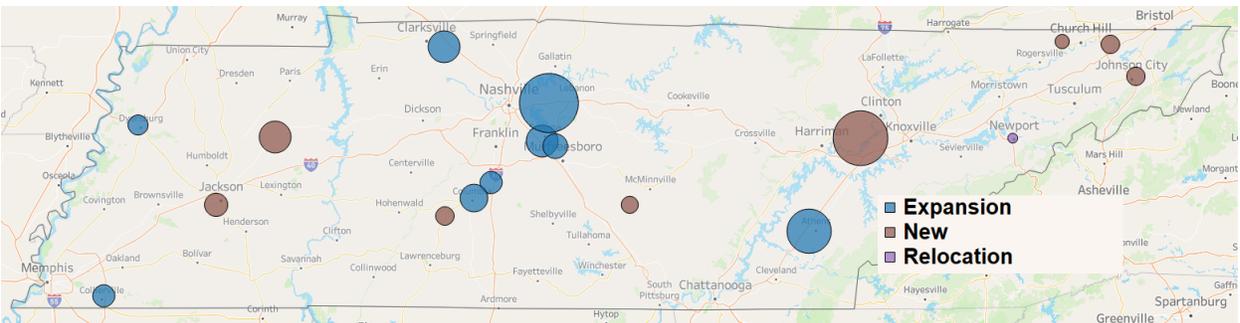


2024 Foreign Investment into Tennessee

In 2024, Tennessee was once again the site of substantial new foreign investment. As has been the case for many years, the state attracted considerably more investment by companies headquartered outside of the U.S. than did most of the rest of the country. Twenty-one firms announced new foreign investments in the state or expanded their existing activities. Together, they accounted for some \$5.6 billion in new economic activity. This stands behind only 2021 in the total size of the investment. This investment combined to create 2,502 jobs in eighteen different communities.



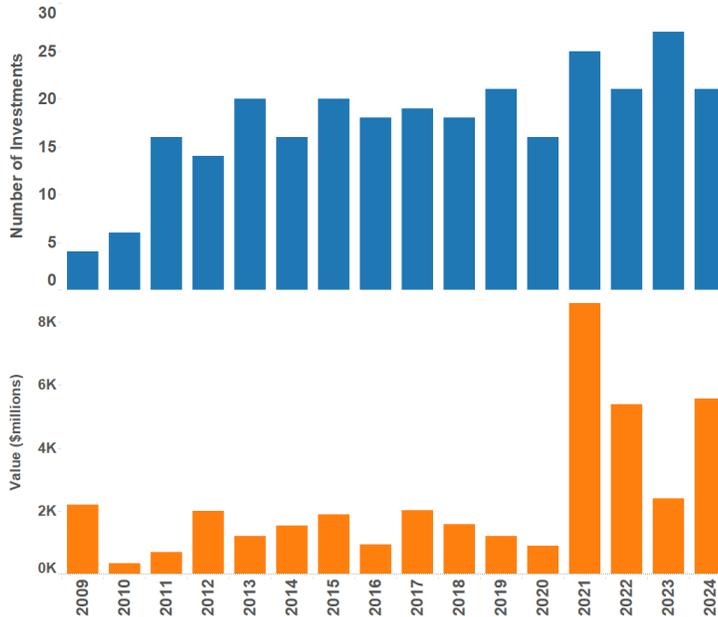
Orano

By far the largest investment of the year, indeed perhaps the largest foreign investment ever into the state of Tennessee, was made this past September by the French firm Orano. Orano chose Oak Ridge to be the site of its new centrifuge uranium enrichment facility. We don't actually know the precise dollar value of this investment. It was announced as "multi-billion dollar." But state sources claim it to be the largest foreign investment ever into Tennessee. That means that it will exceed \$5.6 billion. Since the dollar figure of \$5 billion has also been stated, that is what we use here. Either way, it is a monumental investment.

It clearly dwarfs anything else that happened in 2024. But there were several other sizable investments. Denso expanded its Athens automobile HVAC plant to the tune of \$100 million, while the French firm Schneider twice expanded grew its Mt. Juliet electrical switchgear and power distribution manufacturing operations, each time by over \$80 million.

These Schneider investments resulted in the largest announced new employment: over 800 new jobs. The Orano operation is expected to employ 305 workers. Also producing

Figure 1: Trends



more than 200 jobs was the expansion of the Topre plant in Smyrna.

European Investment Dominated

For the first time in many years, the state’s investment picture was not dominated by Asian firms. In 2024, twelve of the year’s 21 investments came from Europe, led by 5 from France. French firms in fact accounted for 1,346 of the year’s new jobs, more than half of the total.

Following recent years, both Japanese and South Korean firms were active as well. Five Japanese firms combined to invest \$187 million in the state, and three South Korean firms are sending investments of \$133 million.

The relocation of the Canadian firm Regenx constituted the sole investment from anywhere else in the world.

Location

One-third of the year’s investments were in the Nashville area, making this region the recipient of more individual investments than any other. These seven investments are producing 1403 jobs, more than half of the state’s total. The remainder of the investments were widely distributed around the state. Spring Hill, Mt. Juliet, Smyrna, and Mount Pleasant each attracted two investments. Another Big Year for Automotive

Figure 2: Where in the World?



Investment Eight of the 2024 new investments were in the automotive sector, which hardly comes as a surprise. This has been the leading industry for foreign investors for several decades. About half the value of the non-Orano foreign investment was in this sector. If we define energy very broadly, we can claim five investments into this sector (a nuclear, an oil and gas, and three electricities). Otherwise, the investments were in very diverse economic sectors.

2025 will be an interesting year for many now obvious reasons. But of particular note is that a substantial part of the foreign investment into this state in recent years has involved electric vehicles. Will that continue? There is at least some reason to think that the industry has become more cautious. As far as the trade war goes, predicting its consequences for foreign investment is hazardous at best. On the one hand, foreign investment declines as global economic activity declines and uncertainty grows. On the other, fear of trade barriers has, in the past, motivated investment into the U.S. There's nothing to suggest that the state's foreign investment hot streak is coming to an end. Which trend proves the stronger will likely play a big role in the size and composition of foreign investment into the state in the coming months and years.

Figure 3: New FDI Employment

