

THE MULTINATIONAL ENTERPRISE TITAN IN THE NEW ECONOMIC CONDITIONS

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Abstract

The entrepreneurs, the competition, the inflation and the unemployment are of great importance governments, enterprises and workers. This paper examines the TITAN in the new economic conditions. The results indicate that TITAN (Greece) affiliated of the international enterprise TITAN. The company was established in 1902, evaluated (is made) Anonymous Company in 1911 and in 1912 was entered Athens Exchange S.A. The majority of the shares belong to its founders. The total production in the year 2003 was 15 million tons in the 4 factories in Greece (Thessalonica, Patra, Kamari and Elefsina) , 2 in USA (Virginia, Florida) , 3 in other Balkan countries (Bulgaria, Serbia and FYROM). TITAN was the first company in Greece that used environmental technology. The product (cement) is distributed by 2 factories in U.S.A. and 1 in Italy, England and France. TITAN in 1992 bought the 59.1% of the Roanoke Cement Co in the Virginia from the Tarmmac p.l.c. In 1998 TITAN with corporation with Company Holderbank which is second cement company in the world bought the 95% of the A.D.USJS at Skopje and the 48.6% of the Bulgarian company Plevenski Cement (0.5 ton).

Key-words: Multinational, enterprise, TITAN, Globalization

1 Introduction

One of the most remarkable economic phenomena of the post war period has been the rise of the multinational enterprise { M.N.E}. An M.N.E may be defined as an enterprise which owns and controls activities in different countries. No economic organization in post – industrial society has involved so quickly and to such a high degree of sophistication as the M.N.E. The closest parallels are to the trusts and cartels which rose to prominence about the turn of the century. But these were only national in scale , their international operations being governed by a loose federation of business leaders rather by direct control from a corporate world head quarters. The growth of the cartels was responsible for an increase in government participation in economic life through the enactment of antitrust laws. It also inspired the development of the economic theory of imperfect competition , which revolutionized economic thinking on the basic issue of resource allocation. Something of a similar revolution is required today. The growth of the M.N.E has caught both governments and economists unawares. Governments organized on a national scale find it difficult to exert controls or sanctions against international firms, since competition between host nations for the benefits of foreign direct investment ensures that a restrictive policy toward M.N.E will only succeed in driving out foreign investors to a more favorable climate. The most effective method of control is for governments to agree upon a new industrial police which can be policed on a supranational basis. However, a prerequisite of an effective policy is an understanding of the behavior of M.N.E. It is unfortunate that in respect orthodox economic theory is not very helpful.

2 Methodology

The approach of the matter is made like this. In the first part is analyzing shortly the historical process of the TITAN. In the second part, it is examined the space distribution of Titan. In the third part, it is analyzed the economic results and the fourth section investigates the consequences of globalization on the activities of this company. The data come from the records of TITAN and internet sources.

3 A brief historical account of TITAN

The company was established in 1902 in the town of Elefsis. In 1911, it became an anonymous company and in 1912, it entered the Athens Stock Exchange. The majority the shares belong to their founders. In 1924, the company had electric current, while in 1948 it made the first exports. In 1960, TITAN entered the Middle Eastern markets. The second plant of the company was established in Thessaloniki in 1962 when annual production exceeded one million tones. Two more plants were added in 1966 and in 1976. Production in the latter, situated near Athens, were exceeding five million tones annually. Later, TITAN established distribution centers in the US and Europe.

4 The Multinational Enterprise(MNE) TITAN

TITAN is a major national and international producer and distributor of cement at plants situated in a variety of locations. For example, there are 22 cement plants in Greece, selling about 1.7 cubic meters annually. The company also owns 13 quarries and a fleet of 300 vessels. Other major places where TITAN operates in Europe are the Balkans, Italy, France and the U.K. Egypt has been a host of TITAN's activities as well. Numerous plants operate in addition in the U.S. and notably in Virginia and Florida.

5 The economic results

The following Tables capture the ;positive economic prospects of the company.

