

$$\frac{7}{10} + \frac{8.25}{10} + \frac{1}{10} + \frac{9}{10} + \frac{2.5}{10} = \frac{27.75}{10}$$

II. Analysis of the international business situation

A. Economic, political and legal analysis of the trading country

- 1. Describe the trading country's economic system, economic information important to your proposed business/ product/ service, the level of foreign investment in that country**

Voltaic has begun their operations in multiple countries in Europe and across the United States but will be brought to Lithuania for the first time. Lithuania has a market economy, similar to the United States. In a market economy decisions regarding investment, production, and distribution are based on market determined supply and demand, and prices of goods and services are determined in a free price system with little government implementation. Lithuania is a member of the European Union and is the largest economy of the Baltic states. Prior to Lithuania's membership in the European Union the country was part of the Soviet Union and was the first country to declare independence from this union in 1990. After gaining independence they rapidly established their market economy. While establishing their new economy, unemployment rose to 10 percent, growth in GDP returned with a rate of 3.3 percent, ~~but~~ while inflation remains low at 3 percent, after reaching a high of 35.6 percent. It will be beneficial for a new company to come to Lithuania to help them fully recover economically. Voltaic will be successful in Lithuania because the country relies heavily on and is dependent on foreign investors. An American based company such as Voltaic will help Lithuania in their goal to radically transform their economy.

Separate
: explain
this

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

In order for a new business to thrive in a new company the government must be supportive and beneficial to the economy. The government of Lithuania is a Semi-Presidential Republic. A semi-presidential system is a system of government in which a president exists along with a prime minister and a cabinet, with the latter two being responsible to the legislature of a state. Lithuania is very stable regarding their political and government structure. After leaving the Soviet Union, they've become a more peaceful country with an absence of violence/terrorism, and have developed one of the most politically and economically free markets in the world. Lithuania's government does not put heavy restrictions on trade because they rely on international trade for their economic development.

NOT Sure
I see
connection

- 3. Describe laws and/or government agencies that affect your business / product / service:**

Lithuania's laws assure equal protection for both foreign and domestic investors. When Voltaic is brought to Lithuania, we as a company need to be aware of these laws and their restrictions. ~~Beneficially, in our case~~ foreign investors have free access to all sectors of the economy with some limited exceptions. These limited expectation include investment of foreign capital in sectors related to the security and defense of the State are prohibited. We also need to make sure our products and backpacks are not harmful because the Law on Investment also requires government permission and licensing for commercial activities that may pose risks to human life, health, or the environment, including the manufacturing of, or trade in, weapons.

→ What
Proves
This?

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.**

Throughout the east and southeast regions of Lithuania, bogs and small lakes meet low hills and vastly dense forests. The verdant geography of the country is perfect for many of the recreational activities that are highly significant in Lithuanian culture, including camping. The Voltaic solar backpack is conspicuous and would not be expected to be worn casually, ~~but it is~~ essential for copious time spent outdoors. Lithuania's communal interest in camping is a competitive advantage that will subsequently provide a shared interest in Voltaic. Conversational customs are similar to those practiced in the United States. For example, it is important to remember that it is customary to shake hands when

Too Many
Words
That
Start with

Give Actual
#s Not
Percentages

Invest
Lithuania
website

Use
Student
Language

Maybe Just say
More Professional;
Society

professionally greeting an individual and to avoid referencing them by first name unless instructed to do so. Typical predecessors to an adult's name are: Ponas(Mr.), Ponia(Mrs.), and Panele(Miss). These small customs hold substantial relevance in the culture of Lithuania.

2. **Analysis of the potential location- importance and requirements of each trade documents required by the U.S.A. and/or Canada and the country of choice.**

As of January 2015, Lithuania has signed 51 double tax treaties, including treaties with both the United States and Canada, to ensure that residents pay tax on the same income involved with each country. Aside from these treaties, Lithuania and the United States don't share many trading policies. However, Canada shares great relations with Lithuania, being one of the first countries to recognize Lithuania's independence from Soviet occupation. Both countries signed a Youth Mobility Agreement in 2009 that promoted the movement of young Lithuanians and Canadians for job opportunities and a Social Security Agreement in 2006 that helped Lithuanians in Canada and Canadians and Lithuania qualify for social security benefits. Lithuania has also entered into 50 bilateral international treaties to promote and protect their investments.

Would
omit
NOT Key
To your
Company

Wouldn't
Matter
Unless
You Are
A Canadian
Company

x *Voltac Backpack*

Section II, Part A A. Economic, political and legal analysis of the trading country		Examples of Economic Impactors:			
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		GDP Labor Force Human Development Public Debt Taxes & Other Revenue Exports Imports Industrial Production Growth Rate (For manufacturing businesses)	GDP/Per Capita Labor Force by Occupation Population below poverty line Inflation Rate Exchange Rates Exports - Commodities Import - Commodities	Agriculture Products Unemployment Rate Budget Debt- External Export - Partners Import - Partners	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
		A Grade (Formal: 13.5 - 15 pts)	B/C Grade (Formal: 10.5 - 13.49 pts)	D/F Point Grade (Formal: Below 10.5 pts)	
- MARKET - EU Member - Economic System	<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 	<ul style="list-style-type: none"> Type of economic system is stated but not explained. Limited amount of advantages & disadvantages given 	<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 		
Unemployment - 10% GDP - 3% ↑ Inflation - 3% Was 35.6%	<ul style="list-style-type: none"> Multiple Economic Impactors are stated with supporting evidence as to why those impactors matter given. GDP/capita is included Comparisons to IBP Country & USA are given so that reader understands context better. 	<ul style="list-style-type: none"> Only a couple Economic Impactors are provided Economic impactors provided are not explained in depth & limited evidence relating to why they are important to your IBP country is given 	<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 		
Level of Foreign Direct Investment	<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	
*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.					

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

Sources:
 CIA World Factbook: Government
 The Global Economy (GE) <http://www.theglobaleconomy.com/>
 The Heritage Foundation (HF) <http://www.heritage.org/index/>

Semi- Presidential Republic
Government Structure

Government Stability

Government control over trade

investhawaii.com
Governments control over private business
lots of Tax Breaks
Total Grade

A Grade
(Formal: 18 – 20 pts)

B/C Grade
(Formal: 14 – 17.9 pts)

D/F Point Grade
(Formal: Below 14 pts)

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)

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

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.

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

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

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

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.

Rough Draft Turned in on Time **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.*

- 4.3 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)]

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/ List of FTAs 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</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 What Agency governs this? <i>International Trade Litigation</i></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 <i>Law on Investment</i></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: _____ /10 pts</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 style="text-align: center;"><i>Valley Forests</i></p> <p>Geographic 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 	<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 	<ul style="list-style-type: none"> Geographical information is limited with factors that have no real value to your IBP country stated
<p>Demographic Information</p>	<ul style="list-style-type: none"> 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"> 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"> 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
<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"> 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
<p style="text-align: center;"><i>Lumpkin</i></p> <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"> 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
<p style="text-align: center;"><i>Lumpkin</i></p> <p>Competitive Advantages & Disadvantages</p>	<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.
<p>Total Grade</p>			

Rough Draft Turned in on Time 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.*

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 (GEI))

<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. <p><i>Certificate of Origin Commercial Invoice</i></p>	<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: October 25, 2016 Yes <input type="checkbox"/> No <input type="checkbox"/></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>	

Comments: