6.25-AT02-5083

THE DETERMINANTS OF EMERGING AND DEVELOPED MARKET MNE OUTWARD FDI: A COMPARATIVE ANALYSIS OF MALAYSIAN AND SINGAPOREAN MNES

NORLIA MOHD ZAIN[1]

ABSTRACT

Since early 1960s, the basic long-term pattern of FDI from industrialised multinational enterprises (MNEs) has become a foundation for traditional theories of FDI and MNEs. However, the rise of outward FDI from emerging economies' (E)MNEs, particularly from East Asia, such as China and India, has raised many interesting questions, such as how do Asian MNEs differ from developed economies' (D)MNEs in their internationalisation, decisions and behaviour? Given that comparative studies on EMNEs, particularly from different South-East Asian countries, is limited, it is the central objective of this paper to examine and analyse the differences and similarities in the geographical patterns of outward FDI from Malaysia (EMNEs) and Singapore (DMNEs). This study measures the direction and impact of institutional effects, economic development factors and MNEs' special ownership advantages on the location choice and underlying motivations of their outward FDI at two digits industry classification of NACE code.

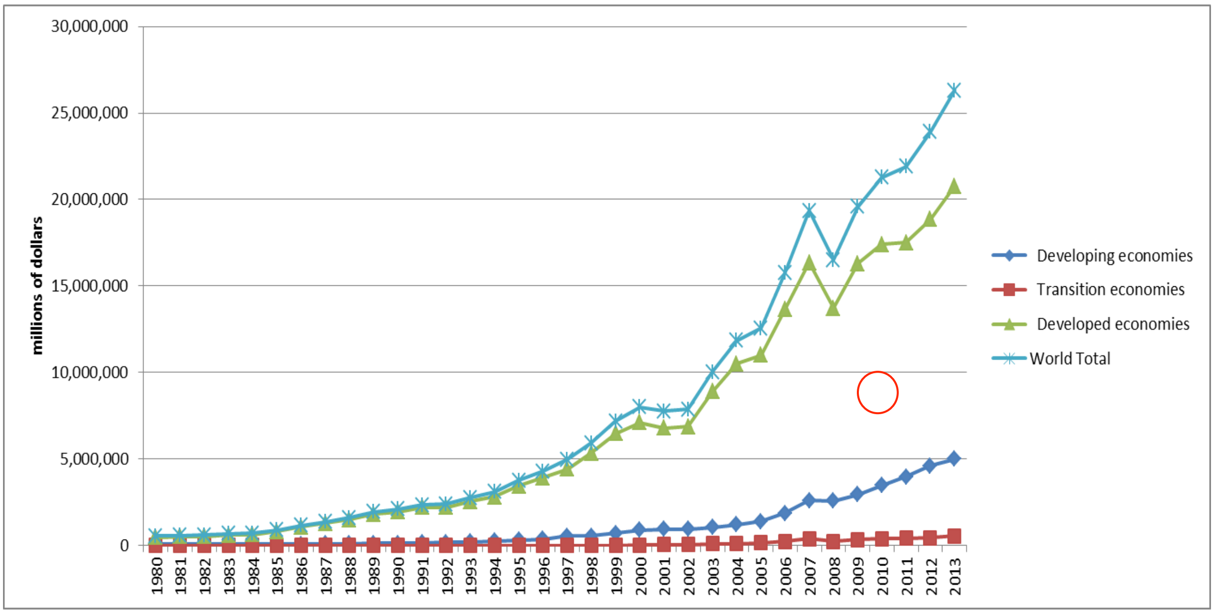
Keywords: Multinational enterprise (MNEs), Outward FDI (OFDI), industry-level analysis.

INTRODUCTION

Since the early 1980s, substantial progress toward the removal of cross-border restrictions on international capital flows and the trend towards an integrated world economy have increased the growth of foreign direct investment (FDI) activity (Doukas and Lang, 2003). Globalisation has been widely recognised for the past several decade as being driven by the multinational enterprises (MNEs) of developed nations ((Buckley et al., 2014). In the voluminous literature on FDI and MNEs from developed countries, a strand of the literature focuses on the phenomenon of increasing outward FDI (OFDI) from emerging market MNEs (EMMNEs), and this has become one of the "big questions" of the 21st century International Business research agenda (Mathews, 2006). Bhaumik and Driffield (2011) highlight that total OFDI stock by EMMNEs recorded a 107% increase within a decade, from $72 billion in 1980 to $149 billion in 1990, then to over $1 trillion by the end of 2005. As illustrated in **Figure 1**, in 2013, the outward stock from developing countries was $5 trillion, or 19% of the worldwide flow of FDI (United Nations Conference on Trade and Development (UNCTAD).

