

GDP/FDI

Can You Go Back 2010?

GOOD FACT. Make less choppy.

1. Germany currently has a free-market economy and operates as a part of the European Union. Between 2014 and 2015, the Gross Domestic Product, or GDP, increased from \$46,600 to \$46,900. Gross domestic product is the monetary value of all the finished goods and services produced within a country's borders in a specific time period. ^{The increase in} ~~This growth~~ of the GDP between 2014 and 2015 is extremely important because it shows the growth of the German economy as a whole. As of 2015, the level of Foreign Direct Investment within Germany was 1.442 trillion. Foreign Direct Investment essentially means the amount of ownership in a business enterprise in one country by an entity based in another country. In 2014, the FDI was 1.416. This shows that between 2014 and 2015, the foreign direct investment increased, making a Germany a good ~~country to have foreign services and offices in.~~ ^{PROVIDING Yet Another Indicator of Economic Improvement.} Essentially, an increase in capital made within Germany by its trading partners shows that it is very receptive to trade and a good investment to foreign companies looking to make a profit. ~~Germany is one of the ideal locations to place our product because of how successful the economy is and how~~ ^{because of} receptive it is to growth. ~~change word~~

2. Germany is a democratic parliamentary republic and legislative power rests in its parliament (Bundestag) and representative body (Budesrat). Its political stability has been relatively strong throughout the last 20 years. ^{with Minimal Transition and Consistent Leadership.} The government controls trade and private business through the regulations of the World Trade Organization. ^(WTO) ~~Political stability is a very important factor to consider when choosing a country to trade with. If the government does not allow for free trade or has strict trade regulations, it will make it extremely difficult to do business with the country. Also, the government itself needs to be stable because if the government collapses it will create a domino effect, further causing the economy of the country to fail as well. A stable government is vital to a profitable trade.~~

Give Proof

Give One Specific Example

#3

Any products that come to market in the European Union must pass through European Union regulations. The European Union strives to create a global system for fair and open trade, open up markets with key partner countries, make sure everyone plays by the rules, and ensure trade is a force for sustainable development. Apart from these general regulations, requirements are found in the General Product Safety Directive, also known as the GPSD. Within the General Product Safety Directive, the European Union continues to propose new legislation to ensure consumer product safety and strengthen market surveillance of products. As a company, ~~the main goal is obviously to make a profit, however~~ it is vital to the success of the business that the consumers are valued and protected throughout the sale.

II B
#1

The three main languages in Germany are German, English, and Danish. It is important that German citizens be able to speak English because it will then allow for easier trade between Germany and the United States. ~~If there is a language barrier between the countries it will not only be difficult to communicate, but we will also have to sacrifice finances in order to pay for translators to relay information.~~ Another important culture that influenced the decision to bring the product to Germany, is that education is extremely valued making our product ~~have a large market.~~ *More Marketable* From school systems to offices, having education as a strong cultural platform will enhance the profitability of SMARTboard in Germany as well.

#2

Germany is a key sector in the United States' relations with countries in the NATO and EU. As allies, Germany and the US work together maintain peace and well-established trade relations. In order to successfully trade with Germany, ^{it} our company needs to obtain a certificate of origin, packing list, proforma invoice, bill of lading, and electronic export information (EEI) for shipments over \$2500. A certificate of origin is an international trade document which certifies that a particular export is wholly obtained, produced, manufactured or processed in a

Good

Anna Deutschle and Mark Salama RD

particular country. The pro forma invoice mandates the seller to deliver the products or services as notified to the buyer for a specific price. Bill of lading basically specifies the shipment of goods as a receipt given by the carrier to the person delivering the goods. All of these documents are important and necessary because they make sure to maintain product regulation and safety throughout all stages of trade.

- Add Headings
- Have One Picture/Graphic In Economic Section
- Need to Clearly Define What Your Competitive Advantage Is In Germany.
- Provide More Stats In Economic/boof
- PART IV B - Maybe Emphasize the Positive Working Relationship Germany & the US Have
- Good Info. Just Need A Little More Supporting Evidence.

