



Global Watch®

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Recession May Have Silver Lining for International Traders

Some experts believe the recession may just have a silver lining. According to published reports, international trade is down by more than 23% in most industrialized nations as consumers spend and consume less. Trade is down worldwide which has a huge impact on countries and individuals. With China's exports reported to be off more than 28%, more than twenty million Chinese workers (8.6 million in urban areas) have lost

their jobs recently and returned to rural farm areas. Not only China is facing this problem: unemployment is rising worldwide. There isn't just a reduction in manufactured consumer goods, its all goods. Worldwide manufacturers in most industries have seen a significant slow down in demand as the money supply dwindles and credit tightens amid fears and uncertainty. This has caused many

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**Terrorism in the 21st Century
and its Implications**

Every corner of the globe has been impacted by the threat of terrorism. Terrorism has changed the way people think everywhere, how nations set policies and is a serious factor to consider when conducting international and domestic business. In the U.S., a new anti-terrorism industry has emerged to counter it. The Department of Homeland Security (DHS) sees its annual budget increased year after year as the threat increases. But

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New Web Portal Helps Educators and Trainers of International Trade Worldwide

"I am very pleased to announce our new online portal for all colleges, universities and training centers globally as Approved Providers (APs) is now open", said Dr. Don Burton, president of the International Import-Export Institute. "This allows licensed APs worldwide to easily obtain **at no cost** all the materials and updates necessary to educate their students to the global standard, Certified Exporter®," Dr. Burton continued. The new portal, Burton said, helps existing and new APs gain access to all the training materials needed to train students in the basics of international trade.

The Certified Exporter® (CE®) is the entry-level certification standard in nearly 100 countries for those involved in international trade. The program was developed with input from government and industry experts worldwide to meet this important need for a global standard. As

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India tops in Hiring Plans

Courtesy: Economic Times

NEW DELHI: India tops a list of nations likely to keep a steady pace of hiring in the April-June quarter of 2009 with one in every four Indian companies surveyed saying it plans to recruit.

South Africa came second in the 33-country study that featured 3,600 Indian companies and 72,000 employers worldwide, according to HR consulting firm Manpower.

The survey's benchmark net employment outlook (NEO) for India improved from 19% in the previous quarter to 25% in April-June, said the

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Notes from the President

You Get What You Pay For and More

by *Dr. Donald N. Burton*



When one of our staff is at a conference, they often get a surprised look when we answer in detail someone's question about our classes' content. Potential students want to know what they are buying. They know we are an accredited university, but they may not understand how our classes *really* work. After all, if their experience was like mine, and perhaps yours, I didn't always get what I expected. At several colleges and universities I attended I didn't get the course I signed up for. The professor decided to do something different—close, but different; sometimes very different indeed. We may not even have used the same expensive text book, which I returned. Sometimes there was no text at all.

So what surprises people when we talk about our courses? It is this: Every course we offer has stated Major Topics and Learning Outcomes posted on our web site for everyone to see. And then, the courses actually teach to these objectives. Every time. No matter who the instructor is or when it is offered.

The objectives shown for a course are the knowledge and skill outcomes that an "A" student should possess upon completion of the course. Our instructors are facilitators of learning, focusing on these outcomes, helping students master these concepts. Students and employers alike can see what they're buying. Every element in a course

is focused on facilitating the learning outcomes. In today's fast moving world, it isn't enough to teach the concepts only. Our instructors strive to ensure that learning outcomes are more than abstract concepts. Bringing real-life scenarios into the discussion, challenging students to read, write and apply the concepts, using all three learning modalities, defending positions on regulatory issues or work-related conceptual dilemmas, etc. all encourage students to grow professionally and academically.

It seems simple perhaps, but it is difficult to achieve, though a critical element in our course development and execution. Every course must meet this standard of excellence. Students learn exactly what is listed for the class they sign up for. And their employers must agree as an increasingly larger percentage of students finance their education through their employers. And, almost all of our students come to us because someone recommended us to them or their company had them enroll. Over 99% of our students say they would recommend us to a friend. I am very pleased that our old-fashioned customer service is valued so highly today: At DSU you get what you pay for and more... and you know what you're buying!

Thank you for your continued strong support and encouragement. Be well.

Training ROI—Cut Back, In-House or Outsource?

By Caulyne Barron, Vice President of Online Programs

As you've read elsewhere in this issue of *GlobalWatch*[®], economic downturns often find companies tightening their belts. Sadly, the first cuts often come from training endeavors.

"It takes a special executive to listen to an investment proposal that enhances the value of the firm's intangible assets (people, knowledge, customer and supplier value chains, etc.)," explains Rick Humpress, author of "Is E-Learning Worth It?" His book examines the net-profit value and benefits of e-learning projects.

The first answer too many organizations devise is just to pause all training efforts and quietly lay off training staff. Examining the strategic goals of an organization, too few include improving knowledge assets. Most companies assume that employees can pick up skills on the job without a clear needs analysis, training tailored to meaningful learning objectives and performance assessment. Why is this acceptable in the business and compliance worlds, when it wouldn't be in the medical profession? I certainly hope my doctor isn't just 'winging' something she saw a colleague do because no one bothered to train her.

Formal in-house training for complex regulatory issues is hard even for the largest corporations during the best of times. Knowledgeable personnel and subject matter experts are often too busy doing their own compliance criti-

cal tasks to meet with trainers and content deliverers to make sure that training is up-to-date and reflects the needs of the organization or industry. In-house training is also extremely expensive to develop, staff and execute in a way that is meaningful to the organization and that does not interrupt productivity. Timing of training is also an issue. Employees who need the training need to wait until it is scheduled, which may be months away. While you and your organization wait, what opportunities are lost and what violations may occur? What mistakes due to ignorance can a company allow due to scheduling issues? Short of myopic customization, how does your organization benefit from in-house training? What are the personnel, technologies and development time really costing you? What is an employee's time in-training costing you while they are away from their desk? Does this create a backlog or bottleneck?

Outsourcing your compliance training may seem like a large expenditure until you crunch those real ROI numbers. Let's look at the fixed costs and concerns of sending a department of five export compliance professionals through the four-course Certified U.S. Export Compliance Officer[®] program. With start dates every month, your employees can enroll when their schedules permit, when they need training. Online

Training ROI - Continued on page 9

Report Shows Nearly Two-Thirds of Colleges and Universities Offer Online Courses

National Center for Education Statistics (NCES) released its report on *Distance Education at Degree-Granting Postsecondary Institutions: 2006-2007*, which provides national estimates on distance education at 2-year and 4-year Title IV eligible, degree-granting institutions. The report found that two-thirds (66 percent) of the 2-year and 4-year degree-granting institutions reported offering online, hybrid/blended online, or other distance education courses. Sixty-five percent of the institutions offered college-level credit-granting distance education courses, and 23 percent of the institutions reported noncredit distance education courses.

Online courses accounted for an estimated 12.2 million enrollments. Asynchronous (not simultaneous or real-time) internet-based technologies were cited as the most widely used technology for the instructional delivery of distance education courses. Distance education was used to a large extent in 75 percent of the institutions and to a moderate extent in 17 percent of the institutions. The most common factors cited as affecting distance education decisions to a major extent were meeting student demand for flexible schedules, providing access to college for students who would otherwise not have access, making more courses available, and seeking to increase student enrollment.

The report is available at: <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2009044>.



BIS Update

Bureau of Industry and Security

DEFENDANT CONVICTED OF ARMS EXPORT CONTROL ACT CONSPIRACY

WASHINGTON - R. Alexander Acosta, United States Attorney for the Southern District of Florida, Michael Johnson, Special Agent in Charge, Miami Field Division, U.S. Department of Commerce, Office of Export Enforcement ("OEE"), and Anthony V. Mangione, Special Agent in Charge, U.S. Immigration and Customs Enforcement ("ICE"), Office of Investigations, announced that defendant Joseph Piquet was convicted on all counts by a federal jury in Fort Pierce after a four-day trial in Case No. 08-14031-Cr-Martinez/Lynch. Sentencing was scheduled for May 14, 2009, at 2 p.m. in Fort Pierce before Judge Martinez. After his conviction, Piquet was immediately remanded into custody.

Piquet was convicted of seven separate counts arising from a conspiracy to purchase high-tech, military use electronic components from Northrop Grumman Corporation, and to then ship the items to Hong Kong and the People's Republic of China without first obtaining required export licenses under the Arms Export Control Act and the International Emergency Economic Powers Act.

Among those items involved in the export conspiracy were high-power amplifiers designed for use by the U.S. military in early warning radar and missile target acquisition systems, as well as low noise amplifiers that have both commercial and military use.

Piquet - Continued on page 13

Chinese Man Found Guilty Of Illegally Exporting Sensitive Thermal-Imaging Technology To China

LOS ANGELES – A Chinese national was found guilty of two federal charges related to a plot to procure and export thermal-imaging cameras to the People's Republic of China without obtaining the necessary licenses. Zhi Yong Guo, 50, a resident of Beijing, was convicted of conspiracy and exporting and/or attempting to export restricted items, charges that carry a statutory maximum sentence of 40 years in prison. A federal jury in Los Angeles returned the guilty verdicts following a one-week trial.

The charges relate to 10 cameras concealed in luggage destined for China in April 2008. The export of the thermal-imaging cameras to China are controlled by the Department of Commerce for national security and regional stability reasons because of their use in a wide variety of civilian and military applications.

The thermal-imaging cameras can be used to observe things not otherwise visible to the naked eye.

Previously in this case, Tah Wei Chao, 53, of, Beijing, China, pleaded guilty to three felony counts: conspiracy, and two counts of exporting and/or attempting to export restricted items. In March 2008, Chao ordered 10 thermal-imaging cameras from FLIR Systems, Inc. for \$53,000. Representatives from FLIR Systems repeatedly warned Chao that the cameras could not be moved outside of the United States without an export license issued by the Department of Commerce. Both Chao and Guo were arrested at Los Angeles International Airport in April

2008 after authorities recovered the 10 cameras that had been hidden in their suitcases, stuffed in shoes and concealed in clothing. Each of the cameras had a warning sticker stating:

"This product is an export controlled item. Authorization by the U.S. Government must be obtained prior to any shipment outside of the United States."

In addition to the 10 cameras intercepted by federal authorities in April 2008, Chao admitted that, acting at the behest of Guo, he shipped three cameras to China in October 2007. The evidence at trial showed that Guo, an engineer and a managing director of a technology development company in Beijing, directed Chao to obtain the cameras for Guo's clients, the Chinese Special Police and the Special Armed Police.

Both Chao and Guo were charged under the International Emergency Economic Powers Act and Export Administration Regulations for their procurement and illegal export of sensitive technology in violation of export laws.

