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China's Largest International Trade Fair

GUANGZHOU, CHINA Oct. 15 (Xinhua) The 102nd China Import and Export Commodities Fair, commonly known as the Canton Fair, has attracted a total of 15,054 businesses, including 480 from 57 other countries and regions.

"A total of 849 booths have been set up for overseas businesses, 220 more than the previous fair in April 2006," Xu Bing, spokesman for the fair, said.

In previous years, the bi-annual trade fair was used as a means to promote China's export trade but at last year's event companies from overseas were invited to display their wares for the first time.

It was seen as a move to show the world China's efforts to increase imports



Photo taken on Oct. 15, 2007 shows a general view of Pazhou Complex, one of the two exhibition halls of the 102nd China Import and Export Commodities Fair in Guangzhou, capital of south China's Guangdong Province. The biannual trade fair, commonly known as the Canton Fair, ended October 31 (Xinhua Photo).

and reduce its yawning trade surplus, which has triggered trade disputes with other countries.

More than 6,000 domestic corporate buyers will attend the fair and there are 32,000 booths in two

Key Points of U.S. Treaty with Australia Explained

See Page 3

India's Huge High-Tech Export Growth Detailed

See Page 7

Book Review "Global Outlaws"

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A Look at China's Economic Pace

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exhibition halls covering 635,000 square meters."

Source: http://news.xinhuanet.com/english/2007-10/15/content_6885329.htm

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Multi-Nation Effort for New Trade Agreement to Fight Fakes

WASHINGTON DC - In a major step in the fight against intellectual property rights (IPR) counterfeiting and piracy, U.S. Trade Representative Susan C. Schwab announced the United States and some of its key trading partners will seek to negotiate an Anti-Counterfeiting Trade Agreement (ACTA). Trading partners engaged in discussions so far include Canada, the European Union (with its 27 Member States), Japan, Korea, Mexico, New Zealand, and Switzerland.

"Global counterfeiting and piracy steal billions of dollars from workers, artists and entrepreneurs each year and

jeopardize the health and safety of citizens across the world," said Ambassador Schwab. "The United States looks forward to partnering with many of our key trading partners to combat this global problem."

The new agreement will address three main areas: cooperation, best practices, and a strong legal framework for IPR enforcement.

The ACTA would complement other countries to meet the enforcement standards of the

Trade Agreement - Continued on page 9

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Notes from the Executive Director

Something for Everyone

by *Dr. Donald N. Burton*



There is much to read in this issue of GlobalWatch® as many regions of the world are topics of articles such as the EU, Japan, China, Israel, Australia, and India. It is hard to keep up with all the important topics on so many fronts.

I may have a chance to meet many of you over the next few months. I will be in Houston and Dallas-Fort Worth Texas in November at ITAR events and speaking at conferences in San Diego, Orlando and San Antonio early in the New Year. We will post notices as to where I'll be. If you have the chance, please come by and say "Hi".

Many people don't know that they can apply the credits from the CUSECO® program directly toward earning their bachelor degree in Trade Compliance Management and those that already have a liberal arts bachelor degree from another school can earn their Trade

Compliance Management degree in short order. The next semester for degree students starts January 3, 2008. Contact your Enrollment Advisor and they will guide you through the fast and easy process. To begin, order transcripts from any college or universities you've attended. They need to be sent directly to us from the school. A word of caution, please enroll soon. We are expecting to see a large number of people scrambling to register in time.

Occasionally we do a book review if we see something of interest to our readers. In this issue, "Global Outlaws: Crime, Money and Power in the Contemporary World" is reviewed (See page 7.) I think you may find it a very interesting topic.

Again, thank you for your strong continued support. Enjoy this issue. I look forward to seeing you.



Photo taken at an international forum on China trade held in San Francisco, October 2007. Left to right: John Priecko, President, Certification Board of Governors, Li Genxin, Secretary General, China Arms Control and Disarmament Association, Dr. Donald Burton, President, International Import-Export Institute and Jiwei Ye, Vice President - Global Trade Services, JPMorgan.

Australia - U.S. Treaty on Defense Trade Cooperation Key Points

The Australia-United States of America (US) Treaty on Defense Trade Cooperation signed in Australia by the two nation's leaders on September 5, 2007 will provide greater access and sharing of equipment, technology, information and services between the two countries. It complements the ANZUS Treaty, our close intelligence cooperation and the Free Trade Agreement.

