

Global Industry

Global Business

business which operates internationally

Specialization

when a business creates the efficient production of a specific product or service

Comparative Advantage

when a company sells goods and services at a lower price than its competitors and still gains larger profits

Portfolio Investment

investor purchases part of a company through stocks; no real control of company

Direct Investment

investor purchases large part of a company; has direct control of company

Foreign Exchange

exchange of one currency for another; conversion of one currency into another

Inflation

rate at which the level of prices for goods and services are rising and purchasing is falling

Interest Rate

amount charged by a lender to a borrower for the use of their money

Deficit

when a country is spending more on foreign trade than it is earning

Public Debt

debt owed by a government

Terms of Trade

export prices versus import prices

Political Stability

investors look to support stable countries with strong economic performance

Economic Integration

different countries or regions agree to reduce or eliminate trade barriers and coordinate monetary and fiscal policies

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Free Trade

tariffs between member countries are eliminated or reduced

Custom Union

tariffs between member countries are predetermined and applied to other countries

Common Market

member countries are free to move factors of production within other member countries

Economic Union

monetary and fiscal policies between member countries are coordinated by political integration

Political Union

authority of one or more member countries is significantly reduced and a common, united government is put in place

Imports

goods or services brought into one country from another

Indirect Importing

foreign goods and services are shipped into another country and received by a distributor, then sold to the consumer

Direct Imports

foreign goods and services are shipped into another country and received by the consumer without going through a middle man

Exports

goods or services which are produced in one country and are shipped to another country for sale or trade

Indirect Exporting

goods are exported from a company through a third party company

Direct Exporting

company or manufacturer is more involved with the exporting process

Balance of Trade

difference between a country's imports and exports

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Foreign Trade

economic transactions between countries or other foreign entities

Foreign Investment

flow of capital from one nation to another in exchange for significant ownership stakes in domestic companies or other domestic assets

Fair Trade

type of trade movement which focuses on the improvement of trading circumstances

Free Trade

unconstrained purchase and sale of goods and services between countries without tariffs, duties or quotas

Employability

set of achievements which make a person more appealing to a potential employer

Studying Abroad

act of a student pursuing educational opportunities abroad

Global Linkage

ability to compete and participate on the global market

Licensing

agreement where one company, the licensor, makes an asset available to another company, the licensee, in exchange for some form of compensation

Export Management Companies

independent firms which act as export sales departments for non-competing manufacturers

Intellectual Property Rights

rights given to persons over the creations of their minds

Global Copyright

type of international law which protects the rights of creators or copyrighted works around the world

Moral Rights

ideas that a copyrighted work is the expression of the personality of its author or creator

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Economic Rights

rights of the creator to authorize use of, or to prohibit the use of a work and to set the conditions for its use

Trademark

brand name used to identify and distinguish the goods or services of one seller from those of others and to indicate the source of the goods/services

Global Logistics

transport, handling and storage of funds, goods and information outside and inside the production process

Global Job Market

global market in which employers across the world may search for potential employees in foreign countries and vice versa

Multinational Company

company which has its facilities and other assets in at least one country other than its home country

Employability

achievements which make a person more appealing to a potential employer

Bilingualism

ability to speak two or more languages