

GCC: 2024 Greenfield Foreign Direct Investment

Sector economics | 6 March 2025

- Despite an annual decline in the value of global greenfield project announcements, the level remains high by historical standards, supported by several large-scale projects related to the manufacturing of semiconductors and AI technology.
- The value of new greenfield projects in the UAE fell 33% y/y in 2024 to USD 14.5bn, representing a normalisation after a particularly strong 2023. Dubai remained the largest recipient of greenfield FDI in the UAE, accounting for around 58% of the total value of announced projects, followed by Sharjah with almost 12% in 2024.
- Industries that saw the largest value of announced greenfield projects in the UAE in 2024 include real estate, software & IT, renewables, coal, oil and gas, business services, and automotive OEMs.
- Although the value of Saudi greenfield project announcements declined 28% y/y in 2024 to almost USD 22bn, it remains strong, being the third highest annual value on record.
- The US, China, the UK and the UAE were the top source countries for Saudi greenfield projects in 2024. The value of projects stemming from the US saw a sharp rise in 2024, driven by a USD 5.3bn investment by Amazon Web Services in data and innovation centres.

Value of global greenfield FDI declines in 2024

Global FDI flows declined in 2024 in both value and volume. UNCTAD estimates that the number and value of announced greenfield FDI projects declined by 8% and 7% y/y respectively. Despite the annual decline, the value of greenfield project announcements remains high by historical standards because of several large-scale projects related to the manufacturing of semiconductors and AI technology. The UAE features as the source country for two of the top 10 projects by value of investment, including a real estate investment into Ras El-Hekma in Egypt by ADQ and an investment by Mubadala in semiconductor manufacturing in the US.

While the aggregate value of greenfield projects fell in 2024, there were pronounced differences across geographical regions. Developed economies saw a 15% y/y rise in the value of announced greenfield projects, disproportionately driven by large increases in the value of projects in the US (+93% y/y) and the UK (+32% y/y). In contrast, developing economies saw a 24% y/y decline in the value of announced greenfield projects.

Top 10 greenfield project announcements in 2024, by value

| Source country | Destination country | Industry | Company | Amount (USD bn) |
|----------------|---------------------|------------------------------------|----------------------|-----------------|
| Netherlands | Argentina | LNG | Shell PLC | 30 |
| Taiwan | USA | Semiconductors | TSM | 25 |
| South Korea | USA | Semiconductors | Samsung Group | 24 |
| UAE | Egypt | Real Estate | ADQ | 24 |
| Luxemburg | India | Iron & Steel mills | ArcelorMittal | 16.5 |
| USA | Mexico | LNG | Mexico Pacific | 15 |
| USA | UK | Data processing & hosting services | QTS Realty Trust | 13 |
| Taiwan | India | Semiconductors | Powerchip Technology | 11 |
| UAE | USA | Semiconductors | Mubadala | 11 |
| USA | UK | Data processing & hosting services | Amazon | 10.5 |

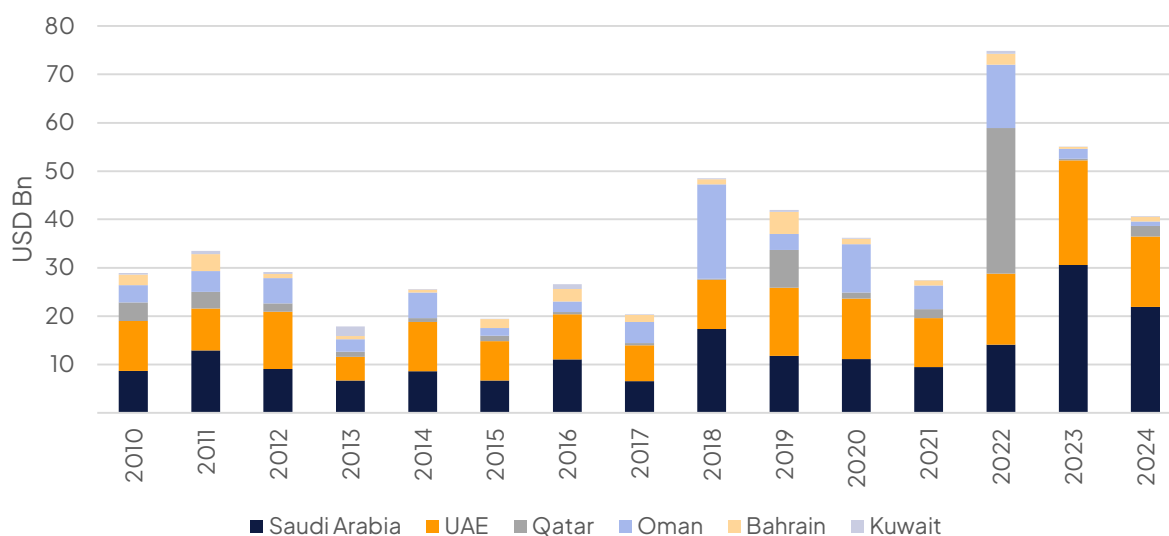
Source: fDiMarkets, Emirates NBD Research

