

The Role of Foreign Investments in the Formation of an Economic Region — With Reference to China —

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I Introduction

In recent years it has become fashionable to speculate on the prospect of China becoming an economic superpower. One finds constantly in news media discourses on an emerging “Greater China Economic Region.” If China is to emerge as an economic region, will it be a “closed”, inward-looking economic bloc or will it be an “open” natural economic region coalesced by an agglomeration of industries that are drawn to that region by market forces?

Transnational direct foreign investments (DFIs) create not only economic linkages that form an economic region but also molds the characters of that region. Depending on the motives behind the DFIs — be they market-seeking, raw materials-seeking, or production efficiency-seeking — DFIs play an important role in making that region a “closed” or an “open” region. Since the most active foreign investors in China are those originated from the United States, Japan, and from the Chinese overseas, this paper compares and contrasts their direct investment and examine the impact the direct investment made by each of these groups on the characters of an emerging “China Economic Region.”

II U. S. Investments in China

Based on the statistical evidence gathered by the U.S. — China business Council, the U.S. approach to investment in China may appropriately be examined on the basis of the form of investment, the size of the investment, the location of investment, and the economic sectors in which investments are committed.⁽¹⁾

1. Forms of Investment

Foreign investors may use various venture forms of entry into China. These forms are equity joint ventures (EJVs), contractual joint ventures (CJVs), and wholly foreign-owned joint ventures (WFOEs). Collectively they are referred to as foreign investment enterprises (FIEs) in the

Table 1

U.S. Investment in China by Forms of Entry over Time

	1979-81	1982	1983	1984	1985	1986	1987	1988	1989	Totals
EJVs										
Number of contracts	5	4	10	43	76	81	83	209	213	724
Amount committed (Milon US dollars)	43.4	8.5	35.6	45.1	130.0	263.0	270.1	202.4	190.0	1,188.2
CJVs										
Number	2	1	5	11	19	15	14	35	23	125
Amount committed	18.0	1.0	38.0	106.6	720.0	180.0	56.8	94.2	28.0	1,242.6
WFOEs										
Number	0	0	1	1	3	2	6	21	32	66
Amount committed	0.0	0.0	1.5	3.0	0.9	0.9	14.3	35.7	280.0	336.3
Offshore Oil										
Number	8	1	9	0	3	4	0	4	8	37
Amount committed	40.0	170.0	395.0	0.0	280.0	68.0	0.0	38.0	142.0	1,133.0
Other *										
Amount committed	15.0	7.0	7.5	10.5	21.1	14.1	19.3	13.9	5.4	113.9
Total US investment										
Number	15	6	25	55	101	102	103	269	276	952
Amount committed	1.4	186.5	477.6	165.2	1,152.0	526.0	360.5	384.3	645.4	4,013.9
Amount utilized **	9.0	4.2	4.5	262.6	369.9	326.2	271.3	244.4	288.2	1,780.2

* Other includes material processing arrangements, compensation trade agreements and leasing contracts. Chinese statistics generally include only the value not the number of such contracts.

** Breakdown by type of contract not available.

Source: The US China Business Council, *U.S. Investment in China* (Washington, D.C.: China Business Forum, 1990), p.10.

statistical classification of U.S. — China Business Council study.

In Table 1, it is found that in the earlier years of the decade of the 1980s, investments in the forms of CJVs and in offshore oil far outweigh those in EJV's and in WFOEs (in US \$ terms). In business practice, contractual joint ventures are more flexible and easier to negotiate and terminate than equity joint ventures. This flexibility allows foreign investors to respond quickly to short-term changes in investment climate. Obviously U.S. investors were concerned about the risk of their investment in China right after China was opened to foreign investment, especially in large projects in real estate and resource developments which require large amounts of capital. Hence, the Preference of CJVs over EJV's. It should be noted also that these investments serve the needs of foreigners and earn foreign exchange.

The period after 1985 saw a rapid increase of U.S. investments in the form of EJV's, indicating a shift from the big-ticket investment projects in real estate and resource development to smaller EJV's most of which involved manufacturing. This shift was due in part to the opening of China's domestic market to foreign investors and in part to an increased willingness of U.S. investors to commit capital to manufacturing projects which by their very nature require long-term commitment.

