

# The top 500 family businesses in the world

David Bain



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Now in its third year, the Global Family Business Index, which is compiled by the University of St. Gallen with support from EY, shows just how important family businesses are to the world economy and how they drive global employment growth. This year, after analyzing a range of well-established and more recent databases, the researchers in St. Gallen have been able to include 142 new family businesses in the index. Most of them (62%) are unlisted businesses – indeed,

the hidden gems of the world economy – and are often missed because of the paucity of information about them.

Forty-nine of these new companies come from the US, another 12 from Russia, and 11 from China. With 126 companies in all, the US has the greatest number of family businesses in the index. It is followed by Germany with 71, France with 29, and India with 20. Interestingly, Switzerland is fifth on the list, despite its relatively small population – it has 19 companies, indicating the important role that family businesses play in the Swiss economy. A number of these companies are very well-known brands, such as the pharmaceuticals group Roche and the logistics group Kuehne + Nagel.

Between 2012 and 2015, the top 500 had a CAGR of  $-0.8\%$ , but they generated 2.1 million new jobs during that period, an increase of  $9.8\%$ .

The 500 biggest family businesses employ more than 24 million people. The biggest employer is Wal-Mart, which has a staggering 2.2 million staff, nearly a tenth of the total. Other big employers include Volkswagen, which has more than 591,000 employees; Sodexo, the French services and facilities management group, with more than 422,000; and Berkshire Hathaway, the US investment group, with more than 361,000 (through its various investment subsidiaries). But not all the businesses were big employers: Rajesh Exports of India has 358 employees; Union Tank Eckstein of Germany has 350; and E1 Corp of South Korea employs just 226 people.

The split between listed and private businesses is fairly even, with the latter comprising a slightly higher 51% of the enterprises in the index. The most important industry sector among the top 500 is consumer products and retail, with 202 family-owned businesses in total. The leading brands in this sector are Wal-Mart, ALDI, Anheuser-Busch, Mars, IKEA, and Louis Vuitton Moët Hennessy. Tied for second place on the sector list are diversified industrial products, and automotive and transportation.

We looked at the compound annual growth rate (CAGR) from 2012 to 2015 for all the companies in the index. Interestingly, the total revenue figure for the top 500 actually fell to US\$6.81 trillion in 2015 from US\$6.9 trillion in 2012. Nevertheless, a number of companies enjoyed truly exceptional growth during these years, including the Wanxiang Group, an automotive components maker based in China, which recorded a CAGR of 203%. The second-highest growth rate came from the Dutch telecoms group Altice, which recorded a CAGR of 197%. Third on the list was Andrade Gutierrez, the Brazilian conglomerate.

Perhaps the most interesting statistic to emerge from the index is the age of many of these businesses. More than a quarter (144) of the companies are 100 years old or more, the oldest being the Japanese construction and engineering group Takenaka Corp, which was founded in 1610. It is followed by the German pharmaceuticals group Merck, founded in 1668, and the French financial group Wendel, founded in 1704. These companies continue to thrive, despite being more than 300 or 400 years old. All the centenarians provide intriguing insights into the reasons why some businesses survive longer than others and, of course, continue to prosper.

In 2015, the top 500 family businesses in the world recorded revenues of US\$6.81 trillion and employed 24.1 million people.

## Top 10 growth accelerators

Company	Country	Revenue growth (CAGR) 2012-15
Wanxiang Group	China	203.3
Altice NV	Netherlands	196.7
Andrade Gutierrez SA	Brazil	180.5
JD.com	China	55.8
Sun Pharmaceutical Industries Limited	India	50.6
Orascom Construction Industries Company	Egypt	38.6
China Fortune Land Development Co Ltd	China	35.8
Lithia Motors, Inc.	United States	33.3
RP Group	United Arab Emirates	32.9
Lennar Corporation	United States	32.4

## The 10 oldest companies

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Company	Founded	Based
Takenaka Corporation	1610	Japan
Merck	1668	Germany
Wendel	1704	France
Franz Haniel	1756	Germany
Molson Coors Brewing	1786	United States
Jerónimo Martins	1792	Portugal
Thomson Reuters	1799	Canada
D'leteren	1805	Belgium
Swire Pacific	1816	Hong Kong
Wieland-Werke	1820	Germany

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### Methodology

For ranking purposes, a family business is defined as follows: for a privately owned business, the family must control more than 50% of the voting rights; and for a publicly listed business, the family must control at least 32% of the voting rights.

