

Brazil Delays U.S. Cotton Duties

Brazil said it would delay until April 22 import duties on hundreds of U.S. goods while it works out its battle with the Obama administration over U.S. cotton subsidies.

Starting April 7, Brazil was scheduled to slap hefty import duties on U.S. products that ranged from cotton, cotton fabrics, and men's and women's pants to food, sunglasses and cell phones.

The United States and Brazil are working on several steps that could cancel the trade retaliation.

These steps include changing the credit-guarantee program for U.S. cotton exports and laying out a framework for an assistance fund worth \$147 million a year for Brazil's cotton industry. The assistance fund would remain in effect until passage of the next U.S. farm bill or a mutually agreed solution to the cotton dispute is reached, whichever is sooner.

Brazil also wants the United States to declare the state of Santa Catarina free of foot-and-mouth disease and classical swine fever to open

up more markets for Brazil's meat exports.

If these steps are implemented, then Brazil will delay its retaliation measures for another 60 days while the two sides work together to find a permanent solution to the cotton-subsidy problem.

The trade war between Brazil and the United States, both major cotton producers, erupted in 2002 and turned into a long, drawn-out case heard before the World Trade Organization, with Brazil objecting to the United States' \$3 billion a year in subsidies to cotton farmers. The subsidies help push down world cotton prices, hurting farmers in South America, Africa and other parts of the world.

On Aug. 31, a WTO panel declared that Brazil could impose trade sanctions on U.S. products to retaliate for the cotton subsidies. Those trade sanctions can reach as much as \$829 million a year based on fiscal year 2008, but they could be higher if 2009 figures are used.

—Deborah Belguin

Costa Rica Signs New Free-Trade Agreements

Costa Rica has been busy paving the way for more trade with Asia.

On April 5, Costa Rica signed a free-trade agreement with Singapore. Costa Rica's first with an Asian country.

Under the agreement, Costa Rica will eliminate customs duties for 90 percent of its tariffs imposed on products from Singapore with the remainder to be phased out over 10 years, while Singapore will grant immediate duty-free access to all imports from Costa Rica once the agreement takes effect.

Costa Rica is Singapore's eighth-largest trading partner in Latin America, while Singapore is Costa Rica's second-largest trading partner in Southeast Asia. Trade between the

two countries reached \$297 million in 2009, up 30 percent over the last five years.

Three days later, Costa Rica signed a free-trade agreement with China, making it the first Central American country to establish a free-trade pact with the Middle Kingdom.

Costa Rica said that the pact will help increase trade with China by 10 percent. Trade between the two countries rose from \$68 million in 1999 to \$1.5 billion last year.

Costa Rica officially recognized China in June 2008, after years of allying itself with Taiwan. Most of Central America still grants diplomatic recognition to Taiwan, which China claims is part of its territory.—D.B.

Social Networks for the B2B Crowd

By Andrew Asch Retail Editor

Mona Bijoor thought she could solve an age-old problem for boutique owners: finding time to scout for new merchandise without sacrificing time spent on the sales floor with the customer.

In March, she debuted **Joor** (www.jooraccess.com), an online network for contemporary brands and boutiques, many of which complain they do not have enough time to sell to their customers. The New York-headquartered network will use social media-style communications similar to **Facebook**. Bijoor said boutique owners and brand salespeople can save a lot of time by communicating and doing business with their vendors online.

"Boutiques get 50 phone calls a day; they can't take 50 calls a day," said Bijoor, a former buyer and **Wharton School of Business** MBA. While it won't replace trade shows or face-to-face meetings, she said, the non-invasive communication style of e-mails and **Facebook**-style postings and even placing purchase orders on Joor can take place before and after business hours, which will give retailers more precious time with their customers.

Bijoor is not alone. A handful of other entrepreneurs recently debuted business-to-business social networks geared to the fashion industry. These companies say they will help retailers and manufacturers cut down on meeting time and slash travel costs by transferring some of their business online.

The fashion business has been criticized for often being the last industry in line to adapt new technologies. The industry has seen several social networks, such as **Uber** and **ThreadMe**, launch and shutter over the last two years while general-interest networking sites such as **Facebook** and **Twitter** have flourished as a tool for communicating with customers and colleagues. According to a survey from **Arbitron Inc.** and **Edison Research** released in April, 48 percent of Americans aged 12 and up maintain profiles on a social-media network.

But industry insiders are divided over whether the wholesale side of the fashion industry is ready to adopt the social-networking ethic. Mary Helen Shashy used some social media-style features in her virtual showroom site, **Hotter Than Hollywood**. However, she recently put the virtual showroom on the back burner to concentrate on direct marketing of fashion designs.

"I think the business model is ahead of its time," Shashy said of business-to-business social media for fashion. "The fashion industry has been slow to embrace it. They would rather go with their traditional ways of the business: going to trade shows, selling on the road."

Time for B2B

Yet according to David Dea, an instructor of apparel management technology at the **Fashion Institute of Design & Merchandising**, the fashion industry is on the cusp of taking a plunge into B2B social networking. "E-commerce has gone straight up in sales," he said. "People are a lot more comfortable with doing business online."

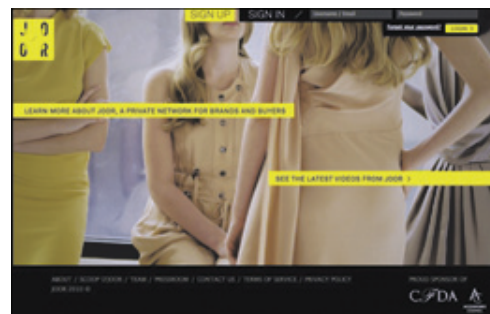
Jeannie Lee is the owner of high-profile Los Angeles boutique **Satine**. She joined Joor in March. To date, she had not used it. However, she said she believes it will save time for retailers. "If I'm looking for some pants, do I have to call every single designer? That is cumbersome. Instead I'll post 'I need pants,'" she said, and a lot of the brands on Joor will be able to answer her online request—no matter what time of the day.

Joor offers an invite-only community for contemporary boutiques and brands. Businesses will only be able to communicate with another business on Joor if they receive approval to be friends with the other business.

On Joor, members can view line sheets and designs from various designers. They also can watch video blogs on specific boutiques, which introduce the store's history and business style. They can order through the site but not move money. Joor was funded by private investors, whose identities were not divulged.

Afingo (www.afingo.com), another New York-based social-media Web site, debuted in January as a place for the fashion industry to meet and do business. Afingo, however, also brings consumers into the mix.

While fashion designers and stores set up



FASHION FACEBOOK: Joor is one of handful of social-media networks that intends to be a network for the fashion industry.

profiles to network and go over collections, consumers can set up profiles on the site. The consumer edge can offer designers and retailers feedback on fashions. Just post "Do you like this design?" on a profile.

In July, Afingo will debut an Afingo **eBay**-style auction site, said Liza Deymenjian, co-founder of Afingo. The site will be a market where retailers can buy wholesale and consumers can search for unique styles.

As part of its consumer edge, Afingo hired Gabriel Bell, former editor of the popular **Refinery 29** Web site, in March to write fashion editorial for the site as well as produce contests for the fashion public.

Deymenjian predicts B2B social media will soon be viewed as a necessary business tool. "The new generation that is coming up, their entire experience in the world has been digital. Their language is Web-based and social-based. In a few years, they will be the buying masses," Deymenjian said.

And there are more companies eyeing the fashion industry for the next wave of B2B social-networking sites. Los Angeles-based **Forward Global Trade Show** (www.forwardshow.com), plans to produce a virtual fashion trade show, where brands and boutiques make deals online. The first trade show was originally scheduled to take place in March. However, the launch date has been postponed until 2011 because the site is adapting new technology and a new investor joined the company last month. Forward founder Kele Meenan did not divulge the name of the investor. ●

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