



PRESIDENCY OF
THE REPUBLIC OF TÜRKİYE
**INVESTMENT AND
FINANCE OFFICE**

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**INVEST IN
TÜRKİYE**

2024 **TÜRKİYE FDI PROJECTS REPORT**

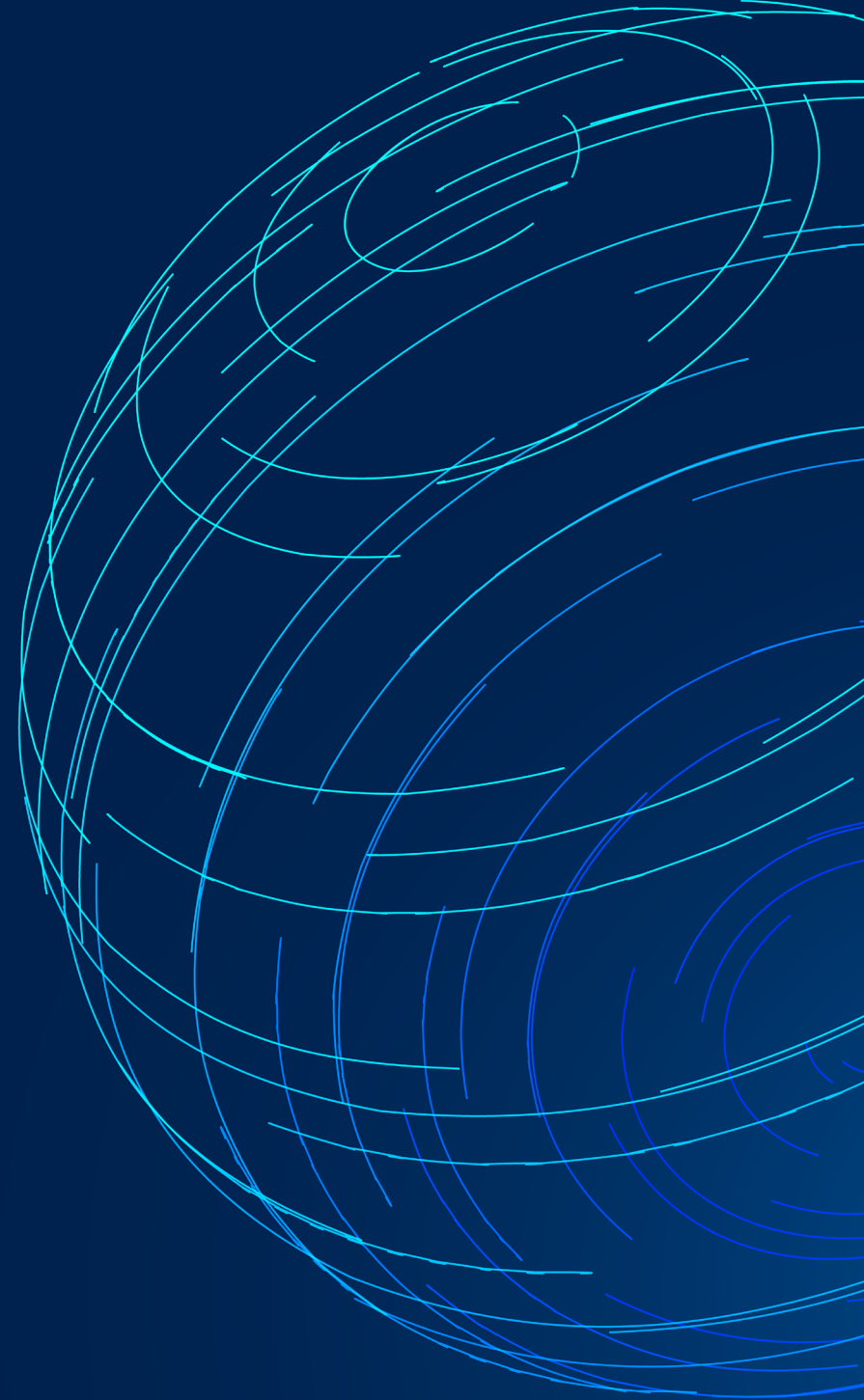


TABLE OF

CONTENT

4	Introduction	
5	Greenfield FDI Projects	
5	• Outlook	
6	• Sectoral Breakdown	
7	• Activity-Based Breakdown	
8	• Source Countries	
8	• Destination Cities	
9	• Quality FDI Outlook	
10	Cross-border M&A Deals	
10	• Outlook	
11	• Quality FDI Outlook	
12	Glossary	

INTRODUCTION

APPROACHES IN COMPILING FOREIGN DIRECT INVESTMENT (FDI) DATA

Measuring foreign direct investment (FDI) is a challenging task for researchers, investors, and policy makers. It requires a multi-faceted approach to comprehensively assess the FDI performance of a location and the impacts of these investments on the local economy. Therefore, it is crucial to utilize FDI estimates generated by existing approaches in such analyses.

There are mainly two existing approaches to measuring FDI, each generating distinct datasets: **the flow-based approach and the project-based approach**.

FLOW-BASED APPROACH

The underlying data for flow-based approach are FDI flows, typically compiled and generally published by the countries' central banks as part of the balance of payments statistics. These figures represent nominal values denominated in specific currencies, capturing cross-border transactions intended for direct investment rather than portfolio investment. FDI flows consist of equity and intra-company loan transfers, and real estate purchase transactions. Flow data is generally presented in aggregate form, with separate breakdowns by country and sector. However, since it captures only transactions that have already

occurred, it inherently provides a backward-looking perspective.

KEY LIMITATIONS OF FLOW-BASED APPROACH

While providing useful insights, flow-based approach lacks some critical inputs necessary for researchers, investors, and policymakers. These data only capture the source and destination countries and the sectors receiving the investment. Nonetheless, FDI inflows do not provide data on sub-regional levels, job creation, total capital expenditure, or information on identity of investing companies. Owing to the strict guidelines of FDI classification, cross-border and domestic loans channelled to a specific FDI project are not included in FDI flows but rather other investments on the balance of payments. Therefore, FDI flows may not reflect the overall capital expenditure allocated for FDI projects. Additionally, tracking the original source countries of FDI is often challenging in the case transactions are made through intermediary countries [conduit economies]¹.

PROJECT-BASED APPROACH

Data from project-based approach includes officially announced greenfield FDI projects (new and expansion types) which are committed to being realized in the near future. Project-based data provide crucial details about the FDI project and investing company such as company identity, project location,

sector, activity (e.g. manufacturing, R&D etc.), total capital expenditure and job creation. As this project-based data reflect investment intentions of FDI firms in the reporting year, this approach signals directional FDI trends ahead and offers a forward-looking perspective on industry trends. In this regard, since project-based approach provides relevant stakeholders with essential data for conducting in-depth research and making well-informed investment and policy decisions, it practically complements flow-based approach.

CRITICAL ROLE OF PROJECT-BASED APPROACH

Recognizing above-mentioned advantages of the project-based approach, the leading Investment Promotion Agencies (IPAs) around the world utilize project-based FDI data to evaluate FDI performances of their countries and agencies. Besides leading IPAs, major international organizations (e.g. UNCTAD, OECD etc.) incorporate project-based FDI statistics into their flagship reports in collaboration with some well-known databases. The main motivation behind this approach is that project-based data provide necessary inputs to track projects shaping industrial trends and key themes such as green and digital transformation, reshaping of global value chains (GVCs) as well as the Sustainable Development Goals (SDGs).

TÜRKİYE FDI PROJECTS REPORT

In line with the leading IPAs and prominent international institutions (e.g. UNCTAD, OECD etc.), the Investment Office of the Presidency of the Republic of Türkiye, as the country's national IPA, addresses a critical gap with this novel report, based on its recently developed proprietary database. By adopting a project-based approach, the database collects data from public and private institutions, the press, and internal sources.

Announced FDI projects are meticulously monitored and filtered by a dedicated internal team following strict guidelines in line with international standards. In this regard, the database only includes the projects of multinational companies and by default excludes the projects without a foreign parent company.

In addition to traditional sector- and activity-based breakdowns, this report also classifies projects based on "Quality FDI Profiles" outlined in Türkiye's 2024-2028 FDI Strategy. Furthermore, this report provides the reader with information not only on new and expansion-type greenfield projects by corporate entities but also covers cross-border mergers and acquisitions (M&As) in Türkiye.

We are confident that this report will become one of the main sources and references for the foreign direct investment landscape in Türkiye.

¹For example, once a Japanese investor invests in Türkiye through the Netherlands, which is a conduit economy, the origin of that flow is recorded as the Netherlands rather than Japan. Therefore, it is often challenging to identify the original source country of FDI which makes country-specific analysis inaccurate in flow-based approach.

GREENFIELD FDI PROJECTS

OUTLOOK

Number of Projects

383

Project Type



Expansion

46.2%

177



New

53.8%

206



Job Creation

51,402



CAPEX (Million \$)

14,105

Türkiye continues to reinforce its position as a key regional hub for global investors. A total of 383 greenfield FDI projects, including 206 new and 177 expansion projects, were announced in Türkiye in 2024. These announced projects were estimated to create 51,402 jobs and a Capex commitment of \$14.1 billion.

SECTORAL BREAKDOWN OF GREENFIELD FDI PROJECTS

In 2024, the renewable energy and automotive OEM projects led high-value investments, whereas agrofood, industrial machinery & equipment and automotive components attracted a large number of projects. The strong interest of international investors in digital sectors such as software & IT services, consumer electronics, electronic components and business services sectors signalled a shift toward digital transformation and high-tech investments.

Renewable energy attracted the highest Capex, reaching \$1.85 billion (ranked 1st), reflecting Türkiye's increasing emphasis on sustainable investment projects. Automotive OEM ranked second with \$1.78 billion in Capex, while automotive components ranked third by number of projects (26 projects). The automotive sectors remain one of the leading industries, reinforcing the country's position as a major automotive production and export hub in the world.

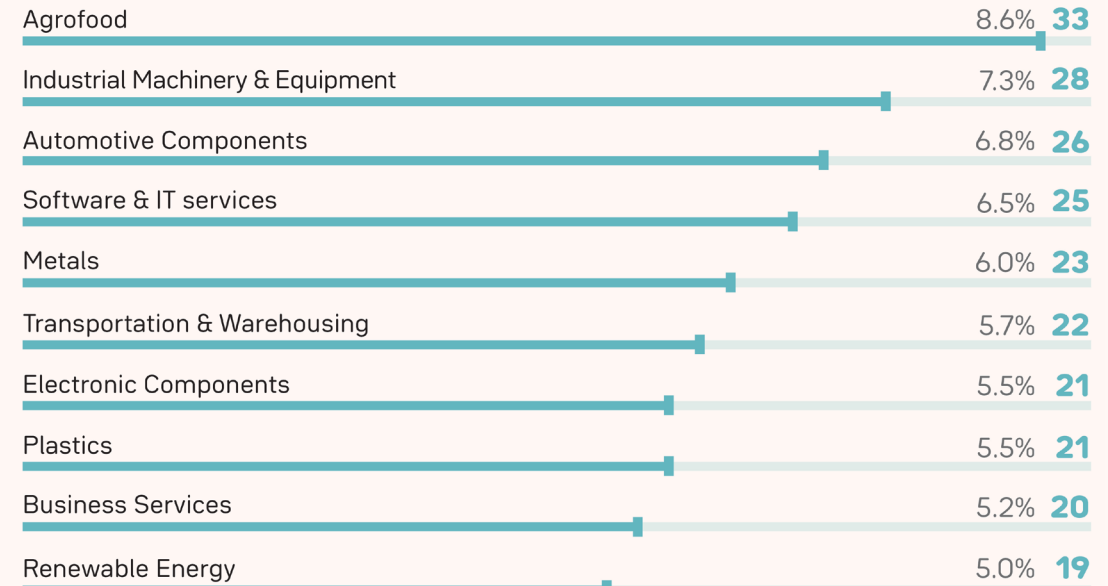
Other leading sectors with high performance are as follows: Metals attracted 23 projects (ranked 5th) and committed

