

Global Business Environment

Evaluation of Business environment



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- Module name: Global Business Environment
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Introduction:

International environment in Romania

Presenting the key challenges for Tesco.

Discussing the key opportunities.

Discussing the key issues.

Discuss the ways to exploit the opportunities.



International environment in Romania

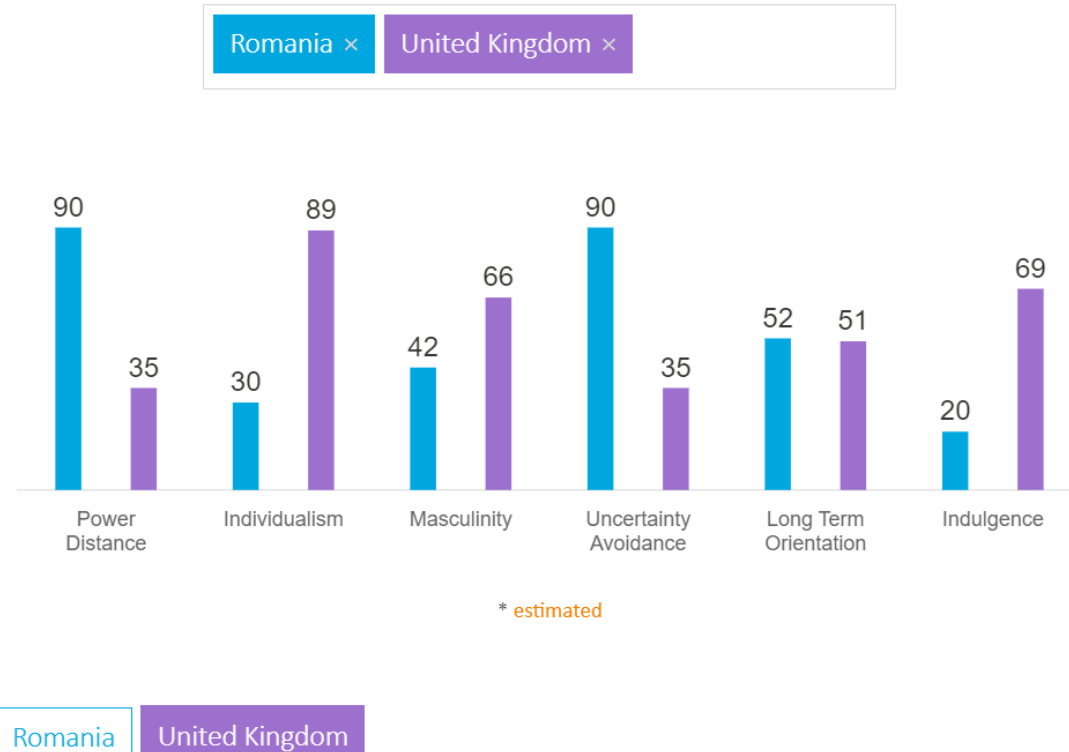
- Romania:
- Developing country
- Member of the European Union
- Involvement in corruption and bureaucracy

Indicators	2019	2020	2021	2022f	2023f	2024f	Trend
GDP growth rate (%)	4.2	-3.9	5.9	3.4	4.5	3.5	
GDP per capita (\$)	12,879.9	12,895.9	14,690.6	16,174.6	17,522.2	18,878.3	
Inflation rate (%)	3.8	2.6	4.5	10.9	6.0	3.7	
Unemployment rate (%)	3.9	5.0	5.2	5.5	5.4	5.3	
Exports (% of GDP)	42.8	37.6	36.4	35.8	35.2	34.7	
Current account balance (% GDP)	-4.89	-5.02	-7.1	-7.0	-6.5	-6.1	
General government net lending/borrowing (% GDP)	-4.9	-9.8	-6.9	-8.0	-6.8	-6.6	
General government debt (% GDP)	36.8	49.6	51.4	56.0	58.6	61.4	
Exchange rate (RON per \$)	4.2	4.2	4.2	4.1	4.1	4.1	

GlobalData(2021)

Note: Trend chart are on six-year basis (2019–24f)

