

# PERSPECTIVE

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## **Southeast Asia Worries over Growing Economic Dependence on China**

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### **EXECUTIVE SUMMARY**

- China's growing economic clout with Southeast Asian countries has seen it advancing its political agenda including its strong position on South China Sea issues and negotiating for the use of Chinese technology, supplies and workers for China-financed infrastructure projects.
- Southeast Asian countries' trade dependency on China is relatively high compared to their trade links with the EU, Japan, South Korea and the US.
- China may not appear to be a major source of FDI for most Southeast Asian countries, as much of Chinese FDI is routed through Hong Kong. The Belt and Road Initiative will boost FDI outflows further in the near future.
- To reduce fears of economic dependency on China, countries in Southeast Asia should work towards strengthening ASEAN economic integration, and deepen ties with major extra-regional economies.

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## INTRODUCTION

There is mounting concern among Southeast Asian countries (or ASEAN economies) that China's fast-spreading geo-economic<sup>1</sup> influence will see Beijing resorting to economic retribution to settle its political differences with neighbouring countries. Earlier this year, Beijing penalised Seoul for the latter's installation of THAAD, a US missile-defense system, by increasing scrutiny of Korean's Lotte Mart, leading to the closure of 74 of its 99 retail stores in China. It also advised its businesses to stop sending Chinese tour groups to South Korea,<sup>2</sup> which resulted in sharp drop in Chinese tourist arrivals in South Korea this year.<sup>3</sup>

China, with significant linkage with Southeast Asian countries through cross-border trade, is lately in the news for its expanding economic footprint through infrastructure investments. Concurrently, China and some of the ASEAN countries are trying to resolve the maritime rights disputes in the South China Sea (SCS). If the maritime disputes remain unresolved, Beijing may be tempted to use its economic leverage to advance its strategic objectives in the SCS and beyond. It may also try to own infrastructure assets in ASEAN countries to serve its national interests.

This Perspective analyses the trade and investment relations that Southeast Asian economies have with China and compares these to those they have with the US, Japan, the EU and South Korea.<sup>4</sup> The paper concludes that although China has leverage in terms of trade, its investments are yet to catch up with those from other developed countries. China can therefore not really as yet be called a dominant economic power in Southeast Asia. However, as China increases its outbound investments and completes more infrastructure projects, its geopolitical influence in the region will definitely increase.

## THE EXTENT OF TRADE DEPENDENCY

As seen in Table 1 in the annex, from 2005 to 2015, ASEAN's trade with China and with South Korea showed the highest growth rate of 13% and 11% per annum respectively, compared to a modest growth rate of 4-5% in trade with the USA, Japan and the EU. ASEAN's trade with China increased three-fold during 2005-2015, higher than the increase in ASEAN's own intra-regional flows and in its trade with South Korea. The increase in trade ties with the US, EU and Japan was limited to around 1.5 times.

The weight of advanced economies in ASEAN's total trade has been declining, while that of China's is on the rise. South Korea's share is no doubt growing, but this is modest

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<sup>1</sup> Geo-economics is seen as an interlinkage of international economics, geopolitics and strategy.

(<https://www.chathamhouse.org/system/files/publications/twt/WiB%20YQA%20Goeconomics.pdf>)

<sup>2</sup> <https://www.reuters.com/article/lotte-china/as-missile-row-drag-on-south-koreas-lotte-still-stymied-in-china-idUSL3N1JC3BA>

<sup>3</sup> <https://kto.visitkorea.or.kr/eng/tourismStatics/keyFacts/KoreaMonthlyStatistics/eng/inout/inout.kto>

<sup>4</sup> These economies – China, EU-28, Japan, USA and South Korea – are ASEAN's top five trade and investment partners. This is based on their 2015 ranking.

compared to China's leap (Figure 1). As multinational firms undertook single production processes across multiple countries over the last few decades, China and ASEAN economies have become intertwined in a web of regional production networks, thus increasing their mutual dependence.

Moving to country-level data, as of 2015, all ASEAN economies except Singapore have a trade deficit with China. The picture is a lot more mixed for trade with EU-28, Japan, South Korea and the US (Table 2). Moreover, for the period 2008-2015, countries' trade with China has shown a rising deficit. Though the same can be said for Japan and South Korea, it is not uniform across the Southeast Asian countries. The trade deficit with China is a concern for policy makers since it is often viewed as an indicator of bad policy decisions.<sup>5</sup>

Finally, as shown in Table 3, China is an important player for all ASEAN economies' exports and more so for their imports. This broadly implies that China is benefiting more from market access in Southeast Asia than vice versa. No other trading partner (except for the ASEAN region itself) has a uniformly important position across a majority of ASEAN economies' exports and imports.

Summing up, China's importance in overall Southeast Asia's trade pattern is growing. Particularly for Vietnam, Thailand and Malaysia, they have a growing trade deficit with China, implying that they depend more on China for their imports. China is a key export market for several of the Southeast Asian countries, with Laos and Myanmar taking a lead. Japan is an important trading partner for Indonesia and Thailand. The US and the EU feature modestly as ASEAN economies' significant trading partners. Uniformly, the ASEAN region is key for all member economies' trade.

Based on this, one can say that ASEAN countries' trade dependency on China is high compared to their other trading partners. This can potentially put China in a stronger position in advancing its political agenda in the region, such as its maritime claims in the South China Sea (SCS) or putting pressure on smaller countries to remain distant from Washington's security presence in East Asia. Among the ASEAN countries, China often views Cambodia as its natural confidant and uses it to sway regional policy decisions.<sup>6</sup> In 2012, it used Phnom Penh to block a foreign ministers' statement that was seen to oppose Beijing's claims in the SCS. The incident brought to the forefront a divided ASEAN. Similarly, the Philippines' outcry against Chinese claims in SCS was dampened by Duterte's presidency compared to the earlier Aquino administration, as the former considers Chinese economic support far more important to his short-term political viability compared to long-term implications of surrendering rights in the SCS. Both of these point to China's use of geo-economic tools to make neighbouring countries conform to its strategic wishes.

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<sup>5</sup> [http://www.lehigh.edu/~bm05/deficits/isa2005\\_conference\\_200.pdf](http://www.lehigh.edu/~bm05/deficits/isa2005_conference_200.pdf) (Deficit in Trade, Deficits in Development? Bruce E. Moon (2005))

<sup>6</sup> ASEAN applies a full consensus decision-making system.

## THE EXTENT OF FDI DEPENDENCY

As illustrated in Table 4 in the annex, ASEAN's Foreign Direct Investment (FDI) inflows from China and South Korea showed the highest average annual growth rate, at 33.4% and 30.3% respectively during 2005-2015. This is followed by the growth rate of intra-ASEAN flows, and flows from the US and Japan. In 2015, intra-ASEAN constituted the highest share (18%) in total FDI flows in the region, closely followed by the EU and Japan. China's share was much lower than that of the developed nations, though it has picked up in recent years (Figure 2).

Looking at the disaggregated bilateral data (Tables 5a and 5b), one needs to keep in mind the data limitations.<sup>7</sup> If one accepts the data anomalies, one can say that there is no single dominant FDI source country for Southeast Asia. While the US is a leading investor in Malaysia and the Philippines, the EU tops the chart in Singapore. Of the East Asian countries, Japanese investment is prevalent in Thailand and Indonesia, whereas South Korea leads in Vietnam and Malaysia. China is a prominent source country for Laos, Myanmar and Cambodia. However, one cannot completely rule out Hong Kong's role as a gateway for Chinese outbound FDI.<sup>8</sup> The combined FDI flows from China and Hong Kong are a significant source for seven of the 10 ASEAN members.<sup>9</sup>

ASEAN is also a significant source of FDI for its own member economies. It prominently features in Indonesia, Singapore, Malaysia, Myanmar and Vietnam. Of course, Singapore's role in channelling FDI from the advanced countries to the ASEAN region should be noted. The city-state's free port status, limited FDI restrictions and investor-friendly environment have attracted 3,700 businesses from the US and 10,000 from the EU to set up their regional headquarters there.<sup>10</sup> China is also fast catching up with this model. Around 6,500 Chinese firms use Singapore as a gateway for expanding their presence in Southeast Asia.<sup>11</sup>

Summing up, the EU, Japan and the US are the leading investors in Southeast Asian countries besides the ASEAN region itself. China's importance as a source country remains modest. Chinese FDI is important for Laos, Cambodia and Myanmar. The weight of Chinese FDI goes up, however, if one considers Hong Kong as a gateway of investment for the rest of the region.

Thus, one cannot conclude outright that China is a dominant factor in Southeast Asia for FDI, which one can do when it comes to trade. Apart from the less developed ASEAN members – Cambodia, Laos and Myanmar – Beijing is not really capable of holding ASEAN countries hostage economically to advance its strategic demands.

However, China's FDI outflows have been rapidly accelerating since the early 2000s (Figure 3), and it is looking for overseas destinations to invest its overcapacity in steel,

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<sup>7</sup> The latest data, obtained from the UNCTAD website, are for 2012. Moreover, for countries like Brunei, Vietnam and Singapore, data are not available uniformly for 2010-2012.

<sup>8</sup> [http://m.kdi.re.kr/data/download/attach/8249\\_5.pdf](http://m.kdi.re.kr/data/download/attach/8249_5.pdf); <http://www.straitstimes.com/opinion/the-hidden-story-in-chinas-fdi-statistics>

<sup>9</sup> These are Cambodia, Laos, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

<sup>10</sup> <http://www.business.hsbc.com.sg/en-gb/sg/article/singapore-a-gateway-to-asean>;

<https://www.mti.gov.sg/MTIInsights/SiteAssets/Pages/EUSFTA/5%20things%20you%20should%20know%20about%20the%20EUSFTA.pdf>

<sup>11</sup> <http://www.asiaone.com/business/singapore-increasingly-gateway-se-asia-china-firms>

aluminium and cement. Moreover, given the huge demand for infrastructure financing among the Southeast Asian countries and China's indifferent attitude towards political systems and human rights, the quantum of investment flows could grow considerably.

### **THE BOON AND BANE OF GROWING ASEAN-CHINA INSTITUTIONAL TIES**

The ASEAN economies and China are increasingly getting tied to each other through economic diplomacy. This not only includes trade agreements but also economic cooperation project, like the Belt and Road Initiative (BRI).

Trade agreements among ASEAN countries facilitate market-driven cross-border flows, and the countries regularly negotiate and sign bilateral and plurilateral trade deals with important economic partners.<sup>12</sup> China, Japan and South Korea are all part of ASEAN countries' trade deals<sup>13</sup> and are also currently negotiating the Regional Comprehensive Economic Partnership (RCEP) agreement. The US and the EU are yet to follow the suit.

The Pacific economies could said to be linked with the East through the Asia-Pacific Economic Cooperation (APEC). But the organisation's broad mandate and diverse membership are lately blocking any meaningful progress. To overcome the issue, the US concluded the Trans-Pacific Partnership (TPP) pact in early 2016, but that fell victim to US domestic politics. The country has withdrawn itself from the deal, leaving a large vacuum in its economic diplomacy actions in East Asia. Similarly, the EU began its negotiation with ASEAN in 2007 but discontinued its talks in 2009 due to debate over human rights issues in Myanmar.<sup>14</sup> Subsequently, it took a bilateral approach and negotiated deals with Singapore, Vietnam, Malaysia and Thailand. Following the establishment of the ASEAN Economic Community (AEC) in end-2015, the EU is expected to restart discussions over ASEAN-EU FTA.

In addition to trade agreements, since 2013, China has been promoting its own economic cooperation projects. Its BRI promises to enhance cross-border cooperation and investment in hard and soft infrastructure. The initiative covers more than 60 countries and pays special attention to Southeast Asia. The vision statement categorically mentions Yunnan Province as a Chinese gateway to the Greater Mekong region as a part of China's pivot to South and Southeast Asia.<sup>15</sup> Chinese political leaders have also marketed BRI as a regional plan that is flexible enough to accommodate individual ASEAN countries' growth strategies.<sup>16</sup>

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<sup>12</sup> As of May 2017, Singapore is a leading country with 31 trade deals, while Thailand and Malaysia follow with 23 and 22 deals respectively. The less developed ASEAN countries mostly work via the region-wide agreements. (<https://aric.adb.org/fta>)

<sup>13</sup> The regional trade deals include ASEAN+1 FTAs.

<sup>14</sup> The EU cannot sign a trade and investment deal with external parties without incorporating the human rights issue. It needs to ensure that gains from trade should not come at the expense of human rights in less developed countries.

<sup>15</sup> The Greater Mekong sub-region includes 6 states of Cambodia, Yunnan province of China, Laos, Myanmar, Thailand and Vietnam.

[Http://en.ndrc.gov.cn/newsrelease/201503/t20150330\\_669367.html](http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html)

<sup>16</sup> [http://news.xinhuanet.com/english/2015-08/06/c\\_134484989.htm](http://news.xinhuanet.com/english/2015-08/06/c_134484989.htm)

As infrastructure projects need billions of dollars for funding, China has also come up with new financing mechanisms like the Asian Infrastructure Investment Bank (AIIB) and retained existing ones like the China Development Bank, China Exim Bank, Bank of China, China Construction Bank and others. A number of funds were also set up to finance overseas projects, e.g. the Silk Road Fund and the China-ASEAN Investment Cooperation Fund. The pipeline of projects or the amount of funding through these sources are not clearly publically available yet, but Chinese infrastructure engagement in the region is certainly growing.<sup>17</sup>

Despite such support, the Southeast Asian countries worry that the increasing economic engagement translates into greater geopolitical influence for China. Infrastructure funding provided by multilateral agencies like the World Bank or the Asian Development Bank generally require social or environment conditions to be met by the receiving countries. For China, it not only provides financing but also extends assistance in project management, equipment supplies, construction material and workers. This aligns well with China's national interest of resolving the issue of overcapacity.

However, this is unlikely to go well with the countries receiving assistance as they have to satisfy their own populations' expectations of technology and skill transfers, employment generation and material procurement from the local industries. Few cases are already underway in Southeast Asia over the last couple of years. There is significant anti-Chinese sentiment prevalent in Indonesia as the locals have complained that Chinese firms regularly 'bring in their own workers and machines, creating friction with locals'.<sup>18</sup> Detractors in Thailand are unhappy over a new law that allows Chinese engineers to get employment in the high-speed rail project linking Bangkok and Nakhon Ratchasima. The East Coast Rail Link (ECRL) in Malaysia, launched in August, has courted criticism that it will be a 'white elephant' as the cost-benefit calculations of the project lack credibility, and Chinese enterprises will be given huge chunks of the construction work.<sup>19</sup>

Furthermore, there is apprehension that China may use the opportunity to acquire strategic assets in partner countries. For example, Chinese investment in Sri Lanka's Hambantota port is viewed as reflective of Beijing's interest in the port's commercial and strategic potential. Recently, a significant part of the port ownership went to China to reduce the financial burden of an already economically distressed Sri Lanka.<sup>20</sup> The port secures Chinese interest in energy supply lines and also helps Beijing maintain geopolitical presence in the Indian Ocean.<sup>21</sup> Similarly, Chinese assistance to Laos in building its high-speed

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<sup>17</sup> China's policy banks like the China Development Bank, China Exim Bank and China Agricultural Development Bank have all invested in Southeast Asia in the past. Their investments are mainly in Myanmar, Vietnam, Cambodia, Laos, though some are also in Thailand and Indonesia. Recently, the China Construction Bank signed an MOU with Singapore to invest around US\$22 billion in the city-state.

<sup>18</sup> <http://www.reuters.com/article/us-indonesia-election-china/in-indonesia-labor-friction-and-politics-fan-anti-chinese-sentiment-idUSKBN17K0YG>

<sup>19</sup> <http://www.thestar.com.my/business/business-news/2017/08/12/debate-on-ecrl/>

<sup>20</sup> [https://www.isas.nus.edu.sg/ISAS%20Reports/ISAS%20Briefs%20No.%20504-%20The%20New%20Hambantota%20Port%20Deal-](https://www.isas.nus.edu.sg/ISAS%20Reports/ISAS%20Briefs%20No.%20504-%20The%20New%20Hambantota%20Port%20Deal-%20A%20Template%20for%20the%20Belt%20and%20Road%20Initiative%20Projects.pdf)

[%20A%20Template%20for%20the%20Belt%20and%20Road%20Initiative%20Projects.pdf](https://www.isas.nus.edu.sg/ISAS%20Reports/ISAS%20Briefs%20No.%20504-%20The%20New%20Hambantota%20Port%20Deal-%20A%20Template%20for%20the%20Belt%20and%20Road%20Initiative%20Projects.pdf)

<sup>21</sup> <http://thediplomat.com/2017/07/china-buys-hambantota-port-should-india-be-concerned/>



railway, linking Vientiane and Kunming, is part of China's wish to construct a pan-Asia rail network that eventually provides Beijing strategic access to ports in the Malacca Straits.<sup>22</sup>

## CONCLUSION

China is a prominent trading partner to countries in Southeast Asia but its investment is yet to reach the same level as that from the EU, Japan, South Korea and the US. It is no doubt a leading investor in Cambodia, Laos and Myanmar, but its FDI in other Southeast Asian countries is relatively modest. Chinese outward FDI has been picking up pace in the last decade though, and its economic engagement is likely to go up considerably with BRI. This may hold risks for ASEAN economies as Beijing has been seen to use economic leverage to serve geopolitical interests.

To mitigate the risks, the ASEAN countries must strengthen their own economic integration. They are already a prominent trade and investment partners among themselves. They need to work on their cross-border policies to entice foreign investors. Singapore's core position as an investment gateway to Southeast Asia needs to be strengthened, while less developed ASEAN economies need to undertake domestic reforms to attract global actors.

In addition, the ASEAN countries must diversify their trading basket across major economies. They should limit their dependence on Chinese imports to avoid situations similar to China's economically punitive reaction to the South Korean's THAAD deployment. The countries must work on their domestic industrial transformation policy to export high-value added goods to China and reduce bilateral trade deficits. ASEAN countries' bias towards an economically dynamic China is understandable, but over dependency on Beijing could compromise its policy-making autonomy in the future.

Lastly, ASEAN countries must continue dialogue with other advanced economies to strengthen the institutional aspects of their economic cooperation. They need to convince the advanced nations for comprehensive institutionalised relationship covering economics and security. In the absence of such diplomatic efforts, there is a good chance that Beijing will be effective in employing its geo-economic tactics to the detriment of the countries in Southeast Asia.

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<sup>22</sup> <https://www.euromoney.com/article/b14szy6vmn6bg1/belt-and-road-china-fast-tracks-southeast-asian-infrastructure>

**STATISTICAL ANNEX**

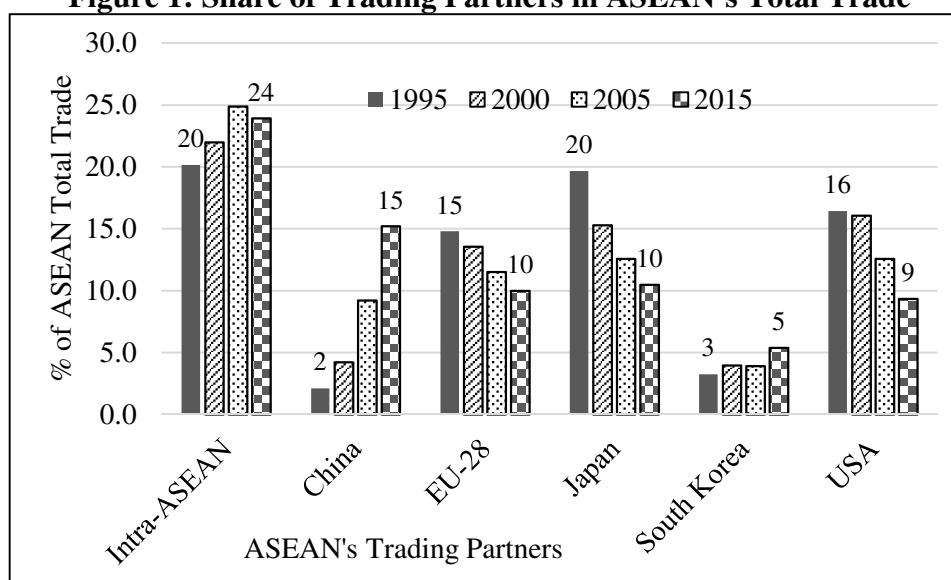
**Table 1: ASEAN's Trade with Selected Partner Countries**

(US\$ billion)	1995	2000	2005	2015	Rate of Growth (2005-2015)	Ratio 2015/2005
Intra-ASEAN	124	167	305	543	6.6	1.8
China	13	32	113	345	13.2	3.1
EU-28*	91	103	141	227	5.4	1.6
Japan	121	116	154	238	5.0	1.5
South Korea	20	30	48	122	10.9	2.5
USA	101	122	154	212	3.6	1.4
Total ASEAN	615	759	1225	2269	7.1	1.9

Note: The EU figures for 1995 is of EU-25 and 2000 is of EU-27

Source: ASEAN Community in Figures, The ASEAN Secretariat (various issues); author's calculation

**Figure 1: Share of Trading Partners in ASEAN's Total Trade**



Source: ASEAN Community in Figures, The ASEAN Secretariat (various issues); author's calculation

**Table 2: ASEAN Countries Trade Balance (US\$ billion)**

	2015					2008				
	China	EU-28	Japan	South Korea	USA	China	EU-28	Japan	South Korea	USA
Bru	-0.29	-0.33	2.06	0.69	-0.29	-0.17	-0.43	4.07	0.62	0.0
Cam	-3.61	2.99	0.16	-0.32	1.94	-0.92	0.66	-0.08	0.01	1.75
Indon	-8.5	6.36	-19.49	-2.49	10.23	-3.61	4.83	12.61	2.2	5.16
Laos	-0.25	-0.06	0.01	0.03	0.0	-0.11	-0.01	-0.06	-0.03	-0.01
Mal	-7.14	2.29	4.9	-1.7	4.67	-0.23	4.62	2.02	0.65	8.46
Myn	-1.92	-0.02	-1.1	-0.14	-0.04	-0.17	0.02	-0.01	-0.1	-0.08
Php	-5.1	0.53	5.61	-2.05	1.15	1.22	4.06	1.08	-0.44	0.94
Sgp	5.6	-6.89	-3.36	-3.69	-10.85	-2.5	-4.49	-8.68	-5.32	-12.87
Thai	-23.46	1.84	0.71	-2.57	13.47	-4.01	8.84	-13.45	-3.17	8.62
Viet	-32.91	20.75	-0.21	-18.65	25.69	-11.06	5.33	0.3	0.0	9.26
ASEAN	-77.59	27.47	-10.71	-30.9	45.99	-21.55	23.42	-2.19	-5.6	21.22

Source: ASEAN Community in Figures, The ASEAN Secretariat (various issues); author's calculation



**Table 3: % Share of Exports and Imports with Partners by ASEAN Members**

	Exports						Imports					
	China	EU-28	Japan	S. Korea	USA	ASEAN	China	EU-28	Japan	S. Korea	USA	ASEAN
Bru	1.4	0.3	36.1	15.5	0.8	19.5	11.7	10.8	7.7	9.3	10.5	43.4
Cam	4.9	38.5	6.7	1.6	24.8	9.3	37.3	3.7	4.0	4.2	2.2	33.6
Indon	10.0	9.9	12.0	5.1	10.8	22.3	16.5	5.9	26.3	7.1	4.2	21.1
Laos	20.3	2.7	1.9	1.1	0.5	71.3	33.3	5.3	2.0	0.3	0.7	56.1
Mal	13.1	10.2	9.4	3.2	9.5	28.2	18.8	10.2	7.3	4.6	8.1	26.5
Myn	40.3	3.0	3.8	2.4	0.5	36.2	38.1	2.1	9.1	2.4	0.6	41.6
Php	10.9	12.2	21.1	4.3	15.0	14.6	16.3	9.5	9.6	6.5	10.9	24.3
Sgp	13.0	8.4	4.2	3.9	6.1	32.3	14.2	12.7	6.3	6.1	11.2	21.5
Thai	7.6	9.2	14.9	2.1	12.7	28.9	19.6	8.8	15.3	3.5	6.7	21.2
Viet	10.3	19.1	8.7	5.5	20.7	11.2	29.9	6.2	8.7	16.7	4.7	14.4
ASEAN	11.3	10.8	9.6	3.9	10.9	25.8	19.4	9.2	11.4	7.1	7.6	21.9

Note:

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■	Important: share 10-14.9%

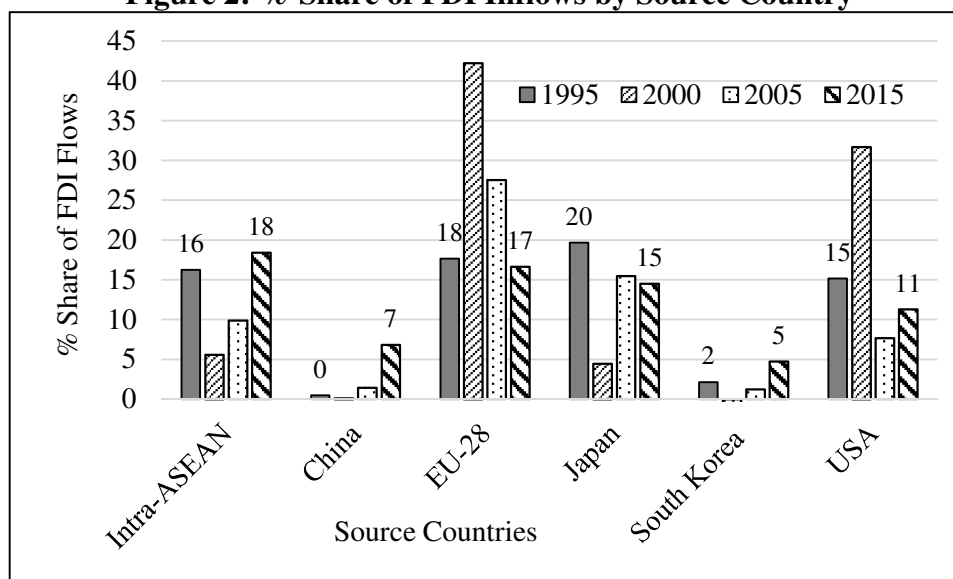
Source: ASEAN Community in Figures, The ASEAN Secretariat (various issues); author's calculation

**Table 4: FDI Inflows into ASEAN, by Source Country**

(US\$ million)	1995	2000	2005	2015	Rate of Growth (2005-2015)	Ratio 2015/2005
Intra-ASEAN	4651	1219	4211	22232	20.3	5.3
China	137	20	616	8256	33.4	13.4
EU-28*	5049	9210	11722	20128	6.2	1.7
Japan	5633	968	6582	17559	11.5	2.7
South Korea	611	-191	529	5710	30.3	10.8
USA	4335	6913	3263	13646	17.2	4.2
Total ASEAN	28614	21809	42556	120819	12.3	2.8

Source: ASEAN Community in Figures, The ASEAN Secretariat (various issues); author's calculation

**Figure 2: % Share of FDI Inflows by Source Country**



Source: ASEAN Community in Figures, The ASEAN Secretariat (various issues); author's calculation

**Table 5a: FDI Flows in ASEAN Member Countries by Source Country, 2010-2012**

(US\$ million)	China	Hong Kong	EU	Japan	S. Korea	USA	Singapore	ASEAN (ex-Sgp)	Total
Bru*	--	3	1432	174		60	77	80	1834
Cam	651	172	212	42	345	47	138	883	3131
Indon	1258	506	3050	17866	1758	964	21965	-137	52417
Laos	467	58	32	28	9	--	2	162	1040
Mal	123	357	7010	6143	1632	4117	4573	310	35717
Myn	13022	5879	1142	65	2740		474	2627	26062
Php	1	311	-1549	729	32	1239	18	-6	5911
Sgp**	8410	7089	41518	3430	1567	14254		13059	134992
Thai	1602	815	3452	10052	767	2977	856	869	28762
Viet#	573	1956	1443	4111	1408	212	2122	658	15887
ASEAN	26107	17146	57742	42640	10258	23870	30225	18505	305753

Note: \* the figures for Brunei pertain to 2010-2011; \*\* the figures for Singapore pertain to 2009-2011; # the figure for Vietnam pertain to 2011-2012; --: no number is mentioned in the database; negative FDI flows implies divestment is more than investment.

Source: UNCTAD Bilateral FDI Statistics (<http://unctad.org/en/Pages/DIAE/FDI%20Statistics/FDI-Statistics-Bilateral.aspx>; accessed on 13 September 2017); author's calculation

**Table 5b: % Share of FDI Flows in ASEAN Member Countries by Source Country, 2010-2012**

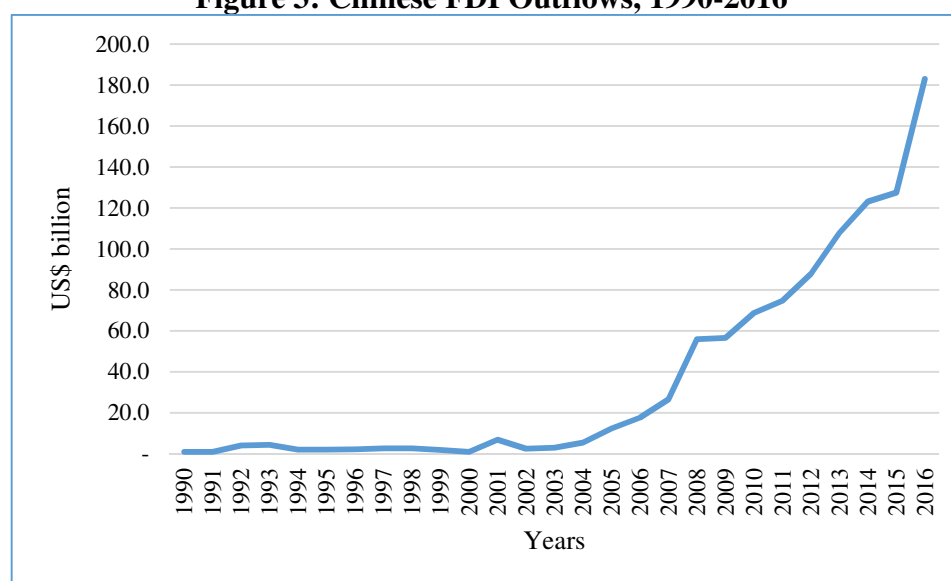
(US\$ million)	China	Hong Kong	EU	Japan	S. Korea	USA	Singapore	ASEAN (ex-Sgp)	Total
Bru*	--	0.0	2.5	0.4	0.0	0.3	0.3	0.4	0.6
Cam	2.5	1.0	0.4	0.1	3.4	0.2	0.5	4.8	1.0
Indon	4.8	3.0	5.3	41.9	17.1	4.0	72.7	-0.7	17.1
Laos	1.8	0.3	0.1	0.1	0.1	0.0	0.0	0.9	0.3
Mal	0.5	2.1	12.1	14.4	15.9	17.2	15.1	1.7	11.7
Myn	49.9	34.3	2.0	0.2	26.7	0.0	1.6	14.2	8.5
Php	0.0	1.8	-2.7	1.7	0.3	5.2	0.1	0.0	1.9
Sgp**	32.2	41.3	71.9	8.0	15.3	59.7	0.0	70.6	44.2
Thai	6.1	4.8	6.0	23.6	7.5	12.5	2.8	4.7	9.4
Viet#	2.2	11.4	2.5	9.6	13.7	0.9	7.0	3.6	5.2
ASEAN	100	100	100	100	100	100	100	100	100

Note:

---	#1 investor	--	#3 investor
---	#2 investor		

Source: author's calculation

**Figure 3: Chinese FDI Outflows, 1990-2016**



Source: World Investment Report 2017: Annex Tables, UNCTAD (<http://unctad.org/en/Pages/DIAE/World%20Investment%20Report/Annex-Tables.aspx>)

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