Albania

Bosnia-Herzegovina

Croatia

Czech Republic

Estonia

F.Y.R. Macedonia

Hungary

Latvia

Lithuania

Poland

Romania

Slovakia

Slovenia

You are cordially invited to attend the 10th Anniversary Open House of the Central and Eastern Europe Business Information Center (CEEBIC)

July 14, 2000 at 1:30-4:30pm

Reception to follow

U.S. Department of Commerce Lobby
14th & Constitution Avenue NW, Washington, DC
(Contact CEEBIC for directions)

At the open house you will have the opportunity to meet with CEEBIC's International and U.S. staff to discuss trade and investment opportunities.

R.S.V.P. by July, 7, 2000 at Tel: (202) 482-2645;
Fax: (202) 482-3898 or Email: ceebic@ita.gov

One-on-one meetings are available upon request. Interested parties should include their requirements with their R.S.V.P.

For those companies with particular interest in Southeast Europe, CEEBIC will host the Southeast Europe: Project and Financing Opportunities Forum

July 14, 2000 at 9:30-11:30am

U.S. Department of Commerce Auditorium, Washington, DC

For more information on this event, please visit
www.mac.doc.gov/eebic/kosovo/seeproject.htm,
or call the Kosovo-Southeast Europe Hotline at Tel: (202) 482-5471
or Email us at kosovo@ita.doc.gov.

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July 2000 Volume 1 Number 9 http://exportamerica.doc.gov

CONTENTS

NEW OPPORTUNITIES

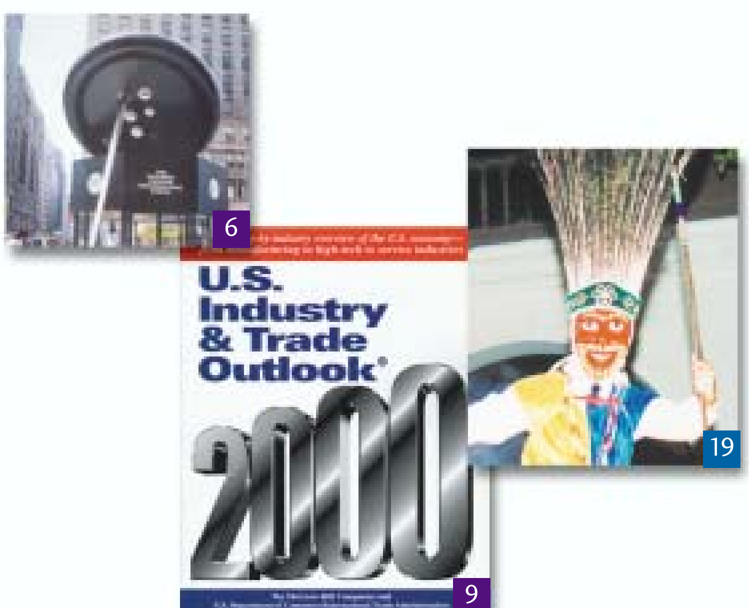
GLOBAL NEWS LINE

NEWS FROM COMMERCE

TECHNICAL ADVICE

INSIDER'S CORNER

COVER BY DANIEL STAFFORD



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International Trade Administration

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EDITOR'S MEMO

President Clinton's first ever Saturday webcast (June 24, 2000)

should be interpreted as a strong sign that governments around the world are becoming increasingly committed to using the Internet to distribute their products and services.

Advances in Internet technology have already enabled U.S. citizens to file their taxes, compare their Medicare options and apply for student loans online. The next wave of innovations, says President Clinton, "will widen the circle of democracy and make our government much more responsive to the needs of our citizens."

At the very least, it will make it easier to find federal government programs and services that, up until now, have been somewhat obscured by the sheer size and scope of the bureaucracy.

As President Clinton announced in his June 24 webcast, within 90 days, firstgov.gov, a single, customer-focused website containing links to every online resource offered by the federal government, will be up and running. This site will "serve as a single point of entry to one of the largest [and] perhaps the most useful collection of web pages in the entire world."

Meanwhile, Export America is doing its own part to highlight government programs and services. Each month, *News from DOC* brings you the latest in Commerce products designed to assist exporters. In this issue, you will find information on the Market Development Cooperator Program, and how it helped the New York fashion industry, and on the *U.S. Industry & Trade Outlook 2000®*.

This month's feature stories address the evolving nature of Latin American information technology (IT) markets, highlighting progress in both the online consumer sales and telecommunications arenas. First, the Office of Latin America & the Caribbean brings us an overview of business to consumer (B2C) transactions in Chile, Argentina, Uruguay and Brazil. Next, the Commercial Service Lima gives us the news on the 5th Latin American Telecommunications Summit, which took place last month in Lima, Peru. U.S. companies looking to move South with their e-presence will be well served by checking out this section.

We will see you next month with a feature focusing on new opportunities in Irish infrastructure development. Until then, good luck with your business. Let us know if you have any questions or comments (Export_America@ita.doc.gov)

Arrow Augerot
Editor

GLOBAL NEWS LINE

BRAZIL

The Brazilian Association of Software Companies announced the **largest fine levied to date for using pirated programs.** TNG Commércio and Confections, which makes clothing and accessories, was ordered to pay $70 million for using 57 pirated versions of Microsoft and Adobe programs. According to Brazil's intellectual property law, fines are set at 3,000 times the purchase value of each program, which would have cost the company a mere $23,333. This decision constitutes the largest civil award ever made in a copyright infringement case in Brazil and the first time a judge has applied the maximum monetary penalty allowed under the 1998 Software Law.

Brazil's **insurance industry entered a period of rapid growth** following the decline of inflation rates with the introduction of the Real Plan in 1994. Premium income reached $16 billion in 1998, equivalent to almost 3 percent of GDP. This industry is highly concentrated in southeast Brazil and is dominated by a handful of large firms, all of which are linked to major domestic private banks. The U.S. is the top foreign investor in the insurance sector with a 40 percent share of foreign firm premiums. Further liberalization of the sector is anticipated with the planned auction of the government monopoly reinsurer later this year.

CARIBBEAN

The Commercial Service (CS) in the Caribbean, anchored by CS Santo Domingo, played an active role in promoting the **IBP: International Franchise Expo** that took place in Orlando, Florida, May 5-7, 2000. CS Caribbean recruited 120 businesspeople to attend the show, including FSN-escorted delegations from the Dominican Republic, Jamaica, Bahamas, Barbados, and Trinidad & Tobago. The large delegation from the Caribbean region indicates an intense interest generated by franchises in this growing market. Preliminary results show that participants made hundreds of contacts and will follow up to bring new franchise options into their markets. This is the second year the region has been represented at the International Franchise Expo by multiple delegations.

CHINA

A **building material and housing construction trade mission**, led by Deputy Assistant Secretary of Commerce Alan Bowser, toured China and Hong Kong June 5-13. The trip was intended to support the growth of U.S. companies currently involved in China's housing industry, and also to encourage and facilitate the entrance of companies new to the Chinese market. The 21 participants in the mission met with high-level government officials and conducted one-on-one matchmaker meetings with leading members of the housing industry in China.

As part of the annual Joint Commission for Commerce and Trade (JCCT) work plan, Commercial Officer Anderson organized a **major Internet security seminar** at the China Internet 2000, June 6-7. The three-hour "Sino-US Network Security Workshop" was attended by nearly 400 IT executives. Presentations by the Ministry of Information Industries (MII), an MII-related firm, and the Public Security Bureau on the Chinese side were paired with RSA, Microsoft and Internet Security Solutions. The speakers emphasized the need for cooperation on global technology standards and common problems, such as the "I-Love-You" virus.

TAIWAN

In July 2000, the Commercial Section of the American Institute in Taiwan (AIT) plans to test a **new model for consumer-focused trade promotion tied to July 4th celebrations** in the United States. This year's America Celebration includes the formal launch of the USA Sources website, the grand opening of several state offices in Taiwan, a movie premiere and charity donation, the formal launch of the Visit USA Committee, American Executive Education Day, and the launch of the U.S.-Taiwan Trade Partner Program.

UKRAINE

The U.S. & Foreign Commercial Service in Kiev recently participated in a **major Ukrainian energy exhibition and conference.** The *conference—Energy Security of Europe—a Look into the 21st Century*—took place in Kiev on May 4-5, 2000. The conference attracted 480 participants, including officials from the government of Ukraine and senior energy executives from Ukraine, Kazakhstan, Poland, Hungary, Lithuania and the United

Photo courtesy of Commercial Service Kiev.

Senior executives from Ukraine, Kazakhstan, Poland, Hungary and the U.S. participated in a major Ukrainian energy exhibiton and conference.

States. After the first day's plenum session, concurrent breakout sessions were offered on the second day on topics including oil and gas, electric power, nuclear energy, energy efficiency policies, and energy efficiency technology and equipment.

U.S. Ambassador Pifer delivered a speech entitled "Economic Reform: The Key to Ukraine's Energy Security and Future Prosperity." First Deputy Prime Minister Yekhanurov, in his speech, discussed energy legislation the Parliament has recently passed and new bills being considered in Ukraine's energy sector. Minister of Fuel and Energy Tulub reviewed the status of Ukraine's energy sector and it's priorities for development. Terry Bartman and Diana Fisher from Westinghouse Electric Company spoke about their companies' nuclear fuel rod production plan for Ukrainian reactors, while CEO J.P. Bryan of Bellwether Exploration Company spoke of Bellwether's experience in the secondary gas recovery industry.

A parallel international energy equipment exhibition—*Energy Forum Ukraine-2000*—was held in Kiev on May 3-6. The exhibition, organized by the Ukrainian government, was co-sponsored by the Parliamentary Committee of Ukraine on Fuel and Power, Nuclear Policy and Nuclear Safety, the Ministry of Fuel and Power of Ukraine, the State Committee of Ukraine on Energy Conservation, the National Academy of Science of Ukraine, and the Kiev mayor's office. More than 10,000 experts from energy companies working in Ukraine, and government officials responsible for the energy sector, attended the exhibition. Commercial Service Kiev invites interested U.S. firms to contact their office to discuss plans for organizing a USA pavilion at next year's energy exhibition. Contact information is available at www.usatrade.gov.

CANADA

Fourteen large mining and metals companies from around the world (including four Canadian companies), which combined represent 60 percent of the market capitalization of the industry, have **announced plans to create a business-to-business website to buy and sell supplies.** The website, which is expected to be operational by the end of this year, will allow a greater number of suppliers access to procurement opportunities with these large mining companies. Information on suppliers' products will be put into a shared catalogue and information will be available in several languages. In 1999, the total by the mining industry was estimated at $200 billion. To be put on a mailing list for further information on this project, please contact Annie Crombie, Commercial Specialist, U.S. Embassy Ottawa at Tel: (613) 688-5220, Fax: (613) 238-5999 or Email: annie.crombie@mail.doc.gov.

Ontario, Canada's most populous province, is experiencing **increasing demand for access to a wider range of university-level programs.** Changing expectations from employers and increasing student demand for more choices are necessitating expansion of access to degree programs. The province of Ontario is committed to providing a space in post secondary education for every qualified student. However, as publicly-supported universities and colleges will not be able to meet this demand for a broader range of degree opportunities, the government of Ontario has approved the establishment of private, degree-granting institutions. For more information, please contact Annie Crombie, Commercial Specialist, U.S. Embassy Ottawa at Tel: (613) 688-5220, Fax: (613) 238-5999 or Email: annie.crombie@mail.doc.gov.

