

$$\frac{8.75}{10} + \frac{7.5}{10} + \frac{7.5}{10} + \frac{16}{10} + \frac{6}{10} = \frac{35.75}{50}$$

7.5 Billion?

II. Analysis of the International Business Situation

A. Economic, Political, and Legal Analysis of the Trading Company

1.) Description of Eritrea's economic system

Eritrea has a very isolated and underdeveloped economy, as it has been under a state of emergency since 1998. Their economy is very government involved, as they place tariffs on almost all imported goods, and no one can own their own property without government consent. Even though the government is involved in economic activities, not a lot of people actually go by the rule of law. Their government has made efforts to improve the economy, and so far it has had some effect. Eritrea's collective GDP (gross domestic product) is much higher than it has been since 2010, as it is currently at 7.5. The majority of the GDP comes from their booming agriculture business. Eritrea is one of the main providers of corn and wheat to the international market, as they trade with the US, Europe, and other influential countries. Although the agriculture market is growing exponentially, if something fluctuates in it there is barely anything for the economy to fall back on. Eritrea needs more citizens in the educational field not only so they can help their country's economy, but help become more globally competitive. Bringing Sylan to Eritrea is just boost their economy needs to help them progress as a country.

is increasing
! Has shown
Strong
Growth
Since 2010.

GDP
8.7 Billion
2015

Key Point Problem

2.) Description of Eritrea's Governmental Structure and Stability.

Eritrea has been running on a presidential system since their independence from Ethiopia. Their current president, Isaias Afwerki, has been the country's president since their independence in 1993. He has tried to make some improvements on the structure of the government, but so far that hasn't worked out so well. Crime is very prevalent in Eritrea, as the law is loosely enforced. The vast majority of criminals in Eritrea are people who have achieved less than a high school diploma. Bringing Sylan to Eritrea would help young adolescents achieve the education they want and reduce crime rates. They would do this by exposing kids to endless different careers and life paths that avert them from a life of crime.

⇒ Stability?

Rule of
Law
Heritage

Key Point
For Next
Section

3.) Description of Laws Affecting Business Plan LABOR AND Human Welfare

Eritrea has decently strict laws when it comes to architecture and the environment, so in order to avoid a fine and potential condemnation of our learning centers, Sylan is going to implement a system of solar panels for all locations. Eritrea has a thriving market in agriculture, anything to jeopardize that, such as increasing your carbon footprint with the use of electricity, could eventually lead to the shutting down of your business. Solar panels are cost efficient and help the environment, it will not only help Sylan achieve a more positive company image, but in the long run save money as well.

What
Agencies
Oversee
Business?

Website
Doing
Business.
or
Registering
Property

B. Trade Area and Cultural Analysis - MINISTRY OF TRADE/Industry Inland Rev. Dept.

1.) Geographic, Demographic, Pertinent Cultural Information

Unlike America, Eritrea isn't a very globally competitive country. In their culture, they emphasize hospitality on foreigners rather than isolating themselves. This is why they would be a great country to internationally trade with, because they are very open to new countries and businesses.

2.) Market Segment Analysis Business. NOT Really Trading.

Because Eritrea is open to foreign trade, there should be very few issues with the general public accepting and embracing our company. Most parents want what's best for their child, and in Eritrean culture this is very prominent, just not in the educational sense. Most parents in Eritrea push agricultural success on their children, pressuring them to be farmers. If parents saw just how valuable a good education can be, they would potentially enroll their children in Sylan tutoring programs. How we would get this message to parents is through creating billboards and details highlighting the benefits education has on the future of adolescents. This is much cheaper and effective than creating ads that involve electricity, because Eritrea isn't particularly technologically developed.

Merge

Banks
Owned
By
Govt.

Conduct
↓
Discuss
Education
Demographics
Cultural
Attitude
Income
Competitive Advantage

Private
Sector
Restrict

* Look At Heritage Regulatory Efficiency

move
to target
market

Desire to Not Be A One Sector Economy

- Heritage
- Labor Laws

3.) Analysis of the Potential Location

Eritrea is very open to international trade and already has many partners across the world. There is definitely a market for tutoring, as Eritrea has one of the weakest public school systems in North East Africa. Helping students reach their full potential will help create jobs, therefore increasing the growth and GDP of the economy. Eritrea's social values perfectly fit the mission statement of our business, which is to help all students realize their full potential.

C. Problems Addressed and Customer Segments

1. Problems Addressed

The organization, *Sylvan Learning Center*, is going to solve many problems in Eritrea such as unemployment rates, literacy rates, and the quality of living. Unemployment rates will decrease because by providing the citizens of Eritrea access to better learning equipment, tutors that will offer one-on-one teaching, and classes on how to write job resumes, will assist Eritreans to learn more about employment and the necessities required for work. Literacy rates will increase because, as said earlier, the advanced technology and expert tutors providing help through classes for the Eritreans at an affordable price, would promote many people to take the classes and thrive in reading and writing. Finally, the quality of living would improve because with enhanced literacy skills and employment would provide many people the luxury of a proper house, clothing, and food that they lack. They could increase their income by getting jobs and working so their children can afford to go to school or other classes to become literate and make contributions to society as generations pass. Overall, the expansion of the Sylvan Learning Center will help many third world countries overcome economic and social issues.

2. Customer Segments

The customer demographics of this product are not limited to only children but can be used by adults and children of all ages. Learning has no age limit which is why we provide classes that apply to children, teens, and adults. There are grades k-12 standard subjects that are taught as well as SAT prep and ACT prep for teens who are looking forward to going to college. In addition to these classes, there are classes that assist in writing college applications or job resumes, which can apply to young adults and middle aged adults. The Sylvan Learning Center does not confine teaching to one gender in comparison to another, just as it doesn't discriminate between races. In Eritrea, the only setback between people who participate in the Learning Center and the people who don't is if they can afford the price. Although the prices are set very affordable, there is always some people who choose not to use their money into learning and rather spend it on other things. The Sylvan Learning Center is welcome to anyone who is willing to learn.

Human Rights Watch

- Govt. Wants Growth
- Putting Money In to help

- Need Laws

List
1.
2.
3.

When We Get To This Section We Will TARGET GROUPS

Would Cap Age
May Be Too High

Problems

1. Decrease In Crime As A Result In Increase Education
2. Improve Education So That Workers Can Be Trained In Non-Agriculture Areas. Make Area Less Dependent.
3. Make Country More Globally Competitive.

<p>Section II, Part A A. Economic, political and legal analysis of the trading country 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: 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 Import – Partners</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>		<p>B/C Grade (Formal: 10.5 – 13.49 pts)</p>		<p>D/F Point Grade (Formal: Below 10.5 pts)</p>
<p><i>Command Economy</i> <i>Under Sole Political Economic System</i> <i>Party: People's Front for Democracy & Justice</i></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 	<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 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 	
<p><i>- GDP</i> <i>- A6 MARKET</i> Economic Impactors <i>- Employment? Inflation?</i></p>	<p>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.</p>	<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 	<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 	
<p>Level of Foreign Direct Investment</p>	<ul style="list-style-type: none"> Level of FDI is given (Market Overview: Export.gov) Stock of FDI at home & abroad is stated & explained Comparison to the USA is given Reasons as to why your FDI Level are important are given/explained Economic Globalization 	<ul style="list-style-type: none"> FDI – Home is stated Limited explanation is given as to what that level means Paper doesn't make comparisons between IBP country & other major markets 	<ul style="list-style-type: none"> FDI is either unstated, inaccurate, or unexplained. Student displays minimal to no understanding of FDI concept. 	<ul style="list-style-type: none"> FDI is either unstated, inaccurate, or unexplained. Student displays minimal to no understanding of FDI concept. 	
<p>Total Grade</p>	<p>Rough Draft Turned in on Time</p>		<p>Due Date: October 25, 2016</p>		<p>Yes <input type="checkbox"/> No <input type="checkbox"/> 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

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

	<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>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. <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</p> <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 	<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. 	<ul style="list-style-type: none"> 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"> 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>Governments control over private business</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. 	<ul style="list-style-type: none"> 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"> Paper only briefly discusses governments role in business Paper lacks statistical evidence & analysis No supportive evidence is given to prove how that government regulates private business.

Total Grade _____ /10 pts

Due Date: October 25, 2016 Yes No Turned in late on: _____

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

- **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: 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	A Grade (Formal: 13.5 – 15 pts)	B/C Grade (Formal: 10.5 - 13.49)	D/F Point Grade (Formal: Below 10.5)
Laws &/or Govt. Agencies that Impact your product	<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
Labor Laws	<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
Trade Laws	<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	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.*

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 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 Hofstede's model is given in picture format with no explanation provided as to what it means 	<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 Limited to no added information given relating to your IBP country's culture
Important Customs & Traditions	<ul style="list-style-type: none"> Geert Hofstede's Model High or Low Context Culture 	<ul style="list-style-type: none"> Advantages &/or disadvantages your company will encounter are clearly stated in picture format with no explanation 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.
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	<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.
Total Grade	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.		

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.

on II Part B: Trade area and cultural analysis

... 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/leg_main_018121.asp <i>Bill of Lading (B/L), Airway Bill (AWB), Certificate of Origin, Certificate of Content, Letter of Credit (LC), & Insurance Policy Certificate</i></p> <p>American Free Trade Agreements: http://www.export.gov/FTA/index.asp</p>	<ul style="list-style-type: none"> Specific trade documents between your IBP country and the United States are referenced if applicable Whatever paperwork a company would need to transport items from the United States to your IBP country are given & explained. 	<ul style="list-style-type: none"> Only 1 or 2 examples of trade documents are given and purpose of such document is explained. Paper does a good job explaining the form needed, why it is needed, and how it is used; however, it only does that for 1 or 2 forms of documentation. 	<ul style="list-style-type: none"> No mention of trade documentation or a very generic attempt at trade documentation is presented. Example would be paper simply states a certificate of origin and bill of lading would be required.
<p>Rough Draft Turned in on Time</p> <p>Total Grade</p>	<p>Due Date: <u>October 25, 2016</u> Yes <input type="checkbox"/> No <input type="checkbox"/> 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: