

## Chapter

# III

# The Largest Transnational Corporations

**F**DI and corporate size are closely related. Large companies dominate both outflows and inflows of direct investment. For instance, the 50 largest TNCs from the major home countries account for over half of their FDI outflows — indeed, for some countries, the share exceeds 90 per cent (UNCTAD, 1997a, p. 34). In the past 14 years, cross-border M&As, dominated by large companies in value terms, and FDI have grown in parallel (chapter IV). In 1998-1999, for instance, mega-deals (i.e. deals of more than \$1 billion) accounted for more than 60 per cent of the total value of cross-border M&As.

It is therefore of some interest to analyse the assets, sales and employment of the world's largest TNCs, as illustrated by the list of the 100 largest non-financial TNCs<sup>1</sup> published annually by UNCTAD since 1990. The list ranks non-financial TNCs by foreign assets (table III.1). The role of these firms in international production is illustrated by the fact that the foreign assets, sales and employment of the top 100 account for roughly 13, 19 and 18 per cent of foreign assets, sales and employment of the whole TNC universe, which contains an estimated 60,000 companies.<sup>2</sup>

In addition to the 100 largest TNCs in the world, the present chapter also examines the 50 largest TNCs from developing economies and the 25 largest TNCs from Central Europe. The former group has gained

in significance during the past decade as the share of the developing economies in outward FDI has risen from some 3 per cent at the beginning of the 1980s to some 9 per cent in 1999. The latter group shows some interesting developments in what used to be centrally planned economies, with some members of the group beginning to make inroads into international production.

## A. The 100 largest TNCs worldwide

### 1. Highlights

In 1998, General Electric again held the top position among the world's 100 largest non-financial TNCs (table III.1) ranked by foreign assets. General Motors moved to the second position from the fourth, with Royal Dutch Shell remaining in the third. Overall, the ranking remained fairly stable. Only a few changes have occurred among the top 10 TNCs: BP Amoco (rank 8) has replaced Volkswagen Group (now rank 11) and Nestlé (10) changed places with DaimlerChrysler (9).

**Foreign assets.** Growth in the total amount of foreign assets held by the 100 largest TNCs resumed in 1998. They increased by seven per cent compared to 1997, to \$1.9 trillion (table III.2). There were noticeable variations, however, among regions and companies. TNCs from the European Union

**Table III.1. The world's 100 largest TNCs, ranked by foreign assets, 1998**  
(Billions of dollars and number of employees)

Ranking 1998 by:	Ranked in 1997 by:	Foreign assets		Corporation	Country	Industry <sup>b</sup>	Assets		Sales		Employment		TNI <sup>a</sup> (Per cent)
		TNI <sup>a</sup>	assets				Foreign	Total	Foreign	Total	Foreign	Total	
1	75	1	84	General Electric	United States	Electronics	128.6	355.9	28.7	100.5	130 000	293 000	36.3
2	85	4	91	General Motors	United States	Motor vehicles	73.1	246.7	49.9	155.5	***	396 000	30.9
3	45	3	44	Royal Dutch/Shell Group <sup>c</sup>	Netherlands/United Kingdom	Petroleum expl./ref./distr.	67.0	110.0	50.0	94.0	61 000	102 000	58.0
4	76	2	80	Ford Motor Company	United States	Motor vehicles	***	237.5	43.8	144.4	171 276	345 175	35.4
5	19	5	29	Exxon Corporation <sup>d</sup>	United States	Petroleum expl./ref./distr.	50.1	70.0	92.7	115.4	***	79 000	75.9
6	60	6	75	Toyota	Japan	Motor vehicles	44.9	131.5	55.2	101.0	113 216	183 879	50.1
7	54	7	54	IBM	United States	Computers	43.6	86.1	46.4	81.7	149 934	291 067	53.0
8	21	30	42	BP AMOCO	United Kingdom	Petroleum expl./ref./distr.	40.5	54.9	48.6	68.3	78 950	98 900	74.9
9	59	10	71	DaimlerChrysler	Germany	Motor vehicles	36.7	159.7	125.4	154.6	208 502	441 502	50.4
10	3	9	4	Nestlé SA	Switzerland	Food/beverages	35.6	41.1	51.2	52.0	225 665	231 881	94.2
11	51	8	50	Volkswagen Group	Germany	Motor vehicles	***	70.1	52.3	80.2	142 481	297 916	53.8
12	7	18	5	Unilever	Netherlands/United Kingdom	Food/beverages	32.9	35.8	39.4	44.9	240 845	265 103	90.1
13	63	-	-	Suez Lyonnaise Des Eaux	France	Diversified/utility	***	84.6	12.9	34.8	126 500	201 000	45.6
14	73	-	-	Wal-Mart Stores	United States	Retailing	30.2	50.0	19.4	137.6	***	910 000	37.2
15	8	14	2	ABB	Switzerland	Electrical equipment	***	32.9	23.1	27.7	154 263	162 793	89.1
16	43	11	39	Mobil Corporation <sup>d</sup>	United States	Petroleum expl./ref./distr.	***	42.8	29.7	53.5	22 100	41 500	58.6
17	17	42	25	Diageo Plc	United Kingdom	Beverages	27.9	46.3	10.5	12.4	65 393	77 029	76.7
18	38	24	32	Honda Motor Co Ltd	Japan	Motor vehicles	26.3	41.8	29.7	51.7	***	112 200	60.2
19	52	19	56	Siemens AG	Germany	Electronics	***	66.8	45.7	66.0	222 000	416 000	53.6
20	41	21	34	Sony Corporation	Japan	Electronics	***	52.5	40.7	56.6	102 468	173 000	59.3
21	34	33	68	Renault SA	France	Motor vehicles	23.6	43.2	25.4	39.8	92 854	138 321	61.8
22	12	28	21	News Corporation <sup>e</sup>	Australia	Media/publishing	22.9	33.6	10.5	11.7	***	50 000	78.7
23	40	25	38	BMW AG	Germany	Motor vehicles	22.9	35.7	26.8	37.7	53 107	119 913	59.9
24	81	22	78	Mitsubishi Corporation	Japan	Diversified	21.7	74.9	43.5	116.1	3 668	11 650	32.7
25	67	17	60	Nissan Motor Co Ltd	Japan	Motor vehicles	21.6	57.2	25.8	54.4	***	131 260	42.6
26	33	15	9	Bayer AG	Germany	Pharmaceuticals/chemicals	21.4	34.3	21.9	31.1	80 900	145 100	62.8
27	13	20	10	Roche Holding AG	Switzerland	Pharmaceuticals	21.2	40.6	16.7	17.0	57 142	66 707	78.7
28	23	13	16	Hoechst AG <sup>d</sup>	Germany	Pharmaceuticals/chemicals	21.2	33.5	21.0	26.2	***	96 967	71.6
29	56	16	48	Elf Aquitaine SA	France	Petroleum expl./ref./distr.	20.7	43.2	21.8	37.9	42 000	85 000	51.6
30	50	37	55	Viag AG	Germany	Diversified	***	34.8	16.3	27.9	41 990	85 694	55.3
31	26	36	30	Rhone-Poulenc SA <sup>d</sup>	France	Pharmaceuticals/Chemicals	***	28.4	12.0	14.7	36 421	65 180	69.1
32	27	32	20	Total Fina SA	France	Petroleum expl./ref./distr.	***	27.0	20.8	28.6	35 100	57 166	69.0
33	14	27	8	Philips Electronics	Netherlands	Electronics	19.0	32.8	32.1	33.9	189 210	233 686	77.8
34	1	23	1	Seagram Company	Canada	Beverages/media	18.8	22.2	9.1	8.7	***	24 200	94.8
35	28	34	18	Cable And Wireless Plc	United Kingdom	Telecommunications	17.6	28.5	8.8	13.2	37 426	50 671	67.5
36	53	31	57	Hewlett-Packard	United States	Electronics/Computers	17.6	33.7	25.2	46.5	***	124 600	53.2
37	78	35	79	Mitsui & Co Ltd.	Japan	Diversified	17.3	56.5	46.5	118.5	***	7 288	34.9
38	80	45	88	ENI Group	Italy	Petroleum expl./ref./distr.	***	48.4	12.0	33.2	24 602	78 906	34.1
39	91	46	86	Chevron Corporation	United States	Petroleum expl./ref./distr.	16.9	36.5	2.0	29.9	8 956	39 191	25.3
40	46	38	41	BASF AG	Germany	Chemicals	***	30.4	24.2	32.4	46 730	105 945	57.9

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Table III.1. The world's 100 largest TNCs, ranked by foreign assets, 1998 (continued)

(Billions of dollars and number of employees)

Ranking 1998 by:	Foreign assets	Ranked in 1997 by:	Foreign assets	TNI <sup>a</sup>	Corporation	Country	Industry <sup>b</sup>	Assets		Sales		Employment		TNI <sup>a</sup> (Per cent)
								Foreign	Total	Foreign	Total	Foreign	Total	
41	69	41	41	72	Du Pont (E.I.) de Nemours	United States	Chemicals	16.7	38.5	11.7	24.8	35 000	101 000	41.7
42	42	26	26	31	Alcatel	France	Electronics	16.7	34.6	14.5	23.6	80 005	118 272	59.1
43	65	53	53	77	Peugeot SA	France	Motor vehicles	15.9	39.8	24.4	37.5	43 300	156 500	44.2
44	77	-	-	-	Texas Utilities Company	United States	Utility	15.8	39.5	4.0	14.7	8 300	22 055	35.0
45	96	39	39	82	Itochu Corporation	Japan	Trading	15.1	55.9	18.4	115.3	***	5 775	21.5
46	89	44	44	94	Sumitomo Corporation	Japan	Trading/machinery	15.0	45.0	17.6	95.0	***	5 591	26.3
47	25	-	-	-	Coca-Cola Company	United States	Beverages	14.9	19.2	11.9	18.8	***	29 000	70.6
48	24	-	-	-	Nortel Networks <sup>f</sup>	Canada	Telecommunications	14.3	19.7	12.2	17.6	***	75 052	70.8
49	92	40	40	76	Nissho Iwai	Japan	Trading	14.2	38.5	9.1	71.6	***	4 041	24.9
50	82	12	12	74	Fiat Spa <sup>c</sup>	Italy	Motor vehicles	14.2	76.1	19.4	51.0	87 861	220 549	32.1
51	62	57	63	Motorola Inc	United States	Electronics	14.0	31.0	14.0	31.3	66 800	141 000	45.8	
52	86	-	-	-	Telefonica SA	Spain	Telecommunications	13.8	42.3	6.1	20.5	27 802	101 809	29.9
53	83	80	80	95	Vivendi SA	France	Diversified/utility	***	57.1	11.5	35.3	94 310	235 610	31.5
54	11	63	46	63	Rio Tinto Plc <sup>g</sup>	United Kingdom/Australia	Mining	12.4	16.1	7.1	7.1	22 478	34 809	80.4
55	72	55	83	83	Matsushita Electric	Japan	Electronics	12.2	66.2	32.4	63.7	133 629	282 153	38.9
56	79	59	85	85	Fujitsu Ltd	Japan	Electronics	12.2	42.3	15.9	43.3	74 000	188 000	34.9
57	2	52	3	3	Thomson Corporation	Canada	Media/Publishing	12.1	12.5	5.8	6.2	36 000	39 000	94.6
58	97	56	99	99	Hitachi Ltd	Japan	Electrical equipment/ Electronics	12.0	76.6	19.8	63.8	58 000	331 494	21.4
59	36	66	49	49	McDonald's Corporation	United States	Eating places	12.0	19.8	7.5	12.4	***	284 000	60.7
60	48	72	53	53	Robert Bosch GmbH	Germany	Motor vehicle parts	***	21.9	19.6	30.2	94 180	189 537	56.3
61	74	-	-	-	RJR Nabisco Holdings	United States	Food/tobacco	***	28.9	5.6	17.0	***	74 000	36.9
62	6	89	11	11	Holderbank Financière Glarus	Switzerland	Construction materials	11.6	12.8	7.0	8.0	37 779	40 520	90.5
63	22	-	-	-	Stora Enso Oys	Finland	Paper	11.5	18.0	10.8	11.7	25 189	40 987	72.8
64	18	76	43	43	Michelin	France	Rubber/tires	***	15.0	12.3	14.6	87 160	127 241	76.0
65	88	61	92	92	VEBA Group	Germany	Diversified	***	52.2	14.7	49.0	39 220	116 774	28.2
66	95	-	-	-	RWE Group	Germany	Utility	10.8	57.2	8.2	41.2	42 681	155 576	22.1
67	20	71	14	14	Glaxo Wellcome Plc	United Kingdom	Pharmaceuticals	10.8	15.5	10.9	13.3	42 562	56 934	75.5
68	90	58	90	90	Marubeni Corporation	Japan	Trading	10.6	53.8	31.4	98.8	***	8 618	25.8
69	5	77	37	37	British American Tobacco Plc <sup>h</sup>	United Kingdom	Food/tobacco	10.5	12.4	13.8	15.3	99 204	101 081	91.0
70	57	47	52	52	Dow Chemical	United States	Chemicals	10.4	23.8	11.0	18.4	19 125	39 029	50.8
71	9	94	24	24	SmithKline Beecham Plc	United Kingdom	Pharmaceuticals	10.4	15.0	12.4	13.4	50 900	59 500	82.3
72	29	88	47	47	Danone Groupe SA	France	Food/beverages	10.3	17.6	8.8	14.4	58 602	78 945	64.6
73	49	-	-	-	Carrefour SA	France	Retailing	10.3	20.3	17.2	30.4	86 846	144 142	55.9
74	66	69	64	64	Johnson & Johnson	United States	Pharmaceuticals	***	26.2	11.1	23.7	***	93 100	43.0
75	30	-	-	-	Compart Spa	Italy	Food	10.2	21.6	10.5	15.0	24 097	33 076	63.4
76	100	-	-	-	SBC Communications	United States	Telecommunications	***	75.0	***	46.2	***	200 380	13.5
77	16	87	12	12	Akzo Nobel NV	Netherlands	Chemicals	10.1	14.0	11.6	14.6	67 800	85 900	76.8

