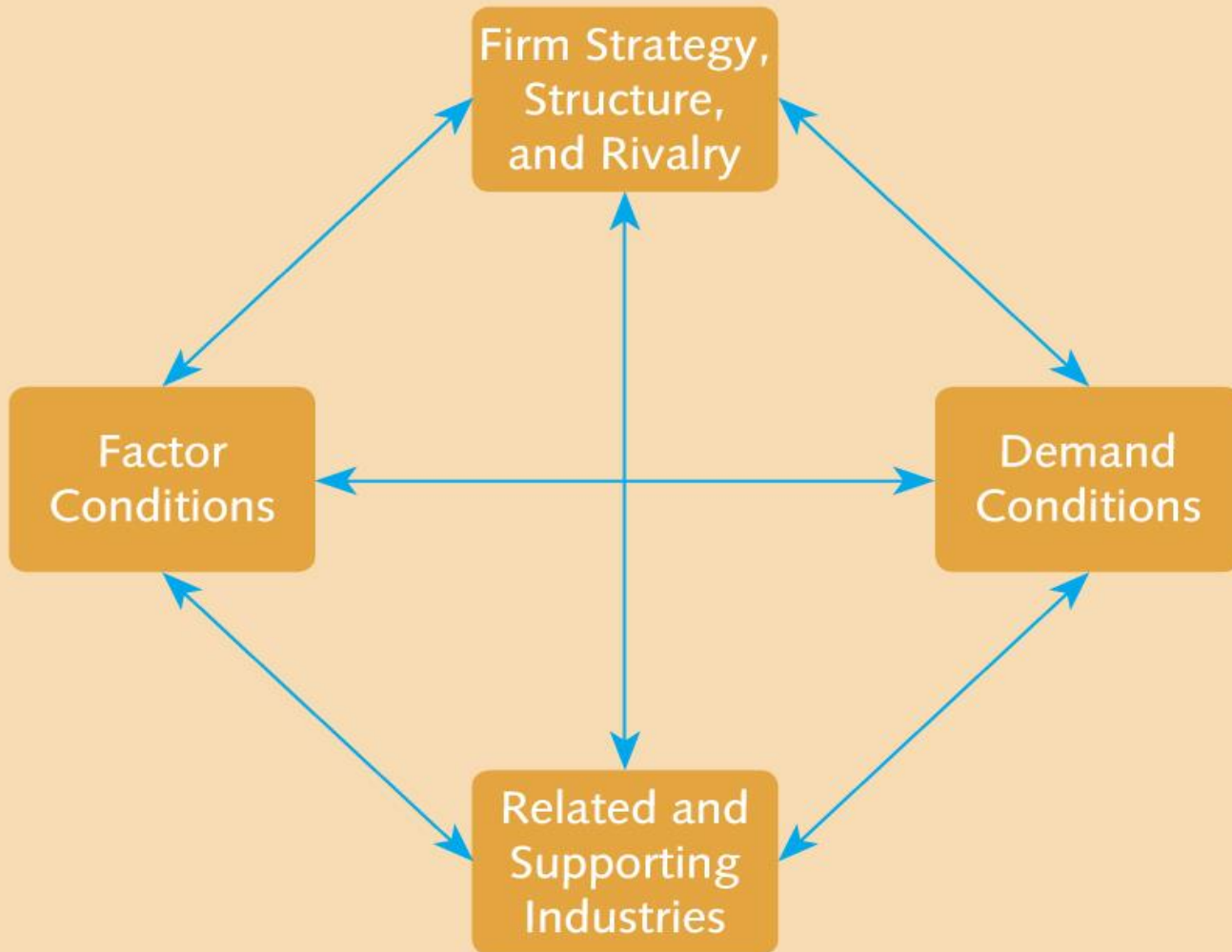


COMPETITIVE ADVANTAGE

Determinants of National Competitive Advantage



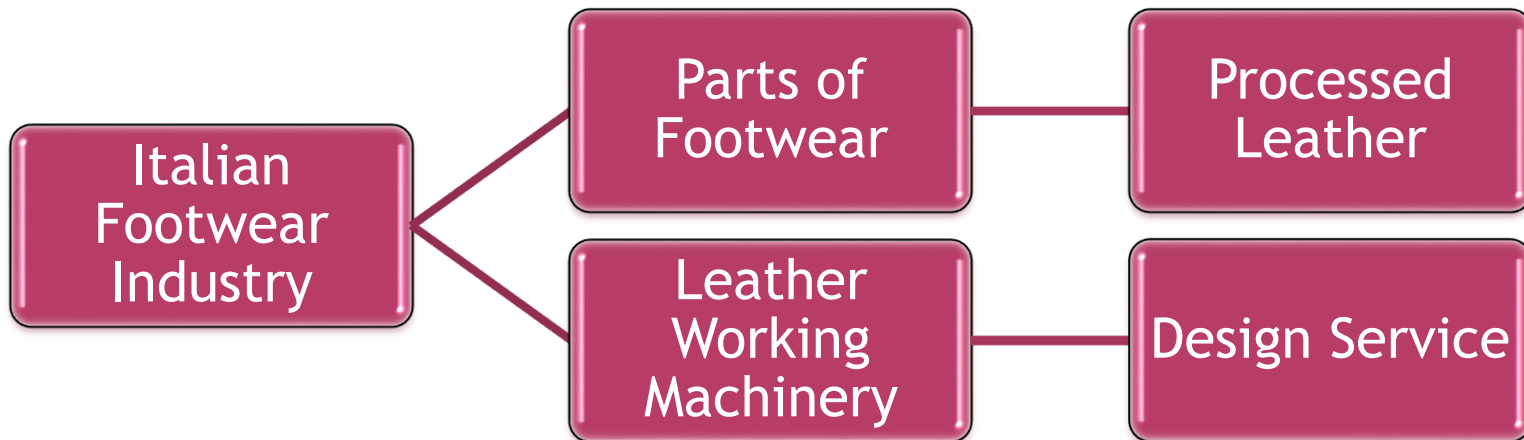
FACTOR CONDITIONS

- Human Resources
- Physical Resources
- Knowledge Resources
- Capital Resources
- Infrastructure

DEMAND CONDITIONS

- ◉ Segment Structure of Demand
- ◉ Sophisticated and Demanding Buyers
- ◉ Anticipatory Buyer Needs

RELATED AND SUPPORTING INDUSTRIES



FIRM STRATEGY, STRUCTURE AND RIVALRY

- ◉ Switzerland in Pharmaceutical
 - Sandoz and Ciba-Geizy
- ◉ Sweden in Car and Trucks
 - SAAB and VOLVO
- ◉ Germany in Chemicals
 - Hoechst and Bayer
- ◉ Japan in Electronics
- ◉ U.S.A. In Computers and Software

ROLE OF CHANCE

- Chance Events are the Occurrences that have little to do with the circumstances in a Nation and are often largely outside the power of the firms and Govt.
- Examples
- Significant shifts in world financial markets or exchange rates.
- Political Decisions by Foreign Govts.
- Wars
- Surge in World or regional Demand

- For Example surge in demand for ships gave Korea an opportunity to enter shipbuilding industry against Japan
- The Garments Industry was developed in Singapore after the western nations placed quotas on garment exports of Hong Kong and Japan

ROLE OF GOVERNMENT

- ◉ Govt Policy influences firm strategy, structure and rivalry through such devices as Capital market regulations, tax policy etc,