

$$\frac{6.5}{10} + \frac{8.5}{10} + \frac{4}{10} + \frac{9}{10} + \frac{5}{10} = \frac{33}{10}$$

I am taking my product Snapple to Moscow, Russia, which currently has a mixed economy. A mixed economy means they have an economy where both public and private businesses play a role in economic activity. A mixed economy has many advantages and disadvantages, the pros of a mixed economy is that competition keeps prices low, and its consumers choice. On the down side they have higher taxes ^{MAKING} ~~make~~ it harder to gain profits, ~~and~~ in a mixed economy ^{is} ~~puts~~ more focus on goods and products that are beneficial to the people instead of goods and services that are good for the economy. (usually True)

Product (Capita Is Divided By Population)

Russia has a gross domestic ~~capita~~ ^{Product} of 3.7 trillion which is more than double what they had in 2010 and almost 15 times more than their GDP in 2000. The ~~GDP in Russia~~ ^{→ Wrong?} is ~~as of today is 3 trillion and growing~~ (it's expected to rise more as the years go on) The

GDP per capita is also on the rise in Russia it has grown substantially since 2000. In 2000 the GDP per capita was ~~5.5k~~ ^{85,500} and its now almost ~~\$10,000~~ ^{25,400} and like the GDP it is ~~expected to grow more~~. The huge country has an unemployment rate of ~~5.4%~~ ^{5.6%} and a population of 143 million as of July 2015. Unfortunately they are experiencing an increase in inflation rates. In ~~one year~~ ²⁰¹⁵ ~~alone~~ the inflation rate doubled ~~what it was the~~ ^{From 7.8 to 15.5}

It's Actually gone Down The last 3 years

~~previous year. Even though these numbers seem large and great it actually isn't that big of numbers. United States has \$50k in GDP Per Capita, 10 times that of Russia and has a GDP of 16 trillion, a little over 5 time that of Russia. Russians have 70 Billion in foreign investments in their country. This number is an increase of more than 30 billion in 5 years. This number is small however because the United States has 380 Billion in FDI.~~

FDI Home 342.9 Billion 2015

Russia has a relatively new economy and it is still growing to its potential. Russia took a big blow to their economy in 2008 when the price of crude oil, their main exporting item,

1 In World

GDP/ Capita = 25,400

Vague

What Has Caused The Decline In GDP? FDI?

Fell to Record Breaking Low Prices

lost a record breaking amount in its price. This period in time was known as the Great Recession. [Even though all that Russia's economy is back on the right path and growing as the years pass]

Contradicts Stats

Reverse
↳

When doing business in Russia I must be aware of the SOE (State Owned Enterprise) because most companies need to comply with all their rules and regulations. Russia has a 57.6 on labor freedom. ^(United States 91.4) Russia experiences an inconsistent enforcement of regulations making their entrepreneurial decision-making uncertain. Russia is the 3rd largest energy subsidizer in the world. It has a trade freedom score of 72.4 which is below average for a country. ^{Compared to} The U.S. has 87 ^{and a 91.4} ^{move} on labor freedom. Russia has a tariff rate of 6.3 percent. Its attempt to increase domestically produced goods is interfering with trade and foreign investments. State owned financial institutions have taken market shares from public Russian banks to increase their control of lending.

Russia has a semi-presidential government which means that they have a government where a president exists with a prime minister and a cabinet. Vladimir Putin is the current president of Russia. Russia is ranked 155th in the world based on how stable their government is. Russia has only had 4 presidents ~~and they are still in their~~ early years. ^{and they} Russian presidents are elected every 6 years, ~~and serve 12 years total if~~ ^{they} they run for 2 terms. In 1917 the Soviet Union ~~came to be~~ ^{was created} and Russia was a communist country for a short while until 1991 when Mikhail Gorbachev's efforts to restructure the Soviet Union. He democratized its political system. Russia has lots of problems when it comes to corruption. They experience corruption in public administration, law enforcement, healthcare, and in education ~~to name a few~~. People even believe that Putin, ~~The president~~, has secret holding in the oil companies and he could have a net

complete
→ what were his effects?
President effects?

