

## **Chapter 1**

### **1.0 Introduction**

According to Collier and Dollar (2002) globalisation is significant economic integration or marginalisation for a nation. Globalisation provides opportunity to foreign direct investment for industries whether it is manufacture or service consequently they unite with global economic systems (Zajda, 2005).

In addition increasing inter connection globally also refers to globalisation. According to International Labour Organisation globalisation is a process of frequent integration in economy between various countries which drive industry towards international trade, liberalisation and foreign direct investment. The information flows internationally so that investors get informed about market price. Also the flow of international technology accrues due to globalisation (Berghman, J., 2005).

### **1.1 Purpose of report**

The main objective of this report is to describe how to do business with Indonesia and to analyse that how different cultural dimension affects foreign direct investment. This report will discuss about the globalisation and culture, uniqueness of Indonesian work place so that foreign investors can gain profit from their investment. Additionally the opportunity for foreign direct investment in Indonesia will be covered by this report so that Australian and New Zealand's investors can evaluate the Indonesian market.

### **1.2 Brief back ground of case study**

The given case study is 'doing business in Indonesia'. This case study evaluates the cultural context of global management. It also describes the Indonesian culture and work