

---

# Chinese Overseas Investment: Cases in the Automobile and Telecommunications Sectors

Eric Harwit  
〈University of Hawaii〉

## Summary

In the past three years, major companies in China's automobile and telecommunications equipment sector have moved to establish investments or manufacturing facilities abroad. This essay examines several companies that have made move outside of the country, and considers the motivations for their actions. It also assesses issues in the future course of capital movement for the corporations in these key sectors.

**Key Words:** China, Automobile, Telecommunications, Overseas investment

## Introduction

Over the past few years, the Chinese government has indicated it would like to see domestic companies move outside of the country's borders, and join other multi-national firms in competition for global investment. The government has unofficially named the movement the "Going Out" policy.

The origins of the policy (*zouquchu* in Chinese) are not clear, but the Russian scholar Vladimir Portiakov asserts it was first put forward in the year 2000.<sup>1</sup> In early 2003, the Chinese foreign ministry published a statement on its web site discussing the foundations of the policy.<sup>2</sup> It pointed out that, with foreign exchange reserves (at the time) of nearly \$300 billion, it was natural for Chinese companies to move their production abroad. The foreign ministry also asserted that, once a country's per capita income reached \$2000, it should begin moving production overseas. Even though China's per capita income at the time was only \$800, many wealthy coastal cities had already exceeded this number, so it was time for overseas investment flows.

At the time, the Chinese government saw most of the overseas investment moving to developing parts of the world, namely the Southeast Asian nations of ASEAN, southern Asia, and central Asia. Moreover, most product sectors were in relatively less technologically advanced areas. These included farm machinery, household appliances, light industries, textiles, agriculture, and construction. The main sources of these investments came, as might be expected, from companies based in the wealthier coastal areas such as Shanghai, Guangdong, Zhejiang, Jiangsu, and Shandong.

The government posited two ways for Chinese companies to expand abroad. One would be to first become established in developed nations' markets, then move to developing countries. An example cited here was the Shandong-based Haier company, which makes refrigerators, air conditioners, and other "white" products, and has targeted the United States for low-end product market share.

Another pattern would be for companies to first move into developing nations' markets. In a reference to the former leader Mao Zedong's policies, this strategy was called "the village surrounds the cities." After expansion in developing nations' markets, the company would move to wealthier nations. Here, the examples were the Chinese computer maker Lenovo and electronics producer TCL. As this essay will show, some companies in the automobile and telecommunications sectors have targeted both developing

and developed nations at the same time.

Finally, the government pointed out some problems for implementing the “Going Out” policy. Only about one third of companies investing overseas, as of 2003, were profitable; another third broke even, and the rest were losing money. The underperforming companies were unprepared to move overseas, according to the government, and lacked market information in the target areas.

Another key problem was the lack of Chinese domestic companies’ management skills. Many of the companies were only established in the 1990s, so they lacked the ability to successfully develop overseas projects. Essentially, the companies had moved overseas before they had consolidated their management abilities within the home market.

This paper considers many of these general trends, and will focus on developments in two key sectors, those of automobiles and, to a lesser extent, telecommunications equipment. It assesses the motivations behind the corporate moves abroad, and the potential risks and rewards as the companies move beyond China’s borders. It also considers the strengths and weaknesses of the companies, and their prospects for success in the coming years.

### The Case of the Automobile Sector

China had little automobile industry of its own until after the 1949 communist revolution. Over the nearly three decades of rule under Mao, the nation built major truck production facilities in the northeast city of Changchun, and the inland province of Hubei. Shanghai was the site of most passenger car production, though this was limited to only a few hundred vehicles or less in most years.<sup>3</sup>

In the early post-Mao reform years of the late 1970s and early 1980s, Chinese leaders first turned to imported vehicles to satisfy the need for passenger cars. The growth of tourism and arrival of foreign investors and their industries required more cars than the domestic companies could produce. In 1985, China spent \$3 billion to import some 350,000 vehicles, a figure including 105,775 passenger cars.<sup>4</sup>

