

# OKLAHOMA INTERNATIONAL TRADE BULLETIN

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**November 2011** 



Exporting 101: Shipping and Documentation Workshop - November 16, 2011 - Tulsa, OK

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 Tulsa, on November 16, 2011, on *Exporting 101 – Export Shipping and Documentation Workshop*. The workshop will be held from 9:00 a.m. to 4:00 p.m. The workshop will be located at OSU-Tulsa, B.S. Roberts Room, North Hall, First Floor, 700 North Greenwood Avenue, Tulsa. For a fee of only \$50.00 participants will receive nearly seven hours of expert advice from freight forwarders and Oklahoma U. S. Export Assistance Center International Trade Specialists. The following subjects will be covered: export licensing; utilizing a freight forwarder; Incoterms; 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. To pay by credit card, please contact Ashley Wilson at 800-TRYOKLA, extension 223 or 405-608-5302. **For your convenience, a registration form is included below**.

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 annual Oklahoma World Trade Conference. For further information or registration call 918-581-7650, 405-608-5302, or 800-TRYOKLA, extension 223 or e-mail ashley.wilson@trade.gov.

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### **Registration Form – Shipping and Documentation Workshop**

Please mail to: U.S. Department of Commerce, 301 N.W. 63rd Street, Suite 330, Oklahoma City, Oklahoma 73116

\*\*\*Make check payable to Oklahoma District Export Council\*\*\*

\*\*\*For credit card payment, please contact Ashley Wilson at 800-TRYOKLA, extension 223 or 405-608-5302\*\*

Name(s):	Title:			
Company:				
Address:	City:	State:	Zip:	
Геlephone:	Fax:			
E-mail:	Website:			
Number of Attendees:	Amount Enclosed: \$			

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### **Doing Business in Australia**

The United States is Australia's third-largest trading partner as well as its largest source of foreign investment and the primary destination for Australian investment.

Australia is a sophisticated and modern economy that is a major exporter of primary resources (such as mineral and agricultural commodities) and an importer of high-end technology. Asian demand for minerals, metals, and energy resources has been an engine for growth nationally and in specific regions of the country. With many mining sites in the state of Queensland (the country's largest coal exporting state) suffering temporary production delays due to the recent floods, liquefied natural gas (LNG) projects are moving forward, such as the contract signed between Australia and China to supply China with LNG for the next 20 years.

Although the economic crisis caused the Australian economy to contract slightly (for one quarter), the economy is strong, with massive levels of investment pouring into the resources sector and low unemployment (5%). However, there are some areas of concern. Retail sales remain sluggish. The Australian banking sector, which is highly dependent on offshore markets for funds, remains vulnerable to potential future turmoil in global financial markets. And the strong terms of trade resulting from soaring world prices for Australia's major export items have contributed to a historically high Australian dollar, which in turn has negatively affected sectors such as tourism, international education, and manufacturing. Australia's terms of trade have risen sharply, to be about 65 per cent above the 20th century average level due to rising world demand for commodities such as iron ore and coal.

We advise American firms examining the Australian market to pay attention to macro measures of opportunity, which give it more purchasing power relative to that in less- developed economies. Along with the Free Trade Agreement, the case for entering or expanding in the Australian market is stronger than the population of 22.6 million might suggest, particularly with the strong Australian dollar stimulating greater demand for U.S. products and services. Australia's relative market appeal remains convincing, with few barriers to entry, a familiar legal and corporate framework, sophisticated consumer and industrial sectors, and a straightforward, English-speaking business culture. The Australia-U.S. Free Trade Agreement enhanced the long and successful trading relationship by eliminating tariffs on almost all U.S. manufactured and agricultural goods

### **Use of Electronic Commerce for International Business and Trade**

Using the Internet to transact business in the global marketplace offers significant advantages to the small or medium-sized company seeking new outlets for its products and services. More than 1 billion people throughout the world have access to the Internet. This presence offers a tremendous potential customer base for the entrepreneur. At the same time, business-to-business (B2B) e-commerce has also surged. Corporations in Africa, Asia,

Europe, and Latin America are increasingly migrating many of their marketing programs online to seek new business in regions and countries that they had previously thought to be beyond their resources. They also seek new supply sources and services to meet their internal needs and partners to share manufacturing and marketing responsibilities. Some companies, such as GE, have migrated all their sourcing and bidding processes to the Internet.

For certain industries, products, and services, going online reduces variable costs associated with international marketing. Handling tasks such as order processing, payment, after-sales service, marketing (direct e-mail), and advertising online may lower the international market development costs that an enterprise would incur had it used conventional "brick-and-mortar" market penetration strategies. You should be aware of one important caveat: although English is spoken in many countries, it is still important to consider using the languages prevalent in the countries targeted in your company's e-business strategy. Your Web site should be designed to reach the widest audience in the languages of that audience. For further details, please click here.

