



## China OFDI Monitor in Latin America and the Caribbean 2024

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Since 2022, multiple international events have profoundly affected foreign direct investment flows, both outward (or OFDI) and inward (FDI). In addition to the Russian invasion of Ukraine and the military confrontation between Israel and Palestine, the effects of the rise in real interest rates, a growing process of international indebtedness and the deepening confrontation between the United States and China are particularly relevant. Although the analysis focuses mainly on Chinese OFDI to Latin America and the Caribbean (LAC) up to 2023, the first section of the document emphasizes international and China-specific aspects so as to understand Chinese OFDI globally and in LAC. The second section focuses briefly on methodological topics and Chinese OFDI in general, with emphasis on the characteristics of Chinese OFDI to LAC during 2000-2023 using the databank offered by the *Red ALC-China*. The chapter examines significant aspects by country, sector, ownership of the Chinese company, the geographical origin of the companies that carry out OFDI and the concentration of Chinese OFDI in its main companies; all these aspects are dealt with based on the amount and use of Chinese OFDI, which allows some additional estimates to be made.

All those interested in details about Chinese OFDI in LAC could retrieve the annual editions of the *Monitor* since 2017 that have specific aspects of the methodological, conceptual, bibliographical and policy discussion that cannot be repeated in each issue.

### 1. International Context of Chinese OFDI in LAC up to 2023

Chinese OFDI in 2023 has been affected by a group of factors through the first quarter of 2024.

First, as highlighted in the 2023 *Monitor* (Dussel Peters 2023), the confrontation between the US and China has continued to escalate significantly during 2023-2024, with important effects on third countries and LAC. While “decoupling” has deepened in virtually all areas of the US-China relationship—for example via the massive closure of Confucius Institutes, in US trade with China<sup>2</sup> and in controlling bilateral investments, particularly in high-tech

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<sup>2</sup> China’s share of U.S. trade fell from 16.34% in 2017 to 10.91% in 2023, especially in U.S. imports (from 21.59% to 13.85% over the same period).



(GavekalResearch 2024; Goujon 2024)—under the Biden administration’s “invest, compete, and align” strategy and the supremacy of its national security over any other area (e.g., international trade, investment, and technological development) against China (security-shoring). The latest USTR report—consistent with the Biden administration’s strategy since 2022—questions US participation in the WTO in the face of Chinese competition and threat to “core values” (USTR 2024:7) emanating from “state-led, non-market and predatory” policies and practices (USTR 2024:7). Third countries in LAC, particularly Mexico, seem to benefit from this confrontation (Ray 2024) in the area of trade and investment with the US, although the demand for alignment could also affect their relationship with China, specifically in the area of trade and investment, in addition to the weakening of existing institutions such as the T-MEC (Trade Agreement between Mexico, the United States and Canada) in the case of Mexico.

Second. The International Monetary Fund (IMF 2024) points out that in the medium term there are serious challenges for economic growth and international trade: on-going high inflation rates, uncertainty regarding energy prices, high real interest rates and important debt processes have generated low expectations and important differences in growth in the short and medium term between countries and regions. On the one hand, global growth rates would barely reach 3.2% in 2024 and 2025 (even up to 2029), well below historical performance. The two main economies would also reflect this downward trend, with GDP growth in the US of just 2.7% and 1.9% in 2024 and 2025 and 4.6% and 4.1% for China. These trends are also reflected for LAC and its two main economies, Brazil and Mexico (IMF 2024:142-143).<sup>3</sup>

Third. The 2023 *Monitor* analyzed, through 2021, the growing Asian presence in global OFDI during 2017-2021. Table 1 reflects the growing global relevance of OFDI flows: for the period 2018-2022 they accounted for 1.39% of GDP and 5.33% of gross fixed capital formation (GFCF). The top three countries according to their share in global OFDI during 2018-2022—the United States, Japan, and China<sup>4</sup>—are very close to each other in terms of their shares of global OFDI. At least as important to highlight is that China still has significant potential to increase its OFDI: especially compared to major OFDI issuers relative to Chinese GDP and GFCF that could significantly increase its OFDI; in 2018-2022, for example, OFDI from the US, Japan and China accounted for 6.79%, 14.57% and 1.94% of their GFCF.<sup>5</sup>

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<sup>3</sup> UNCTAD (2024/a) also points out that international trade has been affected by the problems in the most important maritime routes such as the Red Sea, the Black Sea and the Panama Canal.

<sup>4</sup> If we include Hong Kong’s OFDI in China’s OFDI, its share in global OFDI increases from 11.92% to 18.77% during 2018-2022, which would make it the leading global source of OFDI (UNCTAD 2024/b).

<sup>5</sup> Unlike previous years, it is only in the first quarter of 2024 that UNCTAD (2024/c) has published its expectations for international OFDI by major regions and countries for 2023.

