



Influencing Factors of International Business Environment in Bangladesh

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ABSTRACT

The opposition strategy is an assortment of law utilized to deflect prohibitive business hones. A study directed by the World Bank found that Bangladesh does not have a perfect business environment in most key ranges of beginning and working together. The study did not address the purposes behind the absence of good business environment in Bangladesh. Utilizing a purposive specimen and a sentiment overview, this paper inspected the opposition strategy of the legislature of Bangladesh in two central points. The outcomes show that in two elements, the administration's opposition approach neglects to deflect against the aggressive conduct of real firms. Encourage, individuals from common society trust defilement and remuneration assume a noteworthy part in the administration's inability to preclude predominance of significant firms.

Keywords: International Business, Market Environment, Business Exchanging, External Factors and Internal Factors

1. INTRODUCTION

The opposition strategy is an assortment of laws, regulatory guidelines and case law utilized to discourage prohibitive business hones so as to keep up the reasonable rivalry. It likewise incorporates principles and controls that arrangement with mergers and acquisitions. The opposition strategy incorporates measures that evaluate confinements upon and obstructions to focus exchanges inside a national market. Its objective classifications are cartels and other level restrictions, prevailing positions and mergers, vertical limitations, value separation and multinational ventures. The point of rivalry approach is to make a focused market environment by embracing proper measures to manage the anticompetitive lead of business firms. The general objectives of both exchange approach and rivalry strategy are to expand the effectiveness of asset designation and welfare of purchasers. In any case, their strategies contrast as exchange strategy underscores participation among the countries of the world though rivalry approach needs to advance contention among the different firms of the countries and additionally around the nations.

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1.1 International Business

International Business (IB) is being worried about the issues confronting international organizations and governments in managing a wide range of cross-outskirt exchanges. IB includes all business exchanges that include at least two nations. IB comprises of exchanges that are contrived and completed crosswise over fringes to fulfill the targets of people and associations. IB comprises of those exercises private and open endeavors that include the development of national limits of products and ventures, assets, learning or aptitudes. (2) As the opening contextual investigation on Google recommends, international business identifies with any circumstance where the generation or dissemination of merchandise or administrations crosses nation fringes. Globalization is the move toward a more related and coordinated worldwide economy, makes more prominent open doors for universal business. Such globalization can occur as far as business sectors, where exchange boundaries are falling and purchaser inclinations are evolving. It can likewise be found as far as a generation, where an organization can source products and ventures effectively from different nations. A few chiefs consider the meaning of worldwide business to relate absolutely to "business," as proposed in the Google case.

In any case, a more extensive meaning of international business may serve you better both by and by and professionally in a world that has moved past basic modern creation. The International business includes a full scope of cross-outskirt trades of products, administrations, or assets between at least two countries. These trades can go past the trading of cash for physical merchandise to incorporate global exchanges of different assets, for example, individuals, protected innovation (e.g., licenses, copyrights, mark trademarks, and information), and legally binding resources or liabilities (e.g., the privilege to utilize some outside resource, give some future support of remote clients, or execute a complex money related instrument). The elements required in an international business run from vast multinational firms with a large number of representatives working together in many nations around the globe to a little one individual organization going about as a merchant or exporter. This more extensive meaning of international business additionally envelops revenue driven outskirt crossing exchanges and additionally exchanges spurred by nonfinancial increases (e.g., triple primary concern, corporate social obligation, and political support) that influence a business' future.

1.2 Business Environment

The environment is surroundings which we live in, the outer powers following up on the business are the business environment. The environment incorporates the variables outside the firm, which can prompt to open doors for or dangers to the firm. These components can be financial, mechanical, political, and social and so forth. Along these lines, the universal business environment is the business

operations in various nations with various outer powers following up on them. Nature is further named the household environment, outside environment, and worldwide environment.

1.3 Important of International Business Environment

- Helps in the extension: Geographic development might be utilized as a business system. Despite the fact that organizations may extend their business at home.
- Helps in overseeing item life cycle: Every item needs to go through various phases of item life cycle when the item achieves the last phases of the life cycle in present market; it might get a legitimate reaction at different markets.
- Innovation focal points: Some organizations have exceptional innovation favorable circumstances through which they appreciate center competency. This innovation helps the organization in catching different markets.
- New business open doors: Business openings in abroad markets help in the extension of many organizations. They may have achieved an immersion point in the household advertise.
- Legitimate utilization of assets: Sometimes mechanical assets like work, minerals and so forth are accessible in a nation, however, are not profitably used.
- Accessibility of value items: When markets are open, better quality products will be accessible all around. Outside organizations will advertise most recent items at sensible costs. A decent item will be accessible in the business sectors.
- Winning remote trade: International business helps in acquiring outside trade which might be utilized for key imports. Creating nations require outside trade to import raw petroleum, mutilate gear, crude material, and hardware.
- Helps in shared development: Countries rely on upon each other for meeting their necessities. India relies on upon inlet nations for its unrefined petroleum supplies.
- Interest in the foundation: International business requires the best possible advancement of the framework.

