**Benefits and Drawbacks of Globalisation**

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| **Potential Benefits** | **Potential Limitations** |
| * Greater opportunity for selling goods in other countries. Opening up new markets, which may not have reached saturation as the domestic market may have done, gives the chance of higher sales, economies of scale and improved profitability.
 | * Businesses from other countries now have freer access to the UK market so there will be increased competition. Wider consumer choices will drive firms that are not internationally competitive out of business.
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| * Increased competition gives firms the incentives to become more internationally competitive. Hiding behind trade barriers breeds inefficiency and this will no longer be possible.
 | * The drive for international competitiveness will also be forcing other firms to become more efficient.
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| * Wider choice of locations – the opportunity to set up operations in other countries and become a multinational. These locations offer, usually, lower costs and direct access to local markets. Working within each country should lead to better market information.
 | * Global strategies can fail to consider the cultural and taste differences between consumers of different nations.
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| * International locations can lead to significant transport and communication problems. Risk of unethical practices.
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| * Greater freedom to arrange mergers and takeovers with firms from other nations.
 | * UK businesses are now increasingly subject to foreign takeovers e.g. land rover and jaguar by Tata (India)
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|  | * May face activity from anti-globalisation groups, resulting in bad press affecting the businesses’ brand image.
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