1917
4 x 12 = 48
1991
Math Doesn't work

in corrupt earnings.

worth of billions upon billions. Russia has a political stability level of -0.77 meaning that ~~they are currently stable and have a small chance at violence or overthrowing the government.~~ *and*
with little *Threat to*

Russia has lots of International organizational participations: IMO, IMSO, Interpol, IOC UNTSO, UNWTO, UPU, WCO, WFTU BIS, BRICS, BSEC, CBSS to name a few. They have a PG level of 85 meaning they have lots of embassies and high

Be selective.

commissions in Russia. Russia is highly involved in the trade going on in its country, ~~they have a 6.3 percent rate on their tariffs as previously stated.~~ Russia has a lot of

DEBATE AND IS PROTECTIVE OF THEIR DOMESTIC FIRMS.

spell out

spell out

SOE which it uses to control the prices and markets. Russia is fond of private businesses and encourages them. *How? What Proves this True?*

Contradicts Truck

Russia is located on Europe and Asia. The largest city is Moscow which is also the capital for one of the largest countries in the world. It has 6,592,800 sq miles of land.

Russia contains Rivers, Mountains, Steppe, Tundras which stretch over 4000 miles, and Taigas which make up 60% of Russia. The climate is different based on where you live

SEASONAL AND IS HIGHLY

Dependent on location/Region.

and what time of the year it is. They have warm or hot and dry summers and very cold winters with temperatures below zero. Trains and trucks are the most popular way for

(WAYS)

items to be delivered from city to city in Russia. *Within Inland*

Russia has a population of 142 Million which is composed of

Mainly

- 0-14 years: 16.94%
- 15-24 years: 9.71%
- 55-64 years: 14.27%
- 25-54 years: 45.16%
- 65 years and over: 13.92%

25-49 year olds

This Age Group Accounts For Over 45% of the total population.

Show Pop. Pyramid

The median age is 42.3 years for women and 36.4 years for men. Russia has a 99.7% literacy rate. ~~There~~ are 6 infant deaths for every 1000 live births and 11.3 births per 1000 population. The population of Russia is declining at .06% a year. The ethnic groups in Russia is ~~made up of~~ ^{MAKEUP OF}

- 77.7% Russian - 3.7% Tatar
- 1.4% Ukrainian - 17.5% Other

In Russia you are expected to bring a gift to someone's house if you are visiting them. ^(TRADITIONAL) Old school Russians view compromise as a weakness in business deals. If you have gloves on you must take it off before you shake someone's hand. Women should always cover their heads when entering any Russian Orthodox Church. Do not show the soles of your shoes, as this is considered impolite. Be sure to have plenty of business cards with double sides of information. ^{with} One side should be printed in English, the other side in Russian. Be alert and open to taking a drink or having a toast, as refusing to do so is a serious breach of etiquette. Do not stand with your hands in your pockets. This is considered rude. Women should wear skirts instead of pants. They take great pride in their heritage and expect others to admire it. The most popular religion in Russia is

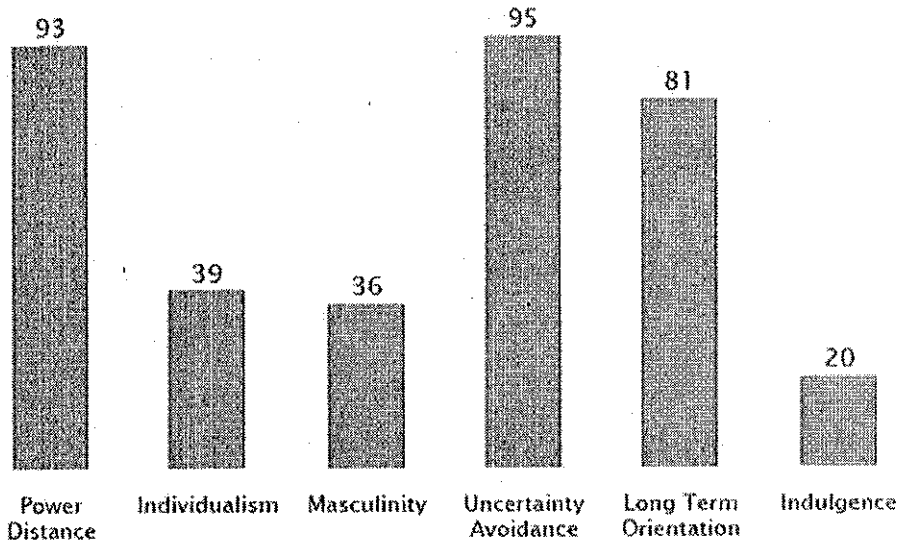
^{Repeated} Russian Orthodox with Islam close behind in second.

Move To Population Pyramid Section

Why is This Highlighted?

↓
A little forced.
Focus On Main Points That Impact you.

Russia



Russians prefer to have lots of context and information when they are doing something so therefore they are a high context country, they need lots of information in order for them to buy things and to be curious of something.

My product, Snapple, ^{will be as} ~~with have~~ a disadvantage because ^{many} Russians are already accustomed to their own drinks that we don't have in the US ^{spell out} and it is gonna take lots of advertising to get them to ~~give it a try~~ ^{it}. ~~Another disadvantage is that we will have a 6.3% tariff on our products that we import because Russia is promoting domestically produced goods and services instead of foreign made. However some advantages that we might have is that we will be selling at a lower price than competitors because they have a high prices due to being so popular.~~ ^{And Russian Citizens would}

We will be distributing our product in Moscow which is the center of everything, all businesses and almost all the millionaire sand all the billionaires live in Moscow.

Rates
Make
Russia
A
Challenge.
Appreciate
A Cost
EFFECTIVE
Option

Confusing

?

Moscow has train routes, truck routes, and a private airport where you can ship goods from. Moscow is the perfect place to set up in Russia because of all those reasons.

Missing Documentation

(PNIR
WTO)

- Russian Customs Freight
Declaration

Visit
Export.gov

- Contracts
- Commercial Documents

- Russia
Guide

- Trade Regulation

- Import Requirements

Trade Agreements
CIS FTA

Rubric Grading Scale for Each Section

Group: APUSH

APUSH

IBP: Moscow

Moscow

Section II, Part A		Examples of Economic Impactors:		
A. Economic, political and legal analysis of the trading country		GDP	GDP/Per Capita	Industries that are prevalent in your IBP Country
Sources:		Labor Force	Labor Force by Occupation	Household Income or consumption by % share
CIA World Factbook: Economy		Human Development	Population below poverty line	Distribution of Family Income
The Global Economy		Public Debt	Inflation Rate	Market Value of Publicly Traded Stocks
Heritage Foundation		Taxes & Other Revenue	Exchange Rates	Commercial Bank Primary Lending Rate
Doing Business In: http://www.doingbusiness.org/		Exports	Exports - Commodities	
Export.gov http://export.gov/worldwide_us/index.asp		Imports	Import - Commodities	
		Industrial Production Growth Rate (For manufacturing businesses)	Import - Partners	
Mixed Economy	Economic System	(Formal: 13.5 - 15 pts)	(Formal: 10.5 - 13.49 pts)	(Formal: Below 10.5 pts)
<p>GDP , 2.7 Trillion</p> <p>Economic Impactors</p> <p>GDP/capita = 25,400 Million</p> <p>Unemployment 5.6%</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>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>Minimal to no economic impactors are provided.</p> <p>Paper does not explain economic factors that affect a foreign company expanding to their IBP market</p> <p>Facts are given to fill space with no understanding of their impact</p>	<p>Type of economic system is copied from internet with no understanding of what it means given</p> <p>No advantages / disadvantages of system provided</p>
<p>342.9 e Home</p> <p>Level of Foreign Direct Investment</p> <p>336.3 e Abroad</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. 	
Total Grade				
Rough Draft Turned in on Time	Due Date: <u>October 25, 2016</u>	Yes	No	Turned in late on: _____ /10 pts
	<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>			

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)

Some Contradicting Figures

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)

u Pres - 1972
Government Structure

- 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.

- 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.

- Type of political system is only listed, no detail
- No current or background information relating to the current type of government is given

Communists
Government Stability

- 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)

- 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

- 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

Carlupf
Government Stability

- International organization participation (CIA)
- Political Globalization (GE)
- Level of government involvement relating to free trade is given(HF)
- Trade Balance (Export)

- 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

- 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

57.6 Labor
Government control over trade

- 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.

- 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

- 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.

Total Grade

Turned in late on: _____

/10 pts

Rough Draft Turned in on _____ Time

Due Date: October 25, 2016

Yes

No

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

Rk

Til

- **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:		A Grade (Formal: 13.5 – 15 pts)			B/C Grade (Formal: 10.5 - 13.49)			D/F Point Grade (Formal: Below 10.5)		
<p>http://www.heritage.org/index/</p> <p>List of FTAs</p> <p>Asia: https://artic.adb.org/fta-country</p> <p>USA: https://ustr.gov/trade-agreements/free-trade-agreements</p> <p>Agencies:</p> <p>https://en.wikipedia.org/wiki/State-owned_enterprise</p>		<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 			<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. 			<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 		
<p>Laws &/or Govt. Agencies that Impact your product</p> <p>IMD WMSD Intepol 10L</p>		<ul style="list-style-type: none"> • Labor Freedom (Heritage & Global) • Regulatory Efficiency (Heritage) 			<ul style="list-style-type: none"> • 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"> • Labor laws are listed but only minimally explained or not listed at all 		
<p>Trade Laws</p> <p>WMS - 6.3</p>		<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 		
<p>Total Grade</p>										
<p>Rough Draft Turned in on Time</p>		<p>Due Date: <u>October 25, 2016</u> Yes</p>			<p>No Turned in late on: _____</p>			<p>_____/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>								

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)
<p>Geographic Information</p> <p><i>15 49</i> <i>Median = 42.3</i></p> <p>Demographic Information</p>	<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 	<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 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 Hofstede's model is given in picture format with no explanation provided as to what it means 	<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 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 Limited to no added information given relating to your IBP country's culture
<p>Important Customs & Traditions</p>	<ul style="list-style-type: none"> Communication: Verbal & Nonverbal Gift Giving V. Bribery Fashion / Dress Manners, Attitudes, Values Meeting basics / Negotiation Norms Religion 	<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"> Competitive advantages & disadvantages are hinted at but not clearly stated as such. No evidence or statistical data is given explaining advantages that exist.
<p>Pertinent Cultural Information</p>	<ul style="list-style-type: none"> Geert Hofstede's Model High or Low Context Culture 	<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.
<p>Competitive Advantages & Disadvantages</p>	<p><i>Should Add</i></p>		
<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>

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

Action II Part B: Trade area and cultural analysis

2. 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))

<p>Helpful Sites: http://www.theglobaleconomy.com/ (Other Indicators Sections)</p>	<p>A Grade (Formal: 13.5 – 15 pts)</p>	<p>B/C Grade (Formal: 10.5 - 13.49)</p>	<p>D/F Point Grade (Formal: Below 10.5)</p>
<p>Analysis of the Potential Location: http://www.doingbusiness.org/rankings</p> <p>Doing Business in IBP Name Example: Germany: Country Commercial Guide http://www.export.gov/ccg/index.asp</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
<p>Required Trade Documentation between IBP Country & United States</p> <p>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 (LC), & Insurance Policy Certificate</p> <p>American Free Trade Agreements: http://www.export.gov/FTA/index.asp</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: 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.
<p>Rough Draft Turned in on Time</p>	<p>Total Grade</p> <p>Due Date: <u>October 25, 2016</u> Yes No <u>Turned in late on: _____</u> /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>		

Comments: