

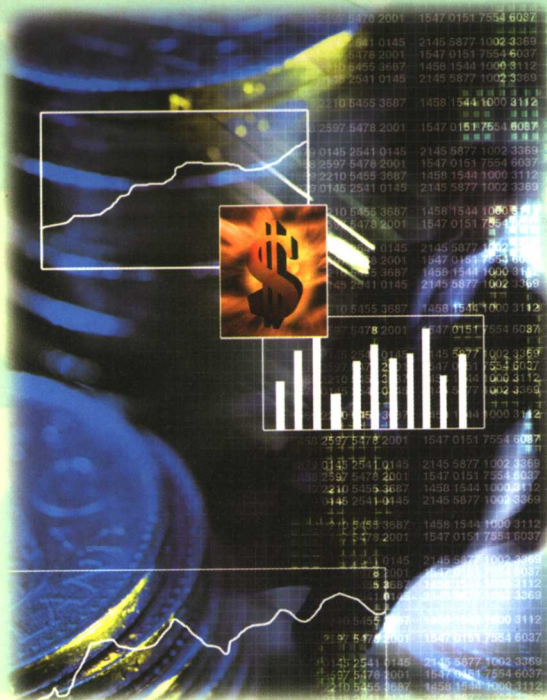
**【商务专业英语系列丛书】**

王关富 张海森 总主编

# 国际投资

## 专业英语

王育红 胡小平 主编



# International Investment English Reader

对外经济贸易大学出版社

商务专业英语系列丛书

# 国际投资专业英语

## International Investment English Reader

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## 国际投资专业英语

International Investment English Reader

王育红 胡小平 主编

责任编辑:王 煜

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## 总 序

经济全球化及加入世界贸易组织给我们带来巨大的挑战,这种挑战不仅表现在我国企业在国际经营活动中必须遵守国际商业规则与惯例,同时还要求我国商界从业人员及在校学生必须提升自己的专业知识,学习国外先进的管理技术、经营理念,熟悉国际商务活动的行为规范,掌握娴熟的商务沟通技能,以实现与国际市场的真正接轨,而所有这一切的最终实现很大程度上取决于他们直接用外语获取相关专业知识和水平以及商务英语交际的技能。为帮助在校学生、商界从业人员和有志于从事商务实践的人士实现这一目标,我们推出了“商务专业英语系列丛书”。

这套丛书的基本指导思想是:以商科各专业的知识框架为素材,用语言学习的方法将它们有机地编撰成有鲜明特色的教材,可适合各类不同的读者达到各自不同的目的。丛书包括:《工商管理专业英语》、《人力资源管理专业英语》、《国际商法专业英语》、《国际贸易专业英语》、《证券专业英语》、《银行专业英语》、《国际经济专业英语》、《国际营销专业英语》、《海关专业英语》、《国际投资专业英语》、《国际经济合作专业英语》、《旅游管理专业英语》和《饭店管理专业英语》。

本套丛书有别于目前市场上种类繁多的商务英语书籍。在推出这套丛书之前,我们对商务英语图书市场进行了深入的调研与分析。这次调研发现市场上现有的商务英语类书籍多以阅读、写作和听说类为主,选材涵盖经济、工商、金融、贸易等,其特点之一是涉及的专业内容没有系统性和完整性,其二是编写的出发点主要在语言上。当然,市场上也有一些以专业知识为内容的教科书,但它们往往都是零散的,很难满足不同背景读者的不同需要;偶尔上市的这类系列丛书,要么系统性不强,要么只重专业知识或只重语言学习,鲜有两者有机结合的。因此,目前读者特别需要一套系统性强、专业知识与语言技能训练兼容、能满足不同读者需要的丛书。

