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Improving business collaboration between South Asia and Nordic Countries
Abstract

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Regional ties are becoming more critical when doing business abroad. Through the progression of technology, change the way of doing business. Products are producing in one continent, but consumers are living in far away in another region. Entrepreneurs are starting business in emerging markets because of high growth of economy. Many countries are trying to ease the process of doing business. Although, in the information era making business in overseas are still complicated. That is why we are seeing countries forming alliances to settle the economy flourish.

Nordic and South Asia economy zones are promising. Remarkably, South Asia contains emerging markets, as well as the fastest-growing economies. Moreover, Nordic has a relatively stable economy with a shortage of talents. The primary focus of the research question is to find out how two regions can improve business collaboration. So that, both zones get benefit themselves.

Furthermore, this study will use qualitative research approach as well as secondary data to analyze the current level of business collaboration between two regions and will recommend according to the research question.
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ABBREVIATIONS

OECD - Organization for Economic Cooperation and Development

IMF - International Monetary Fund

BREXIT – Withdrawal of United Kingdom from the European Union

CIA - Central Intelligence Agency

EU – European Union

EEA – European Economic Area

SARC - The South Asian Association for Regional Cooperation
1 Introduction

This chapter aims to give an overall view of the research. This includes thesis background, Research questions and challenges, theoretical framework, research methodology and thesis structure. This chapter aims to give an overall view of the research.

1.1 Background of the study

The world is changing, so does the way of doing business. Operating a successful business is not same as it was a decade ago. The number of business that has a global presence is growing day by day as well as trade-war, sanctions are becoming a common word for us. A successful business is always searching for opportunities and opportunities comes together, or opportunities comes through collaboration. Many successful businesses look for ties to make a better business environment. Regional relations can play a vital role in terms of opportunities for business.

Exchange of knowledge enhances skills and strengths (Sullivan & Skelcher, 2017). For example, Nordic countries are facing a shortage of talent. On the contrary, South Asia has many talents, but the countries have not much of businesses to use the talents. Regional ties based on business collaboration creates a more beneficial situation for both of them. As effective collaboration is vital in the current information era where there is an overload of information and in the meantime, businesses are complexing. Because in the modern-day business of any number of employees have to collaborate with global supplier or contractor as well as some cases the business has large percentages of a customer outside of the country or region. For example, Facebook is a registered business in the United States of America. However, most users of the product reside in India. Additionally, without existing business ties, it is challenging for a business to communicate at a global level as well as to decide and act according to the information. Having business ties on a global or regional level indicates business get leverage because of collaboration.

The research aims to check existing business collaboration between South Asia and Nordic countries and recommend approaches to improve the business collaboration between two regions.
1.2 Research Question and Challenges

Research questions are an essential part of research as they influence the choice of research methodology, research methods and data analysis techniques (Lipowski 2008). Developing a good research question is not easy. According to Lipowski (2008), a good research question should generate by using a three-step approach. The beginning should start with formulating engaging questions on research, then narrow down and choose specific questions for research and finally turn the questions into a theory.

The primary intent of the research is to find out the current state of business collaboration and recommend ways to improve business ties between South Asia and the Nordic region. The research problem and the recommendation will be presented using secondary data collected through reputable online sources. This research focuses on below question.

❖ How to improve business collaboration between South Asian and Nordic countries?

Additionally, while answering the main research question, the research will focus on some additional questions such as

❖ What is the current state of business collaboration?
❖ How can business collaboration can be improving?

The challenges of the research are data collections because there have been few studies done on the subject before. The research will be conducted using secondary data as well as this will be collected mostly from online and reputable sources. However, another critical challenge is to get accurate, current data of economies and collaboration nature.
1.3 Theoretical framework, methodology and data collection

Every research requires a precise approach to conducting the thesis. Research approach has three types of classification. They are the inductive approach, deductive approach and abductive approach.

The importance of the theories of the research is the distinguishing feature between inductive and deductive approaches. The deductive approach examines the gravity of theories. The inductive approach presents the development of new theories. The abductive research approach begins with an exciting idea that leads to an interpretation. (Bryman & Bell, 2015, p. 27)

Based on the essences and definitions of three research approaches the deductive approach is proper for this research. The method for the study is qualitative research method. More specifically, the analysis will be done based on secondary data

1.4 Thesis structure

This study will follow simple actions to keep the research not being complex. This research paper includes a total of eight chapters. The beginning chapter describes the background of the study, challenges, framework and thesis structure. In the second chapter of this research paper contains a theoretical definition of business collaboration, Importance of geo or regional ties as well as the opportunities. In part three and four of this research describe the economic situation in the Nordic and South Asia. The fifth chapter discusses the current and possible actions to improve business collaboration between the two regions. The sixth chapter is about the research methodology. The following chapter presents the analysis of the data. Finally, the last section is the conclusion which includes a recommendation as well as suggestions on further research on this topic.
2 Business Collaboration

This chapter aims to provide a theoretical understanding of business collaboration as well as the importance of having business ties. This part contains the definition of business collaboration, the importance of regional business ties and opportunities.

2.1 Definition

Collaboration implies working together to achieve a common goal. The world collaboration initiated from Latin word collaborate meaning to work together. To have effective collaboration, it must have a purpose because collaboration is a complicated process, and the success of collaboration depends on some prerequisites. (Camarinha-Matos & Afsarmanesh, 2008, p.311)

To secure an efficient collaboration, parties must follow some basic rules such as (Brna, 1998; Giesen, 2002):

❖ Mutual agreement on cooperation.
❖ Have a better perception of each other's abilities.
❖ Share a common interest.

Sullivan and Skelcher (2002) present three philosophical perspectives on collaboration: positivist, realist and rationalist. In the context of business collaboration, intends to work together and achieve similar goals. Good governance, technology, and culture are necessary for efficient collaboration (Sullivan & Skelcher, 2017). Business collaboration is a cooperative arrangement in which two or more parties share the workspace and work together to achieve similar goals. Collaboration is a crucial tenet to knowledge management as it is an effective way of transferring the information to other individuals within the shared workspace. It is easy to resolve the conflicts while working in a cooperative arrangement as well as the goals are harmonious.

When two or more businesses collaborate, they get a chance to enhance their skills and strengths. Business is enabled to utilize the skills and strengths of every individual working in the workspace. For example, a company in Nordic has a lack of IT resources, through having a business collaboration with a limited budget, it outsources the task in the south Asian countries. It applies
to solve problems faster and innovate new ideas for the company. Business collaboration helps in increasing work efficiency in every sector. Moreover, According to Linden in a collaborative environment, a business can save cost, including it is an excellent opportunity for learning (Linden, 2002).

Collaboration is complicated and not for everyone (Linden, 2002). Collaborating firms to work efficiently and documenting the agreements. Clear documentation of the collaborations avoids future conflicts and problems. Owing to a long-term partnership, the public of the other country know the business and their products, so it is easy to enter the market alone. The business already holds a brand image among the public of the other country which resolves most of the problems. IKEA did the same, after a long-term collaboration with the Japanese companies, they developed their headquarters in Japan and managed the whole business alone without any cooperation or tie.

2.2 Importance of Regional Business Ties

In this era of internationalization, everyone wants to go global to acquire new market and customers as well as achieve success. (Hollsten, 2006) In this context, Regional business ties are necessary, and they play a vital role. Relationships and collaboration enable the business to internationalize slowly. Internationalization is a long-term process that may lead to success or failure. IKEA is a well-known home furniture manufacturing company. When IKEA entered the Japanese market, it failed and left the market. IKEA adopted transnational theory and collaborated with Japanese companies.

Besides, IKEA also took local responsiveness and regional expansion theories to achieve success. IKEA failed for the first time due to the lack of knowledge of the Asian market as the Asian market is different than North American or Nordic market. Later the collaboration with Japanese companies helped them to understand the culture of Japan and standardize products. After the cooperation and implementation of theories, IKEA achieved success in the Japanese market (Chaletanone & Cheancharadpong, 2008).

When a company starts internationalizing, it should work slowly and understand the culture of the other country. Regional business ties help to learn the culture of the other country quickly.
Understanding the culture of the other country is necessary; otherwise, a business may fail to achieve success. Regional business ties provide external support from the alliance organization. The alliance firm has complete knowledge of the region, so with their help, a business can grow faster.

Furthermore, business ties minimize the risk factor (Linden, 2002). Going global alone holds many risks, but regional business ties reduce such threats because the collaborating firm has complete knowledge of the country. They understand the culture and beliefs of the public; they are familiar with the buying behavior of consumers. Such information is essential when a firm is internationalizing.

Before making any collaboration, it is necessary to implement some theories simply as IKEA did to achieve success in the Japanese market. Corporate theories and regional expansion theories can help in such cases. It is also important what type of collaboration will establish. The business collaboration will help you to understand the mindset of the public of the other country, but theories and strategies help to minimize the risk. IKEA established a partnership with a firm in Japan and learned from them. IKEA used local responsiveness and regional expansion theories to standardize its products. Moreover, they adopted regional strategies like home base strategy and portfolio strategy. IKEA can be a standard case study for Nordic companies before entering the Asian market. As the consumer behavior, market growth and whole process business are distinct than North America or Nordic. Finally, a partnership in the overseas market makes the business process smoother.

2.3 Opportunities

Maintaining regional business ties provides multiple opportunities. When a business supports a long-term collaboration, it becomes easier to resolve the conflicts. The collaborating firms better understand each other. After long-term cooperation or tie, it feels like it is a single organization that holds multiple departments. Minor conflicts resolve in a short period. More specifically, having regional business collaboration can be great for business as it accommodates to minimize costs and create opportunities for learning (Linden, 2002). Another great advantage of having regional business ties or any collaboration is to work with the government directly. Geographical business tie with the government is a more efficient way of doing business in other countries as additional support from the government helps a business to grow faster.
3 Country Analysis

The aim of the chapter to discuss the overall economic conditions of the countries included in both regions.

3.1 Economy in Nordic

This chapter aims to provide an overall view of the contemporary economic condition of Nordic. This financial overview contains a short description of the country, GDP, import and export commodities as well as trade volumes. The financial data collected from various commercial and government organization.

