

An Analysis of the Current Situation and Competitiveness of China's International Engineering Contracting

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Abstract

In recent years, China's international engineering contracting business has grown and made great progress. However, compared with some big international contractors, China's international contractors still have a long way to go. It is necessary to analyze the current situation of China's international contracting, and our competitive advantages or disadvantages, in order to improve our competitiveness of enterprises in international engineering projects.

Keywords

International engineering contracting, Competitiveness.

1. Introduction

International engineering contracting is an important form of international economic exchanges, but also an important part of the country's foreign technical cooperation. It plays an important role in promoting the export of a country, increasing foreign exchange earnings, reducing labor employment pressure, expanding international exchanges and influence [1].

China's foreign engineering contracting business started in the late 70s and early 80s, is the product of China's reform and opening up. After 20 years of development, China's foreign engineering contracting industry has made great progress, on the whole, already have a considerable scale, in the international market competition has made a place, but with the international construction market and international There is still a big gap in contracting countries. The reason is because China's foreign engineering contracting enterprises of the international competitiveness of the lower, which reflected in all aspects of its root causes are also many.

With the deepening of China's reform and opening up and the development of global economic integration, China's foreign engineering contracting industry plays an important role in the national economy and people's livelihood, how to improve the international competitiveness of China's foreign project contracting enterprises to speed up the development of foreign project contracting , Which is placed in front of us an important issue.

2. The status of China 's international engineering contracting

At present, China's foreign contracted projects gradually show the scale of the expansion of the market, the diversity of the market, the new features of the scale of foreign contract projects, large-scale projects and investment, from the passive pursuit of the project to the foreign initiative to find our contract, Contracting project has entered a leap-forward development stage.

According to the Ministry of Commerce statistics, from January to October 2014, China's foreign contracted projects completed turnover of 57.23 billion US dollars, an increase of 33.3%; new contract amount of 100.15 billion US dollars, an increase of 22.7% [2]. And in January-September 2015 China's foreign contracted engineering business turnover of 59.32 billion US dollars, an increase of 16.6% [3]. In addition, the United States, "Engineering News" magazine published in 2010, the international contractor 225 strong 54 from China, the international turnover and reached 50.591 billion US dollars, 43.23 billion US dollars over the previous year, an increase of 7.388 billion US dollars , An increase of 17.1 percentage points; accounting for 2015 international contractor 225

strong international total turnover of 13.18%, 11.1% over the previous year increased by 2.08 percentage points [4]. It can be seen that China's contracted enterprises in the international contract market, the growing influence in the contract with the developed countries and regions in the competition, slowly gaining progress and development, mainly in the turnover and market share increase.

According to the 2015 International Contractor 225 data released by the Engineering News Record, Chinese contractors hit the United States for the first time with a 13.2% share of the United States. However, the European contractors continue to occupy 52.1% of the proportion of the international market more than half of the country. It can be seen that with the increasing strength of China's international contractors, China's foreign contracted projects, labor cooperation has made great progress, but relative to the overall size, China's contractors still have great room for development and development potential. However, it is worth noting that China's enterprises to go out there are many problems to be solved in terms of investment facilitation there are some institutional barriers, laws and regulations are not perfect, there are some problems in corporate management, corporate homogeneity Serious, shortage of funds, lack of financing capacity.

3. Competitive advantages of China 's international engineering contracting

In recent years, the status of China's international project contract can be seen, the amount of foreign contract engineering is increasing year by year and the field of foreign contracting projects are also expanding. The most important reason is that China's international engineering contracting enterprises have significantly improved the competitive advantage, respectively, in the market, talent, comprehensive technology and management and other aspects.

China's international engineering contracting enterprises to enter the market from small to large, from weak to strong, in the housing construction, road and bridge, municipal facilities, small and medium water conservancy and hydropower, manufacturing and processing industries and other projects show a strong competitive edge, despite the face of internationally renowned contract Business competition, but still in the above areas occupy a certain market share [4]. China's market adaptability of the company's market has been strengthened, has a more stable focus on the market, has achieved international operating contract performance, with the international financial organizations, the relevant government, owners and other established credibility, in the international community to create a certain degree of visibility , The formation of intangible assets. This is our development of the international market, the most basic and most important conditions.

