



THE ITC REPORTER

CALENDAR OF EVENTS

International Trade Council 2009 Annual Meeting

Thursday, August 20, 2009 11:30 AM – 1:00 PM
Location: Marriott Overland Park
10800 Metcalf Ave.
Overland Park, KS 66210

Visit our website to view the updated 2009-2010 Calendar of Events!

Check our website for updates and details: itckc.org

York, Philadelphia and Washington DC. Irina was selected as a Teacher Leader for a group of highly motivated high school student leaders from all over the U.S. and around the world, interested to learn about international diplomacy and leadership. Besides facilitating the group activities, service project at the SERRV International, and supervising the students, Irina's duties also included coaching students on academic assignments that involved international issues and diplomacy, leadership work, team building, and preparation for the Model United Nations Simulation. The final Planery Session for the Model UN Simulation was held at the Organization of United Nations's Hall of Nations, where over 150 student leaders gathered together to discuss the importance of the global issues and passed their final resolutions on how to improve countries' active take on these issues. Irina and her students also acquired a unique chance to meet and speak with a holocaust survivor Erika Eckstut; Chief White House Correspondent (US News and World Report) Ken Walsh; Iraqi ambassador to the United Nations, the Honorable Hamid Al-Bayati among other influential people as part of the program.

Honorary Advisory Board Members

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ITC Administrator Selected to Participate in People to People International Leadership Summit

Irina Kobzeva-Pavlovic, current ITC administrator, and an active member of various international organizations, was recently nominated and chosen to participate in a People to People Ambassador Program – International Diplomacy Leadership Summit that took place on June 21-30 in New

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Former ITC Intern Administrator Update

Tamara Dancheva, former ITC **Rockhurst University** intern and ITC office administrator is completing an internship with the **European Commission's** European Anti-Fraud Office in Brussels. She will be starting a master's level degree with the prestigious **London School of Economics** in September. While with ITC, Ms. Dancheva aptly dealt with the challenges of ITC's office move to its current location, a major computer crash, and contributed to the substantial growth of membership and educational program participation. Ms. Dancheva's dedication to ITC's mission and operating needs provided a valuable opportunity for experience, while ITC's volunteer executive committee created a mentoring environment that enhanced the win-win situation of personal development for our intern and organizational development for ITC. The **International Trade Council of Greater Kansas City** is grateful for the opportunity to have collaborated, and wishes Ms. Dancheva continuing success.

ITC Scholarship Recipient Teaching at Business Summit

Amiran Gelashvili, a senior at Park University, majoring in Finance and International Business with minor in Economics and 2008 International Trade Council Seven Pillars Scholarship recipient, was recently selected as a teacher leader during the People to People Ambassador Programs: Future Leaders Business Summit June 13-24 at Columbia University, NYC. He led a group of 13 high school students from the U.S. and around the world. Amiran led the delegation's study groups during the program. He assisted the students drafting a business plan, which was presented in front of an audience of more than 160. He also facilitated discussions about the different aspects of the business world including: economics,

finance and marketing. He also helped the students with a community service project.

This was the first Ambassador Program that Amiran was chosen to lead. In July, he is invited to lead another People to People Ambassador Leadership Program at the University of California Los Angeles.

Summer 2009 Membership Drive a Success

On June 18, 2009 the ITC hosted an exciting membership drive at the Inland Sea Urban Winery in Kansas City. The ITC hosted a wine tasting social for current ITC Board members and individuals who are involved in international trade. Guests enjoyed a variety of excellent wines and hors d'oeuvres while they had the opportunity to socialize and network with the area's international business leaders. Individuals new to the ITC had a unique opportunity to join ITC at a discounted rate at the event.



First National Bank, Citizens Bank and Trust and KC SmartPort sponsored the event. The support of our sponsors and involvement of local companies in the ITC is a testament to the value that area organizations find in being part of the ITC.

Founded in 1944, the International Trade Council of Greater Kansas City, Inc. promotes international trade through educational programming and networking opportunities. There are a large number of local and regional businesses and organizations that would benefit immensely from programming by International Trade Council. The more members, the more sophisticated, valuable, and varied programs we can deliver to our members.

Please refer your associates to ITC!
www.itckc.org



Member Organization Hosts Delegation at the Port of Lázaro Cárdenas

KC SmartPort, Kansas City Southern de Mexico railroad and its parent KCS Railroad, along with representatives of, CenterPoint Properties and Zimmer Real Estate Services hosted a delegation of shippers, public officials and other stakeholders for a June 15-16 visit to the Port of Lázaro Cárdenas to highlight the advantages the natural deepwater Pacific Ocean port offers as a gateway to Mexico and U.S. markets.

The delegation took part in presentations from the Port Authority of Lazaro Cardenas and Hutchison Port Holdings, the leading private port terminal operator in the world and a growing presence at Lazaro, Hidalgo, and along the corridor.

"From its strategic location on the West Coast, to natural amenities and access to Kansas City Southern's International Intermodal Corridor, the advantages for shippers in using the Port of Lazaro Cardenas are many," said KCSR executive vice president sales and marketing Pat Ottensmeyer.

At the end of the tour, the delegation attended a luncheon offered by Michoacan state Governor Leonel Godoy, state Secretary of Economic Development Eloy Vargas Arreola and eight Mexican congressmen.

Governor Godoy underscored state's strong commitment to the Port of Lazaro and KCS and encouraged shippers to continue to use or begin using Lazaro Cardenas for their business

"KCSM, the Port and state and federal officials are all working together to maximize the potential of Lazaro Cardenas as an important gateway from Asia to North America, as well as to ensure the safety, security and efficiency of shipments moving through the gateway to the benefit of all stakeholders," said KCSM president and executive representative Jose Zozaya.

Delegation hosts, KCSR, KCSM, KC SmartPort, CenterPoint Properties and Zimmer Real Estate Services, are also involved in various aspects of the development or promotion of the CenterPoint Intermodal Center-Kansas City and CenterPoint Intermodal Center-Houston Metro. The trip was funded by an economic development grant obtained by KC SmartPort.

ARTICLES REQUESTED!

Members are requested to submit articles about international trade success for publication in the ITC Reporter. Please try to include digital photos or graphics with your submission!

ITC and Internships with an International Focus

The Park University Office of International Affairs and Education, Park University Career Development Center, and the International Trade Council (ITC) have been working on two educational projects during 2009: International Career Day and an international internships database (local internships with international focus and/or internships outside of United States).

The projects are being developed with the assistance of a Park University senior, Elvin Hatamzade, who has been helping generate a timeline and responsibilities for participating universities while creating a joint webpage with links to internships in the Greater Kansas City area, which already exists on the ITC website.

The ITC is involved in a number of exciting projects for the near future which would offer interns greater exposure to various elements of global trade operations. For more information on an ITC internship opportunity contact Larin Payne at larinpayne@gmail.com.

We strongly encourage all ITC members to consider offering internships as we believe that there is a significant pool of qualified students in this area receiving strong support and encouragement from their respective schools.

A long-term goal of the ITC might be to establish a formal committee structure and formalize an internship program. In the short term, we can easily act as an intermediary, pairing interns and internship providers through opportunity postings on our web site and in this newsletter.

Missouri Trade Mission to Japan

The Missouri Department of Economic Development will be leading a Japan Trade Mission Delegation to participate in BioJapan 2009 World Business Forum in Yokohama to be held October 6-9, 2009. BioJapan is the longest running international biotechnology event in Japan.

Second in size only to the US, the Japanese biotechnology industry has been identified as a priority industry and the government has provided considerable support to foster this industry and academia has also played a significant role. The market size of the Japanese biotechnology industry in 2007 was \$19.5 billion, a 10.9% increase over the previous year. The purpose of the mission is to promote a select number of Missouri companies and their products. Missouri will exhibit at the USA Pavilion and delegation members will have the opportunity to exhibit within the Missouri booth. Each member of the delegation will receive customized services including one on one meetings, seminars, workshops, receptions, market research, background checks and much more.



The option of an Osaka BIO Cluster tour is available to participants as well on October 1 and 2. Osaka and its surrounding regions serve as the core of biotechnology research in Japan. There are numerous R & D centers, engaged in unique R & D activity making use of close industry-academic linkage. Osaka is home to pharmaceutical giants like Takeda and AstraZenica Japan. If you have ever thought about doing business in Japan or a strategic alliance with a Japanese firm or organization, please contact Jessica.eads@ded.mo.gov or krista.zurkamer@ded.mo.gov today.

International Trivia Corner

- 1) Apple pie is truly American in origin. True or false?
- 2) What is AES?
- 3) A Kansas City manufacturer receives an order for goods valued at USD 18500.00 EXW Kansas City. The overseas buyer requests a commercial invoice indicating a price of USD 12785.00 EXW Kansas City. Should the manufacturer comply with this request?
- 4) A shipment moved to France with a total value of USD 13450.00 FOB New York, but nobody filed a shipper's export declaration. Under what circumstances did this occur?