3.1.1 Norway

Norway is officially known as the Kingdom of Norway located in northwestern Europe. The country has a population of 5 million out of the 200,000 are aged population (Engedal, 2019). Norway is a member of the European Economic Area. The GDP is position as 48 in purchasing power parity and 11 in per capita.

Source:(IMF, 2019)
Norway's economy is performed great for the last couple of years compared to the Nordic neighbors. Due to the low unemployment rate, the growth of the economy is good (IMF, 2019). The country's economy heavily relies on natural resources. Norway is the second-largest seafood producer. According to the Central Intelligence Agency (2018), Norway is also leading petroleum exporter as well as this sector is 12% of the GDP and generate 13% of state revenue. The economy is in positive growth from 2010 as it slowed in 2008 and the economy will perform good or remain in positive growth for the upcoming year. Domestic products mostly drive the GDP. The estimated number of labor force is 2.7 million (Central Intelligence Agency, 2018).

The main three export partners are the United Kingdom Germany and Netherland. The exports account for 21% in the United Kingdom, 15.5% for Germany and 9.9% for Netherland. According to CIA world factbook, main exports commodities are petroleum, seafood and metals (Central Intelligence Agency, 2018). Norway is the 3rd largest natural gas exporter in the world.

On the contradictory, According to the Central Intelligence Agency (2018) that, the main three import partners Sweden, Germany and China. Primary import commodities for Norway are metal, machinery and chemicals.

3.1.2 Sweden

Sweden is officially known as the Kingdom of Sweden, located in northern Europe and share the border with Norway, Denmark and Finland. The capital is Stockholm which is the principal financial metropolis. The country has a population of 10.3 million (Population statistics, n.d.). Sweden is a member of the European Union. The GDP is position as 40 in purchasing power parity and 26 in per capita (Central Intelligence Agency, 2018).
Sweden has very competitive as well as a flourishing economy. As a country, it has the highest percentages of employment rate among Organization for Economic Co-operation and Development, and the unemployment rate is declining (OECD, 2019). According to the Organization for Economic Co-operation and Development, the economy is performing well as labor productivity is best among other Nordic Nations and the deficient corruption level.

Swedish economy mainly based on the manufacturing economy. Few percentages have grown the GDP due to a substantial investment in construction sectors although economists are expecting a slowdown of the economy in upcoming years.

The main three export partners are Germany, Norway and Finland. Among them, Germany is accountable for 11% alone. Norway and Finland are estimated for 10.2% and 6.9% respectively. According to the Central Intelligence Agency (2018), the primary export commodities are machinery, moto vehicles and paper products.

On the contradictory, According to the Central Intelligence Agency (2018) that, the main three import partners Germany, Netherland and Norway. Primary import commodities for Sweden are petroleum, machinery and chemicals.

3.1.3 Denmark

Denmark is officially known as the Kingdom of Denmark. It shares the border with Norway, Denmark and Germany. The capital is Copenhagen is the major financial hub. Strategically
location of Denmark is a significant benefit for economy. Besides, Denmark is a member of the European Union. Growing household income, as well as the lowest number of unemployment, settles the economy in a healthier state (OECD, 2019b). GDP is position as 60 in purchasing power parity and 30 in per capita (Central Intelligence Agency, 2018).

The economy of Denmark massively reliable on the service sector. The great advantage of the economy is that the strategic location of the country as well as the highly advanced industries including leading companies in maritime, pharmaceuticals and renewable energy. However, according to the Organization for Economic Co-operation and Development (2019b), the labor market is getting rough as the percentages of a labor shortage are rising for manufacturing, construction and service sector. Denmark has a chance of being the most affected country to a hard Brexit as well as the ageing population is increasing even though the country’s economy will grow the current year by an estimated 2.1% and 1.7% in the next year. (OECD, 2019b).

The main three export partners are Germany, Sweden and the United Kingdom. Among them, Germany is accountable for 15.5% alone. Sweden and the United Kingdom are estimated for
11.6% and 8.2% respectively. According to the Central Intelligence Agency (2018), the primary export commodities are pharmaceuticals, wind turbines and types of machinery.

On the contradictory, According to the Central Intelligence Agency (2018) that, the main three import partners Germany, Sweden and Netherland. Primary import commodities for Denmark are semiconductors, machinery and chemicals.

### 3.1.4 Finland

Finland is officially known as the Republic of Finland, which is a member of the European Union, located in northern Europe and share the border with Norway, Sweden and Russia. The capital is Helsinki, which is the principal financial metropolis, as well as the vital commercial hubs, are Tampere and Turku. The population size is 5.52 million and declining (Statistics Finland, n.d.). According to the Organization for Economic Co-operation and Development(2019c), Finland has the highest percentages of unemployment. The GDP is position as 62 in purchasing power parity and 32 in per capita (Central Intelligence Agency, 2018).

