

# [A new innovative product named pinatex and it's analysis](https://assignbuster.com/a-new-innovative-product-named-pinatex-and-its-analysis/)

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## Executive Summary

This paper talks about a new innovative product named Pinatex. Since inception Pinatex has caught the imagination of many people and now wants to expand their market to overseas. Ms. Carmen Hijosa, founder and CEO of Ananas Anam, the company which is responsible for producing Piantex, wanted to test the feasibility and opportunity of marketing Pinatex at USA. USA is the country which is focused in this paper. So, this paper furthermore talks about different environmental issues largely about USA. The cultural, political, technological, natural and economical aspects of the country has been taken into consideration. The paper talks about the plausible threats and opportunities created by all these environments. Also, the paper takes into consideration the other barriers that can hinder the progress of Pinatex at here. Finally, the paper makes a recommendation about doing business with Pinatex in USA.

## Introducing Piñatex

Ananas Anam Ltd has developed a natural plant-based and versatile material from a sustainable source. This innovative, natural and sustainable non-woven textiles called Piñatex, it is made from pineapple leaves fibers, a by- product of the pineapple harvest. Piñatex follows a strong social and ecological agenda and it can be mass-produced, which makes it a cost-effective textile proposition. Piñatex(TM) is patent-protected and is being first marketed to the following markets: fashion and accessories, upholstery and automotive industries.(Vegan Leather is Now a Thing, And You Won’t Believe What it is Made Out Of!, 2016). Piñatex provides new additional income for farmers while creating a vibrant new industry for pineapple growing countries. Piñatex fibres are the by-product of the pineapple harvest. No extra land, water, fertilizers or pesticides are required to produce them. Piñatex involves a patented pending technology that protects both the process and the finished material. No pineapples are harmed in the making of Piñatex (Vegan Leather is become unbelievable thing by the blessings of modern technology.

### Key attribute:

Piñatex is strong, versatile, breathable, soft, light, flexible, and can be easily printed on, stitched and cut. Piñatex is a by-product of the pineapple harvest, thus no extra water, fertilizers or pesticides are required to produce pinatex. It is very versatile. Various thickness, finishes and application can be possible. Pinatex is tested according to ISO international standards for : Seam rapture, Tear and tensile strength , light color fastness, water spotting , flexible endurance, abrasion resistance, resistance to ignition by cigarettes.

### Uses:

Pinatex is mass-produced sustainable and versatile textile oriented to the following industrial sectors-

Fashion and accessories

Furnishing

Car and aeronautic industries

### Introducing USA:

The United States is the world biggest nation in size and population. They take after the Multicultural. It is a standout amongst the most socially various nation on the planet that is the reason here working together face less obstruction. They conviction that each individual can be prevail by buckling down. Notwithstanding a solid hard working attitude American business culture is additionally portrayed by a substantial accentuation on singular activity and accomplishment. Individual ability, polished skill and responsibility for singular execution are profoundly esteemed. American culture is exceptionally receptive. They won’t feel faltered to state no or criticize in broad daylight. USA has exceptionally solid Economic Condition with the biggest GNP on the planet. They have exceptionally solid common assets and furthermore numerous assembling assets like-oil, steel, engine vehicles, aviation, broadcast communications, sustenance handling. The nation is more than independent regarding its financial needs and is the world’s driving exporter of nourishment. There is no official dialect in USA as this is multi culture Diversified nation however most normally utilized American style English and Spanish. A large portion of the Americans take after the Christian religion. The quantity of specialists and, all the more imperatively, their profitability help decide the strength of the U. S. economy. Purchaser spending in the U. S. rose to around 62% of GDP in 1960, where it remained until around 1981, and has since ascended to 71% out of 2013. All through its history, the United States has encountered unfaltering development in the work drive, a wonder that is both circumstances and end results of relatively consistent financial extension. Until the point that not long after World War I, most specialists were outsiders from Europe, their prompt relatives, or African Americans who were for the most part slaves taken from Africa, or their relatives.

For the item in center, Piñatex, the general prospect of beginning another business in USA is on the positive side, while environmental elements are to be considered as this report comes.

### Key Environmental Analysis:

This report has takes three environmental factors for consideration:

* Economical environment
* Technological environment
* Political environment

### Economic Environment Analysis:

Economic factors of a country’s business environment play important role in overall operations. United state Economy is world largest Economy which follow highly diversified Economic market. The United States has largest GDP growth. The USA follow the free market Economy where Government does not set price, Tell businesses what to produce, or tell people where to work. After facing The Recession in 2001 the government stepped up its oversight in the financial sector. They reform the financial markets regulation since the Great Depression. The Golden era Of USA economy begin After the World war II. From the late 1940s to the early 1970s, U. S. However After The huge GDP growth from early US Economy face Oil Crisis And global competition however they overcome this with free market economic strategy. After that they face recession in period 2007-2009. However this GDP Regained by 2011 on the basis of Household market, Real income and unemployment rate. USA has natural resources, strong infrastructure and expanded productivity. It is world biggest oil And Natural gas producer. Dollar is the most used currency in this world. Its GDP increased 2. 8% in 2018.

### Macro-economic variables of USA:

Inflation: At present Inflation market Is Increasing in USA market. The inflation rate in the US increased to 2. 8 percent from the last year prediction 2. 7%. This is the Highest Inflation rate since 2012 due to rising prices for gasoline and shelter. Also Inflation eased for Food, Electricity, and Transportation service.

Unemployment: Unemployment rate are affected by many factors like economic condition of a country, Global competition, education, Wage level, Number of workers etc. Unemployment level began in USA after World War 1 increased by 25%. Unemployment tends to rise during recessions and fall during expansions. Average Unemployment ratio 5. 8% from 1948 to 2015. Unemployment problem create with persons changing jobs and new entrants to the labor force searching for jobs. According to June 2018 month Report Unemployment rate 4% In USA.

Debt: USA Public debt Increase in the time of World War II and recession. Public debt rose sharply during the 1980s, as Ronald Reagan cut tax rates and increased military spending. After 1980 public debt rose because Ronald Reagan cut tax for increasing military expenditure.

Productivity: Ratio of output and input is called productivity. The input is labor and capital goods and the output is good and service. Productivity slowed until the period 1995 to 2004. it increased between 1 and 1. 5 percent thanks to information technology. Productivity dropped at a 5% annual rate in 2016 due to the decline in oil production, as prices fell in 2015 and 2016, companies laid off workers. That’s according to an April 2016 study from the Federal Reserve Bank of Kansas City. Finding a way to increase productivity is seen as the biggest challenge facing the economy right now.

Labor Cost: USA labor cost has overall seen increase in nominal figure, i. e. in terms of currency. However when directly compared with that of their productivity, which has seen an increase, then the labor cost is not cheap. So the labor cost of USA is high on the basis of their living standard but 70% earnings are gone as expenditure.

Income Level: USA income fall through the 2001 and 2008 recessions. Incomes didn’t start improving until 2006. Due to this raised interest rates. People lose their job because of recession and this jobs didn’t return in 2009

## Implication of Economic Environment for Piñatex

List Opportunities Rating\* List Threats Rating\*

1. Debt
2. Income Level
3. Inflation

The rating is based on a double-digit, 5-point scale, for the degree of significance and for probability of occurrence. For the degree of significance 5 = extremely significant, 4 = quite to highly significant, 3 = significant, 2 = reasonably significant, and 1 = not very significant. For probability of occurrence 5 = extremely likely, 4 = highly likely, 3 = quite likely, 2 = moderate, and 1 = low probability.

For Piñatex the list of opportunities comes from Debt, Income Level, and Inflation. From the aforesaid analysis it can be seen that the debt level of USA is increasing and on the other hand they are always welcoming new investment in the form of FDI’s. So, this is a positive area for Piñatex as they can get themselves into the action because at the time of Debt. This is when American government will want to reduce such and inflows from FDI’s allows just that. Also the higher income level and the lower trend of inflation both play a key part in initiating a potential FDI for Piñatex in USA. Higher income level suggests higher consumption and on the other hand inflation is low meaning people’s purchasing power parity is high and also cost of raw materials is low.

However, threats are also aplenty, the lower productivity alongside competitive labor cost doesn’t make it a great place for any new investor. Labor cost is a direct expense for the company for which the cost of goods shoots up high, and the lower productivity indicates that the labors are not producing at their optimum and firm will be losing on valuable outputs.