

China suffers its first foreign investment deficit as US tensions and anti-spying laws spark a western exodus

China logged an unprecedented foreign direct investment deficit last quarter in the latest sign that Beijing is facing an almighty battle to revive the world's second-largest economy after years of harsh zero-COVID lockdowns.

Balance-of-payments data published by the State Administration of Foreign Exchange Friday showed that direct investment liabilities, which tracks the flow of money into non-Chinese companies, fell \$11.8 billion over the three months to September 30.

Officials have released foreign direct investment figures each quarter for the past 25 years - and it's the first time the gauge has turned negative, Reuters reported.

The deficit suggests that western countries and companies are shunning China with Sino-US tensions steadily rising and new anti-spying laws spooking international investors.

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