Table 1 The changes of the EBITDA during the 4th quarter 2004-2005

Million Euro	4 th quarter 2005	4 th quarter 2004	% change	2005	2004	% change
Turnover	347	287	21	1.342	.142	17
Oper. profit	106	78	37	391	328	19
EBITDA	103	67	55	389	318	22
Profits before taxes	75	49	54	293	243	21
Net profits	54	39	38	210	177	19

Table 2 Basic economic results of Titan in 2004

Sales	EBITDA	Net income	EPS	DPS	ROE %	NET DEPT	“NET DEPT/ EBITDA”	INTEREST COVERAGE
308.2	63.8	22.4	0.54	0.20	18	78.99	1.24	2.9
449.2	123.2	60.4	1.44	0.51	31	-9.70	-0.08	21.9
622.7	197.9	94.8	2.27	0.70	29	386.9	1.95	19
1104.4	323.2	168.9	2.01	0.52	32	337.82	1.05	12.9

Table 3 N Basic element of merits

Year	Number of adjusted merits (splits)	Capitalization	Profit (N)%	Profit %	Total annual profit(N)%	Total annual profit%
1994	83.694.424	212291776.07	0.00	0.00	0.00	0.00
1997	83694424	787055008.00	267.33	314.36	54.29	60.62
2000	83624424	1712065919.060	706.19	710.07	41.60	41.72
2004	84129224	1795566766.40	742.92	721.12	23.76	23.44

6. Globalization and TITAN

Globalization refers to the shift toward a more integrated and interdependent world economy. Globalization has two main components – the globalization of markets and the globalization of production.(Hill Gh. 1998). The globalization of markets refers to the fact that in many industries historically distinct and separate national markets are merging into one huge global marketplace. It has been argued that the tastes and preferences of consumers in different nations are converging on some global norm , thereby helping to create a global market.(Levitt T 1983). The global acceptance of consumer products such as Citicorp credit cards , Coca Cola , Levi’s jeans , Sony Walkman, MTV , the music of Madonna or Nirvana are all frequently help up as prototypical examples of this trend. Indeed , firms such as Citicorp,Coca-Cola, McDonald’s and Levi Straus are more than just benefactors of this trend: they are also facilitators of it. By offering a standardized product world wide, they are helping to create a global market. The globalization of production refers to the tendency among many firms to source goods and services from different location around the globe in an attempt to take advantage of national differences in the cost and quality of factors of production (such as labor, energy, land and capital.).In 2007 the first ten strongly brand names in the world were the following (Table 4)

Table 4 The first 10 strongly brand names in the world in 2007

	Brand name	Value of Company (in million dollars)	Head quarter
1	COCA COLA	65.324	USA
2	MICRO SOFT	58709	>>
3	IBM	57091	>>
4	GE	51569	>>
5	NOKIA	33696	FINLAND
6	TOYOTA	32070	JAPAN
7	INTEL	30954	USA
8	MCDONALDS	29398	>>
9	DISNEY	29210	>>
10	MERCENTEZ BENZ	23568	GERMAN

Source Newspaper Kathimerini 5 August 2007

It is noted that Titan was the fourth company in Greece with EBITDA and the ninth with sales in 1999 in Greece according to Industrial News and Research (Economicos Tahidromos 1/7/2008). Alan Greenspan, the chairman of the Federal Reserve, from August 1987 to January 2006 in U.S.A, steered the economy through turbulence of new uncertainty, a look at his legacy (Newsweek September 24, 2007). The economic crisis in the U.S.A, GERMANY, FRANCE and ITALY may leave behind from the poor countries that yield big profits (Newsweek March 3 2008). (Table 5). Especially in Greece there was a crisis in the houses market, that came from U.S.A. Also there were big problems with families in budgets, the loans, fuels, foods, energy. Inflation and unemployment

Table 5 The growth (%) of G.N.P of developed and developing countries

	2007	2008	2009
E.E(24 members)	2.60	1.40	1.20
GERMANY	2.50	1.40	1.00
FRANCE	1.90	1.40	1.20
ITALY	1.50	0.30	0.30
U.S.A	2.20	0.50	0.60
RUSSIA	8.10	6.80	6.30
CHINA	11.40	9.30	9.50
INDIA	9.20	7.90	8.00
BRASIL	5.40	4.80	3.70

Source Newspaper. Ta Nea 20 April 2008

7 Conclusions

According to the above discussion, TITAN is a productive company despite its economic hardships.

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