



CHINA GOES GLOBAL 2009

SURVEY OF
OUTWARD DIRECT
INVESTMENT INTENTIONS OF
CHINESE COMPANIES

Prepared by the Asia Pacific Foundation of Canada and
China Council for the Promotion of International Trade

September 2009



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*China Goes Global 2009: Survey of Outward Direct
Investment Intentions of Chinese Companies*

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Foreword

China Goes Global 2009 is the Asia Pacific Foundation of Canada's most ambitious survey of Chinese outward investment intentions to date. Covering more than 1100 respondents, the report presents a rich array of data on the existing pattern of outward investment and its likely trajectory in the years ahead. We are honoured to have partnered with the China Council for the Promotion of International Trade on this study, which is unmatched in its coverage and detail.

This report comes out at a time of unprecedented global interest in Chinese outward investment. As the world economy slowly recovers from the severe recession of 2008-09, Chinese capital is on the one hand much sought after, and on the other hand, much misunderstood (and, in some cases, feared). This survey provides a basis for better understanding of Chinese outward investment and the challenges faced not only by host countries, but also by the vast majority of Chinese enterprises, which -- as the survey reveals -- are still neophytes at "going global".

Our previous reports signaled the growing importance of Chinese outward investment in global flows at a time when Chinese outbound investment was insignificant. In the last year or so, however, Chinese investments abroad -- especially the mega deals led by state owned energy and mineral companies -- have been near or at the top of global cross-border deals. Our survey results suggest that there is much more to come.

We welcome your feedback on this report and on all research products of the Asia Pacific Foundation of Canada.

Yuen Pau Woo
President and CEO
Asia Pacific Foundation of Canada



Charge (Horse at the gate)

This character, meaning "rush" or "charge," suggests a spirit of innovation, and consists of a horse charging through a gate. It is written in the "cursive script," sometimes called "grass script," which evolved during the third and fourth centuries AD. This character comes from the brush-pen of Mr. Wai-Yin Lau, a well-known calligrapher and teacher.

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1. Survey Overview and Summary

a. Survey Overview

- This report presents findings of the 2009 survey of Chinese companies' outward foreign direct investment (OFDI) intentions.
- The survey was conducted jointly by the Asia Pacific Foundation of Canada and the China Council for the Promotion of International Trade. It is the third survey of Chinese outward investment intentions jointly undertaken by the two organizations. The results of previous surveys can be found at:

2005 – www.asiapacific.ca/analysis/pubs/pdfs/surveys/china_goes_global.pdf;

2006 – www.asiapacific.ca/analysis/pubs/pdfs/surveys/ChinaGoesGlobal2006.pdf.

- Results are based on a sample of Chinese firms which are members of the China Council for the Promotion of International Trade, have been involved in international business, and have annual revenue exceeding Rmb 1 million. The response rate to the survey was 46%, producing 1,104 valid responses during the period December, 2008 – February, 2009.
- This final report is a complete version of a preliminary report that was released on April 22, 2009 -- <http://www.asiapacific.ca/files/Surveys/ChinaGoesGlobal2009.pdf> .
- For more information, please contact Kenny Zhang, Senior Project Manager, Asia Pacific Foundation of Canada at: Kenny.zhang@asiapacific.ca .

b. Summary of Key Findings

- Chinese OFDI is still in its infancy and a newly emerging phenomenon. Only 27% of respondents indicate that their companies have invested outside China, with most of that investment taking place since the early 2000s when Beijing's "Go Global" policy was implemented.
- The existing Chinese OFDI tends to be small in scale. Nearly two-thirds of companies experienced in foreign investment have OFDI of less than US\$5 million. Only 6% indicate that their existing OFDI has exceeded US\$100 million.
- The existing Chinese OFDI has focused on manufacturing and trading sectors, followed by IT products and services, and resource extraction or processing, while various service sectors have been relatively neglected.
- East and Southeast Asia remain the top destination for recent Chinese OFDI. Some 35% of experienced respondent companies report that East and Southeast Asian countries are their destination of choice for OFDI. Second-tier destinations include North America, Africa and Western Europe.
- Hong Kong SAR and the United States are the top two target economies for Chinese OFDI. Only 3% of experienced respondent companies report that Canada has been among their top three overseas investment targets.
- China's OFDI is mostly driven by the government's "Go Global" policy. The top three drivers of China's existing OFDI include the "Go Global" policy, seeking new markets and pursuing advanced technology.
- Establishing a branch operation is the most common entry mode for China's recent OFDI, followed by creating equity joint ventures with local firms and expanding marketing networks.
- Respondent companies are aware that potential customers' concerns about the quality and safety of Chinese products are a major challenge for their OFDI. Other major challenges include difficulty in capital financing and lack of knowledge of a new market's legal and market risks.
- Respondent companies are overwhelmingly satisfied with their existing OFDI performance.
- Chinese OFDI is likely to rise over the next two years, but only modestly. About 40% of respondent companies indicate that they intend to increase OFDI in the near future,

either substantially or moderately. Companies that have already invested abroad are more likely to increase their OFDI.

- The scale of potential Chinese OFDI is likely to stay relatively small over the next 3-5 years. Nearly 14% of all respondent companies indicate they intend to invest over US\$5 million, of which only 3% will invest more than US\$100 million. Of companies that have already invested overseas, one-third report that they intend to invest over US\$5 million.
- A company's own capital is likely the major source for intended OFDI. Other sources include borrowing from state-owned banks, issuing equity both in China (including Hong Kong) and foreign financial markets.
- The Chinese government's "Go Global" policy and related incentives are likely to remain a strong influence on OFDI. Other business motivations include seeking new markets and advanced technologies, reducing production costs and taking advantage of preferential policies in host countries, obtaining a well-known product brand, overcoming trade barriers and accessing natural resources.
- M&A with foreign firms remains a lower priority for China's OFDI, although companies that have OFDI experience are more likely to use M&A as their entry mode.
- Of 10 likely destinations (based on the top 10 destinations for Chinese OFDI in 2007), Hong Kong and Macau are the top choices, followed by the United States, Vietnam and Australia. Canada ranks sixth.
- Respondent companies are likely to have diversified sectoral interests for future OFDI. All respondent companies indicate they are most interested in traditional manufacturing and trading sectors, while companies that have invested overseas are likely to be more interested in services sectors such as technical and financial services, as well as agri-business or food processing.
- Most respondent companies are likely to target international markets as their priority for OFDI. In other words, OFDI is likely a means for Chinese companies to expand their markets beyond China.
- The U.S., Canada and Australia rank highest in terms of perceived openness to Chinese OFDI. Companies that have invested overseas perceive higher openness across all destinations than do all respondent companies.
- Only 7% of companies that have invested abroad have investment projects in Canada. The likelihood of considering investment in Canada increases if the company has already had some experience with Canada.
- Canada is seen as a gateway to the U.S. and other key international markets. The priority market of OFDI is a determining factor in whether or not to invest in Canada.

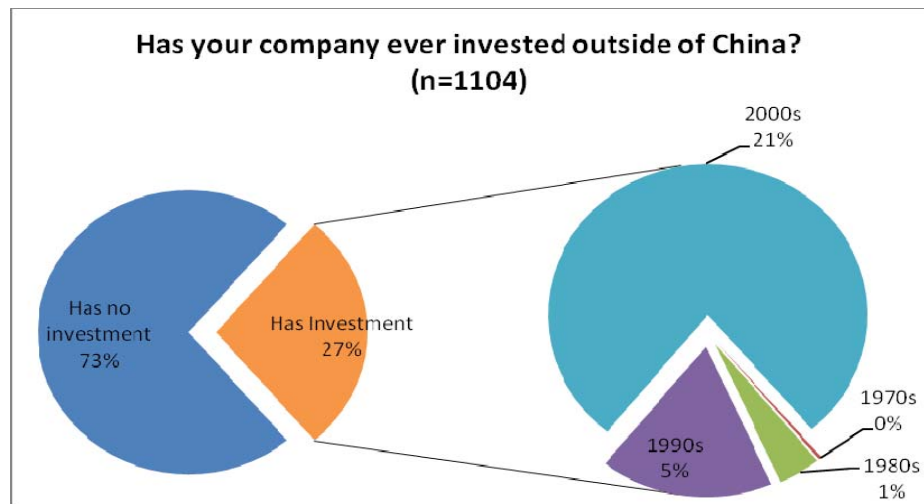
- Respondent companies believe the most important aspects of Canada's investment environment are:
 - i. The U.S. and other key markets can be accessed from Canada;
 - ii. The Canadian government welcomes investment from China in all sectors;
 - iii. The quality of life in Canada is among the highest in the world.
- Energy and natural resources, agri-food and biotech were seen by all respondent companies as the most promising sectors for investment in Canada. However, companies that have already invested in Canada believe agri-food, ICT, energy, and natural resources are the most promising sectors in Canada. Auto and auto parts were regarded as the least promising sectors.
- The major challenges to investment in Canada were cited as:
 - i. Canadian customers worry about the quality and safety of Chinese products;
 - ii. Canadian customers are unfamiliar with Chinese brands;
 - iii. Lack of understanding of legal and market risks in Canada.
- The likelihood that the Canadian government or public will react negatively to Chinese investment was not considered to be a major challenge.
- Most respondents indicate that the current global financial crisis has had an impact on their overseas investment. The impact is greater for companies that have invested abroad than for those that have not yet invested abroad.
- 54% of all respondents anticipate that their companies will decrease their overseas investment as a result of the current financial crisis.

2. Overview of Outward Investment

a. Investment Figures

- Chinese OFDI is still in its infancy and a newly emerging phenomenon.
- Nearly three-quarters of surveyed Chinese companies have never invested overseas.
- Only 27% of surveyed companies indicate that they have invested outside China. The number is quite different from previous surveys; however, the comparison should be made with caution due to differences in sample size and sample coverage.
- Among OFDI-experienced companies, most of their OFDI has taken place since the early 2000s when Beijing's "Go Global" policy was implemented.

Q: Has your company ever invested outside of China? If yes, when did your company first invest overseas?

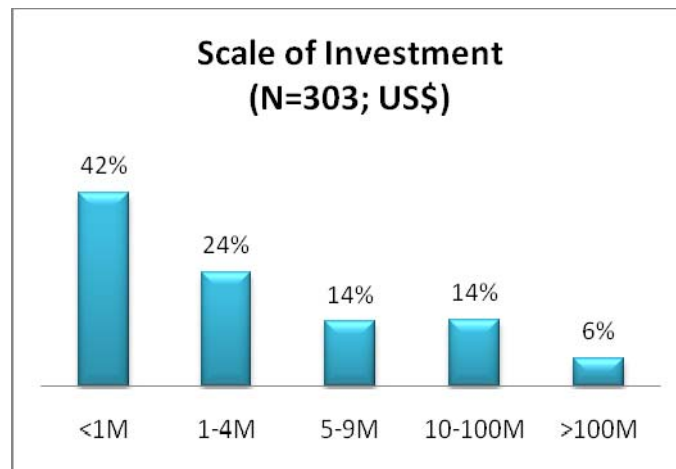


Survey Year	2005	2006	2009
Total Responses	296	235	1104
Has Outward Investment	14%	41%	27%

b. Scale of Investment

- Existing Chinese OFDI tends to be small scale.
- Nearly two-thirds of companies made OFDI of less than US\$5 million, of which 42% is less than US\$1 million.
- Only 6% indicate that their existing OFDI has exceeded US\$100 million.

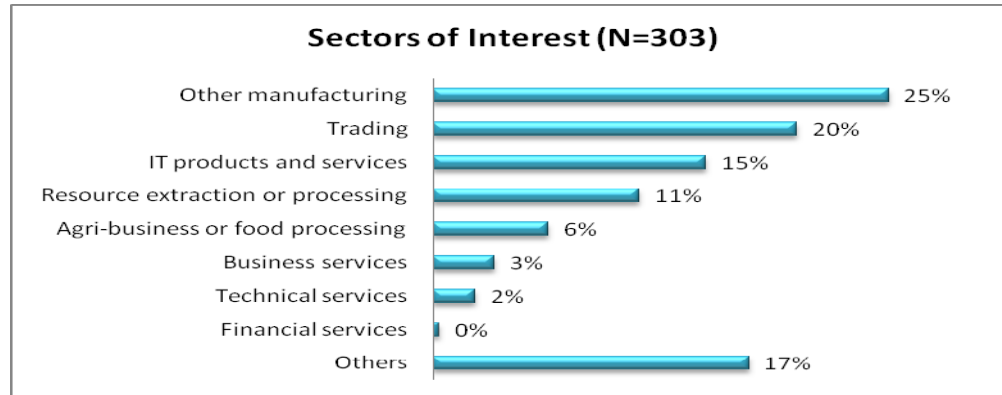
Q: Which of the following scales best describes the total overseas investment by your company?



c. Sectors of Major Business

- Existing Chinese OFDI has focused on manufacturing and trading sectors while services have been relatively neglected.
- Respondent companies indicate the highest interest in manufacturing and trading sectors, followed by IT products and services and resource extraction or processing. The pattern matches the strengths of the Chinese economy as a powerhouse of global manufacturing and trading.
- Relative weak interest in service sectors suggests service businesses have so far been least likely to attract Chinese OFDI.

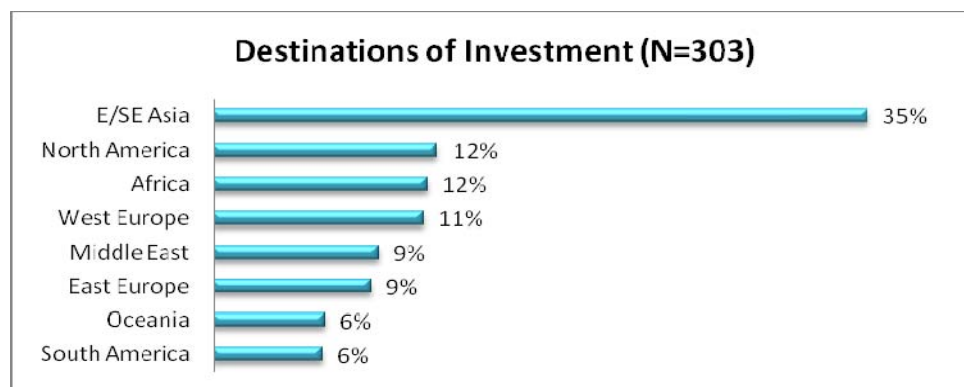
Q: Which ONE of the following categories best describes the main area of your current overseas business? *(Please select ONE.)*



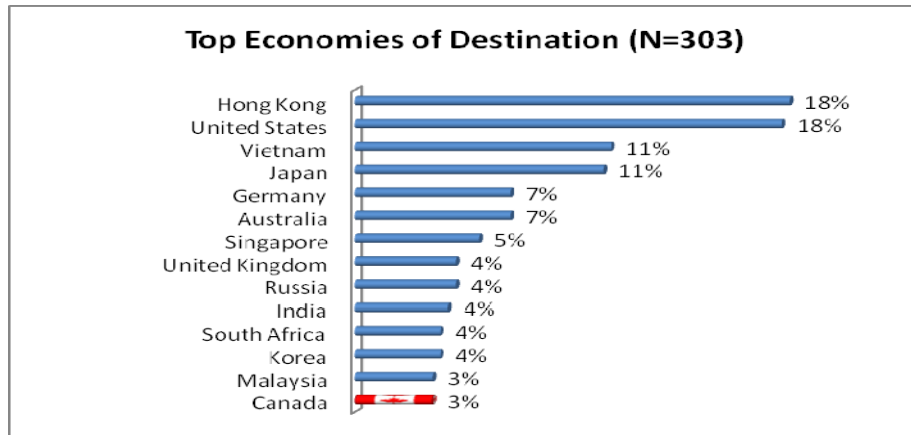
d. Destinations of Investment

- East and Southeast Asia remain the top destinations for recent Chinese OFDI.
- 35% of surveyed experienced companies report that East and Southeast Asian countries are their destination of choice for OFDI.
- Second-tier destinations include North America, Africa and Western Europe.
- Hong Kong SAR and the U.S. are the top two destinations for Chinese OFDI, followed by Vietnam and Japan.
- Only 3% of experienced companies report that Canada was among their top three investment destinations.

Q: In which regions does your company have overseas investment? *(Please select ALL that are applicable.)*



Q: What are the top three countries in which your company has invested?

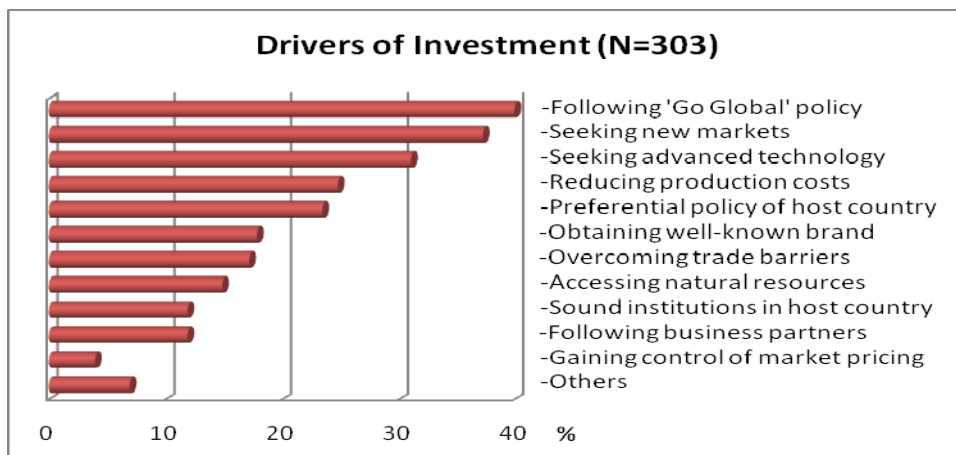


Note: Destinations with fewer than 10 cases are not included.

e. Drivers of Investment

- The top three drivers of China’s existing OFDI are the “Go Global” policy, seeking new markets and pursuing advanced technology.
- Other reasons include reducing production costs, preferential policies of host countries, obtaining well-known product brands, overcoming trade barriers and accessing natural resources.

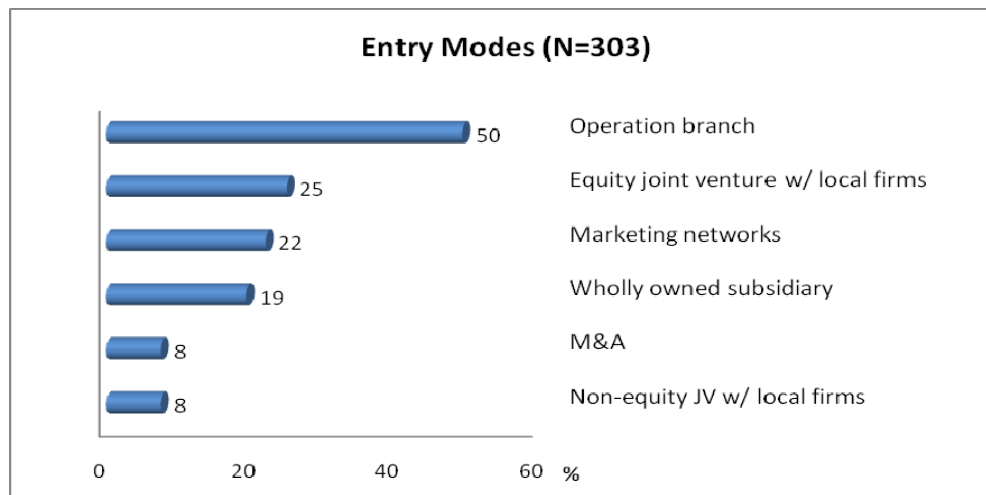
Q: Which of the following statements best describe your company’s purpose of outward investment? (Please select ALL that are applicable.)



f. Entry Modes of Investment

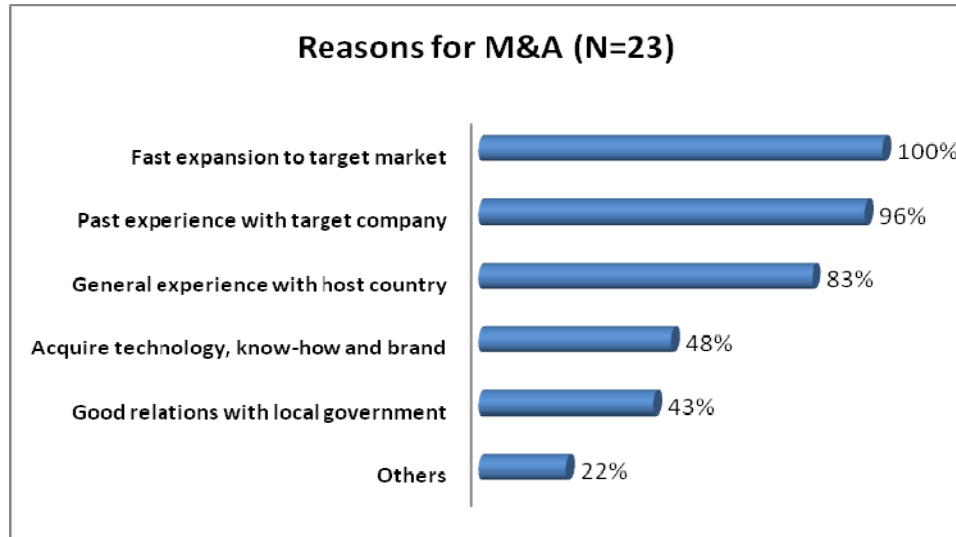
- Establishing an operations branch is the most common entry mode for existing Chinese OFDI.
- Nearly half of respondent companies indicate their entry mode is to establish an operations branch in their investment destination, followed by creating equity joint ventures with local firms and expanding marketing networks.
- M&A of foreign firms is a lower priority for China's existing OFDI.
- For companies that did choose M&A, the top reason is that M&A can help them expand rapidly in their targeted market.
- Other reasons for using M&A include the Chinese company's experiences with a targeted company, its general experience with the host country, its wish to acquire technology, know-how or a brand. Good relationships with local governments are also a consideration for Chinese firms using M&A.

Q: Which of the following methods accounts for at least 20% of total overseas investment?
(Please select ALL that are applicable.)



Note: This is a multiple choice question. The sum may be greater than 100%.

Q: If M&A accounts for at least 20% of your total investment overseas, what are the main reasons that your company uses this method? (*Please select ALL that are applicable.*) If none, please skip this question.



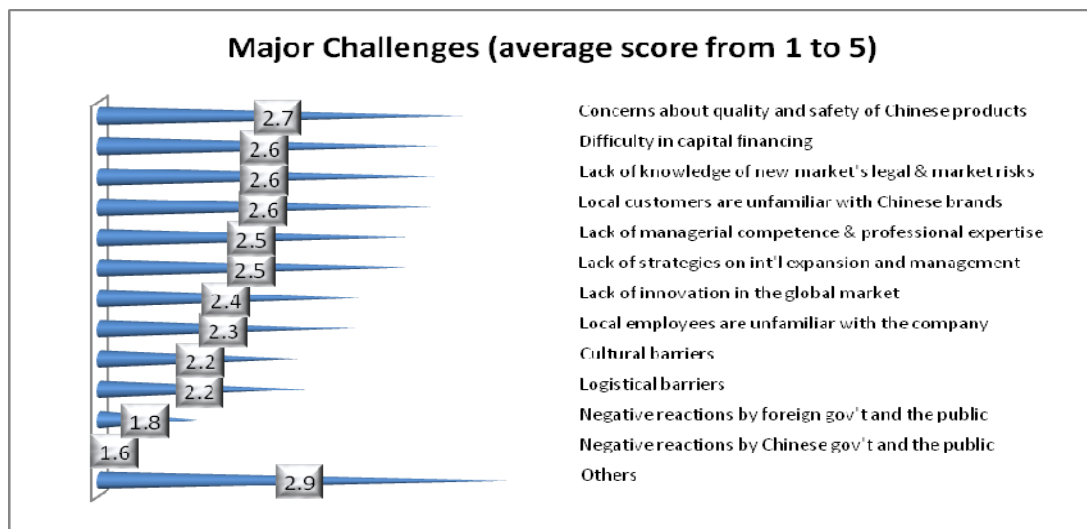
Note: This is a multiple choice question. The sum may be greater than 100%.

g. Business Challenges

- Respondent companies are aware that concerns about the quality and safety of Chinese products are a major challenge to OFDI.
- Nearly 27% of respondent companies indicate customers' worries about product quality and safety is either important or extremely important in challenging their OFDI.
- Other challenges include the difficulty in capital financing and lack of knowledge of the legal and market risks in new markets.

Q: Overall, what are the major challenges in your company's overseas investment? Rate the importance of the challenges on a scale of 1 (lowest) to 5 (highest).

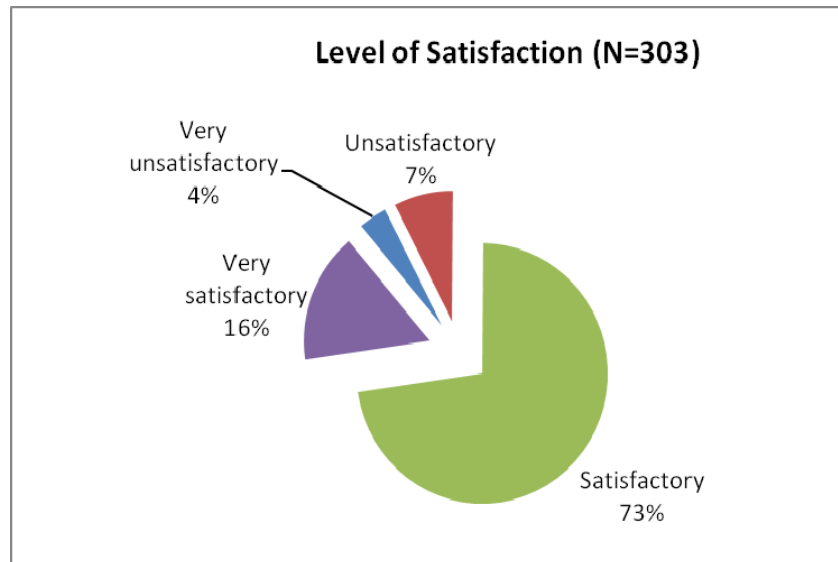
Top business challenges (N=303)	Responses	Importance (%) rated from 1 (low) to 5 (high)				
		1	2	3	4	5
Potential customers have concerns about quality and safety of Chinese products	240	20	25	28	18	9
Difficulty in capital financing	258	25	26	25	12	12
Lack of knowledge of new market's legal and market risks	257	24	21	33	16	7
Local customers are unfamiliar with Chinese brands	239	20	26	32	15	6
Lack of managerial competence and professional expertise	254	25	25	29	15	7
Lack of strategies on international expansion and management	253	26	22	31	14	7
Lack of innovation in the global market	243	28	26	31	12	4
Local employees are unfamiliar with the company	241	29	26	30	11	4
Cultural barriers	237	30	31	29	9	1
Logistical barriers	235	33	29	28	9	2
Negative reactions by foreign governments and public	232	53	22	15	8	2
Negative reactions by Chinese government and public	226	62	19	15	3	1
Other	7	14	14	57	0	14



h. Level of Satisfaction

- Respondent companies are overwhelmingly satisfied with their OFDI performance.
- Close to nine-tenths of the total respondent companies report they are either very satisfied or somewhat satisfied, compared with 4% who are very unsatisfied and 7% who are unsatisfied.

Q: Overall, how do you describe the success of your company's current overseas investment?

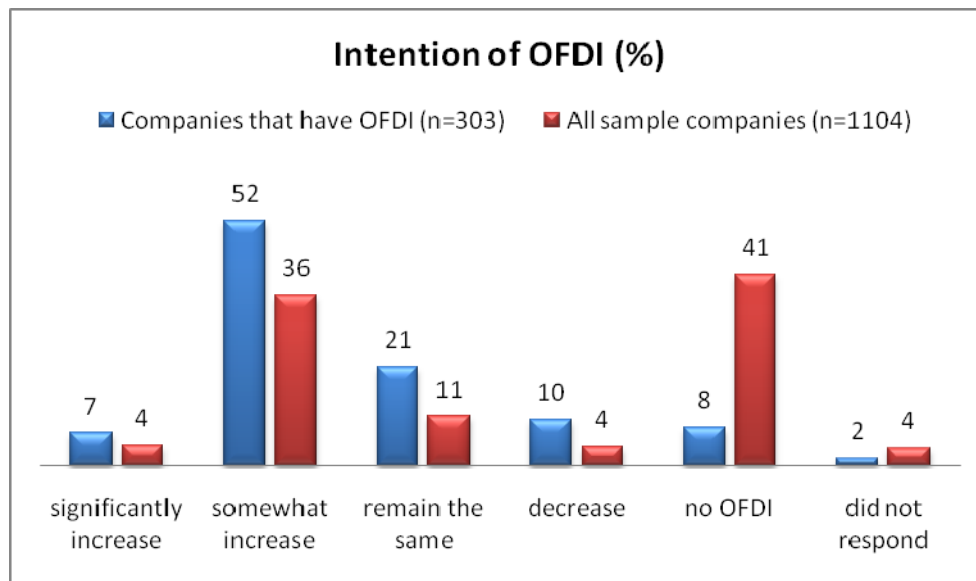


3. Outlook for Future Outward Investment

a. Investment Intentions

- Chinese OFDI is likely to rise over next two years, but only modestly.
- Of all surveyed companies, some 40% indicate that they intend to increase OFDI in the near future, of which 36% suggest they will only increase OFDI moderately. Nearly the same number (41%) of all respondent companies indicate they will not be involved in OFDI in the next two years, and 11% report they will maintain the same level of OFDI.
- Companies that have already invested abroad are more likely to increase their OFDI. Nearly 59% specify they intend to increase either significantly or moderately their OFDI in the next two years, with the majority (52%) considering a moderate increase. One-fifth of companies suggest they will maintain the same level of OFDI and another one in ten suggest they will reduce their OFDI in the next two years.

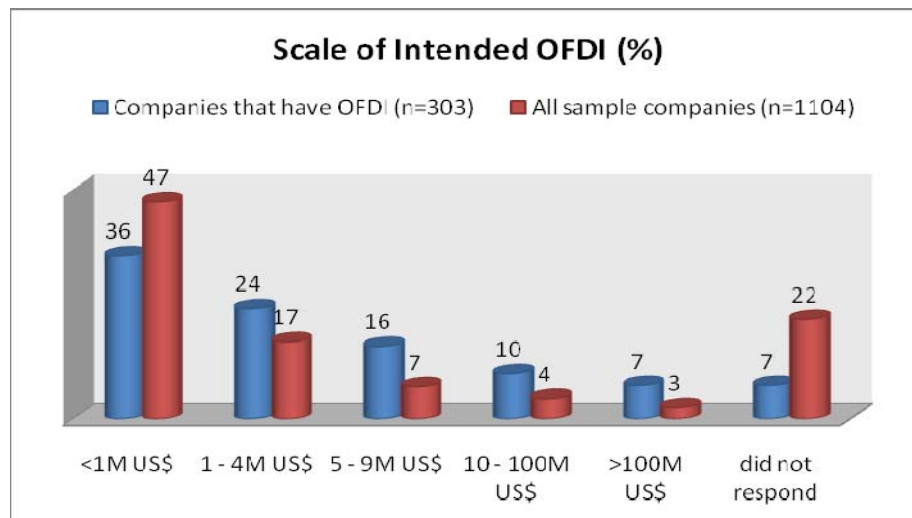
Q: Over the next two years, do you expect your company's overseas investment to to:



b. Scale of Intended Investment

- The scale of potential Chinese OFDI is likely to stay relatively small over the next 3-5 years.
- Nearly 14% of all respondent companies indicate they intend to invest over US\$5 million. Three percent of those say they will invest more than US\$100 million.
- Of companies that have already invested overseas, one-third report that they intend to invest over US\$5 million. About 7% suggest their intended OFDI is likely be over US\$100 million, and 10% within the US\$10-100 million range, which is more than twice the percentages of all respondent companies.

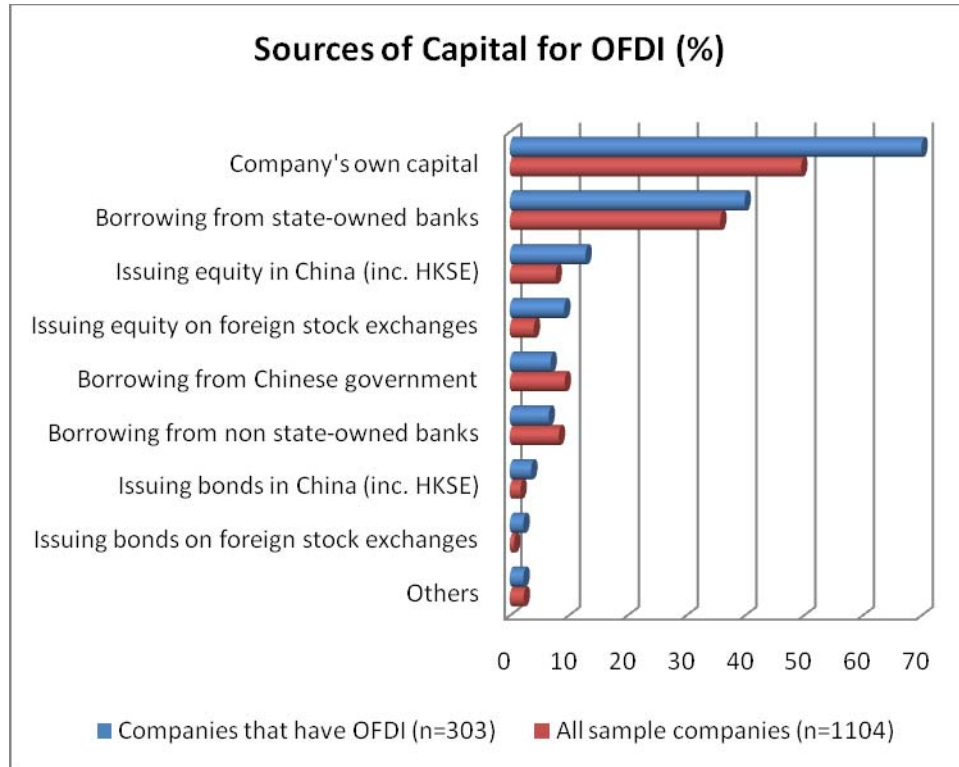
Q: Over the next 3-5 years, how much do you expect your company to invest overseas?



c. Sources of Capital for Intended Investment

- Using a company's own capital is likely the major source for intended OFDI.
- Other sources for China's OFDI include borrowing from state-owned banks, and issuing equity both in China (including the Hong Kong Stock Exchange) and in foreign financial markets.
- Lack of awareness or capacity in corporate financing seems to be one of the reasons that the scale of Chinese OFDI tends to be small.

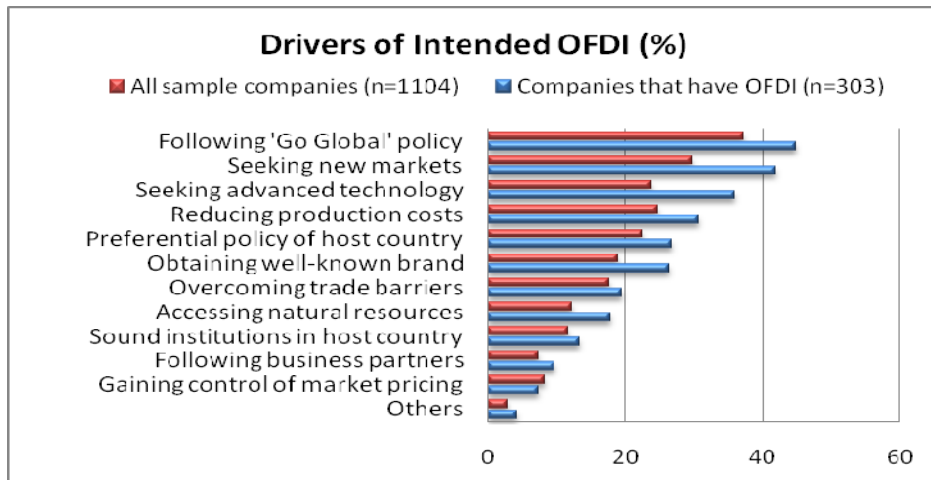
Q: Which of the following methods best describe how your company will find the capital for overseas investment?



d. Drivers of Intended Investment

- The Chinese government's "Go Global" policy and related incentives are likely to remain a strong influence on OFDI.
- China's OFDI will also be motivated by business goals, including seeking new markets and advanced technologies, reducing production costs and taking advantage of preferential policies of host countries, obtaining well-known product brands, overcoming trade barriers and accessing natural resources.
- Currently, using OFDI as a means to gain control of market pricing for major commodities seems irrelevant for Chinese companies. Similarly, following business partners or taking into consideration the sound institutional environment in a host country are less significant for most OFDI.

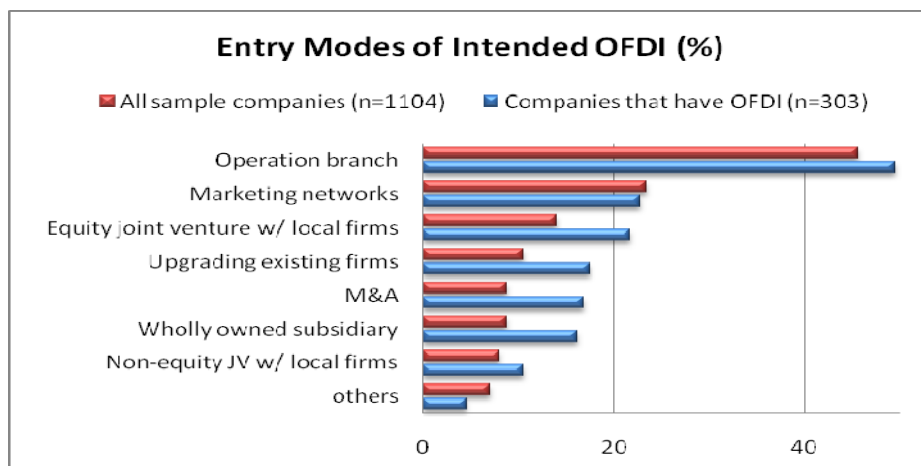
Q: On a scale of 1 (lowest) to 5 (highest), how would you rate the importance of reasons for your company's overseas investment decisions?



e. Entry Modes of Intended Investment

- Establishing a branch operation is likely to be the most popular entry mode for Chinese OFDI in the near future.
- Nearly half of respondent companies indicate they will establish branch operations as their entry mode, followed by expanding marketing networks, creating equity joint ventures with local firms and upgrading existing firms.
- M&A remains a lower priority for China's OFDI. However, companies that have OFDI experience are more likely to use M&A as their entry mode.

Q: Based on your expectations, which of the following methods will account for at least 20% of overseas investment in the next three years? (Please select ALL that are applicable.)

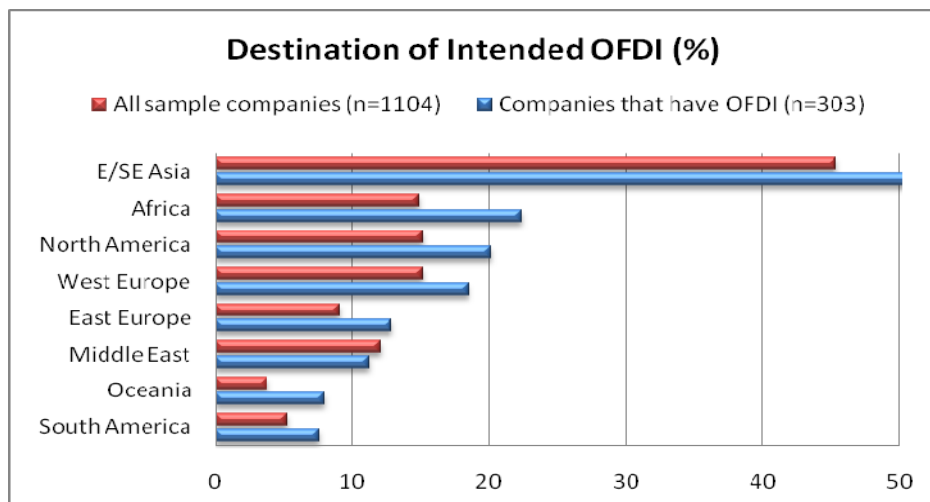


Note: This is a multiple choice question. The sum may be greater than 100%.

f. Destinations of Intended Investment

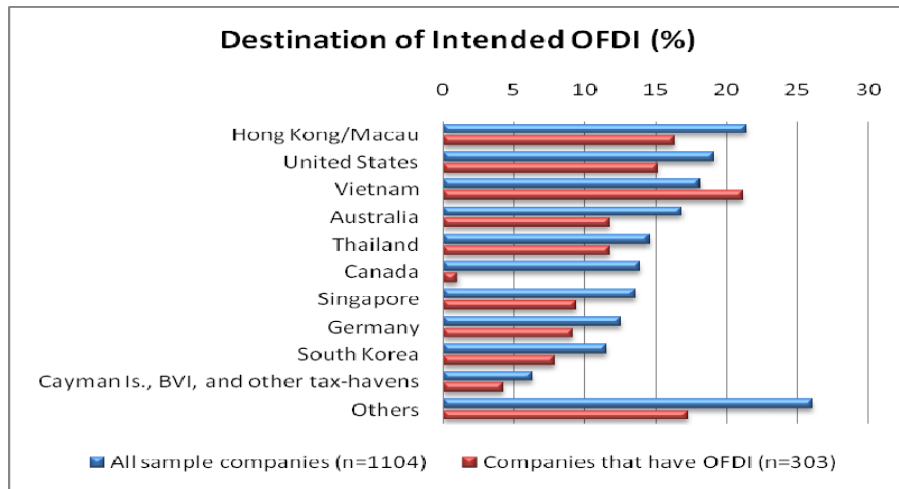
- East and Southeast Asia are likely to continue to be the top choices for Chinese OFDI in the near future.
- Fifty percent of respondent companies with OFDI experience indicate that East and Southeast Asian countries will be their destination of choice for OFDI.
- Second-tier destinations for future Chinese OFDI include North America, Africa and Western Europe.
- Of 10 likely destinations (based on the top ten destinations for Chinese OFDI in 2007), Hong Kong and Macau are the top choices, followed by the U.S., Vietnam and Australia. Canada is ranked sixth among companies that already have overseas investments, but shows little attraction to the total sample group.

Q: In which regions does your company plan to have at least 20% of overseas investments in the next three years? (Please select ALL that are applicable.)



Note: This is a multiple choice question. The sum may be greater than 100%.

Q: Which of the following markets do you perceive will be most likely a destination for your company’s overseas investment over the next three years? *(Please select ALL that are applicable.)*

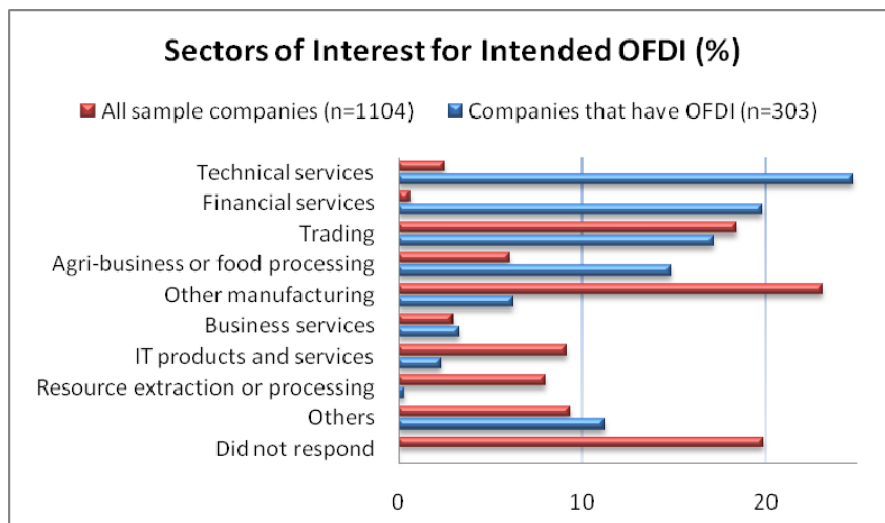


Note: This is a multiple choice question. The sum may be greater than 100%.

g. Sectors of Interest for Intended Investment

- Respondent companies are likely to have diversified sectoral interests for their future OFDI.
- All respondent companies indicate strong interest in traditional manufacturing and trading sectors, while companies that have invested overseas are likely to pay attention to services sectors such as technical and financial services, and agri-business or food processing.

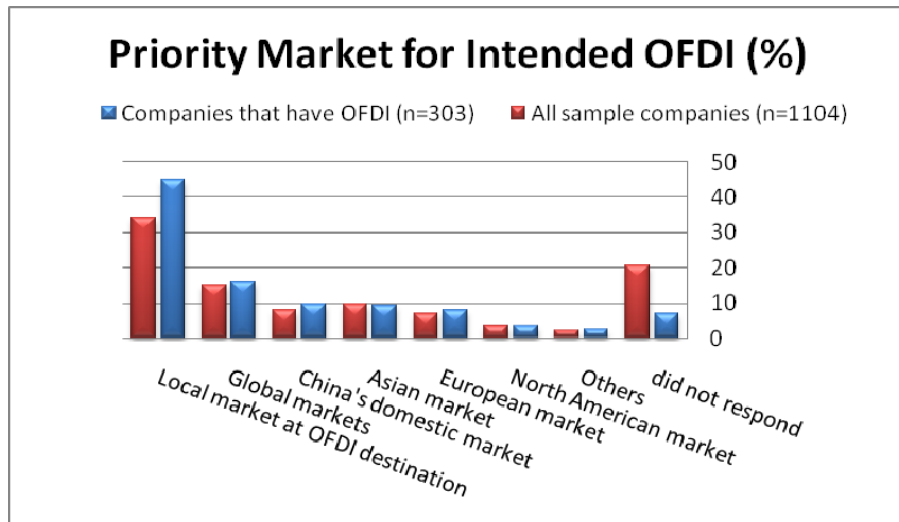
Q: Which ONE of the following categories best describes the main area of your planned overseas investment? *(Please select one.)*



h. Priority Markets for Intended Investment

- Most respondent companies are likely to target international markets as their priority for OFDI. In other words, OFDI is likely a means for Chinese companies to expand their markets beyond China.
- Notably, most respondent companies indicate they are primarily interested in the local markets of the countries in which they invest.

Q: Which priority market will your planned overseas investment be aimed at: *(Please select one.)*

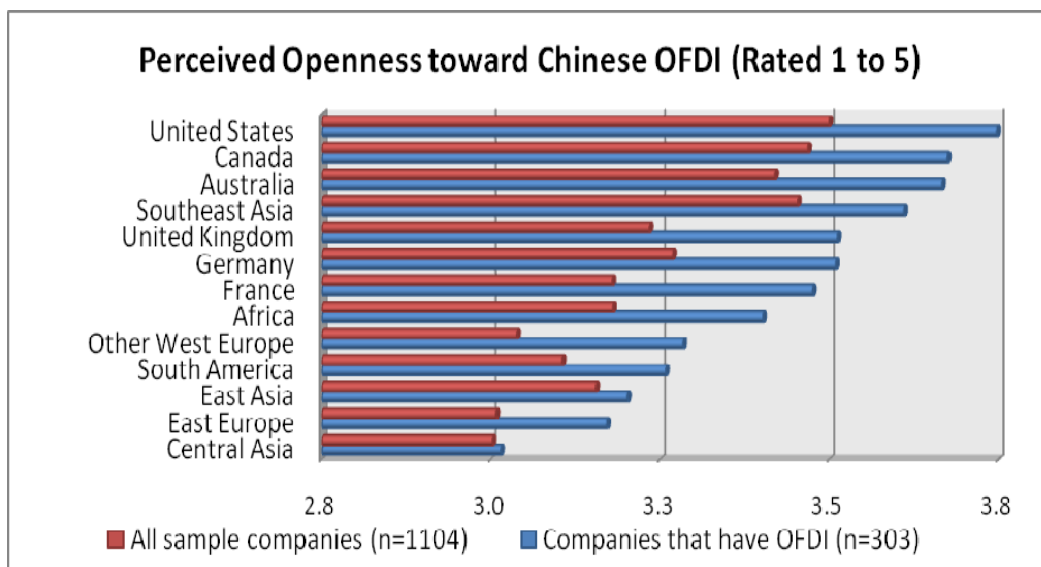


4. Canada's Openness and Competitiveness

a. International Openness toward Chinese Outward Investment

- The U.S., Canada and Australia rank highest in terms of perceived openness to Chinese OFDI.
- The companies that have invested overseas perceive higher openness across all destinations than do all respondent companies.

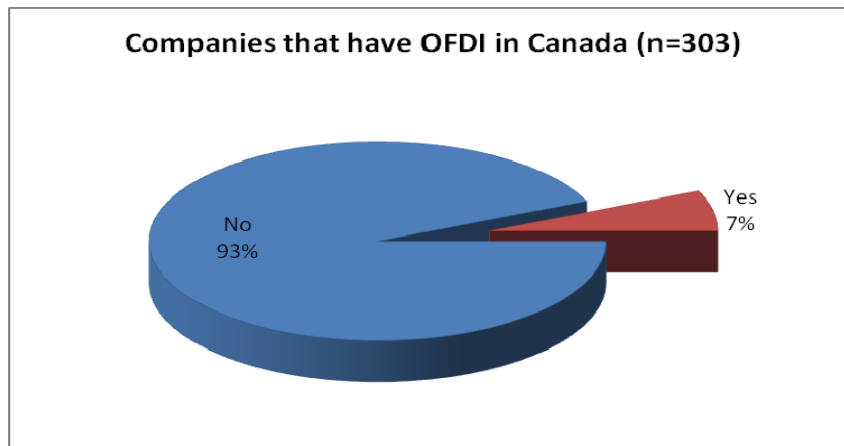
Q: Overall, how would you perceive the openness toward Chinese direct investment in the following regions or countries? Please use a scale of 1 indicating not open to 5 indicating very open (*DK=Don't Know*):



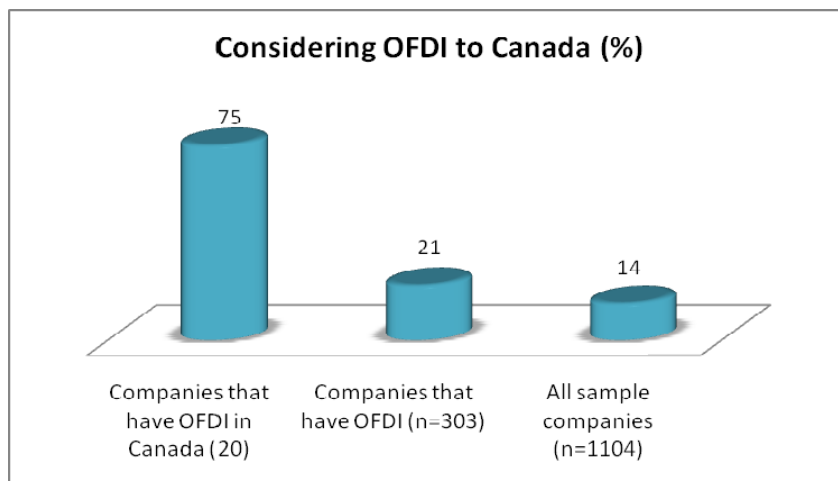
b. Canada as an Investment Destination

- Only 7% of companies that have invested abroad report that their companies currently have investment projects in Canada.
- The likelihood of considering investment in Canada increases with a companies' experience of OFDI in Canada. Three-quarters of companies that have invested in Canada are considering investing more in Canada over the next three years, while one-fifth of companies that have invested abroad are considering investment in Canada, compared with 14% of total respondent companies.

Q: Does your company currently have investment in Canada?



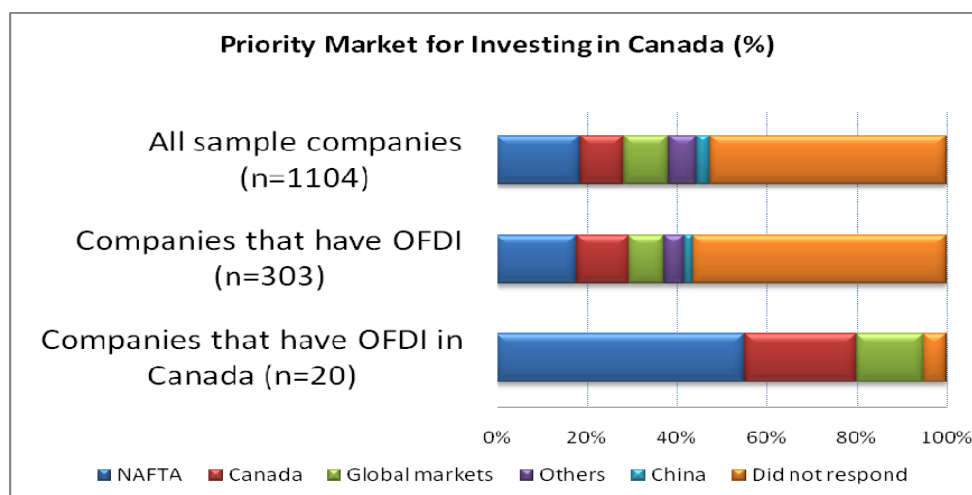
Q: Is your company considering an investment in Canada over the next three years?



c. Priority Markets for Investing in Canada

- Canada is seen as a gateway to the U.S. and other international markets.
- Whether or not a company has already invested in Canada is likely a factor determining the priority market of OFDI. The majority of companies that have invested in Canada are looking to service the entire NAFTA market. Only 25% said the planned investment was to service the Canadian market solely.
- Less than 20% of all respondent companies or companies that have OFDI but not necessarily in Canada are looking to service the entire NAFTA market if their companies invest in Canada.

Q: Which priority market will your planned overseas investment in Canada be aimed at: (*Please select one.*)

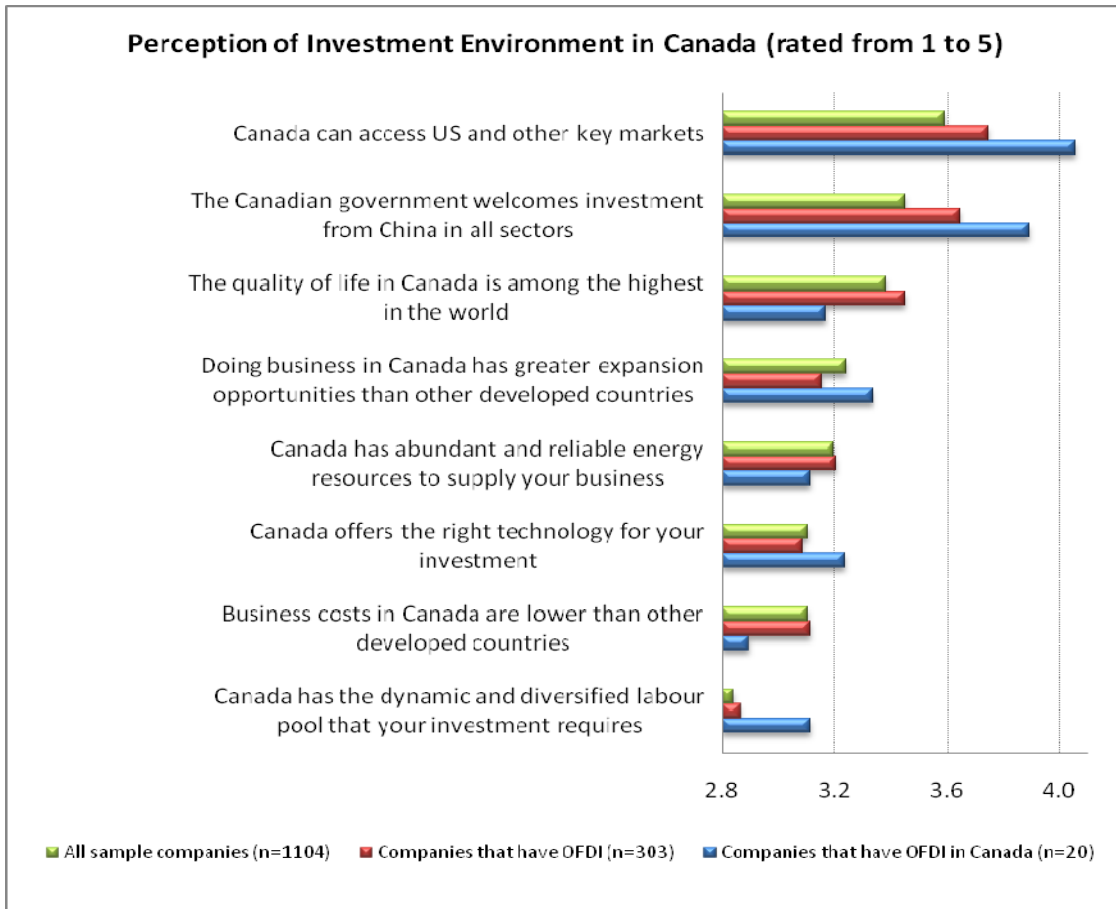


d. Perception of Investment Environment in Canada

- The most important facts relating to Canada's investment environment are perceived as:
 - iv. Canadian access to U.S. and other key markets;
 - v. The Canadian government welcomes investment from China in all sectors;
 - vi. The quality of life in Canada is among the highest in the world.
- Opportunity for expansion, abundant and reliable energy resources and appropriate technology are also considered important benefits to investing in Canada.

- Access to a dynamic and diversified labour pool and the low cost of doing business are perceived as less important for Chinese companies to invest in Canada.

Q: On a scale of 1 (strongly disagree) to 5 (strongly agree), how do you perceive Canada as an investment destination? (DK=Don't Know):

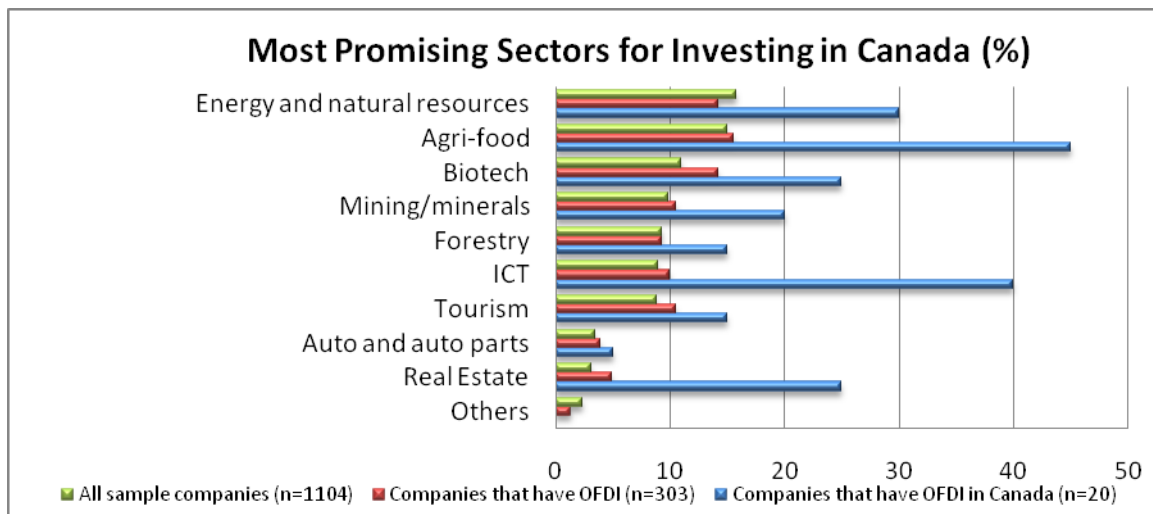


e. Most Promising Sectors for Investing in Canada

- Energy and natural resources, agri-food and biotech were considered to be the most promising sectors for investment in Canada by all surveyed companies. Real estate and auto and auto parts were considered the least promising sectors for investment in Canada.

- Companies that have invested in Canada consider agri-food, ICT, energy, and natural resources as the most promising sectors in Canada. Auto and auto parts were regarded as the least promising sectors.

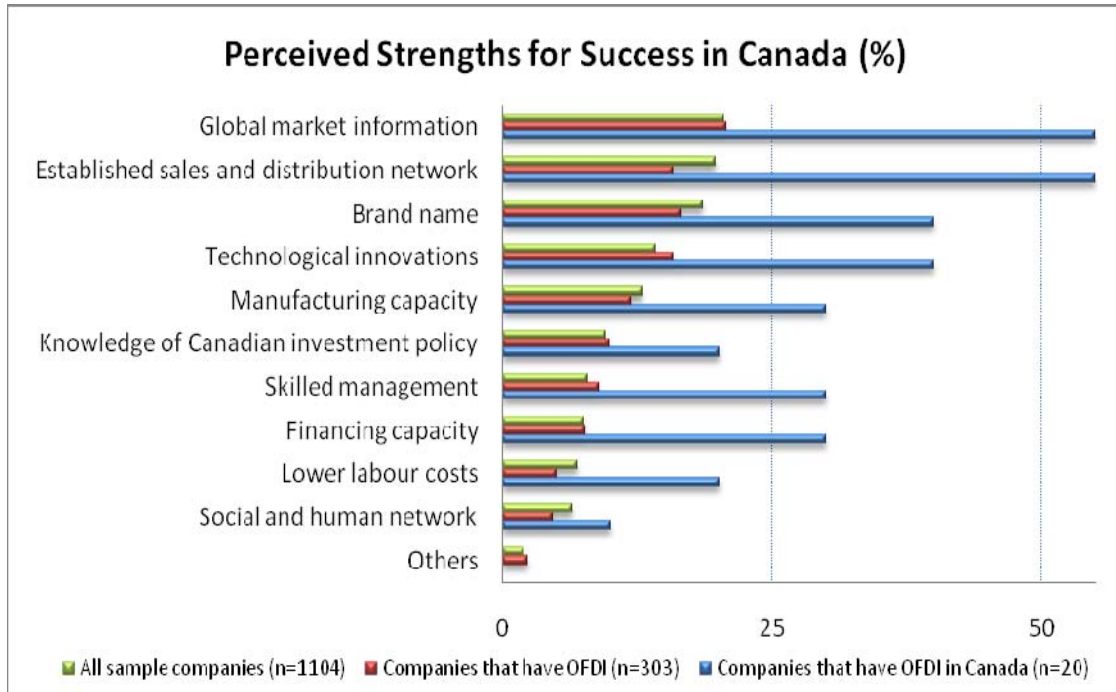
Q: Which sectors do you perceive are the most promising for investing in Canada (*Please select ALL that are applicable.*)



f. Strengths for Success in Canada

- Respondents cited the following as key strengths that will help their companies achieve investment success in Canada:
 - ability to access global market information;
 - an established sales and distribution network;
 - the company's brand name;
 - technological innovation.
- Respondents consider the lack of a social network in Canada to be the weakest factor in ensuring investment success in Canada.

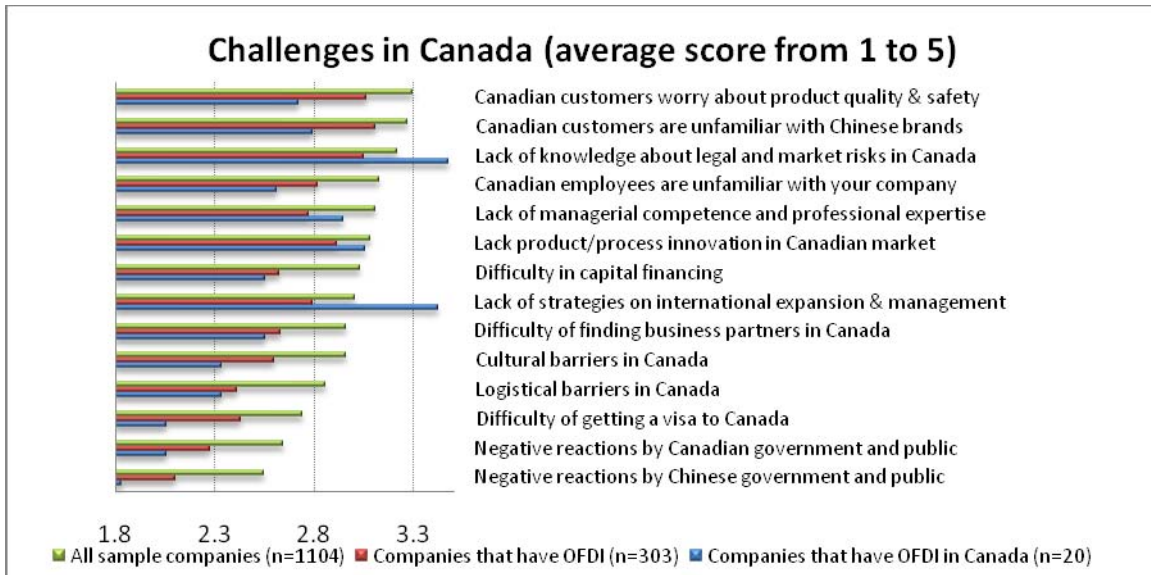
Q: What are the strengths of your company that will help achieve its investment success in Canada? (Please select ALL that are applicable.)



g. Challenges in Canada

- The major challenges to investment in Canada were cited as:
 - i. Canadian concerns about the quality and safety of Chinese products;
 - ii. Canadian customers are unfamiliar with Chinese brands;
 - iii. lack of understanding of legal and market risks in Canada.
- The proposition that the Canadian government or public will react negatively to Chinese investment was not considered to be a major challenge.

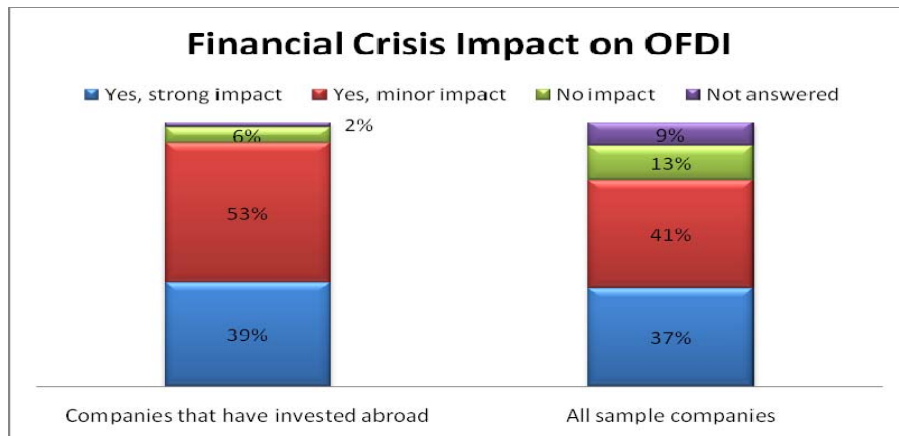
Q: What are the major challenges in your company's investment in Canada? Rate the importance of the challenges on a scale of 1 (lowest) to 5 (highest).



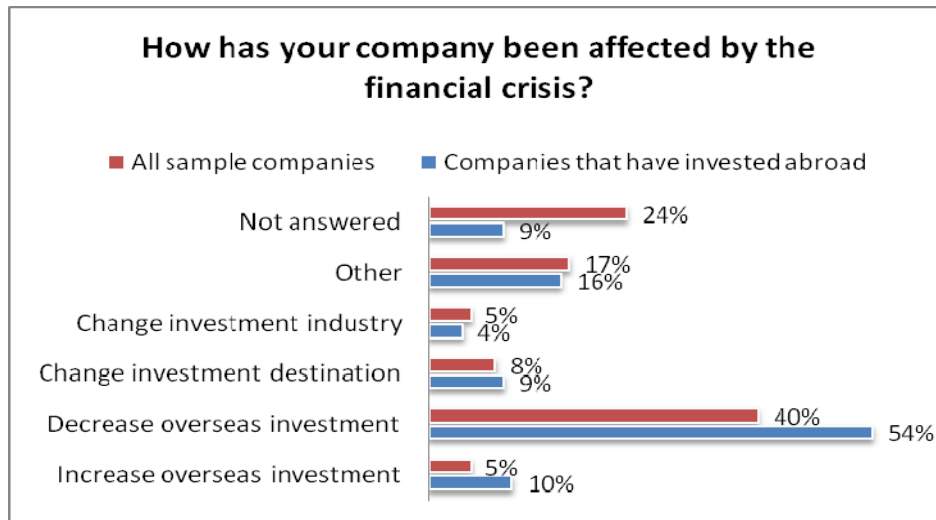
h. Financial Crisis Impact

- Most respondents indicate that the current global financial crisis has had an impact on their companies' overseas investment. The impact has been greater for companies that have invested abroad than for those which have not yet invested abroad.
- 54% of all respondents anticipate that their companies will decrease their overseas investment as a result of the current financial crisis.

Q: Has the current financial crisis that started in the U.S. had any impact on your company's overseas investment?



Q: How has your company been affected by the financial crisis, if there has been an impact?



5. Conclusions

This survey underscores that the outward investment of Chinese companies is still in its infancy and its scale remains relatively small. Nevertheless, it is likely to rise modestly over the next few years. The current financial crisis has had a negative impact on overseas investment; however, the rising trend of China's OFDI is unlikely to be reversed.

The survey also reveals that China's OFDI is both policy driven and business motivated. As such, the policy environment is as important, if not more so, than the business environment in encouraging investment from China.

Chinese companies perceive Canada as one of the most open economies in the world to Chinese OFDI and among the favourable destinations for OFDI. Chinese companies see Canada as a gateway for tapping into the NAFTA market and beyond. Energy and natural resources, agri-food, biotech and ICT are considered the most promising sectors. All suggest that Canada might have huge potential for attracting Chinese investment, and the C\$1.7 billion deal between China Investment Corporation (CIC) and Teck Resources of Vancouver in July 2009 likely marks the beginning of such an investment wave.

Although Chinese enterprises did not consider "negative reactions from the Canadian government and public" to be a major factor, they still have faced operational challenges such as a lack of understanding of the legal and market risks in Canada and a lack of awareness and capacity in investment financing. Canadian professional services have many roles to play in assisting Chinese companies invest in Canada and produce fruitful results.

Appendices

a. No. of respondent companies by year of establishment

Year of registration	Sample Size	Sample Distribution
Total	1,104	100%
1950 or earlier	14	1.3%
1950-1960	37	3.4%
1961-1970	29	2.6%
1971-1980	34	3.1%
1981-1990	134	12.1%
1991-2000	396	35.9%
2001 or later	402	36.4%
Unidentified	58	5.3%

b. No. of respondent companies by revenue

Revenue Last Year (Rmb million)	Sample Size	Sample Distribution
Total	1,104	100%
Under 1	72	6.5%
1~10	259	23.5%
10~50	215	19.5%
50~100	143	13.0%
100 and over	390	35.3%
Unidentified	25	2.3%

c. No. of respondent companies by industry

Nature of Company	Sample Size	Sample Distribution
Total	1,104	100%
Machinery and equipment	238	21.6%
Textile, garments and other fibre products	132	12.0%
Information technology	100	9.1%
Agriculture, food processing and production	84	7.6%
Chemical products	82	7.4%
Resource exploration, transportation or processing	72	6.5%
Construction	50	4.5%
Transportation service	11	1.0%
Financial and insurance	6	0.5%
Others	329	29.8%

d. No. of respondent companies by province

Province	Sample Size	Sample Distribution
Total	1,104	100%
Guangdong	277	25.1%
Guangxi	101	9.1%
Jiangsu	98	8.9%
Shandong	74	6.7%
Hunan	73	6.6%
Shanghai	58	5.3%
Fujian	56	5.1%
Hubei	52	4.7%
Liaoning	50	4.5%
Yunnan	45	4.1%
Hebei	43	3.9%
Shaanxi	41	3.7%
Zhejiang	40	3.6%
Sichuan	35	3.2%
Beijing	22	2.0%
Henan	21	1.9%
Hong Kong	5	0.5%
Anhui	2	0.2%
Taiwan	2	0.2%
Ningxia	1	0.1%
No answer	8	0.7%

e. No. of respondent companies by nature of company

Nature of Company	Sample Size	Sample Distribution
Total	1,104	100%
Private	502	45.5%
Publicly owned	240	21.7%
SOE	205	18.6%
Foreign invested JV	82	7.4%
Wholly owned foreign enterprises	41	3.7%
Collective enterprises	23	2.1%
Unidentified	11	1.0%

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