

United Nations Centre on Transnational Corporations

World Investment Report 1991

The Triad in foreign direct investment



United Nations New York, 1991

NOTE

The United Nations Centre on Transnational Corporations serves as the focal point within the United Nations Secretariat for all matters related to transnational corporations and acts as secretariat to the Commission on Transnational Corporations, an intergovernmental subsidiary body of the United Nations Economic and Social Council. The objectives of the work programme are to further the understanding of the nature of transnational corporations and of their political, legal, economic and social effects on home and host countries and in international relations, particularly between developed and developing countries; to secure effective international arrangements aimed at enhancing the contribution of transnational corporations to national development goals and world economic growth while controlling and eliminating their negative effects; and to strengthen the negotiating capacity of host countries, in particular the developing countries, in their dealings with transnational corporations.

The *World Investment Report* is published annually by the United Nations Centre on Transnational Corporations with a view to contributing to a better understanding of transnational corporations, their activities and their economic, legal, political and social impact.

The term "country" as used in this paper also refers, as appropriate, to territories or areas; the designations employed and the presentation of the material do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. In addition, the designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgement about the stage of development reached by a particular country or area in the development process.

The following symbols have been used in the tables:

Two dots (..) indicate that data are not available or are not separately reported. Rows in tables have been omitted in those cases where no data are available for any of the elements in the row;

A dash (—) indicates that the item is equal to zero or its value is negligible;

A blank in a table indicates that the item is not applicable;

A slash (/) indicates a financial year, e.g. 1988/89;

Use of a hyphen (-) between dates representing years, for example, 1985-1989, signifies the full period involved, including the beginning and end years.

Reference to "dollars" (\$) means United States dollars, unless otherwise indicated.

Annual rates of growth or change, unless otherwise stated, refer to annual compound rates.

Details and percentages in tables do not necessarily add to totals because of rounding.

The material contained in this volume may be freely quoted with appropriate acknowledgement. Comments should be sent to the United Nations Centre on Transnational Corporations, Office of the Executive Director, United Nations, Room DC2-1220, New York, NY 10017, U.S.A. Telephone: (212) 963-2990; Fax: (212) 963-2146; Telex: 661062 UNCTNC.

ST/CTC/118

UNITED NATIONS PUBLICATION

Sales No. E.91.II.A.12

ISBN 92-1-104370-0

Copyright © United Nations, 1991

All rights reserved

Manufactured in the United States of America

Preface

"The Old World was ruled by the logic of the triad: three times, three ages, three persons, three continents".

— Octavio Paz

Is the New World of international economic relations also ruled by the logic of a triad? Certainly, the concept of a triad has been prominent in recent discussions of the evolution of international trade relations and corporate strategies. Does the logic of a triad apply in the world of foreign direct investment as well? As yet, there have been no empirical investigations of this question, which carries important policy implications. The present volume analyses the Triad (Japan, the European Community and the United States) in terms of foreign direct investment, looks at the role transnational corporations play in promoting regional economic integration around the three poles of the Triad, describes the linkages between foreign direct investment and trade, technology and financial flows, and highlights policy implications for developing countries and the international community.

Among the findings of this study, one of the most important is that foreign direct investment has been increasing far more rapidly in the 1980s than both world trade and world output, and promises to continue to do so in the future. This would suggest that foreign direct investment is increasingly becoming an engine of growth in the world economy. Furthermore, the composition of foreign direct investment and the major actors associated with it have seen a significant change over the last decade. Behind those changes are the strategies of transnational corporations which, as this study shows, are furthering the emergence of regional clusters of countries around the three poles of the Triad. It is essential that developing countries that wish to influence the flow of foreign direct investment understand those changes, and the implications that are associated with them.

The present report is the first of a series of annual reports which will present data and trends relating to transnational corporations and foreign direct investment. In addition, each volume will focus on a topic which emerges from the Centre's ongoing research activities. As such, the *World Investment Report* will provide up-to-date, comprehensive information on an annual basis, and will provide in-depth analyses of a variety of themes, selected for their relevance to policy-making in the field of foreign direct investment.

The present volume was prepared by a team comprising Persephone Economou, Michelle Gittelman, David Gold, Azizul Islam, Karl P. Sauvants, Paz Estrella Tolentino and Zbigniew Zimny, with the assistance of Torben Huss, Georg Kell, Padma Mallampally, Valerian Monteiro and Dorothy Woo.



Peter Hansen
Executive Director

August 1991

United Nations Centre on Transnational Corporations

Contents

Page

Preface	(iii)
Introduction	1
 CHAPTER I. GLOBAL TRENDS IN FOREIGN DIRECT INVESTMENT	 3
A. The increasing importance of foreign direct investment in the 1980s	3
B. Regional distribution	9
1. Developed countries	9
2. Developing countries	9
3. Central and Eastern Europe	14
C. Sectoral pattern of foreign direct investment	15
1. Shifts among sectors	15
2. The growing importance of services	18
D. Policies affecting foreign direct investment	23
1. International policy changes	23
(a) The Uruguay Round and foreign direct investment in services	23
(b) The Uruguay Round and TRIMs	24
2. National policy changes and their impact	25
(a) Recent policy developments	25
(b) The impact of liberalization	28
 CHAPTER II. PATTERNS OF FOREIGN DIRECT INVESTMENT IN THE TRIAD	 31
A. The Triad members: the United States, the European Community and Japan	31
1. The United States and Japan	33
2. The European Community	33
B. Intra-Triad investment relationships	36
1. The significance of intra-Triad foreign direct investment in global stocks and flows	36
2. The relative significance of the intra-Triad investment relationship segments	37
(a) Intra-Triad foreign direct investment by the European Community	37
(b) Intra-Triad foreign direct investment by the United States	41
(c) Intra-Triad foreign direct investment by Japan	41
3. Movement towards parity within the Triad?	43
C. Regional networks of Japanese transnational corporations	44
1. Global activities of Japanese transnational corporations in manufacturing	44

	Page
2. Regional networks in Asia in the electrical and electronic equipment and automobile industries	48
D. The Triad, developing and Central and Eastern European countries	53
1. Foreign-direct-investment clusters of the Triad members and newly-industrializing countries	53
(a) The United States cluster	57
(b) The Japanese cluster	60
(c) The European Community cluster	61
(d) The newly-industrializing-countries cluster	63
2. Explaining regional investment clusters	63
CHAPTER III. INTERLINKAGES	67
A. Foreign direct investment and international trade	67
1. The relationship between foreign direct investment and international trade	67
2. Impact of foreign direct investment on home- and host-country trade	68
3. Transnational corporations and developing-country trade	70
4. Third-country exporting by transnational corporations	71
5. Trade clusters and foreign-direct-investment clusters	72
B. Transnational corporations and technology transfer	74
C. Transnational corporations and financial flows	77
D. The integrating agents: transnational corporations	81
CHAPTER IV. POLICY IMPLICATIONS	83
A. The growing role of foreign direct investment in the world economy	83
B. The issue of governance	84
1. National issues	84
2. Multilateral issues	86
C. Policy implications for improving investment flows to developing countries	87
1. Policy implications of the Triad and of interlinkages	87
2. Measures to strengthen the contribution of transnational corporations to least developed countries	90
(a) Host countries	90
(b) Home countries	91
(c) Multilateral agencies	92
Annex. Indicators of the significance of foreign affiliates in selected host economies, mid- to late 1980s	99
Select list of publications of the United Nations Centre on Transnational Corporations	101
Questionnaire	107

List of tables

	Page
1. Growth in current value of world foreign-direct-investment outflows, exports and gross domestic product, 1983-1989	4
2. Share of average annual foreign-direct-investment inflows in gross domestic capital formation	7
3. Outflows of foreign direct investment from five major home countries, 1985-1989	10
4. Inflows of foreign direct investment to developing regions, by region, 1980-1984, 1985-1989 and 1988-1989	11
5. Net resource transfer through foreign direct investment by region, for 96 capital-importing developing countries, 1980-1984 and 1985-1988	13
6. Sectoral distribution of foreign-direct-investment outflows for five major home countries, 1981-1984 and 1985-1989	16
7. Changes in the sectoral composition of the stock of outward foreign direct investment of major home countries	17
8. Share of services in total foreign-direct-investment flows from, into and within the European Community, 1984-1988	21
9. Foreign direct investment financed through debt-equity swaps in selected developing debtor countries, 1985-1989	27
10. Foreign direct investment to/from the European Community, the United States and Japan, 1980-1989	32
11. Pattern of foreign direct investment from the Triad to developing and Eastern European countries, 1980 and 1987	54
12. Percentage of United States merchandise exports and imports accounted for by transnational corporations, 1977-1988	70
13. Pattern of bilateral trade between the Triad and developing countries/territories, 1988	73
14. Indicators of technology-transfer flows in 1988 and growth rates, 1980-1988	75
15. Distribution of technology flows to developing countries, 1988	77
16. Official development assistance: relative importance of Triad home regions in recipient economy inflows, by Triad cluster, 1987	80

List of figures

I. Index of current value of exports and foreign-direct-investment outflows, 1975-1989	5
II. Intra-Triad foreign direct investment, 1988	40
III. Overseas network of affiliates of the NEC Corporation, 1989	43
IV. Sales of Japanese affiliates in manufacturing, 1987	45
V. Sales and purchases of Japanese affiliates in Asia: electrical and electronic industry, 1987	49

	Page
VI. Sales and purchases of Japanese affiliates in Asia: automobile industry, 1987	50
VII. Foreign-direct-investment clusters of Triad members, 1985-1988	56
VIII. Automobile operations of Toyota in four ASEAN countries	62

List of boxes

1. Factors behind the strategies of transnational corporations	38
2. Regional core networks in North America: the case of United States automobile transnational corporations in Mexico	58

Chapter I

GLOBAL TRENDS IN FOREIGN DIRECT INVESTMENT

A. The increasing importance of foreign direct investment in the 1980s

After having nearly tripled between 1984 and 1987, world-wide outflows of foreign direct investment increased by another 20 per cent in both 1988 and in 1989, to reach an absolute level of \$196 billion. By 1989, the total world-wide stock of this investment stood at approximately \$1.5 trillion. ^{3/}

The dynamism of foreign direct investment can be best illustrated by comparisons with world exports and world output. Since 1983, foreign-direct-investment outflows have increased at the unprecedented rate of

lion, reached in 1979. Since 1985, the gap between the growth rate of exports and that of foreign-direct-investment outflows has widened dramatically (figure I), leading one writer to suggest that “as a means of international economic integration, foreign direct investment is in its take-off phase; perhaps in a position comparable to world trade at the end of the 1940s”. ^{4/} Furthermore, the rapid growth of foreign direct investment compared to that of world output suggests that the share of the former in world output is increas-

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_6681

