

型总部，在通关流程、人才引进、资金结算、投资便利、人员出入境等方面按照规定享受优惠政策等。

在上海快速发展的同时，上海发展的关键环节与重点领域有以下几方面：一是加快金融市场体系建设，提高金融中心的国际影响力和资源配置功能，促进市场竞争；二是深入推进行政体制改革，全面转变政府职能，建立有限服务型法治政府；三是深化市场微观主体改革，更好地发挥市场配置资源的基础性作用，促进中小微型企业与私营企业发展；四是健全民生优先的就业、收入分配和社会保障制度，扩大公共服务供给，提高居民收入在GDP中的占比；四是改进上海科技创新体制，激发市场创新的内在动力与活力，提高科技创新效率。

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THE CONDITION AND MEASURE OF USING FOREIGN INVESTMENT IN CHINA

After the Financial Crisis, the global economy was still too weak to recover. The world's growth of FDI had been going up and down, while the developing countries' proportion of FDI tended to strengthen all the way. China--the large developing countries with common historical background of planned economy, experiencing the economic transition. During the process, China regard attracting foreign investment as an important measure to revitalize its economy. Therefore, the research on the feature, structure and deserved effectiveness of the investment going to the country becoming more and more serious.

1. The foreign investment flow

China is the developing country that has attracted the greatest foreign investment flow, ranking the second only after the United States. In recent years, China has long been focusing on upgrading its

industries, where FDI mainly has flowed into the labor-intensive and low-end market, now it is meant to adjust as well. The paid-in foreign capital in these industries has dropped a little; however, the average growth rate per year still maintained 7 % in the past five years. China tops the five host countries that multinational corporations most prefer to invest, and is considered to be the first destination to invest. In 2012, FDI in China was US \$111.72 billion, 3.7 % lower than the year before, and it was China’s first negative growth in past three years; the number of new founded foreign invested companies was 24925, falling 10.1 % year-on-year.

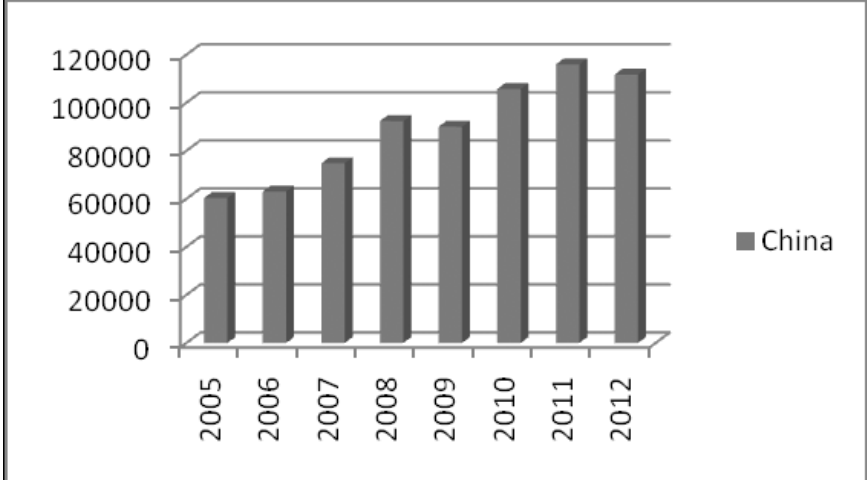


Figure 1 Investment flow of China from year 2005 to 2012 (million dollars)

Source: based on China Economic Yearbook

2. The industrial layout concerning utilizing foreign capital

The amount of foreign capital flowing into service-sector is one of the important criteria which measure how the ability of one state to utilize foreign funds is. As for China, most of foreign capital is concentrated in manufacturing industry while service industry only takes up less than 30 %. However, with the adjustment and escalation of industrial structure, there has been an expansion taking place in the scale of foreign enterprises along with the extension of investment fields from initial manufacturing industry to advanced manufacturing industry and service-sector. Finally the amount of paid-in foreign capital in service industry is more than manufacturing industry.

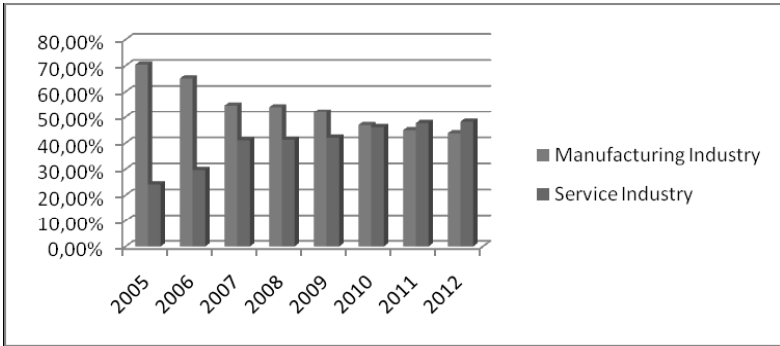


Figure 2 The actual percentage of paid-in foreign funds in manufacturing and service industry from year 2005 to 2012

Source: based on the China Economic Statistical Yearbook

In 2012, the actual paid-in foreign capital was US \$ 53.84 billion, decreasing by 2.6 % compared with the same period of last year, accounting for 48.2 % of the national total and was 4.5 % more than the manufacturing industry. The distribution within the service sector itself has been further improved. Apart from real estate industry, the top 5 industries absorbing most foreign investment are as follows: distribution service industry (13.25 %), transport service industry (5.78 %), computer application industry (4.82 %), electricity, gas and water production and supply industry (3.83 %) and financial services industry (3.46 %).

In 2012, the actual amount of paid-in foreign capital was US \$48.87 billion, decreasing by 6.2 %, accounting for 43.7 % of the national total and decreasing by 1.2 % compared with the same period of last year. The first five segment industries of manufacturing industry in the absorption of foreign investment are communication equipment, computers and other electronic equipment manufacturing industry (accounting for 14.03 % of whole manufacturing industry), electrical apparatus and equipment manufacturing industry (10.51 %), transportation equipment manufacturing industry (7.32 %), specialized equipment industry (7.31 %) and raw chemical materials and chemical products industry (7.17 %).

Due to the weakening of exports and the rise of domestic production cost, the foreign companies focusing on the low-end labor-intensive manufacturing industry such as apparel and shoe industry have been gradually moving its production bases to the low-income countries in Southeast Asia. On the contrary, the amount of foreign investment flowing into high-tech industry and advanced

manufacturing industry is fast growing. As a result, the total number of foreign R&D centers for the development of high technology in the past five years has doubled, up to about 1800 by the end of 2012. Certain high-tech manufacturing industries had been increasing swiftly. And the growth of actual paid-in foreign investment of general equipment manufacturing, transportation equipment manufacturing industry was 31.8 % and 17.2 % respectively.

3. Ways and Channels of Investment

(1) From the way of foreign investment, the majority of the investment China attracts is direct.

Table 3

THE FOREIGN FUNDS GROUPED BY THE WAY OF INVESTMENT IN CHINA FROM YEAR 2005 TO 2011 (TRILLION DOLLARS)

	2005	2006	2007	2008	2009	2010	2011
total	638.05	670.76	783.39	952.53	918.04	1088.21	1176.98
Direct Investment	603.25	630.21	747.68	923.95	900.33	1057.35	1160.11
Joint ventures	146.14	143.78	155.96	173.18	172.73	224.98	214.15
cooperative enterprise	18.31	19.40	14.16	19.03	20.34	16.16	17.57
Foreign companies	429.61	462.81	572.64	723.15	686.82	809.75	912.05
Joint stock enterprises with foreign investment	9.18	4.22	4.92	8.59	20.44	6.46	16.34
cooperative development							
other							
Other Investment	34.08	40.55	35.72	28.58	17.71	30.86	16.87
stock issue	1.60	13.55	4.02	0.77	1.62	16.64	9.39
international leasing	1.08	0.36	1.80	1.44	2.30	3	
compensation trade	0.16	0.21	0.18	0.52	0.13	0.45	0.54
processing and assembling	31.96	26.43	29.72	25.85	13.66	10.78	6.94

Source: based on the data from Chinese Economy Yearbook

Direct investment accounts for the major part of the investment that China attracts, most of which are used by joint venture, cooperative enterprises and foreign-funded enterprises. Foreign direct investment has played a vital role in promoting China's foreign trade export and has effectively contributed to making up for the shortage of capital, introduction of advanced management and science and technology and increase of employment opportunities, thus giving impetus to the development of China's open economy.

(2)China has been changing the «Green Land» policy and developing international mergers and acquisitions, but this trend is influenced by some external factors.

Since 1990s, international mergers and acquisitions is still the major way of absorbing foreign capital, no matter in developed countries or in developing countries. However, because of the restrictions of histories and policies of law environments, international mergers and acquisitions develops slowly in China. In China, the «Green Land» investment is still the way of using foreign investment, as a result, the newly built factories are waiting for investment while the ratio of foreign mergers and acquisitions is very low, which is merely 3.1 % in 2010 far behind the ratio of global international investment 27 %/

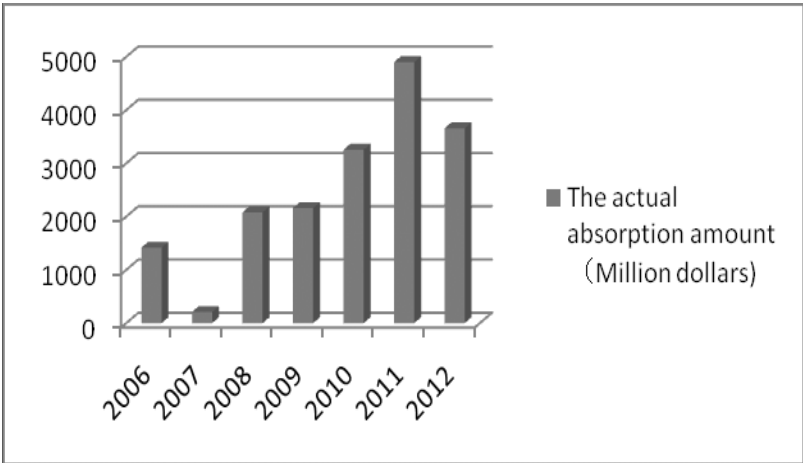


Figure 4 the actual paid-in amount of foreign investment utilized in the way of mergers and acquisitions from year 2006 to 2012

The number of approved merger and acquisition program is 1340 in 2011 in China, increasing 18.17 % from a year, accounting 4.84 %

of the newly built companies by foreign investment. The number of actual utilized FDI is US \$4.899 billion, increasing 50.53 % from a year, accounting 4.22 % of the actual utilized FDI in China, which is increasing 1.14 % from the last year. The range, turning cold, of M&A by foreign capital is large compared with 2011, involving US \$3.658 billion. The major reason is that the situation of domestic M&A is cold while that of overseas M&A is hot. The number and total sum up to historical height, the average number of M&A of which is US \$0.339 billion. On the contrary, not only the activity of domestic M&A is decreasing, but also the number involved decrease faster. The average number is US \$ 22.41 million, lower than 10 % of the overseas M&A. This shows that overseas M&A has a more and greater impact on the market of domestic M&A, and the effect of large amount is more obvious.

4. Source of foreign investment

The investment from American, Japan and part of European tends to increasing apparently, while that from Asian countries tends to keep stable.

In 2012, the number of actual inserted foreign investment from American is US \$3.13 billion, increasing 4.5 % from a year ;as to Japan, these two number are US \$7.38 billion and 16.3 %. The number of actual inserted foreign investment obtained from Europe is US \$6.11 billion, decreasing 3.8 % from a year, and the sum of investment from German is US \$1.47 billion, increasing 29.5 %. The investment from Nederland and Switzerland also has a great growth, that is 49.1 % and 58.1 % correspondingly. The number of actual inserted investment from ten countries\areas (HK, Macau, Taiwan Province, Japan, Philippians, Thailand, Malaysian, Singapore, Indonesia, Korea) is US \$95.74 billion, decreasing 4.8 % from a year.

