

# ibNEWS

## international business news from the heartland

Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, North & South Dakota

### INDEX Shows Continued Growth in Imports and Exports.

#### Event & Information Web sites

- Nebraska events and news: [www.mitaonline.org](http://www.mitaonline.org)
- Iowa events & news: [www.iowatraders.com](http://www.iowatraders.com)
- Kansas City events & news [www.itckc.org](http://www.itckc.org)
- Minnesota events & news [www.mgta.org](http://www.mgta.org)
- South Dakota events & news [www.sd-exports.org](http://www.sd-exports.org)
- North Dakota events & news [www.exportnd.com](http://www.exportnd.com)

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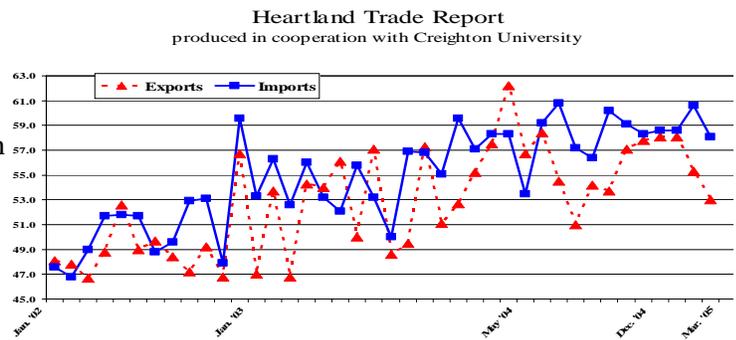
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Heartland imports and new export orders are on the march as they continue to blaze high numbers through August.

According to a Heartland supply managers survey, imports continued their torrid pace notching a 58.5 in August, up from July's 57.7.

New export orders ratcheted up to 56.9 in August from 56.5 in July.

Professor Ernie Goss, Creighton University, who compiles the iINDEX for the Heartland International Business Alliance, pointed



out that “This is the 22nd straight month that supply managers reported expanding export orders. As in past months, the weak dollar helped make Heartland goods cheaper abroad.”

The iINDEX reports on monthly changes in exports and imports for the Heartland states of Arkansas,

Iowa, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, North and South Dakota.

#### Imports

June	62.0
July	57.7
August	58.5

#### Exports

June	51.7
July	56.5
August	56.9

### Importing Basics—A Little Knowledge Goes Along Way

You just found out that you might need to source product from overseas to meet pricing pressure for you best customer. Or, perhaps, you want to import consumer products. This is new terrain, and you don't know where to turn to get needed information. After

all, most federal agencies are focused on aiding exporters, not importers.

#### Product Source

Once you know what product you require, you can do some preliminary investigation on the Internet. (Sources to visit are located

at the end of this article) Once you identify the source for your product, it pays to visit that factory or company. You will want to inspect the facility and meet the principals yourself. A good, strong personal relationship with factory management will go a long way to ensure (Contd. *Importing* Page 3)

## Kansas City Brings Advantages to International Small Business



Lazaro Cardenas/Kansas City Transportation Corridor offers a unique way to export.

Exporters may find added value in shipping goods through Kansas City because of to the new Mexican Customs Facility, linking the port-to-rail city of Lazaro Cardenas, with the Heartland. The facility will permit goods to be cleared in Kansas City, allowing border crossings at the US-Mexico border to become seamless. This facility will increase the efficiency of shipping exports to Mexico by

consolidating freight and clearing customs in Kansas City, thus avoiding border deals.

Located about 300 miles ENE of Mexico City, the port at Lazaro Cardenas is key to Asia Pacific markets via a ships-to-rail terminal.

For small businesses - importers or exporters - the new Lazaro Cardenas/Kansas City Transportation Corridor will provide an alternative solution for getting goods to

International markets, while evading the West Coast Port congestion.

As Kansas City increases international trade activity, small businesses may benefit from an increase in shipping options to foreign markets. Kansas City's new developments with Mexico may bring efficiency and speed to the international equation, as well as reduced costs for shippers.

For more information:  
[www.kcsmartport.com](http://www.kcsmartport.com)



Port of New Orleans container operations are back in action. The Port was spared flooding, and serviced its first vessel within 2 weeks. Heartland international traders experienced no backlogs.

## Hurricane Katrina Has Not Held Up Port International Trade

Despite concerns of Gulf port damage, most Heartland international traders have not experienced significant delays or disruption in service.

Russ Schneiders of Smart Warehousing said that he has not seen any kind of transportation backlog to and from the Port of New

Orleans. "In fact some domestic orders for plastic bags and lumber to that region have soared."

Companies like Aventis, the large pharmaceutical company with a major distribution center in Kansas City, has not seen international shipments affected, according to Tina Roth, Aventis International

International Administrator.

Bobby Landry of the Port of New Orleans reports that its cargo operation has remained intact. "We really did not have any flooding, and we serviced our first vessel two weeks after Katrina. In fact, we now have vessels lined up for container handling."

## NAFTA Keynoters To Spell Out Transportation Strategy

One of the Heartland's most important conferences on NAFTA transportation takes place October 13 & 14 in Kansas City.

*North America Works* features keynote speakers Manitoba Premier Gary

Doer, U.S. Senator Kit Bond, and Mexico's Under Secretary for North America, Geronimo Gutierrez Fernandez.

The 2-day conference also features panel discussions on building entrepreneurial links among NAFTA

cities, and building a North American transportation strategy.

For complete information, registration and hotels, go to [www.kcmo.org/international](http://www.kcmo.org/international), or call 816-513-3521.



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*Published monthly for the Heartland International Business Alliance—a nine state region—to keep companies up to date on developments affecting international business.*

*Each month, we'll bring you the latest trend in new export orders and imports for the Heartland. Our exclusive index is the only real-time, leading economic indicator of changes in exports and imports.*

*We'll also keep you updated with news, trends and regulations that affect your business. If you have suggestions to make **ibNEWS** more informative, please send your suggestions to [info@intermark3.com](mailto:info@intermark3.com).*

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## **Importing continued**

quality and timeliness.

### **Self Protection**

The next step is to write a proper agreement that will protect you in case of a disagreement with your overseas partner. This may take some back-and-forth communication to hammer out a workable agreement for both parties, but it is worth it in the long-term.

If for some unlucky reason you end up in litigation, you will need someone with experience in international law to help pull you through. To access international lawyers go to [www.findlaw.com](http://www.findlaw.com)

### **Transportation**

You will also need to plan transportation to your facility here, which will be easier with the help of a professional transportation and customs expert. Customs brokers assist businesses with both imports and exports—by air, land or water. They serve as your watchdogs to ensure all international procedures are followed. The US Customs and Border Protection licenses brokers, who must be knowledgeable of federal custom and border regulations.

Your customs broker can tell you the best way to ship your

goods, at the fairest price.

They also will figure duty rates for your product, which you will then have to figure into the cost of shipping product.

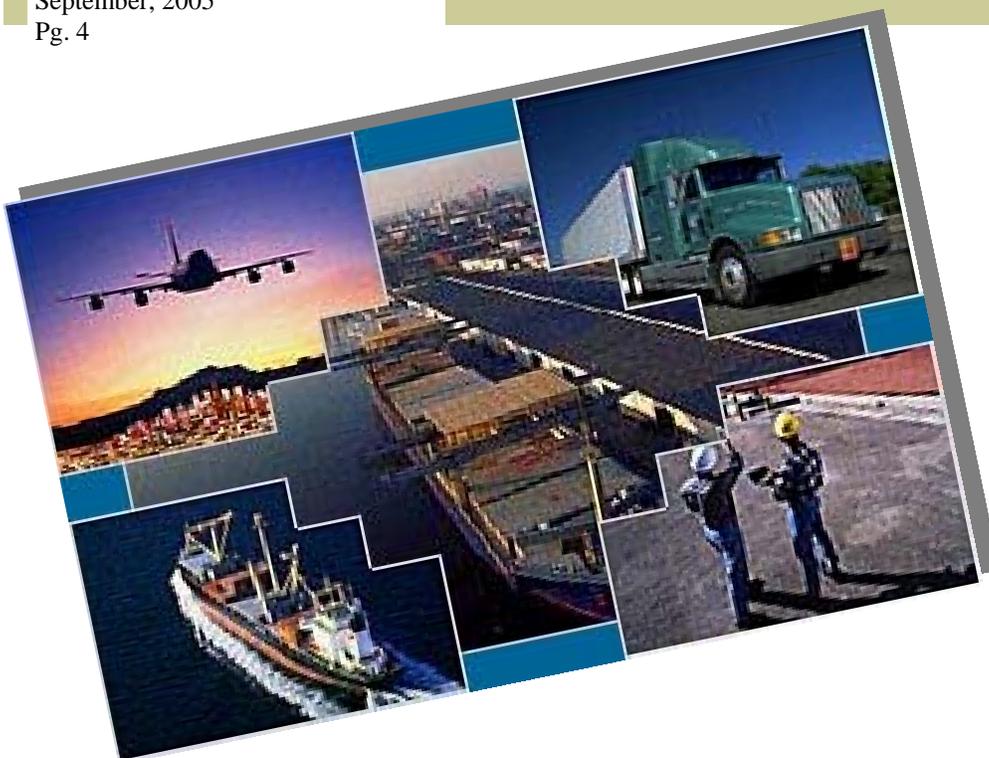
There are a number of customs brokers located through the US. In the Midwest go to [www.kcsmartport.com](http://www.kcsmartport.com) under Service Providers>Shipping and Carrier Services>Customs Brokers to find a local broker.

### **Records and Maintenance**

Even though your customs broker keeps records, ultimately, you are responsible for your own accurate record keeping.

Develop your own record keeping system, including proper storage and maintenance of mandatory documents. Import records must be maintained for at least five years from date of entry. And when you are called upon to pull up that documentation, you will need to do it by date of entry.

Missing records come with their own set of penalties, above and beyond non-compliance penalties. Fines can range upwards of \$100,000 per import record-keeping violation. (Cont. *Importing* Page 4)



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## Importing continued

### Special Trade Programs

We have various trade agreements with countries allowing reduced duty for imports. The most notable is the North American Free Trade Agreement (NAFTA) with Canada and Mexico. The US also has trade agreements with Australia, Chile, Israel, Jordan, Morocco, Panama, Singapore and several Central American countries through the Central American Free Trade Agreement (CAFTA), which was recently signed into law. Other countries involved in CAFTA include Costa Rica, Honduras, Nicaragua, El Salvador, Guatemala and the Dominican Republic.

With each of these agreements, you may qualify for reduced rates of duty, depending on your product category. For more information on trade agreements go to [www.ustr.gov](http://www.ustr.gov)

### Security

Since 9/11, the Department of Homeland Security has launched several programs to protect the US from terrorist activities. This includes protection for import containers. Most important, the US has moved its border security out to foreign ports in an effort to inspect containers before they are shipped to the US.

The most notable program for importers is the Customs-Trade Partnership Against Terrorism (C-TPAT), which offers importers a means to speed up customs inspection through voluntary participation. For information on security programs, visit [www.customs.gov](http://www.customs.gov)

There are few organizations available for importers, but one to investigate is the International Trade Council of Greater Kansas City ([www.itckc.org](http://www.itckc.org)), whose membership cost is reasonable and programs are substantive.

The first step to crossing into international trade is

education. So learn all you can and prepare for success before taking your business overseas.

### Product Source— Web sites

[tradeshowsweek.com](http://tradeshowsweek.com)—This site lists international trade shows throughout the world by product category, and is helpful in providing a sense of what is out there.

[globalsources.com](http://globalsources.com)—Site that lists shows in China, Taiwan, and Hong Kong, along with specific Chinese suppliers.

[tsnn.com](http://tsnn.com)—An international trade show gateway, this site leads you to specific expos by product category.

[chinaleads.net](http://chinaleads.net)—This is a Kansas-based site that gives you the ability to cast a wider net for trade leads in China.