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Navigating Culture, Politics, and Economics in a Global World

Haley Garcia

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NAVIGATING CULTURE, POLITICS, AND ECONOMICS IN A GLOBAL WORLD

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UNIVERSITY OF SOUTH CAROLINA HONORS COLLEGE THESIS



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Summary

In an ever-changing world, information, people and technology are able to travel to the farthest corners of the globe quickly and efficiently. As globalization becomes a stronger factor in everyday life, multinational corporations and international businesspeople must prepare for new challenges and threats. Cultural, political and economic norms vary from country to country around the world. The effects of each of these factors has greater implications for the business plans and strategies of multinational corporations.

Culturally, companies must be aware of different negotiation techniques, communication styles and various customs that are standard in different countries. The misinterpretation of marketing messages, languages, and business structures could create issues at every level of a corporation. A lack of understanding can completely halt or ruin a business relationship before it even begins. By recognizing the norms and culture of a country, MNCs have an opportunity to navigate an unfamiliar environment through understanding.

Politically, changes in policy, leaders, and structure can have huge effects on a business strategy. In today's world, the risk of doing business in a conflict zone, a region struck by terrorism, or an unstable political atmosphere is nearly unavoidable for multinational corporations. MNCs must be aware of different tax and trade policies as well as other government regulations and laws in order to avoid any legal trouble. The best way to avoid this risk is to research the government structure and rules before attempting to do business. This way, an MNC will know what to expect whether it be corrupt officials, a tax break, or a labor law unlike the ones in their host country.

Finally, economically, multinational corporations must understand the economic environment they are entering before they try to move forward. Different indicators can show the stability of the economy and whether an investment can be successful in a market. Different multinational corporations thrive in different levels of development with different resources. By being aware of what a company may face, they are able to determine if the economy is suitable for entry.

The country notebook acts as a reference guide for multinational corporations searching for new markets to enter. Each country has a page that outlines its cultural, political, and economic details. There are also sections explaining the market development, ease of doing business ratings and consumer preferences as well as a SWOT analysis describing business in the country. This is meant to allow a company to find some insight into whether a particular environment or market would fit into their current business strategy. By understanding the underlying characteristics of various countries, MNCs are somewhat able to determine whether they have a chance of succeeding. The best way to mitigate the risk of international business is to be well informed about every aspect of an economy being entered. The use of a country notebook is a step into understanding different regions of the world to facilitate international business.

Introduction

International business is the reason that a McDonald's can be found in 119 countries while data chips made in South Korea are implemented in American technology. As companies operate across borders and goods and services are exchanged between countries, globalization reaches the farthest corners of the world. Globalization has facilitated a movement toward an integrated marketplace through the reduction of international barriers to competition and cooperation alike. Improvements in technology, infrastructure, and communications have allowed information, goods, humans and ideas to flow easily around the world, creating an interconnected global society. As trade becomes easier, companies are able to leave their domestic markets and expand throughout the world in search of resources, labor, and new consumers.

This rise of international business has paved the way for the creation of the Multinational corporation (MNC). While MNCs must be primarily concerned with day to day operations and transactions across borders, there are many factors to consider in addition to business. Each MNC must decide how to navigate the global marketplace, finding a niche within cultural, political, and economic realities that change depending on the market being entered. By considering and understanding these factors, MNCs will be able to successfully enter and compete in global markets integrating the economies of the world into one.

Culture

Culture impacts every decision an individual makes both in and outside of the realm of international business. Cultural beliefs, values and norms govern the choices that groups of people find acceptable in their daily lives through a form of social learning; people adopt the culture of those around them. While nationality and country norms are an important foundation within any culture, there are also distinct regional and organization specific cultures found around the world. An example of this can be found while traveling throughout Spain. The capital of Madrid has a busy New York City feel when compared to sleepy small towns in the south. While international business keeps Madrid active throughout the day, a city like Sevilla has a slower pace and will shut down for siesta. Businesses must be able to navigate a world of differing and conflicting cultures if they wish to be successful in the global market (1).

Business Practices

Negotiation

Research shows that negotiations that take place between parties of different cultures often have worse outcomes than those that involve homogeneous parties. There are often two main causes of cross-cultural negotiation conflict, the use of stereotypes and simple misunderstandings. Stereotypes often lead to expectations of various behaviors and decisions that could result in costly misinterpretations (2). For example, people often assume that the success of business relationships in the United States will ensure the success of relationships in Canada. While there are similarities between the two countries and cultures, this comparison can damage negotiation as it is seen as a rude topic of conversation by Canadians (3). Simple misunderstandings can occur in many different forms. Humans often interpret the actions of

others through the lens of their own worldview and culture causing the intent to be misconstrued (2). An example of this can be found in the use of silence in Japanese and Brazilian cultures. While silence during successful negotiation is commonplace in Japan, Brazilians rarely let a room become quiet (4). If a Brazilian businessman is not aware of this cultural norm, he may take the Japanese silence as a sign of disinterest or the failure of the negotiation. The consequences of cross cultural misunderstandings can be mitigated through the application of a global mindset; those engaged in international business must not view the world through the lens of their own culture, but rather as a whole entity. This involves a process of constant learning about the other cultures and environments of the world (2).

Negotiation can also be halted due to a difference in language. Much of the world's international business is conducted in English but foreign executives often prefer to speak in their native and stronger language. The use of a translator or interpreter can solve some of the problems regarding language barriers but companies face risks of inaccurate or incomplete translations. In some circumstances, foreign executives will interrupt negotiation in order to have a conversation in their native language. Although these side conversations are often meant to clarify the information the executives have been given, American counterparts often interpret this as a plot to undermine the negotiation (5).

While different languages create barriers to negotiation, communication styles and norms also pose a threat. Low context cultures communicate using explicit verbal cues. This direct communication creates a codified and accessible knowledge for group members. This environment is easy for outsiders to enter and understand as the environment automatically contains most of the information that is needed for comprehension. Those who communicate

directly are focused on accomplishing a task rather than focused on relationships. High context cultures communicate using indirect phrases and actions. This environment is harder to enter than a direct environment as one cannot immediately create relationships and communicate effectively. Understanding is derived from years of interaction with other members of the group (6).

Although verbal communication is essential to negotiation, the understanding of nonverbal cues is equally important. Through his research, anthropologist Ray L. Birdwhistell demonstrated that up to 65% of a message is communicated nonverbally. Nonverbal behaviors are often hidden below the awareness levels of different cultures, meaning that most people are misinterpreting cues without realizing that they were given in the first place (5). One example of nonverbal communication is the use of touch; in some cultures, touching conveys closeness where as others find it inappropriate and offensive (4).

Differing cultural values may hinder negotiation as well. Western cultures are often more objective and make decisions linearly while others prefer to focus on relationship creation and discuss issues in no specific order. As culture varies, so does a corporation's relationship with time. Those cultures that value monochronic time, such as those with European influences, often value punctuality, certainty and specific and detailed communication. Mediterranean and Latin cultures, on the other hand, value polychronic time. Polychronic cultures also value flexibility, talking over each other and a lack of emphasis on punctuality (4).

The physical structure and organization of the management of a company also has implications for negotiation. The power distance of different cultures shows the degree of acceptance of unequal power. Cultures with a high-power distance such as Arab countries,

Mexico, and India value hierarchal structures and clear authority. In these cultures, there are obvious distinctions between levels of people based on their status. As inequality of the wealth distribution increases, the acceptance of high power distance increases. Lower power distance cultures include those of Austria, Denmark and Israel, amongst others. In low power distance cultures equality is assumed and status is earned rather than ascribed (4).

Culture has many implications for negotiation between multinational corporations. The best way to navigate the global environment is to strive for an understanding and appreciation of cultural differences in order to strengthen transactions and relationships. In the long run, lasting relationships are the most significant goal to achieve in international business (5).

Greetings

The interaction of businesspeople of different cultures during their initial meeting gives an insight to the success of a long-term business relationship. First impressions often send a message to the other people in the room. A misunderstanding of a greeting can be seen as rude and can place a strain on the relationship before discussions of business even begin. In many circumstances, international business people will use the western handshake during an introduction, though the manner varies from culture to culture. For example, In Latin American cultures, there are often long lingering handshakes in order to signify a closeness between business partners. If one of the counterparts was to pull away, the Latin American member would take offense and feel rejected. In Europe, greetings can vary significantly throughout the continent. In France, handshakes are made with a brisk stroke upon arriving to and departing from a meeting, there is little other physical contact. In Spain on the other hand, while handshakes are common, so too are kisses on both cheeks regardless of how long you've known

each other. In Arab countries, male friends will often embrace and kiss each other on the cheeks while lingering with a light handshake. While this seems similar to customs in Spain, there is a distinct difference in the role of women. In Arab countries, physical contact with those of the opposite sex outside of the immediate family is often inappropriate. The safest option when meeting people from other cultures is to take the behavioral lead from those that you are meeting (8).

It is also important to consider the degree of formality of a culture. The emphasis on hierarchy in an organization is often an indicator of how formally a businessperson would need to present themselves initially (9). In many Asian cultures, formal titles and introductions are vital in forming a relationship. In India for example, it is most common and beneficial for business contacts to be introduced by a third party. This makes it easier to build a relationship based on trust. In other countries, such as Ireland, the use of titles is unnecessary in international business. While the norms change as business meetings move around the globe, the best practice is to start with the use of titles until told to do otherwise.

Dress

The way an international business professional dresses is often judged by the people they meet during their first meeting. In many cultures businessmen wear a suit and tie while business women wear conservative suits or dresses. In Japan, for example, it is very frowned upon to be underdressed for any occasion so it is best to dress to impress. In European countries, fashion and appearance play an important role in society and thus in business. Executives from fashion capitals such as Paris and Milan place value on designer brands and certain trends. In India, western clothing is becoming more common with the spread of globalization but men and

women are often found wearing traditional Indian dhotis and saris. Muslim countries such as Iran often have much stricter requirements for clothing. Men often maintain a full beard while women fully cover most of their bodies, including their hair.

Collectivism and Individualism

Different cultures have different views and understandings of the relationship between the individual and the group. Individualist cultures, such as those found in the United States and France, view individuals as distinct from others while connections between people are loose. These societies often appear self-centered as there is an emphasis on individual goals and achievements. Collectivist cultures, such as the one found in China, emphasize the relationship between individuals. Collectivism assumes that people are integrated into groups that will protect them in exchange for loyalty at birth. This is important to understand for business as collectivist companies often find companies with more individualistic values as cold and unsupportive and thus untrustworthy in business. Additionally, collectivist cultures usually communicate more indirectly and avoid confrontation. Confrontation and the use of the word no cause a “loss of face” and a destruction of harmony. This is disastrous to international business as many relationships are built on trust, harmony and moral values (7).

Marketing

Multinational corporations must keep culture in mind while developing marketing plans and materials. Cultural differences can take a message that is widely successful in one country and make it fail disastrously in another.

Marketers must be aware of the language, grammar and spelling decisions they are making and whether they are effective in the target market. Slight variations in vocabulary can change the reach of entire marketing messages. For example, though both the United Kingdom and the United States speak English, some words that are common in one are not used in the other. For example, marketers selling potato chips in the United States are offering chips while in the United Kingdom they offer crisps. This also applies to the spelling of different words; In the United States, we have “labor” while the United Kingdom has “labour.” It is also important to consider that various idiomatic expressions and slang words do not translate well. For example, a Spanish expression that is intended to mean “to be a little crazy”, “Estar como una cabra” means to be as a goat when literally translated. The intricacies of language create a challenge for multinational marketers (10).

Different types of advertisements affect cultures in different ways. For example, advertisements that are persuasive and intended to convince a consumer that they need a product are very successful in the United States. In Italy, on the other hand, consumers do not respond well to advertisements aimed at convincing them to enjoy life as Italians already feel entitled to enjoyment in life (10). Research shows that when groups of Asian Americans and Anglo Americans were asked to react immediately to an advertisement for grape juice, Asian Americans responded more favorably to preventative messages while Anglo Americans preferred

promotional messages. These results are based on the fact that Anglo Americans often value achievement, accomplishment and independent thinking and thus focus on positive consequences. Asian Americans, on the other hand, value security and protection in an interdependent world and thus focus on negative consequences. Interestingly, these disparities largely disappeared when the respondents were given more time to react to the advertisements they were shown (11).

Marketers must also ensure that they cater to the different belief systems and norms of different cultures. Advertisements that involve gay couples are still relatively taboo in the United States where as they pose no issue in much of Europe. Additionally, European advertisements use much more sex appeal and nudity where as those found in the United States do not involve any nudity and references to sex are more indirect (10).

While consumer preferences vary from region to region, for marketing messages to truly be effective in different cultures, marketers must understand what strategies can work globally versus how and when to tailor a message. By learning and understanding effective messages marketers are able to use the appropriate advertisement at an appropriate time and thus can reach consumers of all different backgrounds (11).

Politics

Political Risk

Any time a company decides to invest in a new country the executives must consider the implications that politics will have on business both globally and domestically. Political risk is the risk that a host country will make political decisions that could potentially have adverse effects on the profits or goals of a multinational corporation. These adverse effects can affect a variety of operations and present themselves in many forms from financial complications such as the movement of capital to physical problems such as widespread destruction due to war (12). Many developing countries are facing growing income disparities and geopolitical tensions while developing Anti US attitudes politically and in business. Today, a company that competes most successfully in a country isn't necessarily one that has the best pitch or product for the best price. The most successful companies are the ones who understand their environment and can navigate the political uncertainty.

