

Local industries' competitiveness essay



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For Nigeria, the opportunities of going global takes into account many factors which might be a cause of hindrance in its competitiveness. Though, its oil and gas export base is very stable, however, the interconnectedness and interdependence with world through technological revolution, mechanical advances, financial stability and political peace seems like impossibility for Nigeria. In 2006, the easing of debt burden was a reason that much African country including Nigeria could capitalize on trade opportunities and increase their integration with global market and reduced trade barriers.

The country has opportunities to form good bilateral relations by increasing its export base, diversify its economy by going global, exchanging goods and services and even laborers. The concept of outsourcing can be a very valuable opportunity for the country like Nigeria where there is a large labor base and good hard-working people. By going global, small companies in the country can avail and enjoy the opportunities of cross-border trade and appreciated foreign exchange and ultimately more profits. Similarly, they can expand their activities, diversify their operations, and bring in new ideas from abroad to improve their local productivity methods and procedures.

Moreover, supply relationships with large buyers, easy access to the markets, and strong inter-firm linkages due to globalization will make room for new learning and innovation for the local entrepreneurs. This would also provide further growth opportunities and space for acquiring modern skills for coping up with the tough competition effectively. In this way, the competitiveness and productivity will boost with the passage of time while making the Nigerian company more innovative, resilient and profitable.

Opportunities Many opportunities available in the banking, taxation, mining.

Banking and finance, etc. High population density creates high demand for products and services Economic and political improvements create more opportunities and attracts investors Petroleum industry, courier services and oil sector provides employment opportunities to the locals and foreigners Opportunities of outsourcing, good bilateral relations and more availability of ideas Supplier relationships, cross-country trading and inter-firm linkages can give opportunities of learning and improvements to the country like Nigeria More opportunities for diversification and ultimately, progressing economy Threats Threats refer to those aspects of a place or organization, which if taken up, can harm the reputation, profitability or any other aspect of business. 1. Local Environment The Nigerian business environment is very threatening for itself. There is an increasing rate of crimes, frauds and scams in the country.

For example, every off and on, the government authorities in Nigeria pledge to provide water to the public and votes billions of Naira for the water projects. However, the tapped sum suddenly disappears from the government treasuries and the common public is left without the necessity as basic as water (Sule Lazarus, 2009). It has been years since the stories of water shortage have prevailed the country and still the weak and dysfunctional resources continue to dominate. In 2007, almost a dozen oil and gas companies made potential illegal payments to the Nigerian custom agents through a Swiss shipping company. This act was committed was in violation of FCPA to which Securities and Exchange Commission conducted the investigation (Convington P.

Joseph, 2007). Then, there was even a time when, due to deregulation and corruption, the fuel scarcity occurred in Nigeria. Thus, these crimes, frauds, illegal acts, violence and corruption all lead to the falling reputation of the organization and losses in business. These factors hamper the productivity and become an obstacle in the way of enhancing business competitiveness. Another threat for the Nigerian companies operating locally is the foreign companies which are ruling the local markets and making the competition tougher for the Nigerian small industries.

Since, the country is not well-equipped with infrastructure and resources, there are chances that they may not be able to produce good quality at home and foreign companies may take over local markets. Further, the import substitution effect can also become an adverse factor for the local industries' competitiveness.