

x Use Headings

$$\frac{5}{10} + \frac{6}{10} + \frac{10}{10} + \frac{8.5}{10} + \frac{0}{10} = \frac{29.5}{50}$$

II.

1. Portugal has a mixed economic system which contains characteristics of both capitalism and socialism. A mixed economic system protects private property and allows a level of economic freedom in the use of capital, but also allows for governments to interfere in economic activities in order to achieve social aims. Although a mixed economy combines ideas of capitalism and socialism it is not an equal balance, as the system still shows bias towards capitalism. The Portuguese economy has been proven to work as the Gross Domestic Product has increased since 2012. Along with the gross domestic product the foreign direct investment has shown significant growth from previous years. The economy is showing no indication of slowing down and hence creating an opportune time to expand our business

→ Give Stats To Support

2. The government structure of Portugal is a parliamentary partyocracy, defined as a pseudo democracy where people do not elect representatives directly instead voting for a Party. The parties appoint its representatives via preformed lists usually consisting of party cronies, family, friends and favor-givers. To an American this system may seem corrupt since family can be signed to a party without public consent, but the culture of Portugal is more centered around family and is accepting of these acts. In regards to regulation, starting a company takes less than a week, and no minimum capital is required. Portugal is given a business freedom score of 85.3% and a monetary freedom score of 85.7%. Portugal, similar to all other members of the European Union, is a member of the World Trade Organization]

→ Explain Meaning

MOVE



3. As previously mentioned, Portugal is a member of the European Union as well as a member of the World Trade Organization. As a member of the European Union, our company is guaranteed low tax rates between other member countries which will be extremely useful if we decide to further expand in the future. Being a member of the World Trade Organization means that trade disputes can be settled by a third party. In part, this means removing obstacles to trade. It also means making rules transparent and predictable so that companies are adequately informed of the laws. In 1996 the governments of Portugal and the United States officially enacted the Avoidance of Double Taxation and the Prevention of Fiscal Evasion treaty which explains that a company located in both countries does not have to pay full income tax for both countries. Portugal also has no exchange controls which are governmental restrictions on the movement of currency between countries.

II B

1.

Portugal's geography is rather diverse as it includes mountains, beaches, and rivers. Beaches and rivers are essential for our expansion since coolers play such an important role in beach excursions.

Portuguese life is centered around family and friends. Family is above all and anyone that goes against this unwritten rule will be considered a disgrace. Along with family; architecture, cuisine, and dance are major aspects of Portuguese culture. Reinforce Leisure Lifestyle

→ Extreme

2.

The main rival of RTIC is Yeti whom has yet to expand to Europe leaving the market open for the time being. A lack of competitors overseas paired with a growing economy in Portugal makes for an optimal location for expansion.

Rubric Grading Scale for Each Section

Group: Parker: Matthew

IBP: Portugal

<p>Section II, Part A</p> <p>A. Economic, political and legal analysis of the trading country</p> <p>Sources:</p> <p>CIA World Factbook: Economy</p> <p>The Global Economy</p> <p>Heritage Foundation</p> <p>Doing Business in: http://www.doingbusiness.org/</p> <p>Export.gov http://export.gov/worldwide_us/index.asp</p>	<p>Examples of Economic Impactors:</p> <p>GDP</p> <p>Labor Force</p> <p>Human Development</p> <p>Public Debt</p> <p>Taxes & Other Revenue</p> <p>Exports</p> <p>Imports</p> <p>Industrial Production Growth Rate (For manufacturing businesses)</p> <p>GDP/Per Capita</p> <p>Labor Force by Occupation</p> <p>Population below poverty line</p> <p>Inflation Rate</p> <p>Exchange Rates</p> <p>Exports - Commodities</p> <p>Imports - Partners</p> <p>Budget</p> <p>Debt- External</p> <p>Export - Partners</p> <p>Import - Partners</p> <p>Agriculture Products</p> <p>Unemployment Rate</p> <p>Industries that are prevalent in your IBP Country</p> <p>Household income or consumption by % share</p> <p>Distribution of Family Income</p> <p>Market Value of Publicly Traded Stocks</p> <p>Commercial Bank Primary Lending Rate</p>	<p>A Grade</p> <p>(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>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>B/C Grade</p> <p>(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 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 	<p>D/F Point Grade</p> <p>(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 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 FDI is either unstated, inaccurate, or unexplained. Student displays minimal to no understanding of FDI concept.
<p>Economic System</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>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>in 4-6-5-1-5</p>	
<p>Economic Impactors</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>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>in 4-6-5-1-5</p>	
<p>Level of Foreign Direct Investment</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>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>in 4-6-5-1-5</p>	
<p>Total Grade</p>	<p>Due Date: October 25, 2016</p> <p>Yes</p> <p>No</p> <p>Turned in late on: _____ / 10 pts</p> <p><i>*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</i></p>	<p>Due Date: October 25, 2016</p> <p>Yes</p> <p>No</p> <p>Turned in late on: _____ / 10 pts</p> <p><i>*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</i></p>	<p>Due Date: October 25, 2016</p> <p>Yes</p> <p>No</p> <p>Turned in late on: _____ / 10 pts</p> <p><i>*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</i></p>	

4.2 Key Terms / Concepts from Textbook:

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

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>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</p>	<p>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.</p>	<p>Type of political system is only listed, no detail No current or background information relating to the current type of government is given</p>
<p><i>Semi-Presidential</i> Government Structure</p>	<p>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)</p>	<p>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</p>	<p>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>
<p>Government Stability</p>	<p>International organization participation (CIA) Political Globalization (GE) Level of government involvement relating to free trade is given(HF) Trade Balance (Export)</p>	<p>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</p>	<p>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</p>
<p><i>Provide Support of</i> Government control over trade <i>STATS Given</i></p>	<p>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>	<p>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</p>	<p>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>
<p>Governments control over private business</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>_____ /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)]

	<p style="text-align: center;">A Grade (Formal: 13.5 – 15 pts)</p>	<p style="text-align: center;">B/C Grade (Formal: 10.5 - 13.49)</p>	<p style="text-align: center;">D/F Point Grade (Formal: Below 10.5)</p>
<p>Sources: http://www.heritage.org/index/ List of FTA's Asia: https://aric.adb.org/fta-country USA: https://ustr.gov/trade-agreements/free-trade-agreements Agencies: https://en.wikipedia.org/wiki/State-owned_enterprise</p>	<p>• 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</p>	<p>• Paper provides a very limited scope of agencies that impact a product traveling overseas</p> <p>• Only agencies are mentioned with no real detail has to how they operate given.</p>	<p>• No government agencies impacting your IBP country are stated</p> <p>• An overview of laws that limit or restrict businesses in your IBP country are not provided</p>
<p>Laws &/or Govt. Agencies that Impact your product <i>- WTO & Low Tax Rates</i> <i>- EU</i></p>	<p>• Labor Freedom (Heritage & Global) • Regulatory Efficiency (Heritage)</p>	<p>• Labor laws that impact the workforce are stated but not explained. A vague understanding of how that law impacts a business is provided.</p>	<p>• Labor laws are listed but only minimally explained or not listed at all</p>
<p>Labor Laws</p>	<p>• Trade Freedom: Actual score, world ranking, & Comparison to the United States • Open Market Description (Heritage) • Free Trade Agreements (ABD)</p>	<p>• Only trade agreements are listed. • Limited understanding of how trade laws impact imports & exports</p>	<p>• No trade laws or agreements are referenced • Paper does not provide a basic understanding of how trade impacts your IBP Proposition</p>
<p>Trade Laws <i>- Double Taxation</i> <i>- Currency Control</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>_____ / 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. Geographical 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 	<ul style="list-style-type: none"> Factors associated with geography are listed but their value is not explained Limited to No discussion of how transportation is impacted given Only the largest population groups are identified No method of distinction between gender groups Factors such as median age & birth rate are not provided Growth rate of population is stated as a statistic but its relevance is not explained Levels of income are either not provided or only hinted at Levels of education are not clear 	<ul style="list-style-type: none"> Geographical information is limited with factors that have no real value to your IBP country stated Limited discussion of population factors given. Example: Reader may see a picture of a population pyramid with no explanation of that pyramid given Factors such as income, age, & education levels are missing or given in estimates No breakdown of gender differentiated given
Demographic Information	<ul style="list-style-type: none"> Communication: Verbal & Nonverbal Gift Giving v. Bribery Fashion / Dress Manners, Attitudes, Values Meeting basics / Negotiation Norms Religion 	<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.. <input checked="" type="checkbox"/> 	<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 <input type="checkbox"/> No <input type="checkbox"/>	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_018421.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

Comments:

A Grade (Formal: 13.5 – 15 pts)	B/C Grade (Formal: 10.5 - 13.49)	D/F Point Grade (Formal: Below 10.5)
<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: <ul style="list-style-type: none"> 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. 	<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_018421.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> <p>Total Grade</p> <p>Rough Draft Turned in on Time</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>Due Date: <u>October 25, 2016</u> Yes No</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>	<p>Turned in late on: _____ / 10 pts</p>	