Political Stability

War causes a major problem for the productivity of companies on an individual level; it can also cause problems in the global economy as a whole. Working in volatile regions and war zones requires MNCs to have flexibility and a great deal of local knowledge and patience. The companies that understand the local environment have a better chance of avoiding being involved in conflict and navigating bureaucratic problems. Experts believe that MNCs must continuously innovate in order to survive in hostile environments. Successful businesses have an opportunity to restore order in damaged countries and regions after a war. Though they are able to enter a market with little competition in this scenario, they often face great risks. MNCs

operating in the global market today must be increasingly aware of the global implications of a refugee crisis in the Middle East. Companies that operate in Europe, for example, must deal with the pressures of the influx of people on the government and the economy even though they are not actually operating in a war zone (14). The war on terrorism also creates problems for MNCs as it has the potential to distort the global markets and thus add more uncertainty to decision making (17). The globalization of the world economy and of business has created an environment in which a political event in a single nation can affect the world to a much higher degree than it could in the past.

Policies and Regulations

As a company moves from country to country, it faces different laws, regulations and other policies that affect business operations.

Tax Law

Tax laws vary significantly depending on the country an MNC has entered. Changes in tax policies can directly affect the profitability of an international operation and thus MNCs must be aware of the appropriate laws that will be applied before market entry begins (15). American corporations often seek to operate in countries with lower corporate tax rates than the United States. Because of these tax havens, American corporations have avoided paying an estimated \$90 million of taxes to the US government (16). Tax laws can also vary in a single country depending on the current administration. An example of this can be found in the cyclical nature of the United States government as Democrats and Republicans value very different ideals and policies when it comes to government spending, tax plans and the overall economy. When the

US leader changes via presidential election, the policies that affect business may change as well (15).

Trade Policies

Although globalizing forces attempt to penetrate borders today, governments still create various barriers to trade in order to manage and regulate trade. Protectionist policies not only hurt MNCs attempting to export to a country but also the economy as a whole. Usually, trade barriers come at the expense of the consumers while only benefiting those involved in a protected industry or product category. The following section describes the trade policies that are most likely to affect MNCs today.

Tariffs

A tariff is a tax imposed on certain imports. This raises the price of foreign goods making domestic products more affordable for the domestic consumer. This is predominately significant in developing and frontier economies as the consumers typically have a smaller disposable income (24). Some governments will also use tariffs as an import regulation and revenue raising tool (25). MNCs must be aware of tariffs before trying to export to a nation otherwise they risk becoming less competitive and potentially less successful (24).

Subsidies

Subsidies are government payments to a producer of a certain good or in a certain industry. Like tariffs, subsidies make domestic goods more affordable than foreign goods. Subsidies can come in many forms, the most common of which include tax breaks, low interest rates, and cash grants (25).

Import Quotas

Governments set import quotas in order to limit the physical number of imports into the country. By reducing imports, the government is able to help domestic suppliers in the industry. For example, the United States may set an import quota on Japanese cars to help American car manufacturers remain competitive in the market. Import quotas raise prices for consumers and thus are detrimental to the overall economy. When compared to tariffs, quotas cause more damage to the economy because they do not offer the government any tax revenue. Additionally, quotas are more difficult to enforce because it is difficult to physically count the number of items coming into a country (26).

Local Content Requirements

Some countries will implement local content requirements in which a certain percentage of a product must be manufactured within the country. These policies are becoming more common as they try to strengthen technological developments and reduce unemployment. According to the Organization for Economic Cooperation and Development, local content requirements undermine long-term industrial competitiveness. Research has shown that while these requirements hurt the industry in which they apply but also cause total imports and exports to decline. The results also imply that local content requirements push countries into economic isolation causing MNCs to avoid investment (27).

Human Rights Standards

Multinational corporations must also consider the role of human rights in the countries in which they operate. It is important for companies to maintain the standards of the United Nations. Companies that ensure the existence of human rights, fair labor standards, codes of

conduct and ethics are able to avoid a questioning of ethics and thus a damaging of their reputation (18).

Intellectual Property

Each country has its own laws regarding the protection of intellectual property and property rights (23). Patent protection is essential for some multinational corporations to retain their sustainable competitive advantages. In many countries, property rights laws are largely ignored or less strict than those of the United States. In 2012, for example, 9 US companies had their rights to patents revoked or denied by the Indian government. This is common in developing countries as intellectual property laws limit the ability of domestic markets to compete against well developed markets. These countries would prefer to allow their industries to grow without the massive expenditures involved in developing products and technology from scratch (22). While the Madrid Protocol makes it easier for MNCs to file a patent in multiple countries, companies still need to be aware of the risks they face when entering markets without clear property rights.

Corruption

Corruption is illegal in every country thanks to the United Nations Convention Against Corruption (19). For MNCs, transparency is a key factor in being active in a certain environment and for creating sustainable markets (20). American corporations, specifically, must abide by the Foreign Corrupt Practices Act in order to operate without legal interference. In some cultures, bribery is more common than others. Executives of MNCs must establish a policy for facing this issue from the beginning of operations in order to avoid any complications. Many moral and

ethical issues get called into question when companies deal with corruption so it is best for the market and the company itself to steer clear of any implications (21).

Economics

Markets

Different multinational corporations invest depending on the level of development and risk found in a particular economy. The largest and most stable economies are the most developed. These economies are usually found in politically stable countries with conditions that are favorable for investment. While these countries typically offer the least risk, competition is often already developed in the markets. Examples of developed economies include the United States, Canada and France.

Emerging markets are found in countries that are rapidly industrializing with high levels of economic growth. These economies are riskier than developed economies but often offer a chance to earn higher returns overall. Political uncertainty is more common in these countries as they continue developing and strengthening their economies. Examples of emerging economies include China, India and Brazil.

The least developed of the markets are frontier markets. These markets are usually smaller than emerging and developed markets. The governments of frontier markets often place restrictions on foreign investment through protectionist policies in order to try to build their economy internally. Frontier markets can be incredibly risk for MNCs to enter due to low liquidity, changing political environments and inefficient financial systems and infrastructures. MNCs tend to invest in these risky environments to reap a higher return. Because frontier markets are often uncorrelated to more developed ones, MNCs will use these investments to diversify their portfolios. Examples of frontier markets can be found in Nigeria, Botswana, and Kuwait (28).

Economic Risk

When companies enter new markets, they face economic risk. This risk usually refers to the chance that macroeconomic conditions will affect an investment in a foreign country. Unpredictable changes in interest rates, government regulations, and other factors can alter the way MNCs operate in a certain environment. Countries with stable finances and strong economies are a more reliable investment than volatile countries.

One way to mitigate risk of entering a new economy is to know the credit rating of said country. Like companies, each country has a measure rating the quality of investments and their economy. Countries with higher credit scores are safer investment opportunities than ones with low scores.

It is also important to understand a country's economic and fiscal institutions. By understanding how the economy works MNCs can navigate some of the uncertainty of a foreign market (28). A country's infrastructure can show the foundation of a society. Countries with stronger infrastructure typically have positive government spending trying to strengthen the economy to facilitate international business and investment (29).

Measures of Economic Development

The level of development in an economy may dictate what companies attempt to enter the market. By understanding and knowing some measures of economic development for a country, MNCs are better able to prepare for what to expect. The most common indicators of economic development include the Gross domestic product, population growth, and various social conditions such as literacy rate, life expectancy, and infant mortality rate.

The GDP measures the health and size of a country's economy. It is one of the main indicators economists use to measure the economic health and performance of a country. Firms have more confidence to invest in countries with strong economies that are beneficial for investment. The investment of MNCs also allows the country to continue growing as they hire more people and raise wages inducing higher consumer spending. This positive cycle encourages growth and investment and can begin with an MNC understanding the GDP of a country it wants to enter (31).

In general, countries with a higher population growth rate are poorer than those with low and stable rates. MNCs are more likely to be successful in countries with more people who can afford their products thus poorer countries pose a risk (30). Additionally, high population growth could be an indicator of economic insecurity. As the population grows, it often puts a strain on resources and governmental capabilities of support. As these conditions worsen, MNCs must be cognizant of risks they face while investing in these growing countries (32).

Finally, social conditions can show the level of development in fields such as health care and education in a country. These factors are important for the development of skilled and strong work forces, which can be a driving factor for investment. By understanding the figures and statistics that describe an economy, MNCs can develop the best plan for entering a market with less risk. A strong economy is an important factor in bringing foreign companies into a country (30).

Economic Dependence

Many international business experts question what exactly the role of the MNC is in today's world. Some argue that the role is to spread growth through globalization while others

argue that the only concern of an MNC should be returning a profit to shareholders. Those that solely care about a profit and not about consequences can be described through the dependency theory. This theory maintains that the underdevelopment of some third world countries is caused by international business. Multinational corporations benefit when countries remain in the third world as it provides a cheap source of labor and resources that increase overall profits. International business can cause increasing inequality within nations as well as increasing the gap between the developed and developing nations that already exists. This process exploits the current world order in order to develop a profit while exacerbating global inequality and underdevelopment (33). Before entering a developing country, executives of MNCs must consider the effects business has on the environment. As consumer preferences are moving toward favoring corporate social responsibility, a company that exacerbates inequality is put at a disadvantage. By being aware of the environment and asking what role the company wishes to play in the international world, MNCs can remain profitable with a positive public relations outlook.

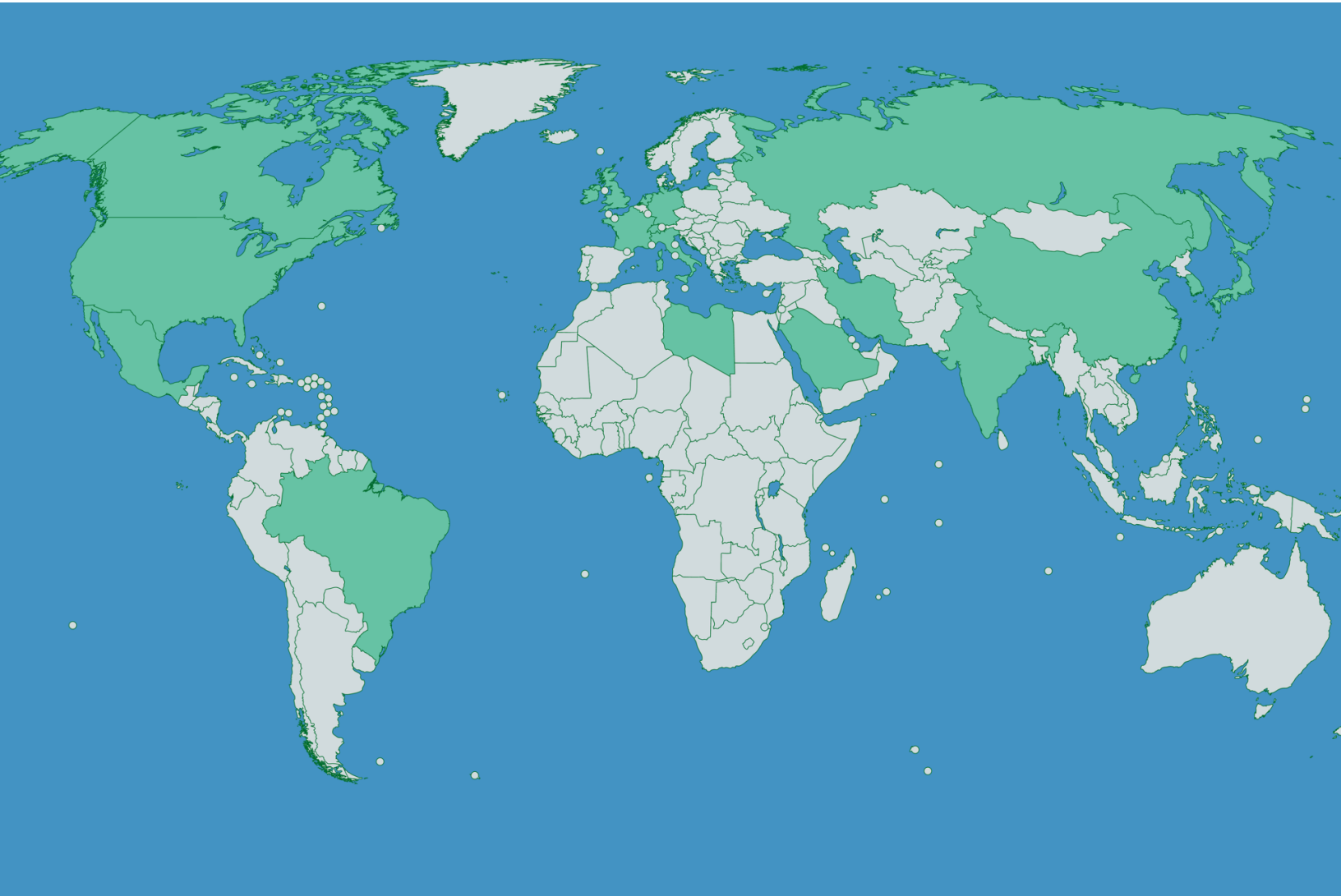
A Country Notebook

Based on the cultural, economic and political intricacies of the global market, multinational corporations must understand the environments they wish to invest in before they try to enter the country. In order to retain a comprehensive analysis of various countries, MNCs should create a Country Notebook to keep on file. This notebook would have cultural, economic and political facts ranging from the head of government and the GDP of a country to the SWOT analysis of market entry. Each country an MNC does or wishes to do business with should have its own page for reference.

The sample country notebook that follows consists of eighteen countries. The first fifteen are the top fifteen trading partners of the United States; these are China, Canada, Mexico, Japan, Germany, South Korea, United Kingdom, France, India, Taiwan, Italy, Switzerland, the Netherlands, Brazil, and Ireland. The other three were chosen due to their significance in the geopolitical world international business operates in today; these are Russia, Iran, and Saudi Arabia.

