

$$\frac{7.5}{10} + \frac{7.5}{10} + \frac{6.5}{10} + \frac{8}{10} + \frac{5}{10} = \frac{34.5}{50}$$

I. Analysis of the international business situation

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

1. Description of Morocco's Economic System

Saucony Running Shoes will be consistently be traded from the United States to Morocco to build factories and create outlet stores in the country. Since 1993, Morocco has been a market economy. This basically means that all of Morocco's, or almost all of Morocco's, decisions are based on the supply and demand of products within Morocco's economy. The country is now a growing factor in Africa economic affairs. Today Morocco is the 5th best economy in Africa by GDP- gross domestic product (PPP- Purchasing Power Parity). Morocco economy is ~~has been shown to be stable and to be growing at a constant rate.~~ In ~~the year of~~ 1960, Morocco grew 47%, in GDP per capita, and reached a peak of 274% in the 1970s. Presently (2015), the country's growth rate is at 5% and their GDP per capita is \$8,200. Something important about the country is the amount of unemployment that is there. The unemployment rate in Morocco for 2015 was set at 9.7%. Morocco population is around 33,322,699 ~~so about 3,332,269 people living there don't have jobs.~~ In addition to unemployment about 15% of the Moroccan population is living under the poverty line (2007). Also, another concept that needs to be taken into consideration is Morocco's inflation rate. Morocco inflation rate has risen ^(by) 1.6% in the year of 2015. The inflation is good at the moment because most countries aim for 2%-3% inflation per year. But having more than 3% can lead to high unemployment. ~~Morocco exports give the country about \$21.15 billion dollars (2015). Morocco mainly exports goods to Spain 22.1%, France 19.7%, India 4.9%, US 4.3%, Italy 4.3% (2015). But the money received from exports is a major issue in Morocco because the country imports about \$37.32 billion dollars worth of goods (2015). Morocco is in major debt from these problems. Morocco is about \$43.99 billion dollars in debt. A final topic to discuss about Morocco is the amount of foreign direct investment that is in the country. The stock of foreign direct investment in Morocco at home is \$59.11 billion dollars and \$1.518 billion dollars abroad (2015). With the help of Saucony Running Shoes not only will jobs be available because of new factory openings but the economy will rise.~~ *The High At Home Ratio Reinforces the Promise*

Unemployment Only Includes Those Actively Seeking Jobs.

What is GDP?

Is there A More Recent Poll?

I Would Just Focus Your Economics To

Exports Won't Affect you.

Description of Morocco's Governmental Structure and Stability

Morocco government structure is a parliamentary constitutional monarchy. A parliamentary constitutional monarchy is involves both a parts of a parliamentary and constitutional monarchy. A constitutional monarchy is a monarchy that is limited to the powers given to it by the constitution. A parliamentary is a government where the executive branch is decided upon from the legislative branch. Morocco government isn't that ~~much~~ stable and ~~being~~ politically stability generally refers to where a

- GDP/capita
- Inflation

Morocco Shows.



What Extremes?

nation's politics fit on a spectrum between these two extremes. The country's government is not stable because our political stability index is -0.39 (-2.5 weak; 2.5 strong), ranking at 131 out of 191 countries. Morocco has moderately free trade (trade freedom=81.8), there is more direct investment coming into the country, and we have succeeded in our Open Markets, Business Freedom, and Monetary Freedom. Morocco has "Procedures for setting up private enterprises have been further streamlined: Launching a business takes six procedures and 12 days, and no minimum capital is required".

Opening A New Business

In Morocco is Relatively Easy.

Description of Laws Affecting Business

Morocco is involved in MAFTA- free trade agreement and the FTA- U.S and Morocco trade agreement. Morocco has a labour laws such as "The Constitution of Morocco guarantees freedom of association for the citizens of Morocco, including the freedom to belong to any union of their choice. 31 The 2003 Labor Code provides workers with the right to freely join and to withdraw from trade unions". Other laws would affecting the country would be "All workers shall have the right to a holiday after six days of continuous and effective work. The right to paid holiday shall be calculated on the basis of a working day and a half for each month of service (two working days for each month of effective service for workers under 18.) Length of service in an institution or with the same employer entitles the worker to one day and a half or two days of additional holiday for a period of five years of service. Weekly holidays: they shall be of a minimum duration of 24 consecutive hours for all the staff of a given institution."

Explain Those

Labor

In

Morocco

is impacted

By

Bullet

your Laws

- Right to Holiday
- Paid Holiday
- Holidays Are 24 Hours

Morocco is also involved in FTA- U.S and Morocco trade agreement.

B. Trade Area and Cultural Analysis

1. Geographic, Demographic, and Other Pertinent Cultural Information

Morocco is a country located in the North Western Part of Africa. It has an abundance of ports, and is easily capable of making trades via boat. Morocco is a very reliable to import/export, due to the fact that the country borders the Atlantic Ocean, and a small part of the Mediterranean Sea. Because of their key location they can trade to Europe, The U.S., and control Tariffs/Taxes through the Strait of Gibraltar, a key site when it comes to Imports, and Exports in, and out of the Mediterranean Sea. Morocco's internal geography consist of a good majority of mountains, with Jebel Toukal being the highest point(13,664 ft), which transitions into the plateaus and valleys. In its lower southeastern part, it is draped with the Sahara Desert, one of the world's largest deserts. They have a large river flowing through the atlas mountains called, "Moulouya River", which is used to transport raw goods, and materials from the central parts of Morocco, out to the Mediterranean Sea. The total land area of

Morocco is approximately 172,414 mi squared. All of Morocco's features both on land, and on sea make it an easy port of access, allowing for very free trade, which is why they are apart of trade agreements like MAFTA (Morocco America Free Trade Agreement).

In Morocco, most of the ~~entire~~ population lives, or have some sort of residence west of the Atlas Mountains, due to the fact that the climate of the Atlas Mountains are harsh, cold, and very poor for agriculture. The other reason for these people living on the west, is the fact the Atlantic Ocean, and Mediterranean Sea, are on the West(Northwest) and because most ships go through the Strait of Gibraltar, economic activity is more active, and so people move over there to partake in it. The land is also ideal for agriculture. The major religion of Morocco, is Muslim, which makes up a resounding 93% of the total population. When taking our product, Saucony, over to Morocco, it is important that we value their religious customs, and understand how they operate, and accustom to their daily customs. They have a capital city of religion which is, "The City of Fez". Fez is located in Southern Morocco, and considered the Holiest center in Morocco. The official language of Morocco is, Classical Arabic, 99% of the total population speaks Classical Arabic, which means for us an American Company going into Morocco, we need to use back translation to make sure that we say to the important business leaders of Morocco, does not offend, and makes sense when presenting our product information to these leaders. The other alternative language that we as business leaders were supposed to know when coming into Morocco, is French. French is the language that most all business leaders use when communicating in foreign affairs, because it is easy to learn for people who speak Arabic, and is a larger more recognized language for people 1st world countries.

2. Analysis of the Potential Location

After reviewing all the facts pertaining to Morocco's demographics, and geographics, it has been determined that taking our product to Morocco is a very good idea for a variety of reasons. In Morocco, it has a prime spot bordering the Mediterranean sea, and the Atlantic Ocean. It host the Port of Casablanca which is easy access between the U.S. and Morocco, along with its Ports Along the Strait of Gibraltar, which in turn means lots of distribution in and around Morocco. Its customs are similar to that of the U.S. except in that they tend to do gift giving, invite you into their home, and shower you with lots of food. There are also some major trials when entering Morocco, for instance their language barrier. Less than 1% speak english, the official language of Morocco is Arabic, ~~but~~ ^{and} the national business language is french. This can become a problem, when speaking to a business leader

Not Really Given

you must know when to switch between languages, and you have to back translate any from english, to french, to arabic, and back arabic, french, to english. This can make things more difficult than normal international business trade, because when making an advertisement, you must first translate it into the language of french, french being the official business language, and then arabic, to make sure it appeals to the local language of Morocco.

TRADE Documentation

What Paperwork Will You
Need to Ship Products?

Rubric Grading Scale for Each Section

Group: Alex : TS

IBP: Morocco

<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>Import - Commodities</p> <p>Debt- External</p> <p>Export - Partners</p> <p>Import - Partners</p> <p>Unemployment Rate</p> <p>Budget</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> <p>Type of Economic System Used in IBP Country is Stated</p> <p>An understanding of what that type of economic system means is displayed</p> <p>Advantages / disadvantages of operating in this type of economic system are given</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>B/C Grade</p> <p>(Formal: 10.5 - 13.49 pts)</p> <p>Type of economic system is stated but not explained.</p> <p>Limited amount of advantages & Disadvantages given</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>D/F Point Grade</p> <p>(Formal: Below 10.5 pts)</p> <p>Type of economic system is copied from internet with no understanding of what it means given</p> <p>No advantages / disadvantages of system provided</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>FDI is either unstated, inaccurate, or unexplained.</p> <p>Student displays minimal to no understanding of FDI concept.</p>
<p>- MARKET Economy</p> <p>Economic System</p>	<p>○</p> <p>○</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>✗</p>	<p>✗</p>
<p>GDP - 8,200 /capite</p> <p>Inflation Risen 1.6</p> <p>DEBT = 43.99 Billion</p> <p>FDI @ Home = \$9.11 B</p> <p>Level of Foreign Direct Investment</p> <p>FDI Abroad = 1.518 B</p>	<p>✗</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>✗</p>	<p>✗</p>
<p>Total Grade</p>	<p></p>	<p></p>	<p></p>	<p></p>
<p>Rough Draft Turned in on Time</p>	<p>Yes</p>	<p>No</p>	<p>Turned in late on:</p>	<p>/10 pts</p>

*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/	A Grade (Formal: 18 – 20 pts)	B/C Grade (Formal: 14 – 17.9 pts)	D/F Point Grade (Formal: Below 14 pts)
<p>Government Structure <i>Parliamentary Const-Mon</i></p> <p>Government Stability <i>Not Very Stable</i></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>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>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>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>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>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 control over trade</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>Governments control over private business</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>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)]			
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/</p> <p>List of FTA's</p> <p>Asia: https://eric.adb.org/fta-country</p> <p>USA: https://ustr.gov/trade-agreements/free-trade-agreements</p> <p>Agencies:</p> <p>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</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</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
Total Grade			
Rough Draft Turned in on Time	Due Date: <u>October 25, 2016</u> Yes	No	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)
<p><i>Mountains</i> <i>Waterways</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 <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 <input checked="" type="checkbox"/> 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"> 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
<p><i>- Religious</i> <i>- City of Fez</i></p> <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 <input checked="" type="checkbox"/> 	<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 	<ul style="list-style-type: none"> Limited to no added information given relating to your IBP country's culture
<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>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 <p><i>WATER</i> <input checked="" type="checkbox"/></p>	<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. <input checked="" type="checkbox"/>
<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>	

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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))

<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.. <p>Trade between your IBP country and the United States is easy & encouraged</p> <p>Paperwork required for trade is minimal or easy to complete. <i>g</i></p>	<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. 	<ul style="list-style-type: none"> Only 1 or 2 examples of trade documents are given and purpose of such document is explained. <p>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.</p>	<ul style="list-style-type: none"> No mention of trade documentation or a very generic attempt at trade documentation is presented. <p>Example would be paper simply states a certificate of origin and bill of lading would be required.</p>
<p>Total Grade</p>			<p><i>α</i></p>
<p>Rough Draft Turned in on Time</p>			<p>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.</p>

Comments: