Appendix

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## Appendix I: List of experts interviewed in China

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Affiliation</th>
<th>Location</th>
<th>Institution</th>
<th>Contact Person</th>
<th>Department</th>
<th>Position</th>
<th>Date of Interview</th>
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<tr>
<td>1</td>
<td>DaimlerChrysler (China) Ltd.</td>
<td>Beijing</td>
<td>OEM</td>
<td>Dr. Jie Li</td>
<td>Corporate Affairs</td>
<td>Vice President</td>
<td>08.08.2006</td>
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<tr>
<td>2</td>
<td>DaimlerChrysler (China) Ltd.</td>
<td>Beijing</td>
<td>OEM</td>
<td>Matthias Wolfenberg</td>
<td>Joint Venture Project FOTON China (After-sales)</td>
<td>Head</td>
<td>12.06.2006</td>
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<tr>
<td>3</td>
<td>DaimlerChrysler (China) Ltd.</td>
<td>Beijing</td>
<td>OEM</td>
<td>Thomas Notchdurt</td>
<td>Sales CV</td>
<td>Senior Manager</td>
<td>16.06.2006</td>
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<td>4</td>
<td>DaimlerChrysler (China) Ltd.</td>
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<td>OEM</td>
<td>Dr. Ulf Autrupnig</td>
<td>Corporate Strategy Northeast Asia</td>
<td>Senior Manager</td>
<td>09.06.2006</td>
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<td>OEM</td>
<td>Yangping Ye</td>
<td>Market Intelligence Dept.</td>
<td>Head</td>
<td>09.06.2006</td>
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<td>6</td>
<td>Mercedes-Benz (China) Ltd.</td>
<td>Beijing</td>
<td>OEM</td>
<td>Peter Honegg</td>
<td></td>
<td>President &amp; CEO</td>
<td>14.06.2006</td>
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<td>7</td>
<td>Volkswagen (China) Investment Company Ltd.</td>
<td>Beijing</td>
<td>OEM</td>
<td>Gerald Schwarz</td>
<td>Business Planning</td>
<td>Director</td>
<td>14.06.2006</td>
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<td>8</td>
<td>Volkswagen (China) Investment Company Ltd.</td>
<td>Beijing</td>
<td>OEM</td>
<td>Prof. Jiyu Zhao</td>
<td>Corporate Relations</td>
<td>Director</td>
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<td>9</td>
<td>Bosch (China) Investment Ltd.</td>
<td>Shanghai</td>
<td>Supplier</td>
<td>Dr. Peter Klingenstein</td>
<td>Original Equipment Sales</td>
<td>Executive Vice President</td>
<td>13.07.2006</td>
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<td>10</td>
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<td>Supplier</td>
<td>Dr. Ingo Thomas</td>
<td>Business Development</td>
<td>Director</td>
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<td>11</td>
<td>ZF (China) Investment Co., Ltd.</td>
<td>Shanghai</td>
<td>Supplier</td>
<td>Dr. Guohong Ye</td>
<td></td>
<td>President &amp; CEO</td>
<td>19.06.2006</td>
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<td>12</td>
<td>ZF (China) Investment Co., Ltd.</td>
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<td>Supplier</td>
<td>Dr. Rolf Gatt</td>
<td>Engineering Center</td>
<td>Head</td>
<td>19.06.2006</td>
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<td>13</td>
<td>ACEA</td>
<td>Beijing</td>
<td>Association</td>
<td>Dr. Dominik Drachen</td>
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<td>Chief Representative</td>
<td>16.06.2006</td>
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<td>14</td>
<td>State Information Center</td>
<td>Beijing</td>
<td>Government</td>
<td>Changning Xu</td>
<td>Business Consulting Center</td>
<td>Director</td>
<td>13.06.2006</td>
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<td>Luming Huang</td>
<td>Business Consulting Center</td>
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<td>CAAM</td>
<td>Beijing</td>
<td>Government</td>
<td>Jie Yao</td>
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<td>Public Corporation</td>
<td>Florian Kassler</td>
<td>Legal and Business Consultation Services</td>
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<td>Public Corporation</td>
<td>Chang Liu</td>
<td>Legal and Business Consultation Services</td>
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<td>19</td>
<td>Delegation of German Industry &amp; Commerce Shanghai</td>
<td>Shanghai</td>
<td>Public Corporation</td>
<td>Bemd Heilmann</td>
<td>Head of Division Investment Services, Trade Promotions, Company Pools, Procurement Services, Legal Services, IT Services</td>
<td>Deputy Managing Director</td>
<td>19.06.2006</td>
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Source: Own illustration.
Appendix II: Experts’ affiliation

DaimlerChrysler AG:

DaimlerChrysler was formed in 1998 by the merger of the Daimler-Benz AG and the Chrysler Corporation. DaimlerChrysler is the fifth-largest auto producer in the world, with sales of 4.7 million units (behind GM, Toyota, Ford and VW) and 360,385 employees worldwide as of end-2006. DaimlerChrysler is divided into five divisions: the Mercedes Car Group, Chrysler Group, Truck Group, Financial Services as well as Van, Bus and Other Activities. The company produces cars and trucks under the brands Mercedes-Benz, Smart, Maybach, Chrysler, Dodge and Jeep, among others.