This notebook can help multinational firms navigate the ever-changing international environment. By understanding the cultural, economic and political aspects of various countries MNCs are able to eliminate a degree of uncertainty in market entry. An understanding of different environments can help strengthen negotiation, business and international relations to find success in a globalizing world.

A Country Notebook



A Guide for Multinational

C o r p o r a t i o n s

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China

中华人民共和国



Geography

Location: Eastern Asia

Area: 9,596,960 sq. km

Climate: Tropical in the South and subarctic in the North

Common Phrases

你好 / Hello

我的名字是 / My name is

乾杯 / Cheers

很高興見到你 / Pleased to meet you

我不明白 / I don't understand

請 / Please

謝謝 / Thank you

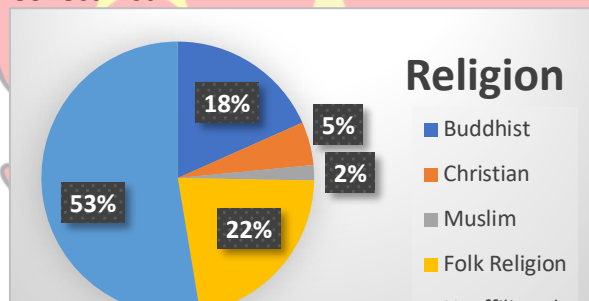
Culture

Official Language: Standard Chinese or Mandarin

Other Languages:

- Cantonese
- Shanghaiese
- Fuzhou
- Xiang
- Gan

High Context
Collectivist



Religion

- Buddhist
- Christian
- Muslim
- Folk Religion

Government

Head of State: President Xi Jinping

Head of Government: Premier Li Keqiang

Type of Government: Communist State

Main political parties: Chinese Communist Party (CCP)

- 8 nominally independent small parties controlled by the CCP

Capital: Beijing

Business Etiquette

- Bowing or nodding is a common greeting
- Applause is used when greeting a crowd
- Formal titles and introductions are vital
- Appointments are a necessity
- Punctuality is valued
- Business is not discussed at dinner
- It is uncustomary for women to drink at meals
- Tipping is insulting

- Business cards should be presented and received with both hands
- The Chinese counterpart should leave a negotiation first
- Men should wear conservative suits with subtle colors
- Women should avoid short sleeved blouses and high heels
- Revealing clothing on women is considered to be offensive to businessmen

Economic Profile

Currency: Yuan (renminbi)

Exchange Rate: 6.626

GDP: \$21.27 trillion

GDP Real Growth Rate: 6.6%

GDP Per Capita: \$15,400

Principal Industries: Industrial output, iron, steel, machines, textiles, consumer products

Exports: \$2.011 trillion

Imports: \$1,437 trillion

Population: 1.357 billion

Population Growth Rate: .43%

Unemployment Rate: 4.2%

Life Expectancy: 75.5%

Literacy Rate: 96.4%

Infant Mortality Rate: 12.2 deaths

Time Zone: UTC +8

Major Trading Partners



United States



South Korea



Hong Kong



United States

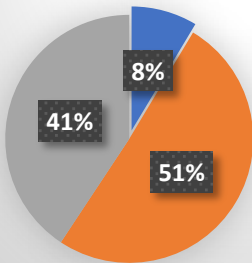


Japan



Japan

GDP Composition



■ Agriculture
■ Services
■ Industry

Doing Business

Strengths

- Cheaper than other markets
- Ample reserves
- Low Unemployment rate

Weaknesses

- Corrupt government bureaucracy
- Undercapitalized banks

SWOT Analysis

Opportunities

- Rising consumer incomes

Threats

- East China Sea dispute
- Migration of affluent citizens

Consumer Preferences

- Generally favor foreign brands
- “Keeping up face” matters for Chinese consumers
- Discounts are important
- Somewhat price sensitive but willing to pay more for quality
- Convenience foods, pet products and health foods are fast growing product categories
- Large portion of income is saved to take care of children and parents

Market Development

- Shifted from a centrally-planned to a market based economy after reforms in 1978
- Second largest economy
- Remains a developing country
- Market reforms are incomplete
- High inequality
- Rapid urbanization
- Challenges regarding environmental sustainability
- Aging population
- Recently approved the 13th five-year plan (2016-2020) to address the development of sustainability and other issues

Ease of Doing Business

Ease of doing Business: 78

Starting a business: 127

Dealing with construction permits: 177

Paying taxes: 131

Enforcing contracts: 5

Canada

Le Canada

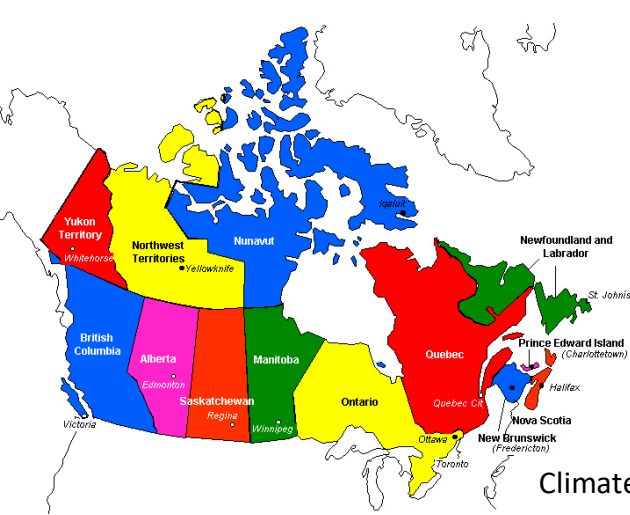


Geography

Location: North America

Area: 9,984,670 sq. km

Climate: Temperate in the south, subarctic in the north



Culture

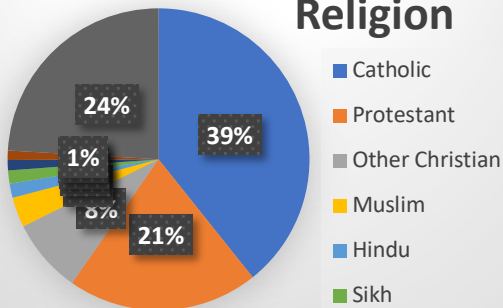
Official Language: English and French

Other languages:

- Punjabi
- Italian
- Spanish
- German
- Cantonese

Low Context
Individualist

Religion



Government

Head of State: Queen Elizabeth II
(represented by Governor General Johnston)

Head of Government: Prime Minister Justin Trudeau

Type of Government: Federal parliamentary democracy under a constitutional monarchy

Elections: Voter turnout:

Main political parties:

- Bloc Quebecois
- Conservative Party of Canada or CPC
- Green Party
- Liberal Party
- New Democratic Party

Capital: Ottawa

Business Etiquette

- Do not mention expectations of success based on success in the U.S.
- Business structures vary depending on region
- Direct and succinct communication
- Everyone's opinion is valued, regardless of rank in the organization
- Avoid mentioning conflicts between French and English Canada
- Pointing is considered rude
- Decisions aren't made until all the facts are heard
- Gifts are often given after a deal is closed
- Business cards should be written in both English and French
- At business meals, do not eat until everyone has been served

Economic Profile

Currency: Canadian Dollar (Loonie)

Exchange Rate: 1.331

GDP: \$1.532 trillion

GDP real growth rate: 1.2%

GDP per capita: \$46,200

Inflation rate: 1.6%

Principal industries: Chemicals, minerals, food products, wood and paper products, fish, petroleum

Exports: \$402.4 billion

Imports: \$419 billion

Population: 35,362,905

Population growth rate: .74%

Unemployment Rate: 7.1%

Literacy rate: 99%

Infant Mortality: 4.6 deaths

Life expectancy: 81.9 years

Time zone: UTC – 5

Major Trading Partners



United States



China



Mexico



United States

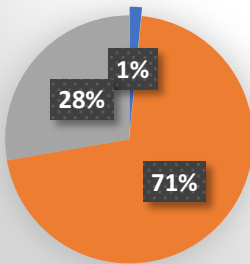


China



United Kingdom

GDP Composition



- Agriculture
- Services
- Industry

Doing Business

Strengths

- Government support through tax reductions and breaks
- Close proximity to US

Weaknesses

- Dependence on the US
- Fluctuation of Canadian dollar
- Weak transportation infrastructure

SWOT Analysis

Opportunities

- Emerging international markets
- Rising importance of e-commerce

Threats

- Loonie is connected to the oil industry
- High debt
- Climate Change

Consumer Preferences

- “Buy Local” movement
- Health conscious
- Income is stagnant and debt is high making consumers price sensitive
- Desire for customized goods
- Consumers research products before purchasing
- Online shopping is growing
- Product reviews are a critical decision factor

Market Development

Ease of Doing Business

Ease of doing Business: 22

Starting a business: 2

Dealing with construction permits: 57

Paying taxes: 17

Enforcing contracts: 112

- 15th largest economy
- developed economy
- Stable, prosperous and inclusive economy
- Dependent on the exports of the US
- The largest supplier of oil, gas, uranium, and electric power for America



Mexico

Estados Unidos Mexicanos



Geography

Location: North America

Area: 1,964,375 sq. km

Climate: Varies from tropical to desert

Common Phrases

Hola/ Hello

Adiós/ Goodbye

Sí/ Yes

Por Favor/ Please

Gracias/ Thank you

No me entiendo/ I don't understand

Perdón/ Excuse me

¿Que hora es?/ What time is it?



Culture

Official Language: Spanish

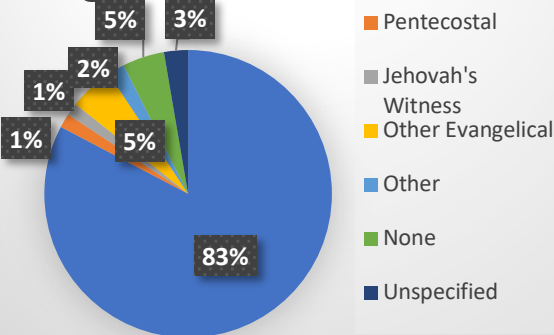
Other Languages:

- Mayan
- Nahuatl
- Regional languages

High Context

Collectivist

Religion



Government

Head of State and Head of Government:

President Enrique Peña Nieto

Type of Government Federal presidential republic

Major Political Parties

- Movimiento Ciudadano
- Partido Revolucionario Institucional
- Partido del Trabajo
- Partido Verde Ecologista de Mexico
- Movimiento Regeneracion Nacional
- Partido Accion Nacional
- Partido Nueva Alianza
- Partido de la Revolucion Democratica
- Partido Encuentro Social

Capital: Mexico City

Business Etiquette

- Shake hands upon introduction but bow to a Mexican woman first
- Mexicans often stand close
- Signs of discomfort are considered rude
- Don't stand with your hands on your hips
- Punctuality is expected
- Business is normally done in Spanish
- Hierarchy and respect are important
- Negotiations take time to complete
- Small talk happens before talking about business plans
- Personalization is important
- Deal making needs to be done in person
- Mexican counterparts judge others based on status within an organization
- A shirt and tie should be worn by men
- Women should dress conservatively
- Attempts at Spanish are appreciated

Economic Profile

Currency: Mexican Peso

Exchange Rate: 18.34 pesos per US dollar

GDP: \$2.307 trillion

GDP Real Growth Rate: 2.1%

GDP Per Capita: \$18,900

Principal Industries: Food and beverages, tobacco, chemicals, textiles, consumer durables, tourism

Exports: \$359.3 billion

Imports: \$372.8 billion

Population: 123,166,749

Population Growth Rate: 1.15%

Unemployment Rate: 4.4%

Life Expectancy: 75.9 years

Literacy Rate: 95.1%

Infant Mortality Rate: 11.9 deaths

Time Zone: UTC - 6

Major Trading Partners



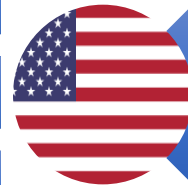
United States



China

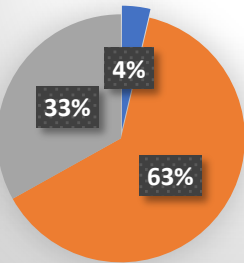


Japan



United States

GDP Composition



■ Agriculture
■ Services
■ Industry

Doing Business

Strengths

- Increase in manufacturing
- Young workforce

Weaknesses

- Drug War
- President Nieto

SWOT Analysis

Opportunities

- Untapped Oil
- Growing middle class

Threats

- Tension with the United States
- Corruption

Consumer Preferences

- Look for quality
- Interested in time and money saving
- Desire a relationship with a certain store or brand
- Customer service is very important
- Very brand loyal
- Income is increasing
- Strongly influenced by trends from the United States
- Women make most shopping decisions

Ease of Doing Business

Ease of doing Business: 47
Starting a business: 93
Dealing with construction permits: 83
Paying taxes: 114
Enforcing contracts: 40

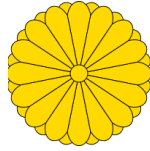
Market Development

- Economy has been expanding
- 13th largest economy
- Weak investment and export demand don't contribute to growth
- Declining oil revenue
- Current stability is contributing to a decrease in inflation
- Wealth gap is large and increasing
- Infrastructure and systems need to be modernized
- Rapidly developing
- Competitive financial sector



