



TradeView

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Focus on China

KWTC Signs Historic Cooperation Agreement with CCPIT

The China Council for the Promotion of International Trade (CCPIT), represented by Vice Chairwoman Madame Zhong Min, signed a historic Memorandum of Cooperation with the Kentucky World Trade Center (KWTC) on September 23. The agreement, which calls for joint business ventures, an exchange of trade missions, and educational projects, will help solidify Kentucky's relationship with an emerging market of 1.3 billion potential customers.

The ceremony took place at the Frost Brown Todd law offices in downtown Louisville, and was followed by a press conference and private luncheon. Jefferson County Judge Executive Rebecca Jackson and Patti Clare, representing Louisville Mayor David Armstrong, presented honorary certificates to Vice Chairwoman Zhong, who was accompanied by the CCPIT's U.S. Office Representative, Ms. Zhang Danqing, and two representatives from

the CCPIT's Department of International Relations in Beijing.

Established in 1952, the CCPIT is an organization whose membership consists of Chinese business and government leaders, enterprises, and organizations representing the country's economic and trade sectors. The CCPIT is the largest and most important organization responsible for the promotion of foreign trade in China.

Jay Tannon, Chairman of the KWTC, visited China in May 2002 at the invitation of the Foreign Ministry of China. Mr. Tannon was part of a ten member U.S. delegation, which in turn was among several international delegations participating in the 50th anniversary celebrations of the CCPIT in Beijing, Shanghai and the Western part of China.

The trip enhanced the relationship between the KWTC and the CCPIT, and initiated the negotiation of the cooperation pact. It also facilitated the establishment of formal relationships with the Beijing and Shanghai World Trade Centers with a view toward organizing reciprocal trade missions. **More photos on page S4**



Jefferson County Judge Executive Rebecca Jackson (R) presents an honorary certificate to CCPIT Vice Chairwoman Madame Zhong Min (L).



CCPIT Chairman Yu Xiaosong addresses international business representatives at a morning trade program.

KWTC Hosts High Level Chinese Business Delegation

On October 17, the Kentucky World Trade Center (KWTC) was honored to welcome the highest-ranking foreign business delegation ever to visit the Bluegrass. The delegation, which included a number of CEOs from China's top 50 corporations, was organized to accompany Chinese President Jiang Zemin during his state visit with President Bush.

Mr. Yu Xiaosong, Chairman of the China Council for the Promotion of International Trade (CCPIT), the primary organization in China responsible for trade development, led the delegation, which made a stop in Lexington en route between Washington D.C. and the APEC conference in Mexico.

The delegation's visit to Lexington was the direct result of the KWTC's ongoing efforts to establish business relationships in China, including KWTC Chairman Jay Tannon's recent trip to the country, which resulted in the signing of a cooperation agreement between the KWTC and CCPIT.

The formal program featured remarks by Lt. Governor Steve Henry, CCPIT Chair-

man Yu Xiaosong, delegates from PetroChina and China Mineral and Metals, David Goodnight with Lexmark International, Richard Camejo with UPS Airlines, and Jackson Davis with Valvoline Far East.

CCPIT Chairman Yu remarked that the U.S. has become China's second largest trading partner, with China being the fourth largest for the U.S. China is anxious to import capital, technology and expertise from the U.S., he said, while China provides a "huge profitable market" for American compa-

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Are You Legal?

Kentucky World Trade Conference 2002 Addresses Import/Export Compliance Issues

On October 3, the Kentuckiana World Commerce Council hosted the 15th annual Kentucky World Trade Conference in Louisville. This year's topic, Import/Export Compliance: Are You Legal?, was a timely one in light of the new regulations set in motion after the September 11 terrorist attacks.

Corporate Compliance Programs

Marty Snyder, a Partner with Wyatt, Tarrant & Combs, presented an overview of the specific laws which govern international business transactions and corporate compliance programs.

He emphasized that creating and actively managing a corporate import/export compliance program that applies to all operations worldwide is essential for every international business, despite the size of the company. Under federal sentencing guidelines, fines for compliance violations may be reduced up to 95% if a company has a compliance program in place and has shown a good faith effort to consistently communicate it to employees and enforce it throughout the organization.

Companies need to be aware of two general legal issues concerning foreign trade:

First, the Foreign Corrupt Practices Act prohibits the bribery of foreign officials, both directly and indirectly, in order to either obtain or maintain a business relationship. Facilitation payments, however, are allowed under the law. These include payments made to officials to speed the processing time of routine operational issues.

Second, U.S. employment laws apply to all U.S. citizens employed abroad by American firms or subsid-

aries, but do not apply to employees who are not U.S. citizens. An exception to this law occurs when a U.S. law directly violates an employment law in the foreign country of operation.

Import Compliance

Pete Mento with Expeditors Trade Win, examined the compliance issues which apply to the process of importing into the United States, including the new Customs-Trade Partnership Against Terrorism (C-TPAT).

Under the Customs Modernization Act (Mod Act), importers are now fully responsible for taking specific measures, or 'reasonable care', to make certain that their import documentation is accurate and that all government regulations and compliance issues are met. Customs may audit import transactions to determine their accuracy for up to 5 years from the date of entry. Failure to maintain records that support the information shown on an entry can result in a fine of up to \$10,000 per entry.

According to Customs, the most common errors made by importers include incorrectly appraising the value of the imported merchandise for Customs purposes, and improperly classifying the product within the Harmonized Tariff Schedule of the United States. Other common errors include merchandise which is improperly labeled with the country of origin, and the failure to meet product-specific federal regulatory standards and labeling requirements.

C-TPAT was created after the September 11 attacks as a voluntary program designed to strengthen U.S. border security. Joining the program involves ensuring the integrity of security practices, and communicating security guidelines to business partners throughout the supply chain. The benefits of participation include reduced inspections, expedited shipments, and lower insurance rates due to enhanced security. Mr. Mento speculated that participation will eventually become a requirement.

Export Compliance

Susan Kargel, with Expeditors Trade Win, examined the compliance issues which apply when

Left: Marty Snyder with Wyatt, Tarrant & Combs discusses corporate compliance programs for U.S. companies engaged in international trade at the Kentucky World Trade Conference.



(L) Syvoskia Bray-Reeder, Executive Vice President of the KWCC thanks (R) Jefferson County Judge Executive Rebecca Jackson for her presentation at the Kentucky World Trade Conference and for her support of global trade in Kentucky.

exporting products from the United States, while Phil Rhoads, a consultant and the former director of the U.S. State Department's export controls program, addressed the specific topic of U.S. export controls and export licensing programs.

An export is defined as a shipment or transfer of goods, software or technology to a foreign country or foreign national. A technical 'how-to' discussion with a foreign employee within the same company may even be considered an export in certain instances.

All exports are controlled for foreign policy and national security purposes by the either the Department of State, the Department of Commerce Bureau of Industry & Security, or the Treasury Department's Office of Foreign Assets Control. Exports are either prohibited to certain persons, entities or countries; permitted only when an export license is granted; permitted under a specific license exception; or permitted with no license required.

To avoid severe penalties, companies must be able to demonstrate that they have thoroughly researched the controls which apply to their exports, documenting the process used to determine that their exports comply with all federal export controls. These records must be maintained for at least five years. The most frequently fined export violations include shipping a product to a denied person or entity, and placing false statements regarding the ECCN classification and license requirement on export documentation.



GLOBAL SOURCING & IMPORT PROCEDURES SEMINAR

December 5, 2002 * 8:00 a.m. - 4:30 p.m.

Hurstbourne Hotel Conference Center, Louisville

Have you been putting your international sourcing and import potential on hold due to your company's inexperience with procedures and overseas markets?

The Kentucky World Trade Center will host a one-day seminar on the process of sourcing and importing products on a global scale - to help you get started! Topics will include identifying foreign markets, qualifying potential suppliers, negotiating contracts for purchase, and understanding U.S. Customs clearance issues, duty deferral programs and payment issues.

Guest speakers will include representatives from U.S. Customs, Go Global LLC, Panalpina, the Riverport Foreign Trade Zone, Parker Commercial Storage (bonded warehouse), LaSalle Bank and the Kentucky World Trade Center.

Don't miss out on this unique seminar sponsored by **Panalpina**. The registration fee, which includes a one-hour business networking luncheon, is \$65 for KWTC members, and \$75 for non-members. Call the Kentucky World Trade Center at (502) 574-2400 for more information or to reserve your place today!



KENTUCKY WORLD TRADE CENTER

Holley Groshek, Executive Director

Jay Tannon, Chairman of the Board

Lexington Office:

333 West Vine Street, Suite 1600, Lexington, KY 40507
Tel: 859-258-3139 • Fax: 859-233-0658

Ying Juan Rogers, Trade Specialist

Cathy Adkinson, Accounting/HR

Leigh Anne Campbell, Administrative Assistant

Louisville Office:

224 South 2nd Street, Louisville, KY 40202
Tel: 502-574-2400 • Fax: 502-574-1585

Ian deClive-Lowe, Director

Susan Cook, Trade Specialist

David Golightly, Administrative Assistant

TradeView Magazine:

Susan Cook, Editor

Leanne Hernandez, Desktop Publishing

Business Referral Service Update: International Business Consultants

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.

America's Business Link, LLC

650 West Ave. #1506
Miami Beach, FL 33139

Contact: Ms. Whitney Belker
Phone: (305) 534-7710
Fax: (305) 534-7780
E-mail: whitney@americasbusinesslink.com
Web page: www.americasbusinesslink.com

Americas Business Link, LLC (ABL) is an international business development consulting firm specializing in the Americas region. We help our clients identify local Latin American partners, distributors, agents and resellers for successful Latin American expansion.

Global Consulting Services

8908 Collingwood Rd.
Louisville, KY 40299

Contact: Mr. Don Snyder
Phone: (502) 491-6977
Fax: (502) 491-6067
E-mail: drsnyder@mindspring.com

Global Consulting Services provides mail order and international shippers with answers to their foreign customs compliance, duty and tax questions for their destination countries.

International Business Consultant

5210 Heather Hill Road
La Grange, KY 40031

Contact: Mr. Philippe Deprez
Phone: (502) 225-6293
Fax: (502) 225-6293
E-mail: philippedeprez@cs.com

We provide general export orientation and help with the selection of foreign markets in the form of market analysis, identifying opportunities for strategic alliances, acquisitions or joint ventures, international strategy development, and help in formulating a business plan. We also offer assistance in negotiations with foreign partners, with establishing an international distribution network, and with the selection and preparation of international staff.

Countertel Group

P.O.Box 4203
Louisville, KY 40204

Contact: Mr. David T. Allen
Phone: (502) 634-9440
Fax: (502) 635-5932
E-mail: countertelgroup@compuserve.com

Countertel Group specializes in providing global intelligence services, including competitive intelligence, commercial counterintelligence, operational security (OPSEC), area risk assessments, and executive protection both nationally and internationally.

Go Global LLC

4010 Dupont Circle
Suite 379
Louisville, KY 40207

Contact: Mr. Gary J. Olsen
Phone: (502) 893-0200
Fax: (502) 893-0209
E-mail: info@gogloballlc.com
Web page: www.gogloballlc.com

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Strategic Planning International, Inc.

2720 Hikes Lane
Louisville, KY 40218-1550

Contact: Mr. Roy M. Martin
Phone: (502) 451-1457
E-mail: rmm@iglou.com

Our company provides foreign policy analysis and information regarding how U.S. foreign policy & politics, as well as other countries' foreign policies and politics, may affect international business. We have extensive knowledge and understanding about the effects of domestic political developments within the U.S. upon our relations & trade with other nations. We also offer media consulting, political strategy, & marketing expertise.

Dahlem Consulting International

3908 Brookfield Avenue
Louisville, KY 40207

Contact: Ms. Karen Dahlem
Phone: (502) 899-3440
Fax: (502) 899-3437
E-mail: karen@dahlem-consulting-intl.com
Web page: www.dahlem-consulting-intl.com

Dahlem Consulting International partners with people to manage change and increase organizational effectiveness. Dahlem can help you design and facilitate meetings (including virtual meetings), and can also help you manage new organizational initiatives (for example: mergers, acquisitions, leadership transitions, succession planning, team building, problem solving and training). We have experience working with large global teams and conduct business in three languages: English, Spanish and French.

KWTC Hosts High Level Chinese Business Delegation

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nies. He predicted that China would surpass Japan as America's largest Asian trading partner within a few years.

Jackson Davis with Valvoline Far East advised that to be successful in China, companies must adopt a different business model incorporating patience, relationship-building and commitment.

Following the program, attendees had the opportunity to meet with members of the Chinese delegation. KWTC Chairman Jay Tannon remarked that the visit was an unprecedented opportunity for Kentucky companies to establish meaningful business relations with some of the most significant businesses in China.

During their stay, the Chinese business leaders were also treated to a day of racing at Keeneland, followed by a dinner reception at Labrot & Graham Distillery sponsored by Brown-Forman Corporation.

The delegation included executives from leading Chinese corporations, including: China Aviation Industry Corporation, China Petrochemical Corporation, PetroChina Company, Chongqing Yinxin Science-Technology Group, Lianoning Changjiang Industrial Group, Sino-Australia Century Investment, Taikang Life Insurance, Beijing Security Company, and China Mineral and Metals Import & Export Corporation.



L to R: Brown-Forman CEO Owsley Brown II, CCPIT Chairman Yu Xiaosong, Governor Patton and KWTC Chairman Jay Tannon share a toast with Woodford Reserve premium bourbon during a dinner program at Labrot & Graham Distillery sponsored by Brown-Forman.

MARK YOUR CALENDAR!

E-Mail Your Upcoming Events to Susan Cook at scook@louky.org!

DATE	LOCATION	EVENT	SPONSORED BY	VENUE	CONTACT
November 13	Louisville	Seminar: Hong Kong: Your Premier Business Platform for Post-WTO China --Emerging Opportunities in China	Kentucky World Trade Center, Hong Kong Trade Development Council	Brown Hotel, 8:00-10:15 am	Kentucky World Trade Center at 502-574-2400
November 14	Louisville	Seminar: Capitalizing on Cultural Differences: Business Strategies for a Global Economy Speaker: Robert Moran, Ph.D with the American Graduate School of International Management (Thunderbird)	U of L Division of Distance & Continuing Education	U of L Shelby Campus, 8:30 am - 4:30 pm	Gala Spencer at 502-852-1413
December 2-6	Mexico City and Monterrey, Mexico	Appalachian Region Trade Mission to Mexico	Ky Delegation Organized By: Kentucky Cabinet for Economic Development International Trade Division		Stephanie Wheeler at 800-626-2930
December 5	Louisville	Global Sourcing & Import Procedures Seminar	Organized By: Kentucky World Trade Center Sponsored By: Panalpina	Hurstbourne Hotel Conference Center, 8:00 a.m. - 4:30 p.m.	Kentucky World Trade Center at 502-574-2400
January 31 2003	Louisville	Asian New Year Dinner & Auction Annual fund raiser for Crane House		Humana Corporate Headquarters	Crane House at 502-635-2240
March 6 - 8 2003	Guadalajara, México	AFIA - AGRO Trade Fair 2003 Products Covered: feed, livestock and agricultural equipment, services and products			Marcos Castillo or Denise Sepulveda at 011-52-33-3122-8105 or via e-mail at kymexico@infosel.net.mx
April 24 2003	Lexington	Kentucky - United Kingdom Trade Luncheon In cooperation with 'All The Queens Horses' exhibit at the Kentucky Horse Park Featuring: Governor Paul Patton (Invited), Ambassador Farrish (Invited), Ambassador Meyer (Invited), Princess Anne (Invited)	Kentucky World Trade Center	Radisson Hotel Downtown Lexington 11:30 am - 1:00 pm	Kentucky World Trade Center at 800-233-5982
June 11 2003	Louisville	Kentucky World Trade Day Featuring the World Trade Success Awards Luncheon, WTCA Book of Honor Nominee Presentation, and a delegation of foreign trade representatives representing over 20 of the Commonwealth's foreign trading partners.	Kentucky World Trade Center	Seelbach Hilton Hotel Downtown Louisville	Kentucky World Trade Center at 502-574-2400

KWTC Signs Cooperation Agreement with CCPIT

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Left: KWTC Chairman Jay Tannon (L) and CCPIT Vice Chairman Madame Zhong Min (R) sign the historic Memorandum of Cooperation between the KWTC and CCPIT.

Below: KWTC Chairman Jay Tannon (L) and CCPIT Vice Chairman Madame Zhong Min (R) shake hands after signing the Memorandum of Cooperation.



KWTC New & Renewing Members

NEW MEMBERS

Regular Memberships

Bluegrass Catalunya International, LLC
Kinetic Technologies, LLC
Lockett Tobaccos, Inc.
National Products, LLC

RENEWING MEMBERS

Patron Memberships

Carpenter, Mountjoy & Bressler
Fifth Third Bank
Lexmark International
National City Bank, Kentucky
Papa John's International
UPS

Regular Memberships

Acordia
Ziniz, Inc.
Emery Forwarding
Genfab, Inc.
King & Schickli, PLLC
Pig Improvement Co., Inc.
Go Global
CMI-HRSG
Wyatt, Tarrant & Combs, LLP
DecoArt Incorporated
Kentucky Department of Agriculture

Non-Profit Memberships

Western Kentucky University

Club Memberships

Panalpina, Inc.

MARK YOUR CALENDAR FOR A SPECIAL KWTC COLLABORATION WITH THE HONG KONG TRADE DEVELOPMENT COUNCIL!

Hong Kong: Your Premier Business Platform
for Post-WTO China

"Emerging Opportunities in China"

Breakfast Seminar: 8:00 - 10:15 a.m.
Wednesday, November 13
Brown Hotel, Downtown Louisville

For more information or to register, please contact the Kentucky World Trade Center at 502-574-2400 or kwtc@louky.org.