

Tapping untapped markets: Doing business overseas



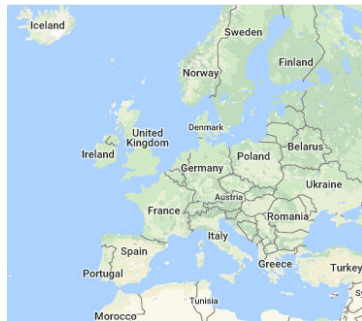
Tap untapped markets

- ▶ Balance of trade business
 - ▶ *YES*, Business is booming.
 - ▶ Now is the time to build new markets to balance business.
 - ▶ Cash is flowing. That means people want to do business with you.
- ▶ Markets are untapped. Do the math.
- ▶ 7.4 billion potential buyers worldwide!
 - ▶ 350 million people (potential buyers in USA)
 - ▶ 579 million in all of North America
 - ▶ 7.4 billion in the rest of the world - that's a big market place!

RVs are in demand in China & Europe



- ▶ Chinese consumers purchased an estimated **21,000 RVs** by the end of 2014. This number could reach **300,000 by 2020** thanks to the growing economy and rising middle class.



- ▶ According to CNBC in August, Europeans are buying “leisure vehicles” again thanks to economic recovery from the euro zone debt crisis of 2013 and the financial crash of 2008.

Now is the time to enter these markets... demand is high and supply is low.

How do we do it?
How to ship RVs and related goods to foreign markets.

LOGISTICS

- ▶ Shipping Plans
- ▶ How do I get paid?
- ▶ Make it easier



Shipping Plans

How do I get I from here to there?

- ▶ **ROLL-ON/ROLL-OFF (RORO)**
- ▶ **CONTAINERIZED**
- ▶ **OTHER**

‘RO-RO’ VESSELS

- ▶ Ro-Ro designed for ROLLING, DRIVEABLE and TOWABLE units



Ro-Ro Vessel from inside out



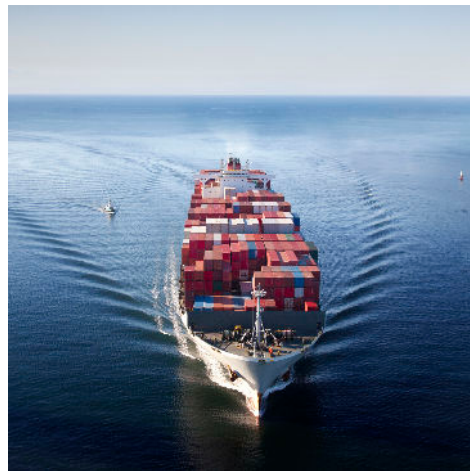
RVIA LOUISVILLE 2018



RVIA LOUISVILLE 2018

CONTAINERIZED SHIPPING

- ▶ LARGER UNITS ON FLATRACK CONTAINERS
- ▶ SMALLER UNITS INSIDE HICUBE CONTAINERS



RVIA LOUISVILLE 2018

CONTAINERIZED SHIPPING

Too large for standard containers, but fit on a flatrack,
like lightweight towables



RVIA LOUISVILLE 2018

CONTAINERIZED SHIPPING

SMALLER 'ULTRALITE' K.D. IN HICUBE



RVIA LOUISVILLE 2018

CONTAINERIZED SHIPPING

SMALLER 'ULTRALITE' K.D. IN HICUBE



RVIA LOUISVILLE 2018

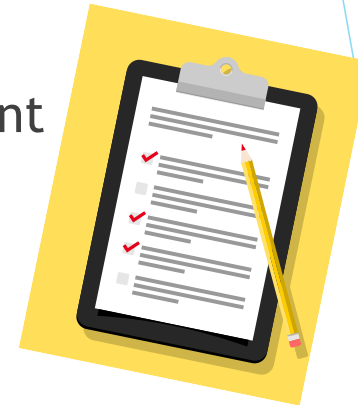
HOW DO I GET PAID?

Common question that's easily overcome

- ▶ Several commercial payment options
 - Cash in advance: least risk, harder to sell
 - Irrevocable letter of credit
 - Documentary collection, cash against documents
 - Open account
- ▶ EXIM bank financing

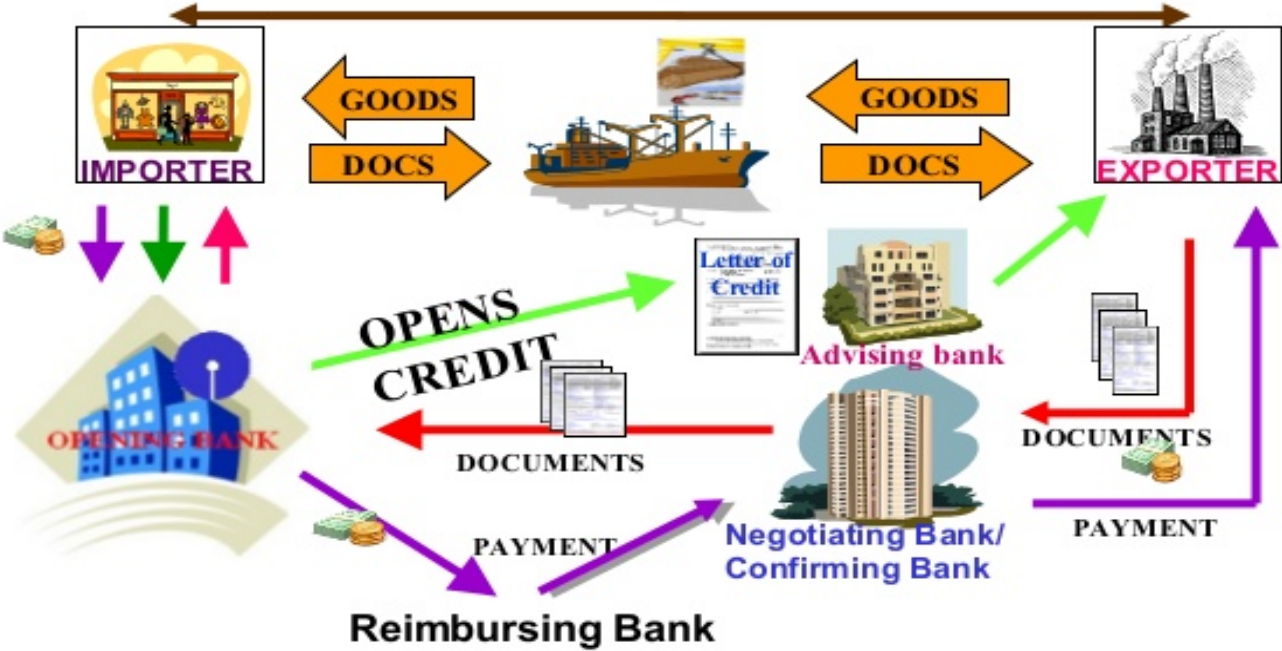
Letters of Credit

- ▶ Uses banks as intermediaries to insure payment
VERSUS
Release of needed documents to pick up shipment
- ▶ UCP600 - universal rules agreeable to banks
- ▶ Underwriting of banks to guarantee payment
IF
All terms and conditions are met
(importance of using an experienced freight forwarder)



Mechanics of Documentary Credit

CONTRACT



MAKE IT EASIER FOR YOUR BUYER

- ▶ RV manufacturers have more buying power for domestic transportation to port, so at least provide FOB port pricing
- ▶ Export compliance - you as seller to an overseas party are responsible for the proper, correct and timely filing of AES with U.S. Customs and Border Patrol.
 - Don't leave this to an unknown; route forwarder!
 - Consequence potential fines.
- ▶ Landed price: offer both an FAS, U.S. port price and a CFR destination port price.

MAKE IT EASIER FOR YOUR BUYER

- ▶ Establish delivery prices for your models to Baltimore, Savannah and Long Beach
- ▶ Build a relationship with reliable export transportation provider (forwarder)
- ▶ Know your Incoterms!



INCOTERMS® 2010 RULES

CHART OF RESPONSIBILITY

	Any Transport Mode		Sea/Inland Waterway Transport				Any Transport Mode				
	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAT	DAP	DDP
Charges/Fees	Ex Works	Free Carrier	Free Alongside Ship	Free On Board	Cost & Freight	Cost Insurance & Freight	Carriage Paid To	Carriage Insurance Paid To	Delivered at Terminal	Delivered at Place	Delivered Duty Paid
Packaging	Buyer or Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller*	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port/Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty & Taxes	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance						Seller		Seller			
Destination Terminal Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller
Import Duty & Taxes	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller

MAKE IT EASIER FOR YOUR BUYER

- ▶ Export Compliance
- ▶ David Noah of Shipping solutions quotes two main points;
 1. You can't guarantee the Automated Export System (AES) information is filed correctly.
 2. You aren't in complete control of your compliance.

Establish a relationship with a reliable and local freight forwarder removes this doubt.

Export Compliance

▶ United States Customs and Border Patrol

- **Who is responsible for filing the Electronic Export Information (EEI): the shipper or freight forwarder?**
- According to the U.S. Census Bureau, in a standard export transaction, it is the U.S. Principal Party In Interest's (USPPI) responsibility to prepare the [Electronic Export Information](#) (EEI). However, the USPPI can give the freight forwarder a power of attorney (POA) or written statement (WA) authorizing them to prepare and file the EEI on their behalf.
- In a routed export transaction, however, the Foreign Principal Party in Interest (FPPI) must provide a POA or WA to prepare the EEI to either the USPPI or a U.S. Authorized Agent. For more information on standard versus routed export transactions, please see Section 30.3 of the Foreign Trade Regulations (FTR) (15 CFR Part 30).

SUMMARY

- ▶ RV export business can increase your bottom line
- ▶ RV export business can sustain you through lean domestic times
- ▶ Exporting RVs helps our U.S. economy and balance of trade

**I WANT YOU.....
TO EXPORT!**



REFERENCES

- ▶ CHINESE MIDDLE CLASS GROWTH;
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