



## December 2007

### IN THIS ISSUE...

<a href="#">Marine Cargo Insurance</a>	1
<a href="#">China—Letter of Guarantee</a>	1
<a href="#">Jordan—U.S. FTA</a>	1
<a href="#">Asian Development Bank</a>	2
<a href="#">Fraudulent CC Orders from Singapore</a>	2
<a href="#">New Trade Agreement to Fight Fakes</a>	2
<a href="#">Entering the Mexican Market</a>	2
<a href="#">FUSE Directory</a>	3
<a href="#">EX-IM Loan Guarantee</a>	3
<a href="#">Business Service Provider</a>	3
<a href="#">Market of the Month: South Korea</a>	4
<a href="#">Trade leads &amp; market research</a>	4
<a href="#">Domestic &amp; Int'l Trade Events</a>	5

Click on title to direct your browser to appropriate page

#### China Permits 'Letter of Guarantee' For Customs Duty Deposits

Under a rule effective September 24, 2007, companies involved in trade with China may pay customs duty deposits using a letter of guarantee. The Chinese Ministry of Commerce, General Administration of Customs, and China Banking Regulatory Commission jointly issued the new rule, Announcement 71.

Other methods, including cash deposits, are also available for companies to pay custom duty deposits.

For more information, go to [www.tdctrade.com](http://www.tdctrade.com), through Small Business Resources (workshops on Customs) and Business Tools.

#### Jordan-U.S. Free Trade Agreement (JUSFTA)

Under the JUSFTA, tariff elimination started on January 1, 2001, and will lead to a free-tariff regime by 2011. For more details, go to:

[http://www.ustr.gov/Trade\\_Agreements/Bilateral/Jordan/Section\\_Index.html](http://www.ustr.gov/Trade_Agreements/Bilateral/Jordan/Section_Index.html)

#### How do I know if my product qualifies for preferential treatment under the FTA with Jordan?

Goods from the United States must meet three requirements:

- 1) The good must be produced entirely in the United States. If foreign materials are included, the good may qualify provided that the foreign materials are "substantially transformed" by manufacturing or processing into a U.S. good; and
- 2) The good must contain at least 35 percent U.S. content. Jordanian content, up to 15 percent of the customs value, can count toward the 35 percent U.S. domestic content requirement; and
- 3) Goods must be shipped to Jordan *directly* from the U.S.

To determine when your product can enter Jordan duty-free:

<http://www.export.gov/fta/jordan/TE.asp?dName=Jordan>

#### Make Sure Your Global Shipments Are Fully Covered

Insurance policies sometimes refer to voyages as "adventures". Contrary to what one would normally suppose, "warranted free of" means whatever follows is not covered. "Fortuitous" doesn't mean lucky but accidental, used in connection with a loss and therefore unlucky. "Average" has nothing to do with arithmetic but means a loss, so fortuitous average equals accidental loss.

There are two kinds of fortuitous average, particular and general. Particular means something bad happened to an insured's shipment, while general means that something bad happened to the carrier.

*Marine cargo insurance* is the term used for insurance that covers international shipments (or those to offshore destinations). Generally, premiums are paid according to usage rather than a predetermined one-time basis, so usage is usually reported on a shipment-by-shipment basis. Premiums and the level of coverage may vary by destination or type of cargo covered. There are various levels of coverage ranging anywhere between the following two extremes:

*Minimum cover* is what we in the United States call "free of particular average" and most other people call "London Underwriter Institute Clauses C." (See how the U.S. name play to the difference between particular and general average?) This coverage is normally inadequate for shipments of any real value.

*Maximum cover* is what we call "all risk" and others call "London Underwriter Institute Clauses A." Coverage levels differ from policy to policy and insurer to insurer, but typically "all risk" covers every cause that is not specifically excluded (or "warranted free of"). As mentioned above, "all risk" doesn't typically cover all risks and should be enhanced by coverage for war as well as strike, riot, and civil commotion (SRCC), usually at modest additional premiums.

Obviously, companies that purchase marine cargo coverage against policies owned by others (such as from freight forwarders) look to it in addition to whatever inland marine coverage they may have for their domestic business.

*General average* is a "legal requirement that all parties in a voyage contribute proportionately to cover expenses incurred as a result of damage to a ship and/or its cargo, as well as those expenses incurred in taking direct action to prevent damage or additional damage to a ship and/or its cargo."

So if a ship is damaged, all parties must participate in the loss regardless of whether their cargoes had anything to do with the problem. The idea of cargo owners and ship owners being in it together continues as general average.

