Current Development

CHINA & WTO REV. 2022:2; 385-402
http://dx.doi.org/10.14330/cwr.2022.8.2.07
pISSN 2383-8221 • eISSN 2384-4388

CWR
China and WTO Review

Outward FDI: Determinants and Flows in Emerging Economies: Evidence from China

Mohamad Zreik* & Badar Alam Iqbal** & Mohd Nayyer Rahman***

Outward Foreign Direct Investment (OFDI) is the cross-border capital flow with the objective of the long-term association having at least a ten percent stake in the equity of the host country firm. In the case of new investment, the total equity is OFDI. This research aims to analyze OFDI in the context of China. The lasting interest is considered 10% equity, thereby saying that if the cross-border investment is at least 10% of the equity share capital, the investment would be considered FDI; if below 10%, it is considered to be a Portfolio Investment. We have applied a more emic approach and discussed the determinants of multinational companies (MNCs) from China. Using an exploratory and qualitative approach, case studies of Chinese MNCs are discussed. Secondary data is utilized to obtain a closer insight into the determinants of OFDI from Chinese MNCs. At the end of this paper, suggestions for OFDI policymakers and study limitations are discussed. This research makes recommendations to the Chinese government regarding OFDI in connection with their economic development.

* Postdoctoral Researcher, Institute of Middle Eastern Studies at Northwest University, China. Ph.D. (Central China Normal U.) ORCID: https://orcid.org/0000-0002-6812-6529. The author may be contacted at: mohamadzreik1@gmail.com /Address: Xi'An, Beilin, Huancheng S Rd West Section 710069, Shaanxi Province, P.R. China.

** Emeritus Professor FBIAR, Ghana; Extraordinary Professor at College of Graduate Stud. (ST RGS) at the University of South Africa. ORCID: https://orcid.org/0000-0001-6188-6640. The author may be contacted at: badar.iqbal@fulbrightmail.org /Address: P.O. Box 392, Preller Street, Muckleneuk, Pretoria, 0002, South Africa.

*** Assistant Professor at the Department of Commerce, Aligarh Muslim University, Aligarh, India. ORCID: https://orcid.org/0000-0001-6512-0028. The author may be contacted at: mnrahman.co@myamu.ac.in /Address: W35C+QV4, AMU Campus, Aligarh, Uttar Pradesh 202002, India.

All the websites cited in this article were last visited on August 5, 2022.

Keywords: OFDI, Capital Flows, Emerging Economies, Eclectic Paradigm Theory, Greenfield Investment, Merger & Acquisition

1. Introduction

International capital movements have been the historical trend in the spread of civilizations. As man progressed from primitive ties to ancient and medieval times, capital gained strength amid the economic and trading relations among the countries. With the advancement of public governance, economic affairs became a key issue in the welfare state system. Economics as a formal branch of study emerged in the western hemisphere in the eighteenth century. However, the classical works on economic systems and policies were written before then in Asia. Asian and western philosophers have focused on economic affairs, from Ibn Khaldun (eastern) to Adam Smith (western). A close reading of their work suggests similar patterns on several counts. Since economics became a discipline in the nineteenth century, several academic schools have appeared, including Scarcity Thought, Welfare State Thought, Growth and Development Thought, the Chicago School, the Austrian School, etc. At the same time, globalization started to catch up with the world. This provided an opportunity for the academic schools to achieve new levels of growth and development.

In "The Moral Consequences of Economic Growth," David argues economic growth targets in the twentieth century were compromised against ethical decision-making.[1] As developing countries started to search for new sources of investment, "goods, services, people, and ideas" were considered the punch line for the political economy of the countries. This pushed international capital movements, which in turn brought countries to start developing their foreign direct investment (FDI) policies.

FDI is considered capital flows from one country destined for another. The literature on FDI has accumulated since the eighteenth century, and subsets of FDI have been standardized in the last 2-3 decades. The Organization for Economic Cooperation and Development (OECD) defines FDI as an investment to establish a lasting interest by a resident enterprise in one economy (direct investor) in an enterprise other than that of the direct investor.[2] The lasting interest is considered 10% equity, thereby saying that if the cross-border investment is at least 10% of the equity share capital, the investment would be considered FDI; if below 10%, it is considered to be a Portfolio Investment (PI). When only multinational companies (MNCs) invest in foreign stocks, government bonds and securities, their primary purpose is to gain financial benefits and returns. There is no concern about owning or controlling managerial activities.[3] Therefore, FDI is considered active while foreign portfolio investment (FPI) is passive, which is beyond our study.

Against this backdrop, this research aims to study the determinants and flows in emerging economies, taking China as an example. This paper is composed of seven parts including Introduction and Conclusion. Part two will overview OFDI. Parts three-five will discuss Types of OFDI, OFDI by flow and entry mode. Part six will tackle the determinants of OFDI.

2. Outward Foreign Direct Investment: A New Channel for Development

Beginning with the twenty-first century, the drastic advancement in transportation and communication technology has increased the interaction among countries worldwide. In this regard, global integration in exchanging ideas, resources, and culture has caused economic growth. Since the 1980s, particularly, FDI has been expanding all over the world.

China is considered to be the largest developing country in the world. According to the World Investment Report, presented by the United Nations Conference on Trade and Development (UNCTAD), OFDI flows in China began to rise to an average of USD 2.3 billion annually in the 1990s. The accumulated value was recorded to equal USD 35 billion at the end of 2002, increasing gradually.[4] It was observed that in 2009 China's outward FDI was USD 48 billion behind the US.[5] However, inward and outward FDI declined from 2008-09 due to the global financial crisis. After a temporary increase in FDI outward flows for 2010-11, another decrease appeared in 2012.[6] Uncertain conditions and policies in the global market formulated by developing countries directly impacted MNCs, which were major reasons for this downfall.[7] Afterwards, with the slow growth in emerging economies, global FDI flows increased gradually. In 2015, a 9% increase in FDI flow was observed compared to the previous year.[8]

According to the World Investment Report (2016), OFDI decreased in most developing and emerging economies, while the OFDI of China increased to USD 128 billion in 2015.[9] Due to the rapid interaction and technological advancement, the outflow of FDI has tremendously grown in China. The Asian region was the largest recipient of FDI as it contributed more than 50% in terms of FDI compared to the rest of the world in 2019. Even during the Covid-19 pandemic, it has been increasing due to China being the driver of this growth. It was estimated that despite the pandemic, FDI inflow and outflow in China flourished by 6%, attaining USD 149 billion in 2020.[10] This achievement was the recovery in trade, manufacturing activities, and the prior estimation of the GDP growth rate.[11]

Abundant industries in the technology sector focusing on e-commerce and the attention given to R&D departments are considered the drivers of this growth. Besides the ranking of China among the top six outward FDI economies, scholars have given less attention to research on inward FDI. Therefore, research has been conducted to cover up the gap and find the determinants of outward FDI from the perspective of the Chinese economy.

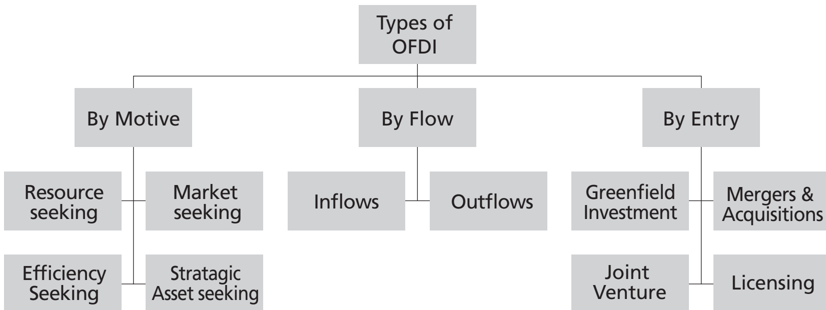
FDI is a cross-border investment with a lasting managerial interest. It is denoted by at least a 10% investment in the equity capital of the host country's firm. To achieve economic growth, countries need foreign investment. However, FDI as a form of foreign investment is preferred by economies due to advantages such as knowledge transfer, managerial expertise transfer, etc. The reality is that OFDI has enhanced investment competitiveness, long-term incentives, and sustainable growth in developing countries. With OFDI, some developing countries may acquire information and technology; increase their production processes; and enhance their competitiveness, managerial skills, and abilities. Therefore, developing economies can increase their presence in a foreign market and become a part of their network. In this regard, a growing number of MNCs from developing economies play a significant role. Their contribution to globalizing the economy goes up dramatically. Most studies show that many MNCs from developing countries invest outside their nation.[12]

Meanwhile, cross-border mergers and acquisitions (M&A) have become an effective means to enhance the economic conditions of developing countries. As such, M&A is considered a well-established way to formulate business strategies, so that a company may approach a new market while reducing costs. The spill-over effects of OFDI have wide-ranging benefits for the economy regarding exchange rate stability, technology advancement, and infrastructure development.[13 14 15 16]

3. Types of OFDI

OFDI is divided into three parameters, i.e., motive, flow, and by entry.

Figure 1: Types of Outward Foreign Direct Investment[17]



A. OFDI by Motive

The first parameter of outward FDI is based on the firms' motives. Dunning suggested some basic motivations under the eclectic paradigm.[18]

B. Resource Seeking OFDI

In the host country, natural resources are at the sight of firms, particularly mining, oil, natural gas, metals, etc. Some developing countries are rich in natural resources and ready to sell or lease the resources. This provides a great opportunity for OFDI to seek to use such resources. Countries with low protectionism demonstrated more OFDI than countries with high protectionism.[19]

C. Market Seeking OFDI

Firms are always searching for new markets to expand their consumer base and achieve economies of scale. The host country's size and growth are key constraints in OFDI. Investing in such economies improves their strategic positioning while avoiding import barriers.[20] Market-seeking OFDI aims to minimize transport costs, transfer prices, non-tariff barriers, etc. Market-seeking OFDI firms can also reduce the uncertainty due to exchange rate fluctuations.[21]

D. Efficiency Seeking OFDI

Efficiency is a key managerial objective, and global firms are always looking for ways to inculcate it in their operations. The higher cost of production is a challenge to the firms. If allowed to produce at a location where production costs are relatively low, it becomes an opportunity for the firms. MNCs use OFDI to reduce production costs, including the low cost of auxiliary trade services. Efficiency-seeking OFDI benefits international firms through internal and external economies of scale.[22]

E. Strategic Asset Seeking OFDI

In the post-globalization stage, firms seek access to strategic assets across the country. It can be a location, resource, technology, geopolitical region, etc. The asset tangibility is not a criterion for these firms. The focus of firms under strategic motive remains on skills and technology.[23] Sometimes, firms seek assets to counter competitors in the host country. Emerging market firms initiate OFDI when seeking complementary assets and capabilities abroad. A prominent characteristic of FDI is that their strategies affect their FDI activities,[24] especially in developed countries.[25]

Chinese MNCs also have an interest in asset-seeking OFDI.[26] Chinese firms compensate for competitive disadvantages when they involve inward and outward FDI by seeking strategic assets through OFDI.[27]

4. OFDI by Flow

The OFDI flow can be studied by applying the flow or stock concepts. In the international investment environment, each country reports both OFDI stocks and OFDI flows. While the stock is the measurement of the OFDI at a point in the host economy, the flow is the OFDI for a specific period. In other words, OFDI stock is cumulative, while OFDI flow is non-cumulative. For the Balance of Payments statement, the OFDI flows are important as Balance of Payment (BOP) is prepared for a specific period. FDI flows are further divided into inflows and outflows; the reporting country is the key to understanding and naming FDI inflows and outflows. A country reporting FDI, if receiving FDI during a specific period, is termed FDI Inflows.[28]

On the contrary, what the reporting country is investing in the rest of the world is OFDI to the rest of the world. Thus, the conceptual model for understanding OFDI is the method of reporting the country as the stationary point. If not, there will always be confusion. OFDI includes both stock and flow. However, from the perspective of international economy, the OFDI flows are much more relevant as they are non-cumulative. It has become a new norm and strong indicator of a country's economic strength and integration with the international economic environment.[29]

5. OFDI by Entry Mode

The most prominent forms of OFDI are based on entry mode. Multilateral firms may enter a foreign market using greenfield investment, M&A, joint venture, and licensing approaches. These different models are applied to help host countries enter into the global market.[30] The choice to enter the global market has been determined by its profitability and feasibility. It depends on how likely the goal can be reached through M&A or a joint venture partner.[31]

A. Greenfield Investment

Foreign investment creates new economic foundations. In this regard, OFDI will create new facilities and infrastructure development by launching a project to have the highest degree of control in host countries. In the Chinese context, it has been observed that the main target of Chinese MNCs in 2019 was to invest in the consumer products and services sector rather than the automotive sector. After 2010, China's OFDI in Northern Europe has led the Big 3 (UK, Germany, and France) in the greenfield investment.[32]

B. Merger & Acquisition

Another mode of entry into the host country is through investing in established companies. This can be either a merger where a specific percentage of equity is acquired or an acquisition wherein the foreign investor holds a majority stake. A collaboration between two firms on a relatively equal equity basis to formulate a single legal entity is referred to as a 'merger.'[33] To expand OFDI, developing economies focus on greenfield projects and the expansion of existing projects. For the time being, the composition of OFDI has been geographically changed, emphasizing the significance of Asia being considered a source region. In developing economies, the manufacturing sector is important, but the service sector is the leading one. In the context of China, the Exxon-Mobil merger in 1999 and the merger between Didi Dache and Kuaidi in 2015, two leading taxi-hailing app firms that merged and became one of the world's largest smartphone-based transport services, are some examples.[34]

An 'acquisition' is a type of merger in which one company acquires a 100 percent controlling interest in another company to expand its business portfolio.[35] MNCs build their effective portfolio by merging with and acquiring other business entities. Businesses can profit from their goals and objectives more quickly and easily than solo expansions. Therefore, risk and uncertainty are multiplied in the case of international level M&A due to differences in culture, norms, and beliefs. While making a portfolio, businesses face opportunities as well as threats.

C. Joint Ventures

Joint venture is a type of entry business for a collaborative effort between foreign and domestic company. The foreign company uses the host country's firm's strategic importance to target and penetrate the market. For the domestic company, this type of FDI is an opportunity to expand the business operations, if required, to achieve economies of scale. The acquisition of IBM's PC business by renowned Chinese company Lenovo in 2005 is a notable case in the history of Chinese MNCs. The fusion of a strong PC and a flourishing smartphone business strengthened Lenovo's position. This joint venture agreement emphasized the potential of the smartphone market. Moreover, this activity increased access to the US and the EU creating a business opportunity in emerging economies worldwide.[36]

The largest acquisition deal in China in the semiconductor sector was conducted in 2020, when Wingtech, a technology manufacturing company, acquired Nexperia for USD 26.8 billion.[37]

D. Licensing

International licensing agreements are another mode of entry into the host country. It requires the involvement of a licensor (home country) and a licensee (host country). Knowledge resources are generated through licensing agreements such as technology, managerial expertise, trademarks, patent rights, etc.

It has been found that all four modes of FDI are interdependent. Greenfield investment and exports determine whether to accept a merger or joint venture. If greenfield investment is more profitable than export, prices will fall to allow MNCs to acquire the business. In this case, MNCs prefer M&A to greenfield investment. In another case, if MNCs prefer exports rather than greenfield investment, local firms do not invest in joint ventures, and if trade costs are expensive, MNCs prefer to indulge in M&A.[38]

6. Determinants of OFDI

Research over the last decade suggests that OFDI is determined by several macroeconomic variables.[39] Dunning's OLI paradigm and the IDP theory show that the determinants of OFDI can be divided into two categories: home country and host country. The home country factors consider ownership and internalization advantages to determine the ability, in the sense of the economic position of a country, to conduct OFDI. In contrast, host country factors consider location advantages to determine the capability to fascinate the OFDI. Scholars have examined and discussed these determinants collectively or separately.[40] The studies, based upon IDP theory, have suggested that the economic conditions of the home country, innovation and technical advancement, economic and market structure, and overseas trade openness are prominent factors on which outward FDI can be determined.[41]

In general, however, there are economic indicators that determine OFDI. Apart from quantitative aspects, qualitative aspects such as corruption, reforms, etc. also play an important role. In this section, all the major determinants of OFDI will be discussed.

A. Exports to the Host Country

In terms of OFDI, the host country receives direct investment and, in turn, provides market opportunities for the firm. The job of the host country is to provide safety and security for the funds invested and maintain a stable market. ODFI originates from a country that will already have export relations with the host country. This provides an area of economic cooperation between the countries. Exporting allows the host country to explore markets, and companies can investigate the economic viability of the host country's projects or sectors. This provides an incentive to indulge in OFDI in the host country. The companies are already aware of the value chains in the host country, as they are exposed to these chains due to the exports. Researchers have provided empirical evidence regarding exports as one of the important determinants of OFDI.[42 43] There is also evidence of causal relationship between FDI and exports.[44]

B. Imports from the Host Country

Trade is considered a two-way economic relationship - exports and imports. Assuming that both countries have economic relations, it is clear that the host country will be importing goods and services from the OFDI originating country. Imports help the host country to build a sound relationship with the OFDI originating country, thus allowing the domestic firms to invest in the host country. The host country also looks into the revealed competitive advantage to identify sectors and products in which it is less efficient and will allow foreign firms to enter and share their efficiency. This provides an opportunity for the host country to achieve higher growth rates. Empirical evidence suggests that imports are an important determinant of OFDI.[45 46 47] As part of a trade, regional blocs have used exports and imports to push for OFDI.[48 49]

C. Host Country Gross Domestic Product

The national income of countries as measured by GDP has become one of the litmus tests for the economic power of the countries. A country with higher GDP growth rates or GDP per capita is considered an investment destination for firms from the rest of the world. Absolute GDP is not considered a valid criterion as it is a stock concept without highlighting the changes in the time series of the economic indicators. It has been found that the higher the GDP rate of a country, the higher the FDI received.[50 51] This is demonstrated especially by the developing economies. Though they have a moderate infrastructure and a less skilled population, firms are involved in OFDI in these countries because of higher GDP rates. Empirical evidence is profound regarding the GDP rate and OFDI relationship.[52] Though there may be disagreement about other economic variables for GDP, it is clear throughout the global economy.[53 54]