To prevent a continuing drain on the country’s foreign currency reserves, Chinese officials turned to

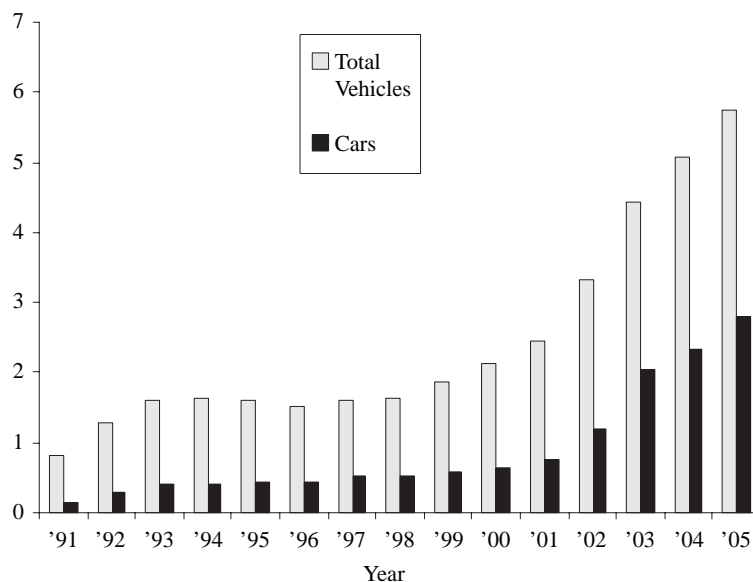


Figure 1. Vehicle Sales in China, 1991–2005

Sources: For 1991–2000: *China Automotive Industry Yearbook*, various years; for 2000–2002 and 2004–2005: Xinhua Economic News, various reports; for 2003: *China Daily*, July 22, 2004.

Table 1. Production of Passenger Cars at Chery and Geely, 2000–2005, and as a Percentage of National Production

Manufacturer	2000	2001	2002	2003	2004**	2005**
Chery	2,767	30,070	50,398	101,141	86,600	189,200
Geely* (cars/total cars and other vehicles)	0/ 14,594	0/ 24,865	3,898/ 43,457	28,741/ 81,284	N.A./ 97,500	N.A./ 151,400
Total Chinese car production	607,455	703,525	1,092,762	2,037,865	2,326,500	2,787,000
Chery and Geely total car production as percent of total national car production	0.5%	4.3%	5.0%	6.4%	ca. 6%***	ca. 10%***

\* Note: Figures for Geely car production alone are not available for 2004 and 2005; for these years, only total car and bus/truck production is available.

\*\* Note: For 2004 and 2005, numbers represent total sales, rather than production.

\*\*\* Note: Figures includes estimate of Geely car production as a high figure of roughly 60 percent of total vehicle sales.

Sources: For 2000–2003: *Automotive Industry of China*, 2004 (China Association of Automobile Manufacturers and CATARC, 2003), pp. 49, 57; for 2004 Chery and Geely production: Xinhua News Agency, February 18, 2005 report; for 2004 national production: Xinhua News Agency, February 7, 2005 report; for 2005: Xinhua News Agency, January 25, 2006 report.

several foreign companies to create joint venture vehicle manufacturing facilities. One major joint venture project that began production in the early 1980s was Shanghai Volkswagen, a joint venture chiefly between German's VW and the Shanghai Automotive Industrial Corporation (SAIC). In the 1990s, the American company, General Motors, joined the Germans in Shanghai. GM also chose SAIC as a partner. The development of SAIC in recent years, and its efforts to expand beyond China's borders, constitutes this essay's first case focus, and is discussed in detail below.

Joint venture automobile companies came to dominate passenger car production in the 1980s and 1990s. Figure 1 indicates the rapid growth of Chinese domestic vehicle sales. But as Table 1 shows, the joint venture companies held essentially all of the country's passenger car production and sales until the year 2000.

As the table indicates, by the early part of the current decade, domestically-owned Chinese car companies also emerged. One such private corporation, Geely, primarily began by making busses and trucks, but has moved to make passenger cars as well. Another company, owned by the Wuhu, Anhui municipal government, is the other major Chinese domestic car producer without a joint venture partner.

In the past few years, SAIC, Geely, and Chery have all made moves to either acquire overseas assets or move production abroad. The following sections assess the companies' strategies, and consider the future course of their overseas expansion plans.

### Focus on SAIC

As a kind of little brother to its German and American joint venture partners, the Shanghai Automotive Industrial Corporation for many years saw little growth or innovation in its own product mix. The company's future reached a dramatic turning point on October 15, 2005, when it announced it would spend 10 billion yuan (\$1.2 billion) to develop its own brands over the following five years. The lynchpin of the plan was its 2004 acquisition of a controlling stake in South Korea's Ssangyong Motors, and the purchase the same year of intellectual property rights to car models from the British MG Rover Group.<sup>5</sup>

For SAIC, a key reason to turn to overseas technology and acquisition was apparent frustration living

in the shadow of foreign production partners. SAIC formed its first car producing joint venture with Germany's VW in 1984, and, after a slow start, the company's sales starting taking off in the early 1990s. By the end of the last decade, Shanghai Volkswagen dominated much of the domestic Chinese market, taking in some years nearly half of the market. SAIC followed this success with another joint venture, this time with America's GM, that started producing vehicles in 1999.

SAIC's stake in these successful ventures meant accumulation of cash. In 2000 alone, it made a profit of nearly 3.8 billion yuan (\$460 million),<sup>6</sup> though price wars cut SAIC's profits to only 467 million yuan (\$56 million) in the first half of 2005<sup>7</sup>. The company had money but not prestige, and decided to go it alone. According to one Chinese official familiar with the company, SAIC felt it was unable to innovate within the joint venture framework, and it needed its own independent projects to show what it could accomplish.<sup>8</sup>

SAIC began its overseas purchases in late 2002, when it paid \$59.7 million for a 10 percent stake in GM Daewoo Automotive.<sup>9</sup> In October of 2004, SAIC spent nearly \$500 million to buy a controlling 48.9 percent of South Korea's fourth largest car producer, Ssangyong.<sup>10</sup> SAIC was not so interested in running the Korean company, though—one SAIC official noted that "SAIC promised to keep the [Korean] management when it took over Ssangyong."<sup>11</sup> SAIC also spent 67 million British pounds (\$120 million) to acquire the intellectual property rights and technology platform for the Rover 25 and 75 model cars.

Chinese analysts were at first puzzled by the SAIC moves. Auto expert Jia Xingguang told Agence France-Presse in late 2004 that the Rover purchase was "just not rational." "What's the point of this kind of expansion? It won't bring (SAIC) its own design skills and technology, its own brands or the capital they need for further expansion."<sup>12</sup> Jia speculated that SAIC was merely positioning itself for a planned stock market listing.

SAIC's true goals were revealed in July, 2005, when it announced it would invest 3.68 billion yuan (\$445 million) in a venture that would produce cars using technology from Ssangyong and Rover. SAIC founded a new company, Shanghai Luwei, in the city of Yizheng, Jiangsu province. Ironically, the site had originally been reserved for joint venture production with Volkswagen, but was never utilized with the German partner. Now, it would use the new facility to compete against its foreign partners, and announced the new plant would have capacity of 120,000 vehicles and 170,000 engines. The first cars would roll off the assembly line in 2007, and would be sold both at home and abroad.<sup>13</sup>

The October announcement by SAIC indicated it would also use the new facility to develop its own brands. Its ambitious target was to reach production of 600,000 vehicles by 2010, with \$1.5 billion in exports. The goal was also to have 200,000 of the cars using SAIC's own developed brand car.<sup>14</sup> "Ssangyong is playing its part in this project," a SAIC official confirmed.<sup>15</sup>

Just as SAIC made its announcement, its partner VW said it would cut back on its own output. According to the *South China Morning Post*, the German company said: "We have stopped the expansion of new car capacity. ... Even with [production capacity of] 900,000, we produce more than we can sell." And VW's profit target for 2005 in China was just to break even.<sup>16</sup>

SAIC has skillfully used foreign technology acquisition to assert its independence from its erstwhile foreign allies. However, it is not the only indigenous Chinese company to look overseas to expand its production capabilities.

### **Focus on Chery and Geely**

The Chery Automobile Company, founded in 1997 in Wuhu, Anhui, and controlled by the municipal government, has a few years' head start on SAIC in developing its own brand of vehicles. Its first cars appeared in 1999, and by 2004 the company had annual production of more than 80,000 vehicles. Its best selling model, the QQ, gained quick popularity, even as General Motors has claimed the vehicle is a copy of the Chevrolet Spark.

Chery made headlines in early 2005, as it announced plans to export as many as 250,000 cars a year

to the United States by 2007. By the middle of 2005, these plans seemed to be coming unraveled, as the US partner, Visionary Vehicles, saw internal dissention and disorganization.<sup>17</sup> But Chery continued with plans for other forms of expansion abroad.

Already in 2003, Chery signed an agreement with Iran's SKT to become the first Chinese manufacturer to produce its vehicles abroad. Iran had been a customer of Chery cars since 2001, so the deal to produce them in the Middle Eastern country seemed natural.<sup>18</sup> As of late 2005, however, the 30,000-capacity vehicle plant had only received some 2000 to 3000 vehicles and knocked-down kits at its northeastern Iranian home. And according to Chery officials, the Chinese company had no investment stake in the Iranian venture.<sup>19</sup>

In late 2004, Chery announced it would assemble cars in Malaysia in a joint venture with the Alado Corporation. Malaysia seemed a natural choice, as it has the largest passenger car market in Southeast Asia, with 300,000 annual vehicle sales.<sup>20</sup> But the controversy over the QQ model's resemblance to GM's vehicle stopped a scheduled shipment of 10,000 Chery cars to the country in mid-2005.<sup>21</sup> In mid-2005, Chery was also considering setting up an assembly plant in Russia.<sup>22</sup>

Chery's main domestic Chinese rival, the privately owned Geely Holding Group, had its own plans for overseas investment. In May, 2005, Geely signed an agreement to make cars in Malaysia, with partner IGC. Like Chery in its Malaysian project, Geely put no capital investment in the venture, but did pledge technology for the 30,000 capacity vehicle plant. Geely planned to send Chinese managers and train workers at the new facility.<sup>23</sup>

Sales for both Chery and Geely in Malaysia give the companies an important foothold in Southeast Asia. As tariff and trade barriers fall among the nations of the Asia Free Trade Area, the Chinese companies should be able to tap other markets, perhaps in Thailand, Singapore, or Indonesia, and use their Malaysian production as a convenient production center.

### **Incentives for Chery and Geely to Move Outside of China**

What is driving these domestic Chinese companies to move abroad? First, the domestic market is becoming crowded. According to China's National Development and Reform Commission, total annual vehicle making capacity in 2007 will reach 15 million units, though forecast demand is only about 7 million vehicles.<sup>24</sup> As for passenger cars, the research firm KPMG has forecast capacity of 5.6 million in 2010, and sales of only 4.2 million vehicles that year.<sup>25</sup> Though passenger car sales remain strong in 2005, it is likely all major producers will face pressure to find markets abroad. Car price wars in the China market make the move even more imperative.

In the case of SAIC, of course, the move to spend money abroad helps the company to liberate itself from dependence on VW and GM technology. SAIC can use the new technology to sell vehicles in the same markets where their acquisitions, Rover and Ssangyong, have succeeded in the past.

Nationalism is likely another driving force behind the move beyond China's borders. Chinese companies long to be seen as global players, and the domestic makers can only move out of the shadow of the foreign joint venture brands that dominate the domestic market when they can take market share outside of the country. Success in developing countries such as Southeast Asia and the Middle East is likely a prelude to eventual sales in Europe and North America.

### **Problems and Forecast for Overseas Auto Expansion**

China will likely find pitfalls in its road to foreign overseas automotive expansion. Competition from other global players will be fierce—it is unlikely companies such as Toyota, Nissan, Hyundai, GM, and others will quietly cede market share to Chinese companies. Though Chery and Geely have proven they can make inexpensive cars for the domestic market, it is unclear whether quality shortcomings in their vehicles will impede sales, even for cars at bargain-basement prices. SAIC will have to prove it can successfully incorporate Rover and Ssangyong technologies into its own branded models.

As Table 1 indicates, moreover, both Chery and Geely have a relatively small share of the domestic Chinese market. Though their production numbers are growing, it is hard to see how they can expect to compete with foreign companies abroad when they have relatively little market share even within their home nation.

Still, the Chinese car companies seem to have a drive to succeed. Both SAIC and Chery have municipal government backers, so may have the financial backing to last in the long haul. Though the companies are off to a slow start in 2005, it seems a safe bet that Chinese cars will be part of global competition in the next decade. The world will soon come to put Chinese brand names besides those of their more well-known competitors.

### **The Case of the Telecommunications Sector**

As was the case with the automobile sector, there was little telecommunications equipment manufacture in pre-revolutionary China. With assistance from the Soviet Union, China did develop several factories to make basic equipment. Telephones, until 1949 limited to wealthy Chinese and foreign residents, slow began to penetrate Chinese society.

Under Mao's egalitarian policies, the spread of the network was not limited to the wealthier urban areas. While the number of city dwellers with phones tripled from 1949 to nearly 800,000 in 1965, rural users saw phone penetration grow more than 10-fold over the same period, to about a half million subscribers.<sup>26</sup> However, as with many other areas of China's manufacturing, production stagnated during the "Cultural Revolution" years of 1966–1976.

Again, following the pattern of the automobile sector, China saw a period of importing telecommunications equipment in the early 1980s. But, as with cars, the bill for these imports soon grew, and China turned again to joint ventures to solve this problem.

Early joint ventures included the Belgian (later French) company Alcatel in Shanghai, and Germany's Siemens, located in Beijing. Both joint venture companies, Alcatel's Shanghai Bell and Siemens's BISC, made switching systems, devices in the network meant to channel phone calls successfully to their destinations. By the mid-1990s, the joint ventures held about 50 percent of the switching equipment market. Most of the rest of the equipment was imported, and purely Chinese companies had less than 10 percent of the market.

Unlike the automobile sector, however, Chinese domestic companies began to compete with the joint ventures for market share. One of the most successful companies, Huawei Technologies, came not only to take domestic market share, but even to compete with the major international companies on a global scale. The company's development is described in detail in the next section.

#### **Focus on Huawei**

Like Geely, Huawei is a private Chinese company, and is run by its charismatic leader Mr. Ren Zhengfei. Ren and others founded the company in 1987, and have since built it into one of China's largest companies in any industrial sector.

As in the automobile sector, foreign companies and joint venture enterprises dominated the telecommunications equipment sector in China until the beginning of the new millennium, when domestic companies such as Huawei and government-owned rival ZTE Corporation took ever-greater market shares. For Huawei, good corporate leadership was an important ingredient in the company's success. Ren and his company cohorts invested the company's capital wisely, spending as much as 100 million yuan (about \$20 million) on research and development. Huawei also established a research and development center in the US to get feedback on its products as well as technology updates.<sup>27</sup>

Huawei further expanded its sales by targeting mainly rural Chinese telecommunications facilities and their customers, ones who could not afford imported or joint venture products. By 1996, Huawei had 20

percent of the Chinese switch market, second only to Shanghai Bell's share.<sup>28</sup> Huawei also looked overseas, initially for sales opportunities, and was one of the few large private Chinese companies to establish an international presence. One of the company's first joint ventures was in Russia, where the company joined in 1997 with the Beto corporation to produce switching equipment.<sup>29</sup>

By 2004, Huawei, ZTE, and other domestic telecommunications companies had become major players both within and outside the PRC. Huawei was the big winner, with sales that year of \$5.58 billion, and overseas sales at \$2.28 billion.<sup>30</sup> It also had a 76 percent share of telecommunications equipment for the whole of China's domestic market.<sup>31</sup>

Like the auto companies, however, Huawei wanted to expand its global presence by cooperating with major foreign developed-nation companies, with the apparent goal of acquiring overseas assets. In January, 2005, Huawei reached a cooperative agreement with the British telecommunications equipment maker Marconi—each company would market the other's products to their own customers. Huawei thereby got a foothold in the developed European markets.<sup>32</sup>

A major further move came later in 2005, when Huawei bid to take over the troubled British firm. In August, Huawei proposed to acquire Marconi for as much as 560 million British pounds (\$1 billion).<sup>33</sup> By the end of October, however, it Huawei had lost its bid for the company, as Swedish manufacturer Ericsson had come in with a higher offer. By this time, western concerns over strategic defense and communications technologies going to Huawei in the deal seemed to have become an issue in the sale of Marconi.<sup>34</sup>

Even in developing nations, the security issue affected Huawei's potential for expansion. By late 2005, the company had 900 engineers working for it in the Indian city of Bangalore, and had announced plans to invest \$100 million in its operations there. However, the Indian government was reportedly trying to keep Huawei away from its core telecommunications infrastructure for national security reasons.<sup>35</sup>

Despite Huawei's loss in acquiring a developed nation's manufacturer, it is clear the company is intent on using overseas investment and cooperative agreements to bolster its position in the global economy. Even as its latest bid failed, its rapidly growing global market share indicated the company could soon return to the strategy of international acquisitions in its expansion drive.

## Conclusion

The focused studies in this essay find their places in the 2003 Chinese foreign ministry assessment of the "Going Out" process. The companies are generally based in coastal areas: Huawei is in Shenzhen, SAIC in Shanghai, Geely in Zhejiang, and Chery near the major city of Nanjing. Unlike many of the early companies that ventured overseas, however, these companies produce products that use advanced technology. They also compete directly with foreign companies that make the cutting-edge products within their competitive sector.

The companies also followed different developmental paths in their route to overseas investment. SAIC first worked with joint ventures, though it acquired relatively little technology, and purchased their know-how abroad. As the government assessment pointed out, the SAIC, as a state-owned enterprise, may have difficulty developing managerial expertise to properly manage integration of the technology and attaining overseas competitiveness. The SAIC will likely strive to find market share in China first, but then could move directly to sell its products in developed nations.

By contrast, the two private companies in this essay, Geely and Huawei, likely had more streamlined management. Huawei also used its own research and development investment, combined with some overseas research projects, to also become internationally competitive. Huawei also first targeted China, then other developing countries, before moving to sell products in advanced nations. Geely, however, has only a small market share in China, but seems eager to move into neighboring developing nations, and also, in the near future, to tap markets in the developed world.

Chery's management structure has a shorter history of state involvement, and therefore may be more

nimble in developing its domestic and overseas markets. Like Geely, it seems somewhat overly optimistic, as it has moved from a small market share within China to establishing overseas production facilities. It may do better to move first to tap developing nations markets, rather than move quickly into the American market. Problems with quality and a resulting fall in sales could severely damage the company's global, and perhaps even domestic Chinese, reputation.

In a larger sense, foreign nervousness over the "Going Out" policy's ultimate goal may lead to unfavorable political reactions. For example, with large, technologically or strategically sensitive foreign investment projects such as those by Huawei, or by oil companies CNOOC or computer maker Lenovo, China may face continued suspicion and passive resistance by both developed and developing nations and corporations. The battle cry that the Chinese government is using its vast resources to conquer foreign markets seems to find resonance in the global community. However, in less controversial sectors, such as automobiles, there seem to be fewer concerns, and the SAIC acquisitions of Rover and Ssangyong were completed with relatively little resistance.

The real test of the "Going Out" policy may come over the next few years, as the corporations that have ventured beyond China's borders see the results of their efforts. If they prove to have given the Chinese corporations new technologies that have been effectively utilized to gain domestic and foreign market shares, the movement of capital may continue. But if the investments come to be seen as hasty projects designed to project global financial power just for the sake of nationalistic economic pride, and return poor economic results, the Chinese companies may have to re-think the ways they spend money abroad, and how they can best improve their financial position both within and outside of China's borders.

## Notes

- 1 Portiakov, Vladimir, "Russia and China in the World Economy," *Far Eastern Affairs*, vol. 32, issue 4, 2004, p. 78. In the popular press, Time magazine was one of the first publications to note this movement; see *Time*, January 24, 2005, p. 29. However, it was also earlier mentioned in the text of a *People's Daily* commentary on December 11, 2001, just as China was joining the World Trade Organization.
- 2 Ministry of Foreign Affairs web site, "Woguo qiye 'zouchuqu' de youguan qingkuang" ("The situation of our nation's industrial 'Going Out'"), at <http://www.fmprc.gov.cn/chn/ziliao/wzzt/jjywj/t10476.htm>. The following discussion draws on this article as the standpoint of the Chinese government on its "Going Out" strategies.
- 3 For detail on the history of China's car industry, see my book, *China's Automobile Industry* (Armonk, NY: M.E. Sharpe), 1995.
- 4 *Zhongguo qiche gongye nianjian* (China Automotive Industry Yearbook), 1991 ed., p. 536.
- 5 *South China Morning Post*, October 24, 2005, Business Post p. 2, and *Asia Pulse*, October, 19, 2005 report.
- 6 Xinhua Economic News Service, October 19, 2000 report.
- 7 Xinhua Economic News Service, September 27, 2005 report.
- 8 From interview with Chinese automotive analyst, Beijing, July, 2005.
- 9 *China Daily*, October 29, 2004.
- 10 *Businessweek*, December 20, 2004, p. 32, and *South China Morning Post*, October 24, 2005, Business Post p. 2.
- 11 Interview with SAIC official in Shanghai, August, 2005.
- 12 Agence France-Presse report, December 2, 2004, cited in Xinhua Financial Network News report.
- 13 *South China Morning Post*, July 29, 2005, Business Post p. 4.
- 14 *South China Morning Post*, October 24, 2005.
- 15 Interview with SAIC official in Shanghai, August, 2005.
- 16 *South China Morning Post*, October 24, 2005.
- 17 *International Herald Tribune*, June 8, 2005, p. 15.
- 18 *Financial Times Information*, SinoCast China Business Daily Update, February 21, 2003 report.
- 19 Interview with Chery official in Wuhu, Anhui, August, 2005.
- 20 *New York Times*, October 19, 2004, Finance, p. 15.
- 21 Comtex News Network, May 26, 2005 report.
- 22 *Asia Pulse*, July 5, 2005 report.
- 23 Interview with Geely official in Hangzhou, Zhejiang, August, 2005.
- 24 *China Daily*, June 8, 2004,



- 25 “China Automotive and Component Parts Market,” KPMG Transaction Services, August, 2003, p. 11.
- 26 *Zhongguo Tongji Nianjian* (China Statistical Yearbook) (Beijing: Zhongguo Tongji Chubanshe, 1981), p. 291.
- 27 Xinhua News Agency, November 15, 1994 report.
- 28 *Wall Street Journal*, August 28, 1997, p. A11.
- 29 Xinhua News Agency, April 9, 1997 report.
- 30 AFX News Ltd., June 9, 2005 report.
- 31 Asia Pulse, November 18, 2004 report.
- 32 *China Daily*, February 1, 2005.
- 33 Associated Press report, August 8, 2005.
- 34 AFX News report, October 9, 2005; <http://www.redherring.com/Article.aspx?a=14146&hed=Ericsson+Buys+Marconi%3a+%242.1B>.
- 35 Tennant, Don, “Axing the Axis,” in *Computerworld*, August 22, 2005, p. 20.