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Global Market

One of the current global market conditions is increased competition. The United States is a giant in education and faces weaknesses in other areas like regulations and microeconomic policies. More companies are entering the global market, leading to several impacts on the United States.

Global Market Trend: United States

The increased competition in the global market impacts the US's performance rates meaning that the different competition factors need to be considered. Understanding how the factors have performed in the past is useful in guiding the changes that need to be implemented. Productivity is one of the elements, whereby in the 1990s, its rate was higher than most of the advanced economies. However, in the 2000s, production was altered by the huge financial crisis (Porter & Rivkin, 2012). For that reason, the government took action to improve the rates, though some challenges like unemployment are evident. There is a need to assess the country's production because it determines if the nation would maintain its competitive benefits. Normally, when the production rate is high, buyers' needs and preferences are met, thus attracting huge sales that earn profits. Therefore, the increased competition in the global market impacts the United States as it has to boost production to remain relevant.

Increased global competition also affects the United States due to the wages given to the workers. For companies to perform well in the international market, they must satisfy and motivate their employees. One of the ways to do this is to offer adequate and timely compensation. It makes them feel valued and committed to work so that the set objectives are met. In this area, the US has suffered for over a decade, and actions need to be taken; otherwise, more weaknesses would develop. For instance, before the 2008 crisis, the wages increase rate was 0.5%, lower than in other regions (Porter & Rivkin, 2012). The rates have

deteriorated since then, and since the middle and the low-income employees suffer the most, the nation would not perform well in the market. As a result, the low wages have pushed workers to quit jobs while others move from one company to the other. It disadvantages companies' performance as they have to train the new workers from time to time which needs a lot of money that could be used to develop the international market.

With the higher competition in the global market, the United States has to reconsider its trade and investment in foreign nations. It is the leading economy regarding foreign direct investment, but the inbound FDI has slowed in recent years. Moreover, the number of exports from the nation has improved lately but compared to other nations; its level is still low. For example, when the US export rates reduced, Germany's rates rose fast (Porter & Rivkin, 2012). It is a threat to the future status of the nation because lesser exports mean reduced incomes. Therefore, other companies would earn more and grow fast, taking the United States' position in the worldwide market. Apart from that, the nation has to revisit its international trade policies to retain its global market position. Trade regulations are one of the weaknesses the nation faces that needs to be amended. Notably, most urgent policies should support local and international companies to operate smoothly to earn profits needed in the international market.

Consequently, organizations need to understand international consumers' needs and preferences and meet them. Prices ought to be increased so that more profits are earned to compete well. Nevertheless, many players in the market would motivate consumers to prefer them due to prices. To counter this, the US has to produce quality goods and services, so the buyers prefer them over the rivals. Additionally, the marketing strategies need to be improved online and offline to attract as many buyers as possible and retain them. Based on the description above, the global market trend on increased competition impacts the region

directly. Hence, factors like production, wages, and trade policies have to be reevaluated to align with today's changes, so the US retains its position in the global market.

Global Market Trend: China

One of the global market trends impacting China is the growth of innovation rates. Technology has developed in most regions across the world, resulting in innovation. Each market is working to ensure an increased production rate with reduced costs to earn huge profits and gain a large market share. As a result, the trend impacts China in several ways, as described in the following paragraphs.

One of the impacts of increased global innovation is creating an unfair advantage in the market. Regarding innovation, China was different as the government implemented mercantilist policies. There are actions considered by a market to benefit the local firms, so production rates increase while limiting the other players in the market. One of China's worst strategy was introducing a cybersecurity law that burdened the foreign firms in the technology sector (Atkinson, 2020). The administration also allocated huge subsidies on the local players and manipulated its currency to access the unfair price benefits, so earning a lot from IP while paying little. Specifically, the aim was to benefit the local economy so that companies innovate more to remain competitive in the international market, but the success was not attained. It is the case because the less innovative local players were eliminated in the market. With the country's reduced production rates, other players got the chance to innovate higher, thus posing a huge threat to the Chinese market.

Another effect of the innovation trends in the Chinese market is increased pressure to thrive. When the unfair policies were introduced, China increased pressure as most foreign organizations cut their expenses on innovation. It created a gap that China must fill to ensure more companies do not enter the market. A strategy named "made in China 2025" (Atkinson, 2020) was introduced, predicted to do greater harm to the global innovation process. For

decades, China's products and services have been discriminated, for being low quality. Consumers prefer goods from the United States as they are believed to be of high quality. The innovation pressure created has forced the nation to introduce a strategy to convince the public that China offers better products and services than its competitors. Hence, if implemented, the direction of global innovation will change as China might become the most powerful market globally, forcing other regions to invest higher in the area to remain relevant in the industry.

The innovation trend also pushed China to introduce policies that affected foreign innovations. It is necessary to understand how innovation industries operate to understand China. The companies normally allocate more fixed costs in the development process, while production costs are low. It means that costs incurred in producing the first goods are extremely high, but the costs reduce as the production continues. Moreover, China's mercantilist regulations lower the market share of the outside markets. It is the case as they are designed to favor the locally owned firms or lower the foreign companies' market. An example of this situation was the 2008 actions by the government. Billions of monies were allocated to Yuan, a Chinese based company, to gain a global market share. The action led to a decrease of 85% of the nation's crystalline solar PV in 2017, and in 2018, China accounted for 38% of the solar panels exported in the world. Therefore, the innovation trend has impacted China greatly because the administration has been forced to implement policies to outdo the rivals. In the process, some of the companies have benefited while others are limited.

In summation, the current global market trends have impacted the United States and China. As a result, the US is forced to assess its sources of competition and improve to remain competitive. On the other hand, China is under pressure to fill the gaps created by the innovations and policies implemented.

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