(Answers on Page 6)

MEMBERSHIP OPPORTUNITIES

One of the major benefits of volunteering with ITC is the opportunity to work closely with others in the international trade arena. This means:

- **Networking** with international business experts
- **Learning** management and leadership skills from others
- **Developing** new skills that apply to work
- **Enjoying** working together for a common goal
- **Influencing** ITC's activities to better help members
- **Entering** the pipeline as a potential ITC board member

ITC's board is seeking members to join committees chaired by board members. Meetings are generally monthly, with email communications between meetings.

The following Committees need extra volunteers:

Program Committee. ITC's most important committee, it defines, refines, organizes, and delivers meaningful educational programs of relevance to best practices in international business. **Please provide ideas for meaningful and relevant program content!**

Membership Committee. ITC serves its' membership, and the more members, corporate, educational and individual that the Council has, the greater the number of relevant and useful programs the ITC can deliver.

Marketing Committee. Communicating with our committees is the most important part of ensuring that our members are well served. If you are interested in contributing to the newsletter, would like to help update the website or work with the media on behalf of the ITC please contact info@itck.org.

Do you want to be involved?

Country Focus: Australia

Regina D. Heise, Director, U.S. Commercial Service-Kansas City

Australia is a sophisticated and modern economy that is a major exporter of primary resources (such as mineral and agricultural commodities). Asian demand for minerals, metals, and energy resources had been an engine for growth nationally and in specific regions of the country - until the recent economic crisis. The resource boom had tested the limits of the infrastructure and many projects were on the books to invest in improvements. Due to the current global economic crisis, however, many of those projects are on hold.

While private investment has dropped substantially, the Australian government is still planning to complete some infrastructure projects to increase export efficiency. The economic crisis is starting to affect the Australian economy with a slow-down in housing turnover, construction projects, commodity sales and increasing unemployment. The financial sector, however, is in better shape than in many parts of the world, in terms of liquidity and general banking health.

These challenges provide opportunities for American exporters across multiple industry sectors. The need to increase productivity and reduce costs, remain keys to the future of foreign trade. In 2008, Kansas exports to Australia were valued at \$281 million, Missouri exports \$192 million.

We advise American firms examining the Australian markets to pay attention to macro measures of opportunity, which give it more purchasing power relative to less developed economies. Along with the Free Trade Agreement, the case for entering or expanding in the Australian market is stronger than the population of 21 million might suggest.

Australia's relative market appeal remains convincing with few barriers to entry, a familiar legal and corporate



framework, sophisticated consumer and industrial sectors and a straightforward, English-speaking, business culture. The Australia-U.S. Free Trade Agreement enhanced the long and successful trading relationship by eliminating tariffs on almost all U.S. manufactured and agricultural goods.

Competitive Market

Australia is integrated into the world economy and remains a commercial and financial center for the region. American companies will find that Australian and third-country competitors in Australia have some long-established brands with strong reputations and existing supplier relationships. Australia has ready access to Asian and other, low-cost producers. American firms must therefore demonstrate sufficient added value to overcome the costs of getting the product to market, and to compete against lower-cost producers in the region.

Market Entry

Successful market entry strategies for Australia have three common elements: understanding the market, selecting the optimal partner, and providing ongoing support to that partner in the market. A common language and familiar business framework may lead Americans to overlook Australia's cultural and market differences. It is vital to first gain an understanding of the Australian context for a product or service, its competitors, standards, regulations, sales channels, and applications.

Success in the Australian market often requires establishing a local sales presence. For many American exporters this means appointing an agent or distributor. The bounds of that appointment are negotiated, and may include only certain states of Australia, the entire country, or New Zealand as well. An increasing number of businesses and investors see Australia as a secure platform from which to serve third markets in Asia.

The distance from many of their trading partners and the sheer size of the Australian continent - comparable to the continental U.S. - causes Australian firms to stress the importance of local support and service. American companies should visit Australia both to meet prospective partners and demonstrate ongoing support, as this is the common practice of their competitors.

Most of the criteria American firms use to select agents or distributors are applicable to Australia, with expectations adjusted to the scale of the market. Performing due diligence is just as important as in the United States, and we offer numerous resources to assist in that work.

We believe 2009 will continue to show demand for American companies with innovative products and technologies in the Australian market. We invite you to contact us to help you analyze and execute those plans.

The U.S. Commercial Service is present in 107 U.S. cities and in more than 80 countries. The U.S. Commercial Service offices in Sydney and Melbourne offer valuable assistance to help U.S. businesses export goods and services to Australia, New Zealand, and Fiji. The Commercial Service team works with your company to help you start exporting or to increase your sales to new global markets. Services include: world class market research, trade event services, introductions to qualified buyers and distributors, and counseling and advocacy through every step of the export process. To learn more about how the U.S. Commercial Service can help your company export, contact the office in Kansas City at (816) 421-1876 or visit us online at www.buyusa.gov/kansascity.

ICOP Expands Abroad

ICOP Digital, Inc. (Nasdaq:ICOP), headquartered in Lenexa, Kansas, is an industry-leading company engaged in advancing digital surveillance solutions for public safety. Founded in May 2002, ICOP engineers and markets digital in-car camera systems to law enforcement agencies in every state (with the exception of Hawaii), and is actively expanding into broader public safety markets. About two years ago, ICOP began working in several key markets abroad, and is now beginning to reap the rewards of these efforts.

ICOP recently announced that they were awarded a contract for sale to the Ministry of Interior in Saudi Arabia. Saudi Arabia represents a tremendous opportunity for ICOP. Unlike the US, which has over 18,000 police departments, Saudi Arabia's security is centrally managed, through the Ministry of Interior. The initial contract represents a small success relative to the overall opportunity. Laura Owen, President and COO of ICOP stated, "Doing business in Saudi Arabia is very different today than it would have been even just a few years ago. HRH King Abdullah is very progressive. He recently appointed a woman to serve on his cabinet, marking a first in Saudi history. I have been warmly received by officials at all levels of authority in the country, and always look forward to returning to Saudi."

ICOP also recently announced that they were awarded a contract to supply mobile cameras to a major corporation in Mexico (they rank #1 in their industry in Mexico, and #10 worldwide). While this first sale was not large, it is significant in that the customer has invested in substantial infrastructure of servers and software across Mexico, to manage the ICOP video files, as their objective is to outfit their large fleet of security vehicles. Opportunities for companies that market quality security products are very large in Mexico, at this time. As in any market abroad, it is important to have the right local partner, for establishing strong local relationships, in addition to providing local tech support.

ICOP is working in several other regions of the world, to expand their international success. ICOP made an important strategic decision to design their systems to operate in multiple



languages. Current international sales, as well as other pending international projects, would not have been possible without having the units operate in the local language.

“In these challenging economic times, the timing of our breakthroughs with international sales has been fortuitous,” Ms. Owen added, “We continue to see evidence that our international growth strategies are gaining traction. I would encourage business leaders to give serious attention to the global marketplace, if they have only pursued domestic opportunities. It takes time, and critical attention to understanding and respecting the local culture, but the rewards are great.”

“As a result of the increase in sales from foreign countries, we are actively seeking quality distributors and international representation for our products” stated Ms. Owen, “ICOP has always prided itself on the highest levels of quality with our products, and we require the same high standards from our global partners.”

Answers to International Trivia Corner:

- 1) False. Recipes for apple pie were recorded in England as early as during the fourteenth century.
- 2) AES is the Automated Export System, by which exporters and others may file SED (Shipper’s Export Declaration) data for US exports electronically.
- 3) No. The manufacturer could face penalties and/or sanctions, in the USA and overseas, not to mention possible loss of export privilege, by deliberately falsifying the shipment value. In addition, if the shipment were to be lost or damaged in transit, insurance recovery for the full value is highly unlikely.
- 4) The shipment must have consisted of multiple commodities, resulting in several schedule B classifications being applicable. If the total value under each schedule B number did not exceed USD2500.00 and no licensing requirement existed, there would have been no need under existing regulations to file a shipper’s export declaration.

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MEMBERSHIP APPLICATION/RENEWAL

You may also join the International Trade Council by visiting our website at www.itckc.org. The 2008-2009 business year started September 1, 2008. **Dues will be pro-rated by quarter.**

New Member Renewal

Former Member/New Company

Name: _____

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Address: _____

City/State/Zip: _____

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Corporate \$300*

* Up to 5 individual members; \$150 increments for additional five members.

Individual: \$80 Diamond Patron - \$5,000 Educational \$65 Platinum Patron - \$5,000

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