

PRAIRIE VIEW International Business Digest

Center for International Business Education
Prairie View A&M University College of Business

Volume 8

Issue 3

March

2012

U.S.-Korea Free Trade Agreement Takes Effect March 15, 2012

The much anticipated KORUS FTA takes effect on March 15, 2012. The agreement makes about 80% of U.S. industrial exports to Korea duty-free. These products include aerospace equipment, agricultural equipment, auto parts, building products, chemicals, consumer goods, electrical equipment, environmental goods, footwear and travel goods, paper products, scientific equipment, and shipping and transportation equipment. In addition, nearly 67% of U.S. agricultural exports to Korea will become duty-free immediately. About 95% of remaining tariffs will be eliminated within 5 years, and most remaining tariffs will be phased out within 10 years.

The trade agreement also includes several non-tariff commitments. For example, there are provisions of assurance to develop new bilateral trade regulations in transparent manners, assurance to strengthen protections for intellectual property rights, and assurance to open up Korea's \$580 billion services market.

Exporters can use the [FTA Tariff Tool](#), a web-based resource created by the International Trade Administration, to check if their products would benefit from the agreement. The database links to the latest U.S. tariff schedule and relevant rules of origin, which determine the exact tariff benefit for U.S. products. To gain full benefit of the agreement, exporters will have to ensure that their products originate in either the U.S. or Korea.

Interim regulations about U.S. imports under the agreement will be released by the U.S. Customs and Border Patrol (CBP). Producers can also find relevant information at the [CBP's FTA website](#) and the ITA's [U.S.-Korea Trade Agreement Portal](#). More information can also be found by directly contacting the local U.S. Export Assistance Center and the U.S. Commercial Service at the American Embassy in Seoul, Korea.

(Source: *International Trade Update*, International Trade Administration, U.S. Department of Commerce, March 2012)

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Editor's Note

Greetings. It gives us great pleasure to bring to you the 31st issue of the *Prairie View International Business Digest*, an electronic quarterly newsletter produced by the Center for International Business Education at Prairie View A&M University.

This issue features four sections. The first section is a short article on the U.S.-Korea Free Trade Agreement that becomes effective on March 15. The second section is an article on the current trends in US exports, which have reached record-setting heights in 2011. The third section presents a brief overview of an export seminar we recently organized for the local business community. The final section highlights current global business news and events. Please note that all URL links are active and you can go directly to an article from the table of contents section on the first page.

We hope you continue to find this e-newsletter a valuable channel for important information relating to international business. We do hope our efforts will inspire greater number of local firms to seek out new global business opportunities. Should you have any questions or suggestions, please feel free to contact us. Thank you for your support.



Dr. Rahim Quazi
Editor

A handwritten signature in blue ink, appearing to be 'Rahim Quazi'.

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Outreach Seminar: *Export Assistance Resources for Small Businesses*

The U.S. Department of Commerce (Houston Export Assistance Center), PVAMU CIBE and PVAMU SBDC co-hosted an outreach seminar on March 7, 2012 at the PVAMU Northwest Center. The primary objective of the seminar was to discuss international business opportunities and challenges for small businesses. The seminar featured a series of presentations on global business topics, with a primary focus on exporting to South Korea. Speakers from the Houston Export Assistance Center (Mr. Alan Richel, Senior Int'l Trade Specialist) and the Export-Import Bank (Mr. Joe Ringer, Senior Business Development Officer) discussed the export marketing programs of the U.S. Department of Commerce and the export finance programs of the Ex-Im Bank. Other speakers included private sector experts from international banking (Mr. M.G. Shetty, Cadence Bank), international law (Mr. Allan Tiller, E. Allan Tiller, PLLC), and international logistics (Mr. John Hark, Bertling Logistics). Dr. Brian Lee, a PVAMU professor and native of S. Korea, discussed the overall business environment in S. Korea. The seminar was sponsored by the Business and International Education (BIE) grant from the U.S. Department of Education.



Trends in 2011 U.S. Exports

A number of records were set for U.S. exports in 2011. For the first time, total U.S. exports exceeded \$2 trillion and merchandise exports reached a record-setting height of \$1.48 trillion (up from the 2010 level by \$202 billion). Almost every major manufacturing category registered strong growth. Industrial supplies represented the largest export category in 2011 with a record \$500 billion in exports, followed by capital goods (\$491 billion), consumer goods (\$176 billion), automotive vehicles and parts (\$133 billion), foods, feeds and beverages (\$126 billion), petroleum and coal products (\$101 billion) and other goods (\$55 billion).

U.S. service exports and the overall service trade surplus also registered record growth. The service trade surplus reached \$179 billion (up by nearly 23% from 2010). There were large trade surpluses in royalties and license fees (\$84 billion), other private services (\$80 billion) and travel (\$36 billion).



Most U.S. states also enjoyed huge growth in export earnings in 2011. Thirty-six states experienced double-digit merchandise export growth, and 23 states exceeded the national growth average (16%). Texas alone accounted for 21% of the national merchandise export growth, and Texas, California, Illinois, Louisiana, and New York together accounted for about 50% of that growth.

U.S. merchandise exports to some of its largest trading partners also reached record levels. U.S. exports to Mexico, Netherlands, Australia and Brazil jumped about 20% from 2010, and merchandise exports also reached record levels to all of the priority emerging markets under the *National Export Initiative*, including China, Brazil, India, Turkey, Colombia, Saudi Arabia, Indonesia, South Africa, and Vietnam. As U.S. businesses find new export markets and expand on the current partnerships they have already established, U.S. exports should continue to grow in 2012 and beyond.

(Source: *International Trade Update*, International Trade Administration, U.S. Department of Commerce, March 2012)

Global Trade & Business: Current News and Events

2011 Texas Merchandise Exports Up 21 Percent

The International Trade Administration (ITA) has released new data that show merchandise exports from Texas jumped 21% in 2011 (from \$207 billion in 2010 to \$250 billion in 2011). The national average for merchandise export growth for the same period was 16%. Merchandise exports from Texas increased to many top markets, including the Netherlands (up 53%), Brazil (39%), Mexico (19%), Canada (17%), and S. Korea (16%). The top 5 merchandise export categories from Texas include petroleum products, chemicals, computer and electronic products, machinery manufactures, and transportation equipment.

[Business.USA.gov](#) Launched

This website consolidates information and services from 10 different government agencies and hundreds of business resources in one place. A single 1-800 phone number provides coordinated telephone support.

ITA Webinars on the Basics of Exporting

As part of the *National Export Initiative*, the U.S. Department of Commerce is offering a series of one-hour webinars on the basics of exporting. These webinars have been specially designed to meet the needs of new exporters, or provide guidance on more technical matters. A \$15 registration fee includes slides, live audio, and Q&A sessions. Each webinar begins at 2:00 pm (EST). Registration information is available at: http://export.gov/articles/eg_main_022213.asp

Upcoming Program Titles

- Understanding Free Trade Agreements (March 21)
- How to Find HS Codes, Duties & Taxes (April 4)
- Understanding Export Controls (April 18)
- Duty Drawbacks (May 2)
- Taking Advantage of NAFTA (May 16)
- Completing Certificates of Origin (May 30)
- Financing Your Exports & Getting Paid (June 13)
- Temporary Exports – Carnets & Other Tools (June 27)

The past programs are available in the [Webinar Archive Library](#)



IACCGH Distinguished Lecture

Westin Oaks Hotel (The Roof, 21st floor), Houston, March 26 (11:00 am-1:30 pm)

This event is organized by the Indo-American Chamber of Commerce of Greater Houston (IACCGH). The keynote speaker is The Honorable Ed Emmett, County Judge for Harris County. Registration fee is \$50. More information can be found at: <http://www.iaccgh.com/>.

(Continued on page 5.)

Global Trade & Business: Current News and Events

Ex-Im Bank 2012 Annual Conference

Washington, DC, April 12-13

This program will present a unique opportunity for companies around the world to meet U.S. exporters (more than 1,200 exporters are expected to attend), representatives of financial institutions and government officials. There will be a special "Speed Networking" session that will allow foreign buyers and U.S. exporters to engage in one-on-one meetings. More information is available at: www.exim.gov/news/annualconf/2012/index.cfm.

ACCESS 2012: Africa, the Middle East & South Asia Markets

Thunderbird School of Global Management, Glendale, AZ, April 24-25

This event will feature the annual meeting of the senior commercial officers of the U.S. Department of Commerce from the Africa, Middle East, and South Asia regions. Sessions will focus on infrastructure projects, clean and renewable energy, education, oil/gas, logistics and transportation, and government procurement process.

Registration fee is \$425 per person. Registration details are available at: <http://export.gov/arizona/access2012/index.asp>.

Texas-EU Summit: Connecting Central Texas Businesses to the European Markets

Austin, Texas, May 3

This event will focus on building the international trade capacity of Texas-based small businesses and economic development organizations. Texas is currently the second largest exporting state to the European Union. Registration fee is \$25.00 before March 30 and \$35.00 after March 30, and registration deadline is April 26. More details can be found at: www.austincc.edu/intlbus/events.php.

Sources: *Houston Export News*, U.S. Export Assistance Center, *Houston International Newsletter*, City of Houston



PVAMU College of Business Vision and Mission Statements

Vision Statement:

Our vision is to empower students from diverse backgrounds to become productive and ethical business professionals who are among the best in the world.

Mission Statement:

We provide a diverse student body with an education that creates highly productive professionals who are ethical, entrepreneurial, and prepared to succeed in the global economy. The College achieves this through excellence in teaching, research and service, and engagement with the business community and other stakeholders. The student experience is distinguished by personal attention, teamwork, leadership training, and appreciation of the social responsibility of business.



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If you would like to receive an electronic version of this newsletter, please contact Dr. Rahim Quazi in the College of Business at 936-261-9225 or rmquazi@pvamu.edu

Visit our website!
www.pvamu.edu/business or
www.pvamu.edu/pages/4478.asp



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