

TradeSource

January 2024
Issue 28



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Learn About Export Possibilities for Competing Globally

Welcome to the January 2024 edition of the TradeSource newsletter. In this issue, we highlight an entrepreneur who has successfully launched her business and expanded to the global marketplace. Learn how to develop relationships with local small business development centers around the country from the U.S. Small Business Administration that assists in navigating export challenges to launch and expand export businesses. The U.S. Commercial Service provides new export possibilities for U.S. companies, including opportunities for minority- and women-owned businesses. The Export-Import Bank of the United States shares the importance of building supply chains in the "Make More in America" export initiative for manufacturers competing globally. The Bureau of Industry and Security provide the requirements for exporting to China. Also included is the U.S. Census Bureau's International Trade flyer and an update on the Ultimate Consignee data field when reporting the Electronic Export Information in the Automated Export System. We recommend you visit the partnership agency websites included in the TradeSource newsletter for additional information on building domestic networks, seizing opportunities for business advancement, utilizing federal resources, services, and programs, and achieving compliance for global market growth.

Connect with us on [X](#), [YouTube](#), [Instagram](#), [Facebook](#), and [LinkedIn](#).





State Manufacturing

Importance of Manufacturing Statistics

By Adam Grundy, supervisory statistician, U.S. Census Bureau

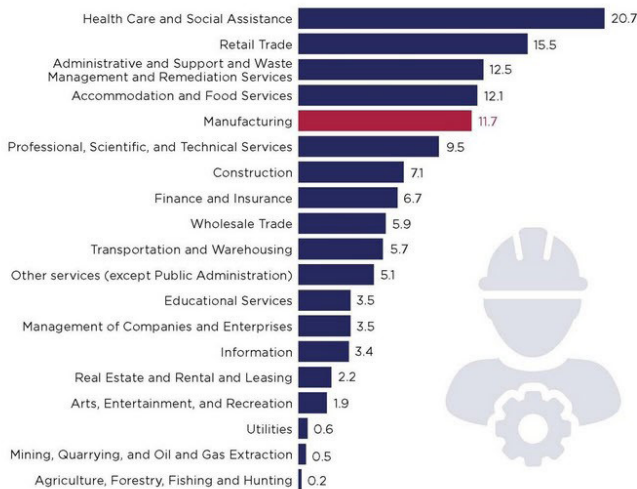
It's no secret that manufacturing is a key part of the economic landscape. Manufacturing regularly falls within the top five economic sectors for employment, according to the U.S. Census Bureau's [County Business Patterns \(CBP\)](#). For example, using CBP data from the last 3 years, Manufacturing North American Industry Classification System (NAICS) 31-33 ranked as the fifth-largest employer in 2021, 2020, and 2019. What you may not know is how manufacturing companies utilize exports to ensure that their businesses thrive.

What Data From Exporting Companies Tells Us About Manufacturing Practices

Using data tools like [USA Trade Online](#), you can quickly find the top ten manufactured products from exporters. Petroleum Refinery Products is, by far, the most valuable exported product in 2022 with \$143.1 billion. Other major exported products included Civilian Aircraft, Engines, Equipment and Parts (\$79.4 billion), Other Special Classification Provisions (\$60.7 billion), Autos & Light Duty Motor Vehicles, Including Chassis (\$47.6 billion), and All Other Basic Organic Chemicals rounded out the top five.

