

INTERNATIONAL BUSINESS NEWS –MAY 2007
U.S. Department of Commerce
International Trade Administration - U.S. Export Assistance Center
950 22nd Street North, Suite 707, Birmingham, AL 35203-5309
Phone: 205-731-1331 Fax: 205-731-0076
Office.Birmingham@mail.doc.gov <http://www.buyusa.gov/alabama>
George Norton, USEAC Director
Nelda Segars, International Trade Specialist
Michael Higgins (Tallahassee Office)



UPCOMING EVENTS



**THE AMERICAS
COMPETITIVENESS FORUM**
June 11-12, 2007 - Atlanta, GA

Hosted by United States Secretary of Commerce Carlos Gutierrez, the forum is a venue for Western Hemisphere economic and education ministers, business executives, academics and non-profit leaders to meet, be heard and network. To learn more [click here](#)

MARK YOUR CALENDAR!

OCT 16, 2007
OCT 17, 2007
OCT 18, 2007

The Alabama District Export council plans a series of seminar on Intellectual Property Rights (IPR) in Huntsville (Oct. 16, 2007), Birmingham (Oct. 17, 2007) and Mobile (Oct. 18, 2007.) Experts team with a local attorney. For further information, call George Norton at 205-731-3131.

BRAZIL LOOKS TO JOIN INTERNATIONAL TRADEMARK APPLICATION SYSTEM

According to the April 5th, 2007 edition of the Brazilian daily newspaper *Gazeta Mercantil* and our contacts at the Brazilian Institute of Industrial Property (“INPI”), Brazil has decided that next January it will adhere to the Madrid system for the international registration of marks, which is administered by the World Intellectual Property Organization (“WIPO”), currently includes 80 member nations. Under the Madrid system (“Madrid”), a company applying for a trademark registration in Brazil will be able to designate to have its mark recognized by any of the signatory countries.

The new agreement should reduce trademarks registration costs for those seeking to have their trademark registered in any of the member countries. Another advantage is that under Madrid the wait time for receiving the registration cannot exceed 18 months. Currently, registering a trademark in Brazil takes an estimated three years. INPI says that the wait times will be reduced. “We conducted examinations, we improved the infrastructure and salaries of the examiners to make the registration of trademarks and patents more agile,” INPI’s President Jorge Avila told *Gazeta Mercantil*.

The major advantage of Madrid is that it will simplify the registration process. When Brazil is a signatory of the treaty, an applicant would only need to file one international trademark application with INPI, and can designate any of the member countries where it would also like registration. If the trademark office of a designated country does not refuse protection within a specified period, the protection of the mark is the same as if it had been registered directly with that foreign office. There will be an important reduction in cost and procedures, since companies may not need to contract lawyers in each country where they plan to register their trademarks. For more information about Intellectual Property-related subjects please contact:

- Dorian Mazurkevich, Consul for Intellectual Property
U.S. Consulate General São Paulo
Tel: 011 55 11 5186-7300 Fax: 011 55 11 5186-7399
E-mail: dorian.mazurkevich@mail.doc.gov
- Patrick Levy, U.S. Commercial Service Brazil
U.S. Consulate General Rio de Janeiro
Tel: 011 55 21 3823-2413 Fax: 011 55 21 3823-2424
E-mail: patrick.levy@mail.doc.gov

AIR EXPRESS SHIPMENT TO BRAZIL
By Marina Konno – Sao Paulo - April 2007

Air express shipments to Brazil can be divided into two categories:

- a) Goods valued up to US\$ 3,000 for documents, samples and business-to-consumer deliveries;
- b) Goods valued above US\$ 3,000, and business-to-business shipments for production or resale, regardless of their value.

For gifts, samples and business-to-consumer deliveries valued up to US\$3,000, the import duty (II) is always fixed at 60 percent. Added to this duty is the Merchandise Circulation Tax (ICMS), which varies from state to state. The ICMS for the State of Sao Paulo is 18 percent. Documents are exempt from such taxes, but samples, catalogs and gifts are subject to both II and ICMS.

Taxes in Brazil cascade, meaning that the ICMS will be based on the value of the good plus the import duty.

When a U.S.-based entity pays the freight, the taxes are calculated based on the value declared in the invoice. When the freight is paid in Brazil, however, taxes are calculated based on the invoiced value plus freight.

Customs clearance for this type of shipment is conducted at the air express company's warehouse.

Air express companies can also handle goods valued above US\$3,000 if their weight is less than 2,200 lbs. In this case, a customs broker needs to be hired, and the shipment is cleared at the Brazilian government's warehouse with payment of regular import-related taxes and fees. The air express company can deliver the package to its final destination only after the broker clears the shipment.

It is important that U.S. companies understand the advantages of using express delivery services and the requirements imposed by the Brazilian government for such deliveries in order to avoid delays and payment of unnecessary fees and duties. Major U.S. companies, FedEx and UPS, are active in Brazil.

Additionally, it is extremely important to ensure all paperwork is filled out correctly. U.S. companies should contact their local UPS or FedEx branches to ask any specific questions they may have, as many of the shipments held up at customs are done so because of paperwork errors.

IOMA'S "Managing Imports & Exports"
"Ask the Experts"® - May 2007

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IOMA's "Ask the Experts" team-Alan Gaudio, Robert Imbriani, and Joseph Zodi, consultants for Unz & Co.-answer readers' import- or export-related questions.

This month's column is by Robert Imbriani, Vice President International Operations for Associated Global Systems. Readers may submit questions to cdhorner@ioma.com.

George Barnes, Director, Global MBA Online Program, School of Management/UTD Asks:

"Can you summarize which payment methods are most often favored for different regions of the world?"

Mr. Imbriani Answers:

The answer depends on who is asking this very common question. All options should be considered, and decisions made are based on the details of the specific transaction as worked out during the earliest stages of negotiation between seller and buyer. From a seller's standpoint, cash in advance is the most secure method of payment but can drive potential buyers to other suppliers who offer some form of credit. When cash in advance is required, credit risk and cost of money shifts completely to the buyer. From a buyer's standpoint, the most attractive payment method is open-account, or net, terms. This allows the buyer to pay for goods some time after receipt-closer to the time of use or resale, thus reducing the buyer's cost of money. This keeps credit risk with the seller.

Payment terms in descending order, beginning with the most attractive to the seller and least attractive to the buyer in terms of risk, are as follows:

- Cash in advance
- Cash on delivery of the goods (COD)
- Documentary collection/drafts
- Formal letter of credit
- Standby letter of credit
- Open-account/Net terms

Each term has its advantages and disadvantages. Country considerations are also a factor. The term least attractive to both parties-and therefore rarely used-is COD, due to the difficulties of collecting payment upon the physical delivery of goods in an international transaction. The term often considered to most equitably balance advantages and disadvantages between seller and buyer is a formal letter of credit. Negotiating all the terms and conditions of the letter of credit at the time of sale helps ensure that it is acceptable to both parties. Currently letters of credit are governed by UCP500 (Uniform Customs and Practices for Documentary Credits)-to be replaced as of July 1, 2007 by UCP600.

COMMERCIAL NEWS USA

EU: ADDITIONAL CUSTOMS DUTIES ON CERTAIN U.S. GOODS – MAY 2007

As of May 1, 2005, the European Union has been applying a 15% ad valorem additional customs duty on certain American imports as a response to the US's Byrd Amendment legislation. Two years ago, the impact of the Byrd Amendment on the EU marketplace was estimated at \$28 million. The European Commission now estimates the impact has risen to more than \$81 million and is adding goods to the affected list as a means to compensate for the increased impact. In the 2005 legislation, 18 items incurred the additional duty. A year later, the Commission added eight more products to the affected list to pay costs for a \$37 million impact on the marketplace.

Now, as of May 1, 2007, 32 more products are being added to the list for a total of 58 products subject to the additional 15% duty. Items vary and include clothing and footwear, paper goods, corn, eyeglass frames, lorry truck-type vehicles, pneumatic hand tools, plastic furniture, pens/markers, printers and prefabricated buildings. For a link to the complete list of items and to read the 2-page report "European Union: Additional 15% Customs Duties on Certain US Goods," go to <http://www.buyusa.gov/arkansas/eu15.pdf>.

USEFUL WEBSITES

Shipping Logistics Exports for Costa Rica, Caribbean and Latin America

"Free Logistics Today" magazine. The articles are also available online. For more info: www.logisticstoday.com

Terrorism Hot Spots

Terrorism affects us all, and in today's world you have to be aware of where the terrorist hot spots are. You may be surprised at how many hot spots there are if you visit the Global Incident Map, <http://www.globalincidentmap.com>, which is a world map showing the location of the most recent terrorism and other suspicious events. This easy-to-use tool can show you a closer look of any area, along with informational links to news about terrorist activities. There are links to breaking news stories and alerts, as well as tools to help you search for events by country, type of incident, date, and city. Source: The Federation of International Trade Associations Newsletter

Industries Featured in the July-Aug. 2007 Edition

- Consumer Products
- Electronics
- Environmental

Registration Deadlines :

Space: May 11, 2007
Materials: May 18, 2007

Website <http://www.export.gov/cnusa>

U.S. exporters who advertise in the July-August issue can earn a 50% discount on an ad in the September-October issue **AND** qualify for a free ad in September's special Spanish language edition. Exporters who buy an ad at applicable one-time rates in the July-August issue of CNUSA get 50% off their ad in the September-October issue. In addition to the half-price discount, qualifying advertisers will have their ads translated into Spanish and included in the special Spanish language edition in September for free! Take advantage of this offer right away. Reserve space by calling 1-800-581-8533 or email info@thinkglobal.us

**We hope you've enjoyed this edition
of our newsletter.**

**Any mention of non-government sources
does not constitute endorsement.**

Contact us at:

**Office.Birmingham@mail.doc.gov
Phone: 205-731-1331, Fax: 205-731-0076
<http://www.buyusa.gov/alabama>**