



EU-Japan Centre for Industrial Cooperation

Foreign Direct Investment in the European Union

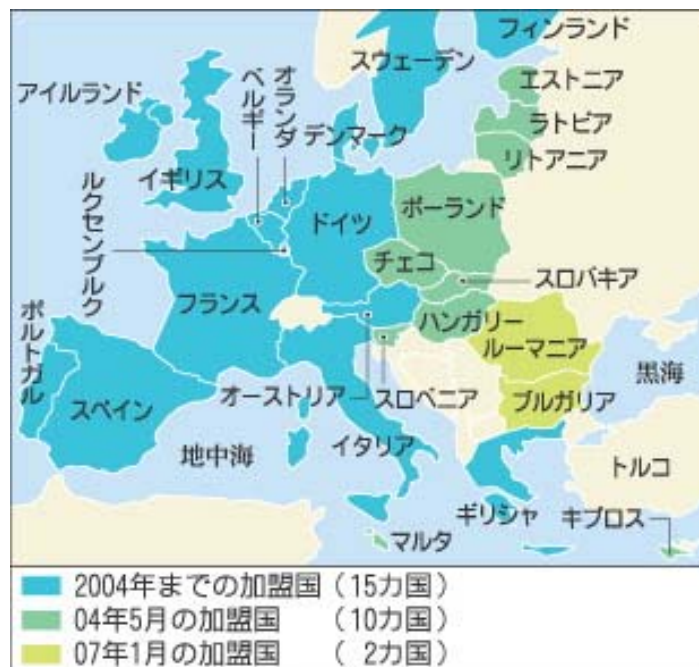
Tokyo, 15 July 2010

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# THE EUROPEAN UNION

European Union Member States



# Table of Contents

1. <a href="#">Executive Summary</a>	4
2. <a href="#">List of Abbreviations</a>	5
3. <a href="#">Foreign Direct Investment in the EU</a>	6
3.1 <a href="#">FDI Policy of the European Commission</a>	6
3.2 <a href="#">Overview of services for foreign investors</a>	8
4. <a href="#">FDI Incentives in member countries of the EU</a>	38
4.1 <a href="#">Overview of Incentives</a>	39
4.2 <a href="#">Incentives for Employee Recruitment &amp; Job Creation</a>	41
4.3 <a href="#">Incentives for Employee Training &amp; Re-Training</a>	45
4.4 <a href="#">Incentives for Environment Protection &amp; Energy Conservation</a>	48
4.5 <a href="#">Incentives for Export</a>	51
4.6 <a href="#">Incentives for Investments in Fixed Assets &amp; Intangible Assets</a>	53
4.7 <a href="#">Incentives for Research &amp; Development (R&amp;D)</a>	57
4.8 <a href="#">Incentives for Regional Development</a>	63
4.9 <a href="#">Incentives for Small &amp; Medium-Sized Enterprises (SMEs)</a>	68
4.10 <a href="#">Incentives for Technology Promotion</a>	71
5. <a href="#">Testimonies</a>	72
5.1 <a href="#">Austria: Hewlett Packard</a>	72
5.2 <a href="#">Bulgaria</a>	72
5.3 <a href="#">Belgium</a>	72
5.4 <a href="#">Cyprus: Nest Investments Holdings</a>	72
5.5 <a href="#">Czech Republic</a>	72
5.6 <a href="#">Denmark: DNP</a>	72
5.7 <a href="#">Finland: Ohashi</a>	73
5.8 <a href="#">France: Hitachi Construction Machinery</a>	73
5.9 <a href="#">Germany: Coca Cola</a>	74
5.10 <a href="#">Greece: Tosoh Helas A.I.C.</a>	74
5.11 <a href="#">Hungary: Citi Shared Service Center</a>	74
5.12 <a href="#">Italy: Bonlex Europe</a>	74
5.13 <a href="#">Latvia: Grants Instruments</a>	75
5.14 <a href="#">Lithuania: Interlogics</a>	75
5.15 <a href="#">Malta: Magro Brothers Group of Companies</a>	75
5.16 <a href="#">Netherlands: Bank of Tokyo – Mitsubishi UFJ</a>	76
5.17 <a href="#">Poland: Bridgestone</a>	76

5.18 <a href="#">Slovakia</a>	76
5.19 <a href="#">Sweden: Mitsubishi Tanabe Pharma</a>	77
5.20 <a href="#">United Kingdom: ZANEC</a>	77

## 1. Executive Summary

[\[Back\]](#)

This report was compiled with the purpose of providing an overview of incentives available for Foreign Direct Investment (FDI) into the European Union. It acts as a source of information for Japanese investors who foster an interest for the European Union or one of its member states, as the site of their investment.

The first part serves the purpose of identifying FDI policies adopted by the European Commission and its individual member states. The Commission provides member states with funding according to certain criteria, including eligible population, national wealth and unemployment rate. Each Member State then decides on the specific details of how the resources will be divided up among the regions by taking into account the geographical eligibility. As one of the main objectives of this funding is to resolve structural economic and social problems, part of it will be allocated to foreign investors as they can be beneficial for this purpose.

Furthermore in this part, the relevant investment agencies for each member state and their details are listed to offer perspective investors a practical point of contact. These agencies can be the first point of interaction between a potential investor and each member state.

The second part summarizes all the available incentives according to the purpose, nature and consequences of a planned or made investment. One does need to keep in mind that many countries adopt a policy in which the eligibility of an investment for funding aid is assessed on an individual basis. Therefore, incentives additional to the ones listed in the report may be available depending on the project.

In the last part of the report, testimonies of companies who have undertaken FDI in one of the member states are presented. These serve as an example for potential investors, as they highlight benefits from either the host country or the collaboration with one of the investment agencies.

## 2. List of Abbreviations

[\[Back\]](#)

### A

**ABA:** Austrian Business Agency

**AICEP:** Portuguese Trade & Investment Agency

**ARIS:** Romanian Investment Agency

### B

**BED:** Luxembourg Board of Economic Development

### C

**CIPA:** Cyprus Investment Promotion Agency

**CIT:** Corporate Income Tax

### D

**DTA:** Double Tax Agreement

### E

**EEA:** European Economic Area

**EFRD:** European Fund for Regional Development

**ESF:** European Social Fund

### F

**FDI:** Foreign Direct Investment

### G

**GATS:** General Agreement on Trade in Services

### I

**IDA Ireland:** Industrial Development Agency Ireland

**IFA:** Invest in France Agency

**ISA:** Invest in Sweden Agency

**ITD Hungary:** Investment and Trade Development agency Hungary

### J

**JAPTI:** Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments

### L

**LDA:** Lithuanian Development Agency

**LIAA:** Investment and Development Agency of Latvia

### N

**NFIA:** Netherlands Foreign Investment Agency

### O

**OECD:** Organisation for Economic Co-operation & Development

### P

**PAIiIZ:** Polish Information and Foreign Investment Agency

**PIT:** Personal Income Tax

### S

**SARIO:** Slovak Investment and Trade Development Agency

**SEZ:** Special Economic Zone (applicable to Poland)

### U

**UKTI:** UK Trade & Investments

### V

**VDAB:** Flemish Public Employment and vocational training Service

### 3. Foreign Direct Investment in the EU

[\[Back\]](#)

#### *3.1 FDI Policy of the European Commission*



While being one of world's biggest investors, the EU considers Foreign Direct Investment (FDI) as a key means to promote development and economic and social growth. The inter-dependence and complementarities between trade and FDI is widely recognized. International rules on FDI contribute to improving the business climate by increasing legal certainty for investors and by reducing the perceived risk to invest. However, FDI flows also depend on a whole range of other factors such as political and macroeconomic conditions, infrastructure and human capital, domestic policies, and the bureaucratic environment. Domestic reforms are crucial in contributing to attract FDI, and their effectiveness can be enhanced if backed by international rules ensuring that the regulatory framework will remain stable, transparent and non-discriminatory.

The European policy on investment develops in consistency with the existing international rules that are most relevant to this area, i.e. the WTO General Agreement on Trade in Services (GATS), the Guidelines for Multinational Enterprises developed in the OECD framework, and other OECD instruments. It also seeks to complement the bilateral investment treaties concluded by Member States.

Currently, the focus is on the negotiation of investment rules in the context of preferential trade agreements that the EU negotiates with third countries.

Within this framework, the EU follows a pro-development approach which is both ambitious and flexible. Its main principles are that:

- It focuses on long-term investment, that generates stable employment and growth;
- It fosters transparency by clarifying the regulatory framework;
- It ensures that host and home states fully retain their right to regulate, by following a positive list approach of commitments for sectoral coverage;
- It improves market access for investments (pre-establishment phase);
- It provides for national treatment of foreign investment established in accordance with the laws and regulations of the host country (post-establishment phase);
- It aims at freeing the flow of payments and investment-related capital movements, while preserving the possibility to take safeguard measures in exceptional circumstances; and
- It seeks to facilitate the movement of investment-related natural persons ("key personnel").

More information: <http://ec.europa.eu/trade/creating-opportunities/trade-topics/investment/>

The European Commission has set up three funding programs; the European Fund for Regional Development (ERDF), the European Social Fund (ESF) and the Cohesion Fund. These contribute to three objectives: Convergence, Regional Competitiveness and Employment, and European Territorial Cooperation in the following way:

**Objectives, Structural Funds and instruments**  
2007-2013

Objectives	Structural Funds and instruments		
Convergence	ERDF	ESF	Cohesion Fund
Regional Competitiveness and Employment	ERDF	ESF	
European Territorial Cooperation	ERDF		

The Commission proceeds by giving indicative annual sums per Member State depending notably on the following criteria: eligible population, national wealth, regional wealth and unemployment rate.

**Each Member State then decides** on the specific details of how the resources will be divided up among the regions by taking into account the geographical eligibility.

COHESION POLICY 2007-2013: INDICATIVE FINANCIAL ALLOCATIONS (MILLION EUR, CURRENT PRICES)

	Convergence Objective			Regional Competitiveness and Employment Objective		European Territorial Cooperation Objective	Total
	Cohesion Fund	Convergence	Statistical Phasing-out	Phasing-in	Regional Competitiveness and Employment		
Belgie/Belgique			638		1 425	194	2 258
Bulgaria	2 283	4 391				179	6 853
Ceska Republica	8 819	17 064			419	389	26 692
Denmark					510	103	613
Deutschland		11 864	4 215		9 409	851	26 340
Eesti	1 152	2 252				52	3 456
Ellas	3 697	9 420	6 458	635		210	20 420
Espana	3 543	21 054	1 583	4 955	3 522	559	35 217
France		3 191			10 257	872	14 319
Ireland				458	293	151	901
Italia		21 211	430	972	5 353	846	28 812
Kypros	213			399		28	640
Latvija	1 540	2 991				90	4 620
Lietuva	2 305	4 470				109	6 885
Luxembourg					50	15	65
Magyarorszag	8 642	14 248		2 031		386	25 307
Malta	284	556				15	855
Nederland					1 660	247	1 907
Osterreich			177		1 027	257	1 461
Polska	22 176	44 377				731	67 284
Portugal	3 060	17 133	280	448	490	99	21 511
Slovenija	1 412	2 689				104	4 205
Slovensko	3 899	7 013			449	227	11 588
Suomi-Finland				545	1 051	120	1 716
Sverige					1 626	265	1 891
United Kingdom		2 738	174	965	6 014	722	10 613
Romania	6 552	12 661				455	19 668
Interregional						445	445
Technical Assistance							868
<b>Total</b>	<b>69 578</b>	<b>199 322</b>	<b>13 955</b>	<b>11 409</b>	<b>43 556</b>	<b>8 723</b>	<b>347 410</b>

Due to rounding, figures may not add-up exactly to the total shown

Source: [http://ec.europa.eu/regional\\_policy/policy/fonds/pdf/annexe-recto.pdf](http://ec.europa.eu/regional_policy/policy/fonds/pdf/annexe-recto.pdf)

More information: [http://ec.europa.eu/regional\\_policy/policy/object/index\\_en.htm](http://ec.europa.eu/regional_policy/policy/object/index_en.htm)

## 3.2 Overview of services for foreign investors

[\[Back\]](#)

### **Index**

3.1 Austria .....	9
3.2 Belgium.....	10
3.3 Bulgaria .....	12
3.4 Cyprus .....	13
3.5 Czech Republic.....	14
3.6 Denmark .....	15
3.7 Estonia .....	16
3.8 Finland.....	17
3.9 France .....	18
3.10 Germany .....	19
3.11 Greece .....	20
3.12 Hungary .....	21
3.13 Ireland .....	22
3.14 Italy .....	23
3.15 Latvia.....	24
3.16 Lithuania .....	25
3.17 Luxembourg .....	26
3.18 Malta.....	27
3.19 Netherlands .....	28
3.20 Poland.....	29
3.21 Portugal .....	30
3.22 Romania .....	31
3.23 Slovakia.....	32
3.24 Slovenia .....	33
3.25 Spain .....	34
3.26 Sweden .....	35
3.27 United Kingdom .....	36

## **Austria**

### **Policy**



Austria offers foreign investors a broad spectrum of investment incentives, grants and subsidies, for example to assist small and medium-sized enterprises, support research and development, the launching of company start-ups, as well as investment and technological promotion measures. The type of funding ranges from cash grants and interest subsidies to loan guarantees. This extensive portfolio of incentives enables companies to take advantage of incentive programs tailored to their individual requirements.

### **Service for foreign investors**

The **Austrian Business Agency (ABA)**, a government-operated consulting firm, is the first address for international investors seeking information about business in Austria. They are owned and operated by the republic of Austria, and report directly to the Austrian Ministry of Economy, Family and Youth. They offer comprehensive and unbureaucratic know-how for the set up of a company and provide information on incentives, market opportunities and corporate taxation.



**Website:** <http://investinaustria.at/EN/ABA-Invest+in+Austria.aspx> (Available in Japanese)

### **Contact details in Japan**

ABA-Invest in Austria

3-13-3 Motoazabu

Minato-ku

Tokyo 106-8691, Japan

Tel: +81-3-3796 1331

Fax: +81-3-3796 1332

[abatokyo@dc4.so-net.ne.jp](mailto:abatokyo@dc4.so-net.ne.jp)

### **Incentives for FDI**

Web-based PDF, free of charge, English

URL: <http://investinaustria.at/EN/Key%20Facts/Business%20Subsidies/default.aspx>

ABA-Invest in Austria

[\[Back\]](#)

## Belgium



### Policy

Foreign companies, subsidiaries or branches, have the same legal obligations as domestic companies, but can also apply to all possible incentives. The Belgian Authorities have introduced a framework of incentives that has led to a business-friendly environment. The incentives range from direct aid as payment of a grant linked to an investment, to fiscal measures, labour and training incentives, R&D and international trade opportunities. The Regions are solely responsible in granting financial incentives. Hence, the grants are paid by the Region where the company settles or invests.

### Service for foreign investors

#### Federal

- Service For Foreign Investments  
Website: [www.investinbelgium.fgov.be](http://www.investinbelgium.fgov.be)



#### Regional

- *Flanders Region:* **Flanders Investment & Trade**  
Website: [www.fitagency.be](http://www.fitagency.be) (Available in Japanese)
- *Brussels-Capital Region:* **Brussels Enterprise Agency**  
Website: [www.bea.irisnet.be](http://www.bea.irisnet.be)
- *Walloon Region:* **Wallonia Export & Investment**  
Website: [www.investinwallonia.be](http://www.investinwallonia.be) (Available in Japanese)

### Contact details in Japan

To contact one of the investment agencies, please get in touch with the Belgium Embassy in Tokyo, Japan. They will be able to bring you into contact with the right correspondent of the relevant agency.

Embassy of Belgium in Tokyo  
5-4 Nibancho, Chiyoda-ku  
Tokyo 102-0084, Japan  
Tel: +81-3-3262 0191  
Fax: +81-3-3262 0651  
[tokyo@diplobel.fed.be](mailto:tokyo@diplobel.fed.be)

[\[Back\]](#)

## **Incentives for FDI**

Flanders:

URL: [http://www.ffio.com/en/doing\\_business/incentives/default.aspx](http://www.ffio.com/en/doing_business/incentives/default.aspx)

Flanders Investment & Trade (Available in Japanese)

Brussels:

URL: <http://www.investinbrussels.com/content/categories/categorycontent.aspx?CategoryGUID=36a1e3cf-7f8d-4584-83e2-ed2817c1245a>

Invest in Brussels (Available in Japanese)

Wallonia:

URL: <http://www.investinwallonia.be/of-belgium/s-investir-en-wallonie/demarrer-une-activite/incitants.php>

Wallonia Foreign Trade & Investment Agency (Available in Japanese)

[\[Back\]](#)

## **Bulgaria**

### **Policy**



The Constitution of the Republic of Bulgaria and the Encouragement of Investment Act establish the principle of national treatment of foreign investments. Foreign investors have the right to carry out economic activity in the country under the same conditions that apply to Bulgarian investors, except in the cases provided for in the law. More specifically, this principle extends to the entire economic and legal sphere upon implementation of business activity. National treatment of foreign investors also includes their participation in the processes of privatisation and acquisition of shares, bonds, treasury bills and other forms of securities.

### **Service for foreign investors**

The mission of the **Invest Bulgaria Agency** is to help potential and existing investors explore the investment opportunities in Bulgaria and carry out investment projects in the country. They can access all Bulgarian government institutions directly to facilitate the entry and development of your business in the country.



**Website:** <http://investbg.government.bg/index.php?idx=1>

### **Contact details in Bulgaria**

Invest Bulgaria Agency

31 Aksakov Street

Sofia 1000, Bulgaria

Tel: +35-9-2985 5500

Fax: +35-9-2980 1320

[iba@investbg.government.bg](mailto:iba@investbg.government.bg)

### **Incentives for FDI**

Information on website

URL: <http://investbg.government.bg/index.php?sid=15>

Invest Bulgaria Agency

[\[Back\]](#)

## Cyprus

### Policy



During the past few years, Cyprus has developed into a favourable foreign direct investment destination. The development thus far is the result of several key drivers coming together and providing a solid foundation for sustainable growth. In order to further enhance the foreign investment intensity, the Government has liberalised the Foreign Direct Investment (FDI) Policy not only for EU citizens but also for investors from third countries in most sectors of the economy as from 1st of October 2004.

### Service for foreign investors

Established by the Council of Ministers in 2007, the **Cyprus Investment Promotion Agency** is a registered not-for-profit company limited by guarantee and fully funded by the Government of Cyprus.



**Website:** <http://www.cipa.org.cy/easyconsole.cfm/page/home/>

### Contact details in Cyprus

Cyprus Investment Promotion Agency  
Severis Building, 9 Makariou III Ave. 4th Floor,  
Nicosia, 1065 Cyprus  
Tel: +35-7-2244 1133  
Fax: +35-7 2244 1134  
[info@cipa.org.cy](mailto:info@cipa.org.cy)

### Incentives for FDI

Information on website

URL: <http://www.cipa.org.cy/easyconsole.cfm/id/179>

Cyprus Investment Promotion Agency

[\[Back\]](#)

## Czech Republic



### Policy

Within the framework of financial support for investments, the Czech Republic provides several aid programmes for both Czech and foreign investors. These programmes are focused on various areas of business and are financed from European Union structural funds, as well as from the Czech Republic's national budget in the form of investment incentives for the manufacturing industry.

### Service for foreign investors

Established in 1992 by the Ministry of Industry and Trade, **CzechInvest** is the investment and business development agency of the Czech Republic whose services and development programmes contribute to attracting foreign investment and to developing Czech companies. Their mission is to support investment activities to the highest level of competence not only through their information service and consultancy but also by linkage with structural funds of the EU.



**Website:** <http://www.czechinvest.org/en> (Available in Japanese)

### Contact details in Japan

Mr. Ondrej Votruba

2-16-14 Hiroo, Shibuya-ku

Czech Center 2F, Czech Embassy

Tokyo, Japan

Tel: +81-3-3486-0329

Fax: +81-3-3486-0328

[tokyo@czechinvest.org](mailto:tokyo@czechinvest.org)

### Incentives for FDI

Information on website

URL: <http://www.czechinvest.org/en/investment-incentives-for-manufacturing-industry>

CzechInvest

[\[Back\]](#)

## Denmark



### Policy

There is a great deal of focus on foreign investment initiatives in Denmark and the Danish government greatly encourages foreign investments. A wide range of sources of finance exists in Denmark, from public incentives and private investors to banks, venture capitalists and institutional investors.

### Service for foreign investors

**Invest in Denmark** is part of the Danish Ministry of Foreign Affairs. Through active, focused marketing efforts



in North America, Asia and Europe, they give foreign companies and potential investors a detailed insight into the business opportunities that Denmark offers.

**Website:** <http://www.investindk.dk/default.asp?artikelID=9664> (Available in Japanese)

### Contact details in Japan

Invest in Denmark

Royal Danish Embassy

29-6 Sarugaku-cho

Shibuya-ku

Tokyo 150-0033, Japan

Tel: +81 3 3496 3001

Fax: +81 3 3496 3440

### Incentives for FDI

Web-based PDF, free of charge, English

URL: [http://www.investindk.dk/db/filarkiv/633/Facts\\_Financing\\_Sep\\_2007.pdf](http://www.investindk.dk/db/filarkiv/633/Facts_Financing_Sep_2007.pdf)

Invest in Denmark

[\[Back\]](#)

## **Estonia**

### **Policy**



Foreign investors have equal rights and obligations with local entrepreneurs. All foreign investors may establish a company in Estonia in the same way as local investors; no special restrictions are made.

### **Service for foreign investors**

The **Estonian Investment and Trade Agency** is organized as a division within Enterprise Estonia, the country's largest support institution for business and entrepreneurship. Their mission is to ensure a competitive business environment for foreign investments and trade in Estonia, to raise the profile of Estonia among key audiences, and to establish and develop business relationships with international companies.



**Website:** <http://investinestonia.com/>

### **Contact details in Japan**

Kosaku Yamaguchi

Country Manager - Japan

Shiodome Building 3F

1-2-20 Kaigan, Minato-ku

Tokyo 105-0022, Japan

Tel: +81 3 6721 8255

Fax: +81 3 6862 6466

[yamaguchi@estonia.or.jp](mailto:yamaguchi@estonia.or.jp)

### **Incentives for FDI**

Information from website

URL: <http://investinestonia.com/index.php/financing-a-business/178-funding-programs>

Estonian Investment & Trade Agency

[\[Back\]](#)

## **Finland**



### **Policy**

Foreign-owned companies can benefit from government investment incentives and access to the latest research from the extensive cooperation between Finnish universities and the private sector. Foreign investment in Finland is welcomed as a boost to the dynamism of the economy. As one of the most competitive and open economies in the world, Finland has a great deal to offer foreign investors.

### **Service for foreign investors**

**Invest in Finland** is the government agency promoting foreign investments into Finland. They assist international companies in finding business opportunities in Finland and provide all the relevant information and guidance required to establish a business in Finland.



**Website:** <http://www.investinfinland.fi/>

### **Contact details in Finland**

Invest in Finland

Kaivokatu 8, 6<sup>th</sup> floor

FI-00100 Helsinki, Finland

Tel: +35 8 10773 0300

Fax: +35 8 10773 0301

[info@investinfinland.fi](mailto:info@investinfinland.fi)

### **Incentives for FDI**

Web-based PDF, free of charge, English

URL: <http://www.iif.fi/factsheet>

Invest in Finland

[\[Back\]](#)

## France

### Policy



Investment is central to France's response to the global economic crisis and the challenges of sustainable growth. France supports investment by a series of reforms which have been initiated since 2007 to improve the competitiveness of the economy. France's desire to create a favourable business environment is demonstrated by the extent and diversity of the public financial support available. This financial aid effectively supports company start-ups, job creation, investment and the development of businesses in France. Public financial support is granted by the French state and local authorities such as regional, departmental, inter-communal or town councils.

### Service for foreign investors

**The Invest in France Agency (IFA)** promotes and facilitates international investment in France. The IFA network operates worldwide. The IFA works in partnership with regional development agencies to offer international investors business opportunities and customized services all over France.



Website: <http://www.invest-in-france.org/index.html>

Japanese version: <http://www.invest-in-france.org/jp>

### Contact details in Japan

Invest in France Agency  
Christophe Grignon - Japan Director  
4-11-44 Minami-Azabu, Minato-ku  
Tokyo 106-8514, Japan  
Tel: +81 3 5798 6139  
Fax: +81 3 5798 6154

### Incentives for FDI

Information from website

<http://www.invest-in-france.org/us/business-environment/start-up-support.html>

Invest in France Agency

[\[Back\]](#)

## Germany



### Policy

Germany offers numerous incentives for foreign investors. There are a variety of programs available, designed to fit the needs of diverse economic activities at different stages of the investment process. Support ranges from cash incentives to labour-related, and incentives for research & development (R&D).

### Service for foreign investors

**Germany Trade and Invest** is the foreign trade and inward investment agency of the Federal Republic of Germany. Its mission is



to promote Germany as a location for industrial and technological investments and to identify investors for the German market. The organization advises foreign companies looking to expand their business activities in the German market.

**Website:** [http://www.gtai.com/web\\_en/homepage](http://www.gtai.com/web_en/homepage)

### Contact details in Germany

German Trade and Investment

Friedrichstraße 60

10117 Berlin, Germany

Tel: +49 3 0200 0990

Fax: +49 3 0200 099111

[invest@gtai.com](mailto:invest@gtai.com)

### Incentives for FDI

Information from website

URL:<http://www.gtai.com/homepage/investment-guide-to-germany/incentives-programs/incentives-at-a-glance/#c20220>

Germany Trade & Invest

[\[Back\]](#)

## Greece



### Policy

Greece's Investment Incentives Law governs the terms and conditions of direct investment in Greece and provides for the incentives available to domestic and foreign investors. The incentives on offer are among the most competitive in the European Union. Investors may take advantage of: cash grants and/or leasing subsidies, wage subsidies for new employment created by an investment, or tax allowances through the creation of a tax reserve. The benefit in each instance may go up to 60% of the overall investment cost.

### Service for foreign investors

Greece's official **Investment Promotion Agency** is made up of investor-centered professionals who are ready to assist investors in all their investment plans, at every stage of the process. They offer assistance, analysis, advice, and aftercare to investors who would like to grow their business in Greece and in the greater region of Southeast Europe and the Eastern Mediterranean.



**Website:** <http://www.investingreece.gov.gr/default.asp?pid=1&la=1>

### Contact details in Greece

Investment Promotion Agency of Greece

3 Mitropoleos Street

Athens 105 57 Greece

Tel: +30 210 335 5700

Fax: +30 210 324 2079

[info@investingreece.gov.gr](mailto:info@investingreece.gov.gr)

### Incentives for FDI

Information from website

URL: <http://www.investingreece.gov.gr/default.asp?pid=22&la=1>

Invest in Greece Agency



[\[Back\]](#)

## **Hungary**

### **Policy**

Hungary, a country of 10 million inhabitants, can currently boast of having attracted Foreign Direct Investment (FDI) of more than €60 billion to date which represents the highest per capita rate in the Central-Eastern European region.

Hungary offers foreign investors a broad spectrum of investment incentives, cash grants and subsidies, loans and loan guaranties. The government supports all types of investments, such as manufacturing, SSC, research and development and renewable energy projects.

For investments where no EU co-financed subsidy is available, the Hungarian Government offers tailor-made incentive packages for projects with eligible costs exceeding €10 million (or 50 million for tourist projects).

### **Service for foreign investors**

The **Hungarian Investment and Trade Development Agency (ITD Hungary)** was founded in 1993 by the Hungarian Ministry of Economy and Transport to help implement the government's investment



and trade promotion policies. Building on their knowledge of the Hungarian economy and market, as well as the formal and informal relationships with government offices and businesses developed through the years, ITD Hungary is in a position to offer a unique service, to multinational companies (i.e. Suzuki, Bridgestone, Denso, Sanyo, Ividen) as well as small and medium-sized enterprises and investors.

**Website:** <http://www.itdh.com/>

### **Contact details in Japan**

Tel: +81 3 3499 49512

Fax: +81 3 3499 4918

[tokyo@itd.hu](mailto:tokyo@itd.hu)

### **Incentives for FDI**

Information from website

URL: [http://www.itdh.com/engine.aspx?page=investment\\_incentives](http://www.itdh.com/engine.aspx?page=investment_incentives)

Hungarian Investment and Trade Development Agency

[\[Back\]](#)

## **Ireland**

### **Policy**

Financial assistance may be provided to companies wishing to locate in Ireland or expand their existing operations in Ireland by IDA Ireland. The unique characteristics of any proposed project will determine the incentive package available. Ireland also offers one of the most beneficial corporate tax environments in the world. A corporation tax rate of 12.5% applies to all corporate trading profits. The tax position of companies carrying out approved activities prior to 31 July 1998 will remain unchanged at 10%.



### **Service for foreign investors**

Ireland's inward investment promotion agency, **IDA Ireland (Industrial Development Agency)** is responsible for the attraction and development of foreign investment in Ireland. IDA's focus is to attract foreign investment that is of high value, requiring high skill levels and a sophisticated business environment.



**Website:** <http://www.idaireland.com/> (Available in Japanese)

### **Contact details in Japan:**

Ireland Investment Promotion Agency

Ireland House 2F

2-10-7 Kojimachi

Chiyoda-ku

Tokyo 102-0083

Tel: +81 3 3262 7621

Fax: +81 3 3261 4239

[idotokyo@ida.ie](mailto:idotokyo@ida.ie)

### **Incentives for FDI**

Information from website

URL: <http://www.idaireland.com/ida-ireland/existing-clients-grants/>

IDA Ireland

## Italy

### Policy



In general, foreign investors wishing to start up a new business in Italy may do so on the condition of reciprocity, i.e. when a similar right is granted to Italian investors operating in the foreign investor's country of origin. Italy provides a compelling range of aid programs spanning from Tax credits to Research & Development grants & loans that fit the need of diverse business operations. The variety of programs, that trigger gripping paybacks, are aimed at securing the set up of new facilities and the upgrade of existing ones, technological innovation and scientific research, new investments and new jobs.

### Service for foreign investors

**Invitalia** is the government agency for inward investment promotion and enterprise development dedicated to assist companies in all stages of the investment process, to support new business ventures and to enhance local development.



**Website:** <http://www.invitalia.it/on-line/eng/Home.html>

### Contact details

To contact Invitalia, please fill in an online form at:

<http://www.invitalia.it/on-line/eng/Home/Contactus.html>

### Incentives for FDI

Web-based PDF, free of charge, English

URL: <http://www.invitalia.it/on-line/eng/Home/BusinessEnvironment/Incentives.html>

Invitalia

[\[Back\]](#)

## Latvia

### Policy



As a small country with limited private capital resources, Latvia fully appreciates the crucial impact of foreign direct investment on its continuing economic development. The government and local authorities, through cooperation with various business organisations, are committed to further improving the legal and administrative environment for foreign and local business ventures wishing to establish themselves in the country, by a number of methods and means.

### Service for foreign investors

The objective of the **Investment and Development Agency of**

**Latvia (LIAA)** is to promote business development by facilitating

more foreign investment, in parallel to increasing the

competitiveness of Latvian entrepreneurs in both domestic and foreign markets. Having more than 15 years experience in the attraction of foreign direct investment to Latvia and promotion of foreign trade, LIAA has worked constantly to improve the business environment and provided services appropriate to the needs of business.



**Website:** <http://www.liaa.gov.lv/eng/home/news/> (Available in Japanese)

### Contact details in Japan:

LIAA Representative Office in Japan

Dmitrijs Belousovs

Head of Representative Office

37-11 Kamiyama-cho, Shibuya-ku,

Tokyo 150-0047, Japan

Tel: + 81 3 3467 6888

Fax: + 81 3 3467 6897

[jp@liaa.gov.lv](mailto:jp@liaa.gov.lv)

### Incentives for FDI

Information from website

URL:[http://www.liaa.gov.lv/eng/invest\\_in\\_latvia/latvian\\_business\\_guide/incentives for investors](http://www.liaa.gov.lv/eng/invest_in_latvia/latvian_business_guide/incentives_for_investors)

LIAA

[\[Back\]](#)

## Lithuania

### Policy



The goal of Lithuania's investment policy is to improve Lithuania's business environment and create an effective system of promoting direct domestic and foreign investment, primarily oriented to long-term national economic development, economic growth and improvement of public welfare.

### Service for foreign investors

**INVEST LITHUANIA** is a public organization, owned by the Ministry of Economy of the Republic of Lithuania, which is in charge of attracting foreign direct investments (FDI) to Lithuania, as well as developing the attractive economic image of the country abroad. IL encourages FDI in Lithuania by:

INVEST  
LITHUANIA



- Providing information and consultancy to foreign potential investors on investment opportunities in Lithuania;
- Searching for matching local partners and building contact networks;
- Guiding through the investment location selection process and organizing company visits;
- Providing investment aftercare services.
- 

INVEST LITHUANIA (IL)

Jogailos str. 4, LT-01116 Vilnius, Lithuania

Tel. (+370 5) 262 7438

Fax (+370 5) 212 0160, (+370 5) 272 6554

E-mail: [INFO@INVESTLITHUANIA.COM](mailto:INFO@INVESTLITHUANIA.COM)

URL: [WWW.INVESTLITHUANIA.COM](http://WWW.INVESTLITHUANIA.COM)

Incentives for FDI:

<http://www.businesslithuania.com/en/SupportNetworkAndNumerousInvestmentIncentives.html>

**ENTERPRISE LITHUANIA** is a public organization, owned by the Ministry of Economy of the Republic of Lithuania, which is in charge of promoting Lithuanian producers' exports as well as supporting small and mid-sized businesses. EL encourages Lithuanian businesses' involvement in the international trade by:

ENTERPRISE  
LITHUANIA



[\[Back\]](#)

- Providing information to foreign customers on Lithuanian products and manufacturers;
- Searching for matching business partnerships between Lithuanian and foreign businesses;
- Organising incoming/outgoing trade missions and contact fairs;
- Planning and implementing international business promotion projects.

ENTERPRISE LITHUANIA (EL)

Jogailos str. 4, LT-01116 Vilnius, Lithuania

Tel. (+370 5) 249 9083

Fax (+370 5) 212 0160, (+370 5) 272 6554

E-mail: [INFO@ENTERPRISELITHUANIA.COM](mailto:INFO@ENTERPRISELITHUANIA.COM)

URL: [WWW.ENTERPRISELITHUANIA.COM](http://WWW.ENTERPRISELITHUANIA.COM)

## Luxembourg

### Policy

Luxembourg offers a full range of custom-made support designed to give a head start to new ventures. These include industrial land being provided at favourable rates, financial support and favourable tax rates. Support may be granted to small and medium-sized companies, to companies located in development areas for research, development and innovation investment focusing on new products, services or processes, as well as for environmental protection and/or efficient energy utilization.

### Service for foreign investors

The **Luxembourg Board of Economic Development (BED)** is the Government's «one stop shop» for new investment projects.



The BED team provides the assistance that investors need in order to help them assess investment opportunities in Luxembourg. Their local and international offices will also guide them through each step of their investment project with customized support outlined to a company's precise requirements.

**Website:** <http://www.bed.public.lu> (Available in Japanese)

### Contact details in Japan:

Mrs Yuiko Matsuno

Executive Director

1F, Luxembourg House 8-9 Yonbancho, Chiyoda-ku

Tokyo 102-0081, Japan

Tel: + 81 3 3265 9621

Fax: + 81 3 3265 9624

[yuriko.matsuno@mae.etat.lu](mailto:yuriko.matsuno@mae.etat.lu)

### Incentives for FDI

Web-based PDF, free of charge, English

URL: [http://www.bed.public.lu/publications/your\\_prime\\_buiness\\_location.pdf](http://www.bed.public.lu/publications/your_prime_buiness_location.pdf)

Luxembourg Board of Economic Development

[\[Back\]](#)

## Malta

### Policy



The advantages of investing in Malta are myriad and include a broad and comprehensive package of incentives. However, Malta offers more than financial incentives to foreign investors; it offers a complete environment that is conducive to business. There is the island's location in the Mediterranean, its excellent air and shipping facilities, a highly-educated and skilled workforce, a proactive business environment, and English as the business language, which have all made Malta a location of choice for foreign direct investment and international trade.

### Service for foreign investors

**Malta Enterprise** is enabled by the Malta Enterprise Act to support the development of enterprise in Malta. Malta Enterprise has developed a new set of incentives for the promotion and expansion of industry and the development of innovative enterprises. Malta Enterprise provides incentives for foreign direct investors and local enterprises demonstrating commitment towards growth and increase in value added and employment.



**Website:** <http://www.maltaenterprise.com/>

### Contact details in Malta

Malta Enterprise

Industrial Estate

San Gwann SGN 3000

Malta

Tel: +35 6 2542 0000

Fax: +35 6 2542 3401

[info@maltaenterprise.com](mailto:info@maltaenterprise.com)

### Incentives for FDI

Information from website

URL: <http://support.maltaenterprise.com/>

Malta Enterprise

[\[Back\]](#)

## Netherlands

### Policy



The NFIA has been set up for the specific purpose of helping and advising those businesses who wish to take advantage of the Dutch business environment as a strategic base to cover Europe. The Agency will support potential investors to identify suitable subsidies, which are allocated on a regional level.

### Service for foreign investors

The **Netherlands Foreign Investment Agency (NFIA)** was established for the specific purpose of helping and advising such companies by providing them with advice, information and practical assistance, quickly and on a confidential basis, as well as providing them access to a broad network of business partners and government institutions.



**Website:** <http://www.nfia.nl/>

### Contact details in Japan:

#### NFIA Tokyo

3-6-3 Shibakoen

Minato-ku

Tokyo 105-0011

Tel: +81 3 5776 5520

Fax: +81 3 5776 5534

[tokyo@nfia-japan.com](mailto:tokyo@nfia-japan.com)

#### NFIA Osaka

Twin 21 MID Tower, 33rd floor

2-1-61 Shiromi, Chuo-ku

Osaka 540-6133

Tel: +81 6 6944 9234

Fax: +81 6 6944 7275

[osaka@nfia-japan.com](mailto:osaka@nfia-japan.com)

### Regional Incentives for FDI

Information concerning incentives for FDI can be found on the website of each province.