D. Host Country's official Annual Average Exchange Rate

A few studies define the exchange rate as one of the determinants of OFDI.[55] Statistically, it is the host country's official annual exchange rate against the home currency. Researchers have reported a positive correlation between the exchange rate and OFDI, meaning that a rising exchange rate results in increasing OFDI for the host country. Currency, SWAP agreements between two countries have suggested that countries on the recipient side of bilateral SWAP lines are more likely to sign and renew BSLs designed to alleviate balance of payments needs as their external position weakens. The OFDI between the countries has gone up after bilateral currency agreements.[56]

E. Host Country's Annual Inflation

When companies examine the economies to invest, they consider inflation. As galloping inflation is considered a bad indicator of purchasing power, no country will be thus willing to invest in such a scenario. In the early 1990s, Zimbabwe faced such a problem, and the OFDI was affected by the rest of the world.[57] Studies have used consumer price inflation as an indicator. Market inflation has an impact on consumers and their ability to sell their products. The consumer's disposable income is an important determinant. A falling purchasing power of the consumer will pull the market, and, in that case, OFDI will not bear the speculative results. Empirical evidence shows that inflation is an important determinant of OFDI.[58 59]

F. Home Country's Technological Development

It has been found that countries that are technologically more developed in terms of spending on R&D indulge in more OFDI than other countries.[60] Technological advancement provides economies with scale, efficiency, growth, cost internalization, and better-quality products. Stoian mentioned that developing countries look toward developed countries for two reasons.[61] First, they not only want access to advanced technology, but also find the need to import technology, which is sometimes a huge burden on the foreign exchange reserves. Second, they are looking for technology transfer to their countries for long-term sustainable growth, but this can only be achieved if advanced countries invest in their home countries.[62]

Countries that spend a lot of money on R&D are more likely to engage in OFDI than those that do not invest that much money. Economies of scale, efficiency, expansion, cost internalization, and better-quality goods are all a result of technological innovation. According to Stoian, there are two reasons why emerging countries turn to the developed world. As a starting point, they want access to cutting-edge technology, but are finally forced to import it, which strains their country's already thin foreign currency reserves. It is also important that advanced nations invest in their own countries for long-term sustainable development in order to get the technologies they need to improve their own economies.[63]

G. Home Country's Trade and Exchange Reforms

Globalization and liberalization are two key pillars of OFDI. Due to their protectionist policies, countries that shut down in the 1980s were criticized in the global economy. As a result, these countries did not get much OFDI. With the advent of globalization and liberalization, a country's global integration is seen as a positive indicator for investment. As the degree of liberalization improves in an economy, trade and exchange reforms take place in a much more global and fairer world. This incentivizes firms in the rest of the world to get involved in OFDI.[64]

In order to maintain support for free trade policies, we need a competitive real exchange rate. Shatz and Tarr give a more general look at the issue.[65] Because imports tend to expand faster than exports, trade liberalization is likely to lead to a trade imbalance in the short term. As a result, exports become more lucrative in the native currency while imports become more costly, resulting in a more equitable trade balance. The actual exchange rate will alter as a result of market forces under a flexible exchange rate system. Significant trade liberalization should be followed by a depreciation of the local currency under a fixed exchange rate system. The longer trade liberalization and supply response gaps are, the greater the amount of depreciation needed will be.[66]

Immediately after the devaluation in 1994 (known as the Mexican peso crisis), the Mexican economy grew quickly again. In certain nations, a currency board or some other system is used to keep the value of the currency pegged to a set level. As a result, trade liberalization in these countries may have to continue at a rate that is compatible with the achievable rate of depreciation of the real currency rate.[67]

H. Home Country's Competition Reforms

Economic competition policies are critical for companies competing with domestic firms. If the domestic firms are given an extra edge but they cannot compete with foreign firms, then there is no reason to invest. Thus, firms crucially evaluate the competition policy looking towards continuous and gradual reform. Countries considering competition reforms from time to time, along with building confidence with the parties, are more prone to OFDI.[68]

7. Summary and Conclusion

This paper has provided theoretical and empirical knowledge about OFDI through evidence from the Chinese economy. The authors have also touched on the theories of OFDI, a form of outward foreign investment, and determinants in the respective host and home countries. The Chinese government realized that if firms want to survive, they must be active in global competition and, for this purpose, they announced a policy in which local firms are permitted to acquire firms from abroad. Numerous state-owned and private firms in China fully enjoyed this opportunity, and the amount of M&A increased from USD 1.6 billion in 2003 to USD 18.2 billion in 2006.[69] Government policies play a significant role in the development of the economy and the GDP growth rate in China. Therefore, the government's decisions to OFDI are considered crucial in economic development. As the Chinese government launched the Belt and Road Initiative (BRI) in 2013, policies and plans should be formulated to enhance the relationship between other countries along the BRI. The objective was to increase economic integration between Asia, Europe and Africa.

This study has tried to give a deep understanding of OFDI in China based on its history, theories, forms, and factors. We have also paid attention to the policies of the Chinese government and its MNCs over the OFDI for the development of Chinese economy. It is concluded that OFDI is an important indicator of the firm's global integration and source of foreign reserves for the originating country. There are different motives for OFDI, but investors are always looking for competitive advantages. The literature on OFDI suggests that determinants play a significant role in OFDI flows between the host country and home country. The theory and the empirical study have concluded that FDI directly affected developed countries. In the case of developing and emerging countries, however, the FDI focuses on economic development based on human capital.

The growth prospects of countries, particularly the emerging economies, heavily depend on the OFDI flows. As OFDI has been severely affected by the Covid-19 pandemic, the sustainable development of the economy should be considered to boost FDI flows. Investment and infrastructure in the service sector may contribute to economic growth. After the pandemic, the only way for long-term growth is to invest more in other countries. Policymakers should formulate effective policies to promote the investment ratio through a multilateral organization. Investment in infrastructure, energy and the health sector will enhance the economic condition. In this sense, China as a developing country should make more efforts to attain sustainable development goals by 2030.

Received: May 15, 2022
Modified: July 15, 2022
Accepted: Aug. 15, 2022

References

1. Farzana Alamgir & Sakib Bin Amin, *The nexus between oil price and stock market: Evidence from South Asia*, 7 Energy Rep. 693-703 (2021).
2. Benjamin Friedman, *The Moral Consequences of Economic Growth*, Markets, Morals and Religion 29-42 (J. Imber ed., 2017).
3. Edward Marandu & Tebo Ditshweu, *An overview of the key theories of foreign direct investment: The way forward*, 5 Advances in Soc. Sci. Res. J. 30-9 (2018), https://journals.scholarpublishing.org/index.php/ASSRJ/article/view/5741/3470.
4. M. Kose, Eswar Prasad & Marco E. Terrones, *how do trade and financial integration affect the relationship between growth and volatility?* (Federal Reserve Bank of San Francisco Working Paper Series, 2004), https://www.researchgate.net/publication/330030100_How_Do_Trade_and_Financial_Integration_Affect_the_Relationship_between_Growth_and_Volatility.
5. Philip Gunby, Yinghua Jin & W. Robert Reed, *Did FDI Really Cause Chinese Economic Growth? A Meta-Analysis*, 90 World Dev. 242-55 (2017).
6. Sasi Iamsiraroj & Mehmet Ali Ulubaşoğlu, *Foreign direct investment and economic growth: A real relationship or wishful thinking?*, 51 Econ. Modelling 200-13 (2015).
7. Global Investment Competitiveness Report 2017/2018: Foreign Investor Perspectives and Policy Implications (2022), https://elibrary.worldbank.org/doi/abs/10.1596/978-1-4648-1175-3.
8. Nadia Doytch, *FDI: Hot or Cold Money? The Behaviour of Sectoral FDI Inflows and Outflows over Periods of Growth Accelerations and Decelerations*, 57 Foreign Trade Rev. 324-50 (2022).
9. World Investment Report 2016 | Investor Nationality: Policy Challenges, World Investment Report (2022), https://worldinvestmentreport.unctad.org/wir2016/chapter-4-investor-nationality-policy-challenges.
10. Jing Fang, Alan Collins & Shujie Yao, *On the global COVID-19 pandemic and China's FDI*, 74 J. Asian Econ. 101300 (2021).
11. Martin Rhodes, *Employment Policy. Between Efficacy and Experimentation* (EUI Working Paper, 2000), https://doi.org/10.1093/hepl/9780199689675.003.0012.
12. Bala Ramasamy & Matthew Yeung, *China's outward foreign direct investment (OFDI) to developing countries: the case of Central and Eastern Europe (CEE)*, 27 J. Asia Pac. Econ. 124-46 (2020).
13. Lee Branstetter, *Is foreign direct investment a channel of knowledge spillovers? Evidence from Japan's FDI in the United States*, 68 J. Int'l Econ. 325-44 (2006).
14. Kui-yin Cheung & Ping LIN, *Spillover effects of FDI on innovation in China: Evidence from the provincial data*, 15 China Econ. Rev. 25-44 (2004).

15. Dierk Herzer, *The long-run relationship between outward FDI and domestic output: Evidence from panel data*, 100 Econ. Letters 146-9 (2008).
16. Xiaohui Liu, Trevor Buck & Chang Shu, *Chinese economic development, the next stage: outward FDI?*, 14 Int'l Bus. Rev. 97-115 (2005).
17. Mohd Rahman, *Impact of Foreign Direct Investment Inflows on Capital Account of India's Balance of Payments*, 6 Bus. & Econ. Res. 111 (2016).
18. John Dunning, *Location and the Multinational Enterprise: A Neglected Factor?*, 29 J. Int'l Bus. Stud. 45-66 (1998).
19. Steven Poelhekke & Frederick van der Ploeg, *Do Natural Resources Attract Nonresource FDI?*, 95 Rev. Econ. & Statistics 1047-65 (2013).
20. Jungmin Kim & Dong Kee Rhee, *Trends and Determinants of Korean Outward FDI*, 27 Copenhagen J. Asian Stud. 126-54 (2009).
21. L. Ukrainets, *The determainants of the recipient country choice for foreign direct investment by Chinese multinationals*, Econ. Scope 15-32 (2019), https://www.researchgate.net/publication/338181582_The_determainants_of_the_recipient_country_choice_for_foreign_direct_investment_by_Chinese_multinationals.
22. Zhixiao Dong, Zhuang Miao & Yan Zhang, *The impact of China's outward foreign direct investment on domestic innovation*, 75 J. Asian Econ. 101307 (2021).
23. Yuanyuan Li & John Cantwell, *Motives of Inward FDI and Subsequent Outward FDI: Subnational Evidence from China*, 2018 Academy of Mgmt. Proc. 11049 (2018), https://J.s.aom.org/doi/abs/10.5465/AMBPP.2018.11049abstract.
24. Yadong Luo & Rosalie Tung, *Int'l expansion of emerging market enterprises: A springboard perspective*, 38 J. Int'l Bus. Stud. 481-98 (2007).
25. Dean Xu & Klaus Meyer, *Linking Theory and Context: 'Strategy Research in Emerging Economies' after Wright et al. (2005)*, J. Mgmt. Stud. 1322-46 (2013), https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1467-6486.2012.01051.x.
26. Huaichuan Rui & George Yip, *Foreign acquisitions by Chinese firms: A strategic intent perspective*, 43 J. World Bus. 213-26 (2008).
27. John Child & Suzana B. Rodrigues, *The Internationalization of Chinese Firms: A Case for Theoretical Extension?*, 1 Mgmt. & Org. Rev. 381-410 (2005).
28. Lalit Bhardwaj et al., *The Impact of Foreign Direct Investment Inflowson Balance of Payment,* 8 Int'l J. Recent Tech. & Engineering (2019).
29. Lin Cui et al., *OFDI performance of EMNEs: A Rev. and recommendations for future research*, J. Int'l Mgmt. 100967 (2022).
30. Horst Raff, Michael Ryan & Frank Stähler, *The choice of market entry mode: Greenfield investment, M&A and joint venture*, 18 Int'l Rev. Econ. & Fin. 3-10 (2009).
31. Michael Nippa & Jeffrey Reuer, *On the future of Int'l joint venture research*, 50 J. Int'l Bus. Stud. 555-97 (2019).
32. Lei Xie & Yuanlu Niu, *A systematic literature Rev. of foreign MNCs' knowledge transfer in China*, 27 Asia Pac. Bus. Rev. 710-730 (2020).

33. Jeffrey Harrison et al., *Resource complementarity in Bus. combinations: Extending the logic to organizational alliances*, 27 J. MGMT. 679-90 (2001).
34. Yu (Marco) Nie, *How can the taxi industry survive the tide of ridesourcing? Evidence from Shenzhen, China*, 79 TRANSP. RES. PT. C: EMERGING TECH. 242-56 (2017).
35. Kee-Hong Bae, Jun-Koo Kang & Jin-Mo Kim, *Tunneling or Value Added? Evidence from Mergers by Korean Bus. Groups*, 57 J. FIN. 2695-740 (2002).
36. Wei He & Marjorie Lyles, *China's outward foreign direct investment*, 51 BUS. HORIZONS 485-91 (2008).
37. Chad Bown, *How the United States Marched the Semiconductor Industry into its Trade War with China* (Peterson Institute for International Economics Working Paper 20-16, 2020), https://www.piie.com/sites/default/files/documents/wp20-16.pdf.
38. Raff, Ryan & Stähler, *supra* note 30.
39. Indrajit Roy & K. Narayanan, *Outward FDI from India and its impact on the performance of firms in the home country*, 13 J. ASIA BUS. STUD. 1-32 (2019).
40. John Dunning & Sarianna Lundan, *Multinational enterprises and the global economy*, 19 TRANSNAT'L CORPORATION 103-6 (2010).
41. Kefei You, *What Drives Outward Fdi of China?: A Regional Analysis*, 51 J. DEV. AREAS 239-53 (2017).
42. Munir Hasan, Mohd Nayyer Rahman & Badar Alam Iqbal, *Corruption and FDI Inflows: Evidence from India and China*, 8 MEDITERRANEAN J. SOC. SCI. 173-82 (2017).
43. Xiaoxi Zhang & Kevin Daly, *The determinants of China's outward foreign direct investment*, 12 EMERGING MKT. REV. 389-98 (2011).
44. Pragyanrani Behera, Prajukta Tripathy & Bikash Ranjan Mishra, *The Directionality of Outward FDI and Its Determinants: Findings from Asian Emerging Countries*, 3 ASIAN ECON. LETTERS 25378 (2021).
45. Mohd Rahman & Harpal Grewal, *Foreign direct investment and Int'l trade in BIMSTEC: panel causality analysis*, 9 TRANSNAT'L CORPORATIONS REV. 112-21 (2017).
46. Jun Li, *China's Outward FDI: A Study of Push and Pull Factors in Selected Asian Countries*, 3 PSAKU INT'L J. INTERDISCIPLINARY RES. 46-55 (2014).
47. Zhang & Daly, *supra* note 43.
48. Xu Na & Gao Xuan, *The Spatial Construction Effect of China's OFDI for Manufacturing on Global Value Chain: Empirical Evidence from the Belt and Road Countries*, SSRN Electronic J. (2022).
49. Mohd Rahman, *Role of WTO in promoting merchandise trade of BRICS*, 8 TRANSNAT'L CORPORATIONS REV. 138-50 (2016).
50. Asif Razzaq, Hui An & Sarath Delpachitra, *Does technology gap increase FDI spillovers on productivity growth? Evidence from Chinese outward FDI in Belt and Road host countries*, 172 TECH. FORECASTING & SOC. CHANGE 121050 (2021).
51. Mohd Rahman, *Impact of Foreign Direct Investment Inflows on Capital Account of India's Balance of Payments*, 6 BUS. & ECON. RES. 111 (2016).

52. Badar Iqbal et al., *India's outward foreign direct investment: emerging trends and issues*, 10 Transnat'l Corporations Rev. 98-107 (2018).
53. Linggui Wang & Jianglin Zhao, The Belt and Road Initiative in the Global Context (2019).
54. Nida Rahman & Mohd. Nayyer Rahman, *Do Foreign Direct Investment Inflows Impinge Gross Domestic Product?: A Venture Out for ASEAN*, 10 Jurnal Ekonomi dan Studi Pembangunan 64-73 (2018).
55. Hai Yue Liu et al., *The Determinants of Chinese Outward FDI in Countries Along "One Belt One Road,"* 53 Emerging Mkt. Fin. & Trade 1374-87 (2017).
56. Zhang & Daly, *supra* note 43.
57. Renfei Gao, *Inward FDI spillovers and emerging multinationals' outward FDI in two directions*, Asia Pac. J. Mgmt. (2021), https://www.researchgate.net/publication/354015600_Inward_FDI_spillovers_and_emerging_multinationals'_outward_FDI_in_two_directions.
58. Badar Iqbal, Mohd Rahman & Nadia Yusuf, *Determinants of FDI in India and Sri Lanka*, 53 Foreign Trade Rev. 116-23 (2018).
59. Zhang & Daly, *supra* note 43.
60. Zoltan Gal & Magdolna Sass, *Role of Financial Sector FDI in Regional Imbalances in Visegrad 4 Countries and in Slovenia*, SSRN Electronic J. (2014).
61. Carmen Stoian, *Extending Dunning's Investment Development Path: The role of home country institutional determinants in explaining outward foreign direct investment*, 22 Int'l Bus. Rev. 615-37 (2013).
62. Dong, Miao & Zhang, *supra* note 22.
63. Hyeon-Young Ro, *Protection from FDI and economies of scale*, SSRN Electronic J. (2022).
64. Stoian, *supra* note 61.
65. Richard Pomfret & Victor Pontines, *Exchange Rate Policy and Regional Trade Agreements: A Case of Conflicted Interests?*, SSRN Electronic J. (2013).
66. Iqbal, Rahman & Yusuf, *supra* note 58.
67. Edwin Truman, *The Mexican Peso Crisis: Implications for International Finance*, 82 Federal Reserve Bull. 199-209 (1996).
68. Stoian, *supra* note 61.
69. Keith Fuglie et al., *Research Investments and Market Structure in the Food Processing, Agricultural Input, and Biofuel Industries Worldwide*, SSRN Electronic J. (2011).