\$1.52 billion in Capex (ranked 3rd). Transportation & warehousing received 22 projects (ranked 6th) and secured \$503 million in Capex (ranked 10th). In industrial machinery & equipment sectors, 28 projects (ranked 2nd) were announced in 2024.

Additionally, technology-driven sectors are increasingly attractive, with software & IT services securing 25 projects (ranked 4th) in Capex at \$1.06 billion (ranked 7th), while electronic components attracted 21 projects (ranked 7th) and \$1.14 billion in Capex (5th).

Meanwhile, the significant Capex allocation toward real estate (\$1.14 billion, ranked 4th) and hotels & tourism (\$930 million, ranked 8th) indicates continued investor confidence in Türkiye's hospitality sector, logistics infrastructure and commercial property market.

Top 10 by Number of Projects

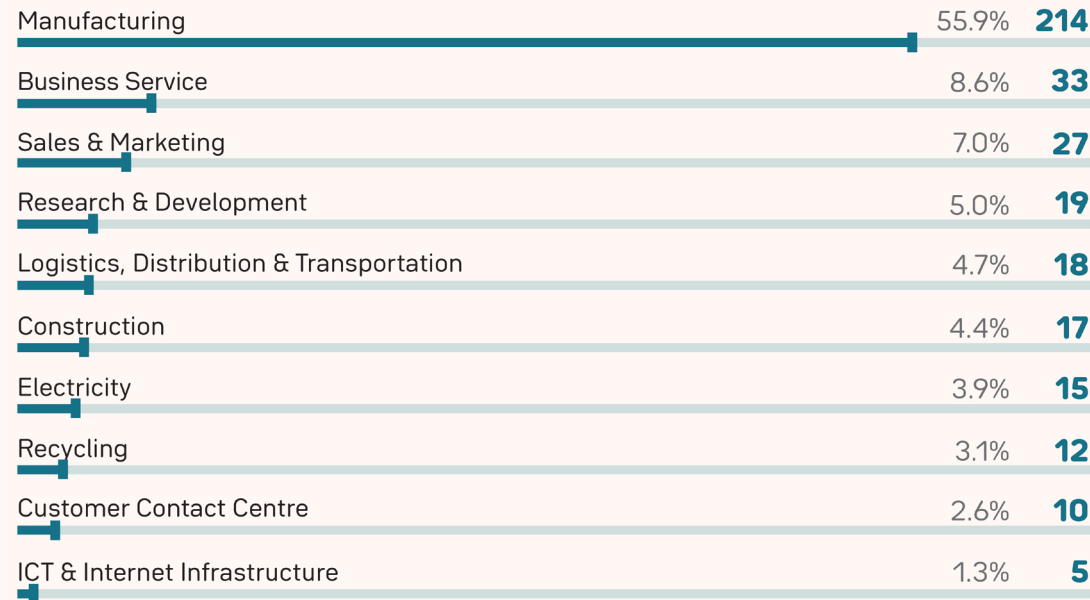


Top 10 by Capex (Million \$)



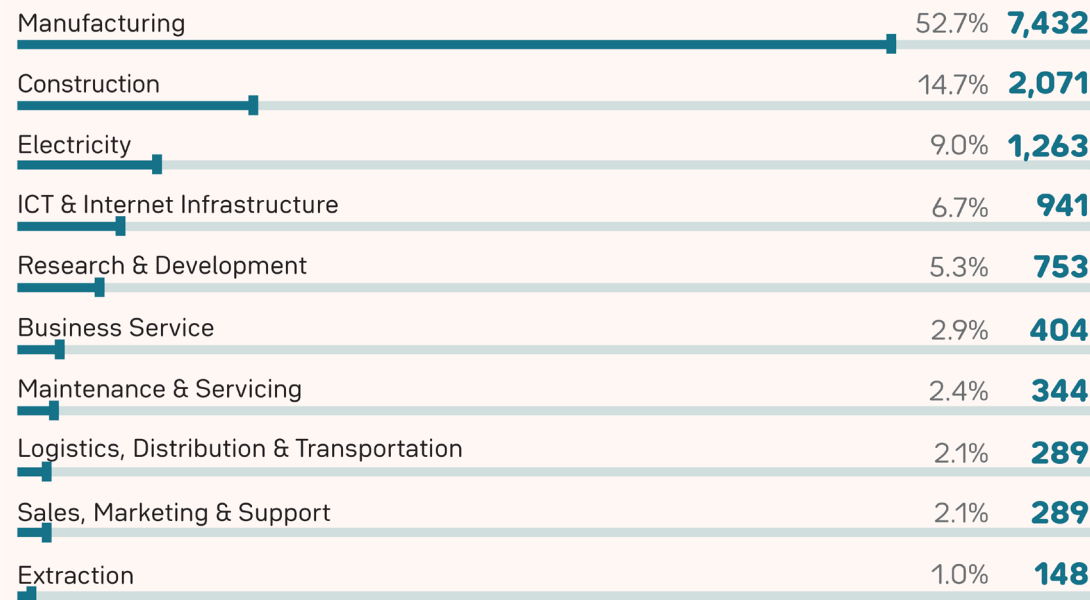
Top 10 by Number of Projects

■ Share ■ Number of Projects



Top 10 by Capex [Million \$]

■ Share ■ Investment Amount



ACTIVITY-BASED BREAKDOWN FOR GREENFIELD FDI PROJECTS

Türkiye's activity-based FDI breakdown for 2024 reflects a strong focus on manufacturing, infrastructure development, and renewable energy investments. While manufacturing dominates the list both by number of projects and Capex, other activities such as ICT, R&D (research and development), and business services demonstrated strong presence as well.

Manufacturing remained the backbone of greenfield FDI in Türkiye, attracting both the highest number of projects (214 projects) and the largest Capex (\$7.4 billion), reinforcing the country's role as an industrial hub. Infrastructure and energy investments also accounted for a significant share of Capex, with construction receiving \$2.07 billion (ranked 2nd) and electricity investments totalling \$1.26 billion (ranked 3rd). This highlights continuous development in housing, transportation and energy infrastructure.

Technology-driven activities continue to gain momentum, with ICT & Internet infrastructure

committing \$941 million (ranked 4th) and R&D attracting \$753 million (ranked 5th), reflecting an increased emphasis on digital transformation and knowledge-intensive investments. Meanwhile, strong performance in logistics and distribution & transportation sectors in number of projects (18 projects, ranked 5th) and Capex (\$289 million, ranked 8th) emphasize Türkiye's strategic role as a regional trade hub.

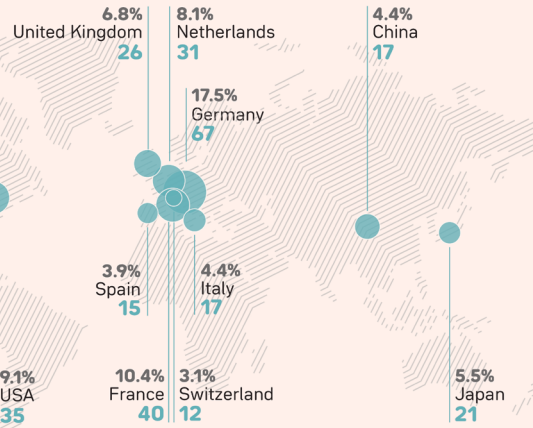
All in all, FDI projects announced across manufacturing, infrastructure, energy, and technology underscores Türkiye's ability to attract invaluable investments in a wide range of sectors.

SOURCE COUNTRIES

Top 10 by Number of Projects

	Share	Number of Projects
1 Germany	17.5%	67
2 France	10.4%	40
3 USA	9.1%	35
4 Netherlands	8.1%	31
5 UK	6.8%	26
6 Japan	5.5%	21
7 China	4.4%	17
8 Italy	4.4%	17
9 Spain	3.9%	15
10 Switzerland	3.1%	12

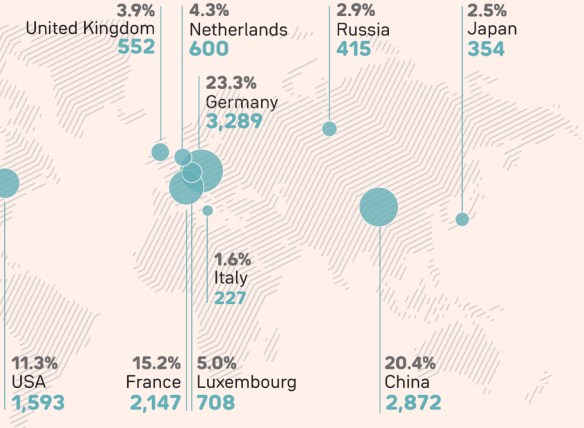
■ Share ■ Number of Projects



Top 10 by Capex (Million \$)

	Share	Investment Amount
1 Germany	23.3%	3,289
2 China	20.4%	2,872
3 France	15.2%	2,147
4 USA	11.3%	1,593
5 Luxembourg	5.0%	708
6 Netherlands	4.3%	600
7 UK	3.9%	552
8 Russia	2.9%	415
9 Japan	2.5%	354
10 Italy	1.6%	227

■ Share ■ Investment Amount



In 2024, Türkiye attracted greenfield FDI projects from a wide spectrum of countries, with notable variations in both the number of projects and Capex committed. Germany emerged as the most active investing country, leading in both number of projects [67 projects, ranked 1st] and Capex [\$3.3 billion, ranked 1st]. While China ranked lower in number of projects [17 projects, 7th], it committed

the second highest Capex [\$2.9 billion, 2nd], indicating a focus on large-scale, capital-intensive investments. France [40 projects, \$2.1 billion] and the USA [35 projects, \$1.6 billion] maintained a strong presence, striking a balance between number of projects and Capex.

