

## **Brazilian Direct Investment in South America: Evolution and Sectoral Analysis**

**Giuliana Aparecida SantiniPigatto**

**GessuirPigatto**

**Renato Dias Baptista**

Assistant Professor

Univ Estadual Paulista – UNESP

Agribusiness and Development Postgraduate, Cepeagro

Tupã, Brazil

### **Abstract**

*This paper aims to analyse the evolution of the Brazilian direct investments (BDI) in the region of South America (2001-2013). In specific way, it also seeks to evaluate the historical data of the BDIs in region's countries and sectors. The research was based on a qualitative approach, using literature on the area of internationalization of South American companies and data survey and analysis of the flows of Brazilian direct investments towards other South American countries. The analysis also shows that investments in the region are not homogeneous, in terms of countries, and recipient sectors. There are concentrated investments in the Argentina, Uruguay, Colombia, Chile and Venezuela countries for the analysed period. This study brings an important contribution that is to show Brazil's growth in performing productive investments in the international market, in the XXI century and the importance that the countries of South America have in this process.*

**Keywords:** Direct investment; Brazilian companies; internationalization

### **1. Introduction**

Among the growth strategies sought by the organizations, the internationalization is being largely adopted by emerging countries companies, including those from Brazil. The internationalization experiences of these countries are treated under different fronts in the international literature, from which it can be cited: by the approach based on resources and institutions by Gaur, Kumar and Singh (2014); by the inverse acquisitions reasons, as those of emerging countries companies on developed countries, by Fleury and LemeFleury (2014); by the analysis of institutional advantages for the South-South investments, by Arita (2013); by the analysis of the central competences in the process of internationalization of the companies, by Fleury, LemeFleury and Boriri (2012); by the trajectory of the Brazilian multinationals, by Fleury, LemeFleury and Reis (2010); by the trajectory of the “multilatins”, by Cuervo-Cazurra (2010) and several others.

Two very distinct internationalization strategies are relevant under a global level, the exports and foreign direct investment (IDE or FDI), which possesses different motivations, resource commitments, cost structures, risks and consequences. The exports would be the first step for the penetration in an international market for subsequent expansions of the activities, since it demands less resources, costs and also possess fewer risks, in comparison to the FDI (Lu and Beamish, 2001; Gaur, Kumar and Singh, 2014), which occurs when companies invest or acquire factories, equipment and other assets outside their origin country (Keegan, 2005).

In the Brazilian scenario, both strategies – exports and Brazilian direct investment (IBD or BDI)<sup>1</sup> – have been growing, especially since the 1990's, with the opening of the economy to the external market (reduction in the protectionism), inflation and currency stabilization plan, creation of Mercosul etc.

---

<sup>1</sup>Embraces the participation in capital, total or partial, of foreign based companies and the intercompany loans, granted by the Brazilian headquarters to their foreign affiliates and the ones received by the Brazilian headquarters, granted by their foreign affiliates.

The exports grew from an average/year amount of US\$ 43.8 billion, in the 1990-2000 period, to the average/year amount of US\$ 153.7 billion in the 2001-2013 period. The BDI leapt from an amount of US\$ 1 billion (average/year in the first period) to the amount of US\$ 4.8 billion (average/year in the second period) (Bacen, N.A.).

It must be highlighted, according to Hiratuka and Sarti (2011), that until the first half on the 2000's, there was an asymmetry between the high presence of foreign companies in the Brazilian productive structure and the low degree of productive internationalization of the national companies. This happened because the BDIs were reduced and concentrated in some companies and sectors, as the services (engineering and construction, and financial) and in commodities. However, mostly since 2003/2004, with a new national and international macroeconomic context, the Brazilian direct investments flows towards the foreign became more important. This is also indicated by analysing data from the Central Bank of Brazil (Bacen, N.A.): when comparing the cumulative amount of the 1990-2000 and 2001-2013 periods, the BDI showed a growth index of 499%, where the FDI, in the Brazilian market, showed 144%

Among the regions receiving these investments, Brazilian companies also increased their presence in the region of South America, with an increasingly flow of Brazilian direct investments, mainly since 2003/2004, after a period of strong growth in exports to these countries. According to Carvalho and Sennes (2009), since the mid-1990s Brazilian companies increased their presence in the region, after a period of strong growth in exports to these countries. For the authors, this movement should maintain or even deepen in the coming years, as a willingness of Brazilian companies in taking advantage of the moment of international crisis to accomplish mergers and acquisitions in the region. The authors emphasize the strong performance by the services sector, regarded as one of the most dynamics in the international trade, and where Brazil has examples of excellence in areas such as technological services and engineering and construction.

Thus, this work has as main objective to analyse the evolution of the Brazilian direct investments in the South American region, in the 2001-2013 period. In a specific way, it also seeks to evaluate the historical data of the BDIs in region's countries and sectors.

The work is structured into five sections. After this introduction, the second section presents a brief bibliographic review about the process of internationalization of developing countries; the methodology used in the work is presented in the third section. The fourth and fifth sections discuss Brazilian direct investments specific to the South American region. The final considerations are presented in the sixth section.

In addressing the internationalization topic, this study makes an important contribution, which is to present Brazil's growth in productive investments in the international market in the XXI century, since it has passed almost two decades of greater openness of the economy, and the relevance that the countries of South America have in this process.

## ***2. The Internationalization Process of Developing Countries***

Several scientific papers from the last two decades have shown that the internationalization strategies of developing countries, and especially Brazil, favored the South American countries, due to lower geographical distance, cultural and institutional differences. This notion is related to psychic distance approach, brought by authors Vahlne and Wiedersheim-Paul (1973). These authors initially defined the physical distance between two countries in terms of factors that prevent or restrict the flow of information between supplying agents and customers. To evaluate this distance, the authors used indicators, including levels of economic development and education, differences in the "business language" and the existence of trade channels. The basic idea was that firms were developed primarily in domestic markets and that the internationalization would result from a series of incremental decisions, assuming that the biggest obstacles to internationalization are the lack of knowledge and resources. Due to this lack of knowledge about the external countries, and tending to reduce risks, firms would start their operations (primarily through exports) with countries that were comparatively well known and similar in terms of business practices (Johanson and Wiedersheim-Paul, 1975).

This model is known as the incremental internationalization model (or Uppsala model) and was widely discussed in the international literature over the last three decades, being reviewed with the comprehension of the network approach for the firms' internationalization process.

According to Johanson and Vahlne (2009), the insertion of an organization in a network allows it to obtain knowledge and important information of its own relationship partners – in terms of resources, needs, capacities, strategies and other relationships – and also of the more distant actors.

Beyond this, according to Cuervo-Cazurra (2008), the eclectic paradigm of international production model developed by Dunning (1977) has also been used to explain the process of multinationalization. This model focuses on the benefits to the firm's expansion from a sum of factors such as ownership, location and internalization, exploring, thus, the advantages of the location. For the work in question, the incremental model of internationalization will be briefly explored, from the study of Cyrino, Barcellos and Tanure (2010).

These authors, contributing to the understanding of the characteristics of international trajectories of Brazilian multinationals, argue that the term psychic distance can be acknowledged by a wide range of factors, as structural issues (or elements of the business) that derive from different administrative systems, economic and legal, as well as differences in language and religion. In this aspect (cultural) it is also important to consider the contributions of Hofstede (2003), - also developed in the Cyrino, Barcellos and Tanure (2010) research - which allow the comprehension of the cultural factors in different dimensions, as the hierarchical distance, the individualism or collectivism degree, the masculinity of femininity degree and the control of the uncertainty, allowing one to identify how the variations are processed on the countries.

Thus, the authors developed a multidimensional instrument for calculating the physical distance between Brazil and other countries, composed of seven dimensions (culture, language, religion, education, administration, economic / industrial development and geographic distance), to examine the trajectory that Brazilian companies use to enter international markets.

The study showed that 86% of the studied companies used direct or indirect exports to enter international markets (this ratio is the same for companies that entered Latin America or elsewhere), however, most companies that have established subsidiaries with commercial or productive focus are among those who first became internationalized in Latin America, showing that companies that started this process in physically closer markets - to get experience before starting other internationalization strategies - achieved further growth with the opening of offices or subsidiaries. So Cyrino, Barcellos and Tanure (2010) conclude that companies tend to choose similar markets, in terms of culture, language, religion, education and administrative and economic aspects, as well as geography, reducing the risk of failures in international initiatives. After this learning, companies begin then, progressively, to act in other markets, integrating their experience and accumulated knowledge.

Although, it is important consider that the premise that the Latin American market would be a simple extension of the Brazilian market can result in many cultural “mismatches”, frustrating expectations of the companies. This occurs because the cultural differences and the institutional ambient in which the organizations are inserted influence the business systems (Tanure and Duarte, 2006). Complementary to this idea, Hofstede (2003) states that phenomena as the culture shock, the ethnocentrism, the stereotypes, the language and the intercultural communication are inter-related to the characteristics of specific cultures. These inter-relations take into account the cultural differences in the societies and organizations, associate the technological questions and the globalization towards the comprehension of the culture in the organizations and treat the phenomena as the culture shock, the ethnocentrism, the stereotypes and the differences in intercultural language and communication.

