

INTL Business & Latin America - INTB 481 – 001

Instructor – Prof. María Pía Olivero

Office: Matheson Hall 503-A
Phone: (215) 895-4908
Email: mpo25@drexel.edu
Office hours: By appointment

Course Requirements

The course will be structured as an independent study course, with no lectures. There are three main course requirements. 1) Students will participate in an international trip to Chile to take place during spring break week from March 22nd to March 29th. 2) A term paper is due on Friday April 18th. 3) A presentation of the term paper in Prof. Bang Jeon's INTB 440 class during the spring term.

IMPORTANT!! You will also need to attend **three evening information sessions** on various aspects of the trip. One of these sessions will be a visit with the Port Authority in early March. We will also be having a dinner or luncheon with the Chilean Ambassador. You should stay in email contact for information and more details on these three sessions.

Each student's final course grade will be based on:

- Active participation and engagement during trip visits and presentations – 30%
- Term paper - 70%

Structure of the Term Paper – Chile Country Report

Executive Summary: 1 page long.

Part 1: 4 pages long

Section A – Introduction: Why Chile?

Based on your trip experience, conversations with local business people, and presentations attended at the Central Bank and Universidad de Chile, discuss why you think that Chile is an interesting and important case study for international business. Present the structure of the paper and contents that follow the introduction.

Section B – Discussion of the main sociological, cultural, political and demographic characteristics of the country.

Examples of key topics that you may include in this section are: territory, population, political environment, cultural environment, and type of government.

Section C – Economic Situation with a Special Focus on the Global Aspects of the Chilean Economy.

This section should include:

- a) Evolution since 2000 of the main macroeconomic aggregates – GDP and GDP growth, inflation, unemployment, exchange rate and exchange rate regime. Use data tables and charts.
- b) Recent trends in fiscal, monetary and exchange rate policies.
- c) Present the main sectors of economic activity.
- d) *Some* international trade issues such as:
 - a. Which free trade agreements is Chile part of? When were they signed and implemented? Be sure to mention what are the countries participating in each agreement.
 - b. Recent evolution of imports, exports and the trade balance.
 - c. What are the country's main imports and exports?
 - d. What are the country's main trading partners?
- e) *Some* international finance issues such as:
 - a. Has the country recently (in the last decade or so) gone through a financial, currency and/or banking crisis? Has it been affected by a crisis in a neighbor country / trading partner?
 - b. A description of the financial sector. Is there a well developed capital market? Description of the commercial banking sector, number and types of banks (domestic private, state-owned, foreign banks).
 - c. Recent evolution of foreign direct investment in Chile.

Note – Sections B and C should be based on bibliographic and internet references, as well as on the material and information collected during the trip. The presentations attended at the Central Bank of Chile and Universidad de Chile should be very relevant for these two sections, be sure to take careful notes during these presentations.

Part 2: 4 pages long

Section A – This section should cover a topic of your own choice on the Chilean economy. There are three potential approaches.

1) You can take a general approach and discuss in detail some international trade or international finance issue of the Chilean economy. You can for example focus on the free trade agreements of which Chile is a member, or on recent developments in the financial sector in Chile. This topic should be chosen based on the presentations attended at the Central Bank and Universidad de Chile.

2) You can take an industry approach, choose one of the industries that we visit during the trip and discuss in detail the characteristics of the industry, recent developments, regulatory changes affecting the industry (if any), challenges facing the industry, etc.

3) You can take a firm-level approach, choose one of the firms that we visit during the trip and discuss in detail what you learned about that firm.

Section B – As a way of concluding the report and based on your discussion in Section A of Part 2:

- 1) If you took approach 1 in Section A, derive some policy implications of your analysis. Issue necessary recommendations related to the chosen topic in international trade or finance.
- 2) If you took approaches 2 or 3 in Section A, discuss recommendations and advice for US corporations that are currently trading or investing in Chile, and for those that intend to do so in the future.

References

Format - The paper should be 9 double-spaced pages long. Font size 12-pt, Times New Roman. This does not include references and data tables and charts to be placed separately in an appendix.