Chinese FDI in Comparative Perspective: Trends & Forecasts

Henry Loewendahl, PhD
CEO, WAVTEQ Limited
FDI inflows ($bn)

Source: EIU. *excludes intra-FDI flows
FDI inflows as a % of GDP

Source: EIU

www.wavteq.com
FDI inflows to China ($bn)

Source: EIU
FDI outflows ($bn)

Source: EIU. *excludes intra-FDI flows
Chinese outward FDI by type

Source: WAVTEQ estimates based on fDi Markets and UNCTAD
Overseas FDI as a % of GDP

Source: EIU
Greenfield FDI into Russia

Source: fDi Markets, fDi Intelligence from Financial Times Ltd
Key motives for Chinese Greenfield FDI

- Domestic Market Growth Potential: 22%
- Regulations or business climate: 17%
- Proximity to markets or customers: 16%
- Skilled workforce availability: 10%
- Industry Cluster: 5%
- Infrastructure and logistics: 7%
- Other Motive: 23%

Source: fDi Markets 2010-April 2015 sample 237 FDI projects
Chinese companies: where are they planning to invest?

Target region June 2014- June 2015 (% companies)

- Asia-Pacific: 25%
- North America: 20%
- Global: 15%
- Eastern Europe: 15%
- Western Europe: 10%
- Latin America: 5%
- Africa: 5%
- Middle East: 0%

Source: fDi Markets, fDi Intelligence from Financial Times Ltd
Sectors complementary for Chinese FDI in US

Complementary Index for Chinese FDI in US

- Ceramics & Glass
- Rubber
- Automotive OEM
- Coal, Oil and Natural Gas
- Industrial Machinery, Equipment & Tools
- Renewable energy

Source: WAVTEQ, based on period 2011-2013 using greenfield FDI capex data from fDi Markets. Score over 1 means China has a comparative advantage for outward FDI in the sector and the US has a comparative advantage for inward FDI in that sector.
Sectors complementary for US FDI in China

Complementary Index for US FDI into China

Business Machines & Equipment
Medical Devices
Biotechnology
Hotels & Tourism
Pharmaceuticals
Beverages
Chemicals
Semiconductors
Automotive Components
Aerospace
Consumer Products
Industrial Machinery, Equipment & Tools
Plastics
Food & Tobacco

Source: WAVTEQ, based on period 2011-2013 using greenfield FDI capex data from fDi Markets. Score over 1 means US has a comparative advantage for outward FDI and China has a comparative advantage for inward FDI in that sector.

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## Top tips: Chinese companies planning FDI

<table>
<thead>
<tr>
<th>Company</th>
<th>Target markets</th>
<th>Type of FDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Telecom</td>
<td>Germany, France, Spain, UK, Italy</td>
<td>New operations</td>
</tr>
<tr>
<td>China Mobile</td>
<td>North America &amp; Europe</td>
<td>M&amp;A, Auction, Greenfield</td>
</tr>
<tr>
<td>Dalian Wanda</td>
<td>India</td>
<td>$10 billion FDI plan</td>
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<td>New Hope Group</td>
<td>South and South East Asia</td>
<td>$60 million expansion</td>
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<td>Dalian Zeus</td>
<td>International</td>
<td>First overseas expansion</td>
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<tr>
<td>Baidu</td>
<td>Latin America</td>
<td>Looking for new base</td>
</tr>
<tr>
<td>Bank of China</td>
<td>Eastern Europe, SE Asia, Africa</td>
<td>New branches</td>
</tr>
<tr>
<td>Cosco Pacific</td>
<td>SE Asia, Middle East, Med.</td>
<td>Container terminals</td>
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<tr>
<td>Huawei</td>
<td>Global</td>
<td>1500 customer service centers</td>
</tr>
<tr>
<td>CompareAsiaGroup (HK)</td>
<td>Global</td>
<td>$40m in funding for expansion</td>
</tr>
<tr>
<td>EasyStack</td>
<td>Asia-Pacific</td>
<td>$16m funding for expansion</td>
</tr>
<tr>
<td>DJI Technology</td>
<td>International</td>
<td>$75m funding for expansion</td>
</tr>
<tr>
<td>Haitong Securities</td>
<td>Europe, Americas</td>
<td>100’s of jobs expansion</td>
</tr>
</tbody>
</table>

Source: fDi Markets, fDi Intelligence from Financial Times Ltd
Contacts

- **Henry Loewendahl, PhD**
- **Founder & CEO, WAVTEQ**
- E-mail: henry.loewendahl@wavteq.com
- Skype: hloewendahl | Linkedin: Henry Loewendahl
- Cell: +447557965393
- Website: www.wavteq.com