Table 1  
OFDI Flows by Five Main countries (according to 2018-2022)

	1990	2000	2010	2017	2018-2022
	Share over total international OFDI flows				
United States	12.70	12.27	19.97	20.57	12.41
Japan	20.82	2.71	4.04	10.33	12.28
China	0.34	0.08	4.95	9.94	11.92
Germany	9.94	4.91	9.02	5.40	9.53
Canada	2.15	3.84	2.50	4.78	5.56
World	100.00	100.00	100.00	100.00	100.00
	percentage of GDP				
United States	0.52	1.38	1.83	1.66	0.64
Japan	1.62	0.64	0.98	3.34	3.21
China	0.21	0.08	1.13	1.27	0.97
Germany	1.37	2.94	3.69	2.33	3.00
Canada	0.88	6.00	2.15	4.62	3.79
World	1.12	3.59	2.11	1.97	1.39
	percentage of gross fixed capital formation				
United States	2.43	5.98	10.05	7.95	6.79
Japan	4.75	2.23	4.32	13.35	14.57
China	0.86	0.23	2.57	3.07	1.94
Germany	5.49	12.65	18.74	11.32	13.85
Canada	4.05	30.61	9.15	20.35	16.05
World	4.50	15.09	8.95	7.82	5.33

Source: own elaboration based on UNCTAD (2024/b).

## 2. Main Trends in China's OFDI During 2000-2023

Previous versions of the *Monitor* have defined the main methodological aspects for recording OFDI: its distinction with infrastructure projects, the inclusion of OFDI carried out (as opposed to announced), the procedure for recording each of the OFDI transactions included in the *Monitor's* database and, finally, its significant impact on the statistics when compared



with other existing statistics, both public and from other research centers.<sup>6</sup> The following is a brief review of China's OFDI in LAC during 2000-2023 and an invitation to delve deeper into multiple aspects of the performance highlighted here.

## 2.1. Chinese OFDI in LAC: General Trends

Total Chinese OFDI increased in 2023 by 0.9% reaching \$147.85 billion, still well below the levels performed in 2016 and 2021, in the interest of being stable after its reduction in 2022. Considering that Chinese FDI fell in 2023 by -16.1%, the OFDI/FDI ratio in 2023 represented 93.16%, and the highest level since 2019 (during 2015-2018 the ratio was above 100%). While the issue of Chinese OFDI has not yet received sufficient attention, it seems to be undergoing a significant structural change.<sup>7</sup>

The 33 Chinese OFDI transactions in LAC in 2023 generated US\$8,748 million and 26,530 jobs, or a descent of -43.53% and -37.81%; these figures should be considered preliminary given the experience of previous issues of the *Monitor*.<sup>8</sup>

Table 2

LAC: Chinese OFDI Flows and Share of Macroeconomic Indicators (2000-2023)

	Chinese OFDI (\$ million)	Regional FDI / GDP (percentage)	Chinese OFDI (percentage of respective total)		
			Regional FDI	Gross Formation of Fixed Capital	GDP
2018	13,420	2.82	8.69	1.32	0.24
2019	19,231	3.02	12.16	1.93	0.35
2020	9,277	1.98	10.32	1.14	0.20
2021	12,704	2.69	9.21	1.23	0.24
2022	15,491	3.47	7.43	1.31	0.26
2023/p	8,748	3.42	4.19	--	0.14
2000-2004	2,639	2.97	0.82	0.13	0.02
2005-2009	16,447	2.61	3.34	0.44	0.09
2010-2014	59,285	3.04	6.48	0.95	0.20
2015-2019	68,645	3.60	6.95	0.99	0.25
2020-2023	46,220	2.75	10.60	--	0.29
2000-2023	193,235	3.19	6.60	1.02	0.21

Source: own elaboration based on *Monitor* (2024) and UNCTAD (2024/b/c).

<sup>6</sup> These aspects are still confused today (Myers, Melguizo and Wang 2024), with significant implications for policy proposals and for the discussion that has been going on for more than a decade in public, private and academic institutions in LAC and China.

<sup>7</sup> The global auto parts-automotive value chain, particularly vehicles, for example, have become an important driver of Chinese OFDI, by countries and regions also outside the United States, especially oriented towards Europe, Asia and Latin America and the Caribbean, among others (Sebastian, Goujon and Meyer 2024).

<sup>8</sup> In the 2023 *Monitor* (Dussel Peters 2023), for example, an OFDI amount of US\$12,024 million had been recorded in 2022 which increased to US\$15,491 million with the current record resulting from new transactions that had not been previously reported.



Several general aspects are relevant (Table 2). On the one hand, beyond annual performances, Chinese OFDI in LAC continues with an upward trend: if in 2000-2004 it represented 2.97% of LAC FDI, it increased to 3.60% in 2015-2019 and has been 2.75% for the most recent period (2020-2023), even with the impact of COVID-19; also with respect to GDP and gross fixed capital formation, Chinese OFDI has increased its regional presence. Nevertheless, it is important to highlight that Chinese OFDI accounted for 10.60% in 2020-2023, i.e., almost 90% of LAC's OFDI comes from third countries. Second, in absolute terms Chinese OFDI has accounted for average annual flows in excess of US\$10 billion since 2010-2014. Thus, Chinese OFDI has become an important factor in understanding LAC FDI flows, with a clear upward trend during the 21<sup>st</sup> century, although with an oscillating performance since 2020. Table 3 elaborates on several additional characteristics of Chinese OFDI in LAC. While the amount of OFDI per transaction has recently increased—from \$310 million during 2020-2023 and from \$270 million in 2015-2019—what is more significant is the considerable increase of 1,902 jobs per transaction in 2020-2023, well above the recent jobs generated per transaction in previous periods. At least as relevant is the dynamism of new investments (or greenfield type), which accounted for 45.40% of Chinese OFDI in LAC during 2020-2023, almost double that of 2015-2019, i.e., while mergers and acquisitions (M&A) remain predominant, new investments are the most dynamic for the most recent period. They even generated 84.89% of Chinese OFDI employment in LAC in the most recent period with employment per transaction ratios well above M&A. These trends are closely associated with trends in Chinese OFDI by sector and type of ownership, as we will see below.



Table 3  
LAC: Chinese OFDI, Main Aggregated Characteristics (2000-2023)

	Transactions (number)	Amount of OFDI (million of dollars)	Employment (number of workers)	Amount of OFDI / transaction	Amount of OFDI / employment	Employment / transaction (number of workers)
2018	71	13,420	62,459	189	0.21	880
2019	45	19,231	69,225	427	0.28	1,538
2020	39	9,277	183,421	238	0.05	4,703
2021	33	12,704	30,732	385	0.41	931
2022	44	15,491	42,660	352	0.36	970
2023	33	8,748	26,530	265	0.33	804
2000-2004	14	2,639	10,104	188	0.26	722
2005-2009	62	16,447	34,769	265	0.47	561
2010-2014	154	59,285	93,983	385	0.63	610
2015-2019	254	68,645	241,277	270	0.28	950
2020-2023	149	46,220	283,343	310	0.16	1,902
2000-2023	633	193,235	663,476	305	0.29	1,048
Mergers and Acquisitions (M&A)						
2018	35	11,287	33,431	322	0.34	955
2019	23	13,513	53,606	588	0.25	2,331
2020	20	7,133	15,811	357	0.45	791
2021	13	5,653	7,468	435	0.76	574
2022	15	8,897	16,672	593	0.53	1,111
2023	7	3,552	2,850	507	1.25	407
2000-2004	2	550	5,950	275	0.09	2,975
2005-2009	28	9,399	21,822	336	0.43	779
2010-2014	55	44,758	58,403	814	0.77	1,062
2015-2019	114	52,809	163,224	463	0.32	1,432
2020-2023	55	25,235	42,801	459	0.59	778
2000-2023	254	132,751	292,200	523	0.45	1,150
New Investments (greenfield)						
2018	36	2,132	29,028	59	0.07	806
2019	22	5,719	15,619	260	0.37	710
2020	19	2,144	167,610	113	0.01	8,822
2021	20	7,051	23,264	353	0.30	1,163
2022	29	6,594	25,988	227	0.25	896
2023	26	5,197	23,680	200	0.22	911
2000-2004	12	2,089	4,154	174	0.50	346
2005-2009	34	7,048	12,947	207	0.54	381
2010-2014	99	14,527	35,580	147	0.41	359
2015-2019	140	15,836	78,053	113	0.20	558
2020-2023	94	20,985	240,542	223	0.09	2,559
2000-2023	379	60,484	371,276	160	0.16	980
M&A (percentage of total)						
2018	49.30	84.11	53.52	170.62	157.14	108.58
2019	51.11	70.26	77.44	137.47	90.74	151.51
2020	51.28	76.89	8.62	149.94	891.99	16.81
2021	39.39	44.50	24.30	112.96	183.12	61.69
2022	34.09	57.43	39.08	168.48	146.96	114.64
2023	21.21	40.60	10.74	191.38	377.90	50.64
2000-2004	14.29	20.84	58.89	145.91	35.40	412.21
2005-2009	45.16	57.15	62.76	126.54	91.05	138.97
2010-2014	35.71	75.50	62.14	211.39	121.49	174.00
2015-2019	44.88	76.93	67.65	171.41	113.72	150.73
2020-2023	36.91	54.60	15.11	147.91	361.44	40.92
2000-2023	40.13	68.70	44.04	171.21	155.99	109.76
New Investments (percentage of total)						
2018	50.70	15.89	46.48	31.34	34.19	91.66
2019	48.89	29.74	22.56	60.83	131.80	46.15
2020	48.72	23.11	91.38	47.44	25.29	187.57
2021	60.61	55.50	75.70	91.58	73.32	124.90
2022	65.91	42.57	60.92	64.58	69.87	92.43
2023	78.79	59.40	89.26	75.40	66.55	113.29
2000-2004	85.71	79.16	41.11	92.35	192.53	47.96
2005-2009	54.84	42.85	37.24	78.14	115.08	67.90
2010-2014	64.29	24.50	37.86	38.12	64.72	58.89
2015-2019	55.12	23.07	32.35	41.85	71.31	58.69
2020-2023	63.09	45.40	84.89	71.97	53.48	134.57
2000-2023	59.87	31.30	55.96	52.28	55.93	93.46

