

2024

FOREIGN INVESTMENT IN MADRID

Annual Update
March 2025

FDI in Madrid in 2024

Global context

The global investment environment remains challenging due to persistent economic and financial uncertainty, despite forecasts suggesting a potential improvement in 2025. Regulatory scrutiny on investments remains stringent across several economies, while geopolitical tensions—particularly the war in Ukraine and conflicts in the Middle East—continue to weigh heavily on investment flows.

Although global foreign direct investment (FDI) is expected to see a moderate recovery in 2025, supported by improved financing conditions and a projected uptick in mergers and acquisitions (M&A) activity, investor sentiment remains cautious, with downside risks still present.

Preliminary UNCTAD data for 2024 indicate an estimated 11% increase in global FDI flows, reaching \$1.4 trillion. However, when excluding financial flows channelled through European transit economies, global FDI is estimated to have declined by approximately 8%, reinforcing a continued medium-term downward trend since the 2015 peak.

Multinational transactions routed through transit economies continue to distort FDI figures for developed countries. When these economies are excluded, FDI in Europe plummeted by 45% in 2024, with major economies experiencing significant declines. Spain and France, however, demonstrated relative resilience, with declines limited to 13% and 6%, respectively.

2024 saw a marked downturn in global project financing, with a sharp drop in both the number of deals (-26%) and total investment value (down nearly one-third). This decline was primarily driven by tight financing conditions and investor hesitation amid expectations of interest rate cuts.

Greenfield project announcements also contracted, with an 8% drop in the number of projects and a 7% decline in value. However, the overall investment volume remained strong, supported by large-scale commitments in semiconductor manufacturing and artificial intelligence technologies.

Despite a 13% drop in the number of transactions, the total value of cross-border M&A rose by 2%, suggesting a possible shift in trend after two years of consecutive decline.

Looking ahead, UNCTAD forecasts moderate global FDI growth in 2025, contingent on economic, geopolitical, and policy developments. The trajectory of key macroeconomic indicators—including global growth, technological advancements, and sectoral transformations—will play a crucial role, alongside shifts in global trade policies, tariffs, and industrial strategies aimed at securing strategic industries and supply chains.

Additionally, the evolving role of major investor groups, particularly large private equity firms and sovereign wealth funds, is expected to have a significant impact on global investment flows.

FDI flows in Madrid in 2024

According to the most recent update of the Investment Registry, Spain received 36.81 billion euros in gross productive investment flows in 2024. This represents the second-highest historical total since 1993, following only the exceptional figure of 2018. The investment for 2024 is 19% higher than the previous year, marking the third consecutive year above the 30-billion-euro threshold.

It's important to note that 2024 data includes a new investment category—intra-group financing—which

was not included in previous years. Therefore, the investment received in Spain in 2024 is divided between Capital and Equity Investment (30.82 billion euros, or 84% of the total, showing a slight decrease of 0.5% compared to last year) and Intra-group Financing (5.99 billion euros, or 16%).

For the Community of Madrid, the Investment Registry recorded 24.71 billion euros in gross productive investment in 2024, making it the second-best historical figure since 1993, only behind the record set in 2018.

Pending any further updates to the Registry, these investments are 44% higher than the previous year, and more than 20% above the average of the last decade (20.13 billion euros annually from 2015 to 2024), as well as the average of the last five years (19.98 billion euros annually).

As mentioned at the national level, Madrid's investment figures for 2024 also include intra-group financing operations. In total, Madrid received 19.53 billion euros in Capital and Equity Investment (79% of the total), and 5.17 billion euros in Intra-group Financing (21%).

Excluding intra-group financing, the gross productive investment flows received by Madrid in 2024 increased by 13.6% compared to 2023.

Once again, Madrid leads the nation in receiving investment flows, both overall and across both categories (Capital and Equity Investment and Intra-group Financing). Madrid accounted for 67.1% of the total investment received in Spain in 2024. Following Madrid are Catalonia (4.92 billion euros, 13.4%), the Valencian Community (1.11 billion euros, 3.0%), the Basque Country (1.07 billion euros, 2.9%), Aragón (0.91 billion euros, 2.5%), and Andalusia (0.84 billion euros, 2.3%).

With 24.71 billion euros in gross productive investment, Madrid accounted for 67.1% of the total national investment in 2024.

Disinvestments in Madrid saw a notable increase in 2024, reaching 12.74 billion euros. This spike is likely due to large operations such as Zegona's acquisition of Vodafone, which involved capital inflows and outflows within the same year. Despite this, net investments stood at 11.96 billion euros, which is 45% lower than the previous year.

As with the national figures, Madrid's numbers for 2024 reflect a relatively low volume of acquisitions (12.8%). It's important to note that in recent years, the other expansions category has included significant operations that may involve capital allocations to Madrid-based companies in preparation for future acquisitions. This investment modality has gained prominence, partially explaining the substantial share of other expansions in Madrid's total investment. In 2024, other expansions accounted for 61.8% of the flows received in Madrid, while new investments, including both greenfield and brownfield operations, represented the remaining 25.4%, achieving their best absolute performance since 2018.

The United Kingdom, United States, Norway, and France were the top investors in Madrid in 2024.

Regarding the origin of investments, considering the country of origin as the last country in the ownership chain, the Community of Madrid in 2024 saw notable investments from the United Kingdom, the United States, Norway, and France.

In 2024, the United Kingdom emerged as the top investor in Madrid, with €9.75 billion (39.5% of the total). This was largely driven by Zegona's acquisition of Vodafone in the telecommunications sector (€5.00 billion recorded in Q2), alongside significant investments in Information Services (€2.52 billion, likely linked to Cinven's acquisition of Idealista in the Web Portals sector), Engineering Services (€647 million), and Call Center Activities (€333 million). Additionally, the CVC transaction involving Monbake, initially recorded in Madrid (€583

million in Bread Manufacturing), appears to have been partially reassigned to Navarra, the company's previous headquarters, in the latest data update.

The United States ranked second, investing €3.23 billion (13.1%), with major allocations in Engineering Services (€965 million), Real Estate (€635 million), Metallurgy (€267 million), and Civil Engineering (€246 million).

Norway recorded its highest-ever investment in Madrid, reaching €1.59 billion (6.5% of the total), entirely concentrated in the Energy Supply sector. This was driven by the acquisition of Elecnor's renewable energy subsidiary, Enerfin, by the state-owned Norwegian company Statkraft.

France followed closely, also exceeding the €1.50 billion mark, with total investments of €1.56 billion (6.3%). French investors focused on Electric Power Supply (€844 million) and Financial Services (€305 million).

Other key investors in Madrid in 2024 included Spanish subsidiaries abroad (€1.33 billion), Sweden (€1.15 billion, likely tied to EQT's acquisition of Universidad Europea in the education sector), Mexico (€848 million), and the Netherlands (€687 million).

Several of these high-profile transactions shaped the leading investment sectors in 2024. Telecommunications attracted 20.7% of Madrid's gross productive investment flows (€5.12 billion), followed by Electric Power Supply (15.0%, €3.70 billion), Information Services (10.7%, €2.64 billion), Architectural and Engineering Services (6.6%, €1.63 billion), Education (6.0%, €1.48 billion), and Real Estate Activities (6.0%, €1.48 billion).

A newly introduced classification in the Registry's update differentiates investments by investor type. Corporate entities accounted for 49% of Madrid's total inbound investment, followed by Private Investment Funds (35.7%), Public or Sovereign Investment Funds (7.9%), and Individual Investors (7.8%).

As noted in previous reports, several major deals

announced in recent years have gradually been incorporated into the Registry's data. However, a significant portion of investments linked to high-profile transactions in Madrid has yet to be reflected in the figures. Notable pending deals include Liberty Media's acquisition of Dorna (€4.00 billion), the takeover bid for Applus (exceeding €1.00 billion), and the French firm Wendel's acquisition of 50% of Globeducate (€1.00 billion).

Along with other ongoing acquisitions and takeovers—some still awaiting regulatory approval—these transactions could significantly impact future Registry updates. It is also important to note that acquisitions between foreign investors involving Spanish companies will not appear in investment flow data.

Investor Position and Fixed Assets

Foreign investment has shown consistent growth since hitting a low in 2013, reaching €379.82 billion in 2022, based solely on productive investments¹. This figure is 4.4% higher than the previous year and more than double (+140%) the levels recorded in 2007, the first year for which the Registry provides data. The stock of productive FDI in Madrid accounts for 142% of the region's GDP, equivalent to €56,583 per capita.

Madrid remains the top destination for foreign investment in Spain, attracting 69% of the national total—six percentage points more than in 2007—well ahead of Catalonia (14%), Asturias (3.2%), and the Basque Country (3.1%), the next highest-ranking regions.

Fixed assets, which offer additional insight into where investments are physically made and the evolution of foreign companies' fixed capital in Madrid, totaled €37.73 billion at the end of 2022. This represents 23% of the national total and reflects a strong annual increase of 9%, further widening Madrid's lead over Catalonia, which had been the frontrunner in this metric until 2019.

¹The investor position reflects the value of assets held by foreign investors in companies within the Community of Madrid, through direct investment and intercompany financing. This data is updated at the end of May, with figures from two years prior (18

months of delay), due to the time required to process the annual reports from foreign companies that file with the Registry.

Employment stock

Madrid continues to lead the recovery of employment linked to foreign investment in Spain. Despite a decline in 2022—breaking a seven-year streak of continuous growth since the 2014 low—and the impact of the 2020 health crisis, foreign investment-supported employment in the Community of Madrid reached 559,836 jobs by the end of 2022, the most recent year for which data is available.

Employment figures in Madrid are 43% higher than in 2007, accounting for 18% of the region's total workforce, the highest concentration of FDI-related employment among Spanish regions. Madrid also hosts 31.4% of all foreign company jobs nationwide.

French companies lead in employment, supporting 130,859 jobs, followed by firms from the United States with 90,962, Germany with 63,923, and the United Kingdom with 58,883, as well as Spanish companies' foreign subsidiaries with 36,904.

In total, foreign-owned companies in Madrid employ 559,836 people, representing 18% of the region's workforce.

Greenfield Investment

Greenfield investment, recognized for its role in driving growth and job creation, has seen significant momentum in Madrid in recent years, despite global disruptions. According to Orbis Crossborder Investment (Moody's), from 2019 to 2024, Madrid has consistently attracted nearly 200 projects per year, with an average annual investment exceeding €3.65 billion and generating 12,155 new jobs annually.

Madrid has reinforced its position as a top global destination for greenfield investment. In 2023, it ranked as the second-leading European city for *greenfield* projects and sixth globally. The city saw a record 233 new projects, a 63% increase from the previous year, attracting over €3.8 billion in investment and creating more than 13,600 jobs, the second-highest employment figure on record, surpassed only by the exceptional performance of 2019.

Preliminary data for 2024², show that Madrid capital hosted 147 greenfield projects from 126 different companies, solidifying its position as the second leading European destination after London and the seventh globally. These projects represent an investment exceeding €4.60 billion, marking the second-highest historical total, and are expected to generate 10,046 new jobs.

Noteworthy increases were observed in both the average investment per project (€33 million, up from €17 million) and the average number of jobs created per project (71 jobs, compared to 62). These figures exceed the typical project sizes seen in Madrid over the past decade.

Since 2013, Madrid has been the focal point for foreign investment in the Community of Madrid, accounting for 81% of all greenfield projects, 78% of total investment, and 76% of job creation.

Mergers and Acquisitions

Madrid remains a key player in cross-border mergers and acquisitions (M&A). According to Orbis Crossborder Investment (Moody's), in 2024³ there were 83 M&A deals involving Madrid-based companies, totaling nearly €19 billion (€22 billion for the entire region). This marks the second-highest level of M&A activity in the past five years, behind the exceptional 2023 figures. However, some of the 2023 deals are still awaiting regulatory approval and finalization.

Foreign-Owned Companies in Madrid

As of late 2024, Madrid is home to over 12,000 foreign-owned companies, according to SABI (D&B) data. These companies, controlled by foreign ultimate owners or with direct foreign shareholders holding at least a 10% stake, come from over 100 countries.

Madrid accounts for 79% of the foreign-owned companies in the Community of Madrid and 34.5% of the total in Spain.

These firms employ nearly one million professionals (991,903 employees), representing 69% of foreign company jobs in the region and 39% of the national total.

In terms of financial impact, these companies generated a combined revenue of €379.10 billion in the most recent year, accounting for 71% of the revenue of foreign-owned businesses in the Community of Madrid and 38% of the total in Spain.

In 2024, 147 new greenfield projects were announced in Madrid, with an investment value surpassing €4.60 billion, creating 10,000 jobs.

² The data provided by this source is 'live' and subject to updates as projects progress from their initial announcement. Due to a notable 'reporting lag,' smaller projects may take some time to be included in the database. As a result, the final figures for recent years may change depending on when the query is made, and data up to May-June of the following year may not fully capture the previous year's activities.

³ It is important to note that these sources report projects at the time of their announcement. Due to the current need for government authorization of certain operations, the final closure of these projects may occur in the year following their initial announcement. The Investment Register records investments when they are completed. This explains why some major operations announced between 2023 and 2024, which are captured by Moody's, have yet to be reflected in the Registry.

