

Emerging multinationals: Outward FDI from the BRICS countries



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Author

Gammeltoft, Peter

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Abstract

South Korean and Taiwanese brands have long been household names. Today, however, the names of transnational companies (TNCs) from an increasingly diverse set of emerging and developing economies are regularly making if not the dinner table conversation then at least the headlines of the international business press. This reflects that companies such as Mittal and Tata (India), China National Offshore Oil Corporation (CNOOC), Haier and Lenovo (PRC), Embraer (Brazil), SAPMiller (South Africa), and Cemex (Mexico) are foraying ever deeper into the international economy and increasingly investing abroad. This paper takes stock of the mounting trend of outward FDI from emerging economies, with special focus on a group of five countries, which are becoming increasingly economically and politically influential, viz. the 'BRICS' countries. An 'S' is appended here to the conventional acronym of 'BRIC' (Brazil, Russia, India, China) to include the largest economy on the African continent, South Africa. The five BRICS countries produced some USD25 billion of outward FDI flows in 2004, corresponding to some 3 percent of world FDI flows and well over half (61 percent) of total developing country outflows. OFDI from the BRICS countries has grown rapidly over the last few years, while still remaining modest compared to many developed countries. Following a brief discussion of FDI and emerging economies in general the article proceeds to hypothesise that the increase we currently observe in outward investment from emerging and developing economies may constitute a third 'wave' of OFDI, distinct from the two previous waves depicted in the literature, and outlines the contours of such a wave. An empirical analysis OFDI from the BRICS countries follows, conducted at three levels: global (what is the extent, directions, etc. of outward FDI); sectoral (in which sectors is outward FDI significant); and firm level, identifying a small number of particularly interesting TNCs from emerging and developing economies.

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Comparing strategies of Brazilian, Russian, Indian and Chinese multinational companies. Abstract. Wladimir Andreff1. Keywords: foreign direct investment, multinational companies, emerging countries, BRICs, comparative economic studies. Outward foreign direct investment (OFDI) from post-communist and fast-growing developing (emerging) countries started to increasingly draw attention in the early 2000s2. Table 3 – BRICs outward FDI stock during the global economic crisis: rate of growth. 2007/ 2008/ 2009/ 2010/ 2011/ 2012/ 2013/ 2000 2007 2008 2009 2010 2011 2012. Brazil Russia.