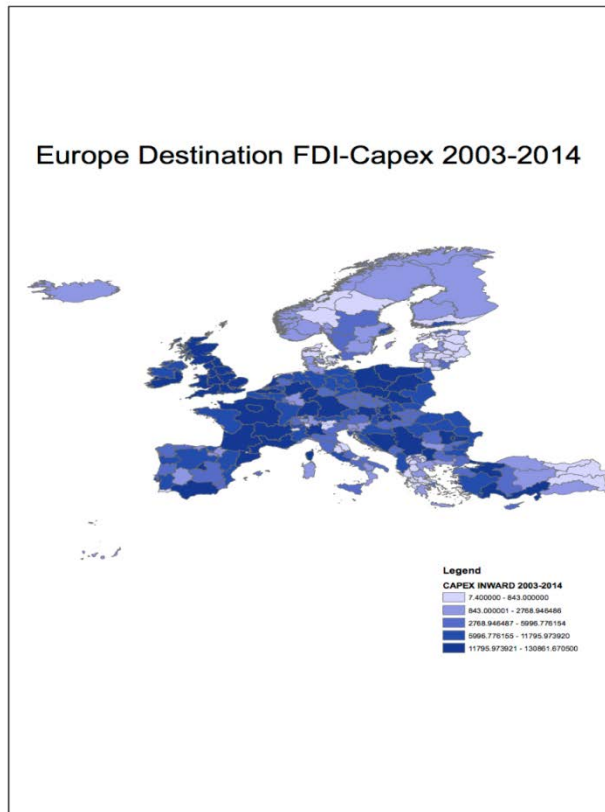
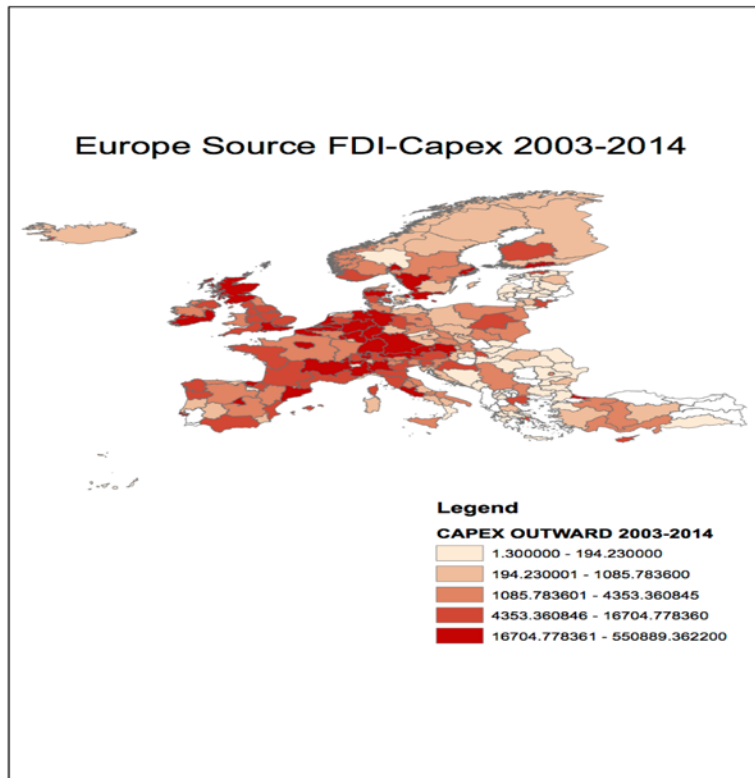


**Figure 1 – Foreign Direct Investment towards the Regions of Europe (Cumulative Inward Capital Expenditure 2003-2014, Million USD).**



Source: authors' elaboration on *fDi-Markets* data

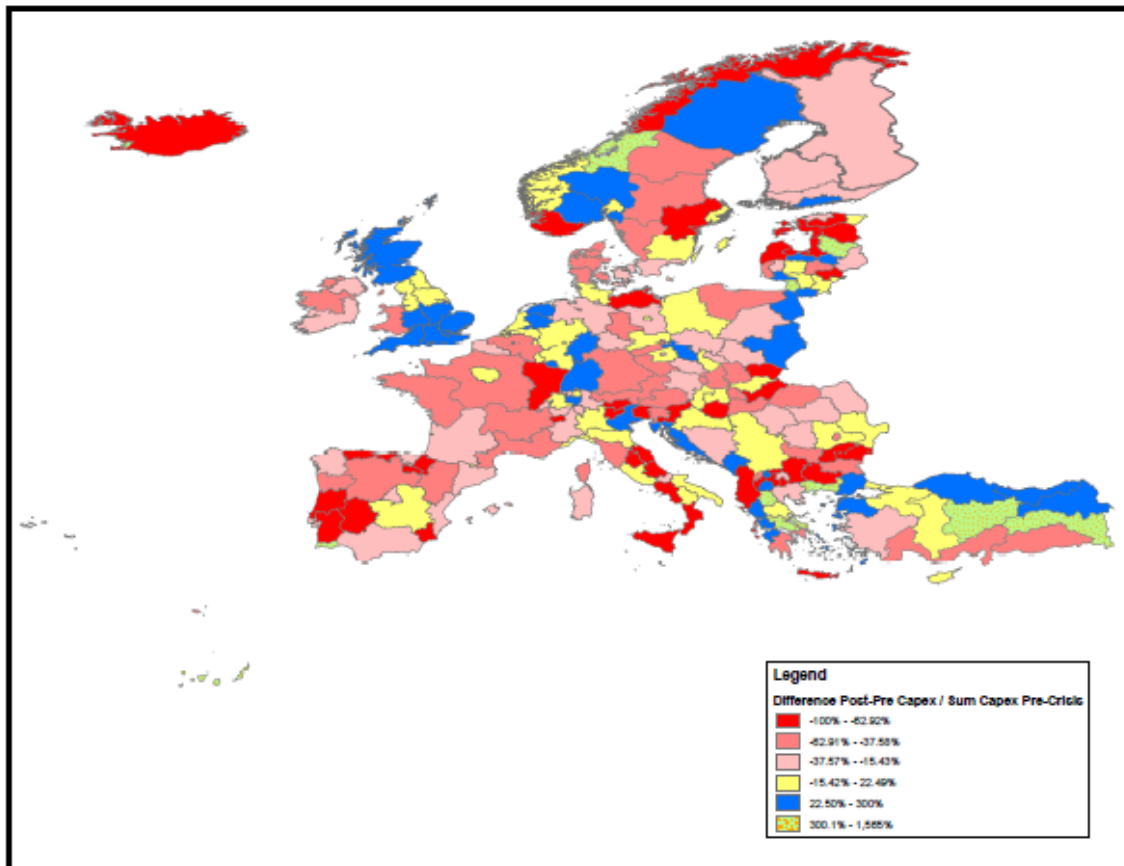
**Figure 2 – Foreign Direct Investment originating from the Regions of Europe (Cumulative Outward Capital Expenditure 2003-2014, Million USD).**



Source: authors' elaboration on *fDi-Markets* data

**Figure 3 – Changes in Foreign Direct Investment towards the Regions of Europe after the crisis (Differences in Capital Expenditure between 2003-2008 and 2009-2014).**

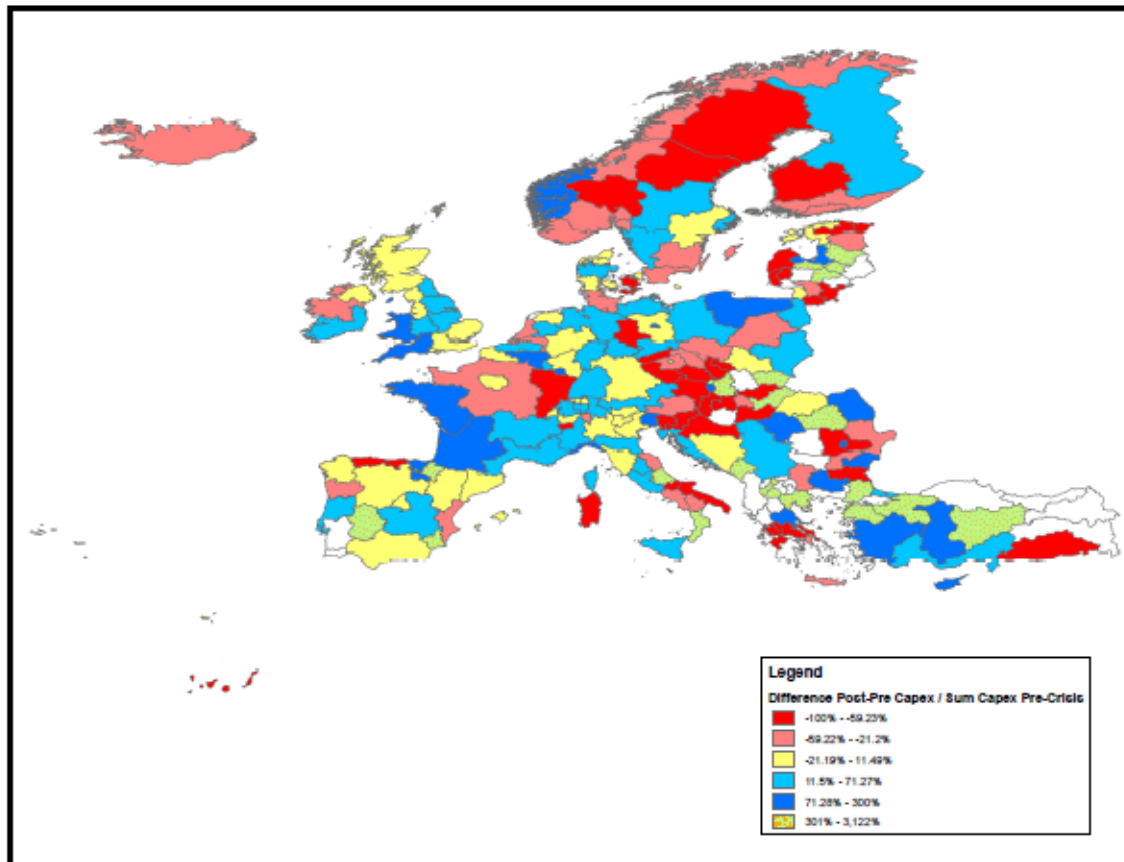
### Europe Destination FDI-Capex



Source: authors' elaboration on *fDi-Markets* data

**Figure 4 – Changes in Foreign Direct Investment originating from the Regions of Europe after the crisis (Differences in Capital Expenditure between 2003-2008 and 2009-2014).**

### Europe Source FDI-Capex



Source: authors' elaboration on *fDi-Markets* data

**Table 1 – The spatial extent of FDI in the regions of Europe (changes in FDI to/from different groups of regions)**

|                     | [CAPEX - Core - Periphery - Extra Europe] - Shares |             |             |                       |             |             |                      |             |             |
|---------------------|--|-------------|-------------|-----------------------|-------------|-------------|----------------------|-------------|-------------|
|                     | <i>from CORE</i>                                   |             |             | <i>from PERIPHERY</i> |             |             | <i>from EXTRA-EU</i> |             |             |
|                     | PRE-CRISIS   | POST-CRISIS | Growth Rate | PRE-CRISIS            | POST-CRISIS | Growth Rate | PRE-CRISIS           | POST-CRISIS | Growth Rate |
| <i>to CORE</i>      | 20%  | 18%         | -16%        | 19%                   | 13%         | -32%        | 72%                  | 79%         | 1%          |
| <i>to PERIPHERY</i> | 12%  | 9%          | -31%        | 28%                   | 16%         | -43%        | 28%                  | 21%         | -34%        |
| <i>to EXTRA-EU</i>  | 68%  | 74%         | 2%          | 53%                   | 71%         | 34%         |                      |             |             |

Source: authors' elaboration on *fDi-Markets* data

**Table 2 – The nature of FDI inflows in the regions of Europe BEFORE the Crisis (Shares of business activities by class of change in Capex)**

| Europe Destination - Business Activities only PRE CRISIS (2003-2008) - Shares |              |                       |            |                               |
|---|--------------|-----------------------|------------|-------------------------------|
| Classes of change in Capex  | Headquarters | Innovative Activities | Production | Services, Sales and Logistics |
| 1   | 2%           | 2%                    | 78%        | 18%                           |
| 2   | 4%           | 4%                    | 74%        | 18%                           |
| 3   | 8%           | 4%                    | 64%        | 24%                           |
| 4   | 11%          | 2%                    | 60%        | 27%                           |
| 5   | 14%          | 4%                    | 58%        | 24%                           |

Source: authors' elaboration on *fDi-Markets* data

**Table 3 - The nature of FDI inflows in the regions of Europe AFTER the Crisis (Shares of business activities by class of change in Capex)**

| Europe Destination - Business Activities only POST CRISIS (2009-2014) - Shares |              |                       |            |                               |
|--|--------------|-----------------------|------------|-------------------------------|
| Classes of change in Capex   | Headquarters | Innovative Activities | Production | Services, Sales and Logistics |
| 1  | 6%           | 3%                    | 65%        | 26%                           |
| 2  | 7%           | 4%                    | 61%        | 28%                           |
| 3  | 12%          | 5%                    | 55%        | 28%                           |
| 4  | 12%          | 3%                    | 56%        | 29%                           |
| 5  | 14%          | 3%                    | 64%        | 20%                           |

Source: authors' elaboration on *fDi-Markets* data

**Table 4 - The nature of outward FDI originating from the regions of Europe BEFORE the Crisis (Shares of business activities by class of change in Capex)**

| Europe Source - Business Activities only PRE CRISIS (2003-2008) - Shares |              |                       |            |                               |
|--|--------------|-----------------------|------------|-------------------------------|
| Classes of change in Capex   | Headquarters | Innovative Activities | Production | Services, Sales and Logistics |
| 1  | 6%           | 0%                    | 76%        | 17%                           |
| 2  | 5%           | 2%                    | 74%        | 19%                           |
| 3  | 7%           | 3%                    | 71%        | 19%                           |
| 4  | 6%           | 2%                    | 76%        | 16%                           |
| 5  | 8%           | 2%                    | 64%        | 26%                           |

Source: authors' elaboration on *fDi-Markets* data

**Table 5 - The nature of outward FDI originating from the regions of Europe AFTER the Crisis (Shares of business activities by class of change in Capex)**

| Europe Source- Business Activities only POST CRISIS (2009-2014) - Shares |              |                       |            |                               |
|--|--------------|-----------------------|------------|-------------------------------|
| Classes of change in Capex   | Headquarters | Innovative Activities | Production | Services, Sales and Logistics |
| 1  | 11%          | 1%                    | 63%        | 25%                           |
| 2  | 9%           | 3%                    | 62%        | 26%                           |
| 3  | 9%           | 3%                    | 62%        | 25%                           |
| 4  | 8%           | 3%                    | 68%        | 21%                           |
| 5  | 8%           | 1%                    | 73%        | 18%                           |

Source: authors' elaboration on *fDi-Markets* data

**Table 6 – Changes in Inward FDI flows and short-term regional economic trajectories**

|                             |                   | <i>Europe Destination</i> |   |   |   |  |  |   |
|-----------------------------|-------------------|---------------------------|---|---|---|--|--|---|
| Quintile of change in Capex | Number of regions | Category                  | GDP pc PPS 2005-2008  | GDP pc PPS pc 2009-2014                                     | Δ GDP PPS pc                                  | Unemployment rate 1999-2008                            | Unemployment rate 2009-2015                            | Δ Unemployment                            |
|                             |                   |                           | <i>Average Gross domestic product per capita, Euro, PPS</i> | <i>Average Gross domestic product per capita, Euro, PPS</i> | <i>Rate of growth 1999-2008 vs. 2009-2015</i> | <i>Unemployment rate, 15 years or over, percentage</i> | <i>Unemployment rate, 15 years or over, percentage</i> | <i>Difference 1999-2008 vs. 2009-2015</i> |
| <b>(1)</b>                  | 24                | <i>Slippers</i>           | 24,158.33   | 24,327.08   | 0.70%   | 8.48   | 12.42  | 3.94                                      |
| <b>(5)</b>                  | 16                | <i>Climbers</i>           | 27,975.00   | 28,153.13   | 0.64%   | 6.36   | 7.47   | 1.11                                      |

\* The number of regions in each class is lower than in previous tables due to the exclusion of outliers and missing data for GDP and/or unemployment. Note that the *Slippers* category only includes the regions in the bottom quintile of the change in capex distribution as discussed in the text.

Source: authors' elaboration on Eurostat data

**Table 7 - Changes in Outward FDI flows and short-term regional economic trajectories**

|                             |                   | <i>Europe Source</i> |   |   |   |  |  |   |
|-----------------------------|-------------------|----------------------|---|---|---|--|--|---|
| Quintile of change in Capex | Number of regions | Categories           | GDP pc 2005-2008  | GDP pc 2009-2014  | Δ GDP pc                                      | Unemployment rate 1999-2008                            | Unemployment rate 2009-2015                            | Δ Unemployment                            |
|                             |                   |                      | <i>Average Gross domestic product per capita, Euro, PPS</i> | <i>Average Gross domestic product per capita, Euro, PPS</i> | <i>Rate of growth 1999-2008 vs. 2009-2015</i> | <i>Unemployment rate, 15 years or over, percentage</i> | <i>Unemployment rate, 15 years or over, percentage</i> | <i>Difference 1999-2008 vs. 2009-2015</i> |
| <b>(1)</b>                  | 25                | <i>Slippers</i>      | 19,516.00   | 20,460.00   | 4.84%   | 9.20   | 11.08  | 1.89                                      |
| <b>(5)</b>                  | 28                | <i>Climbers</i>      | 21,189.29   | 22,597.62   | 6.65%   | 8.77   | 10.51  | 1.74                                      |

\* The number of regions in each class is lower than in previous tables due to the exclusion of outliers and missing data for GDP and/or unemployment. Note that the *Slippers* category only includes the regions in the first quintile of the change in capex distribution, while the *Climbers* category only includes the regions in the fifth quintile of the change capex distribution as discussed in the text.

Source: authors' elaboration on Eurostat data



**Table 8 – ‘Winners’ and ‘Losers’ in bi-directional connectivity and short-term changes in regional economic trajectories**

| <i>Europe Source and Destination</i> |                        |   |   |   |  |  |   |
|--------------------------------------|------------------------|---|---|---|--|--|---|
| <b>Number of regions</b>             | <b>Category</b>        | <b>GDP pc 2005-2008</b>                                     | <b>GDP pc 2009-2014</b>                                     | <b>Δ GDP pc</b>                               | <b>Unemployment rate 2000-2008</b>                     | <b>Unemployment rate 2009-2015</b>                     | <b>Δ Unemployment</b>                     |
|                                      |                        | <i>Average Gross domestic product per capita, Euro, PPS</i> | <i>Average Gross domestic product per capita, Euro, PPS</i> | <i>Rate of growth 1999-2008 vs. 2009-2015</i> | <i>Unemployment rate, 15 years or over, percentage</i> | <i>Unemployment rate, 15 years or over, percentage</i> | <i>Difference 1999-2008 vs. 2009-2015</i> |
| <b>10</b>                            | <b><i>Winners</i></b>  |   |   |   |  |  |   |
|                                      | <i>Average Winners</i> | 23,785  | 24,451.67   | 2.80%   | 7.35   | 7.76   | 0.41                                      |
| <b>35</b>                            | <b><i>Losers</i></b>   |   |   |   |  |  |   |
|                                      | <i>Average Losers</i>  | 22,515  | 22,797.86   | 1.26%   | 9.15   | 10.88  | 1.73                                      |

Source: authors' elaboration on Eurostat data