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**Table III.1. The world's 100 largest TNCs, ranked by foreign assets, 1998 (concluded)**

(Billions of dollars and number of employees)

Ranking 1998 by:	Foreign assets TNI <sup>a</sup>	Ranked In 1997 by:	Foreign assets TNI <sup>a</sup>	Corporation	Country	Industry <sup>b</sup>	Assets		Sales		Employment		TNI <sup>a</sup> (Per cent)
							Foreign	Total	Foreign	Total	Foreign	Total	
78	71	65	66	Procter & Gamble <sup>i</sup>	United States	Chemicals/cosmetics	10.0	31.0	17.9	37.2	***	110 000	40.3
79	31	54	26	Montedison Spa	Italy	Chemicals/agriindustry	***	19.4	9.9	14.3	20 050	28 672	63.1
80	37	67	36	Ericsson LM	Sweden	Electronics/telecommunications	9.6	20.7	17.8	22.8	58 688	103 667	60.4
81	98	-	-	Southern Company	United States	Utility	9.6	36.2	1.8	11.4	***	31 848	21.0
82	4	74	7	Electrolux AB	Sweden	Electrical equipment/electronics	***	10.3	13.8	14.5	89 573	99 322	92.7
83	47	62	40	Volvo AB	Sweden	Motor vehicles	***	25.2	23.8	26.3	35 313	79 820	57.4
84	32	91	22	Royal Ahold NV	Netherlands	Retailing	***	13.3	20.9	29.4	133 716	279 255	62.9
85	84	79	87	Merck & Co	United States	Pharmaceuticals	9.3	31.9	6.6	26.9	22 800	57 300	31.1
86	15	83	15	L'Air Liquide Groupe	France	Chemicals	***	10.6	5.1	6.8	20 306	28 600	77.0
87	64	86	67	Mannesmann AG	Germany	Telecommunications/engineering	***	20.3	10.8	21.2	43 821	116 247	44.4
88	58	70	81	Mitsubishi Motors	Japan	Motor vehicles	8.4	25.4	16.8	29.1	18 251	29 945	50.6
89	61	-	-	Broken Hill Proprietary	Australia	Steel manufacturing	8.0	20.6	8.7	12.6	20 000	50 000	49.3
90	35	78	33	Crown Cork & Seal	United States	Packaging	8.0	12.5	5.0	8.3	***	38 459	61.8
91	87	73	70	Petroleos de Venezuela SA	Venezuela	Petroleum expl./ref./distr.	7.9	48.8	11.0	25.7	6 026	50 821	23.7
92	55	96	59	Canon Electronics	Japan	Electronics/office equipment	7.4	23.4	17.8	24.4	41 834	79 799	52.3
93	44	93	51	Bridgestone	Japan	Rubber/tires	7.4	14.7	11.3	17.1	***	97 767	58.2
94	99	84	100	GTE Corporation	United States	Telecommunications	7.3	43.6	3.3	25.7	22 000	120 000	16.0
95	94	92	97	Atlantic Richfield	United States	Petroleum expl./ref./distr.	***	25.2	1.6	10.3	4 300	18 400	22.5
96	39	60	17	Imperial Chemical Industries	United Kingdom	Chemicals	7.2	14.9	10.9	15.1	***	59 100	60.2
97	68	-	-	Compaq Computer Corp.	United States	Computers	7.0	21.7	16.4	31.2	***	71 000	42.6
98	10	-	-	SCA	Sweden	Paper	7.0	9.7	7.0	7.7	25 346	32 211	80.8
99	70	-	-	ALCOA	United States	Aluminium manufacturing	***	17.0	6.6	15.3	***	103 500	41.7
100	93	98	96	Toshiba Corporation	Japan	Electronics	6.8	48.8	14.5	44.6	***	198 000	23.3

Source: UNCTAD/Erasmus University database.

- <sup>a</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.
- <sup>b</sup> Industry classification for companies follows the United States Standard Industrial Classification as used by the United States Securities and Exchange Commission (SEC).
- <sup>c</sup> Foreign assets, sales and employment are outside Europe.
- <sup>d</sup> Mergers between Exxon and Mobil into ExxonMobil, and Hoechst AG and Rhone-Poulenc SA into Aventis are not documented yet as they took place in 1999.
- <sup>e</sup> Foreign assets, sales and employment are outside Australia and Asia.
- <sup>f</sup> Nortel Networks replaces BCE due to internal restructuring and reduction of BCE's ownership in Nortel Networks.
- <sup>g</sup> Foreign employment is outside Europe, Australia and New Zealand.
- <sup>h</sup> British American Tobacco demerged a large part of their services business, which explains decrease of total assets.
- <sup>i</sup> Foreign assets, sales and employment are outside North-America.
- ... Data on foreign assets, foreign sales and foreign employment were not made available for the purpose of this study. In case of non-availability, they are estimated using secondary sources of information or on the basis of the ratios of foreign to total assets, foreign to total sales and foreign to total employment.

Note: The list includes non-financial TNCs only. In some companies, foreign investors may hold a minority share of more than 10 per cent.

slightly increased their share in the total foreign assets of the top 100 TNCs, by 2.3 percentage points (table III.3), whereas North American and Japanese TNCs retained their relative positions. Nine out of the top ten increases in foreign assets originated in European companies (e.g. BP Amoco, Diageo and Vivendi). The only non-European company among the top 10 increases in foreign assets is General Electric (United States). However, with the exception of Dow Chemical and Nissan Motor, the largest decreases were also displayed by European TNCs, with declines of up to 33 per cent (Imperial Chemical). The European record is certainly a result of the massive recent M&A wave in the major markets. The current relative weakness of the Japanese economy and the constraints it has placed on Japanese TNCs might explain their stagnation compared with the other TNCs from the Triad.

**Foreign sales.** The total foreign sales of the largest TNCs amounted to \$ 2.1 trillion (table III.2). Compared with the slight decline of 0.7 per cent in 1997, the decline of foreign sales in 1998 was even more pronounced (3.2 per cent). As with foreign assets, however, individual company experiences varied widely. Seven out of the ten largest increases in foreign sales were among TNCs from the European Union — Peugeot, Renault, BP Amoco, Roche, Vivendi, Rio Tinto and Volkswagen — which registered increases in foreign sales of between 23 and 54 per

cent. The largest decreases in foreign sales offer a mixed picture: TNCs experiencing them come from a variety of countries and a variety of industries, so that no clear pattern can be discerned.

**Foreign employment.** Total foreign employment by the largest TNCs increased by almost 10 per cent, as did their total employment (table III.2), reversing for the first time in three years the previously observed trend of declining overall employment with rising foreign employment (figure III.1). Michelin, BP AMOCO and Renault more than doubled their foreign employment. Six out of ten companies with the largest increase in foreign employment originate in the European Union. Four Japanese companies (Itochu Corp., Nishho Iwai, Mitsui and Sumitomo Corp.) are among the top 10 companies showing a decline in foreign employment of up to 50 per cent. For these companies in particular, the decline in foreign employment was in line with a decline in foreign assets.

For the list as a whole, 17 new entries and exits were registered (tables III.4 and III.5), of which 10 were caused by mergers or acquisitions (Suez Lyonnaise des Eaux, Wal-Mart Stores, Texas Utility, Nortel, Telefonica, Stora Enso, RWE, Carrefour, Southern Company and Compaq Computer). In 1998, only one firm among the top 100 TNCs, Petróleos de Venezuela (PDVSA), was headquartered in a developing country. PDVSA descended 18 rungs to end up 91st in the top 100 list. Daewoo left the top 100 listing, although it remains in its proximity. This company, which has encountered serious difficulties in the wake of the Asian financial crisis, is currently undergoing comprehensive restructuring.

The most striking feature of this group of companies, however, is its relative stability in terms of geographic origin and membership since 1990, the first reporting year:

- The national origins of the group were fairly stable, with almost 90 of the top 100 being headquartered in the Triad of the European Union, Japan and the United States (table III.3). Triad countries — not surprisingly given the connection between corporate size and FDI volume — accounted for 85 per cent of total FDI outflows in 1999. The share of the

**Table III.2. Snapshot of the world's 100 largest TNCs, 1998**

(Billions of dollars, number of employees and percentage)

Variable	1998	1997	Change 1998 vs. 1997 (Percentage)
<b>Assets</b>			
Foreign	1 922	1 793	7.2
Total	4 610	4 212	9.4
<b>Sales</b>			
Foreign	2 063	2 133	-3.3
Total	4 099	3 984	2.9
<b>Employment</b>			
Foreign	6 547 719	5 980 740	9.5
Total	12 741 173	11 621 032	9.6
<b>Average index of transnationality</b>			
	53.9	55.4	-1.5 <sup>a</sup>

Source: UNCTAD/Erasmus University database.

<sup>a</sup> The change between 1997 and 1998 is expressed in percentage points.

