ESSAYS ON FOREIGN DIRECT INVESTMENT IN CHINA

LIN MI

DOCTOR OF PHILOSOPHY
CITY UNIVERSITY OF HONG KONG
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by

Lin Mi
林謐

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ABSTRACT

This thesis consists of one introduction and four chapters. Introduction illustrates the motivation and main contents of this thesis. The first three chapters are empirical works on FDI in China. The first chapter presents empirical findings on the determinants of FDI sectoral allocation in China’s manufacturing industry. Chapter two examines whether there are spillovers from MNCs to domestic private firms within industry (intra-industry spillovers) or across industry (inter-industry spillovers). Chapter three investigates FDI spatial technology diffusion at the county level of China. The last chapter, which can be deemed as a technical appendix, summarizes the econometric tools and issues that are involved in this thesis.
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**Acronym Page**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CEINET database</td>
<td>China Economic Information Network (CEInet) database</td>
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<tr>
<td>CIE</td>
<td>Chinese Industrial Enterprises database</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>FIEs</td>
<td>Foreign-Invested Enterprises</td>
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<tr>
<td>HMT</td>
<td>Foreign Firms from Hong Kong, Macao or Taiwan</td>
</tr>
<tr>
<td>HS</td>
<td>Harmonized System for Trade Classification</td>
</tr>
<tr>
<td>MNCs</td>
<td>Multinational Corporations</td>
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<tr>
<td>Non-HMT</td>
<td>Foreign Firms that are not from Hong Kong, Macao or Taiwan</td>
</tr>
<tr>
<td>OLI</td>
<td>Ownership Advantages, Location Advantages, and Internalization Advantages</td>
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<tr>
<td>R&amp;D</td>
<td>Research and Design</td>
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<tr>
<td>SITC Rev.3</td>
<td>Standard International Trade Classification, Rev.3</td>
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<tr>
<td>TFP</td>
<td>Total Factor Productivity</td>
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