

# Case Study

## Multinational Corporations in Asia

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July 22, 2020

- Volvo and its investment in Brazil
- Fuyao Glass America: Sourcing Decision

# Volvo and its investment in Brazil

- Why did Volvo invest in Brazil?
- Why did Volvo choose Curitiba as the production location?

- How does Volvo transfer its brand image to South America?
- How/Why did Curitiba turn into an automotive cluster?

- Why did Volvo choose to built a plant (rather than buy one)?
- Why does Volvo pay a wage premium to its workers?
- How does Volvo adapt to local market?

Suppose you are the *global sales manager* of Fuyao Glass.

- Background:
  - The company opened a new factory in Moraine, Ohio while most of its factories are located in China.
  - It just won a new bid to supply an Ontario (Canada) factory belong to a major North American automaker.
- Question: should Fuyao supply the Ontario factory out of Ohio or China?

- What are the company characteristics of Fuyao?
- What about the industry features?
- How are these characteristics related to its sourcing decisions?

# Fuyao Glass America: Sourcing Decision

- Cost comparisons.
- Concerns beyond costs.



- Please submit the comments today before 11 PM.
- Remember to submit your answers to Case studies by July 29 (9 AM).
- Please fill in the Course Evaluation Questionnaire.