

# Doing business in china essay examples

[Business](#), [Company](#)



Doing business in China is a very sound business decision. In the last two years, China's Gross Domestic Product (GD) has gradually slowed down (Export. Gov, 2013). However, despite the slowdown, US companies still are doing business in China. In 2010, total value of US exports to China were US\$91 billion and by the end of 2011, this amount increased to US\$ 100 billion, cementing China's role as the second largest trade partner of the United States after Canada. China represents one of the most lucrative markets for exports because of its continued rising incomes and demand for agricultural goods, raw materials and foodstuffs. Foreign Direct Investments (FDI) into China from US companies has increased as well. In 2011, FDI in China from US companies reached US\$ 95 billion, amounting to a 16% increase from 2010's FDI.

The decision to invest and do business in China is driven by businesses desiring to be globally competitive. China is the world's number one destination for FDI because China has a very competitive labor market and attracts foreign investors because of their local incentives. However, there are many issues that must be evaluated when doing business in China. This include dealing with the Chinese government and its bureaucracy, the changes that are taking place in each Chinese province, overcoming the barriers of the Chinese language, finding enough qualified human resources, managing quality control and intellectual property, among others. Despite these concerns however, US companies remain attracted to China as a destination for direct investments and as a market for its goods and services.

This trend will likely continue. US companies will continue investing in the

China despite the difficulties and the slowing down of China's economy. I think that US companies should try to establish better relationships in China, adhere to trade conditions and try to influence China's manufacturing sector to increase both its quality and efficiency. This would enable the country and those that invest in it to become truly globally competitive and sustainable.

## **References**

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