Are You Ready for Digitally Enabled Trade?

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USCIB filed comments to the office of the United Nations Secretary General on November 28 in his request for public comments “to identify good examples and propose modalities for working cooperatively across sectors, disciplines and borders to address challenges in the digital age.” The comments will be presented to the High-Level Panel on Digital Cooperation, which was established by the UN Secretary General in July 2018. The Panel will seek to conduct a broad engagement and consultation process, resulting in a final report with actionable recommendations in 2019.

To inform the deliberations, the Secretariat launched a wide-ranging consultation process to gather the views of governments, the private sector, civil society, international organizations, the technical and academic communities and other relevant stakeholders.

“USCIB believes that the multistakeholder model for Internet governance continues to be the best method to enable the whole-of-society/whole-of-government consideration of digital economy issues,” said Barbara Wanner, who leads USCIB work on ICT policy. “Given the rapid pace of technological change, governments need the perspectives provided by business, technical community, and civil society to better understand what policies are commercially viable, technically feasible, and offer adequate personal privacy protections. The inputs of all stakeholders produce a flexible policy environment critical to empowering the rapidly evolving digital economy.”

USCIB’s comments also noted that stakeholder inclusion can lower the risk of unintended consequences and increase legitimacy and adoption of policies. Top-down government-imposed policies and regulations often cannot keep pace with technological breakthroughs and can serve as a drag on development and innovation, and potentially infringe upon human rights.
USCIB Participates in Business Coalition Fly-in on China Tariffs

USCIB Senior Director Eva Hampi participated in the Fly-In organized by Tariffs Hurt the Heartland, the nationwide campaign against tariffs, combining the efforts of Farmers for Free Trade and Americans for Free Trade, of which USCIB is a member. Groups of representatives from associations and companies covered over 150 meetings with Senate and House offices from both sides of the aisle over February 6-7.

“There is general concern about the tariff actions, with many members of Congress having signed on to letters either on the section 232 tariffs or on the section 301 exclusion process,” stated Hampi. “However, there is also still a lot of apprehension about publicly pushing back against the President’s actions on tariffs. To those who expressed a desire to wait and see what happens on March 1 – the deadline for reaching a deal with China, to prevent tariffs on $200 billion worth of Chinese imports increasing from 10% to 25% — we repeatedly made the point that the damage to U.S. industry and consumers increases with every day these tariffs are in place.”

To underline these points, a new study showed that in the event that tariffs of 25% go into effect on List 3, combined with various other tariffs and retaliation already in place, the net impact on U.S. jobs will be over 900,000 and the annual impact on a family of four over $750.

There are two pieces of legislation that were introduced in the Senate the week of February 4, both of which have House companion bills: (1) the Bicameral Congressional Trade Authority Act and (2) the Trade Security Act. Both attempted to push back against the President’s authority on tariff actions.

United States Trade Representative Robert Lighthizer and U.S. Secretary of the Treasury Steven Mnuchin traveled to Beijing for principal-level meetings on February 14 and 15, and these meetings were preceded by deputy-level negotiations.

Broad-Based Business Coalition to Press for USMCA Adoption

USCIB joined an array of U.S. companies and industry associations on February 26 to urge swift approval by Congress of the United States-Mexico-Canada Agreement (USMCA), an updated and modernized framework for expanded trade, investment and market integration in North America.

The USMCA Coalition, encompassing more than 200 leading companies and major associations representing farmers and ranchers, manufacturers, service providers and technology companies, was formally launched in February. The Coalition will make the case for expeditious passage of the agreement to members of Congress, and it will work to educate the American public about the benefits of the new deal. The effort will harness the advocacy strength of a broad membership of companies, trade associations, and chambers of commerce, including many that operate outside of Washington, DC.

“USCIB is proud to count itself among the many vocal American business supporters of the USMCA,” said USCIB President and CEO Peter Robinson. “The success of our economy depends upon a reliable framework for cross-border trade and investment among our three integrated economies, and the USMCA makes important improvements over the earlier NAFTA framework. We intend to press for speedy approval on Capitol Hill.”

Robinson added that USCIB would also work closely with its counterpart organizations in Canada and Mexico, as well as with its global business network, to advance the USMCA as well as open, rules-based trade and investment regimes more broadly.
Hampl Argues for Free Trade Between US-UK

Following USCIB’s submission on January 16 to USTR regarding negotiating objectives for a U.S.-UK Trade Agreement, USCIB Senior Director for Investment, Trade and Financial Services Eva Hampl provided testimony before the Trade Policy Staff Committee, chaired by USTR, on January 29.

“We strongly believe that continued U.S.-UK free trade is overwhelmingly in the interests of both countries and their global trading partners, provided that the agreement is a high standard and comprehensive bilateral trade and investment agreement,” said Hampl. “A successful trade agreement with the UK should cover not just market access for goods, but also address important services issues.”

Hampl’s testimony also emphasized the importance of regulatory cohesion across the United States, the UK and the European market as a key component in further liberalizing trade. Regulatory discrimination and differentiation between trade partners can be an obstacle to trade, investment and the ability to conduct business. Affected sectors include pharmaceuticals, chemicals and fintech.

Hampl also raised the issue of digital trade. “A U.S.-UK agreement should include requirements that data can flow unimpeded across borders except for limited and well-defined public policy exceptions, ensuring that they are not used as disguised barriers to trade,” said Hampl.

USCIB Priorities for a US Trade Agreement with Japan

USCIB submitted comments in late 2018 to the United States Trade Representative (USTR) outlining negotiating objectives for a U.S.-Japan Trade Agreement. Japan is currently the fourth largest goods trading partner of the U.S. and in 2017, Japan was the United States’ fourth largest export market. U.S. goods and services trade with Japan totaled an estimated $283.6 billion in 2017, with exports totaling $114 billion. The U.S. also has a surplus in services trade with Japan, totaling $13.4 billion.

In its comments, USCIB outlined priority issues, including on digital trade, intellectual property, media and entertainment services, investment, customs and trade facilitation, express delivery services, electronic payment services, regulatory coherence, government procurement and financial services.

“A successful trade agreement with Japan should cover not just market access for goods, but also address important services issues, as well as issues like digital trade and intellectual property,” said USCIB Senior Director for Investment, Trade and Financial Services Eva Hampl. “We look forward to working with the Administration toward a favorable outcome for U.S. business in a U.S.-Japan FTA.”

USCIB welcomed the conclusion of the trans-Pacific Partnership Agreement (TPP) back in October 2015, noting at the time that a comprehensive, market-opening agreement would provide a significant boost to the United States.
Trade Finance: Companies Need to Be Ready for the Coming Digital Revolution

The world of trade finance – long a laggard on the digitization front – is abuzz with proofs of concept (POCs) and pilots seeking to leverage digital infrastructure to drive operational efficiency. Over 60 percent of banks surveyed in the latest report from the International Chamber of Commerce, Global Trade: Securing Future Growth, said they are now implementing or have already implemented technology solutions to digitize their trade finance operations, and work is underway to digitize paper documents, switch existing business practices to digital formats, and experiment with new technologies and solutions.

The opportunities for companies are enormous. Currently, a single trade finance transaction can require over 100 pages of documents, and the World Economic Forum estimates the costs of processing those documents amount to as much as a fifth of the total cost of shipping the goods themselves. Digitizing all of this could cut trade finance costs by up to $6 billion in three to five years, according to Boston Consulting Group estimates.

And yet, when asked about their usage of digital trade finance products in the Euromoney Trade Finance Survey 2018, very few group treasurers and CFOs said that they were already operational. Swift for Corporates for Trade (MT798) gained the highest response rate, with 28 percent of respondents saying they use the product. The Bank Payment Obligation (BPO) recorded slightly lower at 23 percent, and electronic bills of lading saw 20 percent. Distributed ledger technology (DLT) recorded the lowest take up of all, with just six percent stating they have used the technology.

One reason for this slow take-up is the sheer number of players along the chain in trade finance, making digitization a more complex task than in such areas as cash management or retail banking. Even a basic international shipment can go through as many as 200 interactions comprising nearly 30 parties.

The dots are not yet being connected. Companies may be communicating with a lot of their peripheral parties digitally, but this ends up being committed to paper by their forwarder, who is doing the document preparation to enter the financial system for settlement. Maximizing this digitization across the entire chain needs to be the next step.”

