

International Business

Chapter Four

The Economic Environment Facing Business

Elements of the Economic Environment

- Gross Domestic Product and Gross National Income
 - GDP/GNI growth
 - Per capita income
 - Purchasing Power Parity
- Human Development (HDI of UNDP)
- Green measures of development

Features of an Economy

Implication of the following factors for managers:

- Inflation/deflation: price index and cost of living,
- Unemployment: civilian labor force, labor regulations
- Debt: internal and external debt
- Income distribution/inequality: globally, within the country, GINI index, urban vs. rural
- Poverty: definition, do poor have any potential?
- Labor costs
- Productivity
- Balance of Payments