All of DaimlerChrysler's business units are represented in China. DaimlerChrysler has sought to achieve growth in Asia by establishing JVs with local Chinese players:

- DaimlerChrysler has had a long-standing JV with BAIC for production of sports-utility vehicles since 1983. Together with BAIC, a new JV called Beijing Benz-DaimlerChrysler Auto Ltd. (BBDCA) produces Mercedes-Benz E-class sedans (and plans to produce the 2007 generation of C-class sedans) in a new facility at the Beijing Development Area. The two parties are investing Euro 1 billion in the assembly plant. The first locally produced Mercedes-Benz rolled off the assembly line in the second half of 2006. Output will be gradually increased to around 25,000 units annually.

- In partnership with Fujian Motor Industry Group and Taiwan-based China Motor Corporation, DaimlerChrysler set up a new JV named Fujian Daimler Automotive Co Ltd. in 2007. Fujian Motor holds a 50 percent stake in the JV, with DaimlerChrysler and China Motor holding the remainder. In December 2006, the JV received government approval to produce up to 40,000 Mercedes-Benz Sprinter, Vito and Viano multipurpose vehicles annually in a new facility in Fuzhou.

- DaimlerChrysler now produces medium and heavy trucks with BAIC’s Beiqi Foton following the project approval in January 2007. DaimlerChrysler is the second largest shareholder of Beiqi Foton with a 24 percent stake.

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1209 BAIC also has a JV with Hyundai.

1210 The Beijing Jeep JV was signed in January 1983 between state-owned BAIC and American Motors Corporation being the first auto JV to be established in order to produce light duty trucks. The American Motors Corporation was acquired by Chrysler in 1987 and merged with Daimler-Benz later in 1998.

1211 Plans also exist to relocate the current Jeep and Mitsubishi production to this new facility.

1212 The 50 percent share of DaimlerChrysler and China Motor Corp. Taiwan is composed of the following: DaimlerChrysler: 67.5 percent, China Motor Corp. Taiwan: 32.5 percent.

1213 Refer to CAND (2007b), p. 5.
Appendix

- DaimlerChrysler Financial Services set up vehicle financing in China in September 2005.
- At the beginning of 2007, DaimlerChrysler signed a letter of intent with Chery Automobile to distribute Chery-made vehicles in the North American Free Trade Area (NAFTA) region, European region and possibly other global markets. This agreement provides the framework for how the two companies cooperate strategically and introduces a new business model that allows them to introduce all-new products more quickly, with less capital spending.\textsuperscript{1214}

\textbf{VW AG:}

The German carmaker launched production of its first small car in 1945, and has established its reputation as a leading volume carmaker since then. The VW Group's activities center on two main businesses: auto and financial services. The auto division consists of the VW Group, the Audi Group, the commercial vehicles division and other companies. The VW Group consists of four major volume brands, namely Volkswagen, Audi, SEAT and Skoda, and a number of niche luxury brands, namely Bugatti, Bentley and Lamborghini. In addition, the German company produces a range of light commercial vehicles under the VW brand. In 2006, the VW Group sold a total of 5.7 million vehicles worldwide, making it the world's fifth largest carmaker.\textsuperscript{1215}

The brand's second largest market is China where the VW Group has formed two JVs with two of the country's largest vehicle manufacturers:

- SVW is a JV with SAIC. Both partners (VW and SAIC) have 50 percent of the equity stakes.\textsuperscript{1216} SVW operates two vehicle plants along with an engine plant. The company produces the market's leading Santana line of family cars, which includes 11 models as well as the VW GOL, Golf, Passat and Polo.\textsuperscript{1217} Output reached 345,000 units in 2006.\textsuperscript{1218} With many capital increases over time, the registered capital of SVW has reached RMB 10 billion.\textsuperscript{1219} In 2005, the JV contract for SVW was extended for another 20 years.\textsuperscript{1220}

- The VW Group has a 40 percent stake in a JV with FAW. Located in Jilin Province, FAW-VW produces the Audi A4 and A6 models, along with the Golf Bora, Golf and Jetta models. Total production amounted to 361,000 units in

\begin{footnotes}
\item[1214] Refer to DaimlerChrysler AG (2005), "Facts – DaimlerChrysler in China", p. 3.
\item[1216] Refer to Shanghai Volkswagen (2005), Internet Edition, reviewed 29.06.2007.
\item[1217] VW introduced its Passat model into SVW in 1998, the Polo in 2001, the Gol in 2002, and the Bora and Golf into FAW-VW in 2001 and 2003, respectively.
\item[1219] Refer to Shanghai Volkswagen (2005), Internet Edition, reviewed 29.06.2007.
\item[1220] Ibidem.
\end{footnotes}
The VW Group has also established three JVs focusing on the production of engines and drive train components in China. The VW-FAW Platform Corporation in Changchun has produced running gear components including axles since 2006. At the VW-FAW engine JV, the German company is preparing for the production of an advanced low emission and low fuel consumption engine.

VW plans to double the existing annual production capacity in the next five years to 1.6 million vehicles. To reach this goal, VW intends to invest a further Euro 6.0 billion of its domestic operating profit in the country.\footnote{Refer to Global Insight (2007), “Volkswagen Group Company Profile”, Internet Edition, reviewed 29.06.2007.}

\textit{Robert Bosch GmbH:}

The Bosch Group is the world’s largest auto parts and components manufacturer and one of the largest private companies in the world. Bosch primarily manufactures and sells auto technology, industrial technology products, consumer goods and building technology. Bosch designs and produces precision auto components and systems sold to vehicle and powertrain manufacturers. Auto operations generated around 62 percent of Bosch’s 2005 sales. The Group also has activities in a number of other areas, including power tools, household appliances, thermo-technology, automation technology, packaging machinery and communications technology. In 2006, Bosch employed around 258,000 people worldwide –149,000 of them in the auto sector.\footnote{Refer to Robert Bosch GmbH (2007), “Annual Report 2006”, Internet Edition, reviewed 29.06.2007.} The group had total auto sales in 2006 of EUR 27.2 billion.\footnote{Refer to Robert Bosch GmbH (2007), “Bosch in China”, Internet Edition, reviewed 29.06.2007.}

From 1909 to 2005, Bosch made a total investment of EUR 620 million and established 26 enterprises in China. Bosch’s main operations in China are conducted by its auto components business.\footnote{Ibidem.} The auto components segment represents over half of Bosch’s business in China. As of 2006, Bosch planned to invest a total of EUR 620 million in China until 2008 by expanding the company’s ongoing activities. In 2006, sales in China exceeded EUR 1.3 billion, with 13,800 people employed in China.\footnote{Refer to Weider (2004), p. 29.}

In China, Bosch’s auto production plants are located in Changsha, Shanghai, Suzhou and Wuxi. Between 2000 and 2005, the number of Bosch manufacturing facilities in China doubled, from 10 to 20.\footnote{Refer to Robert Bosch GmbH (2007), “Business/Economy”, Internet Edition, reviewed 29.06.2007.} Bosch’s first engineering center in China was built in Shanghai in 1997 and makes parts for gasoline engines. In 2004, Bosch opened
an engineering center for diesel systems in Wuxi, east of Shanghai and in May 2005, it opened another in Suzhou. The center in Suzhou validates materials and components sourced in China for use in Bosch operations worldwide and will be able to release products for global use from China, speeding up the sourcing process. In December 2004, Bosch set up an auto parts company in central Hunan Province, taking over some of the assets owned by a local auto parts producer, CNAIC Changdian Co., one of its long-term licensees based in Changsha, Hunan's capital. The key auto companies make safety products, diesel fuel-injection systems, spark plugs and electronic systems.

ZF Friedrichshafen AG:

ZF Friedrichshafen, based in Germany, is a leading independent manufacturer of chassis components, transmissions, steering systems, axles and other auto components, as well as complete modules. In 2005, the auto business accounted for around 87 percent of sales. ZF Friedrichshafen employed 55,050 people at 125 locations in 25 countries at the end of 2006. It is Germany's third-largest auto supplier and one of the top fifteen largest suppliers worldwide. In 2006, ZF Friedrichshafen's turnover amounted to Euro 11.659 million. ZF Friedrichshafen is a supplier to all major vehicle manufacturers, including Ford, GM, BMW, DaimlerChrysler and VW. Among ZF Friedrichshafen's customers are also the largest Chinese OEMs, such as Dongfeng, FAWER Automobile Parts and SAIC.

ZF Friedrichshafen opened four companies in China in 2005, and a new Technical Center in Shanghai in 2006. The Asia-Pacific region accounted for around EUR 1.115 million of sales in 2006, which represents 10 percent of total group sales. In 2005, ZF Friedrichshafen employed about 1,900 people in the region. The company gained most new business from carmakers moving into new markets. China is the biggest market for ZF Friedrichshafen in the region, accounting for about two-thirds of the company's Asia-Pacific sales. ZF Friedrichshafen is well-established there with a big manufacturing presence, as it entered the Chinese market more than a decade ago. Altogether, since the end of 2006, ZF Friedrichshafen has been operating 20 plants in China.

Delegations of German Industry and Commerce in Beijing and Shanghai:

The Delegations of German Industry & Commerce, and German Industry & Commerce Co. Ltd. belong to the worldwide network of 110 overseas German Chambers of Commerce, Delegations, Representative Offices and Service

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1229 FAWER is a wholly-owned subsidiary of FAW.
1232 Ibidem.
Companies in more than 70 countries under the umbrella of the Association of German Chambers of Industry and Commerce in Berlin. The offices and subsidiaries of the chamber of foreign trade and commerce, and GIC in Beijing and Shanghai support German companies in establishing and extending their activities in China on a bilateral basis. In addition, GIC helps Chinese companies to develop their business in Germany.\textsuperscript{1233}

\textit{Association des Constructeurs Européens d'Automobiles:}

ACEA represents the thirteen major European car, truck and bus manufacturers, and is a key interlocutor with the EU institutions in Brussels and Strasbourg.\textsuperscript{1234} In Beijing, it bundles the interests of its European members, conducts research, and compiles information on the development of the Chinese auto industry for the European Commission and the Chinese central government. It lobbies for its members in Chinese institutions, and provides its members with information on regulations etc. of the Chinese auto market.

\textit{China Association of Automobile Manufacturers:}

The CAAM promotes nationally and internationally the interests of the entire Chinese auto industry in all fields of the motor transport sector, e.g. in economic, transport and environmental policy, technical legislation, standardization and quality assurance, and participates in the central government's industrial planning. It is responsible for investigation and research work for industrial economic development, and makes proposals about economic policy and legislation to government departments. Located in Beijing, it conducts industrial statistics surveys, sets up data collection systems, and engages in data analyses, study and information release.\textsuperscript{1235}

\textit{State Information Center:}

The State Information Center, under the State Development and Reform Committee, provides comprehensive and basic economic information and consultant services. It is a Chinese government think tank located in Beijing. It has a thousand regional offices and information centers in the country. It carries out strategic economic development research, monitors the country’s economic development, and provides consultant services for government departments.\textsuperscript{1236}

\textsuperscript{1234} Refer to ACEA (n.d.), Internet Edition, reviewed 20.07.2006.
\textsuperscript{1235} Refer to CAAM (n.d.), Internet Edition, reviewed 20.11.2006.
\textsuperscript{1236} Refer to State Information Center (2006), Internet Edition, reviewed 20.11.2006.
Appendix III: Topic overview for interviewees

May 22, 2006

Dear Ladies and Gentlemen,
The focus of my Ph.D. thesis at the University of Hohenheim, Germany, is on the Chinese automobile industry. I am analyzing how the central government and the governments of the municipalities in Beijing and Shanghai have promoted the development of this sector. In this respect, your assessment of the following categories is of great importance for my analysis.

1. **Company Information**
   - Automotive business activities
   - German-Chinese partnership and government participation

2. **Location**
   - Advantages of location
   - Government’s investment incentives

3. **State - Industrial Policy**
   - Investment and economic climate, Foreign participation (FDI)
   - Organization and coordination of central – local government policy/automotive industrial policy
   - Trade system (import substitution, export-oriented industrialization, WTO)

4. **Financial System**
   - Banking and financial services

5. **Bureaucracy**
   - Structure and organization of the bureaucracy (central - local agencies involved in automotive business development)
   - Coordination of auto industry promotion

6. **State-Business Relationship**
   - Information sharing and institutionalized state-business cooperation (business associations etc.)

I am looking forward to seeing you in China. Thank you in advance for your participation!

With kind regards,
Nicola Meier
Appendix IV: Questionnaire for company representatives

Name of the German company: __________________________
Interviewees: __________________________
Date: __________________________

ABOUT YOUR COMPANY

Automotive business activities:
1. What percentage of your sales comes from the automotive business line?
2. What are your automotive business activities in China (import, export, license contracts, representative office, production)?

Information on the JV:
3. How many JVs do you have in China?
4. Where are they located and when did you set them up?
5. What percentage of the JV is owned by the Chinese partner?
6. Who are the main shareholders of your Chinese partner?
7. How did you find the Chinese partner?

Information on the location:
8. What were the major factors that influenced the decision regarding your current production location?
   a) DaimlerChrysler: Why did you choose to produce the C- and E-Class in Beijing?
   b) VW: Why is your holding in Beijing while your production sites are located in other provinces /municipalities (Shanghai with SAIC and Changchung with FAW)?
   c) Bosch: Why is your holding located in Shanghai and not in Beijing, as many others are? Why do you produce locally in subsidiaries as well as in JVs with Chinese partners?
   d) ZF: Is there a reason why you are located in Shanghai, and not in Beijing?
9. How many people does your company employ in China?
10. What is the investment volume of your current projects in China?
11. What are the challenges to your investment in China, and especially in Beijing/Shanghai?
Appendix

**Government subsidies:**

12. Did your company receive any investment incentives or subsidies (tax breaks, cheap credit...) from the local or national government at the time the JV was built?

