signalling a potential recovery.

In developed economies, FDI in Europe fell 45%, with significant declines in Germany, Italy and France. North America experienced a 13% FDI increase, driven by a surge in US M&A values and greenfield megaprojects in semiconductors.

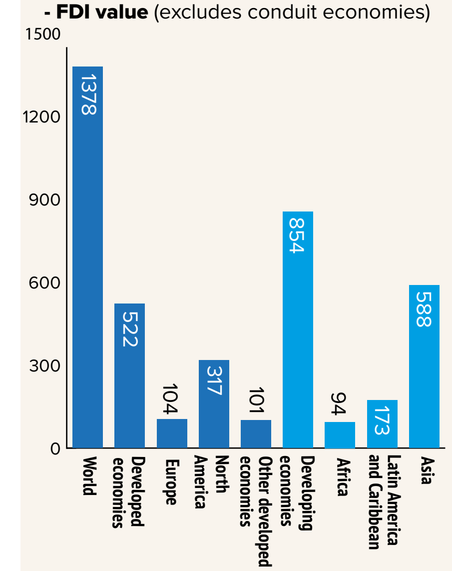
In contrast, the results in developing economies were mixed. Asia's FDI dropped 7%, with China's inflows plummeting 29%, but India and ASEAN recorded gains. Africa's FDI surged 84%, driven by a major project in Egypt, while Latin America saw a 9% decline, though some countries showed growth in greenfield investments.

The overall trend underscores the importance of megaprojects, particularly in semiconductors, as a driving force in certain regions, while infrastructure project finance and greenfield investments remain areas of concern globally.

Global investment trends 2024 v 2023 ($bn)



Regional investment trends 2024 v 2023 - FDI value (excludes conduit economies)



Source: UN Trade and Development, based on information from The Financial Times, fDi Markets and LSEG Data & Analytics

FDI CEO Outlook 2025

In the blink of an eye, it seems, the world order for trade and investment has changed. Donald Trump's tariffs, national elections, and the Russia-Ukraine war are among the seismic events impacting markets. Here, four heads of investment organisations discuss what it all means for foreign direct investment.

ANNE ROSETTE
CEO, Seychelles Investment Board

What trends or factors do you think will have the biggest impact on FDI in 2025?
In 2025, Seychelles is positioning itself as an attractive destination for FDI through a combination of climate-focused strategies, tourism diversification, and real estate development.

The country's emphasis on green power production and eco-tourism is aimed at attracting investment in renewable energy and sustainable tourism, with environmental sustainability as a key investment driver. This approach is expected to appeal to eco-conscious investors seeking eco-friendly projects.

Tourism is evolving to incorporate sustainability, with new incentives for eco-tourism and enhanced visitor experiences. Notably, the lifting of the moratorium on converting residences into tourism accommodations on Mahe and Praslin islands shows a strategic effort to diversify the tourism sector.

Furthermore, Seychelles is refining its real estate and residency programmes, with property investment opportunities tied to residency visas, offering foreign investors the chance to establish a long-term presence in the country. Collectively, these initiatives will create a thriving environment for FDI while advancing sustainable economic growth.

Do you expect an FDI rebound after the recent challenging years? Why or why not?
Yes, the world is back in motion, but challenges around macro policies and regional conflicts will have their impact. An FDI rebound is expected, especially as the world recovers from the pandemic and global economies begin to stabilise. Countries are reopening, and international trade is picking up, signalling optimism for increased investments. Moreover, governments are increasingly focused on attracting FDI through incentives, improved infrastructure, and strategic reforms, which will likely boost investor confidence.

However, challenges such as macroeconomic policies and regional conflicts will undoubtedly impact the pace and distribution of FDI. Inflation, interest rates, and supply chain disruptions still pose risks to global stability, which could deter some investors. Regional conflicts and geopolitical tensions, such as those in Eastern Europe or the Middle East, may also cause uncertainty, influencing where and how investments are directed.

Despite these challenges, the rebound is likely to occur, albeit unevenly, as countries with more stable environments and clear policy frameworks will attract more investments.

Where do you see the most exciting opportunities, in terms of sectors and geographies?
The UAE and Africa are emerging as prime destinations for FDI, driven by sustainability and technology. The UAE leads in renewable energy, exemplified by projects like the Mohammed bin Rashid Al Maktoum Solar Park, and is positioning itself as a hub for tech-driven investments with its advancements in AI, digital infrastructure, and sectors like financial services, healthcare, and real estate.

Similarly, Africa, with its youthful population and abundant natural resources, presents significant investment opportunities, particularly in renewable energy, fintech, AI, and agriculture technology. Many African nations are focusing on renewable energy to address infrastructure gaps, while the expanding tech sector is fuelling growth in areas such as education, healthcare, and financial inclusion.

Both regions offer dynamic growth potential, with sustainability and technological advancements at the core of future investment opportunities.

What will be the main challenges IPAs face this year, and how can they overcome them?
As 2025 unfolds, investment promotion agencies (IPAs), like the Seychelles Investment Board (SIB), will face challenges such as high competition, resource constraints, and the need for innovation. To stand out, Seychelles must leverage its unique assets – such as its pristine environment and strategic location – focusing on sectors like sustainable tourism, marine conservation, renewable energy, and tech-driven industries.

Embracing technology is essential; investing in digital tools like CRM platforms and business intelligence systems can streamline processes and enhance investor engagement. Additionally, continuous professional development is crucial to equip staff with the skills needed for success. By fostering a culture of collaboration and creating tailored investment packages, Seychelles can remain competitive and attract investors. Strategic partnerships with global and local players will further elevate its position, providing access to new opportunities and capital. With proper focus, Seychelles can transform challenges into opportunities by leveraging public-private partnerships to foster greater collaboration. This collaborative approach can create mutually beneficial outcomes, positioning Seychelles as a distinctive and appealing investment destination.

The future for IPAs, especially in small island states like Seychelles, may seem daunting, but it is filled with potential. By embracing technological advancements, investing in human capacity, and focusing on niche market differentiation, Seychelles can carve out its space in the competitive global investment arena.

Through strategic planning, smart partnerships, and an emphasis on sustainable, eco-conscious opportunities, Seychelles can ensure its place as a competitive and appealing investment destination for years to come.

ISMAIL ERSAHIN
CEO and executive director, World Association of Investment Promotion Agencies (WAIPA)

How would you describe 2024 from WAIPA's perspective?
Amid economic and geopolitical uncertainties, IPAs played an increasingly strategic role in FDI resilience.

Several major trends shaped FDI flows in 2024. There was a strong push towards sustainable and digital investments. Nearshoring and friendshoring gained further momentum, as companies sought to build more resilient supply chains.

The green transition remained a dominant driver of investment, with significant capital flowing into renewable energy, electric vehicles, and clean tech manufacturing. Governments worldwide introduced new incentives and regulatory frameworks to attract investors into sustainable industries. The rise of digital FDI, particularly in cloud computing, AI, and semiconductor manufacturing, also reshaped global investment patterns.

Despite these positive developments, macroeconomic volatility, inflationary pressures and tighter financial conditions created challenges for FDI growth.

The global regulatory environment also evolved, with increased scrutiny of cross-border mergers and acquisitions, particularly in strategic industries such as technology and critical minerals.

In this shifting landscape, WAIPA worked closely with its members to enhance investment promotion capabilities, foster greater international collaboration and provide strategic guidance on adapting to emerging trends.