Borderfree.com, a new Canadian-based website, is creating an **electronic portal to make cross-border e-commerce easier for Canadian consumers and U.S. retailers.** Currently, only a limited number of U.S. retailers are equipped to accept online orders from Canadian consumers. However, Borderfree.com will allow U.S. merchants to sell directly to Canadian customers without dealing with any border issues, such as Canadian taxes, currency exchange rates, international shipping, customs brokers or government agencies. For more information on Borderfree.com's merchant services, please contact Annie Crombie, Commercial Specialist, U.S. Embassy Ottawa at Tel: (613) 688-5220, Fax: (613) 238-5999 or Email: annie.crombie@mail.doc.gov.

SOUTH AFRICA

Foreign suppliers and investors should see significant opportunities in South Africa as the **restructuring/privatization of the electricity sector advances** and as the government considers new technologies for off-grid service. The South African government has established two committees to deal with the future structure of the electrical utilities in South Africa. The recommendation of these committees will influence significantly the opportunities for imported technology. U.S. companies wishing to explore opportunities in this market can contact the National Electrification Coordinating Committee (NECC) or the Electricity Distribution Industry Restructuring Committee (EDIRC).

NEED MORE DETAIL?
Ask a Foreign Commercial Officer at one of the Department of Commerce's posts located around the globe. Contact information, including phone, fax and email, is available by calling the Trade Information Center at 1-800-USA-TRADE or visiting www.usatrade.gov.

THE MARKET DEVELOPMENT COOPERATOR PROGRAM AWARD HELPS NEW YORK DRAW FOREIGN BUYERS

by Brad Hess
Market Development Cooperator Program, Trade Development

In the days before New York Fashion International's (NYFI) export promotion campaign, U.S. apparel manufacturers lost sales and countless opportunities for future business. An order cancellation a couple of years ago by the buyer for a Brazilian department store illustrates the severity of the problem. When the Brazilian buyer asked that his order be shipped back to him in Brazil, the U.S. seller told him that that was impossible. When the U.S. company suggested that he take his purchases back "in suitcases", the Brazilian canceled his order.

While foreign buyers liked what they found in New York City's fashion district, they often found U.S. sellers unprepared to sell to them. Moreover, many foreign buyers, put off by other obstacles, never even made it to the fashion district in the first place.

PARTNERSHIP MAKES COUNSELING POSSIBLE

Although "cash and carry" is still popular in the fashion district, you won't find many New York apparel manufacturers making the suitcase suggestion to foreign buyers anymore. Most U.S. sellers are now knowledgeable about the arrangements that usually accompany an export sale, such as shipping and export financing. This new preparedness is the result of an export promotion campaign led by NYFI. NYFI partnered with the International Trade Administration (ITA) and received funding through ITA's Market Development Cooperator Program (MDCP) to create a program to educate and counsel New York City apparel manufacturers. This program promotes New York fashion abroad and makes it easier for foreign buyers to buy New York fashion products.

Prior to beginning its partnership with ITA through the MDCP award, NYFI was formed as a partnership of the Garment Industry Development Corporation and the Fashion Center Business Improvement District. Through the award, ITA is underwriting one-third of the million-dollar export-promotion project.

Since winning its MDCP award in late 1997, NYFI has individually counseled over 200 New York apparel companies, including over 30 businesses that had not previously exported. Special seminars on maximizing export sales complement the individual attention apparel companies receive from NYFI Director Marianna Panoussaki.

CONSUMER PROFILES AND RUNWAY DICTATES

At the seminars, New York apparel companies learned many of the nuts and bolts of exporting like shipping options, finding the right agent or distributor abroad, and getting paid. They

Located in the heart of New York City's fashion district, this information kiosk incorporates the world's largest button, held upright by a 31-foot-long steel needle.

The Guide for International Buyers, produced by NYFI, includes a color-coded map of the fashion district, detailing the location of producers by type of apparel.

also explored the peculiarities of each of the largest fashion markets of Western Europe.

ITA's Office of Textiles and Apparel brought experts to the seminars from Germany, France and the UK. The experts identified "who is the consumer" and explained "how they buy" to the American apparel makers. For example, experts in each of the markets discussed which consumers were more likely to purchase via mail-order as opposed to in a store.

The experts also advised how to promote American apparel in each market. French fashion expert Barbara Ende advised U.S. producers that some American fashion industry attitudes do not work well in some markets. She warned U.S. producers not to stray too far from the beaten path of the runway, "color and silhouette trends dictated on the runways and in the fashion press are more closely adhered to in France than in the USA."

BEYOND THE BIG NAMES

Inexperienced U.S. sellers like the one who lost the Brazilian customer were not the only obstacles to foreign buyers. The New York fashion industry was, in part, a victim of the success of internationally known American labels. "New York fashion isn't just about Donna Karan, Tommy Hilfiger and Ralph Lauren," as former NYFI Director, Gene Cleckley, said early on in the project. "There are a lot of manufacturers who are very big over here but practically unknown in Europe, and we're keen to introduce them to a larger audience."

To accomplish this, NYFI launched a campaign in targeted European markets to promote the versatility, quality and creativity of New York fashion. Using promotional material that incorporated distinctive New York City images, such as a yellow taxi or the majestic Chrysler Building, the invitations, brochures and announcements paid off. The fashion press in France, Germany, the UK, Italy and Spain all provided favorable coverage of NYFI's campaign. Since the campaign began in 1998, more and more foreign buyers have ventured into the fashion district, beyond the big labels, to small and medium-size apparel manufacturers.

GOTHAM OBSTACLE

Although New York City is chock-full of intriguing American icons and familiar skyscrapers, some foreign buyers viewed it as too dirty, dangerous or confusing to merit a visit. The Fashion Center Business Improvement District, one of the NYFI partners, addressed the "dirty" and "dangerous" image with physical improvements and additional

New York fashion's presence is evident on the runway at the Premier Womenswear Exhibition in Birmingham.

security. The overall improvement of city life in the past few years has also helped.

The Improvement District also helped to increase the appeal of New York's fashion district by incorporating its recently completed high-profile, kiosk into NYFI's foreign outreach. The kiosk, with its unmistakable giant button, is a starting point for foreign buyers looking to "source" New York fashion. The kiosk offers promotional material, brochures and an attendant who fields general questions.

To address concerns of foreign buyers that the fashion district was too complex and to overcome communication problems, NYFI created the Guide for International Buyers.

One of the more popular sections of the Guide, is a color-coded map of the fashion district. The map shows the location of producers by type of apparel (e.g. textiles or accessories) and activity (e.g. trimming or commercial).

The Guide is published in German, French, English and Spanish, and includes a brief overview of fashion merchandising in the United States, different types of U.S. retail outlets, buying seasons and price point categories.

When producing the Guide, NYFI did not take anything for granted, including a common language. Some fashion terms don't travel well across the Atlantic, even when the language doesn't change. Referring to the "Product Classification" and "Sizing" sections of the Guide, the British trade publication Draper's Record alerted its readers, "Did you know that 'sportswear' in the U.S. refers to the mixing of casualwear and careerwear? Or that 'missy' is a size classification?"

Draper's concluded that the Guide is "a must for those planning to hit the U.S. to source." The Guide has been so popular with foreign buyers that the initial run of 1,000 copies was soon exhausted. It is now in its third printing.

MADE IN THE USA

Foreign buyers from beyond NYFI's original target markets have also discovered the value of New York fashion. When ITA's New York Export Assistance Center brought a Kuwaiti delegation to the city, members expressed their frustration over the proliferation of apparel made in China in some U.S. showrooms: "If we wanted clothes made in China, we would be going to China, not the USA."

Although NYFI has succeeded at enticing foreign buyers to linger and buy from several fashion district manufacturers, not all of the traffic has been inbound. NYFI has been the vehicle for smaller U.S. apparel manufacturers to have a presence at major European trade shows like Britain's Premier Womenswear Exhibition, Germany's CPD and France's Prêt à Porter. Without NYFI's efforts, many New York manufacturers would have had no exposure in these markets.

With Western Europe well established as a venue for New York fashion sales, NYFI has expanded its campaign to include Japan. The Guide has just been translated into Japanese, and market research has identified strategies to lure more Japanese buyers both to the fashion district and at trade shows abroad.

PARTNERSHIP PAYS OFF

In the last twelve months, NYFI estimates that the partnership's efforts have yielded $15 million in apparel exports. The success results from an effective partnership with several parts of ITA: the Office of Textiles and Apparel, the Export Assistance Center in Manhattan and the Foreign Commercial Service. All have contributed advice, training and logistics to the project.

The MDCP is a competitive matching grants program that builds public/private partnerships by providing federal assistance to non-profit export multipliers such as states, trade associations, chambers of commerce, world trade centers and other non-profit industry groups that are particularly effective in reaching small and medium-sized enterprises. MDCP awards help to underwrite the start up costs of new export marketing ventures, which these groups are often reluctant to undertake without federal government support.

ITA makes awards annually to deserving export multipliers like NYFI. Additional information is available by telephone at (202) 482-2969 or via the Internet at www.ita.doc.gov/mdcp.

THE 2000 EDITION OF THE *U.S. INDUSTRY & TRADE OUTLOOK®*

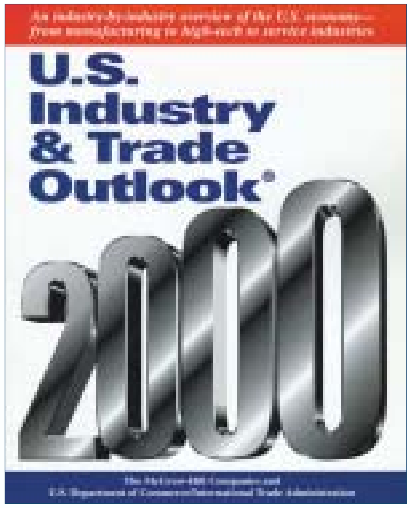
by Rebecca Krafft
Office of Trade and Economic Analysis, Trade Development

While it's been featured in the news for identifying the top ten fastest-growing U.S. industries, the value of the *U.S. Industry & Trade Outlook* goes far beyond the headlines. The *Outlook* is the Commerce Department's in-depth tour of the U.S. economy. Guided by Commerce and private-sector analysts, readers of the Outlook can acquire a sophisticated understanding of more than 200 manufacturing and service industries.

Each of the *Outlook's* 54 chapters contains an analysis of an industry sector—its domestic trends, export performance, the impact of imports and the role of globalization. New this year is a discussion of electronic commerce in each industry, focusing on the business-to-business applications that are transforming day-to-day work processes and spelling significant gains in competitiveness.

Helpful feature articles include an overview of world economic growth, an update on electronic commerce advances and issues, and "Highlights of *Outlook 2000*," which provides an overview of the fastest growing industries (see box).

The Commerce Department and The McGraw-Hill Companies have jointly produced the past three editions of the *Outlook*. The *2000 Outlook* is the last to be produced via this joint venture, so the next edition is likely to have a new look to it.



ORDERING INFORMATION

The U.S. Industry & Trade Outlook 2000®, the leading source of U.S. industry and trade forecasts for nearly 40 years, now comes in three convenient formats and is available from the National Technical Information Service.

Print: The traditional desk reference encompasses 54 industry chapters, highlights of U.S. industry, e-commerce updates and a comprehensive index. (NTIS order number: PB99-171688INQ; Price: $69.95)

CD-ROM: The compact electronic version features the complete text and tables from the print edition, plus search capabilities. In Adobe Acrobat format. (NTIS order number: PB99-502049; Price: $125/single user. Network pricing also available.)

E-chapters: For users in need of information on a specific industry, single chapters may be purchased by credit card over the web and downloaded in Adobe Acrobat format. (To order, visit www.ntis.gov; Price: $10-$25 per chapter)

To order online, visit www.ntis.gov. To order by phone, call 1-800-553-NTIS (6847). A $5 handling fee is added to each total order shipped in the United States, Canada or Mexico; $10 for all others.

TEN FASTEST GROWING MANUFACTURING INDUSTRIES IN 2000

The Outlook outlines the nation's fastest growing industries based on a comparison of growth rates among 135 manufacturing industries. These growth rates are all adjusted for inflation (except for computer equipment) and are extrapolated using a consistent set of assumptions about U.S. and global economic growth. Services are not included here because their units of measure vary, hence they are not readily comparable. Information technology industries lead U.S. industry growth (five of the top ten). Though capital goods industries as a whole are experiencing sluggish growth, oil and gasfield, and mining machinery appear in the top ten as they rebound from a spell of negative growth brought on by the plunge in the price of oil and other commodities in 1998.

Industry	Real Growth (%), 1999–2000[1]
Semiconductors and Related Devices	23.0
Telephone and Telegraph Apparatus	12.3
Radio and TV Communications Equipment	10.0
Printed Circuit Boards	9.2
Oil and Gasfield Machinery	9.1
Computers and Peripherals[2]	8.0
Mining Machinery	6.9
Drugs	5.6
Poultry Slaughtering and Processing	5.1
Automotive Parts and Accessories	5.1

Source: U.S. Industry & Trade Outlook 2000®.
[1] Forecast.
[2] Current growth rate.

ASK THE TIC

GUIDE TO EXPORT CONTROLS

by the Trade Information Center, Trade Development

Most export transactions do not require specific approval from the U.S. Government. In order for certain export transactions to take place legally, however, an exporter must obtain, in advance, a special export permission called a license. Licenses are required in certain situations involving national security, foreign policy, short supply, nuclear non-proliferation, missile technology, chemical and biological weapons, regional stability, crime control or terrorist concerns.

Four U.S. Government agencies have primary export licensing responsibilities: the Departments of Commerce, Energy, State and the Treasury. The majority of exports requiring licenses are either controlled on the Commerce Control List (CCL), administered by the Commerce Department, or the U.S. Munitions List (USML), administered by the State Department. The CCL is used to regulate the export and re-export of items that have commercial uses, but also have possible military applications ("dual-use" items). The USML is used to control the export of defense articles, services and related technologies. The Defense Department is actively involved in the interagency review of those items controlled on both the CCL and the USML. The agencies work together when there is a question about whether a proposed export is controlled on the CCL or the USML. The Energy Department controls nuclear technology and technical data for nuclear power. These agencies collectively review certain proposed dual-use exports.

The Treasury Department is responsible for economic and trade sanctions against targeted foreign countries, terrorism-sponsoring organizations and international narcotics traffickers.

Several other federal agencies also have some licensing responsibilities. These are listed on the Commerce Department's website(www.bxa.doc.gov/reslinks.htm) along with a brief explanation of each agency's responsibilities.

The U.S. Government controls exports on a case-by-case basis, examining the following factors: the destination, the end-user, the product and the end-use. Those entities handling or servicing the sale of the product may also be a factor. When a company decides to export, it must review the following factors for each transaction.

Q&A THE DESTINATION: ARE THERE COUNTRIES TO WHICH I AM NOT PERMITTED TO EXPORT?

The United States severely restricts exports to several countries. Certain exports to those countries, however, may be approved with a license. The Office of Foreign Assets Control (OFAC) at the Treasury Department has information about embargoed countries on its website (www.treas.gov/ofac) or the office can be contacted at Tel: (202) 622-2426. Currently, U.S. persons are generally prohibited from exporting to Cuba, Iran, Iraq, Libya, North Korea, the Republic of Serbia (excluding the province of Kosovo), Sudan, the Taliban-controlled areas in Afghanistan, and prohibited from exporting arms and related material, and petroleum and petroleum products to the UNITA faction in Angola without a license. In most cases, licenses are issued for exports of agricultural goods, medicines and medical equipment to sanctioned countries. Other, less comprehensive export restrictions exist for most destinations, including those for China, India, Pakistan and Syria. The exact requirements vary dramatically based on the factors listed below.

Q&A THE END USER: ARE THERE ENTITIES TO WHICH I AM NOT PERMITTED TO EXPORT?

Exporters should screen all parties involved in an international transaction against the "Prohibited Parties Lists". The "Prohibited Parties Lists" is a term used to describe the following four lists of entities with which an exporter is prohibited from doing business under most circumstances.

- The Specially Designated Nationals (SDN) List is published by the Treasury Department's OFAC and can be accessed online at www.treas.gov/ofac. SDNs are individuals and entities located all over the world that are blocked pursuant to the various sanctions programs or that have been determined by OFAC to be owned or controlled by, or act for or on behalf of, targeted governments and groups. They may be front companies, parastatals, high-level government agencies or officials, or specifically identified individuals. The same prohibitions apply to SDNs as to the targeted governments or groups that own or control them, or on whose behalf they are acting. The SDN List also includes the names of persons and entities designated by OFAC as terrorists or narcotics traffickers.

- The Denied Persons List contains the names of persons who have been issued a denial order by the Commerce Department's Bureau of Export Administration (BXA). U.S. exporters and third parties in general are prohibited from dealing with denied parties in transactions involving U.S. items. The list can be accessed at http://www.bxa.doc.gov.

- BXA also maintains an Entities List, comprising foreign end-users engaged in proliferation activities. Since these entities pose proliferation concerns, exports to them are usually prohibited without a license. However, because the BXA guidelines are administered on a case-by-case basis, there are some listed entities that can still receive low-level technology without an export license. This list can be accessed online at www.bxa.doc.gov.

- The Debarred Parties List is maintained by the State Department. It lists the names of individuals denied export privileges under the International Traffic in Arms Regulations (ITAR). The information can be accessed online at www.pmdtc.org.

Even if a party is not a prohibited entity, the end-user will become an important factor if a transaction needs a license. The license issuing agency will want to screen the foreign customer's history and examine any prior violations of U.S. laws or placement on any of the lists mentioned above. The U.S. company applying for the license should also know not just who the customer is, but who owns the company.

Q&A THOSE SERVICING THE SALE OF THE PRODUCT: WHAT ABOUT SHIPPING LINES, INSURERS AND BANKS?

It is important for exporters to take care in screening the parties involved in servicing the sale of the product. For example, an otherwise legitimate trade transaction may be a violation of sanctions if one of the banks involved in the financing is on OFAC's SDN List. Since the SDN List contains the names of banks, insurance companies, shipping lines and freight forwarders throughout the world, exporters need to be wary about all parties to a trade transaction, not just the buyer or the end user.

Q&A THE PRODUCT AND ITS END USE: DOES MY PRODUCT REQUIRE A LICENSE?

Sophisticated and high technology products, short supply items, technical information and products that have defense, strategic, weapons development, proliferation or law enforcement applications can be subject to export licenses. Major factors in determining whether an export license is required include the destination and end-use of the product or service. Some chemicals that could possibly be used in weapons of mass destruction are subject to export controls. For example, "precursor chemicals" are prohibited to Syria. However, some exports may be subject to controls regardless of the function or the country to which they are shipped.

It is up to the exporter to determine whether the product requires a license and to research the end use of the product, in other words, to perform "due diligence" regarding the transaction. Exporters should learn which federal department or agency has jurisdiction over the item they are planning to export in order to find out if a license is required.

- The Commerce Department focuses primarily on dual-use items, i.e., items that can be used for both military/strategic purposes and commercial applications. Exporters should consult the Commerce Department's BXA and find out if the items or services they are planning to export are classified on the Commerce Control List (CCL). If a product appears on this list, it may require a license. In general, this list contains items controlled by the EAR because they are considered to be "dual use" items.

- The State Department's Office of Defense Trade Controls (DTC) licenses defense services and defense munitions articles.

- The Department of Energy licenses nuclear technology and technical data for nuclear power and special nuclear materials. It licenses the export of electric power to Mexico and Canada. It also licenses the export of natural gas.

An exporter should request a "commodity jurisdiction" (CJ) determination to resolve any uncertainty regarding the export-licensing jurisdiction of an item or service. A CJ is used to determine whether an item or service is subject to the export licensing authority of BXA or DTC. Contact BXA at Tel: (202) 482-4811 for more details. Another option is to contact the Office of Defense Trade Controls at Tel: (703) 875-6644 or Fax: (703) 875-6647.

WITH ALL THESE LISTS AND AGENCIES, WHERE SHOULD AN EXPORTER START TO ENSURE COMPLIANCE WITH THE VARIOUS EXPORT REGULATIONS?

The country to which a product is to be exported should be considered first. Potential transactions should be checked for compliance with the sanctions administered by the Treasury and Commerce Departments. If a transaction is subject to country-specific sanctions, it may be eligible for a license, depending on the goods involved. Call OFAC at Tel: (202) 622-2490 with any questions regarding country-specific sanctions and where to apply for a license.

The next step should be to obtain information about a customer and how that customer will use a product. Information about the customer's location, including complete street address (P.O. boxes are not enough) and phone number, the nature of its business, ownership and control, and information with regard to the final destination and use of the product is necessary for determining if the export is in compliance with U.S. law. Always check all parties against the Prohibited Parties Lists, including Treasury, Commerce and State. Don't forget freight forwarders, banks, shipping lines and insurers.

To determine whether a license is needed to export a particular product or service, an exporter must classify the item by identifying what is called an Export Control Classification Number (ECCN) for the item. Use BXA's website (www.bxa.doc.gov) to get help with the ECCN. Products under ECCN# EAR 99, a broad category, normally do not require a license when shipped to most destinations. For information on other categories, the exporter should contact BXA directly at Tel: (202) 482-4811. When in doubt about agency jurisdiction, the exporter can also contact BXA, as BXA will route the application to other agencies for a determination.

WHAT ARE THE PENALTIES FOR NOT COMPLYING WITH EXPORT CONTROL LAWS?

Millions of dollars in civil penalties are imposed each year by the federal government for violations of export control laws. BXA's website contains real-world examples of civil penalties that have been imposed in the past. Civil penalties assessed by OFAC are $11,000 per prohibited transaction in most cases, but can reach $275,000 per infraction under the sanctions against Iraq, and $1,000,000 if they involve narcotics "kingpins". In cases where there is criminal intent to violate export control laws, criminal penalties can be imposed, resulting in significant corporate or personal fines as well as imprisonment.

WHERE CAN I FIND MORE INFORMATION?

Agency Export Control Contacts

- U.S. Department of Commerce—Bureau of Export Administration (BXA)

  BXA regulates exports of "dual use" items and enforces compliance with the Export Administration Regulations (EAR). Though most U.S. exports are subject to the EAR, most do not require a license. To find out if items subject to the EAR require a license, exporters may contact BXA at the numbers listed below or consult the BXA website. U.S. businesses may now apply for necessary BXA licenses online through the Simplified Network Application Process (SNAP).

Internet: www.bxa.doc.gov

Exporter Counseling Division
14th and Pennsylvania Avenue, NW, Room 1099D
Washington D.C., 20230
Tel: (202) 482-4811
Fax: (202) 482-3617

Western Regional Office
U.S. Department of Commerce
3300 Irvine Avenue, Suite 345
Newport Beach, CA 92660
Tel: (949) 660-0144
Fax: (949) 660-9347

U.S. Department of Commerce
Bureau of Export Administration
101 Park Center Plaza, Suite 1001
San Jose, CA 95113
Tel: (408) 998-7402
Fax: (408) 998-7470

■ U.S. Department of Treasury—Office of Foreign Assets Control (OFAC)

OFAC administers and enforces economic and trade sanctions against targeted foreign countries, terrorism sponsoring organizations, and international narcotics traffickers. The OFAC website provides information on these sanctions as well as the complete list of Specially Designated Nationals and Blocked Persons (the SDN List). Compliance and Licensing Officers are available at the numbers listed below.

Internet: www.treas.gov/ofac

Fax-On-Demand Service: (202) 622-0077

Compliance Programs Division
Tel: (202) 622-2490
Fax: (202) 622-2426

Licensing Division
Tel: (202) 622-2480
Fax: (202) 622-1657

■ U.S. Department of State—Office of Defense Trade Controls (DTC), Bureau of Political Military Affairs

DTC controls the export of defense articles and services by taking final action on license applications and other requests for approval of defense trade exports and retransfers, and handling matters related to defense trade compliance, enforcement and reporting. All U.S. manufacturers and exporters of defense articles and/or services must register with DTC. Registration information may be requested by telephone or facsimile at the numbers listed below, and a registration booklet is also available online via DTC's website. Compliance specialists are available for assistance at the number listed below.

Office of Defense Trade Contracts Bureau of Political Military Affairs PM/DTC, SA-6, Room 200
Washington, DC 20522-0602

Internet: www.pmdtc.org
General Information: Tel: (703) 975-6644
Licensing/Management/Forms: Fax (703) 875-6647
Registration/Compliance: Fax (703) 875-5663

■ U.S. Department of Energy, Office of Arms Controls and Nonproliferation, Export Control Division

Licenses nuclear technology and technical data for nuclear power and special nuclear materials.

Tel: (202) 586-2112
Fax: (202) 586-6977

■ Department of Energy—Office of Fuels Programs

Tel: (202) 586-9482
Fax: (202) 585-6050

Licenses natural gas and electric power.

■ Other agencies: View http:/www.bxa.doc.gov/reslinks.htm

Special thanks to the Office of Foreign Assets Control and the Bureau of Export Administration for assistance with this article. ■

The Trade Information Center (TIC) is operated by the International Trade Administration of the U.S. Department of Commerce for the 20 federal agencies comprising the Trade Promotion Coordinating Committee. These agencies are responsible for managing the U.S. Government's export promotion programs and activities. You, too, can "Ask the TIC" by calling 1-800-USA-TRAD(E) toll free, Monday through Friday, 8:30-5:30. Or visit the TIC's website at http://tradeinfo.doc.gov.

B2C TRANSACTIONS

WEB WAVE NETS LATIN AMERICA

by David Schnier
Office of Latin America & the Caribbean, Market Access & Compliance

The Internet boom and the skyrocketing popularity of e-commerce in Latin America are a tremendous blessing for the region's economy and a potential boon for U.S. exporters. Just by setting up a website accessible to Spanish and Portuguese speakers, small and medium-sized companies can extend their reach to the growing legions of Internet users in Latin America—estimated at 11 million and growing by tens of thousands each day.

Small and distant markets like Uruguay have a relatively limited penetration of foreign firms, and hence a limited selection of U.S.-made products. With the dramatic increase in Internet use in a country like Uruguay comes a drastically greater selection of U.S.-made goods. Instead of being limited to scouring premium-priced malls in Montevideo's chic shopping districts for the latest American products and styles, Uruguayans now need only go online.

In Chile, teenagers are buying clothes from U.S. firms online. Not only does Internet shopping offer greater product choice, but users can also avoid paying import duties and sales taxes, as most Latin American countries don't collect customs duties on low-value shipments coming into the country (typically up to around $150). Best of all, most purchases are not subject to VAT or sales taxes, which can be as high as 23 percent.

THE WIDE WEB IS CAST IN LATIN AMERICA

UNPARALLELED GROWTH

The region's Internet growth is unparalleled anywhere else in the world. About 2 percent of Latin America's nearly 500 million people were online last year, and projections put as many as one-tenth of them—roughly 50 million people—online by 2003.

The numbers indicate that the region is looking forward to a bright future in electronic commerce. Spending on Web commerce in Latin America is expected to reach $3.2 billion this year (*eMarketer*, May 2000), and could rise to $100 billion within just five years. In March 2000, Microsoft chairman Bill Gates called Latin America one of the world's most promising e-markets, second only to Asia in growth of e-commerce spending.

One thing the region has going for it is the commonalties shared by its countries, including culture, history and language. These common characteristics allow website owners to benefit from economies of scale. Much will depend on inexpensive access developing in the region, as the effects of deregulation of telecom networks are felt.

RIPE FOR GROWTH: THE CASE OF CHILE

Fortunately for those who have yet to penetrate the promising Latin e-market, the region is still on the upside of its projected growth curve. Take Chile as an example. Microsoft Chile estimated in March 2000 that 5 percent of Chilean households have computers. While this is low compared to 60-70 percent in the United States, 10-11 percent in Argentina and 8 percent in Mexico, the Chilean market is growing at 25 percent annually, and ranks among the countries best suited for long-term growth, owing to its well-developed telecommunications system.

There are presently 750,000 Internet connections in Chile, and this figure is estimated to reach 2 million by the end of the year. Chilean e-commerce, now in its infancy, is expected to reach $118 million per year by 2003 and $2.2 billion by 2010.

The number of Internet users in Chile doubled between June and December 1999 after the government cut telephone rates by 12 percent. Still, shopping online is not popular. A 1999 University of Chile survey of Internet users showed less than 12 percent had purchased anything over the Web, which is unchanged from the year before.

The Chamber of Commerce of Santiago found in a November 1999 study that 34 Chilean retailers currently operate commercial websites. Online payment is available at only half of these existing virtual retail stores and only around 40 percent provide secure transactions. Delivery from online purchases fluctuates between 1-3 days and averages 43 hours.

The study indicated, however, that Internet use in Chile has been held back compared to in Argentina and Brazil by high telephone rates. Unlike the United States, Chile uses a system based on servicio local medido charges, meaning users are charged for local calls, and being on the Internet is like sitting in a taxi with the meter running. Also, as experts say, since the phone companies manage the Internet, they lack incentive to develop the medium because they see it as competition for telephony.

U.S. companies provide the backbone of the Internet in Chile, and can very well develop an even larger market by aggressive pursuit of an environment that appears ready for an e-revolution.

URUGUAY

Uruguay enjoys one of the highest Internet user rates in Latin America. While official statistics are unavailable, sources consulted by the U.S. Embassy in April 2000 said that about 10 percent of the population (approximately 300,000 people) had direct Internet access. There are 13 Internet service providers (ISPs), but the single state-owned provider, ADINET, commands approximately 70 percent of the market.

ARGENTINA

Argentina has emerged as the region's premiere developer of Internet start-ups. The country counts 700,000 Internet users and is one of the top five countries in the world in terms of number of registered domain names. Argentina's Internet penetration rate of 2 to 3 percent of the population is considered low, but there are websites for everything from financial services to auctions to shopping.

The Argentine government is studying a forward-looking plan to wire 55,000 schools around the country, and upcoming deregulation of the telecommunications sector should lower phone line access costs and improve connectivity.

A study released in mid-1999 by the Boston Consulting Group revealed that more than 95 percent of purchases by e-shoppers in Argentina were on sites outside the country, the vast majority from the United States.

Barriers to widespread deployment of Internet in the country are coming down quickly. Whereas three years ago Internet access was the domain of the privileged few, with access costs exceeding $100 a month, today mainstream Internet access can easily be had for $10 a month. Free Internet access became available at the beginning of 2000.

Telephone costs in Argentina, however, are not coming down so quickly. Although charges for Internet dial-up are half of normal phone rates, having to pay for time online still constitutes a hindrance in a country where the median annual income is only about $9,000. Argentina's telecom reform, if implemented this November as announced, is expected to sharply cut interconnection rates, substantially reducing the cost of getting on the Internet.

BRAZIL

Brazil has the most advanced e-commerce sector in Latin America, and the characteristics for rapid growth: a large user base, state-of-the-art banking initiatives, large local retailers with strong brand recognition and a wide array of Portuguese language content providers.

Brazil remains the dominant force in the e-commerce market in Latin America with 4 million of the 11 million online users in the region (Industry Standard). Brazil accounts for 45 to 50 percent of total regional e-commerce—consumer online shopping as well as business to business sales—and Jupiter Communications estimates that Brazil will be doing $4.2 billion a year in Internet sales by 2005.

The average Brazilian online consumer is well educated, highly sophisticated, used to international purchasing and is just beginning to experiment with shopping online. Even though the overall Internet penetration rate remains low relative to the United States or Europe, the penetration rate among the consumer group that can afford to go online (currently estimated to be seven percent of households) is 33 percent, similar to that of southern European countries.

An estimated 20 percent of Brazilian Internet users have bought something online. Of this group, 44 percent have spent more than $100 and have made more than one purchase. While books, CDs and software are still the most frequently purchased items, Brazilian consumers have begun to buy diverse items such as perfume, vitamins, car accessories, clothes, household items and toys.

While Latin American consumers as a whole spent more on U.S.-based sites than on domestic sites in 1999, Brazilians tend to shop at home. Quality Portuguese language content, a good variety of local sites and limited English all contribute to keeping huge numbers of Brazilian online shoppers in Brazilian online stores. As of May 1999, there were 59 local Brazilian sites dedicated to books, 43 to music, 11 to groceries, 16 to electronics, 6 to brokerages, 23 to banks, 2 to airlines, 43 to selling computer software and hardware, and 104 others, for a total of 307. Since then, countless new sites have opened, including an auction site and an automobile dealership.

Economic and technological issues that have impeded the growth of the Internet and e-commerce in Brazil are gradually being resolved. Fierce competition among service providers has caused access costs to plummet to an average price of $19 for unlimited access, among the lowest prices in the region. However, local telephone charges remain high as calls are still billed on a per minute or per pulse basis. Also, despite improvements, the postal and delivery systems that service Brazil are still insufficient for the high volume of small packages, characterizing business to consumer (B2C) transactions.

As these issues are resolved, the potential e-commerce market will grow. A study by a Sao Paulo consulting group estimates that currently only 7 percent of Brazilian households (3.8 million) can afford to go online. That number could more than double to 17 percent (8.8 million households) if PC leasing and flat telephone rates are introduced. With Argentina and Mexico (the next most developed markets) as distant seconds, e-commerce sites and investment firms eagerly eye the Brazilian market, which once again wins on sheer size.

OTHER USES FOR INTERNET IN LATIN AMERICA

SERVICES: AN ONLINE COMPARATIVE ADVANTAGE

The possibilities the Internet brings to firms selling manufactured goods are surpassed only by the services sector. While goods manufacturers can benefit from the extraordinary extension of reach the Internet provides them, they are still required to ship goods by conventional means—a limitation anywhere, but especially in Latin America. Services, however, can usually be both procured and transmitted via the Internet, giving services providers a distinct advantage in online sales in Latin America. As a result, banking, consulting and many other sectors stand to realize dramatic gains from the Internet revolution. As of January 2000, between 5 and 10 percent of banking transactions in Chile were being conducted through the Internet. This figure is expected to swell to 15 to 20 percent over the next two years, and to reach 40 percent by 2010 (Citibank).

E-AUCTION SITES

Just this year, several online auction houses have sprung up in Latin America, hoping to capitalize on the success of U.S. sites like E-Bay. Deremate.com, mercadolibre.com and many others (see sidebar listing) are bringing the Latin American auction marketplace into the 21st century.

INTERNET BOND SALES: ARGENTINA PIONEER

In January, Argentina became the first country in the world to place a bond via the Internet with the issuance of a five-year, 400 million Euro bond. Investors were able to buy the bond both via the Internet and by traditional methods. Of the bonds sold, 41 percent were purchased online.

E-COMMERCE IN LATIN AMERICA: CHALLENGES

Despite these encouraging signs, high Internet access costs and consumer uncertainty are hampering the growth of e-commerce in Latin America. While a number of ISPs have begun to offer free online access to users in the region, high telephone rates in most countries, as a result of state-supported monopolies, make the use of dial-up Internet connections prohibitively expensive for many people. Consumer mistrust of the banking system and aversion to the use of credit cards have also inhibited growth as has the lack of a reliable and cost-effective delivery infrastructure for consumers to receive goods ordered online.

And while the growth in Internet use is undeniable, getting consumers online in Latin America doesn't necessarily mean they'll buy anything. Just 1 percent of Latin American families has purchased goods or services online, according to Ernst & Young, compared to 13 percent in the United States. Even so, the Latin American population is much younger than the U.S., European or Japanese populations, and as it matures, it is more likely to seek out the Internet for information, entertainment and shopping.

Security fears are a big reason e-commerce hasn't taken off in Latin America as it has in the U.S. Just 0.2 percent of Visa credit card charges in Latin America are Internet sales, but a whop-

Latin America Connectivity Assessment

As part of a study on e-business-readiness released in June, the Economist Intelligence Unit measured the "connectivity" or the readiness of the communications infrastructure to handle Internet traffic, of 60 major countries. The connectivity assessment takes into account not only the state of the existing telephone network but also other factors that affect Internet access, such as dial-up costs and literacy rates. Companies looking to realize the global promise of the Internet and enter far-flung markets can judge from a country's position in the rankings how easy that move is likely to be

USA	1
Chile	23
Argentina	26
Mexico	34
Brazil	35
Peru	47
Colombia	48

Source: EIU, June 2000

ping 50 percent of Visa's repudiations—customer denials of charges listed on their statements—come from online purchases. (Visa International)

Other obstacles impacting the region's ability to foster e-commerce include tariff barriers and the high cost of logistics (i.e., shipping). To combat these problems, ISPs and investors are working to develop more secure systems of electronic sales, with private mail couriers to set up a more efficient and lower-cost mail delivery system, and with the phone companies for flat tariff rates on Internet connections. Also, recently announced changes to U.S. encryption export policy will have a pronounced effect on bolstering consumer confidence in the online buying experience.

U.S. GOVERNMENT POLICIES AND ACTIVITIES IN THE REGION

The U.S. Government has been active in supporting a permanent ban on taxes on Internet access, a permanent ban on customs duties on electronic transmissions, a continuation of the moratorium on multiple and discriminatory taxes, and a simplification of state and local sales taxes and telecommunications taxes.

JOINT STATEMENTS ON ELECTRONIC COMMERCE... AND WHY

Earlier this year, Chile became the first Latin American country to sign a Joint Statement on Electronic Commerce with the United States. Commerce Secretary William Daley and his Chilean counterpart Juan Manuel Cruz inked the agreement during Daley's February visit to Chile. In May, Secretary Daley signed a Joint Statement with Colombia, and the Department is in advanced stages of negotiation with Uruguay and Argentina. These statements articulate the signatory countries' common approach to e-commerce, which guarantees that the development of regulation remain private sector led, and that electronic commerce will remain unfettered and untaxed. The statements also establish important guidelines on privacy and consumer protection.

All the work a diverse group of U.S. government agencies puts into the creation of these Joint Statements begs the question what do these government-to-government documents mean for the hundreds of thousands of small businesses in the hemisphere that, they are intended to benefit?

By laying a framework for private sector-led regulation and establishing a fair playing field and an open set of rules early in the game, the Joint Statements seek to provide an open and level playing field for e-business in the hemisphere. By fostering an environment that favors consumer privacy and secure online credit card transactions, these agreements go a long way towards inspiring the kind of customer confidence needed for online purchases to become mainstream.

Internet penetration and online habits differ widely among Latin American countries and the United States.

Country of Internet User	Mean Hours Online per Week	Have Purchased Online in Past Year	Mean Tenure (in years)
Argentina	9.8	31%	1.4
Brazil	12.3	54%	2.2
Chile	10.7	36%	1.9
Colombia	8.9	38%	1.7
Mexico	10	37%	1.5
US Hispanic	11.7	66%	1.8
Venezuela	10.2	44%	1.7
Average	**10.7**	**43%**	**1.7**

Source: : StarMedia Network, Inc. April 2000

CHILE BUYS

GOVERNMENT PROCUREMENT ONLINE: THE CHILEAN MODEL

The Chilean government plans to spend $200 million over the Internet this year as part of their "Chile Buys" program designed to encourage more Chilean businesses to go online. A presidential decree has established December 2001 as the deadline by which all ministries and other government organizations must begin buying supplies over the Internet. So far 17 government agencies have made the switch. Chilean officials estimate that by 2002 Chile could be purchasing as much as $2 billion in supplies online, which would mean a savings of $200 million per year.

To take part in the government procurement bidding, companies must be online. Government organizations announce what they want to purchase on "Chile Buys" (www.compraschile.cl). Companies registered to bid then automatically receive an electronic message notifying them that bidding is taking place. Teams evaluate the returned offers and award the contracts. Although payment for the contracted supplies is still handled by check, the government plans to complete all transactions, including payment, online as soon as they receive congressional approval of a law regulating e-commerce. The bidding is open to companies around the world, but some contracts stipulate that foreign companies winning bids must have offices in Chile.

Online procurement reduces paperwork and the need to schedule meetings. More bidders, possible through the online bidding process, increase competition and drive down prices. The program also cuts down on labor costs by reducing the amount of time employees spend out of the office soliciting bids and negotiating contracts. The process will be centralized, allowing all government organizations involved to work together so that some products can be purchased in bulk at a better price. ■

E-SUCCESS!

Fiera.com
Fiera.com, Inc., a Spanish- and Portuguese-language site, offers more than 85,000 music tracks, 150,000 books, 750 movies and 500 video games, as well as electronic and computer goods.

Mercantil.com
Mercantil.com is a Miami-based business-to-business site launched in March, 2000, and offering a database of contact information for over 1 million companies in Mexico, Chile, Argentina and Brazil. Mercantil plans to expand to eight more Latin American markets by the end of this year.

MercadoLibre.com
Miami-based online auction company MercadoLibre.com is an ebay.com equivalent, spanning seven Latin American countries from Argentina to Mexico.

Starmedia
According to New York-based Starmedia Network, Inc., the first publicly traded Internet company to target Latin America, 42 percent of its users shopped online last year.

Patagon.com
Patagon.com is an e-brokerage site headquartered in Miami. It has recently expanded across the Americas, opening offices in Brazil, Chile, Venezuela, Mexico and New York.

Elsito.com
El Sitio hit paydirt this year by becoming the first Argentine start-up to launch an IPO. For shares representing 21 percent of the company, El Sitio garnered a cool $131.2 million.

LatinStocks.com
LatinStocks, which bills itself as the leading business and financial services company in Latin America, is a pan-Latin American source of financial information and revenue sources.

Pronetlink.com
Eleven country-specific trade portals from Pronetlink.com support the individual needs of countries, businesses and governments by providing marketing opportunities on local, regional and international levels. ■

FTAA EXPERTS COMMITTEE
At the March 1998 Free Trade Area of the Americas (FTAA) Ministerial in San Jose, Costa Rica, Ministers created the Joint Government-Private Sector Committee of Experts on Electronic Commerce. At the Toronto Ministerial in November 1999, the report of the Joint Committee was made public. Among its 40 recommendations, the Joint Committee urged FTAA governments to update their regulatory frameworks to provide for greater private sector competition; promote international voluntary and consensus-based standards setting; encourage effective self-regulation; and, provide online consumer protection no less than that afforded in traditional transactions.

At the Joint Committee's most recent meeting on May 1-3, 2000 in Miami, private sector and government representatives addressed issues related to access and infrastructure, and small and medium-sized enterprises. Future meetings will address authentication and online payments, and consider developments in intellectual property, taxation and consumer protection. The Joint Committee will make further recommendations to Trade Ministers for the next FTAA Ministerial in March/April 2001.

US&FCS ARGENTINA WEBSITE
In addition to creating these joint policy statements, the Department of Commerce has taken some practical and immediate steps to help U.S. small businesses cash in on Latin America's Internet boom.

On February 16, Commerce Secretary William Daley launched a Spanish-language website through the Department's Commercial Service office in Argentina to help small businesses in the United States promote their goods and services in the fertile and fast-growing Spanish-speaking markets in Latin America. The site (www.comerciousa.org) provides a searchable database of U.S. suppliers with whom Argentine companies can place immediate orders.

Now, virtually all other Commercial Service posts in the Spanish-speaking region are in the process of connecting to the Argentine site, increasing its range throughout the continent, from the Dominican Republic to Chile. Using the site's search function, potential customers all over the region will be able to find a description of the U.S. company that sells the products they are looking for, product information and contact information, all in Spanish, and all at the click of a mouse.

The Commercial Service Argentina site has received over 600,000 hits as of May 31. That's over half a million hits in less than 15 weeks or nearly 6,000 hits a day. ■

U.S.- LATIN AMERICAN E-COMMERCE AGREEMENTS/INITIATIVES

U.S.-Chile Joint Statement—Signed February 18, 2000

U.S.-Colombia Joint Statement—Signed May 17, 2000

Bilateral Initiative with Mexico—Signed September 29, 1999

Bilateral Initiative with Argentina—Signed February 16, 2000

TELECOM TALKS

THE 5TH LATIN AMERICAN TELECOMMUNICATIONS SUMMIT

by Andy Wylegala

U.S. & Foreign Commercial Service, Lima, Peru

Against the backdrop of Lima's spectacular archeological museum, and a rainbow of folk dancers arrayed from courtyard to rooftop, President Fujimori and Deputy Secretary of Commerce Robert Mallett inaugurated the Fifth Latin American Telecommunications Summit ("LATS") held in Lima from March 13-16, 2000. A tour of the one-time home of South American independence hero Simon Bolivar and a glimpse at Incan mummies transported, perfectly preserved, from Peru's humid coast were welcome diversions from the hours of intensive shop talk of that day for the 170 participants in LATS.

LATS participants come from the U.S. and another dozen countries in the hemisphere to take part in what has become a unique conclave for the U.S. and Latin American telecom industry, and government policymakers and regulators. As Deputy Secretary Mallett noted, the summit is significant because it "provides an opportunity for participants to gain a better understanding of the telecommunications markets and regulatory environments of the [various] countries." And LATS has taken hold as an industry standard event because it uniquely provides its private sector sponsors direct access to high level officials from across the region at a single venue and in a collegial setting. Major deals are not typically done at LATS, nor are major governmental accords negotiated. What does happen at LATS, however, is a more enduring, if less dramatic, process of spreading understanding and building ties within and across governmental and private sectors. The cultural moments slipped into the few waking hours not given over to meetings are additional incentives for potential participants to sign up—participants cannot wait to see how the next LATS host will out-do the previous one in terms of cultural interest and gracious hospitality.

"MUCH OF WHAT KEEPS PARTICIPANTS OF LATS COMING BACK ARE THE UNIQUE ONE-ON-ONE MEETINGS WITH LATIN AMERICAN GOVERNMENT AUTHORITIES TO WHICH EACH OF THE MORE THAN 20 U.S.-BASED TELECOM COMPANIES WHO SPONSOR THE CONFERENCE ARE ENTITLED."

The summit is sponsored by the Commerce Department's National Telecommunications and Information Administration (NTIA) and the Telecommunications Industry Association (TIA). Secretary Brown led the U.S. delegations to the summits held in Isla Margarita ('93), Santiago ('95), while Secretary Daley did likewise to those in Cancun ('97) and Bariloche ('98). This year's LATS had the added interest of participation by Chairman William Kennard of the Federal Communications Commission. Mr. Kennard engaged his counterparts from most of the nine participating countries in a range of discussions, including an FCC initiative to provide more extensive technical support to regulators in the region, including Peru's, with which an accord was signed.

LATS also showcases how several Commerce organizations pull together for U.S. industry interests. While NTIA has the lion's share of the task for the logistical and substantive planning of the conference, the Office of Telecommunications within ITA's Trade Development unit lends its policy expertise, and Commercial Service, State Department Officers and FSN's serve as matchmakers and guides for the national delegations that they accompany to the summit.

From the Latin American public sector, this year's LATS drew ministers or other senior official-led delegations from nine countries—from Brazil and Mexico at

Photo courtesy of Commercial Service Lima.

Courtesy of the Peruvian Ministry of Transportation & Communications, participants at the 5th LATS were dazzled at the inaugural ceremony by a presentation of eight Peruvian folk dances.

one end of the population spectrum to Ecuador and Paraguay at the other. The changing mix of official delegations invited to attend LATS shows that participation is driven by the dynamism and U.S. industry interest in given countries at the particular time and not solely on market size.

The busy agenda at LATS included three thematic workshops on interconnection, wireless/satellite issues and the Internet; a series of Foreign Commercial Service Country Briefings for the U.S. Industry Sponsors; an U.S. Industry Sponsors Roundtable with Deputy Secretary Mallett and Chairman Kennard; and, two panels of ministers.

Much of what keeps participants coming back to LATS, however, are the unique one-on-one meetings with the Latin American government authorities to which each of the more than 20 U.S.-based telecom companies who sponsor the conference are entitled. Generally held in 30-minute intervals, the company participants move from delegation to delegation to discuss their particular policy or project concerns—or simply to get a personalized briefing directly from those in the know about a firm's country of interest. Eighty such formal meetings were orchestrated at LATS this March.

The key role of the private sector co-organizer, the Telecommunications Industry Association, cannot be exaggerated as a determinant in LATS success. The association, based in the new Reagan International Trade Building, is a full-service national trade organization with membership of 1,000 large and small companies that provide communications and information technology products, material, systems, distribution services and professional services around the world. The association's member companies manufacture or supply virtually all of the products used in global communication networks. TIA represents the telecommunications industry with its subsidiary, the MultiMedia Telecommunications Association (MMTA) in association with the Electronic Industries Alliance (EIA).

The list of participating firms in LATS-Lima read like a who's-who of the sector: Astro Link, Bell South, Comsat International, Diginet Americas, Ericsson, FOCAS, Global Crossing, Global One, Hughes Network Systems, Lucent Technologies, Loral Cyberstar, Inc. MCI Worldcom, Motorola, New Skies Networks, Inc., Nokia, Nortel Networks, PanAmSat Corporation and Qualcomm, Inc. were among the stellar listing.

The selection of Lima as the summit site proved to be fascinating, and for more than the fore-mentioned cultural attractions. In November 1991, Peru set up a rough equivalent of the U.S. FCC known, from its Spanish language acronym, as OSIPTEL. The regulator wasted little time in crafting what has become known as "the Peru model" of telecommunications market opening, which envisions an improvement in service coverage and quality by inducing foreign investment, a relatively large number of market players, and a blending of the best features of several liberalization models from Chile and other telecom opening pioneers. OSIPTEL and the Peruvian Ministry of Transport and Communications received considerable international praise over the past decade for their vision and technical competence.

The Government of Peru laid the groundwork for competition in a telecommunications services market that today is valued at an excess of $2 billion per year (the imported telecom equipment market is worth $655 million, of which the U.S. enjoys a one-quarter share) by privatizing the state-owned local and long-distance monopolies in 1994. Under the privatization terms, Telefonica del Peru, the Spanish owned company which emerged victorious from the privatization tender, was to enjoy a five-year monopoly over fixed local and long-distance businesses, upon which time licenses would be opened to others.

For a time it appeared that the Government of Peru was getting ahead of its own ambitious schedule when it reached agreement with Telefonica to allow new entrants into the latter's business areas as of August 1, 1998, over a year ahead of the schedule set in 1994. However, effective competition had not arrived, even as late of March 2000—almost a year after originally scheduled.

One of the issues bedeviling a true opening has been the need for new entrants to conclude interconnection agreements with the owner of the fixed telephony network owner, Telefonica del Peru, in order to be able to complete in-bound traffic and to offer new types of services to the individual end-user.

Fixing the rates and defining the terms by which the interconnection fees are measured and settled, as well as sharing the costs of transferring customers who switch carriers, have proven to be complex matters in liberalizing markets worldwide. However, Peru's case has proven a particularly difficult one. U.S. entrants believe strongly that their difficulties result from the combination of a determined, well-entrenched former monopoly carrier, and a regulator which lacks the tools or finesse to compel pro-competitive behavior in a timely manner.

No firms have been more frustrated by the repeated delays in their ability to get up and running than BellSouth, which purchased a majority of a Peruvian cellular provider in 1997 for $400 million, and FirstCom Corporation, a company acquired last October by AT&T, which has invested about $60 million in building an 800km fiber optic cable network around Lima to serve corporate clients.

Just as final preparations for LATS 2000 were being put in place, the situation came to a head when BellSouth filed a petition with the U.S. Trade Representative under Section 1377 calling on Peru to fulfill its WTO obligation to set cost-based interconnection charges. As events played out, LATS provided an excellent venue to air all sides of the matter and for the U.S. Government and industry to nudge the Peruvian government into taking decisive action to facilitate competition in the market. In remarks at the inaugural ceremony, no lesser an authority than President Fujimori addressed the crux of the problem by calling for the strengthening of OSIPTEL so that it could "act firmly to further market opening [and ensure] entry of the new operators without bureaucratic or other delays."

In the wake of LATS, the FCC fulfilled its promise to support OSIPTEL technically in the task of calculating cost-based rates. And on June 7th OSIPTEL released a long awaited draft mandate that would reduce the ceiling on interconnection rates by some 40 percent, largely meeting the position of the U.S. entrants.

Of course, the host country was by no means the only topic of this regional summit. Progress was made on subjects as far ranging as coordinating implementation of the CITEL framework for mutual recognition of equipment standards, the "luxury" tax on cellular services in Argentina, accounting rate matters and the desirability of keeping regulation of the Internet at a minimum.

LATS 2000 in Lima was a busy, productive and memorable affair. But industry participants and governmental officials still await promised news from the LATS organizers: the when and where of the 6th edition. ■

Photo courtesy of Commercial Service Lima.

The heads of the USG delegation to LATS and TIA executives are shown during the U.S. Industry Roundtable.

UPCOMING TRADE EVENTS

SEPTEMBER-DECEMBER 2000

DATES	EVENT	LOCATION
September 6-10	AUTOMECHANIKA Authomechanika is the world's largest biennial fair for parts and services. The Commercial Service in Germany offers pre-scheduled counseling sessions as part of this event.	Frankfurt, Germany
September 23-30	IAA HANNOVER, HEAVY DUTY TRUCKS, BUSES IAA is the largest show in Germany for heavy-duty trucks, buses and associated services. The German truck and bus industry is presently trying to source more U.S. parts.	Frankfurt, Germany
October 3-7	SAITEX Saitex is Africa's leading multi-sector international trade fair, and serves as the gateway for trade into the African continent. It attracts importers and exporters from around the globe.	Johannesburg, South Africa
October 6-8	INDIA CHEM 2000 India Chem 2000 is India's biggest international exhibition of the chemical, petrochemical and pharmaceutical industries. This event will consist of an exhibition, conferences, buyer-seller meetings and networking opportunities.	New Delhi, India
October 17-20	POLLUTEC 2000 Pollutec is a major international exhibition dedicated to technologies and services in the environmental sector. The show focuses on industrial applications and includes waste management technologies, "clean" technologies for industry, water conservation, waste water treatment and recycling techniques.	Lyon, France
October 18-22	SAIE 2000 SAIE is one of the top international exhibitions specializing in various sectors of the construction field. SAIE features specialized sections for building materials and products, construction equipment, and planning and services. In 1999, SAIE attracted 1,800 exhibitors from 31 countries, including 46 American firms.	Bologna, Italy
October 19-23	SMAU 2000 SMAU is Europe's second largest exhibition in the Information and Communications Technology (ICT) sector. It attracts 2,400 exhibitors and 360,000 qualified visitors each year. The Italian market for products and services in the computer hardware, software and telecommunications sectors is US$40 billion, and the U.S. is Italy's largest supplier of such products and services. By participating in SMAU, small and medium-sized, new-to-market U.S. companies are introduced to top Italian distributors and business partners, and stand an excellent chance of benefiting from the opportunities offered by the Italian and surrounding markets.	Milan, Italy
October 23-27	EURONAVAL 2000 Euronaval is a biennial international trade show, and it is Europe's primary exhibition for maritime defense products. Over 70 countries, representing approximately 100 official delegations, visit Euronaval at the invitation of the French MoD. The show welcomes approximately 350 exhibitors from over 20 countries, and attracts about 17,000 visitors from across the spectrum of naval defense equipment, surveillance, projection of forces and prevention.	Paris, France
October 24-29	AUTO AFRICA Auto Africa is the ultimate meeting point for the automotive industry in Africa. Five automotive industry-specific halls will feature aftermarket, spares and accessories; commercial vehicles, trucks and buses; components and manufacturing equipment; garage equipment and body repairs; and passenger cars.	Johannesburg, South Africa
October 23-30	CASE CATALOG SHOW The Council of American States in Europe is mounting a catalog show to visit a dynamic region with markets in various stages of development. The state representatives will highlight their state industries.	Oslo, Norway; Stockholm, Sweden; Copenhagen, Denmark; Tallinn, Estonia & St. Petersburg, Russia

TRADE EVENTS SCHEDULE

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Cross Sectoral	Bob Pata Tel: (415) 705-2282 Email: Robert.Pata@mail.doc.gov
Chemicals	Shantanu Mitra Tel: (91 11) 331-6841 Email: Shantanu.Mitra@mail.doc.gov
Environmental Technologies	Everett Wakai Tel: (33 4) 4312-2383 Email: Everett.Wakai@mail.doc.gov
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Cross Sectoral	Liz Wheeler Tel: (44 207) 771 7017 Email: lizwheeler@cibgroup.co.uk

HIGHLIGHTED EVENTS

COSMOPROF COSMETICA 2000— U.S. PAVILION

SAO PAULO, BRAZIL SEPTEMBER 2-5

The Office of Consumer Goods, in cooperation with the Independent Cosmetic Manufacturers and Distributors (ICMAD) organization, is sponsoring the American pavilion in the largest trade show in Latin America for cosmetics, toiletries and personal care products. Brazil's cosmetics market is now worth more than $5 billion, and the U.S. is Brazil's largest foreign supplier.

Cosmetica attracted over 72,000 visitors last year and had over 500 exhibiting companies from Latin America and the world. A fully equipped, turnkey display booth, in a color coordinated U.S. pavilion, with on-site management and marketing assistance, is also provided.

For more information, contact Edward Kimmel at Tel: (202) 482-3640 or Email: Edward_Kimmel@ita.doc.gov.

BASIC INDUSTRIES CLEAN ENERGY TRADE PROMOTION INITIATIVE

AUGUST-DECEMBER, 2000

In recognition of the large potential global market for clean energy technologies and services, the Energy Division in the International Trade Administration has launched a trade promotion initiative linking U.S. companies with foreign markets to facilitate sales and dissemination of clean energy technologies, products and services, and clean fuel sources. This initiative applies proven trade promotion concepts and programs that support U.S. businesses and exports, such as missions and reverse missions, in order to meet the new global appetite for feasible, clean energy investments that aim to balance economic development with environmental concerns and energy efficiency goals. The initiative is designed to realize President Clinton's vision for enhanced exports of advanced U.S. company clean energy technology.