Rubric Grading Scale for Each Section

Group: Anna & Malik

IBP: Be/Mary

<p>Section II, Part A</p> <p>A. Economic, political and legal analysis of the trading country</p> <p>Sources: CIA World Factbook: Economy The Global Economy Heritage Foundation Doing Business In: http://www.doingbusiness.org/ Export.gov http://export.gov/worldwide_us/index.asp</p>	<p>Examples of Economic Impactors:</p> <p>GDP Labor Force Human Development Public Debt Taxes & Other Revenue Exports Imports Industrial Production Growth Rate (For manufacturing businesses)</p> <p>GDP/Per Capita Labor Force by Occupation Population below poverty line Inflation Rate Exchange Rates Exports - Commodities Import - Commodities Import - Partners Import - Partners (businesses)</p> <p>Agriculture Products Unemployment Rate Budget Debt- External Export - Partners Import - Partners</p> <p>Industries that are prevalent in your IBP Country Household income or consumption by % share Distribution of Family Income Market Value of Publicly Traded Stocks Commercial Bank Primary Lending Rate</p>	<p>A Grade (Formal: 13.5 - 15 pts)</p> <ul style="list-style-type: none"> Type of Economic System Used in IBP Country is Stated An understanding of what that type of economic system means is displayed Advantages / disadvantages of operating in this type of economic system are given 	<p>B/C Grade (Formal: 10.5 - 13.49 pts)</p> <ul style="list-style-type: none"> Type of economic system is stated but not explained. Limited amount of advantages & Disadvantages given 	<p>D/F Point Grade (Formal: Below 10.5 pts)</p> <ul style="list-style-type: none"> Type of economic system is copied from internet with no understanding of what it means given No advantages / disadvantages of system provided
<p>Free Market Economic System</p> <p>GDP - 46,606 - 46,900</p>	<p>Multiple Economic Impactors are stated with supporting evidence as to why those impactors matter given.</p> <p>GDP/capita is included ✓</p> <p>Comparisons to IBP Country & USA are given so that reader understands context better.</p>	<p>② Only a couple Economic Impactors are provided</p> <p>Economic impactors provided are not explained in depth & limited evidence relating to why they are important to your IBP country is given</p> <p><i>Add 10.2 More From Above</i></p>	<ul style="list-style-type: none"> Minimal to no economic impactors are provided. Paper does not explain economic factors that affect a foreign company expanding to their IBP market Facts are given to fill space with no understanding of their impact 	
<p>Level of Foreign Direct Investment</p> <p>2015 1,442 billion 2014 1,416</p>	<ul style="list-style-type: none"> Level of FDI is given (Market Overview: Export.gov) Stock of FDI at home & abroad is stated & explained Comparison to the USA is given Reasons as to why your FDI Level are important are given/explained Economic Globalization 	<ul style="list-style-type: none"> FDI - Home is stated Limited explanation is given as to what that level means Paper doesn't make comparisons between IBP country & other major markets 	<ul style="list-style-type: none"> FDI is either unstated, inaccurate, or unexplained. Student displays minimal to no understanding of FDI concept. 	
<p>Total Grade</p>				
<p>Rough Draft Turned in on Time</p>	<p>Due Date: <u>October 25, 2016</u> Yes</p>	<p>No</p>	<p>Turned in late on: _____ / 10 pts</p> <p><i>*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</i></p>	

4.2 Key Terms / Concepts from Textbook:

- You are responsible for taking notes on the four economic systems stated (Market, Mixed, Planned, & Traditional)
- Key Terms: Political Economy, Concept of Economic Integration, Customs Union, Common Market, FTA
- Need to know Free Trade Agreements: NAFTA (Pros/Cons), COMESA, CACM, ASEAN, CARICOM, CAFTA, FTAA (Pros / Cons)

*Show Graph of
GDP Trending Up*

Section II Part A

2. Describe the trading country's governmental structure and stability, how the government controls trade and private business

