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*“Merchandise trade in volume terms has expanded by 2%”*  
(pg 4)

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## Mexico fires 700 Customs Inspectors

MEXICO CITY - Mexico has replaced all 700 of its customs inspectors with agents newly trained to detect contraband, from guns and drugs to TVs and other big-ticket appliances smuggled to avoid import duties.

The shake-up - part of a broader effort to root out corruption and improve vigilance at Mexican ports with new technology - doubled the size of Mexico's customs inspection force.

The inspectors were replaced with 1,400 agents who have undergone background checks and months of training, Tax Administration Service spokesman Pedro Canabal said yesterday. He said the previous inspectors were not rehired when their contracts expired.

The main focus of the overhaul is to combat tax evasion, although Mexico is also trying to seize more guns smuggled in from the United States and elsewhere that end up in the hands of ruthless drug gangs. - AP

## China Won't Change Tariffs on Auto Parts

SHANGHAI -(Dow Jones)- China's [Ministry of Commerce](#) said the 10% tariff on imported auto parts won't be lowered, state radio reported Sunday.

Recent media reports saying the ministry will scrap the tariffs from Sept. 1, are a misunderstanding of the policy, said the radio report.

The ministry and other government bodies will change the rules on imported auto parts from Sept. 1 after World Trade Organization last year ruled that they were unfair, but the tariff won't be touched, the report added.

China levies a 10% tariff on imported auto parts, and a 25% tariff on the import of finished automobiles, according to the radio report.

## Export Compliance a Practical Guide to U.S. Export Controls

Reviewed by Integration Point Global Trade News Team

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*“The dollar should be replaced with a global currency, the United Nations has said, proposing the biggest overhaul of the world's monetary system since the Second World War.”*  
( pg.3)

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In today's economy, no company wants to pay unnecessary fines due to violations for export regulations. But the reality is that penalties for export violations are on the rise in the US. To keep from racking up those fines, export managers need to stay up-to-date on the rules for exporting from the US and how they can stay compliant. We recently had the opportunity to review a new book on export compliance that needs to be one of those books that export managers keep close by.

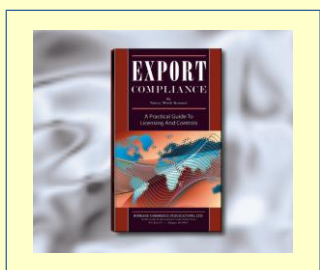
[Export Compliance: A Practical Guide to US Export Controls](#) has been written by an industry insider with a fresh perspective and in a way that makes it readable for everyone in charge of exports in their companies. Nancy Wood-Kouassi, an international trade professional, has written this book to allow companies to focus away from preservation and re-direct their energy on the expansion of their business, all while staying compliant in their export processing.

For more on the book, visit [boskage.com](http://boskage.com)

## Export Compliance Manager Issued \$15,000 Penalty

Normally, we hear about BIS issuing penalties to export companies, but there may be a new trend in the works. Many of you are familiar with the conviction of the university professor for violation of Arms Export Control Act. This individual was sentenced to 4 years in jail and more in fines.

Most recently, the Commerce Department's Bureau of Industry and Security (BIS) issued a civil penalty to a U.S. manufacturer and an [employee](#) for unlicensed exports of certain semiconductor components. The manager for the manufacturer was issued a \$15,000 civil penalty for making false and misleading statements to BIS Special Agents during the investigation of the company. This is one of the few cases in which a corporate export compliance manager has been assessed civil penalties. Exporters and their export compliance departments should take heed and invest some time in reviewing their compliance programs and educating employees at all levels of the consequences of violating export control regulations.



New: [Export Compliance: A Practical Guide to U.S. Export Controls and Licensing](#) -boskage.com

## Changing from the dollar could improve trade?

In a radical report, the UN Conference on Trade and Development (UNCTAD) has said the system of currencies and capital rules which binds the world economy is not working properly, and was largely responsible for the financial and economic crises.

It added that the present system, under which the dollar acts as the [world's reserve currency](#), should be subject to a wholesale reconsideration.

Although a number of countries, including [China](#) and Russia, have suggested replacing the dollar as the world's reserve currency, [the UNCTAD report](#) is the first time a major multinational institution has posited such a suggestion.

In essence, the report calls for a new Bretton Woods-style system of managed international exchange rates, meaning central banks would be forced to intervene and either support or push down their currencies depending on how the rest of the world economy is behaving.

The proposals would also imply that surplus nations such as China and Germany should stimulate their economies further in order to cut their own imbalances, rather than, as in the present system, deficit nations such as the UK and US having to take the main burden of readjustment

*Great Articles from page 1*

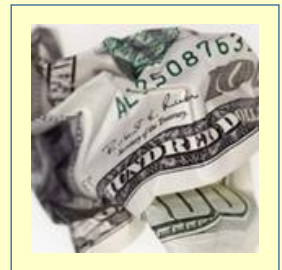
## WTO Trade Report 2009: Who will be on top and on the bottom?

When reading the World Trade Organization report analysis and data for 2008, paints a grim economic picture. But one would be surprised to see what countries and industries are faring well even in light of these economic tough times. Which begs the question what countries and industries will land on top in 2009?

According to the 2009 report the declines in trade flows in the closing months of 2008 and at the start of 2009 were larger than in past slow-downs. A number of factors may explain this.

Apart from the financial crisis starting in the United States and subsequently elsewhere in the world the report cites another primary element that is likely to contribute to the contraction of trade. -A shortage of trade finance. This has clearly been a problem and it is receiving particular attention from international institutions and governments.

Developed economies managed a meager 0.8 percent growth in 2008, compared with 2.5 per cent in 2007, and an average rate of 2.2 percent



*Crumbled dollar bill*

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*"Trade growth will be strongly negative this year and we are unlikely to see sustained economic growth until 2010"-Director General WTO"*

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per cent, down from 7.5 per cent in 2007, but still equal to their average rate for the 2000-08 period.

Europe and North America each grew only about 1 per cent in 2008, while the oil-exporting regions of South and Central America, the Commonwealth of Independent States, Africa and the Middle East all experienced GDP growth in excess of 5 per cent. Asia's economic growth (GDP) in 2008 was only 2 per cent, owing in large measure to the negative growth (-0.7 per cent) recorded by Japan. By contrast, developing Asia (excluding Japan, Australia and New Zealand) grew 5.7 per cent, led by China, which registered the strongest growth of any major economy, at 9.0 per cent.

In dollar terms (which includes price changes and exchange rate fluctuations), world merchandise exports increased by 15 per cent in 2008, to US\$ 15.8 trillion, while exports of commercial services rose 11 per cent to US\$ 3.7 trillion.

The share of developing economies in world merchandise trade set new records in 2008, with exports rising to 38 per cent of the world total and imports increasing to 34 per cent. Germany's merchandise exports in 2008, which totaled US\$ 1.47 trillion were slightly larger than China's US\$ 1.43 trillion. This meant that Germany retained its position as the world's leading merchandise exporter.

Despite its strong overall trade performance, China's exports in some product categories faltered towards the end of 2008. Exports of office and telecom equipment, which was worth US\$ 381.5 billion in 2008, fell 7 per cent in the fourth quarter compared with the same period of the previous year, after growing at an average rate of 17 per cent during the first three quarters. Exports of office and telecom equipment to the United States fell even more sharply, registering a 13 per cent decline in the fourth quarter after growth of 10 per cent in the third quarter. Overall, exports of Chinese manufactured goods to the United States increased just 1 per cent over the previous year, after growth of 14 per cent in the third quarter.

One of the sectors hardest hit by the global recession has been the car industry. Japan's exports of automotive products fell by 18 per cent in 2008,

while exports to the United States dropped by 30 percent in the fourth quarter of 2008. Automotive products represented 12 per cent of total merchandise exports of developed economies in 2007.

Interesting enough, South and Central America, parts of Africa as well as the Middle East have experienced in relative import and export growth despite the present economic climate.

The overall picture was one of continuing growth in the first half of 2008, with oil-exporting countries in particular benefiting from record prices for oil and gas.

To view full report visit:

<http://www.outsourcetradegroup.com/TradeForum/TradeTools/tabid/86/Default.aspx>



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