**Table III.3. Country composition of the world's 100 largest TNCs by transnationality index, foreign assets and number of entries, 1990, 1997 and 1998**

(Percentage)

Country	Average TNI <sup>a</sup>			Share in total of foreign foreign assets of top 100			Number of entries		
	1990	1997	1998	1990	1997	1998	1990	1997	1998
<b>European Union</b>	<b>56.7</b>	<b>62.5</b>	<b>61.5</b>	<b>45.5</b>	<b>40.9</b>	<b>43.2</b>	<b>48</b>	<b>45</b>	<b>47</b>
France	50.9	58.4	58.8	10.4	9.8	10.5	14	13	12
Germany	44.4	55.7	51.4	8.9	12.7	12.6	9	11	12
United Kingdom <sup>b</sup>	68.5	70.8	75.7	16.8	11.2	12.3	12	11	10
Netherlands <sup>b</sup>	68.5	77.7	73.1	8.9	7.3	7.2	4	5	5
Italy	38.7	47.0	48.2	3.5	3.2	2.7	4	3	4
Sweden	71.7	70.1	72.8	2.7	1.6	1.9	5	3	4
Finland	-	-	72.8	-	-	0.6	-	0	1
Spain	-	-	29.9	-	-	0.7	-	0	1
Belgium	60.4	92.3	-	1	0.4	-	1	1	0
<b>North America</b>	<b>41.2</b>	<b>47.9</b>	<b>46.2</b>	<b>32.5</b>	<b>35.1</b>	<b>35.3</b>	<b>30</b>	<b>30</b>	<b>29</b>
United States	38.5	44.2	41.6	31.5	32.4	32.9	28	27	26
Canada	79.2	81.2	86.7	1	2.7	2.4	2	3	3
<b>Japan</b>	<b>35.5</b>	<b>39.5</b>	<b>38.7</b>	<b>12</b>	<b>15.7</b>	<b>14.5</b>	<b>12</b>	<b>17</b>	<b>17</b>
<b>Remaining countries</b>	<b>73.0</b>	<b>74.8</b>	<b>73.8</b>	<b>10</b>	<b>8.3</b>	<b>7.7</b>	<b>10</b>	<b>8</b>	<b>8</b>
Switzerland	84.3	85.3	88.1	7.5	6.1	5.1	6	5	4
Australia <sup>a</sup>	51.8	72.8	69.5	1.6	1.1	2.3	2	1	3
Venezuela	-	44.5	29.7	-	0.5	0.4	-	1	1
New Zealand	62.2	-	-	0.5	-	-	1	-	-
Republic of Korea	-	54.5	-	-	0.6	-	-	1	-
Norway	58.1	-	-	0.4	-	-	1	-	-
<b>Total <sup>c</sup> of all 100 listed TNCs</b>	<b>51.1</b>	<b>55.4</b>	<b>54.0</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: UNCTAD, 1993a and Erasmus University database.

<sup>a</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

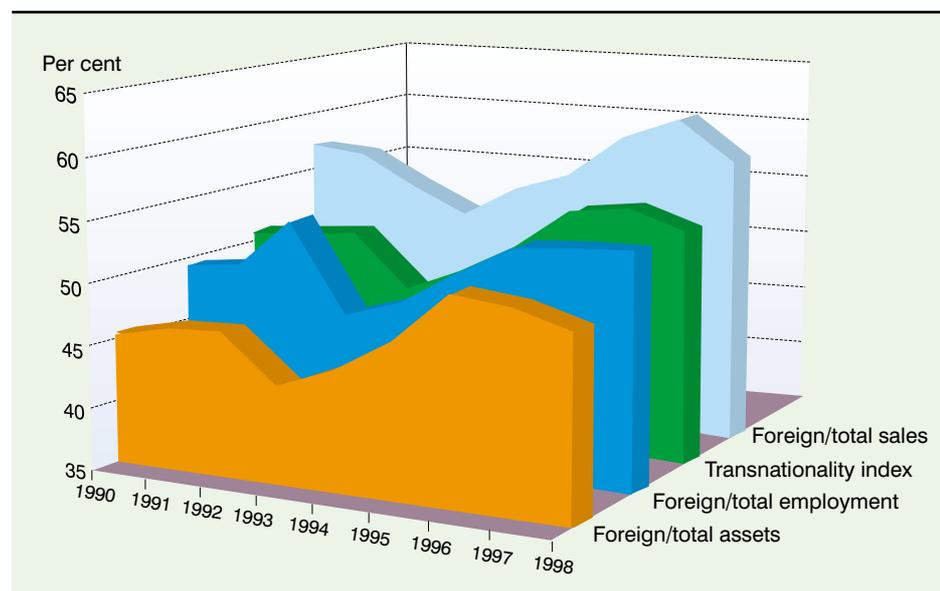
<sup>b</sup> Due to dual nationality, Royal Dutch Shell and Unilever are counted as an entry for both the United Kingdom and The Netherlands. In the aggregate for the European Union and the total of all listed TNCs they are counted once. Rio Tinto Plc is counted as an entry for both the United Kingdom and Australia. In the aggregate for the total of all 100 listed TNCs it is counted once.

<sup>c</sup> Numbers may not add up exactly due to rounding.

**FIGURE III.1**  
**Snapshot of the world's 100 largest TNCs, 1990-1998**

Source: UNCTAD/Erasmus University database.

Note: The ratios represent the averages of the individual ratios of foreign assets/total assets, foreign sales/total sales, foreign employment/total employment of the top 100 expressed in percentages. The average transnationality index (TNI) of the top 100 TNCs is the average of the 100 individual company transnationality indices.



**Table III.4. Newcomers to the world's 100 largest TNCs, ranked by foreign assets, 1998**

Ranked by Foreign assets	TNI <sup>a</sup>	Corporation	Country	Industry	TNI <sup>a</sup> (Percentage)
13	63	Suez Lyonnaise des Eaux	France	Diversified	45.6
14	75	Wal-Mart Stores	United States	Retailing	37.2
47	77	Texas Utilities Company	United States	Utility	35.0
48	25	Coca-Cola Company	United States	Beverages	70.6
47	24	Nortel Networks	Canada	Telecommunications	70.8
52	86	Telefónica SA	Spain	Telecommunications	29.9
61	74	RJR Nabisco Holdings	United States	Food/tobacco	36.9
63	22	Stora Enso Oys	Finland	Paper	72.8
66	95	RWE Group	Germany	Utility	22.1
73	49	Carrefour SA	France	Retailing	55.9
75	30	Compart Spa	Italy	Food	63.4
76	100	SBC Communications	United States	Telecommunications	13.5
81	98	Southern Company	United States	Utility	21.0
89	61	Broken Hill Proprietary	Australia	Steel manufacturing	49.3
97	68	Compaq Computer Corporation	United States	Computers	42.6
98	10	SCA	Sweden	Paper	80.8
99	70	ALCOA	United States	Aluminium manufacturing	41.7

Source: UNCTAD/Erasmus University database.

<sup>a</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

**Table III.5. Departures from the world's 100 largest TNCs, ranked by foreign assets, 1998<sup>a</sup>**

Ranked in 1997 by Foreign assets	TNI <sup>b</sup>	Corporation	Country	Industry	TNI <sup>b</sup> (Percentage)
29	58	Philip Morris	United States	Food/tobacco	51.1
43	19	Novartis	Switzerland	Pharmaceuticals/chemicals	74.4
48	69	Texaco Incorporated	United States	Petroleum expl./ref./distr.	45.3
49	61	BCE Inc	Canada	Telecommunications/electronics	50.9
50	65	Xerox Corporation	United States	Photo equipment	48.7
51	45	Saint-Gobain SA	France	Industrial material	58.7
64	23	Lafarge SA	France	Construction	71.3
68	93	AMOCO Corporation <sup>c</sup>	United States	Petroleum expl./ref./distr.	25.9
75	62	Daewoo Corporation	Republic of Korea	Diversified	50.8
81	98	AT&T Corp	United States	Telecommunications/electronics	21.9
82	6	Solvay SA	Belgium	Chemicals/pharmaceuticals	92.3
85	89	International Paper	United States	Paper	30.7
90	13	BTR Plc <sup>d</sup>	United Kingdom	Plastics and foam	78.2
95	35	LVMH SA	France	Diversified	62.1
97	73	American Home Products	United States	Pharmaceuticals	41.3
99	28	Gillette Company	United States	Drugs, cosmetics & health	65.9
100	27	Pharmacia & Upjohn Inc.	United States	Pharmaceuticals	66.6

Source: UNCTAD/Erasmus University database.

<sup>a</sup> This also includes companies that could not be considered in 1998 because of the late arrival of the response to the UNCTAD questionnaire and for which estimates could not be derived.

<sup>b</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

<sup>c</sup> AMOCO merged with BP into BP AMOCO.

<sup>d</sup> BTR merged with Siebe into Invensys.

Triad in total FDI outflows decreased from 87 per cent in 1990 to 75 per cent in 1996 to rebound in 1999. The most recent rise is mainly due to the current cross-border M&A wave, in which the top 100 have a considerable role.

- During the past nine years, 57 of the top 100 TNCs have continued to feature in the list. Ten TNCs that were in the first list did not appear in the 1998 list because of M&As. The successor companies (e.g. DaimlerChrysler, BP Amoco and Diageo) replaced them.

The list was dominated in 1998 by the same three industries as in previous years: electronics/electrical equipment, motor vehicles and petroleum exploration and distribution (table III.6). In 1998, 57 of the top 100 TNCs were in one of these four industries, with 31 in the first two. The emergence of large transnational utility and telecommunication companies in the list, resulting from the increasing liberalization of their markets, as well as a worldwide consolidation in the pharmaceuticals, reduced the number of pharmaceutical firms in the list from 13 to 8 entries in 1998.

## 2. Transnationality

The TNC “transnationality index” is the average of three ratios: foreign assets/total assets, foreign sales/total sales and foreign employment/total employment. It is intended to capture the foreign dimension of assets, sales and employment in a firm’s overall activities. Between 1990 and 1998, the average transnationality index of the world’s top 100 TNCs<sup>3</sup> rose from 51 per cent in 1990 to 55 per cent in 1997 and declined to 54 per cent in 1998 (figure III.2). The slight decline is mainly due to the emergence of large transnational utility and telecommunication companies, whose average transnationality index in 1998 was 37 percentage points as compared to 54 percentage points for the top 100 in total. The small decrease in total foreign sales in 1998, accompanied by a marginal increase in domestic sales, also helps account for the decline in the overall transnationality index.

In 1998, as in earlier years, the index is led by firms from countries with small domestic markets: of the top 10 TNCs in

**Table III.6. Industry composition of the top 100 TNCs, 1990, 1997 and 1998**

Industry	Number of entries			Average TNI <sup>a</sup> per industry (Percentage)		
	1990	1997	1998	1990	1997	1998
Electronics/electrical equipment/computers	14	18	17	47.4	55.0	52.6
Motor vehicle and parts	13	14	14	35.8	46.7	49.0
Petroleum exploration/refining/distribution and mining	13	13	11	47.3	48.9	52.7
Food/beverages/tobacco	9	8	10	59.0	72.7	74.3
Chemicals	12	8	8	60.1	63.3	58.5
Pharmaceuticals	6	13	8	66.1	67.5	64.3
Diversified	2	7	6	29.7	42.3	38.0
Telecommunications	2	4	6	46.2	40.7	40.4
Trading	7	3	4	32.4	34.0	24.6
Retailing	-	1	3	-	71.5	52.0
Utilities	-	-	3	-	-	26.0
Metals	6	-	2	55.1	-	45.5
Media	2	1	2	82.6	72.8	86.7
Construction	4	3	1	58.8	70.3	90.5
Machinery/engineering	3	2	-	54.5	35.8	-
Other	7	5	5	57.6	60.8	69.9
Total/average	100	100	100	51.1	55.4	53.9

Source: UNCTAD, 1993a and Erasmus University database.

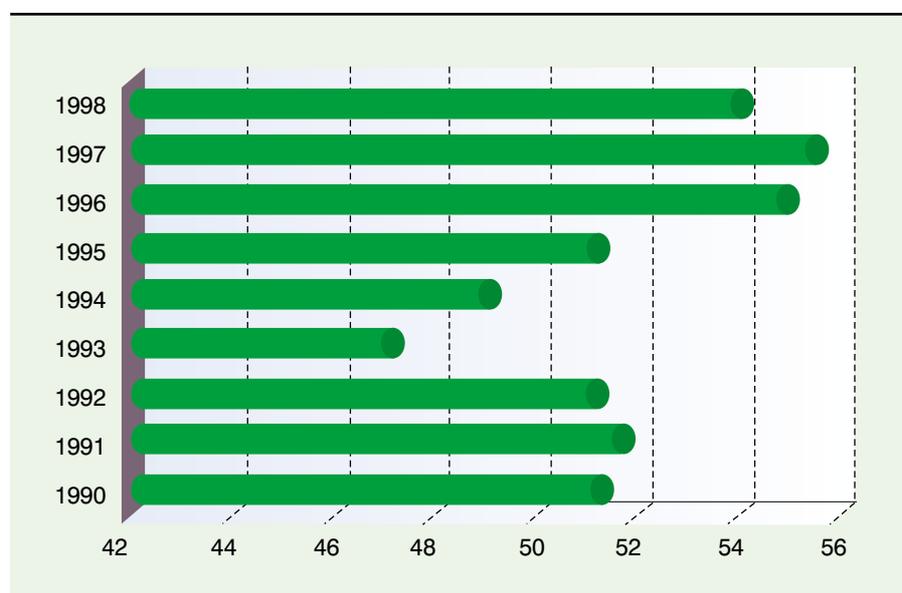
<sup>a</sup> TNI is the abbreviation for “transnationality index”, which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

terms of transnationality (table III.7), only one was headquartered in a single, relatively large, economy (United Kingdom). This is not surprising, as TNCs from smaller home countries tend to go abroad to overcome the constraints of their home markets and to make full use of their ownership advantages. The top 10 rises and declines in the transnationality index mostly feature TNCs from smaller home countries (figures III.3 and III.4).

Looking at transnationality by industry, one finds great variations (table III.6). Food and beverages topped the list with 74 per cent, while trading was at the

bottom with 25 per cent. The degree of transnationality of the top five firms in all industries that have at least five entries in the lists of both 1990 and 1998 increased substantially over the period 1990-1998 (table III.8). Food and beverages firms exhibited the largest gains (25 percentage points), while petroleum firms the smallest (6 percentage points). The top five motor vehicle companies remained among the least transnationalized, whereas the top five food and beverages firms, closely followed by pharmaceutical and electronic firms, had gained substantially over the period. The different allocation and use of capital in the various industries could explain this

**FIGURE III.2**  
Average transnationality index of the world's 100 largest TNCs, 1990-1998



Source: UNCTAD/Erasmus University database.

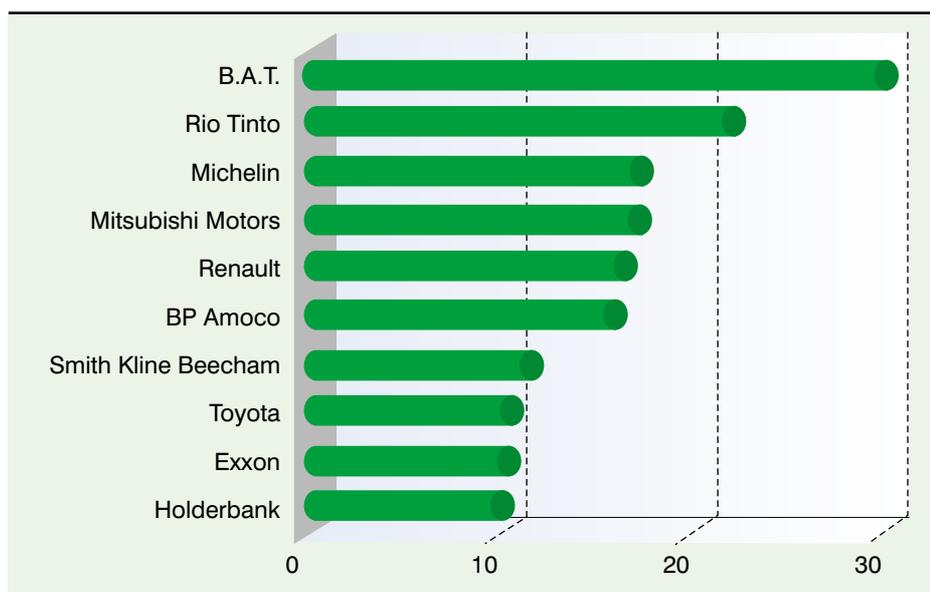
**Table III.7. The world's top 10 TNCs in terms of transnationality, 1998**

Ranking 1998 by Foreign assets		Ranking 1997 by Foreign assets		Corporation	Country	Industry	TNI <sup>a</sup>
Rank	TNI <sup>a</sup>	Rank	TNI <sup>a</sup>				
34	1	23	1	Seagram Company	Canada	Beverages/media	94.8
57	2	52	3	Thomson Corporation	Canada	Media/publishing	94.6
10	3	9	4	Nestlé SA	Switzerland	Food/beverages	94.2
82	4	74	7	Electrolux AB	Sweden	Electrical equipment/electronics	92.7
69	5	77	37	British American Tobacco Plc	United Kingdom	Food/tobacco	91.0
62	6	89	11	Holderbank Financière Glarus	Switzerland	Construction materials	90.5
12	7	18	5	Unilever	Netherlands/ United Kingdom	Food/beverages	90.1
15	8	14	2	ABB	Switzerland	Electrical equipment	89.1
71	9	94	24	SmithKline Beecham Plc	United Kingdom	Pharmaceuticals	82.3
98	10	New	New	SCA	Sweden	Paper	80.8

Source: UNCTAD/Erasmus University database.

<sup>a</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

**FIGURE III.3**  
**The top 10 increases**  
**in transnationality**  
**among the world's**  
**100 largest TNCs,**  
**1997-1998**  
 (Percentages)



Source: UNCTAD/Erasmus University database.

**Table III. 8. Averages in transnationality index, assets, sales and employment of the top 5 TNCs in each industry, <sup>a</sup> 1990, 1997 and 1998**

(Percentage points, and per cent of top 100 total)

Industry	Year	Transnationality index	Assets		Sales		Employment	
			Foreign	Total	Foreign	Total	Foreign	Total
Petroleum	1990	57.7	15.1	10.6	15.8	11.9	5.5	4.2
	1997	60.2	11.2	7.8	12.8	10.7	3.5	3.2
	1998	63.8	10.8	7.0	11.8	9.0	4.0	3.2
Motor vehicles	1990	34.7	11.9	15.3	10.4	11.8	9.7	14.2
	1997	41.1	13.1	17.6	11.2	13.9	10.5	14.7
	1998	44.1	13.1	18.4	15.8	15.5	11.6	13.1
Electronics/ electrical equipment	1990	36.1	6.4	7.4	4.7	6.3	6.5	9.6
	1997	59.5	12.1	12.6	8.6	7.8	12.5	11.3
	1998	58.3	13.1	12.9	8.9	8.1	11.6	10.5
Pharmaceuticals	1990	47.1	1.5	1.3	1.6	1.4	2.4	2.3
	1997	63.8	4.4	3.6	3.5	2.7	4.5	3.5
	1998	71.5	4.9	3.3	4.0	2.5	4.4	3.4
Chemicals	1990	51.6	5.3	4.2	5.9	4.5	4.8	5.4
	1997	63.4	5.8	3.7	5.1	3.9	4.8	4.5
	1998	53.5	3.3	3.0	3.7	3.1	3.2	3.5
Food/beverages	1990	60.8	7.2	5.6	5.8	5.0	11.7	7.6
	1997	81.1	6.4	4.2	7.1	4.6	11.2	6.5
	1998	85.3	6.8	3.6	5.9	3.3	8.8	4.9

Source: UNCTAD, 1993a and Erasmus University database.

<sup>a</sup> Only industries that have at least five entries in the lists of the top 100 TNCs of 1990, 1997 and 1998.

structural phenomenon. Actually, only the motor vehicle companies still maintain a transnationality index below 50 per cent at the end of the 1990s whereas all the other five manufacturing industries moved their industry-specific transnationality indices substantially above 50 per cent. The motor vehicle industry will certainly catch up within the next five years, given the trend towards global consolidation in that industry.

### B. The largest 50 TNCs from developing economies

The 1998 list of the top 50 non-financial TNCs from developing economies, ranked by foreign assets, naturally features some of the best-known enterprises from Asia, Latin America and Africa (table III.9). As in 1997, *Petróleos de Venezuela* (Venezuela) tops the list, followed by *Daewoo Corporation* (Republic of Korea). Although these two corporations have also figured among the world's largest 100 TNCs since 1995, this year, *Daewoo* missed the \$6.8 billion mark, which was the threshold for entry into the top 100.

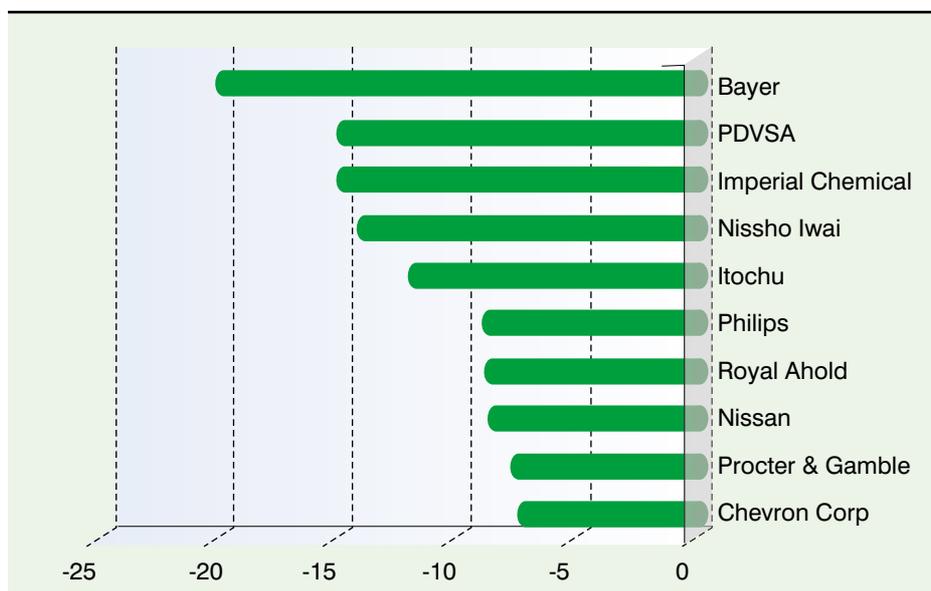
The next four largest developing-economy TNCs have foreign assets ranging from \$4.6 to \$6.0 billion, a level that is not too far from the lowest-ranked TNCs in the top 100. In general, however, the biggest TNCs from developing economies are relatively small, judged by foreign assets. Their median foreign-asset holdings are

around 1.5 billion — far below the median foreign-asset level of the top 100, which was around 14 billion in 1998. Table III.10 illustrates some changes in the main variables of the top 50 TNCs group over 1997 — 1998.

The performance of the group as a whole changed somewhat in 1998. In 1998, movements in the main variables were mixed with the ratio of foreign-assets-to-total assets increasing significantly, while the ratio of foreign-sales-to-total-sales and foreign-employment-to-total-employment experienced another decline (figure III.5). In addition, foreign employment and especially foreign sales declined significantly. These movements seem to be linked to the financial crises in the major home countries of the top 50 TNCs. Nevertheless, the trend towards increasing transnationalization resumed in 1998, as indicated by the 2.4 per cent increase over 1997 in the average index of transnationality of the top 50 TNCs from developing countries (table III.10 and figure III.5). This result reflects the increase in the top 50 stock of foreign assets, from \$103 to \$109 billion in 1998, as compared to total assets which declined by 1 percentage point.

In terms of the degree of transnationality, the top five companies in the list of the largest TNCs from developing countries were from Asia (table III.11). As in the case of the world's 100 largest TNCs, those of the top 50 list headquartered in the smaller developing countries were among the most transnationalized in their group.

**FIGURE III.4**  
**The top 10 decreases in transnationality among the world's 100 largest TNCs, 1997-1998**  
 (Percentages)



Source: UNCTAD/Erasmus University database.

Table III.9. The top 50 TNCs from developing economies, ranked by foreign assets, 1998

(Millions of dollars, number of employees)

Ranking by Foreign assets	TNI <sup>a</sup>	Corporation	Economy	Industry <sup>b</sup>	Assets		Sales		Employment		TNI <sup>a</sup> (Per cent)
					Foreign	Total	Foreign	Total	Foreign	Total	
1	34	Petróleos de Venezuela S.A.	Venezuela	Petroleum expl./ref./distr.	7 926	48 816	11 003	25 659	6 026	50 821	23.7
2	14	Daewoo Corporation	Republic of Korea	Trade	..	22 135	..	30 547	..	15 000	49.4
3	6	Jardine Matheson Holdings, Limited <sup>d</sup>	Hong Kong (China)/ Bermuda	Diversified	5 954	9 565	7 921	11 230	..	160 000	67.6
4	12	Cemex, S.A.	Mexico	Construction	5 639	10 460	2 334	4 315	9 745	19 761	52.4
5	35	PETRONAS - Petrolim Nasional Berhad	Malaysia	Petroleum expl./ref./distr.	5 634	26 184	3 757	11 133	2 700	18 578	23.2
6	8	Sappi Limited	South Africa <sup>c</sup>	Pulp and Paper	4 574	6 475	3 246	4 308	10 725	23 640	63.8
7	19	Hutchison Whampoa, Limited	Hong Kong (China)	Diversified	..	13 389	2 191	6 639	20 845	39 860	39.4
8	9	First Pacific Company Limited	Hong Kong (China)	Other	4 086	7 646	2 527	2 894	15 063	30 673	63.3
9	39	Sunkyong Group	Republic of Korea	Diversified	3 851	36 944	12 029	38 274	2 400	29 000	16.7
10	49	Petroleo Brasileiro S.A. - Petrobras	Brazil	Petroleum expl./ref./distr.	3 700	33 180	1 300	15 520	417	42 137	6.8
11	45	New World Development Co., Limited	Hong Kong (China)	Construction	3 414	13 465	376	2 628	30	16 512	13.3
12	31	China State Construction Engineering Corporation	China	Construction	3 290	7 300	1 950	5 890	5 535	239 102	26.8
13	36	YPF Sociedad Anonima	Argentina	Petroleum expl./ref./distr.	3 278	13 146	880	5 500	1 754	9 486	19.8
14	21	LG Electronics, Incorporated	Republic of Korea	Electronics and electrical equipment	3 127	12 824	4 841	12 213	27 819	60 753	36.6
15	17	China National Chemicals Import & Export Corporation	China	Trade	3 000	4 950	7 920	13 800	510	8 415	41.4
16	43	Keppel Corporation Limited	Singapore	Diversified	2 598	17 321	376	2 127	1 700	11 900	15.7
17	24	Companhia Vale do Rio Doce	Brazil	Transportation	1 947	13 539	3 025	4 321	7 076	40 334	34.0
18	20	Hyundai Engineering & Construction Co.	Republic of Korea	Construction	..	7 094	..	3 815	..	22 787	37.6
19	15	Citic Pacific, Limited	Hong Kong (China)	Diversified	1 842	8 771	908	1 755	7 639	11 871	45.7
20	28	Enersis, S.A.	Chile	Electric utilities or services	1 697	16 117	306	3 406	9 342	14 336	28.2
21	3	Guangdong Investment Limited	Hong Kong (China)	Diversified	1 695	2 577	614	812	16 015	17 330	77.9
22	26	San Miguel Corporation	Philippines	Food and beverages	1 676	3 552	287	1 811	4 338	15 923	30.1
23	40	Samsung Electronics Co., Limited	Republic of Korea	Electronics and electrical equip.	..	17 213	..	16 640	..	42 154	16.3
24	44	Shougang Group	China	Steel and iron	1 610	6 990	830	4 270	1 548	212 027	14.4
25	16	Barlow Limited	South Africa <sup>c</sup>	Diversified	1 574	2 624	1 734	3 769	..	27 804	43.9
26	25	Singapore Airlines Limited	Singapore	Transportation	1 517	9 944	3 284	4 508	3 115	27 386	33.2
27	7	Fraser & Neave Limited	Singapore	Food and beverages	1 473	3 993	1 069	1 507	13 037	15 082	64.8
28	10	Acer Incorporated	Taiwan Province of China	Diversified	1 449	3 304	4 192	5 267	9 373	16 326	60.3
29	18	Sime Darby Berhad	Malaysia	Diversified	1 270	3 198	1 959	3 178	..	32 490	41.3
30	2	Orient Overseas (International) Limited	Hong Kong (China)	Transportation	1 247	1 801	1 820	1 833	3 314	3 935	84.3
31	37	Perez Companc, S.A.	Argentina	Petroleum expl./ref./distr.	1 145	4 822	219	1 309	836	4 450	19.8
32	27	Gener, S.A.	Chile	Electric utilities or services	1 139	3 477	185	599	217	910	29.1
33	29	Tatung, Co.	Taiwan Province of China	Electronics and electrical equipment	..	4 483	..	2 921	..	19 719	28.1

/...

**Table III.9. The top 50 TNCs from developing economies, ranked by foreign assets, 1998 (concluded)**

(Millions of dollars, number of employees)

Ranking by Foreign assets	TNI <sup>a</sup>	Corporation	Economy	Industry <sup>b</sup>	Assets		Sales		Employment		TNI <sup>a</sup> (Per cent)
					Foreign	Total	Foreign	Total	Foreign	Total	
34	46	Companhia Cervejaria Brahma	Brazil	Food and beverages	..	3 862	..	2 639	..	10 708	12.5
35	23	Dong-Ah Construction Ind. Co., Limited	Republic of Korea	Construction	..	5 435	..	2 147	..	4 291	34.8
36	42	China Harbor Engineering Company	China	Construction	860	2 420	150	1 540	1 963	62 652	16.1
37	32	China National Metals and Minerals Imp and Exp Corp.	China	Trade	850	2 260	880	3 180	142	1 409	25.1
38	48	Reliance Industries Limited	India	Chemicals and pharmaceuticals	..	5 741	..	3 160	..	15 985	7.7
39	47	Compania de Petroleos de Chile (COPEC)	Chile	Diversified	842	6 459	142	2 896	485	7 841	8.0
40	11	Gruma, S.A. de C.V.	Mexico	Food and beverages	731	1 738	833	1 394	7 736	13 652	52.8
41	30	South African Breweries plc.	South Africa <sup>c</sup>	Food and beverages	..	3 812	2 423	5 877	11 222	49 431	27.3
42	13	NatSteel Group	Singapore	Steel and iron	685	1 296	208	885	8 598	11 695	50.0
43	22	Hong Kong and Shanghai Hotels, Limited	Hong Kong (China)	Tourism and hotel	642	2 346	58	274	3 606	6 249	35.4
44	50	CLP Holdings Limited	Hong Kong (China)	Electric utilities or services	630	7 115	180	3 101	..	4 420	4.9
45	33	Souza Cruz, S.A.	Brazil	Diversified	..	2 154	689	1 535	..	7 200	24.6
46	4	WBL Corporation Limited	Singapore	Electronics and electrical equip.	545	752	264	407	9 021	9 875	76.2
47	5	Asia Pacific Breweries Limited	Singapore	Food and beverages	544	857	618	839	3 449	3 955	74.8
48	38	Metalurgica Gerdau, S.A.	Brazil	Steel and iron	520	2 849	357	1 802	1 335	9 974	17.1
49	41	Sadia S.A. Industria e Comercio	Brazil	Food and beverages	..	1 738	..	2 204	..	22 331	16.2
50	1	Want Want Holdings, Limited	Singapore	Food and beverages	452	465	262	271	4 708	4 713	97.9

Source: UNCTAD, FDI/TNC database.

<sup>a</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

<sup>b</sup> Industry classification for companies follows the United States Standard Industrial Classification which is used by the United States Securities and Exchange Commission (SEC).

<sup>c</sup> Within the context of this list, South Africa is treated as a developing country.

<sup>d</sup> The company is incorporated in Bermuda and the group is managed from Hong Kong (China).

.. Data on foreign assets, foreign sales or foreign employment were not made available for the purpose of this study. In case of non availability, they are estimated using secondary sources of information or on the basis of the ratios of foreign to total assets, foreign to total sales and foreign to total employment.

Typically, companies enter or leave the list either because the level of their foreign assets changes relative to other companies on the list, or because they merge, or otherwise leave the marketplace. Mobility among the top 50 used to be considerable during the first years of the list (1993 to 1996). Since then it has stabilized. In 1998, five new entries and corresponding exits (tables III.12 and III.13) were registered, compared to seven in 1997 and twelve in 1996.

The most strongly represented industries (in terms of numbers) in the top 50 group in 1998 were : construction, food and beverages, diversified, and petroleum exploration, refining and distribution. These industry groups together accounted for about 60 per cent of the foreign assets, foreign sales and foreign employment of the top 50 group as a whole in 1998 (figure III.6). This has been a significant increase compared

**Table III.10. Snapshot of the top 50 TNCs from developing economies, 1998**

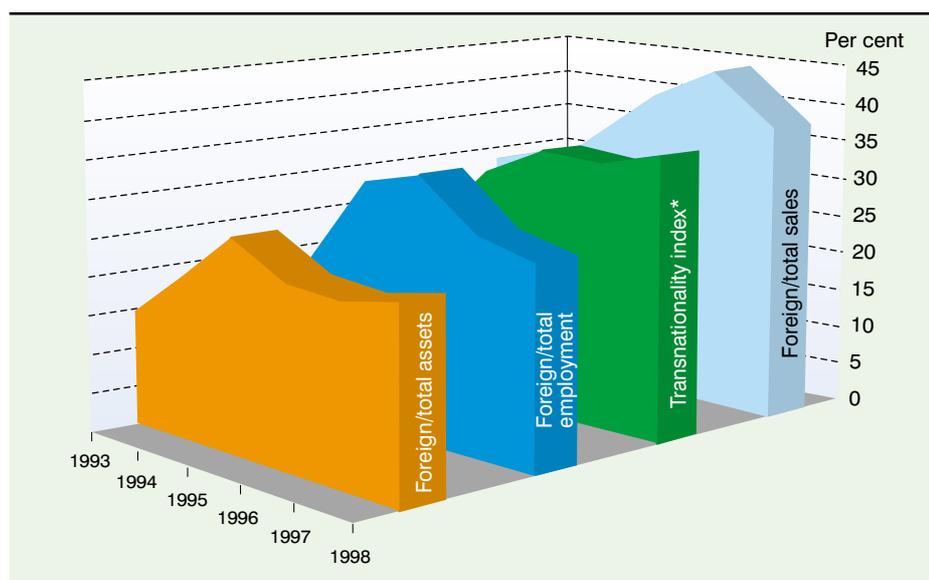
(Billions of dollars, percentage and number of employees)

Variable	1998	1997	Change <sup>a</sup> 1998 vs. 1997 (Percentage)
<b>Assets</b>			
Foreign	109	103	5.8
Total	449	453	-1.0
<b>Sales</b>			
Foreign	109	136	-19.7
Total	289	306	-5.7
<b>Employment</b>			
Foreign	400 475	483 129	-17.1
Total	1 546 883	1 737 756	-11.0
<b>Average index of transnationality</b>			
	36.6	34.2	2.4 <sup>a</sup>

Source: UNCTAD, FDI/TNC database.

<sup>a</sup> Change is measured in percentage points.

**FIGURE III.5**  
Snapshot of the top 50 TNCs from developing economies, 1993-1998



Source: UNCTAD, FDI/TNC database.

Note: The average transnationality index (TNI) of the top 50 TNCs is the average of the 50 individual company transnationality indices.

**Table III.11. The top five TNCs from developing economies in terms of transnationality, 1998**

Ranking by	TNI <sup>a</sup>	Foreign assets	Corporation	Economy	Industry	TNI <sup>a</sup> (Per cent)
1	50		Want Want Holdings, Limited	Singapore	Food and beverages	97.9
2	30		Orient Overseas (International) Limited	Hong Kong (China)	Transportation	84.3
3	21		Guangdong Investment Limited	Hong Kong (China)	Diversified	77.9
4	46		WBL Corporation Limited	Singapore	Electronics and electrical equipment	76.2
5	47		Asia Pacific Breweries Limited	Singapore	Food and beverages	74.8

Source: UNCTAD, FDI/TNC database.

<sup>a</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

**Table III.12. Newcomers to the top 50 TNCs from developing economies, 1998**

Number	Ranked by		Corporation	Economy	Industry	TNI <sup>a</sup> (Per cent)
	Foreign assets	TNI <sup>a</sup>				
1	47	5	Asia Pacific Breweries Limited	Singapore	Food and beverages	74.8
2	44	50	CLP Holdings Limited	Hong Kong (China)	Electric utilities or services	4.9
3	48	38	Metalurgica Gerdau, S.A.	Brazil	Steel and iron	17.1
4	42	13	NatSteel Group	Singapore	Steel and iron	50.0
5	46	4	WBL Corporation Limited	Singapore	Electronics and electrical equipment	76.2

Source: UNCTAD, FDI/TNC database.

<sup>a</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

to just five years earlier, when the same industry groups accounted for only about 40 per cent of the foreign assets, foreign sales and foreign employment of the top 50 TNCs (figure III.6).

This increase of 50 per cent in these industries' combined share in the top 50's foreign assets, foreign sales and foreign employment in a span of only five years suggests that they are at the forefront of the transnationalization process. Indeed, if one looks at the average transnationality index of these four industry groups (figure III.7), this impression is confirmed. The transnationality index increased for all four over the five-year period 1993-1998 and very substantially so for two of the four: for food and beverages, it nearly tripled, going from 16 to 47 per cent, while for the petroleum group, it jumped by a multiple of six, from 3 to 19 per cent (table III.14).

In 1998, the most transnationalized industries among the top 50 TNCs were transport, pulp and paper, diversified, and food and beverages, with transnationality indices ranging from 40 to almost 64 per cent (table III.14). These results contrast with the findings for the top 100 (table III.6), where food and beverage as well as chemicals and pharmaceuticals had significantly higher transnationality indices than they did for the top 50 group. The difference between the top 50 and the top 100 in their transnationality indices for the petroleum exploration, refining and distribution group is also remarkable: 19 in the former as against more than 50 in the latter.

The top 50 are in general much less transnationalized than the top 100, reflecting the fact that firms from developing economies began investing abroad much later than their developed-country counterparts. Their

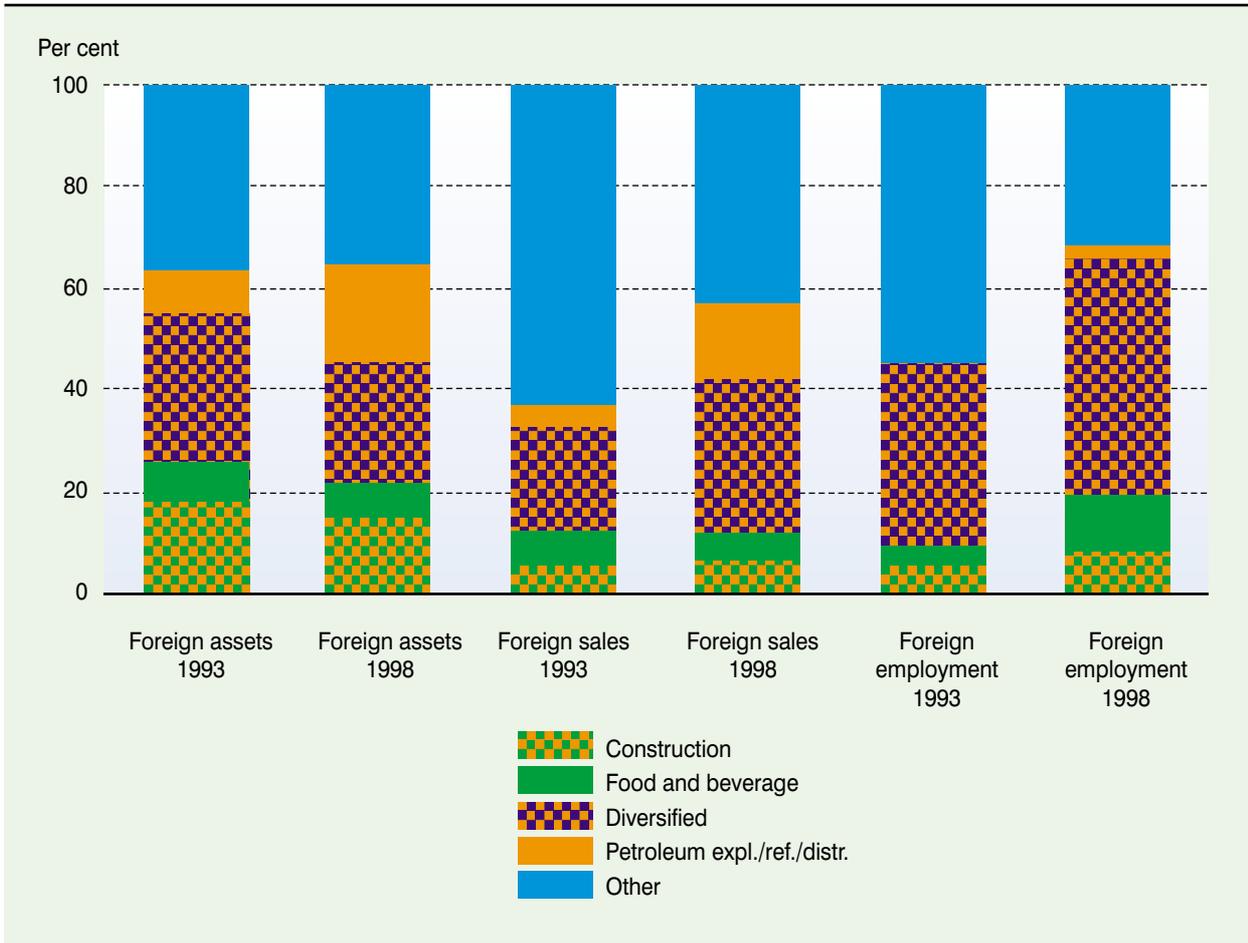
**Table III.13. Departures from the top 50 TNCs from developing economies, 1998**

Number	Ranked in 1997 by		Corporation	Economy	Industry	TNI <sup>a</sup> in 1997 (Per cent)
	Foreign assets	TNI <sup>a</sup>				
1	40	22	China National Foreign Trade Transportation Corp.	China	Transportation	31
2	35	36	Empresas CMPC, S.A.	Chile	Pulp and paper	18
3	47	47	SABIC - Saudi Basic Industries Corp.	Saudi Arabia	Chemicals and pharmaceuticals	12
4	49	44	Vitro S.A. de C.V.	Mexico	Other	15
5	50	27	Wing On International Holdings Limited	Hong Kong (China)	Diversified	28

Source: UNCTAD, FDI/TNC database.

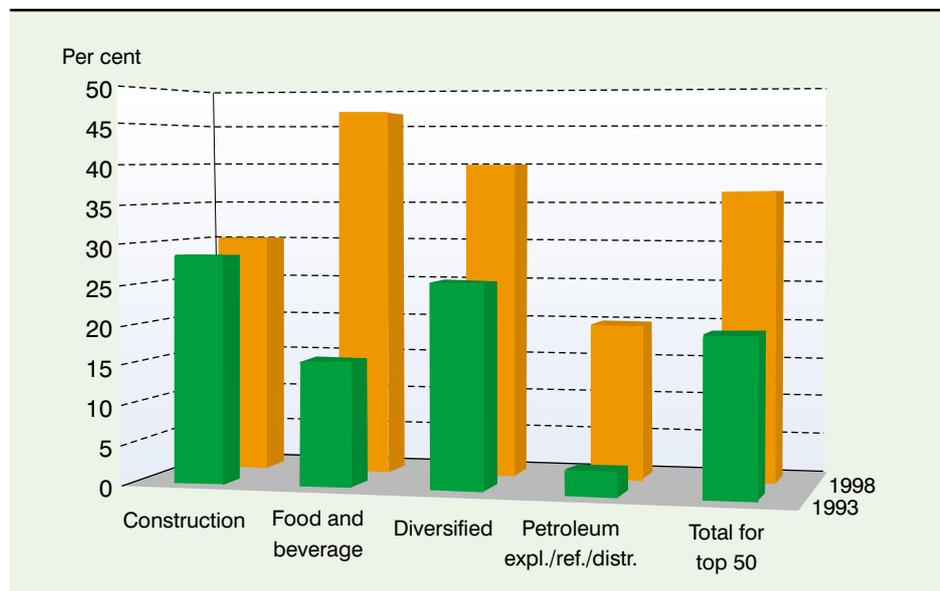
<sup>a</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

**FIGURE III.6**  
Major industry groups as per cent of the top 50 totals, 1993 and 1998



Source: UNCTAD, FDI/TNC database.

**FIGURE III.7**  
Major industry groups of the top 50 TNCs and their average transnationality index, 1993-1998



Source: UNCTAD, FDI/TNC database.

**Table III.14. Industry composition of the top 50 TNCs from developing economies, 1993, 1997 and 1998**

Industry	Number of entries			Average TNI <sup>a</sup> per industry (Percentage)		
	1993	1997	1998	1993	1997	1998
Diversified	12	16	11	25.6	35.8	40.1
Food and beverages	7	7	8	15.6	40.8	47.0
Construction	4	6	6	28.8	31.5	30.2
Petroleum expl./ref./distr.	3	5	5	3.1	21.8	18.6
Electronics and electrical equipment	7	4	4	28.1	37.2	39.3
Electric Utilities or Services	1	2	3	2.0	32.2	20.8
Steel and iron	5	..	3	11.6	..	27.2
Trade	..	..	3	..	..	38.6
Transportation	1	4	3	23.2	46.6	50.5
Chemicals and pharmaceuticals	1	2	1	17.0	9.9	7.7
Other	4	1	1	23.6	15.3	63.3
Pulp and paper	2	2	1	26.0	39.8	63.8
Tourism and hotel	3	1	1	33.1	32.7	35.4
Average/total <sup>b</sup>	50	50	50	19.8	34.2	36.6

Source: UNCTAD, FDI/TNC database.

Note: This list does not include countries from Central and Eastern Europe.

<sup>a</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

<sup>b</sup> Numbers may not add up exactly due to rounding.

**Table III.15. Country composition of the top 50 TNCs from developing economies, by transnationality index and foreign assets, 1993, 1997 and 1998**

Economy	Average TNI <sup>a</sup> per country (Percentage)			Share in total foreign assets of the top 50 (Percentage)		
	1993	1997	1998	1993	1997	1998
<b>South, East and South-East Asia</b>	<b>21.8</b>	<b>42.5</b>	<b>35.8</b>	<b>70.6</b>	<b>66.1</b>	<b>65.7</b>
China	..	36.5	24.8	..	10.8	8.8
Hong Kong (China)	36.5	61.4	56.6	22.0	24.9	22.0
India	6.4	17.1	7.7	0.4	0.9	0.8
Korea, Republic of	20.2	41.0	31.9	24.8	19.6	16.7
Malaysia	20.0	34.0	32.3	4.7	2.3	6.3
Philippines	6.9	33.8	30.1	1.4	1.0	1.5
Singapore	43.0	63.2	58.9	5.3	4.5	7.2
Taiwan Province of China	19.6	53.1	44.2	12.3	2.2	2.4
<b>Latin America</b>	<b>14.0</b>	<b>28.3</b>	<b>27.3</b>	<b>29.9</b>	<b>28.5</b>	<b>28.2</b>
Argentina	..	17.2	19.8	..	3.7	4.1
Brazil	17.4	17.5	18.5	12.0	6.0	7.6
Chile	12.1	22.5	21.8	1.0	3.9	3.4
Mexico	12.5	39.7	52.6	16.9	6.3	5.9
Venezuela	..	44.5	23.7	..	8.6	7.3
<b>Africa</b>	<b>..</b>	<b>31.8</b>	<b>45.0</b>	<b>..</b>	<b>5.4</b>	<b>6.3</b>
<b>Average/total <sup>b</sup></b>	<b>19.8</b>	<b>34.2</b>	<b>36.6</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: UNCTAD, FDI/TNC database.

Note: This list does not include countries from Central and Eastern Europe.

<sup>a</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

<sup>b</sup> Numbers may not add up exactly due to rounding.

average index value stood at 37 per cent in 1998 as against 54 per cent for the top 100. The smaller economies, Singapore and Hong Kong (China) (table III.15), exhibit the greatest transnationality, as might be expected given the size of their domestic markets.

With respect to national origins, the list continues to be dominated by TNCs from South, East and South-East Asia, accounting for 66 per cent of the top 50 total foreign assets (table III.15), with Hong Kong (China), the Republic of Korea, China and Singapore, in that order, being the most

important home countries (figure III.8). They were followed by firms from Latin America. Africa's share in the foreign assets of the top 50 TNCs remains very low.

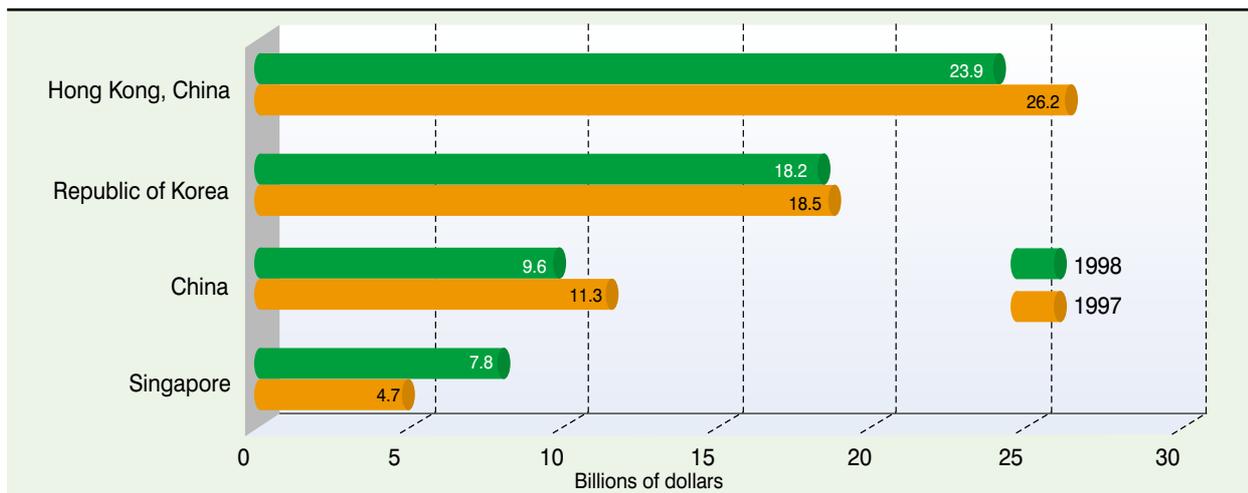
### C. The largest 25 TNCs from Central Europe

The list presented in this report (table III.16) is a revision of the largest Central European TNCs list included in *WIR99*. It is based on 1998 data, confirming, and in some cases revising, the data provided last year by the firms responding to the UNCTAD survey of the largest TNCs in Central Europe.<sup>4</sup>

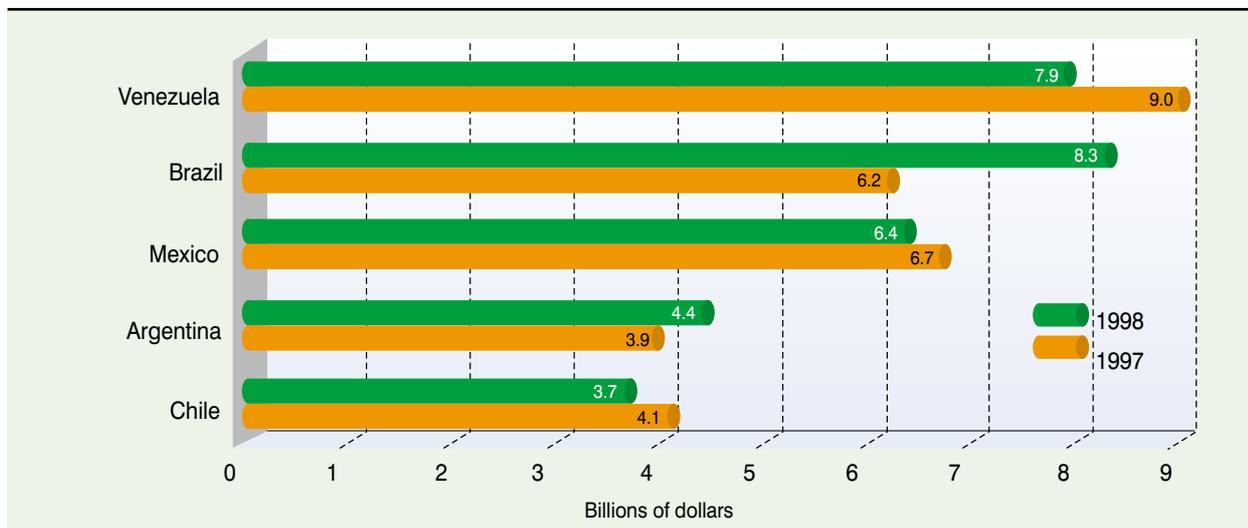
FIGURE III.8

#### Foreign assets of the biggest investors from developing economies, 1997, 1998

##### (a) Asia



##### (b) Latin America



**Table III. 16. The top 25 non-financial TNCs based in Central Europe,<sup>a</sup> ranked by foreign assets, 1998**

(Millions of dollars and number of employees)

Ranking by Foreign assets	TNI <sup>b</sup>	Corporation	Country	Industry <sup>c</sup>	Assets		Sales		Employment		TNI <sup>b</sup> (Per cent)
					Foreign	Total	Foreign	Total	Foreign	Total	
1	3	Latvian Shipping Co.	Latvia	Transportation	493.0	504.0	214.0	214.0	1,631.0	2,275.0	89.8
2	23	Hrvatska Elektroprivreda d.d.	Croatia	Utilities	363.0	2,924.0	0.2	898.0	..	15,728.0	4.1
3	11	Podravka Group	Croatia	Food & beverages/ pharmaceuticals	285.9	477.1	119.4	390.2	501.0	6,898.0	32.6
4	8	Gorenje Group	Slovenia	Domestic appliances	256.4	645.9	642.2	1,143.3	607.0	6,717.0	35.0
5	5	Motokov a.s.	Czech Republic	Trade	163.6	262.5	260.2	349.1	576.0	1,000.0	64.8
6	1	Atlantska Plovidba d.d.	Croatia	Transportation	152.0	167.0	47.0 <sup>d</sup>	47.0	..	528.0	95.5
7	6	Pliva Group	Croatia	Pharmaceuticals	142.1	855.1	334.3	463.0	1,616.0	6,680.0	37.7
8	19	Skoda Group Plzen	Czech Republic	Diversified	139.1	973.4	150.7	1,244.5	1,073.0	19,830.0	10.6
9	2	Adria Airways d.d.	Slovenia	Transportation	129.4	143.7	97.7	97.7	0.0	585.0	95.0
10	24	MOL Hungarian Oil & Gas Plc	Hungary	Petroleum & natural gas	128.3	2,881.6	203.4	2,958.1	628.0	20,140.0	5.1
11	7	Krka d.d.	Slovenia	Pharmaceuticals	118.4	490.4	226.9	300.3	375.0	3,253.0	37.1
12	13	VSZ a.s. Kosice	Slovakia	Iron & steel	110.0	1,445.0	815.0 <sup>d</sup>	1,528.9	58.0	26,191.0	20.4
13	20	Petrol d.d.	Slovenia	Petroleum & natural gas	70.6	584.2	112.4 <sup>d</sup>	706.0	10.0	3,349.0	9.4
14	14	Slovnaft a.s.	Slovakia	Petroleum & natural gas	65.5	1,496.0	518.6	984.5	124.0	5,734.0	19.7
15	18	Matador j.s.c.	Slovakia	Rubber & plastics	51.9	304.9	34.0	203.4	5.0	3,878.0	11.3
16	15	Zalakerámia Rt.	Hungary	Clay product & refractory	35.0	125.0	9.0	35.0	..	4,500.0	17.9
17	17	KGHM Polska Miedz S.A.	Poland	Mining & quarrying	34.0	1,536.0	401.0	1,236.0	25.0	33,000.0	11.6
18	9	Malev Hungarian Airlines Ltd.	Hungary	Transportation	32.9	149.1	238.0	316.9	49.0	3,215.0	32.9
19	16	TVK Ltd.	Hungary	Chemicals	31.6	542.9	122.6	401.3	181.0	6,099.0	13.1
20	4	Graphisoft	Hungary	Software consultancy	28.0	50.0	25.0	25.0	188.0	188.0	85.3
21	10	Croatia Airlines d.d.	Croatia	Transportation	27.6	211.4	97.4 <sup>d</sup>	121.2	40.0	846.0	32.7
22	25	Elektrim S.A.	Poland	Trade and diversified	21.0	1,228.0	42.0	874.0	62.0	26,475.0	2.2
23	21	Pilsner Urquell a.s.	Czech Republic	Food & beverages	20.0	251.0	16.0	253.0	356.0	2,918.0	8.8
24	22	Moldova Steel Works	Republic of Moldova	Iron & steel	19.9	335.9	1.0	15.6	5.0	4,562.0	4.2
25	12	Budimex Capital Group	Poland	Construction	17.8	153.9	55.8 <sup>d</sup>	316.4	644.0	1,095.0	29.3

*Source:* UNCTAD survey of top TNCs in Central Europe.<sup>a</sup> Based on survey responses.<sup>b</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.<sup>c</sup> Industry classification for companies follows the United States Standard Industrial Classification as used by the United States Securities and Exchange Commission (SEC).<sup>d</sup> Including export sales by parent firm.

... Data on foreign assets, foreign sales and foreign employment were not made available for the purpose of this study. In case of non-availability, they are estimated using secondary sources of information or on the basis of the ratios of foreign to total assets, foreign to total sales and foreign to total employment.

While reflecting some improvement in reporting in various Central European countries, the list confirms the findings of last year's report as regards the basic characteristics of the largest TNCs from Central Europe. Latvian Shipping Company (transport) continues to be the biggest TNC in terms of foreign assets. The second place is now held by a newly reporting company, Hrvatska Elektroprivreda (Croatia; utilities), while previously second Podravka (Croatia; food and beverages and pharmaceuticals) appears third on the list. In terms of degree of transnationality, Atlantska Plovidba (Croatia) and Adria Airways (Slovenia) are the leaders, as indicated last year, while revised data put Latvian Shipping in third place. It is to be noted that all these firms are in the transport industry.

The diversity of country composition is also confirmed (table III.17). Nine countries were represented in the 1997 list and eight in the 1998 list. Firms from Estonia, Lithuania, TFYR Macedonia, Romania and Ukraine were too small to qualify for the top 25 list. Their largest TNCs are shown separately in table III.18.

As was the case last year, the number of Russian firms participating in the survey is not representative enough to include firms from the Russian Federation. Data on the Russian firms that did report are presented separately (table III.18). Had they been included, two of them (Lukoil Co. and Primorsk Shipping) would have appeared as the largest and fifth largest TNCs of the region. The degree of transnationality of Lukoil is below the average transnationality index of the top 25 Central European TNCs, while that of Primorsk Shipping, a transport firm, is high.

The data in this year's survey confirm most of the trends highlighted last year: the fast growth in foreign assets, and negative growth in total assets, total sales, and both foreign and total employment. The revised data also show a slight decline in foreign sales, as compared to an increase reported last year. This change is due to the fact that newly reporting firms typically had decreasing foreign sales and other companies revised their 1998 figures downwards. The large decline in total employment is due to the fact that, in 1998, the Romanian oil

firm, Petrom S.A., with a total employment of 90,000, departed from the list. There is in fact a great diversity among firms from the region in employment, with the number of employees ranging from 188 (Graphisoft) to 33,000 (KGMM Polska Miedz). The data confirm, as noted last year, that foreign employment is the weak point of Central European TNCs. All firms, except Latvian Shipping Co. and Budimex Capital Group in the list, have a ratio of foreign to total employment of less than 0.24 which is clearly below the average ratio of 0.35 of the top 50 TNCs from developing countries.

Revised data also confirm the relatively low value of the average transnationality index, 32 per cent (table III.19), and of its median, 20 per cent, which suggests that the transnationalization of these firms is still fairly limited.

As regards industry composition, transport is the most strongly represented industry, followed by mining including petroleum and gas, and chemicals and pharmaceuticals (table III.20).

Preliminary data for 1999 are available on 13 of the top 25 TNCs on the 1998 list. They seem to confirm the trends of the previous years. The foreign assets of these firms continued to increase in 1999, and their total and foreign sales have also increased, reversing previous trends.

**Table III.17. Country composition of the top 25 TNCs based in Central Europe, 1997 and 1998**  
(Number of entries)

Country	1997	1998
Croatia	5	5
Hungary	5	5
Slovenia	4	4
Poland	3	3
Slovakia	3	3
Czech Republic	2	3
Latvia	1	1
Republic of Moldova	1	1
Romania	1	-
Total	25	25

Source: UNCTAD survey of top 25 TNCs in Central Europe.

**Table III.18. The top non-financial TNCs of the Russian Federation, Estonia, Lithuania, Macedonia, Romania and the Ukraine, ranked by foreign assets, 1998**

(Millions of dollars and number of employees)

Year	Potential ranking by foreign assets	Corporation	Country	Industry <sup>b</sup>	Assets		Sales		Employment		TNI <sup>a</sup> (Per cent)
					Foreign	Total	Foreign	Total	Foreign	Total	
1998	1 <sup>c</sup>	Lukoil Oil Co.	Russian Federation	Petroleum & natural gas	2 266.0	6 609.0	2 590.0	8 393.0	5 000	102 000	23.3
1998	5 <sup>c</sup>	Primorsk Shipping Co.	Russian Federation	Transportation	267.1	454.3	69.9	103.7	1 247	2 807	56.9
1998	35 <sup>c</sup>	Alrosa Co. Ltd.	Russian Federation	Diamond mining & processing	9.7	1 501.2	83.1	1 731.0	177	36 400	2.0
1998	28 <sup>c</sup>	Petrom SA National Oil Co.	Romania	Petroleum & natural gas	17.0	3 790.0	128.0	2 700.0	140	88 350	1.8
1998	29 <sup>c</sup>	Lifosa AB	Lithuania	Chemicals	13.2	55.2	93.1	100.0	0	1 339	58.5
1998	34 <sup>c</sup>	Norma AS	Estonia	Automotive	10.0	34.0	1.0	36.0	21	1 368	11.2
1998	43 <sup>c</sup>	Alkaloid AD	The Former Yugoslav Republic of Macedonia	Pharmaceuticals	1.0	78.3	24.7	64.7	58	1 720	14.3
1998	45 <sup>c</sup>	Azovstal Iron & Steel Works	Ukraine	Iron & steel	0.6	839.1	..	775.4	..	24 850	..

Source: UNCTAD survey of top TNCs in Central and Eastern Europe.

<sup>a</sup> TNI is the abbreviation for "transnationality index", which is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

<sup>b</sup> Industry classification for companies follows the United States Standard Industrial Classification as used by the United States Securities and Exchange Commission (SEC).

<sup>c</sup> Including Russian firms.

... Data on foreign sales and foreign employment were not made available for the purpose of this study. In case of non-availability, they are estimated using secondary sources of information or on the basis of the ratios of foreign to total assets, foreign to total sales and foreign to total employment.

The top 25 firms are actively pursuing both greenfield investments and foreign acquisitions as a mode of international expansion, as illustrated by the fast increase in their foreign assets. Between 1 January 1997 and 30 June 2000, 7 of the top 25 firms

undertook foreign acquisitions. The average size of these deals is still fairly small. Until June 2000, the acquisition by MOL Hungarian Oil & Gas Plc. of Slovnaft, a company from Slovakia, for \$262 million was the biggest publicly announced deal (box III.1).

**Table III.19. Snapshot of the top 25 TNCs based in Central Europe, 1997 and 1998**

(Millions of dollars, number of employees, percentage)

Variable			Change of
	1997	1998	1998 versus 1997
<b>Assets</b>			
Foreign	2 669	2 937	10.0
Total	21 054	18 738	-11.0
<b>Sales</b>			
Foreign	4 907	4 784	-2.5
Total	18 041	15 122	-16.2
<b>Employment</b>			
Foreign	9 814	8 754	-10.8
Total	302 157	205 684	-31.9
<b>Average transnationality index</b>			
	32.3	32.3	-0.1

Source: UNCTAD survey of top 25 TNCs in Central Europe.

**Table III.20. Industry composition of the top 25 TNCs based in Central Europe, 1997 and 1998**

(Number of entries)

Industry	1997	1998
Transportation	5	5
Mining and petroleum	5	4
Chemicals and pharmaceuticals <sup>a</sup>	4	4
Other or diversified manufacturing <sup>a</sup>	4	4
Metallurgy (iron and steel)	2	2
Trade <sup>a</sup>	2	2
Food and beverages <sup>a</sup>	1	2
Business services	1	1
Construction	1	1
Machinery and equipment	1	1
Utility	1	1
Total <sup>b</sup>	25	25

Source: UNCTAD survey of top 25 TNCs in Central Europe.

<sup>a</sup> Firms can be listed under more than one industry.

<sup>b</sup> The total does not add up to 25 because of some limited double listing.

### Box III.1. The acquisition of Slovnaft by MOL Hungarian Oil & Gas Plc.

On 31 March 2000, MOL Hungarian Oil & Gas Plc. acquired a 36 per cent stake in Slovnaft, a Slovakian oil company, for \$262 million (MOL, 2000a). This intra-regional deal illustrates the fact that, after a decade of transition, some advanced Central European firms have developed sufficient managerial skills and financial strength to carry out major cross-border acquisitions. Prior to the Slovnaft acquisition, MOL had changed both its management style and its strategic directions. It decided to stop high-cost exploration, and concentrate on refining and marketing (MOL, 1999). In 1999, MOL was in merger talks with the Croatian oil firm INA. But that deal did not materialize (*The Economist*, 2000).

The two companies together are expected to consolidate their market lead in Hungary (with an estimated 36 per cent retail market share in oil products) and Slovakia (38 per

cent), and strengthen their position in Romania and the Czech Republic. In qualitative terms, MOL and Slovnaft together would control some of the most complex and modern refining assets in the region (MOL, 2000b). They would also match the size of major competitors (box table).

The MOL-Slovnaft deal may also signal a change in national attitudes towards the downstream oil industry, which had been seen as too sensitive to qualify for foreign strategic investments (*The Economist*, 2000). Still, the MOL deal is not yet a majority acquisition. Two years after the initial acquisition, however, MOL would have the option to buy a majority stake in Slovnaft.

It seems that, in the longer term, MOL intends to pursue a strategy of consolidation in the downstream oil industry of Central

/...

**Box III.1. The acquisition of Slovnaft by MOL Hungarian Oil & Gas Plc. (concluded)**

Europe (*The Economist*, 2000). At the press conference on the Slovnaft deal, this acquisition was presented as “the first in a series

of initiatives that position MOL as a driving force in the future regional consolidation” (Central Europe Online, 2000).

**Box table III.1. Financial performance of selected oil companies, 1999-2000**

(Millions of dollars)

Company	Country	Market capitalization 24 April 2000	Sales 1999	Pre-tax profit 1999	Price/earnings ratio
Lukoil <sup>a</sup>	Russian Federation	9 920	10 452	260	38.2
PKN <sup>b</sup>	Poland	2 154	3 579	235	9.2
ÖMV <sup>b</sup>	Austria	2 077 <sup>c</sup>	5 515	206	10.1
MOL <sup>b</sup>	Hungary	1 849	2 973	325	5.7
Unipetrol <sup>b</sup>	Czech Republic	303 <sup>c</sup>	1 564	68	4.5
Slovnaft <sup>b</sup>	Slovakia	277 <sup>c</sup>	1 031	32 <sup>d</sup>	8.7

Source: *Financial Times* 500, May 2000.

<sup>a</sup> Exploration and extraction company.

<sup>b</sup> Refining and marketing (downstream company).

<sup>c</sup> 3 April 2000.

<sup>d</sup> Without foreign-exchange losses of \$ 65 million.

Sources: UNCTAD based on Central Europe Online (2000); “Oil in Eastern Europe: MOL’s milestone”, *The Economist*, 8 April 2000; Expert (2000); MOL (1999); MOL (2000a); MOL (2000b).

**Notes**

<sup>1</sup> Financial firms are excluded because of the different economic functions of assets of financial and non-financial firms and the unavailability of relevant data for the former.

<sup>2</sup> These estimates are based on the estimates of the 1998 sales, assets and employment of foreign affiliates of TNCs, as given in table I.2 of *WIR 99*. These ratios, especially those relating to sales and assets, should be treated with caution, as the data on the foreign assets and sales of the top 100 TNCs, mostly

obtained through a questionnaire filled out by firms, may not necessarily correspond exactly to the definition of foreign assets and sales used in table I.2 of *WIR 99*.

<sup>3</sup> The average transnationality index of the world’s top 100 TNCs is the average of the 100 individual transnationality indices.

<sup>4</sup> These data were collected through a questionnaire survey organized by UNCTAD that took place in February-May 2000 and covered over 100 firms from 15 Central European countries.