

The changing face of FDI: determinants and motivations of Chinese outward foreign direct investment into the United States

Andy Anderson

Durham University

Chinese FDI into the U.S. has been increasing at an exponential rate over the last several years and there is not any indication it will dissipate anytime soon. Even the U.S. Department of Commerce's Economics and Statistics Administration put out a report in June 2011 which singled out China as a potential source of future inward FDI in two of four proposed avenues to pursue. In response to building interest in this area, this study attempts to explore the investment motivations and determinants of the location choice of Chinese multinationals in the U.S. in the period of 2003-2011. The primary goal of this research is to provide new empirical evidence for the theoretical debate on the benefits of internationalization of emerging market firms, as well as identifying some characteristics which are unique to China for drawing managerial and policy implications. The results of this study show the extent to which Chinese FDI in the U.S. conforms to Chinese outward FDI norms, U.S. inward FDI norms, or a combination between the two which may be unique to developing countries, such as China.

The author of this paper is a doctoral student at Durham University under the supervision of Dr Lutao Ning. Please, also note that this paper is to be submitted for consideration in the PhD colloquium.