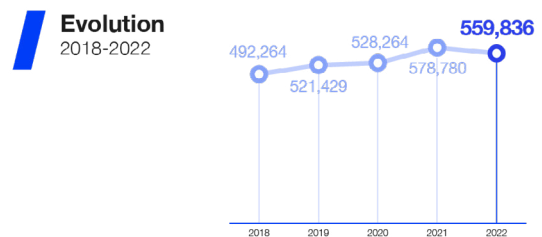
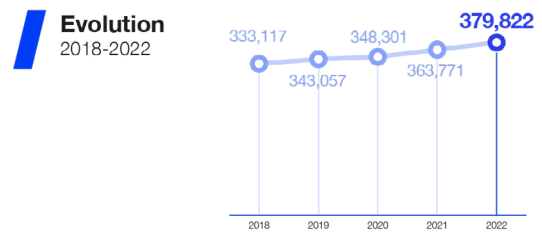
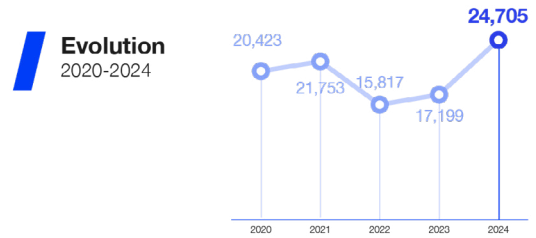
Key Insights

- ∞ In 2024, **Foreign Direct Investment (FDI) flows to Madrid totalled €24,705 million**, marking the second-highest record in history. This represents a **44% increase** compared to the previous year and is 23% higher than the annual average for the last decade (2015-2024).
- ∞ For the first time, Madrid's data includes **intragroup financing** operations, amounting to **€5,172 million** in 2024 (21% of the total). Excluding this category, the increase in gross productive flows to Madrid in 2024 compared to 2023 is 13.6%.
- ∞ The **Community of Madrid leads the country in receiving FDI flows**, both overall and when considering both investment in capital and assets as well as intragroup financing. Madrid accounted for 67.1% of total FDI flows in 2024.
- ∞ The region's figures in 2024 continue to show an unusually low share of **acquisitions** (12.8%), compared to 61.8% for **expansions** and 25.4% for **new investments**, including both brownfield and greenfield operations. These new investments represent the highest absolute figures since 2018. However, some of these expansions may be preparatory steps for acquisitions within the domestic market.
- ∞ In terms of origin, notable investments in the Community of Madrid in 2024 came from the **United Kingdom** (€9,747 million, 39.5% of the total), the **United States** (€3.23 billion, 13.1%), Norway (€1.59 billion, 6.5%), and **France** (€1.56 billion, 6.3%).
- ∞ **Telecommunications** accounted for 20.7% of gross productive flows received in Madrid in 2024 (€5,122 million), followed by **electricity supply** (15.0%, €3,701 million), **information services** (10.7%, €2,64 billion), **architectural and engineering services** (6.6%, €1.63 billion), **education** (6.0%, €1.48 billion), and **real estate activities** (6.0%, €1.48 billion).
- ∞ After a brief adjustment in 2022, Madrid capital became the **second leading European destination for greenfield investment projects in 2023** and ranked sixth globally, with 233 new projects announced that year (€3,82 billion, generating 13,644 jobs), according to Orbis Crossborder Investment (Moody's). Preliminary data for 2024 shows that Madrid capital secured **147 projects from 126 companies**, totalling over €4.6 billion in investments and creating 10,046 new jobs.
- ∞ According to the same source (Moody's), **83 cross-border mergers and acquisitions (M&A)** involving Madrid-based companies were announced in 2024, valued at approximately €19 billion (€22 billion for 110 operations across the entire Community of Madrid).
- ∞ The **investor position or investment stock reached €37.82 billion**, representing 142% of regional GDP (2022). This figure is 4.4% higher than the previous year and more than double (+140%) the levels recorded in 2007.
- ∞ **Fixed assets**, a key indicator of foreign investment, showed continued growth, reaching **€37.73 billion** (+9% year-on-year) by the end of 2022.
- ∞ **Employment linked to foreign investments in Madrid stood at 559,836 jobs** at the close of 2022 (-3.3% year-on-year), accounting for 31.4% of the national total. Although this figure broke a seven-year growth streak since the low point in 2014, employment levels in Madrid are still 43% higher than in 2007.
- ∞ Madrid is home to over 12,000 foreign-owned companies, representing investors from more than 100 countries.

