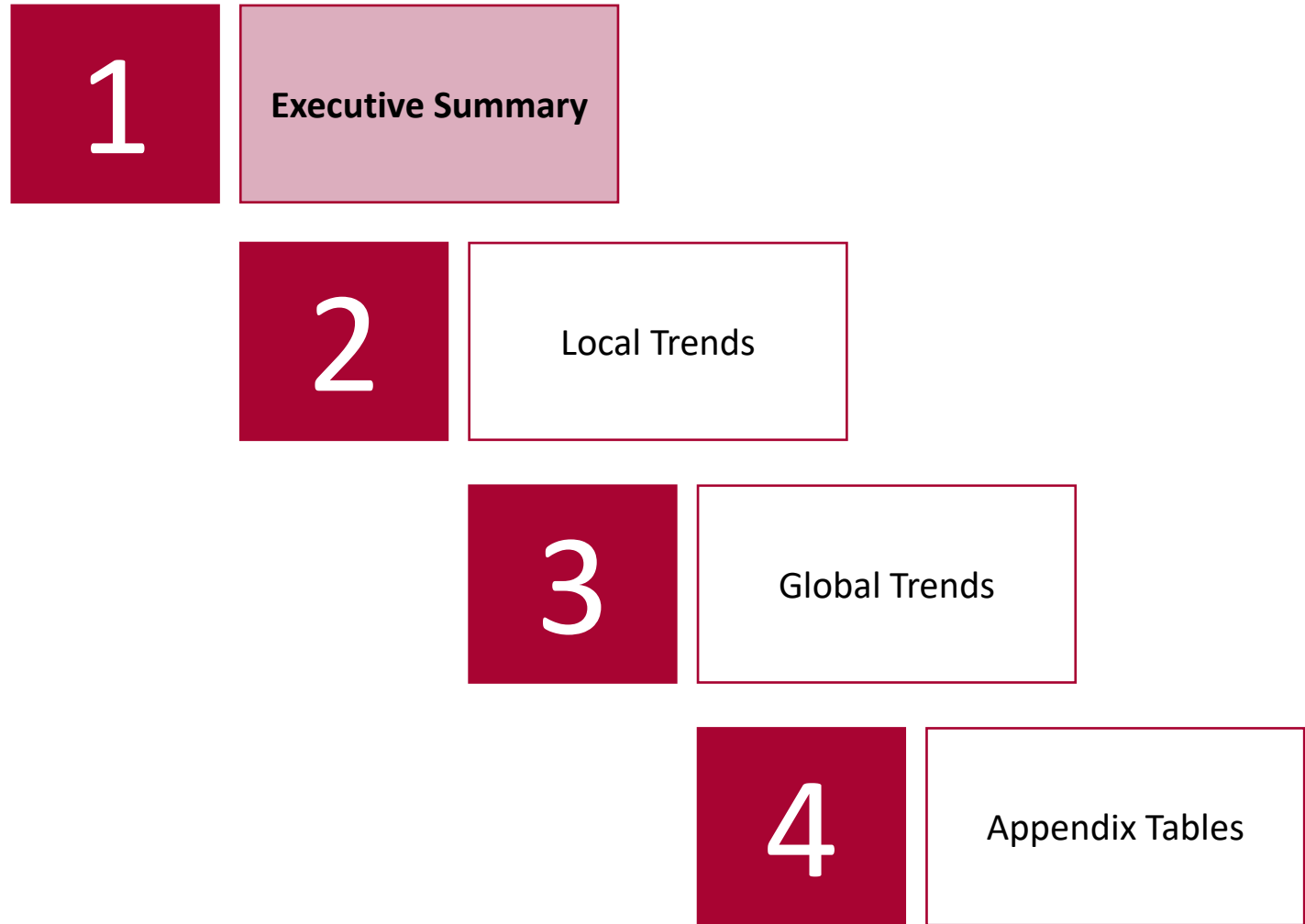


## **FDI in Figures**

**Balance of Payment Statistics | 2025 May**

**Issue Number: 114 | Last Update: July 11, 2025**

# CONTEXT



# 1 FDI in Figures: Balance of Payment Statistics | May 2025

## Executive Summary

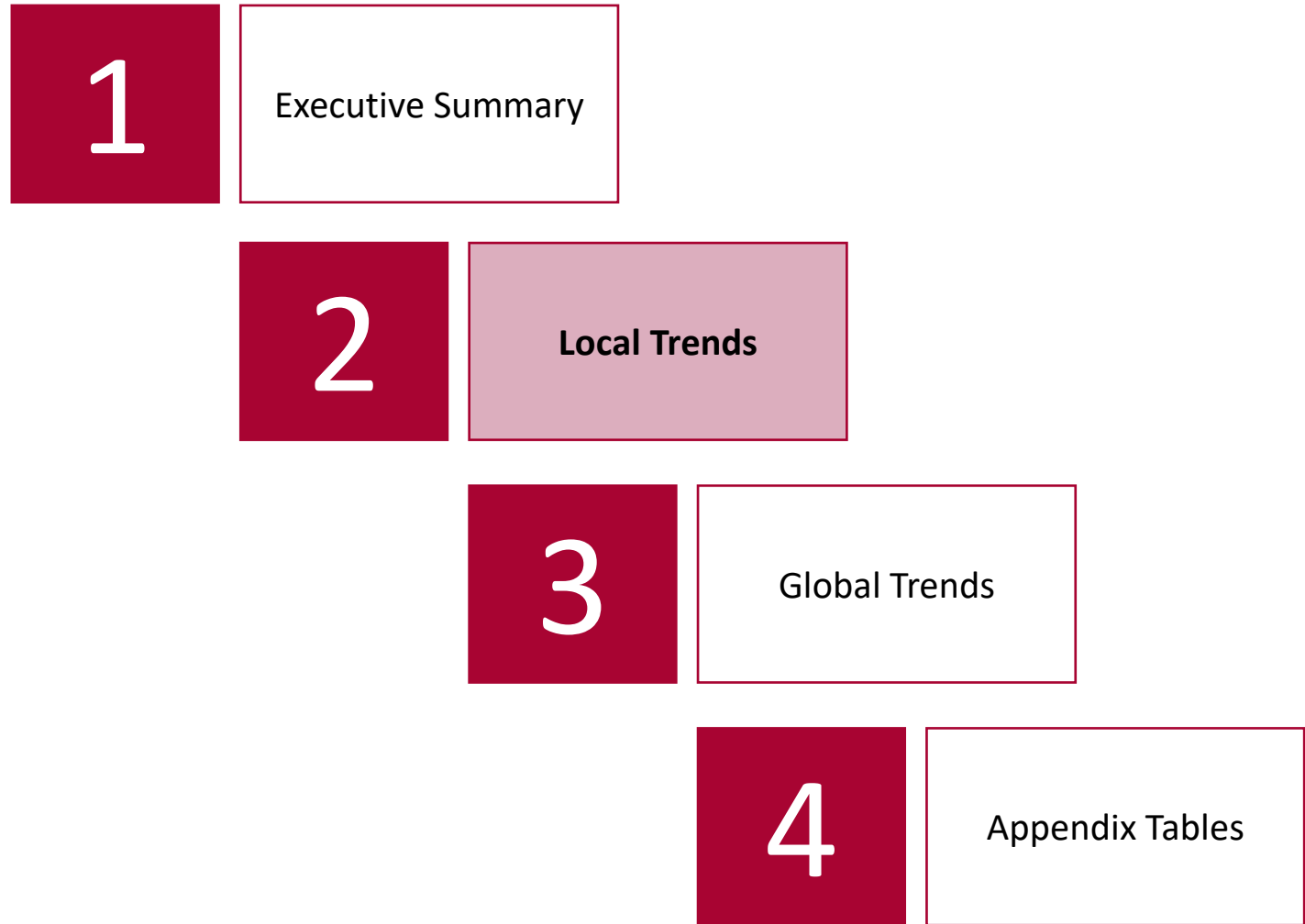
### Local Trends

- Based on the official data released on July 11, 2025, in **May 2025**, Türkiye recorded **\$425 million** in **Foreign Direct Investment (FDI) inflows via equity capital**, \$171 million through real estate sales to foreign nationals, and \$792 million through debt instruments. However, divestment decreased the overall FDI inflows by \$11 million. Consequently, Türkiye's **total FDI inflow totaled \$1.4 billion** in May 2025.
- The FDI inflows for the first **five months of 2025 amounted to \$4.7 billion, marking a 16% increase** compared to the same period last year.
- In May 2025, total equity capital inflows reached \$425 million. The sector encompassing **"wholesale and retail trade"** garnered a significant share, amounting to 30% with an inflow totaling \$127 million. Additionally, the **manufacture of rubber and plastic products** sectors surpassed its previous cumulative performance by attracting 12% of the total equity capital inflows for the same month.
- Analyzing the source countries of FDI equity capital inflows to Türkiye in May 2025, the **United States (US)** had the largest share with 36%, followed by the **Netherlands** with 19%, **Denmark** with 10%, **Azerbaijan** with 7%, and the **United Kingdom (UK)** with 5%.

### Global Trends - UNCTAD World Investment Report 2025

- Global FDI fell by 11% (excluding conduit flows), despite a nominal 4% increase to \$1.51 trillion.
- International Project Finance dropped 26% in value and 27% in deal count, driven by high interest rates and debt concerns.
- Greenfield projects rose 3% in count but fell 5% in value.
- M&A value increased 14%, but volumes stayed weak.
- Digital economy FDI tripled, concentrated in few countries. SDG-related FDI fell 25–30%, except for health (+25%).
- The US led in inflows and project size; China saw a 29% drop.
- Governments favored incentives (45% of pro-investor measures) over liberalization (13%), and expanded FDI screening, especially in tech and critical materials.
- Outlook 2025: Weakened by geopolitical tensions, tariff risks, and slowing macro indicators. Possible support from rate cuts and strong MNE reinvestment.

# CONTEXT

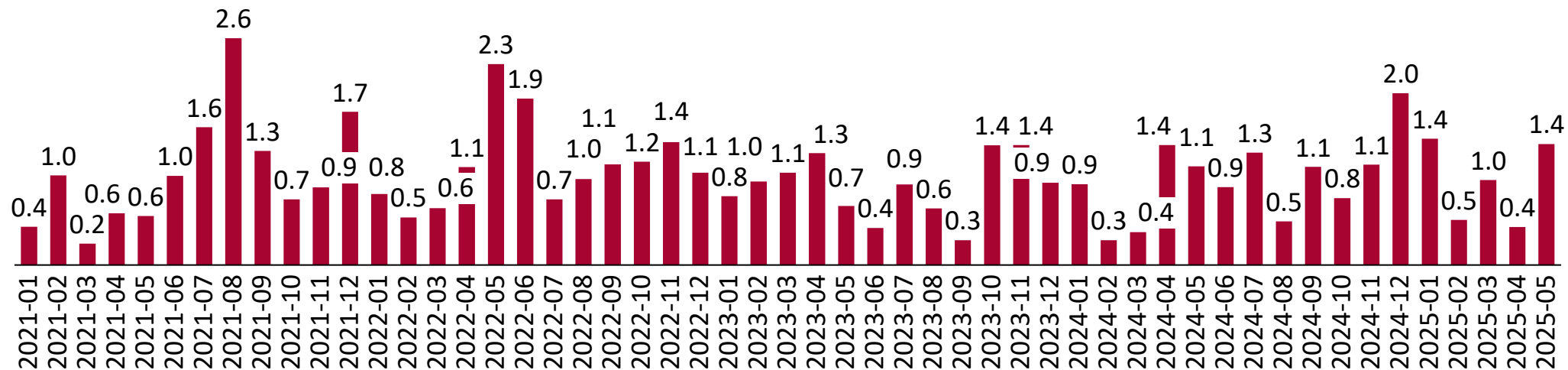


## 2 The latest data indicates that in May 2025, Türkiye received \$1.4 billion in FDI inflows

### FDI inflows to Türkiye, billion \$

### Key takeaways

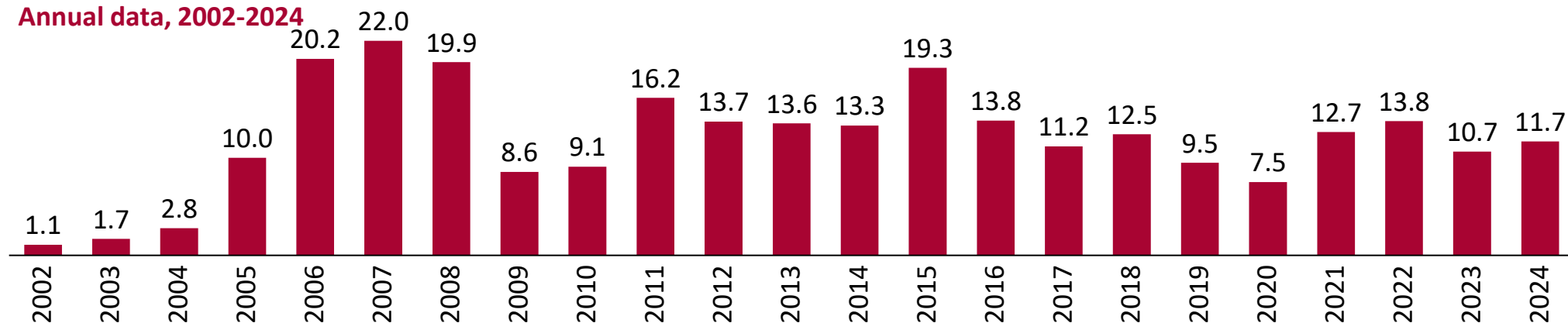
#### Monthly data, 2021 January-2025 May



In **May 2025**, Türkiye recorded a total value of **\$1.4 billion** in Foreign Direct Investment (FDI) inflows.

The FDI inflows for the first **five months** amounted to **\$4.7 billion**, marking a 16% increase compared to the same period last year.

#### Annual data, 2002-2024



The FDI earnings garnered in the first five months of 2025 corresponded to 22% of current account deficit during the same period.

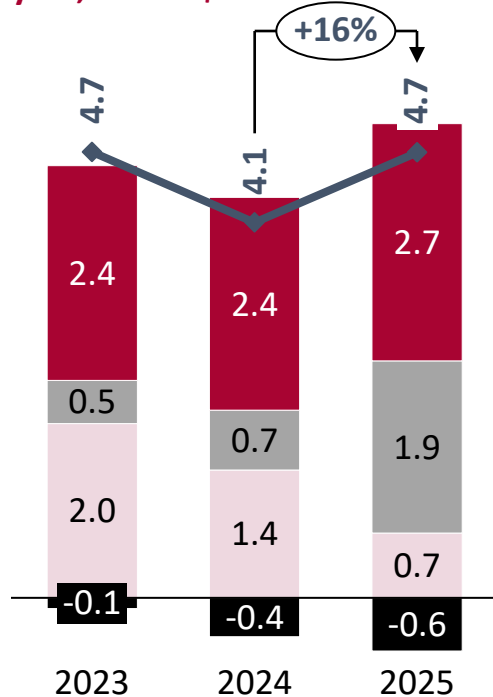
Since 2002, Türkiye has attracted a total of \$280 billion in FDI.

## 2 In May 2025, equity capital inflows provided \$425 million, while debt instruments contributed \$792 million

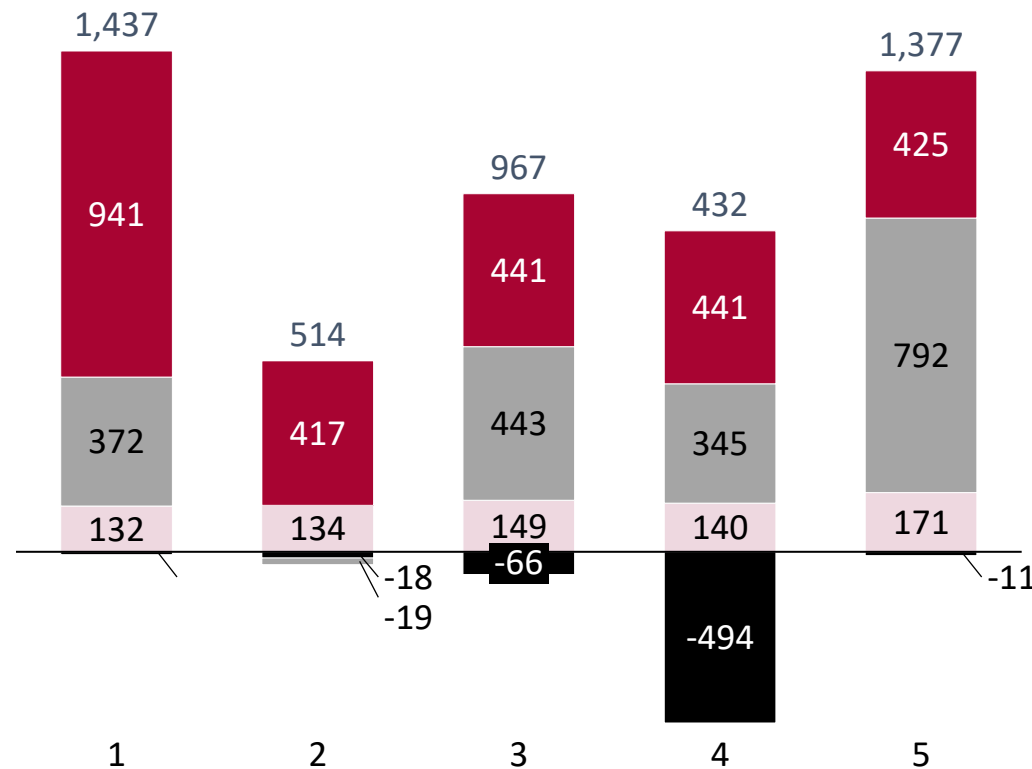
### Breakdown of the FDI inflows to Türkiye

### Key takeaways

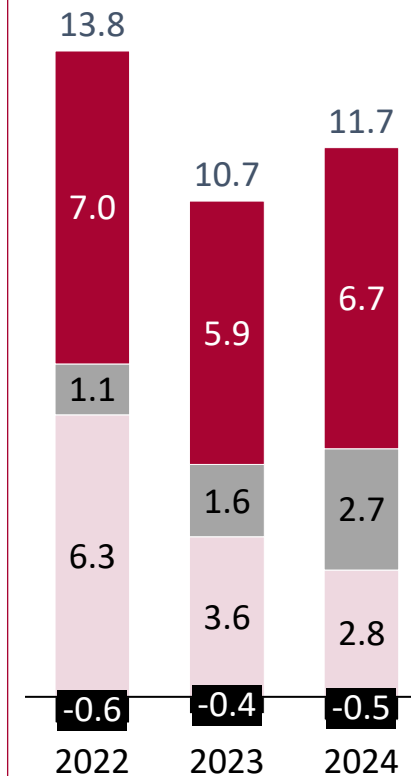
First five months of each year, billion \$



Monthly data in 2025, million \$



Annual data, billion \$



Equity capital inflow   Divestment\*   Debt instruments\*\*   Net real estate   Total

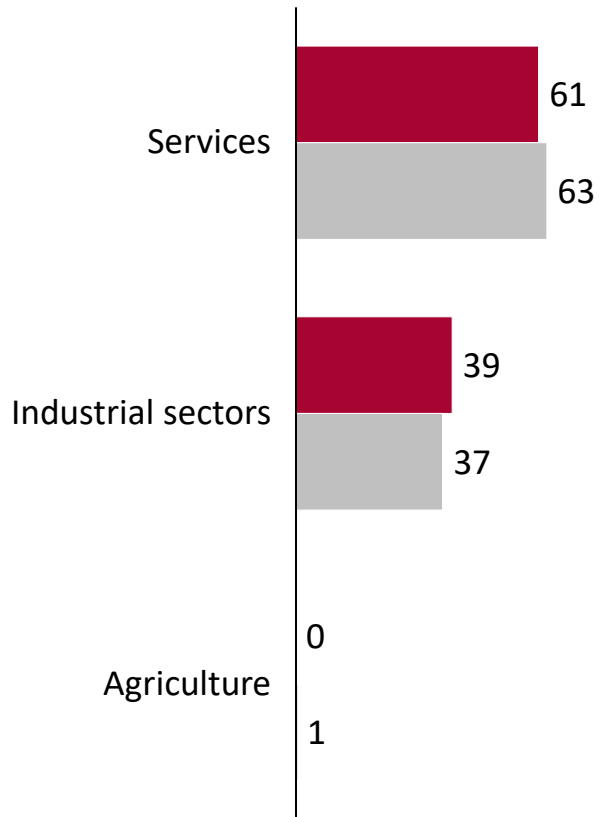
In May 2025, Türkiye recorded a **\$425 million FDI inflows via equity capital**, **\$171 million through real estate sales to foreign nationals**, and **\$792 million through debt instruments**. However, divestment decreased the overall FDI inflows by \$11 million. Consequently, Türkiye's total FDI inflow totaled \$1377 million.

Notably, real estate sales accounted for 15% of the total FDI inflows in the first five months of 2025.

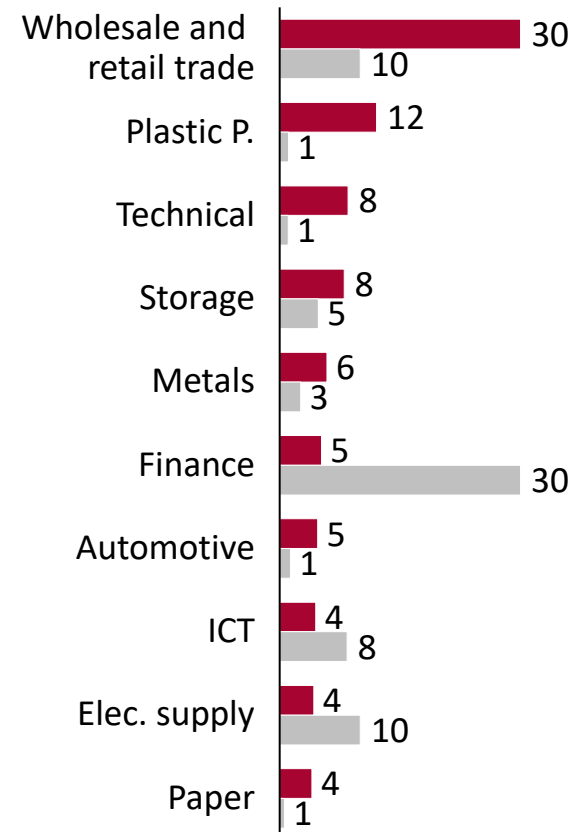
## 2 In May 2025, the FDI equity capital inflows were led by the wholesale and retail trade and manufacturing of plastic products

### FDI in the form of equity capital inflows to Türkiye by its sectoral breakdown

#### Major sectoral breakdown in May 2025, %



#### Top 10 sectors in May 2025, %

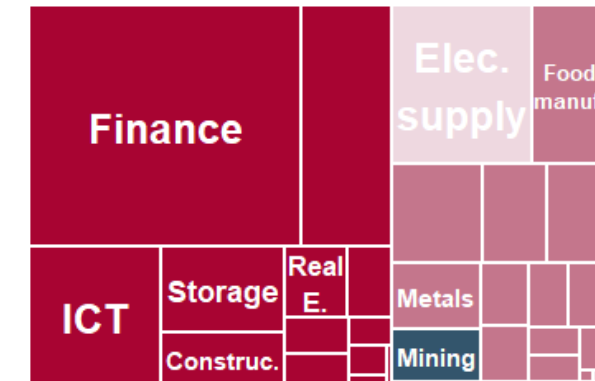


■ 2025 May ■ 2002-2024 cumulative

#### Treemap - 2025 first five months



#### Treemap - 2002-2024 cumulative



### Key takeaways

In May 2025, total equity capital inflows reached \$425 million. The sector encompassing **“wholesale and retail trade”** garnered a significant share, amounting to 30% with an inflow totaling \$127 million.

Additionally, the **manufacture of rubber and plastic products** sector surpassed its previous cumulative performance by attracting 12% of the total equity capital inflows for the same period.

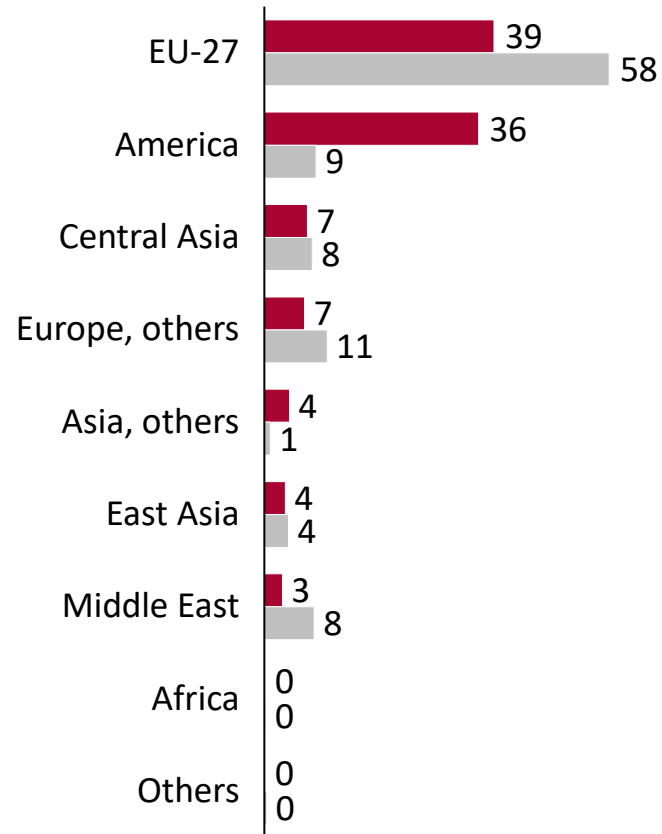
Other sectors with the highest amount of equity capital investments were professional, scientific and technical activities with a 8% share and transportation and storage with a 8% share.

## 2 The US, the Netherlands and Denmark were the top three sources of FDI equity inflows in May 2025

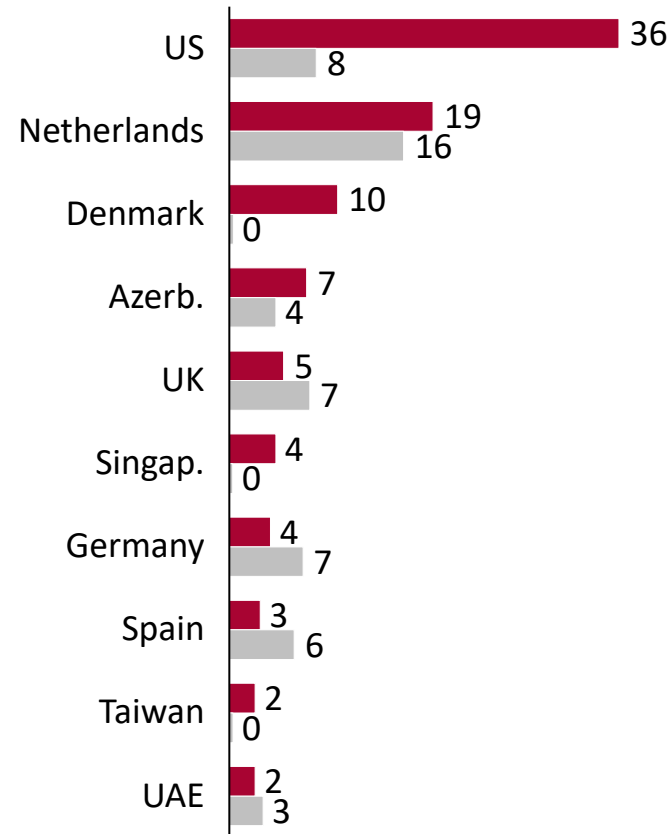
### FDI in the form of equity capital inflows to Türkiye by its geographical breakdown

### Key takeaways

#### Regional breakdown in May 2025, %

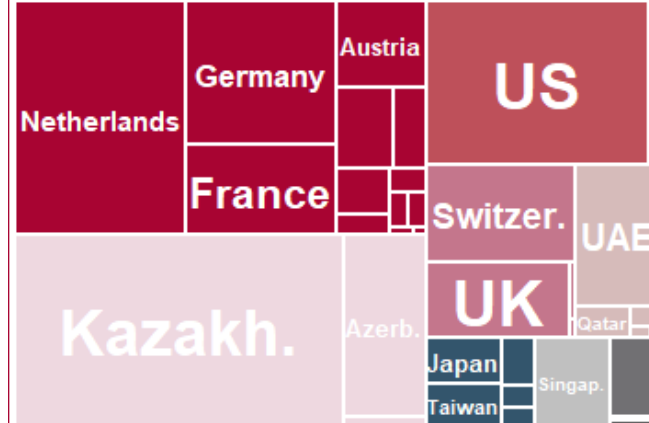


#### Top 10 investor countries in May 2025, %

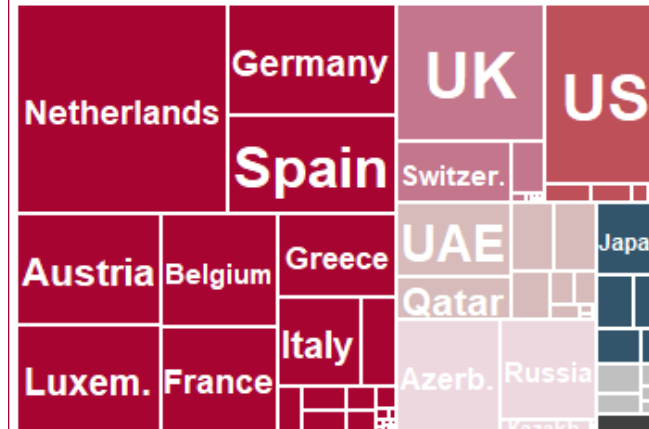


■ 2025 May ■ 2002-2024 cumulative

#### Treemap - 2025 first five months



#### Treemap - 2002-2024 cumulative

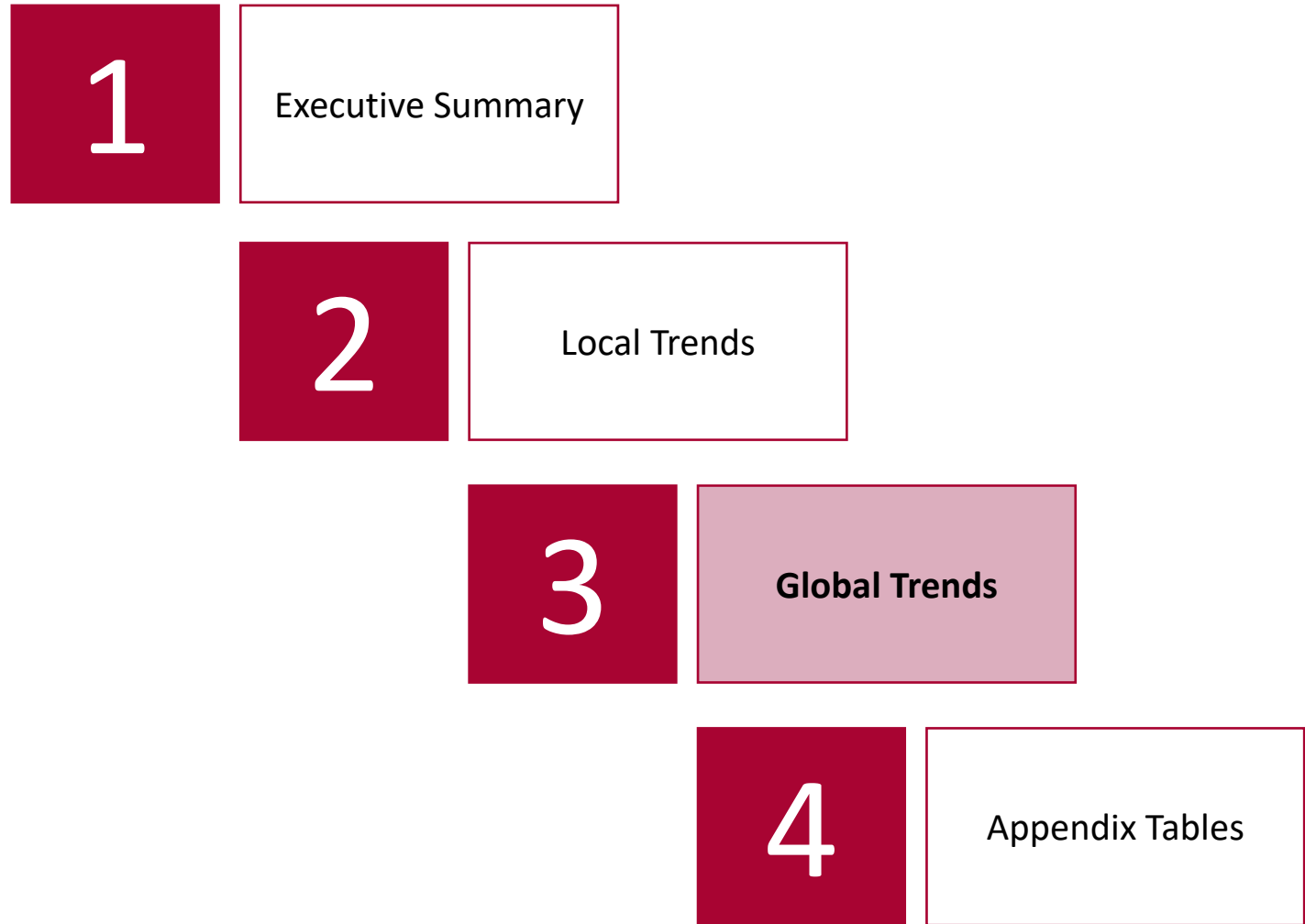


Most investments in May 2025, came from European Union (EU-27) (39%) and America countries (36%).

Country-wise, the **United States (US)** accounted for the largest share at 36%, followed by the **Netherlands** at 19%, the **Denmark** at 10%, **Azerbaijan** at 7%, and the **United Kingdom (UK)** at 5%.



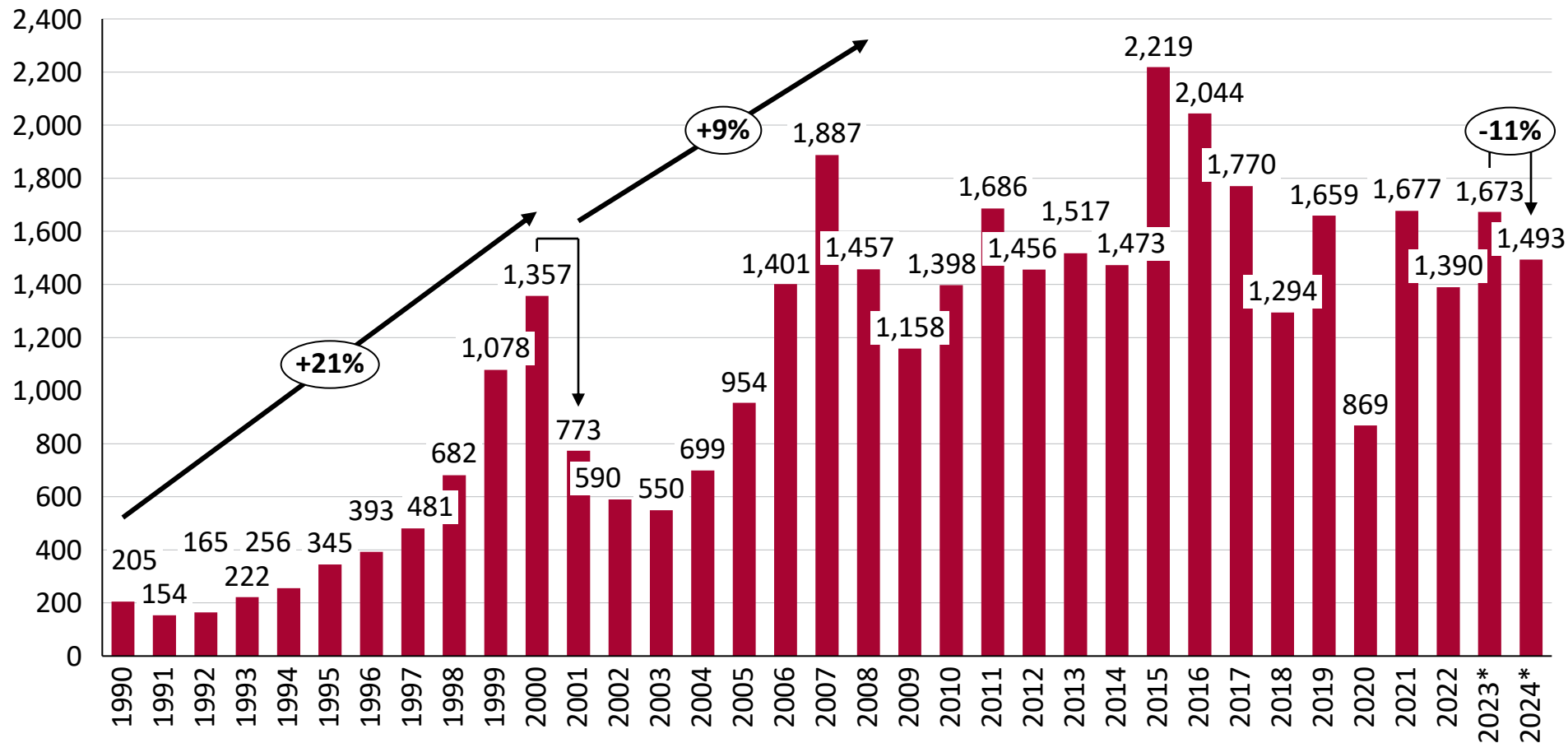
# CONTEXT



# 3 UNCTAD's World Investment Report 2025 report shows a 11% drop in global FDI to \$1.5t in 2024

## Global FDI trends

Global FDI inflows, billion \$, 1990-2024



## Key takeaways

According to the UNCTAD World Investment Report (WIR) 2025 (published on 19 June 2025), global FDI declined by 11% in 2024, to \$1.5 trillion, excluding financial conduit flows.

While a 4% increase was recorded in nominal terms, Luxembourg, Ireland, the Netherlands, and Switzerland had a significant impact on the 2024 figures; the headline value excludes these countries.

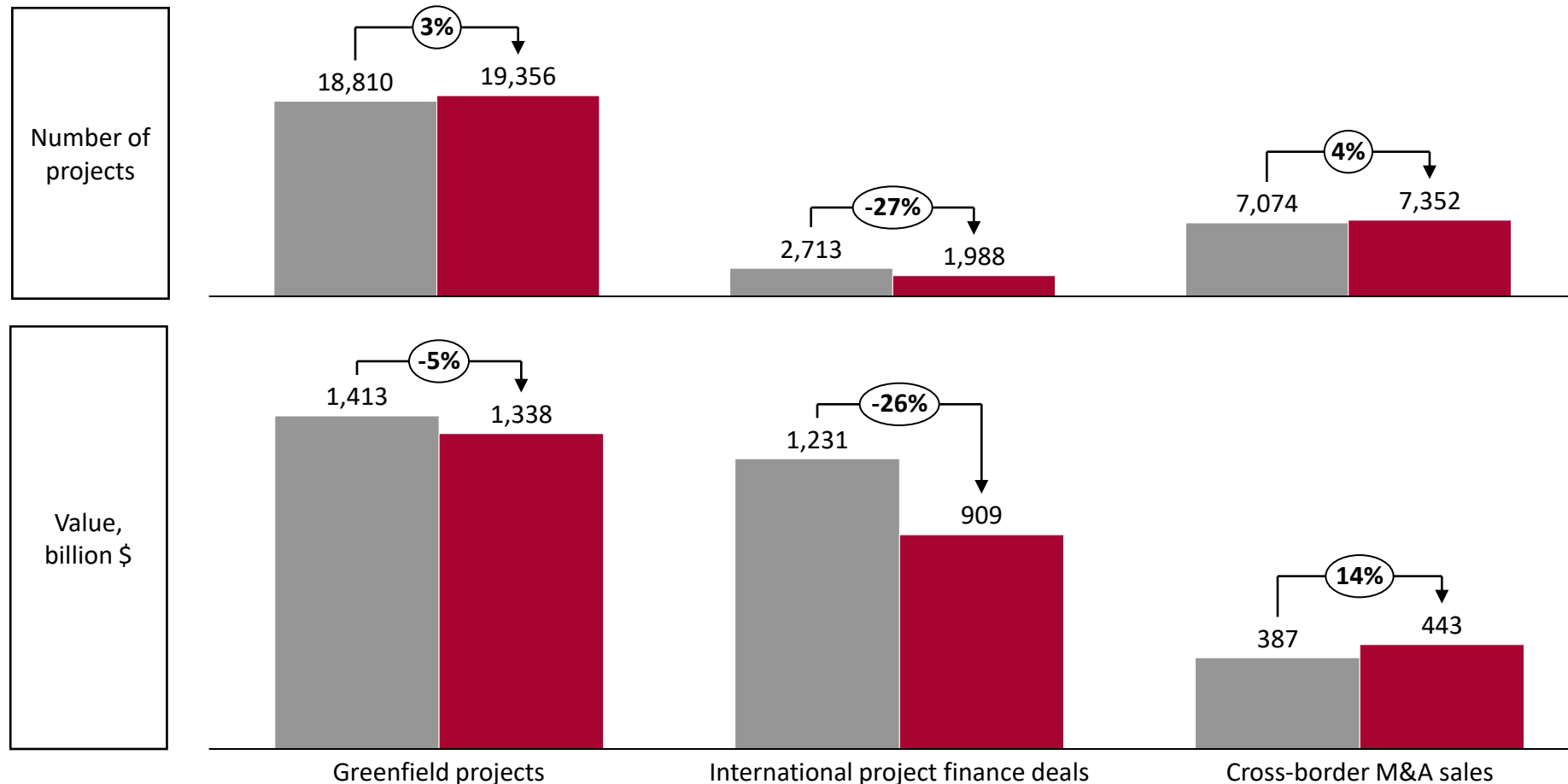
The outlook for global FDI in 2025 has deteriorated, with early-year optimism replaced by rising uncertainty and weakening fundamentals.

# 3 FDI decline in 2024 driven by infrastructure finance slump, while greenfield and M&A show selective resilience

## Global FDI trends and investment types

## Key takeaways

Global investment trends by project types, number of projects and value (billion \$), 2023-2024



FDI decline driven by project finance slump. International project finance fell 26%, continuing a multi-year decline. High borrowing costs and currency volatility are deterring infrastructure investment, especially in least developed countries.

Greenfield investments resilient but cautious. Project numbers rose 3% (third-highest ever), but value dropped 5% to \$1.3 trillion. Growth driven by semiconductors, EVs, and the digital economy, but reflects more conservative capital allocation.

Cross-border M&As partially recovered. M&A value rose 14% to \$443 billion yet remains below historical norms. Deals are shifting regionally, with firms favoring high-value strategic transactions amid ongoing uncertainty.

# 3 Continued momentum in digital sectors, while sustainability-related areas and infrastructure remained under pressure

## Leading sectors in global FDI: Greenfield projects, M&A, and project finance

## Key takeaways

### Announced greenfield projects by sector and top industries

	2023	2024	Growth (%)
Total	1413	1338	-5
Primary	77	41	-48
Manufacturing	605	590	-3
Services	730	708	-3

### Net cross-border M&A sales by sector and top industries

	2023	2024	Growth (%)
Total	387	443	14
Primary	37	20	-46
Manufacturing	141	140	-1
Services	210	283	35

### International project finance deals by top industries

	2023	2024	Growth (%)
Total	1231	909	-26

### Top 10 industries in value terms

Energy and gas	381	273	-28
ICT	122	211	73
Electronics	178	182	2
Construction	71	89	25
Automotive	91	85	-7
Coke/petroleum	56	65	16
Metals	70	59	-15
Transport/stor.	66	55	-17
Extractives	76	39	-48
Chemicals	56	38	-32

### Top 10 industries in value terms

ICT	69	114	65
Finance	14	41	181
Professional ser.	28	36	30
Pharma.	32	26	-17
Utilities	17	25	50
Electronics	6	23	296
Machinery	6	20	218
Extractives	34	18	-47
Metals	3	16	394
Trade	18	15	-15

### Top 10 industries by number

Renewables	452	348	-23
Industrial real est.	169	94	-44
Telecom.	110	150	37
Power	93	86	-8
Transport infra.	113	37	-67
Oil and gas	75	46	-39
Res./comm. real est.	46	41	-10
Mining	70	23	-67
Petrochem.	67	19	-72
Water/sewerage	13	14	11

FDI in 2024 surged in digital sectors, with greenfield investment tripling in AI, data centers, and semiconductors, though heavily concentrated in a few countries.

In contrast, SDG-related FDI fell 25–30%, especially in renewables and infrastructure. Only health saw growth.

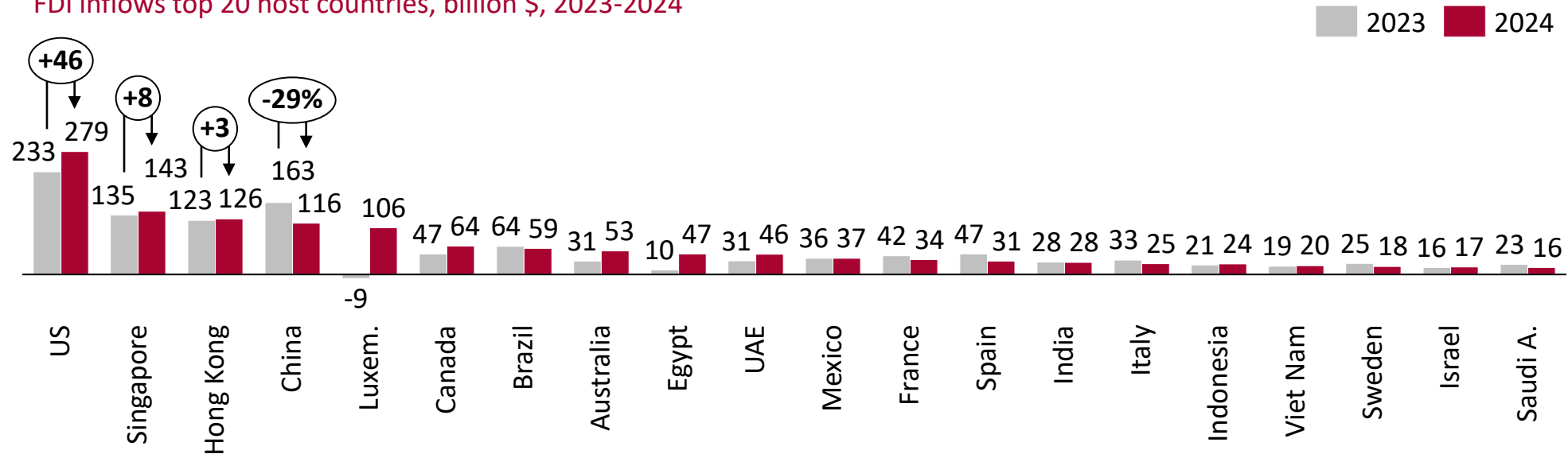
Manufacturing held steady amid supply chain shifts.

### 3 Negative FDI in some developed countries stemmed from corporate financial changes due to a global minimum tax regulation

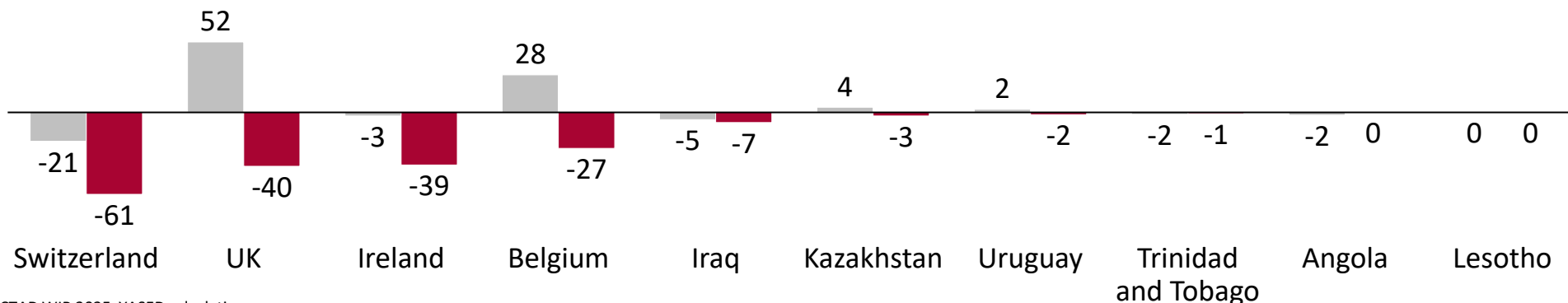
#### Disparities in inflows among top host countries and countries with lowest inflows

#### Key takeaways

FDI inflows top 20 host countries, billion \$, 2023-2024



Top 10 countries with lowest FDI inflows, billion \$, 2023-2024



In 2024, the US led global FDI inflows with \$279 billion, followed by Singapore (\$143B) and Hong Kong (\$126B).

China's inflows dropped by 29% to \$116B.

While the US, Singapore, and Hong Kong saw gains, Switzerland, the UK, Ireland, and Luxembourg recorded net negative inflows, reflecting divestments and the impact of global minimum tax rules.

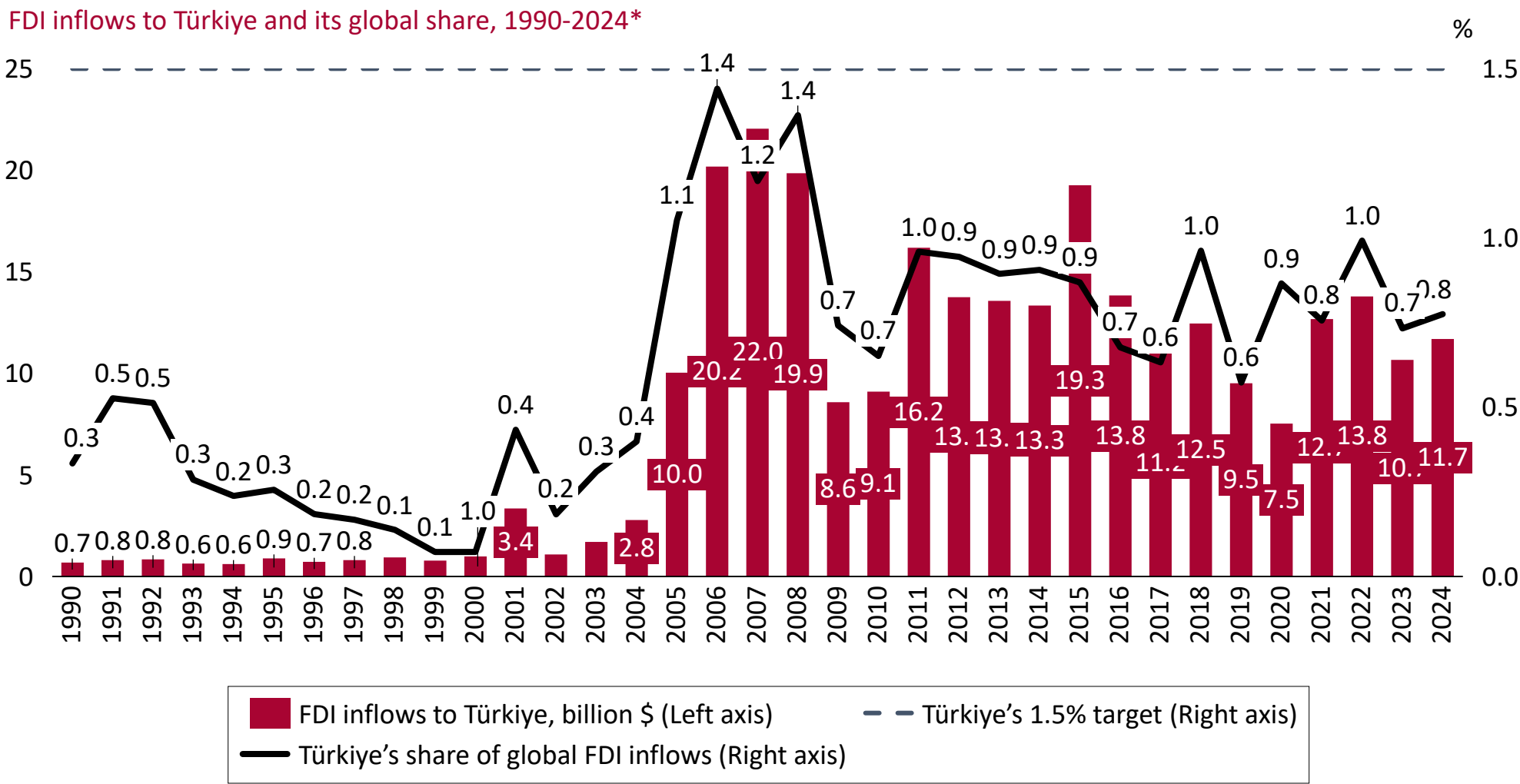
3

According to the revised UNCTAD data, Türkiye garnered 0.8% of global FDI inflows in 2024, confirming earlier preliminary statistics

yased

Türkiye’s position within the global FDI landscape

Key takeaways



According to the UNCTAD World Investment Report 2025, Türkiye garnered 0.8% of global FDI inflows in 2024, confirming earlier preliminary statistics.

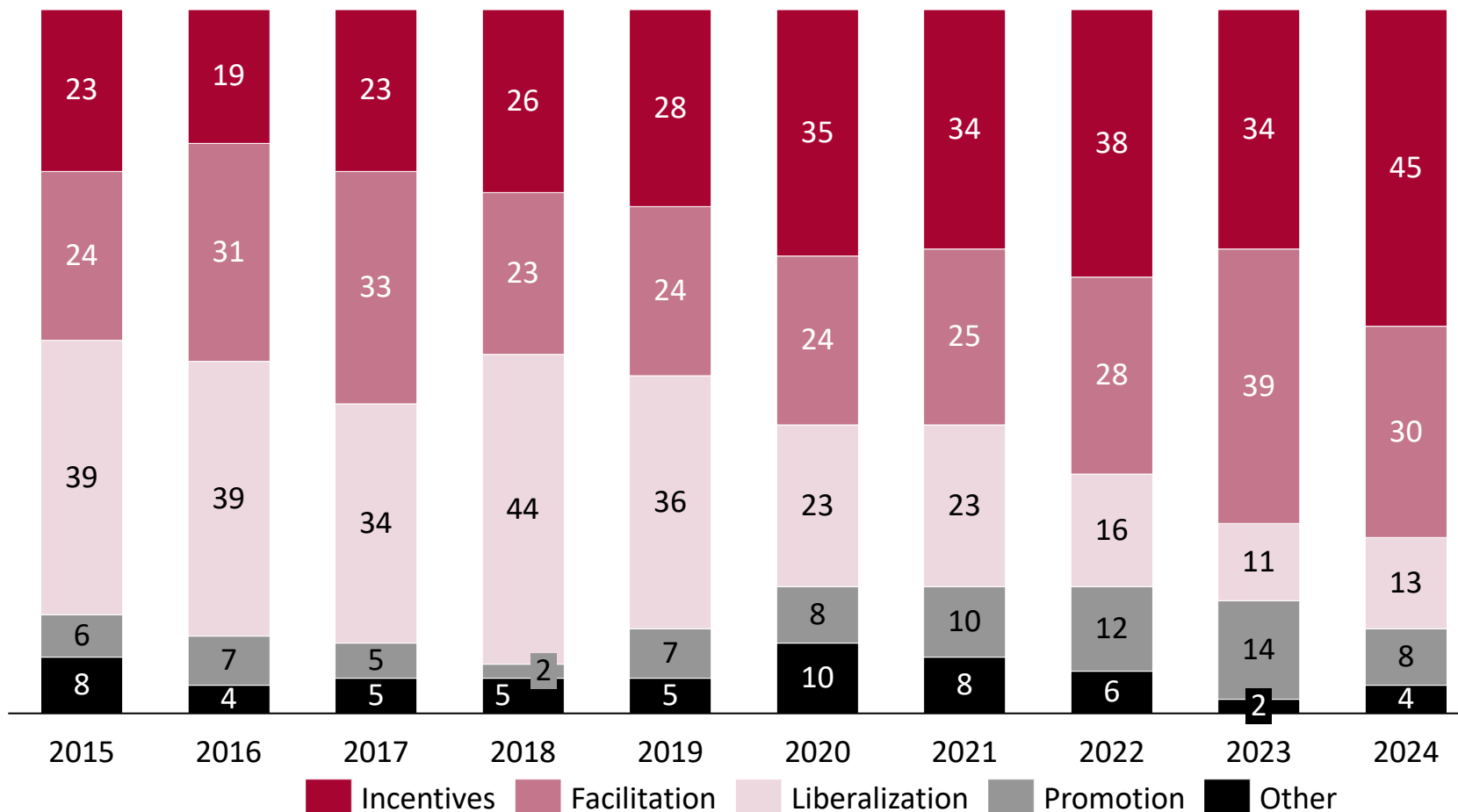
While this represents a stable position, it remains below Türkiye’s target of capturing a 1.5% global share — highlighting significant untapped potential for further investment.

Source: Central Bank of the Republic of Türkiye (CBRT) Balance of Payment Statistics, UNCTAD WIR 2025, YASED calculations

# 3 On the policy front, 2024 saw a continued shift toward state-led investment strategies

## Investment policy instruments

Distribution of policy measures more favorable to international investors in 2024 by type, %



## Key takeaways

Investment policymaking in 2024 continued to shift toward active state involvement, with a strong emphasis on incentives over liberalization and a continued rise in state screening mechanisms. Incentives became the dominant tool for attracting investment, accounting for 45% of all measures more favorable to investors, the highest share recorded in the past decade.

In contrast, liberalization measures declined significantly, making up just 13% of favorable policy actions, down from 39% in 2015.

At the same time, the use of FDI screening mechanisms continued to rise. More than 40% of restrictive or less favorable measures introduced in 2024 focused on new or tightened screening regimes, primarily adopted by developed countries.

While screening activity had previously been concentrated in Europe, it has now expanded to North America, including the US and Canada.

# CONTEXT





# 4 Appendix Tables

\* As of the first five months of 2025

## The total volume of the FDI inflows, million \$

		Annual data														Monthly data (First five months)	
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024	2025
Inflows to Türkiye		9099	16182	13744	13563	13337	19263	13835	11190	12450	9507	7675	12895	13666	10628	1616	1150
	FDI <u>equity</u> inflows	6256	16136	10761	10523	8632	12181	7579	7401	6699	5881	5791	7098	6985	5578	568	616
	Net real estate	2494	2013	2636	3049	4321	4156	3890	4643	5915	4979	3954	5634	6273	3560	920	567
	Others	349	-1967	347	-9	384	2926	2366	-854	-164	-1353	-2070	163	408	1490	128	-33

## Türkiye's FDI equity inflows by partner country and sector, million \$

### Partner country

Rank*	Country	Annual data			Monthly data (First five months)	
		2022	2023	2024	2024	2025
1	US	1180	316	255	14	189
2	Germany	479	972	687	87	98
3	Ireland	221	371	272	48	56
4	UK	1392	401	324	15	52
5	UAE	449	274	584	7	34

### Sector

Rank*	Sector	Annual data			Monthly data (First five months)	
		2022	2023	2024	2024	2025
1	Mining	65	174	171	1	167
2	Wholesale and retail trade	3392	1579	984	132	102
3	Electronics manuf.	205	372	394	93	70
4	Manuf. others	74	101	150	14	47
5	ICT	677	277	345	20	41

## YASED FDI in Figures Bulletin

# CONTACT US



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aysegul.dusundere@yased.org.tr

Following the monthly release of the official Balance of Payments Statistics, the FDI in Figures bulletin is prepared and distributed to stakeholders through the YASED website. It assesses the current state of FDI inflows to Türkiye, taking into account sectoral and geographical distribution as well as global trends.

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