

“International Joint Ventures and Internal VS. External Technology Transfer: Evidence from China”

(in English)



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**Venue: The Alison Lam Foundation Council Chamber,
G/F, Wong Administration Building**

Abstract: This paper studies international joint ventures, where foreign direct investment is performed by a foreign and a domestic firm that together set up a new firm, the joint venture. Employing administrative data on all international joint ventures in China from 1998 to 2007—roughly a quarter of all international joint ventures in the world—we find, first, that Chinese firms chosen to be partners of foreign investors tend to be larger, more productive, and more likely subsidized than other Chinese firms. Second, there is substantial international technology transfer not only to the joint venture itself but also to the Chinese joint venture partner firm. Third, with technology spillovers typically outweighing negative competition effects, joint ventures generate net positive externalities to other Chinese firms in the same industry. Joint venture externalities are large, perhaps twice the size of wholly-owned FDI spillovers, and it is R&D-intensive firms, including the joint ventures themselves that benefit most from these externalities. Furthermore, the positive external joint venture effect is larger if the foreign firm is from the U.S. rather than from Japan or Hong Kong, Macau, and Taiwan, while this effect is virtually absent in broad sectors that include economic activities for which China’s FDI policy has prohibited joint ventures. The study helps shed light on the recent China-US trade war.

Biography: Professor Larry Dongxiao QIU obtained his Bachelor of Science degree in Mathematics from Zhongshan University, China, in 1983. He also received a Master of Arts degree in Economics in 1989 and Ph.D. degree in Economics in 1993 from the University of British Columbia, Canada. He then joined Hong Kong University of Science and Technology in 1993 as Assistant Professor and later became an Associate Professor and Professor there. He moved to The University of Hong Kong in January 2008 as a Professor.

Larry's research covers a wide range of topics, with focuses on industrial organization, international trade and foreign direct investment (FDI). In the field of industrial organization, he is interested in issues such as R&D and M&As. In the field of international trade, he has studied the optimal design of strategic trade policies, the impacts of intellectual property right (IPR) protection on international trade, and the impacts of environment policies on technology transfer. In the field of FDI, he analyzes cross-border M&As, strategic alliances and technology transfer. He has also done some research on China's foreign trade and FDI. He has published extensively in international journals and books.

All Are Welcome

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