

United Nations Conference on Trade and Development

World Investment Report 2002
Transnational Corporations
and
Export Competitiveness



United Nations
New York and Geneva, 2002

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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.

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UNITED NATIONS PUBLICATION
Sales No. E.02.II.D.4
ISBN 92-1-112551-0

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PREFACE

In today's globalizing world economy, no country can sustain growth or achieve development without active participation in world trade. All countries need exports to help them raise standards of living and escape poverty. For developing countries in particular, the challenge is not only to expand and diversify their exports, but also to make them more competitive.

Transnational corporations (TNCs) are increasingly involved in this process, providing additional resources and technology and facilitating access to new markets. But in order to take full advantage of their partnerships with TNCs, governments must do their utmost to mobilize their own countries' resources and capabilities. Investments in education and health pay enormous dividends in building productive labour forces. Investments in science and technology — and in particular information and communications technologies — are essential if countries are to keep pace with an increasingly knowledge-based economy. These are areas where far-sighted government policies can make the difference between integration and marginalization.

This year's *World Investment Report* examines the role of TNCs in making the exports of developing and transition countries more competitive. It highlights the strategies used by TNCs in their international production networks. And it aims to help countries — especially the least developed countries — adopt sound policies, attract foreign investment and make their exports, as they surely should be, a key part of their strategy to achieve Millennium Development Goals. I hope this report reaches a wide readership and strengthens global partnerships for development.



Kofi A. Annan
Secretary-General of the United Nations

New York, July 2002

ACKNOWLEDGEMENTS

The *World Investment Report 2002 (WIR02)* was prepared - under the overall direction of Karl P. Sauvant - by a team led by Anh-Nga Tran-Nguyen and comprising Victoria Aranda, Americo Beviglia Zampetti, Kumi Endo, Torbjörn Fredriksson, Masataka Fujita, Kálmán Kalotay, Gabriele Köhler, Padma Mallampally, Michael Mortimore, Abraham Negash, Ludger Odenthal, Miguel Pérez Ludeña, Katja Weigl and James Xiaoning Zhan. Specific inputs were prepared by Sung Soo Eun, Peter Froehler, Jörg Weber and Zbigniew Zimny.

Principal research assistance was provided by Mohamed Chiraz Baly, Bradley Boicourt, John Bolmer, Lizanne Martinez and Tadelles Taye. Four interns assisted with the *WIR02* at various stages: Fatma Ben Fadhl, David Fischer, Stijn Mentrop and Pauline Rauwerda. The production of the *WIR02* was carried out by Christopher Corbet, Monica Adjivon-Conteh, Christiane Defrancisco, Lynda Piscopo, Chantal Rakotonrainibe and Esther Valdivia-Fyfe. Graphics were done by Diego Oyarzun-Reyes. *WIR02* was desktop published by Teresita Sabico. The *Report* was edited by Vishwas Govitrikar and Praveen Bhalla.

Sanjaya Lall was principal consultant and adviser.

Experts from within and outside the United Nations provided inputs for *WIR02*. Major inputs were received from Greg Felker, Don Lecraw, Henry Loewendahl and Alvin G. Wint. Inputs were also received from John O.B. Akara, Katalin Antalóczy, Octavio de Barros, Daniel Chudnovsky, Mark Curtis, Andrea Éltető, Carlos García Fernández, Andrea Goldstein, Masayo Ishikawa, Danuta Jablonska, Soon-Hyung Kwon, Antônio Corrêa de Lacerda, Andrés López, Marjan Svetlicic, Friedrich von Kirchbach, Hoyuan Xing and Yuan Ziwei.

A number of experts were consulted on various chapters. The report has also benefited from inputs provided by participants in two regional seminars organized jointly with the Center on Transnational Studies of Nankai University (in December 2001, Tianjin, China) and the United Nations Economic Commission for Latin America and the Caribbean (in January 2002, Santiago de Chile). The UNCTAD FDI Indices were discussed at an ad-hoc expert meeting in November 2001. The special topic was discussed at a Global Seminar in Geneva in June 2002 in cooperation with the Development Policy Forum of the German Foundation for International Development.

Comments and feedback were received during various stages of preparation from Yilmaz Akyuz, Armenia C. Ballesteros, Nazha Benabbes Taarji, Douglas van der Berghe, Karl Brenke, Rudolf Buitelaar, Graciana del Castillo, Marquise David, José Durán, Persephone Economou, Enrique Egloff, Magnus Ericsson, David Frans, Klaus Friedrich, Anabel González, Charles Gore, Khalil Hamdani, Susan Hayter, Yao-Su Hu, Grazia Ietto-Gillies, Yuthasak Kanasawat, Guy Karsenty, Faizullah Khilji, Kee Beom Kim, Jesse Kreier, Nagesh Kumar, Sam Laird, Robert Lipsey, Raymond J. Mataloni, Andrew Mc Dowell, Mina Mashayekhi, John A. Mathews, Joseph Mathews, Joerg Mayer, Helge Müller, Rajah Rasiah, Christoph von Rohr, Frieder Roessler, René Samek, Valdas Samonis, Magdolna Sass, Leo Sleuwaegen, Christiane Stepanek-Allen, Shigeki Tejima, Taffere Tesfachew, Rob van Tulder and Janina Witkowska.

Numerous officials of central banks, statistical offices, investment promotion agencies and other government offices, and officials of international organizations and non-governmental organizations, as well as executives of a number of companies, also contributed to *WIR02*, especially through the provision of data and other information. Most particularly, the Malaysian Industrial Development Authority, the Ministry of Foreign Trade and Economic Cooperation of China, the Philippines Economic Zone Authority and the Board of Investment of Thailand provided information on policies.

The *Report* benefited from overall advice from John H. Dunning, Senior Economic Advisor.

The financial support of the Governments of Germany, Norway and Sweden is gratefully acknowledged.