

INTERNATIONAL BUSINESS NEWS –APRIL 2007

**U.S. Department of Commerce
International Trade Administration - U.S. Export Assistance Center
425 West Capitol Avenue, Suite 425, Little Rock AR. 72201
Phone: 501-324-5794 Fax: 501-324-7380
little.rock.office.box@mail.doc.gov <http://www.buyusa.gov/arkansas>**

**Dennis Millard, International Trade Specialist
Ray Riggs, International Trade Specialist
Mary Hayward, Export Assistance Specialist**



**COMMERCE APPLIES ANTI-SUBSIDY LAW TO CHINA
March 30, 2007 Office of Public Affairs
U.S. Dept. of Commerce
International Trade Administration**

The U.S. Department of Commerce announced its preliminary decision to apply U.S. anti-subsidy law to imports from China. This is the first time countervailing duties will be imposed on imports from a non-market economy. The decision alters a 23-year old bipartisan policy of not applying the countervailing duty (CVD) law to non-market economy countries, and reflects China's economic development. To read the entire press release, go to http://www.commerce.gov/opa/press/Secretary_Gutierrez/2007_Releases/March/30_Gutierrez_China_Anti-subsidy_law_application_rls.html

**DEPARTMENT OF COMMERCE ANNOUNCES
PLAN TO SHIFT RESOURCES TO WORLD'S
EMERGING MARKETS
March 28, 2007
U.S. Dept. of Commerce
International Trade Administration
Contact: Matt Englehart/Charlie Skuba
(202) 482-3809**

In response to the changing global marketplace, the Commerce Department today announced its Transformational Commercial Diplomacy Initiative, which would align resources of the International Trade Administration's (ITA) U.S. Commercial Service to developing markets that are growing in importance for future U.S. business opportunities. To read the entire press release, go to http://trade.gov/press/press_releases/2007/cs_032807.asp

**COMMERCE TO LAUNCH NEW FEDERAL
INITIATIVE TO ATTRACT FOREIGN INVESTMENT
March 7, 2007
U.S. Dept. of Commerce
International Trade Administration
Contact: Charlie Skuba/Matt Englehart
(202) 482-3809**

U.S. Commerce Under Secretary for International Trade Frank Lavin today announced the creation of a new U.S. Government Invest in America initiative, housed in the International Trade Administration, which will promote the United States as a destination for foreign investment. This initiative will be the primary U.S. Government mechanism to manage inward investment promotion. To read the entire press release, go to http://trade.gov/press/press_releases/2007/investamerica_030707.asp

**SAUDI ARABIA
U.S. Department of Commerce's
"Market of the Month"**

The Saudi economy is growing rapidly. Since 2002, Saudi Arabia has enjoyed budget surplus every year and the country carries large cash reserves. Saudi Arabia is the largest free market economy in the region and is expected to produce more than two-fifths of the GCC (Gulf Cooperation Council) GDPs in 2006. Saudi Arabia nominal GDP was expected at \$346.6 in 2006, 4.2 percent more than in 2005. Likewise, per capita GDP was expected at \$15,000 in 2006, up 15 percent from 2005. The current population of Saudi Arabia is 23 million people.

Best U.S. Export Prospects for 2007

- Oil and Gas
- Petrochemical
- Power
- Security
- Telecom/Information Technology
- Medical equipment
- Architecture/Engineering
- Railroad
- Franchising
- Automotive
- Aviation
- Pollution Control
- Mining services
- Financial Services
- Water resources and equipment

For additional information please e-mail any of the three U.S. Commercial Service offices in [Riyadh](#), [Jeddah](#), or [Dharan](#) or visit our [CS Saudi Arabia site](#).

**SAUDI ARABIA
NEW CERTIFICATE OF CONFORMITY
Edited from a Nov. '06 Report by Maher Siblani
U.S. Dept. of Commerce, Riyadh**

As part of its accession to the World Trade Organization (WTO), Saudi Arabia has enacted a number of laws and regulations to facilitate and streamline trade and investments. In all, the Saudi Government (SAG) has enacted 42 new trade-related laws, created nine new regulatory bodies, and signed 38 bilateral trade agreements. The SAG has also committed to reduce import tariffs and generally to implement all WTO rules, upon membership, without recourse to transition periods. To read the entire report, go to <http://www.buyusa.gov/arkansas/saudiconformity.pdf>

CALL CENTERS IN NORTHEAST MEXICO
By Yazmin Rojas
U.S. Dept. of Commerce
U.S. Commercial Service - Monterrey

Globally, the call center outsourcing industry has been expanding for at least a decade. Today, in 2007, call centers continue to crop up across the globe in countries as diverse as the Philippines and Argentina. The growth rate of call centers in northeast Mexico outpaces global, regional and national Mexican rates. This rapid expansion is expected through the remainder of the decade.

Northeast Mexico has proven a desirable call center location due to a number of factors: geographic location, populace knowledge of U.S. culture, U.S. familiarity with Mexican accent, highly educated and technologically proficient workforce, bilingual English/Spanish population, modern telecommunications infrastructure, low wages and availability of volume real estate.

The market for provision of materials and equipment for call centers is already saturated. Most items call centers require are either purchased domestically or imported from large international companies. The market sales opportunity that exists for U.S. vendors to the call center sector in northeast Mexico is for affordable software packages of business-processing programs and their accompanying support services.

U.S. Companies interested in tapping this market must move quickly and be willing to invest time and funding in seeking out potential buyers, due to increasing investment in software development in Monterrey and the lack of a comprehensive registry of small and medium sized call centers. To read the entire 10-page report, go to <http://www.buyusa.gov/arkansas/mexcallctr.pdf>

“ASK THE EXPERTS”[®]

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from the April 2007 issue of IOMA's **“Managing Imports
& Exports”**

MIE'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 Alan Gaudio. Readers wishing to "Ask the Experts" other import-or export-related questions can submit them to the editor at cdhorner@ioma.com.

IMPORT-EXPORT MANAGER: Our company exports repair kits consisting of multiple items used to repair or service the various products that we sell and manufacture. I've been advised by my freight forwarder that a repair or service kit cannot be classified within the Schedule B-and that I may need

to break down the components within these kits. Is this correct?

GAUDIO: Essentially, yes. The Harmonized System (HS), on which the Schedule Band HTSUS are based, provides for only one "kit"-a first aid kit. There are a number of "sets" provided for in the HS, but none would encompass the combination of articles you are suggesting is incorporated into your repair/service kits.

Your company puts together various parts and components necessary to service or repair the products that you sell. For inventory, billing, and customer service purposes, this is real business efficiency. However, there are two rules for classification within the HS that a company must consider. First is the use of the word "kit." You don't have a first aid kit, so let's turn to the definition of a "set."

A "set" is clearly defined within the HS. There must be at least two articles or more classified within different headings of the HS, the articles must be complimentary, they must meet a particular need or a specific activity, and they must be packaged (at time of import or export) ready for retail sale with no further packaging required.

You probably don't have a "set" either, as defined by the HS. You may have several articles or more classifiable in different headings within the HS. However, they probably serve to fix or service one or more components or functions of the finished good that you sold. In other words, in your mind, they fix what is broken on your finished good. Within the HS, however, this is neither "complimentary" nor does it meet a defined need or specific activity (fixing what is broken does not meet this criterion). Yes, they are pre-packed but only because your materials control department finds this to be expedient. What you might really have is: four bolts, four washers, two vulcanized rubber drive belts, and one steel pulley. All of these items are quite specifically classified within the HS-individually. Your company put them in a single carton to make billing, inventory control, and shipping more efficient. The HS requires classification that is most specific to prevail over classification that is more general. The above example would require four line items of classification. Classifying the above example as a "kit" is so general as to be nonexistent within the Harmonized System.

USEFUL WEBSITES

Report a Trade Barrier

The U.S. Department of Commerce's Trade Compliance Center (TCC) helps American exporters and investors overcome foreign trade barriers and works to ensure that foreign countries comply with their trade agreement obligations to the United States. If you need help in addressing a foreign trade barrier problem or would like to ask a specific question, go to http://tcc.export.gov/Report_a_Barrier/index.asp

International Logistics

When shipping a product overseas, the exporter must be aware of packing, labeling, documentation, and insurance requirements. It is important that exporters ensure that the merchandise is:

- Packed correctly so that it arrives in good condition;
- Labeled correctly to ensure that the goods are handled properly and arrive on time at the right place;
- Documented correctly to meet U.S. and foreign government requirements, as well as proper collection standards; and
- Insured against damage, loss, pilferage and delay.

To access this valuable information, go to: <http://www.export.gov/logistics/index.asp>

EU Food and Agricultural Import Regulations

The following Website gives a review of the EU Food and Agricultural Import Regulations and Standards (FAIRS). These reports describe each member state implementation of the EU harmonized legislation regarding imports of food products. This site also includes tips for U.S exporters, industry market information as well as key industry contacts.

<http://useu.usmission.gov/agri/fairs.html>

VAT (Value Added Tax) Rates Around the World

<http://www.uscib.org/index.asp?documentID=1676>

International Tax Agreements Website

<http://www.treas.gov/offices/tax-policy/treaties.shtml>

International Calling Codes

<http://www.countrycallingcodes.com/index.php>

MARK YOUR CALENDAR FOR THESE UPCOMING EVENTS!

China Webinars on the Chinese logistics industry

When: April 17, 2007 – 7:00 PM ET US
Where: Your Internet Browser:
Duration: 60 Minutes
Cost: Free!
Registration: <http://supplychainwebinar.worldtrademag.com>

Complying With U.S. Export Controls May 9-10, 2007 - Savannah, GA

This two-day program is led by the Bureau of Industry and Security's professional counseling staff and provides an in-depth examination of the Export Administration Regulations. For details and registration go to http://www.bis.doc.gov/seminarsandtraining/SavannahGA_May_07.htm

**Trade Winds: Africa, Europe And India
May 15-16, 2007 - Hyatt Regency Arlington, VA
Early Bird Registration through Friday, April 6
Identify export market opportunities and contacts
in Europe, Africa and India!
For information and registration, go to
<http://www.buyusa.gov/southcarolina/tradewinds.html>**

COMMERCIAL NEWS USA

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: little.rock.office.box@mail.doc.gov <http://www.buyusa.gov/arkansas> Phone: 501-324-5794 Fax: 501-324-7380