
JUST PUBLISHED

World Investment Report 1993: Transnational Corporations and Integrated International Production

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World Investment Report 1993: Transnational Corporations and Integrated International Production. An Executive Summary

ST/CTC/159

The *World Investment Report* is the third in an annual series designed to present up-to-date, comprehensive information about foreign direct investment and transnational corporations. The *Report* documents the continuing growth of foreign direct investment, projects a doubling of foreign direct investment to developing countries, presents first-ever data on the largest transnational corporations and analyses the emergence of an integrated international production system. National economies are being knitted together through a dense network of cooperative relationships within and between firms. Foreign direct investment is moving the world economy towards a state of deep integration where not only goods and services but also capital, technology and labour flow back and forth across borders. Responding to this new pattern of integrated international production is one of the most important challenges facing policy makers. The *Report* identifies four areas that call for a review of policies: corporate nationality, parent-affiliate relations, taxation and host country policies concerning foreign direct investment.

"The *World Investment Report 1993* is an important piece of work that goes far beyond providing data on the number, size and investment patterns of multinational enterprises. The report makes it clear that as these companies reconfigure their value chains and build their organizations around integrated networks, they are driving a much deeper integration of the world economy. Because it goes much beyond analysis and looks at the important implications of these developments, the report is must reading for practitioners and policy makers alike. I hope the report attracts the attention and impact it deserves."

Christopher A. Bartlett

Professor of Business Administration
Harvard University

"Once again, the UNCTAD Programme on Transnational Corporations—the crown jewel of the economic sector of the United Nations—has produced an excellent report. Providing an incisive analysis of the emergence of an integrated international production system, *WIR 1993* charts new territory in the understanding of the evolving structure of the international economic system. Astonishingly, there is no other source of information on the globalization of the world economy, yet it is globalization which provides the context for trade, investment and technology policies today."

Sylvia Ostry

Chairperson
Centre for International Studies, Toronto

"In just a few years, the *World Investment Report* has managed to become the indispensable yearbook for those who want to keep on top of the evolution of the transnationals. This year's report matches the high standards set in earlier years, providing a vivid picture of the changes in these remarkable business networks and the critical implications of those changes for governments."

Raymond Vernon

Professor of International Affairs
Harvard University

"The international division of labour is increasingly taking the form of transnational direct investment in addition to traditional international trade. Competition among countries for such direct investment, which provide jobs, income and taxes, has intensified and will grow with new participants in this process such as the formerly socialist countries. The importance of these activities has been thoroughly analysed in the recent *World Investment Report 1993* which makes it highly recommendable reading on this subject."

Friedrich Wilhelm Christians

Chairperson of the Supervisory Board
of Deutsche Bank AG

"The *World Investment Report* since its inception in 1991 has proven to be a valuable reference source as well as an analytically insightful document on how foreign direct investment and transnational corporations affect the world economy. The 1993 version of the report is, like its predecessors, a well done and useful document. I hope it will continue in coming years."

Fred Bergsten

Director

Institute for International Economics
Washington, D.C.

"The *World Investment Report 1993* gives important facts concerning transnational corporations and their increasing international mobility. Most big firms can and do locate different parts of their operations in different countries. Understanding this process is vital in the forming of economic policy and building a congenial environment for economic development."

Anne Wibble

Swedish Minister of Finance and
Governor of the European Bank for
Reconstruction and Development

"I have noted with some interest that, since its inception, the *World Investment Report* has provided, to an interested audience, a constructive macroeconomic perspective on the role of transnational corporations. In this year's report, these enterprises are considered to be powerful factors for the integration of the world economy. I consider this feature as one of the important functions of international business. The report merits the full attention of the business community."

Fritz Leutwiler

Former President

Bank of International Settlement

Debt-equity Swaps and Development

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This publication reviews the experience in the implementation of debt-equity swaps in Brazil, Chile, Mexico and the Philippines and identifies policy issues that countries should take into account in designing debt-equity swap programmes.

Transnational Corporations from Developing Countries: Impact on Their Home Countries

Sales No. E.93.II.A.8 (\$18)

This publication explores trends and patterns of foreign direct investment from developing countries and the impact of this investment on its home economies. It also suggests policy measures to maximize the benefits of outward foreign direct investment.

World Investment Directory 1992, volume III: Developed Countries

Sales No. E.93.II.A.9 (\$75)

The third volume of the *World Investment Directory* presents data on foreign direct investment, transnational corporations and the regulatory framework governing inward and outward foreign direct investment for 23 developed countries. It also includes selected bibliographical information, as well as an analytical overview of trends in foreign direct investment and transnational corporations activities over the 1980s and early 1990s.

