



Asian FDI into Europe:
**INVESTMENT
DRIVERS FOR
EUROPEAN IPAs**



In the past 3 years, Asian companies launched more than **2,700 greenfield FDI projects across Europe** – China, Japan, and India alone account for nearly 75% of total projects and almost 80% of capital expenditure. This all signals a decisive shift from export-led relationships to long-term, embedded industrial presence within Europe.



KEY INVESTMENT METRICS (2022-2025)

 **2,700+**

Asian greenfield FDI projects

 **\$72B**

China CAPEX into Europe

 **\$45B**

Japan CAPEX into Europe

 **\$17B**

India CAPEX into Europe

 **340K+**

Jobs created across Europe

 **75%**

Share of projects from China, Japan, and India combined

WHY THIS MATTERS NOW

1. Europe is becoming the stability platform

US-China trade tensions have permanently altered Asian outbound investment logic. Even when tariffs ease, boards remember the volatility. For Asian multinationals, particularly Chinese firms, Europe now represents not just a market, but a stability hedge: a predictable production platform in an unpredictable world. The result is a structural shift from exporting into Europe to building inside it.

“It's time for Europe to take advantage of the uncertainty the US has created in global investment flows. Asian investors value stability — and they're actively looking for it.”

John Evans, Managing Director, Tractus

2. Asian FDI and European industrial policy are converging

This investment wave aligns directly with Europe's own strategic priorities.



The Green Deal Industrial Plan is accelerating investment in clean tech and renewable energy infrastructure.



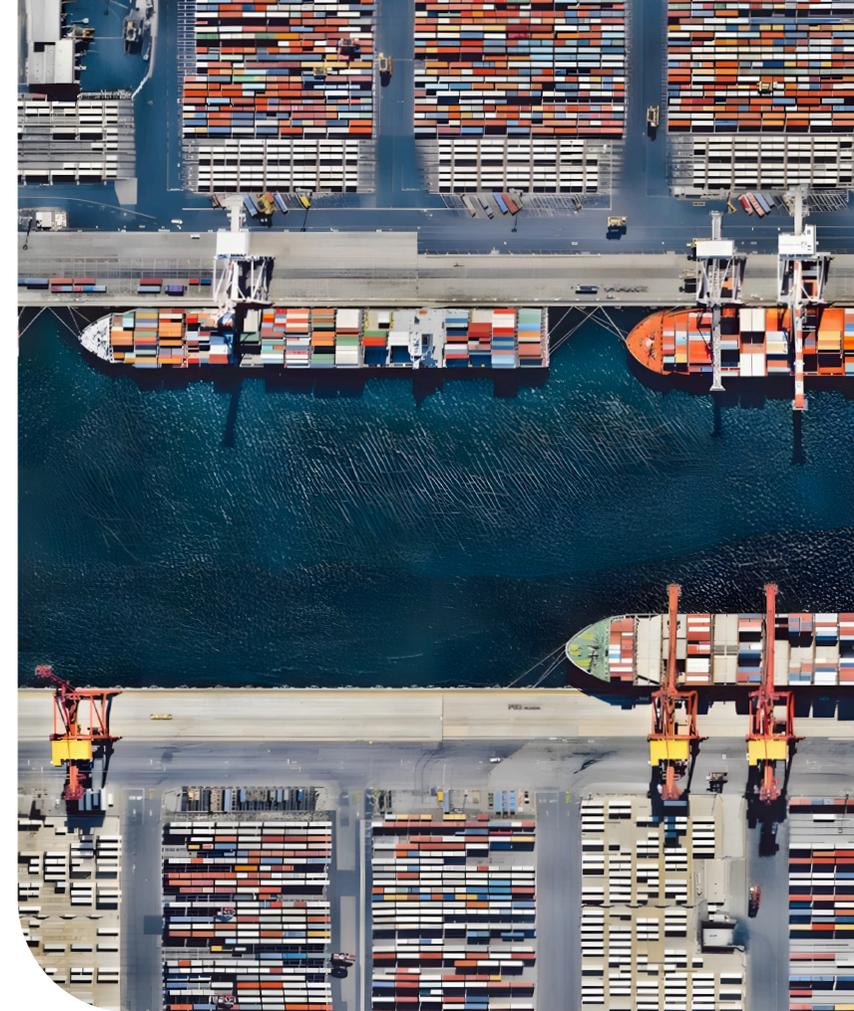
The European Chips Act is driving semiconductor manufacturing capacity into Europe, pulling in Asian capital at scale.

For IPAs, this convergence creates a narrow window: regions that position themselves now will capture the anchor investments. Those that wait will be competing for secondary projects.

3. Industrial-scale real estate demand

These are not light-footprint investments. The projects reshaping Europe's industrial map require:

- 100–300+ hectare industrial sites
- Secure grid access and long-term power purchase agreements
- Multimodal logistics connectivity
- Proximity to skilled technical and engineering labor



CATL

Large battery plants



BYD

EV production



tsmc

Semiconductor fab



EUROPE'S ANCHOR MARKETS FOR ASIAN FDI

Western Europe: Market Access & Ecosystem Depth

United Kingdom

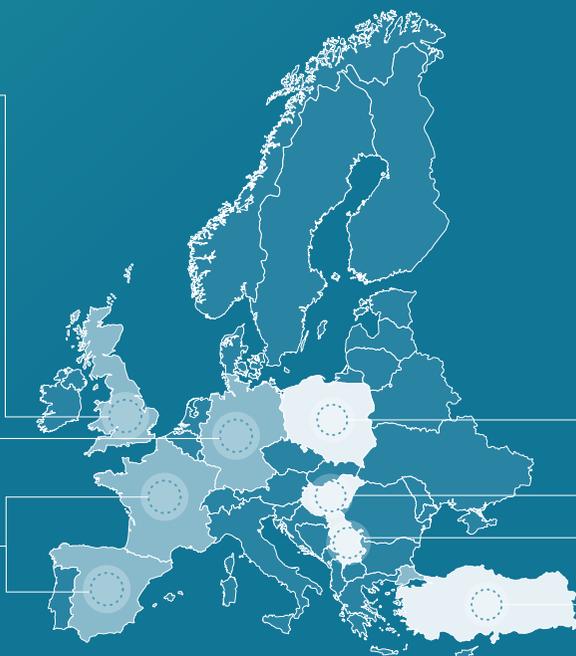
Combines financial depth, R&D capability, and broad market access. Draws strategic infrastructure and high-value manufacturing, particularly in energy and life sciences.

Germany

Highest capital expenditure in Europe. Attracts semiconductor and automotive suppliers at scale. TSMC's €10B chip facility is the defining anchor investment of the decade.

France and Spain

Strong automotive ecosystems and growing renewable energy infrastructure investment. France's nuclear base and grid infrastructure are drawing increasing attention from Asian energy investors.



Central & Eastern Europe: Manufacturing Platforms

Poland & Hungary

Primary landing zones for large-scale battery and EV manufacturing. CATL and BYD have both committed to significant facilities in Hungary. Poland draws electronics and automotive assembly at volume.

Turkey & Serbia

High job creation relative to capital deployed. Serbia's concentrated industrial investments (particularly in metals and mining) reflect a few large-scale plays rather than broad diversification.

CEE consistently outperforms Western Europe on jobs-per-dollar-invested. For IPAs in this region, the pitch is clear: competitive costs, strong clustering, and national incentive frameworks that work.

Acquisition wave: Europe's valuation opportunity

- European corporate valuations remain relatively depressed in several industrial sectors due to slower growth cycles, margin compression, and energy cost volatility.
- This creates a buy-side window for well-capitalized Asian firms. Chinese, Japanese, and Indian companies with strong balance sheets are increasingly pairing market expansion needs with opportunistic European acquisitions.
- For IPAs, this means M&A activity (not just greenfield) is part of the Asian FDI conversation.

SECTOR SPOTLIGHT: WHERE CAPITAL CONCENTRATES

Asian investment in Europe has evolved from trade-driven engagement to long-term industrial anchoring. Capturing this capital requires early engagement, sector focus, and sustained relationship-building.



Electronic Components & Semiconductors

~62,000
jobs created

Highest CAPEX &
job creation sector

The highest-value segment of Asian FDI into Europe by both jobs and capital. These projects are infrastructure-intensive: cleanroom-ready industrial parks, advanced grid access, and proximity to engineering talent are non-negotiable site requirements.



Automotive OEM & EV Supply Chain

Concentrated across Hungary,
Germany, Spain, and Poland.

Battery manufacturing and EV assembly projects reflect a clear strategic logic: avoid European tariffs on Chinese-built vehicles, integrate into European value chains, and position for the continent's 2035 combustion engine phase-out. Site requirements include gigafactory-scale land and multimodal logistics connectivity.



Renewable Energy & Communications

Fewer projects, but extremely high
capital intensity per project.

Long-duration infrastructure plays aligned with Europe's decarbonization and digitalization priorities. Demand focuses on grid-adjacent industrial land, energy parks, and data center-ready real estate capable of supporting high-load operations at scale.

Southeast Asia: the under-targeted opportunity

- China, Japan, and India dominate headlines, but Southeast Asia's large, family-controlled listed conglomerates in Thailand, Vietnam, and Malaysia are facing saturated home markets and shareholder pressure to expand internationally.
- This is not mass-volume outbound investment. It is core-business expansion and targeted acquisitions, operationally manageable European footholds.
- China may have 100,000 outbound-capable firms. Thailand has 40–60 relevant listed conglomerates. That enables curated, board-level outreach rather than broad in-market campaigns, more selective, but more relationship-driven.