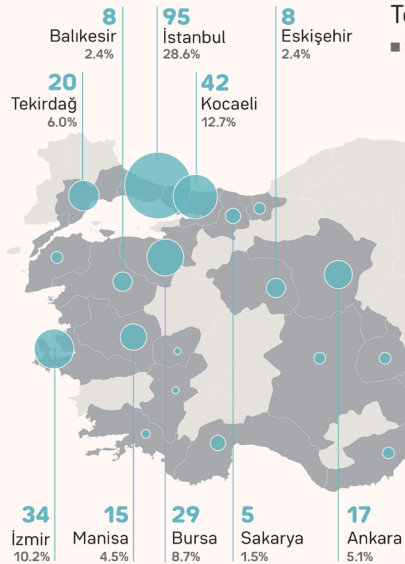
Although Luxembourg and Russia did not rank among the top ten

in number of projects, both committed significant amounts of Capex, \$708 million and \$415 million respectively, suggesting fewer but high-value investments. Meanwhile, the Netherlands [31 projects, \$600 million] and the UK [26 projects, \$552 million] ranked prominently in both number of projects and Capex, consistently playing key roles in Türkiye's investment landscape.

DESTINATION CITIES

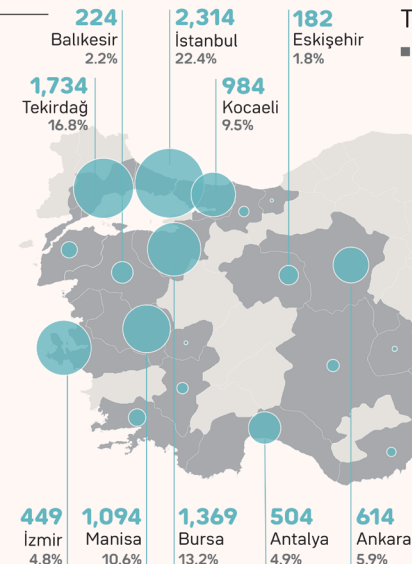
Top 10 by Number of Projects

■ Share ■ Number of Projects

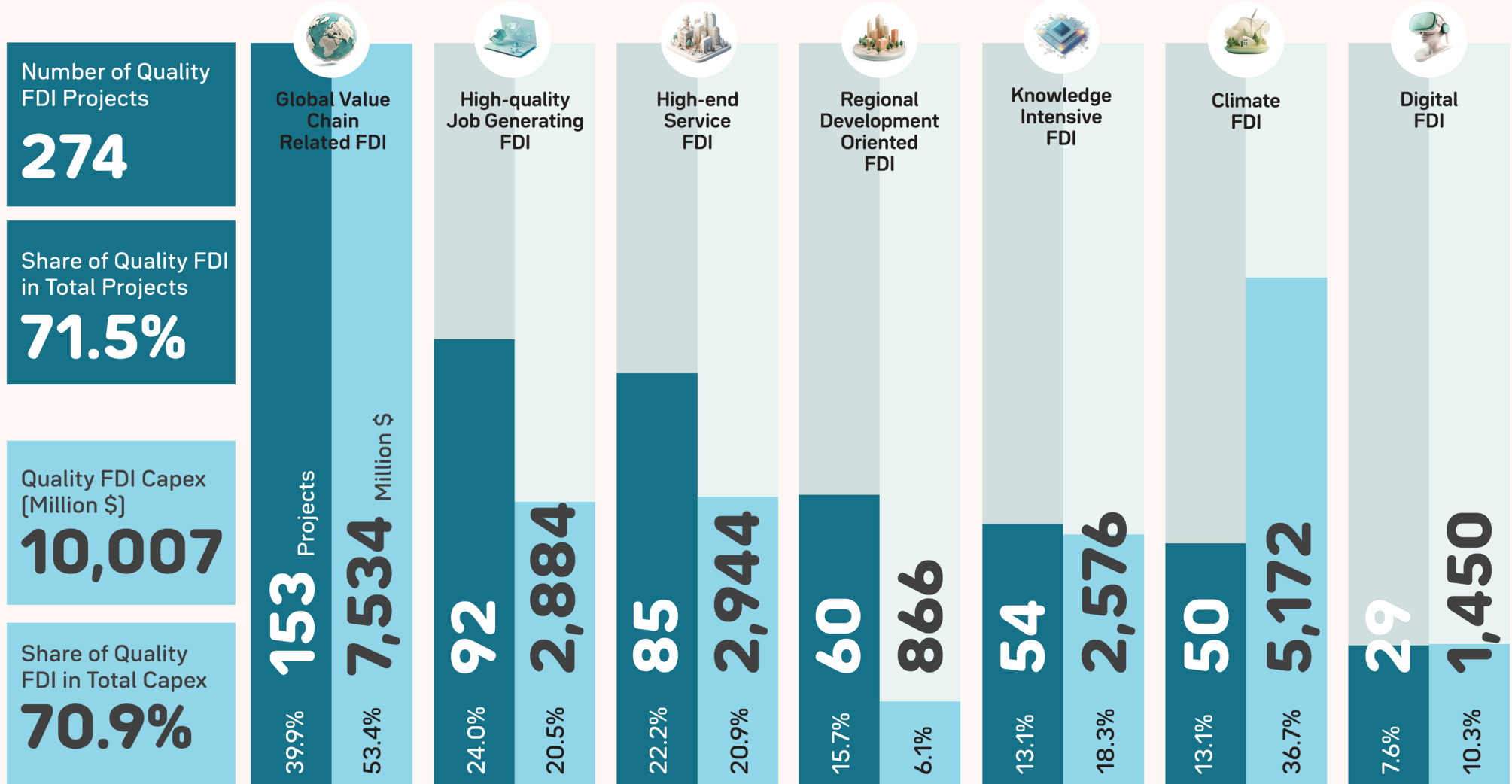


Top 10 by Capex (Million \$)

■ Share ■ Investment Amount



QUALITY FDI OUTLOOK



Some projects may be tagged more than once across Quality FDI profiles

In Türkiye's FDI Strategy (2024-2028), eight different Quality FDI profiles were defined in detail and these profiles include projects aligned with the twin (green and digital) transformation, sustainable development, high-value creation, strong participation into global value chains (GVCs), high quality job creation and regional development. Out of 383 greenfield FDI projects, 274 (71.5% of the total) were classified at least one of the eight Quality FDI profiles. In addition, the corresponding Capex amounts to \$10.01 billion, making up 70.9% of total Capex.

