

China becomes world's largest FDI recipient in first half of 2012

GENEVA, Oct. 23 (Xinhua) -- China exceeded the United States to become the world's largest recipient of foreign direct investment (FDI) in the first six months of 2012, a report released by the United Nations Conference on Trade and Development (UNCTAD) showed on Tuesday.

It's mainly due to a 39.2 percent fall in FDI flows to the U.S., compared to a three percent decline in China, said Zhan Xiaoning, director of UNCTAD Division on Investment and Enterprise.

However, early indications show that FDI flows to the U.S. might be stronger in the second half of 2012, he said.

Zhan said China once claimed the world's top destination for FDI in 2003.

In the first six months of the year, China attracted 59.1 billion U.S. dollars in FDI while the U.S. attracted 57.4 billion U.S. dollars, according to the latest Global Investment Trends Monitor.

As a result of the performance of the U.S. and a decline of 23 billion U.S. dollars in flows to BRIC countries, the global FDI stood at 668 billion U.S. dollars, dropping by eight percent over the same period of 2011, said the report.

The report also showed that developing countries (without transition economies) for the first time absorbed half of global FDI inflows.

UNCTAD projects the FDI flows will, at best, level-off in 2012 at slightly below 1.6 trillion U.S. dollars, according to the report.

Zhan said the slow and bumpy recovery of the global economy, weak global demand and elevated risks related to regulatory policy changes continue to reinforce the wait-and-see attitude of many transnational companies toward investment abroad.