

452 | 7 | 0  
Views | CrossRef citations to date | Altmetric

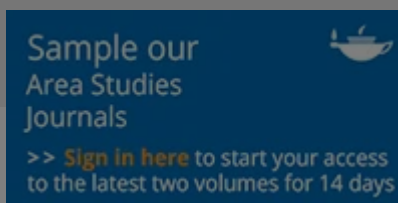
SPECIAL ISSUE ARTICLES







# Operating in an inharmonious world: China Investment Corporation

Leong H. Liew & Liping He

Pages 253-267 | Published online: 29 Mar 2012

🗨 Cite this article 🔗 <https://doi.org/10.1080/13547860.2012.668027>



-  Full Article
-  Figures & data
-  References
-  Citations
-  Metrics
-  Reprints & Permissions
- [Read this article](#)

## Abstract

This paper investigates the establishment and subsequent investment strategy of China's official sovereign wealth fund, the China Investment Corporation (CIC). CIC, as its stand... China and Ministry... t takes place amidst C... tect its export m... But investm... So influence the v... ts foreign excha... and promote develop... d global attention... to be more significa...

### We Care About Your Privacy

We and our 842 partners store and/or access information on a device, such as unique IDs in cookies to process personal data. You may accept or manage your choices by clicking below, including your right to object where legitimate interest is used, or at any time in the privacy policy page. These choices will be signaled to our partners and will not affect browsing data. [Privacy Policy](#)

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

List of Partners (vendors)

 I Accept

Essential Only

Show Purpose



## Notes

- Huijin no longer has a substantial stake in BOCOM (Huijin 2008b). The major state owner is MOF, which owns 27.4% (BOCOM 2011, p. 36).
- Calculated from US\$/C¥ rates in NBS (2009, p. 724).
- SWFs according to Blundell-Wignall et al. (2008) consist of assets controlled and managed by sovereign governments; they are commonly funded by foreign exchange reserves, resource revenue or general taxation; they can be invested domestically, and they are used to achieve certain national objectives. The US Treasury has a narrower definition. It considers a fund an SWF if its funding comes only from foreign reserves. It defines an SWF as a ‘government investment vehicle which is funded by foreign exchange assets, and which manages these assets separately from the official reserves of the monetary authorities (the Central Bank and reserve-related functions of the finance) (US Treasury 2007).
- 4.3% per year on C¥1.55 trillion (Ouyang and Liu 2009).
- CDB is not an SOCB. It is a policy bank.
- In 2003 the China Banking Regulatory Commission (CBRC) was established to take over from PBC the role of bank regulator. This did not reduce the influence of PBC over bank regulation. However, it reduced the tension between the two agencies.
- On 11 July 2009, SAFE announced that it had acquired 20 billion shares in ICBC, CCBC and CMCB, respectively, at a price of RMB1.00 per share. SAFE now holds 20%, 10% and 67.5%, respectively, of their equity capital. SAFE also holds 100% of the equity of their paper, while CBRC holds 100% of the equity of CIC.
- Anderlini et al. (2009a) estimate that SAFE had received about \$20 billion and SAFE had US\$20 billion from their overseas equity investments (Anderlini 2009a,

[2009b](#)).

10. An example is the positive response of Indonesian authorities to the prospect of CIC investing up to US\$25 billion in the country's energy and natural resource sectors (Agencies 2010, IBT 2010).

11. A rare exception is Martin ([2010](#)).

12. See Aizenman and Glick (2008, [Table 1](#)) for a list of the largest SWFs.

13. CIC is also investing in property directly. See Tudor and Isabella (2011).

14. For a Chinese perspective, see Jia ([2011](#)).

15. Other international institutions are also encouraged to establish funds in China. See China Daily (2010) and Williams ([2011](#)).

16. Most of them are in the FTSE 100 stock index and include some of Britain's most established and best-known companies, such as British Gas, Cadbury, Royal Bank of Scotland and Unilever (Cao et al. [2008](#)).

Related Research Data

Capability and need: A framework for understanding why states create sovereign wealth funds

Source

Linkin



## Information for

Authors

R&D professionals

Editors

Librarians

Societies

## Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

## Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

## Help and information

Help and contact

Newsroom

All journals

Books

## Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2024 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)



Taylor & Francis Group  
an informa business

Accessib



Registered  
5 Howick Pl

