

**INTERNATIONAL SEMINAR ON DEVELOPMENT:  
THE EXPERIENCES OF MEXICO AND CHINA. WHAT CAN WE LEARN?**

**PANEL 3: Industrial Organization, Outward Foreign Direct Investments and Firm Responses. Impact on Development**

**What Can We Learn from Chinese Strategies Regarding OFDI?**

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## OFDI CHINA AND MEXICO

### MAIN SIMILARITIES

- MAINLY REGIONAL: CHINA IN ASIA MEXICO IN AMERICA
- OBJECTIVES:
  - 1- ACCESS TO NEW MARKETS
  - 2- ACQUISITION OF SPECIFIC ASSETS

### MAIN DIFFERENCES

- AMOUNTS OF OFDI AND NUMBER OF MULTINATIONAL COMPANIES
  - STOCK (2018): CHINA USD 1,938,870 MILLION MEXICO USD 152,524 MILLION
- CHINA'S OBJECTIVE TO ASSURE FUTURE GROWTH: SUPPLY OF RAW MATERIALS, ENERGY, ETC.
- TECHNOLOGICAL SPILLOVERS WITHIN CHINESE ECONOMY

## WHAT CAN WE LEARN FROM CHINESE STRATEGIES REGARDING OFDI?

### ACQUISITION OF SPECIFIC ASSETS

GOAL 1    **REVERSE TRANSFER OF KNOWLEDGE**                      **FOREIGN SUBSIDIARIES ----- PARENT CO**

### LESSON FOR THE MEXICAN CASE

GOAL 2    **TECHNOLOGICAL SPILLOVERS -----VALUE CHAINS IN CHINESE ECONOMY**

### DEPENDS ON:

- **MULTINATIONAL COMPANIES' STRATEGIES**
- **EXPLORATION AND ABSORPTION CAPACITIES**
- **DIRECT PARTICIPATION OF PUBLIC POLICIES**

## MEXICO'S LARGEST MULTINATIONALS

- R&D CENTERS **1960/70s** **1990 on**
- INTERNATIONAL MERGERS & ACQUISITIONS (M&A)

### ANUAL AVERAGE

2000-2006

**29**

2007-2013

**41**

### ACQUISITIONS 2010-2014 (TWO EXAMPLES)

<u>ACQUIRER</u>	<u>TARGET COUNTRY</u>	<u>TOTAL PURCHASES</u>	<u>EXPLICIT PURPOSE</u>
CHEMICAL CO.	<b>USA, JAPAN, NETHERLANDS, GERMANY</b>	7	<b>NEW TECHNOLOGY</b>
AUTO PARTS CO.	<b>USA, SPAIN</b>	5	<b>NEW TECHNOLOGY</b>