

Chinese companies ready to drive global expansion

April 5 2006

Research by IBM and Fudan University finds that Chinese companies are expanding globally to acquire technology and management skills, escape intense domestic competition and capture new market opportunities. The in-depth analysis also identifies 60 companies and the industries best positioned to succeed internationally over the next 10 years.

The report, *Going Global: Prospects and Challenges for Chinese Companies on the World Stage*, used criteria including company size, companies' characteristics and industry structures. According to the research, Haier (home appliances), Galanz (home appliances), Wanxiang Group (auto parts), Cosco (logistics), Lifan (motorcycles), BaoSteel (steel) and Huawei (telecom equipment) are among the companies well positioned to become global players over the next decade. Global industries most likely to see the entry of Chinese companies are energy, steel, automotive, logistics, computers, consumer electronics, household appliances, telecommunications equipment, textiles and consumer products.

"China has long been the destination for growth," said Alan Beebe, Research Director, IBM Institute for Business Value, China. "This paradigm is about to shift as China continues to open up to the world and its regulations for outbound investment and mergers and acquisitions are liberalized.

"Companies with the best prospects of succeeding in global markets are

those expanding from a position of strength rather than weakness," he said. "Only those companies with clear, focused globalization strategies and strong execution capabilities can hope to become future global leaders in their industries."

Source: IBM

Citation: Chinese companies ready to drive global expansion (2006, April 5) retrieved 26 April 2024 from <https://phys.org/news/2006-04-chinese-companies-ready-global-expansion.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.