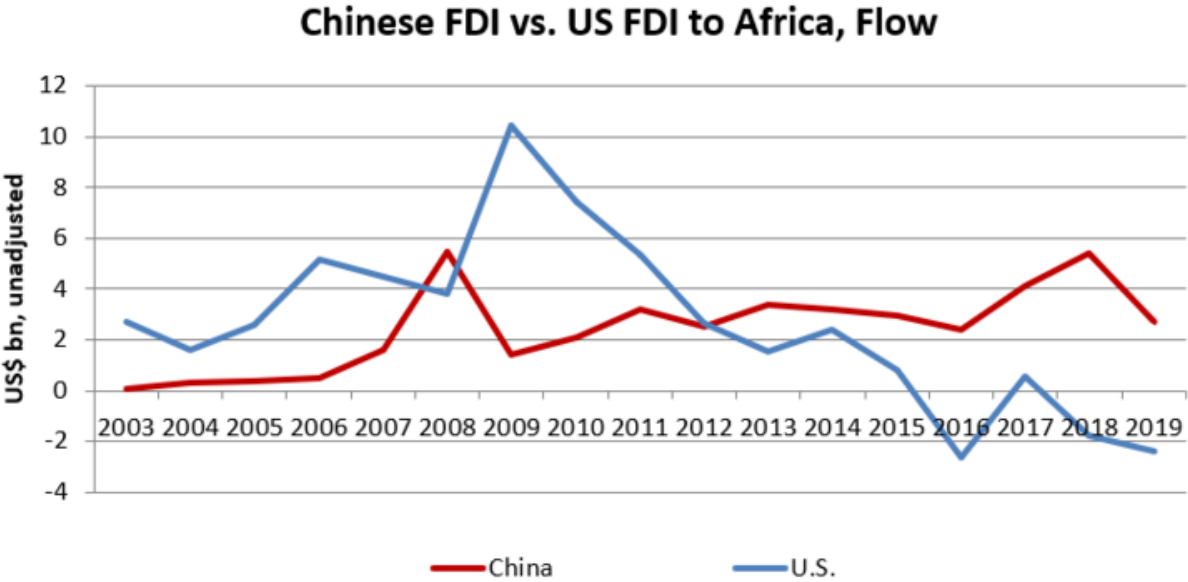


DATA: CHINESE INVESTMENT IN AFRICA



1. CHINESE FDI IN AFRICA DATA OVERVIEW

Chinese FDI annual flows to Africa, also known as OFDI (“Overseas Foreign Direct Investment”) in Chinese official reports, have been increasing steadily since 2003. From 2003 to 2019, the number has surged from US\$ 75 million in 2003 to US\$ 2.7 billion in 2019. Flows peaked in 2008 at US\$ 5.5 billion because of the purchase of 20% of the shares in Standard Bank of South Africa by Industrial and Commercial Bank of China (ICBC). As shown in the chart below, Chinese FDI flows to Africa have exceeded those from the U.S. since 2014, as U.S. FDI flows have been declining since 2010. The top 5 African destinations of Chinese FDI in 2019 were Democratic Republic of Congo, Angola, Ethiopia, South Africa, and Mauritius.



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Source: The Statistical Bulletin of China's Outward Foreign Direct Investment, U.S. Bureau of Economic Analysis



2. CARI FDI DATA COMPILATION

CARI has combined the ODI figures from both the China Statistical Yearbooks and Statistical Bulletins of China's Outward Foreign Direct Investment of various years. The data has been converted from 10,000 US\$ to millions of US\$. We collect annual figures for US outward direct investment for comparison from the Bureau of Economic Analysis (BEA), U.S. Department of Commerce.

3. DATA

The earliest year for which we have reports of Chinese Overseas Direct Investment (ODI) stock/flow data is 2003, with this data first reported in the 2007 China Statistical Yearbook (CSY) and the Statistical Bulletin of China's Outward Foreign Direct Investment (SB). Prior to 2007, the China Commerce Yearbooks (formerly the Almanac of China's Foreign Economic Relations and Trade) reported figures on "China Approved Overseas Investment", available from 1998 to 2005. However, the definition appears to have changed, and the two series (ODI data and "Approved Overseas Investment" data) are not consistent. Without further information on the definition of the latter category, these two figures are not easily comparable.

However, the official data does not tell us all that much. On the one hand, Chinese investment is usually overestimated by others (such as FDIntelligence), because their researchers appear to record the initial agreements announced at press conferences, assuming this is an FDI commitment and will actually lead to flows of money. They often don't. But the numbers are also understated because they don't include Chinese money that is parked in an offshore financial center (British Virgin Islands, Cayman Islands, even Hong Kong, which is the destination of nearly [60 percent](#) of China's FDI), they don't capture smaller investors, and they don't record acquisitions that include African assets, but that took place in another jurisdiction (i.e. the purchase of Canadian firm Addax at over \$7 billion: Addax has several African properties, and properties in Iraq, but the investment appears as "Switzerland" which is where Addax was domiciled).