

## US Fashion Industry

### **I. Routes to Market**

#### A SNAPSHOT

UK companies looking to export to the United States should consider the following routes to market:

- Trade shows are an excellent way to initially explore the market, understand who your competition is, determine if there is an opportunity for you to enter or expand in the US market, and gauge the interest from your ideal client base. UK firms should visit a trade show at least once before exhibiting, as exhibiting can be expensive and UK firms will want to ensure their local supply chains are in place in order to fulfill any orders taken at the shows.
- Direct to retail is possible in some sectors, where the manufacturer or brand works directly with the retailer and fulfils orders either from the UK or from a third party warehousing and logistics centre in the US.
- Agents do not stock goods, but represent brands to target clients in the US. When agents take orders, they are typically fulfilled by the manufacturer, or for foreign firms, a third party warehousing and logistics centre in the US.
- Distributors do stock goods. Some distributors also have sales reps, who act like agents, to represent brands to target clients in the US.
- Manufacturer under license is possible when the US company pays the UK company to license their brand and produce the products themselves.
- A UK company may also wish to set up operations in the US. This can be done through establishing a corporation, partnership, franchise, sole proprietorship, or other business entity.”

#### DIRECT SALES

A UK company may choose to represent itself in the US. In order to do so, it must be capable of servicing new and current retailers and maintaining a strong presence at relevant trade shows. UK companies seeking to represent themselves in the market will eventually need a sales office or showroom space. The benefit of representing oneself is that the designer receives higher gross profits, as no commission must be paid to an agent. In addition, the company can control how the brand is represented and exactly what stores are targeted. However, if opting for direct sales, a lot of time and effort will be required in establishing the relationships with the buyers and stores. In addition, the company should be prepared to visit the market frequently.

#### COMMISSION AGENT

Commission agents can provide the steady, intensive service and sales that retailers require without a UK company opening up its own sales office or showroom in the US. Typically, the commission agents have a more aggressive sales organisation and often a more deeply developed relationship with their customers. Commission agents normally do not take possession of the goods and generally do not stock. Agents are not typically involved with accepting payment from retailers.

Generally, commission agents represent compatible products produced by several different manufacturers. The number of lines that an agent carries will depend on the sales force and size of the showroom. They will usually have permanent showrooms within specific cities. In the apparel industry, this will generally be New York, Los Angeles, Dallas or Miami.

Agents always require some degree of exclusivity in which case the agent receives commission on all sales within a specified region, whether the sale was initiated by the agent or not. Some commission agents will represent brands in a specific, fairly small area of the country, however more agents are opting to offer national coverage as it allows them to retain more control.

Agents charge a showroom fee + commission fee. Showroom fees depend on the amount of space being occupied by the line, and are usually between \$500- \$1000, reaching upwards of \$2000. Agents generally charge a 10-20% commission fee on all sales. UK designer will also be expected to provide samples free of charge to the agent for the showroom.

Some showrooms offer PR/publicity, while others simply refer clients to industry contacts who can assist with this. Showroom 7 in New York, one of the largest showrooms in the industry, offers many services in-house, but charges \$5-6,000 per month.

As a general rule, agents participate in appropriate trade shows. However, the cost of exhibiting, as well as the cost for the agent to attend and work at the show is covered by the designer.

UK companies should seek to appoint an agent that is appropriate for its brand and one that represents or has represented imported lines as they will have a better understanding as to the complexities of importing. UK companies should also be aware that in most cases, since US nationals are more aware of US cultural and business nuances, employing an American as its US representative is more likely to ensure successful penetration of the market than employing a non-national.

### DISTRIBUTOR

Distributors are defined as customers who have been granted exclusive or preferential rights to purchase and re-sell a specific range of products or services in specified geographical areas or markets. Essentially, therefore, a distributor or wholesaler is someone whose remuneration arises from the difference between the purchase price and the re-sale price (and not from any commission granted by the suppliers). A distributor differs from a normal wholesaler by virtue of the "exclusive or preferential rights" granted.