正是基于上述需要,我们精心策划了这套“商务专业英语系列丛书”。本系列丛书具有十分鲜明的特色,主要有:(1)目的:为具有专业背景的学生和读者

提供学习商务英语和提高实际交流能力的有效学习途径，同时英语语言类专业背景的学生和读者可以学习相关专业的基本原理和框架性专业知识；（2）选材：涵盖各相关专业的基本知识，专业内容具有代表性，语言规范标准；（3）构架：专业知识和语言训练的最佳结合，除了专业知识外，还配有阅读理解问题、专业术语、常用短语、要点综述、相关背景知识和注释以及丰富多彩的练习。

本套丛书的编写者来自对外经济贸易大学、北京外国语大学、中国人民大学等多所高等院校，他们都兼有商科和语言类的学历与学位，而且都是从事商科或商务英语教学与研究多年的资深学者，具有各自专业扎实的知识基础和丰富的教学经验。能有那么多出类拔萃的优秀学者参与编撰这套丛书是我们的极大骄傲和荣幸，同时也是广大读者可以对本套丛书寄予期望和信任的有力保证。

在这套丛书的编写过程中，对外经济贸易大学校长陈准民教授给予了关注和支持；对外经济贸易大学出版社刘军社长高度重视；出版社宋海玲编辑则投入了大量的时间与精力，为丛书的推出作出了重要贡献。我们在此对他们一并表示衷心的感谢。

最后，希望广大读者对使用本套丛书过程中所发现的不足与问题给予指正。

对外经济贸易大学

王关富

2005 年 1 月于惠园

# 前言

新世纪伊始，全球经济稳步发展，美国、欧盟等发达经济体利用外资和对外投资继续增长；同时，发展中国家经济异军突起，吸收外资与对外投资双管齐下。国际投资的直接载体跨国公司呈现蓬勃生机。近几年来我国利用外资总量持续增加，进入我国的外资公司与日俱增；同时，随着经济实力的增强，我国正继续扩大对外投资。因此，懂得外语和投资知识为自己创业（成立公司）增加筹码或在跨国公司中施展才能增添信心成为当代学子们日益关切的话题。本书适应时代和读者需要而著，使读者在学习投资知识的同时学习英语，以收“一箭双雕”之功效。

本书主要内容包括：国际投资概览、国际直接投资理论简介、证券市场、证券交易程序、并购、债券分析与战略、风险投资、国际投资主体、国际投资客体、国际工程承包、投资组合管理、中国投资环境、中国利用外资以及中国对外投资等。

囿于水平，书中不妥之处难免，恳请读者批评指正。



# Contents

Unit 1	An Overview on International Investment .....	(1)
Unit 2	Brief Introduction to Some Theories of Foreign Direct ...	(17)
Unit 3	Securities Markets .....	(33)
Unit 4	Trading of Securities and Margins .....	(48)
Unit 5	Mergers and Acquisitions .....	(65)
Unit 6	Bonds: Analysis and Strategy .....	(82)
Unit 7	Venture Capital ( I ) .....	(98)
Unit 8	Venture Capital ( II ) .....	(115)
Unit 9	Investors of International Investment .....	(131)
Unit 10	Objects of International Investment .....	(148)
Unit 11	International Engineering Contract .....	(165)
Unit 12	Portfolio Management ( I ) .....	(182)
Unit 13	Portfolio Management ( II ) .....	(198)
Unit 14	Investment Climate in China .....	(216)
Unit 15	Foreign Direct Investment in China .....	(232)
Unit 16	Foreign Direct Investment from China .....	(247)
	Key to Exercises .....	(265)

# ***Unit 1***



## **An Overview on International Investment**

### ***Pre-reading questions:***

1. What is international investment?
2. What features are there in the international investment arena?
3. How should you evaluate the significance of international investment to economy?

### **Text**



Simply stated, investment is a vehicle into which funds can be placed with the expectation that they will be preserved or will increase in value and/or will generate positive returns. The term investment can cover a wide range of activities. Idle cash is not an investment, since its value is likely to be eroded by inflation and it fails to provide any type of return. The same cash placed in a bank savings account would be considered as an investment, since the account provides a positive return. The various types of investments can be differentiated on the basis of a few factors, such as whether the investment is a security or property; direct or indirect; debt, equity, or option; short or long term; domestic or international. International investment refers to any economic behaviors through which investors such as TNCs, transnational financial institutions, official and semi-official institutions and individuals invest their assets in countries other than their own with the expectation of positive return.



Although international investments cover almost the same varieties of domestic investments, they are extensively regarded more complicated and difficult than domestic ones due to its internationalization.

International investment can be divided into many types according to different standards. For example, we have long-run investments and short-run investments according to the period an investment payback covers; official investments and private investments based on investors themselves; according to whether investors own control right in the management of a firm or not, it usually falls into two types: foreign direct investment (FDI) and international indirect investment (also Foreign Portfolio Equity Investment, abbreviated as FPEI). FDI and FPEI are the most often cited types in both the practice and theoretical study of international investment.

## History of International Investment

FDI and FPEI, as major parts of international investments, can be considered as a window of international investment study. Therefore, it is necessary to learn what FDI and FPEI are before something general about international investment can be clearly brought to you.

## What Are FDI And FPEI?

FDI is defined as an investment of leading to, or purchase of ownership in, a foreign enterprise that is largely owned (at least 10 percent ownership, according to US balance of payments accounts) by residents of the investing country. Direct investment implies full or partial control of the enterprise and, usually, physical presence by foreign firms or individuals in the host country. FDI involves both the initial transactions between the two entities and all subsequent transactions between them and among foreign affiliates, both incorporated and unincorporated. FDI can also take place in non-equity forms, with subcontracting, management contracts, franchising, licensing and product sharing being popular types. An investor may carry out his or her FDI through establishing a plant abroad, which is called "Greenfield Establishment" FDI, or acquiring controlling stake in a firm through merger and



acquisition (M & A). Investors are often official organizations, business entities or individuals.

International indirect investment includes all those investments except FDI in a broad sense, such as investments in securities, trade credit, loans, deposits in banks, financial lease and so on. The key factor to distinguish indirect investment from FDI is the investor of FPEI does not hold “controlling stock” in the firm issuing the securities. For example, an investor may purchase a share of a mutual fund, which is a portfolio of securities issued by a variety of firms. By doing so, she will own a claim on a fraction of the entire portfolio, rather than on the security of a single firm. FPEI in property can also be made by buying an interest in a group of real estate projects or a large collection of art. To put it simply, FDI is “active”, representing controlling rights over a firm while FPEI is “passive”, without voting rights over the management of the firm which issues the security. Also, FDI is usually a long-term investment while FPEI a short-term one.

## **Periodical Features of International Investments**

Emerged early in the late 18th century, international investment has been developing into the most active driving force in the world economy today. After more than two hundred years, international investments have experienced great changes in many aspects. According to the investment size and the modes, it can be divided into four phases:

1. International investment before 1914: international investments appeared because production surplus resulted from the second industrial revolution, and the indirect investment dominated in the international investment during that period.

2. 1914 – 1945: a slowly developing period. Due to the two world wars, international investments were held back heavily. The foreign investment value by major investor countries dropped to US \$38 billion in 1945 when the Second World War ended. Indirect investment was still the main mode.

3. 1945 – 1979: international investments started to develop again. During this period, international investments increased rapidly, the value from developed countries reaching US \$600 billion in 1978 from US \$51 billion in 1945. And another obvious

feature is that direct investment replaced indirect investment to dominate in international investment. For example, FDI reached US \$369.3 billion in 1978, accounting for 61.6% of the total from the US \$20.0 billion in 1945. Please see Table 1.1 for detailed increase.

**Table 1.1 Private Foreign Direct Investment from Main Capitalist Countries**

(Unit: 1 billion US dollars)

Year	1960	1967	1971	1973	1975	1979
Amount	53.7	106.3	158	196.5	259	447.2

Source: Abstract of American Statistics 1985, US Commercial Department.

4. Since 1980s, a rapid development phase: technological progress, financial innovations and globalization facilitate international investment both in FDI and indirect investment and the development speed exceeds that of GDP. Please refer to Table 1.2 for the great change, Table 1.3 for the comparison between FDI and some production indices and Table 1.4 for FPEI of developed countries.

**Table 1.2 International Investments in 1989 and 1999**

(as per the share in GDP, %)

Countries	Total Invested		Total FDI		Total FPEI	
	1989	1999	1989	1999	1989	1999
The world	8.5	18.3	2.0	4.6	6.5	13.7
Low-income countries	0.8	1.2	0.2	0.3	0.6	0.9
Middle-income countries	1.9	4.9	0.4	1.6	1.5	3.3
High-income countries	12.7	29.2	2.9	7.2	9.8	22.0

Source: World Bank, World Development Indicators, 2001.

**Table 1.3 FDI and Related Production Indices**

Unit: US \$1 billion, %

Items	Value Calculated with current price			Annual Increase Rate		
	1982	1990	2000	1986 - 1990	1991 - 1995	1996 - 1999
Inward FDI Flows	57	202	1271	23.0	20.8	40.8
Outward FDI Flows	37	235	1150	26.2	16.3	37



( Continued )

Items	Value Calculated with current price			Annual Increase Rate		
	1982	1990	2000	1986 – 1990	1991 – 1995	1996 – 1999
Inward FDI Stock	719	1889	6314	16.2	9.3	18.4
Outward FDI Stock	568	1717	5976	20.5	10.8	16.4
Transnational M&As	–	151	1144	26.4	23.3	50.0
F. A. s' Sales	2465	5467	15680	15.6	10.5	10.4
F. A. s' Output	565	1420	3167	16.4	7.2	11.0
F. A. s' Assets	1888	5744	21102	18.2	13.9	15.9
F. A. 's Exports	637	1166	3572	13.2	14.0	11.0
F. A. 's Employees ( 1 000 )	17454	23721	45587	5.7	5.3	7.8
GDP based on factor cost	10612	21475	31895	11.7	6.3	0.7
Fixed Assets	2236	4501	6466	12.2	6.6	0.6
Income From Patent	9	27	66	22.1	14.1	4.0
Exports of Goods & Services	2124	4381	7036	15.4	8.6	1.9

Source: UNTAD, WIR, 2001

**Table 1.4 Transnational transactions in Bonds and Stocks by Main DCs<sup>②</sup>**

( % of GDP )

year countries	1980	1985	1990	1996
USA	9.0	35.1	89.0	151.5
Japan	7.7	63.0	120.0	82.8
Germany	7.5	33.4	57.3	196.8
France	8.4	21.4	53.6	229.2
Italy	1.1	4.0	26.6	435.4
British	–	367.5	690.1	–
Canada	9.6	26.7	64.4	234.8

Source: IMF, 1997b.

<sup>①</sup> F. A. : Foreign Affiliates

<sup>②</sup> DCs; Developed Countries



## **Comment on Current International Investments**

Developing for more than two centuries combined with the effects of globalization and increasingly intensive competition in economy, great changes are taking place in the field of international investment. It becomes easier for investors to reach many investment instruments on the one hand, risks thereof are much more subtle and managerial technologies and skills seem much more important than ever before. So investors must be well informed of everything related and skillful with each investment vehicle as well as skills to manage them. Here are some features of current international investments.

### **1. International investment instruments increased**

As economy develops, more and more international investment instruments come out of the horizon in the investment market for investors to choose. Besides traditional vehicles such as short-term securities, common stock, fixed income securities, we also have options, futures, mutual funds, real estate, annuities, as well as many newly-created financial derivatives. As globalization and world economic integration develop, new vehicles will be increased. Therefore, it is convenient for investors to reach investment vehicles, and international investment will become more knowledge-and-skill demanded.

