

# 2022

## FOREIGN INVESTMENT IN CASTILLA-LA MANCHA

Annual Update | March 2023



Castilla-La Mancha



IPEX



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## Foreign Investment in Castilla-La Mancha

Annual Update | March 2023

Report prepared by **Sifdi**

# 2022

## Foreign Investment in Castilla-La Mancha

Annual Update | March 2023

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# Executive Summary

## FDI in Castilla-La Mancha in 2022

Pending UNCTAD's final global year-end 2022 data, which will be released in June, the data advanced by this entity at the beginning of the year indicated that the deterioration of financial conditions, the rise in interest rates in response to high inflation rates and uncertainty in financial markets, all had a negative impact on international project financing (IPF) and cross-border mergers and acquisitions (M&A), which, in global terms, fell by 6%. Greenfield investments, on the other hand, performed better, thanks to the increased activity of the first part of the year and the impact of a small number of megaprojects in the renewable energy and semiconductor sector.

According to UNCTAD's estimates for 2022, global investment flows increased by 14% during the first half of the year they although in the second quarter of the year they experienced a reduction of 31% compared to the first, reflecting a change in investors' perspective.

Spain, once again, seems to have escaped this negative global trend. Thus, according to data from the Investment Registry (RIE), Spain received 34,178 million euros of gross productive investment in the year, 14% more than in 2021, a year in which flows remained stable despite the pandemic.

According to the Investment Registry's regional data figures for 2022, Castilla-La Mancha attracted 567 million euros of investment, with almost no divestments in the year. This figure, the historical maximum of flows in the region, is three times higher than that of the previous year (+202.5%), and 244% higher than the average of the last

decade.

Castilla-La Mancha is thus the seventh region in Spain that attracted the most investment in 2022, a year marked by strong increases in investments received in a large part of the Spanish regions.

As has happened in the last decade, acquisition operations played an important role in the 2022 figures: they accounted for 54% of the flows received in Castilla-La Mancha, ahead of expansions (investments by foreign companies already established in the region), 39%, and new investments (*greenfield* or *brownfield*), the remaining 7%.

Almost all investments in 2022 in Castilla-La Mancha came from OECD countries, 78% of them from European countries, and 22% from North America. Investments from Latin America, Asia and Africa are marginal this year.

If in 2021 three countries invested more than 20 million euros in Castilla-La Mancha (the Netherlands, Israel and France), in 2022 there were notable investments in Castilla-La Mancha from Germany (212 million euros, with significant investments in wholesale trade of spare parts and vehicle accessories), the United States (€124 million, with investments in aluminum production and electricity supply), and Italy (€100 million, entirely in electricity supply). Another 3 countries (France, the Netherlands and the United Kingdom) invested more than 10 million euro last year.

The fDi Markets database of the Financial Times, which reports on the cross-border projects of new productive investment announced according to their intended

destination, shows that in 2022 new records were set in Castilla-La Mancha in terms of number of projects announced in the region (30), investment (\$3,378 million) and announced employment. These figures are 45%, 226% and 71% higher than the figures of the previous year.

These figures have increased significantly in recent years, with a remarkable upward trend since 2015, which became especially notable since 2018. In the last five years, 20 projects have been announced in Castilla-La Mancha each year, with an annual investment of close to \$1,400 million and the generation of more than 3,500 jobs each year.

According to data recently published by the Registry, the evolution of employment derived from foreign investment in Castilla-La Mancha has been very remarkable since 2015 (+96%). After five years of continuous growth, at the end of 2020, the last year for which data is available, there were 60,692 workers in FDI related jobs in the region, after a year-on-year growth of 16%. The stock of employment linked to foreign investments represented 7.4% of the employed population in Castilla-La Mancha in 2020.

The foreign investment position also registered an increase in the last update, to 1,390 million euros (+12%), above the growth registered at the national level. Stock levels, strongly marked by the headquarters effect, have remained relatively stable above 1 billion since 2010. In the last year, it represented 3.5% of regional GDP, a figure that does not reflect the real importance of FDI in the local economy. This is due to the fact that Castilla-La Mancha is the Spanish region most affected by the

headquarters effect -measured in terms of tangible fixed assets in relation to the investment stock-. Even so, in the last ten years, Castilla-La Mancha has seen the participation of FDI in regional GDP increased by half a point.

Despite the decrease recorded in fixed tangible assets linked to foreign investment in Castilla-La Mancha, which temporarily breaks a six-year growth cycle, the evolution of this indicator since 2009 has been remarkable, with a more pronounced growth pattern than that identified in the stock of FDI. Fixed assets at the end of 2020 were 5.3 billion euros, 58% more than the figures recorded in 2015.

According to data provided by alternative sources such as SABI (D&B), at the end of 2022 Castilla-La Mancha had 267 foreign capital companies based in the region (companies controlled by a foreign Global Ultimate Owner, or with foreign direct shareholders controlling 10% of the company or more).

**Castilla-La Mancha received 567 million euros of investment in 2022, the historical maximum of flows in the region.**

## Key Messages

- In 2022, Castilla-La Mancha received FDI flows worth 567 million euros, the best record in the historical series. 54% of these flows were cross-border mergers and acquisitions, ahead of 39% of reinvestments or expansions of established companies.
- In 2022, three countries invested more than 100 million in Castilla-La Mancha: Germany (212 million), the United States (124 million) and Italy (100 million). Another 3 countries, France, the Netherlands and the United Kingdom, invested more than 10 million.
- Investment in Castile-La Mancha in the last decade was concentrated in the Industrial sector (64.1% of flows), Services (27.7%), the Primary Sector (4.5%) and Construction (3.6%). In 2022, investments in the Services sector reached 41% of flows, while the Construction sector received 9.2%. The industrial sector, for its part, accounted for 59% of the flows received.
- In 2022, Castilla-La Mancha received a record number of greenfield investment projects. fDi Markets reported 30 new investment projects, 45% more than the previous year, with an associated investment of \$3,378 million (also a historical maximum in the series), and the generation of 5,637 local jobs.
- The investment position or investment stock, very marked by the well-known 'headquarters effect', amounts to 1,390 million euros, 3.5% of regional GDP (2020). Fixed tangible assets stood at €5,315 million, or 13.4% of regional GDP.
- The stock of employment linked to foreign investments in Castilla-La Mancha reached 60,692 jobs after five years of continuous growth. 7.4% of the employed population in the region work in FDI-related jobs.
- Castile-La Mancha is home to more than 260 companies with foreign capital.

## Summary table of the main statistics on Foreign Investment in Castilla-La Mancha

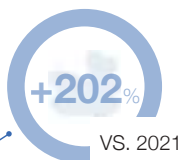
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>A. Gross Productive Investment Flows, Millions of Euros</b>											
Investment Registry											
<b>CLM</b>	52	25	130	53	108	184	255	78	60	187	<b>567</b>
<i>Evolution</i>	-88.8%	-52.4%	429.1%	-59.0%	102.2%	70.9%	38.4%	-69.4%	-23.2%	212.5%	<b>202.5%</b>
<b>B. Stock of employment</b>											
Investment Registry											
<b>CLM</b>	30,031	27,575	31,855	31,091	38,128	44,368	46,750	52,375	<b>60,692</b>		
<i>Evolution</i>	-1.7%	-8.2%	15.5%	-2.4%	22.6%	16.4%	5.4%	12.0%	<b>15.9%</b>		
<b>C. Stock of productive investment, Millions of Euros</b>											
Investment Registry											
<b>CLM</b>	1,099	1,281	1,476	1,387	1,344	1,423	1,172	1,243	<b>1,390</b>		
<i>Evolution</i>	-10.6%	16.6%	15.2%	-6.0%	-3.1%	5.8%	-17.7%	6.1%	<b>11.8%</b>		
<b>D. Fixed Tangible assets, Millions of Euros</b>											
Investment Registry											
<b>CLM</b>	3,357	3,013	3,215	3,367	4,432	4,651	5,203	6,352	<b>5,315</b>		
<i>Evolution</i>	2.1%	-10.2%	6.7%	4.7%	31.6%	4.9%	11.9%	22.1%	<b>-16.3%</b>		
<b>E. Cross-border greenfield investment projects</b>											
fDi Markets - Financial Times											
<b>CLM</b>	4	10	7	4	5	9	14	21	14	21	<b>30</b>
<i>Evolution</i>	-50.0%	150.0%	-30.0%	-42.9%	25.0%	80.0%	55.6%	50.0%	-33.3%	50.0%	<b>42.9%</b>
<b>F. Cross-border greenfield investment, Millions of USD</b>											
fDi Markets - Financial Times											
<b>CLM</b>	132	285	280	55	168	421	758	984	815	1,036	<b>3,378</b>
<i>Evolution</i>	-38.5%	115.3%	-1.7%	-80.5%	207.5%	151.3%	80.0%	29.8%	-17.2%	27.1%	<b>226.3%</b>

# FOREIGN INVESTMENT IN CASTILLA-LA MANCHA

## Gross productive FDI inflows

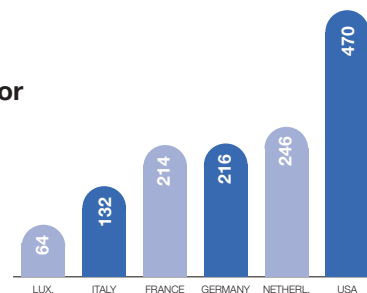
**567**

MILLIONS OF € IN 2022



## Major investor countries

Millions of €  
2012-2021



## FDI employment in Castilla-La Mancha

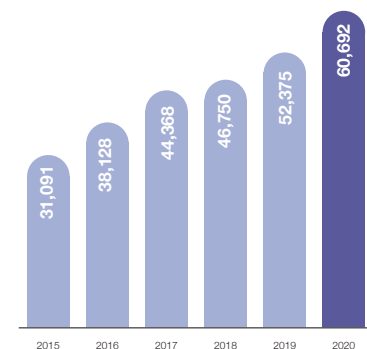
**60,692**

WORKERS IN FDI-RELATED JOBS



## Evolution

2015-2020



## FDI Fixed tangible assets in Castilla-La Mancha

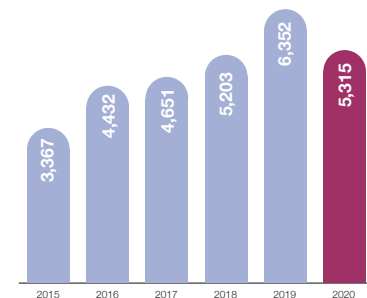
**5,315**

MILLIONS OF € IN 2020



## Evolution

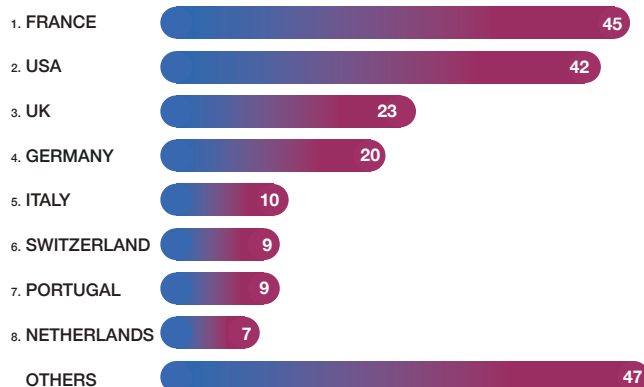
Millions of €  
2015-2020



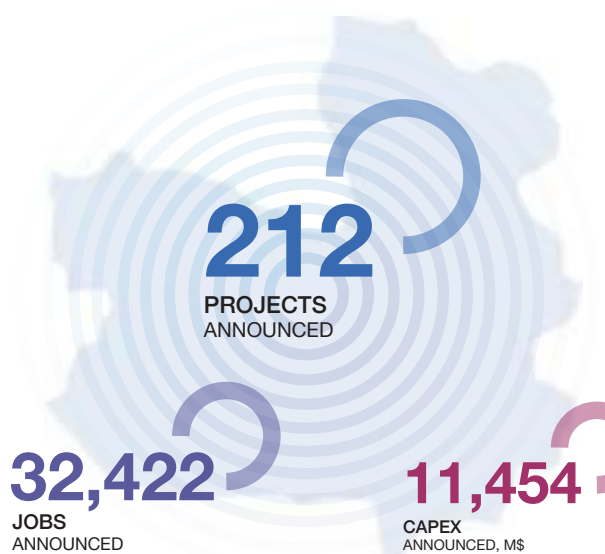
Source: Investment Registry, March 2023

## FDI cross-border greenfield projects

NUMBER OF FDI CROSS-BORDER GREENFIELD PROJECTS RECEIVED IN CASTILLA-LA MANCHA 2003-2022



Source: fDi Markets, March 2023





# 1.

## FDI IN THE WORLD

According to estimates advanced by UNCTAD for 2022, global investment flows increased by 14% during the first half of the year, although these have slowed down since.

The indicators for the end of 2022 revealed an uncertain and regionally uneven outlook for global FDI.

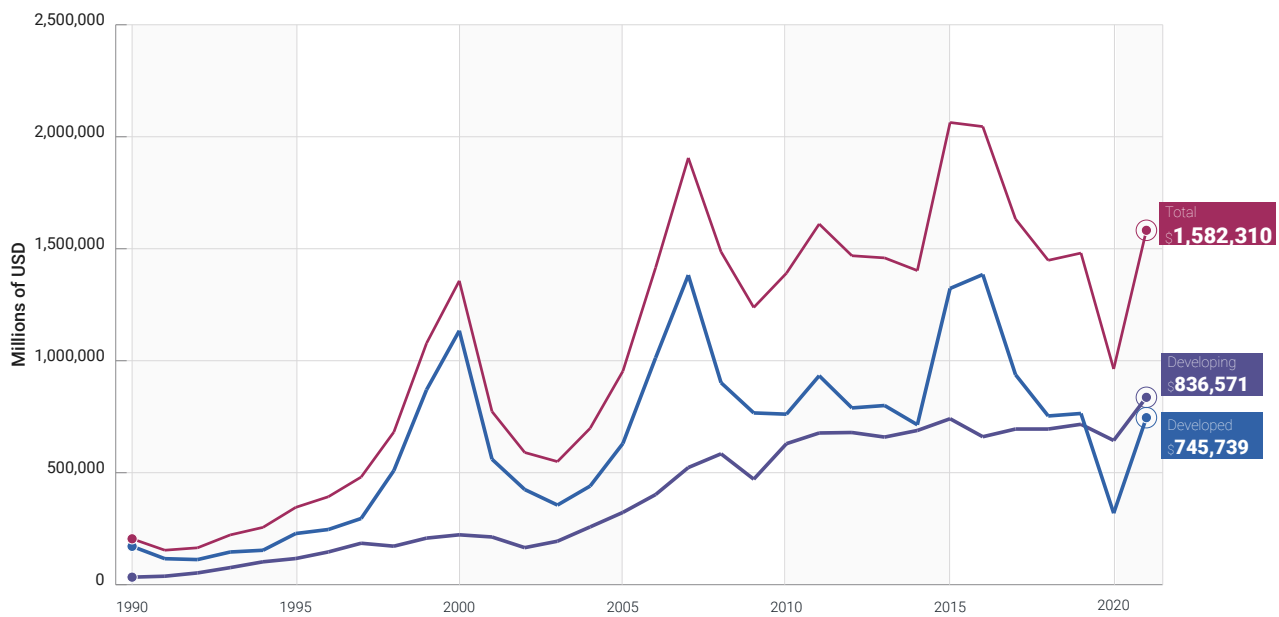


Castilla-La Mancha



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**Figure 1.** Evolution of net FDI flows received by level of development  
Millions of \$



Source: UNCTAD, June 2022

## Key Messages

- **Global investment flows**, according to estimates advanced by UNCTAD for 2022, increased by 14% during the first half of the year, although in the second quarter of the year they experienced a reduction of 31% compared to the first, reflecting a **change in investors' expectations**.
- In January 2023, this multilateral organization announced that the **rise in interest rates in response to high inflation rates and uncertainty in financial markets** negatively affected the financing of international projects (IPF) and cross-border mergers and acquisitions (M&A), which, in global terms, fell by 6%. The definite data for 2022 will be published next June.
- **Greenfield investment**, on the other hand, experienced a 14% increase compared to the previous year, according to fDi Markets: 17,441 cross-border global investment projects in 2022, with an associated investment of 1,183,400 million dollars (+62% YoY) and the creation of 2,403,247 jobs (+29% YoY).
- The **number of projects** is still 13% below the highs set in 2018, although the size of the projects in 2022, both in terms of announced investment and employment, is notably higher than the figures for 2021 and the averages of the last decade.
- **Western Europe** was the **leading region** in terms of greenfield projects globally in 2022, both in number of projects (34%) and in terms of volume of investment (25%), although it is surpassed by the Asia Pacific region in terms of employment, with a similar investment volume. The year-on-year increase in both investment and the volume of employment in projects in Africa, and Egypt in particular, is notable.
- The **three sectors** attracting most investments in 2022 were **Renewable Energy** (\$343 billion), **Coal, Oil and Gas** (\$106 billion) and **Semiconductors** (\$92 billion). Eight of the fifteen main operations announced in 2022 in terms of investment volume correspond to the Renewables sector, 3 to Semiconductors, all of them with an investment of over \$10,000 million.
- In **2023, the expected weak economic growth** may lead to more conservative behavior among investors and to consolidation strategies instead of expansion in many companies. In addition, and although global inflation is estimated to decrease from 8.8% in 2022 to 6.6% in 2023, the persistently high levels of inflation are expected to continue to impact FDI figures for **at least the first part of 2023, making it more difficult to attract foreign investment**.

# 2.

## FDI IN SPAIN

In 2022, Spain received 34.2 billion gross productive investment, 13.9% more than in 2021, the second highest figure recorded in the entire historical series.



Castilla-La Mancha

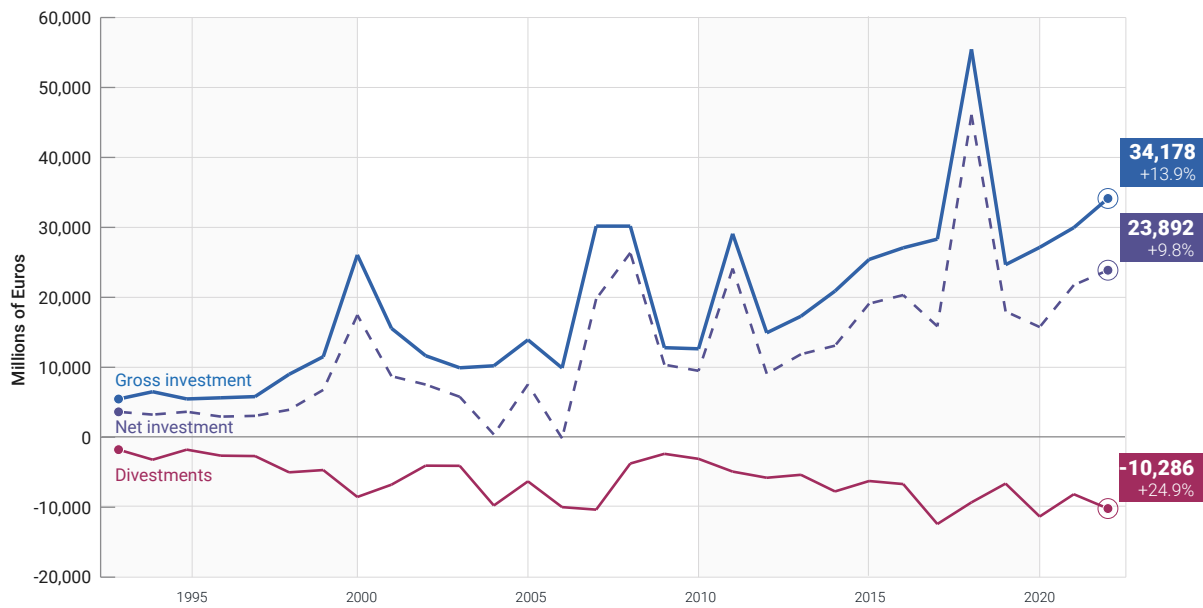


MINISTERIO  
DE ECONOMÍA Y  
TRANSFORMACIÓN  
DIGITAL

IPEX

INVESTICIONES PRODUCTIVAS EXTERNAS

**Figure 2.** Evolution of gross and net productive FDI in Spain  
Millions of €, Non-ETVE



Source: Investment Registry, March 2023

## Key Messages

- In 2022, Spain received 34.2 billion gross productive investment, 13.9% more than in 2021.
- As usual, the highest volume of investment of the year was recorded in the fourth quarter of the year (10.5 billion). This, together with the revision of the figures for previous quarters (an additional 1.3 billion over the previous update), place the investment volume in 2022 as the second highest figure in the historical series, only behind the exceptional data of 2018.
- Net productive investments also increased by 9.8%, up to nearly 23.9 billion, after a rebound in disinvestments in the year. In 2022, more than 87% of foreign investments went to unlisted companies.
- Although acquisitions remained at the high levels of previous years (12.4 billion, 36% of the total), they lost prominence in 2022 in favor of expansions (investments from foreign companies already established, 16.8 billion, 49%), double their levels of the previous year. New investments (greenfield or brownfield) represented 14% of total investments, below the average of the last five years.
- Spain receives flows of productive FDI mainly from other OECD countries (87% in the last decade, 94% in 2022). Of these, Europe stands out as the main investor (59% in the last decade, a figure that was repeated last year).
- Four countries, the United States (€9.4 billion), the United Kingdom (€6 billion), Germany (€4.8 billion) and France (€3.4 billion), invested over €2 billion in 2022. Another two countries, Australia and the Netherlands, invested more than 1 billion.
- Investment flows in Spain are mainly directed to the Services sector (59% of the flows in the last decade), followed by Industry (28%), Construction (10%) and the Primary Sector (2%). In 2022, Industry significantly increased its share of flows (40%) thanks to corporate operations, while investments in Construction (2.5%) were surpassed by the Primary Sector (2.7%).
- In 2022, there were notable investments in Manufacturing Industry, Information and Communications, Energy Supply and Sports Activities, all of which saw significant acquisition operations.

**Table 1.** Regional distribution of FDI in Spain  
Millions of euros and Jobs

Region	Flows			Stock		Fixed Tang. Assets		Employment	
	2022	YoY	2013-2022	2020	YoY	2020	YoY	2020	YoY
C. of Madrid	17,226	-21.6%	183,821	346,580	1.6%	28,889	1.0%	512,915	-1.1%
Basque Country	5,516	258.2%	17,854	19,973	33.4%	4,970	-4.1%	74,333	0.4%
Catalonia	3,883	25.6%	42,324	68,077	9.0%	28,134	-5.8%	354,843	1.2%
Region of Valencia	2,096	134.8%	7,647	7,824	9.1%	9,161	5.2%	120,854	4.6%
Andalusia	1,265	30.3%	6,565	11,945	15.0%	19,824	-4.3%	163,432	12.3%
Navarre	790	559.4%	2,321	2,192	-7.1%	2,879	0.4%	39,363	9.4%
<b>Castilla-La Mancha</b>	<b>567</b>	<b>202.5%</b>	<b>1,647</b>	<b>1,390</b>	<b>17.8%</b>	<b>5,315</b>	<b>-16.3%</b>	<b>60,892</b>	<b>15.9%</b>
Murcia	546	464.9%	1,625	1,711	-6.8%	2,740	-8.6%	25,324	7.5%
Aragon	484	140.7%	1,739	4,738	1.5%	6,377	1.5%	63,740	4.3%
Castilla and Leon	471	245.6%	3,078	4,929	18.1%	7,560	-3.2%	79,580	2.0%
Balearic Islands	455	83.9%	3,583	10,341	5.0%	4,511	-10.2%	24,421	-10.7%
Asturias	298	555.8%	3,726	13,156	15.8%	4,387	0.5%	34,960	9.0%
Canary Islands	269	207.8%	1,381	2,888	7.2%	4,209	-16.2%	36,022	-10.3%
La Rioja	178	153.6%	689	893	2.5%	683	-5.0%	10,695	7.9%
Galicia	172	-22.9%	2,221	9,232	17.3%	5,719	-12.4%	68,511	2.5%
Cantabria	10	-60.3%	284	1,498	-7.4%	1,002	-12.0%	16,039	1.4%
Extremadura	9	-41.1%	686	667	-33.9%	1,688	-9.7%	10,583	7.7%
Ceuta and Melilla	0	-38.9%	27	109	n.a.	295	-5.8%	1,328	11.7%
Not Assigned	2	-98.4%	9,456						
<b>TOTAL</b>	<b>34,178</b>	<b>13.9%</b>	<b>290,674</b>	<b>507,943</b>	<b>4.5%</b>	<b>138,340</b>	<b>-4.2%</b>	<b>1,697,634</b>	<b>2.4%</b>

Source: Investment Registry, March 2023

**Table 2.** Normalized gross FDI flows by region  
2022

Region	Gross FDI flows (Millions of €)	FDI/Population (€)	FDI/GDP (%)	FDI/Total FDI (%)	Population/Total (%)	GDP/Total (%)
Basque Country	5,515.8	2,562.6	7.68%	16.1%	4.6%	5.9%
C. of Madrid	17,225.8	2,566.2	7.34%	50.4%	14.3%	19.4%
Navarre	790.1	1,212.4	3.88%	2.3%	1.4%	1.7%
La Rioja	178.1	570.0	2.07%	0.5%	0.7%	0.7%
Region of Valencia	2,096.2	402.5	1.81%	6.0%	10.8%	9.3%
Murcia	545.9	358.8	1.70%	1.6%	3.2%	2.7%
Catalonia	3,883.5	511.5	1.69%	11.4%	16.1%	19.0%
Balearic Islands	455.3	372.2	1.50%	1.3%	2.6%	2.5%
<b>Castilla-La Mancha</b>	<b>566.8</b>	<b>279.5</b>	<b>1.34%</b>	<b>1.7%</b>	<b>4.3%</b>	<b>3.5%</b>
Aragon	484.2	376.1	1.28%	1.4%	2.7%	3.1%
Asturias	298.0	299.8	1.27%	0.9%	2.1%	1.9%
Castilla and Leon	471.2	202.9	0.81%	1.4%	4.9%	4.8%
Andalusia	1,265.0	149.4	0.79%	3.7%	18.0%	13.3%
Canary Islands	268.9	119.6	0.63%	0.8%	4.8%	3.5%
Galicia	172.0	64.5	0.27%	0.5%	5.7%	5.2%
Cantabria	9.8	17.0	0.07%	0.03%	1.2%	1.1%
Extremadura	9.4	9.0	0.05%	0.03%	2.2%	1.7%
Ceuta and Melilla	0.4	2.3	0.01%	0.00%	0.3%	0.3%
<b>TOTAL</b>	<b>34,178.2</b>	<b>726.9</b>	<b>2.63%</b>			

Source: Investment Registry and INE, March 2023

# 3.

## FDI FLOWS IN CASTILLA-LA MANCHA

In Castilla-La Mancha received 567 million euros of investment in 2022, the historical maximum of flows in the region.

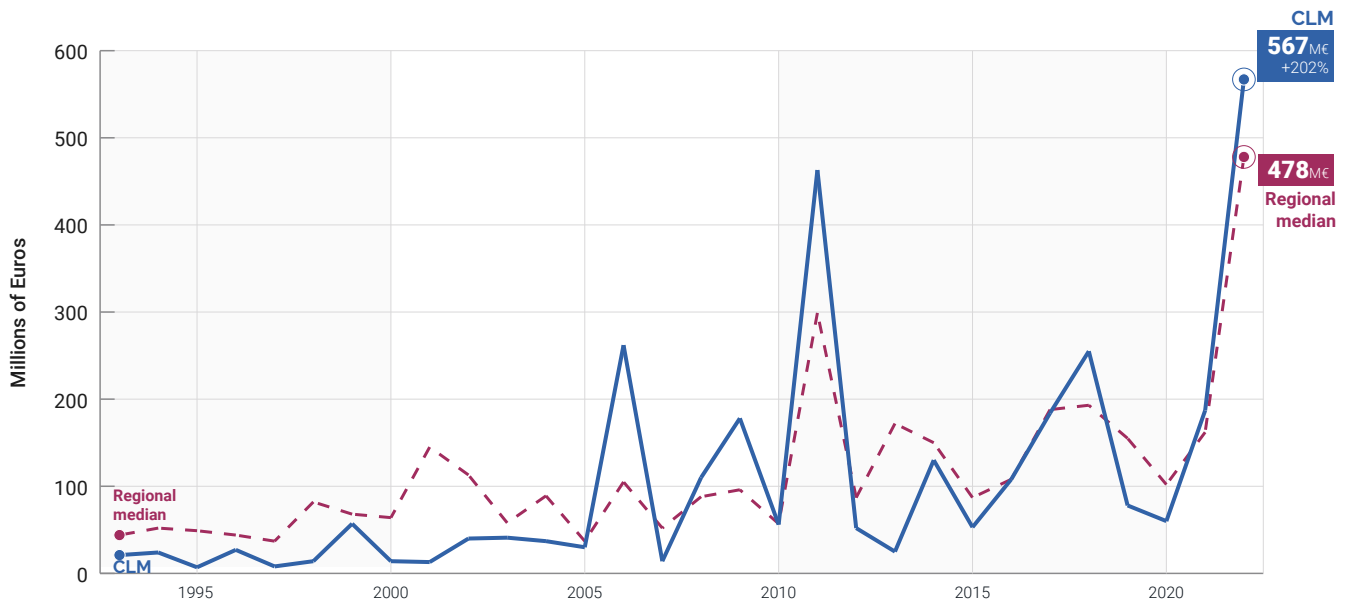


Castilla - La Mancha



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**Figure 3.** Evolution of gross productive FDI in Castilla-La Mancha  
Millions of €, Non-ETVE



Source: Investment Registry, March 2023

## Key Messages

- In 2022, Castilla-La Mancha received **gross productive investment flows worth 567 million euros**, a new record in the region, after an increase of 202% compared to the previous year. Castilla-La Mancha thus ranks as **the seventh region that attracted the most investment in 2022**, a year marked by strong increases in investments received in a large part of the Spanish regions.
- After a the economic uncertainty in the beginning of the year, the **strong investments recorded in the last two quarters** (€116M and €393M, respectively) raised the annual investment flows figure above the previous peak of 2011. These figures were also accompanied by a notable decrease in divestments, practically nil in the year. Net productive investment stood therefore at **€ 566 million**, an 11-fold increase compared to the previous year.
- Investment figures **in Spain are strongly marked by Madrid's 'capital status'**, which affects the figures both from the purely methodological point of view (referred to as the 'headquarters effect') and from the point of view of the real attractiveness of a location when deciding where to invest. **Castilla-La Mancha is therefore usually underrepresented in the figures offered by the different official sources.**
- As has happened in the last decade, **acquisition operations accounted for the lion's share of the investments in Castilla-La Mancha in 2022**: they represented 54% of the flows received in the region, ahead of **expansions** (investments by foreign companies already established), 39%, and **new investments** (*greenfield* or *brownfield*), the remaining 7%. There were two operations in the year above 100 million, and we are **waiting to see the impact in the region of the large announcements of future investments** made during the year reported by other sources.
- Since 1993, the year when statistics on these investments started to be compiled, **the region has attracted an average of 104 million euros** each year. This figure has risen significantly in recent years: since 2015, the figure has reached 187 million per year.
- In the last decade, Castilla-La Mancha received **€81 of gross foreign investment per capita per year. In 2022, this figure rose** to €279 on average per inhabitant.
- **Investments in ETVEs** (holdings) **in Castilla-La Mancha have been marginal**; They have barely represented 12% of the total investments received by the region since 1993. There have been no records of this type of operations in the last four years, nor in 2022.

# 4.

## EMPLOYMENT STOCK

Since 2015, the evolution of employment derived from the stock of foreign investment in Castilla-La Mancha has been very remarkable (+96%).

After five years of continued growth, in 2020 there were 60,692 workers in FDI related jobs in Castilla-La Mancha.



Castilla - La Mancha



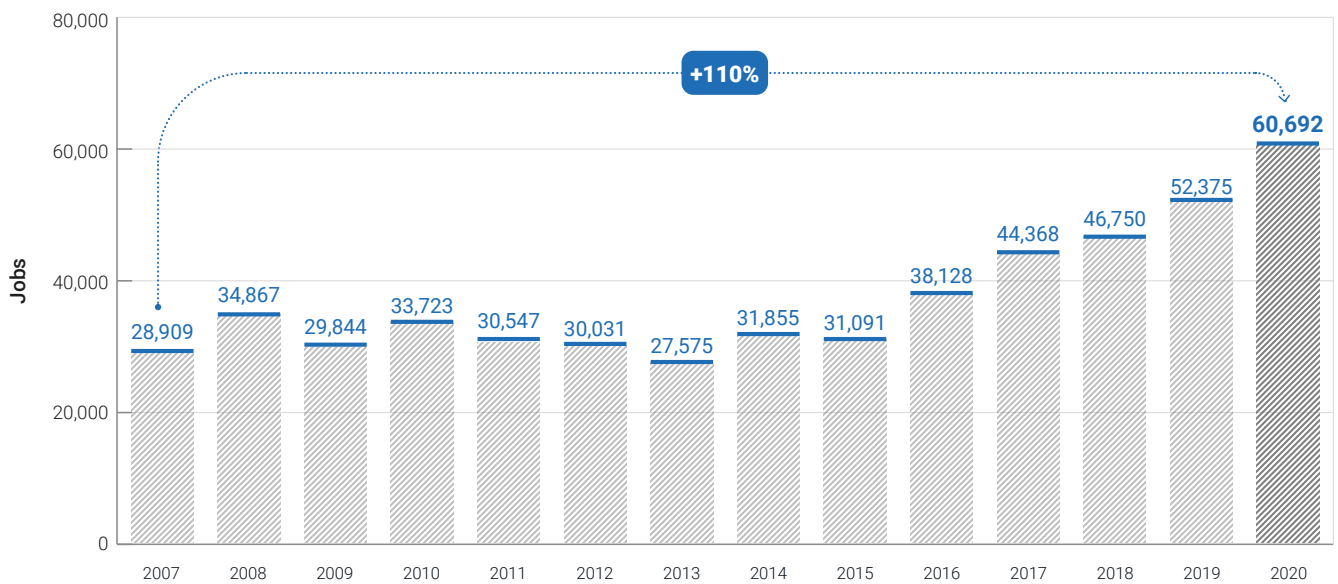
GOBIERNO REGIONAL  
DE CASTILLA-LA MANCHA

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INSTITUTO DE PROMOCIÓN EXTERNA



