Geographical Changes in Foreign Direct Investment and Impacts on Regional Economic Integration in China: The Case Study of the Pan-PRD Regionalization

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Abstract

More and more developing countries have become involved in the production processes of MNCs, although normally at the low end of a value-added chain. Subsequently, countries with the comparative advantage of low production costs have become the leading recipients of FDI and their economic growth has been significantly driven by it. This paper attempts to investigate how a spatial change of FDI has impacted on recent regional economic groupings in China, taking the Pan-Pearl River Delta regionalization as a case study.

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