![Figure: GDP per capita and employment lower than other Nordic nation. Source: (OECD, 2019c)](image-url)
Finland has a very competing economy. The economy is exceptionally industrialized includes wood, metal and telecommunication industry. The primary sector of Finland is metals, electronics and maritime (Central Intelligence Agency, 2018). The challenges for the economy are a ageing population, high wage of labour, as well as the decline in labour productivity. The growth of the economy will slowly become weak as significant high skilled labour shortage, declining outside interest and increase of export even though there will be growth in specific sectors contains forests and maritime (OECD, 2019c).

The main three export partners are Germany, Sweden and the United States of America. Among them, Germany is accountable for 14.2 % alone. Sweden and USA are estimated for 10.1% and 7% respectively. According to the Central Intelligence Agency (2018), the primary export commodities are machinery, electronics and transports tools.

On the contradictory, According to the Central Intelligence Agency (2018) that, the main three import partners Germany, Sweden and Russia. Primary import commodities for Finland are petroleum, Foods and chemicals.

3.2 Economy in South Asia

This chapter aims to provide an overall view of the contemporary economic condition of South Asia. This financial overview contains a short description of the country, GDP, import and export commodities as well as trade volumes. The financial data collected from various commercial and government organization.

3.2.4 India

India is a South Asian country with 1.2 billion people and is the largest democracy in the world. After independence in 1947 from Great Britain, India has shown a dramatic social and economic change. Now it is one of the top emerging countries, which has a total GDP of $11.326 trillion in terms of purchasing power parity and has an extraordinary GDP growth of 7.0%. In terms of PPP, it is the 3rd largest economy in the world. India is a South Asian country with 1.2 billion people and is the largest democracy in the world. After independence in 1947 from Great Britain, India has shown a dramatic social and economic change. Now it is one of the top emerging countries,
which has a total GDP of $11.326 trillion in terms of purchasing power parity and has an extraordinary GDP growth of 7.0%. In terms of PPP, it is the 3rd largest economy in the world. Both public and private sectors are given importance depending on the needs of the situation that makes India's economy a mixed economy. With this current rate of growth, economist assuming that India will be a high-middle income country by 2030. From 2011-2015, India has successfully made 90 million people out of extreme poverty level and continuing its works (World Bank, 2019).

Though the economy of the region was historically agriculture-based, that trend has changed recently. More than 60% of India's GDP comes from the service sector, which is dividing into many sub-sectors like transportation, trade, hotel and tourism. Agriculture and manufacturing sector have almost the same amount of contribution to the economy. Remarkably, there is a shift of the economy from agriculture and manufacturing to service sector when a country improves from developing to a developed country, and such pattern distinguished in case of India (Bosworth, Collins, & Virmani, 2007).

India has a total trade deficit of $184 billion where the full export is $330 billion, and import is $514 billion. Its main export partners are USA, EU and Arab League countries who have nearly 51% of the total share of export. Manufacturing products like processed foods, gems, chemical products, chemicals, engineering goods, readymade garments and machines are the dominant contributor to the total export, which is nearly 70.5% of full shipping. India's major import partners are China, USA, EU, Saudi Arabia. It imports manufacturing goods like chemical fertiliser, cotton, steel and other raw materials. Beside that fuel importing contributes 30% of the total imports done in one year (Ministry of Commerce & Industry, 2019).

Though many things are promising about India, there are some challenges that it has to face. The first problem is corruption and bureaucracy that slow down economic activities. Though such issues are reducing, still that is significant to harm economic growth. They are currently ranked 78 among all the countries in the world. (Transparency International, 2018)

The second major problem is income inequality among the people of a different state. Some states in India have people with high income, and in some state, people are so much poor that they cannot meet basic needs. To have a sustainable economy, they must reduce such income inequality that will ensure a decent life standard (Datt & Sundharam, 2009).

Another major obstacle is the lack of education and access to information for which the government cannot use many economic opportunities. 74% of the people are literate, which is
below the global average. The 1.2 billion people could be turned into assets if they are on the right path. India has many potentialities, but the government and the people need to give the effort to make the country successful (Agarwal, 2006).

3.2.2 Bangladesh

Bangladesh is one of the fastest-growing economies in the world who has an economic growth above 6.5% from 2004 to till now. It is ranked as the 29th largest economy in the world with a total size of $837.588 billion in 2018 in terms of purchasing power parity. In 2018 it was the seventh fastest economy in the world with a growth rate of 7.9% and an estimated 8.1% in 2019 (MARCH 2019).

GDP per capita is $5028, and the inflation rate is just above 5%. It is one of the top 11 emerging economies in the world. Among such positive things, the amount of population a significant concern. It has a population of 161,356,039 and ranked 9th in terms of the most populated country. A positive thing about this large population is, the majority of them are youth people (International Monetary Fund, 2019).

53% of the total GDP comes from the service sector. The financial market of Bangladesh is the second largest in South Asia. Transportation and shipbuilding also have a significant contribution to GDP. Bangladesh has a strong manufacturing industry. The primary industry in manufacturing is textiles. Though Bangladesh is historically an agricultural country, due to the high cost of production, currently this sector has less contribution in GDP. Though a small amount comes from agriculture, 40% of the people do agricultural works which is almost the same amount to the service sector (Bangladesh Bank, 2019).

In 2018, Bangladesh exported products worth $40.53 billion to other countries. It is the second-largest exporter of textile and garments products in the world. Beside them, frozen food, jute and jute related products, cement, pharmaceuticals, leather are exporting from Bangladesh. Leading export partner of Bangladesh is EU countries who take 58% of the total export. The USA is in the second position with 16% of total exported goods. In 2018, Bangladesh had an import of $55 billion. It mostly imports chemicals, raw materials for textile, medicine, vegetables, machinery. China is the top import partner of Bangladesh, holding 21% of the total share of imported goods. India is in the second position with 19%. Apart from them, Singapore and EU also export in Bangladesh (Central Intelligence Agency, 2019).
Though geopolitically significant and having a decent amount of materials, Bangladesh is facing challenges that are not allowing the country to have a better growth rate. The main problem in the country is corruption. Climate change and Population size and density is a huge challenge. The country is 89th vast country, but in the total population, they are in the top 10 in the world. The growth is not sustainable due to less concern about environmental issues. Resources allocated by the government concentrate in particular geographical regions. Bangladesh has a unique potentiality to be one of the world economic giants, but they need to learn to manage the resources that it has (Ahmed, Nahiduzzaman & Hasan, 2018).

3.2.3 Pakistan

Pakistan has one of the promising economies. Though there are many promises, and potentiality, political instability and terrorism have harmed the progress that it should have achieved. With a population of 216 million, it is 5th in the world. In terms of GDP by purchasing power parity, Pakistan is ranked it 24th with an amount of $1.202 trillion. The per capita income is $5,872 (By PPP) in 2019. Though the inflation rate was 3.29% last year, in 2019, the inflation rate is 10.3% due to a change in economic structure by the newly elected government. 34% of people live under the poverty line, where 1% of people lives under the extreme poverty line. The best thing about its economy is that the number of the youth population is increasing who can bring significant social and economic changes (International Monetary Fund, 2019).

The service industry contributes a significant portion of the economy, which is 61% of the total GDP. The major subsector is finance, insurance, trade, transportation etc. The second industry after service industry is manufacturing which contributes 20% of the total GDP. Tobacco, chemical, textile and machinery are the major subsector of this sector. Due to geographical location, it is hard for businesses of Pakistan to concentrate on agricultural activities which make agriculture the least contributing industry. At the time of independence of Pakistan in 1947, agriculture contributed 53% of the total GDP, which is now less than one-fifth of the overall economy. Service sector and the manufacturing industry has seen a significant change over the last few decades (State Bank of Pakistan, 2019).

Pakistan has $28 billion trade deficit. In 2019 they have $24 billion export of which the USA contributes 16.7%. After that Germany, UAE, UK and China are the major export partner of Pakistan. The main exporting product of Pakistan is textile goods which are $13,553 million in
Besides, food and petroleum-related products are the dominant exporting goods. The total imported amount for Pakistan is $52 billion in 2019. The main import partners are China and UAE who have more than 36% of contribution to the economy. Beside them, Saudi Arabia and Singapore are major trade partners. Pakistan imports transport vehicle, machinery and food from import partners (State Bank of Pakistan, 2019).

Pakistan has challenges that need to overcome for a better economy. Firstly, the political instability which harms business growth and reduces new investment. 54% of the investments decreased in 2010 compared to the previous year due to uncertainty. The government changes often, and in some cases, the country was ruled by the military government (Qureshi & Khan, 2010). Secondly, there is a lack of security due to terrorism and internal clashes between different tribes. Thirdly, the energy that Pakistan uses is not as sustainable as they aren't recyclable (Rafique & Rehman, 2017). Fourthly, the transportation system of Pakistan isn't developed enough, which is a precondition for the development of a country. Pakistan has enormous natural resources and a young workforce. If they want to prosper, they need to face those challenges as soon as possible (Imran, 2009).

3.2.4 Nepal

Nepal, the country with Mount Everest; has tried to recover its economy over the last decade after the end of political instability in 2006. It is a country that is on the border of two geopolitical power China and India on whom their economy and politics hugely depend. Nepal is ranked 87th in terms of GDP (By purchasing power parity) with a total amount of $94.419 billion in 2018. It has an annual growth rate of GDP 6.7% in 2018 and a rate of inflation 4.15%, which are promising for a developing country.

Furthermore, another positive thing about Nepal is that the unemployment rate is 3%. Life standard in Nepal is not well enough. The cost of living is low, but there is not enough output to give the majority of the people a decent life. In the Global Hunger Index, Nepal is among the worst countries (International Monetary Fund, 2019).

Nepal's economy is not diversified like other countries. Service sector contains near about 60% of the total economy. Due to natural and geographical situation; travelling, hotel and tourism become the dominant contributor in the service sector. Tourists from different part of the world visit Nepal each year. Agriculture contributes 27% of the economy, and the manufacturing sector
produces the least. Due to its geographical condition, it is tough to produce agricultural products. Transportation and raw materials scarcity reduce the contribution rate of the manufacturing industry in GDP (World Bank, 2019).