> **"Increased competition for investment, particularly among emerging markets, means that IPAs must refine their value propositions to remain competitive."**
> Ismail Ersahin, WAIPA

What are the main challenges facing the foreign direct investment market and WAIPA's membership in 2025?
Continuing geopolitical tensions, economic fragmentation and persistent inflationary pressures may cause investors to adopt a more cautious approach. Regulatory shifts, particularly in areas such as supply chain security, AI governance and sustainability compliance, will require IPAs to adapt swiftly.

One of the major challenges will be the ongoing realignment of global trade and investment patterns due to geopolitical shifts, as well as the implications of new industrial policies in key economies. Many governments are implementing protectionist measures and investment screening mechanisms to safeguard critical industries, which could deter cross-border capital flows. Furthermore, the fragmentation of global markets, driven by reshoring, nearshoring and friendshoring, will force multinational companies to rethink their investment strategies.

Meanwhile, increased competition for investment, particularly among emerging markets, means that IPAs must refine their value propositions to remain competitive. As capital becomes more selective, governments will need to offer not just financial incentives, but policy stability, skilled labour and infrastructure readiness. Digital transformation and the adoption of AI-driven investment promotion will become critical tools for IPAs to identify and attract investors.

For WAIPA and our members, the key challenge will be equipping IPAs with the tools and strategies needed to attract and retain investment in this rapidly evolving environment. In 2025, attracting FDI will depend on agility, adaptability and the ability to align investment strategies with emerging global trends.

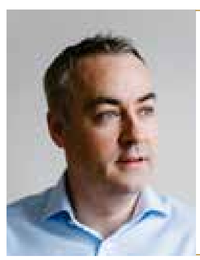
What are likely to be the chief positive influences on FDI strategy in 2025?
A modest recovery is expected in FDI flows in 2025, and we are continuing to highlight to IPAs that many opportunities exist to capitalise on the trends that are shaping FDI.

The continued rise of nearshoring and friendshoring is opening new opportunities for investment in strategic sectors, particularly in manufacturing, logistics and technology. As companies look to build more resilient supply chains, countries with strong infrastructure, trade agreements and skilled labour forces will be well-positioned to attract investment.

The digital and green transition remains a major driver, with governments worldwide introducing incentives for sustainable and technology-driven investments. Green energy, electric vehicles and AI-driven automation are seeing increasing investor interest, supported by policy initiatives and international cooperation on climate goals. The push for net-zero commitments continues to influence capital allocation, particularly in industries like renewables.

Additionally, the adoption of AI and data-driven decision-making in investment promotion is enabling IPAs to target investors with greater precision. Enhanced digital platforms, predictive analytics, and sector-specific insights are helping agencies improve outreach and tailor their investment pitches more effectively.

At WAIPA, we believe that collaboration, innovation and policy alignment will be crucial in ensuring that global FDI remains a key driver of economic development and resilience. Strengthening partnerships between IPAs, governments and the private sector will be essential to maximise investment potential this year and beyond.



GARETH HAGAN
CEO, OCO Global

What trends or factors do you think will have the biggest impact on FDI in 2025?
Trump and tariffs, plain and simple. It has the potential to radically alter the shape of FDI in so many ways. First, FDI by its very nature is a global game, where market share trumps (excuse the pun!) market growth. And so, with tariffs having the potential to drive a significant shift towards the US market, the rest of the world will no doubt be impacted. It's not just about the US itself, but the global ripple effect it creates – we are already seeing immediate responses such as Mexico's nearshoring decree.

I also expect that Trump's broader policy shifts will reverberate around the world – with deregulation of industries such as tech changing the shape of investment and projects in that space, a type of modern day 'space race' in AI.

I also foresee changes in priorities within energy and sustainable industries – not that these projects are going to go away, but investors will be looking for some level of consistency in policy at a global level to support and re-risk decision-making. That might take some time to become clear.

"I think the UK's position is interesting as it rebuilds its relationship with Europe and is perhaps sheltered from the excesses of a US-Europe trade war."
Gareth Hagan, OCO Global

Do you expect an FDI rebound after the recent challenging years? Why or why not?
My prediction in early January would have been a resounding yes. 2024 was a tumultuous year characterised by half the world going to the polls and we know that historically leads to pent-up demand and a 'bounce' on the other side. Other factors, such as declining inflation and decreasing interest rates – hence lowering the cost of capital – were strong foundations for a rebound in 2025.

But eight weeks into the year, and the picture is a lot less clear. With so much geopolitical uncertainty, ongoing brinkmanship on tariffs, and the threat of a US-Europe trade war becoming more, not less likely, it would be a confident investor that would make a major decision at this time.

I can undoubtedly see scenarios where business, currently supported by trade flows, could translate to increased FDI. Equally, I can see instances where friendshoring investments are made between trade allies who are seeking to shift focus and reliance away from areas that now look higher risk. However, I think it will take time for this to settle and become clear and FDI could suffer as a result.

Where do you see the most exciting opportunities, in terms of sectors and geographies?
The most interesting spaces are probably those in between the geopolitics and potential trade wars that are looming.

It has been the case, for the last decade or more, that a surefire way of driving FDI is to create a 'pull' of demand by creating opportunities and providing the supporting capital. In that regard, I think the Middle East will continue to be a hotbed of activity. The region's economic diversification and investment in infrastructure, emerging sectors and technologies shows no signs of slowing down. I also think the region is well-placed geopolitically and geographically to benefit from a changing world order and is seen as strategically important to all of the main economic powers across the world.

Asia will continue to be interesting as economies position themselves as an alternative to China, and as China itself looks to build further bridges into the world.

Europe, I feel will need to play a different tune and find a formula that facilitates greater levels of investment within Europe. Ironically, after a decade characterised by Brexit, I think the UK's position is interesting as it rebuilds its relationship with Europe and is perhaps sheltered from the excesses of a US-Europe trade war.

On geographies, I think the answer at one level is simple, in that technology and innovation will (and always should) be at the heart of any efficiency-seeking FDI project. I also think that, given the trade and tariffs dynamic, we will probably see, over time, a reconfiguring of supply chains and a bounce in traditional manufacturing projects, especially in the US.

What will be the main challenges IPAs face this year, and how can they overcome them?
The only certain thing is uncertainty. And so, after a challenging decade, things are not going to get any easier for IPAs. The things that have always differentiated the best from the rest will continue to be the case – evolving your proposition, understanding and being better than the competition, and having a laser focus on targeting the right investors.

In this environment, more than ever, I'd advocate open and proactive dialogue with investors, much more than what I sometimes see as the painting-by-numbers sales pitches. Realise that this is a challenging and uncertain time for investors, take time to understand their needs and be transparent in how you can work with them to deliver what they require.

If 2025 is to be a leaner year than we might have thought, there will be less to go around and the winning IPAs will be those that speak the investor's language.

DOUG BRUHNKE
CEO and founder, Global Chamber

How would you describe the 2024 year in business from the Global Chamber's perspective?
Global Chamber members are everywhere, and they're involved mostly in exporting and FDI, so it was a good year. In 2024, total global trade increased 3% to $33 trillion. We saw strong performance in technology, artificial intelligence, semiconductors, agriculture, agtech, information and communication technology, apparel, healthcare, energy and life sciences.

The growth was not uniform regionally, so across our 525 chapters and 195 countries, there was a mix of stronger and weaker performers. The Americas, the Middle East, Africa and East Asia were strong, while some countries, such as India, were weaker than expected – although the long-term outlook in India is positive.

A shift of manufacturing from China to Anywhere But China, along with initiatives to encourage more manufacturing at home, plus strong tourism, created investment opportunities from Vietnam to Mexico, and in parts of Europe.

Global demand driven by a sense of optimism kept global traders and investors busy. The countries with good trade policies driven by solid economic fundamentals, and which continue to move forward with fewer regulations and less overreaction to market noise, gained ground.

What are the main challenges facing the sector and your organisation/ membership in 2025?
Geopolitics will play a more significant role in 2025, and fears of tariffs and shifting alliances are already causing many to be more cautious. Yet market demand is still strong, and health and wealth continue to rise post-covid. So it will be this that will rule the day, not noise from politicians.

Companies would be advised to stick with good growth strategies, despite what they might see on the news with "nattering nabobs of negativism". That noise won't go away, but most of us will get more used to it. It's hard to see demand going away through that process. So executives will need to stay the course and be more global than ever, global and unstoppable!

Those companies and countries that ride the waves of growth, and continue to invest in technology, will stay ahead. Good strategies with solid implementation are always a winning formula.

The Global Chamber is growing as well, and our investment in people and technology is accelerating, including more support to members than ever through what we believe will be continued growth.

What are likely to be the chief positive influences on strategy this year?
Companies that are investing in AI and technology, and are flexible and resilient in the face of the distracting noise with shifting markets, will continue to succeed. Those that fail to adapt will be more challenged in 2025.

Meanwhile, tariffs may be mostly noise and negotiating tactics. For instance, South Korea and Japan have already jumped ahead by committing to and investing in more military spending, and that will largely keep tariffs away.

Europe, in the face of shifting military dynamics, will also invest more in defence, and so that sector will be strong. Most of the same industries as 2024 will see growth in 2025, and watch for the influence of the African Continental Free Trade Area and other regional trade agreements in driving more trade and growth in agriculture, technology, energy, healthcare and hospitality.

Putting politics ahead of science is a potential threat to the US and world, but here's hoping that smarter, cooler heads prevail in the face of any health dangers.

Despite disruptions and uncertainty, we will all need to take a deep breath and adjust along the way to see success on par with 2024. Pragmatism and not politics will be a winning strategy. We can do this! Global Chamber wishes all our members and the global tribe the wisdom, resilience and strength to succeed in 2025. ▮

"Despite disruptions and uncertainty, we will all need to take a deep breath and adjust along the way to see success on par with 2024. Pragmatism and not politics will be a winning strategy."
Doug Bruhnke, Global Chamber

Where are the world's top investment opportunities?

Real FDI has scanned the globe to find some of the hottest current opportunities for real asset investors. From Scotland to Saudi Arabia, and points in between, and from innovation zones to ports, we found a raft of projects worthy of immediate investor attention

Interested investors or developers can contact Real FDI for more information on these projects

TOP 10 INVESTABLE PROJECTS

Glasgow

Clyde Gateway

“Clyde Gateway offers a range of potential short, medium- and longer-term investment opportunities across all sectors, including commercial, residential and hotels/leisure.”

Project overview
Clyde Gateway is a Scottish national regeneration priority, spanning 2,000 acres across Glasgow and South Lanarkshire along the River Clyde corridor. Focused on real estate development, climate resilience, and innovation, it promotes a ‘20-minute neighbourhood’ near central Glasgow and the Glasgow Green park in the east end of the city.

More than £1.5 billion has been invested in infrastructure, remediation, and energy projects, reducing development risks and attracting further investment, businesses, and jobs. Since its inception, Clyde Gateway has delivered 4,000 new homes, created 8,000 jobs, and continues to expand with new workspaces and infrastructure.

The area will again host the Commonwealth Games in 2026, reinforcing its role as a key regeneration hub.

The opportunity
Investment to date in Clyde Gateway has been designed to unlock development potential by the adoption of long-term sustainable approaches to infrastructure reuse and development.

Forward-funding is sought for key developments, including laboratories, high-value manufacturing (HVM), offices and collaborative workspaces, with blended, market-facing propositions ranging in size from 1,500 to 100,000 sq ft.

The financials
Clyde Gateway offers a range of potential short, medium- and longer-term investment opportunities across all sectors, including commercial, residential and hotels/leisure.

It offers the opportunity for up to £300 million (minimum £10 million) of investment – for investors, equity, co-development, development funders and construction partners. Current development partners include Highbridge Properties.

Project sponsor
Clyde Gateway is a partnership between Glasgow City Council, South Lanarkshire Council and Scottish Enterprise, with financial backing from the Scottish and UK governments. It has been identified within the National Planning Framework as Scotland’s top regeneration priority.

Significance
Investment in Clyde Gateway can deliver significant financial, social and environmental outcomes with long-term growth potential.

The pitch
Clyde Gateway offers a strategic, development-ready location with low risk and high accessibility, situated near Dalmarnock train station, the M74 and M8 motorways. With three million people within a 60-minute radius and demand for 6,000 new homes, the area presents significant real estate and infrastructure investment opportunities.

A hub for international businesses and emerging tech firms, Clyde Gateway is Scotland’s leading net-zero development, benefiting from innovative district heating and cooling systems, strong ESG credentials, and climate resilience measures. Investors can capitalise on sustainable, cost-effective development in a high-growth urban regeneration area.

TOP 10 INVESTABLE PROJECTS

Latvia

University of Latvia Academic Centre

Project overview
The Academic Centre of the University of Latvia in Torņakalns is one of Europe’s most modern university study and research complexes. Spanning 10 ha on the left bank of the Daugava River, it serves as a hub for innovation, talent development, and collaboration.

The Centre is strategically located within Riga’s “Knowledge Mile”, fostering interdisciplinary synergy among academic and scientific institutions, including Riga Technical University and the National Library of Latvia.

The opportunity
The University seeks €150 million in investments to expand the Academic Centre with facilities such as a sports complex, healthcare infrastructure, student dormitories, sustainable parking, childcare facilities, a technology transfer centre, and advanced green energy projects.

The investment will support the further development of a globally recognised academic and research hub.

Financials
- Development Period: 2014-2029
- Completed Investments: €130 million (funded by property sales, EU structural funds, and international loans)
- Future investment needs: €150 million

Project sponsor
The project is sponsored by the University of Latvia and supported by Riga City Council, which has designated the Academic Centre as a smart city technology pilot area.

Significance
This development will centralise the University of Latvia’s activities, supporting more than 16,000 students and 2,000 staff. It will boost Latvia’s position in global academia, stimulate innovation, and enhance the local economy by creating cutting-edge facilities and sustainable infrastructure.

Pitch
The Academic Centre represents a unique investment opportunity within Riga’s “Knowledge Mile”, offering state-of-the-art facilities in a strategically located research and education hub.

Its interdisciplinary environment, modern infrastructure, and designation as a smart city pilot area make it a vital contributor to Latvia’s economic and innovation ecosystems.

Iceland

K64 Circular Industries

Project overview
K64 Circular Industries is a planned 300 ha eco industrial park strategically located near Keflavík International Airport (KEF) and the deep-sea port of Helguvík. It is designed to foster sustainable and circular industries, leveraging Iceland's renewable energy resources, robust infrastructure, and strong logistics connections between Europe and North America.

K64CI is a key component of the K64 Masterplan, a regional development strategy led by Kadeco in collaboration with the Icelandic state, KEF airport operator Isavia, and local municipalities. The development promotes industrial innovation, circular economies, and sustainable economic growth.

The opportunity
K64CI offers strategically located plots for industrial development, with a focus on circular economy principles. The park is divided into six dedicated zones, including clean energy production, circular waste management, an innovation hub, a clean construction cluster, food and bioindustries, and port logistics.

Kadeco provides a streamlined entry process for international and Icelandic businesses seeking to establish operations in Iceland. Investors can lease state-owned land for up to 50 years, benefiting from a stable regulatory environment, proximity to logistics hubs, and access to Iceland's competitive energy market.

Funding model
Kadeco is not seeking co-investment, but is facilitating land development and site selection for businesses looking to establish operations.

The financials
Kadeco is a government-owned development company that enables businesses to invest and operate within the K64CI park. As a land developer, Kadeco does not provide direct funding or financial incentives, but assists companies in navigating Iceland's regulatory, financial, and permitting landscape.

Land leases are available for long-term agreements, with annual rent based on assessed land value or indexed rates. Specific costs depend on the selected plot and industry requirements.

Project sponsor
K64CI is part of the K64 Masterplan, developed and overseen by Kadeco, a government-owned company. The project is supported by national and municipal authorities, including representatives from Reykjanesbær, Suðurnesjabær, and Isavia.

Significance
K64CI contributes to Iceland's national economic strategy by promoting industrial diversification, supporting green energy initiatives, and creating high-value employment in the Suðurnes region. The development aligns with Iceland's sustainability goals, offering a platform for businesses that prioritise circular-economy models and low-carbon operations.

The pitch
K64CI presents a rare opportunity for industrial businesses to establish themselves in a strategically located, sustainability-driven ecosystem with access to:
- Prime logistics – Direct connections via KEF airport, Helguvík deep-sea port, and the capital region.
- Renewable energy – Access to Iceland's reliable and competitively priced green energy.
- Business-friendly environment – Stable government support, a skilled workforce, and a pro-innovation regulatory framework.
- Scalability and customisation – Flexible land lease options within a purpose-built industrial ecosystem.

With Kadeco as a trusted partner, companies can efficiently establish and expand operations in one of Iceland's most promising industrial developments.

Cyprus

Neapolis Smart EcoCity, Paphos

Project overview
Neapolis Smart EcoCity is an ambitious greenfield development that will establish a "smart city-within-a-city" on the outskirts of Paphos, Cyprus, just a 10-minute drive from the international airport.

Spanning 888,000 sq m, with 570,000 sq m of net buildable area, the project is a mixed-use masterplanned development integrating residential, commercial, educational, healthcare, and leisure facilities. The vision is to create a sustainable, tech-enabled urban environment, offering approximately 4,000 residential units, alongside a university, hospital, schools, retail and leisure parks, corporate office spaces and extensive green areas.

The opportunity
The project presents a unique investment opportunity to participate in a world-class smart city development. Initial funding will be secured through equity investment and offplan sales, followed by debt financing. Investors will have early access to a high-growth, strategically located urban expansion project, designed to attract businesses, residents, and institutions, creating long-term economic value.

The financials
The total development cost is projected at €1 billion (excluding land), with an estimated €1.95 billion gross development value (GDV) upon completion. A €100 million equity investment, alongside offplan sales and bank debt, will finance the majority of the project, with dividend distributions expected from Year 4 onwards. Bank financing has already been secured for part of the initial infrastructure works, ensuring financial stability in the early phases.

Project sponsor
The project and land are 100% owned by the Leptos Group, Cyprus's premier real estate developer with a proven track record spanning six decades.

Significance
As a pioneering smart city initiative, the development embraces sustainable urban planning, advanced infrastructure, and green technologies to enhance livability, connectivity, and environmental resilience.

The integration of state-of-the-art residential, educational and healthcare facilities, combined with corporate and leisure spaces, positions the project as a hub for innovation, economic activity, and modern urban living. With Cyprus experiencing strong real estate demand and continued foreign investment, this development is set to be a key driver of regional growth.

The pitch
With a prime location in Paphos, strong government support and a fully masterplanned, mixed-use design, this smart city project represents a viable investment opportunity in Cyprus's expanding urban landscape.

Backed by a leading developer, secured financing and early-stage approvals, the project is primed for success. Investors can capitalise on potentially high returns, sustainable growth and a transformative urban vision, making this a compelling, future-ready real estate opportunity.

TOP 10 INVESTABLE PROJECTS

Newcastle

Health Innovation Neighbourhood

Project overview
The Health Innovation Neighbourhood is a large development on the site of the old General Hospital on Newcastle's Westgate Road.

Its vision is to be a neighbourhood where the housing, environment, infrastructure, research and learning will drive and inform healthier and sustainable living.

This will be achieved by cross-sectoral collaboration on research, housing, health, and the environment to create a "living laboratory". Work will explore and address the challenges of global populations that are getting older, sicker, poorer, and less productive.

The opportunity
Capital investment is sought from an institutional investment fund to cover the whole or large parts of the 29-acre site.

The financials
The 51-acre site has a gross development value of £500m.

Project sponsor
The project is being led by Newcastle University and has the full support of Newcastle City Council.

Significance
This is an exemplar of inclusive economic growth, providing good employment and skills for residents in the west of the city and promoting intergenerational living with welcoming, fun, and fit-for-purpose spaces.

The pitch
The project builds on the experience of delivering Newcastle Helix, which has become one of Europe's most important innovation districts, and follows a proven model for urban regeneration projects – leveraging research and development capabilities to build commercial space that is attractive to high-quality occupiers.

TOP 10 INVESTABLE PROJECTS

Armenia

Myler Mountain Resort

Project overview
Myler Mountain Resort is an 18-year visionary project designed for phased implementation to establish the largest and most advanced ski resort in Armenia. Situated in the Aparan region on the eastern slopes of Mount Aragats, this project will combine state-of-the-art skiing facilities, year-round recreational activities, and luxurious accommodations.

Developed by Ecosign, a global leader in ski resort design, the resort will feature 16 major ski lifts with a total capacity of 41,400 people per hour, enabling seamless service for 17,000 skiers simultaneously. The resort's masterplan also includes a range of innovative services to redefine the visitor experience.

The opportunity
Myler Mountain Resort offers a unique investment opportunity for local and international stakeholders to participate in the transformation of Armenia's tourism landscape. The project's funding model centres on public-private partnerships, encouraging collaboration between the government, private investors, and strategic partners.

Investments will focus on the development of advanced infrastructure, ski facilities, accommodations, and recreational activities, ensuring long-term profitability and economic growth.

The financials
The initial phase of the project requires investments exceeding $70 million. The total estimated budget for the project is $250-$300 million over the next decade. Key allocations include over €30 million for the construction of advanced ropeway systems, with the remainder dedicated to creating essential support infrastructure, ski tracks, and guest amenities.

Once operational, the resort will cater to 16,000 skiers at peak capacity – a figure that triples Armenia's current high-season visitor numbers.

Project sponsor
The project is spearheaded by Myler FEZ LLC, the official organiser of the Myler Free Economic Zone (FEZ), which was established by the Armenian government through Decision No. 1302 on 15 August, 2024. This partnership underscores the alignment of private and public sector goals to create a globally competitive ski resort.

Significance
The Myler Mountain Resort project is set to drive substantial economic and social progress in Armenia. By creating hundreds of jobs during both construction and operation, it will stimulate regional development in the Aragatsotn area, improving infrastructure and local living standards.

As a premier tourist destination, the resort will attract international visitors, boosting tourism revenue, enhancing Armenia's GDP, and fostering business collaborations that benefit local enterprises and service providers.

The pitch
Investing in Myler Mountain Resort offers a unique opportunity for sustainable growth, leveraging a phased development plan for financial stability. Located near Mount Aragats, its world-class infrastructure and year-round attractions ensure a steady visitor flow, solidifying its status as a premier destination.

With significant tax incentives in the Myler FEZ, investors gain a strategic advantage while contributing to Armenia's rise as a global leader in mountain tourism.

Uganda

Kireka Slum Rejuvenation Project

Project overview
The Kireka Slum Rejuvenation Project is an ambitious urban development initiative to transform 292 acres of freehold land in Kireka, Uganda. The project aims to construct approximately 12,000 modern social housing units, catering to diverse income groups through one- and three-bedroom units. This largescale initiative aims to improve living conditions, enhance infrastructure, and stimulate economic growth, ultimately setting a benchmark for sustainable urban development in Uganda.

The opportunity
The project offers potential partners the chance to contribute to a high-impact, government-backed urban development, ensuring long-term returns while addressing Uganda's housing deficit. With a rapidly growing urban population and increasing demand for affordable housing, investors will benefit from strong market demand and government support in infrastructure, policy, and land allocation.

The financials
The total estimated investment required is $158.4 million in equity funding. The project is expected to generate substantial economic activity, increasing land and property values, while providing affordable housing solutions to thousands of residents.

Project sponsor
The National Housing and Construction Company (NHCC), a government-backed entity, is spearheading the development. With a strong track record in delivering housing projects across Uganda, NHCC ensures that the project is well-managed, financially viable, and aligned with national urbanisation goals.

Significance
The project stands out due to its commitment to sustainability, social impact, and urban modernisation. It integrates eco-friendly construction practices, smart urban planning, and modern infrastructure to create a livable and resilient urban community.

By addressing the challenges of informal settlements, the project will enhance public health, provide better access to essential services, and improve overall quality of life. Additionally, the development aligns with Uganda's Vision 2040 and the UN Sustainable Development Goals (SDGs).

The pitch
The Kireka Slum Rejuvenation Project presents a once-in-a-generation investment opportunity to shape the future of Uganda's housing landscape. The development will feature a mix of low-cost, mid-income, and high-end housing, incorporating apartment blocks, town houses, and villas.

Beyond residential units, the project will include modern infrastructure, including paved roads, reliable power supply, retail and commercial spaces, schools, healthcare facilities, and green parks – creating a thriving, self-sustaining urban hub.

With government backing, high demand for housing, and a focus on sustainable development, this project represents a strategic and socially impactful investment opportunity with long-term value creation.

Italy

Porto Vivo

Project overview:
Porto Vivo is the project for the redevelopment and regeneration of the former port of Trieste, Porto Vecchio – one of the most important sites for maritime industrial history in the Mediterranean. The 66 ha area features five piers and 35 large buildings, including hangars and warehouses, all located a short distance from downtown Trieste.

The revitalisation project will focus on high-tech activities supporting the establishment of operations related to cultural and creative industries, with the aim of boosting both the tourism sector and the museum system, all while creating spaces for sports and outdoor events.

Porto Vivo is in a strategic location at the intersection of key maritime routes and the central TEN-T Network corridors of the Baltic-Adriatic and the Mediterranean. This project of urban redevelopment will transform the area into a lively neighbourhood open to all.

The opportunity
Porto Vivo offers medium and longer-term investment opportunities across the residential, office, tourism/hospitality, logistics, GDO and retail, wellness centres sectors.

Divided into six functional lots, the project will encompass commercial, office and residential developments. The overarching goal is to reintegrate this former port area into the city, improving the connections with the surrounding urban landscape, encouraging sustainable mobility and developing essential infrastructure networks. This will include both transversal and longitudinal transport links, effectively enhancing accessibility within the area and the broader city.

Investment will create a Urban Linear Park that seamlessly connects Porto Vecchio to the city, the sea and the Karst. This will enhance the identity of the site and develop its economic, sociocultural, tourism, environmental and landscape potential.

The financials
Porto Vivo offers the opportunity for investment – investor, equity, co-development, development funder and construction partners.

The total private investment is €620 million, consisting of two parts: investments in concessions of €162 million; and investments in acquisitions and works in private construction estimated at €458 million as a starting price.

This is supported by the public investment of €380 million, for a total value of the redevelopment project of €1 billion.

Project sponsor
Porto Vivo is owned by the Comune of Trieste, and the project is being run in partnership with Porto Vivo and the Regione Autonoma Friuli Venezia Giulia.

> **"Investment will create a Urban Linear Park that seamlessly connects Porto Vecchio to the city, the sea and the Karst."**

Significance
Investment in Porto Vivo can deliver significant financial, social and environmental outcomes with long-term growth potential. Porto Vivo is strategically located at the intersection of key maritime routes and the central TEN-T Network corridors of the Baltic-Adriatic and the Mediterranean – a thriving hub for tourism and commerce.

The pitch
Porto Vivo is divided into six functional lots. It has a ready-to-develop land area of 617,000 sq m (gross floor area 214,654 sq m), comprising five piers and 35 buildings. Investment is sought for residential, office, tourism/hospitality, logistics, GDO and retail, wellness centres and beach resorts. The risk profile is value-added.

TOP 10 INVESTABLE PROJECTS

Liverpool
Central Station Gateway

Project overview
The Liverpool Central Station Gateway is a visionary infrastructure project aimed at creating a world-class transport hub that transforms connectivity, boosts regeneration, and unlocks potential economic growth in Liverpool and the North of England.

The new station will offer a seamless interchange with Lime Street Station, akin to King's Cross and St Pancras, integrating metro-style Merseyrail services with intercity rail.

The development will enhance connectivity to key areas like the Knowledge Quarter, Queen Square and Liverpool Waterfront, while enabling a new green public realm and high-quality living, office and leisure spaces.

The opportunity
Opportunities exist for investors to partner in delivering transport infrastructure and adjacent real estate developments, including housing, retail, office, and leisure projects.

The financials
With a gross development value of £5 billion, the project seeks £2.5 billion in transport funding from the UK government, with opportunities to leverage private-sector financing for the station and the wider regeneration of the Central Station Gateway area (approximately 35 ha).

Project sponsor
The promoter is Liverpool City Region Combined Authority and the planning authority is Liverpool City Council

> **"Liverpool Central, the North's third-busiest station, plays a critical role, handling 45% of Merseyrail journeys and more than 11 million passengers annually."**

Significance
Liverpool Central Station Gateway will drive economic growth, boosting LCR's GVA from £35 billion in 2021 to £45 billion by 2035, while increasing knowledge-intensive businesses. Enhancing Liverpool-Manchester rail connectivity could enable over 200,000 daily rail journeys, supporting a 70% rise in rail usage needed to meet LCRCA's net-zero carbon target.

Liverpool Central, the North's third-busiest station, plays a critical role, handling 45% of Merseyrail journeys and more than 11 million passengers annually.

The pitch
The project will unlock Liverpool City Region's potential with improved access to jobs, housing, leisure, and business opportunities, while advancing net-zero carbon goals.

As a strategic gateway, it will enhance regional and national rail connectivity, drive footfall to key economic districts, and create a thriving urban destination, making it a prime investment opportunity in one of the UK's most dynamic growth corridors.

TOP 10 INVESTABLE PROJECTS

Saudi Arabia
Diriyah

Project overview
Located just outside Riyadh, Diriyah, known as The City of Earth, is the ancestral seat of the House of Al Saud and birthplace of the first Saudi state in 1727. The project, inspired by traditional Najdi architecture, is one of Saudi Arabia's five giga-projects under the national Public Investment Fund.

At the core of Diriyah is At-Turaif, a UNESCO World Heritage Site that holds significant historical importance as the founding site of the kingdom and a symbol of Saudi heritage.

The opportunity
There are opportunities in a range of asset classes, including infrastructure, medical, retail, residential, offices, mixed-use and cultural facilities.

Diriyah Company is looking for public-private partnerships (PPPs) in infrastructure and other assets with models including build-operate-transfer, build-own-operate, build-operate-lease-transfer, design-build-operate-transfer and lease-develop-operate.

The company is keen to work with real estate developers, family offices, capital partners, and other financial institutions with the following investment models:

- Joint ventures that accommodate different investment profiles, ticket sizes and appetites;
- Sale/acquisition of land parcels to develop greenfield developments for mixed-use, residential, hospitality, office, education and healthcare assets.
- Land leases on flexible terms and time horizons for development of hospitality, retail and office space;
- Bulk land sales for largescale real estate developers;
- Sales/leaseback for office, retail and mixed use assets.

The financials
The total development budget is SAR236 billion ($63 billion).

Project sponsor
The Diriyah Company, established seven years ago, is reaching out to investors, developers and other potential partners from around the world and is especially keen to bring in capital from outside the Gulf Cooperation Council.

Significance
Diriyah is central to Saudi Arabia's Vision 2030 to diversify and transform its economy. With a $63.2 billion investment, it is projected to add $7.2 billion to the kingdom's GDP, create 180,000 jobs and attract more 50 million visitors annually. The project is key to Saudi Arabia's goal of increasing tourism's contribution to GDP from 3% to 10% by the end of the decade.

The pitch
The aim is to deliver a world-class development that will be true to Diriyah's rich history and heritage while delivering innovative, culture-led placemaking of unprecedented ambition and scope that will shape lives for generations to come.

Diriyah Company is working to transform the historic area into a global centre for culture, heritage and tourism, and international partners can play a once-in-a-lifetime role in making this vision a reality.

Eindhoven moves to acquire Brainport campus amid ASML expansion plans

Move aligns with chipmaking equipment manufacturer's plans for BIC North to accommodate growth

The city of Eindhoven has announced plans to acquire a major portion of the Brainport Industries Campus (BIC), a move aimed at strengthening the region's position as a leading hub for high-tech innovation and advanced manufacturing. The acquisition will give the municipality greater control over the future development of the campus, ensuring a diverse mix of large corporations, startups, research institutions and educational facilities.

The BIC 1 complex, which was completed in 2019 and has now reached full occupancy with 2,000 employees and 500 students, is set to come under municipal ownership following negotiations with the current owner, Capreon. The City Council voted in favour of the acquisition of BIC 1 on 25 February with a 40 to 1 majority.

"The acquisition allows us to shape the long-term development of Brainport," said Stijn Steenbakkers, Eindhoven's deputy mayor and a key proponent of the deal. "This move aligns with our vision of fostering a globally competitive technology ecosystem that supports innovation across all levels."

The development of BIC2 is scheduled to start soon. The site will belong to the city and will be offered out as a leasehold.

In addition to high-tech manufacturing and R&D, the expansion is expected to accommodate growing demand from semiconductor and deep-tech firms, including ASML, Europe's largest technology company.

This follows news in June 2024 that Eindhoven's city council voted in favour of an initial agreement with ASML to begin planning a major expansion in the city's north. Called BIC North, the site will accommodate ASML's continued expansion with a possible 20,000 extra jobs for the semiconductor machine manufacturer. The plan will support ASML's need for additional space as the industry prepares for significant global growth.

Upgrading public facilities

ASML, which produces the world's most advanced chipmaking equipment, had previously warned that it might shift major operations abroad unless the Netherlands guaranteed sufficient infrastructure and workforce development. In response, Dutch national and regional authorities launched the €2.5 billion "Project Beethoven" intended to finance the expansion of public facilities in the Eindhoven region, including educational facilities, hospitals, housing and infrastructure.

A substantial portion of the funds has been contributed by the business community in the region, demonstrating the strength of the collaboration and the ecosystem.

One of the biggest challenges accompanying this growth is housing availability. With more workers expected to relocate to Eindhoven, the city is launching a massive housing initiative, aiming to build 100,000 new homes over the next 15 years. The metropolitan area is expected to grow from 850,000 to over one million people within the next decade, driven by high-tech industry demand.

Attracting and retaining talent is key to high-tech expansion

This effort is part of a public-private partnership, with major companies – including ASML – contributing to a €245 million fund to accelerate the development of affordable housing. Steenbakkers, speaking at a *Real FDI* panel session at the Expo Real conference in Munich in October 2024, stressed the importance of attracting and retaining talent to sustain Eindhoven's high-tech expansion.

"The thing that is very important to boost economic development is people – just finding the right talent," he said. "We need to ensure that Eindhoven remains an attractive destination for skilled professionals at all levels."

Eindhoven's dual approach – securing ASML's growth while expanding Brainport Campus – underscores the city's long-term ambitions to solidify its position as one of Europe's foremost technology hubs. By acquiring BIC 1, the city will be able to exert greater influence over the types of businesses and institutions that settle in the region, ensuring a well-balanced mix of industry, research and education.

> **"The thing that is very important to boost economic development is people – just finding the right talent. We need to ensure that Eindhoven remains an attractive destination for skilled professionals at all levels."**
> Stijn Steenbakkers, deputy mayor of Eindhoven

INTERVIEW
Fredis Bikovs

Riga eyes public-private partnerships to unlock development potential

The director of Riga's investment and tourism body discusses the opportunities in the Latvian capital.

As Riga prepares to showcase its investment opportunities at Mipim 2025, the city is highlighting key sectors primed for growth, including affordable housing, tourism infrastructure and tech-driven industries. Fredis Bikovs, director of the Riga Investment and Tourism Agency, shared insights into the city's priorities and its evolving investment climate.

One of Riga's biggest challenges – and Latvia as a whole – is the shortage of affordable and sustainable housing. Latvia has one of the lowest levels of social housing stock, with less than 2% of total housing inventory available for rent, compared the OECD average of 7%.

To tackle this issue, the Latvian government, the Ministry of Finance, the European Investment Bank (EIB), and 18 municipalities – including Riga – have partnered to launch the Rental Housing for Latvian Professionals programme. This initiative aims to develop 2,260 energy-efficient, affordable apartments by 2030, with 1,000 located in Riga.

The project will follow a public-private partnership (PPP) model, under which the municipalities will provide land, co-finance rental subsidies, and offer incentives to private investors. The approach will be to bundle the units, with each bundle procured under an availability payment-based PPP framework. The target is approximately 1,000 units and €100-€125 million capex for each bundle.

"We are looking for partners ready to work with the government and the city to make this vision a reality," Bikovs told *Real FDI*, highlighting that the early-stage financial modelling and business case development are underway with the EIB.

Tourism and hospitality rising

Riga's tourism sector is rebounding strongly post-pandemic, with a 15.8% increase in visitor numbers in 2024. To support this growth, the city is prioritising two major investment opportunities.

One is the development of a new Ro-Pax terminal. The city is working with private landowners and the port authority to establish a ferry terminal connecting the city with Stockholm and potentially Helsinki. Discussions with operators and Stockholm city officials are ongoing.

Another is expansion of quality hotels in the city. Despite a strong hospitality sector, Riga lacks international five-star hotel brands beyond Kempinski. The city is engaging investors to develop more high-end accommodation.

Rail Baltica and central Riga

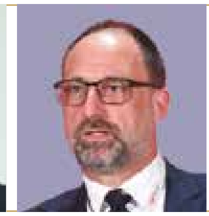
The upcoming Rail Baltica project – an ambitious high-speed rail network connecting the Baltic states with Poland and the rest of Europe – is set to reshape Riga's urban landscape. The Central Station area, long underdeveloped, is now attracting significant investor interest, with land acquisitions already underway. Opportunities in this district span residential, hotel, and commercial real estate development, making it one of Riga's most dynamic investment prospects over the next 10-15 years.

Riga's economy is increasingly driven by tech-based industries. The city is seeing strong growth in ICT and shared service centres, with large global companies establishing operations in recent years. Riga is also investing in its startup ecosystem, including a Startup House that will support education, incubators and accelerators.

Life sciences is another focal point, given Latvia's rich heritage in pharmaceutical research and production. The government is encouraging investment in biotech and medical research.

Finally, the geopolitical climate has prompted increased interest in defence and military-related industries. Riga is looking at opportunities in defence manufacturing, dual-use technologies and software solutions that support both military and commercial applications.

In conclusion, Bikovs says: "Real estate is at the heart of everything – whether we're bringing in new companies or growing our startup ecosystem, we need to provide spaces for people to live and work. As Riga's investment landscape evolves, partnerships between the public and private sectors will be key to unlocking the city's full potential."

EXPERT VIEW
Dr Martin Kaspar
& Dr Douglas van den Berghe

Global political and economic shifts demand strategic FDI responses

Global trading rules and supply chains have been turned upside by a combination of factors, including geopolitics and ESG regulations. But how should governments and companies respond?

Even if we cannot agree on the extent to which deglobalisation is happening, or whether we are merely regionalising into trading blocs (e.g. the European Union, Regional Comprehensive Economic Partnership, United States-Mexico-Canada Agreement), what cannot be disputed is that the economic world is changing dramatically.

What are the factors that have led to this new economic landscape?

Three key factors have shaped the depth and interconnectedness of the global economy: geopolitics; technological developments; and government policy/regulation. There is nothing new in this. What has changed is the vehemence with which geopolitical tensions, digitalisation, and global crises are reshaping our world. The question is: are we in such troubled waters that corporate executives need to understand as much about geopolitics as about their own products?

Companies are impacted by global changes in significantly different ways. While small and medium-sized enterprises are much harder hit, multinationals can essentially side-step most of the effects. Manufacturing companies, which are strongly integrated into global value chains, tend to be more exposed to foreign supply shocks and protectionist threats (e.g. the breakdown of supply chains due to harbour closures in China or the Houthi attacks).

In particular, companies in smaller, open economies (such as France, Germany and the Netherlands) are heavily affected by market- or supply-side disruption, while those in the US or China benefit from much larger domestic markets.

Geopolitics

Perhaps the biggest risk stems from the geopolitical tensions between the West and China, which have led to a fundamental reassessment of global supply chains. Terms like 'decoupling' or 'de-risking', unheard of only a few years ago, are now informing the debate.

While Western political elites talk about the need to avoid decoupling and maintain free trade, high-tech products and rare earths are already subject to outward FDI screening and trade limitations. Companies are diversifying their supply chains away from China, driving investment towards Vietnam, Thailand, and India – a phenomenon known as China+1.

At the same time, Belt and Road investments are being met with growing concern and scrutiny in the West. With countries increasingly resorting to protectionist measures, trust in international markets is being eroded and cross-border investment is declining.

Digitalisation and technology

The technologies of the so-called Fourth Industrial Revolution, such as IoT, AI, Big Data and automation, are revolutionising manufacturing and logistics. By largely removing labour costs, manufacturing is now possible in high-wage countries again. This is a development that has the potential to fundamentally alter trade and FDI flows.

Policy changes: Environmental, social and governance (ESG)

The Western emphasis on ESG could throw current trade flows and FDI decision-making criteria into disarray. The compliance costs of ESG legislation is particularly challenging for SMEs. Draconian penalties for non-compliance, will – quite probably – result in companies shunning countries considered as "problematic" (i.e. developing countries due to regulatory voids and low transparency rankings). With Industry 4.0 a relocation towards the West is now feasible, and much less risky than being active in countries that cannot provide Carbon Border Adjustment Mechanism values, or Corporate Sustainability Due Diligence Directive (CSDDD) assurances.

What does this mean for FDI?

The consequences of fracturing global value chains and a rules-based world are unpredictable. Companies are restructuring their supply chains towards a more diversified supply base. It seems reasonable that they want to manufacture closer to home. However, the reverse also holds true, with corporates going for a "local-for-local" strategy, to take geopolitics out of the value chain. So, despite a protectionist surge and xenophobia on the rise, we are seeing investments in foreign countries (e.g. Chinese automakers investing in the US and Europe to side-step local content hurdles).

> **"With countries increasingly resorting to protectionist measures, trust in international markets is being eroded and cross-border investment is declining."**

Countries with low-cost labour could see their business model go up in flames within a decade as robotisation and automation take off, and through ESG developments making it less attractive for companies to continue production in these countries.

As for the effects of climate policy, either European economies are propped up with incentives (similar to the Inflation Reduction Act in the US), or they need to start relaxing some of the draconian climate legislation. Otherwise there is a risk of this becoming not only an economic problem, but a democratic one.

We are living through multiple paradigm shifts. Consequently, it is difficult to spot consistent patterns in these changes. If there is one consistent point in all of this, it is the fact that companies will seek to ensure predictability and transparency. But given that we cannot even fully agree on what the danger is, predicting the outcome is even more difficult. Some are pulling back from emerging countries, due to political concerns (being caught up in trade wars) and ESG legislation (non-compliance with CSDDD). Others are going in the opposite direction (Chinese companies setting up manufacturing sites in Europe and USMCA to avoid being barred from Western markets).

Rules-based trading system

Companies might easily be caught between international and national policy pressures. But rather than wielding moral sticks, we should focus on salvaging the basic infrastructure of a rules-based global trading system, to create at least some modicum of stability in international trade and investment.

How can countries succeed in this new era? In the changed macro-economic context, FDI will no longer be a panacea for every country for economic development, especially as some countries will be left out of the FDI circuit.

What can these countries do? They can focus on exports, albeit this is difficult in a protectionist era. They could build a national industry and an entrepreneurial ecosystem, focusing on a domestic, or regional market. This is essentially what China, the EU and the US are already starting to do.

Governments that want to stay in the FDI game (and there are lots of good reasons for this) need to strengthen their investment promotion efforts and their network of free trade agreements, to create a more predictable context for cross-border trade and investment.

