

# FACES of TRADE



## SMALL BUSINESS SUCCESS STORIES — EXPORTING TO RUSSIA



COMPANY:  
**Chem-Crete Company**

LOCATION:  
**Dallas, TX**



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## CHEM-CRETE COMPANY

Chem-Crete Company of Dallas, TX, is one of several U.S. companies that has been successfully exporting to Russia. Radi Al-Rashed, President and CEO of Chem-Crete Company, has had extensive experience in Russia and supports extending Permanent Normal Trade Relations (PNTR) to Russia.



Demonstration of water tank lining system sold by Chem-Crete Company

Chem-Crete Company is an industry leader in manufacturing permanent, environmentally safe, user friendly, and economical liquid waterproofing materials for the concrete industry. Chem-Crete has been exporting its products to Russia for ten years and has twenty five employees. The company's annual sales in the Russian market have topped \$30,000, and Mr. Al-Rashed hopes to achieve sales of \$1 million to Russia in the near future.

Russia is a gateway for distribution to other nations in Eastern Europe and Central Asia, and Mr. Al-Rashed explains that if a company is successful in Russia, it is much easier to sell to the surrounding countries.

Mr. Al-Rashed believes PNTR is necessary so that the United States gains the full benefits of Russian accession to the World Trade Organization (WTO). He said that transparency has been a difficulty in Russia in the past, but once Russia is a member of the WTO, it will be part of the global rules-based trading system, and the United States will be able to bring cases against Russia if they break WTO rules. PNTR will be a "positive way to create discipline to rules and regulations that we want to enforce when we do business with Russia," he says.

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## SMALL BUSINESS SUCCESS STORIES — EXPORTING TO RUSSIA



### COMPANY:

**Paulson Manufacturing**

### LOCATION:

**Temecula, CA**

## PAULSON MANUFACTURING

**P**aulson Manufacturing of Temecula, CA, is a successful exporter. As the firm's president, Roy Paulson, explains, Paulson Manufacturing is a family business that specializes in personal protective equipment for the industrial, fire, police, military and medical markets. The business is competitive around the world with innovative safety products, notably in face and eye protection. Paulson Manufacturing maintains a laboratory that specializes in the aspects of physical, optical, and ballistic requirements, with testing and research at the Temecula location.



Protective headgear and face shield sold by Paulson Manufacturing

Of the 70 countries to which Paulson Manufacturing exports, Mr. Paulson stresses the opportunities of the growing Russian market and the potential increase in sales in American products to Russia once Congress approves Permanent Normal Trade Relations (PNTR). Currently Paulson Manufacturing exports goods worth half a million dollars a year to Russia, and over the last year has experienced a 15% growth rate. He expects to see sales to Russia continue to increase and, as a result, would hire more employees. In addition, PNTR would help American companies tap other markets in Eastern Europe and Central Asia, such as Kazakhstan.



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## SMALL BUSINESS SUCCESS STORIES — EXPORTING TO RUSSIA



### COMPANY:

**The Louisiana Caviar Company**

### LOCATION:

**New Orleans, LA**

## THE LOUISIANA CAVIAR COMPANY

**T**he Louisiana Caviar Company of New Orleans, LA, has been boosting its overseas sales in recent years in markets such as Russia. The company's caviar is from the native bowfin fish from the fresh waters of the Atchafalaya Basin and is offered in Cajun-inspired varieties such as "Ghost pepper," which represents a local Cajun twist to the classic delicacy. The Louisiana Caviar Company was founded by John Burke and has around 20-35 employees, depending on the time of year.



**Ghost Pepper Caviar sold by Louisiana Caviar Company on Louisiana Oysters**

The Louisiana Caviar Company's products have proven very popular in Russia. Its success is in part due to the global effort to ban the international trade of caviar from the Caspian Sea due to overfishing and pollution. Igor Taksir, a Russian-born exporter of American caviar to Moscow and Ukraine, told the New York Times that "there's pretty good demand from lots of clients" for American caviar. He was "skeptical in the beginning" when he discovered bowfin caviar at a seafood show in Boston three years ago. "But when we started tasting," he said, "we realized the quality was surprisingly good."

Eighty percent of the Louisiana Caviar Company's caviar is exported, and half of its exports go to Russia. Mr. Burke has been exporting caviar to Russia for six years. Other markets for the caviar include Uzbekistan and Ukraine. However, the caviar faces tariffs that top 25%. Congressional approval of Permanent Normal Trade Relations (PNTR) with Russia would eliminate trade barriers for the caviar and create greater certainty in business conditions. Mr. Burke hopes that a more streamlined process would make exporting to Russia easier and more profitable.



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## SMALL BUSINESS SUCCESS STORIES — EXPORTING TO RUSSIA



**COMPANY:**  
**The Legacy Companies**

**LOCATION:**  
**Ft. Lauderdale, FL**



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## THE LEGACY COMPANIES

**T**he Legacy Companies of Ft. Lauderdale, FL, like many other small U.S. exporters, has already achieved success in the growing Russian market. Neal Asbury, Chief Executive of The Legacy Companies, has had extensive experience selling his companies' products to Russia. He also supports extending Permanent Normal Trade Relations (PNTR) to Russia.

The Legacy Companies is a leader in commercial foodservice equipment and retail appliance manufacturing. It was founded in 1998 as two operating entities: Greenfield World Trade, a master international distributor for the top U.S. foodservice equipment brands, and Asbury Foodservice, a manufacturer of foodservice equipment. The company quickly expanded and now consists of seven companies that are leaders in the commercial and retail foodservice industry. Of those seven companies, two have seen huge successes in Russia: Omega, based in Harrisburg, PA, and Excalibur, based in Sacramento, CA.

The Legacy Companies had a profit of \$140 million in 2011, \$40 million of which came from exports. The seven companies export to 100 countries, including Russia. Last year the company's exports to Russia amounted to \$1 million, but Mr. Asbury explains this could be much greater if Russia had the "favorable duty structure" Russia will extend once it joins the World Trade Organization and Congress approves PNTR. This would "slash tariffs across the board and lead to a significant increase in our sales to Russia," he explained.

Omega and Excalibur both provide health and wellness products such as juicers and food dehydrators that are very popular in the Russian marketplace. Omega is an icon in the world of juicing and has 30 employees. Excalibur is the world's leader in dehydration technology with 50 employees. Mr. Asbury currently pays very high taxes on his product's entry to the Russian market and looks forward to Russia's accession to the WTO — and congressional approval of PNTR with Russia — which will reduce the duties on his products.

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## SMALL BUSINESS SUCCESS STORIES — EXPORTING TO RUSSIA



**COMPANY:**  
**Blacklin Associates**

**LOCATION:**  
**Clifton, VA**

### BLACKLIN ASSOCIATES

**W**hile Blacklin Associates of Clifton, VA, has done well in the Russian market, the firm's president, Scott Blacklin, expects to see greater gains once Congress approves Permanent Normal Trade Relations (PNTR) with Russia.

Mr. Blacklin has had extensive experience in Russia as Vice President, Emerging Markets Public Sector for Cisco Systems; Vice President and CIS Country Manager, Westinghouse Electronic Systems; Director of International Cellular Infrastructure Group in Motorola; and President of the American Chamber of Commerce in Russia.

Blacklin Associates helps American companies to scale globally and optimize their international sales operations to accelerate their growth — mostly in emerging markets such as Russia. Blacklin Associates has five employees in the United States whose jobs depend on international trade. The company focuses on the challenging dynamics of emerging markets, the leading examples being Russia, Brazil, and India.

With regard to Russia, Mr. Blacklin focuses on the fact that the United States has gone from \$1 billion in exports to Russia in 2000 to over \$8 billion today, which reveals the dramatic increase in trade between the two countries. "Although American business still can boast only a modest share of the Russian market," he explains, "at a time when you are trying to get established in a challenging country, growth rate is more important than market share. American business has done very well from that perspective."

Mr. Blacklin highlights that there is much more at stake than sales to the Russian market if Congress does not approve PNTR with Russia. He believes that U.S. firms will see an across the board drop in access to Russian decision makers if Congress does not approve PNTR with Russia. Russian companies need global partners, he explains, and U.S. companies can answer these requirements better than anyone. However, U.S. companies will be at a competitive disadvantage unless Congress acts soon.



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## SMALL BUSINESS SUCCESS STORIES — EXPORTING TO RUSSIA



### COMPANY:

**Northern Fruit Co.**

### LOCATION:

**East Wenatchee, WA**

### WEBSITE:

**[www.northernfruit.com](http://www.northernfruit.com)**



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## NORTHERN FRUIT CO.

**N**orthern Fruit Co. of East Wenatchee, WA, is one of the nearly 5,000 small and mid-sized U.S. companies that exports to Russia. For the past eight years, Northern Fruit Co. has sold apples, cherries, and pears into the Russian marketplace. The company exports annually over one million boxes of apples, cherries, and pears to over 40 countries since 1950. The company has 150 employees, with additional staff depending on the season, and exports to Russia make an important contribution to the firm's success.

Travis Hallman, Northern's sales manager for Russia, explained that Russia is a key market for Northern Fruit. However, the company's products are slapped with Russian tariffs that average 10% depending on the time of year. This tariff headwind undermines the competitive position of U.S. producers in the market.

Hallman described how the growing middle class in Russia wants American products, and Northern Fruit Co.'s produce is of a higher quality than competing products from elsewhere. Russia's large and growing middle class is very health conscious, and Northern Fruit has found a very receptive market with a high potential for future sales.

The fact that Russia will join the World Trade Organization (WTO) in August will benefit Northern Fruit as Russia takes steps to further open its market to imports. However, for U.S. companies to receive the full benefits of Russia's accession to the WTO, Congress must first approve Permanent Normal Trade Relations (PNTR) with Russia.

If Congress approves PNTR, Mr. Hallman believes that the company's sales to Russia may double within a few short years.

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## SMALL BUSINESS SUCCESS STORIES — EXPORTING TO RUSSIA



### COMPANY:

**Bandit Industries**

### LOCATION:

**Remus, MI**

### WEBSITE:

**[www.banditchippers.com](http://www.banditchippers.com)**



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## BANDIT INDUSTRIES

**B**andit Industries, Inc. of Remus, MI, has been successfully selling its products to the Russian market for four years. The company launched its very first Bandit chipper—a 12-inch capacity Model 100 Brush Bandit — in 1983.

Since then, the company has expanded and is now a full-line manufacturer of unique hand-fed and whole tree chippers, stump grinders, waste reduction recycler units, and high powered forestry mowers. Bandit manufacturing facilities is in Remus, MI.



**Whole Tree Chippers sold by Bandit Industries, Inc.**

Bandit Industries began with only six employees and over time sought out local talent to create a team of 350 employees today. Today, Bandit Industries has over 150 dealers in 50 countries.

Bandit Industries' dealer in Russia has faced challenges due to the high cost of importing its products and complex and changing regulations. As

Laurie Pant, the International Department Coordinator of Bandit Industries explained, “we have been exporting almost since our company was created, and it has been our experience that our success is much greater in countries where the costs to import our products is not as great,” as it is in Russia.

The fact that Russia will join the World Trade Organization (WTO) in August will benefit Bandit Industries as Russia cuts import duties on its products. However, for U.S. companies to receive the full benefits of Russia's accession to the WTO, Congress must first approve Permanent Normal Trade Relations (PNTR) with Russia.

It's simple, says Bandit Industries' Laurie Pant: “Our equipment is some of best in the world, and it is much easier for our dealers to sell our equipment when our prices are more comparable with the local competition.”