In case you're wondering, we described two types of casualty insurance because some companies believe that their international shipments are automatically covered by their inland marine policy. This makes them vulnerable for not only the value of the goods but the general average peril as well.

Excerpt from "Managing Imports and Exports, December 2007" Article by Frank Reynolds, president of International Projects.

[www.ioma.com/global](http://www.ioma.com/global)

### The US Trade Advocacy Center, Asian Development Bank Liaison Office

In its efforts to engage more US companies in ADB funded projects, the U.S. Trade Advocacy Center is now distributing a monthly update for companies interested in consulting and procurement opportunities.

The Foreign Government Tender (FGT) report gives U.S. exporters advance notice of government tenders within the ADB region. The focus of this report is on national procurement initiated both in advance, as well as ongoing ADB procurement and recruitment of consultants for ADB-financed projects. You may access this FGT at: [http://www.buyusa.gov/adb/fqt\\_dec07.pdf](http://www.buyusa.gov/adb/fqt_dec07.pdf)

The International Market Insights report (IMI) is a compilation of development projects funded by the Asian Development Bank (ADB). These are new consulting service opportunities funded by ADB technical assistance (TA) programs. ADB funds technical assistance projects to prepare and implement major projects. In 2006, ADB approved a total of 260 TA projects, worth over \$241 million. U.S. firms won \$ 45.37 million consulting contracts out of this activity. This IMI can be your link to these opportunities available at: [http://www.buyusa.gov/adb/imi\\_dec07.pdf](http://www.buyusa.gov/adb/imi_dec07.pdf)

### Warning to Exporters: Fraudulent Credit Card Orders from Singapore

Although Singapore is the 9<sup>th</sup> largest market for U.S. exports, a number of U.S. firms have been hit with credit card charge backs after shipping their merchandise. To combat this fraud, the Commercial Section, in coordination with Immigration and Customs Enforcement (ICE), the Singapore Police Force and with Visa and Mastercard has issued the following warning.

#### U.S. Exports Facilitated by Fraudulent Credit Card Transactions are on the Rise

If you receive a credit card order from Singapore, check its legitimacy before you ship. The U.S. Commercial Service, American Embassy Singapore, has received multiple complaints from U.S. merchants reporting fraudulent credit card transactions committed by companies/individuals purporting to be in Singapore. The initial investigation of the fraudulent transactions has revealed that the shipments are actually being sent to freight forwarders in Singapore and diverted to unknown consignees in neighboring countries.

**Warning Signs:** The orders normally range from US \$5000 to US \$30,000. The "buyer" places the order via telephone or Internet email correspondence. The "buyer" either splits the total purchase price between several cards or makes several attempts (using multiple credit card numbers) to complete the transaction. Once the transaction/credit card number(s) are accepted, the "buyer" requests immediate air shipment. Not aware of the fraud that has just occurred, the merchant complies with the customer's request of an expedited shipment.

Commercial Affairs Department have identified that the "Ship To" addresses are normally those of freight forwarders near Singapore's primary air cargo and passenger airport (Changi). When the goods arrive, they are re-labeled and transshipped to countries throughout the region. Once this occurs, the recover of the goods is prohibitive.

Protect Yourself – Common sense is your best defense. If the order appears "too good to be true" or if you have questions, check it out. If you receive a credit card order from a new customer in Singapore and have any questions immediately contact the U.S. Commercial Service in Singapore at [Office.Singapore@mail.doc.gov](mailto:Office.Singapore@mail.doc.gov).

### USTR Schwab Announces U.S. Will Seek New Trade Agreement to Fight Fakes

In a major step in the fight against intellectual property rights (IPR) counterfeiting and piracy, U.S. Trade Representative Susan C. Schwab announced on October 23 that the United States and some of its key trading partners will seek to negotiate an Anti-Counterfeiting Trade Agreement (ACTA). In a press conference on Capitol Hill with Members of Congress and Ambassadors from countries who will be part of the new initiative, Schwab explained that ACTA is a bold leadership effort among countries that support high standards of enforcement against piracy and counterfeiting. The participants in this effort will elaborate on a vision, developed over the past year, for a new agreement addressing three main areas: cooperation, best practices, and a strong legal framework for IPR enforcement. Trading partners engaged in discussions so far include Canada, the European Union (with its 27 Member States), Japan, Korea, Mexico, New Zealand, and Switzerland. The ACTA would complement the Administration's work to encourage other countries to meet the enforcement standards of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and to comply with other international IPR agreements. It will not involve any changes to the TRIPS Agreement. Rather, the goal is to set a new, higher benchmark for enforcement that countries can join on a voluntary basis.

### Looking to enter the Mexican Market?

The U.S. Commercial Service's Tijuana Border Program offers participants direct exposure to the physical transportation and documentation process of cross-border trade. In its seven years of existence, the Border Program has served over 150 companies from all across America.

**What is the Border Program?** It provides:

**Education:** Briefings on the U.S. and Mexican sides of the border on customs and documentation with hands on professionals;

**Meetings with Buyers:** Up to three buyer meetings to generate business potential immediately;

**Follow up:** close contact with the commercial specialists of the CS Tijuana staff;

**Small and focused attention:** Border Programs are limited to eight companies at a time, to ensure one-on-one attention to clients;

**Easy Access:** only a day trip from sunny San Diego - and you will be picked up on the U.S. side of the border to ensure "hassle free" border crossings!

If your business is looking for the right balance of education and real business opportunities for New to Export (NTE) and New to Market (NTM) firms, think the Commercial Service's Tijuana Border Program! Don't believe us -- read our client testimonials at [http://www.buyusa.gov/mexico/en/82.html#\\_section3](http://www.buyusa.gov/mexico/en/82.html#_section3).

For more information, please contact our North Texas Office in Grapevine: 817-310-3744



Featured **U.S. Exporters** (or FUSE) is a directory of U.S. products featured on U.S. Commercial Services websites around the world. It gives your company an opportunity to target specific markets in the local language of business. Currently, listings are offered to qualified U.S. exporters seeking trade leads or representation in over 50 markets around the world. The nominal participation fee for one year (minimum \$25) is based on the number of markets selected and translation requirements. You are required to choose at least 5 English language markets, or some other combination totaling \$25 USD or more. Companies that wish to renew their listings may pay a reduced fee.

*This program is only offered to current clients of the U.S. Commercial Service. If you are interested in learning more about the U.S. Commercial Service, please locate the office nearest to you by zip code. Due to the high volume of requests, we are unable to reply to companies which do not meet the qualifications for this program. Some products may not be available for listing in certain markets.*

Learn more at <http://www.buyusa.gov/home/fuse.html>

### EX-IM LOAN GUARANTEE: COMPETITIVE FINANCING FOR INTERNATIONAL BUYERS

EX-IM BANK ASSISTS EXPORTERS BY GUARANTEEING TERM FINANCING TO CREDITWORTHY INTERNATIONAL BUYERS, BOTH PRIVATE AND PUBLIC SECTOR, FOR PURCHASES OF U.S. GOODS AND SERVICES. WITH EX-IM BANK'S LOAN GUARANTEE, INTERNATIONAL BUYERS ARE ABLE TO OBTAIN COMPETITIVE TERM FINANCING FROM LENDERS WHEN FINANCING IS OTHERWISE NOT AVAILABLE OR THERE ARE NO ECONOMICALLY VIABLE INTEREST RATES ON TERMS OVER ONE-TO-TWO YEARS.

BENEFITS: ENABLES INTERNATIONAL BUYERS TO OBTAIN LOANS FROM LENDERS; COVERS 100% OF COMMERCIAL AND POLITICAL RISKS; FLEXIBLE FINANCING OPTIONS AND REPAYMENT TERMS; NO LIMITS ON TRANSACTION SIZE; MEDIUM-TERM AND LONG-TERM FINANCING AVAILABLE.

EX-IM BANK'S GUARANTEE OF A LENDER'S LOAN TO AN INTERNATIONAL BUYER IS GENERALLY USED FOR FINANCING PURCHASES OF U.S. CAPITAL EQUIPMENT AND SERVICES. FINANCING MAY ALSO BE AVAILABLE FOR:

REFURBISHED EQUIPMENT, SOFTWARE, CERTAIN LEGAL AND BANKING FEES, CERTAIN LOCAL COSTS AND EXPENSES

FIND MORE INFORMATION ABOUT EX-IM'S LOAN GUARANTEE AT [HTTP://WWW.EXIM.GOV/PRODUCTS/LOAN\\_GUAR.CFM](http://www.exim.gov/products/loan_guar.cfm)

### ADVERTISE IN THE NORTH TEXAS EXPORT NEWSLETTER

Are you a local company that would like visibility in the export arena?

Have your business advertise in the monthly edition of North Texas Export News. Your company can be seen by thousands of U.S. exporters looking for access to local business services.