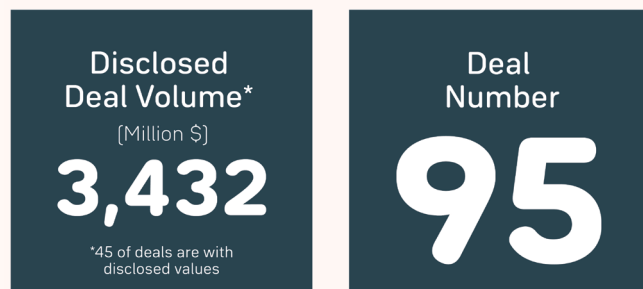
GVC related FDI topped the list both in number (153) and Capex (\$7.5 billion), underscoring Türkiye's rising role in global value chains. Türkiye is positioning itself as a regional leader in green energy. Climate FDI was the second-largest profile in Capex (\$5.2 billion), reflecting strong presence in renewable energy, energy efficiency, and green infrastructure projects. High-Quality Job Generating FDI (\$2.9 billion Capex, 92 projects) and Knowledge-Intensive FDI (\$2.6 billion Capex, 54 projects) contributed significantly to high value-added job creation and

innovation, reinforcing Türkiye's shift towards STEM-related employment and digital transformation.

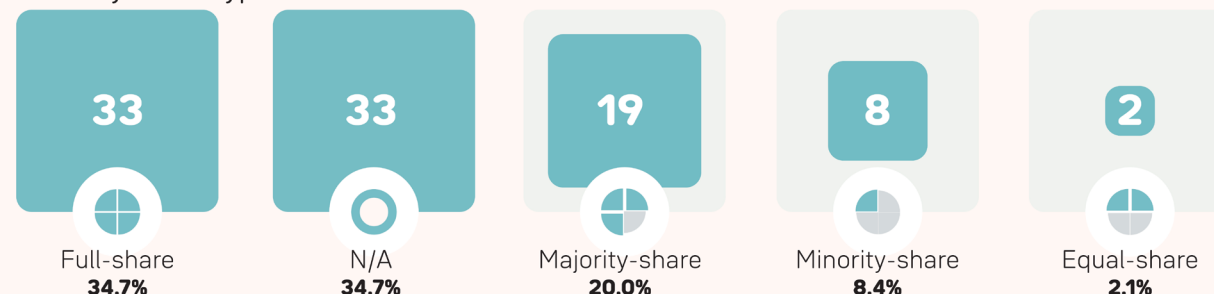
Overall, the figures indicate that Türkiye has been successful in attracting FDI projects aligned with the country's national development goals. These projects cement Türkiye's position as a hub in global value chains, green energy, innovation, and high-tech industries.

CROSS-BORDER M&A DEALS

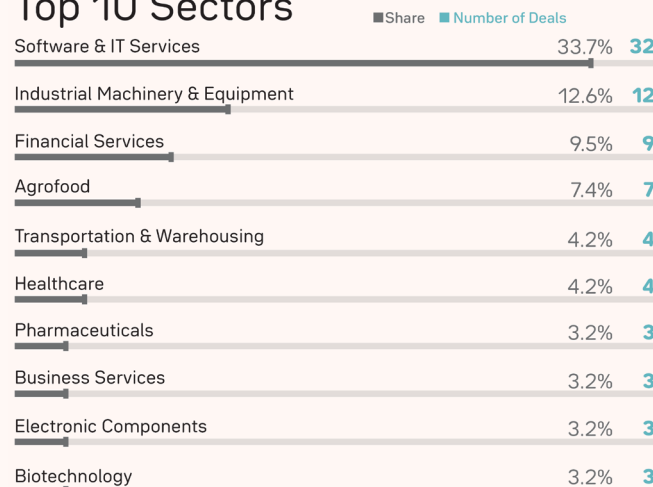
OUTLOOK



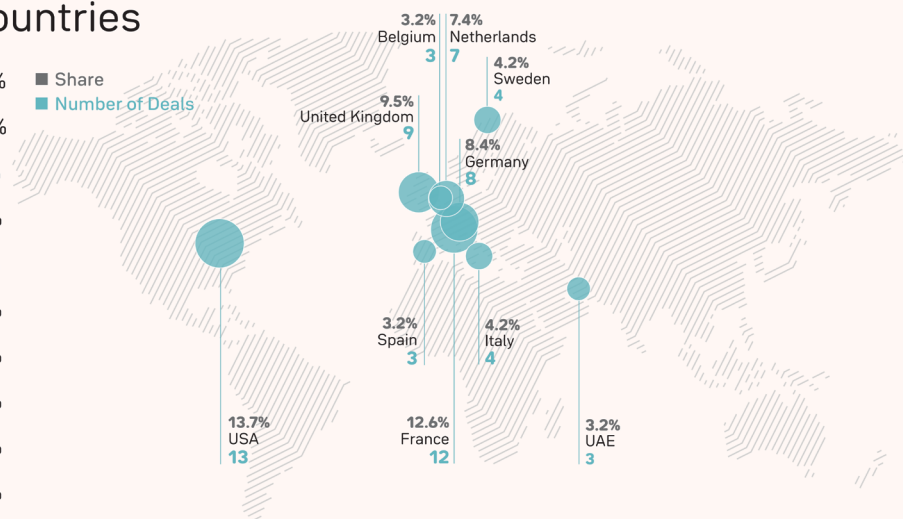
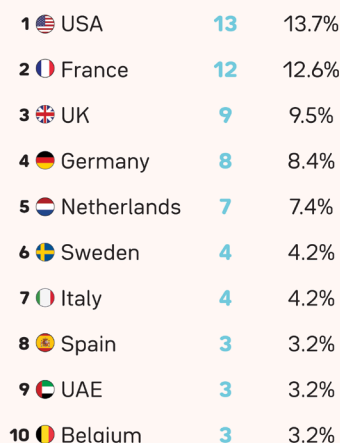
Deals by Stake Type



Top 10 Sectors



Top 10 Source Countries



This section provides an overview of cross-border M&A deals, focusing on the number of transactions, disclosed deal volume, distribution by stake type and top ten source countries by number of projects and transaction value.

