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INTRODUCTION

Topicality of the research. Many countries have realized that they cannot only rely on their own funds, resources, technology and markets to pursue development, but should rationally choose to attract foreign investment to assist development, so as to obtain corresponding market effects, resource effects, export effects and international balance of payments effects, and improve the local country's industrial structure promotes the sustainable development of the country's economy.

Methods of attracting foreign investment and a rationally thought-out sequence of its implementation play a strategically important role in the local country and require further development of theoretical and practical provisions in accordance with social development and times progress.

A large number of scientists around the world investigate a wide range of issues regarding the foreign investment，as essence of Industrial Economics and Balance of Payments as a socio-economic category, comprehensive justification of the positive impact of foreign investment, and analysis and systematization of methodical approaches to assessing its level. Among them, it is important to consider the International production eclectic theory by Dunning.

However, it remains relevant to determine further opportunities to increase the level of attracting investment due to the implementation of innovative strategies for their development.

Analysis of research and publications. Such specialists as E. Atkinson, J. Brown, E. Dolan, D. Jones, A. Edlier, Ph. Kotler, D. Lindsay, C.R. McConnell, J.E. Stiglitz, R. Thewlis and others. However, a number of issues still remain unresolved and require further consideration, taking into account the new trends and conditions that have developed, in accordance with the needs of the national economy.

The object of the research is attraction and use of foreign investment.

The subject of the research is theoretical, methodical and practical aspects of the attraction and use of foreign investment on the example of SAIC Motors

Corporation Limited.

The aim of the research is to study of modern approaches to the attraction and use of foreign investment, as well as the improvement of these approaches in a practical context based on an objective analysis of the changes caused by foreign investment.

To achieve this aim, the following research tasks were formed:

- to describe foreign investment definition and trends;
- to describe the reasons of attraction and use of foreign investment;
- to analyze main countries' foreign investment to Chinese motor industry;
- to define market position, product portfolio, and key performance indicators of SAIC MOTORS CORPORATION LIMITED;
- to study methods to attract and use of foreign investment;
- to identify dynamic attraction and use of foreign investment, their advantages and disadvantages of SAIC MOTORS CORPORATION LIMITED;
- to systematize approaches to improving the quality of attraction and use of foreign investment;
- to propose practical recommendations for the introduction of attraction and use of foreign investment .

Research methods. The study used the following special and general scientific methods: theoretical generalization and analogy, statistical - in considering indicators of foreign invesments, etc., generalization and systematization - in the analysis of SAIC Motors Corporation Limited, induction and synthesis - in determining areas for improvement of SAIC Motors Corporation Limited, graphic - for a visual representation of statistical material, as well as a schematic representation of some theoretical and practical provisions. And method of strategic planning - SWOT – analysis and PEST – analysis of SAIC Motors Corporation Limited.

The scientific novelty of the research is to substantiate the concept of attraction and use of foreign investment, improving investment environment of SAIC Motors Corporation Limited.

Practical significance. While SAIC Motor faces challenges such as increasing competition, regulatory changes, and technological disruptions, its investment in future-oriented initiatives positions it well for long-term success. Moving forward, SAIC Motor will need to continue investing in innovation, adaptability, and sustainability to maintain its leadership position in the automotive industry and capitalize on emerging opportunities in the evolving mobility landscape. Various strategies and initiatives showcasing its potential for growth, profitability, and innovation.

The structure of the qualification work consists of an introduction, three sections, conclusions and references. The total number of pages in qualification work is 67 , which includes 10 tables and 6 figures. The references contains 103 titles.

SECTION 1
THEORETICAL ASPECTS OF FOREIGN INVESTMENT

1.1 Foreign investment definition and trends

Foreign investment in the modern sense originated from the capital surplus that occurred in the first half of the 19th century. Entering the era of commodity economy, the pursuit of wealth accumulation has become a social trend. Mercantilists advocate that the country should vigorously develop foreign trade and obtain more gold and silver wealth. In order for the goods to be delivered to customers as soon as possible after arriving at the destination, and to be exchanged for gold and silver and shipped back to the country, it was very necessary for producers to invest in and open after-sales branches in the local country. This gave birth to the earliest foreign investment activities and cross-border capital flows.

Table 1.1 - Comparation of main theory of foreign investment

	Theory	Focus point
1	Monopoly advantage theory	monopoly advantage when producing
2	Internalization theory	intermediate product market
3	International production eclectic theory	OIL Paradigm
4	Small-scale technology theory	small-scale technology
5	Technical local specialization theory	absorption of foreign technology
6	Technology accumulation theory	technology accumulation

7	Long-term strategic theory	long-term strategic
8	Development of oligopoly reaction theory and game theory models	bandwagon effect

Compiled by the author on the basis of [17; 64; 75]

Monopoly advantage theory

Hymer created the monopoly advantage theory in 1960. The theory of monopoly advantage holds that the necessary condition for a company's foreign direct investment is that it has some advantage over local companies that is enough to offset the additional costs, and that this advantage is linked to the ownership of the company, is not easily lost, and is a tangible or intangible asset. Advantages of Assets. Kindleberger (1969) advanced Heimer's ideas and believed that multinational enterprises have scale advantages, market advantages, production factor advantages, etc. when making foreign direct investments. Johnson (1970) considered this from the perspective of the occupation and use of intellectual assets, Aliber (1970) from the perspective of currency and capital, and Caves (1971) from the perspective of product heterogeneity capabilities, knowledge and technology, etc. From the perspective of core assets, Penrson (1976) discussed the monopoly advantage of enterprises from the perspective of economies of scale.[1]

The theory of monopoly advantage focuses on the final product market and obtains excess profits through market oligopoly. Its theory focuses on the unique advantages of manufacturers and oligopolistic market structure, but the mainstream of subsequent research focuses on the unique advantages of manufacturers, while the research on oligopolistic market structure is not mainstream.

Internalization theory

Buckley and Casson (1976) regarded foreign direct investment as a direct result of enterprises internalizing international transactions. They believe that due to incomplete competition and information asymmetry, intermediate products are difficult to complete through market transactions, so companies complete

transactions within the company through mergers and acquisitions of counterparties or new subsidiaries. Williamsen (1975), Hennart (1977), S.P. Magee (1977), Rugman (1981), etc. elaborated on the coordination mechanism of enterprise resource allocation from different perspectives. The internalization theory was further improved.[2]

The internalization theory focuses on the intermediate product market and obtains higher profits by reducing transaction costs. It believes that the essence of foreign direct investment is not the international transfer of capital, but the expansion of management rights and control rights based on corporate ownership. Liesch and Knight (1999) believe that for small and medium-sized enterprises with relatively insufficient resources, market internalization may not be absolute. They can obtain the market internalization capabilities of large companies through the internalization of information and knowledge. value.

International production eclectic theory

Dunning (1977) first proposed the international production eclectic theory, and subsequently revised and improved it. Its core is the "three advantages" analytical paradigm (OIL Paradigm). This theory believes that the mode, scope and pattern of international production are determined by three advantages of an enterprise: ownership advantage (O), internalization advantage (I) and location advantage (L).

Among the three advantages of the eclectic theory, ownership advantages explain why companies engage in international production, internalization advantages explain how companies use ownership advantages, and location advantages explain where companies engage in international production.[3]

Specific motivations for foreign direct investment are divided into four types: market-seeking, resource-seeking, efficiency-seeking, and created-asset-seeking.

Small-scale technology theory

Wills (1977) proposed the theory of small-scale technology. He borrowed Vernon's product life cycle theory and believed that the standardization stage provided opportunities for foreign direct investment by developing country

companies. He also believed that the technical advantages of developing country companies mainly include: possessing small-scale technology needed by small markets; It has considerable advantages in the overseas production of national products; low-price product marketing strategy. Small-scale technology theory is essentially a "passive technology theory". This theory believes that the products produced by developing countries mainly use "downgraded technologies" to produce products that have long been mature in Western developed countries. This makes developing countries always in a state of production. the fringe zone (Lu Tong, 1998). Wells linked the competitive advantages of enterprises in developing countries with the characteristics of their own markets, providing a sufficient space for future generations to analyze theoretically.[4]

Technical local specialization theory

Following Wells's ideas, Lall (1983) conducted an in-depth study of the competitive advantages and investment motivations of Indian multinational corporations, and proposed a theory of technological localization. In Rao's view, even though the technical characteristics of multinational companies in developing countries are small scale, use of standard technology, and labor-intensive, they contain the company's inherent innovative activities to form and develop its own specific advantages: the use of local technical knowledge Carry out transnational production based on factor prices; carry out certain transformation and innovation of imported technologies and products; produce consumer goods that are different from famous brand products in developed countries; use ethnic or language factors to strengthen their competitive advantages.[5]

It’s emphasized that the improvement, digestion and absorption of foreign technology by developing countries is a proactive innovation. It is this kind of innovation activity that brings new competitive advantages to enterprises, and developing countries can rely on this competitive advantage to make foreign direct investments.

Technology accumulation theory

Cantwell & Tolentino (1987) believe that the expansion process of

multinational corporations in developing countries is precisely the continuous internal technology accumulation process, and technology accumulation and the deepening of international investment are complementary to each other. Enterprises in developing countries, especially those in the early stages of internationalization, can not only obtain advanced technical information and effectively utilize local technical resources by establishing production bases in overseas innovation-active areas for production and R&D activities through foreign direct investment, but also can Establish a broader international foundation for the country's technology accumulation and innovation, and promote the country's industrial development.

The core contents of small-scale technology theory, technology local specialization theory and technology accumulation theory are to seek the source of competitive advantage of enterprises in developing countries. Their theory is essentially an improvement on the monopoly advantage theory to apply to the external affairs of developing countries. direct investment. These theories focus on the expansion effect of foreign direct investment, but ignore the competition effect and the impact of market structure and competition intensity on corporate strategic decisions.[6]

Long-term strategic theory

Based on a survey of multinational corporations in developing countries, Reuber et al. described three different types of foreign direct investment: export-oriented investment; market expansion investment; and government-initiated investment. Ruber believes that expected investment profit rates (rather than current profit rates) have a fundamental impact on investment levels, and the most important determinant is long-term strategic considerations. Luber's research is empirical, and its inspiration is: foreign direct investment by enterprises in developing countries should focus on long-term development strategies, and short-term profit margins should not occupy an absolutely important position.

Development of oligopoly reaction theory and game theory models

Based on the analysis of 187 giant multinational companies in the United States entering foreign markets after the war, Knickerbocker (1973) found that the

foreign direct investment of large companies showed a "bandwagon effect", which is manifested in that once a company enters foreign markets, Expansion, other companies in the same industry are also competing to expand abroad in order to ensure their market position at home and abroad. And the higher the concentration of industries, the more obvious the trend-following phenomenon. [8]

Nickelberg calls this phenomenon the "oligopoly reaction." This "following the trend" action also manifests itself as companies from different countries entering each other's markets or third country markets. Reinhilde Veugelers (1995) established a game theory model to better explain the phenomenon of "following the trend" in foreign investment, and believed that only when the returns from foreign investment are greater than the returns from sticking to the domestic market, Only then can we have the motivation to implement oligopoly response to foreign investment.[12]

Under the combined influence of various factors such as global economic integration and transnational operations of multinational companies, international investment has flourished since the 1980s. However, the global economy is in a sluggish state currently, geopolitical factors are interfering with normal international business activities, and economic globalization is encountering headwinds. Multinational enterprises are facing the restructuring of supply chains and industrial chains, and have to find a difficult balance between value-based economy and trade, supply chain security, and maintaining corporate competitiveness. These realities have led to the following trends in foreign investment theory:

1. Introduction of high-quality production factors

Including brand, technology, patents, design, information, talent, intellectual capital, human capital, R&D resources, business model, management concepts and skills, marketing network and skills, innovation theory and thinking, etc. These high-quality production factors are usually combined with capital for a package of international movements. Therefore, to introduce these factors, it is necessary to introduce the capital combined with them, that is, foreign direct investment. Foreign capital is the carrier and the factors are the content.

2. Participate in and embed in the global value chain and industrial chain theory

Today's international division of labor is more of a division of labor between products, parts, service links, production links or production processes. More and more countries and companies are participating in the global value chain or industrial chain. A country's The degree and level of participation, as well as the amount of domestic added value obtained, are closely related to the scale and quality of its utilization of foreign capital.

3. Mutual investment theory

Today, the world economy has evolved from the era of global markets to the era of coexistence of global markets and global factories. In order to make more effective use of global resources and seek the most reasonable allocation of resources, companies in various countries are promoting the flow of capital and other factors around the world at a greater scale and speed. The increase in mutual investment has made international investment activities and the corporate form of multinational corporations more and more normal.[9]

1.2 Reasons of attracting and use of foreign investment

Attracting and utilizing foreign investment is not only an endogenous requirement for economic development, but also a necessary action to respond to new changes in global investment, trade and industrial competition. The industry has been deeply integrated into the international economic system, especially the Chinese economy in the global industrial chain and supply chain system. To achieve the upgrading and optimization of the industrial structure, it is inseparable from the improvement of supply capabilities of local enterprises based on independent technological innovation, and it is also inseparable from the support of foreign

capital. Deep involvement. In the context of the irreversible trend of global economic and trade integration and the deep integration of global value chains, only by using more active and open institutional arrangements to continue to release dividends to the international market can we bring about more efficient development[10]

Table 1.2 - Reasons for attacting foreign investment

№	Name of the reason
1	Promote economic development
2	Broaden the sources of funds
3	Promote technological progress
4	Promote employment opportunities
5	Improve the business environment
6	Increase import and export

Compiled by the author on the basis of [65]

The main reasons for introducing foreign investment are as follows:

1. Promote economic development: The introduction of foreign investment can drive the inflow of capital, technology, talents and other resources, thereby promoting the growth and development of the domestic economy. Foreign-funded enterprises usually have high technical level and management efficiency, and their entry can improve the technical level, production efficiency, product quality and market competitiveness of domestic enterprises.[11]

Table 1.3 - Relationship between attraction of foreign investment and economic increase

Year	Attraction of foreign investment	Economic increase
2010	795.56	65%
2011	813.63	66%
2012	402.09	-20%
2013	534.17	1%
2014	639.26	10%

2015	296.53	-5%
2016	140.44	-10%
2017	168.19	-7%
2018	107.98	-15%
2019	175.72	-3%
2020	192	-1%
2021	107.36	-15%

Compiled by the author on the basis of [54]

2. Broaden the sources of funds: The introduction of foreign capital can broaden the sources of funds and provide more financial support for the country's economic development [70]. This is particularly important for some countries that are short of funds. It can improve the country's financial situation and promote infrastructure construction and industrial development.

3. Promote technological progress: Foreign-funded enterprises usually have advanced technology and management experience, and their entry can promote the technological progress and industrial upgrading of domestic enterprises. In addition, foreign-funded enterprises often bring new ways of thinking and business concepts, which help improve the innovation capabilities and market competitiveness of domestic enterprises [13].

4. Promote employment opportunities: The entry of foreign-funded enterprises can create more employment opportunities and improve domestic employment levels. Foreign-funded enterprises usually employ a large number of employees, including technical workers, managers and sales personnel, thereby providing more employment opportunities for the society [14].

5.Improve the business environment: The introduction of foreign capital can improve the business environment and enhance the country's international image and reputation. Foreign-funded enterprises usually require a higher legal and business environment, and their entry can promote the country to reform and improve in these

aspects, thus attracting more foreign-invested enterprises to enter.

6. Increase import and export: The initial connection between local enterprises and foreign markets began with small-scale product imports. As the scale of imports expanded, foreign enterprises established local agencies to promote product sales. Finally, foreign enterprises invested abroad and established overseas production bases, thereby more directly Gain local market share. [15]Overseas subsidiaries will provide real-time feedback to the parent company based on local conditions, making imported products more adaptable to the market demand of the importing country, thereby expanding the company's exports. parts, machines, etc. to produce a certain product may need to be imported from the home country, which also promotes and increases imports. With the impact of foreign investment on the local industrial structure, the local area create a location advantage in this industry, then can export products to third-party countries to promote the export of related industries.[16]

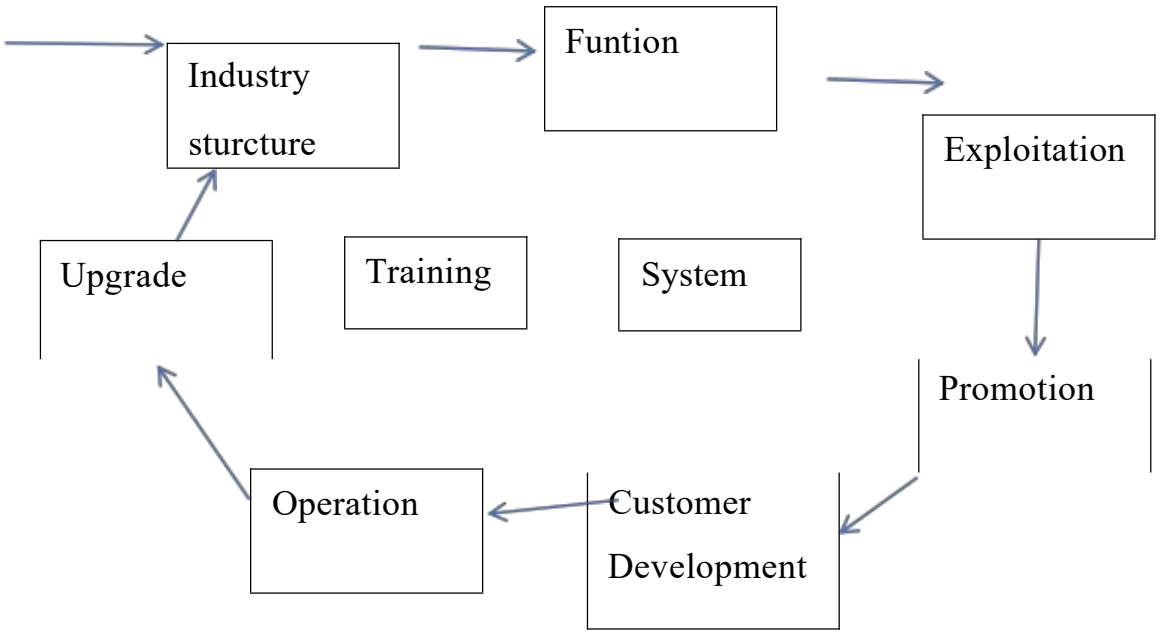

Figure 1.1- Foreign investment effection

Compiled by the author on the basis of [33]

In general, attracting foreign investment is an important means to promote economic development and improve the country's comprehensive strength [72]. However, in the process of introducing foreign investment, attention must also be

paid to protecting the domestic market and industrial security, rationally guiding foreign investment, and avoiding risks such as over-reliance on foreign investment.[17]

How to use foreign investment:

a. Promote economic growth

(1), foreign investment can bring capital inflows and increase domestic investment, thereby promoting investors' consumption and enterprises' production activities. This kind of capital inflow can not only fill the domestic investment gap, but also promote the development of infrastructure construction, technological innovation and other aspects.

(2), To provide more employment opportunities. Investment by foreign enterprises not only means the introduction of capital, but also brings advanced management experience and advanced production technology. These foreign experiences and technologies have improved the production efficiency of the investing country to a certain extent, thereby creating more local employment opportunities and promoting economic growth.[18]

(3), To development and expansion of local markets. The entry of foreign enterprises into the target country market not only broadens the market competition landscape, but also brings advanced sales channels and marketing experience. The capital and technology invested by these foreign enterprises in the local market have a positive impact on improving market vitality and promoting market development [73].

b. Improve the employment situation.

(1) Foreign direct investment plays a positive role in improving the local employment situation. Through investment by foreign enterprises, the local labor force has gained more employment opportunities, improved employment levels, and helped improve social stability and development [19].

