NWX-US DEPT OF COMMERCE (US)

Moderator: Deborah Rivera Nieves

October 17, 2019

1:00 pm CT

Coordinator: Welcome and thank you for standing by. At this time all participants are in a listen-only mode. During the question-and-answer session if you would like to ask a question, you may press star 1 on your phone.

Today's conference is being recorded. If you have any objections, you may disconnect at this time.

And now I'd like to turn the meeting over to Miss Wendy Peebles. You may begin.

Wendy Peebles: Thank you, Operator. Good afternoon everyone. My name is Wendy Peebles from the Census Bureau's Economic Management Division. I'd like to welcome everyone joining today's Webinar. The Census Bureau is hosting today's Webinar and Census staff has teamed up with experts from the International Trade Administration to bring an industry-specific Webinar celebrating manufacturers with trend and resources for accelerating within your business on the chemical industry.

The Webinar is piggybacking on the National Manufacturer Day celebrated on October 4, 2019. I'd like to thank everyone for joining today's Webinar. We have an informative Webinar planned and I'd like to go over a few housekeeping items before we start.

Following the presentations we will give you an opportunity to ask questions via the chat as well over the phone. We will do our best to address as many questions as we can. If your question is not answered, the presenter's contact information will be provided on the slide so that you may contact them in the future.

Also the Webinar is being recorded and for confidentiality reasons we ask that during your question-and-answer period that you only provide your first name and do not disclose your company's name or any other sensitive information. A few days following the Webinar the transcript, recording and presentation will be posted to the Census website.

Lastly, we value your feedback so please complete the evaluation form that will be emailed to you following today's Webinar. Your feedback assists us in planning future Webinars.

So once again, celebrating Manufacturing Day and so this Webinar is brought to you by your federal government trade partners, International Trade Administration and the US Census Bureau. I invite you to visit the export.gov portal for additional international trade information and resources.

The Census Bureau statistics tells the stories of how America knows what America needs. Census is the leading source of data about the economy. As we continue to measure the nation's peoples, places and economy, we are delighted to share with you export trade resources to accelerate your business into the global marketplace.

So once again I'm your host and today's Census presenters are Mayumi Escalante, Classification Section Chief, International Trade Indicator Microanalysis Branch and Mala Klein, Chief, International Trade Indicator Macroanalysis Branch.

Continuing from our presenters from the International Trade Administration within the Department of Commerce, ITA seeks to strengthen the competitiveness of the chemicals and other US industries via the promotion and trade investment and by ensuring fair trade through vigorous enforcement of trade laws and agreements.

Their network of offices are in over 80 countries around the work and 100 offices in the US. ITA helps US organizations compete abroad and to bring more foreign direct investment and reassuring to the United States. The chemicals team will discuss trade trends and resources available to support the US chemical industry.

And from ITA we have Tracy Gerstle, International Trade Specialist, Office of Materials Industries and John Meakem, International Trade Specialist, Office of Materials Industries as well.

At this time I'm going to turn the presentation over to our first presenter. Before we do that let me just share with you a few takeaways for today's agenda. We believe that we provided this material for you and that it would certainly be beneficial to assist you in your global market business operations. So we're going to address an introduction to online databases and data analysis tools, provide you some examples of tools and actions, as well as progress and services by ITA that promote and export and facilitate trade. And of course at the end we will have our Q&A.

Mayumi Escalante: Thanks, Wendy. As she introduced I'm Yumi Escalante, Mayumi or Yumi Escalante, the classification section chief. Here is my direct contact information if you want to reach me by email or by phone and then you can see if you can't get a hold of me personally, you're welcome to call the branch line or use the branch email address. And these last two bits of contact information are also really helpful if you need any assistance with Schedule B classification or using our Schedule B search tool which I will go into right now.

Before we get into the meat and potatoes of today's presentations, I wanted to start with a quick Schedule B search demonstration to kind of give you an idea of how this tool works as well as how easy it is to find your own Schedule B number, and today we'll be researching a couple of codes that will help carry us through our theme for the day.

So starting off you would go to our Schedule B webpage, which is www.census.gov/scheduleB. I set this up to be a direct link so it brings us right there. And now on our Schedule B page you'll see it's got a few sections. We have the search, which is where we're going to be going next, but before that I wanted to bring to your attention our browse where you can actually look through our individual Schedule B chapters. You can download the codes.

These are most often used by our exporters who need to download either the import codes for exporting filing through ACE or the export codes for export filing through ACE. And then even most - perhaps most helpful is the list of obsolete codes which lets you know what changes occurred to which specific code, so the listing of the old codes as well as the new ones. And that's a little hard to see. Let me see if I can maximize it for you some.

So you can see (unintelligible) really quickly. But going back to why we're here, our Schedule B search is very simple to use. It's a little more detailed than a keyword search. So all you have to work is type in keyword or type in your product. Let's see this example.

So depending on what your - what browser you're using, this was is Internet Explorer, which doesn't always show all of the icons on the screen, but if you were to be - if you were to use the same search engine in Firefox or Chrome or I believe a few other browsers, Edge if one of them too, the other Microsoft product, there's usually a little asterisk or a small "i" in the screen and when you hover over that icon, you'll see a bit more information.

So that means that there are additional notes about that term. It means that you'll find a definition about that term or in this case even here upfront before you begin to describe your product, this - the icon lets us know that we can search using keywords, we can search for codes if you already have part of a code and you need to find the rest of the code, or even, very helpful and very appropriate to today's topic, if you know your CAS number you can search by the CAS.

So since we're looking at chemicals, I thought I'd start with just a quick example if we wanted to look for the Schedule B number for propene, and I'll move the screen out of - the hover out of the way so you can see it starts to guess at what I'm searching and there you can see propene is the first one that comes up in the list. And when you click on it you look down and it says here's what we know about your pure propene and then you scroll down further and it says your Schedule B number.

Well, under the heading, 2901 if you click hydrocarbons, unsaturated, the Schedule B number for propene or propylene is this ten-digit code. And then to the far right you can see our unit or quantity is description. So if you were looking at our propene data, any data, any quantity data that you would see you would know that that was being reported in kilograms.

Just to go back and to show you again how quick and easy this is to use, if we were to do a second search and in the same amount of time, let's try propylene, P-R-O-P-Y-L-E. Let's try propylene copolymers. So it's already starting to guess at it. It's trying to see if it can find what I want and it - the predictive search, the predictive text does get there eventually but even if it doesn't, we can type it all the way out.

So again, we've got there's no (sim) characteristics this time. This time it's saying the known characteristic that this is a monomer unit and it's telling us that it's an olefin. If that's not the case, if that's not right and we know already it's leading us down the wrong path, we can choose another path where we can kind of just toggle through the list and pick something else.

But if that was the right path, which in this case it is, then we would find there's our tentative Schedule B code, again, under the appropriate four-digit heading, which I always think of as an umbrella. Our ten-digit code is this 390230 followed by four zeroes. And this has the same unit or quality as our last one.

So the other things I want to point out if you're using our search engine is that we've got our contact information here at the bottom again but in addition to that, if you click on this help link sort of bottom center of the screen, you get more information about the company who made the search but you also get a lot of helpful tips and a very detailed user manual about the search itself, if that's something you were interested in.

But we are done with this example and now I will take us back to our presentation. Oh wait, not that one. Which one was the - okay. Great. Sorry. I thought it was maximized. There we go. That's our presentation and I wanted to leave you with a few more tips or a few more training tools if you wanted more information about Schedule B classification.

There are a couple of global reach blog posts that you can get to from our main website. These two in particular, Finding Your Schedule B Number and Exporting with Import Classification Numbers, I think are of special interest. And then we have export training Webinars that have been archived on our website so you can always go back and play an old Webinar. If you listen to Classifying Your Product, that might - you might hear a familiar voice there. And if you listen to Export Classification in Spanish, that voice is not familiar to you, as that's one of my Spanish-speaking colleagues.

Again, my contact information was up front and now I'll turn it over to my colleague, Mala Klein.

Mala Klein: Great. Thank you so much, Mayumi, and as she had her personal information up there, I've got my email and phone number if you'd like to use it, as well as the branch line because anything that I'm covering today anyone in my office will also be able to help you with.

So before I get right into my section, in addition to the work that Mayumi's area does with Schedule B classification, it's important to note that the Census Bureau is a official source for import and export statistics and we're responsible for issuing export regulations. For this presentation I'll just be focusing on how to get you to all of our statistics.

So stating with our international trade website, there's a lot of information that can be found on our main website, which is at www.census.gov/trade. So here you can find our latest release, highlights on trade numbers, historical data and releases, as well as a lot of relevant trade-related information such as regulations, training materials, definitions and a guide to our statistics.

Sine we have limited time today I'm just going to focus on two of our interactive tools, which are the Global Market Finder and USA Trade Online. So these are both great, interactive tools to get to our data. The Global Market Finder is only for exports and it's a great way to look for quick information on a particular commodity.

USA Trade Online is a dynamic tool that has a lot more detailed data on both exports and imports and, as you'll see later, you can pull multiple commodities at once, it pool trends back to 1992 annually and see breakdowns by US importing geographies. So having said that, we'll get right into that and I'll do it live.

So let's start with the Global Market Finder. And this is actually accessible from the main page and the links or the links that I have in the presentation. So what I'd like to do for this demo is actually continue with a theme that Mayumi started. So I'll go ahead and use her first example of propylene and since we already know the Schedule B number I'm going to type it in, but if you weren't sure of your code coming into this, if you click on this question mark that's right here it'll take you to the Schedule B search that Mayumi just showed us.

But like I said, I already know it so I'll go ahead and start typing it in. Sorry. It's being a little finicky. I apologize. And if it doesn't work - all right. Give me one moment. Oh, we here go. And I'll just hit Enter. It seems like we might be having some issues with our server so let me actually switch to some slides that I have prepared that just walk us through it. If you just give me one moment I'll go ahead and pull that up.

Sorry. Actually I'll go ahead and switch into USA Trade Online and we'll see if we can get Global Market Finder working and come back to that. So with USA Trade Online you can get that either from our main page or usatrade.census.gov. It is a subscription-based site but it's completely free. I've already went ahead and logged in so we'll just go ahead and click Access Data.

And here we have the data source selection screen and this just shows all the different data sets that we have for this particular product. We have data by district, port, state, and two different classification systems, the homeland system and the North American Industry Classification System. I'm going to focus on exports but everything I'm showing you in the export section is completely mirrored in the import section, so you'll get an idea of both by me just showing one of them.

So I'll go ahead and click on Exports. And again, I wanted to use Mayumi's example, in this case it'll be propylene copolymers, and while we already know the Schedule B number so it'll be easier for me to just type it in, you could browse by clicking on these plus signs to drill down to a particular code but, like I said, I already know it so I'll go ahead and type the code in and hit Enter. All right. That's good (unintelligible). And you'll see that code in particular pops up. I'll just click on the checkmark that's next to it.

I wanted to see a country breakdown so what I'm going to do is on the left-hand side here, we have a number of different dimensions, so I'll click on the country dimension so I can edit that field and I want to get all of the countries at once so what I'm doing is I'm clicking on this green checkmark that's next to world total, and what that will do is select all of the countries so I don't have to go through and individually click on each one.

I also wanted to see a few years' worth of data. So I'm going to click on the time dimension and I'll scroll down and let's just get data from 2015 through what we have so far this year. And so far we've released data January through August of 2019 so that's what will be - that will be this field. And let's go ahead and take a look at what this report looks like so far.

And as you can see it's a bit hard to read because all the countries are going across so let's do a little bit to clean up this report. And I can do that by clicking on this icon up here, which are table options and then go to rearrange report. And what I'm going to do is just select the country dimension, highlight it and then click on this left button to move it over to rows commodity.

Since we just have one item selection, I'm going to go ahead and move that to other. I don't have to but it just cleans up the report a little bit. I'm going to hit Okay and now you can see it's a lot easier to look at but still it would be a better if we could see maybe what is the highest value in 2019 so far. And so I can easily do that by clicking on this arrow pointing down and that will sort my data descending by 2019. And as you can see the highest here is for Canada.

Now this was just a few basic things that I've showed you but we also have other measures that I could add. So if I click on Measures, you'll see what available, the value we were just looking at. We also offer quantity and unit value. In addition, like I mentioned before, we also offer US geographies so I could select particular or all the districts within the US.

That'll make this report a little large as it is now so I won't do that for now but again it's the same concept as country. If I wanted all of them selected, I would click here on this green checkmark or I could select individual ones just by clicking on any of the boxes next to a particular district. And then to get back to the report I was looking at, I'll just click on Report here at the top. And as you can see, now we've got these added fields of measure - value, unit value and quantity for each year.

And again, I can sort by any of these for a particular year so I figure we'll focus on the most current year, so let's see who is top for quantity in 2019 and it seems that it's Canada. And in addition to this, once we've pulled all this data we may not want to have to pull it again the next time we sign in, and this is part of the reason that we encourage people to sign in and we do require subscription is that that way you can save your report.

So I'm going to click on this icon up here, a floppy disk for those of you who remember what that is, and click Save Report As, and here I would just give it a descriptive name, maybe something a little better than Mala's report but something that will remind you what this is. And then I would hit Okay.

And that way when I sign in again I wouldn't have to go through all the things that I just did, which is picking my particular commodity, picking my measures, sorting, et cetera and rearranging my report. It would just show up as is. And in fact, since I picked the field that's 2019 through August, when we release our next numbers, that field will update to then show 2019 through September and so on as we continue to release more and more data.

The other option that you have is you can download this report to Excel or any other CSV formats. You would just click like I did on this screen arrow pointing down, select a format that works before you and then hit Okay and then a dialogue box will pop up where you can either save or open your report. All right.

So those were just the main things that I wanted to cover for USA Trade Online. There's a lot more that this tool can do but I think it's best that we save for a USA Trade Online-specific Webinar, so please keep an eye out for those. In the meantime I'll go ahead and give it over to my colleagues at ITA. So let me go ahead and just get out of this.

John Meakem: All right and thank you. Good afternoon. I'm John Meakem here with Tracy Gerstle. We are going to just give you a very quick overview of the services that the International Trade Administration of the Commerce Department provides on behalf of the US chemicals industry.

In a nutshell, we provide industry expertise to companies, as well as US government counterparts. We promote exports and access to foreign markets. We work to promote and attract investment and we provide support to US manufacturers encountering unfair foreign trade practices.

How are we orged? Well industry and analysis, where our office is, provides industry expertise and analysis to the US chemicals industry but also to US government counterparts. The US Commercial Service has offices onsite around the country and around the globe to work on your behalf and our Enforcement and Compliance Division monitors our trading partners' compliance with trade agreements and supports US firms engaged in disputes relating to unfair trade practices.

How exactly do we define the chemicals industry? Well for our purposes in our office, based on the harmonized tariff schedule, we include Chapters 28 through 39, excluding Chapter 30. What are the latest statistics and trends that we see? Well over the last ten years US exports are up for these HS chapters from approximately 131 billion in 2008 to approximately 189 billion in 2018 with a per annum growth trend of about 4%. You can see that it did come down a little bit running up to 2016 but it has started to rebound.

Also we, just to show in here, what are the trends in terms of which areas of the chemicals industry have seen the fastest growth? Again, this is very general going by HS chapters but you can see that cosmetics has had the best compound annual growth rate over the past ten years, and the others are spelled out here as well.

Now in terms of trade policy, our office and the ITA do several things. First we do inform US trade negotiations and provide expertise. Our office also works with other international trade administration offices on various market access issues and contacts with foreign government officials and we also reach out to advocate on behalf of level playing fields and fair treatment for US chemical industry products.

Now I would like to point out two tools that could be of help to you. This first one helps to identify reduced tariff rates with our free trade agreement partners. As you know, the US does have free trade agreements in place with a number of other economies and that has created benefits for your industry in terms of reduced foreign tariffs.

The other tool I'd like to point out to you, and this would be of some assistance with respect to some of the various trade disputes such as the one currently with China, this link will help you and show you how to navigate the Section 301 tariff process. Again, we can answer any further questions during the Q&A about these and other tools that might be available for you.

I would also like to point out that we have the industry trade advisory committees and these are committees which some of you might be interested in trying to register and join. These are committees which provide advice to US trade negotiators as we interact with other governments on trade issues. The link there, www.trade/itac contains further information on the committees and how one might go about applying to join.

Finally before I turn it over to Tracy, I do want to remind you that we do have offices all around the country and around the work, typically located in our embassies and consulates abroad, that are available to help you with your export-related questions, issues and particular questions that you may have relating to customs regulations, standards, counterfeiting issues and the like. We, Tracy and I and our office stand available to try to help you get in touch with the right people as well as provide whatever assistance we can ourselves.

Tracy Gerstle: Great. And with that I would like to walk you through in addition to the work that ITA undertakes in trade policy, we also have a number of other tools that help companies when you have questions or issues in terms of entering into different markets. Some unique tools that I think are particularly timely at the moment is for example the miscellaneous tariff fill process.

So currently this is an action that is taken every couple of years by Congress. They may authorize the International Trade Commission to accept petitions which essentially will allow companies to get temporary suspensions or reductions of tariffs and duties for bringing their products into the US. Unfortunately through this process it will not impact the Section 301 tariffs that are underway but it will suspend any other duties that are in place. So if this would be of interest to you, you may want to take a look. It's on the International Trade Commission's website at the link we've provided here. The process, the current process for accepting petitions opened on October the 11th and runs through December 12 - or 10th of this year.

Other I think tools that could be of use to you, for example for US companies that, you know, maybe you're manufacturing here in the US but you have a number of inputs that you're importing from abroad or even if you're sometimes selling your product into the US, you may want to consider applying for one of our free trade zones.

They're essentially - through these FTZs you can actually have the opportunity to bring inputs into the US duty free, do your manufacturing within the confines of the FTZ and then once you've actually finished your manufacturer, once you've done your transformation you can then re-export out of the zone and then go under the new tariff lines, the new tariff classifications and potentially have to pay fewer duties when you're either selling into the US or exporting overseas.

We do this as a way to help US manufacturers be more competitive. And so if this is something, again, that you would be interested in, we encourage you to check out the link here and find out more about how you can apply for an FTZ.

Another I think critical tool for US companies is, you know, we recognize that there are a number of companies or countries overseas that may be engaging in unfair trade practices where they're either subsidizing the production of a product, if you think of commodities like steel, or they're engaging in other activities that are unfair to US industries and companies that are exporting or even selling in the US.

So through the International Trade Administration you can actually apply for what we call anti-dumping or countervailing duties. So this will essentially then place a duty on this item once it's imported into the US, you know, recognizing these unfair trading practices that other countries may be engaging in.

So, again, if you think that - we see this quite frankly often in the chemicals industry, if you think you have an input that you're manufacturing in the US that may be subject to these unfair practices by overseas competitors, we encourage you to learn more here and then come to us if you're interested in learning more about how you would file a petition.

I also wanted to highlight today ITA has a number of other resources for companies that are actively looking to go overseas. You know, it's interesting, we see that the majority of US companies, over 80% actually, don't export and of those that do export, you would be amazed at how many will only export to one or two markets.

And so really part of our mission in ITA is to help companies to grow into new markets or achieve an export for the first time. So really your first landing page with us should be www.export.gov where you can learn about all of the different services, data and other tools that we have to help you find that next market.

We also within our team produce a number of market reports and other resources to help you determine, you know, where your products may be competitive and where there could be opportunities. And I just highlighted here an example of some of the reports that we've prepared for downstream industries that work with the chemicals industry.

We also have some unique programs that for example I think really building upon the strength of the US chemicals industry in terms of innovation. We have a partnership with the Environmental Protection Agency through as well their Safer Choice program that helps US companies that are producing greener chemistry to export those products overseas.

Through this unique program we've helped US companies enter into (unintelligible), Brazil, we have a dialogue currently underway with small and medium enterprises in the European Union. So again, just another unique resource that you can look at for your team of different ways to promote your exports.

Another mandate of ITA is to help bring more foreign direct investment into the US. You may know that the US, and particularly actually in the chemicals industry, we receive some of the highest levels of foreign direct investment in the world so we want to continue that advantage for promoting manufacturing and other industries in the US.

And we also recognize increasingly that there are a number of US companies that are warming to perhaps reshore back into the US. So if this is of interest, we really encourage you to come and learn more about Select USA, which has a number of resources at the federal level for investors that are first thinking of reshoring or investing in the US. We also notably have the Select USA Summit which is held every June here in Washington, DC.

These are all the members of our team and so if you ever have any questions or resources or other needs for assistance, we encourage you to contact us. You've also got the link here to our team website that walks you through a number of other resources that we have specifically for this industry, and we always welcome hearing from you.

Wendy Peebles: Okay. Great. Thank you all for your presentations today. At this time, operator, we would like to see if there are any questions available if you could queue up.

Coordinator: Yes, ma'am, so of course. At this time we will begin that question-and-answer session. If you would like to ask a question, please press star 1 on your phone and record your name clearly when prompted. To withdraw your question, you can press star 2. And we'll just allow a moment here for some callers to come into queue.

All right. And again as another friendly reminder, if you'd like to ask a question, please press star 1.

Wendy Peebles: And while we're queuing up, please a notice of the screen. We have some valuable websites available for additional resources on Global Market Finder, Discovering Trends in the Market, as well as the harmonized Schedule B, and also from ITA we have some additional trade resources that are available for you. So during the Q&A we'll just keep these slides up for your review.

Coordinator: All right. And as of right now there are no callers in the queue. But again as another reminder, to ask a question, please press star 1 and record your name clearly when prompted.

Wendy Peebles: And, yes, while you're thinking about your questions on the material that was presented today, please be reminded that the evaluations will be sent out to you. They will be emailed. And once again, we certainly value your feedback. Your input helps us to plan for future Webinars, so please complete the evaluations.

Coordinator: All right. And as of now there are no questions in the queue.

Wendy Peebles: Okay. Well I certainly want to thank everyone for their - for joining the Webinar today and I'd especially like to thank our presenters. We did receive a question from that chat regarding how will you receive the presentation and the transcript and the YouTube video.

So within about three to five days it will be available on the Census website where you'll receive notice regarding the Webinar. It will be on the census.gov trade outreach Webinar page. So you can Google that and go to the Census site and it should be fairly simple to navigate and review those slides and - for your later viewing.

Are there any other questions or closing comments from our presenters today?

Okay. So once again, if no further questions, I'd certainly like to thank our presenters from ITA as well as Census and we hope to collaborate again in the future and offer additional content. So once again, thank you and this concludes the Webinar for today.

Coordinator: All right. That does conclude today's conference. Thank you so much for your participation. You may disconnect at this time. And course, leaders, please stand by.

Wendy Peebles: Thank you.

END