

# P&G's 30-year contribution to China through FDI

An excerpt from the book *Developing China: The Remarkable Impact of Foreign Direct Investment* by Michael J. Enright



China's economic reforms have created the world's most dynamic economy. A major part of China's economic development has involved foreign companies. This document contains an excerpt from a larger project initiated by the Hinrich Foundation and undertaken by Enright, Scott and Associates on the impact of foreign investment and foreign enterprises as a whole on China's economy. The results of the larger project were published in a book by Michael J. Enright, *Developing China: The Remarkable Impact of Foreign Direct Investment* (Routledge 2017). Using the tools of economic impact analysis, the author concludes that foreign direct investment (FDI) has contributed 33% to China's GDP and 27% to its employment in recent years. The book offers a balanced and rigorous view of the full impact of FDI – using China as an example to illuminate the mutually beneficial partnership between investing companies and host economies – and more importantly, serves as an effective toolkit for policymakers and corporations to approach FDI globally. It is available in English and Chinese. Visit [www.hinrichfoundation.com/trade-research/fdi-in-china/](http://www.hinrichfoundation.com/trade-research/fdi-in-china/) for more information about the book.

## This case study includes the following key findings:

- The impact of P&G's investments and operations on China's economy has been several times its investment and sales totals.
- In 2014 alone, the impact from the P&G system of retailers and distributors in China can be estimated to have reached USD 11.28 billion in value added and over 612,000 in employment.
- Beyond the numbers, P&G has also contributed to China by introducing new product categories, building supply chains and distribution channels, advancing marketing and advertising capabilities, developing corporate social responsibility programs and training generations of Chinese staff and executives.

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The Hinrich Foundation (<http://www.hinrichfoundation.com>) is a non-profit organization dedicated to promoting sustainable global trade. Its international trade research program periodically issues white papers and case studies on international trade, investment and economic issues.

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## About the author

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### our focus

## Introduction

Proctor & Gamble (P&G) was an early entrant into China among major western multinational companies. P&G showed commitment to the China market early on, advertising its brands three years before it was even allowed to sell in the Chinese Mainland. P&G introduced entire new product categories that had been unknown in China previously. It invested to develop suppliers that it eventually incorporated into its global supply chain, and helped create distribution systems in much of China. P&G, and similar companies, also introduced modern marketing and advertising practice to China. P&G committed to developing its local staff, eventually becoming a net exporter of managerial talent from its China operations. Its extensive CSR activities in China have included investments in public health, hygiene awareness, education, and international expositions. The impact of its investments and operations on China's economy has been several times its investment and sales totals.

P&G is one of the world's great consumer goods companies. P&G began exploring the potential of China's market shortly after China announced its economic opening. However, in the early 1980s, foreign companies still could not sell into China. P&G began market studies in Beijing and Shanghai in 1985. It began to advertise in China in the same year to build up recognition for the company, even though it was not allowed to sell any products in China until three years later (Dyer et al., 2004, p.387). P&G formally entered China in a joint venture with the Hong Kong-based company Hutchison Whampoa in 1988. P&G increased its initial 69 percent stake in the venture to 80 percent in 1997 and 100 percent in 2004.

P&G introduced its first product in China, Head & Shoulders shampoo, in 1988. It was introduced in a variety of product sizes, down to single-use sachets costing RMB 0.5 to allow poorer Chinese to buy packaged shampoo for special occasions.<sup>1</sup> P&G later introduced Oil of Ulan (elsewhere Oil of Olay) skin care products (1989), Rejoice shampoo (1989), Pantene shampoo (1991), Safeguard soap (1991), Crest toothpaste (1997), and Pampers disposable diapers (1997). By 2015, P&G had also introduced the Clairol, Vidal Sassoon, Zest, Whisper, Ariel, Tide, SK2, Sebastian, Braun, Gillette, Oceana, and Duracell brands into China (P&G, 2015a). According to retail consultants Kantar Media, P&G sold at least one product to 98 percent of Chinese households in 2009, while Unilever reached 85 percent of households (Kantar, 2010).

P&G opened its first Chinese facilities in Guangzhou and Shanghai. By 2005, it had factories and subsidiaries in Guangzhou, Shanghai, Beijing, Chengdu (the capital of Sichuan in western China), and Tianjin. By 2015, P&G had operations in Guangzhou, Beijing, Shanghai, Chengdu, Tianjin, Dongguan, and Nanping as well as its China headquarters in Guangzhou and a technical centre in Beijing. The Tianjin plant was the company's largest in the world, while the Guangzhou distribution centre was the company's second largest globally.

## Creating product categories in China

P&G has introduced product categories into China that have improved the offerings to local consumers. In parts of China, for example, shampoo had not been a packaged product. People either used normal soap or were supplied

from bulk containers at local stores. P&G was among the first to introduce shampoo as a separately packaged product in China, and the first to introduce anti-dandruff formulated shampoos and shampoos with conditioners added. While there were Chinese toothpaste factories dating to the early 20th century, P&G was among the first to introduce silica-based and special cavity-fighting toothpastes into China along with modern mechanized production techniques. P&G also advertised heavily to bring modern dental hygiene to parts of China where daily tooth brushing was not the norm (Young, 2006).

Disposable diapers did not exist as a product category in China before P&G introduced Pampers in China in 1997 (Grant, 2005). By 2011, disposable diapers had achieved a 39 percent market share, with P&G the market leader (Lockett, 2014). By 2014 sales of disposable diapers in China were estimated to exceed those in the United States (Neff, 2015). P&G also introduced the first whitening skin care products to China under the Olay brand in the early 1990s. The introduction was based on perceived needs in the China market, as Olay had not previously included whitening products. By 2014 AC Nielsen data indicated that Olay ranked first in whitening / sunscreen products sold through retail channels in China, accounting for 20.1 percent of the market (Cosmetic Observer, 2015).

## **Leveraging consumer research in China**

In 2000, P&G embarked on a program to dramatically expand its position in developing markets (Penhirin, 2004). China became a major focal point for this strategy. P&G began to study the Chinese customer in detail and to develop products specifically for the needs and price points affordable for these customers. Thousands of P&G personnel were sent to live with and observe consumers or potential consumers around China, and special product-testing programs were initiated. P&G discovered that in some parts of China shampoos were used with only a few cups of water because of water shortages, that soaps were often lathered and wiped off due to privacy concerns in homes without bathrooms, that salt was considered good for tooth cleaning, that tea was considered a remedy for bad breath, that hand washing of clothes required different detergents than machine washing, and so on. Several lines of Tide detergent were developed to suit differences in water and water quality around China. The Crest 7 Effect toothpaste was developed based on the preference for multi-functional toothpaste among Chinese consumers (Finance Ifeng, 2012).

China's rapid development also created income disparities and different price segments in consumer markets. By the mid-2000s, P&G estimated that of its China sales, 15 percent of its unit volume and 30 percent of value were in premium segments, 30 percent of volume and 40 percent of value were in middle segments, and 55 percent of volume and 30 percent of value were in low-end segments. In addition, an individual or a single household might purchase premium skin care products, mid-tier toothpastes, and low-end detergents. Thus P&G had to figure out how to serve the same customer in different segments for different products (Penhirin, 2004).

Addressing multi-tiered markets in China required a different type of product development. P&G began developing products for particular price points, such as a disposable diaper that would cost USD 0.10. According to one P&G

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executive, 'We changed our standard of innovation so we can serve more of the world's consumers. So it's a better brand experience for the target consumer and a lower product cost structure than the competition can deliver' (Grant, 2005). The research carried out in China has been used to inform P&G activities worldwide. In April 2015, P&G hosted an event in Beijing that displayed innovative products developed for China in just the past year, including a Bluetooth intelligent tooth brush (the first of its kind globally) and 10 other cutting edge products (Xinhuanet, 2015).

### **Building supply chains and distribution capabilities in China**

P&G has invested heavily to build supply and distribution capabilities in China. While P&G China imported equipment and inputs in its early days in the country, the company worked extensively with local and foreign suppliers in China to develop the quality and consistency of inputs that were required for world-class operations (Young, 2006). To reduce the cost of equipment, it developed a network of low-cost component suppliers in Asia and Latin America, plus an assembly facility in Shanghai. The system allowed P&G to reduce the cost of production lines by up to 30 percent and has been so successful that P&G began exporting equipment back to the United States and Europe from China, thus leveraging China not only as a market and a production location for end products, but as a supplier of sophisticated production equipment (Grant, 2005). In the process, P&G has helped to internationalize its Chinese suppliers of inputs and equipment.

