



Global Corporate Capital Flows, 2008/09 to 2013/14

Study of the investment intentions of companies in Switzerland and
in 14 further countries around the world

June 2008

Methodology of the survey

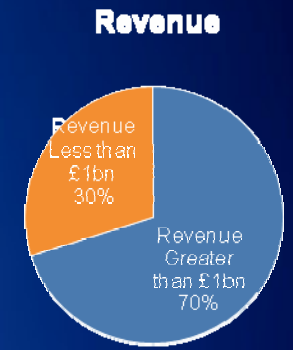
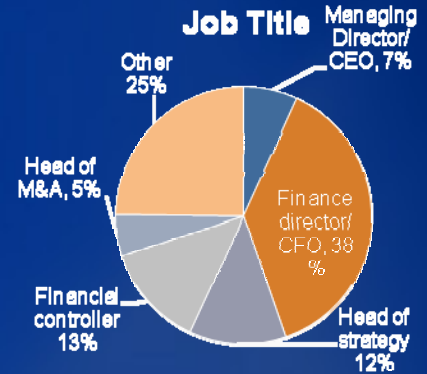
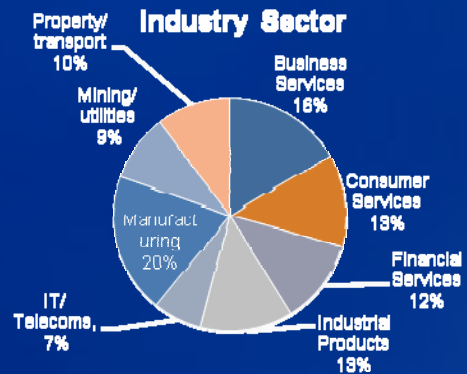
- A poll among 311 corporate investment strategists, plus representatives of private equity funds and sovereign wealth funds.
- The participants have been asked on where and how they expect to be investing the funds under their control in the next 12 months (2008/09), and in the next five years (2008/2009 to 2013/14).
- In total 15 key countries have been covered around the world, e.g. Australia, Brazil, Canada, China, Germany, India, Ireland, Mexico, Netherlands, Russia, South Africa, Spain, Switzerland, UK and the US.
- With a focus on Switzerland 20 companies have been interviewed.

Researchers commissioned by KPMG International interviewed 311 key decision makers from a wide range of industries

Country	Number of interviews
UK	20
Germany	20
Spain (exc. Catalonia)	15
Catalonia	15
Switzerland	20
Ireland	20
Netherlands	20
Russia	20
US	20
Canada	20
China	20
India	20
South Africa	21
Mexico	20
Brazil	20
Australia	20

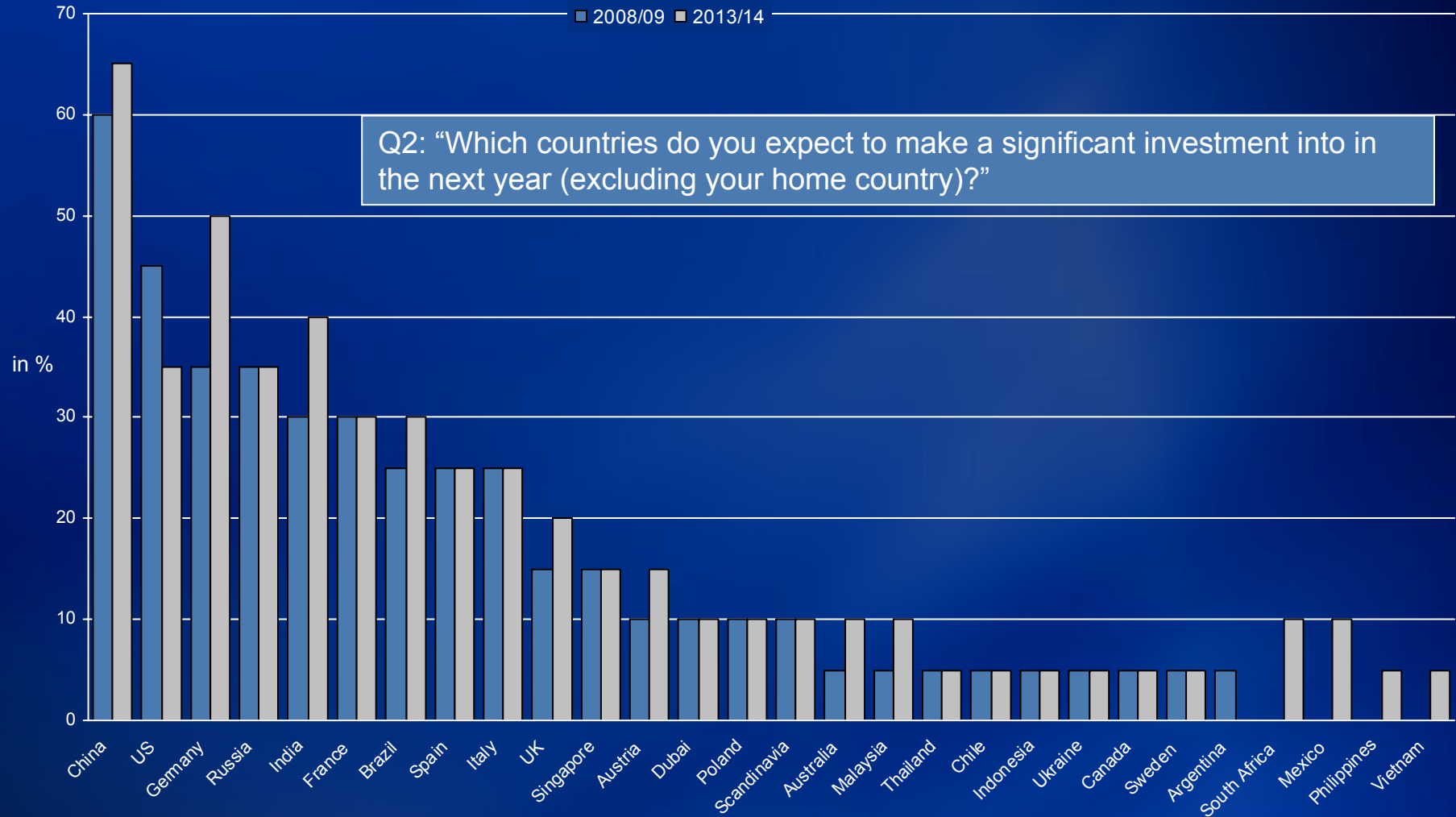
Europe

Rest of World

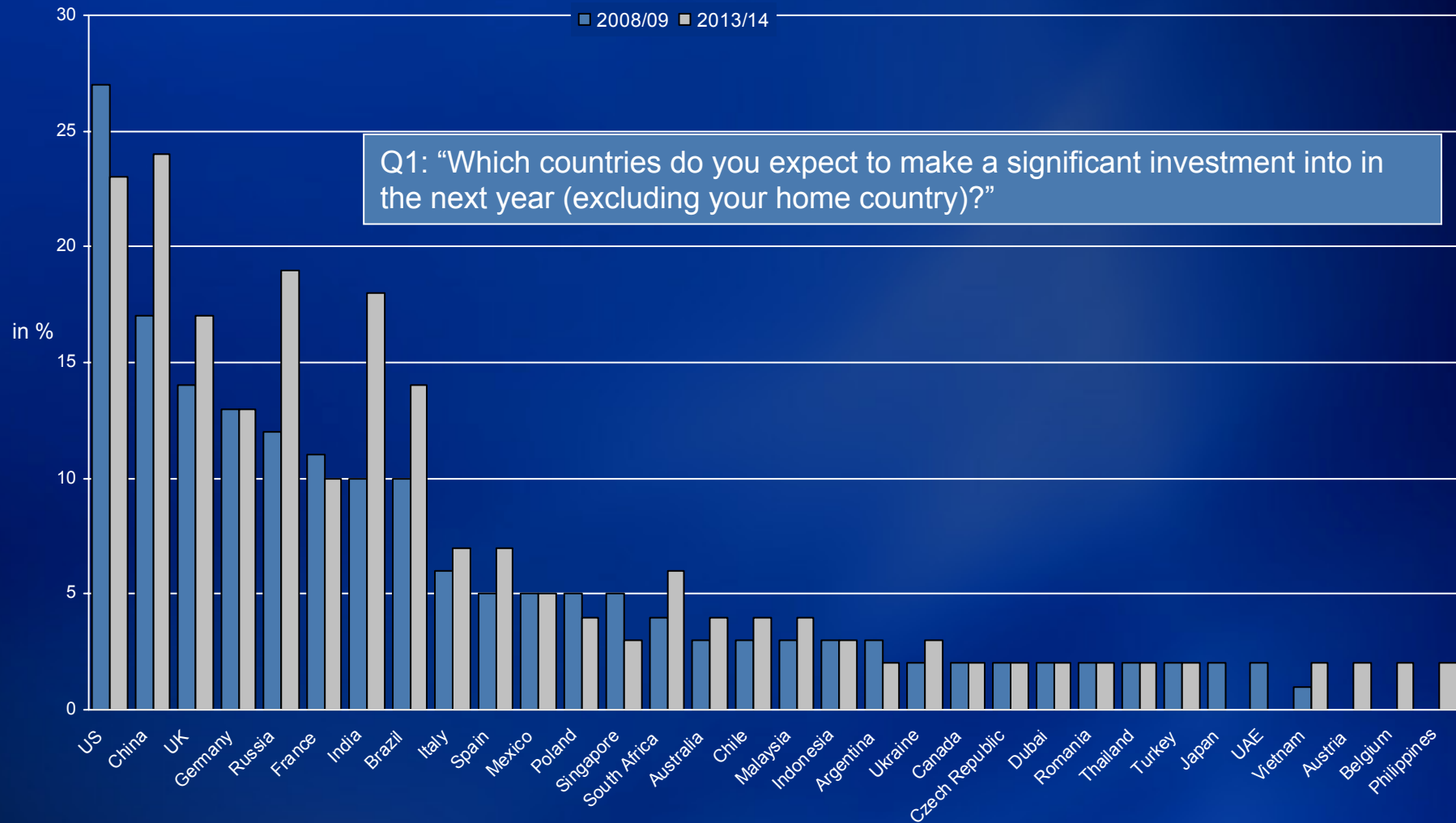


Plus 10 in-depth, qualitative interviews
 Nine with Private Equity (with international investment strategies)
 One with a Sovereign Wealth Fund

Switzerland: In five years Germany will hold the 2nd position



Global: BRIC countries are expected to increase their foreign investments, especially at the expense of the U.S.



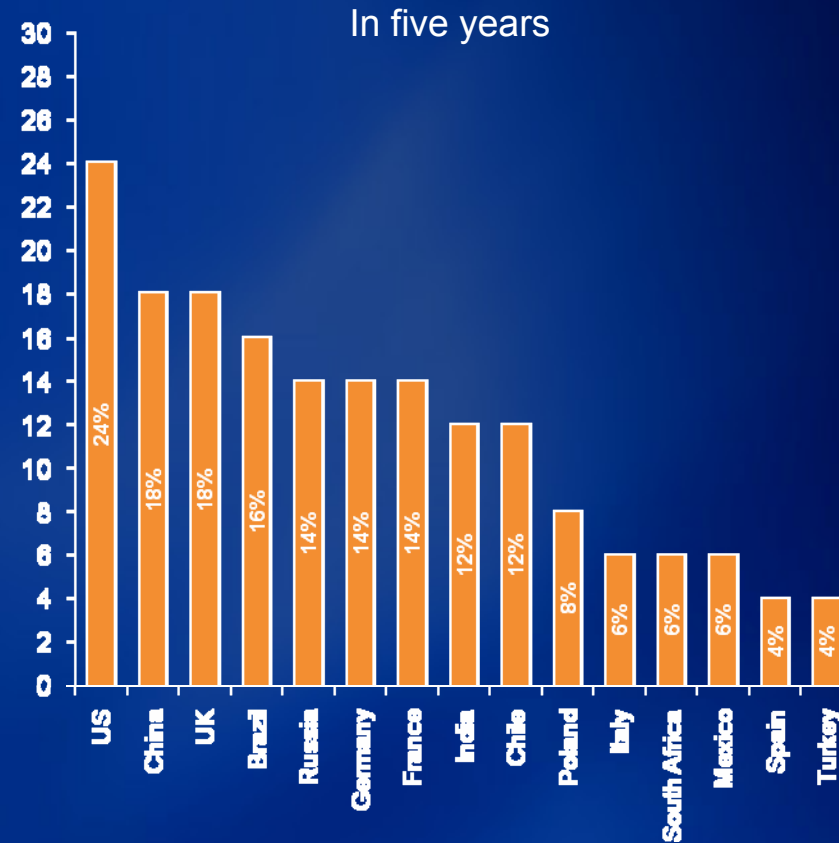
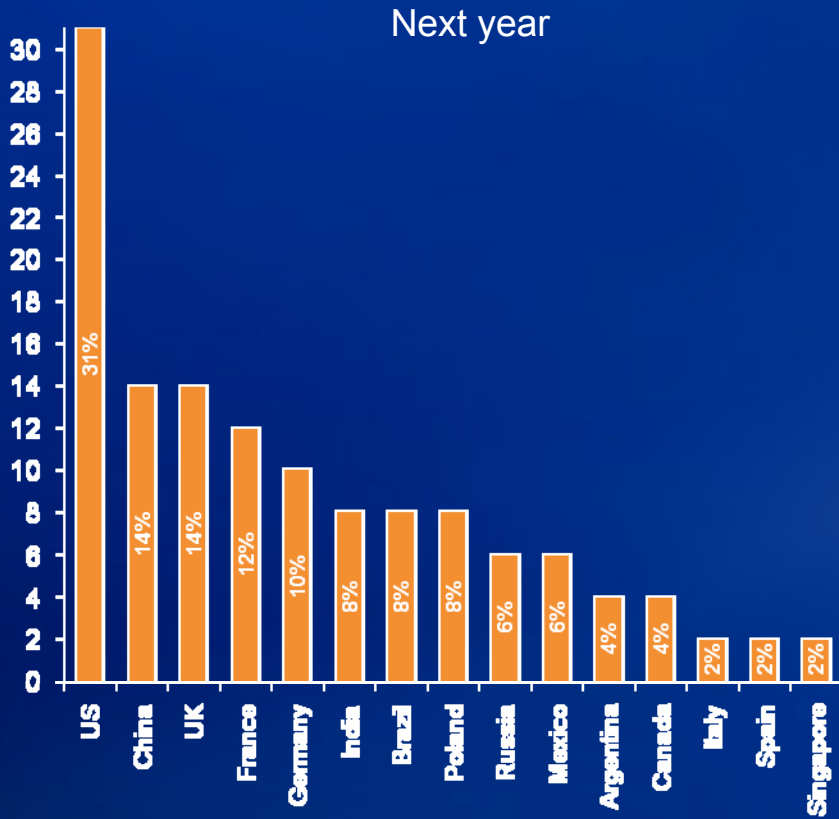
China is expected to overtake the U.S. as the world's largest recipient of foreign corporate investment



Q1: "Which countries do you expect to make a significant investment into in the next year (excluding your home country)."

Q2: "Which countries do you expect to make a significant investment into in the next five years (excluding your home country)."

