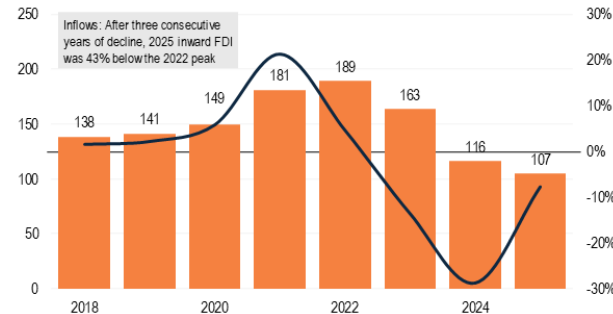


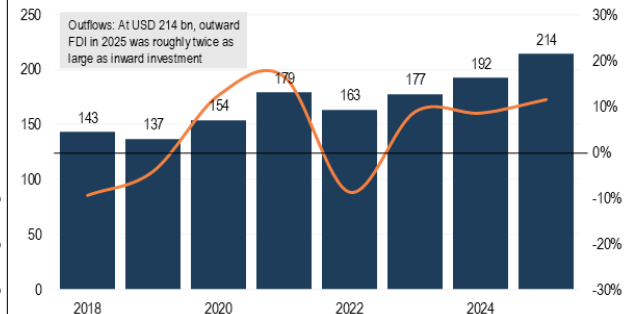
China's FDI Inflows Decline While Outward Investment Reaches Record Highs

Inward FDI declined to USD 107 billion in 2025, while outward investment climbed to a record USD 214 billion, highlighting the widening divergence in China's cross-border investment flows

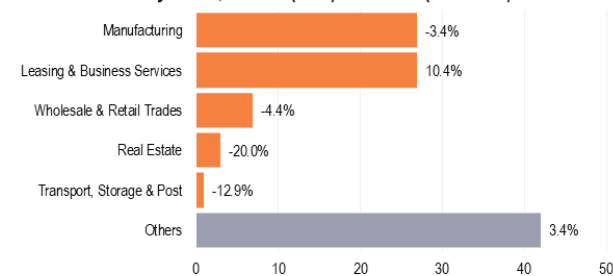
China FDI Inflows, USD bn, YoY Growth, % (RHS) (2018-2025)



China FDI Outflows, USD bn, YoY Growth, % (RHS) (2018-2025)

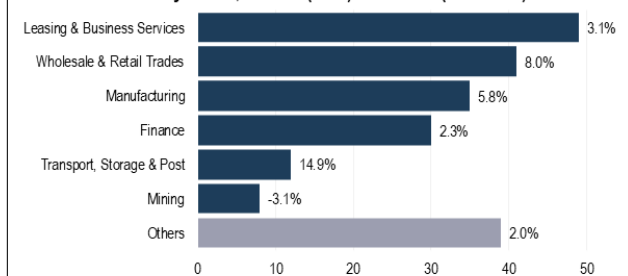


China Inward FDI by Sector, USD bn (2025) and CAGR (2015-2025)



Source: China Ministry of Commerce, ANDAMAN PARTNERS Analysis

China Outward FDI by Sector, USD bn (2025) and CAGR (2015-2025)



China's international investment landscape is moving in two different directions. Foreign Direct Investment (FDI) into China fell to USD 107 billion in 2025 (-8% yoy), its third consecutive annual decline and 43% below its 2022 peak. Chinese outward FDI rose to a record USD 214 billion in 2025, roughly twice the value of inward investment.

The sectoral picture reveals an important shift. Manufacturing remains a major destination for foreign investment into China, but inward FDI in the sector has contracted by an average of 3.4% annually since 2015. Real estate has fallen even more sharply, while leasing & business services have expanded by 10.4% annually, reflecting a changing composition of foreign investment.

Chinese investment abroad tells a different story. Leasing & business services, wholesale & retail, manufacturing and finance account for much of the outward investment growth, while transport, storage & postal services have recorded particularly rapid long-term growth.

The divergence illustrates China's evolving position in global capital flows: attracting less new foreign investment while expanding its own international investment footprint.

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