

Comments on “China’s High-tech Industry in the
International Division of Labor and Its Industrial
Upgrading Strategies: A Case Study of the IC
Industry”

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Strengths

- Important issue for firm strategy, national policy
- Theoretical relevance: strategy, innovation studies, technology and development, public policy
- Good data on international and Chinese IC sectors
- Clear structure, easy to follow

Suggestions: theory

- May need richer theory for journal submission
 - Discuss upgrading process in light of theory, e.g. diffusion of innovation, tech transfer, organizational learning
 - p.3. Expectations of upgrading based on theory. Be more specific linking concepts to articles.
- Explain concepts in table 1, e.g. encoded or tacit knowledge. Refer to literature.

Data sources and methods

- Need complete citations for sources for data and background facts in text, e.g.,
 - p. 3. history of international transfer
 - p. 14. case studies
 - P. 16. SMIC history
- Explain methodology. Did you do interviews? If so, with whom?

Other suggestions

- Look more closely at the IC value chain in terms of why some countries or firms dominate each stage and how others have been able to enter and upgrade.
- Distinguish upgrade paths of IDMs like Samsung vs specialists like Qualcomm, TSMC or Amkor. Which path is more viable for China?
- Consider knowledge transfer mechanisms such as licensing, JVs, tapping foreign expertise (Japanese engineers traveling to Korea).

Questions

- How much of China's total IC output is from MNCs, Taiwanese co's, domestic firms?
- IC design: "600 fabless firms with a certain scale." What is the scale?
- What impacts do U.S. export restrictions have on knowledge transfer and upgrading
- What is the size and impact of China govt. support for the IC industry? Is there an agency with task of developing and transferring technology to domestic firms?

Conclusions

- Why does China need a comprehensive industry? Why not specialize?
- Explain why the factors identified are important (e.g., indigenous firms, returnees, govt support).
- Link these factors back to the literature