Dynamic Comprehensive Evaluation of the Performance of Introducing Foreign Investment in Jiangsu

EVALUATION DYNAMIQUE INTÉGRALE DE LA PERFORMANCE DE L'INTRODUCTION DES INVESTISSEMENTS ÉTRANGERS À JIANGSU

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Abstract: This research focuses on using a dynamic comprehensive evaluation model to assess the performance of introducing foreign investment in 13 cities in Jiangsu province of China. The model breaks the traditional evaluation model of a weighted average, using a second weighted average method. On the basis of the status in Jiangsu, five assessment indicators are chosen. Then the paper summarizes and classifies the changes of all cities according to the dynamic comprehensive value. Combined with the status and trends of introducing foreign investment in Jiangsu, the paper gives a detailed analysis to the evaluation results with a view to grasp the dynamic changes of introducing foreign investment in Jiangsu and to make an objective assessment.
Key words: dynamic comprehensive evaluation, introducing of foreign investment, performance evaluation

Résumé: Cette recherche se concentre sur l'utilisation d'une dynamique intégrale modèle d'évaluation pour évaluer la performance de l'introduction des investissements étrangers dans 13 villes de la province de Jiangsu en Chine. Le modèle rompt le modèle d'évaluation traditionnel d'une moyenne pondérée, en utilisant une seconde méthode de la moyenne pondérée. Sur la base des statuts à Jiangsu, cinq indicateurs d'évaluation sont choisis. Puis, le document résume et classifie les changements de toutes les villes conformément à la valeur dynamique intégrale. Combiné avec le statut et la tendance de l'introduction des investissements étrangers à Jiangsu, le document donne une analyse détaillée pour les résultats de l'évaluation en vue de saisir les changements dynamiques de l'introduction des investissements étrangers à Jiangsu et de faire une évaluation objective.
Mots-Clés: évaluation dynamique intégrale, introduction des investissements étrangers, performance évaluation

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Jiangsu province of China has maintained more attractive to foreign investors for many years by the virtue of superior investment environment and good industrial basement. Recently, the total amounts of introducing foreign investment（shortened by IFI） in Jiangsu leaped to the top due to the improvement of the quantity and quality of foreign capital continuously and the optimization of the structure of foreign investment gradually. End to 2006, the province has approved 78,757 foreign investment projects, contracted foreign investment amounted to more than 2801 billion U.S. dollars and the actual foreign investment amounted to 1203 billion U.S. dollars. Thus the evaluation of the performance of IFI has aroused many scholars concern. But most evaluation methods are qualitative, only a few are from the perspective of quantitative view.

1. LITERATURE REVIEW

In the quantitative methods，scholars generally makes empirical study from two ways: One is foreign investment performance indicator; another is factor analysis. Ge Shunqi[4 (2003)] studied the performance of IFI in 31 provinces with the method of foreign investment performance indicator. Guo Xiaohe, Dai Pingping[5(2005)] also used the same method to study the FDI performance in Guangxi. Huang Wanling; Zhang Ailong and Lee guangjiu[6(2004)] used factor analysis model to study the quantity and quality of foreign investment in 13 cities of Jiangsu province. Wang Xinhua, Chaoyang[7(2006)] used the same model to assess the performance of IFI in 31 provinces of China.

To sum up，the way of using performance indicators to evaluate the effect is too simple, because the performance of IFI is not only reflected in the relative performance of foreign inflows but also in many other aspects, such as labor productivity and profit rate in foreign-funded enterprises and so on. Factor analysis model divides the variables into some related groups based on the drop-dimensional idea that makes the multiple indicators integrate into a few comprehensive factors to evaluate. But the coefficient of the load factors sometimes may be a negative factor weight that makes the economic meaning obscurity. Moreover, Factor analysis model can only use the cross-section data to make a static analysis.

However, the comprehensive evaluation of the performance of IFI is a complex dynamic system, in order to evaluate it accurately in the exact time; dynamic weight must be taken into account. That is to say, the evaluation weight of the corresponding indicators must change with the situation. This paper used a dynamic comprehensive evaluation model to assess the performance of IFI in 13 cities in Jiangsu province of China based on the time-series data. Then the paper summarizes and classifies the changes of all cities according to the dynamic comprehensive value. Combined with the status and trends, the paper also gives a detailed analysis to the evaluation results with a view to grasp the dynamic changes of IFI in Jiangsu and to make an objective assessment.

2. DYNAMIC COMPREHENSIVE EVALUATION

[4] GE shunqi, Zheng Xiaojie. The comparative study on the performance and potency of introducing foreign investment of 31 provinces of China[J]. *World Economy.* 2004, (1) :34-38.

[5] GUO Xiaoling, Dai Pingping. The research on the index of performance and potency of introducing foreign investment in Guangxi[J]. *Guangxi Institute for Finance Research*. 2005

[6] HUANG Wanling, Zhang Ailong and Lee guanglong. The application of factor analysis in the evaluation of introducing foreign investment in Jiangsu province[J]. *Mathematical Statistics and Management.*, 2004,23 (1) :27-30.

[7] WANG Xinhua, Chaoyang. empirical study on the evaluation of the effect of introducing FDI in 31 provinces of China[J]. *International Trade Issues*. 2006, (6): 90-93.

The determination of weight is the key to the comprehensive evaluation issues. Some scholars[8] divided the weights into tow types: the fixed weight and the change weight. The first one refers to the weight is not changed when the time, space or the environment changes and it always a fixed value during the evaluation process. While the later is the one changed with the time and space or sensitive to the external environment and its value is always different during the evaluation process. The fixed weight is absolute and pervasive while the change weight is often relative and it is a special case of the fixed weight. So the essence of dynamic comprehensive evaluation base on the time sequence is the dynamic weight.

Chinese scholar Guo Yajun[9] gives the definition of dynamic comprehensive evaluation issue: within the time-interval[t_1，t_T], to the relative stable evaluation indicators system x_1，x_2，…，x_m, if the weights system of indicator x_i can be determined in any different time t_k, through Formula I

$$w_j(t_k)(w_j(t_k)\geq 0,\sum_{j=1}^{m}w_j(t_k)=1,\forall t_k\in[t_1,t_n]) \qquad \text{Formula I}$$

Then the development state of x_i in moment t_k can be described by the formula II:

$$y_j(t_k)=f(w_j(t_k),x_j(t_k)),i=1,2,\cdots,n;k=1,2,\cdots N \qquad \text{Formula II}$$

What the Formula II described is the dynamic comprehensive evaluation issue based on the time series. $y_j(t_k)=f(\cdot,\cdot)$ is the comprehensive evaluation function which structure is to determined. $w(t_k)=(w_1(t_k),w_2(t_k),\cdots w_m(t_k))^T$ $x_i(t_k)=(x_{i1}(t_k),x_{i2}(t_k),\cdots x_{im}(t_k))^T$.

At the moment t_k(k=1，2，…，T)，take the comprehensive evaluation function:

$$y_i(t_k)=\sum_{j=1}^{m}w_jx_{ij}(t_k);k=1,2,\cdots T;i=1,2,\cdots,n$$

The principle of determination weight coefficient w_j(j=1，2，…，m)is to reflect the evaluation difference among the indicators in the data table $\{x_{ij}(t_k)\}$ as far as possible. While these overall difference of indicators x_1，x_2，…，x_m in the data table$\{x_{ij}(t_k)\}$ can be described by sum of square of deviation.

$$\sigma^2=\sum_{k=1}^{T}\sum_{i=1}^{n}(y_i(t_k)-\overline{y})^2$$

As the original data are standardized, so there are

$$\overline{y}=1/T\left[\sum_{k=1}^{T}\sum_{j=1}^{m}w_jx_{ij}(t_k)\right]=0$$

Thus,

[8] Lee Shengde. Study on the Comprehensive evaluation on the change weight[J]. *Dalian Fisheries Institute*, 1993, (4) :66-69.

[9] GUO Yajun. *The theory and method of Comprehensive evaluation*[M].Beijing: Science Press ,2002:84-114.

$$\begin{aligned}\sigma^2 &= \sum_{k=1}^{T}\sum_{i=1}^{n}(y_i(t_k)-\overline{y})^2 \\ &= \sum_{k=1}^{T}\sum_{i=1}^{n}(y_i(t_k))^2 \\ &= \sum_{k=1}^{T}\left[W^T H_k W\right] \\ &= W^T\sum_{k=1}^{T}H_k W \\ &= W^T H\, W\end{aligned}$$

W=(w_1 , w_2 , … , w_m) , $H=\sum H_k$ is M×M bands symmetric matrix , while $H_k = X_k^T X_K ; k=1,2,\cdots T$, and

$$X_k=\begin{bmatrix} x_{11}(t_k) & \cdots & x_{1m}(t_k) \\ \vdots & & \vdots \\ x_{n1}(t_k) & \cdots & x_{mn}(t_k)\end{bmatrix}; k=1,2,\cdots,T$$

If w is the standardized eigen vector corresponding to the largest characteristics root H, the following formula get the maximum value:

$$\begin{aligned}&\max w_t Hw \\ &s.t. w^T w = 1 \\ &w > 0\end{aligned}$$

If $W^T W = 1$ is given, when w is standardized eigen vector corresponding to the largest characteristics root $\lambda_{max}(H)$, σ^2 get the maximum value, and Formula III can be set up.

Dynamic comprehensive evaluation issue is much more complex than the static one and its core is the

$$\underset{\|w\|=1}{Max} W^T HW = \lambda_{\max}(H) \qquad \text{Formula III}$$

determination of the indicators weights. The dynamic comprehensive evaluation model breaks the traditional evaluation model of a weighted average, using a second weighted average method. That is to say, it operates a second weighted average to the system during [t_0 , t_T]time. The first weighted average is highlight the important role of indicators at different times and the second one is highlighting the important role of time.

3. THE DYNAMIC COMPREHENSIVE EVALUATION OF THE PERFORMANCE OF IFI IN JIANGSU

3.1 Indicators design and data collection and processing

Known by the section, the data collection of dynamic comprehensive evaluation is the main difficult for many scholars adopting it; the paper encountered the same difficulties. When design indicators system, the following five indicators are chosen based on data available in addition to meeting other principles as far as possible, for example the scientific，actual, representative and so on.

A1——the amount of actual foreign direct investment (100 million U.S. dollars), it reflects the actual scale of foreign investment the Jiangsu. It's a reflection of the absolute scale of IFI.

A2——the amount of contracted foreign investment (100 million U.S. dollars), it reflects the potential scale of foreign investment the Jiangsu. It's a reflection of the relative scale of IFI.

A3——the amounts of IFI / completion of fixed assets (by source of funds) (%), it reflects the level of foreign investment contribution to funding sources.

A4——the total industrial output value of foreign investment enterprises / all of the total industrial output value (%),it reflects the role of foreign investment in promoting economic growth of Jiangsu.

A5——the average number of foreign investment enterprises employed / the total number of cities employed in the end of year, it reflects the contribution to create job opportunities for foreign investment.

In the time span, the paper collected the statistical data 2004, 2005 and 2006 because of data available, with a view to make an overall reaction on the performance of IFI of Jiangsu. All the data involving the statistical indicators system is obtained from《Jiangsu Statistical Yearbook》directly or indirectly, which make the paper has a solid statistical basis.

Table 1a The indicators initial data in 13 cities of Jiangsu province in 2004

cities	A1	A2	A3	A4	A5
Nanjing	43.26	15.12	5.30	0.32	0.10
Wuxi	61.27	19.48	15.70	0.29	0.24
Changzhou	20.19	5.36	3.30	0.21	0.14
Suzhou	135.78	46.48	16.90	0.64	0.50
Zhenjiang	24.79	5.60	8.00	0.30	0.11
Nantong	34.91	10.20	10.80	0.35	0.22
Yangzhou	15.100	7.52	6.90	0.15	0.08
Taizhou	6.58	3.83	6.00	0.15	0.09
Xuzhou	6.97	3.04	1.30	0.07	0.03
Lianyungang	6.01	2.28	14.90	0.34	0.07
Huai'an	1.32	0.92	6.10	0.10	0.05
Yancheng	3.73	1.42	1.80	0.17	0.08
Suqian	0.87	0.14	2.40	0.02	0.01

Table 1b The indicators initial data in 13 cities of Jiangsu province in 2005

cities	A1	A2	A3	A4	A5
Nanjing	51.29	14.18	5.40	0.39	0.15
Wuxi	81.45	20.07	17.50	0.33	0.29
Changzhou	28.51	7.31	5.200	0.29	0.18
Suzhou	152.72	51.16	16.70	0.670	0.55
Zhenjiang	32.17	5.96	8.60	0.34	0.12
Nantong	48.44	15.32	11.80	0.38	0.27
Yangzhou	22.94	5.26	15.60	0.28	0.11
Taizhou	9.290	4.56	6.70	0.15	0.101
Xuzhou	8.00	2.61	1.60	0.10	0.03
Lianyungang	10.36	2.75	9.00	0.45	0.10
Huai'an	2.94	0.68	6.60	0.11	0.07
Yancheng	7.73	1.62	2.30	0.22	0.09
Suqian	1.38	0.33	0.50	0.07	0.01

Table 1c The indicators initial data in 13 cities of Jiangsu province in 2006

cities	A1	A2	A3	A4	A5
Nanjing	30.82	15.19	6.95	0.4	0.17
Wuxi	80.53	27.52	17.97	0.35	0.34
Changzhou	32.96	12.51	3.59	0.32	0.21
Suzhou	159.24	61.05	13.28	0.67	0.60
Zhenjiang	16.59	7.30	8.25	0.35	0.18
Nantong	69.39	25.75	12.01	0.36	0.31
Yangzhou	24.49	7.61	6.70	0.27	0.13
Taizhou	12.09	6.58	5.97	0.19	0.12
Xuzhou	6.85	2.44	0.26	0.11	0.04
Lianyungang	9.64	3.46	1.99	0.42	0.12
Huai'an	6.41	1.16	4.58	0.11	0.08
Yancheng	9.37	3.25	1.31	0.22	0.11
Suqian	2.28	0.49	0.83	0.07	0.02

Before use the model, data pretreatment is necessary. Firstly, data must be made consistency check. As the above five indicators are "maximum type" for the IFI, so the data is consistent.

Secondly, in order to reflect the actual status as far as possible and avoid the occurrence of irrational phenomena，the different units of various indicators and the gap between different order of magnitude must be ruled out. For these, the non-dimensional treatment of the data must be made. This paper adopted "Standardized" approach.

$$x_{ij}^{*} = \frac{x_{ij} - \bar{x}_j}{s_j} \qquad \text{Formula IV}$$

As we can see, the average value and standard deviation of x_{ij}^{*} is 0 and 1, x_{ij}^{*} is known as the standard observations. $\bar{x}_j$、$s_j (j = 1, 2, \cdots m)$ in the above formula is individually the average value and standard deviation of the observation j indicator.

With Minitab software, the original data are standardized.

Table 2a The non-dimensional data in 13 cities of Jiangsu province in 2004-2005

cities	2004					2005				
	A1	A2	A3	A4	A5	A1	A2	A3	A4	A5
Nanjing	0.4162	0.4610	-0.4374	0.4997	-0.2506	0.3803	0.2935	-0.5056	0.5951	-0.0848
Wuxi	0.8995	0.8087	1.5016	0.3141	0.8354	1.0919	0.7213	1.6265	0.2353	0.8901
Changzhou	-0.2029	-0.3172	-0.8103	-0.1809	0.0597	-0.1572	-0.2055	-0.5408	-0.0046	0.1258
Suzhou	2.8991	2.9614	1.7253	2.4795	2.8522	2.7735	2.9796	1.4855	2.2742	2.7524
Zhenjiang	-0.0795	-0.2980	0.0660	0.3760	-0.1730	-0.0708	-0.3036	0.0583	0.2952	-0.2708
Nantong	0.1921	0.0688	0.5880	0.6853	0.6802	0.3131	0.3763	0.6221	0.5351	0.7774
Yangzhou	-0.3395	-0.1449	-0.1391	-0.5521	-0.4058	-0.2886	-0.3544	1.2917	-0.0646	-0.3590
Taizhou	-0.5682	-0.4391	-0.3069	-0.5521	-0.3282	-0.6106	-0.4053	-0.2765	-0.8442	-0.4187
Xuzhou	-0.5577	-0.5021	-1.1832	-1.0470	-0.7936	-0.6411	-0.5469	-1.1751	-1.1440	-0.9060
Lianyungang	-0.5835	-0.5627	1.3524	0.6235	-0.4833	-0.5854	-0.5367	0.1288	0.9549	-0.3970
Huai'an	-0.7093	-0.6712	-0.2883	-0.8614	-0.6385	-0.7605	-0.6871	-0.2941	-1.0840	-0.6175
Yancheng	-0.6447	-0.6313	-1.0900	-0.4283	-0.4058	-0.6475	-0.6188	-1.0518	-0.4244	-0.4680
Suqian	-0.7214	-0.7334	-0.9781	-1.3564	-0.9487	-0.7973	-0.7125	-1.3690	-1.3239	-1.0240

Table 2b The non-dimensional data in 13 cities of Jiangsu province in 2006

cities	A1	A2	A3	A4	A5
Nanjing	-0.1039	0.1061	0.1022	0.6462	-0.0836
Wuxi	1.0155	0.8406	2.1605	0.3373	0.9834
Changzhou	-0.0557	-0.0535	-0.5340	0.1520	0.1273
Suzhou	2.7879	2.8378	1.2810	2.3139	2.6562
Zhenjiang	-0.4244	-0.3639	0.3455	0.3373	-0.0263
Nantong	0.7646	0.7351	1.0378	0.3991	0.7888
Yangzhou	-0.2465	-0.3454	0.0461	-0.1568	-0.3594
Taizhou	-0.5257	-0.4067	-0.0849	-0.6509	-0.4258
Xuzhou	-0.6437	-0.6534	-1.1515	-1.1451	-0.9671
Lianyungang	-0.5809	-0.5926	-0.8334	0.7697	-0.4278
Huai'an	-0.6536	-0.7296	-0.3469	-1.1451	-0.6768
Yancheng	-0.5870	-0.6051	-0.9644	-0.4656	-0.4924
Suqian	-0.7466	-0.7695	-1.0579	-1.3922	-1.0965

3.2 The determination of the weight

After the establishment of the indicators System, different weights must be given to the corresponding indicators. The so-called weight is a certain quantity value to measure the relative importance of the indicators in a way of comparison of numerical measure. Then, this paper put non-dimensional data{xij(tk)} into the formula V to calculate H_k

$$H_k = A_k^T A_k, k = 2004, 2005, 2006 \qquad \text{Formula V}$$

Use Minitab software to get the largest characteristic of H_k and the corresponding normalization of eigen vector. All the results are reserved three decimal.

$$H_{2004} = \begin{bmatrix} 12.000 & 11.925 & 8.148 & 10.404 & 11.496 \\ 11.925 & 12.000 & 7.987 & 10.160 & 11.340 \\ 8.148 & 7.987 & 12.000 & 9.476 & 8.622 \\ 10.404 & 10.160 & 9.476 & 12.000 & 10.545 \\ 11.496 & 11.340 & 8.622 & 10.545 & 12.000 \end{bmatrix}$$

$$\lambda_{\max}(2004) = 52.229$$

$$w(2004) = (0.2084 \quad 0.2063 \quad 0.1754 \quad 0.2018 \quad 0.2082)^T$$

$$\lambda_{\max}(2005) = 51.258$$

$$w(2005) = (0.211 \quad 0.209 \quad 0.174 \quad 0.194 \quad 0.212)^T$$

$$H_{2006} = \begin{bmatrix} 12.000 & 11.944 & 9.272 & 9.612 & 11.753 \\ 11.944 & 12.000 & 9.044 & 9.881 & 11.756 \\ 9.272 & 9.044 & 12.000 & 7.253 & 9.620 \\ 11.430 & 11.513 & 8.689 & 12.000 & 11.149 \\ 11.753 & 11.756 & 9.620 & 10.392 & 12.000 \end{bmatrix}$$

$$\lambda_{\max}(2006) = 52.440$$

$$w(2006)=(0.210 \quad 0.210 \quad 0.179 \quad 0.188 \quad 0.213)^T$$

Thus, weights coefficient of different years have been get

Table 3 Weights coefficient table based on the time series

weight	A1	A2	A3	A4	A5
w2004	0.2084	0.2063	0.1754	0.2018	0.2082
w2005	0.2114	0.2089	0.1738	0.1937	0.2122
w2006	0.2097	0.2099	0.1794	0.1880	0.2130

3.3 The calculation of the aggregative number

Put non-dimensional data{xij(tk)} and w_j into formula VI, thus the comprehensive evaluation value of IFI in 13 cities of Jiangsu can be get..

$$y_i^* = \sum_{j=1}^{8} w_j xi_j(t_k), i = 1, 2, \cdots 13; t_k = 2004, 2005, 2006 \qquad \text{formula VI}$$

In order to facilitate comparison intuitively and generally, the paper made y_i^* translation and enlargement through formula VII. Table 4 shows the value and sorting of the $y_i(t_k)$.

$$y_i(t_k) = (y_i^*(t_k) + 4) \times 10, i = 1, 2, \cdots 13; t_k = 2004, 2005, 2006 \qquad \text{formula VII}$$

Table 4 The value and sorting of the performance of IFI in 13 cities of Jiangsu

Region		2004		2005		2006	
		y	sorting	y	sorting	y	sorting
Southern	Nanjing	41.538	4	41.519	4	41.225	4
	Wuxi	48.550	2	48.582	2	50.499	2
	Changzhou	37.261	7	37.277	7	39.370	6
	Suzhou	66.119	1	66.169	1	64.109	1
	Zhenjiang	39.734	6	39.685	6	39.544	5
Middle	Nantong	44.373	3	44.343	3	47.439	3
	Yangzhou	36.791	8	36.807	8	37.781	7
	Taizhou	35.574	9	35.582	9	35.761	9
Northern	Xuzhou	31.961	12	32.004	12	31.000	12
	Lianyungang	40.247	5	40.124	5	36.579	8
	Huai'an	33.564	11	33.574	11	32.881	11
	Yancheng	33.733	10	33.733	10	33.845	10
	Suqian	30.556	13	30.603	13	29.969	13

Jiangsu is usually divided into southern Jiangsu, Middle Jiangsu and northern Jiangsu three regions. From the table 3, we can see that the ranking of the performance of IFI in 13 cities is the same in 2004 and 2005. In 2006, these are some lightly changes with Zhenjiang, Changzhou and Yangzhou ranking ahead of one and Lianyungang back forward three.

3.4 Result analysis

It seems that the value in table 3 is very similar to each other; in fact, there are considerable differences among them. This is because that all the data have been carried out the treatment of non-dimensional, they are in a state of "information concentration". By which, the outcome of the comprehensive evaluation would be objectivity and dynamic and the evaluation process would be transparent. In order to make results more easily analysis, there introduces a concept of the largest difference sequence. Make r_{ik} is the sorting results of the IFI comprehensive evaluation of one province, then formula VIII is the largest difference sequence.

$$r_{\max i} = \max_k \left\{ r_{ik} \right\} - \min_k \left\{ r_{ik} \right\}, k = 2004, 2005, 2006; i = 1, \cdots, 13 \qquad \text{formula VIII}$$

According to the biggest difference in sequence, the classification of the performance in 13 cities was made, detailed in the table below

Table 5 The cities classification of three regional in Jiangsu according to the largest difference sequence

	2004-2005			2005-2006		
	Southern	Middle	Northern	Southern	Middle	Northern
$r_{max}=0$	Nanjing Wuxi Changzhou Suzhou Zhenjiang	Nantong Yangzhou	Xuzhou Lianyungang Huai'an Yancheng Suqian	Nanjing Wuxi Suzhou	Nantong Taizhou	Xuzhou Huai'an Yancheng Suqian
$r_{max}=1$				Changzhou Zhenjiang	Yangzhou	
$r_{max}>1$						Lianyunga ng

4. CONCLUSIONS

From table 5, we can see that except for Lianyungang, the performances of IFI of other cities are almost “stable” development among the three years. Combined with the status and trends in Jiangsu, we can get the following conclusions:

From the view of the regional distribution, the performances of IFI in Jiangsu are very significant and the degree of opening to the outside world in Southern Jiangsu is significantly higher than that of Northern which shows a “South High North Low" pattern. From the above table, we can see that the FDI of southern Jiangsu is more than 70 percent, the middle Jiangsu is no less than 17 percent and the northern Jiangsu is only about 6 percent. The top of evaluation value almost are the cities of Southern Jiangsu in addition to Nantong in middle Jiangsu and Lianyungang in northern Jiangsu. The gap among the three regions is the comprehensive outcome due to the regional environment, historical conditions, natural resources, infrastructure, human resources endowment, the market concept, technical quality, policy orientation and other factors.

Recently, there has a tendency of the scale of IFI in Middle Jiangsu and Northern Jiangsu growing up. With the reducing of land resources and the increasing pressure on the environment in Southern Jiangsu, the cost of foreign business improved gradually which make the attraction to foreign investment relatively reducing. At the same time, Middle Jiangsu and Northern Jiangsu seized the opportunity actively; the inflow of foreign investment is in an accelerating development trend. To sum up, including the Northern Jiangsu, the intruding of foreign investment has been changed from "investment-introduction" to "investment-election".