There are many factors that go into conducting business in Brazil. In order to operate a successful business you must conduct a lot of economic research. Brazil has an free market economy. Free market is when prices are determined by unrestricted competition between privately owned businesses. There are many advantages to a free market economy. A free market economy contributes to economic freedom and transparency, it ensures competitive markets.

Also consumers voices are heard, because their decisions determine what products and services are in demand. Supply and demand creates competition, which helps make sure that the best goods and services are given to consumers at a lower price. A free market economy also has some negatives. The economy could be more vulnerable to a crash due to a lack of governmental control.

There are many things that can impact have an impact on an economy. These accordance impactors happen in every country. For Brazil some of these impactors include GDP per capita, exports, imports, inflation rate, and the unemployment rate. Brazil's GDP per capita as of 2015 is \$15,600, The United States is \$55,800. GDP per capita is a measure of the total output of a country that takes gross domestic product and divides it by the number of people in the country.

With the life transport equipment, iron ore, soybeans, footwear, coffee, automobiles. Brazil exports goods to China 18.6%, US

12.7%, Argentina 6.7%, Netherlands 5.3% America's exports as of 2015 are worth \$1.598

trillion Brazil's imports as of 2015 are worth \$174.2 billion these imports include machinery, electrical and transport equipment, chemical products, oil, automotive parts, electronics. Brazil's imports partners as of 2015 include China 17.9%, US 15.6%, Germany 6.1%, Argentina 6%.

America's imports as of 2015 were worth \$2.347 trillion. The inflation rate for brazil as of 2015

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is 9% for the US it is 0.1%. The unemployment rate for Brazil as of 2015 is 6.4% compared to the US which is 5.2%.

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Importance
of Comparso
Or Dun't Foreign direct investment is a controlling ownership in a business enterprise in one country by an entity based in another country. The level of foreign direct investment at home is \$820.5 billion as of 2015 for Brazil. The level abroad is \$333.1 billion this means that Brazil has Is seen As An ATTRACTIVE MARKET AS 175 FUI Continues to grow invested money in business in other countries less than other countries have invested in Brazil. America's FDI in 2015 is \$3.116 trillion at home and \$5.191 trillion abroad.

Another huge aspect of conducting business in another country is government. The government in Brazil is a democracy. They are also a federal presidential republic this means that the leader of Brazil is a president who is elected by the people. The next presidential election for Brazil will be in 2018. The current president of Brazil is Michel Temer. Elections in Brazil are similar to the United States, Brazil elects on the national level a head of state (the president) and a legislature. The president is elected to a four-year term by absolute majority vote through a two-round system. They also have a national congress which has two chambers. Political pressure groups in Brazil include Landless Workers' Movement or MST, industrial federations; labor unions and federations; large farmers' associations; religious groups including evangelical Christian churches and the Catholic Church.

In order to have a successful nation one thing is key, political stability. Brazil has Shong political stability. From the people being able to have a say in their democratic presidential republic, to the president being elected by a majority vote, and the president also has a term limit. All of these things contribute to having political stability Another aspect of political stability is corruption. Corruption in Brazil is the same as the US, politicians occasionally take bribes from big corporations like the oil industry. Brazil has not always been a democracy. From 1500 to Aurian Bayat and Steven Alban RD Elxists But Minimal

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1889, the land was either a Portuguese colony or a monarchical empire. While it established a representative government in 1889, Brazil would shelve democracy again in 1964. The military controlled the government until 1985, allowing democratic elections once again in 1989. The level of political stability as of 2014 is -0.01.

Trade can have a huge impact on business in a country. So how the government controls trade is a big deal. Brazil has not submitted an ICJ jurisdiction declaration; accepts ICCt jurisdiction. The International Court of Justice (ICJ) is the principal judicial organ of the United Nations. Brazil's overall economic freedom score is 57.9 out of 100, making its economy the 99th freest of 179 countries in the 2012 Index. Brazil's balance of trades, exports last- 15790.00, previous- 16989.09.

Brazil has a 61.4% level of business freedom in 2016 which is considered moderately which is A Stime Improvement Compared to Level of business freedom would have been categorized as mostly unfree in the years 2006-2015. But in the years 1997-2005 it would have been described as moderately free.

