



# Research Postgraduate Student Oral Presentation

PhD Candidate : Mr. Chan Yuen Tung (Geography)  
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Time : 3:30 p.m.  
Venue : The presentation will be conducted via Zoom.  
<https://hkbu.zoom.us/j/97749485663>



## **Production Relocation to Southeast Asia: Electronics Transnational Corporations in Vietnam**

### Abstract

After the turn of the new millennium, the role of the so-called ‘world factory’ – China has been transformed. Due to the changing dynamics at local, national, and global levels, production relocations of the labor-intensive industries from coastal China to the developing countries nearby, such as Vietnam, have been increasingly witnessed. Yet, little attention hitherto has been focused to see how the manufacturing firms have been relocated out of China and reorganized their production networks.

Since the last decades, the global production network (GPN) approach in the economic geography has been widely applied to study the spatially dispersed production activities. Notably, the newly developed ‘GPN 2.0’ theory has offered a framework to systemically explore the ways transnational corporations (TNCs) have interacted with various firms and non-firm actors to orchestrate their production networks. Hence, by drawing primarily upon the notions from the GPN 2.0 theory, particularly the firm-specific strategies, as well as the ideas from the international business (IB) studies, such as the institutional perspective, and taking the consumer electronics industry as a case, this thesis comprehensively looks into the current production relocation from China to Vietnam, and the restructuring of the electronics production networks, particularly in Asia, since the late 2000s.

Based on extensive field investigation, especially in-depth interviews in both host and home regions since December 2017, the current study examines, firstly, a broader picture of the restructuring of the global and Asian electronics production networks and the participation of Vietnam into the networks; secondly and more specifically, how firms from different origins, including the relatively established TNCs from Asian newly industrialized economies (NIEs) and the emerging TNCs (ETNCs) from the developing economies, i.e. China, have spatially and organizationally reconfigured their cross-border production networks in Vietnam.

This thesis points out that the restructuring of Asian electronics production networks is not only a sequential production relocation solely led by the TNCs from Japan and the NIEs simply for lowering the production cost, but it is also driven by the ETNCs from China due to various endogenous and exogenous factors. Changing roles of the developing countries, such as Vietnam as an assembly hub and an emerging market and China as an intermediary’s exporter, in the restructuring process have been witnessed. I also argue that due to different closeness of the firm-state relationships, the extra-firm bargaining between the TNCs and multi-scalar host institutions have resulted differently in the relocation and the strategic coupling outcomes. As for the ETNCs originated from China, this study illustrates that the inherent home institutional and cultural legacies embedded in these firms have significantly impacted the spatial and organizational configurations of their production networks in Vietnam.

In a nutshell, this study empirically updates the understanding of the restructuring and gradual regionalization of the electronics production networks in Asia, particularly in developing Southeast Asia. It is particularly insightful in the current era of the rising ‘Global South’ in terms of both economic and political power. More importantly, this thesis contributes the literature by enriching the GPN 2.0 through incorporating the actors, which have been largely ignored in previous studies, from the emerging economies, particularly the ETNCs and their home imprints, as well as the multi-scalar institutions and their interactions with different levels of GPN firms, and by incorporating the ideas from the IB studies to better conceptualize the notion of the strategic coupling process.

**KEYWORDS:** cross-border production relocation, global and regional production network, reconfiguration, consumer electronics industry, China, Vietnam