



## The Research of the Chinese Enterprise Transnational Operations Strategic

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### **Abstract**

The world economics are developing to the internationalization direction depth, various countries' economy in interdependence and under international division of labor condition, not only in production, distribution area, but also in the capital, technology, information, and transportation and so on, manifests internationalization tendency. In order to deal with the international market and the resources competition, Many Chinese enterprises have implemented transnational operations gradually. This research goal is for comprehensive, systematic, knew profoundly Chinese enterprise transnational operations development history and the present situation, existence question and reason, and to provide the countermeasure suggestion for promoting Chinese enterprise transnational operations fast and healthy development.

**Keywords:** Economic globalization, Transnational operation, Foreign investment

### **1. The Chinese Enterprise transnational operations present situation analysis**

Along with Economic globalization rapidly expand, it has provided the good opportunity for the Chinese enterprise to participate in the international competition and optimize allocation of resources in bigger range. Started from 1979, the Chinese Enterprise foreign investment experienced four stages approximately:

The first stage (1979-1985): Yearly average foreign investment cost 25 million US dollars, enterprise average investment scale 9.5 million US dollars.

The second stage (1986-1991): Yearly average foreign investment cost 208 million US dollars, enterprise average investment scale 1.4 million US dollars.

The third stage (1992-1998): Yearly average foreign investment cost 705 million US dollars, enterprise average investment scale 1.06 million US dollars.

The fourth stage (1999-2001): Average foreign investment cost 678 million US dollars, enterprise average investment scale 2.18 million US dollars.

According to the Chinese Ministry of Foreign Trade and Economic Cooperation statistics, until at the end of 2001, Chinese government accumulates authorization foreign Investing enterprise 6610, Chinese side agreement total investment 8.36 billion US dollars. China invests outward domain is mainly the resource development, production processing, transportation, the project contractor, the traveling dining and so on.

#### *1.1 Subject of investment multiplication*

The Chinese Enterprise which carry on the overseas management to have four broad headings:

1.1.1 Foreign trade Specialized company and the large-scale foreign trade group are the Chinese Enterprise overseas management main force

1.1.2 Large-scale Production enterprise or enterprise group. These enterprises are engaged in the transnational operations superiority are that has the relatively mature production technology and certain research and development ability; has the huge production system and the sales network in domestic; The product price performance have the evident competitive advantage. Although these company overseas management start is late, but the development speed is quick

1.1.3 Bank and other non-bank financial institutions

1.1.4 Small and medium-sized enterprise. These enterprise quantities are many, the investment scale is small, and the management variety is unitary.

## *1.2 Trades are the Chinese Enterprise foreign investment fundamental modes, accounts for 60%*

According to department of commercial affairs statistics, up to at the end of 2002, China accumulated sets up foreign non-finance class enterprise 6960, agreement total investment 13.78 billion US dollars, Chinese enterprise investment cost 9.34 billion US dollars. And, beyond the border processing assembly enterprise 420, Chinese enterprise investment cost 1.122 billion US dollars, have led domestic export 2.157 billion US dollars on the whole every year. At the same time, accumulation sign foreign contract engineering contracted amount 114.78 billion US dollars, complete turnover 82.72 billion US dollars. Sign foreign labor service cooperation contracted amount 29.52 billion US dollars, complete turnover 23.76 billion US dollars, to send somebody to units or organizations to a foreign country service 2.734 million people. But, Chinese foreign total investment not only accounts for the world foreign total investment proportion to be low, moreover, the foreign investment cost accounts for the domestic fixed asset investment proportion to be very also low.

Moreover according to a UNCTAD design's weight country attraction foreign capital and the foreign investment relative scale size's statistical target computation, since the 1990s, Chinese foreign merchant direct investment storage quantity has occupied GDP proportion to rise year by year, it has reached as high as 35.6% in 2003; But the foreign direct investment occupies GDP proportion actually not change, it was only 2.6% in 2003.

*Insert Table 1 here*

*Insert Table 2 here*

Foreign merchant direct investment cost (A) \ foreign direct investment cost (B) \ differential (A-B) \ year (note: The foreign direct investment cost calculates by the actual use amount of foreign investment, foreign direct investment cost by the Chinese side investment cost computation.) (Data origin: Department of commercial affairs "Chinese Foreign capital Statistics" (all previous years), "2003 Year China Foreign Direct investment Statistical bulletin")

Above analysis full showing, compares with the huge foreign capital intake scale, Chinese foreign direct investment already seriously lagged, since long, this kind "introduces" and "walkout" development extremely imbalanced aspect, if reverses not as soon as possible, will certainly to initiate a series of deep levels economic frictions, thus affects Chinese economy continually, fast, and healthy development.

