

Manufactured operations in china

[Business](#), [Management](#)



The People's Republic of China has become the manufacturing epicenter of the world. The majority of the manufacturing activity in the planet takes place in China. China offer many advantages to companies that want to manufacture goods in its land. China has one of the lowest labor costs in the world. The average salary of a Chinese worker is less than 1/10th the cost of an American worker (Kavoussi, 2012). The labor force in China is very skilled at working in labor intensive operations. Another advantage of doing business in China is that companies have access to some of the lowest materials costs available worldwide. There is an abundance of labor in China due to the fact that the country has the highest population in the world. The workers in China are more disciplined than its American counterparts and have higher respect for the job. A major obstacle to doing business in China is that companies must abide by the governmental rules of a communist nation.

Companies that want to expand internationally have to seriously consider expanding to China. Abiding by the governmental rules is a constraint that can be overcome by the abundance of business opportunities for companies operating in China. The business rules of China are not as strict as in the past. Prior to China's entrance in the World Trade Organization (WTO) in 2001 companies that wanted to penetrate China had to form a 50-50 joint venture with an established Chinese company (Cnn, 2001). Today firms from the United States or other parts of the world can form whole owned subsidiaries in China. I think that the rule that sales in China have to be contingent on a company establishing its operations there is not that bad. Operating a manufacturing center in China is an extremely profitable

proposition due to the lower operating costs in comparison with other parts of the world.

Exploiting the Chinese retail market is a very beneficial proposition. In China due to the industrialization movement and economic growth there is a growing middle class that is eager to purchase consumer products in order to increase their quality of living. The massive population of China can help any company increase its sales numbers in a short amount of time. Short term gains are very important to increase the immediate profitability of a company. There are opportunities for market penetration in China in many industries. Overcoming the cultural barrier in China is important towards the success of an enterprise that establishes operations there. The majority of Chinese workers have limited language skills in English. Women in the workplace are viewed as inferior to men, thus putting a woman in charge of managing a Chinese workforce is not a smart move. The constraint of being required to transfer technology into China is not a relevant barrier of entry. The use of technology will help optimize the manufacturing operations of a company. My overall assessment is that China is one of the hottest developing nations for an American company to penetrate.

References

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