Value of GCC greenfield projects falls but number of projects stable

Across the GCC, there was a marginal rise in the number of announced greenfield projects, increasing by just under 1% to 1,830 from 1,813 in 2023. Despite the low pace of growth, the number of new projects remains well above the pre-Covid average. There does, however, appear to have been a decline in the average project value across the GCC, with the total value of projects having fallen by 26% y/y in 2024.

Saudi Arabia and the UAE remain the primary destination markets for greenfield FDI within the GCC, accounting for 54% and 36% of the total value of projects in the regions in 2024. The value of new investments into the UAE and Saudi Arabia declined in 2024.

Value of announced GCC greenfield projects



Source: fDiMarkets, Emirates NBD Research

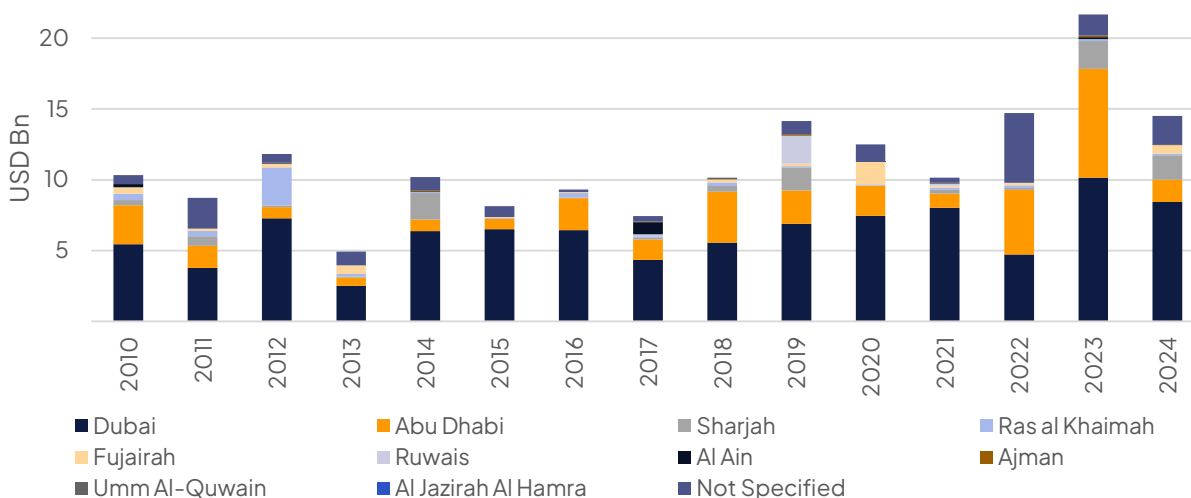
The primary sources of FDI into GCC economies in 2024, on a value basis, included the US (25%), China (17%), the UK (9%) and India (9%). The UAE also made a material contribution to greenfield FDI in the rest of the GCC, accounting for 5% of announced projects in 2024. Sectors seeing the highest value of greenfield projects include communications (18%), renewables (14%), metals (8%), electronic components (8%), as well as coal, oil and gas (8%).

UAE greenfield investment mirrors global pattern

The value of new greenfield projects in the UAE fell 33% y/y in 2024, despite the number of projects rising 2%. The value of 2024 announcements appear to be normalizing, after a particularly strong 2023.

Dubai remained the largest recipient of greenfield FDI in the UAE in 2024, accounting for around 58% of the total value of announced projects, followed by Sharjah with almost 12% in 2024. Abu Dhabi accounted for just under 11% of the total value of announced projects last year but saw a sharp reduction from the levels seen in both 2022 and 2023, years in which there were substantial investments made in renewables, automotive OEMs and the ICT sector.

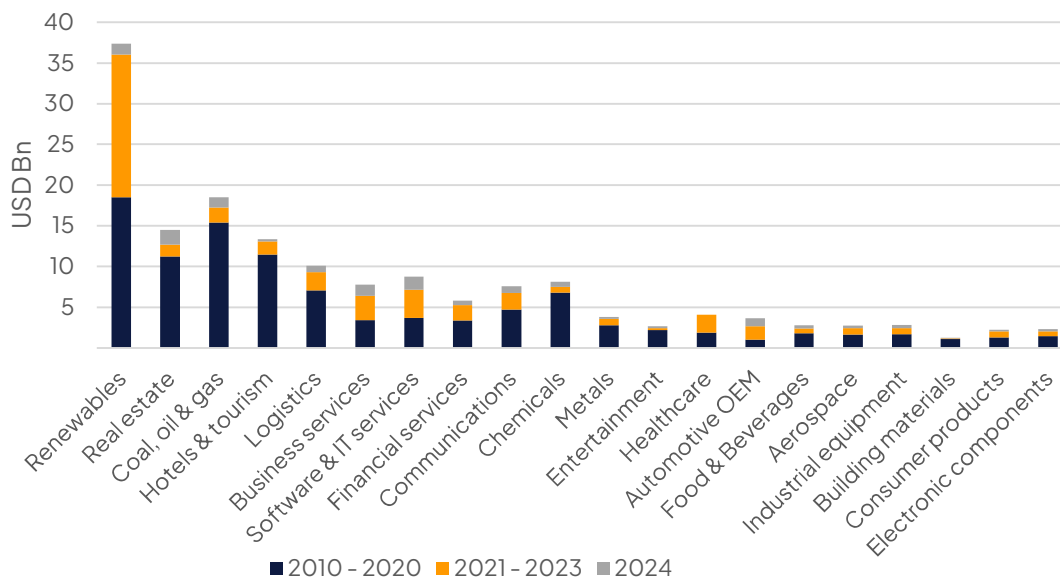
Value of announced UAE FDI greenfield projects, by destination



Source: fDiMarkets, Emirates NBD Research

The main sources of FDI for projects in the UAE remain India, the US and the UK. Real estate, software & IT, renewables, coal, oil and gas, business services, and automotive OEMs were the industries that saw the largest value of announced greenfield projects in 2024. Notable projects include a USD 680mn project by Saudi-based ACWA Power for the development of a water plant in Sharjah, two solar power projects worth USD 633mn each, a USD 600mn bio-fuel processing plant in Fujairah, and several automotive OEM projects.

Value of UAE FDI greenfield announcements, by industry



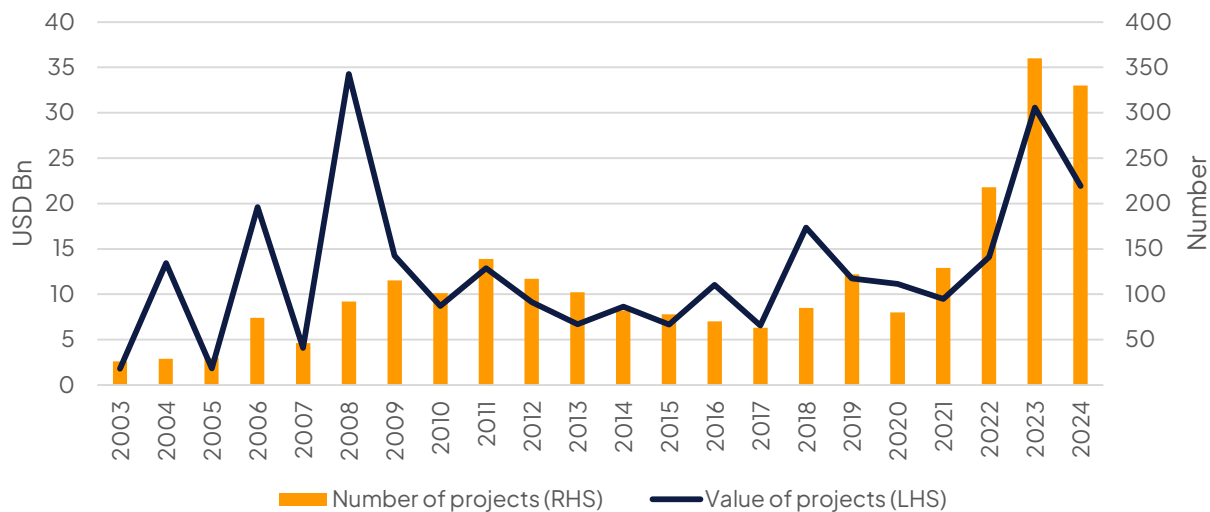
Source: fDiMarkets, Emirates NBD Research

Value of Saudi-based announcements declined in 2024 but remains high

Saudi Arabia has set an explicit target for FDI in its Vision 2030 plans, hoping to attract USD 100bn annually by 2030, with greenfield FDI projects playing an important role in reaching that figure. Although the value of Saudi greenfield project announcements declined 28% y/y in 2024 to just under USD 22bn, it remains a strong showing, being the third highest annual value on record. Scaling up to achieve the required levels of inflows will be abetted by a series of reforms. These include allowing 100% foreign ownership of companies, a bankruptcy law, and more recently a new law unifying the treatment of foreign and local firms to ensure a level playing field.

The US, China, the UK and the UAE were the top source countries for Saudi greenfield projects in 2024. The value of projects stemming from the US saw a sharp rise in 2024, driven by a USD 5.3bn investment by Amazon Web Services in data and innovation centres. While China remains a significant source of greenfield projects in Saudi, the value of project announcements from Chinese companies fell materially in 2024, dropping to USD 5.8bn from over USD 17bn in 2023. The decline between 2023 and 2024 likely represents a normalization of trends, with several large-scale manufacturing projects being announced in 2023.

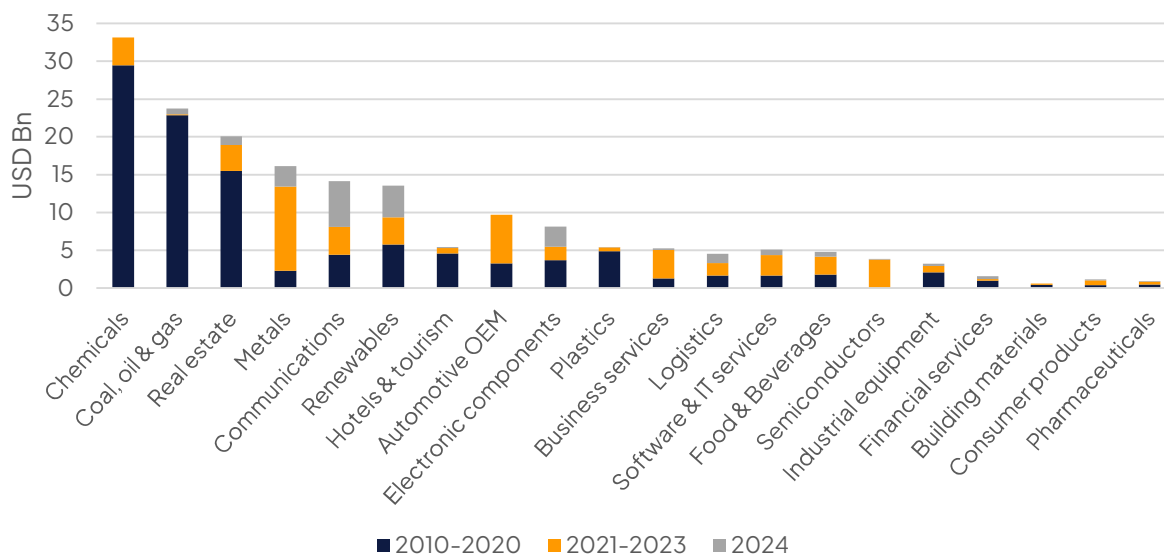
Value of announced KSA greenfield FDI projects



Source: fDiMarkets, Emirates NBD Research

Industries that saw the largest investment over the course of 2024 include communications, renewables, metals, and electrical components. Apart from the Amazon Web services project, other notable projects include a USD 3.45bn investment by Chinese firm, Zhuoyue New Energy in a bio-fuels production facility, a USD 2bn investment by UK-based Vedanta Resources in a copper-processing facility, and a USD 1bn solar cell and module plant by Chinese firm, JinkoSolar.

Value of KSA greenfield FDI announcements, by top 20 sectors



Source: fDiMarkets, Emirates NBD Research

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