

Evaluation of Business Environment

Global Business Environment

- **Name: Tanya Garabinska**
- **University: UW Trinity St David**
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- **Lecturer: Olusoyi Ashaye**
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Developing Country-Ethiopia

- Second most populous country in Africa.
- Growth rate 6.3%.
- Gross national income is \$890 per person.
- Economy is developing.



Key Issues of Ethiopia regarding doing business

- Growing economy.
- Political stability
- Concern for legal business environment
- Lower threat of new entrants in the *financial* and banking sector



Opportunities in Ethiopia

- Large population.
- Developing economy and GDP growth.
- Investment opportunity



Challenges in Ethiopia

- Poor country
- Less use of modern technology
- Lower literacy rate



Barriers faced by foreign businesses

- Trade Barriers
- Managing the global teams



Ways to exploit the opportunities

- Using a large population for production.
- Bringing new technological use.
- Invest in local businesses



Ways to manage challenges in business

- Focusing on corporate governance.
- Doing PESTLE analysis
- Analyzing business culture



Theories to use while doing business in Ethiopia

- Stakeholder's theory for corporate governance.
- Hofstede's cultural dimension
- Porter's five forces analysis for specific business



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