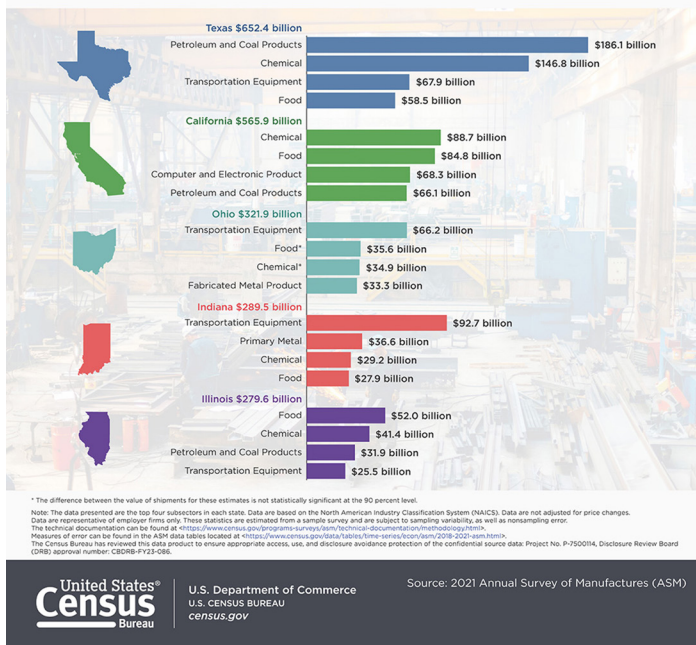
How does manufacturing compare to other industries?

Manufacturing Is the Fifth-Largest Employer
(Millions of employees)



Which States Are Doing the Most Manufacturing?

Using the infographic below, we can review the top five states where manufacturing is taking place. Be mindful though, in the export trade community, the term “shipment” has a different meaning than how the Census Bureau defines shipments domestically. For most exporters and importers, a shipment is considered as cargo leaving or entering the United States. For domestic purposes, the Census Bureau defines shipments as the value of the final product(s) or receipts. The full definition can be found [here](#).



Texas is the top manufacturing state with \$652.4 billion in total value of shipments in 2021. California (\$565.9 billion), Ohio (\$321.9 billion), Indiana (\$289.5 billion), and Illinois (\$279.6 billion) round out the top five states. While petroleum and coal products continue to contribute to the success of manufacturing plants, transportation equipment and food manufacturing are also big drivers of value in this key economic sector.

October 2023’s annual celebration of manufacturing, called “[Manufacturing Week](#),” highlighted additional contributions from the economic sector. This included new data visualizations, stories, blogs, and webinars from the Census Bureau.





EXIM

EXIM's "Make More in America" Initiative Supports Export-Oriented Domestic Manufacturing Projects

By Jane Lemons, business development specialist, Export-Import Bank of the United States

The Export-Import Bank of the United States (EXIM) now offers a domestic financing tool designed to unlock funding and encourage manufacturing in the United States.

The [Make More in America Initiative](#) (MMIA) works by making EXIM's existing medium- and long-term loans, loan guarantees, and insurance available for export-oriented domestic manufacturing projects. As part of a whole-of-government effort, it's designed to revitalize American manufacturing, strengthen supply chains, and support U.S. jobs.

"The Make More in America Initiative will create new financing opportunities that spur manufacturing in the United States, support American jobs, and boost America's ability to compete with countries like China," [said EXIM President and Chair Reta Jo Lewis](#).

This transformative initiative complements EXIM's current products and services, providing access to capital needed to fill critical supply chain gaps. It is open to companies in all sectors, and it will have particular focus on [small business exports](#) and exports that are [environmentally beneficial](#) or [transformational](#).

Investing in Infrastructure

EXIM's board of directors approved two MMIA transactions benefitting a pair of small businesses that export innovative products to the global marketplace.

Aquatech International is a minority-owned small business headquartered in Canonsburg, Pennsylvania, that manufactures water purification and treatment systems. The company has used both EXIM's [Export Credit Insurance](#) and [Working Capital Loan Guarantee](#) to support exports to more than 60 countries on six continents.

EXIM's board of directors [approved an MMIA loan to Aquatech](#) that will support the purchase of services and laboratory equipment to modernize and expand the company's existing laboratories at locations in Pennsylvania and Wisconsin. The transaction will also support construction jobs and new positions at Aquatech, allowing the small business to compete for significant contracts supplying foreign and domestic lithium extraction projects.



Venkee Sharma, executive chairman, Aquatech

“It’s a very innovative program which really strikes at the heart of driving growth of advanced manufacturing, underpinned with technology in our case,” said Venkee Sharma, executive chairman at Aquatech. “It allows us to really build out infrastructure and capabilities which are vital for the ability to export, but also vital to build the U.S. supply chains, which couldn’t be more timely and important in our present backdrop.”

