

Why not moving up while moving out?

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Abstract. This paper empirically assessed the relationship between R&D offshoring and foreign direct investment. Base on the fact that offshoring R&D activities are rapidly increasing in multinationals, studies about the interaction between R&D and investment locations becomes a growing subject in the economics literature. By employing the surveys of 800 Taiwanese multinationals in 2007, 2008 and 2009, this study found that the suspected dynamic relationship between R&D offshoring and foreign direct investment exist among Taiwanese multinational firms. Even cost-oriented multinationals consider their future R&D strategies when they were invested abroad.

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