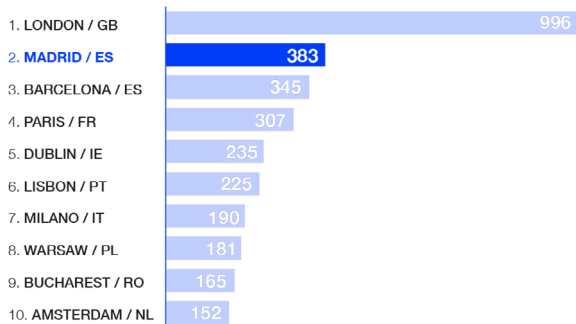
Key Metrics of Foreign Investment in Madrid

	2018	2019	2020	2021	2022	2023	2024	Year-on-year change
A. Gross productive investment flows, Millions of Euros								
Investment Registry								
Madrid region	45,945	14,686	20,423	21,753	15,817	17,199	24,705	43.6%
Spain	54,785	24,266	26,153	29,199	32,240	30,960	36,813	18.9%
<i>C. Madrid vs. Total</i>	83.9%	60.5%	78.1%	74.5%	49.1%	55.6%	67.1%	
B. Stock of employment								
Investment Registry								
Madrid region	491,264	521,429	528,264	578,780	559,836			-3.3%
Spain	1,593,464	1,663,439	1,737,462	1,792,487	1,784,507			-0.4%
<i>Madrid region vs. Total</i>	30.8%	31.3%	30.4%	32.3%	31.4%			
C. Stock of productive investment, Millions of Euros								
Investment Registry								
Madrid region	333,117	343,057	348,301	363,771	379,822			4.4%
Spain	471,235	488,315	509,530	531,713	551,616			3.7%
<i>Madrid region vs. Total</i>	70.7%	70.3%	68.4%	68.4%	68.9%			
D. Fixed assets, Millions of Euros								
Investment Registry								
Madrid region	25,781	28,605	29,070	34,602	37,729			9.0%
Spain	139,182	144,377	138,581	153,770	160,986			4.7%
<i>Madrid vs. Total</i>	18.5%	19.8%	21.0%	22.5%	23.4%			
E. Cross-border greenfield investment projects								
Orbis Crossborder Investment – Moody's								
Madrid city	219	240	168	200	143	233	147	-36.9%
Spain	1,169	1,305	941	1,141	900	1,403	1,010	-28.0%
<i>Madrid vs. Total</i>	18.7%	18.4%	17.9%	17.5%	15.9%	16.6%	14.6%	
F. Announced cross-border mergers and acquisitions								
Orbis Crossborder Investment – Moody's. Millions of euros								
Madrid city	62,270	10,824	15,023	17,660	15,188	52,689	18,928	-64.1%
Spain	90,125	24,702	28,472	45,979	32,768	77,473	43,209	-44.2%
<i>Madrid vs. Total</i>	69.1%	43.8%	52.8%	38.4%	46.4%	68.0%	43.8%	
F. Foreign-owned companies								
SABI-Infoma								
Madrid city			9,572	9,943	11,119		12,319	10.8%
Madrid region			12,483	12,838	14,239		15,548	9.2%
Spain			28,089	29,905	33,149		35,730	7.8%
<i>Madrid (city) vs Total</i>			34.1%	33.2%	33.5%		34.5%	
<i>Madrid (region) vs Total</i>			44.4%	42.9%	43.0%		43.5%	

FOREIGN DIRECT INVESTMENT IN MADRID

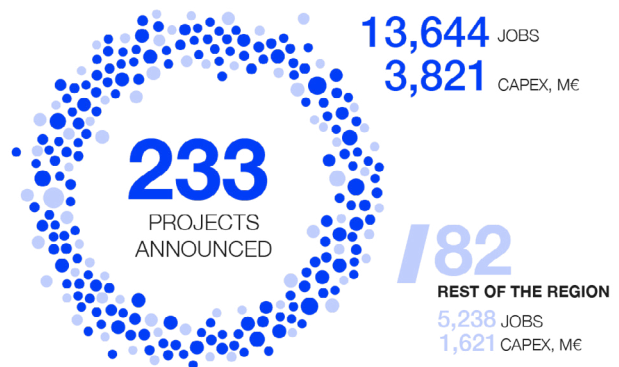


FDI Greenfield projects
NUMBER OF FDI GREENFIELD PROJECTS RECEIVED IN EUROPEAN CITIES
2023-2024



Source: Orbis Crossborder Investment (Moody's), March 2025

CROSS-BORDER FDI GREENFIELD PROJECTS ANNOUNCED IN MADRID IN 2024



Foreign Affiliates

12,319
FOREIGN COMPANIES IN THE CITY OF MADRID

Source: SABI (D&B), December 2024

991,903
EMPLOYEES

100+
COUNTRIES REPRESENTED IN MADRID

87%
ESTABLISHED AFTER 2000



MADRID

madridinvestmentattraction.com