Japan

日本



Geography

Location: Eastern Asia

Area: 377,915 sq. km

Climate: Tropical in the south to cool temperate in north

Common Phrases

Yōkoso/ Welcome

Konnichiwa/ Hello

Hajimemashite/ Pleased to meet you

Wakarimasu/ I don't understand

Gomen nasai/ Sorry

Arigato/ Thank you

Culture

Official Language: Japanese

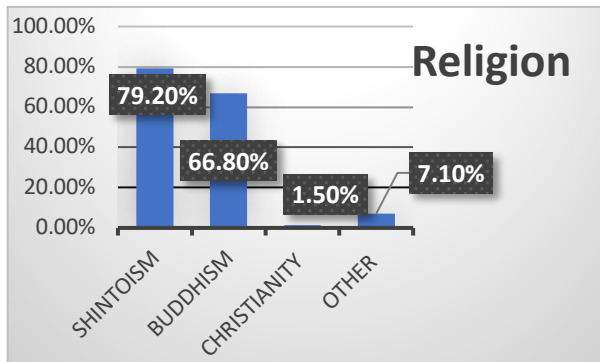
Other Languages:

- English
- Ainu
- Russian
- Portuguese

High Context

Collectivist

***Percentages of religion are greater than 100 because many people practice both Shintoism and Buddhism**



Government

Head of State: Emperor Akihito

Head of Government: Prime Minister Shinzo Abe

Type of Government: Parliamentary constitutional monarchy

Major Political Parties:

- Liberal Democratic Party
- Democratic Party of Japan
- Group of Reformists
- Japan Communist Party
- Japan Innovation Party
- Komeito
- New Renaissance Party
- Osaka Ishin no Kai
- Party for Future Generations

Capital: Tokyo

Business Etiquette

- Dress formally, never be underdressed
- Conservative demeanors are preferred
- Brash and abrasive behavior can lead to a lack of trust
- It is important to recognize and respect Japanese cultural traditions
- Bow when meeting someone
- Wait for direction from host before sitting

- Hierarchy is important
- It is important to seem interested in the conversation
- Acknowledge everyone's presence and ideas
- Punctuality is important
- Do not refuse requests if you wish to continue the business partnership
- Don't speak with too many hand gestures

Economic Profile

Currency: Yen

Exchange Rate: 107.1 Yen per US dollar

GDP: \$4.932 trillion

GDP Real Growth Rate: .5%

GDP Per Capita: \$38,900

Principal Industries: motor vehicles, electronic equipment, machinery, steel and metals, ships

Exports: \$641.4 billion

Imports: \$629.8 billion

Population: 126,702,133

Population Growth Rate: -.19%

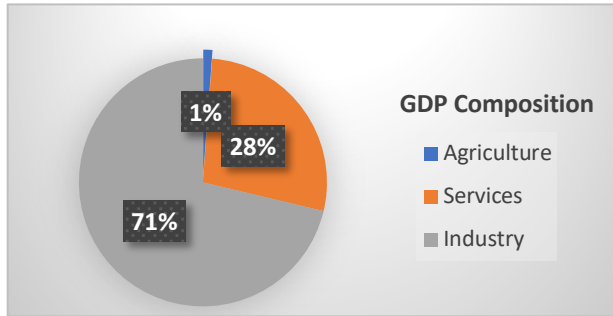
Unemployment Rate: 3.2%

Life Expectancy: 85 years

Literacy Rate:

Infant Mortality Rate: 2

Time Zone: UTC + 9



Major Trading Partners



United States



United States



China



China

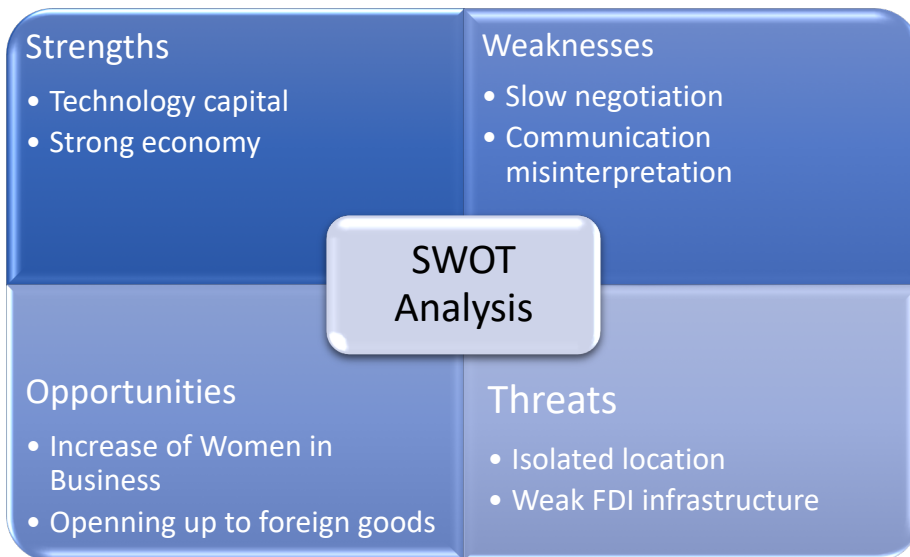


South Korea



South Korea

Doing Business



Consumer Preferences

- Aging population
- Consumers care about brand name and quality
- Price is becoming increasingly important in decision making
- Emphasis on customer service
- Japanese consumers were reluctant to purchase foreign products but are now more open
- The product should be presented nicely
- Demanding consumers

Ease of Doing Business

Ease of doing Business: 34

Starting a business: 89

Dealing with construction permits: 60

Paying taxes: 70

Enforcing contracts: 48

Market Development

- 3rd largest market
- 10% of the world's economy
- Strong electronic devices industry
- Strong local companies
- Widely fluctuating currency
- Highest ratio of public debt to GDP of any developed nation



Germany

Bundesrepublik Deutschland



Geography

Location: Central Europe

Area: 357,022 sq. km

Climate: Temperate and marine

Common Phrases

Hallo/ Hello

Auf wiedersehen/ Goodbye

Bitte/ Please

Danke/ Thank you

Bitte schön/ You're welcome

Sprechen Sie Englisch?/ Do you speak English?

Ich verstehe nicht/ I don't understand

Culture

Official Language: German

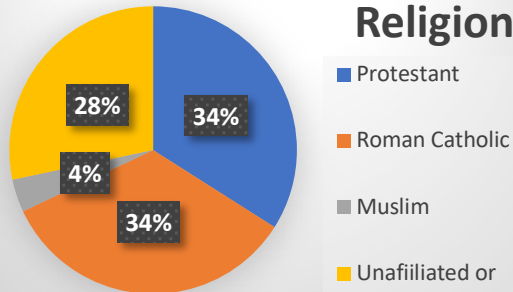
Other Languages

- Danish
- Frisian
- Sorbian
- Romany

Low Context

Individualist

Religion



Government

Head of State: President Joachim Gauck

Head of Government: Chancellor Angela Merkel

Type of Government: Federal Parliamentary Republic

Major Political Parties

- Alliance '90/ Greens
- Alternative for Germany or AfD
- Christian Democratic Union
- Christian Social Union
- Free Democratic Party
- Left Party or Die Linke
- Social Democratic Party

Capital: Berlin

Business Etiquette

- Germans communicate directly
- Success based on merit and credentials
- Very formal in greetings
- Appointments are essential
- Decision making takes time and involves a lot of detail
- It is preferred to communicate in German
- Negotiations and meetings follow the agenda strictly
- Germans will avoid confrontation
- Relatively inflexible
 - Sudden changes are unwelcome
- Humor is not appreciated
- Work and personal life do not overlap
- Gift giving is not common
- Dress well, appearance is important
- Clothing is neat and conservative

Economic Profile

Currency: Euro

Exchange Rate: .9214 euros per US dollar

GDP: \$3.979 trillion

GDP Real Growth Rate: 1.7%

GDP Per Capita: \$48,200

Principal Industries: iron, steel, coal, cement, chemicals, machinery, vehicles, electronics

Exports: \$1.283 trillion

Imports: \$987.6 billion

Population: 80,722,792

Population Growth Rate: -.16%

Unemployment Rate: 4.3%

Life Expectancy: 80.7 years

Literacy Rate: 99%

Infant Mortality Rate: 3.4 deaths

Time Zone: UTC +1

Major Trading Partners



Netherlands



United States



France



France

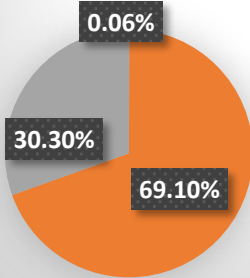


China



United Kingdom

GDP Composition



- Agriculture
- Services
- Industry

Doing Business

Strengths

- Accessible location
- Strong Industry

Weaknesses

- High labor cost
- Slow decision making

SWOT analysis

Opportunities

- increasing demand for high-end products

Threats

- Uncertainty of the EuroZone

Consumer Preferences

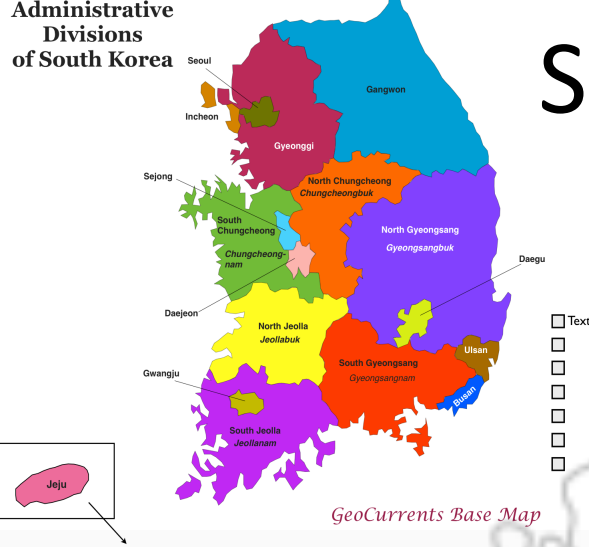
- Often use catalogs for purchases
- Online sales are increasing
- Price and quality are essential in decision making
- Consumers will shop around for the best deal
- Focus on safety features
- Consumer credit remains low because of low economic growth and unemployment
- Debt is not generally accepted in German culture

Market Development

- Europe's most developed and populous country
- Ranked 13th out of 176 on the corruption perceptions index
- Consistent growth in technology
- Brexit is causing uncertainty
- Export dependent economy
- Leading exporter of vehicles, machines and chemicals
- Proponent of closer European integration

Ease of Doing Business

Ease of doing Business: 17
Starting a business: 114
Dealing with construction permits: 12
Paying taxes: 48
Enforcing contracts: 17



South Korea

Han'guk



Geography

Location: Eastern Asia

Area: 99,720 sq. km

Climate: Temperate

Common Phrases

안녕하세요/ Hello

안녕/ Goodbye

고맙습니다/ Thank you

이해가 안돼./ I don't understand

내 이름은/ My name is

만나서 반갑습니다/ Nice to meet you

Culture

Official Language: Korean

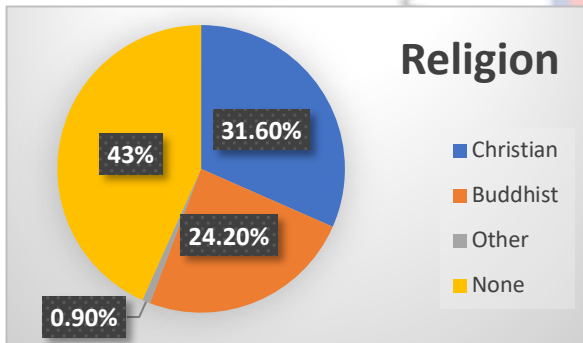
Other Languages:

- English

High Context

Collectivist

Religion



Government

Head of State: Acting President Hwang Kyo-ahn (President Park Guen-hye was impeached in December 2016)

Head of Government: Prime Minister Hwang Kyo-ahn

Type of Government: Presidential republic

Major Political Parties:

- Democratic Party
- Justice Party
- New Conservative Party for Reform
- New Frontier Party
- People's Party

Capital: Seoul

Business Etiquette

- Personal relationships are essential
- Personal questions will be asked to build trust
- Introduction by a third party is more effective than attempting to work alone
- Conflict is avoided
- Use more visuals than words in presentations
- Business happens quickly
- Be aware of body language to be respectful

- A lack of communication signifies a desire to end negotiation
- Punctuality is important
- The oldest/ most qualified member of a team should enter a room first
- Show respect for hierarchy and authority
- Greetings involve a slight bow followed by handshake
- Dress conservatively
- Neutral colored suits are suggested

Economic Profile

Currency: South Korean won

Exchange Rate: 1,167.6 won per US dollar

GDP: \$1.929 trillion

GDP Real Growth Rate: 2.7%

GDP Per Capita: \$37,900

Principal Industries: electronics, telecommunications, automobile production, chemicals, shipbuilding, steel

Exports: \$509 billion

Imports: \$405.1 billion

Population: 50,924,172

Population Growth Rate: .53%

Unemployment Rate: 4%

Life Expectancy: 82.4 years

Literacy Rate: 96.6%

Infant Mortality Rate: 3

Time Zone: UTC +9

Major Trading Partners



China



China



Japan



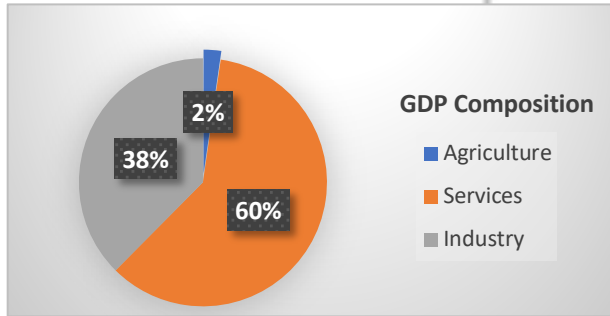
United States



United States



Hong Kong



Doing Business

Strengths

- Financially Stable
- Consumption oriented culture

Weaknesses

- Lack of Natural resources
- Aging population

SWOT analysis

Opportunities

- The expansion of exports

Threats

- Tension with North Korea
- Financial market vulnerable to US investors

Consumer Preferences

- Very brand loyal
 - Especially among the younger citizens
- Research products before purchase
- Social media is influential in purchasing decisions
- Increase in the acceptance of nondomestic products
- Consumers care about the health benefits of products
- Quality is more important than price

Ease of Doing Business

Ease of doing Business: 5
Starting a business: 11
Dealing with construction permits: 31
Paying taxes: 23
Enforcing contracts: 1

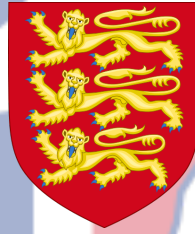
Market Development

- 4th largest Asian economy
- changed from one of the poorest countries to one of the richest in a generation
- few natural resources
- overpopulation
- technology is booming causing development to continue
- financial markets suffer due to hostile relationship with North Korea
- relatively resilient economy



United Kingdom

The United Kingdom of Great Britain and Northern Ireland



British Slang

All right? / Hello, How are you?

Cheerio/ Goodbye

Give us a bell/ Call me

Sorted/ Fixed a problem

Ta/ Thanks

Geography

Location: Western Europe

Area: 243,610 sq. km

Climate: temperate, more than half the days are overcast

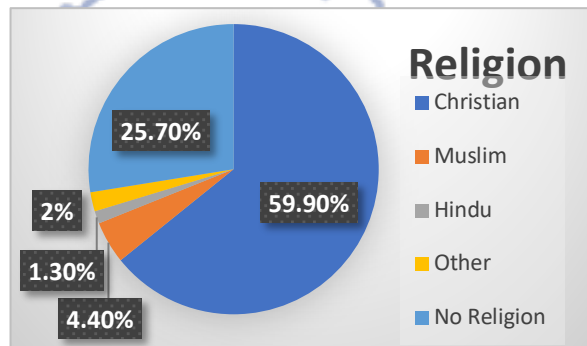
Culture

Official Language: English

Other languages:

- Scots
- Scottish Gaelic
- Welsh
- Irish
- Cornish

**Low Context
Individualist**



Government

Head of State: Queen Elizabeth II

Head of Government: Prime Minister

Theresa May

Type of Government: Parliamentary constitutional monarchy

Major Political Parties: (represented in House of Commons after 2015 election)

- Conservative Party
- Co-operative Party
- Democratic Unionist Party
- Green Party
- Labour Party
- Liberal Democrats
- Plaid Cymru
- Scottish National Party
- Sinn Fein
- Social Democratic and Labour Party
- UK Independence Party
- Ulster Unionist Party

Capital: London

Business Etiquette

- It is best to be introduced by a third party
- Handshakes are used as a greeting
- Conversations need to develop organically
- Punctuality is important
- Gift giving is uncommon but reciprocity is a good practice
- Bring a bottle of wine to dinner parties
- Dress in classical conservative attire
- Dark colors are best for suits
- Denim is not usually acceptable and Scots don't wear kilts
- It is better to be overdressed than underdressed
- Do not bring up politics or regional conflicts

Economic Profile

Currency: British Pound

Exchange Rate: .7391

GDP: \$2.737 trillion

GDP Real Growth Rate: 1.8%

GDP Per Capita: \$42,500

Principal Industries:

Exports: \$412.1 billion

Imports: \$581.6 billion

Population: 64,430,428

Population Growth Rate: .53%

Unemployment Rate: 5.1%

Life Expectancy: 80.7 years

Literacy Rate: 99%

Infant Mortality Rate: 4.3 deaths

Time Zone: UTC 0

Major Trading Partners



Germany



United States



China



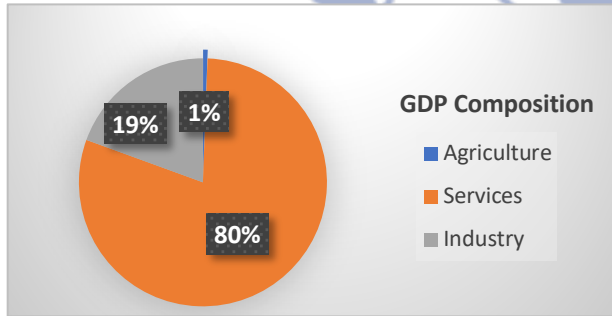
Germany



United States



Switzerland



Doing Business

Strengths

- Strong industry
- High education standards
- stable government

Weaknesses

- Poor transportation
- Wealth disparity

SWOT Analysis

Opportunities

- Increasing technology
- Number of trade partners increasing

Threats

- Uncertainty caused by Brexit
- Competition from other developed economies

Consumer Preferences

- Purchase if they perceive an advantage
- Customer service is important, especially after the sale
- Consumer income has risen in recent years but is slowing with the "credit crunch"
- Income gap is widening
- Will shop around for the best deals
- High personal debt

Ease of Doing Business

Ease of doing Business: 7
Starting a business: 16
Dealing with construction permits: 17
Paying taxes: 10
Enforcing contracts: 31

Market Development

- Low levels of corruption
- Developed country
- 5th largest economy
- London is the largest financial center in the world
- The pound sterling is the 3rd largest reserve currency
- Current uncertainty due to Brexit

France

République Française



Geography

Location: Europe

Area: 551,500 sq. km

Climate: Cool winters and mild summers, warmer near the Mediterranean

Common Phrases

Bonjour/ Hello

Je m'appelle.../ my name is...

Je ne comprends pas/ I don't understand

Merci/ Thank you

De rien/ You're welcome

S'il vous plait/ Please

Parlez-vous anglais/ Do you speak English?

Culture

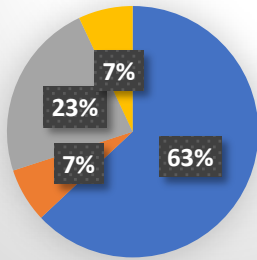
Official Language: French

Other languages:

- Rapidly declining regional dialects and languages
 - Provençal, Breton, Alsatian, Corsican, Catalan, Basque, Flemish

Low-medium Context
Individualist

Religion



- Christian
- Muslim
- None
- Other

Government

- **Head of State:** President Francois Hollande
- **Head of Government:** Prime minister Bernard Cazeneuve
- **Type of Government:** semi-presidential republic
- **Main political parties:**
 - Union pour un Mouvement Populaire
 - Parti Socialiste
 - Mouvement démocrate
- **Capital:** Paris

Doing Business

- Appointments are vital
- Punctuality is treated more casually as you move south
- Staying late in the office is common
- Gifts are uncommon
- Fashion and appearance are very important
- Print business cards in English and French
- Use the beginning of meetings to restate the purpose of the meeting/ negotiation
- Meetings are used to discuss issues, not make decisions
- Take the time to build trust
- Be prepared for direct questions

- Women are treated with special respect in both business and social situations
- Decisions are often made centrally
- The decision-making process is often lengthy
- The use of logical reasoning is important
- handshakes should be initiated by high ranking individuals
 - if a woman is involved, the initiation is left to her
- Use formal titles unless invited to do otherwise
- The French prioritize formality and manners

Economic Profile

Currency: Euro

Exchange Rate: .9214

GDP: \$2.737 trillion

GDP Real Growth Rate: 1.3%

GDP Per Capita: \$42,000

Principal Industries: Machinery, chemicals, automobiles, metallurgy, aircrafts, electronics

Exports: \$505.4 billion

Imports: \$525.4 billion

Population: 62,814,233

Population Growth Rate: .41%

Unemployment Rate: 9.7%

Life Expectancy: 81.8 years

Literacy Rate: 99%

Infant Mortality Rate: 3.3 deaths

Time Zone: UTC +1

Major Trading Partners



Germany



Belgium



Italy



Germany

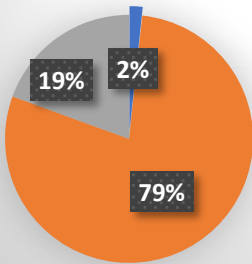


Spain



United States

GDP Composition



- Agriculture
- Services
- Industry

Doing Business

Strengths

- Quality infrastructure
- Competitive companies
- High savings

Weaknesses

- Weakening product sophistication
- high public debt
- tourism declining due to terrorist threat

SWOT analysis

Opportunities

Threats

- Uncertain political future
- Rise of Nationalism
- Terrorism

Consumer Preferences

- Growing sectors of computer services, travel and tourism
- Growing concerns about safety and security
- Price sensitive
- Brand and quality play a role in decision making
- Prefer neat tightly packaged products that are eye catching
- Affluent and impulsive
- More likely to buy domestic
- Increasingly aware of environment and health

Ease of Doing Business

Ease of doing Business: 29
Starting a business: 27
Dealing with construction permits: 20
Paying taxes: 63
Enforcing contracts: 18

Market Development

- Low corruption
- Legal environment is stable and relatively transparent
- 11th most attractive country for FDI (World Investment Report 2016)
- Paris is the home of the second most MNCs
- Europe's third power
- Highly skilled workforce
- Large industrial base
- One of the world's top 10 industrial powers



India

Bharatiya Ganarajya



सत्यमेव जयते

Geography

Location: Southern Asia

Area: 3,287,263

Climate: tropical monsoon in the south,
temperate in the north

Common Phrases

Na-ma-ste/ Hello

Kripaya/ Please

Aap Se Mil Ke Khu-Shi Hui/ Nice to
meet you

Mujhey samajh mein nahi aataa/ I
don't understand

Culture

Official Language: Hindi, English

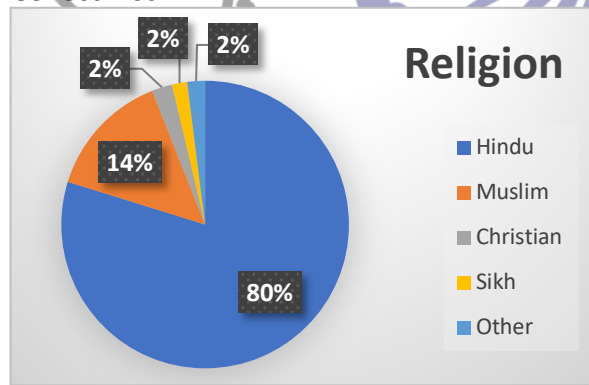
Other Languages:

- Bengali
- Telugu
- Marathi
- Urdu
- Gujarati
- Punjabi

High Context

Collectivist

Religion



Government

Head of State: President Pranab Mukherjee

Head of Government: Prime Minister

Narendra Modi

Type of Government: Federal parliamentary
republic

Major Political Parties:

- Bharatiya Janata Party
- Indian National Congress
- Communist Party of India (Marxist)
- Bahujan Samaj Party
- Nationalist Congress Party
- All India Trinamool Congress

Capital: New Delhi

Business Etiquette

- Traditional clothing varies from region to region
- Women often wear the sari
- men wear the dhoti
- Western dress is becoming more common
- Mixture of Asian and British influence
- It is proper to eat with your hands
- Expect Indian counterpart to arrive late

- It is common to be introduced by a third party
- Avoid folding your arms or standing with your hands on your hips as it is seen as aggressive
- Negotiations often take a long time with many revisions
- The use of titles is important

Economic Profile

Currency: Indian rupee

Exchange Rate: 68.3 rupees per US dollar

GDP: \$8.721 trillion

GDP Real Growth Rate: 7.6%

GDP Per Capita: \$6,700

Principal Industries: Textiles, chemicals, food processing, steel, mining, cement, petroleum

Exports: \$271.6 billion

Imports: \$402.4 billion

Population: 1,266,883,598

Population Growth Rate: 1.19%

Unemployment Rate: 8.4%

Life Expectancy: 68.5 years

Literacy Rate: 74.04%

Infant Mortality Rate: 40.5

Time Zone: UTC +5.5

Major Trading Partners



China



United States



United Arab Emirates



United Arab Emirates

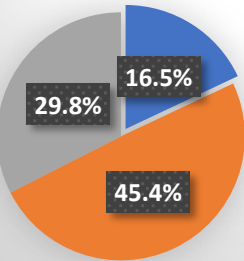


Saudi Arabia



Hong Kong

GDP Composition



- Agriculture
- Services
- Industry

Doing Business

Strengths

- Inflow of foreign investment
- Large workforce

Weaknesses

- Dependence on imports
- Poverty

SWOT Analysis

Opportunities

- Large domestic market
- Growing competition of Indian industries

Threats

- Corruption
- Competition from China

Consumer Preferences

- Purchase brands they recognize
- Marketing is important for recognition
- The value a product offers is the biggest consideration
- Diverse consumer base
- Credit financing is becoming more popular
- Luxury item purchases are growing for the richer consumers

Ease of Doing Business

Ease of doing Business: 130

Starting a business: 155

Dealing with construction permits: 185

Paying taxes: 172

Enforcing contracts: 172

Market Development

- Still a developing country in some respects
- 7th largest economy
- Economic growth through the expansion of services
- 1st in farming output
- Classified as a newly industrialized country
- The wealthiest state is Maharashtra
- Young population
- IT industry continues to boom

