

Do We Need a New Theory to Explain Emerging Market Multinationals?

by

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Figure 1. Friedman's Three Types of Globalization

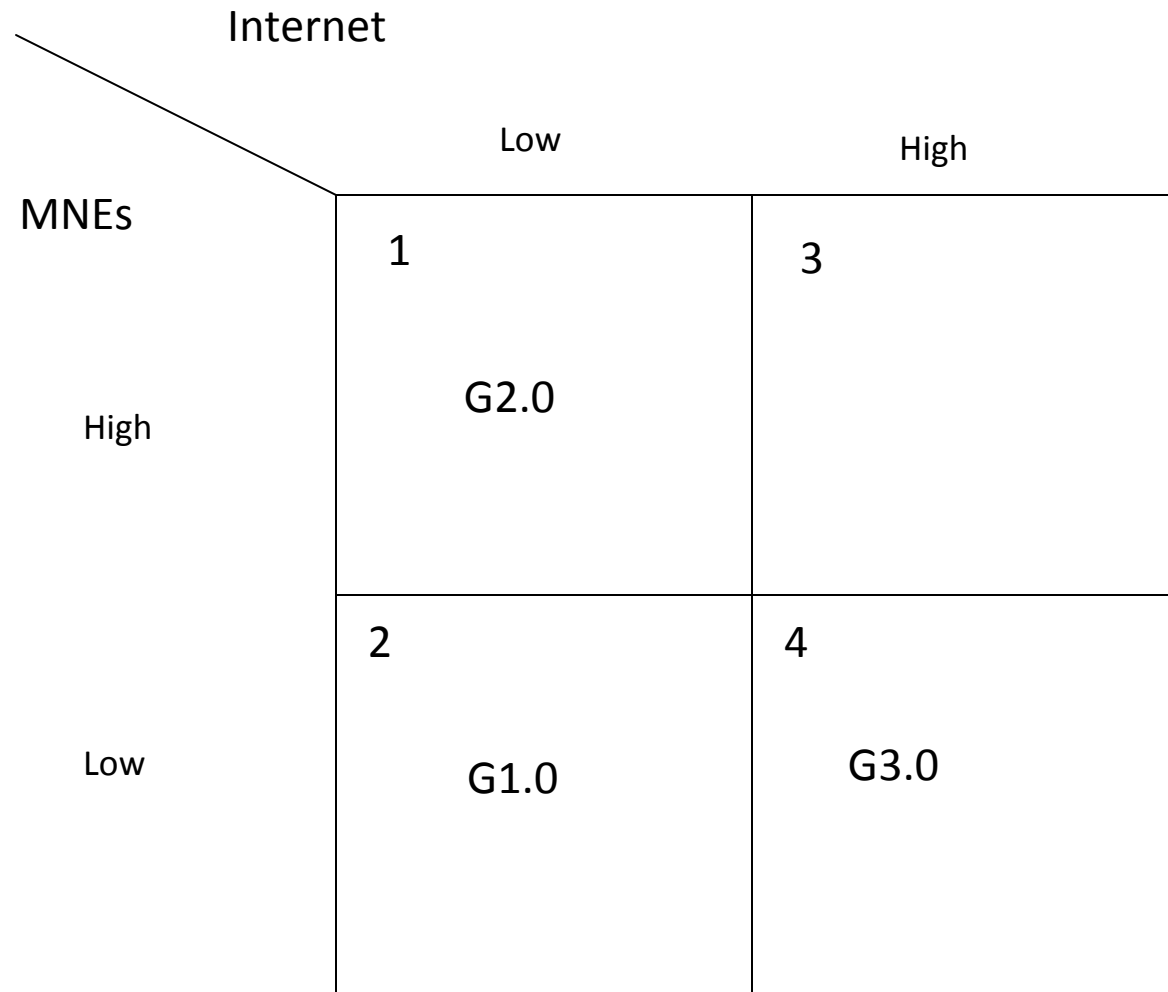


Figure 2. The FSA/CSA Matrix

		Firm Specific Advantages	
		Weak	Strong
Country Specific Advantages	Strong	1	3
	Weak	2	4

Adapted from Rugman (1981, 2006)

Figure 3. Globalization and Nationalism

(Lexus)

(Olive Tree)

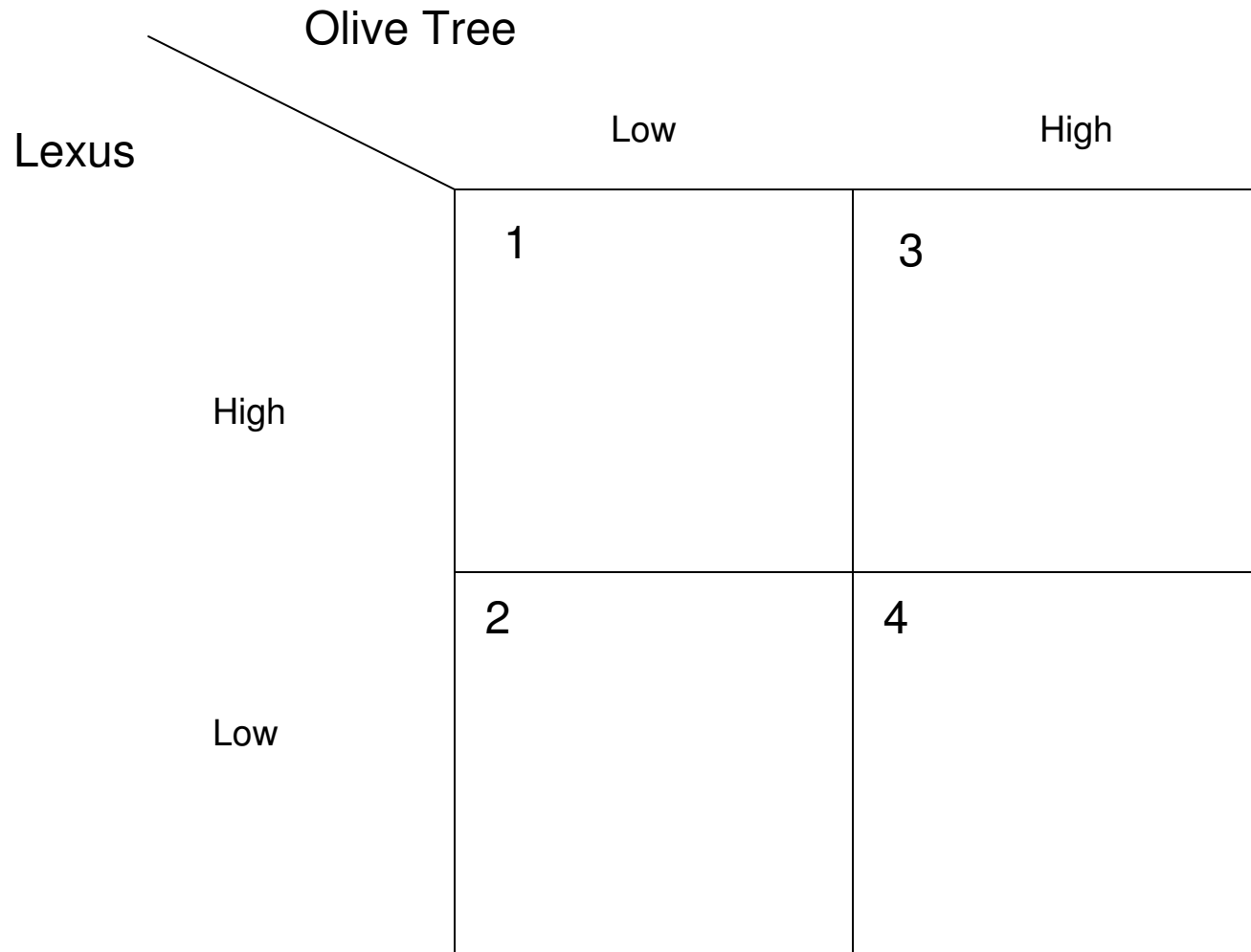


Table 1. Sales of Multinational Enterprises in North America

Company Name	Number of MNEs	Revenue in bn US\$	North America % of total	Europe % of total	Asia-Pacific % of total
Total 500 MNEs	348	44.4	42.6	35.1	26.3
North American MNEs	154	44.1	75.1	15.6	7.5
European and Asian MNEs	194	44.8	17.0	47.2	37.8
European	127	48.2	19.6	64.3	9.8
Asian	67	38.4	12.1	9.6	75.9

Source: Authors' calculation based on Rugman (2005) *The Regional Multinationals: MNEs and Global Strategic Management*.
 Note. The values are calculated only when a MNE reports its regional sales in North America.
 Data are for 2006 . Due to the fact that some firms do not report regional sales of foreign region, the sum of the three regions cannot be equal to 100%.

Table 2. Companies from Emerging Markets in North America

Company	Country	Revenue in bn \$	Intra-regional Sales % of Total	N.America % of Total	Sales in N.America in bn %
Bank of China	China	30.8	98.5	0.0	0.0
China National Petroleum China	China	110.5	85.7	0.0	0.0
Telecommunication	China	24.8	100.0	0.0	0.0
Hyundai Motor	Korea	66.7	62.4	24.2	1614.5
LG Electronics	Korea	68.8	50.3	20.5	1410.7
POSCO	Korea	27.1	89.5	2.4	63.9
Samsung	Korea	16.8	81.7	7.6	127.4
Samsung Electronics	Korea	89.5	53.2	21.1	1883.8
SK Networks	Korea	16.7	90.6	0.3	5.5
Carso Global Telecom	Korea	16.1	73.4	73.4	1178.0
Lukoil	Russia	54.5	100.0	0.0	0.0
Flextronics International	Singapore	15.3	56.1	21.6	329.6

Source: Authors' calculation based on Rugman (2005).

Note: The values are calculated only when an MNE reports its regional sales in North America. Data are for 2006.

Table 3. Intra-Regional Sales and Assets of the 500 Firms

<i>Panel A. Intra-regional Sales</i>				
Year	Number of firms	Intra-regional Sales (%)		
		All industries	Manufacturing	Services
2000	437	77.17	67.30	84.20
2001	511	76.73	66.03	84.25
2002	514	76.50	65.93	84.09
2003	513	76.48	65.61	84.31
2004	526	76.14	65.30	84.05
2005	529	75.54	65.06	83.31
2006	503	74.82	64.62	82.63
Weighted Average		76.17	65.60	83.86

<i>Panel B. Intra-regional Assets</i>				
Year	Number of firms	Intra-regional Assets (%)		
		All industries	Manufacturing	Services
2000	358	78.37	70.57	84.45
2001	413	77.44	70.40	83.27
2002	427	77.73	70.48	83.82
2003	431	77.98	70.87	83.91
2004	452	78.30	70.95	84.28
2005	461	78.29	71.18	84.08
2006	435	77.99	71.07	83.83
Weighted Average		78.01	70.77	83.97

Source: Annual reports for 2000 – 2006. Sample firms are listed any year of *Fortune Global 500* during 2000-2006. Data include firms that report intra-regional sales.