Source: <http://www.bis.doc.gov>

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DDTC Update

Directorate of Defense Trade Controls

Licensing of Foreign Persons Employed by a U.S. Person – UPDATED Feb 27, 2009

The Directorate of Defense Trade Controls (DDTC) has a long-standing policy to authorize the employment of a foreign person by a U.S. person on a DSP-5 through an exception to the requirement for a technical assistance agreement (TAA) in accordance with 22 CFR 124.1(a). In certain instances, DDTC required a TAA in addition to the DSP-5 to authorize the U.S. person to transfer certain levels of technical data and defense services. After close review, DDTC has determined this “double” licensing to be redundant. Therefore, all requests for the licensing of a foreign person employed by a U.S. person must be made through the use of a DSP-5 to cover all levels of requested technical data and defense services.

The DSP-5 authorizes the U.S. person to transfer technical data and perform defense services to the employee(s) on their products. The DSP-5 authorizes the foreign person to perform defense services on behalf of the employing U.S. person. The foreign person employed by a U.S. person does not have to reside in the U.S. to be considered an employee but may reside and perform the job responsibilities outside the U.S. If the foreign person is a regular employee (i.e., paid, insured, hired/fired and/or promoted exclusively by the U.S. person) and not seconded, the foreign person is considered to be “employed” by the

U.S. person. The employing U.S. person is liable to ensure the employee’s compliance with U.S. export laws regardless of where the employee currently resides. DDTC recommends that only one DSP-5 be obtained for each foreign person employee to cover all activities.

A foreign person employment authorization must be obtained for all foreign persons who require access to ITAR-controlled defense articles and/or technical data in the performance of their job responsibilities. If a foreign person employee does not require access to ITAR-controlled defense articles and/or technical data, the employing company must ensure internal controls are in place to prevent unauthorized access. If a foreign person has access to ITAR-controlled defense articles and/or technical data without DDTC authorization, that is a violation and must be reported in accordance with 22 CFR 127.12.

Use of the DSP-5 permits DDTC to identify all requests for employment, determine technical areas in which the individual is employed, standardize application documentation, and, to the extent possible, standardize conditions of approval. In addition, standardization should assist industry in monitoring its foreign person employees.

For situations involving the transfer of classified technical data, a DSP-85 must be obtained in lieu



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Notification of Initial Exports of Technical Data and/or Defense Services

Pursuant to 22 CFR 123.22(b)(3), the exporter of record (e.g., license applicant or agreement holder) must notify the Directorate of Defense Trade Controls (DDTC) of the initial export of technical data and/or defense services. Currently, the International Traffic in Arms Regulations (ITAR) requires this notification to be provided to DDTC electronically. The electronic mechanism to meet this requirement, the DS-4071, is not available at this time. The required notification must be provided to DDTC via paper submission. DDTC is continuing to work on the implementation of the DS-4071 and will provide status updates via web notice. The final implementation of the DS-4071, and instructions, will be provided via Federal Register notice.

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Source: <http://www.pmdtcc.state.gov/>

In Compliance....

ENHANCED SAFETY REQUIREMENTS BRING NEW CHALLENGES TO TRADE

*By Jill Cramer and Susan Lehman
Mowry International Group*

Just as international trade is slowing in the face of the global financial downturn, U.S. companies face yet another challenge to conducting business in the form of a new U.S. law imposing unprecedented consumer product safety standards and requirements on their goods. On August 14, 2008, the most comprehensive consumer product safety legislation promulgated by Congress in decades became law. The Consumer Product Safety Improvement Act (“CPSIA”) contains more than 50 new regulatory requirements, including product safety compliance and testing requirements, more stringent standards controlling lead content, a ban on phthalates and enhanced labeling requirements for children’s products. While businesses and consumers alike support the enhanced safety efforts, the new law will nonetheless create new compliance hurdles for all trading parties.

The CPSIA’s increased restrictions and requirements, which will be implemented and enforced by the Consumer Product Safety Commission (“CPSC”), were adopted to address recent consumer product safety concerns, specifically those regarding imports from China. Manufacturers, importers, retailers and even small businesses and crafters should be aware of these new standards and their potentially burdensome requirements. Compliance with these

measures may be onerous and costly at first, but should quickly become routine with proper preparation.

For many companies, the CPSIA’s most daunting provision is its product safety certification requirement, which directs companies to certify to the U.S. government, distributors and retailers that their products meet applicable safety standards. Under the CPSIA, every manufacturer of domestically produced consumer products and every importer of consumer products “imported for consumption or warehousing” or “distributed in commerce” that are subject to any consumer product safety rule, ban, standard or regulation must certify compliance. Certifications must be based upon third-party testing, where specifically required, or any other “reasonable testing method” and need to provide, in English, the following: (1) the name, address and phone number of the issuer of the certificate and any third party upon whose testing the certificate depends; (2) the date(s) and location(s) where the product was manufactured and tested; (3) contact information of the individual maintaining test records, and; (4) each applicable consumer product safety standard, rule, ban or regulation. Certifications must “accompany” each product or shipment covered by the certificate and must be made available to U.S.

Customs and Border Protection and CPSC officials upon request.

Initially slated for implementation in February 2009, the CPSIA’s certification requirement for most consumer products is now scheduled to begin on February 10, 2010. It is important to note that this delayed implementation does not postpone enforcement or change the applicable safety standards for consumer products. Thus, although most parties do not have to affirmatively certify compliance until 2010, their products must currently comply with underlying safety standards.

