

# Foreign Direct Investment Hot Spots



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## Introduction

This business alert is designed to update AGN members and their clients with insights into the latest FDI-friendly regions and the specific incentives offered within each location. By understanding the local incentives available in key regions like the United States, India, Vietnam, the UAE, and Brazil, members can better advise clients on how to navigate these environments, from tax advantages to sector-specific grants.

## Primary Actions for Members:

- 1. Engage Clients in Strategic Conversations:** Review the opportunities outlined in each location and consider which may align with your clients' expansion or investment goals.
- 2. Identify Incentive Opportunities:** Dive into specific tax holidays, grants, and regional incentives that may benefit clients, especially those in high-potential sectors such as manufacturing, green energy, technology, and finance.
- 3. Facilitate International Expansion with Targeted Advice:** Use this alert as a basis to proactively suggest cross-border strategies that capitalize on cost efficiencies and incentives, tailored to each client's industry and growth objectives.
- 4. AGN Member Support:** Review the AGN support materials and guides to assist with the development of an international business strategy.





# FDI HotSpots



## 1. United States

<b>Select USA:</b>	This is a federal program designed to facilitate FDI by connecting investors with state and local economic organizations.
<b>Opportunity Zones:</b>	These zones offer tax incentives in economically distressed communities across the U.S. Investors can defer capital gains taxes by investing in Opportunity Zone projects, with additional tax breaks for longer-term investments.
<b>State-specific Programs:</b>	States like Texas and Florida provide local incentives, including property tax abatements, sales tax exemptions on equipment, and R&D tax credits. Each U.S. state maintains unique incentives tailored to industries such as technology, renewable energy, and advanced manufacturing.
<b>Opportunities for Client Companies:</b>	The U.S. market is favourable for medium sized companies, especially those offering innovative products, services, or technology. The vast consumer market, stable economy, and well-developed infrastructure present opportunities in sectors like technology, healthcare, green energy, and consumer goods. The Opportunity Zones initiative allows small and medium sized companies to launch in under-served communities with potential for tax deferrals on capital gains, making it easier to access lower-cost entry points in established areas.
<b>Opportunities for Client Support:</b>	Accountancy advisors can assist clients with navigating the state and federal tax structures, including optimizing tax credits, deductions, and available grants. They can help in understanding sector-specific financial incentives, identifying tax-exempt zones, managing compliance with U.S. Generally Accepted Accounting Principles (GAAP), and conducting regular tax planning to maximize savings under SelectUSA and Opportunity Zone programs.



## 2. India

<b>Make in India &amp; Digital India:</b>	A program that has been in place for some time now continues with considerable success. These national initiatives encourage investments in manufacturing, technology, and R&D. India allows 100% FDI in many sectors, including electronics, retail, and telecommunications, with streamlined processes and approvals.
<b>State-Specific Incentives:</b>	Maharashtra and Tamil Nadu are prime regions for foreign investment, offering land at reduced costs and capital subsidies for R&D and manufacturing. Moreover, the central government provides export incentives and tax holidays, especially for infrastructure, renewable energy, and technology sectors.
<b>Opportunities for Client Companies:</b>	India's initiatives like Make in India and Digital India open pathways for small and medium sized companies specializing in manufacturing, technology, telecommunications, and e-commerce. With rising consumer demand, an affordable workforce, and relaxed FDI regulations, companies can benefit by establishing production or research facilities to serve local and global markets. Indian states like Maharashtra and Tamil Nadu provide medium sized companies in R&D and tech sectors with access to financial incentives, easing expansion efforts.
<b>Opportunities for Client Support:</b>	Accountancy firms play a crucial role in helping clients understand local tax structures and in leveraging state and federal subsidies. Assistance in navigating FDI compliance requirements, optimizing cost structures under the Goods and Services Tax (GST), and setting up joint ventures or subsidiary structures can be invaluable. Additionally, accountants can guide clients on regulatory requirements and investment financing specific to India, helping them leverage government initiatives.



### 3. Vietnam

<b>Economic Zones:</b>	Vietnam has established Special Economic Zones (SEZs) offering corporate tax holidays for up to four years and reduced rates for nine more years in priority sectors like manufacturing, tech, and renewable energy.
<b>Government Grants and Tax Relief:</b>	To attract manufacturing giants, Vietnam provides import duty exemptions on equipment and materials, as well as financial support for training local employees. Ho Chi Minh City and Hanoi are key destinations, with incentives to attract FDI in high-tech manufacturing.
<b>Opportunities for Client Companies:</b>	Vietnam is rapidly growing as a manufacturing hub, with particular appeal to small and medium sized companies in electronics, textiles, and renewable energy. Economic zones provide companies with tax relief and infrastructure support. Companies focused on manufacturing can benefit from cost-effective labour and proximity to other ASEAN markets.
<b>Opportunities for Client Support:</b>	Clients will need advisory support in navigating Vietnam’s tax holiday regulations, import duty exemptions, and investment incentives within special economic zones. Advisors can assist with compliance under Vietnam’s corporate tax code, provide guidance on labour and production cost structures, and help clients leverage double taxation agreements. Establishing a local presence with the correct tax structuring can be vital for reducing long-term costs.



### 4. United Arab Emirates (UAE)

<b>Free Zones:</b>	Dubai’s Jebel Ali Free Zone (JAFZA) and Abu Dhabi’s Ghadan 21 offer 100% foreign ownership, full repatriation of profits, and no import or export duties. These zones are especially appealing for logistics, finance, and tech firms, providing efficient setups for international businesses.
<b>Sector-Specific Grants:</b>	The UAE provides additional support through subsidies and reduced utility costs, particularly in renewable energy and technology, to build a sustainable economy under its Vision 2030 plan.
<b>Opportunities for Client Companies:</b>	The UAE’s free zones, such as JAFZA in Dubai, offer 100% foreign ownership and full profit repatriation. Small and medium sized companies in logistics, finance, and technology can capitalize on the UAE’s infrastructure and tax-free environment to serve both local and international clients.
<b>Opportunities for Client Support:</b>	Clients can benefit from accountancy support in understanding free zone versus mainland business setups, structuring profit repatriation, and complying with UAE’s VAT requirements. Advisors can also provide guidance on securing financial assistance under UAE’s Ghadan 21 initiative, including grants for green energy and digital sectors, and assist in navigating employment regulations tailored to clients in free zones.



### 5. Brazil

<b>Inovar-Auto Program:</b>	Focused on the automotive sector, this program offers tax reductions for companies investing in fuel-efficient and innovative technologies.
<b>Reintegra Program:</b>	Aims to boost exports by offering tax credits to Brazilian-based manufacturers. States like São Paulo provide further incentives for green and digital industries, such as property tax reductions and R&D grants.

<b>Opportunities for Client Companies:</b>	Brazil's programs like Inovar-Auto and Reintegra offer small and medium sized companies incentives for investing in automotive innovation and exporting manufactured goods. With high growth potential in agriculture, renewable energy, and technology, companies can benefit from state-level programs providing tax breaks and training subsidies.
<b>Opportunities for Client Support:</b>	Accountants can help clients navigate complex tax systems, claim export tax credits, and structure investments for maximum tax efficiency. Given Brazil's regulatory complexity, advisors are essential in managing local tax compliance, securing grants, and handling cross-border financial reporting. Advisors can also support clients in structuring tax-efficient supply chains and preparing documentation for incentives available through Inovar-Auto and Reintegra.

Each of these hotspots combines favourable economic policies, targeted incentives, and support programs designed to draw foreign investment in priority sectors, often structured around green energy, technology, and manufacturing initiatives. These incentives reflect a global trend towards sustainable and innovation-driven FDI.

## Conclusions

For detailed information on each FDI region, including program specifics and eligibility requirements, please refer to key sources such as Select USA's [FDI resources](#), India's [Make in India](#) initiative, and similar government portals in Vietnam, the UAE, and Brazil. Additional insights and data are available from [fDi Intelligence and the World Investment Report](#) by UNCTAD, which provide ongoing updates on FDI trends and incentive programs worldwide. By utilizing these resources, members can keep their advisory services aligned with the latest in global investment opportunities.

### Further AGN References:

More broadly AGN provide a range of resources for members to plan their international business strategy:

[AGN - 6 Star Framework to developing international business](#)

[AGN - The AGN Guide to Going International](#)

[AGN - The AGN Going International Diagnostic](#)

[AGN - Advisory Resource Centre](#)

[AGN - International Revenues & Referrals](#)

[RVKS - Navigating Growth Strategies for Sustainable Businesses](#)

[AGN - AGN & Nexia launch global alliance](#)



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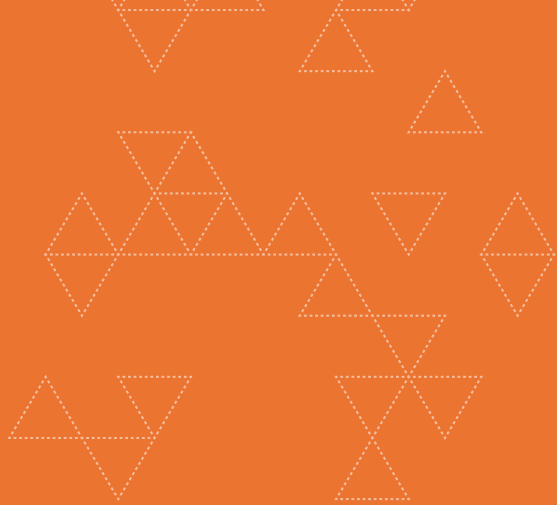
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