



IIEI's GlobalWatch®

THE INTERNATIONAL IMPORT-EXPORT INSTITUTE ~ P.O. BOX 11378 ~ GLENDALE, AZ USA 85318-1378

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The International Import-Export Institute

“GLOBAL INTERNET NETWORK” AGREEMENT ADOPTED BY ASEAN LEADERS

Leaders of the ten member countries of ASEAN signed on the 25th of November the e-ASEAN Framework Agreement to begin a collective effort to plug ASEAN into the global networked economy. The Agreement commits ASEAN members to an implementation schedule to achieve digital readiness for the region in order to develop the basis for ASEAN's competitiveness into the future, better the lives of their citizens through the application of information and communication technologies and foster the spirit of ASEAN community.

The Agreement takes a holistic approach to achieving digital readiness and acts as a binding mechanism for actions in six areas. These six elements are: connectivity, local content, a seamless environment for electronic commerce, a common marketplace for Information and Communications Technology (ICT) goods and services, human resource development and e-governance.

As envisioned, members bind themselves to facilitate inter-connectivity and technical interoperability among their ICT systems leveraging existing national networks and evolving these into a regional information infrastructure. To begin with, a private sector led ASEAN Internet Service Providers (ISP) Forum will be converted to explore ways of promoting the more efficient flow of Internet traffic including regional mir-

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Involved in International Trade? Incoterms Part of Daily Vocabulary

Incoterms, short for International Commercial Terms, are standard trade definitions used for all international sales contracts. Although no one is bound by law to use the terms, practitioners of international business agree that correct use of Incoterms goes a long way to providing the legal certainty upon which mutual confidence between business partners is based. According to Joseph Zodl, international business consultant and author of **Export-Import**, the correct use of Incoterms “will increase efficiencies, enable you to write more profitable contracts more easily, and perhaps most important for the long run, save arguments between the seller and buyer over who agreed to do what.”

Established in 1936 by the Paris-based International Chamber of Commerce (ICC), Incoterms have since undergone six revisions, with more and more countries like South Africa, India, and Peru becoming involved in developing recom-

dations for change.

What might be surprising to most though is that the terms are not as well known in North America where the Unified Commercial Code typically dominates sales transactions. “It's is not that Incoterms are difficult”, says Zodl, “it's that they are different from what U.S. companies are accustomed to.” In fact, it can become quite harmful since similar terms from the two standards can mean very different things.

ONLY 13 TERMS

There are 13 Incoterms that represent 13 different international trade scenarios (see box). Each term specifies whether the buyer or the seller is responsible for arranging such necessities as export licenses, customs clearance, insurance, inspections, and other obligations. Incoterms specify at which point the risk of loss and/or damage passes from seller to buyer as well as which party pays for specific activities.

Continued on page 4

IT PAYS TO KNOW YOUR TERMS

How many of the following 13 Incoterms are you familiar with? Take our quiz and find out! (Answers on Page 4)

- | | |
|-----|-----|
| EXW | FCA |
| FAS | FOB |
| CFR | CIF |
| CIP | CPT |
| DAF | DES |
| DEQ | DDU |
| DDP | |

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NOTES FROM THE EXECUTIVE DIRECTOR

After I read this issue of IIEI's GlobalWatch, I went back over the past five years of earlier editions and pondered the changes reflected in the industry and within IIEI during that time. It is a different world today!

As I speak to gatherings of business people, the change in attitude is palatable-- small and medium size businesses everywhere feel a real urgency to participate in international trade. They don't want to be left out of the huge growth and resulting potential profits. This was not the case five years ago.

When I question business people about this change, they say that they knew something was happening but never gave it much thought. Why? Because running their businesses didn't leave them much time to ponder the issue. Now they say they think about it

all the time.

So to meet this need, IIEI's GlobalWatch is now focusing on topics that will help interested people be aware of the current topics and issues-- like the Asean Agreement to cooperate to bring their six nations into the world of the Internet and like the INCOTERMS article. In support of this effort, IIEI has also expanded the number of online courses on different topics it offers. The need to obtain knowledge is intense. Those that possess the know how have the advantage and everyone else is trying to catch up. So we have seen an incredible flood of interest in these new course offers. The question is: Is the global village upon us or is this just the beginning of the rush? I think you know the answer. What you choose to do about it will determine your own future.

(Continued from front page.)

ASEAN

roring and hubbing and the setting up of national and regional Internet exchanges and Internet gateways. Together with this, an effort is underway to develop measures to encourage the production of regional and locally relevant content.

To foster the growth of electronic commerce in the region, ASEAN governments commit themselves to create a seamless favorable legal and regulatory environment in order to get buyers and sellers to buy into doing business online. The task involves measures to promote trust and confidence in the Internet including the establishment of a system of mutual recognition of digital signatures; secure electronic transactions; payments and settlements protection of intellectual property rights; promoting personal data protection and consumer privacy; and dispute settlement mechanism.

ASEAN governments also commit to facilitate the flow of ICT

goods and services in the region and promote investments in the sector.

Duties and non-tariff barriers on intra-ASEAN trade in ICT products will be eliminated in three steps. Liberalization for most goods will be completed over a three-year period beginning 1 January 2003. Cambodia, Laos, Myanmar and Vietnam will undertake the same measures beginning on 1 January 2008. Moreover, ASEAN will conclude mutual recognition arrangements covering ICT products.

To promote an e-ASEAN community, member countries will encourage the development of skills and proficiency in using ICT, through training and exchange of experiences. The more advanced member countries will assist less ICT enabled members in their capacity building effort through the sharing of training resources.

Finally, member governments commit to deliver more government services using ICT to make it more

(Continued on page 3)

PROFESSIONAL COURTESY

by Rich Shields, Special for GlobalWatch®

How does your organization hire and train? Chances are that Human Resources has a job description that contains a list of skills. Individuals are hired on the basis of how well their credentials match this skills list. Training exists to fill the gap. This approach seems both logical and above all efficient. Unfortunately, it is neither.

We often misunderstand the difference between purchasing spare parts and hiring people. As the saying goes, "Things are managed, people are led." Tom Peters puts it another way, "Hire attitude, train the rest." Seasoned managers know that professional competency is more than a list of attributes. They know that the way an individual perceives their work is just as important.

Research into competency is confirming this view. American business grew up with "Taylorism," the belief that every job is composed of a finite and quantifiable series of actions that can be engineered to yield maximum efficiency. (Great for

spare parts, not so great for human beings.) The realization that people are demanding more from their job than robotic compliance to a specification has led us to more enlightened concepts of "job enrichment" and "employee empowerment."

The bottom line is that business needs to shift its recruiting and training focus

from checklist completion to illumination of how a job relates to the organization and its customers. IIEI curriculum developers and instructors understand that their job is more than supplying information to students. IIEI online classes are designed to provoke critical thinking that forces students to look beyond getting the correct answers to test questions.

IIEI graduates become assets in a knowledge economy not just because of the information they possess, but because they are taught how to use their knowledge to improve performance and combine strands of information to create new solutions.

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ASEAN

(Continued from page 2)

efficient and more widely diffused. The application of ICT will reach more people than is the case with traditional means and also allows greater interaction between governments and their citizens.

The e-ASEAN Agreement also provides for the implementation of pilot projects to demonstrate the benefits of ICT and thus generate enthusiasm and support for actions to achieve digital readiness.

Entering into the e-Agreement, ASEAN governments have agreed to promote collective efforts to complement national ICT strategies to achieve regional connectivity. This effort may prove to be the catalyst for accelerating the development of the ASEAN community.

From: the 4th ASEAN Informal Summit, Singapore November, 2000
<http://www.asean.or.id/>

M E T R I C S

THE NUMBER OF INTERNET USERS WORLDWIDE WILL REACH 1.17 BILLION IN 2005, UP FROM 400 MILLION IN 2000. WIRELESS USERS, WHICH NUMBERED 40 MILLION WORLDWIDE IN 2000, WILL JUMP TO 730 MILLION IN 2005, COMPRISING 62.1% OF ALL INTERNET USERS.

(SOURCE: CIO.COM)

The Whole World as 100 People

If we could shrink the earth's population to a village of precisely 100 people, with all the existing human ratios remaining the same, it would look like this:

- ? 57 ASIANS
- ? 21 EUROPEANS
- ? 14 FROM THE WESTERN HEMISPHERE (NORTH AND SOUTH AMERICA)
- ? 8 AFRICANS
- ? 52 WOULD BE FEMALE
- ? 48 WOULD BE MALE
- ? 70 WOULD BE NON-WHITE,
30 WHITE
- ? 70 WOULD BE NON-CHRISTIAN,
30 CHRISTIAN
- ? 89 WOULD BE HETEROSEXUAL,
11 HOMOSEXUAL
- ? 59% OF THE ENTIRE WORLD'S WEALTH WOULD BE IN THE HANDS OF ONLY 6 PEOPLE AND ALL 6 WOULD BE CITIZENS OF THE UNITED STATES
- ? 80 WOULD LIVE IN SUBSTANDARD HOUSING
- ? 70 WOULD BE UNABLE TO READ
- ? 50 WOULD SUFFER FROM MALNUTRITION
- ? 1 WOULD BE NEAR DEATH,
1 WOULD BE NEAR BIRTH
- ? ONLY 1 WOULD HAVE A COLLEGE EDUCATION AND ONLY 1 WOULD OWN A COMPUTER

When one considers our world from such a compressed perspective, the need for both acceptance and understanding becomes glaringly apparent.

(Author unknown)

Continued from page 1

Although there are 13 possible terms, most businesses find themselves gravitating to just a few that turn out to be the most useful for them. According to Zodl, "the odds that an average seller or buyer will use all 13 Incoterms is very, very small."

INCOTERMS 2000: LATEST REVISION

The Incoterms 2000 revision took nearly two years to complete with the primary focus on clarification and accessibility. The writing style is simpler and more straightforward than previous versions making them more easily understood worldwide. For the first time ever, the terms are translated into 31 languages in addition to the official English.

Three major changes in the definitions of FCA (Free Carrier), FAS (Free Alongside Ship) and DEQ (Delivered Ex Quay) are the hallmark of the 2000 revision. The FCA designation now clarifies a point that has long been a source of many international disputes, that is who does the loading? The FAS and DEQ designation have a complete reversal of responsibility for customs clearance and payment of duties from earlier Incoterm versions.

There are enormous benefits for any company that does business globally in using the correct Incoterms. It takes the guesswork and localization out of international sales transactions. But practitioners caution users to use the terms correctly, consult the full ICC texts and beware of the many unauthorized summaries and approximate versions on the Internet.

Editor's Note: The following resources will be helpful for anyone who wants to learn more about the Incoterms.

The International Chamber of Commerce publishes Incoterms 2000, the official text and definitions; ICC Guide to Incoterms 2000, a detailed commentary on the Incoterms; and an Incoterms 2000 wall chart. They can be ordered online at www.iccwbo.org or by calling 212-206-1150.

*In addition to consulting and speaking on international business matters, Joseph Zodl has been a Licensed Customs Broker for twenty years and is a featured on-line instructor for IIEI. His next IIEI course, **US Customs Broker Preparation**, begins 5/24/01 Registration is now open and space in this Online class is limited. Contact IIEI for information and enrollment or visit www.expandglobal.com.*

ANSWERS TO INCOTERMS QUIZ

- | | |
|-----------------------------|------------------------------------|
| EX WORKS | FREE CARRIER |
| FREE ALONGSIDE SHIP | FREE ON BOARD |
| COST AND FREIGHT | COST, INSURANCE AND FREIGHT |
| CARRIAGE AND INSURANCE PAID | CARRIAGE PAID TO DELIVERED EX SHIP |
| DELIVERED AT FRONTIER | DELIVERED DUTY UNPAID |
| DELIVERED EX QUAY | |
| DELIVERED DUTY PAID | |

IIEI CUSTOMS BROKER PREPARATION COURSE **GUARANTEES SUCCESS**

According to published reports on the U.S. Customs Broker License examination administered by the U.S. government, only 9% of test-takers successfully pass this stringent test. By comparison, an incredible 98% of those people who have successfully completed IIEI's U.S. Customs Brokers Preparation Course pass the government's exam the **FIRST TIME**.

Any U.S. citizen who wants to become licensed by the U.S. Customs Service as a U.S. Customs broker can benefit tremendously by enrolling in IIEI's detailed course. All topics that have historically been included in the U.S. exam are presented and discussed in the course. Special emphasis is placed on creating a working understanding of the material that not only prepares the indi-

vidual for the test, but also is useful in the day-to-day tasks of a licensed U.S. Customs Broker.

There is no formal experience required to take this course, but it is highly recommended that a person have a good basic understanding of the industry and terminology. IIEI's course is open to everyone worldwide who wants to master these topics, however, only U.S. citizens residing in the United States are eligible to take the official U.S. Customs Broker Examinations.

IIEI is so confident of its U.S. Customs Preparation Course that a guarantee is extended to every course participant. IIEI guarantees that if you pass its course, you will pass the U.S. examination or you can retake the course again at no additional charge.

IIEI's six week course is offered online (over the Internet). The course can fit into your busy schedule. Study when you are ready: 7/24 hours.. For further details and to sign up for the course, go to IIEI's website at www.ExpandGlobal.com/USCustomsCourse.html. This course is not endorsed by a U.S. Government agency, nor can any U.S. Government agency endorse any private preparation course of this type.

Who Needs International Trade Certification?

We all know that Certified Public Accountants represent the highest levels of professionalism and knowledge for the accounting profession. Most people prefer a CPA to do their taxes. That earned certification testifies to the individual's depth of knowledge, their expertise and their command of the subject matter.

Certification is a declaration to the client that costly mistakes will be avoided and that the proper attention to detail is assured. For this assurance, CPAs are able to demand more for their services. This is true of all certified professionals, including Certified Purchasing Managers and Certified Project Managers.

International trade certifications carry the same clout. A Certified International Trade Professional^(R) (CITP^(R)) is exposed to a wide variety of subject matter. Mastery of these subjects increases the ability to deal with the diverse challenges that occur in international trade - from identifying suitable trading partners to collecting payments and fees, to insuring that the freight arrives on time, intact and to the proper location.

International trade certification proves that the indi-

vidual has the "right stuff." The confidence level of clients, customers, employers and partners will soar, and the certified trade professional's self-esteem doesn't suffer either! Practical knowledge that is in demand, greater earning power, and the proof that you are serious about your job and career all add up. International trade certification is worth the effort. So who needs international trade certification? If this argument speaks to you, maybe you do!

Summer School Special

IIEI announces **\$100 discount** off tuition for the IIEI Customs Broker Preparation Course. Offer good only for classes beginning May - June, 2001.

The Journal of Practical Global Business

The **Journal of Practical Global Business**, IIEI's peer-reviewed professional journal, is published twice each year. The next issue of IIE's **Journal of Practical Global Business** is scheduled for publication **Summer 2001**. Academically sound articles that offer a practical approach to international business matters are the central theme of the publication. Interested parties, who would like to have their articles considered for publication in this peer-reviewed journal, should direct them to: Dr. Marlene Bedore, Editor. **The deadline for receipt of articles is June 29, 2001.**

If you would like to volunteer to be a member of the Journal's peer review board, to read articles with potential for publication, you may direct your interest to:

journal@expandglobal.com.

Or write to: Dr. Marlene Bedore, Editor, *The Journal of Practical Global Business* c/o The Int'l Import-Export Institute, P.O. Box 11378, Glendale AZ 85318-1378

IIEI Welcomes New Global Partners

During the month of April, the Export Institute signed agreements to offer IIEI sponsored courses of instruction with two new institutions of higher learning.

Western Town College, with campuses in Vancouver, BC and Toronto, ON Canada, was founded in 1996 and provides specialized international business curriculum in six (6) specialty areas catering to the needs of Central and South American, Asian, European and Eastern European students.

The Indian Institute of Export Management (IIEI), located in Bangalore, India, was founded in 1990 and offers specialized diploma programs in Export Management, Customs and Central Excise, Foreign Exchange Risk Management and Financial Management. IIEI has graduated over 20,000 students to date and in partnership with The Export Institute will be the first entity to offer Online training and internationally recognized professional certifications in international trade in India.

Are you an Internationalist or a Multiculturalist ?

The shrinking of the world through technology has created a planet peopled by individuals who are truly multiculturalist. Their characteristics include a belief in the fundamental unity of all people and a commitment to contributing to that goal and improving the lives of those with fewer opportunities. Multiculturalists are flexible and readily accept that no one culture is better or worse than another. All cultures and societies are valid when viewed as different expressions of the human experience.

A multiculturalist has the abil-

ity to be at ease in many different environments while being fully aware of one's own cultural heritage. Often one's values and attitudes are changed as a result of experiences abroad. Unlike an internationalist, whose credentials are easily measured by objective means, determining if you are a multicultural person is far more difficult, because it is demonstrated more by attitudes. A heightened sensitivity to cultural differences means that multicultural persons sometimes experience ambivalences and tensions that can lead to temporary states of disorientation.

IIEI INTERNSHIP PROGRAM

IIEI Internship Program is a valuable opportunity to gain experience and insight into international trade. Interns are receiving their assignments in a wide variety of areas. If you are currently an IIEI member, you are eligible to become a part of this exciting program. In many instances you can perform your internship duties online from your home or business and in your local community. For more information and an application go online at www.expandglobal.com and select "Membership".

For Members Only...

Don't Know Much about Latin America?

Exclusive *LatinTrade*^(R) Offer for Those in the Know

- ? Did you know that the 2000 U.S. census reported that Hispanics make up 12% of the U.S. population and that the number is rising?
- ? Did you know that the combined population of the Americas is 828 million, or about 14% of the world's population?
- ? Did you know that two of the world's five largest cities are in Latin America? That would be, according to the United Nations, Mexico City as #2 and Sao Paulo, Brazil as #3.
- ? Did you know that besides Spanish, the chief Latin American languages are French and Portuguese?
- ? Did you know that the premiere source for trade information for Latin America is LatinTrade Magazine?
- ? Did you know that for IIEI MEMBERS ONLY, LatinTrade^(R) Magazine is available for a mere fraction of its regular price! So low we can not say it here!

Contact IIEI today to take advantage of this incredible offer. Not an IIEI Member? Not to worry. Sign up today on-line at www.expandglobal.com, click on "**Membership.**"

Nominations for Global Advisors

Working in the international trade industry? Interested in being an active contributor to the direction and content of the industry's certification standards? Then IIEI is interested in you. IIEI's Director of Global Relations is taking nominations for individuals wanting to serve on IIEI's volunteer Global Advisory Board. E-mail Diana Larowe at dlarowe@expandglobal.com and help shape the Global Village of the future.

MEMBERSHIP RENEWAL ONLINE

You can now register or renew your IIEI Membership online.

Simply visit our website at:
<http://www.expandglobal.com>

Click on Resources then
Membership.

IIEI JobNet is Now Online

Members are free to use IIEI's JobNet to post their resume and job interests to a worldwide audience. Go online to IIEI's website and click RESOURCES, then JobNet. To submit your resume, select SUBMISSION REQUIREMENTS.

It is easy and it is FREE to members. Do it now!

Chapter News

The International Import-Export Institute has recently assisted in the formation of several new IIEI chapters. Chapters are currently forming in India, Jordan, Singapore, and Bangladesh. Local and regional IIEI Chapters provide IIEI members a convenient forum for the exchange of ideas, information, and resources in the area of international trade. IIEI Chapters offer a place for professional networking in a dynamic learning environment between various individuals and groups. . If you would like to find out more about these chapters, or starting your own local IIEI chapter, please e-mail us at chapters@expandglobal.com

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