

Facing the Opportunities and Challenges of Going Global: Practices of Chinese Enterprises

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Abstract

In the context of economic globalisation, the trend of Chinese enterprises going global has become increasingly evident. However, when confronted with the complex international market, many enterprises lack adequate understanding and experience in strategic positioning, opportunity seizing, and risk avoiding, which directly affects the success rate of their international ventures. Drawing on in-depth interviews with four technology-driven manufacturing enterprises that have implemented global strategies, this report begins by summarising three common driving forces for Chinese enterprises' globalisation, including the reduction of cost and tariff, the adaptation to changing customer demands, and the diversification of operational risks. Four key factors shaping the formulation of enterprises' overseas strategic planning in relation to the destination are then highlighted, including the stability of political environment, the level of industrial infrastructure, socio-cultural characteristics, and the enterprise's competitive advantages. This report also explicates the practices of the four enterprises in the process of digital transformation as they venture abroad. Lastly, this report proposes recommendations for Chinese manufacturing enterprises to formulate and implement globalisation strategies, and how government can support them.

Key Words

Chinese Enterprise Globalisation; Opportunity and Risk Identification; Digital Transformation