

Latin American governments in the promotion of outward FDI

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A main issue in growing outward foreign direct investment (OFDI) from emerging economies is the participation of home governments. This paper focuses on governments in Latin America and how they are promoting the OFDI of their domestic enterprises. Brazil, Chile and Mexico are the leading countries in Latin America supporting OFDI, although only Brazil has an active policy and institutional arrangements for supporting home enterprise internationalization. Governments in Latin America need to develop their institutional environments and create suitable conditions for enterprises to expand internationally.

Keywords: outward FDI, government policies, Latin American countries, emerging markets

1. Introduction

Expansion abroad by enterprises from emerging economies through outward foreign direct investment (OFDI) has become increasingly important during the last decade. The OFDI of emerging economies passed from US\$147 billion in 2000 to a high of US\$454 billion in 2013 (UNCTAD, 2015). Behind the internationalization of these enterprises are policy frameworks and government programmes specifically designed to support the foreign expansion of domestic firms (Economu and Sauvart, 2013), which have been recognized as providing significant assistance (Wang et al., 2012; Ramasamy, Yeung and Laforet, 2012; Stoian, 2013). There is a need for a clear understanding of how home governments are promoting the internationalization of domestic firms through OFDI (Luo, Xue and Han, 2010; Hong, Wang and Kafouros, 2015).

Hitherto, studies on this issue have focused on a relatively small number of firms and countries (Narula, 2010), partly because just a handful of emerging countries

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have developed an integral OFDI policy for their domestic enterprises (Economu and Sauvant, 2013). Emerging economies in Asia are part of this small group and have been the main focus of the research on the role of national governments in the promotion of OFDI. Some of the economies in this region that have been widely studied are the Republic of Korea, Malaysia, Taiwan Province of China, Singapore, Hong Kong (China) and China (Thomsen and Bang, 2013; Rasiah, Gammeltoft and Jiang, 2010; Zhao, 2011; OECD, 2013; Sim and Pandian, 2007; Narula and Nguyen, 2011; Child and Rodrigues, 2005).

China has received the most interest from scholars researching how domestic institutions promote the internationalization of domestic enterprises. However, owing to the special characteristics of the Chinese economy, the research findings and policy implications cannot be generalized to other economies (Stoian, 2013).

The aim of this paper is to identify what governments in Latin American countries are doing to support the internationalization of domestic enterprises through OFDI. Brazil, Chile and Mexico are the only 3 countries – out of 19 countries in Latin America – that have some mechanisms for supporting the internationalization of domestic enterprises. Brazil is currently the country with the most active policy in the region for boosting the foreign performance of domestic enterprises.

This paper follows the suggestions made by Luo, Xue and Han (2010) about comparing emerging countries in terms of government policies addressed to the promotion of OFDI, by focusing on countries in Latin America. We suggest that future research should examine the effects that foreign institutional pressures have on home institutions as well as the impact that home-government supports have on the internationalization of domestic enterprises.

2. Theoretical review

Home governments support international expansion of domestic enterprises for a number of reasons. The international expansion of domestic enterprises will have impacts not only for the enterprise that is doing business abroad but also for the home economy.

The beneficial impacts for the home economy include facilitating industrial transformation and increasing exports, as well as creating opportunities for local firms through linkages and spillovers, thus strengthening national competitiveness (Luo, Xue and Han, 2010; Sarmah, 2003). Furthermore, successful overseas expansion should generate earnings in the form of profit and royalties (UNCTAD, 2006).

Institutional support for the internationalization of domestic enterprises is aimed at improving their conditions and diminishing risks inherent in internationalization, including economic and political risks (Te Velde, 2007). Government involvement can

help overcome transactions costs as well as the lack of information and resources (Khanna, Palepu and Sinha, 2005). Evidence from other countries suggests that support for international expansion has produced positive outcomes for company performance and productivity (Bannò, Piscitello and Varum, 2014).

Despite the positive effects that the internationalization of domestic enterprises could generate for the home country, government institutions should be aware that OFDI promotion represents resources leaving the country, which could result in detrimental effects in terms of the balance of payments, employment and exports, among other factors. The role of home-government institutions is essential in ensuring that internationalization promotion programmes benefit the domestic economy (Rasiah, Gammeltoft and Jiang, 2010).

Home-government policies aimed at the promotion of OFDI are referred to as home-country measures (HCMs). Sauvant et al. (2014) define HCMs as “the granting of specific advantages by the home-country government (or one of its public institutions) in connection with the establishment, acquisition and expansion of an investment by a home-country firm in a foreign economy. They are meant to facilitate, support or promote outward FDI – in other words, to help firms establish foreign affiliates”. For Sauvant et al. (2014), OFDI policy is not just a liberalized system or neutral policy; they see it as a required condition, specifying that governments need to participate actively in facilitating, supporting and even promoting foreign investment. They consider the following general measures: institutional frameworks, information and other support services, financial measures, fiscal measures, investment insurance and treaties.

Measures and programmes that have not been explicitly developed to support the internationalization of domestic enterprises were not considered in this research. For instance, some local governments provide supportive measures, such as enterprise incubators, to create or improve the competitiveness of domestic enterprises. Such tools might enable firms to overcome some disadvantages in reaching foreign markets through FDI. However, following the definition above, such measures are not considered as HCM.

It is important to mention that all the countries examined in this study have signed bilateral investment treaties, double-taxation treaties or other international investment agreements.¹ These agreements are not taken into consideration for making comparisons of the Latin American countries under study. In emerging countries, such agreements are mainly designed to attract foreign capital (Neumayer and Spess, 2009), instead of promoting investment opportunities. This being the case, consideration of treaties related to international investment in this study would not add to the analysis.

¹ Brazil does not have any bilateral investment treaties in force.

3. Latin American governments and OFDI promotion

For this study, the classification of Latin American countries is based on the *World Investment Report* by UNCTAD. It considers that Latin America includes eight countries in Central America (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Panama) and 11 countries in South America (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Uruguay and the Bolivarian Republic of Venezuela). All the countries – through policies, programmes and institutions – have policies for attracting investment or encouraging exports. However, regarding the promotion of the internationalization of domestic enterprises through OFDI, the situation is completely different. Within this group of countries, only Brazil, Chile and Mexico have activities related to such promotion.

As table 1 shows, the largest economies in Latin America are Brazil, Mexico, Argentina, Colombia, the Bolivarian Republic of Venezuela, Chile and Peru. This group represents 97 per cent of all the OFDI originating from this region. However, out of all Latin American countries, just three (Brazil, Mexico and Chile) account for 82 per cent of the total OFDI. These three countries are home to 75 of the 100 largest MNEs from the region, according to the ranking *Multilatinas 2014*, issued by the agency *América Economía*. The other 25 MNEs are based in Argentina (8), Colombia (9), Guatemala (1), Panama (1), Peru (5) and the Bolivarian Republic of Venezuela (1); the rest of the countries in this study (10) do not have any MNEs in the *Multilatinas* ranking.

3.1. *The evolution of national government measures in Latin America*

FDI from Latin American countries began to take off in the 2000s. Chart 1 shows the OFDI trends of the countries in the region and the timeline of domestic government institutional initiatives. Brazil is the country with the largest OFDI and is also the country with the most developed policy framework supporting the foreign expansion of domestic enterprises. In Brazil, OFDI policy measures are considered part of national industrial policy. However, the situation is less clear-cut in Chile or Mexico, despite the creation of ProMéxico and the establishment of Chile's regulatory framework. The effectiveness of these domestic institutions in boosting FDI remains an open question.

The following subsections highlight the measures that governments in Latin America are using to promote OFDI. The information was obtained mainly from reports of national and international agencies as well as government institutions' websites.

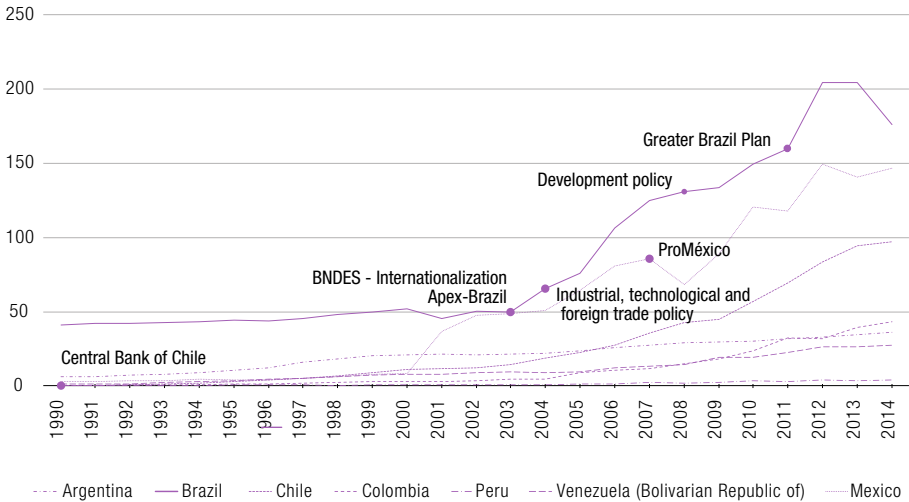
Table 1. Main indicators from Latin American countries in 2013

	GDP (US\$ million)	GDP per capita (US\$)	Population (thousands)	OFDI stock (US\$ million)	OFDI stock per capita (US\$)	OFDI* (%)	OFDI* (cumulative %)	IFDI (US\$ million)	Imports (US\$ million)	Exports (US\$ million)	Trade balance (US\$ million)	OFDI promotion measures
Brazil	2,243,854	11,199	200,362	293,277	1,464	44.46	44.46	724,644	250,559	242,034	-8,526	✓
Mexico	1,259,201	10,293	122,332	143,907	1,176	21.82	66.28	389,083	390,965	379,961	-11,005	✓
Argentina	611,726	14,760	41,446	34,080	822	5.17	71.45	112,349	73,656	81,660	8,004	x
Colombia	378,148	7,826	48,321	39,003	807	5.91	77.36	127,895	59,381	58,824	-558	x
Venezuela (Bolivarian Republic of)	371,339	12,213	30,405	22,915	754	3.47	80.83	55,766	54,420	88,962	34,542	x
Chile	277,043	15,723	17,620	101,933	5,785	15.45	96.29	215,452	79,249	76,477	-2,772	✓
Peru	200,269	6,593	30,376	4,122	136	0.62	96.91	73,620	43,357	42,474	-883	x
Ecuador	94,473	6,003	15,738	687	44	0.10	97.02	13,785	27,146	24,848	-2,298	x
Uruguay	55,708	16,351	3,407	428	126	0.06	97.22	20,344	11,642	9,067	-2,576	x
Guatemala	53,797	3,478	15,468	472	31	0.07	97.29	10,256	17,515	10,028	-7,487	x
Costa Rica	49,621	10,185	4,872	1,822	374	0.28	97.57	21,792	18,014	11,603	-6,411	x
Panama	40,467	10,472	3,864	3,556	920	0.54	98.11	31,413	21,795	14,755	-7,040	x
Bolivia (Plurinational State of)	30,601	2,868	10,671	8	1	0.00	98.11	10,558	9,338	11,657	2,319	x
Paraguay	29,208	4,294	6,802	238	35	0.04	98.14	4,886	12,142	9,432	-2,710	x
El Salvador	24,259	3,826	6,340	2	0	0.00	98.99	8,225	10,772	5,491	-5,281	x
Honduras	18,569	2,293	8,098	353	44	0.05	99.05	10,084	10,953	7,805	-3,147	x
Nicaragua	11,256	1,851	6,080	230	38	0.03	99.14	7,319	6,688	4,794	-1,894	x
Guyana	2,990	3,739	800	2	2	0.00	99.83	2,547	1,875	1,375	-500	x
Belize	1,624	4,894	332	53	159	0.01	99.95	1,621	928	608	-319	x

Sources: Based on UNCTADstat.

* Author's calculation.

Figure 1. Institutional changes and OFDI stocks in Latin American countries, 1990–2014 (Billions of dollars)



Source: Author's own elaboration, based on UNCTAD Stat.

3.2. Brazil

The expansion abroad of Brazilian enterprises is a relatively recent phenomenon. During the 1990s, Brazil was a net recipient of foreign investment, and this remained the case until the 2000s when, in common with several other emerging economies, it started to become an important foreign investor (Abreu, Stal and Muniz, 2012). From 2000 to 2003, OFDI averaged US\$0.7 billion, and from 2004 to 2008, this average increased to US\$14 billion (Lima and de Barros, 2013).

OFDI from Brazil from 2007 to 2011 did not perform as well as in previous years; Brazil was not among the top 10 emerging economies with the highest annual OFDI flows (UNCTAD, 2012). During this period, loans between subsidiaries registered negative amounts and equity contributions diminished. However, there were no significant disinvestments of overseas assets, which suggests that these enterprises have not stopped their expansion abroad but are simply prioritizing domestic investments (CEPAL, 2015).

According to recent studies, the expansion of Brazilian firms abroad has been positively affected by factors such as the availability of skilled labour, geographic proximity, host-country market openness, firms' financial strength and firms' own

expansion strategies (Nunes et al. 2016; Holtbrügge and Kreppel, 2012). In terms of home-country factors, access to domestic government programmes can contribute to the expansion of OFDI (Amal, 2016).

The Government of Brazil has active policies to support OFDI (Finchelstein, 2012) such as the Industrial, Technological and Foreign Trade Policy, the Productive Development Policy and the Greater Brazil Plan. The Government has included the internationalization of domestic enterprises in its industrial policy and has developed measures to support their expansion to other countries through direct investment (CEPAL, 2011). Government support received by Brazilian enterprises as a result of the internationalization policy has been extremely important (Sennes and Camargo, 2009).

A significant development in the internationalization of Brazilian enterprises came in 2008 with the introduction of the Productive Development Policy (*Política de Desenvolvimento Produtivo*). This policy has five strategic aims; two of them (world leadership and differentiation, also known as brand valorization) are directly related to the internationalization of home enterprises (table 2). Likewise, one of the four national goals (*Macrometas*) refers to the insertion of Brazil into international markets, and one way of achieving this is direct investment abroad in order to establish a commercial presence or to set up production units (BNDES, 2008).

Three government institutions support enterprise internationalization. They are the Brazilian Development Bank (*Banco Nacional de Desenvolvimento Econômico e Social do Brasil*, BNDES), the Brazilian Trade and Investment Promotion Agency (*Agência Brasileira de Promoção de Exportações e Investimentos*, Apex-Brasil) and the Ministry of Foreign Affairs (*Ministério das Relações Exteriores*, MRE). The first, the BNDES, has been supporting direct investment from Brazilian enterprises to foreign countries since 2003, mainly through funding and equity participation. In 2008 an international department was created within the BNDES with the aim of coordinating and implementing activities linked to the international performance of the organization (BNDES, 2015).

The BNDES offers different financial instruments for enterprise internationalization depending on the aim of the project.² General rules and the operating procedures for financing are stipulated for these instruments. Some instruments are financing lines aimed at specific clients, sectors and projects, and have more specific rules. In general, investments eligible for funding from the BNDES must be related to the setting-up of new productive units, acquisition, expansion, upgrading or shareholding. There

² During 2009 and 2014, the BNDES financed international firm activities, providing about US\$14.5 billion (Sheng and Carrera, 2016). Among the beneficiary firms are JBS, Geradau, Embraer, Banco Itaú, BRF Foods and Natura.

are also non-reimbursable funding for investments of a social, cultural (educational and research), environmental, scientific or technological nature.³ The BNDES is also involved in securities subscription and may participate as a subscriber to securities in publicly listed companies, in public or private issuances, or in companies that may join the capital markets in the short or medium term through a private issuance. Loan guarantees are another measure it offers (BNDES, 2015).

Apex-Brasil is the Brazilian agency for export and investment promotion, responsible for promoting Brazilian products and services abroad and attracting foreign investors (APEX-Brasil, 2015). This organization also supports enterprise internationalization, and there is even a special Enterprise Internationalization Programme (Programa de Internacionalização de Empresas). Through this programme, Apex-Brasil provides technical assistance and special information for OFDI. It provides training, workshops and seminars regarding internationalization; international management counselling; information about fiscal, accounting and legislative conditions, and the economic and political environment; market analysis; and match-making services, among others.

