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Internationalization Dynamics: The Case of Mexican Firms in the Era of Globalization

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Abstract
This paper explores the intricate dynamics of commercial globalization and its impact on the internationalization strategies of Mexican firms. By proposing a robust methodology grounded in statistical descriptive modeling, it aims to provide a comprehensive analysis of how Mexican firms navigate and capitalize on global economic trends. At the heart of this analysis lies an exploration of the interplay between commercial globalization, government policies, and the strategic responses of domestic firms. The study recognizes the significance of the liberalization agenda pursued by the Mexican government, particularly in the context of multilateral and regional trade agreements. These policy initiatives have created both opportunities and challenges for Mexican firms seeking to expand their international footprint. Through a meticulous examination of statistical data, the paper seeks to elucidate the ways in which Mexican firms have leveraged these policy frameworks to drive their internationalization efforts. Moreover, the study aims to uncover the implications of increased internationalization for the broader investment landscape in Mexico. By analyzing the impact on foreign investment by multinational corporations, the paper sheds light on how the evolving strategies of Mexican firms influence the behavior and decisions of foreign investors. This holistic approach enables a nuanced understanding of the reciprocal relationship between domestic firms and foreign investors within the context of commercial globalization. Furthermore, the paper delves into the internal dynamics of Mexican firms, exploring how the imperative to internationalize has spurred efforts to enhance competitiveness, innovation, and organizational efficiency. By examining these internal drivers of internationalization, the study offers insights into the strategic imperatives facing Mexican firms in an increasingly globalized economy. Overall, the proposed methodology provides a robust framework for analyzing the complex interactions between commercial globalization, government policies, and the strategic behavior of Mexican firms. Through its rigorous analysis, the paper contributes to a deeper understanding of the factors shaping the internationalization landscape in Mexico and offers valuable insights for firms, policymakers, and researchers alike.
Keywords: Commercial Globalization, Internationalization Strategies, Multilateral Trade Agreements, Competitiveness
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1. INTRODUCTION

Mexico has witnessed a notable uptrend in the internationalization of its companies, a phenomenon largely propelled by the country's commitment to an open trade policy. This momentum gained momentum following Mexico's accession to the General Agreement on Tariffs and Trade (GATT) in 1986, signifying a pivotal step towards embracing multilateralism and regional cooperation. The adoption of business strategies aligned with principles of multilateralism and regionalism has played a pivotal role in fostering the expansion of Mexican companies onto the global stage. By embracing international trade agreements and forging partnerships with regional blocs, Mexico has created an enabling environment for its businesses to explore and seize opportunities beyond national borders. This shift towards greater international engagement has catalyzed the growth and diversification of Mexican companies, enabling them to tap into new markets, access resources, and leverage economies of scale. Moreover, the heightened exposure to international competition has spurred innovation, efficiency improvements, and enhanced competitiveness among Mexican firms. Mexico's embrace of open trade policies and proactive engagement in international fora has not only facilitated the integration of its companies into global value chains but also positioned them to thrive in an increasingly interconnected and competitive global economy. As Mexico continues to deepen its commitment to international cooperation and trade liberalization, the trajectory of its companies' internationalization is poised for further expansion and success.

Building upon the aforementioned trends, Mexico has witnessed a notable surge in outbound investment by its major corporations since the late 1990s. This phenomenon is particularly noteworthy given the resilience demonstrated by these companies amidst the market reforms and structural adjustment policies that characterized the era. The market reforms and

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structural adjustments, as outlined by Vargas-Hernández (2011), served as catalysts for the evolution and adaptation of Mexican companies, enabling them to navigate and thrive in an increasingly dynamic global economic landscape. These policies, characterized by deregulation, privatization, and liberalization measures, reshaped the competitive landscape and created new opportunities for Mexican firms to expand their operations beyond domestic borders. In response to these transformative forces, large Mexican corporations embarked on a strategic quest for international expansion, seeking to diversify their revenue streams, access new markets, and mitigate risks associated with operating solely within the confines of the domestic market. This outward investment drive reflects the growing maturity and ambition of Mexican companies, positioning them as key players in the global marketplace. The increase in investment abroad by Mexican corporations underscores the country's emergence as a significant player in the global economy, with its companies actively participating in cross-border mergers, acquisitions, and greenfield investments across various sectors and regions. By venturing beyond national borders, these companies are not only enhancing their competitiveness but also contributing to Mexico's integration into the global economy and its role as a hub for outward investment from emerging markets. The surge in outbound investment by large Mexican companies represents a natural evolution driven by the confluence of market reforms, structural adjustments, and the quest for international competitiveness. As these companies continue to expand their global footprint, they are poised to play an increasingly influential role in shaping the dynamics of the global business landscape. Support provided by the Mexican government to domestic companies, coupled with the broader impact of trade globalization, has been instrumental in fostering a sustained increase in the internationalization of Mexican firms. The Mexican government has implemented various policies and initiatives aimed at bolstering the competitiveness and expansion of domestic companies on the global stage. These efforts include providing financial incentives, facilitating access to capital and resources, offering trade promotion services, and fostering an enabling regulatory environment conducive to business growth and internationalization. Furthermore, Mexico's active participation in trade globalization processes, epitomized by its membership in international trade agreements such as the North American Free Trade Agreement (NAFTA), now replaced by the United States-Mexico-Canada Agreement (USMCA), has opened up new avenues for Mexican companies to engage with global markets. By reducing trade barriers, facilitating market access, and promoting cross-border investments, these agreements have empowered Mexican firms to seize opportunities and expand their presence beyond national borders.

The combined effect of government support and trade globalization has created a fertile environment for the sustained internationalization of Mexican companies. As these firms capitalize on the opportunities presented by globalization, they are not only driving economic growth and job creation domestically but also enhancing Mexico's visibility and competitiveness on the global stage. Looking ahead, continued government support, coupled with ongoing efforts to deepen Mexico's integration into global value chains and strengthen its position in international markets, will be crucial for sustaining the momentum of Mexican companies' internationalization. By leveraging these synergies, Mexico can further enhance its role as a dynamic and competitive player in the global economy. The entry of Mexico into the General Agreement on Tariffs and Trade (GATT) in 1986 marked a significant turning point in the country's economic trajectory, catalyzing a series of reforms aimed at embracing multilateralism and regionalism. These policy shifts have had a profound impact on the internationalization of Mexican companies, precipitating a surge in outbound investment by major corporations that have weathered the market reforms and structural adjustment policies of the era, as noted by Vargas-Hernández (2011). The confluence of government support for Mexican companies and the transformative effects of trade globalization has resulted in a sustained increase in the internationalization of Mexican firms. The Mexican government's proactive measures, including financial incentives, regulatory reforms, and trade promotion initiatives, have provided crucial support to domestic companies seeking to expand their presence in international markets. Furthermore, Mexico's integration into global trade networks and participation in regional trade agreements have facilitated greater access to foreign markets and created opportunities for Mexican firms to pursue international expansion. These dynamics have spurred Mexican companies to adopt strategic internationalization approaches tailored to specific markets, reflecting their growing confidence and competitiveness on the global stage. In essence, the synergy between government support, trade globalization, and strategic decision-making by Mexican companies has fueled a sustained rise in their internationalization efforts. As Mexico continues to deepen its engagement with the global economy, the internationalization of its companies is expected to remain a key driver of economic growth and competitiveness, contributing to the country's position as a dynamic player in the international arena.

