Chapter 1

WE LIVE IN A GLOBAL ECONOMY

1-1 The Foundation of International Business

1-2 International Business Basics
Global Golden Arches

If you have ever thought about having *saimin* for breakfast or a *Bolshoi Mac* for lunch, you were probably at a McDonald’s restaurant in another country. Each day, millions of people eat at one of the 28,000 McDonald’s restaurants around the world.

When McDonald’s started in 1955 with a limited menu (hamburgers, french fries, milkshakes, and soft drinks), few people would have imagined that the company would be serving meals in 120 countries.

In 1967, McDonald’s opened its first restaurants outside the United States—in Canada and Puerto Rico. These restaurants were followed by openings in other nations. McDonald’s, however, did not venture into Mexico until 1985 because the company couldn’t obtain the same quality meat used at its other restaurants.

During the first 20 years of international expansion, McDonald’s averaged two new countries per year. During the next ten years, the company doubled the number of countries in which it operated. McDonald’s opened restaurants in 12 new markets in 1996 alone. McDonald’s menu has been adapted to the tastes of various countries. For example, mixed spaghetti is served in the Philippines, and corn soup is available to customers in Japan.

The company’s success has not been without difficulties. In the late 1970s, political trouble in Iran forced McDonald’s to close its restaurants there. In early 1992, after being open only a few months in Taiwan, McDonald’s shut down its 57 restaurants there due to bomb explosions in or near some of its business locations. In 2002, the company stopped doing business in Bolivia and seven other countries due to poor profits. Bolivia is the poorest country in South America. As McDonald’s and other companies have discovered, doing business in other countries can have rewards and risks.

**Think Critically**

1. Why do companies frequently expand their business operations into other countries?
2. What are the benefits and drawbacks of doing business in other countries?
3. Go to the McDonald’s web site (www.mcdonalds.com) to find additional information about the company’s international operations. Prepare a report of your findings.
Distinguish between domestic business and international business.

Discuss the reasons why international business is important.

Understand that international trade is not just a recent event.

**WHAT IS INTERNATIONAL BUSINESS?**

In the early days of the United States, most families grew the food they ate and made the clothes they wore. Then the population increased. Production and distribution methods improved. People began to depend on others for goods and services. That dependence grew as more people specialized in the work they did. Today, the United States has a complex business system. That system is based on peoples’ specialties and makes a wide variety of items available for use.

In many countries, people still work on their own to provide for their daily needs. Most nations do not have the extensive production and distribution facilities that the United States, Canada, Japan, and the western European nations have. Although these countries have some level of economic independence, they are still dependent on other countries. For example, most of the coffee used in the United States comes from Brazil. Japan depends on other countries for much of its oil.

Most business activities take place inside a country’s own borders. Making, buying, and selling goods and services within a country is called **domestic business**. If you purchase a soft drink made in your own country, you have conducted domestic business.

In contrast, if you purchase a shirt made in Thailand, you are now participating in the global economy. Even if you buy the shirt from a U.S. store, it was made by a foreign manufacturer. **International business** includes all...
business activities needed to create, ship, and sell goods and services across national borders. International business may also be called global business, international trade, and foreign trade.

**CheckPoint**

List examples of domestic business and international business.

**WHY IS INTERNATIONAL BUSINESS IMPORTANT?**

International business allows you to purchase popular items made in other countries, such as televisions, shoes, and clothing. Without global business, your life would probably be different. People around the world would not have the opportunity to enjoy goods and services made in other countries.

International business is important for many reasons. It provides a source of raw materials and parts and demand for foreign products. Global business allows for new market and investment opportunities. It can even help improve political relations.

**MATERIALS, PARTS, AND DEMAND**

Products made in the United States often include materials from around the world. Each year, American companies buy oil and steel from other nations to use in factories. Nearly every U.S.-built car has parts that were manufactured in Japan, Mexico, France, Korea, England, and many other countries.

A global dependency exists when items that consumers need and want are created in other countries. For example, recently the African country of Zimbabwe had very little rain. Crops failed and farm animals died. As a result, the nation had to buy 90 percent of its food from other countries.

**GLOBAL OPPORTUNITIES**

Companies such as McDonald’s sell to customers in other countries to expand business opportunities. Many businesses, large and small, increase sales and profits with foreign trade. These companies are involved in the global economy.

Many people invest in businesses to earn money for themselves. As companies

After NAFTA went into effect, Mexican exports expanded. Manufactured goods made up almost 90 percent of these exports. Mexico previously depended on oil as its biggest export.

NAFTA creates a trading bloc like those in other regions of the world. This economic link can help Canada, Mexico, and the United States compete effectively in the world marketplace.

**Think Critically**

1. Why do countries create trade agreements such as NAFTA?
2. Use Internet sites such as www.nafta-sec-ala.org to find additional information about NAFTA. What are the advantages and disadvantages of the agreement?
expand into other countries, they create new investment opportunities. Investors also provide funds to foreign companies that are either just getting started or are growing enterprises.

**IMPROVED POLITICAL RELATIONS**

An old saying warns “countries that trade with one another are less likely to have wars with each other.” International business activities can help to improve mutual understanding, communication, and the level of respect among people in different nations.

We are all affected by international business. Even if business owners do not deal directly with companies in other countries, they are still affected. Every business competes against companies that are either foreign-owned or that sell foreign-made products. As a result, even when you may not realize it, international business is affecting your life.

**CheckPoint**

List ways that international business is important to companies and countries.

**WHEN DID INTERNATIONAL BUSINESS START?**

International business is not a new idea. Evidence suggests that countries such as China, India, and Japan were trading products throughout the world 15,000 years ago. There is also evidence that Africans traded with South Americans several thousand years ago.

In the fifth century B.C., Greek and Middle Eastern merchants were involved in foreign trade. Later, the Roman Empire dominated international business for more than 600 years.

The next few centuries had limited foreign trade activity. The Arab Empire brought together people from Portugal and Spain, northern Africa, the Middle East, and China. Charlemagne created the Holy Roman Empire out of most of Europe. Viking explorers reached Iceland and Greenland.

China’s acceptance into the World Trade Organization in 2001 led to an increased pace in the development of franchises there. Access intlbizxtra.swlearning.com and click on the link for Chapter 1. Read the article entitled “Chinese Market Offers Franchise Challenges” on the Wall Street Journal’s Center for Entrepreneurs web site. What marketing techniques did Kodak use to ensure a continuing market for its products? How has Kentucky Fried Chicken adapted its menu to Chinese tastes?

intlbizxtra.swlearning.com
The eleventh century saw renewed interest in global commerce. European countries such as England, France, Spain, and Portugal were shipping products by water. By the fifteenth and sixteenth centuries, explorers such as Columbus and Magellan sought a shorter water route to India. Instead of sailing east around Africa, they ventured west.

From about 1500 to 1900, many European countries established colonies in Africa, Asia, and North and South America. These colonies provided European businesses with low-cost raw materials and new markets for selling products. However, these colonies were often created at the expense of the native inhabitants.

Most European countries maintained strong economic and political control over their colonies for years. However, these colonies eventually achieved independence. The United States declared independence from the United Kingdom in 1776. The African country of Mozambique gained independence from Portugal in 1975. For more information about colonial heritage, see Figure 1-1.

Various inventions created between 1769 and 1915 expanded interest in and opportunities for international business. These discoveries included the cotton gin, the steam engine, and the telephone. The inventions from this period improved communication, distribution, and production. They also helped create new global industries.

Recent world events continue to highlight the importance of international business. Expanded trade among companies in different countries increases interdependence. A number of wars in the twentieth century demonstrated

### SELECTED COUNTRIES AND THEIR COLONIAL HERITAGE

<table>
<thead>
<tr>
<th>Country</th>
<th>Colonized By</th>
<th>Date of Independence</th>
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<tbody>
<tr>
<td>Australia</td>
<td>United Kingdom</td>
<td>1901</td>
</tr>
<tr>
<td>Brazil</td>
<td>Portugal</td>
<td>1822</td>
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<tr>
<td>Cambodia</td>
<td>France</td>
<td>1953</td>
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<tr>
<td>Canada</td>
<td>France, United Kingdom</td>
<td>1867</td>
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<td>Chad</td>
<td>France</td>
<td>1960</td>
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<td>Chile</td>
<td>Spain</td>
<td>1818</td>
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<td>Cyprus</td>
<td>Turkey, United Kingdom</td>
<td>1960</td>
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<td>El Salvador</td>
<td>Spain</td>
<td>1821</td>
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<td>Iceland</td>
<td>Norway, Denmark</td>
<td>1944</td>
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<tr>
<td>Mexico</td>
<td>Spain</td>
<td>1821</td>
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<td>Mozambique</td>
<td>Portugal</td>
<td>1975</td>
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<td>Namibia</td>
<td>Germany, South Africa</td>
<td>1990</td>
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<td>South Africa</td>
<td>United Kingdom, Netherlands</td>
<td>1910</td>
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<td>United States</td>
<td>United Kingdom, France, Spain, Russia</td>
<td>1776</td>
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<td>Vietnam</td>
<td>France</td>
<td>1955</td>
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Figure 1-1 Many countries did not achieve independence until the last half of the twentieth century. Some countries are still struggling for independence.
In how many countries does your company do business? This question is heard often among global managers. Today, the answer is likely to be “Wherever there is Internet access.”

Technology allows firms to buy, sell, and exchange information around the world. The Internet, automated production methods, and video conferencing are changing the way people do business. These technologies are creating global e-commerce opportunities. The scope of global e-commerce includes many activities.

- Companies sell goods and services to anyone with Internet access.
- Businesses buy online from suppliers in other countries.
- Firms meet customers’ geographic and cultural needs.
- People process information and distribute data worldwide.
- Marketers research global customers and markets online.

Think Critically
1. What types of international business activities are faster and easier because of technology?
2. Find an Internet site that buys or sells online. How does the site handle international customers?
REVIEW GLOBAL BUSINESS TERMS
Define each of the following terms.

1. Domestic business
2. International business
3. Global dependency

REVIEW GLOBAL BUSINESS CONCEPTS
4. How does domestic business differ from international business?
5. Why is international business important?
6. What are some examples of international business activities that occurred before 1800?

SOLVE GLOBAL BUSINESS PROBLEMS
In Dodgeville, Wisconsin (population 4,220), telephone and online orders come in for pants, sport shirts, and other clothing from customers around the world. The Lands’ End Company has distribution facilities in the United Kingdom, Germany, and Japan. The North American operations also serve customers in Canada and Mexico. The company sells a full line of clothing by mail, with shipments usually going out within 24 hours.

7. Why did Lands’ End get involved in international business?
8. What technology made it possible for the company to serve customers around the world?
9. What problems might the company encounter as a result of its international business activities?
10. Visit the Lands’ End web site (www.landsend.com). How does the company serve the needs of customers in other countries?

THINK CRITICALLY
11. How are you affected by international business?
12. What factors affect a country’s decision to trade goods and services with another country?

MAKE CONNECTIONS
13. Technology How are the Internet and other technologies expanding international trade and global business activities?
14. Mathematics Find information about the main products and services created in your state. Create a graph displaying the top five items in dollar value produced in your state.
15. History Describe an event from world history. Explain how that event might encourage or deter trade among countries.
Describe basic international business activities.

Explain the components of the international business environment.

Name important skills for international business and describe the importance of international business for workers, consumers, and citizens.

THE FUNDAMENTALS OF INTERNATIONAL TRADE

Have you ever had a lot of one item, such as sports trading cards? Perhaps you had a friend who had something you wanted, such as some comic books. The two of you might have decided to trade. You could give up some of what you had to get something else you wanted. That’s what happens when companies in different countries trade goods or services.

These foreign trades usually are not an exchange of items for items. Instead, cash payments are usually made for the items bought or sold. For example, a manufacturing company in Korea can sell radios to an electronics store in the United States. Also, a computer company in the United States might sell its products to a retailer in Russia.

These trade activities can be viewed from two sides—the buyer and the seller. For the buyer, products bought from businesses in other countries are called imports. In the previous example, the United States is importing radios. Russia is importing computers.

For the seller, exports are products sold in other countries. Using the same example, Korea is exporting radios. The United States is exporting computers. Figure 1-2 shows the flow of imports and exports for a country.
Although the process sounds simple, obstacles can arise. These obstacles are called trade barriers. Trade barriers are restrictions that reduce free trade among countries. These barriers could appear in several forms.

- Import taxes increase the cost of foreign products.
- Quotas restrict the number of imports.
- Laws prevent certain products from coming into a country.

**U.S. COMPANIES FACE TRADE BARRIERS**

In the past, Japan did not allow foreign accounting firms to use their international names in advertising. Several nations continue to impose high import taxes on products from other countries. These are some examples of trade barriers from the annual report of the U.S. Office of the Trade Representative. This federal government agency encourages other nations to reduce or eliminate trade barriers for U.S. exports. In exchange, restrictions on imports to the United States are lowered or removed. This ongoing discussion is aimed at creating a worldwide free trade environment.

**Think Critically**

1. Go to the web site of the U.S Government Export Portal (www.export.gov) to obtain information about exporting.
2. Why do governments sometimes create trade barriers to discourage imports from other countries?
3. What are some examples of trade barriers that are not created by government actions?

**CheckPoint**

How do imports differ from exports?
THE INTERNATIONAL BUSINESS ENVIRONMENT

Buying and selling goods and services is similar in most parts of the world. Consumers try to satisfy their needs and wants at a fair price. Businesses try to sell products at a price that covers costs and provides a fair profit. So, why is international business any different from local business?

INTERNATIONAL BUSINESS ENVIRONMENT FACTORS

In many parts of Iran, the exchange of goods and services takes place in an open-air market rather than in an air-conditioned store. Consumers in Japan buy meals that non-Asians might not enjoy, such as raw fish. In Cuba, office workers have been required to work several weeks in the fields to increase the food supply.

These are examples of factors that make up the international business operating environment. Look at Figure 1-3. It shows the four major categories of the international business environment. They are geographic conditions, cultural and social factors, political and legal factors, and economic conditions.
**Geographic Conditions**  The climate, terrain, seaports, and natural resources of a country will influence its business activities. Very hot weather will limit the types of crops that can be grown. It also will restrict the types of businesses that can operate in that climate. A nation with many rivers or seaports is able to easily ship products for foreign trade. Countries with few natural resources must depend on imports.

**Cultural and Social Factors**

In some societies, hugging is an appropriate business greeting. In other societies, a handshake is the custom. These differences represent different cultures. *Culture* is the accepted behaviors, customs, and values of a society. A society’s culture has a strong influence on business activities. For example, many businesses were traditionally closed in the afternoon in Mexico while people enjoyed lunch and a rest period known as a *siesta*.

The main cultural and social factors that affect international business are language, education, religion, values, customs, and social relationships. These relationships include interactions among families, labor unions, and other organizations.

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**A Question of Ethics**

In some countries, people expect family members to be given jobs in a company before others. In other countries, payments or gifts are expected before a company does business.

These cultural differences can create ethical problems. Ethics are principles of right and wrong guiding personal and business decisions. When considering the ethics of business situations, you should follow three guidelines.

*Is the action legal?* Laws vary among countries. Most companies base international decisions on the statutes in their home country. When a conflict occurs, managers usually consider such other factors as professional standards and the effect of the action on society.

*Does the action violate professional or company standards?* Professional or company standards will frequently exceed the law. This helps to ensure that decisions will be in the best interest of both the company and the country in which it operates.

*Who is affected by the action and how?* Although an action may be legal and within professional or company standards, decision makers should also consider possible effects on employees, consumers, competitors, and the environment.

**Think Critically**

1. How do cultural differences create problems when business is done in different countries?
2. What actions can global managers take to avoid ethical problems?
Political and Legal Factors Each day, we encounter examples of government influence on business. Regulation of fair advertising, enforcement of contracts, and safety inspections of foods and medications are a few examples. In general, however, people in the United States have a great deal of freedom when it comes to business activities. However, not all countries are like the United States. In many places, government restricts the activities of consumers and business operators. The most common political and legal factors that affect international business activities include the type of government, the stability of the government, and government policies toward business.

Economic Conditions Everyone faces the problem of limited resources to satisfy numerous needs and wants. This basic economic problem is present for all of us. We continually make decisions about the use of our time, money, and energy. Similarly, every country plans the use of its land, natural resources, workers, and wealth to best serve the needs of its people.

Factors that influence the economic situation of a country include the type of economic system, the availability of natural resources, and the general education level of the country’s population. Other economic factors include the types of industries and jobs in the country and the stability of the country’s money supply. The level of technology available for producing and distributing goods and services influences a nation’s economic situation.

**Checkpoint**

What are the four components of the international business environment?
International business is an important field of study. Certain basic skills and knowledge are needed in our global economy. There are also a number of obligations and responsibilities that the global economy requires of people.

INTERNATIONAL BUSINESS SKILLS

Certain skills are needed in every type of job. For example, you must be able to read work manuals, do calculations, and write reports. These abilities will continue to be important as business activities among countries increase. There are also a number of other subject areas that are important for global business.

- **History** Your awareness of the past can help you better understand today's international business relations.
- **Geography** Geography is more than names on a map. Knowledge of geography will help you understand how the climate and terrain of a country can affect transportation, housing, and other business activities.
- **Foreign language** As countries increasingly participate in foreign trade activities, your ability to communicate effectively with people from other societies increases in importance.
- **Cultural awareness** Understanding that cultures vary from nation to nation allows people to be more sensitive to customs and traditions of all societies.
- **Study skills** Asking questions, taking notes, and doing research are the tools necessary to keep up to date on changes in international business.

THE GLOBAL CITIZEN, WORKER, AND CONSUMER

Working, voting, and shopping represent three common roles of people in a society. Workers, citizens, and consumers participate in many business activities. These roles expand as a country becomes more involved in international business.

As consumer choices increase, the selection of goods and services is no longer limited to items produced in one country. For workers, career opportunities expand because of international business. International trade affects business owners when competitors import or export products.

Finally, as citizens, international business activities make it necessary to have an increased awareness of the world. The decisions you make are likely to affect many people in your community, state, country, and world.

**Checkpoint**

Other than business skills, what knowledge is important for working in international business? What are the three roles that every person takes on in a society?
Canada occupies more than 3.8 million square miles (9.8 million square kilometers), making it the second largest country in the world. With fewer than seven people per square mile, compared to 68 people per square mile in the United States, Canada is an immense haven of forests, lakes, rivers, and farmland. The country’s economy is dependent on these abundant natural resources.

Canada’s 1.3 million square miles (3.4 million square kilometers) of forests are a major source of wealth. More than 150 species of trees are native to Canada. Forestry-related products, such as paper, wood pulp, and timber, account for about 15 percent of the country’s exports.

Commercial fishing has been a part of Canada’s economy for 500 years. The Atlantic and Pacific Oceans and the most extensive bodies of freshwater in the world make fishing an important industry. Common commercial species caught include cod, haddock, herring, salmon, lobster, scallops, and halibut.

Canada’s fast-flowing rivers are also an important source of energy. The country is the world’s second leading producer of hydroelectricity. Its coasts provide natural seaports in cities such as Vancouver, Halifax, and St. John. Water access through the St. Lawrence River earns Montreal, Toronto, and Quebec City recognition as vital shipping ports.

Wheat—grown in the western prairie provinces of Alberta, Manitoba, and Saskatchewan—is Canada’s primary farm product. Other agricultural commodities include barley, potatoes, corn, soybeans, and oats. Livestock such as beef cattle, poultry, dairy cows, hogs, sheep, and egg-laying hens are also major exports.

As a result of its natural beauty, over 40 million tourists visit Canada each year. Many of these travelers go to the cities; however, fishing, hunting, camping, and other outdoor activities are also major tourist attractions. Spending by visitors brings in over $3 billion a year to the Canadian economy.

Think Critically
1. What advantages in the global economy are created by Canada’s natural resources?
2. How should Canada use its natural resources to expand its international business activities?
3. Conduct an Internet search for additional information about Canada’s economy and international trade activities.
REVIEW GLOBAL BUSINESS TERMS

Define each of the following terms.
1. imports
2. exports
3. trade barriers
4. culture

REVIEW GLOBAL BUSINESS CONCEPTS

5. What are the four parts of the international business environment?
6. What cultural factors affect international business activities?
7. Name four factors that influence a country’s economic conditions.
8. What skills are important for success in an international business?
9. How does international business affect you as
   a. a consumer
   b. a worker
   c. a citizen

SOLVE GLOBAL BUSINESS PROBLEMS

A company making small engines plans to sell its products in an eastern European country. This country recently changed from a government-controlled economy to a free market. The country also has become more democratic. Based on this information, answer the following.

10. What geographic factors might influence the company’s international business activities?
11. How might economic conditions affect business decisions?
12. What social and cultural influences could affect this business?
13. How could politics and laws affect the company’s exporting activity?

THINK CRITICALLY

14. What actions might a country take to encourage other countries to buy its goods and services?
15. How could geography create international business opportunities?
16. What responsibilities do you believe people have as citizens in our global economy?

MAKE CONNECTIONS

17. GEOGRAPHY Describe how the terrain, climate, and waterways of a country might influence international trade activities.
18. LAW Describe some laws in foreign countries that are different from those in the United States.
Chapter 1 ASSESSMENT

CHAPTER SUMMARY

1-1 THE FOUNDATION OF INTERNATIONAL BUSINESS

A International business includes all the business activities needed to create, ship, and sell goods and services across national borders. International business is also referred to as global business, international trade, and foreign trade.

B International business is important as a source of raw material and a supplier of foreign products. It allows for new market and investment opportunities, and paths to improved political relations.

C Trading products throughout the world started more than 15,000 years ago. The Roman Empire dominated international business for more than 600 years. The eleventh century saw renewed interest in global commercialism. From 1500 to 1900, several European countries established colonies in Africa, Asia, North America, and South America.

1-2 INTERNATIONAL BUSINESS BASICS

A Trade activities are viewed from two sides—the buyer and the seller. Products bought from businesses in other countries are called imports. Products sold in other countries are exports.

B The four major categories of the international business environment are geographic conditions, cultural and social factors, political and legal factors, and economic conditions.

C Success in learning about international business requires knowledge of history, geography, foreign language, culture, and study skills.

D As a worker, you have new career opportunities created by international business. As a consumer, you have more buying choices. As a citizen, you must have an increased awareness of the world.

GLOBAL REFOCUS

Reread the Global Focus at the beginning of this chapter, and answer the following questions.

1. What factors prompted McDonald’s to open restaurants outside the United States?

2. How have social and cultural factors affected the company’s international business activities?

3. What risks has the company faced when opening restaurants in other countries?

4. What actions would you suggest for McDonald’s to continue to be successful in international business?
REVIEW GLOBAL BUSINESS TERMS

Match the terms listed with the definitions. Some terms may not be used.

1. Products sold in other countries.
2. People need and want goods and services produced in other countries.
3. The activities necessary for creating, shipping, and selling goods and services across national borders.
4. Making, buying, and selling goods and services within a country.
5. Products bought from businesses in other countries.
6. The accepted behaviors, customs, and values of a society.
7. Restrictions that reduce free trade among countries.

MAKE GLOBAL BUSINESS DECISIONS

8. Explain how both domestic and international business activities create jobs.
9. What are some examples of our global dependency on other countries?
10. How do investments by a company in a foreign country help the economies of both nations?
11. What actions might a country take to encourage exporting of goods and services?
12. Why might a country use trade barriers?
13. How might religious beliefs affect international business activities?
14. How could a country’s type of government affect its business activities?
15. Why would a country with many natural resources have the potential for a strong economy?
16. What actions could you take to improve your history, geography, foreign language, cultural awareness, and study skills?
GLOBAL CONNECTIONS

17. GEOGRAPHY Use the library or Internet to prepare a map poster that shows locations of American trade with other countries.

18. COMMUNICATIONS Survey students and other people about their knowledge of international business. Prepare a list of eight or ten questions on the geography, culture, and economies of different countries. Ask ten people to answer the questions. Determine the topics on which people are most informed and least informed, and write a one-page summary of your findings.

19. HISTORY Write a one- to two-page paper about how a historic event has affected international business. Consider topics such as early Chinese trade with other areas of the world, European colonization, the Industrial Revolution, the creation of the European Community, and the political freedom of eastern European countries.

20. CULTURAL STUDIES Interview a person who has lived or worked in another country. Ask him or her about the cultural and business differences of that country compared to the United States (or compared to your native country). Prepare a report of your findings.

21. SCIENCE Find an article from a newspaper, magazine, or the Internet with information about current scientific or technological developments. Prepare a short written or oral summary of the information in the article. Explain how this information might expand trade among countries.

22. MATHEMATICS Select a country other than the United States. Research the major imports and exports of that nation for a recent year. Calculate the difference between the country’s total exports and imports and the percentage change in exports and imports from the previous year.

23. CAREER PLANNING Based on current articles, advertisements, product packages, and an Internet search, prepare a list of international business job opportunities. What types of skills are needed for an international business career?
CREATING AN INTERNATIONAL BUSINESS RESOURCE FILE

To help you learn about international business relationships, you will need to create an international business plan. This instructional experience will allow you to build your knowledge and skills. The first activity involves creating an international business resource file that you will use for future assignments.

Start a file of articles and information on a country and a company involved in international business. Obtain information related to the geography, history, culture, government, and economy of the country. For the international company file, include a list of products sold in different countries, examples of ways the company adapted to different societies, and other information about its foreign business activities.

Sources of information to create your file may include any of the following.

- reference books such as encyclopedias, almanacs, and atlases
- current newspaper articles from the news, business, and travel sections
- current news and business magazine articles, including news stories, company profiles, and advertisements
- web site searches for country and company information
- materials from companies, airlines, travel bureaus, government agencies, and other organizations involved in international business
- interviews with people who have lived in, work in, or traveled to the country

Prepare a written summary or present a short oral report (two or three minutes) about your country and company. Give an example or situation involving international business. Plan to add to your file throughout the course, as these materials will be used for other chapter projects.