

Production transfer from China in the supply chain: A study from an innovation perspective (Summary)

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Since the US-China conflict in 2018, Japanese companies have accelerated their actions to disperse the risk of supply chain disruption by returning production from China or relocating production to Southeast Asia. In that context, the industrial fundamentals and innovation capacity of the country to which production is being transferred also need to be considered. This paper takes the Asian countries with the largest number of Japanese company subsidiaries as an example to compare their innovation capabilities from numerical indicators. The analysis reveals that Southeast Asia is an important manufacturing region, but local enterprises have weak innovation capabilities and low administrative efficiency. In order to improve innovation capacity, government financial input and policy support are indispensable.

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