

**LEO GUZMAN-ANAYA**  
UNIVERSITY OF GUADALAJARA, Mexico

## **JAPANESE KNOWLEDGE TRANSFER VIA TRAINING IN MEXICO'S AUTOMOTIVE INDUSTRY.**

### **Abstract:**

The automotive industry has been considered a source for development because of its impact on employment, knowledge transfer capabilities and backward and forward linkages with other industries. However, only a handful of developing countries have achieved an internationally competitive automotive industry. This might be attributable to the industry requiring not only skilled labor but also a strong supporting industry able to provide from 20,000 to 30,000 parts and components. In an ideal setting, supplier firms and assembly plants work interconnected creating positive externalities to each other, but for developing countries, it has been shown that this is difficult to achieve. The case of Mexico stands out as a country that has successfully attracted major automotive assemblers but has not been able to develop a solid supplier base. Despite the increasing presence of Japanese firms in Mexico, local firms have not been able to enter automotive chains primarily due to the inability to meet technological and quality requirements. This study analyzes specific cases of knowledge transfer to local firms under a training project from the Japan International Cooperation Agency (JICA). The results show improvements in quality and productivity measurements of participating firms. The knowledge acquired through training was internalized and diffused within the firm allowing for industry-specific certifications, market growth, and market diversification.

### **Keywords:**

Knowledge Transfer, Training Programs, Automotive Industry

**JEL Classification:** M53, L62, O19