

Introduction

While it is common knowledge that China has the largest population base in the world, with over 1.3 billion people, not many people know that when measured by international dollars (purchasing power parity gross domestic product), China is already the second largest economy in the world, quickly narrowing the gap with the United States of America. Part of the growth story is based on the development of the Chinese multinational company, with a unique mixture of government involvement and private initiatives. The top Chinese 100 firms, coined Dragon multinationals, are a distinguishing characteristic of 21st century globalization. State-based capitalism has played a role in this development. This book uniquely packages information on the top Chinese 100 firms by providing concise insight into their formation, development, and structure. The top 100 Chinese firms account for about a third of the total GDP in the country.

Under the label of “the socialist market economy with Chinese characteristics”, the government has made firm commitment to economic reform while still retaining tight political control. In retrospect, the third plenum session of the 11th Congress of the Chinese Communist Party held in Beijing in 1978 marked a major milestone in contemporary Chinese history, as the decisions made at that historic meeting changed both China and the world. Under the pragmatic leadership of Deng Xiaoping, China opened its doors and marched into a new era. Over the past three decades, the transition from a planned to a market economy unleashed an extraordinary series of changes in China: private enterprises have sprouted, foreign investment has soared, the standard of living has improved, the regional disparity has grown, the urban–rural divide has widened, and corruption has increased (Alon and McIntyre, 2008).

The country’s remarkable development over the last 30 years has puzzled many Western observers. The new Chinese economy is not only massive and with huge growing potential but also complicated, perplexing, and packed with controversies and pitfalls. For example, while the quality of life for many people has noticeably been changed for the better, certain groups have inevitably become the victims of economic reform and income gaps are drastically widened. Although the private sector booms, many large state-owned enterprises struggle to cope with market competition. As a sustainable business growth demands a large supply of human and natural resources, the economy in full gears for an extended time has put substantial strains on the already fragile environment, and a large number of migrant farmers and laid-off workers have also threatened the social stability.

Several factors have given rise to the motivation of this book. Because of the rising influence of the Chinese economy in the global market, more and more people have begun to take interest in the country and its business development over recent years. For example, international business is one of the fast-growing undergraduate majors among academic institutions across the United States, and a significant portion of that group are students seeking to specialize in China. Consequently, there is a large and growing need for quality materials on the Chinese economy to enhance the mainstream reference literature. However, currently most of the relevant information is scattered in newspapers, magazines, web pages, journals, and scholarly books that are not readily accessible to average college students studying international business, or individuals seeking information on certain Chinese enterprises. Though a few are presented in English as case studies for MBA students, a vast amount of information

are available in Chinese and therefore beyond the reach of typical readers living in the Western world. Undoubtedly, with China's growing importance in the global economy, there is a genuine need for a compatible research tool to be presented in a format that can be easily accessed by students, librarians, business professionals, or anyone interested to learn more about the country's economy and its key businesses.

While much has been written about China's overall economic growth in recent years, much less is known about the companies helping to generate it. In particular, there is no existing reference work devoted exclusively to the top Chinese enterprises that is aimed for college students. Therefore, to help people gain a better understanding of the country's corporate sector, we believe the publication of *A Guide to the Top 100 Companies in China* will be a welcome addition and likely fill the gap in the current reference literature market.

In recent years, both *Fortune* and *Standard & Poor's* have developed lists of China's 100 largest publicly traded companies, with selection criteria based on the latest available revenues. According to the Chinese edition of *Fortune* magazine, while the country's GDP increased by 11.4% to RMB24.7 trillion in 2007, the total revenues of the top 100 companies rose by 22.7% to RMB7.9 trillion, which amounts to 32% of China's GDP that year (财富, 2008). Clearly as a gauge of the country's overall economy, those top companies have played a very significant role in China's economic development.

Studying the top Chinese companies would reveal much useful information for people interested in the country's economy. For example in 2008, the state-owned companies have dominated the *Fortune's* list, taking the top ten spots. Ranked first in sales is China Petroleum & Chemical, the biggest petrochemical and refining company in China, which is followed by PetroChina, the largest producer of crude oil and natural gas. Both companies have experienced significant revenue increases over the previous year, attributable to higher oil prices and China's growing demand for energy. Ranked third is China Mobile, the leading cell-phone operator, reflecting the country's immense growth in the wireless telecommunications market. The largest private company on *Fortune's* list is computer maker Lenovo, ranked 13th.

Most companies on the list are in the heavy-industry sector, reflecting the frenzied development of the economy's infrastructure. The largest sector is steel production, followed by the petroleum and petrochemical industries. Other notable sectors include construction, mining, shipping/transportation, and manufacturing. In recent years, a rush of listings on the stock exchanges has added prominent newcomers to *Fortune's* list of China's top 100 companies, among them several largest public offerings in the world, including: the China Life Insurance, the Industrial & Commercial Bank of China, and the Bank of China (Arora, 2007).

After the fantastic fireworks of the Beijing Olympic Games, the rest of the world are watching closely how China will proceed forward in the evolving global economy. Structural constraints, changing lending policies, environmental concerns, and a downturn in many sectors will likely limit growth. More significantly, since the country is highly open to exports and imports, a worldwide recession would further depress profit margins in China. However, with a huge and fast-growing domestic market, there are enough reasons to be cautiously optimistic about the country's long-term outlook. Consequently, China's top-tier companies may continually experience strong growth in the coming years, as accelerating industrialization and urbanization will lead to further expansion in private investment and domestic consumption over the long term. Although some companies may not eventually survive the race, others will likely adopt new management style, upgrade their technology, and emerge as globally competitive enterprises (Bailey and Song, 2005). Therefore, based on these observations, the editorial team is convinced that this guide to top Chinese companies will be a timely and useful tool for anyone studying China and the global economy.

The primary markets for *A Guide to the Top 100 Companies in China* are academic libraries of all sizes, research agencies and organizations with a focus on China and international business, and large to medium public libraries. The natural target audience includes undergraduates enrolled in colleges and universities, and we believe many graduate students in MBA programs and some high school students may also find the title useful for their study of Chinese and international business development. The book can be used not only by librarians searching for ready references on notable Chinese enterprises but also by individuals seeking to understand the *ins* and *outs* of the new Chinese economy over the last 30 years. In essence, *A Guide to the Top 100 Companies in China* will be a potential interest to anyone studying contemporary China and its huge market.

As a general reference guide to the Chinese economy, this title seeks to provide up-to-date and comprehensive coverage of the top Chinese enterprises. Companies selected in this Guide were based largely on their 2008 sales revenues. In compiling the list of companies, *Fortune* and *Standard & Poor's* lists, *Hurun* reports and other Chinese rankings are reviewed, and Chinese companies listed on the stock exchanges in Shanghai, Shenzhen, Hong Kong, Singapore, London, and New York are also examined. The geographic focus of the book is mainland China, although corporations from Hong Kong and Taiwan that conduct significant businesses in the People's Republic of China are included as well.

This reference book is the result of collaborative efforts across the globe. Over 40 scholars from the United States, mainland China, Hong Kong, the United Kingdom, Canada, France, Israel, Brazil, and Malaysia contributed to the collective undertaking. Depending on the importance and complexity of the topic, entries are roughly 1000–2000 words in length, briefly summarizing a company's historical development, main products and services, corporate structure, governance and leadership, business strategies, future development plans, as well as the key roles played in the Chinese and global economies. In addition, key business operations and drivers, competitive advantages and challenges, and major shareholders are included along with the most recent financial snapshot of the company in question, and references are also provided at the end of each entry.

A Guide to the Top 100 Companies in China is arranged in an alphabetical order by the English name of the included corporations. In addition to a keyword index and a list of abbreviations, a Chinese-to-English company name index is also provided for clarification and cross-reference purposes. It should be noted that all Chinese personal names in the book are listed following the East Asian custom, with family name first, followed by the given name (i.e., Deng Xiaoping). For typical Westerners, the romanization of Chinese words has generated many confusing variations in spelling over recent decades. This book follows the current common practice by listing all personal and place names in the standard Chinese *Pinyin* system, except for people from Hong Kong, Taiwan, and overseas, whose names are spelled following the traditional Wade-Giles system or their preferred Western names (e.g., Li Ka Shing). When a company uses an alternate spelling in their official English-language documents, we adopt the company's preferred spelling.

It is a daunting task to compile a comprehensive guide to the top enterprises in the world's most populous country while the nation is undergoing rapid and unprecedented economic development over the past three decades. The information in this book is current as of press date. In consideration of the swift changes in China's economic landscapes, we will make efforts to revise the book in subsequent editions.

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Wenxian Zhang and Ilan Alon
Rollins College
Winter Park, Florida
USA

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