The Treaty will significantly cut red-tape and simplify processes.

The treaty provides:

- operational benefits from greater access to US capability for sustainment and support;
- improvements to capability development due to earlier access to US data and technology;
- cost and time savings from significant reductions in the number of licences, required for export of Defence equipment; and
- improved access for Australian companies involved in bidding on US defence requirements, or in supporting US equipment in the ADF inventory.

The primary result of this treaty is to allow Australia preferential and much simpler access to the US defense technologies, including the Joint Strike Fighter and AEGIS naval combat system, which Australia has decided to buy. It also puts Australia on the same level as the United Kingdom in terms of general access to US defense technology.

The treaty permits the license-free export of defense goods and services meeting security and regulatory requirements between the Australian and US Governments, and between Australian and US companies. It will significantly cut red-tape and simplify processes for sharing equipment, information and technology between Australian and US defense companies.

Eligible exports include:

- Mutually determined security and defence projects where the Commonwealth of Australia is the end-user;
- Cooperative security and defence research, development, production and support programs; and
- Combined military or counter-terrorism operations.

The treaty delivers a significant boost to Australian defense exports, supporting jobs and providing greater long-term stability for the Australian defense industry.

It will speed up delivery of the next generation of defence technology through improved military industrial collaboration, further enhance interoperability between Australian and US forces, and ensure the Australian Defence Force continues to enjoy access to cutting-edge capabilities into the future.

For Australia, the Treaty will significantly reduce delays in acquiring in-service support for US defence equipment by eliminating lengthy licensing processes, reduce lead times before Australian and US companies can discuss potential business

opportunities, and allow early access to US technical data and technology for consideration during the Defence Capability development process.

The Treaty creates a comprehensive framework for two way trade between Australia and the United States in defense articles, including equipment, spare parts, services and related technical data, within an 'approved community' of government facilities and private companies in the United States and Australia without the need for licences.

The treaty requires ratification by the United States Senate and review by the Joint Standing Committee on Treaties in the Australian Parliament

Source: Prime Minister of Australia; release issued Sept. 5, 2007

JURISDICTIONAL DETERMINATIONS

Commodity Jurisdiction (CJ) Requests determine if the commodity, service or data is:

- Covered under the US Munitions List (USML).
- Covered under Commerce Control List (CCL).

The International Traffic in Arms Regulations (ITAR) is the foundation for CJ reviews. The US Department of State is the sole US Government authority for making CJ determinations.

REMEMBER: A CJ IS NOT A LICENSE, APPROVAL, OR AUTHORITY TO EXPORT!



BIS Update

Bureau of Industry and Security

SNAP-R Proposed Rule

BIS publishes a proposed rule to amend the Export Administration Regulations (EAR) to make SNAP-R mandatory.

This proposed rule would require that export and reexport license applications, classification requests, encryption review requests, License Exception AGR notifications and related documents be submitted to the Bureau of Industry and Security (BIS) via its Simplified Network Application Process (SNAP-R) system. This requirement would not apply to applications for Special Comprehensive Licenses or in certain situations in which BIS would authorize paper submissions.

Comments must be received by December 18, 2007. FOR FURTHER INFORMATION CONTACT: William Arvin e-mail warvin@bis.doc.gov

Source: bis.doc.gov/news/2007/AceSystems08232007.htm

China Rule Change: End-User Certificate Requirement Expanded

To facilitate the ability of the United States Government to conduct end-use checks for controlled items to China, BIS expanded their rule on June 18, 2007 requiring exporters to obtain End-User Statements from the Chinese Ministry of Foreign Commerce to *all exports* requiring a license for China valued over US\$50,000. Previously statements were required for items controlled for national security reason only.

Source: China Trade Conference presentation by Bernard Kritzer, Director, ONSTTC, BIS, Oct 16, 2007

Defendant Could Face 100 year Prison Term

San Jose (AP) — The shaker machines built by Data Physics Corp. and exported to China can rattle locomotives. Or they can rattle missiles.

What they're rattling is the central issue in the Federal Government's case against the San Jose company and its China sales manager, one that highlights the difficulty in regulating the export of so-called dual-use technologies - devices with both military and civilian applications.

Data Physics' Yueqiang "Bill" Chen faces up to 100 years in prison if convicted, and the Commerce Department is pursuing devastating civil penalties against the company itself.

Data Physics is an Air Force contractor that sells shaker systems, metal drum-like machines that vibrate at high speeds and are used to test the durability of everything from car parts to cruise missiles, putting them firmly in the dual-use category (one such device is pictured above, during a test).

Though subject to strict export regulations, their sale to China is legal if they are shipped to nonmilitary customers. But U.S. Government officials say dual-use technologies that are ostensibly being shipped to non-military customers in China are in fact disappearing into weapons factories.

"This is a problem with no final solution," said Loren Thompson, a defense analyst at the Lexington Institute. "It will have to be managed

forever, and occasionally we will make catastrophic mistakes."

U.S. prosecutors allege Chen, a 46-year-old Chinese national, lied on export declarations and shipped \$1.3 million worth of its vibration technology to a cruise missile laboratory in China that could use the equipment to simulate the turbulence of an attack aircraft.

The Government says it has e-mails and hand-

written records showing Chen knew he was selling to a missile lab, and advertisements from Data Physics in Chinese touting the missile tech applications of the company's equipment. Data Physics says it can prove the systems went to a locomotive factory for testing railcar components, pointing to statements from installation and repair workers as well as a business manager at the train plant. Legal experts say both sides will be hard-pressed to prove where the disputed technology ended up.

Policing the sale of dual-use technologies overseas is of particular concern in Silicon Valley, where scores of companies are engaged in their design and export, and where many of the export violations have occurred.

From Cold War tensions with the Soviet Union to today's proliferation fears about countries like China and Iran, there's always a foreign military willing to pay top dollar for cutting-edge U.S. technologies. They find ways around strict export laws by



Shaker Machine

DDTC Update

Directorate of Defense Trade Controls

Major U.S. Export Enforcement Actions

To the right is a snapshot of some of the major export-related criminal cases and prosecutions handled by the Justice Department in the past year. These cases resulted from investigations by the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation (FBI), the Department of Commerce's Bureau of Industry and Security (BIS), the Department of Defense's Defense Criminal Investigative Service (DCIS), and other federal law enforcement agencies. This list of cases is not exhaustive. The pace is quickening.

- Illegal Exports of F-4 and F-14 Fighter Jet Components – On Oct. 5, 2007,
- Products with Nuclear & Missile Applications to Pakistan – On Oct. 4, 2007,
- Military Night Vision Goggles and Aviation Helmets to Overseas Locations – On Sept. 28, 2007
- Economic Espionage and Theft of Trade Secrets – On Sept. 26, 2007
- Sensitive Aircraft Components to Iran – On Sept. 18, 2007,
- 100,000 Uzi Submachine Guns to Iran – On Aug. 27, 2007

Source: www.usdoj.gov/opa/pr/2007/October/07_nsd_807.html

San Diego District Export Council Presents

Complying with the International Traffic in Arms Regulations (ITAR) in the Invigorated Post-9/11 Enforcement Environment



Wednesday, January 16, 2008 7:30 AM - 5:00 PM

We invite you to participate in this timely, in-depth one-day seminar at the **Hyatt Regency La Jolla at Aventine**,

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For an agenda and more information, please contact:
Julie Osman, San Diego U.S. Export Assistance Center
619-557-7333 or julie.osman@mail.doc.gov.

This event is jointly sponsored by
JPMorgan and the law firm of Miller & Chevalier

JPMorgan 



This event also qualifies for Continuing Education Unit credit for IIEI certified trade compliance professionals

Shaker - Continued from page 4

funneling illegal shipments through front companies or by deceiving U.S. companies.

It's hard to gauge the dollar value of dual-use technologies being misused in foreign countries. Of the \$625 billion worth of exports regulated by the Commerce Department in 2005, just \$1.2 billion required special licenses before shipping, most of which had potential military applications, according to data from the Government Accountability Office.

Chen, who has permanent legal residency in the U.S., is under indictment in San Jose Federal Court on five export violation charges. The case is in discovery, and Chen has been placed on administrative leave until the case is resolved. Data Physics is not charged criminally, but the Air Force suspended all Government contracting with the company last month, and the Commerce Department is seeking a worldwide export ban and hefty fines. The privately held company says 60 percent of its revenues came from exports. But it is now only allowed U.S. sales, half of which consisted of now-forbidden government work. The civil case is headed back to court.

Inspecting the final destination for military-related sales in countries like China and Iran is "virtually impossible," said Julie Salcido, special agent in charge of the San Jose field office of the Commerce Department's Office of Export Enforcement. "These realities make our job of protecting U.S. national security an extremely challenging task," she said.

Courtesy: Associated Press
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In Compliance....

“No Top Dog”

By Dr. Donald N Burton
President, IIEI

Here’s an important question your organization’s top leadership needs to answer: **Do you have a trade compliance strategy?** I don’t mean do you have a compliance process or program. I also don’t mean do you have a corporate mission or strategy that mentions compliance. I do mean, do you have a separate organizational strategic planning effort resulting in its own corporate trade compliance strategy? If you’re like most companies, even large multinationals, you probably don’t. So what does it mean if you don’t? The answer is possibly many things. Here’s a sample:

“Tail following the dog” It could mean whatever the organization does, trade compliance just follows and tries to keep up. This puts compliance in a reactive mode to the rest of the organization’s activities. Often compliance is viewed as a cost center, or if you will, a “cost of doing business.” Because compliance isn’t integrated into the strategic effort of the firm, the possibility of non-compliance is very real as the compliance function is constantly reactively trying to “catch up.”

“Tail wagging the dog” It could mean that only in times of trouble (actual or potential violations noted or pending) the organization caves to the pressure to be in compliance because external forces (government agencies and their mandates) are calling the shots due to cited violations, voluntary or directed disclosures. At this point all management is concerned with is getting out of the “Dog House.” Once that occurs, it’s back

to business, with serious reprimands and bashing of the compliance functions for allowing the violations to have occurred, much like someone might threaten a guard dog that failed to protect their property.

“No Top Dog” It could mean you have no one elevated high enough in the organization to champion trade compliance strategically. This sounds simple enough to fix, but in truth it is a huge challenge. Why? Because this person needs to be a major part of the firm’s overall strategic design effort. But why? Because strategic decisions made by the firm as to what products or markets, which types of customers and how the firms’ global supply chain is developed and managed all need to be proactively assessed—filtered with respect to compliance issues—before the firm chooses a business direction or marketing strategy.

In most instances, organizations have been managing compliance in a culture and organizational structure that has not changed much in decades—if EVER! Yes, as new divisions have grown, new plant locations built and acquisitions have been added, those changes are made. But that is not what I am talking about. I am speaking about the strategic structure within the firm.

Every modern corporate strategic planner knows this simple model: Strategy + Correct Organizational Structure = Optimal Results. First you must form your corporate strategy and then you literally develop the organizational structure to accomplish the strategy. Every part of the firm, including compliance, MUST

be physically structured to support the NEW chosen strategy. Unfortunately that is not the case in most businesses today. There’s a valid reason for this.

The structure of most firms does not change when new business directions or business strategies are chosen or with new acquisitions. Generally they don’t change much either when external events happen, except competitive pressures. The argument is that firms can’t physically change their structure every year when they revise their strategy. A major question is: When is the strategy or direction different enough to warrant a change? This then implies that most organizations try to pursue these efforts using this model: Use Existing Structure + New Strategy = Less than Optimal Results. That is like hammering a square peg through a round hole. It just doesn’t optimally fit—unless you cut a few corners. Sound familiar?

What should the new organizational structure look like? The answer depends on what strategy your organization chooses. And the only way to determine that is to have all strategic elements involved in forming your strategy present at the table, including compliance, as you perform the requisite Strategic Situation Analysis, looking at your company’s internal and external environment, including: Strengths Weaknesses, Opportunities, Threats and Trends.

This means you MUST have a “Compliance Top Dog” as an active member of top management helping to determine on an ongoing basis the firm’s strategic direction. Your “Top

India's Software, Services 2008 Export Forecast

By John Ribeiro, IDG News Service

India's businesses providing software and services to companies outside its borders will grow a healthy 26 to 29 percent this year, the country's main trade association for that sector said.

Revenue from exports of software, services and Business Process Outsourcing (BPO) will reach about \$40 billion for the fiscal year that ends next March 31, 2008 according to data released by the National Association of Software and Services Company (NASSCOM).

Export revenue from these sectors grew 33 percent to \$31.3 billion in the fiscal year [ending] March 31, 2007, according to data released by the trade body.

The strong growth in software and services exports is coming from an improvement in India's competitiveness, and the addition of new services, such as remote infrastructure management, by Indian service providers, Kiran Karnik, president of NASSCOM told reporters in Bangalore.

The revenue figure also includes exports to their parent companies and clients by Indian subsidiaries of multinational companies such as IBM, Oracle, and Accenture, that are expanding fast in India.

India's overall IT industry revenue grew by 30.7 percent in the year to March 31 to earn revenue of \$39.6 billion, with the domestic market also growing by 22 percent to \$8.2 billion, NASSCOM said. Many multinational companies including Hewlett-Packard and IBM have bagged outsourcing contracts from Indian companies.

The Indian IT industry employed about 1.6 million staff as of March 31,

BOOK REVIEW

"Global Outlaws: Crime, Money
and Power in the Contemporary World,"

By Michael O. Garvey

"Global Outlaws: Crime, Money, and Power in the Contemporary World," by University of Notre Dame anthropologist Carolyn Nordstrom, has been published by the University of California Press.

A product of three years of intensive research in the field, Nordstrom's book examines the illegal means by which weaponry, drugs, diamonds, oil, food and more exotic merchandise are internationally traded. Her research included travel to dangerous and often violent areas of the United States, Africa, Europe and Asia, as well as numerous interviews with a wide variety of authorities ranging from war orphans to war profiteering capitalists.

The book already has been widely praised for the unprecedented scope and depth of Nordstrom's research. One reviewer, Moises Naim, editor-in-chief of Foreign Policy magazine, called it "a revealing book about a global trend whose importance is still far from being fully recognized."

A member of the Notre Dame faculty since 1997, Nordstrom also is a fellow of the Kellogg Institute. Her



Carolyn Nordstrom

principle scholarly interest is the anthropology of war and peace with a focus on the epicenters of conflict and peace-building in the contemporary world. She also is the author of the books "Shadows of War: Violence, Power, and International Profiteering in the Twenty-First Century"; "Fieldwork under Fire: Contemporary Studies of Violence and Culture"; and "A Different Kind of War Story."

Contact: Carolyn Nordstrom at 574-274-1984 or nordstrom.1@nd.edu

besides about 6 million indirect staff employed in supporting the large off-shore software development and BPO operations in India, Karnik said.

About 1.2 million people are employed in developing software and running back office processes and call centers for customers abroad. The U.S. continues to be the largest market for Indian exports, accounting for 66 percent of revenue, Karnik said.

India Exports - Continued on page 10



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Country Profile

Republic of Costa Rica

Costa Rica (literally “Rich Coast”), officially the Republic of Costa Rica, is in Central America, bordered by Nicaragua to the north, Panama to the south-southeast, the Pacific Ocean to the west and south, and the Caribbean Sea to the east. It is about the size of West Virginia and contains mountainous areas and several islands. Costa Rica protects 23% of its national territory within the Protected Areas system. It also possesses the greatest density of species in the world.

Costa Rica is a democratic republic with a strong constitution with at least fifty-nine years of uninterrupted democracy, making it one of the most stable countries in the region.

With a \$1.7-billion-a-year tourism industry, Costa Rica stands as the most visited nation in the region. Eco-tourism is extremely popular with many tourists visiting the many protected areas around the country. The literacy rate in Costa Rica is of 96%, one of the highest in Latin America. Universal

public education is guaranteed in the Constitution.

Electronics, pharmaceuticals, financial outsourcing, software development, and ecotourism are the prime industries driving Costa Rica’s economy.

The economy has been expanding because the Government implemented a plan of expansion in the high tech industry. The central Government offers tax exemptions for those who are willing to invest in the country. Several global high tech corporations, most notably Intel Corporation, the pharmaceutical company GlaxoSmithKline, and consumer products company Procter & Gamble.

Trade with South East Asia and Russia has boomed during 2004 and 2005, and the country is expected to obtain full Asia-Pacific Economic Cooperation Forum (APEC) membership by 2007 (the country became an observer in 2004).



Costa Rica at a Glance

- GDP: \$50.89 billion (2006 est.)
- GDP - real growth: 7.9% (2006 est.)
- GDP - per capita (PPP): \$12,500 (2006 est.)
- Inflation Rate: 11.5% (2006 est.)
- Labor Force: 1.874 million
- note: this official estimate excludes Nicaraguans living in Costa Rica legally and illegally (2006 est.)*
- Unemployment Rate: 6.6% (2006 est.)
- Population: 4,133,884 (July 2007 est.)
- Exports: \$8.238 billion (2006 est.)
- Exports - Commodities: bananas, pineapples, coffee, melons, ornamental plants, sugar; textiles, electronic components, medical equipment
- Exports - Markets: US 27.1%, Netherlands 12.1%, China 11.6%, Bermuda 6.4%, UK 6.1% (2006)
- Imports: \$10.84 billion (2006 est.)
- Import - Commodities: raw materials, consumer goods, capital equipment, petroleum
- Import - Markets: US 40.8%, Venezuela 5.4%, Mexico 5.3%, Ireland 4.9%, Japan 4.9%, Brazil 4.6%, China 4% (2006)
- Internet Users: 1.214 million (2006)
- Internet Hosts: 13,792 (2007)

For the fiscal year 2005, the country showed a Government deficit of 2.1%, internal revenue increased an 18%, exports increased a 12.8% and the number of visiting tourists increased a 19%, reaching 1.5 million people. Revised economic figures released by the Central Bank indicate that economic growth stood at 5%, nevertheless the country faced high inflation (14%) and a trade deficit of 5.2%. For 2006 the economy is expected to grow a 6.8%

Source: CIA World Fact Book and Wikipedia

Port in Haifa, Israel Begins Container Security Operations

On September 25, 2007, the port of Haifa, Israel became the 55th operational Container Security Initiative (CSI) port to target and pre-screen maritime cargo containers destined for the United States, announced by U.S. Customs and Border Protection (CBP).

Through the CSI program, foreign governments cooperate with the U.S. in counter-terrorism efforts by helping identify and screen high-risk shipments prior to exportation to the U.S. Over 80 percent of all cargo containers destined for the U.S. originate in or are transshipped through 55 CSI-operational ports throughout the world.

CBP's Container Security Initiative, launched after the terrorist attacks of 2001, seeks to:

- Identify high-risk containers. CBP uses automated targeting tools to identify containers that pose a potential risk for terrorism, based on advance information and strategic intelligence.

- Prescreen and evaluate containers before they are shipped. Containers are screened as early in the supply chain as possible, generally at the port of departure.
- Use technology to prescreen high-risk containers to ensure that screening can be done rapidly without slowing down the movement of trade. This technology includes large-scale X-ray and gamma ray machines and radiation detection devices.

CSI addresses the threat to border security and global trade posed by the potential for terrorist use of a maritime container to deliver a weapon. CSI proposes a security regime to ensure all containers that pose a potential risk for terrorism are identified and inspected at foreign ports before they are placed on vessels destined for the United States.

Source: www.cbp.gov/xp/cgov/newsroom/news_releases/09252007/09252007.xml

Trade Agreement - Continued from page 1

Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) under the World Trade Organization, and to comply with other international IPR agreements. It will not involve any changes to the TRIPS Agreement. Rather, the goal is to set a new, higher benchmark for enforcement that countries can join on a voluntary basis. The negotiations represent a cooperative effort by the governments involved, and will not be conducted as part of any international organization.

Source: www.ustr.gov/Document_Library/Press_Releases/2007/October/Ambassador_Schwab_Announces_US_Will_Seek_New_Trade_Agreement_to_Fight_Fakes.html

Top Dog - Continued from page 6

Dog" should be the Senior Vice President of Trade Compliance, a member of the senior executive team and be responsible for ensuring all compliance concerns are at the epicenter of every strategic organizational decision. Anything less could put you in the "Dog House," out on the street howling at the moon, or worse yet out of business, out of a job or as the next trade compliance enforcement poster child.

About the Author

Dr. Donald Burton is the President and Founder of the International Import-Export Institute. He has been a university professor of graduate strategic management since 1988. During the past 40 years, he has assisted businesses in more than 63 industry sectors achieve strategic results through alignment of strategic planning efforts. He is in demand as a speaker on many topics including corporate strategy, corporate turnarounds and ethics in trade compliance to name but a few.

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India Exports - Continued from page 7

India's IT industry is facing high staff attrition and salary increases, but that will not slow down growth, Karnik said. In the short term, NASSCOM, of Delhi, is helping set up finishing schools that will make more Indian graduates employable by the IT and the BPO industry, he said. In the long-term, though, NASSCOM is counting on more investments by government and industry in the education sector, he added.

The IT industry in India is also grappling with the strengthening of the Indian Rupee against the US dollar, which pushes down realization in Rupees of revenue earned abroad by Indian companies.

In the year to March 31, exports of IT services grew by 35.5 percent to \$18 billion, while exports of BPO services grew 33.5 percent to \$8.4

billion. Revenue from exports of engineering services, a classification that deals with non-electronic design services, grew by 23 percent to \$4.9 billion.

Source: www.infoworld.com/article/07/07/02/india-export-growth_1.html

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A Look at China's Economic Pace

Courtesy: International Herald Tribune - Asia Pacific Edition

China said October 25 2007 that its economy expanded at a powerful 11.5 percent pace in the third quarter, in a slight slowing from the second quarter that might help Beijing officials control inflation.

But the overall pace of China's economic development is still strong enough to keep pushing up prices around the world for everything from oil to iron ore to freight shipping. China's growth rate in the third quarter, a little less rapid than the 11.9 percent surge in the second quarter, keeps the country well ahead of its two leading rivals among high-growth Asian nations, India and Vietnam.

Inflation slowed slightly in China in September, to 6.2 percent from 6.5 percent in August. Government officials and some Western economists predict that it will continue to slow gradually through the rest of this year.

But other economists worry that inflation may yet prove a persistent problem in China, especially as the money supply keeps increasing faster than government targets. Jing Ulrich, the Chairman of China equities at JP Morgan, pointed out that the Government has raised bank lending rates much faster than bank deposit rates. The temptation to buy stocks or property or spend on consumer goods — retail sales were up 17 percent in September from a year earlier — has

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Controlling the UK Export of Goods and Technology

In a statement published in October 2007, the United Kingdom's (UK) Export Control Organisation (ECO) offered further explanation of UK policy toward controlling the export of goods and technology. What follows is their statement:

"Governments control the export of goods and technology for a variety of reasons. For instance, irresponsible transfers of arms, ammunition and related materiel can contribute to internal repression or regional instability, whilst goods intended for civil purposes can also contribute to the development of weapons of mass destruction and the missiles to deliver them.

If the export from the UK of particular goods, technology or software is subject to control, then those goods, technology or software may not legally be exported without a licence. The Strategic Export Control List, which contains details of the goods, technology and software that is controlled can be found at www.berr.gov.uk/files/file40513.pdf

The export of other types of goods and certain activities are subject to control as a result, for instance, of the imposition of European Community or United Nations trade sanctions against particular countries or regions.

Licences to export arms and other goods controlled for strategic reasons are issued by the Secretary of State for Business, Enterprise and Regulatory Reform (BERR) acting through the ECO.

Export Control Organisation

The ECO's chief task is to process applications for licences to export strategic goods from the UK.

Licences are approved on the advice of the Foreign and Commonwealth office, the Ministry of Defence and, where sustainable development issues are involved, the Department for International Development.

Trade Controls

Trade Controls were introduced as a result of the Export Control Act 2002 which made the trading (commonly referred to as trafficking and brokering) of goods from one overseas destination to another a licensable activity.

If there are more than two countries involved in any transaction, including the export of goods from the UK, exporters should note that a licence may still be needed to move goods between all the countries concerned.

Exporters should remember that just because they have been granted a UK Trade Licence this does not remove the requirement for them to obtain permission of the authorities of the appropriate countries to remove or receive goods from or to that territory as necessary."

For details contact the UK Export Control Organisation at email ECO.Help@berr.gsi.gov.uk

Source: [/www.berr.gov.uk/europeandtrade/strategic-export-control/index.html](http://www.berr.gov.uk/europeandtrade/strategic-export-control/index.html)

China Growth - Continued from page 10

increased as bank depositors have found themselves earning regulated interest rates as low as half the inflation rate.

"No wonder people are fed up putting money in banks," Ulrich said.

Chinese officials welcomed Thursday's growth figure. "The macroeconomic controls this time round have not only effectively prevented the economy from transitioning from speedy growth to overheating — by curbing too-rapid growth — but at the same time have not resulted in a sharp downturn, thereby preventing severe fluctuations in economic growth," said Li Xiaochao, a spokesman for the National Bureau of Statistics.

But Chinese investors responded to the latest growth figures by sending the Shanghai stock market down 4.8 percent in one day, on fears that the central bank will continue raising interest rates to limit inflation.

Businesses continue to flood China with investment, as a combination of foreign investment and trade surpluses has China adding to its foreign currency reserves at a pace of \$1 billion a day.

Through massive purchases of dollars and other currencies, as well as by easing restrictions on overseas investments by Chinese citizens, China has greatly slowed the appreciation of its currency and maintained a competitive advantage over other Asian nations.

China has controlled the overall rise in consumer prices partly by freezing all Government-set prices, notably for gasoline, water, electricity and natural gas. The

China Growth - Continued on page 12

freeze began Sept. 19 and is to last until at least until the end of this year. On Sept. 19 the Government's National Development and Reform Commission also banned any increases in the maximum allowed prices for medicines, air and rail trips and certain agricultural commodities like wheat, rice and cotton.

Source:
www.americaneconomicalert.org/news_item.asp?NID=2888570

ACE Tops \$1 Billion in Monthly Duty Collection

Washington - A record \$1.04 billion in duties and fees was collected in September 2007 by U.S. Customs and Border Protection (CBP) through its Automated Commercial Environment (ACE) feature. Currently, 42 percent of duties and fees are collected via ACE. The ACE monthly online statement feature simplifies the payment of duties and fees for importers and brokers, streamlines accounting procedures, and provides reporting and trend analysis capabilities.

"It took 14 months to collect the first \$1 billion," said Louis Samenfink, Executive Director for the CBP Cargo Systems Program Office. "The growing popularity of this feature among the trade community confirms that an automated, account-based approach to doing business with the Government is proving successful." Since the inception of the ACE in July 2004, CBP has collected \$17 billion in duties and fees.

Source: www.customs.ustreas.gov/xp/cgov/newsroom/news_releases/10222007_6.xml

IIEI Newsworthy Notes

Tuition Increase January 1, 2008

The cost of providing education continues to increase and the Institute is forced to increase class tuition. Effective January 1, 2008, all online courses, except for trade compliance specialty courses (see below), will increase in tuition \$20.00 per semester credit hour. Therefore, for a three semester credit hour course which is currently \$785.00, after January 1st, the tuition will increase to \$845.00. Other courses--1.5 credit hour and 4 credit hour courses-- will increase proportionally. The last in-

crease in tuition at the IIEI was in early 2004.

Trade compliance related courses or other specialty courses, whose tuition is currently \$885.00, will not change.

Any class tuition paid prior to December 31, 2007, even for classes starting at any time in 2008, will be at the existing lower rate, if paid in full before the end of the year.

If you have any questions, please contact your Enrollment Advisor. (800) 474-8013.

New Faces at the IIEI



Brad Chatfield, our newest Enrollment Counselor, helps students navigate to degree graduation. He is a grandfather and proper parent to a whippet named Frederick.



Lisa Fritsch is also new to our Enrollment staff. She has over 18 years of outstanding customer service experience, which she brings to her students.

Seattle District Export Council Sponsors ITAR Event



Photo left to right: John Priecko, VP Global Trade Compliance, JPMorgan, Larry Christensen, Principal, Miller & Chevalier, Diane Mooney, Director, Seattle US Commercial Service and Dr. Donald Burton, President, the IIEI.



Call for New Course Topics

The IIEI curriculum development department is seeking new ideas on trade topics that you think should be developed into specialty online courses here at the IIEI. Specifically, they want to hear from you about important skills and knowledge that are needed in the compliance workplace that should be made into a class. The more detailed description you submit, the better. Please don't think that your idea is too silly or so obvious that someone else must have already suggested it. All ideas are welcome. Everyone who submits a suggestion will receive a FREE IIEI letter opener. If your idea is chosen for serious consideration, you will receive a small zippered IIEI note pad, perfect for travel. In the past, your ideas prompted us to develop many of the classes now offered, including Empowered Official Essentials, Importing Duties and Regulations and many more.

Periodically, we send out this request, then take the best ideas submitted and conduct a survey across government and industry experts to validate the need. Once we determine that what you have suggested is needed, we then build the class. But to make this process work, we need your input. Submit your ideas only by email to Darrell Andrews, Curriculum Development Department, at:

djandrews@expandglobal.com

Enroll in your certification classes with a friend. The "buddy system" works.

IIEI Certifications

Congratulations to the following on successful completion and recent award of the respective certifications.

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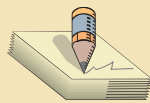
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