

MK 326
International Marketing
Chapter 9-10-11

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Chapter 9, 10,11

Economic Development

Asia Pacific Region, Brazil,
Africa, Four Tigers

International Marketing

18th Edition



Mk 326 Group Assignment 9:

Chapter 9-10- 11

Topic: Exploring Trade in Brazil, China, Africa and the 4 Tigers

- Each group is to prepare a one page power point slide presentation and analyze why **your project country** would want to trade with

1. Brazil
2. China
3. Africa
4. The 4 Tigers

Please design the one page by using graphs, charts, visuals to make one page interesting ka. Due next class on March 24, 2022



International Time Zones

Important in Business

- International marketers deal with three kinds of distance
 - Miles, time zones, cultural distance
 - Time zones have greatest impact on success abroad
- Usually good relationships among contiguous countries
 - Associated pattern of economic growth and global trade
 - Three market regions or trading blocs based on time zone: the Americas, Europe, and Asia
 - Industrialized, industrializing, underdeveloped countries in each bloc

International Time Zones

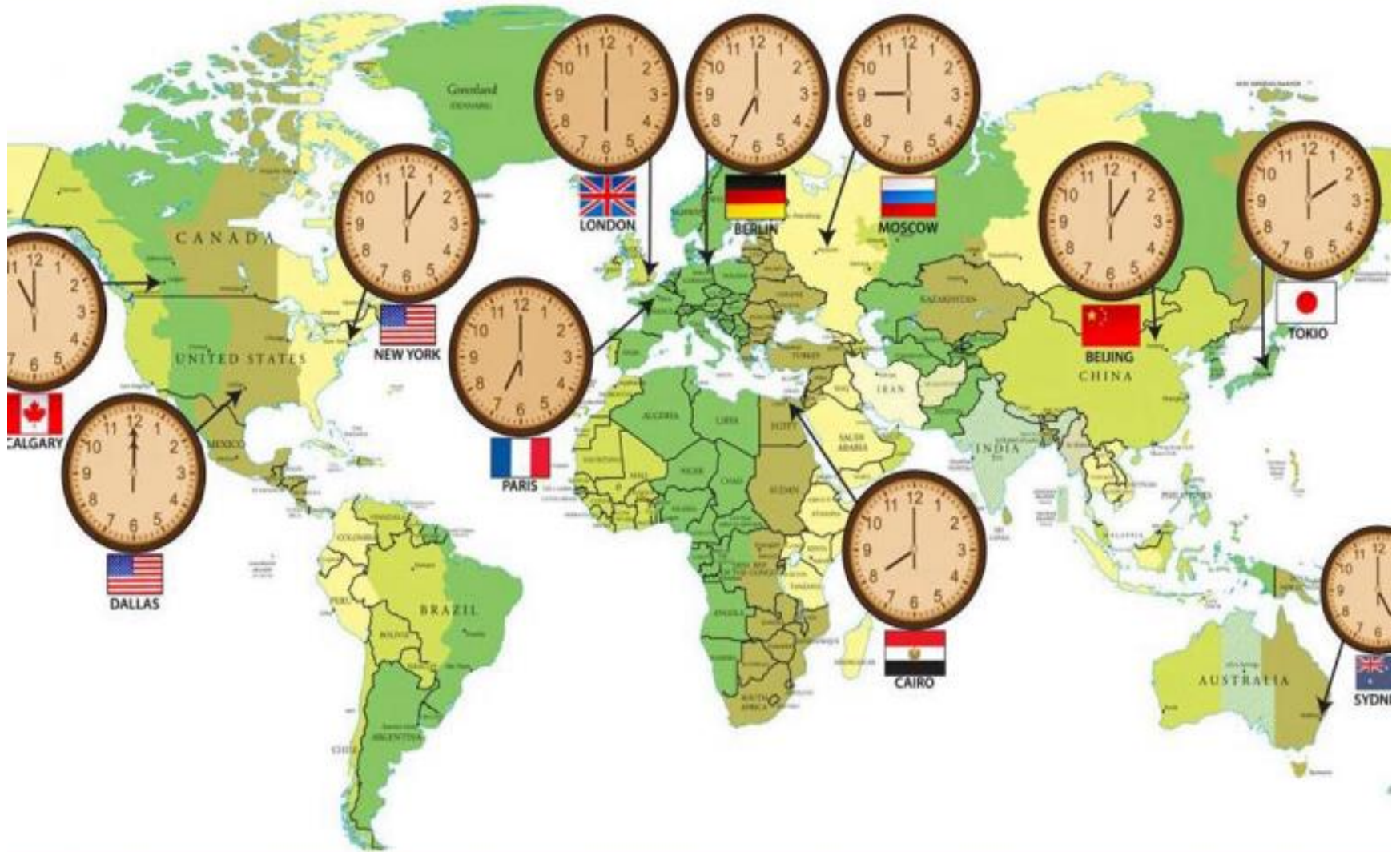


Exhibit 9.1 Three Regional Trading Areas Roughly Defined by Time Zones

Region	Population	GDP
The Americas	1.01 billion	\$25.2 trillion
Europe and Africa	2.00 billion	\$21.2 trillion
Asia Pacific	4.55 billion	\$28.7 trillion

