

Organizing for growth

An analysis of the Fortune 200 regional
headquarters

5th Edition

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Methodology

- This report aims to assess the regional presence of the Fortune 200 companies globally, in order to pinpoint the leading destinations chosen by F200 multinationals and compare these results with the last editions' data. This should give us a clear idea on the changes that happened in the last 3 years
- In order to determine the presence and locate the regional and sub-regional headquarters, we leveraged multiples data sources including corporate websites, annual reports, LinkedIn profiles, and press search. We classified the results as Regional Headquarters (RHQs) or Sub-Regional Headquarters (SRHQs) based on specific criteria

Regional Headquarters (RHQs)

- A regional headquarter is explicitly mentioned on a publicly available source
- A regional headquarter generally covers full regions: Africa, EMEA, APAC, etc.
- A regional headquarter is responsible of all decision-making related to a specific region's operations

Sub-Regional Headquarters (SRHQs)

- A sub-regional headquarter is explicitly mentioned on a publicly available source
- Sub-regional headquarters covers specific parts of a region (North Africa, Southern Europe, etc.)
- They are responsible for the decision-making of specific operations: Marketing, Sales, Specific production, Human Resources, etc.

Note: The research for this report was conducted at a large scale and our team leveraged multiple data sources including ARs, corporate websites, LinkedIn, and press search for data collection. In certain cases, data remained ambiguous and required judgement calls from the part of our team. While all assumptions were applied after the same degree of observation to every company in the ranking and we can confirm that the general trends highlighted within the report are accurate, we do not guarantee that every data point is exact at a company level.

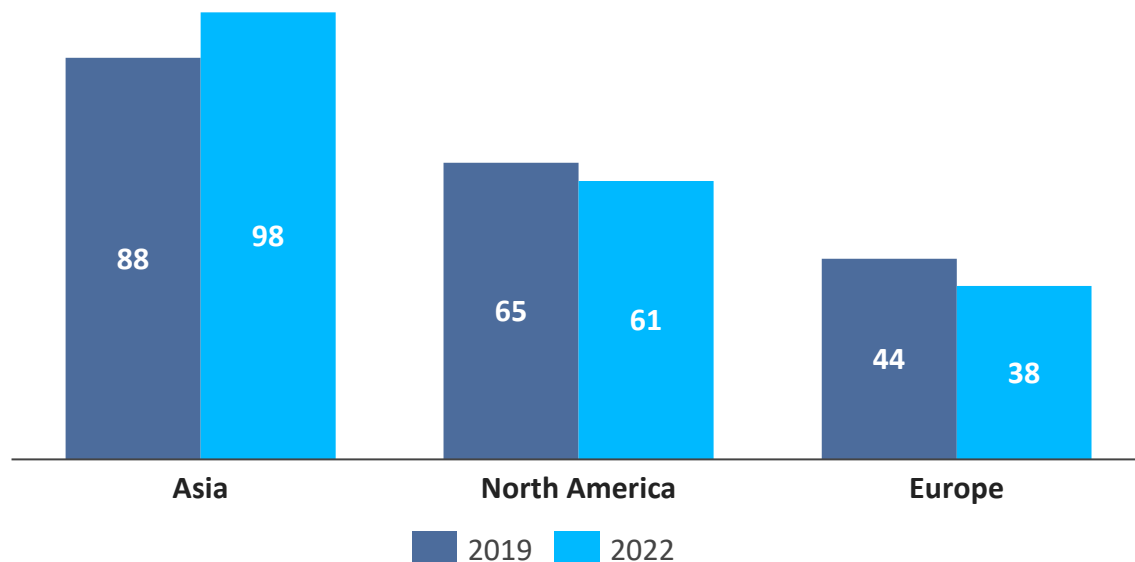


F200 composition






F200 companies by Geography: China surpasses the U.S. at the top of the ranking, representing 32% of the F200

Although the geographic composition of the top 200 companies has changed over the past three years, the regions have **maintained their positions**. Asia has experienced a significant increase and **remains in the lead** with almost half of the F200 companies in 2022, while Europe witnessed a significant decrease and North America a slight decrease.

Number of F200 companies by region



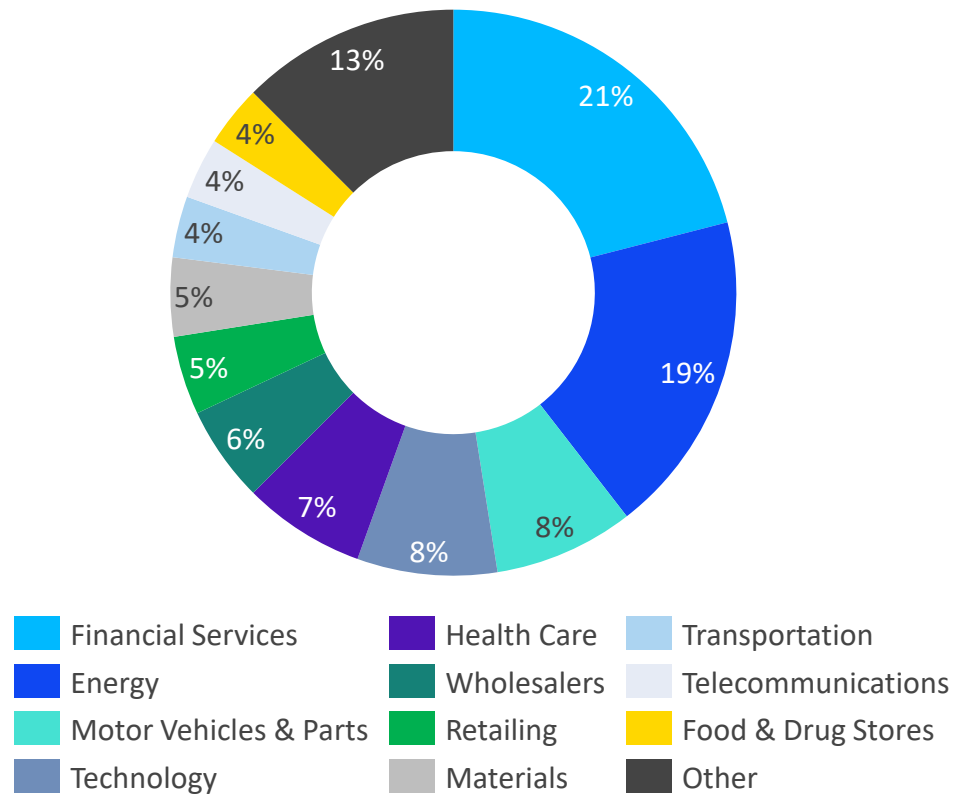
Number of F200 companies by country

Country	2019	2022
 China	48	64
 United States	62	59
 Japan	22	18
 Germany	12	11
 France	12	8

- In 2022, China surpassed the United States to become **the top country** with the most Fortune 200 companies. For the first time, the revenue of Chinese companies on the list exceeded those of U.S. companies
- This could be attributed to China's faster post-pandemic economic recovery compared to the U.S., as Chinese companies resumed operations while much of the U.S. remained under lockdown

F200 companies by Sector: The Financial Services industry continues to have the highest share of F200 companies

F200 composition by sector 2022



Number of F200 companies by sector

Sector	2019	2022
Financial Services	40	42
Energy	39	37
Technology	19	16
Motor Vehicles & Parts	18	16
Healthcare	10	14
Wholesalers	12	11
Telecommunications	10	7

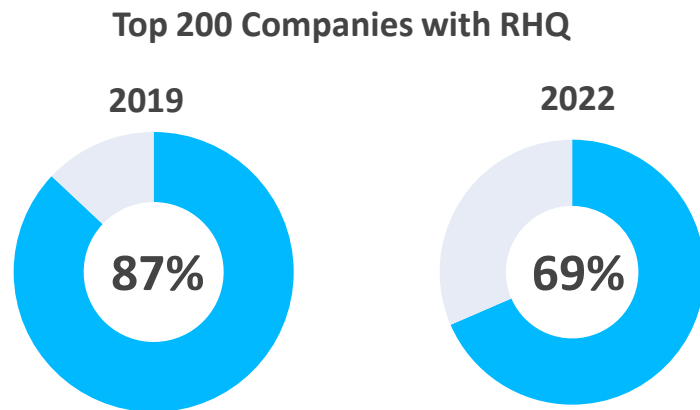
- The financial services sector maintained its position in 2022, with 21% of the companies. The energy sector, which declined by 5% compared to 2019, remains in second place with 19% of the F200
- All sectors have experienced a small setback, with the exception of the healthcare sector, which increased by 40% in 2022 due to the impact of COVID-19, and financial services, which increased by 5%



Regional HQs

The number of F200 companies with RHQs in 2022 has decreased by 15% from 2019

Number of Regional Headquarters:



- The reason for the decline in the number of Fortune 200 companies with RHQs may be attributed to the limited number of Chinese companies with RHQs outside of Asia
- EMEA remains the top region in terms of Fortune 200 RHQs, with around 198 RHQs in 2022, followed by Americas with 133 RHQs and Asia Pacific with 101 RHQs

Key findings:



Asia Pacific

Singapore is home to more than **55%** of F200 companies RHQs in the Asia Pacific region



Americas

Sao Paulo is a regional hub for Latin America while **New York** is North America's hub



MEA

Dubai remains a hub for the Middle East, MENA, and MEA region

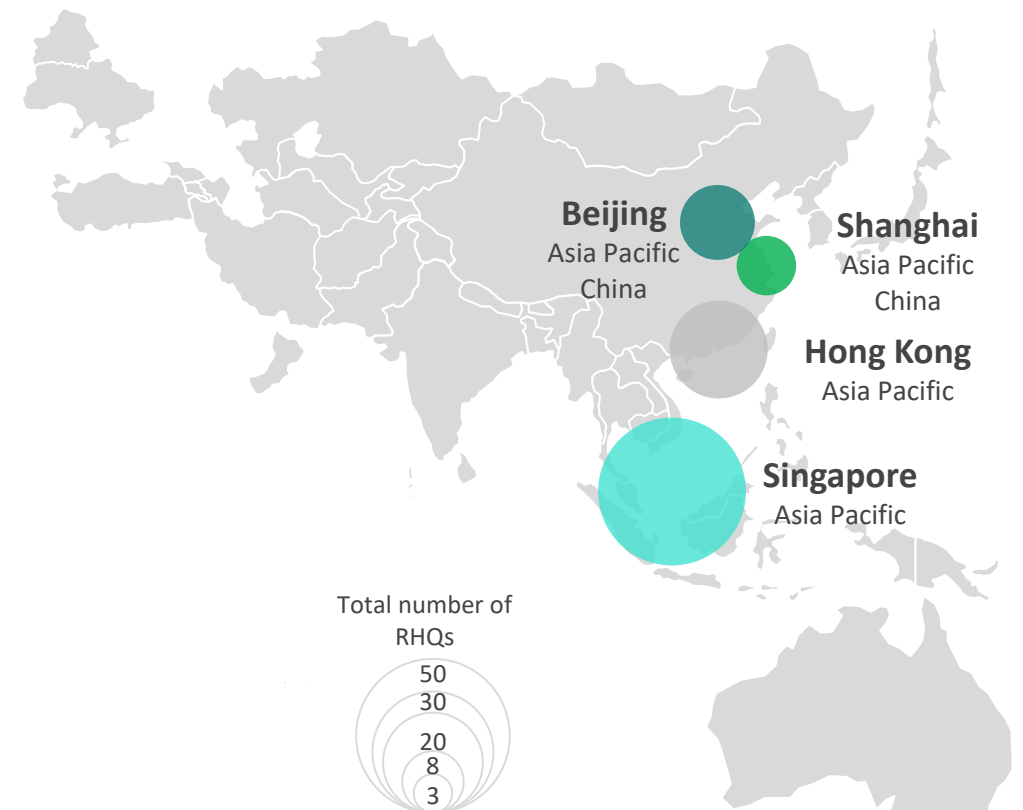


Europe

Around **25%** of Europe's RHQs are based in **London**

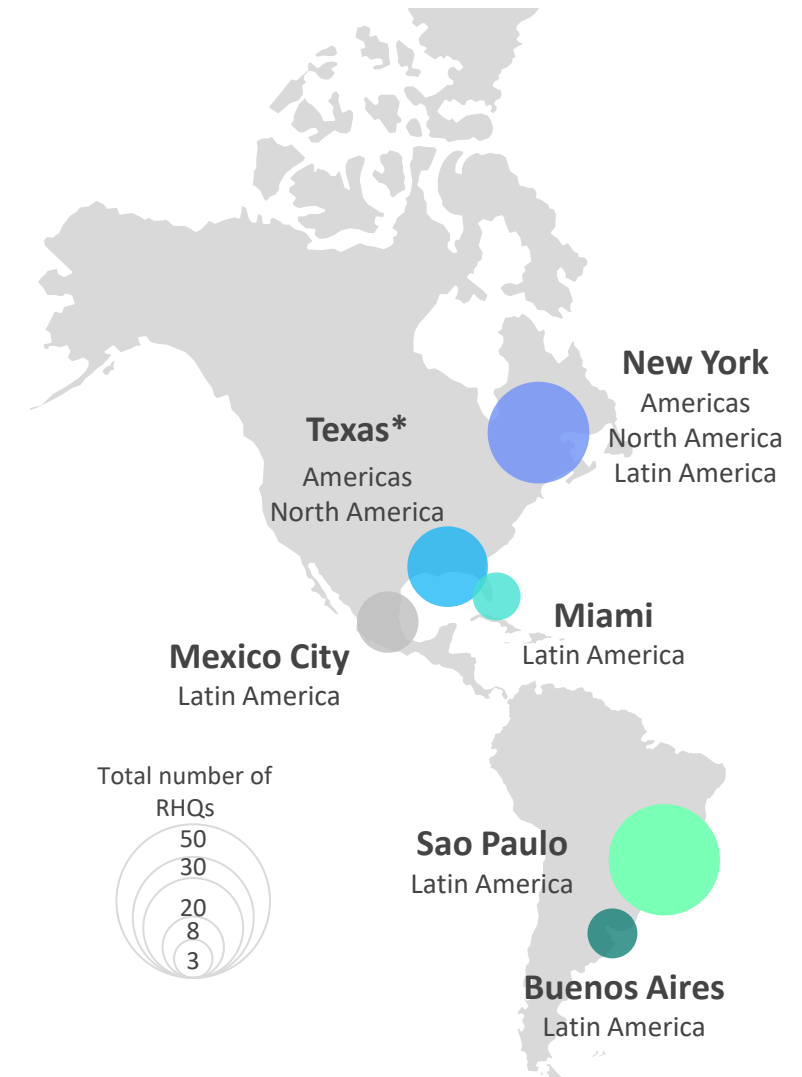
Singapore maintains its position as the main hub in the APAC region, with more than 50% of the F200 RHQs

- When companies look at APAC as a whole, they tend to establish an RHQ in Singapore or Hong Kong. However, there are some companies that consider China as a **distinct region** and most of these choose Beijing as their RHQ location
- **55%** of APAC RHQs are located in Singapore. According to the EIU's 2022 business environment rankings (BERs)¹, the city will remain the world's **top destination** for conducting business over the next five years
- The number of APAC RHQs has **declined by 11%** in 2022 compared to 2019. This might be due to the **rise in the number of Chinese companies** in the F200, with their main HQs overseeing their operations in the region



In the Americas, New York and Sao Paulo still have the highest number of RHQs for North and Latin America

- **New York** remains a preferred location for **Americas** and **North America** RHQs. However, **Texas** has caught up in 2022 as a **key hub for North America**
- **Sao Paulo** maintains its **first position** with the largest number of RHQs in **Latin America**, followed by Mexico City and Miami
- **Mexico City** has been rapidly gaining attention as a **hub for entrepreneurs** and corporates in Latin America, topping the global rankings in InterNations' 2022 Expat Insider

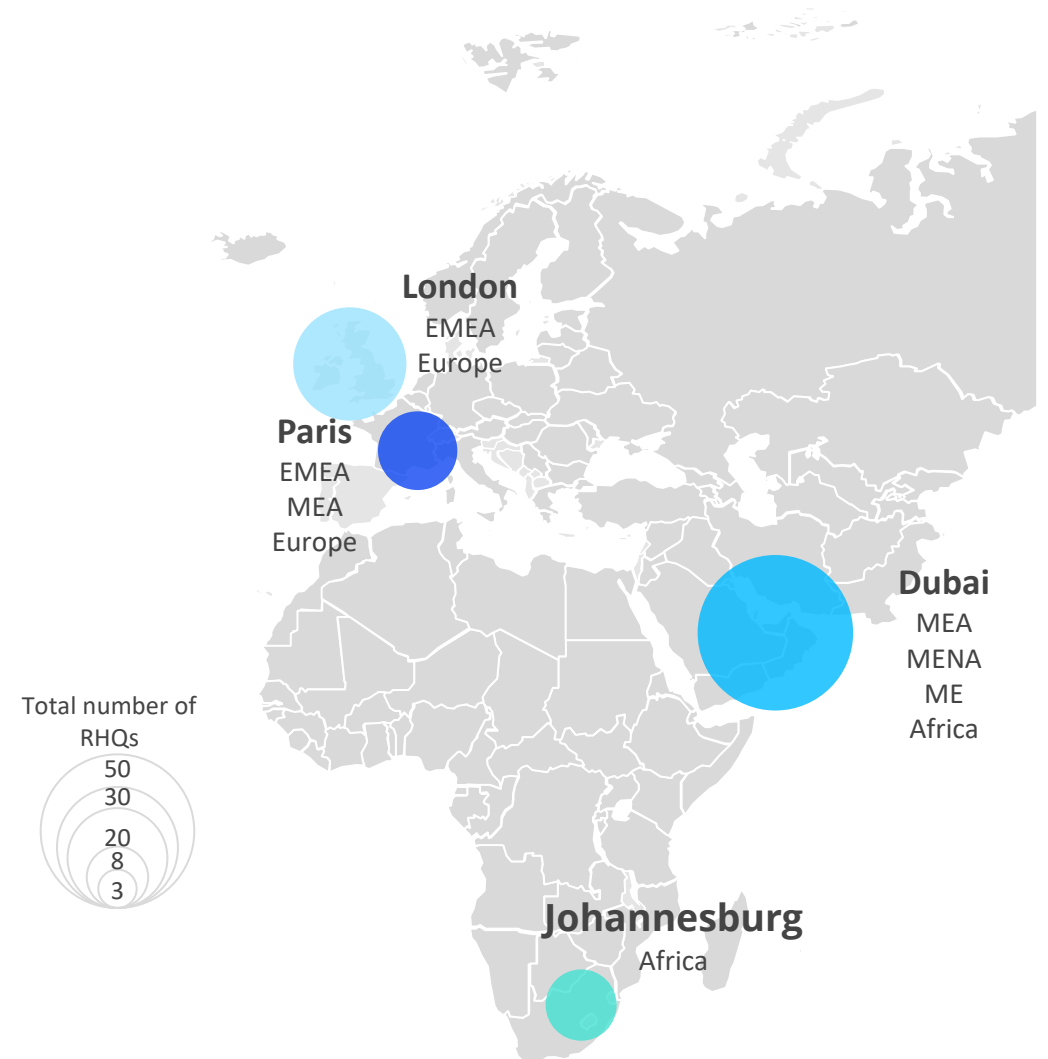


* Includes many cities such as Austin, Houston, Dallas and Plano

Sources: Fortune 500 ranking, Infomineo Analysis, Bloomberg "These Six Cities Are Emerging as New Expat Hot Spots", Kearney "Readiness for the storm: the 2022 Global Cities Report"

London is the preferred location for EMEA and Europe RHQs, while Dubai is the hub for Middle East RHQs

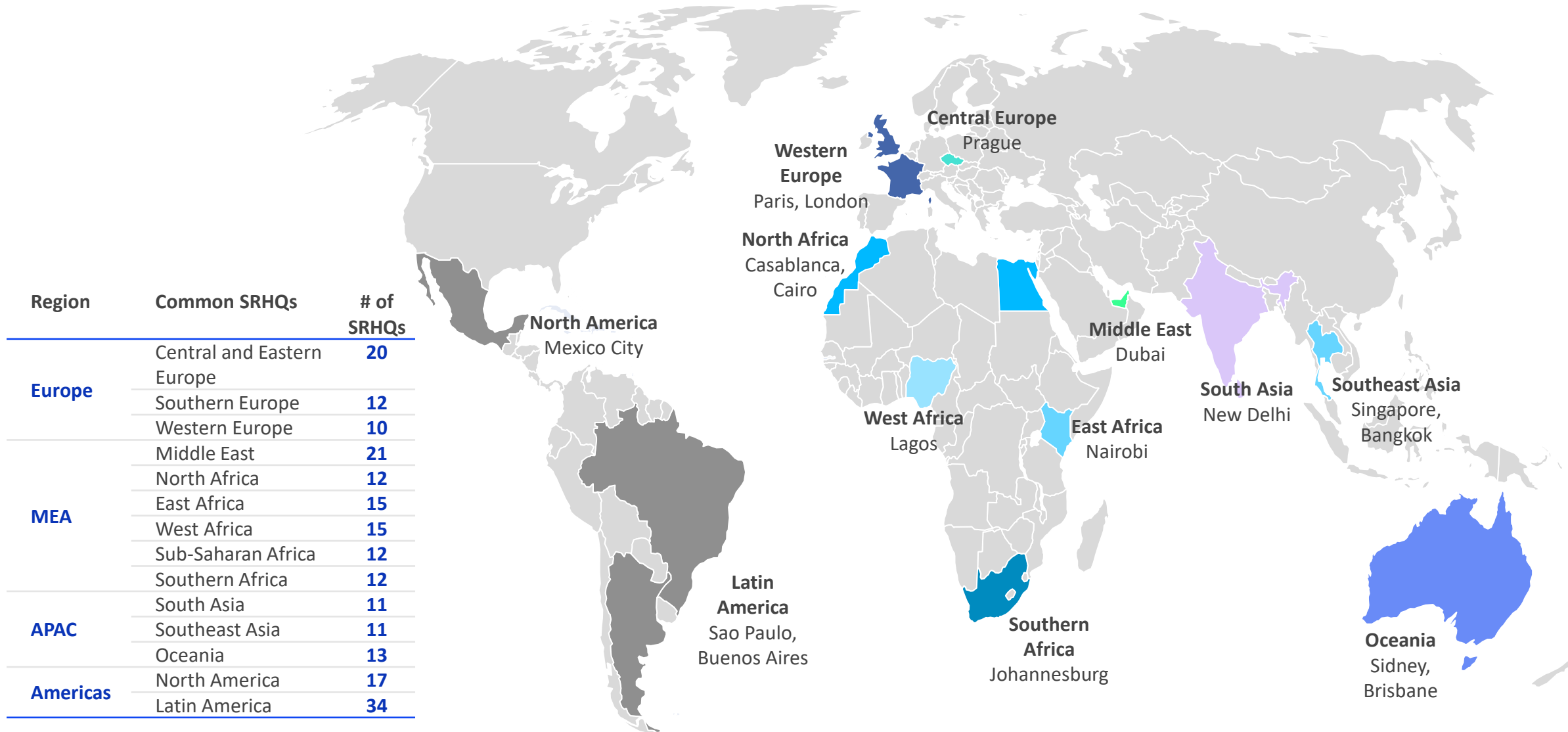
- London remains at the **top position** with the highest number of RHQs in Europe and the EMEA regions, despite the aftermath of Brexit. Paris is now in second place as a hub for EMEA and Europe
- RHQs of F200 companies managing **operations in Africa** are mostly located **in Johannesburg**
- Dubai is the main destination for most of the Middle east regional headquarters (MENA, MEA and ME). Companies find it attractive due to its numerous free zones and favorable business environment





Sub-Regional HQs

The EMEA region continues to have a higher concentration of SRHQs



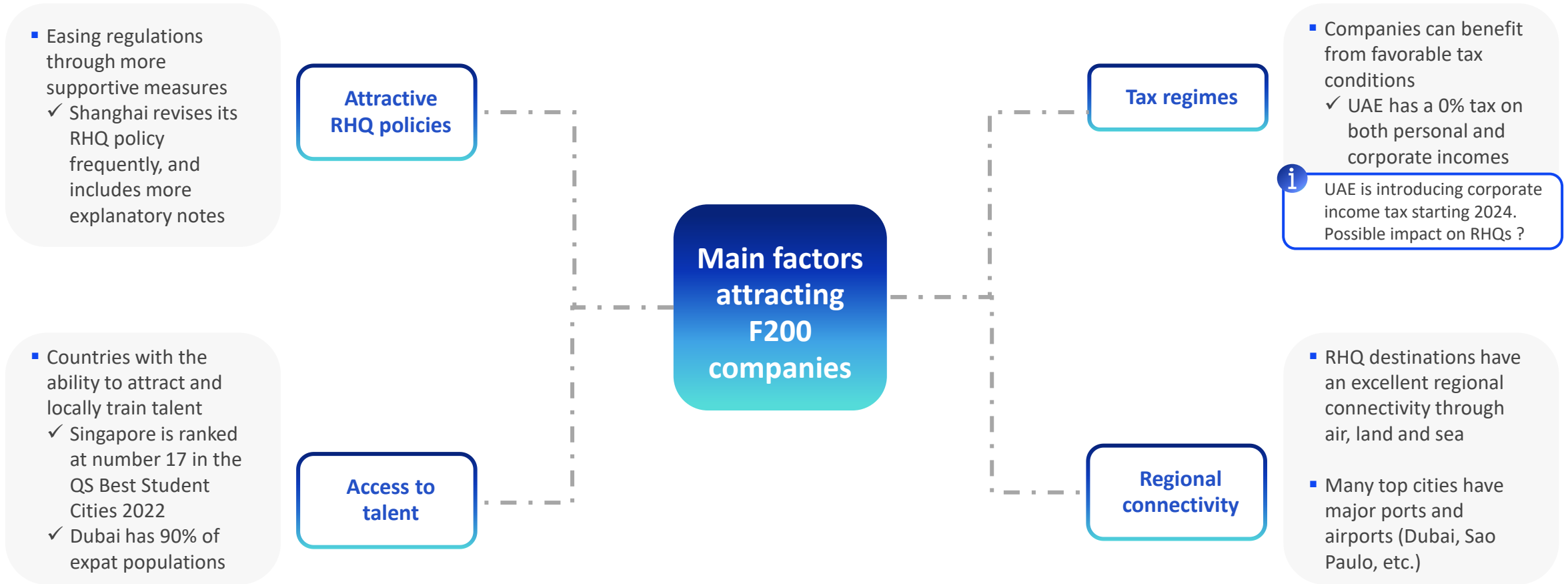
Region	Common SRHQs	# of SRHQs
Europe	Central and Eastern Europe	20
	Southern Europe	12
	Western Europe	10
MEA	Middle East	21
	North Africa	12
	East Africa	15
	West Africa	15
	Sub-Saharan Africa	12
APAC	Southern Africa	12
	South Asia	11
	Southeast Asia	11
Americas	Oceania	13
	North America	17
	Latin America	34

Sources: Fortune 500 ranking, Infomineo Analysis



Top Cities, Attractive Factors, and Recent Changes

RHQ policies, access to talent, favorable tax regimes, and connectivity are key factors affecting the choice of RHQ locations



Singapore, Hong Kong, and Shanghai remain as destinations of choice for Fortune 200 companies' APAC RHQs



Singapore

Strategically located in the heart of Southeast Asia, an ideal gateway to the region's markets

- **Ranked 1st in EIU's Business Environment Rankings 2022** for its conducive environment for business
- **#2 globally, and #1 in Asia-Pacific** in INSEAD's Global Talent Competitiveness Index 2022
- **#3 globally, and #1 in Asia-Pacific, for economic competitiveness** in IMD's World Competitiveness Ranking 2022



Hong Kong

A diverse population and a strong international outlook, an attractive location for businesses

- **Ranked #5 globally for economic competitiveness** in IMD's World Competitiveness Ranking 2022, up from #7 in 2021
- **World's freest economy** in the Economic Freedom of the World 2022 Annual Report



Political and COVID-19 issues in Hong Kong have made some companies reconsider their presence in the city



Shanghai

One of the most important business centers in Mainland China, attracting an increasing number of multinational companies

- **Relaxed criteria** for RHQ establishment
- Home to some of the **country's top universities**
- **4th busiest aviation hub in the world** after London, New York and Tokyo

Political tensions and COVID-19 measures in Hong Kong have made some companies reconsider their RHQ presence in the city



Zero COVID-19 policy disturbance

- Companies are considering moving their regional headquarters from Hong Kong to Singapore due to **stringent Covid-19 measures**
- **5%** of global/regional headquarters had confirmed intentions to leave the city, according to the American Chamber of Commerce in Hong Kong's annual Business Sentiment Survey
- **80%** of the 5% surveyed identified Singapore as Hong Kong's **biggest competitive rival**
- Hong Kong's **adherence to China's zero-Covid policy** has put it **out of sync** with most developed economies



Stronger government control on Hong Kong

- The implementation of **the National Security Law in Hong Kong** has increased concerns about political stability
- Companies feel more uncertainty about the continuity of their operations in the country
- Singapore's **stable political environment and strong rule of law** have made it more favorable for companies and given them more confidence in their investments
- Singapore is today an attractive destination for establishing regional headquarters in Asia, especially in industries such as finance, technology, and logistics

London, Dubai and Johannesburg offer a favorable political and business environment, and access to a skilled workforce

London



An international trading city with a high concentration of HQs and corporate functions, offering access to the European market and global businesses

- **World's largest** financial center
- **Ranked #1 in IESE's Cities in Motion Index, as the world's "smartest" city** in 2022
- **Ranked #3 in Schroders Global Cities Index** in 2022



Brexit has had a significant impact on multinational companies operating in London

Dubai



A prestigious location, with high quality of life and a good infrastructure, as well as streamlined procedures for businesses

- **Dubai's strategic location** at the crossroads of Europe, Asia, and Africa makes it a **prime location** for businesses
- **Heavily invested in infrastructure**, including modern airports, ports, and telecommunications networks



With the issuance of the new Regional Headquarters Program in Saudi Arabia, many companies are likely to start considering moving their RHQs to Riyadh

Johannesburg



An industrial and economic gateway to the African continent, with infrastructural and political advantages relative to its neighbors

- **Ranked #3 Africa's Top Business City** according to the Global Business Cities Index 2022
- **Pro-business regulatory environment**, with favorable tax policies and incentives for foreign investors
- **Advanced transport infrastructure** compared to the region

Brexit had a significant impact on regional hubs and headquarters operating in London



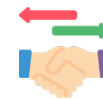
Europe becoming “Multipolar”

- A recent analysis suggests that **Europe will become more "multipolar"** as a result of Brexit
- An emerging trend is splitting European RHQs, **nearly 25 large firms have split their business**. An example is **Bank of America**, which has chosen Dublin as the EU hub for its banking business and Paris as the hub for its markets business
- Post-Brexit, some companies find it practical to establish different divisions in various financial centers due to their unique skills, environment, ecosystem, and legal framework



Decreased Talent pool

- The changes to the free movement of people between the UK and the EU due to Brexit can affect the availability of talent, especially in industries reliant on skilled foreign workers



Changes in trade, supply chain and regulations

- Brexit has resulted in changes to the **UK's trade policies and regulations**, including **customs procedures, tariffs, and standards**
- Multinational companies in London that rely on trade with the EU may face **increased barriers to entry and higher costs**.
- Brexit has also created **supply chain disruptions for multinational companies in London** that rely on goods and services from the EU

New York and Sao Paulo are securing their spot as top cities as key hubs for the Americas



New York

A business and financial hub, with a business-focused culture and a highly skilled talent pool

- **Ranked #1 in the Economy and R&D functions** of the Global Power City Index 2022 Summary
- **One of the world's financial centers**, with many of the world's largest banks, investment firms headquartered in the city
- **A hub for international travel and commerce**, with many major companies from around the world having a presence in the city



Sao Paulo

A central hub for the LATAM market, and one of the South America's largest cities

- **Well-developed infrastructure** with modern highways, airports, and the largest container terminal in Latin America
- **25% of all higher education institutions** in Brazil located in the state
- **Funding and incentive policies** with various tax incentives and funding programs to promote development and reduce production costs.



Case studies

Case study: Wells Fargo moved its Asian regional hub from Hong Kong to Singapore

Background:

Multinational companies located in **Hong Kong** have been facing some challenges such as: **the strict COVID-19 policies in the region and flight restrictions, political instability and protests, and a very expensive real estate market.** While the Chinese government implemented a national security law in response to ongoing protests, some companies have been considering other RHQs destinations.

Wells Fargo intends to relocate its Asian regional hub in Singapore:

- **Geopolitical uncertainty**, and the **expensive real estate market** were quoted among the reasons for this move
- Commenting on this shift, the bank stated “Wells Fargo has a **long-term presence** in Hong Kong, Singapore and the APAC region, including Japan and mainland China, and we will continue to maintain this presence. Suggestions we are moving our focus away from Hong Kong do not accurately reflect our commitment to this market.”



Case study: PepsiCo and Siemens are planning to relocate their Middle East RHQ to Riyadh

Background:

The Saudi Arabian government declared that starting from 2024, it would cease issuing contracts to companies that do not have regional headquarters in Saudi Arabia. The country's new **Regional Headquarters Program** is designed to promote the relocation of established international corporations' regional headquarters to the Kingdom of Saudi Arabia, with the aim of decreasing the nation's reliance on oil and diversifying its economy.

PepsiCo and Siemens to relocate RHQs to Riyadh:

- Saudi Arabia has granted licenses to **over 40 multinational corporations** to establish their regional headquarters in Saudi Arabia
- Among the F200 companies, **PepsiCo** and **Siemens** have signed up for the Regional Headquarters program and **agreed to relocate** their RHQs to Saudi Arabia. Other F500 companies (incl. Unilever, Novartis, and SAP) have also signed this agreement
- The companies will be provided with exemptions from **restrictions on work visas, relaxed regulations, and support in relocating** their staff through a newly implemented program aimed at making business operations smoother



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