

## Master's Thesis Abstract

Student ID Number: 22GH304

Name:

The Graduate School of Humanities and Social Sciences  
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CHEN TINGTING

Title

The impact of foreign direct investment on the competitiveness of high-tech industries in China.

Globalization of the economy has rapidly progressed since the 20th century, and the increased Foreign Direct Investment (FDI) stands as one of its significant hallmarks. Since the onset of China's reform and opening-up policy in 1978, the country has strategically positioned the introduction of foreign capital as a national strategy. It has implemented various preferential policies to encourage the direct investment of foreign enterprises, leading to expanded entry of foreign capital, particularly within the high-tech industries. In the era of the knowledge economy, science, technology, information, and human resources are indispensable for societal development, and the high-tech sector embodies the innovation that supports the economy. High-tech companies hold substantial potential in terms of international competitiveness.

The high-tech industry, rooted in knowledge and driving product creation through technological development, ventures into domestic and international markets. This field, rich in accumulated knowledge and specialized technology, has garnered attention as a novel industry amid recent technological revolutions. The development of the high-tech industry plays a vital role across various aspects such as research, daily life, education, and economic growth. Specialized knowledge contributes to the creation of new products, consequently generating substantial revenue. Since the 1950s, China has established numerous high-tech industry development zones, yielding remarkable achievements and gaining global attention.

This paper focuses on the impact of Foreign Direct Investment (FDI) in China on the competitiveness of the high-tech industries. Although the research findings do not reveal a discernible correlation between FDI and the high-tech sector, it does highlight the impact of Research and Development (R&D) investments on Total Factor Productivity (TFP). Chapter 2 provides a comprehensive examination of prior research concerning the fluctuating factors influencing international FDI and its economic impacts. It contrasts the effects of FDI across various industries globally and within China, emphasizing the distinctiveness of this study. In Chapter 3, detailed explanations are provided about the dataset and collection methods employed in this research, offering insights into data reliability and characteristics. Chapter 4 intricately describes the research model and analytical methodologies utilized, aiding a profound understanding of the study's theoretical framework and investigative approach to enrich result interpretation. Chapter 5 synthesizes the results of regression analyses, conveying key research findings and exploring their significance through detailed discussions on variable impacts and interrelationships. Ultimately, Chapter 6 consolidates the research, discusses its limitations, identifies potential areas for improvement, suggests future research directions, addresses unresolved issues, and highlights implications. This paper aims to analyze the influence of FDI on China's high-tech industries and provide insights into China's economic growth and enhanced competitiveness.