



# **Economic Flows Dashboard: China to Latin America**

FDI, exports and imports

## Objective

- The objective is to illustrate the exchange of investment and goods between China and Latin American countries.
- Specifically, the goal is to analyze China's outward foreign direct investment (FDI) flows, exports to Latin American countries, and imports from the region. This approach seeks to analyze and illustrate the economic ties between China and Latin America through trade and investment flows.



## Data Sources

- The International Monetary Fund (IMF) provides a global database with detailed information on FDI, obtained from the Coordinated Direct Investment Survey (CDIS).
- The Outward Direct Investment (ODI) indicator was used, which reflects the investment made by a given country in other countries. It is important to note that, in some cases, there are missing data due to confidentiality restrictions or empty records.
- For import and export data, the Direction of Trade Statistics (DOTS) dataset was used. Specifically:
  - Exports are defined using the FOB (Free on Board) method.
  - Imports are defined using the CIF (Cost, Insurance, and Freight) method.

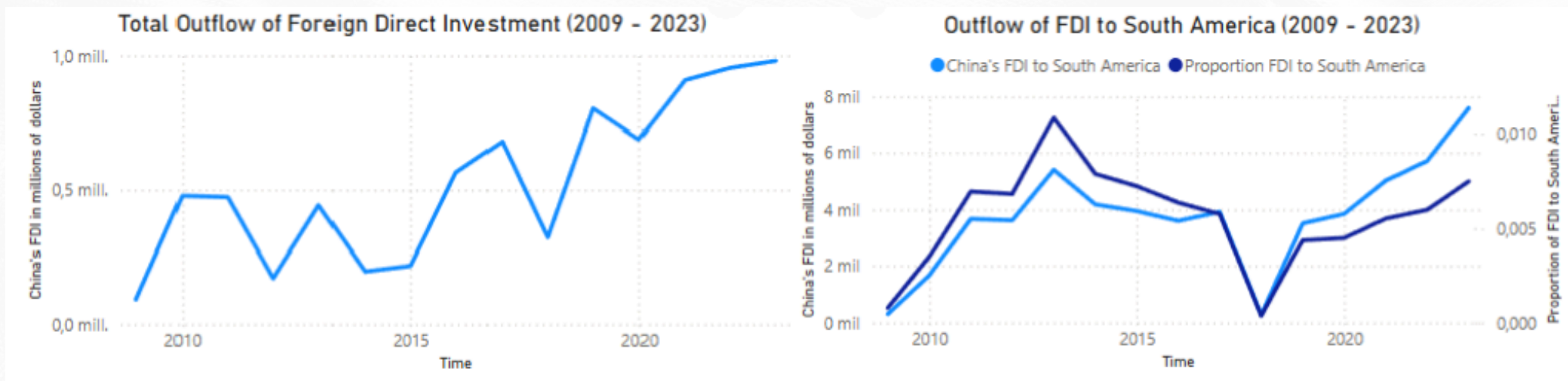
Note: Information considerations and analyzed components can be found in the appendix.



# Key Insights on China's Economic Flows to Latin America

## Total FDI trend

- China's FDI has surged in the past 15 years, doubling from 2010 to 2023.
- However, China's investment in South America remains small (~1%), despite experiencing significant growth over the past six years.

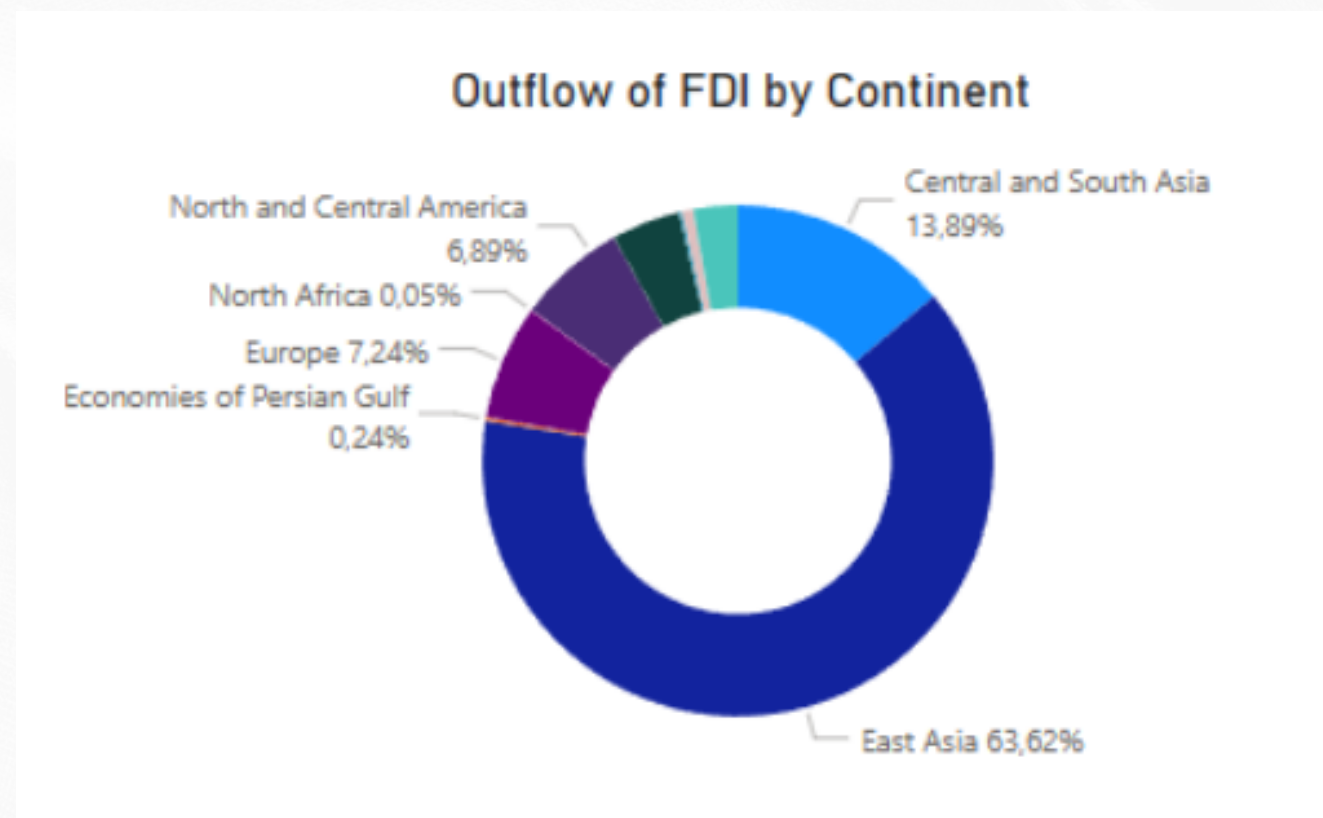




## Key Insights on China's Economic Flows to Latin America

### China's FDI by Continent

- Most investment goes to Asia (85.5%), Europe (7.2%), and North America (6.9%).

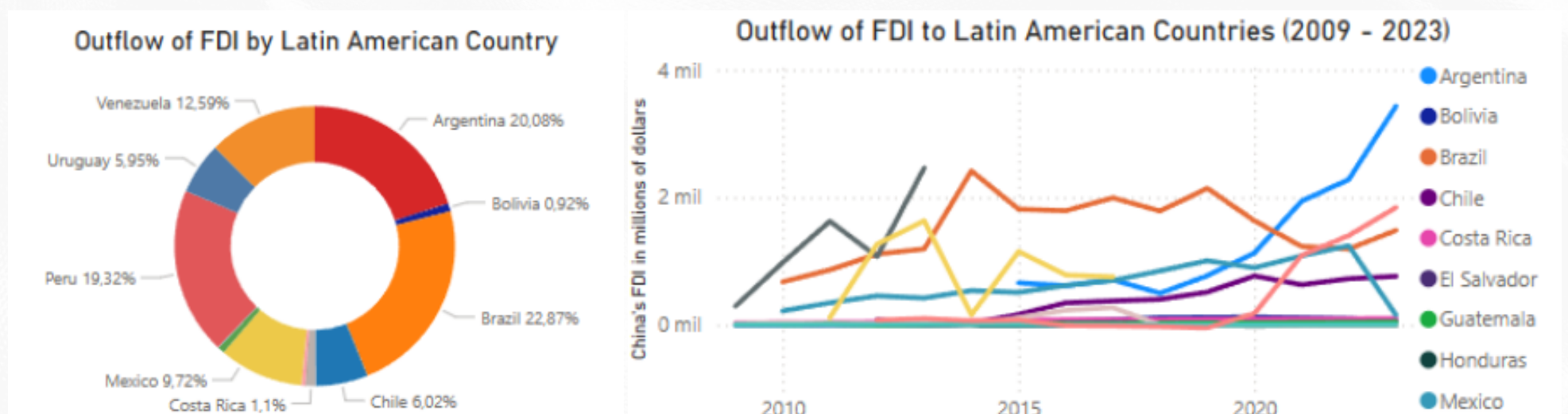




# Key Insights on China's Economic Flows to Latin America

## China's FDI towards Latin America

- Top Latin American FDI recipients: Brazil (22.8%), Argentina (20.1%), Peru (18.3%), Venezuela (12.6%).
- Brazil has been China's top investment destination in Latin America, but FDI dropped in 2019.
- Argentina's FDI from China has grown significantly since 2018, making it the top Latin American destination for Chinese investment.



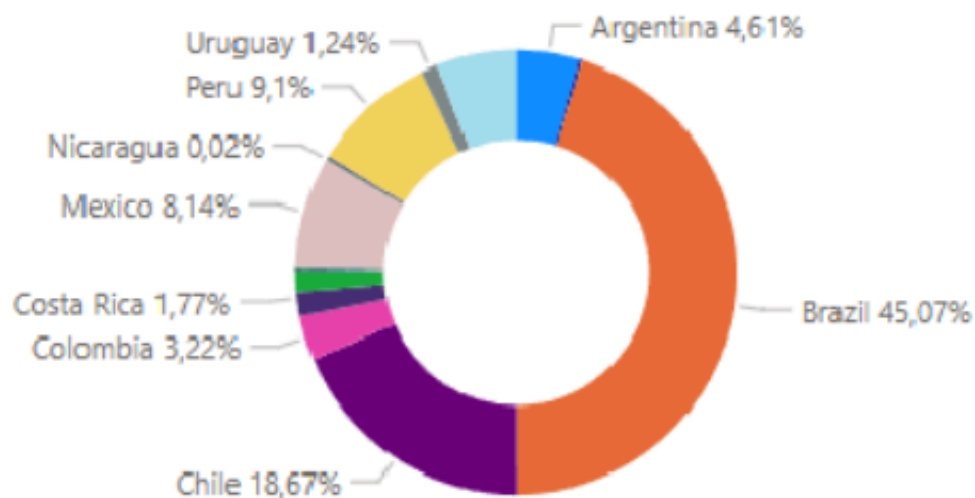


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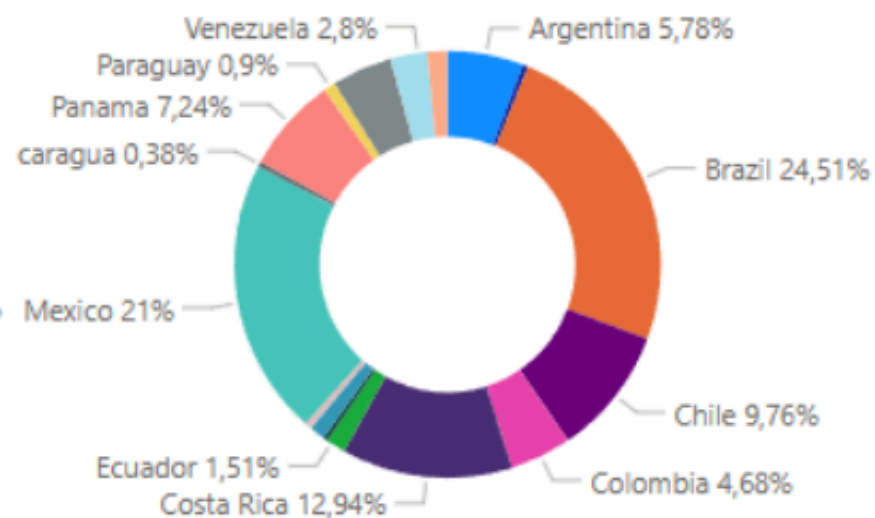
## Trade flows

- Brazil is China's main trade partner in Latin America.
- China exports to Brazil and Mexico at similar levels.

China's Imports from Latin American Countries



China's Exports to Latin American Countries



## APPENDIX

### Data considerations

- For FDI, the Outflow Direct Investment Positions Derived, US Dollars indicator is used. This metric applies the mirror estimation method, which derives outflows based on the inflows reported by other countries.
- Confidential data marked as "C" have been removed from the analysis.
- The proportion of South America does not include Central American countries.
- The countries classified as Latin America in this panel are: Argentina, Bolivia, Brazil, Chile, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Uruguay, and Venezuela.
- If a country is not listed, it means there is no available information on its economic flows.



## Analyzed Components

- The FDI section includes the following components:
- Total FDI Outflow: overall outward direct investment.
- FDI Outflow to Latin American countries: amount of investment directed specifically to countries in Latin America.
- Proportion of FDI to South America over total FDI: share of investment allocated to South America compared to the total FDI outflow.
- FDI percentage by Latin American country: distribution of FDI across individual Latin American nations.
- FDI by continent: investment distribution across different continents.
- FDI by continent (excluding east asia): investment flows, removing East Asia to better highlight trends in other regions.

## Analyzed Components

- The Imports and Exports section includes the following components:
- Evolution of Imports from Latin American countries: Trends in imports by China, Hong Kong, Singapore, and the UAE from Latin American countries over time.
- Evolution of Exports to Latin American countries: Trends in exports from China, Hong Kong, Singapore, and the UAE to Latin America countries over time.
- Import Percentage by Latin American countries: The share of imports coming from each Latin American country.
- Export Percentage to Latin American countries: The share of exports directed to each Latin American country.