

Foreign Direct Investment and China Superpower in ASEAN Countries

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Abstract

Regarding international relations between ASEAN and China, Southeast Asian states seek to maintain relations with China as a measure of balance in politics and defense. However, in terms of trade and expenditure, Southeast Asian states are seen as cooperating with China. China plays a large part in the ASEAN bandwagoning. Over the past few years, China's economic involvement has risen, eventually surpassing the United States. China has been ASEAN's most important trading partner for the past decade. Bilateral commerce between ASEAN and China is currently valued at 642 billion dollars per year, compared to around 291 billion per year with the United States. Although annual FDI from China ranks third in ASEAN, behind the US and Japan, if FDI from mainland China and Hongkong are combined, China swiftly overtakes the US as the largest investor in ASEAN.

Meanwhile, the Belt and Road Initiative, which Beijing promotes through its powerful development banks, has resulted in billions of dollars in Chinese loans to the area that needs to be counted. Preserving independence and autonomy is a fundamental goal in Southeast Asia. However, China's economy has been influential in acknowledging the greater participation of the Chinese government in its role in other countries, reducing its adherence to each integrity. Southeast Asian countries saw an increase in trade with China of as much as \$878 billion in 2021. Despite growing economic ties, primary national interests were lost within the rapid rise of Chinese influence. The ASEAN countries' anxiety has led to pushback against the superpowers.

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