**globalEDGE™ Exercise Questions**

Use the globalEDGE™ site to complete the following exercises:

[**http://globalEDGE.msu.edu/**](http://globalEDGE.msu.edu/)

**Exercise A**

You are working for a company that is considering investing in a foreign country. Management has requested a report regarding the attractiveness of alternative countries based on the potential return of FDI. Accordingly, the ranking of the top 25 countries in terms of FDI attractiveness is a crucial ingredient for your report. A colleague mentioned a potentially useful tool called the “FDI Confidence Index” which is updated periodically. Find this index, and provide additional information regarding how the index is constructed. In addition, discuss the changes that have taken place over the years in the countries ranked in the top 25 countries.

**Exercise B**

The definition of words and political ideas can have different meanings in different contexts worldwide. In fact, the *Freedom in the World* survey evaluates the state of political rights and civil liberties around the world. Provide a description of this survey and a ranking (in terms of “freedom”) of the leaders and laggards of the world. What factors are taken into consideration in this survey?

**Exercise C**

Typically, cultural factors drive the differences in business etiquette encountered during international business travel. In fact, Asian cultures exhibit significant differences in business etiquette when compared to Western cultures. For example, in Thailand it is considered offensive to show the sole of the shoe or foot to another. Prior to leaving for your first business trip to Asia, a colleague informed you that a guide called “Business Etiquette Around the World” may help you during your trip. Using the globalEDGE™ website, find five tips regarding business etiquette of the Asian country of your choice

**Exercise D**

The level of perceived corruption varies from culture to culture. The *Corruption Perceptions Index (CPI)* is a comparative assessment of a country's integrity performance based on research done in Germany. Provide a description of this index and its ranking. Identify the five countries with the lowest as well as the highest CPI scores. Do you notice any similarities or differences in each group of five countries?

**Exercise E**

Promoting respect for universal human rights is a central dimension of many countries’ foreign policy. As history has shown, human rights abuses are an important concern worldwide. Some countries are more ready to work with other governments and civil society organizations to prevent abuses of power. Begun in 1977, the annual Country Reports on Human Rights Practices are designed to assess the state of democracy and human rights around the world, call attention to violations, and – where needed – prompt needed changes in U.S. policies toward particular countries. Find the annual Country Reports on Human Right Practices and provide information on how the reports are prepared*.*

**Exercise F**

Food is an integral part of understanding different countries, cultures, and lifestyles. In fact, your company is interested in importing Australian seafood to the United States. As part of the initial analysis, you want to identify the strengths of the Australian seafood industry. One resource you might find useful is the Australian Trade Commission website. Provide a short description of the current status of Australian seafood exports by variety, and also a list of the top countries importing Australian seafood**.**

**Exercise G**

Your company is considering exporting its products to Egypt. Yet, management’s current knowledge of this country’s trade policies and barriers is limited. However, before your company’s management decides to export, a more detailed analysis of the political and economic conditions in Egypt is required. In fact, you have heard that the *National Trade Estimate Report on Foreign Trade Barriers* may be a good place to start. Begin your search and identify Egypt’s current import policies with respect to fundamental issues such as tariffs and restrictions. Prepare an executive summary of your findings.

**Exercise H**

Differences in political, economic, and legal systems have considerable impact on the benefits, costs, and risks of doing business in countries around the world (see chpt 2). It also has a considerable impact on how easy it is to do business in these countries. The *World Bank Doing Business Indicators* measures the extent of business regulations in countries around the world. Compare the United States, France, Japan, Brazil, and Nigeria in terms of how easily contracts are enforced, how property can be registered, and how investors can be protected. Identify in which area you see the greatest variation from one country to the next.

**Exercise I**

Your company is considering opening a new factory in Latin America, and management is in the process of evaluating the specific country locations for this direct investment. The pool of candidate countries has been narrowed to Argentina, Mexico, and Brazil. Prepare a short report from a well-known organization’s publication of *Country Fact Sheets* to compare the foreign direct investment environment and regulations of these three countries.

**Exercise L**

The *World Investment Report* published annually by UNCTAD provides a summary of recent trends in FDI as well as quick access to comprehensive investment statistics. Identify the table of *largest transnational corporations* from developing and transition countries. The ranking is based on the foreign assets each corporation owns. Based only on the top 20 companies, provide a summary of the countries and industries represented. Do you notice any common traits from your analysis? Did any industries or countries in the top 20 surprise you? Why?

**Exercise M**

The number of member nations of the WorldTrade Organization (WTO) has increased considerably in recent years. In addition, some non-member countries have observer status in the WTO. Such status requires accession negotiations to begin within five years of attaining this preliminary position. Visit WTO’s website to identify a list of current members and observers. Identify the last five countries that joined the WTO as members. Also, examine the list of current observer countries. Do you notice anything in particular about the countries that have recently joined or have observer status?

**Exercise N**

An integral part of successful foreign direct investment (FDI) is to understand the target market opportunities as well as the nature of the risk inherent in possible investment projects, particularly in developing countries. You work for a company that builds wastewater and sanitation infrastructure in such countries. *The Multilateral Investment Guarantee Agency* (MIGA) provides insurance for risky projects in these markets. Identify the sector brief for the water and wastewater sector, and prepare a report identifying the major risks projects in this sector tend to face and how MIGA can assist in such projects.

**Exercise O**

Your company has assigned you with the task of investigating the various trade blocs in Africa to see if your company can benefit from these trade agreements while expanding into African markets. The first trade bloc you come across is *COMESA.* Prepare a short executive summary for your company, explaining the level of integration the bloc has currently achieved, the level it aspires to accomplish, and the relationships it has with other African trade blocs.

**Exercise P**

One way that exporters analyze conditions in emerging markets is through the use of macroeconomic indicators. The *Market Potential Index* (MPI) is a yearly study conducted by the Michigan State University Center for International Business Education and Research (MSU-CIBER) to compare the market potential of emerging markets for U.S. exporters. Provide a description of the dimensions used in the index. Which of the dimensions would have greater importance for a company that markets wireless devices? What about a company that sells clothing?