

6.1: Chapter 5- Economic Development in the World

Summary

This chapter outlines how businesses and economists evaluate world economies. Then, the remaining sections review what developed and developing worlds are and how they differ, as well as explain how to evaluate the expanding set of emerging-market countries, which started with the BRIC countries (i.e., Brazil, Russia, India, and China) and has now expanded to include twenty-eight countries. Effective global managers need to be able to identify the markets that offer the best opportunities for their products and services. Additionally, managers need to monitor these emerging markets for new local companies that take advantage of business conditions to become global competitors.

Countries can be categorized in terms of their stage of economic development: low income, lower middle income, upper middle income, and high income. Gross domestic product (GDP) and gross national income (GNI) are commonly used measures of economic development. The 50 poorest countries in the low-income category are sometimes referred to as least-developed countries (LDCs). Upper middle-income countries with high growth are often called newly industrializing economies (NIEs). Several of the world's economies are notable for their fast growth; the BRIC nations include Brazil, Russia, India, and China. The Group of Seven (G7), Group of Eight (G-8), and Organization for Economic Cooperation and Development (OECD) represent efforts by high-income nations to promote democratic ideals and free-market policies throughout the rest of the world. Most of the world's income is located in the Triad, which is comprised of Japan, the United States, and Western Europe. Companies with global aspirations generally have operations in all three areas. Market potential for a product can be evaluated by determining product saturation levels in light of income levels.

Source

This page is licensed under a Creative Commons Attribution Non-Commercial Share-Alike License ([Links to an external site](#)) [Links to an external site](#) and contains content from a variety of sources published under a variety of open licenses, including:

- “World Economies”, chapter 4 from the book *Challenges and Opportunities in International Business* (v. 1.0) under a Creative Commons Attribution-NonCommercial-ShareAlike 3.0 License without attribution as requested by the work's original creator or licensor.
- The course note from the ‘Global Marketing’ course published online by Centre for Teaching and Learning (CTL) of Universiti Teknologi Malaysia (UTM). ‘The Economic and Political environment’ is Copyright (c) by Dr. Inda Sukati and made available under a Attribution-Noncommercial-Share Alike 3.0 license.

This page titled [6.1: Chapter 5- Economic Development in the World](#) is shared under a [CC BY-NC-SA 4.0](#) license and was authored, remixed, and/or curated by [Babu John-Mariadoss](#) via [source content](#) that was edited to the style and standards of the LibreTexts platform.

- [5.1: Chapter 5- Economic Development in the World](#) by [Babu John-Mariadoss](#) is licensed [CC BY-NC-SA 4.0](#). Original source: <https://opentext.wsu.edu/cpim/>.