Two Samples of China’s Largest Companies

• Chinese companies in Fortune Global 500
  • Sample has grown from 15 in 2005 to 130 in 2021

• Top 100 Chinese listed companies by market capitalization
  • All listing venues: Shanghai, Shenzhen, Hong Kong, New York, including Variable Interest Entities

• Three ownership categories
  • SOEs: state owns more than 50 percent of equity
  • Nonpublic enterprises (NPEs): state owns less than 10 percent
  • Mixed ownership enterprises (MOEs): between 10 and 50 percent
Ownership Structures in China

• Can be very complex, including different state entities
• But available information nearly always sufficient to have confidence in SOE / MOE / NPE categorization
• Rarely change: few “nationalizations” or “privatizations”

• Fact-based categorization, unlike “influence” or “control”
  • one share = one vote
  • Occasionally problematic Chinese concept of “actual control” in statistics and securities law
• Our definition of nonpublic sector is more restrictive
• Paper also discusses Communist Party influence
Example: China Eastern Airlines (SOE)
Share of Aggregate Revenue

- State-owned enterprises
- Mixed-ownership enterprises
- Nonpublic enterprises
Share of Market Capitalization
Additional Metrics Show Similar Trends

Figure 3: Share of the private sector (nonpublic enterprises) in subset of Chinese Fortune 500 companies across different metrics, 2004-20

Figure 8: Share of the private sector (nonpublic enterprises) in Chinese Listed Top 100 companies across different aggregates, 2010-21

Sources: Wind, Bloomberg, authors’ calculations. Note: Revenue data as of end-2021 are not available yet at the time of writing and therefore not shown in the figure.
Interpretations?

• Xi Jinping’s policy orientation is (most likely) statist

• But the policy bias is more than offset by private sector dynamism

• Trend reversal is thinkable, but would take more radical policy shifts than even the 2021 “regulatory storm”
The Full Paper Has Much More

- On www.bruegel.org (and www.piie.com)
- Future dataset updates