Overall, for the decade of the 1980s, there was a steady increase in U.S. investments in the forms of EJV's and WFOEs which permit foreign investors more direct control over their local operation. The rationale of this trend can be easily understood if one remembers that U.S. investors were more interested in China as a market rather than as a place of low cost supplies (for outsourcing). And if the U.S. companies were to do it indirectly through Hong Kong's and Taiwan's investment in China. ⁽²⁾

Table 2
Average Commitments to EJV's

	Million in US \$
Hong Kong/Macau	0.91
U.S.	1.65
Japan	1.18

Source: U.S.-China Business Council,
U.S. Investment in China, p.22.

Table 3
Average Commitments to All FIEs
Million of US \$

	U.S.	All Others
EJV's	1.64	0.98
CJV's	9.94	1.56
WFOEs	5.10	1.96
All FIEs	3.02	1.27

Source: U.S.-China Business Council,
U.S. Investment in China, p.22.

2. The Size of Investment

In terms of the capital committed to investment in China, on average the amount committed by U.S. investors exceed that of investors from Hong Kong/Macau, Japan, and Southeast Asia, as indicated in Tables 2 and 3. In reality, however, most U.S. investors on average committed less than \$3.02 million under all forms of investment (All FIEs) because there were five projects (out of a total of 517 projects) with an average commitment in excess of \$50 million and twenty projects with an average commitment of \$10 million or more. More than two hundred U.S. investment projects committed less than \$500,000 each. A large number of these small projects were investments made by Americans of Chinese ancestry who set up shops in China to sell science and technology services.⁽³⁾

3. Location

As for the locations for investment, U.S. investors, like any other foreign investors, show a preference for major metropolitan cities and coastal areas as indicated in Table 4. These areas are economically more well-developed and with easier access to a transportation system than the rest of the country. Therefore, they are choice locations for both market-oriented and supply-oriented (for outsourcing) foreign investments.

Table 4
Location of US and Foreign Equity Joint Ventures by Country/Region

Country/Region	Metropolitan		Coastal		Near Inland		Far Inland	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Hong Kong/Macau	193	12%	1,116	67%	244	15%	105	6%
United States	94	32%	137	47%	34	12%	25	9%
Japan	80	39%	105	51%	7	3%	12	6%
Europe	37	31%	68	57%	6	5%	8	7%
Southeast Asia	27	17%	110	67%	19	12%	7	4%
Aust/NZ/Canada *	11	26%	26	60%	4	9%	2	5%
Other	3	21%	8	57%	2	14%	1	7%
Total	445	18%	1,570	63%	316	13%	160	6%

* Australia, New Zealand and Canada

Source: *U.S. Investment in China*, p.24

Table 5
US and Foreign Equity Joint Ventures by Economic Sector

Sector	USA	Hong Kong		Japan	SE Asia	Europe	Australia Canada		Other	Total	Percent
		Macau					N Zealand				
Agriculture	17	34	13	9	6	8	1		1	88	3.53
Building Materials	14	74	9	16	11	1	0		0	125	5.02
Chemicals	32	126	11	18	7	1	2		2	197	7.91
Electronics	49	137	16	6	4	5	0		0	217	8.71
Energy	10	9	1	0	7	0	0		0	27	1.08
Food	16	78	21	21	12	3	1		1	152	6.10
Heavy Industry	30	117	22	12	11	4	1		1	197	7.91
Light Industry	34	467	41	33	24	9	3		3	611	24.53
Medical	14	28	16	6	12	1	1		1	78	3.13
Miscellaneous	5	37	2	2	1	1	1		1	49	1.97
Packaging	7	48	1	9	2	1	0		0	68	2.73
Printing	4	14	4	0	0	0	0		0	22	0.88
Property Development	3	50	13	3	1	0	1		1	71	2.85
Services	9	64	9	3	4	0	0		0	89	3.57
Textiles	29	289	19	23	8	7	3		3	378	15.17
Transportation	17	86	6	2	9	2	0		0	122	4.90
Total	290	1658	204	163	119	43	14		14	2491	100.00

Source: U.S.-China Business Council, *U.S. Investments in China*, p.27.

4 . U.S. Investment Projects by Economic Sectors

The statistics in Table 5 confirms U.S. investors interest in light manufacturing industries. Although not indicated in the table, there was a decline in U.S. investment in tourism, property development, and energy development from the 25 percent of the total FIEs in the first half of the 1980s to 6 percent of the total FIEs in the second half of that decade. The sectors that gained most U.S. investments from the first half to the second half of the decade were electronics, computers, building materials, and chemicals. (4)

5 . Some Observations on U.S. Investments in China

The statistics that have been examined cover the period before the June incident of 1989. After that incident, many planned U.S. investments were put on hold. Lately, U.S. investors are returning to China again. The roster of investors now reads like a who's who in major multinational corporations.

When the market expands in China, it will permit many foreign enterprises to achieve both the economies of scale and of scope. That will make China not only an attractive market but also a platform for outsourcing, and through vertical as well as horizontal specialization, U.S. investments in China will be intergrated into the global network of U.S. multinational corporation. As China's enterprises grow, there can also be a reverse flow of investment from China to the United States. This reverse flow can be expedited by the economic linkages already established by U.S. investment in China. Viewed in these respects, U.S. investments in China act as a catalyst in the globalization of Chinese enterprises. In semantics, the term "globalization" makes no reference to a "closed" economic bloc.

III Japanese Investments in China

Based on the statistical evidence this writer has been able to gather, most of the Japanese investments in China are in joint venture forms. The data, however, do not indicate clearly the division between the equity joint venture and the contractual joint venture. Therefore, for Japanese investments in China, this paper covers primarily joint ventures of both EJV and CTV forms. These joint ventures are then grouped in the following categories:

1. Statistical Evidences

a. Geographical distribution

As of 1990, there were 308 Japanese ventures, a majority of 293 were joint ventures, in China.

Beijing	59
Guangdong (Shenzhen SEZ 25, Shantow SEZ 6, Zhuhai SEZ 2)	52
Shanghai	47
Liaoning (Dalian 23, Shenyang 8)	33
Tianjin	27
Jiangsu	21
Fujian	17
Shandong	16
Zhejiang	9
Sichuan	5
Shaanxi	3
Heilongjiang	3
Xinjiang	3
Hainan	2
Guangxi	2
Hebei	1
Nanjing	1
Nei Monggol	1
Location not indicated	6
TOTAL	308

b. Joint ventures by types of industry	
Hotels, restaurants, real estates	38
Apparel and related products	35
Electronics, optic fibers, communication equipment	27
Leasing and finance	26
Agriculture, fishery, and food processing	22
Machinery, equipment, and instruments	21
Chemicals, plastics, and other related products	14
Computers and software	14
Construction and related materials	10
Steel, metals and their fabricated products	10
Servies (engineering, maintenance,etc.)	10
Automotive and related products, bicycles	8
Cosmetics and toiletry	8
Pharmaceuticals and medical equipment and supplies	6
Camera, photograph, and related products	4
Furniture	4
Printing business	3
Oil drilling and related services	2
Toys	2
Cement	1
Ceramic	1
Rubber	1
Others	41
TOTAL	308
c. Capitalization	
US 5 Million or more	48
(of which 15 were in hotels and real estate)	
Less than US 5 million	260
d. Ownership percentage	
100% Japanese ownership	15
51% or more owned by the Japanese	45
Vntures in which two or more Japanese partners are involved	100
Ventures in which a Japanese tradingcompany is a partner	80

e. (a.) Motives in the entry (based on those ventures that actually responded to the survey).	
To produce products for distribution	
locally and to third countries	61
Low labor costs	52
Chinese government incentives	23
To secure raw materials	14
To earn royalties	11
To tap the abundant resources	
available locally	9
Collection of business intelligence	9
To circumvent Chinese government	
import restrictions	2
 (b.) Outlets for local production	
Sale to local markets in China	35
Reexport back to Japan	31
Export to third countries	11
 (c.) Physical sources of raw materials	
Local sourcing	33
Imports from Japan	24
Imports from third countries	5

2. Interpretations of the Statistical Evidences

The geographical concentration of Japanese joint ventures in Beijing, Shanghai, and in the coastal provinces come as no surprise, given the fact that the coastal areas are relatively more well-developed compared with the hinterland and more easily accessible from foreign countries. In this respect, the Japanese locational preference is not different from that of U.S. investors. In recent years, there has been a step-up in Japanese venture activities in China, particularly in Shanghai and to the north in Dalian (in Liaoning Province in Northeast China).

