

Welcome to the Presentation

BA BUSINESS MANAGEMENT

Module: The Global Business Environment

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Lecturer: Rexon Nting

Student name: Mihai Zarnescu

Student ID: 2133508



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Introduction

Globalization has made international business popular for all the big companies around the world. Trading across national borders is at the heart of international commerce. Goods and services are traded between countries around the world (Courses.lumenlearning.com, 2022).

It is important to a nation's progress and prosperity. Due to differences between nations, a company's ability to operate successfully in the international business environment is crucial (Warnock Davies, 2016).

In this report, a company established in the UK company named GSK (GlaxoSmithKline) decides to relocate production to a developing nation named Brazil.



An Overview of the Chosen Country Brazil

Brazil, the world's fifth-largest country, covers half of South America and is still a developing nation. Its capital is located far inland, away from the ocean, and an increasing number of its citizens are making the moving interior to the countryside. Brazil's most recognizable landscape is its Amazon lowlands (Martins, 2019).

The country is ranked 124th in ease of doing business. The per capita income of this country is 14550 PPP Dollars (World Bank, 2021). There will be less government meddling in local markets and fewer obstacles to doing business in Brazil.



Opportunities of Doing business In Brazil

- **There's a lot of room for growth and profit in Brazil's market as the market is big and the economic condition of this country is progressing day by day (globaldata.com, 2022).**
- **When operating in a regulated market, businesses are better able to comply with the law and find solutions to issues that arise within the confines of the rules.**
- **Businesses can find openings in numerous different fields in Brazil, including agriculture, banking, oil, gas Etc.**



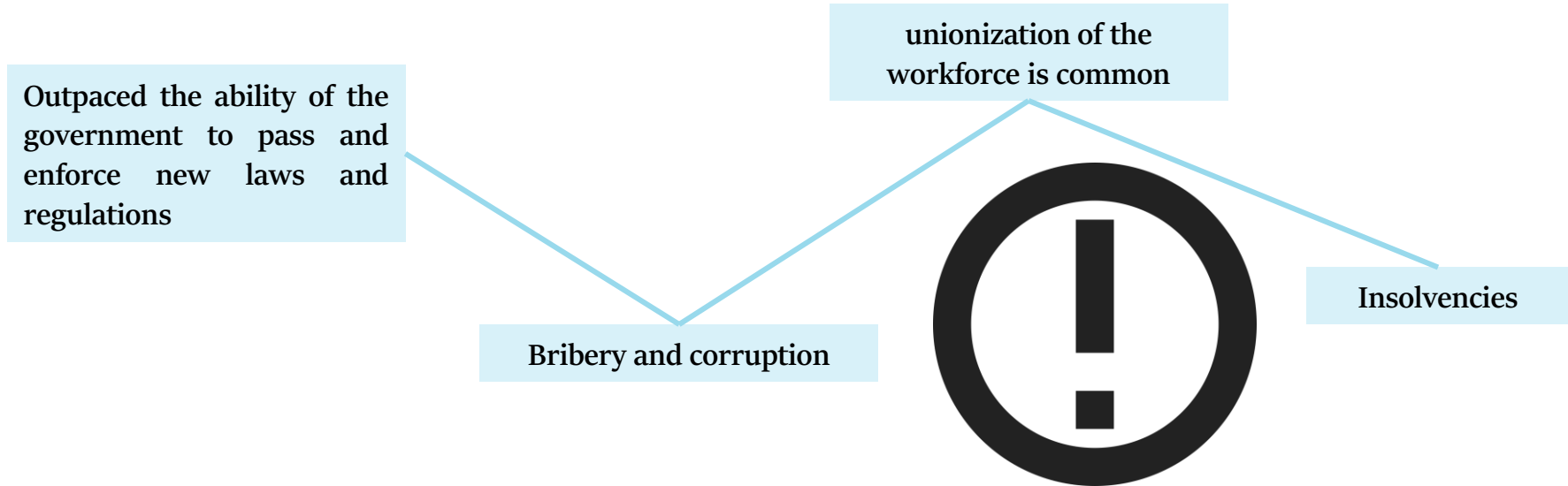
Challenges of Doing business In Brazil

Some difficulties that new businesses in Brazil face include the country's

- **high-interest rate on capital investments,**
- **Its highly regulated labour market,**
- **and the fact that Brazilians may not understand or appreciate the values of their foreign partners (tmf-group.com, 2021).**
- **Threats to Brazilian businesses stem from the country's outsized political influence**



Key Issues of Doing business In Brazil



Recommendations

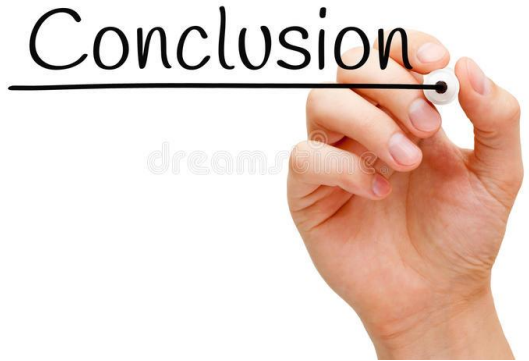
- The first step in setting up a business in Brazil is learning the ropes of the local legal system and the laws that pertain to the industry. Therefore, GSK should be aware of the Pharmaceuticals law of Brazil.
- A foreign employer of local workers should be familiar with applicable labor laws or risk paying out more in compensation packages. The country has stringent labor laws, meaning that many businesses are forced to pay higher wages to their employees.
- Foreign investors in Brazil should research the country's business climate and analyze the country's economic potential.



Recommendations

Conclusion

It is challenging for a corporation based in a developed country to establish a global presence and maintain operations in a developing country. Factors unique to the developing nation often pose challenges and roadblocks for companies. To succeed in emerging markets like Brazil, a company must first learn about the local business climate and analyze the various opportunities available to it. Brazil stands apart from other developing countries because its economy is expanding at a faster rate than that of other countries. Many companies, then, eye Brazil as a potential location for their operations due to the country's relatively inexpensive infrastructure and promising financial rewards.



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