

Another excellent reason for pursuing an investment strategy abroad is to gain access to new technologies. The companies of Asia-Pacific know that the best way of getting technology is to offer technology in return, and this is something they are well equipped to do. All of the countries featured in this book have recognized the importance of technology and have invested in it. In this, they have followed the lead of Japan which was the first country in the region to climb the technology ladder, moving from low-cost production into knowledge-intensive industries. Today, Japan is characterized by the innovative application of existing technologies coupled with an ambitious focus on basic research. In just two years, between 1986 and 1988, Japan's total public and private sector investment in R&D increased by almost a third, from approximately \$97.3 billion to \$115.6 billion.

Following Japan's example, Korea, Taiwan, Singapore and Hong Kong have also made their way up the technology ladder. They have mastered light manufacturing and are beginning to move into more advanced industrial technologies. They also want to free themselves from undue dependence on Japanese technology. For example, between 1986 and 1988, Korea's investment in R&D increased by 23%.

Because they recognize how important technology is, Asia-Pacific companies are looking to overseas investments to supplement their domestic technologies. They are seeking access to new ideas, new technologies, and new products to enhance their own capabilities. Many Pacific Rim corporations invest in North America precisely for this reason. Even the traditionally resource-based Australian economy is on the lookout for new technology. Like Canadians, Australians are attempting to refocus their economic activities on more value-added and knowledge-intensive sectors and there is much that can be done together to move both economies in that direction.

The countries of Asia-Pacific all have several similar reasons for pursuing overseas investment – a wariness of undue dependence on export markets, the domination of investment over trade, a need to cushion the impact of rapid export-led growth and, the search for technology. But they also have highly specific motives that vary from country to country. For example, investors from Hong Kong want a secure haven for their capital. Those from Korea, Taiwan, and Japan are keenly interested in accessing raw materials. Australia is especially interested in complementary technologies. These diverse motives must be understood by any company looking for a potential investment partner.

This booklet is designed to give you a sense of the context and the motivations underlying international investment from the six most dynamic economies in Asia-Pacific. It is intended to point you in the right direction as you begin the search for an investor with compatible objectives. It will also help you position your own offering in such a way as to maximize your chances of success with that investor. It is, however, only a beginning. There is a lot more hard work that you will have to do yourself if you want companies from Asia-Pacific to invest in your business.