(2) The inflow of foreign investment has brought new employment opportunities, especially in relatively weak labor market sectors. Investment projects brought by foreign enterprises generally require a large number of laborers, thus

easing local employment pressure to a certain extent and reducing idle labor.Foreign investment also helps improve the skill level and quality of the workforce. Foreign companies usually adhere to advanced management concepts and advanced production technologies. Through training and technology transfer, [68]local employees can be exposed to and master these new skills and knowledge, further improving their competitiveness and conducive to their own employment and career development [74].

(3) Technology transfer. Foreign investment plays an important role in promoting the technological level of the target country. The investment brought by foreign enterprises is not only capital, but more importantly, the high technology and management experience they bring [71]. Foreign investment can promote the introduction and transfer of technology and improve local technology levels. Foreign companies usually use advanced production technology and management experience. Through cooperation and exchanges with local companies, they can help local companies improve production efficiency and product quality, thereby enhancing market competitiveness [20].

(4) Stimulate local technological innovation capabilities. Through cooperation with foreign enterprises, local enterprises can make breakthroughs in innovation by absorbing and integrating advanced technology and experience, thereby promoting the development of local technological innovation.

1.3 Main countries' foreign investment situation to Chinese motor industry

The stages for foreign investment to enter Chinese automobile industry include:

1.1949-2001

Unified purchase and sales are mainly based on national policies. The quantity

is small, the performance is single, the market activity is low, and the performance of automobile products is still relatively backward. Even if the quantity has increased before joining the WTO, it is far from meeting the market demand [75].

2.2002-2010

After China joined the WTO, the domestic market economy developed rapidly. Foreign capital is paying more and more attention to Chinese automobile industry, and its investment intensity is also increasing. Joint ventures with local Chinese automobile companies have also been significantly deepened, which has greatly improved and optimized the entire industrial chain and industrial structure of Chinese automobile industry. In cooperating with multinational automobile companies, Chinese local automobile companies have made significant progress in production quality control, business management, production organization coordination, etc., especially in technology research and development. After 10 years of development, Chinese automobile production and sales have surpassed the United States and become the world's largest. China has also become the world's largest automobile market [76].

3.2011-2020

Chinese economy is in a stage of high rapid development. Foreign investment to the automobile industry is greater and more comprehensive, and Chinese local automobile industry and supply chain are more mature. China has become the largest country in automobile production and sales in the world. Annual automobile production and sales are increasing year by year, and the growth is very rapid in some years. It firmly holds the throne as the world's largest automobile production and sales country [77].

Table 1.4 – Main countries' foreign investment to Chinese motor industry

Countries	Characteristics
German	Germany's three major automakers - Volkswagen, BMW and Mercedes-Benz - are strengthening investment in China. The core is for the Chinese market. They not only take into account Chinese market first-mover advantages in new energy and intelligent

	connectivity, but also In order to adapt to possible future regulations and supply chain needs in China.
Japan	The fundamental reason for the continued decline in market share in China is the decline in competitive advantage. The investment model in China has advantages in terms of technological advantages, location advantages, and market environment.
American	Relying on its deep global resources and continuously improving local capabilities, while optimizing its product structure and strengthening its main business, it will actively participate in future-oriented personal travel projects and customize solutions for the Chinese market.
South Korea	Korean cars create a more people-friendly, fashionable and internationally competitive brand image by deeply exploring the brand culture, positioning the brand image, and combining the consumption habits and culture of the Chinese market to carry out targeted marketing activities.
Middle East	The Middle East's investment in Chinese automobile industry began in 2018. In the past six years, nine automobile companies have received "blood transfusions" from Middle Eastern capital, with the total amount of "blood transfusions" exceeding US$7.4 billion. In addition to investing in vehicle companies, Ben Omir Holding Group will also set its sights on supply chain companies for new energy vehicles. Chengdu Xiling Power Technology Co., Ltd. and Ben Omir Holding Group Co., Ltd. signed a cooperation framework memorandum, and both parties jointly funded the establishment of a new platform. The company has established a new energy automobile parts joint venture in my country and a new energy automobile parts joint venture in the Middle East.

Compiled by the author on the basis of [21; 22;25;78;83]

In the early days, China was relatively conservative about the entry of foreign capital into the automotive field. The real development of foreign capital in Chinese automotive field began around 1997 [81]. Through the establishment of Sino-foreign joint ventures, foreign capital brought a set of modern industrial civilization based on market competition, which includes but is not limited to thinking. Methods, business philosophy, product technology, manufacturing technology, methods and processes, value chain control, marketing, brand maintenance, performance evaluation, employee management, etc., these are completely different from the state-owned enterprises that have just learned some superficial knowledge of market economy under the planned economic system. Something familiar to the business. Learning from the advanced technologies and management experiences of the world's leading automobile companies will undoubtedly play an important historical role in accelerating the development of Chinese automobile industry [23].

After 20 years of rapid development, multinational automobile companies have now changed their past practice of directly bringing mature models to China. Instead, they are increasing investment andR&D intensity in China [79]. Some even adjust the group's global strategy based on the Chinese market. The development strategy regards China as an important part of the group's global operations center. In 2009, China became the world's largest automobile production and sales market for the first time. Therefore, global automobile giants actively carried out comprehensive strategic cooperation with China [24].

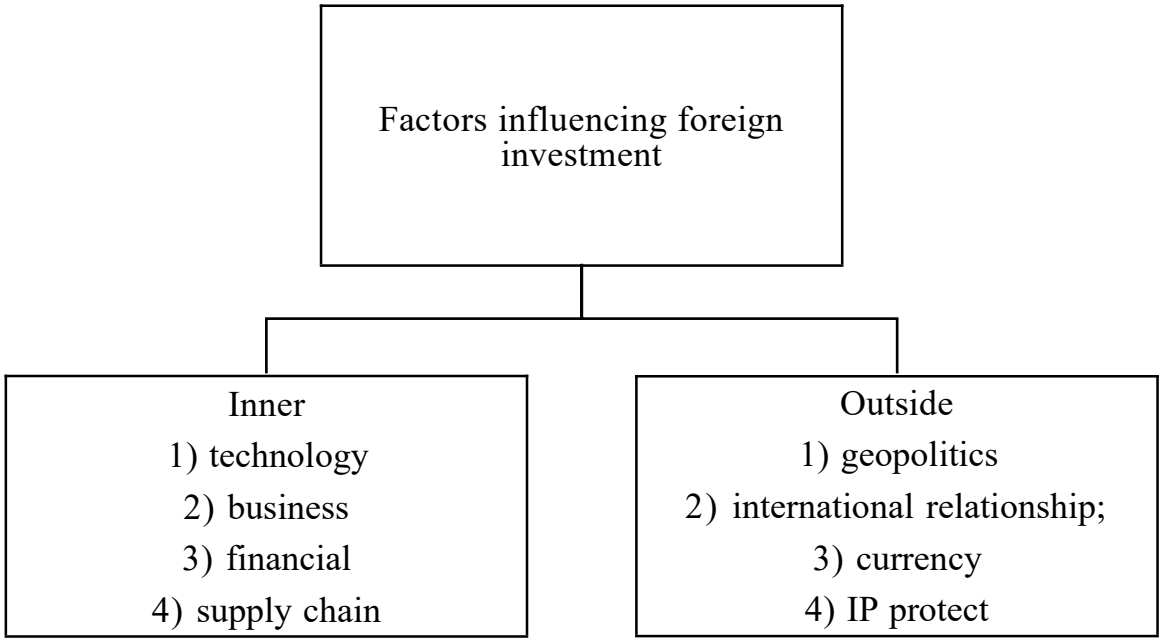

Figure 1.2 – Factors influencing foreign investment

Compiled by the author on the basis of [43]

In 2021, China entered the top three in the world in terms of the number of exported cars. Start from then, more Chinese auto companies are also paying more attention to overseas and joining the trend of foreign investment and common prosperity [26].

Conclusions to the first section

This section researched the foreign investment definition and trends, reason of attracting and use of foreign investment, and main countries' foreign investment to Chinese motor industry.

Foreign investment in the modern sense originated from the capital surplus that occurred in the first half of the 19th century. Entering the era of commodity economy, the pursuit of wealth accumulation has become a social trend. Mercantilists advocate that the country should vigorously develop foreign trade and obtain more gold and silver wealth. In order for the goods to be delivered to

customers as soon as possible after arriving at the destination, and to be exchanged for gold and silver and shipped back to the country, it was very necessary for producers to invest in and open after-sales branches in the local country. This gave birth to the earliest foreign investment activities and cross-border capital flows.[27]

The main theories include Monopoly advantage theory, Internalization theory, International production eclectic theory, Small-scale technology theory, Technical local specialization theory, Technology accumulation theory, Long-term strategic theory . Development of oligopoly reaction theory and game theory models. The different theories have different emphasis, the essence is the existence of advantages and location transfer, and local regeneration of high quality advantage, location relocation, achieving, the purpose of improving capital utilization rate and profit rate.

Currently, the global economy is in a sluggish state, geopolitical factors are interfering with normal international business activities, and economic globalization is encountering headwinds. Multinational enterprises are facing the restructuring of supply chains and industrial chains, and have to find a difficult balance between value-based economy and trade, supply chain security, and maintaining corporate competitiveness. These realities have led to the following trends in foreign investment theory: introduction of high-quality production factors， participate in and embed in the global value chain and industrial chain theory and mutual investment theory， the increase in mutual investment has made international investment activities and the corporate form of multinational corporations more and more normal.

The main reasons for introducing foreign investment include promote economic development, broaden the sources of funds, promote technological progress, promote employment opportunities, improve the business environment, increase import and export.

In general, attracting foreign investment is an important means to promote economic development and improve the country's comprehensive strength. However, in the process of introducing foreign investment, attention must also be

paid to protecting the domestic market and industrial security, rationally guiding foreign investment, and avoiding risks such as over-reliance on foreign investment.

SECTION 2
ANALYSIS OF FOREIGN INVESTMENT TO SAIC MOTORS CORPORATION LIMITED

2.1 Market position, product portfolio, and key performance indicators

As one of the first multinational automobile groups to enter the Chinese market, SAIC relies on Chevrolet, Buick, Cadillac and other brands to fully cover all domestic market segments such as low-end, mid-range and high-end. It is one of the few full-category and multi-dimensional brands in the Chinese market [85]. Automobile companies, thanks to the large number of GM models and high brand promotion, have been firmly in the top sales position for more than ten years since entering the Chinese market in 1997, and are well-known both at home and abroad [30].

Table 2.1 – SAIC SWOT analysis

S	O
(1) Automobile companies controlled by Shanghai State-owned Assets Supervision and Administration Commission (2) Completely inherit the mantle of Shanghai Automotive Industry (Group) Corporation and have relatively deep technological accumulation. (3) Early deployment of the new energy vehicle industry and huge follow-up investment.	(1) Lack of independent research and development capabilities in core technologies such as engines. (2) Insufficient brand reputation affects the low-end positioning mindset of independent brands.
W	T

(1) Favorable policies (2) It has a huge market with the Yangtze River Delta as the center radiating across the country and even the world.	(1) Huge challenges from outstanding representatives of new energy vehicles such as BYD. (2) Local protectionism is still prevalent and it is still difficult to expand the market.

Compiled by the author on the basis of [33]

During the golden period of the Chinese market, according to the SWOT, SAIC achieved cumulative sales of more than 10 million vehicles in just 17 years, setting a new speed record for the development of the Chinese automobile industry. While maintaining leadership in advantageous markets, it actively explore new market segments such as the fastest-growing SUV market and small SUV market to achieve simultaneous improvements in sales quality and quantity. In the face of the rapid development of digital technology and the changes in user habits caused by the Internet, Shanghai General Motors continues to explore innovative online marketing models from the perspective of enhancing user experience to open up new growth points for Shanghai General Motors' business development. After the three major brands fully entered the e-commerce platform and established online brand sales flagship stores, in 2014, the Buick brand launched the first domestic auto brand online after-sales flagship store, creatively building an O2O "one-stop" from vehicle sales to after-sales services. E-commerce model. After the "Double 11" inspection, Shanghai General Motors' e-commerce sales achieved brilliant results, accumulating valuable experience for further development and improvement [31].

Adhering to the spirit of innovation and enterprising, focusing on "Excellence in Operations", SAIC comprehensively promote the improvement of the entire business chain system, continuously improve system capabilities, continue to consolidate Shanghai General Motors' leading position in the market, accelerate the forging of new leading advantages, and create a new world for Shanghai General Motors. Wheel development accumulates more energy. With products in 15 market

segments and 25 series of products, it is a long process for a brand to take root in people's hearts [32].

Figure 2.1 - SAIC's all brand strategy

Compiled by the author on the basis of [33]

Looking forward to the far-reaching impact and market trends of the Internet's cross-border development, Shanghai General Motors focuses on consolidating the core competitiveness of future products and is the first domestic joint venture automobile company to launch a full range of products covering "in-vehicle information services", "mobile entertainment and consumption" and "intelligent driving". We have launched the second phase of development plan based on leading

technology and mature experience, and will continue to lead the practical exploration of building a future interconnected ecosystem of people, vehicles and society [33].

Faced with the huge size of Chinese auto market, SAIC will simultaneously deploy new energy and high-end car segments through its joint ventures and high-end imported cars and lifestyle platforms, with a preference for high-end and high-end models in order to achieve sales and sales. Double brand promotion.[34]

2.2 Methods to attract and use of foreign investment

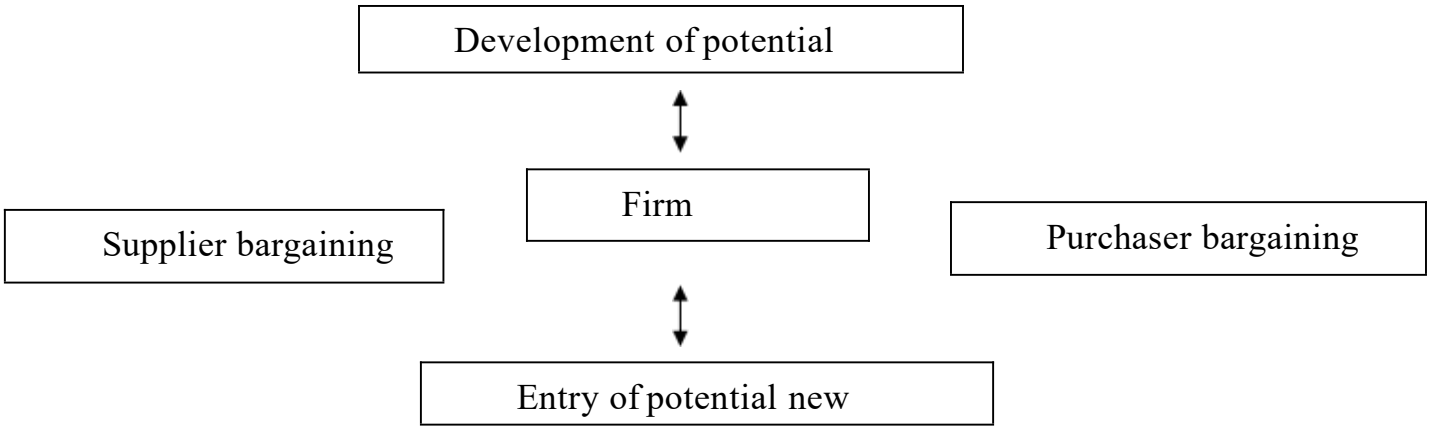

Figure 2.2 - Industry competition analysis (five forces model analysis) [67]

Not only political, economic and social environment, but also technology requirement, all shows a good chance to introduce foreign investment, there are also a lot of other motor companies on the plan to attract foreign investment meanwhile, considering the competition, SAIC applied below methods to attract foreign investment:

1. Exchange market for technology

SAIC is the first one introduce foreign investment to Chinese motor area, at first he give up part of its domestic market and allow some joint venture cars to be

sold domestically, allowing foreign investors to earn a certain amount of profits. Encourage foreign parties to transfer their advanced technologies through such concessions , establish its own R&D system for the automobile industry eventually.

Table 2.2 – SAIC PEST Analysis

P. (1) The ban on small-displacement cars is lifted. (2) Support from national industrial policies. (3) National strategy of independent innovation. (4) The construction of public facilities such as highways is the focus of national investment. (5) Other national policies such as energy conservation and emission reduction, market order, etc.
E. (1) GDP and its growth rate have grown steadily (2) Current status of urban and rural people's income development and car ownership (3) Market internationalization (4) Development of capital market (5) Credit policy support (6) Energy supply and oil prices (7) Impact on prices of steel and rubber products
S. (1) Constraints on roads and parking lots (2) The era of personalized consumption, that is, the era of car customization (3) The impact of national culture on independent brands (4) Consumers follow the trend in consumption (5) Natural resources and raw material resources
T. (1) Development of automotive technology (2) Insufficient capital investment, weak R&D capabilities, and lack of core

technologies (3) Technical standard issues (4) International technological influence

Compiled by the author on the basis of [80]

With this policy, cumulative sales of the first joint venture car reached 2 million in the first five years after its launch. It was precisely because of the huge market space in China that many joint ventures were established. In 2009, China replaced the United States as the largest automobile sales country and Japan as the largest automobile producer. The main contribution to sales volume came from SAIC. Until 2021, SAIC still occupies the top spot in Chinese auto retail sales rankings, and Chinese vast market bring joint venture car companies much more profit [35].

2. Localize auto parts and components, achieve independent development.

At the beginning, because SAIC did not have the corresponding technical capabilities and the localization rate was only 2.7%, the first batch ofjoint venture cars were produced using imported spare parts directly assembled. After the localization of spare parts was included in the development goals, the localization rate of SAIC parts reached 60% within 3 years and 80% after 5 years, marking the victory of localization. As of 2023, there are more than 1,000 parts companies in Anting Town, where SAIC is located, ranging from complete vehicles to complete entities such as engines, gearboxes, braking systems, electronics and electrical, car seats, interiors, and various steel parts. Automobile manufacturing functions can be localized, and service industries such as automobile research and development, trade, finance, tourism, and racing venues have been derived. The industrial output value above designated size exceeds 42 billion US dollars [36].

3. Display the excellent ability on research and development, improves the core competitiveness, shows considerable and sustainable profit.

SAIC has established a fully functional and international-level automotive

R&D technology center, cultivated a highly efficient and high-quality R&D team, and always adheres to the "consumer demand-oriented" approach to localized R&D and innovation, clear market positioning, and ultimately achieved many popular models;

The ultra-large-scale parts testing center has a total equipment operation time of more than 460,000 units per year, and a total of more than 2,000 test projects covering chassis, body, electrical appliances, power accessories, etc. The test center and the vehicle factory are at the same technical level, and all testing capabilities are globally recognized by the group. In addition to the extreme testing of components, the entire vehicle is also in a testing center at the same level, and various ecological environments are fully considered and simulated.[37]

If SAIC were a human being, then its R&D capabilities would be equivalent to hematopoietic capabilities. Only strong R&D can continuously bring powerful energy to humans, continue to lead the Chinese and world automobile markets, attract more foreign investment, and expand the market. Make it bigger and stronger.

4, Operate acquisition and merger on international manufacturing projects with R&D centers and brands. SAIC's business modules are mainly divided into 5 sectors:

(1) The research and development, production and sales of complete vehicles (including passenger cars and commercial vehicles) are actively promoting the commercialization of new energy vehicles and Internet vehicles, and conducting research and industrialization exploration on technologies such as intelligent driving;

(2) R&D, production, and sales of components (including power drive systems, chassis systems, interior and exterior decoration systems, as well as core components and intelligent product systems for new energy vehicles such as batteries, electric drives, and power electronics);

(3) Mobile travel service businesses such as logistics, automobile e-commerce, travel services, energy saving and charging services;

(4) Automobile-related finance, insurance and investment business;

(5) Overseas operations and international trade business.

Many of above modules came from acquisition and merger, which is kind of free-riding model, which saves the cost of planting and directly obtains the fruits. Quickly accumulate results, patents, and competitiveness, making it easier to gain favor from foreign investments [38].

2.3 Advantages and disadvantage after foreign invested

Advantage of foreign investment is obvious, SAIC became the largest auto maker in China, also as the expand of foreign investment, SAIC became the largest one to export to global market. The main advantages reflected in the following aspects:

1. Foreign investment has driven the development of Chinese auto area.

The establishment of the joint venture has indeed brought significant changes to the Chinese automobile industry. In the past, the manufacturing method of automobiles was more like a manual workshop. Later, the joint venture company introduced a production model of mass manufacturing automobiles and a modern company management system. In the past 30 years, our joint ventures and cooperation have achieved great success in terms of production and sales scale and economic benefits. The joint venture sector has cultivated a group of people and developed core capabilities. In 2009, China replaced the United States as the largest automobile sales country, and also replaced Japan as the largest automobile producer. The main contribution to sales volume came from joint venture brands. To this day, it remains at the forefront of my country's automobile retail sales.[39]

Table 2.3 – SAIC's Chinese market share in the golden period

Year	SAIC's Chinese market share rate
2005	9%
2006	9%
2007	9%
2008	7.7%

2009	8.7%
2010	8.8%
2011	9.2%
2012	9.2%
2013	9.3%
2014	9.8%
2015	14.9%
2016	14.2%
2017	14.3%
2018	14.2%

Compiled by the author on the basis of [75]

Table 2.4 - SAIC's sales volume in the Chinese market during its golden period

Year	SAIC's Chinese market sales volume , ten thousand
2005	32.5
2006	41.43
2007	50
2008	45.8
2009	72.7
2010	103.89
2011	129.27
2012	139.27
2013	176.02
2014	177.70
2015	178.70
2016	188.70
2017	198.91

2018	197.91

Compiled by the author on the basis of [75]

2. Foreign investment has driven the development of the entire supply chain. Resulting China currently having the most complete traditional automobile industry chain over the world [40].

Promote the development of the upstream and downstream automobile industries. The automobile industry is a technology-intensive and capital-intensive industry. It involves a long upstream and downstream industrial chain and a wide range of radiation. After the modern automobile industry forms large-scale production, it can effectively drive the rapid development and scale of the upstream and downstream industries. Growth has greatly increased related jobs and promoted the development of Chinese job market. On the upstream side of the automobile industry, it will drive the development of many industries such as machinery manufacturing, electronics, steel, petrochemicals, rubber, glass, decoration, new materials, etc.; on the downstream side of the automobile industry, it can also fully drive the development of insurance, finance, transportation construction, exhibitions, exhibitions, etc. With the development of self-driving tourism and other related service industries, it can be said that the automobile industry plays a pivotal role in the development of the national economy [41].

According to statistics, the automobile industry's driving effect on its upstream and downstream industries is 1:17. Before foreign investment entered Chinese automobile industry, the domestic automobile service industry was basically in a blank state. The product content was too single, the marketing system was imperfect, and after-sales maintenance services were not standardized. In addition, automobile insurance, automobile finance, car rental, etc. Barely born yet. The entry of foreign capital into the automotive industry has a positive impact on the development of the upstream and downstream industries, which has a positive role in promoting the integrity of Chinese automotive industry chain products.

3. Foreign investment has a high starting point and a high vision, and can grasp

future trends more accurately. SAIC also entered the electric vehicles market earlier. In the transformation of the system, companies that go early will pay more costs. Foreign investment itself has gone a long way, and joint ventures only need to copy and fine-tune. This helped SAIC avoided a lot of trial and error costs, and SAIC has also been involved in the trend and transform of electrification and intelligence very early [42].

Unfortunately, there are also disadvantage of foreign investment:

1. Foreign-funded companies firmly control core technologies and key supply chains, making it almost difficult for Chinese partners to obtain the most advanced key technologies through joint ventures. Evaluate whether the technology is leading. Advanced technology is restricted or dismantled, and different factories around the world produce different parts; recruiting employees with good foreign languages and excluding some technical staff with poor foreign languages; technical information is provided selectively; technical standards are unclear, etc. Artificial barriers are set up to avoid technology outflow.

2. Obtaining huge profits through joint ventures, it may lose the enterprising spirit of hard work. There is no motivation to proactively promote independent research and development. Even if Chinese car companies are willing to promote independent research and development, foreign parties will try their best to obstruct it.

3. Unequal rights between foreign investment and local companies. Among Sino-foreign joint venture automobile companies, although the equity ratio of both parties is basically half. However, due to the late start of Chinese automobile industry and its low starting point, as well as the lack of technology research and development capabilities and practical experience in operation and management by the Chinese shareholders, the Chinese shareholders have virtually lost a large amount of say in the actual operation of the joint venture and are unable to make decisions on the actual operation of the joint venture. situation and technological development directions [43]

Therefore, multinational automobile companies not only control the sales

decision-making power of the joint venture, but also control the technology and management decision-making power of the joint venture. In fact, foreign capital firmly controls the joint ventures, and it seems that Chinese local automobile companies can only "study with the prince."

Under this circumstance, coupled with the serious lag in the development of Chinese local automobile companies, multinational automobile companies actually determine the development direction of Chinese automobile industry through joint ventures. At this time, multinational automobile companies will consider and arrange the development direction of the joint venture based on their own strategic development [44].

4. Since the local side lacks the core technology of fuel vehicles, it can only participate in the assembly link with low added value in the joint venture. Foreign parties can use their invention patents, brands, designs and other intellectual property rights to control all procurement, manufacturing and even sales.

Generally speaking, the advantages of foreign investment outweigh the disadvantages. Chinese automobile industry has seized the historic opportunity of joint ventures and cooperation to achieve today's achievements. SAIC's growth is the result of win-win cooperation between China and foreign countries. SAIC has cooperated with 67 well-known international companies in Europe, America and Japan to establish 102 automobile companies, covering the entire industry chain such as complete vehicles, parts, service trade, and automobile finance. It also provides Chinese entire automobile industry chain has contributed its own strength [45].

Conclusions to the second section:

As one of the first multinational automobile groups to enter the Chinese market, SAIC relies on Chevrolet, Buick, Cadillac and other brands to fully cover

all domestic market segments such as low-end, mid-range and high-end. It is one of the few full-category and multi-dimensional brands in the Chinese market. Automobile companies, thanks to the large number of GM models and high brand promotion, have been firmly in the top sales position for more than ten years since entering the Chinese market in 1997, and are well-known both at home and abroad.

During the golden period of the Chinese market, according to the SWOT, SAIC achieved cumulative sales of more than 10 million vehicles in just 17 years, setting a new speed record for the development of the Chinese automobile industry. While maintaining leadership in advantageous markets, it actively explore new market segments such as the fastest-growing SUV market and small SUV market to achieve simultaneous improvements in sales quality and quantity.

Not only political, economic and social environment, but also technology requirement, all shows a good chance to introduce foreign investment, there are also a lot of other motor companies on the plan to attract foreign investment meanwhile, considering the competition, SAIC applied below methods to attract foreign investment:

- Exchange market for technology
- Localize auto parts and components, achieve independent development.
- Play the excellent ability on research and development, improves the core competitiveness, shows considerable and sustainable profit.
- Operate acquisition and merger on international manufacturing projects with R&D centers and brands.

Advantage of foreign investment is obvious, SAIC became the largest auto maker in China, also as the expand of foreign investment, SAIC became the largest one to export to global market. The main advantages reflected in the following aspects:

-Foreign investment has driven the development of Chinese auto area.

-Foreign investment has driven the development of the entire supply chain.

-Foreign investment has a high starting point and a high vision, and can grasp future trends more accurately.

Unfortunately， there are also disadvantage of foreign investment，

-Foreign-funded companies firmly control core technologies and key supply chains, making it almost difficult for Chinese partners to obtain the most advanced key technologies.

-Obtaining huge profits through joint ventures, it may lose the enterprising spirit of hard work.

-Unequal rights between foreign investment and local companies.

-Since the local side lacks the core technology of fuel vehicles, it can only participate in the assembly link with low added value in the joint venture.

Generally speaking, the advantages of foreign investment outweigh the disadvantages. Chinese automobile industry has seized the historic opportunity of joint ventures and cooperation to achieve today's achievements. [47]SAIC's growth is the result of win-win cooperation between China and foreign countries. SAIC has cooperated with 67 well-known international companies in Europe, America and Japan to establish 102 automobile companies, covering the entire industry chain such as complete vehicles, parts, service trade, and automobile finance. It also provides Chinese entire automobile industry chain has contributed its own strength.

SECTION 3
RECOMMENDATIONS OF SAIC FOREIGN INVESTMENT

3.1 Approaches to improving the quality of attraction and use of foreign investment

Since establishment, SAIC has been a banner for the development process of Chinese automobile industry and also represents the development of Chinese automobile industry. As a giant in Chinese automobile industry, a clear route program is needed, such as strengthen market position, utilize innovative technology, and persist in strategic partnership and international expansion etc, to attract foreign investment sustainably and continue its glory and mission.

In recent years, SAIC has increased its efforts to export automobiles, expanded its territory in overseas markets, and has been singing success all the way. From 2012 to 2020, China exported about 1 million cars every year. In 2021, Chinese car exports will be 2.015 million, 3.11 million in 2022, and 4.9 million in 2023. Through review, Chinese cars have gone from pure imports to batch exports, from low-quality From low prices to both volume and price,[48] from going it alone to going global collectively, from developing countries to developed countries, they finally got rid of the embarrassing role of "walk-in" in the past, and shed the inherent impression of "Made in China". On the global export list SAIC rank from unknown to the third, the second or even the first. Among every three Chinese cars sold overseas, one is made by SAIC (including exports and manufacturing in overseas factories).[49]

Table 3.1 - China export motors quantity yearly, ten thousands

Year	China export motors quantity yearly, ten thousands
2014	94.79
2015	73.00

2016	81.00
2017	106.38
2018	121.60
2019	122.00
2020	108.20
2021	201.50
2022	340.00
2023	522.10

Compiled by the author on the basis of [66]

In terms of export countries, Chinese vehicle export destinations were mainly concentrated in developing countries and regions in Asia previously, Africa and Latin America, such as Iran, Southeast Asia, Africa, etc. Nowadays, with the increasing expansion of Chinese brands' overseas expansion, this situation is being broken. Chinese car companies have set their sights on developed countries and regions such as Europe and North America. In recent years, Chinese brands have frequently appeared at international auto shows in Europe and the United States, setting off a "China boom" at the North American Auto Show, Frankfurt Motor Show, and Geneva Motor Show [50].

