

**Debate Pack**

16 October 2024

Number 2024/0130

By Georgina Hutton,  
Abbas Panjwani,  
Suzanna Hinson

---

# UK International Investment Summit 2024

|          |  |          |
|----------|--|----------|
| <b>1</b> | <b>What was the International Investment Summit?</b> | <b>2</b> |
| <b>2</b> | <b>Background: Business investment in the UK</b>     | <b>2</b> |
| <b>3</b> | <b>What was announced at the summit?</b>             | <b>5</b> |
|          | Investments  | 6        |
|          | Industrial strategy: “Invest 2035”                   | 7        |
|          | National Wealth Fund                                 | 7        |
| <b>4</b> | <b>Press: Reactions to the summit</b>                | <b>9</b> |

**Summary**

There will be a general debate on the International Investment Summit on Thursday 17 October 2024.

# 1 What was the International Investment Summit?

The government hosted an international investment summit on 14 October 2024. It aimed to attract investment into the UK and provided an opportunity for the government to announce some of its policies on attracting investment. The summit covered a range of sectors including technology and AI, healthcare, green infrastructure and the creative industries.

The summit came ahead of the Budget on 30 October. This will be the Chancellor's first Budget since taking office in July.

The government said that [£63 billion of private investment](#) in the UK had been announced in the lead up to or at the summit. Policy announcements at the summit included publication of the government's [industrial strategy green paper \("Invest 2035"\)](#), and [further details on the National Wealth Fund](#).

The previous Conservative government hosted global investment summits [in 2021 and 2023](#).

# 2 Background: Business investment in the UK

The UK has consistently ranked behind G7 countries on total investment as a percentage of GDP since the late 1990s. In 2023, total investment in the economy was £478 billion, 17.6% of GDP. These figures include both public and private sector investment in the economy.<sup>1</sup>

In 2023, [investment by businesses was around £257 billion](#), 9.5% of GDP.<sup>2</sup> Business investment has been increasing since 2020 but overall has remained broadly at 2016 levels (in inflation-adjusted terms).

Analysis of business investment has shown that overall [investment is dominated by a small proportion of businesses](#), with most investment coming from a few large multinational investors.<sup>3</sup>

---

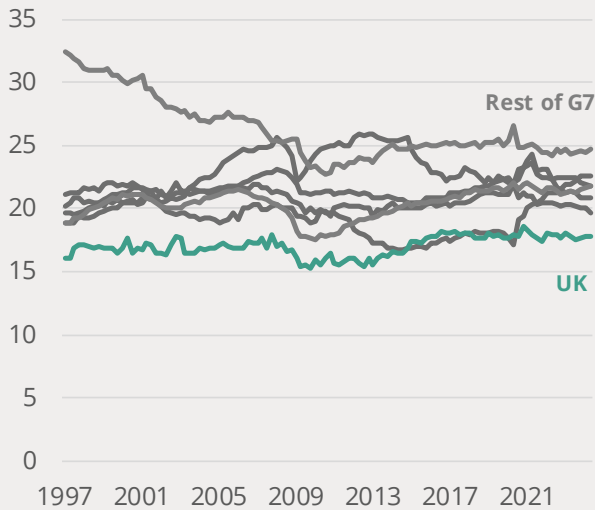
<sup>1</sup> ONS series [NPQA](#) (gross fixed capital formation) and [YBHA](#) (GDP), 30 September 2024.

<sup>2</sup> ONS, [NPEK](#) and [YBHA](#), 30 September 2024.

<sup>3</sup> DBT, [Business investment analysis](#), 4 October 2024; Professor Catherine Mann, National Institute of Economic and Social Research (NIESR), [UK Business Investment: Economists, Managers, Financiers](#), 24 April 2024.

### Investment in the UK economy has been historically lower than other G7 countries

Gross fixed capital formation as % GDP for UK and G7



Sources: OECD via ONS

### Business investment has increased since 2020 but remains broadly at 2016 levels

% change from pre-pandemic level of Q4 2019



ONS, Business investment level, series NPEL

Source: ONS, [Business investment in the UK: April to June 2024 revised results](#), 30 September 2024

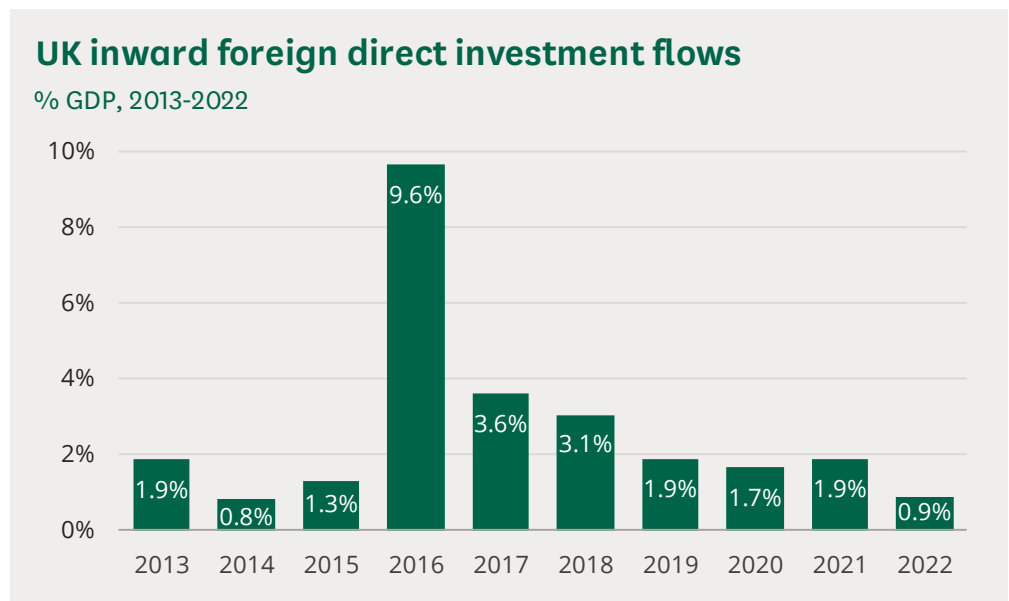
## Foreign investment

Inward foreign direct investment into the UK has broadly declined each year as a proportion of GDP since 2016, shown in the chart below. In 2022, the net annual foreign direct investment flow into the UK was £22.9 billion, 0.9% of GDP.<sup>4</sup>

The Department for Business and Trade reported that the 2023/2024 financial year saw [1,555 new foreign direct investment projects in the UK](#), down from 1,654 the previous year.<sup>5</sup>

<sup>4</sup> ONS, [Foreign direct investment involving UK companies: 2022](#), 8 October 2024.

<sup>5</sup> DBT, [DBT inward investment results 2023 to 2024](#), 24 July 2024.



Source: ONS, [Foreign direct investment involving UK companies: 2022](#) and YBHA, 8 October 2024.

In March 2023, the previous government asked Lord Harrington to conduct a review into the UK's approach to attracting FDI in the context of what the government described as "increasing competition for internationally mobile investment".<sup>6</sup> The [review report, published in November 2023](#), presented six headline recommendations for the government to implement to "boost investor confidence in the UK as a destination that is ready to work with business to grow the UK economy", including to produce a business investment strategy.<sup>7</sup>

Further information and statistics on foreign direct investment can be found in:

- House of Lords Library: [Attracting more foreign direct investment to the UK, 2 September 2024](#)
- House of Commons Library: [Foreign Direct Investment \(FDI\) Statistics](#), 20 June 2023
- ONS, [Foreign direct investment involving UK companies: 2022](#), 8 October 2024.

<sup>6</sup> HM Treasury, [Harrington Review of Foreign Direct Investment](#), 22 November 2023.

<sup>7</sup> HM Treasury, [Harrington Review of Foreign Direct Investment](#), 22 November 2023.

## Investment into UK companies

As well as lagging investment by UK companies, investment into UK companies has also been weak.

UK pension funds have reduced their investment in UK stocks in recent years, to [4.4% of total assets in 2022 from over 50% in 1997](#).<sup>8</sup>

This is [due in part to pension funds changing their risk appetite](#) and needing to meet new requirements as policyholders live for longer. The performance of UK-listed stocks, compared to international rivals, and the tax treatment of dividends have also been posited as reasons for pension funds reducing their investments in UK companies.<sup>9</sup>

UK savers are also not as likely to invest their savings compared to those in other countries. [Research by Hargreaves Lansdown](#) found 23% of people in the UK have invested in the stock market compared to almost two-thirds in the United States.<sup>10</sup> [Barclays estimates that UK adults hold £430 billion of savings that could potentially be invested](#).<sup>11</sup>

There is concern that UK savers are reluctant to seek advice on how to make best use of their savings, exacerbated by regulatory complexity, and that this is causing too many savers to hold cash savings. The [Financial Conduct Authority is consulting on proposals to close this so-called “advice gap”](#).<sup>12</sup>

[Where investors do want to invest in UK stocks, they are increasingly finding their choice is limited](#), following a series of UK companies being taken over by companies listed elsewhere, or being taken over by private equity firms and so being delisted entirely.<sup>13</sup>

### 3

## What was announced at the summit?

[In his keynote speech](#), the Prime Minister emphasised that galvanising growth was his government’s most important mission. He outlined four key areas in a “pitch for Britain” from his government: political stability, a long-term industrial strategy, a focus on Britain’s global reputation and reforming regulation. On regulation, the Prime Minister said his government would upgrade the UK’s regulatory regime to remove [“regulation that needlessly](#)

<sup>8</sup> [UK pension funds’ allocations to British stocks hit historic low](#), Financial Times, 6 September 2024

<sup>9</sup> [Why have pension funds been selling UK equities](#), FTAdviser, 24 September 2024

<sup>10</sup> Hargreaves Lansdown, [“Do people in the US invest more or less than the UK?”](#), 14 June 2024

<sup>11</sup> [The British are decent savers, but bad investors](#), Financial Times, 11 October 2024

<sup>12</sup> FCA, [DP23/5: Advice Guidance Boundary Review – proposals for closing the advice gap](#), 8 December 2023

<sup>13</sup> [Fund managers bemoan lack of choice in UK stock market](#)”, Financial Times, 17 September 2024

[holds back investment](#)” and ensure that regulators focus on economic growth.<sup>14</sup>

## Investments

The government said that “[£63 billion](#)” of private investment in the UK had been announced at run-up to and during the summit. This included:

- £10 billion from Blackstone to build an AI data centre in Blyth, Northumberland
- £8 billion from carbon capture and storage investors (including Eni, BP and Equinor) as part of an [agreement with the government](#) to launch carbon capture clusters in the North West and North East of England
- £8 billion investment from Amazon Web Services in digital and AI infrastructure
- Several offshore wind and energy infrastructure investments including £12 billion from Iderbola (which owns Scottish Power), £8 billion from Orsted and £2.5 billion from Greenvolt.

A [full list](#) can be found on in the government’s press release.<sup>15</sup> It has been reported that [much of this capital was already committed](#) or would have been regardless of the summit.<sup>16</sup>

In the lead up to the summit, the government appointed Poppy Gustafsson OBE as a [new Minister for Investment](#).<sup>17</sup> Poppy Gustafsson is the former CEO of Darktrace (a British cybersecurity company). She will act as a joint minister across the Department for Business and Trade and the Treasury, responsible for a newly expanded [Office for Investment](#) and tasked with promoting the UK to global businesses and investors.

---

<sup>14</sup> Gov.uk, [Major investment deals set to be announced at government’s inaugural International Investment Summit as PM vows to ‘remove needless regulation’ declaring Britain open for business](#), 14 October 2024.

<sup>15</sup> Gov.uk, [Record-breaking International Investment Summit secures £63 billion and nearly 38,000 jobs for the UK](#), 14 October 2024.

<sup>16</sup> [Starmer’s ‘Shock and Awe’ Plan Looks More Like Wait and See](#), Bloomberg, 15 October 2024.

<sup>17</sup> Gov.uk, [New investment minister to spearhead bolstered Office for Investment](#), 10 October 2024.

## Industrial strategy: “Invest 2035”

Alongside the summit the government published a green paper on its 10-year industrial strategy, titled “[Invest 2035](#)”.<sup>18</sup> The final Industrial Strategy and Sector Plans will be published alongside the Spending Review in Spring 2025.

Publishing a long-term industrial strategy was a [major manifesto commitment](#) for the new government, and has been a [key ask from industry and business groups](#) to promote investment in the UK.<sup>19</sup>

The green paper said that the primary objective of the strategy is to drive economic growth. It would focus on supporting reaching net zero, regional growth and economic security and resilience and would be developed partnership with businesses and national, regional and local leaders.

Eight “high growth sectors” were identified for sector-specific plans: Advanced Manufacturing, Clean Energy Industries, Creative Industries, Defence, Digital and Technologies, Financial Services, Life Sciences and Professional and Business Services.

