



B*****

Market Selection

October, 2020



Service description

The present methodology allows identifying new export markets for the B***** company. It will work with macro aspects of foreign trade, with the export objectives set by the company and the industries of interest to B*****.

Previous considerations

- a)The analysis of trade stats assumes that the products are exported from the US.
- b)The markets that are currently served by B***** are not considered.
- c)The analyzed markets have a share greater than 1% in world imports of the tariff positions of 8424.20 and 2828.90.
- d)The markets analyzed currently, import B***** products from the US.

Market weighted criteria

We analyzed 14 (fourteen) criteria, the incidence and results of which for Byo Planet products are as follows:

N°	Market Criteria	Description	Identified markets
1	Trade agreements	The markets that have a Free Trade Agreement with the USA obtain a higher weighting than the rest of the countries.	Mexico – Korea
2	Share in world imports	Based on the tariff position 8424.20 Spray guns, the markets with the highest import capacity are weighted.	Germany - Belgium - Netherlands
3	Trend in world imports	The markets analyzed show increases in import of the B***** products.	Germany - Belgium, Netherlands - Russian –Poland – Japan – Indonesia- Austria
4	Trend in imports from USA	The markets analyzed show increases in import of the B***** products, from US	Germany – Belgium – Russian – Poland - Japan - Austria
5	Geographical proximity	The countries that are geographically closest to the USA will have better connectivity with the B***** company.	Mexico
6	COVID-19 impact	The number of positive cases indicates a greater tendency to demand for products such as those offered.	Belgium
7	Doing business	Markets with greater facilities for business formalization are prioritized.	Germany – Belgium - Netherlands – Russian - Poland –Japan – Austria – Mexico - Korea

Market weighted criteria (Cont.)

N°	Market Criteria	Description	Identified markets
8	Logistics performance index	Countries with better logistics performance are prioritized to distribute B***** products.	Germany – Belgium –Netherlands – Poland – Japan - Austria -Korea
9	Customs clearance efficiency	Countries with better efficiency in customs clearance have a higher weighting.	Germany – Belgium - Netherlands – Japan - Austria – Korea
10	Import tariff	The actual import tariff applied by each preselected country to products of tariff position 842420 from the USA is taken as a reference.	Russian, Japan, México y Korea
11	Volume compatibility	Prioritize markets that show a high level of acceptance of US products and also to evaluate the volume potential that each can buy.	Belgium – Netherlands – Russian – Japan - Mexico – Korea
12	Transport service	This variable is considered because transport is one of the sectors targeted by B*****.	Russian
13	Percentage of GDP of public spending on education	This variable is considered because education is one of the sectors targeted by B*****.	Belgium
14	Percentage of GDP of public spending on health	This variable is considered because health is one of the sectors targeted by B*****.	Japan

Score Table

The detail of each assigned variable with the scores obtained in each analysis is shown below:

Top Score	8	11	10	9	3	15	3	3	3	8	6	7	7	7	100
Country / Factors	Trade agreements	Share in world imports	Trend in world imports	Trend in imports from USA	Geographical proximity	COVID-19 impact	Doing business	Logistics performance index	Customs clearance efficiency	Import tariff	Volume compatibility	Transport service	Percentage of GDP of public spending on education	Percentage of GDP of public spending on health	TOTAL
Belgium	No 0	3,90% 7	Increase 10	Increase 9	Low 0	15.750 10	High 3	High 3	High 3	1,70% 5	65,04% 6	21,40% 4	6,50% 6	15,31% 3	69
Germany	No 0	4,90% 11	Increase 10	Increase 9	Low 0	4.142 0	High 3	High 3	High 3	1,70% 5	17,29% 3	20,30% 4	4,80% 4	19,88% 3	58
Russian	No 0	2,40% 3	Increase 10	Increase 9	Low 0	9.227 5	High 3	Medium 2	Medium 2	0,00% 8	20,02% 6	34,80% 6	3,70% 2	8,78% 1	57
Netherlands	No 0	3,50% 7	Increase 10	Decreased 0	Low 0	11.687 8	High 3	High 3	High 3	1,70% 5	21,62% 6	20,50% 4	5,50% 4	15,30% 3	56
Japan	No 0	1,40% 1	Increase 10	Increase 9	Low 0	720 0	High 3	High 3	High 3	0,00% 8	35,79% 6	15,30% 3	3,20% 2	23,64% 4	52
Austria	No 0	1% 1	Increase 10	Increase 9	Low 0	6.764 5	High 3	High 3	High 3	1,70% 5	6,85% 1	23,30% 4	5,50% 4	15,31% 3	51
Poland	No 0	2% 3	Increase 10	Increase 9	Low 0	3.905 0	High 3	High 3	Medium 2	1,70% 5	17,94% 3	27,90% 5	4,60% 4	10,94% 2	49
Mexico	TLC 8	2,40% 3	Decreased 0	Decreased 0	High 3	6.552 5	High 3	Medium 2	Medium 2	0,00% 8	36,72% 6	7,60% 1	4,90% 4	11,05% 2	47
Korea	TLC 8	1,80% 2	Decreased 0	Decreased 0	Low 0	482 0	High 3	High 3	High 3	0,00% 8	31,12% 6	27,20% 5	4,60% 4	13,42% 2	44
Indonesia	No 0	1,10% 1	Increase 10	Decreased 0	Low 0	1.308 0	Medium 2	Medium 2	Medium 2	10,00% 0	4,67% 1	11,80% 2	3,60% 2	8,73% 1	23

Next Steps

As a result of the Market Selection carried out, B***** must choose a single market and RGX will do the market study.

Germany, Belgium and even the Netherlands belong to the European Union, so the entry regulations for both markets can be studied.

Belgium

It is the market that has obtained the highest score. Also, the import trend of the product under study is growing, this shows that it is a growing market and they have an excellent acceptance of the product from the USA. Also, its logistics performance, customs clearance efficiency and ease of doing business is optimal.

Germany

It is a market that has a high participation in world purchases and its trend in world and US imports is growing, this shows a stable demand for the product under study. Also, its logistics performance, customs clearance efficiency and ease of doing business is optimal.

Next Steps

Russia

It shows a growing trend in world imports and also from the USA, this shows a stable demand and a preference for American products. Its logistics performance, customs clearance efficiency and ease of doing business is optimal, also, the import tariff for products from the USA is 0%. To make contact with potential clients, it is recommended to make the suggestions made by RGX in the Export Check Up and in the preparation of an Export Brochure for international clients.

Additionally, and given the proximity of the market, we recommend including Mexico among potential markets.

October, 2020



RGX CONSULTING DIVISION

www.rgxonline.com/rgx-consulting/

whatsapp: +54 911 3890-1005

customerservice@rgxonline.com

Yerbal 2431. Piso 4 (1406)

CABA, Argentina