International Tradability in Insurance Services: Implications for Foreign Direct Investment in Insurance Services

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This publication examines international transactions in insurance services, the extent to which information technologies have affected, or are likely to affect, the international delivery of insurance and implications with respect to the extent and nature of foreign direct investment in insurance.

**Small- and Medium-sized Transnational Corporations:
Role, Impact and Policy Implications**

Sales No. E.93.II.A.15 (\$35)

This study reports that small- and medium-sized transnational corporations have made an important contribution to the dramatic increase in outflows of foreign direct investment recorded since the mid-1980s. Small- and medium-sized transnational corporations can be alternatives to large transnational corporations in the transfer of productive resources, thus increasing competition, strengthening the bargaining position of developing countries and contributing to the development of host countries.

**Management Consulting: A Survey of the Industry
and Its Largest Firms**

(CTC/ST/150)

First of a series of services-industry surveys, this study contains analyses of the structure and development of management consulting. In addition, it provides detailed information on the top management-consulting companies, including structure, products, markets and financial data.

**Explaining and Forecasting Regional Flows of
Foreign Direct Investment**

(ST/CTC/SER.A/26)

This study forecasts future inflows of foreign direct investment to the major regions of the world based on original econometric analyses of the determinants of FDI inflows to these regions. According to the projection, even though the surge in foreign direct investment in the late 1980s may not be repeated, a sizeable amount of foreign-direct-investment inflows will continue in the 1990s.

**International Environmental Law: Emerging Trends and
Implications for Transnational Corporations**
(ST/CTC/137)

The study identifies emerging trends in international regulation for the protection of the environment which are likely to have implications for transnational corporations and surveys recent developments in international law and policy instruments, at the global and regional levels, for the protection of the environment.

Transnationals, vol. 5, no. 2 (July 1993)

A quarterly newsletter, available free of charge.

**Workshops Papers on Foreign Direct Investment
and Transnational Corporations: Annotated
Bibliography with Indexes 1978-92**

Available free of charge, this annotated bibliography with indexes lists a selection of reports and papers prepared for the technical cooperation activities of the Programme on Transnational Corporations.

Books received on foreign direct investment and transnational corporations since 15 March 1993

- Adams, Gerard F., Byron Gangnes and Shuntaro Shishido, *Economic Activity, Trade, and Industry in the U.S.-Japan-World Economy* (Westport, Connecticut, Praeger Publishers, 1993).
- Aharoni, Yair, ed., *Coalitions and Competition: The Globalization of Professional Business Services* (London, Routledge, 1993).
- Aliber, Robert Z. and Reid W. Click, eds., *Readings in International Business* (Cambridge, Massachusetts, The MIT Press, 1993).
- Bürgenmeier, Beat and Jean-Louis Mucchielli, eds., *Multinationals and Europe 1992: Strategies for the Future* (London, Routledge, 1991).
- Clapes, Anthony Lawrence, *Softwars* (Westport, Connecticut, Quorum Books, 1993).
- Cowhey, Peter F. and Jonathan D. Aronson, *Managing the World Economy: The Consequences of Corporate Alliances* (New York, Council on Foreign Relations Press, 1993).
- Deeks, John, *Business and the Culture of the Enterprise Society* (Westport, Connecticut, Quorum Books, 1993).
- Ietto-Gillies, Grazia, *International Production: Trends, Theories, Effects* (Cambridge, Polity Press, 1992).
- James, Harvey S. Jr. and Murray Weidenbaum, *When Business Cross International Borders: Strategic Alliances and Their Alternatives* (Westport, Connecticut, Praeger Publishers, 1993).
- Jones, Geoffrey, *British Multinational Banking 1830-1990* (Oxford, Clarendon Press, 1993).
- Kaynak, Erdener, ed., *The Global Business: 4 Key Marketing Strategies* (Binghamton, New York International Business Press, 1993).
- Mikdashy, Zuhayr, ed., *Financial Strategies and Public Policies* (New York, St. Martin's Press, 1993).
- Morrisette, Nan Heldenbrand, *Setting up a Bank Records Management Program* (Westport, Connecticut, Quorum Books, 1993).
- Most, Kenneth S., *The Future of the Accounting Profession: A Global Perspective* (Westport, Connecticut, Quorum Books, 1993).
- Papadopoulos, Nicolas and Louise A. Heslop, eds., *Product-Country Images* (New York, International Business Press, 1993).
- Plasschaert, Sylvain, ed., *Multinational Enterprises and National Policies* (Rome, Herder, 1989).
- Pottier, Claude, *Stratégies d'Acquisition des Groupes Industriels Français* (Paris, Eyrolles, 1992).
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- Schüning, Hartmut, *Der Einfluß Wirtschaftspolitischer Rahmenbedingungen auf das Investitionsverhalten Multinationaler Unternehmen* (Stuttgart, Fisher, 1991).
- Sechrest, Larry J., *Free Banking: Theory, History and a Laissez-Faire Model* (Westport, Connecticut, Quorum Books, 1993).
- Siwek, Stephen E. and Harold W. Furchtgott-Roth, *International Trade in Computer Software* (Westport, Connecticut, Quorum Books, 1993).
- Tang, Roger Y.W., *Transfer Pricing in the 1990s: Tax and Management Perspectives* (Westport, Connecticut, Quorum Books, 1993).
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Instructions to Contributors

Manuscript preparation and style guide

I. Manuscript preparation

Authors are requested to submit three (3) copies of their manuscript in English, with a statement that it has not been submitted for publication elsewhere, to:

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Transnational Corporations is a refereed journal. Occasionally, articles that are extracts from or summaries of books published after the *Transnational Corporations* issue in which the article would appear are considered; the author must clearly specify such situations when submitting a manuscript.

Authors should provide the diskette of manuscripts once accepted for publication. The diskette, either 5 1/4" or 3 1/2", should be labelled with the title of the article, the name of the author and the software used (WordPerfect, Multimate, Microsoft Word or Wordstar). WordPerfect is the preferred software package. The format of the word processor must be shown on the diskette (e.g., WordPerfect 5.1). The editors do not accept responsibility for damage or loss of manuscripts or diskettes submitted.

The text of articles should, normally, not exceed 20 double-spaced pages (8,000 words). Shorter research notes may be submitted. Book reviews should be between 500-800 words, unless they are review essays, in which case they may be the length of an article.

Manuscripts should be typewritten on one side of letter-size (A4) paper and should be double-spaced (including references) with wide margins. All pages should be numbered consecutively. All footnotes should appear at the end of the page they refer to. References, appendices, tables and figures (charts, graphs etc.) should be on separate sheets of paper and also placed at the end of the manuscript.

The first page of the manuscript should contain the following: (i) title; (ii) name(s) and institutional affiliation(s) of the author(s); and (iii) address, telephone number and facsimile number of the author or, if more than one, of the primary author who is to be contacted.

The second page of the manuscript should contain the title, the name(s) of the author(s) and an abstract of not more than 150 words.

Articles will be subjected to editing to ensure conformity with United Nations practice. If possible, although it is not really necessary, manuscripts should use British spelling.

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II. Style guide

A. Quotations

Quotations should also be double-spaced and longer ones indented. A copy of the page(s) of the original source of the quotation, as well as a copy of the cover page of that source, should be provided.

B. Footnotes

Footnotes should be numbered consecutively throughout the text with superscript arabic numerals. Footnotes should be single spaced and should be placed at the end of each page. Footnotes should not be used for citing references. Important substantive comments should be integrated within the text itself rather than placed in footnotes.

C. References

An alphabetical list of references of works used should follow the endnotes at the end of the manuscript.

In the text, references to publications should appear as follows: "Dunning (1979) reported that . . ." or "This issue has been a subject in literature before (Cantwell, 1991, p. 19)". The author should ensure that there is a strict correspondence between the names (years) in the text and those on the reference list.

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Bhagwati, Jagdish (1988). *Protectionism*. Cambridge, Massachusetts: the MIT Press.

Cantwell, John (1991). A survey of theories of international production. In *The Nature of the Transnational Firm*, Christos N. Pitelis and Roger Sugden, eds. London: Routledge, pp. 16-63.

Dunning, John H. (1979). Explaining changing patterns of international production: in defence of the eclectic theory. *Oxford Bulletin of Economics and Statistics*, 41, November, pp. 269-295.

_____ (1981). *International Production and the Multinational Enterprise*. London: George Allen & Unwin.

United Nations (1991). *World Investment Report 1991: The Triad in Foreign Direct Investment*. Sales No. E.91.II.A.12.

D. Tables

Tables should be placed on separate sheets of paper and should follow the references. If data are not available, put .. (two dots). If data are zero or negligible, put 0 (zero). The table header, subheaders and column headers should be clearly identified. The table header should indicate the year of the data. Tables should be self-contained with the full source appearing below each table. Footnotes to tables should be lower-case letters and should appear after the source. Indicate the position of the table in the text as follows:

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