[1] PhD Student (Full-time), Department of Economics, Durham University Business School, Durham University, Mill Hill Lane, DH1 3LB, United Kingdom. E-mail:- norlia.mohd-zain@durham.ac.uk

Figure 1: World outward FDI stock by major economies, 1980–2013 (millions of dollars)



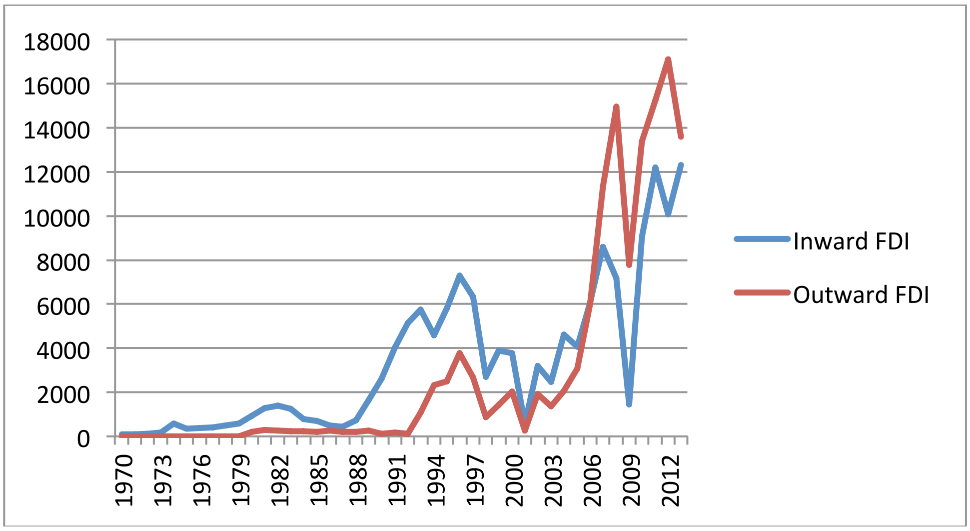
Source: UNCTAD 2015, UNCTADstat

Two motivations drive the current research. The first is the phenomenal growth of MNEs from East Asian countries such as Korea, Taiwan, Singapore and Malaysia. While the extant literature on EMMNEs focuses on major global players from BRICS countries, this study will make a comparative analysis of Malaysia and Singapore. Second, the dominating theories of FDI postulate that MNEs must possess ownership advantages before they invest abroad, but in most cases EMMNEs that are successful on the global stage do not possess the competitive advantages that developed country MNEs might ((Ramasamy et al., 2012). Thus, they tend to undertake OFDI to acquire the strategic assets they lack ((Child and Rodrigues, 2005; Luo and Tung, 2007). This research aims to add to the existing literature by analysing home and host country institutional and economic development effects, as well as the special ownership advantage of the MNE itself. This will be accomplished by examining the activities of Malaysian and Singaporean MNEs in their first foreign destination, and also by looking at how they engage with the activities of their affiliates in further direct investment enterprises. A direct investment enterprise is an enterprise resident in one economy and in which an investor resident in another economy owns (either directly or indirectly) 10% or more of its voting power if it is incorporated, or the equivalent for an unincorporated enterprise (OECD, 2009).

Malaysian companies have been investing abroad since the mid-1970s, but Malaysian OFDI became significant in the early 1990s with the completion of the GATT/WTO Uruguay Round in 1994 and the formation of the ASEAN Free Trade Area (AFTA) in 1992 (Ariff and Lopez, 2008). According to Yean (2007), after recovering from the 1985 economic crisis, Malaysia seeks to explore non-traditional markets. The former Prime Minister, Tun Mahathir Mohamad, encouraged Malaysian firms to invest in the south to reduce the country's dependence on the United States, Japan and Europe. One of the initiatives was his business trip to Chile, Brazil and Argentina in 1991. Other than that, the Malaysian South-South Association (MASSA) was formed to promote trade and investment with South-South countries in 1991. As depicted in Figure 2, outflows grew to USD $0.35 billion in 1991 and tripled to USD$1.19 billion in 1993. These outflows reveal a general upward trend, with the exception of some moderation in 1997 and 2001. However, it dropped substantially to USD

$3.4 billion in 2003 before escalating threefold to USD $9.74 billion in 2004. In 2007, the volume of Malaysia's OFDI was reported at USD $11.3 billion, surpassing the value of inward FDI (USD $8.5 billion). The upward trend for OFDI continued until 2013 at USD $13.6, while inward FDI remained lower at USD $12.3 billion (UNCTAD).

Figure 2: Malaysia's FDI 1970–2013—inward and outward (millions of dollars)

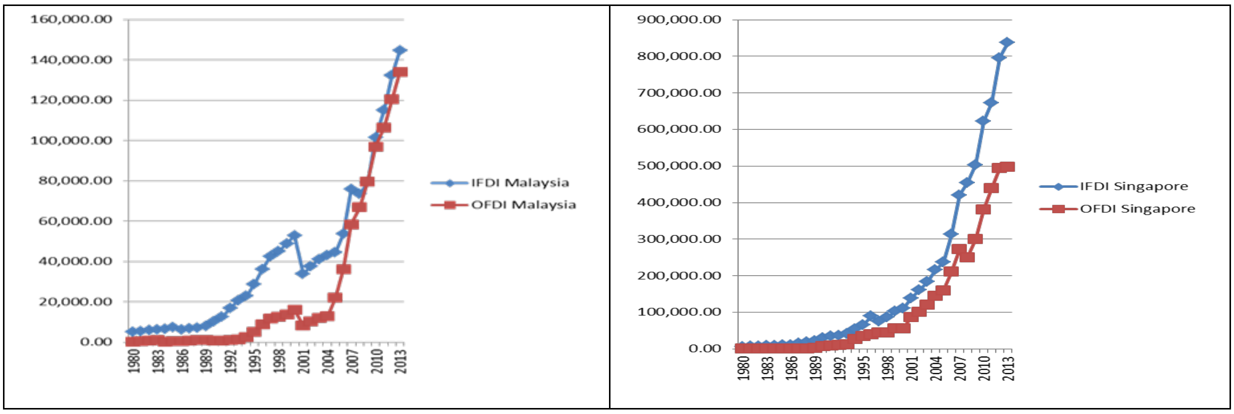


Source: UNCTAD (2014), UNCTADstat

The specific objectives of this study are to investigate key issues on the push and pull factors in the home and host countries, and the importance of their influence on the OFDI of EMMNEs. It will focus on, first, the institutional quality in the home and host country that influence Malaysian MNEs (MMNEs) and Singaporean MNEs (SMNEs) in their overseas expansion; and second, the economic development indicators in home and host country that attract MMNEs and SMNEs undertaking their outward investment. This research aims to explain the motivation for MMNEs and SMNEs investing abroad, and to design and construct a model incorporating home and host institutional and economic development determinants. It will also propose policy recommendations (and define their implications to policymakers) for home country institutions and the decision makers of EMMNEs to make feasible location choices for their OFDI. Despite the fact that literature on the success of EMMNEs has grown considerably, a consensus has not yet been reached to fully understand the behaviour and dynamics of MNEs from Asia and other developing countries (Sim, 2012). Sim (2012) examined the internationalisation characteristics and strategies of MNEs from Malaysia, Singapore and Taiwan using empirical data from six matched case studies at two different level of economic development based on the Investment Development Path (IDP). The IDP relates the net outward investment of a country to its stage of economic development (Dunning and Narula, 1996). While there have been comparative analyses of several emerging countries, there have been no comparative studies conducted using large firm level data at different level of economies engage by the foreign affiliates. Hence, this comparative research between Malaysian and Singaporean MNEs will fill an empirical gap and provide a better and more comprehensive understanding of Asian MNEs, as well as of EMMNEs in general.

Given that comparative study on EMNEs is limited, particularly from different South-East Asian countries, it is the central objective of this chapter to examine and analyse the differences and similarities in the geographical patterns of outward FDI from Malaysia (an emerging economy representing EMNEs) and Singapore (a newly industrialised economy representing DMNEs). Malaysia and Singapore are both South East Asian countries that have a similar cultural and historical past, and are both geographically proximate. The Federation of Malaya, formerly a British Colony, became independent on 31 August 1957. Eight years later, on 16 September 1963, Malaysia was formed, which included the territories of the Federation of Malaya, Singapore, Sabah (formerly British North Borneo) and Sarawak. However, when Singapore separated from Malaysia in 1965, it sought foreign investment in the early stages of its development to overcome the disadvantages of having a small domestic market and limited natural resources (Liang, 2005). In terms of economic development, Singapore is now a more advanced economy, categorised as a Newly Industrialised Country (NICs) along with Korea and Taiwan. In contrast, Malaysia is a fast developing country. In terms of income level, regardless of having a population five times smaller than that of Malaysia (Malaysia has a population of 29.7 million; Singapore's is 5.4 million), Singapore's GDP per capita is five times higher than that of Malaysia (Malaysia's is $10,538, Singapore's $55,182). In general, Singaporean MNEs are more internationalised (consistent with stage three of IDP) than the Malaysian MNEs, which are at stage two (Sim, 2012). Figure 3 provides a comparison between the inward FDI (IFDI) and OFDI stock of Malaysia and Singapore.