P&G has been a leader in building distribution and retail capabilities in China. When P&G entered China, there was limited national distribution for consumer goods. Most retail purchases were made in small local shops that were supplied by state-owned distributors. Most brands were local, logistics expertise was limited and distribution was often on a transaction basis rather than through relationships. By 2010, P&G had nearly 150 distribution centres of its own in China. The company's Guangzhou Center, opened in 2010, is P&G's largest in Asia and second largest worldwide. P&G has equipped its China distribution centres with the latest in mobile technologies to ensure smooth operation. In 2012, P&G invested RMB 250 million (USD 40 million) in Kunming, Yunnan Province, to construct a distribution centre covering a land area of 16 acres (Yunnan, 2012). In 2014, P&G set up a 9,000 square meter warehouse and a 1,300 square meter secondary packaging facility in Shenzhen for cross-border supply to the Hong Kong market (Dyer et al, 2004, p.391).

P&G also helped develop a wide range of third party distributors around China, teaching them the techniques of modern distribution and inventory management (Dyer et al., 2004, p.391). P&G even set up shadow management structures for major distributors, supervising daily activities and training them in distribution management. The approach helped create what became some of China's most effective consumer goods distributors (Hexter and Woetzel, 2007, p.140). P&G also helped develop retail networks covering over 500,000 stores in urban and rural areas in China. P&G, for example, trained people in 10,000 Chinese villages in retailing in an arrangement with China's Commerce Ministry. The idea was to bring more consumer goods to China's villages and rural areas to improve local quality of life (Roberts, 2007). In 2009, P&G required its 100 distributors in China to set up branches covering 30,000

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counties and towns in China (NetEase Finance, 2010). With the growth of e-commerce in China's consumer market, P&G was also expanding its online distribution. Since 2009, P&G has allowed its distributors to set up online outlets on Taobao (National Business Daily, 2009), and in 2013 P&G launched its online experience centre on Taobao, which was the first of its kind in China (P&G, 2013).

### **Bringing green standards to China**

P&G has brought its most advanced plant designs and concepts to China. Its Tianjin plant is the company's largest in the world. Its Taicang (Jiangsu Province) plant, which opened in 2012, was P&G's first plant globally to be registered under the US Green Building Council's Leadership in Energy and Environmental Design standards. This entailed minimizing water consumption and maximizing water reuse, cutting energy consumption and using renewable sources such as onsite solar cells, and maximizing recycling to generate zero waste for landfills. The plant was the first in a global plan to use only renewable energy, only renewable or recyclable packaging materials, and no landfill space, and to design products to minimize their environmental impact (GreenerBuildings, 2011). The facility achieved the LEED Gold certification for administrative buildings and Silver for manufacturing buildings (P&G, 2015c). The plant uses 100 percent wind energy, saving 5,000 tonnes of CO<sub>2</sub> emission each year (P&G, 2014d). In November 2013, P&G opened a LEED certified plant in Luogang, Guangzhou that has 100 percent of its production waste recycled (P&G, 2014d).

P&G has repeatedly been praised for its environmental performance in China. It received the 'Green Gold' Platinum Award from Sohu and A.T. Kearney in 2010 (P&G, 2010b). P&G was named as one of the 'China Green Companies Top 100' at the Annual China Green Companies Summit in 2010, where it ranked fourth among foreign companies in China and first in the fast-moving consumer goods category (P&G, 2011a). In December 2012, P&G won the World Green Design Contribution Award from the International Design Federation (P&G, 2012). In July 2014, P&G was recognized as a Green Shipper by the China Green Freight initiatives hosted by China Road Transportation Association (P&G, 2014c). In the same year, P&G was listed among the China Top 100 Green Companies for the fourth time (P&G, 2014a).

P&G has also worked to improve the sustainability of its suppliers in China as part of a world-wide program. By 2011, over 600 suppliers globally joined the plan, including 24 Chinese suppliers from 7 industries. In the first year of implementation, 63 percent of the suppliers reduced their energy consumption, 64 percent reduced emission of greenhouse gases, and 62 percent improved the efficiency of water usage. The improvement by suppliers in China was reportedly even greater than the global average (P&G, 2010c). In 2015, P&G initiated the 'Pioneer Plan' to sponsor environmental protection projects for selected student groups at Chinese universities in an attempt to cultivate future leaders in environmental protection in China (P&G, 2015d).

## Building marketing capabilities in China

P&G is one of a handful of leading international consumer goods companies credited with bringing modern advertising and brand building to China. According to one academic, 'Modern advertising returned to the People's Republic of China in 1979' (Wang, 2003, p.247). In fact, corporate advertising had been banned during the Cultural Revolution. P&G started advertising years before it actually sold any products in China. Subsequently, the introduction of new product categories was usually preceded by an extensive advertising campaign. P&G became the largest advertiser in China. As of 2012, according to a Deutsche Bank analyst, 'P&G is so entrenched in China. They made the investments early and their brands have great cachet now' (quoted in Beattie, 2012). P&G reportedly works with numerous leading advertising agencies in China, including Saatchi & Saatchi, Grey Group, Wieden & Kennedy, Leo Burnett, BBDO, and Publicis (Beattie, 2012). Most of the major international ad agencies followed their clients, like P&G, to China.

*Advertising Age* estimated that P&G spent USD 1.1 billion on advertising in China in 2009 and USD 1.8 billion in 2013 (well above L'Oreal's USD 1 billion and Unilever's USD 842 million) (Wentz, 2009; Madden, 2014). While television received the lion's share of P&G's China advertising budget, P&G has also made extensive use of print and other forms of media in China, including online media such as Tencent Weibo, and created a flagship store on Taobao Mall, China's largest online marketplace. P&G has also used Weibo to promote its Hope Schools projects in China (Sina Finance, 2015).

In October 2015, P&G won 5 awards at the Effie Awards (Greater China) ceremony with its marketing projects for Olay, Pantene, and Safeguard (P&G, 2015g). In the same month at the ROI Festival in Shanghai, P&G received 17 awards for its creative advertising and marketing projects, covering P&G's marketing activities in social media, internet, outdoor, public service, and other marketing channels. P&G was also named 'best brand of the year' at the festival (P&G, 2015f). In the 2015 Brand Power Index released by Chnbrand under the direction of the Ministry of Industry and Information Technology of China, several of P&G's brands, such as Safeguard, Olay, Head & Shoulders, Tide, Pampers, and Whisper, were ranked at the top in their categories (P&G, 2015b).

## Setting up global research in China

P&G has developed global scale research and development in China. P&G opened a USD 10 million R&D facility in Beijing in 1998. Approximately 80 percent of the 200 scientists employed initially at the centre were from China. The centre is located adjacent to Tsinghua University in Beijing, one of China's leading centres for scientific research. The initial mandate of the centre was to ensure that global products were meeting the needs of Chinese customers, to gain access to China's scientific and technological resources, and to work toward improving products for global markets. The lab developed many formulations tailored for the China market and became a global enter of excellence within P&G for detergents and toothpastes (Walfish, 2001). In 2010, P&G opened a new USD 80 million R&D centre in Beijing, its largest such centre anywhere. The new centre, which employed more than 500 scientists from 16 countries, was expected to become a major centre in P&G's worldwide network of R&D centres, with global responsibilities, and the only centre worldwide that would work on all of P&G's product categories.

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P&G also engaged in research cooperation with Chinese institutions. For example, in 2011, P&G signed a strategic cooperation memorandum of understanding with Chinese Academy of Sciences, to cooperate in the research and development in fields including recyclable bio-materials, substitutes for petroleum, surface technology, and consumer psychology (P&G, 2011c). In December 2014, P&G set up a laboratory in Guangzhou for cooperation with Research Institute of Microbiology of Guangdong Province (GIM, 2014).

## **Developing human resources in China**

From its initial entry into China, P&G focused on building up a local employment base and was among the earliest foreign firms to actively recruit at major Chinese universities. It also developed extensive training programs for its China staff. P&G followed a similar pattern in China as in the United States and elsewhere of hiring local people at an entry level and then promoting from within. While foreigners were sent to fill key positions in P&G's early days in China, as time went on locals increasingly occupied senior positions. By 2015, only around two percent of P&G China's employees were non-Chinese, and the percentage of Chinese in senior management had increased to 65 percent from 30 percent 10 years earlier (Guangzhou Daily, 2015). P&G China had become a net exporter of managerial talent, that is, more Chinese from P&G China were in P&G management in other countries than there were foreigners in management inside of China.

P&G has been known as one of the more desirable employers in China. In 2008, 51Job, a leading human resources company in China, gave P&G its top prize for 'best campus recruiter', second place for 'best new-hand trainer', and a place within the '2008 Top 100 HR Companies in China' (P&G, 2008). In May 2011, P&G was listed among 'the most desirable employers in China' based on a survey by Universum of 46,000 university students. P&G was ranked as the second most desirable employer among students majoring in business, first among students majoring in natural sciences, and seventh among students majoring in engineering (P&G, 2011b). In September 2014, P&G was ranked seventh among 'Ideal Employers in China' in the Universum survey (P&G, 2014b).

## **Economic impact on China**

By 2014, sales of P&G goods in China by retailers (including distribution and retail mark-ups) were estimated at USD 10 billion, some 63.3 percent higher than in 2009 (Coolidge, 2014). P&G's sales to retailers and distributors in Greater China (the vast majority of which would be to the Chinese Mainland) were around USD 6.44 billion.<sup>2</sup> If we assume that 85 percent of these sales were to the Chinese Mainland, the Mainland sales figure would be USD 5.47 billion. This would indicate that P&G's distributors and retailers realized mark-ups on the order of USD 4.53 billion selling P&G goods in Greater China. During a 2010 visit to China, CEO Robert McDonald indicated that P&G had invested USD 1.5 billion in China since 1988 and planned to invest an additional USD 1 billion in China by 2015 (Reingold, 2011).

From this information, we have made rough estimates of the economic impact of P&G on China's output, value added, and employment. In order to do so, we took the estimates of P&G's China's investments and sales, and the



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downstream sales of distributors and retailers, and applied economic impact multipliers generated from China's Input-Output tables (China Statistics Press, 2009). This process allows us to estimate the impact of P&G's activities, plus those of its supply and distribution chains, but not any other spillovers into China's economy.

Assuming that one-third of the USD 2.5 billion capital investment went into land and construction, one-third into supporting services, and one-third into machinery and equipment (and further assuming that one-half of the machinery and equipment was imported and therefore had limited China impact), we estimate that the total cumulative impact of P&G's capital investments was USD 7.00 billion in output, USD 2.15 billion in value added (which is essentially the GDP contribution), and 247,863 full time equivalents in job-years (1 job for 1 year). We note that these are cumulative not annual effects. Averaging the cumulative employment impact over 30 years, for example, would give an average impact of over 8,262 jobs per year just in terms of the impact of the physical developments associated with capital investment.

Taking the estimates of P&G's Chinese Mainland sales of USD 5.47 billion and distributor and retail margins on P&G products of USD 4.53 billion in 2014 and applying the same method as above, the total impact of P&G's own revenues in 2014 was on the order of USD 20.25 billion in output, USD 6.53 billion in value added, and over 355,523 in employment. The impact of the revenues of P&G's distributors and retailers was estimated at USD 8.93 billion in output, USD 4.75 billion in value added, and 246,499 in employment. Thus impact from what might be called the 'P&G system' can be estimated to have reached on the order of USD 11.28 billion in value added, and over 612,000 in employment in 2014 alone. We recognize that these are speculative estimates and employ numerous assumptions and that the multiplier method used may tend to overstate economic impacts. However, the estimates do suggest the magnitude of the impact a major foreign company can have on China.

## **Corporate social responsibility in China**

P&G pays close attention to corporate social responsibility in China. P&G has worked with the central and local governments in areas such as education, public health, and rural development, and participated in other programs and projects of importance to China's leaders. In 2010, P&G was named a member of China-based Hurun Institute's 'Corporate Responsibility Top 50' for the fourth consecutive year and ranked ninth in terms of the 'Most Respected CSR Projects' among foreign companies. P&G was one of two consumer packaged goods companies in the top 50 (P&G, 2010a). In the same year, Southern Weekend magazine named P&G one of the 'Top 500 Company Contributors in China'. P&G was ranked first in the fast-moving consumer goods sector for the fourth consecutive year, eighth overall, and second in 'Corporate Philanthropy'. P&G was honoured for its contribution to society, including work on education, health, and sustainability.

By June 2013, P&G had built 200 Hope Schools in 28 provinces in China, more than any other foreign company, and representing donations of RMB 76 million (USD 12 million). Over 200,000 children were studying in or had graduated from P&G Hope Schools (P&G, 2015e). P&G initiated a school health program in 1997 and had donated

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RMB 300 million to the program by 2007. P&G donated a portion of its sales in China to charitable programs and expected to spend RMB 200 million between 2008 and 2012 in support of health, dental, sanitation, and adolescent health matters. By 2010, P&G estimated that more than 160 million students in over 600 cities in 31 provinces in China had been helped by the school health program. By 2010, P&G was also collaborating with Chinese officials on the '10,000 Villages Project', which was 'designed to create distribution networks for household products in rural areas in China' (P&G, 2010e). P&G donated over RMB 8 million (USD 1.2 million) in relief funds after the 2013 earthquake in Sichuan Province. Within 2 weeks after the earthquake, P&G had set up a Hope School in Longmen County with 20 classrooms (P&G, 2014d).

P&G also participated in high-profile events and forums. China's leaders viewed the 2010 Shanghai World Expo as an important world stage for the country. P&G signed on to be an Official Premier Sponsor of the USA Pavilion, exclusive in the Wellness, Beauty, and Household Care categories. According to Chris Hassall, P&G Global External Relations Officer:

*This sponsorship represents a perfect fit with our corporate purpose of touching and improving more consumer lives in more parts, in more parts of the world, more completely. We accomplish this through our quality products and our involvement in the social responsibility causes in the communities where we work and live.... And with our partnership with the USA Pavilion, we are gratified by the thought that we are making a humble contribution to bringing Chinese and American people even a little closer. (P&G, 2009)*

## **Making an overall contribution to China**

P&G's contribution to China has gone well beyond that generated by its capital investments and sales. It has developed new product categories for the Chinese consumer, advanced supply and distribution networks that did not exist before in the country, world-class research and development in China, advertising and marketing expertise new to China, and Chinese managers that it sends to P&G's international operations. P&G has contributed to public health, education, and rural development.

Chinese officials have voiced praise for P&G's contribution to China on numerous occasions. In meetings with P&G senior officials in 2014, the Vice Secretary General of the Shanghai Municipal Government noted P&G's contribution to the local economy and expressed the Shanghai Government's willingness to support P&G in its operation and talent policies (Pudong Times, 2014). The Party Secretary of the Guangzhou Municipal Government, Vice Governor of Fujian Province, and Party Secretary of the Suzhou Municipal Government have also expressed their recognition of P&G's contribution to local economies.

Perhaps the appreciation was best expressed by Vice Minister Wang Chao of the Ministry of Commerce at the opening of P&G's R&D centre in Beijing in August 2010 when he stated:

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*P&G is an excellent example of Sino-US economic cooperation. I am very optimistic about P&G's future in China. Foreign companies are an important part of China's national economy. Advanced technology, management expertise and philosophy have had a profound impact on every aspect of China's economic and social life. They have positively facilitated the development of China's high tech, labor intensive and service industries, furthering China's economic development and China's integration into globalization. China will adopt a more open approach in conducting economic cooperation internationally and create a better environment for companies investing in China. (P&G, 2010d)*

## **Conclusion**

Corporate case studies provide a range of insights into the roles played by foreign companies in China. In P&G, we have a story of how comprehensive a major company's impact can be on a foreign host economy. P&G has been at the forefront in China in developing suppliers, teaching and training distributors, training the workforce, introducing modern advertising and marketing techniques, building up local research and development capabilities, introducing advanced human resource and management systems, and internationalizing its Chinese management staff. In addition, P&G has been a corporate leader in green production standards, public health education, and sustainability reporting to China. Finally, through its various product developments and introductions it has changed the way millions of people in China live. P&G has had an impact on China in almost every aspect where companies interact within larger societies.

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## Notes

- <sup>1</sup> The average official exchange rate was RMB 3.7221 to 1 US dollar in 1988.
- <sup>2</sup> Calculated from USD 80,510 million in global sales and 8 percent of global sales in Greater China from the P&G 2015 *Annual Report*.

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## About the research



This paper is an excerpt from a larger project initiated by the Hinrich Foundation and undertaken by Enright, Scott & Associates on the impact of foreign investment and foreign enterprises as a whole on China's economy.

The results of the larger project were published in Michael J. Enright, *Developing China: The Remarkable Impact of Foreign Direct Investment* (Routledge 2017).

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