While an increase in Japanese interest in Shanghai is a natural response to China's mega-scale development plan for that city's Pudong zone, Japanese interest in Dalian (and its surrounding areas) is historical. Also there is a continuing process of restructuring of the Japanese economy attempting to redirect economic activities away from the heavily-concentrated Tokyo region to other parts of Japan, in particular, to the western region and to the Sea of Japan side of Japan. Northeastern China is a natural geographical link from these regions of Japan; and Japan's joint ventures in Dalian, as of 1990, accounted for 30% of all foreign joint ventures in that city.⁽⁵⁾

In teams of capitalization and the types of industries Japanese joint ventures are involved in, two features stand out: small capitalization and industries that either permit fast capital recovery (i.e., short capital payout period) or industries that require little technology transfer. The latter has been a source of complaint frequently aired by the Chinese. In view of the foreign exchange shortage and the need to modernize the existing, obsolete industrial plants, the Chinese have always preferred joint ventures as a medium of technology transfer, rather than buying a whole new plant which is a costly import transaction using valuable foreign exchange.

On the Japanese side, on the other hand, at least until recently the Japanese have considered the investment climate in China rather risky; consequently they have been reluctant to commit capital to long-term, large-scale projects.⁽⁶⁾ And if the Japanese firms were to participate in a large project, such as in energy development and in the construction of a steel complex, they would prefer the avenue of export, supported by government blessing and backed up by loans from a consortium of private and semi-public banks. In 1978, for example, the Japanese, through the collective government-private sectors efforts came up with a loan package of more than \$2 billion to finance the export of a technology to the Paoshan Steel

Complex (near Shanghai).⁽⁷⁾ Since 1990, however, there has been a shift in Japanese joint ventures from service trade and light industry assembly operation to more manufacturing and high technology-oriented industries, including a large \$300 million NEC's semiconductor project.⁽⁸⁾

As to the ownership pattern, the Japanese firms had full ownership (100% equity) in only 15 ventures and 51% or more ownership in 45 ventures—altogether 60 out of a total of 308 ventures. Clearly, this paucity in fuller equity commitment follows the Japanese view that investment in China is risky. This view may have been partly responsible for Japanese reluctance to transfer technology to China, because in the Japanese way of technology transfer, the Japanese partner usually takes a majority equity interest in the joint venture to ensure the control of the technology that is being transferred.

Other ownership patterns include a large number of joint ventures (100) that have two or more Japanese partners and the involvement of the trading companies (Sogoshosha) in the joint ventures (80). The latter (trading companies) are involved in a wide range of business. These ownership patterns reflect a corporate behavior of the “keitetsu” type of business organization. In that kind of organization, a joint venture outside of a “keiretsu” group often involves two or more firms from the group to share the risk and that the trading company acts as finder of business opportunities overseas for the group members. Eighteen banks were also involved in joint ventures as partners, but their activities were concentrated in leasing business with only two exceptions— which were in construction and in a trade center.

Although not indicated in the statistics, some joint ventures partners are Japanese subsidiaries based in Hong Kong and Singapore, but especially the former. This is an indication of the importance of Hong Kong as a base for Japanese entry into China market.

The findings on reasons for entry into China, based on the statistical evidence, are rather imperfect in that the number of joint ventures that responded to the survey was small. However, some preliminary patterns have emerged, showing the dominance of local market distribution, reexport back to Japan, and low labor costs as reasons for entry into China. As indicated in the survey responses under III-A-5-a, *Motives in the entry*, the two most frequently mentioned reasons for investment in China were, (1) to manufacture in China for distribution locally and to the third countries and (2), to take advantage of the low labor cost. Yet, under, III-A-5-b, *Outlets for local production*, the most-frequently-mentioned responses were, (1) sales to local markets and (2), reexport back to Japan. Thus, it appears that the Japanese firms were primarily interested in manufacturing in China for local distribution and for reexport back to Japan. In this respect, there seems to be a lack of global strategy in the Japanese joint ventures in China — the kind of global sourcing strategy employed by the MNCs in the United States and by the MNCs in Japan as well, which use offshore production for globe-wide distribution. However, this lack of global strategy should be no surprise in that the Japanese partners in the Chinese joint ventures are mostly-to-medium-sized firms.

3 . Some Observations on Japanese Investment in China

Several conclusions may be drawn from an analysis of Japanese joint ventures in China. First of all, the Japanese joint ventures in China have not created much integrated impact that will link industries in China to those in Japan. This weak integrative impact stands in good contrast with the Japanese joint ventures in Southeast Asian countries in which the strategy is to link industries in the host countries through horizontal specialization and to tie these industries ultimately to the home-based terminal manufacturer which retains control over finance, global distribution, and

the supply of technology.

