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Chinese Investment Still Rising Globally; Tough Choices for the US

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Translation: don't listen to my colleagues on this topic. Only me.

China's investment around the world in 2017 was dominated by talk of restrictions applied by the central government and host governments such as the United States. The obvious implication, supported by misleading official statistics, was that China's global spending had plunged. This is wrong. On the best available evidence, Chinese investment overseas climbed modestly in 2017, after a path-breaking 2016.

The China Global Investment Tracker (CGIT) from the American Enterprise Institute is the only fully public record of China's outbound investment and construction.[i] Rather than merely asserted totals, *all 2700 transaction are listed*. The CGIT shows investment rising almost 9 percent in 2017. This was heavily dependent on the $43-billion acquisition of Swiss agro-tech giant Syngenta, without which investment would have dropped more than 16 percent. For perspective, the 2017 total without Syngenta would still be the second-highest on record.

It's true that the top line is more bullish than what's below it. The number of transactions fell, as did investment volume in many countries and sectors. But the numbers make clear that the overarching story is not decline but change, to very large transactions by state-owned enterprises and new sectors of emphasis, such as logistics. Such purchases lead to a banner 2017 for Britain and Singapore, as examples.

The People's Republic of China's (PRC) investment is often conflated with its overseas construction of rail lines, ports, and so forth. While construction activity is valuable, it does not bring ownership as investment does. Construction contracts are smaller on average, but there are more $100 million construction contracts since 2005 than $100 million investments. Last year alone, China signed construction deals worth $100 million or more with almost 60 countries. This is the core of the much-discussed Belt and Road Initiative (BRI).[ii] By sector, most the most activity occurred in transportation.

Construction under the BRI should be similar in 2018. The main questions for this year are whether Beijing will allow private firms to invest more aggressively and how far Washington will go in blocking Chinese acquisitions. By the end of 2017, private Chinese investment began to pick up again. It will not be allowed to return to the 2016 frenzy but will probably grow this year, helping offset any decline in state spending.

Downside risk for Chinese spending is found in the Committee on Foreign Investment in the United States (CFIUS). CFIUS has refused to approve a number of Chinese transactions in a timely manner. Along with PRC restrictions, this undermined 2017 Chinese spending in the US, which fell by half to below $25 billion. A bipartisan bill to extend CFIUS' authority is being watched globally. Just as important, CFIUS has stalled Chinese acquisitions involving customer data. This embodies a difficult trade-off: the evident benefits of foreign investment versus lack of rule of law in the PRC. Chinese spending here is positive for our economy. But Chinese firms cannot be trusted to obey American laws.

CGIT v. MOFCOM

The CGIT includes all verified investment and construction transactions worth $100 million or more from 2005 through 2017. This features more than 1300 investments worth more than $1 trillion in total. Although the construction data set is incomplete, it includes almost 1400 projects totaling over $700 billion. The CGIT also lists well over 200 troubled transactions worth a combined $350 billion in which investment or construction was impaired after commercial agreements were struck. Not tracked are loans, bonds, and other uses of foreign exchange that do not involve ownership or services in the host country. (The CGIT is reviewed and updated every six months.)

Through 2015, CGIT figures were a good match for those published by the Chinese Ministry of Commerce (MOFCOM), with the annual gap capped at 10 percent for more than a decade (see table 1). For 2016, MOFCOM initially announced a figure of $170.1 billion. It then made an unannounced revision up to 181.2 billion.[iii] This revision was on top of the standard appearance of "financial investment" in annual totals many months after year's end and the inclusion of a fixed, monthly figure for reinvestment which has no apparent basis.

Table 1: Two Views of Chinese Outward Investment ($ Billion)

	CGIT	**Ministry of Commerce**
2005	10.2	12.3
2006	19.8	21.2
2007	29.9	26.5
2008	54.7	55.9
2009	57.6	56.5
2010	65.5	68.8
2011	68.8	74.7
2012	80.3	87.8
2013	83.8	92.7
2014	104.3	107.2
2015	113.2	121.4
2016	170.4	181.2
2017*	185.4	130.5
Total	1044	1037

* The CGIT is subject to revision each update. The 2017 MOFCOM figure is extrapolated from the first 11 months and includes only a minor amount for Syngenta. Numbers may not add due to rounding.
Sources: American Enterprise Institute, China Global Investment Tracker, January 2018 update, http://www.aei.org/china-global-investment-tracker; National Bureau of Statistics of the People's Republic of China, State Administration of Foreign Exchange, 2016 Statistical Bulletin of China's Outward Foreign Direct Investment, China Statistics Press, September 2017; and Xinhua, "China Jan.-Nov. outbound investment falls 33.5 pct to 107.55 bln USD," December 14, 2017, http://www.xinhuanet.com/english/2017-12/14/c_136825421.htm

For 2017, MOFCOM is advertising a steep investment drop, fitting its incessant claims that "irrational" spending has been controlled. [iv] The ministry does not disclose individual transactions as CGIT does. But monthly figures and direct communication indicate the bulk of the value of the Syngenta deal was never counted, on grounds it was financed outside the PRC.

This is unlikely and, in any case, leaves Chinese statistics in the dubious position of excluding the country's biggest (by far) foreign acquisition. It's always possible to argue for some deals to be placed a year earlier or later but MOFCOM's 2017 total is unreasonably small. If true Chinese investment fell this year, it was not a steep decline.

There are also problems beyond MOFCOM's control. It is national policy, not chosen by the ministry, to treat Hong Kong as an external customs port**.** Hong Kong is then assigned more than half of Chinese outward investment. Funds flow through on their way to their final destination but the ministry is required to stop following them in Hong Kong. Its bilateral figures, e.g. China-Germany, are often much too low. The CGIT follows money to the true recipient, generating correct bilateral numbers.

Also affecting country totals is intense pressure to show the BRI is a success. PRC construction activity in BRI countries is heavy but finding high investment interest requires imagination. Using a government list of 70 BRI partners, the combined investment they received from China 2014-2017 was only slightly ahead of what the US received and trails the US plus Australia by a good margin.[v] Finally, MOFCOM has always used odd sectors. "Leasing and business services" is the top in drawing funds, which appears to be a way to deny the importance of energy investment. CGIT sector labels evolve with patterns of spending and building.

China's Global Footprint

The CGIT's far more accurate bilateral figures make clear that neither the BRI nor Hong Kong draws the bulk of Chinese money. The top 10 recipients feature wealthy economies, plus Brazil and Russia, which are middle-income but rich in resources (see table 2). While the US easily leads in terms of total investment attracted, the American figure is not impressive as compared to, say, Australia after adjusting for population or economic size. Once a darling for PRC companies, Canada has been largely ignored since 2013 and has been pushed down the list.

Table 2: Top Recipients of Chinese Investment 2005-17 ($ Billion)

Country	Investment Volume
United States	170.4
Australia	91.0
Britain	72.4
Switzerland	60.0
Brazil	54.6
Canada	49.4
Russian Federation	38.2
Singapore	30.8
Germany	25.5
Italy	21.5
Subtotal for top 10	613.8
Total for all countries	1044

Source: American Enterprise Institute and Heritage Foundation, China Global Investment Tracker, https://www.aei.org/china-global-investment-tracker.

In 2017 alone, Switzerland was the top recipient of Chinese funds and now appears in the top five overall. This is misleading because it is an exaggeration to locate the entire value of the Syngenta acquisition there. Unfortunately, it is not feasible to assign discrete values to assets in each country where large multinationals operate. Another example is the $14-billion acquisition of London-based Logicor by one of the PRC's sovereign funds, which helped Britain see the second-most Chinese investment last year though some Logicor assets are in continental Europe. The US was third in 2017 at over $24 billion, a 54% drop. Given its tiny population, Singapore had an exceptional year, at $13 billion.

Investment involves ownership, partial or full. Yet China may own little in the way of local assets while signing contracts worth billions. These are construction projects, for coal plants, schools, and more. While investment is more valuable dollar for dollar, construction can provide substantial benefits and is a vital part of the PRC's economic relations with many nations. Even closing on $750 billion, the value of construction contracts captured by the CGIT is too low. Early years were underreported and new projects trickle in slowly, leaving the 2017 list as yet incomplete. The number of $1+ billion projects does fit over time with official Chinese reports.

The PRC's construction activity looks nothing like its investment. There are no rich countries in the top 10 construction list (see table 3) while seven are BRI members (vs. 2 in the investment top 10). Casual observers talk of BRI investment, for example the ever-rising figure boasted for the China-Pakistan economic corridor.[vi] They should say construction and engineering. The PRC is not looking to own $60 billion worth of Pakistan, it is building there. In 2017 alone, Argentina saw the most Chinese construction activity, followed by a bunched pack that included Australia due to Chinese acquisition of local mainstay John Holland.

Table 3: Top Areas of Chinese Construction Activity 2005-17 ($ Billion)

Country	Investment Volume
Pakistan	39.8
Nigeria	37.1
Indonesia	26.0
Saudi Arabia	25.3
Malaysia	24.9
Algeria	22.9
Ethiopia	22.7
Bangladesh	22.4
Angola	20.1
Iran	18.8
Subtotal for top 10	260.0
Total for all countries	736.5

Source: American Enterprise Institute and Heritage Foundation, China Global Investment Tracker, https://www.aei.org/china-global-investment-tracker.

There is another important difference between investment and construction: the role of private Chinese companies in investment has become considerable over time while construction remains utterly dominated by state-owned enterprises (SOEs) such as Power Construction Corp. These have a proven engineering record in difficult settings and they are massively aided by concessionary financing from state-controlled banks. It should not be any surprise if many Chinese projects are money-losers; if they are perceived to support the PRC's foreign policy goals, they are initiated on that basis.

That energy is the most popular sector for PRC investment and construction over the past 13 years will surprise no one. Among energy subsectors, oil draws the most investment, by itself on par with metals investment, which has been languid for years. In construction, coal and hydro plants lead energy but here transportation is a fast-moving second. In 2017 alone, transport and energy accounted for four-fifths of construction value. Technology receives a great deal of attention but accounted for only five percent of completed investment since 2005 and only two percent last year. Two large 2017 logistics acquisitions elevated the status of that sector.

Table 4: Sector Patterns, 2005-17 ($ Billion)

Sector	Investment	Construction	Troubled
Energy and power	354.8	310.6	117.6
Transport	95.1	230.1	44.4
Metals	123.9	32.4	74.9
Real estate	97.7	70.0	19.1
Agriculture	79.5	16.7	10.9
Finance	75.2	-	36.5
Technology	51.1	15.6	27.7
Tourism	36.3	6.6	7.4
Entertainment	38.8	2.0	1.6
Logistics	33.0	4.5	1.0
Chemicals	11.7	14.3	1.9
Other*	47.8	33.7	5.0
Total	1044	736.5	347.9

* In other investment the leading sector is health care; in other construction it is utilities. Numbers may not add due to rounding.
Source: American Enterprise Institute and Heritage Foundation, China Global Investment Tracker, https://www.aei.org/china-global-investment-tracker.

Beijing May Green-light More Spending

The January 2017 CGIT update incorrectly forecasted retrenchment last year, and many observers still cite official statistics to say it happened. There were important areas of retrenchment but total investment was bolstered by multiple large SOE acquisitions such as Ping An's stake in HSBC. This enabled China to maintain its global visibility while rolling back spending by private companies in sectors like entertainment.[vii] For 2018, Beijing probably believes it has made its point and now-chastened private investors will feel less pressure. This should support investment in the 2016-7 range, to be reported by Beijing as an increase. It's hard to see annual volumes rising further but $1 trillion over the next six years is feasible.

The main reason Beijing will be more relaxed lies in the same indicator that caused it to belatedly crack down: foreign exchange reserves. The quasi-crisis of early 2016 has been stabilized by formal capital controls and informal but unsubtle events like the disappearance of globally visible CEO's.[viii] Net foreign exchange outflows all but vanished over the course of last year.[ix] The threat is certainly still present, but has been blunted for now.

This does not mean a return to the 2016 free-for-fall. Chinese authorities have become reluctant to allow capital outflow in the form of large-scale property purchases, particularly hotels. This and other sector-based curbs will be retained. The central government's emphasis on BRI will serve to effectively limit Chinese investment, as BRI country markets are not as appealing and incentives to push investment there will bear little fruit.

A key variable is the spending signal to private Chinese firms. The demise of private investment last year was exaggerated but its 2016 trajectory was sharply altered, from a rising share of a rising total to an enforced pullback. This year, a moderate pick-up is most likely. Given the hostility of some foreign partners to SOE's, private companies can be better able to acquire desirable foreign assets and it would therefore harm the PRC's economic progress to sideline them for long. The $80 billion in private investment in 2016 remains a bit excessive but $70 billion is achievable.

Table 5: The Private Share of Investment Since 2010 (Percent)

Year	Share
2010	9.4
2011	11.8
2012	14.1
2013	29.9
2014	27.7
2015	31.6
2016	46.4
2017	36.2

Note: The private share was tiny before 2010. Numbers may not add up due to rounding.
Source: American Enterprise Institute and Heritage Foundation, China Global Investment Tracker, https://www.aei.org/china-global-investment-tracker.

For construction, another $100-$110 billion in PRC projects is likely in 2018. This remains notable but a major upswing did not appear to occur last year, despite BRI, and there's little economic reason for one this year. A shrinking labor force means China no longer needs to send workers overseas. Foreign exchange may no longer be tightly constrained but Beijing still cannot afford to be profligate, especially since large construction projects in developing economies (e.g. hydroelectric plants) generally do not offer good prospects for profit. It will still be possible to talk up large figures for BRI simply by expanding the number of participant countries.

There is a new data problem on the construction side – SOE engineering majors have become more opaque recently after years of improvement. Reporting failure in a BRI partner may no longer be politically acceptable even while setbacks are inevitable in building new infrastructure in difficult environments. Of course long rail lines risk extended delays and grand urban plans can fall short of sales pitches. When non-commercial factors impair a commercial agreement, this qualifies as a "troubled" transaction. PRC construction companies typically face $6-7 billion worth in impairment annually, for example a long-delayed elevated expressway in Bangladesh.

Because it involves ownership, investment gets into a lot more trouble than construction, to the tune of $20 billion in lost opportunities annually despite the commercial partners wanting to proceed. Beijing has belatedly unraveled deals it does not like and local or international security confrontations have undermined transactions. Multi-year operating losses also qualify.

The main source of trouble, though, is host governments either inhibiting or outright blocking transactions. A basic issue affecting many PRC partners is reciprocity, or rather its lack. At the most dramatic level, Beijing would never allow a Chinese company of Syngenta's size to be bought, much less one in a field like agro-tech. Dozens of small Chinese acquisitions can have the same effect as one huge bid, occurring as they do while multinationals increasingly complain the PRC is not open to foreign competition.[x]

The long-standing perception that China likes competition only in other markets is reinforced by the ebbing of greenfield investment in favor of acquisitions. The PRC averaged $175 billion in spending in 2016-7 yet greenfield spending is starkly unimpressive, at barely $20 billion annually.[xi] The turn to large SOE acquisitions also caused the raw number of greenfield transactions to fall in 2017. Acquisitions carry fear of loss of competitiveness and technology and possible relocation of jobs back to China. Greenfield investment avoids all these problems, but the PRC is engaged in less of it.

A second concern of host governments was spotlighted in 2017: a Chinese presence, including investment or construction spending, bringing undue social and political influence. Developing countries have fretted over this for years, even while pining for Chinese funds. The scope of the challenge has expanded with accusations of graft in Australia, which has had a large PRC presence but also a seemingly strong civil society.[xii] As with reciprocity, this does not impede specific deals, rather it creates an environment of greater suspicion.

Another objection does focus on specific transactions: loss of advanced technology. A new development is European concern (the US is discussed in the next section). The EU does not worry about use of dual-use technology in the South China Sea, it worries that the PRC will use acquisitions to climb the manufacturing ladder at the expense of European firms and workers. This has melded with standing reciprocity complaints and new questions about China's intent in courting east Europe.[xiii] Brussels and the member capitals have of course not made any decisions but they are now interested in a joint international position on this particular Chinese challenge.

For the moment, the top two recipients of the PRC's investment by volume remain by far the top two in terms of trouble. The US is actively inhibiting Chinese companies while Australia is more trying to avoid being drowned by them. Other countries seeing $10+ billion in impaired transactions are present due to older events. It can take time for a transaction to sputter, so there will eventually be more of them for 2017 and perhaps earlier, adding to the tally.

Table 6: Most Troublesome Countries 2005-17 ($ Billion)

Country	**Troubled Transactions**
United States	65.4
Australia	59.1
Iran	25.2
Germany	15.4
Libya	12.7
Nigeria	11.5
Subtotal for top 6	189.3
Total for all countries	347.9

Source: American Enterprise Institute and Heritage Foundation, China Global Investment Tracker, https://www.aei.org/china-global-investment-tracker.

Washington's Stop Sign Is Bright Red

In July, this section was titled "decision time in the US." The decision appears to have been made. The plunge in PRC spending in the US in 2017 was due primarily to Beijing's curbing of Chinese private firms' mad rush in 2016 (which was replaced by SOE's heading for Europe). But what Beijing took away last year, it could conceivably give back this year. It is now Washington making clear there will be no new surge, through (in)action by CFIUS and potential reform of that body, where both could have wide-ranging effects.

Deciding how to handle Chinese firms requires identifying them correctly. The biggest PRC acquisition in the US last year was routed through Ireland. It's still Chinese. Perhaps the most controversial deal saw Lattice Semiconductor briefly try to pretend it was being bought by an US company. Also Chinese.[xiv] The best way for CFIUS and American policy-makers to determine control of a firm is to trace the money being used. Layers of subsidiaries and shell companies mean any other method of determining control can be gamed. Ultimately Chinese money guarantees influence, no matter the company's name or location of its headquarters.

For 2018, US policy choices must sort old and new risks. An old risk misunderstood by some is from SOEs versus private firms. While SOE's account for most of China's global investment, their US share is below 40 percent. More important, *there is no difference in the control the Communist Party can exercise over private firms and SOEs.* There is no rule of law in the PRC, no court or media through which private Chinese firms can resist Party orders to ignore US law or steal technology.[xv] Private Chinese companies receive less in the way of subsidies but are as beholden to the Party for their survival as SOEs are.[xvi] There is no justification to treat them differently with regard to national security.

Another old issue is reciprocity. It has of course long been true that the Chinese market is less open than the American, but calls for applying reciprocity in investment offer little. The US does not want to close off the same sectors the PRC does, nor would it have any value for Beijing to promise to open already massively overcrowded industries such as steel. Further, if the PRC's response to demands for reciprocity was positive, the Trump administration has little interest in making it easier for American companies to invest in China.

New issues pertain more directly to investment review. Legislation was introduced last year that effectively sidesteps CFIUS for the sake of screening for net economic benefits.[xvii] This would be a mistake. Foreign investment, including Chinese, benefits Americans economically through job preservation or creation among other positive impacts. Pretending otherwise looks mostly like a way to slow and politicize the investment process, in order to reduce competition, Legislation of this kind should be rejected.

Another bill deserves serious consideration. Originally conceived in Senator Cornyn's office, it is now bipartisan and bicameral.[xviii] It expands CFIUS' responsibilities substantially, perhaps excessively, but is properly focused on national security. What China does should not be allowed to inhibit investment from dozens of good partner countries. Nonetheless, the PRC's singular effort to acquire advanced technology is increasingly global, increasingly sophisticated, and increasingly intense. America's best response can be extensively debated[xix] but a strong response is necessary, supported by greater resources. Moreover, action is already overdue, so pledges of future improvements are inadequate.

The challenge of confronting the threat from China without harming the national security review process has obscured a separate but pressing matter. It is difficult to find Chinese acquisitions that CFIUS should have halted but did not. It is all too easy to find PRC entities simply breaking American law with no apparent consequences. The obvious example is theft of intellectual property (IP), where loss estimates can run in the hundreds of billions of dollars yet not a single Chinese firm has been sanctioned[xx] (this may change in 2018 under Section 301). Chinese companies shown to have received stolen IP should not be allowed to invest or trade here.

Data theft has joined IP theft as a China risk. A number of Chinese companies are now legitimately interested in acquiring US counterparts which hold personal data for thousands of Americans or more. The danger comes if the Party later wants these data. In that case, it does not matter if Chinese firms wish to cooperate with the Party, they have no option. This logic lies behind CFIUS' refusal to approve a high-profile bid by an Alibaba unit for MoneyGram.[xxi] While the outcome was right, the process was not. The US needs a clear and durable policy stance to protect personal data, not stalling by CFIUS until the companies "figure it out."

Because the rule of law does not apply in China, Chinese firms cannot be trusted with personal data. PRC entities should be sanctioned for involvement with IP theft. As before, American dual-use and military technology must be protected, against a sharpening threat. At the same time, a large amount of Chinese investment is not itself objectionable and benefits the US economically. The last point has been, properly, the core of American policy toward foreign investment. The US now must find a way to incorporate China-specific restrictions without harming ourselves or long-time investment partners. Because the PRC is a global economic player, global cooperation is a logical next step. But first the US has to be wise in our own choices.

[i] American Enterprise Institute and Heritage Foundation, "China Global Investment Tracker," https://www.aei.org/china-global-investment-tracker/.

[ii] Jessica Meyers, "China's Belt and Road Forum lays groundwork for a new global order," *Los Angeles Times*, May 15, 2017, http://www.latimes.com/world/asia/la-fg-china-belt-road-20170515-story.html.

[iii] Xinhua, "China's ODI up 44.1% in 2016," January 16, 2017, http://english.gov.cn/archive/statistics/2017/01/16/content_281475543375328.htm. The revision is in the outward investment yearbook, published eight months later.

[iv] Xinhua, "Economic Watch: China guards against overseas investment mania", March 31, 2017, http://www.china-ceec.org/eng/zjzdo_1/t1450476.htm.

[v] This of course can be addressed by simply adding Australia to the BRI. For now at least a reasonable government list can be found at Belt and Road Portal https://eng.yidaiyilu.gov.cn/info/iList.jsp?cat_id=10076, accessed January 7th, 2018.

[vi] Ben Blanchard, "China, Pakistan to look at including Afghanistan in $57 billion economic corridor," Reuters, December 26, 2017, https://www.reuters.com/article/us-china-pakistan-afghanistan/china-pakistan-to-look-at-including-afghanistan-in-57-billion-economic-corridor-idUSKBN1EK0ES.

[vii] Bloomberg, "China's Outbound Investment Plunges as Irrational Deals Curbed," November 16, 2017, https://www.bloomberg.com/news/articles/2017-11-16/china-s-outbound-investment-plunges-as-irrational-deals-curbed.

[viii] Lisa Murray, "China's strict capital controls are working," Financial Review, August 8, 2017, http://www.afr.com/news/world/chinas-strict-capital-controls-are-working-20170808-gxrtxi,
and Matthew Miller and Koh Gui Qing, "China's Anbang says chairman steps aside, after report of his arrest," Reuters, June 13, 2017, https://www.reuters.com/article/us-anbang-group-chairman-idUSKBN19500D.

[ix] Xinhua, "China's yuan funds for foreign exchange rises for 3rd straight month in November" December 14, 2017, http://news.xinhuanet.com/english/2017-12/14/c_136826308.htm.

[x] Reuters, "Foreign Firms in China Say They Are Less Welcome Than in the Past," in Fortune, January 18, 2017, http://fortune.com/2017/01/18/china-foreign-businesses-xi-jinping-open-markets-business-optimism-pessimism-american-chamber-of-commerce-china-poll/.

[xi] There is a technical problem in classifying many investments in developing countries. The deal will be represented as a Chinese participant joining an existing project but the project will turn out to be very little on the ground. The CGIT methodology is to be cautious and decline to label these as greenfield. A more liberal approach could change the greenfield totals but would not change the trend of sharply declining importance in 2016-7.

[xii] African Development Bank, "The Expansion of Chinese Influence in Africa - Opportunities and Risks," August 14, 2012, https://www.afdb.org/en/blogs/afdb-championing-inclusive-growth-across-africa/post/the-expansion-of-chinese-influence-in-africa-opportunities-and-risks-9612/ and Nick McKenzie and James Massola "Andrew Robb's secret China contract: money for nothing," *The Sidney Morning Herald*, December 6, 2017, http://www.smh.com.au/federal-politics/political-news/andrew-robbs-secret-china-contract-money-for-nothing-20171205-gzzaq5.html.

[xiii] Anders Fogh Rasmussen , "China's investment in Europe offers opportunities — and threats", Financial Times, November 20, 2017, https://www.ft.com/content/9e7428cc-c963-11e7-8536-d321d0d897a3 and Christopher Cermak, "Eastern Europe cozies up to China," Handelsblatt Global, November 30, 2017, https://global.handelsblatt.com/politics/eastern-europe-cozies-up-to-china-859869.

[xiv] Avolon, "Avolon Completes US$10.38 Billion Acquisition of Cit Aircraft Leasing Business," April 4 2017, http://avolon.aero/wp/wp-content/uploads/2017/04/Avolon-Final-Closing-4-April-2017.pdf;
and Business Wire, "Lattice Semiconductor to be Acquired by Canyon Bridge Capital Partners, Inc. for $1.3 Billion," November 03, 2016, https://www.businesswire.com/news/home/20161103005762/en/Lattice-Semiconductor-Acquired-Canyon-Bridge-Capital-Partners.

[xv] If Chinese firms can be ordered to violate American anti-trust law, they can certainly be ordered to steal valuable technology. See Alison Frankel, "DOJ bucks China, urges SCOTUS to hear case against vitamin cartel," Reuters, November 17, 2017, https://www.reuters.com/article/legal-us-otc-chinese/doj-bucks-china-urges-scotus-to-hear-case-against-vitamin-cartel-idUSKBN1DH2HA.

[xvi] Michael Forsythe, "Fosun Group's Chairman Is Said to Be Missing in China," *New York Times*, December 10, 2015, http://www.nytimes.com/2015/12/11/business/chairman-of-fosun-group-of-china-is-said-to-be-missing.html.

[xvii] Sylvan Lane, "Bipartisan bill would force Commerce Dept. to judge economic risks of foreign investments" *The Hill*, October 18th, 2017, http://thehill.com/policy/finance/356107-bipartisan-bill-would-force-commerce-department-to-judge-economic-risks-of.

[xviii] Robert Pittenger Office, "Pittenger: China targeting our tech, we must react," December 18, 2017, https://pittenger.house.gov/media-center/press-releases/pittenger-china-targeting-our-tech-we-must-react.

[xix] Derek Scissors, "CFIUS, Chinese Investment, and How to Improve Both," AEI, September 18, 2017, http://www.aei.org/publication/cfius-chinese-investment-and-how-to-improve-both/.

[xx] National Bureau of Asian Research, "Update to the IP Commission Report," February 2017, http://www.ipcommission.org/report/IP_Commission_Report_Update_2017.pdf.

[xxi] PRNewswire, "MoneyGram And Ant Financial Announce Termination Of Amended Merger Agreement," January 2, 2018, https://www.prnewswire.com/news-releases/moneygram-and-ant-financial-announce-termination-of-amended-merger-agreement-300576618.html.