Would fall under.

Finance

This lowering of production costs stems from a procurement strategy called Low-cost country sourcing (LAICS). I The abundance of cheap labor in Thailand gives the country and its businesses an edge, as they are now able to produce their products at a much lower cost and thus be able to gain a comparative advantage against their rivals from other countries like the US. With regards to exporting to Thailand , as the economy is still in its stages of infancy and the people Just beginning to open up to leisure sports such as Roller

Balding , Blades may be able to gain the first-mover advantage by venturing In to Thailand at this point In time. In addition, the good relations and ties that Blades may build with some of their Thai suppliers, could help to ease their efforts in to breaking into the Thai market and exporting to Thailand Furthermore with the rising affluence amongst the people in Thailand, it is likely that more individuals would turn to leisure sports such as, roller balding, during their free time.

Coupled with youths in Thailand becoming increasingly " Americanizes". This trend therefore, poses as an excellent opportunity for Blades to boost sales In Thailand to off-set the falling demand being experienced In the US. Finally, by exporting to Thailand, Blades Is able to diversify their sales and operations overseas. This way, should their business take off in Thailand, the profits from their foreign subsidiary would be able to offset the falling demand for their products in the US to ensure the company's sustainability and also investor confidence.

Question 2: In the short run, one of the disadvantages would be facing sales that may fall short of expectations due to the ongoing political conflict In Thailand. This potential fall In sales is a result of country risk. The protests and riots as a result of the political instability in the country could deter Blade's target audience from purchasing their products due to them preferring to stay safe at home than subject themselves to unnecessary harm whilst shopping. Another disadvantage, would be the exchange rate risk which would come about with the currency fluctuation of the Thai Baht.

Blades would be more affected by an appreciation of the Tall baht rather than a appreciation. This Is as when the Thai baht appreciates, the raw materials and production costs would become relatively more expensive as one US dollar is now worth less in Thai Baht. This would then drive up their overall cost of production and without any change in demand or sales, result in lower profits. In the long run, Blades should be aware of the international economic conditions as a recession could be disadvantages to the company. With a recession, sales would be affected as blades would fall under.

Another disadvantage in the long run would be the isolations that could be implemented by the governing body after Blades have successfully established their subsidiary. Examples would be changes in the regulations for Multi-National Corporations (Mans) like Blades in the country and increase in taxes. All these changes would equate to inconvenience for the company and possibly an increase in their operations cost in the case of an increase in taxes. All these disadvantages should be carefully thought through by Ben Holt and his team as they could impact the commercial viability of setting up a subsidiary in Thailand.