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## China Role in Global Supply Chain, Investments



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Over the last several decades, China has emerged as a powerful force in supply chain management and foreign investments. When China liberalized its economy and potentially integrated into the world economy, it established a vast manufacturing base



and network that has become vital for the world economy. Many companies and industries around the world have established their manufacturing plants in China due to its cheap labor, proper infrastructure, good policies, and large internal market.

China is the largest manufacturer in the world. It has a giant footprint in the electronics and machinery sectors, textiles, toys, and consumer durables sectors, among others. Extensive acquisitions in roads, ports, and railways among other infrastructure have enabled China to transport large volumes of exports expeditiously across different global destinations. China's export products are sold in nearly all countries and regions, which supports China's reputation as the "world's factory".

Currently, China has invested significantly in improving its domestic energy production capacity across various sources. The country has adequate sources of supply within its frontiers and has developed a large base in the mining and utilization of this vital natural resource. China has also expensively developed hydropower, wind, solar, and nuclear generation over the past two decades, making it possible to diversify the electric supply.



All these have contributed to positive improvements that have provided for China's fast economic growth with a stable electricity supply. Over the longer term, further diversification of options for China's domestic energy supply appears assured given the ongoing policy support and technological improvements.

In addition to the role of investment holder, China is involved as a player in the global energy infrastructure and supply chain. The country has invested in and built an oil and gas pipeline, storage terminal, refinery, and port hub in Asia and Europe. They also assist in the structuring of international energy flows in a way that can be described as productive. China is also focusing on building its global connections by supporting large development schemes like Belt & Road. In sum, China plays a crucial role as an energy provider and is a key element in the global energy network to support worldwide trade.

Apart from manufactures, China has emerged as a significant exporter of essential constituents and input products that oil the wheels of the world economy. The Chinese industries lead to the global production of steel, cement, fertilizers, aluminum, and relevant high-tech materials like rare earth metals. It also emerged as the leader in refining minerals such as cobalt and lithium which are used in electric vehicle batteries and renewable energy technologies.

China is the largest consumer of oil, gas, ores, and agricultural commodities in the developing world, these countries regard China as their valued client. The Chinese SOEs and private firms have provided great importance to oil and mining investment across the

emerging world. They generate income and employment in recipient countries and also help China obtain the requisite raw materials to sustain its high growth rate.

As the 20th century, China is gradually shifting towards higher value-added activities even in the 21st century knowledge economy. Huawei, the telecommunications giant, and Tencent, the technology



conglomerate, among other Chinese companies are increasing their competitiveness with their American counterparts in technologies such as 5G, cloud computing, and artificial intelligence. China has ventured into the industrialization of high-technology products through a vision such as "Made in China 2025," which if actualized will lead to reduced dependency on imported technology.

China has consequently become the largest consumer market in the world across a broad spectrum of products from automobiles and mobile phones to luxury goods. China has now turned out to become the main sales market and source of profits for global brands like Starbucks, Nike, Apple, and BMW. Chinese tourists also rank as the globe most enthusiastic and spend even more on shopping, traveling, and performing. Foreign investors continue to have optimistic sentiments about China's economy despite occurrences of slowdowns from time to time. In a recent survey carried out by the

American Chamber of Commerce in China, 77 percent of the respondents said they are expanding their China operations. The EU Chamber of Commerce sites that today European companies regard China as one of the top three investment priorities in the world. These positive assessments speak about the great opportunities in China or emphasize sustainable growth trends.

Therefore, the role of China as a country integrated into the global economy through trade, and investments, and as a manufacturing hub for the world coupled with its increasing importance in supply chain networks, has become a vital cog in the



functioning of the global economy. It is now Asia that is acting as the growth engine of the world economy, with China taking up the mantle of economic might. It will most probably get more entangled and integrated with other leading world economies over a period due to its size. Although there might be tensions, and sometimes the tensions may even escalate publicly, it is in the interest of China and global counterparts to have good relations that are beneficial for all the parties