Course: Globalization of business enterprise Assignment: principle partner profiling

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## **General information**

Country selected: the Netherlands

Countries with an intense trade relationship<sup>1</sup>:

Country	% of exports
Germany (DE)	24
Belgium (BE)	12
United Kingdom (UK)	9

## **Step 1: Cultural distance**

Country	Cultural similarities
Germany (DE)	<ul> <li>Same religious tradition (Protestant/Lutheran/Calvinism)<sup>2</sup></li> </ul>
	<ul> <li>Language similarities (German and Dutch are similar languages)<sup>3</sup></li> </ul>
	<ul> <li>Similar level of power distance<sup>4</sup></li> </ul>
Belgium (BE)	- Same language (Dutch)⁵
	<ul> <li>Belgium was part the Netherlands (till 1831)<sup>6</sup></li> </ul>
United Kingdom (UK)	<ul> <li>Language similarities (English contains a number of Dutch words and</li> </ul>
	vice versa)
	<ul> <li>Protestant culture (although the UK is an angelical)<sup>7</sup></li> </ul>
	<ul> <li>Similar enemies historically (Spain)<sup>8</sup></li> </ul>
	- Similar level of power distance <sup>9</sup>

<sup>&</sup>lt;sup>1</sup> See: http://maps.ghemawat.com/ShowMaps.aspx?MapName=ENLD

<sup>&</sup>lt;sup>2</sup> See: http://en.wikipedia.org/wiki/Calvinism

<sup>&</sup>lt;sup>3</sup> See: http://forum.wordreference.com/showthread.php?t=631528&langid=13

<sup>&</sup>lt;sup>4</sup> Source: video 6 week 4

<sup>&</sup>lt;sup>5</sup> Belgium has three official languages: Dutch, French and German. Dutch is primarily spoken in Flanders, French in Wallonia and German in a small portion of the eastern part of the country.

<sup>&</sup>lt;sup>6</sup> See: http://nl.wikipedia.org/wiki/Geschiedenis van Belgi%C3%AB

<sup>&</sup>lt;sup>7</sup> See: http://www.geheugenvannederland.nl/?/nl/collecties/nederland\_engeland

<sup>&</sup>lt;sup>8</sup> Ibid.

<sup>&</sup>lt;sup>9</sup> Source: video 6 week 4

**Step 2: Administrative distance** 

Country	Administrative similarities
Germany (DE)	<ul> <li>Part of the European Union since the beginning <sup>10 11</sup></li> </ul>
	- Part of the Council of Europe <sup>12 13</sup>
	- Part of the Euro zone since 2002 <sup>14</sup> 15
	<ul> <li>Similar legal system (civil law)<sup>16</sup></li> </ul>
	<ul> <li>Widely held companies dominate<sup>17</sup></li> </ul>
	<ul> <li>Similar level of employment protection<sup>18</sup></li> </ul>
Belgium (BE)	<ul> <li>Part of the European Union since the beginning<sup>19</sup></li> </ul>
	<ul> <li>Part of the Council of Europe<sup>20</sup></li> </ul>
	- Part of the Euro zone since 2002 <sup>21</sup>
	<ul> <li>Similar legal systems (civil law)<sup>22</sup></li> </ul>
	<ul> <li>Similar level of employment protection<sup>23</sup></li> </ul>
United Kingdom (UK)	<ul> <li>Part of the European Union since the beginning<sup>24</sup></li> </ul>
	- Part of the Council of Europe <sup>25</sup>

The Netherlands was also part of the European union since the beginning

11 See: http://europa.eu/about-eu/countries/index\_en.htm

12 The Netherlands is also part of the Council of Europe

<sup>&</sup>lt;sup>13</sup> See: http://hub.coe.int/

<sup>&</sup>lt;sup>14</sup> The Netherlands is also part of the Euro zone since 2002

<sup>&</sup>lt;sup>15</sup> See: http://en.wikipedia.org/wiki/Eurozone

<sup>&</sup>lt;sup>16</sup> Source: video 6 week 4

<sup>&</sup>lt;sup>17</sup> Source: video 4 week 4

<sup>&</sup>lt;sup>18</sup> Source: video 5 week 4

<sup>&</sup>lt;sup>19</sup> See: http://europa.eu/about-eu/countries/index\_en.htm

<sup>&</sup>lt;sup>20</sup> See: http://hub.coe.int/

<sup>&</sup>lt;sup>21</sup> See: http://en.wikipedia.org/wiki/Eurozone
<sup>22</sup> Source: video 6 week 4

<sup>&</sup>lt;sup>23</sup> Source: video 5 week 4

<sup>&</sup>lt;sup>24</sup> See: http://europa.eu/about-eu/countries/index\_en.htm

<sup>&</sup>lt;sup>25</sup> See: http://hub.coe.int/

Step 3: Geographic distance

Country	Geographic similarities
Germany (DE)	<ul> <li>Low weighted distance (compared to other countries)</li> </ul>
	- Connected by land
	- Multiple rail connections (with one dedicated to freight trains running
	from the harbor of Rotterdam (one of the lager ports in the world) to
	the Ruhr area (important industrial area in Germany))
	- Multiple highway connections
	- Similar time zone
	<ul> <li>Part of the European region (high degree of intra-regional trade)</li> </ul>
Belgium (BE)	<ul> <li>Low weighted distance (compared to other countries)</li> </ul>
	- Connected by land
	- Two rail connections
	- Similar time zone
	<ul> <li>Part of the European region (high degree of intra-regional trade)</li> </ul>
United Kingdom (UK)	- Low weighted distance (compared to other countries) (although higher
	than BE and DE)
	- Ferry connections
	- Good airline connections
	- Part of the European region (high degree of intra-regional trade)

## **Step 4: Economic distance**

Country	Economic similarities
Germany (DE)	- Similar GDP per capita <sup>26</sup>
	<ul> <li>Similar economy structure (in terms of sectoral composition)<sup>27</sup></li> </ul>
Belgium (BE)	- Similar GDP per capita <sup>28</sup>
	<ul> <li>Similar economy structure (in terms of sectoral composition)<sup>29</sup></li> </ul>
United Kingdom (UK)	- Similar GDP per capita <sup>30</sup>
	- Similar economy structure (in terms of sectoral composition) <sup>31</sup>

 $<sup>^{26}</sup>$  See https://www.cia.gov/library/publications/the-world-factbook/geos/nl.html and https://www.cia.gov/library/publications/the-world-factbook/geos/gm.html  $^{27}$  lbid.

 $<sup>^{28}</sup>$  See https://www.cia.gov/library/publications/the-world-factbook/geos/nl.html and https://www.cia.gov/library/publications/the-world-factbook/geos/uk.html  $^{29}$  lbid.

<sup>30</sup> See https://www.cia.gov/library/publications/the-world-factbook/geos/nl.html and https://www.cia.gov/library/publications/the-world-factbook/geos/be.html 31 lbid.