Cutting through the hype

Today, the potential benefits of DLT for trade have captured the imagination of entrepreneurs, financial professionals, and the media. “There is a future state in trade finance that may well be DLT-enabled. I believe that we will get there, but before then, all of the pilots and proofs of concept that we see will have to go through a natural maturation process,” says my J.P. Morgan colleague Michael McDonough (Managing Director, Corporate Trade and Supply Chain Finance Product Management). “Some of them will disappear. Some of them will be consolidated. Some of them will emerge as very viable solutions. As yet, we cannot say with confidence which those will be.”

Participating in pilots of various digital solutions which meet business needs is one possible avenue for companies, but this is far from the only way to prepare for the digital future of trade.

“When a pilot makes sense for that client, and it is a good use of time and resource to educate themselves, we think that is very valuable,” says McDonough. However, he adds, one important action corporates can take today is to deploy currently-available, mature digital solutions which can make a real impact on their business. “You do not need to pick a winner. If you are digitally enabled through your financial supply chain, you will be ready for whichever of the DLT models becomes the winner. You will then be the one who can plug into whichever becomes the industry standard.”

Far from taking a “wait-and-see” approach, companies need to look at what can change their business today by leveraging their existing data to digitize their documentary trade settlements.

Taking the first step

There are no silver-bullet solutions, and this underscores the need for business-process improvements in a company’s environment. However, banks (such as my own) are carrying out numerous initiatives with clients to start them on their journey to digitization.

One example is J.P. Morgan’s Trade Channel, a web-based, trade transaction management platform which allows clients to manage end-to-end export payment cycles. Other existing electronic trade solutions, like Direct Letter of
Global Pact for Environment Negotiation Fails to Reach Consensus

Joining an International Chamber of Commerce (ICC) delegation representing business interests, USCIB attended the first substantive inter-governmental negotiations on a UN Global Pact for the Environment (GPE), hosted at the headquarters of UN Environment in Nairobi, Kenya January 14 – 18. ICC also held a preparatory meeting on the proposed GPE in Paris on January 8, attended by USCIB members American Chemistry Council, Arkema, Bayer, Monsanto and Novozymes, along with USCIB Vice President for Strategic International Engagement, Energy and Environment Norine Kennedy.

According to Kennedy, this first negotiating session was mandated by the UN General Assembly to review “gaps” and “fragmentation” of international environmental law and to consider the substance and form of a Global Pact. Some countries recommended the Pact should be a legally binding treaty that codifies “soft law” principles. Others suggested including rights-based approaches to a “clean and healthy environment.”

Countries supporting the development of a holistic Pact, possibly including codified environmental principles, improved coordination and implementation of existing environmental agreements and defining environmental human rights, included the European Union bloc, Switzerland, Micronesia, Morocco, Peru and Senegal.

Countries raising strong concerns included the United States with Argentina, Brazil, Russia and Iran. Most other countries expressed more nuanced views along with questions about practicality, efficacy, political viability and other areas.

“The proposed Pact opens a complex set of legal and regulatory issues but has not defined any actual environmental challenges that it would address,” stated Kennedy. “Until that is clear, USCIB will continue to raise questions about whether such a Pact would actually improve implementation of international environmental rules.”

The session closed with no consensus on the substance or form of a proposed Pact.

Trade Finance: Companies Need to Be Ready for the Coming Digital Revolution

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Credit (LC) Presentment and Swift MT798, help streamline clients’ day-to-day business and create greater efficiency in their trade operating cycles.

Meanwhile, the utilization of the Bank Payment Obligation (BPO), which provides the benefits of a letter of credit in a digital multi-bank environment, can lead to accelerated cash flow through the faster collections they make possible, cutting days sales outstanding (DSO) in half.

Although it is difficult to estimate the timeline, the full, end-to-end digitization of trade is inevitable. There will likely be multiple winners in the race to go digital, and the key will be in ensuring interoperability between solutions, as each electronic system represents only a small slice of the overall trade cycle. But any implementation of a digital solution is meaningless unless the transaction itself is digital, and corporates need to act quickly in order to be ready when the time comes.
ICC Announces New Geneva Presence

The International Chamber of Commerce (ICC) has announced the establishment of a new presence in Geneva. This latest expansion, taking place during ICC’s Centenary year, aims to further strengthen the world business organization’s international engagement and outreach on behalf of over 45 million companies worldwide.

ICC has appointed Crispin Conroy as ICC representative director to lead the Geneva operations.

Conroy joins ICC following a 25-year career in international diplomacy with both the Australian Department of Foreign Affairs and Trade and the Australian Trade and Investment Commission. His diplomatic career included ambassadorial postings in Nepal and Chile – where he also held responsibility for Bolivia, Colombia, Ecuador and Peru – as well as a three-year posting in Geneva.

Secretary General Meets With USCIB Members, Staff

John Denton, the Australian lawyer and diplomat who last year took the reins as secretary general of the ICC, met with USCIB members and staff during a visit to New York in early February.

Leading representatives of USCIB member companies from a variety of industries and reflecting a wide spectrum of expertise across USCIB’s various policy committees, gathered in USCIB’s New York and Washington, D.C. offices. Joined by video conference, they provided the ICC secretary general with their views and priorities across multiple practice areas.

Denton took advantage of the opportunity to compare notes on a variety of global economic and business challenges and laid out his efforts to streamline and re-imagine ICC’s vision, structure and services.

Denton was elected to head the secretariat of the Paris-based ICC in March of last year. A legal expert and adviser on global policy, international trade and investment and infrastructure, Denton previously served on ICC’s Executive Board and, in 2016, became the first Australian to hold the position of first vice chair of ICC.

Business at OECD Committed to Going Digital Tax Project

Business at OECD welcomed the OECD/G20 policy note on January 31 titled, Addressing the Tax Challenges of the Digitalization of the Economy, which was approved by the Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS), reaffirming commitment to a multilateral solution to addressing the tax challenges of the digitization of the economy.

According to Business at OECD, this initiative will impact all businesses and is of critical importance to the integrity of the international tax system. The OECD Inclusive Framework can reach international consensus in this area, and Business at OECD is committed to engaging a diverse and effective business network in the consultative process going forward.

“The OECD is the appropriate forum to have a discussion about changes to the international tax system,” emphasized USCIB Vice President for Tax Policy Carol Doran Klein. “Countries should forego unilateral changes while that consensus develops.”

On January 21 Business at OECD released 11 foundational principles for international tax measures in the digital age.

Digital Partnerships Crucial to Achieve Sustainable Health

Business at OECD convened senior representatives from business, the OECD, and governments on December 14 in Paris at its 3rd Annual Forum on Health. The Forum explored the role digital technologies and strategic partnerships play towards the success and well-being of economies and societies. The Forum also featured business contributions on the potential of data for better health, planning for new technologies, and connecting people and patients with healthier choices and lifestyles through digital opportunities.

Experts also examined how partnerships can help achieve balanced dietary choices and active lifestyles.

“This exemplifies the extent to which digital transformation has affected all aspects of our lives,” said USCIB Vice President for ICT Policy Barbara Wanner. “Digital transformation creates some challenges, to be sure, but also offers promising health-related benefits that have the potential to improve everyone’s quality of life, provided there are appropriate enabling conditions for business investment in continued innovation.”
USCIB Champions Business Partnership in Migration Policy

The Global Forum on Migration and Development (GFMD) and the UN Global Compact on Migration (GCM) Summit were held back-to-back in Marrakech, Morocco December 5-11. USCIB Senior Counsel Ronnie Goldberg represented USCIB and the International Organization of Employers (IOE) as part of the Business Mechanism to the GFMD at both meetings.

The GFMD Business Mechanism was the primary vehicle through which the private sector contributed expertise and advice on aspects of labor migration policy pertaining to select provisions of the GCM, specifically those dealing with flexible pathways for regular migration, responsible recruitment, and skills mobility and development.

Goldberg participated in two side events: one as a panelist on the implementation of the GCM and another as moderator at a USCIB co-sponsored event Partnering with the Private Sector: The GCM and Business.

The Partnering with the Private Sector side-event took place on December 8, co-organized by IOE and PMI, and highlighted the crucial role the private sector plays in ensuring safe and orderly migration.

“Clear and well-implemented migration policies are an integral part of a regulatory framework conducive to economic growth and development,” said Goldberg. “Well-managed, migration is a vehicle for fulfilling personal aspirations, for balancing labor supply and demand, for sparking innovation, and for transferring and spreading skills. It also can provide protection against unethical recruitment that could result in human trafficking and forced labor,” she added. “Unduly closing borders to migrants is detrimental to business needs at all skills levels. Thus, the overarching goal of the private sector is a regulatory environment in which labor migration policies support business development to create job opportunities and economic prosperity.”

USCIB Voices China Tariffs Concerns

USCIB, as member of the Americans for Free Trade Coalition, signed a letter to Capitol Hill on January 9 welcoming the 116th Congress and urging congressional members to consider the costs of the trade war on their home districts and states and to exercise their oversight role in trade policy matters. The Coalition is comprised of approximately 150 organizations representing U.S. manufacturers, farmers, retailers and consumers.

“The 116th Congress is beginning during a period of unprecedented economic growth and job creation, yet continued prosperity is not a foregone conclusion. We share the broadly-held concern about the impact to the U.S. economy of the Section 301 tariffs on imports from China, Section 232 tariffs on steel and aluminum imports and corresponding retaliation against U.S. exports,” the Coalition stated in the letter.

The letter emphasized that Americans have built global supply chains that reflect the U.S. economy’s strengths and those of its trading partners. These supply chains have made the U.S. economy even more dependent upon relationships with key economic and strategic allies than ever before.

“The strength of the U.S. is its economy relies on these very complex supply chains, which cannot simply be shifted overnight,” said Eva Hampf, who leads USCIB’s work on China. “These sweeping tariffs are purposefully causing a disruption, negatively impacting the U.S. economy.”

Hampf also spoke with BBC World News, noting that the American business community wants to see progress on fundamental market-access concerns they face in China and would be disappointed with more cosmetic takeaways from the talks.

“The Trump administration’s strategy of applying tariff pressure across the entirety of U.S.-China trade could prove counter-productive,” warned Hampf.

Elements for an Effective US Commercial Diplomacy

The January-February edition of The Foreign Service Journal, which examines economic diplomacy from many angles—and from all over the world, included a piece from USCIB Vice President Shaun Donnelly, a former U.S. Ambassador. Donnelly’s piece “Secretary of State Mike Pompeo has made commercial diplomacy a foreign policy priority. Here’s how to get it right,” was co-authored with Daniel Crocker, a foreign commercial service vice president on the governing board of the American Foreign Service Association.

Donnelly and Crocker outlined six critical elements in an effective U.S. economic/commercial diplomacy program, including that top leaders must be personally involved, and that American business has a broad agenda in today’s and tomorrow’s global economy.

“As American companies compete to grow, prosper and win, they will need support from the government across a much wider agenda: services, regulatory coherence, license arrangements, international joint ventures, supply chain relationships, inward investment to the United States and outward investment by U.S companies to foreign markets,” Donnelly and Crocker noted in the article.

Fundamental realities underline the importance for our country of an effective economic/commercial diplomacy program. First, more than 80 percent of global purchasing power now lies outside the United States, including several large emerging markets with annual gross domestic product (GDP) growth rates that are double our own, or more. Second, it’s an ultra-competitive world; in all key sectors, American companies face broader, deeper and more aggressive foreign competitors, some of whom promote their standards, military platforms and state-subsidized or state-owned companies for both commercial and political gain.
CEO of ICC Finland Talks US-Europe With USCIB

ICC Finland’s Executive Director/CEO and Executive Vice President of the Finland Chamber of Commerce Timo Vuori met with USCIB Senior Vice President for Policy and Government Affairs Rob Mulligan and key staff members of USCIB’s Washington office on February 13. Vuori, a longtime and influential ICC insider and a good friend of USCIB, is also a key board member of the influential “Eurochambres” continental business leadership group.

The wide-ranging discussion with USCIB staff touched on the challenging U.S.-European Union trade agenda including “232” steel and aluminum tariffs, possibly to be expanded to the automotive sector, as well as digital economy, data and tax issues, and the prospects for some sort of U.S.-EU trade negotiations.

“The underlying political developments on both sides of the Atlantic, including the Brexit developments were also of interest to all. The group discussed the global trade issues including China and WTO reform while touching on challenges in global customs, regulatory and investment policies. The group compared notes on developments inside the global ICC network and possibilities for promoting U.S.-Finnish trade and investment relationships.

As usual, our USCIB assessments, priorities and concerns often closely aligned with Timo’s,” noted USCIB Vice President Shaun Donnelly. “We very much value our close relationships with key partners in USCIB’s unique global network. ICC Finland has long been one of our closest and most reliable partners. It was a great meeting and we very much appreciate Timo making time to meet with us.”

Vuori was in Washington as part of a Finnish business delegation to meet with the Hill, U.S. agencies and U.S. businesses like USCIB. Vuori also attended an Embassy of Finland dinner, along with USCIB Senior Director Eva Hampl. The theme of the February 12th dinner was “Competitiveness in a Globalized World” and provided an opportunity for a discussion on the impact that trade policies, global companies, technological revolution and politics have on competitiveness. The event was organized on the occasion of the Finnish Minister for Foreign Trade Anne-Mari Virolainen’s visit to Washington DC. □
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Business leaders must increase their commitment to sustainability, partnering with governments, international organizations and NGOs, if humanity is to avoid serious crises resulting from environment degradation and persistent poverty, according to Paul Polman, CEO of Unilever and the 2018 recipient of USCIB’s International Leadership Award. Polman was honored at a gala dinner at the Delegates Dining Room at the United Nations in New York on December 11.

“We need to create broader partnerships to get to the tipping point” of tackling climate change and other global challenges, according to Polman. “It doesn’t take much to move the global agenda. It just takes a few people. It takes the right leaders, leaders with a high awareness of what is going on, but also a high ability to engage.

USCIB’s annual award dinner attracted hundreds of top business executives, policy makers and members of the diplomatic community to the UN headquarters on a crisp, starry night, with speakers extolling the importance of a strong business role in confronting global challenges. UN Deputy Secretary General Amina Mohammed applauded the private sector’s participation in realizing the ambitious 2030 Development Agenda, and she, like Polman, encouraged companies to do more.

As global leaders confront new, populist challenges on trade, USCIB Chairman Terry McGraw, CEO emeritus of S&P Global, said that governments and international organizations also must do more to ensure the 2030 goals are met. “Without expanded cross-border trade, smart regulation and support for innovation, there is not a chance in the world that we can hit the mark of the UN’s 2030 Agenda,” he stated.

USCIB President and CEO Peter Robinson took the opportunity of the 2018 award gala to note the 70th anniversary of the landmark Universal Declaration of Human Rights, which he called “a fundamental recognition of our shared humanity and the equality of every person in the eyes of God and in the eyes of their fellow men and women.” He told gala attendees that “USCIB members stand united in support of human rights, and we pledge to do all we can in the ongoing struggle to defend human dignity.”

Robinson also introduced a new USCIB video highlighting the organization’s policy expertise, close working relationship with decision makers and links to key international business organizations.

Unilever’s Polman Exhorts Industry to Redouble Action on Sustainability

“But the evening belonged to Polman, who recently announced plans to retire from the helm of Unilever following a long career with the company. “There’s no reason for 840 million people to go to bed hungry every night, not even knowing if they [will] wake up the next day. There’s no reason for us to waste 30 to 40 percent of the food that we produce. There’s no reason to value a dead tree more than a tree that’s alive, taking the lungs out of the world.”

– Paul Polman
Unilever CEO

John Denton, secretary general of the International Chamber of Commerce, which Polman chairs, praised the Unilever CEO’s generosity, grace and openness as a person.

The Unilever chief used his experience transforming his company’s social and environmental footprint as an indication of what could be done if corporate leaders put their minds to it. “Unilever’s model is indeed decoupling our growth from environmental impact, but also to maximize our overall social impact. At a time when trust is low, we think the only way to regain that is with transparency. Transparency builds trust, which is the basis for prosperity.”

He continued: “By having that simple focus, you will soon discover that you’re better off as well. We are getting two million people [applying for jobs at Unilever] every year, in fact the third-most on LinkedIn, after Google and Apple.”

Established in 1980, USCIB’s International Leadership Award is presented annually to a leading CEO, international figure or institution, recognizing outstanding contributions to global trade, finance and investment, and to improving the global competitive framework in which American business operates. Recent recipients have included Ajay Banga of Mastercard and Randall Stephenson of AT&T.
USCIB co-hosted Washington, DC and New York City luncheons of its Arbitration Committee on January 25 and 29, respectively. The meetings brought together local arbitration professionals for an update on new initiatives, as well as a look back on 2018 accomplishments by the ICC International Court of Arbitration.