Why Chinese automobile export market changed? The reason is that Europe is one of the most active regions in pursuing "carbon neutrality" by banning the sale of traditional fuel vehicles globally. They concerned more about the ecological environment. A large number of European countries have given the green light to the development of new energy vehicles and provided tax, road rights and other preferential treatment. Limited by the cost of the industrial chain, the price of new energy vehicles in Europe is relatively high, and the electrification speed of European local car companies is half a beat slower than that of Chinese car companies. This has given Chinese car companies the opportunity to go overseas.

The cumulative sales of Chinese cars in the Mexican market in 2022 reached 254,000. There are two reasons behind this: first, Mexico is a prosperous and

emerging consumer market, which is suitable for early deployment; second, there are greater advantages in establishing a production base in neighboring countries of the United States, the world's second largest automobile market.

According to the North American Free Trade Agreement signed by the United States, Canada, and Mexico in 1992, companies building factories in Mexico can be allowed to export to the United States at zero tariffs as long as they purchase a certain proportion of parts purchased from the three North American countries. As the country closest to the U.S. market, Mexico will undoubtedly become a springboard for Chinese automobile industry to penetrate into the United States. In addition, leading American automobile companies have transferred part of their production capacity to Mexico in recent years. Local parts suppliers have a complete industrial chain, an industrial foundation, and low labor costs. This provides favorable conditions for Chinese car companies that are interested in exploring the American market [52].

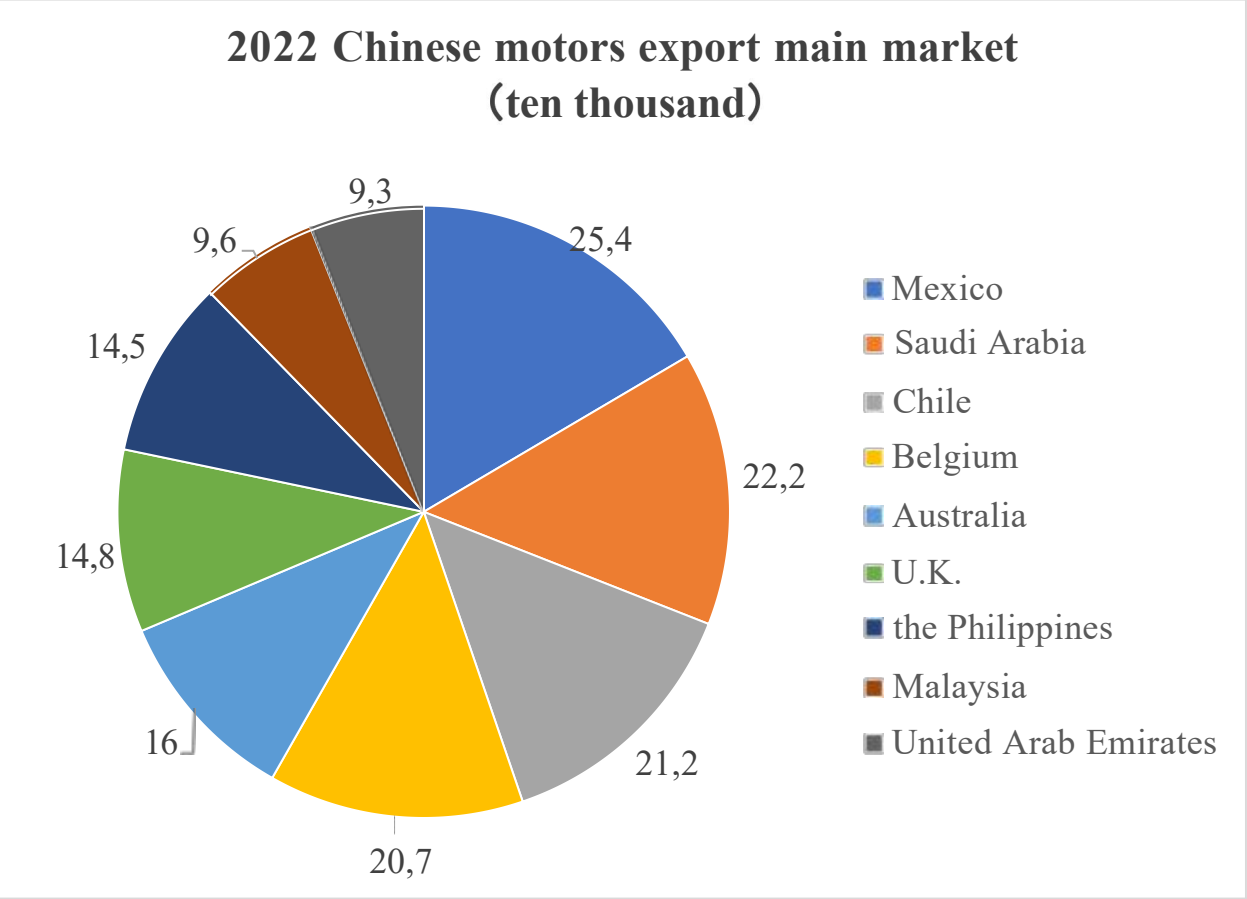

Figure 3.1 - 2022 Chinese motors export main market

Compiled by the author on the basis of [52]

In such a general environment, SAIC has performed outstandingly in export share, ranking first in the domestic industry for complete vehicle exports for eight consecutive years. There are three main factors driving the rapid growth of SAIC's export volume: First, after years of market training, SAIC In the field of automobile industry development, an integrated international and domestic automobile market development pattern has been established, with a sound and mature domestic automobile manufacturing industry chain and strong economies of scale, thus expanding the scale of automobile exports. Second, the strong rise of independent brands directly promotes the growth of SAIC export volume. Third, the continuous enhancement of national strength and the continuous improvement of the level of opening up to the outside world have objectively accelerated the promotion of enterprises and products to better go global [53].

SAIC firmly grasps the strategic opportunities in export and overseas markets, continuously deepens the construction of the international operating system, faces the needs of different markets, implements user-centered localized operations, and gradually forms various models such as vehicle export and KD assembly. “Going overseas” strategy. In 2023, SAIC's own brands will account for 92% of overseas sales. The global annual sales of the MG brand will exceed 800,000 vehicles. The flagship product ZS/AP/HS series will continue to maintain rapid growth, especially in the European market. The delivery volume has stabilized at more than 20,000 vehicles, and Europe has become the company's first "200,000-vehicle" overseas regional market. The MG brand has not only ranked among the top two in the UK and Spanish pure electric markets, but has also ranked among the top ten in major global markets. The main product MG4 EV has successfully won more than 30 authoritative overseas awards including the "Car of the Year Grand Slam" in Britain, France, Germany and Australia.

As the European user base gradually expands, SAIC is also choosing a location to build a factory there. In 2022, it achieved sales of 1.017 million vehicles overseas (exported 906,000 vehicles and produced and sold 111,000 vehicles at

overseas bases). From January to June 2023, SAIC sold a total of 533,000 vehicles in overseas markets, a year-on-year increase of 40%. Among them, the cumulative sales of SAIC's MG brand in the European market in the first six months reached 115,000 vehicles, a year-on-year increase of 143% [54].

Currently, SAIC is actively promoting its global business layout and has established three overseas manufacturing bases in Thailand, Indonesia and India, as well as a KD factory in Pakistan. 3 innovative R&D centers have been established in Silicon Valley, TelAviv and London, multiple regional marketing service centers have been established in Europe, South America, the Middle East, North Africa, Australia, New Zealand and ASEAN, and nearly 810 overseas marketing service outlets have been established in Thailand, There are 9 "scale-level" overseas markets in the UK, EU, Indonesia, Chile, Australia and New Zealand, the Middle East, India, and Egypt. In addition, SAIC Anji Logistics has opened 4 self-owned international shipping routes, and SAIC's Huayu Components also has 95 overseas bases. It ensures the steady implementation of the production and operation of all product categories and the overseas strategy [87].

As more high-end automobile products enter the markets of developed countries, brand recognition and customer loyalty will further improve, and the SAIC export industry will also enter a new stage.[55]

Table 3.2 - 2022 Chinese main motor companies export quantity

Company name	**Export quantity, ten thousands**
SAIC	90.6 (top one)
QIRUI	45.2
TESLA	27.1
CHANGAN	24.9
DONGFENG	24.2
GEELY	19.8
GREATWALL	17.3
JAC GROUP	11.5

BAIC	11.0
SINOTRUK	8.3

Compiled by the author on the basis of [52]

As a representative of the active transformation of traditional car manufacturers, SAIC's MG brand began to expand into the European market in 2019. At present, SAIC has established six overseas companies in Europe and launched a variety of plug-in hybrid and pure electric models, which are sold to more than 20 European countries. In September 2022, SAIC Motor's "global pure electric super crossover" MG MULAN will be launched. It is developed in accordance with the five-star standards of Europe's mainstream safety evaluation system and meets the E-MARK European standard certification. In the same month, 10,000 units of MG MULAN were sent to Europe, and it is expected to achieve the first overseas regional market of 100,000 units within the year. 9560Dataforce data shows that in October, MG's new car sales in the European market achieved a three-digit increase year-on-year. The group's overall sales in Europe increased 1.5 times year-on-year to 12,376 vehicles; as of October, SAIC's sales in Europe had doubled that year. SAIC has an R&D innovation center in London, design centers in London and Munich, and has opened self-operated international routes in Europe.