Marketing and Economic Development 1 of 7

Economic Level

- The stage of economic development in a country
 - Affects consumer behavior
- Marketer must adjust marketing task accordingly
 - Economic level the single most important factor
- United Nation's stages of economic development
 - More-developed countries (MDCs)
 - Less-developed countries (LDCs)
 - Least-developed countries (LLDCs)



Marketing and Economic Development 2 of 7

Newly Industrialized Countries (NICs)

- UN classification system has been criticized
 - No longer seems relevant in rapidly industrializing world
- LDCs industrializing quickly are commonly called NICs
 - Chile, Brazil, Mexico, South Korea, Singapore, Taiwan examples
 - No longer use restrictive trade; now free market reforms
 - Attract both trade and foreign direct investment
 - Have become formidable exporters of many products



Marketing and Economic Development 3 of 7

Economic Growth Factors

- Political stability in policies affecting development
 - Economic and legal reforms
 - Entrepreneurship
 - Planning
 - Outward orientation
 - Factors of production
 - Industries targeted for growth
- Incentives to force a high domestic rate of savings and direct capital to update infrastructure
 - Privatization of state-owned enterprises (SOES) that had once drained national budgets
 - Large, accessible markets with low tariffs



Brazil, officially the Federative Republic of Brazil, is the largest country in both South America and Latin America. At 8.5 million square kilometers and with over 211 million people, Brazil is the world's fifth-largest country by area and the sixth most populous.

Brazil is one of the world giants of **mining, agriculture, and manufacturing**, and it has a strong and rapidly growing service sector.



Competition in Coffee Production

© Benjamin Lowy/Getty Images



© imageBROKER/Alamy



© John Graham

Brazilian production of coffee (on left) has almost always determined world prices for the brew. Now this commercial dominance is being challenged in two ways. First, Vietnam's burgeoning new production (on right) caused world coffee prices to crash in recent years, from a high of \$1.85 per pound in 1997 to about \$.50 in 2001. Circa 2015 prices are now back to about \$2.00 per pound, after peaking at \$3.00 in 2010. And Starbucks is changing the global game in retail coffee distribution—including in its store in the heart of São Paulo, the historical center of coffee production in Brazil and the world.

ECONOMIC FACT FILES

BRAZIL



7:00



A Look at Brazil's Diverse Economy (Economic Fact Files: Brazil)



The Duomo Initiative · 17K views · 1 year ago



Marketing and Economic Development 4 of 7

Information Technology, the Internet, and Economic Development

- Investment in information technology (IT) important
 - Key to economic growth
 - Innovation can lead to sustainable future for developed and developing nations
 - Internet cuts transaction costs; increases global reach
 - Speeds up the diffusion of new technologies
 - Mobile phones and wireless technologies reduce expense of costly telecom infrastructure



Marketing and Economic Development 5 of 7

Objectives of Developing Countries

- Industrialization fundamental objective for most
 - Allows for achievement of both economic and social goals
- Foreign investors now seen as vital partners to process
 - Sometimes feared as having goals that conflict with host country
 - But many countries welcome foreign investment
 - Trend toward privatization a major economic phenomenon in industrialized and developing countries

Marketing and Economic Development 6 of 7

Infrastructure

- Assortment of capital goods
 - Serve activities of many industries
 - Support production and marketing
- Impacts business efficiency of enterprises
 - Crucial component of uncontrollable elements facing marketers
- Directly impacts country's economic growth potential
 - Strong infrastructure necessary for exporting goods
 - Must support country's expanding population and economy

Marketing and Economic Development



©Golf_chalermchai/shutterstock

Marketing and Economic Development

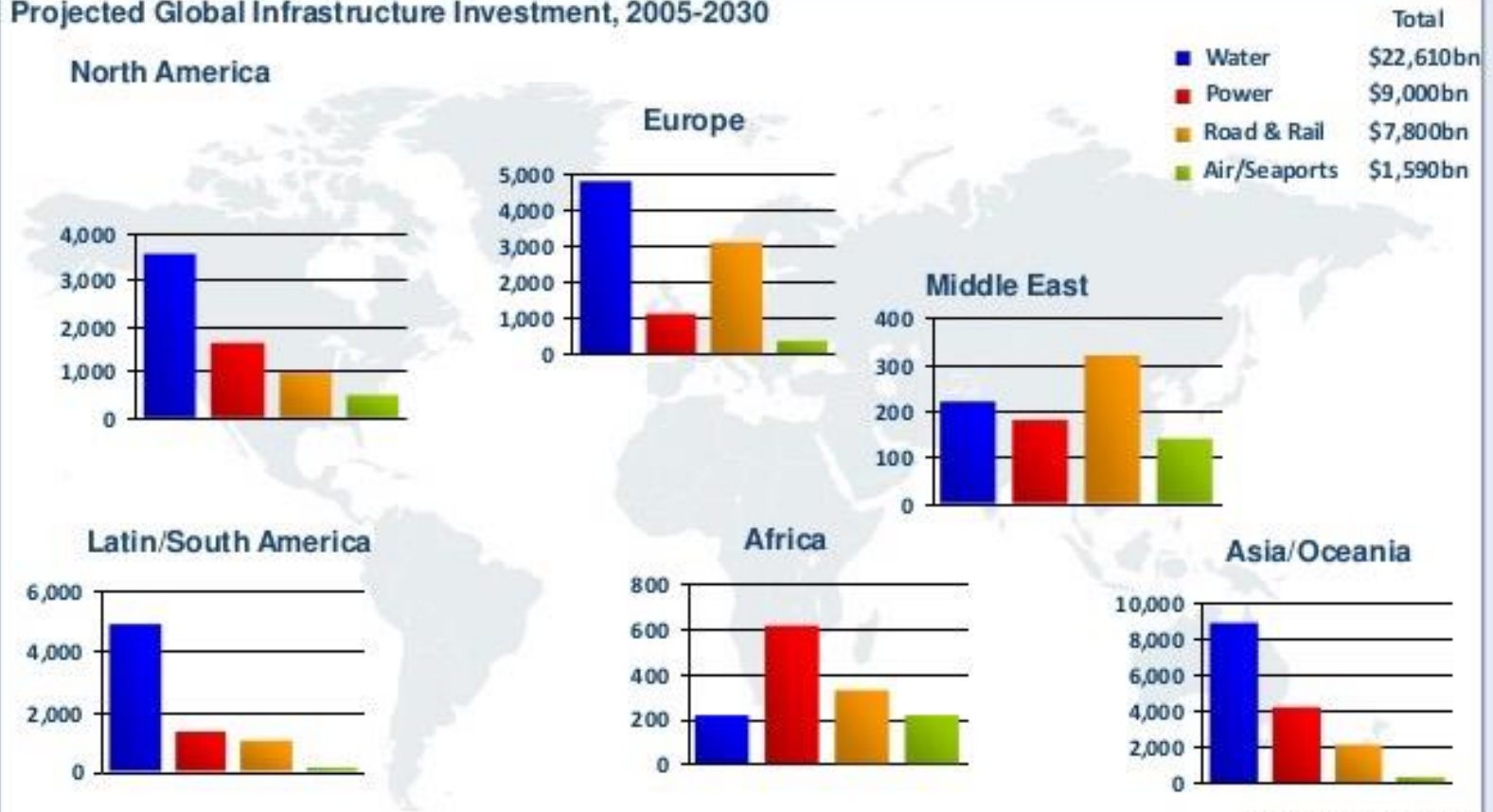


Global Infrastructure

Infrastructure Development

Projected Global Infrastructure Investment 2005-2030

Projected Global Infrastructure Investment, 2005-2030



Source: Morgan Stanley

Business Development



© John Graham

In Jamaica, Pepsi partners with a local fast-food company, co-branding and supporting local development efforts.

Dynamic Growth in the Asia Pacific Region 1 of 14

1996 financial crisis in leading Asian economies

- Tight monetary policy, appreciating dollar, deceleration of exports all contributed to downturn

Despite crash, Asia fastest growing region in world

- Growth fastest for last three decades
- Prospects for continued growth are excellent
- Source of new products, technology, vast consumer markets

Dynamic Growth in the Asia Pacific Region



Dynamic Growth in the Asia Pacific Region 2 of 14

The Greater China

- Refers to two separate political units that divided in 1949
 - People's Republic of China (PRC)
 - Taiwan or Republic of China (ROC)
- Both claimed the other as its territory
 - Politically difficult and militarily dangerous dispute persists
- More direct trade between two in 21st century
 - Helps ease the historical tension of East Asia



Dynamic Growth in the Asia Pacific Region 3 of 14

The People's Republic of China (PRC)

- **Most important national market aside from U.S.**
- **Dramatic economic and social changes in China**
- **Events in 2000 had profound effect on China's economy**
 - Admission to the World Trade Organization
 - U.S. granting permanent normal trade relations to China (PNTR)
- Best thought of as group of regions, not single country
 - China's diversity, size, and political organization makes this necessary

Dynamic Growth in the Asia Pacific Region 4 of 14

The People's Republic of China

(PRC) continued

- China fast emerging as competitor in global markets
- Must overcome issues to reach full potential
 - Human rights and legal system major issues in China
 - Environmental decline associated with fast growth
 - Demographic disaster associated with one-child policy
 - Discrimination against those moving from rural to urban areas



Foreign Dominance of Auto Industry in China



© Stephen Shaver/UPI/Newscom

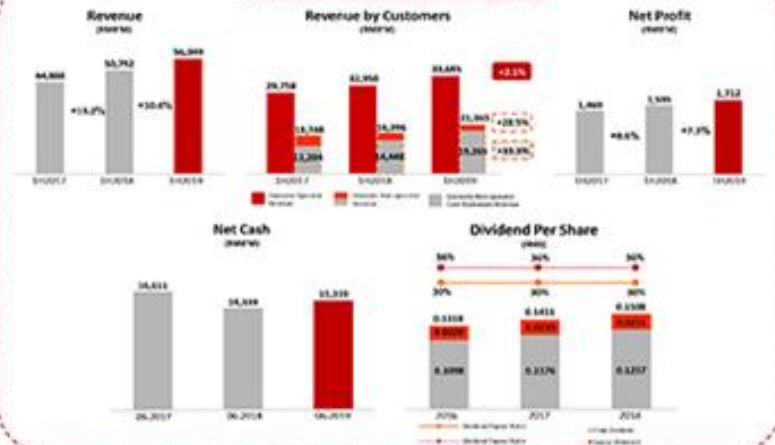
China has been pressing bureaucrats to buy locally branded cars. The market share of Chinese brands has plummeted this century from more than 65 percent in 2000 to just 45 percent. European brands garner about 20 percent of the market, Japanese 15 percent, American 11 percent, and Korean 8 percent. Volkswagen (including its Audi luxury sedans, pictured here parked outside the National Peoples Congress) dominates the other foreign carmakers, followed by Hyundai and Toyota. Almost all the foreign companies are deeply involved in joint ventures with Chinese partners.

CHINA

Who We Are

China Communications Services Corporation Limited ("China Comservice") is a New Generation Integrated Smart Service Provider that provides integrated comprehensive solutions in the informatization and digitalization sector. The Company is also the largest telecommunications infrastructure service group in China that offers a range of unique one-stop integrated services along our customers' value chain. Our major shareholders include the three telecommunications operators in the PRC - China Telecommunications Corporation, China Mobile Communications Group Co., Ltd. and China United Network Communications Group Company Limited.

Financial Performance at a Glance



3 Key Businesses

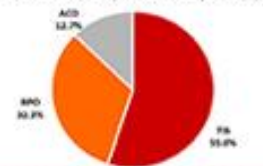
Telecommunications Infrastructure (TIS) Services
- Design - Construction - Supervision

Business Process Outsourcing (BPO) Services

- Maintenance - Facilities Management
- Supply Chain
Core BPO

Applications, Content and Other (ACO) Services
- System Integration - Software Development & Value-added Services
- System Support

Revenue Mix by Businesses (1H2019)



3 Customer Groups

Domestic Operator Customers

- China Telecom
- China Mobile
- China Unicom

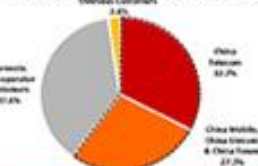
Domestic Non-Operator Customers

- Government Agencies
- Small and Medium Enterprises
- Industrial Customers (Transportation, Construction, Internet & IT, Electricity...)