1.4 Problems in International Business

- Controlling the market: Multinational attempt to control the market of the host nation. At whatever point they enter another nation, the primary system is to dispense with the contenders either by assuming control over their business or driving them out of the market by taking after value decrease strategies.

- Debilitating characteristic assets: Multinational partnerships set up their generation offices in those nations where regular assets are accessible in adequate amounts.
- Significance to extravagances: Multinational partnerships enter those ranges where the edge of benefits is high.
- Exchange hones: Since multinational organizations have their head office in one nation and the exchange rehearses took after their stick to.
- Monetary advancement: It is, by and large, felt that the passage of specialists from outside may help in the financial improvement of that nation. The real practice in numerous nations is distinctive.
- Moving of speculation: International business is identified with the benefit of its operations. On the off chance that a business is getting adequate benefits in a specific nation then the speculation stay there.

Business Environment comprises of each variable compelling to the business operations. These elements are characterized into two general classes. These are a) External or Uncontrollable elements of the Business environment. b) Internal or Controllable variables of the Business environment.

2. INFLUENCING FACTORS OF INTERNATIONAL BUSINESS

2.1 External Factors

The elements those are not controllable at any cost but rather need to receive for the achievements of the business are outside or wild elements. For instance Demography, Political powers, Legal practices, Cultural impacts, Technological progression, intensity and so forth. (6)

2.1.1 Social Conditions

A Sociological point of view of the earth incorporates the Demographic Status and Trends, the Work Ethic and Personal Values and General Cultural Values. Each of these impacts how administration finishes its employments. Every nation has a one of a kind Social Environment and as business gets to be distinctly international, the administration must comprehend these novel environments.

2.1.1.1 Demography

Demography implies the aggregate number of the populace of a specific region. They have a more noteworthy impact of any business operation. For instance in a mass populated region request of buyer items will be the nearly lesser populated region. In this way, we can state that demography directly affects the business environment. Since request coordinate towards the expansion of offers. The

higher the estimation of offers the more would be the benefits. The more benefit effects on achievement business operations.

2.1.1.2 Cultural Forces

Culture is that the matters that implies our living, eating and nourishment propensity, a method for dressing and method for talking everything collected to our way of life. For instance wearing lungi, eating panta with hilsha angle on Bengali New Year is a piece of Bangladeshi culture, each Bangladeshi regard or practices this culture. It is common assignments for Bangladeshi tenants. Yet, it is not adequate in western or European culture. Wearing shorts eating fast food, having wine gathering are their way of life. Be that as it may, it is not satisfactory in Bangladeshi culture. Therefore interest for shorts and wine is totally higher in the western culture than that of in Bangladeshi society.

2.1.1.3 Work Ethics and Personal Value

The significance put upon work by an individual is known as hard working attitude. Business associations checked upon the yearning to work in its representatives, a hard working attitude communicated in devotion and organization dedication. However hard working attitude has changed particularly in more youthful laborers and clearly, the states of mind of the specialists will affect upon the association as it enlisted people, prepares, compensates, and holds representatives.

2.1.2 Political Influences

Political environment directly affects any nation's business environment. Some political environments result in a relatively better business environment and the other way around. For example, the Instable political environment in Bangladesh is a noteworthy deterrent for Bangladeshi operations. Then again before two decades Bangladesh, Vietnam, and Malaysia were same positioning nations from financial viewpoints. Be that as it may, today Malaysia and Vietnam have propelled a considerable measure themselves toss their legitimate political choices, talented initiative, at long last stable political circumstance and mindful authority make them rising monetary power in the southeast Asia and also around the world. In the event that we take a gander at Home, Political Instability which took after the Parliamentary Elections of 1996 with no gathering having an unmistakable larger part had its effect on the mechanical atmosphere in 1997. From the above dialog, it is very evident that sound political environment has a lot of positive on business operation and the other way around. The administration arrangement of a nation relies on the political culture of a nation. It can be diverse sorts in light of the type of government. For example, an arrangement in a comrade nation won't coordinate with the approach of a law based or government type of government. Not exclusively will this

