



## Monitor of Chinese OFDI in Latin America and the Caribbean 2022

May 31<sup>st</sup>, 2022  
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Capital flows—like many other socioeconomic variables in 2021—have been affected by a generalized uncertainty in the context of the recovery process from the COVID-19 pandemic and various other factors, as will be discussed below. In this context, and for the sixth consecutive year, the *Monitor* of Chinese OFDI in Latin America and the Caribbean 2022 focuses on outward foreign direct investment from China (or OFDI) and continues to strengthen the tracking and statistics of Chinese OFDI in LAC through the engaged and specialized members of the LAC-China Network; this process also enables us to delve deeper and detect aspects to be discussed about Chinese OFDI both in China and in Latin America and the Caribbean (LAC). As in previous years, the objective of the *Monitor* is not to explicitly insert itself into the multiple existing discussions on Chinese OFDI in LAC, but to lay the methodological and statistical foundations that will allow for an updated and performance-based discussion during 2000-2021. This joint effort led by the LAC-China Network will continue to grow and improve in the future, and stakeholders will be able to make use of all the material generated for the *Monitor*, which is made available in its entirety on the LAC-China Network website.<sup>2</sup>

With these objectives in mind, the 2022 *Monitor* is divided into two sections. The first briefly examines international issues relevant for understanding capital flows throughout 2021, but specifically those of China. The second section contributes to the analysis of China's OFDI in LAC for 2000-2021 with a focus on the most recent period. The 2022 *Monitor*, as in previous versions, comprises a growing number of variables to broaden and enhance the understanding of China's OFDI in LAC.

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<sup>1</sup> The document benefited from the valuable help of France Alvarado Fuentes, José Alfredo Reséndiz Ortega, Mariana Sánchez Aguilar and María del Rosario Urbina Medina; the coordination of these efforts was carried out by Leire González Alarcón. The author is solely responsible for the content.

<sup>2</sup> The *Monitor*'s full database—and back issues since 2017—as well as journalistic information and academic analysis in each of the LAC and Chinese countries on Chinese OFDI in LAC is available at: <https://www.redalch-china.org/monitor/>.



## 1. International and regional context of Chinese OFDI in LAC

The year 2021 and the first quarter of 2022 have been extremely complex from a global perspective and for LAC, permeated by widespread uncertainty, the continuation of the COVID-19 pandemic and a significant economic recovery, although fractured by Russia's invasion of Ukraine, major inflationary processes, rising interest rates and serious disruptions in the global supply chain of goods and services.

These global trends, according to the IMF (2022), have contributed to global GDP falling from 6.1% in 2021 to 3.6% in 2022 and 2023; the latest IMF projections in April 2022 decreased 0.8% and 0.2% for 2022 and 2023.<sup>3</sup> According to the same source, the United States should grow by 3.7% and 2.3% in 2022 and 2023 (after having grown 5.7% in 2021), while China is expected to grow by 4.4% and 4.5% (in 2021 its GDP growth was 8.1%). While GDP growth in 2021 was statistical and part of a “rebound effect”, it nevertheless reflects important differences with regions such as LAC, whose GDP growth in 2022 and 2023 is estimated at 2.5% (after being 6.8% in 2021). The paradox of recovery from 2021 for LAC is evidenced by the entrenchment of pre-pandemic structures and some that have built up since the 2008-2009 crisis, particularly low labor productivity, very low levels of investment, significant difficulties in reducing poverty and extreme poverty, as well as the growing “reprimarization” of LAC's productive apparatus and exports (Bárcena 2022).

The deepening confrontation between the United States and China during 2021 and the first quarter of 2022 is an aspect that is also greatly affecting capital flows. In addition to the measures imposed since 2018 by the United States against China—increased tariffs on Chinese imports and restrictions on its technological exports, on Chinese investments in the US, on the financing of Chinese companies in the US stock market and on a growing group of Chinese companies (entity list) (Dussel Peters 2022; Mancuso 2021; USTR 2022)—, in 2022 the Treasury Department highlighted from an American perspective the concept of “friend-shoring”, namely: global value chains with countries that are trustworthy and with which the US shares a “set of norms and values on how to operate the global economy”; all this occurred in the midst of the confrontation with China and the modernization of the Bretton Woods institutions, which in the third decade of the 21<sup>st</sup> century (Yellen 2022) were no longer sufficient. China, for their part, has not only sought to abolish discriminatory export controls and link them to national security policies and international cooperation based on multilateralism (State Council 2021), it has also introduced a Global Security Initiative (Xi 2022) explicitly against unilateral measures by large economies. Global economic recovery and a new global governance, from this perspective, depend on the advancement of “high quality development” and a “new development paradigm”. In 2021, international trade

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<sup>3</sup> UNCTAD (2022/c/d) estimates that Russia's invasion of Ukraine will impact GDP decline by 1% in 2022, particularly in developing countries: inflation in general, and especially in food (Ukraine and Russia account for 53% of global trade in oil and sunflower seeds and 27% in wheat), will affect developing countries and their poorest population.



managed to exceed pre-COVID-19 levels in most countries and sectors, particularly in commodity-exporting developing countries, although with downward expectations in 2022 in the face of the generalized uncertainty described above (UNCTAD 2022/c).

In 2020, global foreign investment flows (FDI) fell by 35%, one of their worst performances ever, particularly in developed countries (-58%), and was -8% for developing countries, mainly due to resilience in Asian countries (6.7%) and China (increased by 18.8%); in LAC FDI plummeted -45% (UNCTAD 2021). Outward FDI (or OFDI) also fell by 39.3% in 2020, in the United States and China -0.8 and -2.2% (UNCTAD 2021), respectively. Thus, China was the second largest exporter of FDI during 2018-2020 with 12.12% of global OFDI, only after Japan (with 12.73%). If we include Hong Kong—with 6.06% of global OFDI during said period—China would be by far the main source of global OFDI, with 18.18% during 2018-2020. However, in 2021—thanks to preliminary information for the first half of the year—UNCTAD (2021, 2022/a) highlights that the recovery of FDI has been generally spectacular—also a result of the 2020 downturn—with a 77% rebound, but highly uneven at the regional level and in favor of industrialized countries (who were the most affected in 2020). UNCTAD estimates that in 2021 LAC will recover with pre-COVID-19 levels. While new investments (greenfield type) in 2021 would remain 30% below 2019, in general mergers and acquisitions (M&A) were the growth driver of the global FDI recovery: in services, for example, M&A transactions increased by more than 50% (UNCTAD 2022/a:2). The same source does not present estimates for OFDI in 2021.

## **2. Main trends of Chinese OFDI in LAC during 2000-2021**

Three aspects are worth mentioning before starting with the main results of Chinese OFDI in LAC. First, we must emphasize the importance of the definition of OFDI transactions—as opposed to infrastructure projects, for example (Dussel Peters 2021)—and that only transactions that have been carried out are included. These aspects are critical to understand the substantive differences with other databanks such as the China Global Investment Tracker (CGIT 2022)—and they have a confusing definition of OFDI—or on the basis of announced FDI transactions (ECLAC 2022).

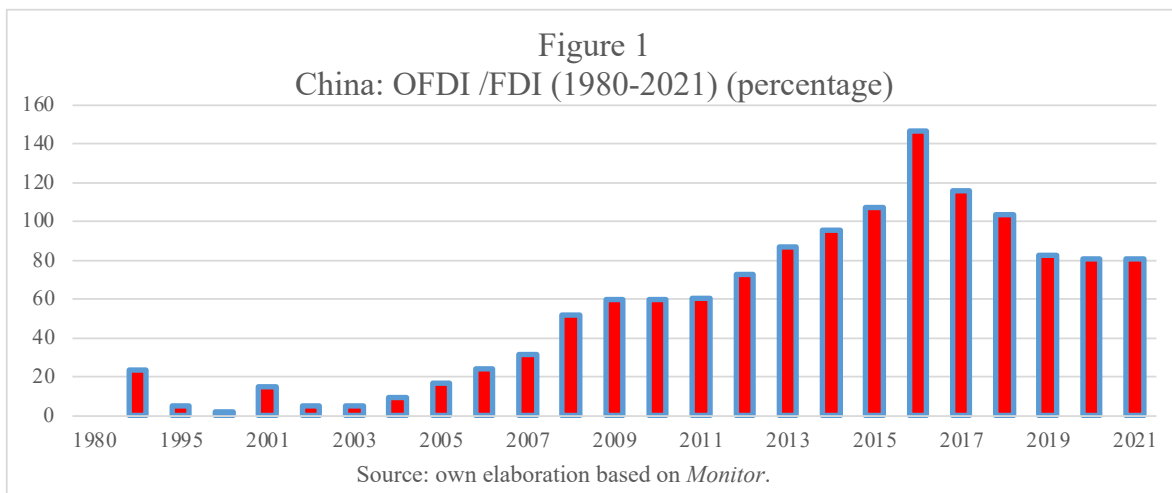
Second. Interestingly, the National Development and Reform Commission (NDRC) from 12.27.2021 onwards permitted FDI in China in the automotive sector for the first time to exceed 50% of equity capital. Regarding regulations for Chinese OFDI—analyzed in previous issues of the *OFDI Monitor* based on the regulation issued by the NDRC in December 2017—the Ministries of Commerce and the Environment established for the first time 22 chapters for OFDI and trade in which they required Chinese companies to comply with Chinese and international norms and standards for environmental prevention and protection; i.e., local and national standards of the target country are not adequate enough for Chinese companies (MOFCOM 2021). While these guidelines are not legally binding, they do reflect a growing concern on the part of the Chinese public sector. It is also important to



note that institutions such as CEBC (2021) and FARN (2021) are gradually conducting regional and structured studies on Chinese OFDI in LAC.

### 2.1. Chinese OFDI in LAC: General trends

Chinese OFDI in 2021 was \$145.19 billion, slightly lower than the peak in 2015, while FDI was \$179 billion. As a result, the OFDI/FDI ratio would appear to have stagnated during 2019-2021 at 81.52%, well below the 146.70% of 2016 (Figure 1). This result is due to the significant performance of FDI and OFDI during both the same period and in 2021: the global and Chinese dynamics described above are instrumental in understanding their performance.



The *Monitor*'s methodology described above makes it possible to establish 524 Chinese OFDI transactions in LAC up to 2021 and several aggregate characteristics (Table 1).

First. In contrast to the substantive recovery and growth of LAC FDI in 2021—with a growth of 67.9% after a fall of -45.4% in 2020—, Chinese OFDI to LAC continued its slide in 2021, with a growth of -1.1%. In other words, in 2021 Chinese OFDI represented 49.62% of its 2019 amount. Second. It is important to gauge—but not overestimate—Chinese OFDI in LAC, which has grown significantly in LAC, representing 10.44% of LAC FDI in 2020, although it fell to 6.15% in 2021 because it did not recover in the same way as total FDI to LAC; everything indicates that Chinese OFDI will continue to grow significantly in the medium and long term. However, it is also worth noting that beyond its dynamism in the last decade, it still represents relatively low levels with respect to other variables: in 2015-2021 it participated with 0.90% and 0.18% of gross fixed capital formation and GDP; in 2021, additionally, 93.85% of LAC FDI was from non-Chinese sources.

Table 1

Latin America and the Caribbean: Relevance of China's OFDI (2000-2021) (percentage over respective variable)

	Regional FDI	Gross formation of fixed capital	GDP
2010	13.75	2.09	0.43
2011	4.91	0.81	0.17
2012	0.77	0.12	0.03
2013	5.22	0.75	0.16
2014	7.65	0.97	0.20
2015	6.30	0.88	0.19
2016	7.63	1.07	0.21
2017	9.26	1.40	0.26
2018	7.17	1.06	0.20
2019	11.36	1.77	0.29
2020	10.44	--	0.16
2021	6.15	--	0.15
2000-2004	1.44	0.24	0.04
2005-2009	3.47	0.46	0.09
2010-2014	6.14	0.91	0.19
2015-2021	8.18	1.22	0.29
2000-2021	5.93	0.90	0.18

Source: own elaboration based on UNCTAD (2021 y 2022/a).

Table 2 discusses several of the main characteristics of Chinese OFDI during 2000-2021. In addition to the trend of growing transactions, amount and employment generated by Chinese OFDI in LAC, at least four aspects stand out. First, the considerable trend to increase the share of mergers and acquisitions (M&A) involving Chinese OFDI in LAC, which increased from 11.86% during 2000-2004 to 83% during 2015-2021; in 2020 it even reached 92.74%. Second, it was M&A that was the main cause of the downward trend in employment generated per transaction in the most recent period (2015-2021); if new investments (greenfield) generated 1,692 jobs per transaction during 2015-2021, for M&A it was 1,174 jobs. Third, it is striking that the amount of Chinese M&A OFDI per transaction in LAC is significantly higher than those of new transactions, at \$485 and \$145 million during 2015-2021 (Table 2). Fourth, and as a result of the above trends, OFDI employment intensity (amount of OFDI/employment) is significantly higher for M&A transactions relative to new investments; during 2000-2021 and 2015-2021 it was 0.50 and 0.41 (and 0.15 and 0.09 for new investments). These trends will be rounded off with the analysis in the following sections in order to understand the important recent changes in Chinese OFDI in LAC.

