駕驭全球市场：
中国企业面临的
挑战与机遇
Challenges and opportunities
for Chinese companies to
navigate global markets

中国政府支持中国企业“走出去”的政策
中国政府提供更多的支持以推动本地企业增加海外投资。中国政府在4月17日发布的《关于加强科技创新的若干措施》中指出，中国政府支持中国企业“走出去”，通过提供更多的支持和便利，推动本地企业在全球范围内的投资和合作。中国政府还推出了多项措施，包括优化营商环境、完善税收政策等，以吸引更多的海外资金和人才。中国政府还强调，要建立和完善跨国公司海外投资的监管体系，保护中国企业的合法权益。

安永在上海举办的“安永战略高级论坛”上发表了关于“走出去”的主题演讲，他认为，中国企业“走出去”是大势所趋。安永指出，中国企业“走出去”是大势所趋，中国政府已将“走出去”作为国家战略，支持和推动本地企业“走出去”是实施“走出去”战略的重要内容。安永在论坛上表示，中国政府的支持和推动为企业“走出去”提供了有利条件，中国企业应抓住机遇，积极走出去，开拓国际市场。
中国企业日后投资的主要产业，国家及/或地区方面，他认为基础设施及重要设备制造的海外投资在短期内会有高速增长。而中小企业，他建议：“比如高速公路建设及高速公路建设。国务院总理李克强表示海外的基础设施建设要扩大，为全球各地的客户提供更好的服务。”

他也表示，“此外，丝绸之路上的经济体或海上丝绸之路的国家和地区 governor，可能也会有更多机会。和“走出去”结合起来考虑，一个双赢局面。

吉利控股集团（“吉利”）董事长李书福先生认为“引进来”和“走出去”可以结合起来考虑，一个双赢局面，吉利2011年收购沃尔沃汽车有限公司将改变吉利汽车的公司。

他认为“引进来和走出去”是企业全球化的重要途径。他认为“引进来”和“走出去”相结合，可以形成优势互补，达到双赢的结果。他说：“我们公司在全球范围内寻求合作伙伴，寻求技术、管理、市场等方面的合作，将中国企业的优势与全球资源结合起来，实现共同发展。”

我们看到市场上有很多中国海外投资失败的例子，如中国公司收购外国企业后，却无法将企业整合成功，最终导致投资失败。李书福认为，“引进来”和“走出去”相结合，可以避免这些失败，实现双赢的结果。

李书福认为，“引进来”和“走出去”相结合，可以实现资源的优化配置，同时也可以推动中国的经济结构调整。

除了“引进来”和“走出去”相结合，中国企业的海外投资也需要注意防范风险。李书福指出，企业在海外投资时，需要对当地的法律法规、市场环境、文化差异等因素进行充分的调研，避免因不了解当地情况而造成投资失败。

因此，李书福建议中国企业在海外投资时，要充分评估各种风险，避免因盲目投资而造成损失。同时，也要注重企业的社会责任，积极履行社会责任，树立良好的企业形象，从而获得良好的社会反响和市场认可。

“走出去”是指企业通过直接投资、兼并收购等方式，将产品、技术和管理经验输出到全球市场，推动企业的全球化发展。同时也为企业提供了新的经济增长点。

“引进来”是指企业通过吸引外资，引进先进的技术和管理经验，提高企业的核心竞争力。同时，也为企业引入了新的资金和市场资源，推动企业的发展。

因此，李书福认为，中国企业在海外投资时，既要注重“引进来”，也要注重“走出去”，实现资源的优化配置，推动企业的全球化发展。

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我们看到市场上有很多中国海外投资失败的例子，大家关注中国海外投资是否能为国家的投资者创造价值。为了确保“走出去”的企业成功，李书福提出以下几点建议：

- 保持耐心
- 制定长远业务计划
- 制定清晰的海外并购战略
- 不要假设在中国可行的在海外一样可行
- 了解交易标的未来的发展
Chinese companies have moved beyond borders to cultivate markets overseas, pursuing growth through exports, partnerships, acquisitions or by developing a stronger local presence. In the past decade, especially since the global financial crisis in 2008, foreign direct investment from China has experienced annual increases of around 40%. In 2013, according to the information of Ministry of Commerce of the Chinese Government, Chinese companies made foreign direct investments in 5,090 enterprises in 156 countries and regions, with a total value of US$90.17 billion and a year-on-year increase of 16.8%.

Today, China is the world’s second largest economy and the largest foreign trader. During the Third Plenary Session of the 18th CPC Central Committee, China pledged to integrate better the policies of “bring-in” and “going abroad” and accelerate development of new advantages to engage in and lead international competition and cooperation. “Going abroad” has become more imperative for Chinese enterprises to seek growth and development.

While there are numerous opportunities associated with overseas investment, these are often challenges as well.

Valuable opinions shared by several honorable guests at the panel, “Navigating the Global Markets: Opportunities and Challenges”, one amongst fifteen panels held during the EY Strategic Growth Forum™ in Shanghai, China, have provided insights into suggested solutions to the challenges faced and strategic rationales for overseas investments to capture opportunities and maximize values and benefits. EY hosted over 1,000 guests in Shanghai from 22-23 May 2014, which was the first-ever of its kind event held in the country.

Chinese Government’s supporting policy on “go abroad”

Increasing support from the Chinese government has driven the expansion of domestic enterprises’ overseas investments. Mr. He Zhenwei, Deputy Secretary General of the China Overseas Development Association (CODA) and Senior Economist quoted the word “loosen” at the panel, which was mentioned by Chinese Deputy Prime Minister Wang Yang during his speech on the 5th China Overseas Investment Fair in December 2013, to explain the government’s attitude on the “go abroad” policy.

The National Development and Reform Commission (NDRC) recently released the Circular on Issues concerning the Implementation of Administrative Measures for the Approval and Record-filing of Overseas Investment Projects (the Circular). The Circular promotes the transformation of the approval system to the record-filing system for Chinese overseas investments, cuts the examination and approval links, accelerates the examination and approval and increases efficiency.
Privately-owned enterprises have played a significant role in outbound as well. The Chinese government and CODA support and help Chinese companies go global by all means,” said Mr. He. “Sound channels are provided to Chinese private companies to communicate with overseas investment partners or foreign governments, such as the China Overseas Investment Fair, which was co-founded by CODA and China Development Bank in 2009.”

In terms of key sectors, countries and/or regions for Chinese enterprises to invest in the future, Mr. He shared his opinion that overseas investments in infrastructure and heavy equipment manufacturing would have rapid growth in the near future. Mr. He said, “…such as high-speed rail construction and high way construction. These construction investments have been mentioned by Chinese Prime Minister Li Keqiang during his visits abroad.”

“Also, the countries or regions within the silk road economic belt or maritime silk road may have better chances of getting more Chinese investments in the future,” says Mr. He.

Demonstrating “bring-in” and “going abroad” and creating a win-win situation

“Bring-in” and “go abroad” can be combined to create a “win-win” situation, according to Mr. Freeman Shen, Group Vice President and Board Member of Geely Holding Group. Geely’s takeover of Volvo in 2011 is the first privately-owned enterprises’ successful acquisition of a high end automotive company.

Shen has taken the Geely-Volvo integration to illustrate the rationale of Geely’s going abroad strategy to acquire technologies and build high-end brand to enhance its status internationally. “We have to go abroad for the brand and technologies without which, the entire automotive industry of China would face big challenges,” He also believes that the China market and resources could benefit foreign stakeholders, such as employees, dealers, suppliers, governments and labor unions.

“Many people asked 5 years ago why Geely had invested abroad and acquires Volvo at tremendous risk. But in fact, the risk would be higher if not for trying to make the Volvo deal,” Shen says, “The automotive industry is interesting, vehicles are a kind of consumption and also a complicated manufacturing product. Yet, we had no sound brand for consumers without sufficient technology to design and produce high quality cars beforehand.”

In Shen’s opinion, making reasonable integration and job-allocation is pivotal to create a “win-win” situation. “Introducing advanced technology and international operations from Europe into China promotes Volvo’s global development and provides better vehicles for customers all over the world.” He says.

Making long-term business plans and having clearly defined overseas Merger & Acquisition (M&A) strategies are essential when taking actions – Mr. Zhong Lei contributes his point of view at the panel. Mr. Zhong is a Senior Managing Director at Fosun Group and leads the Global Investments & Strategies Group. “Many global investors raise a lot of money and invest to generate high returns quickly, and sometimes they are looking for relatively risky investment opportunities. Unlike traditional ways, we want to develop our global opportunities in the next 10 or 20 years, instead of the next 3 to 5 years,” Zhong says.

There are three essential elements when investing overseas during recent years and in the future, according to Zhong - “We are looking for the best and healthy growth, a long-term stable funding to match long-term investments, and developing with an “industrial value-added” mode. We see much wealth coming from the emerging markets.” Zhong says and he believes that investing in these European countries could generate high returns in the short term, and build networks for the families and companies between Europe and emerging markets in the longer term.
Foreign countries’ misunderstanding China

The US ranks at the top of the list for Chinese foreign direct investment and M&A. “Over the last 4 years, Chinese foreign investment in the US had been risen at a rate of about 71% annually, and the trend continues,” Mr. Francisco Sánchez spoke at the panel. He is Chairman of CNS Global Consulting and until November 2013, he previously served as Under Secretary Consulting and until November 2013, he previously served as Under Secretary of Commerce. “Overseas M&A transactions are failures of Chinese overseas investments, and there are concerns whether the Chinese investments overseas will create value for their investors. Besides a sound investment strategy, a good post-merger integration plan is equally important. The return on investment and the profit can be maximized by their business expansion after acquisitions. Understanding future development of transaction targets can help post-merger integration go more smoothly. Let’s see how it excelled in regards to Geely.”

Mr. Wang Fanglu, a Senior Managing Director at CITIC Capital and Chief Investment Ofﬁcer of CITIC Kazyna Investment Fund I, said the toughest challenge for Chinese enterprises to overcome when they made overseas investments is the culture conflict and insufficient execution capability. “Some negative reports from the western media are due to misunderstandings of Chinese culture.” Wang says. “It is important to recognize cultural diﬀerences between the East and West.” Freeman Shen also shares a similar opinion. “Cultural conﬂicts exist in almost every cross-boundary M&A transaction. It is inappropriate to equate the national culture with the corporation culture.” He believes that culture is a kind of unwritten rule to follow, and if investors cannot get through such cultural integration, they would suffer in the future.

The capability of execution is viewed as essential when making an overseas investment, according to Wang Fanglu. He says, “I heard many comments from foreign colleagues that Chinese people focus more on high level of strategies when doing business, and leave execution details to lower levels. Yet the communication among diﬀerent levels remains insuﬃcient and ineﬀective. A good idea could turn in to a delayed action or even failure due to poor communication.” Wang suggests Chinese companies should enhance their learning curve to gain wider experiences and upgrade their capability of execution.

Mr. Zhong Lei emphasizes “mutual trust” when he shares tips for successful overseas investments. Zhong says that trust is important, especially when Chinese companies are investing overseas to build close relationship among the shareholders, management team and local market. “When we encounter diﬃculties, mutual trust can help us get through that.” Zhong says.

Alternatively, Mr. Francisco Sánchez suggests the key to a successful investment for Chinese companies would be to take advice from consultants, including the accounting firms and advisors, such as EY. These experts can help Chinese companies to identify and evaluate investment projects to make sure that the investment goes smoothly. “It is critical to identify risks early and assemble the right team with a fresh pair of eyes. It will give you a better chance for success.” Francisco adds.

Accordingly, Chinese companies face a series of challenges when they are “going abroad”, such as regulatory reviews and approval, due diligence, investment strategy and post-merger integration. To ensure success of Chinese companies “going abroad”, Mr. Francisco Sánchez suggests the key to a successful overseas M&A is to identify and evaluate investment projects to make sure that the investment goes smoothly. “It is critical to identify risks early and assemble the right team with a fresh pair of eyes. It will give you a better chance for success.” Francisco adds.

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