Overseas Customers

- Customers in emerging markets, including Africa, the Middle East and Southeast Asia

Revenue Mix by Customers (1H2019)



Vast Development Opportunities Brought by 5G

5G network construction, and the deep integration between new technologies such as Big Data, Cloud Computing and IoT with various industries will greatly stimulate the demand for and investment in smart applications



5G will bring continuous and significant development opportunities to the Company in various stages



Why Invest in Us

- Being a listed state-owned enterprise with revenue scale exceeded RMB 100bn, we are striving to provide competitive integrated comprehensive solutions in the digital era, and with over 30 smart-typed products targeting various industry applications
- Being the largest telecommunications infrastructure service group in China, possessing decades of experience and capabilities in the field of communications and informatization sectors
- The three telecommunications operators in China are all shareholders and customers of the company, maintaining close relationship all along
- One of the companies benefiting the most from the opportunities in telecom sector (including 5G) and digitalization development
- Diversified customer and business mix, exposing to various vast market opportunities
- Demonstrated the ability to achieve overall favourable and sustained revenue growth regardless of different industry cycles in recent years
- Maintain robust financial position and provide relatively stable and sustainable dividend to shareholders
- Seasoned management team with strong execution capabilities, well recognized corporate governance and IR best practices

Share Information

Stock Code: 00552 (Hong Kong Stock Exchange)
Listing Date: 8 December 2006
IPO Price: HK\$2.2 per share
Total Issued Shares: 6,926,018,400

- Domestic Shares: 4,534,598,160
- H Shares: 2,391,420,240

Board List: 7,000 shares
As at 30/06/19:

- Closing Price: HK\$6.06 per share
- Market Capitalization: HK\$42.0billion (~ US\$5.4billion)

Financial Year End: 31 December
International Auditor: Deloitte Touche Tohmatsu

Awards and Recognition



IR Contact

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Fax: (852) 3099 0120 | Website: www.chinacc.com.hk

CHINA

CHINA AND THE FAR EAST



The **2020** Olympic and Paralympic Games are due to be held in Tokyo, Japan.

In 2013, China's cement production was approximately **2.2 billion t.**



More than **60%** of the world's cement is made in China.




South Korea has approved a **US\$7 billion** project to build **two nuclear plants.**

Japan's GDP is the **fifth largest in the world**, standing at around **US\$5.96 trillion** in 2012.


China plans to close **370 million t** of outdated industrial capacity by 2015.



The Japanese government will spend approximately **¥23 trillion** on reconstruction projects over the next 10 years following the **March 2011 earthquake.**



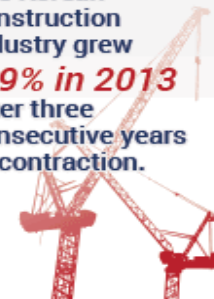
Taiwan's economy is expected to grow by an estimated **3.6% in 2014.**



65% of China's industrial emissions come from the thermal power, steel, cement, refining, petroleum and petrochemical industries.

Taiwan Cement operates **25 kilns** with a total capacity of **60 million tpa**, the sixth largest in China.

The Korean construction industry grew **6.9% in 2013** after three consecutive years of contraction.





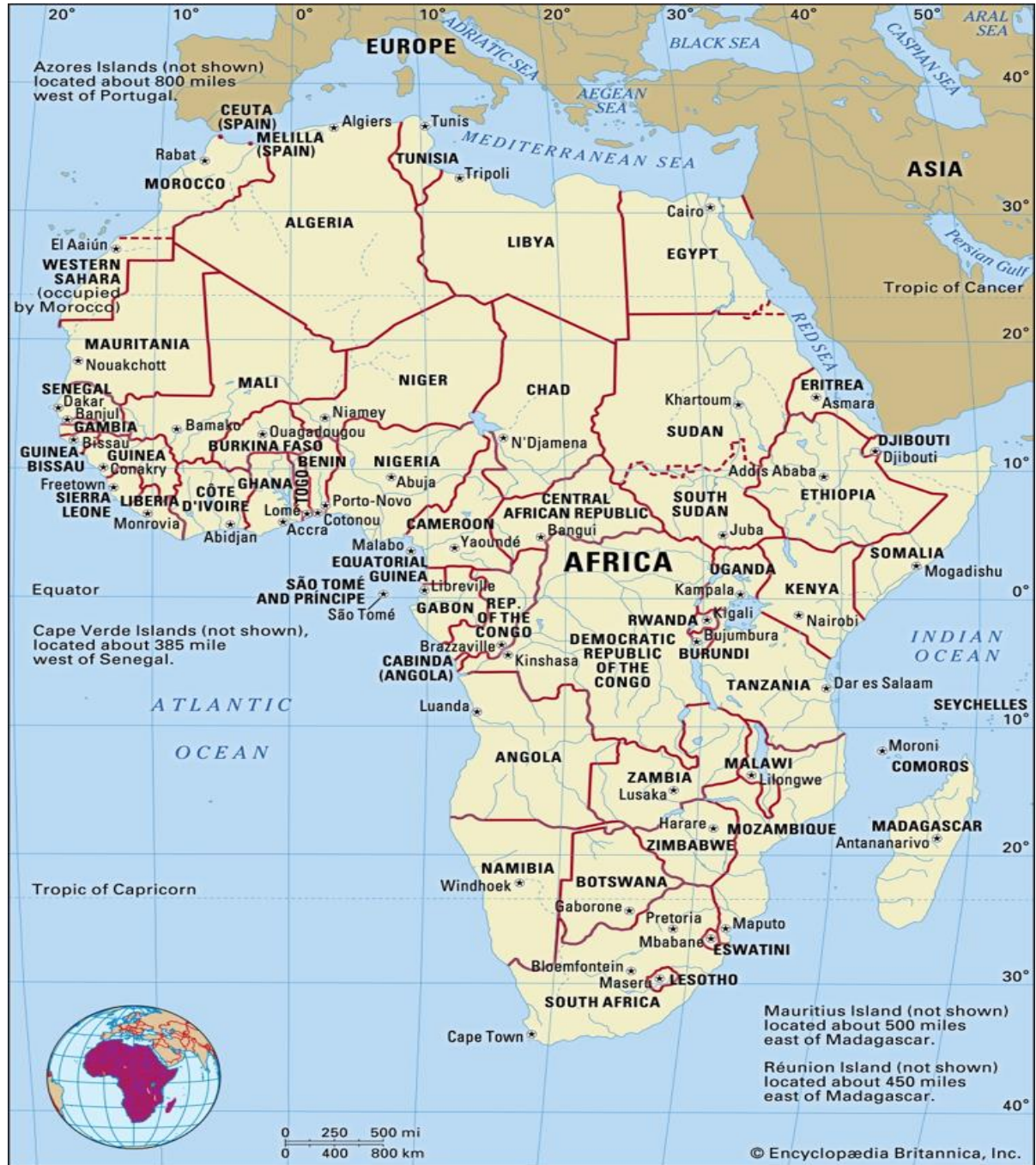
China's trillion dollar plan to dominate global trade



Vox · 7.7M views · 2 years ago



Africa



Africa 1 of 2

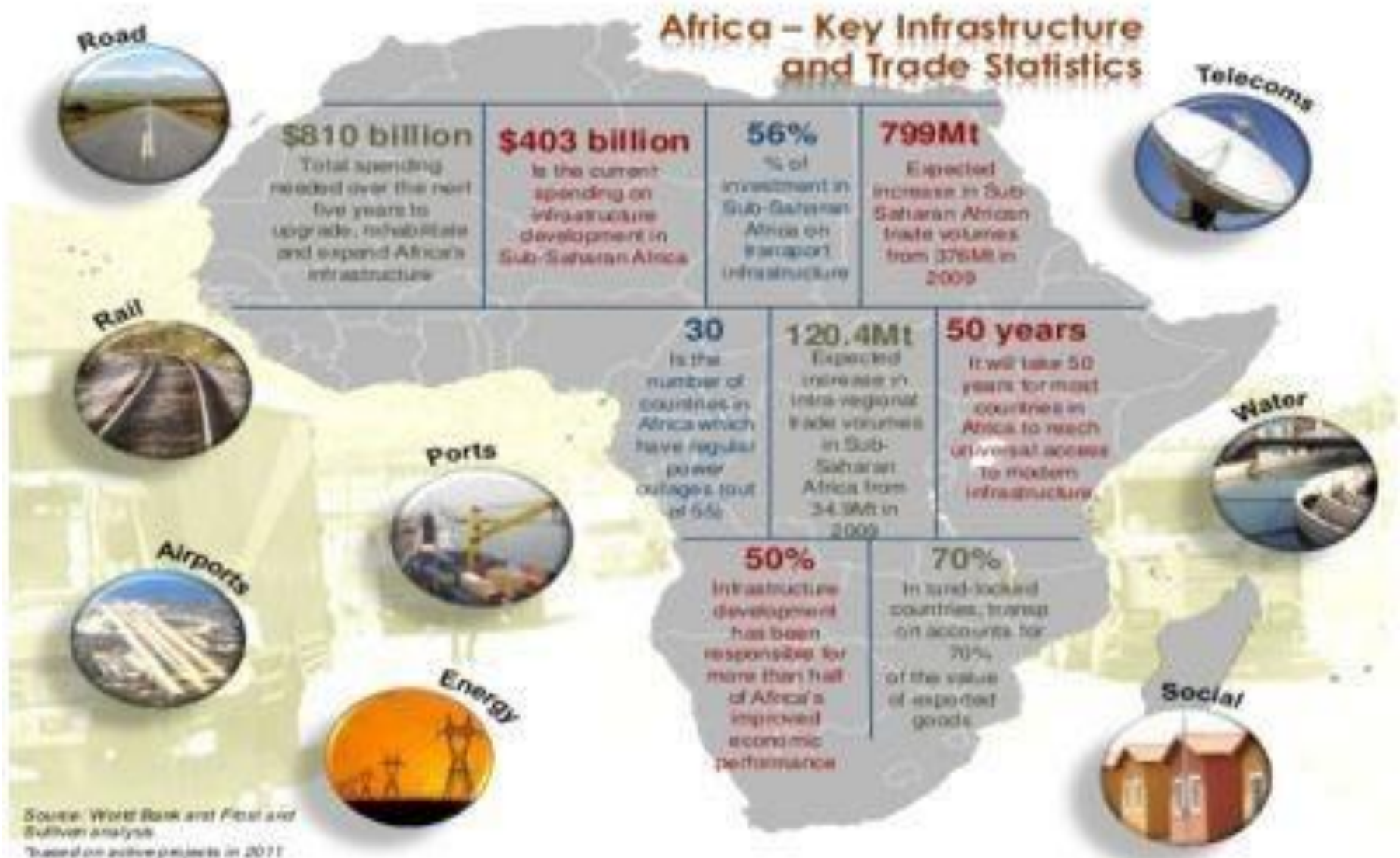
Growth in many countries

- Despite economic, political, and environmental issues
- In part stimulated by increasing foreign direct investment
 - Particularly from China for infrastructure projects
 - Growth remarkable in sub-Saharan countries
- Expected to continue over next five years
- Africa a paradox
 - Mostly poor population; land rich with opportunities

Africa



Growth in Africa



Source: World Bank and Fitch and Sullivan analysis
 *Based on active projects in 2011

Growth in Africa



© John Graham

Growth in Africa

Cell phone service is widely available even in African countries with per capita incomes among the lowest in the world.



Growth in Africa



© John Graham

Loosely defined African Union

- Comprised of all countries on continent but Morocco
- Multinational market integration poor
 - Although many organizations, hindered by political instability



Regional Cooperative Groups

- ECOWAS – Economic Community of West African States
- SADC – Southern African Development Community
- EAC – East African Community



AFRICAN CONTINENTAL FREE TRADE AREA.

Creating One African Market



A Flagship Project of
Agenda 2063
The Africa we Want

www.au.int 19:52



African Continental Free Trade Area

