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Internationalisation Paths of Chilean Fruit Export Companies: Are They Regionally or Globally Oriented?

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Abstract

In the past, big multinational companies from developed countries dominated the agricultural world markets. Thus, research on internationalisation strategies focusses mainly on these firms. In the literature, there is a continuing debate regarding firms' internationalisation pathways and the definition of “global company” resulting in controversial approaches for firm categorisation. Simultaneously, Aggarwal et al. (2011) developed with their matrix of multinationality a rather inclusionary approach. Nowadays, however, showing a rapid export growth, firms from emerging economies have become key players in the world export markets, increasing their importance. Our research contributes to the existing literature by studying companies from the agricultural sector in Chile as a prime example of emerging economies from Latin America, which has not been covered by the conceptual literature yet. We conduct a longitudinal analysis for a period of 7 years (2009–2015) to examine the changes in the internationalisation strategies of a sample of 233 fresh fruit exporters in Chile to determine their internationalisation level. To do so, we adapt and extend the matrix of multinationality developed by Aggarwal et al. (2011) to classify firms according their internationalisation level. We use secondary data from Exim-fruit database, which contains the distribution of Chilean fresh fruit exports to different geographic regions. With 65.12% of the firms being classified as transregional, 16.06% as global, 12.75% as host regional and 6.07% as regional, results of our empirical study indicate that the most employed internationalisation strategy is the transregional. Most of the fruit export companies in Chile follow a pattern of incremental internationalisation, with periods of internationalisation and de-internationalisation. Firms mainly prefer to extend (and contract) their market scope in one single geographic region per year, which could indicate some liability of inter-regional foreignness in the internationalisation process. We confirm the broad triad region (North America, Europe and Asia) as the most important market in the world, even for emerging economies located out of these regions. Simultaneously, the home region becomes increasingly important in the last years, especially for the more internationalized firms. However, it is still not fully penetrated by most of the firms, regardless their internationalisation level.

Keywords: Emerging economies, fruit exports, global strategy, internationalisation, Latin America, regional strategy, transregional strategy