Expats change investing targets

By Sharlene Goff

Expatriate investors are increasingly snubbing the UK, Europe and the US and looking instead to invest in China and India, according to a survey published today by offshore online broker firm Internaxx.

The poll of 400 senior expatriate executives showed that investors living in Europe, Asia and the Middle East believe that China is currently the best market in the world to invest in.

The survey found that 56 per cent of respondents felt confident about China as an investment destination, compared with 38 per cent a year ago. India remained a close second favourite, with 43 per cent of investors displaying positive sentiment towards investment there.

Meanwhile, the UK, US and Europe have all fallen out of favour compared with last year, as concerns have grown about economic instability, ageing populations and rigid labour laws.

One investor said: "The growth in India and China has been phenomenal. In addition, with American companies outsourcing their services to both countries, it can only continue."

Robert Glaesener, general manager of Internaxx, said: "In less than a year investors who were dissatisfied with the growth prospects of developed markets but lacked the confidence to engage with the emerging markets where they saw the most potential, have changed their tune."

The survey found that the number of investors citing a lack of knowledge of emerging markets fell by 13 per cent to 34 per cent and the number that felt uncertain about regional economic prospects fell 10 per cent to 12 per cent.

The research also showed that investors with the most diversified portfolios generated the best investment returns, and 81 per cent of respondents claimed to have matched or outperformed the market over the last year.

In terms of sector, expatriate investors were most bullish on energy stocks, followed by telecommunications and consumer goods companies. One-in-three investors expected to increase their exposure to property over the next year.