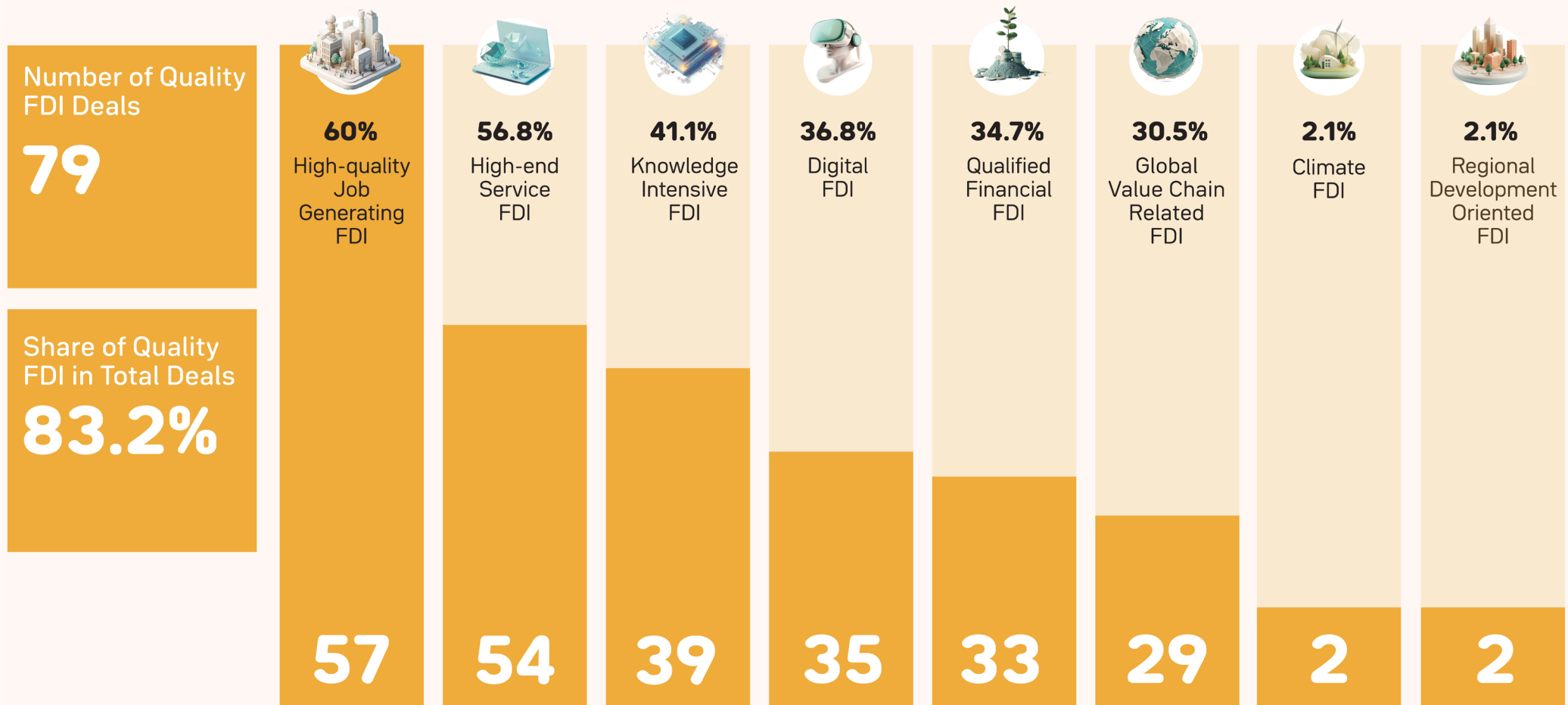
In 2024, a total of 95 cross-border M&A deals were recorded, with a disclosed deal volume of \$3.4 billion across 45 deals. A total of 33 deals concluded with full-share ownership, while 19 deals led to majority-share ownership. A total of 8 deals resulted in minority-share ownership and 2 deals were completed with equal-share ownership. On the other hand, the ownership stake was not declared in 33 deals.

The software & IT services dominated M&A transactions in Türkiye, accounting for 32 deals (33.7%), indicating a strong focus on digital transformation and robust interest in Türkiye's technology startups and IT firms. This was followed by industrial machinery & equipment with 12 deals (12.6%), reflecting strong investor confidence in Türkiye's industrial and manufacturing capabilities. Financial services ranked 3rd with 9 deals (9.5%), showing unwavering interest in the sector. Other sectors such as agrofood (7 deals, 7.4%), transportation & warehousing (4 deals, 4.2%), and healthcare (4 deals, 4.2%) marked notable activity in terms of deal numbers. Additionally, sectors such as pharmaceuticals, business services, electronic components, and biotechnology each recorded 3 deals (3.2%), standing out as other key verticals in M&A activity. All in all, the dominance of technology

and industrial sectors in M&A activities highlights Türkiye's evolving economic landscape. Emerging investments in healthcare, biotech, and logistics suggest diversified interest across high-value industries.

