



Table 17.1: Top global companies, 2012

| Rank | Company | Revenue \$ millions | Profit \$ millions |
|------|--------------------------|---------------------|--------------------|
| 1 | Royal Dutch Shell | 484,489 | 30,918 |
| 2 | Exxon Mobil | 452,926 | 41,060 |
| 3 | Wal-Mart Stores | 446,950 | 15,699 |
| 4 | BP | 386,463 | 25,700 |
| 5 | Sinopec Group | 375,214 | 9,453 |
| 6 | China National Petroleum | 352,338 | 16,317 |
| 7 | State Grid | 259,142 | 5,678 |
| 8 | Chevron | 245,621 | 26,895 |
| 9 | ConocoPhillips | 237,272 | 12,436 |
| 10 | Toyota | 235,364 | 3,591 |

Source – Fortune magazine/CNN

Table 17.2: Turnover of the 5 largest MNCs by comparison with 5 countries' GDPs

| Rank | Country/Company | GDP, Nominal estimated revenue (\$ millions) |
|------|----------------------|--|
| 7 | United Kingdom | 2,445,408 |
| 24 | Norway | 485,803 |
| 1 | Royal Dutch Shell | 484,489 |
| 2 | Exxon Mobil | 452,926 |
| 3 | Wal-Mart Stores | 446,950 |
| 25 | Argentina | 446,044 |
| 27 | South Africa | 408,237 |
| 4 | BP | 386,463 |
| 5 | Sinopec Group | 375,214 |
| 28 | United Arab Emirates | 360,245 |

Source – Fortune magazine/CNN and World Bank

There is a tendency to see MNCs as expanding from the west into emerging markets. In fact the majority of investment by MNCs still takes place in developed economies. Examples in the UK include the car manufacturers Toyota, Honda and Nissan. Toyota, the world's biggest car manufacturer has also expanded significantly in the USA, arguably hastening the downfall of the US motor industry.

Why have they grown?

- **To access new markets:** for many MNCs, domestic markets are saturated. Future growth and rising profits must come from expansion overseas where rising incomes can be tempting. Entering new markets can form an extension strategy for the product life cycle. Products which are in maturity or even decline can take off again and continue to yield profit. For example, the tobacco companies that face declining domestic markets, PMI (Philip Morris International) and BAT (British American Tobacco) both have aggressive expansion plans in developing country markets. These have attracted much criticism from anti-smoking pressure groups. For example, in 2013, BAT is investing \$200 million in new production facilities in the Philippines. (Chapter 1 looked at the lure of new markets in more detail).