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Submission date: 15-Apr-2020 12:20AM (UTC+0700)

Submission ID: 1297509850

File name: Embraer.edited.docx (23.61K)

Word count: 970

Character count: 5381

Embraer and Brazilian Importing

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Embraer and Brazilian Importing

Imports play a significant role in the emerging business that has expanded to international markets. Every company, organization, and industry strives to become more competitive by developing and manufacturing high-quality goods at affordable prices. Therefore, importing will play an essential part in adding a competitive advantage to products being manufactured (Halpern et al. 2015). Moreover, other countries are gifted with specific resources and hence other countries that lack essential resources to develop and enhance their general economy. While other countries have surplus resources such as metals and fossil fuels, there will be a need for other countries to import what they do not have and what is cheap from other countries to be able to improve their general economy.

Similarly, reducing cost is also another benefit because majority of the goods to be imported are always of a lower price than those produced locally. For instance, Embraer has decided to import many of its products because the cost of importing the products is less compared to when they use local products. Furthermore, industries do import large quantities of goods to get better prices hence reducing the cost. Finally, manufacturers may be in dire need of high-quality products as the industries developing this product are professional in work. For example, Embraer does not have government support in the research and development, and therefore, they tend to import goods from professional industries that will produce high-quality products.

Embraer Company will not operate sustainably if it neither imported nor exported products. For every international company to prosper, it must be involved in exporting its products. Moreover, companies such as Embraer operate by importing products to reduce cost of manufacturing and focus on the quality of products. However, according to Daunorienė et al.

(2015), sustainability ensures that the company has a future and involves the continuity of the business; hence, without importing and exporting their products, the company will not be able to operate by following the sustainable development objectives. Embraer ranks as fourth large airplane manufacturer globally, and it has managed to serve more than ninety airlines in more than 60 countries, meaning that exportation plays a crucial role in sustaining their sales. Furthermore, the company also imports a lot of raw materials and components to Brazil, indicating that without imports and exports, the company cannot be sustainable and hence fail in its operation.

Protectionist policies in trade can either be of benefit to a country and also causes effects to the countries economy. Protectionist policies provide a chance for the government to encourage domestic producers and hence increasing domestic production of goods and services in a country by striking quotas and other restrictions on foreign products in the market. Another benefit is the increased opportunities for growth available to local manufacturers as restrictions are put in place to other experienced companies from entering the market. The gross domestic product is also improved due to an increase in domestic production and lastly trade balance of a country increases as import levels are reduced (Hillman, 2015). The concerns for protectionist policies involve insufficient choices for consumers as there are fewer goods in the market because of the restriction on foreign products. Similarly, sluggishness of the advance in technology will also be noticed because domestic firms are not in worry of the competition brought by other foreign firms; hence do not invest in research and development and inventing new products. Furthermore, the technology used will remain stagnant because the products produced using the technology do not have competing products that have been developed using more advanced technology.

Embraer should continue to outsource their products as they develop other strategies that will help in reducing the cost of importation. The total company products used in a plane that is developed in Brazil is 40%, which is very small (Baer & Love, 2017). Therefore, the company can implement other strategies such as investing in research and development to find more sustainable ways of developing products that are of high quality and using the best means possible. Although the company has tried as much as possible to attract some of its international suppliers to set up their industries in Brazil, such as Kawasaki of Japan, developed their wing production industry in Gavião Peixoto in 2003, there is still more need to have their production facilities, which will make Embraer company use more than 50% of the components of plane from their facility productions.

Lastly, government subsidies will highly boost Embraer's competitive ability to the international market. Subsidies will play an essential role in the company especially the one that outsources majority of its products. Primarily, government subsidies will help the company to increase its production which in turn will lead to an increase in supply of the planes to be sold, rather than clients ordering and waiting for the product to be delivered. More clients will come to the company because of the minimum time used to deliver a complete product. Besides, government tax will also reduce the cost required to import products as well as manufacturing the final product because of the tax credits or reimbursements provided by the government (Daunorienė et al., 2015). Thus, helping the company to have more savings or purchasing more products than they would with the same amount of money.

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