

Original Article

# Which Is New China: SWOT Analysis for Potential Countries Within the Framework of China Plus One

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**Abstract** - The COVID-19 pandemic shows that current supply chains should change. Many countries have thought that some goods are manufactured by themselves in situations like pandemics. Also, China, known as the “factory of the world”, has changed its economic growth model since 2008. They want to manufacture more technological products and increase domestic consumption. Recently, the concept of China Plus One (China+1) has been used to identify countries with high production potential. In this study, based on selected economic indicators (Labour Force, Logistics Index, Foreign Direct Investment, GDP, Government Expenditure on Education, High Technology Export, Geopolitical Risk Index, Exports of Goods and Services, Wage and Salaried Workers), the high production potential of 8 countries (Türkiye, Viet Nam, Egypt, India, Malaysia, Ghana, Cambodia, Thailand) have been subjected to SWOT analysis. The analysis ranks the countries based on their potential to become the “new China”.

**Keywords** - ChatGPT4o, China Plus One, New China, SWOT, Supply Chain.

## 1. Introduction

The problems that have arisen in supply chains, especially during the pandemic, have become more pronounced with many geopolitical issues, such as the Russia-Ukraine war. The restructuring of supply chains is seen as the first solution that comes to mind for countries to reduce problems in reaching goods in pandemic-like situations. Moreover, producing strategic goods with high technology in only specific locations seems to be a danger that countries have recently become aware of.

The acceleration of economic integration was a phenomenon that strengthened the functionality of global markets until a few years ago. However, in recent years, we have seen a tendency for globalization to turn into a structure divided into blocs. The consecutive shocks experienced in the last three years led to a reevaluation of supply chains in structural terms. During this process, China's existing production models are being questioned for both environmental and strategic reasons while trade wars between the US and China continue to deepen. In the past 30 years of globalization, companies and countries prioritized the fastest and cheapest options in supply chains. This approach resulted in China becoming a central supply source. The pandemic, war, and subsequent recession worries are causing supply chains to shift towards the safest rather than the fastest option. This divergence is bringing the “China Plus One” strategy to the forefront day by day.

### 1.1. What is China Plus One

Efforts to reduce geopolitical fragility in supply chains are ongoing. The acceleration of economic integration was a phenomenon that increased the functionality of global markets until a few years ago. However, nowadays it is seen that globalization tends to turn into a structure divided into blocks. Successive shocks in the last three years have led to a structural reconsideration of supply chains (Aktaş, 2023). The China Plus One Strategy, also known as Plus One or C+1, encourages companies to diversify their supply chain by sourcing parts from various countries to minimize their dependence on China. The goal is to reduce the risk of relying too heavily on a single country for sourcing materials and production (Madden, 2023). The developments that have contributed to the emergence of the China Plus One concept include a slowdown in international trade following the 2008 global financial crisis. The COVID-19 pandemic and China's violations of intellectual property rights have also led to an increasing trend of companies moving away from China. China's advantages of low production costs and cheap labour are diminishing, while countries like India and Vietnam are becoming preferred destinations for low-cost production. According to Basu and Ray, due to trade wars, the COVID-19 pandemic, and China's violations of intellectual property rights, many companies are turning to alternatives outside of China and adopting a “China-plus-One” strategy (Basu and Ray, 2022). According to Rahaman etc., China-Plus-One is nothing more than a business philosophy that focuses not



only on investing in China but also on spreading to and diversifying to other Asian countries. Since the 1970s, China has become one of the world's largest producers. However, frequent economic changes in the country are leading to a shift in mindset. The average wages of Chinese workers have tripled in the past few decades, prompting manufacturers to look outside of China, where labour costs are still very low. As China evolves, manufacturing industries are being pushed to adopt the China-Plus-One strategy and look to other Asian countries for production. Additionally, the Chinese ready-to-wear sector has faced a significant disruption due to the arrival of the COVID-19 pandemic (Rahaman etc, 2021). The limits of the management approach of businesses. Its expansion beyond the scope of business to include suppliers and customers has led to the emergence of the benefits of establishing collaborative relationships (Yükçü & Koçakoğlu, 2015). According to Enderwick (Enderwick, 2011), numerous benefits can result from a China-Plus-One strategy. Enderwick defines this as direct and indirect benefits. The benefits obtained by the company itself are direct benefits. Indirect benefit is the benefit obtained by the company's environment. The "China plus one" strategy, in which companies turn to other Asian countries, has become a popular trend likely to continue in the long term, even as some companies focus production more on China in the short term. Thailand, Malaysia and Vietnam will continue to attract the attention of multinational companies, especially as these countries continue to develop infrastructure and manufacturing capacity (Hsu, 2021).

