The Impact of the Global Financial Crisis on the Presence of Chinese and Indian Firms in Europe

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As outward investment from the non-triad countries continues to increase its share of global outward investment, it is important to understand the extent to which such investment is sustained in the triad host regions and countries, and how such investment ventures evolve over time. This is necessary in order to assess the impact of such investment on host societies. Such understanding is also of benefit to home country firms contemplating and planning strategies for overseas investment. Exploring the effects of the global financial crisis on such investment is a crucial element in seeking to estimate future investment flows and their likely impacts.

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This book investigates the presence of Chinese and Indian companies in Europe and the impact that the current global financial crisis has had on their corporate behaviour and strategies. Have investments been canceled or postponed? Has the crisis created new opportunities for investment? Is the behaviour of Chinese and Indian firms to these new circumstances similar? In addressing these challenging questions the authors used a proprietary data base encompassing more than 1,500 investments (greenfield operations, mergers-and-acquisitions, joint ventures, horizontal/vertical extensions) made throughout Europe by companies from China (Mainland and Hong Kong) and India since the 1990s. Comparisons were made according to several criteria – e.g. spatial patterns, modes of entry, sector and function distribution – to pinpoint differences and likenesses. In addition, face-to-face interviews were conducted in order to elaborate congruent case studies in traditional sectors (textile/clothing), or in new sectors (software for Chinese companies).