



Trade World Wisconsin

A newsletter from the U.S. Commercial Service office in Milwaukee

Incoterms® 2010 Seminar

*Presented by the U.S. Commercial Service Milwaukee and
Fox Valley Technical College*

June 6th, 2013

8:30 AM - 12:15 PM

Fox Valley Technical College - D.J Bordini Center

Cost: \$179 per person

To register click [here](#)

This fast-paced, half-day seminar covering the latest revision of the International Chamber of Commerce (ICC) Incoterms® rules will be presented by Frank Reynolds, author of INCOTERMS® for Americans. Frank has brought nearly 50 years of hands-on practical trade expertise to the 2000 and 2010 Incoterms® revisions where he represented the United States. He has been instructing trade-related topics for over 25 years.

American users have a particular stake in the Incoterms® 2010 rules. Not only does this latest revision reflect the post 9/11 cargo security regulations and new Institute Cargo Insurance Clauses, it also considers the effect of the deletion in 2004 of the shipment and delivery terms formerly found in parts 2.319 to 2.324 of the Uniform Commercial Code. Free of the "FOB confusion" found in the old UCC terms, Incoterms® 2010 rules are far more amenable to U.S. domestic use than any previous version.

Registration includes: complimentary continental breakfast available through the morning, 3.5 hour presentation by Frank Reynolds and copies of the ICC publication of Incoterms® 2010 (a \$60 value), and Incoterms for Americans (a \$60 value)!

For any questions, please contact Koreen Grube at (414) 297-1853 or email Koreen.Grube@trade.gov

Contents

Incoterms® 2010 Seminar	1
CS Export Achievement Awards	2
President's E Awards	3
In China, Cash is Key	4
Update on Canadian Energy Case	4
U.S.-Colombia TPA	5
Market research	6

Individual Highlights

Webinars & Trade Events	2
U.S. - EU Trade Talks	5

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Milwaukee Commercial Service Trade Events

AES Compliance Program Seminar

October 9, 2013 8:00AM - 4:30PM
Cost: \$195

Seminar: Census Bureau experts will cover the filing requirements of the FTR, how to classify your commodities by providing an understanding of the Schedule B classification requirements, as well as provide a thorough overview of the AES. The CBP experts will cover port requirements and efforts against terrorism and international narcotics trafficking. Bureau of Industry and Security (BIS) officers will highlight export control requirements.

Workshop: Get certified training on **AESPCLink!** Learn how to successfully file your Electronic Export Information (EEI) via the Windows-based desktop PC component, **AESPCLink**.

AES Compliance Program Workshop

October 10, 2013 Morning Class 8:30AM - 12:00PM,
Afternoon Class 1:00PM - 4:00PM
Cost: \$65

Trade events include webinars and seminars on the fundamentals of exporting; counseling and other support at U.S. and international trade shows, recruitment of foreign buyer delegations to U.S. trade shows, and trade missions of U.S. delegates to foreign markets for one-on-one meetings with potential customers and partners.

Upcoming Webinars for June

(Click on the webinar title for more information)

June 3:

[Informational Webinar: Renewable Energy India 2013 Expo](#)

June 4:

[Exploring Opportunities in Israel and Turkey](#)

June 5:

[A Basic Guide to Exporting: Satisfying Intl Product Certification Requirements](#)

June 6:

[Webinar: How To Mitigate Your International Payment Risks](#)

June 10:

[Energy and Environment Trade Mission to Thailand, Malaysia, and the Philippines](#)

Upcoming Federal Trade Missions

(Click on the mission title for more information)

Sept. 9- 12:

[Multi State, Multi Sector Trade Mission to Columbia](#)

Sept. 15-21:

[2013 Energy and Environment Trade Mission to Thailand, Malaysia, and the Philippines](#)

Sept. 16-18:

[Legal Services Trade Mission to China](#)

Sept. 23-26:

[Auto Supply Chain Trade Mission to Mexico City and Monterrey, Mexico](#)

Oct. 23-30:

[Education Trade Mission to Philippines and Malaysia](#)

Commercial Service Export Achievement Awards

On May 7th, our office Director, Damian Felton, presented two Wisconsin companies, Precision Iceblast and Solberg, with export achievement certificates during the 49th annual Wisconsin International Trade Conference. Both companies have successfully entered the international marketplace for the first time or have successfully entered a new market.

Precision Iceblast is a small family owned business with approximately 80 employees located in Peshtigo, WI. Precision Iceblast specializes in cleaning heat recovery steam generators in power plants using pressurized dry ice. The dry ice vaporizes upon impact thereby creating virtually no waste to clean up other than the material removed. This process eliminates hundreds of thousands of barrels of used media from entering landfills. The company was presented with an export achievement certificate in recognition of a particularly challenging export transaction in Pakistan, a transaction the CS Milwaukee assisted with.

Solberg, is a small business with 13 employees that manufactures environmentally sustainable firefighting foam concentrates and custom-designed foam suppression system hardware. They recently relocated its headquarters to Green Bay, WI. The company was presented the Export Achievement Certificate in recognition of strong export sales that resulted in job creation. In particular, during 2012 Solberg exported over \$1.3mm dollars in foam concentrates and fire system hardware, with assistance of the U.S. Commercial Service, in markets such as, Venezuela, Israel, the UAE, Saudi Arabia, Brazil, and Mexico, and has a current export sales pending with Ecuador.

Precision Iceblast



From left to right: Craig Allen, Deputy Assistant Secretary for Asia, Koreen Grube (Milwaukee USEAC), Joann Boye, Gary Boye, Damian Felton(Director, Milwaukee USEAC)

Solberg



From left to right: Craig Allen, Deputy Assistant Secretary for Asia, Koreen Grube (Milwaukee USEAC), Dave Pelton, Damian Felton(Director, Milwaukee USEAC), Amanda Wilcox

President's E Award

The President's "E" Award was created by Executive Order of the President to afford suitable recognition to persons, firms, or organizations which contribute significantly in the effort to increase United States exports. This year, two Wisconsin companies were presented with the President's E Award! Hurd Windows and Doors located in Medford, and M.E. Dey and Co. Inc. located in Milwaukee were among the 57 recipients of this year's distinguished recipients. Congratulations to both companies!

The E Awards were born out of World War II. During that time, more than 4,000 "E" Pennants were presented to war plants in recognition of production excellence. The famous flag with the big "E" emblazoned on it became a badge of patriotism in action.

President Kennedy revived the World War II "E" symbol of excellence to honor and provide recognition to America's exporters. Thus, the "E" Award Program was established by Executive Order 10978 on December 5, 1961. The "E Star" was authorized in 1969 to recognize "E" Award winners for continued efforts in export expansion.

Pictured on the left is Hurd Windows and Doors. On the right, M.E. Dey and Co. Inc.



In China, Cash is Key

Despite the modernization taking place in China, the country is still functioning with paper money as their primary means of funds transactions. In fact, it's not uncommon for big ticket items, even luxury cars or yachts, to be paid for in cold hard cash, carried in a briefcase no less. Many experts believe it is the wariness on both the part of the Chinese public towards its government and vice versa that prompts such reluctance to leave the paper bills behind. This phenomenon is not only reserved for the wealthy, who prefer cash to the easily traceable credit card and check transactions, but to the poor who remain disconnected to the modernized financial grid.

For those wanting to do business in China, plenty of cash is a necessity as authorities refuse to print any bill larger than the 100-renminbi note, the equivalent of \$16 dollars here in America! Chinese economists and government officials often suggest that printing larger bills in larger denominations might fuel inflation, however, many argue that in fact the refusal to print larger bills is a move aimed at curbing some corruption, citing it would be even easier for bribes to occur under the radar and for money to be transported out of the country if large sums could be neatly stuffed into unassuming envelopes.

Update on Canadian Renewable Energy Case

On May 6th, the WTO's highest court confirmed that the FIT (feed-in tariff) program implemented in Ontario is in violation of international trade rules. The case was brought by Tokyo and Brussels who argued the Ontario Green Energy Act of 2009 violated international trade law by requiring electricity generators to source a minimum quota of goods and services to be from Ontario. This local content requirement, it was argued, was a trade barrier to foreign companies. Canada said it will comply with the ruling, however it is up to the ruling Government of Ontario to figure out how to do so effectively. With the ruling Monday, the EU released its own statement saying, "Today's ruling is good news for everyone caring about clean energy and the environment: it has been made clear that use of quality, cost-effective technologies should not be hampered by protectionist measures. The EU supports the promotion of renewable energy but considers this must be done in a manner consistent with international trade rules." Japan's Minister of Economy, Trade and Industry also applauded the decision stating, "Japan considers this ruling can be highly evaluated from the viewpoint of preventing protectionism in the renewable energy sector, which can be regarded as a major growth industry". To read more about this case and the latest ruling click [here](#).

U.S.-Colombia Trade Promotion Agreement One Year Anniversary

May 15th marked the one year anniversary of The U.S.-Colombia Trade Promotion Agreement - commonly called the "Colombia TPA". Prior to the TPA's enactment, the average Colombian tariff rate on U.S. industrial goods was higher than 10 percent. Today, the average Colombian tariff on these goods has fallen to only 3.4 percent therefore allowing U.S. exporters the ability to compete on a more even playing field in the Colombian market. According to the March 2013 year-to-date trade report, American exports to Colombia are up 14.6% when compared to report predating the trade agreement in 2012. Among those experiencing the greatest benefits from the TPA are U.S. farmers, as more than half of current U.S. farm exports to Colombia are now duty-free. Other features of the TPA include commitments to strengthen protections for intellectual property rights therefore benefiting American creators and innovators, as well as the deregulations of Colombia's \$166 billion services market. Colombia's economy is forecasted to grow 4.1 percent in 2013, and 4.5 percent annually on average from 2014 to 2018. For a country that already appreciates the value proposition of U.S. goods and services, the TPA now allows American companies greater access to one of the future's promising emerging markets. Other facts on Columbia:

- Colombia has grown from being the 30th largest market for U.S. goods exports in 2000 to the 22nd largest market in 2012.
- In 2012, the largest U.S. merchandise export category to Colombia was mineral fuel and oil, valued at \$3.5 billion. Other top export categories in 2012 included machinery (\$3.1 billion), electrical machinery (\$1.6 billion), organic chemicals (\$904 million), and aircraft, spacecraft, and parts (\$753 million).
- Between 2011 and 2012, U.S. merchandise exports to Colombia grew by \$2.1 billion, or 14 percent. Exports of mineral fuel and oil increased by \$769 million, of which \$762 million was oil (not crude). Other export categories showing high dollar growth were aircraft, spacecraft and parts (up \$419 million), electrical machinery (up \$388 million), and articles of iron or steel (up \$231 million).
- In 2011 (the latest data available), over 15,750 U.S. companies exported goods to Colombia, and 89 percent of these firms were Small and Medium-sized Enterprises (SMEs) with fewer than 500 employees.
 - By value, exports from SMEs represented 37 percent of U.S. merchandise exports to Colombia, higher than the average of 33 percent to the world. In 2011, SMEs shipped nearly \$5 billion in goods exports to Colombia in 2011.

To read more about the agreement click [here](#).

U.S. - EU Trade Talks Set to Begin

The highly anticipated talks between Brussels and Washington over potential bilateral trade and investment deals are set to begin, with Prime Minister David Cameron urging talks to begin before the G8 Summit in mid-June. The talks are aimed at bolstering support for the struggling economies of the U.S. and EU member countries, with a goal of an agreement being reached by 2014. In an op-ed published in the Wall Street Journal Cameron stressed that talks should not exclude certain items for negotiation, as that would hinder the full potential of the agreement.

To read more on this article click [here](#).

Market Research Reports from the U.S. Commercial Service

**These market research reports are available only to U.S. companies and students/researchers that are registered with export.gov*

Jordan- Aviation and Aerospace: The Government of Jordan has high ambitions for the Kingdom to become a regional hub, therefore, the demand for aircraft and spare parts, maintenance equipment, and aircraft systems for manufacturing will continue to rise. It is believed that services in civil aviation will be outsourced, which will create significant potential for US companies that specialize in civil aviation and airport management. Jordan Aerospace Industries (JAI) is seeking agreements with manufacturers of aircraft communication and auxiliary systems to meet the demand in Iraq for surveillance aircraft and agricultural aircraft equipped with a state of the art crop spraying and monitoring system. JAI has also created coalitions and partnerships in Iraq for a multi-purpose manufacturing facility for light aircraft in Northern Iraq that will also create opportunities for light aircraft manufacturers in the US. Finally, the aircraft maintenance companies will continue to need spare parts and equipment to sustain their operations. Royal Jordanian, through the fleet modernization program, the airline aims to upgrade the level of cabin service offered to passengers, reduce maintenance costs and replace ageing aircraft. The United States currently has a Free Trade Agreement with Jordan, making conditions of trade favorable. For further reading on Jordan click [here](#)

Russia: Agricultural Machinery Overview: Russia is an enormous country with vast amounts of arable land, much of which is underutilized due to lack of investment in irrigation, agricultural machinery, fertilizers and other means of agricultural production. Recent efforts by the Russian government to curtail domestic food shortages involve the increasing of agricultural production to provide for "Food Security", a key agenda item during its year as host of the Asian-Pacific Economic Cooperation summit (APEC) in 2012. To achieve higher prospects, the Russian government is supporting the industry in many ways, including various subsidies for fertilizers, seed purchasing, fuel oil, and reductions in interest rates for interest paid on loans for agricultural machinery. Inadequate agricultural machinery and equipment remain the weakness of Russian agricultural production. The age of most harvesters in Russian agriculture exceeds the service age (which is 10-12 years) by 2 - 2.5 times. However, we are seeing recent improvement in the market for combines and tractors as reported by the Association of Agricultural Machinery Producers. Through July 2012 sales of tractors and combines have increased 17.8% and 10.1%, respectively, year-over-year. Due to the emphasis on localization in Russian legislation, many trade barriers exist for foreign companies exporting into Russia. However, the U.S. Commercial Services believe there may be opportunities for U.S. manufactures of components for tractors and harvesters to develop joint ventures in with Russian companies. Non-Russian firms that are looking to increase the percentage of their Russian-sourced equipment would look favorably on component manufacturers with U.S. partners who can ensure the high quality craftsmanship that foreign manufacturers demand. To read more about Agricultural Machinery in Russia, click [here](#)

Canada Waterloo Region Transit Expansion Project: Canada, Wisconsin's greatest international trade partner, currently has potential business opportunities for its Waterloo Region Transit Expansion project. The two stage infrastructure development project is slated to be completed in 2031 and estimated to cost in total \$818 million. Current opportunities currently exists for the first stage of the project for companies which provide Construction and Maintenance services, export of construction and transportation materials, and both technical and environmental consulting. Future opportunities will also become available for later implementations. In light of this the U.S. Commercial Service has identified the transit expansion project in the Region of Waterloo as a project that may present opportunities for American companies. For more information on the expansion project, click [here](#)

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