The initiative will bring U.S. company representatives face-to-face with foreign government decision makers as well as into one-on-one meetings with representatives of public and private companies in each of the targeted markets in order to promote clean energy exports, trade leads, and project development. Each market is evaluated based on its unique mix of current energy sources,

DATES	EVENT	LOCATION
November 1-4	HOSPITALARIA 2000 Hospitalaria is the largest medical trade show in Argentina, with 240 exhibitors and almost 20,000 registered visitors, and is held in conjunction with professional conferences. The health sector is estimated to be over $20 billion per year.	Buenos Aires, Argentina
November 6-12	AIRSHOW CHINA 2000 This show is excellent for U.S. aerospace companies wanting to promote their products in the lucrative Chinese market. With average annual growth rates over 20 percent, China is the world's fastest growing aviation market.	Zhuhai, China
November 7-11	BIAS 2000 BIAS 2000 is the premier European instruments show in year 2000, and is an ideal way to target the southern European market. It features products and services for the automation of batch and process industries, including microelectronics and instrumentation. The last edition of BIAS had 2,400 exhibiting companies and over 56,000 visitors. The Department of Commerce booth is an integral part of the exhibit, drawing attention to the U.S. companies and promoting their reputation for high-quality instruments. Participation options are the Turnkey Mini Booth Plus Special Support Service at $2,850 or the American Product Literature Center (APLC) at $450. BIAS is a biannual trade show.	Milan, Italy
November 10-13	FRANCHISING & PARTNERSHIP Franchising & Partnership is Europe's second largest franchise exhibition. It attracts over 200 exhibitors and 30,000 qualified visitors. The continuing growth of successful new franchises has created an awareness in the Italian business community that franchising is the most innovative way to introduce a business concept. The total business turnover of the franchising sector was in excess of US$12 billion in 1998, while the number of franchisors was 502 and franchisees totaled 26,274. U.S. franchisors exhibiting at the show are introduced to potential master licensees, and to investors and potential business partners.	Milan, Italy
November 13-16	WORLD TRADE MARKET (WTM) WTM is Europe's premier international travel and tourism industry show. Held in London on an annual basis, WTM covers a 33,500 square meter area at Earl's Court. This show is not open to the general public.	London, United Kingdom
November 14-16	HOSPITAL SHOW 2000 Hospital Show 2000 is the first exhibition of U.S. hospitals and medical services organized by the Department of Commerce in Mexico.	Mexico City, Mexico
November 22-25	MEDICA 2000 Medica is considered the world's most important and largest international fair for medical equipment. In 1999, the U.S. featured 259 companies as official exhibitors, of which 20 were NTM firms participating in Commercial Service Germany's Corporate Executive Office (CEO) program. The CEO participants reported US$150,000 in direct sales, and a US$32 million in projected sales.	Dusseldorf, Germany
November 29- December 2	EXPOPESCA 2000 Expopesca 2000 is an international exhibition of equipment, services and supplies for the fishing and aquaculture industry in Latin America.	Santiago, Chile
December 1-3	GOLF WORLD ASIA—SAMPLE/LITERATURE CENTER Sales to China for U.S. golf equipment companies more than doubled last year, and with Hong Kong, is being touted as the single biggest growth market for golf in the world. Golf World Asia attracts trade-only products from over 300 companies, and half the buyers are from outside China—from Taiwan, Korea, Japan and Southeast Asia.	Guangzhou, China
December 5-7	REPCOM MEXICO 2000 RepCom Mexico 2000 will cater to new-to-market U.S. firms seeking agents, representatives, distributors, licensees and franchisees in Mexico.	Mexico City, Mexico

INDUSTRY	CONTACT INFORMATION
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Laboratories Equipment	Gabriella Vecchio Tel: (39-02) 659-2260 Email: Gabriella.Vecchio@mail.doc.gov
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All Sectors	Raquel Polo Tel: (52 5) 140-2613 Email: Raquel.Polo@mail.doc.gov

potential new energy sources, regulatory climate, and other commercial and political factors in order to make tailor-made promotion events.

The initial focus will be on recruitment for trade promotion missions and other events for five major energy consuming nations that represent sizable potential markets for U.S. products and services (Brazil, China, India, Indonesia and Mexico). Several other countries and regions that represent promising markets also are being targeted for additional mission recruitment.

The Department's Clean Energy Trade Initiative focuses on developing market opportunities for U.S. companies in the energy supply, manufacturing, commercial, residential, transportation and environmental technology sectors. The objectives of the Clean Energy Trade Initiative include increasing the visibility of U.S. companies as global leaders in "clean energy"technology, deepening relationships with key developing country policymakers, participating in the policy dialogue (regulatory reform, privatization, etc.) with government officials, expanding communications with private sector organizations, trade promotion, and long-term market development.

TRADE MISSION CALENDAR

Indonesia—August 29-30, 2000
Contact: Kathryn Hollander: Tel: (202) 482-0385;
Email: Kathryn_Hollander@ita.doc.gov

Mexico—September 10-14, 2000
Contact: Samuel Beatty: Tel: (202) 482-4179;
Email: Samuel_Beatty@ita.doc.gov

Russia—October 15-21, 2000
Contact: Rachel Halpern: Tel: (202) 482-4423;
Email: Rachel_Halpern@ita.doc.gov

Saudi Arabia, UAE, Qatar & Oman—Oct. 24-Nov. 1, 2000
Contact: Joseph Ayoub: Tel: (202) 482-0313;
Email: Joseph_Ayoub@ita.doc.gov

Brazil—November 5-9, 2000
Contact: Samuel Beatty: Tel: (202) 482-4179;
Email: Samuel_Beatty@ita.doc.gov

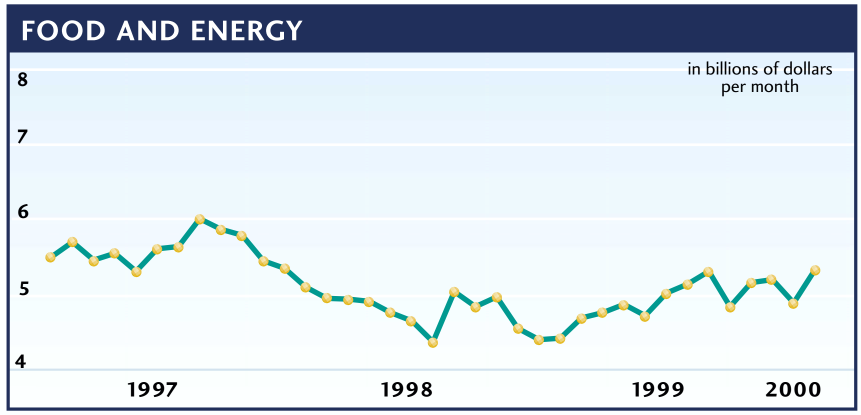
South Africa—November13-17, 2000
Contact: John Rasmussen: Tel: (202) 482-1889;
Email: John_Rasmussen@ita.doc.gov

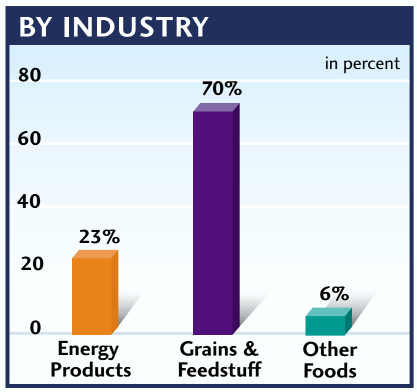
China—November 20-24, 2000
Contact: Kathryn Hollander: Tel: (202) 482-0385;
Email: Kathryn_Hollander@ita.doc.gov

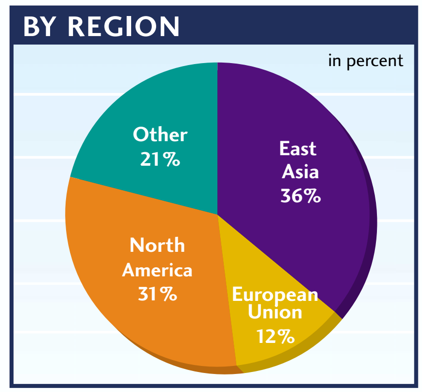
India—November 26-December 3, 2000
Contact: Nazir Bhagat: Tel: (202) 482-3855;
Email: Nazir_Bhagat@ita.doc.gov

FOOD AND ENERGY

Fuel oil and other petroleum products, fish and shellfish, and soybeans led the relatively strong growth in March exports of food and energy. A notable decline occurred in the overseas shipment of meat and poultry.







MATERIALS

The advance in materials exports was broad based, with building materials and textiles hitting twelve-month highs. Chemical exports continued their recent advance, led by organic chemicals and plastic materials.

Product categories (except for services) are based on end-use classification.

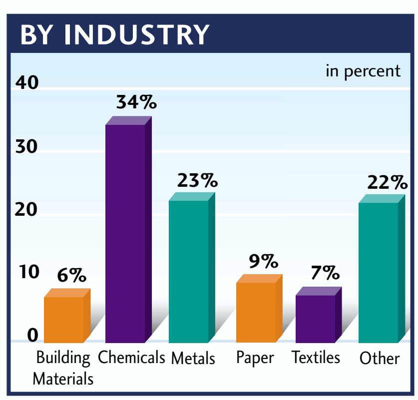
North America: Canada and Mexico.

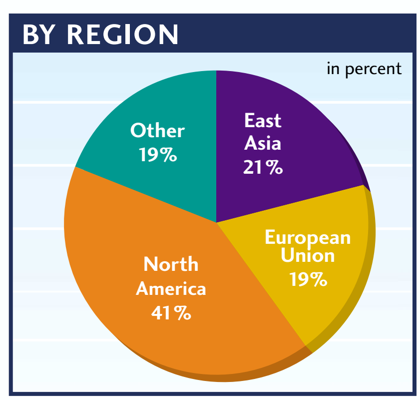
The European Union: Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom.

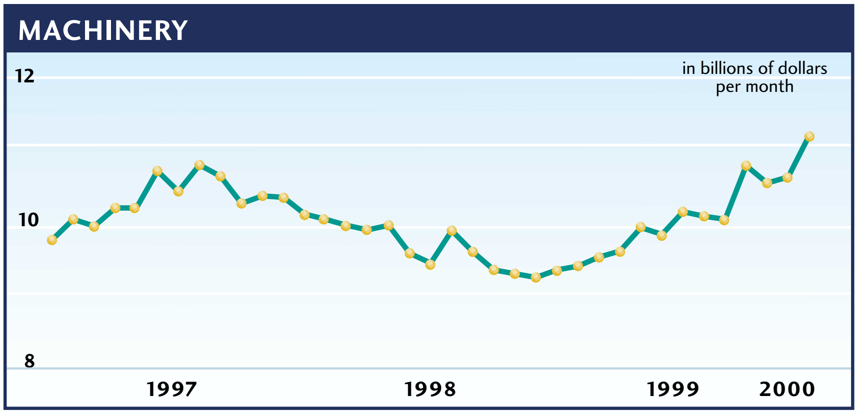
East Asia: China, Hong Kong, Japan, Indonesia, South Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand.

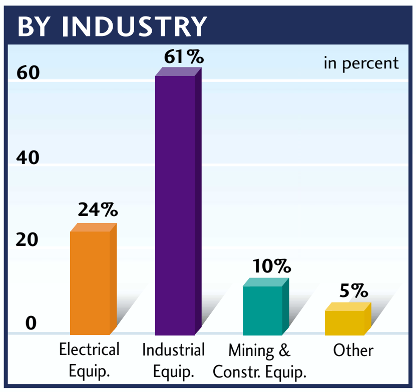
The chart showing exports of services by region is based on data for calendar year 1998. Other charts showing product mix and geographic destination are based on data for the twelve months ending with March 2000.

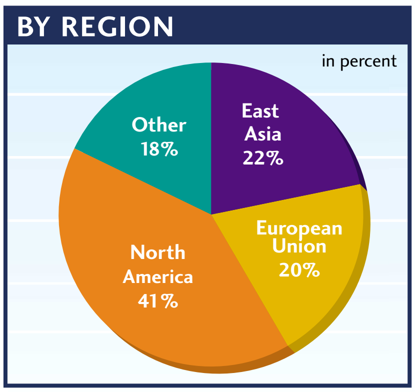
Source: Bureau of the Census (goods), Bureau of Economic Analysis (services).