#### **Doing Business in Germany**

The German economy is the world's fourth largest and, after the expansion of the EU, accounts for more than one-fifth of European Union GDP. Germany is the United States' largest European trading partner and is the sixth largest market for U.S. exports. Germany's "social market" economy largely follows free-market principles, but with a considerable degree of government regulation and generous social welfare programs. Germany is the largest consumer market in the European Union with a population of over 82 million. However, the significance of the German marketplace goes well beyond its borders. An enormous volume of worldwide trade is conducted in Germany at some of the world's largest trade events, such as MEDICA, Hannover Fair, Automechanika, and the ITB Tourism Show. The volume of trade, number of

consumers, and Germany's geographic location at the heart of a 27-member European Union make it a cornerstone around which many U.S. firms seek to build their European and worldwide expansion strategies. For more information about doing business in Germany, please click here.

## **U.S. Free Trade Agreements**

# Why should you care about free trade agreements (FTAs)?

If you are looking to export your product or service, the United States may have negotiated favorable treatment for your service or product through an FTA. This treatment should make it easier to export your product to or offer your service in the FTA country's market. It may also give your product or service a competitive advantage versus products from other countries.

# What is an FTA negotiated by the United States?

An FTA is an agreement between two or more countries where the countries agree on certain behaviors that affect trade in goods and services, and protections for investors and intellectual property rights, among other topics. For the United States, the main goal of trade agreements is to reduce barriers to U.S. exports, and protect U.S. interests and enhance the rule of law in the FTA partner country. The reduction of trade barriers and the creation of a more stable and transparent trading and investment environment make it easier and cheaper for U.S. companies to export their products and services to trading partner markets. Forty-one percent of U.S. goods exports went to FTA partner countries in 2010, with exports to those countries growing at a faster rate than exports to the rest of the world from 2009 to 2010, 23% vs. 20%.

FTAs usually build off of the agreements negotiated in the World Trade Organization (WTO). For example, in the WTO, each country

### 2012 Governor's Award for Excellence in Exporting

The Governor's Award for Excellence in Exporting recognizes one or more Oklahoma firms for successful and noteworthy efforts to increase export sales. Increasing exports means more jobs and enhanced economic development for Oklahoma. If you would like to nominate your company or another company for the 2012 Governor's Award for Excellence in Exporting, call either 405/608-5302 or 800/TRY-OKLA, extension 223, or e-mail ashley.wilson@trade.gov for an application. The application must be completed and returned by February 17, 2012.

## Recent Winners of the Governor's Award for Excellence in Exporting

2011	Mathey Dearman Inc.	Tulsa
	Round House Manufacturing	Shawnee
2010	Wilco Mach	
ne & Fa	ab Inc. Marlow	
2009	Joshi Technologies International	Tulsa
	Seaboard Foods, LLC	Shawnee Mission
2008	Star Building Systems	Oklahoma City
	T.D. Williamson, Inc.	Tulsa
2007	Callidus Technologies, LLC	Tulsa
	Melton Truck Lines	Tulsa
2006	IronWolf	Noble
2005	Advance Food Company	Enid
	C. H. Guernsey & Company	Oklahoma City
2004	SCIFIT Systems, Inc.	Tulsa
2003	The Charles Machine Works, Inc.	Perry
2002	T. D. Williamson, Inc.	Tulsa
2001	Texoma Peanut Company	Madill
2000	Stillwater Designs	Stillwater
1999	Midwestern Manufacturing Co.	Tulsa
1998	George E. Failing Company	
	(GEFCO)	Enid
1997	Doug Carson & Associates	
	(DCA), Inc.	Cushing
1996	Lowrance Electronics, Inc.	Tulsa
1995	Continental/SiLite International	Oklahoma City
1994	BSW International	Tulsa
1993	SSI Custom Data Cards	Edmond
1992	Unarco Commercial Products	Oklahoma City

agrees to issue, at the request of the importer or exporter, binding advance determinations on where a product will be viewed as coming from, since many products are made up of parts from

multiple countries. Under an FTA, importers and exporters can obtain determinations for a broader set of issues, including finding what tariff line the product will be classified under, and value that will use to calculate the tariff.

Other countries also negotiate FTAs and the behaviors covered may not be the same as those negotiated by the United States.

#### With which countries does the United States have an FTA?

The United States has 11 FTAs in force with 17 countries. In addition, the United States has negotiated FTAs with <u>Korea</u>, <u>Panama</u> and <u>Colombia</u>, but these agreements have not yet entered into force. The United States is also in the process of negotiating a regional FTA, the <u>Trans-Pacific Partnership</u>, with Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore and Vietnam.

#### U.S. FTA Partner Countries

<u>Australia</u>, <u>Bahrain</u>, <u>Chile</u>, <u>DR-CAFTA</u>: Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, & Nicaragua, <u>Israel</u>, <u>Jordan</u>, <u>Morocco</u>, <u>NAFTA</u>: Canada & Mexico, <u>Oman</u>, <u>Peru</u>, and <u>Singapore</u>

For further information about FTAs please click here or contact either one of the Oklahoma offices.

#### Free Trade Agreement (FTA) Tariff Tool

The International Trade Administration's <u>FTA Tariff Tool</u> combines tariff and trade data into a simple and easy-to-search public interface. Using the Tool, users can see how U.S. and FTA partner tariffs on individual products—searchable by keyword or tariff code—are treated under an agreement. Additionally, U.S. importers and exporters can see the current tariff and future tariffs applied to their products, as well as the date on which those products become duty-free. Finally, by combining sector and product groups, trade data, and the tariff elimination schedules, users can also analyze how various key sectors are treated under recently concluded FTAs. For more information, please click here.

#### **November 2011 Calendar of Events**

Date:	Event:	Contact:
Novemember 16, 2011	Basics of Exporting Workshop	(918)581-7650, (405)608-5302
	OSU-Tulsa, Tulsa	ashley.wilson@trade.gov



## WE HAVE ADDED A QR CODE!!!! So, what is a QR Code?

A **QR code** (abbreviated from **Quick Response code**) is a type of <u>matrix barcode</u> (or two-dimensional code) first designed for the automotive industry. More recently, the system has become popular outside of the industry due to its fast readability and comparatively large storage capacity. The code consists of black modules arranged in a square pattern on a white background.

Although initially used to track parts in vehicle manufacturing, QR codes are now (as of 2011) used over a much wider range of applications, including commercial tracking, entertainment and transport ticketing, product marketing and in-store product labeling. Many of these applications target <a href="mobile-phone">mobile-phone</a> users (via <a href="mobile tagging">mobile tagging</a>). Users may receive text, add a <a href="mobile vCard">vCard</a> contact to their device, open a <a href="Uniform">Uniform</a> Resource Identifier (URI), or compose an <a href="mobile-phone">e-mail</a> or text message after scanning QR codes. They can generate and print their own QR codes for others to scan and use by visiting one of several pay or free QR code-generating sites or apps. <a href="mobile-phone">Google</a> has a popular <a href="mobile-phone">API</a> to generate QR codes, and apps for scanning QR codes can be found on nearly all smartphone devices.

QR codes storing addresses and <u>Uniform Resource Locators</u> (URLs) may appear in magazines, on signs, on buses, on business cards, or on almost any object about which users might need information. Users with a <u>camera phone</u> equipped with the correct reader <u>application</u> can scan the image of the QR code to display text, contact information, connect to a <u>wireless network</u>, or open a web page in the telephone's browser. This act of linking from physical world objects is termed <u>hardlinking</u> or object <u>hyperlinking</u>.

QR codes can be used in Google's mobile <u>Android</u> operating system via both their own <u>Google Googles</u> application or 3rd party barcode scanners like <u>ZXing</u> or <u>Kaywa</u>. The browser supports URI redirection, which allows QR codes to send <u>metadata</u> to existing applications on the device. Nokia's <u>Symbian</u> operating system features a barcode scanner which can read QR codes, while mbarcode is a QR code reader for the <u>Maemo</u> operating system. In the Apple iOS, a QR code reader is not natively included, but more than fifty paid and free apps are available with both scanning capabilities and hard-linking to URI. With <u>BlackBerry</u> devices, the App World application can natively scan QR codes and load any recognized Web URLs on the device's Web browser. Following an upcoming update (as of 2011), <u>Windows Phone 7</u> will be able to scan QR codes through the <u>Bing</u> search app.

In the USA, QR code usage is expanding. During the month of June 2011, according to one study, 14 million mobile users scanned a QR code or a barcode. Some 58% of those users scanned a QR or bar code from their home, while 39% scanned from retail stores; 53% of the 14 million users were men between the ages of 18 and 34.

The use of QR codes is free of any license. The QR code is clearly defined and published as an ISO standard. Denso Wave owns the <u>patent</u> rights on QR codes, but has chosen not to exercise them. In the USA, the granted QR code patent is US5726435. In Japan it is JP2938338. In Germany it is DE69518098 (the European Patent Office granted patent EP0672994 to Denso Wave, but Denso only "nationalized" the patent grant in Germany). The term *QR code* itself is a <u>registered trademark</u> of Denso Wave Incorporated.

If you have any questions or need assistance, please contact our office.