In the Ministry of Foreign Affairs, the Trade and Investment Promotion Bureau (Departamento de Promoção Comercial e Investimentos, DPR) is the unit responsible for the development of Brazilian exports and the implementation of foreign investment policies. It also supports the internationalization of Brazilian enterprise and publicizes national tourism statistics. The DPR also has an investment division (DINV) with an area dedicated to supporting the internationalization of Brazilian enterprises. Activities related to internationalization include compiling and publishing documents about opportunities in potential markets, and making arrangements and negotiating with foreign governments about the specific interests of Brazilian companies (Ministério das Relações Exteriores, 2015).

Another government initiative is Brasil Export, a centralized website that provides all the information regarding business and investment opportunities for foreign entrepreneurs who wish to invest in Brazil and for domestic entrepreneurs who wish to export to and invest in other countries. This information-sharing platform embraces several government agencies: the Ministry of Foreign Affairs; the Ministry of Development, Industry and Foreign Trade; and the Ministry of Agriculture, Livestock and Food Supply (Brasil Export, 2015).

There is little to suggest that the Brazilian Government is supporting OFDI through fiscal measures. There are programmes or fiscal incentives addressed to industrial

³ The BNDES offers nonreimbursable resources for specific projects. For instance, projects in applied research, technological development and innovation are supported as long as they address specific areas such as vehicles with low environmental impact, advanced manufacturing and intelligent systems, strategic mining and new technologies for the oil and gas sector. The BNDES can contribute up to 90 per cent of the total financeable items in a project.

development (RENAI, 2015), but these are not measures specifically oriented towards the promotion of OFDI. The Brazilian Government does not offer investment insurance in order to promote OFDI either.

Brazil has adopted an active policy for promoting OFDI and plans to maintain it. This intention has been clear since 2011 with the publication of the Greater Brazil Plan (Plano Brasil Maior), which explicitly cites the encouragement of investment as industrial policy (ABDI, 2015). The inclusion of the encouragement of foreign investment by domestic enterprises as explicit government policy is indicative of the government's commitment to promoting OFDI.

3.3. Chile

With regard to the Chilean industrial sector, the expansion of domestic enterprises during the period 1990–2000 had a significant impact on OFDI (Razo and Calderón, 2013). According to UNCTAD, Chilean MNEs began to take off in 2003, and from this year onwards, OFDI has grown steadily. Chile has the third-highest OFDI (stock) in Latin America, after Brazil and Mexico. In relative terms, (OFDI relative to the size of GDP), Chile led Brazil and Mexico (Razo and Calderón, 2010), and this remained the case even during the global crisis (e.g. 2008–2009).

The trends demonstrate the growing willingness of Chilean enterprises to invest in foreign countries. The intensifying external competition and domestic market saturation are often cited as the factors behind this trend (Calderón, 2007). Diversification is also a way for enterprises to protect themselves against local risks (Bengolea and Paúl, 1991), and represents another reason for Chilean enterprises to go abroad. Factors that facilitate Chilean OFDI include the democratization process in neighbouring countries, the privatization process in Latin America, and progress on economic integration processes and intergovernmental agreements that create a favourable business environment (DIRECON, 2015b).

Despite the importance of OFDI for Chile, no clear policy has been developed by the Government to support OFDI (Calderón, 2007). Chile, however, has a normative framework for investments abroad (table 3), with the Central Bank of Chile being the regulatory body overseeing OFDI (Bengolea and Paúl, 1991). Another Government programme in relation to OFDI is supervised by the Department of Investments Abroad (Departamento de Inversiones en el Exterior) and managed by the General Directorate of International Economic Relations (Dirección General de Relaciones Económicas Internacionales) (DIRECON, 2015a). The General Directorate of International Economic Relations is responsible for providing the background information that supports and facilitates economic policy, including those activities related to the internationalization of Chilean enterprises through OFDI. It also compiles statistics related to OFDI by Chilean enterprises.

Table 2. Home government measures for outward FDI promotion in Brazil

Economy	Home Institution	Measure	Support	Year	Main points
Brazil	Brazilian Industrial Development Agency (ABDI)	Institutional framework	Industrial, technological and foreign trade policy	2004	This policy considers three main pillars. One, the horizontal action lines, includes overseas investments.
			Productive Development Policy	2008	This policy has five strategic aims; two relate directly to the internationalization of home enterprises. The first, world leadership, has the intention of maintaining or positioning Brazilian companies among the five biggest world players in their area of activity. A further aim, differentiation, also known as brand valorization, works to position enterprises and Brazilian brands among the top five in their markets.
			Greater Brazil Plan	2011	This plan is aimed at improving the competitiveness of the industrial sector in both domestic and foreign markets. Some of the activities considered here relate directly to internationalization through OFDI.
	Brazilian Development Bank (BNDES)	Financial services	Equity participation Loans Grants Subscription of securities Guarantees	2003	Since 2003, the BNDES has supported the international expansion of Brazilian enterprises through direct investment abroad. The BNDES provides long-term financing, subscription securities and guarantees. The bank has specific finance lines, with the creditor receiving beneficial finance measures. Through BNDES Finem, the institution funds implementation, expansion and modernization projects. Home enterprises can request funding, as can their subsidiaries, as well as foreign enterprises, as long as the main shareholder is resident in Brazil. Funding can also be used to establish research and development facilities abroad. In 2008, the BNDES created an international area with responsibility for the coordination and implementation of activities linked to the international performance of both bonds and the BNDES.
	Brazilian Trade and Investment Promotion Agency (Apex-Brasil)	Information and other support services	Educational services Information support Matchmaking services Negotiation with foreign governments Brasil Export information platform	2003	Apex-Brazil is the Brazilian agency for export and investment promotion. However, it also supports enterprise internationalization and has a division named the Enterprise Internationalization Program. This program is for both enterprises wishing to expand abroad and those already performing in foreign markets. Some of the benefits: lowering risks, speeding up the internationalization process and lowering establishment costs. The pillars of this program are the following: readiness, strategic guidance, market analysis and international management. The Ministry of Foreign Affairs is another institution that conducts information activities. Its investment division develops and publishes investment opportunities in foreign markets and helps make arrangements and hold negotiations with foreign governments.

Source: Author's own elaboration, based on Brazilian Government websites.

Table 3. Home government measures for OFDI promotion in Chile

Economy	Home Institution	Measure	Support	Year	Main points
Chile	Central Bank of Chile	Institutional framework	Regulatory framework for OFDI	1990	The Central Bank of Chile regulates foreign investments by Chilean enterprises as specified in Chapter XII of the Compendium of Foreign Exchange. This legislative document contains information about investments, deposits, credits, disposal of funds, institutional investments and their respective regulations for Chilean investments abroad.
	General Directorate of International Economic Relations (DIRECON)	Information and other support services	OFDI reports and statistics	1990	The Department of Investments, managed by the General Directorate of International Economic Relations, carries out monitoring and tracking of direct investments from Chilean enterprises abroad and the compilation of reports related to this activity.

Source: Author's own elaboration, based on Chilean Government websites.

3.4. Mexico

Foreign expansion by Mexican companies was negligible until the late 1990s. However, the 2000s began with a notable increase in the flows abroad of domestic capital, and this trend has grown over subsequent years, with the exceptions of 2001, 2008 and, more recently, 2012. The growing internationalization of Mexican enterprises has been facilitated by the liberalization of the national economy (Basave and Gutiérrez-Haces, 2010), through its integration with other markets in and outside the region.

During the past two decades, government policy as well as academic research agenda have focused on the attraction of inward FDI. The Government has only recently (since 2007, as explained below) become concerned about OFDI, and its involvement in the foreign expansion of domestic firms is increasing (table 4).

ProMéxico is a Mexican government institution in the form of a public trust controlled by the Economy Secretariat (Secretaría de Economía), which is in charge of strengthening Mexico's participation in the international economy. This institution was created by presidential decree on June 13, 2007. The decree states (article 4-II) that one of the purposes of this public trust is to promote and to support export activity and the internationalization of Mexican enterprises (SEGOB, 2007). The same decree

states that the mission of ProMéxico is “to promote the attraction of foreign direct investment and the export of goods and services, as well as the internationalization of Mexican companies.”