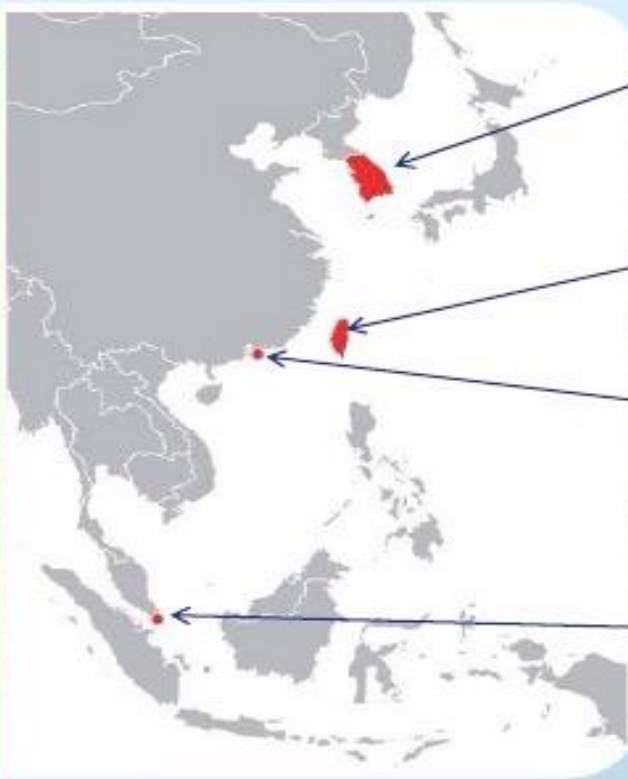


African Union · 84K views · 2 years ago



Dynamic Growth in the Asia Pacific Region

The Asian Tigers



South Korea



Taiwan



Hong Kong



Singapore



Source: Artbackwash. (2010). *Grab a tiger by it's tail*. Retrieved December 27, 2010, from <http://artbackwash.blogspot.com/2007/08/grab-tiger-by-its-tail.html>

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Four Asian Tigers



The Four “Asian Tigers”

- Hong Kong, South Korea, Singapore, and Taiwan
 - Fastest growing economies in region during 1980s and 1990s
 - Often described as the “East Asian miracle”
 - First countries to move from developing to industrialized status
- Major influence in trade and economies of world
 - Expanding activity to other parts of Asia in particular



Dynamic Growth in the Asia Pacific Region 14 of 14

Vietnam

- Economy and infrastructure was in shambles after War
- Country is poised for significant growth
 - Bilateral trade agreement with U.S. led to NTR status
 - U.S. tariffs on Vietnamese imports dropped significantly
 - Population of 91 million is educated and highly motivated
 - Government is committed to economic growth



Delivery in Vietnam



© Hoang Dinh Nam/AFP/Getty Images

Vietnam has very few cars; motorbikes deliver almost everything, including moon cakes, in Hanoi.