administration arrangement of steady governmental issues be superior to a precarious political culture. In a stable political state government can take any business-accommodating choice to fortify neighborhood business with the assistance of resistance gathering. In any case, in precarious legislative issues government can improve for pulling in FDI yet in the event that the restriction does not assume its part from a valuable perspective or give any distractive political strategy like, Trick, Riot, Not to go to in the parliament or changes all approaches chose by the past government like Bangladesh. These sorts of political culture hampers government approach and also fall in an awful effect on the business environment of that specific nation. Law and request circumstance ought to be controlled by the legislature. Be that as it may if any administration neglected to control this critical element of hitter business results than the business environment of that nation hamper and businesspeople feel unreliable than no remote financial specialist can attempt to come, for example, the destructive environment. By along these lines organizations and in addition the aggregate economy of that nation tumbles down. For example, China has a control law and request circumstance and any financial specialist have a positive intuition to put resources into china which is not guaranteed in Bangladesh or some other nation government.

2.1.3 Legal/Regulatory

Rehearses laws are the essential route in which Business is directly influenced by the lawful arrangement of a nation. Legitimate practices of any nation directly affect the business operation of that nation. For instance, if there are any ties on the international business exchange from the lawful specialist of any nation then no organization can separate those tenets. For instance, we can take the instance of License Raj.

Permit Raj, which alludes to the intricate licenses, controls and the going with a formality that was required to set up and run business in India between 1947 and 1990. Up to 80, government organizations must be fulfilled before privately owned businesses could deliver something and, if, in all actuality, the administration would control creation. The License Raj was an aftereffect of India's choice to have an arranged economy, where all parts of the economy are controlled by the state and licenses were given to a chosen few. Permit Raj built up the "flighty, self-sustaining organization that still exists all through a significant part of the nation" and debasement thrived under this framework.

2.1.4 Economic Conditions

In the working of a Business Enterprise we can see that an association makes utilization of assets (info elements) to deliver products and administration (yield). This happens inside the general monetary environment, which influences each of these elements. Few of those components are:

2.1.4.1 Economy

Aspects of the economy which must be considered by the administration as it settles on choices are:

- i. The existing stage of the economy and the stage of the Business Cycle.
- ii. The Rates of Growth of GNP and Per Capita Income.
- iii. Rates of saving and Investment
- iv. The volume of Exports and Imports.
- v. Inflation Rate.
- vi. Interest Rate
- vii. Government Budgetary Allocations.
- viii. Changes in Distribution of income and Wealth

2.1.4.2 Customers

The essential feature of External Economics measurement is a firm client. The objective of the basic leadership process is to better and all the more gainfully achieving the clients. Clients look to have the correct item at the right place, at the perfect time, in the correct shape and at the correct cost. Administration looks to know the character of the client and however much as could reasonably be expected about the client, who is known as the objective market. (11)

2.1.4.3 Competitiveness:

There is no syndication, duopoly, Tripoli market of any item around the world. That implies in each item has mass rivals in the market. To wind up distinctly an accomplishment in the focused market one must have aggressiveness. (12) Competitiveness is a few elements of the item, the components are:

- i. Distinguished quality
- ii. Outstanding performance.
- iii. The economy in price
- iv. Better outlook

2.1.5 Technological Advancement

The last factor of the outer environment is that of Technology. It has a standout amongst the most sensational consequences for Business, as changes in innovation are frequently felt rapidly by the organization. A Company might be completely dedicated to a type of innovation and may have put intensely in hardware and preparing, just to see another, more inventive and financially savvy innovation rise. As observed by the remarkable speed of development of the Internet in the most recent five years of the twentieth Century, markets can change overnight, much to the pain of the organizations that neglect to conform

to evolving innovation. Innovation is overhauling itself so rapidly than that of our creative ability. Media transmission framework has revolt each framework than any time in recent memory. Since just three decades back speaking with a European collaborate with documentation was a one-month extensive process. Be that as it may, today we are doing it inside a minute. It has the best effect on business correspondence. Without fast correspondence, no business can run easily, beneficially in the aggressive market. There are two noteworthy perspectives in regards to the Technological Environment that a Business ought to be worried about:

2.1.5.1 The process of Innovation

The wellspring of new innovation is by and large the Research and Development (R&D) of Private Industry, Government and Academic Research. A Company may choose to Invest in R&D and afterward make utilization of the created innovation or permit it to different organizations. Innovative Discoveries can be licensed at first for a long time which gives the innovator the select appropriate to make utilization of innovation or creation. On the off chance that the wellspring of the advancement is in the past or even at current innovation levels, it is said to be an Evolutionary Technological Innovation. In the event that however the advancement does not expand upon past innovation and presents a critical move from the past, it is known as Revolutionary Technological Innovation.

2.1.5.2 Technology Transfer Process

Once another innovation has been found, the significant issue turns out to be the manner by which to bring it into a mechanical environment set up. Most specialists oppose new innovation until they are demonstrated how this new innovation will bring more beneficial and make their work life less demanding. The more radical and inventive the innovation the higher is the resistance.

2.2 Internal Factors

The components those are identified with the interior operations of a business and can be controlled by the appropriate administration are controllable or inward variables of the business environment. For example Land, Labor, Capital, Business Location and so on.

2.2.1 Land

For the most part land implies soil yet in business, arrives incorporates everything inside the plant like the limit of land, the span of the building, hardware portions and so on.

2.2.2 Labor

Workforce is another crucial component of creations and different business operations. Gifted labor is not accessible all over the place but rather labor can be talented up through a marathon training of related errands. In the meantime, we should consider the wages, working environment, employee stability, work fulfillments of the specialists. Work fulfillments can give the best execution and in addition inventive yields. Works can be fulfilled through offering diverse thought processes. It might be money related prizes and mental backings.

2.2.3 Capital

Capital means money related liquidity of the association. The store might be gathered from various sources. For example, a) Fully claimed capital b) Through organization understanding c) Taking an advance from the money related establishments d) Collecting capital from capital market e) Joint wander support gathering from outside market Collecting asset is not the last assignments for legitimate business operations. Since legitimate usage of the store i.e. capital administration capacities must be worked effectively.

2.2.4 Business Location

The Business area is the main consideration for effective operation of any business. The area ought to be chosen in light of the accompanying measures: a) Transportation offices b) Availability of crude materials c) Availability of works d) Security Better transporting offices result in brisk correspondence which is a fundamental component of each business. The business area ought to be chosen in the wake of speculation accessibility crude materials, gifted work drive and high security.

2.2.5 Owner's Equity

Proprietor's value is that segment of the capital where liabilities are excluded. Just self-possessed and different business offered offices are incorporated here (15)

3. Additional Influential Factors in International Business Environment

As expressed most importantly components will be material for the International Business Environment. There are numerous variables ought to be included for International Business Environment. These are as per the following: a) Regional participation affiliations like SAFTA, NAFTA, EU and so on b) WTO c) UN Activities d) Current world request e) International rules & directions. Provincial Cooperation Association: There are numerous territorial participation affiliations

are accessible around the world. These affiliations are controlling their particular territorial business capacities. For instance: SAFTA, NAFTA, EU, ASEAN and so on.

3.1 SAFTA

SAFTA Stands for South Asian Free Trade Area. It makes a system for the production of an organized commerce zone covering 1.4 billion individuals in India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, and Maldives. The seven remote clergymen of the district consented to a structure arrangement on SAFTA with zero traditions obligation on the exchange of for all intents and purposes all items in the locale by end 2012.

3.2 NAFTA

The North American Free Trade Agreement (NAFTA) is a business understanding among Canada, the United States of America, and Mexico which guaranteed facilitated commerce and simpler streams of capital among the signatory countries. This business understanding controls their universal business a considerable measure.

3.3 ASEAN

The Association of Southeast Asian Nations (ASEAN) is a political and monetary association of nations situated in Southeast Asia. ASEAN was framed on August 8, 1967, by the Philippines, Malaysia, Thailand, Indonesia, and Singapore, as a show of solidarity against the socialist extension in Vietnam and rebellion inside their own particular fringes. Taking after the Bali Summit of 1976, the association set out on a mission of monetary collaboration, which fumbled in the mid-1980s just to be resuscitated around a 1991 Thai proposition for a provincial "facilitated commerce zone". The nations meet every year.

3.4 WTO

The World Trade Organization (WTO) is an international association that builds up principles for universal exchange through accord among its part states. It likewise settles question between the individuals, which are all signatories to its arrangement of the trade agreement.

4. CONCLUSION

The opposition strategy of the legislature of Bangladesh in two variables was inspected in this paper. An investigation of the External and Internal variables was analyzed in this paper. The greater part of the components showed a market

structure with the strength of on real firm in every industry; nonetheless, the administration's opposition arrangement did not particularly address solutions for lessening or wiping out the predominance or improving rivalry in these elements. The view of the common society individuals with respect to prohibitive business practices, imposing business model, and hostile to focused components will assume a critical part of the plan and execution of a national rivalry approach in Bangladesh. Definitely, it would require the foundation of a national rivalry specialist and its execution would rely on upon, in addition to other things, end of a conspiracy of the officials and the administration of extensive firms.

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