Editorial

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Biographical notes: Satyendra Singh is the President of Academy of Business and Emerging Markets (http://www.abem.ca), and Professor of Marketing and International Business in the Faculty of Business and Economics at the University of Winnipeg, Canada. His research interests lie in the area of emerging markets with particular emphasis on Africa and Asia. He has published in journals such as *Thunderbird International Business Review*, *Industrial Marketing Management*, *Journal of Services Marketing*, *Services Industries Journal*, among others, and presented papers at international conferences such as *Academy of Marketing Science*, *American Marketing Association*, *British Academy of Management*, *European Marketing Academy*, among others. He is the author of *Market Orientation, Corporate Culture and Business Performance* (Ashgate, UK 2004), and *Business Practices in Emerging and Re-emerging Markets* (Palgrave, USA 2008). He has also edited a book entitled *Handbook of Business Practices and Growth in Emerging Markets* (World Scientific, Singapore 2009).

This issue of *IJBEM* contains five articles from several emerging markets. In the lead article, Boubaker examines the impact of Agadir agreement on northern and southern Mediterranean stock markets. Using the dependence structure methodology, the author finds a significant increase in dependence on these markets following the agreement; however, the long-run results show no evidence of a relationship between these markets before the Agadir agreement. This article enhances our understanding of the basin Mediterranean stock markets in the context of Agadir agreement.

Further, in the Tunisian Stock Exchange, Jeribi and Jarboui investigate how IPO firms and underwriters determine the offer price discount and allocate new issues. Using a sample from the Tunisian Stock Exchange from 1994 to 2012, the authors find that small investors are preferred for Tunisian IPO firms. Insiders use highly reputed underwriters, who exploit their superior market knowledge, to deliberately discount the fair value estimate. The desire of underwriters to promote institutional investors is one of the most important reasons for the deliberate price discount.

In the related topic, Tahat compares risk disclosures – credit risk, market risk, and liquidity risk – associated with financial instruments under IFRS 7 with those supplied beforehand in Jordan. By constructing a disclosure index to assess risk information provided by the sample firms, the findings indicate that a greater level of risk-related data after IFRS 7 was implemented, and that the growth was consistent across all risk disclosure categories; however, the rate of this rise varied from one category to another. These findings provide insights for the Jordanian Securities Commission and the Amman Stock Exchange about the relevance of adopting IFRS by Jordanian listed firms.

From stock markets to innovation, Borini, Costa, Bezerra and Oliveira Jr. examine how two traditional aspects of the headquarters-subsidiary relationship (autonomy and integration) influence reverse innovation in foreign multinational firms based in Brazil. By surveying CEOs of foreign subsidiaries, the authors argue that reverse innovation is associated with the formation of centres of excellence in subsidiaries based in Brazil, and that reverse innovation mediated the relationship between autonomy and integration. The implications for the business managers are that the rationale of centres of excellence in emerging markets is different from the rationale of centres in developed countries.

In the final article in the emerging market of Thailand, Kalasin investigates the effects of the top management teams' (TMT) international exposure on emerging markets-based firms' decision to set up R&D centres overseas in advanced economies. Drawing upon the upper echelon theory and using a sample over a period of six years, the author finds that TMT composition has a positive impact on the capability-building strategy of emerging markets-based firms, and that experience in international settings enables managers to explore technology and acquire greater foreign knowledge, and that the CEO age does not moderate the relationship between a TMTs international exposure and its foreign R&D centre.