

MGMT2101

International Business and Multinational Operations

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Week 1 - globalisation and international business

- How can an event in one part of the world affect the rest of the world?
- The shift towards a more integrated and interdependent world economy
 - Ideas, people, goods and services can escape the space and time confines of national geographies with more dynamic communication and transportation
 - Distinct and separate markets merged into one global marketplace

| | |
|-----------------------------|---|
| Globalisation of markets | <p>Seeking overseas markets to leverage demand</p> <ul style="list-style-type: none">• Education• Medical and consultancy services• Sales and technical services <p>Factors – capital and labour are internationally traded</p> <ul style="list-style-type: none">• Foreign direct investment• Labour movements• Technology |
| Globalisation of production | <p>Sourcing goods and services from around the world to take advantage of differences in cost or quality of factors of production</p> |

- Technology and personal contact
 - Spread of human civilisation
 - Artefacts and institutions
 - Patterns of living
 - Information and knowledge
- Economic integration - need for institutions for the global marketplace
 - WTO - oversees free trade and investment in member countries
 - IMF - oversees monetary stability and crisis with emergency loans and special drawing rights for different countries
 - World bank - promotes development of developing nations, reduces poverty, promotes education and welfare
 - United Nations
- Political engagement
 - Policy aimed at spreading certain institutions, global agreements, and treaties
 - Lowering of tariffs (trade liberalisation)
 - Lowering of barriers to foreign investment (investment liberalisation)