

# Weekly questions

[Business](#)



Weekly Questions WEEKLY QUESTIONS Do you think that near-shoring or outsourcing will continue for U. S. companies? According to Cromie and Zott (2014), 2014 will witness a significant shift towards near-shore outsourcing for US companies. Near-shoring, which involves outsourcing of work to countries that are closer to the home country, such as Mexico, is expected to overtake hiring companies in China or India. This trend is attributed to increasing costs of labor in China and India, causing US companies to look for alternative locations that lessen risks and costs that come with offshore outsourcing. Yet, another factor for this shift towards near-shoring involves the language and cultural barriers that afflict offshore outsourcing. Apparently, US companies are tending towards outsourcing their customer service functions to companies that hire staff capable of communicating fluently in Spanish or English. While majority of international US companies have staff that is multi-lingual, most of them would still prefer to hire companies that possess a similar cultural affinity (Cromie & Zott, 2014). Therefore, they will tend to be more likely to outsource functions to locations that share a similar culture, thus preferring near-shoring. Although American companies have benefited immensely from offshore outsourcing in the past, the increasing investments in customer service has made them aware of the costs of miscommunication on their overall business.

Identify a trade embargo that the U. S. has with another country and explain why it was imposed.

The US, as of 2013, had several trade sanctions and embargoes against several countries, including imposing embargoes on arms-related exports, financial restrictions, economic assistance restrictions, and dual-use exports controls. The embargo against Cuba is one example, which involves

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financial, economic, and commercial restrictions first imposed in 1960 and further extended in 1962 to cover almost all forms of imports (Coy, 2012). An arms-trade embargo has been in force since 1958 when Cuban rebels headed by Fidel Castro seized American properties and nationalized them. In addition, further actions to nationalize all privately-owned companies led to an embargo on all Cuban brown sugar imports. The US government responded to Castro's Cold War alignment with the USSR by widening the scope of trade embargo restrictions, especially after Cuba hosted USSR missiles on their territory (Coy, 2012). This resulted in freezing of Cuban assets in the US and consolidation of all existing restrictions. Finally, in the wake of the shooting of unarmed US planes that killed four US citizens in 1992, the Helms-Burton Act restricted trafficking of property confiscated by the Cuban government without compensation for the US citizen.

Why are the (BRIC) countries significant for international businesses that sell goods or services internationally?

BRIC countries, which incorporate; Brazil, Russia, India, and China, are among the world's most crucial growth drivers and, therefore, are critically important for international companies selling products internationally. This is because of unprecedented expansion in their consumer markets, as well as the increased growth of multinational companies in the BRIC countries that make the countries attractive for companies seeking to expand their international markets (Nadkarni & Noonan, 2013). As international companies continue to jostle for the benefits arising from globalization and its changing dynamics, the BRIC countries are the biggest beneficiaries and their sphere of influence is expanding.

The wealth in natural resources for both Brazil and Russia, as well as the

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wealth in labour resources for India and China, has made these countries preferred locations for the outsourcing of services and manufacturing (Nadkarni & Noonan, 2013). The four countries also have an expanding middle class and, consequently, a growing consumer base, especially for China and India. Together, the BRIC countries have become important locations for all aspiring international companies, be it in buying precious natural resources, selling products to an increasingly affluent consumer base, or outsourcing services and manufacturing.

#### References

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