

RESEARCH REPORT

From investment announcements to operating capacity

Financial inflows and project announcements do not establish operating capacity. Official reporting from five economies and an original project ledger separate expenditure, acquisitions, construction, commissioning, utilization, and the timing of realized production.

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An investment announcement records an intention. A financing transaction records a claim or a transfer of resources. Construction records work on an asset. Operating capacity records a service that can be used in production. These stages can be related without occurring in the same year or carrying the same monetary value. Treating them as interchangeable can turn a pipeline of possible activity into an unsupported claim about output already available.

This report examines official investment reporting in the United States, Mexico, India, Viet Nam, and the United Arab Emirates. The sources describe acquisitions, financial inflows, reinvested earnings, registered investment, disbursement, and public announcements. Their distinctions provide the basis for a project-stage ledger. An original hypothetical portfolio shows how the choice of unit and denominator changes an apparent completion measure.

The main conclusion is that the evidence required depends on the claim. A project can be genuinely financed and still lack an operating connection or qualified output. A business acquisition can transfer substantial capital without immediately adding productive capacity. A completed plant can begin below its design output. A credible investment assessment follows the project and the production service separately from the headline value attached to its announcement.

The official records already distinguish different events

The U.S. Bureau of Economic Analysis's July 11, 2025 release for new foreign direct investment in 2024 distinguishes acquisitions, new establishments, and expansions. It also separates first-year expenditure from planned total expenditure, including future spending. The categories show why even an official measure described as new investment is not necessarily a measure of newly operating physical capacity. This report uses the dated release to establish those definitions, rather than present its preliminary values as the latest revised totals. [BEA, New Foreign Direct Investment in the United States, 2024](#).

Mexico's Secretariat of Economy separately publishes a public-investment-announcement record and statistics on realized FDI flows. Its February 25, 2026 release for 2025 reports that reinvested earnings accounted for 67.7 percent of inflows, alongside new investment and intercompany accounts. The announcement record and the flow record do not represent the same set of transactions completed on the same calendar. Their totals therefore cannot be divided to obtain a project-completion rate. [Secretariat of Economy, 2025 public announcements; 2025 FDI release](#).

India's Ministry of Commerce and Industry reported provisional FDI inflows of \$81.04 billion for financial year 2024-25 in a May 27, 2025 release. It separately describes sector and state distributions of FDI equity. The distinction between a total inflow and an equity distribution should be preserved. Neither provides a direct physical measure of factories commissioned, service capacity activated, or output delivered during the year. [Government of India, FDI inflows in 2024-25](#).

Viet Nam's National Statistics Office reports 2025 registered foreign investment of \$38.42 billion, including new registrations, adjustments, and capital contributions or share purchases, alongside estimated disbursed FDI of \$27.62 billion. Those are different measures with different transaction and timing content. Their ratio is not the share of projects announced in 2025 that became operational in 2025. Disbursements can relate to earlier registrations, while new registrations can concern spending in later years. [Viet Nam NSO, fourth-quarter and 2025 release, investment section](#).

The UAE Ministry of Investment's 2025 FDI report distinguishes financial inflows from announced greenfield projects. Its reporting for 2024 describes \$45.6 billion of inflows and separately reports project announcements. A financial flow and a count of announced projects provide different information and use different units. Neither can establish the operating status of an individual facility without project evidence. [UAE Ministry of Investment, Foreign Direct Investment Report 2025](#).

These examples do not imply that one reporting system is inadequate because it does not answer every production question. Investment statistics are designed for particular purposes. The analytical error arises when a reader assigns a different meaning to them. Financial flows, registrations, and announcements are useful evidence when their scope is retained and supplemented with the physical and commercial observations needed for an operating-capacity claim.

A project has several clocks

The corporate decision can precede public announcement, and the announcement can precede final approval. A board may authorize detailed development while retaining conditions on finance, permits, technology, or demand. The public description should therefore be read for its actual commitment and conditions. A stated investment envelope over several years is different from an unconditional obligation to spend the full amount immediately.

The financing clock has its own stages. An expression of lender interest differs from credit approval, signed documentation, satisfaction of conditions, and actual drawing. Equity can be committed but not yet paid. A loan facility can be available for a stated purpose without being fully used. Recording these events separately prevents a financing announcement from being counted again as an independent production project.

The physical clock follows land preparation, construction, equipment delivery, installation, testing, and commissioning. These stages can proceed at different speeds across parts of a large project. A completed building does not establish that machinery is connected, and installed machinery does not establish that the product meets the customer's specification. The relevant evidence should identify which part of the asset can actually provide a service.

The commercial clock concerns orders, qualification, output, delivery, and payment. A technically operating line may produce trial goods before customers accept them. A qualified line may have insufficient demand to operate near design capacity. A business can also build inventory before recording sales. The measurement should specify whether it concerns technical availability, accepted production, utilization, or realized revenue.

A final employment clock should be kept distinct. Construction employment can peak before operation. Technical specialists may leave after installation, while operating staff are recruited gradually. A count of people employed at an acquisition can largely describe an existing workforce. Planned employment at full operation, current headcount, and additional positions attributable to the project are therefore separate observations.

A project-stage ledger for review

The ledger should identify the physical project rather than use every press release as a new record. Each entry needs a stable identifier, site, investor, operating entity, activity, and relationship to earlier announcements. A later expansion, revised budget, ownership change, or renamed phase should be linked to the existing record. That structure prevents a genuine series of updates from inflating the count of independent investments.

Dates should identify both the event and the source reporting it. The date of a release is not necessarily the date of an investment decision or construction milestone. The evidence should retain the planned date, any revision, and the observed completion date where available. An analyst should be able to reconstruct what was known at a particular cutoff rather than silently replace the original plan with the latest estimate.

Stage	Observation needed	What the observation alone does not establish
Announcement	Named project, scope, value, horizon, conditions	Binding finance or actual expenditure
Commitment	Approval and the obligations undertaken	All conditions satisfied or money drawn
Finance	Paid equity or drawn funding, with use and date	Domestic fixed-capital formation of the same amount
Construction	Verifiable physical work and scope	Complete equipment or an operating connection
Commissioning	Tests, approvals, and usable asset section	Full utilization or accepted commercial output
Operation	Available capacity and actual output	Permanent demand or the full local value-added effect

The evidence for a stage should be proportionate to the claim. A dated official permit can establish an authorization within its scope. An investor’s update can establish what the investor reports, with the attribution retained. A financial statement can record expenditure or assets under its accounting rules. Independent operational evidence may be necessary for a stronger claim about output. These are different evidentiary roles rather than interchangeable confirmations.

Uncertainty should remain visible in the analytical record. If an operating date is reported but the exact capacity of the first phase is not disclosed, the ledger should not assign the full project capacity to that date. If an amount combines land, acquisition, equipment, and working capital, it should not be treated wholly as new construction. A narrower verified statement is more useful than a complete-looking table built from unsupported allocations.

An original five-project portfolio

The following portfolio is entirely hypothetical. Money is expressed in common monetary units. Physical capacity is expressed in a separate common annual output unit for comparable products. The example assumes the capacity units are genuinely comparable across the relevant new facilities; that condition would need evidence in a real portfolio. Project D is an acquisition of an existing business, while the other four are proposed additions to capacity.

Hypothetical project	Announced transaction or project value	Cumulative cash expenditure	Initially planned new capacity	Current new operating capacity	Status at cutoff
A	100	20	40	0	Construction in progress
B	200	130	80	40	First phase operating
C	60	60	30	30	Full planned facility operating
D	150	150	0	0	Existing business acquired
E	90	10	50	0	Project canceled after preliminary spending
Total	600	370	200	70	Mixed stages and transaction types

D's existing facility has capacity of 100 in the same physical units, but no addition is assumed. Its ownership transfer therefore adds zero to the portfolio's new capacity measure. That does not imply the acquisition has no economic value or no later investment. It specifies that a change of owner and an increase in capacity are different events. The original business and its workforce should not be presented as newly created by the transaction.

Total cash expenditure of 370 also is not new operating capacity. Removing the acquisition leaves 220 of cumulative expenditure associated with the four new projects, including ten on the canceled project. Even that amount is not automatically domestic fixed-capital formation: it may contain land, imported equipment, services, or other items requiring classification. The example does not allocate the expenditure across national-account categories and should not be read as a GDP contribution calculation.

The portfolio has 70 units of new operating nameplate capacity: forty from B and thirty from C. Relative to the 200 initially planned across the fixed cohort of new projects, that is 35 percent. The figure measures capacity available at the cutoff against the original cohort plan, including the canceled project. It is not the percentage of monetary investment completed, the percentage of projects completed, or a forecast of eventual completion.

The denominator changes the apparent result

Counting projects gives a different answer. Of the four new-capacity projects, two have some operation, so the share with any operating capacity is 50 percent. Only C has reached its full initial capacity, so the share fully operating is 25 percent. Excluding canceled E from the denominator would change those shares again. The choice is not a cosmetic presentation decision: it determines which question the statistic answers.

A monitoring report should therefore retain the original cohort for a realization analysis and separately identify cancellations, scope changes, and ongoing work. Removing every canceled project can make the surviving pipeline look more successful while concealing the risk experienced by the original commitments. Conversely, treating a project that is still within its original planned construction period as a failure would misrepresent normal delivery time.

Actual production adds another distinction. Suppose B's operating forty units run at 60 percent utilization and C's thirty units at 90 percent. The corresponding annualized production rate is $24 + 27 = 51$ units under those assumptions. That is below the seventy units of available nameplate capacity. It is also a rate at the cutoff, not necessarily the quantity produced during the preceding calendar year, because the opening dates and operating months can differ.

If B began halfway through the year, annual output would need to reflect the time actually operating and the path of utilization. Applying its year-end rate to twelve months would overstate that year's production. A project ledger should therefore record capacity activation by phase and actual production by period. The label operational should not erase the difference between a first commercial run and a full year at mature utilization.

Revision of a budget can create another misleading movement. If A's announced cost rises from 100 to 120 while its planned physical capacity remains forty, the portfolio's nominal announced value rises from 600 to 620 without an increase in the planned capacity. Inflation, design changes, or delays can raise cost. A larger updated investment headline need not signal additional productive scope. Both original and revised values should remain available for the analysis.

Finance is not the production account

An acquisition transfers ownership of existing assets and can include goodwill and other claims. The seller receives funds, while the acquired business can continue producing as before. Further investment, management changes, or market access may improve its capacity later, but those effects require evidence. The transaction price should not be equated with the cost of constructing a new plant or with an immediate increase in national output.

Reinvested earnings provide a related distinction. They record a financing relationship within direct investment and can support expansion, debt reduction, working capital, or other uses. The reported financing flow does not identify the physical asset purchased in the same period. A production assessment should connect financing with the affiliate's expenditure and assets rather than assume the accounting category itself establishes new capacity.

Intercompany debt can also finance several purposes, and repayments can reduce measured flows while an existing project continues operating. Financial inflows can therefore weaken without a corresponding closure of productive assets. A cross-border project may also obtain local finance that is not recorded as an equivalent foreign inflow. Matching a project's total spending directly with one balance-of-payments flow can omit or misclassify these channels.

This is why the country records serve different purposes. The BEA distinction between acquisition and greenfield expenditure, Mexico's flow components, India's total and equity measures, Viet Nam's registration and disbursement, and the UAE's inflow and announcement reporting should all be retained. None needs to be forced into a common completion numerator. Project-level evidence supplies the bridge between those financial records and operating activity.

Phases, connections, and the critical path

A large project often contains several productive phases rather than one indivisible opening. The first phase may depend on shared utilities sized for a later expansion. Alternatively, each phase may be independently usable. The ledger should record those dependencies and the capacity attributable to each phase. Counting the full multiyear design at the opening of the first section overstates the service currently available.

The binding constraint can also move. Civil works may initially determine the schedule, followed by equipment delivery, electricity, water, testing, or customer qualification. A construction-progress percentage can give little information about remaining time if the unfinished component is on the critical path. A facility that is physically almost complete can still wait for an essential connection before producing any accepted output.

A project may employ labor, purchase local services, and generate some domestic value added before operation. Those are real economic effects and should be recorded in the appropriate stage. They do not justify assigning the project's entire future operating output to the construction period. An expenditure-stage account and an operating-stage account can coexist without requiring the analyst to describe one as the only genuine investment effect.

Imports affect the interpretation as well. Equipment arriving from abroad can be a necessary step toward domestic production, but its purchase does not establish an equal amount of current domestic value added. Installation and associated services can contribute locally. Later, the equipment can support domestic output. The timing and production boundary should be followed rather than assign the same effect to the import, the installation, and the future output simultaneously.

From an opening to sustained capability

Commissioning establishes that a specified asset can operate under defined conditions. Sustained productive capability requires inputs, workers, maintenance, quality control, suppliers, customers, and finance. A ribbon-cutting or first shipment can be useful dated evidence without proving that all these conditions have been secured for the full design horizon. The statement should match the milestone actually observed.

Supplier development can take longer than assembly. A new facility may initially import most components and later qualify local suppliers. That can increase domestic value added without another major announcement or change in the nameplate capacity. Conversely, a new plant can remain dependent on imported services and critical components. The local-capability assessment should examine purchasing relationships and skills rather than infer depth from the project's capital value.

Utilization also needs a commercial explanation. A low initial rate may be consistent with planned ramp-up, while persistent low use can indicate weaker demand, input problems, or an unsuitable process. The time since commissioning and the stated ramp schedule help distinguish those cases. A comparison of a mature facility with a newly opened line should not assign every utilization difference to national competitiveness.

Employment evidence should be connected to those stages. Actual operating positions, contractors, temporary staff, and jobs planned at full capacity should be identified separately. Existing employees retained through an acquisition can be economically significant without being new jobs. A facility's headcount can also rise while average hours or the use of contractors changes. The labor measure should be chosen to answer the stated employment question.

How to monitor realization without double counting

A useful review begins with a fixed announcement cohort and follows each project to its latest evidenced stage. It records revised scope, financing, construction, commissioning, partial operation, cancellation, and the reasons reported. It should distinguish a known delay from a project whose latest status is not publicly established. Absence of a new announcement is not sufficient evidence of cancellation, just as repetition of the original plan is not evidence of completion.

The comparison should also preserve the value basis. An original announcement may use nominal dollars, a range, or expenditure over an unspecified period. A later spending figure may be in local currency and include a different scope. Exchange-rate conversion and inflation adjustment can be useful, but they do not reconcile a change in project content. The original figures and the transformation applied should be documented before totals are aggregated.

Where projects have different outputs, physical capacity should be reported by meaningful product or service category. Adding semiconductor wafers, hotel rooms, warehouse area, and data-center power into a single capacity number is not economically meaningful. Monetary expenditure can be aggregated under a defined accounting basis, but it does not solve the problem of comparing productive services. A portfolio can present parallel measures rather than invent a universal physical unit.

The same discipline applies to financing partnerships. Several investors, lenders, and public agencies can each announce participation in the same project. Their commitments should be reconciled to the project's uses and financing plan rather than summed as independent investment projects. An announced credit envelope may overlap with a later loan signing or draw. Stable project identifiers and transaction links help prevent that duplication.

A realization rate should finally identify its time dimension. Projects announced recently have had less opportunity to reach operation than older projects. Comparing raw completion shares across years can therefore penalize the newest cohort. Cohort age, planned construction duration, and sector mix should accompany the measure. The relevant question is whether projects progress relative to an appropriate schedule and comparable commitments, not whether every announcement has already produced output.

The capacity denominator must follow the opening date

The portfolio example can be extended to show why annual production needs a time-adjusted denominator. Suppose C operates for the whole year at 90 percent of its thirty units, while B's first forty-unit phase starts exactly halfway through the year and runs at 60 percent throughout its operating months. C produces twenty-seven units and B produces twelve, giving actual annual output of thirty-nine. The year-end annualized production rate remains fifty-one because it describes a full year at the cutoff operating rates.

Dividing thirty-nine by the year-end nameplate capacity of seventy gives 55.71 percent. That ratio combines the production rate with the fact that B was unavailable for half the year. A time-weighted capacity denominator is instead thirty for C plus twenty for B, or fifty. Actual output divided by that denominator is 78 percent. Both ratios can be calculated correctly, but only the second holds available operating time consistent with annual output. The distinction prevents a recent opening from appearing to have unusually weak utilization solely because it operated for fewer months.

A real calculation would need exact commissioning dates, partial phases, outages, and any changes in the product specification. It should not assume that every nameplate number describes the same saleable output. A plant may be designed for one product but temporarily run another with different throughput. The ledger should retain that change rather than report a capacity unit that no longer matches the output being measured.

The same temporal discipline applies to returns. A project can begin generating revenue before every phase is complete, while construction and financing costs continue. Comparing cumulative spending with a single month's annualized revenue does not establish its investment return. The appraisal should follow actual and expected cash flows over their dates, include working capital and maintenance, and distinguish the operating business from the value paid to acquire it. A milestone ledger provides evidence for that appraisal but does not replace it.

These examples also explain why an apparently simple completion percentage should be accompanied by its calculation. The denominator can be an original commitment, a revised live pipeline, full-year capacity, or time-weighted available capacity. Selecting one without stating it can change the implied conclusion even though the underlying projects are unchanged. Clear definitions make the result auditable and allow the reader to choose the measure appropriate to the question.

Conclusion

A defensible investment account separates intention, commitment, finance, construction, commissioning, and operation. Official reporting across the five economies already distinguishes several of these objects. Preserving those definitions prevents financial flows and public announcements from being misrepresented as completed production.

The original portfolio demonstrates why cash spending, project counts, available capacity, and actual output can yield different realization measures. Each can be useful when the unit, cohort, and timing are clear. Following a stable project record through its operating phases provides the evidence needed to move from an investment headline to a credible account of productive capacity and its economic effects.

For the energy and connection requirements of an operating facility, see [Energy reliability in the economics of industrial location](#). For upstream production and local value added, see [Tracing production through changes in trade geography](#).

Source addresses

The links below retain the source addresses cited in the analysis. References should be read within their stated periods and scope.

<https://www.bea.gov/sites/default/files/2025-07/fdi0725.pdf>

https://ventanillaunica.economia.gob.mx/media/20260113_Anuncios%20IED_VUI_2025.pdf

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