



Supplementary Exercises for

Chapter 1

The Long March

I. Questions on the text:

1. Based on the facts and opinions given in the article, try to list what Chinese products that are most likely selling best in foreign markets.
2. Why are these products sold well in overseas markets? Please specify possible reasons as specified in the text.
3. Based on the facts and opinions given in the essay, specify the major features of Chinese products that appeal to overseas markets.
4. Do you think it is possible for Chinese products to go global in the near future? Give your justifications.
5. If you do, specify your suggestions on how to successfully market Chinese products overseas.
6. What are the existing problems that block Chinese enterprises from going global now?

II. Read the following text and choose the best sentence from A to F below to fill in each of the gaps in the text:

China is the world's largest shoemaker and exporter. But it must step out of its reputation as a cheap shoemaker. To achieve that goal, Chinese shoemakers should enhance their shoemaking technologies, improve their brands and begin exporting to more regions.

More than two-thirds of the 6 billion pairs of shoes produced last year in China were exported. Export volumes of Chinese-made shoes exceeded US \$10 billion. 1)_____ Leather shoes sold for US\$ 5.50 per pair.

Low-grade shoes account for most of China's exports of shoes. Prices of Chinese-made shoes are lower than those manufactured in Brazil, South Korea and Thailand. Chinese-made shoes tend to cost less than shoes manufactured by rising exporters such as Viet Nam.

2)_____ Chinese shoemakers produce a combined 12 billion pairs of shoes per year, and oversupplies have left China's shoemakers heavily reliant on shoe dealers who often choose account sales to reduce risks. Many retailers and wholesalers fail to pay shoemakers within a reasonable time.

But most domestic producers have failed to improve quality and upgrade their designs to increase competitiveness. Rather, they have begun focusing on the export market, where payments for their goods are generally ensured. 3)_____

Most Chinese shoemakers, because they are small, do not invest to improve quality and/or upgrade designs. As a result, Chinese shoes are running towards international markets. China has few large shoe manufacturers. Most export US\$ 100,000 worth of shoes per year. These small shoe exporters commonly adopt low-price strategies, which result in decreased export prices of their shoes. Overproduction and the debut of numerous small shoe exporters exacerbated the situation.

In addition, China's shoemakers have long neglected research, development and design. 4)_____ Chinese shoemakers also lack necessary information about international markets. Their technologies also lag behind those of their international counterparts.

As a result, Chinese shoemakers and exporters have lingered in the low-end shoe market. Unable to open new markets, they become used to concentrating on markets filled by other Chinese shoemakers. 5)_____ Meanwhile, other markets, such as South America, Russia and Africa, have been neglected by China's shoe manufacturers.

Given that situation, Chinese shoemakers should improve their production and sharpen their brand images to shed their reputations makers of cheap shoes.

Domestically, pushed by some successful private shoemakers, China's shoemaking industry has been restructured. Numerous small shoemakers have been merged and /or acquired by leading producers. Industry associations, especially the China Association of Leather Industry, are pushing shoemakers to create their own famous brands. According to the association's development plan, China's shoemaking industry will need 10 to 15 years to build and solidify its reputation for producing high-quality shoes. 6)_____

With the country's long tradition of shoemaking, efficient industry reorganization, and government information and financial support, China will maintain its status as the world's largest shoemaker, and will become a strong shoemaker in international markets.

- A. Also, shoemakers receive tax breaks on their exports.
- B. However, the average price of each pair of shoes China exported was US\$ 2.40.
- C. Overproduction is the main reason for the lower prices of Chinese shoes in the international market.
- D. Such overseas markets as Japan and the United States, have become saturated with Chinese shoes.
- E. The association plans to develop by 2010 three to five famous Chinese brands in international shoe markets.
- F. They have for years received orders to produce existing styles or to copy others' designs.

III. E-C Translation:

1. In the short-term, the strongest promise is in Chinese medicine, herbs and specialty food,

as well as goods that play to the romantic foreignness of China -- whether in cosmetics, fashion or music.

2. Besides bringing in additional revenue, a global brand also burnishes a company's image in China, stimulating sales among status-conscious domestic consumers.
3. Chinese brands under the wings of foreign companies usually have the advantage of plumper marketing budgets and better access to management expertise.
4. The world economy was beset by heightened geopolitical uncertainties in late 2002 and early 2003. Such factors continue to pose a downside risk to global economic growth, but this risk diminished substantially in the second quarter of 2003. A new non-economic shock — severe acute respiratory syndrome (SARS) — jolted economic activity in some countries in early 2003 but appears to have been largely contained.

IV. Key to Exercises:

1. Exercise II:

1) B; 2) C; 3) A 4) F; 5) D; 6) E

2. Exercise III:

1. 中国商品中走向国际市场的把握最大的，短期之内当推中药、草药和特色食品，还有能够体现中国浪漫而具异国情调的产品，例如化妆品、时装、音乐作品。
2. 品牌国际化可以带来更多的收益，同时可以提升公司在国内的形象，从而吸引那些注重品牌与地位的国内消费者购买。
3. 中国品牌借助于外国公司的力量，往往具有营销预算大幅度增加和更易获得管理知识两方面的优势。
4. 世界经济在 2002 年末和 2003 年初受到高度紧张的地理政治不稳定性因素的困扰。这些因素仍然可能促使全球经济下滑，但这一风险在 2003 年第二季度已大大降低。2003 年初一种新的非经济冲击，即严重急性呼吸道症候群（SARS），影响到了某些国家的经济行为但似乎这在很大程度上已得到控制。