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US Free Trade Agreements

A Free Trade Agreement (FTA) is usually an agreement between two or more countries to liberalize each other's trade policies, and provide protection for foreign investment and intellectual property rights (IPR). FTAs are commonly developed from prior agreements negotiated by the partner countries in the World Trade Organization (WTO). An FTA allows, among other things, the importers and exporters to determine a broad set of issues, including the tariff classification for a product, and the product value used to calculate the tariff, etc.

The main objective of U.S. FTAs is to open up foreign markets by reducing their import barriers to U.S. products and services. Other objectives may also include protection of U.S. economic interests by promoting a more stable and transparent business environment in the partner country. U.S. FTAs commonly include the following commitments:

- Eventual elimination of all tariffs charged by the FTA partner country on U.S. products, provided that the products meet the "rules of origin" requirement.
- Protection of U.S.-owned intellectual property rights in the FTA partner country.
- The right for U.S. investors to get adequate compensation in case of expropriation of their investment by the FTA partner country government.
- The right for U.S. companies to participate in the development of product standards/ codes in the FTA partner country.
- The right for U.S. companies to bid on certain government procurement programs in the FTA partner country.

The list of current U.S. FTAs include: [Australia](#), [Bahrain](#), [Chile](#), [Colombia](#), [CAFTA-DR](#) (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua), [Israel](#), [Jordan](#), [Korea](#), [Morocco](#), [NAFTA](#) (Canada and Mexico), [Oman](#), [Peru](#), [Singapore](#), and [Panama](#) (pending). Another regional FTA ([Trans-Pacific Partnership](#)) is currently under negotiation with Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam.

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Editor's Note

Greetings. It gives us great pleasure to bring to you the 37th 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 three sections. The first section (*U.S. Free Trade Agreements*) provides a list of the current U.S. FTAs and discusses the objectives and benefits of these trade agreements to the U.S. exporters and investors. The second section (*U.S. Exports Reach Record High*) discusses the recent record high export data at the national and state levels. The final section highlights selected global business/trade news and current 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.



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US Free Trade Agreements

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The FTA Tariff Tool can help U.S. businesses identify the tariff that foreign countries collect on U.S. exports. This tool provides information on the current tariff rate for a given product, and also when the tariff rate will be decreased or eliminated altogether in the future. These FTAs provide favorable treatment for U.S. products and services in partner country markets, which creates a competitive edge for U.S. exporters over their competition from other countries. In 2010, nearly 41% of U.S. exports went to FTA partner countries, and in 2009-2010, U.S. exports to FTA partner countries grew faster than the rest of world at 23% vs. 20%, respectively.

Source: *Export News*, U.S. Export Assistance Center, Houston



U.S. Exports Reach Record High

US exports of goods and services in July 2013 totaled \$189.4 billion after reaching an all-time record high of \$190.5 billion in June 2013. Exports during the last twelve months totaled \$2.2 trillion, which registered a 41.7% jump from the 2009 level. Over this period, exports grew at 10.2% annualized rate compared to 2009. The countries with the largest annualized growth in U.S. exports (compared to 2009) include Panama (28.6%), Russia (22.1%), UAE (21.9%), Peru (21.3%), Chile (20.9%), Colombia (19.7%), Hong Kong (19.5%), Argentina (18.3%), Ecuador (18.0%), and South Africa (17.7%).

Recently published data from the International Trade Administration (ITA) show that U.S. merchandise exports totaled a record \$781 billion in the first six months of 2013. Merchandise exports from a total of 17 states reached record highs (see the chart below). Exports from Texas increased the most in dollar terms (rising by \$4.3 billion to \$134.4 billion). States with the next largest export growth include Washington (up \$3.8 billion), New York (up \$2.8 billion), Kentucky (up \$1.4 billion), and Louisiana (up \$960 million).

Exports play a vital role in driving U.S. economic growth. In 2012, total exports of goods and services from all 50 states totaled a record \$2.2 trillion and supported nearly 10 million American jobs. Detailed information on individual state exports is available at the web page of International Trade Administration's [Office of Trade and Industry Information](#).



17 states had record exports in the first half of 2013

| | |
|--------------------|-----------------------|
| Colorado | North Carolina |
| Connecticut | Ohio |
| Georgia | Oklahoma |
| Indiana | Pennsylvania |
| Kentucky | Tennessee |
| Louisiana | Texas |
| Maryland | Washington |
| Michigan | Wisconsin |
| New York | |



Sources:

Ex-Im Bank

International Trade Update, September 2013, International Trade Administration

Global Trade & Business: Current News and Events



Houston Metro Ranked #1 in Exports: The Houston-Sugar Land-Baytown metropolitan area was ranked the top metro exporter in 2012 with over \$110 billion in exports. The New York City metro area was ranked 2nd, exporting \$102 billion. For details, see:

<http://www.commerce.gov/news/press-releases/2013/07/11/us-department-commerce-exports-50-us-metropolitan-areas-topped-1-tril>.

Customs Info Database: This free database covers more than 120 countries and provides the general and preferential (FTA) duty rates for U.S. products exported to these countries. The database is available at: http://export.gov/logistics/eg_main_018130.asp.

U.S. Department of State DIRECT LINE Program: This program provides a unique opportunity for U.S. businesses to engage directly via teleconference with U.S. Ambassadors overseas. Registration info is available at: <http://www.state.gov/e/eb/directline/events/index.htm>.

Free Listings on B2B Trade Leads Website: U.S. exporters can sign up for free on the ThinkGlobal.com trade leads portal, designed to connect buyers, sellers and service providers through live and on demand video, social networking tools, and virtual trade shows.

WEBINAR Series – Mexico’s Infrastructure: The Mexican government is seeking investment in infrastructure on many fronts. President Peña Nieto will soon announce the 2013-2018 National Infrastructure Program. Cost: \$40 per webinar. Registration info is available at: <https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=3Q63>.

Auto Supply Chain Mission to Mexico (September 23-26, Mexico City and Monterrey): Mexico’s automotive industry ranks as the 8th largest in the world and the 2nd largest in Latin America. For details, see: http://export.gov/mexico/tradeevents/eg_mx_058436.asp.

U.S-China OGIF and Shale Gas Training Workshop (September 24-27, Xian, China): The U.S. Trade and Development Agency and China’s National Energy Administration are offering the third in a four-part series of technical training workshops in China on shale gas technology and development. This workshop will focus on drilling and completion (hydraulic fracturing) techniques and technologies. For details, see: <http://www.uschinaogf.org>.

Expo Pakistan (September 26-29, Karachi, Pakistan): This is the biggest trade fair in Pakistan for US exporters to launch their products. For details, see: <http://www.expopakistan.gov.pk/>.

Export Green Trade Mission - Biofuels in Brazil (Sep 30-Oct 2, Sao Paulo and Recife): Brazil, second only to the U.S. in both consumption and production of ethanol, is also keen to show leadership in the use of "next generation" and aviation biofuels. For details, see: <http://www.brazilcouncil.org/events/export-green-trade-mission-biofuels-brazil>.

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Global Trade & Business: Current News and Events

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C3 Summit featuring Keynote President Clinton (Oct 7, New York): This event is dedicated to strengthening existing partnerships, building new relationships and exchanging best practices between the U.S. and the Arab world. Cost: \$250. For details, see: <http://www.c3s-2013.com/>

NASCO Conference (October 7-9, San Antonio): This event will highlight energy, automotive, and aerospace industries and bring together leaders from the public and private sectors across North America. Featured discussions include freight transport, manufacturing and logistics workforce development. Cost starts at \$399. For details: <http://nasconetwork.com/conference>.

U.S.-Africa Business Summit (October 8-11, Chicago): The 9th Biennial US-Africa Business Summit will feature the latest trade and investment opportunities in Africa's most promising sectors including agribusiness, energy, health, infrastructure, security, ICT and finance. Prospective attendees include about 1,500 key African and U.S. private sector and government representatives, including officials from the U.S. Department of Commerce, USTDA, USAID, and OPIC. For details, see: <http://www.africacncl.org>.

5th Annual Harris County International Trade & Transportation Conference (October 29, Houston): For more information, contact Caroline Binick (Caroline.Binick@cjo.hctx.net).

SelectUSA Investment Summit (October 31-November 1, Washington, DC): The Summit will connect businesses and investors from across the country to promote investment in the US. Participants will interact with senior U.S. government officials, business leaders and industry experts. For details, see: <http://selectusa.commerce.gov/selectusa-investment-summit>.

Small Business Forum (November 15, Houston): The Office of the Governor is hosting this forum to provide Texas small business owners access to valuable information on workforce development, training grants, expanding markets and other business growth opportunities. For more information, see: <http://governor.state.tx.us/news/press-release/15203/>.

Sources:

Export News, U.S. Export Assistance Center, Houston

Export News, U.S. Export Assistance Center, Austin





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

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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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