

## From low-skill to high-value added process: Foreign Investment And High-Tech Zones In Shenzhen

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The special economic zones (SEZs) and open areas in China have led its opening up, making China the largest foreign investment destination since 2002. Global capital and multinational corporations (MNCs) have found their homes in China, especially along the coastal region where the open cities and special economic zones are located. However, there is limited transfer of technology from MNCs home countries and 'made-in-China' products are mainly labour-intensive. The introduction of hi-tech zones in many Chinese cities represents an attempt to overcome these obstacles and to draw on both technology transfer and indigenous technology development in a more effective way. Using Shenzhen city as an example, this paper discuss the following three issues: 1) How has a Chinese FDI host city attracted hi-tech firms in its hi-tech zones? 2) Why was it possible for Shenzhen to be picky – selectively attracts those FDI it wants and discourages or even bans *sanlai yibu* within its SEZ? 3) What are the spatial patterns of these hi-tech firms. This paper concludes that Shenzhen has managed to create a strategy to maximise its ability to benefit from economic globalisation. The case study demonstrates an importance of a strong city state of managing growth and reacting decisively to the globalisation.