Figure 3: Malaysia and Singapore inward and outward FDI stock, 1980–2013 (millions of dollars)



Source: UNCTAD 2015, UNCTADstat

This study contributes to the literature by exploring the phenomenon of OFDI from Malaysia and Singapore in terms of their unique behaviours in international expansion, motivations, strategies and location choice. A further point is that, in most cases, EMMNEs do not conform to the traditional view of MNEs (Bhaumik and Driffield, 2011). Thus, from observations and gaps in the OFDI literature, this study adopts a more comprehensive approach by incorporating general theories of FDI with institutional factors and economic developments indicators in the extension of the model.

In terms of methodology, this study explores the OFDI from Malaysian and Singaporean MNEs using a large firm level dataset to investigate the activities of MNEs at the foreign affiliate's level and their next destination of OFDI in other countries using an OECD guideline (OECD, 2009). However, the OECD's definition of FDI is not sufficient because it does not exclude the activities of holding companies in tax havens and offshore financial centres. Thus, this study excludes holding companies for each level of direct investment and those investments that return to home countries. Numerous recent literature uses official data to measure the FDI outflow (either stock or flow) that ignores tax havens issues and activities of holding companies in tax heavens destination such as Hong Kong, the Cayman Islands, the British Virgin Islands and other places such as Luxembourg and the Netherlands. This official data suffers from the "round-tripping" FDI problem that involves investment holding companies undertaking investment abroad, which did not represent real economic activity (Buckley et al., 2013; Sutherland and Ning, 2011; Ning and Sutherland, 2012; Yao and Sutherland, 2009). The dataset is obtained from a novel firm-level database, the Bureau van Dijk's (BvD) Orbis, to obtain a viable population of investing companies. The Bureau v. Dijk database (Amadeus for Europe and Orbis for the World) is a useful source of secondary data, as this data has the appeal that comparisons of Malaysian OFDI vis-a-vis other countries can be undertaken, as comparative analysis strengthens this type of work. Simultaneously, the research provides recommendations to policy makers and MNEs to identify new outward FDI opportunities in other feasible destinations and sectors.

The findings of this paper suggest that there is a need to extend the extant theories of FDI, particularly when the OFDI of firms from developing countries like Malaysia and Singapore are brought into the equation. The findings of this paper are that Malaysian and Singaporean OFDI behaviour can be explained by three major attributes: institutional factors, economic development indicators and the special ownership advantages of the firms. More specifically, the results indicate that Malaysian MNEs are most likely to establish their operation in neighbouring countries if the quality of government system and administrative procedure is void at home, rather than choosing OECD and Rest of the World region far from home with a dissimilar culture and complex administrative rules and regulations. This finding supports the Stages Model that that MNEs are more likely to invest in those countries with similar cultures and psychic distance (Johanson and Vahlne, 1977; Johanson and Vahlne, 2009). In contrast, separately from the independent variables, Singaporean MNEs are more likely to invest in the OECD region compared to Malaysian MNEs.

THE GENERAL THEORY OF FDI

Several dominant theories exist on the development and motivation of FDI that are relevant in explaining OFDI activities, but most are related to firms from advanced countries. Buckley and Casson (1976) were the first to formalise various streams of thought into a coherent theory of MNEs. This theory postulates that firms will invest abroad if the benefits of exploiting firm competitive advantages outweigh the relative costs of the operations. Dunning (1979) brings together internalisation theory and traditional trade economics to create the eclectic paradigm of FDI. In the MNE theory, FDI was explained by identifying three types of special advantages MNEs have: the ownership, location and internalisation (OLI) advantages. Firms will internationalise when they have ownership advantages (patents, technical knowledge, management skills and reputation) to be exploited abroad in a location that offers lower transaction cost (I advantage). According to Buckley et al. (2007), the OLI paradigm also suggests a location choice aspect, in that MNEs undertake OFDI based on three main motivations: market-seeking, efficiency-seeking for cost reduction, and resource seeking (including strategic-asset-seeking FDI).

Rugman (1981) developed the matrix of firm specific advantages–country specific advantages (FSA–CSA) at the MNE level, which underlines the company's motivations for investing abroad first to exploit its FSA, such as a company's property, technologies, knowledge, and managerial or marketing abilities; and, further, to benefit from host country advantages such as natural resources, labour force, cultural factors, tariff and non-tariff barriers and public policies. Another general theory of FDI is the Stages model, which identifies geographic distance for firm internationalisation. Johanson and Vahlne (1977) postulate that firms start to internationalise in markets close to the home market in psychic distance terms, gradually entering markets further away and choosing low risk entry modes, later increasing their commitment to better exploit the market potential. This process involves a concept of liability of foreignness (LOF) that explains why foreign firm need to possess FSA to offset the liability.

As the general theory of FDI has been built largely on the experience of industrialised country investors, there are inevitably questions over whether these theories can be readily applied to emerging market investors ((Buckley et al., 2007). According to Hennart (2012), the argument surrounding the theory that can explain EMMNEs are divided into three camps. The first IB scholars invoked the OLI model, believing that EMMNEs will not be successful in investment abroad owing to the absence of a strong FSA; their current foreign investment are ill advised and will not survive for long term. A second group of researchers agree that EMMNEs invest abroad regardless of whether or not they possess FSAs, which indicates that the OLI model is unable to explain EMMNEs and should be replaced by a specific theory applicable to EMMNEs (Mathews, 2006). Another group argues that the OLI model must be extended because EMMNEs possess unconventional types of FSAs that are not included in the model (Cuervo-Cazurra, 2012; Ramamurti, 2009; Ramamurti, 2012).

WHY ARE EMMNES DIFFERENT?

An emerging market is often characterised by poorly developed institutions in terms of social, political, geographic, economic factors, as well as regulation, which have been termed *institutional voids* (Khanna and Palepu, 1997). However, this disadvantage has become an advantage to the EMMNEs, as it gives them initial FSAs to operate in difficult environment in local, which they reinforce later in foreign investment (Ramamurti, 2009; Ramamurti, 2012). EMMNEs are often capable of turning these disadvantages into advantages when they embark on foreign investment (Cuervo-Cazurra and Genc, 2008). Moreover, Madhok and Keyhani (2012) argue that EMMNEs need theoretical advancement, contrary to the extant IB literature, to answer the question of how to make the most of what they have to create advantage. In their study, they introduce the concept of *Liability of Emergingness* (LOE), which is incurred due to national environments that suffers from underdeveloped markets, unsophisticated customers, weak suppliers, infrastructure bottlenecks and many other institutional voids. To overcome the LOE, EMMNEs undertake outward internationalisation through acquisition in advanced economies. Acquisition of firms from advanced countries makes it possible for EMMNEs to acquire the brand or world class image in one quick step, thus overcoming the "less than world class" image that comes from LOE.

Child and Rodrigues (2005) argue that the internationalisation of Chinese firms is significantly impacted by institutional factors because they receive large amount of support from the government. Many developing countries are characterised by a heavy institutional and political involvement in their business system. Thus, Child and Rodrigues (2005) have suggested that international business theory needs to take the role of government into account in developing and transitional countries. A few studies discuss government involvement in emerging market OFDI. For instance, Luo and Tung (2007) mention home government encouragement for "springboard", particularly via state-owned enterprises (SOEs), while these MNEs are still being subject to home government influence due to fact that their governments are usually the largest shareholders. Hennart (2012) also discusses complementary local resources (CLRs) such as land and natural resources, which are monopolised by the government and only available to local firms.

Buckley et al. (2007) utilise the general theory of FDI in their study of Chinese OFDI, incorporating three special explanations of capital market imperfections, special ownership advantages and institutional factors. One of the common institutional voids related to emerging market is an underdeveloped capital market. However, Buckley et al. (2007) find that the Chinese MNEs have transformed the disadvantage of operating in market imperfections into ownership advantages, whereby the state-owned firms provide capital at below market rates to the Chinese MNEs, soft loans granted to potential outward investors due to inefficient banking systems, role of business group to raise capital for their foreign affiliates due to inefficient internal capital market and cheap capital from family members. In their study, Buckley et al. (2007) also recognise that the dark side of government involvement includes high levels of bureaucratic engagement and burdensome administrative FDI approval procedures, because the government will often control the amount, direction and scope of outward capital flows. Similarly, Luo and Tung (2007) mention that SOEs receiving greater institutional support and government underwriting also face higher bureaucratic and political intervention.

Building on extant theories and previous research, six hypotheses are proposed:

H1: Government effectiveness of the home and host country is associated positively with the location choice of Malaysian and Singaporean MNEs in undertaking OFDI.
H2: Economic development of the home and host country is associated positively with the location choice of Malaysian and Singaporean MNEs in undertaking OFDI.
H3: The size of the firm is associated positively with the location choice of Malaysian and Singaporean MNEs in undertaking OFDI.
H4: The age (experience) of the firm is associated positively with the location choice of Malaysian and Singaporean MNEs in undertaking OFDI.
H5: The type of ownership (stated-owned or private firm) is associated positively with the location choice of Malaysian and Singaporean MNEs in undertaking OFDI.
H6: The type of industry determines the motivation of Malaysian and Singaporean MNEs in undertaking OFDI.

METHODOLOGY

The base model estimates the probability of the firm *i* investing in different regions according to determinant variables using multinomial logistic regression. The location of OFDI is classified into four main regions in this analysis based on political regions, namely ASEAN countries, other Asian countries, OECD countries and the rest of the world. The explanatory variables are classified into three groups as summarised in **Table 1**.

Table 1: Explanatory Variables

Firm level data	Governance index	Economic development
Age of the company	Voice and accountability	GDP growth
Size	Political stability	GDP per capita
Industry	Government effectiveness	Population
State ownership	Regulatory quality	Host patent
	Rule of law	Skilled labour
	Control of corruption	Natural resources

Source: Bureau Van Dijk Orbis, The Worldwide Governance Indicators (WDI) and World Development Indicator (WDI) database.

The four destination groups where chosen after considering different regions according to distance, political relations and the results from estimations. All the independent variables were also considered, but for governance stability and economic indicators the best approach was to estimate factor analysis to identify relationships between the variables. The reason for this was to measure the institutional and economic indicators, which proxied by governance and technology and to avoid the problem of multicollinearity. Based on factor analysis regression, two factors where developed: a governance factor and a technology factor. A multinomial regression was estimated using the selected-developed independent variables, identifying differences between Malaysia and Singapore through composite dummies for Singapore.

RESULTS AND DISCUSSION

To check the level of influence of each determinant, this study calculates the marginal effect associated with the multinomial logistic regressions as illustrated in **Table 2**. Overall, the marginal effect results indicate that large Malaysian and Singaporean MNEs are both more likely to invest in ASEAN countries than small or medium-sized firms. There are significant and strong results by industry. Each of the industries deserves a particular analysis. A substitution effect appears to exist between other Asian and OECD countries. Government stability appears to favour the investments in OECD countries and to avoid investments in other Asian countries. It is interesting to note that the technology-seeking motivation is more attractive in other Asian countries and diminishes the probability of investing in OECD. Apart from the Information and Communication industry, Malaysian and Singaporean MNEs seem to be indifferent about investments in the rest of the world. In contrast, Singaporean MNEs show strong significant regional differences in the probabilities of investing abroad compared to Malaysia. Singaporean MNEs seem to be less affected by the size of the company than Malaysian MNEs. In contrast to Malaysian MNEs, Singaporean firms are less sensitive to investments in the Information and Communication industry. Overall results prove that state-owned Singaporean MNEs tend to favour investments in OECD countries. Separately from the independent variables, Singaporean MNEs are more alike to invest in the OECD than Malaysian MNEs. Parsimony of the model is tested using joint test regression for the Singaporean firm composite dummy for all the explanatory variables, as shown in **Table 3**.

Table 2: Marginal effects per variable

Variable		Malaysia				Differences with Singapore			
Variable		ASEAN (Base)	Other Asia	OECD	Rest of the World	ASEAN (Base)	Other Asia	OECD	Rest of the World
Age of the company		-0.0*	0.00	0.00	-0.0	0.00**	-0.0**	-0.0	-0.0
Size (Base=Small)									
	Middle	0.29	-0.4**	0.15	0.01	-0.0	0.48**	-0.4**	0.00
	Big	0.58**	-0.6	0.01	0.01	-0.5**	0.63	-0.0	-0.0
Industry (Base=Manufacturing)									
	Finance and Insurance	0.10	0.41**	-0.5**	0.02				
	Wholesale and retail trade: repair of motor vehicles	-0.1	0.13	-0.0	-0.0				
	Information and Communication	0.06	0.83**	0.17	-1.0*	-0.4	-0.7*	0.12	1.01*
	Professional Activities	-0.2**	-0.0	0.29**	0.01				
	Administrative Activities	0.05	-0.7	0.78**	-0.0	-0.2	0.82	-0.6	0.03
	Real Estate Activities	-0.1*	0.06	0.08	0.00				
	Construction	0.01	0.20*	-0.2	0.03	-0.1	-0.0	0.21	-0.0
	Transportation and Storage	-0.0	0.13	-0.2*	0.11	-0.3**	0.09	0.45	-0.1*
	Accommodation	-0.1	0.28	-0.2	0.07	0.26	-0.5	0.51*	-0.1
	Mining	-0.1	-0.4	0.51	0.15	0.35	0.60	-0.8**	-0.1
	Other Services	-0.2	-0.6	0.63*	0.16	-0.1	0.72*	-0.5	-0.0
	Unknown	-0.0	0.67**	-0.6**	0.04	0.37*	-0.1	-0.1	-0.0
	Holding Companies	0.12	0.21	-0.3**	0.04				
State Ownership		0.03	0.06	-0.1**	0.04	-0.3**	-0.1	0.45**	-0.0
Governance Factor		-1.2	-2.7*	3.89**	0.07	0.36	1.48	-1.9**	0.05
Technology Factor		0.69	2.29*	-2.6**	-0.3	-0.8	-1.0	2.14**	-0.2
Singapore Effect (constant)						-0.4	-0.9	1.46**	-0.0

