

# THE RISE OF CHINESE MULTINATIONALS

THE IMPACT ON INCUMBENT “WESTERN”  
MULTINATIONALS NOW & IN THE FUTURE



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The Impact on Incumbent “Western” Multinationals Now & in the Future

by Nenad Pacek and Ali Borhani

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## Prologue – why this special report?

Over the last decade, a growing number of Global Success Advisors and EMEA Business Group multinational clients (incumbent “Western” multinationals) have been complaining to me about rising and extremely disruptive competition coming from Chinese multinationals. The complaints have grown louder in the last few years, particularly by our corporate clients who directly run various emerging markets. The chief complaint has always been about how Chinese firms can offer their products at extremely low prices while continuously pushing quality higher and higher. At the same time, our clients have not had a clear idea about how the Chinese state is supporting their rise – politically and financially.

This is when I thought it would be a good idea to write a special report for our clients that would address these issues but put them also in a much broader historical, geopolitical, economical and business context. To make sure the report is super insightful, I contacted a former client, who, over the last 20 years, became a good friend, Ali Borhani, to contribute to this special report. Ali runs a boutique consultancy 3Sixty Strategic Advisors Ltd. in London (see our individual and corporate biographies) that, among other things, focuses on monitoring the rise of China. Ali has cooperated with my firm for over 15 years on various projects.

Out of nine chapters, Ali predominantly wrote Chapter 6, co-wrote Chapter 5 with me and conducted interviews with senior executives from incumbent “Western” multinationals. These interviews, written and summarised by Ali, form the extensive Chapter 8, which is the practical core of the report.

To formulate our final verdicts in this report, Ali and I have used our accumulated corporate and individual knowledge/research about all China-related issues (the accumulation has been in the making for at least a decade). And then, it took the entire 2023 to conduct more focused corporate research to come up with key conclusions. To make sure we capture well all the difficulties that Chinese firms create for Western multinationals, Ali formally interviewed 30 corporate clients of Global Success Advisors and EMEA Business Group across industries and diverse sectors to gain insights into how they are being affected by rising Chinese competition and what they are doing about it. In addition, we used years of accumulated insights from informal client conversations, extensive internal databases and external research to form the final conclusions of this report. Because of extreme

complexities and non-transparencies related to Chinese financial might, it took us longer to write the report than anticipated. We moved the launch from August 2023 to January 2024. This report was more complex than anything Ali and I have ever written.

I am immensely grateful to our corporate clients who kindly took time out of their busy schedules to be interviewed for this report. We have paraphrased, shortened and edited all formal interviews and removed any references to their firms so they remain completely anonymous. Ali and I are also grateful to numerous other senior executives from “Western” multinationals who have shared their stories and anecdotes with us over the years.

The final result of the report is unique: it finally clarifies how Chinese firms have become such formidable competitors, what Western multinationals can do about it and what is the future of China and Chinese competition. The report was written in such a way that it will be a relevant, insightful read for quite a few years to come. Ali and I hope it will be a timely competitive compass, and we are confident that you will experience multiple “aha moments” that can and will be instrumental in your continued success. I hope you will find the report more than insightful, helping you to come up with strategies that will guard your business against the rise of Chinese multinationals.

Nenad Pacek

President | Global Success Advisors and EMEA Business Group

## The Authors

### About Nenad Pacek



Nenad Pacek is the founder and president of Global Success Advisors, which, among other brands, owns EMEA Business Group. He is the author of four books, most recently “The Future of Business in Emerging Markets” and “Global Economy”. He is the lead author of two book editions of “Emerging Markets: Lessons for Business Success and Outlooks for Emerging Markets”. Nenad is one of the world’s leading authorities on the global economy, emerging markets and corporate strategies for faster international growth. He regularly interacts with global and regional managers of large corporations, performing hundreds of client sessions every year around the world face-to-face and over video links.

He is well known in corporate circles for his “no written notes” and “no slides” presentations and consultations. Nenad acts as a trusted advisor to global executive teams of major multinationals, helping them understand and predict future developments. He is the former Executive VP of The Economist Group (Economist Intelligence Unit) where he worked from December 1990 to August 2009. He chaired over 100 Government Roundtables with presidents, prime ministers and their cabinets across Europe, the Middle East, Africa, Asia and Latin America. Nenad is passionate about emerging markets, economic history, economic development issues in emerging markets, global economics and geopolitics, as well as ever-evolving corporate growth strategies. Nenad resides near Vienna and partly near Dubrovnik with his wife and three daughters. He loves to spend time with his family, but as an avid sportsman he occasionally sneaks out to play basketball, tennis and golf.

*[Nenad.pacek@globalsuccessadvisors.eu](mailto:Nenad.pacek@globalsuccessadvisors.eu)*

## About Global Success Advisors

Global Success Advisors GmbH, a company founded in Austria in 2009 by Nenad Paček, services global and regional leaders of over 500+ multinational corporations via various brands, subscription programs and consultations. The company runs Global Trusted Advisor agreements with global executive leadership teams, helping them understand future megatrends regarding geopolitics, global economic and international business issues. The company's largest business is a highly respected EMEA Business Group, which is a corporate service tailored for Europe, Middle East Africa and India regional directors of multinational companies. EMEA Business Group is a subscription-based, business-relevant and business-intimate service that assists regional directors and their teams by providing unrivalled insights into economic, business and political developments for EMEA markets via written country outlooks, peer group meetings across Europe and Dubai, in-house consultations and corporate surveys. It is the largest and most senior corporate service of its kind in the region. The EMEA Business Group offers regional subscriptions for Central Eastern Europe, Russia, CIS, Central Asia & Caucasus, the Middle East, North Africa and Sub-Saharan Africa, Western Europe, India and Asia (selected markets only, including China and Japan).

The company also owns the IMAGINO corporate service/brand, which helps multinational companies boost the creativity of their employees and advance corporate innovation to new levels in all corporate activities. The service is based on a proprietary diagnostics tool that identifies strengths and gaps in individual creativity and corporate innovation. The gaps are then closed via individual coaching sessions and bespoke group workshops.

*[www.globalsuccessadvisors.eu](http://www.globalsuccessadvisors.eu)*

*[www.emeabusinessgroup.com](http://www.emeabusinessgroup.com)*

## About Ali Borhani



Ali Borhani is the Managing Director of 3Sixty Strategic Advisors Ltd. He has 30 years of experience in crafting creative international commercial strategies and is credited with successfully identifying fruitful opportunities in Europe, West Asia/the Middle East and a number of emerging markets. Ali is also fully conversant with the wealth of opportunities arising from China's "Belt and Road Initiative" (BRI). Ali is the Co-founder and presenter of the BRI Dialogues with Durham University, hosting talks with experts, decision makers and leading academics to examine, discuss and dissect China's Belt Road Initiative. BRI Dialogues supports key decision makers on how to COPE: how to deal with Complexities; capitalise on Opportunities; understand her return to Power, and brace for the impact of Externalities of China.

He has advised a raft of 'Blue Chips' including J&J, Gavi the Vaccine Alliance, Emaar, GSK (GlaxoSmithKline), the Family Enterprise Foundation, Lindt & Sprüngli, Savola alongside several family businesses, UHNWIs and entrepreneurs. Prior to this, he was the Managing Director of Incubeemea, a disruptive advisory firm in the Middle East and Africa, Director of Corporate Strategy & Business Development at Bosch and Siemens, and Director of Sales & Business Excellence at Philips in the Middle East and Africa. Ali lives in London, United Kingdom. Outside of work, he enjoys spending time with his wife and 10-year-old son, who keeps him on his toes physically and mentally. He gets his energy from the outdoors, skiing, trekking, travelling or walking and people. He has supported and funded surgery operations for children with cleft-lip through Operation Smile UAE. Ali also mentors and provides advisory services pro bono to young and budding entrepreneurs. Ali has been advocating passionately to levy a tax on Scope 1, 2 and 3 emissions resulting from wars and sending the bill to the aggressors/occupying countries.

*ali@3sixtycapital.com*

*www.aliborhani.com*



## **About 3Sixty Strategic Advisors Ltd.**

3Sixty Strategic Advisors is a London-based boutique, nimble & credible strategic advisory firm with a solid track record built over 40 years in markets of the Middle East & Africa. The firm's core expertise is centred on strategic advisory at the intersection of geo-economics, geo-strategy and geo-politics, which are all a constant in decision-making in these markets and directly impact success or failure. Our focus is helping our clients in business development and formulating partnerships and alliances for market entry and post-entry growth acceleration.

We pride ourselves in listening, challenging, contextualising, presenting and co-implementing creative scenarios and solutions in the market and engaging our influential network of relationships in the Middle East & Africa, Eurasia and Markets Along BRI (Belt Road Initiative) to support our clients. We work with leading multinationals, family businesses/offices, UHNWIs (Ultra High Net Worth Individuals) and private equity firms. Being a sector-agnostic advisory firm, many of our past clients come from FMCG, Industrial, Real Estate, Energy and Hotel & Hospitality, Healthcare and Pharmaceutical and Technology sectors.

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