Nepal has a huge trade deficit. Their total export in 2018 is $300 million, which does not include the informal product exchange with India. Due to Nepal’s geographical location, India is the only country with whom they can trade without enormous transportation cost. India has 53% of the total export of Nepal, where the second one is the USA, with only 11%. The main products that Nepal export are coffee, tea, herb, jute, clothing, carpets. The total import in 2018 was $5.37 billion, and 70% of the import is from India. The main products that are imported by Nepal are machinery, gold, petroleum. It has entered in agreement with ten countries on foreign direct investment so that foreign investors do not have to face double taxation problem. (Central Intelligence Agency, 2018).

Nepal faces a few problems that reduce the rate of growth of its economy. Firstly, they have a geographical disadvantage as the majority of the land are a mountain and there is land lock by India. So Nepal has to be dependent on India for many international trades. Secondly, they have few energy sources, and the majority of the current energy is importing from other countries. Though they have hydroelectricity plants, the supply never matches with the demand. Thirdly, the brain drain is very high compared to other countries so that the resources are less likely to be utilized. They already have geographical barriers for economic progress which makes skilled people much more important for future growth. Fourthly, political instability exists. There are changes in power from time to time. With the shift of power, there is a change of policies and international relations which is harmful to the business. Lastly, there is a considerable amount of trade deficit that is harmful to any country. Nepal may not solve all the problems at the same time, but they need to start from a certain point to give its people a better life (Mathema, 2007).

3.2.5 Sri Lanka

Literacy rate in Sri Lanka is 92% which is higher than the majority of the third world countries and highest in South Asia. It is one of the few examples in the world who had a long-standing communal clash and had a peaceful solution. After the agreement with Tamil Tigers in 2006, it has successfully recovered its economy and having good economic growth (Bandarage, 2010).
GDP of Sri Lanka in terms of purchasing power parity is $298.310 billion and ranked 59th among all the countries. The GDP growth rate is 3.2%, and the GDP per capita is $12,811. In terms of life standard Sri Lanka is second in South Asia after the Maldives. It is an upper-middle-income nation. The economy is relatively stable, with an inflation rate of 4.27%, and 7% of people live below the poverty line. After the civil war, it is now a peaceful country (International Monetary Fund, 2019).

Sri Lankan economy is dependent on the service sector. 61% of the total GDP comes from the service sector. Majority of the countries in South Asia, labor forces are more likely to be concentrated in the agricultural works. Sri Lanka is different from them. As they have a higher literacy rate, people have skills to do a job in the service sector. 47% of the total labor force work in the service sector. Industries contain 30.5% of the GDP and agriculture contributes only 8%. Trade, tourism, finance, banking, insurance, are the primary sub-sector of service. Tires, leather, fuel, fabricated steel, sugar and cement are the major components of manufacturing goods. Majority of the manufacturing business is dominated by a few corporations started within Sri Lanka. Sri Lanka has a trade deficit of $5 billion. In 2018, total export was $15 billion; 24% of which goes to the USA. Beside that UK, Germany, Singapore, India are the leading importer of Sri Lankan goods. The geographical location has an impact on the goods that Sri Lanka export in other countries. It exports fish, valuable stones, rubbers, textile goods and coconut products in other countries. Total import from other countries in 2017 was $20.98 billion. China and India are the leading Import partner of Sri Lanka where China has 22% of total contribution and India contributes 19.9%. Singapore and Japan are also significant import contributor for this country. Foodstuffs, textile, petroleum, mineral goods, machinery are the main imported products of Sri Lanka (Central Intelligence Agency 2019).

Though Sri Lanka is a story of success, it has a specific economic challenge that it needs to overcome. Firstly, the political environment is relatively stable, but it could have been more stable. Furthermore, the external debt of the economy is very high so that they may face a debt trap. Management of debt has to be made more efficient to get the maximum benefit from them (Var & Po, 2017). Additionally, the majority of the labor force in Sri Lanka are ageing population. They need to find a solution to such a problem that may create a scarcity of labour in future (Khaltar, Priyadarshani, Delpitiya, Jayasinghe, Jayasinghe, Arai & Tamashiro, 2017).

Sri Lanka, as a third world country is doing significantly well. They can be role model for other countries which are facing internal instability and want to improve their economy.
3.2.6 Maldives

The Maldives consists of multiple islands. It is the smallest country in the South Asian region which is full of natural beauty and peace that attracts thousands of people each year. In 2018, it had an economy of $7.998 billion (By purchasing power parity) and was ranked 168th in the world. Though the GDP growth rate has reduced in recent years still, that is good enough. In 2019 the growth rate is estimated at 5.2% with an inflation rate of 1.367% and the economy is relatively stable. The GDP per capita is $21,876 and nearly 16% of the total population lives below the poverty line. The estimated labour force is 110,000, and the rate of unemployment is 3.8%. Due to lack of land, it is hard to expand the economy significantly. Maldives economy is mainly dependent on the service industry. 70% of the total GDP comes from this sector. Tourism, shipping, hotel and transportation is the primary source income is this sector. Due to its natural beauty, people from all over the world travel here. 28% of the total GDP comes only from tourism which is higher as a specific sub-sector of the economy. Manufacturing and processing contribute to 23% of the overall economy. Fish processing, coconut products, garments, rope making are the major industries in manufacturing. The geographical structure has shaped the production. Due to lack of land, it is tough to produce agricultural goods. Only 4% of the economy comes from agrarian products (International Monetary Fund, 2019).

The Maldives has near about $1 billion trade deficit. In 2017, it had exported $309 million and imported $1390 million of goods. Fish and petroleum are the primary export commodities. The nearest country, Sri Lanka takes 50.1% of the total exported amount and USA contributes 10% as the second-largest export partner. The Maldives imports readymade garments, foodstuff, ships and capital goods. Leading import partner of Maldives is China with 19% of total import goods. Besides that, Malaysia and India contribute more than 30% of complete import (Central Intelligence Agency, 2019).

The current challenge of the Maldives is climate change. Land of Maldives isn't very high from sea level so that if sea level rises, the total area will face a threat to immersed. Furthermore, the increase of solid waste in the sea harms the natural conditions around the Maldives. Its main revenues generating sector is tourism which is facing a threat from such an environmental problem. It would be better for the Maldives to reduce dependency from a specific industry (Jaschik, 2014). Furthermore, income inequality is very high in the Maldives. People living in a particular geographical location on the island are far more productive than the other part of the
country. There is income inequality depending on age and gender. To have a sustainable economy, such disparities have to be reduced (Park & Mercado, 2015).

3.2.7 Afghanistan

Afghanistan is one of the countries which was the most horrified victim of terrorism in this century. War and terror have broken the country's social and economic structure. Foreign aid investments have started to come in the last decade after the end of terror. Different foreign organizations and countries have decided to give $3.4 billion in aid in 2020. Such capital inflow has significantly changed the economy recently. Afghanistan is ranked 99th in term of GDP (By purchasing power parity) with a total amount of $72.958 billion The GDP per capita is $2025 in 2018, and the GDP growth rate is 2.5% in 2016 and 1.8% in 2018. One of the promising things is the control of the government over macroeconomic factors. Inflation rate is 0.625% in 2018 and 5% in 2017. Still, the numbers aren't well enough as the country is going through the recovery period and the recent drought has slowed down the progress. (International Monetary Fund, 2019)

The major contributor in GDP is service sector which has 56% of the total share in 2016. Trade, transportation is the primary sub-sector. Though the majority of the labor forces are associated with agricultural activities, only 23% of the total GDP comes from this sector. Crops for food, livestock, sugar beets, tobacco, and cotton are the primary agricultural products. The manufacturing industry contributes least in the entire economy, which is only 21%. Fertilizer, shoes, furniture, soap, textiles are the main contributors to the manufacturing sector. The unemployment rate is quite high. The main challenge of Afghanistan is bringing the stability which we have already explained. Moreover, corruption in the government harms the business environment. Politicians are more likely to work for themselves or their tribes. The allocation and utilization of resources are less likely to happen (Esser, 2013).

Furthermore, gender-based discrimination is very high, and female often becomes a victim of domestic violence. Rate of female in education is shallow, and the participation in the workforce isn't significant. Without the contribution of half of the population, it is impossible to have a sustainable growth (Stokes, Seritan & Miller 2016).
Finally, the country isn't united. There are historical clashes and distrust among different tribes. Afghanistan may have many potentiality and scope to grow, but they need to solve the major problems which they are currently facing.
4 Research Methodology

This chapter contains the method of the research and describes the reason for choosing a specific research approach as well as the approach of data collection.

4.1 Research Problem

The main focus of the research is to find out how to improve the business collaboration between two regions. Remarkably, the South Asian market has emerging economies. The research approach will be to analyze current existing ties and then present a recommendation on how can South Asian and Nordic can improve business collaboration between them. So, the main question for the research remains as below:

how can Nordic and South Asia improve business collaboration between them?

4.2 Research Methodology Selection

Three types of research method are available for conducting research. The research methods are the qualitative method, quantitative method and mixed method.

The qualitative research process is for supporting with particular information as well the data is critical, where specific information is to accumulate from the source (Saunders et al., 2012). This research will use qualitative research approach.

Qualitative research deals with consistent data. Though quantitative analysis deals with binary data (Saunders et al., 2012). Research method identifies and investigate the problem and then generates numerical data to explain the problem. The more significant representation of the population’s opinion is collected, and then variables are measured to uncover concerning the issue. The evidence is to accumulate through the structured method as well the survey, interview and online communication method.

Similarly, as a research approach, data collection are two types. The primary data collection method and secondary data collection method. The primary and secondary research data is to
obtain from the sources under the research method. The research method utilizes perception concerning the issue and causes as well as consequences of the problem. The technique also serves to get insight knowledge regarding critical issues and then accommodates to develop theory. This research will collect secondary data to utilizes it to build a recommendation for the primary research focus. As the primary focus of the research is related to the economy and that is why the secondary data is best suited to serve the primary research purpose (Vartanian, 2010, p.3)

4.3  Data Collection

The research will require descriptive data as well as secondary data accumulated through various sources. The data that collected for a different purpose than this research is secondary data. Vartanian (2010) defined secondary data as the data that has been previously collected, as well the primary purpose of the collection and utilization is different. Moreover, secondary data support to present a holistic and comprehensive summary of a subject. The primary advantages of using secondary data are, it saves time and resources, and as we have plenty of unstructured data which is getting analyzed.

The secondary data required for this research are to investigate existing business collaboration between Nordic and South Asian countries and present a recommendation based on the existing situation.

4.4  Challenges

The purpose of the research is to improve existing business collaboration between Nordic and South Asian regions. Throughout the research as a researcher, I faced severe challenges. There has not been enough research has been conducted on the subject. Then the collecting and analysing data from different sources as data has been accumulated from various online sources.
5 Analysis and findings

The goal of the research paper is to recommend a convention solution to improve business collaboration between South Asia and Nordic. This chapter of the research is to investigate the current scenario of prevailing business collaboration between Nordic and South Asian countries.

5.1 Current state of business collaboration

The researcher collected data from various secondary sources which mostly online-based as online is the best-fitted source to accumulate current data. The data for the research acquired from multiple government organization’s including embassies, ministries as well as newspaper and statistical websites.

According to credible online sources, in India and Bangladesh has a Chapter of the Nordic chamber of commerce through chapter Nordic business in that countries manage business ties. The researcher did not find the Nordic chamber of commerce in Pakistan, Nepal, Maldives, Sri Lanka and Afghanistan. However, Pakistan has strong relationships with Sweden, and through that, they arranged a business conference primarily for the technology sector.

Throughout the data collection, it is prominent that businesses from Nordic have a substantial appearance in India and Bangladesh. The amount of trade volume is quite high. Moreover, the presence in India is significant among the South Asia regions. The bilateral trade volume was USD 4.3 billion, of which USD 2.2 billion was exports to India and the rest imports (PTI, 2018). Besides, the trade volume for Bangladesh with Norway, Sweden, Finland and Denmark are respectively 160.55, 655.92, 202.37 (Embassy of Bangladesh to Sweden, 2018) and 731 USD million (Embassy of Bangladesh to Denmark, 2018). The most crucial sector in Bangladesh among Nordic companies is garment and textile - 27%, succeeded by shipping and logistics and IT and IT-enabled services (14% both), as well as engineering and telecom (9% both) (The Daily Star, 2018). Additionally, as Pakistan maintains good ties with Sweden and their bilateral trade volume was 527.65 USD million (Embassy of Pakistan to Sweden & Finland, 2018).

Furthermore, there are no notable business ties has not been found between Nordic countries and the rest of the South Asian countries except India and Bangladesh.
5.2 Limitation

The research project was aimed to investigate the current state of business collaboration between Nordic and south Asian region then recommend a process to improve business collaboration. The data gathered by following standard procedure and then an interpretation has been made to ascertain the current state of business collaboration. Below are a few issues and challenges the researcher has faced:

- There is no authorize data bank available for every country for acquiring data.

- Some of the countries in South Asia does not have any data on trade association.

- Few studies have done the subject.
6 Recommendation and conclusion

The primary focus of the research is to recommend a solution to improve business collaboration between South Asia and Nordic. This chapter of the study is to provide a recommendation based on data collection, and the conclusion contains an overall overview of the research.

6.1 Recommendation to improve business collaboration

Business collaboration refers to working together on a specific business purpose. There can be many different ways to improve the current situation of business ties between the two regions. The common problem of the finding was that all the countries of the Nordic and South Asia are not collaborating on the same level. Even Maldives, Nepal and Afghanistan have no notable business ties with Nordic and Pakistan has good relations with one specific country in the Nordic. However, as per our primary research focus, this research will present one recommendation, which is organizing a unified business expo among South Asian and Nordic countries.

Furthermore, Nordic has a significant business collaboration between two countries of South Asia which is India and Bangladesh. To improve business collaboration among all nations of Nordic and South Asia as well as to get maximum economic benefits, organizing a combined business expo can be a great approach which India is doing exclusively with all Nordic states (India Strategic, 2018). However, as Linden (2002) suggests, collaboration is not for everyone as well as a complicated process. I humbly disagree and believe that if every involving parties work together on the same goal; this will not be a complicated process as well as all the parties involving will benefit mutually.

6.2 Conclusion

Business collaboration secures economic development. Both Nordic and South Asia have a potential appearance to collaborate. Throughout the research process was focused on one primary research focus on one specific approach to improve business collaboration between Nordic and South Asian region. The research presents one method of improving business
collaboration among all nations of two regions as a recommendation. While preparing the proposal, the study has included a definition of business collaboration and emphasize the importance of cooperation in business in chapter two. Chapter three and four is present a comprehensive summary of the economies of all countries of two regions to the reader.

Furthermore, the data for the research collected from various credible sources. Before proposing the final recommendation, the study also took consideration of the current situation of business collaboration and recommended an approach where all involving parties get benefited.

Collaboration is an essential aspect of improvement. Every country is trying to achieve sustainable economic growth and to achieve that strong economic growth, reliable regional ties and collaboration needed across the continent. It is undeniable that there are many business potentials in the emerging markets of South Asia for the Nordic regions. A business expo between two areas is vital as well as it will unlock many business opportunities and will expand the prevailing state of business collaboration.
List of references


Internet source