Source: own elaboration based on *Monitor* (2024).

## 2.2. Chinese OFDI in LAC by Country of Destination

Chinese OFDI has deepened its diversification process by destination, as emphasized in previous issues of the *Monitor*. Brazil remains the main destination of Chinese OFDI, with 33.95% during 2020-2023, albeit with a strong downward trend since 2010-2014. As a result, Argentina (with 22.52% of the amount of OFDI in 2020-2023), Mexico (15.06%), Peru (11.34%) and Chile (8.73%) have increased their share significantly; the case of Mexico is striking in terms of employment generation via Chinese OFDI, with more than 112,000 jobs generated in 2020-2023 (or 39.76%).<sup>9</sup> Country characteristics—for example, employment per transaction in 2020-2023 of 2,086 jobs for Mexico and 584 for Argentina—are important for further analysis on a regional and country basis.<sup>10</sup> Table 4 also shows that China did not carry out OFDI in Venezuela and Central America in 2020-2023.

Table 4  
LAC: Chinese OFDI by Main Countries (2000-2023)

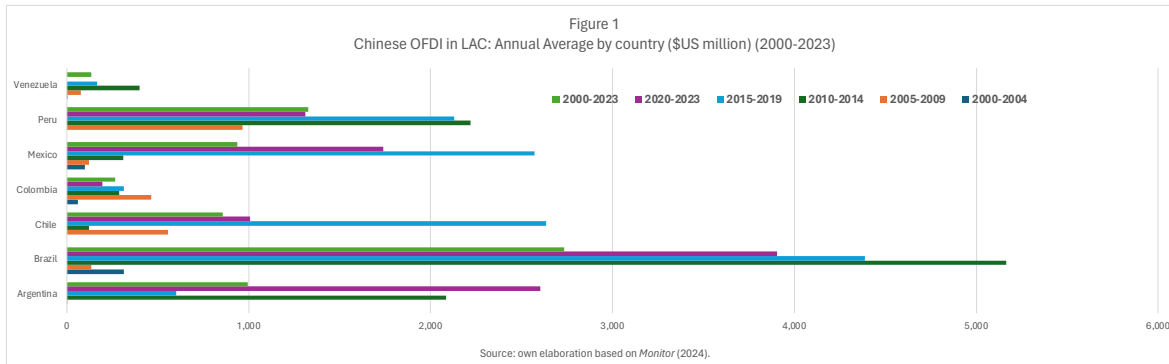
	2000-2004	2005-2009	2010-2014	2015-2019	2020-2023	2000-2023	2019	2020	2021	2022	2023
<b>Argentina</b>											
Number of transactions	0	1	12	23	29	65	5	2	7	16	4
OFDI amount (\$US million)	0	4	10,422	2,998	10,411	23,834	676	166	1,794	6,987	1,464
Employment (number of workers)	0	200	6,075	13,748	16,940	36,963	2,720	1,101	2,152	12,067	1,620
<b>Brazil</b>											
Number of transactions	5	9	45	76	28	163	7	7	8	5	8
OFDI amount (\$US million)	1,565	667	25,815	21,938	15,623	65,608	3,502	2,036	6,249	5,737	1,601
Employment (number of workers)	3,303	6,657	49,032	74,191	27,891	161,074	922	9,059	6,599	7,883	4,350
<b>Chile</b>											
Number of transactions	0	5	10	22	16	53	4	11	2	2	1
OFDI amount (\$US million)	0	2,789	603	13,173	4,034	20,599	3,314	3,040	600	104	290
Employment (number of workers)	0	628	1,114	18,432	5,226	25,400	1,344	3,976	650	100	500
<b>Colombia</b>											
Number of transactions	2	4	9	8	5	28	1	3	0	1	1
OFDI amount (\$US million)	298	2,316	1,446	1,567	779	6,406	1,000	652	0	87	40
Employment (number of workers)	32	899	2,214	2,028	103,875	109,048	350	102,821	0	54	1,000
<b>Mexico</b>											
Number of transactions	3	11	25	73	54	166	15	12	12	17	13
OFDI amount (\$US million)	500	601	1,554	12,854	6,961	22,470	2,041	1,508	1,280	2,197	1,976
Employment (number of workers)	5,721	7,135	9,835	87,332	112,657	222,680	50,390	63,490	19,511	20,906	8,750
<b>Peru</b>											
Number of transactions	0	11	13	10	5	39	4	1	1	1	2
OFDI amount (\$US million)	0	4,835	11,093	10,651	5,242	31,820	6,849	1,355	569	68	3,250
Employment (number of workers)	0	9,605	8,982	12,629	11,550	42,766	5,329	1,500	0	50	10,000
<b>Venezuela</b>											
Number of transactions	1	4	9	2	0	16	0	0	0	0	0
OFDI amount (\$US million)	13	382	1,998	827	0	3,219	0	0	0	0	0
Employment (number of workers)	350	1,251	3,858	6,214	0	11,673	0	0	0	0	0
<b>Caribbean</b>											
Number of transactions	0	0	11	13	7	31	4	2	2	1	2
OFDI amount (\$US million)	0	0	4,439	1,146	2,789	8,374	255	284	2,100	300	105
Employment (number of workers)	0	0	6,533	14,350	3,008	23,891	1,201	578	1,820	300	310
<b>Central America</b>											
Number of transactions	0	3	4	10	0	17	2	0	0	0	0
OFDI amount (\$US million)	0	38	272	1,195	0	1,505	4	0	0	0	0
Employment (number of workers)	0	275	778	6,895	0	7,948	5,050	0	0	0	0
<b>TOTAL LAC</b>											
Number of transactions	14	62	154	254	149	633	45	39	33	44	33
OFDI amount (\$US million)	2,639	16,447	59,285	68,645	46,220	193,235	19,231	9,277	12,704	15,491	8,748
Employment (number of workers)	10,104	34,769	93,983	241,277	283,343	663,476	69,225	183,421	30,732	42,660	26,530

Source: own elaboration based on *Monitor* (2024).

<sup>9</sup> The case of Mexico invites further exploration based on recent discussions on near-shoring or security-shoring (see chapter 1). Based on the *Monitor*, Chinese OFDI was US\$6.961 billion for 2020-2023, 525% higher than official Mexican sources (SE 2024). This is a result of the methodology used by the SE and the *Monitor*.

<sup>10</sup> In the case of Mexico, for example, Mexico City and Nuevo León accounted for 34.30% and 15.93% of Chinese OFDI during 2000-2023, with an upward trend during the period, i.e., in 2020-2023 these two states alone accounted for 56.35% of Chinese OFDI.

From another perspective, Figure 1 confirms the above trends. If Brazil has been the main recipient of Chinese OFDI, with US\$2,734 million on average during 2000-2023, Argentina and Mexico have increased annual averages during 2020-2023, with US\$2,603 million and US\$1,740 million (Figure 1).



### 2.3. Chinese OFDI in LAC by Activity

Previous issues of the *Monitor* have insisted on the important sectoral diversification of Chinese OFDI in LAC during the 21st century. Figure 2 shows that by aggregate sector during 2005-2009, OFDI in commodities fell from 94.81% in 2005-2009 to 41.96% in 2020-2023; in contrast, transactions to the domestic market (32.78% in 2020-2023) and in manufacturing (22.72%) have increased the presence of Chinese OFDI in LAC. The result is significant in terms of debates about the “reprimarization” of the region and its link with China, although it is also important to recognize that Chinese OFDI in the last decade has increased transactions in new raw materials such as lithium.

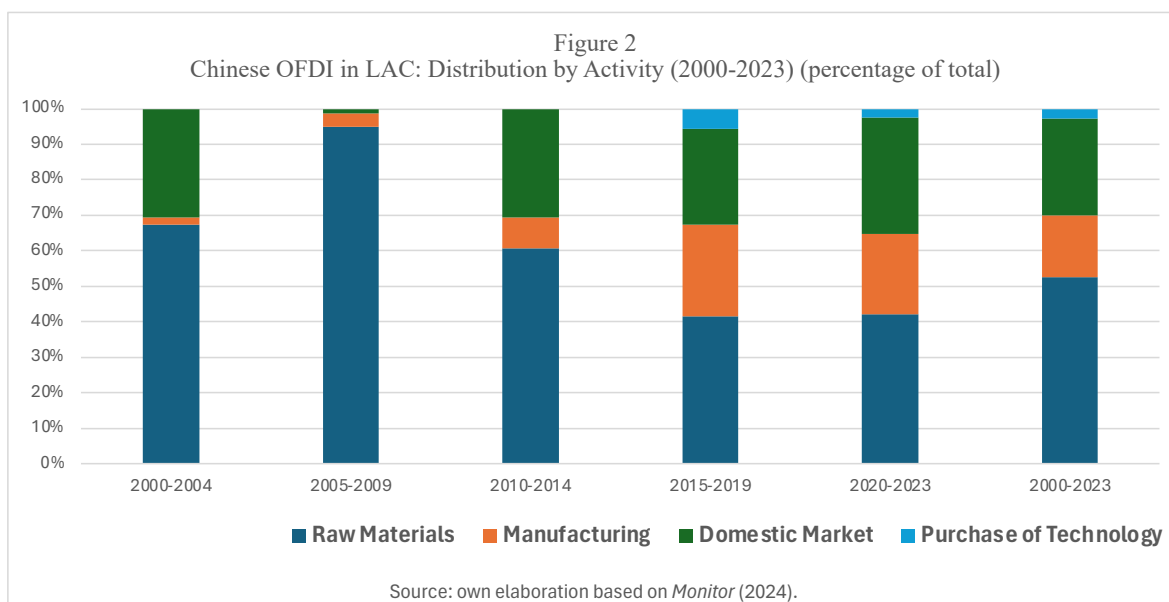






Table 5  
LAC: Chinese OFDI by Sector (2000-2023) (percentage of total)

	2000-2004	2005-2009	2010-2014	2015-2019	2020-2023	2000-2023
<b>Energy</b>						
Number of transactions	0.00	3.23	11.04	13.39	27.52	14.85
Amount of OFDI (\$US million)	0.00	10.33	32.54	39.26	39.08	34.16
Employment (number of workers)	0.00	1.63	19.55	7.33	6.50	8.29
<b>Metals, minerals and mining</b>						
Number of transactions	35.71	41.94	17.53	11.02	24.83	19.43
Amount of OFDI (\$US million)	67.29	81.41	35.04	20.67	34.22	34.12
Employment (number of workers)	40.06	48.26	21.58	11.65	14.42	16.59
<b>Automobiles and autoparts</b>						
Number of transactions	0.00	6.45	11.04	17.72	18.79	14.85
Amount of OFDI (\$US million)	0.00	1.56	2.05	8.03	12.25	6.54
Employment (number of workers)	0.00	4.08	7.23	12.09	8.40	9.22
<b>Electronics</b>						
Number of transactions	0.00	8.06	8.44	12.99	4.03	9.00
Amount of OFDI (\$US million)	0.00	1.17	3.92	10.30	0.65	5.12
Employment (number of workers)	0.00	14.46	4.02	10.77	1.05	5.69
<b>Financial sector</b>						
Number of transactions	0.00	4.84	6.49	4.72	1.34	4.27
Amount of OFDI (\$US million)	0.00	0.72	4.87	3.30	0.79	2.92
Employment (number of workers)	0.00	0.51	3.90	1.51	0.33	1.27
<b>Transportation</b>						
Number of transactions	0.00	0.00	1.30	2.76	1.34	1.74
Amount of OFDI (\$US million)	0.00	0.00	0.03	0.75	0.09	0.30
Employment (number of workers)	0.00	0.00	0.51	3.49	55.48	25.03
<b>Total</b>						
Number of transactions	100.00	100.00	100.00	100.00	100.00	100.00
Amount of OFDI (\$US million)	100.00	100.00	100.00	100.00	100.00	100.00
Employment (number of workers)	100.00	100.00	100.00	100.00	100.00	100.00

Source: own elaboration based on *Monitor* (2024).

The information prepared by the *Monitor* allows for a more in-depth analysis of the above trends. Table 5 shows that sectors linked to raw materials—metals, minerals and mining—continue to predominate in Chinese OFDI in LAC, with 34.22% of the total during 2020-2023, well below their share in 2005-2009 (81.41%). On the other hand, the energy and automotive and auto parts sectors have become the most dynamic sectors of Chinese OFDI in the last decade.<sup>11</sup> In addition, as examined in the 2023 *Monitor* (Dussel Peters 2023),<sup>12</sup> some sectors, such as energy, have been significantly reoriented towards non-fossil energy transactions. It is equally important to highlight employment generation in the transportation

<sup>11</sup> When associating the information by country and sector, for example, Brazil, the main recipient country of Chinese OFDI (Table 4), concentrates it particularly in energy, with 54.92% during 2000-2023, and in minerals and mining (with 15.76%). Energy in particular has increased its share for the period.

<sup>12</sup> Associating the information by country and sector we have that, for example, that Mexico received OFDI from China in the electronics and auto parts and automotive sectors for amounts of 6,429 and 2,859 million dollars in 2015-2019 and 298 and 2,601 million dollars during 2020-2023 (or 66.15% of Chinese OFDI in the period); in both sectors 65 transactions were recorded during 2000-2023. The information is significant in the current discussion on near and security-shoring, considering that China has been carrying out OFDI since the beginning of the 21<sup>st</sup> century and in Mexico in a significant way in the last decade.



sector: in 2020-2023 it generated 55.48% of Chinese OFDI employment associated with Didi's activities, as will be seen below.

#### 2.4. Chinese OFDI in LAC by Type of Property

The public sector is one of the most outstanding elements of today's socioeconomy (Dussel Peters 2022); it is also a crucial concept for understanding Chinese OFDI in LAC. For the entire period, 70.80% of Chinese OFDI in LAC is public and, on the other hand, the private sector has been gaining presence: if during 2005-2009 it represented 11.01%, during 2020-2023 it increased to 39.30%. Table 6 also shows that despite the predominance of the public sector in the amount of OFDI, its share in employment generation has fallen drastically, from 59.24% in 2005-2009 to 15.93% in 2020-2023. This performance is the result of OFDI ratios per transaction well above total OFDI and higher capital intensity (or OFDI/employment ratio) (Table 2). As a result, each Chinese OFDI transaction from the public sector generated 865 jobs during 2020-2023, well below the employment per transaction generated by the private sector. The *Monitor* offers the possibility to examine OFDI characteristics by ownership and by country and sector, among other options.<sup>13</sup>

Table 6  
LAC: Chinese OFDI by Private Property of its Firms (2000-2023)  
(percentage of respective total)

	Number of transactions (1)	Amount of OFDI (\$US million) (2)	Employment (number of workers) (3)	Amount of OFDI / transaction (2) / (1)	Amount of OFDI / employment (2) / (3)	Employment / transaction (number of workers) (3) / (1)
2018	64.79	57.70	42.71	89.05	135.10	65.92
2019	57.78	16.45	82.28	28.46	19.99	142.40
2020	74.36	11.59	93.16	15.59	12.45	125.28
2021	60.61	47.54	80.15	78.45	59.32	132.24
2022	68.18	44.03	75.80	64.57	58.08	111.18
2023	66.67	48.34	39.05	72.51	123.79	58.58
2000-2004	42.86	29.30	57.57	68.36	50.89	134.33
2005-2009	40.32	11.01	40.76	27.31	27.02	101.08
2010-2014	51.95	13.89	42.69	26.73	32.53	82.18
2015-2019	66.14	39.99	60.60	60.45	65.99	91.62
2020-2023	67.79	39.30	84.07	57.98	46.75	124.02
2000-2023	60.03	29.20	67.00	48.64	43.59	111.60

Source: own elaboration based on *Monitor* (2024).

#### 2.5. Chinese OFDI in LAC by Geographic Origin of the Company in China

During 2000-2023 Beijing concentrated 54.34% of Chinese OFDI in LAC according to the geographic origin of the companies in China, with a strong downward trend: in 2010-2014 it represented 80.04% and fell to levels below 45% since then (Table 7). This diversification process, as in other areas of Chinese OFDI in LAC, has meant that, particularly Shanghai and provinces such as Shandong and Guangdong, in addition to Hong Kong, increased their participation during the period of analysis. This issue is very significant for the attraction of

<sup>13</sup> A more detailed analysis by country shows enormous differences. While in Mexico Chinese OFDI is mostly from private companies (76.71% of total Chinese OFDI during 2000-2023), in the case of Brazil it represented only 20.26%.

Chinese OFDI in LAC and allows us to associate geographic origin with ownership, country and sector, for example.<sup>14</sup>

Table 7  
Chinese OFDI in LAC by Geographical Origin of the Chinese Firm (2000-2023)

	2000-2004	2005-2009	2010-2014	2015-2019	2020-2023	2000-2023
	\$US million					
Beijing	1,692	6,950	47,452	29,479	19,426	105,000
Shandong	13	2,623	273	9,060	546	12,514
Guangdong	353	195	1,328	4,927	3,996	10,799
Shanghai	58	878	601	5,165	3,399	32,298
Hong Kong	450	362	2,166	3,601	2,621	9,199
Subtotal	2,567	11,008	51,819	52,232	29,988	169,810
Total	2,639	16,447	59,285	68,645	46,220	193,235
	percentage of total					
Beijing	64.14	42.26	80.04	42.94	42.03	54.34
Shandong	0.49	15.95	0.46	13.20	1.18	6.48
Guangdong	13.39	1.19	2.24	7.18	8.65	5.59
Shanghai	2.20	5.34	1.01	7.52	7.35	16.71
Hong Kong	17.05	2.20	3.65	5.25	5.67	4.76
Subtotal	97.27	66.93	87.41	76.09	64.88	87.88
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: own elaboration based on *Monitor* (2024).

## 2.6. Main Chinese Companies with OFDI in LAC

The information generated by the *Monitor* allows for multiple associations based on transactions recorded during 2000-2023. Table 8 reflects an important additional characteristic of Chinese OFDI in LAC: its enormous concentration in a relatively small group of companies. Based on the criterion of OFDI conducted during 2020-2023 just the top five companies accounted for 46.11% of OFDI for the period; the top two (State Power Investment Corporation and State Grid Corporation of China) accounted for as much as 27.93%. All five companies are public companies. Under the criterion of employment generation, the concentration of these companies is even higher (67.32%); they are led by Didi Chuxing Technology with 55.48% of the employment generated by Chinese OFDI in LAC during 2020-2023. The implications are of the utmost relevance from a bilateral economic and political perspective, as well as for the attraction of Chinese OFDI in LAC.<sup>15</sup>

<sup>14</sup> In the case of Brazil, for example, Chinese companies based in Beijing accounted for 83.50% of OFDI during 2000-2023, followed by Shenzhen (3.97%) and Taiyuan (3.73%).

<sup>15</sup> The same exercise can be done by country and based on the information provided by the *Monitor*. In the case of Peru and according to the OFDI of public companies during 2000-2023, China Minmetals Group, China Three Gorges Corporation, China National Petroleum Corporation, State Grid Corporation and Aluminum Corporation of China accounted for 86% of Chinese OFDI and 53.15% of the employment generated by the country.

Table 8  
Chinese OFDI in LAC: Main 5 Firms According to its OFDI amount and Employment during 2000-2023

	Number of transactions (1)	Amount of OFDI (SUS million) (2)	Employment (number of workers) (3)	Amount of OFDI / transaction (2) / (1)	Amount of OFDI / employment (2) / (3)	Employment / transaction (number of workers) (3) / (1)
OFDI during 2000-2023 (SUS million)						
State Power Investment Corporation Limited (SPIC)	4	6,483	1,520	1,620.63	4.26	380.00
State Grid Corporation of China (SGCC)	3	6,425	2,606	2,141.67	2.47	868.67
Tibet Summit Resources Co., Ltd.	3	2,900	2,038	966.67	1.42	679.33
Jiangxi Ganfeng Lithium Co.,Ltd	6	2,828	8,202	471.33	0.34	1,367.00
Zijin Mining Group Ltd	6	2,678	5,534	446.33	0.48	922.33
Subtotal	22	21,314	19,900	5,647	9	4,217
Total	149	46,220	283,343	310.20	0.16	1,901.63
(percentage of total)						
State Power Investment Corporation Limited (SPIC)	2.68	14.03	0.54	522.44	2,614.43	19.98
State Grid Corporation of China (SGCC)	2.01	13.90	0.92	690.41	1,511.39	45.68
Tibet Summit Resources Co., Ltd.	2.01	6.27	0.72	311.62	872.31	35.72
Jiangxi Ganfeng Lithium Co.,Ltd	4.03	6.12	2.89	151.94	211.37	71.89
Zijin Mining Group Ltd	4.03	5.79	1.95	143.88	296.65	48.50
Subtotal	14.77	46.11	7.02	1,820.29	5,506.16	221.77
Total	100.00	100.00	100.00	100.00	100.00	100.00
employment during 2000-2023						
Didi Chuxing Technology (Didi)	2	40	157,200	19.75	0.00	78,600.00
Minerals and Metals Group (MMG)	1	350	9,000	350.00	0.04	9,000.00
Huawei Technologies	5	1,208	8,350	241.56	0.14	1,670.00
Jiangxi Ganfeng Lithium Co.,Ltd	6	2,828	8,202	471.33	0.34	1,367.00
Man Wah Holdings Ltd.	1	200	8,000	200.00	0.03	8,000.00
Subtotal	15	4,625	190,752	308.35	0.02	12,716.80
Total	149	46,220	283,343	310.20	0.16	1,901.63
(percentage of total)						
Didi Chuxing Technology (Didi)	1.34	0.09	55.48	6.37	0.15	4,133.29
Minerals and Metals Group (MMG)	0.67	0.76	3.18	112.83	23.84	473.28
Huawei Technologies	3.36	2.61	2.95	77.87	88.67	87.82
Jiangxi Ganfeng Lithium Co.,Ltd	4.03	6.12	2.89	151.94	211.37	71.89
Man Wah Holdings Ltd.	0.67	0.43	2.82	64.47	15.33	420.69
Subtotal	10.07	10.01	67.32	99.40	14.86	668.73
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: own elaboration based on *Monitor* (2024).

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