



# TradeView

A Kentucky World Trade Center Publication

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## WTCA Day Celebrates World Trade Centers

On June 12, 2002 World Trade Centers (WTCs) all over the world will recognize the first annual World Trade Centers Association (WTCA) Day, a day to celebrate the unique contribution the worldwide network of WTCs make to their business communities. WTCs in 91 countries will host events which are part of a broader initiative to improve the visibility and understanding of the work of WTCs around the world.

The day will also include the nomination of an individual or organization which best represents the goal of using trade as a vehicle for promoting stability and peace, one of the key missions of the WTCA. All individuals or companies selected will have their names recorded in "The Book of Honor," to be published through the WTCA headquarters in New York. The WTCA will also issue a press release to recognize all of those selected.

WTCA Vice President Herb Ouida stated that after the September 11th attacks, the WTCA wanted to create an

event to show that we are part of a worldwide family passing the torch of unity around the world, and to honor individuals in communities worldwide who share our commitment to world stability and peace through trade.

The range of events being planned by each WTC vary. Some will focus on a special luncheon to honor the "Book of Honor" nominee. Others will work with WTCs located in sister cities for joint celebratory events or incorporate the celebration into other pre-planned events. For example, the WTC Dresden will jointly celebrate WTCA Day and their 10 year anniversary with an open air concert followed by a reception and dinner to be attended by business and government leaders.

The KWTC will accept nominations for potential honorees from the state of Kentucky to be listed in the "Book of Honor" through April 29th. To submit a nomination, please contact the KWTC at 800-233-5982 or via e-mail at admin@kwtc.org.

Check upcoming issues of TradeView for details on the KWTC's June 12th celebration of WTCA Day!



You are invited to  
**WORLD TRADE DAY 2002**  
Lexington, April 25, 2002

Join us for Kentucky's largest international trade event! Meet with foreign dignitaries from around the world and network with over 400 Kentucky business people representing the state's breadth of international manufacturing and service firms. The prestigious World Trade Success Awards will be presented to Kentucky companies who have achieved outstanding success in international trade for the past year.

Call the KWTC at 800-233-5982  
for more information or to register today!

## KWTC Hosts Program with Former President of Zambia



(Center L to R) Former Zambian President Dr. Kenneth Kaunda, Jean-Louis N'gala, Vice President of the African Bank for Human Resources with (Outside) Lexington city council members

On December 4th, the Kentucky World Trade Center and Frost Brown Todd co-hosted a breakfast with the former President of Zambia, Dr. Kenneth Kaunda, and the Vice President of the African Bank for Human Resources, Mr. Jean-Louis N'gala. The bank is a non-governmental organization devoted to the economic development of Sub-Saharan Africa.

The former President was in town visiting the University of Kentucky. The breakfast, attended by 25 members of the international business community, was held at Frost Brown Todd's Lexington office.

During the breakfast, Dr. Kaunda gave a very emotional address concerning the HIV and AIDS situation in Africa, asking for the American people's help in providing Africa with sustained medical support. Africa, with only 10% of the world's

population, accounts for nine out of ten new cases of HIV infection, and 83% of all AIDS-related deaths. Of the 13.2 million AIDS orphans worldwide, more than 12 million are in Africa.

The growth rate of the disease is staggering: every 25 seconds, someone in Africa becomes infected with the HIV virus. The disease took the lives of

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### About the WTCA

The World Trade Centers Association is an expanding not-for-profit, non-political membership organization consisting of 306 World Trade Centers representing 750,000 businesses in 91 countries. Founded in 1970



Guy Tozzoli,  
President, World Trade Centers Association

and headquartered in New York City, its mission is to support the establishment and successful operation of individual World Trade Centers as part of an extensive worldwide network to enhance trade, promote economic development, and foster peace. World Trade Centers stimulate their regional economies through trade and business leads, trade counseling and research services, online and e-commerce services, trade education and networking programs, and the reciprocity of the extensive WTCA network.

The World Trade Centers Association headquarters office has relocated to 60 East 42nd Street, New York, New York. Please visit the WTCA web site ([www.wtca.org](http://www.wtca.org)) for more information.

#### Inside TradeView

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# World Is Your Market

## WTO Begins New 3-Year Trade Round

The 144 members of the World Trade Organization (WTO) have begun a new three-year round of trade negotiations. The fresh round of multilateral trade talks, due to end Jan. 1, 2005, follows the 1986-1994 Uruguay Round, whose most significant outcome was the creation in 1995 of the Geneva-based WTO trade body.

The WTO members will be negotiating a five-point agenda, consisting of agricultural reform, services trade, market access for nonagricultural products, a review of antidumping and other WTO rules, and trade and the environment.

## U.S. Loses Battle for Export Tax Exemption

A WTO arbitration panel ruled against the United States in a battle with the European Union (EU) over tax exemptions granted to U.S. exporters, saying the exemptions were, in effect, subsidies incompatible with trade regulations. It was the fourth such WTO ruling against Washington's favorable treatment of exports, practiced since 1985 under a regimen known as Foreign Sales Corporations. The new ruling gives the EU the right to impose sanctions worth up to \$4 billion beginning in April unless the tax exemption regime is forfeited.

## Congress Approves Bill on Mexican Trucks in U.S.

Congress passed a bill that requires Mexican trucks rolling into the United States to meet stringent safety requirements, but lets them travel anywhere in the country. President Bush praised the deal, calling it an "important victory for safety and free trade." The President had said he would reject any bill restricting Mexican trucks because it might harm relations with Mexico and violate the North American Free Trade Agreement.

## Chile Lowers Tariffs

Chile has trimmed customs tariffs by 1% to 7% as part of a plan implemented in 1999 to cut general tariffs to 6% by 2003. The decrease in tariffs represents a \$120 million decrease in government revenues, which are compensated by taxes on consumer goods.

The reduction in customs tariffs is part of the administration's economic growth strategy to maximize international trade by eliminating trade barriers. Chile's insistence on keeping its low customs tariffs have prevented it from becoming a full-fledged member of Mercosur, which imposes a 14% common external tariff on all products to countries outside the bloc.

## U.S. & Hungary Sign Trade Deal

The U.S. and Hungary recently signed an agreement in Budapest in which Hungary agreed to reduce or suspend its tariffs on \$180 million worth of key U.S. agricultural and industrial exports annually, starting in April 2002. U.S. Trade Representative Robert Zoellick stated that "as a result of this agreement, U.S. exports will be more competitive in the Hungarian market, generating new market opportunities for American exporters."

On the industrial side, the U.S. export products covered include steam and gas turbines, large engine autos and auto and tractor parts, automatic data processing machines, office machine parts, beauty products, various chemicals, plastics, medical instruments and equipment, laser disks, and telephone equipment. On the agricultural side, the U.S. export products include almonds and pecans, grapefruit, and bovine semen.

## Ecuador, Peru Virtually Eliminate Mutual Tariffs

Ecuador and Peru have set in motion a free trade agreement that eliminates import duties on 98.5% of the products the two countries sell to each other. With the trade agreement, mutual trade is expected to exceed \$600 billion in 2002.

Only a few items, such as some foods and textiles, will still have tariffs imposed. Ecuador exports primarily petroleum derivatives, sugar, canned tuna and lumber to Peru, while Peru sells zinc, acrylic cables, copper wire, bottles and gas cylinders to Ecuador.

## Japan & Singapore Sign Free Trade Pact

The leaders of Japan and Singapore signed a free trade pact, the first of its kind for Japan, which eliminates tariffs on goods covering 98.5% of trade between the two countries. The pact also provides for cooperation in science and technology, financial services, education, tourism and training.

Source: [www.tradecompass.com/daily\\_brief/index.asp](http://www.tradecompass.com/daily_brief/index.asp)

## NIST Offers Free 'Export Alert!' Service

A free web-based service offered by the National Institute of Standards and Technology (NIST) gives U.S. industry the opportunity to review and comment on proposed foreign technical regulations that can affect their businesses.

By registering for the Export Alert! service, U.S. companies receive, via e-mail, notifications of drafts or changes to foreign regulations for a specific industry sector and/or country. Notifications of the proposed foreign regulation contain a description of the regulation, the country issuing the regulation, and a final date for comments.

Visit the NIST's website at <http://ts.nist.gov/htdocs/210/217/export-alert.htm> to sign up to receive these free notifications.

## Global Automotive Conference 2002 "Global Benchmarking" Bowling Green, April 15-17, 2002



### ADMINISTERED BY:

Western Kentucky University, Office of Global Business & Entrepreneurship

### BACKGROUND:

The Global Automotive Conference (GAC) will provide a unique opportunity for middle management of automotive assemblers, suppliers, and service providers to network and learn key skills and emerging strategies of the future. Now in its third year, the conference serves as a venue where middle managers interact with practitioners and discuss emerging trends that will bring forth dynamic changes to the industry. It also allows companies to showcase their organization and products through exhibits.

### GLOBAL BENCHMARKING:

The conference will focus on four critical areas:

- \* Best Practices in Supply Chain and Technology Management;
- \* Best Practices in Mergers & Acquisitions;
- \* Using Simulation, Modeling, and Optimization to Improve Business Processes;
- \* Six Sigma, Balanced Scoreboard, Benchmarking Excellences.

### COST:

A registration fee of \$295 will be charged to participants registering before April 1, 2002. A late registration fee \$395 will apply after April 1, 2002. We encourage companies to take advantage of this opportunity and register early for the conference.

### GENERAL INFORMATION:

For more information about this event, visit the website [www.gac.ky.net](http://www.gac.ky.net), or contact Drucilla Belcher toll free at 877-604-8971 or via e-mail at [global.business@wku.edu](mailto:global.business@wku.edu).



## KENTUCKY WORLD TRADE CENTER

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# BRS Update: International Banking Services

You Don't Have to Go to New York to Find World Class International Business Services!

*Service providers can benefit from KWTC membership by participating in the organization's Business Referral Service (BRS) program, through which services are promoted to KWTC members. The BRS Update, which profiles different categories of service providers in each issue, is just one aspect of the BRS program.*

## Bank One International Group

416 West Jefferson Street, KY1-2206  
Louisville, KY 40202  
Phone: (502) 566-2811  
Contact: Mark Klein, International Specialist  
E-mail: Mark\_Klein@BankOne.com  
Web Page: www.BankOne.com

Bank One International Corporation is a full-service provider of international banking services. We bring tremendous capabilities and expertise to the Midwest by virtue of our parent company, which ranks among the top five banks in the country; our track record of financing over \$7 billion in foreign investments and overseas buyers; and our cutting-edge technology. We are prepared to go beyond letters of credit and collections to handle your foreign buyers' financing needs, improve your foreign receivables cash flow, and streamline your global treasury function.

## Fifth Third Bank

401 South Fourth Avenue  
Louisville, KY 40202  
Phone: (502) 562-5331  
Contact: Chris Bottorff, Asst. V.P. International  
E-Mail: Chris.Bottorff@53.com  
Web: www.53.com

International banking services and products include foreign exchange trading/hedging services, on-line foreign exchange trading, Multi-Currency accounts, Can-Link accounts, letters of credit, export financing and banker's acceptances. Additionally, Fifth Third Bank offers all major foreign currencies at selected banking centers in all Kentucky affiliates. These services are provided at each of our affiliate banks with representatives in Louisville, Lexington and Northern Kentucky.

## National City Bank

101 South 5th Street  
Louisville, KY 40202  
Phone: (502) 581-4086  
Contact: Randolph T. Goode, V.P. Trade Finance  
Email: Randolph.Goode@NationalCity.com  
Web Page: www.NationalCity.com

National City has the state's largest international staff that can help you structure and meet your international objectives by providing a full range of services: export financing (pre-export, short term, medium term), export letters of credit, import letters of credit, standby letters of credit (bid bonds, performance bonds, advance payment bonds, etc.), documentary collections, foreign exchange (spot, forwards, options), wire transfers, cash letters, Canadian account management (US \$ and /or Canadian \$ accounts), Canadian \$ loans, and complete banking services for foreign-owned companies.

## Central Bank & Trust Co.

300 West Vine Street  
Lexington, KY 40507-1666  
Phone: (859) 253-6222  
Contact: Luther Deaton, Jr., President & CEO  
E-Mail: LDeaton@CentralBank.com  
Web Page: www.CentralBank.com

Central Bank is a full service, independent bank with 12 banking centers throughout the city of Lexington. We provide personal and commercial relationship banking services to a wide range of customers in central Kentucky. Our lending specialties include retail, commercial, real estate and international letters of credit. Current and long-term personal investment needs are served by our subsidiary, Central Investment Center, Inc., or, on a more comprehensive personal or corporate basis by our Trust Group.

## Firststar/U.S. Bank, N.A.

One Financial Square  
Louisville, KY 40202  
Phone: (502) 562-6436  
Contact: Amy Schneider, V.P.  
E-Mail: Amy.K.Schneider@FirStar.com  
Web Page: www.USbank.com

Trade finance services for exporters: letters of credit, documentary collections, foreign exchange, medium-term buyer financing, export working capital loans, and international corporate banking services for foreign-owned companies' U.S. operations.

## PNC Bank, N.A.

500 West Jefferson Street  
Louisville, KY 40202  
Phone: (502) 581-3252  
Contact: Daniel Stanley, V.P.  
Email: Daniel.Stanley@PNCbank.com  
Web Page: www.PNCbank.com

PNC Bank provides global treasury management solutions for the cross-border payment needs of our clients by combining trade services and cash management products with current industry technology. Services include import/export letters of credit and collections, Export Excellence, foreign exchange (spot, forwards, options), and medium term buyer and export receivable financing. Pinnacle FX, Crossborder ACH/EDI payments, foreign balance reporting through Pinnacle for Windows, and multi-currency accounts compliment online foreign remittance processing and cash management products.

# Dear Trader

Dear Trader:

My company exports machinery to Eastern Europe. To alleviate the risk of non-payment, we typically require the importer to pay by confirmed letter of credit. Lately, I've heard that even confirmed letters of credit are not a 100% guarantee of payment if there are discrepancies in your export documentation. Could you please provide a list of 'typical' discrepancies so we can make certain to avoid them?

-Paid In Full

Dear Paid,

The list of discrepancies which can occur in export documentation is seemingly endless when careful precautions are not taken. However, Frank Reynolds, a licensed Customs Broker and President of International Projects Inc., has compiled a list of many discrepancies which turn up frequently.

The following discrepancies are usually curable if corrected within the letter of credit's time frames:

1. Amounts and significant details in the documents do not agree with the letter of credit text.
2. Amounts and significant details in the documents contradict each other. Parroting the same verbiage from the letter of credit to each and every document is the safest path, and now more easily achieved thanks to computer-generated documentation. A frequent consistency problem for Americans is in weights and dimensions that differ slightly from one document to another when the preparers use different digit levels in converting to/from metrics.
3. The insurance amount is not correctly calculated. Most credits calling for insurance require that it be placed at 110% of the CIF value, and this is in fact the default amount. However, people frequently forget to include the amount of the insurance premium in the insured amount, and thereby underinsure by a small amount. (Hint: make certain the amount shown on the insurance certificate is 110% of the CIF invoice total.)
4. The draft is drawn on the wrong party. Every credit calling for a draft must indicate the party on which it should be drawn, as there are several possibilities. For some reason, people seem to be more comfortable drawing the draft on a bank in their own country, even with credits that specify otherwise (such as on the applicant or the applicant's bank).
5. Signatures are missing from documents requiring them.
6. Arithmetic errors.

The following discrepancies are incurable:


1. Late shipment.
2. Stale documents. Transportation documents presented 21 or more days after their issue date are considered an automatic discrepancy unless specifically permitted by the letter of credit.
3. On-deck shipments when not specifically permitted by the letter of credit.
4. Late presentation of the documents. The presentation of incorrect or incomplete documents does not satisfy a letter of credit's latest presentation date requirement. Correct and complete documents must be submitted by the specified date.
5. Partial shipments when the letter of credit prohibits them.

Despite a first presentation failure rate for letters of credit exceeding 50%, most documentary credits are eventually paid because most people are reasonably honest. So be of good cheer and take advantage of these suggestions on how to minimize discrepancies.

