

$$\frac{9}{10} + \frac{8.75}{10} + \frac{10}{10} + \frac{8.5}{10} + \frac{0}{10} = \frac{\quad}{50}$$

Use Headings

Add one more factor

II A. #3

II Iceland has a social-market economy that combines with a capitalist structure which uses free market principles. A social-market economy is based on a free market with little government interventions. For example, the government restricts meat and dairy imports and caps investment levels for energy and aviation in certain parts of the economy. Other than the few restrictions, Iceland is free to trade freely with other parts of the world.

In 2008, Iceland ^{HAD} ~~had~~ a financial crisis ^{where within} ~~where~~ their market ~~crashed~~. Businesses went bankrupt, their currency crashed and unemployment percentages increased dramatically. Up until 2011, Iceland had a hard time rebuilding their economy. Present day, Iceland is back on their feet and has a strong economy. The GDP/capita of Iceland in 2010 was \$41,615. In 2015, ^{it had grown to a} the GDP/capita was \$46,100. It continues to grow exponentially as the gross domestic product increased 3% from last year. Iceland relies ^{heavily} ~~a great deal~~ on their fishing and tourism industry, as it is the main drive of their economy. The foreign direct investment for people living in the country is 9.2 billion. The FDI abroad 8.8 billion. Compared to the ^{This relatively low Spill out} ~~US's~~ FDI ranking of second in the world ^{whose} ~~is~~ with \$3.16 trillion, Iceland ^{is a} ~~seems~~ very small. For the size of the country of around 332, 500 people, it is relatively good. ^{country which is a main reason the's FDI totals are}

low. compared to other countries.

In Iceland, there are very few regulations and laws that affect ^{our} ~~my~~ company, Keurig. One agency is the Icelandic food and veterinary Authority because it ^{governs all Beverages} ~~deals with being a drink~~. Another government agency that affects Keurig is the Icelandic international Development Agency and Foreign exchange act because we are coming over abroad to invest in Iceland. Private property is well protected and has a strong ^{legislature} ~~legislative~~ that gives fair and public trials. Labor regulations could be improved as they are strict and ^{by} ~~has~~ high unionization.

Iceland's trade freedom is 20th in the world. It has a score of 73.3. ^{score ranks} ~~The~~ United States ranking ^{which} ~~is~~ 11th in the world. ^{compared to that of the} ~~With the United states dominating the world market, being 20th on~~

~~the ranking is good for such a small country.~~ Iceland average tariff tax is 1.1 % and has little restrictions on imports and exports. Iceland is part of the European Economic Area (EEA) and the European Union (EU). *Which Adds to their Ability to freely trade With Reduced Regulation*

Iceland has a constitutional republic government which means the government gets its accountability from the parliament. The head of state is the president and the executive branch is run by the government. The president is elected by popular vote with a term of 4 years and no limit to the number of terms you can run for. Ólafur Ragnar Grímsson was the president ^{from} 1996 - 2016. *However, this year* ~~The new election~~ *was elected* Guðni Thorlacius Jóhannesson as Iceland's new president. *→ Is he Pro-Business? Trade?*

During the 2008 financial crisis, citizens tried to overthrow the government and get the constitution rewritten. They succeeded in making changes to the constitution which is why they have low tolerance for corruption.

Iceland overall has had a stable government ~~except for the 2008 crisis.~~ Ever since it won autonomy from Denmark in 1918, it thrived off of being isolated and away from war all through the 1900's. ~~Corruption is not a common thing in Iceland, and is being worked on to improve everyday.~~ *Said earlier!* ~~The government corruption does not affect businesses at all as it effectively protects private property so selling Keurig in stores would not be an issue.~~ The level of political stability is averaged around 1.3 out of 2.5. Little violence is apparent in Iceland.

Why? The government has little involvement in the trade as the trade is a free trade market. The ~~only limitations the government involves itself in are the meat and dairy products imports.~~ *Does take An Active Role In Regulating Meat & Dairy Imports.* *But is Supportive of Trade Relations.*

~~Iceland is known for their fish industry and unique foods, so the imports of meat and dairy usually isn't necessary.~~ The government protects private property and puts a 1.1% tariff on exports. ~~The government protects privatization, so selling the Keurig coffee maker in a main grocery store will not to be affected by any government corruption or instability.~~ Iceland was

PART B #1

founded in June 17, 1944. A colony of the Dano-Norwegian Empire, Iceland failed to achieve much until it became independent after the Second World War, due to the Allied takeover of the island. Although Iceland is a small country, 99% is used to cultivate hay and other fodder crops which makes this country a big part in agriculture. Weather in Iceland plays a role in business, it

Very agriculturally Based.

How?

is temperate; moderated by North Atlantic Current; mild, windy winters; damp, cool summers. In addition to this Iceland is a member of the Nordic Council, a forum for cooperation between the

Seasons Compared to America

Nordic countries, which nevertheless uses only Danish, Norwegian and Swedish as its working languages (although the Council does publish material in Icelandic). Furthermore, English is not a

A challenge for us is that

predominant language, only 32% of immigrants use English. Another key point is that Iceland has a high level of education. Literacy-rate is universal, and has been since the end of the eighteenth

with speaking it with over 99% being literate.

century. They value their education a lot and it is mandatory to go to school from ages

Six - sixteen.

~~typical school day in Iceland is just like a typical school day in America. They attend school everyday since it is mandatory. Pre-schools or nurseries can be attended from the age of 12~~

~~months to 6 years. They are defined as the first level of the educational system. The majority of Icelandic children attend pre-school and the fees are heavily subsidised by local councils. Upper secondary education is not compulsory, but anyone who has completed compulsory education has the right to enter a course of studies in an upper secondary school. Anyone who has~~

~~completed upper secondary education in Iceland can apply to study at a university. With the exception of some courses like medicine and dentistry, the University of Iceland is obliged to accept all students who have an upper secondary diploma. The literacy rate in Iceland is~~

However When Conducting Business They Are

~~99%. When it comes to non religious beliefs Iceland is very laid back and individualistic. On the other hand the main religious belief system is through the Lutheran Church of Iceland,~~

~~85.5%. Seeing how religion is practiced in Iceland, their customs and values share common~~

practices among a group of ~~people passed on from one generation to the next~~. When meeting, a handshake is always to most proper way to greet someone in Iceland. With this mind, behavior etiquette in Iceland is formal just like the united states. Tipping is not required and considered like you have too much money to handle and are just giving it out. ^{≡ ≡} For ~~work/~~ ^{Businessman} business, always dress formally (suit and dress) . ~~Thumbs up is a kind gesture and always say please and thank~~
~~you~~

~~In addition to this, gift giving in Iceland is celebrated through husband and wife day. Overall Iceland is a very individualistic society with many different characteristics.~~

Rubric Grading Scale for Each Section

Group: Briana : Markena

IBP: Iceland

<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</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><i>Social-Market Economic System</i></p> <p><i>- Capitalist</i></p> <p><i>little Govt. Interventions</i></p> <p><i>gdp ↑ 3%</i></p> <p><i>GDP/capita 46,100</i></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>Level of FDI is given (Market Overview: Export.gov)</p> <p>Stock of FDI at home & abroad is stated & explained</p> <p>Comparison to the USA is given</p> <p>Reasons as to why your FDI Level are important are given/explained</p> <p>Economic Globalization</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>Level of Foreign Direct Investment</p>	<p>FDI - Home is stated</p> <p>Limited explanation is given as to what that level means</p> <p>Paper doesn't make comparisons between IBP country & other major markets</p>	<p>FDI is either unstated, inaccurate, or unexplained.</p> <p>Student displays minimal to no understanding of FDI concept.</p>		
<p>Total Grade</p>				
<p>Rough Draft Turned in on Time</p>	<p>Due Date: <u>October 25, 2016</u></p>	<p>Yes</p>	<p>No</p>	<p>Turned in late on: _____ / 10 pts</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>				

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)

Section II Part A

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

	<p>A Grade (Formal: 18 – 20 pts)</p>	<p>B/C Grade (Formal: 14 – 17.9 pts)</p>	<p>D/F Point Grade (Formal: Below 14 pts)</p>
<p>Sources: CIA World Factbook: Government The Global Economy (GE) http://www.theglobaleconomy.com/ The Heritage Foundation (HF) http://www.heritage.org/index/</p> <p><i>Constitutional Republic</i></p> <p>Government Structure</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 Stability</p>	<ul style="list-style-type: none"> International organization participation (CIA) Political Globalization (GE) Level of government involvement relating to: free trade is given (HF) Trade Balance (Export) 	<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 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"> 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>Government control over trade</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. 	<p><i>X</i></p>	
<p>Governments control over private business</p>		<p><i>a</i></p>	
<p>Total Grade</p>			
<p>Rough Draft Turned in on Time</p>	<p>Due Date: <u>October 25, 2016</u> Yes 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>

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)]

	A Grade (Formal: 13.5 – 15 pts)	B/C Grade (Formal: 10.5 - 13.49)	D/F Point Grade (Formal: Below 10.5)
Sources: http://www.heritage.org/index/ List of FTA's Asia: https://eric.adb.org/fta-country USA: https://ustr.gov/trade-agreements/free-trade-agreements Agencies: https://en.wikipedia.org/wiki/State-owned_enterprise			
Laws &/or Govt. Agencies that Impact your product <i>EGA, EU</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 <i>Tariff - 1.17</i>	<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 <input type="checkbox"/> No <input type="checkbox"/>	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>

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 <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> 	<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-differenced 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 	<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
	*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.		

Section 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))

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>

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 (LC), & 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.

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

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

Comments: