



# Global Watch®

THE NEWSLETTER OF THE INTERNATIONAL IMPORT-EXPORT INSTITUTE  
11225 N. 28TH DRIVE, SUITE B 201, PHOENIX, ARIZONA USA 85029

NOVEMBER/DECEMBER 2008, VOLUME 10, ISSUE 3

## European Union reacts to the Global Financial Crisis

*A quick overview of the EU's response to the financial crisis*

The crisis that started in the US over a year ago has sent shock waves around the globe. Former giants of the financial world have found themselves suddenly facing bankruptcy. Inevitably, the crisis is also having an effect on households and businesses - economic growth has slowed sharply and in some EU countries unemployment has begun to increase for the first time in several years.

In the EU, the turmoil has prompted action on many levels – by national governments, the European Central Bank and the Commission. All have been working closely together to protect sav-



European Euro

for businesses and households and put in place a better governance system for the future.

### Looking ahead

Amid fears of a global recession, the Commission is pressing for rapid adoption of measures proposed in June to [help small businesses](#), which create most new jobs in the EU.

It is also asking the European Parliament and the 27 EU member countries to quickly adopt the proposed

EU Reaction - Continued on page 11

## Sharing Global Supply Chain Knowledge

Page 3

## Bureau of Industry and Security views Cabela's Optical Exports

Page 4

## DDTC Increases Registration Fees

Page 5

## In-Compliance: 10 Reasons Compliance Programs are Unnecessary

Page 6

## The Industry Has Spoken. What did it say?

Page 7

## New Certified International Freight Forwarder® applauded Worldwide

Page 11

## EU-India Free Trade Agreement hits Roadblock

By Sujay Mehdudia

BRUSSELS: The prospects of Free Trade Agreement (FTA) between the European Union and India being wrapped up by the 2008-year-end deadline look very bleak with sharp differences having arisen over various issues - Intellectual Property Rights (IPR), competition, agriculture, public procurement, market access and transparency.

EU-India FTA - Continued on page 10

## i|eCanada 77th Annual Conference



Deputy Director General for Canada, Ministry of Foreign Affairs Mexico, Jesus Montero, addressing the main assembly at i|e Canada's 77th Annual Conference. IIEI was the Gold Sponsor for the event held in Toronto Canada. See page 11 for additional photograph.

**GlobalWatch®** is a publication of  
**The International  
 Import-Export Institute**  
 Phoenix, Arizona, USA

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## Notes from the President

### Excitement Around the Corner

by *Dr. Donald N. Burton*



Reflecting on our progress in 2008, I am pleased overall with our successes and I recognize too the areas in which we could do better. I see the year 2009 as being a continuation of many of the efforts begun in 2008.

I am most pleased about the increasing communication and dialog we have with governments around the world that now work with us to coordinate their trade compliance standards with the globally-accepted IIEI Certification training programs. As a result, there are many new courses of study now available, including: Canada Export Controls (IIEI-324); UK Export Controls (IIEI-325); PRC Export Controls Overview (IIEI-350) and many, many others are in development. All of these courses have one thing in common. They are intended to help educate industry on how to comply with the increasingly strict export regulations needed to meet each of these countries' national security interests.

From the education perspective, this year has been beyond incredible. In 2008, we added the name Dunlap-Stone University (DSU) to our school and expanded our bachelor degree in trade management to include three emphasis areas: trade compliance management, global supply chain management and general management. We expanded our program from being a degree completion program—where students needed to bring two years prior course credits to complete their degree—to now we offer the full range of general education courses—so students can complete their entire bachelor degree here at our school. Under the DSU banner, we have added to our framework

to accommodate an Arts and Letters school and a graduate school. While all of this was going on, we also were reaccredited for the next five years by the Distance Education and Training Council. And, we have spent nearly the entire year in the process of seeking U.S. Department of Education approval to offer guaranteed student loans. (See article page 12).

Even at a glance, looking at our list of courses offered, you can see the huge increase in courses available. We have almost doubled the number of specialized trade compliance topics being offered (See page 7), including topics with acronyms such as OFAC, FCPA and INCOTERMS. The number of courses is increasing so rapidly because of input from people like you and companies asking for them when they see our staff at conferences and events. If you have topics you think we should develop into a course, let us know. If you are an expert in any of the new course topic areas, you may want to consider teaching for us. Even though we now have well over 100 faculty members, we need more.

So what will the year 2009 be like here at DSU? With the rapid acceptance of countries all over the world of the IIEI Certification program, I expect that everything up until now has been a prelude. A prelude to what we all will have to wait and see, but one thing is for sure: It will be exciting year helping to educate people to IIEI Certification's global standards. Thank you for your continued strong support and acceptance.

## Sharing Your Global Supply Chain Knowledge — The Right Way

By Matthew B. Myers, Ph.D, University of Tennessee and Mee-Shew Cheung, Ph.D., Xavier University

Reprint Courtesy IndustryWeek

Knowledge sharing between supply chain partners has more upsides than downsides, provided that the right kind of knowledge goes back and forth

In global supply chains, managers consistently have struggled with sharing valuable knowledge with buyers and suppliers across borders. Both buyers and suppliers agree that sharing knowledge among supply chain partners will create more efficient supply chains and more effective organizations, leading to higher quality outputs and enhanced customer satisfaction. However, some managers think that knowledge sharing with supply chain partners has a “dark side” that can outweigh the benefits. Individual companies tend to be wary of getting too close to one another for fear of losing control, compromising trade secrets, proprietary information, and even losing revenue and competitive edge. It may even lock firms into unproductive relationships or preclude partnering with other viable firms. In this way, a firm’s collaborative relationships with its supply chain partners can become a source of both opportunities and constraints.

Increasingly, talk of the “dark side” of collaborative relationships has left managers wondering who benefits most from knowledge-sharing activities: their companies

or their partners. Furthermore, in today’s competitive global marketplace, how do cross-cultural differences between buyers and sellers impact the value of knowledge sharing? In order to find the answers to these questions, we conducted an in-depth study of more than 100 cross-national supply chain partnerships in the industrial chemicals, consumer durables, industrial packaging, toy and apparel industries in multiple locations in 19 countries across Asia, Australia, Africa, Europe, North America and South America.

Knowledge sharing in global supply chains goes beyond basic information sharing. Much of the information that companies share — data on inventory levels, sales, production schedules and prices — is easy to codify and transmit. Other types of knowledge are more difficult to codify but proven to be more valuable: know-how, managerial and communication skills and organizational memory. Inter-firm knowledge sharing is a joint activity between supply-chain partners in which every party strives to create more value together than they would be able to create individually. It involves the parties sharing knowledge and then jointly interpreting and integrating it into a relationship-domain-specific memory that influences relationship-specific behavior. We found three different dimensions of knowledge-sharing activities within the supply

chain, each offering distinct benefits to buyers and suppliers:

- **Information sharing** takes place when companies exchange important data about sales, customer needs, market structures, and demand level
- **Joint sense making** occurs when supply chain partners work closely to solve operational problems, analyze and discuss strategic issues, and facilitate communication about the relationship.
- **Knowledge integration** occurs when both sides develop relationship-specific memories, providing each party with a common understanding of idiosyncratic routines and procedures governing the partnership.

The overall results of our research show that both buyers and suppliers will benefit from these knowledge-sharing activities, but suppliers generally benefit more than buyers. Why is this so? Because the predominance of demand-driven supply chains in today’s global marketplace, and the fact that suppliers are further away in the supply chain node from the final point of sale. Increased global competition also has forced supply chain managers to strengthen their agility and adaptability and to tie their planning and operations as closely as possible to real-time customer needs. As a result, the knowledge that buyers share with



## BIS Update

Bureau of Industry and Security

### American Rice Settles Antiboycott Charges

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) revealed that American Rice, Inc. of Houston, TX, has agreed to pay a \$30,000 civil penalty to settle allegations that it violated the antiboycott provisions of the Export Administration Regulations (EAR).

"The Department of Commerce is committed to vigorous enforcement of the antiboycott regulations," Darryl W. Jackson, Assistant Secretary of Commerce for Export Enforcement, reminded U.S. companies. "To avoid enforcement actions, companies should establish effective compliance programs that include such core elements as management commitment, employee training and internal controls for reporting and responding to boycott issues."

BIS's Office of Antiboycott Compliance alleged that during the years 2002 through 2006, in connection with fifteen transactions involving the sale of U.S. origin goods to the U.A.E., American Rice, Inc. failed to report in a timely manner its receipt of a request to engage in a restrictive trade practice or boycott.



### BIS Update 2008 Note

Of the 1,100+ who attended the conference, there were 84 pin-wearing Certified U.S. Export Compliance Officers®, representing nearly that many companies, and another 122 people currently enrolled in classes. Over 20% of those in attendance were IIEI students and alumni. Well done!

### Nebraska Outdoor Equipment Outfitter, Cabela's Incorporated, Settles Export Allegations

BIS announced that Cabela's Incorporated, an outdoor equipment outfitter based in Sidney, Nebraska, has agreed to pay a civil penalty of \$680,000 to settle allegations that it committed 152 violations of the EAR involving the export of controlled optical sighting devices to various countries worldwide.

152  
violations

The allegations involved 76 exports of optical sighting devices for firearms in 2004 and 2005 to Argentina, Brazil, Canada, Chile, Finland, Ireland, Malaysia, Malta, Mexico, Pakistan, the Philippines, South Africa, Sweden, and Taiwan. These devices are controlled on the Commerce Control List for crime control and firearms convention reasons and require a license to export to the various destinations at issue. BIS also alleged that Cabela's failed to file the required Shipper's Export Declaration for each of the 76 exports in question.

In 2005, Cabela's settled similar allegations made by BIS that, on 685 occasions between April 1999 and September 2000, Cabela's made unlicensed exports of optical sighting devices to a number of countries, including Argentina, Brazil, Canada, Chile, and Mexico.

Source: [http://www.bis.doc.gov/news/2008/bis\\_press11072008.htm](http://www.bis.doc.gov/news/2008/bis_press11072008.htm)

### California Semiconductor Company Settles Charges

BIS stated that Maxim Integrated Products, Inc., a semiconductor manufacturer based in Sunnyvale, CA, has agreed to pay a \$192,000 civil penalty to settle allegations that it committed 34 violations of the EAR involving the export and reexport of national security-controlled integrated circuits and related components to the People's Republic of China, Estonia, Russia, and the Ukraine as well as deemed export violations involving Iranian and Chinese nationals.

Three of the 34 charges involve deemed export violations, including one knowing deemed export violation, when Maxim released controlled technology for the development of electronic components to an Iranian-national employee and Chinese-national employee without the required BIS licenses. Maxim applied for a deemed export license for release of controlled technology to the Chinese national, but failed to restrict his access to the technology with the license application was under review.

The other 31 charges stemmed from unlicensed exports and reexports of national security-controlled integrated circuits and related components made between June 2002 and September 2005 to the People's Republic of China, Estonia, Russia, and the Ukraine.

# DDTC Update

Directorate of Defense Trade Controls

## Did you Know

**Form DSP-83, Non-Transfer and Use Certificate.** In any instance when a copy of a Form DSP-83 is provided to support an export application on D-Trade, the applicant must retain the original of the DSP-83, regardless of the final outcome of the request (approval, denial, return without action) and it must be made available to DDTC immediately upon request.

## DDTC Response Team

**Contact Information:** Phone:  
(202) 663-1282 E-mail:  
[DDTCResponseTeam@state.gov](mailto:DDTCResponseTeam@state.gov)

## Validity Period

For those "in the business" with a Current Registration

The period of validity for new and renewal registrants is twelve months from the date of issuance. The expiration date is included in the registration letter issued by DDTC.

For registration renewal, registrants are responsible for ensuring sufficient time is allocated for renewal purposes, but no sooner than 60 days prior to expiration.

In the event a registrant allows their registration to expire, the registrant is solely responsible for ensuring that no export or temporary import occurs until the registration is issued by DDTC. Registration will not be backdated to cover the period of expiration. Back fees are required nevertheless.

[Refer to Federal Register Notice date July 18th, 2008](#)

## Did you Know

The applicant must seek written confirmation from the foreign purchaser before applying for a license from DDTC. The license application on D-Trade must include from the foreign customers a written statement regarding the specific end-user and end use.

**Source:** [http://pmdtcc.state.gov/DTRADE/documents/DTrade\\_DSP\\_5\\_Instructions.pdf](http://pmdtcc.state.gov/DTRADE/documents/DTrade_DSP_5_Instructions.pdf)

## Foreign National Employment

A DSP-5 must be approved by DDTC before any foreign national employed in the United States can have access to ITAR controlled technical data. Specific guidelines for completion of these requests are provided on the DDTC Web site.

## 500 Pound Gorilla

**What makes people refer to IIEI's compliance education program as the 500 Pound Gorilla?**

IIEI is the worldwide market leader in providing compliance education to thousands of students online. Call today to find out more. (800) 474-8013 or outside the U.S. 1+602-648-5750.



**How can this emblem impact your career?**

You owe it to yourself to find out how and why!

**CALL a Certification Advisor Today  
1-800-474-8013**

## DDTC Increases Registration Fee

Effective November 1, 2008, to align registration fees with the cost of licensing, compliance and other related activities, the Directorate of Defense Trade Controls (DDTC) adopted a three-tier registration fee schedule.

The first tier will be a set fee of \$2,250 per year for registrants who are renewing a registration, required to register by law, and for whom DDTC has not reviewed, adjudicated or issued a response to any applications during the twelve-month period ending 90 days prior to the expiration of their current registration. This tier includes those registering with the Department for the first time.

The second tier is for registrants for whom DDTC has reviewed, adjudicated or issued a response to between one and ten applications during the twelve-month period ending 90 days prior to the expiration of their current registration. For this tier, registrants will pay a set fee of \$2,750 per year.

The third tier is for registrants for whom DDTC has reviewed, adjudicated or issued a response to more than ten applications during the twelve month period ending 90 days prior to the expiration of their current registration. For this tier, registrants will pay a fee of \$2,750 plus an additional fee that is based on the number of applications for which DDTC has reviewed, adjudicated or issued a response during the twelve months ending 90-days prior to the expiration of their current registration. The additional fee will be determined by multiplying

# In Compliance....

## 10 Reasons Trade Compliance Programs Are Unnecessary

By Rick Miller

Tyler Search Consultants [www.tylersearch.com](http://www.tylersearch.com)

Companies of all sizes in all industries struggle with trade compliance programs and the trade compliance role. There are many reasons why a compliance program is controversial. Here are the top 10 reasons why a trade compliance program is truly an unnecessary waste of resources:

### 1. Trade compliance is a cost center with no financial benefit to the company.

Except for avoiding audits, penalties and border delays. Except for avoiding duty under special programs such as the North American Free Trade Agreement, the Central America Free Trade Agreement, the Generalized System of Preferences. Except for tariff engineering, broker management, supplier management.

### 2. Classification is easy. Anyone can do it — just pick the lowest duty rate and let Customs tell us if we're wrong.

Until Customs catches you and sends you a bill for the duty (plus interest) for all entries made over the last five years. And don't forget the penalty that's sure to follow.

### 3. Shipments to and from Canada and Mexico are not really imports/exports.

Tell that to U.S. Customs. Canada and Mexico may be our biggest trading partners, but they have their own customs services to deal with. And, oh yeah, those folks at Commerce may require an export license.

### 4. Any product purchased in the U.S. is U.S.-origin.

The trade deficit must come from somewhere ... make sure you ask before you assume. Get it in writing and then ask again.

### 5. Any U.S.-origin product is NAFTA-eligible

Unless you are audited, of course. The NAFTA rules of origin are complex and vary tremendously depending on the item. The value of U.S. components may or may not have anything to do with eligibility — even with 99 percent U.S. components. When importing under NAFTA, every compliance professional needs to verify the supplier's certificate of origin. Ask and ask again.

### 6. We have been doing business for years without worrying about Customs.

Ever notice that all the big penalty cases in the news are for companies that have been around for a while?

### 7. Our customs brokers and freight forwarders are responsible for compliance

Importers of record for imports and U.S. principal parties of interest for exports are on the hook not the broker or forwarder — period! Ever look at the liability limitations on your broker and/or forwarder agreements?

### 8. We need to make exceptions for big customers or we'll lose the business.

So if I walk past the bank every day on my way to work and only rob it once, the judge will let

me off the hook because I was good most of the time? Where is my duffle bag?

### 9. C-TPAT is not mandatory, so we aren't spending any money or dedicating any resources to it.

Sure it is not mandatory, but don't come crying to trade compliance when the borders tighten up and your non-C-TPAT shipments are delayed while all C-TPAT importers are given a priority.

### 10. Compliance slows deliveries.

Noncompliant importers will face many more inspections and delays, especially after Customs finds the first problem. Due to limited resources, Customs targets the bad guys. Even compliant importers face delays, but if Customs already knows your company has a trade compliance program, they are more likely to work with you.

While failure to maintain a viable trade compliance program may sound funny, border delays, inspections, audits and penalties are not. Trade compliance and supply chain security is more than a fact of business life today. Our world has changed. It's here to stay. Work closely with your trade compliance team. Top down support is the critical component for a successful trade compliance program.

#### About the Author

Rick Miller is a licensed customs broker and director of trade compliance recruitment at executive recruiter Tyler Search Consultants. He can be contacted at [rmiller@tylersearch.com](mailto:rmiller@tylersearch.com). (201) 934-4084

## The Industry Has Spoken

If the number of Certified U.S. Export Compliance Officers® (CUSECO) who attended the recent BIS Update 2008 is any indication of the market approval of the International Import-Export Institute's certification training program for trade compliance professionals, then the market has overwhelmingly decided. Eighty-four individuals proudly wore their lapel pins during the three day event. In addition, more than 122 students currently enrolled in the CUSECO training program stopped by our booth to say "hi". That means that nearly 20% of those attending the BIS conference have earned the prestigious certification or are in classes preparing for the challenging 4 hour examinations that must be passed to earn the right to call themselves a Certified U.S. Export Compliance Officer®. Nearly of of these received their training through DSU and IIEI.

Rick Miller with Tyler Search Consultants, one of the premier recruiters of compliance professionals in the nation, made comment after the BIS Update 2008 that he saw the easily identified CUSECO lapel pins everywhere during the conference. This did not surprise him, he said, because he is seeing an increasing number of individuals that Tyler Search places as having the certification as a requirement. The IIEI has learned that 18 of the larger aerospace and defense companies, or divisions within them, now require all of the compliance

staff members to possess this important certification. This number is increasing rapidly as word of mouth about the value of the program spreads. Nearly all of the top 100 U.S. aerospace and defense companies and well over 1,000 companies worldwide have had employees enroll in courses leading to industry certification. And the number of global companies participating has skyrocketed during the past year. What does all this mean? It appears to be clear evidence that the industry has decided that the Certified U.S. Export Compliance Officer® program is valuable in meeting the needs of industry and individuals. It is also an indication that companies subject to the ITAR and EAR are eager to have independent third-party validation that their employees meet the industry accepted standard of knowledge and proficiency with the regulations.

"It is a very challenging program," said Russ Stewart, a member of the Management Team at Hamilton Sundstrand. "Having the certification definitely helped me stand out during the hiring process even though I had been in compliance for years, but once I was hired, the knowledge I learned in the program helped me excel."

For information about certification training and what it can mean to you, talk to a professional wearing the impressive CUSECO pin at the next conference you attend, or visit IIEI's web site at [www.dunlap-stone.edu](http://www.dunlap-stone.edu) or call an IIEI Advisor at (800) 474-8013.

### Special Topic International Trade Regulation Courses

In addition to IIEI's regular course offerings such as EAR and ITAR, there are several online trade compliance courses starting soon at the International Import-Export Institute that may be of interest to you.

- Dec 18: Foreign Corrupt Practices Act
- Jan 15: Canadian Export Controls
- Jan 22: PRC Export Controls
- Feb 26: UK Export Controls

If you don't see the topic you're looking for, call an advisor to find out when it is running. Special courses are only offered a few times throughout the year. Also remember, the IIEI's courses are accredited college credit that focus on providing you with practical skills and knowledge useful to industry professionals. For information about these or other courses, call an advisor at (800) 474-8013.

#### Tell me about IIEI's Online Program and its Students

IIEI's online program was developed with two key points in mind. Learning had to be possible and convenient for very busy professionals with limited time to devote, and second, what was being taught had to be clear and concise, with a well designed path to impart the knowledge. The IIEI's online virtual campus and classrooms meet all these requirements and more. It is open 24/7, which makes it ideal for student's busy lives. But who is our typical online student?

IIEI Program and Students -  
Continued on page 12



*Country Profile*  
**Republic of South Korea**

South Korea, officially the Republic of Korea and often referred to as Korea is a presidential republic in East Asia, occupying the southern half of the Korean Peninsula, it is mostly hills and mountains; wide coastal plains in west and south. Its climate is temperate, with rainfall heavier in summer than winter

Also known as the “Land of the Morning Calm,” it is neighbored by China to the west, Japan to the east and borders North Korea to the north. South Korea’s capital and largest city is Seoul, the second largest metropolitan city in the world.

Korea is one of the oldest continuing civilizations in the world, founded in 2333 BC by the legendary Dangun according to Samguk Yusa. The Korean Peninsula was first inhabited as early as the Lower Paleolithic. Following the unification of the Three Korean Kingdoms under Silla in AD 668, Korea went through the Goryeo and Joseon Dynasty as one nation until the end of the Korean Empire in 1910. After



division, South Korea was established in 1948 and has since developed a successful democracy, maintaining a strong alliance with the United States and its allies. South Korea is now working towards a peaceful reunification with North Korea.

South Korea is a major economic power and one of the wealthiest countries in Asia. It had one of the world’s fastest growing economies since the 1960s, now highly developed and the fourth largest in Asia and 13th largest in the world. Forming the G20 industrial nations and the world’s top ten exporters, it is an APEC and OECD member, defined as a High Income Nation by the World Bank and an Advanced Economy by the International Monetary Fund. It has the world’s sixth largest armed forces and the tenth largest defense budget in the world. The Asian Tiger, as it is called, is leading the next eleven nations and is still among the world’s fastest growing developed countries. Today, its success story is known as the “Miracle on the Han River,” a role model for many developing countries.

South Korea is leading several key industries in the world, particularly in the fields of science and technology. It has a very advanced and modern infrastructure and is a world leader in information technology such as

**South Korea at a Glance**

- GDP: \$1.206 trillion (2007 est.)
- GDP - real growth rate: 5% (2007 est.)
- GDP - per capita (PPP): \$25,000 (2007 est.)
- Inflation Rate: 2.5% (2007 est.)
- Labor Force: 24.22 million (2007 est.)
- Unemployment Rate: 3.3% (2007 est.)
- Population: 48,379,392 (July 2008 est.)
- Exports: \$379 billion f.o.b. (2007 est.)
- Exports - Commodities: semiconductors, wireless telecommunications equipment, motor vehicles, computers, steel, ships, petrochemicals
- Exports - Markets: China 26.2%, US 12.4%, Japan 6.9%, Taiwan 4.1% (2007)
- Imports: \$349.6 billion f.o.b. (2007 est.)
- Import - Commodities: machinery, electronics and electronic equipment, oil, steel, transport equipment, organic chemicals, plastics
- Import - Markets: China 16.9%, Japan 16.3%, US 10.4%, Saudi Arabia 6.2% (2007)
- Foreign Exchange Rate: South Korean won per US dollar - 929.2 (2007)
- Internet Users: 35.59 million (2007)
- Internet Hosts: 315,537 (2007)

Source: CIA World Fact Book

electronics, semiconductors, LCD displays, computers and mobile phones, led by Samsung and LG. Home of the world’s third largest steel producer, POSCO, it is the world’s largest shipbuilder, the world’s fourth largest oil refiner and one of the world’s top five automobile producers, headed by Hyundai and Kia. It is also a leading country in biotechnology, construction, engineering, machinery, petrochemicals, robotics and textiles.

Sharing - Continued from page 3

suppliers becomes more valuable. When the benefit pie turns out to be unequal size between buyers and suppliers, problems can emerge. If managers see relative gains as more important than absolute gains, it can undermine long-term cooperation within supply chains. There is a saying that, in the global marketplace, companies don't compete — supply chains do. A company may not benefit as much from knowledge-sharing activities as its partners. But in absolute terms, its performance will be enhanced significantly. Without participation from both sides, knowledge sharing would not take place, and the entire supply chain suffers.

Suppliers need to be willing to address the problem proactively when tension arises due to the real or perceived disproportional benefits on their part. They could demonstrate goodwill to the buyers who are more collaborative in knowledge sharing. For example, suppliers could offer support for customers' R&D programs, grant discounts or preferred customer status, or be more generous in the division of profits with their customers. Through this revised "pie-sharing," both buyers and suppliers would ultimately benefit through the strengthening of the knowledge sharing efforts from both sides.

One of the more interesting findings in our research is that cross-national cultural differences between buyers and suppliers rarely matter when it comes to knowledge sharing. This is against traditional wisdom in which we had assumed that national culture and all of its nu-

ances would impact the propensity to share knowledge and other valuable resources between cross-border business partners. Interviews with managers revealed the reasons of the new findings. In business-to-business settings, we are seeing a decrease in the influence of culture as it traditionally is perceived and an increase in 'cultural overlaps' as human resource elements within the firm become more diverse, and the firms themselves operate in more markets in the global setting. Recent research also has found that one of the major effects of globalization is the creation of a new identifiable class of managers who belong to an *emergent global culture*, especially in business markets.

As membership in this new global culture rises, many critics find a distinct threat to national cultures, resulting quite possibly in their eventual obsolescence. In the management of MNCs (multi-national companies), it is common to find an increasing number of managers who describe themselves as bi-cultural or multi-cultural. More and more, MNCs are managed by multi-cultural expatriates. This group of managers is adept at cross-cultural code switching and modification of their behavior to accommodate different cultural norms for appropriate behavior in cross-cultural scenarios. This shows a trend that implies a 'cross-vergence' of cultures where the influence of societal values and economic ideology combine to produce a value system significantly disparate from traditional national cultures. Thus, globalization leads to significant cultural cross-pollination, and global managers tend to have values that are more in common with

other global managers than with those of their own countries of origin. This seems to explain that managers' decisions about whether to share knowledge — and how to do it — are driven less by cultural norms and more by objective business decision making and market demands.

In the competitive landscape of global supply chains, knowledge sharing between buyers and suppliers has become increasingly critical. As concluded by a top executive in our interviews, "Even though it is often hard to quantify the actual size of the pie gained by each individual party, both sides have to look at the ultimate picture and be more in sync.... Businesses are constantly looking for best practice and best thinking. We have to put our cultural differences aside." Companies need to approach knowledge sharing with their global supply chain partners constructively in order to make their supply chains more competitive.

#### About the Authors

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EU-India FTA - Continued from page 1

Although both sides have stated that good progress had been made in the first three rounds, officials in the 27-member block European Union feel that signing of the FTA by this year-end was near impossible.

Both India and EU were to present their proposals last month but that was postponed for the time being and efforts are on to set a new date sometime in April to get down to the task of sorting out differences in major issues.

**Rising Trade**

The European Commission has sought addressing of issues such as competition policy, the rights of foreign investors, open government purchasing practices as well as environmental, social and human rights clauses.

The EU-India trade has been on the rise in recent years and from 28 billion euro in 2003, it has reached 55 billion euro in 2006-07, registering a steady growth.

**Editor’s Note:** There are major factions in both the EU and India that are not in favor of this FTA.

Source: The Hindu

**Lacey Act  
U.S. Law Enacted Soon**

On May 22, 2008, the Lacey Act was amended to make it illegal to import, export, transport, sell, receive, acquire, or purchase in interstate or foreign commerce, any plant—with limited exceptions—to be taken or traded in violation of domestic or international laws.

The statute’s reach now has broader range

The Act extends the statute’s reach to include a broader range of plants and plant products, including timber deriving from illegally harvested plants. Illegal logging robs countries, destroys forests, and competes with the legal production and trade. This Act provides the legal authority to take action when products stemming from the practice of illegal logging enter the United States.

The Act now requires an import declaration for plants that includes the scientific name of any plant, a description of the value, quantity, and the name of the country from where the plant was taken. If a plant species or country of origin cannot be determined, the plant declaration must include a list of possible plant species found in the product or a list of possible countries from which the plant originated.

APHIS and the other Federal agencies involved in enforcing the provisions in the Act are working together to phase in enforcement of the declaration beginning April 2009.

Fee Increase - Continued from page 5

\$250 times the number of applications for which DDTC has reviewed, adjudicated or issued a response during the twelve-month period ending 90 days prior to the expiration of the current registration.

Fees for registrants in this third tier whose total registration fee would be greater than 3% of the total value of applications for which DDTC has reviewed, adjudicated or issued a response during the 12-month period ending 90 days prior to expiration of the current registration will be reduced to 3% of such total application value or \$2,750, whichever is greater. Fees for registrants, including universities, who are exempt from income taxation pursuant to 26 U.S.C. § 501(c)(3) may be reduced to the first-tier registration fee provided proof of such status (i.e., IRS certification) is submitted with their registration package.

Source: <http://pmdotc.state.gov/registration/fee.html>

**Certification Board of Governors**

Over the next few months, you will see the name of the Certification Board of Governors (CBG) slowly changing on the web site and in marketing materials to reflect a new branding identity. In a move to better reflect the ever changing role of the organization, the CBG’s name has changed to the IIEI Certification Advisory Board (CAB). Because of the expanded reach of the IIEI certification programs into over 90 countries and with the numerous new country specific certifications due out early in 2009, the IIEI outreach program required a focused branding identity.

EU Reaction - Continued from page 1

directive on capital requirements for financial institutions, aimed at reining in excessive risk-taking by banks and improving supervision of banks that operate in different EU countries.

The Commission is drawing up proposals for stricter regulation of credit rating agencies. These agencies advise investors on how safe investments are, but they failed to spot some of the risks that led to the current crisis.

A comprehensive plan to help the EU economy recover from the crisis is also being prepared. It is due out on 26 November and will include short-term measures. At the same time, the Commission has also made a commitment to drive European coordination, to work tirelessly to improve global cooperation and to apply EU law with the maximum flexibility.

The EU Commission has lowered its economic forecast, projecting a sharp drop in EU growth in 2008 and almost no growth for 2009 before a gradual recovery in 2010, as the financial crisis takes a toll on the 27-nation bloc.

**Source:** [http://ec.europa.eu/commission\\_barroso/president/focus/credit\\_crunch/index\\_en.htm](http://ec.europa.eu/commission_barroso/president/focus/credit_crunch/index_en.htm)

## Certified International Freight Forwarder<sup>®</sup> announced at major conference in Canada

**Toronto, Canada** With the oldest and most respected international trade conference in Canada, **ijeCanada**, as the backdrop, Dr. Donald Burton, President of the International Import-Export Institute (IIEI), announced to a huge applause the newest certification to its lineup of international trade designations: the **Certified International Freight Forwarder<sup>®</sup>** (CIFF<sup>®</sup>)

“The prestigious CIFF<sup>®</sup> was developed,” said Dr. Burton, “in partnership with schools and training centers around the world. They told us they wanted a certification focusing specifically on the basic needs of the freight forwarding industry sector.” Based on comments from major players in the global supply chain, this is expected to be one of the most popular certifications around the

world,” added Dr. Burton. “It is intended for those in the freight handling sector who help facilitate the movement of goods between nations.”

The knowledge requirements for this certification include the material contained in the following four courses of study that can be obtained from select IIEI Approved Education Providers worldwide, or online from the IIEI.

- ◆ Freight Forwarding Practices (IIEI-127)
- ◆ Exporting Importing Environment (IIEI-201)
- ◆ Incoterms (IIEI-141)
- ◆ Documentation for the Global Village (IIEI-225)

For more information, contact your local certification education or training provider; or

Call an IIEI Advisor at  
(800) 474-8013  
Outside the U.S.  
1+602-648-5750

### ije Canada

At right: Dr. Donald Burton talking with Carlos Pujalte, Consul General of Mexico to Canada and Daniela Gil Sevilla, Mexico Consular Services, during the VIP session at the **ije Canada** 77th Annual Conference in Toronto Canada the last week of October 2008.



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### Update on Guaranteed Student Loans

Great news for students needing assistance with the rising cost of higher education: DSU and IIEI are on track to offer Guaranteed Students Loan—Title IV Federal Financial Aid to students who qualify as early as August 2009 for the 2008 – 2009 academic year. We are in the final leg of the approval process with the Department of Education, after two plus years of bureaucratic red-tape. We appreciate your patience as we work towards the end result.

For eligible students entering or continuing in any of our degree programs, this approval will make two major types of aid available: Pell Grants, and Stafford/PLUS Loans. All will be need-based, and will require students to complete the requisite application in the form of the FAFSA. Once we are approved, you will see our name available in the online FAFSA application.

Students interested in receiving aid from these programs should keep watching GlobalWatch® for information on how to navigate the process. You can also speak with an advisor at (800) 474-8013.

### Spring Semester New Degree Program Starts January 8<sup>th</sup>

#### New General Education Classes

In an effort to help our students achieve all of their educational goals, DSU is proud to offer the following new general education courses this Spring term. Undergraduate students complete general education coursework to meet DSU's mandate that the breadth and depth of knowledge and viewpoints is the hallmark of a college education.

Jan 8: Introduction to Business Writing  
Jan 8: Information Systems  
Jan 15: Shakespeare I  
Feb 19: Human Resource Management  
Feb 26: Introduction to Anthropology  
Apr 2: Legal Environment of Business  
Apr 9: Introduction to American Government  
April 9: Introduction to the Short Story

Beginning in the 2009 Summer and Fall terms, we will also be offering:

- Introduction to Humanities
- Introduction to Mathematics
- Introduction to Global Communication
- History: The Revolutionary War
- Introduction to Religion
- Introduction to Theatre History

Contact your degree advisor today to enroll in these or other general education classes.

IIEI Program and Students -  
Continued from page 7

Our students range in age from their late 20s to mid-to-late 50s with a mean age of 36. The ratio of men to women is 50-50. Fifty-eight percent of students currently work in the aerospace or defense industries and have between 5 and 20 years industry experience; 23% work in logistics companies and have 3 to 8 or more years experience; while 3% are retraining for opportunities in international trade. The remaining 16% are currently employed in a wide range of positions other than aerospace and defense but within the international trade arena, often in support of importing roles in large and small retail merchandisers. Seventy-nine percent of our students initially were seeking education and training for one of the certifications we offer and 21% enroll directly in one of our degree programs. Eighteen percent of our degree program students matriculate after having completed courses for a certification. The average certification student enrolls in 5.4 classes per year the first year and 2.3 classes each year thereafter. Our degree students average 7.2 - 8 classes per year.

Students spend an average of 7 to 10 hours per week (some spend more) completing requirements of an average class. Because a student can literally tailor their involvement, even to late at night after the children are in bed and things calm down, it fits into their schedule. Typically, a day may see the student enter the online classroom for 10-15 minutes in the morning before going to work, perhaps visit the material or classroom briefly during lunch and then perhaps spend an hour or more in the evening or night writing papers and discussing topics online.

### Tuition Increase January 2009

Effective January 1, 2009 all 3.0 credit hour undergraduate courses will be \$885.00. This means that general degree courses will increase from \$845 to \$885 tuition, which is an increase of \$13.33 per credit hour. As a result of this change, the effective tuition

rate per undergraduate credit hour will be \$295. Course tuition prepaid before January 1st for classes starting after that date will be at the current reduced rate. For questions regarding this increase, please contact your counselor or advisor.



## IEEI Certifications

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

### Certified Exporter®

Shiqing Bi – NV  
Jose Camacho – CA

### Certified U.S. Export Compliance Officer®

Marie Aimee – FL	Patti Mann – ID
Kati Babinec – OR	Belinda Martin – MO
Anne Ceschin – WI	Kaori McCoy – WA
Mike Councill – AZ	Michelle Moon – MI
Ernest Galanes – CA	Alecia Rice – OK
Mery Jones-Prout – FL	

### Certified International Trade Documentation Specialist®

Pablo Quizhpi – FL

Disclaimer: IIEI Certification credential testing is separate from Dunlap-Stone University and the International Import-Export Institute. Distance Education and Training Council (DETC) accreditation does not cover such certification. All courses offered by DSU/IEEI that help prepare individuals for IIEI Certification testing are accredited by DETC.

**Reminder to Students:**  
**Holiday Class**  
**Break**

Dec 24<sup>th</sup> 2008  
to Jan 7<sup>th</sup> 2009

Classes resume January 8

### Graduating Soon?

If you are within three classes of graduating, you should contact the Registrar's Office and have them do a degree audit to ensure that you have met all the degree requirements.

## Reward Posted

Did you know that if you wear your CUSECO® pin to conferences and we see you, you will be given a very nice reward? Display your pin at the next event we sponsor or attend and receive your reward. It's that simple.

## Fall 2008 Graduates

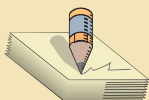
The following students graduated in the Fall 2008 term, earning their Bachelor of Science in International Trade Management:

**Cathy Forgey** — Summa Cum Laude  
- Trade Compliance Management

**Beanetta Roberts** — Dual Emphasis Areas: Trade Compliance and Global Supply Chain Management

**Sue MacDonald-Nans** — Summa Cum Laude - Trade Compliance Management

**Congratulations and well done from the faculty and staff.**



## Student Honor Roll

Honor - Distinction - Excellence

*The students shown here have demonstrated outstanding "A" performance for two or more consecutive semesters.*

Michael Allen – TX  
Jan Allmeyer – MO  
Poonam Arora – KS  
Donnie Barnes – SC  
Heather Beresford – TX  
David Bowman – MI  
Leslie Boyd – OK  
Robert Bromley – FL  
Barbara Brown – MI  
Jennifer Brown – VA  
Paul Burroughs – OR  
Kandis Chocek – OK  
George Clark – KS  
Holly Clarke – Canada  
Kendra Cook – VA  
David Dean – IA  
Susan Fernandez – FL  
Kate Fraser – MI

Gail Frisby – CA  
Aurora Grimal – FL  
Kim Gurski – MD  
Elizabeth Hancock – VA  
Alison Harris – AZ  
Julie Hawley – TX  
Claire Hoberecht – WA  
Henry Isenberg – WA  
Brett Johnson – AZ  
Nathan Johnston – CA  
Lisa Kelly – PA  
Patricia Kimm – AL  
Ji Kinnear – CA  
Lucina Lara – CA  
Mersad Livadic – MI  
Diane Lobb – WA  
Katie Lynch – CT

Dana Madhu – TX  
Lisa Maldonado – TX  
Patti Mann – ID  
Hattie Manning – TX  
Ken May – TX  
Rita McCabe – NH  
Michelle Moon – MI  
Anthony Munguia – TX  
Bill Munley – VA  
Angie Nelson – WI  
Harry Nelson – CA  
Terry Nesbit – KS  
Laurie Phelan – Canada  
Patience Ramsey – CO  
Paul Rasoletti – MI  
Ana Ratzlaff – NC  
Kelly Raymond – AZ

Kirk Robbins – CO  
Robyne Roberts – FL  
Robert Rovinski – FL  
Luciano Saccani – CA  
Mani Sanchez – CA  
Kallie Smith – TX  
Stephanie Smith – TX  
Mark Spiegel – CA  
Tamara Sprinkle – CA  
Les Stearns – FL  
Russ Stewart – CT  
Toni Stivers – CA  
Elizabeth Suiter – CA  
Erik Thomsen – WA  
Darlene Torres – WA  
Marianne Vega – TX  
Mary Jean Walters – AZ  
Shallyn Williams – IL

**Congratulations!**



# The International Import-Export Institute

*at Dunlap-Stone University*

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**Trade Compliance Management**  
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