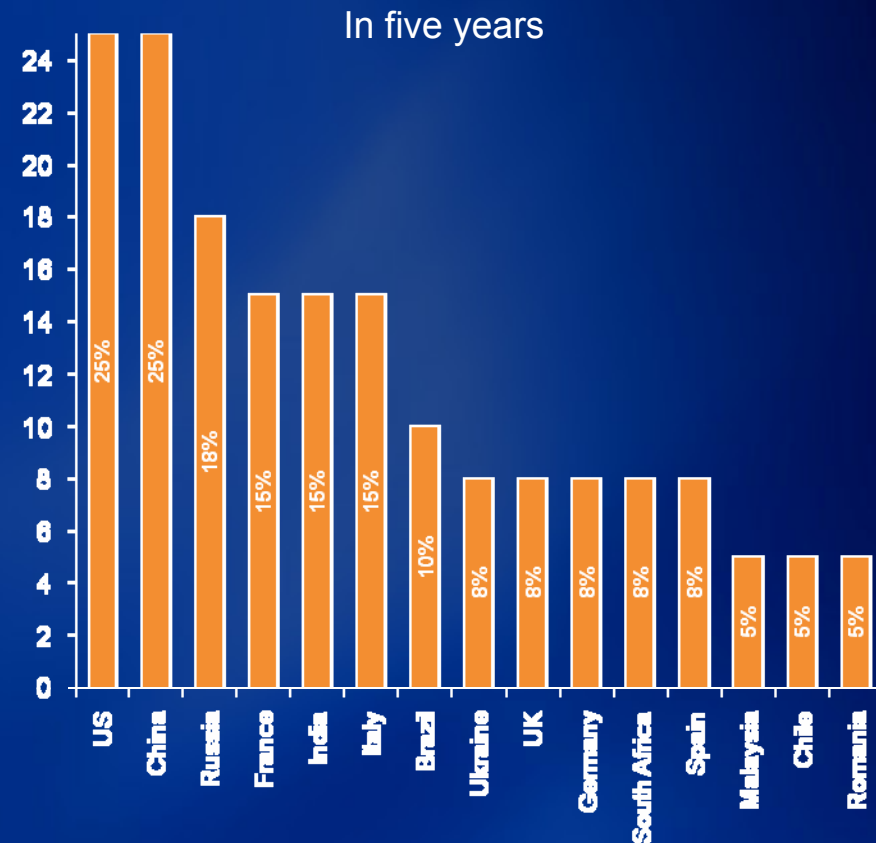
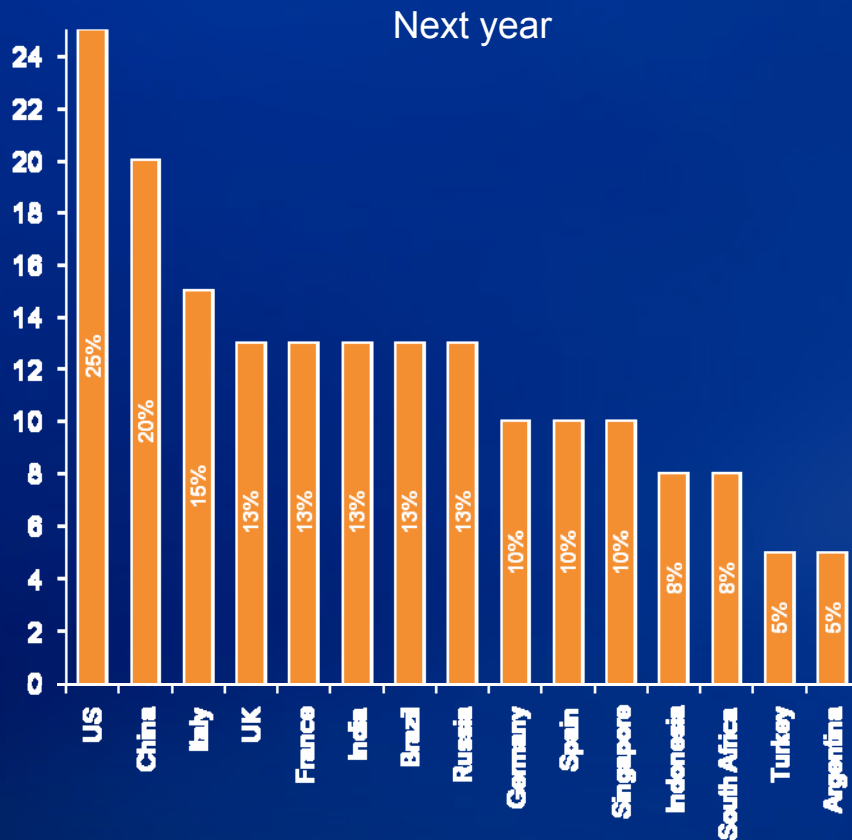
Business Services will continue to invest most into the U.S.



Q1: “Which countries do you expect to make a significant investment into in the next year (excluding your home country).”

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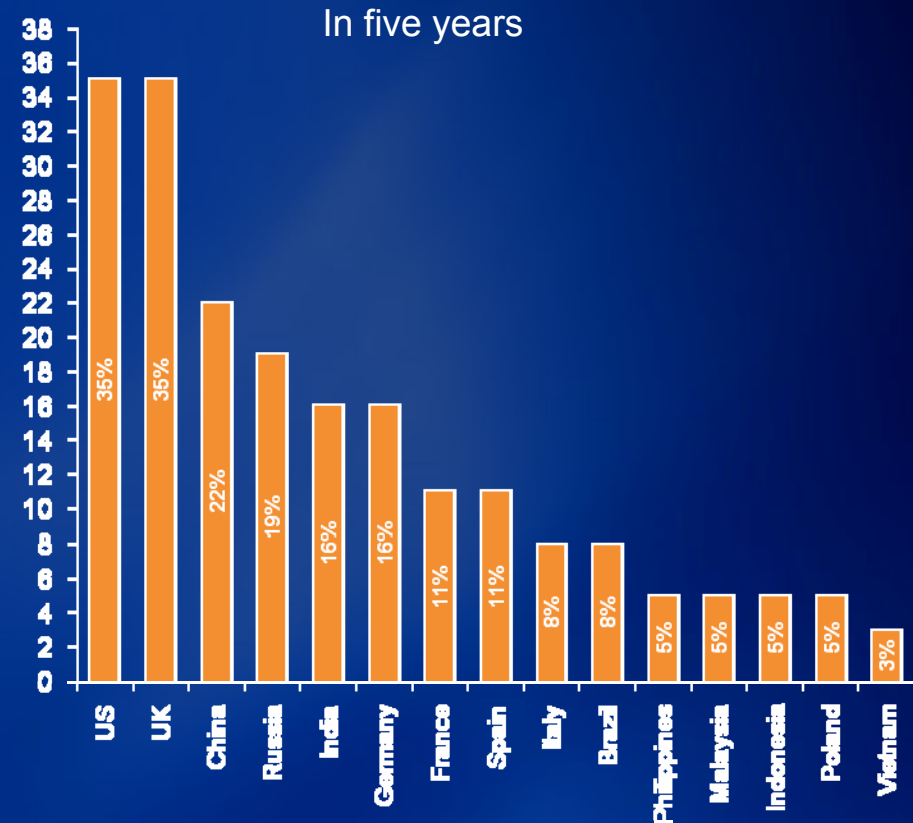
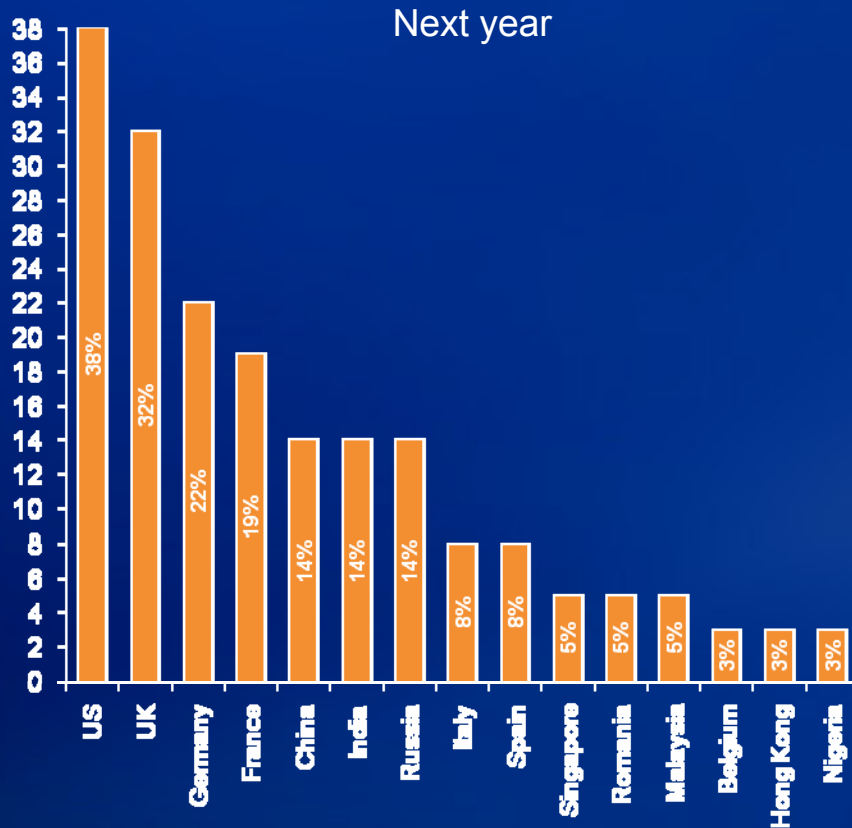
But investment in Consumer Services in China should equal that of the U.S. in five years



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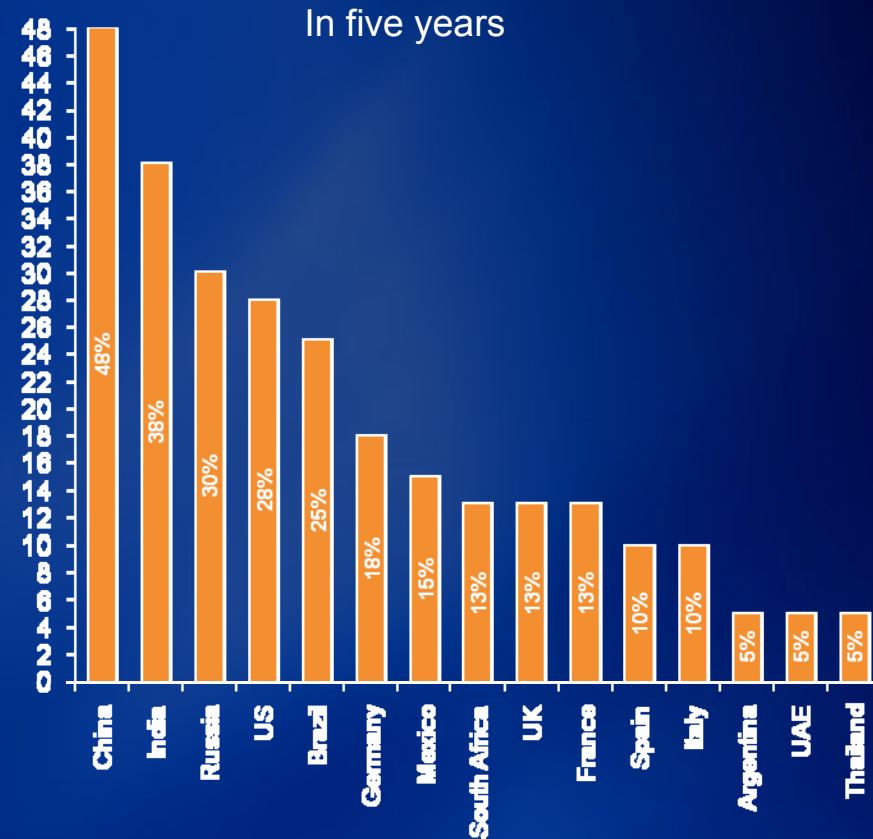
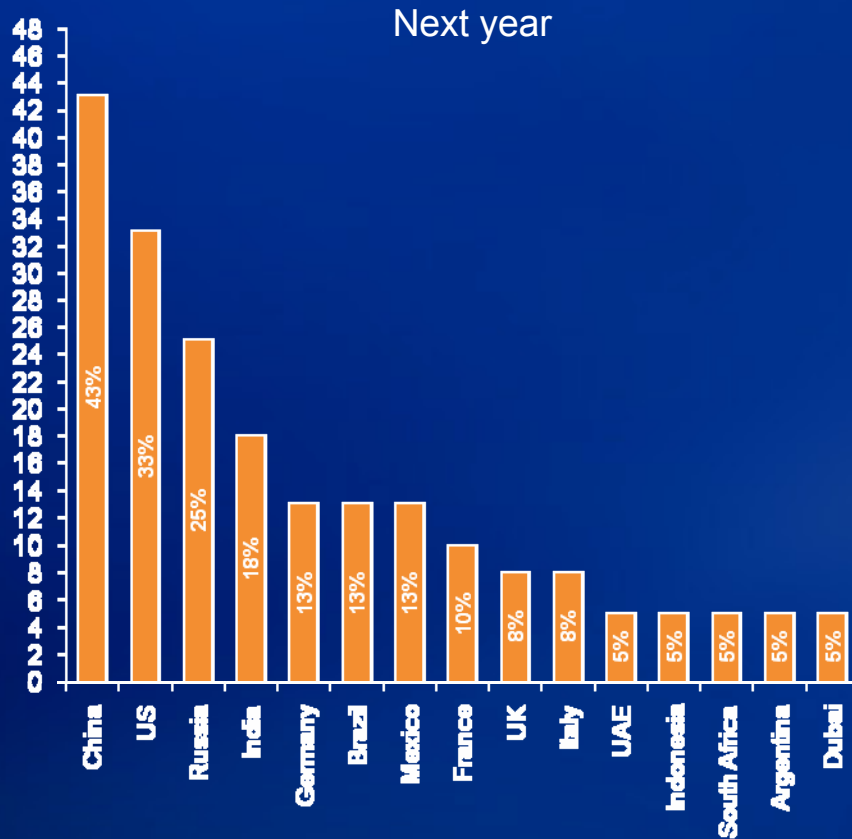
Financial Services will continue to invest in the U.S. and U.K., but China and Russia should grow