## *1.3 Single item investment scales is relatively small*

Compares with Multinational corporation of the developed country and some emerging industrialized country, the Chinese Enterprise transnational direct investment scale is generally small, the single project surpasses million US dollars not to be many, considerable amount of small and medium-sized enterprise founds the Out-of-country enterprise investment cost has only more than 100 thousands US dollars to be even lower. This kind of miniaturized foreign investment project and Operation organization scale, although is more nimble, but difficulty contends with formidable Multinational corporation in the international competition. Forms this kind of characteristic primary cause, on the one hand is because Chinese Enterprise was still in the transnational operations e start stage, lacks the experience of participation international competition, the manner is discrete in the foreign investment's scale; On the other hand is because participates in the transnational investment quite active mostly is the Small and medium-sized enterprise, their management strength had decided often pursues invests few, the effective quick strategic target. These small and medium-sized enterprises mostly choose the economic development level close or the lower developing country achievement invest the region, thus invests the enterprise which sets up is also small and medium-sized enterprise which naturally adapts the locality economic development level and the level of employment.

## *1.4 The investment region to expand unceasingly*

To look from the physiographic region that Chinese enterprises carry on the foreign investment operative activity initial period, stemming from evasion risk, accumulation experience's consideration, they choose the geographical position near Hong Kong and Macao area and the Southeast Asia to take the investment destination. Started from the 1990s, the Chinese Enterprise started to the developed country investment. Looking from the profession domain, Chinese

Enterprise transnational investment initial period, only steps in service industry with the trade related, like service, packing, transportation and so on. Along with the foreign investment further advancement, the investment profession domain expands unceasingly. From the industry and agriculture production, the investment develops to industries and so on dining traveling, advisory service, technology development, real estate, has stepping. But generally speaking, Chinese foreign investment involved the high-tech industry proportion to be still low.

## **2. Chinese Enterprise transnational operations characteristic**

### *2.1 Multiplication foreign management pattern is forming*

At present, China invests outward runs factory and processes assembly service to expand to more than 160 countries and the area, involves the trade, production processing, resource development, transportation, contract engineering, agriculture and the agricultural product comprehensive development, health, traveling dining and advisory service and so on many domains, the priority of investment gradually from Hong Kong and Macao, North America area, shifts to Asian and Pacific, Africa, Latin American and so on developing countries in general, the multiplication trend of development is day by day remarkable. The foreign contract engineering service distributes in more than 180 countries and the area, involves domains and so on construction, petroleum chemical industry, electric power, transportation, communication, water conservation, metallurgy, railroad, coal, the labor service cooperation service from sends out the architectural engineering service primarily to expand gradually to the multi-domains, like national economy and so on coal, forestry and aerospace, peaceful use atomic energy and high tech each domains.

### *2.2 Management main body structures further optimizes*

After more than 20 years development, China foreign subject of investment transformed gradually from the Trading company to the large and middle scale production enterprise primarily, the Production enterprise foreign investment accounts for the proportion to increase unceasingly, the Trading company accounts for the proportion to reduce gradually. Specially one batch of leading enterprise positively carried out the transnational operations and has made the good progress, and has become the main force of China invested outward. Some superiority enterprise started to implement the foreign investment strategy, and has formed the global production sale network initially, initially Multinational corporation embryonic form. Haire, Lenovo, Glans, Wanxiang, Chunlan and so on, one batch of home well-known enterprise already products outlet overseas, has seized the partial overseas market, and production own product in overseas, cultivates own brand.

### *2.3 Chinese Enterprise entry overseas market mode to stress in joint capital way which newly built*

Chinese Enterprise overseas development way mainly for newly built, this is because relative to capital operation, the Chinese Enterprise has confidence to production operation and management capacity. But overseas enterprise many utilization capital operation methods and so on purchase annexations, although already appeared, but the overall looked that is also short by the Chinese leading enterprise use. The reason lies, although the merger and acquisition way is advantageous in the enterprise speeds up its overseas management advancement process, but to the Chinese Leading Enterprise, takes out the large amount merger and acquisition fund is not the easy matter one time, in addition present home money market financing channel also not very unimpeded, uses the outside capital to realize merger and acquisition to be more difficult.

### *2.4 Chinese Enterprise transnational operations' main purpose develops the overseas market, guarantees the resources supply*

At present, under the market environment of many profession competitions started to tend to the superheating, the Chinese Enterprise relied on oneself manufacturing aspect superiority to develop the overseas market to become the essential choice. TCL purchases German Schneider electron company, Haire to purchase an Italy refrigerator plant, is the typical example of Chinese enterprise develops the overseas market.

### *2.5 Chinese Enterprise transnational operations have the tendency which generally serves for the domestic economy growth, this related with Chinese transnational operations' main body is government property enterprise*

The country as enterprise assets' owner, impossible not to affect enterprise's decision-making with own benefit pursue, particularly some Major industries and the enterprise group, its foreign investment activity implemented and has manifested national foreign economic development strategic intention directly. Therefore, generally speaking, Chinese Enterprise's foreign investment and the transnational operations, and are not only restricted in seek enterprise individual superiority, but seeks comprehensive superiority of Chinese economic development and participation international division of labor.

## **3. Existence question of Chinese Enterprise transnational operations**

### *3.1 Lacking the globalization strategy consciousness and the modernization management and operation method*

Chinese Enterprise also generally lacks the globalization strategy consciousness and the modernization management and operation method, is unable meet the international competition need in the management idea and the method,

satisfies merely in seizes the domestic market, “walks” consciousness to be light, even if some enterprise which have the strength and the comparison superiority has not the foreign investment development plan. The transnational enterprise is one kind of ultra giant enterprise of altitude organized; it needs to have the highly strict science management objectively. The developed country transnational operations gained in over a hundred year experience, has skilled, standard, scientific managerial technique. These elements have restricted the enterprise transnational operations development.

### *3.2 Foreign investment strategies are not explicit, the investment scale is small, invests area distribution to be unreasonable*

First, Many Chinese Enterprises lack the foreign investment long-term developmental strategy, the goal are not extremely explicit, lacks the scientific examination. Next, although domestic subject of investment strength had the enhancement in recent years, Out-of-country enterprise average investment scale expansion, but the most Out-of-country enterprise's investment scales were still small as. According to the department of commercial affairs statistics, 3439 sample of Out-of-country enterprise average investment scale is 965 ten thousand US dollars, the resource development enterprise size is biggest, but manufacturing industry enterprise average investment scale also insufficient million US dollars. Once more, Chinese foreign investment mainly concentrates in the Asian particularly Hong Kong area. By the end of 2003, Chinese foreign direct investment total quantity 80% distributed in the Asian countries, the major part in Hong Kong area, direct investment only accounted 3.3% for the total quantity to European and American countries. The investment too concentrated increased the operational risk, did not meet the investment market multiplication requirement.

### *3.3 Research and development levels low, deficient technical superiority*

China large and middle scale industrial enterprise research and development expense accounts for the product sales revenue proportion only then 1%~2%, even if were in 2002 ,the Chinese electron hundred enterprises, the research development investment also only occupied 3.8% equally. Now, approximately some 2 /3 state-owned Large and middle scale Enterprises have not established the research and development organization, new product sales volume proportion average only then 8%. Therefore Chinese Enterprise transnational investment scope is freely broad and involves the profession to be broad, but mainly by the resource development primarily, the manufacturing industry and the high technology and new technology industry just started.

### *3.4 Many Chinese transnational operations successful enterprise not yet to establish the lasting competitive advantage*

Chinese Majority Enterprises lack the transnational operations experience, management tool to be backward, the top level transnational operations talented person is deficient, technical and the fund limitation, the Chinese product lacks the brand superiority in the international market. Adds the information not to work with the language culture aspect barrier, causes many enterprises have difficulty in the transnational operations. In addition, the business management level is low, lacks the institution management system platform.

### *3.5 Lacking the foreign capital funds and the high quality transnational operations talented person*

Chinese Enterprise meets a prominent question in the foreign investment is the capital insufficient , national credit aid dynamics is also insufficient, other financing channel is also quite unenlightened, thus enables the development international market to be beset with difficulties. Includes the state investment plan besides some resource development and the foreign processing trade project has obtained the government finances supporting, the most project funds must depend on enterprise to solve itself. At the same time, the enterprise carries on the transnational operations to need large quantities of high-level financial talented person, scientists and technicians, the managerial talent and legal talent, they not only need have a good command of the foreign language skilled, but must thoroughly understand the international law and the international business rules, but Chinese Enterprise lacks exactly the inter-disciplinary talent exactly, the talented person bottleneck already became restriction enterprise “walks” obvious barrier.

## **4. Chinese Enterprise transnational operations' strategy chooses**

### *4.1 Chinese enterprise transnational global competition strategy*

In China, the following some big enterprises have met the transnational operations requirement, will develop gradually first generation of Multinational corporation that take China as the base, participates in the global competition: first, the specialized Foreign trade company which already had the good internationalization foundation and strong business capacity and Chinese-funded trade group which in Hong Kong and Macao. Second, the enterprise or the enterprise group which have the suitable technical strength and the business capacity; third, the industry trade company, the technique trade company, the agricultural trade company, financial trade company or group. Fourth, Financial syndicate and service industry company which has the abundant capital strength.

The reality choice of Chinese Enterprise carries out the global competition to be:

4.1.1 Take above four kind of Major industries to carry on the transnational operations, forms the base of the Chinese Enterprise implement the international competition gradually.

4.1.2 Cultivates the small and medium-sized enterprise internationalization, the market rule urges many small and medium-sized enterprises to speed up own development and through union, annexation inevitably and becomes enterprise group which has the formidable strength and the rich competition experience.

4.1.3 Unifies the small and medium-sized enterprise and the big enterprise, major and medium slightly develops simultaneously, forms the network shape enterprise series structure.

#### *4.2 Chinese enterprise transnational investment competition strategy*

##### 4.2.1 Purchase and newly built way

The intrinsic factor of Affects the transnational enterprise investment mode of entry including: Enterprise unique resources. The transnational enterprise which has the technology, the monopolizing industrial property and so on unique resources, more suitable to select the newly built enterprise's method to carry on the direct investment; transnational investment management and operation experience. The external factor of affects the transnational enterprise investment mode of entry including: Host country government control to foreign enterprise purchase behavior. The enterprise may select the purchase method enter to the developed country. Otherwise, then selects the newly built method enter to the industrialization degree low country or area; Host country market and motherland market growth situation.

##### 4.2.2 Sole ownership managements and joint adventure

Regardless of being the purchase way or the newly built way, there are some capital input proportion question. Regarding the Multinational Corporation, faces the choice question of the overseas subsidiary company is having the proportion of property rights and domination. The influence stockholder rights participation form primary factor includes: first, The Multinational Corporation has superiority and strength. the big Multinational Corporation which has technical, the product and the sales network superiority, has the monopoly superiority in the market, the more choice sole ownership subsidiary company; otherwise, is not too intense in the stockholder's rights request; second, the Multinational corporation which Implements the global strategy, embarks from the overall benefit maximization goal, therefore favors in sets up the sole ownership subsidiary company or controls 50% above joint capital subsidiary company; third, Cost and income, if the anticipated profit margin is high, then suitable uses the sole ownership management; If the anticipated benefit is low, and overcomes the venture capital ability to be limited, then may consider use the joint adventure, to spread loss the risk.

##### 4.2.3 Transnational direct investment evolution types enter strategic

The transnational direct investment is not only the capital and the management element shift, is also the transnational extends of transnational enterprise production operation organization system. Chinese Enterprise transnational investment uses the evolution type advancement strategy, first export to the target market, examines the product competitive power and the market potential in the target market, familiar international market environment, establishes the marketing network, accumulation management experience. Second, after product stands firm in the target market, then establishes sales organization which has the management domination, replaces the locality importer, will sent the service link to extend to the target market. Third, after obtaining the stable market share, if the market also has further development potential, the enterprise may further invest to move the storage and transport system to the locality.

#### *4.3 Transnational enterprise overseas financing strategy*

In recent years, Chinese Multinational corporation foreign investment had develops greatly, but this condition has not had the very big change. Chinese Enterprise overseas financing way mainly has the overseas enterprise loan, the international finance to rent as well as the overseas enterprise project mortgage loan and so on.

First, overseas financing should “act as circumstances permit”, in the US and Canada, because has the highly developed stock market, enables the direct financing to become the main financing method; In Europe, because the traditional banking industry is quite developed, therefore the bank becomes the main sources of fund; In Japan, because the bank and stock market financing function is different, the enterprise different fund obtain must through the different channel. Second, utilizes the advanced financing method, mainly to include: “release lever purchase”; the international finance rents. Third, the bank-business union, specifically the bank-business union fundamental mode includes: development to relate closely with the Multinational bank; Sets up “the united department” with the domestic bank to the overseas. Fourth, utilizes the financial innovation technology fully. International Financial market innovation started in the mid-60s develops the high tide to the 80s. In this process, has produced many new financial instruments. These instruments provide the very effective way for Chinese Multinational Corporation collected the corresponding fund in American as well as in the European market.

#### 4.4 Chinese Enterprise transnational marketing strategy

##### 4.4.1 Chinese Enterprise marketing strategy present situation analyzes

Besides individual outstanding enterprise marketing strategy more outstanding, Most Chinese enterprise marketing strategy performance is not good, the existence question mainly displays in the following four aspects: Non-marketing strategies either neglect marketing strategy; Marketing strategies advance recklessly or follow blindly; Narrow profession marketing angle of view; Marketing strategy appraisal which stress in the sales volume

##### 4.4.2 Chinese transnational enterprise marketing strategy's model chooses

The American Enterprise globalization marketing strategy stresses on the following several aspects: First, leads by the large-scale Multinational corporation; second, pays great attention the science and technology development strategy; third, focuses in the global competition strategy. The Western Europe enterprise pays great attention to set up the world-famous brand enterprise image in the global market development, some famous companies, and the famous brand goods become to "the trailblazer" in implement in the global market strategy process.

The Japanese Enterprise is stressing on the globalization marketing strategically, presents the following characteristic: First, pays great attention to establish the global marketing network; second, emphasis to the resources localization strategy; third, pay great attention to the technical and information development strategy.

The Asian newly-emerging nation and the local of enterprise globalization marketing strategy has the following characteristic: First, use geography close and cultural similar, first develops the mutually market or other developing country market, take trade export primarily to developed country, direct investment as auxiliary; Second, the most enterprises take this local emerging market (for example the Chinese market) as the goal seek the transnational development, after treating savings certain strength, development to developing country again; third, the majority enterprises first join to the global market competition by the spare part or raw material production processing, then gradually impels own competitive advantage development and the industrial upgrading.

##### 4.4.3 Chinese transnational enterprise globalization marketing strategy choice suggestion

First, Establishment human resources strategy plan and the organization manage leading;

Second, take seriously to develop enterprise's marketing culture superiority;

Third, Develop enterprise's core competencies emphatically;

Fourth, choicely development enterprise strategic marketing alliance;

#### 4.5 Chinese enterprise transnational organizational structure strategy

##### 4.5.1 Organizational structure design and choice principle

In the organizational structure design and choice, besides must consider the influencing factor, but should also follow certain principle: Adaptation centralization and decentralization degree; the unity of the order and the command; the responsibilities and rights and benefits are unified; Capable and efficiency; Dynamic and stable disposition union.

##### 4.5.2 Chinese Multinational corporation organizational structure pattern choice type

First, Finance organizational structure pattern. The bank and the non-bank financial institutions mainly use this kind of pattern, this kind of company is mainly engaged in international investment and financing business, has the abundant fund and formidable financing ability, is good at carries on the investment and management through controls stock, purchase and annexation way, belongs by the function and the area primarily, high-level finance organizational structure. Such as China International Trust and Investment Corporation is this pattern.

Second, Comprehensive organizational structure pattern. Foreign Trade Company and the international economic cooperation company which mainly carry on the import-export trade and the investment service uses this pattern, it belongs to the high-level global synthesis organizational structure by the market and the product mainly.

Third, production organizational structure pattern.. This pattern suits in Production enterprise and the enterprise group specially which is engaged in the specific product production and the selling business, these enterprises have the technical research development organization, the abundant fund and the production strength, the multiplication services structure and the widespread information, the sales network, is the high-level global synthesis organizational structure by the product primarily.

##### 4.5.3 Consummation and develops of Chinese multinational corporation organizational structure

First, perfect the branch structure. Financial control; Plan control; in aspects and so on legal consultation, advertisements propaganda, to exterior relations carries on coordinated.

Second, consummates the control system. Mainly includes: Liability system; Financial verification system; Report and instruction system; Does an inspection the system.

Third, carry out the development of large-scale transnational enterprise group. The Chinese Enterprise may through set up the large-scale transnational enterprise group to change the present aspect.

Fourth, strengthens management to the overseas state asset

The Chinese State-owned business is the foreign direct investment main body, how to strengthen management to the overseas state asset, causes the overseas state asset inflation-proofing and appreciation, relates the major issue which the Chinese Enterprise transnational direct investment in the future.

#### 4.6 Chinese Enterprise transnational human resources management strategy

Under Chinese Enterprise comprehensive participation economic globalization, merges the international economy system background, Chinese Transnational operations Enterprise should renewal human resources management idea, enhances the management level, takes the positive action, and reduces the brain drain. Should consider from the following aspect:

##### 4.6.1 Integrates human resources management in enterprise's developmental strategy

The transnational operations enterprise must change traditional personnel management pattern, transform to “humanist” human resources management pattern from the tradition pattern, thus maximum limit stimulates the enterprise staff's enthusiasm. Only then like this, human resources management can get rid of the businesslike thoroughly work makes great strides forward to the higher management level.

4.6.2 Take and display the enterprise culture effectiveness, encourages innovating. Establishment enterprise culture which conforms to the enterprise actual to have the innovative ideology is the key that enhances enterprise cohesive force. In steep competition modern enterprise, if the enterprise does not carry on innovating, is very difficult to develop. In the management is also so, the enterprise through the self-denial, self-surmounting, raises the management level unceasingly, enhances the human resources using efficiency.

4.6.3 Talented people originate diversification. The Chinese transnational operations enterprise may profit from Multinational corporation managerial experience, uses the human resources localization and internationalization mode of administration, attracting overseas outstanding talent to serve for Chinese enterprise.

#### 4.7 Chinese Enterprise transnational culture management strategy

The cultural conflict is one kind of objective phenomenon, everybody is unable to avoid being also unable to stop, simultaneously, the cultural conflict is also promoting various national culture development, realizes cultural blending, causes the humanity to make the progress unceasingly.

##### 4.7.1 Carry on Trans-Culture training, accomplishes one group of high grade Trans-Culture administrator

In the enterprise transnational operations, in the host country cultural environment, must face two kind of different adaptation strategies. First, is changed by others—the follows cultural strategy; second, changes other people — innovation culture strategy. Such result is that causes enterprise's transnational operations to transfer “the localization management” in host country. In this kind of process, the most important link is the learning process, namely to host country culture study. Therefore, the follows cultural strategy also calls the study strategy. The Trans-Culture training primary coverage including the cultural understanding/sensitivity training, the language study, the Trans-Culture communicates and conflicts processing, the local environment analogy and so on. This may reduce the cultural conflict which manager possibly meets in broad, causes it rapid suits in local environment and displays the useful effect; Maintains the good interpersonal relationship in the enterprise, safeguard effective communication; Realizes the local staffs understanding and approval and so on to the enterprise to manage idea.

##### 4.7.2 Construction “mix” enterprise culture

Regarding Chinese Enterprise transnational operations, must construct one kind of mix enterprise culture in the host country, and strengthens the Trans-Culture participation. The international enterprise's Trans-Culture participation is refers to through the cultural connection, achieves the Trans-Culture harmoniously to have the host country characteristic management and operation pattern, establishes Multinational corporation management culture gradually, and establishes enterprise culture gradually which take the company values as the core.

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Table 1. China foreign merchant direct investment storage quantity and the foreign direct investment storage quantity occupy GDP proportion (the unit: %)

year	1980	1985	1990	1995	2000	2002	2003
Foreign merchant direct investment storage quantity	0.5	2.0	5.8	19.3	32.2	35.4	35.6
Foreign direct investment storage quantity	-	-	0.7	2.3	2.4	2.8	2.6

Data origin: UNCTAD "World Investment Report 2004".

Table 2. 1991-2004 year China absorbs the foreign merchant direct investment cost and the direct foreign investment cost comparison (unit: Hundred million US dollars)

year	Foreign merchant direct investment cost (A)	foreign direct investment cost(B)	differential (A-B)
1991	43.66	3.70	39.96
1992	110.08	1.95	108.13
1993	275.15	0.96	274.19
1994	337.67	0.71	336.96
1995	375.21	1.06	374.15
1996	417.26	2.94	414.32
1997	452.57	1.97	450.60
1998	454.63	2.59	452.04
1999	403.19	5.91	397.28
2000	407.15	5.51	401.64
2001	468.78	7.08	461.70
2002	527.43	9.83	517.60
2003	535.05	28.50	506.55
2004	606.30	36.20	570.10