Table 2  
LAC: Chinese OFDI, Main Aggregated Characteristics (2000-2021)

	Transactions (number)	OFDI Amount (\$US millions)	Employment (number of employees)	OFDI Amount / Transactions	OFDI Amount / Employment	Employment / Transactions
Total Chinese OFDI						
2016	37	12,849	33,342	347	0.39	901
2017	68	16,184	72,398	238	0.22	1,065
2018	62	12,529	52,262	202	0.24	843
2019	31	18,228	24,492	588	0.74	790
2020	33	9,145	183,568	277	0.05	5,563
2021	24	9,045	29,008	377	0.31	1,209
2000-2004	15	4,639	13,104	309	0.35	874
2005-2009	62	17,122	34,113	276	0.50	550
2010-2014	154	60,962	112,276	396	0.54	729
2015-2021	269	80,086	395,736	298	0.20	1,471
2000-2021	524	171,854	584,237	328	0.29	1,115
Mergers and Acquisitions (M&A)						
2016	18	11,816	26,483	656	0.45	1,471
2017	32	11,267	52,472	352	0.21	1,640
2018	29	9,843	31,304	339	0.31	1,079
2019	19	12,377	11,752	651	1.05	619
2020	20	8,481	14,941	424	0.57	747
2021	10	4,882	6,028	488	0.81	603
2000-2004	2	550	5,950	275	0.09	2,975
2005-2009	28	9,536	21,211	341	0.45	758
2010-2014	52	44,210	51,872	850	0.85	998
2015-2021	137	66,450	160,865	485	0.41	1,174
2000-2021	219	120,746	239,898	551	0.50	1,095
New Investments (greenfield)						
2016	19	1,033	6,859	54	0.15	361
2017	36	4,916	19,926	137	0.25	554
2018	33	2,687	20,958	81	0.13	635
2019	12	5,851	12,740	488	0.46	1,062
2020	13	664	168,627	51	0.00	12,971
2021	14	4,163	22,980	297	0.18	1,641
2000-2004	13	4,089	7,154	315	0.57	550
2005-2009	34	7,587	12,902	223	0.59	379
2010-2014	102	16,752	60,404	164	0.28	592
2015-2021	156	22,680	263,879	145	0.09	1,692
2000-2021	305	51,108	344,339	168	0.15	1,129
M & A (percentage, with respect to respective to annual total)						
2016	48.65	91.96	79.43	189.04	115.78	163.27
2017	47.06	69.62	72.48	147.95	96.06	154.01
2018	46.77	78.56	59.90	167.95	131.15	128.06
2019	61.29	67.90	47.98	110.79	141.51	78.29
2020	60.61	92.74	8.14	153.02	1139.42	13.43
2021	41.67	53.98	20.78	129.54	259.75	49.87
2000-2004	13.33	11.86	45.41	88.93	26.11	340.54
2005-2009	45.16	55.69	62.18	123.32	89.57	137.68
2010-2014	33.77	72.52	46.20	214.77	156.97	136.82
2015-2021	50.93	82.97	40.65	162.92	204.12	79.82
2000-2021	41.79	70.26	41.06	168.11	171.11	98.25

Source: own elaboration based on *Monitor*.

## 2.2. Chinese OFDI by country of destination

Chinese OFDI has undergone a significant process of diversification in the different LAC countries during the period under analysis: while during 2000-2004 Brazil alone accounted for 76.86% of the amount of Chinese OFDI in LAC, during the most recent period, 2015-2021, it fell to 39.09%. For 2000-2021 Brazil and Argentina accounted for 44.06% of the amount of Chinese OFDI and 33.27% of the employment generated, and in 2015-2021 this fell to 44.64% and 32.15% (Table 3). In contrast, in the most recent period, new LAC countries have become the most dynamic recipients of Chinese OFDI: Brazil continued to be the main recipient of Chinese OFDI during 2015-2021, although Chile (with 21.15% of regional OFDI), Mexico (17.85%) and Peru (16.43%) are the most dynamic countries. Countries such as Ecuador and especially Venezuela have drastically decreased Chinese OFDI for the most recent period, while the Caribbean and Central America accumulated 24 transactions for \$2.88 billion during 2015-2021.

Table 3  
LAC: China's OFDI by Main Recipient Countries (2000-2021)

	2000-2004	2005-2009	2010-2014	2015-2021	2000-2021	2016	2017	2018	2019	2020	2021
<b>Argentina</b>											
Number of Transactions	0	1	11	28	40	3	6	8	3	2	6
Amount of OFDI	0	4	10,322	4,439	14,765	215	1,460	638	346	166	1,616
Employment	0	200	7,003	18,808	26,011	670	5,784	5,086	1,820	1,101	4,347
<b>Bolivia</b>											
Number of Transactions	0	2	3	6	11	2	3	0	1	0	0
Amount of OFDI	0	22	59	2,360	2,440	7	53	0	2,300	0	0
Employment	0	67	119	1,409	1,595	244	90	0	1,075	0	0
<b>Brazil</b>											
Number of Transactions	6	9	45	90	150	122	30	-	1,075	-	-
Amount of OFDI	3,565	667	25,415	31,309	60,956	5,936	6,468	2,162	3,577	2,034	5,813
Employment	6,303	6,407	47,232	108,405	168,347	18,584	32,201	28,473	452	8,844	5,901
<b>Chile</b>											
Number of Transactions	0	4	11	37	52	3	7	9	4	10	2
Amount of OFDI	0	2,339	637	16,940	19,915	215	3,014	6,413	3,314	3,033	640
Employment	0	328	5,910	20,873	27,111	4,284	5,123	7,651	1,344	1,606	650
<b>Colombia</b>											
Number of Transactions	2	4	9	11	26	2	0	4	1	3	0
Amount of OFDI	298	2,316	1,446	2,198	6,259	4	0	531	1,000	652	0
Employment	32	899	2,214	104,849	107,994	275	0	1,333	350	102,821	0
<b>Ecuador</b>											
Number of Transactions	3	2	4	2	11	1	0	1	0	0	0
Amount of OFDI	262	2,052	1,286	32	3,632	31	0	1	0	0	0
Employment	698	1,344	22,717	276	25,035	250	0	26	0	0	0
<b>Mexico</b>											
Number of Transactions	3	11	23	75	112	6	24	12	7	8	8
Amount of OFDI	500	588	1,789	14,292	17,169	5,581	2,755	758	1,004	1,385	876
Employment	5,721	6,799	9,201	118,927	140,648	6,955	18,249	4,538	4,770	62,200	17,290
<b>Peru</b>											
Number of Transactions	0	11	15	12	38	1	3	2	4	1	0
Amount of OFDI	0	5,403	11,311	13,156	29,870	6	1,635	1,311	6,349	1,355	0
Employment	0	9,580	9,216	22,429	41,225	195	8,300	905	8,529	1,500	0
<b>Venezuela</b>											
Number of Transactions	1	4	10	2	17	1	0	0	0	0	0
Amount of OFDI	13	382	398	827	1,620	549	0	0	0	0	0
Employment	350	1,251	3,855	6,214	11,670	214	0	0	0	0	0
<b>Caribbean</b>											
Number of Transactions	0	1	10	17	28	1	3	4	3	2	1
Amount of OFDI	0	320	6,299	2,050	8,669	72	684	335	155	284	100
Employment	0	200	6,623	11,133	17,956	1,000	1,900	827	647	4,600	820
<b>Central America</b>											
Number of Transactions	0	3	5	7	15	1	0	3	1	0	0
Amount of OFDI	0	109	622	830	1,562	180	0	43	36	0	0
Employment	0	155	1,058	6,862	8,075	270	0	5,067	1,100	0	0
<b>LAC TOTAL</b>											
Number of Transactions	15	62	154	269	524	37	68	62	31	33	24
Amount of OFDI	4,639	17,122	60,962	80,086	171,854	12,849	16,184	12,529	18,228	9,145	9,045
Employment	13,104	34,113	112,276	395,736	584,237	33,342	72,398	52,262	24,492	183,568	29,000

Source: own elaboration based on *Monitor*.

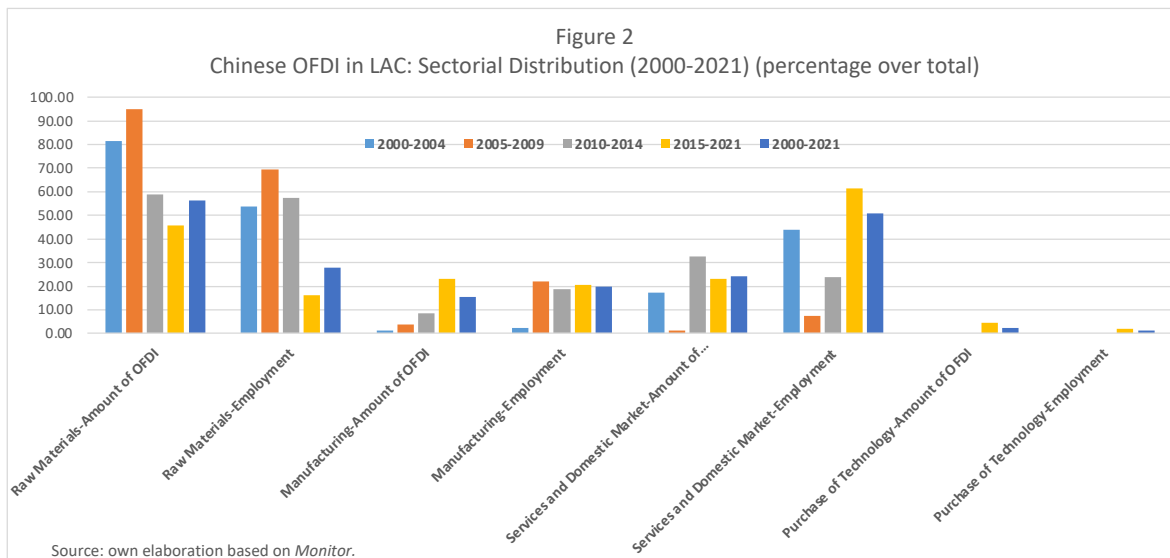


At least two aspects stand out. On the one hand, the relatively high amount of OFDI per transaction for Chile (of \$458 million) during 2015-2021, a performance associated with Chinese OFDI in specific sectors in Chile (see section 2.3.). On the other hand, Colombia presents a very high employment per transaction ratio during 2015-2021 linked to Didi's Chinese OFDI in 2020 (see section 2.6.).

### 2.3. Chinese OFDI by sector

The information provided by the *Monitor* makes it possible to elaborate in detail the discussion on the “reprimarization” of LAC, specifically the ones linked to China’s OFDI. Two aspects stand out.

On the one hand, it is important to understand the profound diversification of Chinese OFDI in LAC from an aggregate sectoral perspective: while in 2005-2009 raw materials accounted for 95.09% of the amount of OFDI and 69.54% of the employment generated, in 2015-2021 they fell to 45.68% and 16.13%. Figure 2 reflects that manufacturing activities, and especially services and other such oriented activities, increased considerably; the latter accounted for 33.79% of OFDI and 61.55% of employment generated in 2015-2021. Chinese OFDI in LAC directed towards the purchase of technology is even lower, accounting for only 2.27% during 2000-2021.



This diversification process is even more evident from a disaggregated perspective. Table 4 presents in more detail how Metals, minerals and mining reached more than 80% of OFDI and 50% of employment generated in 2000-2004 and 2005-2009 but fell to 26.54% and 11.67% in 2015-2021. Diversification has been present in both OFDI and its generated employment: while the energy sector is responsible for 38.94% of OFDI in the last period





2015-2021, transportation (both sales services and ports and airports) and auto parts-automotive generated 47.92% and 37.75% of employment. Additionally, the database allows a more detailed analysis within the same sectors: in energy, for example, Chinese OFDI projects have changed significantly, since historically they were focused on the generation and distribution of fossil energy but, in the 2015-2021 period, they were linked to renewable energies and led by companies such as Envision and Trina Solar Energy, among others.

Table 4

Latin America and the Caribbean: Chinese OFDI by Sector (2000-2021) (percentage over total)

	2000-2004	2005-2009	2010-2014	2015-2021	2000-2021
Metals, minerals and mining - OFDI	81.39	89.98	37.64	26.54	38.01
Metals, minerals and mining - Employn	53.79	49.78	28.46	11.67	18.06
Energy - OFDI	0.00	1.87	31.87	38.94	31.85
Energy - Employment	0.00	0.56	33.49	5.19	10.25
Telecommunications - OFDI	7.55	0.28	2.83	2.25	2.40
Telecommunications - Employment	2.08	0.95	7.75	5.24	5.40
Electronics - OFDI	0.06	1.01	3.90	7.73	5.55
Electronics - Employment	0.13	8.07	3.29	5.54	5.14
Autoparts and Automobiles - OFDI	0.00	0.18	1.90	6.04	3.87
Autoparts and Automobiles - Employom	0.00	2.04	8.71	37.75	23.21
Transportation - OFDI	9.70	0.00	0.48	2.97	1.99
Transportation - Employment	41.97	0.00	5.01	47.92	36.74

Source: own elaboration based on *Monitor*.

#### 2.4. Chinese OFDI in LAC by type of ownership

Public ownership—understood as the sum of central government enterprises, provinces, municipalities, and cities (Dussel Peters 2015)—have been the main source of Chinese OFDI in LAC, accounting for 76.75% of OFDI and 42.77% of employment during 2000-2021 (Table 5). Starting from very high shares of Chinese SOEs in the first decade of the 21<sup>st</sup> century, this has declined during 2015-2021, with 66.03% and 30.37% of OFDI and employment generated. Three recent trends are striking.

First, that since 2019 the share of public sector-owned enterprises in Chinese OFDI in LAC again accounted for more than 85%, although their share in employment continued to fall. Second, that during 2015-2021 the amount per transaction of publicly owned OFDI would be 81.24% higher than the total (or \$540 million for public and \$159 million for private sector). Third, as a result of the above trends, China's privately owned OFDI has dramatically increased its OFDI transactions—they accounted for 63.57% during 2015-2021—and especially employment generation, with 69.63% for the same period. In other words, public OFDI has been concentrated in large capital-intensive transactions.

Table 5  
LAC: Chinese OFDI by Public Property (2000-2021) (percentage over total)

	Transactions (number)	OFDI Amount (\$US millions)	Employment (number of employees)	OFDI Amount / Transactions	OFDI Amount / Employment	Employment / Transactions
2015	23.68	44.61	24.40	188.34	182.85	103.00
2016	45.95	51.73	60.43	112.59	85.60	131.53
2017	33.82	70.79	45.47	209.29	155.68	134.44
2018	35.48	42.25	54.03	119.07	78.20	152.27
2019	51.61	88.89	59.50	172.23	149.40	115.28
2020	33.33	90.82	9.29	272.46	977.52	27.87
2021	45.83	85.64	30.88	186.85	277.32	67.38
2000-2004	60.00	83.34	55.61	138.89	149.86	92.68
2005-2009	61.29	89.54	61.33	146.09	145.99	100.07
2010-2014	50.00	83.30	64.54	166.61	129.06	129.09
2015-2021	36.43	66.03	30.37	181.24	217.44	83.35
2000-2021	46.95	76.75	42.77	163.49	179.47	91.10

Source: own elaboration based on *Monitor*.

## 2.5. Chinese OFDI in LAC by geographic origin of the company in China

The *Monitor*'s database recently integrated the geographic origin of the parent company in China that carries out OFDI in LAC, with surprising results. At least three aspects are noteworthy. First, the high association of Chinese OFDI in LAC with its geographic origin and ownership (Dussel Peters 2021), for example, for publicly owned firms in Beijing, while firms headquartered in other cities and provinces such as Hong Kong, Guangdong and Shanghai represent mostly private firms.

Table 6  
LAC: Chinese OFDI by Geographic Location of the Chinese Firm (2000-2021)

	2016	2017	2018	2019	2020	2021	2000-2004	2005-2009	2010-2014	2015-2021	2000-2021
	SUS million						(average, percentage)				
<b>Total</b>											
Number of Transactions	37	68	62	31	33	24	100.00	100.00	100.00	100.00	100.00
Amount of OFDI	12,849	16,184	12,529	18,228	9,145	9,045	100.00	100.00	100.00	100.00	100.00
Employment	33,342	72,398	52,262	24,492	183,568	29,008	100.00	100.00	100.00	100.00	100.00
<b>Beijing</b>											
Number of Transactions	7	12	22	14	9	6	26.67	37.10	38.96	26.28	31.30
Amount of OFDI	4,206	5,997	6,620	10,960	7,304	3,625	79.60	46.61	80.46	48.47	60.47
Employment	8,128	17,363	14,658	16,045	164,234	3,451	50.91	25.75	50.86	52.96	50.92
<b>Guangdong</b>											
Number of Transactions	4	6	7	3	1	3	26.67	4.84	9.09	9.56	9.35
Amount of OFDI	42	163	260	1,875	3	8	7.51	0.19	2.02	2.69	2.34
Employment	878	2,384	2,725	367	100	8,000	1.93	0.90	4.47	3.63	3.59
<b>Hong Kong</b>											
Number of Transactions	5	5	2	0	2	2	6.67	16.13	9.09	6.48	8.40
Amount of OFDI	89	1,024	19	0	100	2,105	9.70	3.70	3.94	4.19	4.20
Employment	1,349	16,332	300	0	2,550	1,300	41.97	25.35	13.71	5.28	8.89
<b>Shanghai</b>											
Number of Transactions	8	12	8	2	2	1	13.33	3.23	5.84	12.97	9.73
Amount of OFDI	740	2,156	662	1,360	266	32	1.25	0.45	0.97	6.41	3.75
Employment	3,010	8,883	3,810	1,580	700	1,000	1.17	1.64	2.64	4.60	3.97
<b>Other</b>											
Number of Transactions	13	33	23	12	19	12	26.67	38.71	37.01	44.71	41.22
Amount of OFDI	7,772	6,843	4,969	4,033	1,473	3,275	1.94	49.05	12.61	38.24	29.25
Employment	19,977	27,436	30,769	6,500	15,984	15,257	4.02	46.37	28.32	33.54	32.62

