

# [Outline: globalization and implementation plan](https://assignbuster.com/outline-globalization-and-implementation-plan/)

Market Entry My choice of country is Morocco, which is a medium populated nation of around 32 million and per Capita GDP of just under $5, 000 in theAfrican continent. Morocco is one of the Muslim majority nations where there is immense potential for producers, middlemen, trading firms, exporters and importers associated with business of agricultural products and grains such as rice, cotton, wheat, corn, vegetables, fruits etc. Therefore, my chosen product is wheat (primary sector) that will be exported from USA to Morocco because the Moroccan imports of agricultural products have increased tremendously, thereby making it one of the ten largest importers across globe. The primary reason behind choice of destination is scarcity of certain grains; therefore, Moroccan government has implemented policies and taken initiatives to meet domestic demand (and minimize supply – demand gap) through bulk imports. Nevertheless, it should also be emphasized that Morocco is one of the developing nations worldwide; therefore, it is assumed as well as forecasted that per capita food consumption will increase in near future due to expected improvement in standard of living. In this way, a new business opportunity has been created for commercial exporters and trading firms of USA to offer wheat and other grains to their Moroccan counterparts at competitive international prices, thereby ensuring mutual benefits (EW Report, 2010). As far as the scope of new business opportunity is concerned, it is worth mentioning that entrance in agricultural sector (either farming or trade) is quite lucrative for international firms because Morocco is hard-hit by natural calamities that subsequently led to reduction in fertile land fit for plowing crops. The second major argument is that Moroccan farmers tend to use traditional methods of farming followed by almost zero use of agricultural technology due to illiteracy; therefore, their aggregate production is much lower than it could be with use of modern techniques. In simple words, they are unable to achieve cost-efficiency, which then benefit traders, exporters and importers who capitalize the supply gap and structural weaknesses. The third major argument is the decline in Moroccan production due to pest attacks primarily due to use of fake medicines and untimely sprays etc, which also comes under lack of awareness. All in all, an opportunity is created in Morocco, a nation with domestic wheat consumption of over 8. 2 million tons and relatively higher wheat prices in open market (Reuters Africa, 2010). The facts from CIA Fact Book (2010), MAT Report (2011) and Reuters Africa (2010) confirm that Moroccan government is inclined to control inflation rates that aggravate due to prices hikes in agricultural products; therefore, trade between USA and Morocco is sponsored. Overall, CPI and SPI are under 3% despite over 45% increase in wheat prices, which is the evidence of price control mechanisms and effectiveness of Moroccan import policies. However, the only underlying issue is currency appreciation / depreciation – US Dollar v. Moroccan Dirham (MAD). Overall, the demand of wheat will surge in future while supply side will remain weak because it requires years and years to change mindset of Moroccan farmers. References EW Report (2010). Morocco Trade, Exports and Imports Economy Watch [Online] Available at http://www. economywatch. com/world\_economy/morocco/export-import. html [Accessed - February 12, 2011] MAT Report (2011). Doing Business in Morocco. Morocco American Trade [Online] Available at http://www. moroccanamericantrade. com/business. cfm#2 [Accessed - February 12, 2011] Weisenthal, Joe (2011) Everything You Need to Know About Algeria, Morocco, Egypt, Tunisia, Libya, Israel, Jordan And Syria In One Simple Chart. Business Insider [Online] Available at http://www. businessinsider. com/everything-you-need-to-know-about-algeria-morocco-egypt-tunisia-libya-israel-jordan-and-syria-in-one-simple-chart-2011-2 [Accessed - February 12, 2011] Reuters Africa (2010). Morocco grain crop escapes major flood damage. Reuters Africa [Online] Available at http://af. reuters. com/article/topNews/idAFJOE6B70EY20101208? pageNumber= 2&virtualBrandChannel= 0 [Accessed - February 12, 2011] CIA World Fact Book https://www. cia. gov/library/publications/the-world-factbook/