It is generally assumed that 30% of the votes in a publicly listed business are sufficient to dominate the general assembly. This is because roughly 60% of the votes are present in the general assembly. Nevertheless, the University of St. Gallen decided to be more conservative, using a 32% cutoff for the classification of publicly listed businesses.

## Global Family Business Index: the top 50

The Global Family Business Index comprises the largest 500 family firms around the globe. It provides impressive evidence of the economic power and relevance of family firms in the world. The index is compiled by the Center for Family Business at the University of St. Gallen, Switzerland, with the support of EY's Global Family Business Center of Excellence.

Here, we present the top 50 listed in the index as of 4 February 2016. We encourage you to find more about the this index at [familybusinessindex.com](http://familybusinessindex.com).

Rank	Company name	Headquarters	Sector	Founding year
1	Wal-Mart Stores, Inc.	United States	Consumer products and retail	1962
2	Volkswagen AG	Germany	Automotive and transportation	1937
3	Berkshire Hathaway, Inc.	United States	Diversified industrial products	1955
4	Ford Motor Company	United States	Automotive and transportation	1903
5	EXOR SpA	Italy	Automotive and transportation	1927
6	Cargill, Incorporated	United States	Consumer products and retail	1865
7	Bayerische Motoren Werke AG (BMW)	Germany	Automotive and transportation	1916
8	Koch Industries Inc.	United States	Oil and gas	1940
9	Schwarz Group	Germany	Consumer products and retail	1930
10	ALDI Group	Germany	Consumer products and retail	1913
11	Comcast Corp.	United States	Media and entertainment	1963
12	Gunvor SA	Switzerland	Oil and gas	2000
13	Arcelor Mittal	Luxembourg	Mining and metals	1976
14	Groupe Auchan S.A.	France	Consumer products and retail	1961
15	Dell Inc.	United States	Technology	1984
16	Reliance Industries Limited	India	Oil and gas	1966
17	Louis Dreyfus Holding B.V.	Netherlands	Power and utilities	1851
18	America Movil SA de CV	Mexico	Telecommunications	2000
19	CASINO GUICHARD-PERRACHON	France	Consumer products and retail	1898
20	Roche Holding AG (Roche Group)	Switzerland	Life sciences	1896
21	LG Corporation	South Korea	Technology	1947
22	Amer Technology (Shenzhen) Co. Ltd.	China	Diversified industrial products	1994
23	Dalian Wanda Group	China	RE, hospitality and construction	1988
24	Anheuser-Busch InBev SA	Belgium	Consumer products and retail	1852
25	Continental AG	Germany	Automotive and transportation	1871

Rank	Company name	Headquarters	Sector	Founding year
26	Tyson Foods Inc.	United States	Consumer products and retail	1935
27	JBS SA	Brazil	Consumer products and retail	1953
28	AP Moeller/Maersk Group	Denmark	Oil and gas	1904
29	Ineos Group	Switzerland	Diversified industrial products	1998
30	Tata Motors Limited	India	Automotive and transportation	1945
31	Christian Dior SA	France	Consumer products and retail	1946
32	LVMH Moët Hennessy Louis Vuitton SA	France	Consumer products and retail	1987
33	Idemitsu	Japan	Oil and gas	1911
34	IKEA Group	Netherlands	Consumer products and retail	1943
35	Mars Incorporated	United States	Consumer products and retail	1891
36	George Weston Ltd. Company	Canada	Consumer products and retail	1882
37	Odebrecht S.A.	Brazil	RE, hospitality and construction	1944
38	Bechtel Group Inc.	United States	RE, hospitality and construction	1898
39	Sears Holdings Corp.	United States	Consumer products and retail	1886
40	Nike Inc.	United States	Consumer products and retail	1964
41	Penske Corporation	United States	Automotive and transportation	1969
42	21st Century Fox	United States	Media and entertainment	1979
43	Andrade Gutierrez S.A.	Brazil	RE, hospitality and construction	1948
44	Mediterranean Shipping Company (MSC)	Switzerland	Automotive and transportation	1970
45	JD.com	China	Consumer products and retail	1998
46	Power Corp. of Canada	Canada	Insurance	1925
47	L'Oréal SA	France	Consumer products and retail	1909
48	Enterprise Products Partners LP	United States	Oil and gas	1968
49	C & S Wholesale Grocers Inc.	United States	Consumer products and retail	1918
50	BCD Group	Netherlands	RE, hospitality and construction	1975