Conduct a country risk analysis for your selected global business venture. Analyze the following risks in your paper: Describe how you would manage these risks

o    Political, legal, and regulatory risks

o    Exchange and repatriation of funds risks

o    Competitive risk assessment

o    Taxation and double taxation risks

o    Market risks (four Ps)

Here is the paper below:

Comprehensive Analysis- India and Chevrolet

In this week's learning team paper the country that Learning Team B has chosen to discuss is India. The product that is being discussed is the Chevrolet Company. This team will talk about topics like environmental conditions and competition for each topic. We will also point out possible political issues that might come into play for Chevrolet, as well as its bid to release new inventory into an already existing India market, and to point out some of the risks associated with the plans to expand. At any point, Chevrolet has to make sure that they are keeping in mind the social and cultural background of the country that they are conducting international business with.

**Region Analysis- Regional Alliances and Economic Integration**

India has made concerted efforts of late to engage its closest rivals Pakistan and China while cementing its alliance with the United States (Mohan, 2010). India has started to integrate its economy into the global market and has become a major player with every country on the planet. India’s engagement of its closest rivals will help our company realize total sales growth.

**Physical Environment and Effects on Trade**

The physical environment in India is conducive to selling automobiles with the market size growth, and the number of laborers that are readily available; however the infrastructure in India is in great decay. Upgrading the infrastructure in India will help promote trade.

**Political Stability**

Political stability has returned to India for the first time since 1999. The instability in Indian government has more to do with personalities versus policy (Onestop, 2009). The current state of political stability has led to more foreign investors including automobile manufacturers.

**Economic Conditions**

The economic conditions in India are somewhat robust compared to other global economies. India’s information technology and outsourcing sectors has made more favorable financial conditions to a greater number of its citizens (India Economic Conditions, 2011). With a somewhat robust economy in place, sales of automobiles will raise in the long term.

**Finance Options Available**

There are numerous banks that offer financing options in India for individuals that want to make a major purchase such as buying an automobile. Recently, many major automobile manufacturers have petitioned the central government of India to allow more options for financing in their country.

**Social-Health and Environmental Conditions**

Drug abuse has started to eat away at the social structure of India, which is fast becoming a major social health problem (ASHI, 2009). Social tendencies of most Indians are connected to family, and the family structure. Health initiatives have been in place for several years to educate the populace on better health, which in turn makes for a healthy labor force. Environmental conditions lack the rules, and regulations that Americans living in the United States enjoy. While India has implemented several laws to combat the deteriorating conditions; it is an uphill battle with almost one billion people living in the country. Materials for the most part would be imported to manufacturing plants to build, and sell automobiles in India.

**Terrorism Threats**

India experiences terrorism threats throughout their country from extremist groups such as Lashkar-e-Taiba, which is a Pakistan-based Islamist group (Headlines, 2010). Most terror threats can be investigated by the country, and can be determined as a real threat to its people, or can be considered just idle chatter. The Kashmir is another terrorist organization that carries out small incursions, but will not have any negative effect on the state itself; meaning the threats are not large enough to insight any type of riot activities. Terrorism threats won’t have any immediate or foreseeable long term affects on selling automobiles in India.

**Country Analysis- Political Stability**

The country of India does have a political system in place, and offers some stability for Chevrolet. Currently, the government of India operates under the federal republic system. Ultimately, the power rests with the voters who appoint their government officials. The legal system is based on English Common Law however; there are separate personal law codes that apply to Christians, Hindus, and Muslims (Central Intelligence Agency, 2010). India’s chief of state is President Prartibha Devisingh PATIL, and the Vice President is Mohammad Hamid ANSARI. The president is elected by the Electoral College, which is similar to the United States. The vice president is elected by both houses of Parliament (Central Intelligence Agency, 2010).

**Economic Conditions**

Having political stability is an important piece of the puzzle, but so are the economic conditions of India. India has taken on more of an economic liberated stance by the means of privatization of state-owned enterprises, and has reduced control on foreign trade as well as investment opportunities (Central Intelligence Agency, 2010). With the focus on education, and the ability to speak the English language has allowed India to increase the amount of services, which is considered to be a major contributor to India’s over-all economic growth. Those services provide more jobs by stimulating the economy, which provides an opportunity for Chevrolet India to take on more automobiles, thus making the idea of expanding inventory to meet consumer needs more intriguing.

**Finance Options Available**

With India’s economic situation in-tact, before adding automobiles Chevrolet must look at the financial options that are available. India offers financial options that come in the form of central bank discounts, and commercial bank prime lending. The central bank discount rate offers more of an annual based rate, in which a country’s central bank is able to charge commercial depository banks for future loans, as well as insufficient funds (Central Intelligence Agency, 2010). The commercial bank prime lending offers a more averaged, or annual based rate that commercial banks charge concerning new loans (Central Intelligence Agency, 2010).

**Physical Environment & Effects on Trade**

With financial options readily made available, looking at the physical environment of India, and how it effect’s trade is also important for Chevrolet. The country of India can be hectic in regards to the environment. India can experience droughts, earth quakes, and flash flooding by the means of monsoonal rains (Central Intelligence Agency, 2010). Monsoonal rains contribute to other negative factors regarding the social health, and environmental conditions of India.

**Social Health & Environmental Conditions**

With these natural disasters causing these hardships for the environment of India Chevrolet must look at the social health, and environmental conditions. Current environmental issues that India is currently facing is erosion of soil, pollution of air, pollution of water from raw sewage, and tap water is not useable throughout the country (Central Intelligence Agency, 2010). With water being a problem, translates into the birth of many different types of waterborne diseases such as diarrhea, hepatitis A and E, as well as typhoid fever (Central Intelligence Agency, 2010).

**Cultural Considerations**

India’s primary nationality is made up of Indians, and they are divided into different groups, and should be taken into consideration by Chevrolet. Those ethnic groups are Aryan, Dravidian, and Mongoloid, which makes up the over-all population of India. While Hindi is the most widely spoken language, there are fourteen other official languages as well (Central Intelligence Agency, 2010). So India does have a very diverse existence, and understanding culture is critical to success of business operations.

**Description of Your Organization**

Chevrolet was the brainchild of William Durant; a successful buggy manufacturer from Flint, Michigan. In 1911 Mr. Durant asked Louis Chevrolet a popular race car driver at the time to help him design an automobile for public sale. In 1928 General Motors or GM; the parent company of Chevrolet opened an office in Bombay, India and a manufacturing plant in Sewree, India (Motors, Chevrolet India, 2010). General Motors has for years built trucks and sport utility vehicles for Americans that are “Solid as a Rock” (Motors, Chevrolet America, 2010).

Upon entering the market in India General Motors soon realized with the size of the population concentrated in smaller urban areas; a more compact automobile had to be manufactured. Today there are a number of small compact cars manufactured and sold in India including the Chevy Spark two door hatchback, Chevy Beat two door coupe, Chevy Aveo U-Va four door coupe, Chevy Aveo midsize coupe, Chevy Optro Magnum midsized sedan, Chevy Cruze four door sedan, Chevy Tavera Neo 2 compact SUV, and the Chevy Captiva SUV (Motors, Chevrolet India, 2010).

**Product Needs Assessment of the Target Country**

New growth trajectory in 1991 facilitated by de-licensing attracted automobile manufacturers and prompted them to set up facilities in India. The Indian automobile sales sector is expected to rise at about 9% even with the current economic global slowdown (MapsofIndia, 2010). Several core values are shared by all employees throughout the organization at GM some of which are customer enthusiasm, integrity, teamwork, and innovation (Motors, 2010).

**Description of Product to Meet the Need**

According to the GM website, General Motors of India has completed over 13 years of operation in India (media.gm.com, 2010). In 2003, Chevrolet of India offered products using the General Motors brand name (media.gm.com, 2010). The General Motors website states that Chevrolet is one of the fastest growing automotive nameplates in India. Currently, the Chevrolet Spark is considered to be a luxury vehicle that provides many safety features, and is stress free for maintenance for the first three years. There is a need for a great vehicle in which the consumer does not have to worry about labor, service, maintenance, and the cost for parts.

In conclusion, Chevrolet is one of the largest car and truck making companies in the world. They must make sure that they are doing everything, including all of the correct research to get the products out in the new markets at the right time. The people of India have played a large part in making that another success. Their people have helped Chevrolet with the transition regarding all of the culture differences and language barriers that may have caused some issues. Over all, the rich analysis has proven to come in handy to help show current business leaders what activities need to be put in place in order to make this a marketable success for Chevrolet.

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