

Doing Business In The US

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- Over 50 years of experience started in 1966 under the name of Furigas and acquired by Bekaert in 2001
- Pioneer in the development and supply of steel and NIT fiber premix gas burners
- Expanded portfolio with aluminum heat exchangers in 2006 with the acquisition of Aluheat
- Presently market leader for premix condensing burners and commercial aluminum heat exchangers
- Installed base of >22 million premix burners



① The Netherlands | Assen ●●●

② Romania | Ploiești ●

③ USA | Marietta (GA) ●●

④ China | Taicang (Suzhou) ●●

⑤ Turkey (agent) ●

⑥ Russia (agent) ●

⑦ South Korea | Seoul ●

⑧ Japan | Tokyo ●

● manufacturing facility

● sales office

● R&D center

Bekaert Heating | a globally operating company

- 350 – 400 employees globally
- 4 premix burner manufacturing facilities
 - The Netherlands | Assen
 - Romania | Ploiești
 - USA | Marietta (GA)
 - China | Taicang (Suzhou)
- 2 aluminum heat exchanger manufacturing facilities
 - The Netherlands | Assen
 - China | Taicang (Suzhou)
- 5 Sales Offices
 - The Netherlands | Assen
 - USA | Marietta (GA)
 - China | Taicang (Suzhou)
 - South Korea | Seoul
 - Japan | Tokyo
- 3 Agents
 - Russia
 - Turkey
 - Italy
- Research & Development center in Assen (The Netherlands)



- The most important thing to know is that the US government wants foreign investors in business, especially those that will create jobs and opportunity for the local environment.
- Why Expand into the US
- Things to consider:
 - Corporate Structure
 - Regional Advantages/Disadvantages
 - Unions

Why Expand into the US

- The USA has the largest economy in the world, which means those tenacious enough to expand to the US have the potential to reach new customers, diversify risk, leverage resources, and potentially increase profits.
- The USA is home to some of the most brilliant minds and business connections in the world, with locations such as Silicon Valley serving as the headquarters for almost half of all businesses in the Fortune 100.
- Diversity of Industry, the USA operates at the forefront of technological advancement, including advancements in aerospace, military equipment, pharmaceuticals and biotechnology, and IT operations. But most enticing of all is the fact that there is a great deal of risk capital in the US - making it a good place to raise money for a rapidly growing business.
 - Venture Capital, Angel Investors, Public Markets and Crowd Sourced Funding

- Starting a U.S. based business as a foreigner can be a long road, but the country makes it easy to register your company and open your business.
 - The biggest hurdle for many foreign companies is understanding the true cost to start a business and build the infrastructure to be successful.
 - This can vary greatly depending on what State the company incorporates and what kind of structure is desired.
- Entity Choice.
 - A foreign company entering the US must decide on the form of business entity it will use to conduct its US operations. The most common types of domestic business entities are corporations, limited liability companies (LLCs), and partnerships. Each business form has its own benefits and the choice of form depends on case-specific legal and business factors. Each type of business entity must be formed according to the laws of the state in which the entity is formed. All entity types other than partnerships require organizing documents to be filed with the state government.
- Tax.
 - Given the complexity of US tax law, careful tax planning and counsel is important for all companies doing business in the US. Companies in the US are subject to separate federal, state, and local taxes. The federal government, through the Internal Revenue Service (IRS), collects income tax, capital gains tax, tax on dividends, interest, and other passive income, and employee payroll taxes. Businesses will also likely have some additional tax obligations in the state in which they conduct business.

Regional Advantages/Disadvantages

- Choose the right market:
 - The United States is far from a homogenous market. Instead, it's a patchwork of local markets with varying characteristics, including regulations, tax laws and even customer service expectations.
- Research the most appropriate U.S. markets for your business and choose carefully based on such criteria as geography, competitive landscape, regulatory and tax environment, and targeted customers.
- The company's business should determine where it locates. If one state dominates its market, it's best off incorporating there—there's no way to avoid obligations of doing business in, say, California, a famously high-cost jurisdiction, by registering in Nevada or Delaware, two famously low-burden states.
- Georgia now makes more movies than California.
 - Georgia is a right to work State
 - Corporate tax rate is lower
 - Cost of living is lower
 - Labor rates are lower
- Regional Differences:
 - North East
 - South
 - Mid-West
 - West Coast

- Unions have become largely regional
- Right to Work Laws
 - Right-to-work laws have been enacted by more than half of the U.S. States.
 - In the current political climate, right-to-work laws aim to bar employers or unions from requiring payment of any union-related fees from non-union employees. Supporters of the laws argue that requiring payments inhibits economic growth and can make some companies or industries less attractive to prospective employees. They also feel that forcing workers to pay fees simply because they work in an industry or company with a strong union presence is an infringement on their freedom.
 - In places like the South, where cost of living is low and competitive wages are offered to blue collar employees, Unions have become increasingly unpopular.
- The Bekaert Example