13. Does your company currently receive any subsidies (e.g. tax breaks) from the local or national government?

14. Are subsidies generally restricted to any requirements (such as exports, local content etc.)?

15. Do government subsidies and tax breaks favor specific companies, activities, regions or industries?

16. Does the government distort competition by granting subsidies to specific companies?

**Bureaucracy’s engagement to set up JV:**

17. Was the central/local bureaucracy involved in your JV negotiations?

18. How long did the negotiations with the local bureaucracy and the national partner take until the JV was finally set up (from the initial contact to the final approval)?

19. Did you have to fulfill any requirements of the Chinese state to be able to set up the JV in China?

**INDUSTRIAL POLICY**

**Investment climate:**

20. How content are you with the following aspects of the investment climate in your municipality and in China?
   a. Quality of the economic policy
   b. Economic and business climate
   c. Import/export restrictions
   d. Quality of the financial policy
   e. Possibility of raising local capital
   f. Timeframe and consistency of economic reform (and implementation)

21. Has the investment climate in China and in your locality changed over the last years?
Economic climate:
22. How content are you with the cooperation with public institutions at your locality?
23. How content are you with the cooperation with financial institutions at your locality?

Auto industry policies / Reforms:
24. The automotive industry has been declared a “pillar” industry by the Chinese central government. Is the automotive industry given due consideration/priority compared with other sectors, when the government decides policy on investment and development?
25. Is the government’s policy direction consistent? Has the central/local government’s auto industrial policy changed over the years?
26. Are firms usually informed clearly by the government on changes in policies and regulations affecting your industry?
27. Is the compliance with administrative requirements (permits, regulations, reporting) issued by the government burdensome?
28. Do you think there are any important reform measures with regard to the automotive industry that have not been implemented so far?

Effectiveness of policy-making in the auto industry policy:
29. Does industrial policy for the automotive sector effectively promote competition?
30. What has caused your company the greatest competitive threat (SOEs; domestic large enterprises; foreign firms producing in the domestic market, imports etc.)?
31. How many competitors for your major product do you have in the domestic market?
32. Is the central government’s capacity to promote and direct the development of the auto industry impaired by conflicts between the central government and local governments or conflicts between local governments of different jurisdictions?

Trade policy – Import substitution and export promotion:
33. To what extent do tariff and non-tariff barriers influence the conduct of your business and your competitiveness in the Chinese market?
34. What percentage of your firm’s sales are
   a. sold domestically
   b. exported
Appendix

35. To which countries/regions do you export from China?

36. Do central/local bureaucrats promote your business sector in exporting (e.g. with tax reductions, “cheap” credits, majority stakes in JVs etc.) today, and did they before WTO?

**FINANCIAL SYSTEM**

*State influence on the banking system / Credit allocation:*

37. How would you assess the state's intervention (central and local) in the banking system (state and private banks)?

38. Does allocation of credit have a positive impact on economic development (future technologies)?

39. Do you receive credit from local Chinese banks?

40. Do the banks have certain state-initiated programs (such as special interest rates for credits) to support the development of the automotive industry?

41. Has the credit policy of local banks for automotive projects changed over the years?

42. Does the Chinese central government influence sales growth through its regulations for companies' leasing activities?

43. Did the credit tightening measures imposed by the central government in 2003/4 cause decelerating sales growth for the automotive industry, and particularly for your company?

44. Which financing issues do you face that impact the conduct and growth of your business (e.g. lack of available money for banks to lend (low net equity), high interest rates, collateral requirements of banks and financial institutions, paperwork, necessity of special connections with banks, lack of access to foreign banks, corruption of bank officials, lack of access to export finance, lack of access to long term bank loans).

**BUREAUCRACY**

*Effectiveness / Depolitization / Meritocracy:*

45. How much time does your firm's senior management spend on obtaining and maintaining licenses, permits and regulatory requirements?

46. How would you estimate the influence of the CCP on central/local bureaucrats?

47. Do high-ranking/low-ranking bureaucrats strive to advance their career in the public or private sector?

48. Do bureaucrats in your municipality usually have a high level of education?
Salaries (and illegal payments) in the private / public sector:

49. How would you estimate the salaries (and perquisites, not including bribes or other extra-legal sources of income) of higher officials in relation to those of private sector managers with roughly comparable training and responsibilities?

50. What was the development of legal income in these agencies compared with salaries in the private sector over the period in question (roughly 1980-2005)?

51. Do other firms' illegal payments influence government policies, laws or regulations that negatively affect your firm?

52. Are government officials usually neutral, or do they favor well-connected firms when they decide upon policies and contracts?

Agencies responsible for the auto industry:

53. Is the development of the auto industry in the locality coordinated and monitored by one agency responsible for the automotive industry, or by different agencies responsible for different aspects of the auto enterprises' engagement?

54. Which organizations at the central or local level are responsible for the development of the automotive industry?

55. Is the division of competence of central agencies (ministries, commissions etc.) and local ones organized well?

GOVERNMENT-BUSINESS RELATIONSHIP

Bureaucrats posts in the private sector / Membership in business associations:

56. How often do local bureaucrats occupy posts in the public and private sector at the same time?

57. What channel do you typically use to affect the outcome of laws, rules, regulations and decrees that affect your business (business association, direct ties to public officials etc.)?

58. Is your firm a member of a business association or chamber of commerce in China?

59. What services do you receive from the association or associations to which you belong (lobbying government, market information, information on new laws...)?

60. How much influence does your firm/business association have on the central or local bureaucracy when a new law, rule, regulation, or decree is being discussed?
Appendix

Appendix V: Statistics of the 2001 World Bank survey

Table A45: Descriptive Statistics: Reasons for location of plant for companies in the residual sectors, 2000.

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<thead>
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<th>Reasons the plant was located here when plant was established</th>
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Table A46: Descriptive Statistics: Reasons for location of plant for companies in the electronics sector, 2000.

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<th>Reasons the plant was located here when plant was established</th>
<th>Advantages for locating plant here now</th>
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<th>Electronics sec</th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proximity to other firms in the same line of business as an advantage for locating manufacturing plant here now</td>
<td>Auto sec</td>
<td>52</td>
<td>57.20</td>
<td>2974.50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electronics sec</td>
<td>79</td>
<td>71.79</td>
<td>5671.50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>131</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Mann-Whitney U</th>
<th>Wilcoxon W</th>
<th>Z</th>
<th>Asymp. Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1596.500</td>
<td>2974.500</td>
<td>-2.213</td>
<td>0.027</td>
</tr>
</tbody>
</table>

### Table A49: Descriptive Statistics: Government agency’s or official’s assistance in locating foreign technology to license in the auto sector and in the residual sectors, 2000.

<table>
<thead>
<tr>
<th>Group</th>
<th>Count</th>
<th>Yes</th>
<th>No</th>
<th>N.A.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td></td>
<td>13</td>
<td>172</td>
<td>30</td>
<td>215</td>
</tr>
<tr>
<td></td>
<td>% 6,0%</td>
<td>80,0%</td>
<td>14,0%</td>
<td>100,0%</td>
<td></td>
</tr>
<tr>
<td>Residual</td>
<td>37</td>
<td>980</td>
<td>267</td>
<td>1284</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% 2,9%</td>
<td>76,3%</td>
<td>20,8%</td>
<td>100,0%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>1152</td>
<td>297</td>
<td>1499</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% 3,3%</td>
<td>76,9%</td>
<td>19,8%</td>
<td>100,0%</td>
<td></td>
</tr>
</tbody>
</table>


### Table A50: Chi-Square Test: Government agency’s or official’s assistance in locating foreign technology to license in the auto sector and in the residual sectors, 2000.

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson CH-Square</td>
<td>10,204</td>
<td>2</td>
<td>.006</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>9,734</td>
<td>2</td>
<td>.008</td>
</tr>
<tr>
<td>Linear-by-Linear</td>
<td>9,017</td>
<td>1</td>
<td>.003</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>1499</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.17.

Appendix

Table A51: Descriptive Statistics: Government agency's or official's assistance in identifying potential foreign clients in the auto sector and in the residual sectors, 2000.

<table>
<thead>
<tr>
<th>Group_</th>
<th>Auto sec</th>
<th>Count</th>
<th>Government agency's or official's assistance in identifying potential foreign clients</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>autosec_ressec</td>
<td></td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% within Group_</td>
<td>9,8%</td>
<td>77,2%</td>
</tr>
<tr>
<td>Residual sec</td>
<td></td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% within Group_</td>
<td>6,9%</td>
<td>73,3%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% within Group_</td>
<td>7,3%</td>
<td>73,8%</td>
</tr>
</tbody>
</table>


Table A52: Chi-Square Test: Government agency's or official's assistance in identifying potential foreign clients in the auto sector and in the residual sectors, 2000.

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sg. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>7,093(^a)</td>
<td>2</td>
<td>.029</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>7,364</td>
<td>2</td>
<td>.025</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>7,054</td>
<td>1</td>
<td>.008</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>1499</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) Cells (20%) have expected count less than 5. The minimum expected count is 15,63.


Table A53: Descriptive Statistics: Introduction of new products into the plant by licensing technology from a foreign firm in the auto sector and in the electronics sector since 1998.

<table>
<thead>
<tr>
<th>Group AUTOSER</th>
<th>Auto sec</th>
<th>Count</th>
<th>Licensed technology from foreign firm</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>autosec_ressec</td>
<td></td>
<td></td>
<td>40</td>
<td>93</td>
</tr>
<tr>
<td></td>
<td>% within Group autosec_ressec</td>
<td>30,1%</td>
<td>69,9%</td>
<td>100,0%</td>
</tr>
<tr>
<td>Residual sec</td>
<td></td>
<td></td>
<td>57</td>
<td>214</td>
</tr>
<tr>
<td></td>
<td>% within Group autosec_ressec</td>
<td>21,0%</td>
<td>79,0%</td>
<td>100,0%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>97</td>
<td>307</td>
</tr>
<tr>
<td></td>
<td>% within Group autosec_ressec</td>
<td>24,0%</td>
<td>76,0%</td>
<td>100,0%</td>
</tr>
</tbody>
</table>

### Table A54: Chi-Square Test: Introduction of new products into the plant by licensing technology from a foreign firm in the auto sector and in the electronics sector since 1998.

|--------|---------------------------------------------------------------------------------------------------------------|

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>3,999²</td>
<td>1</td>
<td>.046</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction</td>
<td>3,518</td>
<td>1</td>
<td>.061</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>3,903</td>
<td>1</td>
<td>.048</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fisher’s Exact Test</td>
<td></td>
<td></td>
<td></td>
<td>.048</td>
<td>.031</td>
</tr>
<tr>
<td>Linear-by-Linear</td>
<td>3,988</td>
<td>1</td>
<td>.046</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Association</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>404</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Computed only for a 2x2 table
b. 0 cells (.0%) have expected count less than 5. The minimum expected count is 31,93.

### Table A55: Descriptive Statistics: Introduction of new process improvements into the plant by licensing processes from a foreign firm in the auto sector and in the residual sectors since 1998.

|--------|---------------------------------------------------------------------------------------------------------------|

<table>
<thead>
<tr>
<th>Licensed process from foreign firm</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group_article_ressec</strong> Auto sec</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count % within Group_article_ressec</td>
<td>35</td>
<td>98</td>
<td>133</td>
</tr>
<tr>
<td><strong>Residual sec</strong> Count % within Group_article_ressec</td>
<td>82</td>
<td>501</td>
<td>583</td>
</tr>
<tr>
<td><strong>Total</strong> Count % within Group_article_ressec</td>
<td>117</td>
<td>599</td>
<td>716</td>
</tr>
</tbody>
</table>

| Total | 117 | 599 | 716   |

| % within Group_article_ressec | 16.3% | 83.7% | 100.0% |

Appendix

Table A56: Chi-Square Test: Introduction of new process improvements into the plant by licensing processes from a foreign firm in the auto sector and in the residual sectors since 1998.

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>11,889 &lt;sup&gt;a&lt;/sup&gt;</td>
<td>1</td>
<td>0.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction</td>
<td>11,009</td>
<td>1</td>
<td>0.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>10,768</td>
<td>1</td>
<td>0.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linear-by-Linear</td>
<td>11,872</td>
<td>1</td>
<td>0.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Association</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>716</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Computed only for a 2x2 table
<sup>b</sup> 0 cells (0%) have expected count less than 5. The minimum expected count is 21.73.


Table A57: Descriptive Statistics: New process improvement by licensing processes from foreign firms in the auto and electronics sector since 1998.

<table>
<thead>
<tr>
<th>Licensed process from foreign firms</th>
<th>Auto sec</th>
<th>Electronics sec</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>35</td>
<td>47</td>
<td>82</td>
</tr>
<tr>
<td>% within Group_Auto sec</td>
<td>26.3%</td>
<td>17.3%</td>
<td>20.3%</td>
</tr>
<tr>
<td>% within Group_Electronics sec</td>
<td>73.7%</td>
<td>82.7%</td>
<td>79.7%</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>224</td>
<td>322</td>
</tr>
</tbody>
</table>

### Table A58: Chi-Square Test: New process improvement by licensing processes from foreign firms in the auto and electronics sector since 1998.

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>4.440</td>
<td>1</td>
<td>0.035</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction a</td>
<td>3.903</td>
<td>1</td>
<td>0.048</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>4.308</td>
<td>1</td>
<td>0.036</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fisher’s Exact Test</td>
<td></td>
<td></td>
<td></td>
<td>0.048</td>
<td>0.025</td>
</tr>
<tr>
<td>Linear-by-Linear</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Association</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>404</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* a. Computed only for a 2x2 table
  * b. 0 cells (0%) have expected count less than 5. The minimum expected count is 27.00.


### Table A59: Descriptive Statistics: Days for consignments of a major input experienced before clearing local customs in the auto sector and the electronics sector, 2000.

<table>
<thead>
<tr>
<th>Group_autosec_electronics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto sec</td>
<td>77</td>
<td>11.8312</td>
<td>19.08871</td>
<td>2.17536</td>
</tr>
<tr>
<td>Electronics sec</td>
<td>194</td>
<td>6.6649</td>
<td>8.96025</td>
<td>0.64331</td>
</tr>
</tbody>
</table>


### Table A60: Independent Samples T-Test: Days for consignments of a major input experienced before clearing local customs in the auto sector and the electronics sector, 2000.

<table>
<thead>
<tr>
<th></th>
<th>Levene’s Test for Equality of Variances</th>
<th>t-test for Equality of Means</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig.</td>
<td>df</td>
</tr>
<tr>
<td>Days for consignments of a major imported raw material to clear local customs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equal variances assumed</td>
<td>20.291</td>
<td>.000</td>
<td>269</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td>2.277</td>
<td>.107</td>
<td>89,604</td>
</tr>
</tbody>
</table>

Appendix

Table A61: Descriptive Statistics: Approximate shares of capital from different sources in the auto sector and in the electronics sector (in percent), 2000.

<table>
<thead>
<tr>
<th>Source of Capital</th>
<th>Auto sec</th>
<th>Electronics sec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained earnings/Internal funds</td>
<td>215</td>
<td>390</td>
</tr>
<tr>
<td>Mean</td>
<td>43,0372</td>
<td>51,4795</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>37,4871</td>
<td>36,2259</td>
</tr>
<tr>
<td>Std. Error Mean</td>
<td>2,5586</td>
<td>1,9358</td>
</tr>
<tr>
<td>Bank loans</td>
<td>215</td>
<td>390</td>
</tr>
<tr>
<td>Mean</td>
<td>27,0864</td>
<td>21,4974</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>21,6494</td>
<td>14,6714</td>
</tr>
<tr>
<td>Std. Error Mean</td>
<td>1,7953</td>
<td>1,0677</td>
</tr>
<tr>
<td>Loan from other financial institution (e.g. credit union, finance company etc.)</td>
<td>215</td>
<td>390</td>
</tr>
<tr>
<td>Mean</td>
<td>2,4744</td>
<td>5,2651</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>9,8262</td>
<td>18,7314</td>
</tr>
<tr>
<td>Std. Error Mean</td>
<td>.67019</td>
<td>1,27748</td>
</tr>
<tr>
<td>Loan from parent or partner company</td>
<td>215</td>
<td>390</td>
</tr>
<tr>
<td>Mean</td>
<td>5,2651</td>
<td>9,1821</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>18,7314</td>
<td>25,93159</td>
</tr>
<tr>
<td>Std. Error Mean</td>
<td>1,27748</td>
<td>1,31310</td>
</tr>
</tbody>
</table>


Table A62: Independent Samples T-Test: Approximate shares of capital from different sources in the auto sector and in the electronics sector (in percent), 2000.

<table>
<thead>
<tr>
<th>Source of Capital</th>
<th>Equal variances assumed</th>
<th>Equal variances not assumed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained earnings/Internal funds</td>
<td>.245</td>
<td>.520</td>
</tr>
<tr>
<td>F</td>
<td>Sig</td>
<td>t</td>
</tr>
<tr>
<td>Bank loans</td>
<td>8.389</td>
<td>.003</td>
</tr>
<tr>
<td>Loan from other financial institution (e.g. credit union, finance company etc.)</td>
<td>18.371</td>
<td>.000</td>
</tr>
<tr>
<td>.000</td>
<td>.000</td>
<td>2.082</td>
</tr>
<tr>
<td>Loan from parent or partner company</td>
<td>12.865</td>
<td>.000</td>
</tr>
<tr>
<td>.000</td>
<td>.000</td>
<td>2.138</td>
</tr>
</tbody>
</table>

Table A63: Descriptive Statistics: Representation of members' views to the government as one function the most important business associations perform on a regular basis for companies in the auto sector and in the electronics sector, 2000.

<table>
<thead>
<tr>
<th>Group _autosec, electronicssec</th>
<th>Auto sec</th>
<th>Count</th>
<th>% within Group _autosec, electronicssec</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronics sec</td>
<td>Count</td>
<td>109</td>
<td>48.7%</td>
<td>115</td>
<td>162</td>
<td>224</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>162</td>
<td>45.4%</td>
<td>195</td>
<td>357</td>
<td></td>
</tr>
</tbody>
</table>

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Economy and the developing countries, Vol. I, Brookfield, VT, Edward Elgar

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essen.de/ lehre/pdfs/Berlin_19_Sept_07.pdf on 10.11.2007, last update
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References


References


References


References


References


References


References


References


References


References


References


References


References


References


References


References


References


References


References


References


References


References


HOHENHEIMER VOLKSWIRTSCHAFTLICHE SCHRIFTEN


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China's industrial growth has been the unexpected event of the beginning of the 21st century owing to its impact on the entire global economy. The aim of the book is to get a common understanding of China's economic future and its consequences for Europe based on the situation in three metal sectors chosen as examples, namely steel, shipbuilding, and automotive. That assessment can then serve as a basis for describing and evaluating the importance of the factors enabling Chinese industry to be globally competitive. Finally, this research will endeavour to pinpoint the relevant issues and establish ways of internationally regulating the growth of China's metal industries, making them compatible with international standards regarding sustainable development and social responsibility.

Contents: China's industrial growth · Global competitiveness · US debt · Investments by multinationals · Relocation · A new international division of labours · Weakening of European industries · Unfair competition · Lisbon strategy · European social model