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A SURVEY OF FOREIGN DIRECT INVESTMENT IN G-15 COUNTRIES

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A salient feature of developing countries is the relative shortage of capital for modernizing agriculture, establishing industries, creating infrastructure, providing services like banking and telecommunications and, in general, meeting the financial needs for developing the economy. An important way to overcome such a 'capital constraint' is through foreign direct investment (FDI), which, while bridging the financial gap, can simultaneously bring with it new technology and management skills, and also provide a developing country inroads into regional or global markets and supply chains. Policy makers in most developing countries are usually extremely keen on raising FDI inflows and many have set up sophisticated investment promotion boards designed to attract FDI. Many have also sought to provide financial incentives to foreign companies willing to invest in their countries. Such incentives include tax breaks, relaxation of existing regulations and loans at low rates of interest.

The bulk of FDI globally takes place between industrialized nations, specifically between multinational corporations (MNCs) of the developed countries and their subsidiaries located in other developed countries. However, a significant and growing amount of FDI occurs between developed countries and developing countries. According to the World Bank, high-income economies received about 75 percent of global FDI inflows in 2007. However, between 2000 and 2007, FDI net inflows to low income economies more than doubled. [1] This increase has been partly due to increased investments in oil and other natural resources and partly to an increase in infrastructure projects in these countries. The United States, which received nearly $140 billion FDI inflows in 2009 despite the financial crisis, is the world's leading recipient of FDI. China, which received some $90 billion, leads among developing countries.

Much of the FDI inflows from the developed into the developing world occurs in the so-called 'emerging economies', a term originally coined by the International Finance Corporation to describe a fairly narrow list of middle-to-higher income economies among the developing countries, with stock markets in which foreigners could buy securities. More than half the G-15 countries are included in the category of emerging markets as defined by leading experts as well as countries included in international stock indices like the MSCI Emerging Markets Index[2].

During the past decade, a new phenomenon - South-South Foreign Direct Investment - has emerged, with many developing countries themselves becoming sources of foreign investment, instead of mere recipients. According to UNCTAD, in 1990 only six developing economies had outward foreign direct investment (OFDI) stocks of more than $ 5 billion. This number had risen to 25 countries (including several G-15 countries) by 2006. This has been facilitated by two developments: first, is the emergence of developing country MNCs capable of competing with leading firms from the developed world. Secondly, the lowering of barriers to foreign investment, both in other developing countries as well as in the industrialized world has enabled easier flow of investments globally.

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[1] World Development Indicators , 2009, The World Bank.

[2] In 2009, *The Economist* identified 27 countries as 'emerging', viz., Singapore, China, Hong Kong, S. Korea, Czech Republic, Israel, Poland, Hungary, Russia, Malaysia, India, Turkey, Chile, Mexico, Saudi Arabia, Brazil, Egypt, Argentina, Thailand, Pakistan, Peru, Indonesia, Philippines, Venezuela, South Africa and Colombia.

MNCs from developing countries are not only investing heavily overseas, but some have emerged as world leaders in their respective sectors. Recently, experts have identified a number of such firms that, they say, constitute the “new breed taking over the world”.[3] (See Table 1).

Table 1
Top 25 World Class Emerging Multinationals

	Industry	Country
America Movil	telecom	Mexico
Aracruz Celulose	paper	Brazil
Cemex	cement	Mexico
Concha y Toro	wine	Chile
CVRD (Vale)	mining	Brazil
Embraer	aircraft	Brazil
Grupo Modelo	beer	Mexico
Haier	white goods	China
HTC	electronics	Taiwan
Hon Hai	electronics	Taiwan
Hyundai Heavy Industries	shipbuilding	Korea
Hyundai Motor	automobiles	Korea
Infosys	information tech	India
Lenovo	PCs	China
MISC	shipping	Malaysia
Petrobras	oil and gas	Brazil
Posco	steel	Korea
Ranbaxy	drugs	India
Reliance	petrochemicals	India
Samsung	electronics	Korea
Sasol	oil and gas	South Africa
Grupo Televisa	media	Mexico
TSMC	semiconductors	Taiwan
Tenaris	steel	Argentina
Yue yuen	footwear	Taiwan

Source: The Emerging Markets Century, Antoine van Agmael

The above table shows that 14 out of the 25 MNCs from developing countries projected to have world-dominating potential are from G-15 countries, four each from Mexico and Brazil, three from India and one each from Malaysia, Argentina and Chile.

Given the important role that G-15 countries play, both as recipients and as sources of FDI, this paper is an attempt to identify the patterns and flows of FDI in G-15 countries in greater detail, especially with a view to informing G-15 member countries about the extent of South-South investment flows between member countries. Data on the latter is not readily available, mainly because many developing countries do not keep records on FDI outflows. The statistics available in UNCTAD (which publishes the World Investment Report annually) about South-South investment flows between individual countries is, at best, sketchy. The TSF, therefore, has had to glean out information on FDI for G-15 member countries from

[3] Antoine van Agtmael, “ The Emerging Markets Century: how a New Breed of World-Class Companies is overtaking the World.” Free Press, New York, (2007)

various data sources, including company annual reports. The paper begins with a description of inward FDI into G-15 countries and later briefly summarizes the pattern of outward FDI from within the Group. The main focus of the paper is on individual member countries, though conclusions on the FDI pattern for the Group as a whole have been drawn where deemed necessary.

<u>Inward FDI in G-15 Countries</u>

Table 2 below shows the inward stock of FDI in G-15 countries as it stood in 2008. It shows that 13 out of 17 member countries have accumulated foreign investment of more than $10 billion. The top 10 G-15 countries *in terms of FDI stock* were (1) Mexico (2) Brazil (3) India (4) Chile, (5) Nigeria (6) Argentina (7) Malaysia (8) Indonesia (9) Egypt and (10) Venezuela.

Table 2 also shows FDI inflows for the past five years from 2004-2008. *In terms of recent inflows,* the top 10 G-15 recipients of foreign investments are (1) Brazil (2) Mexico (3) India (4) Nigeria (5) Chile (6) Egypt (7) Malaysia (8) Argentina (9) Indonesia (10) Iran.

A comparison of the stock and flow figures reveals a few interesting facts. Foreign investment in recent times has risen rapidly in Brazil and India (two of the so-called BRIC economies) and also in Nigeria and Egypt (driven probably by a combination of high oil and gas demand as well as economic reforms in the latter countries). By contrast, Mexico, Malaysia and Indonesia, countries that were pacesetters in FDI in the decade of the 1990s, have seen foreign investment flows fluctuating from year to year. The rate of growth of FDI in Chile and Argentina too has been relatively lower. The past five years have seen FDI flows to Venezuela and the Islamic Republic of Iran stagnating.

Table 2
Inward Foreign Direct Investment in G-15 Countries

	FDI Inward Stocks (2008)		**FDI Inflows** ($Billions)					
	($Billions)	As % of GDP	**2004**	**2005**	**2006**	**2007**	**2008**	**Total** (2004-08)
Algeria	14.46	9.1	.88	1.08	1.79	1.66	2.64	8.06
Argentina	76.09	23	4.12	5.26	5.53	6.47	8.85	30.25
Brazil	287.70	18.3	18.14	15.06	18.82	34.58	45.05	131.67
Chile	100.99	59.6	7.17	6.98	7.29	12.57	16.78	50.81
Egypt	60.00	37	2.15	5.37	10.04	11.57	9.49	38.64
India	123.29	9.9	5.77	7.60	20.33	25.12	41.55	100.39
Indonesia	67.04	13.1	1.89	8.33	4.91	6.92	7.91	29.99
Iran	20.81	6	2.86	3.13	1.62	1.65	1.49	10.77
Jamaica	9.46	65.7	.60	.68	.88	.86	.78	3.82
Kenya	1.99	6.6	.04	.02	.05	.72	.09	.94
Malaysia	73.26	33	4.62	4.06	6.06	8.40	8.05	31.20
Mexico	294.68	27.1	23.65	21.92	19.31	27.27	21.95	114.12
Nigeria	83.07	29.5	2.12	4.97	13.95	12.45	20.27	53.79
Senegal	1.54	11.6	.07	.04	.22	.29	.70	1.34
Sri Lanka	4.28	4.28	.23	.27	.48	.60	.75	2.34
Venezuela	41.38	13	1.48	2.58	-.59	.64	1.71	5.84
Zimbabwe	1.54	70.4	.01	.10	.04	.06	.05	.27

Source: WIR tables 2009, UNCTAD

1) **<u>Brazil</u>**: Brazil presently leads G-15 countries in terms of FDI inflows. Economic reforms during the present decade have resulted in a high rate of economic growth, making the country an attractive destination for foreign investors. Consequently, FDI inflows, which used to average below $20 billion per annum, exceeded $45 billion by 2008[4]. Based on the FDI inflow data for the period 2004-08, the main sources for Brazilian FDI inflows were the Netherlands, the USA, Spain, Luxembourg and Japan, in that order. The leading destination sector for foreign investment in the Brazilian economy has been services, especially the telecommunications sector, which has received significant investments from firms in Spain, Belgium and Japan. Other services sectors to benefit from foreign investment were banking (Netherlands, Spain) and retail trade (led by the Makro chain of the Netherlands and the Carrefour chain from France). Manufacturing was another sector to receive substantial FDI, especially the metals sector (Japan, aluminum), petroleum (Shell, Netherlands/UK, US), automobiles (Volkswagen, Germany, and Fiat, Italy) and food (led by firms like Cargill from the US and Nestle from Switzerland).

The leading G-15 country to have invested in Brazil is the country's neighbour, Argentina, followed by other members of the Group from Latin America such as Mexico, Chile and Venezuela. Argentinean firms have a strong presence in various sectors of the Brazilian economy. Enterpa Ambiental, Brazil's leading waste management company with water and waste recycling operations in several cities, is 80% owned by the Argentinean firm Sideco. Argentinean firms have also invested in Brazil's food, motor vehicles, leather and leather products, chemicals, real estate, transport and banking sectors. The main G-15 country to have invested in Brazil from outside the LAC region is India. Details of investments by G-15 countries other than Argentina are given in the section on outward FDI below.

2) <u>Mexico</u>: Though ahead of other G-15 countries in terms of FDI stock, Mexico now ranks second in terms of recent FDI inflows. Rising labour costs in Mexico have reduced the attractiveness of efficiency-seeking (maquila) FDI into Mexico, relative to other countries with cheaper labour. However, Mexico continues to be an attractive destination for market-seeking FDI wherein firms from different parts of the world regard it as a stepping-stone to the huge US market. Consequently, inward FDI flows exceeded $27 billion as recently as 2007.[5]

US firms lead the FDI inflow into Mexico, contributing 50% of the total, followed by the Netherlands (15%) and Spain (10%). The remaining countries in the top 5 sources of Mexican FDI are Canada and the U.K. FDI inflows into Mexico are almost evenly distributed between the services and manufacturing sectors. The leading services sector to receive foreign investment has been banking and insurance, whereas in manufacturing, the main beneficiaries have been automobiles and electronics. Recent FDI has targeted emerging sectors in Mexico such as tourism and real estate.

Firms from Argentina, Brazil, Chile and India are the main sources of Mexican FDI from G-15 countries. Ternium, a joint Argentinean-Brazilian steel maker owns several steel mills in Mexico. The firm's holding company Techint announced in 2008 further $6.6 billion investments in Mexico over 5 years in plant construction and expansion projects as well as in tin and iron-ore projects. Prominent Chilean investors in Mexico include Fasa, the Chilean pharmacy firm, which owns the Farben chain of pharmacies in Mexico. Chileans also own Benevides, the biggest drug store chain in Mexico. Indian investment in Mexico has been

[4] The recent global financial crisis appears to have had severe effects and Brazilian inward FDI is estimated to have dropped by 50% in 2009.

[5] The global financial crisis is estimated to have caused a year-to year fall of 37% in FDI inflows to Mexico in the first nine months of 2009 compared to the previous year.

steadily rising. Prominent Indian ventures in Mexico include two steel plants of the Mittal Group and acquisitions of Mexican television and pharmaceutical units by Indian firms Videocon and Dr. Reddy's Laboratories. Leading Indian software firm, TCS, has a global technology development center in Guadalajara, while another IT firm, Infosys Technologies, also has two software development centers in the country.

3) India: India's large market-size, cheap resources of skilled workers as well as economic policy reforms had led to a surge in market-seeking as well as efficiency-seeking FDI in recent times. What began as a trickle in the 1990s with Japanese and Korean investment in the automobiles sector has grown to a huge source of investment with FDI exceeding $40 billion in 2008, targeting diverse sectors of the Indian economy. Based on FDI inflow data for the period 2005-06 to 2008-09 provided by the Indian Department of Industrial Policy and Promotion, the top investing country was Mauritius, accounting for 44% of total FDI, followed by Singapore (9%), the US (7%) and the UK (6%). The leading destination sectors for foreign investment have been Housing and Real Estate, Construction, Computer Software and Hardware and Telecommunications, in that order.

The leading G-15 country to invest in India is Malaysia. Though Malaysia ranks 21st among foreign investors in India, there is substantial flow of Malaysian FDI to India via Mauritius. Significant levels of investment by Malaysian firms can be found in Indian infrastructure, real estate, energy and telecommunications sectors. Malaysian companies have a share of around 20% in the program of highway construction of the country's 'Golden Quadrilateral'[6]. Malaysian firms also have stakes in the construction of international airports in the cities of Hyderabad and Delhi. Malaysia's Scomi Group has made India's first monorail, which is undergoing test runs in Mumbai. Malaysian companies like Ho Hup Construction Company and IJM have joint ventures with local firms to make investments in the Indian real estate sector. Another Malaysian firm, the Sunway Group has a joint venture to develop a 35-acre township in Andhra Pradesh. Three Malaysian companies have also invested in the energy sector in India. These are Ranhill Bhd and Mudajaya Berhad, which have contracts for constructing and commissioning power plants in Chhatisgarh state. Another Malaysian firm, Asian Gateways, is constructing a mega thermal power plant in the state of Andhra Pradesh. Finally, in the telecommunications sector, Telekom Malaysia has a 40% stake in Spice Telecom, a leading mobile phone operator in India.

4) Nigeria: Nigeria's vast oil and gas resources have proven a magnet for foreign investors, especially in times of rising oil prices. Though its accumulated stock of FDI is lower than Chile, Nigeria has experienced higher FDI inflows during the past five years, driven by a rising global demand for hydrocarbons. Given the prominence of the oil industry in Nigeria, the main source countries for FDI inflows are those that are host countries of the major oil MNCs. The leading source country for FDI is the US through oil majors Chevron Texaco and ExxonMobil. The Netherlands through Shell, France through Total and Italy through ENI are the other leading investors in Nigeria. South Africa is the fifth largest source country. Apart from oil, other important destinations for foreign investors in Nigeria are the telecommunications, food and beverages and rubber product industries.

The main G-15 country with substantial investments in Nigeria is India. Indian firms that have invested in that country since the seventies include Ranbaxy Laboratories (pharmaceuticals), Hyderabad Industries (cement products), Karam Chand Thapar (blankets)

[6] This is an ambitious highway construction project to connect India's four largest urban cities Delhi, Mumbai, Kolkata and Chennai.

and Skipper Energy (transformers). Indian state-owned firms that have substantial investments in Nigeria include HMT (machine tools), MECON (steel), RITES (railways) and TCIL (telecom projects). In recent years, the Indian oil company Essar entered Nigeria in 2007 and the state-controlled ONGC has bought long term oil and gas concessions in the country. Apart from India, the other G-15 country with investments in Nigeria is Brazil, which, through Petrobras, has reportedly invested $2.5 billion in oil extraction in the Niger delta. Malaysia's Petronas has also invested in offshore oil exploration activities in Nigeria.

5) Chile: With its modernizing economy, a favourable business climate and vast mineral resources, Chile is amongst the most attractive destinations for FDI among G-15 countries. According to Chile's Directorate General for International Economic Relations, Chile is host to more than 4000 foreign concerns. Based on FDI inflows between 2003-08, the leading foreign investors in Chile were Canada, Spain, the US, Mexico and Japan. In a sense, Chile is one of the few members of the Group that has another G-15 country (Mexico) among its top five foreign investors.

FDI in Chile is almost equally distributed between the services sector and the natural resources sector. Within services, the main destinations for foreign investment has been Banking and Insurance, mainly from the EU, especially Spain; Public Utilities like electricity, gas and water (US), Telecommunications (Spain) and Retail Trade (led by the Dutch-owned supermarket chain Santa Bela). In the natural resources sector, the leading destination for foreign investment is the copper industry, where the main investment has come from the Cayman Islands. Several firms from the US, Canada, the EU and Australia are also active in the mining and quarrying industry of Chile.

Among the Mexican investments in Chile is that of Bafete Industrial, that owns the Chilean construction company Ovalle Moore, which is a major player in Chile's mining sector. Among other Mexican firms with large investments in Chile are CEMEX through its subsidiary Biobio S.A., Chile and Americo Movil, which is one of the three mobile telephone operators in Chile.

6) Malaysia: An emphasis on export-oriented manufacturing, good infrastructure and the presence of relatively high-skilled workers have made Malaysia an attractive destination for efficiency-seeking FDI, both from the West and from Asia. Based on FDI inflows between 2003-07, the top foreign investors in Malaysia were the US (20%), Japan (17 %) and Singapore (15%). The chief destination sector has been manufacturing, which is the recipient of around 50% of FDI in the country. The main industries to have received foreign investment are base metal products, electronics and electrical products, petroleum, chemicals and food processing. Apart from manufacturing, the Financial Intermediation sector, especially banking and insurance, has received around 16 % of FDI and the Mining (oil and gas) sector another 15%.

Among the leading G-15 investors in Malaysia is India and at present there are reported to be over 100 Indian firms, including 61 joint ventures operating in the country. Recent investments include the acquisition by India's Reliance Industries Ltd. Of the Malaysian synthetic fibre company Hualon Corporation, the takeover of Sabah Forest Industries by Ballarpur Industries, a leading paper company in India and the buy-out of the switchgear unit of Malaysia's Tamco Corporate Holdings Bhd. Indian firms have also invested in Malaysia's IT and audio-visual industry, with Mahindra Satyam establishing its largest software development hub outside India in Cyberjaya, near Kuala Lumpur and the acquisition by

Adlabs Films of a majority stake in Malaysia's Lotus Five Star Cinemas. Besides the Indian firms, Mexico's Cemex is a leading building material producer in Malaysia with 25 plants, employing 600 employees with annual revenues of $100 million. Several Indonesian firms too have a commercial presence in Malaysia, including in the real estate sector.

7) <u>Argentina</u>: A highly diversified economy, educated work force and abundant natural resources are some of the characteristics that make Argentina an attractive FDI destination. According to its Investment Development Agency, ProsperAr, more than 1000 international firms operate in the country across a variety of sectors, such as agro-industry, automotives, chemicals and petrochemicals, pharmaceuticals, IT. Telecom, public utilities, finance and retail. Based on FDI inflows between 1999 and 2004, the leading foreign investors in Argentina were the US, Spain, France, the Netherlands and Chile. The leading destination sector was that of natural resources including petroleum and mining, especially copper, gold, silver and molybdenum. Investment in the services sector was led by Banking and Finance, where the US and several EU countries have investments. Public Utilities, electricity, gas and water, also received significant foreign investment.