Hosted by Washington, DC Subcommittee Chair, Jonathan Greenblatt of Shearman & Sterling, the Washington Luncheon featured a presentation by and discussion with the Secretary General of the ICC Court Alexander Fessas, who provided an update on the ICC’s cases in 2018, use of the expedited and the emergency arbitrator procedural rules and the ICC Court’s goals for 2019. This was followed by an interactive panel discussion with Grant Hanessian of Baker & McKenzie, Claudia Frutos-Peterson of Curtis, Mallet-Prevost, Colt & Mosle LLP, and Christopher Ryan of Shearman & Sterling, providing practical guidance for handling arbitrations involving states and state-entities and describing key differences when handling investor-state and commercial disputes. The program ended with USCIB General Counsel Nancy Thevenin providing an update on developments in USCIB’s Arbitration Committee.

Hosted by Hanessian, the New York Luncheon several days later featured executive summaries from key members of the ICC International Court of Arbitration, including President Alexis Mourre, Secretary General Fessas and Counsel for North American Cases Marek Krasula. Mourre provided insight into trends in U.S. cases during the past year and expected developments in the coming year. This was followed by a town hall-style Q&A moderated by Claudia Salomon of Latham & Watkins, who also serves as the vice president of the ICC Court, with questions about the ICC Court’s diversity initiatives, arbitrator appointment process and plans to publish some of its awards.

Roberto Suarez Santos, secretary general of the International Organization of Employers (IOE), visited USCIB’s New York headquarters on March 1 to discuss the group’s global priorities and evolution as it gets ready to mark its centennial next year.

The IOE, based in Geneva, is part of USCIB’s global network and serves as the voice of the private sector on employment, labor and social affairs in the International Labor Organization (ILO), as well as a number of other multilateral bodies.

Suarez Santos met with USCIB staff and members (with help from a video link to our Washington, DC office), led by USCIB President and CEO Peter Robinson, who serves on the IOE management board and as an IOE regional vice president for North America. The IOE secretary general outlined the organization’s recent growth, now up to 30 staff members, and its engagement beyond its traditional ILO role, especially in the area of sustainability, business and human rights, and broader responsible business conduct policy and practice.

Suarez Santos also noted the IOE’s longstanding complaints against the government of Venezuela due to its harassment of the Venezuelan employers’ federation Fedecamaras, which has resulted in the creation of an ILO commission of inquiry – the ILO’s highest-level investigative procedure. USCIB and its fellow IOE members remain concerned about the situation for employers in Venezuela and will follow this ILO procedure closely.
China has significantly expanded its use of ATA Carnets for the temporary, duty-free importation of various types of goods. As of January 9, the country is now accepting the widely used “merchandise passports” for professional equipment and product samples.

Previously the country honored ATA Carnets just for goods destined for trade shows and exhibitions. China also extended the period for which goods may be brought into the country under ATA Carnets to a full year, from six months as had previously been the case.

“We expect China’s decision to accept Carnets for the full range of uses to significantly expand American exports to the country,” said USCIB President and CEO Peter Robinson. “Carnet usage is often a leading indicator of future exports, and this move will make the process of getting goods to and from the country much smoother.”

ATA Carnets are internationally recognized customs documents that allow for the temporary importation of various types of goods, duty-free and tax-free, generally for up to one year. They are used by a wide variety of exporters and businesses as a simple, cost-effective means of moving goods temporarily to 78 countries and customs territories around the world. Additional information on developments related to the use of ATA Carnets in China is available on USCIB’s website.

The worldwide ATA Carnet system is overseen by the World Customs Organization and the International Chamber of Commerce (ICC), for which USCIB serves as the American national committee. Find out more about the services offered by USCIB to facilitate cross-border trade and investment at www.uscib.org.

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USCIB Welcomes New Policy Staff

USCIB recently welcomed two new policy assistants Ashley Harrington and Kendall Thibeadeau in Washington DC and New York, respectively.

Harrington is a recent graduate from Michigan State University where she received her Bachelor of Science in Environmental Studies and Sustainability with a minor in Law, Justice, and Public Policy. Prior to joining USCIB, Ashley interned with The Aluminum Association for two summers working with the association’s regulatory affairs and policy and international trade departments. In her new role at USCIB, she will be working with Senior Director for Customs and Trade Facilitation Megan Giblin and Vice President for Product Policy and Innovation Mike Michener.

