

The impact of globalization on business development



Introduction

Thesis Statement: Globalization has positive impacts on business development of Uzbekistan. These advantageous impacts of globalization caused by spur of foreign competition, increased investment opportunities and exchange of technologies.

Body

Spur of foreign competition

Driving up standards of quality

Driving down prices

Increased investment opportunities

Increasing of production efficiency

Experienced and skilled managers

Exchange of technologies

Access to the latest technologies

Automated manufacturing

Conclusion

Considering all these factors it can be concluded that globalization has positive impact on business development of Uzbekistan.

The impact of globalization on business development of Uzbekistan

Globalization is the process of increasing the connectivity, the worldwide movement toward economic, financial, trade, communications integration and interdependence of the world's markets and businesses.

Globalization implies lessening the significance of national barriers, contributing free transfer of capital, goods, and services across national frontiers. This process has accelerated significantly as technological advances make it easier for people to communicate, travel, and do business internationally. Globalization is considered as a leading concept which has become one of the major factors in business life during the last few decades, due to fast spread of information and fast developments of technology and transportation. This globalization process has positive impacts on business development of Uzbekistan. These advantageous impacts of globalization caused by spur of foreign competition, increased investment opportunities and exchange of technologies.

Globalization leads to increasing competition among businesses on a worldwide basis, as many foreign companies will enter to the local market. Competition between businesses, shops and stores conceived of trying to get the customer to buy their product instead of that offered by the competitor. This competition can be referred to product and service quality, cost and price. As customers have many choices in the market, they want to buy goods with higher quality and lower prices. Thus, companies which provide

products and services must always fulfill the customer preferences, otherwise sales of company will decrease and they may lose profit.

These competitions between companies can lift production and efficiency of local businesses.

Another positive impact of globalization on business development of Uzbekistan is attracting more foreign investors. Foreign capital investments are very important for developing and increase production efficiency of national businesses in Uzbekistan. In many instances, many businessmen from Uzbekistan have both the labor and natural resources to supply production but they need international capital investment in order to start their businesses, as the chance of getting enough amount of capital from national banks in order to run business is not high. Hence, with the assistance of outside investors national businesses will grow in a faster temp. For instance, foreign investments contributed to significant development of businesses in countries such as China, India and Brazil. Moreover, international investors may lead to the development of local businesses by providing experienced employees from foreign countries. It is obvious that skilled workers are crucial to a company that is transferring its capital to a different country. Thus, if a country's labour is not skilled, investors have to train and educate their workforce. The theory is that knowledge and techniques brought in by foreign experts and managers will spill over to local firms. All this factors of foreign investment will improve the business environment of Uzbekistan.

It is generally presumed that all the innovations happen in the Western world and consequently these innovations come into developing countries due to globalization. Globalization has stepped-up the speed of technological transfer and technological advance. Advanced manufacturing technology is surely playing an important role in the development of businesses. New technology allows companies to produce new types of products and services for both international and domestic markets. Using this latest technology will increase their sales and product quality. Furthermore, improvement in technology serves businesses to bring automation in manufacturing and service sectors. In this competitive global market automated manufacturing is crucial, as facilities that offer automated manufacturing will enable businesses to achieve success and grow exports into the quickly developing economies of the world. Local companies will be developed dramatically as automation of the manufacturing process reduces waste, improves quality of the product and it drives costs down.

Considering all these factors it can be concluded that globalization has positive impact on business development of Uzbekistan for several reasons. These factors include increasing competition that lowers prices and increase quality of products. The next is increased investment opportunities which lead to faster development of business. Lastly, it gives access to the new technologies that can assist to businesses to get higher profit. It is assumed that globalization is a development which is not going to be halted and this process probably will continue to widen.