The industrial strategy will be overseen by a new independent Industrial Strategy Council, which will inform and monitor the implementation of the strategy. The government plans to establish the council as a statutory body (when Parliamentary time allows). In the meantime, it has established an interim Industrial Strategy Advisory Council, chaired by Clare Barclay, CEO of Microsoft UK.<sup>20</sup>

The UK’s last formal industrial strategy was [published in November 2017](#).<sup>21</sup> In March 2021 it was replaced with the Treasury’s [Plan for Growth](#) and the Industrial Strategy Council (that monitored the 2017 strategy) was disbanded.<sup>22</sup>

## National Wealth Fund

The [National Wealth Fund](#) (NWF) was proposed as part of Labour’s 2024 election manifesto mission on economic growth. The NWF is intended to support the growth and clean energy missions with an aim of attracting

---

<sup>18</sup> DBT, [Invest 2035: the UK’s modern industrial strategy](#), 14 October 2024

<sup>19</sup> [Does Britain need an industrial strategy?](#), Financial Times, 6 June 2024 [subs only]; CBI, [Making the UK a more attractive place to do business](#), accessed 17 September 2024; Make UK, [Makers Manifesto 2024](#), 6 August 2024; [Manufacturers and unions join forces to press for UK industrial strategy](#), The Guardian, 5 August 2024; [Confidence soars among Britain’s manufacturers](#), The Times, 16 September 2024.

<sup>20</sup> DBT, [Invest 2035: the UK’s modern industrial strategy](#), 14 October 2024

<sup>21</sup> BEIS, [Industrial Strategy: building a Britain fit for the future](#), 27 November 2024.

<sup>22</sup> HM Treasury, [Build Back Better: our plan for growth](#), 3 March 2021.

private investors by sharing risks and leveraging public funds to build long-term infrastructure projects.

The NWF was initially announced in July 2024 with £7.3 billion of funding for five focus areas: green hydrogen, carbon capture, ports, gigafactories, and green steel.<sup>23</sup> A NWF Taskforce was established by the Labour party prior to the election and they published a report on recommendations for the new Fund in July 2024.<sup>24</sup>

At the summit, the Chancellor announced the next steps for the NWF, which were set out in more detail in a [published report](#).<sup>25</sup> The government confirmed that the existing UK Infrastructure Bank (UKIB, the independent government-owned bank that invests in infrastructure projects) will now operate as the NWF, but that it would have a broader mandate to deliver on the industrial strategy priorities. The announcement reflected the conclusions of the NWF taskforce, which had recommended that the NWF should be managed and deployed by an existing institution (such as the UKIB), operate at arms length from the government, deploy catalytic capital (i.e. investment that crowds in private investors that otherwise would not have invested) with a higher level of risk appetite, and offer a broad range of financial products on a deal by deal basis.

The NWF budget includes the UKIB's existing budget of £22 billion, and a further £5.8 billion for the government's focus sectors. This is less than the £7.3 billion additional funding initially announced.<sup>26</sup> The Government said the remaining £1.5 billion will be committed to the priority sectors but had been reserved to "main flexibility" for delivery.<sup>27</sup>

The NWF joins a public finance landscape in the UK comprising several institutions that seek to cooperate with the private sector on delivering new infrastructure. These bodies aim to target different parts of the investment landscape, to provide options for projects at all stages of development and include the British Business Bank, Innovate UK, and UK Export Finance.<sup>28</sup>

In addition to these bodies, the government is also launching Great British Energy, with [legislation](#) to establish this body currently before the House.<sup>29</sup> GB Energy aims to invest in clean energy generation with the private sector. The government said GB Energy will "work in lockstep" with the NWF. Initially, the government expects GB Energy's investment activity to be undertaken by the NWF to allow it to move quickly.<sup>30</sup> In summary, in the short term, the two new

---

<sup>23</sup> Gov.uk, [Boost for new National Wealth Fund to unlock private investment](#), 9 July 2024

<sup>24</sup> National Wealth Fund Taskforce, [Report for the Labour Party](#), July 2024

<sup>25</sup> HM Treasury, [National Wealth Fund: Mobilising Private Investment](#), 14 October 2024

<sup>26</sup> On 31 October 2024 this sentence was corrected to write £7.3 billion rather than £7.5 billion.

<sup>27</sup> HM Treasury, [National Wealth Fund: Mobilising Private Investment](#), 14 October 2024

<sup>28</sup> More information is set out in the [Library briefing paper on the Great British Energy Bill 2024-25](#), Section 1.5.

<sup>29</sup> For further information, see Commons Library, [Great British Energy Bill 2024-25](#), 3 September 2024.

