ABSTRACT

The establishment of the World Trade Organization (WTO) has accelerated the integration of the global economy, replacing the regional economic entity structure of the past. International Partnerships have also become mainstream, changing business enterprises from the traditional domestic production and export, to overseas investment on production sites where the actual markets and economic activities take place. International enterprises have thus become the main driver behind world's economic development. However, just as WTO brings new business opportunities, international businesses that have access to lower cost resources have also threatened the very existence of the traditional domestic enterprises. Rubber hoses play a vital role in heavy and light industries due to their wide applications such as household appliances, transportation, medical equipments, heavy machinery, electrical cables, sporting equipments, fuel carrying, aerospace, and military. They are an integral component of many parts and accessories in almost all industries. Due to natural resources constraints Taiwan imports raw materials for rubber hoses production, mainly from Southeast Asia, US, and Europe. With manufacturers' continued effort to expand the market, rubber hoses have long evolved from solely for domestic industry usage to become a main export indicator. Therefore, joining WTO will have a profound impact on Taiwan's rubber hose industry. This is a race between threat and opportunity, and will ultimately shape the manufacturing industry development in Taiwan. This study is developed through research and analysis on industrial and economic forces behind the rubber hoses industry. The issues are thus identified and the concepts formed. Three select companies within the rubber hose industry are researched in depth as case studies. Based on cross-referencing the findings with theoretical hypothesis, the following topics are developed:

Topic 1: Taiwan's induction into WTO will bring new expansion opportunities to the domestic rubber hose industry. However, it also forces the enterprises to have to change the traditional market entry strategy and operational management controls.

Topic 2: Taiwan's induction into WTO will bring about international competition, which in turn enhances the communication and alliance between domestic rubber hose producers.

Topic 3: The opportunities and challenges brought on by WTO will catalyze the globalization of the business strategies of the domestic industry.

Topic 4: Impacted by entry into WTO, the networking and marketing overseas for Taiwan's rubber hose producers will become a more competitive environment.

Topic 5: The rubber hose producers will face the increasingly more dynamic markets with more flexible production flows and late-stage product variations.

Topic 6: Those producers who can better utilize and process the vastly increasing influx of information will be in a stronger position to elevate their business results.

Keywords: WTO; Rubber Hose Industry; Rubber Hose; Market Entry; Strategy; Management Controls
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