### **2. Investment modes and patterns are diversified**

In 1960s – 1970s, private investments were, on the whole, equal with official ones. The 1990s witnessed a sea change in the pattern of international capital flows. In 1990, official sources accounted for more than half of international capital flows to developing countries. In 1991, privatization accounted for 76 per cent of FDI inflows into Central and Eastern Europe. By 1995 over three-quarters came from private sources. The biggest story was the explosion in portfolio (equity and debt) investment, which soared from US \$ 5 to US \$ 61 billion from 1990 to 1995.

The mode of investments is changing, from privatization to licensing and joint ventures. FDI predominated in the overall scale relative to indirect investment, but the



share of FPEI expands swiftly, and gained an equal importance with FDI soon. This change results from the increasing demand for long-term financing, expanded credit as well as financing internationalized. Another more important reason is the fast increase of securities investment, such as development of securities market, privately held shares or stocks in foreign enterprises, increase of speculative investments and so on. In recent years Non-equity arrangement, such as technology investment, equipment rental and leasing, franchising, management contracts, partnerships, cooperative distribution, and co-contracting projects, has extensively spreaded in developing countries and become important modes of investment there.

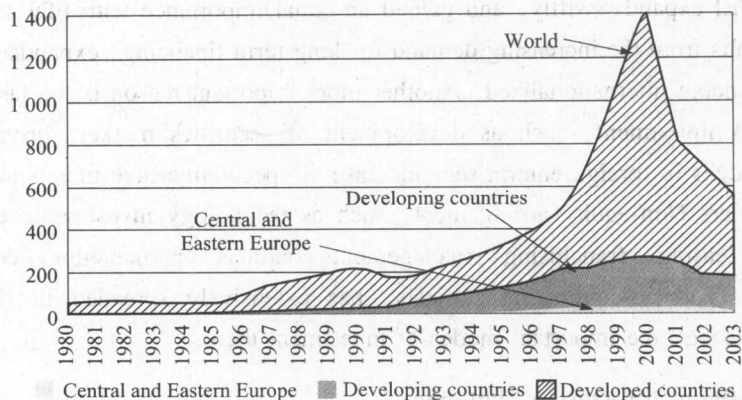
### **3. The profile of investors is changing**

For years western developed countries have dominated the international investment. The “Triad” (The EU, Japan, the United States) occupies the major share of global investments at the present and in 1991 its share reached 86%. The profile of investors is changing now. An inspiring fact is that foreign investments from developing countries, especially newly industrialized countries and regions (NICs) have developed rapidly since 1990s. For example, foreign investments from developing countries in 1980 – 1984 accounted for only 5% of the global total, but they went up to 15% to US \$47 billion in 1995, exhibiting an inspiring picture of investment abroad at a high speed, though its absolute share was low then.

### **4. Direction of international investment is multiplied**

The direction of investment has changed a lot. Instead of flowing among developed countries, a lot of investments take place within various regions or economic Groups, which were established in 1990s for the benefits of individual country in these areas, such as NAFTA, APEC, and EU. Along with the world economic regionalization and collectivization, FDI flows tend to be regional or collective. Figure 1.1 can show this.

Some newly emerging economies with fast and stable growth are the most attractive to foreign investments. For Example, 80% of FDI into developing countries were absorbed by 10 fast growing developing Asian, American and European countries or regions, among which inward flows into East and Southeast Asia account for 2/3.



**Figure 1.1 FDI inflows, global and by group of countries, 1980 – 2003**  
(Billions of dollars)

Source: UNCTAD, FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

Central and Eastern Europe are hot points for investments, too.

### 5. FDI is shifting towards services

In recent decades, international investments have been shifted from traditional resource and labor-intensive fields to modern technology-intensive manufacturing and service industries. High technological enterprises, finance, insurance and service are the greatest attractions for international investments. A large share of FDI is shifting towards services industry. For example, service sector accounted for only one-quarter of the world FDI stock in the early 1970s; but in 1990 this share was almost half of the world total; and by 2002, it had occupied about 60% to US \$ 4 trillion. Over the same period, the share of FDI stock in the primary sector declined from 9% to 6%, and it dropped much more in the manufacturing sector, from 42% to 34%. FDI in services accounted for two thirds of the total FDI inflows on the average during 2001 – 2002, amounting to approximately US \$ 500 billion.

Outward FDI in services continues to be dominated by developed countries, but has become more evenly distributed among them. Developing countries' outward FDI in services began to grow more visible from the 1990s. Their share in the global outward FDI services stock climbed from 1% in 1990 to 10% in 2002, faster than in



other sectors. On the inward side, the distribution of services FDI stock has become relatively balanced, though developed countries still account for the largest share. The fastest growth has taken place in Western Europe and the United States, reflecting the fact that most service FDI is market-seeking. Today, developed countries account for an estimated 72% of the inward FDI stock in services, developing economies for 25% and CEE (Central Eastern Europe) for the balance. In 2002, the United States was the largest host economy in terms of the size of its inward FDI stock in services. With a few exceptions (such as China), countries that have participated in the FDI boom in services also strengthened their position among home and host countries for all FDI.

#### **6. The continuing liberalization of FDI**

There were 244 changes in laws and regulations affecting FDI in 2003, 220 of which were in the direction of more liberalization. In that year, 86 bilateral investment treaties (BITs) and 60 double taxation treaties (DTTs) were concluded, bringing the totals to 2,265 and 2,316, respectively. However, the annual number of new treaties concluded has declined, since the case of BITs in 2002 and that of DTTs in 2000. The attractiveness to FDI shows that economies such as the Czech Republic, Hong Kong (China) and Ireland continued to absorb significant investment even during the FDI recession. In contrast, countries such as Japan, South Africa and Thailand have yet to realize their full potential to attract FDI, according to their rankings on UNCTAD's Inward FDI Potential Index as compared with that on the Inward FDI Performance Index.

In short, international investment has become an indispensable force pushing the world economy forward. No matter in what modes it is conducted, how large the size would be, what features it may have, both FDI and FPEI are undoubtedly the most vigorous force driving the world economy forward through intense international competition.



## Vocabulary

status quo <i>n.</i> 现状	affiliate <i>n.</i> 联属单位
vehicle <i>n.</i> 投资工具	<i>v.</i> (使)加入, 接受为会员
preserve <i>v.</i> 保存, 保值	non-equity forms 非股权安排形式
generate <i>v.</i> 产生	subcontract <i>v.</i> 分包
erode <i>v.</i> 侵蚀, 腐蚀	franchise <i>v.</i> 特许经营
inflation <i>n.</i> (通货)膨胀	mutual fund 共同基金
differentiate <i>v.</i> 区别, 区分	diversify <i>v.</i> 多样化
long-run <i>adj.</i> 长期的	profile <i>n.</i> 剖面, 侧面, 外形
short-run <i>adj.</i> 长期的	multiply <i>v.</i> 乘, 多样化
distinguish <i>v.</i> 区别, 辨别	bilateral <i>adj.</i> 双边的
security <i>n.</i> 证券	recession <i>n.</i> 撤回, 经济衰退,
lease <i>n.</i> 租赁	不景气
incorporated <i>adj.</i> 股份有限公司的	the indispensable <i>n.</i> 不可缺少之物
unincorporated <i>adj.</i> 股份无限公	<i>adj.</i> 不可缺少的, 绝对必要的
司的	vigorous <i>adj.</i> 精力旺盛的, 有力
subsidiary <i>n.</i> 附属单位, 子公司	的, 健壮的



## Key Terms

direct investment 直接投资  
 Foreign Portfolio Equity Investment 国际间接股权投资  
 merger and acquisition (M & A) 并购  
 budget deficit 预算赤字  
 inward FDI flows FDI 流入量  
 outward FDI stock FDI 流出量  
 indirect investment 间接投资  
 voting stock / controlling stock 投票权, 控制权  
 selling off 廉价卖清, 低价处理