## 2. Materials and Methods

In our study, data from the selected countries was obtained from the World Bank database. We used the Labour Force, Logistics Index, Foreign Direct Investment, GDP, Government Expenditure on Education, High Technology Export, Geopolitical Risk Index, Exports of Goods and Services, Wage and Salaried Workers data. The data was subjected to a SWOT analysis using the AI application ChatGPT-4o. To ensure that ChatGPT-4o provides the most accurate results, the China Plus One strategy and SWOT analysis definitions were incorporated into the application. Using the most appropriate prompts for ChatGPT-4o to conduct the most accurate analysis is essential. In this regard, our study contributes to the literature. After the data entries and definitions were loaded into the system, ChatGPT-4o was asked to conduct a SWOT analysis of the countries according to the China Plus One definition and to rank them based on their advantages.

## 3. Results and Discussion

### 3.1. SWOT Analysis for Türkiye

#### 3.1.1. Strengths

##### *Labour Force*

Türkiye has a significant and growing labour force, a critical asset for economic development and industrial growth.

##### *Logistics Index*

Türkiye scores relatively well on the logistics index, indicating strong logistics capabilities essential for trade and economic activity.

##### *High Technology Export*

A robust sector for high technology exports suggests innovation and competitiveness in advanced industries.

##### *GDP*

Consistent growth in GDP over the years demonstrates economic resilience and potential for further development.

##### *Wage and Salaried Workers*

A substantial proportion of the workforce is engaged in wage and salaried employment, indicating a structured and stable labour market.

#### 3.1.2. Weaknesses

##### *Government Expenditures on Education*

Relatively low educational spending may restrict the potential for future breakthroughs and the development of human capital.

##### *Geopolitical Risk Index*

High geopolitical risk poses challenges to foreign investments and economic stability.

##### *Foreign Direct Investment*

Variability and potential decreases in FDI might indicate concerns among international investors regarding economic and political stability.

#### 3.1.3. Opportunities

##### *Exports of Goods and Services*

Export growth prospects can boost economic expansion and foreign exchange profits.

##### *Labour Force Development*

Putting money into education and career training can improve the capabilities of the labor force and increase Turkey's competitiveness abroad.

##### *Technological Advancements*

Diversification of the economy and the emergence of fresh industries can result from promoting innovation in technologically advanced sectors.

#### 3.1.4. Threats

##### *Geopolitical Instability*

Ongoing regional conflicts and geopolitical tensions could disrupt economic activities and deter foreign investments.

##### *Economic Vulnerability*

Excessive dependence on specific industries or overseas investments may render the economy susceptible to external disruptions.

### *Global Economic Fluctuations*

Changes in the global economy, such as trade wars or economic downturns, could negatively impact Türkiye's export-driven growth strategy.

## **3.2. SWOT Analysis for Vietnam**

### *3.2.1. Strengths*

#### *Labour Force*

Vietnam has a large and young Labour force, which is a significant asset for economic growth and industrial expansion.

#### *Logistics Index*

Vietnam's strategic location in Southeast Asia provides strong logistics capabilities and connectivity to major markets.

#### *High-Technology Export*

Vietnam is becoming a significant player in the high-technology export sector, particularly electronics and IT.

#### *GDP*

Consistent GDP growth over the years demonstrates economic resilience and potential for further development.

#### *Wage and Salaried Workers*

A growing proportion of the workforce is engaged in wage and salaried employment, indicating a shift towards a more formal and structured labour market.

### *3.2.2. Weaknesses*

#### *Government Expenditures on Education*

Extremely little money spent on education may restrict the potential for future innovation and human capital growth.

#### *Geopolitical Risk Index*

Regional tensions and political issues could pose challenges to economic stability and foreign investments.

#### *Foreign Direct Investment*

Dependence on foreign direct investment can be variable and subject to global economic conditions.

### *3.2.3. Opportunities*

#### *Exports of Goods and Services*

Export prospects for development can boost economic expansion and foreign exchange profits.

#### *Labour Force Development*

Putting money into education and career training can improve the capabilities of the labor force and increase Vietnam's competitiveness abroad.

#### *Technological Advancements*

Growth in the economy and the emergence of new industries can result from promoting innovation in technological advancement sectors.

### *3.2.4. Threats*

#### *Geopolitical Instability*

International conflicts and regional wars may impede economic growth and discourage foreign investment.

