

The Chinese are coming

Multinational companies from emerging economies are playing increasingly forceful roles in the global economy. An well attended international conference held at CBS in October 2008 addressed some of the related theoretical, managerial and policy challenges

EMERGING RESEARCH

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The Department of International Economics and Management (INT) hosted a very well-attended international conference on the 9th and 10th of October 2008. At the conference, the range of theoretical, managerial and policy challenges raised by multinational companies from emerging economies were debated.

In response to an open call for papers, some 90 abstracts representing a total of 135 authors from 35 countries were submitted to the conference. About half of the abstracts were accepted, and the conference was attended by about 60 participants. Two international publications with papers from the conference are now in the pipeline.

In spite of its increasing significance the contemporary rise of outward investment from emerging and developing economies (OFDI) remains insufficiently analyzed.

It will be subjected to further analysis through an ongoing project hosted by INT and externally funded by the Danish Social Science Research Council (FSE). Furthermore, in the coming months, possible future collaborative projects between CBS and prominent conference participants will be developed further.

The Indians are already here

From a mere trickle, the outflow of OFDI has grown to USD253 billion in 2007 according to the United Nations Conference on Trade and Development. Consequently there are now 78 emerging-market multinationals (EMNCs) on the Fortune Global 500 list of the world's biggest companies, up from 20 in 1995.

These companies are mostly looking for larger markets and sustained growth opportunities, but other prominent motives for investing abroad are the search for intangible assets such as brands, R&D and other capabilities and talent. A domestic example is the Indian wind turbine manufacturer, Suzlon, which has already established a



The 60-odd conference participants at the stairs to 'Asia House', built in 1898 as the head office of the East Asiatic Company (ØK). Many of them will be seeing more of each other, as the INT research project delves further into the subject matter.

significant presence in Denmark. Suzlon located its international business headquarters in Århus in 2005. A 'practice session' at the conference featured presentations from Suzlon, Tata, and 'Invest in Denmark', followed by a debate with the audience.

Few global economic phenomena will remain untouched by the unfolding financial crisis, and international financial flows are likely to drop. But at the same time

even more attention is becoming directed towards EMNCs and sovereign wealth funds as possible sources of badly needed liquidity. This also became obvious during the recent collapse of large US and European financial institutions – and is something that will be examined more closely in the collaborations to come.



Papers and presentations are available through the conference website: cbs.dk/ofdi



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