

The background of the purification tablets economics essay

[Economics](#)



**ASSIGN
BUSTER**

Purification Tablets: Name: Tutor: Course: Number: Date:

Introduction Business expansion in the world has become an essential aspect in many companies that are eager to become global. This is defined as the strategy in which growth is obtained by increasing the number of sales points from where their customers can buy from. Business expansion entails opening of new business entities by the company in different physical locations. Expanding overseas of business in the current economy has both merits and demerits. However, a number of companies has expanded their territories and diversified the risks and the client base in markets abroad. The challenges in the market can cause cold feet to the business owners. However, through proper planning there can be a success in the expansion of any company. Purification tablets have been a dominating business in both China and India. The two countries have companies that have chosen to concentrate on making of various brands that are used in purification of water which is an essential commodity in people's life when clean. Due to the growing pollution of water globally, there has been world search for ways of cleaning water to be suitable for human consumption. There has been search for suitable water purification tablets providing clean, bacteria and germ free water any time it is needed anywhere (Salsbury, 2006). Portable water purification devices have been on the rise. They are also known as point of use water treatment techniques. These are self contained units that can be used by various groups such as the military personnel and survivalist who frequently uses water from untreated sources such as rivers and lakes. The main objective of these devices is to render unchlorinated water portable which is safe and palatable for drinking services. Much

purification chemical is available for hiking and travelling to remote areas (Rudolf, 2011). The two countries China and India have been in the forefront in production of the tablets. 'In order to maximize their market share they have chosen to expand to the worldwide market'. Expanding the business can create unlimited opportunities for growth especially in the emerging and fast growing markets. However, through expansion there are a set of challenges such as building the customer base, market entry strategy among others. It 'however' needs a good outline for the purification tablets company to enter into the global market. India is an emerging economy which is promoting foreign investments in the country. The legal system in the country is said to be flexible. The business environments in the two different countries have been affecting the performance of each of the companies in the global market. In the expansion into various countries, the business environment in the home country has been known to have an impact in the way their country performs in the global market (Salsbury, 2006). It becomes very significant for entrepreneurs to understand the business environment. Growth prospectus, political stability and the bureaucratic set up are some of the factors to consider in the expansion of any business. The success of purifying tablets in the market from the two countries has been affected by the factors mentioned. Chinas economic growth has been estimated to range around 8% annually. China and India are two of the most ancient civilization. The two countries have shared ideas inventions and even traditions such as religion. The two countries have had ponderous bureaucracy systems created by their history and tradition. 'Since when the countries opened their markets to invest in other worlds and markets'. China opened their market

investors in 1978, and their counterpart in 1991, since then the two have gradually moved from natural planning economic systems to decentralized systems. 'Despite their efforts' to expand their business entities they have encountered a number of problems. Their focus has been to give better business environments for their products (Rudolf, 2011). China and India have been two Asian countries which have emerged as prominent nations 'which are looking forward to having their economies develop and become super economic powers'. However China started its development earlier than India which came in a little behind in terms of development. The two nations have their positions importance as well as merits and demerits in the present-day economy. 'Over the two decades' the two countries have gained remarkable success, but China has had an upper hand than their Indian counterpart. China has been averaged at 10 percent growth 4% more than India. Due to this upper hand in economy development, the countries have also had an upper hand in the global market of purification tablets. The availability of resources has enabled China to invest in more foreign countries than India has. China realized the impact of foreign market to its economy and hence given special preference to investing in the foreign market. This has in turn improved their overall performance in the global market hence an upper hand than India (Salsbury, 2006). China's development of an upper hand in the global market has been accredited to numeral factors. One of the factors is availability of cheap and hardworking labor. Availability of labor has promoted the Chinese companies producing the purification tablets an upper hand for their goods. This has been so reflected in the price of their goods when they get into the market. Due to

low production cost their products a lesser valued than that of India hence getting an upper hand in the market and making more sales than India (Rudolf, 2011). Another factor that has contributed to China getting an upper hand over India in the competition in the market is their well developed export orientation program which has given them an increase in the number of exports. High rate of export increase the volume of exports made by China to other global markets and in turn selling more than India. China has also been favored by positive rate of the state and the government policy which has stimulated industrialization and growth. China has excelled in manufacturing than India and hence having an upper hand when competing with them (Lal & Praeger, 2006). When compared with India, China has invested in large scale foreign direct investment. This policy has enabled the country to invest in other countries. Finally, China has its people spread all over the globe and in many nations of the world. In many cases, the Chinese people has moved into other countries in seek of trade and distribution; channels. This well formed network for the Chinese has helped China to expand its sales at a faster rate. Economic and political climate for foreign business is another factor that has contributed to the strength of the two countries in the global market. Much of India's economic stability came along the time of Manmohan Singh who helped in restoring of fiscal discipline in the country. He also helped in the liberalization of the industries, foreign investment and trade in India. This stabilization of the Indian market helped the countries expansion of the global market and marketing of the purification drugs. India has also been supported by the government policies. One of them is that to start a business in India it takes 35 days unlike the 48

days that are the average time of the world to start a business. This has allowed coming up of companies in India in a large number hence increasing the production of the purification tablets and hence taking an upper hand in quantity production of the commodity. The government of India has also the lowest operating cost for the local companies this has enabled more production and also investing in the foreign market (Salsbury, 2006). Despite the development made by India in the economic front, they have not yet managed to arrive at the level of China in terms of economic development. This has in turn left them in terms of foreign investments. However, there has been steady development of infrastructure in the country which has been seen as the key feature in development of the foreign market by the Indian companies. When compared to the economic status of China, China is much more stable than India hence a high accumulation of capital for the foreign expansion of their markets into other nations. Particularly, China has taken advantage of the developing nations such as the African state to find the market of its goods. The market in these countries has been conducive, and favors China has made more progress than the Indian companies in the international market (Lal & Praeger, 2006). Political climate in many parts of the world has been known to directly affect the extent of development of the country's economy. India and China are both different countries just opening to development as well as getting a lot of opportunities. However, the rising economic development in the countries defines the kind of climate for investment. Political stability has been one of the factors that have inclined the improvement of the country's economic status. China is said to be authoritarian while India is said to be democratic. Due to the development of

a successful political environment, China were able to develop their local industries earlier than the Indian; 'however' the Indians has not been left behind as their political definition has given conducive development of the local industries that have grown to the global marketers of the tablets. Bureaucratic procedures business regulations and the legal environment in any given economy determine how to run a business or companies in that environment can work and generate reasonable returns in a manner that is predictable. 'Despite the factors being termed as soft' they are vital to success of industries in the countries. All inclusive, these determine the readiness for both domestic and foreign investment in any country (Lal & Praeger, 2006). When a company launches a product in the market it has to adhere to the bureaucratic and the legal procedures. Different economies have different have different procedures to be followed for a company to be allowed to operate in that country. The procedure also defines and regulates the entry of new businesses in the market and export ventures. The procedures can be inexpensive and straight forward while others can be onerous and expensive. In terms of money and time, the procedures were less expensive, and this favored the Chinese investor into the global market of the purification tablets (Salsbury, 2006). The economic status of China historically outpaces that of India by almost every aspect. The fast acting Chinese government implemented policies that made the political systems of India appear sluggish. The Beijing airport appears to be more modernized compared to the Mumbai and New Delhi hence a contrasting development of the two countries. Also in terms of the global economy, India looks to play the second fiddle. Various people from the world have applauded the

governance of China and its leadership style in achieving the much they have in terms of global investment. In addition to this, they have also recognized the well founded policies regarding investment both locally and globally hence implementing the effective ones in economy growth (Rudolf, 2011). In the race for dominance in the purification tablet, the Chinese market dominance has been felt all over. However, the Indian marketers are not off the pace in globalizing their products. China companies have enjoyed an upper hand in the global market hence outdoing their Indian counterparts. It is clear that various factors are behind the success of the Chinese marketers. In realizing the impact of foreign investment in their market as a source of national income, the Chinese has expanded their market territories to cover more parts of the world as they can. Despite the development in terms of global business, environmental degradation in China has highly negatively impacted their dominance in the global market. In terms of manufacturing, China is ranked third in the world hence having an upper hand over India. India is still impressive but still not yet to the level of China (Lal & Praeger, 2006). Conclusion China and India are much similar in various terms such as economic conditions. They both have huge market potential. Economic growth in both countries has increased the consumer spending of the people in the countries. In terms of purchasing power, they are second and fourth respectively. This style is probable to carry on in the next numerous years. Despite being suitable for the market, they are also good fitted for production. However, despite China enjoying an upper hand in having a great and still improving economy, India is not much far behind and it is catching up with the Chinese. Political steadiness has also been a key

feature that the countries have worked hard to improve. The two have realized the impact of a stable political aspect in attracting investors both locally and internationally. Finally, both countries have been hampered in their need to expand their trade globally. One of the hindrances is failing to understand the business environment fully especially the international business. Another point is failing to accustom to the cultural differences from their country to other countries they are investing. Financial cost and foreign cost fluctuation has been a hindrance to the development of these two countries in the international business sector (Salsbury, 2006). In conclusion, it is vital for business entrepreneur to fully understand the business environment before getting into it. The bureaucratic set up, growth prospects, judicial effectiveness and political stability and many more factors should be considered when indulging in any business activity.