

# Chinese over-seas economic expansion – main practical challenges

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# Change in Economic World Order

- Record hitting over-seas investments of China
- Go-out strategy & over capacity in all sectors
- In 2016 more than 170 billion USD, 40% growth to 2015
- More than 100 Chinese companies on Fortune500 list
- World leading financial institutions; CEXIM and CDB...
- But recently restrictions on outflow of capital (focus)

# Possibility and challenges

- Great possibilities!!
- Challenges in running a joint-operation

## Chinese challenges

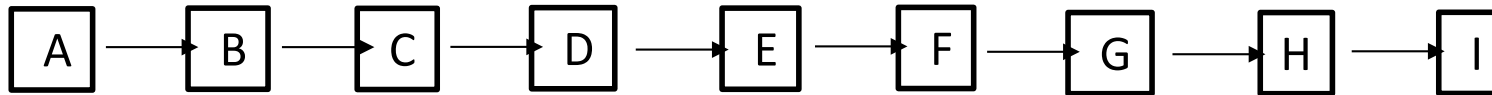
- Management culture
- Rule by law
- Labor laws and rights
- NGO and Media
- Fast speed
- Rapidly expanding portfolio
- Size gives creditability
- Ceremonialism
- Personal relations of strategic importance

## Nordic challenges

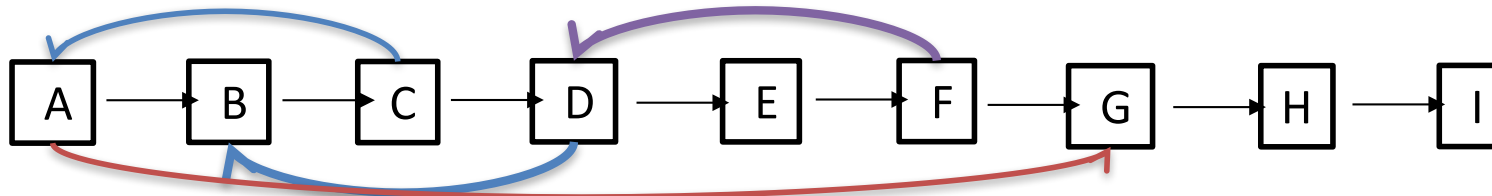
- Management culture
- Rule of law
- Labor laws and rights
- NGO and Media
- Careful advancement
- Focused portfolio
- Efficiency more important than size
- Ceremonialism less important
- Personal relations can sometimes help

# On negotiations

The Western pattern usually follows sequential logic



The Chinese pattern usually follows non-sequential logic



**Beginning fast advancement and great promises, quiet periods and sudden rapid demands and advancement**

Signing a contract just an initial signal that the real negotiations will begin

# So how to...

- Upfront payment
- Begin with small steps → test the flow of payments, other critical resources
- No single recipe for success
- Do your homework
- Avoid generalizations of “Chinese” behavior
- Be persistent
- Keep focus (withhold to your strengths)

# Last, but not least

战胜不复

Successful battles cannot be repeated

– Sunzi, *The Art of War*

Happy families are all alike, every unhappy  
family is unhappy in its own way

– Tolstoi, *Anna Karenina*