

Robust Momentum Despite Auto Slowdown: Q4 2024 Update

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New global investments by Chinese companies fell in Q4 2024: Despite robust investment in energy and minerals, a continued slowdown in the automotive sector caused an overall decline. The Middle East and North Africa emerged as the leading region for newly announced investments, while Africa and Asia also recorded strong activity. In contrast, North America experienced a sharp decline in new project announcements, reflecting investor caution amid ongoing US trade policy uncertainty.

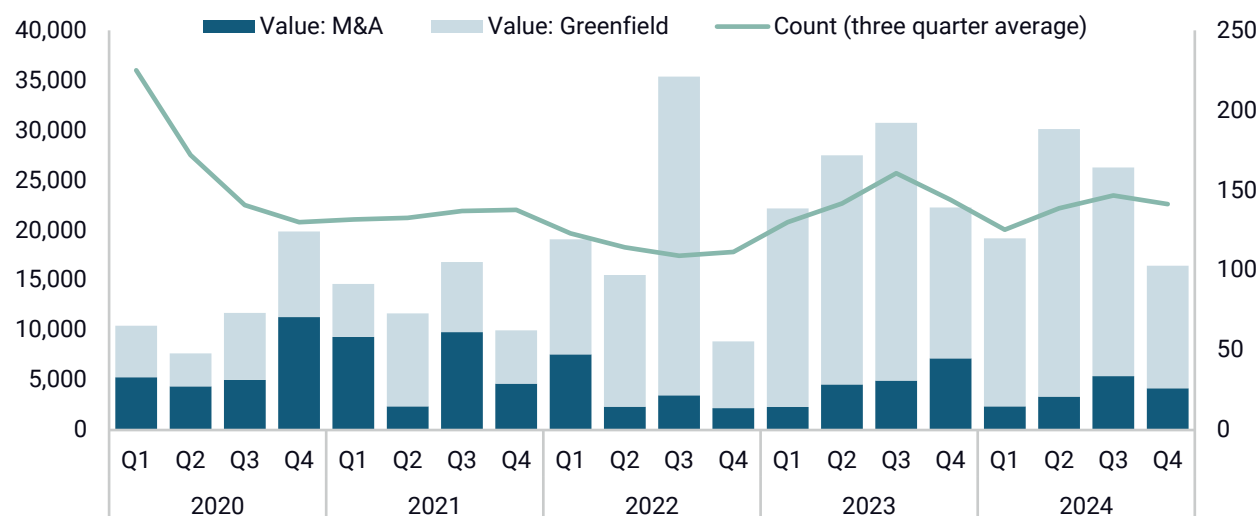
Investment momentum

As in previous years, Chinese outbound investment momentum slowed in the fourth quarter. We recorded 141 major foreign direct investment (FDI) transactions by Chinese companies in Q4 2024 with a total estimated value of \$16.5 billion.

New **greenfield investment** dropped 41% from the previous quarter to \$12.3 billion. Only two transactions exceeded a billion dollars: Sinopec's \$1.8 billion refinery project in Algeria and Zijin Mining Group's \$1.3 billion zinc and lithium processing facilities in Saudi Arabia.

M&A transactions by Chinese firms totaled \$4.2 billion, a decline of 23% from the previous quarter. Despite the drop, the three largest investments of the year were recorded this quarter: Tencent's \$1.2 billion acquisition of Cyprus-based Easybrain, Huaxin Cement's \$1 billion purchase of Lafarge's Nigerian business, and Zijin Mining's \$1 billion acquisition of the Akyem Gold Mine in Ghana.

FIGURE 1
Announced major* Chinese FDI transactions by quarter
 USD million (left) and count (right)



Source: Rhodium Group China Cross-Border Monitor. *Major transactions are investments above \$5 million.

The fourth quarter saw several notable **transaction status updates**. Geely made progress toward a potential \$10 billion [regional auto hub](#) in Tanjung Malim, Malaysia: DRB-Hicom and Zhejiang Geely signed MOUs to develop it into a global hub for next-generation and energy-efficient vehicles. [COSCO Shipping](#) has officially commenced operations at Peru’s Chancay terminal after securing a 60% stake for \$780 million. [Zijin Mining Group](#) finalized its \$245 million acquisition of La Arena copper-gold mine and the La Arena II project. In Norway, [TikTok’s data center](#) came online and European user data is now being migrated and stored there. [Volvo Group](#) also broke ground on its \$700 million manufacturing plant in Nuevo Leon, Mexico.