<sup>30</sup> HM Treasury, [National Wealth Fund: Mobilising Private Investment](#), 14 October 2024



investment bodies that the government has announced (the NWF and GB Energy), are being delivered by the former UKIB.

The summit also included an announcement of a new “British Growth Partnership” as part of the British Business Bank as well as reforms to the BBB financial framework. These changes seek to create new ways for the BBB to work with institutional investors (e.g. pension funds) and allowing the bank to work more flexibly with the market. The [British Business Bank published a press release](#) with further information.

A National Wealth Fund Bill was announced as part of the [King’s Speech](#) in July 2024, and the government has said it will bring forward legislation to give the NWF a broader mandate than just infrastructure, ensuring it is a permanent part of government’s investment offer.

## 4

### Press: Reactions to the summit

Press articles reported that the government’s messages on stability and regulation were well-received by attendees but that the event was somewhat overshadowed by uncertainty over the Budget in two weeks’ time. Some businesses reported concerns over potential tax rises in the Budget, with [press reports speculating](#) that the Chancellor’s speech at the summit suggested a potential rise employers National Insurance contributions.<sup>31</sup> [The Guardian reported](#) that some trade unions, environmental groups and the Green Party expressed concerns about the government’s emphasis on cutting regulation.<sup>32</sup>

[Was Keir Starmer's investment summit a success?](#), BBC News, 14 October 2024

[Keir Starmer will promise to slash red tape as he hosts investment summit](#), The Guardian, 14 October 2024

[Britain is ready for investment, say big banks and companies](#), The Times, 14 October 2024.

[Keir Starmer vows to rip up bureaucracy to unleash ‘shock and awe’ of investment](#), Financial Times, 14 October 2024

[Cut the regulations and we’ll help Britain to grow, banks tell Reeves](#), The Times, 14 October 2024

---

<sup>31</sup> [Rachel Reeves signals UK business taxes will rise in Budget](#), Financial Times, 14 October 2024.

<sup>32</sup> [Keir Starmer will promise to slash red tape as he hosts investment summit](#), The Guardian, 14 October 2024

[Reeves signals hike in National Insurance for firms](#), BBC News, 14 October 2024.

[This investment summit is a triumph of style over substance](#), The Telegraph, 14 October 2024.

[Global business takes its chance to size up new Labour pitch](#), Financial Times, 14 October 2024.

### Disclaimer

The Commons Library does not intend the information in our research publications and briefings to address the specific circumstances of any particular individual. We have published it to support the work of MPs. You should not rely upon it as legal or professional advice, or as a substitute for it. We do not accept any liability whatsoever for any errors, omissions or misstatements contained herein. You should consult a suitably qualified professional if you require specific advice or information. Read our briefing '[Legal help: where to go and how to pay](#)' for further information about sources of legal advice and help. This information is provided subject to the conditions of the Open Parliament Licence.

### Sources and subscriptions for MPs and staff

We try to use sources in our research that everyone can access, but sometimes only information that exists behind a paywall or via a subscription is available. We provide access to many online subscriptions to MPs and parliamentary staff, please contact [hoclibraryonline@parliament.uk](mailto:hoclibraryonline@parliament.uk) or visit [commonslibrary.parliament.uk/resources](https://commonslibrary.parliament.uk/resources) for more information.

### Feedback

Every effort is made to ensure that the information contained in these publicly available briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated to reflect subsequent changes.

If you have any comments on our briefings please email [papers@parliament.uk](mailto:papers@parliament.uk). Please note that authors are not always able to engage in discussions with members of the public who express opinions about the content of our research, although we will carefully consider and correct any factual errors.

You can read our feedback and complaints policy and our editorial policy at [commonslibrary.parliament.uk](https://commonslibrary.parliament.uk). If you have general questions about the work of the House of Commons email [hcenquiries@parliament.uk](mailto:hcenquiries@parliament.uk).

The House of Commons Library is a research and information service based in the UK Parliament. Our impartial analysis, statistical research and resources help MPs and their staff scrutinise legislation, develop policy, and support constituents.

Our published material is available to everyone on [commonslibrary.parliament.uk](https://commonslibrary.parliament.uk).

Get our latest research delivered straight to your inbox. Subscribe at [commonslibrary.parliament.uk/subscribe](https://commonslibrary.parliament.uk/subscribe) or scan the code below:



 [commonslibrary.parliament.uk](https://commonslibrary.parliament.uk)

 [@commonslibrary](https://twitter.com/commonslibrary)