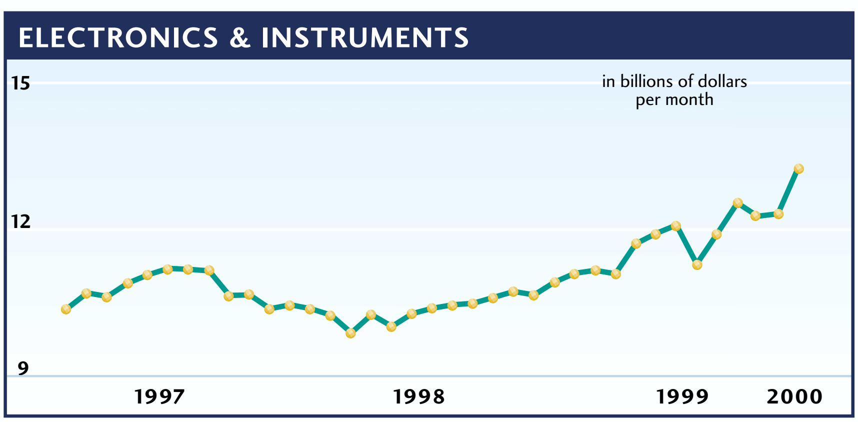


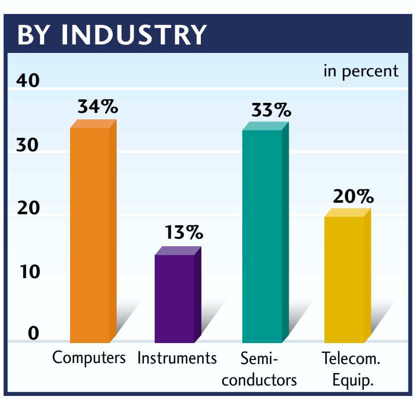


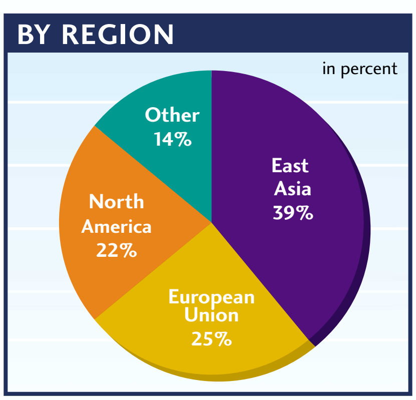


MACHINERY

The March gains in machinery shipments abroad were concentrated in electric apparatus and miscellaneous industrial machines. Many other machinery categories showed more modest gains.





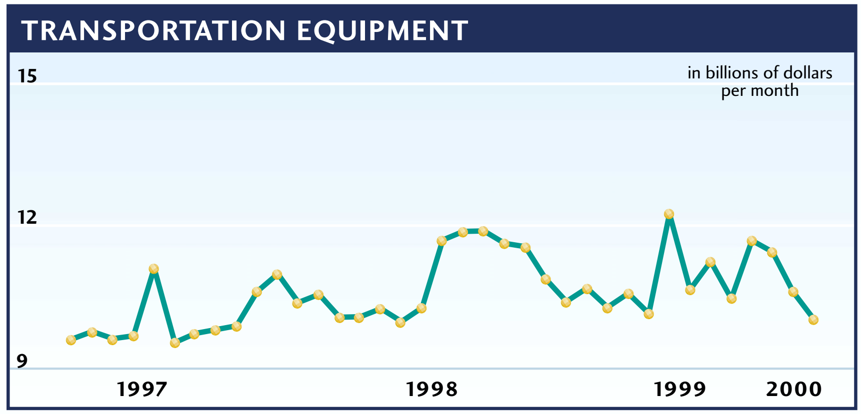


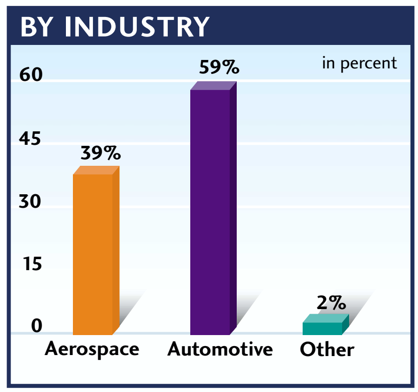
ELECTRONICS & INSTRUMENTS

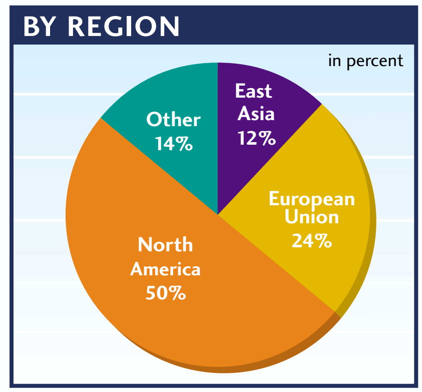
The surge in exports of this category was led by semiconductors and telecommunications equipment. Increased shipments abroad of medicinal equipment was also noteworthy.

TRANSPORATION EQUIPMENT (CIVILIAN)

Reduced shipments abroad of civilian aircraft more than offset substantial gains in foreign sales of automotive products, especially engines and other parts. Aircraft shipments were affected by a major labor dispute and should recover strongly in the coming months.

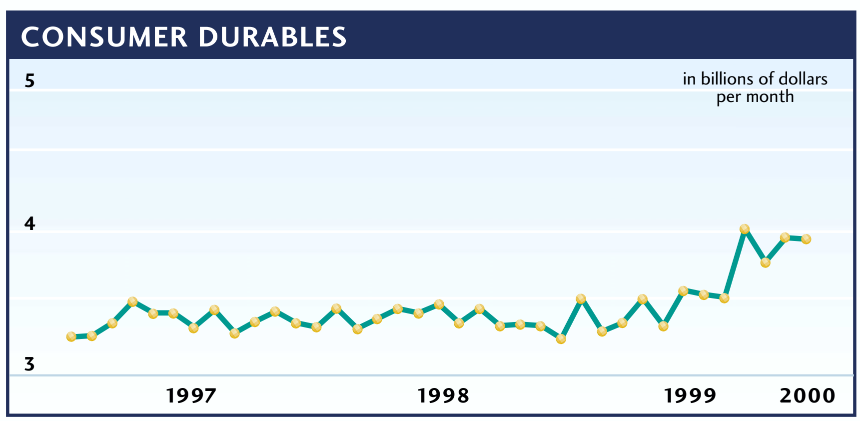


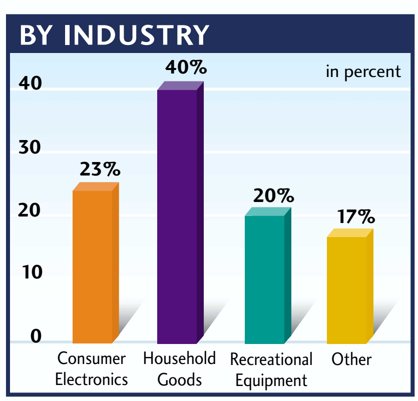


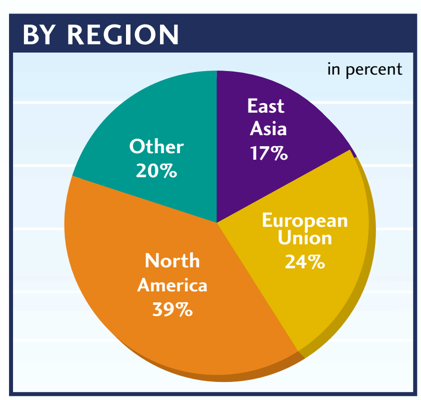


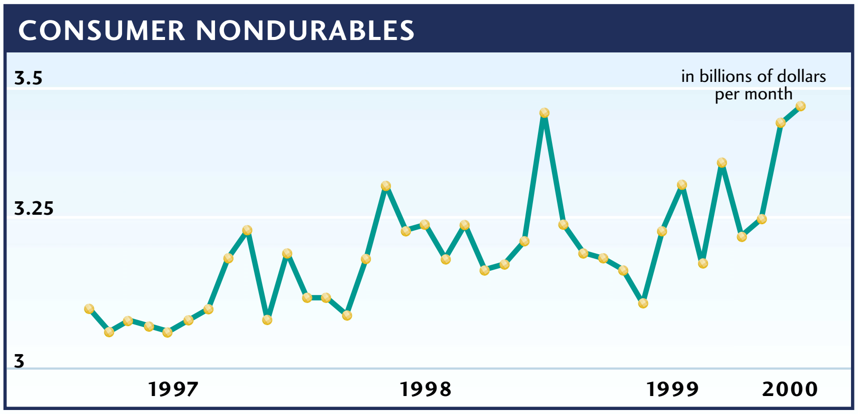
CONSUMER DURABLES

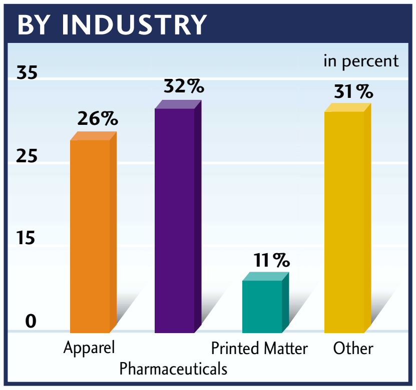
The modest decline in March exports of consumer durables reflected reduced foreign shipments of recreational equipment and consumer electronics. Shipments of furniture and other household goods advanced.

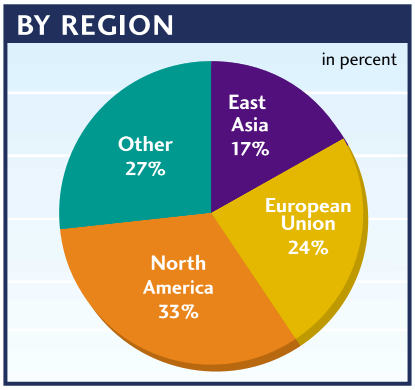






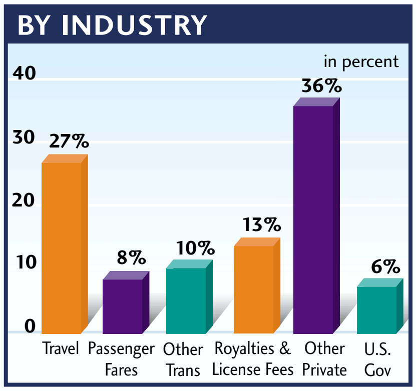


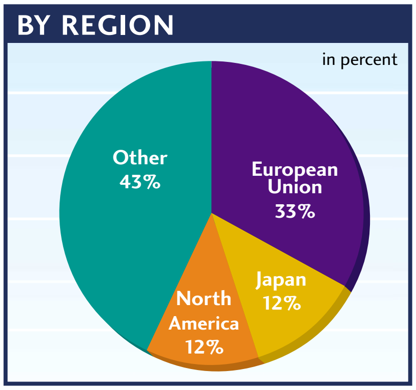




CONSUMER NONDURABLES

The marginal gains in exports of this category were comprised of some advances in shipments of pharmaceuticals and apparel offset in part by reduced shipments of printed matter.





SERVICES

The third consecutive monthly gain in services exports reflected increased travel services receipts (money spent by foreign travelers in the U.S.), receipts from foreign entities for U.S. professional services, and foreign payments for shipping and other transportation services.

Additional information is available from the International Trade Administration (www.ita.doc.gov/tradestats/);

the Bureau of the Census (www.census.gov/foreign-trade/);

and the Bureau of Economic Analysis (www.bea.doc.gov/bea/).

Prepared by the Office of Trade and Economic Analysis, Trade Development. For more information call (202) 482-2056.

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Delta U.S. Export Assistance Center
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