Troubled Chinese investments were concentrated in the clean tech sector. Swedish regulators rejected [Putailai’s](#) proposal to build a \$1.4 billion battery materials factory, marking the first investment blocked by Sweden’s newly established agency for FDI screening. Chinese battery manufacturer [SVOLT](#) announced it would cease operations in Europe, suspending two battery factory projects in Germany valued at a reported \$2 billion. Announced in 2023 and recently completed, [Trina Solar’s Texas factory](#) drew attention after being sold to Georgia-based Freyr Battery only a week after it began operations. The UK has ordered the sale of Future Technology Devices International Limited, a Chinese-owned chip company, under the National Security and Investment Act 2021. In Brazil, authorities halted [BYD’s](#) EV factory over allegations of “slave-like” working conditions. [Temu](#) suspended operations in Vietnam due to missed business registration deadlines.

Investment by sector

Investment in Q4 was concentrated in the same sectors as previous quarters—basic materials, metals, and minerals took the top spot, followed by energy and entertainment, media, and education.

Chinese companies invested \$8 billion in **basic materials, metals, and minerals** assets, accounting for almost half (49%) of total Q4 investment. Zijin Group dominated with two billion-dollar investments: the aforementioned \$1.3 billion [zinc and lithium processing facilities](#) in Saudi Arabia and \$1 billion acquisition of [Akyem gold mine in Ghana](#). [Huaxin Cement](#) purchased an 83% stake in Holcim’s Nigerian assets for \$1 billion.

Investment in the **energy** sector remained strong, totaling \$3.8 billion (23% of Q4 value). Chinese state-owned [CNCEC](#) signed a \$1.2 billion agreement with the BFI Group, an investor in the Aluminum Smelter Company of Nigeria, to revitalize a gas processing facility. Building on Envision’s \$1 billion green hydrogen project last quarter, Spain continues to attract Chinese investment in renewable energy, with [China Three Gorges](#) announcing the acquisition of a 494-megawatt solar plant for \$364 million. [China Oil Natural Gas Overseas Holding](#) plans to invest \$150 million through its Republic of the Congo subsidiary to boost oil production in four wells within the Conkouati-Koul and Nanga Ill fields.

FIGURE 2
Newly announced major Chinese FDI transactions by sector
 Quarterly value in USD million (top) and count (bottom) of FDI transactions



Source: Rhodium Group China Cross-Border Monitor

The **entertainment, media, and education** sector ranked third in Q4 with \$1.2 billion in investment. [Tencent’s](#) \$1.2 billion acquisition of Cyprus-based Easybrain—the firm’s fourth billion-dollar investment in Europe’s gaming industry—accounted for basically all of that investment. The last time Chinese entertainment outbound FDI surpassed \$1 billion

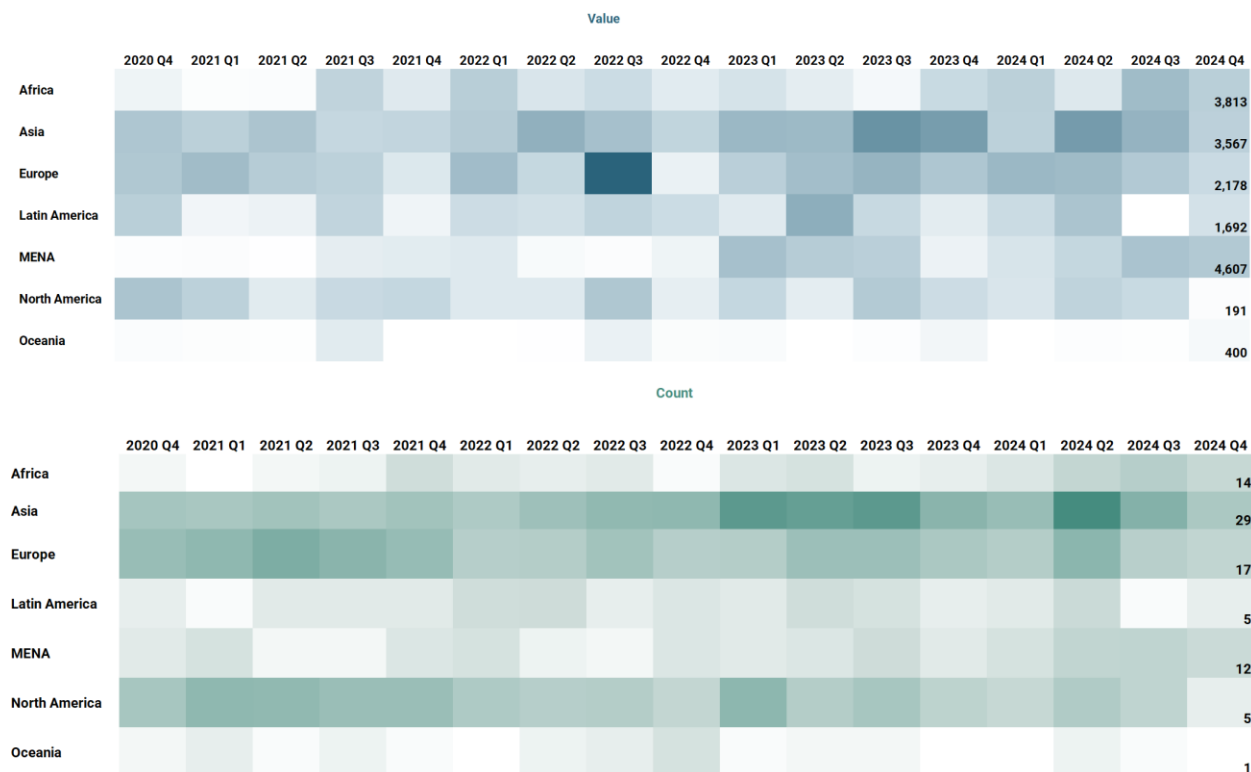
was in Q3 2023, when Tencent announced its acquisition of game developer Techland in Poland for \$1.6 billion.

Investment by geography

The Middle East and North Africa (MENA) took the top spot in Q4 for newly announced investments, but it remains to be seen if the announced investments materialize. Africa and Asia were the other two top destinations of Chinese outbound investment. In contrast, the number of new project announcements in North America—including the United States, Mexico, and Canada—are falling, as investors adopt a wait-and-see attitude in response to US trade policy uncertainties.

Announced Chinese FDI in the **MENA** region hit \$4.6 billion in Q4. [Sinopec](#) partnered with Algeria’s national oil company in a \$3.7 billion joint venture to develop the Hassi Messaoud crude oil refinery, securing a 49% stake in the project. [Zijin Group](#)’s previously mentioned zinc and lithium processing facilities in Saudi Arabia also added \$1.3 billion to the total. In Oman, Vale and [Jinnan Iron & Steel Group](#) revealed a joint venture to develop a \$600 million iron ore concentration plant at the Sohar Port and Freezone. [China Glass Holdings](#) also broke ground on a \$310 million plant in the China-Egypt TEDA Suez Economic and Trade Cooperation Zone to increase glass production.

FIGURE 3
Newly announced major Chinese FDI transactions by geography
 Quarterly value in USD million (top) and count (bottom) of FDI transactions



Source: Rhodium Group China Cross-Border Monitor

Announced Chinese investment in **Africa** totaled \$3.8 billion, led by [Zijin Mining's](#) \$1 billion acquisition of Akyem and [Huaxin Cement's](#) \$1 billion purchase of an 83% stake in Lafarge's Nigerian operations. The remaining investments are concentrated in the basic materials and energy sectors. [China Nonferrous Metal Mining Group](#) began a \$650 million expansion of the Luanshya copper mine in Zambia and [Qinghai Lihao Clean Energy](#) is investing \$300 million to build a polysilicon production plant in Luanda, Angola to localize solar panel production.

Asia remains in the top three with \$3.3 billion of new Chinese investment. Southeast Asia accounted for \$2.9 billion, or 88% of the total. The largest project is [GDS International's](#) \$831 million data center park in Thailand. [CBL International Development](#), a subsidiary of CATL, signed a \$1.8 billion agreement with PT Industri Baterai Indonesia to establish a battery cell manufacturing facility in West Java. [GEM](#), a Chinese waste recycling company, is also investing in Indonesia, with a \$2.1 billion nickel processing plant, securing a 25% ownership stake.

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The China Cross-Border Monitor is a data portal from Rhodium Group's China practice on China's overseas investments. Traditional methods of tracking overseas investment by Chinese companies are skewed by tax havens and reinvested earnings, creating a warped picture of China's overseas investments. Our transaction-based methodology tracks half a million individual investments worldwide, helping create a more transparent view of China's global economic footprint.

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