Sources: CIA World Factbook: Government The Global Economy (GE) http://www.theglobaleconomy.com/ The Heritage Foundation (HF) http://www.heritage.org/index/	A Grade (Formal: 18 – 20 pts)	B/C Grade (Formal: 14 – 17.9 pts)	D/F Point Grade (Formal: Below 14 pts)
<p>Government Structure</p> <p><i>Democratic Parliament</i></p> <p><i>Relatively Strong</i></p> <p>Government Stability</p> <p><i>Add Risk of Stability Score: Explain</i></p>	<ul style="list-style-type: none"> Type of Government that controls country is stated & explained Example: The USA is a Federal Republic with a strong Democratic tradition. Political Pressure Groups & Leaders Who is the head of your IBP government Elections / Appointment: Process is explained Example: Presidents in the United States are elected to 4 year terms with a max of 8 years in which they can serve. An overview of the last 50 years is given. Any major changes to how that country operates (Russia switching from Communist to Level of corruption is documented / explained Level of Political Risk is given & a comparison to previous years; as well as, other countries is documented Level of Political Stability (GE) 	<ul style="list-style-type: none"> Type of Government that controls country is stated but not explained Current political regime is not listed No background information into how your IBP country structures its political process is explained. Government stability is hinted at but not explained. Example would be stating that presidents are elected every 4 years in the USA but no timeframe for how long that system has existed is given. No examples or acknowledgement of recent history is provided Corruption stats are given but no supporting evidence or world rankings given to add clarity Level of Political risk is only stated 	<ul style="list-style-type: none"> Type of political system is only listed, no detail No current or background information relating to the current type of government is given Government stability is not provided No examples of former political process or systems are given Level of Corruption is either not provided or incorrect No level of political risk is given
<p>Government control over trade</p>	<ul style="list-style-type: none"> How active & supportive the government is in regards to free trade is stated but no evidence is provided to prove statement Level of globalization is not mentioned or explained 	<ul style="list-style-type: none"> How active & supportive the government is in regards to free trade is stated but no evidence is provided to prove statement Level of globalization is not mentioned or explained 	<ul style="list-style-type: none"> No stats or evidence is given explaining how controlling the government is in regards to how that country conducts trade Paper displays a very limited or inconclusive portrayal of government when it comes to its stance on trade Paper only briefly discusses governments role in business Paper lacks statistical evidence & analysis No supportive evidence is given to prove how that government regulates private business.
<p>Governments control over private business</p>	<ul style="list-style-type: none"> Level of Business Freedom (Taxes & Process to start a business) From reading this section the viewer has a clear understanding of how your IBP country views privatization of business. Research State Owned Enterprise for ideas. Ex: Are privately owned industries, companies, corporations encouraged or are they state owned. 	<ul style="list-style-type: none"> Level of Business Freedom is not discussed A vague understanding of how government regulates private business is given with little understanding of how it impacts their product/company specifically 	<ul style="list-style-type: none"> Paper only briefly discusses governments role in business Paper lacks statistical evidence & analysis No supportive evidence is given to prove how that government regulates private business.
<p>Total Grade</p>	<p>Turned in late on: _____/10 pts</p>	<p>Turned in late on: _____/10 pts</p>	<p>Turned in late on: _____/10 pts</p>
<p>Rough Draft Turned in on _____ Time</p> <p>*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</p>			

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- Concepts from book:** Be able to compare & contrast the four main types of political systems: Democracy, Republic One-Party States, & Theocracy. Be able to compare & contrast Statutory & Case Law. Understand the importance of Contract Law when conducting business overseas.
- Political Systems, Political Risk, Political Economic Movement, Corruption & Which Countries have high/low levels of it, Sustainability, & Kyoto Protocol

Section II Part A

3. Describe laws and/or governmental agencies that affect your business/product/service [i.e., labor laws, trade laws (U.S.A. and/or Canada and foreign)]

Sources: http://www.heritage.org/index/ List of FTA's Asia: https://aric.adb.org/fta-country USA: https://ustr.gov/trade-agreements/free-trade-agreements Agencies: https://en.wikipedia.org/wiki/State-owned_enterprise	A Grade (Formal: 13.5 – 15 pts)	B/C Grade (Formal: 10.5 - 13.49)	D/F Point Grade (Formal: Below 10.5)
Laws &/or Govt. Agencies that impact your product <i>EU / Product Safety</i>	<ul style="list-style-type: none"> • Paper provides an overview of agencies that impact a company / product in their IBP Country. At least two agencies are referenced. Example: Federal Trade Commission in the USA • Labor Freedom (Heritage & Global) • Regulatory Efficiency (Heritage) 	<ul style="list-style-type: none"> • Paper provides a very limited scope of agencies that impact a product traveling overseas • Only agencies are mentioned with no real detail has to how they operate given. • Labor laws that impact the workforce are stated but not explained. A vague understanding of how that law impacts a business is provided. 	<ul style="list-style-type: none"> • No government agencies impacting your IBP country are stated • An overview of laws that limit or restrict businesses in your IBP country are not provided • Labor laws are listed but only minimally explained or not listed at all
Trade Laws	<ul style="list-style-type: none"> • Trade Freedom: Actual score, world ranking, & Comparison to the United States • Open Market Description (Heritage) • Free Trade Agreements (ABD) 	<ul style="list-style-type: none"> • Only trade agreements are listed. • Limited understanding of how trade laws impact imports & exports 	<ul style="list-style-type: none"> • No trade laws or agreements are referenced • Paper does not provide a basic understanding of how trade impacts your IBP Proposition
Total Grade			
Rough Draft Turned in on Time	Due Date: <u>October 25, 2016</u> Yes	No	Turned in late on: _____ /10 pts

**informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.*

Key Terms from 4.1

- Compare & Contrast Developed Countries (First World), Newly Industrialized Countries (Second World), & Developing Countries (Third World)
- Income Distribution Terms & Concepts: Lorenz Curve, Line of Absolute Equality, Line of Absolute Inequality, & Education (2 things education suggests)
- Population Concepts: Population Pyramid, Social Class, & Class Mobility

Source(s): CIA World Factbook: People & Mobility Section

Section II Part B: Trade area and cultural analysis

1. Geographic and demographic information, important customs and traditions, other pertinent cultural information, competitive advantages and disadvantages of the proposed product and/or service

