Middle east business

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The success of any business requires complete understanding of many factors. For example, it is critical to consider factors such as market, location and other social factors among others (Campbell 2007, p. 56). Therefore, any company that intends to succeed in the Middle East should appreciate the existing disparities in terms of the people and other defining social issues.

There are various things that companies do wrong when they try growth into the Middle-East. For example, they overlook the culture of the people in such countries. Most nations in Middle East have conservative cultures that do not accept some forms of conducting business that is prevalent in the West. Additionally, there are issues of tax policies and compliance that differ in most nations of the Middle East. Therefore, when companies ignore such grave matters of significance then there is bound to be failure. Alternatively, due diligence is paramount in nations in the Asia (Rehman 2007, p. 78). This is through transparency of tax and financial tax records in order to allow effective transaction. In other words, nations in the Middle East require accountability when dealing with foreigners. Furthermore, another greatest undoing of most companies is the transfer concerned with pricing documentation. This is whereby there is general transfer of pricing audit in the business environment. On that note, organizations that do not comply with transfer price audits are destined to fail. Apart from the aforementioned factors, there is also the issue of complete understanding of labor contract law in order to avoid the contravention of the stipulated contracts. This is meant to set up labor relationships that would be beneficial to the business instead of being a source of losses.

However, there are other most important things one is supposed do when conducting business in the Middle East. For example, it is imperative to respect the culture of the peoples living in those nations in order to avoid simple violations of customs and traditions. Another fundamental issue is to study the tax policies and compliance rules of the countries in that continent in order to encourage transparency and accountability. In the same prospect, it is critical to study the corporate governance of the market of such nations. This suggests that the financial reporting should work in conjunction with internal controls. Alternatively, new companies should understand the enterprise bankruptcy law in order to encourage foreign investment in the country of business (Xi 2008, p. 108). On that account, the new company should strive at promoting the enterprising spirit of the nation instead of exposing its bankruptcy. Additionally, control over foreign investments is imperative in terms of expenses and revenues in the foreign currencies. In other words, funds deposited and withdrawn from the foreign banks should generate interests for the banks and hence promote the organization.

On that account, more sensitization should be extended to companies doing business in the Middle East in terms of seminars and workshops to avoid the aforementioned pitfalls (Campbell 2007, p. 67). Additionally, the new companies should strive at learning the existing cultures and market segment of the Middle East nations to attract sales and profits.

Bibliography

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