

### **International issues**

The [international environment](#) is very important today. Globalisation, the process whereby [businesses develop worldwide](#) brands and products which they supply across the world, and in which they employ labour in many different countries, has transformed business relations. No country today can provide all of the resources necessary to fully develop its economic potential and satisfy the needs of its population. By virtue of its location, Britain has historically been a major trading nation. International trade has enabled it to gain from the advantages of specialisation by exchanging its surplus goods for surpluses produced by other countries. Thus its inhabitants can prosper from lower prices and higher living standards.

International trade involves making payment overseas for goods and services received and the receiving of payments for goods and services supplied. The balance of payment is a way of measuring a country's international trading in a given period of time. Ideally a country should sell a lot of exports to other countries, because high levels of exports raises living standards for people in this country. At the same time it is good to import goods from overseas because this enables us to enjoy more goods and services than we can produce ourselves.

### **European Union**

Britain is a member of the [European Union](#) which is one of the largest free trading areas in the world. Within this area there is a freedom of movement of goods, services and people. Most of the countries of the European Union have a common currency - the Euro. Britain loses out from not using the Euro as its currency because every time a business person imports or exports goods within the European Union they have to exchange one form of currency for another, often involving time and cost in making the exchange.

Many large UK businesses have developed global brands, and have adopted a marketing mix that is fairly uniform across the globe.

Most of the UK's major manufacturers such as Portakabin, and Cadbury Schweppes, produce standard products, which they promote and advertise in similar ways in different countries. By creating well recognised brands they are able to build up a reputation with a global audience. Cadbury Schweppes employs labour across the globe, and uses standard production techniques in a range of its plants.

A multinational company is one that produces and/or sells its goods in two or more countries. Many multi-nationals operate in North America, Europe and at least one other continent.