Figure 3.2 - SAIC’s invest on oversea companies [88]

3.2 Practical recommendations for the introduction of attraction and use of foreign investments

With the continuous development of technology, the automobile industry is also constantly changing and progressing, causing traditional automobile companies to face many challenges. Cars in the new era have not only made great progress in performance, comfort and safety, but also made new breakthroughs in environmental protection, intelligence and other aspects. SAIC should pay attention to and develop the latest technology in the following aspects.[89]

1. Electric vehicle technology

As the world pays increasing attention to environmental protection issues, electric vehicles, as a type of clean energy vehicle, have received more and more attention. Electric vehicles replace traditional internal combustion engines with electric drive systems, reducing environmental pollution [57]. The technology of electric vehicles mainly includes battery technology, charging technology and electric drive technology. Currently, lithium batteries are widely used in electric vehicles with the characteristics of high energy density, long life and fast charging. In addition, charging technology is also constantly improving, such as fast charging, wireless charging and other technologies are gradually maturing. In terms of electric drive technology, automobile manufacturers are also constantly developing new electric models to meet consumers' needs for performance and cruising range.

2. Smart car technology

Smart cars refer to the introduction of advanced information technology to improve the intelligence level of cars and make cars safer, more comfortable and more convenient. Smart car technology mainly includes in-vehicle interconnection, autonomous driving and intelligent traffic management. [58] In-vehicle interconnection technology enables real-time sharing of vehicle information by connecting vehicles to the Internet, and provides navigation, entertainment, communication and other functions. Autonomous driving technology introduces

sensors, cameras and artificial intelligence technology to enable cars to automatically perceive the surrounding environment, make decisions and control autonomously. Intelligent traffic management uses big data analysis and artificial intelligence technology to optimize road traffic and improve traffic efficiency and safety. The continuous development of smart car technology will greatly change the automobile industry and people's travel methods [90].

3. New energy vehicle policy

With the development of new energy vehicles, governments of various countries have also introduced a series of policies to support and promote the development of new energy vehicles. These policies mainly include financial subsidies, tax exemptions, green license plates, etc. Fiscal subsidies refer to the government directly giving a certain amount of subsidies to consumers who purchase new energy vehicles to reduce the cost of car purchase [91]. Tax-free incentives refer to the reduction or exemption of sales tax and vehicle purchase tax on new energy vehicles. Green license plates refer to giving new energy vehicles special license plate markings to enjoy special preferential policies. The introduction of these policies has greatly increased the purchase and use costs of new energy vehicles and promoted the widespread promotion and application of new energy vehicles [59].

4. Smart cars and artificial intelligence

With the rapid development of artificial intelligence, smart cars are constantly introducing artificial intelligence technology to improve the intelligence level of cars. In-vehicle artificial intelligence can intelligently interact with drivers through speech recognition, natural language processing, computer vision and other technologies, and provide navigation, entertainment, vehicle diagnosis and other services. In addition, artificial intelligence can also improve vehicle performance, safety and driving comfort through big data analysis and machine learning technology. The combination of smart cars and artificial intelligence will bring a new experience to people's travel.

5. Automobile safety technology

With the frequent occurrence of traffic accidents, automobile safety technology has also received increasing attention. Automobile safety technologies in the new era mainly include active safety and passive safety. Active safety technologies include body stability control, automatic emergency braking, blind spot monitoring, etc., which can help drivers detect dangers in time and avoid accidents. [92]Passive safety technologies include air bag systems, pretensioner, etc., to protect vehicle occupants from injury in the event of an accident. With the continuous advancement of science and technology, automobile safety technology is also constantly innovating to provide drivers and passengers with a safer driving environment [60].

With the continuous development of science and technology, the technology of new era cars is also constantly upgraded and improved, bringing more choices and convenience to people's travel. It is believed that with the continuous advancement of technology, SAIC cars will become more intelligent, environmentally friendly and safer, and become an indispensable part of people's lives.

The current trend in the global automobile industry is electrification and intelligence. Starting from 2019, Chinese car users are more inclined to purchase electric vehicles, and the market growth rate is more reflected in electric vehicles. It is a reality that the traditional car market has shrunk and sales have decreased. This is equivalent to a new track for SAIC [93]. Since SAIChas more technical and brand advantages in the traditional automobile industry, in the past few years of rapid development of new energy, the transformation to electrification is still too conservative. Although we can see that SAIC's brands are increasing their efforts to transform, their influence in the market has never reached the ideal state. For the whole year of 2023, SAIC's new energy vehicle sales reached 100,000 units for the first time, a year-on-year increase of 125.2%. This actually sends a good signal and means that SAIC GM has a place in the new energy vehicle market. Among them, new energy accounts for more than 50% of exports [61].

On this basis, SAIC needs to actively expand cooperation on “new tracks”.

In 2023, SAIC and Audi signed a memorandum of understanding on cooperation to jointly develop a variety of new smart electric models for the Chinese market; integrate superior resources with General Motors and establish a new software and digital center at SAIC GM; establish a joint venture with Qingtao Energy to accelerate Promote technology research and development and industrialization of semi-solid and all-solid-state batteries [94]. SAIC also continues to deepen strategic cooperation with OPPO, Horizon and other companies in the fields of "ecological domain" and large computing power chips, and jointly builds "key laboratories" with Hunan University, Shanghai University, etc., in advanced vehicle manufacturing technology, intelligent In-depth school-enterprise cooperation will be carried out in areas such as connected automobile network security.

At present, SAIC has the most complete spectrum of new energy products in the world, including plug-in hybrid vehicles, pure electric vehicles and hydrogen fuel vehicles.[62] SAIC has independently mastered the domestic leading three-electric core technology (battery, electric drive, electronic control system); for new Key technologies such as first-generation lithium batteries, solid-state batteries, and IGBT electric drive modules have achieved global layout. Its positioning is also changing from a traditional manufacturing enterprise to a comprehensive supplier that provides mobile travel services and products to consumers.

SAIC combines SAIC's strategic development direction and goals in the fields of electrification, intelligence, networking, and sharing, and combines the R&D resources of various vehicle and parts sectors within the group to collaboratively promote new energy power systems, intelligent driving [95]. Technological innovation and industrial chain layout in the fields of software engineering, intelligent interconnection, human-computer interaction, cloud & big data, and advanced materials supporting various fields are simultaneously guided by market demand and continue to provide differentiated forward-looking technology industries for independent brands. application results [96].

Based on the competitive "three electrics" core technologies and parts industry chain, we focus on open innovation. While developing and expanding independent

research and development team, we make full use of resources from all parties to form an effective company in the key areas of new energy vehicles. With the core R&D capabilities and supply chain system of international competitiveness, we have developed a service system that meets the requirements of "convenient use, resource sharing, and green recycling". Establish SAIC's leading position in the domestic new energy vehicle industry, technically create new energy models that are global industry benchmarks, and establish innovative comprehensive solutions for new energy vehicle users [63].

SAIC should focus on promoting the implementation of the "Three-Year Action Plan for the Development of New Energy Vehicles" to seize new tracks, stimulate new momentum, establish new advantages, and fully promote innovative transformation. The macro economy is expected to further rebound and improve, which will help Steady growth in the automotive industry [97]. SAIC will accelerate transformation and upgrading, promote quality and efficiency improvement, focus on the three-year action plan for the development of new energy vehicles, continuously enhance its core competitiveness on the new track, and strive to achieve annual vehicle sales of 5.45 million units. SAIC firmly adheres to the strategic direction of innovation and transformation, actively seizes the pace of market recovery and structural growth opportunities, formulates and implements a three-year action plan for the development of new energy vehicles, and makes strong efforts in the new troika of independent brands, new energy, and overseas business, and the transformation of growth momentum continues. accelerate. “Not only make prices war, the market price war lasted throughout the year with unprecedented intensity [64].

In addition, SAIC and Audi jointly developed a number of new smart electric models for the Chinese market, jointly exploring new tracks, deepening the development of new energy vehicles, and striving to explore new driving brands; SAIC and ZTE cooperated to integrate domestically produced in-vehicle 4G communication modules Mass production was applied to new models, realizing the practical implementation of China's first domestically produced in-vehicle 4G

communication module; SAIC and India's JSW Group signed a strategic cooperation agreement in London, England. Both parties will actively collaborate with their respective superior resources in the fields of automobiles, steel, energy and other fields to create a mutually beneficial and win-win cooperation model to ensure that MG India achieves sustainable development [65].

While accelerating the development and expansion of its own brands, SAIC is actively facing new developments in the future and building new advantages in cooperation. SAIChas always insisted on inheriting and carrying forward the culture of cooperation, and continues to deepen strategic cooperation with joint venture partners. Through joint research and sharing of innovative technologies, SAIC will overflow the first-mover advantage ofthe company's "software-defined cars" tojoint ventures; at the same time, it will accelerate the system advantages of independent innovation to overseas markets. Effective export, continue to deeply explore the global market, create win-win results with global partners, and continue to expand new space for cooperation in wider areas, higher levels, and deeper levels.[66]

Benefit from stategic partnership, SAIC’s domestic car companies rank first in the R&D investment rankings, and they need to continue to maintain their R&D efforts. The innovation and technology sector coordinates and gathers innovative technology resources, promotes the collaborative development of "algorithms + software + chips" around "software-defined cars", and accelerates the application of new technologies such as AI large models in vehicles; focuses on next-generation power battery technology and deepens forward-looking technologies layout and promote the implementation of industrialization. Persisting in strategic partnerships and international expansion makes SAIC have more advantages in supply chain and leadership position.

Conclusions to the third section:

This section researched the recent years, SAIC has increased its efforts to export automobiles, expanded its territory in overseas markets, and has been singing success all the way. Through review, Chinese cars have gone from pure imports to batch exports, from low-quality From low prices to both volume and price, from going it alone to going global collectively, from developing countries to developed countries, they finally got rid of the embarrassing role of "walk-in" in the past, and shed the inherent impression of "Made in China". [100] On the global export list SAIC rank from unknown to the third, the second or even the first. Among every three Chinese cars sold overseas, one is made by SAIC (including exports and manufacturing in overseas factories).

In order to remain top position and go on developing, SAIC should pay attention to and develop the latest technology in the following aspects.

-Strength the market position;

-Utilize innovative technologies.

-Persist in strategic partnerships and international expansion

Amount them, technology is the most important, such as:

-Electric vehicle technology

-Smart car technology

-New energy vehicle policy

-Smart cars and artificial intelligence

-Automobile safety technology

The current trend in the global automobile industry is electrification and intelligence. Starting from 2019, Chinese car users are more inclined to purchase electric vehicles, and the market growth rate is more reflected in electric vehicles. It is a reality that the traditional car market has shrunk and sales have decreased. This is equivalent to a new track for SAIC. Since SAIC has more technical and brand advantages in the traditional automobile industry, in the past few years of rapid development of new energy, the transformation to electrification is still too conservative. Although we can see that SAIC's brands are increasing their efforts to transform, their influence in the market has never reached the ideal state. For the

whole year of 2023, SAIC's new energy vehicle sales reached 100,000 units for the first time, a year-on-year increase of 125.2%. This actually sends a good signal and means that SAIC GM has a place in the new energy vehicle market. Among them, new energy accounts for more than 50% of exports.

While SAIC Motor faces challenges such as increasing competition, regulatory changes, and technological disruptions, its investment in future-oriented initiatives positions it well for long-term success. Moving forward, SAIC Motor will need to continue investing in innovation, adaptability, and sustainability to maintain its leadership position in the automotive industry and capitalize on emerging opportunities in the evolving mobility landscape. Various strategies and initiatives showcasing its potential for growth, profitability, and innovation.

1. Strengthen market position: SAIC Motor's position as one of the largest automotive manufacturers in China and its significant market share in the domestic automotive market serve as strong indicators of stability and growth potential, attracting investors looking for exposure to Chinese automotive industry.[10]

2. Utilize innovative technologies: SAIC Motor's focus on research and development, particularly in areas such as electric vehicles, autonomous driving, and connected cars, demonstrates its commitment to innovation. made substantial investments in research and development to innovate and develop new technologies for electric vehicles, autonomous driving, and connected cars. These investments are crucial for staying competitive in the rapidly evolving automotive industry. Investors are attracted to companies that are at the forefront of technological advancements and have the potential to disrupt traditional industries.

3. Persist in strategic partnerships and international expansion: SAIC Motor forms strategic partnerships and alliances with international automakers, technology companies, and startups to leverage complementary strengths, access new markets, and share resources and expertise. These partnerships can enhance SAIC Motor's competitiveness and attractiveness to investors.

SAIC Motor's expansion into international markets, such as Europe, Southeast Asia, and South America, diversifies its revenue streams and reduces dependence on

any single market. Investors are attracted to companies with a global footprint and exposure to growth markets. SAIC has a very systematic system and carries out global layout in a planned way. "Exporting the entire industrial chain overseas" is a solid foundation for its rapid expansion of overseas business, and will also provide assistance for other Chinese automobile brands to go global. [102]

At present, SAIC's products and services have entered more than 70 countries and regions around the world, and it has established three overseas R&D and innovation centers in London, Silicon Valley, and Tel Aviv, as well as four production bases and KD factories in Thailand, Indonesia, India, and Pakistan.

On the one hand, SAIC accepts foreign investment from well-known international automobile companies and reaches strategic cooperation with them. On the other hand, he continues to conduct research and development, vigorously expands its own brands, and improves its core competitiveness. With excellent R&D capabilities in 5G, electric technology, chip technology, operating systems, and artificial intelligence, and forward planning and technology accumulation of electrification, intelligence, networking and sharing, in future with foreign investment, SAIC will still be supported on its growth objectives in the dynamic automotive industry landscape.

Electrification is only the “first half” of the competition for new energy vehicles, while the “second half” is intelligent competition, and the core of intelligence is autonomous driving. One of SAIC's main directions now is the mass production of front-mounted high-end assisted driving, providing technical solutions for complete vehicles. Only by placing technological innovation leadership and pilot demonstrations in a prominent position and competing for more "first" and "unique" can SAIC's glory be sustained.

CONCLUSIONS

The results of the study are a theoretical generalization of modern approaches to the attraction and use of foreign investment, as well as the improvement of these approaches in a practical context based on an objective analysis of the changes caused by foreign investment.

1. Foreign investment definition and trends were described. Foreign investment in the modern sense originated from the capital surplus that occurred in the first half of the 19th century. Entering the era of commodity economy, the pursuit of wealth accumulation has become a social trend. Mercantilists advocate that the country should vigorously develop foreign trade and obtain more gold and silver wealth. In order to deliver the goods to the customers as soon as possible after arriving at the destination, and to be exchanged for gold and silver and shipped back to the country, it was very necessary for producers to invest and open after-sales branches in the local country. This gave birth to the earliest foreign investment activities and cross-border capital flows.

2. The reasons of attraction and use of foreign investment were describedA large number of scientists around the world investigate a wide range of issues regarding the foreign investment， as essence of Industrial Economics and Balance of Payments as a socio-economic category, comprehensive justification of the positive impact of foreign investment, and analysis and systematization of methodical approaches to assessing its level. The main theories include Monopoly advantage theory, Internalization theory, International production eclectic theory, Small-scale technology theory, Technical local specialization theory, Technology accumulation theory, Long-term strategic theory, Development of oligopoly reaction theory and game theory models. The different theories have different emphasis, the essence is the existence of advantages and location transfer, and local regeneration of high quality advantage, location relocation, achieving, the purpose of improving capital utilization rate and profit rate. Among them, it is important to consider the International production eclectic theory by Dunning.

However, it remains relevant to determine further opportunities to increase the level of attracting investment due to the implementation of innovative strategies for their development.

3. Main countries' foreign investment to Chinese motor industry was analyzed. The real development of foreign capital in Chinese automotive field began around 1997. Through the establishment of Sino-foreign joint ventures, foreign capital brought a set of modern industrial civilization based on market competition, which includes but is not limited to thinking. Methods, business philosophy, product technology, manufacturing technology, methods and processes, value chain control, marketing, brand maintenance, performance evaluation, employee management, etc., these are completely different from the state-owned enterprises that have just learned some superficial knowledge of market economy under the planned economic system.

4. Market position, product portfolio, and key performance indicators of SAIC MOTORS CORPORATION LIMITED was defined. Take example of SAIC Motor Corporation Limited, there is a saying, "China Automobile looks to Shanghai, Shanghai Automobile looks to Jiading, and Jiading Automobile looks to Anting", Anting is SAIC's first factory and one of the important factory. SAIC's usage of foreign investment represent Chinese auto's usage of foreign investment. SAIC is one of the largest automotive manufacturers in China. It starts the time of foreign investment to Chinese motor area， and after decades accumulation， he has a rich investment history and has expanded its operations all over the world, making significant investments in research and development, technology, and partnerships. His process also represent the Chinese motor history.

His direction of attracting foreign investment is technology, Technicians win the world， SAIC has demonstrated a strong commitment to growth and innovation through strategic investments in technology reserve, production capacity, research and development, partnerships, and international expansion. SAIC also focus on electric vehicles, autonomous driving, and connected cars aligns with global trends towards sustainable mobility and smart transportation solutions. This laid a firm

foundation for him to attract more investment and invest in oversea factories.

5. Methods to attract and use of foreign investment were studied. While SAIC Motor faces challenges such as increasing competition, regulatory changes, and technological disruptions, its investment in future-oriented initiatives positions it well for long-term success. Moving forward, SAIC Motor will need to continue investing in innovation, adaptability, and sustainability to maintain its leadership position in the automotive industry and capitalize on emerging opportunities in the evolving mobility landscape. Various strategies and initiatives showcasing its potential for growth, profitability, and innovation.

1, Strengthen market position: SAIC Motor's position as one of the largest automotive manufacturers in China and its significant market share in the domestic automotive market serve as strong indicators of stability and growth potential, attracting investors looking for exposure to Chinese automotive industry.

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3, Persist in strategic partnerships and international expansion: SAIC Motor forms strategic partnerships and alliances with international automakers, technology companies, and startups to leverage complementary strengths, access new markets, and share resources and expertise. These partnerships can enhance SAIC Motor's competitiveness and attractiveness to investors.

6. Dynamic attraction and use of foreign investment, their advantages and disadvantages of SAIC MOTORS CORPORATION LIMITED was identified. SAIC Motor's expansion into international markets, such as Europe, Southeast Asia, and South America, diversifies its revenue streams and reduces dependence on any

single market. Investors are attracted to companies with a global footprint and exposure to growth markets. SAIC has a very systematic system and carries out global layout in a planned way. "Exporting the entire industrial chain overseas" is a solid foundation for its rapid expansion of overseas business, and will also provide assistance for other Chinese automobile brands to go global.

7. Approaches to improving the quality of attraction and use of foreign investment were systematized. At present, SAIC's products and services have entered more than 70 countries and regions around the world, and it has established three overseas R&D and innovation centers in London, Silicon Valley, and Tel Aviv, as well as four production bases and KD factories in Thailand, Indonesia, India, and Pakistan.

On the one hand, SAIC accepts foreign investment from well-known international automobile companies and reaches strategic cooperation with them. On the other hand, he continues to conduct research and development, vigorously expands its own brands, and improves its core competitiveness. With excellent R&D capabilities in 5G, electric technology, chip technology, operating systems, and artificial intelligence, and forward planning and technology accumulation of electrification, intelligence, networking and sharing, in future with foreign investment, SAIC will still be supported on its growth objectives in the dynamic automotive industry landscape.

8. Practical recommendations for the introduction of attraction and use of foreign investment were proposed. Electrification is only the “first half” of the competition for new energy vehicles, while the “second half” is intelligent competition, and the core of intelligence is autonomous driving. One of SAIC's main directions now is the mass production of front-mounted high-end assisted driving, providing technical solutions for complete vehicles. Only by placing technological innovation leadership and pilot demonstrations in a prominent position and competing for more "first" and "unique" can SAIC's glory be sustained.

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