Secondly, actually the arm's length transactions, such as the export of large projects from Japan to China (e.g., in energy development), by linking industries in both countries long-term, probably produce greater integration impact than Japanese joint ventures in China. However, the situation on the joint ventures front is changing rapidly. The most recent development indicate that the Japanese MNCs (and the U.S. MNCs) are beginning to make a foray into Chinese joint ventures.⁽⁹⁾ This trend is bound to pick up momentum if the Chinese economy remains stable and its open door policy to foreign investment remains firm. However, the integrative impacts generated by this trend, though potentially great, remains to be assessed.

Lastly, even though this is only a conjecture, the current decentralization of the Japanese economic structure away from the highly concentrated Tokyo region inevitably will give the Western regions of Japan, which historically have had closer ties to China than the Eastern regions, more freedom in forming closer linkage with China. This movement is going to accelerate because the lure of booming markets in China is irresistible. If the above conjecture is correct, the Japanese joint ventures in China will create a much greater integrative impact than they have produced hitherto, although the direction of the linkage could be Western Japan moving closer to China than the other way.

VI Overseas Chinese Investments in China

1. Characteristics of Investments

As Table 6 indicates, one notable characteristic of the foreign direct investments in china is the lion's share accounted for by investments from Hong Kong/Macao. Those investments include those that originate from

Table 6
Direct Foreign Investment in China
(In Millions of U.S.Dollars)

	1987		1988		1989	
	Value	As a % of the total	Value	As a % of the total	Value	As a % of the total
From:						
Hong Kong&Macau	\$1,598	69.1%	\$2,095	65.6%	\$2,078	61.2%
Japan	\$ 219	9.5%	\$ 515	16.1%	\$ 356	10.5%
U.S.	\$ 263	11.4%	\$ 236	7.4%	\$ 284	8.4%
Singapore	\$ 22	0.9%	\$ 28	0.9%	\$ 84	2.5%
W.Europe	\$ 24	1%	\$ 80	2.5%	\$ 140	4.1%
Australia	\$ 5	0.2%	\$ 4	0.1%	\$ 44	1.3%

Source: Japan External Trade Organization, 1991 *Jetro White Paper, Volume on Direct Overseas Investments (in Japanese)* (Tokyo: Japan External Trade Organization, 1991), p. 197.

Taiwan and Southeast Asia which for political and other reasons were channelled to China Mainland through Hong Kong. Another characteristic, but not show on the statistical tables due to lack of reliable published data, are that investments from Hong Kong and Taiwan, which in the past were concentrated in Guangdong and Fujian, have begun to move northward to Shanghai and Beijing-Tianjing and even to China hinterland.

The diffusion of overseas Chinese investments into other parts of China from South China is a natural market phenomenon because foreign direct investments (FDIs) are made on the basis of cost considerations, complementarity of resources, market potential, and strategic objectives. For example, Hong Kong's foray into South China began with investments in the Special Economic Zones (SEZs) in Shenzhen and Zhuhai, then push farther inland into Guangdong province proper as the SEZs became saturated with FDIs and their cost advantages diminished. Likewise, Taiwan's investments followed a similar path, from the SEZ in Xiamen, and then into Fujian proper. As other parts of Chain, with better cost advantages than South China, opened up for foreign investments, the second waves of overseas Chinese investments moved northward, especially to Shanghai and

Bijing-Tianjing regions, not only for cost consideration but also to position themselves for the growing markets and to tap the highly developed (but not well-commercialized) scientific and technological resources there.

With respect to the latter, that is, the tapping of scientific and technological resources of China, increasingly emphasis is placed on the combination of scientific and technological bases of China on the hand and the manufacturing and marketing know-how of overseas Chinese on the other. ⁽¹⁰⁾ Take Taiwanese capital owners, for example. It used to be that Taiwan would export capital and technology (of low-tech-type) to China, taking advantage of China's low labor and land costs. Meanwhile, industries in Taiwan would move up the ladder of technology to a higher level or move upscale in the product mix. However, the new emphasis on the partnership of basic technology (of China) and applied technology (of Taiwan) is bound to increase economic linkage on both sides of the Taiwan straits.

Foreign Direct Investments promote economic growth in the host country. They also promote industrial conglomeration in a geographical region where FDIs are concentrated, thus facilitating the formation of an economic region. In China's case, each economic region, be it South China region, Yangtze River region (with Shanghai as the center) or the Yellow Sea region (Beijing-Tianjin Corridor, Shangdong, Dalian), is so large in population and in land space and so rich in natural resources that each has a potential of becoming a self-sufficient economic bloc. The prospect of several Japan-sized economic regions emerging in China has led to claim in some news media that a centrifugal force has been set in motion that will eventually lead to a disintegration of China into several parts. However, the soundness of this view must be questioned in light of the integrative effect of overseas Chinese investments inside China.

The diffusion of overseas Chinese investments into other parts of China from South China does not mean that overseas Chinese capital will abandon

an old location in favor of a new location. Rather, the diffusion is an attempt by capital owners to rationalize their investments when their markets expand, and when they can draw resources from diverse source of supply. But the economies of scale and of scope will still dictate the location of manufacturing activities, leading to specialization in production and in processes. Diverse resources (both natural and human) available in different regions of China also calls for specialization at different stages of production. What will emerge from the diffusion of investments is a vertically and horizontally integrated network of business linkages that actually increases than decreases the interdependence among different economic regions of China. Moreover, these linkages are likely to be of long-term rather than of short-term nature because ethnic Chinese investors from overseas are more likely to become localized than non-ethnic Chinese investors.

2. Some Observations on Overseas Chinese Investments in China.

It was noted earlier that overseas Chinese investments in China strengthen rather than weaken the economic linkages among different economic regions in China. Many of these investments originate from Taiwan and Hong Kong which historically have been export-oriented economies. In the case of Hong Kong, the island also serves as a financial intermediary and in that capacity tranship for investment in China overseas Chinese capital that originated from various parts of the world, in particular from East Asia where the bulk of this capital was earned from real estate operations and export-oriented manufacturing activities. Given these characteristics of the FDIs, overseas Chinese investments in China, as they accumulate, are bound to push China's economy toward export orientation. In the long-run, however, no country can keep its economy export-oriented without eventually opening up its economy to imports as

well. The prospect of this opening is good now that China has applied for membership in the GATT which, as a condition of membership requires trade liberalization by members. A membership in the GATT can only increase and strengthen China's economic linkages with the outside world.

V Conclusion

While examining the patterns of foreign investments in China, this paper has stressed the importance of foreign investments as sources of catalysts that trigger the process of economic integration. Historically, a large portion of East Asia used to be known as Cathay which at one time was a self-sufficient and self-contained economy. During the Western Colonial period, that region became fragmented both economically and politically. Now the forces of economic integration are set in motion again, thanks in part to the integrative role of foreign investments in China create multinational linkages that can only hasten the globalization of China's economy. Investments in China, augmented with foreign investments, will spread from the south to the north, and from the coast to inland. And if investments respond to market forces, pockets of industrial concentration are bound to appear. These pockets, as they expand, could mushroom into mini economic regions within China. But if China's economy is becoming globalized, the pressure from global competition will force enterprises operating in these mini-regions to seek inter-regional linkages, vertically, horizontally or through strategic alliance. Thus, the most likely scenario is for China to emerge as a globally-linked open region that contains internally mini-regions that are decentralized but not disintegrated. For "decentralization" is not the same as "disintegration."

Notes

- (1) U.S. China Business Council, *U.S. Investment in China* (Washington D.C.: China Business Forum, 1990), pp. 3-44.
- (2) *Ibid*, p. 20.
- (3) *Ibid*, p. 32.
- (4) *Ibid*, p. 38.
- (5) Japan External Trade Organization, *Jetro 1991 White Paper on Overseas Investments* (Tokyo: Japan External Trade Organization, 1991), p.201.
- (6) As a result, Japanese joint ventures in China on average is smaller in capitalization than U.S. joint ventures in China. (See *Jetro 1987 White Paper on Overseas Investments*, p. 162; *Jetro 1988 White Paper on Overseas Investments*, p. 165.)
- (7) *Chugoku Soran 1980 (China Yearbook 1980)*, pp. 349-351.
- (8) *Jetro 1991 White Paper on Overseas Investments*, p. 201.
- (9) See *World Tribune* (a Chinese language newspaper), November 29, 1991, p. 10.
- (10) For detail, see *China Times Weekly*, 4-10 October 1992, pp. 34-35; 6-12December 1992, pp. 48-49.

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