#### *Economic Vulnerability*

An excessive dependence on specific industries or foreign investments may render the financial system susceptible to external disruption.

### *Global Economic Fluctuations*

Changes in the global economy, such as trade wars or economic downturns, could negatively impact Vietnam's export-driven growth strategy.

## **3.3. SWOT Analysis for India**

### *3.3.1. Strengths*

#### *Labour Force*

India has one of the largest labour forces in the world, providing a substantial workforce for economic activities.

#### *Logistics Index*

India has improving logistics capabilities, which are essential for trade and efficient supply chains.

#### *High Technology Export*

A significant and growing sector for high technology exports, particularly in IT and electronics.

#### *GDP*

Consistent GDP growth over the years, showcasing economic resilience and potential for further expansion.

#### *Wage and Salaried Workers*

A growing proportion of the workforce is engaged in formal employment, indicating a shift towards a more structured labour market.

### *3.3.2. Weaknesses*

#### *Government Expenditures on Education*

Relatively low educational spending may restrict the potential for future breakthroughs and the growth of human capital.

#### *Geopolitical Risk*

Regional tensions and geopolitical risks could affect economic stability and deter foreign investments.

#### *Foreign Direct Investment*

Fluctuation in the inflows of foreign direct investment that is influenced by national and international economic circumstances.

### *3.3.3. Opportunities*

#### *Exports of Goods and Services*

Possibilities to grow export can boost foreign exchange profits and stimulate economic growth.

#### *Labour Force Development*

Investing in education and vocational training can enhance the Labour force's skills, making India more competitive globally.

#### *Technological Advancements*

Diversification of economies and the emergence of novel industries can result from promoting innovation in technologically advanced sectors.

#### *3.3.4. Threats*

##### *Geopolitical Instability*

Regional conflicts and geopolitical tensions that could disrupt economic activities and deter foreign investments.

##### *Economic Vulnerability*

An inordinate reliance on specific industries or overseas investments may render the economy susceptible to external disruptions.

##### *Global Economic Fluctuations*

Changes in the global economy, such as trade wars or economic downturns, could negatively impact India's export-driven growth strategy.

### **3.4. SWOT Analysis for Egypt**

#### *3.4.1. Strengths*

##### *Labour Force*

Egypt has a sizable labour force, providing a substantial workforce for various economic sectors.

##### *Logistics Index*

Egypt's strategic location, particularly with the Suez Canal, enhances its logistics capabilities.

##### *High Technology Export*

Although currently not very large, a growing sector for high technology exports shows potential for future growth.

##### *GDP*

Consistent GDP growth throughout time, demonstrating economic resiliency and room for growth.

##### *Wage and Salaried Workers*

A sizable section of the labor force is employed in formal jobs, which suggests that the labor market is organized.

#### *3.4.2. Weaknesses*

##### *Government Expenditures on Education*

Significantly low educational spending may restrict the potential for future innovation and the growth of human capital.

##### *Geopolitical Risk*

High levels of geopolitical danger can undermine economic stability and discourage foreign investment.

#### *Foreign Direct Investment*

An increase or decrease in the inflow of foreign direct investment that can be influenced by national and international policies.

#### *3.4.3. Opportunities*

##### *Exports of Goods and Services*

Possibilities to grow exports can boost foreign exchange profits and stimulate economic growth.

##### *Labour Force Development*

Putting money into education and career training can improve the skills of Egypt's labor force and increase its competitiveness abroad.

##### *Technological Advancements*

Growth in the economy and the emergence of new industries can result from promoting innovation in technological sectors.

#### *3.4.4. Threats*

##### *Geopolitical Instability*

Tensions between nations and regional wars may impede economic growth and discourage foreign investment.

##### *Economic Vulnerability*

An unreasonable reliance on specific industries or overseas investments may render the economy susceptible to outside disruptions.

##### *Global Economic Fluctuations*

Changes in the global economy, such as trade wars or economic downturns, could negatively impact Egypt's export-driven growth strategy.

### **3.5. SWOT Analysis for Thailand**

#### *3.5.1. Strengths*

##### *Labour Force*

Thailand has a sizable Labour force, providing a substantial workforce for various economic sectors.

##### *Logistics Index*

Thailand's logistics capabilities are strong and crucial for trade and efficient supply chains.

##### *High Technology Export*

A significant sector for high technology exports, particularly electronics and IT.

##### *GDP*

Sustained GDP growth throughout time, demonstrating economic resiliency and room for growth.

##### *Wage and Salaried Workers*

A substantial component of the labor force is employed in formal jobs, which suggests that the labor market is organized.

### 3.5.2. Weaknesses

#### *Government Expenditures on Education*

Exceptionally low educational spending may restrict the potential for future creative thinking and the development of human capital.

#### *Geopolitical Risk*

Increased risk from geopolitical instability can have an impact on financial stability and discourage foreign investment.

#### *Foreign Direct Investment*

Flexibility in foreign direct investment influxes, that can be influenced by national and international policies.

### 3.5.3. Opportunities

#### *Exports of Goods and Services*

Possibilities for expanding exports can boost foreign exchange profits and stimulate economic growth.

#### *Labour Force Development*

Thailand may become more globally competitive by increasing its labor force's skill set through investments in education and vocational education.

#### *Technological Advancements*

Fiscal diversification and the emergence of new industries can result from promoting innovation in technological advancement sectors.

### 3.5.4. Threats

#### *Geopolitical Instability*

Political disputes and wars in local areas may impede economic growth and discourage foreign investment.

#### *Economic Vulnerability*

An overly reliant on specific industries or overseas investments may render the economy susceptible to external disruptions.

#### *Global Economic Fluctuations*

Changes in the global economy, such as trade wars or economic downturns, could negatively impact Thailand's export-driven growth strategy.

## 3.6. SWOT Analysis for Ghana

### 3.6.1. Strengths

#### *Labour Force*

Ghana has a growing Labour force, providing a substantial workforce for various economic sectors.

#### *Logistics Index*

Ghana's logistics capabilities are improving, crucial for trade and efficient supply chains.

#### *High Technology Export*

Though small, the high technology export sector shows potential for future growth.

### GDP

Sustainable GDP growth throughout time, demonstrating economic resiliency and room for growth.

#### *Wage and Salaried Workers*

An official position is occupied by a growing share of the labor force, suggesting that the labor market is organized.

### 3.6.2. Weaknesses

#### *Government Expenditures on Education*

Fairly low educational spending may restrict the potential for future innovation and the development of human capital.

#### *Geopolitical Risk*

Possible geopolitical hazards can discourage foreign investment and undermine the global economy.

#### *Foreign Direct Investment*

Foreign direct investment inflows are variable and can be influenced by the global economy and national policies.

### 3.6.3. Opportunities

#### *Exports of Goods and Services*

Options to develop exports can boost economic growth and foreign exchange gains.

#### *Labour Force Development*

Investing in education and vocational training can enhance the skills of the Labour force, making Ghana more competitive globally.

#### *Technological Advancements*

Encouraging development in high-tech sectors has the potential to create new industries and diversify the economy.

### 3.6.4. Threats

#### *Geopolitical Instability*

Local wars and geopolitical tensions may impede economic activity and discourage international investment.

#### *Economic Vulnerability*

Dependence excessively on particular industries or foreign investments might expose the economy to unexpected events.

#### *Global Economic Fluctuations*

Changes in the global economy, such as trade wars or economic downturns, could negatively impact Ghana's export-driven growth strategy.

## 3.7. SWOT Analysis for Malaysia

### 3.7.1. Strengths

#### *Labour Force*

Malaysia has a significant labour force provides a substantial workforce for various economic sectors.

#### *Logistics Index*

Malaysia has strong logistics capabilities, crucial for trade and efficient supply chains.

#### *High Technology Export*

A significant and growing sector for high technology exports, particularly electronics and IT.

#### *GDP*

Consistent GDP growth over time, demonstrating financial resilience and the possibility for further expansion.

#### *Wage and Salaried Workers*

A high proportion of the workforce is engaged in formal employment, indicating a well-structured Labour market.

#### *3.7.2. Weaknesses*

##### *Government Expenditures on Education*

Education spending may be insufficient to support future human capital growth and creative thinking.

##### *Geopolitical Risk*

Prospective geopolitical hazards can discourage foreign investment and undermine the economy.

##### *Foreign Direct Investment*

Foreign direct investment inflow vary depending on the worldwide economy and domestic policies.

#### *3.7.3. Opportunities*

##### *Exports of Goods and Services*

Possibilities for export growth might boost foreign exchange profits and propel economic expansion.

##### *Labour Force Development*

By putting money into education and career training, Malaysia can increase the skills of its labor force and increase its competitiveness internationally.

##### *Technological Advancements*

Diversifying the economy and the emergence of new industries can result from promoting innovation in advanced sectors.

#### *3.7.4. Threats*

##### *Geopolitical Instability*

Political disputes and regional wars may impede economic growth and discourage foreign investment.

##### *Economic Vulnerability*

The economy may become more susceptible to external shocks if it is overly dependent on particular industries or foreign investments.

##### *Global Economic Fluctuations*

Changes in the global economy, such as trade wars or economic downturns, could negatively impact Malaysia's export-driven growth strategy.

### **3.8. SWOT Analysis for Cambodia**

#### *3.8.1. Strengths*

##### *Labour Force*

Cambodia has a growing labour force provides a substantial workforce for various economic sectors.

##### *Logistics Index*

Cambodia's logistics capabilities are improving, crucial for trade and efficient supply chains.

##### *High Technology Export*

Although small, the high technology export sector shows potential for future growth.

##### *GDP*

Sustained GDP growth throughout time, indicating economic tenacity and room for growth.

##### *Wage and Salaried Workers*

There is a discernible labor market structure as evidenced by the increasing proportion of the workforce working in formal jobs.

#### *3.8.2. Weaknesses*

##### *Government Expenditures on Education*

Relatively low educational spending may restrict the potential for future creative thinking and the development of human resources.

##### *Geopolitical Risk*

Potential diplomatic hazards have the potential to undermine financial stability and discourage foreign investment.

##### *Foreign Direct Investment*

A fluctuation in the inflow of foreign direct investment that can be influenced by national and international policies.

#### *3.8.3. Opportunities*

##### *Exports of Goods and Services*

Export prospects for growth can boost economic expansion and foreign exchange profits.

##### *Labour Force Development*

Putting money into education and career training can improve the labor force's abilities and increase Cambodia's competitiveness abroad.

##### *Technological Advancements*

Growth in the economy and the emergence of fresh industries can result from promoting innovation in technologically advanced sectors.

#### *3.8.4. Threats*

##### *Geopolitical Instability*

International conflicts and local wars may impede economic growth and discourage foreign investment.

### *Economic Vulnerability*

Excessive dependency on specific industries or overseas investments may render the economy susceptible to external disruptions.

### *Global Economic Fluctuations*

Changes in the global economy, such as trade wars or economic downturns, could negatively impact Cambodia's export-driven growth strategy.

## **3.9. Key Criteria for Ranking Countries**

### *3.9.1. Labour Force*

Size, growth, and skill level.

### *3.9.2. Logistics Index*

Efficiency and quality of logistics.

### *3.9.3. Foreign Direct Investment (FDI)*

Attractiveness and stability.

### *3.9.4. GDP Growth*

Economic stability and potential.

### *3.9.5. Government Expenditures on Education*

Future human capital development.

### *3.9.6. High Technology Exports*

Innovation and competitiveness.

### *3.9.7. Geopolitical Risk*

Stability and safety for investment.

### *3.9.8. Exports of Goods and Services*

Trade capabilities.

### *3.9.9. Wage and Salaried Workers*

Structure and reliability of labour market.

## **4. Conclusion**

According to the China Plus One strategy, ChatGPT4o calculated and assigned weights to these criteria to rank the countries effectively:

- Labour Force: 15%
- Logistics Index: 15%
- FDI: 10%
- GDP Growth: 10%

- Education Expenditure: 10%
- High Tech Exports: 10%
- Geopolitical Risk: 15%
- Exports of Goods and Services: 10%
- Wage and Salaried Workers: 5%

Finally, ChatGPT4o calculate the rank of countries.

### **4.1. Vietnam**

Strong labour force growth, improving logistics, significant FDI, robust GDP growth, and competitive high-tech export sector.

### **4.2. India**

Large and young labour force, improving logistics, variable but substantial FDI, consistent GDP growth, significant high-tech export potential.

### **4.3. Malaysia**

Significant labour force, strong logistics, substantial high-tech export sector, steady GDP growth, well-structured labour market.

### **4.4. Thailand**

Strong labour force, improving logistics, consistent GDP growth, significant high-tech export sector, structured labour market.

### **4.5. Türkiye**

Growing labour force, strong logistics, robust high-tech export sector, consistent GDP growth, stable labour market.

### **4.6. Egypt**

Sizable labour force, strategic logistics capabilities, potential in high-tech exports, steady GDP growth, structured labour market.

### **4.7. Ghana**

The labour force is growing, logistics are improving, there is potential in high-tech exports, there is steady GDP growth, and there is a structured labour market.

### **4.8. Cambodia**

The country has a growing labour force, improved logistics, potential for high-tech exports, steady GDP growth, and a structured labour market.

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