

R&D Globalization by TNCs: *Implications for China and the World*

Torbjörn Fredriksson

torbjorn.fredriksson@unctad.org

Head, Policy Issues Section

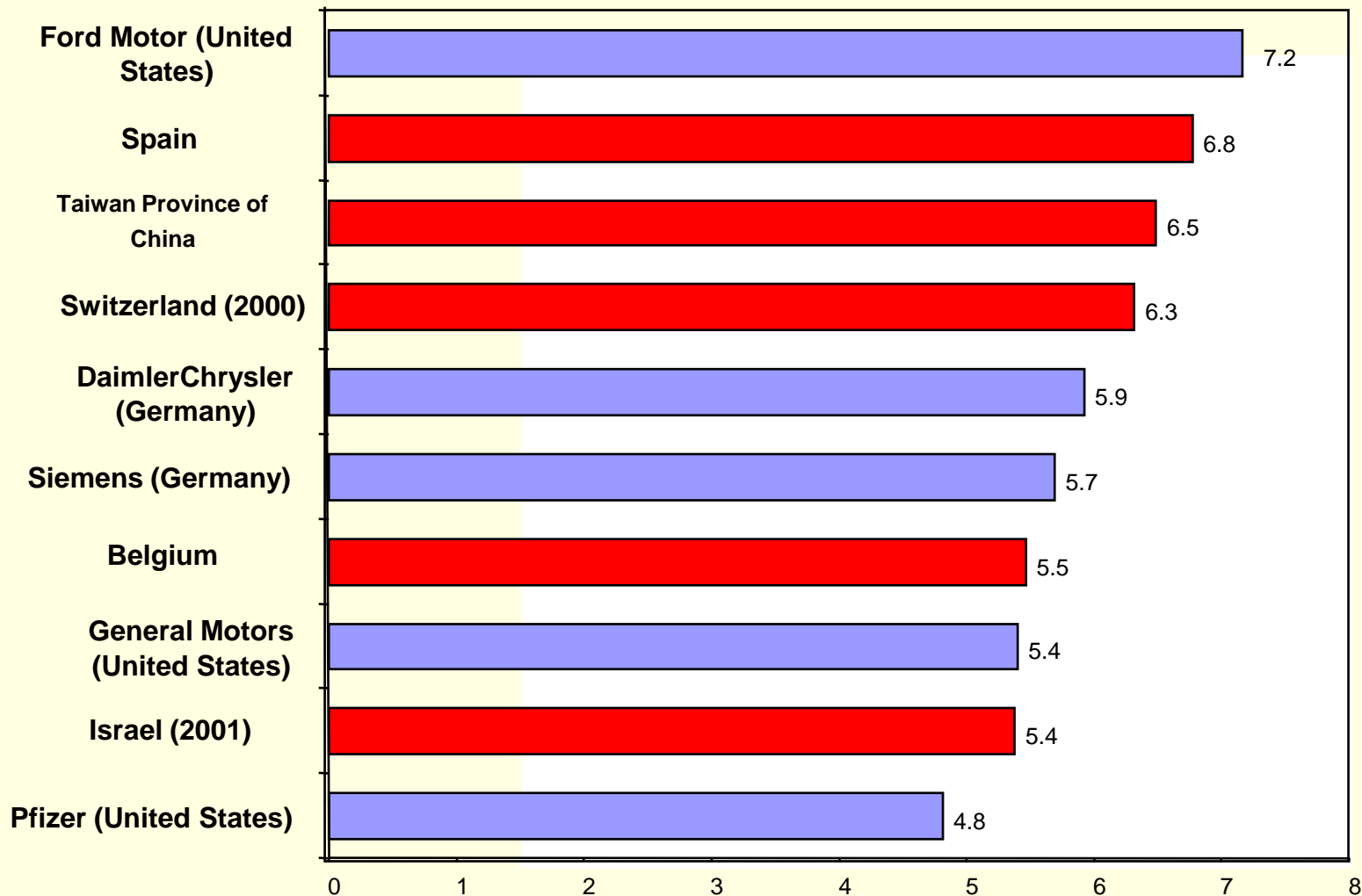
Division on Investment, Technology and Enterprise Development

UNCTAD

High Level International Business Symposium
OECD and China Institute for Science and Technology Policy, Beijing,
28 August 2007

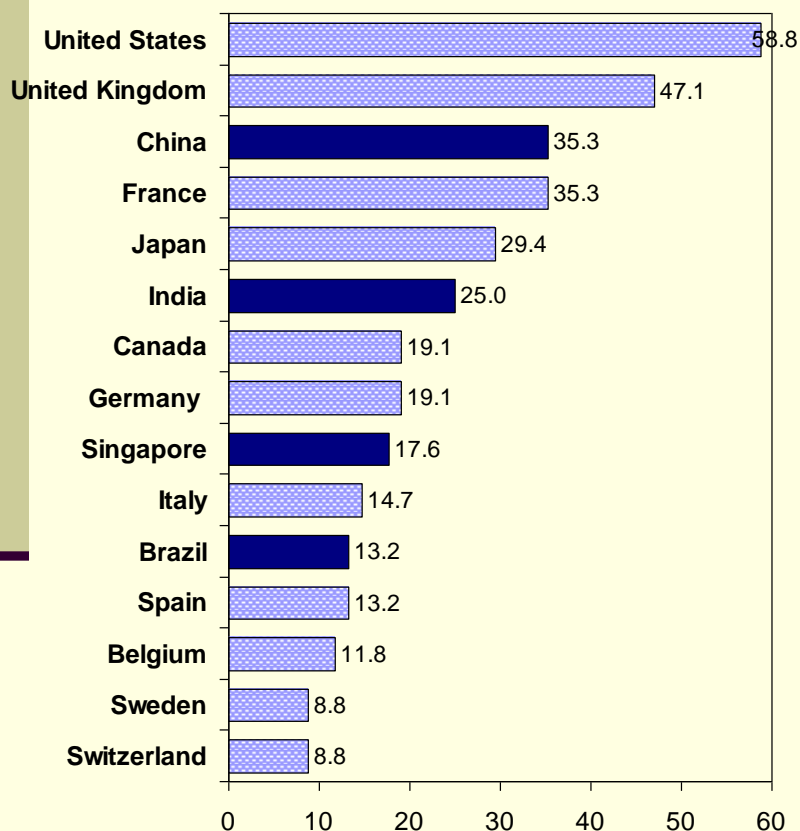
TNCs are key players in global R&D

R&D expenditure by TNCs and economies, 2002, USD billions

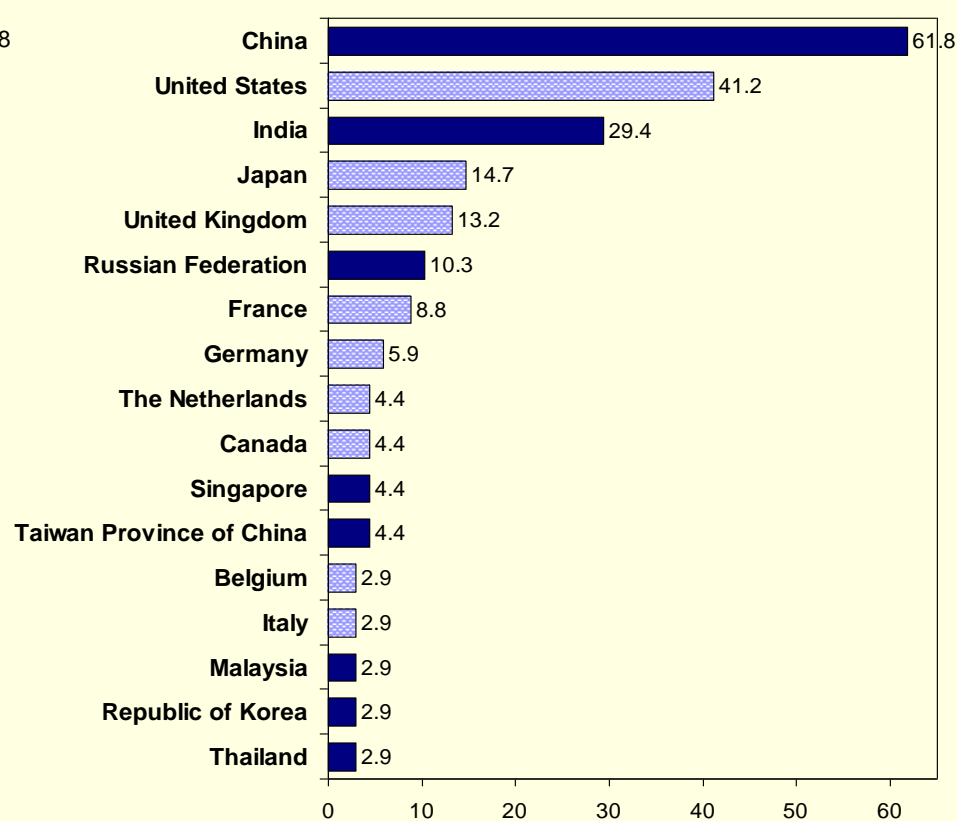


Most attractive foreign locations of R&D in UNCTAD survey of top R&D spenders

Current foreign locations of R&D, 2004-2005



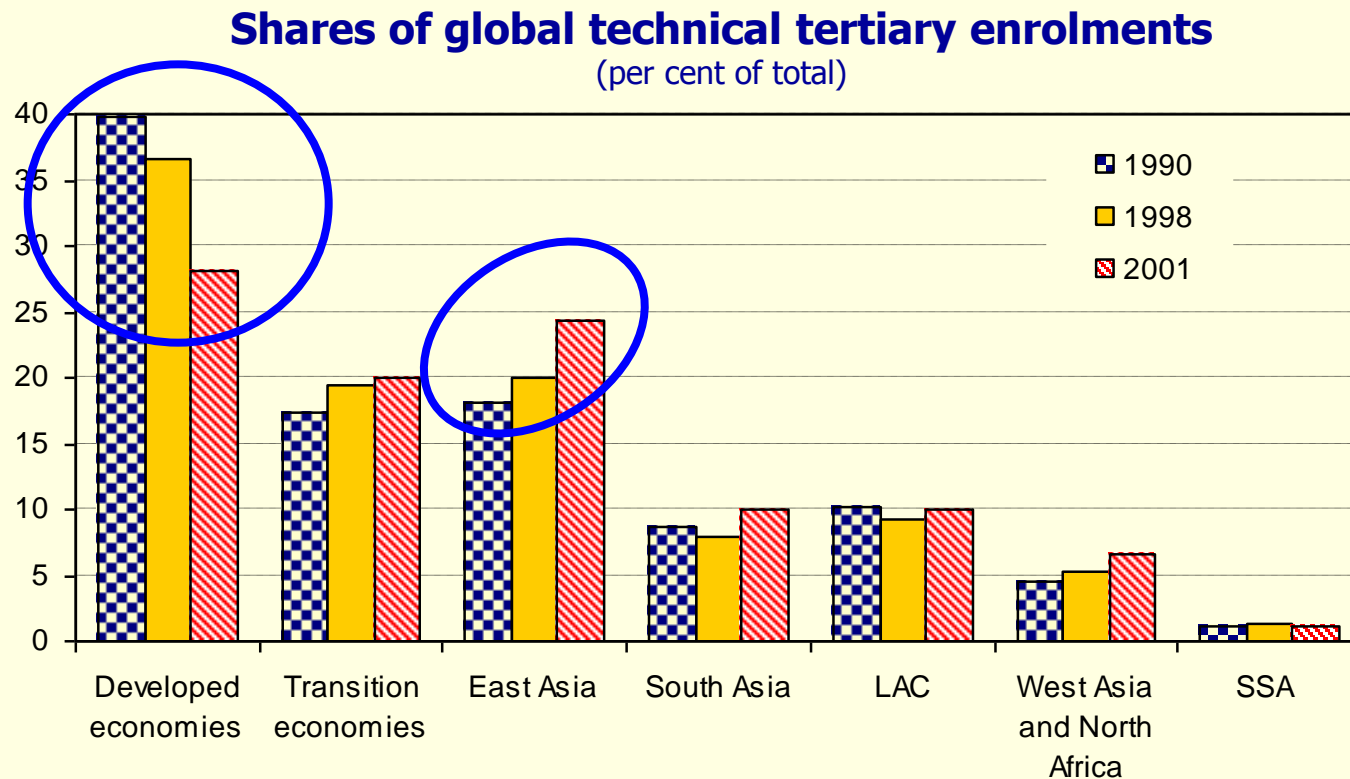
Prospective foreign locations of R&D, 2005-2009



Source: UNCTAD survey of top R&D spenders, World Investment Report 2005.

New sources of talent emerging

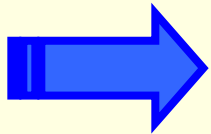
- ◆ In 2000/01, developing countries accounted for 62% of global tertiary enrolments overall, and for 52% in technical subjects.
- ◆ Fast growth in China.



Source: World Investment Report 2005

R&D internationalization offers potential gains for all concerned

- ◆ For **China**: not only transfer of technology – *transfer of the innovation process itself*
- ◆ For **developed countries**:
 - ◆ Way to alleviate skills shortages
 - ◆ New opportunities for collaboration
 - ◆ New competition
- ◆ For **world as a whole**:
 - ◆ Larger pool of scientists and engineers
 - ◆ Allows companies to do more R&D
 - ◆ Some R&D that would otherwise not have been undertaken is now possible



All countries need to pay more attention to strengthening their national innovation systems