Supporting Clean Energy Technology

BETA Technologies is a Burlington, Vermont-based company that manufactures electric aircraft and charging infrastructure. EXIM’s board of directors [approved an MMIA loan to finance a domestic manufacturing facility](#) that will support clean energy jobs in Vermont.

“We are excited to partner with the Export-Import Bank of the United States as part of its new ‘Make More in America’ initiative,” said Kyle Clark, BETA’s founder and CEO. “This is not only a vote of confidence in the work BETA is doing to electrify aviation, it will also help us create hundreds of well-paid, climate-focused jobs in the coming years as we move toward large-scale manufacturing and production of our electric aircraft. America has a long history of leadership in aerospace, and EXIM’s support enables us to do our part to add to that legacy for the future.”

As these companies illustrate, the Make More in America Initiative is designed to support domestic manufacturing projects as a way to level the playing field for American companies as they compete around the world. For more information about the Initiative, visit www.exim.gov/about/special-initiatives/make-more-in-america-initiative or contact Domestic.Finance@exim.gov.

To learn how EXIM has helped other small businesses like Aquatech and BETA, visit www.exim.gov/results for success stories from across the country.

Jane Lemons is a business development specialist with the Export-Import Bank of the United States. For more information, visit www.exim.gov or call (800) 565-3946.





La Canada Export Story

California Wellness Company Sees the Beauty in Exporting

By Curt Cultice, senior communications specialist, U.S. Commercial Service

The growing demand for U.S. products and services is generating new export possibilities for U.S. companies, including opportunities for minority- and women-owned businesses. The International Trade Administration's U.S. Commercial Service is assisting these companies through its Global Diversity Export Initiative with value-added export assistance, services, and programs tailored to the export needs of diversely owned businesses (Black, Asian, American Indian, Hispanic, veteran and service-disabled veteran, women, and LGBTQI+). We also conduct outreach to businesses in rural America. One recent export story is La Canada Ventures of San Mateo, California.

La Canada Ventures Taps Global Market for Personal Care and Wellness Products

La Canada Ventures (LCV), based in San Mateo, California, is a minority-owned manufacturer and exporter of personal care products and nutraceuticals for hair, lash, and skin. Founded by Taiwanese-American physician Susan Lin, the firm has expanded its international reach to more than 20 markets through perseverance and export assistance provided by the state of California and the U.S. Commercial Service. Dr. Lin, the company's chief executive officer, discusses her firm's exporting journey.

Question: Could you give some background on your company, how did you get started?

Answer: As a practicing physician for 33 years in women's health, aesthetics, and anti-aging medicine, I understood the need for effective solution-based personal care products. Being an entrepreneur and scientist at heart, I founded **LCV** in 2006 after developing patented personal care and wellness products, including lash and hair regeneration technology which are among our best-selling products.

Q: Did you have any initial reservations about exporting—if so, what were they and how did you overcome them?

A: I didn't have any reservations, as it was a logical move to grow internationally. We had been receiving international inquiries wanting our products, so I was very confident of our export potential. As a next step, I traveled to the countries to meet the company decision-makers and to learn the needs of the companies. Getting these insights and their product preferences firsthand was tremendously helpful. Our goal was to develop a proactive export strategy rather than just wait for incoming orders, and it's worked out well for us.

Q: What was the biggest challenge you faced in the global marketplace, and how did you overcome it?

A: Getting started in exporting and finding suitable international partners in our markets of interest. Trying to make those connections on our own was taking a lot of time and resources. While participating in international trade show circuits, we were introduced to key state and federal export resources and actively sought their assistance.

Q: What federal or state export promotion services have been particularly valuable in your global sales success?

A: We leveraged export assistance from the California Governor's Office of Business and Economic Development (GO-Biz) and the U.S. Commercial Service in San Francisco. We also obtained a California State Trade Expansion Program (STEP grant) which helped us to participate in events that led to successful sales.

