

BRAZILIAN MNES IN AFRICA: DO THEY HAVE COMPETITIVE ADVANTAGE?

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ABSTRACT

This paper is focused on the recent strengthening of political and economic ties between Brazil and African countries and it will explore the following distinctive experience that seem to vary from the traditional IB theories and models. First, the connection with African countries is enhanced by Brazil's leadership and their use of incentives and policies that is encouraging deeper South-South trade and internationalization (Greenway and Milner, 1990; Armijo and Burges, 2010; Barbosa, Narciso, and Biancalana, 2009). Second, the entry of Brazil's multinationals in African markets is different than the traditional internationalization process (Dunning, 1980; Dunning, Kim and Park, 2008; Cyrino and Tanure, 2009). Third, cultural advantages and complementary effects of Brazilian technology and knowhow have produced a very good result at home and have given competitive advantage to Brazilian MNEs (Johanson and Vahlne, 1997; 1990). Our findings indicate a concentration of Brazilian investment in the Sub Saharan region of Africa compared to other regions. Brazilian MNEs sought internationalization as a result of Brazilian government incentives and policy implementation toward developing nations of Africa. While some of the MNEs followed the traditional view, others exhibited "born global" characteristics of internationalization. The goal of internationalization was based on market seeking and knowledge seeking, while reflecting the Brazilian government's South-South policy. Complementary products and technology transfer and cultural competitiveness have also helped the MNEs to be successful in African markets. The data presented in this paper sheds light on the trend of diversified and increasing FDI by Brazilian MNEs. It is evident that cultural competency has contributed towards the managers' success at Brazilian MNEs. While this initiative examines MNEs from only one nation, we hope this will contribute towards the future study of the multinationals' and their characters within the BRICS nations.

Keywords: *Brazil, Africa, Competitive Strategy, Culture, Investment, Trade.*