Country Competition strategy by International Selling Bonds

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ABSTRACT
This study explains how country competition strategy can affect on international selling bonds as a financial or investment or speculation strategy. Success of strategy depend on managing bonds risks, trust and fast dealing in international financial market. These factors lead bonds evaluation value and its standard to be fair price or to reschedule bond debts. There were three opinions analyze the international bonds indebtedness crises as country competition strategy affected on international Selling Bonds. So there were different solutions. As result to this study the ignorance is the major problem because of many factors and many changes possibility of each factor which can be increased with improving selling bonds and can be directed up to competition strategy. There fore standards is not enough until minimize ignorance.

KEY WORDS: Country, Competition, strategy, Bond, crises and international.

INTRODUCTION
Every country has its planning to growth economic sectors. Countries courage projects which can help its planning in order to achieve the expect growth. This includes international investments to finance and manage projects up to the growth needs or it may courage investments just to has financing projects. This study concentrates on financing projects by bonds and how selling bonds can be a strategy leads its international competition, Specially at open environment. It shows one of international indebtedness financial tools, which controls international indebtedness crises solution .therefore it helps to answer two questions, which are:

1- how can international selling bonds be a strategy leads country international competition?
2- how can country solve international bonds indebtedness crises?

When the country decide to courage financing by bonds for expected projects, there is fact that Sellers reject projects if they do not recognize its value. Therefore it is important to recognize affects of assets acceptability (Benjamine, Andrew and Randall, 2011: p356).on other hand if the plan is marketing international, the increase in international competition may reduces domestic profits(Giammario,2010:p 1152)

Competition ability gives high level of quality product which deserves high price than other competition because of less risks. So it helps selling Bonds in high level of international competition. Bonds quality relates to developing economic sectors level which is different from country to other.

1.1 Background

Bonds is a contact to give loan until limited time for interest up to risks. Bonds is one of international indebtedness financial tools which can finance projects assets. Its advantage comes as result to getting finance up to interest rate with out sharing in managing or net profit in successful projects. Bonds in high quality level will demand less interest rate than other competition bonds. Selling these bonds in international markets can increase financing projects and help growth economic sectors, Specially in the country which not need international management because of high level of developing. Success of selling bonds in international markets can be a strategy to increase country international competition. Country can avoid transferring projects revenue out of the country and avoid controlling projects to achieve foreign countries aims regardless of country growth economic sectors aims.

Monopolization multi nation company can affect negatively on domestic companies competition ability in open environment. It can limit companies competition ability when it rules there needs in international markets. By monopolization it can raise needs price to raise cost. This decrease domestic companies profit and can lead to deficit specially if domestic companies products has been faced by international similar products with less prices. Some country face this possibility by concentrate courage of bond finance to cover its residents needs to decrease its expenses of translate money out of the country. Other countries concentrate courage of bond finance to cover national needs by produce international product to achieve surplus in its balance of trade.

1.1.1 Bonds Management

As bonds have to be sold to finance assets, It can be bought to be as one of assets items. It is one of investment tool for long term with lowest risk or for short term if the buyer use it as speculation tool. On other hand bond interest is fixed even if the seller has loss and liquidation is possible any time because of international financial markets. The major risk comes as result to seller deficit at the limited time which decided in the bond contract. To control managing up to environment factors changes, Bonds divided into types as bonds with fixed interest or changed interest or bonds can be changed to shares. Even bonds have divided into classes up to risks level. As (A) level if there is no risk or (D) level if risk is high to increase bond interest.

These divisions gives debtor, buyer and speculation seller flexibility to manage bond contract. Flexibility of bonds types is away to control negotiation between seller and buyer. But also flexibility can be gotten by bond contact conditions, as debtor can sell more bonds if assets value of projects has raised with out limited amount or if monetary policy change interest rate bond interest will be changed. Developing by financial engineering gives other ways to get flexibility. Bonds seller deficit risk can be transferred from buyer to other by selling in financial international market or can be transferred to guarantor. Even bond guarantor can transfer risk by selling some of bond guarantor rights commissions.

1.1.1.1 bonds seller and buyer management

As bonds is a way to finance projects to increase competition ability at the markets. Bonds is a way to investment. Financial manager can use bonds as one of assets items. He can manage liquidity by selling these bonds in financial market up to his need. His competition ability can increase or decrease as result to bonds situation. If bonds risk is high keeping bonds will decrease competition ability. Even this affects negatively on conditions to get loan from banks to support competition situation ability. Financial manager must organize his balance sheet items risk to keep competition ability. Therefore he chooses balance sheet items mix and distribution. Any mistake lead to loose (Lawrence, 2000 :596)

An asset is defined as a future economic benefit that is controlled by organization, as a result of a past transaction or event, which can be reliably measured. An asset can be either tangible or intangible. Assets has been financed in any profitability organization by Liabilities and Equities. Assets can be increased by increasing equities or liabilities(sell bonds) or to gather (Salman, 2011:p22).

On other hand increasing ratio of selling bonds depends on managing liquidity, profitability, risk and law. For example: If banks try to sell bonds to finance domestic projects, Center bank will obligate banks to follow limited increasing ratio as leader. For example: Suppose balance sheet is divided to assets, liabilities and equities as in the follow tables no (1) and (2):

Assets	10000000
Liabilities	9000000
Equities	1000000

Table no (1):Assets has been financed by Liabilities and Equities depending on increasing of Liabilities

Assets	10000000
Liabilities	8000000
Equities	2000000

Table no (2):Assets has been financed by Liabilities and Equities up to the Center Bank ratio(Liabilities / Equities= 4).

This gives idea that managing liabilities and equities affect on managing assets. Assets successful management is appeared when assets profits can cover liabilities(bonds) needs and equities aims in the limited time. It is important to relate profitability organization strategy with assets distribution. Assets distribution is not fixed because of open environment.

1.1.1.2 bonds time limit management

Bonds limited time has to be managed. Most bonds has long term. If debtors ability or securities value or any other factors lead to deficit, this will need time to be discovered. There fore deficit problem is delayed. Accumulation of delayed problems lead at the end of bond limited time to big problem, which be difficult to solve. There fore companies competition ability will be failed suddenly.

Selling new bonds can finance deficit. If this financing relate to other delay rater than solve producing product problem, deficit will increase.

Bonds in foreign currency to finance company needs from international market must manage the changes of foreign currency and domestic currency. If foreign currency rate raised or domestic currency rate get down company competition ability of seller bond become weak because of currency change. Company has to buy loan, interest and different change of currency which increased cost. On other hand company competition ability of buyer bond become strong.

Managing bonds time limit become away to speculation by derivatives. Currency rate changes by time can give bonds buyer chance to make future contract to give the same currency of the bond currency at the end of bonds limited time in limited rate if the buyer of future contract buy at the same currency rate which was agreed in buyer bond time. This help to avoid increasing of currency change. On other hand if bond buyer expects increasing of bond currency rate he will sell the future contract with profit. Derivatives is not selling or buying currency. It gives right to buy or sell up to the original bonds. It comes now in many types as Options or Swaps. As derivatives is way to manage currency bond risks, it is way to speculation in short time.

1.1.2 Bonds Evaluation Value

Evaluate Bonds value up to risk Analysis is important to find deviation possibility out of expected achieving profit and to put the right strategy to direct speculation, or improve controlling. This evaluation is limited by the rule:" increasing of bonds risk must increase buyer profit (interest) to be accepted at financial market". This rule obligates managing risk.

Managing has stages. These stages are:

1-To find debtor, securities value and projects possible risks.

2- Identify reasons of risks.

3- To measure each reason up to the identification.

4- make groups to classified risks possibility up to reasons happen and the level of risk as: A, B, C and D.

5- Decide the way to deal with the risk as transfer to other or accept the risk with controlling or avoid dealing with bonds.

6- review dealing decision with bonds dealing.

1.1.2.1 Bonds Evaluation Value Standards

Bonds risks are related to deficit because of loosing or assets value decreasing. Therefore debtor can not give the bond interest and loan. To make bond risk evaluation easy there are standards. If the loan is big, for long time, with weak guarantee value and for deficit debtor the bond risk will be high. To success bond selling, debtor has to give high interest. companies which finance assets by bonds and have deficit will get into dissolution. Shareholders can not take their rights until the bonds buyer get their rights. By time Bond become as speculation tool. It gives bonds buyer away to liquidate bonds in short terms and gets profit up to increasing demand. The international market make Bond selling possible in easy process and faster. Buying and selling can be done by computer touch from any where. Fastness of bond speculation in international markets has to organize and evaluate up to international standards. This is important to buy or sell bond in fair price. Fair price take care of Standards which are related to these groups:

1- Standards to measure seller personality risk in the market.

2- Standards to measure projects risk which finance by bond.

3- Standards to measure guarantee value as security to get bond interest and loan at the limited time.

By developing, some companies become specialized as leader in international standardization of risk. S Bond Ratings give idea about bonds classification up to risks. ’For example: Moody

It can be managed to direct seller either to keep bonds on neither to sell bond. See Table no(3):

S Bond Ratings ’Moody Table no(3):

S’Moody	Interpretation
Aaa	Prime quality

Aa	High grade
A	Upper medium grade
Baa	Medium grade
Ba	Lower medium grade or speculative
B	Speculative
Caa	From very speculative
Ca	To near or in default
C	Lowest grade

(Aaa) bond is better to buyer to keep it as asset for long term. It gives balance sheet fixed expected changes of risk, but given interest by seller at limit time will be less than other bonds.(Caa) bond is better to buyer to sell in short term in speculation because of higher risks change, but given interest by seller at limit time will be more than (Aaa) bond. (Lawrence, 2000:40).

Any announcement of this company can affect on international bonds price and value. On other hand some companies become leader as a security to increase level of guarantee value and decrease seller personality risk in the international market.

1.1.2.2 Bonds Evaluation Value Standardized Difficult

Bonds has problems to follow all possible standards because of these difficulties :

First: Evaluate debtors competition ability problems because of these factors:

1- value of companies balance sheet items is change up to the international market, risks and currency price.

2-value of companies balance sheet items is change up to flexibility of accounting policy, as stockpile value is increased or decreased by use FIFO or LIFO way of accounting to calculate value with or with out market rate.

3- problem of not organized item, as return from international financial supporting (subsidy). this could be gotten or not. There fore if it gets item of return will increase.

4- merging some items in one item. This will declared information.

5- the affect of foreign policy as result to relate currency price rate to the foreign country currency. It is affected by monetary and financial policy of the strong level of the foreign country.

Second: There are domestic standards and international standards. This give idea about the problem of responsibility control of factors changes on bond price.

Third: Standards is changed not fixed.

Definition makes easier to measure the factors influence on process performance of budget items. Definition makes easier to analyze the item performance, improve item up to the possible solutions and control item up to standardize to minimize chances for error.(Peter and Jan, 2005: 28)

1.1.3 Rescheduling of bond debts

Some time when debtor companies have deficit to buy loan and interest its better to reschedule debts rather than dissolution (clearance sale). rescheduling debts gives debtor companies time to solve the problem. There must be persuasion that companies can make profit to cover the loan and interest. on other hand country could inter it self to protect the deficit companies because of its importance to its economic.

Rescheduling of bonds debts has limitation related to three folds, which are:
First: Rescheduling of bond debts responsibility which could be given by banks up to country order to buy the debts to make rescheduling or by selling owner bonds debts in discount to other side who is responsible to make rescheduling.

Second: The way of calculating bond interest within the addition time after rescheduling. There are many ways as:
1- increase interest up to increase time to buy loan and interest.
2- no increase of interest rate to be fixed regardless of increasing time to buy loan and interest.
3-no interest on debts regardless of increasing time to buy loan and interest.
4- decrease interest rate up to buy loan and interest in installments within addition limited time

Third: Rescheduling of bond debts demands as improving structure of financial or organizing, increasing controlling tools and increasing guarantor value.

2.1 International Country Competition Ability by Bonds

Financing tools are many specially after developing and improving tools. It is important to choose the best one. Every tool has advantages and disadvantages. At this case of financing projects by bonds we need two major advantages:
1- easier to marketing projects at country at international market.
2- easier to managing projects at international standards to face problems and achieve aims. It is important to manage projects in a integration way and perfect investment way. These are leading civilization modern at the demand level, whether building economic sectors or segmentation.

2.1.1 Bonds Direct Country Competition Ability

Countries competition ability is different from country to other. It can be managed by financial policy and monetary policy. Their tools can affect on its domestic economic sectors, as reducing interest rate to increase investment in projects or reducing interest rate in some economic sectors to increase investment in projects in these sectors. Success of domestic economic sectors growth lead to achieve resident needs and satisfied. There are three relationship between country competition ability and selling bonds which are:

First: Selling bonds increase country competition ability because of financing projects. At the time which there is no enough domestic ways to finance economic sectors projects, countries courage financing from international markets by bonds. Success international financing by bonds will achieve economic sectors growth and country budget surpluses. If there are surpluses, government will decrease the tax but if there are deficit government will increase the tax.

Second: Selling bonds increase country competition ability because of speculation demand. Countries as America or Japan has international financial market because of its ability of economic to be a center limited the products price. There is relationship between financial development and economic development (Pedro,2010:p785). There fore it can give idea about demand and supply product round the world. This gives country competition ability rather than other country because pricing of products be decided by its market. So international selling bonds price as any product will be decided in its market as fair price. If bonds of projects in country (1) has level (A), demand will be increase and speculation risk will be less than bonds of projects in country (2) which has level (C). this mean selling bonds increase country competition ability.

Third: Selling bonds increase country competition ability because financing by bonds is on of way to increase net profit. This come as result to decrease tax. Projects financial management can buy more assets by bond loan that increase net profit but he just has to buy interest which deduct form tax calculate. This will increase wealth distribution because of increasing jobs chances.

2.1.2 Selling Bonds Direct Country Competition Ability -case study

International selling bonds can lead to financial crises because of deficit which leads to economic crises. This appear when economic become in deflation case. America selling bonds is a example. It had decreased interest on realty projects to growth this sector. American banks gave loans with interest for long term. To liquidate loans in financial market it made loans and interest in bonds. Speculation became possible because bonds had (A) level of risk. Speculation had increased as result to interest change, realty value change and realty demand change. To decrease bond risk and increase demand some companies become its responsibility is to guarantee debtors in deficit case up on commission and realty security.

These transfer of risks and faster of speculation get in gap between dealing and fair price. This led to loss. The problem increased because of international liquidity loss. This led to deflation case round the world. This shows that as international selling bonds has advantages, it has disadvantage. Loosing trust is affected negative on international country competition.

In this case study, The problem appeared after debtors had gotten in deficit. There were fighting on rights between debtors, creditor and guarantor. This had affected on bonds market value. It showed the gap between bonds market value by speculation and the real value which were decrease. As result there were loosing of money.

there were three opinions which are:

First: The world crises came as result to the gap between American Monitory Policy and Controlling the factors which affected on bonds speculation. So it got in gap between dealing and fair price. As to this opinion solution become by controlling up to standards on all factors could affect on bonds speculation. On other hand loosing of liquidity can be solved by pumping money or let the case be saluted by demand and supply natural affected. Pumping money can be done if American government buy these bond or by increasing loan amount in its banks or courage countries investment as increase trading with china regardless of its different economic system and policy.

Second: The world crises came as result to the American Strategy to be number one in international countries competition. It had used its economic power as center to the world investment to collect liquidity until default happen then it could control investment round the world and obligate its policy against other competition countries. Therefore this opinion show solution can not be done if America did not accept solution.

Third: The world crises came as result to the American Strategy but American loss ability to solute the problem because of Capitalism System. This opinion shows that word financial tools is failed. Solution must be done by improve Capitalism System to improve financial tools and monetary policy. One of the monetary policy which is interest must be canceled and loans should be sharing in investment.

CONCLUSION

Bonds can be away to finance assets or invested as long term assets or speculation. Bonds has many factors affects on its fair price. On other hand ability of improving bonds types and risk management give possibility to direct selling bonds in international financial markets. So bonds become one of tools increase country competition. Success of strategy depend on managing bonds risks, trust and fast dealing in international financial market. These factors lead bonds evaluation value and its standard to be fair price or to reschedule bond debts. There were three opinions analyze the international bonds indebtedness crises as country competition strategy affected on international Selling Bonds. So there were different solutions. As result to this study the ignorance is the major problem because of many factors and many changes possibility of each factor which can be increased with improving selling bonds and can be directed up to competition strategy.

RECOMMENDATION

Ignorance comes whether by nature change because of demand and supply changes or it comes by controlling factors. in these ways ignorance lead to uncertain environment. So it is important to minimize the factors change rather than standards. This concentrate on minimizing factors changes done by country competition strategy.

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