Group Project Guidelines

Your team is working as management consultants for a Hong Kong manufacturing company. The organization sells 40% of its products in Asia, 30% in North America and 30% in Europe. At present the firm has one manufacturing facility in Hong Kong but is looking to build a larger more modern plant in another country, you expect to employ about 1,500 workers there. The firm has already done some preliminary work and has come down to a choice between two countries in which to site this new facility. You are required to advise the firm on which of these countries may be the most appropriate manufacturing location for the firm. Goods produced in the new facility will be exported worldwide and are not intended for the 'local' market.

In order to advise the firm you will need to consider the business environments in each of the countries that have been suggested. In particular you will need to consider:

X  Standards of living, wage levels and other relevant economic background of each country
X  Tax rates and investment incentives offered in each country.
X  Availability of labour with the necessary skills in each country.
X  Natural factor conditions in each country, infra-structure development and availability of relevant supporting industries.
X  Legal environment in each of the countries regarding labour laws, environment laws etc.
X  Membership of Regional Trade Agreements of each country and other trade-related considerations
X  Cultural considerations and ability of Hong Kong management team to work with local employees
X  Political risk considerations in each country.
X  Any other factors you consider relevant.

At the end of your analysis you must make a choice of which country the firm should locate in and provide a summary of the main reasons for your choice.

(Note that Investment Promotion bodies of many countries will be able to help provide you with this information, check the Internet to find links to these bodies. You may also wish to contact the commercial arms of local Consulates in order to speak with a Commercial Officer involved in Investment Promotion activities).