- Investment and Development Agency for the Northern Netherlands: [www.nom.nl](http://www.nom.nl)
- Development Agency East Netherlands (Overijssel & Gelderland): [www.oostnv.com](http://www.oostnv.com)
- Development Agency Flevoland - [www.omfl.org/](http://www.omfl.org/)
- Utrecht Foreign Investment Office - [www.investinutrecht.com](http://www.investinutrecht.com)
- Province of North-Holland - [www.noord-holland.nl](http://www.noord-holland.nl)
- West-Holland Foreign Investment Agency - [www.wfia.nl](http://www.wfia.nl)
- Impuls Zeeland - [www.impulszeeland.nl](http://www.impulszeeland.nl)
- North Brabant Development Agency (BOM) - [www.foreigninvestments.eu](http://www.foreigninvestments.eu)
- Limburg Development Company (LIOF) - [www.liof.com](http://www.liof.com)

[\[Back\]](#)

## Poland

### Policy



Poland offers a wide range of investment incentives. Investors are invited to locate their projects in 14 Special Economic Zones (SEZ) i.e. special zones where economic activity may be run in favourable conditions. Polish SEZs offer attractive tax exemptions and well-prepared investment lots.

### Service for foreign investors

The **Polish Information and Foreign Investment Agency (PAIIZ)**, helps investors to enter the Polish market and find the best ways to utilise the possibilities available to them. They guide investors through all the essential administrative and legal procedures that involve a project; they also support firms that are already active in Poland. They provide rapid access to the complex information relating to legal and business matters regarding the investments and help in finding the appropriate partners and suppliers, together with new locations. PAIIZ's mission is also to create a positive image of Poland across the world, promoting Polish goods and services



**Website:** [http://www.paiz.gov.pl/en?lang\\_id=12](http://www.paiz.gov.pl/en?lang_id=12) (Available in Japanese)

### Contact details in Poland

Polish Information and Foreign Investment Agency

ul. Bagatela 12

00-585 Warszawa, Poland

Tel: +48 22 334 9800

Fax: +48 22 334 9999

[invest@paiz.gov.pl](mailto:invest@paiz.gov.pl)

### Incentives for FDI

Information from website

URL: <http://www.paiz.gov.pl/index/?id=cfb6c5cfb8a3e10fab12aa3512153df>

Polish Information and Foreign Investment Agency

[\[Back\]](#)

## Portugal

### Policy



Incentives supported either by EU aid-budget or by Portuguese Public Budget can assume different types: Financial Incentives, Job-Creation Incentives, Training, and Fiscal Incentives. Provided with enough information on the project, AICEP makes an incentives package simulation specific to the project.

### Service for foreign investors

**AICEP** aims to develop a competitive business environment that contributes towards the international expansion of Portuguese companies. Their goal is to increase Portugal's competitiveness and reputation by giving a boost to structural investment and making companies international in scope, with special emphasis on small and medium-size companies.



**Website:** <http://www.portugalglobal.pt/PT/Paginas/Home.aspx>

### Contact details in Japan:

AICEP Tokyo

Sanbancho Annex Building, 501

1-4, Sanbancho, Chiyoda-ku

Tokyo 102-0075, JAPAN

Tel: + 81 3 3511 2871

Fax: + 81 3 3511 2887

[aicep.tokyo@portugalglobal.pt](mailto:aicep.tokyo@portugalglobal.pt)

### Incentives for FDI

Information from website

URL: <http://www.portugalglobal.pt/EN/InvestInPortugal/InvestorsGuide/Pages/InvestorsGuide.aspx>

Portuguese Trade & Investment Agency (AICEP)

[\[Back\]](#)

## Romania



### Policy

The Romanian Government adopted a large number of state aid schemes stimulating economic growth by means of investment facilities granting. According to Romanian legislation in force, all investors enjoy the same rights and incur the same obligations, irrespectively of their being Romanian or foreign citizens, residents or non-residents. State aid can be granted to large, small and medium-sized enterprises (including microenterprises), depending on the type of investment, the field in which the investment will be implemented and the provisions of the state aid scheme applied for.

### Service for foreign investors

The **Romanian Investment Agency's (ARIS)** mission is to be the Government leading body for providing consultative services to foreign investors that will attract, retain, and grow foreign direct investment in Romanian economy, as a result of a friendly and attractive business environment for developing investment projects.



**Website:** <http://www.arisinvest.ro/>

### Contact details in Romania:

Apolodor Street

District 5, Bucharest

Romania

Tel: +40 2 1318 5050

Fax: +40 2 1311 1491

[office@traderom.ro](mailto:office@traderom.ro)

### Incentives for FDI

Web-based PDF, free of charge, English

URL:[http://arisinvest.ro/files/inv\\_legal\\_frame/state%20aid%20in%20Romania%20-%202009.pdf](http://arisinvest.ro/files/inv_legal_frame/state%20aid%20in%20Romania%20-%202009.pdf)

Romanian Investment Agency (ARIS)

[\[Back\]](#)

## Slovakia

### Policy



As of 1 January 2008, a new act on investment aid allows for provision of regional investment and employment aid for investment or expansion projects of industrial production, technology centres, strategic service centres, and complex tourism centres. At the same time, the European Commission is reforming European Union state aid rules. The new general regulation (GBER) will considerably simplify, clarify and speed up state aid provision to entrepreneurs in Slovakia as well. The GBER will also facilitate more types of state aid beyond investment aid.

### Service for foreign investors

The main mission of the Slovak Investment and Trade Development Agency (SARIO) is to contribute to the acceleration of economic growth of the Slovak Republic and to improve the quality of life in Slovakia. SARIO achieves this goal by presenting the economic environment of Slovakia, attracting foreign direct investments and developing FDI projects up to their final stage. The aim of SARIO is also to decrease the unemployment rate, support export activities of Slovak companies, and administration of structural funds of the EU.



**Website:** <http://www.sario.sk/?home> (Available in Japanese)

### Contact details in Slovakia

Slovak Investment and Trade Development Agency

Martinčekova 17

821 01 Bratislava, Slovak republic

Tel: +421 2 5826 0100

Fax: +421 2 5826 0109

[saria@saria.sk](mailto:saria@saria.sk)

### Incentives for FDI

Web-based PDF, free of charge, English

URL:[http://www.sario.sk/swift\\_data/source/dokumenty/Investicie/pravidla/Act\\_Investment\\_Aid\\_eng.pdf](http://www.sario.sk/swift_data/source/dokumenty/Investicie/pravidla/Act_Investment_Aid_eng.pdf)

SARIO

[\[Back\]](#)

## Slovenia



### Policy

Slovenia has developed an incentive system in an effort to give impetus to foreign direct investment expected to boost the country's economic development: the creation of new jobs, the transfer of new technologies and know-how, and outsourcing opportunities where the local companies would get new business partners. The instruments of the Government's pro-active stance to investment policy also serve to motivate the foreign investors who are already running operations in Slovenia to expand or upgrade their capacities.

### Service for foreign investors

The **Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments (JAPTI)** tailors solutions to suit investors' specific requirements and puts them in touch with private and public organisations including an aftercare programme. JAPTI operates on a mandate to attract and retain foreign direct investment, foster entrepreneurial spirit and innovation, help companies venturing into international markets, and promote globally the business image of Slovenia to improve performance in line with commitment to land more FDI projects in Slovenia.



**Website:** <http://www.investslovenia.org/en/>

### Contact details in Slovenia

JAPTI - Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments

Division for FDI

Verovškova 60

1000 Ljubljana, Slovenia

Tel.: +38 6 1589 1870

Fax: +38 6 1589 1877

[fdi@japti.si](mailto:fdi@japti.si)

### Incentives for FDI

Information from website

URL: <http://www.investslovenia.org/en/incentives/>

JAPTI

[\[Back\]](#)

## Spain

### Policy



With a view to fostering investment, employment, competitiveness and economic growth, the Spanish central government and Spain's other Public Authorities have developed and consolidated a wide and complete range of aid instruments and incentives. Special emphasis is placed on fostering indefinite-term employment and on research, development and technological innovation (R&D&I).

### Service for foreign investors

**Invest in Spain** was created in 2005 and is part of the State Department for Trade of the Ministry of Industry, Tourism and Trade. Its mission is to promote, attract and maintain foreign investment in Spain, serving as the reference point for foreign investors and the point of contact for all state, regional and local institutions engaged in promoting and attracting investment. Invest in Spain offers a comprehensive and efficient service at all stages of the investment process, from investment planning and evaluation to set up and post-investment.



**Website:** <http://www.investinspain.org>

### Contact details in Japan

Spanish Embassy- Office for Economic & Commercial Affairs – Tokyo

Mizuko Uchida – head of Investment

3FL, 1-3-29 Roppongi, Minato-Ku

Tokyo, Japan

Tel: +81 3 5575 0431

Fax: +81 3 5575 6431

[tokio@comercio.mityc.es](mailto:tokio@comercio.mityc.es)

### Incentives for FDI

Web-based PDF, free of charge, English

URL:<http://www.investinspain.org/icex/cma/contentTypes/common/records/viewDocument/0,,,00.bin?doc=4198373>

Invest In Spain

[\[Back\]](#)

## Sweden

### Policy



Sweden offers a limited range of financial incentives to help companies set up a business and expand in Sweden. This support is primarily regional in nature and comprises regional investment grants, employment support and a special social insurance-related tax break.

### Service for foreign investors

**Invest in Sweden Agency (ISA)** is a government agency. Its mission is to inform and assist investors to find business and investment opportunities in Sweden. ISA provides information and assistance to investors who plan to establish or expand business operations in Sweden, either themselves or with the help from their regional and international network.



**Website:** <http://www.isa.se> (Available in Japanese)

### Contact details in Japan:

ISA Japan

Swedish Embassy

1-10-3-300 Roppongi

Minato-ku, Tokyo 106-0032

Japan

Tel: + 81 3 5562 5014

Fax: + 81 3 5562 5130

### Incentives for FDI

Web-based PDF, free of charge, English

URL:[http://www.isa.se/Global/Global/Downloads/Fact\\_Sheets/Regional-financial-incentives.pdf](http://www.isa.se/Global/Global/Downloads/Fact_Sheets/Regional-financial-incentives.pdf)

Invest in Sweden Agency

[\[Back\]](#)

## United Kingdom

### Policy



The UK has one of the best developed financial services sector in Europe, offering businesses various options for obtaining finance that range from small, specialist seed funds through to a full listing on the London Stock Exchange.

### Service for foreign investors

**UK Trade & Investment (UKTI)** can help investors rise to the exciting opportunities and challenges that globalisation offers.



They work with UK-based businesses to ensure the businesses success in international markets. We also encourage the best overseas companies to look to the UK as their global partner of choice. Once in the UK, they are treated as a UK company with access to the incentives and networks that UK companies benefit from.

#### Website:

<http://ukinjapan.fco.gov.uk/ja/business/>

<https://www.uktradeinvest.gov.uk>

#### Contact details in Japan

##### Tokyo

Ben Chesson, British Embassy

Tel: +81 35211 1140

[ben.chesson@fco.gov.uk](mailto:ben.chesson@fco.gov.uk)

##### Osaka

Simon Fisher, British Consulate-General

Tel: +81 6 6120 5600

[simon.fisher@fco.gov.uk](mailto:simon.fisher@fco.gov.uk)

#### Incentives for FDI

Web-based PDF, free of charge, English

URL: <http://www.ukinvest.gov.uk/Information-sheets/4021111/en-GB.pdf>

UK Trade & Investment

## 4. FDI Incentives in member countries of the EU

[\[Back\]](#)

The following chapters provide an overview of different categories of incentives available for FDI. However, one needs to keep in mind that many countries adopt a policy in which the eligibility of an investment for funding aid is assessed on an individual basis. Thus, incentives additional to the ones listed here may be available. To determine all the possible incentives available for a specific project, it is recommended to contact the relevant investment agency (see 3.2 Overview of services for foreign investors, pg.8). Furthermore, the following information concerning the incentives is summarized; for complete details please refer to the relevant investment agency.

Note: For Denmark and the Netherlands no incentives are specified as they are all determined based on individual projects.

### Index

4.1 Overview of Incentives.....	39
4.2 Incentives for Employee Recruitment & Job Creation.....	41
4.3 Incentives for Employee Training & Re-Training.....	45
4.4 Incentives for Environment Protection & Energy Conservation.....	48
4.5 Incentives for Export .....	51
4.6 Incentives for Investments in Fixed Assets & Intangible Assets .....	53
4.7 Incentives for Research & Development (R&D).....	57
4.8 Incentives for Regional Development .....	63
4.9 Incentives for Small & Medium-Sized Enterprises (SMEs) .....	68
4.10 Incentives for Technology Promotion .....	71



	Country																				* Incentives depending on region							
Investive	Austria	Belgium*	Bulgaria	Cyprus	Czech Republic	Denmark	Denmark	Finland*	France*	Germany*	Greece	Hungary	Ireland	Ireland*	Latvia	Lithuania	Luxembourg*	Malta	Netherlands*	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	UK	
Employment Training																												
Lease																												
Technology																												
Equipment/Tool purchase																												
Investment Aid																												
Sector Specific																												

Investment Assists includes Fixed Assets (lands, buildings, equipment & machinery) and Intangible Assists

Each project must be assessed individually when seeking financial aid

## 4.2 Employee Recruitment & Job Creation

[\[Back\]](#)

### Belgium

#### *Flanders*

- **Starter jobs:** Reduction in social security for employees under the age of 26.
- **First Recruitment:** Reduction in social security for employees for new employees
- **Activa Plan:** Reduction in social security when new employees benefit from an unemployment fee at the time of the contract.
- **Activa Start:** Premium of € 350 per month (max period of 6 months) for employees, under the age of 26, contracted full time for at least 6 months and previously registered jobseekers at VDAB.
- **50+:** Premium of € 1200 to 3000 per quarter (max. period of 4 quarters) for recruitment of older employees.
- **57+:** Social security premium of € 400 per quarter for employees over 57.
- **Reducing working time:** Social security reduction for companies reducing working time.

#### *Wallonia*

- **Financial Grants:** Companies with fewer than ten employees can obtain a grant of €5,000 for their first new recruit, and €3,250 for every additional job.
- **Incentives associated with employing qualified staff:** Some incentives are provided in the form of tax exemptions in return for the employment of management staff in the following areas: R&D, Exports and Quality assurance.
- **Expatriates:** If expatriating qualified staff or management staff to their Belgian subsidiary, companies can request a very advantageous advance tax ruling. This regime enables the following:
  - To fix the deductible expatriation costs
  - To determine the expatriate worker's taxable base
  - This base will only include days actually worked in Belgium, days that are worked abroad for the benefit of the group are taxed in the expat's country of origin.
- **Staff assigned to R&D:** Programmes are available for staff assigned to R&D activities (researchers) within the framework of a specific program. This involves the company negotiating an agreement with a university institution and the Wallonia Region on the assignment of a researcher for a maximum period of two years, the cost of which will be covered by a 50% subsidy.

## **Bulgaria**

- 10% corporate income tax rate; 0% in high-unemployment areas.
- 10% flat tax rate on personal income.

## **Czech Republic**

**Job-creation grants:** 50,000 CZK per employee in regions worst affected by the unemployment

## **France**

**Job Creation:** The "Prime d'Aménagement du Territoire" is a regional development grant of up to €15,000 per job created.

## **Germany**

**Wage Subsidies:** Wage subsidies aim at helping job seekers experiencing difficulties securing work (e.g. as a result of long-term unemployment). Employers can be granted a direct cash payment paid as a proportion of the employee's wage. Grants can account for up to 50% of wage costs including social benefits. They may be granted for a period of up to twelve months.

When hiring long-term unemployed people who have disabilities or who are older, wage subsidies can be raised to a maximum 70% of wage costs paid for a period of up to 96 months.

## **Greece**

**Wage Subsidy:** up to 60%, provided for employment created by the investment.

## **Hungary**

**Job creation subsidies:** Non-refundable cash subsidies up to €5,500 per new job

**Wage support:** For employment of disadvantaged labour categories (young people starting out on their career, long-term unemployed, people with impaired working ability)

**START Programs:** Reduced employer contributions for a 2 year period when employing career starters, people over 50 or employee with basic level education, people after maternity leave or long term unemployment.

## **Ireland**

An **Employment Grant** is available but is dependent on and solely attainable through an application form. Please consult:

<http://www.idaireland.com/ida-ireland/existing-clients-grants/>

## **Latvia**

In order to apply for **The Recruitment of Highly Qualified Employees grant**, enterprises need to prepare and submit project applications in line with the criteria described in guidelines for the submitters of projects.

### **Malta**

**Employment Aid Program:** ETC provides financial assistance to employers who opt to employ disadvantaged persons. Please visit [www.etc.gov.mt](http://www.etc.gov.mt) for further information.

### **Romania**

- **Unemployment social insurance system and employment stimulation:** Employment and new jobs creation are stimulated by means of:
  - Subsidies awarded for creating new jobs
  - Favourable granting conditions for credits contracted for the creation of new jobs
  - Grants awarded from the unemployment insurance budget
  - Other incentives (tax exemptions, training subsidies, etc.)
  
- **Student employment stimulation:** Monthly financial incentive of up to 50% of the value of the social reference indicator of the unemployment insurance system per student.

### **Slovakia**

**Investment aid** to support initial investment and creation of jobs is provided in the form of:

- A subsidy for the acquisition of material assets and immaterial assets
- An income tax relief under a separate regulation
- A contribution for created new jobs under a separate regulation
- Transfer of immovable property or exchange of immovable property at a price lower than a general asset value, whereby provisions of a separate regulation do not apply.

### **Slovenia**

**Employment Incentives:** The [Employment Service of Slovenia](#) carries out a series of measures for encouraging employment through which it advises and finally supports employers that employ new workers.

## Sweden

**Regional employment grants:** Companies may apply for regional employment grants when investing in regional development areas.

The regional employment grants are aimed at stimulating economic growth and achieving balanced regional development. Certain conditions should be observed, including the following:

- Newly started and established companies in development areas may seek a regional employment grant to finance recruitment of new staff.
- The activity must be deemed to be profitable and lead to lasting employment.
- The grant must be deemed necessary to bring about the planned employment increase.
- The recruitment must aim at permanent employment and involve people who are out of work or about to lose their jobs.

The size of a grant is determined based on factors such as its effect on employment and economic growth and the importance of the business activity to society. Each application is individually assessed.

## United Kingdom

The level of **grant** support is linked to the number of jobs created and/or safeguarded by the proposed project and the amount of capital investment committed. There are regional variations across the UK in the levels of grant available:

- *In England:* the minimum level of grant available is £10,000 with no upper limit.
- *In Northern Ireland:* there are particular arrangements for financial assistance which should be discussed directly with Invest Northern Ireland. (<http://www.investni.com/>)
- *In Scotland:* there is no minimum level of grant available and no upper limit.
- *In Wales:* the minimum level of grant available is £5,001 with no upper limit.

Potential applicant businesses should make contact with the relevant regional government organization to discuss the specific levels of assistance available in each area. For contact details, please visit <http://www.ukinvest.gov.uk/Information-sheets/4021111/en-GB.pdf>.

### 4.3 Employee Training & Re-Training

[\[Back\]](#)

#### Belgium

##### *Flanders*

**Ad hoc Training Aid:** Large enterprises with an important new employment can apply for a grant of 25% or 50% for eligible costs connected to the training of staff (Specific & General training).

##### *Brussels*

- **Contribution for training activities organized for staff or management:** The contribution amounts to 50% of the price, with a maximum of €7.500 per training activity.
- **Language courses for staff subsidy:** up to 50% of the costs, excluding incidentals (accommodation, travel, etc.). Support available is limited to € 7.500.

##### *Wallonia*

- **The Training Check:** A form of financial aid for ongoing employee training, which cuts the cost of training by 50%. It is available to companies with a maximum of 250 employees and turnover of no more than €40 million.
- **Retraining Credits Subsidy:** €6 – 10 per hour to cover part of the costs of training courses for at least three employees leading to craft specialism, qualifications or training that comply with descriptions contained in current standard reference material. They must also involve retraining and promote mobility within the company.

#### Cyprus

- **Human Resource Development Authority of Cyprus (HRDAC) grants:** to support a wide spectrum of training needs for any size company registered in Cyprus. Among the most popular funding opportunities are:
  - In-company training for developing and upgrading skills
  - Training provided by private training organizations in various fields

#### Czech Republic

**Training and re-training grants:** 25% of training and retraining costs in regions worst affected by the unemployment. (35% and 45% respectively for medium and small size companies)

## Estonia

The **grant** can be applied for the implementation of the project of development of knowledge and skills lasting up to 12 months in the company in the following sectors:

- Professional in-service training of employees and/or managers
- Participation at the professional conferences held outside Estonia.

The minimum amount of grant to be applied is 25 000 Kroons per project. Up to 50% of the eligible costs made are financed.

## France

### **Grants for corporate training:**

There are several sources of assistance which enable companies that are setting up their business to finance a significant proportion or all of their professional training expenses.

## Germany

The German states and the European Social Fund (ESF) offer a variety of **on-the-job training programs**. Companies can be supported with subsidies covering up to 50% of all training costs. Authorization by the European Union (EU) is required if the amount awarded to a single company exceeds €2 million.

## Hungary

**Training subsidies:** non-refundable cash subsidy based on government decision up to 25-90% of eligible training costs or €2 million, other training subsidies and services.

## Ireland

A **Training Grant** is available but is dependent on and solely attainable through an application form. Please consult <http://www.idaireland.com/ida-ireland/existing-clients-grants/>

## Latvia

In order to apply for **grants for education and re-education of employees**, enterprises need to prepare and submit project applications in line with the criteria described in guidelines for the submitters of projects.

## Malta

Through the **Training Aid Framework**, ETC provides financial assistance to companies that invest in the training of their workforce. Please visit [www.etc.gov.mt](http://www.etc.gov.mt) for further information.

## Slovenia

Employers who intend to hire unemployed persons may apply for **free training and retraining** provided by local employment offices throughout Slovenia.

## Spain

The **Vocational Training system** in Spain is divided into two subsystems:

- Regulated Vocational Training
- Vocational Training for Employment carried out the area of employment in a strict sense.

There are also many employment incentives for the employment of different groups of the workforce. For more details, please visit:

<http://www.investinspain.org/icex/cma/contentTypes/common/records/viewDocument/0,,,00.bin?doc=4198373>

## 4.4 Environment Protection & Energy Conservation

[\[Back\]](#)

### **Austria**

#### Eligible investments for subsidies:

- Environmental protection measures fulfilling new, binding environmental regulations (only for SMEs): up to 15%
- Environmental protection measures exceeding legal requirements: up to 30%
- Investments in renewable energies and energy-saving measures: up to 40%

Supplementary funding can be granted for SMEs as well as for investments in regional assistance areas.

Investments eligible for the subsidies are those concerning:

- Clean air
- Wastewater
- Renewable energy sources
- Energy efficiency
- Waste utilization

### **Belgium**

#### *Brussels*

Whatever the size of the enterprise, a **grant** can be obtained for investments aiming at:

- Rational energy use
- Water saving conservation
- Raw material saving conservation
- Environmental protection
- Adaptation to European standards (apart from environmental standards)

Such investments must be directly related to the production process or provision of services and must involve a minimum admissible amount of €6,200.

### **Cyprus**

**Cyprus Institute of Energy (CIE) Governmental Grants:** Investments in the field of Energy Conservation (EC) and the promotion of the Renewable Energy Sources (RES) utilization.

For more information: [www.cie.org.cy](http://www.cie.org.cy)

## Hungary

EU co-financed cash grants are established for environment protection and energy conservation. In the frame of the Hungary Development Plan, €4.9 billion EU funds are available for the 2007-2013 period.

## Luxembourg

**Financial support:** For specific projects concerning environmental protection or efficient energy utilization. Capital grants from the Government as well as medium and long-term loans from the National Credit and Investment Corporation (SNCI) are available.

## Romania

- **Horizontal state aid scheme for regional sustainable development and reduction of emissions:** Initial investments in all industrial fields and the energy field, concerning activities of electric and thermal energy production and consumption can apply. All projects are eligible, except those with costs exceeding €50 million.

Maximum state aid intensity:

- 40% of the total eligible expenses for Bucharest-Ilfov region
  - 50% of the total eligible expenses for the other seven development regions
  - Intensity can be increased by 20% in case of small enterprises and microenterprises, and by 10% in case of medium sized enterprises.
- **State aid scheme granting support for the consolidation and development of the Romanian productive sector through investments of big enterprises:** grants for big enterprises in one of the following sectors:
    - Extractive industry
    - Manufacturing
    - Water distribution
    - Sanitation
    - Waste management
    - Decontamination activities
    - Constructions
  - **Environment Fund:** non-refundable financing or co-financing is available for projects which enhance environmental performance.

## Spain

For the **ENERGY incentive**, please contact the Institute for Energy Diversification and Saving

(IDAE) or the ICO Ministry of Science and Innovation.

More information at: <http://www.idae.es>, <http://www.ico.es>, <http://www.micinn.es> and <http://www.ingenio2010.es> .

## 4.5 Export

[\[Back\]](#)

### **Austria**

**Loan with interest rate of 2.50%:** Loan amounts are based on financing requirements and the level of export activity. The loan ceiling is set at 30% of the previous year's export revenues or the anticipated export revenues for the current business year.

Export companies contracting with foreign partners to deliver domestic goods (goods manufactured or significantly altered in Austria) or to provide services are eligible for loans. Foreign origin of up to 50% is generally accepted. Raw materials and semi-finished goods not obtainable domestically are not considered to be of foreign origin.

### **Estonia**

**Export Marketing Grant:** The grant can be applied for the marketing costs (compliance with the requirements of the export market, making the product samples and advertising material, development of the product brands and registration in the target country), market research, visiting the target markets and organizing the marketing events.

Activities supported by the Export Marketing Grant:

- Compliance of the products with the requirements of the target market;
- Preparation and ordering of product samples and advertising materials;
- Development of brands of products and services described in the export plan and registration of trademarks in the target country;
- Visiting of target markets and organizing the marketing events directed to the target markets in the foreign country or Estonia;
- Participation at the foreign fairs directed to the target markets and exposition of the permanent exposition at the target market;
- Implementation of the surveys of the target markets.

The minimum amount of the grant is 150,000 and the maximum is 2.5 million Kroons per project. Up to 50% of the eligible costs incurred are financed. The duration of the projects is 12-24 months.

**Foreign trade fair grant:** The grant is provided for the joint visit to the foreign trade fair and for participation at the foreign trade fair individually or with a joint stand.

The maximum amount of the grant for participating at one foreign trade fair is 1 million Estonian Kroons. Up to 50% of the eligible costs incurred are financed.

**Joint marketing grant:** The grant can be applied for finding the foreign contacts and involvement of the foreign partner, carrying out the background studies, marketing events, information days and organizing the seminars.

The minimum amount of the grant per project is 40,000 and the maximum is 1 million Kroons per application. Up to 50% of the eligible costs incurred are financed.

### **Hungary**

**Trade promotion grant:** The grant can be applied for the costs of export promotion activity by EU-based companies.

Activities supported by the grant are the following:

- Participation to international fairs and exhibitions
- Annual fee of international organisations
- Realisation of complex export marketing plan

The maximum amount of the grant is HUF 10 million (€0.37 million) per project, for up to 70% of eligible costs.

### **Finland**

**Loans and guarantees by Finnvera:** the state-owned financing company Finnvera plc offers services to businesses of all sizes and in all sectors, except basic agriculture. Its services range from loans and guarantees to start-ups and micro-enterprises, to export credit guarantees to large exporters and their financiers. Finnvera is also Finland's official Export Credit Agency (ECA).

### **Romania**

**Export grants** are available for 3 activities relating to export:

- Participation to international fairs and exhibitions
- Organizing economic missions and promotion activities abroad
- Conducting market and product surveys

These three grants have the purpose of promoting export in all fields of activity and relate to eligible costs.



## 4.6 Investment in Fixed Assets & Intangible Assets

[\[Back\]](#)

### Belgium

#### *Flanders*

**Growth premium for strategic projects:** a premium for investments made in fixed assets (land, buildings, machinery and material) or in intangible assets (patents, exploration licenses, licenses of technological know-how). Unimplemented investments of more than €8 million irrespective of the size of the company are eligible.

The premium is calculated as a percentage of the subsidizable investment, with a maximum amount of € 1 million.

#### *Brussels*

**Subsidies for investments in land, buildings, equipment, furniture and intangible assets:** the amount of the grant depends on the size of the enterprise, the location of the business (in- or outside development zone) and some specific objectives (employment, new enterprise...).

**Wallonia:** grants are awarded as a percentage of the qualifying investment amount, calculated on purchases of:

- Buildings
- New equipment
- Intangible assets (patents, licenses, patented or non-patented technical knowledge)
- Vehicles weighing more than 3.5 tonnes (excluding transport sector)

This assistance varies by company size:

Category	Workforce	Balance-sheet total or turnover
Micro-enterprise	less than 10	< 2 000 000 €
Small enterprise	10 – 49	< 10 000 000 €
Medium-sized enterprise	50 – 249	< 43 000 000 € < 50 000 000 €
Large enterprise	Any company not meeting the SME criteria	

## Estonia

**Start-up grant:** for entrepreneurs who are ready to provide the product or service needed at the market but who is not focused on the fast growth. Up to 100,000 Kroons can be applied; with the share of grant of the project cost is maximum 80%.

**Development grant:** for entrepreneurs who are ready to provide the product or service needed at the market but who is focused on the fast growth or who have already proven its competitiveness and require support for growth acceleration. Up to 500,000 Kroons can be applied; with the share of grant of the project cost is maximum 65%.

Both grants are available for a self-employed person or a company whose owners include no more legal persons than 25%.

- For start-up grant: who is registered in the Commercial Registry no more than 12 months ago or is to be founded
- For development grant: who is registered in the Commercial Registry no more than 36 months ago or is to be founded and whose net sales income after 2 financial years is 2 million Kroons, net sales growth per year is 30% and export is 20% of net sales.

## Hungary

The Hungarian government pays special attention to investment projects. Presently, there are two scenarios for the subsidy package: European Union co-financed tender and subsidy with Individual Government Decision.

In case the investment volume of the project is between €10 and 25 million, the Hungarian National Development Agency shall assay whether the project may be supported at the time of the project launch by EU co-financed means. If for any reason the project cannot be supported by EU co-financed tender, investor may enter the process of the individual cash subsidy based on the government's individual decision. The incentive package may consist of the following elements:

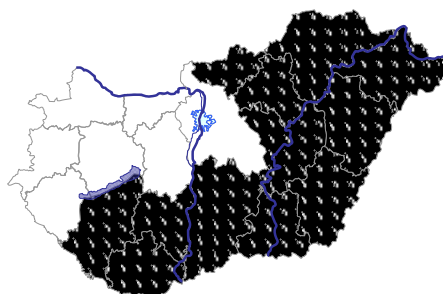
- Cash subsidy decided individually by the Hungarian government
- Development tax allowance
- Training subsidy
- Job creation subsidy

Corporate tax allowance: 80% of corporate tax (19%) can be deducted for up to 10 years, in case of minimum HUF 100 million (€0.37 million) R&D investment volume.

Minimum requirements:

- Investment volume >HUF 3000M (approx. €10M) in developed areas, or >HUF 1000M (approx. €3.3M) in less developed areas (corresponding to shaded areas on the map)
- Job creation >150 in developed, or >75 in less developed regions.
- R&D project: only minimum HUF 100M (€0.37M) R&D investment volume.

\* Preferred local governments are located in Northern Hungary, Great Hungarian Plain (North and South), South Transdanubia



**Job creation subsidies:** Non-refundable cash subsidies up to EUR 5 500/per new job.

### Greece

- **Cash Grant:** up to 60%, that covers part of the expenses for the investment project
- **Leasing Subsidy:** up to 60%, that covers part of the payable instalments relating to a lease that has been entered into for the use of new mechanical or other equipment

### Latvia

**Grants for Enterprises in Priority Development Areas:** for companies registered in regions with special support status, grant schemes are available allotting subsidies for loan interest payments, if the loan has been used for the purchase, creation or fundamental reconstruction of fixed assets, or for initial investment in fixed assets by enterprises that have implemented development projects anticipating rapid growth in sectors with high value added (processing, services) or that facilitate the development of innovative enterprises.

To apply for grants, enterprises need to prepare and submit project applications in line with the criteria described in guidelines for the submitters of projects.

**Additional information at:**

[www.vraa.gov.lv](http://www.vraa.gov.lv)

## Luxembourg

**Industrial sites:** Land may be provided at favourable rates in one of the numerous national, regional or municipal industrial parks. The industrial sites are fully equipped with all public infrastructures and utilities: connection to transport and telecommunications networks, supply of water, sewer, electricity and natural gas. All are located close to major international highway, railway and airport networks.

## Portugal

**Fiscal Incentives:** (Investment Relevant Applications over €5 Million)

- tax credit from 5% up to 20% of relevant applications (upon requirements)
- exemption or reduction of municipality tax (IMI)
- exemption or reduction of property acquisition tax (IMT)
- exemption of stamp tax duty

## 4.7 Research & Development (R&D)

[\[Back\]](#)

### **Austria**

A mix consisting of **Grants, Low-interest loans and Loan guarantees** of up to 50% of total project costs is financed for projects linked to a positive evaluation of the following technical and economic criteria:

- Technical innovation and applicability
- Ecological relevance
- Potential for carrying out the project at the applicant's premises
- Technical development risk
- Catalyst effect on research
- Technological innovation (technological leap forward) for the applicant
- Possibility of carrying out production at the applicant's premises or those of a cooperation partner
- Economic performance and marketing experience of the applicant
- Market opportunities and potential commercial utilization
- Positive effects on economic growth and social development

### **Belgium**

#### *Flanders*

Institute for the Promotion of Innovation by Science and Technology in Flanders supports and stimulates industrial research and technology transfer in the Flemish industry.

Three types of projects are eligible:

- Basic industrial research: i.e. scientific-technological research focused on the generation of new knowledge
- Prototype or development activities: i.e. the transformation of technological knowledge into the design of new, modified or improved products, processes or services
- Mixed research: i.e. research activities that combine basic industrial research as well as prototype or development activities

The basic support percentage is dependent on the type of research project:

- Industrial basic research: 50% of the accepted costs
- Development of prototypes: 25% of the accepted costs
- Mixed research: 38% of the accepted costs

### ***Brussels***

- **Financing of industrial research:** any promoter wishing to carry out an industrial research project can obtain a subsidy of up to 50% of the eligible expenses attached to the execution of the project. This percentage can be increased for SMEs.
  
- **Financing of pre-competition development:** any promoter wishing to carry out a pre-competition development programme may obtain financial assistance from the government, in the form of: (rates can be increased for SMEs)
  - Subsidy of up to 25% of eligible expenses linked to the execution of the project.
  - Reimbursable advance of up to 40% of these expenses. This advance must be repaid in full if and when the beneficiary project successfully reaches the commercial stage.

### ***Wallonia***

- **Subsidies for basic research programmes:** a direct grant:
  - of up to 70% of the subsidy for an SME
  - of up to 50% of the subsidy for other companies

The following criteria are taken into account:

- Innovative nature of the project
  - Scientific importance of the research and the application of its results
  - Expected results and their importance for the Wallonia region
- 
- **Recoverable advance for applied research programmes:** no-interest loan granted by the region to finance the research programme and the working capital of the company.
    - Up to 70% of the subsidy for an SME
    - Up to 50% of the subsidy for other companies
- 
- **FIRST-Enterprises Programmes:** the objective of the FIRST programme is to transfer technical expertise from the universities to local businesses. The Region covers 80% of the researcher's salary over a period of 18 to 24 months.

Criteria as follows:

- Research project in collaboration with a Wallonia university laboratory,
- The researcher is less than 35 yrs and has not yet taken part in this type of programme,
- A company may have a number of concurrent FIRST researchers on different research program,

- **Tax Reductions:** Companies that employ researchers on projects carried out in collaboration with recognized scientific institutions can benefit from a 50% reduction in the payroll taxes due for these researchers. This can amount to between €8,000 and €10,000 per full-time researcher per year.

## **Cyprus**

**Research Promotion Foundation (RPF) Governmental Grants:** Aiming to promote the development of scientific and technological research in Cyprus and highlight fundamental importance of research in knowledge economies.

For more information: <http://crpf.metacanvas.com>

## **Hungary**

### Cash

- EU co-financed cash grants supporting R&D projects are available up to 60% subsidy ratio
- OR
- Special cash subsidy for R&D projects granted by the Hungarian government:
  - Project based, non-refundable
  - Individual governmental decision
  - Minimum requirements: investment volume superior to €10 million, job creation of 10

### Tax

**Corporate tax allowance:** 80% of corporate tax (19%) can be deducted for up to 10 years, in case of minimum HUF 100M (EUR 0.37M) R&D investment volume.

### Job creation subsidy

Non-refundable cash subsidies up to EUR 5 500/per new job.

### Training subsidy

Amount of subsidy: 25-90% of eligible training costs, max. EUR 1M (HUF 270M) if job creation is between 50-500, max. EUR 2M (HUF 540M) if job creation >500

### Other

Additional tax related benefits are available for R&D projects.

## **Finland**

Tekes, the Finnish Funding Agency for Technology and Innovation, provides **low-interest loans and grants** to challenging and innovative projects potentially leading to global success stories.

Foreign-owned companies with R&D&I activities in a Finnish limited liability company (Oy) are not required to have a Finnish partner to be eligible for funding. In 2008, Tekes invested €516 million in 1983 innovative projects.

## France

R&D activities benefit from a **specific system of tax credit** which can total €100 million per company per year, or up to 8 years of social security payment exemptions for a young start-up company.

## Germany

**German Federal State Funding:** in addition to programs run by the federal government, each German state has **R&D grant programs** - generally reserved for SMEs - in place. Some states put particular focus on specific industry clusters but programs without specific technological focus also exist. Cooperation between project partners is not always necessary.

## Ireland

A **R&D Capability Grant** is available but is dependent on and solely attainable through an application form. Please consults

<http://www.idaireland.com/ida-ireland/existing-clients-grants/>

## Lithuania

### ▪ **R&D Projects and Investments into New Technologies**

The following incentives are applied to companies investing into R&D:

- **Triple deduction** - expenses incurred by companies while carrying out R&D as well as by acquiring R&D carried out in European Economic Area countries (EEA) or countries with a Double Tax Agreement (DTA) can be deducted from taxable income thrice.
- **Super-accelerated depreciation** – the acquisition price of fixed assets used in the R&D activities can be written-off within two years.
- **Profit Tax Reduction for Investments into New Technologies:** from the beginning of the 2009 tax year, enterprises investing in long-term assets aimed at providing new or additional products or services, increasing the capacity for new products or services, introducing new products or services, or changing all or part of the existing process, or introducing technology protected by international patents, can find their profit tax calculated for the same period reduced by up to 50 %.

Expenses exceeding these sums can be postponed until one of the four later, consecutive tax periods. The profit tax incentives will only apply to expenses incurred during the period from 2009-2013. However, the profit tax calculations for each tax period cannot be reduced by more than 50 %.

### **Luxembourg**

**Financial support:** May be granted for the funding of specific projects concerning research, development and innovation investment focusing on new products, services or processes in order to complement equity and bank financing. Capital grants from the Government as well as medium and long-term loans from the National Credit and Investment Corporation (SNCI) are available.

### **Malta**

The **ERDF Research and Development Grant Scheme** will part-finance eligible costs related to industrial research projects and experimental development projects.

These costs include:

- Personnel Costs
- Equipment and Instruments
- Subcontracting
- Materials

Projects should be completed within 36 months and must have a minimum value of € 60,000 in eligible costs. The applicable percentage of aid is based on the size of the applicant and the type of R&D project which is being planned.

### **Portugal**

For more information on the **Incentives System for Corporate Research and Development in Technology**, please contact [aicep@portugalglobal.pt](mailto:aicep@portugalglobal.pt).

### **Slovenia**

Foreign companies making direct investments in Slovenia may apply for **financial grants**. The purpose of the Invitation for Applications is to boost attractiveness of Slovenia as a location for foreign direct investment by lowering entry (start-up) costs to the investors whose investment will have a positive impact on new employment, knowledge and technology transfer, facilitation of balanced regional development, and will foster alliances between foreign investors and Slovenian companies. Grants are available for many projects, including R&D.

- **Tax Reliefs for Investment:** a deduction from the tax base of 20% of the investment in research and development. The amount of the additional deduction may be increased to 30-40% depending on the regional relief scheme.

## **Spain**

For the **R&D incentive**, please contact the R&D Ministry of Science and Innovation or the Ministry of Industry, Tourism and Trade/CTDI/ICO.

More information at: <http://www.ico.es>, <http://www.cdti.es>, <http://www.micinn.es> and <http://www.ingenio2010.es>.

## 4.8 Regional Development

### **Austria**

**Low interest loans** (ERP Fund, various provincial funding programs), **Subsidies** (Austria Wirtschaftsservice, EFRE) and **Guarantees** (Austria Wirtschaftsservice, provincial guarantee schemes) are available dependant on the size of the company and the relevant region (ranging from 15-50%).

Purpose:

- Structural improvement measures to increase competitiveness and secure jobs
- Strengthening of regions with growth and employment potential
- Counteracting of regional economic differences between structurally stronger and weaker regions
- Reduction of intensity gaps between regional promotion areas and other areas within Austria, as well as in relation to Austria's border regions to the Czech Republic, Slovakia, Hungary and Slovenia

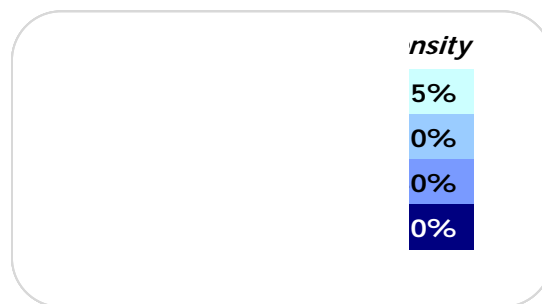
### **Bulgaria**

**State support** is available for priority investment projects meeting one or more of the following criteria:

- creating jobs in high-tech activities or in undeveloped regions
- construction of industrial zones or technology parks

### **Hungary**

The legal basis for all investment subsidies within Hungary is provided by common legal framework of the European Union. Following maximum regional subsidy intensity ratios have been set by the European Commission:



The maximum intensity ratio is increased by 10 percentage points for medium-sized and by 20

percentage points for small enterprises.

## Finland

- **Investment aid:** Can be granted to companies in the regional development areas, especially SMEs. Large companies may also qualify if they have a major employment impact in the region.
- **Tax relief** is available for companies setting up in certain areas which are considered 'development areas' in the form of a higher depreciation rate on fixed assets.

## France

**Research Tax Credit** (Crédit Impôt Recherche, CIR): The regional economic contribution (*Contribution Economique Territoriale, CET*), can be reduced proportionally to the claimed volume of eligible R&D expenditures (*i.e.* all other subsidies subtracted). Any industrial, commercial or agricultural organisation subject to corporate tax in France can claim a Research Tax Credit.

It amounts to 30 % of eligible R&D expenditures, for expenses reaching up to €100 million; beyond this threshold, the rate comes down to 5 %. For companies entering the scheme for the first time, the applicable rate is 50 % the first year, and 40 % the second year.

## Germany

- **The Joint Task Program:** the actual incentive amount granted varies from region to region subject to economic development level. Regions with the highest incentives rates offer grants of up to 30% of eligible expenditures (*i.e.* only for new equipment and machinery) for large enterprises, up to 40% for medium-sized enterprises, and up to 50% for small enterprises respectively. These higher incentive rate regions are mainly situated in Eastern Germany.
- **Investment Allowance (Investitionszulage/IZ):** a special incentive program created to promote investment activities in Eastern Germany. As such, the program is only open to investment projects settling in Eastern Germany. The Investment Allowance usually takes the form of a tax-free cash payment but can also be allotted in the form of a tax credit.

## Hungary

In cases where no EU co-financed subsidy is available, the Hungarian Government offers tailor-made incentive packages for projects with eligible costs exceeding €10 million (or 50 million for tourist projects). The incentive package includes a **Development Tax Allowance**.

## Italy

### **Incentives for Industrial Development:**

- 25% of investment costs for eligible investments in Central and Northern Italy
- 40% of investment costs for eligible investments in South Italy

## Latvia

In order to apply for **grants for Development of Industrial Areas** used by Business or Development of Investment in SMEs in Regions with Special Support Status, enterprises need to prepare and submit project applications in line with the criteria described in guidelines for the submitters of projects.

## Lithuania

**Free Economic Zones with Tax Benefits and One-Stop-Shop Services:** Lithuania's two free economic zones are located in the country's economically important centres and provide favourable conditions for developing business activities by offering prepared industrial sites with physical and/or legal infrastructure, support services, and tax incentives.

Tax	%	Taxes in 2 free economic zones
Corporate profit tax	15	No corporate tax during the first 6 years and only 50% of corporate tax over the next 10 years
Dividends	0* to 15	No tax on dividends for foreign investors
Real estate tax	0.3-1	No real estate tax

\*0% tax on dividends applies when an investor controls at least 10% of the voting shares in the enterprise for the period of at least 12 months

For more information on tax incentives in Lithuanian free economic zones please visit [www.feز.lt](http://www.feز.lt) and [www.ftz.lt](http://www.ftz.lt)

## Luxembourg

**Financial support:** May be granted to companies located in development areas for the funding of specific projects in order to complement equity and bank financing. Capital grants from the Government as well as medium and long-term loans from the National Credit and Investment

Corporation (SNCI) are available.

## **Poland**

**Special Economic Zone (SEZ)** is part of Polish territory which is administered separately, allocated for the running of businesses on preferential terms. The SEZ is a place which is subject to special treatment and tax exemptions where an entrepreneur can establish a business on a specially prepared site and run it without paying income tax.

If a company decides to invest in one of the SEZs, the income which it receives from business carried out on its terrain will be exempt from income tax (Corporate Income Tax (CIT) or Personal Income Tax (PIT), depending on the legal form used to run the business).

### **In a SEZ the entrepreneur can obtain the following privileges**

- Tax exemption (Corporate Income Tax or Personal Income Tax)
- A site fully prepared for development by the investor at a competitive price
- Free assistance in dealing with formalities in connection with the investment
- Exemption from real estate tax (on the territory of certain Gminas)
- Governmental financial support for creation of new jobs and for new investment

Exemption from income tax granted in the SEZ is regarded as publicly funded regional aid, which serves to speed up the development of the most poorly developed EU regions; by supporting new investments and creating new workplaces linked to these new investments.

## **Romania**

**State aid scheme on supporting regional development by stimulating investment:** grants for projects of which the initial investment exceeds €100 million, with eligible costs of over €50 million and at least 500 new jobs created as a result of the initial investment. The gross intensity is calculated by adjusting the regional ceiling to the value of eligible costs.

## **Slovenia**

**Local Incentives:** municipalities may offer different forms of incentives, which are negotiated on a case-by-case basis. These incentives may include easy access to industrial sites, utility connections and holidays from local taxes.

## **Sweden**

**Regional Development Grants:** aimed at stimulating economic growth and achieving balanced regional development. These are divided into regional investment grants and regional employment grants. A grant is only made if it considered necessary to bring about the investment. The maximum size of a regional investment grant is defined as a percentage of the total investment cost. There are three determining factors: type of investment, type of company, and the regional development area in which the company operates. Each application is individually assessed. Factors taken into account include employment, economic growth, and overall importance to regional development.

### **United Kingdom**

The UK has a number of designated Assisted Areas in which **capital grants** are available. Assisted Areas are tightly defined around electoral ward boundaries. Companies should contact the relevant regional government organization to check whether the location of their proposed project falls within an Assisted Area. For contact details, please visit <http://www.ukinvest.gov.uk/Information-sheets/4021111/en-GB.pdf> .

## 4.9 Small & Medium-Sized Enterprises (SME)

### Austria

**Low interest loans** (ERP Fund, various provincial funding programs), **Subsidies** (Austria Wirtschaftsservice, EFRE) and **Guarantees** (Austria Wirtschaftsservice, provincial guarantee schemes) are available for projects that involve quality improvement measures and the launch of innovative technologies.

#### **Eligible investments:**

- **Small enterprises** (EU definition): up to 20%
- **Medium-sized enterprises** (EU definition): up to 10%

### Belgium

#### *Flanders*

**Growth premium for SMEs:** for SMEs with:

- investment plans in the Flemish District
- an acceptable main activity (Nace-code)
- an acceptable legal form (i.e. stock corporation, limited liability company)
- no governmental participation of 50% or more

The eligible investment must be no less than the following minimum levels:

- €12,500 for companies less than 5 years old (starting from the date of registration at the Crossroad Bank for Enterprises).
- €25,000 for companies older than 5 years.

### Hungary

EU co-financed tenders for SMEs, up to 70% intensity ratio for small enterprises and up to 60% intensity ratio for medium-sized enterprises.

**Corporate tax allowance:** 80% of the corporate tax rate (19%) is deductible for a period of 10 years, if investment volume is above HUF 500 million (€1.85 million) and in case of medium-sized companies an increase of headcount is at least 50 or in case of small companies the increase in headcount is at least 20.

### Finland

**Loans and guarantees by Finnvera:** the state-owned financing company Finnvera plc offers loans and guarantees to SMEs established in Finland in all sectors, except basic agriculture. Finnvera's financing can be used for various purposes, such as for setting-up an enterprise,

investments and working capital. Finnvera is also Finland's official Export Credit Agency (ECA).

### **Latvia**

In order to apply for **Loan Guarantees for SMEs**, enterprises need to prepare and submit project applications in line with the criteria described in guidelines for the submitters of projects

### **Lithuania**

**Investment Guarantees and Bank Loan Support:** INVEGA, a company established by the state, provides guarantees on bank and credit union loans as well as administering loan interest subsidies for small and medium-sized enterprises (SMEs) in need of business financing.

For more information on INVEGA and investment guarantees and bank loan support please visit [www.invega.lt](http://www.invega.lt)

### **Luxembourg**

**Financial support:** may be granted for the funding of specific projects to small and medium-sized companies in order to complement equity and bank financing. Capital grants from the Government as well as medium and long-term loans from the National Credit and Investment Corporation (SNCI) are available.

### **Malta**

**SME Development Grants:** this incentive may be provided to support SMEs to help them develop and diversify their activities, penetrate new markets, increase competitiveness, develop new products and services, and consolidate their existing market share. The total aid received by one enterprise may not exceed €10,000 in one calendar year.

### **Portugal**

For more information concerning the **Incentives System for the Professional Qualification and International Expansion of SMEs**, please contact [aicep@portugalglobal.pt](mailto:aicep@portugalglobal.pt).

### **Romania**

- **De Minimis state aid for the development and modernization of enterprises:** grants of up to €200,000 over a 3 consecutive fiscal year period are available for SMEs in certain industries.
  
- **De Minimis state aid scheme supporting SMEs access to broadband and related**

**services:** SMEs in all industries can receive up to 80% of the project's eligible expenses. The grant cannot exceed €25,000.

- **State aid scheme 'support for the consolidation and modernization of the Romanian productive sector, through investment by SMEs:** SMEs in certain sectors can be awarded grants according to their location:
  - Medium-sized enterprises:
    - 50% for projects in Bucharest-Ilfov region
    - 60% for projects in the 7 other development regions in Romania
  - Small-sized enterprises:
    - 60% for projects in Bucharest-Ilfov region
    - 70% for projects in the 7 other development regions in Romania

## **Spain**

For the **SMEs AID on PROGRAM**, enterprises have to apply at the Autonomous Communities Governments (Instituto de Credito Oficial (ICO). Compania Espanola Para la Financiacion Del Desarrollo (COFIDES))

For more information, please consult <http://www.ipyme.org>, <http://www.ico.es> or <http://www.cofides.es/>

## 4.10 Technology promotion

[\[Back\]](#)

### **Austria**

**Low interest loans** (ERP Fund, various provincial funding programs), **Subsidies** (Austria Wirtschaftsservice, EFRE) and **Guarantees** (Austria Wirtschaftsservice, provincial guarantee schemes) are available for projects concerning marketable technological innovations with corresponding risks in implementation.

#### **Eligible investments:**

- Industrial research and development: up to 50%
- Experimental development (pre-market research): up to 25%

Supplementary funding can be granted for SMEs and specific cooperation projects.

### **Estonia**

**Technology investment support for industrial enterprise:** the support can be sought for projects lasting up to 36 months for the acquisition of tangible assets, and for intangible assets that are required to bring the acquired tangible assets into use.

- Companies identified as industrial enterprises and entered in the Estonian Commercial Registry with the main activity in division C "Processing industry" according to EMTAK 2008.
- Companies (or their parent company) must also have operated in the main field of activity for at least 24 months.

Up to 40% of the project cost is provided to the small and medium-sized companies. Up to 20% of the project cost for large companies. In either case, the total project cost should be at least 1 million Kroons, and for joint applications at least 2 million Kroons.

### **Italy**

**Incentives for technological innovation and research** are available but are assessed on an individual basis. Please contact the Italian investment agency via

<http://www.invitalia.it/on-line/eng/Home/BusinessEnvironment/Incentives.html>.

### **Portugal**

For more information on the **Incentives System for Corporate Research and Development in Technology**, please contact [aicep@portugalglobal.pt](mailto:aicep@portugalglobal.pt).

[\[Back\]](#)

## 5. Testimonies

### 5.1 Austria

"Storage and distribution for Eastern Europe is more economical from Vienna than from Prague or Budapest. The shipping business between the individual reform nations is barely developed, whereas nearly every Eastern destination is serviced from Vienna several times a week."



*Hewlett Packard*

Source: <http://investinaustria.at/EN/ABA-Invest+in+Austria.aspx>

### 5.2 Bulgaria

Up to date presentations about the investment climate in Bulgaria

<http://www.investbg.government.bg/index.php?sid=74>

### 5.3 Belgium

Daikin Europe N. V. (DENV) was established in Oostende in March 1972. The decision to come to Belgium was motivated by several factors. First, there is Belgium's geographical situation, at the center of Western Europe, and conveniently located at the intersection of highly developed transport infrastructures. There is easy access to motorways, ports and airports. Furthermore, the Belgian labour force has a deep sense of responsibility and high productivity, not to mention their linguistic skills allowing them to work in an international environment. Favourable fiscal measures have yet to be mentioned as the Daikin Group benefited from the Belgium-Japan Social Security Treaty, opportunities for notional interest deduction, and also from an Advanced Price Agreement between Belgian and Japanese tax authorities for transfer pricing.

### 5.4 Cyprus

"We are very happy to have selected Cyprus as a base and aspire to maintain, lead and expand our operations from the island. Cyprus' accession to European Union has enhanced the country's credit standing, transferring the image of a low tax jurisdiction to a serious regional trading and service hub. We also believe that the Euro Zone entry scheduled on 1 January 2008 will further upgrade the country's standing within the European Union."



*Mr. Mehran Eftekar - Director, Nest Investments Holdings*

Source: <http://www.cipa.org.cy/easyconsole.cfm/id/202>

### 5.5 Czech Republic

Following is a list of investment projects

<http://www.czechinvest.org/data/files/93-2009-projects-62-en.xls>

### 5.6 Denmark

"Denmark is a great location for our world-wide professional screen production centre. DNP Denmark has managed to stay ahead in the optical screen market for a number of reasons, not least due to the solid core of expertise within optical screen technology originally developed in Denmark. Furthermore, Denmark is a great location for the development, manufacturing and marketing of our large optical screens due to the solid core of expertise within the optical screen market supported by the flexibility and high level of education of the Danish workforce in general. Being located in Denmark is also cost efficient as the actual manufacturing of optical screens takes up a lot of space and compared to Japan the cost of space is much lower in Denmark."



*H. Funatsu - Chief Executive Officer, DNP Denmark A/S*

Source: <http://www.investindk.dk/visAlleCases.asp?artikelID=8108>

### 5.7 Finland

Ohashi is a major Japanese corporation specializing in the planning, development and marketing of high-tech precision components assembled in various products in the automotive and IT sectors.



"We knew we had to establish a local presence in Finland because of the business opportunities that were developing here. You can't cover the whole of Europe from the UK, so, as we were gaining customers here, it made sense to be close to them. Invest in Finland introduced me to some key people early on, and from that point, finding an office, renting space and obtaining legal advice all happened very easily."

*Ian McGregor - Managing Director, Ohashi in Finland*

Source: [http://www.investinfinland.fi/cases/en\\_GB/cases/](http://www.investinfinland.fi/cases/en_GB/cases/)

### 5.8 France

"The construction equipment market in France has been growing at a constant pace, as elsewhere in Europe, and is expected to continue growing steadily with the expansion of the EU and the continued buoyant economy. At the same time, in France, there are quite a few globally operating general construction contractors, major cement companies and crushed stone companies, so we can expect to take on demand not only from within the EU but also from outside. Also, we feel that people in France who engage in the construction equipment industry,



Hitachi Construction Machinery

particularly middle-aged and older people, are experienced, diligent, responsible, and thus highly competent overall.

As for the site location, a number of construction machinery makers and related companies have their plants in France; this will give us a geographical advantage for production which, we believe, we can make effective use of."

*M. Mori, Hitachi Construction Machinery*

Source: <http://www.invest-in-france.org/gb/business-environment/testimonial.html>

### 5.9 Germany

[\[Back\]](#)

"Despite the global finance crisis, Germany is as before an important location for Coca Cola. The country's know-how and innovative strength contribute to market stability. Germany's perspectives as a location are and remain attractive for us."



*Béatrice Guillaume-Grabisch - Managing Director, Coca Cola GmbH*

Source: <http://www.gtai.com/homepage/business-location-germany/testimonials-to-success-1/>

### 5.10 Greece

"Greece is a strong business hub offering access to the EU, Russia and the former east European bloc countries. Moreover, Greece has a stable macroeconomic environment as a member of the Euro zone area, and offers a large pool of skilled, well-educated, and hard working labour force at competitive cost rates. The Greek government supports heavily foreign investments into the country".



*Masahiko Toyoda - Chairman and Managing Director, Tosoh Hellas A.I.C*

Source: <http://www.investingreece.gov.gr/default.asp?pid=59&la=1>

### 5.11 Hungary

"Hungary was and remains an attractive market for Shared Service Center type of operations since they have very good professionals with strong language skills and work ethics. Furthermore, the flexibility of the labour market and the advanced infrastructure are also significant contributors to our strengths. Needless to say that these factors need to be combined with a competitive cost structure what we also found appropriate in this country. "



*Attila Bukovszki - CEO, Citi Shared Service Center*

Source: [http://www.itdh.com/engine.aspx?page=Befo\\_En\\_Investors\\_Labour](http://www.itdh.com/engine.aspx?page=Befo_En_Investors_Labour)

### 5.12 Italy

C.I. Kasei, a Japanese company that is a world leader in the plastics industry, arrived in Italy in April 2007 and one year later opened the Bonlex Europe manufacturing facility at Motta di Livenza, in the Province of Treviso. The company produces and sells plastics, including the films used to coat wooden panels, which are mainly used in the furnishings industry.



"Manufacturing in Italy ensures us workers with the world's top design talent. Bonlex Europe, the C.I. Kasei Group's base in Italy, will become an advanced design and new technology centre for the whole group."

[\[Back\]](#)

*Michiro Kosugi - CEO, Bonlex Europe*

Source: <http://www.invitalia.it/on-line/eng/Home/artCatSuccessstories.44.1.20.1.1.html>

### 5.13 Latvia

One of the greatest business success stories in 2004 was the collaboration between Grant Instruments based in the UK, and Latvia's own BioSan, both makers of high-tech parts and technology for the biotech market.



"I have found that the help and information sources provided by the Investment and Development Agency of Latvia and the British Chamber of Commerce in Latvia offer all the information I would need to find a partner. In addition, there is no replacement for visiting Latvia, making contact with the bodies mentioned, and then networking: it is a small place and you quickly meet many people, many of whom are willing to help or to introduce you to someone else who can!"

*Ludo Chapman - Managing Director, Grants Instruments*

Source: [http://www.liaa.gov.lv/eng/success\\_stories/rampd\\_skills/grants\\_instruments/](http://www.liaa.gov.lv/eng/success_stories/rampd_skills/grants_instruments/)

### 5.14 Lithuania

INTERLOGICS is a Japanese IT leader in customer relations management (CRM) solutions and marketing systems and services some of the largest Japanese companies such as Sony, Borland Japan, AOL Japan, IDG Japan etc. It established a representative office in Lithuania, which has successfully been coordinating the expansion of Japanese investment in other European countries since 2003.



*Interlogics*

Source: <http://www.lida.lt/en/SuccessStories.html>

### 5.15 Malta

Magro Brothers is a privately owned family concern operating in food processing. Currently employing 180 people and operating from 3 factories



on the Maltese Islands, its success is primarily due to the resourcefulness of their employees, to their creativity, and to the dedication to bring forward the company's vision. Malta Enterprise offers a number of incentives for entrepreneurs to operate successfully from Malta. They offer good quality factories, they offer incentives, but above all they offer good advice by good professional people.

*John Magro - Managing Director, Magro Brothers Group of Companies*

Source: [http://www.maltaenterprise.com/what\\_investors\\_say.aspx](http://www.maltaenterprise.com/what_investors_say.aspx)

### *5.16 Netherlands*

"There is a completely new dynamic here; more and more Japanese companies are concentrated around Amsterdam, and directing and consolidating their other European activities from here. That demands a completely different market approach from us. We still offer a full service package in the field of commercial banking, but the emphasis has moved to cash management and trust management. These are the services that our customers, who are currently mainly holding companies, really need."



*Hasegawa - General Manager, Bank of Tokyo-Mitsubishi UFJ*

Source: <http://www.nfia.nl/testimonials.html>

### *5.17 Poland*

"Bridgestone has been investing in manufacturing in Poland for more than 10 years, with very positive results. Our first tire plant began production in 2000, and since then we have opened three further manufacturing plants, one additional tire plant and two factories for other automotive components. The location of Poland, close to major European markets and to the fast growing East European region is ideal, and the support from the Polish government and regions has given us confidence. The diligent and industrious qualities of the Polish employees have been a great benefit to our operations."



*Makio Ohashi, CEO and President, Bridgestone Europe NV/SA*

### *5.18 Slovakia*

Overview of success stories in Slovakia:

<http://www.sario.sk/?success-stories>

### *5.19 Sweden*

Lund-based biopharmaceutical company BioInvent has entered a joint R&D cooperation with Japan's Mitsubishi Tanabe Pharma Corporation for the discovery and development of therapeutic antibodies.



*Mitsubishi Tanabe Pharma*

Source: <http://www.isa.se/Global/Advantage-Sweden/Business-cases/>

### *5.20 United Kingdom*

Innovative software product development and IT services company ZANEC established its UK office months after it was founded in India, and has since found growing success in its new venture.



[\[Back\]](#)

"We wanted to set up our company outside of India as soon as possible to widen our customer base. I had worked in England for many years for a different company and understand the market well. We are using our London office to serve customers located in the UK and around mainland Europe."

*Ravi Kumar – Director, ZANEC*

Source: <http://www.ukinvest.gov.uk/Investor-case-studies/4052019/en-GB.html>