

# Trade News

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**January 2004**

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**TRADE NEWS** is the monthly newsletter of the U.S. Commercial Service, U.S. Dept. of Commerce in North and South Carolina. It is distributed by email. To correct, add or delete an address, send complete contact information to the Columbia USEAC at the email address or fax # above.

## **New Shippers' Export Declaration (SED) Form Required Starting January 18, 2004**

- In a Federal Register notice dated July 17, 2003, the U.S. Census Bureau announced amendments to the Foreign Trade Statistics Regulations (FTSR). In addition to requiring mandatory filing for items on the Commodity Control List (CCL) and the U.S. Munitions List (USML), the final rule adds to the paper Shipper's Export Declaration (SED) the requirement to enter the freight forwarder's Employer Identification Number (EIN) when required. This rule applies to filers who are not required to file through AES and who choose to file a paper SED rather than filing voluntarily through AES. The implementation date of this rule was October 18, 2003. As a result of changes to the FTSR on October 18, 2003, U.S. Customs and Border Protection (CBP) now requires the export community to use a new SED form. The new SED (Form 7525-V, dated 7-18-2003) is available to the trade at [www.census.gov/foreign-trade/regulations/forms](http://www.census.gov/foreign-trade/regulations/forms). See related links section for a direct connection to the Census Bureau site. To facilitate the transition to a new U.S. Census Bureau form, all U.S. Customs and Border Protection (CBP) ports will accept both old and new versions of the SED through January 17, 2004. Starting on January 18, 2004, only the new Form 7525-V SED will be accepted by CBP. Any previous versions of the SED tendered on or after January 18, 2004, will be rejected and the exporter will be advised of their failure to submit an SED.

## **EU Competition Rules May Affect Distribution Agreements**

- A recently published report offers an overview of EU Competition Rules that may affect agreements between U.S. exporters and their EU distributors. U.S. exporters that are seeking distributors in the European Union should be aware of certain EU rules that may limit the restrictions that can legally be included in an agreement. The report provides information on special provisions that pertain to small and medium size enterprises, as well as a list of Internet links for gathering more information. U.S. companies interested in expanding their business in Europe should be aware of certain EU regulations concerning distribution agreements. Analogous to antitrust laws in the U.S., EU competition rules, which apply to both goods and services circulating in countries within the EU, prohibit certain practices concerning vertical restrictions. Companies are required to make a proactive assessment of the compatibility of their agreements with the regulations. For a complete copy of this 7-page report, email: [Office.Columbia@mail.doc.gov](mailto:Office.Columbia@mail.doc.gov).

## **Higher Fines for U.S. Export Violations**

- Under the Trading with the Enemy Act (TWEA), the U.S. Treasury's Office of Foreign Assets Control proposes stiffer penalties for trade with Cuba, North Korea, and for trading certain strategic goods with Cuba, Iran, and members of the Organization of Independent States (former Soviet Union). If adopted, TWEA violation fines will be \$1 million for companies and \$55,000 for individuals, with higher fines and prison time if criminal penalties are warranted. Call the Office of Foreign Assets Control at (202) 622-6140 for a copy of the rule.

## **Hemispheric Database**

- Developed by the Inter-American Development Bank (IDB) at the request of the governments participating in the Free Trade of the Americas (FTAA) Initiative, the Hemispheric Data Base provides detailed trade statistics by product, product category and by country. In addition, the database also provides information on tariffs applied to imports by country. All data can be exported in Excel format for additional analysis. The database is available in Spanish, Portuguese, French and English. Go to: <http://198.186.239.122/>

## **U.S. Companies Wiring Money To Iraq**

- Citibank in Amman offers a service that delivers cash to the doorstep of the beneficiary in Iraq (ph. 962 6 567 5100). Some U.S. Army personnel and foreign dignitaries use the Export & Finance Bank in Amman, Jordan, which provides money transfer services in cooperation with Baghdad Bank (ph. 962 6 569 4250). On October 5, Visa International entered into an agreement with Rafidain Bank that will allow the bank to make electronic fund transfers among its branches throughout the country. This and a great deal of other useful information can be found on the following website: [www.export.gov/iraq](http://www.export.gov/iraq).



**Export America Now On-Line:** Portions of the December 2003 issue of *Export America* are now available on the export.gov website. The feature article for December's issue was "Growing Market and Partnership Opportunities in Russia: Caution Advised." Other articles include a success story of a manufacturer of prefab housing and information about the Afghanistan and Iraq reconstruction efforts. To view, go to <http://www.export.gov/exportamerica>. (FYI, the Federation of International Trade Associations (FITA) named this magazine web site as a "most useful site" in their December 3 e-mail.)

**New Business Web Portal for World Bank -** U.S. companies now have a new tool to assist them in identifying \$11 billion in annual business opportunities in over 80+ countries. Go to: [www.worldbank.org](http://www.worldbank.org), click on "Business Opportunities" in left hand corner of web page and you are directed to a brand new business portal designed to assist companies who wish to bid on contracts funded by the World Bank. Though it is not easy to win any government-funded tender, either in the U.S. or overseas, the World Bank and the other multilateral banks (European Bank for Reconstruction and Development, Inter-American Bank, Asian Development Bank, and African Development Bank) fund all together \$25 billion annually in developing countries. This figure represents approximately 500+ projects and 40,000 contracts in many industry areas including consulting contracts. These represent potential sales of American equipment and services and market opportunities. In addition, each bank has excellent websites and a Commercial Service Officer whose only job is to assist your company in doing business from the funding provided by their banks. Below is a list of the banks' websites:

- |  |  |
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| World Bank                                   | <a href="http://www.worldbank.org">www.worldbank.org</a> |
| African Development Bank                     | <a href="http://www.afdb.org">www.afdb.org</a>           |
| Asian Development Bank                       | <a href="http://www.adb.org">www.adb.org</a>             |
| European Bank for Construction & Development | <a href="http://www.ebrd.com">www.ebrd.com</a>           |
| Inter-American Development Bank              | <a href="http://www.idb.org">www.idb.org</a>             |

**Department of Homeland Security Announces Cargo Security Initiative -** The Department of Homeland Security recently released final rules that allow U.S. Customs and Border Protection (CBP) to collect cargo information necessary to identify high-risk shipments that could threaten the safety and security of the United States. The final rules for cargo security address the timeline of presentation for electronic advance manifest information. The following are the timelines for outbound, export shipments:

- Air & Courier - Two hours prior to scheduled departure from the U.S.
- Rail - Two hours prior to the arrival of the train at the border.
- Vessel - 24 hours prior to departure from U.S. port where cargo is laden.
- Truck - One hour prior to the arrival of the truck at the border.

More information, along with a summary of the final rules is available on the U.S. Customs and Border Protection website at: [www.cbp.gov](http://www.cbp.gov).

**Ghana, West Africa - Credit Card Fraud:** U.S. exporters are advised not to proceed without payment in full prior to shipping to Ghana. There have been numerous reports by U.S. companies of receiving fraudulent credit card numbers for transactions from this country. Additionally, the U.S. Embassy advises all government and private sector visitors not to use a credit card for any purpose while visiting the country. The U.S. Commercial Service in Accra can provide a background check on the "legitimacy" of local companies via its "Due Diligence Search". The report was developed specifically in response to the large number of requests inquiring about the legitimacy or existence of a local company for which the contact has usually been exclusively confined to e-mail or fax messages. Companies are not advised to pursue this option for routine export transactions since the "Due Diligence Search" does not provide financial background information. Cost of the search is \$65. Contact your local USEAC for more information.

**Check Out These Valuable Resources:**

- ✓ **Useful Guide on Electric Current Abroad -** A good resource for exporters, manufacturers, and travelers is "Electric Current Abroad", a 30-page illustrated booklet listing the characteristics of electric current and the type of attachment plugs used in over 150 countries. You may download a PDF format version online at [www.ita.doc.gov/media/publications](http://www.ita.doc.gov/media/publications) or click on a link to order a copy.
- ✓ **Helpful Documents -** To request a copy of any or all of the documents listed below, email [Office.Columbia@mail.doc.gov](mailto:Office.Columbia@mail.doc.gov):

EU Marketing and Labeling Overview

FDA Certification Procedures

Glossary of Trade and Payment Terms

Import Procedures into Brazil

## Trade Calendar for North and South Carolina January 2004

### North Carolina:

January 8:

**What You Need to Know to Sell to Brazilians** - Come learn why companies like Bechtel Group, Coca-Cola, Dell Computers, Philip Morris and Navistar, as well as your small business neighbors, are selling to and have invested in Brazil. **Sponsors:** Charlotte USEAC and Kennedy Covington Attorneys at Law **Location/Time:** Kennedy Covington Law Offices, Hearst Tower, 47<sup>th</sup> Floor, 214 North Tryon Street, Charlotte; 7:30 a.m. - 9:30 a.m. **Cost:** Free (includes continental breakfast) **Contact:** Juanita Harthun, Charlotte USEAC, 704-333-4886, [Juanita.harthun@mail.doc.gov](mailto:Juanita.harthun@mail.doc.gov).

### South Carolina:

January 20:

**Video Market Briefing with the U.S. Commercial Service in Toronto, Ontario** - This program will discuss export sales opportunities with America's largest trade partner. Canada is the number one export market for South Carolina accounting for nearly 25% of the state's exports. The Palmetto State ships \$2.4 billion a year to Canada of which \$1.8 billion goes to Ontario - a figure that has doubled since 1995. This Video Market Brief will include a panel presentation of companies that have found success in the Canadian market. Attendees will also learn about RepCan 2004 in Toronto (June 16-17), an annual event by the U.S. Commercial Service in Toronto in which SC companies will be matched with qualified Canadian agents and distributors. **Sponsors:** Greenville USEAC and S.C. Department of Commerce **Location/Time:** SCDOC Presentation Center, 15<sup>th</sup> Floor, SouthTrust Building, 1201 Main Street, Columbia; 9:15 - 11:30 a.m. **Cost:** There is no registration fee but advance registration is required as seating is limited. **Contact:** Denis Csizmadia, Greenville USEAC, 864-271-1976, [denis.csizmadia@mail.doc.gov](mailto:denis.csizmadia@mail.doc.gov) or Amy Thomson, SCDOC, 803-737-0488, [athomson@sccommerce.com](mailto:athomson@sccommerce.com).

January 21:

**Small Business & Entrepreneur Export Seminar** - An introduction to the State and Federal Exporting Resources for South Carolina companies, and an opportunity for hands-on application. Trident Technical College is sponsoring this opportunity for small and medium enterprises (SMEs) to meet with representatives of the South Carolina Department of Commerce's International Division, the South Carolina Department of Agriculture, the South Carolina World Trade Center, the South Carolina Export Consortium, the U.S.' Exim Bank, the U.S. Small Business Administration, and the U.S. Commercial Service. The afternoon portion of this one-day seminar will be an opportunity for more in depth training and counseling, depending on number of participants. **Location/Time:** Trident Technical College, 7000 Rivers Avenue Campus, Bldg 410, Morning session - 8:00 a.m. 12 noon, lunch is on your own, Afternoon session: 1:00p.m. - 3:30p.m. **Cost:** Free but pre-registration is required. **Contact:** Darryl Goodman at Trident Tech., (843) 574-6785, [darryl.goodman@tridenttech.edu](mailto:darryl.goodman@tridenttech.edu).

### Explore Your Product's Potential Without Leaving Your Office! Let CAFTA Marketplace Put Your Catalog to Work in Central America!

**Capitalize on opportunities** for U.S. businesses stemming from the U.S.-Central America Free Trade Agreement (CAFTA), and take advantage of rising demand for U.S. products in Central America. The U.S. Department of Commerce will showcase American product catalogs in a wide range of industries at **CAFTA Marketplace**, an official U.S. Catalog Exhibition, March 22-April 22, 2004, in dynamic Central American markets.

**For only \$450, you'll gain valuable exposure and make contacts in promising markets for U.S. products, services, and technology:**

Last year U.S. exports to Central America reached an estimated \$11.5 billion - about the same total as U.S. exports to Russia, India and Indonesia combined.

U.S. Exports to Central America grew 17% in the first six months of 2003, compared to the same period last year, and are on track to reach \$13 billion in 2003.

Approximately 74% of U.S. goods enter Central American markets duty free under the Caribbean Basin Initiative and Generalized System of Preference.

About 78% of U.S. exporters to the region are small and medium-sized businesses--which generate nearly half of U.S. export value to Central America.

For more information on participating in this catalog event, e-mail [margaret.gottlieb@mail.doc.gov](mailto:margaret.gottlieb@mail.doc.gov) or visit: <http://www.buyusa.gov/midamerica/page55.html>