



World tradewinds

A publication of The Monterey Bay International Trade Association (MBITA)

(www.mbita.org)

Issue No. 142

January 2008

One Dollar

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MBITA New Member: Alta Alliance Bank

MBITA is pleased to welcome its new member
Alta Alliance Bank



Alta Alliance Bank is a business bank with two branch offices in Oakland, CA. It is an affiliate of Western Alliance Bancorp, a \$5 billion multi-bank

holding company, headquartered in Las Vegas, Nevada. The group of banks include Bank of Nevada, First Independent Bank of Nevada, Torrey Pines Bank in Southern California, Alliance Bank of Arizona, Western Alliance Leasing, Premier Trust and other financial affiliates.

Alta Alliance Bank specializes in business banking services such as commercial real estate lending, accounts receivable and inventory finance, SBA 504 loans, professional loans, export finance and winery lending. They also provide various deposit products including remote capture of checks, which permit clients located far away from the branch to make deposits with equipment housed in their own offices. "You never have to go to the bank again".

Michael Farstad has recently joined Alta Alliance Bank and brought with him the export finance and winery lending expertise. MBITA has known Mike for many years and we have worked with him at his former position as Northern California Regional Manager for CEFO, the California Export Finance Office, helping companies to finance their export sales. Mike is very experienced in export finance and marketing and will lead Alta Alliance's Trade Finance Department with Delegated Authority Lending status from the Export-Import Bank.

Mike has worked with many California businesses to help them structure and customize pre-shipment and post-shipment finance for export inventory and foreign receivables. He knows all of the government loan guarantee services, foreign credit insurance providers and letters of credit capabilities

MBITA UPDATE

Another year has passed with free trade agreements and international politics dictating the rules of the global playing field for small to mid-sized enterprises (SMEs). The devalued dollar is good for American exports but poses a threat for higher prices for goods and services in the North American marketplace. On face the free trade agreements are good for the U.S. but at the same time SMEs still don't have a strong voice at the negotiating table.

MBITA looks forward to another successful year in supporting SMEs in the global marketplace. This issue features three new members from China, Bavaria and the Bay Area. Enjoy and have a prosperous and healthy New Year.

Please visit
www.mbita.org/news/home.php
to read this newsletter online.



Stay tuned!

Tony Livoti
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MBITA New Member: G2 Sources Investment Group



MBITA is pleased to welcome its new member **G2Sources Investment Group**. G2sources, a well-known American

information and trading company in the United States, has developed the BUYER'S GATE WAY B2B platform, the trade data centers and the luxury SUV procurement platform. G2sources primarily engaged in international trade support and information, to provide procurement assistance.

The company has garnered 5 years of North American Import data to analyze the real, accurate and complete trade record from imports and exports in North America. G2sources then constructs a quick and prompt TRADERFAX search query system. With the help of this tool the user can search the updated trade information immediately finding the detailed trade information of both the buyer and seller while detecting the competition and discovering the ideal buyer.

G2sources also has more than twenty branches in China and the complete export B/L data of China that can offer the specific investigation reports after the professional inspection.

MBITA has agreed to initiate a promotional outreach campaign for G2Sources to mobilize the staff of the California Trade Partners (CTP) on the benefits and services of G2Sources. The CTP network consists of 40 public and private sector trade promotion organizations with a combined staff of over

130 full time trade promotion professionals located throughout California including 13 Export Assistance Centers) of the U.S. Department of Commerce (USDOC). These 40 CTP trade promotion organizations represent over 60,000 small to mid-size enterprises in California.

This campaign will consist of a series of six, weekly, repetitive 20 minute 'webinars' promoted through the TradePort Collaborator and targeted to the staff of the CTP demonstrating on how to best utilize all the benefits of G2Sources. This 'Train-the-Trainers' program will then allow the CTP staff to multiply this knowledge and information to their clients and members.

MBITA will work closely with G2Sources to develop the content of these webinars and aggressively promote them to the CTP through personal contact and through the TradePort Collaborator intranet.

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Invest
in Bavaria

MBITA New Member: State of Bavaria U.S. Office for Economic Development



MBITA is pleased to welcome its new member, the **State of Bavaria U.S. West Coast Office** in Palo Alto. Their office serves as an on-the-spot contact for U.S. companies planning to locate or expand in Europe. In cooperation with the Bavarian

State Department of Economic Affairs and "Invest in Bavaria" the organization provides information and advice which helps to develop new markets and implement new distribution structures.

The **German State of Bavaria** is one of the strongest economic regions in Europe. Its gross national product of 385.2 billion euros exceeds the GDPs of 19 of 25 European Union member states.

Bavaria represents a market with one of the highest purchasing powers worldwide. Within the last 50 years, the State of Bavaria has developed into the leading European high tech location with outstanding global competitiveness.



Bavaria's economy is characterized by small and medium sized companies but also by large global players. Bavaria offers enterprises an excellent infrastructure, a highly educated and trained workforce, a strong research and technology base and a central location to do business within Europe. It has a leading position in numerous industry sectors, e.g. ICT, media, automotive, biotechnology, medical technologies, environmental technologies, satellite navigation or aerospace. It is already home to subsidiaries and offices of nearly 800 U.S. companies.

We invite you to take full advantage of their services which are free of charge and without obligation.



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Ukraine on the Rise

by Bob Edgren



I just returned from my 16th trip since 2001. This tour I was there for five months. Compared to seven years ago, Ukraine has taken quantum economic leaps, and is still on an accelerated growth pace.

As I walked down the main street Kreshchatyk, there it was right above one of the world's largest McDonalds, a **large** maybe 50 foot wide sign, Ernst and Young. This prime location, a former store is now bustling with blue suits and briefcases in a plush atmosphere. It looks quite different. Yet another signal that global investors are discovering the opportunities and high consumer demands of Ukraine.

Okay, how did this boom happen? After the Soviet collapse, like in Russia, smart, clever, and often unscrupulous people in the right place at the right time grabbed many of the country's valuable assets, be it steel



plants, pipelines, TV stations, factories, food, real estate, whatever. All the formerly state owned assets had to find a home and they did. So now, there is a small army of oligarchs, just like in Russia, who made millions acquiring assets a nickel on the dollar.

In light all this, the reaction has been fueling a free enterprise and booming economy and most important, a middle

class. The influence of Russian oil wealth also is contributing much to this scenario as wealthy Russians are coming down and buying, building, and manipulating whatever they can.

The politics are still ugly and a mess. It is almost a 50-50 split among the pro West and pro Russia constituents, and this can also be geographically defined. The western part of Ukraine is pro West and the Eastern half favors Russia. So why take a risk? The same reason investors and international corporations have with Russia and China that the return on investment can be enormous.

What's more and just off the press, Ukraine just cleared a major hurdle towards joining the WTO which will change the playing field dramatically.

Ukraine, I was told by one salesperson in telecommunications, is the 2nd fastest consumer of cell phones in the world. The capital of Kiev six years ago used to be slow paced with streets filled with beat up old Soviet cars, diesel spewing trucks and run down buses. Now there are daily traffic jams everywhere. The autos are an array of flashy new SUV's BMW's, Lexus', Ferraris, Porsches

and Bentleys in a sea of new autos from Nissan, Toyota, Mitsubishi, Subaru, Honda and Chevrolet. As one gazes over Kiev and other Ukraine main cities, there are dozens of tall construction cranes working away on high rises, new glitzy apartments buildings, shiny glass office towers, trendy shopping centers, and new hotels including the Radisson and Hyatt Regency.

This year, McDonalds celebrated its tenth year of in Ukraine and is one of my favorite bellwethers to judge growth of an emerging nation.



In May of this year an announcement was made that in the next five to seven years McDonalds will nearly double the number of locations in the Ukraine from the current 57 in 16 cities to 100.

Looking for tech and IT activity? Ukraine outsourcing has reached some \$246 million in 2006 making it the

most favored industry destination in East Europe. It grew 47% in 2006 with 30,000 IT graduates arriving into the workforce each year.

From the Ukrainian Observer," The banking sector has been one of the fastest growing sectors of Ukraine economy of late. Its assets grew by 11.25% in the first quarter of 2007

and by 56.2% in 2006. However, recently the National Bank of Ukraine has been tightening up their lending policies and are more prudent on regulations. Whether any financial crisis will occur is unknown and in my opinion, if the booming real estate prices start to fall, oil wealthy Russians would love to step in and gobble up whatever they can.



Oddly, the one neglected main industry that most expatriates shake their head in wonderment about is tourism. Why so many ask, is not this beautiful country and culture not on the top of places to visit? In actuality, I think many of them would prefer it that way and watch newcomers jaws drop

as they cruise through the city and countryside. I think there is a general feeling, well I know there is of "Tell everyone back home it is terrible here."

For Investment opportunities in Ukraine, email Bob Edgren at Kyivkiss@yahoo.com

Claiming Taxes for Exporting

by Robert Aldridge

From a federal perspective, claiming tax benefits for exporting can be fairly straightforward as most items “manufactured, raised or grown” in the USA can qualify. Incentives are available for manufacturers, wholesalers and retailers, relative to their respective level of net sales receipts. If your company has direct or indirect export sales in excess of \$2 million per year then you may want to investigate taking



advantage of either the EIE or the IC-DISC tax benefit programs summarized below.

The EIE or “Extraterritorial Income Exclusion” program was created in late 2000 but due to complaints from the World Trade Organization, which evidently considered it too generous, is in the process of being phased out. The EIE works by excluding a portion of the profits on qualifying export business from your federal taxable income. Since an eligible exporter can go back and re-file for the benefits they could have received over the last three or four tax years, however, it is still worth pursuing for any firm that had significant exports during this period.

For this and future tax years, setting up an IC-DISC or “Interest Charge – Domestic International Sales Corporation” should be considered. Done properly, an IC-DISC moves the profit on exports into a business entity that pays taxes at the 15% long-term capital gains rate, rather than the 35% corporate rate, thereby providing a permanent 20% tax savings.

If your firm wishes to pursue tax benefits available under the EIE or IC-DISC programs, then time is of the essence. Under the EIE, claims can only be made for “open tax years” which generally means those where the tax return was filed less than three years ago. As the years pass, the option to reach back and recover back taxes (plus interest) is reduced. Under the IC-DISC, the first year’s tax benefits are usually prorated based upon how long the tax saving entity was in place. The sooner it is set up, therefore, the greater the first year’s tax savings will be.

Rob Aldridge is a tax specialist at **FortisTCS** and can be reached at Robert.Aldridge@FortisTCS.com



Looking for a career center that is catered to the international trade industry?

With a focus on global trade industry companies and professionals, the **MBITA Global Jobs Center** offers its members—and the industry at large—an easy-to-use and highly targeted resource for online employment connections in global trade.

Both members and non-members can use the **MBITA Career Center** to reach qualified candidates. Employers can post jobs online, search for qualified candidates based on specific job criteria, and create an online resume agent to email qualified candidates daily. They also benefit from online reporting that provides job activity statistics.

For job seekers, the **MBITA Career Center** is a free service that provides access to employers and jobs in the global trade industry. In addition to posting their resumes, job seekers can browse and view available jobs based on their criteria and save those jobs for later review if they choose. Job seekers can also create a search agent to provide email notifications of jobs that match their criteria.

Start using the **MBITA Career Center TODAY!**
visit <http://jobs.globaltrade.com>



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World TradeWinds is a monthly eZine distributed to over 3,500 subscribers located statewide, nationwide and overseas. The newsletter is also distributed to eight Tradeport.org service centers located throughout California, representing over 30,000 small to mid-sized enterprises. Call the **MBITA** office at 831-335-4780

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For details go to "events" at
www.mbita.org



The **Valley International Trade Association (VITA)** and the **Monterey Bay International Trade Association (MBITA)** have embarked on an innovative project that will unify and promote the State's entire global trade and investment community to the global marketplace through a website portal and directory called **GlobalCalifornia.com**

GlobalCalifornia.com plans to employ the latest search and collaborative technologies available so domestic and foreign users involved in some aspect of global trade and investment can identify qualified information from public and private sector California companies and organizations for trade and investment opportunities, services and Global eCommerce software applications.

In addition, through online collaborative technologies the user will have on-demand support from the **California Trade Partners (CTP)** network consisting of 40 public and private sector trade promotion and investment service organizations located throughout California.

Please visit <http://www.globalcalifornia.com/participate/sponsorship.html> to see ground floor sponsorship opportunities. MBITA, Tel. 831-335-4780, VITA, Tel. 818-379-7000.