Source: own elaboration based on *Monitor*.

Second, the diversification process noted in previous sections—by country, sector and type of ownership— is also perceived in this item: if way back in 2010-2014, 80.46% of Chinese OFDI in LAC and 50.86% of employment generated was through companies headquartered in Beijing, in 2021 it fell to 40.08% of OFDI and 11.90% of employment; companies headquartered in Guangdong and Hong Kong, for example, accounted for 27.58% of employment generated and 23.27% of Chinese OFDI in LAC in 2021 (Table 6). Third, the increasing and recent territorial diversification of the source of Chinese OFDI in LAC has gone far beyond Guangdong, Hong Kong and Shanghai: in 2021, companies with headquarters in China outside Beijing, Guangdong, Hong Kong and Shanghai, engaged with 36.21% of Chinese OFDI and 52.60% of employment generated; Changzhou, Chongqing, Jiangsu, Shandong and Zhejiang are some of the most dynamic and prominent locations of the new—and predominantly private—Chinese OFDI in LAC.

## 2.6. Main Chinese companies that carried out OFDI in LAC

The *Monitor*'s database allows a detailed analysis by company and transaction, as well as by years, periods, and their characteristics in terms of OFDI carried out and employment generated, among other features.

Table 7  
Chinese OFDI in LAC: Main 5 Firms according to their OFDI during 2000-2021

	Transactions (number) (1)	OFDI Amount (\$US millions) (2)	Employment (number of employees) (3)	OFDI Amount / Transactions (2) / (1)	OFDI Amount / Employment (2) / (3)	Employment / Transactions (3) / (1)
China Petroleum & Chemical Corporation (SINOPEC)	10	17,277	13,029	1,728	1.33	1,303
China National Offshore Oil Corporation (CNOOC)	16	13,852	30,499	866	0.45	1,906
State Grid Corporation	8	13,312	7,694	1,664	1.73	962
China Three Gorges Corporation (CTG)	10	13,194	14,805	1,319	0.89	1,481
China Minmetals Group	5	11,640	7,028	2,328	1.66	1,406
Subtotal	49	69,275	73,055	1,414	0.95	1,491
Total	524	171,854	584,237	328	0.29	1,115
			percentage over total			
China Petroleum & Chemical Corporation (SINOPEC)	1.91	10.05	2.23	526.79	450.80	116.86
China National Offshore Oil Corporation (CNOOC)	3.05	8.06	5.22	263.97	154.40	170.97
State Grid Corporation	1.53	7.75	1.32	507.37	588.19	86.26
China Three Gorges Corporation (CTG)	1.91	7.68	2.53	402.30	302.97	132.79
China Minmetals Group	0.95	6.77	1.20	709.83	563.05	126.07
Subtotal	9.35	40.31	12.50	431.07	322.37	133.72
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: own elaboration based on *Monitor*.

Based on OFDI during 2000-2021, five companies—SINOPEC, CNOOC, State Grid, CTG and China Minmetals Group, all publicly owned by the central government—accounted for 40.31% of Chinese OFDI in LAC, although with a much lower proportion in terms of employment generated (12.50%) (Table 7). The databank allows us to examine in detail the most recent Chinese investments—smaller companies, in new sectors and increasingly privately owned—which for the moment have accumulated OFDI much lower than that of the top 5 companies.



Emphasizing employment generation during 2000-2021, the case of Didi Chuxing Technology (Didi) comes to the fore, which, with a reduced group of transactions since 2018—and with an OFDI of less than \$200 million—, has generated in Brazil, Costa Rica, Colombia and Mexico more than 162,000 jobs or 41.09% during 2015-2021. Didi, a private company with corporate headquarters in Beijing, is an example of the diversification of Chinese OFDI in LAC because of its growing employment generation and private ownership.

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