The CPSIA places great emphasis on the safety of children’s products—those consumer products that are intended primarily for children 12 years of age or younger—through tough new lead and phthalate standards. The CPSIA significantly decreases the amounts of lead allowable in children’s products and their finishes. As of August 14, 2009, lead in paint must contain less than 90 parts per million lead and the total lead content must be less than 300 parts per million. Certain phthalates—chemicals that are used to make vinyl and other plastics soft and flexible—are now banned under the CPSIA. Specifically, after February 10, 2009, the use of DEHP, DBP and BBH in children’s products will be prohibited.

In-Compliance - Continued from page 6

Compliance with the CPSIA's provisions will require significant preparation and will likely involve growing pains until importers, manufacturers and retailers have controls in place to ensure compliance and proper reporting. Such difficulties are not limited to those seeking to comply – the CPSC will likely experience similar challenges until practices are firmly established. Perhaps the greatest hurdle to compliance that U.S. parties will face is gaining the support and cooperation of both foreign and domestic suppliers. Though compliance with the CPSIA may be costly, noncompliance is much more costly; CPSIA violators could face seizure and destruction of nonconforming goods, civil penalties of up to \$15,000,000 and imprisonment for up to five years. One best practice to tackle this problem is to include provisions in initial sales contracts requiring the supplier to provide information and assurances that the goods comply with the relevant consumer product safety requirements.

About the Authors

Jill Cramer and Susan Lehman are attorneys with Mowry International Group LLC. Mowry International Group LLC advises corporations and governments on critical trade matters ranging from unfair trade litigation to U.S. international economic policy and legislation. Web site: <http://www.mowrygroup.com>
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Export Planning Guide - Helpful Hints

Once you have decided to sell your products in a specific foreign market(s) it is time to develop an export plan. A crucial first step in planning is to develop broad consensus among key management on the company's goals, objectives, capabilities and constraints.

Define your objectives - who will read it and what will they do with the plan. Objectives help you decide how much emphasis to put on various sections.

Research is vital - tells you about your industry, potential customers and competitors, and potential sales and costs. Be sure to allocate enough time and resources to do thorough research.

Obtain feedback on your draft plans - include both business associates and others.

Write your own plan - don't borrow a sample plan and simply change the names and numbers. It must reflect what is important to your business and it should flow well, demonstrating why the business will be successful.

Prepare an outline of key points before you start writing - will ensure consistency, reduce duplication and address all key issues.

Believable financial projections - the financial section identifies your financing needs and the profit potential of your business. It is an important part of the plan that gives readers confidence in your business. Test your financial projections - failure to accurately reflect

full costs of operation can destroy credibility.

Executive summary - this is likely to be the first, and often only, section people will read. A good summary is short and highlights what is important in your plan. It should be written last.

The first draft of the export plan may be quite short and simple, but it should become more detailed and complete as the planners learn more about exporting and their company's competitive position.

At least the following 10 questions should ultimately be addressed:

1. What products are selected for export development? What modifications, if any, must be made to adapt them for overseas markets?
2. What countries are targeted for sales development?
3. In each country, what is the basic customer profile? What marketing and distribution channels should be used to reach customers?
4. What special challenges pertain to each market (competition, cultural differences, import controls, etc) and what strategy will be used to address them?
5. How will the product's export sales price be determined?
6. What specific operational steps must be taken and when?
7. What will be the time frame for implementing each element of the plan?
8. What personnel and company resources will be dedicated to exporting?
9. What will be the cost in time and money for each element?
10. How will results be evaluated and used to modify the plan?

Did you know...

The deadline for enrolling in IIEI's courses is

ONE WEEK BEFORE
the class start Date.

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Export Plan - Continued on page 13



Country Profile
Republic of Singapore

The Republic of Singapore (generally called Singapore) was founded as a British trading colony which was used as a port along the spice route in 1819. It is slightly more than 3.5 times the size of Washington, DC It joined the Malaysian Federation in 1963 but separated two years later and became independent as a parliamentary republic. Singapore



Capital: Singapore

subsequently became one of the world's most prosperous countries with strong international trading links (its port is one of the world's busiest in terms of tonnage handled) and with per capita GDP equal to that of the leading nations of Western Europe. The terrain is lowland; gently undulating central plateau contains water catchment area and nature preserve

It is tropical; hot, humid, rainy; two distinct monsoon seasons - Northeastern monsoon (December to March) and Southwestern monsoon (June to September); inter-monsoon - frequent afternoon and early evening thunderstorms.

Singapore has a highly developed and successful free-market economy. It enjoys a remarkably open and corruption-free environment, stable prices, and a per capita GDP equal to that of the four largest West European countries. The economy depends heavily on exports, particularly in consumer electronics, information technology products, pharmaceuticals, and on a growing service sector. Real GDP growth averaged 7%

between 2004 and 2007, but dropped to 1.2% in 2008 as a result of the global financial crisis. The economy contracted in the last three quarters of 2008, and Prime

Minister Lee and other senior officials have dampened expectations for a quick rebound in 2009. Over the longer term, the government hopes to establish a new growth path that will

be less vulnerable to global demand cycles, especially for information technology products - it has attracted major investments in pharmaceuticals and medical technology production - and will continue efforts to establish Singapore as Southeast Asia's financial and high-tech hub. Singapore joined the United Nations on 21 September 1965. It is also a member of the British Commonwealth of Nations Singapore has been rated as the most business-friendly economy in the world.

Singapore
at a Glance

GDP – \$154.5 billion (2008 est.)

GDP - real growth rate: 1.2% (2008 est.)

Inflation Rate: 4.3% (2008 est.)

Labor Force: 2.96 million (2008 est.)

Unemployment: 2.3% (2008 est.)

Population: 4,608,167 (July 2008 est.)

Exports: \$235.8 billion f.o.b. (2008 est.)

Exports - Commodities: c machinery and equipment (including electronics), consumer goods, pharmaceuticals and other chemicals, mineral fuels

Exports - Markets: Malaysia 12.9%, Hong Kong 10.5%, Indonesia 9.8%, China 9.7%, US 8.9%, Japan 4.8%, Thailand 4.1% (2007)

Imports: \$219.5 billion (2008 est.)

Import - Commodities: machinery and equipment, mineral fuels, chemicals, foodstuffs, consumer goods

Import - Markets: Malaysia 13.1%, US 12.5%, China 12.1%, Japan 8.2%, Taiwan 5.9%, Indonesia 5.6%, South Korea 4.9% (2007)

Foreign Exchange Rate: Singapore dollars (SGD) per US dollar - 1.415 (2008 est.)

Internet Users: 3.105 million (2007)

Internet Hosts: 837,559 (2008)

Source: CIA World Fact Book



Map data ©2009 AND, Europa Technologies, MapIT, Tele Atlas

India - Continued from page 2

firm's India MD Naresh Malhan. NEO is arrived at subtracting the percentage of employers expecting to see a decrease in employment at their location in the next quarter from those anticipating total employment to increase.

India had registered a NEO of 42% for Q2 2008, which has now dipped to 25%, indicating the impact of the global slowdown. The relatively slow pace of hiring in the second quarter can be attributed to the employers' focus on maintaining their workforce at current levels. Also, hiring intentions across all industry sectors have softened, as organizations review their requirements at the beginning of the fiscal year," Mr. Malhan said.

Employers in all the seven industry sectors surveyed said they expected the headcount to grow in the next quarter. The services sector was the most optimistic with a strong net outlook of 29%.

Sectors such as transportation & utilities, (23%) manufacturing (22%), public administration & education (22%), insurance, finance and real estate (21%) are all likely to see robust hiring in the next quarter.

Also, employers in all four regions across the country predict a strong labor market for April-June, 2009. "The most optimistic forecast is from the eastern region, where the net employment outlook stands at 27%, followed by south, west and north at 24%, 23% and 22%, respectively," the survey said.

South Africa had a NEO of 14% while China registered 4%, and the US just 1%

Training ROI - Continued from page 2

courses also offer flexible hours of participation, so your employees are not taken away from their important regulatory tasks and activities at critical moments. This keeps your company's operations flowing. Within a proven learning program with tangible learning objectives and clear-cut assessment measures that verify and document transfer of knowledge, could you re-create this program for your compliance teams readily in house? Probably not, say experts from across industry. With development, travel and a trainer, internal training on complex regulatory issues just doesn't make sense. When companies are looking at every line-item cost, spending more than you have to for an inferior or partial training solution just doesn't make sense.

But, what if your corporate hierarchy won't even engage in the make-or-buy debate? They chose to remove or cancel the budget for "just the quarter" or "this year" and go without? Non-compliance faces serious consequences and the consequences are increasing. How do you know your employees are following the regulations if they aren't engaging in ongoing up-to-date training? "Legal and ethical training deters inappropriate individual action. Where ignorance is no excuse, knowing the law is crucial," Humphress points out. "A well-trained workforce will commit fewer ethical breaches and their attendant fines, forfeitures and bad publicity." If there is a mistake, and if there is an investigation into your compliance efforts, shouldn't your company be able to show due-dili-

gence? Humphress knows that 'we couldn't rationalize training in the budget' isn't an excuse. In fact, he singles out defense contractors specifically as those who benefit "substantially" from online regulatory and ethical compliance training. How do we quantify the benefit of employees doing their job better? In sales, we see higher revenue. In compliance? Fine avoidance must be a part of the equation. Humphress offers the following formula:

$$\text{Benefit} = (\text{risk probability}) * (\text{negative outcome}) * (\text{training remediation probability})$$

$$\$225,000 = .05 * \$5,000,000 * .90$$

For example, if there is a 5% chance of a violation, with a possible \$5 million fine, and if training has a 90% rate of preventing this fine, the benefit of training is \$225,000 to the company per employee capable of making a mistake that triggers a violation. Run your own numbers and see where you end up.

That \$4,065 per-person CUSECO® program may be looking like a bargain in comparison to its ROI. That is why the program has become the industry standard—companies worldwide recognize the value of that standard in helping them maintain their compliance readiness.

About the Author

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international businesses to choose the *Grand Strategy of Retrenchment* when they should be looking at things differently.

Using a retrenchment strategy, management cuts expenses. The goal of this effort is to “ride out the economic downturn.” To do this, product lines are cut back or reduced, operations and marketing plans are scaled back, budgets are tightened and labor, the largest expense to most businesses, is cut, resulting in increased unemployment. Companies involved in international trade know that constant cost-vigilance should always be present, but they need to consider that there just may be an opportunity in the unbalanced forces of global supply and demand.

Rather than retrenching, companies involved in international trade need to utilize their existing resources to better meet the specific needs of their foreign customers. What does this mean? The answer can involve several things: repositioning product lines; refocusing key factors of success; redefining channels of distribution; developing new supply chains; examining strategic alliances; considering a market concentration strategy; exploring product development to better meet customer’s needs; or evaluating integration (vertical or horizontal).

In other words, self-evaluation of everything the company does, a reflective time to examine what Peter Drucker asks in the book, *Practice of Management*, (1953) “What business are you in? What business should you be in?” Businesses should already be highly productive and efficient. Equally important, it is a critical moment to see what

competitive advantage can be gained as your competitors retrench. What openings have they left for you to gain an advantage? Chances are your large competitors have chosen to exit market segments too small for them to serve in their retrenched mode, leaving you with an opportunity for your small or medium company—or if you are part of a large company and you can move fast enough-- to seize the moment. Regardless of size, you should explore the opportunities. If you do this exploration, chances are that you will be adding employees, not laying them off, as you expand to fill these unmet needs.

As everyone else is “running for cover,” you must perform a serious “competitive audit” and see how your company compares to your competition and to the needs of the market. Based on your analysis, during this slow-down in sales, develop new core competencies that will be valuable to your customers and that will differentiate your company’s products and services from your competition. If you do, you are poised to compete with enhanced, discernable value when the recession ends, if not before.

It is imperative to use your slack period in sales to develop a strategy that positions your company properly for when the majority of your customers are no longer postponing their purchases. Read articles on performing competitive audits, company- and product-positioning and how to brand your company. You may not have had time during peak sales periods to really get into these issues. Now is the time. Regardless of the size of company, history has shown that in times of economic recession companies that

view the times as opportunistic grow and prosper. Companies reacting pessimistically typically loose ground (and market share), finding it even more difficult to compete when the recession ends.

Only 27 of the 1956 list of Fortune 500 companies are still on the list. Yes, mergers and acquisitions occurred, but what is interesting is that the vast majority of companies on the Fortune magazine’s Global 1000 this year did not even exist in 1956. Where will your company be in 10 years? What path will you take? Can you explore the reasons to expand your business by finding opportunities in the global marketplace or are you seeking reasons to retrench to protect your assets? Believe it or not, both strategies may achieve your objective—surviving the recession. The difference is where you end up—a smaller company with less ability to perform in the marketplace or a growing company that is not afraid of a recession—a company that knows a recession can bring positive growth and opportunity.

Just remember, until this recession, global trade was growing at 7% per year, compounded. The needs and desires of the growing global population have not gone away. Some of the items have just been postponed for the time being.

About the Author

This article was written by Dr. Donald Burton, IIEI’s founder and president of Dunlap-Stone University. Dr. Burton has assisted numerous companies in re-aligning their strategic efforts for over 35 years. He is an in-demand speaker on this subject and others, including: international trade, ethics in compliance and other topics. He can be reached at: director@expandglobal.com

Web Portal - Continued from page 1

a result, the certification program is recognized by the U.S. Department of Commerce and governments around the world. With more than 1500 colleges, universities and training centers now authorized to serve as official Approved Providers for the IIEI program globally and over 1,000 companies in over 90 countries who've had their employees participate, this entry-level certification has proven its value since its inception over 13 years ago.

The new web portal helps the IIEI coordinate all the organizations that teach to the CE® standard and ensures that all schools and training centers have the current materials needed to prepare their students to successfully pass the Certified Exporter® examination. Organizations that become Approved Providers receive at no cost all the training materials necessary to educate and train their students in the basics of international trade, including course materials, quiz, and test. APs are licensed to use and reproduce the Global Desk Reference Handbook for their students. To become an AP, there is a small license application fee (US\$100) and minimal annual fee (US\$50) to help offset the cost of administering the program. Extensive faculty notes make it easy for organizations to build their programs, including how to structure the training, classroom activities, guest speaker suggestions and much more—all at no cost to Approved Providers.

The goal of the certification program is simple: To ensure that those involved in the global marketplace have access to unifying global standards enabling them to participate unimpeded, using the same lexicon, business practices and understand-

Terrorism - Continued from page 1

what is terrorism? Where did it come from? Why is it such a threat? And how does it or should it impact business decisions?

To begin to answer these questions and more, the International Import-Export Institute worked with an intelligence expert to develop a six-week, online course to explore the implications of terrorism and counter-terrorism in the modern business era. Terrorism in the 21st Century (DSU-260) is suited for those who want to delve into the implications of terror threats and how they impact the public and private sectors within the international community. Those seeking a solid briefing on terrorism, the evolution of current threats and outlooks for the future, specifically those involved in DHS, the State Department or the military, are encouraged to enroll. "This course should be a must for anyone in government or industry who needs to understand the threat inside out," said Dr. Donald N. Burton, founder of the IIEI.

ing that facilitate trade among all nations. Students who earn the certification will find the professional credential enables them to communicate more quickly and accurately with their counterparts worldwide.

The IIEI Certified® examination is now available online worldwide through local APs who serve as

Call for White Papers

The Journal of Practical Global Business is announcing a **Call for Papers** for upcoming editions. Scholarly papers that focus on international business topics will be considered for this peer reviewed journal. Submission requirements or inquiries should be sent to Tyra Andrews at: tandrews@expandglobal.com Papers should be in Word DOC format and received by April 15th.

Taught by subject matter experts with real-world experience, this 3 credit-hour, college-level course is being offered June 25th. This course is an excellent elective for those seeking their bachelor's degree in International Trade Management. It also qualifies for CUE credit for industry certification. Contact an advisor today to reserve you space in this insightful and timely class. Class size is very limited. (800) 474-8013.

Visit
www.usexportcompliance.com



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proctors for the test. For more information about this program, and how your organization can join the growing ranks of Approved Providers visit our web site (www.dsu.edu) or email:

CEprogram@expandglobal.com.

eLearning Started in the Middle East and North Africa



Representatives from 26 universities gained advanced eLearning skills.

Educators from across the Arab world have directly embraced online learning, signaling a huge change ahead for the region. Dunlap-Stone University (DSU) in cooperation with the Arab American eUniversity (AAeU) has completed its first eLearning training of trainers class for 26 universities' instructors, from throughout Jordan, Egypt, and Iraq. At a press conference after the successful three-week training, Dr. Abed Baidas, DSU and AAeU representative, announced that comple-

tion of the online training triggers the start of elearning in the region with more instructors to be trained quickly throughout the Middle East and North Africa.

Completed in February 2009, the class was the first action ever taken in the Middle East to bring eLearning to higher education in the region, explained Dr. Baidas. The class was supported and funded by the USAID program through the International Research and Exchanges Board, and managed by the

Identity Branding Forum, DSU and AAeU program, which was responsible for the development of a Branding Master degree program for IREX to be introduced in the region.

Other schools in the region who would like to participate in the eLearning program should contact Dr. Abed Baidas at abaidas@expandglobal.com or contact him in Jordan at: T. +962 77 984 7327 Dir Tel/Fax: +962 6 552 1357



(Petra)

جامعة اميركية تطلق برنامجها للتعليم الالكتروني في الاردن
US university launches e-learning program in Jordan



Educators from across the Middle East and North Africa experience advanced online education technologies at DSU sponsored event. See story page 12. Pictured above (left to right) Dr. Aubaid Al-Khafaji, Dr. Khaleel Al-Said, Dr. Mohammed Ghazzawi, Dr. Nabil Al-Hawamdeh, Dr. Yousef Abu Eid

DDTC - Continued from page 5

of the DSP-5 and requires the same documentation. As required for the transfer of classified, a DSP-83 must be executed by the applicant and the foreign person employee. DDTC may require the foreign government to execute the DSP-83 on a case-by-case basis. The executed DSP-83 does not have to accompany the license application. The applicant must maintain the executed DSP-83 per 22 CFR 122.5. For foreign person employment authorizations, the Managing Director is exercising the authority under 22 CFR 126.3 to waive the requirement for the executed DSP-83 to be submitted prior to license issuance (22 CFR 123.10).

The foreign person employee must execute a Non-Disclosure Agreement (NDA) in the attached format. The DDTC case number must be entered on the NDA prior to execution. The executed NDA must be maintained by the applicant pursuant to 22 CFR 122.5 and is not required for submission with the foreign person employment application.

The applicant must have in place internal company procedures to

control the release of technical data to foreign persons and mechanisms in accordance with the conditions of approval and to prevent unauthorized access to defense articles and/or technical data. This document must be maintained by the applicant pursuant to 22 CFR 122.5 and is not required for submission with the foreign person employment application.

Requests for a foreign person employee involving the transfer of manufacturing know-how related to a Significant Military Equipment (SME) defense article will require the execution of a DSP-83 by the foreign person and the U.S. applicant. The executed DSP-83 does not have to accompany the license application. The applicant must maintain the executed DSP-83 per 22 CFR 122.5. The executed NDA is not an acceptable substitute for a DSP-83 when required. For foreign person employment authorizations, the Managing Director is exercising the authority under 22 CFR 126.3 to waive the requirement for the executed DSP-83 to be submitted prior to license issuance (22 CFR 123.10).

Source: <http://pmdtcc.state.gov>

Export Plan - Continued from page 7

One key to developing a successful plan is the participation of all personnel who will be involved in the exporting process. All aspects of an export plan should be agreed upon by those who will ultimately execute them. A clearly written marketing strategy offers six immediate benefits:

Because written plans display their strengths and weaknesses more readily they are of great help in formulating and polishing an export strategy. They also:

- are not as easily forgotten, overlooked or ignored by those charged with executing them. If deviation from the original plan occurs it is likely to be due to a deliberate choice to do so.

- are easier to communicate to others and are less likely to be misunderstood.

- allocate responsibilities and provide for an evaluation of results.

- can be of help in seeking financing. They indicate to lenders a serious approach to the export venture.

- give management a clear understanding of what will be required and thus help to ensure a commitment to exporting. In fact, a written plan signals that the decision to export has already been made.

Source: United States Department of Commerce; Western Economic Diversification Canada & Agri-food/Agriculture Canada.

Piquet - Continued from page 4

The testimony at trial showed that on five separate occasions spanning from March 2004 through February 2005, Piquet bought the restricted electronic components and submitted false End Use Certificates to the manufacturer to conceal the intended final destination of the parts, which he then forwarded through conspirators in Texas and Hong Kong.

Source: <http://www.bis.doc.gov>



Dunlap-Stone University

Honor - Distinction - Excellence

Accreditation Clarification

Dunlap-Stone University is nationally accredited by the Accrediting Commission of the Distance Education and Training Council (DETC), the premier accrediting body for online accredited programs. DETC accredits 110 schools worldwide with a current enrollment of 2.3 million students. Over 140 million students have attended DETC schools since its founding in 1929. Most if not all of the regional accrediting bodies learned how to accredit online education from DETC, the acknowledged leading experts in distance education



Work Schedule Makes it Impossible to Enroll in a Class

Have a hectic travel schedule and unsure how you can finish your degree? Ask your Advisor how you can take a course as Directed Study and handle extensive periods where you are not able to be in a normal class as required.

Survey for Masters of Trade Compliance Coming Soon

We have received numerous requests to develop a Masters Degree in Trade Compliance program. In order to determine its feasibility, in the next issue of GlobalWatch®, there will be a link listed for a needs survey on our web site. DSU is trying to identify the need within the industry. If it is sufficient, program development will begin. Alert your friends who might be interested that the May/June issue will include information pertaining to this survey. Thank you in advance for sharing your opinions.

Coming Soon e-Books Available for Select Courses at DSU

We are very excited to announce that DSU is partnering with McGraw-Hill in the coming months, to make many of the textbooks for our courses available as e-books. E-books provide the ultimate portability to match your online courses. You can highlight, take notes, and search your textbooks—and they're less expensive than traditional textbooks! Keep watching the DSU website for more information!

Average Student Transfers in 55 Semester Credits!

Many of DSU's undergraduates have a large number of prior college credits, but never completed their degree. While many schools seek to limit the amount of transfer credit awarded, the admissions staff here at DSU seek to maximize your transfer credit—and now we have the numbers to prove it!

Based on the data available at the end of the Fall 2008 term, DSU students who held pending admission or were fully admitted to the degree program racked up an average of 55 credit hours in transfer credit! That is only 7 credits shy of the maximum (62 credits, equivalent to an associates degree). Many students maximized their transfer credit, and as a result only had to complete the 20 major courses to earn their BS in International Trade Management.

At your Request Courses Coming Soon

Our course development staff continues to be busy building the courses you request. Several new offerings will be showing up soon on our class schedule. They are:

- Australia Defence Trade Control and Compliance (IIEI-323)
- Ethics in Importing (IIEI-365)
- Business Writing (IIEI-110)
- Introduction to Earth Science (DSU-175)
- Facilitator Training (DSU-0001)
- Export Compliance Audit (IIEI-330)*

*Note: The audit course is expected to be ready in early Summer. People are already on the waiting list. If you want to be in the class, you may want to reserve your place now.

If you have other courses in mind for us to develop, drop us a note and we'll see what we can do. Email: courses@expandglobal.com.

Growing Steadily

The number of students enrolled in the Bachelor of Science Degree has increased by 20% over last year.

DSU Degree Seeking Undergraduates Excel

As of the conclusion of the Fall 2008 term, DSU's admitted undergraduates have plenty to brag about. The average cumulative GPA for these students was a **3.51**, and 94% of the undergraduates exceeded the standards for Satisfactory Academic Progress, which requires students to earn a cumulative GPA of 2.0 or higher. These students

Congratulations and keep up the hard work!



IEI Certifications

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

Certified U.S. Export Compliance Officer®

Robert Beaman – TX Joseph Veiga – TX
 Darline Torres – WA Mary Jean Walters – AZ

Certified International Trade Documentation Specialist®

Deborah Carpenter – RI

Certified Exporter® (CE®)

Zhang Lei	Li Jing	Ren Jie
Yu Lei	Gao Xu	Ning Yu
Geng Zhi	Chen Yuan Bo	Wang Qi
Chen Yuan Qing	Wei Ran	Song Ling
Wang Meng	Yu Lili	Hu Yan Hua
Sun Yu	Yang Jin	Liu Wen Xiao
Li Shengjie	Li Xiao Qing	Zhang Ruizhi
Tao Ran	Yan Jing Yu	Jing Ya Meng
Hua Xing	Liu Yan Xia	Liu Nan
He Yinan	Shen Yingming	
Geng Jie	Lei Zhen Xin	
Xue Ya Qing	Zhao Xin	

Note: All CE® are from State Administration Foreign Expert Affairs, People's Republic of China.

End-of-Course Survey Quote

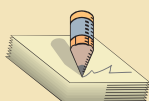
“My Instructor was the best (most timely, professional, and encouraging) of any course I have taken in my academic life. I have attended 7 other colleges/ Universities and have taken several online courses and she was by far the best.”

[Distance Education at Degree-Granting Postsecondary Institutions: 2006-07](#)

Among the report's findings:

§ In 2006-07, higher education institutions offered 11,200 online-only programs, two-thirds of which were degree-granting.

Source: ACE Higher Education and National Affairs, January 13th edition



Student Honor Roll

Honor - Distinction - Excellence

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

Amy Alatorre – WI
 Sharon Alred - MI
 Tyra Andrews – AZ
 Poonam Arora – KS
 Joanne Ashley - TX
 Sheik Ayube – FL
 April Baker - IL
 Heather Beresford – TX
 Matt Boyle - KS
 George Clark - KS
 Kendra Cook – VA
 Angela Davis – AZ
 Cynthia Dorris - TX
 Linda Esposito – FL
 Susan Fernandez – FL

Michael Frail - NY
 Kate Fraser – MI
 Gail Frisby - CA
 Kenneth Galica – MA
 Anthony Gibaldi - NY
 Blanca Graves - TX
 Babette Green - OH
 Andrea Gulacsi – PA
 Gayle Guy - CA
 Jerome Hanifin – NY
 Kimberly Harper – TX
 Cindy Hollohan – MA
 Joan Hornschemeier - OH
 Brett Johnson – AZ
 Linda Lugo - CA

Debbie Luiz - NH
 Gail Marlowe – OH
 Rita McCabe - NH
 Kaori McCoy – WA
 David Meyn - KY
 Michelle Moon - MI
 Angie Nelson – WI
 Sherry Norton - NH
 Tomas Nunez - TX
 Robert O’Connor – CA
 Kelly Pacy - FL
 Donna Parks – DC
 Jayakumar Pillai – WI
 Henry Pizarro - CA
 Paul Rasoletti – MI

Kirk Robbins – CO
 Amy Roche – WI
 Ann Romero - TX
 Robert Rulavage - PA
 Heidi Sankey – WI
 Shelby Simpson – TX
 James W Smith – WA
 Stephanie Smith - TX
 Toni Stivers – CA

Congratulations to Everyone. Well done!



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