

International business management

Business



The paper "International Business Management Environment & Operations" is a worthy example of an assignment on category. The cruise line industry is experiencing tremendous growth because of many reasons. First, the world economy is in an ongoing recovery mode. According to International Monetary, the global economy remains moderate. The majority of countries have gained advanced economy status, and this is a good indication. With a good economy, fuel prices have come down and cruise line operators have increased their operation.

Secondly, in relation to growth in the economy, there has been an increase in hot destinations across the world. Many countries have become a tourist destination because of the development of infrastructure. Examples of hot destinations include South America, Africa, Canada, the U. S, Trans-Pacific, and many Exotic rivers across the world.

Third, there is an increase in the first-time passenger, especially from younger generation travelers. According to statistics, the number of millennial travelers has doubled in recent years. Many young travelers prefer cruising because they want to increase their knowledge and experience daily life by engaging in activities that reduce their stress. In this case, they would prefer cruising.

There are various national differences that affect the operations of cruise lines. First, there are political aspects that affect the operations of cruise lines. In many countries, security concerns have caused a serious impact on the travel industry. Many cruise lines cannot access certain territorial waters, such as Somalia and Yemen. That said, most cruise lines operating on these routes have experienced business failures and loss of expected growth.

Second, there are safety issues. Some countries have poor technology, and <https://assignbuster.com/international-business-management/>

this raises safety concerns. Additionally, with poor technology, there have been high costs of onboard communications and poor passenger servicing. The majority of countries with this problem are in emerging economies, such as Africa. Travel safety is a major concern since travelers do not want to be exposed to risk at any point in their journey. Furthermore, many countries have failed to tackle security problems because not all states have the same view of security risks. There are many ways the cruise lines might increase sales to people outside the United States. First, the country needs to improve its relationship with other countries. Improvement of relations between countries often leads to a new opportunity for tourism. For instance, recently the US improved its relation with Cuba, and this resulted to increase in cruise tourism between the two countries. Using this as an example, the US can increase cruise lines sales by improving relations with other countries. Secondly, the US could help countries vulnerable to a terrorist attack in solving security issues. The US could offer expert advice on guaranteeing travel security. This will lead to an increase in investment in the travel sector, eventually leading to an increase in cruise sales. The US is well known for its strict anti-terror measures, and they could share these measures with other countries that are vulnerable.

There are various threats that exist for the future performance of the cruise-line industry. Focusing on Carnival Cruise Lines, one of the threats is the poor advancement of technology. Technically, the company sells its tickets through travel agents who have direct contact with clients. Other cruise lines have developed websites that allow customers to book tickets online.

Secondly, the company has only concentrated on US customers. A major slump in the US economy will hit hard on the sales of the company. The

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company over depends on the US market, and this is a threat to the business.

Third, in many cases, Carnival has been avoiding to pay US taxes. They take advantage of special tax loopholes in the US since the government acknowledges it as a 'Controlled Foreign Corporation.' Recently, the US legislature reviewed US laws and focused more on tax loopholes. If the legislature is successful in clearing all the loopholes, the cruise line faces the serious financial challenge.

Cruise lines avoiding paying taxes are not ethical at all. These lines take advantage of loopholes in the US tax code which allows them to avoid paying taxes to the government since they can fly flags of foreign countries. This is the main reason the Carnival flies Panama's flag.

It is unethical for Carnival to fly Panama's flag whereas they are protected by US Coast Guard, who are paid by taxpayer's money⁴. Additionally, the port and the bridge used by the ship were all constructed by federal and state government. Cruise lines generate a lot of money, and they will continue to generate as much. They not only generate the money from their customers, but also from tax subsidies. It would be ethical if these lines pay taxes because they use resources paid for by taxpayers' money.