

Exploring New Export Markets

Presented by: FedEx International Marketing

Facilitator: Steve Miles

Agenda for Today's Webinar

Charles R. Ranado, Commercial Officer, U.S. Commercial Service

- Export Opportunities and Free Trade Agreements
- Hurdles and Solutions for First Time Exporters
- Considering markets
- Finding buyers/customers and scoping competition
- Ensuring your products are well received in your new market
- Affordability of markets - considerations for import regulations and duty/tax rates
- Resource
- Q & A



How to Submit Your Questions

- Click here to open the control panel



- Under “Questions” you will find a panel to view submitted questions and a text box to type in questions.



- Type your question and choose to Send Privately (only Organizers and Panelists will see) or Send to All (all attendees will see)



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Disclaimer

Every effort has been made to ensure the accuracy of this presentation at the time of publication, but the comments herein are necessarily of a general nature, are for information purposes only, are subject to change as regulatory requirements change, and do not constitute legal advice in any matter whatsoever.

You are urged to seek specific advice on matters of concern and not to rely solely on this presentation.

Additional Panelists

In addition to our speakers, we also have others present to answer questions:

- Sherrie Safdari – FedEx Express, Regulatory Consulting Group
- Kosha Mehta – FedEx Services, U.S. International Marketing
- Lucy Stanley – FedEx Services, U.S. International Marketing – Trade Promotion

EXPLORING NEW EXPORT MARKETS

Charles Ranado, U.S. Commercial Service



Polling Question (1 of 4)

Rate your knowledge level of the services offered by the US Commercial Service:

- **Five (Very High)**
- **Four (High)**
- **Three (Some Knowledge)**
- **Two (Low)**
- **One (Very Low or None)**

Export Opportunity

- The U.S. Census Bureau has estimated that exports of goods and services in 2011 reached \$2.1 trillion, one of the highest annual totals on record, a nearly 14.5% change from 2012, which represents one of the strongest year-to-year percent changes in over 20 years.
- National Export Initiative making exporting easier:
 - Streamlining export controls
 - Broadening access to export finance
 - Enhancing export advocacy and market access
 - Pursuing Free Trade Agreements