The level of business freedom is looking to rise back to being moderately free in the future. But in the current time you could somewhat easily start a new business in Brazil.

When locating a new business in different country you must familiarize yourself with the laws that could end up affecting your product. Some agencies that can affect your business in Brazil are ANATEL (National Agency for Telecommunications) inaugurated in 1997 and ANEEL (National Agency for Electric Power) inaugurated in 1996.

Every country has their set of labor laws that could end up aftering the level of business productivity, Brazil is no different. Labor market is an added layer of regulatory burdens on the country's private sector these regulations negatively impact the ability for Brazil to exect in levels of economic freedom. Brazil's labor freedom score falls in the bottom half of the world Aurian Bayat and Steven Alban RD

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Incomplete Proposed

rankings. Brazil also has laws on Trade. According to the World Bank, Brazil's average tradeweighted tariff rate in 2009 and 2010 was 8.7 percent Increasing the level of dependency on -> Reword non-tariff barriers and anti-dumping measures is concerning. September 2011, Brazil placed an anti-dumping tax on steel products from China, one of its closest trade partners. Import bans and restrictions, market access barriers in services, border taxes and fees, restrictive regulatory and licensing rules, subsidies, complex customs procedures, and problematic protection of Good Into, Just

intellectual property rights add to the cost of trade.

Brazil is a country that is around the tropical zones and most of it's areas in the country are dry and warm, it has all year round temperatures that rarely get lower than 68 degrees, aside from the mountains and southern regions of the country. It is a flat land country at which no highlands exceed 3000m, and 60% of the country is a plateau and the remainder consists of plains, Brazil's natural resources consist of iron ore, manganese nickel, granite, tin, gold, platinum, and uranium that can help us create the product. Brazil's main natural hazards are floods and mudslides and this could impact our company in a good and bad way since the floods cause an increase in water and the water out in the streets could be purified and used to drink that will cause the increase of our products necessity.) But the floods and mudslides make oustomers want to leave the country because of such devastating natural hazards-that kill a lot of citizens in the country.

Brazil's demographics; the median age is 32.4 years, the infant mortality rate is 18.60, the birth rate is 1.81 per women, and the population growth rate is 0.9%. The ethnic groups are white 47.7%, mulatto (mixed white and black) 43.1%, black 7.6%, Asian 1.1%, indigenous 0.4%. Their are 5 social classes; social class A is the elite brazilian society with a monthly income of

Aurian Bayat and Steven Alban RD

Distribution 15 Not Evenly Spread Out In Brazil: 198 Social Class System Reinforces that

As Just

Positive

\$3,800. Class B have a good living in highly respected professions with a monthly income of \$1,875-\$3,800. Class C is the largest segment of Brazil's population with a monthly income of \$720-\$1,875. Class D are people who have failed to receive a high school diploma and have blue collar jobs with an income of \$360-\$720. Class E are the people who receive minimum wage and have a high rate of illiteracy and receive a monthly income of \$360. In brazil 16.2 million people live below the poverty line.

The communication style is informal. Brazilians favor direct eye contact over-indirect.

t comes to greeting Men shake hands with one another. A Man and Woman can shake

or share a kiss on the cheek. Woman usually share kisses when they greet. The religious

LIS LALGELY Religious With

in brazil are Roman Cafholic 80%. Proceedings of the cheek. When it comes to greeting Men shake hands with one another. A Man and Woman can shake hands or share a kiss on the cheek. Woman usually share kisses when they greet. The religious beliefs in brazil are Roman Catholic 80%. Protestant 15% . 5 % consists of Buddhism, Judaism,

Shinto, Islam, Candomble, and a variety of offshoots of Christianity. Giving a gift is not necessary during a first business meeting. Avoid giving anything purple or black as these are mourning colors. Gifts of knives, scissors, or letter openers are interpreted as the seveling of a close bond. Handkerchiefs are also associated with funerals, so avoid giving them. Men wear conservative, dark colored business suits. Three-piece suits typically indicate that someone is an executive. Women wear suits or dresses that are elegant and feminine with good quality accessories, and manicures are expected. Brazil is a high context culture country. In half out

Competitive Advantage For Us 15 that Own ht conomy will encounter advantages since the product is so light that we are able to \_ (PRODUCT NAME) transport higher amounts of the product at a lower price. It only weighs 2oz and is the lightest consists of inty of filtering water on the go. The lifestraw is built with it plastic and can be produced in ary resources that are needed from other countries. Other advantages that we have is that the product can basically be used for anything that involves with

Aurian Bayat and Steven Alban RD

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water and the use to purify it so it can become drinkable. Brazil consists of many mountains which means their are many people who will climb the mountain and on their trail they will find dirty water and can use the lifestraw to purify it and make it drinkable.

Brazil is a good country to put the business because it is the eighth largest economy in the world and is soon trees pand more and become a larger economy. Brazil and the United States Already are great trading partners that have great communication which is benefiting Brazil. The country's climate helps our company because of the the tropical temperature causes the citizens and Need for Pure Worker to grow in thirst and want to drink clear water and especially for the people who live in the poor rural areas near the dirty salty water and they could use our product to filter the water and be able to drink it.

> Need Down entation To Start Business Export

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Trading Rolationship

Rubric
Grading
Scale for
·Each :
Section

	No Timed is taken as	Due Date: October 25, 2016 Yes	Rough Draft Turned in on Time
			Total Grade
	markets	Reasons as to why your FDI Level are important are given/explained     Economic Globalization	
understanding of FDI concept.	Paper doesn't make comparisons between IBP country & other major	Comparison to the USA is given	Level of Foreign Direct Investment
<ul> <li>Student displays minimal to no</li> </ul>		Stock of FDI at home & abroad is	
unexplained.	is given as to what	Overview: Export.gov)	
EDI is pithor instatod isso.	FDI – Home is stated	Level of FDI is given (Market	
anderstanding of cheminipact		given so that reader understands context	blaze 1 60P/Cepita - 15,600
<ul> <li>Facts are given to fill space with no</li> </ul>	IBP country is given	Comparisons to IBP Country & USA are	
expanding to their IBP market	relating to why they are important to your	GDP/capita is included	Economic Impactors
<ul> <li>Paper does not explain economic</li> </ul>	explained in depth & limited evidence	0	1. O. H. Want
are provided.	provided	impactors matter given	INTIALION = 1
<ul> <li>Minimal to no economic impactors</li> </ul>	puple Economic Impactors are	Multiple Economic Impactors are stated	1 11 1 2 2 2
		system are given	
		operating in this type of economic	
system provided	Q	<ul> <li>Advantages / disadvantages of</li> </ul>	•
No advantages / disadvantages	Disadvantages given	economic system means is displayed	Economic System
of what it makes all no understanding	Cipited amount of advantages 9	An understanding of what that type of	
Type of economic system is copied  from interpret with no indicate dis- from interpret win interpret with no indicate dis- from interpret with no indicate	Type of economic system is stated but not explained	<ul> <li>Type of Economic System Used in IBP</li> <li>Country is Stated</li> </ul>	
(Formal: Below 10.5 pts)	Formal: 10.5 – 13.49 pts)		
D/F Point Grade	B/C Grade	A Grade	
			Export.gov http://export.gov/worldwide_us/index.asp
	SHESSES)	ייים ממינים בין בין בין היים מינים (ויבין וויפון מופרנמווון לי המיווב (אבי)	Doing Rusiness In- http://www.doinghusiness.org/
	Import – Partners	Imports Import - Commodities	Ine Global Economy
•	: — Partners	Exports — Commodities	CIA World Factbook: Economy
Commercial Bank Primary Lending Rate	Debt- External Commercial Bank	er Revenue	Sources:
Distribution of Family Income  Market Value of Bublish: Traded Stocks	Budget Distribution of Family Income Market Value of Bublish Tradi	Public Debt Inflation Rate	,
Household income or consumption by % share	loyment Rate		the trading country
Industries that are prevalent in your IBP Country	Agriculture Products Industries that a	GDP/Per Capita	A. Economic, political and legal analysis of
		Examples of Economic Impactors:	Section II, Part A

## 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)

/10 pts in late on:/10 pts/10 pts	Turned in late on:submitted with good intent will earn full cre	Due Date: October 25, 2016 Yes No Turned i *Informal / Effort Grade. Any rough draft submitted with	Rough Draft Turned in on Time
			Total Grade
<ul> <li>Paper only briefly discusses governments role in business</li> <li>Paper lacks statistical evidence &amp; analysis</li> <li>No supportive evidence is given to prove how that government regulates private business.</li> </ul>	<ul> <li>Level of Business Freedom is not discussed</li> <li>A vague understanding of how government regulates private business is given with little understanding of how it impacts their product/company specifically</li> </ul>	<ul> <li>Level of Business Freedom (Taxes &amp; Process to start a business)</li> <li>From reading this section the viewer has a clear understanding of how your IBP country views privatization of business.</li> <li>Research State Owned Enterprise for ideas.</li> <li>Ex: Are privately owned industries, companies, corporations encouraged or are they state owned.</li> </ul>	Governments control over private business
<ul> <li>No stats or evidence is given explaining how controlling the government is in regards to how that country conducts trade</li> <li>Paper displays a very limited or inconclusive portrayal of government when it comes to its stance on trade</li> </ul>		<ul> <li>International organization participation (CIA)</li> <li>Political Globalization (GE)</li> <li>Level of government involvement relating to free trade is given(HF)</li> <li>Trade Balance (Export)</li> </ul>	Government control over trade
<ul> <li>Government stability is not provided</li> <li>No examples of former political process or systems are given</li> <li>Level of Corruption is either not provided or incorrect</li> <li>No level of political risk is given</li> </ul>	<ul> <li>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.</li> <li>No examples or acknowledgement of recent history is provided</li> <li>Corruption stats are given but no supporting evidence or world rankings given to add clarity</li> <li>Level of Political risk is only stated</li> </ul>	elected h they h major a ed n to	Government Stability
<ul> <li>Type of political system is only listed, no detail</li> <li>No current or background information relating to the current type of government is given</li> </ul>	<ul> <li>Type of Government that controls country is stated but not explained</li> <li>Current political regime is not listed</li> <li>No background information into how your IBP country structures its political process is explained.</li> </ul>	<ul> <li>Type of Government that controls country is stated &amp; explained</li> <li>Example: The USA is a Federal Republic with a strong Democratic tradition.</li> <li>Political Pressure Groups &amp; Leaders</li> <li>Who is the head of your IBP government</li> <li>Elections / Appointment Process is explained</li> </ul>	Government Structure
D/F Point Grade (Formal: Below 14 pts)	B/C Grade (Formal: 14 – 17.9 pts)	A Grade  (Formal: 18 – 20 pts)	Sources: CIA World Factbook: Government The Global Economy (GE) http://www.theglobaleconomy.com/ The Heritage Foundation (HF) http://www.heritage.org/index/
private business	he government controls trade and	Section II Part A	Section II Part A

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Key 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)]

/10 pts	No lurned in late on:	Dille Date: October 25, 2016   Yes	
			Dough Draft Turned in on Time
			Total Grade
- Add Specify 1979 -	~	Free Trade Agreements (ABD)	
	,	Open Market Description (Heritage)	
how trade impacts your IBP Proposition	impact imports & exports	States	
٠	Limited understanding of how trade laws	ranking, & Comparison to the United	
•	Only trade agreements are listed.	Trade Freedom: Actual score, world	Trade Laws
	business is provided.	•	-
Sa	understanding of how that law impacts a		
explained or not listed at all	are stated but not explained. A vague	<ul> <li>Regulatory Efficiency (Heritage)</li> </ul>	
<ul> <li>Labor laws are listed but only minimally</li> </ul>	<ul> <li>Labor laws that impact the workforce</li> </ul>	<ul> <li>Labor Freedom (Heritage &amp; Global)</li> </ul>	Labor Laws (
Advantage property and the state of the stat	7.	in the USA	Mraic, Liver
	given	Example: Federal Trade Commission	
businesses in your IBP country are not provided	Only agencies are mentioned with no	least two agencies are referenced.	
An overview of laws that limit or restrict	overseas	product in their IBP Country. At	•
	agencies that impact a product traveling	agencies that impact a company /	Impact your product
•	Paper provides a very limited scope of	<ul> <li>Paper provides an overview of</li> </ul>	Laws &/or Govt. Agencies that
			owned enterprise
			https://en.wikipedia.org/wiki/State-
	-		Agencies:
		(Louisi, Total	agreements/free-trade-agreements
(Formal: Below 10.5)	(Formal: 10 5 - 13 49)	(Earmal: 13 5 - 15 ntc)	USA: https://ustr.gov/trade-
D/F Point Grade	B/C Grade	A Grade	Asia: https://aric.adb.org/fta-country
			List of FTA's
			http://www.heritage.org/index/
			Sources:

## 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

naints deducted for each day	7	No Turned in late on	Due Date: October 25, 2016 Yes No	Dough Draft Turned in on Time	
/10 pts	-			Total Grade	
disadvantages are hinted at but not clearly stated as such.  No evidence or statistical data is given explaining advantages that exist.			<ul> <li>Advantages &amp;/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</li> </ul>	Competitive Advantages & Disadvantages	
information given relating to your IBP country's culture  Competitive advantages &	•	picture format with no explanation provided as to what it means	Geert Hofstede's Model  High or Low Context Culture	Pertinent Cultural Information	1
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			Communication: Verbal & Notiverbal Gift Giving v. Bribery Fashion / Dress Manners, Attitudes, Values Meeting basics / Negotiation Norms Religion	Important Customs & Traditions	<u> </u>
		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	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	Demographic Information	L.
with factors that have no real value to your IBP country stated  Limited discussion of population factors given	•	listed but their value is not explained Limited to No discussion of how transportation is impacted given Only the largest population groups are	Climate, Terrain, Natural Resources, Natural Hazards that may affect your company, & environment. Information relating to transportation of goods: airport, rail port, & trucking stated & explained airport, rail port, & trucking stated & explained	Geographic Information •	
D/F Point Grade (Formal: Below 10.5) Geographical information is limited	•	B/C Grade (Formal: 10.5 - 13.49)	/or service  A Grade  (Formal: 13.5 – 15 pts)	disadvantages of the proposed product and/or service	
re advantages and	itive	tinent cultural information, competi	ection II Part B: Trade area and cultural analysis  Secure his and demographic information, important customs and traditions, other pertinent cultural information, competitive advantages and	Section II Part B: Trade area and cultural analysis	. (0)

	<del></del> //	
(Export 8, Import Documentation (GE))	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	ction II Part B: Trade area and cultural analysis

- Allery	Description Von No	Total Grade
		American Free Trade Agreements:
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> <li>Whatever paperwork a company would need to transport items from the United States to your IBP country are given &amp; explained.</li> </ul>	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
<ul> <li>Only 1 or 2 examples of trade documents are given and purpose of such document is explained.</li> </ul>	<ul> <li>Specific trade documents between your IBP country and the United States are referenced if applicable</li> </ul>	Required Trade Documentation between IBP Country & United States
×	Paperwork required for trade is minimal or easy to complete.	
	Trade between your IBP country and the United States is easy & encouraged	
÷	need/production of product, there is an adequate level of capable employees available, etc	Doing Business in IBP Name Example; Germany: Country Commercial Guide http://www.export.gov/ccg/index.asp
but only 1 or 2 reasons are given to support.	Country is geographically in a good region for transportation (airport or seaport nearby), climate assists with	Analysis of the Potential Location: <a href="http://www.doingbusiness.org/rankings">http://www.doingbusiness.org/rankings</a>
<ul> <li>Factors associated with the potential of your IBP Country's location are stated and explained</li> </ul>	<ul> <li>Examples of information that could be presented in this section include:</li> </ul>	
<ul> <li>The selection of your IBP country is proven effective</li> </ul>	<ul> <li>The selection of your IBP country is proven effective based on statements made in this section</li> </ul>	
(Formal: 10.5 - 13.49)	(Formal: 13.5 – 15 pts)	http://www.theglobaleconomy.com/ (Other Indicators Sections)
B/C Grade	A Grade	neipiui sites:

## Comments: