Second ranking survey finds strong growth in the foreign assets of Chinese multinationals

Report dated December 17, 2009

Shanghai and New York, December 17, 2009:

The second annual survey of leading Chinese multinational enterprises (MNEs), conducted by the School of Management at Fudan University[*] and the Vale Columbia Center on Sustainable International Investment (VCC) at Columbia University in New York, released its results today, indicating that Chinese multinationals are continuing to grow rapidly on the world stage.

The survey draws primarily on data for the year 2007, although some data for 2008 are included as well. It identifies 18 leading outward investors and ranks them on the basis of their *foreign* assets. Its principal findings include the following. As of the end of 2007, the 18 large Chinese MNEs on the Fudan-VCC list had nearly USD 106 billion in overseas assets (table 1), employed 133,674 persons road and had USD 91 billion in foreign sales (annex table 1). The top three – CITIC Group, China Ocean Shipping (Group) Company and China State Construction Engineering Corporation – which together had foreign assets of USD 59 billion, accounted for nearly 56% of the foreign assets controlled by the 18 large multinationals. These are all state-owned enterprises (SOEs), as are 13 others among the remaining 15. SOEs continue to play a dominant role in the international expansion of Chinese firms. In comparison with last year's list, which was based on 2006 data, the aggregate foreign assets and foreign sales of the 18 large multinationals on this year's list increased by 34% and 16%, respectively, in 2007, while foreign employment fell by 4%.

The Chinese government, through its 'Go global' policy, has strongly encouraged the international expansion of Chinese MNEs since the beginning of this decade as a springboard to acquire strategic resources, expand into foreign markets, and reduce market constraints at home.[1] From 2003 to 2008, China's FDI outflows rose at an annual rate of 96% while global FDI grew by only 25%. These 18 – which are large but not necessarily the largest Chinese MNEs[2] –have played an important role in that expansion, helping make China the third largest outward investor among emerging markets in 2007 in terms of FDI outflows and the seventh largest in terms of outward FDI (OFDI) stock.

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[*] The Fudan team that carried out this survey consisted of Qiuzhi Xue, Lijia Zhu and Jun Zhou. Assistance was also provided by Qian Li, Ming Li, and Haiying Wang.

[1] See Qiuzhi Xue and Bingjie Han, 'The role of government policies in promoting outward fdi of emerging markets: China's experience' in *Foreign Direct Investment from Emerging Markets: The Challenges Ahead*, edited by Karl P. Sauvant, with Wolfgang A. Maschek and Geraldine McAllister (New York: Palgrave Macmillan, forthcoming).

[2] Two rounds of surveys were conducted by Fudan University between April and July of 2009, resulting in primary data from 11 MNEs. These data were supplemented by data from UNCTAD's *World Investment Report 2009* (New York and Geneva: United Nations, 2009) and by estimating foreign assets by adding cross-border M&As and greenfield investments to the 2006 foreign asset levels as reported in UNCTAD's *World Investment Report 2008* (New York and Geneva: United Nations, 2008). Although the Chinese Ministry of Commerce (MOFCOM) publishes a ranking of the 30 largest Chinese MNEs, it provides no data for individual firms. While there is substantial overlap between the FUDAN-VCC and the MOFCOM lists, the ranking of individual firms is quite different. As a result of incomplete data, it cannot be said that the 18 MNEs listed here are the largest Chinese MNEs in terms of foreign assets; it can only be said that they are among the largest.

Table 1. FUDAN-VCC ranking of 18 leading Chinese non-financial multinationals in terms of their foreign assets, 2007 (USD million)			
Rank	**Name**	**Industry**	**Foreign assets**
1	CITIC Group[a]	Diversified	25,514
2	China Ocean Shipping (Group) Company	Transport and storage	21,365
3	China State Construction Engineering Corp	Construction and real estate	11,801
4	China National Petroleum Corporation	Oil and gas	6,814
5	China Shipping(Group) company	Transport and storage	5,815
6	Sinochem Group	Oil and gas	4,812
7	China Huaneng Group	Power and power facilities	4,250
8	China National Offshore Oil Corp.	Oil and gas	4,223
9	Lenovo Group	Computers and related products	4,030
10	Sinotrans Corporation	Transport and storage	3,196
11	Shanghai Automotive Industry Corporation(Group)	Automobiles	2,305
12	China Communication Construction Company Ltd.	Construction and real estate	2,134
13	Sinosteel Corporation	Metals and metal products	2,130
14	Sinotruk	Heavy-duty trucks	1,870
15	China Minmetals Corp.	Metals and metal products	1,823
16	ZTE Corporation	Telecom products, services and solutions	1,740
17	Baosteel Group Corporation	Metals and metal products	1,077
18	Haier Group	Manufacturing	768
TOTAL			**105,666**

Source: FUDAN-VCC survey of Chinese multinationals.

[a] Although nearly 80% of the total assets of the CITIC Group are in its financial subsidiaries, the Group has moved increasingly into non-financial activities, which supplied more than half the revenue and more than 40% of the profits of the Group by the end of 2006 (http://www.citic.com/wps/portal/citicen/cb).

Profile of the 18 MNEs

- Chinese multinationals have retained their relative lead among MNEs from emerging markets:
  — Three of the 18 have over USD 10 billion in foreign assets, and three employ more than 10,000 people abroad (annex table 1).
  —With 11 multinationals each, China and Singapore tie for third place on the list of the top 100 non-financial multinationals from developing economies, as ranked by UNCTAD in its *World Investment Report 2009 (WIR 09).* The top two economies on the list are Hong Kong (China), with 27 MNEs, and Taiwan Province of China, with 14.
  — Three Chinese MNEs, the CITIC Group, the China Ocean Shipping (Group) company and the China State Construction Engineering Corporation are among the top 20 in the WIR 09 list, with CITIC at no. 7.

- The foreign assets of the 18 MNEs have grown rapidly. Between 2005 and 2007, foreign assets increased by 67% (compared to an increase in total assets of 56%) from USD 63 billion to USD 106 billion (table 2). The growth came mainly from the increase in 2007. As a result, the share of foreign assets in total assets grew slightly from 14.4% to 15.4%.

Table 2. Snapshot of the 18 Chinese MNEs, 2005-2007
(USD billion and number of employees)

Variable	**2005**	**2006**	**2007**	**% change (2007/2005)**
Assets				
Foreign	63	75	106	67
Total	438	526	685	56
Share of foreign in total (%)	14.4	14.2	15.4	
Employment				
Foreign	136,906	138,987	133,674	-2
Total	2,125,710	2,131,910	2,125,338	0
Share of foreign in total (%)	6.4	6.5	6.3	
Sales(excluding exports)	84	83	91	9
Foreign	297	348	415	40
Total	28.2	23.9	22.0	
Share of foreign in total (%)				

***Source**:* FUDAN-VCC survey of Chinese multinationals.

- Foreign sales grew much slower than foreign assets. From 2005 to 2007, foreign sales rose by only 9%, as compared to an increase in foreign assets of 67%. This is largely due to two reasons: 1) some newly-added foreign assets took the form of natural resources, which could not be quickly converted into revenues and 2) overseas sales of several firms recorded slow or negative growth.

- Because domestic sales grew faster than foreign sales, the share of foreign sales in total sales decreased from 32% to 27% (table 2). This shows that the home market still functions as a solid stronghold for the international expansion of Chinese multinationals.

- Because streamlining corporate structures and staff has been a major concern for most large Chinese firms, foreign employment decreased slightly, by 2%, and the share of foreign in total employment dropped just a bit, from 6.4% to 6.3%, between 2005 and 2007.

- Sixteen of the 18 MNEs are majority or entirely state-owned; Lenovo and Haier are the exceptions. Among the state-owned firms, thirteen are directly administered by the State-owned Assets Supervision and Administration Commission of the State Council. Because of greater profitability, larger scale, and easier access to bank loans and financial markets, state-controlled firms have thus far taken the lead in international expansion. The downside for SOEs is that foreign authorities tend to see their commercial character as compromised by political objectives, even though the firms have become increasingly market-oriented.

- The 18 multinationals shows a low degree of transnationality. The transnationality indices (TNI) of the 18 large companies range from 7% to 65% and the weighted average of TNI is around 15% in 2007 (annex table 1). The average TNI of Chinese MNEs is much smaller than that of UNCTAD's top 100 non-financial MNEs from developing economies. The CITIC Group, for example, which ranks 7th on UNCTAD's list by foreign assets, ranks 92nd by the transnationality index. This reflects two things – the rather recent outward expansion of Chinese companies and their large domestic asset base. Enormous potential thus remains untapped in Chinese firms' overseas growth.

- All 18 companies are listed on at least one stock exchange. The stock exchanges are Hong Kong, Shanghai, Shenzhen, New York, and Singapore, with 13, 11, 7, 2 and 1 firms listed there, respectively (annex table 2). With little access to capital markets in developed economies, Chinese multinationals have yet to take full advantage of worldwide financing channels.

- The 18 MNEs fall into five broad industry categories –labor-intensive (construction, real estate, transport and storage), 5 firms; natural resources (oil and gas, metal and metal products), 6 firms; manufacturing (computers and related products, automobiles, household electric appliances, heavy-duty trucks, telecom products), 5 firms; public utility (power and power facilities), 1 firm; and diversified, 1 firm. These categories account for 42%, 20%, 10%, 4%, and 24%, respectively, of the list's foreign assets (annex figure 1). The distribution by industry indicates that some Chinese multinationals are exploiting their country-specific advantage (i.e., abundant and inexpensive labor force) to expand into foreign markets and some are securing overseas natural resources to meet the increasing domestic demand.

- Twelve of the 18 companies are headquartered in Beijing, 3 in Shanghai, 2 in Shandong, and 1 in Guangdong (annex figure 2).[3]

The whole picture

FDI outflows from China took off in 2004 as a result of China's entry into the WTO and the government's "Go global" policy. Having remained almost unchanged in 1992-2003, they rose from USD 5.5 billion in 2004 to USD 22 billion in 2007 and USD 52 billion in 2008 (annex figure 3), making China the third largest outward investor in emerging markets in both years in terms of outflows, behind Hong Kong (China) and Russia. In 2009, although Chinese OFDI fell sharply in the first two quarters (over the first two quarters of 2008), it then *rose* sharply in the third quarter, by 190% over the third quarter of 2008. The net result was that Chinese firms invested a total of nearly USD 33 billion in 112 countries and regions in the first nine months in 2009, with non-financial outflows increasing by 0.5% over the same period in 2008.[4]

Although there is a general upward trend in OFDI, it is noticeably behind inward FDI (annex figure 3). The ratio of Chinese outward FDI to inward FDI was much lower than the average ratio for all developing countries excluding China in most of the past years, although 2008 was an exception (annex figure 4). The stock of Chinese OFDI rose from a level of USD 4.46 billion in 1990 to USD 73 billion in 2006, USD 96 billion in 2007 and USD 148 billion in 2008. Despite the rapid increase in recent years, China's OFDI stock is still relatively small, accounting for less than 1% of the world total at the end of 2008.

Nonetheless, China's OFDI has substantial room for growth in the foreseeable future for the following reasons. First, the Chinese government has promoted and will continue to promote its "Go global" policy to provide the needed stimulus for the internationalization of all kinds of enterprises. Second, the increasing demand for natural resources created by China's economic boom stimulates the relevant firms into securing natural resources abroad. Third, in order to strengthen their firm-specific advantages, many manufacturing firms have strong incentives to acquire strategic foreign assets, such as famous brands, pioneering techniques, and well-established distribution channels. Fourth, to utilize China's enormous foreign exchange reserves more effectively, the government has relaxed exchange control, thus

[3] Lenovo has established a second 'head office' in North Carolina, the purpose of which, however, is to be close to its customer base rather than to serve as a center for strategy and decision-making.
[4] See the MOFCOM website at http://hzs.mofcom.gov.cn/aarticle/date/200910/20091006583953.html .

making it easier for enterprises to obtain foreign reserves to invest abroad. Finally, the currency appreciation of the RMB has given a boost to China's OFDI.

The internationalization of China's enterprises has achieved a wide geographic spread. According to MOFCOM figures, the number of destinations with over USD 100 million in Chinese OFDI reached 17 over the past 9 months, an increase of 4 over the same period last year. The total of cross-border acquisitions (mainly in mining and manufacturing) exceeded USD14 billion, accounting for about 44% of the total 2009 OFDI amount thus far.[5] Chinese OFDI can today be found in 174 countries or regions. By the end of 2008, Asia and Latin America were the most important destinations for China's OFDI, accounting for about 71% and 18%, respectively, of OFDI stock, followed by Africa (4%), Europe (3%), Oceania (2%), and North America (2%). However, these figures need to be treated with caution, as the three largest destinations, Hong Kong, the Cayman Islands, and the British Virgin Islands, absorbed 63.0%, 11.0%, and 6%, respectively, of China's overall OFDI stock to end-2008. It is an open question how much of this is actual investment in these tax havens, because some Chinese firms have probably registered there in order to avoid taxes or make use of China's preferential policies for foreign capital (round-tripping) or to invest elsewhere from these tax havens (trans-shipment).

The majority of recorded OFDI from China is from large state-owned enterprises (SOEs). Nonetheless, the percentage of OFDI stock controlled by SOEs has decreased significantly in recent years, from more than 90% in 2002 to 71% in 2007 and 70% in 2008.[6] This suggests that enterprises with private ownership have been increasing their overseas expansion, which is good for competitiveness.

Chinese multinationals have been actively engaging in cross-border M&As over the past several years. The main objective has been to acquire critical assets abroad. More recently, the more effective management of China's very large foreign reserves (over USD 2 trillion) has also become an increasingly important purpose. In 2006, perhaps more than 70% of FDI outflows took the form of cross-border acquisitions (annex figure 5). Although 2007 witnessed a sharp decrease in M&A activity, overseas M&A value surged again in 2008 to USD 37 billion, higher than that of any other emerging market. The top 10 M&As in 2008 represent USD 11.5 billion in investment (annex table 3). Seven of these transactions, worth USD 8.7 billion, were in natural resources. This indicates that Chinese natural resource suppliers have been more proactively engaging in foreign acquisitions of resource reserves in order to safeguard their resource supply. Two transactions, representing USD 0.3 billion, were in manufacturing; and one, worth USD 2.5 billion, was in financial services. One of the ten transactions was made by the China Investment Corporation, an investment vehicle created by the government in 2007 to invest some of the Chinese government's massive foreign exchange reserves.[7]

[5] See the MOFCOM website at http://hzs.mofcom.gov.cn/aarticle/date/200910/20091006583953.html.

[6] See *2008 Statistical Bulletin of China's Outward Foreign Direct Investment*, op. cit., released jointly by the Ministry of Commerce, the National Bureau of Statistics, and the State Administration of Foreign Exchange.

[7] Since financial services companies are not included in the Fudan-VCC ranking lists, this aspect of Chinese FDI will not be reflected in the 2008 list. It is worth noting, however, that the investment activities of the China Investment Corporation, and of similar entities in other emerging markets, are expected to grow in both size and breadth.

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Emerging Market Global Players Project

The FUDAN-VCC 2009 ranking of Chinese Multinational Enterprises was conducted within the framework of the Emerging Market Global Players Project, an international, collaborative effort led by the Vale Columbia Center. The project brings together researchers on foreign direct investment from leading institutions in emerging markets to generate annual ranking lists of emerging market MNEs. It was launched in 2007 and the first rankings, for Brazil and Russia, were published in December of that year. In 2009, eight reports have appeared thus far, on multinationals from Argentina, Brazil, India, Israel, Mexico, Russia, Slovenia & Turkey. Visit http://www.vcc.columbia.edu/projects/#Emerging for further information.

School of Management at Fudan University

The School of Management at Fudan University, led by Dean Xiongwen Lu, is one of the most influential business schools in China. It has developed a strong faculty with a wide range of expertise, strong academic credentials, and rich teaching experience. The school aims to become a world-class business school, keeping pace with China's rapid growth and emerging world importance while at the same time anticipating the challenges of the future. For more information, see www.fdms.fudan.edu.cn.

Vale Columbia Center on Sustainable International Investment

The Vale Columbia Center on Sustainable International Investment (VCC), led by Dr. Karl P. Sauvant, is a joint center of Columbia Law School and The Earth Institute at Columbia University. It seeks to be a leader on issues related to FDI in the global economy. The VCC focuses on the analysis and teaching of the implications of FDI for public policy and international investment law. Its objectives are to analyze important topical policy-oriented issues related to FDI, develop and disseminate practical approaches and solutions, and provide students with a challenging learning environment. For more information, see www.vcc.columbia.edu .

Annex table 1: FUDAN-VCC ranking of 18 Chinese multinationals, key variables, 2007[c]

(USD million and number of employees)

Ranking		Name	Industry	Assets		Sales		Employment		TNI (%)	No. of affiliates	
Foreign assets	*TNI*			*Foreign*	*Total*	*Foreign*	*Total*	*Foreign*	*Total*		*Foreign*	*Total*
1	9	Citic Group	Diversified	25,514	180,945	3,287	14,970	18,305	107,340	18	n.a.	n.a.
2	4	China Ocean Shipping (Group) Company	Transport and storage	21,365	30,905	10,702	22,973	4,135	69,285	41	314	n.a.
3	7	China State Construction Engineering Corporation	Construction and real estate	11,801	25,533	5,244	25,222	30,303	118,470	31	39	87
4	18	China National Petroleum Corporation	Oil and gas	6,814	191,185	3,246	122,341	22,000	1,167,129	3	n.a.	n.a.
5	6	China Shipping(Group) Company	Transport and storage	5,815	15,839	6,473	11,063	2,964	42,410	34	92	n.a.
6	1	Sinochem Group	Oil and gas	4,812	14,886	24,274	31,412	5,293	6,271	65	n.a.	n.a.
7	17	China Huaneng Group	Power and power facilities	4,250	67,500	1,750	22,500	300	95,000	5	25	35
8	12	China National Offshore Oil Corporation	Oil and gas	4,223	26,057	1,689	10,585	113	3,288	12	n.a.	n.a.
9	2	Lenovo Group	Computers and related products	4,030	7,200	10,226	14,900	6,000	23,000	50	n.a.	n.a.
10	10	Sinotrans Corporation	Transport and storage	3,196	8,114	518	8,622	460	42,000	15	9	n.a.
11	11	Shanghai Automotive Industry Corporation (Group)	Automobiles	2,305	21,340	3,806	23,049	7,177	79,394	12	1	n.a.
12	14	China Communication Constuction Company Ltd.	Construction and real estate	2,134	22,917	4,518	20,617	1,197	87,022	11	n.a.	n.a.
13	8	Sinosteel corporation	Metal and metal products	2,130	10,667	3,652	17,899	5,616	35,674	19	41	n.a.
14	3	Sinotruk	Heavy-duty trucks	1,870	3,098	536	2,730	8,443	13,983	47	n.a.	n.a.
15	13	China Minmetals Corporation	Metal and metal products	1,823	10,833	3,662	22,617	798	44,425	12	n.a.	n.a.
16	5	ZTE Corporation	Telecom products, services and solutions	1,740	5,610	2,750	4,761	14,971	48,261	40	n.a.	n.a.
17	16	Baosteel Group Corporation	Metal and metal products	1,077	32,827	4,039	22,663	159	88,149	7	18	n.a.
18	15	Haier Group	Manufacturing	768	9,565	841	15,977	5,440	54,237	8	15	n.a.
Total				**105,666**	**685,022**	**91,213**	**414,899**	**133,674**	**2,125,338**	**15**	**n.a.**	**n.a.**

Source: FUDAN-VCC survey of Chinese multinationals; UNCTAD, *World Investment Reports 2008 and 2009*; and various company reports.

[c] The transnationality index (TNI) is calculated as the average of the following three ratios: foreign assets to total assets, foreign sales to total sales, and foreign employment to total employment.

Annex table 2. Stock exchanges on which the 18 Chinese multinationals are listed

Company name	Stock exchange(s)
Citic Group	Hong Kong
China Ocean Shipping (Group) Company	Hong Kong, Shanghai, Shenzhen, Singapore
China State Construction Engineering Corp	Hong Kong
China National Petroleum Corporation	Hong Kong, New York, Shanghai
China Shipping (Group) company	Shanghai, Hong Kong
Sinochem Group	Hong Kong, Shanghai
China Huaneng Group	Shanghai, Shenzhen
China National Offshore Oil Corporation	Shanghai, Hong Kong, New York
Lenovo Group	Hong Kong
Sinotrans Corporation	Hong Kong, Shanghai, Shenzhen
Shanghai Automotive Industry Corporation (Group)	Shanghai
China Communication Constuction Company Ltd.	Hong Kong
Sinosteel Corporation	Shenzhen
Sinotruk	Shenzhen, Hong Kong
China Minmetals Corporation	Shanghai, Hong Kong
ZTE Corporation	Shenzhen
Baosteel Group Corporation	Shanghai, Shenzhen
Haier Group	Shanghai, Hong Kong

Source: FUDAN-VCC survey of Chinese multinationals and various company websites.

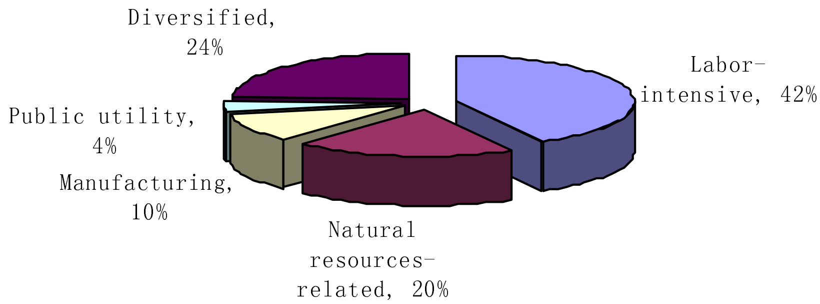
Annex table 3. Top 10 cross-border merger and acquisition (M&A) transactions, 2008

(USD million)

Date(s)	Acquiring company	Target company	Target economy	Target industry	% of shares acquired	Value of transaction
Jul-08	China National Oil Offshore Corp.	AWO	Marine well drilling	Norway	100	2,500
May-08	China Merchants Bank	Wing Lung Bank	Bank	Hong Kong	53.12	2,492
Dec-08	Sinopec Corp.	Tanganyika Oil Company Ltd	Oil	Canada	100	1,500
Jun-08	China Investment Corporation	Teck Resources Limited	Metals & mining	Canada	6.7	1,500
Oct-08	Sinopec Corp. and China National Oil Offshore Corp.	Block 32 deep-sea oilfield owned by Marathon Oil Corporation	Oil	Angola	20	1,300
Sep-08	Sinosteel Corporation	Midwest Corp.	Iron ore	Australia	51	1,197
Jun-08	Sinopec Corp.	AED Oil Ltd. （Puffin oil field）	Oil	Australia	60	561
Sep-08	Zoomlion Heavy Industry Science & Technology Development Co., Ltd	CIFA	Machinery and equipment for reinforced concrete	Italy	60	300
Jul-08	Sinochem International	GMG Global	Natural glue	Singapore	51	187
Aug-08	Zhuzhou CSR Times Electric Co.,LTD	Dynex Power Inc	Semiconductors	Canada	75	15.32

Source: FUDAN-VCC survey of Chinese multinationals and other company information.

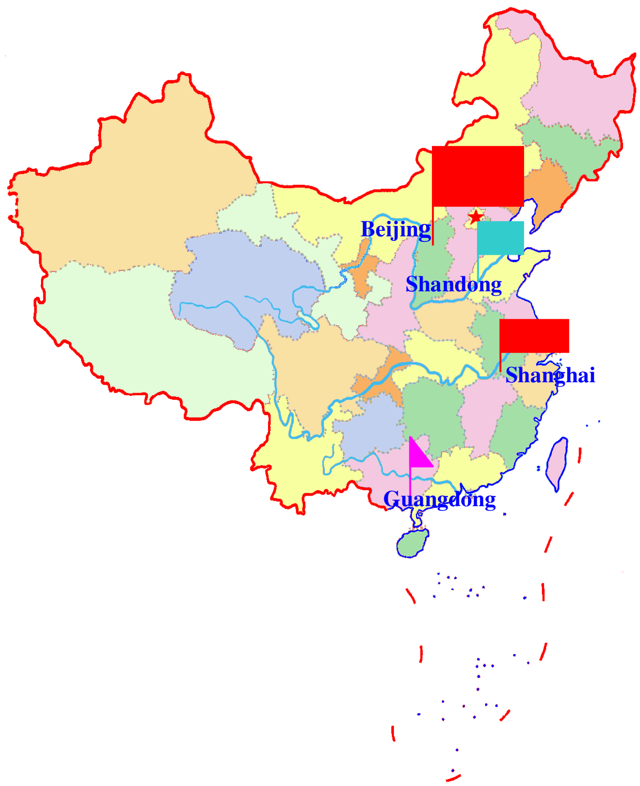
Annex figure 1. Breakdown of the 18 MNEs' foreign assets by industry, 2007



Industry type	**Industries included**	**Foreign assets** (USD million)	**Number of firms**	**Companies**
Labor-intensive	Transport and storage ,constructio n, real estate	44,311	5	China Ocean Shipping(Group) Company, China State Construction Engineering,China shipping(Group) Company, Sinotrans corporation, China Communication Constuction Company Ltd.
Natural resource-relate d	Oil and gas, metal and metal products	20,879	6	China National Petroleum Corporation, Sinochem Corp., China National Offshore Oil Corp, Sinosteel corporation, China Minmetals Corp., Baosteel Group Corporation
Manufacturing	Computers and related products, automobiles, household electric appliance, heavy duty truck, telecom products	10,713	5	Lenovo Group, Shanghai Automotive Industry Corporation(Group), Sinotruk, ZTE Corporation,Haier Group
Public utility	Power and power facilities	4,250	1	China Huaneng Group
Diversified	Project construction, banking, energy and mining, etc.	25,514	1	CITIC Group

Source*:* FUDAN-VCC survey of Chinese multinationals.

Annex figure 2. Head office locations of the 18 Chinese multinationals, 2007



Beijing

1.CITIC Group
2. China Ocean Shipping Group Company
3. China State Construction Engineering Corp
4.CNPC
6. Sinochem Group
7.China Huaneng Group
8. China National Offshore Oil Corp
9. Lenovo
10.Sinotrans corporation
12.China Communication Construction Company Ltd.
13. Sinosteel corporation
15. China Minmetals Corp.

Shanghai

5.China Shipping(Group) company
11.Shanghai Automotive Industry Corporation(Group)
17. Baosteel Group Corporation

Shandong

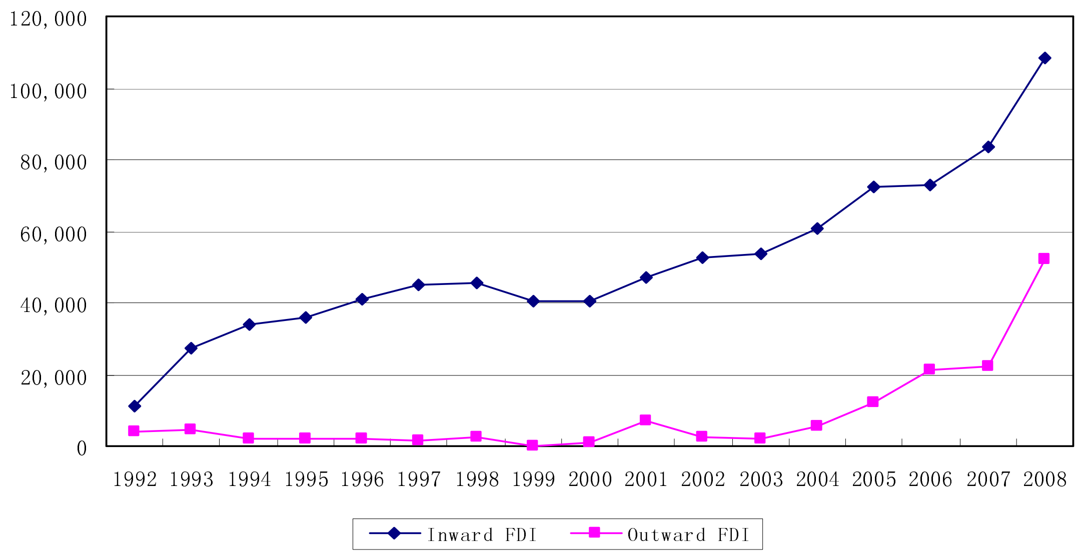
14.Sinotruk
18.Haier

Guangdong

16.ZTE Corporation

Source: FUDAN-VCC survey of Chinese multinationals.

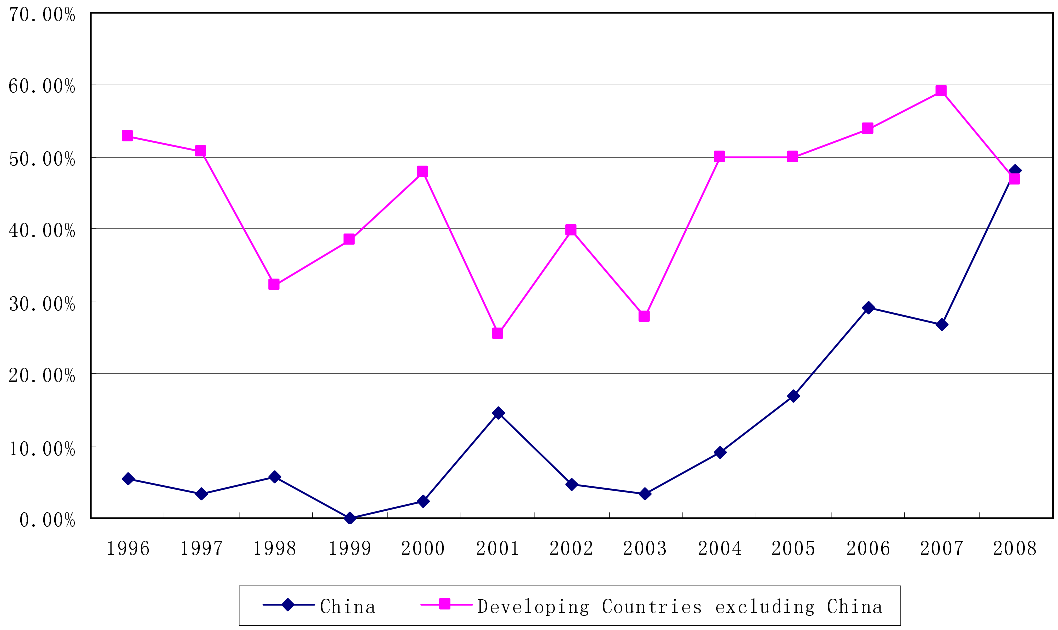
Annex figure 3. FDI outflows from, and inflows into, China, 1992-2008
(USD million)



***Source**: UNCTAD, *World Investment Report 2009,* op. cit.

Year	Inward FDI	Outward FDI
	(USD million)	
1992	11,156	4,000
1993	27,515	4,400
1994	33,787	2,000
1995	35,849	2,000
1996	40,800	2,200
1997	45,300	1,500
1998	45,463	2,634
1999	40,319	1.775
2000	40,715	916
2001	46,878	6,884
2002	52,743	2,518
2003	53,505	1,800
2004	60,630	5,498
2005	72,406	12,261
2006	72,715	21,160
2007	83,521	22,469
2008	108,312	52,150

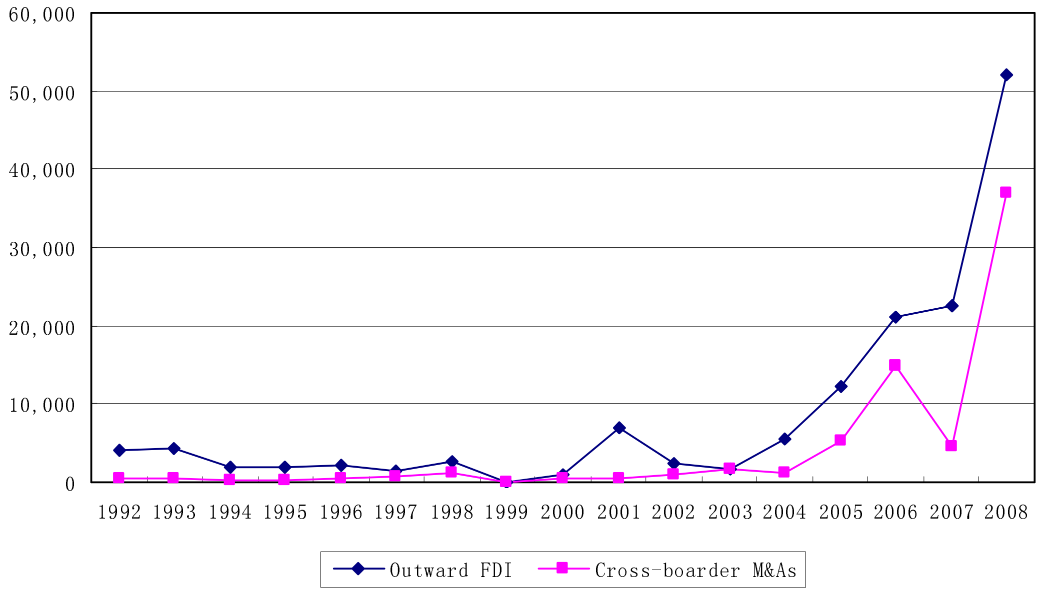
Annex figure 4. The ratio of outward FDI to inward FDI for China and all developing countries excluding China, 1996-2008



Source*:* UNCTAD, *World Investment Report 2009,* op. cit.

Year	China	Developing countries, excluding China
1996	5%	53%
1997	3%	51%
1998	6%	32%
1999	0%	39%
2000	2%	48%
2001	15%	26%
2002	5%	40%
2003	3%	28%
2004	9%	50%
2005	17%	50%
2006	29%	54%
2007	27%	59%
2008	48%	47%

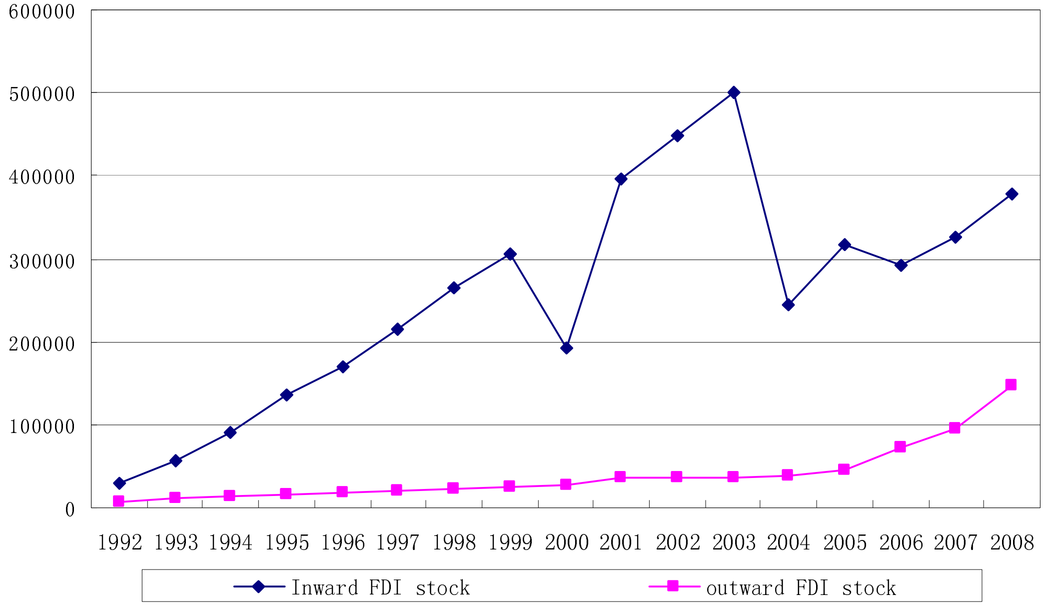
Annex figure 5. FDI outflows from China and purchases of cross-border M&A by Chinese multinationals, 1992-2008
(USD million)



***Source**:* UNCTAD*, World Investment Report 2009,* op. cit.

Year	Outward FDI	Cross-border M&A
	(USD million)	
1992	4,000	573
1993	4,400	485
1994	2,000	307
1995	2,000	249
1996	2,200	451
1997	1,500	799
1998	2,634	1,276
1999	1,775	101
2000	916	470
2001	6,884	452
2002	2,518	1,047
2003	1,800	1,647
2004	5,498	1,125
2005	12,261	5,279
2006	21,160	14,904
2007	22,469	4,452
2008	52,150	36,861

Annex figure 6. Chinese outward and inward FDI stock, 1992-2008
(USD million)



***Source**: UNCTAD, World Investment Report 2009,* op. cit.

Year	Inward FDI stock	Outward FDI stock
	(USD million)	
1992	29,657	7,401
1993	57,172	11,802
1994	90,959	13,802
1995	134,869	15,802
1996	170,202	17,916
1997	215,502	20,416
1998	265,603	23,113
1999	306,003	25,613
2000	193,348	27,768
2001	395,192	35,538
2002	447,966	35,206
2003	501,471	37,006
2004	245,467	38,825
2005	317,783	46,311
2006	292,559	73,330
2007	327,087	95,799
2008	378,083	147,949