

On the internationalization of small and medium-sized enterprises (SMEs)

Kalman Kalotay

UNCTAD

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Why SME internationalization?

- International competition and the rise of value chains force SMEs to internationalize earlier and earlier
- New Benetton do not have 30-40 years from zero to 6,500 stores in 120 countries

Modes of internationalization

- Export-import
- Licensing, franchising, outsourcing etc.
- Foreign direct investment
 - Sales, purchase, marketing etc. representative offices
 - Production, research and development etc. affiliates

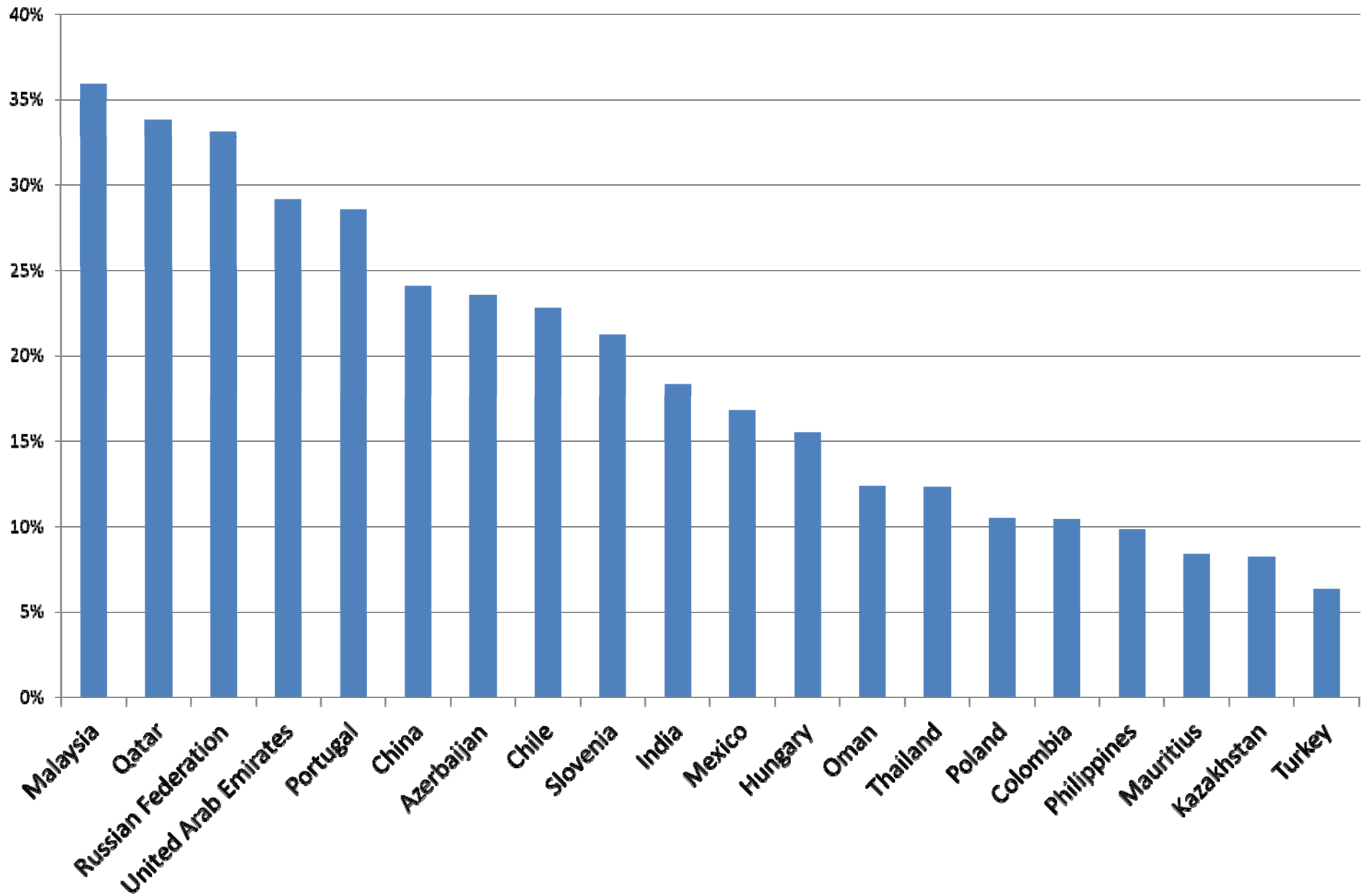
The majority of the 82 000 multinationals are SMEs

Indicator	Small and medium-sized multinationals	Large multinationals (top 100)
Number of firms	81 900	100
Total assets in 2011 (\$ billion)	302 019	4 882
Total assets per firm in 2011 (\$ million)	3 688	48 820
Foreign assets in 2011 (\$ billion)	81 722	1 321
Foreign assets per firm in 2011 (\$ million)	998	13 210
Total sales in 2011 (\$ billion)	47 569	3 481
Total sales per firms in 2011 (\$ million)	581	34 810
Foreign sales in 2011 (\$ billion)	22 548	1 650
Foreign sales per firm in 2011 (\$ million)	275	16 500

The outward FDI index: three legs

- **Value** of outward FDI stock (1982, 1992, 2002, 2012, or nearest year available)
 - 100% (maximum) = outward FDI stock of the United States
- Outward FDI stock **per capita** (1982, 1992, 2002, 2012, or nearest year available)
 - 100% (maximum) = outward FDI stock of the United Kingdom
- Outward FDI stock **per inward FDI stock**
 - Maximum: 100%

Indices of selected wave 3 investors in 2012



Consequences for policies

Promotion of outward FDI should cater to the foreign expansion of SMEs

- Capacity building
- Market search and analysis
- Inclusion in international State visits
- Financial support (credit lines, insurance etc.)

The UNCTAD Entrepreneurship Policy Framework covers 6 areas that have a direct impact on entrepreneurial activity



- Identifies **policy objectives and options** in the form of recommended actions
- Proposes **checklists, case studies** and **good practices**
- Provides an **interactive online inventory of good practices**
- Offers a user guide and **methods for policy monitoring and evaluation**
- Provides a **set of indicators** to measure progress

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This is a preview of the Entrepreneurship Policy Framework site which is under construction.

Online Inventory of Best Practices in Entrepreneurship

[Costa Rica: National Entrepreneurship Policy 2010-2014](#)

[Ghana: Private Sector Development Strategy 2010-2015](#)

[Malaysia: 10th Malaysia Plan 2011-2015](#)

[Malaysia: Survey of Malaysia's entrepreneurial landscape by Warisan Global](#)

[Rwanda: Economic Development and Poverty Reduction Strategy \(EDPRS\) 2008-2012](#)

[South Africa: Entrepreneurship Dialogue Series 2009-2011](#)

[Zambia: 6th National Development Plan 2011-2015](#)

SITE PREVIEW

This is a preview of the Entrepreneurship Policy Framework site which is under construction.

SITE PREVIEW

Entrepreneurship Policy Framework

- UNCTAD Entrepreneurship Policy Framework and Implementation Guidance
- Online Inventory of Best Practices in Entrepreneurship

United Nations Conference on Trade and Development
Palais des Nations, 8-14, Av. de la Paix, 1211 Geneva 10, Switzerland

T: +41 22 917 1234
F: +41 22 917 0057

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Your comments to

- kalman.kalotay@unctad.org
- kalotayk@gmail.com