

Objectives:

- Describe the benefits and risks of international trade
- Explain how to find the best international markets
- Compare and contrast importing and exporting

Definitions of key terms:

Interpreter – translates the other person's language into English

Standard Industrial Trade Classification (SITC) codes – a categorization method which allows you to make apples-to-apples comparisons of products and industries

International Business Exchange (IBEX) – electronic commerce system of the U.S. Chamber of Commerce

Trade missions – meetings between small business owners and foreign agents, distributors or potential business partners

“Best prospect” list – a product that other countries are looking to purchase

Disposable income – money left over to spend after paying necessary expenses

Trade intermediary – agency that serves as a distributor in a foreign country

Foreign joint venture – alliance between an American small business and a company in another nation

Export management company – handles all tasks related to exporting for a manufacturer, receiving a commission for their efforts.

Freight forwarder – business that handles overseas shipments

Short Answer:

1. Why should you have your own interpreter with you when doing business in another country?

To assure the translation is correct and give you the ability to ask further questions to clarify what is being transacted.

2. What are the best products for exporting?

Paper products, electronic equipment, chemical products, apparel, industrial machinery, computers and agricultural products

3. What 5 questions do you need to consider before going global?

1. Do you have solutions?
2. Do you have a new idea?
3. Is there a market for the product or service?
4. How good are you at handling risk and frustration?
5. Do you have any good contacts in other countries?

