

Trade by enterprise ownership

Key findings

- Foreign-owned firms account for a large share of overall exports and imports compared to domestically owned firms. In the Czech Republic, Hungary and the Slovak Republic, foreign-owned exporters provide more than 80% of the total value of exports and imports, but represent only around 20% of the trading firms; this pattern is even more pronounced in Italy, Portugal and Spain where less than 5% of foreign-owned firms account for disproportionately large shares of imports and exports.
- In a majority of countries, foreign-owned enterprises have higher ratios of exports and imports to turnover than domestically-owned enterprises.

Relevance

Global value chains are dominated by multinational enterprises, which increasingly allocate stages of production to different locations on the basis of relative specialisations (skills, access to natural resources, infrastructure, regulatory environment etc.) and access to markets, driving disproportionate growth in trade in intermediates. Understanding the nature of these chains and the role of foreign affiliates in generating spillovers, both from knowledge and through the development of upstream domestic supplier chains, is a crucial component of upgrading strategies.

Definitions

Ownership is defined in terms of control. The notion of control implies the ability to appoint a majority on the company board, guide its activities and determine its strategy. This ability is exercised by a single direct investor or a group of associated shareholders acting in concert and controlling the majority (more than 50%) of ordinary shares or voting power. The control of an enterprise may be direct or indirect, immediate or ultimate.

The share of exports (and imports) of foreign-owned enterprises is calculated as the value of exports (imports) by foreign-owned enterprises divided by the total value of exports.

Share of foreign-owned exporters (importers) is the number of foreign-owned exporting (importing) enterprises divided by the total number of exporting (importing) enterprises.

Export (import) to turnover ratio is defined as the ratio of the value of exports (imports) of exporting (importing) enterprises to the total turnover of exporting (importing) enterprises.

Comparability

Some care is needed in interpretation. Data showed in this section result from the combination of two data sources, namely OECD TEC and AMNE databases. Coverage of firms in the two databases may differ if different thresholds exist or different statistical units are used for recording the number of firms.

Source

OECD Trade by Enterprise Characteristics Database (TEC), http://stats.oecd.org/Index.aspx?DataSetCode=TEC1_REV4.

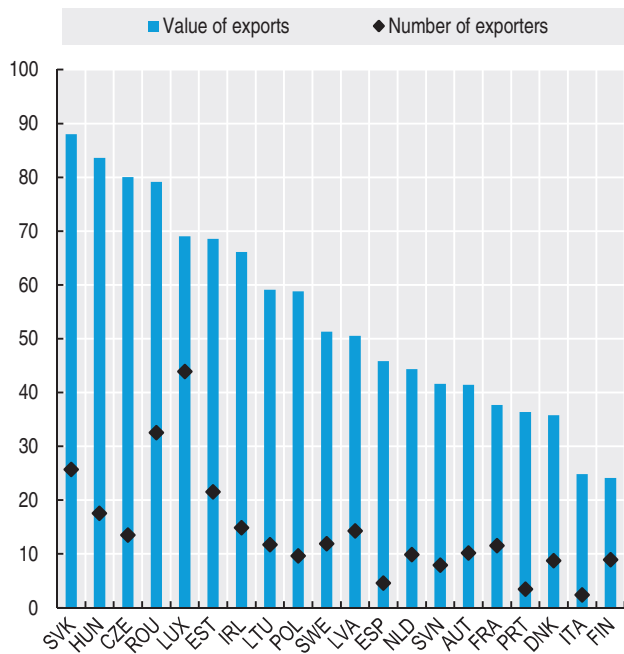
OECD Activity of Multinational Enterprises Database (AMNE), http://stats.oecd.org/Index.aspx?DataSetCode=AMNE_IN.

Further reading

OECD (2016), "Who's Who in International Trade: A Spotlight on OECD Trade by Enterprise Characteristics data", OECD Insights Blog, <http://oecdinsights.org/2016/04/25/statistical-insights-whos-who-in-international-trade-a-spotlight-on-oecd-trade-by-enterprise-characteristics-data/>

Figure 5.14. **Share of exporters and export value, foreign-owned enterprises, industry**

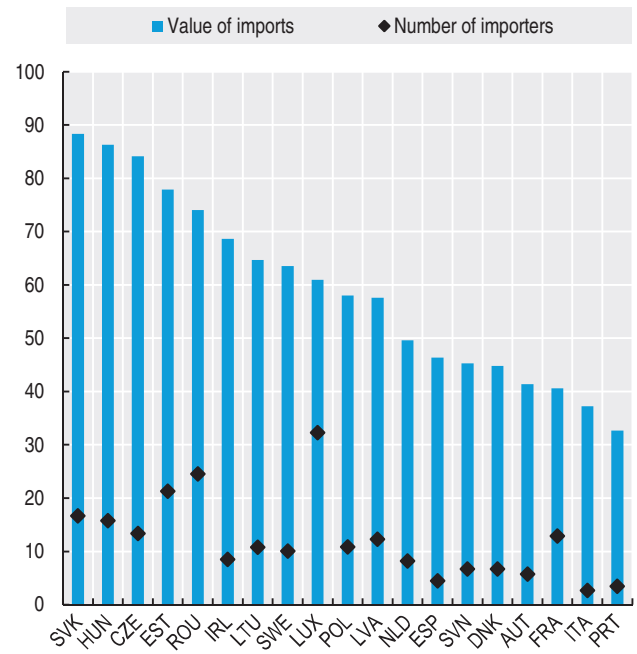
Percentage, 2014, or latest available year



StatLink <http://dx.doi.org/10.1787/888933564405>

Figure 5.15. **Share of importers and import value, foreign-owned enterprises, industry**

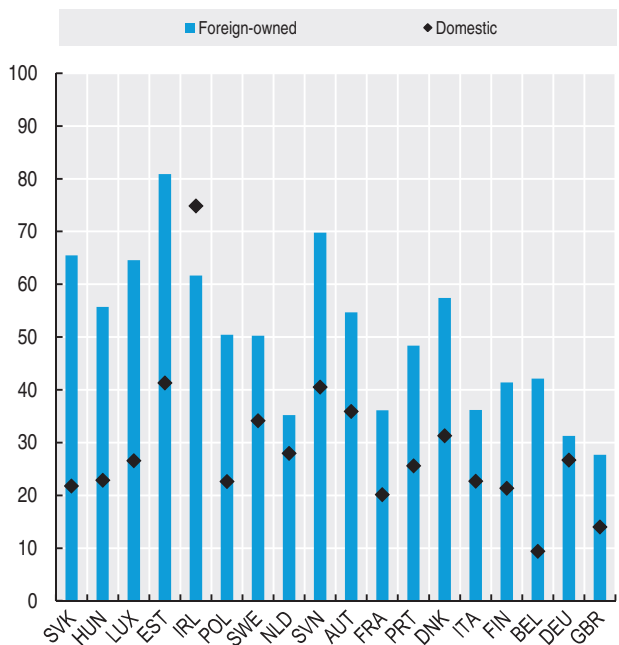
Percentage, 2014, or latest available year



StatLink <http://dx.doi.org/10.1787/888933564424>

Figure 5.16. **Export to turnover ratio by enterprise ownership, industry**

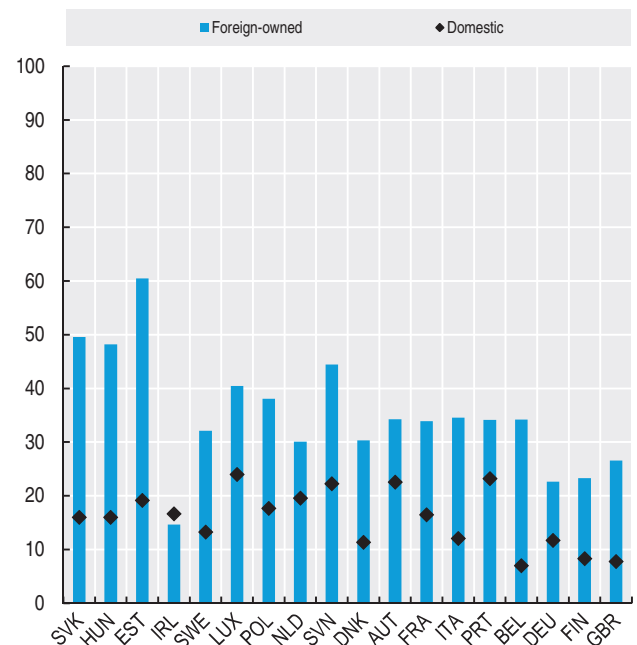
Percentage, 2014, or latest available year



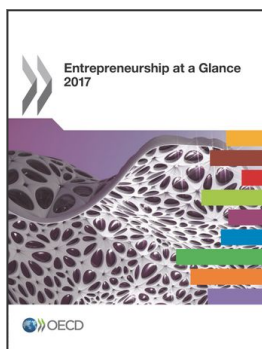
StatLink <http://dx.doi.org/10.1787/888933564443>

Figure 5.17. **Import to turnover ratio by enterprise ownership, industry**

Percentage, 2014, or latest available year



StatLink <http://dx.doi.org/10.1787/888933564462>



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