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DO THIRD COUNTRY EFFECTS MATTER FOR CHINA'S INWARD FDI FROM COUNTRIES ALONG THE BELT AND ROAD?

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Abstract: Much attention is paid to the influences of the third country on outward FDI (OFDI) to a host country. However, this study focusses on the third country's effects on China's inward FDI (IFDI). Based on the heterogeneity and spatial interaction of countries along the Belt and Road (B&R), this study constructs a spatial panel model and uses IFDI data from 43 countries between 2006 and 2018 to test the factors that influence China's IFDI. This research finds that: (1) The third country effects from countries along the B&R are negative, indicating that crowding-out effects dominate. But after the B&R Initiative was put forward, the crowding-out effects are weakening. For neighboring countries in the B&R, the total spatial impact is positive, indicating that there is a spillover effect. (2) Countries along the B&R that have higher GDP levels, higher trade dependence, and attract more investment from China, invest more in China.

Keywords: Third country effects, Inward FDI, the Belt and Road, Spatial dependence, Crowding-out effects

1. INTRODUCTION

Foreign direct investment (FDI) has been a popular research topic in recent decades since it contributes much in the international trade and the global economic growth (Zhang *et al.*, 2023; Wang *et al.*, 2023). Plenty of literatures investigate the stages of FDI development (He *et al.*, 2024) and the key

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factors that affecting the development FDI, but the motivations are not that clear analyzed. Some papers reveal the motivations of FDI, especially in the developing countries and emerging markets. In fact, the motivations of FDI are complex since it not only affected by the domestic economic condition in home countries and the industry condition of host countries, but also influenced by the surrounding countries. The influence from the surrounding countries is named as the third country effects, which is important factor for the motivations of FDI. Therefore, some scholars started to focus on the third country effects on FDI through empirical studies.

The early stages of theories for FDI motivations reflect two types of multinational enterprises (MNEs). Vertical MNEs are typically motivated by the differences in factor price among the countries (Alfaro & Charlton, 2009; Cieślik and Tran, 2021), while horizontal MNEs may save transportation costs or trading costs by serving foreign markets locally (Faeth, 2009; Cieślik, 2019). A two-country framework that includes the home country and the host country is somewhat sufficient to explain such kind of FDI patterns. However, there might also exist other motivations for the MNEs. For example, the MNEs can use a host country as a low-cost platform to export its products to the nearby markets (Yeaple, 2003; Ito, 2013). This suggests that FDI decisions may be affected by third countries (Mello-Sampayo, 2009; Li, *et al.*, 2016). Thus, a three-country model which includes home, host and the third country is needed to explain MNEs' investment activities.

FDI has contributed much to the development of Chinese economy and industry development since the Chinese Reform and Opening-up was implemented in 1987. FDI inflow not only brought large amount of capita to boost the economic growth and industry upgrade, but also took the spillover effects. With the significance and importance of FDI noticed by the government, more and more polices were put forward to attract FDI inflow. Since attracting FDI has been a strategic policy adopted by the central government of China, its FDI has increased rapidly in the past decades. In 2013, Chinese President Xi proposed the Belt and Road Initiative (the B&R initiative) and set it as a national strategy. With the closer relationship in politics and international trade, the FDI from B&R countries has grown rapidly in subsequent years. And in 2019, 5570 foreign-invested enterprises from B&R countries were established, accounting for 13.6% of the total (Statistical Bulletin of China' Foreign Direct Investment, 2020). But most studies take B&R countries as FDI host countries, investigating the spatial strategy of Chinese outward FDI

(OFDI) in the area (Deng, *et al.*, 2019; Shao, 2020). There is little discussion on the FDI inflow from B&R countries and investigate its spatial correlation.

Countries along the B&R are close to each other in geographically location, and therefore they are with close relationship in social culture. As well, most of them are members of regional economic integration organizations with close economic ties. Their FDI activities are influenced by each other and may be affected by the third countries. Recent spatial studies on inward FDI (IFDI) in China are mainly focus on sub-national locations (Blanc-Brude *et al.*,2014). The dominating forms of IFDI are vertical specialization with agglomeration, and pure horizontal, respectively. But little work has been done on the third country effects of home countries, especially from the B&R home countries. To analyze this issue, we built spatial regression models by using a data set of China's FDI from 43 countries along the B&R in this study. Therefore, this study may contribute to the knowledge on the impact of third country effects on FDI inflows in China.

The rest of the article is as follows: section 2 is the literature review; section 3 is the overview of research area and econometric model; section 4 introduces framework of methodology; section 5 presents the analysis results, followed by conclusion in section 6.

2. LITERATURE REVIEW

In recent decades, there are plenty studies about the FDI development path and the factors that influenced the FDI, especially taking the developed countries or emerging markets countries as examples. But not that many studies focus on the third country effects, especially from the IFDI perspective. Most of the studies discussed the impact of third countries were focusing on the OFDI decisions of the home countries. Baltagi *et al.* (2007) used the knowledge-capital model of US OFDI and found the significant third-country effects. Based on a spatial lag model, Garretsen and Peeters (2009) assessed the influence of spatial linkages for Dutch FDI to its host countries and found that complex investment had an agglomeration effect in space. However, by the data from 61 countries that have close investment relationships with China, Chou *et al.* (2011) found that China's OFDI has a trend without third-country effects. He (2022) examined the third-region effect for Chinese OFDI location decisions through a spatial Durbin model and revealed its positive influence. Obviously, all these literatures are focusing on and analyzing the third county effects for OFDI.

Although most existing studies about third country effects are focusing on OFDI and its locations, it is also quite necessary to analyze the third country's effects for FDI inflow from other countries to China. Since China are focusing on improving the quality of IFDI into China, we should not only pay attention to the OFDI. If the MNEs compete for resources in host countries, FDI from any single country might be crowded out by FDI from other countries. As well, if FDI from other countries provides positive externalities through market linkages, a greater third country effect could encourage FDI from the parent country. By utilizing panel data of US IFDI from OECD countries, Blonigen *et al.* (2005) studied third-country effects on IFDI and found the parent market proximity effects and crowding-out effects dominated. By the data of 17 Latin American countries, Blanco (2012) found that nearby market has a positive influence on the net FDI, while no evidence shows that FDI is spatially autocorrelated. Fonseca and Llamosas-Rosas (2019) investigated and proved the presence of a positive spatial relationship among FDI of states in Mexico and the government should consider third-region effects during the attraction of IFDI.

The existing literature about third country effect on FDI are mostly from the outward FDI perspective, instead of the inward FDI. However, the third country effect also matter for IFDI, especially for one of the FDI recipient countries-China. Since the countries along the B&R have long been the FDI recipients of China and are becoming important source of FDI inflow of China, it is of great importance to analyze the third country effects for China's inward FDI from countries along the Belt and Road.

3. RESEARCH AREA, MODEL AND METHODOLOGY

3.1. Research Area

The Belt and Road is an open platform without precise spatial scope. Due to the data availability, 43 countries along the route are involved, and they are divided into six areas in this study. B&R countries are essential for China to attract FDI, and the proportion of realized FDI remains between 4% and 6%, ranging from 5.97% in 2003 to 4.51% in 2018. Even though the amount is quite small relative to the FDI comes from developed countries, it is with great potential with the rapid economic growth in this area. Among the areas, ASEAN countries invested the most in China, accounting for 93.93% of the B&R countries. With the active of RCEP contract, the cooperation with

ASEAN countries in international trade and international investment will increase a lot in the next decade. Therefore, in this study, the countries along the B&R are taking as an example to examine the existence of third country effects.

3.2. Spatial Econometric Model

The spatial autocorrelation analysis is the most common method to judge spatial distribution characteristics of a specific observation value, which evaluated by Moran's I index. The formula is:

$$Moran's\ I = \frac{\Sigma_{i=1}^{n}\Sigma_{j=1}^{n} w_{ij}(x_i - \bar{x})(x_j - \bar{x})}{s^2\Sigma_{i=1}^{n}\Sigma_{j=1}^{n}\ w_{ij}} \tag{1}$$

Here, n is the number of space observation units, xi and xj are the flow of country i and country j to Chinese FDI. S^2 is the variance of FDI flows, wij is the spatial weight matrix. The value of Moran's I normally is between -1 and 1. The closer to 1, the closer the relationship between the units. The closer to -1, the greater difference between the units. If the value is equal to 0, it is irrelevant.

Before the spatial autocorrelation test, the spatial weight matrix needs to be set first. Based on the spatial characteristics of these countries, this study chooses the inverse distance weight matrix as the basis for spatial econometric analysis. The spatial weight matrix in this article is on account of Blonigen *et al.* (2005), and the definition of its elements is:

$$W = \begin{Bmatrix} 0 & w(d_{ij}) & w(d_{ik}) \\ w(d_{ji}) & 0 & w(d_{jk}) \\ w(d_{ki}) & w(d_{kj}) & 0 \end{Bmatrix}, \ w(d_{ij}) = d_{\min} / d_{\min}, \ \forall i \neq j \tag{2}$$

Where d_{ij} represents the distance between the capitals of the two countries; d_{min} is the distance between the two nearest countries. The shortest distance in our sample is between the capitals of Israel and Jordan, which is 111.1 kilometers.

Based on the set spatial weights, this study calculates the Moran's I index of FDI in China by the country for each year, as shown in Table 1. The changes of Moran's I index are significant at 1% level for each year. It shows that the spatial autocorrelation of the FDI in China from B&R countries is positive and exists apparent spatial agglomeration.

Table 1: Global Moran's I of FDI in China by B&R Countries (2006-2018)

Year	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*
Moran's I	0.056***	0.053***	0.043***	0.043***	0.035***	0.030***	0.027***
Year	2013	2014	2015	2016	2017	2018	
Moran's I	0.023***	0.021***	0.020***	0.018***	0.016***	0.015***	

Note: *** is significant at 1%.

4. METHODOLOGICAL FRAMEWORK AND DATA DESCRIPTION

4.1. Spatial Lag Model (SLM)

Through the establishment of an investment gravity model, this study analyzes the factors influencing FDI in China from B&R countries. Due to the spatial autocorrelation of the explained variables, a country's investment in China is dependent on other countries' investment in China. We add the interaction term of the third country's IFDI and geographic weight W to the explanatory variables, and then construct the spatial lag model as follows:

$$IFDI_{it} = \alpha_0 + \alpha_1 ParentVariables_{it} + \alpha_2 EXP_{it} + \alpha_3 OFDI_{it} + \alpha_4 PMP_{it} + \rho \cdot W \cdot IFDI_{it} + \varepsilon_{it} \quad (3)$$

Here, IFDI is an explained variable, representing the direct investment from B&R countries. Parent Variables represent the explanatory variables, which reflect the characteristics of these countries. EXP refers to the amount of exports from the home country of investment to China, and OFDI refers to the amount of investment in these countries from China. ρ is the spatial lag coefficient, and it measures the degree and direction of the influence of a country's neighboring countries' investment in China on the explained variables. PMP represents the size of the neighboring market in the home country, and the calculation formula is as follows:

$$PMP_{it} = \sum_{j \neq i} \frac{111.1}{d_{ij}} GDP_{jt} \quad (4)$$

where d_{ij} is the distance between the parent country i and B&R countries j. The inverse distance weighting method is used to calculate the weighted sum of the GDP of other countries except for the investing country.

4.2. Data Description

The explained variable is the direct investment in China from B&R countries (IFDI). There are two measurements for IFDI: the FDI flow and the FDI stock. Compared with the flow, the stock is less affected by short-term fluctuations.

However, due to data availability, this study uses this relative stock to measure the IFDI value. The relative stock of each year is the sum of FDI flow in that year and all the years before.

The explanatory variables selected in this study are PGDP, POP, PEDU, PTRADE, EXP, OFDI and PMP. PGDP and POP are used to measure the market size and the population of each B&R country, which with the data from the World Bank Database. PEDU reflects the average years of education of the population over 25 years old in the countries, and the data comes from the United Nations Development Program. PTRADE is expressed as the proportion of the total import and export volume of each country to its GDP and EXP shows their export volume, and data comes from the UN Comtrade database. OFDI refers to the amount of investment in each country from China, and the data is from the Statistical Bulletin of China's Outward Foreign Direct Investment. PMP represents the size of the neighboring market in the home country of the investment, which measures its market potential. To ensure the stability of the data, all variables in the models are in logarithmic form and descriptive statistics are shown in Table 2.

Table 2: Descriptive Statistics

Variable	*Mean*	*Std. Dev.*	*Min*	*Max*
LnIFDI	8.640	2.236	2.637	15.508
LnPGDP	9.476	1.054	6.983	11.861
LnPOP	16.814	1.495	12.822	21.025
LnPEDU	2.114	0.401	0.693	2.565
LnPTRADE	-0.486	0.597	-1.694	0.967
LnEXP	20.747	2.255	9.696	24.749
LnOFDI	6.279	5.477	-12.233	13.660
LnPMP	10.675	0.395	9.813	11.432

5. EMPIRICAL ANALYSIS

5.1. Full Sample Analysis

The results of standard OLS regression are shown in columns (1) and (2) of Table 3. Besides, the spatial lag model is applied to examine the factors affecting FDI in China and the results are shown in columns (3) and (4). In column (3) and (4), the spatial lag coefficient (ρ) is positive and significant at the 5% level, which indicates the investment from other B&R countries significantly increase FDI from current investing countries to China and have agglomeration effect.

When the investment from other B&R countries provides positive externalities through technology transfer or market linkages in the Chinese market, larger third country investment can encourage FDI inflow from the relevant home country. As shown in column (4), the coefficient of PMP is negative and significant at the 5% level, which indicates countries with larger neighboring markets have less investment in China. The proximity of B&R countries to other markets changed the marginal cost of serving the host country through domestic exports or direct outward investment. That is, the proximity to a big market in geographical location means that the opportunity cost of FDI in China will increase. Among sources of third-country effects, the spatial lag coefficient is positive. The coefficients of PMP are negative and are greater than the spatial lag coefficient, therefore the total spatial impact is negative.

Table 3: Full Sample Analysis

	OLS		SLM	
	(1)	(2)	(3)	(4)
ρ	-	-	0.623***	0.464**
			(0.133)	(0.181)
LnPGDP	-0.053	-0.521**	0.759	1.255***
	(0.178)	(0.209)	(0.462)	(0.486)
LnPOP	0.050	0.058	0.538**	0.744***
	(0.086)	(0.085)	(0.226)	(0.185)
LnPEDU	4.169***	4.156***	-0.782	-0.885
	(0.453)	(0.446)	(0.840)	(0.805)
LnPTRADE	0.043	-0.098	0.996*	1.310**
	(0.133)	(0.136)	(0.543)	(0.558)
LnEXP	0.168***	0.165***	0.216*	0.077
	(0.033)	(0.033)	(0.123)	(0.131)
LnOFDI	0.002	-0.002	0.058***	0.047***
	(0.005)	(0.005)	(0.015)	(0.013)
LnPMP	-	1.789***	-	-1.743**
		(0.432)		(0.850)
sigma2_e	-	-	2.594***	2.376***
			(0.565)	(0.445)
Log-Likelihood	-	-	-1067.732	-1038.833
N	559	559	559	559
R-squared	0.301	0.324	0.378	0.498

Note: Robust standard errors are in parentheses, ***, ** and *, respectively, are significant at 1%, 5% and 10%.

As in column (3), the coefficient of EXP is positive and statistically significant at the 10% level, which indicates the greater export volume to China, the more FDI inflow comes from that country. However, after adding the variable PMP, the coefficient of EXP is no longer significant as shown in column (4), indicating that there is common competition and substitution effect between the neighboring country's market and the Chinese market. The coefficients of POP are positive and statistically significant, but the coefficients of PEDU are negative and not significant at all.

As in column (4), the coefficient of PGDP is positive and statistically significant, which indicates countries with higher GDP have more FDI inflow to China. The scale of GDP somewhat represents a country's economic strength and the market size. A higher economic strength shows the capita stock for investment and a larger domestic market helps companies form specific ownership advantages based on scale, and thus have higher foreign investment capabilities. As in column (3) and column (4), the coefficient of PTRADE is positive and statistically significant, which indicates the higher trade dependence, the more FDI will flow into China. As in column (3) and (4), the coefficient of OFDI is positive and statistically significant, which indicates more FDI from China, more reverse investment will be put in China. The industrialization development of most B&R countries lags China, therefore China's investment in these countries has promoted bilateral industrial cooperation and the reverse investment, forming a new economic pattern of mutual investment and common development. It is believed that the cooperation will promote the development in regional economy.

5.2. Subsample Analysis

Table 4 provides subsample analysis results. Since B&R Initiative started in late 2013, this study divides the full sample in two groups: group with subsamples before 2013 (including 2013) and subsample after 2013. Columns (1) and (2), respectively, show the results for years before year 2013 and after year 2013. Comparing column (1) and (2), with the introduction of B&R Initiative, the countries have a stronger agglomeration effect on investment to China. As shown in columns (1) and (2), the coefficient of PMP is significantly negative, but the effects gradually became smaller after 2013.

Considering the distance from China, in this study, these countries are divided into two groups according to whether they border China. Columns (3) and (4), respectively, show the analysis result of non-neighboring countries and neighboring countries of China. In column (3), the spatial lag coefficient is not

significant, while the coefficient of PMP is negative and statistically significant. Therefore, the total spatial effect is negative, which is consistent with the full sample regression result. In column (4), spatial lag coefficient is positive and statistically significant at 10% level. The coefficient of PMP is positive while not statistically significant as shown in column (4), which indicates the total spatial effect is positive. The analysis results of other variables are consistent with the full sample.

Table 4: Subsample Analysis

	SLM		SLM	
	(1) Before 2013	(2) After 2013	(3) non-neighboring countries	(4) neighboring countries
ρ	0.410*	0.595***	-0.326	0.421*
	(0.210)	(0.141)	(0.415)	(0.222)
LnPGDP	1.046**	1.778***	0.574	2.279***
	(0.522)	(0.415)	(0.601)	(0.416)
LnPOP	0.769***	0.763***	0.603**	0.740**
	(0.199)	(0.197)	(0.259)	(0.306)
LnPEDU	-0.751	-1.358	0.126	-1.972
	(0.804)	(0.865)	(0.843)	(1.334)
LnPTRADE	1.547***	0.976*	1.448***	1.084*
	(0.566)	(0.556)	(0.557)	(0.629)
LnEXP	0.063	0.042 (0.131)	0.343**	-0.111
	(0.143)		(0.168)	(0.186)
LnOFDI	0.085***	0.024*	0.061***	0.027**
	(0.030)	(0.014)	(0.018)	(0.012)
LnPMP	-1.756*	-1.545**	-1.943*	0.301
	(0.966)	(0.786)	(1.098)	(1.886)
sigma2_e	2.644***	1.662***	1.811***	2.132***
	(0.527)	(0.292)	(0.354)	(0.691)
Log-Likelihood	-657.052	-362.547	-582.614	-398.341
N	344	215	338	221
R2	0.473	0.578	0.593	0.574

Note: Robust standard errors are in parentheses, ***, ** and *, respectively, are significant at 1%, 5% and 10%.

5.3. Robustness Test Results

This article mainly studies the spatial interaction effects of FDI in China from the 43 B&R countries. Since different spatial weight matrices may affect

the robustness of the estimation results, this article also uses a new spatial weight matrix W* to perform a robustness check. Table 5 gives the results for the robustness check analysis. In columns (1), (3), (5), and (7), we used the weighted population distance between the capitals of the two countries in the CEPII database to replace the capital distance. Among them, the capital population-weighted distance is calculated by using the capital distance to indicate the geographical distance between the two countries, and then taking the capital's population in the total population of the countries as the weight. In columns (2), (4), (6), and (8), we used a negative exponential weight, i.e., for observation from country i, the weight on FDI into China from country j is

$$W_y(d_{i,j}) = e^{-d_{i,j}/1000} \quad \forall i \neq j \tag{5}$$

As shown in columns (1), (2), (3), and (4), for all the countries involved, the spatial lag coefficient is significantly positive. And after the B&R Initiative was put forward, the spatial agglomeration effect became stronger. The coefficient

Table 5: Robustness Check

	Before 2013		*After 2013*		*Non-neighboring countries*		*Neighboring countries*	
	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*
ρ	0.443**	0.406***	0.586***	0.510***	-0.362	-0.157	0.389*	0.462***
	(0.185)	(0.125)	(0.136)	(0.114)	(0.429)	(0.229)	(0.182)	(0.173)
LnPGDP	1.033**	0.951*	1.762***	1.687***	0.560	0.590	2.257***	2.101***
	(0.518)	(0.505)	(0.409)	(0.394)	(0.600)	(0.608)	(0.425)	(0.453)
LnPOP	0.758***	0.736***	0.740***	0.752***	0.605**	0.620**	0.729**	0.680**
	(0.198)	(0.190)	(0.197)	(0.188)	(0.260)	(0.277)	(0.309)	(0.283)
LnPEDU	-0.730	-0.656	-1.377	-1.243	0.159	0.161	-1.935	-1.648
	(0.799)	(0.799)	(0.858)	(0.860)	(0.849)	(0.861)	(1.363)	(1.428)
LnPTRADE	1.478***	1.436**	0.896	0.910*	1.471***	1.523**	1.042	0.887
	(0.563)	(0.559)	(0.560)	(0.553)	(0.563)	(0.601)	(0.667)	(0.626)
LnEXP	0.056	0.071	0.043	0.044	0.339**	0.345**	-0.115	-0.111
	(0.142)	(0.142)	(0.131)	(0.128)	(0.168)	(0.172)	(0.188)	(0.183)
LnOFDI	0.087***	0.086***	0.024*	0.021 *	0.061***	0.063***	0.027**	0.022**
	(0.029)	(0.029)	(0.014)	(0.010)	(0.018)	(0.018)	(0.012)	(0.014)
LnPMP	-1.683*	-1.432*	-1.498**	-1.340*	-1.974*	-2.093*	0.351	0.626
	(0.940)	(0.793)	(0.762)	(0.721)	(1.111)	(1.075)	(1.878)	(1.759)
sigma2_e	2.611***	2.531***	1.648***	1.570***	1.807***	1.845***	2.143***	1.920***
	(0.522)	(0.516)	(0.295)	(0.274)	(0.354)	(0.361)	(0.695)	(0.629)
Log-Likelihood	-655.456	-650.647	-361.567	-356.584	-582.221	-583.601	-398.869	-388.918
N	344	344	215	215	338	338	221	221
R2	0.478	0.504	0.590	0.610	0.596	0.584	0.584	0.613

Note: Robust standard errors are in parentheses, ***, ** and *, respectively, are significant at 1%, 5% and 10%.

of PMP is significantly negative and the value is larger than that of the spatial lag coefficient. Therefore, the total spatial effect is still negative. As shown in columns (5), (6), (7), and (8), the total spatial impact for non-neighboring countries and neighboring countries are respectively negative and positive. The symbols of PGDP, POP and PTRADE are consistent with the previous studies, even though size and significance have slightly changed.

6. CONCLUSIONS

Based on the heterogeneity and spatial interaction of B&R countries, this study constructs a spatial lag model, and it uses FDI data from 43 B&R countries from 2006 to 2018 to test the influencing factors of FDI inflows in China. The research finds that: (1) The spatial lag coefficients of the FDI in China from B&R countries are positive. While the coefficient of PMP is significantly negative, and greater than the coefficient of spatial lag. Therefore, the third country effects are negative, indicating that the crowding-out effect is greater than the spillover effect. But after the B&R Initiative was put forward, the agglomeration effect is enhanced and the crowding out effect is weakened. Overall, the third-country effects show a crowding-out effect, but the effect is weakened. For neighboring countries in the B&R countries, the total spatial effect is positive, indicating there is a net spillover effect. (2) The coefficients of PMP, PTRADE, and OFDI are positive, indicating B&R countries that have higher GDP levels, higher trade dependence, and attract more investment from China, will invest more in China.

Based on the result of spatial analysis, we provide the following suggestions: (1) Implement a spatially differentiated investment strategy. For countries with a higher level of development, pay attention to high-quality "bringing in". Attracting high-tech enterprises to participate in China's industrial chain innovation chain clusters. For countries with a low level of economic development, encouraging them to use their unique manufacturing advantages to participate in China's industrial chain. (2) Build a high-standard free trade zone (FTZ) network with B&R countries. Both "export platform type" and "composite vertical type" investments are based on the division of factors and take advantage of the comparative advantages to improve the efficiency of international cooperation. The formation of a high-standard FTZ network can improve the level of investment and trade between these countries. (3) "Going out" at a high level to promote high-quality "bringing in". As the two directions of internationalization, OFDI and IFDI present a significant positive

interaction in economic development. FDI in B&R countries from China has been deeply connected in technology and capital, which also stimulated the reverse FDI in China from B&R countries.

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