

# Multinational Corporations and Trading Blocks

## Module 9

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**EDUCATION**  
**FOUNDATION**

# Multinational Corporations - Characteristics

- Compete aggressively
- Not tied to specific locations
- Work in a multi-cultural environment
- Borderless due to technological innovations

# Driven by Worldwide Competition

- Inexpensive labor
- Educated labor
- Raw materials
- Partnerships – supply chains
- Distribution channels
- Access to new markets

J. Fox, "Where your job is going," *Fortune*, November 24, 2003.

# Multi-Cultural Environment

- Working across border
- “Behavioral software”
  - Culture
- Seeking partnerships - alliances

Bernard. Wysocki, Jr., “Global Reach: Cross-Border Alliances Become Favorite Way to Crack New Markets,” *Wall Street Journal*, March 26, 1990.

Gerte Hofstede, *Culture’s Consequences: International Differences in Work-related Values* (Beverly Hills, CA: Sage Publications, 1980).

# Trading Blocks

# Regional Trading Blocks

- European Union
- ASEAN
- North America

# European Union - Western Europe

- **European Union Member States**
- These are the main governmental sites for each country, which usually include the sites for the Head of State, the Government, the Ministry of Foreign Affairs, and sometimes a portal site for the national civil service.

The section "Other useful links" gives users access to the sites for institutions such as the national parliament, the national statistics office, the central bank and the national cultural organization.

- Austria
- Belgium
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary

[http://europa.eu/abc/governments/index\\_en.htm](http://europa.eu/abc/governments/index_en.htm)

# EU Member States -continued-

Ireland  
Italy  
Latvia  
Lithuania  
Luxembourg  
Malta  
Poland  
Slovakia  
Spain  
Sweden  
The Netherlands  
United Kingdom

[http://europa.eu/abc/governments/index\\_en.htm](http://europa.eu/abc/governments/index_en.htm)

# ASEAN

- Japan
- Four Tigers
  - Singapore
  - Hong Kong
  - Taiwan
  - South Korea

# Hong Kong Sky Line



## ASEAN -continued-

- China
- South Asia
  - Bangladesh
  - Bhutan
  - India
  - The Maldives
  - Nepal
  - Pakistan
  - Sri Lanka

# Shanghai - Nanjing Road



# North America

- United States
- Canada
- Mexico

# Other Regions of the World

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- Central America (CAFTA)
  - El Salvador
  - Guatemala
  - Honduras
  - Nicaragua
  - Costa Rica
- Russian Federation
- Less Developed Countries

# References

- G. Hofstede, *Culture's Consequences: International Differences in Work-related Values*, Beverly Hills, CA: Sage Publications, 1980.
- K. Ohmae, "Putting Global Logic First," *Harvard Business Review*, January-February 1995: 119-125.
- N. Negroponte, *Being Digital*, New York: Knopf, 1995.
- Bernard. Wysocki, Jr., "Global Reach: Cross-Border Alliances Become Favorite Way to Crack New Markets," *Wall Street Journal*, March 26, 1990, A1, A4.
- [http://europa.eu/abc/governments/index\\_en.htm](http://europa.eu/abc/governments/index_en.htm)

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