

External trade

Guidelines

a) Group essay

(Group size: 3 persons)

The group essay has to address the following points:

1. Select a firm/product that is **exported** from Spain to be analyzed as a case study.
2. Describe the principal characteristics of the selected product and critically discuss the potential features of the products that could make of it a valuable asset to be traded in foreign markets in the near future.
3. Identify the TARIC code of the product (as we did in the computer lab). Collect the most relevant data about the value of import/export for this product (still identified with the TARIC code). Focus on the most relevant destinations markets in the most recent years: determine the importance of the selected product in the Spanish import/export trade flows (according to the TARIC code) by taking its own NACE category as a reference (if necessary). Exploit the available custom union data to produce statistics, tables, and graphs. Discuss your results.
4. Once you have established the import/export distinguishing features of this category of product, think of further markets this product could be traded (namely exported) in the future. In order to tackle this question, analyze the macroeconomic statistics of the potential host markets (PIB, Consumption, Savings etc..).
5. Provide some ideas and insights about the type of internationalization strategies that could be feasible and successful for the selected firm/product to enter new markets.
6. **Important remark: each group is also required to fill up a document in which all members of the group declare their own participation (in %) to the realization of the essay. This document must be signed by all the members and, then, put in a sealed envelope. This envelope has to be turned in jointly with the paper copy of the essay.**

b) Individual report

The individual essay has to address the following points:

1. Select a product **imported** in Spain on the base of the TARIC code.
2. Check the import regime of the product by looking at the TARIC tables and evaluate the different import options, if any.
3. Collect the most relevant data about the value of import/export for this product (still identified with the TARIC code). By exploiting the available custom data, determine the importance of the selected product in the import/export trade flows for **3 selected Spanish provinces** (i.e. *provincias*). Discuss your results.
4. Select **the three principal countries from which one of the previous provinces is importing that product**. Calculate a couple of indicators to assess the degree your selected province is export- or import -dependent for this specific product. Furthermore, add some critical comments about the exporting capacity of this province for the selected good. Finally, put

forward some consistent and reasonable arguments about the degree of competitiveness of this province in the trade exchanges of this product.

5. **Finally, you need to compute with real data** (as precise as possible) three different INCOTERMS to simulate the cost of an import purchase.

Suggestions:

- Define a relatively “small” quantity of your selected product
- Define a (abroad) sending location and a Spanish receiver location (by zip code) that is convenient to be located in your selected province.
- Browse the web and find the website of one the worldwide delivery companies (UPS, DHL; etc..) that could take care of the delivery of the selected quantity of your product between the two selected destinations. Compute the transport and insurance transport costs, accordingly.