

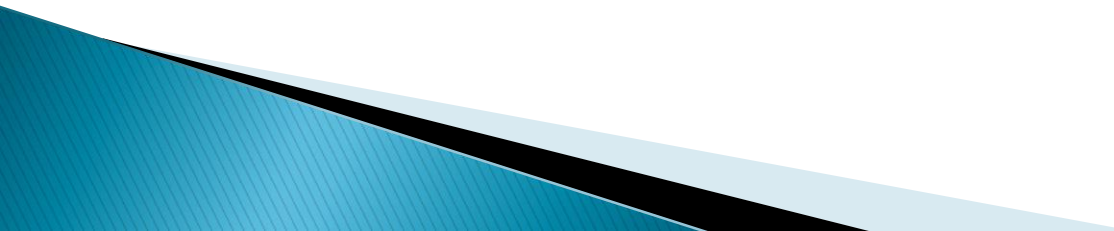
A close-up photograph of a person's hand holding a small, translucent green globe. The globe features a white map of the world's continents. The hand is positioned with the thumb and fingers supporting the globe from below and the sides. The background is a plain, light color.

International Geographical Environment

ASHU K GARG

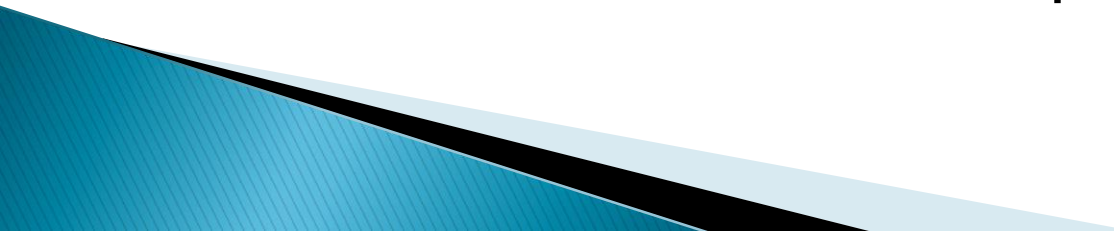
Introduction...

A company can smooth its sales and profits by operating in a number of countries because the different countries have different business cycle. But the geographical environment affects the multinational or international business in a great way.

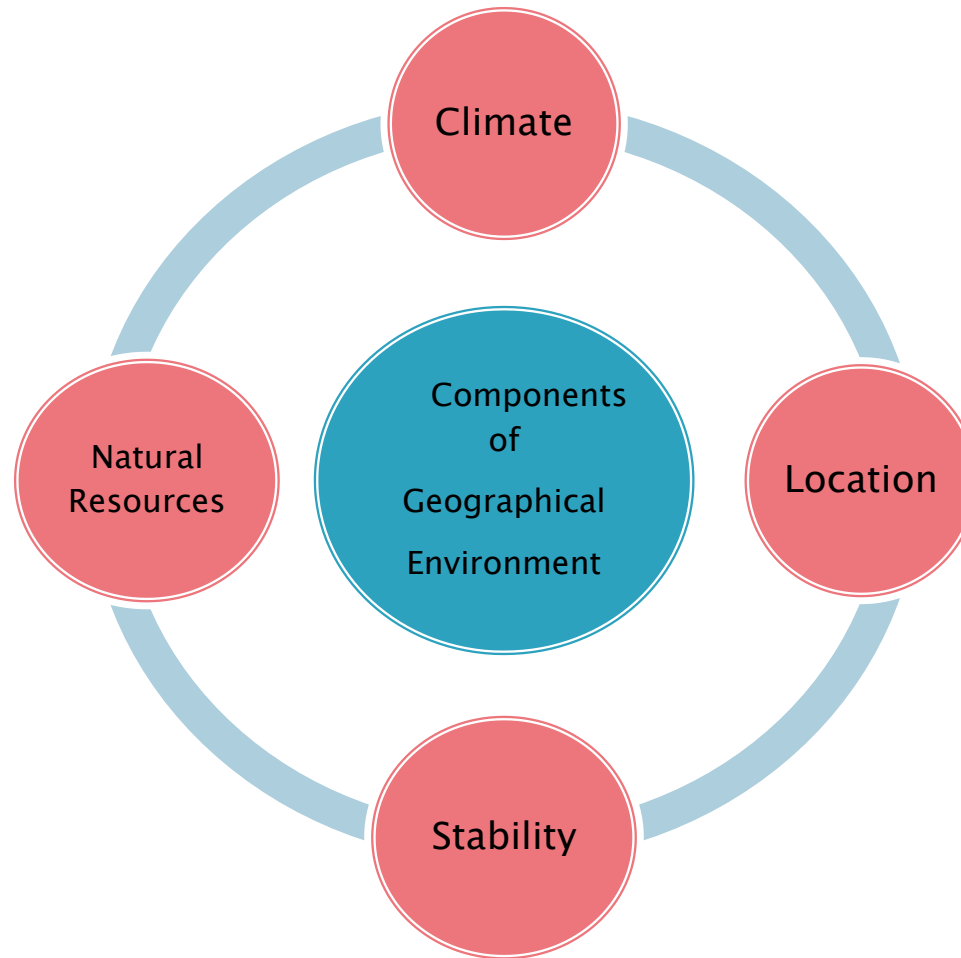


Meaning of Geographical Environment

Geographical Environment refers to a country's climate, topography, natural resources and people.

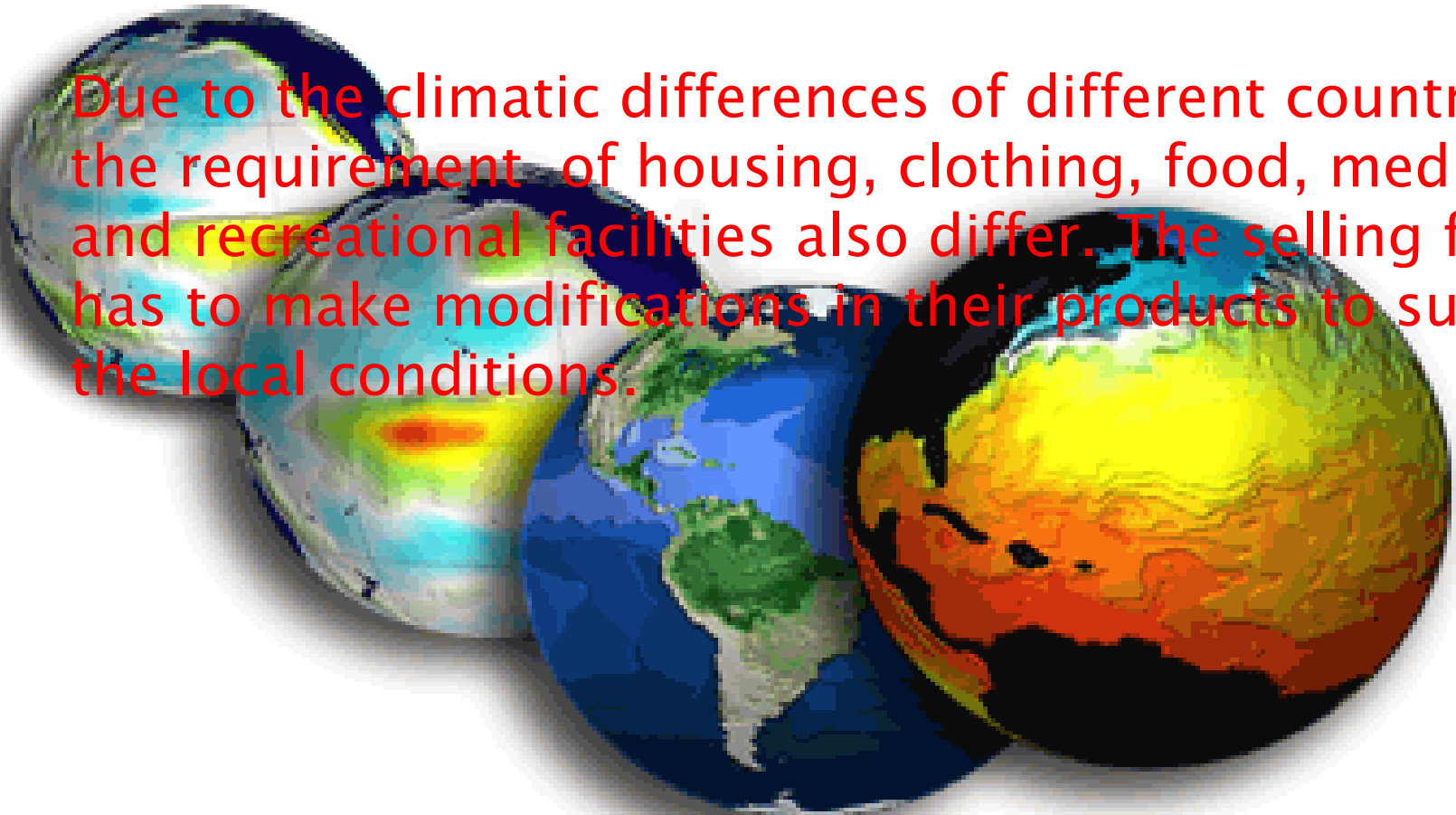
- ❑ The business firm, which plans to operate at international level, should study and understand the geographical features of countries in which they are going to enter.
 - ❑ The knowledge of this environment is must, as it influence the nature and characteristics of a society. Nature and characteristics of society further affect the demand pattern.
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Components of Geographical Environment



Climate

Due to the climatic differences of different countries, the requirement of housing, clothing, food, medical and recreational facilities also differ. The selling firm has to make modifications in their products to suit the local conditions.