The data highlight that most of the M&A deals were done by European and North American investors. The USA ranked 1st with 13 projects, accounting for 13.7% of the total. France secured the 2nd position with 12 projects (12.6%). The UK ranked 3rd with 9 projects (9.5%). Germany (8 projects, 8.4%), the Netherlands (7 projects, 7.4%), and Sweden (4 projects, 4.2%) showed solid engagement. Italy, Belgium, and Spain also featured in the list, reinforcing Europe's strong role in Türkiye's M&A landscape. The UAE was the only Middle Eastern country in the top 10, with 3 projects (3.2%).

QUALITY FDI OUTLOOK



Some projects may be tagged more than once across Quality FDI profiles

Türkiye's Quality FDI landscape in 2024 shows a clear divergence between greenfield projects and M&A investments. While greenfield FDI projects support more industrial expansion, energy transformation, and regional development, cross-border M&A investments prioritize service-oriented sectors, financial services, and digital transformation. This distinction highlights the complementary roles of both investment

types, with greenfield projects driving long-term capacity building and M&A investments enhancing market integration and operational efficiency.

The higher share of Quality FDI in M&A investments compared to that in greenfield projects (83.2% vs 71.5%) suggests that M&A investments were more concentrated in high-value sectors. There were 57 deals (60%) in

High-quality Job Generating profile and 54 deals (56.8%) in High-end Service profile. This indicates that acquisitions primarily targeted companies with skilled workforce, high-value services, and established business networks.

Knowledge Intensive FDI profile comprises 39 M&A deals (41.1%) followed by Digital FDI profile with 35 M&A deals (36.8%). This

suggests that Türkiye's vibrant technology start up ecosystem provides fertile ground for international investors. With 33 M&A deals (34.7%), the financial sector predominantly relied on acquisitions rather than greenfield investments. This trend aligns with the nature of financial services, where M&A investments in existing institutions such as banks and insurance companies are more common than building new financial entities.

GLOSSARY

Activity	The area of function of the investment project (i.e. manufacturing, R&D, construction, sales & marketing etc.).	Foreign Direct Investment (FDI)	The investments that reflect a lasting interest and a degree of control by a resident entity in one economy (the direct investor) in an enterprise located in another economy (the direct investment enterprise). A threshold of at least 10% of voting power is used to distinguish FDI from portfolio investment (IMF).
Balance of Payment	A statistical statement that systematically records all cross-border economic transactions between residents of an economy (General Government, Central Bank, banks, other sectors) and nonresidents for a specific time period.	Investment Promotion Agency (IPA)	A government agency which is responsible for attracting foreign investments and assisting investors in navigating the local business environment.
Capex (Investment Amount)	The amount of investment which is either announced or estimated if not disclosed.	Greenfield Projects	A type of FDI where an international investor establishes a new business operation in a host country from the ground up or expand its existing facility ending up with capex and job creation. This involves building new facilities, such as factories, offices, or research and development centers, rather than acquiring or merging with an existing local company.
Conduit Economy (Intermediary Country)	A country or jurisdiction primarily serves as an intermediary or pass-through entity for financial flows and investments rather than being the final destination for these activities.	Job Creation	The number of full-time employments, either announced or estimated if not disclosed, to be generated under the investment project.
Cross-border M&A Projects	A type of FDI where an international investor acquires or merges with an existing company in a host country (destination).	Other Investment	Other Investment includes financial transactions such as currency and deposits, loans, insurance, pension, and standardized guarantee schemes, trade credits and advances (credits extended for exports or imports), other accounts receivable/payable, special drawing rights.
Flow-based Approach	An approach generates data considering only FDI flows which are typically compiled and published generally by the countries' central banks as part of the balance of payments statistics.		
Project-based Approach	An approach generates data considering only officially announced greenfield FDI projects (new and expansion) which are committed to be realized in the near future.		

Portfolio Investment

Cross-border investments in securities, including equities, bonds, and other financial instruments, that do not provide the investor with a controlling interest in the issuing entity. Portfolio investments are distinct from direct investments, as they are typically more liquid and short-term in nature [IMF].

Quality FDI Profiles

Investments that contribute to the strong growth and sustainable development of Türkiye's economy, accelerate its technological transformation, increase its global competitiveness, and support regional development within the country. There are eight qualified FDI profiles Türkiye aims to attract, as outlined in the Türkiye Foreign Direct Investment Strategy (2024-2028) published by the Investment Office.

- **Climate FDI**
Investments that support Türkiye's climate change adaptation and mitigation efforts.
- **Digital FDI**
Investments that support the digital transformation of the Turkish economy.
- **Global Value Chain (GVC) related FDI**
Investments which are in production, R&D, and logistics that enhance Türkiye's integration into GVCs.
- **High-end Service FDI**
Investments which are in the high-quality service sectors.

- **High-Quality Financial FDI**
Financial investments which are in sustainable and knowledge intensive areas.
- **High-Quality Job Generating FDI**
Investments that create quality and high-paid jobs.
- **Knowledge Intensive FDI**
Investments in knowledge-intensive activities that enhance the value-addition in the country.
- **Regional Development Oriented (RDO) FDI**
Investments that activate the endogenous potential of regions within the country, provide local supply opportunities, create high employment, and thus reduce migration from the regions

Sector

The sector in which the investment is made, determined according to the NAICS (North American Industry Classification System) methodology.

Source Country

The source country of an FDI project is the country where the foreign partner of the investing company is headquartered.

**Type of Investment
(New, Expansion)**

An investment project made for the first time at a new location is classified as a new investment. An investment project expanding capacity through employment and capex at an existing location is an expansion investment.



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