The current trend of increasing internationalization among Mexican companies is a direct result of Mexico's trade openness policy and its integration into the globalized trading system. This phenomenon can be delineated into two distinct branches: multilateralism and regionalism. Multilateralism, as observed in Mexico's participation in international trade agreements and its commitment to free trade principles, underscores the country's willingness to engage with a broad spectrum of nations on equal terms. Through the negotiation and implementation of free trade agreements, Mexico has sought to reduce trade barriers, enhance market access, and foster economic cooperation with countries across the globe. On the other hand, regionalism reflects Mexico's proactive engagement in regional trade blocs and agreements, which aim to deepen economic

integration and promote intra-regional trade among neighboring countries. By participating in initiatives such as the North American Free Trade Agreement (NAFTA), now succeeded by the United States-Mexico-Canada Agreement (USMCA), Mexico has embraced regional integration as a means to strengthen economic ties, promote cross-border investment, and capitalize on shared opportunities and resources within the region. The insights provided by Arango Quintero and Cardona Montoya (2008) underscore the dual nature of Mexico's trade openness strategy, which encompasses both multilateral and regional dimensions. By actively pursuing opportunities in both arenas, Mexican companies are able to leverage the benefits of global trade while also capitalizing on the unique advantages offered by regional economic integration initiatives. The increase in internationalization among Mexican companies is intricately linked to Mexico's trade openness policy and its active participation in the globalized trading system. Through multilateralism and regionalism, Mexico is positioning itself as a key player in the global economy, with its companies poised to capitalize on the opportunities afforded by both international and regional trade dynamics.

2. THE MODEL

The theory of multinational companies' internalization, originating from the concept of transaction costs, delves into the complexities of how firms navigate the global business landscape. At its core, this theory posits that the decision to expand internationally is driven by the need to mitigate transaction costs associated with market imperfections. In a perfectly competitive market, the absence of control mechanisms is presumed. Under such conditions, the threat of being replaced by another company acts as a powerful deterrent against opportunistic behavior. In essence, firms are compelled to operate efficiently to remain competitive and survive in the marketplace. However, as firms venture into international markets, they encounter a myriad of challenges such as information asymmetry, legal and regulatory differences, cultural barriers, and logistical complexities. These challenges can give rise to transaction costs, which encompass the expenses incurred in negotiating, monitoring, and enforcing contracts with external parties. The theory of multinational companies' internalization suggests that firms may choose to internalize certain transactions by establishing foreign subsidiaries or operations. By doing so, firms aim to reduce transaction costs and gain greater control over their international operations. Internalization allows firms to streamline decision-making, ensure compliance with company policies and standards, and protect valuable proprietary information.

Whitelock (2002) highlights how the theory of transaction costs provides a theoretical framework for understanding the rationale behind firms' decisions to internalize certain activities. By recognizing the limitations of relying solely on market mechanisms, this theory underscores the importance of strategic management and organizational design in navigating the complexities of international business. The theory of multinational companies' internalization, rooted in the theory of transaction costs, sheds light on the intricacies of firms' international expansion strategies. It underscores the need for firms to carefully weigh the benefits of internalization against the associated costs and risks, ultimately striving to enhance efficiency, competitiveness, and value creation in the global marketplace. When a company reduces the number of suppliers, it diminishes the likelihood of easy replacement. Consequently, this reduction in supplier options can lead to increased transaction costs. These costs arise from the necessity for rigorous bargaining and the assumption of monitoring costs to ensure that contracts are fulfilled according to established conditions (Dwyer and Oh, 1988).

According to the analysis of transaction costs, firms are inclined to internationalize markets when asset specificity is high. In other words, when assets are tailored to a specific use within a particular business relationship, the costs associated with reallocating or replicating those assets externally become prohibitive. This creates an incentive for firms to expand internationally in order to retain control over these specialized assets and minimize transaction costs. Moreover, the theory of internationalization posits that experiential knowledge plays a pivotal role in explaining a company's internationalization process. This knowledge, gained through firsthand experience and learning, is crucial as it enables firms to effectively leverage their internal resources in alignment with market opportunities (Ericsson et al., 2000, 2001; Luo, 1999). By leveraging experiential knowledge, firms can navigate the complexities of international markets with greater confidence and agility. This knowledge enables firms to identify and capitalize on market opportunities, anticipate and mitigate risks, and adapt their strategies to changing market dynamics. Ultimately, experiential knowledge serves as a valuable asset that empowers firms to drive successful internationalization efforts and achieve sustained growth and competitiveness in the global marketplace.

In the realm of exports, the theory of internationalization is closely associated with knowledge pertaining to consumers, competitors, distribution channels, and the business environment. This knowledge base is recognized as a fundamental element that underpins the export activities of firms (Morgan et al., 2003). Understanding consumer preferences, behaviors, and needs in foreign markets is essential for firms seeking to effectively target and engage with international customers. Similarly, knowledge about competitors' strategies, strengths, and weaknesses enables firms to formulate competitive export strategies and differentiate themselves in the global marketplace. Moreover, insights into distribution channels and logistics networks are critical for firms to efficiently reach international markets and ensure timely delivery of products and services to customers. Knowledge of the business environment, including regulatory frameworks, cultural norms, and market trends, enables firms to navigate the complexities of international trade and adapt their strategies to local market conditions. By leveraging this comprehensive knowledge base, firms can enhance their competitiveness and effectiveness in exporting

activities. This knowledge serves as a strategic asset that empowers firms to identify opportunities, mitigate risks, and capitalize on the advantages offered by global markets. In essence, the theory of internationalization in the field of exports underscores the importance of knowledge acquisition and utilization as a key driver of export success. Firms that possess deep insights into consumers, competitors, channels, and the business environment are better equipped to navigate the challenges and seize the opportunities presented by international trade, ultimately driving sustained growth and profitability in the global arena.

The International Development Stages Paradigm, originating from scholars affiliated with the Uppsala School like Johanson, Wiedersheim, Vahlne, and Nordström, provides a microeconomic lens through which to understand the internationalization journey of firms. Central to this paradigm is the concept of psychic distance, which encapsulates the perceived differences between a firm's home country and foreign markets in terms of language, culture, business practices, and legal systems. According to this framework, firms typically embark on a gradual and incremental path towards internationalization. Initially, they tend to focus on geographically proximate and culturally similar markets before venturing into more distant and dissimilar ones. This sequential approach is driven by the need to accumulate experience, knowledge, and resources while mitigating the risks associated with international expansion. The paradigm delineates several stages in the international development process. Initially, firms may have limited or no international presence, concentrating primarily on their domestic market. As they begin to explore international opportunities, they may engage independent representatives or agents to facilitate exports. This intermediary stage allows firms to test the waters in foreign markets without making significant investments or commitments. As firms gain confidence and experience, they may progress to the establishment of their own sales subsidiaries or branches in key overseas markets. This step signifies a deeper level of commitment and control over distribution channels, enabling firms to strengthen their presence and better serve local customers. In the final stage of the internationalization journey, firms may consider establishing production facilities or manufacturing operations abroad. This strategic move allows them to leverage cost advantages, access local resources, and enhance market responsiveness. However, it also entails significant investment and entails a higher degree of operational complexity. The International Development Stages Paradigm underscores the importance of experiential learning, incremental commitment, and market knowledge accumulation in the internationalization process. By gradually expanding into international markets and adapting their strategies based on accumulated experience, firms can mitigate risks, capitalize on opportunities, and achieve sustained success in the global arena.

The central hypothesis of the model posits that firms initiate their international operations during their early stages of development, even when they are relatively small in size. However, as they progress through the stages of business growth strategy, they expand their international presence, initially targeting geographically proximate markets. This hypothesis, as articulated by Johanson and Vahlne (1990), underscores the notion that firms' internationalization efforts are often characterized by a gradual and incremental approach, mirroring their evolution and maturation as businesses. At the outset, firms may embark on international activities with modest resources and capabilities, leveraging their unique strengths or competitive advantages to explore foreign markets. This initial foray into internationalization reflects a proactive stance towards seeking growth opportunities beyond domestic borders, even in the absence of extensive resources or market dominance. As firms continue to develop and accumulate experience, they strategically expand their international footprint, progressing through the stages of business growth strategy. This progression involves a systematic approach to market selection, entry mode decisions, and resource allocation, guided by the firm's evolving capabilities, market knowledge, and strategic objectives. The model suggests that firms prioritize nearby markets initially, as they are often perceived as less risky and more familiar due to geographical proximity and cultural similarities. By focusing on nearby markets, firms can effectively manage risks, reduce logistical complexities, and capitalize on existing networks and resources.

As firms gain confidence and expertise through their international experiences, they gradually extend their reach to more distant and diverse markets, leveraging their accumulated knowledge and capabilities to navigate new challenges and opportunities. This evolutionary process reflects a dynamic interplay between firms' internal capabilities and external market dynamics, shaping their internationalization trajectory over time. The model posits that firms initiate their international operations at an early stage of development and expand incrementally, guided by the stages of business growth strategy. This hypothesis underscores the strategic and evolutionary nature of firms' internationalization efforts, emphasizing the importance of adaptive capabilities, market knowledge, and strategic foresight in achieving sustainable international growth.

According to Canals (1997), the landscape of international companies can be segmented into four main types, each representing distinct stages of internationalization. These stages align with the evolutionary trajectory of firms' global operations and strategic orientations. At the outset of their international journey, firms typically operate as exporting companies. In this stage, their focus is primarily on selling products or services to foreign markets while maintaining production and operations within their home country. Exporting companies often rely on intermediaries such as agents or distributors to facilitate their international sales. As firms expand their international footprint and deepen their engagement with foreign markets, they may evolve into multinational companies (MNCs). MNCs establish subsidiaries or affiliates in multiple countries, allowing them to directly conduct production, sales, and other business activities abroad. This stage of internationalization involves a higher degree of investment and commitment to foreign markets compared to exporting.

Further along the continuum of internationalization is the global company. These firms operate on a global scale, leveraging standardized products, processes, and branding strategies across multiple markets. Global companies often adopt a centralized decision-making structure and pursue economies of scale and scope through global sourcing, production, and distribution networks. Finally, at the pinnacle of internationalization, firms may reach the status of transnational companies. Transnational companies combine the global reach and scale of operations with the flexibility and responsiveness to local market needs. These firms strive to achieve a delicate balance between global integration and local adaptation, leveraging their global resources and capabilities while remaining attuned to regional differences and market dynamics. Canals' typology of international companies provides a valuable framework for understanding the diverse paths that firms take as they navigate the complexities of global markets. From exporting companies to transnational giants, firms progress through distinct stages characterized by increasing levels of internationalization, complexity, and strategic sophistication. This typology underscores the dynamic nature of firms' international operations and their strategic responses to the challenges and opportunities presented by global markets. Numerous theories abound concerning the process of internationalization and its determinants, with each theory focusing on different facets of this intricate phenomenon. These theories can be broadly categorized into seven doctrinal trends. The classical theory of internationalization revolves around the concept of comparative advantage and specialization, advocating that countries should specialize in producing goods and services where they hold a comparative advantage, subsequently engaging in trade to optimize welfare.

Raymond Vernon's theory of product lifecycle posits that products undergo distinct stages of development, growth, maturity, and decline. As products mature, firms seek new markets abroad to sustain growth, thereby initiating internationalization efforts. The Uppsala model, developed by Johanson and Vahlne, underscores the gradual and incremental nature of firms' internationalization journey. It suggests that firms initially enter foreign markets through low-risk strategies, progressively increasing their commitment as they accrue knowledge and experience. Michael Porter's paradigm emphasizes competitive advantage and the determinants of firm competitiveness in global markets. It highlights factors such as industry structure, firm strategy, and national context in shaping international competitiveness. Strategic theories of internationalization underscore firm-specific factors like resources, capabilities, and strategic decisions as drivers of international expansion. These theories stress the pivotal role of firm-level actions in shaping internationalization outcomes.

The theory of internationalization, associated with Buckley and Casson, views international expansion as a strategic decision by firms to exploit opportunities and overcome constraints in foreign markets. It emphasizes motivations such as market-seeking, resource-seeking, and efficiency-seeking. The Dunning paradigm, also known as the eclectic paradigm or OLI framework, integrates various theories by emphasizing ownership-specific advantages, location-specific advantages, and internalization advantages as key drivers of firms' international activities. Each of these doctrinal trends provides valuable insights into the complexities of internationalization, shedding light on different aspects of firm behavior, industry dynamics, and global competition. By considering these diverse perspectives, researchers and practitioners can develop a more holistic understanding of the intricacies of international business. Integration can play a crucial role not only in facilitating trade but also in promoting the transmission of knowledge and technology transfer to domestic producers in the short term. This process is vital as it enables domestic firms to access new products and processes generated by their trading partners, thus fostering innovation and competitiveness in the domestic market (Grossman and Helpman, 1990).

By integrating into global value chains and participating in international trade agreements, domestic producers gain exposure to advanced technologies, best practices, and novel ideas from their trading partners. This exposure allows them to adopt and adapt these innovations to enhance their own production processes, improve product quality, and introduce new products to the market. Moreover, integration can create synergies and facilitate collaboration between domestic firms and their foreign counterparts, leading to knowledge spillovers and technology transfer. Through joint ventures, licensing agreements, and strategic alliances, domestic producers can acquire valuable know-how and expertise from international partners, accelerating their learning curve and strengthening their competitive position. Integration not only expands market opportunities for domestic producers but also serves as a conduit for knowledge dissemination and technology diffusion. By leveraging the insights and innovations generated by their trading partners, domestic firms can enhance their capabilities, drive productivity growth, and contribute to overall economic development and prosperity. Competition from foreign companies, coupled with the transfer of technology and innovative production processes, serves as a catalyst for the increased internationalization of Mexican companies. As foreign firms introduce new technologies and production methods into the market, Mexican companies are compelled to adapt and innovate in order to remain competitive. This dynamic fosters an environment where Mexican companies seek to expand their presence beyond domestic borders in order to access new technologies, markets, and opportunities for growth.

In the pursuit of technological breakthroughs and long-term growth, it becomes advantageous for a country to compete successfully in industries, fields, or products that offer promising market prospects and rely on key technologies. By internationalizing their operations, Mexican companies can position themselves strategically to capitalize on these opportunities, leveraging their strengths and capabilities to compete effectively on a global scale (Arjona, 1995). The internationalization strategy entails a growing commitment and involvement of a company's resources and capabilities in international markets, necessitating varying levels of investment, risk, and control. As Mexican companies expand their

presence abroad, they must navigate the complexities of international business, including cultural differences, regulatory challenges, and market dynamics. This requires careful strategic planning and resource allocation to effectively manage risks and capitalize on opportunities for growth and expansion. The internationalization of Mexican companies represents a strategic response to the challenges and opportunities presented by globalization. By embracing internationalization as a means to access new technologies, markets, and growth opportunities, Mexican companies can enhance their competitiveness, drive innovation, and contribute to the economic development and prosperity of the country.

As per Johanson and Vahlne (1977), internationalization is characterized as an evolutionary and dynamic process, implying a progressive commitment of companies to allocate human and financial resources in foreign markets. This gradual expansion often reflects a strategic evolution driven by the pursuit of growth opportunities, market diversification, and competitive advantage. Recent literature provides illustrative cases highlighting the significant role played by SMEs in the development of international business. Particularly noteworthy is their participation as suppliers to large global companies with foreign capital. SMEs often serve as integral components of global value chains, contributing specialized products, components, or services that complement the operations of multinational corporations. By leveraging their expertise, agility, and responsiveness, SMEs can effectively meet the diverse needs and requirements of multinational partners. This collaboration not only enhances the competitiveness and efficiency of global value chains but also provides SMEs with access to new markets, technologies, and opportunities for growth. The involvement of SMEs as suppliers to large global companies underscores their importance in driving innovation, fostering entrepreneurship, and contributing to economic development. It also highlights the symbiotic relationship between large corporations and SMEs, where both parties benefit from mutually beneficial partnerships and collaborations. The participation of SMEs as suppliers to large global companies with foreign capital exemplifies the dynamic nature of international business and the critical role played by SMEs in shaping global value chains and driving economic growth. As SMEs continue to internationalize and expand their presence in global markets, their contributions to innovation, competitiveness, and sustainability are likely to become even more pronounced.

