

- In the 1960s, the then-dominant US television industry gave the technology to build picture tubes to low-cost Asian suppliers. Some time later, Asian companies began making entire TV sets and the US industry nearly went out of business.
- In an interview, Hisashi Sakamaki, who at the time oversaw all Canon's (the Japanese photo and printer giant) operations, recalled the important lessons learned from US companies' mistakes as described by the MIT Commission on Industrial Productivity.<sup>8</sup> He said: 'The key for us has been to figure out how to benefit from production overseas without losing our capacity to develop production at home. Most American firms rushed abroad and lost that knowledge.'<sup>9</sup>
- As described earlier, Boeing's outsourcing of some 90 per cent by value of the 787 provides a more recent example, with Airbus following suit in producing the A350. Critics of Boeing's decision argue that the company is giving away intellectual property in return for capital. In that way, it is helping suppliers in China and Japan to develop technology that they will use to make their own aircraft. Since the 1980s, Boeing has let Japanese suppliers get close to fuselage design practices on wide body jets. Boeing has long advocated partnerships as a way of controlling the Japanese but there is growing concern that such practices will help to stimulate an Asian aircraft industry. And, given Japanese engineering prowess in other sectors, aerospace is a ready-made extension of their current expertise.
- IBM essentially created the PC industry, but by 2008 the company's nameplate will no longer be seen on PCs as IBM leaves this sector except for its recently formed joint venture with Lenovo. Formed in 1984 as a distributor of IBM's and other companies' equipment in China, Lenovo now makes its own PCs and is the fourth largest PC manufacturer in the world. The same story is repeated with Sanmina-SCI who makes IBM's PCs and in 2005/6 acquired some of IBM's own factories. Originally distributors of well-known brand names, Lenovo and Sanmina moved into assembly and now design and engineer custom electronic products.