

Macro Roundup Article

Headline: [The Rise & Fall of Foreign Direct Investment in China](#)

Article Link: <https://moneyinsideout.exantedata.com/p/the-rise-and-fall-of-foreign-direct>

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Tweet: Over the last year, FDI flows into China have turned negative, as foreign multinationals have repatriated Chinese earnings they had previously reinvested. @jnordvig @EtraAlex @martin_lynge

Summary: Net FDI into China has been negative for four consecutive quarters (from Q3 2022 to Q2 2023). The bottom line is that foreign investors have shifted in recent quarters from reinvesting their earnings on their Chinese operations to repatriating those earnings. Whether this simply reflects cash management and carry considerations or is a harbinger of a slowdown in future foreign direct investment in China is too soon to say. If the recent trend to repatriate earnings is a signal about future investment intentions, it could have implications for future Chinese production and export capacity and economic growth. Either way, the repatriation of foreign investors' profits from their Chinese operations is negative for the CNY. Related: The Mysterious \$300 Billion Flow Out of China and NYC Becomes One Billionaire Family's Haven From China Property Crash and Singapore Asks Banks to Keep Quiet on Wealth Inflows During China Boom

Primary Topic: China

Topics: China, Financial Markets, GDP, Op-Ed/Blog Post, Trade (not deficits), Weekly

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