Altogether, this export assistance helped us build a successful export strategy. For example, we received insights in market intelligence, trademark protection, and participated in U.S. Commercial Service trade events and missions. We also took advantage of the Gold Key Service program which arranges prescreened business appointments with potential foreign partners abroad, bringing me face-to-face with decision-makers which led to new partnerships and sales to India, China, Brazil, Russia, Costa Rica, and Mexico, beginning a few years ago.

Most recently, we did a virtual international partner search in Burma and eCommerce webinar leading to new sales to that country. In China, the Commercial Service was instrumental in getting us exposure on the China Flagship eCommerce Storefront, and our sales to that country continue to be robust.

Our participation in Commercial Service partner trade shows such as Cosmoprof and Natural Products Expo West led to matchmaking meetings and new partnerships and sales to Brazil and Ghana, respectively.

While trade shows are very helpful, I've found that one-on-one direct contact with a trade expert can even be more cost-effective and efficient. To be successful internationally, one must understand the culture, market demand and regulations, and most importantly, meet the right partners—and that's the value of the Commercial Service. I appreciate the unbiased, honest answers about the market opportunities which have helped me—I feel that I'm not alone, and that's important because I'm not a large company.

Q: What percentage of overall sales do exports account for, and do you see this percentage growing in the future?

A: We started out early on with a large focus on the BRICs countries—Brazil, Russia, India, China and South Africa—and continue to expand beyond into

additional markets. Currently, exports account for 50 percent of our overall sales with a projected export growth of 100 percent within the next 2 years.

Q: Describe some lessons learned that impacted your business operations and resulted in increased international sales?

A: In addition to developing innovative products, learning to support distribution partners to build long-term business relationships. We also initially price our products the same in every market and let the distributors determine any necessary changes in local labeling, pricing, etc.

Q: What are some of your sales channels, eCommerce, web, etc.?

A: Our sales channels include eCommerce Brand Store <www.md-factor.com>, Amazon, pharmacies, aesthetic medical centers, spas, and television. In general, we've found the eCommerce channel profit margin is much better than the stores.

Q: What about your export experience has been most surprising or unexpected?

A: Continued consumer demand for personal care products despite hardship from the economy and (COVID-19) pandemic lockdowns. People want to look good and feel good, and our businesses remained stable and actually grew during the pandemic. Also, while 60-70 percent of our sales are to women, we're seeing an increase in the number of men buying our products.

Q: What has exporting meant to you personally?

A: Doing business globally has no boundaries for growth and can be a great person-to-person diplomacy. On a personal level, it has allowed me the opportunity to travel internationally and learn that despite the perceived cultural differences, we are all very similar, and you will be pleasantly surprised as well. I have greatly enjoyed exportation as it expands one's horizon and view of the world.

Q: What's your advice to those businesses that might be sitting on the "export fence?"

A: The world is a great big market and to survive and grow your business, you have to diversify your customer base. Many times, overseas markets may be less saturated for your product than the U.S. domestic market which can mean a less-competitive realm. "Made in the USA" products and services carry a good worldwide reputation. So, just do it and stop making excuses. Also, contact the U.S. Commercial Service early on in the export process. Without their help, I'd be kissing a lot of frogs and it would be much harder to find the prince.

Learn more about La Canada Ventures by visiting their website at <www.md-factor.com>.

STEP Up Sales in the Global Marketplace

Small Business Development Centers Can Help Your Business “STEP Up” Sales in the Global Marketplace

By Stephen Sullivan, senior international trade specialist, U.S. Small Business Administration

At the U.S. Small Business Administration (SBA), we frequently meet small- and medium-sized businesses that are surprised when they learn about a program or service that can help grow their global sales. A common refrain is “How did I not know about this before?”

Here’s a great tip for being better prepared to access the many valuable export promotion resources that the federal government offers—make sure you have a relationship with your local [Small Business Development Center](#) (SBDC).

SBDCs provide training and technical assistance to small- and medium-sized business owners and aspiring entrepreneurs. Most services are free and confidential, although low-cost training options are also offered. There are 63 SBDC networks with more than 900 service centers across the United States and its territories.

Every SBDC network has international trade-certified counselors that can provide assistance with a wide range of trade-related services. Everything from export business planning to globalizing websites, identifying foreign market opportunities, and most importantly, connecting small businesses to appropriate export promotion resources.

The SBA’s [State Trade Expansion Program](#) (STEP) is a great example of an amazing resource for current and prospective exporters that far too many businesses are not aware of. STEP provides financial awards to state and territory governments to support small business export development. To date, over \$200 million in STEP grant funding has been awarded to assist small- and medium-sized business exporters.

STEP supports participation in trade missions and foreign market sales trips, export trade shows, website globalization, international marketing efforts, export training, and other forms of export development. Many STEP clients found their way to the SBA thanks to the referral from their SBDC counselor.

While historically specializing in business planning, SBDCs have progressively grown their expertise in international trade—prompted in part by international trade certification requirements mandated in the Small Business Jobs Act of 2010.

According to Aaron Miller, co-chair of Virginia SBDC’s International Interest section, “SBDCs have found international trade counseling to be a win-win for clients and centers. We see strong business growth for our exporting clients and the assistance we provide as these businesses grow sustains a long-term client relationship and contributes significantly to our economic impact.”

A recent annual conference of SBA’s Office of International Trade gathered brief testimonials from SBDC counselors on international trade. Some of our favorite insights are highlighted below. Check out the three finalist videos from [Ray](#), [Jody](#), and [Kellie](#), or revisit our question one winner about the [best part of being an international trade counselor](#).

Whether you are a seasoned exporter looking to grow your global footprint or you are new to exporting and are looking to get a foothold, connect with your local [SBDC](#) and take your next steps to global sales growth!



Foreign Trade

Who Is the Ultimate Consignee?

By Gerard Horner, chief, Trade Regulations Branch, U.S. Census Bureau

On September 7 and October 11, 2023, the U.S. Census Bureau's Trade Regulations Branch posted two Global Reach blogs to clarify who the Census Bureau requires in the ultimate consignee data field when reporting the Electronic Export Information in the Automated Export System.

These blogs come after much debate on who is the ultimate consignee when the U.S. Principal Party in Interest or the authorized agent has knowledge of an end user. Each of the blogs has three scenarios that are common in an export transaction. In Part I, the scenarios are much simpler as there is no knowledge of the complete details of an end user. In Part II, the scenarios become more complicated when two or even three foreign parties may receive the goods before they are consumed by a final end user. Furthermore, the Census Bureau discusses the common "drop shipment" scenario and a scenario where the export license contains both an ultimate consignee and end user(s).

After publication of the two blogs on "Who Is the Ultimate Consignee?" the Census Bureau received compliments and several comments and questions. The Census Bureau's Trade Regulations Branch responded to these comments in Part III, which was published on December 13, 2023.

To read these Global Reach blogs, go to [Global Reach](#). For more information regarding the Ultimate Consignee, refer to [Foreign Trade Regulations](#) Sections 30.1, 30.6(a)(3), and 30.6(b)(2). For any additional questions, contact the Trade Regulations Branch at 1-800-549-0595, Option #3, or email at <emd.askregs@census.gov>.



Shipping to China

Tips From the Bureau of Industry and Security When Shipping to China

By Lani Tito, senior export administration specialist, Bureau of Industry and Security Trade

Whether you ship to China on a regular basis or once every couple of years, below are a few tips from the Department of Commerce's Bureau of Industry and Security (BIS) to assist you with your exports.

Tip 1—Determine which government agency has jurisdiction over your export.

Are the items you plan to ship subject to BIS's jurisdiction under the Export Administration Regulations (EAR) ([15 CFR Parts 730-774](#)), or under the exclusive jurisdiction of another government agency? BIS has jurisdiction over dual-use items and certain military items that are not subject to the International Traffic in Arms Regulations (ITAR) ([22 CFR Parts 120-130](#)). Additional U.S. government agencies with export jurisdiction are listed in Supplement No. 3 to [15 CFR Part 730](#).

Tip 2—Know the Export Control Classification Number (ECCN) of the items to be shipped.

All exports of items on the Commerce Control List to China, regardless of value, must be filed in the Automated Export System (AES) unless the shipment is authorized under license exception Governments and International Organizations (GOV) ([15 CFR §740.11](#)). Items on the Commerce Control List are identified by an ECCN. An ECCN is an alphanumeric code (e.g., 3A001) that describes

the item and indicates licensing requirements. All ECCNs are listed in the Commerce Control List Supplement No. 1 to [15 CFR Part 774](#). ECCNs are different from Schedule B numbers and Harmonized Tariff Schedule (HTS) codes.

Tip 3—Know your customer and their end use.

The presence of certain types of end users or end uses in a transaction may trigger a license requirement for your shipment to China or restrict you from shipping to your end user in China. It is best practice to screen your customer against the [Consolidated Screening List](#) or similar systems. If you are shipping to a military end user or a military-intelligence end user, or for a military end use or military-intelligence end use, you will need to obtain an export license from BIS prior to shipment. Specific information on end use and end user restrictions are found at [15 CFR Part 744](#).

Tip 4—Obtain BIS authorization, if required.

Prior to exporting to any destination, you need to determine if your shipment requires U.S. government authorization or if you can ship as "No License Required." An authorization is in the form of an export license or license exception. An export license is an authorization granted by BIS for your specific transaction. To determine if you require a license, you need to know the ECCN,

country of destination, end user, and end use. BIS offers training videos and brochures on its website to assist you in determining if you require a license for your transaction. Online videos are available at <www.bis.doc.gov/index.php/online-training-room>. Training brochures are available at <www.bis.doc.gov/index.php/all-articles/47-about-bis/newsroom/506-export-basics-publications-2>. Visit <<https://snapr.bis.doc.gov/snapr/>> to apply for an export license.

A license exception is an authorization that allows you to export, reexport, or transfer (in-country) under predetermined conditions—items subject to the EAR that would otherwise require a license. All license exceptions and their requirements are available at [15 CFR Part 740](#).

Tip 5—Stay informed of updates to the EAR.

The EAR is continuously updated. Sign up to receive email notifications when the EAR is updated or when BIS is offering training at <www.bis.doc.gov/index.php?option=com_rsform&formId=49>.

Tip 6—Seek assistance from BIS.

BIS export counselors are available Monday to Friday during regular business hours to assist you with your questions related to the Export Administration Regulations.

Washington, DC: 202-482-4811

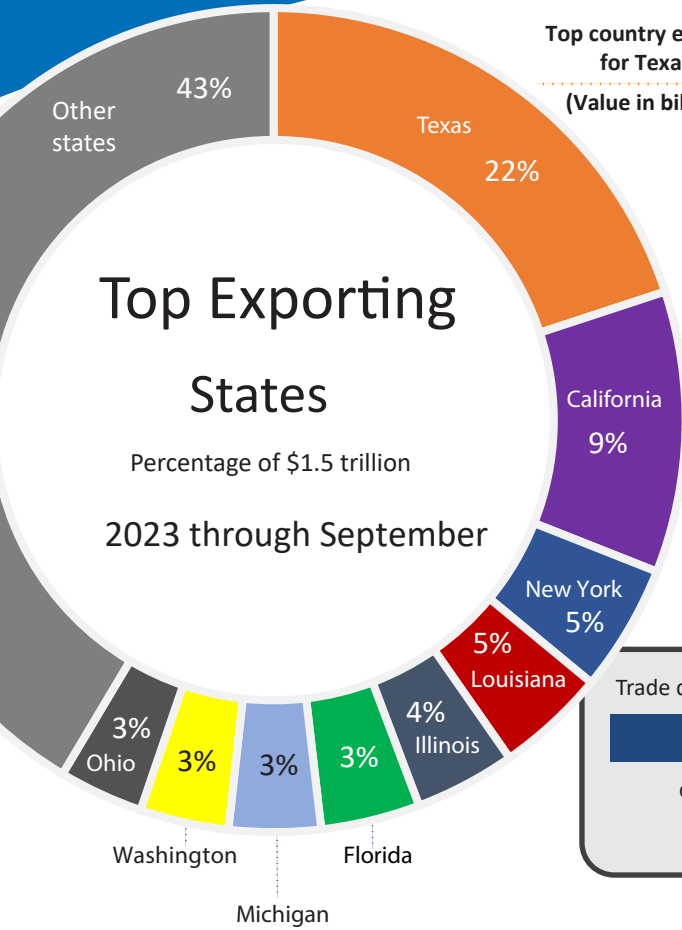
Irvine, CA: 949-660-0144

San Jose, CA: 408-998-8806

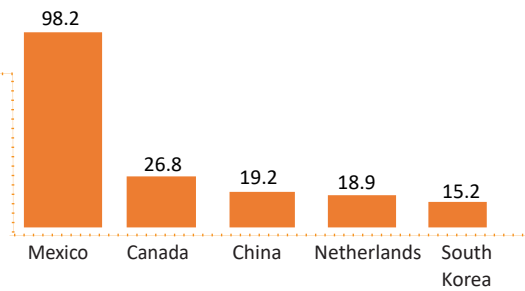


International Trade

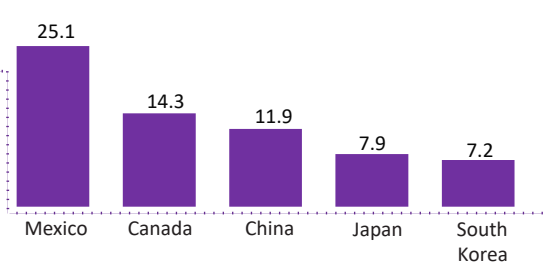
Measuring the U.S. Economy



Top country exports for Texas
(Value in billions)



Top country exports for California
(Value in billions)

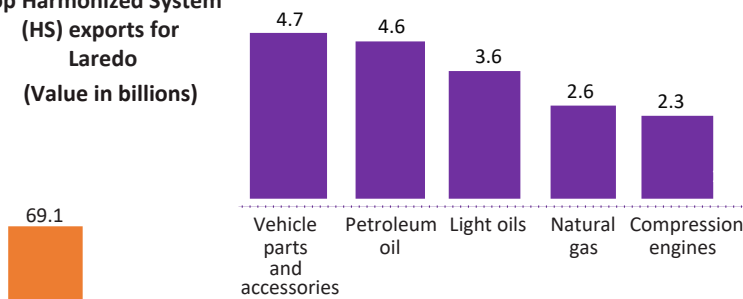


Trade data like this, and much more, are available at

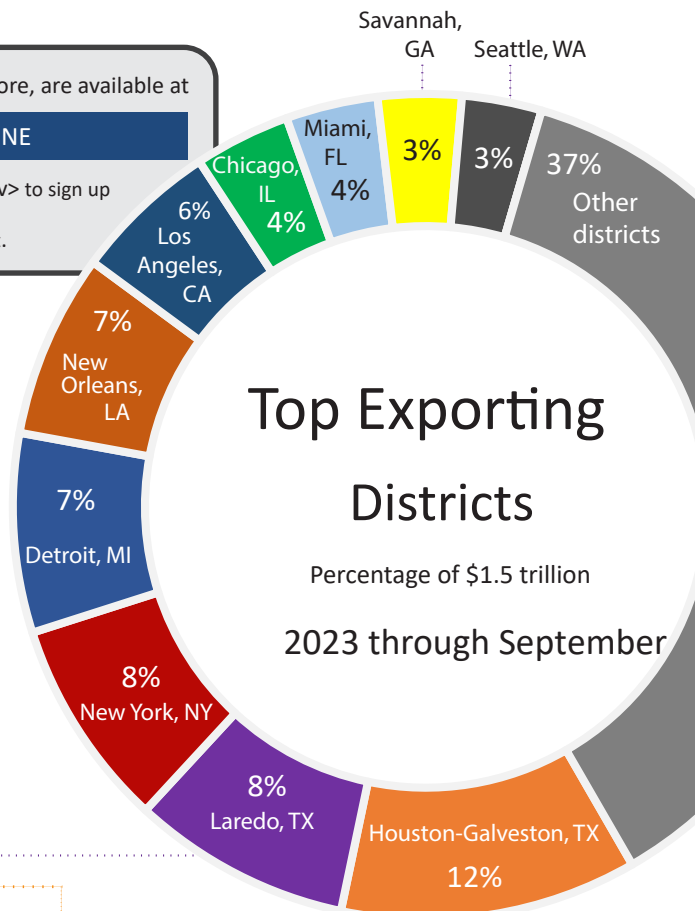
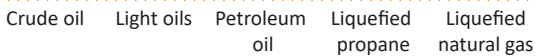
USA TRADE® ONLINE

Go to usatrade.census.gov to sign up for your FREE account.

Top Harmonized System (HS) exports for Laredo
(Value in billions)



Top Harmonized System (HS) exports for Houston-Galveston
(Value in billions)



Contact Information

International Trade Helpline	
Global Reach blogs: < www.census.gov/newsroom/blogs/global-reach.html > 800-549-0595 (refer to the menu options below)	
Assistance With the Automated Export System, Option 1 Monday-Friday 7:30 a.m.-6 p.m. (Eastern Time) Email: < askaes@census.gov >	Assistance With Commodity Classification, Option 2 Monday-Friday 8:30 a.m.-5 p.m. (Eastern Time) Email: < eid.scheduleb@census.gov >
Assistance With Regulatory Guidelines, Option 3 Monday-Friday 7 a.m.-5 p.m. (Eastern Time) Email: < emd.askregs@census.gov >	Assistance With Information on Trade Data, Option 4 Monday-Friday 8:30 a.m.-5 p.m. (Eastern Time) Email: < eid.international.trade.data@census.gov >
Assistance With Trade Outreach, Census Vetting, and Export Reports Authorization, Option 5 Monday-Friday 8 a.m.-6 p.m. (Eastern Time) Email: < exportreports@census.gov >	

Automated Export System (AES) Partnership Agencies	Websites
The email addresses below are not secure. Confidential company information should not be sent to these addresses.	
U.S. Customs and Border Protection (CBP), Trade Enforcement and Facilitation For general questions: < ofc-export-cargo@cbp.dhs.gov > For vehicle questions: < cbpvehicleexports@cbp.dhs.gov > David Garcia, program manager, Outbound Enforcement and Policy Office of Field Operations 202-344-3277	Export-Import Bank of the United States < www.exim.gov > U.S. Department of Agriculture Foreign Agriculture Service < www.fas.usda.gov > U.S. Department of Commerce Bureau of Industry and Security < www.bis.doc.gov > International Trade Administration < www.export.gov > < www.trade.gov > U.S. Census Bureau International Trade Management Division < www.census.gov/foreign-trade > U.S. Department of Homeland Security U.S. Customs and Border Protection < www.cbp.gov > U.S. Small Business Administration Office of International Trade < www.sba.gov/international > Small Business Development Centers < www.sba.gov/sbdc > U.S. State Department Directorate of Defense Trade Controls < www.pmdtcc.state.gov >
Bureau of Industry and Security (BIS) Help Desk, Washington, DC 202-482-4811 Western Regional Office, 949-660-0144 Newport Beach, CA Western Regional Offices, San Jose, CA 408-998-8806	U.S. Small Business Administration Office of International Trade < www.sba.gov/international > Small Business Development Centers < www.sba.gov/sbdc > U.S. State Department Directorate of Defense Trade Controls < www.pmdtcc.state.gov >
Directorate of Defense Trade Controls, U.S. State Department, Washington, DC Response Team 202-663-1282 Help Desk 202-663-2838	U.S. Treasury Department Office of Foreign Assets Control < https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information >