The leading G-15 country that invests in Argentina is Chile. Chilean investments in Argentina totaled $16 billion in 2009. Cencosud, the Chilean construction material supplier, controls the Easy Homecenter chain of stores in Argentina. Duncan Fox, a Chilean holding firm, has significant investments in the hotel and real estate sector. Other Chilean firms with investments in Argentina include those in beverages (Edasa), wood and wood products (Alto Parana), pharmaceuticals (Ivax Argentina) and electricity, gas and water (Central Costanera). The other major G-15 investor in Argentina is Brazil. Details of Brazil's investments are provided in the section on Brazil's outward investments. Malaysia's Petronas has also invested in the country's oil sector.

8) <u>Egypt</u>: Privatization and other economic reforms have led to Egypt being awarded the title "Top Reformer of the Year" in the World Bank's Doing Business Report 2008. Indeed, the prospects of higher growth and the expected rise in consumer purchasing power has contributed to the rise in FDI inflows into Egypt during the past five years, making it the second largest recipient of foreign investment in Africa, after Nigeria. Based on FDI inflows between 2002-06, the leading foreign investors in Egypt were the USA, the United Arab Emirates, the United Kingdom, Italy and France. Historically, the bulk of FDI into Egypt has been in the petroleum sector, although, of late, the destination has become more diversified, and includes cement, telecommunications and tourism. Banking and insurance is another sector to have attracted significant FDI, both from Europe and the Middle East. Egypt is another G-15 country to receive a significant amount of south-south investment, especially from the UAE. According to Egypt's Investment Ministry, in 2009, there were over 400 UAE firms in the country, including 64 contracting, 44 financial, 125 service, 40 agricultural, 38 tourism and 23 telecommunications businesses.

Several G-15 countries have made investments in Egypt. Indian firms have a significant presence in the country both through joint ventures and independent subsidiaries in a cross-section of industries such as software (Wipro Information Technology (Egypt) SAE) and pharmaceuticals (Ranbaxy Egypt Ltd. and Dabur Egypt Ltd.). The largest private sector exporter of chemical products in Egypt (Alexandria Carbon Black) is a joint venture between the Aditya Birla group of India and a local firm. Around 13 Malaysian firms also have commercial presence in Egypt including Proton holding Bhd. (automobiles), Iris Corp Bhd. (smart cards) and 101 Cop Bhd. (palm oil). Malaysia's Tanjong Public Ltd, Co. owns a power plant in Egypt. Another Malaysian firm Petronas is an active player in both upstream and downstream activities in Egypt's oil sector. The Brazilian manufacturer of bus bodies, Marcopolo, has a joint venture with Egypt's GB Auto SAE to produce buses for markets in Africa, the Middle East and Europe. Mexico's leading MNC, Cemex, has an important presence in Egypt's cement industry through its subsidiary Cemex Egypt.

9) <u>Indonesia</u>: FDI into Indonesia exhibits a great variety among destination sectors. Indonesia's rich and diverse natural resources are not the only reason for its attracting significant levels of foreign investment. In fact, 40 % of FDI into Indonesia has been in the manufacturing sector, especially the export-oriented manufacturing sector such as automobiles, electronics and textiles and garments, an indication of foreign investors seeking relatively cheap Indonesian labour. There has also been FDI in oil and gas and mining. Another 17 % of FDI has taken place in the Banking and Insurance sector, 6% in Transport and Communications and 5% in Wholesale and Retail trade. There is also significant FDI in the plantations sector of Indonesia (both timber and palm oil). Based on Bank Indonesia's data for FDI inflows between 2004-08, the leading countries investing in Indonesia were the Netherlands, Singapore, Japan, USA and Malaysia, in that order.

The leading G-15 country with investments in Indonesia is neighbouring Malaysia whose firms have a presence in Indonesian plantations, banking, telecommunications and infrastructure. Details are given in the section on Malaysia's outward investments. The other G-15 country with significant Indonesian investments is India, whose energy firm Tata Power has acquired stakes in the two Indonesian firms PT Kaltim prima Coal and PT Arutmin Indonesia for $1.1 billion. Another Indian firm, Reliance Power, has bought three Indonesian coal mines in South Sumatra at an investment of $1.1 billion in 2008. Other Indian firms with significant FDI in Indonesia include steelmaker, Essar, petrochemical company, Indorama Sythetics, and motorcycle manufacturer, Bajaj.

10) <u>Venezuela</u>: Even though its stock of FDI remains above $40 billion, inflows of foreign investment into Venezuela have dropped considerably during the past five years to an average of just around $1 billion per annum[7]. Going by data on FDI inflows for the period 2004-08 given by UN's Economic Commission for Latin America and the Caribbean (ECLAC), the leading countries investing in Venezuela were Spain, the Netherlands, Panama and Colombia[8]. The main destinations for foreign investment in Venezuela were the petroleum and financial sectors.

Among G-15 countries, Brazil is a significant investor in Venezuela. Both countries' leading oil firms, Petrobras and PDVSA, have several joint ventures including one on oil extraction from Venezuela's Orinico oilfield. Brazil also has investments in Venezuela's plantation sector, including in a soy plantation in Anzoategui state. In recent times, Iranian investment in Venezuela has increased sharply. Valued at around $1 billion in 2006, the volume could be more than $2 billion now. The main areas of investment are oil, construction and finance. Among the reported investments are the development of oilfields, the production of Iranian model tractors and the construction of 10,000 residential units for low-income households.

11) <u>Iran</u>: Details of FDI in the Islamic Republic of Iran are not readily available in standardized format in the main international FDI databases. The government's Organization

[7] See Table 2.

[8] Foreign Direct Investment in Latin America, ECLAC 2008 (www.eclac.org)

for Investment, Economic and Technical Assistance of Iran lists countries investing in Iran by the number of FDI projects. According to this list, between 2002-06, India, with eight projects, was the leading country to invest in Iran, followed by the UAE, Japan, Italy and France with six projects each[9]. The main destination sectors for foreign investment in the country have been Chemicals, rubber and plastics industries, base metals, oil refining and gas distribution and tourism, in that order.

Indian oil firms such as OVL (ONGC Videsh), Oil India and IOC have invested in the development of the Farsi oil and gas blocks as well as the South Pars gas field in Iran. Indian public sector companies like Rites, Concor and Ircon have also invested in the development of the Chabahar container terminal project in Southwest Iran and in the Chabahar-Faraj-Bam railway project. Tata Steel is another leading Indian company that has investments in steel plants in Iran. Apart from India, the other G-15 country with investments in Iran is Venezuela. Among the Venezuelan investments are the $760 million project of PDVSA in Iran's South Pars oilfield and a $700 million joint venture petrochemical (methanol) plant in Iran's Assaluyeh industrial zone on the Persian Gulf. Malaysia's Petronas also has a 20% stake in an LNG gas project in the South Pars oilfield.

12) <u>Algeria</u>: On the whole, Algeria has seen a steady increase in FDI between 2004-08 (Table 2). Nearly half of this was from the EU and another 25 % from Asian, Middle Eastern and North African countries. Most of the remaining 25% was from North America. Based on data on FDI stocks in 2006, the leading countries investing in Algeria were the US, Denmark, Canada, France and Germany in that order. The hydrocarbons sector has conventionally been the main destination for foreign investors in Algeria. Recent policy initiatives that have emphasized privatization, small industries and infrastructural development have resulted in the share of the hydrocarbons sector in total FDI falling from a high of 55% in 2005 to 42% on average during the recent years. The main non-oil and gas sectors to receive foreign investment have been transport, wholesale trade (including automobiles), chemicals and the financial sector.

The main G-15 country with significant investments in Algeria is Egypt. Egyptian investments in Algeria currently stand at $6.2 billion and have taken place in the fields of construction, communications, some manufacturing, and agriculture and service industries. The chief Egyptian firm in the telecommunications and cement sectors is Orascom, Egypt's leading MNC. Other G-15 countries to have major investments in Algeria are India and Malaysia. The Indian origin steel company, Ispat[9] owns 70 % of Algeria's only integrated steel plant in Annaba, in Skikda province in northeastern Algeria. Malaysian oil giant, Petronas, has made investments in exploring and drilling in Algeria's oil and gas fields (specifically in Oilfield 401 C).

13) <u>Jamaica</u>: Jamaica has the second highest FDI/GDP ratio after Zimbabwe, among all G-15 countries, indicating the relative importance of foreign investment in the economy (Table 2). During the period 2004-08 FDI into Jamaica ranged between $600-900 million and the leading investing sources were the USA, Canada, the UK, Cayman Islands and Switzerland. According to Jamaica's ministry of finance, the top destination sectors for FDI in 2007 were Mining (25%), Tourism (21%) and Information technology (19%).

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[9] Though now part of the Arcelor Mittal group registered in London, Ispat was originally founded in Kolkata, India.

G-15 countries with investments in Jamaica are mainly from the Latin American region. Mexico's Cemex owns 20% of Jamaica's Carib Cement Company, the leading producer of calcined lime in Jamaica. Mexico's telecommunications giant America Movil also owns Claro, one of Jamaica's mobile telephony companies. Brazilian firms also have interest in Jamaica. The Coimex Group, a leading Brazilian commodities exporter and one of the largest sugar products traders in the country, has invested $9 million in refurbishing an ethanol plant in Jamaica. The Venezuelan Investment Bank (BANDES) has also invested in various infrastructure projects in Jamaica, such as the up gradation of the Montego Bay Sports Complex and the construction of the Simon Bolivar Cultural center in Kingston.

14) <u>Sri Lanka</u>: The Board of Investment of Sri Lanka promotes FDI by projecting the country as an open economy, a regional trading hub and one that provides strategic access to the Indian market. Indeed, FDI inflows have been increasing steadily, tripling from $230 million in 2004 to $750 million in 2008 (Table 2). The top FDI sources for Sri Lanka in recent years have been Malaysia, India, Singapore, the UK and Australia, in that order. The maximum foreign investment has been in the services sector, with telecommunications alone accounting for more than 50 % of FDI in services. FDI in manufacturing has been dominated by investments in the textiles and garments sector. Other areas to attract FDI have been tyres and tubes, porcelain products and tiles, jewellery and electronic products.

Malaysia has been the leading source of Sri Lanka's FDI for the past four years. At present, there are 18 Malaysian investment projects in the telecommunications, manufacturing, infrastructure, property development and the garment industry. Major Malaysian investments in Sri Lanka include Dialog Telekom, the cellular mobile telephone network, Merbok MDF Lanka which manufactures MDF boards and Tritel Services which is a public pay phone system. There is also Naratha Agro-Industries that cultivates oil seeds and manufactures hydrogenated edible oil as well as Wincon Development (Ceylon) Ltd which is involved in housing construction projects for state sector employees. Among the Indian firms to have entered the country in recent times is Bharti Airtel Ltd., India's largest mobile phone operator, Nicholas Piramal, an Indian firm, acquired Ceylon Glass in 2008. Major Indian companies to have longstanding investments in Sri Lanka are Indian Oil Corporation (fuel distribution), Ashok Leyland (bus bodies), Taj Hotels, Watawala tea plantations, Apollo Hospitals, Jet Airways, L&T (construction) and Ceat (tyres and tubes).

15) <u>Senegal</u>: A stable and open country, with membership of AGOA, the special arrangement for duty free access of goods from Sub-Saharan Africa to the US, are two of the several reasons given by Senegal's investment promotion agency Apix, inviting foreign investors to invest in the economy. Senegal's top investors presently are France, the US, Morocco, the UK and Germany. The main sectors to have received foreign investment are Services, including tourism, distribution, wholesale trading, telecommunications, banking and construction; Manufacturing, including food processing, chemical industries; and Agriculture, including agro-industry.

Among the G-15 countries with investments in Senegal is the Islamic Republic of Iran whose state-owned automotive company, Iran Khodro, has set up a factory to assemble passenger cars in the Senegalese city of Thies with an investment of $80 million. Senegal also has substantial Indian investment directed entirely into the chemicals sector, with the Indian firm IFFCO investing $ 80 million in 2007 to recapitalize Industries Chimiques du Senegal, a key Senegalese chemicals firm. The Indian automobiles company, Tata Motors, also has a presence in the country through a bus-body building plant at Thies. A Nigerian company, the

Dangote Group, is building a new cement factory in Senegal through its subsidiary, Dangote Industrie Sénégal. Finally, the Brazilian firm, Petrobras, has a 40 % stake in the Rufisque Profond offshore oil field in Senegal.

16) <u>Kenya</u>: FDI in Kenya has been under $100 million per annum for the period 2004-2008 except in 2007 when FDI surged to $720 million following the privatisation of state-owned telecommunications and railway companies. Based on FDI inflows between 2000-06, the leading foreign investors in Kenya were the U.K., the USA, Germany, Switzerland and China. The main destination sectors were horticulture and floriculture, garments, tourism, banking and telecommunications.

Among the G-15 countries to have investments in Kenya is India. The Indian owned Raymond Woollen Mills (Kenya), a textile and clothing firm, was one of Kenya's leading MNC employers in 2007. Other recent Indian investments are those by the Essar Group, which invested $500 million in Kenya's mobile telephony sector; the Reliance group which has made an investment in real estate in Nairobi worth $200 million; and Bharat Petroleum, which has invested $70 million in the construction of an LPG plant in Nairobi.

17) <u>Zimbabwe</u>: Recent developments have deterred foreign investors from investing in Zimbabwe in recent times. Consequently, annual FDI inflows have been modest in recent years. Based on data on FDI stocks between 2000-03, the leading sources of FDI in Zimbabwe in the past were the UK, USA, South Africa, Canada and Germany. However, of late, China has emerged as the leading investor and in 2007, there were around 35 Chinese companies that had invested $600 million in Zimbabwe. Given the abundance of natural resources in the country, it is not surprising that the main destination for foreign investment in Zimbabwe has been mining, (especially gold and platinum mining) and tobacco. The services sector has also attracted foreign investors, especially in wholesale trading and banking.

Among the G-15 countries that have FDI in Zimbabwe is Malaysia that has taken over the petroleum distribution business from Royal Dutch shell in 2008. Shell sold its stake to Engen, South Africa's largest refined petroleum firm, which is 80%, owned by Malaysia's Petronas. There is also Malaysian investment in Zimbabwe's plantations sector. The Indian firm, Mahindra, has also set up dealership network in Zimbabwe for its vehicles and tractors through its South African subsidiary, Mahindra SA. Finally, some Nigerian investments in Zimbabwe have also been reported through The Wattle Company, a major producer of forest products in Zimbabwe.

<u>Outward FDI from G-15 Countries</u>

Table 3 below shows the outward stock of FDI in G-15 countries as it stood in 2008. It shows that 8 out of 17 member countries have overseas investments of more than $10 billion. The top six G-15 countries in terms of outward FDI stock were (1) Brazil (2) Malaysia (3) India (4) Mexico (5) Chile and (6) Argentina.

Table 2 also shows FDI outflows for the past five years from 2004-2008. In terms of *recent outflows*, the top six G-15 sources of foreign investments are (1) Brazil (2) India (3) Malaysia (4) Mexico (5) Indonesia and (6) Chile.

Table 3
Foreign Direct Investment Outflows from G-15 Countries ($billions)

	Outstock	FDI Outflows					
	2008	2004	2005	2006	2007	2008	Total
Algeria	1.34	.26	.06	.04	.30	.32	**.98**
Argentina	28.75	.68	1. 31	2.44	1.50	1.35	**7.28**
Brazil	162.22	9.81	2.52	28.20	7.07	20.46	**68.06**
Chile	31.73	1.56	2.18	2.74	3.01	6.89	**16.38**
Egypt	3.7	.16	.09	.15	.67	1.92	**2.99**
India	61.77	2.18	2.98	14.34	17.28	17.69	**54.47**
Indonesia	27.23	3.41	3.07	2.73	4.68	5.90	**19. 79**
Iran	1.85	.07	.45	.39	.30	.38	**1.59**
Jamaica	1.45	.06	.10	.09	.12	.10	**.47**
Kenya	0.24	.004	.01	.02	.04	.04	**.11**
Malaysia	67.58	2.06	2.97	6.08	11.09	14.06	**36.26**
Mexico	45.39	4.43	6.47	5.76	8.26	.69	**25.61**
Nigeria	6.02	.26	.20	.23	.47	.30	**1.46**
Senegal	0.2	.01	- .008	.01	.03	.009	**.05**
Sri Lanka	0.31	.006	.04	.03	.06	.06	**.19**
Venezuela	16.62	.62	1.17	2.08	2.24	2.76	**8.87**
Zimbabwe	0.25	0	.001	0	.003	.008	**.012**

Source: WIR tables 2009, UNCTAD

For the purpose of this survey, we prefer to look at the six G-15 countries with the highest stocks of outward FDI or OFDI. This is partly due to the absence of details in all cases on outward investment flows, as some of the countries do not monitor outflows of investment. Also, in some countries, it is possible that capital flight may have inflated the figure for investment outflows.

1) <u>Brazil</u>: With overseas investments of $162 billion, Brazil leads among G-15 countries in outward FDI, accounting for 25% or one-fourth of total G-15 FDI stocks in 2008. The main geographical destination of Brazilian investment is North America, especially the US and Canada. In 2008, the US alone received 28% of Brazil's FDI, while the financial centers of the Caribbean received 25%. Another 12% went to Latin America, while a smaller amount was directed at Lusophone countries such as Angola and Mozambique. Among the leading Brazilian investments in the US are those by the Gerdau group which owns steels mills in the US and Canada through its subsidiary Ameristeel Corporation. In 2007, Brazil was named the world's 12th biggest international investor, an achievement directly linked to the purchase by the Brazilian firm, Vale, of Canada's second largest mining company INCO. Petrobras, through its American subsidiary is also involved in offshore oil drilling operations in the USA.

Numerous Brazilian MNCs have investments in different Latin American countries. Petrobras as well as Grupo Gerdau, the steel maker, have investments in Argentina, Chile, Mexico and Venezuela. Brazil's largest bank, Banco du Brazil, has operations in Argentina, Mexico and Venezuela, among the G-15 countries. The single largest destination for Brazilian FDI among G-15 countries, is Argentina, where Brazilian firms have a large presence in textiles (Grup a

Grandes Fabricas), metals (Latasa Argentina), rubber and plastic products (American Plast), machinery and equipment (Tigre Argentina), food business (JBS) and household gadgets (Whirlpool Argentina). Brazilian investments in Venezuela, Mexico and Jamaica have already been mentioned in the previous section.

With regard to Brazilian investments in G-15 countries outside the region, mention has already been made of Egypt and Nigeria. However, Brazilian firms have also invested in Asia. For example, Vale, Brazil's leading iron ore exporter has a subsidiary in Indonesia, PT International Nickel Indonesia, and is also building a hydroelectric plant in that country. Finally, Brazil's Metalurgica Gerdau has an integrated steel plant in the Indian state of Andhra Pradesh through a joint venture with a local firm, Kalyani Steels Ltd.

2) <u>Malaysia</u>: Malaysia, with total investments of $67.58 billion in 2008, has the second largest stocks of foreign investments among the G-15 countries. The main geographical destination for Malaysian OFDI by far has been the Labuan International offshore financial center, located in the Malaysian federal territory near Brunei. According to data provided by the Malaysian Central Bank, this alone accounted for 25% of total OFDI between 1999-2005. Another 34% went to industrialized countries led by the US. Immediate neighbours, Singapore and Indonesia (along with other ASEAN countries) accounted for a further 31% of foreign investments by Malaysian firms[10].

Malaysian investments in G-15 countries like India, Egypt, Zimbabwe and Sri Lanka have already been mentioned. The investments of Malaysia's oil firm Petronas in Nigeria, Egypt, Argentina, and Algeria have also been cited previously. However, the main G-15 country to benefit from Malaysian investment is Indonesia. The main sectors where Malaysian investments can be found in Indonesia are plantations, banking, telecommunications and infrastructure. It is believed that Malaysian companies, such as IJM Plantations Bhd., United Plantations Bhd., Asiatic Development Bhd., Sime Darby Bhd., Kuala Lumpur Kepong Bhd and IOI Corp Bhd, control about 50% of Indonesia's oil palm plantations. Among the Malaysian banks that have invested in Indonesia are Bumiputra-Commerce Holdings Bhd through CIMB Niaga, and Malayan Banking Bhd (Maybank), through PT Bank Internasional Indonesia. In telecommunications, Telekom Malaysia (now Axiata) owns most of Excelcomindo, Indonesia's third largest mobile operator, while Maxis owns 44% in PT Natrindo Telepon Seluler. In the infrastructure sector, the Malaysian firm YTL has a 35% stake in Jawa Power which is Indonesia's second largest thermal power plant located in east Java, while Petronas is involved in both upstream and downstream activities of the oil sector in the country.

3) <u>India</u>: India, with a stock of $ 61.77 billion in 2008 ranks third among G-15 countries in OFDI. The most important destinations of Indian investments are the USA (around 20%) along with the tax havens of Bermuda, British Virgin Islands and Mauritius (another 20%). In recent times, Singapore has emerged as a leading FDI destination. According to the latest figures of the Reserve Bank of India[11], Singapore, Mauritius, the US, the Netherlands, the United Arab Emirates and the UK together accounted for 72% of Indian OFDI for the third quarter of 2009. In the past, however, UNCTAD had calculated that cumulatively, "more than two-thirds of Indian outward FDI has gone to developing countries". [12]On the whole, Indian

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[10] See Mohd. Arif and Gregore Pio Lopez, "Outward FDI-the Malaysian Experience", Malaysian Institute of Economic Research (2007).
[11] RBI Bulletin, December 2009
[12] "India's outward FDI – A Giant Awakening?", UNCTAD, 2004.

FDI is spread over a diverse range of industries and services, even though it is led by pharmaceuticals, energy and the IT sectors. Ranbaxy Laboratories, India's largest pharmaceutical company has operations in 46 countries including 8 G-15 countries, viz. Egypt, Kenya, Nigeria, Senegal, Zimbabwe, Brazil, Mexico and Malaysia. Similarly, TCS, India's largest software firm, has operations in 42 countries, including 6 G-15 countries, viz. Indonesia, Malaysia, Mexico, Argentina, Brazil and Chile. ONGC, the Indian state-controlled oil company, has investments in 5 G- 15 countries viz. Iran, Egypt, Nigeria, Brazil and Venezuela.

Investments by Indian firms in other G-15 countries have already been mentioned previously. One G-15 country in Latin America with significant and rising Indian investments is Brazil. All three leading Indian MNCs in the pharmaceuticals, energy and IT sectors mentioned in the previous paragraph have Brazilian investments. Among other Indian firms to have invested in Brazil is the Essar group which has invested in mineral extraction in the state of Amapa; Indian IT company, Infosys Technologies, has operations in the country through its subsidiary, Infosys technologies do Brasilia Ltd. Another IT firm, TCS, has set up global delivery centers at Sao Paulo and Brasilia. Sree Renuka Sugars, a large sugar producer in India, has recently acquired Vales Do Ivai's sugar and alcohol unit for $240 million.

4) <u>Mexico</u>: Mexico's outward foreign direct investment stock stood at $45.39 billion in 2008. According to one study, the USA hosts 98% of Mexican OFDI[13]. This is perhaps because of geographical proximity, membership of NAFTA and the presence of a huge population of Mexican migrants. Mexican investment can be found in a variety of sectors of the American economy, including manufacturing, such as cement (Cemex has manufacturing locations in almost all states of the USA), auto parts, chemicals and food processing (Gruma Corp has 25 mills and plants producing corn flour and tortillas) as well as services, such as banking, retail and wholesales trading and hotels. Outside the USA, there are important investments by Mexican firms in Central and Latin America. America Movil, the Mexican telephone company, is the largest mobile phone company in Latin America with operations in Argentina, Brazil, Colombia, Ecuador, El Salvador, Guatemala and Nicaragua. Cemex has foreign affiliates in 30 countries, including Europe, Asia and Africa. Another Mexican MNC is Empresas ICA, Mexico's leading construction firm, which builds bridges, highways and tunnels, operates toll roads and water supply systems and develops real estate. It has foreign operations in Argentina, Guatemala, Panama, Portugal, Puerto Rico, Spain and Venezuela, among others.

Among G-15 countries, Mexican investments in Egypt, Jamaica and Malaysia have already been described. Recent Mexican investments include the 2008 investment by America Movil in Argentina's telecom sector through its subsidiary Claro. The Mexican firm, Bimbo, also acquired a 75% stake in Brazilian bread maker Nutrella Alimentos. Another notable investment in 2008 was the purchase by the Mexican firm, Grupo Casa SABA, of the Brazilian pharmacy chain Drogasmil.

5) <u>Chile</u>: Chile is similar to Mexico in that the bulk of its OFDI is directed towards a single country. In Chile's case, 90 % of its foreign investment has been directed towards Argentina. Some of the firms with investments in Argentina have been listed in the section on Argentina's inward FDI. Of late, Chilean investment has diversified to other countries of South America such as Mexico, Brazil and Venezuela. Chilean investments in the retail

[13] "FDI from Latin America and the Caribbean", Daniels, John D.,Krug, Jeffrey A.,Trevino, Len, , (2007)

pharmacy sector of Mexico have already been described. Corporacion Nacional del Cobre de Chile (Codelco), Chile's largest MNC and the world's leading producer of copper, controlling 17% of the world's copper reserves has joint development partners in Canada, Mexico and the United States. Chile's Empresas CPMC, a manufacturer and processor of wood, pulp and tissue products, also has operations in Argentina and Mexico. Enersis S.A., the Chile-based holding company, is engaged in the generation and distribution of electricity in Brazil. The Terranova Group that deals with wood and wood products, produces doors in Venezuela. Other destinations for Chilean firms are the USA, Cayman Islands and the EU. There appears to be little FDI from Chile to G-15 countries outside Latin America.

6) Argentina: Argentina, with outward investment stock of $28.75 billion in 2008 ranks 6th among G-15 countries for OFDI. Its FDI is mostly concentrated in South America (64%) and North America (17%), followed by Europe (8%) and Central America (7%). 34% of the foreign investment in South America is in Brazil and another 16% in Chile. Some of the main Argentinean investments in Brazil have been discussed in the section on Brazil's inward FDI. Much of Argentina's outward FDI is concentrated in the base metals industry, where the most prominent player is the Techint conglomerate, which is involved in steel making and the design and construction of industrial plants. Apart from its Latin American investments, the firm also has presence in India and Indonesia, representing Argentina's FDI in G-15 countries outside the LAC region.

Concluding remarks

Foreign Direct Investment, or investment in a productive enterprise in a country by foreign corporations, is an increasingly widespread economic phenomenon of the present times. Multinational Corporations (MNCs), which only a few decades ago were regarded as exploitative and ideologically opposed by many developing countries, are no longer taboo. In fact, as this paper has shown, developing countries themselves now have an increasing number of MNCs of their own, many of which match the world's best enterprises in terms of technological sophistication, global outreach and profitability. [14]

The reasons why G-15 firms have invested abroad are the same as MNCs in general – for market-seeking, resource-seeking and efficiency-seeking purposes. The expansion of the international operations of the Mexican telecommunications firm, America Movil, into Latin America, that of Telekon Malaysia into Sri Lanka and Indonesia and that of Egypt's Orascom in Algeria, can be called market-seeking investments. On the other hand, the purchase of oil blocks in Nigeria's Niger delta region by the Indian firm ONGC, the acquisition of palm oil plantations in Indonesia by Malaysian firms and the purchase by Brazilian steel firm, Vale, of Canada's second largest mining company are examples of resource-seeking FDI. Finally, the investments by the Brazilian firm, Marcopolo, to manufacture bus bodies in Egypt and that by Iran, Khodro, to make passenger cars in Senegal are examples of efficiency-seeking FDI that takes advantage of the relatively cheaper costs of production in the host countries.

Given the economic profile of the Group of Fifteen, it is not surprising that many of the leading G-15 MNCs are oil companies. Petrobras, the semi-public Brazilian firm, has operations in 29 countries globally, including the G-15 countries of Argentina, Chile, Nigeria, Mexico, Venezuela, Senegal, Iran and India. In all these countries, it carries out oil

[14] In 2008, *Fortune 500* declared the Malaysian multinational, Petronas as Asia's most profitable company, ahead of well-established global giants like the Japan's Sony and Toyota.

exploration and production except in Chile, where its operations are limited to distribution. Petronas of Malaysia operates in 34 countries, including Nigeria, Iran, Indonesia, India, Egypt, Argentina and Algeria. ONGC, India's oil exploration company has an interest in 39 projects in 15 countries including 6 G-15 countries. PDVSA, Venezuela's state-owned oil firm, also has operations in several G- 15 countries including Brazil, Argentina, Iran and Jamaica.

Finally, even though the main sources of FDI inflows and the main destinations of outward FDI from G-15 countries are, in most cases industrialized countries, there is evidence of growing South-South Cooperation in FDI among members of the Group. This is particularly evident in the case of Chile and Argentina, whose outward FDI has been directed at Argentina and Brazil, respectively, and in the case of Indonesia and Sri Lanka, where a significant amount of FDI has come from Malaysia and India. Moreover, South-South FDI among G- 15 countries is not occurring only within regions, but firms are increasingly willing to invest across different continents. For example, the operations of Cemex, the Mexican cement company, are not confined to the American continent alone, but also cover Egypt in Africa as well as Malaysia and Indonesia in Asia. Similarly, TCS, India's largest IT company, has operations not just in Malaysia and Indonesia, but also in Mexico, Brazil, Argentina and Chile. A similar trend can be seen from Annex Table 1 which shows the international operations of the top G-15 MNCs ranked by the size of foreign assets. Such inter-regional FDI is indicative not only of heightened confidence among G-15 firms to operate in different environments, but also highlights the international economic linkages that increasingly underpin and bind the member countries of the Group.

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Annex Table 1

The Top G-15 Multinational Corporations

2007 rank by foreign assets	MNC	Country	Type of business	Type of entity	International outreach	G-15 country operations
1	Cemex	Mexico	Cement, concrete products	Private	50 countries	Mexico, Argentina, Chile, Indonesia, Malaysia, Egypt, Jamaica
2	Petronas	Malaysia	Petroleum exploration, refining, distribution.	100% govt.	35 countries	Malaysia, Nigeria, Iran, Indonesia, India, Egypt, Argentina and Algeria
3	Tata Steel	India	Steel & steel products	Private	26 countries	India, Sri Lanka
4	Vale	Brazil	Mining, quarrying	Semi-public (58.8% govt.)	35 countries	Brazil, Argentina Chile, India, Indonesia
5	Oil & Natural Gas Corporation	India	Petroleum expl. ref., distn.	Semi-public (74% govt.)	18 countries	India, Iran, Egypt, Nigeria, Brazil & Venezuela
6	Petroleo Brasileiro S.A.	Brazil	Petroleum expl. ref., distn	Semi-public (56% govt.)	28 countries	Brazil, Argentina, Chile, Mexico, Venezuela, Nigeria
7	America Movil	Mexico	Telecommunications	Private	18 countries	Mexico, Argentina, Chile
8	Petroléos de Venezuela S.A.	Venezuela	Petroleum expl. ref., distn	100% govt.	n.a.	Brazil, Iran, Argentina, Jamaica, Venezuela
9	Metalurgica Gerdau S.A.	Brazil	Steel & steel products	Private	13 countries	Brazil, Argentina, Chile, Mexico, Venezuela, India
10	YTL Corp. Berhad	Malaysia	Electricty , gas & water	Private	9 countries	Malaysia, Indonesia
11	Genting Berhad	Malaysia	Tourist resorts, Plantations	Private	12 countries	Malaysia, Indonesia, India
12	Sime Darby Berhad	Malaysia	Diversified	Private	23 countries	Malaysia, Indonesia, Brazil
13	FEMSA	Mexico	Food, beverages, tobacco	Private	9 countries	Mexico, Brazil, Argentina, Venezuela
14	Telefonos de Mexico S.A. De C.V. (Telmex)	Mexico	Telecommunications	Private	8 countries	Mexico, Brazil, Argentina, Chile
15	Telekom Malaysia Berhad	Malaysia	Telecommunications	Semi-public (36% govt.)	12 countries	Malaysia, Sri Lanka, Indonesia, Iran, India
16	Tanjong Public Ltd. Co.	Malaysia	Lotteries, power, property, LPG distn.	Private	4 countries	Malaysia, Egypt
17	Gruma S.A. De C.V.	Mexico	Food, beverages, tobacco	Private	6 countries	Mexico, Venezuela

Source: Company annual reports and UNCTAD's World Investment Report 2009.