

External economic
environment and the
macroeconomic
environment
economics essay



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This assignment is aimed to supply clear information about the consequence of external macroeconomic factors of Uzbekistan such as unemployment, rising prices, GDP Growth and exchange rate to the Carlsberg Company in Uzbekistan. During the study the microeconomic environment of the company will be besides discussed. In add-on to this, the study will be continued with the elaborate information about the public presentation, behavioural theory, organisational construction, direction construction and the ownership of the Carlsberg Uzbekistan Company. What is more, several positions of the function and maps of the enterpriser will be compared by supplying graphs and tabular arraies.

Section A. External economic environment

Macroeconomic environment

After independency, the Republic of Uzbekistan started it is committed to a regular passage to a market-based economic system. Year by twelvemonth Republic Uzbekistan made large alterations and pros in its economic system that caused the GDP growing, rising prices, unemployment, trade and many other economical factors. Uzbekistan 's GDP has shown the robust growing, lifting 4 % per twelvemonth between 1998 and 2003 and speed uping to 7 % -10 % per twelvemonth.

In the economic system of Uzbekistan the entire figure of employed rose from 8. 5 million in 1995 to 10. 5 million in 2006. GDP besides healthy increased in 2006 by 2. 60 % which is the highest rate in 10 twelvemonth period in history of Uzbekistan. In 2006 Carlsberg started its concern in Uzbekistan and it was successful because of the economic conditions in Uzbekistan was in high rank.

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As it is mentioned above in the tabular array, in 2006 unemployment besides was in a lower rate which means more people were employed, more people had income so that they consumed more that resulted the GDP Growth. Since the unemployment rate has been diminishing, the employment in Carlsberg Uzbekistan besides rose and till this twenty-four hours over 400 employees work successfully at the Company.

In 2006 rising prices rate in Uzbekistan was 6.90 % and per centum alteration from 2005 to 2006 was 130.00 % . A Inflation can be harmful cause of some grounds. First, people may be left in worse fiscal status when monetary values of Carlsberg merchandises will lift faster than their incomes. Second, rising prices can diminish the investing of Carlsberg, if the company net incomes show inadequacy to counterbalance them for rising prices. Third, since turns of rising prices frequently go together with an overheated economic system, they can convey out boom-bust rhythms in the economic system. Here are some effects of rising prices:

1. Company demands for hapless people and fixed income salaried families in order to hold employees for less rewards.
2. Company Profits tend to lift in times of rising prices.
3. Value on money Lent out falls in buying power - value of money to be repaid falls in footings of buying power falls. This can be unprofitable when company is traveling to purchase new natural stuffs to bring forth new merchandises. Because, before the company bought natural stuffs for some sum of money but now that natural stuffs expensive and company can non purchase them for that sum of money.

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When money is losing its value, companies such as Carlsberg and investors will do less long-run contracts. This discourages long-run investing in the state's productive power and the contrary of rising prices is deflation. This happens when mean monetary values are falling, and can besides ensue in different economic effects in authorities. For case, jobbers will prorogue disbursement on purchases if they guess that monetary values of Carlsberg merchandises will fall as the consequence the gross of the company will turn down for some period. Continuous deflation can be ground for a fast economic slow-down. There are some effects of deflation:

1. Income of Carlsberg may fall
2. Investing in private domestic capital may fall
3. Unemployment may increase
4. Real value of lands to be repaid may lift.

An exchange rate in Uzbekistan is turning twelvemonth by twelvemonth and this can impact on international companies such as Carlsberg Uzbekistan. If the company exports and the local currency go strong so company merchandises become more expensive for company clients. If company is importing and local currency becomes weak the merchandises company importing become more expensive. In our instance it is profitable if Carlsberg Uzbekistan imports merchandises, services or natural stuffs because of the failing of local currency.

Microeconomic environment

As everybody knows the Carlsberg Company is a celebrated brewery in Uzbekistan with its merchandises such as Sarbast, Tuborg Green and Baltika. In 2006 beer bring forthing and competition degrees are low between beer manufacturers because, in 2006 beer manufacturers were non able to provide all market in Uzbekistan. But now competition degree is high in Uzbekistan in footings of beer bring forthing and Carlsberg keeps about 60 % of beer market in Uzbekistan and this can give large privilege to the company to do more net income. Carlsberg Uzbekistan is Limited Liability Company and it does non hold any revenue enhancement freedoms or privileges. Uzbekistan democracy does non let revenue enhancement freedoms or privileges to the foreign companies and to the local companies every bit good as much they produce, so they should pay revenue enhancements by the contract. Carlsberg Uzbekistan pays revenue enhancements for land, merchandises, services and others by obeying to revenue enhancement regulations of Uzbekistan.

Section B. Internal organisation of the company

As you can see from the sketch organisational construction of Carlsberg Uzbekistan, it meets the international criterions. Advantage of this construction is working in strong system given by general manager of the company and it determines the net income by the system. Disadvantage is merely CEO makes determination that is worse because of thought of one individual can non be better than two or more individuals.

The ownership construction of the Carlsberg Uzbekistan Company is joint venture and it has some pros and cons. In joint venture two or more
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companies join reciprocally in a limited, short-run partnership and that persons or companies will fall in their resources to accomplish a particular, good end. Advantages of the joint venture are different set of accomplishments, entree to new market and variegation of the hazard. In different accomplishment set joint companies will be able to derive entree to new engineering, capital and accomplishments of employees. In variegation of the hazard articulation partnerships will portion non merely resources but the hazard besides with joint companies. Disadvantages of the joint venture are slower decision-making, shared waggess and potency for dissension. While doing determination, one of companies can non do determination when 2nd spouse has manus in doing determination. This can do the determination doing procedure slower. If the companies portion the hazard, waggess besides will be shared. Each company has its ain direction manner, civilization and doctrine and this can make teamwork oppressing its opportunities for success of the joint venture.

The theory of the Carlsberg Uzbekistan is a traditional theory because of net income maximization of the company. In order to clear up the informations, we can see from the company 's publicity of the beer in Uzbekistan by utilizing different methods and it is distinguishing the merchandises to sale more merchandises so that is maximization of end product. Carlsberg Uzbekistan is using to all power of the house in order to maximise its net income.

Carlsberg Uzbekistan produces different types of beer as mentioned above.

One brewery uses the same mechanisms to bring forth different types of

merchandises in organizing mechanisms. Evidence in organizing
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mechanisms can cut down the cost of production in a company. Company coordinates the mechanisms by bring forthing different merchandises such as Tuborg, Sarbast, Baltika and kvass `` Khlebny Krai '' .

Principal-agent job is leads to superior directors and a stockholder non cognizing that is really traveling on in their organisations. In Carlsberg Uzbekistan could be this job because of their organisational construction and there are employed wage system and non-monetary methods to command and actuate the employees. Company do non pecuniary the employee 's capital if they will brake some equipment. Company will cut down the pay of employee in order to counterbalance the loss.

I would rede to better the communicating equipments such as e-mailing with directors, put the talkers in all angles of the company in order to name and happen necessary individual in the brewery to the Carlsberg Uzbekistan Company. In a managerial side I would urge to supervise employees by the camera, as I saw in the Carlsberg Uzbekistan was little figure of cameras.

Decision

To sum up, while making this coursework I improved my cognition about economic sciences of concern organisations and discovered the one of the largest brewery company in Uzbekistan. I have found out the macroeconomic and microeconomic environment information about Carlsberg Uzbekistan. We believe that company will run in the hereafter really good. Overall the class was utile for me in footings of Business Organization.