*, ** indicate significance level at 10% and 5% respectively

Table 3: Parsimony of the model: joint-test results for the Singapore composite dummy

Joint-test variable	chi2	Prob > chi
Age	13.08	***0.0003
Size	6.42	***0.0113
Industry	1.62	0.2027
SOE	9.75	***0.0018
Governance and Technology	3.5	0.0613
Overall Model	4.61	**0.0317

*, ** and *** indicate significance level at 10%, 5% and 1% respectively

CONCLUSION

The Malaysian government could provide more incentives, facilities and promotional activities for small and medium MNEs to invest in the ASEAN region. The financial support for small and medium-sized firms would encourage more outward FDI to neighbouring countries and support the regional agreement for ASEAN. The budget for 2007 announced an increase in the paid-up capital of the EXIM Bank by USD $0.5 billion by the government to enhance the bank's role in providing financing for domestic companies investing abroad, and the setting up of a USD $25 million Overseas Investment Fund to finance the start-up costs of domestic companies doing business overseas; these measures will be sufficient for this purpose. For the corporate sector, opportunities beyond national borders are abundant and overseas investment would be increasingly regarded as an important strategy to maximise company's total growth in terms of revenue, profit and export market share. Manufacturing, wholesale, information and communication industries could provide a large network and diaspora/ethnic to local firms to invest abroad. This is supported by Goh (2011), who mentions that Malaysia's economy is in the transition from stage three to stage four of the investment development path (IDP) as the nation has embarked on a higher level of economic development, with domestic firms building up ownership advantages and expanding their operations abroad. With competitive pressure from globalisation and increasing trade openness within the country, Malaysian firms have to respond to these challenges, either by relocating their production activities in the host countries to gain competitive/cost advantage and to expand markets, or by moving upstream to achieve higher value added and total factor productivity in the home country. Furthermore, Kueh et al. (2008) mention that the time frame for achieving the next stage can be shorter if Malaysia particularly (and ASEAN members generally) make the transition from a paternalistic top-down governance structure to a pluralistic market economy structure. Malaysia should also grab the opportunity from the emergence of fast-growing economies like India and China in the world market. For example, by locating production in China's low labour costs, Malaysia can gain a competitive advantage in terms of price and therefore be able to compete and survive in the challenging market.

BRIEF BIOGRAPHY

Norlia Mohd Zain is a PhD candidate in Economics at Durham University Business School (UK). A piece of her work was presented at the 42nd Academy of International Business, United Kingdom and Ireland Conference 2015, the largest chapter of the worldwide AIB hosted by Manchester University. Another chapter of her work was presented at the 2016 International Academic Conferences on Business and Economics, at Harvard Faculty Club, Harvard University, Boston, USA. Her research has looked at, among other things, how the institutions and technology of home and host countries could influence the location choice and motivation of MNEs towards FDI activities.

REFERENCES

Ariff, M. and Lopez, G. P. (2008) *Outward FDI from Southeast Asia: the Malaysian experience. New Dimensions of Economic Globalization: Surge of Outward Foreign Direct Investment from Asia*. Singapore: World Scientific.

Bhaumik, S. K. and Driffield, N. (2011) Direction of outward FDI of EMNEs: Evidence from the Indian pharmaceutical sector. *Thunderbird International Business Review*, 53(5), 615-628.

Buckley, P. J. and Casson, M. (1976) *The future of the multinational enterprise, vol. 1*. London: Macmillan.

Buckley, P. J. et al. (2007) The determinants of Chinese outward foreign direct investment. *Journal of International Business Studies*, 38(4), 499-518.

Buckley, P. J., Elia, S. and Kafouros, M. (2014) Acquisitions by emerging market multinationals: Implications for firm performance. *Journal of World Business*, 49(4), 611-632.

