

2025

FDI IN CASTILLA- LA MANCHA

Quarterly Update

Executive Summary | June 2025



Castilla-La Mancha



IPEX
Instituto de Promoción Exterior

FDI in Castilla-La Mancha in 2025

Global context

The current landscape for international investment remains complex and challenging. Initial expectations of modest growth at the beginning of the year have been overshadowed by rising economic and political uncertainty. Key contributing factors include the escalation of a new tariff war, geopolitical tensions, and increasingly stringent regulatory controls on foreign investment, all of which have eroded investor confidence.

According to UNCTAD, global foreign direct investment (FDI) flows in 2024 rose nominally by 4%, reaching \$1.51 trillion. However, when excluding financial flows through European transit economies, there is an estimated decline of around 11%, marking the second consecutive annual drop. This continues the medium-term downward trend seen since the 2015 peak.

Multinational transactions through transit economies continue to distort the figures for developed countries. Excluding these economies, FDI in Europe fell by 58% in 2024, with declines across major economies. Spain and France were among the more resilient, despite also seeing notable decreases (20% and 35%, respectively).

International project financing was notably weak in 2024, with sharp declines in both the number of deals (-27%) and their value (-26%). This was largely due to difficult financing conditions and investor caution in anticipation of potential interest rate cuts. However, activity in semiconductors and the digital economy showed very positive growth compared to the previous year.

Announced greenfield projects also declined in value (-5%) but rose slightly in number (+3%). Major investments in semiconductor manufacturing, artificial intelligence technologies, and strong activity in electric vehicle components helped support these figures.

By contrast, cross-border mergers and acquisitions (M&A) rose by 14% in value and 4% in number. Still, this

recovery comes from a low base, and overall activity remains below the decade average. Increasingly, these transactions are becoming regionally concentrated due to tighter regulations and geopolitical tensions.

Looking ahead to 2025, UNCTAD has revised its outlook downward. While moderate global FDI growth was expected earlier in the year, this is now tempered by trade tensions, geopolitical fragmentation, and economic volatility. Early 2025 data shows historically low levels of project announcements and acquisitions.

In the longer term, FDI flows will be shaped by macroeconomic trends—particularly global growth—technological progress, sectoral shifts, and trade policies. Industrial and tariff policies designed to attract production capacity, strategic industries, and sectors sensitive to security and autonomy, as well as the growing influence of major investor groups such as private equity and sovereign wealth funds, will also have a significant impact.

Q1 2025 Update

Preliminary data from Spain's Investment Registry for the first quarter of 2025 shows total national FDI inflows of €4.07 billion. In line with the negative global trend outlined by UNCTAD in early June, this figure is around 30% below the average for the first quarters of the past decade and past five years (approximately €6 billion).

Quarterly data should be interpreted with caution, as it tends to amplify the effect of large individual transactions and is subject to calendar-related distortions (notably, many filings to the Registry occur at year-end, making Q1 traditionally the weakest period for reported investment, and figures are subject to future revisions).

The Q1 2025 total includes €3.46 billion (85%) in equity and share capital investments, and €611 million (15%) in

intra-group financing, the latter of which has only been recorded by the Registry since 2024.

Within this context, Castilla-La Mancha recorded just €12.5 million in FDI during Q1 2025—a figure significantly below the region’s average for first quarters over the past decade. All of this investment was in equity and share capital, with no intra-group financing reported for the region in this period.

Disinvestment levels were also low (€7.7 million), resulting in net investment of €4.9 million for the quarter.

By type of operation, nearly all Q1 2025 investment (99%) was in acquisitions (€12.4 million), with almost no new greenfield or brownfield investments or capital increases.

Guadalajara accounted for nearly all of the region’s Q1 2025 investment (€12.5 million), with inflows from Denmark (€11.9 million) in pig farming and from Belgium (€0.5 million) in land and pipeline transport.

Individual investors stood out as the main source of investment in Q1 2025 (€12.52 million), in contrast with the previous year, when corporate and private collective investment institutions were predominant.

FDI in Castilla-La Mancha in 2024

According to newly updated data from the Investment Registry, Spain received €38.29 billion in gross productive FDI in 2024—the second-highest figure since 1993, surpassed only by the exceptional year of 2018. This represents a 22% increase over the previous year and marks the third consecutive year of FDI inflows above €30 billion.

It is important to note that 2024 figures include a new category of investment—intra-group financing—which was not recorded in previous years. Of the total FDI received, €31.97 billion (83%) was in equity and share capital (+2% year-on-year), while intra-group financing accounted for €6.33 billion (17%).

In Castilla-La Mancha, the Registry recorded €250 million in FDI in 2024. While this represents a 15% decline compared to 2023, it is still 23% above the region’s

average annual FDI over the past decade (€204 million/year from 2015 to 2024).

All of the region’s 2024 FDI was in equity and share capital; no intra-group financing operations were registered. With these figures, Castilla-La Mancha ranked 12th among Spain’s regions both in total FDI and in equity/share capital alone.

Disinvestment remained relatively low at €34 million, resulting in net investment of €216 million for 2024.

Unlike the previous year, acquisitions played a leading role in 2024, accounting for 67.8% of total investment, ahead of capital increases (20.9%) and new investments (11.3%, including both greenfield and brownfield).

For the first time, the Registry provided provincial breakdowns of FDI in 2024. Albacete led the region with 69.6% of total inflows (€174 million), followed by Toledo (18.7%, €46.7 million), Guadalajara (6.0%, €15 million), and Ciudad Real (5.7%, €14.2 million).

By ultimate country of origin, top investors included the United Kingdom (€130 million, primarily related to the acquisition of Ingeteam by RES and investments in power supply), the Netherlands (€40.8 million, nearly all in poultry processing—likely linked to Redondo’s acquisition by Plukon), France (€18.8 million), and Portugal (€17 million, focused on cereal farming in Albacete). Additional, smaller investments came from the United States (€16.4 million), Italy (€14.7 million), and Austria (€6.9 million).

These investments drove the sectoral breakdown: machinery repair and installation accounted for 37.1% (€93 million), followed by electricity supply (29.3%, €73 million), food manufacturing (15.5%, €39 million), agriculture, livestock and hunting (7.9%, €20 million), and machinery manufacturing (6.0%, €15 million).

In total, €250 million in productive investment was recorded in Castilla-La Mancha in 2024, with acquisitions playing a dominant role.

Another new breakdown in 2024 data was by investor type. Companies accounted for 79% of investment in Castilla-La Mancha, followed by private collective investment institutions (14.9%) and individual investors (6.5%).

Investment Position and Tangible Assets

The foreign investment position in Castilla-La Mancha reached €2.54 billion at the end of 2023¹, up 22.9% from the previous year. This marks the second consecutive year of strong growth, with the 2023 figure nearly double (+91%) that of 2021.

However, this indicator is significantly affected by the “headquarters effect” and may not accurately reflect the local economic impact of FDI. The figure represents 4.7% of the region’s GDP, or €1,252 per capita.

The United States is the leading investor in terms of FDI stock in Castilla-La Mancha, with 43% of the total (€1.08 billion), followed by France (19.2%), Italy (6.6%), Germany (6.3%), and the Netherlands (4.6%).

By sector, the main areas were electrical equipment manufacturing (30.6%), electricity supply (9.9%), machinery and equipment manufacturing (9.7%), and other transport equipment manufacturing (6.9%).

Tangible fixed assets, which are unaffected by the headquarters effect, rose sharply in 2022 (latest available year), reaching €7.75 billion—a 22% increase. Compared to 2019, this represents a rise of 191%. Castilla-La Mancha ranked fifth among Spanish regions in absolute terms and third relative to GDP (15.6%).

Employment Stock

According to the latest Registry data, employment linked to foreign investment in Castilla-La Mancha has increased significantly since the low point in 2013 (+136%).

Despite a correction in 2021 and 2022, the sharp increase in 2023 (+19.8%, or 10,859 new jobs) brought

total FDI-related employment in the region to 65,755—the highest figure on record.

This accounted for 7.4% of the region’s total employed population.

Six countries—France, the United States, Germany, Switzerland, the Netherlands, and the United Kingdom—were responsible for 78% of employment in foreign-owned companies in Castilla-La Mancha.

The Services sector accounted for 61% of this employment, followed by Industry (35%), Construction (3.6%), and the Primary sector (0.3%). Notably, the industrial share of FDI-linked employment is well above both the national average (25%) and the region’s overall industrial employment share (15%).

Foreign-owned companies maintain more than 65,700 jobs in Castilla-La Mancha, representing 7.4% of the region's employed population.

Greenfield Projects

Moody’s Orbis Crossborder Investment database, which tracks new cross-border productive investment projects by destination, shows a very positive trend in Castilla-La Mancha since 2017.

In the last five full years (2020–2024), the region has averaged 25 greenfield project announcements per year, with annual investment exceeding €1.60 billion and nearly 3,000 jobs created each year.

Despite the difficult national and European context, 2023 set a record for the number of projects, investment value, and jobs. Projects announced that year were more capital- and employment-intensive than the national average (129 jobs and €72 million per project vs. 76 jobs and €37 million).

¹ The investment position represents the total value of assets held by foreign investors in companies based in Castilla-La Mancha, including both equity stakes and intercompany financing. It is updated annually at the end of May, using data from two years prior. This 18-month delay reflects the time required to process

the annual financial statements submitted by foreign-owned companies to the Investment Register.

In 2024, Orbis Crossborder reported 23 new greenfield investment projects in Castilla-La Mancha, amounting to €783 million and generating over 1,780 new jobs.

Early 2025² data shows nine greenfield projects already announced, with associated investment nearing €1 billion and 940 new jobs.

Mergers and Acquisitions

Orbis Crossborder Investment also provides information on cross-border mergers and acquisitions (M&A) involving companies in Castilla-La Mancha. According to its records, 7 acquisitions of regional companies by foreign investors were announced in 2024, amounting to €390 million. Both figures are higher than those recorded in the previous year (€275 million from 6 acquisitions).

Foreign-Owned Subsidiaries

According to alternative sources such as SABI (D&B), by the end of 2024 there were 400 companies

headquartered in Castilla-La Mancha under foreign control (either through a foreign Global Ultimate Owner or with at least one direct foreign shareholder holding 10% or more). These companies generated a combined turnover of over €10.30 billion in the past year.

In addition, there were 520 more foreign-owned companies with branches in Castilla-La Mancha but headquartered in other regions of Spain.

Sources such as Moody's identified 23 new greenfield investment projects in Castilla-La Mancha in 2024, expected to create over 1,780 jobs in the region.

² The data provided by this source are "live" figures, subject to change as projects evolve from the time of their announcement. They are also affected by a significant reporting lag, meaning that smaller-scale projects may take longer to be registered in the database. As a result, the final figures for recent years may

vary depending on when the query is made, and data for a given year are not fully consolidated until around May–June of the following year.

Key insights

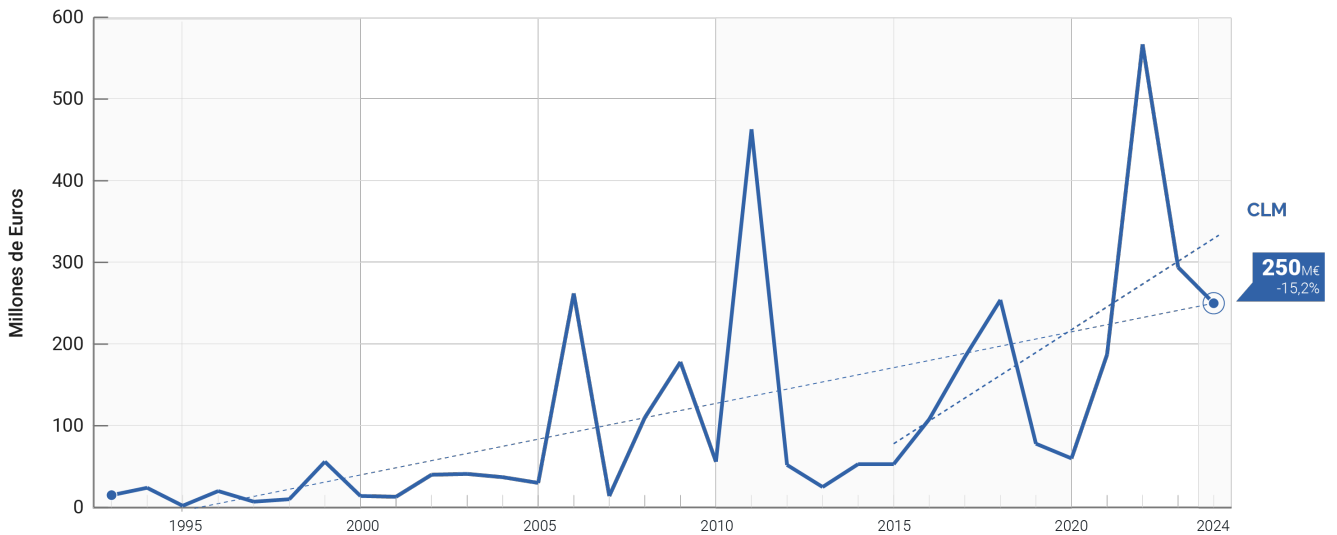
- In 2024, **productive FDI in Castilla–La Mancha totalled €250 million**. Although this represents a 15% decrease compared to the previous year, investment levels in 2024 remain 23% above the annual average for the past decade (2015–2024).
- The entire investment received in Castilla–La Mancha in 2024 corresponds to **equity and shareholding** contributions, with no recorded operations under the new “intragroup financing” category included in the statistics. **Castilla–La Mancha ranks 12th among Spanish regions** in terms of investment inflows in 2024.
- **Acquisitions** played a key role in Castilla–La Mancha’s figures in 2024, accounting for 67.8% of the investment inflows, far ahead of **capital increases** (20.9%) and **new investments** (11.3%, including both greenfield and brownfield operations).
- From 2024 onward, the Investment Registry includes the breakdown of investment inflows by province. In 2024, **Albacete** led the region with 69.6% of total inflows (€174 million), followed by **Toledo** (18.7%, €46.7 million), **Guadalajara** (6.0%, €15.0 million), and **Ciudad Real** (5.7%, €14.2 million).
- The main investor countries in Castilla–La Mancha in 2024 were the **United Kingdom** (€130 million), the **Netherlands** (€40.8 million), **France** (€18.8 million), and **Portugal** (€17.0 million). Additional, smaller investments came from the **United States** (€16.4 million), **Italy** (€14.7 million), and **Austria** (€6.9 million).
- The sector **Repair and installation of machinery** accounted for 37.1% of total productive FDI in 2024 (€93 million), followed by **Electricity supply** (29.3%, €73 million), **Food manufacturing (15.5%, €39 million)**, **Agriculture, livestock and hunting** (7.9%, €20 million), and **Machinery and equipment manufacturing** (6.0%, €15 million).
- In the **first quarter of 2025**, the Investment Register records just €12.5 million in investment in Castilla–La Mancha, mostly related to acquisitions by investors from **Denmark** (€11.9 million) and **Belgium** (€0.5 million) in pig farming and pipeline transport, respectively. These investments are concentrated in the province of Guadalajara.
- According to Orbis Crossborder Investment (Moody’s), **23 new crossborder greenfield projects were announced in Castilla–La Mancha in 2024**, with associated investment of **€783 million** and the creation of more than **1,780 local jobs**. Preliminary data for 2025 show 9 greenfield projects in the region, with nearly €1 billion in investment and 940 jobs.
- The **investment stock**, heavily influenced by the well-known “headquarters effect,” reached **€2.54 billion** (4.7% of regional GDP in 2023), following a sharp increase of 22.9% in the past year. This marks two consecutive years of strong growth, with the 2023 figure nearly double (+91%) that of 2021.
- **Tangible fixed assets**, for their part, posted a sharp rise of 22% in 2022, reaching **€7.75 billion—15.6% of regional GDP**. **Castilla–La Mancha ranks fifth among Spanish regions in absolute terms and third relative to GDP**.
- Foreign-owned companies support **65,755 jobs in Castilla–La Mancha**, accounting for 7.4% of total employment in the region.

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

Region	Inflows			2025-Q1	Stock		Fixed Assets		Employment	
	2024	YoY	2015-2024		2023	YoY	2022	YoY	2023	YoY
Community of Madrid	25,812	46.9%	209,738	2,727	411,990	3.1%	37,729	9.0%	692,805	15.5%
Catalonia	5,234	4.8%	44,023	451	80,138	2.6%	32,608	4.8%	410,762	6.8%
Community of Valencia	1,120	-67.5%	11,117	125	16,723	60.5%	10,103	1.5%	135,406	6.1%
Basque Country	1,071	-31.4%	17,760	103	28,959	56.4%	5,610	5.9%	88,917	12.8%
Aragon	912	246.4%	2,588	54	5,140	10.6%	6,376	-2.3%	71,782	-3.9%
Andalusia	824	38.4%	6,948	48	11,188	16.7%	22,203	-6.2%	216,860	0.5%
Balearic Islands	730	50.3%	3,780	140	11,961	5.4%	4,958	3.4%	30,044	-4.8%
Asturias	619	17.2%	3,508	0	18,161	2.8%	4,248	13.1%	34,814	0.7%
Galicia	547	29.1%	2,861	78	4,743	-8.9%	5,746	5.1%	79,552	8.4%
Navarra	420	6350%	2,652	4	3,033	-4.8%	2,688	-4.0%	39,245	7.5%
Murcia Region	354	-25.5%	2,333	1	2,802	-15.0%	2,745	6.1%	32,318	-2.9%
Castilla-La Mancha	250	-15.2%	2,035	13	2,539	22.9%	7,754	21.8%	65,755	19.8%
Castilla and Leon	209	146.9%	3,055	116	5,682	-0.7%	7,470	-4.5%	76,924	3.3%
Canary Islands	138	-47.1%	1,463	22	3,344	12.9%	4,707	8.3%	41,417	-2.6%
La Rioja	32	1456%	291	177	809	5.7%	1,104	-0.1%	21,403	12.5%
Extremadura	16	1713%	642	5	851	-11.2%	1,819	92.5%	12,025	-7.6%
Cantabria	3	-96.9%	293	3	561	-4.9%	2,811	23.4%	18,502	51.0%
Ceuta and Melilla	0	-91.2%	25	0	204	-2.8%	308	-6.7%	1,127	6.9%
Unassigned	0	-100.0%	6,905	0						
TOTAL	38,292	22.2%	322,017	4,067	608,829	5.9%	160,986	4.7%	2,069,659	8.5%

Source: Investment Registry, June 2025
YoY: Year on Year change

Figure 1. Evolution of gross productive FDI in Castilla-La Mancha
Millions of €, Non-ETVE



Source: Investment Registry, June 2025
Dotted lines: long-term trend (since 1993) and last decade's trend (2015-2024)

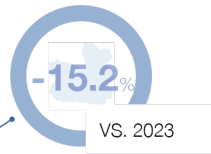
Foreign Investment in Castilla-La Mancha

Gross productive FDI inflows

250

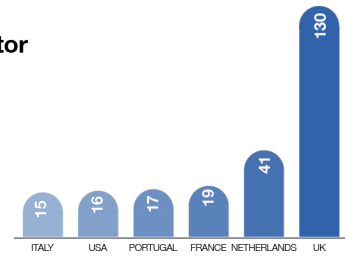
MILLIONS OF € IN 2024

12.5 millions in the first quarter of 2025



Major investor countries

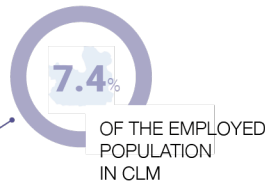
Millions of € 2024



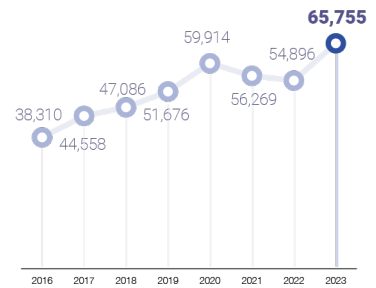
FDI employment in Castilla-La Mancha

65,755

WORKERS IN FDI-RELATED JOBS IN 2023



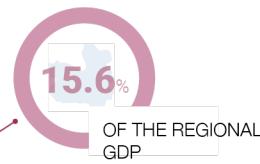
Evolution 2016-2023



FDI Fixed tangible assets in Castilla-La Mancha

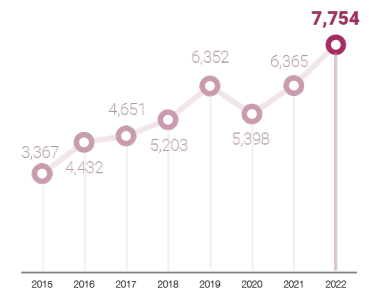
7,754

MILLIONS OF € IN 2022



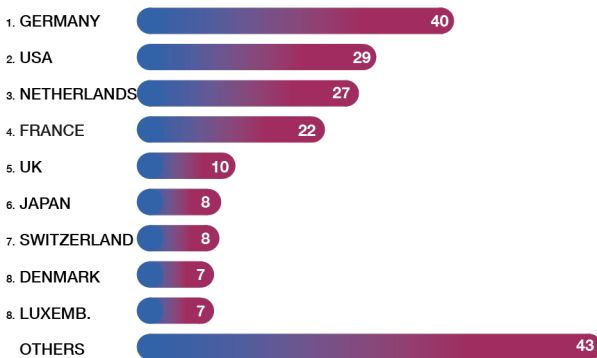
Evolution 2015-2022

Millions of € 2015-2022

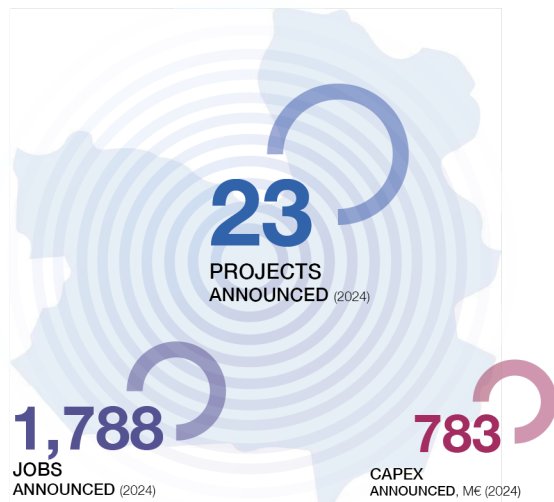


FDI cross-border greenfield projects

NUMBER OF FDI CROSS-BORDER GREENFIELD PROJECTS RECEIVED IN CASTILLA-LA MANCHA 2013-2024



Source: Orbis Crossborder Investment, June 2025



Key Metrics of Foreign Investment in Castilla-La Mancha

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
A. Gross productive investment flows, Millions of Euros											
Investment Registry											
CLM	53	53	108	184	254	78	60	187	567	294	250
<i>Evolution</i>	116.3%	0.4%	102.2%	70.9%	38.1%	-69.3%	-23.6%	214.0%	202.7%	-48.0%	-15.2%
B. Stock of employment											
Investment Registry											
CLM	31,981	31,215	38,310	44,558	47,086	51,676	59,914	56,269	54,896	65,755	
<i>Evolution</i>	14.9%	-2.4%	22.7%	16.3%	5.7%	9.7%	15.9%	-6.1%	-2.4%	19.8%	
C. Stock of productive investment, Millions of Euros											
Investment Registry											
CLM	1,476	1,387	1,344	1,423	1,158	1,243	1,388	1,327	2,065	2,539	
<i>Evolution</i>	15.2%	-6.0%	-3.1%	5.8%	-18.6%	7.3%	11.6%	-4.4%	55.6%	22.9%	
D. Fixed assets, Millions of Euros											
Investment Registry											
CLM	3,215	3,367	4,432	4,651	5,203	6,352	5,398	6,365	7,754		
<i>Evolution</i>	6.7%	4.7%	31.6%	4.9%	11.9%	22.1%	-1.0%	17.9%	21.8%		
E. Cross-border greenfield investment projects											
Orbis Crossborder Investment – Moody's											
CLM	9	7	4	18	19	25	12	22	25	42	23
<i>Evolution</i>	80.0%	-22.2%	-42.9%	350.0%	5.6%	31.6%	-52.0%	83.3%	13.6%	68.0%	-45.2%
F. Cross-border greenfield investment, Millions of Euros											
Orbis Crossborder Investment – Moody's											
CLM	518	67	94	620	570	1,285	852	579	2,733	3,285	783
<i>Evolution</i>	95.8%	-87.0%	39.6%	559.9%	-8.2%	125.6%	-33.7%	-32.1%	372.1%	20.2%	-76.2%



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