HOW SWEDISH COMPANIES RUNNING BUSINESS IN THE SOUTHEAST ASIA DEAL WITH TRADE OBSTACLES

Background
As globalization goes on intensifying, companies all over the world are looking for opportunities for their business outside the territory of their home country. So as to be successful in taking advantage of a number of low cost opportunities available in other countries, the actual need for completing free trade requirements is one thing that all companies, regardless of size, should be rooting for.
Most of the countries in Southeast Asia are regarded as underdeveloped. In comparison to the countries in Europe, they are way behind when it comes to economical and political developments. Moreover, Asian and European countries come with extremely diverse historical backgrounds, with the behaviors of people differing a lot due to some non-tariff barriers and culture clashes that arise (Lindt, 2002).
With the aim of studying how these companies from Sweden that are running their operations in Southeast Asia can deal with trade obstacles, and the impact that it may have when conducting business in this region, the authors have performed in-depth interviews with five companies that are operating in Singapore. The thesis focuses on the various issues that these companies face when dealing with their counterparts in the region.

Problem
It is vital for different companies to expand their businesses abroad so as to stay on top of their competition. Despite the fact that decision involving trading with different foreign countries may seem unavoidable and rational for several companies, there are also some obstacles which can, and will impact the outcome of the business. Therefore, it is very important to establish a thorough understanding on the impact that the international trade will have on a business, with its performance.
Purpose
The aim of this thesis is to focus on the way Swedish companies that are operating in Southeast Asia, particularly in Singapore, can potentially overcome some trade obstacles.

Delimitations
The authors have selected to study Swedish companies that operate their business in the Southeast Asia region. The results could have been different if companies coming from other companies were included as well. On top of that, the companies that are interviewed are all operating in the manufacturing sector, and have experienced the same turnover. All of these companies have been operating in the region for over five years. The result may also be different if the interviews also covered companies coming from other industries, as well as companies that are smaller in size, looking for options to start up their business in a new region. Smaller companies may have to deal with obstacles which are not seen by bigger companies which currently existing companies have already learned to deal with.

Cultural Diversity
Culture is not something that is innate among people. It is not something that is genetically inherited from the past generations. Rather, culture seems like a phenomenon that is shared among people operating within the same environment and region. In is the set of values of the people that contributes to the largest cultural differences among the countries (Hoffman & Ding, 2009).
The specific set of values is significantly differing from one country to another. It is also this difference that causes some problems, especially when two different cultures start to collide. The problems are also based on issues such as prejudice, lack of knowledge, and other issues that exist when cultures overlap. There are three ways in order to deal with this culture collision. First, the cultures may keep their distance and independence from others, ignoring contact, yet still coexisting. Second, a culture may also prove to be dominant over another. Third, a completely new culture may also emerge as a combination of the two cultures (Schine, 2001).

References