

# Trade Up



# Customs trends: New survey findings

May 24, 2012

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## Roy Coburn

U.S. President  
Livingston International Inc.  
Chicago

# Why do the survey?

- Acquired Vastera from J.P. Morgan Chase N.A.
- Result: Greater U.S. and overseas presence
- Learn how companies feel about working in international markets



# About the survey

- National survey
- Conducted April 3-11
- Ipsos Public Affairs
- 500 import-export pros
- Small and medium-sized businesses



## Findings

Businesses want to take advantage of opportunities overseas.

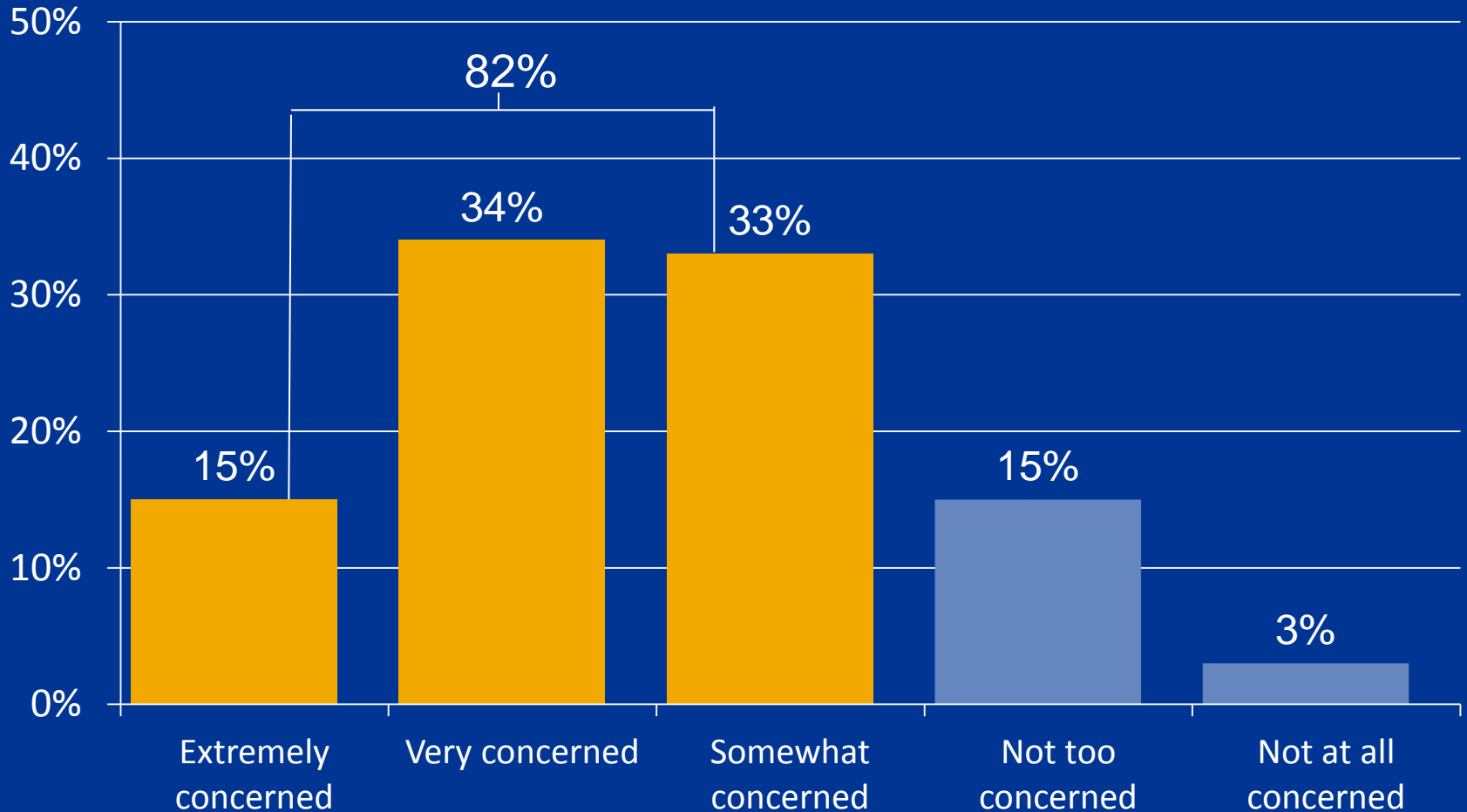
They are confused about how to do this.

They are cutting corners, gambling with their businesses, ignoring government regulations.



# Concerned about Customs...

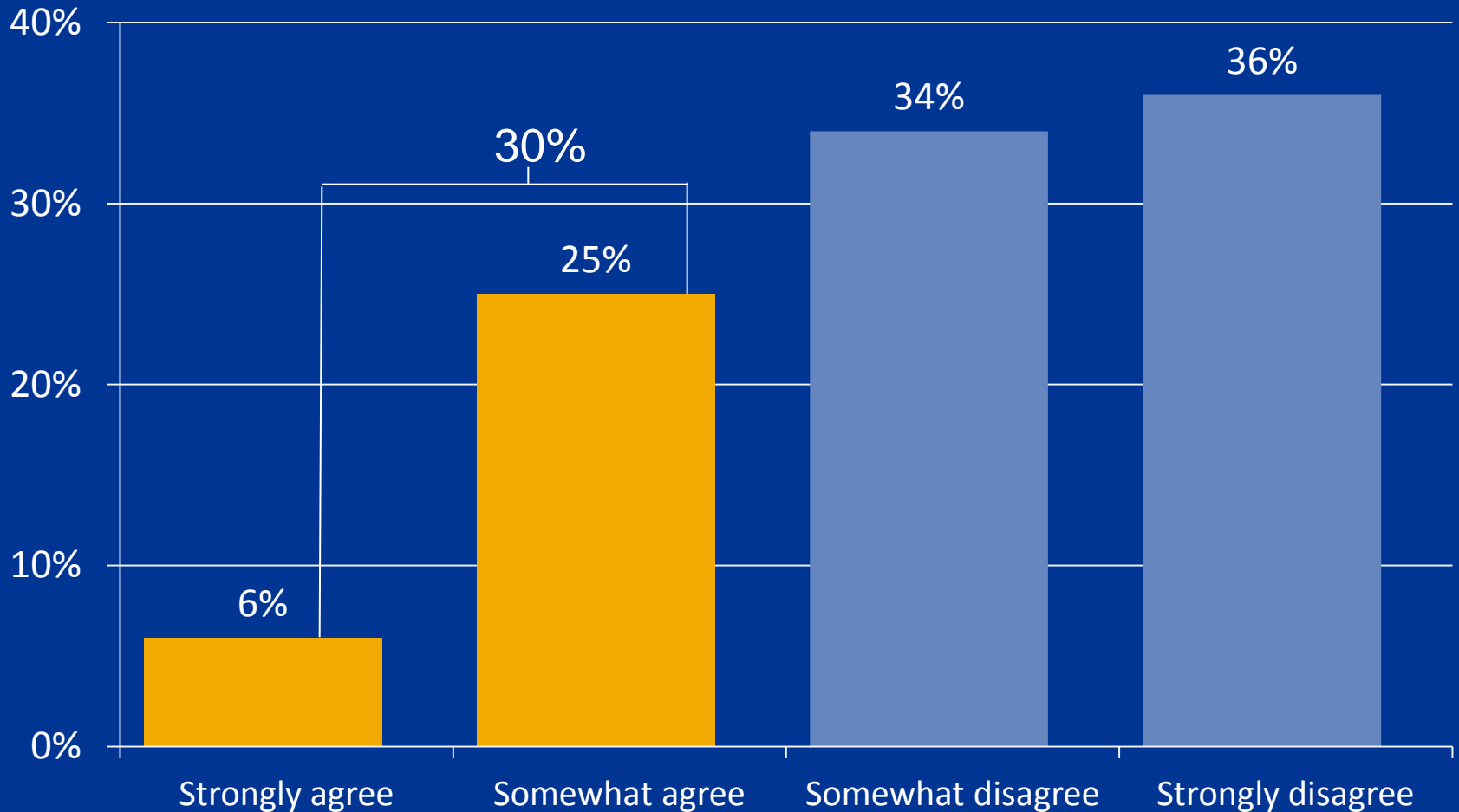
How concerned are you about Customs delays impacting your ability to properly manage your business?