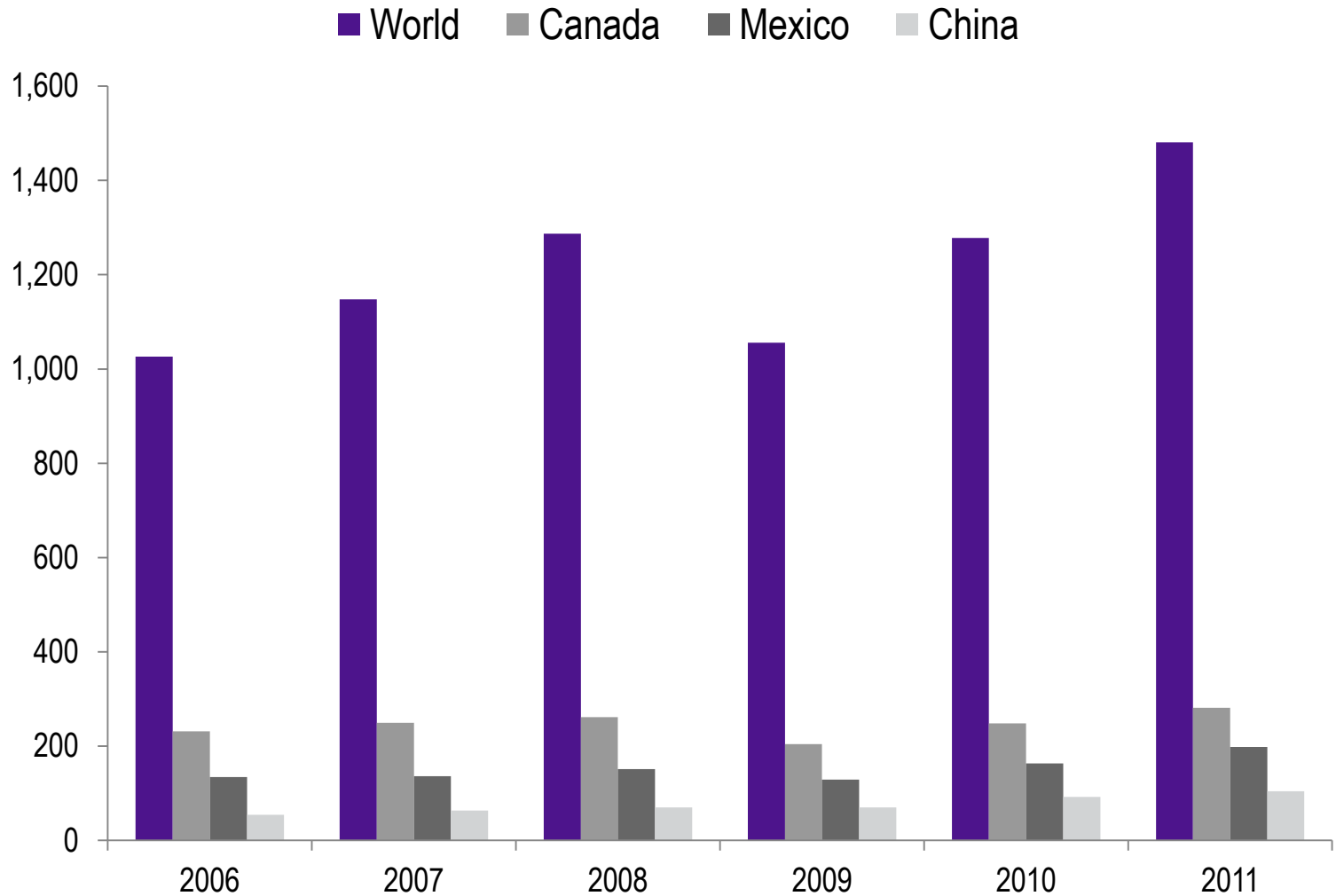


Choosing the Export Market Opportunity

The growth of exports over past 5 years (in millions)

Partner	2006	2007	2008	2009	2010	2011
World	1,026	1,148	1,287	1,056	1,278	1,481
Canada	231	249	261	204	248	281
Mexico	134	136	151	129	163	198
China	54	63	69.7	69.4	92	104
Japan	58	61	65	51	61	66
United Kingdom	45	50	54	46	48	56
Germany	41	49	55	43	48	49
South Korea	32	34	35	29	39	44
Brazil	19	24	32	26	35	43
Netherlands	31	33	40	32	35	43
Singapore	24	26	28	22	29	31

U.S. Exports in Goods and Services (Millions \$)



Source: <http://tse.export.gov/TSE>

May 2012

Markets for First Time Exporters

Selecting the right first market will help ensure you are successful and have a good experience.

- Ease of entry
 - Start with developed markets with predictable, easy to understand market entry models (NAFTA, EU).
- Free Trade Agreement (FTA) markets
 - Take advantage of preferential treatment of U.S. goods in FTA markets (NAFTA, Israel, Singapore, Australia, Chile, etc.).
- Regional Distribution
 - Look for a market that can act as your regional distribution hub for the region once your product is ready to expand (Asia-Singapore, Europe-Ireland, Middle East-Dubai, etc.).
- Work with your local U.S. Export Assistance Center
 - Discover and address all potential hurdles. Conduct due diligence on potential overseas partners.

Leading Export Sectors

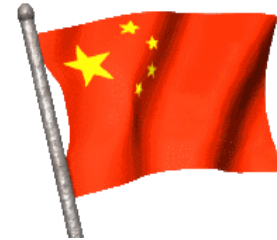
<http://export.gov/mrktresearch/index.asp>



- Automotive
- Aerospace
- Oil and Gas
- Defense Products and Services
- Safety and Security Equipment
- Renewable Energy
- Information and Communication Technology
- Pollution Control – Wastewater Treatment
- Mining



- Agribusiness
- Automotive Parts and Supplies
- Education and Training Services
- Energy Sector
- Environmental Sector
- Franchising Sector
- Housing and Construction
- Internet and IT Services
- IT Health Care
- Packaging Equipment
- Plastic Materials/Resins
- Security and Safety
- Telecommunications
- Transportation Infrastructure
- Travel and Tourism Services



- Education and Training
- Marine Industries
- Air Pollution
- Green Building
- Renewable Energy
- Safety/ Security
- Aviation Market
- Automotive Components Market
- Healthcare Market
- Travel and Tourism Sector
- Agricultural

Free Trade Agreements

Country	2010	2011	% Change
NAFTA	397,000	412,000	3.78
Canada	249,105	280,891	12.76
Mexico	163,473	197,544	20.84
CAFTA-DR	5,400	20,000	270.37
Costa Rica	5,180	6,118	18.12
Dominican Rep	6,579	7,346	11.66
Guatemala	4,478	6,205	38.56
Honduras	4,606	6,139	33.28
Nicaragua	981	1,053	7.33
El Salvador	2,433	3,372	38.57
Australia	21,798	27,516	26.23
Bahrain	1,213	1,250	3.00
Chile	10,905	15,873	45.56
Israel	11,294	13,956	23.56
Jordan	1,174	1,454	23.85
Morocco	1,947	2,863	47.03
Oman	1,105	1,434	29.77
Peru	6,754	8,319	23.17
Singapore	29,017	31,393	8.19
Total	924,445	1,044,726	36.09

Free Trade Agreements (FTA) can benefit companies

- Improving intellectual property right (IPR) protection
- Enhancing labor rights
- Government procurement
- Opening service sectors to competition
- Enhancing rules on foreign investment
- Environmental standards
- Improving customs facilitation

Polling Question (2 of 4)

How many countries have you exported to within the last 12 months?

- 0
- 1-3
- 4-10
- More than 10

Hurdles and Solutions for First Time Exporters

U.S. Commercial Service provides solutions

- Product registration, local standards requirements (Medical, Electronic, Food Products, etc.)
 - Work with local U.S. Export Assistance Center (USEAC) Trade Specialists to map out requirements before entering market
- Import Documentation, Customs Duties
 - Call 1-800-USA-TRAD(E) to find out the duties and documentation requirements for your market
- Getting Paid
 - Commercial Service Officers overseas will work with you to ensure you get paid by your international buyer
- Protecting your technology, Intellectual Property Rights (IPR)
 - USEAC Trade Specialists can counsel you on how to protect your IPR before entering a market
www.stopfakes.gov
- Cultural Barriers, getting to know the market
 - Access Commercial Service Country Commercial Guides and other free market research on your target market at
www.export.gov

Find Buyers - Scope Competition

Methods to identify buyers

- Matchmaking Services
 - Gold Key Service
- Trade Shows
 - International Buyer Program
 - Local Trade Events
- Industry specific organizations

Prepare for the competitive advantage

- Identify your competition
- Competitor strengths and weaknesses
- Product price points
- Consider value added elements
- Prepare a solid after sales support program a returns program
- Lead the customer service experience

Choosing the Product

Identify which of your products are needed and ensure they are well received.

- The needs of the market
 - Market research
 - Trade statistics on a given product by harmonized tariff schedule number
- The market/customer specific needs
 - Cultural issues
 - Lowering of standards
 - Due diligence
- Packaging requirements
 - Each market is unique
- Environmental considerations
 - Government regulations for the market

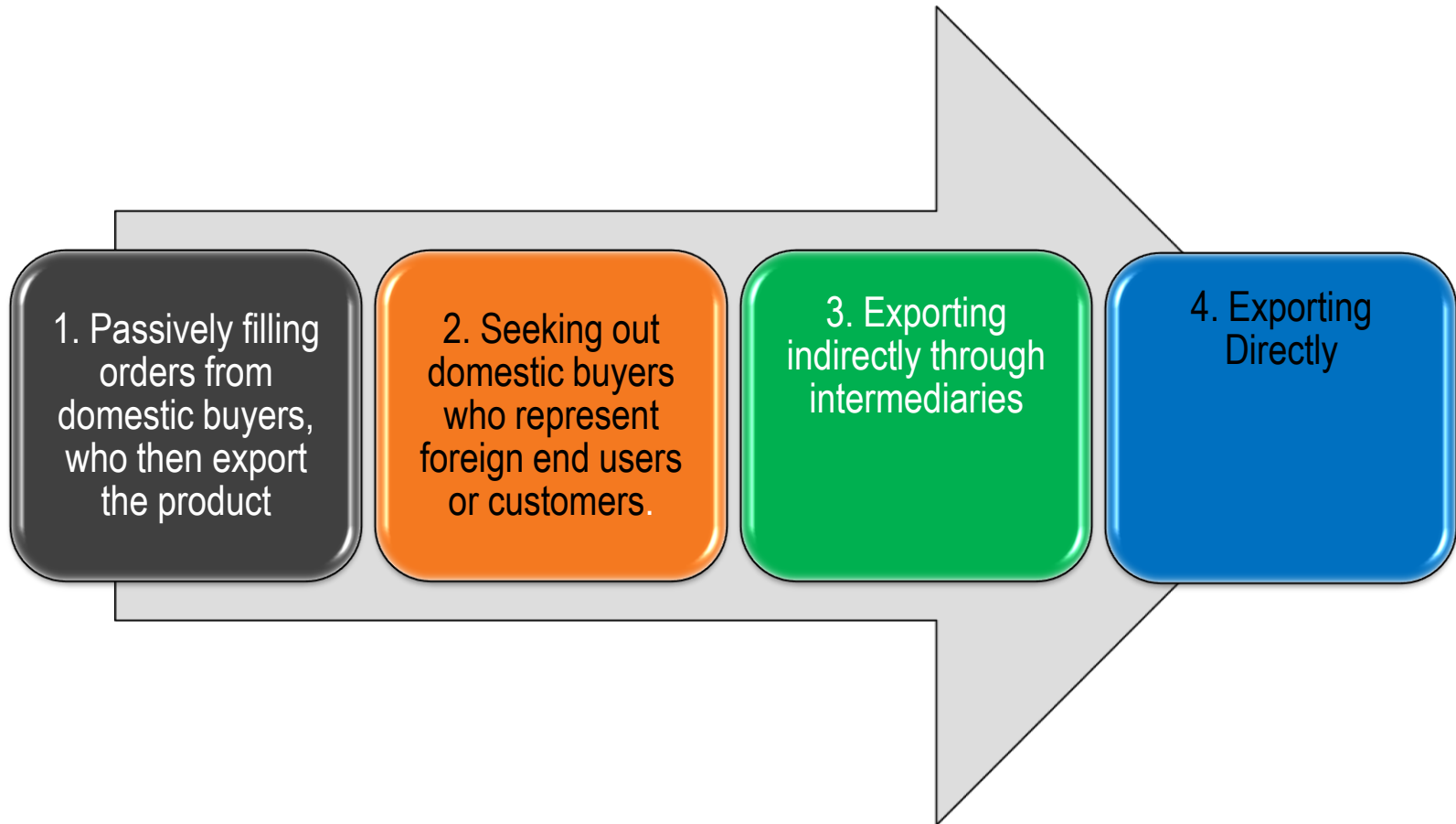
Market Affordability

Each market has a cost associated with selling your products

- Competitive sales price
- Import regulations
- Transportation costs
- Financial transaction costs
- Brokerage fees – if applicable
- Duty/Tax rates
- Distributor contract costs
- Legal protection costs

Identify your **true landed cost** before negotiating your per-piece prices with your buyers/distributors. Factor in all potential costs to protect your planned profit margin.

Market Entry Methods



USCS Resources – export.gov

U.S. Commercial Service staff are located in 100 U.S. Cities and based out of U.S. Embassies and Consulates in over 75 markets worldwide.

- **Market Entry Strategy - (No Cost)**
 - Specialists will work with you directly to develop a market entry strategy for your product or service, utilizing on the ground experts in your target market. Once in the market, USCS will work with your company to ensure your product as market access and will advocate on behalf of your company with the local government.
- **Finding Partners - Gold Key Service (\$700 - \$2300)**
 - CS's premier for fee service, CS specialists based in your target market will translate your promotional materials, identify and vet potential partners and arrange a visit for you to the market to meet with pre-qualified, interested end users or distributors of your product.
- **Due Diligence - International Company Profile (\$500)**
 - CS staff in country, will perform an in-depth due diligence report on perspective partners, distributors or customers.

Polling Question (3 of 4)

**U.S. Commercial Service is a resource to help you grow your business.
Which of the below business areas are you in greatest need of?**

- **Trade counseling**
- **Market research**
- **Locating international representation/buyers**
- **Trade finance**
- **Advocacy**

FedEx Online Tools and Resources

- **International Shipping Information and Support**

- fedex.com/intlwebinar

- **FedEx® Global Trade Manager**

- Determine which documents are required for your shipment
 - Estimate your duties and taxes and get regulatory information for your shipment
 - View country profiles
 - Identify parties that have been denied international business transactions
 - fedex.com/GTM

- **Document Preparation Center**

- Complete and store documents for ongoing use (login required)
 - https://www.fedex.com/DPC?clienttype=dotcom&hazmatFilter=All&cntry_code=us&lang_code=en

- **Online document samples with instructions**

- fedex.com/us/international/shipping-documents/tips/index.html

- **Process your international shipment label with FedEx Ship Manager®**

- <https://www.fedex.com/shipping/shipEntryAction.do?origincountry=us&locallang=us&urlparams=us>



External Resources

- U.S. Commercial Service website

www.Export.gov – Free

- U.S. Census Harmonized Code Lookup

<http://uscensus.prod.3ceonline.com/#/p=0>

- A Basic Guide To Exporting

www.amazon.com – Approx \$14

- Dictionary of International Trade

http://www.worldtradepress.com/Dictionary_of_International_Trade.php - Approx \$65

- Incoterms

<http://www.iccwbo.org/incoterms/>

Additional Assistance

- FedEx Know and GrowSM Program
 - Online calendar with additional export education programs
 - fedex.com/knowandgrow

- FedEx Export Program
 - 90 days of trade data to help you plan
 - Assistance for qualified FedEx customers with USCS Gold Key Programs
 - Export.gov/fedex

Polling Question (4 of 4)

Given what you have learned, on a scale of 1-5 (1 being the lowest), how interested are you in pursuing international expansion?

- 5
- 4
- 3
- 2
- 1

Thank You for Attending

Your time is valuable. We appreciate your participation.

Let us know your thoughts on today's program and additional topics you would like to learn more about.