	A Grade (Formal: 13.5 – 15 pts)	B/C Grade (Formal: 10.5 - 13.49)	D/F Point Grade (Formal: Below 10.5)
Geographic Information	<ul style="list-style-type: none"> Climate, Terrain, Natural Resources, Natural Hazards that may affect your company, & environment. Information relating to transportation of goods: airport, rail port, & trucking stated & explained Population pyramid is broken down so that the most largely populated groups are identified & targeted (Gender/Age) Median Age Infant Mortality Rate Birth Rate Population growth rate Ethnic groups with corresponding %'s (race) Education Attainment (Education) Social Class with average median income % living below the poverty line <p>LAN GUAGE ✓</p>	<ul style="list-style-type: none"> Factors associated with geography are listed but their value is not explained Limited to No discussion of how transportation is impacted given Only the largest population groups are identified No method of distinction between gender groups Factors such as median age & birth rate are not provided Growth rate of population is stated as a statistic but its relevance is not explained Levels of income are either not provided or only hinted at Levels of education are not clear 	<ul style="list-style-type: none"> Geographical information is limited with factors that have no real value to your IBP country stated Limited discussion of population factors given. Example: Reader may see a picture of a population pyramid with no explanation of that pyramid given Factors such as income, age, & education levels are missing or given in estimates No breakdown of gender differentiated given
Demographic Information	<ul style="list-style-type: none"> Communication: Verbal & Nonverbal Gift Giving v. Bribery Fashion / Dress Manners, Attitudes, Values Meeting basics / Negotiation Norms Religion <p>VALUE Education ✓</p>	<ul style="list-style-type: none"> Some cultural traditions are given but not enough to provide an in-depth understanding of how that country functions. No customs / traditions are mentioned that related directly to the workplace Breakdown of religion is given but little to no explanation is given 	<ul style="list-style-type: none"> Very little reference to customs & traditions is provided The overall attitude & values of the country are either limited in scope or missing altogether Religion is only mentioned as a factor but not explained
Important Customs & Traditions	<ul style="list-style-type: none"> Geert Hofstede's Model High or Low Context Culture 	<ul style="list-style-type: none"> Hofstede's model is given in picture format with no explanation provided as to what it means 	<ul style="list-style-type: none"> Limited to no added information given relating to your IBP country's culture
Pertinent Cultural Information	<ul style="list-style-type: none"> Advantages &/or disadvantages your company will encounter are clearly stated. With supporting evidence given Examples of Advantages: American Made Brand, Lower Costs, Fulfills market need Examples of Disadvantages: Added costs, transportation delays, government influence, etc.. 	<ul style="list-style-type: none"> Advantages &/or disadvantages your company will encounter are clearly stated. Limited supportive evidence provided 	<ul style="list-style-type: none"> Competitive advantages & disadvantages are hinted at but not clearly stated as such. No evidence or statistical data is given explaining advantages that exist.
Competitive Advantages & Disadvantages			
Total Grade			
Rough Draft Turned in on Time	Due Date: <u>October 25, 2016</u> Yes	No	Turned in late on: _____ /10 pts

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Part B: Trade area and cultural analysis

Analysis of the potential location—importance and requirements of each trade document required by the U.S.A. and/or Canada and the country of choice
Export & Import Documentation (GE)

Helpful Sites:

<http://www.theglobaleconomy.com/>
(Other Indicators Sections)

Analysis of the Potential Location:
<http://www.doingbusiness.org/rankings>

Doing Business in IBP Name Example: Germany:
Country Commercial Guide
<http://www.export.gov/ccg/index.asp>

NAFTA/ EU

Required Trade Documentation between IBP Country & United States

Common Trade Documents:
http://www.export.gov/logistics/eg_main_018121.asp
Bill of Lading (B/L), Airway Bill (AWB), Certificate of Origin, Certificate of Content, Letter of Credit (L/C), & Insurance Policy Certificate

American Free Trade Agreements:
<http://www.export.gov/FTA/index.asp>

Total Grade

Rough Draft Turned in on Time

A Grade
(Formal: 13.5 – 15 pts)

- The selection of your IBP country is proven effective based on statements made in this section
 - Examples of information that could be presented in this section include:
Country is geographically in a good region for transportation (airport or seaport nearby), climate assists with need/production of product, there is an adequate level of capable employees available, etc..
- Trade between your IBP country and the United States is easy & encouraged
- Paperwork required for trade is minimal or easy to complete.

Specific trade documents between your IBP country and the United States are referenced if applicable ✓

Whatever paperwork a company would need to transport items from the United States to your IBP country are given & explained.

EEI - Invoice - Packing list - COLO - Bill of Lading

B/C Grade
(Formal: 10.5 - 13.49)

- The selection of your IBP country is proven effective
- Factors associated with the potential of your IBP Country's location are stated and explained but only 1 or 2 reasons are given to support.

- Only 1 or 2 examples of trade documents are given and purpose of such document is explained.

Paper does a good job explaining the form needed, why it is needed, and how it is used; however, it only does that for 1 or 2 forms of documentation.

D/F Point Grade
(Formal: Below 10.5)

- The selection of your IBP country seems viable but a clear rationale for how the actual location of your country is beneficial is not given.
- Supporting evidence of location selection is minimal to none.

- No mention of trade documentation or a very generic attempt at trade documentation is presented.

Example would be paper simply states a certificate of origin and bill of lading would be required.

Due Date: October 25, 2016 Yes No Turned in late on: _____/10 pts

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Comments: