

Regulatory Environments for Chinese Overseas Direct Investment in Destination Countries Other Than the U.S.

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Negative Factor	China
Trade Imbalance	China is a net exporter and has significant trade surpluses with many developed countries
Export led growth strategy	Yes
Exchange Rate Policy	Rates do not float freely
Capital Controls	Yes
Inbound FDI restricted / highly regulated	Yes (although China is one of the top destinations for FDI, there are significant restrictions on the form of investment and the sectors where it is permitted)
State Sponsored Industrial Policy	Yes with a preponderance of State Owned Enterprises (SOEs) and government support for “National Champions”
Political, strategic and military competition	China is not a close political, strategic or military ally of any developed country nor any but a few less developed countries
Primary area of FDI interest	Acquire international brands, supply inputs (e.g. oil) and strategic technologies, resulting in relatively little or no local employment

Region	EU is more favorable	EU is less favorable	EU is the same
Africa	15%	85%	0%
Australasia	11%	26%	63%
The Middle East	15%	69%	15%
Latin America	31%	56%	13%
North America	33%	21%	45%
Southeast Asia	48%	28%	24%

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