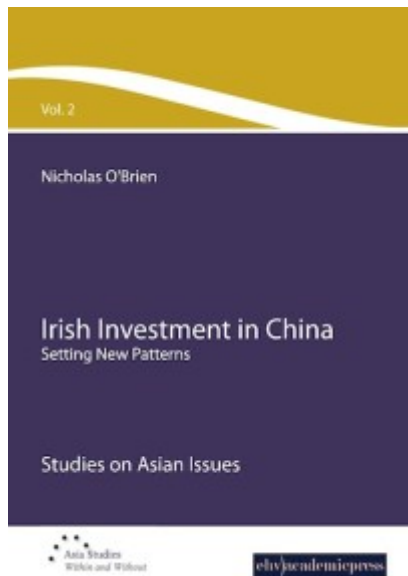


# Irish Investment In China. Setting New Patterns ~ Contents, List Of Abbreviations & Glossary Of Terms



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Consideration of Irish investment in China will be located within the context of investment theory. Accordingly, *chapter two* examines the seminal literature on foreign direct investment and sets out an appropriate model of investment theory within which this research shall be considered. The limited literature on Irish outward FDI is also considered, with specific emphasis on Barry et al's model on Irish outward FDI.

*Chapter three* outlines the results of this research and emerging themes are identified. This allows conclusions to be drawn as to whether Barry et al's model holds in the case of Irish FDI into China. It should be stressed that this is not in any manner a judgement on Barry et al's model. Rather, it is a reflection on the nature of China as an emerging economy and the unique political economy which it enjoys.

*Chapter four* draws on the research to explore the opportunities and challenges which China represents. The principal locational advantages and disadvantages which China poses are set out. It is argued that the major potential which China represents for Irish investors lies in market opportunity rather than in low labour costs, an opinion which is supported by the relevant literature on FDI in China. The principal locational disadvantages are identified as existing in the regulatory,

cultural and legal environments. This allows conclusions to be drawn on our sub-hypothesis, namely the challenges which China poses for investors.

*Chapter five* explores the nature of Irish FDI into China. The non-application of Barry et al's model to China is discussed together with our prescriptive research question, namely the desirability of state involvement in outward FDI. This chapter also seeks to explain why Irish FDI into China is different from that in the traditional destinations for outward FDI.

*The concluding chapter* draws on previous chapters to identify conclusions which can be drawn. Key findings are highlighted and potential areas for further research suggested.

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*List of Abbreviations*

China - This term is used to refer to the People's Republic of China

CSO - Central Statistics Office, Ireland  
EJV - Equity Joint Venture  
EJVL - Equity Joint Venture Law  
EU - European Union  
FDI - Foreign Direct Investment  
HFDI - Horizontal Foreign Direct Investment  
IFC - International Finance Corporation  
IMF - International Monetary Fund  
IPR - Intellectual Property Right  
M&A - Merger and Acquisition  
MNC - Multinational Corporation  
MNE - Multinational Enterprise  
NBER - National Bureau of Economic Research  
OECD - Organisation for Economic Co-operation and Development  
OLI - Dunning's Eclectic Paradigm model: Ownership advantage, Location advantage and Internalisation advantage  
SEZ - Special Economic Zone  
UNCTAD - United Nations Conference on Trade and Development  
US - United States of America  
VFDI - Vertical Foreign Direct Investment  
WFOE - Wholly Foreign Owned Enterprise  
WFOEL - Wholly Foreign Owned Enterprise Licence  
WTO - World Trade Organisation

### *Glossary of terms*

Foreign Direct Investment (FDI) - the value of financial flows from 'home' countries to foreign affiliates in 'host' countries, in which a direct investor has a controlling interest.

Host economy - the country that receives FDI from the foreign investor.

Home economy - the country of origin of the investment.

Inward Direct investment - refers to direct investment by foreign investors in the host economy.

Multinational Enterprise - incorporated or unincorporated enterprise comprising parent enterprise and its foreign affiliate(s).

Outward Direct Investment - direct investment by investors from the home economy Pearl River Delta - Hong Kong and its surrounding hinterland.

Subsidiary - an incorporated enterprise in the host country in which the foreign

investor owns at least 50 per cent of the shares or has the right to remove a majority of the board.

Yangtze River Delta - Shanghai and its surrounding hinterland.