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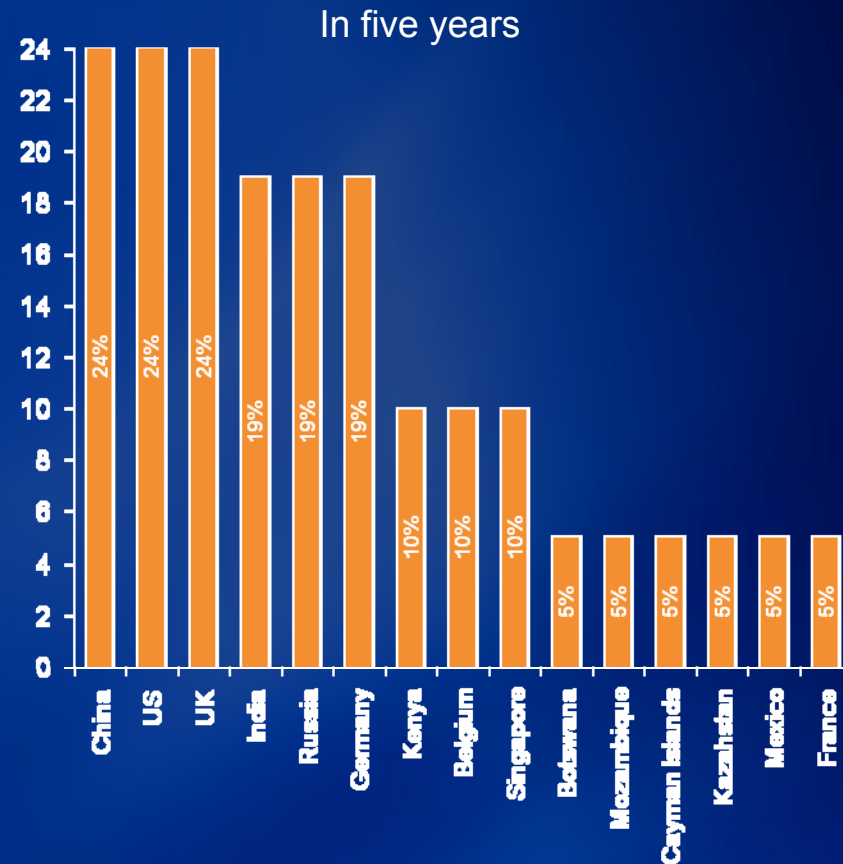
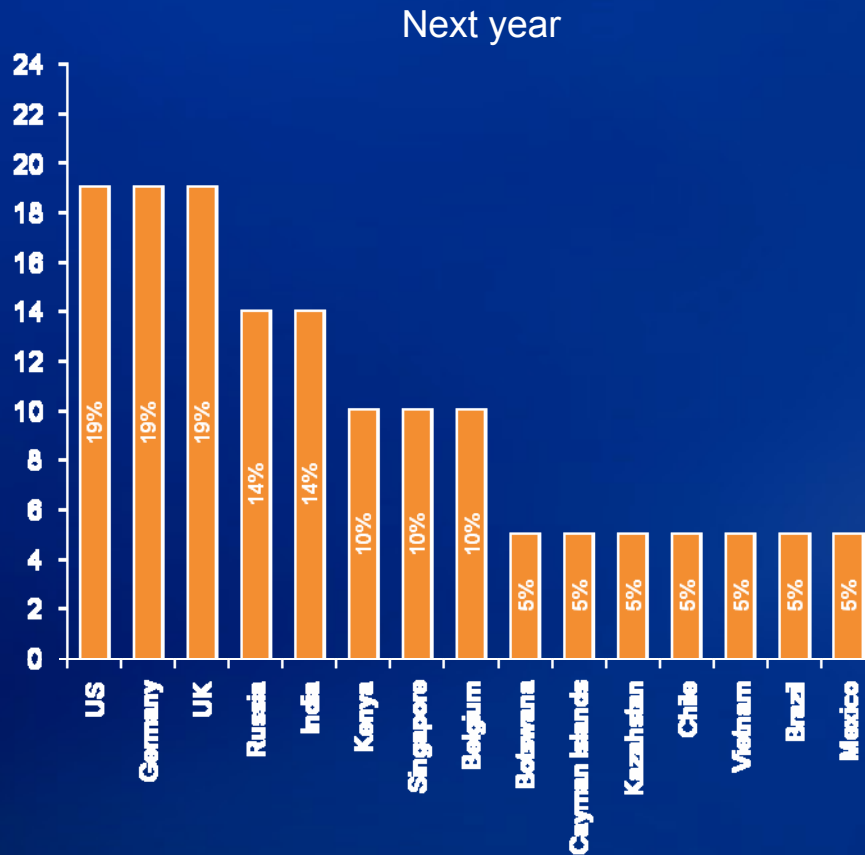
India should replace the U.S. in second place to China with investment in Industrial Products



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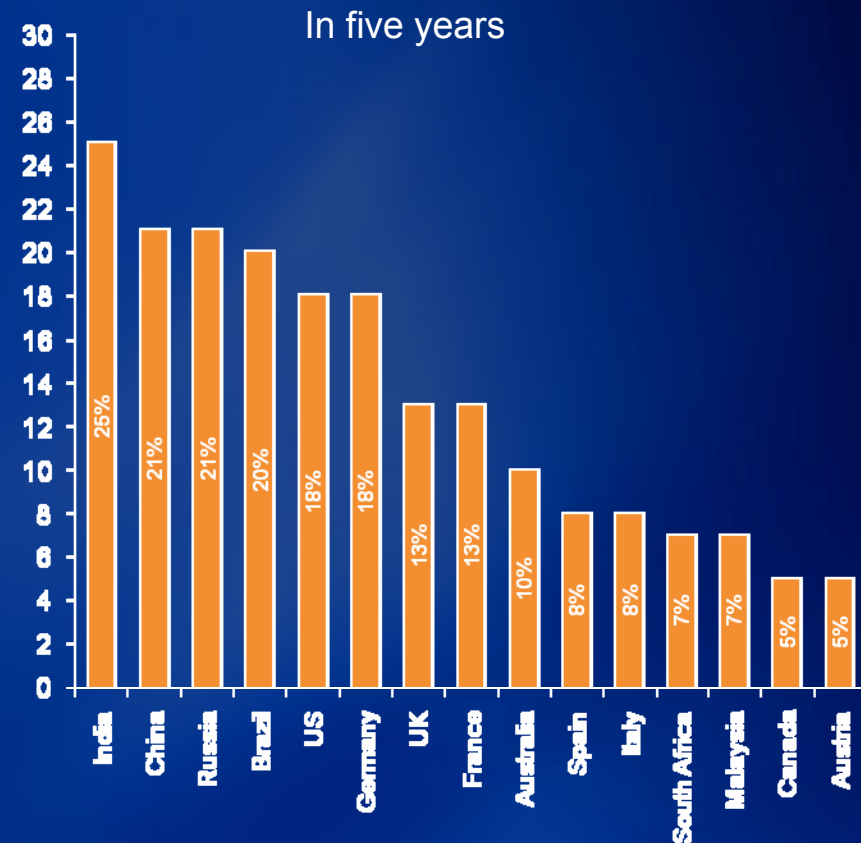
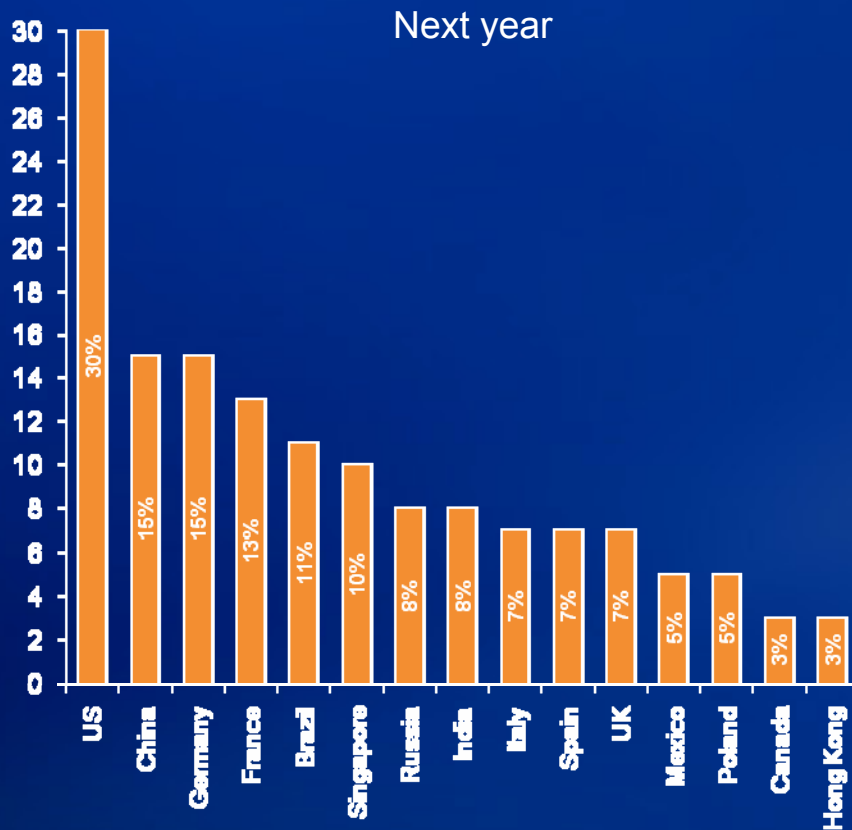
China, the U.S. and U.K. are expected to receive the same investments into their IT / Telecoms sectors



Q1: "Which countries do you expect to make a significant investment into in the next year (excluding your home country)."

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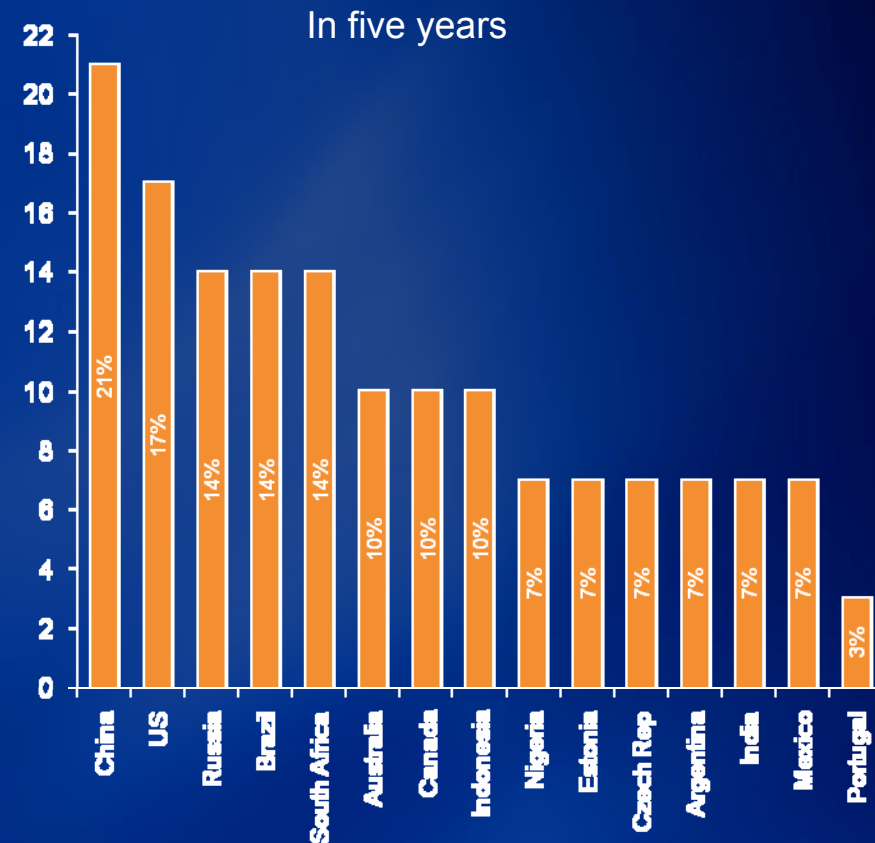
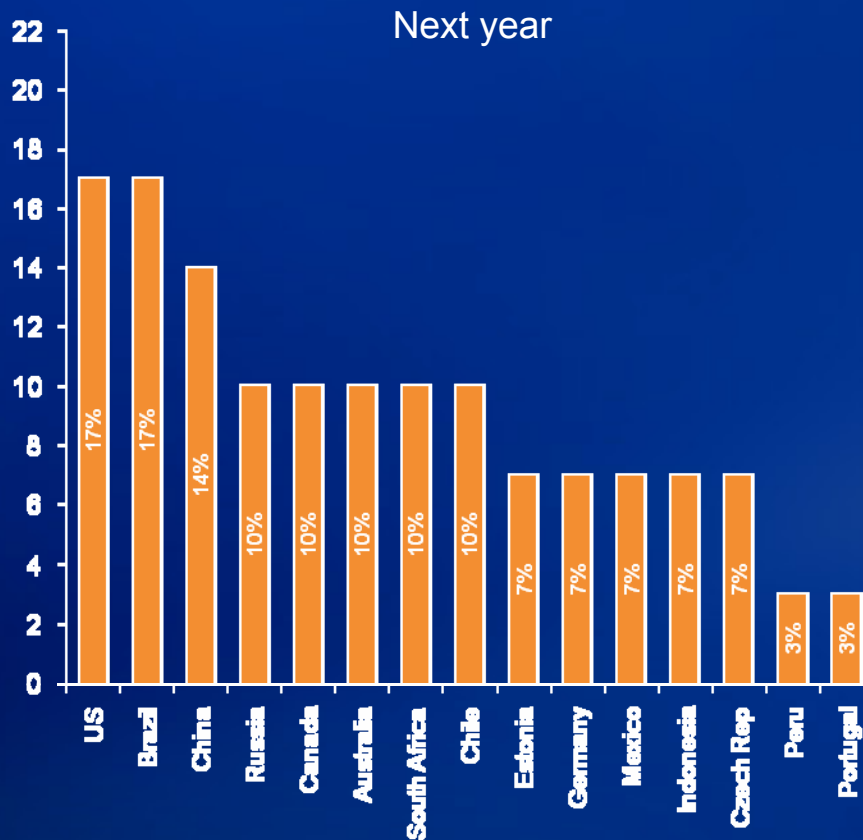
In five years, India is estimated to receive most investments in Manufacturing



Q1: "Which countries do you expect to make a significant investment into in the next year (excluding your home country)."

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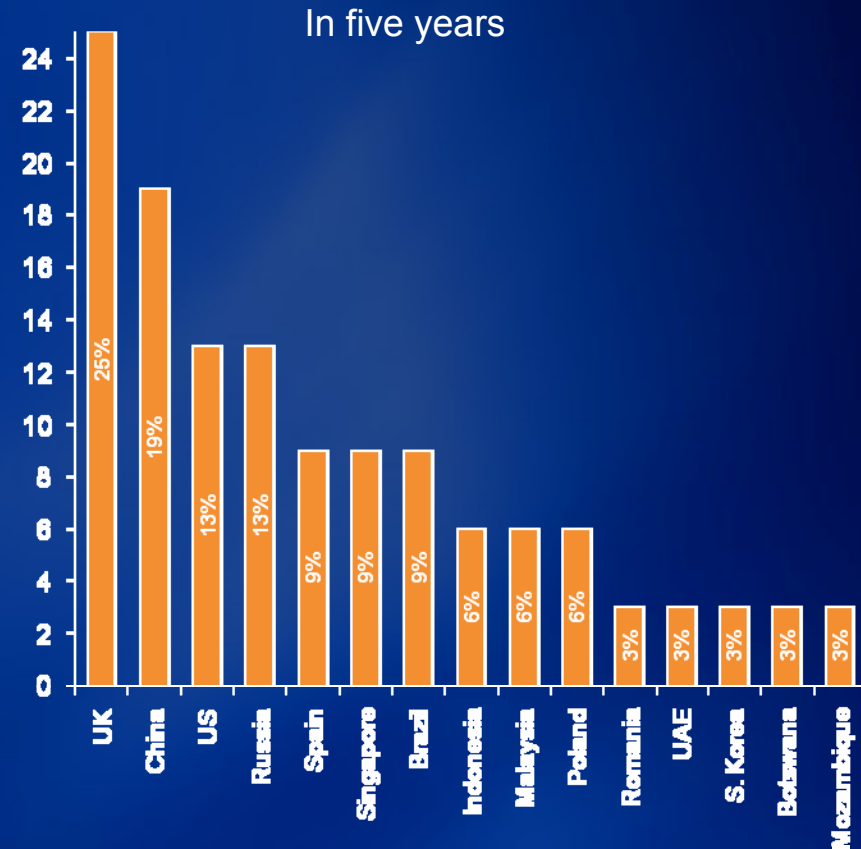
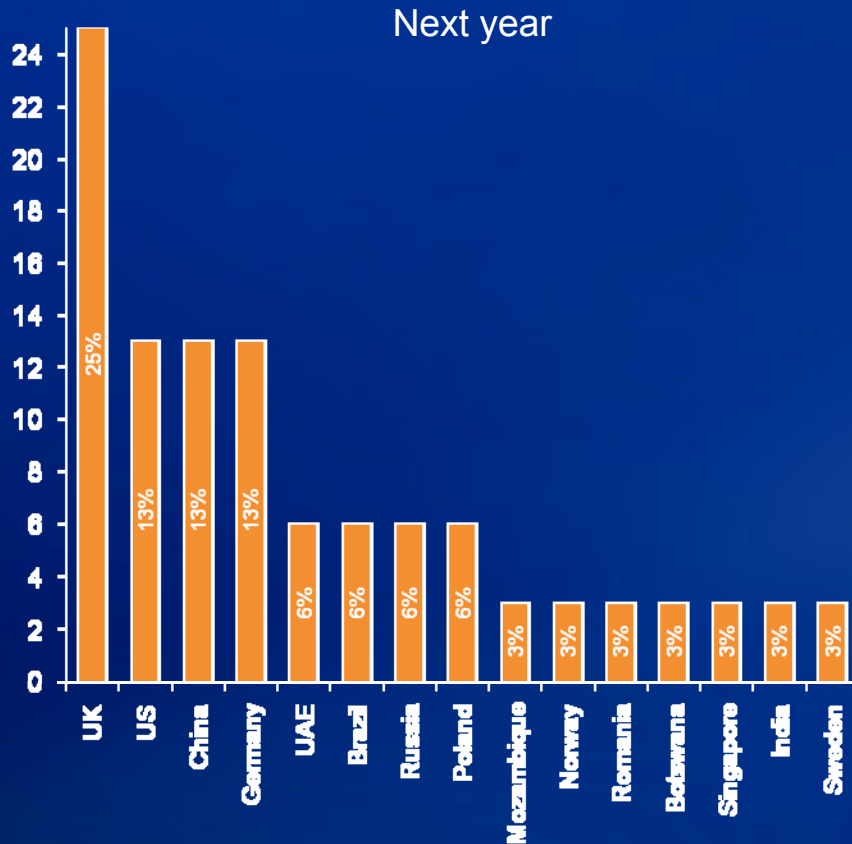
In five years, China, the U.S., Russia and Brazil are expected to be receiving most Mining / Utilities investments



Q1: "Which countries do you expect to make a significant investment into in the next year (excluding your home country)."

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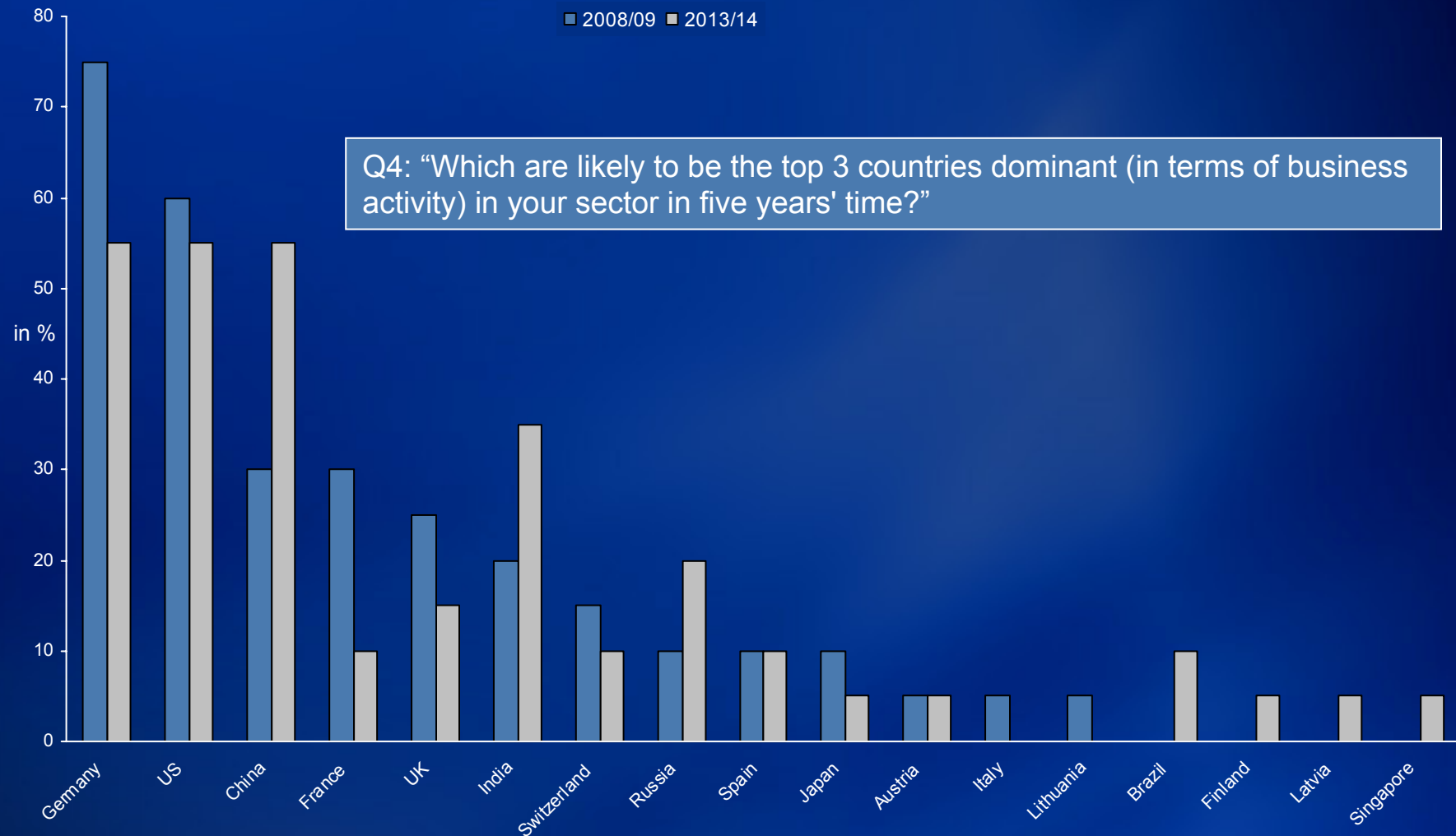
The U.K. should maintain its high level of investments in Property / Transport



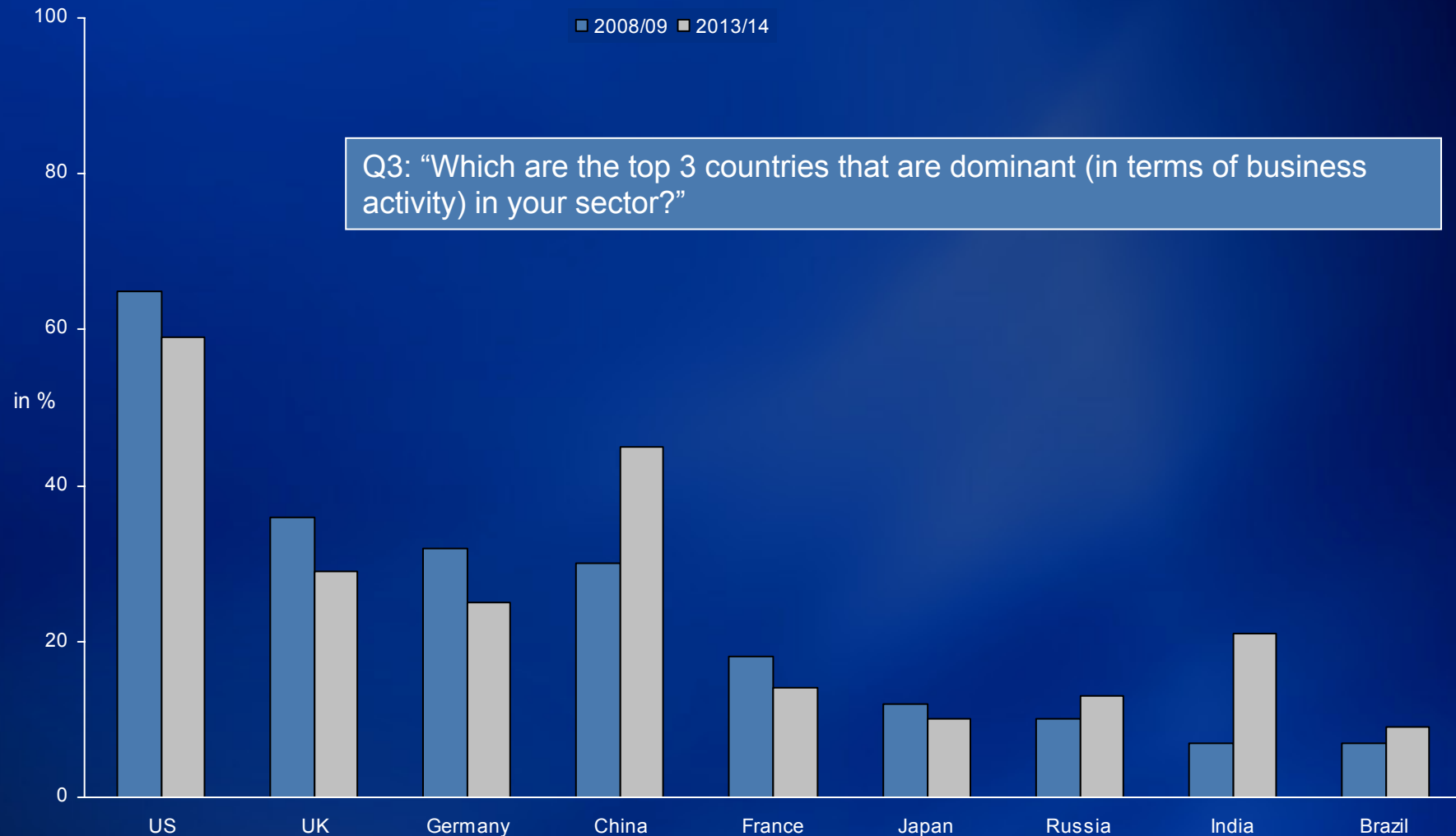
Q1: "Which countries do you expect to make a significant investment into in the next year (excluding your home country)."

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Switzerland: In five years, the dominant countries will be China, Germany and the U.S. – all on the same level



Global: In five years, the dominant country should still be the U.S., closely followed by China



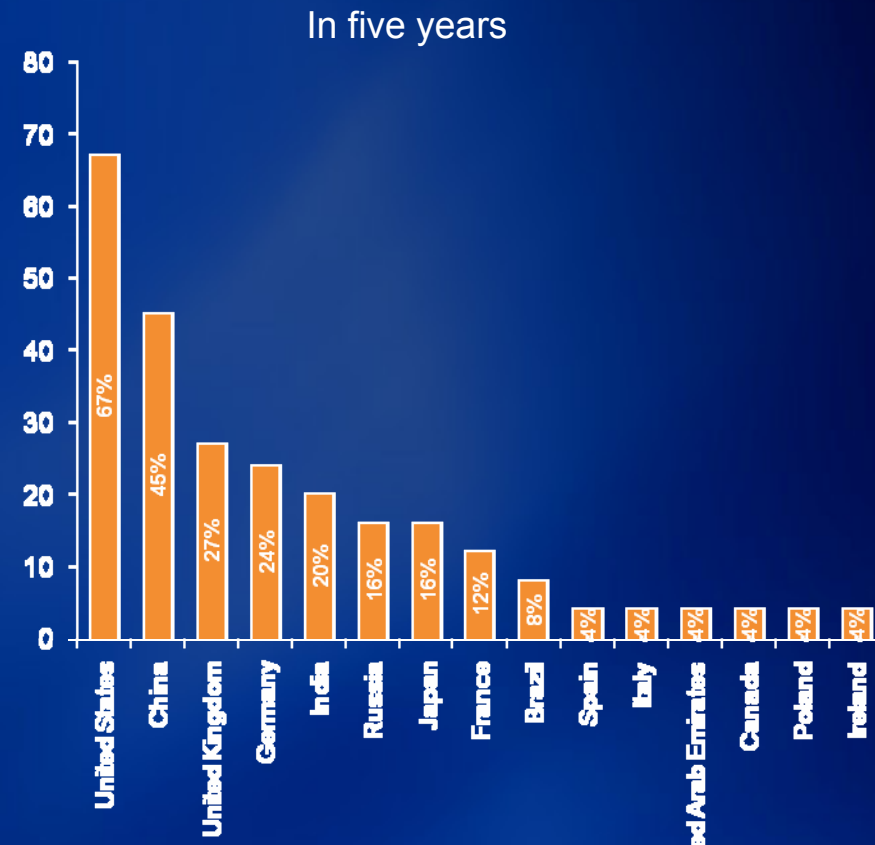
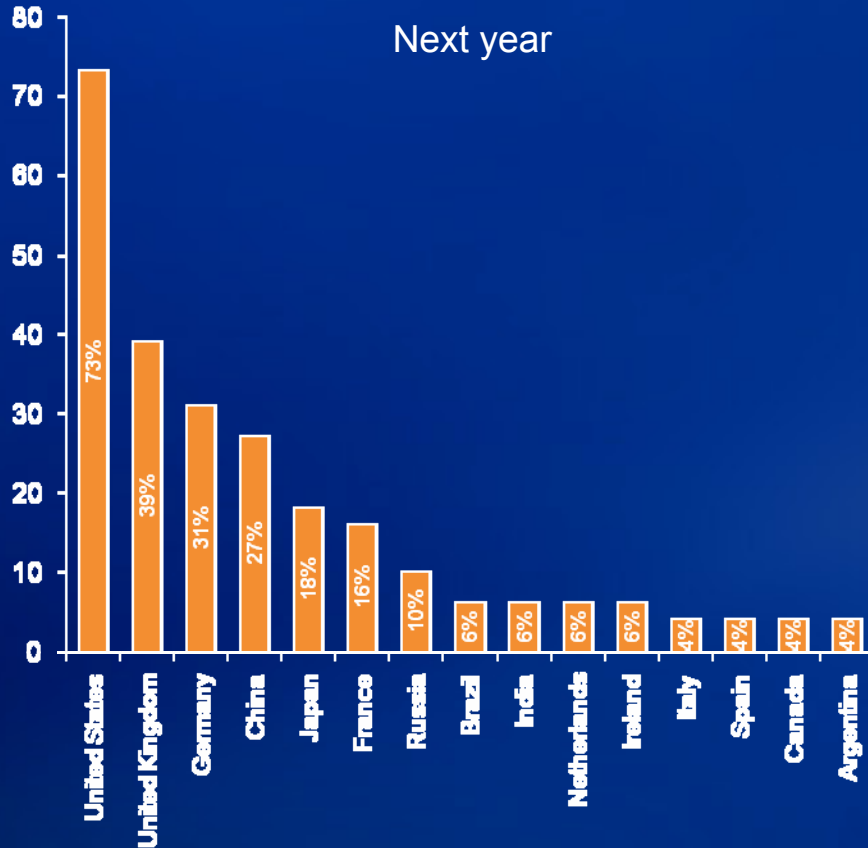
China and India will grow in their sector dominance to 2013/14



Q3: “Which are the top 3 countries that are dominant (in terms of business activity) in your sector?”

Q4: “Which are likely to be the top 3 countries dominant (in terms of business activity) in your sector in five years' time?”

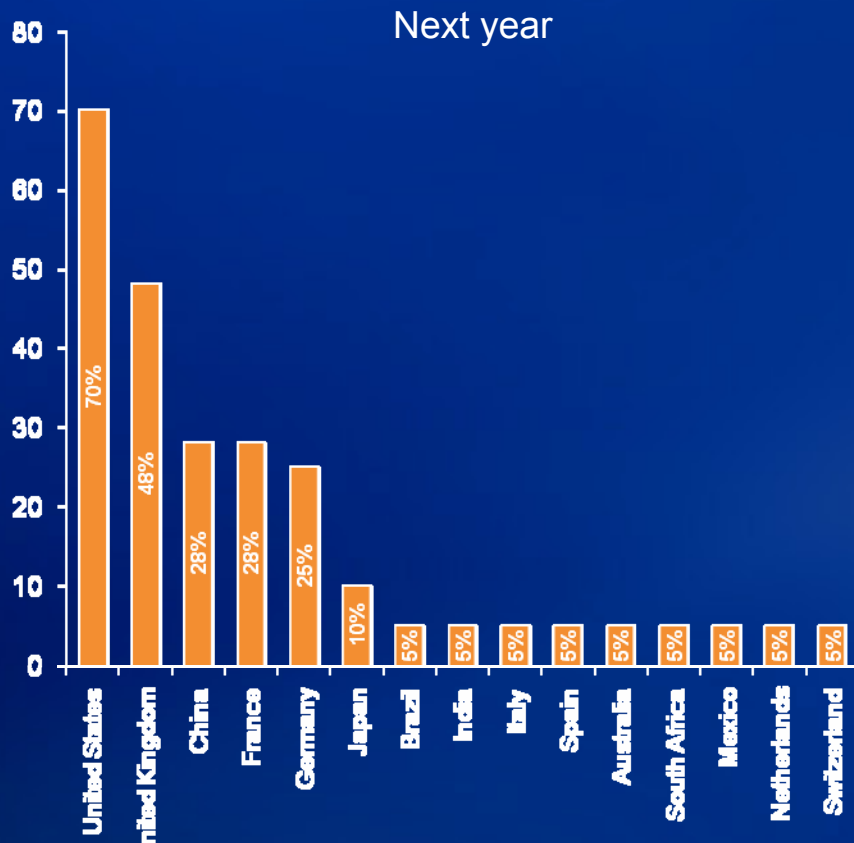
The U.S. is expected to retain dominance of Business Services, but China is likely to overtake the U.K.



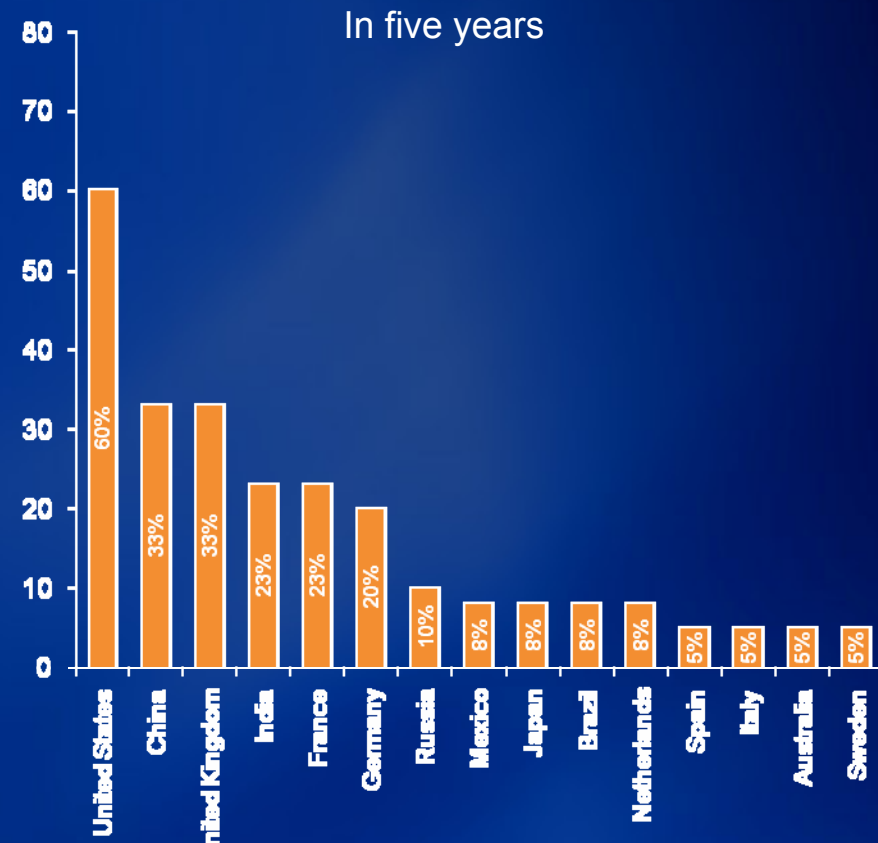
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In Consumer Services, China should reach second place, and India is expected to displace many

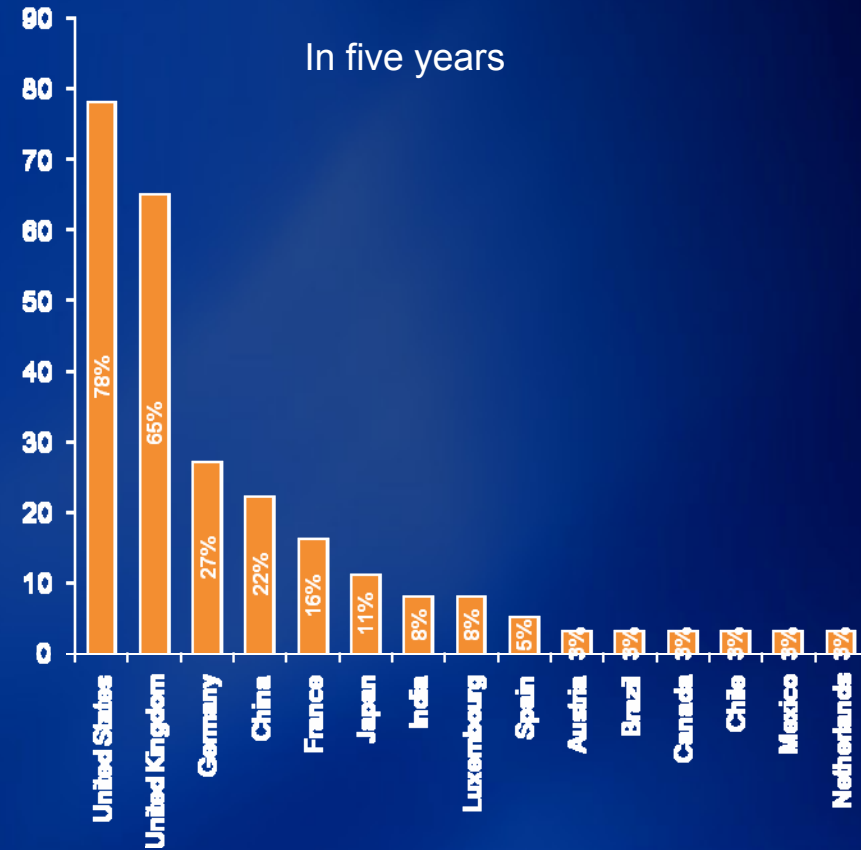
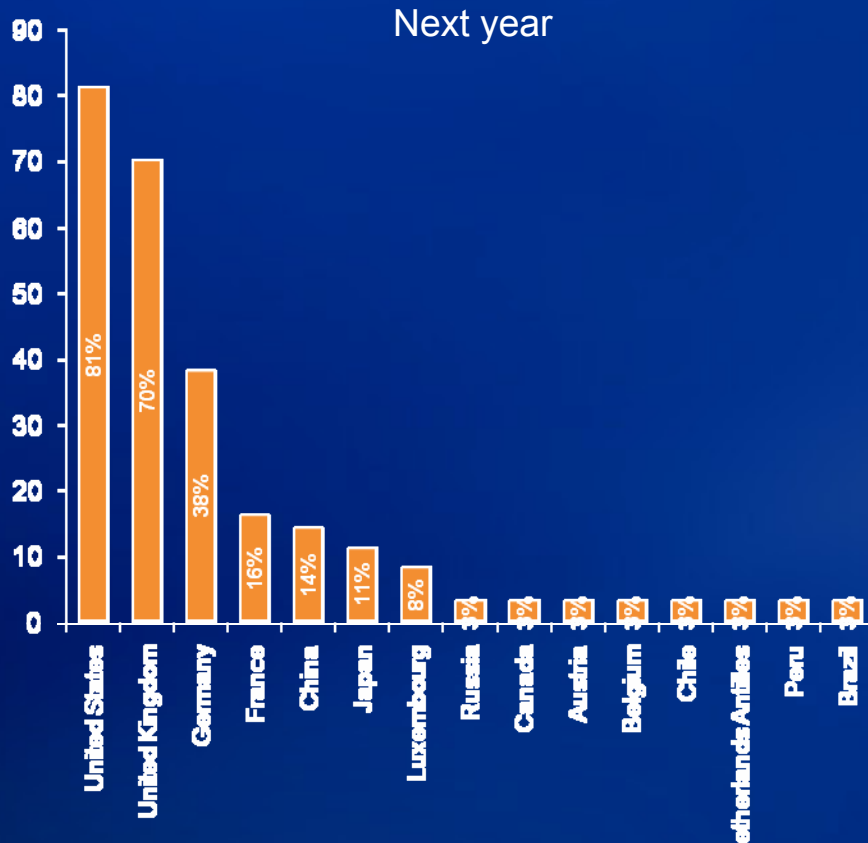


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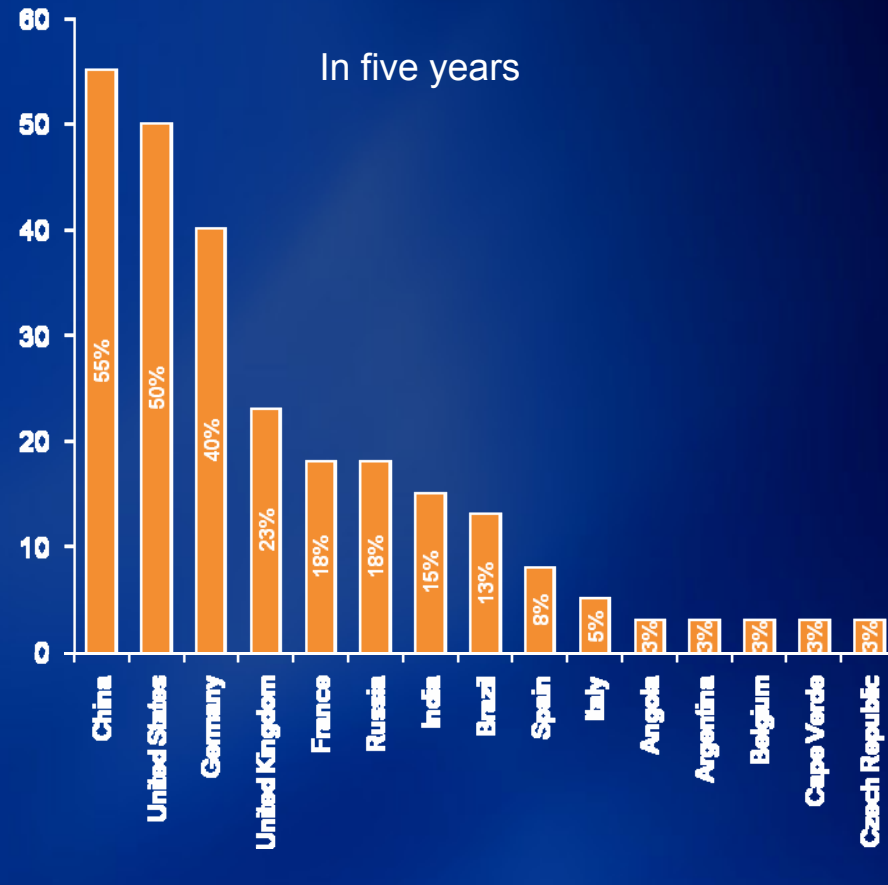
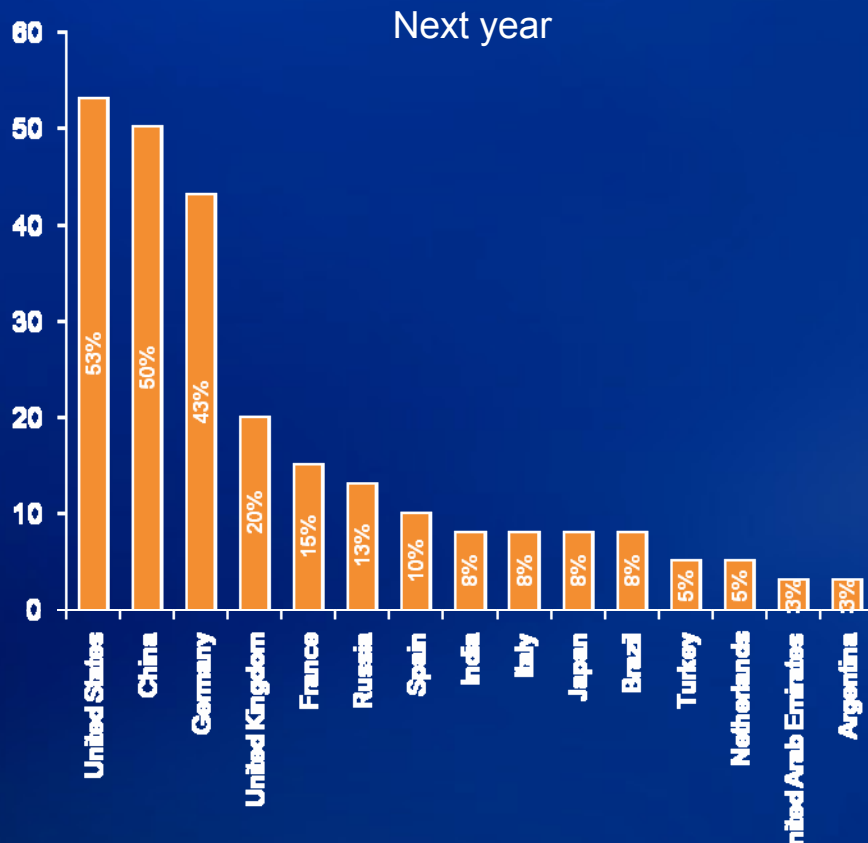
The U.S. and U.K. are expected to retain their dominance of Financial Services for the next five years



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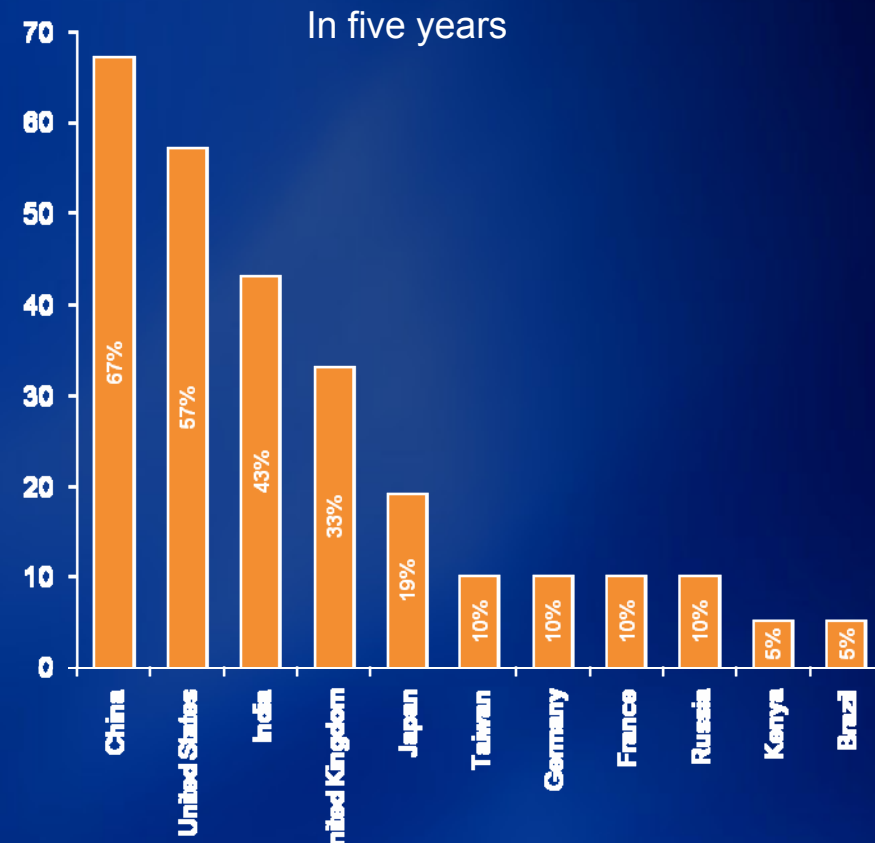
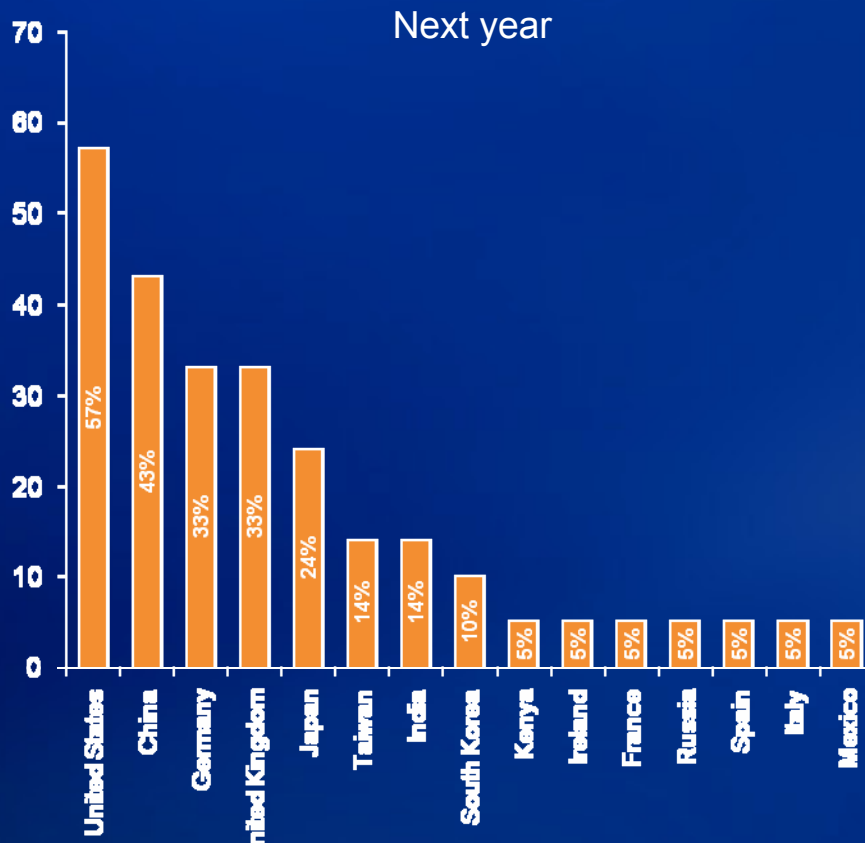
And in the Industrial Products sector, China should also be dominant



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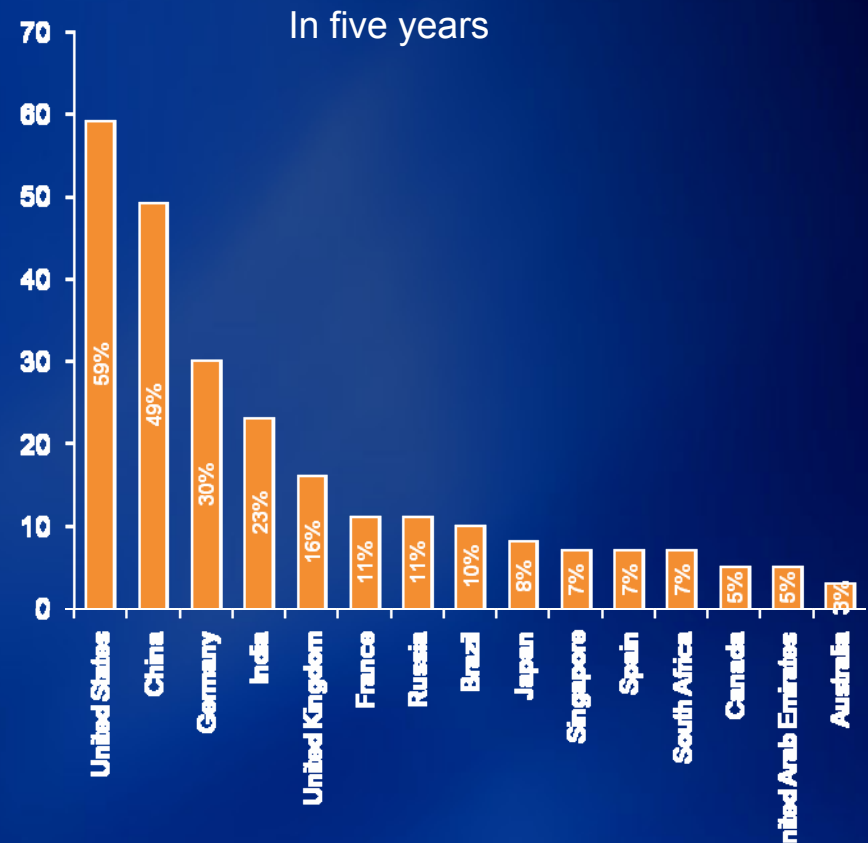
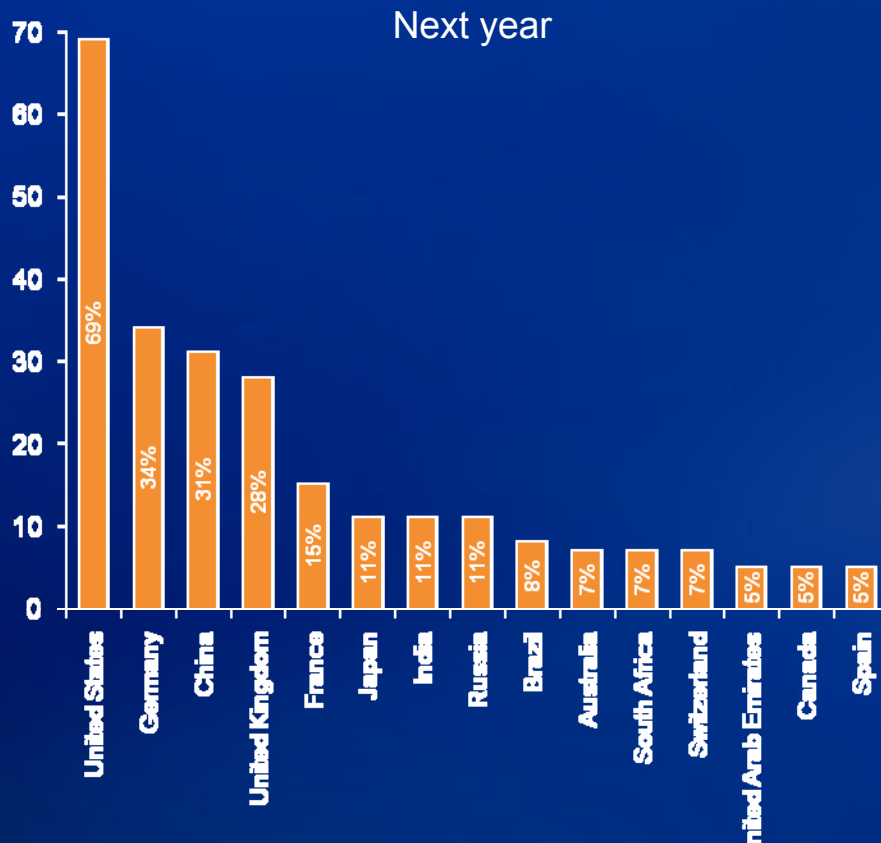
In IT / Telecoms too, China should become the dominant country, replacing the U.S.



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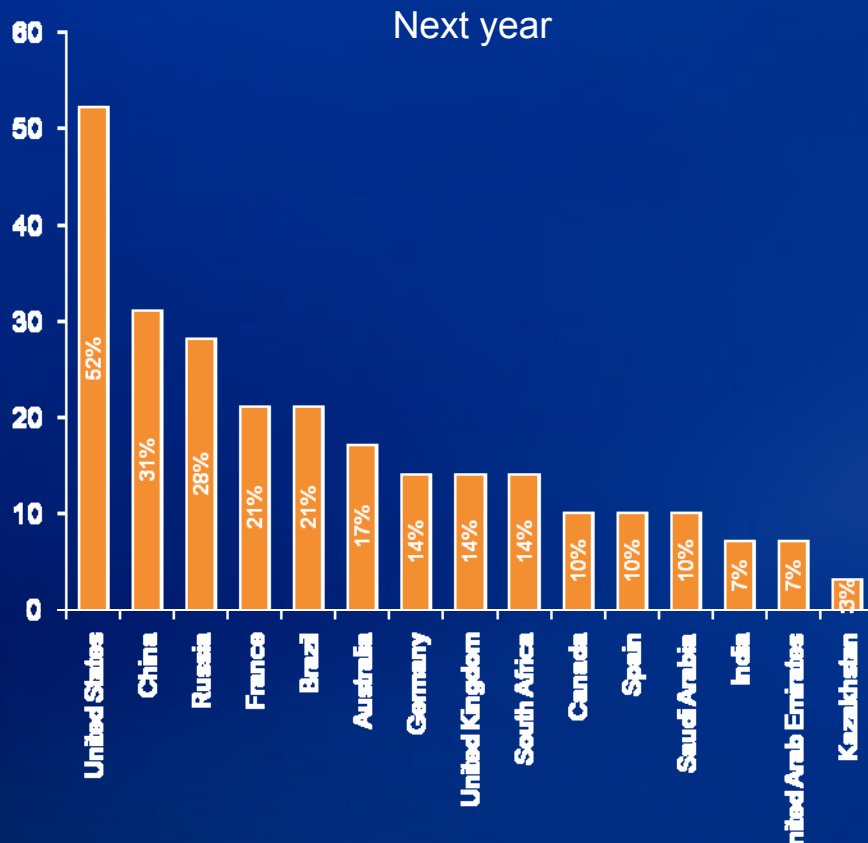
China is expected to overtake Germany and become close to the U.S. in dominance of Manufacturing



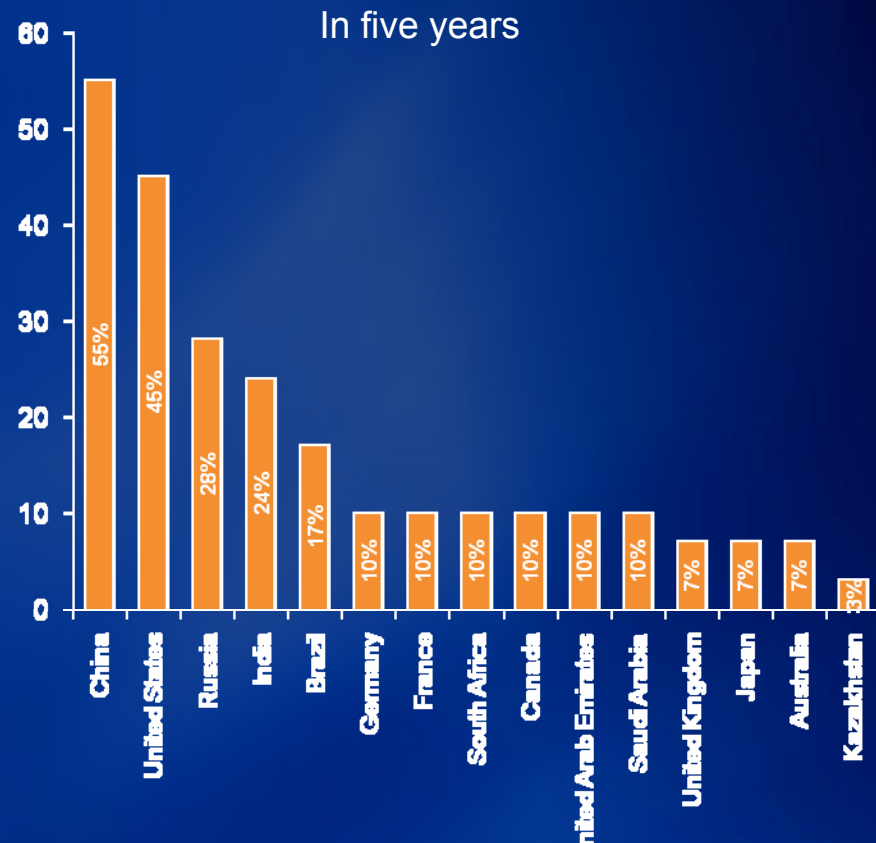
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In five years, China is expected to be the dominant country in the Mining / Utilities sector

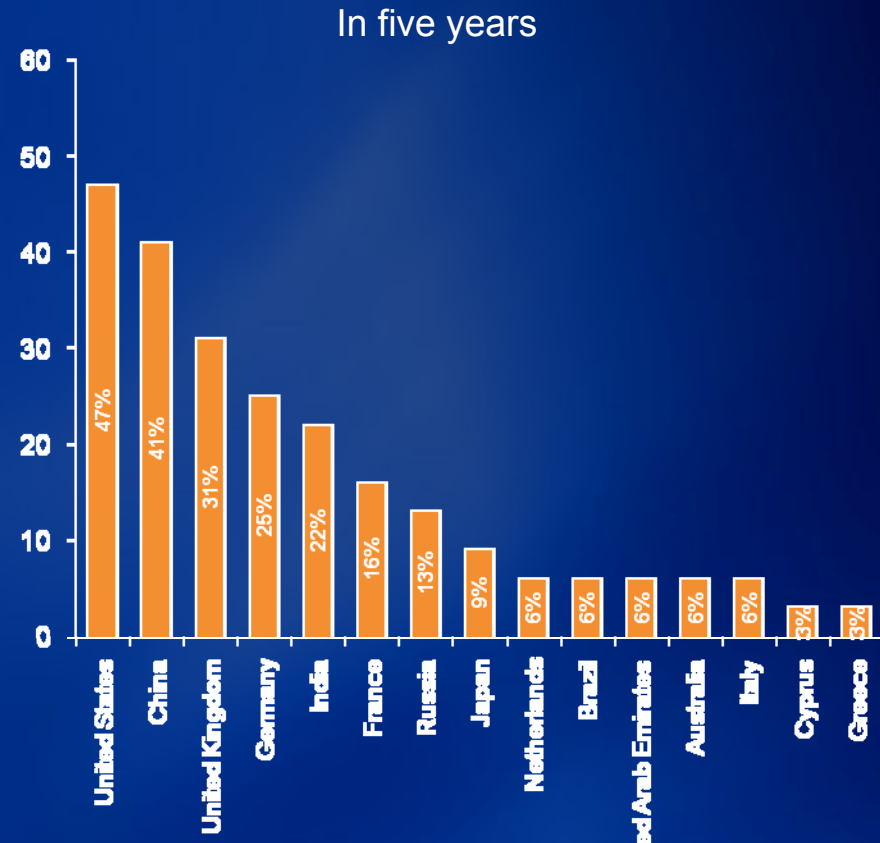
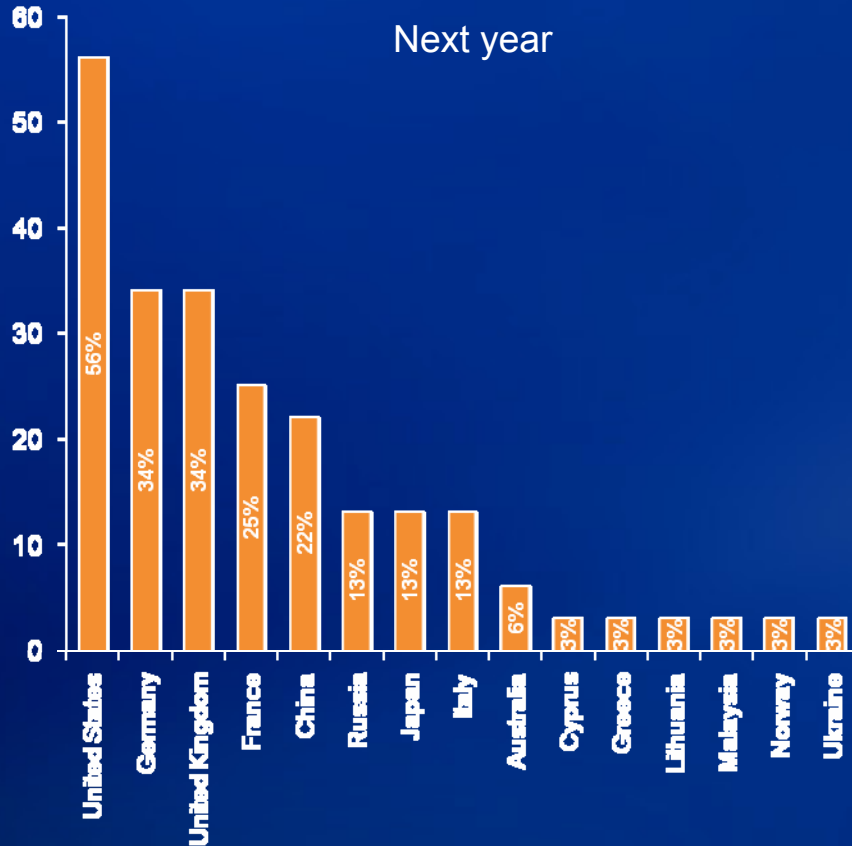


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China should move from fifth to a close second position in the Property / Transport sector

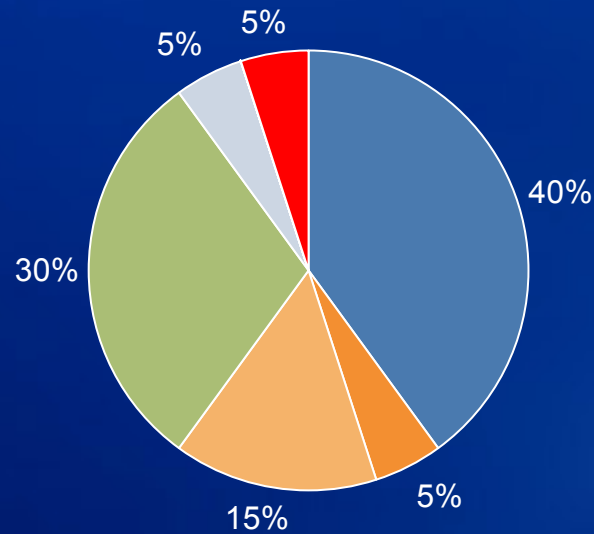


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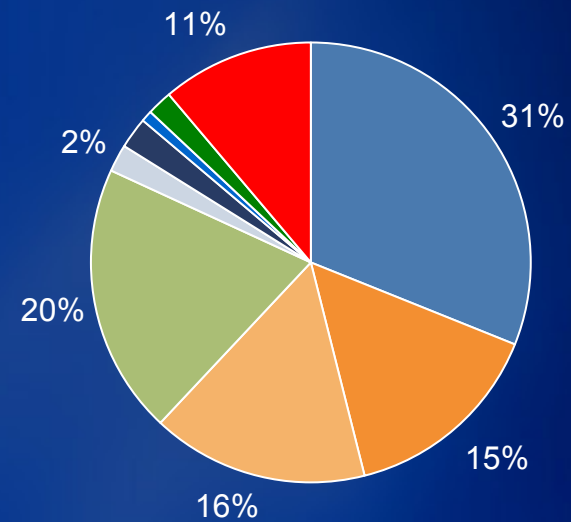
Q4: "Which are likely to be the top 3 countries dominant (in terms of business activity) in your sector in five years' time?"

Much of the capital today comes from trade players

Switzerland



World

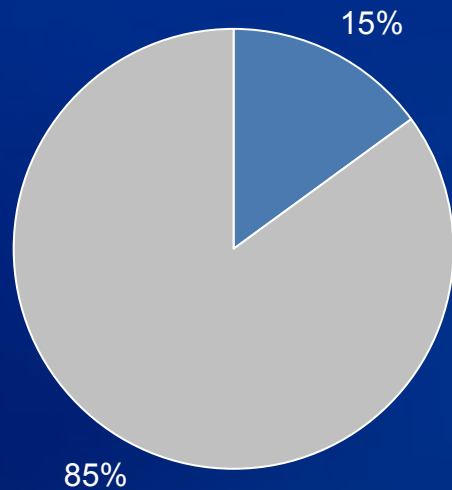


- Trade buyers seeking to consolidate
- Trade buyers seeking to diversify
- Portfolio/ strategic investors
- Private equity investors
- Sovereign wealth funds
- Direct competitors
- Combination / mixture of above
- Other
- None

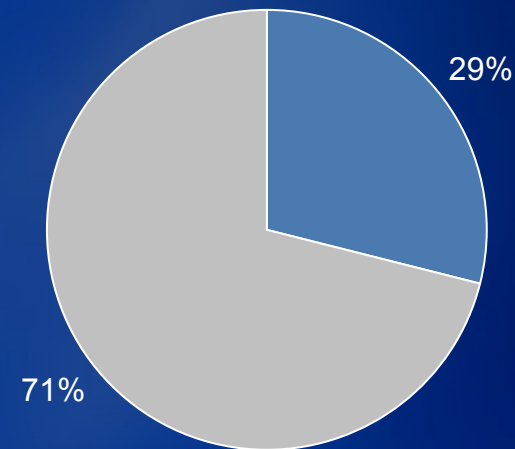
Q5: Who do you most often expect to find yourself bidding against, if you are considering an overseas acquisition?

Globalization has already taken place for many large businesses – Swiss businesses are more global than others

Switzerland



World

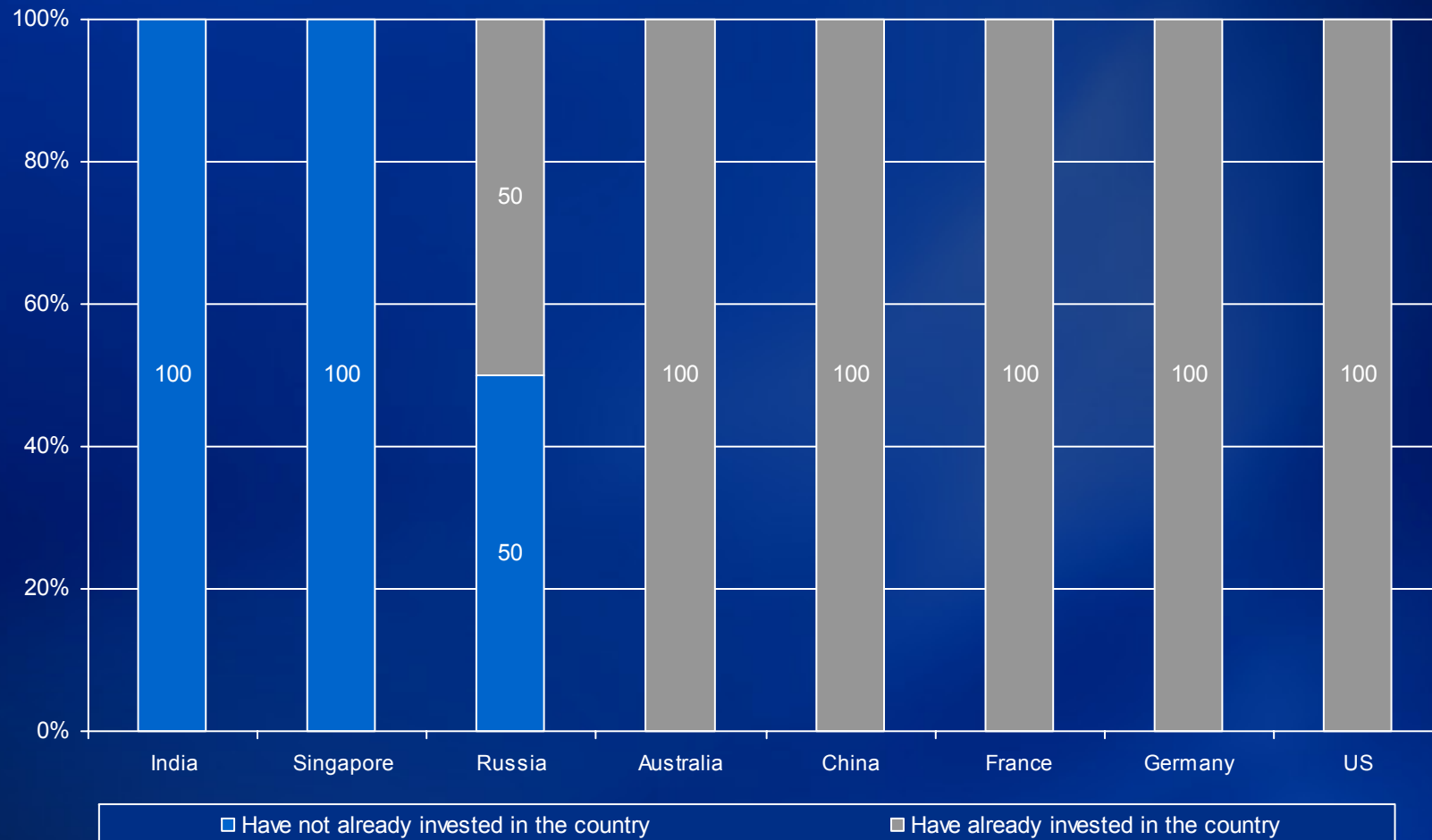


■ Yes ■ No

Q6: "Will this investment be your first entrance to the country you're investing in?"

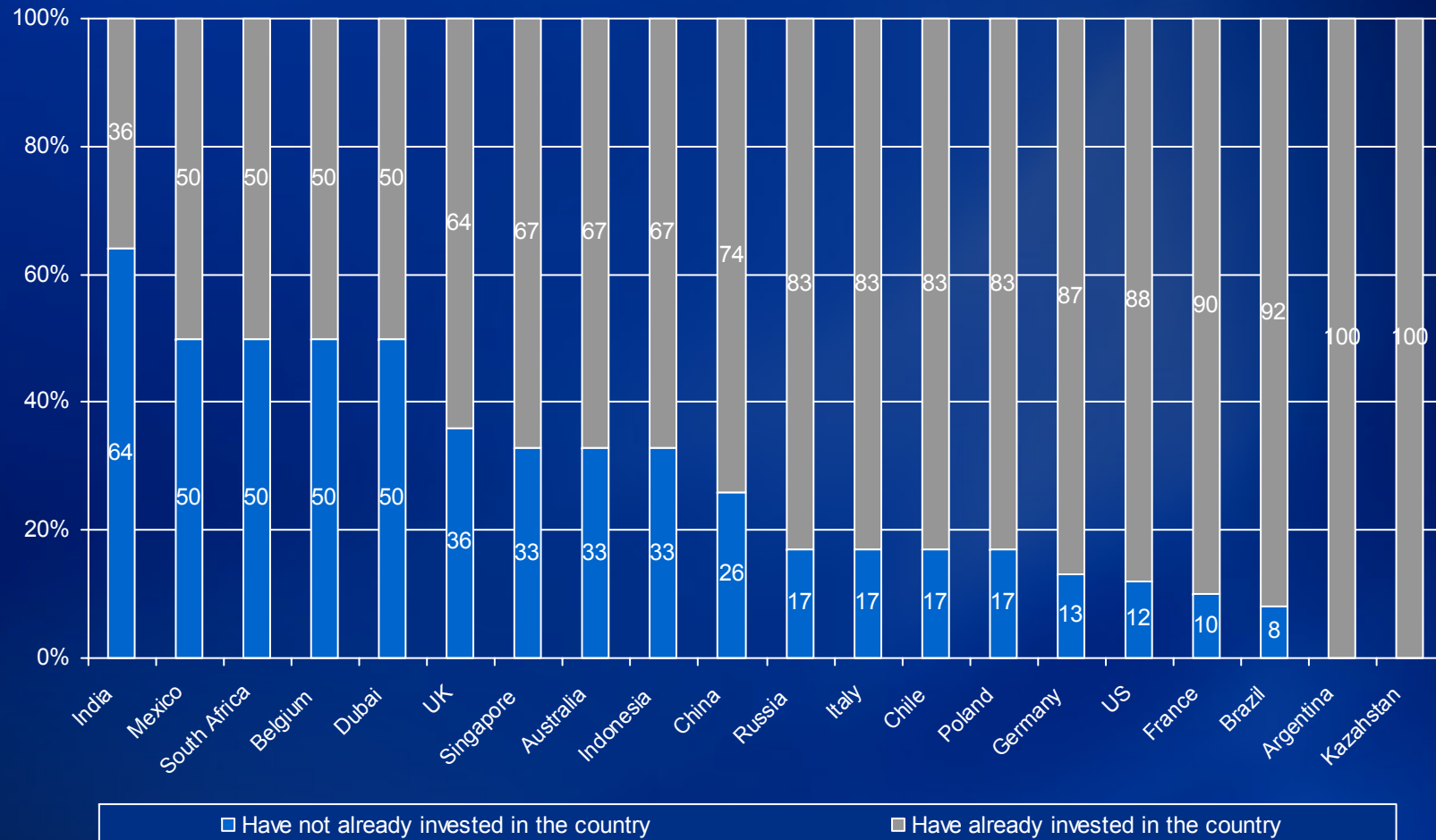
Switzerland: There is a wave of new money destined for some countries, including India, Singapore and Russia

Q6: "Will this investment be your first entrance to the country you're investing in?"



Worldwide: There is a wave of new money destined for some countries, incl. India, Mexico, S. Africa, Belgium and Dubai

Q6: "Will this investment be your first entrance to the country you're investing in?"

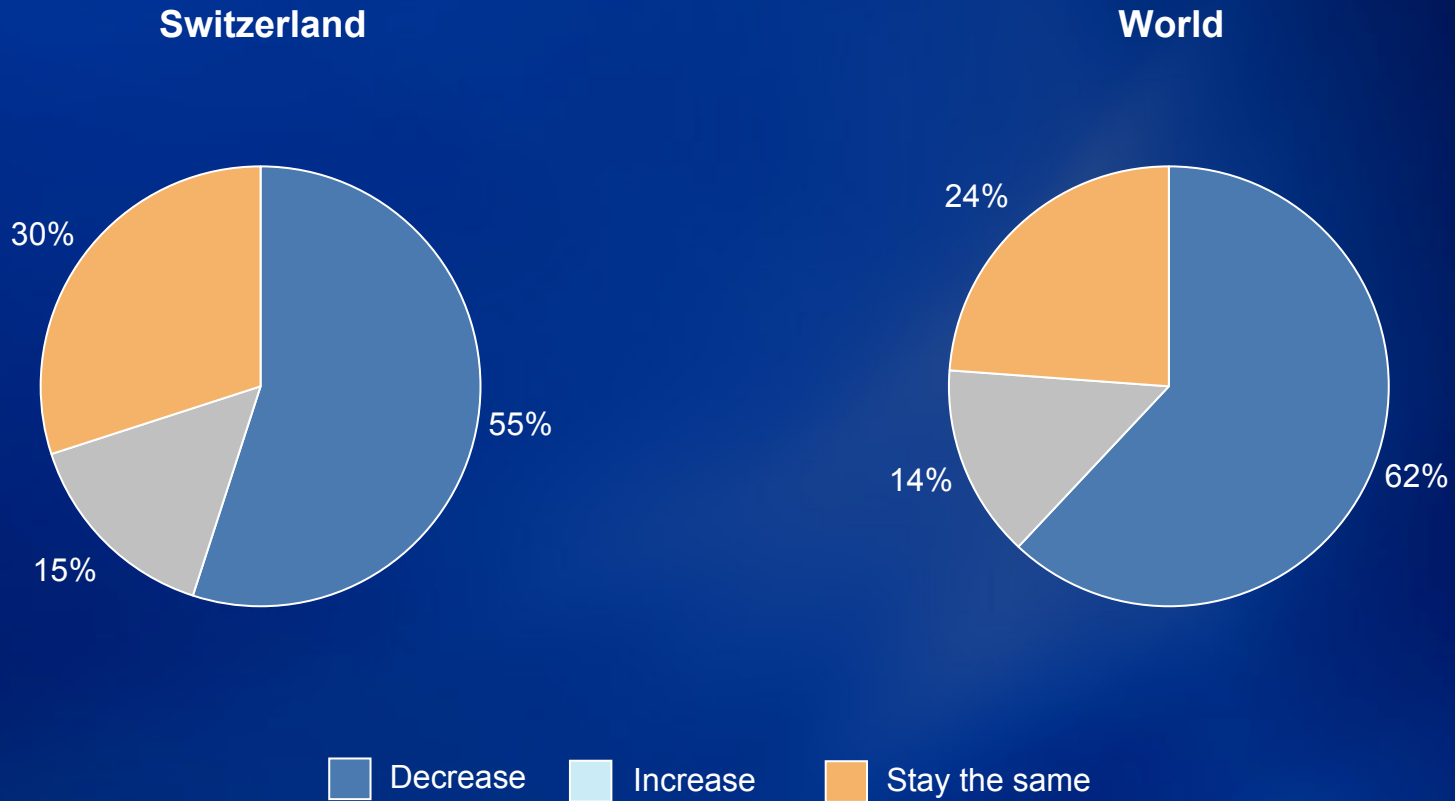


Inward investment is funded partly from new money – in Switzerland a significant amount comes from reinvested profits



Q7: "Will the investment be funded from profits generated from existing investments in the country you're investing in?"

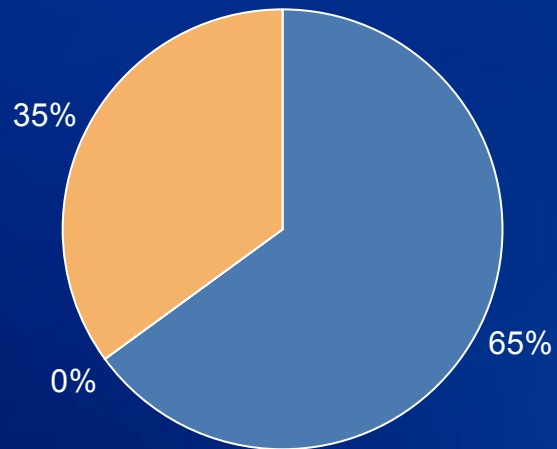
The influence of Private Equity is likely to increase



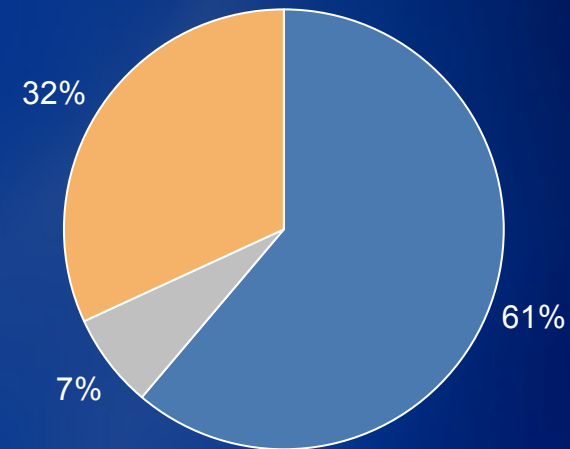
Q8: "Looking ahead 5 years, do you believe that the influence of Private Equity on global investments will ..."

And the influence of Sovereign Wealth Funds too

Switzerland



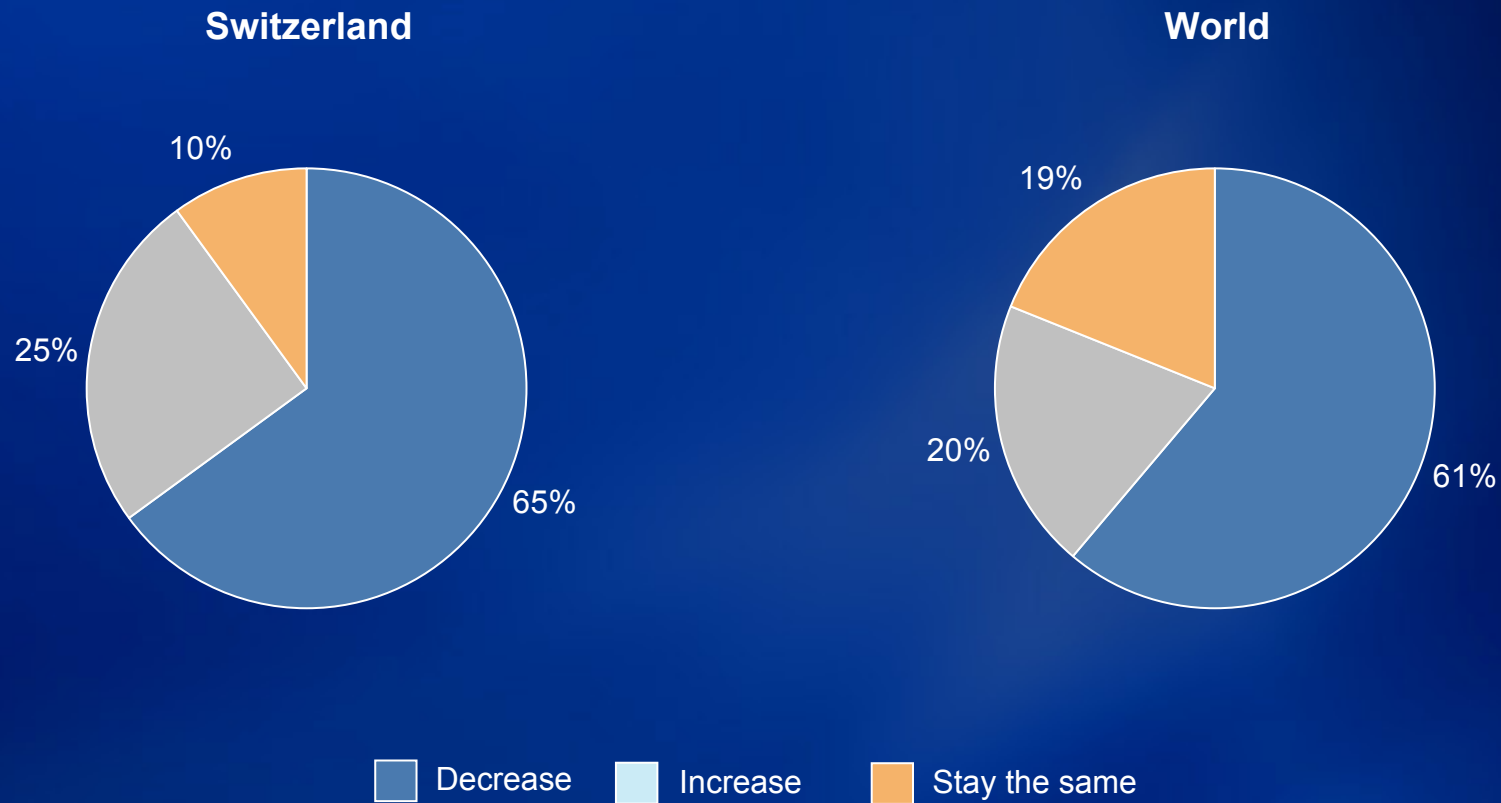
World



Decrease Increase Stay the same

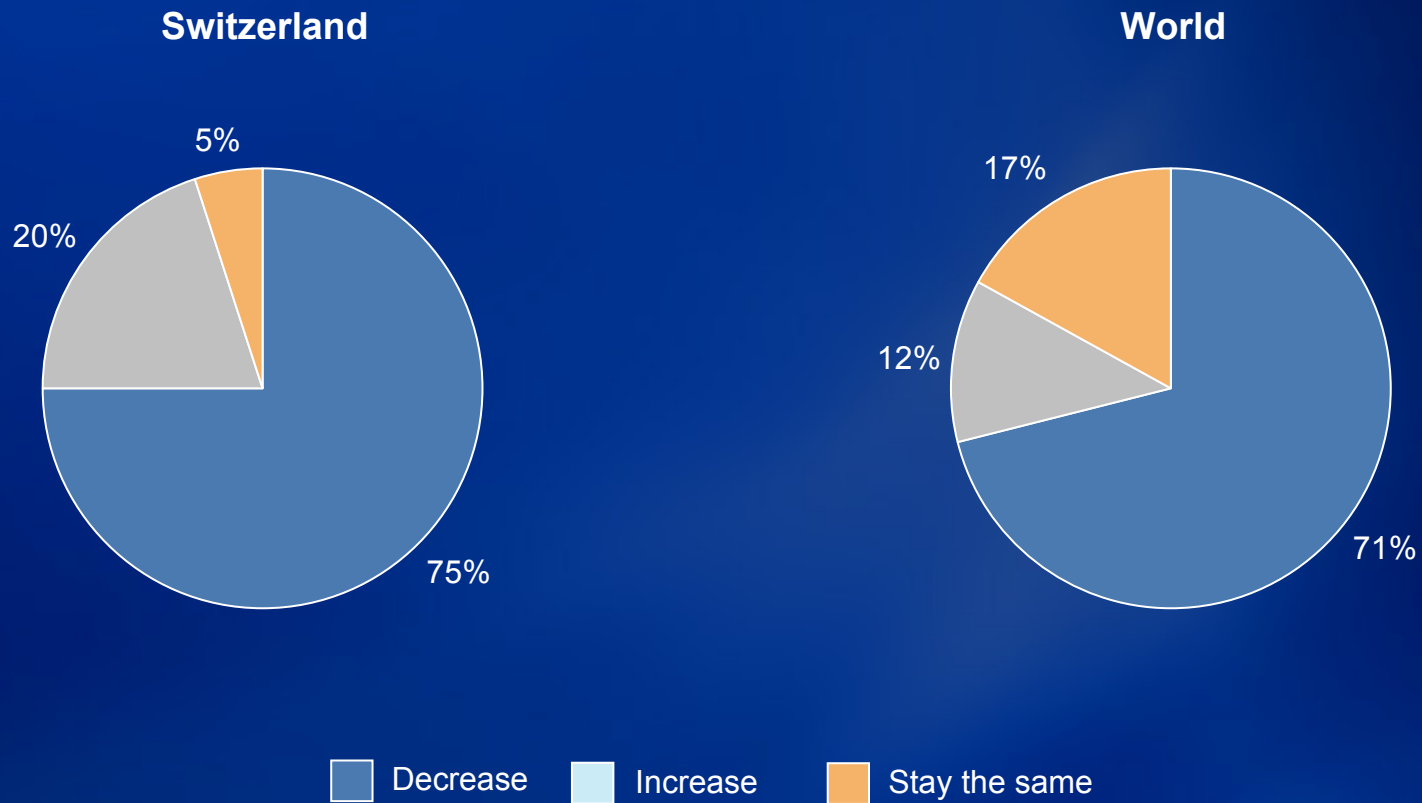
Q9: "Looking ahead 5 years, do you believe that the influence of Sovereign wealth funds on global investments will ..."

The great majority of respondents think Private Equity Funds should be more open



Q10: "Do you believe that private equity should, or should not disclose more information about their investment policies?"

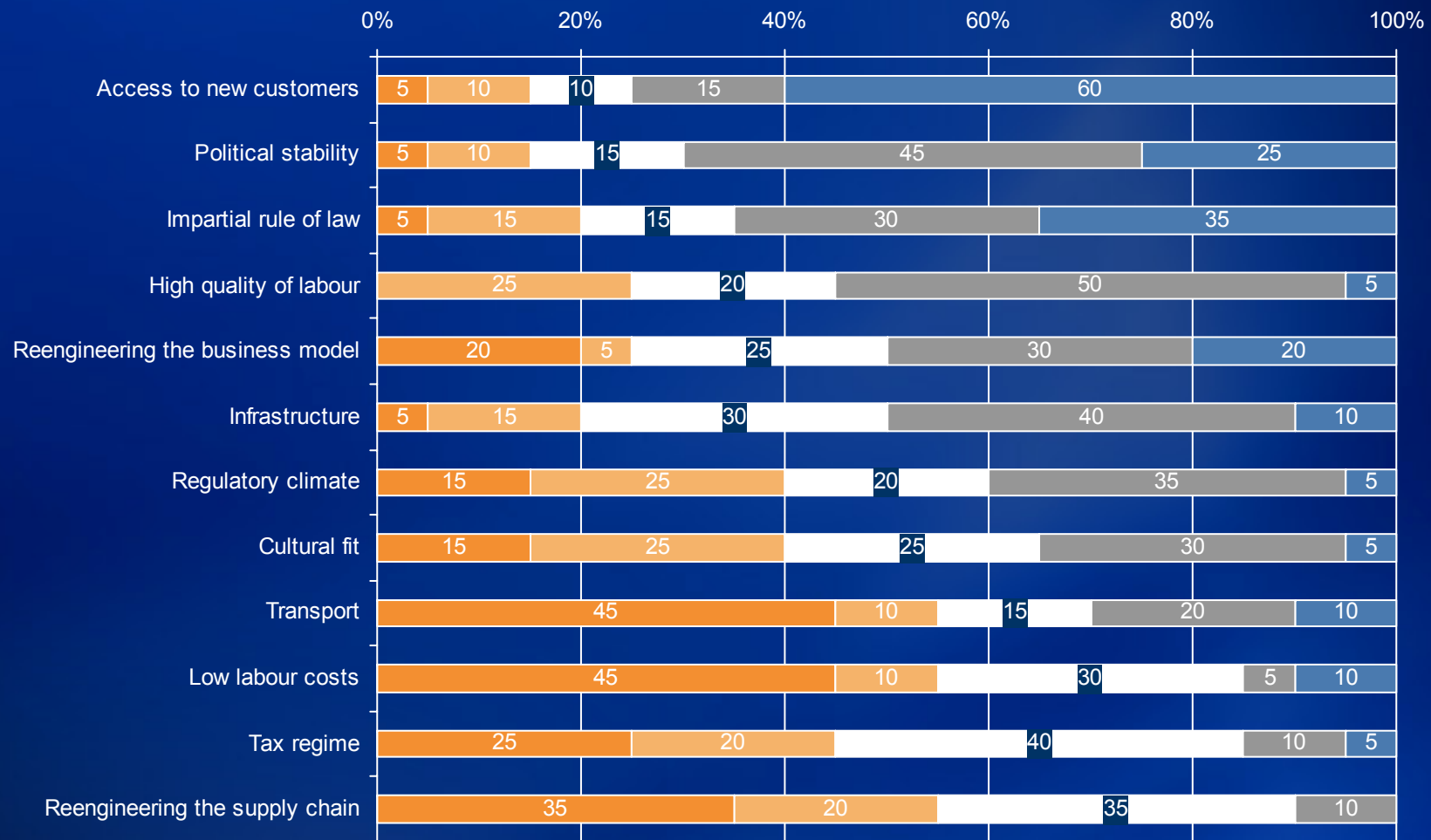
... and especially Sovereign Wealth Funds



Q11: "Do you believe that sovereign wealth funds should, or should not disclose more information about their investment policies? "

What is most important when choosing a country for investment? Access to new markets, political and social stability

Q12: "What is most important when choosing a country for investment?"





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