Actual numbers may be different due to rounding

# ...but risking their business

As there are so many changes to government regulation, I tend to ignore them and hope for the best when transporting my company's goods across international borders



Actual numbers may be different due to rounding



## **Major disconnect:**

**Businesses are knowingly risking delays and costly fines**

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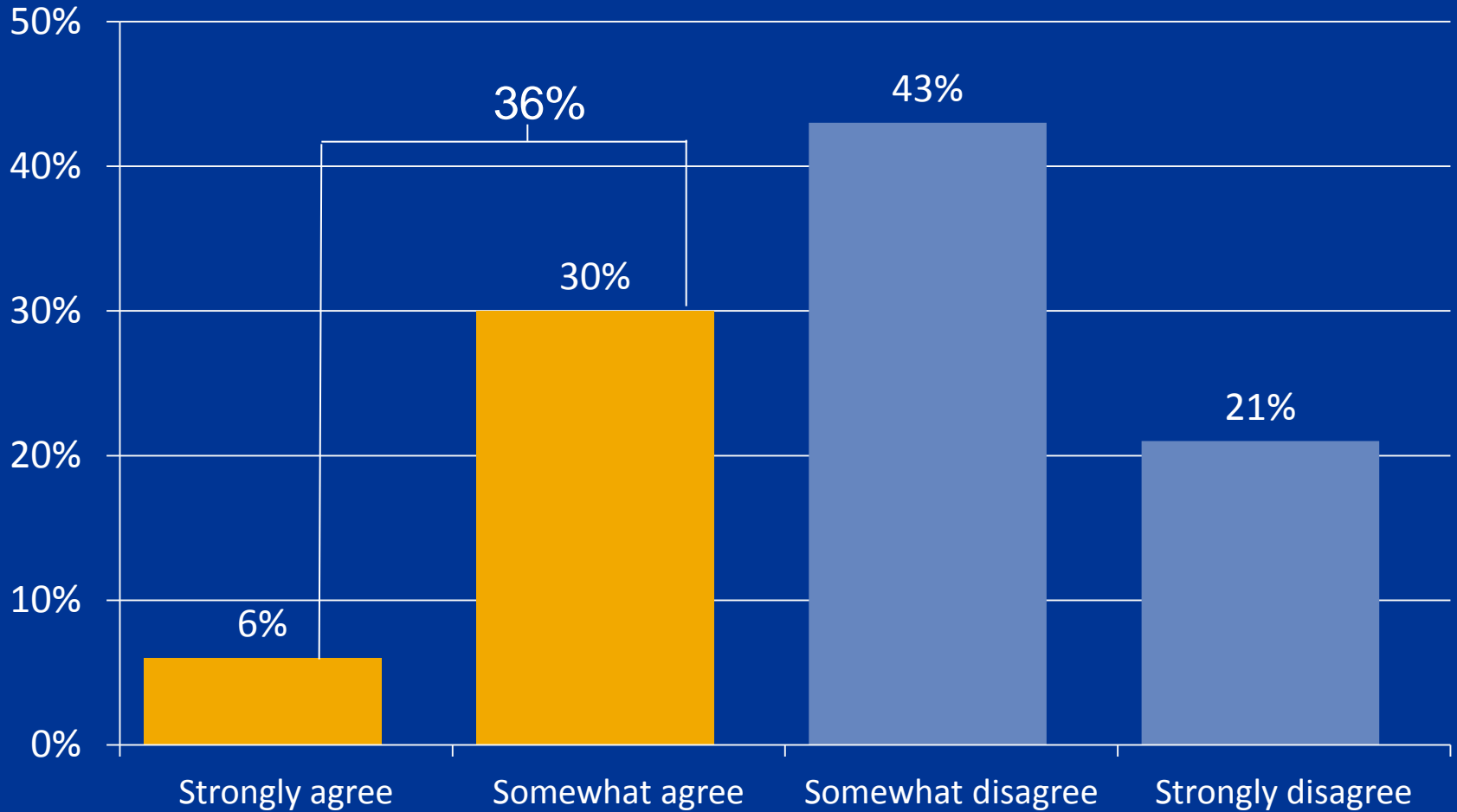


## Cora Di Pietro

Vice President,  
Consulting  
Livingston International Inc.  
Toronto

# Missing out

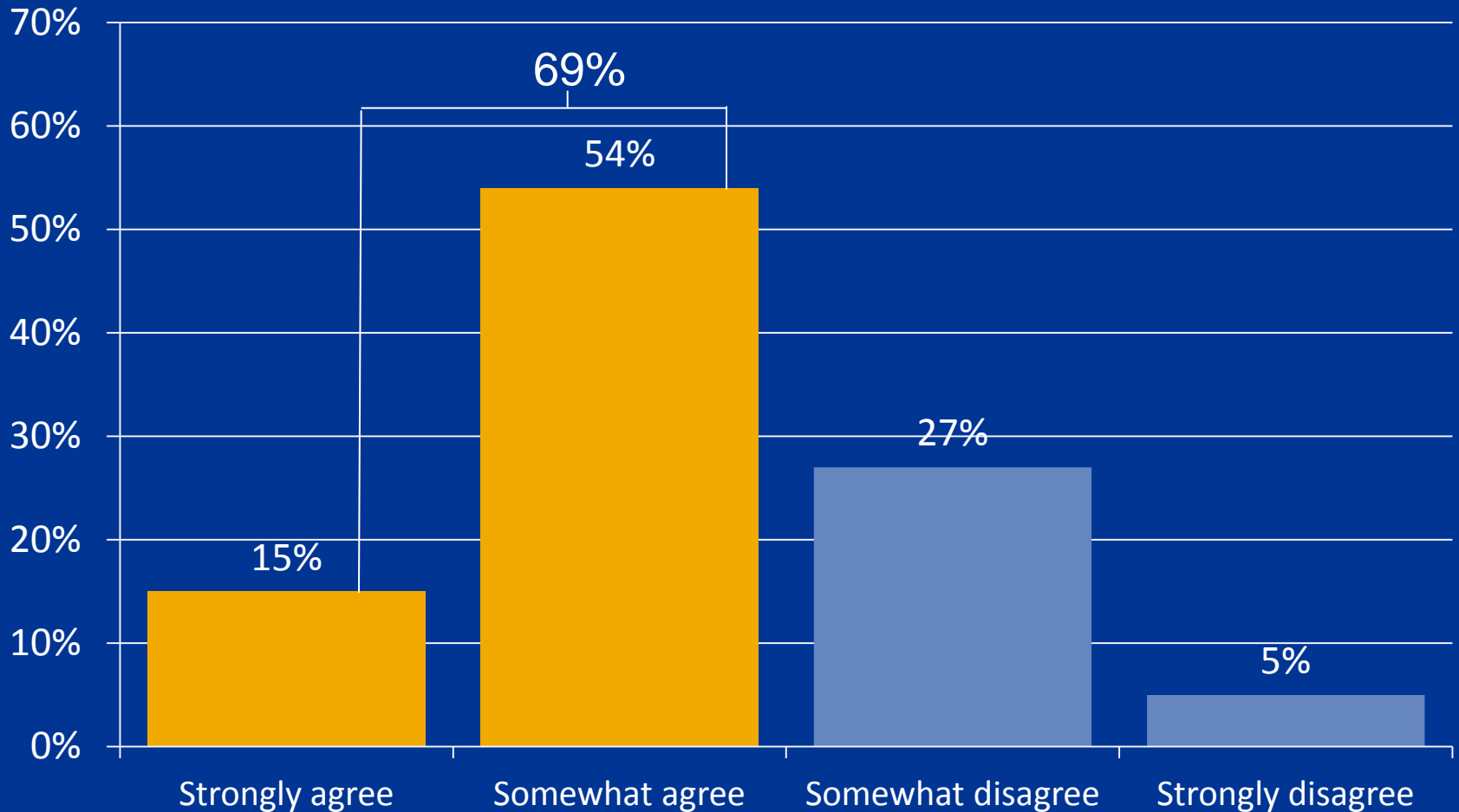
My company doesn't focus on new markets due to the level of complexity with getting products there



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# Difficult to entertain new markets

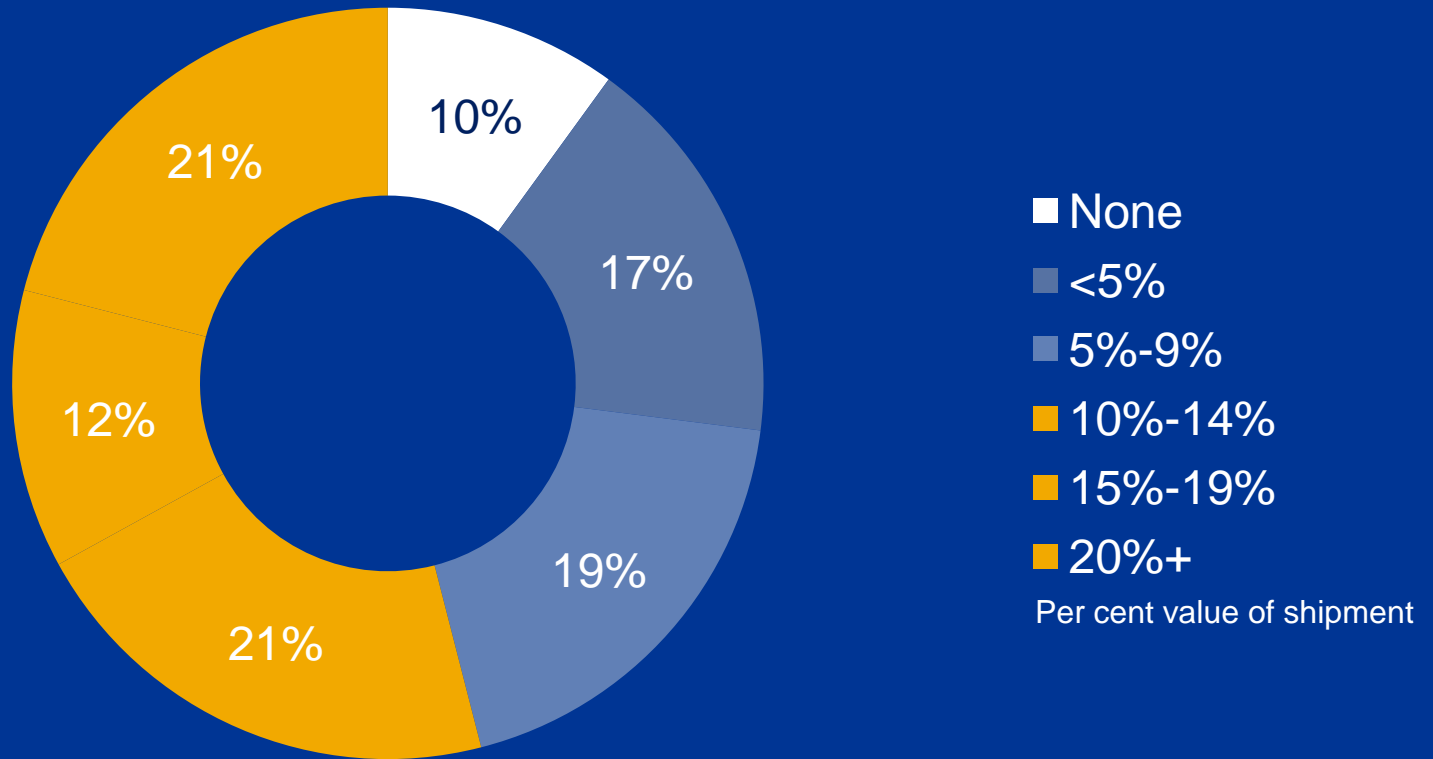
Increased complexity related to international trade makes it difficult for my company to entertain new markets



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# Delays: significant financial impact

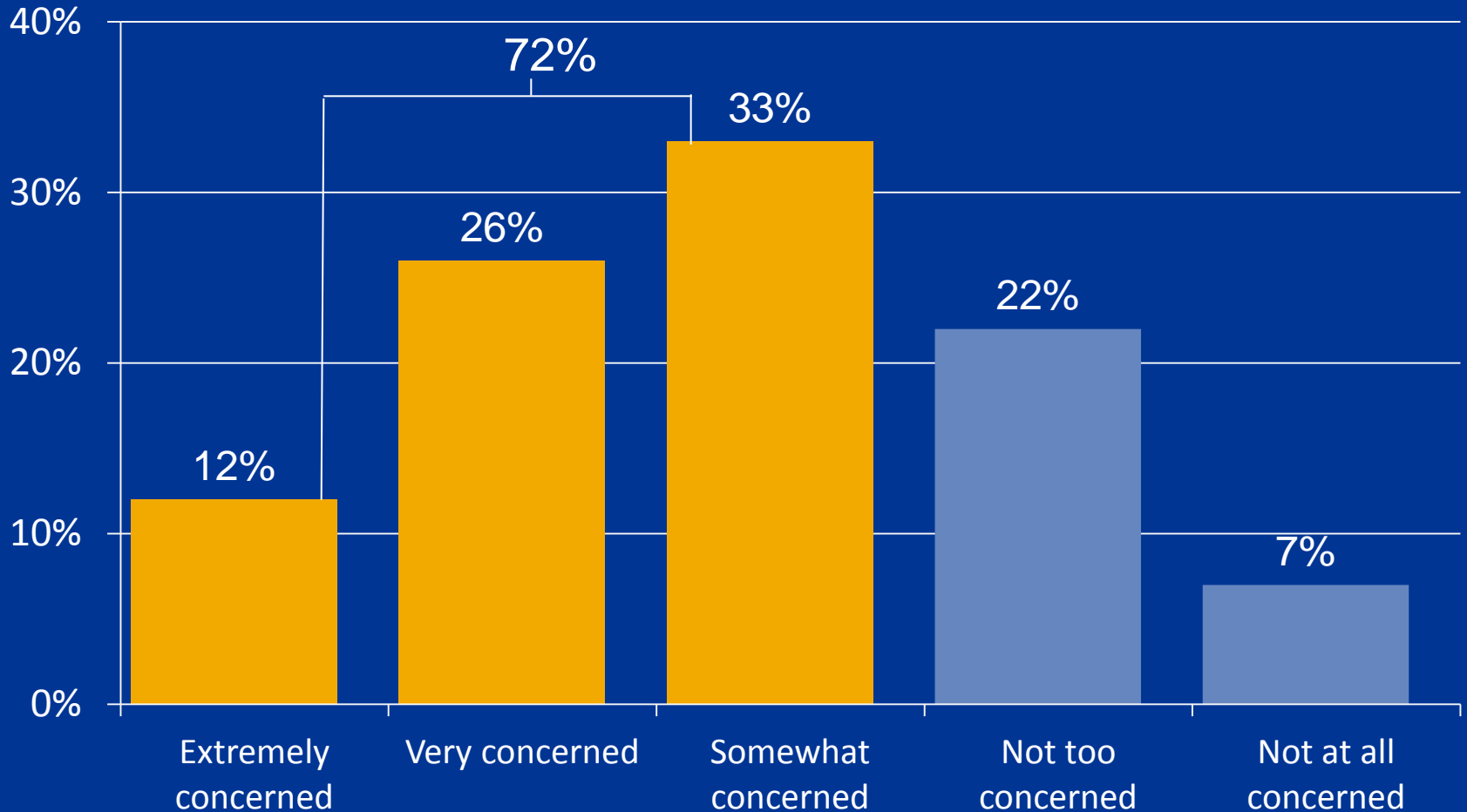
## Financial impact of border delay



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# Concerns: customer experience, penalties

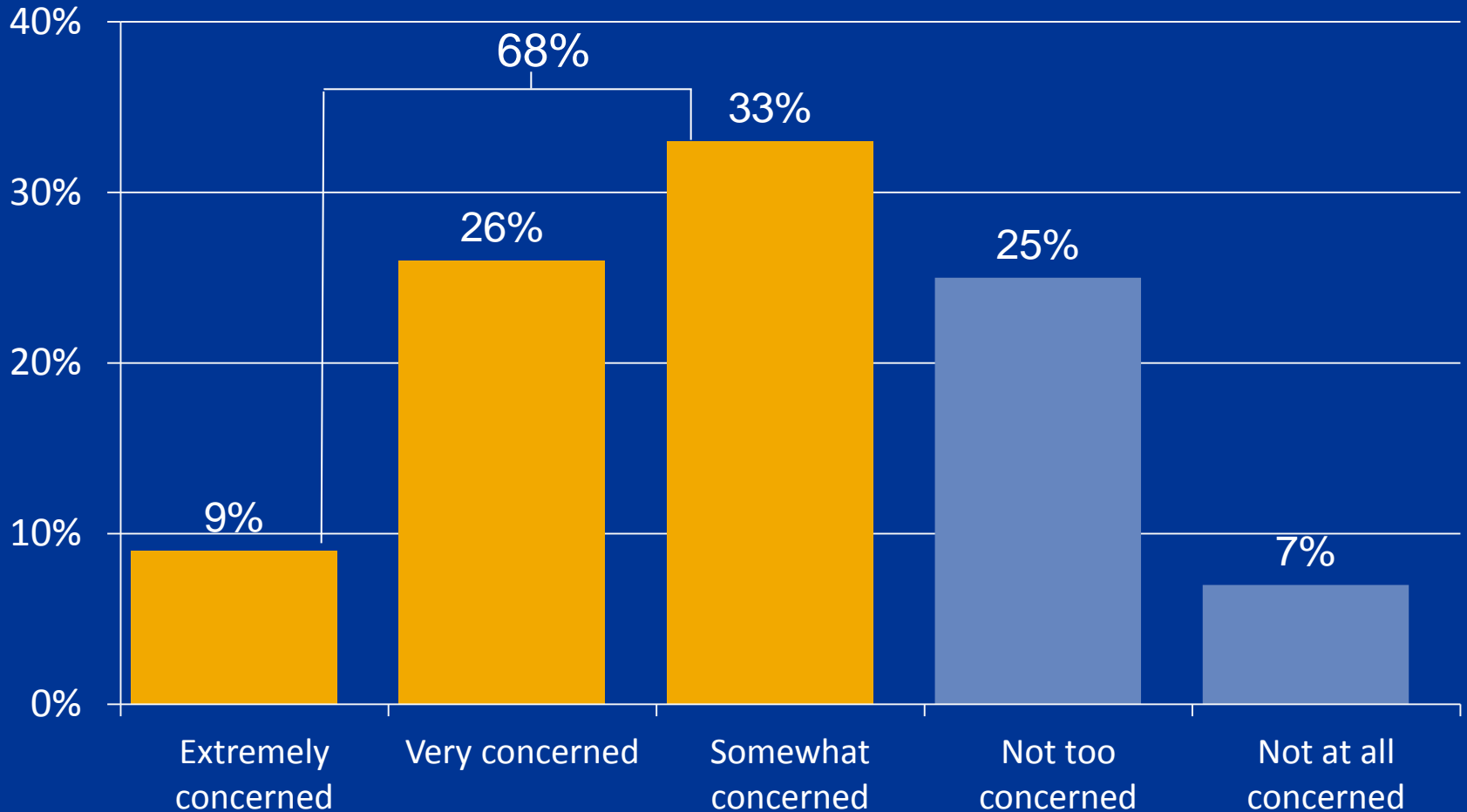
How concerned are you about a bad customer experience due to unforeseen additional cost of clearing international borders



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# Concerns: customer experience, penalties

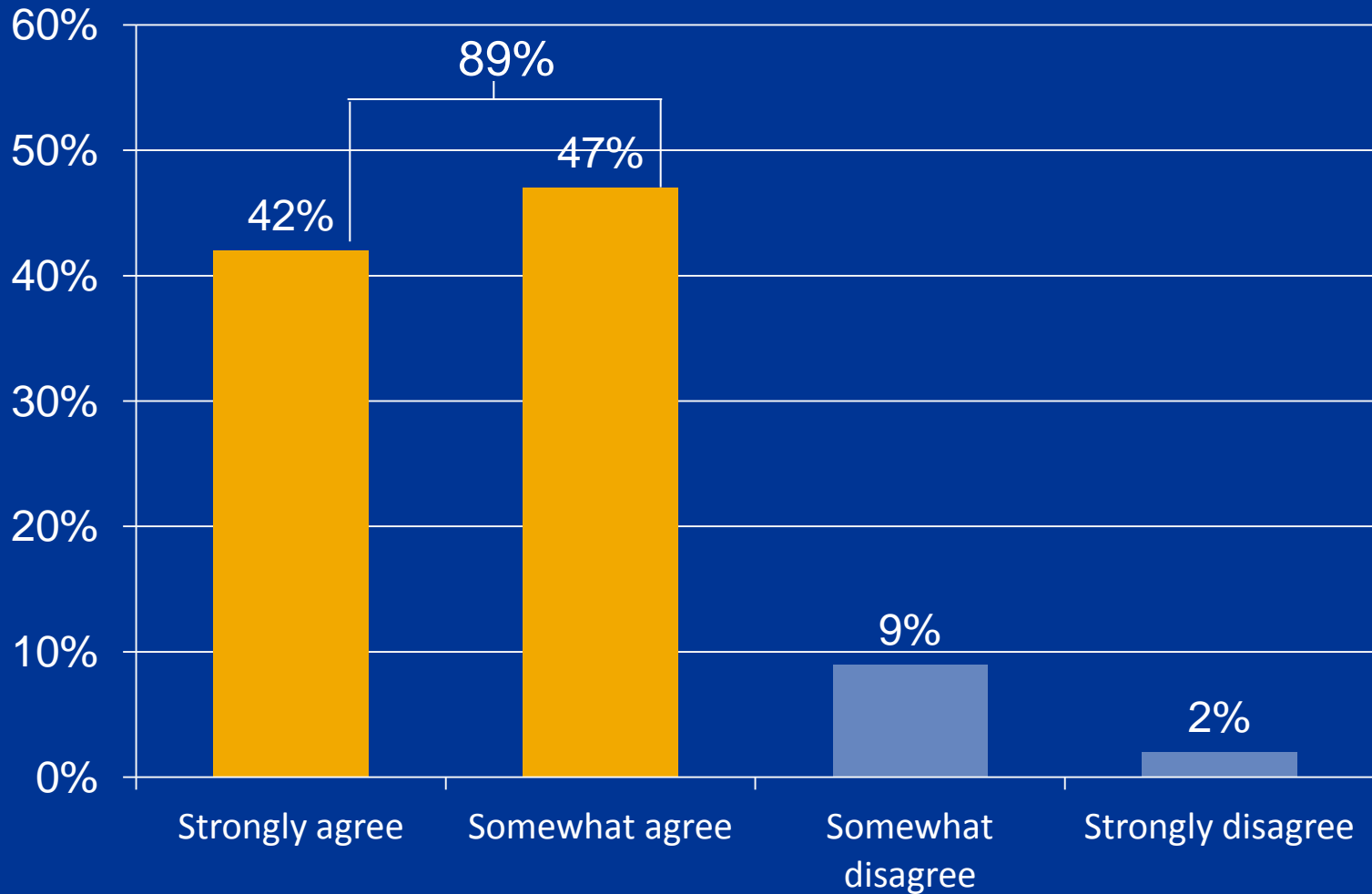
How concerned are you about penalty fees related to incorrect classification of products



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# Good news: Optimistic about growth

In the next 12-24 months, I expect my company to grow

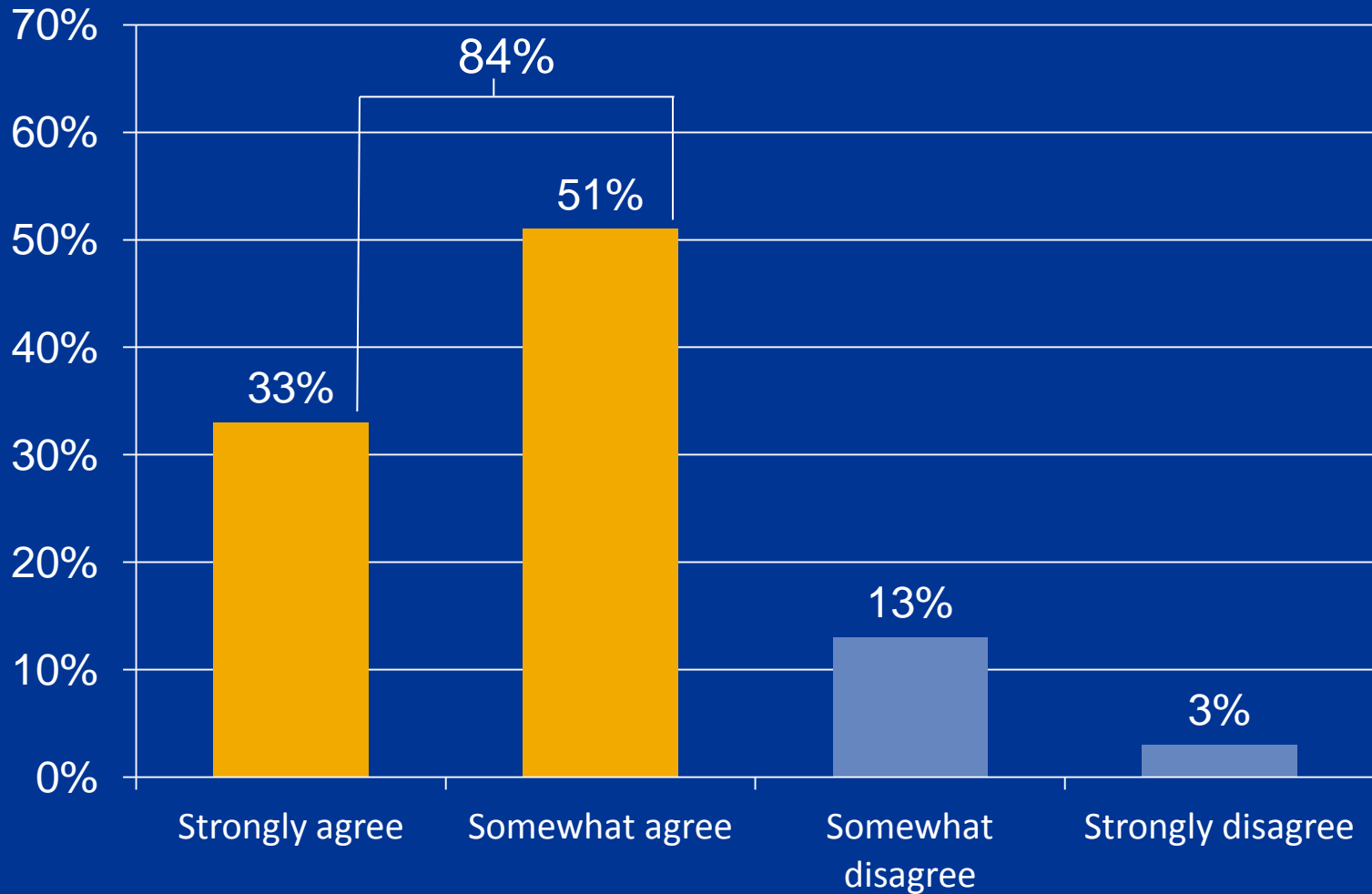


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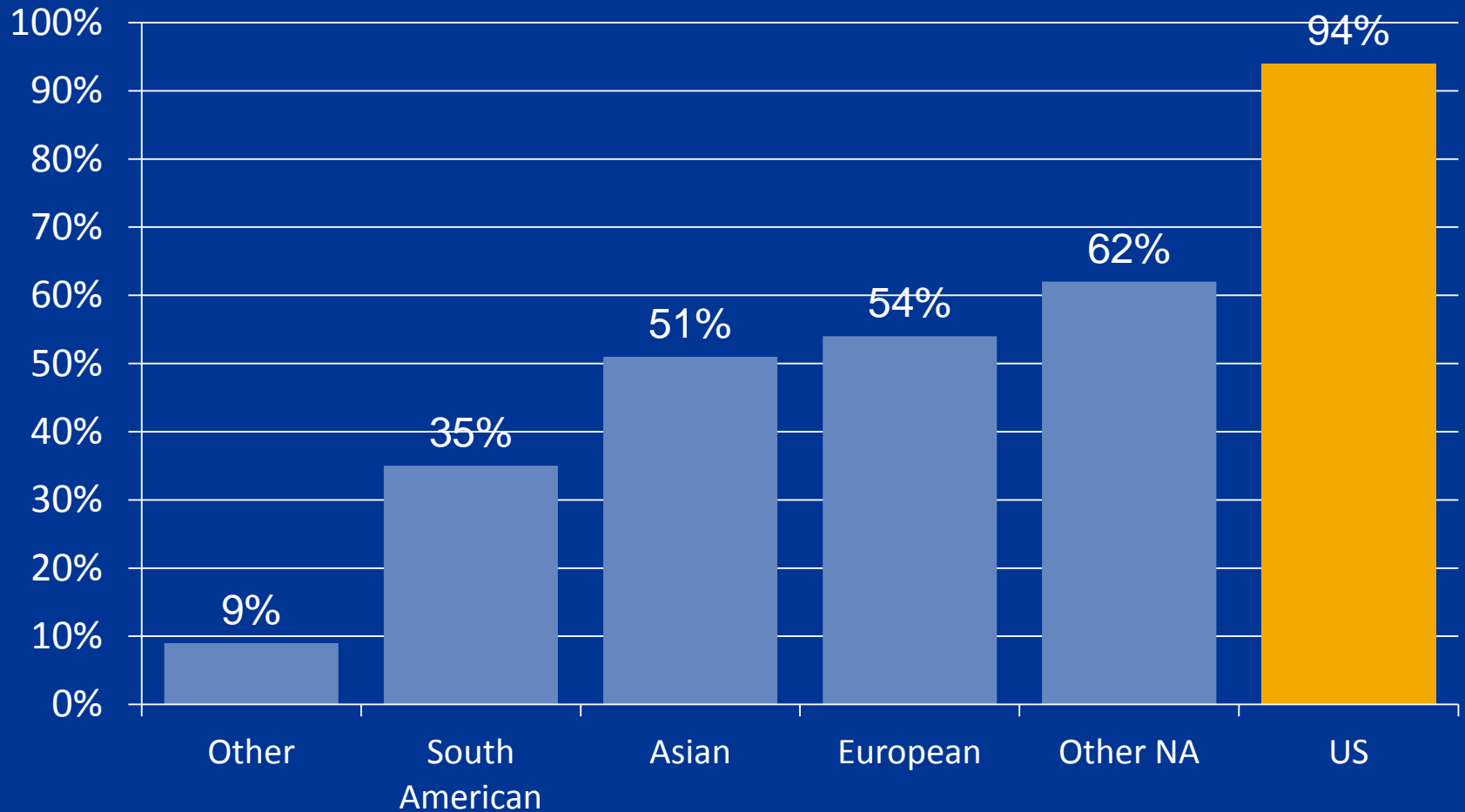
# Good news: Optimistic about growth

There will be growth in my industry in the next 12-24 months



Actual numbers may be different due to rounding

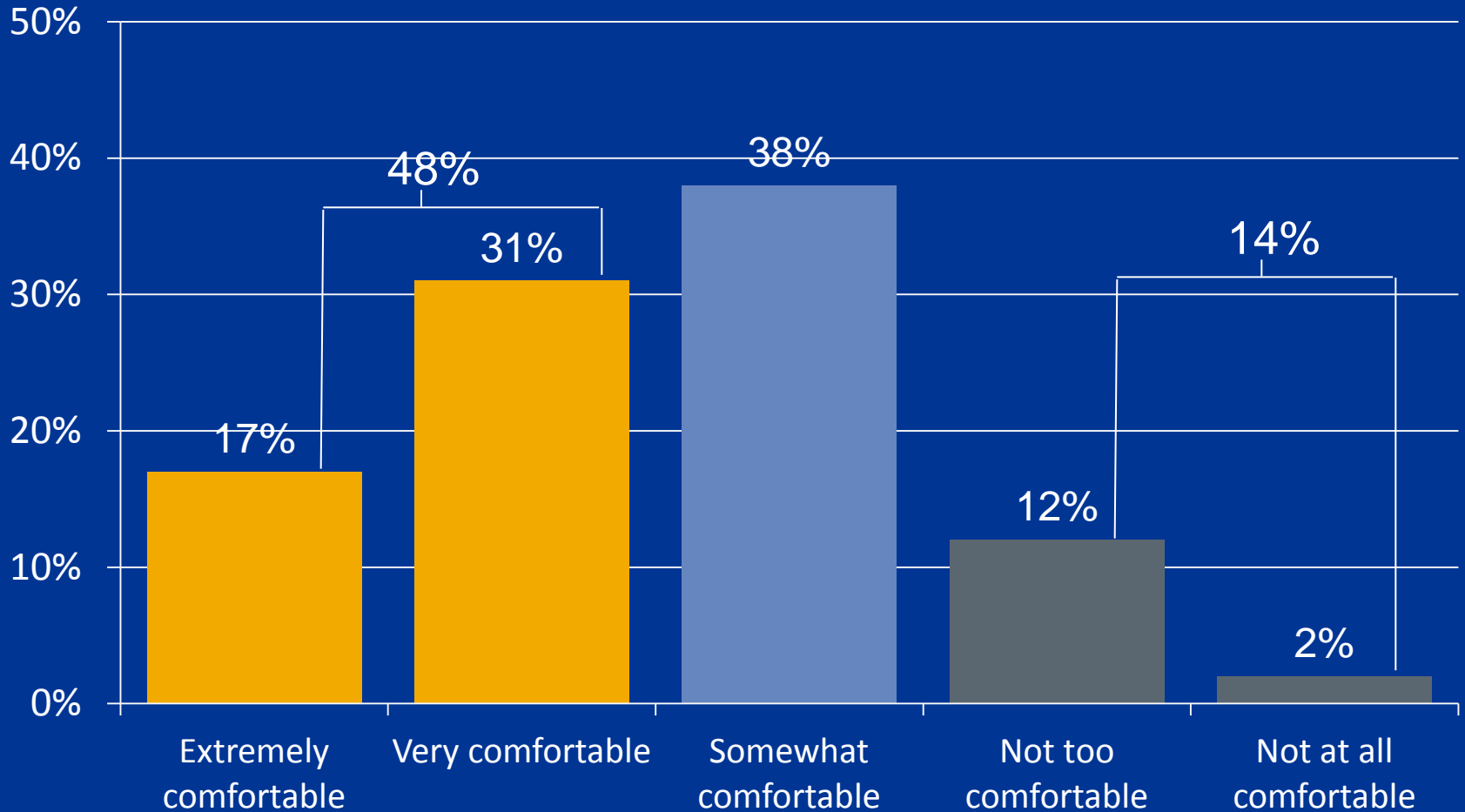
# Markets where company is currently active



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# Some uncomfortable pursuing new markets

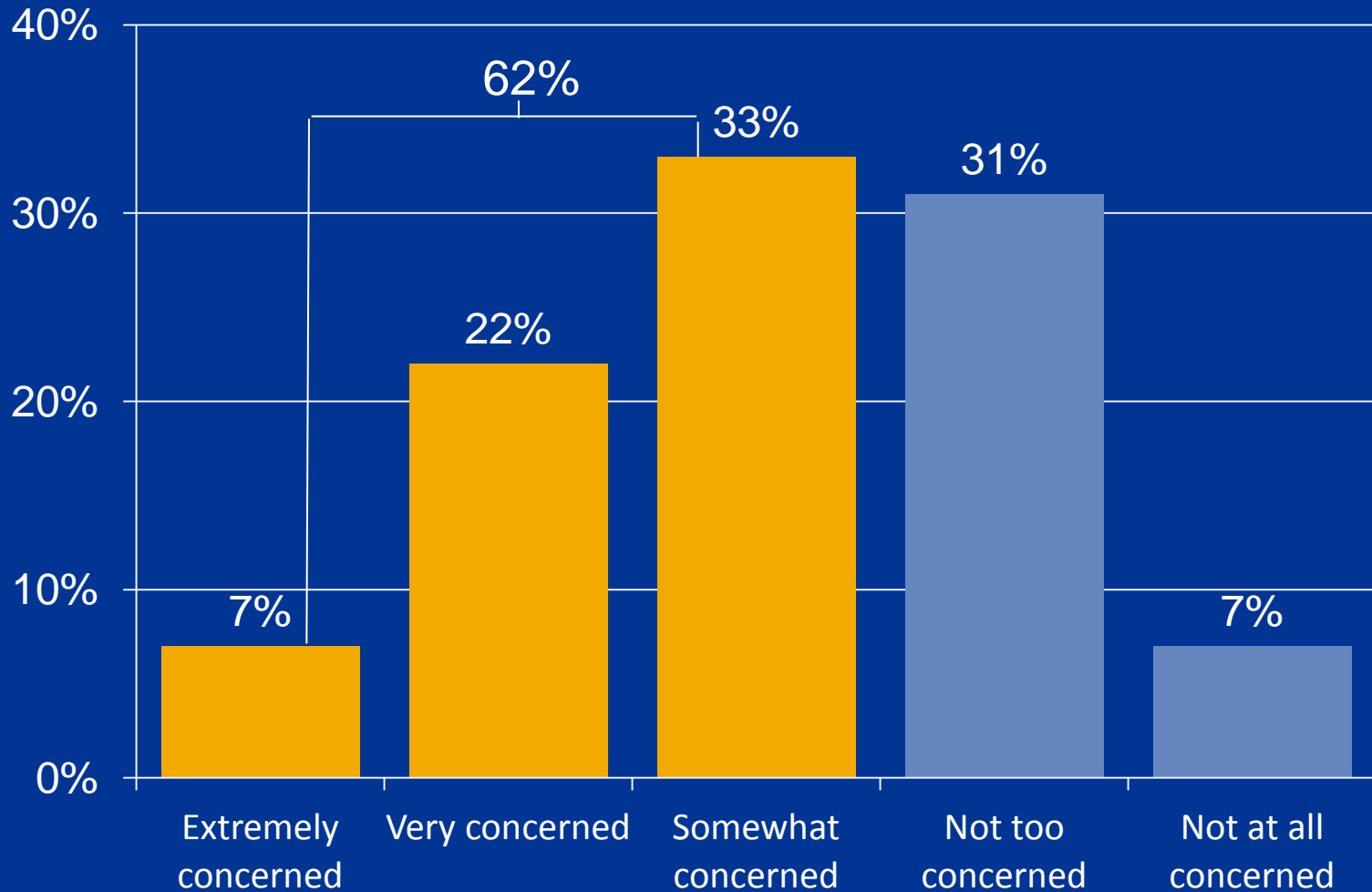
How comfortable are you targeting new international markets?



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# Many acknowledge limited expertise

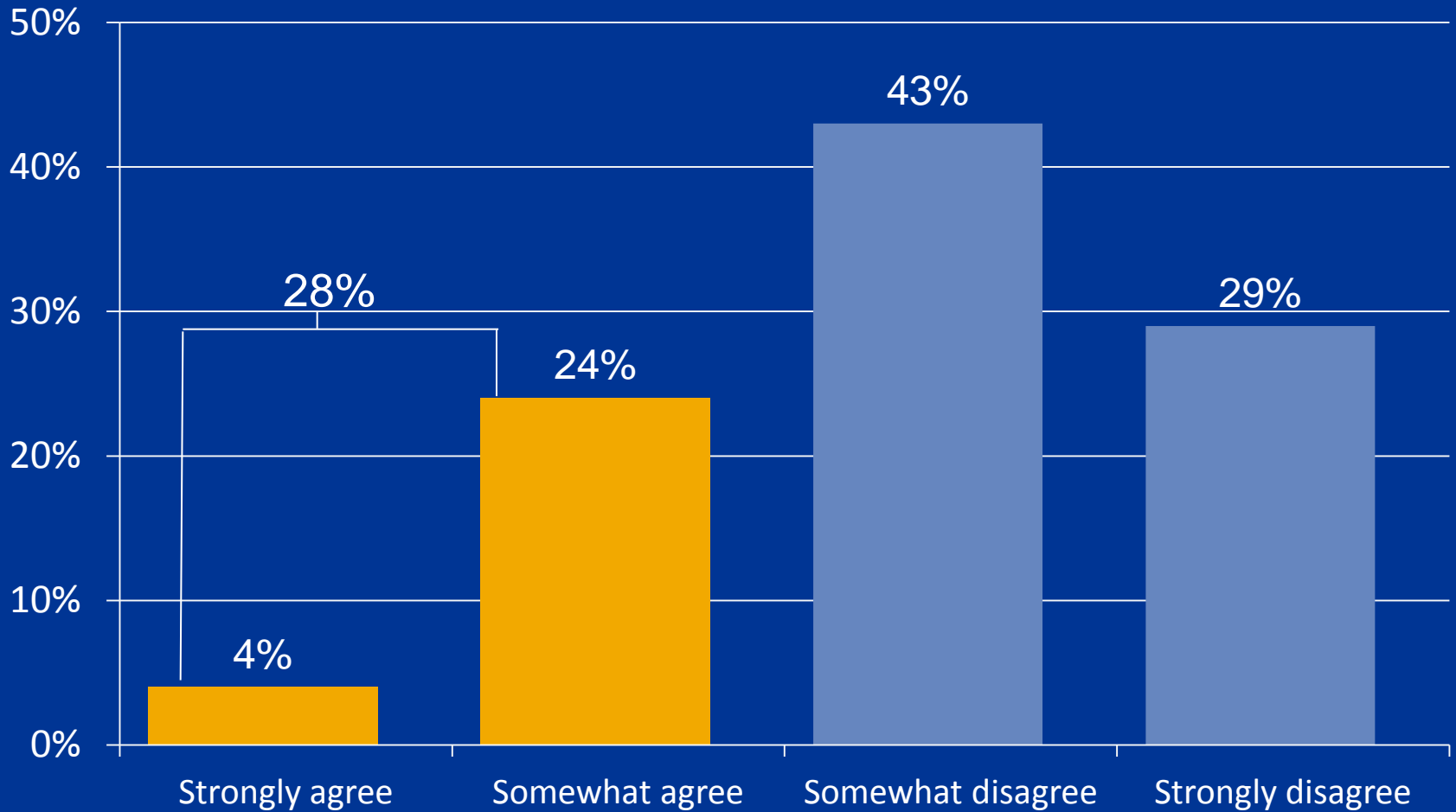
How concerned are you about lack of knowledge within your organization related to clearing goods for international trade?



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# Many acknowledge limited expertise

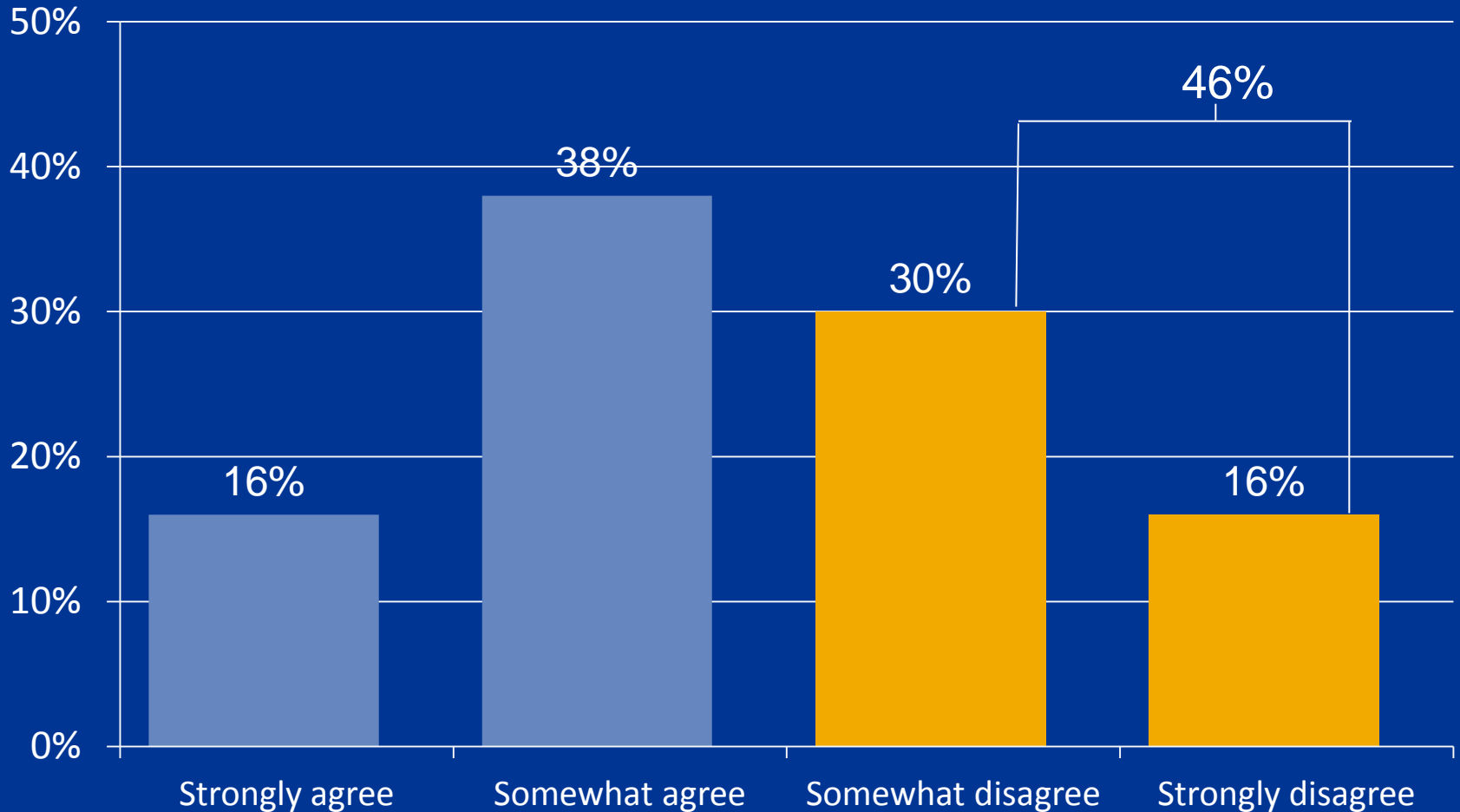
I have no idea what the related cost of clearing international borders is



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# Many acknowledge limited expertise

My company has an up-to-date international trade compliance manual



Actual numbers may be different due to rounding



## Conclusions

Majority find trade compliance confusing, intimidating

Surprising number ignore government regulations, risk their business

Many miss opportunities because of lack of expertise

## Risks/Liabilities of non-compliance

- Classification
- Valuation
- Country of origin

Many benefits of compliance...



**Think outside the border**

**Parochialism stunts growth**

**Biggest opportunities are global**

# Solutions

- Work with a partner specializing in global business
- Partner who focuses on customs and trade compliance can save millions:
  - Help businesses avoid fines, delays
  - Ensure they don't pay more than necessary

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Questions?