**Figure 4.** Evolution of the Stock of employment derived from foreign investment in Castilla-La Mancha



Source: Investment Registry, March 2023

## Key Messages

- As has happened in the rest of Spain, **employment levels linked to foreign investment in Castilla-La Mancha have recovered significantly** in recent years, having more than doubled since 2007.
- In 2020, the last year for which the Registry provides data on the stock of investments, there were **60,692 workers in FDI related jobs** in the region, 3.6% of the national total, after a growth of 15.9% year-on-year.
- The stock of employment linked to foreign investments in Castilla-La Mancha represented **7.4% of the employed population in the region in 2020**.
- The **six main investing countries** account for 74% of employment in foreign companies in the region. Investments from **France** provide 14,867 jobs (24.5% of FDI-linked employment in the region), those from the **United States** 12,122 jobs (20%), those from **Germany** 7,890 jobs (13%), the **Netherlands** 4,830 jobs (8%), those from **Switzerland** 3,340 jobs (5.3%), and those from the **United Kingdom** 2,213 jobs (3.6%).
- The list of the top 10 countries whose investments generate the most employment is completed by **Spain** (investments in Castilla-La Mancha of subsidiaries of Spanish companies abroad, 2,017 jobs), **Austria** (1,924 jobs), **Italy** (1,853) and **Denmark** (1,642).
- In the last year for which there is data available, the largest increases (in absolute values) in employment were recorded in companies from **Germany** (+2,901 jobs), **France** (2,250), the **United States** (1,397), **Austria** (582) and the **Netherlands** (518). The largest declines were observed in companies from **China** (-183), **India** (-183), **Luxembourg** (-157) and **Switzerland** (-149).
- Since 2007, the first year for which data is provided, the largest increases in employment in absolute values have come from investments from the **United States** (+8,544 jobs), **France** (7,384), the **Netherlands** (2,768), **Austria** (1,810) and **Denmark** (1,623). Conversely, the decreases in employment in **subsidiaries of Spanish companies abroad, Sweden, Colombia, Liechtenstein and Taiwan** stand out.
- Concentration at the sectoral level is also high. The **Services sector** accounts for 60.5% of the 60,692 FDI related jobs in the region, ahead of **Industry** (34.4%), **Construction** (3.2%) and **Primary Sector** (1.9%).
- **Five subsectors account for 84% of employment**. The most prominent is *Manufacturing*, with 19,634 jobs (32.4% of the total), followed by *Administrative activities* (11,306 jobs, 18.6%), *Wholesale and retail trade* (8,954 jobs, 14.8%), *Transport and storage* (7,845 jobs, 12.9%) and *Information and communications* (2,977 jobs, 4.9%).

# 5.

## INVESTMENT STOCK AND FIXED TANGIBLE ASSETS

The stock of FDI increased by 11.8% in Castilla-La Mancha in 2020, to 1.4 billion euros, and represents 3.5% of regional GDP.

Fixed tangible assets stood at €5,315 million, or 13.4% of regional GDP.

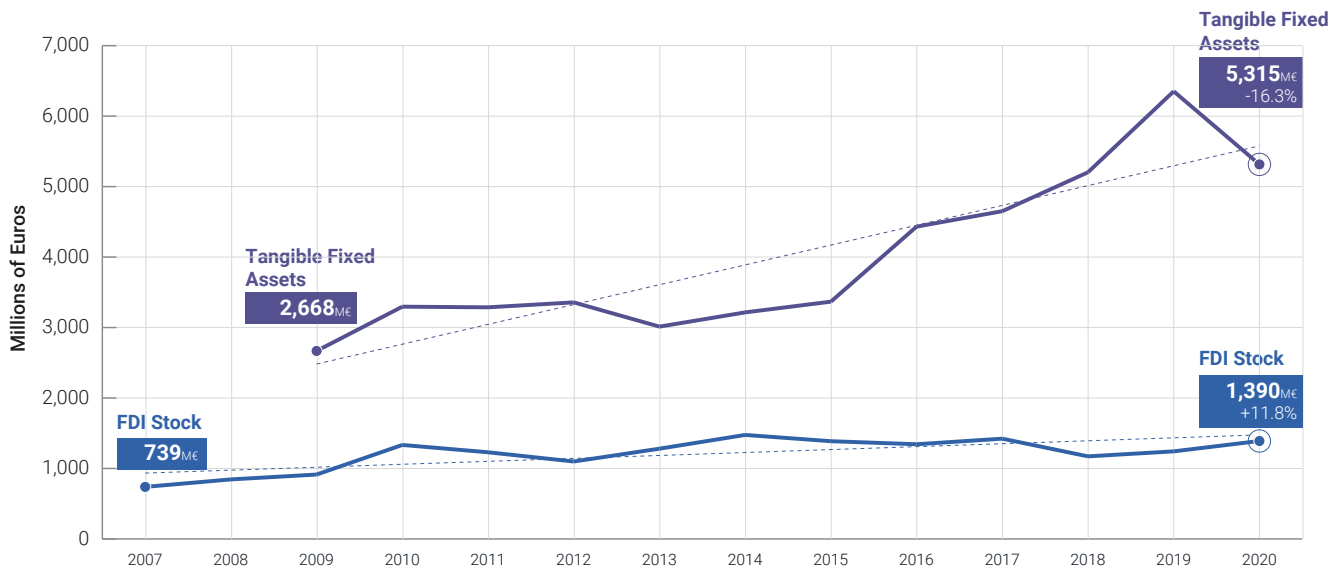


Castilla - La Mancha



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**Figure 5.** Evolution of the investment stock-position and fixed tangible assets in Castilla-La Mancha  
Millions of €, Non-ETVE



Source: Investment Registry, March 2023

## Key Messages

- The stock of FDI is an indicator of investors' **long term confidence** in the local economy and their companies. It represents the value of the assets that foreign investors hold in companies in Castilla-La Mancha (direct investment), and financing between related companies.
- In 2020, the foreign investment position in Castilla-La Mancha, according to the Investment Registry, was **1.4 billion euros**, taking into account only productive investments (Non-ETVE). This figure represented 0.3% of the national total.
- Stock levels, strongly marked by the 'headquarters effect'<sup>1</sup>, have remained relatively stable in CLM above **1 billion in the last decade**. In the last year they increased significantly (+11.8%), compared to the increase registered at the national level (4.5%).
- The stock of productive FDI represented **3.5% of regional GDP** in the year, or 679 euros per capita.
- **Fixed tangible assets** provides a clearer picture as to where the investment is effectively made, by valuing the set of physical assets – land, buildings, assembly lines, machinery, transport equipment, furniture, etc. – of a more durable nature that a company dedicates to the development of its activity.
- Despite the decrease recorded in fixed tangible assets linked to foreign investment in Castilla-La Mancha, which temporarily breaks a six-year growth cycle, **the evolution of this indicator since 2009 has been remarkable**, with a more pronounced growth pattern than that identified in the stock of FDI. Thus, **fixed assets at the end of 2020 were 5.3 billion euros**, 58% more than the figures recorded in 2015.
- Castilla-La Mancha is the **eighth region in Spain in terms of fixed tangible assets**. In relative terms, they represent **13.4% of regional GDP** and €2,599 per capita.
- Fixed assets are not free of bias though: they accounted for only 27.2% of the total investment stock in 2020 in Spain, they tend to be more represented in regions with more weight in the industrial sector compared to regions more oriented to the service sector, and, by definition, do not take into account financial and intangible fixed assets.

<sup>1</sup> See methodological note in the annex: through the Basic headquarters effect the impact of the methodology for allocating investments to the regions where the headquarters of the companies are located can be measured. Castilla-La Mancha was in 2020 the region most penalized by this effect, which means that the official figures of the indicators affected by this effect (flows, stock) are under-represented in the region.

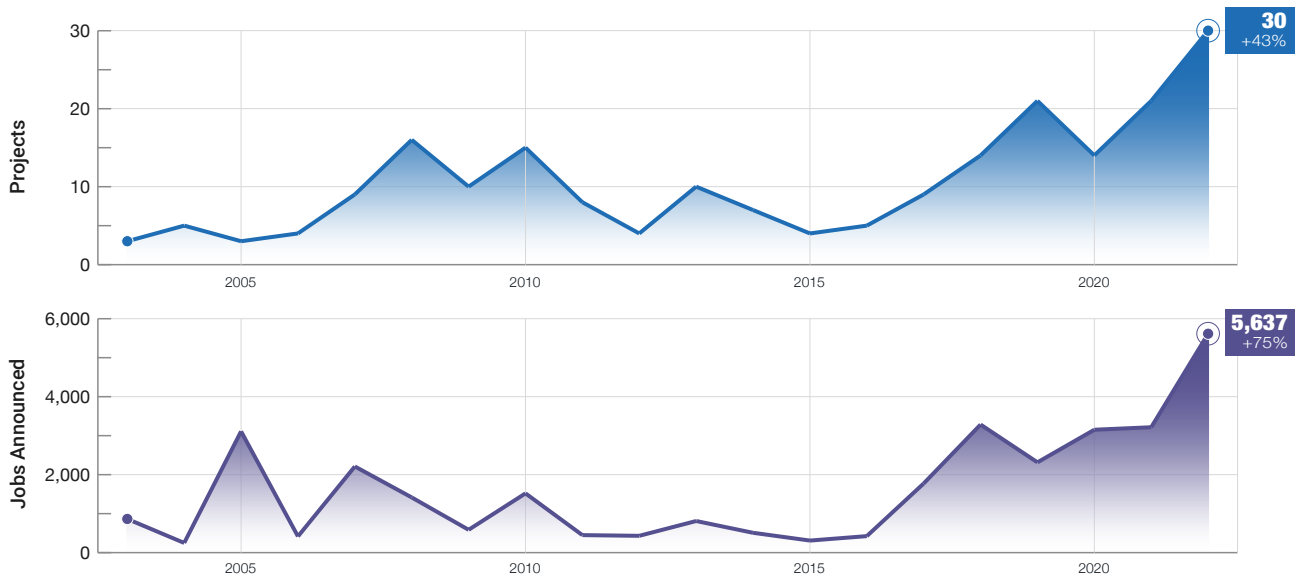
# 6.

## **GREENFIELD PROJECTS**

In the last five years, Castilla-La Mancha has received 20 *greenfield* projects each year, with an annual investment close to \$1.4 billion.

In 2022, 30 new projects worth \$3,378 billion and the generation of 5,637 local jobs were announced in the region.

**Figure 6.** Evolution of Greenfield projects announced in Castilla-La Mancha



Source: fDi Markets, March 2023

## Key Messages

- In 2022, 30 greenfield projects were announced in Castilla-La Mancha, with an associated investment of \$3,378 million and the generation of 5,637 jobs. This marked the maximum of the series in terms of the number of projects, +43%, investment +226%, and generated employment +71% (compared to the previous maximums).
- In 2021 there was a strong recovery in number of greenfield projects announced and in volume of investment in Castilla-La Mancha according to sources like fDi Markets. 2022 was a remarkable year for greenfield investment despite the impact of the war in Europe, very notable in the early summer months.
- Castilla-La Mancha thus ranks as the fifth Spanish region in Spain that received the most greenfield projects and investment in 2022, and the fourth in employment generated by these investments, thanks in large part to important project announcements in ICT infrastructures (Meta, \$ 1,090 million) and in renewable energies (Envision Energy, \$ 977 million).
- Since 2003 (the first year for which there is data available), Castilla-La Mancha has received 212 cross-border greenfield projects (11 annually), with an accumulated investment of \$11,454 million and the generation of more than 32,400 local jobs. It is the ninth region that receives the most projects in Spain since then, sixth in employment.
- These figures have increased significantly in recent years, presenting a remarkable upward trend since 2015, especially noteworthy since 2018. In the last five years, 20 projects have been announced in Castilla-La Mancha each year, with an annual investment of close to \$1,400 million and the generation of more than 3,500 jobs each year.
- The province of Toledo has concentrated 46% of the projects received in the entire historical record (98), 43% of the investment (\$ 4,946 million) and 47% of the employment generated by these investments (15,218). It is followed by Guadalajara (63 projects, 8,740 jobs), Ciudad Real (20 projects, 5,149 jobs), Albacete (16 projects, 1,748 jobs) and Cuenca (6 projects, 1,094 jobs).
- France has been the main investor in Castilla-La Mancha in terms of number of projects (45), while the United States leads in terms of investment volume (\$3,886 million, 34% of the total) and employment generated by these investments (10,347, 32%). The United Kingdom, Germany and Italy also stand out among the main investors, throughout the entire historical record and also since 2015.
- Five sectors concentrate 68% of the projects received by Castilla-La Mancha throughout the historical record. Particularly noteworthy is the Transport and Storage sector (23%), Retail (14%), Environmental Technologies (14%, with a strong increase in the last two years), Agribusiness (9.4%) and ICT and Electronics (6.1%).

**Table 3.** Number of projects, investment volume and jobs announced by destination in Castilla-La Mancha

Province	Projects				Capex				Employment			
	Total (Num.)	(%)	2015-2022 (Num.)	(%)	Total (M€)	(%)	2015-2022 (M€)	(%)	Total (Jobs)	(%)	2015-2022 (Jobs)	(%)
Toledo	98	46.2%	50	42.4%	4,946	43.2%	3,455	45.4%	15,218	46.9%	10,334	51.5%
Guadalajara	63	29.7%	41	34.7%	2,682	23.4%	1,768	23.2%	8,740	27.0%	6,571	32.6%
Ciudad Real	20	9.4%	12	10.2%	2,270	19.8%	1,342	17.6%	5,149	15.9%	1,279	6.4%
Albacete	16	7.5%	4	3.4%	298	2.6%	98	1.3%	1,748	5.4%	476	2.4%
Cuenca	6	2.8%	6	5.1%	595	5.2%	595	7.8%	1,094	3.4%	1,094	5.3%
Not specified	9	4.2%	5	4.2%	663	5.8%	356	4.7%	473	1.5%	301	1.5%
<b>Total</b>	<b>212</b>		<b>118</b>		<b>11,454</b>		<b>7,614</b>		<b>32,422</b>		<b>20,055</b>	

Source: Own elaboration, based on fDi Markets, March 2023

**Table 4.** Number of projects, investment volume and jobs announced in Castilla-La Mancha by country of origin

Country	Projects				Capex				Employment			
	Total (Num.)	(%)	2015-2022 (Num.)	(%)	Total (M€)	(%)	2015-2022 (M€)	(%)	Total (Jobs)	(%)	2015-2022 (Jobs)	(%)
France	45	21.2%	20	16.9%	1,267	11.1%	646	8.5%	4,854	15.0%	2,510	12.5%
United States	42	19.8%	28	23.7%	3,886	33.9%	2,646	34.7%	10,347	31.9%	6,372	31.8%
United Kingdom	23	10.8%	13	11.0%	1,124	9.8%	432	5.7%	3,401	10.5%	1,875	9.3%
Germany	20	9.4%	10	8.5%	596	5.2%	344	4.5%	2,081	6.4%	1,238	6.2%
Italy	10	4.7%	5	4.2%	418	3.7%	302	4.0%	553	1.7%	358	1.8%
Switzerland	9	4.2%	5	4.2%	216	1.9%	159	2.1%	549	1.7%	297	1.5%
Portugal	9	4.2%	5	4.2%	463	4.0%	249	3.3%	1,936	6.0%	874	4.4%
Netherlands	7	3.3%	6	5.1%	252	2.2%	176	2.3%	1,063	3.3%	613	3.1%
Singapore	6	2.8%	6	5.1%	341	3.0%	341	4.5%	2,303	7.1%	2,303	11.5%
Denmark	6	2.8%	3	2.5%	161	1.4%	97	1.3%	935	2.9%	352	1.8%
Japan	5	2.4%	1	0.8%	184	1.6%	71	0.9%	474	1.5%	131	0.7%
Luxembourg	4	1.9%	3	2.5%	182	1.6%	171	2.2%	663	2.0%	636	3.2%
Sweden	4	1.9%	2	1.7%	437	3.8%	306	4.0%	1,296	4.0%	1,150	5.7%
China	3	1.4%	3	2.5%	1,099	9.6%	1,099	14.4%	730	2.3%	730	3.6%
Belgium	3	1.4%	0	0.0%	97	0.8%	0	0.0%	141	0.4%	0	0.0%
Mexico	2	0.9%	1	0.8%	73	0.6%	18	0.2%	130	0.4%	60	0.3%
Canada	2	0.9%	1	0.8%	84	0.7%	82	1.1%	128	0.4%	86	0.4%
Brazil	2	0.9%	0	0.0%	17	0.2%	0	0.0%	64	0.2%	0	0.0%
Argentina	1	0.5%	1	0.8%	17	0.1%	17	0.2%	40	0.1%	40	0.2%
Norway	1	0.5%	1	0.8%	11	0.1%	11	0.1%	26	0.1%	26	0.1%
Finland	1	0.5%	1	0.8%	16	0.2%	16	0.2%	91	0.3%	91	0.5%
Taiwan	1	0.5%	1	0.8%	39	0.3%	39	0.5%	84	0.3%	84	0.4%
Russia	1	0.5%	1	0.8%	25	0.2%	25	0.3%	88	0.3%	88	0.4%
Israel	1	0.5%	1	0.8%	368	3.2%	368	4.8%	141	0.4%	141	0.7%
Colombia	1	0.5%	0	0.0%	20	0.2%	0	0.0%	75	0.2%	0	0.0%
Turkey	1	0.5%	0	0.0%	26	0.2%	0	0.0%	78	0.2%	0	0.0%
Australia	1	0.5%	0	0.0%	14	0.1%	0	0.0%	83	0.3%	0	0.0%
<b>Total</b>	<b>212</b>		<b>118</b>		<b>11,454</b>		<b>7,614</b>		<b>32,422</b>		<b>20,055</b>	

Source: Own elaboration, based on fDi Markets, March 2023

# 7.

## ORIGIN OF INVESTMENTS

In 2022, Castilla-La Mancha received FDI flows mainly from European OECD countries.

Germany, the United States, Italy and France were the main investor countries in the year.

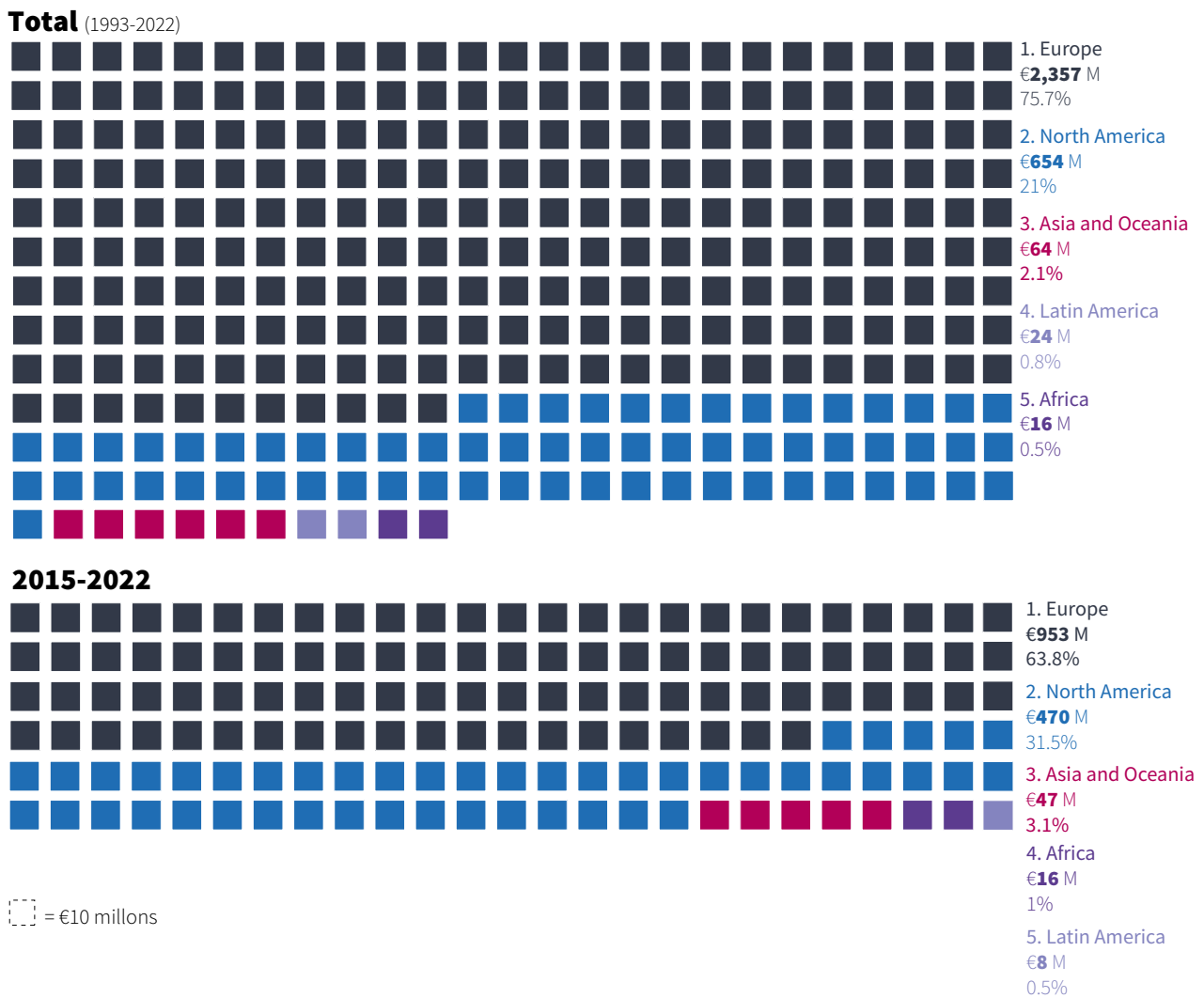


Castilla-La Mancha



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**Figure 7.** Foreign investment flows in Castilla-La Mancha by region of origin  
Millions of €, Non-ETVE



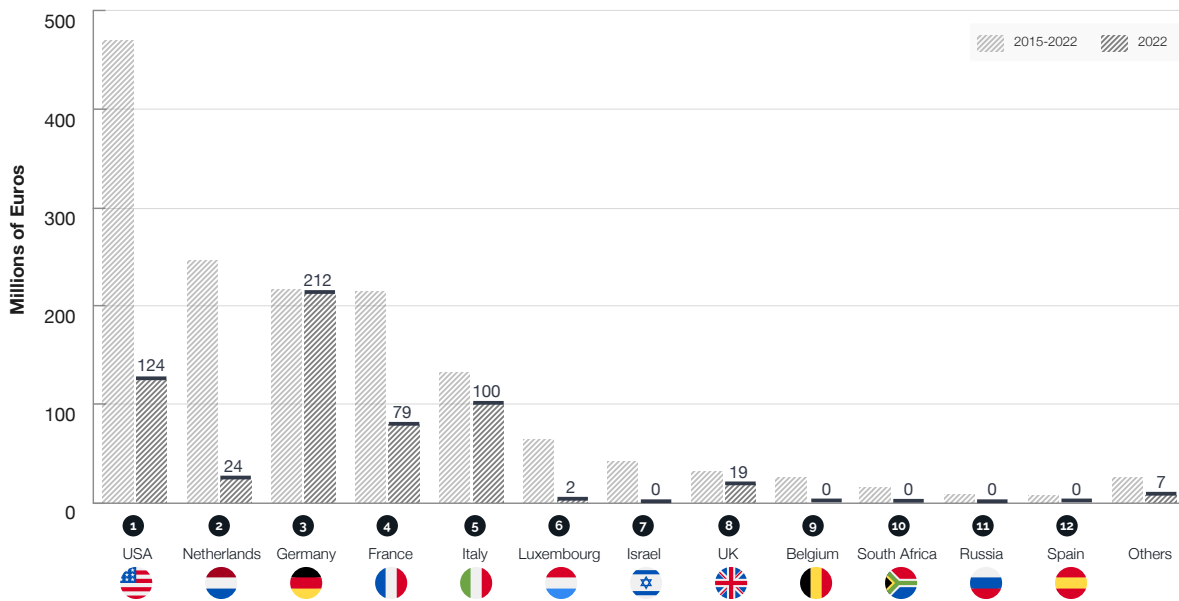
Source: Investment Registry, March 2023

## Key Messages

- With regard to the origin of these investments, where the country of origin is the **ultimate investing country** (the country in which the chain of ownership of the company is exhausted), and taking into account only productive investment, Castilla-La Mancha mainly receives flows of **other OECD countries** (98% in the entire historical record, since 1993, and 97% in the last decade).
- Within the OECD, **European countries continue to be the main source of investments**, with 66% of investments in the last decade, although they have lost part of their share (they came to represent 88% of total investments in the last decade).
- Almost all European investment comes from **EU-14** countries.
- **North American** investments accounted for 28% of the flows received by Castilla-La Mancha in the last decade, and have gained more protagonism since 2015 (31.5%).
- Investments from **Asia and Oceania, Latin America and Africa** continue to be marginal in Castilla-La Mancha, according to official data from the Registry. Asian investments have begun to make their mark in recent years, with 3.1% of flows since 2015.
- In **2022**, investments from **European countries** accounted for 78% of the total flows received; North America accumulated the remaining 22%. There were hardly any investments from Asia or Africa.



**Figure 8.** Foreign investment flows in Castilla-La Mancha by country of origin  
Ultimate country, Millions of €, No-ETVE

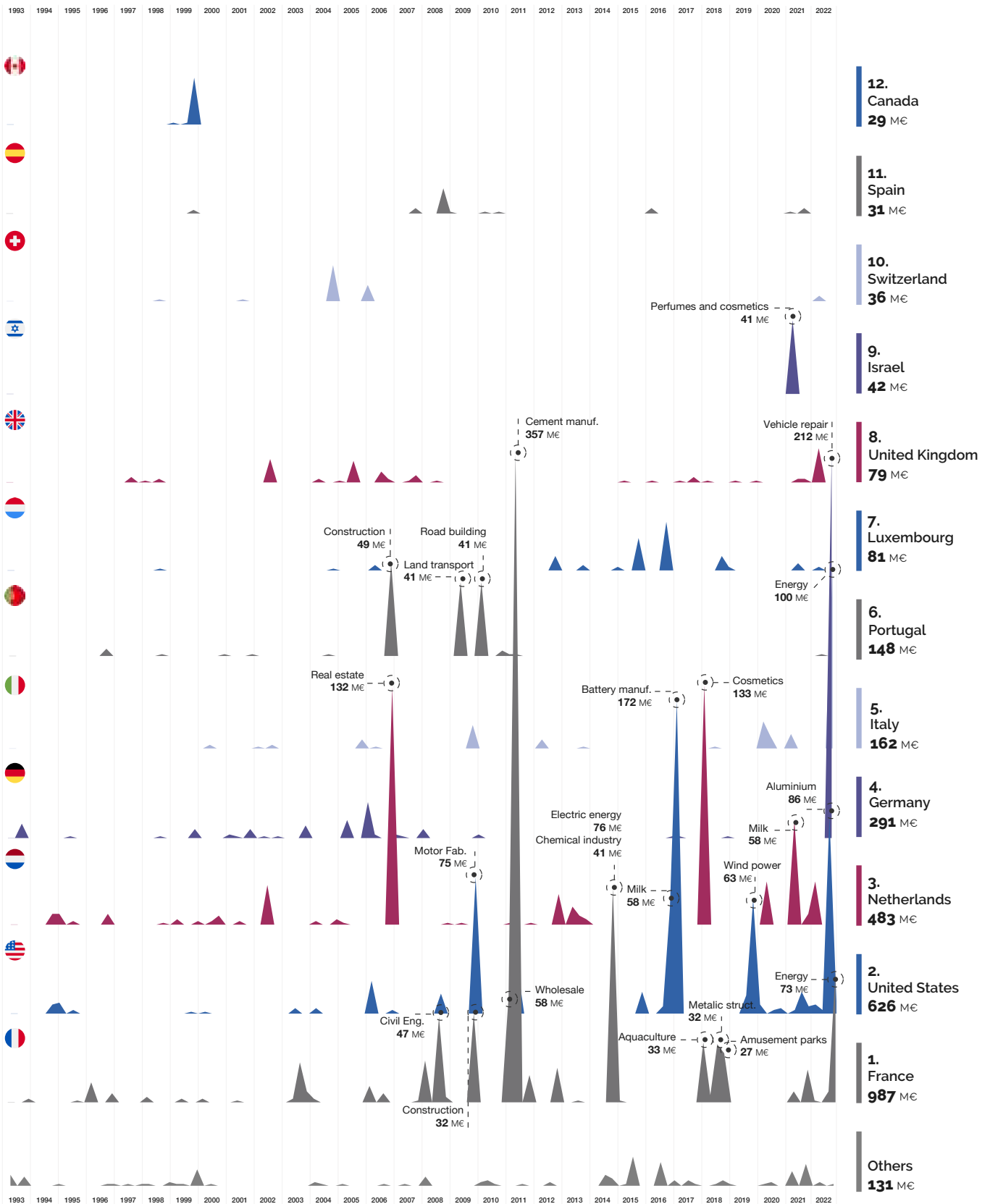


Source: Investment Registry, March 2023

## Key Messages

- Three countries exceeded invested over 100 million in Castilla-La Mancha in 2022.
- Germany** was by far the main investing country, with its largest investment in the region to date: 212 million euros, strongly concentrated in the Vehicle sales and repair sector in the fourth quarter, coinciding with Knorr-Bremse's purchase of a majority stake in Cojali.
- The United States** was the second investor, with 124 million (second best record to date), with large investments in *Aluminum production* (86 million) and *Electricity supply* (22.5 million, both in wind power and other types of energy production).
- Italy**, with 100 million, was third, with notable investments in *Electricity production* in the fourth quarter.
- Three other countries invested over 10 million in 2022: **France** (79 million, mostly in *Energy production*), the Netherlands (24 million, with sizeable investments in the *Food industry*) and the United Kingdom (19 million, almost entirely in the *Manufacture of construction materials*).
- If a broader time frame is analyzed, we can see how the **United States** has been the main investor in Castilla-La Mancha in the last decade (28.5% of flows), thanks to the strong investments in 2017 -€170 M in *Manufacture of electric batteries and accumulators*- and in the last year.
- After losing its first position as the main investor country in the previous decade, **France** was the second investor country between 2013 and 2022 (20.2% of flows), with notable investments in 2014 (€76M in *Electricity Production* and €41M in the *Chemical Industry*) and 2018 (with sizeable investments in *Freshwater aquaculture, Manufacture of metal structures* and *Amusement parks* -Puy de Fou-).
- The **Netherlands** was the third investor country in the period (15.5% of the total) thanks mainly to investments in 2018 in *Wholesale trade of perfumery and cosmetic products* and 2021 (investments in *Construction of non-residential buildings*).
- Germany** (9%) and **Italy** (5%) were the fourth and fifth investors. Ten countries concentrate 89% of the investment received by Castilla-La Mancha in the last decade.
- European countries tend to invest directly**, while the United States channels its investment through France (43%), the Netherlands (30%) and the United Kingdom (11%).

**Figure 9.** Foreign investment flows in Castilla-La Mancha by country of origin  
Millions of €, Non-ETVE



Source: Investment Registry, March 2023

**Table 5.** Main investor countries in Castilla-La Mancha  
Millions of € and jobs, Non-ETVE

Country	FDI Flows Total		FDI Flows 2019-2022		FDI Flows 2022		Employment 2022	
	(M€)	(%)	(M€)	(%)	(M€)	(%)	(Jobs)	(%)
France	978	31.4%	333	20.2%	79	14.0%	14,867	24.5%
United States	626	20.1%	470	28.5%	124	21.8%	12,122	20.0%
The Netherlands	483	15.5%	265	16.1%	24	4.2%	4,830	8.0%
Germany	291	9.3%	216	13.1%	212	37.4%	7,890	13.0%
Italy	162	5.2%	133	8.1%	100	17.7%	1,853	3.1%
Portugal	148	4.7%	1	0.1%	1	0.1%	1,079	1.8%
Luxembourg	81	2.6%	67	4.1%	2	0.4%	491	0.8%
United Kingdom	79	2.5%	31	1.9%	19	3.3%	2,213	3.6%
Israel	42	1.3%	41	2.5%	0	0.0%	746	1.2%
Switzerland	36	1.2%	4	0.2%	3	0.6%	3,191	5.3%
Spain	31	1.0%	7	0.4%	0	0.0%	2,017	3.3%
Canada	29	0.9%	1	0.0%	0	0.0%	557	0.9%
Belgium	27	0.9%	25	1.5%	0	0.0%	213	0.4%
Denmark	20	0.7%	1	0.1%	0	0.0%	1,842	2.7%
South Africa	15	0.5%	15	0.9%	0	0.0%	0	0.0%
Russia	8	0.2%	8	0.5%	0	0.0%	1,046	1.7%
Uzbekistan	6	0.2%	6	0.4%	0	0.0%	0	0.0%
China	5	0.2%	4	0.2%	0	0.0%	608	1.0%
Brazil	5	0.2%	0	0.0%	0	0.0%	8	0.0%
Taiwan	4	0.1%	0	0.0%	0	0.0%	4	0.0%
Andorra	4	0.1%	3	0.2%	0	0.0%	16	0.0%
Uruguay	3	0.1%	1	0.0%	0	0.0%	0	0.0%
Colombia	3	0.1%	3	0.2%	0	0.0%	0	0.0%
Ireland	3	0.1%	0	0.0%	0	0.0%	114	0.2%
Chile	3	0.1%	1	0.0%	0	0.0%	2	0.0%
Others	24	0.8%	12	0.7%	3	0.5%	5,185	8.5%
<b>Total</b>	<b>3,116</b>		<b>1,647</b>		<b>567</b>		<b>60,692</b>	

Source: Investment Registry, March 2023.

Note: Investments from Spain are circular investments, that is, investments in Castilla-La Mancha by subsidiaries undertaken by Spanish companies abroad.

# 8.

## SECTOR ANALYSIS

The Industrial Sector accounted for 64% of foreign investment in the last decade in Castilla-La Mancha. The Services Sector attracted 28% of flows, the Primary Sector 4.5% and Construction 3.6%.

In 2022, the share of investments in the Services Sector rose to 41%, while the industrial sector attracted the remaining 59% of flows.

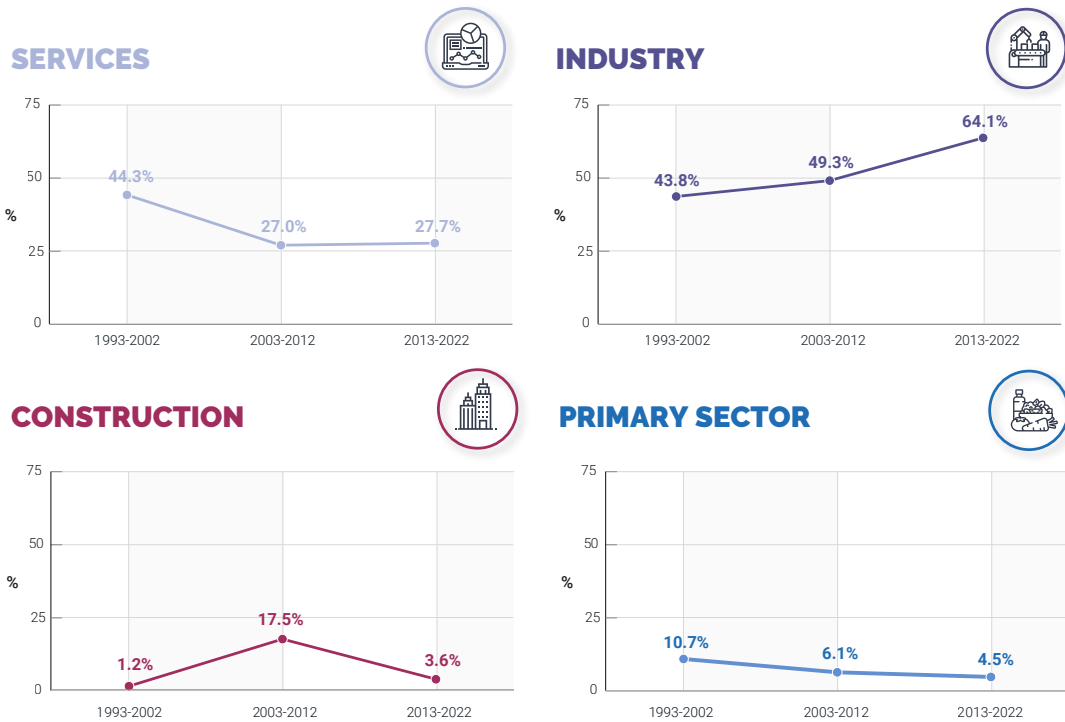


Castilla-La Mancha



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**Figure 10.** Sectoral distribution of gross FDI in Castilla-La Mancha  
Millions of €, Non-ETVE

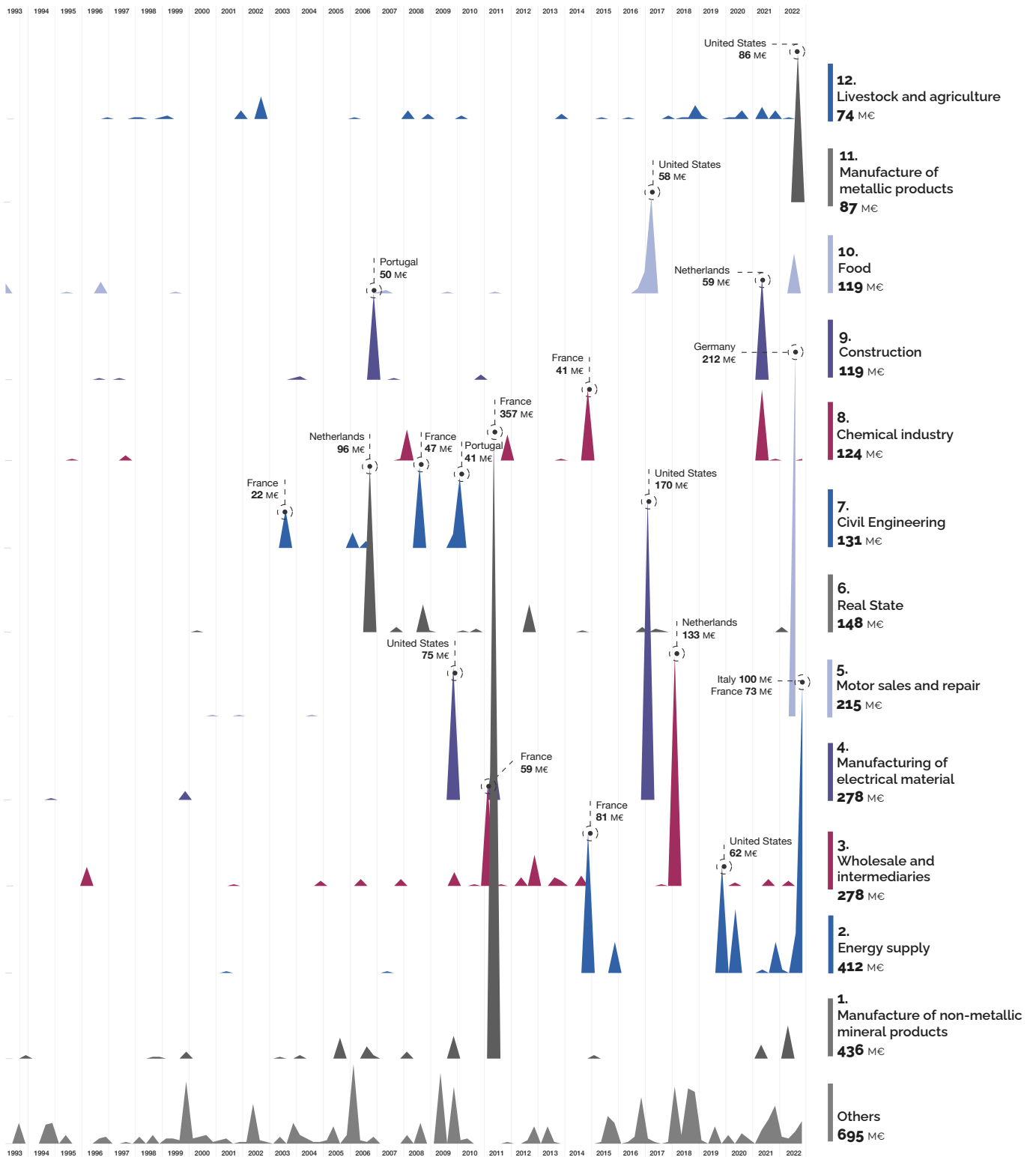


Source: Investment Registry, March 2023

## Key Messages

- Unlike the main FDI destinations in Western European countries, **Industry has been the sector that has monopolized the bulk of the productive FDI received by Castilla-La Mancha**, with 57% of the flows received throughout the historical record, and 64% in the last decade (2013-2022).
- Investments in Industry in the last decade have been mainly concentrated in *Electricity Supply, Manufacture of Material and Electrical Equipment, Food Industry and Metallurgy*.
- The **Services Sector** has received 29% of CLM flows in the whole register, and 28% in the last decade. These figures are very conditioned by the aforementioned 'headquarters effect'.
- Between 2013 and 2022, the largest investments in the **Services sector** were undertaken in 2022 in *Vehicle Sales and Repair* and in *Wholesale and Intermediate Trade*, followed at a distance by *Recreational activities, Real Estate activities* and *Retail trade*.
- The **Construction** sector, after a strong start to the century, represented just 3.6% of flows in the last decade. Almost all of the investment in this sector was concentrated in *Building Construction*.
- Investment in the **Primary sector** represented 4.5% of the total, similar to the average since the beginning of the historical series in 1993. Investments in *Aquaculture* in 2018 and in *Agriculture and Livestock* in 2021 stand out.
- In 2022 there were large investments recorded in *Sale and repair of vehicles* (37.5% of the total), *Electricity supply* (33.7%) and *Metallurgy* (15.1%). Other sectors such as the *Food Industry, Manufacture of Non-metallic Mineral Products* and *Manufacture of Other Transport Material* also attracted in excess of 10 million.

**Figure 11.** Sectoral distribution of gross investment flows in Castilla-La Mancha  
Millions of €, Non-ETVE



Source: Investment Registry, March 2023

**Table 6.** Sectoral distribution of investment and employment flows in Castilla-La Mancha  
Millions of € and jobs, Non-ETVE

CNAE	Sector	FDI Flows 1993-2002 (M€)		FDI Flows 2003-2012 (M€)		FDI Flows 2013-2022 (M€)		Employment 2020 (Jobs)	
		(M€)	(%)	(M€)	(%)	(M€)	(%)	(Jobs)	(%)
	<b>Primary sector</b>	<b>24</b>	<b>10.7%</b>	<b>79</b>	<b>6.1%</b>	<b>75</b>	<b>4.5%</b>	<b>1,140</b>	<b>1.9%</b>
	<b>Construction</b>	<b>3</b>	<b>1.2%</b>	<b>225</b>	<b>17.5%</b>	<b>60</b>	<b>3.6%</b>	<b>1,948</b>	<b>3.2%</b>
	<b>Industry</b>	<b>99</b>	<b>43.8%</b>	<b>632</b>	<b>49.3%</b>	<b>1,056</b>	<b>64.1%</b>	<b>20,875</b>	<b>34.4%</b>
	<b>Services</b>	<b>100</b>	<b>44.3%</b>	<b>347</b>	<b>27.0%</b>	<b>457</b>	<b>27.7%</b>	<b>36,729</b>	<b>60.5%</b>
01 to 03	Agriculture, livestock and fisheries	24	10.5%	24	1.9%	73	4.4%	252	0.4%
05 to 09	Extractive industries	0	0.2%	55	4.3%	2	0.1%	889	1.5%
10 to 33	<b>Manufacturing industry</b>	<b>98</b>	<b>43.4%</b>	<b>630</b>	<b>49.1%</b>	<b>644</b>	<b>39.1%</b>	<b>19,634</b>	<b>32.4%</b>
35	Electric energy	1	0.4%	2	0.2%	409	24.8%	75	0.1%
36 to 39	Water and waste management	0	0.0%	0	0.0%	3	0.2%	1,165	1.9%
41 to 43	Construction	3	1.2%	225	17.5%	60	3.6%	1,948	3.2%
45 to 47	Wholesale and retail trade	21	9.5%	106	8.3%	383	23.3%	8,964	14.8%
49 to 53	Transport and storage	0	0.2%	48	3.7%	0	0.0%	7,845	12.9%
55 to 56	Hospitality	0	0.2%	0	0.0%	1	0.0%	769	1.3%
58 to 63	Information and communications	33	14.7%	0	0.0%	7	0.4%	2,977	4.9%
64 to 66	Financial activities	6	2.6%	2	0.2%	0	0.0%	733	1.2%
68	Real estate activities	2	0.8%	136	10.6%	10	0.6%	61	0.1%
69 to 75	Professional, scientific and technical activities	35	15.4%	3	0.2%	3	0.2%	964	1.6%
77 to 82	Administrative activities	2	0.7%	35	2.7%	2	0.1%	11,306	18.6%
84	Public administration and defence	0	0.0%	0	0.0%	0	0.0%	31	0.1%
85	Education	0	0.0%	0	0.0%	0	0.0%	19	0.0%
86 to 88	Health activities	0	0.0%	0	0.0%	0	0.0%	1,727	2.8%
90 to 93	Artistic activities	0	0.0%	14	1.1%	50	3.0%	245	0.4%
94 to 96	Other services	0	0.0%	2	0.1%	0	0.0%	1,097	1.8%
	<b>Total</b>	<b>226</b>		<b>1,283</b>		<b>1,647</b>		<b>60,692</b>	

Source: Investment Registry, March 2023

# 9.

## IPEX-INVEST IN CLM



Castilla-La Mancha



IPEX



# IPEX-INVEST IN CLM

**IPEX- Invest in Castilla La Mancha** is a regional government initiative whose objective is the internationalization of Castilla-La Mancha and its promotion as a competitive economy open to the world.

In addition to supporting local companies in international markets, IPEX- Invest in Castilla-La Mancha supports

foreign companies that wish to establish or expand their business projects in the region, guaranteeing the confidentiality of the projects and offering free personalized and professional support to investment initiatives.

## Investor services

### ○ **Planning your investment**

- > We offer precise, objective, general and sectoral information on Castilla La Mancha.
- > We guide you through strategic aspects of your investment and help you identify business opportunities.
- > We offer advice on useful aspects of living and working in Castilla La Mancha, such as visas, housing, schooling, etc.

### ○ **Implementation**

- > We look for available sites and locations such as industrial warehouses, offices and laboratories.
- > We offer a mediation service between the company and the different local administrations, public organizations and private entities of Castilla La Mancha.
- > We help to identify local suppliers and potential partners.

- > We monitor European, national, regional and local grants and incentives that may be suitable for each investment project.

### ○ **Aftercare Service**

- > We support the investor in the detection of growth opportunities.
- > We organize events to promote the creation of contacts between companies in the region.
- > We prepare an annual barometer on the business climate in the region.

# WHY CASTILLA-LA MANCHA?

## MAIN REASONS TO INVEST

1

### **Strategic location**

A bridge between the European Union & Northern Africa

2

### **World-class infrastructures & excellent communication networks**

3

### **An ecosystem that fosters R&D and innovation**

4

### **Available industrial land**

5

### **A supportive Government**

committed with attracting investments

6

### **Great package of grants and incentives**

7

### **Talent**

A highly educated workforce

8

### **Quality of life**

A welcoming and safe land to work and live in

# 10.

## ANNEXES AND METHODOLOGICAL NOTE



Castilla-La Mancha



GOBIERNO REGIONAL DE  
CASTILLA-LA MANCHA

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INSTRUMENTOS PARA EL PLANIFICACION ECONOMICA

## A. Definitions

- **FDI:** According to the UNCTAD, FDI includes operations through which a direct investor acquires or increases his participation in a company resident in another country, with a long-term interest and an intention to exert an effective influence on its management. In practice, the investor is considered to have the capacity to influence the management of a company when it owns at least 10% of the capital or voting rights.
- **Components of FDI:** although there are certain discrepancies between sources, in the broadest sense, FDI has three components, according to UNCTAD: equity (purchase of the shares of a company in a country other than the investor), reinvestment of profits (profits not distributed as dividends by affiliates, or profits not sent to the direct investor), and intra-company loans (short or long-term loans between direct investors and affiliated companies).
- **Gross investment:** the Investment Registry considers gross foreign investment operations by non-residents that involve participation in unlisted Spanish companies, participation greater than 10% in listed Spanish companies, establishment or expansion of the endowment of branches of foreign companies, as well as other forms of investment in entities or contracts registered in Spain (foundations, cooperatives, economic interest groups) in which the capital invested exceeds 3 million euros.
- **Net investment:** the result of subtracting divestments from the gross investment, due to transfers between residents and non-residents, partial liquidations (capital reductions) or total liquidations (dissolutions or bankruptcies).
- **Divestment:** any reduction, be it partial or a total liquidation of an investment position in Spain whose holder is a non-resident, as well as the partial or total sale of it to a resident.
- **Investment position:** the foreign investment position in Spain (Investment Register) is the value of the shares of non-resident investors in companies domiciled in Spain, valued on the basis of the book value of the equity of the direct investment company. It includes financing between related companies.
- **Tangible fixed assets:** tangible fixed assets refers to the set of property assets (land, buildings, assembly lines, machinery, transport equipment, furniture, etc.) of a more durable or permanent nature that a company dedicates to the development of its activity.
- **Greenfield investment:** greenfield investments are a type of FDI in which the non-resident investor builds from scratch the facilities (factory, logistics, offices, etc.) for the launch of their project, business or subsidiary, as opposed to the Brownfield investments, in which existing assets are used to initiate the activity.
- **ETVEs:** Foreign Securities Holding Entities are companies established in Spain whose main purpose is the holding of shares in companies located abroad (Holdings). ETVEs are instrumental companies whose existence is due to tax optimization strategies within the same business group (based on the fact that dividends to non-residents are not subject to withholding tax), and in many cases their investments lack direct economic effects in Spain. The investment operations carried out by this type of company generally consist of the transfer within the same business group of shares in companies based in Spain.
- **Basic headquarters effect:** it consists of the impact of the allocation of investments to the region in which the company has its headquarters instead of its productive activity. In most of the cases that affect Castilla-La Mancha, investments are assigned to Madrid. If the notification of the investment by the company to the Investment Registry (RIE) does not indicate in which location/plant the investment is carried out -reinvestment or change of ownership on many occasions-, it is assigned to the region of the company's registered office. Apart from this, Madrid's capital status affects Castilla-La Mancha in a particular way due to its proximity to this city (most investments are headquartered there), generating the greatest underrepresentation of the impact of FDI among all Spanish regions. The headquarters effect is the ratio resulting from comparing the weight of each region over the total tangible fixed assets and the weight of each region over the investment stock.

## B. Investment Registry

- **Origin of the investment:** the presentation data refers to the country of the ultimate beneficiary, that is, the country in which the chain of ownership of the investment is exhausted
- **Temporal effect:** the data collected by the Investment Registry are those declared by the investors themselves. The maximum term for filing the declaration is usually one month from the date of formalization of the investment. The investments collected are assigned to the corresponding period according to the date they were made, but there may be delays in the presentations, which means that in the quarterly updates the data corresponding to previous periods can be modified. It is normal for more notifications to accumulate than corresponding to the end of the year, which partly explains the growth that is usually observed in the second semesters.
- **Large operations:** The foreign investment series, especially the quarterly ones, are very erratic; a few large-scale operations can generate large fluctuations between different periods. This effect is magnified outside the main receptor regions, where relatively smaller operations can distort entire series.
- **Regional effect:** Foreign investment in Spain is assigned to the Autonomous Community where the activities generated by the investment are expected to be carried out. Investments of a general scope are assigned to the section "All the national territory" (identified as "Unassigned", one of the 'regions' receiving the most investment some years). A problem can arise if the company does not indicate where the activity generated by the investment will be carried out, in which case the investments are assigned to the domicile declared by the investors (its parent company in the country), or, in the case of acquisitions, to the region of the registered office of the acquired company. Given the strong concentration of these offices in the Communities of Madrid and Catalonia, this has a strong impact on the regional distribution of the data (the so called headquarters effect).
- **ETVEs and NoETVEs:** Although in some cases ETVEs data have been included in the graphs, for most of the analysis in this report, only productive investments (Non-ETVE) have been taken into account.
- **Employment:** It is important to bear in mind that decreases in employment linked to foreign investment may be caused by divestments or because the percentage of investment control over it falls below 10% and is no longer considered foreign productive investment. The change of ownership of assets between foreign investors from different countries does not change the global count of jobs, but it does affect their distribution by country.

- **Investment amount:** The Registry records the amount that is contributed to own funds, or other registered operations, which by regulation (RD 664/1999) are considered direct investment. The intra-group credits and debts that the company may have are currently not recorded. With the new RD that, among other things, adapts the definition of investment subject

to declaration to the OECD and IMF standards, intra-group financing will become part of the investment that must be declared and registered in the figures.

## C. INE - FILINT

- **Scope:** The main objective of the Statistics of subsidiaries of foreign companies in Spain (FILINT) is to provide information on subsidiaries of foreign companies resident in Spain, both in the industrial and services sectors,
- **Subsidiary:** A subsidiary is understood to be a company resident in Spain that is controlled by a foreign company.
- **Sectors:** The population under study by FILINT is made up of companies resident in Spain that are subsidiaries of foreign companies and whose main activity is included in sections B to E (industrial) and G to J and L to N (services of non-financial market) of the CNAE-09 classification system.
- **Periodicity:** The Statistics on Subsidiaries of Foreign Companies in Spain is an annual statistic. The last update was made on September 27, 2022, with data corresponding to the year 2020. The INE offers these data since 2008 and specific series in some sectors since 2005.
- **2020 Update:** In the statistics on Foreign Companies Subsidiaries published by the INE on September 30, 2020, with information referring to the year 2018, the methodology has been modified; the statistical unit "Company" has been implemented, in accordance with the Regulations of the European Union (696/93), which describes it as the 'smallest combination of legal units that produces goods or services and that enjoys a certain autonomy of decision, mainly when using the resources available to it'.

This represents a change, since until last year (reference 2017) included, the INE, like most of the statistical offices of the European Union, had been identifying, for operational purposes, the statistical unit Company with the Legal Unit (in the Spanish case, by means of the Tax Identification Number - NIF). Thus, each Legal Unit formed a Company for statistical purposes.

This methodological change has the following effects on the statistical results for 2018:

- > Effect of grouping and reclassification, due to the combination of the Legal Units that are part of the Company and their reassignment to the main activity and size of said Company. This effect occurs, to a greater or lesser extent, in all variables.
- > Consolidation effect, due to the cancellation of intra-company flows. This second effect only occurs in certain economic variables (for example, turnover, value of production or purchases of goods and services). Employment variables and other economic variables considered additive are not affected by this effect.

As a consequence of these effects, the variable 'Number of subsidiaries' suffers a reduction of -32.2%. Indeed, if the Legal Unit were taken as an approximation to the company concept, 14,361 legal units affiliated with foreign companies would be counted in 2018 in the sectors under study. Under the new approach, by grouping several legal units to form each statistical company, the number of subsidiaries is reduced to 9,741 subsidiaries of foreign companies.

For the remaining variables, the effect is not very relevant, although certain economic variables are affected by the consolidation of economic data

- **Discontinuity of the regional analysis:** the methodological change led to the discontinuity of the regional analysis carried out by the INE. Thus, the latest data available on the behavior of subsidiaries in the Autonomous Communities are those relating to 2018.

## D. fDi Markets

- **Scope:** fDi Markets is one of the world references for business investment projects. It monitors all new investment projects and existing investment expansion without information on investors' equity participation, suggesting that the data may include investments that would not qualify as FDI in a "strict" sense. The data are offered at the national, regional (non-standard divisions) and local levels, although in Spain in particular, they do not seem to have too much data beyond Madrid or Catalonia. The data is collected in real time, including projects, amount invested and jobs created. fDi Markets records the total amount committed by the company at the time it announces or starts the project, without updating the status of the investment in successive years.

- **Sources:** fDi Markets sources its data from the Financial Times news agencies (about 9,000 sources), project data received from more than 1,000 industrial organizations and investment agencies, data purchased from market research agencies, and publishers. The data are contrasted between different sources, and fDi Markets state that in 90% of the cases data are validated with the source companies, although the percentage of direct contact is probably closer to 70%. Its main source is Factiva (Dow Jones).

## E. SABI

- **Description:** SABI INFORMA, owned by Bureau van Dijk (Moody's Analytics Company), is a database of companies with wide coverage. It is currently the largest company database in Spain, offering standardized information on more than 2.9 million national companies and more than 900 Portuguese companies, including information on economic agents, companies and active freelancers with ratings, companies balance sheets, administrators and functional positions, as well as corporate links.
- **Sources:** SABI is compiled from public and private sources of information, such as the Official Gazette of the Mercantile Registry, Official Account

Depositories, the BOE (Official State Gazette), Provincial and Regional Official Gazettes, national and regional press, ad hoc Investigations and diverse publications.

- **Definition of foreign company:** active company that has presented accounts in any of the last 4 years (2018-2021) or that has been recently created (post 2020), and that either has a foreign parent company (Global Ultimate Owner) or has at least one direct shareholder with a 10% stake or higher.

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## 11.4. References and links of interest

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