**II. Analysis of the international business situation**

1. **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:**

The UK is a very advanced country, ranking 13th in the world based simply off of their economic and governmental freedoms (according to [www.heritage.org](http://www.heritage.org)). This has been increasing since last year, reflecting improvements in half of the 10 economic freedoms used to decide these rankings such as labor free, government spending, and fiscal freedom. This has also been led by a sizeable improvement stemming from corporate tax rate cuts in recent years. This economic growth has been streamlined thanks to a strong rule of law, an open trading environment, and one of the world’s most advanced financial sectors. In this way the UK isn’t so different from the United States. The country itself depends highly on trade with other countries pushing their economic prowess forwards towards the future. This allows for our business, Dean and Deluca, to be able to progress further into the country without the backlash that they would get from entering another country such as one in Asia wanting to preserve their culture. The UK is much like the United States in the fact that they are also diversified with where the people in their country come from.

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

The United Kingdom itself is run by a Constitutional Monarchy, meaning it technically has a monarchy and a royal family but the nation itself is run by the parliament and the prime minister. The UK doesn’t have a single written constitution, but many rules and laws separately. The British Prime Minister and the Cabinet are where the majority of the laws come from. The cabinet is a formal body made up of the most senior government ministers chosen by the Prime Minister. Most members are heads of government departments with the title ‘Secretary of State’. Elections in the UK also work the same way they do in the United States, with most of the citizens being aligned with one party and voting for the Prime Minister in a general election.

The Prime Minister, after being elected, will be in office for 5 years and can serve up to 3 terms. The UK in itself is also a very stable country. Over the past 50 years there have been no major changes in the way that the country has functioned. Along with this, the UK is rated 14th in the world against political corruption, meaning that the government is very stable and is not easily influenced in one way or another by things outside of their control. This also alike many of the other countries in the EU. Many of these countries share the same statistics and a ranked in the top of the world in all categories such as political stability and financial system risk.

The United Kingdom has some of the highest freedom over trade in the entire world. The U.K. generally treats foreign and domestic investors equally. The government still holds substantial stakes in the banking sector but is trying to sell its shares. A bank levy applied to both domestic and foreign banks has been in place. The UK Border Agency (UKBA) is the government department responsible for enforcing UK immigration and customs regulations and provides further information about nationality, including eligibility criteria. When ranked up along with other countries in the world, the UK ranks 2nd in the most free and open markets out of any country in the world.

The regulatory environment is transparent. With no minimum capital required, starting a business takes six procedures and less than a week. Bankruptcy proceedings are straightforward. The labor market is relatively efficient, and non-salary costs are moderate. Inflation has fallen rapidly, reflecting the end of administered price increases, and the government has pledged to end subsidies for onshore wind farms. This means that the business sector of the UK is also very free, allowed by their stable and decisive government.

1. **Describe laws and/or government agencies that affect your business /**

**product / service:**

The UK has a very strong law system, which sets the rule of law in stone. They have had some certain high profile scandals which has damaged political reputations in both major parties. This lead to the passing of the 2011 Bribery Act which is considered one of the world’s most sweeping anti-bribery laws. This is different to the United States considering this law would take out all of the lobbyists behind the American politicians which are still relevant in today’s society. In the UK, along with this anti bribery law, private property rights and contracts are secure, and the court system is very efficient. In this way many patents would be protected as the protection of “intellectual property rights” is effective. Thanks to these laws there is nothing to worry about in terms of legalities with the company’s private ownerships. Along with these ideas, the time it takes to start a business is very short in the UK, mainly due to the efficiency of the labor market and the lessening inflation rates. Looking at this is would be very easy to set up our new stores moving across the Atlantic to the UK with little cost to our company. Along with this the investment freedom and property freedoms of the UK are both ranked 2nd and 3rd respectively giving more and more of a reason to invest, at the least, another store in the country.

When looking at the foreign relations of the UK we can see that it depends highly on the relationships with other countries around the world. Being ranked and number 10 for both business and trade freedom allows them to be able to both have quick and easier trades with other countries. Looking at this it seems that Dean and Deluca would easily be able to bring the brand overseas as it would bring profit in for both the country and the company. This freedom could be used with shipping many products overseas and negotiating trade deals with other respective countries.

**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.**
2. **Market segment analysis target market (age, income level, population estimate, other specific demographic and economic information) customer buying behavior related to the proposed product and or service.**
3. **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**