Geographic proximity and cognitive closeness play crucial roles in shaping the relationships between local suppliers and global manufacturing companies. Asheim and Isaksen (2003) highlight these factors as significant determinants of the dynamics within global value chains and the effectiveness of collaboration between suppliers and manufacturing firms. Geographic proximity refers to the physical distance between suppliers and manufacturing facilities. When suppliers are located in close proximity to global manufacturing companies, logistical challenges are minimized, facilitating smoother communication, coordination, and collaboration. Proximity enables quicker response times, reduced transportation costs, and enhanced flexibility in meeting changing demands, thereby strengthening the overall efficiency and effectiveness of supply chain operations. Cognitive closeness, on the other hand, pertains to the degree of shared understanding, knowledge, and cultural affinity between local suppliers and global manufacturing companies. When there is cognitive closeness between partners, communication barriers are reduced, and collaborative efforts are more streamlined and effective. Shared knowledge and understanding enable greater alignment of goals, expectations, and strategies, fostering trust, mutual respect, and synergy in the relationship. The establishment of cognitive close relations between local suppliers and global manufacturing companies is particularly beneficial in fostering innovation, problem-solving, and continuous improvement. Close collaboration enables the exchange of ideas, insights, and best practices, leading to the co-creation of value and the development of innovative solutions to challenges.

Blomström and Kokko (1996) offer an alternative perspective on the impacts of foreign direct investment (FDI), focusing on the role of transnational corporations (TNCs) in influencing local businesses through their ownership of the latter. This viewpoint underscores the significant influence that TNCs can wield over the operations, strategies, and performance of local businesses in host countries. By acquiring ownership stakes in local businesses, TNCs gain direct control and influence over their operations, management decisions, and strategic direction. This ownership structure allows TNCs to integrate local businesses into their global networks, leveraging their resources, capabilities, and market reach to drive growth, innovation, and competitiveness. Through strategic alliances, joint ventures, or outright acquisitions, TNCs can transfer technology, managerial expertise, and best practices to local businesses, enhancing their productivity, efficiency, and market competitiveness. Additionally, TNCs may provide access to global markets, distribution channels, and supply chains, enabling local businesses to expand their reach and tap into new growth opportunities. However, the ownership of local businesses by TNCs also raises concerns about dependency, control, and potential adverse impacts on local autonomy and economic sovereignty. TNCs may prioritize their own interests and objectives over those of local businesses, leading to conflicts of interest, exploitation, and unequal power dynamics. Moreover, the extent to which local businesses benefit from TNC ownership depends on the nature of the relationship, the terms of the agreement, and the level of integration within the TNC's global operations. Local businesses must carefully weigh the potential benefits and risks associated with TNC ownership, considering factors such as technology transfer, access to markets, and the preservation of local autonomy and identity.

The predominance of Mexican companies with foreign capital originating from trading partners with whom Mexico has signed trade agreements can be attributed to several factors. Torres and Jasso (2009) highlight that business growth is not solely reliant on the initial allocation of resources but also on the development of skills and capabilities accumulated during

productive operations and daily management. However, this growth is subject to various adverse forces stemming from the economic context in which these companies operate. Among the factors influencing business expansion or contraction are fluctuations in product demand, the emergence of new market opportunities, shifts in demographic trends, and advancements in technology. These elements interact dynamically, shaping the competitive landscape and influencing the growth trajectories of businesses. Trade agreements play a pivotal role in facilitating the inflow of foreign capital into Mexico by fostering economic integration, reducing trade barriers, and promoting investment flows between trading partners. Mexican companies strategically leverage these agreements to access new markets, expand their operations, and enhance their competitiveness on a global scale. Furthermore, the development of skills and capabilities within Mexican companies is crucial for their sustained growth and competitiveness. By investing in human capital, fostering innovation, and adapting to changing market conditions, companies can navigate challenges and seize opportunities for expansion and diversification. In recent years, there has been notable growth in companies across various sectors in Mexico. A significant trend observed is the partnership between large national companies and transnational counterparts. These collaborations serve multiple purposes, including addressing international competition in the domestic market and expanding into foreign markets. This trend is particularly evident in sectors such as cement, brewing, chemical, glass, and automotive industries (Vidal, 2000). These partnerships enable Mexican companies to leverage the resources, expertise, and market reach of their transnational counterparts to enhance their competitiveness and pursue growth opportunities both domestically and internationally. By joining forces, companies can pool their strengths and capabilities to overcome barriers to entry, access new markets, and capitalize on economies of scale. In sectors like cement, brewing, chemical, glass, and automotive industries, collaboration between national and transnational companies is driven by the need to compete effectively in increasingly globalized markets. By forming strategic alliances or joint ventures, companies can enhance their production capabilities, expand their product offerings, and strengthen their distribution networks, thereby solidifying their market position and capturing market share. Furthermore, partnerships with transnational companies provide Mexican firms with access to advanced technologies, best practices, and global supply chains. This facilitates innovation, improves efficiency, and enhances product quality, enabling companies to meet evolving customer demands and preferences both at home and abroad.

3. DISCUSSION AND CONCLUSIONS

The method of descriptive statistical research is utilized to analyze the growing internationalization of Mexican companies and the influence of foreign investors and major multinational corporations on this trend. This research aims to understand how trade globalization, facilitated by Mexico's open trade policy through multilateralism and regionalism, has contributed to the increased presence of Mexican companies in international markets. By examining descriptive statistics, researchers can quantify and summarize key aspects of the internationalization process, such as the number of Mexican companies operating abroad, the sectors they are active in, the regions they target, and the extent of foreign investment they attract. This analysis provides valuable insights into the patterns, trends, and drivers of Mexican companies' international expansion. Moreover, descriptive statistics can shed light on the impact of globalization on Mexican businesses, including changes in market dynamics, competitive pressures, and opportunities for growth. By quantifying factors such as export volumes, foreign direct investment inflows, and trade balances, researchers can assess the extent to which globalization has reshaped the Mexican business landscape and influenced firms' strategic decision-making. Furthermore, descriptive statistical research can inform strategies for the internationalization of Mexican companies by identifying key success factors, challenges, and best practices. By analyzing data on the performance of Mexican firms in different international markets, researchers can uncover patterns of success and failure, helping companies make informed decisions when entering new markets or expanding existing operations abroad. Overall, the method of descriptive statistical research provides a valuable framework for understanding the increasing internationalization of Mexican companies in the context of globalization. By quantifying and analyzing relevant data, researchers can generate actionable insights that inform policy decisions, guide strategic planning, and support the continued growth and success of Mexican businesses in the global marketplace. In light of the foregoing, Mexican companies not only contend with intense competition in international markets but also face challenges from international competitors within the domestic market. These competitors offer standardized products with superior technology and, crucially, at lower costs. While consumers may have initially favored local preferences, today they are increasingly drawn to the allure of lower prices. Through the method of descriptive statistical research, the aim is to analyze the surge in the internationalization of Mexican companies and the impacts of foreign investors and major multinational corporations, all propelled by the forces of trade globalization. These entities capitalize on Mexico's open trade policy, facilitated through multilateralism and regionalism, to expand their foothold in international markets. By leveraging descriptive statistical research, we seek to delve into various facets of this phenomenon. This includes quantifying the extent of internationalization among Mexican firms, identifying the sectors and regions where they are most active, and assessing the inflow of foreign investment. Through rigorous analysis, we aim to elucidate how globalization has reshaped the landscape of Mexican businesses and influenced their strategic decisions. Furthermore, this research endeavors to shed light on the competitive dynamics within both domestic and international markets. By examining key metrics such as export volumes, foreign direct investment flows, and market shares, we seek to

understand how Mexican companies navigate these challenges and capitalize on emerging opportunities. Through actionable insights gleaned from statistical analysis, we aim to inform policy decisions, guide strategic planning, and bolster the resilience and competitiveness of Mexican businesses in the global arena.

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