

Accountancy Futures Academy

China's next 100 global giants



FIVE MINUTES ON...

China's next 100 global giants



China's growth has always been the one to watch and it will continue to be in the future. In the last three decades, China's growth averaged around 10%, making the top of the list of biggest economies at the same time raising the nation's household wealth. The nation recorded a GDP growth of 7.7% in the last two years, compared with 9.3% in 2011 and 10.5% in 2010 and even with this decline the Chinese economy is still growing faster than western countries. China's growth has been, in large part, driven by the emergence of millions of new businesses.

So how do Chinese businesses stack up on a global level? In 2006, only 28 of the Global 500 were Chinese and none of them made the top 10. Six years later, 2012, the number of Chinese businesses making the Global 500 list more than doubled, 78, of three made the top 10. Well-known examples of major Chinese businesses include Lenovo, which acquired IBM's PC business, and Haier, a manufacturer of household goods such as fridges and freezers that now has 10% of the world's major appliances market. As such there is no surprise that Europe and

North America have increasingly had and will continue to have China on their radars as a serious competitor business globally.

Fast forward three to five years we anticipate that there are 100 emerging Chinese businesses which will form part of the global business landscape. These 100 businesses are not yet popular outside of China but they are expected to enter global markets and operate across a range of sectors and have different growth strategies. Predominantly these businesses have developed a successful business model in China and are adapting this model to markets outside China.

This report looks at these emerging Chinese businesses and how they are developing into major competitors in international markets.

China is no doubt a global giant and it will be exciting to see these emerging giants evolve in the coming years.

Faye Chua

Head of future research, ACCA

About the report

This report looks at these emerging Chinese businesses and how they are developing into major competitors in international markets.

Over the next few years, many of these globalising businesses will become well known in the board and press rooms of Europe and North America. Several are likely to become household names if they can extend into business-to-business (B2B) and consumer markets outside China.

PURPOSE AND METHODOLOGY

In order to identify the businesses likely to become the next global giants, companies listed on domestic Chinese and international stock exchanges were considered, as were unlisted companies in the All China Federation of Industry and Commerce (ACFIC) directory of Chinese businesses (the Gongshanglian (GSL) listing).

These companies were filtered by size and annual turnover growth to remove the largest and the smallest companies. Larger companies were removed on the

basis that they were already established, and so would be well known in China and by China observers.

Businesses were also filtered by growth. Many rankings rely on total turnover size, which measures scale but not future potential or performance. Five-year growth rates were considered in order to ensure that businesses were growing sustainably over time. Maintaining high levels of annual growth over this period indicates that a business has a sound business model and the capacity to cope with growth.

The ranking also considers the market positioning of emerging Chinese businesses. In order to better understand this, companies were filtered by three further criteria, each of which considers an aspect of their performance:

- 1 strength of domestic market presence in China
- 2 extent of activity in international markets outside China; and
- 3 competitiveness of business model and strategy.



No futures work of this type can ever hope to be definitive, but we believe that this project provides a glimpse of the global business landscape in the coming year.

**For the full report:
www.accaglobal.com/futures**

The next 100 global giants are diverse

The emerging 100 businesses are active in a variety of sectors and are located across China. Many have their headquarters in Beijing, Shanghai, or the coastal provinces of Guangdong, Zhejiang and Jiangsu, reflecting the extent of economic development in these parts of China. The overall geographical spread, however, is wider, with businesses located in the west, the north, the east and the southeast of the country.

The diversity of the 100 businesses is not simply where they are located but they also operate across China's economy.

The listing is not markedly dominated by manufacturing and production businesses; technology, internet and service businesses are well represented.

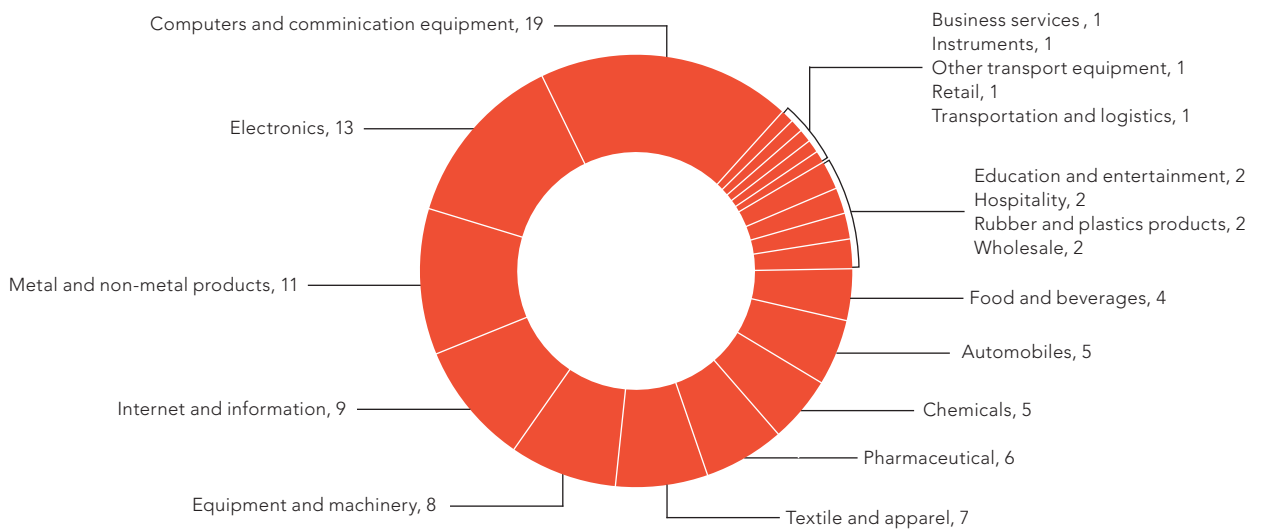
These types of businesses reflect the growing importance of services and the internet in China. The broad range of sectors indicates an increasingly diversified business base in China and points to the emergence of businesses that are likely to compete on design, innovation and service, as well as those specialising in cost-efficient assembly and production.

Four Chinese businesses, iSoftStone Holdings Ltd, a software business; Hangzhou Hikvision Digital Technology Co. Ltd, a supplier of surveillance equipment; ctrip.com International Ltd (CTrip), a travel company; and Zhejiang Shangfeng Industrial Holding Co. Ltd, a manufacturing company are showcased in the report and outlines the reasons as to what makes them the next businesses to watch out for in the coming years.

HEADQUARTER LOCATIONS OF CHINA'S NEXT 100 GLOBAL GIANTS



INDUSTRY SECTORS REPRESENTED BY CHINA'S NEXT 100 GLOBAL GIANTS



CHINA'S 100 NEXT GLOBAL GIANTS

Rank	Company name
1	Hengtong Optic-Electric
2	Huapont-Nutrichem
3	Zhejiang Dahua Technology
4	iSoftStone Holdings
5	Hangzhou Hikvision Digital Technology
6	Hosa International
7	Hongfa Technology
7	Zhejiang Wanfeng Auto Wheel
9	Anhui Zhongding Sealing Parts
10	Beijing Zhongke Sanhuan Hi-Tech
10	Zhongli Science and Technology
12	Ningxia Zhongyin Cashmere
13	Shenzhen Desay Battery Technology
14	Pactera Technology International
15	China XD Plastics
15	Hefei Rongshida Sanyo Electric
17	China New Borun
17	Xi'an Longi Silicon Materials
17	Zhuzhou Times New Materials
20	Zhejiang Dun'an Artificial Environment
21	Eternal Asia Supply Chain Mgmt
21	RDA Microelectronics
23	Nari Technology Development
23	Tianjin Zhonghuan Semiconductor
25	Jiangxi Black Cat Carbon Black
26	ctrip.com International
26	Inner Mongolia Baotou Steel Rare-Earth Hi-Tech
26	Lianhe Chemical Technology
29	New Oriental Education and Tech
29	Huayi Brothers Media Corporation
31	Changyuan Group
31	Han's Laser Technology
33	Sinoma Science and Technology
34	Sichuan Jiuzhou Electric
35	Shandong Nanshan Aluminum
36	Beijing Tong Ren Tang
36	Tianma Microelectronics
38	China Lodging Group
39	Aerospace Comms Holdings
39	Fiberhome Telecomms Technology
39	Zhejiang Aokang Shoes
42	Yonyou Software
43	Humanwell Healthcare (Group)
43	O-Net Comms (Shenzhen)
43	Puyang Refractories Group
46	Zhejiang Supor
47	Home Inns and Hotels Management
47	Shanghai Fudan Microelectronics
49	Kunming Pharmaceutical
50	Hangzhou Nabel Group

Rank	Company name
51	Fabchem China
51	Huayi Compressor
51	Jiangsu Changjiang Electronics
54	Guangdong Dongyangguang Aluminum
54	Shanghai Fosun Pharmaceutical
56	Apeloa Pharmaceutical
56	JinkoSolar Holding
58	China Avic Electronics
58	Zhejiang Sanhua
60	Baofeng Modern International Holdings
60	Wuxi Little Swan
62	Dongling Grain and Oil
62	E-commerce China Dangdang
62	Ningbo Huaxiang Electronic
65	Hualing Xingma Automobile
65	Anhui Ankai Automobile
65	Anhui Heli
65	China Spacesat
65	Xiamen Tungsten
70	Netease Inc
70	Shunfeng Photovoltaic International
72	Aucma
72	Changyou.com
72	Angel Yeast
72	Keda Clean Energy
76	Peacebird Group
77	Viewtran Group
77	Guodian Nanjing Automation
77	Hengdian Group Dmegg Magnetics
80	Aerosun Corporation
80	Fujian Furi Electronics
82	Perfect World
82	Zhejiang Shangfeng Industrial
84	Golden Meditech Holdings
84	Tongling Jingda Special Magnet Wire
86	Avic Heavy Machinery
86	Sinotex
86	SouFun Holdings
89	Guangzhou Baiyunshan Pharma
90	Hefei Meiling
91	Baosheng Science and Technology
92	Tech Pro Technology Dev
93	Xu Long Group
94	Sun King Power Electronics Group
95	Xinjiang Zhongtai Chemical
96	Anhui Quanchai Engine
96	Nanjing Yunhai Special Metals
96	Sohu.com
99	Ningbo Yunsheng (Group)
100	Henan Xinye Textile

About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

We support our 162,000 members and 428,000 students throughout their careers, providing services through a network of 89 offices and centres. Our reputation is grounded in over 100 years of providing world-class accounting and finance qualifications. We champion opportunity, diversity and integrity, and our long traditions are complemented by modern thinking, backed by a diverse, global membership. By promoting our global standards, and supporting our members wherever they work, we aim to meet the current and future needs of international business.

The Accountancy Futures Academy

The Accountancy Futures Academy contributes to ACCA's research and insights work with powerful visions of the future. It provides a platform to look forward, to tune into the emerging trends and discussions in the global business and policy spheres and the latest reforms facing the world of finance.

By looking to the future it helps the profession stay at the cutting edge. The Academy's work fosters fresh thinking and innovative discussions, identifies the barriers to and facilitators of tomorrow's successes, and identifies the potential strategies that will enable business and finance to navigate the choppy waters that lie ahead.

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