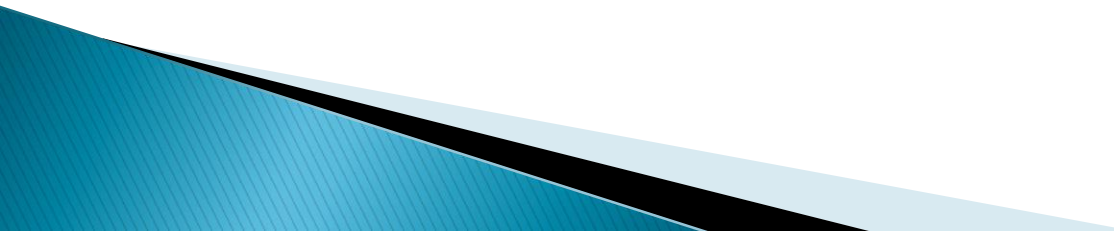
EXAMPLE

- ▶ Europe and North America profits from fertile land, temperature climate and good rainfall. In Southern atmosphere, there is poor land fertility, high water scarcity and high diseases spreaded. People in those regions have to work twice as hard just to survive and have fewer development opportunities than northern countries.

It mayn't possible to work between 11 to 2 in very hot days. So we have to lose 3 hours. Rain patterns may give you a short growing season, while others can get two harvests in a year.

Cattle producers

Canada is northern country having winter season. American cattle producers have less weather extremes to contend with than Canadian Cattle Producers, therefore it is more costly for Canadian cattle producers to feed their herds. Because it is colder in Canada, you have to feed the cattle more grain because these animals burn more calories in colder weather. Overall, it costs more to bring animals to market due to the challenges of weather and our colder climate.



South Korea

An aerial photograph of a rugged coastline. Dark, jagged rock formations protrude from the sea, with white foam from crashing waves visible around them. The water is a deep blue-grey color.

Having a temperature climate with 4 seasons. Winter is usually long, cold and dry. January is the coldest month having temperature from -5°C to -25°C .

Summer is hot, humid and short.

Autumn and spring is short.

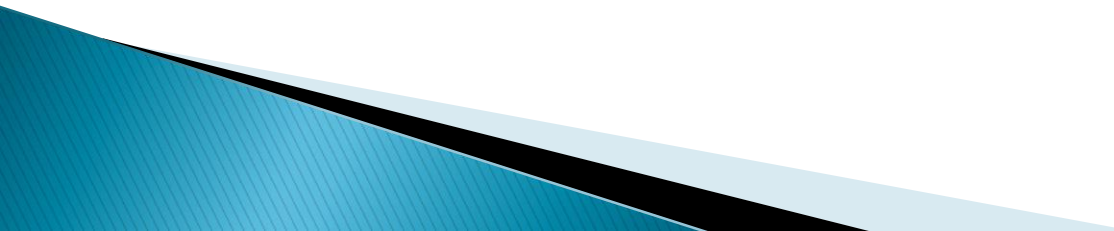
If the weather is too cold, too hot, too windy, then it affects the production and trade and restricts entry of other countries.

South Korea terrains are mostly consists of mountains which are not arable, It means some of their agricultural products comes from other countries. According to USDA, South Korea is a major food importing country

Location

Location in terms of access to water, has played a big role. Having access to waterways is important for trading, as many nations in the world continue to use ports as a “Trading Grounds” allowing for profits and prosperity. Landlocked countries have added expense in terms of land transportation and lack of defence on water ways.

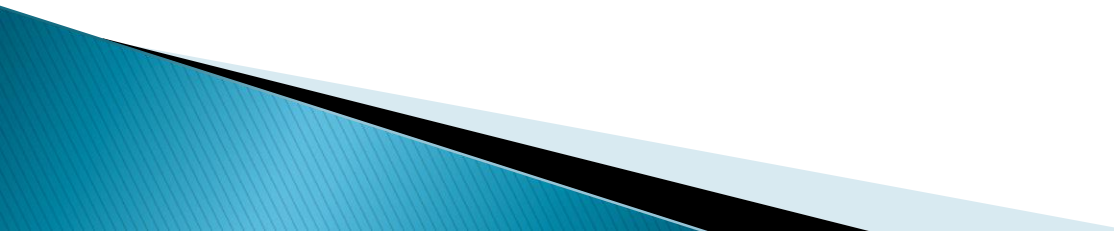
EXAMPLE

- ▶ China has world's three busiest ports, so does the U.S. With ports you can raise money through tolls and shipping services. If you have no access to coast, not only do you miss out on these services, you have to transport everything on land, which is more expensive. Afghanistan, Rwanda, Malawi or Bolivia are all hindered by access to ports.
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Distance to travel

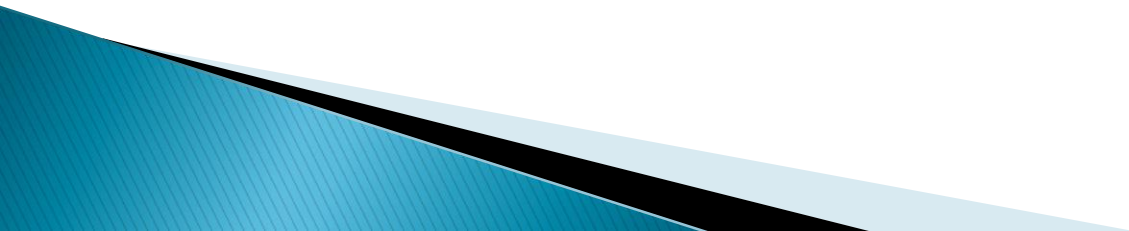
Canada is much farther away from the markets in Tokyo and Osaka than Australia.

Australia's close distance to Japan gives it an advantage in quoting prices because their shipping costs will be lower and the time the product "is in transit" is less than a Canadian export. If the time in transit is less, then the product is more fresh. Canadian exporters are at a disadvantage because of distance.



Natural Resources

These aren't a permanent factor as they eventually become depleted, it doesn't offer an advantage to a country as resources-rich region.

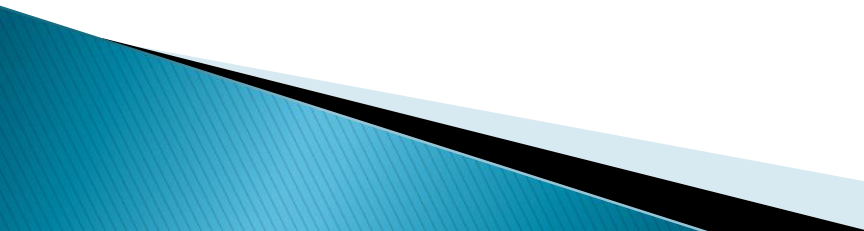


EXAMPLE

South Africa makes a lot of profits by Gold and Diamonds.

South Korea :

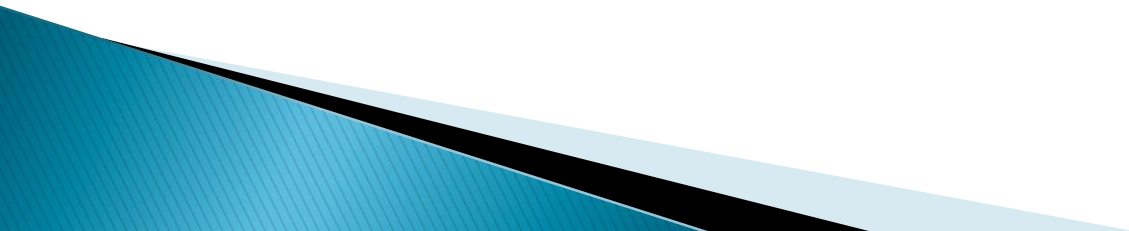
Rich in anthracite, tungsten, graphite and other metals. These are used for ship-building, auto-motives and electronics. South Korea is the 7th largest exporter in world. It is world largest ship-building nation. Famous for having two top brands in electronics industry:

- Samsung
 - LG
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Stability

If a nation is located within a radius of known environment danger, such as tornadoes, earthquakes, Tsunamis etc, it must work to protect itself against them, thus lowering the chances to progress.

“Mohammad Yunus” in a book “Banker to the Poor” said, “Bangladesh is a land of natural disasters, so this is unfortunately an important factor in our doing business here.”



Topographical Challenges and Advantages

- ❑ Land is steep, which limits the available acreage of arable land so you can't grow enough crops (like in the sides of steep hills or old volcanoes as in case of Japan)
 - ❑ Land is flat, soil is full of nutrients, like in our prairie provinces of Manitoba, Saskatchewan and Alberta.
 - ❑ Countries which has geographical environmental limitations have to import massive quantities of food, which is expensive to some extent and effects the national sovereignty.
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