One of the main aims of ProMéxico was the internationalization of Mexican enterprises, yet until recently there was little information about specific actions, programmes or initiatives. The only information available was documentation relating to the proposed promotion of OFDI by the Mexican Government. Some of these documents were the Guidelines for the Operation of ProMéxico Support and Services 2012 (*Lineamientos para la Operación de los Servicios y Apoyos ProMéxico 2012*) (ProMéxico, 2012a) and the ProMéxico Organic Statute (SEGOB, 2011). There has also been a special unit within ProMéxico referred to as the Coordination of Processes for Enterprise Internationalization (*Coordinación de Procesos para la Internacionalización de la Empresa*) (ProMéxico, 2012b).

In the past, although ProMéxico was undertaking activities aimed at supporting Mexican OFDI such as advisory support, technical training and assistance for business trips, in reality these instruments were also used to promote exports as well as to assist Mexican enterprises interested in developing production activities overseas. Thus, the foreign expansion of Mexican enterprises took place arguably without any measures specific to supporting OFDI (CEPAL, 2012).

The current situation is somewhat different. Internationalization is a matter that the Mexican government is taking increasingly seriously, and even when internationalization is part of the same structure that ProMéxico has for exports and for the attraction of FDI, the division between the three areas is clear. ProMéxico is assisting the internationalization of domestic enterprises in three ways, through services, support and advice (ProMéxico, 2015).

The measures offered by ProMéxico in the promotion of OFDI can be split into two categories. The first addresses domestic enterprises that have already expanded abroad and the second, domestic enterprises that are looking to expand their productive activities to foreign markets. For the first category, ProMéxico offers services and support. Services consist of activities related to international promotion, arrangement of meetings with foreign customers and advertising. In terms of support, ProMéxico offers technical, legal and marketing advice; business plans for internationalization of a company; business trips; and rent of overseas sales offices, among other services. These supports are offered as reimbursements; the firm pays for them and ProMéxico reimburses the costs afterwards.

The advisory measures are mainly directed towards enterprises that are planning to expand into foreign countries, although enterprises that already have an international presence are also eligible. Some of the benefits that firms can receive from these programmes are information about foreign markets and matchmaking services,

networking with foreign governments as well as with private institutions abroad, and intellectual property advice and viability studies.

For the remaining 16 countries in Latin America, available information suggests that there are few explicit policies promoting the internationalization of domestic enterprises. Investment promotion agencies from these countries only perform activities related to exports and the attraction of foreign capital.

4. Conclusion

Among Latin America countries that promote OFDI, Brazil has the most developed policy and institutional framework specifically addressed to this aim. Chile has only a regulatory framework for OFDI and periodic reports of such activity, which is important but does not qualify as proactively promoting OFDI. In Mexico, internationalized enterprises have access to export promotion measures. Additional support measures mainly consist of information provision.

Future research is needed in Latin American countries on institutional conditions, HCMs, features of ownership (e.g. public or private ownership), optimal measures for enterprises, and the effects and impacts of the internationalization of companies from the region.

Table 4. Home government measures for OFDI promotion in Mexico

Economy	Home Institution	Measure	Support	Year	Main points
Mexico	ProMéxico Information and other support services Financial services	Institutional framework	ProMéxico Organic Statute Guidelines for the Operation of ProMéxico Support and Services	2007	ProMéxico promotes the attraction of FDI and exports, and the internationalization of Mexican enterprises through OFDI. These documents suggest the promotion of the internationalization of Mexican enterprises although this action is not made explicit. Nowadays, internationalization is part of the structure that ProMéxico has for exports and FDI attraction, and promotion takes three different forms: services, support and advising.
		International promotion Matchmaking services Linking and networking with foreign governments Intellectual property advising and viability studies	Measures related to information about foreign markets and matchmaking services, networking with foreign governments as well as with private institutions abroad, and intellectual property advising and viability studies are available for enterprises that have already internationalized and for enterprises looking to expand their activities to foreign markets.	2012	
		Grants	Grants take the form of reimbursements; they are the only financial services measure. Among these measures can be named the following: advising (technical, legal, trademark registration, marketing, business plan, suppliers, international certifications), business trips and rent of overseas offices. These measures are mostly addressed to internationalized Mexican enterprises and their exports.	2012	

Source: Author's own elaboration, based on Mexican Government websites.

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