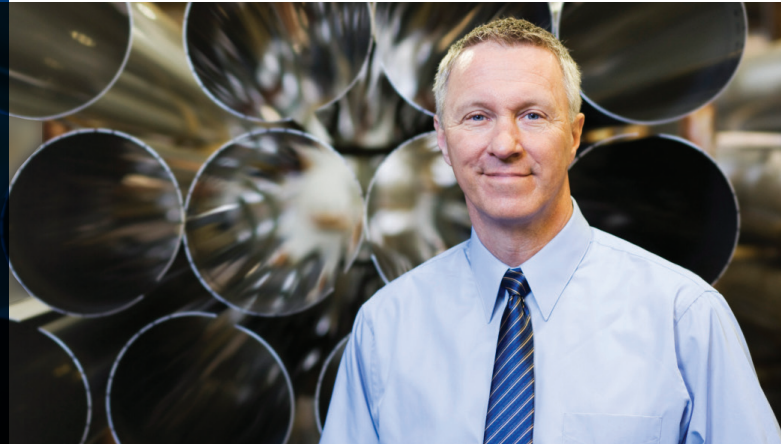


## When borders are barriers to company growth...



Will growth in international markets be slowed by concerns about clearing Customs?

To find out, Livingston International, North America's foremost customs brokerage and trade compliance expert, surveyed 500 small- to mid-sized businesses in the import/export sector\*.

## Businesses are confident about future growth... but concerned about Customs.

Nearly 90 per cent of businesses expect their company to grow over the next one to two years. Yet amid this optimism, something is holding the majority of these companies back.

More than 80 per cent are concerned that customs delays will impact their ability to properly manage their businesses. At the same time, 30 per cent say they tend to ignore government regulations and hope for the best when transporting their goods across international borders.

This surprising disconnect reveals that business owners want to take advantage of the increased opportunity in overseas markets, but many are intimidated or confused about how to move forward.

Approximately 70 per cent are worried that unexpected fees and penalties, such as fines for incorrect classification of products, will affect both customer satisfaction and their bottom line.

90 per cent acknowledge that a border delay would have a financial impact on their business, with more than half foreseeing an impact of at least 10 per cent of the value of the shipment.

### Limited expertise means limited growth

Although the majority are active in global markets, less than half (48 per cent) feel extremely or very comfortable targeting new international markets; 38 per cent are only somewhat comfortable; and 14 per cent are not comfortable.

One reason for this discomfort may be that companies acknowledge they have limited expertise in the complex and ever-changing world of customs rules and regulations.

#### 1. Concerns related to dealing with international markets

*How concerned are you about the following when dealing with international markets, both on an export and import basis?*

Customs delays impacting our ability to properly manage our business.



Base: All Respondents n=500

For example:

- More than 60 per cent say they are concerned that their organizations lack knowledge about clearing goods for international trade.
- 28 per cent have no idea what it costs to clear borders.
- 46 per cent do not have an up-to-date international trade compliance manual.

Another reason for concern is that 75 per cent of these exporters rely on their couriers to clear Customs, and 65 per cent rely on their vendors or suppliers to handle the international clearance of goods. While moving the span of control to vendors and suppliers may allow companies to avoid the complexity of clearing their goods through Customs, it can have a negative impact on their speed to market, their reputation and their operational efficiencies if their goods are incorrectly classified and delays or penalties occur. By maintaining control of their products as they move through borders, businesses ensure they can monitor their customer experience and their operational efficiencies.

## Turning concerns into confidence

When it comes to clearing goods between countries, customs holds or fines can mean the difference between a profit and a loss.

But businesses that don't feel equipped to explore international markets needn't miss out on significant global opportunities. Companies can protect their investments by aligning with a partner like Livingston International that specializes in customs and trade compliance for global business.

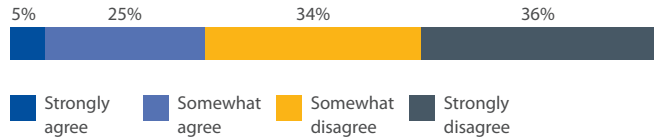
With Livingston as a partner, companies can focus on their core business, saving money by avoiding customs fines or delays, and ensuring they don't pay more than necessary in the first place. Clearing Customs can become the least of their concerns.



## 2. Knowledge of and involvement with matters related to international border crossings

*How much do you agree or disagree with the following?*

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



## About Livingston International

North America's number one company focused on customs brokerage and trade compliance, Livingston International also offers customs and international trade consulting services as well as international freight forwarding across North America and around the globe. With its U.S. headquarters in Chicago, Livingston is a dominant customs broker along the U.S.-Canada border, with regional air/sea hubs in Los Angeles, New York and Norfolk. Livingston employs over 2,800 employees at more than 100 key border points, seaports, airports and other strategic locations in North America, Europe and the Far East. [www.livingstonintl.com](http://www.livingstonintl.com)

## About the survey\*

Ipsos Public Affairs conducted the survey online on behalf of Livingston International between April 3 and April 11, 2012 among a national sample of 500 professionals in the import-export sector in small and medium-sized businesses in the United States. Weighting was employed so the findings are reflective of an even mix of small and medium-sized companies. Margins of sampling error at a 95 per cent confidence level would be +/- 4.4 percentage points for respondents from all industries combined if conducted using a probabilistic sample; the margin of error would be larger within sub-groupings of the survey population. Complete survey results are available at [www.livingstonintl.com](http://www.livingstonintl.com).

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