Thibeadeau moved to New York from Houston, Texas to join the USCIB team. She most recently worked with the Beto O’Rourke for U.S. Senate campaign. Prior to that she worked in human resources at Spitzer Industries, an oil and gas fabrications company. Thibeadeau is a graduate from Texas State University with a bachelor’s degree in Political Science. Thibeadeau will be working with Vice President for Corporate Responsibility and Labor Affairs Gabriella Rigg Herzog.

USCIB’s New York office also welcomed Daniella Goncalves as the new Assistant Policy and Program Manager. Goncalves will support Rigg Herzog across the Corporate Responsibility and Labor Affairs policy portfolio. Goncalves is a recent graduate of Columbia University where she received her degree in Human Rights from the School of General Studies, and has worked in several roles with a focus on public policy or public interest. Goncalves has experience in the private sector, having worked most recently with Verisk, where she did reviews of state regulatory developments in the financial and insurance fields.

USCIB Mourns Passing of John Merow

USCIB members and staff were saddened by the deaths of John Merow, 89, a longtime champion of our work, and his wife Mary Alyce, 85. The couple died on January 12 in a fire at their home in New York City.

Merow, the former chairman of law firm member Sullivan & Cromwell, served as a USCIB board member and corporate secretary for many years. He also served on the board of The USCIB Foundation.

“We are shocked and saddened by the sudden and tragic deaths of John and his beloved Mary Alyce, and we will greatly miss them,” said USCIB President and CEO Peter M. Robinson.

“John was a mentor to me and a guiding spirit to USCIB. In whatever position, he never hesitated to roll up his sleeves and provide solid legal guidance. He was a supporter, champion and friend of the organization and its staff, and was at a meeting in our office the day before he died – showing up, as usual, 15 minutes early.”

Merow led Sullivan & Cromwell through a challenging time of international expansion that included the opening of offices in Australia and Japan. In a statement on his passing, the firm called him “an exemplar of diversity and inclusion, always focused on what truly mattered – an individual’s merits and character. We continue to be inspired by his vision of excellence and inclusiveness.”

In addition to his volunteer service with USCIB, Merow was a trustee and vice chairman of the New York-Presbyterian Healthcare system. He was a longtime member of the Council on Foreign Relations and a member of the board of the Municipal Art Society of New York. Merow also served for years as senior warden of Saint Thomas Church Fifth Avenue, chairman of the American Australian Association, a director of the Metropolitan Opera Club, the Foreign Policy Association and the Archbishop of Canterbury’s Anglican Communion Fund.

New USCIB Members

We are delighted to welcome the following companies and organizations as the latest additions to USCIB’s diverse membership:

- DLA Piper LLP
- R.J. Reynolds
- Netflix
- Business Software Alliance
- Westinghouse Electric

To learn more about how USCIB membership can benefit your organization, contact Alison Hoiem (202-682-1291 or ahoiem@uscib.org).
march 201
11 – 15  UN Environment Assembly (UNEA4), Nairobi, Kenya
11 – 13  OECD and BIAC Investment Committee Meetings, Paris, France
14 – 15  ILO Tripartite Experts pre-meeting on Violence and Harassment, Geneva, Switzerland
14 – 28  ILO 335th Session of the Governing Body, Washington, DC
26  Joint Meeting of USCIB ICT Policy Committee & Business at OECD Committee on Digital Economy Policy, Washington, DC
26  Joint Meeting of USCIB Marketing and Advertising Committee, Food and Agriculture Working Group & Healthcare Working Group, Washington DC

april 2019
2  Meeting of the Business at OECD ELSA Committee, Paris, France
8  Business & Society - Creating Shared Values, USCIB Responds, Washington, DC
10  Seminar on International Arbitration of Life Sciences Disputes, Boston, MA

may 2019
6 – 10  USCIB Geneva Week - Business in Society: Created Shared Values, Geneva, Switzerland
6 – 18  APEC SOM 2, Veplaraiso, Chile
29 – 31  ECOSOC 2019 Session, Geneva, Switzerland

june 2019
2 – 3  2019 OECD International Tax Conference, Washington, DC

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