We will feature your detailed company description, logo, corporate website link, and other contact information on the front page of the newsletter, rotating that position with other advertisers in future issues. The newsletter will also be uploaded on our website.

Cost is \$250 for six months.

Contact our office to place your business in the eyes of thousands.



The North Texas U.S. Export Assistance Center of the U.S. Department of Commerce is part of the U.S. Foreign Commercial Service, an extensive network of trade specialists located throughout the world devoted to assisting U.S. companies expand their international business presence. With offices in 105 cities throughout the U.S. and in more than 150 cities in 90 countries, we're strategically placed to help U.S. firms realize their export potential. Let us show how we can help your business compete and win in today's global economy.

## Market of the Month: South Korea



Korea is one of the world's leading economies and an outstanding trading partner for the United States. With a high-tech industry, a sophisticated consumer market, and a long history of successful trade with the U.S., Korea is a great market for American companies to enter or expand their Asian presence. The United States and Korea recently concluded negotiations to remove 95% of all tariffs under a free trade agreement. Secretary of Commerce Carlos Gutierrez described this Korea-U.S. Free Trade Agreement (KORUS) as the most significant trade agreement for the United States in 15 years.

In 2006, the U.S. exported over \$32 billion in goods and services, making Korea the seventh largest export market for the United States in the world. As a global hub for high technology, over 40% of U.S. exports to Korea categorized as "advanced technology products". At the same time U.S.-Korean trade is diversified and represents the broad range of consumer and agricultural products. Twenty-nine U.S. states record Korea as one of their top ten trading partners and nine states experienced export growth in 2006 of \$100 million or more over the previous year.

Korea, the thirteenth largest economy in the world, facilitates more airfreight than any other Asian country and continues to expand as a major international trade and foreign investment center. Korea's population of 48 million is heavily consumer-oriented with demands for efficient and economical products as well as upscale prestige items. Korean consumers are also highly educated, environmentally minded, and have one of the most wired (internet) economies in the world. Rapid growth, increasing disposable income along with a positive interest toward American products and services, combine to make Korea highly advantageous for U.S. exporters. South Korea is a sophisticated country with an excellent transportation infrastructure, modern architecture, highly advanced telecommunications networks and excellent hotels. Although the country may appear to be westernized, aspects of its business culture remain very traditional. South Koreans have a deep respect for family, age and hierarchy, and such elements come into play in the commercial world.

Best prospects for U.S. exports to Korea include:

Automotive Parts and Accessories	Broadcasting Services and Equipment	RFID Technology
CNC Machine Tools	Computer Software	Security Services and Products
Cosmetics	Defense Industry Equipment	Specialty Chemicals
Drugs and Pharmaceuticals	Education and Training Services	Travel & Tourism
Electrical Power Systems	Engineering Services	Wireless Broadband Equipment and Services
Medical Equipment and Devices	Pollution Control Equipment	

U.S. Commercial Service Korea is the Commercial Section of the U.S. Embassy in Seoul, and is an overseas office of the U.S. Department of Commerce. U.S. Commercial Service Korea offers services to help U.S. companies market their products and services in Korea.

**For the complete market research report:**

[http://www.export.gov/static/doc/Mom\\_Korea.asp](http://www.export.gov/static/doc/Mom_Korea.asp)

### MARKET RESEARCH

#### **MEXICO: CNC MACHINERY & LASER CUTTING EQUIPMNT.**

The best prospects that have shown steady growth over the past three years are: Lathes for removal of metal, including Turning Centers (HS 8458); Mach. Tools for Shaping, Slotting, Gear Cutting (HS 8461); Machine Tools for material removal by Laser (HS 8456); Beam emitting equipment (HS 8515); Machining Centers of Unit Construction to work metal (HS 8457); and Machine Tools for Drilling, Boring, Milling, (HS 8459).

*Contact our office for a copy of the full report.*

### TRADE LEADS

#### **URUGUAY: PLASTIC HANGERS & NYLON MICROFIBER YARN**

Nylon microfiber yarn is used for apparel manufacturing. The company purchases approx. 2,000,000 plastic hangers throughout the year. The HS Code for the yarn (spandex and nylon composition) is 5402311900. Plastic hangers needed, HS Code: 3926909029.

*Contact our office for more information.*

#### **COSTA RICA: STRECTCH FILM, TAPE, BUBBLE WRAP**

Looking for stretch film for pallet wrapping, adhesive tape, double adhesive tape, bubble wrap plastic for industry use to purchase every two months.

*Our office has additional information.*

