

Transnational (multinational) companies

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The gist of transnational companies

Where to place a production plant



Which global market segment aim to



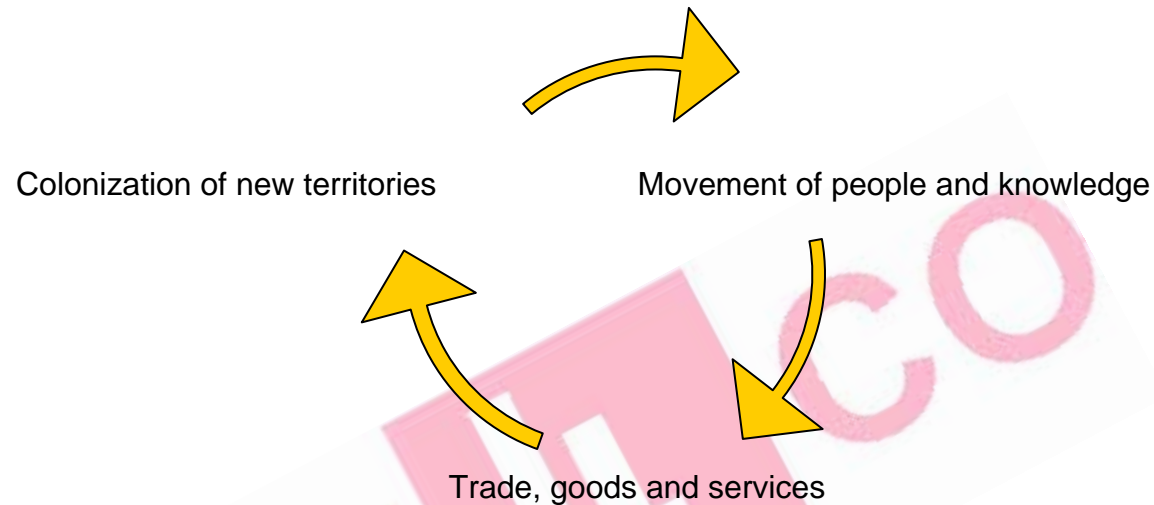
How to keep and outperform others in competitive advantage



Where to get financial resources worldwide



History of transnational companies



- **13th – 18th century:** overseas discoveries, existence of trade partnerships
So-called: Hanseatic company (Lubeck, Germany)
Italian banking-houses (Bardi, Acciauli, Peruzzi, Medici)
East Indian Company, Royal African Company, Virginia company
- **19th century:** massive migration from Europe to North America
Support of outflows of FDI from the side of TNC
- **20th century:** effective shifts of production to countries where the final products are being sold or where considerable production savings are achieved

History of transnational companies

The average number of new subsidiary companies being annually established in single groups of countries

	1914-19	1920-9	1930-8	1939-45	1946-52	1953-5	1956-8	1959-61	1962-4	1965-7	1968-70
USA											
Kanada	5,3	8,4	7,7	5,7	12,1	20,8	20,5	29,7	32,0	32,6	není k dispozici
Jižní Amerika	2	3,9	7,4	11,8	17,4	30,1	55,2	78,4	67,1	74,4	
Evropa	1,7	9,2	8,6	2,1	10,9	20,6	31,3	102,1	111,6	99,6	
Velká Británie	0,8	4,8	6,0	1,7	6,1	7,0	12,7	28,2	27,5	26,1	
Afrika	0,2	0,5	1,4	0,7	2,2	3,7	6,7	9,0	23,3	11,0	
Asie a Pacifik	1,8	3,0	3,7	2,6	6,9	12,7	19,8	53,2	54,7	50,7	
<i>Celkem</i>	<i>11,8</i>	<i>29,8</i>	<i>34,8</i>	<i>24,6</i>	<i>55,6</i>	<i>94,9</i>	<i>146,2</i>	<i>300,6</i>	<i>316,2</i>	<i>294,4</i>	
Velká Británie											
USA a Kanada	0,5	1,8	1,0	0,1	2,6	3,4	12,9	14,0	10,9	22,3	37,9
Jižní Amerika	0,7	1,4	0,7	0,4	0,9	2,6	2,4	7,7	4,1	6,7	10,7
Evropa	1,0	4,6	4,6	0,7	3,8	2,3	3,4	32,3	29,8	44,0	73,4
Afrika	0,5	1,6	1,0	1,0	11,8	4,4	4,4	23,6	27,1	33,7	56,9
Asie a Pacifik	1,8	2,4	3,6	2,3	10,1	5,7	8,3	32,8	33,6	46,7	60,5
<i>Celkem</i>	<i>4,5</i>	<i>11,8</i>	<i>10,9</i>	<i>4,5</i>	<i>29,2</i>	<i>18,4</i>	<i>31,4</i>	<i>110,4</i>	<i>105,5</i>	<i>153,4</i>	<i>239,4</i>

History of transnational companies

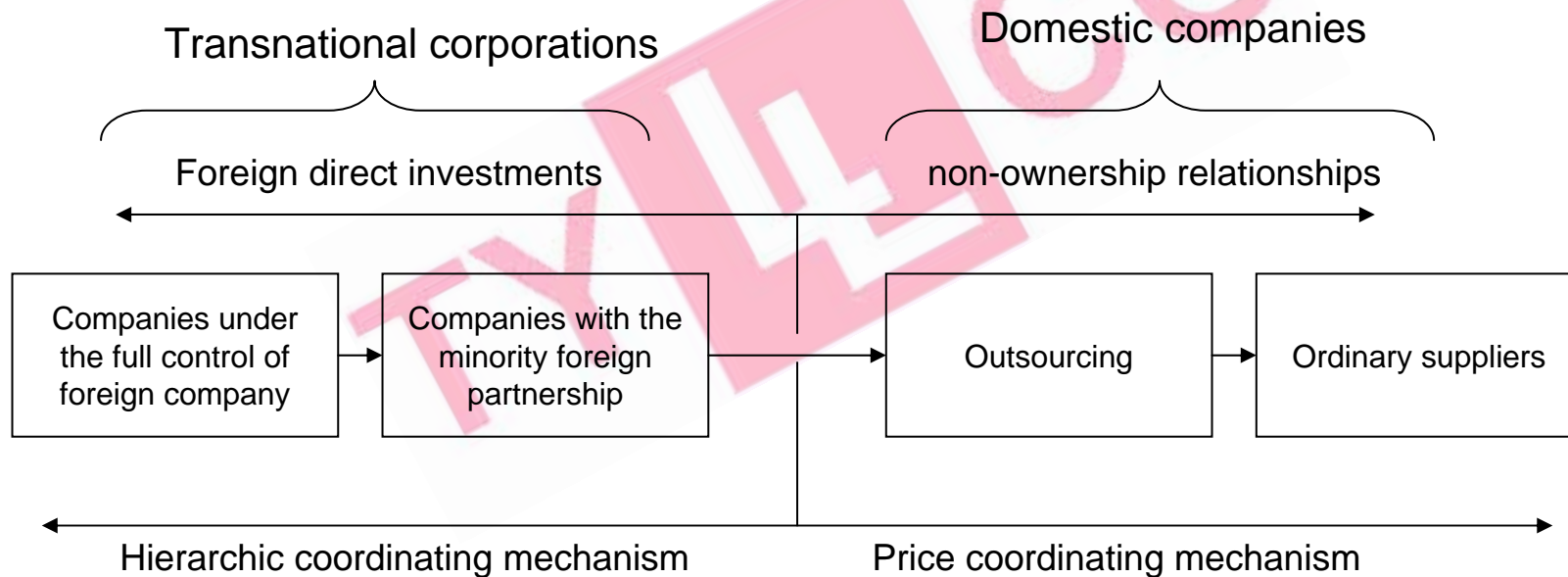
The average number of new subsidiary companies being annually established in single groups of countries

	1914-19	1920-9	1930-8	1939-45	1946-52	1953-5	1956-8	1959-61	1962-4	1965-7	1968-70
Kontinentální Evropa											
USA a Kanada	1,5	2,7	0,9	0,4	1,6	5,6	6,3	16,7	10,8	20,7	48,1
Jižní Amerika	0,3	1,5	1,8	0,6	4,3	7,7	9,4	10	10,3	25,2	43,2
Evropa	5,9	16,5	7,1	4,1	7,9	16,1	15,9	24,4	34,1	81	179,2
Velká Británie	0,8	1,8	1,6	0,7	2,2	3,7	6,3	7,3	26,6	26,6	22,3
Afrika	0	0,4	0	0,1	1,6	2,7	3,7	10	3,9	12,8	25,4
Asie a Pacifik	0	1,7	0,8	0,3	1	3,4	4,6	10	9,9	12,2	26,1
Celkem	8,5	24,6	12,2	6,2	18,6	39,2	46,2	78,4	95,6	178,5	344,3
Japonsko											
USA a Kanada	0	0	0	0,3	0	0	0	0,3	1	3	2,7
Jižní Amerika	0	0	0,1	0	0	0,7	3,3	1,7	4,6	9,3	7,5
Evropa	0	0	0	0,1	0	0	0	0,7	1,7	0,3	3
Velká Británie	0	0	0	0	0	0	0	0,3	0	0	0
Afrika	0	0	0	0	0	0	0,7	3,3	3,1	3,1	3,1
Asie a Pacifik	0	0,1	0,2	5,3	0,3	1	1	11,1	19,1	22,2	53,2
Celkem	0	0,1	0,3	5,7	0,3	1,7	5	17,4	29,5	37,9	69,5

The role of TNC in national economy

The effect on the economy of a host country:

- impact on the employment
- transfer of technologies
- relationships in a global production system



- influence of TNC on the government policy

Table 1. How large were the largest TNCs in the world economy in 2000?
(Billions of dollars)

Rank	Name of TNC/economy	Value ^a added	Rank	Name of TNC/economy	Value ^a added
1	United States	9 810	51	Czech Republic	51
2	Japan	4 765	52	United Arab Emirates	48
3	Germany	1 866	53	Bangladesh	47
4	United Kingdom	1 427	54	Hungary	46
5	France	1 294	55	Ford Motor	44
6	China	1 080	56	DaimlerChrysler	42
7	Italy	1 074	57	Nigeria	41
8	Canada	701	58	General Electric	39 ^b
9	Brazil	595	59	Toyota Motor	38 ^b
10	Mexico	575	60	Kuwait	38
11	Spain	561	61	Romania	37
12	Korea, Republic of	457	62	Royal Dutch/Shell	36
13	India	457	63	Morocco	33
14	Australia	388	64	Ukraine	32
15	Netherlands	370	65	Siemens	32
16	Taiwan Province of China	309	66	Viet Nam	31
17	Argentina	285	67	Libyan Arab Jamahiriya	31
18	Russian Federation	251	68	BP	30 ^c
19	Switzerland	239	69	Wal-Mart Stores	30 ^b
20	Sweden	229	70	IBM	27
21	Belgium	229	71	Volkswagen	24
22	Turkey	200	72	Cuba	24
23	Austria	189	73	Hitachi	24 ^b
24	Saudi Arabia	173	74	TotalFinaElf	23
25	Denmark	163	75	Verizon Communications	23 ^d
26	Hong Kong, China	163	76	Mitsubishi Electric Industrial	22 ^b
27	Norway	162	77	Mitsubishi Company	20 ^c
28	Poland	158	78	Eni	20
29	Indonesia	153	79	Oman	20
30	South Africa	126	80	Sony	20 ^b
31	Thailand	122	81	Mitsubishi	20 ^c
32	Finland	121	82	Uruguay	20
33	Venezuela	120	83	Dominican Republic	20
34	Greece	113	84	Tunisia	19
35	Israel	110	85	Philip Morris	19 ^b
36	Portugal	106	86	Slovakia	19
37	Iran, Islamic Republic of	105	87	Croatia	19
38	Egypt	99	88	Guatemala	19
39	Ireland	95	89	Luxembourg	19
40	Singapore	92	90	SBC Communications	19 ^d
41	Malaysia	90	91	Itocin	18 ^c
42	Colombia	81	92	Kazakhstan	18
43	Philippines	75	93	Slovenia	18
44	Chile	71	94	Honda Motor	18 ^b
45	Exxon Mobil	63 ^b	95	Eni	18
46	Pakistan	62	96	Nissan Motor	18 ^b
47	General Motors	56 ^b	97	Toshiba	17 ^b
48	Peru	53	98	Syrian Arab Republic	17
49	Algeria	53	99	GlaxoSmithKline	17
50	New Zealand	51	100	BT	17

Source: UNCTAD.

^a GDP for countries and value added for TNCs. Value added is defined as the sum of salaries, pre-tax profits and depreciation and amortisation.

^b Value added is estimated by applying the 30% share of value added in the total sales, 2000, of 66 manufacturers for which the data were available.

^c Value added is estimated by applying the 16% share of value added in the total sales, 2000, of 7 trading companies for which the data on value added were available.

^d Value added is estimated by applying the 37% share of value added in the total sales, 2000, of 22 other tertiary companies for which the data on value added were available.

Note: Ranked according to the top 100 economies/TNCs.



The role of TNC in world economy

The effect on world economy:

- effect on international trade
- effect on exchange rates
- effect on balance of payment
 - + exports of goods and services produced in host country
 - + substitution of imports by local production
 - repatriation of profits yielded in host country
 - imports of goods and services necessary for production



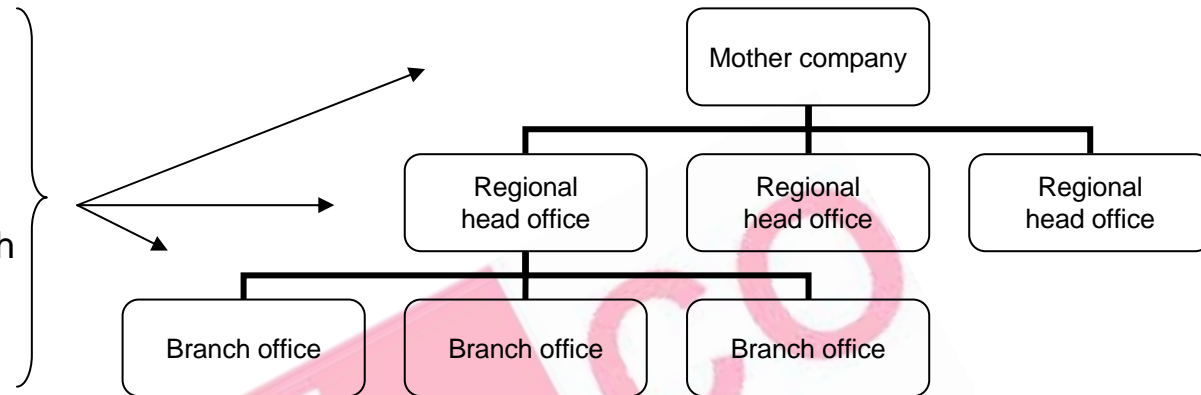
TNC characteristics

TNC = *„corporations, concerns, eventually holdings formed by mother companies and their foreign affiliates (daughter companies, branches, subsidiaries) at least at two more countries“*

usually JSC with a holding structure

TNC strategic goals

- Company growth
- Market expansion
- Productivity growth
- Shareholder value growth
- Value added growth
- Profit maximization

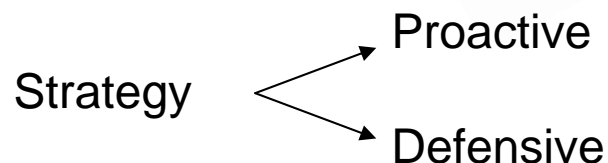


- Financial goals – risk diversification of change and diversity of

Exchange rates
Interest rates
Tax rates
Inflation

Creation of TNC strategy

- Steps:
1. Definition of company mission
 2. Analysis of external macro and micro environment
 3. Analysis of internal company situation (SWOT, value chains etc.)
 4. Determination of competitive advantages
 5. Analysis of available sources for expansion/development
 6. Expert determination of strategic goals for organisation as a whole and its parts
 7. Elaboration of scenarios for achieving strategic goals
 8. Scenarios evaluation and selection of an optimal option
 9. Expert elaboration of a final business strategy





Motives for foreign strategic operations

- market saturation, diminishing demand, growing competition in given country
- the end of product life cycle
- absence or lack of raw materials or other production inputs
- high costs for production factors (labour)
- transfer of technologies, know-how, experience
- following business partners, mainly customers
- political instability and other risks (exchange rates)
- tax conditions



Types of TNC strategies

Financial strategies:

1. Innovation based, developing, growth strategy
2. „Matured “ strategy
3. „Aging“ strategy

Competitive strategies:

Size of target (market) segments	Global strategy		Strategies focusing on single countries	
	Global cost leadership	Global differentiation	Protected markets	
	Global segmentation		National complexity, sensitiveness	




Types of TNC strategies

Strategies based on managerial philosophies, marketing and corporate cultures:

Perlmutter-Mintzberg model EPRG

Strategies:

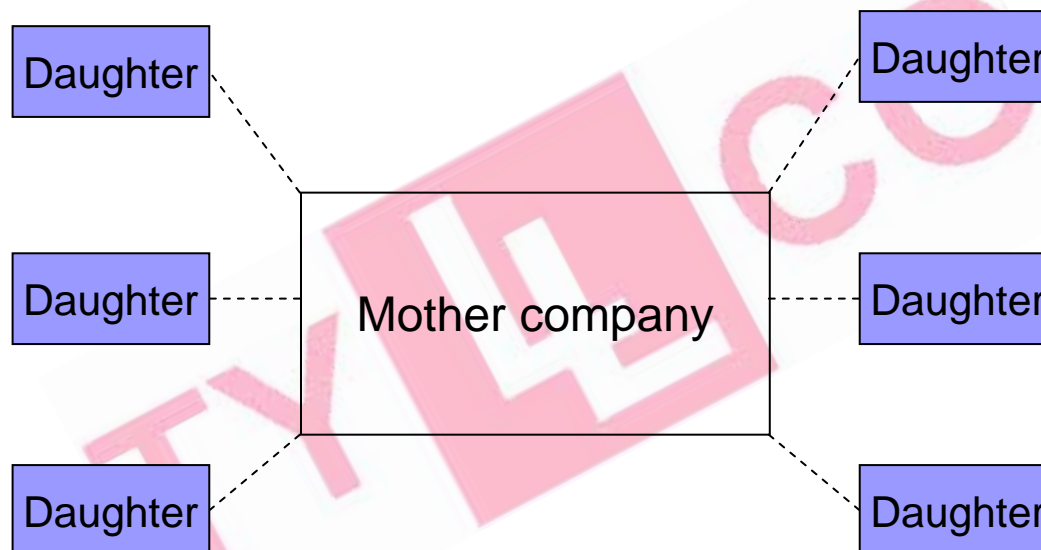
- (E) Ethnocentric
 - (P) Polycentric
 - (R) Regiocentric
 - (G) Global, Geocentric
- 

Classification of TNC

Characteristics / Company Type	Multinational 1st half of 20th cen.	International 60's of 20th cen.	Global 70.-80's of 20th cen.	Transnational From 90's of 20 cen.
Organizational structure, management	Decentralized in single countries	Flexibly decentralized	Managed from the Headquarters (center)	Managed nationally as well as globally, usually matrix structure
Human resources exploitation	Exploitation of host managers	Efforts to understand requirements, behaviour and customs of employees	Centralized research, logistics and marketing, use of world standards (ISO), multinational mng.	R&D and know-how carried out worldwide and transferred according to effectiveness, selection of best employees no matter nationality
Strategic orientation	Mainly foreign sales, respecting individual national traditions, low strategic coordination	Exports of goods, technologies, marketing and know-how from home country	Worldwide adjustment of products according to customers req., branches in places of effective production, centralized mng., high level of coordination	Adjustment of branch placing

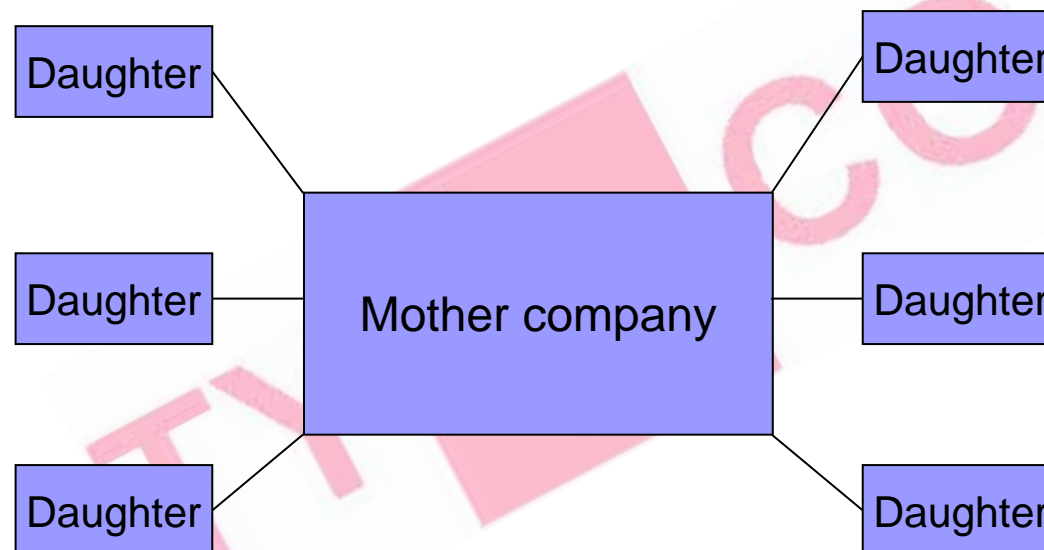
TNC Models

Multinational model



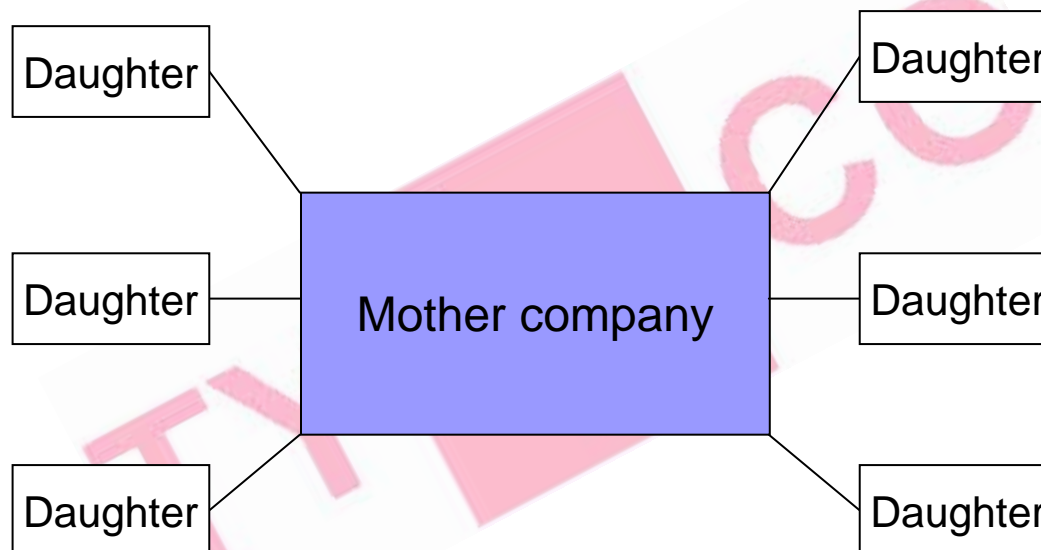
TNC Models

International model



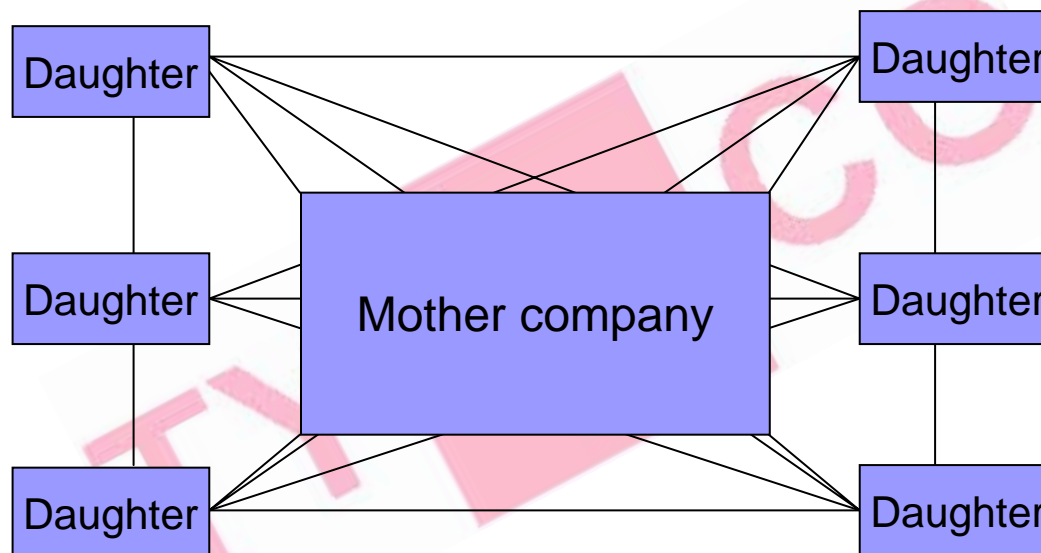
TNC Models

Global model

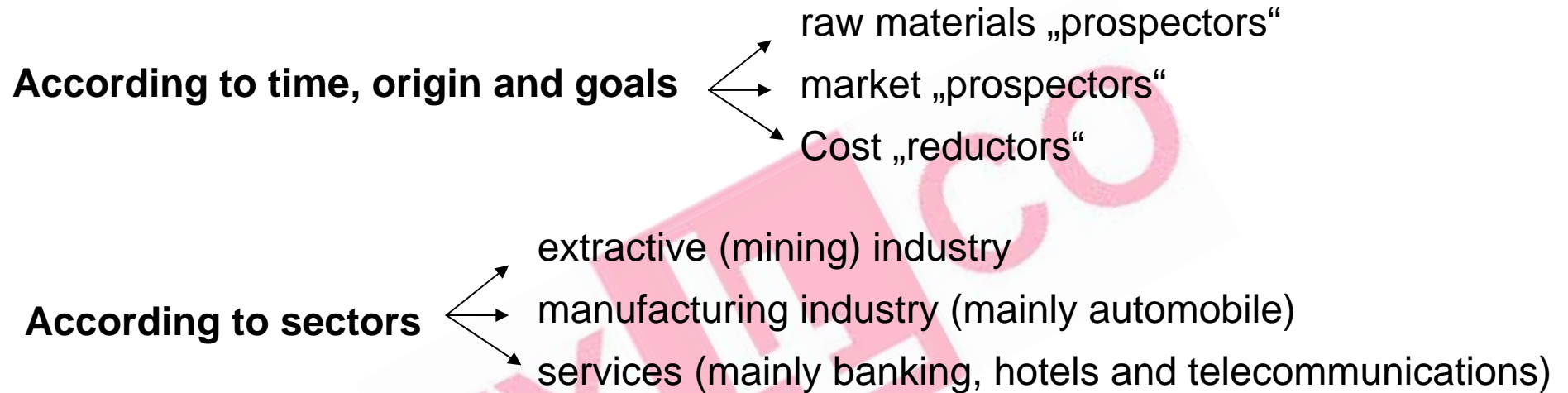


TNC Models

Transnational model



Classification and evaluation of TNC



Classification and evaluation of TNC



- growth of international trade volume
- accessibility and volume of capital sources
- uncompromising promotion of free market
- liberation of international econom. competition
- development of R&D
- cost minimization
- creation of new working places
- promotion of employee qualification growth
- better products availability
- abolition of national barriers - globalisation
- convergence of country legislation
- effective economy

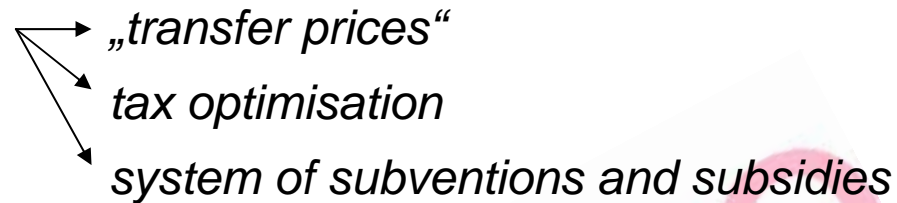


- growth of No. of Oligopoly – lower level of competition
- profit repatriation, reduction of tax payments in host country (transfer pricing)
- growth of social inequality
- exports of out of date technologies to third countries
- discrimination in remuneration for work
- disturbance of national cultural traditions
- weakening of national state sovereignty
- exploitative attitude to environment
- excessive size often leads to uneconomical management and economy criminality



TNC Financial management

Based on use of



For problem minimization TNC should work out a comprehensive documentation regarding Transfer prices:

- *organisational structure of each related company*
- *description of transactions and ownership relations between related parties*
- *description of transfer pricing policy*
- *explanatory notes and comments regarding pricing strategy and policy*
- *economic and financial analyses*
- *corporate strategies*
- *supporting documents regarding situation of given sector*



Transfer pricing guidelines - Methods

Traditional transaction methods

- Comparable uncontrolled price
- Resale price method
- Cost plus method

Transactional profit methods

- Profit split method
- Transactional net margin method
- Comparable profits method

Influences on transfer prices

- income tax
- duties
- inflation
- exchange rates
- currency regulations
- improvement of financial health of the branch
- nationalization
- export subventions
- competition level

Annex table A.I.11. The world's top 100 non-financial TNCs, ranked by foreign assets, 2004^a
(Millions of dollars and number of employees)

Ranking by:			Corporation	Home economy	Industry ^d	Assets		Sales		Employment		TNI ^b (Per cent)	No. of affiliates		
Foreign assets	TNI ^b	II ^c				Foreign ^e	Total	Foreign ^f	Total	Foreign	Total		Foreign	Total	II ^c
1	88	55	General Electric	United States	Electrical & electronic equipment	448 901	750 507	56 896	152 866	142 000	307 000	47.8	787	1157	68.02
2	4	93	Vodafone Group Plc	United Kingdom	Telecommunications	247 850	258 626	53 307	62 494	45 981	57 378	87.1	70	198	35.35
3	67	65	Ford Motor	United States	Motor vehicles	179 858	305 341	71 444	171 652	102 749 ^g	225 628	48.7	130	216	60.19
4	90	71	General Motors	United States	Motor vehicles	173 690	479 603	59 137	193 517	114 612 ^h	324 000	34.0	168	290	57.24
5	10	44	British Petroleum Company Plc	United Kingdom	Petroleum expl./ref./distr.	154 513	193 213	232 388	285 059	85 500	102 900	81.5	445	611	72.83
6	38	37	ExxonMobil	United States	Petroleum expl./ref./distr.	134 923	195 256	202 870	291 252	52 968 ⁱ	105 200	63.0	237	314	75.48
7	25	88	Royal Dutch/Shell Group	United Kingdom/ Netherlands	Petroleum expl./ref./distr.	129 939 ^j	192 811	170 286 ^j	265 190	96 000	114 000	71.9	328	814	40.29
8	62	91	Toyota Motor Corporation	Japan	Motor vehicles	122 987	233 721	102 995	171 487	94 666	265 753	49.4	129	341	37.83
9	20	48	Total	France	Petroleum expl./ref./distr.	98 719	114 636	123 265 ^k	152 353	62 227	111 401	74.3	410	576	71.18
10	66	47	France Télécom	France	Telecommunications	85 669	131 204	24 252	58 554	81 651	206 524	48.7	162	227	71.37
11	49	60	Volkswagen AG	Germany	Motor vehicles	84 042	172 949	80 037 ^k	110 463	185 152	342 502	56.4	147	228	64.47
12	16	22	Sanofi-Aventis	France	Pharmaceuticals	82 612	104 548	15 418	18 678	68 776	96 439	77.6	207	253	81.82
13	61	54	Deutsche Telekom AG	Germany	Telecommunications	79 654	146 834	47 118 ^l	71 868	73 808	244 645	50.0	266	390	68.21
14	60	62	RWE Group	Germany	Electricity, gas and water	78 728	127 179	23 636	52 320	42 370	97 777	50.1	345	552	62.50
15	19	59	Suez	France	Electricity, gas and water	74 051	85 788	38 838 ^k	50 585	100 485	160 712	75.2	546	846	64.54
16	81	79	E.ON	Germany	Electricity, gas and water	72 726	155 364	21 996	60 970	32 819 ^j	72 484	42.7	303	596	50.84
17	13	6	Hutchison Whampoa	Hong Kong, China	Diversified	67 638	84 162	17 039	23 037	150 687 ^h	180 000	79.3	94	103	91.26
18	39	49	Siemens AG	Germany	Electrical & electronic equipment	65 830	108 312	59 224	93 333	266 000	430 000	62.0	605	852	71.01
19	3	4	Nestlé SA	Switzerland	Food & beverages	65 396 ^j	76 985	68 586 ^{k,l}	69 778	240 406	247 000	93.5	480	487	94.46
20	92	28	Electricité De France	France	Electricity, gas and water	65 365	200 093	17 886 ^l	55 775	50 543 ^m	156 152	32.4	240	299	80.27
21	29	87	Honda Motor Co Ltd	Japan	Motor vehicles	65 036	89 483	61 621	79 951	76 763	137 827	68.5	76	188	40.43
22	52	73	Vivendi Universal	France	Diversified	57 589	94 439	11 613	26 807	23 377	37 908	55.4	245	435	56.32
23	48	83	ChevronTexaco	United States	Motor vehicles	57 186	93 208	80 034 ^l	150 865	31 000	56 000	56.6	121	250	48.40
24	34	23	BMW AG	Germany	Motor vehicles	55 726	91 826	40 198	55 050	70 846 ^m	105 972	66.9	124	153	81.05
25	93	80	DaimlerChrysler	United States/ Germany	Motor vehicles	54 869	248 850	68 928	176 391	101 450 ^h	384 723	29.2	324	641	50.55
26	79	34	Pfizer Inc	United States	Pharmaceuticals	54 055	123 684	22 977	52 516	50 287 ^m	115 000	43.7	82	104	78.85
27	65	42	ENI	Italy	Petroleum expl./ref./distr.	50 212	98 553	47 749 ^{k,l}	89 840	30 186	71 497	48.8	162	222	72.97
28	41	90	Nissan Motor Co Ltd	Japan	Motor vehicles	49 553	94 588	55 638	79 268	112 530 ^m	183 607	61.3	53	140	37.86
29	54	7	IBM	United States	Computer and related activities	47 928	109 183	60 656 ^k	96 293	175 832 ^m	329 001	53.4	338	371	91.11
30	85	78	ConocoPhillips	United States	Petroleum expl./ref./distr.	46 321	92 861	40 945 ^l	143 183	14 048 ^m	35 800	39.2	44	85	51.76
31	40	39	Hewlett-Packard	United States	Computer and related activities	45 816	76 138	50 543 ^k	79 905	93 188 ^m	151 000	61.7	106	144	73.61
32	87	68	Mitsubishi Corporation	Japan	Wholesale trade	43 867	87 879	5 476	38 319	22 485 ^o	51 381	36.0	212	357	59.38
33	76	97	Telefonica SA	Spain	Telecommunications	43 224 ^l	86 448	15 060 ^k	37 650	78 099 ^l	173 554	45.0	62	279	22.22
34	14	11	Roche Group	Switzerland	Pharmaceuticals	42 884	51 322	24 794	25 149	35 587 ^h	64 703	79.0	137	158	86.71
35	94	56	Telecom Italia Spa	Italy	Telecommunications	41 747	104 349	8 231 ^k	38 786	16 331	91 365	26.4	75	111	67.57
36	23	95	Anglo American	United Kingdom	Mining & quarrying	40 480 ^j	53 451	16 819 ^j	26 268	163 522 ^{h,j}	209 000	72.7	173	502	34.46
37	55	31	Fiat Spa	Italy	Motor vehicles	39 658	77 971	31 281	57 990	87 761 ^h	160 549	53.2	362	456	79.39
38	9	57	Unilever	United Kingdom/ Netherlands	Diversified	38 415	46 141	44 361	50 121	171 000 ^j	223 000	82.8	314	466	67.38
39	58	86	Carrefour	France	Retail	36 756	53 090	45 874	90 230	142 129 ^j	430 695	51.0	130	311	41.80
40	46	29	Procter & Gamble	United States	Diversified	36 128	61 527	31 399	56 741	62 731 ^m	110 000	57.0	357	447	79.87

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Annex table A.I.13. The top 10 non-financial TNCs from South-East Europe and the CIS^a, ranked by foreign assets, 2004
(Millions of dollars and number of employees)

Ranking by:					Assets		Sales		Employment		TNI ^b (Per cent)
Foreign assets	TNI ^b	Corporation	Home country	Industry	Foreign	Total	Foreign	Total	Foreign	Total	
1		Gazprom	Russian Federation	Petroleum and natural gas	.. ^c	104 982	24 536	36 422	.. ^c	388 714	..
2		Lukoil	Russian Federation	Petroleum and natural gas	7 792	29 761	26 408	33 845	13 929 ^d	150 000	37.8
3		Norilsk	Russian Federation	Mining & quarrying	1 413	13 632	5 968	7 033	1 772	100 786	32.3
4		Novoship Co.	Russian Federation	Transport	1 296	1 413	350	419	55	4 032	58.9
5		PLIVA Pharmaceuticals industry	Croatia	Pharmaceuticals	1 032	1 910	939	1 130	3 394 ^d	6 574	62.9
6		Rusal	Russian Federation	Metal and metal products	743	6 544	4 412	5 436	5 490	63 458	33.7
7		OMZ	Russian Federation	Motor vehicles	347	901	271	524	8 484 ^e	22 030	42.9
8		Energoprojekt	Serbia and Montenegro	Heavy construction	216	261	108	172	423 ^e	1 600	57.3
9		Severstal	Russian Federation	Metal and metal products	174 ^f	6 584	3 954	6 664	7 098	54 597	25.0
10		Mechel	Russian Federation	Metal and metal products	120	3 679	2 203	3 636	10 689	82 324	25.6

Source: UNCTAD.

^a Based on survey responses and annual reports.

^b TNI is calculated as the average of the following three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

^c Data is not available.

^d Foreign employment data are calculated by applying the share of foreign employment in total employment of the previous year to total employment of 2004.

^e Foreign employment data are calculated by applying the share of foreign assets in total assets to total employment.

^f Foreign assets data are calculated by applying the average of the shares of foreign assets in total assets of all companies in the same industry (omitting the extremes) to total assets.

Table 1. The largest 25 non-financial TNCs based in Central and Eastern Europe, * ranked by foreign assets, 1999											
(Millions of dollars and number of employees)											
Ranking by		Corporation	Country	Industry	Assets		Sales		Employment		Transnationality
Foreign assets	Transnationality index *				Foreign	Total	Foreign	Total	Foreign	Total	index (per cent)
1	15	Lukoil Oil Co.	Russian Federation	Petroleum & natural gas	3 236.0	8 422.0	4 642.0	90 903.0	80 000	120 000	29.8
2	1	Laurian Shipping Co.	Lithuania	Transportation	459.0	470.0	191.0	191.0	1 124	1 748	87.3
3	23	HEATONIA Elektroprivreda d.d.	Croatia	Energy	296.0	2 524.0	10.0	780.0	..	15 877	4.3
4	12	Podravka Group s.	Croatia	Food & beverages / pharmaceuticals	285.9	477.1	119.4	390.2	501.0	6 698	32.6
5	6	Parmorsk Shipping Co.	Russian Federation	Transportation	256.4	444.1	85.3	116.5	1 300	2 777	59.4
6	11	Gorenje Group	Slovenia	Domestic appliances	236.3	618.1	593.3	1 120.6	590.0	6 691	38.3
7	8	Far Eastern Shipping Co.	Russian Federation	Transportation	236.0	585.0	134.0	183.0	263.0	8 873	38.8
8	7	Pila Group	Croatia	Pharmaceuticals	181.8	915.9	304.7	507.6	2 645	7 657	39.7
9	10	TIVK Ltd.	Hungary	Chemicals	175.4	553.2	248.9	394.3	927.0	5 225	37.5
10	2	Mobkor a.s. s.	Czech Republic	Trade	163.6	262.5	260.2	349.1	576.0	1 000	64.8
11	19	Skoda Group Plzeň s.	Czech Republic	Diversified	139.1	973.4	150.7	1 244.5	1 073	19 630	10.6
12	4	Atlatika Plovidba d.d.	Croatia	Transportation	138.0	154.0	46.0	46.0	..	509.0	68.2
13	21	MOL Hungarian Oil & Gas Plc.	Hungary	Petroleum & natural gas	126.3	3 131.0	502.4	3 129.6	833.0	20 694	8.9
14	9	Kika d.d.	Slovenia	Pharmaceuticals	120.7	447.0	209.0	283.0	429.0	3 218	38.1
15	3	Adria Airways d.d.	Slovenia	Transportation	116.3	129.2	103.4	104.6	19.0	597.0	64.0
16	20	Petrol d.d.	Slovenia	Petroleum & natural gas	90.4	574.9	105.7	924.4	75.0	236.6	10.1
17	16	Slovnaft a.s.	Slovakia	Petroleum & natural gas	82.8	1 367.1	627.5	1 035.7	119.0	7 540	22.7
18	5	Zakopanin Rt.	Hungary	Clay product & refractory	69.0	125.0	39.0	64.0	2 022	3 096	60.7
19	18	Mabakerj s.e. s.	Slovakia	Rubber & plastics	51.9	305.0	34.0	203.4	5.0	3 878	11.3
20	13	Matek Hungarian Airlines Ltd.	Hungary	Transportation	43.3	206.3	274.1	367.5	49.0	3 162	32.4
21	22	KOHM Podolska Miedz SA	Poland	Mining & quarrying	34.0	1 206.0	265.0	1 155.0	25.0	28 300	8.6
22	14	Croatia Airlines d.d.	Croatia	Transportation	29.9	288.6	60.2	77.9	39.0	842.0	30.0
23	25	Elektron SA s.	Poland	Diversified	21.0	1 228.0	42.0	874.0	62.0	26 475	2.2
24	24	Petrom SA National Oil Co.	Romania	Petroleum & natural gas	19.0	2 970.0	211.0	2 041.0	67.0	82 054	3.7
25	17	Inter Europa d.d.	Slovenia	Trade	16.0	168.0	17.0	136.0	511.0	2 108	15.4
		Average			265.0	1 144.2	377.4	1 068.1	1 011	15 254	32.4
		Change (in per cent)			19.7	3.3	36.2	8.3	64.0	0.8	5.8
Source: UNCTAD, World Investment Report 2001.											
* Based on survey responses.											
The index of transnationality is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.											
1998 data.											
Including export sales by parent firm.											
Unweighted average.											