China's enterprises have cultivated a familiar with the international economic and technological cooperation business and operational rules of the talent team, professional excellent technology, relatively complete category, the quality of personnel higher. Many people at the same time with professional and overseas business knowledge, in the work has accumulated a wealth of experience, our talent team from the tender, construction management to the project planning, economic analysis, design consulting and other new areas of service, to further expand The scope of business and development space, business is from labor-intensive to intellectual-intensive change.

China's policy of reform and opening up, through the constant attracting foreign investment, the introduction of technology, so that China's various industries to improve the level of production technology, after digestion and absorption of enterprises after the technology, more suitable for the needs of developing countries. Large-scale economic construction to promote our construction capacity has been greatly improved, while China's rich human resources, so that our enterprises in technology and cost competitiveness.

4. Competitive disadvantages of China's international engineering contracting

Although China's international engineering contracting enterprises in the international market has made some competitive advantages, but with other advanced contractors, the competitive disadvantage is still obvious.

Compared with 2009, 2010, the national and regional market turnover have varying degrees of change. Among them, the largest share is still the European region, a total of 135 enterprises, its turnover accounted for 225 of the total turnover of 26.3%; second place is the Middle East, a total of 157 enterprises, its turnover accounted for 225 strong The total turnover of 20.2%; third place is the Asian / Australian market, a total of 149 enterprises, its turnover accounted for 225% of the total turnover of 19.1% [5]. In the next period of time, the European and American engineering market is still the world's largest regional market. And China's enterprises are still confined to the traditional Asian and African markets, access to developed countries, the market is also facing great difficulties and obstacles.

China's engineering contracting enterprises lack of cooperation between the mutual price, vicious competition is more serious. Low-cost competition in the international market has also aroused the concern of other contractors, most of the international contractors expressed concern that new competitors, especially China's low-cost countries to enter the international market, worried that the tender is becoming unfair and not appropriate. They argue that the tender price is too low below the average level of the construction industry, but the results often lead to incomplete or low quality products. With more and more China's engineering contracting enterprises to go abroad, if not properly guide and management, low-cost bidding will be more prominent [6]. The vicious competition between Chinese enterprises and low levels of competition may eventually be sanctioned by international multilateral trade mechanisms.

As a result of the new contracting method requires contractors to provide from the design, procurement to construction, management, operation and other full service, with strong capital and strong financing capacity has become an important factor in winning the project. Some developed countries, large contractors with its ability to finance and its government export credit support, in the competition to occupy a very favorable position. China's foreign contracting enterprises are generally weak financing capacity, has become a bottleneck of China's engineering contracting enterprises contract large-scale international project.

5. Direction of China 's international engineering contractor

In the face of an increasingly competitive environment for international contracting markets, contractors are under increasing pressure. Because of the competitiveness of China's engineering contracting enterprises and the international contractors of developed countries there is still a considerable gap, how to narrow these gaps is currently placed in front of China's international project contractors an important issue.

First of all, engineering contracting enterprises themselves should be from the enterprise development strategy, from the local or some engineering areas to break through, do market positioning, build advantages. It is also a matter of urgency to establish and cultivate the international engineering contracting competitiveness to develop the basic work of international project contracting.

Second, the contractor should consciously use the differentiated marketing theory to locate their own target market, production and management process, carefully examine their own resources and competitive conditions, give full play to and use of its products or services a unique part of all different from other Business products or services, as a guide to the direction of sustained and stable development of enterprises. In today's many industries, the differentiation strategy has become a number of enterprises, especially small and medium enterprises among the market magic weapon. For example, the Beijing Construction Engineering Group is characterized by housing and civil engineering, a more comprehensive construction team.

At last, encouraging technological innovation, and promoting management innovation. Because in essence, the competition is the scientific and technological innovation and scientific and technological personnel competition, scientific and technological ability, high efficiency, the cost is even lower . In strengthening the research and development capabilities and technological innovation,

with more independent intellectual property rights of technology patents, the competitiveness of enterprises will increase.

6. Conclusion

Today's international contracting industry is developing rapidly, both in terms of project size, contractual approach, or management level. On the other hand, competition in the international contract market is becoming increasingly fierce, and the pressure on contractors is increasing. Although China's international engineering contracting enterprises in recent years has made great progress, but with the developed countries, international engineering contracting enterprises compared to a considerable gap. Therefore, China's international engineering contracting enterprises should develop their own target market by using differentiated marketing theory from the perspective of the development strategy of the enterprise, cultivating their own competitiveness in the international contract market, analyzing the market characteristics and development trend according to their unique nature, And focus on enterprise technology innovation.

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