

## Macro Roundup Article

**Headline:** [Foreign Direct Investment is Exiting China, New Data Show](#)

**Article Link:** <https://www.piie.com/blogs/realtime-economics/foreign-direct-investment-exiting-china-new-data-show>

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**Tweet:** [@PIIE estimates that at least \\$100B in FDI flowed out of China in 2023, as foreign firms are no longer reinvesting earnings, and are also selling their Chinese operations to local firms and repatriating the proceeds.](#)

**Summary:** Two different official time series from the Ministry of Commerce (MOFCOM) and the State Administration of Foreign Exchange (SAFE) [show the same dynamic]. There are multiple differences between the two series, but the main one is that SAFE measures FDI on a net basis, i.e., FDI inflows minus FDI outflows, while MOFCOM only measures gross FDI inflows. Both agencies include greenfield investment and mergers and acquisitions (M&A) by foreign firms in their FDI data while SAFE also includes several other items. While these additional items were large a few years ago, as explained below, they are now likely quite small. Most of the \$113 billion difference between the two numbers in the first three quarters of 2023 must result from the net sale of direct investment assets by foreign investors.

**Related Articles:** [China Suffers Plunging Foreign Direct Investment Amid Geopolitical Tensions and The Rise & Fall of Foreign Direct Investment in China and The Global Economy Enters an Era of Upheaval](#)

**Primary Topic:** Financial Markets

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

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