FDI flows can be improved through better investment promotion – in particular strengthening the facilitation of investment – and by supporting corporate managers in navigating the increasingly complex regulatory environment. Governments must aspire to be the antidote to instability, creating a predictable and transparent business environment and minimising corporate risks. They must focus on infrastructure development and connectivity to support the investment and reshoring activities of highly automated, data-driven manufacturing.

Most important, however, there is a need to resuscitate the international organisations that guard and protect the orderly conduct of international trade and investment. This requires forward-thinking policymakers willing to depart from ideological lines (e.g. geopolitics, ESG standards) and work on solutions. ■

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EXPERT VIEW
Dr Kaouthar Lbiati

Private finance needed to mitigate health impacts of climate change

To attract much-needed funding, African and Latin American countries need a blend of public and private capital to improve fragile and ill-financed healthcare systems.

Climate change manifests as extreme weather, such as rising temperatures and shifting precipitation patterns, and causes glacier melting, soil erosion, ocean acidification and rising sea levels. It damages infrastructure, disrupts supply chains, drives competition for water resources, spikes the price of commodities and erodes GDP, leading to political unrest and mass migration.

Africa is particularly vulnerable to climate change, even though it contributes little to it. Rising air and water temperatures, and changes in precipitation patterns and humidity, create environmental conditions conducive to the survival and transmission of vector-borne diseases (those spread by living organisms, such as insects, between humans or from animals to humans).

Rising air and water temperatures also fuel the growth of water- and food-borne pathogens, as flooding, storms and hurricanes can disrupt sewage and wastewater disposal systems.

Achieving health security

Climate-resilient health systems are those capable of anticipating, responding to, coping with, recovering from and adapting to climate-related shocks and stress. They bring about sustained improvements in population health, despite an unstable climate.

Investing in solutions that predict, prepare and position resources where they are most needed is critical. Accurate forecasting requires collaboration between academia, policymakers, economists, scientists and financiers.

Anticipating and responding to infectious-disease outbreaks while safeguarding improvements in the management of endemic diseases such as TB, HIV, malaria, dengue, zika and ebola should be the number-one priority for African and Latin American countries.

In the past, they were significantly affected by these diseases. Now they need to adapt to climate change within fragile and ill-financed healthcare systems.

Screening for vector-borne and waterborne diseases in wastewater by using advanced new genetic sequencing is crucial to reinforce surveillance systems. Unfortunately, most developing countries do not have access to such methods, either due to their prohibitive cost, a lack of appropriate infrastructure, or both.

Moreover, it is anticipated that climate change will cause massive displacements of populations in the south and global expansion of pathogens through migration. Diseases may spread either through migrants, or because of disruption in ecosystems.

Fortunately, neglected tropical diseases resurfaced recently in the research and development portfolio of two pharmaceutical companies: Takeda and Bayer. They are, respectively, testing technologies against dengue and river blindness.

More research and development is needed to mitigate other health impacts of climate change, such as digestive and immune diseases and nutritional, metabolic, neurodevelopmental and mental health. There is also an urgent need to build resilience within the supply chain, especially for anti-infective drugs, vaccines and other essential medicines, to ensure a fair level of preparedness for future outbreaks, mitigate some of the most serious national security risks, and prevent drug shortages during climate shocks.

Mobilising funds

Far more funds have been channelled to cutting greenhouse gas emissions as climate change mitigation initiatives became macro drivers of geopolitical dynamics among world powers. This inspired a clean-tech race and net-zero focused industrial policy.

Funding for the health-related impacts of climate change has long lagged behind and did not receive the appropriate attention until COP29, held in Baku, Azerbaijan, at the end of 2024.

African countries need funding to deal with fragile healthcare systems

Here, the biggest discussion centred on global climate finance, specifically how much (in trillions of dollars) is needed to help developing countries address climate change and adapt to changing conditions.

Notably, there were strong calls from many developing countries to exclude non-concessional loans, provided at or near market rates, as many of the poorest countries are spending more on servicing debt than they receive in climate finance.

In recent years, multilateral development banks such as the World Bank have focused on linking finance to climate adaptation and mitigation. However, spreading climate mitigation policies equally across the developing and developed countries would not help lower-income countries address climate change, especially those without access to private markets.

> **"It is anticipated that climate change will cause massive displacements of populations in the south and global expansion of pathogens through migration."**

Major climate funds – such as the Green Climate Fund (GCF), the Adaptation Fund and the Global Environment Facility (GEF) – constitute a minor share (about 9%) of the total public adaptation finance. It is also worth noting that only 66% of the funds allocated to adaptation between 2017 and 2021 were successfully disbursed to their recipient countries.

This pattern underscores that there is limited climate-policy knowledge among decision-makers, and bureaucratic delays in fund approval and disbursement. Therefore, building capacity in climate policy and finance on the policymakers' side and addressing barriers related to capital misallocation and disbursement are necessary to enable capital flows.

Policymakers are required to bridge the gap between financiers and industrials. They need to engage in an open dialogue with communities to identify the most bankable projects and create a repository of detailed data on the impact of these projects to accelerate private capital flows.

According to Convergence, a global network for blended finance (which is the use of public sources of capital to attract private investment), since 2010, such flows came close to $180 billion in aggregate (as of 2022). Annual capital flows averaged approximately $9 billion since 2015.

This is quite low, considering the capital developing countries need to meet the United Nations' Sustainable Development Goals. To solve this capital shortage while delivering a return on investment to funders, it is necessary to scale up private finance to complement public- and grant-based instruments, as well as bilateral and multilateral partnerships.

Blended finance deals

Reforming the multilateral financial architecture is also necessary to unlock climate finance. Multilateral development banks and development finance institutions are well positioned to augment the share of private capital mobilised in blended-finance transactions.

As financial intermediaries, they can lead blended finance deals that could fund bankable industrial projects at scale, and reinforce de-risking and risk-sharing mechanisms throughout the value chain of medicinal products (from development to regulatory approval, and from manufacturing and procurement to distribution).

Blended finance can accelerate product development and technology transfer to countries where research and development is relatively immature, despite the presence of good manufacturing capabilities, or where manufacturing infrastructure is underutilised.

Bringing multiple smaller companies together to make a sizable investment opportunity and fund small local drug manufacturing could thus scale up production. This could encourage regulators to offer incentives to companies that invest in research and development into neglected tropical diseases and anti-microbial resistance. The nearshoring of vaccines and antibiotics has the advantage of ensuring affordability, access and local availability.

Climate change can heighten the risk of waterborne diseases

> **"Funding for the health-related impacts of climate change has long lagged behind and did not receive the appropriate attention until COP29."**

Among the other benefits of blended finance is the direct positive impact on the procurement, supply and cost of medicines, with an expected reduction of up to 60%. Blended finance could also control volatility on the demand side and remove the uncertainty and perception of high risk associated with developing markets.

Technical due diligence

Funders are invited to act as insurers or guarantors to manufacturers for a predetermined volume of medicinal products produced during a period of typically two to six years.

However, blended finance does not come without downsides, mostly related to the technical due diligence aspects and transaction costs associated with deal structuring for projects and exchange rates.

Overall, the established connection between climate change and health should foster more significant climate action. Climate finance can help developing countries build more sustainable and climate-resilient health systems in the broader context of the global climate transition, economic development and governance.

Since the benefits of blended finance outweigh its downsides, private creditors should step in and scale up their contribution. Multilateral development banks and development finance institutions are urged to act as financial intermediaries to lead health-related climate blended finance deals to fruition in developing economies. ▮

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