Also, in the vision of Baptista and Pigatto (2014), even if the literature on the internationalization of emerging countries companies reinforces the notion of densification of investments in closer countries, it is not always possible to state that the territorial proximity results in a similar or more comprehensive culture, as each country possesses its own culture. For instance, the research of the authors in a Petrobras unit in Bolivia can be quoted, as it allowed to identify that the local culture variables represent a significant complexity in the strategic planning of that company, highlighting that the proximity of the country, in this case, does not represents a management free from interfaces with the cultural complexity, since there are many indigenous people currently present in Bolivia. Thus, according to Baptista and Pigatto (2014), any internationalization research should not dispense a more careful analysis of the culture, involving the nationality and ethnical origin.

### **3. Methodology**

This work is grounded in a qualitative research, with a bibliographical survey of scientific articles and books on the topic of internationalization of Brazilian companies in South America.

The qualitative research, according to Marconi and Lakatos (2004), is concerned to analyse and interpret deeper aspects, describing the complexity of human behavior, providing more detailed analysis of the investigations, habits, attitudes, behavior trends etc.

The purpose of this research method - qualitative, with literature review on the topic - is to put the researcher in direct contact with all that was written on a particular subject. The literature is not a mere repetition of what had already been said or written about a certain subject, but provides an examination of an issue under a new focus or approach, reaching innovative conclusions.

Also, a survey of data and subsequent analysis of direct investment flows abroad from Brazil and towards countries in the region was conducted, in order to assess the evolution and characteristics of such investments. These data were selected from the Central Bank of Brazil. Data from Brazil's investment in the region beheld the period of 13-years, from 2001 to 2013<sup>2</sup>.

For the analysis of investment by Brazilian companies in the region, one important source of data was used: the ranking of the Dom Cabral Foundation, prepared in conjunction with the Columbia Program on International Investment (CPII), Columbia University, New York, also for the 2006-2011 period. The internationalization rates calculated by both institutions follow the methodology defined by the United Nations Conference on Trade and Development (UNCTAD) and feature three components of foreign operations, as number of jobs, value of assets and total revenues, calculated from the simple arithmetic average of the percentage interests.

Classification as descriptive research is due to the fact that the aim of the research is to describe, analyse or verify the characteristics of a given population or phenomenon, or even the establishment of relationships between variables, taking notice of what, how and what is the intensity of the phenomenon under study (Gil, 2009).

#### ***4. The Brazilian Direct Investments in South America***

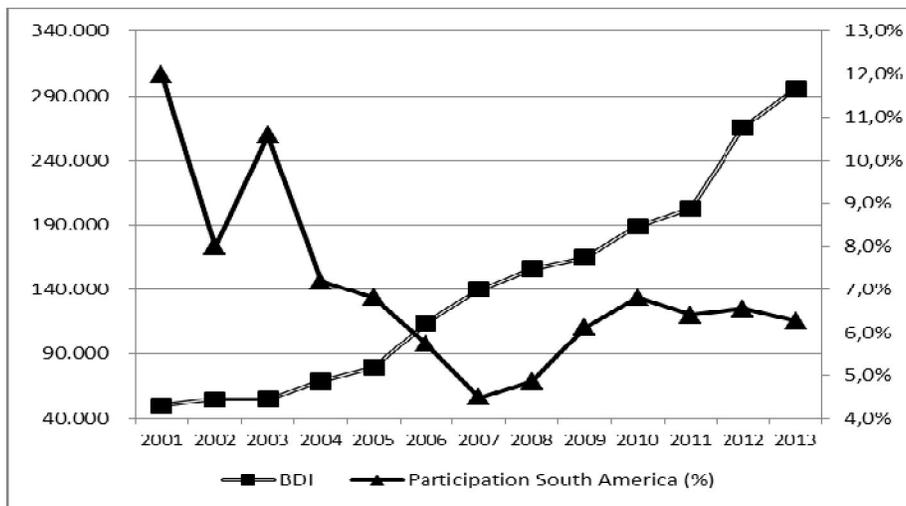
Until the beginning of the first decade of this century, the investments of the Brazilian companies had as one of its major destinations countries in South America. However, since 2004, companies come to allocate larger amounts of investments to developed countries (Europe, North America and Asia), thereby reducing the stock of investments in neighbouring countries. As worked in section two of this paper, the influence of structural and cultural factors of South American countries were primary variables in decisions of the first strategies of internationalization of Brazilian companies.

As can be seen through Figure 1, with data from the Central Bank (2007, 2014), while the stocks of Brazilian direct investments to the world grew 307% in the period 2001-2013, attaining the mark of \$ 295 billion, the investments to South America decreased in the same period, from 12% in 2001 to 6.3% in 2013 (compared to the total of BDI), in favor of investments in the European and Asian continents. Over time, according Carvalho and Sennes (2009), the process of densification of regional economic relations was not accompanied by improvements in the field of economic agreements and convergences of regulatory bodies, and there was also no effective regional arrangements in the field of investment protection, energy integration, double taxation, protection of trademarks and patents, settlement of disputes etc., culminating in a reduction of these Brazilian investments in South America, since the year of 2004/05.

---

<sup>2</sup> The data that were the basis for the regional analysis were, as far as possible, 13 years for two reasons: i) the Central Bank's own systematic presentation of data, divided into two periods, from 2001 to 2006 and 2007 to 2013; ii) to be a period after the opening decade of the Brazilian economy, which brings a more dynamic performance of Brazilian companies abroad

**Figure I – BDI Stock in the World and Participation in South America (US\$ Millions)**

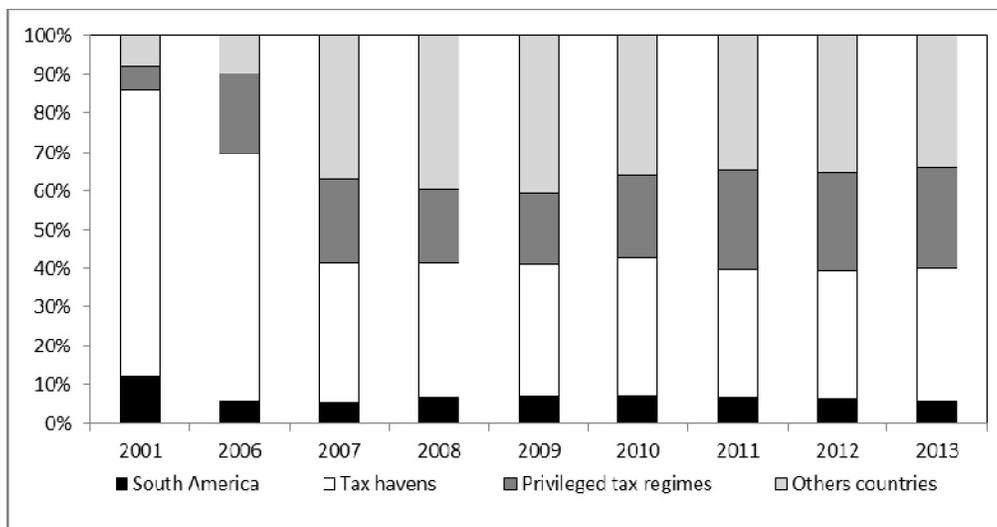


Source: Own elaboration from Bacen (2007, 2014).

Between 2009 and 2013 it is possible to verify a small recovery in the participation of South American countries in total stocks of BDI. One possible explanation for this recovery may be the strong financial crisis that hit the European countries from the year 2008. The decline in the purchasing power of the population and economic instability in the region may have moved, even temporarily, the attention of companies to neighbouring countries. Figure 2 also corroborates these data, as it shows the reduction in BDIs of South American countries and those considered as tax havens, and an increase in countries with privileged tax regimes and consolidated countries (in order of increased participation Europe, North America and Asia) in the period 2001-2013.

A group of only 5 countries (Cayman Islands, Austria, British Virgin Islands, Bahamas and the Netherlands) were the destination of 70.5% of the deposits made by Brazilian companies in these periods. The most of the stocks in BDI are located in countries (Cayman Islands, British Virgin Islands and Bahamas) considered tax havens or countries with privileged tax regimes<sup>3</sup>. In both cases, the goal of these countries is to facilitate the entry of foreign capital by charging a reduced rate of taxes, or exempt companies from certain taxes.

**Figure II. Destination of the BDIs in the World**



Source: Own elaboration from Bacen (2007; 2014).

<sup>3</sup> Have been considered tax havens or low-tax countries those contained in the RFB Normative Instruction n ° 1037, of 04/06/2010, amended by RFB Normative Instruction n ° 1045, of 23/06/2010 and the Executive Declaratory Act RFB No. 3, 25/03/2011.

Although Brazil has reduced its investments in the region (in proportion to their investments in the world), that does not mean retraction of investments also from other countries. That's because, according to the United Nations in 2014, Latin America and the Caribbean received 6% more foreign direct investment (FDI) than in 2012. In the last three years, the inflow of FDI in Latin America had stabilized at a high level, exceeding \$ 160 billion. Also, Latin America was the region of the world where the FDI inflows grew most and its share in global FDI entries increased by 20%<sup>4</sup>.

The ability of FDI to transform the productive structure of the region's economies is determined largely by the pattern of sectorial destination of these investments. By sector, services received the highest proportion of FDI inflows in 2013, with 38%, followed by manufacturing (36%) and natural resources (26%), but natural resources capture represent over 50% of FDI inflows in several countries in the region. As noted in relation to the global figures, however, these averages mask large differences between countries and sub regions. In fact, in South America (not including Brazil), natural resources receive more FDI than services, and manufacturing only small amounts (UNITED NATIONS, 2014).

Brazil has shown a more diversified pattern, as a large and relatively closed economy with a significant manufacturing sector producing for the domestic market. In the period 2006-2013, the manufacturing sector received on average 41% of FDI, while services received 37%, and the natural resources received 21%. In the last three years, however, the services sector came to represent 44% of FDI and manufacturing 40% (UNITED NATIONS, 2014).

It is important to consider two factors concerning the reduction of the BDIs for the region of South America, in proportion of the BDIs to the world: first, as shown in Figure 2, there is a very high percentage of investments that are intended to countries known as tax havens and privileged tax regimes; since the data recorded by the Central Bank does not allow evaluating the trajectory of the resources from these, it cannot be specified where those resources are reinvested, from the standpoint of production; considering the importance that the Latin American region has for Brazilian companies internationalized in terms of number of countries in which they operate, it can be inferred that those investments in the region represent much more than the numbers recorded by the Bacen. As shown in Table 1, based on rankings developed by Dom Cabral Foundation (already mentioned in the item methodology), the Latin American region has the highest rate of regionality index of the Brazilian companies' investments, i.e. of all the countries in which they operate, the region has the highest concentration.

**Table I – Regionality Index of the Brazilian Companies' Investments<sup>5</sup> (in %)**

Region of the world/ year of analysis	2007/ 2006 base	2008/ 2007 base	2009/ 2008 base	2010/ 2009 base	2011/ 2010 base
Latin America	46.9	40.3	46.2	52.9	37.9
Europe	20.6	20.0	20.6	16.9	21.1
Asia	14.4	16.6	10.7	14.6	16.8
North America	11.3	14.7	17.3	9.1	12.6
Africa	6.7	8.3	4.6	5.4	9.6
Oceania			0.43	0.89	1.7

Source: Own elaboration from Cretoiu et al. (2011), Ramsey et al. (2010), Ramsey and Barakat (2009), Cyrino and Carvalho (2008), Cyrino and Almeida (2007).

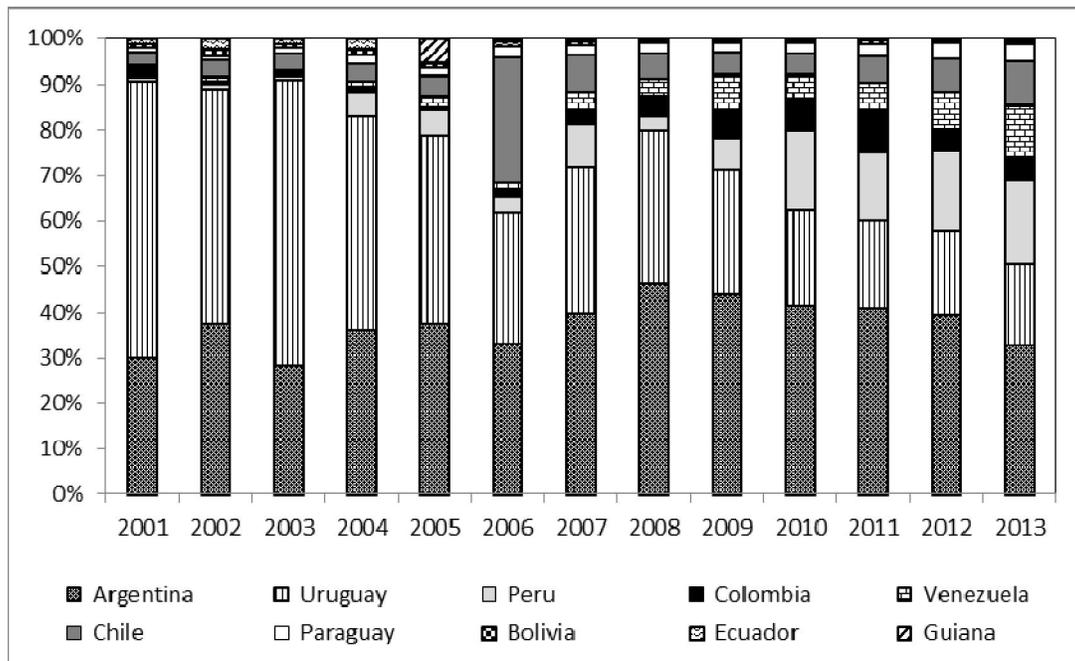
From a strategic point of view, the BDIs in South America are spread in various countries and sectors, but show a concentration, economically, in five countries, namely: Argentina, Uruguay, Peru, Venezuela and Chile.

Over the period 2001-2013, these five countries accounted for over 85% of the BDIs performed across the South America, as can be seen in figure 3.

<sup>4</sup> Result of inflows of participation registered in financial centers in the Caribbean. If removed these inflows, the participation of Latin America and the Caribbean is 13% (UNITED NATIONS, 2014).

<sup>5</sup>Data from the years 2012 and 2013 are not presented due not divulgation of the informations in the latest reports of the Dom Cabral Foundation.

**Figure III – BDI Participation in every Country in South America, in Relation to the whole of BDI in the Region - 2001 to 2013**



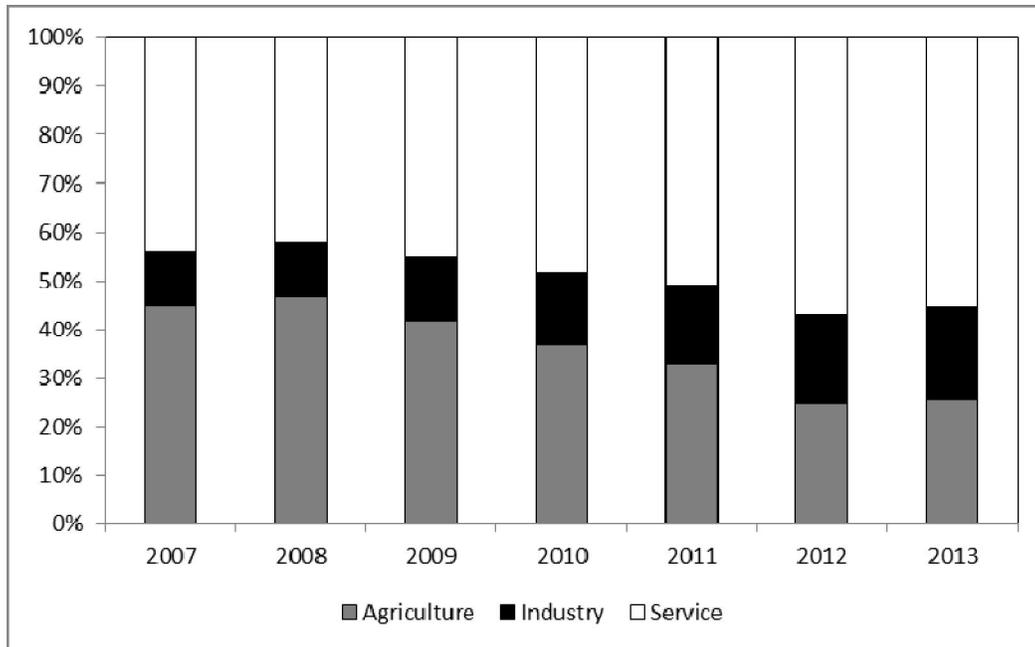
Source: own elaboration from Bacen (2007; 2014).

These data also corroborate the analysis developed by Sousa (2012), in respect to the South American countries that are receivers of Brazilian direct investments. By performing an assessment from the Dom Cabral Foundation rankings, the author indicates (besides the aforementioned countries), also as major recipient countries of investment (in descending order of participation): Peru, Paraguay, Venezuela, Bolivia and Ecuador.

For the evaluation of recipients of these investments sectors, data from the Central Bank of Brazil does not allow a specific analysis of the region, because there is no breakdown of the data by geographic area in the world. But analysing the data in an aggregate manner, for the three sectors of the economy (according to the variable capital participation, by the Central Bank of Brazil) - agriculture, industry and services - the tertiary sector is historically the most important, accounting for around 55%, while agriculture accounts for 25% and the industry, up to 20%, as can be seen in figure 4.

In services, stands out segments of financial services and auxiliary activities, business services and other services provided to the company (representing approximately 70% within the sector for the period 2007-2013); in agriculture, especially the extraction of non-metallic minerals, and extraction of oil and natural gas (representing practically 100% of investments in the sector for the period 2007-2013); and in industry, food products, drinks, non-metallic mineral products and motor vehicles, trailers and bodies (representing around 90% of investments for the period 2007-2013)

For the South American region (in a specific manner), using the contributions from Sousa (2012), it can be verified that investments occur in various segments of the three economic sectors, with a greater concentration, in terms of number of companies, for the segments of processed industrial goods (cement, engines, food and other segments) and services (engineering and construction segments, financial, insurance etc.).

**Figure IV: Sectors Recipients of BDIs in Brazil**

Source: own elaboration from Bacen (2007; 2014).

South America is considered strategic for those services related to infrastructure, since geographical proximity tends to facilitate operations in logistics and shipping of machinery, equipment and materials terms. Thus, knowledge on the part of Brazilian companies, with regard to the peculiarities of the market and political realities in these countries facilitates operations in the region, if compared with other parts of the world. Moreover, the Brazilian construction companies feel more qualified to deal with the political risk in the region, which does not occur with European and North American construction companies (Carvalho and Sennes, 2009).

The benefits sought by organizations in the region, Cretoiu et al. (2012) showed that the increase in brand value by expanded international presence and ability to service global customers are most sought by Brazilian companies.

### 5. Final Considerations

In addressing the topic internationalization, this study showed that although investments in South America have been reduced in proportion to the invested BDI in the world, it cannot be inferred about reducing the importance of this region as a recipient of Brazilian investments instead. Considering the statistics of the most internationalized Brazilian companies (from Dom Cabral Foundation rankings), in terms of regionality index, the region's countries concentrate most activities of organizations.

And in this sense, it can be noted that the relevance of the countries of the region (as measured by the performance of the most internationalized Brazilian companies in terms of number of countries in which they operate) is in line with the ideals of the incremental model of internationalization and the contributions of Cyrino, Barcellos and Tanure (2010), brought in this work, I.e., that organizations tend to start operations in the international market incrementally, in countries with less physical distance to their country, in order to get enough learning, progressively, to advance in countries with greater physical distance.

The analyses also show that investments in the region are not homogeneous, in terms of countries, and recipient sectors. There are concentrated investments in the Argentina, Uruguay, Colombia, Chile and Venezuela countries for the analyzed period. Among the recipient sectors of these investments, the Central Bank of Brazil data allowed us to visualize, in descending order of representation, the service, agriculture and industry sector (BDIs receivers in the world).

Once the physical distance between Brazil and other countries is seen as an important feature for the operating strategy of enterprises, companies of the engineering and construction segment have strategically adopted the region, aligned to the fact that the geographical proximity facilitates operations in terms of logistics and shipping of machinery, equipment and materials.

The countries of South America play a relevant role in the internationalization process of Brazilian companies, that is the locus of generation of opportunities for Brazilian companies, not only concerning to the possibility of offering services such as the engineering and construction, to the growth of the organization as a whole (by generating revenues from this area), but mainly of the learning arising from the numerous variables mentioned in this study. It is throughout this intense activity in the region (not only in the South American countries, but of Latin America as a whole), that Brazilian companies have achieved expertise to penetrate markets with greater economic, logistical challenges and physically distant.

### **References**

- Arita, S. (2013), "Do emerging multinational enterprises possess South-South FDI advantages?", *International Journal of Emerging Markets*, Vol. 8, No. 4, pp. 329-353.
- Banco Central do Brasil. Bacen. (n.d.), "Série histórica do balanço de pagamentos", available at: <http://www.bcb.gov.br/?SERIEBALPAG> (accessed 10 October 2014).
- Banco Central do Brasil. Bacen. (2007), "Estatísticas econômicas de capitais brasileiros no exterior: 2001 a 2006", available at: <http://www4.bcb.gov.br/rex/cbe/port/cbe.asp> (accessed 21 January 2013).
- Banco Central do Brasil. Bacen. (2014), "Estatísticas econômicas de capitais brasileiros no exterior: 2007 a 2014", available at: <http://www4.bcb.gov.br/rex/cbe/port/cbe.asp> (accessed 21 June 2014).
- Baptista, R. D., Pigatto, G. S., "La cultura y la internacionalización de empresas: una mirada sobre Petrobras em Bolívia, *Contextualizaciones Latinamericanas*, No. 10, pp. 1-8.
- Carvalho, C. E. and Sennes, R. (2009), "Integração financeira e internacionalização de empresas brasileiras na América do Sul", *Nueva Sociedad*, Vol. 1, pp. 17-32.
- Cretoiu, S. L., Barakat, L., Ximenes, M., Alvim, F. M. and Neves, I. (2011), "Ranking das transnacionais brasileiras 2011: crescimento e gestão sustentável no exterior", available at: <http://www.fdc.org.br/pt/publicacoes/Paginas/RelatoriosDePesquisas.aspx> (accessed 13 January 2013).
- Cuervo-Cazurra, A. (2008), "The multinationalization of developing country MNEs: the case of multinationals", *Journal of International Management*, Vol. 14, No. 2, pp. 138-154.
- Cuervo-Cazurra, A. (2010), "Multinationals", *Universia Business Review*, No. 25, p. 14-33.
- Cyrino, A. B. and Almeida, A. (2007), "Ranking das transnacionais brasileiras 2007: a decolagem das multinacionais brasileiras", available at: <http://www.fdc.org.br/pt/publicacoes/Paginas/RelatoriosDePesquisas.aspx> (accessed 20 January 2013).
- Cyrino, A. B., Barcellos, E. P. and Tanure, B. (2010), "International trajectories of Brazilian companies: empirical contribution to the debate on the importance of distance", *International Journal of Emerging Markets*, Vol. 5, No. 3/4.
- Cyrino, A. B. and Carvalho, F. (2008), "Ranking das transnacionais brasileiras 2008: internacionalização segue crescendo, mas resultados ainda são limitados", available at: <http://www.fdc.org.br/professorespesquisa/publicacoes/Paginas/default.aspx> (accessed 22 January 2013).
- Fleury, A., Leme Fleury, M. A. and Reis, G. G. (2010), "El camino se hace al andar: la trayectoria de las multinacionales brasileñas", *Universia Business Review*, No. 25, pp. 34-55.
- Fleury, A., Leme Fleury, M. T. and Borini, F. M. (2012), "Is product in the core competence for the internationalization of emerging country firms?", *International Journal of Production Economics*, Vol. 140, pp. 439-449.
- Fleury, A. and Leme Fleury, M. T. (2014), "Local enablers of business models: the experience of Brazilian multinationals acquiring in North America", *Journal of Business Research*, Vol. 67, No. 4, pp. 516-526.
- Gaur, A. S., Kumar, V. and Singh, D. (2014), "Institutions, resources and internationalization of emerging economy firms", *Journal of World Business*, Vol. 49, p. 12-20.
- Gil, A. C. (2009), *Métodos e técnicas de pesquisa social*, Atlas, São Paulo, SP.

- Hiratuka, C. and Sarti, F. (2011), “Investimento direto e internacionalização de empresas brasileiras no período recente”, available at:  
[http://www.eco.unicamp.br/neit/images/stories/arquivos/artigos/TD\\_1610\\_WEB.pdf](http://www.eco.unicamp.br/neit/images/stories/arquivos/artigos/TD_1610_WEB.pdf) (accessed 16 November 2013).
- Hofstede, G. (2003), *Cultura e organizações*, Sílabo, Lisboa, PT.
- Johanson, J.; Wiedersheim-Paul, F. (1975), “The internationalization of the firm – four Swedish cases”, *The Journal of Management Studies*, Vol. 12, No. 3, pp. 305-322.
- Johanson, J.; Vahlne, J-E. (2009), “The Uppsala internationalization process model revisited: from liability of foreignness to liability of outsidership”, *Journal of International Business Studies*, Vol. 40, pp. 1411-1431.
- Keegan, W. J. (2005), *Marketing global*, Pearson/ Prentice Hall, São Paulo, SP.
- Lu, J. W. and Beamish, P. W. (2001), “The internationalization and performance of SME’s”, *Strategic Management Journal*, Vol. 22, pp. 565-586.
- Marconi, M. A. and Lakatos, E. M. (2004), *Metodologia científica*, Atlas, São Paulo, SP.
- Ramsey, J. and Barakat, L. (2009), “Ranking das transnacionais brasileiras 2009: investimentos no exterior crescem, apesar da crise mundial”, available at:  
<http://www.fdc.org.br/pt/publicacoes/Paginas/RelatoriosDePesquisas.aspx> (accessed 5 January 2013).
- Ramsey, J., Barakat, L., Cruz, L. and Cretoiu, S. L. (2010), “Ranking das transnacionais brasileiras 2010: repensando as estratégias globais”, available at:  
<http://www.fdc.org.br/pt/publicacoes/Paginas/RelatoriosDePesquisas.aspx> (accessed 27 January 2013)
- Sousa, A. T. L. M. (2012), “O investimento direto externo de empresas brasileiras na América do Sul”, in *Programa de Pós-graduação em Ciências Sociais, Universidade Estadual Paulista Júlio de Mesquita Filho, Faculdade de Filosofia e Ciências, Marília, SP.*
- Tanure, B. and Duarte, R. G. (2006), “Sensibilidade cultural”, *GV Executivo*, Vol. 5, No. 4, pp. 25-29.
- United Nations (2014), “Foreign Direct Investment in Latin America and the Caribbean”, available at:  
<http://www.cepal.org/publicaciones/xml/8/52978/ForeignDirectInvestment2013.pdf> (accessed 3 July 2014).
- Vahlne, J. E. and Wiedersheim-Paul, F. (1973), “Economic distance: model and empirical investigation”, in Hornell, E., Vahlne, T. E. and Wiedersheim-Paul, F. (Ed.). *Export and foreign establishments*. Department of Business Administration, University of Uppsala, Uppsala, pp. 81-159.