Volume XXIV, Number 11 August 2007

## Exporting 101: Shipping and Documentation Workshop Oklahoma City, OK – August 29, 2007

The Oklahoma District Export Council, in conjunction with the Oklahoma U. S. Export Assistance Center and the Oklahoma Department of Commerce, will sponsor a full-day workshop in Oklahoma City, on August 29, 2007, on *Exporting 101 - Export Shipping and Documentation Workshop*.

Registration will begin at 8:30 a.m. The workshop will be held from 9:00 a.m. to 4:00 p.m. The workshop will be located in the Big Dipper Room at the Metro Technology Center, 1900 Springlake Drive, Oklahoma City.

For a fee of only \$35.00 you will receive nearly seven hours of expert advice from UPS and Commerce international trade specialists. The following subjects will be covered: export licensing; utilizing a freight for-

warder; export quotations; shipping methods; export packing; export documentation; and insurance. This will be an excellent opportunity to have your questions answered by the experts.

Your registration fee will also include a networking luncheon.

Checks should be made payable to the Oklahoma District Export Council and mailed to 301 N. W. 63rd Street, Suite 330, Oklahoma City, Oklahoma, 73116. For your convenience, a registration form is included on page 3 of this newsletter.

The cancellation policy for all workshops is a full refund up to 24 hours prior to the event. For a cancellation within 24 hours of the event, your registration fee will be applied to a future workshop of your choice or the

amount that you paid will be applied to the cost of the Oklahoma World Trade Conference.

For further information or registration, call 405/608-5302 in Oklahoma City or 918/581-7650 in Tulsa. E-mail:

oklahomacity.office.box@mail.doc.gov.

## Schedule B and HS Numbers

## Q. What is the Schedule B or Harmonized Tariff Number and why do I need it?

A. The Harmonized Tariff System (HTS) assigns a number to each product that is traded internationally to insure that customs officers and statisticians around the world are referring to the same thing when classifying a product. Almost all countries now use the harmonized tariff system.

Each country can assign on its own four additional numbers, making the entire number 10 digits. The United States does this with its Schedule B system, which is used to describe exports from the U.S. Many countries, though, do not use 10 digits; some use only six or eight. For more information about Schedule B and HS numbers, please go to http://www.export.gov/logistics/exp\_logistics\_schedule\_b.asp.

### Doing Business in Russia

#### **Market Overview:**

High world prices for oil and natural gas continue to be the engine behind much of Russia's growth. The Russian economy still remains very dependent on energy and other extractive sectors, such as timber, precious metals, non-ferrous metals and steel, despite the Russian government's renewed efforts to build more of a manufacturing base. Extractive industries taken together account for more than 80% of overall exports and provide a significant part of federal budget revenues.

### **Market Opportunities:**

There are strong growth possibilities in a range of consumer goods and services, which are being fueled by increases in disposable income in Moscow, St. Petersburg and the

growing regional centers. Leading export sectors include telecommunications equipment and services (especially wireless), autos and parts, computer hardware and software, cosmetics and toiletries, building products, and franchising. Strong growth in the energy, machinery and healthcare sectors include oil and gas equipment and services, medical equipment, pharmaceuticals, agricultural machinery, and construction equipment.

### **Market Entry Strategy:**

-Perform detailed market research to identify specific sector opportunities.

-Establish a local presence or select a local partner for effective marketing and sales distribution in Russia. Due diligence is a must.

-Maintain a long-term timeframe for plan implementation and achieving positive results.

-Use the experience of other, successful U.S. companies in the market. The local American Chamber of Commerce has over 800 members and is a great resource.

-Be prepared to offer financing to Russian buyers. Both EXIM and OPIC have programs to address these needs.

For further information about doing business in Russia, please go to http://www.buyusainfo.net/docs/x\_1414866.pdf or contact either one of our offices.

## ICC Incoterms 2000

Q. What are Incoterms

### and when are they used?

A. "Incoterms" is an abbreviation of International Commercial Terms, which were first published in 1936 by the International Chamber of Commerce (ICC). Since that time there have been six different revisions and updates to the Incoterms. The Incoterms provide a common set of rules for the most often used international terms of trade.

The goal of the Incoterms is to alleviate or reduce confusion over interpretations of shipping terms, by outlining exactly who is obligated to take control of and/ or insure goods at a particular point in the shipping process. Further, the terms will outline the obligations for the clearance of the goods for export or import, and requirements on the packing of items. The Incoterms are used quite frequently in international contracts, and a specific version of the Incoterms should be referenced in the text of the contract.

Although the Incoterms are widely used and exceedingly handy, they are not meant for every type of contract. Specifically, the terms used in a contract state exactly when the shipper unloads and relinquishes obligation, and when the buyer takes over for carriage and insurance. The Incoterms are not meant to replace statements in a contract of sale that outline transfers of ownership or title to goods.

For more information about Incoterms, please visit http://www.export.gov/logistics/exp\_finance\_incoterms.asp or contact either one of the Oklahoma offices.

## U.S.-Singapore Free Trade Agreement

In 2006, Singapore was the United States' ninth largest export market. Two-way U.S.-Singapore commodities trade now exceeds \$40 billion annually, with a \$6.9 billion U.S. surplus, and two-way services trade tops \$6 billion, with a \$2.1 billion U.S. surplus. With the implementation of the free trade agreement (FTA) on January 1, 2004, the important trade relationship continues to expand and deepen.

The U.S.-Singapore Free Trade Agreement was the first U.S. FTA with an Asian nation and the first FTA signed by President Bush. The U.S.-Singapore FTA has increased U.S. exports, improved U.S. competitiveness around the globe, secured a U.S. presence in Southeast Asia, and provided a standard of free trade that encourages a high level of liberalization. Doing business in Singapore is easier, faster, cheaper, and more transparent. It gives U.S. businesses and exporters even more access to one of the world's biggest markets, Southeast Asia,

where many opportunities are to be found

Besides binding all Singapore tariffs for U.S. goods at zero, the FTA has increased export opportunities for certain U.S. manufacturing sectors including those that produce satellite dishes and broadcasting equipment, medical instruments and equipment, microelectronics, paper, photo equipment, certain textiles, pharmaceuticals, and chemicals.

The FTA has accorded substantial access to Singapore's services and investment market, with few exceptions. It has also increased government procurement opportunities and protection of intellectual property. Furthermore, the FTA has provided for groundbreaking cooperation in promoting labor rights and the environment.

For more information, please go to http://www.export.gov/fta/Singapore/index.asp?dName=Singapore or contact either one of the Oklahoma offices.

# Overview of the Mexican Market for Pumps

Pumps are used in practically every type of industrial or commercial installation. The water and waste-water industries are probably the largest end users of pumps -a sector that continues to demonstrate healthy growth rates largely due to stringent environmental and other regulations governing most municipal and industrial water plants. Mounting concerns about safe drinking and industrial water as well as the need to control and prevent pollution ensure continued demand from the water industry for centrifugal and turbine pumps.

Increased attention being paid to better management of depleting water resources is resulting in a whole host of activities including water recycling, water harvesting and storage, and intra- and interbasin transfers. The municipal wastewater treatment sector is

### **Registration:**

Export Shipping and Documentation Workshop August 29, 2007

Metro Technology Center 1900 Springlake Drive Oklahoma City, Oklahoma Make Checks Payable to Oklahoma District Export Council

(918)581-6263 <b>E-mail to:</b> oklaho	macity.office.box@mail.doc.go	ov
Name:	Firm:	
Address:		
City:	State:	Zip:
Telephone:	Fax:	
E-Mail:	Website:	
Number of Attendees:	@ \$35.00 Amount End	closed: \$

Mail to: 301 N. W. 63rd St., Suite 330; Oklahoma City, OK; 73116 Fax to: (405)608-4211 or

seeing substantial growth as new plants are constructed and existing ones are upgraded. This growing trend toward water management expenditure in Mexico will translate into increased demand for centrifugal and turbine pumps, which is expected to drive the industry.

For further details, please go to http://www.buyusainfo.net/docs/x\_2794947.pdf.

### U.S. Pavilion at Envirotech -Istanbul, Turkey - November 23-24, 2007

Turkey will need to invest \$80 billion over the next twenty years in order to meet European Union environmental standards. The investments that must be made are in a broad array of sectors comprising all aspects of environmental protection.

Envirotech is the number one trade showcase for environmental technology services and equipment in Turkey and the region. Exhibitors include companies that are engaged in solid/hazardous/medical waste treatment and consultancy. The Commercial Service (CS) in Istanbul will have a booth at the exhibition, where it will present the catalogues of the U.S. companies looking for partners (agent, distributor, etc.) in Turkey.

For more details please go to http://www.export.gov/eac/show\_detail\_trade\_events.asp?
EventID=24186.

## Strategy Targeting Organized Piracy (STOP!)

The Strategy Targeting Organized Piracy (STOP!) is the most comprehensive initiative ever advanced to smash the criminal networks that traffic in fakes, stop trade in pirated and counterfeit goods at America's borders,

block bogus goods around the world, and help small businesses secure and enforce their rights in overseas markets. For more information about STOP!, please go to www.stopfakes.gov.

## Frequently Asked Questions (FAQs) about Exporting to China

### Q: How do I locate the import tariff applied to a particular product?

A. The U.S. government provides a database that U.S. exporters may use to identify import tariffs applied by nearly 50 countries. China's tariff rates may also be found on the Department of Commerce's Market Access and Compliance Tariff Schedule at http://www.mac.doc.gov/China/Docs/searchable othertariffs.pdf.

### Q: What method of payment is recommended for exports to China?

A. The most secure method of payment is letter of credit confirmed by a U.S. bank. Although the Bank of China dominates China's trade-finance business, most Chinese commercial banks have the authority to issue letters of credit for imports. These include China Construction Bank, Industrial and Commercial Bank of China, Agricultural Bank of China and

CITIC Industrial Bank. Foreign banks with branch or representative offices in China can also issue letters of credit. Other common forms of payment are less secure. Go to http://www.export.gov/finance.html to learn more about methods of payment used in international commercial transactions.

### Q: What are some of the "warning" signs of a Chinese scam?

**A.** Visit http://www.buyusa. gov/pittsburgh/chinascam.html for a list of seven warning signs of a Chinese scam. The existence of one or more of these items does not necessarily indicate that a scam in fact exists.

## Q: How do I protect my company's intellectual property rights in China?

**A.** In spite of progress towards improving its intellectual property legal and regulatory regime, China continues to be a challenging environment for IPR

protection and enforcement. To learn more about how your company can protect its intellectual property, view the Intellectual Property Toolkit at http://beijing. usembassy-china.org.cn/ipr.htmll. This toolkit is published by the

U.S. Embassy in Beijing to provide extensive practical guidance to U.S. exporters.

To read more FAQ's about exporting to China, please go to http://www.export.gov/china/exporting\_to\_chinafaq.asp#tariff.

size and growth, key segments and trends, distribution and channel economics (margin structure), major competitors and their product positioning, pricing and promotion, and any market access or regulatory issues.

While the U.S. and UK share many values and characteristics, U.S. exporters and investors must recognize that there can still be significant cultural differences. Market strategies that may have been very successful in the United States could require adaptation or localization for the UK market.

For further information about doing business in the UK, please go to http://www.buyusainfo.net/docs/x\_2806182.pdf or contact either one of our offices.

### **Doing Business in the UK**

#### **Market Overview:**

The trade component of the U.S. – UK commercial relationship continues to be robust for several reasons:

-The UK is our second largest European export market and the fifth largest worldwide

-Over 40,000 U.S. firms export to the UK

-Total bilateral trade in goods and services increased 10% to \$171 billion in 2005

-U.S. exports to the UK in 2005 were \$84 billion and consisted of \$39 billion in goods and \$45 billion in services.

-Exports of U.S. goods grew a healthy 8% in 2005.

Once there, American firms find it easy to use the United Kingdom as a gateway to the rest of the EU. The British Government supports the rights of any company registered in the United Kingdom, irrespective of the nationality of its ultimate parent. All of these factors combine to make the United Kingdom an excellent market for U.S. exporters and investors.

### **Market Opportunities:**

Major exports to the UK include aircraft and aircraft engines; pharmaceuticals; IT equipment and parts; electronic

components; automobiles and parts; and telecommunications equipment. For 2007, the UK's best prospect sectors include: Aerospace, Agricultural products, Apparel, Computers and peripherals, Drugs and pharmaceuticals, Medical equipment, Oilfield and drilling equipment, Renewable energy equipment, Telecommunications equipment, and Travel and tourism.

### **Market Challenges:**

The UK is the world's third largest importer of services and the fifth largest importer of merchandise. The size of this market, as well as its commitment to openness and fair trade, has created a robust yet intensely competitive business environment. The challenge comes from both UK and third country competitors. However, successful U.S. entrants can still find substantial sales and profits opportunities.

### Market Entry Strategy:

New entrants need a clear and sustainable competitive advantage, such as cost or product differentiation (quality, superior design, branding), to be successful.

Market research is essential and well worth the investment. It should seek to determine market

### Australia – Automotive Parts and Accessories

The automotive parts and accessories sector in Australia is currently booming. In April 2007, Australian parts and accessory imports from the U.S. were valued at \$657.27 Million, which is an increase of 4% from 2006.

Australians are purchasing new motor vehicles more than ever before, which illustrates the great value and choice which consumers now enjoy. This growing trend also identifies the need for increased automotive parts and accessories.

There are two distinct segments of the market for the motor vehicle wholesale parts industry: the manufacturing segment and the aftermarket segment. Demand in the manufacturing segment – original equipment manufacturers or OEMs — is determined by the production levels of

motor vehicles and can be described as cyclical, corresponding to design changes or new vehicle platforms. Demand in the aftermarket segment, the largest component of the auto parts sector, derives from existing

passenger motor vehicles, freight motor vehicles and Government motor vehicles.

For more details, please go to http://www.buyusainfo.net/docs/x\_2256935.pdf.

Aquilla Pugh

405/427-4444

### September 2007 Calendar of Events

Date Event Contact

September 4, 2007 Minority and Women's Breakfast

Metro Tech Conference and Banquet Center, Oklahoma City

Penalty for Private Use, \$300

OEEICIYF BUSINESS

District Office 301 N. W. 63<sup>rd</sup> Street, Suite 330 Oklahoma City, Oklahoma 73116

U. S. Department of Commerce International Trade Administration

FIRST-CLASS MAIL POSTAGE & FEES PAID ITA/DOC PERMIT No. G54