



# International Trade Opportunities and Preparing to Export Arts and Crafts

“Business of Arts & the Art of Business”

Carefree, Arizona

July 13, 2008



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SERVICE  
*United States of America*  
*Department of Commerce*

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# U.S. Commercial Service

*The U.S. Commercial Service is part of the U.S. Department of Commerce, an agency of the United States government.*

## Our mission:

- » To promote the export of goods & services from the United States, particularly by small- and medium-sized businesses



# Our Network & What it can do for you

- Trade specialists in over 100 U.S. cities and 83 countries worldwide...



## We can...

- Locate international buyers, distributors & agents
- Provide expert help at every stage of the export process
- Help you to enter new markets faster and more profitably

# Gold Key Service

- ▶ Pre-screened appointment schedule arranged for you before you travel overseas
- ▶ Customized market and industry briefings with our local trade specialists
- ▶ Timely and relevant market research
- ▶ Post-meeting debriefing with our trade specialists and assistance in developing appropriate follow-up strategies
- ▶ Help with travel, accommodations, interpreter service, and clerical support



# International Partner Search



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1. You provide your marketing materials and background on your company
2. Then we use our network of international contacts to interview potential partners and provide you with a list of up to five pre-qualified partners
  - » Save valuable time and money by working only with pre-qualified international partners that are interested in selling your products and services.
  - » Obtain high-quality market information on the marketability and sales potential for your products and services.
  - » Get all this information in 15 days.

# International Trade Shows

- Pre-Show Promotion
- USA Pavilion
- One-on-One Appointments
- Interpreters
- Market Briefing
- No Off the Floor Sales At Most International Trade Shows —Orders Only



# Upcoming International Trade Shows

- CULTOUR, Cologne, Germany, June 12-15, 2008
- Import Shop Berlin, November 2008
- Christmas World, Frankfurt, January 2009
- Ambiente, Dusseldorf, February 2009
- Inhorgenta (Jewelry), Munich, February 2009
- HK Int'l Jewelry Show, Hong Kong, March 2009
- Tendence Lifestyle, Dusseldorf, August 2008

# Single Company Promotions

The Single Company Promotion service offers support and event facilities which will allow you to engage your target audience through:

- » Product launches
- » Sales seminars
- » Staff training
- » Networking receptions

Facilities available include exhibition halls, auditoriums, meeting rooms, hotels and even the residences of some US Ambassadors.



# Market Research



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- **Country Commercial Guides (CCGs)** - Prepared annually by US Embassy Staff, CCGs contain information on the business and economic situation of foreign countries and the political climate as it affects U.S. business and foreign investments.
- **Industry Sector Analyses (ISAs)** - In-depth analysis of specific industry sectors and sub-sectors within a given market.
- **International Market Insight (IMIs)** - Brief updates within a foreign country highlighting specific market opportunities, trade events, or changes in market conditions.

# Current Reports

- Giftware Market – Japan
- Giftware Market – New Zealand
- Giftware Market – Germany
- Giftware Market – Singapore
- Belgium-Native American Jewelry
- German Market for Native American Products
- Germany's Jewelry Market
- Jewelry – Hong Kong, S. Korea, Argentina, Germany, Italy  
Singapore

# Do Small Companies Really Export?

- Small and medium-sized companies account for almost 97 percent of U.S. exporters.
- More than two-thirds of exporters have fewer than 20 employees
- Nearly two-thirds of small and medium-sized exporters only sell to one foreign market--many of these firms could boost exports by expanding the number of countries they sell to.
- Exports stimulates the economy, creates/sustains jobs

# Assessing Your Export Readiness



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- Uncomplicated Communications – telephone, fax, e-mail accessibility—ability to respond quickly
- Promotional Materials – brochure, website
- Ability to process payments via credit card, letter of credit, etc.
- Ability to ship products in a quick and protective way
- Ability to resolve any issues the buyer may have with regard to their purchase.
- Product tag to describe contents and cultural significance
- Comply with a country's import regulations and requirements if applicable to your product.

# Preparing to Export

- Commit Human and Budgetary Resources
- Long Term Commitment/Effort
- Target One or Two Markets
- Identify Trade Resources/Partners
- Gather Market Information
- Promote Your Products
- Identify and Qualify Buyers
- Do Your Homework and Develop Your Strategy

# Long Term Commitment

- Establish 6 to 12 month goals—be realistic—develop a budget; identify action steps; reassess your goals on a regular basis and stay focused
- Target one or two markets at most
- Gather market data and understand your market
- Understand your production capabilities and be up front when communicating with international buyers

# Understand Your Market

- A “niche” market
- Not Mass Produced
- Wide Open Market – Limited Consumer Demand
- Generally Purchased for their uniqueness;  
or for their individual or sentimental appeal
  - purchaser may have traveled in the region or had other personal ties
- Very competitive against other arts/crafts imports from other regions.



# Typical Marketing Venues

- Internet
- Department Store Promotions
- Specialty Shops/Gift Shops
- Airport Gift Shops
- Art and Giftware Trade Shows
- Museum Shops/Museums
- Catalogs

# Product Presentation

- Product tag, or label, should always have the artist's name and geographic location;
- A description of the cultural significance – in your native language with local language translation, if possible;
  - A description of product contents and any cultural significance;



# Shipping Your Product

- Package to protect product
- Labeled correctly—address, phone numbers, etc.
- Proper Documentation
  - --Commercial Invoice
  - --Airway Bill/Bill of Lading
  - --Shippers Export Declaration (SED) if value is \$2,500 or higher
  - --Certificate of Origin
- Insured against damage, pilferage, damage, etc.
- Harmonized System Number (product identification)



# Clearing Customs

- Proper Shipping Documentation
- Any certifications or other documents required for your product, i.e., content of jewelry—percentage of silver, gold carats, stones, etc.

# Pricing and Payment Issues

- Price Competitively – take into account extra costs incurred by your buyer, i.,e, tariffs and duties, shipping costs, insurance, etc.
- Payment Methods – Cash in Advance, Credit Card, Letter of Credit
- Always require payment in U.S. dollars
- Be certain to include all costs on your quotation— cost of the product, shipping costs, etc.



# Export Resources

- Local U.S. Export Assistance Center
- Chambers of Commerce
- Colleges/Universities
- World Trade Centers
- State Governments
- Trade Associations
- SBA

# EXPORT.GOV

Helping U.S. Companies Export

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## Find Opportunities

- ▶ By Industry
- ▶ Market Research
- ▶ Trade Events
- ▶ Trade Leads

## Find Solutions

- ▶ International Sales-Marketing
- ▶ International Finance
- ▶ International Logistics
- ▶ Regulations & Licenses
- ▶ Trade Data & Analysis
- ▶ Trade Problems

## Contact Us

### 1-800-USA Trade

- ▶ Find a Local U.S. Office
- ▶ Find an Overseas Office

## Issue of the Month – August 2007

### How to Export on a Shoestring Budget



Making the decision to export requires careful assessment of the advantages and disadvantages of expanding into new markets, especially for small and medium-sized companies. But there are various sources that help you export your product or service on a shoestring budget. Look at the following numbers, which show that the number of small exporters is growing:

- Small and medium-sized firms account for the vast majority of growth in new exporters.
- Small and medium-sized companies account for almost 97 percent of U.S. exporters.
- Because nearly two-thirds of small and medium-sized exporters only sell to one foreign market, many of these firms could boost exports by expanding the number of countries they sell to.
- More than two-thirds of exporters have fewer than 20 employees.

### Planning

Once the decision is made to export, it is essential to develop an international marketing plan. An international marketing plan will allow you to develop an export strategy and plan your budget around that strategy. For assistance in developing an international marketing plan, please visit [A Small Business Guide to Exporting](#). You can also find assistance at [Developing a Marketing Plan](#).

### Marketing

Thorough market research is also necessary when you begin exporting. The purpose is to identify marketing opportunities abroad as well as to identify prospective buyers and customers. Use market research to determine your product's potential in a given market, the best prospects for success, and the market's business practices before you export. If you are just beginning to sell internationally, narrow your focus by concentrating on no more than two or three best-prospect markets. Please visit [A Step-by-Step Approach to Market Research](#) and use this research guideline to get you started.

### Financing

Financing options are available. There are two types of financing programs that help exporters



# CS Rural Export Initiative (REI)

- Special Funding for Export Outreach to Rural Communities
- Bring International Trade Resources to Rural Businesses
- Develop Rural Partnerships



# CS Programs for American Indian Communities

- First DOC Associate Office on an Indian Reservation – San Manuel
- Created An Associate Office with the Tlingit-Haida Central Council in Alaska which serves 20 villages
- Video conference with Italian buyer and artisans at RES '99 in Phoenix
- Actively involved in organizing and supporting the annual American Indian Tourism Conference



# CS Programs for American Indian Communities

- Special export workshops series for Indian communities held in Alaska, Arizona, New Mexico, South Dakota, Utah and other states.
- Native American Tourism Featured at Trade Event in 6 locations in Australia
- 7 American Indian Tourism Organizations featured at BIT 2003, Travel and Tourism Show in Milan, Italy
- American Indian jewelry featured at CHIBI Jewelry Show, Milan, Italy
- Native Americans represented at the Hong Kong International Jewelry Show, March 2004

# CS Programs for American Indian Communities

- Special Native American Section at ITB Berlin in March 2004– See Native America, One Tribe At A Time
- Special Native American Cultural Program at the John F. Kennedy School in Berlin, March 2004
- Native American representation at ITB 2005, ITB 2006, ITB 2007, and ITB 2008 including cultural program.
- Series of International Tourism Marketing Workshops on Native Land in April 2005
- Six Native American tribes represented at a Nordic Travel Program in January 2006
- MACEF Jewelry Show, Milan, Italy, September 2006



# Websites

[www.export.gov](http://www.export.gov)

(4 hr. export seminar and Basic Guide to Exporting book)

- [www.buyusa.gov](http://www.buyusa.gov)



# Local U.S. Export Assistance Center

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