Vietnam



Vietnam

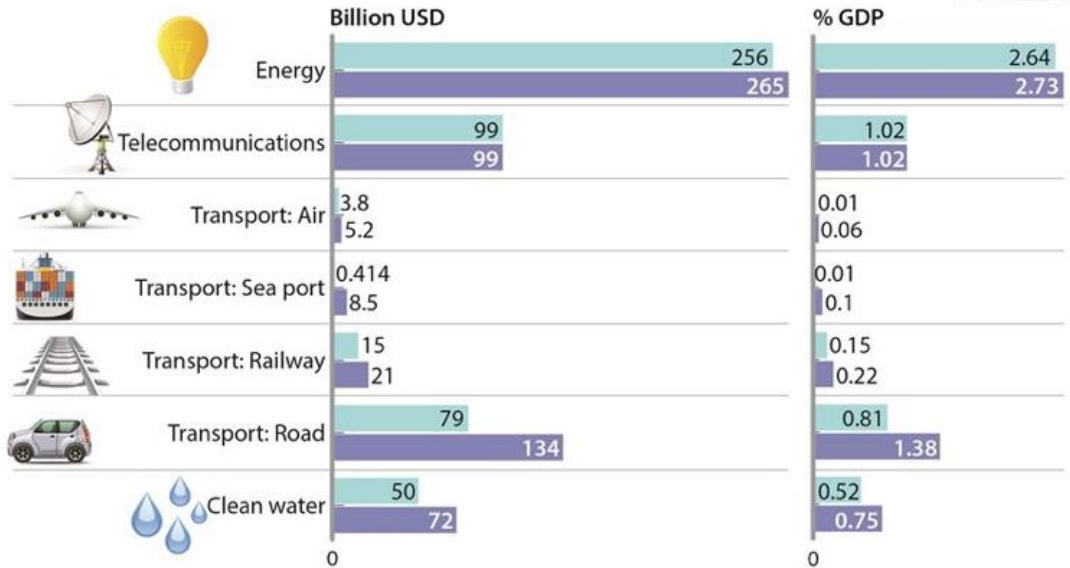
Forecast on Vietnam's infrastructure investment demand

According to a report from the Global Infrastructure Outlook, Vietnam will meet 83 percent of its infrastructure investment needs by 2040 if the current investment trend is maintained. Road sector is said to face largest gap to fulfill targeted investment needs.

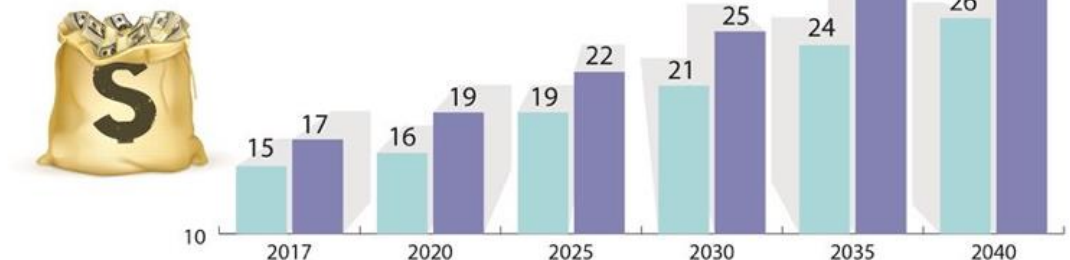


■ Calculated in current investment
 ■ Calculated in investment demand

Total infrastructure investment forecast in 2016-2040



Infrastructure investment forecast through years - billion USD



Source: Global Infrastructure Hub

<http://infographics.vn>





**Cool
Vision**

Four Asian Tigers: Singapore, Hong Kong, Taiwan and South Korea :

CoolVision · 231K views · 11 months ago



ASEAN



The words "The End" are written in a large, white, sans-serif font. The text is centered and surrounded by a vibrant, multi-colored paint splatter effect. The splashes are in shades of red, yellow, blue, and green, creating a dynamic and energetic background for the text.

The End