Foreign products were, in the past, typically sold through an importing distributor who purchased the overseas company's products outright, arranged warehousing, and then resold the goods through an internal sales force or through a network of commission agents or manufacturers' representatives. Unfortunately, due to significant changes in the US there are fewer importing distributors (stockists) who typically purchase the overseas company's products outright. Particularly in the fashion industry, the remaining importing distributors are those that work with mass, no-name merchandise imported from India, Bangkok, China, Brazil, etc. Many have cut back on their overheads and reverted to the role of manufacturers' representatives/commission agents. When appointing an agent, it usually specifies that a company must manage the shipping and distribution and will not hold stock.

### EXPORT BUYING OFFICES

Export buying offices are located in major fashion capitals throughout the world, including Paris, Hong Kong, London, etc. Large department stores may own and operate their own foreign buying offices. More stores are beginning to utilise independent buying offices that will act on behalf of several retail stores. Associated Merchandising Corporation (AMC), for example, owned by Target Sourcing, acts on behalf of Bloomingdales, Bloomingdales.com, Lord & Taylor, TJX, Boscovs, Target, and many other small specialty stores.

The primary function of any export buying office is to handle shipping logistics, ensuring crates are received efficiently and on-time. These companies will manage the merchandise from the time it leaves the overseas manufacturer to when it is received in the retailer's warehouse.

While some export buying offices have buyers that source trends and new products, it is still advisable to target US buyers. The US buyer can and will make a decision as to if the product is appropriate for the store. If the contract has been agreed, an export buying office based near that company will then work with the company to handle orders, shipping, etc.

### LICENSING

Licensing is a legal agreement whereby a brand, the licensor, gives permission to another company, a licensee, to design, produce and sell merchandise in the name of that brand. Many companies have created and

developed their brands through licensing. Calvin Klein, Ralph Lauren and Oscar de la Renta all have licensing agreements. In fact, many designers are licensing their names to accessory, jewellery and home furnishing lines to grow the brand. Consumers recognise the brand name and usually don't even know that it is licensed merchandise. This pushes sales and allows the manufacturer to charge more for the product because of the brand label. Most licensing companies hold several different license agreements.

- **UK DESIGNERS AS THE LICENSOR:** For a UK company to license its brand in the US, it would need to be an established and recognised name in the US market. Licensees are only interested in well-known brand names as this provides less financial risk and makes it easier to drive sales.
- **UK DESIGNERS AS THE LICENSEE:** US brands are more likely to appoint US-based licensing companies if their focus is the US market because of proximity to and understanding of the marketplace. However, a UK company *could* buy the rights, or license, to US brand names looking to expand into the UK market.

## II. Regulations, Customs and Labelling

It is imperative that entrants consider United States regulations, laws, taxes and tariffs before entering the market. Resources and information on US customs and regulations is provided below.

### CALCULATING DUTY RATES

It is important to calculate your duty rates, which is done first by classifying the goods, then using that code:

US Labelling Requirements for Textile, Apparel and Footwear from the US Department of Commerce can be found [here](#).

Here is the process for classifying goods for export to the U.S. and determining what the duties will be:

#### 1. Classification Code

The product/goods will require a customs **Classification Code** before you can identify the duty or import rates applicable. To classify goods, call the **Customs CLASSIFICATION HOTLINE - Tel: 01702 366 077 TARIFF (UK), Mon-Fri 8.30-5.00.**

#### 2. Duty Rates

The United States International Trade Commission website <http://dataweb.usitc.gov/> provides international trade statistics and US Tariff data to the public full-time and free of charge.

##### **Directions for easy access:**

1. Select TARIFF DATABASE (on left side of page)
2. Click – [Yes, go to USITC Year 2013 Tariff Database](#)
3. Enter Classification number in the box (only type the first 6 digits) and click 'List Items'
4. Click on relevant 'detail'
5. The rate is quoted under MFN (Most Favoured Nation)

Please refer to the [Office of Customs & Border Protection](#) for additional information:

#### **Contact Information for US Customs**

1300 Pennsylvania Avenue, NW  
Washington DC 20229  
Customer Service Centre: (001) 703 526 4200  
[www.cbp.gov](http://www.cbp.gov)

Customs brokers can be found here: [Locate a Port Of Entry - Air, Land, or Sea](#). Select the state, then the port, then click the 'View List' link for Brokers.

