

(wenn auch nicht zu beantworten), was dies für das internationale System konkret bedeutet. Es liegt an uns allen, eine adäquate Antwort zu finden.

*Martin List*

*Standing Committee for Standard Contracts of the European Association for Chinese Law* (ed.)

**Equity Joint Ventures with Chinese Partners - Practical Alternatives**

Nomos Verlagsgesellschaft, Baden-Baden 1991, 354 S., DM 118,--

After the demise of Mao Zedong in 1976 and the fall from power of his cabal in that same year, China's self-sufficient autarchy in Mao's mould has, in particular since 1979, been replaced by the pragmatic autarchy of the re-emerging Deng Xiaoping and those around him who favour vigorous use of foreign economic input in the colossal effort of the "Four Modernisations" (Scil of Agriculture, industry, defence and science and technology), that latest leg in China's quest to regain the "wealth and power" so dramatically lost to foreign powers and intruders in the XIXth and early XXth centuries.

A key element in Deng's policy of "reform and opening" since 1979 has been the attraction of foreign investment in order to add modern capitalist money, know-how and exporting expertise to domestic efforts at becoming competitive in international commerce. Equity joint ventures are the cornerstone of this strategy as they permit injection into the orthodox command economy of the whole panoply of business practices from overseas market-oriented industrial environments. In spite of inevitable initial difficulties in blending often radically different attitudes and interests, the growth of foreign investment in China has been spectacular: Today thousands of joint ventures are operating in China, in the main with partners from Hong Kong and Taiwan, but including also numerous big names from advanced industrialised countries whose entrepreneurs seek long-term foothold in a promising domestic Chinese market or the shorter-term benefits of preferential tax treatment and low labour costs for China-based manufacture intended for (re-)export.

The Chinese legal framework for the operation of Sino-foreign equity joint ventures has gone through several revisions since the enactment of the first law on equity joint ventures in 1979, notably adding wholly foreign-owned ventures in China to the catalogue of legal models on offer to the outside investor.

The present work presents the contributions of twelve practising lawyers who have been professionally involved in China-related business during the "reform and openig" decade since 1979. The have taken the 1985 "Sample Articles of Association for Joint Ventures Using Chinese and Foreign Investment" and the "Sample Contract for Joint Ventures Using

Chinese and foreign Investment", published by the Peking Ministry of Foreign Economic Relations and Trade (Mofert) as the bases for detailed comment and alternative proposals. After two brief introductions to the post-1979 economic legislation, the "Sample Articles..." are examined in detail chapter by chapter by the contributors, with alternative clauses proposed where considered appropriate. A model alternative "Sample Contract..." and model alternative "Sample Articles...", each in English and Chinese, are then provided as possible guidance to business negotiators. Also included are two lists of Chinese laws and regulations relating to Sino-foreign joint ventures and of more general foreign economic regulations. Unfortunately, these lists fail to name the precise source of publication (e.g. the Gazette of the State Council [*Guowuyuan gongbao*] or, in the provinces, the relevant newspapers of record [the so-called *jiguanbao*] making reference unnecessarily difficult. In spite of setbacks, in particular the atavistic brutality at Tiananmen of 4th June 1989, and policy zig-zagging the growth of modern industry and the spread of market-based business practices beyond the merely export-oriented sectors into the domestic economy has continued since the disappearance of Maoism and has lately accelerated further as the internal pressure of rising popular expectations and - for much of reformist officialdom - the vague but potent lure of a secular national renaissance are forcing new inroads into the virtually bankrupt bulk of inefficient state enterprises. Thus the present book has also, unavoidably, been overtaken by events, some of which, such as the new tax laws regarding foreign-invested enterprises enacted in April 1991, have, however, fortunately been anticipated by timely reference to draft versions of the law. Most recently, the revival of shareholding companies and the re-establishment, first in Shenzhen and Shanghai, of stock exchanges have now also reached the foreign-invested sector: The issue by hitherto domestically owned state enterprises of so-called "B shares", denominated in Renminbi but exclusively intended for purchase by non-residents against hard currency, has further widened the scope of the catalogue of legal models for foreign investment. Such changes notwithstanding, this work will remain for some time to come a helpful tool for those preparing themselves for setting up shop in China although, as the authors themselves emphasize, it cannot purport to replace professional legal advice on individual projects.

*Wolfgang Kessler*