INVESTMENT MOTIVES & STRATEGIC TAKEAWAYS

What Asian investors actually prioritize

Primary drivers

- Proximity to customers and end markets
- Access to domestic market growth
- Availability of skilled technical workforce

Market access beats subsidies. Ecosystem depth beats short-term fiscal incentives. The data is unambiguous: Asian FDI into Europe is overwhelmingly market-seeking, not cost-seeking.

Secondary drivers

- Technology clusters and innovation ecosystems
- Transport infrastructure and logistics access
- Regulatory stability and European institutional framework

Taxes, incentives, and natural resources rank near the bottom. IPAs leading with incentive packages are answering a question investors aren't asking.

Geopolitics is restructuring deal logic

The regulatory and trade environment is actively pushing Asian capital into European production. Key pressure points:

- European tariffs on Chinese EVs are making local production economics more attractive than import.
- Import quotas on steel alloys incentivize European-based downstream processing.
- US-China trade friction is pushing diversification of production bases into Europe.
- India-Europe trade negotiations are creating new incentives for Indian manufacturing inside Europe.

In response, investors are structuring deals through joint ventures, phased capital deployments, and subsidiary incorporation strategies designed to navigate regulatory scrutiny while maintaining flexibility.

“Locations need to clearly understand their assets based on the corporate FDI demand side, and leverage this by applying stringent target market analysis in Asia.”

Andrew Clutz, Economic Development Head & Europe Representative, Tractus

STRATEGIC TAKEAWAYS FOR EUROPEAN REGIONS

Strategic takeaways for European regions



Pipeline concentration

Three countries account for ~80% of Asian FDI into Europe. That concentration is a pipeline for regions that engage early, and a vulnerability for those that don't. Greater outreach to India, Singapore, and South Korea will reduce geopolitical exposure and broaden the investor base.



Regional differentiation

Western Europe wins on market access and R&D. CEE wins on manufacturing cost and clustering. Nordics win on specialization. Each region has a credible pitch, but it needs to be the right pitch for the right investor.



Sectors to target

Electronic components and semiconductors dominate CAPEX and job creation now. Renewable energy and EV supply chains are where the next wave of capital is heading. Regions with energy-secured industrial land and EV-ready infrastructure will win the next decade.

ABOUT TRACTUS

How Tractus supports investment attraction

Asian investors have capital, strategic intent, and a clear rationale for coming to Europe. What they often lack is on-the-ground knowledge of European markets, regulatory environments, and the right regional partners. European IPAs have locations, incentives, and mandates, but limited networks into Asian outbound investment pipelines.

Tractus sits between both sides. We have spent decades building relationships with Asian companies across their home markets, and we understand how they make location decisions, from the boardroom logic to the site selection criteria. We work with European IPAs to translate that investor knowledge into a targeted, credible outreach strategy.

Our investment attraction programs

Investment Strategies Data-driven investment attraction through location analysis, target markets, and investor targeting.

Investment Attraction Customized investor lead generation programs powered by global site selection networks and on-ground teams.

Meetings Programs Structured meeting programs with pre-qualified companies, including on-site, trade show, and conference meetings with local execution support.

Promotional Events High-impact live and virtual promotional events tailored to priority investor audiences.

Representation Flexible in-market representation through our international office network.

Site Selector Outreach Direct access to a global network of leading site selectors through introductions, targeted meetings and inward familiarization tours.

30 YEARS OF RESULTS, AND NO SINGLE "ASIAN STRATEGY"

Tractus brings deep market knowledge and proven execution to Europe market strategies. Our work with European countries, regions, cities and industrial zones spans investment analysis, attraction strategy, in-market representation, and facilitation, giving us a clear understanding of both the opportunities and the practical realities of attracting Asian capital to Europe.

Each Asian market requires a different engagement model. A uniform approach misses the pipeline.



China | Targeted sector positioning, policy navigation, and in-market advocacy. Significant outbound volume but requires strategic filtering.

Japan | Long-term relationship cultivation and physical in-market presence. Relationship-driven and culturally insular. Without it, pipeline access is limited.

India | Real-time pipeline monitoring and local engagement. Fast-moving, fast-evolving, the opportunity window moves quickly.

Korea & Taiwan | Sector-specific targeting in semiconductors and advanced electronics. Selective but high-value.

Southeast Asia | Curated identification of specific listed conglomerates. Project-based targeting, direct board-level engagement.

LET'S TALK ABOUT YOUR STRATEGY

European countries and regions moving now are positioning themselves ahead of the next wave. Whether your goal is attracting Asian manufacturing, securing anchor investments in semiconductors or renewables, or building a longer-term investor pipeline, the strategy starts with understanding which investors are looking, what they need, and how to get in front of them.



Andrew Clutz

Head of Economic Development & Europe Representative

+1-617-306-1541

andrew.clutz@tractus-asia.com

www.linkedin.com/in/andrew-clutz-a155752/

Schedule a consultation to discuss how Asian FDI opportunities align with your economic development goals.





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