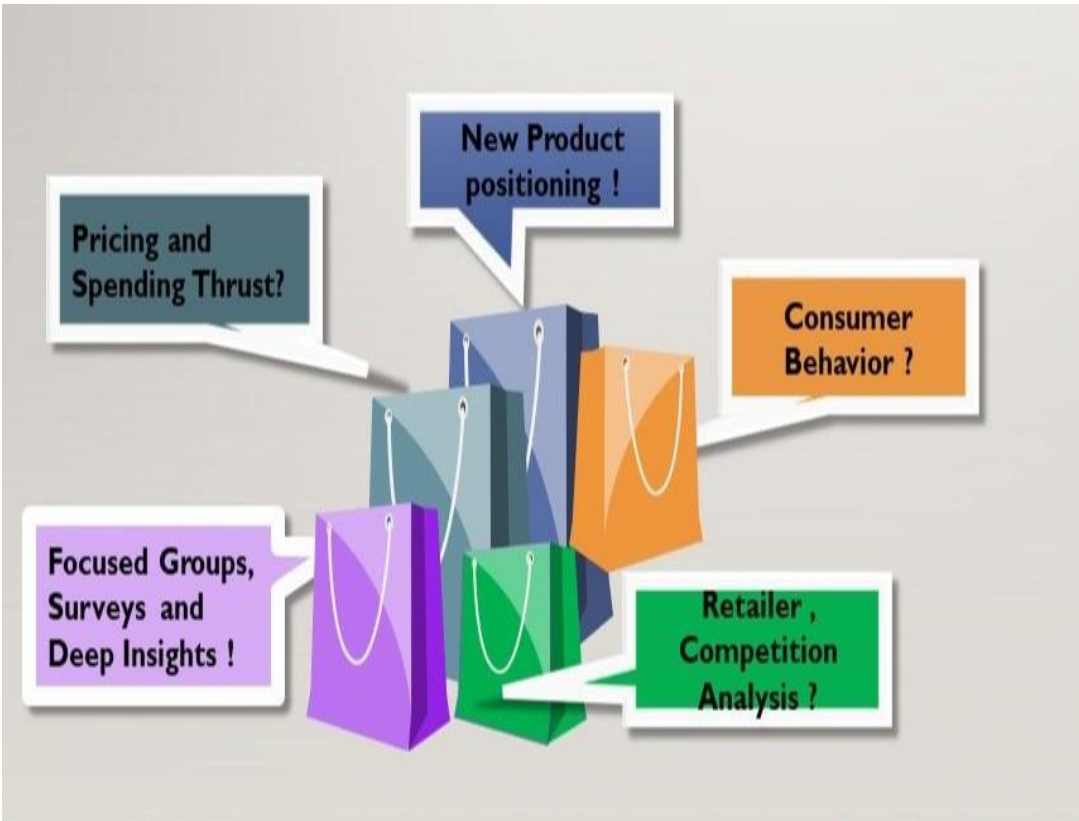
International environment in Romania



- High power distance with unequal power distribution
- Individualism society
- Low rating in masculinity indicating a high standard of living
- High scores in uncertainty avoidance
- Medium scores in long-term orientation
- Low scores in indulgence

International environment in Romania

- High entry barriers make it difficult for new players to enter the Romanian market retail
- Strong competitors
- Weak negotiating of suppliers
- Significant bargaining power of customers
- Various options for grocery shopping (Stanciu et. al., 2019)





Key opportunities in the Romanian market:

- Increase in the development of ICT and technology that help the company to attract customers.
- Increased infrastructure development helps the company to build business effectively (Industrial, 2021).



Key opportunities in the Romanian market:

- Increased online shopping helps the company to build an online shopping facility.
- Macroeconomic stability helps the company to grow without any external challenges (Trade, 2022).

Key challenges in the Romanian market:



- For the low productivity level of the workers, Tesco can face the challenge to make a great productivity level.
- People do not purchase products from any company so Tesco faces the challenge to attract customers (Industrial, 2021).

Key challenges in the Romanian market:

- For the ineffective judicial system, the company faces challenges.
- For corruption and political instability, Tesco faces the challenge to grow the business effectively (Trade, 2022).



Key issues in doing business in the Romanian market for Tesco:

- One key issue for Tesco is the corruption level of Romania.
- Another key issue in Romania for Tesco is the political instability (Romania Insider, 2021).



Discuss the ways to exploit the opportunities in the Romanian market for Tesco:

- Tesco can use macroeconomic stability to build business effectively without facing any challenges.
- Tesco can use increased infrastructure development to set up the business properly (Industrial, 2021).



Discuss the ways to exploit the opportunities in the Romanian market for Tesco:

- Tesco can use increased online shopping to build online shopping.
- Tesco can use increased development of technology and ICT to build advanced technologies to make effective business (Trade, 2022).



Discuss the ways for managing the challenges in the Romanian market for Tesco:

- Doing domestic e-commerce campaigns by collaborating with local businesses to sell the product or service to local customers (Trade, 2022).
- Doing initial marketing campaigns such as online and offline campaigns, attending trade fairs, etc.



Limitation of the recommendations:

- If Tesco does not implement the recommendation in a proper way then it can not overcome the challenges in the Romanian market (Nibusinessinfo, 2022).



Conclusion:



- One key opportunity for Tesco is macroeconomic stability.
- Another key opportunity for the company is the increased development of infrastructure, ICT, and technology.

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