5. Contrast of regional structure of foreign capital utilization

Regional variations of China's utilization of foreign capital changed from the eastern to central and western regions. Because of rising producing cost in the east, some investment and producing activity transferred from China's coast to the internal. And the western and central region share in attracting foreign direct investment has increased. (rising from 12 % in 2008 to 17 % in 2012)

Central area actually used US \$9.29 billion of foreign capital in 2012 which increased 18.5 % and accounted for 8.3 % of the total. East area actually used US \$92.51 billion of foreign capital which decreased 4.2 % and accounted 82.8 % of the total. Western area actually used US \$9.92 billion of foreign capital which decrease 14.3 % and accounted 8.9 % of the total.

6.The experience and suggestions for development drawn from China's utilization of foreign capital

In 1980 China embarked on setting up the first batch of free economic zones, starting to attract large-scale foreign investments through preferential policies such as exemption of customs control and reduction of tax rate. In the middle 1990s, China ranked NO.1 among developing countries in terms of its total amount of absorption of foreign capital. The long gaining momentum, its stable environment for investment and the sustained high growth of its economy altogether make China an ideal place to invest in for global enterprises.

The reason why the growth of China's absorption of foreign direct investment remains steady mainly lies in its respectively cheaper labor force resource and broad market. Besides, foreign direct investments make up the shortage of funds for economic construction. By introducing advanced technology (i.e. spillover effect) and learning from state-of-the-art management experience, China has greatly increased labor productivity. And through the utilization of competition and longitudinal or transverse links between enterprises, industries have undergone great development, thus having improved the international competitiveness of the host country.

At present, China is enduring multiple pressures such as the rising cost of labor force, tightening supplies of land resources and financing difficulties. In order to attract more foreign capital and improve environment for investment, suggestions are made as followings:

(1) International investors have taken a wait-and-see attitude towards the unclear trends of global economy. International capital should play its role properly during the global economic recovery. We should grasp the true demands of investors and investment attractors, provide nice targeted specialized service and take sweeping measures for innovations in the fields such as working mechanism, cooperation modes, key industries and regional cooperation in investment, finally leading to improve the efficiency of service.

(2) We should take an active and effective part in the global value chain competition, attract foreign investment with higher quality and level and introduce more foreign capital into high-end manufacturing industries and service sectors requiring higher level of knowledge and skills. Besides, our own global value chain and international production system should be set up, transferring to building up own regional and global value chain from merely participating in global value chain. It's important to promote our own competitive strengths in the global value chain and stimulate the upgrade of domestic industries.

(3) Adaptations should be made to cater to the needs of economic development, and technical regulations should also be imposed to realize the abutment between the existing domestic criteria and international ones. Tax burden should also be reduced so as to create better environment for investment.

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УПРАВЛЕНИЕ ПЕРСОНАЛОМ ПРЕДПРИЯТИЯ В УСЛОВИЯХ ИННОВАЦИОННОГО РАЗВИТИЯ

Управление персоналом предприятия в условиях его инновационного развития побуждает руководителей сосредотачиваться на стратегических, перспективных направлениях работы с людьми. Это особенно важно в периоды массовой переквалификации работников в связи с переходом на новые технологии. Высшему руководству предприятий в целях повышения эффективности инновационного развития необходимо проводить комплексные мероприятия по отношению к персоналу предприятий, а именно: определять потребности в персонале в соответствии с целью инновационного развития и имеющихся возможностей предприятия; планировать работу с персоналом (привлечение, добор, подбор и увольнения); проводить оценку и аттестацию персонала, его ротацию; осуществлять продвижение в системе управления; планировать и способствовать реализации карьеры сотрудников; развивать квалификационные характеристики персонала; способствовать накоплению и передаче опыта; осуществлять мотивацию и стимулирование персонала; создавать благоприятные условия для эффективной деятельности и отдыха.

Все сказанное побуждает в условиях инновационного развития предприятий учитывать схему движения работников и рабочих мест предприятия. Данную схему необходимо учитывать при планировании мероприятий инновационного развития предприятия. Схема, приведенная на рис. 1, иллюстрирует механизм подбора персонала для инновационного развития предприятия. Она систематизирует как оборот рабочих мест, так и оборот работни-