Taiwan

Common Phrases

你好/ Hello

再見/ Goodbye

我的名字是/ My name is

很高興見到你/ Nice to meet you

我不明白/ I don't understand

請/ Please

謝謝/ Thank you

台灣



Geography

Location: Eastern Asia

Area: 35,980 sq. km

Climate: Tropical, marine

Culture

Official Language: Mandarin Chinese

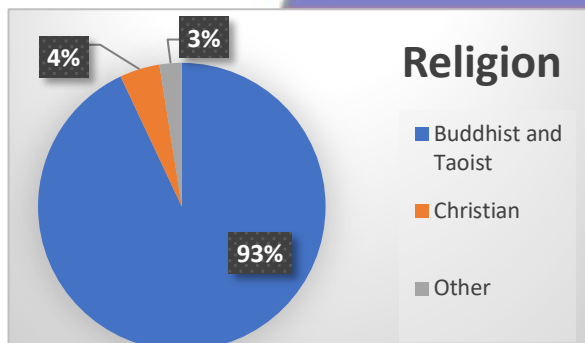
Other Languages

- Taiwanese
- Hakka Dialects

High Context

Collectivist

Religion



Government

Head of State: President Tsai Ing-wen

Head of Government: Premier Lin Chuan

Type of Government: Semi-presidential republic

Major Political Parties

- Democratic Progressive Party
- Kuomintang
- New Power Party
- Non-Partisan Solidarity Union
- People First Party
- Taiwan Solidarity Union

Capital: Taipei

Business Etiquette

- Trust and relationships are essential to successful business
 - Taiwanese prefer to do business with people they trust
- Punctuality is important
- Greetings typically involve a handshake and first name introductions
- Start negotiations with small talk to build the relationship
- Prices will need to be negotiated
 - Direct refusal is perceived as a loss of face
- Discussions can be direct and reasonable
- The first meeting is formal
- Women can wear pantsuits and men usually wear a suit and tie
 - Male dominated society but women in business are shown respect
- Avoid mentioning ties with China or using simplified characters
- Confucian values are still prominent in society
- A translator may help with negotiations in smaller firms
- Hierarchy exists but is less rigid than 45 other Asian countries

Economic Profile

Currency: New Taiwan dollars

Exchange Rate: 32.85 per US dollar

GDP: \$1.125 trillion

GDP Real Growth Rate: 1%

GDP Per Capita: \$47,800

Principal Industries: electronics, IT, petroleum refining, chemicals, textiles, consumer products

Exports: \$314.8 billion

Imports: \$248.7 billion

Population: 23,464,787

Population Growth Rate: .2%

Unemployment Rate: 3.9%

Life Expectancy: 80.1 years

Literacy Rate: 98.5%

Infant Mortality Rate: 4.4 deaths

Time Zone: UTC +8

Major Trading Partners



Japan



China



China



Hong Kong

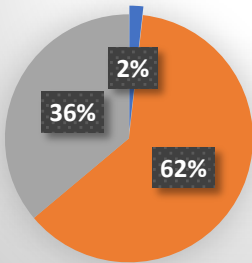


United States



United States

GDP Composition



■ Agriculture
■ Services
■ Industry

Doing Business

Strengths

- Low inflation & unemployment
- Up and coming technologies

Weaknesses

- Rising consumer debt

SWOT Analysis

Opportunities

- Technologically savvy workforce

Threats

- Conflict with China over sovereignty

Consumer Preferences

- Brand loyal
 - Prefer domestic and Japanese brands
- Price sensitive
- Quality and customer service after the sale are important
- Responsive to and involved in global trends
- Value new and innovative products
- Number of households in debt is rising

Market Development

- 5th largest economy in Asia
- Developed country
- Growing exports
- Imports mainly raw materials, capital goods and energy resources
- Industry is decreasing with the advancement of technology

Ease of Doing Business

Ease of doing Business: 11
Starting a business: 19
Dealing with construction permits: 3
Paying taxes: 30
Enforcing contracts: 14



Italy

Repubblica Italiana



Geography

Location: Southern Europe

Area: 301,340 sq. km

Climate: Mediterranean

Common Phrases

Salve (Ciao)/ Hello

Mi chiamo/ My name is

Piacere di conoscerla/ Nice to meet
you

Non ho capito/ I don't understand

Per Favore/ Please

Grazie/ Thank you

Culture

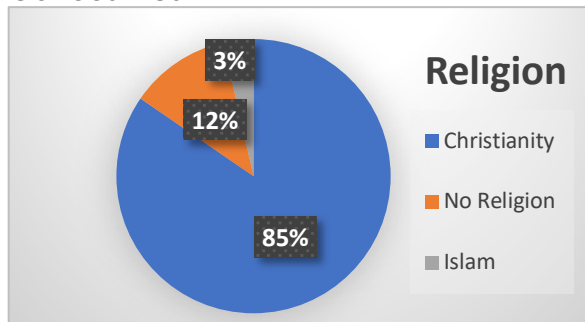
Official Language: Italian

Other languages:

- English
- French
- Spanish
- German
- Regional languages

High context

Collectivist



Government

Head of State: President Sergio Mattarella

Head of Government: Prime Minister Matteo Renzi

Type of Government: Parliamentary Republic

Elections: free and fair every 7 years for president, 5 for parliament

Voter turnout: 75-82%

Main political parties:

- Center left Democratic Party (PD)
- Center right People of Freedom Party (PdL)
- Populist Five Star Movement (M5S)

Capital: Rome

Business Etiquette

- Relationships are crucial to successful negotiations
- Meetings are meant to get a better understanding rather than to decide
- Written communication is preferred
- Formal wear is required to make a good impression
- Hierarchy and centralized decision making are important
- Italians place importance on verbal commitments

- Urgency is viewed as an attempt to weaken an agreement
- Meetings should begin with a firm handshake
- People hug and kiss on both cheeks if they are close friends or family
- Greetings are expected upon entrance
- Interruptions are tolerated
- Several people may speak simultaneously

Economic Profile

Currency: Euro

Exchange Rate: 1.12 US dollars

GDP: \$2.171 trillion

GDP Real Growth Rate: 8%

GDP Per Capita: \$35,700

Principal Industries: Machinery, chemicals, motor vehicles, clothing and footwear

Exports: \$456.6 billion

Imports: \$389.3 billion

Population: 62,007,540

Population Growth Rate: .25%

Unemployment Rate: 11.4%

Life Expectancy: 82.5

Literacy Rate: 99.2%

Infant Mortality Rate: 3

Time Zone: UTC+ 1

Major Trading Partners



Germany



Germany



France



France

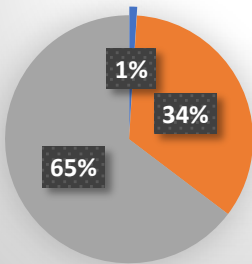


China



United States

GDP Composition



- Agriculture
- Services
- Industry

Doing Business

Strengths

- Large economy
- Strong tourism

Weaknesses

- Limited natural resources
- High debt

SWOT Analysis

Opportunities

- Modernization of the economy

Threats

- Active crime organizations
- Aging population

Consumer Preferences

- High quality products
- Prefer products made domestically
- Environmental effects of products don't influence purchase decisions
- Experiences are more important to Italians than possessions are

Ease of Doing Business

Ease of doing Business: 45

Starting a business: 50

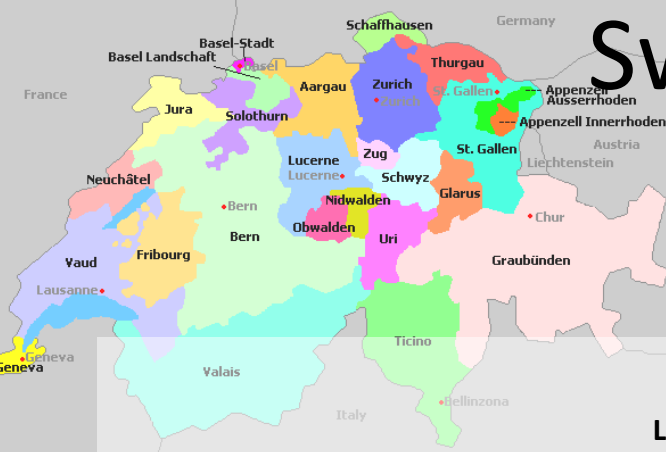
Dealing with construction permits: 86

Paying taxes: 137

Enforcing contracts: 111

Market Development

- 9th largest economy
- Regional differences
 - The North is highly industrialized and developed
 - The South is more agrarian and poor
- Unemployment rate results from labor weakness and competition
- High debt
- Dependent on oil imports
- Political uncertainty with upcoming referendums
- Consumer confidence weakening



Switzerland

Schweiz



Geography

Location: Central Europe

Area: 41,277 sq. km

Climate: Temperate, varied depending on altitude

Common Phrases

Wilkomme/ Hello

I heisse/ My name is

Uf Widerluege/ Goodbye

Broscht! / Cheers!

Ich verstand nit/ I don't understand

Merci vilmal/ Thanks a lot

Culture

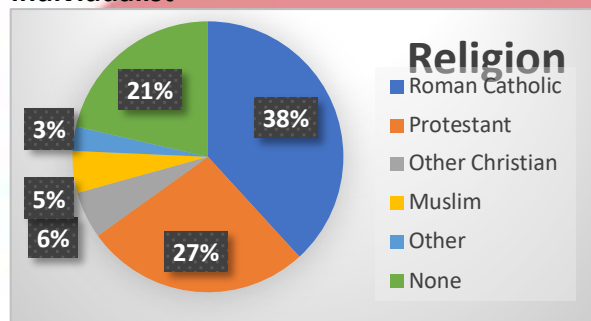
Official Languages: German, French, Italian, Romansch

Other Languages:

- English
- Portuguese
- Albanian
- Serbo-Croatian
- Spanish

Low Context

Individualist



Government

Head of State and Government: President of the Swiss Confederation Doris Leuthard

Type of Government: Federal Republic

Major Political Parties

- Christian Democratic People's Party
- Conservative Democratic Party
- Free Democratic Party
- Green Liberal Party
- Green Party
- Social Democratic Party
- Swiss People's Party

Capital: Bern

Business Etiquette

- Businessmen are often seen as formal and conservative
- Punctuality is essential to success
 - Arrive early to appointments
- Avoid asking personal questions
- Don't interrupt Swiss counterparts while they speak, listen to everything they say
- Introduction by a third party will help get a business relationship started
- Handshake is the standard greeting
- Use formal titles unless invited otherwise
- Business meetings vary depending on the ethnicity of your counterpart
 - German Swiss – straight to business
 - French and Italian Swiss – small talk
- Formal clothing is subdued and conservative but casual dress is becoming more common
- Rank and hierarchy in a company are more important than academic qualifications

Economic Profile

Currency: Swiss francs

Exchange Rate: .9992 per US dollar

GDP: \$494.3 billion

GDP Real Growth Rate: 1%

GDP Per Capita: \$59,400

Principal Industries: Machinery, chemicals, watches, textiles, precision instruments, tourism, banking, insurance

Exports: \$301.1 billion

Imports: \$243.4 billion

Population: 8,179,294

Population Growth Rate: .7%

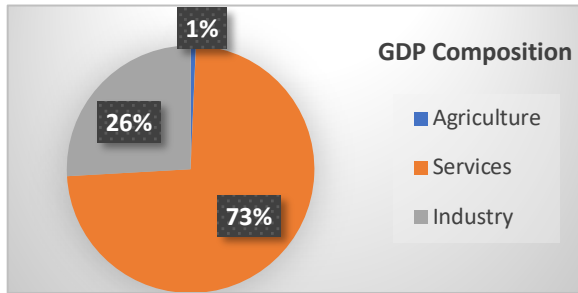
Unemployment Rate: 3.4%

Life Expectancy: 82.6 years

Literacy Rate: 99%

Infant Mortality Rate: 3.6

Time Zone: UTC +1



Major Trading Partners



Germany



Germany



United Kingdom



United States

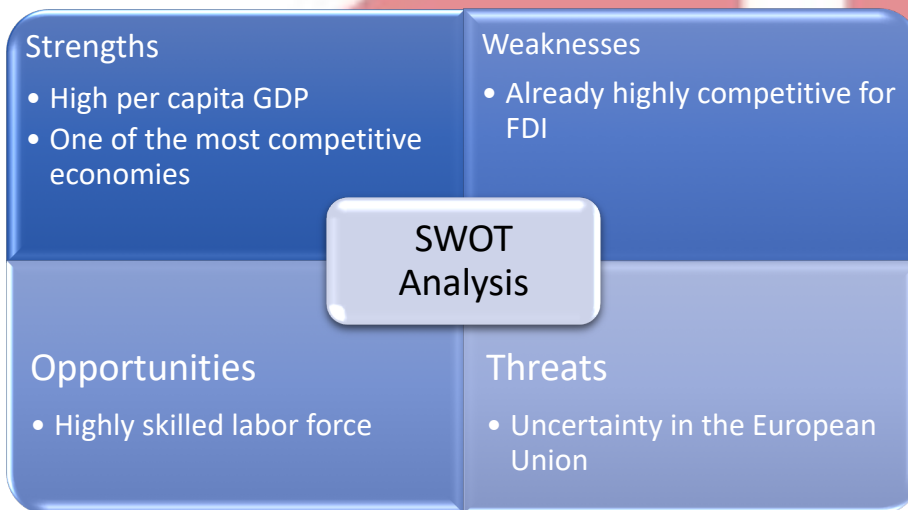


United States



Hong Kong

Doing Business



Consumer Preferences

- Value of a product is important when purchasing
 - Designer or brand is less important
- After sale customer service is valued
- Many Swiss prefer making purchases in store
- Knowledgeable salespeople are important to close a sale
- Quality is appreciated

Market Development

Ease of Doing Business

Ease of doing Business: 31

Starting a business: 71

Dealing with construction permits: 68

Paying taxes: 18

Enforcing contracts: 39

- Switzerland has had long term stability
- Developed country
- Increasingly dependent on foreign trade and investment
- Tourism adds about 35.5 CHF to the economy
- Skilled workforce
 - 25% of workers are members of unions
- Few barriers to investment
- Financial and banking sector is highly developed and brings financial instruments into the country



The Netherlands

Koninkrijk der Nederlanden

Geography

Location: Western Europe

Area: 41,543 sq. km

Climate: Maritime climate, cool summers, mild winters

Common Phrases

Hallo/ Hello

Hoe gaat het met u?/ How are you?

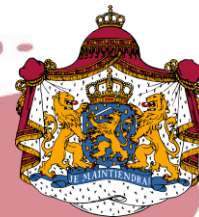
Proost/ Cheers

Ik Begrijp het niet/ I don't understand

Ja/ Yes

Nee/ No

Spreekt u Engels/ Do you speak English



Culture

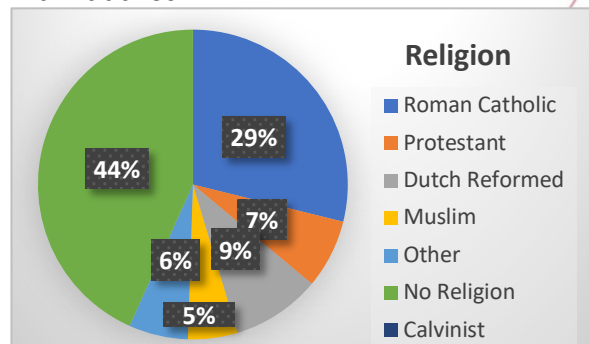
Official Language: Dutch

Other languages:

- English
- German
- French
- Spanish
- Arabic

Low Context

Individualist



Government

Head of State: King Willem-Alexander

Head of Government: Prime Minister Mark Rutte

Type of Government: Constitutional monarchy

Elections: Voter turnout: 77%

Main political parties:

- Center right – People's Party for Freedom and Democracy
- Center Left - Labour Party

Capital: Amsterdam

Government Capital: The Hague

Business Etiquette

- The use of titles is important
- It is best to let the host begin and end discussions
- Direct in speaking
- Straight forward in conflict resolution
- Be on time, if not early, to meetings
- Agendas are followed strictly in meetings
- There is little to no small talk in business setting
- If invited to one's home, bring a gift
- The Dutch usually dress simply
 - Young and wealthy professionals dress in more expensive and international brand names
- The Dutch are conservative
- All opinions are valued and tolerance is important
- Sense of freedom is integral to Dutch citizens
- Avoid personal or intimate questions

Economic Profile

Currency: Euro

Exchange Rate: .9214

GDP: \$769.9 billion

GDP Real Growth Rate: 1.7%

GDP Per Capita: \$50,793

Principal Industries: Services, Manufacturing, Public Administration

Exports: \$460.1 billion

Imports: \$376.3 billion

Population: 17,016,967

Population Growth Rate: .4%

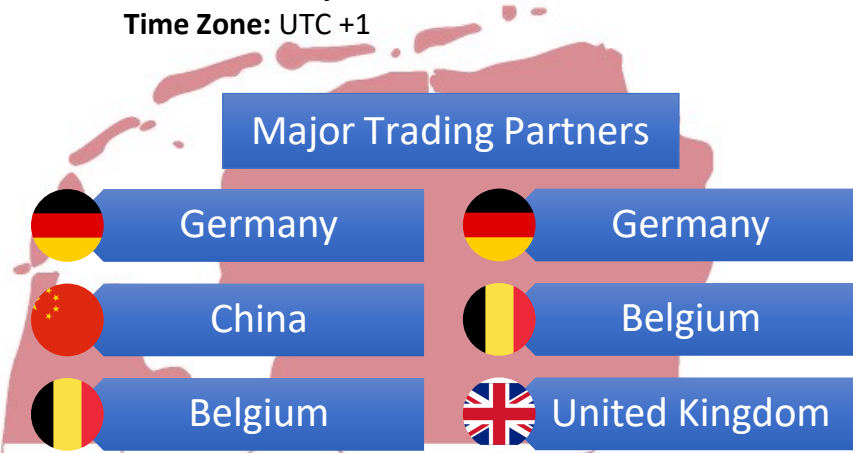
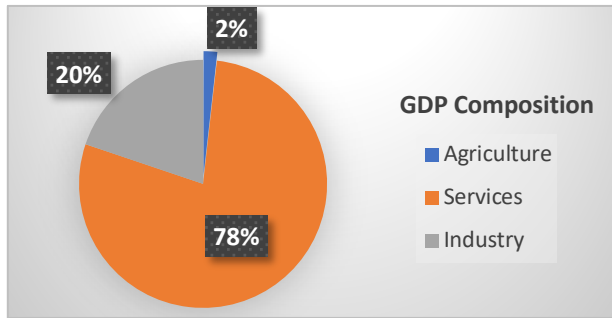
Unemployment Rate: 6.2%

Life Expectancy: 81.3 years

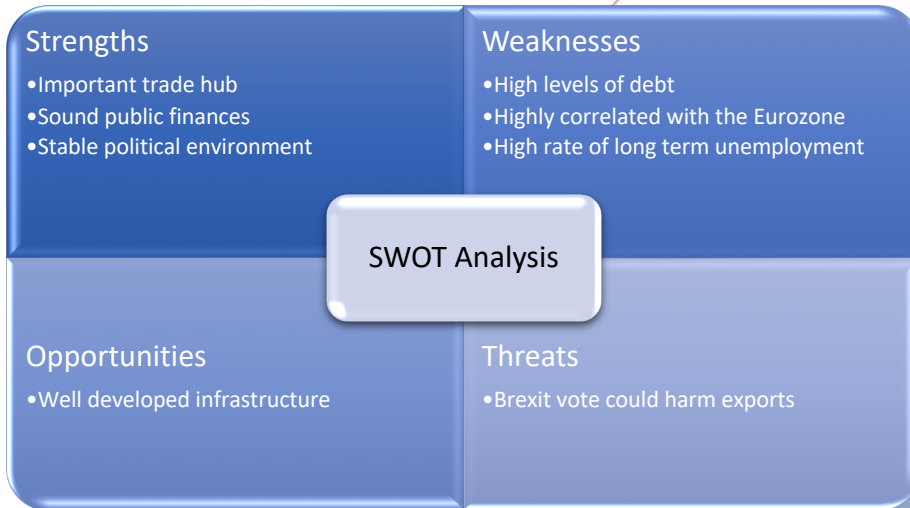
Literacy Rate: 99%

Infant Mortality Rate: 3.6

Time Zone: UTC +1



Doing Business



Consumer Preferences

- Shopping is a popular leisure activity
- Consumers are spending more on leisure and recreation
- Willing to splurge on high quality products
- Usually no domestic bias
- Environmentally conscious consumers

Market Development

- 6th largest economy in Europe
- 5th largest European exporter
- dependent on foreign trade
- relatively equal income distribution
- Government assistance and subsidy for innovative companies exists

Ease of Doing Business

Ease of doing Business: 28

Starting a business: 22

Dealing with construction permits: 87

Paying taxes: 20

Enforcing contracts: 71

Brazil

Common Phrases

Olá/ Hello
Tchau/ Goodbye
Sim/ Yes
Não/ No

prazer em conhecê-lo/ Nice to meet
you

Eu não entendo/ I don't understand
Você fala inglês?/ Do you speak
English?

Republica Federativa do Brasil



Geography

Location: South America

Area: 8,515,770 sq. km

Climate: tropical, temperate in the
south

Culture

Official Language: Portuguese

Other Languages:

- Spanish
- German
- Italian
- Japanese
- English

High Context
Collectivist

Government

Head of State and Government: President

Michel Miguel Elias Temer Lulia

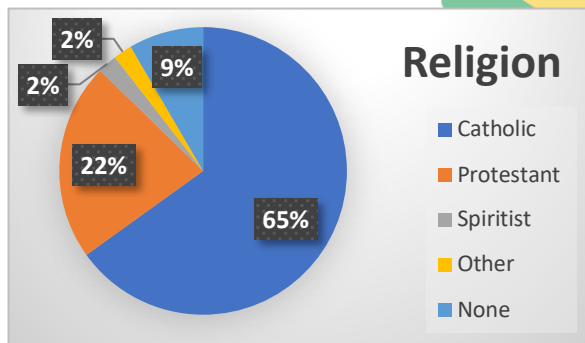
Type of Government: Federal presidential
republic

Major Political Parties:

- Absolute majority
 - Workers' Party
 - Brazilian Democratic
Movement Party
 - Brazilian Social Democracy
Party
 - Democrats
- There are many other parties that
exist

Capital: Brasilia

Religion



Business Etiquette

- Negotiations take a lot of time, patience
and investment
- Personal contact and relationships are
important, it is better to have a continuous
relationship
- Be punctual but expect delays
- Physical contact is normal
- Use titles according to age and status
- Know your contact before negotiations
start
- Understanding and confidence are
essential for relationships
- Expensive gifts can be misconstrued as
bribes
- Negotiations typically are done in
Portuguese
 - Use an interpreter if necessary
- Elegance in business attire is important for
first impressions
- Business cards should be bilingual

Economic Profile

Currency: Reals

Exchange Rate: 3.483 per US dollar

GDP: \$3.135 trillion

GDP Real Growth Rate: -3.3%

GDP Per Capita: \$15,200

Principal Industries: Textiles, shoes, chemicals, cement, lumber, iron ore, tin, steel, aircraft

Exports: \$189.7 billion

Imports: \$143.9 billion

Population: 205,823,665

Population Growth Rate: .75%

Unemployment Rate: 12.6%

Life Expectancy: 73.8 years

Literacy Rate: 92.2%

Infant Mortality Rate: 18 deaths

Time Zone: UTC - 3

Major Trading Partners



China



China



United States



United States

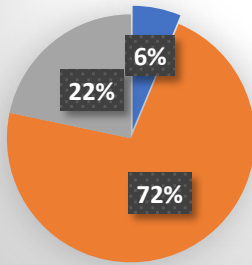


Germany



Argentina

GDP Composition



- Agriculture
- Services
- Industry

Doing Business

Strengths

- Abundant natural resources
- Established manufacturing

Weaknesses

- Political instability
- High inflation

SWOT Analysis

Opportunities

- Diverse population

Threats

- Possible negative effects of policy changes

Consumer Preferences

- Consumers used to be brand loyal but that is changing as the economy slows
- In search of the best deals
- Richer consumers care more about quality, service and CSR
- Purchases focus on food and housing
- National brands are preferred as it reflects national pride
- Foreign products are a sign of wealth

Market Development

Ease of Doing Business

Ease of doing Business: 123

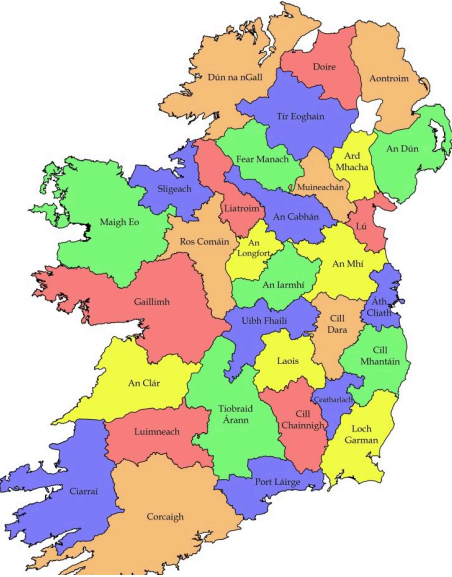
Starting a business: 175

Dealing with construction permits: 172

Paying taxes: 181

Enforcing contracts: 37

- 5th largest country
- 9th largest economy
- Well-developed manufacturing and agriculture
- Currently in a recession
- President Temer implemented new fiscal adjustments
 - Success of the markets depends on these
- High inequality
- Heavy government interference in the economy



Ireland

Eire



Geography

Location: Western Europe

Area: 70,273 sq. km

Climate: Temperate maritime

Common Phrases

Dia dhuit/ Hello

Slán/ Goodbye

Is deas liom bualadh leat/ Nice to meet you

Ní thuigim/ I don't understand

An bhfuil Béarla agat?/ Do you speak English?

Sláinte/ Cheers

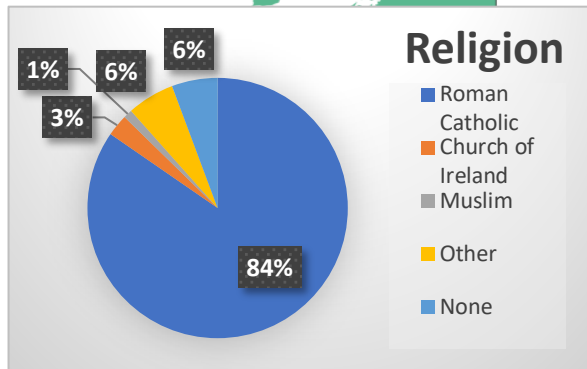
Culture

Official Language: English, Irish (Gaelic)

High-medium Context

Individualist

Religion



Government

Head of State: President Michael Higgins

Head of Government: Taoiseach (Prime Minister) Enda Kenny

Type of Government: Parliamentary republic

Major Political Parties

- Anti-Austerity Alliance- People Before Profit
- Fianna Fail
- Fine Gael
- Green Party
- Labour Party
- Renua Ireland
- Sinn Fein
- Social Democratic Party
- Socialist Party
- The Worker's Party

Capital: Dublin

Business Etiquette

- Punctuality is essential but if you run a few minutes late it may be forgiven
- Make direct eye contact
- The Irish enjoy debating a wide variety of topics including politics and religion
- Share your views if they are informed
- Irish rarely use titles, they move to first names quickly
- Meetings usually begin with some small talk

- Silence is considered rude
- Business approaches are often informal
- Decisions take a long time to be made
- The Irish work with other Irish usually
 - Outside of that they work in a network of contacts
- Gift giving is not expected
- Keep in mind that the Irish are usually focused on short term profits and 55 benefits

Economic Profile

Currency: Euro

Exchange Rate: .9214 per US dollar

GDP: \$324.3 billion

GDP Real Growth Rate: 4.9%

GDP Per Capita: \$69,400

Principal Industries: Pharmaceuticals, chemicals, computer hardware and software, food, brewing

Exports: \$160.1 billion

Imports: \$88.01 billion

Population: 4,952,473

Population Growth Rate: 1.2%

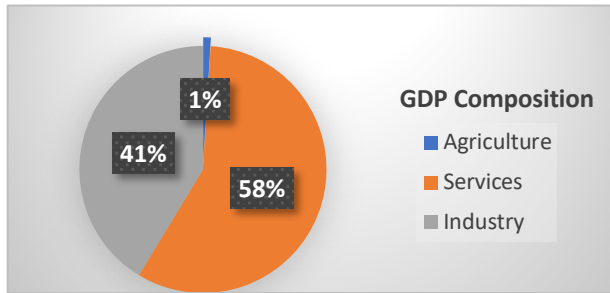
Unemployment Rate: 8%

Life Expectancy: 80.8 years

Literacy Rate: 99%

Infant Mortality Rate: 3.7 deaths

Time Zone: UTC 0



Major Trading Partners



United Kingdom



United States



United States



United Kingdom



France



Belgium

Doing Business

Strengths

- Access to the EU
- Lowest nominal corporate tax rate

Weaknesses

- Weaker property laws
- Research and Development taxes

SWOT Analysis

Opportunities

- Irish government wants innovative partnerships between American and Irish companies

Threats

- IRA and terrorism

Consumer Preferences

- Consumers are most concerned with quality
 - Then price and service
- Youth is more concerned about brand and materialistic
- Brand loyalty is important
- New desires to buy products that benefit the environment and other social issues
- 68% of consumers prefer domestic products
- Choosing experiences over products is an increasing trend

Market Development

- One of the fastest growing markets in Europe
- Committed open markets
- Sound and stable economy
- Highly industrialized
- Dependent on trade
- Widening income gaps between Dublin and the rest of the country is causing political debate
- Regulations are conducive to foreign investment
- Economy focuses on technology intensive industries and services

Ease of Doing Business

Ease of doing Business: 7
Starting a business: 16
Dealing with construction permits: 17
Paying taxes: 10
Enforcing contracts: 31



Russia

Российская
Федерация

Geography

Location: North Asia

Area: 17,098,242

Climate: Steppes, humid continental,
subarctic, tundra

Common Phrases

Здравствуйте/ Hello

Прощай/ Goodbye

Я не понимаю/ I don't understand
Ты говоришь по-английски?/ Do you
speak English?

Пожалуйста/ Please



Culture

Official Language: Russian

Other Languages:

- Tartar
- Ukrainian
- Chechen

High Context
Collectivist

Government

Head of State: President Vladimir Putin

Head of Government: Premier Dmitriy
Medvedev

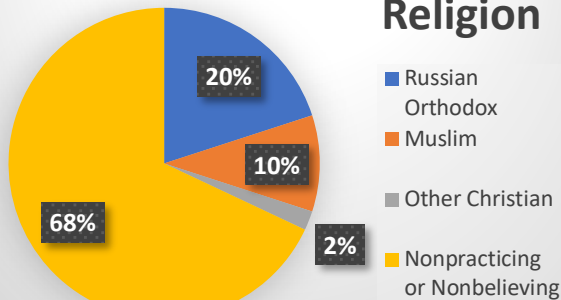
Type of Government: Semi-presidential
federation

Major Political Parties:

- A Just Russia
- Civic Platform
- Communist Party of Russia
- Liberal Democratic Party of Russia
- Rodina
- United Russia

Capital: Moscow

Religion



Business Etiquette

- Personal relations and trust are the center of business partnerships
- Direct contact
- Meetings cancelled often
- Russians prefer if an introduction is made by a 3rd party
- Giving gifts is standard
 - These should be personalized to the recipient
- Negotiations are long and often fail when rushed
- Compromise is seen to be a sign of weakness
- Contract are only binding when signed
- Most discussions are informal but the final meeting will take place in an office
- Conservative and formal dress
 - A lot of money is spent on nicer clothing items/ name brands
- Business cards are essential and should be printed in English and Russian

Economic Profile

Currency: Russian rubles

Exchange Rate: 68.06 per US dollar

GDP: \$3.745 trillion

GDP Real Growth Rate: -0.8%

GDP Per Capita: \$26,100

Principal Industries: Coal, oil, gas, chemicals, metals, machine building, defense industries

Exports: \$259.3 billion

Imports: \$165.1 billion

Population: 142,355,415

Population Growth Rate: -.06%

Unemployment Rate: 8.2%

Life Expectancy: 70.8 years

Literacy Rate: 99.7%

Infant Mortality Rate: 6.9 deaths

Time Zone: UTC +3 (in Moscow, Russia spans 11 time zones)

Major Trading Partners



China



Netherlands



Germany



China

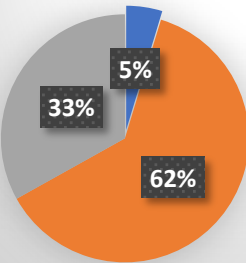


United States



Germany

GDP Composition



■ Agriculture
■ Services
■ Industry

Doing Business

Strengths

- Oil and Gas

Weaknesses

- Corruption
- Bureaucracy

SWOT Analysis

Opportunities

- Large workforce to utilize

Threats

- Political instability
- Western economic sanctions

Consumer Preferences

- Often make impulse purchases
- Brand, quality and the life span of products are important factors
- Price is less important but Russians like bargains
- Banking system uncertainty causes low savings
- Family affects shopping decisions and habits
- Middle class creates 80% of the demand
- Value western products and lifestyles

Ease of Doing Business

Ease of doing Business: 40

Starting a business: 26

Dealing with construction permits: 115

Paying taxes: 45

Enforcing contracts: 12

Market Development

- Transition to a market economy caused many problems in post-soviet Russia
- Relies heavily on energy exports
- Inflation has been falling
- Economic growth is still happening
- Private sector remains harmed by political constraints and a repressive government
- State enterprises are increasing dominance in the financial sector
- Recession since 2015
- Weak property rights

Iran

Jomhuri-ye Eslami-ye Iran



Geography

Location: Middle East

Area: 1,648,195 sq. km

Climate: Arid or semiarid

Common Phrases

Haletun chetore/ Hello

Khuda hafiz/ Goodbye

Mersi/ Thank you

Bebakshid/ Sorry

Nemifahmam/ I don't understand

Culture

Official Language: Persian

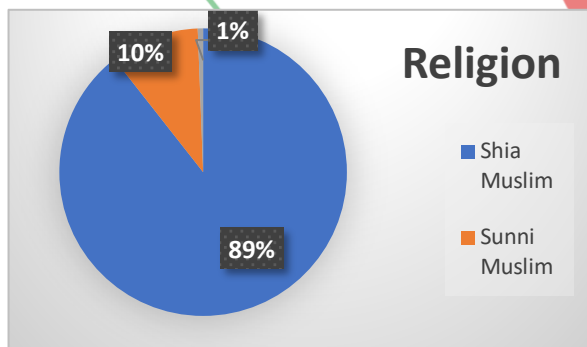
Other Languages

- Azeri Turkic
- Kurdish
- Gilaki
- Arabic

High Context

Collectivist

Religion



Government

Head of State: Supreme Leader Ali Hoseini-Khamenei

Head of Government: President Hasan Fereidun Ruhani

Type of Government: Theocratic Republic

Major Political Parties:

- Followers of Walayat
- Pervasive Coalition of Reformists
- Principalists Grand Coalition
- Progress and Justice Population of Islamic Iran

Capital: Tehran

Business Etiquette

- Conversations start with family and health
- Do not discuss politics or religion
- When meeting someone for the first time, give them space
- Men dress formally with no tie and a full beard
- Women must fully cover most of their bodies, including their hair
- Meetings often take longer than the scheduled time
- Hierarchy is important and should be respected
- Personal relationships that build trust are essential for business relationships to form
- Hard work ethic
- Separation between work and family lives
- Money, status and personal recognition motivate most business decisions

Economic Profile

Currency: Iranian rials

Exchange Rate: 30,462.1 per US dollar

GDP: \$1.459 trillion

GDP Real Growth Rate: 4.5%

GDP Per Capita: \$18,100

Principal Industries: Petroleum, petrochemicals, gas, fertilizers, textiles, cement

Exports: \$87.52 billion

Imports: \$62.12 billion

Population: 82,801,633

Population Growth Rate: 1.18%

Unemployment Rate: 10.7%

Life Expectancy: 71.4 years

Literacy Rate: 86.8%

Infant Mortality Rate: 37.1 deaths

Time Zone: UTC +3.5

Major Trading Partners



United Arab Emirates



China



China



India

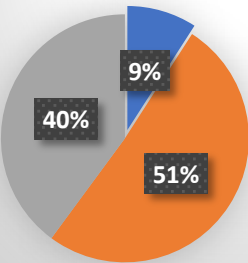


South Korea



Turkey

GDP Composition



■ Agriculture
■ Services
■ Industry

Doing Business

Strengths

- Second largest economy in Middle East
- High purchasing power

Weaknesses

- Heavy reliance on oil exports
- High inflation levels

SWOT analysis

Opportunities

- Demand for Western products

Threats

- US sanctions restrict investors
- Corruption

Consumer Preferences

- Materialistic - goods dictate status
- Highly brand loyal
- Growing desire for foreign goods
- Young population

Ease of Doing Business

Ease of doing Business: 120
Starting a business: 102
Dealing with construction permits: 27
Paying taxes: 100
Enforcing contracts: 70

Market Development

- Member of OPEC
- Corruption
- Male dominated workforce
- Investment is increasing
- State owned monopolies in automobile, gas, oil and agriculture industries
- Privatization is beginning
- Mostly a centrally planned economy
- Considered an "energy superpower"
- Mixed and transition economy



Saudi Arabia

المملكة العربية السعودية



Geography

Location: Middle East

Area: 2,149,690

Climate: harsh, dry desert

Common Phrases

مرحبا / Hello

وداعا / Goodbye

تشرفت بمقابلتك / Nice to Meet you

أنا لا أفهم / I don't understand

هل تتحدث الانجليزية / Do you speak

English?

Culture

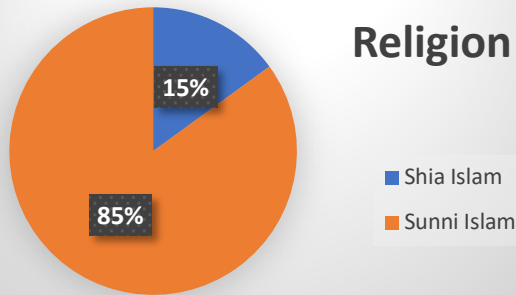
Official Language: Arabic

Other Languages: English is widely spoken

High Context

Collectivist

Religion



Most forms of religious expression that are not Sunni interpretations are restricted.

Non-Muslims cannot have citizenship.

Government

Head of State and Government: King and Prime Minister Salman bin Abd al-Aziz Al Saud

Type of Government: Absolute monarchy

Capital: Riyadh

Business Etiquette

- Family is the basis of all society
- Nepotism is considered positive
- Men and women outside of the family cannot greet each other in public
- Entertainment is normally same sex only
 - If both sexes are present entertainment will happen in separate rooms
- Dress is very conservative
- Punctuality is not crucial but it is appreciated
- A sponsor is needed to enter the country
- Saudis often stand close to you while speaking
- Trust is essential
 - Business negotiations begin with developing a relationship
- Saudis judge appearance so dress well
- Decisions are made very slowly
- Hierarchy is important

Economic Profile

Currency: Saudi riyals

Exchange Rate: 3.75 per US dollar

GDP: \$1.731 trillion

GDP Real Growth Rate: 1.2%

GDP Per Capita: \$54,100

Principal Industries: Crude oil, petroleum, petrochemicals, ammonia, industrial gases, fertilizer

Exports: \$205.3 billion

Imports: \$157.7 billion

Population: 28,160,273

Population Growth Rate: 1.46%

Unemployment Rate: 11.2%

Life Expectancy: 75.3 years

Literacy Rate: 94.7%

Infant Mortality Rate: 13.6 deaths

Time Zone: UTC +3

Major Trading Partners



China



China



United States



Japan

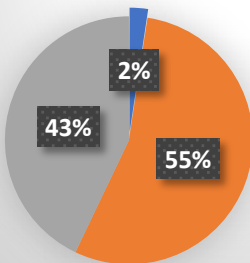


Germany



United States

GDP Composition



- Agriculture
- Services
- Industry

Doing Business

Strengths

- Security
- No sales or VAT tax

Weaknesses

- Gender inequality
- Religious conflict

SWOT analysis

Opportunities

- Stable market for investors

Threats

- Terrorism
- Inter-regional conflict

Consumer Preferences

- Price is an important consideration
- Customer service after purchase is important in creating brand loyalty
- Consumers are usually young and high spending
- Increasingly using credit
- Buy products that are accepted in the Koran and that align with Islam

Ease of Doing Business

Ease of doing Business: 94
Starting a business: 147
Dealing with construction permits: 15
Paying taxes: 69
Enforcing contracts: 105

Market Development

- Oil based economy
- Largest Arab economy
- High income and market oriented economy
- Foreign trade accounts for about 70% of total GDP
- Trade balances change depending on the current price of oil
- Leader in OPEC
- Most workers are foreigners

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