Buckley, P. J. et al. (2013) The economic geography of offshore incorporation in tax havens and offshore financial centres: the case of Chinese MNEs. *Journal of Economic Geography*, 15(1), 103-128.

Child, J. and Rodrigues, S. B. (2005) The internationalization of Chinese firms: A case for theoretical extension?[1]. *Management and Organization Review*, 1(3), 381-410.

Cuervo-Cazurra, A. (2012) Extending theory by analyzing developing country multinational companies: Solving the Goldilocks debate. *Global Strategy Journal*, 2(3), 153-167.

Cuervo-Cazurra, A. and Genc, M. (2008) Transforming disadvantages into advantages: developing-country MNEs in the least developed countries. *Journal of International Business Studies*, 39(6), 957-979.

Doukas, J. A. and Lang, L. H. P. (2003) Foreign Direct Investment, Diversification and Firm Performance. *Journal of International Business Studies,* 34(2), 153-172.

Dunning, J. H. (1979) Explaining changing patterns of international production: in defence of the eclectic theory. *Oxford Bulletin of Economics and Statistics*, 41(4), 269-295.

Dunning, J. H. and Narula, R. (1996) *The investment development path revisited. In J.H. Dunning and R. Narula, Foreign direct investment and governments: Catalysts for economic restructuring.* London, New York: Routledge, 1-41.

Goh, S. K. (2011) Malaysia's outward FDI: The effects of market size and government policy. J*ournal of Policy Modeling*, 33(3), 497-510.

Hennart, J.-F. (2012) Emerging market multinationals and the theory of the multinational enterprise. *Global Strategy Journal,* 2(3), 168-187.

Johanson, J. and Vahlne, J.-E. (1977) The internationalization process of the firm-a model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies*, 8(1), 23-32.

Johanson, J. and Vahlne, J.-E. (2009) The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies*, 40(9), 1411-1431.

Khanna, T. and Palepu, K. (1997) Why focused strategies may be wrong for emerging markets. *Harvard Business Review,* 75, 41-54.

Kueh, S., Puah, C.-H. and Apoi, A. (2008) Outward FDI of Malaysia: An empirical examination from macroeconomic perspective. *Economic Bulletin*, 6(28), 1-11.

Liang, M. (2005) Singapore's Trade Policies: Priorities and Options. *ASEAN Economic Bulletin*, 22(1), 49-59.

Luo, Y. and Tung, R. L. (2007) International expansion of emerging market enterprises: A springboard perspective. *Journal of International Business Studies*, 38(4), 481-498.

Madhok, A. and Keyhani, M. (2012) Acquisitions as entrepreneurship: asymmetries, opportunities, and the internationalization of multinationals from emerging economies. *Global Strategy Journal*, 2(1), 26-40.

Mathews, J. A. (2006) Dragon multinationals: New players in 21st century globalization. *Asia Pacific Journal of Management*, 23(1), 5-27.

Ning, L. and Sutherland, D. (2012) Internationalization of China's Private Sector MNEs: An Analysis of the Motivations for Foreign Affiliate Formation. *Thunderbird International Business Review*, 54(2), 169-182.

OECD (2009) OECD *Benchmark Definition of Foreign Direct Investment 2008*. Paris: OECD Publishing.

Ramamurti, R. (2009) What have we learned about emerging—market MNEs? In Ramamurti, R. and Singh, J. (eds.) *Emerging multinationals in emerging markets.* UK: Cambridge University Press.

Ramamurti, R. (2012) What is really different about emerging market multinationals? *Global Strategy Journal*, 2(1), 41-47.

Ramasamy, B., Yeung, M. and Laforet, S. (2012) China's outward foreign direct investment: Location choice and firm ownership. *Journal of World Business*, 47(1), 17-25.

Rugman, A. M. (1981) *Inside the multinationals: The economics of internal markets*. New York, NY: Columbia University Press.

Sim, A. B. (2012) A comparative case study of the internationalization strategies of Malaysian, Singaporean and Taiwanese firms. *Journal of Asian Business*, 24(3), 85-108.

Sutherland, D. and Ning, L. (2011) Exploring ‘onward-journey’ODI strategies in China's private sector businesses. *Journal of Chinese Economic and Business Studies*, 9(1), 43-65.

UNCTAD (2015). [Online]. Available from: http://unctadstat.unctad.org/ [Accessed 12 November 2018].

Yao, S. and Sutherland, D. (2009) Chinalco and Rio Tinto: A Long March for China's National Champions. *The China Quarterly*, 199, 829.

Yean, T. S. (2007) Outward foreign direct investment from Malaysia: an exploratory study. *Journal of Current Southeast Asian Affairs,* 26(5), 44-72.