



# INTERNATIONAL TRADE COUNCIL *of Greater Kansas City*

## *THE ITC REPORTER*

### CALENDAR OF EVENTS

#### ***"Doing Business in Africa"***

Wednesday, May 6, 2009 7:30 AM – 9:00 AM  
Location: Overland Park Chamber of Commerce

#### ***"NAFTA Documentation"***

Wednesday, May 20, 2009 7:30 AM – 12 PM  
Location: Johnson County Community College

#### ***"Doing Business in China"***

Thursday, June 4, 2009 7:30AM – 9 AM  
Location: Staley Farms Golf Club

#### ***"Legal Hazards: BIS, OFAC, and More"*** July, 2009

**24 Month Calendar Online!!!**

**Check our website for updates and details: [itckc.org](http://itckc.org)**

### **Recap: Global Research Initiative 2009**

By Dan Ward, ITC 1<sup>st</sup> Vice President

Global Research Initiative (GRI) is a program that allows students to earn college credit for completing an applied research project for an international business.

In the academic year 2008-2009 ITC sponsored a GRI between Benedictine College in Atchison, Kansas and Western Forms, Inc. in Kansas City, Missouri. Five students were selected after participating in TradeWins, a team-based international business simulation run by the ITC Board members, Norm Burkart and Keith Hustings. The team from Benedictine included two seniors, John Bergida and Erin Klein. Also on the team were three juniors, Edna Hernandez, Matt Gregor and Megan Klump.

The 2008-2009 GRI project required the advisory support of Benedictine College faculty, ITC volunteers, significant contributions by Western Forms executives, and effective teamwork by the student team. GRI provides an organization

with valuable information, while students prove their mettle in a real-world business development project.

This GRI project was completed in two phases. In the first phase the GRI team analyzed industry specific economic data for all countries of the globe. The purpose of Phase I was to quantify market opportunities and select target markets tailored for the client company, Western Forms. In Phase II the GRI team developed a market penetration strategy into the selected markets. This phase also included conducting a survey to gather industry specific data and qualify potential prospects for Western Forms. The second phase will be completed in May 2009 before the end of the semester.

GRI is available for other colleges/universities and companies. Interested parties should contact the International Trade Council of Greater Kansas City at [info@itckc.org](mailto:info@itckc.org) or 816-235-6654.

| CONTENTS:  | Page |
|--|------|
| ITC Global Research Initiative.....              | 1    |
| ITC Scholarship .....                            | 1    |
| Economic Update with ITC at the Fed.....         | 2    |
| International Trivia Corner.....                 | 2    |
| ITC Internships Online and More.....             | 3    |
| Company Profile: Exact Words .....               | 3    |
| Market Highlight: Kenya.....                     | 3    |
| Shabobba International: 2009 4-H Conference..... | 4    |

### **2009 ITC Scholarship Opportunity**

The ITC will award a \$1,000 scholarship again this year. Juniors, seniors or graduate students studying International Business or International Studies enrolled in the fall semester of 2009 at qualifying institutions may apply. Any college or university within a 150 mile radius of Kansas City qualifies. All applications received on or before May 15, 2009 will be



considered timely for consideration for this year's scholarship. Applications may be found on the web site at [www.itckc.org](http://www.itckc.org).

Last year's scholarship award winner was Amiran Gelashvili. He is a Junior majoring in Finance and studying for a Bachelor's degree in International Business at Park University in Parkville, Missouri. Amiran is originally from the country of Georgia, located in Eurasia. He speaks four languages, has a 4.0 G.P.A. and aspires to work at the World Bank in Washington D.C.

This year's edition of the ITC scholarship has received funding from the Greater Kansas City Foreign Trade Zone, Inc. whose president is Al Figuly, and from six board members. Contributions are welcome anytime through our web site at [www.itckc.org](http://www.itckc.org). Please consider making a contribution to promote Kansas City as a supportive location for developing students in international trade and studies.

### **Upcoming 2009 Membership Drive!**

**Stay tuned for the upcoming membership drive. The ITC is planning a membership drive for June, 2009!**

Founded in 1944, the International Trade Council of Greater Kansas City, Inc. promotes international trade through educational programming and networking opportunities. There are a large number of local and regional businesses and organizations that would benefit immensely from programming by International Trade Council. The more members, the more sophisticated, valuable, and varied programs we can deliver to our members.

**Please refer your associates to ITC!**  
**[www.itckc.org](http://www.itckc.org)**

### **Economic Update Luncheon at the Federal Reserve Bank of Kansas City**

Kansas City Fed official, Craig Hakkio, says that the nation's gross domestic product will hit bottom in the summer and begin a slow recovery with positive growth in the third quarter.

Speaking at an ITC sponsored luncheon, Hakkio pointed to three factors that will contribute to this improvement:

- The federal stimulus package is estimated to boost the GDP between 1.25 percentage points and 4 percentage points.
- Accommodating monetary policy, such as the Troubled Asset Relief Program (TARP) and the Troubled Asset-Based Securities Loan Facility (TALF), will unfreeze financial markets and trigger lending.

- Companies will begin to lessen the reduction of their inventories.

Hakkio pointed to inventories as a silver lining to a recent revised report that the nation's GDP fell 6.2 percent in the fourth quarter, compared with earlier estimates for a 3.8 percent drop. The adjustment suggests that inventories may be closer to their bottom than previously thought.



Hakkio said current financial market conditions are mixed. Commercial paper, mortgage and interbank markets are starting to see some improvement thanks to government interventions, he said. But about 80 percent of banks say that they are tightening standards, and that loans are declining. Economic conditions such as unemployment, housing, and the stock market also continue to worsen. Still, the U.S. financial markets remain "the most open, flexible and resilient that there are" and continue to attract international investors, Hakkio said. "When people want safety, U.S. Treasury securities are the safest in the global economy," he said.

### **International Trivia Corner**

- 1) There is only one true variety of Swiss cheese. True or False?
  - 2) In the context of international trade, what is PSI?
  - 3) John Q Machines in Easton, Kansas sells equipment to Importadores Solanki in Santiago, Chile and receives instructions to ship the product to freight forwarder Expediciones Internacionales in Miami, Florida. Who is the USPPI in this transaction with responsibility to file the shipper's export declaration?
  - 4) China Times is the official newspaper for which country?
- (Answers on Page 5)



### **ITC and Internships with an International Focus**

The Park University Office of International Affairs and Education, Park University Career Development Center, and the International Trade Council (ITC) have been working on two educational projects during 2009: International Career Day for 2010 and an international internships database (local internships with international focus and/or internships outside of United States).

The projects are being developed with the assistance of a Park University senior, Elvin Hatamzade, who has been helping generate a timeline and responsibilities for participating universities while creating a joint webpage with links to internships in the Greater Kansas City area, which already exists on the ITC website.

The ITC is involved in a number of exciting projects for the near future which would offer interns greater exposure to various elements of global trade operations. For more information on an ITC internship opportunity contact Larin Payne at [payne@kcsmartport.com](mailto:payne@kcsmartport.com).

We strongly encourage all ITC members to consider offering internships as we believe that there is a significant pool of qualified students in this area receiving strong support and encouragement from their respective schools.

A long-term goal of the ITC is to establish a formal committee structure and formalize an internship program. In the short term, we can easily act as an intermediary, pairing interns and internship providers through opportunity postings on our web site and in this newsletter.

the right technologies to save you time and money, without compromising the integrity of the translation.

### **MEMBERSHIP OPPORTUNITIES**

One of the major benefits of volunteering with ITC is the opportunity to work closely with others in the international trade arena. This means:

- **Networking** with international business experts
- **Learning** management and leadership skills from others
- **Developing** new skills that apply to work
- **Enjoying** working together for a common goal
- **Influencing** ITC's activities to better help members
- **Entering** the pipeline as a potential ITC board member

ITC's board is seeking members to join committees chaired by board members. Meetings are generally monthly, with email communications between meetings.

The following Committees need extra volunteers:

**Program Committee.** ITC's most important committee, it defines, refines, organizes, and delivers meaningful educational programs of relevance, including best practices in international business. **Please provide ideas for meaningful and relevant program content!**

**Membership Committee.** ITC serves its' membership, and the more members, corporate, educational and individual that the Council has, the greater the number of relevant and useful programs the ITC can deliver.

**Marketing Committee.** Communicating with our committees is the most important part of ensuring that our members are well served. If you are interested in contributing to the newsletter, would like to help update the website or work with the media on behalf of the ITC please contact [info@itkc.org](mailto:info@itkc.org).

**Do you want to be involved?**

### **Company Profile: Exact Words**

**Exact Professionals:** Exact Words was founded in 1991 and has gained a reputation for excellence by providing personal service and attention to detail. Today, this tradition continues under the current president, Shenon Bone. Shenon holds Bachelor of Arts degrees in Political Science and in Economics from the University of Kansas with special emphasis on foreign languages.

**Exact Quality:** We use professional translators certified by the American Translators Association for the best quality control. Each project then goes through an independent proofreading process to ensure the most accurate and appropriate technical translation.

**Exact Expertise:** Our translators are handpicked based on their expertise and knowledge of your industry.

**Exact Service:** Your project manager delivers your project on time and with the optimal level of personal service. We utilize

### **Market Highlight: Kenya**

A new feature of the ITC quarterly newsletter is a market highlight. The U.S. Commercial Service-Kansas City office is contributing to this series and will focus on a new country each quarter. This quarter we chose to highlight an interesting market with future potential, but currently going through some difficult times.

Kenya is the most developed economy in Eastern Africa. With a nominal 2008 gross domestic product (GDP) of USD 29.3 billion, it is also the economic, commercial, and logistical hub of the entire region. Kenya enjoys an extensive (if uneven) infrastructure, and a large portion of the population that is extraordinarily well educated, English-speaking, multi-lingual, and a strong entrepreneurial tradition. It is also a very young



country with almost 50% of Kenya's population under the age of 15. An estimated 46% of the population lives below the poverty line, and the country's GDP per capita is approximately USD 478.

Nairobi, Kenya is the undisputed transportation hub of Eastern and Central Africa and the largest city between Cairo and Johannesburg. The Port of Mombasa is the most important deep-water port in the region, supplying the shipping needs of more than a dozen countries despite stubborn deficiencies in equipment, inefficiency, and corruption. Kenya's financial and manufacturing industries, while relatively modest, are the most sophisticated in Eastern Africa. Its tourism industry, one of the most successful in the world, continued to expand until early 2008. The agricultural sector is the largest employer in Kenya. The country's major exports are tea, coffee, cut flowers, and vegetables.

Kenya's key economic challenge is to increase its real GDP growth rate. Sustained, significant economic growth is essential if Kenya is to address its high unemployment rate (officially about 10.5%, unofficially in excess of 40%) and widespread poverty. Achieving high growth, however, will depend on improved economic governance and greater economic reform. Kenya's strengths include its human resources, natural assets, and strategic location.

East Africa is likely to perform better than other parts of the continent this year because of its relative economic diversification, according to the African Development Bank (AfDB). Countries such as Kenya, which export finished goods to other East African countries and agricultural products to the rest of the world, could end up facing a less severe impact than other Sub-Saharan African countries that rely more heavily on exports in specified industries. Real GDP growth is expected to weaken further, from 2.2% in 2008 to 1.8% in 2009, owing to weak commodity prices and the global recession. Growth is expected to recover to 2.7% in 2010 as the global economy improves.

The government has taken steps to enhance Kenya's economic competitiveness. However, the country continues to face significant challenges associated with corruption, unemployment, tribal tensions, title to land, insecurity, and poverty. It remains a difficult market in which to do business. High inflation is also a concern with rates currently above 20%. Household finances are unstable, employment is suffering, and both remittances and agricultural exports are sharply down. Economic growth is likely to slow further in 2009 and 2010. Political stability remains elusive, with the two sides of the coalition government fast losing public support. While Kenya is not historically a stronghold of political stability, global economic problems substantially increase the risk of a return to political confrontation.

Kenya is not a low cost economy. The cost of skilled, educated labor is high by developing world standards. Skilled,

educated labor is relatively abundant in comparison with neighboring countries, but a very large portion of the young population is relatively unskilled and exists in an environment offering few opportunities. While Kenya's physical infrastructure is also superior in many cases to that of its neighbors, it remains basic and a key obstacle to economic development. Despite the price sensitivity of consumers and companies, there is little price competition in Kenya compared with many other fast-developing countries. This is both an opportunity and a challenge for a new investor or trader.

Leading Sectors for U.S. Export and Investment are: telecommunications equipment, electrical power systems, material handling machinery, construction equipment, computers and peripherals, processed foods, medical equipment, aircraft and aircraft parts, agricultural chemicals, cosmetics and toiletries, and the agricultural sector.

The U.S. Commercial Service is present in 107 U.S. cities and in more than 80 countries. The U.S. Commercial Service East Africa at the Nairobi Embassy offers valuable assistance to help U.S. business seeking to export goods and services to Kenya and 12 other countries in Eastern Africa. The Commercial Service team works with your company to help you start exporting or increase your sales to new global markets. Services include: world class market research, trade event services, introductions to qualified buyers and distributors, and counseling and advocacy through every step of the export process. To learn more about how the U.S. Commercial Service can help your company export, contact the office in Kansas City at (816) 421-1876 or visit us online at [www.buyusa.gov/kansascity](http://www.buyusa.gov/kansascity).

### **SHABOBBA® INTERNATIONAL CONDUCTS THIRD INTERACTIVE WORKSHOP FOR 4-H STUDENTS AT THE 2009 GLOBAL CONFERENCE**

Friday, March 20, 2009 Dixie Henderson, President, Shabobba® International, LLC conducted an interactive on-site workshop and tour for 15 students at its gallery, 425 Washington, Kansas City, Missouri. The youth were participants at *The 2009 Kansas City 4-H Global Conference*, Kansas City, Missouri. Shabobba joined more than 50 businesses from the private and public sectors to support the endeavor. The annual conference provided opportunities for youth to explore careers, technology, environment and cultural diversity in a global society. The participants represented the states of Missouri, Kansas, Iowa, Nebraska, Arkansas, and Oklahoma.

The 4-H students selected the workshop and tour to explore Shabobba's world-wide business as it relates to its colleagues, exportation of products and services in photography, fine art photography, and photojournalism. Namely, the students joined the session to gain knowledge



about Shabobba's business partner, the late *Donald Greenhaus*/Donald Greenhaus Inc. and his work which has received international notoriety in the art world for more than four decades.

The students also gained insight into the work of Shabobba's colleagues *Eli Reed*, Magnum Photos and Clinical Professor, Department of Photojournalism, University of Texas-Austin; and, the late *Gordon Parks*, a renowned photographer, photojournalist, writer, director, and filmmaker, and Aaron Rose, artist/photographer. Donald Greenhaus mentored Reed when he was a budding photographer. In 2007, Reed conducted the first Shabobba 4-H workshop on behalf of Donald Greenhaus. Aaron Rose was included in Shabobba's list of distinguished colleagues for 2009. In October 2008, Rose expressly invited Henderson to his SoHo studio in New York to peruse his work. Such an invitation is seldom, if ever, extended to anyone. In his book, *Aaron Rose Photographs*, Harry N. Abrams, Inc., Publishers, New York, 2001, Alfred Corn, Adjunct Professor of Writing, Columbia University said: "Aaron Rose created one of the most remarkable bodies of work of any photographer living today, and for most of his career he did this in isolation from both the art world, and the world of commercial photography, in a single-minded private quest for visual enlightenment." Corn is a poet, novelist, and critic who wrote the essay and interview for the book.



To explore the artists, and promote career awareness, the students tackled their assignments in teams with the assistance, and tutelage of international colleagues. With deep appreciation, Shabobba® acknowledges the following individuals: Irina Kobzeva, Administrator, International Trade Council of Greater Kansas City (ITC), and post-graduate student, Park University, Parkville, Missouri; Fabio Manha Garcia, International Programs Coordinator, Park University; and Amiran Gelashvili, Student, Park University, Parkville, Missouri.



Kobzeva [Russia] and Garcia [Brazil] helped the students with their lessons, and answered questions regarding their homelands, and international studies, and employment. They also participated in Shabobba's award ceremony – the distribution of gift certificates for the winning team, and Certificates of Achievement which were awarded to all students. Gelashvili, [Georgia, Country], assisted Shabobba in pre-workshop activities. Amiran Gelashvili was the recipient of the 2008 *International Trade Council Scholarship*. Fabio Garcia is on the staff of Olga Ganzen, Ph.D., Executive Director, International Affairs and Education, Park University. Dr. Ganzen is an active Board Member, International Trade Council of Greater Kansas City. Additionally, Dixie Henderson serves as an ITC Board Member.

#### Answers to International Trivia Corner:

- 1) False. There are actually many different varieties, including Gruyere, Emmentaler, Appenzeller, Tilsiter, Raclette and so forth.
- 2) Pre-shipment inspection; a process in which an independent agency inspects merchandise to verify content, quality and value prior to its being shipped to the mostly developing nations which require the procedure.
- 3) Almost invariably John Q Machines, unless the freight forwarder takes a financial interest in the product itself. The shipment may qualify as a routed export transaction in which the buyer becomes the PPI and asks the freight forwarder to file the SED, however, that is the exception rather than the rule. In any scenario, John Q Machines is still held responsible for compliance with the Export Administration Regulations. The bottom line for area exporters: take control of these fairly common situations and ensure that the roles of the various players are completely understood by all.
- 4) Taiwan



## ARTICLES REQUESTED!

Members are requested to submit articles about international trade success for publication in the ITC Reporter. Please try to include digital photos or graphics with your submission!

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## MEMBERSHIP APPLICATION/RENEWAL

You may also join the International Trade Council by visiting our website at [www.itckc.org](http://www.itckc.org). The 2008-2009 business year started September 1, 2008. **Dues will be pro-rated by quarter.**

☐ New Member      ☐ Renewal

☐ Former Member/New Company

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

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Business Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Industry: \_\_\_\_\_

☐ Corporate \$300\*

\* Up to 5 individual members; \$150 increments for additional five members.

☐ Individual: \$80    ☐ Diamond Patron - \$5,000    ☐ Educational \$65    ☐ Platinum Patron - \$5,000

☐ Retired \$30      ☐ Gold Patron - \$1,000

☐ Student \$30

Total: \$\_\_\_\_\_ Date: \_\_\_\_\_

### Payment Method

☐ Check    ☐ MasterCard    ☐ VISA    ☐ AMEX

### Credit Card Information

Account No. \_\_\_\_\_

Expiration Date: \_\_\_\_\_

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