# MARK YOUR CALENDAR!


*E-Mail Your Upcoming Events to [scook@louky.org](mailto:scook@louky.org)!*

| DATE                 | LOCATION                | EVENT   | SPONSORED BY   | VENUE  | CONTACT                                     |
|----------------------|-------------------------|---|--|--|---|
| March 5              | New Albany, IN          | <b>International Festival</b><br>International food, cultural presentations, multicultural artifacts  |  | Indiana University Southeast<br>6:00 pm - 8:30 pm  | Deborah Finkel at 812-941-2668              |
| March 7              | Louisville              | <b>Women of Asia: International Women's Day Panel Discussion</b>  | Crane House  | Crane House<br>6:00 pm                             | Crane House at 635-2240                     |
| March 14-17          | New Albany, IN          | <b>IU Southeast International Film Festival</b>   |  | Indiana University Southeast<br>7:30 pm            | Deborah Finkel at 812-941-2668              |
| March 18<br>March 20 | Lexington<br>Louisville | <b>Business Information for the Newly Independent States (BISNIS): Market Opportunities</b>   | U.S. Department of Commerce Export Assistance Center, Kentucky World Trade Center    |  | Export Assistance Center at 502-582-5066    |
| March 21             | Louisville              | <b>Myth and History Regarding the Roots of Islamic-Western Conflicts</b><br>Speaker: Al Andrea, professor emeritus of history at the University of Vermont  | Crane House  | Crane House<br>6:00 pm                             | Crane House at 502-635-2240                 |
| April 11             | New Albany, IN          | <b>Impressions of Saudi Arabia</b><br>Speaker: Gary Pinkston, who lived in Saudi Arabia for 10 years  |  | Indiana University Southeast<br>12:30 pm - 1:15 pm | Deborah Finkel at 812-941-2668              |
| April 15-17          | Bowling Green           | <b>Global Automotive Conference 2002</b><br>Conference Theme: Benchmarking  | Hosted By: Office of Global Business & Entrepreneurship, Western Kentucky University | University Plaza Hotel & Convention Center         | Drucilla Belcher at 877-604-8971            |
| April 25             | Lexington               | <b>World Trade Day 2002</b><br>Join us for Kentucky's largest international trade event! Meet with foreign dignitaries from around the world and network with over 400 Kentucky international manufacturing and service firms as we present World Trade Success Awards to Kentucky companies. | Kentucky World Trade Center  | Radisson Hotel, Downtown Lexington                 | Kentucky World Trade Center at 800-233-5982 |



## WORLD TRADE DAY 2002

### Lexington, April 25, 2002



**Call the KWTC at 800-233-5982  
for more information or to register today!**

## Former President of Zambia

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*LtoR: Ying Juan Rogers, KWTC, representatives from Khafra Engineering, Jean-Louis N'gala, Vice President with the African Bank for Human Resources, and Former Zambian President Dr. Kenneth Kaunda*

over 2.3 million people in Africa in 2001 alone. FAO (The Food and Agriculture Organization of the United Nations), which monitors food supplies around the world, estimated that, in Africa's 25 worst affected countries, 7 million agricultural workers have died from AIDS since 1985, and 16 million more will likely die by 2020.

Mr. Jean-Louis N'gala reiterated the critical nature of the AIDS epidemic and its toll on the African economy and way of life. He and Dr. Kaunda both urged American businessmen to show support by visiting and investing in Africa as a long-term solution to Africa's development needs.



## KWTC

### New & Renewing Members

#### NEW MEMBERS

#### Regular Memberships

Indiana Controls Engineering, LLC  
Rhodes Machinery International, Inc.  
The Summit Group

#### Club Memberships

M & H Consultant Co.

#### RENEWING MEMBERS

#### Regular Memberships

American Commercial Lines International LLC  
Buffalo Trace Distillery  
D. D. Williamson & Co., Inc.  
Ernst & Young LLP  
Foam Design  
Ford Motor Company  
Go Global  
Koetter Dry Kiln, Inc.  
Louisville-Jefferson Co. Riverport Authority  
Shippers Supply Co./IDEA  
Unishippers (Ezell Shipping, LLC)

#### Non-Profit Memberships

Bluegrass Area Development District  
Murray State University  
University of Kentucky - Gatton College of Business & Economics