



Department for  
International Trade



Department for  
Business, Energy  
& Industrial Strategy

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Dear Angus,

### **Response to the International Trade Committee Follow Up Actions for the Department for International Trade**

In the recent hearing on inward foreign direct investment (FDI), I promised to write to the Committee in response to Mr Garnier's question on the proportion of FDI handled by DIT and the Office for Investment (OfI) and add further clarity.

As I said during the session, DIT have thousands of projects in our investment pipeline, and we have a varying level of involvement for each one. The number of investment projects DIT is involved in does not reflect the total UK investment landscape as there is no requirement for investors or investable opportunities to come through the department nor is there a need given our business environment.

Over the last few years, DIT has supported on average 80% of the investment projects recorded as landing in the UK. To be verified as a DIT FDI success there must be, at a minimum, personalised interaction with the parties regarding the project, or that DIT has provided some level of delivery support on an issue relating to the project. As a department we want to be involved where we can make a difference, so whilst many of our successes receive the minimum level of support, there is a sliding scale with others receiving more substantial involvement from DIT. This goes up to personalised engagement with investors, for example through the OfI as we discussed in the session, where DIT involvement will make a real difference in attracting investment.

For some of our specialised programmes, like our Capital Investment or Global Entrepreneur Programme, we see a higher level of involvement as we manage these pipelines separately to our mainstream FDI projects.

In the last financial year (2020-21), DIT supported a smaller proportion of FDI projects, at 74%, as compared with previous years. This is in line with our strategy of taking a more targeted approach to engagement, focussing our resources where we will add the most value. Despite supporting fewer projects, those DIT did support resulted in more new jobs

created and higher levels of economic impact than the previous year, which is particularly notable in the context of the pandemic.

As we discussed at the Committee hearing, I would emphasise the importance of focusing on investments which provide the greatest value to the wider UK economy rather than the total number of projects. DIT and the OfI are working to improve our analysis further to ensure we best target our support.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Grimstone". The signature is written in a cursive, flowing style.

**Lord Grimstone of Boscobel, Kt**  
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