

Macro Roundup Article

Headline: [Anatomy of Capital Flight in China...](#)

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Tweet: A dataset of 417 cases of illegal capital flight from China shows that after 2018 the crackdown on corporate capital flight "has been extremely effective" and increasingly private individuals have been the primary driver of capital flight. @martin_lynge

Summary: Capital flight, or capital outflows that cannot be accounted for, is usually recorded in the net errors and omissions (NEO) category in the balance of payments. At Exante Data, we believe capital flight is likely to show up in two other categories as well: net other investment (NOI) and the difference between the goods trade balance reported by the General Administration of Customs and the State Administration of Foreign Exchange (SAFE, reported on a BoP-basis). The size of China's BoP residual, the sum of the three categories above, is massive: around \$100bn per quarter on average during 2023, and twice that when capital outflows pressures picked up in 2015-2016 and 2020-2022. This is shown in the chart below. Related: The Threat from China's Capital Flight and Chinese Investors Buy Gold As Property And Stock Markets Fall and Singapore Family Office Applicants Face 18-Month Wait Amid Tighter Scrutiny

Primary Topic: China

Topics: China, Financial Markets, GDP, Op-Ed/Blog Post

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