For information on importing samples refer to this [guide](#) on Open to Export

### III. Associations/ Trade Shows

Companies seeking entry into the United States market have a number of resources at their disposal. This includes United Kingdom Trade & Investment (UKTI), The US Department of Commerce, and The American Apparel & Footwear Association (AAFA). In addition, there are a number major fashion and accessories trade shows each year, allowing companies to showcase their products as well as network with manufacturers, distributors, agents, and retailers throughout the country.

### IV. Geography and Styles

Certain regions in the US can be classified by general style and colour trends.

NEW YORK, NEW YORK: Lots of black apparel

MIAMI, FLORIDA: Minimal and colourful clothing

MIDWEST: Very casual; Trends tend to reach this region last

LOS ANGELES, CALIFORNIA: Laid-back style, but fashionable

DALLAS, TEXAS: Clothing with colour and embellishments

### V. Price Ranges

There is often a blurring of lines between the price ranges. For instance, many designers will design couture items as well as ready-to-wear. Below is a general summary of the various price-points in the fashion industry. Due to the current exchange rate and increase in outsourced manufacturing, UK designers may find it extremely difficult to compete in any category below the Better level.

DISCOUNT: Close-out and discontinued merchandise from last season's unsold lines found at stores like Marshalls, TJ Maxx, and Loehmans. Flash sales sites like Gilt

LOW-END/ BUDGET: Inexpensive lines found at retail stores such as K-Mart, Wal-Mart and Target. These types of stores are referred to in the industry as discounters.

MODERATE: Medium-priced merchandise. E.g. Gap, Express, and Zara.

BETTER: Apparel that is medium- to high-priced, and most likely sold at department stores. E.g. BCBG, J.Crew, Citizens of Humanity

BRIDGE: Slightly lower-priced collections from major designers, such as DKNY by Donna Karan. Bridge can also be a particular price point that "bridges" between a better line and a designer line. E.g. Elie Tahari, Eileen Fisher, Rebecca Taylor

DESIGNER: Branded designers who sell to department stores as well as through their own branded speciality stores. E.g. Giorgio Armani, Kate Spade

COUTURE: Couture is apparel made-to-measure for a particular person. E.g. Valentino, Tom Ford, Carolina Herrera

### VI. Styles

CLASSIC: A style that is more basic and not easily influenced by trends. E.g. Ann Taylor, Ralph Lauren, Brooks Brothers

UPDATED: A traditional or classic style that has been updated. E.g. Marc Jacobs, Lily Pulitzer, Hugo Boss

CONTEMPORARY: A unique, fashionable style more influenced by trends. E.g. Catherine Malandrino, Lacoste, Elie Tahari

DIRECTIONAL: Very trendy and innovative style; these products are extremely fashion forward; E.g. Gucci, 7 for all mankind, Urban Outfitters

URBANWEAR/STREETWEAR: Urbanwear is characterised by young, fashionable apparel, heavy on denim, with influences of music subcultures, i.e. rap, hip-hop, rock, punk, etc. The streetwear style was born out of urbanwear and refers to underground fashion. Streetwear is more innovative and bold, and changes much more often than urbanwear. This sector is also heavily influenced by alternative sports like skateboarding, snowboarding, and so forth. As these sports tend to have a higher popularity on the West Coast, many of the brands, stores and customers are located there. E.g. Rocawear, Yellow Rat Bastard, Baby Phat

## VII. Buying Seasons

Traditionally, there are only two buying seasons, Fall/Winter and Spring/Summer. However, the increased demand for new merchandise at stores has also increased the number of seasons. Trendier and more fashion-forward stores will change merchandise on the floor more often than other stores. In fact, some stores like to receive new merchandise every 6-8 weeks. All new shipments must occur within the specified delivery date and must match the sample specifications exactly.

A number of trade shows occur bi-annually and either feature Spring/Summer lines or Fall/Winter lines (Please Note: In the US vernacular, Fall refers to Autumn).

The buying seasons can be classified in the following way:

SPRING: Shown in Autumn

SUMMER: Shown in Winter

TRANSITIONAL/EARLY FALL: Shown in February. Transitional is just that - the bridge between the summer and fall seasons. These collections are not always included as part of the buying season.

FALL (OR AUTUMN): Shown in Spring

RESORT/CRUISE: Shown in summer. Resort usually refers to clothing intended for those individuals that are going to warm, sometimes tropical locations. The increase in business and industry in the southern and southwestern regions of the United States, with their shorter winters and need for lightweight clothing, has prompted the development of the resort season. These collections, which appear in the stores in November, are geared to visitors to the Caribbean and Florida.

HOLIDAY: Shown in summer. Holiday apparel is characterised by rich colours and textures.

## VIII. Threats

UK companies entering the US market must not only have the right product, but also the right approach to the market. It is very difficult once a product or brand has been launched in the US to re-create a brand image. UK companies should be aware of some of the following issues:

### BIG BRAND NAMES

The American consumer has a preference towards big brand names. This is why many of the large designers have diversified to produce more moderately priced lines for the average, middle-income consumer to draw

on the consumer's awareness of and propensity to purchase that brand name. Examples: Giorgio Armani, Donna Karen, Ralph Lauren, Michael Kors.

#### OVERSATURATION

The apparel market is both competitive and crowded. In fact, Nancy Sheridan, Professor at the Fashion Institute of Technology in New York, stated that per square feet, the US is more saturated in its stores than anywhere else. Due to a number of mergers and acquisitions, apparel retail stores are consolidating. In addition, many of the larger brand names are diversifying their lines and licensing their brand name in order to broaden the brand's appeal, making it more difficult for emerging brands to attract part of the market share.

#### OUTSOURCING

The US fashion apparel and textile market, along with the rest of the global trend, has moved its manufacturing to overseas markets, many in the Far East/

For the apparel industry, outsourcing mainly impacts consumers of high-end, luxury products, who will pay more attention to the country where the garment is manufactured. These consumers want high quality materials (i.e. Italian leather, Scottish cashmere, etc.).

### **IX. Recommendations**

#### BE AWARE OF ALL US IMPORTATION RULES & REGULATIONS

Issues pertaining to customs and labelling will be explained further in this report, however, companies should verify that the product complies with all US custom rules and regulations to ensure a smooth entry into the US.

#### HAVE LOGISTICS IN PLACE

Prior to any US sales, it is important that a UK company have logistics in place. Some retail stores do not mind accepting shipments directly from the UK, while others prefer for a company to have distribution set-up in the US. Either way, a UK company must not only be prepared to fill orders in volume for the large and demanding US market, but also deliver them without any customs or labelling issues.

#### BE PREPARED TO FILL ORDERS

UK designers must be prepared to turn around orders quickly and adhere to strict deadlines. Retail stores require merchandise be received on time so it is in-store and on display in accordance with the buying and merchandising seasons. If the merchandise does not arrive within the specified times, retail stores can reject the merchandise as they have set time frames for the display and sale of the apparel in their agreements. While in the past, there were only four distinctive seasons, retail stores are now trying to have new merchandise out on the floor more often.

#### HAVE PRICING READY

Companies should have all prices quoted in US dollars and landed prices.

#### ADHERE TO US SIZING

Apparel and footwear products are sized differently in the two markets. Companies should also consider the differences in body size/shape between the average American and UK consumer when producing clothing. This will be explained in more later in the report.

#### BE AWARE OF US AND UK DIFFERENCES

Companies should verify that literature is checked for US spelling changes, grammar and nuances. Examples of slight differences between the two languages include jewellery and jewelry and as well as colour and color.

In the USA, product literature is generally produced in 8.5-inch by 11-inch format. In addition, the US uses imperial measurements rather than metric measurements (except for scientific products).

#### SEEK PRESS COVERAGE AND MAINTAIN A STRONG MARKETING AND PUBLICITY CAMPAIGN.

Press coverage is imperative when introducing a new product into the US market as recognised brands have a much better chance of success. The US is a consumer-driven society with an over-abundance of retailers throughout the country. Simply seeing an item in a store will not generate the sales necessary to keep the

brand in the US market and companies will need to create and maintain awareness through marketing and promotion. Many agents/distributors/showrooms and retail stores want companies to have a budget for promotion and publicity.

More information on marketing, public relations, and publicity is included in this report in Section XVIII.

#### CONSULT A LAWYER

The US is a very legalistic society. Any agreements or contracts should be reviewed by legal counsel familiar with both US and UK contractual law. Contracts may include performance benchmarks for sales as well as all obligations of both parties.

#### **X. Sizing the Product for the US Market**

UK companies should have US sizing available. While the US does have national standards, they are not legally binding. Therefore, many manufacturers will have a different interpretation of what a certain size is (known as vanity sizing, intended to positively influence the customer's brand experience). As there is no standard for sizing, it is very difficult to adequately produce a conversion chart. However, included in this report is a general estimate of sizing conversion. Obviously, these are subject to interpretation and should be used as a suggestion, rather than a rule.

Sizing the apparel products is not simply a conversion, but also understanding the average size of the American consumer as it differs from other countries. According to the American Obesity Association, approximately 127 million adults in the U.S. are overweight, 60 million obese, and 9 million severely obese. According to a Business Week article by Pallavi Gogoi on 24 March 2006 entitled *The Skinny on Plus-Size Apparel*, the average size of an American woman is 14, which is the entry point for plus size apparel. In the past, there was little effort put on this category, but with the expanding American waistline, there is actually an increased demand and need in this market. Companies are capitalising on the growing American sizing by offering broader and more fashionable plus-size clothing. Lane Bryant is probably one of the most established plus-size clothing retailers.

## US CONVERSION CHART\*

### WOMEN

#### Women's dresses, suits and coats

<b>EU</b>	32	34	36	38	40	42	44	46	48	50
<b>USA</b>	2	4	6	8	10	12	14	16	18	20
<b>UK</b>	4	6	8	10	12	14	16	18	20	22
<b>USA LETTER</b>	XS	S	S	M	M	L	L	XL	1X	2X

#### Women's blouses and sweaters

<b>EU</b>	40	42	44	46	48	50
<b>USA</b>	32	34	36	38	40	42
<b>UK</b>	34	36	38	40	42	44

#### Children's junior misses dresses and coats

<b>EU</b>	28	30	32	34	36	38	40	42
<b>UK</b>	3	5	7	9	11	13	15	17
<b>USA</b>	1	3	5	7	9	11	13	15

#### Women's shoes

<b>EU</b>	35	35½	36	37	37½	38	38½	39	40	41	42
<b>USA</b>	5	5½	6	6½	7	7½	8	8½	9	9½	10
<b>UK</b>	2½	3	3½	4	4½	5	5½	6	6½	7	7½

### MEN

#### Men's suits, sweaters, overcoats

<b>EU</b>	44	46	48	50	52	54	56	58	60
<b>UK / USA</b>	34	36	38	40	42	44	46	48	50

#### Men's shirts

<b>EU</b>	36	37	38	39	40	41	42
<b>UK / USA</b>	14	14½	15	15½	16	16½	17



#### Men's socks

	39	40	41	42	43	44	45
<b>EU</b>							
<b>UK / USA</b>	9½	10	10½	11	11½	12	12½

#### Men's shoes

<b>EU</b>	37½	38	38½	39	39½	40	41	42	43	44	45	46
<b>UK</b>	5½	6	6½	7	7½	8	8½	9	9½	10	10½	11½
<b>USA</b>	6	6½	7	7½	8	8½	9	9½	10	10½	11	12

\* Wikipedia.com ([http://en.wikipedia.org/wiki/International\\_Clothing\\_Sizes](http://en.wikipedia.org/wiki/International_Clothing_Sizes)).

## **XI. Pricing Your Product for the Market**

Many companies often just convert the wholesale cost in British pound to US dollar. While this provides a general idea of US pricing, it does not however, take into account the US market. Without an established brand name, it can be difficult to demand designer price points. A company should evaluate its competitors in the US market, how they are priced, and at what types of customer they are targeted. The product should then be priced competitively.

#### MARK-UP

Pricing a product for the US can be difficult due to the current exchange rate. According to Nancy Sheridan, Professor from the Fashion Institute of Technology, most companies mark products up by 35-45% to determine wholesale prices or cost. In order to be competitive in the market, a UK company may have to reduce that mark-up (i.e. 25%). At that time, the company can evaluate if pricing the product for the US market still provides the necessary return on investment.

#### FOREIGN CURRENCY

Because Americans are not as accustomed to dealing in foreign currencies as are Europeans, all pricing should be given in US dollars. This also has the advantage of making your company seem less "foreign" to its US distributors and customers. Companies should be prepared to give US landed prices to any interested retailer or agent.

#### SALES TAX

There is no national sales tax in the US. Instead, consumer clothing and apparel sales are taxed on a state and sometimes, municipal or county level. New York State has a sales tax of 4%, however New York City has a sales tax of 8.375%. New York City has eliminated the sales tax on clothing and footwear purchases under \$110.00. Other counties and municipals have opted to do this as well in order to stimulate regional economies. For state tax information, please refer to <http://www.taxadmin.org/FTA/rate/sales.html>. City taxes will need to be researched individually, but more information can be found at <http://www.taxesites.com/state.html>.

## **XII. Customs & Logistics**

The information provided below is a general overview for UK companies new to the US market. The information detailed in this report, particularly that pertaining to labelling, pricing, customs and logistics, is not legally binding or definitive guidance on importation issues.

For specific enquiries, UK companies are always advised to seek advice from industry experts, including US government authorities and trade associations. It is also recommended that UK companies consider appointing a US Customs Brokers (information is included in this report on how to locate one), who are the only real experts in this field. Customs mistakes can be costly and have long lasting effects. It is essential to engage the experts to ensure smooth customs entry.

### OVERVIEW

All merchandise coming into the United States must clear Customs and is subject to a Customs duty unless specifically exempted by law. An individual may make his/her own Customs clearance of goods imported for personal use or business, however it is strongly recommended that the services of a US Broker be used as this can be a complicated process. Clearance involves a number of steps: entry, inspection, appraisement, classification and liquidation. Changes are constantly taking place so it is advised to visit the US Customs and Border Protection web site, [www.cbp.gov](http://www.cbp.gov), for the latest information on specific laws and regulations.

US Customs and Border Protection can provide information on importing into the US, product labelling, country of origin markings and regulations in place.

Imported goods generally require the following documents:

- A bill of lading, airway bill or carriers certificate.
- A commercial invoice obtained from the seller that shows the value and description of the merchandise.
- Entry manifest (Customs Form 7533) or Entry/Immediate Delivery (Customs Form 3461).
- Packing lists, if appropriate and other documents necessary to determine whether the merchandise may be admitted.

### ROUTES TO MARKET

Imported goods must enter the US through one clear route - either (1) or (2).

- (1) Entry of goods into US Commerce via formal or informal entry (depending on the value of the goods) for sale/distribution in the US.
- (2) Entry of goods into the US temporarily (i.e. Temporary Importation of goods under a Bond or a Carnet).

Goods cannot enter via a mixture of both – i.e. you cannot bring goods into the US for display or samples with the possibility of sale. This is illegal and against regulations. You must be clear about your intent at the outset.

#### (1) ENTRY OF GOODS INTO US COMMERCE

##### Classification/Commodity Codes

One of the first steps UK Companies should take is to seek a classification for their products (also known as a commodity code). Once the classification code has been identified, a company will be able to view the duty rate applicable for their product ranges and also to identify if import quotas are in place.

In order to identify the appropriate 10 digit Classification Code (the first six digits are universal) for each product, UK company's should telephone the UK Customs CLASSIFICATION HOTLINE - Tel: 01702 366 077 TARIFF (UK), (Lines available Monday - Friday 8.30am - 5.00pm).

##### Duty Rates

Once the Classification Code (also known as a Commodity code) has been identified, the next step is to identify the duty rate applicable upon entry to the US and any additional quota limits in place. Each company should access the United States International Trade Commission website, [www.dataweb.USITC.gov](http://www.dataweb.USITC.gov). This site provides international trade statistics and US Tariff data to the public full-time and free of charge.

To identify the tariff or duty rate, UK companies should follow the directions\* below:

1. Select TARIFF DATABASE (on right side of page).
2. Click the first paragraph - USITC Tariff Database Interactive (data current through April 6,2007)
3. Go to the bottom paragraph  
Proceed?  
Click Yes, go to USITC Year 2007 Tariff Database
4. Enter Classification number in the box (Only type first 6 digits as these are universal numbers). Click on List items box
5. Click on relevant "detail."
6. The rate is quoted under MFN (Most Favoured Nation)

#### Requirements/ Permits/ Licences

It is the importers' responsibility to ensure that the goods being imported meet admissibility requirements such as proper marking, safety standards and that the proper permits have been obtained in advance.

Depending on the product, a permit, licence or additional documentation may be required from other agencies such as the US Fish and Wildlife (Environmental Protection Agency).

#### (2) TEMPORARY IMPORTATION OF GOODS UNDER BOND OR CARNET

A Temporary Importation Bond (TIB) or ATA Carnet is a way of exporting products, namely samples, without paying duty. A TIB is a procedure whereby, under certain conditions, merchandise may be entered, for a limited time, into the US free of duty. Only certain items may be entered as a TIB. To obtain a list of eligible products, UK companies should contact US customs.

The main differences between a Temporary Importation Bond (TIB) and a Carnet is that the TIB is only for use in one country (i.e. the US) whereas the Carnet can be used around the world until you run out of tickets. The carnet generally cannot be extended whereas the TIB can occasionally be extended.

To obtain a TIB, you would need a broker. Information on obtaining a broker is included in provided further in this report.

For more information on Temporary Importation Bond (TIB) and ATA Carnets visit the Customs website for the publication on ATA Carnet.

#### ADDITIONAL INFORMATION

##### Mid Code

In November 2005, the US introduced manufacturer's identification codes to properly identify the manufacturer of key commodities imported into the US. All entries of textile and apparel products are required to identify the actual manufacturer of such products through the manufacturer identification code (MID). US Customs provides information about this code and how to construct it. More information can be obtained from the US Customs website.

##### Conversion of Currency

The conversion of foreign currency for customs purposes must be determined and certified by the Federal Reserve Bank of New York. These certified rates are based on the New York market buying rates for the foreign currencies involved.

#### Useful Contacts

FEDERAL TRADE COMMISSION  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580  
Tel: (202) 326 2222  
Web: [www.ftc.gov](http://www.ftc.gov)

The Federal Trade Commission (FTC) is the US government organisation that oversees and enforces labelling requirements for apparel sold in the US. They can provide specific details on the laws the US requires on clothing garments.

OFFICE OF CUSTOMS & BORDER PROTECTION  
1300 Pennsylvania Avenue  
NW Washington DC 20229  
Tel: (202) 354 1000  
Web: [www.cbp.gov](http://www.cbp.gov)

The US Customs and Border Protection (CBP) is the agency within the Department of Homeland Security that's mission is to protect the US boarder. The CBP inspects all people and shipments that come through any of the US borders or ports.

UNITED KINGDOM - CUSTOMS ATTACHÉ  
American Embassy  
24 Grosvenor Square  
London, W1A 1AE  
Tel: 020 7499 9000  
Web: [www.london.usembassy.gov](http://www.london.usembassy.gov)

The American Embassy in London can provide general answers to questions regarding Customs and Boarder protection in the US.

UNITED STATES INTERNATIONAL TRADE COMMISSION  
500 East Street, S.W.  
Washington, D.C. 20436  
Tel: (202) 205 2000  
Web: [www.usitc.gov](http://www.usitc.gov)

The United States International Trade Commission (USITC) is responsible for handling and investigating all matters of trade. While the USITC does not make policies and laws, it is responsible for monitoring imports into the US and establishing harmonised commodity codes. They provide international trade statistics and US Tariff data to the public.