

# EXPORT *America*

August 2000 Volume 1 Number 10  
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THE FEDERAL SOURCE FOR YOUR GLOBAL BUSINESS NEEDS

## Taking the Long Road: New Infrastructure Opportunities for U.S. Business in Ireland

### *Inside:*

- Details on New North Korea Regulations
- Export Financing Guide
- BISNIS' Russian Language Website



# The LISA Global Strategies Summit

Organized by S.M.P. Marketing Sarl, a LISA licensed company  
October 18th-20th, 2000, at the Double Tree Hotel in San Jose, California

## OVERVIEW

Globalization is the business buzzword of the millennium!

The LISA Global Strategies Summit will examine the latest analysis on the size and growth of the global business opportunity. Industry leaders and international management consultants will provide critical advice on "how to" globalize your company for success. Case studies will examine the pitfalls and progress in globalizing websites, localizing a product and managing exponential growth.

The transition of localization service providers into enterprise globalization consultants verifies the evolution of an industry. Will these organizations create the same investment furor that "i" and "e" companies have? Where is the investment community headed next? Silicon Valley VC's will debate this topic. Active program participation by the business and new economy press (Business 2.0, Red Herring and Global Business) will ensure that the key role these issues, technologies and companies play in the evolution of a globalization business strategy will be accurately reported.

## WHO SHOULD ATTEND

The LISA Global Strategies Summit is structured to meet the expectations of an informed audience of successful entrepreneurs, senior company officials, investors and others engaged, or interested in, global business opportunities. Owing to the technological and increasingly networked requisites of successfully globalizing an enterprise, software and management consulting companies will be an important part of the mix. So too, will new players to the globalization game such as telecommunications companies, automotive, medical device and other manufacturers as well as seasoned veterans, who would like to receive an "insiders update" on where the Internet is taking business. Corporate clients and globalization service professionals as well as venture capital specialists seeking to understand the next wave of investment opportunities will be invited to attend. The estimated 250 participants will include business and industry leaders, service professionals, and as trade, business, and "new economy" journalists who want an overall picture of the reality of globalization and its impact in this new "multilingual millennium."

## EXHIBITION and REGISTRATION

State-of-the-art translation tool technology and machine translation capabilities will be examined in hands-on workshops and exhibitions uniting global management strategies with leading edge support systems. A 3-day Exhibition is a featured part of the LISA Global Strategies Summit.

Information can be found on the LISA Global Strategies Summit Site:

[www.usa-lisa.org/global-strategies/](http://www.usa-lisa.org/global-strategies/)



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# EXPORT America

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August 2000 Volume 1 Number 10 <http://exportamerica.doc.gov>

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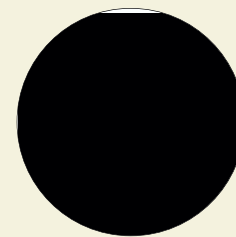
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# **E** *Export America* relies on the support of a wide range of people in the International Trade Administration

to bring you exporting news each month. For example, staff in our Trade Development unit are responsible for such favorites as *Ask the TIC* and *Export Statistics*, while trade specialists in our Market Access & Compliance division supply special market reports and feature stories.

One group, however, makes a particularly unique contribution to *Export America*: The U.S. & Foreign Commercial Services' more than 80 posts around the globe submit monthly the latest information on market changes, foreign government regulations and new opportunities to create *Global News Line*. They also provide guidance on the *Upcoming Trade Events*, making sure that you always know which events are key to your business.

In addition to their usual, crucial contributions, this month, our Commercial Service Office in Dublin has provided us with some useful insight into new infrastructure opportunities in Ireland, resulting from the Irish National Development Plan 2001-2006.

Ireland's booming economy has created many new large projects—projects that

need foreign participation and know-how. The beginning of the 21st century is a time of significant economic growth in Ireland, and the deep historical ties between the U.S. and our transatlantic friend, puts U.S. companies in a prime position to fully participate in this unprecedented economic expansion.

Today is Ireland's Golden Age of economic growth. Between 1993 and 1998, Ireland's economy grew by approximately 51 percent, which is almost three times as fast as the rest of the industrialized world. In addition, Ireland is one of the most open economies—among EU members it is second only to Belgium in its exposure to international trade. This month's feature will show you how to capitalize on these remarkable statistics.

We will see you next month with a feature focusing on European standards and a special story on the Women in Trade Initiative. Until then, good luck with your business. Let us know if you have any questions or comments ([Export\\_America@ita.doc.gov](mailto:Export_America@ita.doc.gov)).



Arrow Augerot  
Editor



Photo courtesy of Irish Tourist Board

# GLOBAL NEWS LINE

## MALAYSIA

On July 11, 2000, Malaysia's Parliament passed legislation that will regulate the production of optical discs to aid in the suppression of copyright piracy. Malaysia's prior parliamentary delays in enacting a strong optical disc regulatory regime were serious concerns for both industry and the U.S. Government, especially with the widespread production, distribution and exportation of pirated optical media products problem in Malaysia. Failure to address this problem over the past year led to Malaysia's elevation to the Priority Watch List in this year's Special 301 Report. The new legislation will help to strengthen enforcement. It will most likely be brought to the Senate for approval in August.

## CHINA

On June 5-13, 2000, the U.S. & Foreign Commercial Service in Hong Kong, Shanghai, Beijing and Chengdu hosted a 21-member delegation that grew out of the U.S.-China Presidential Housing Initiative. This group represented all aspects of the housing industry, including building materials, financial and mortgage services, architecture, and legal services. The mission culminated in the signing of a \$3 million dollar contract for one of the participants in Chengdu.

The mission members had a very busy schedule. At each stop, they toured various residential sites and do-it-yourself building material outlets to gain a better understanding of each region's consumers and their purchasing habits. Members also met with U.S. business managers in each locality to learn more about the challenges of conducting business in China.

Participants representing building materials companies held one-on-one meetings with interested Chinese buyers at each stop, while participants

from the mortgage finance and legal services industries had separate meetings with local housing and government agencies. Delegation members attended high level meetings with the Hong Kong Housing Authority Director, the Secretary General of the People's Bank of China, the Provincial Party Secretary in Chengdu, the Ministry of Construction's Housing Real Estate Department and the Housing Industrialization Office.

## KOREA

On June 15, 2000, Korea Telecom (KT), the largest telecommunications carrier in Korea, announced that it had acquired 47.85 percent of Hansol M.com's shares, giving it management control rights. **Through the acquisition of Hansol M.com, Korea Telecom, together with KT Freetel, its subsidiary, will emerge as Korea's largest mobile telecom carrier, holding a 30 percent share of the Korean market for mobile phone services.** On the same day, the company announced a plan to lower the government's stake in KT from the present 58.99 percent to 33.4 percent by the end of 2000 and to sell off the 33.4 percent stake for 100 percent privatization by the end of June 2002. The merger could benefit a number of U.S. companies, including KT Freetel investors Microsoft, Qualcomm and Motorola, as well as a number of smaller U.S. equipment suppliers. KT's acquisition of Hanaro M.com completes consolidation in the very competitive Korean mobile telecommunications sector by winnowing the number of players from five to three (KT/KT Freetel/Hansol M.com group, SK Telecom/Shinsegi Telecom group, and LG/DACOM group).

## CZECH REPUBLIC

**The Czech parliament has approved a new law on electronic signatures.** The law, which still needs to be approved by

the Senate, is expected to come into effect in the fall of 2000. The act is the first of its kind in the region, though similar activities are under way in several other European countries. The law removes a major obstacle to the growth of Internet-based commerce. E-business development will create new opportunities for U.S. firms specializing in telecommunications services and in software development. The law will grant equal rights to both paper and electronic documents. It will also introduce the status of certification authority and establish the Office for Electronic Signature, which will be responsible for issuing licenses for certification authorities. Several local companies have already announced their intention of becoming certification authorities. The cost of service is not known yet, although it is expected that the fee for a certificate valid for 12 months would not exceed \$30.

**Internet use in the Czech Republic has increased 46.6 percent since last year,** according to recent market figures. The total number of users was 1,163,511 as of March 2000, compared to 539,980 in March 1999. Home Internet access has also grown steadily from 2 percent in 1997 to 10 percent in 2000. Internet access in the workplace was 13 percent in 1997, and reached 33 percent by March 2000. The penetration of mobile phones has reached 25 percent of the population in April 2000. Mobile operators are introducing a wide range of services, including mobile banking and Internet shopping.

**The Lower House of the Czech Republic's Parliament has passed an amendment to the Commercial Code designed to harmonize their business law with European Union legislation.** If approved by the Senate and signed by the President, the amendment will be the biggest change in the commercial code since 1991. The amendment will strengthen creditors' protection in

business relations, will insulate members of cooperatives against misuse of power in statutory bodies, will increase defenses of minority shareholders and will improve transparency within trading companies and cooperatives. On the other hand, the amendment will also introduce some new bureaucratic and financial obstacles to establishing companies.

## GERMANY

On June 28, 2000, the U.S. & Foreign Commercial Service Munich organized the third conference in its "Globalization Series" entitled: "Old and New Rules for the New Economy." Speakers—Dr. Edmund Stoiber, minister president of Bavaria; U.S. Ambassador John Kornblum; Dr. Martin Bailey, chairman of the Council of Economic Advisors for President Clinton; Bill Joy, chief scientist of Sun Microsystems; and Dr. Michael Mirow, chief strategy officer for Siemens AG—addressed over 300 representatives from leading U.S. and German companies and international organizations. This highly successful conference raised the profile of cutting-edge U.S. companies, while provoking serious discussions of the major issues facing business and government in the new digital economy.

## RUSSIA

This year, Moscow has been buzzing with an intensive dialogue among the Russian government, legislature, and the Russian and foreign business communities on e-commerce issues. In 1999, when Russian policy makers appeared to be moving toward restrictive legislation controlling e-commerce, the American Chamber of Commerce (AmCham) in Russia organized an e-commerce task force and six of the biggest U.S. information technology companies formed a smaller working group. The first result was an

AmCham White Paper containing policy recommendations for the Russian government, which urged legislative restraint for the time being, paralleling the approach of the U.S. and EU governments. AmCham then held a major conference to present its findings and submitted formal recommendations to the team drafting President Putin's new economic strategy.

Since then, there have been at least 10 conferences in Moscow on the commercial aspects of e-commerce. In June 2000, the U.S. government, at the request of the Russian Ministry of Communication, joined with AmCham to organize a policy oriented seminar to review the U.S. experience in e-commerce development and regulation. The seminar attracted an impressive number of Russian staff and legislators directly involved with e-commerce decisions. The dialogue appears to be showing results. According to AmCham officials, key legislators and officials now acknowledge that e-commerce has great potential benefit for the Russian economy and that hasty legislation could jeopardize Russia's participation in this global economic movement. The seminars appear to have only whetted Russian business' appetites for more information on the proper public approach.

For more information, contact Inna Nazarova, Commercial Service Moscow, at Tel: (7 095) 737-5036; Fax: (7 095) 737-5033; Email: inna.nazarova@mail.doc.gov.

## COLOMBIA

The U.S. Trade and Development Agency (TDA) has been active in Colombia for nearly 20 years, and looks at the country with renewed optimism. Opportunities for U.S. companies to participate in new projects are promising.

In June 2000, Gabriella Rigg, TDA's Country Manager for the Andean Common Market countries made presentations to Colombian government technocrats and private sector executives to stress TDA's interest in financing feasibility studies, orientation visits to the United States and other programs that TDA has designed to support development and infrastructure projects and to generate trade opportunities for U.S. companies. Rigg was able to explore a number of potential projects, including the following: a feasibility study for the CNS/ATM (Communications, Navigation, Surveillance/Air Traffic Management) project; a study on alternatives for the privatization of the Rionegro Airport in Medellin; the construction of short distance (commuter) trains for the cities of Bogota and Cali; and, the Petrochemical Development Plan, for which the Colombian Petroleum Enterprise (ECOPETROL) hopes to complete preliminary studies before the end of the year. Rigg also reviewed proposals for wind energy and hydroelectric projects with low head turbines. ■

### 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](http://www.usatrade.gov).

# EXPORTING PEACE TALKS

**MEDIAFOUR CORPORATION BRINGS TOGETHER TWO AGE-OLD RIVALS WITH MACDRIVE FOR WINDOWS**

by Samuel Means

*Office of Public Affairs, International Trade Administration*

Despite their aesthetic similarities, the worlds of Windows and Macintosh computers have long been at odds, in large part because the two platforms are incompatible with each other. To the frustration of many, machines running the Windows operating system cannot read Macintosh disks. At least, not without MacDrive.

It used to be that an office using both Macs and PCs would be faced with impossible circumstances if colleagues wanted to exchange files between the two formats. A document saved on a Macintosh disk would be entirely inaccessible to a co-worker working on a PC, which caused significant problems, especially for graphic designers. Then, in 1996, a small software company called Mediafour introduced “MacDrive”, a program that operates on Windows computers and allows PC users to access Macintosh disks. With MacDrive one can open, save, delete and copy files that are saved on Mac-formatted disks of any kind, without having to access a Macintosh computer. “Peace at last,” like it says on the product’s packaging.

Mediafour had filled an obvious need for its customers, but by 1998 business still had yet to take off overseas.

Founded in 1994, the company had sales abroad “under \$5,000,” according to Daniel Wallek, their International Marketing Director. Since then, Mediafour has gone from having almost no international presence to having exclusive distributors in 15 countries—from the United Kingdom and Germany to Japan and the Czech Republic—and a product that is sold in over 65 countries. Mediafour now has an international business agreement with the UK’s Digital Audio Research to bundle their products together, and uses secure online credit card transactions to boost sales in far corners of the world. But even useful products like MacDrive need some help establishing themselves in foreign markets.

In his efforts, Wallek became aware of the Department of Commerce’s international trade shows and matchmaker trade missions, which introduce foreign distributors and investors to American businesses in groups. Through a series of the Department of Commerce’s International Trade Administration’s Programs, Wallek was able to meet distributors and finalize deals for the distribution of MacDrive abroad. He was brought together with Mediafour’s now-distributor for Finland and the Baltic States “directly through the Gold Key Program,” which the U.S. and Foreign Commercial Service conducted for the company in Sweden, Norway and Finland. Gold Key programs are customized services



The Mediafour booth at CeBIT 2000 is staffed by International Marketing Director Daniel Wallek and Business Development Director Jeff Jorgensen.

Photo courtesy of Mediafour.



designed to help companies find business partners overseas. Businesses are provided with market and industry briefings by commercial specialists with years of experience in the target markets, who then assist with travel, accommodations and interpreters, and arrange pre-screened meetings with the right contacts. The Gold Key Program can find distributors, contacts, representatives or partners easily, for any small or medium-sized enterprise.

The Gold Key Program was invaluable for Mediafour. The Export Assistance Center located in Des Moines, where Mediafour is based, referred Wallek to Sebastian Remoy of the Commercial Service at the American Embassy in Norway. Remoy counseled him on business conditions and the IT market in Norway before Wallek met with the Norwegian software distributors that the Commercial Service identified. Everything was all set up, but negotiations stalled over crossed wires. Mediafour was interested in completing a deal with Egress Software, but was having trouble communicating. When he heard this, as Remoy explained, he simply “called Egress and cleared up a misunderstanding,” and business continued. Thanks to the Gold Key Program, and Remoy’s understanding of local business, Mediafour now has a distributor in Norway.

Mediafour has used other Department of Commerce programs, in addition to the Gold Key Service, to further establish themselves in foreign markets. For example, Mediafour solidified relations with their French distributor at the COMDEX International Matchmaking Exposition last year, an event designed to bring American businesses into contact with foreign distributors and companies.

Mediafour also established a relationship with their distributor for Belgium and Luxembourg on a Telecom/IT Matchmaker Trade Mission to Belgium. Trade missions help businesses explore overseas trade opportunities through receptions, meetings and site visits arranged by in-country experts.

These missions even assist businesses in choosing the right follow-up strategy to maximize their profits internationally.

Mediafour took advantage of these accessible and helpful programs, and now export sales are a full 30 to 35 percent of Mediafour’s revenue, while their staff has increased to 10 employees, including an international department. In fact, Mediafour’s international sales grew over 300 percent in 1999, and more than 2,000 percent in 1998—the year Wallek began participating in Department of Commerce programs and Trade Missions.

Wallek says that “much of my success internationally has been a result of my participation in Department of Commerce programs or of someone I have met while participating in the Department of Commerce programs.” And the value of these programs does not stem entirely from contacts made, Wallek notes. It was not a deal that was made on the company’s trade mission to the United Kingdom, but the experience, that helped Wallek. In later negotiations, the knowledge that Wallek gained about the UK market on that trade mission “played a role... during his negotiations,” according to Ivor Whitworth of the U.S. Embassy in London. Some, like the Export Certification Program that the Des Moines Department of Commerce office conducts, were “a series of classes,” in which it was possible to “discuss different issues... keeping me up to date with laws and regulations.” These programs were what put international trade within the grasp of a once-tiny software company like Mediafour.

Thanks to its newfound international voice, MacDrive has become the standard for cross platform media sharing, and Mediafour has become a key developer of software while increasing its staff five-fold. It went from a two-man start-up company in Iowa to an international force in the software field, thanks to taking advantage of the programs available to it and to all businesses through the Department of Commerce’s



Photo courtesy of Mediafour.

Mediafour staff Jeff Jorgensen and Kristin Tedesco pack MacDrive for shipment.

International Trade Administration. Mediafour’s products are sold on all six continents out of its Des Moines headquarters, and Mediafour’s incredible growth has been entirely financed by its profitability. MacDrive now has a 75 percent share in Japan, and with the release of MacDrive 2000, Mediafour is projected to double in size by the end of 2000—no small feat for a company that only five years ago was developing software for the old Commodore Amiga.

MacDrive has become invaluable for workplaces with both PCs and Macs, and desktop publishers and graphic artists are now able to eliminate cross-platform headaches that were once thought unconquerable. The product consistently scores high ratings from industry magazines at home and abroad, and it seems to have finally solved one of the most frustrating problems facing many computer users. Mediafour has utilized U.S. Department of Commerce programs to bring its product to the world, and by making Mac and Windows media compatible, MacDrive may even have brought an end to a feud as fierce as the Hatfields and the McCoys. Or, at least made it a little easier for the two to live under one roof. ■

## SUCCESS STORIES

# BALLOONING BUSINESS DECORATES WORLD MARKETS

What comes in 60 colors and has the power to create millions of smiles? It's easy to find out. Just ask Ted and Betty Vlamis and they'll put a smile on your face with their designer balloons.

That's right, balloons and much more. The dynamic co-owners of Pioneer Balloon Company, a Wichita, Kansas-based firm, have revolutionized the industry with their balloon making and marketing ingenuity.

In fact, Pioneer markets itself not as a balloon manufacturer, but as a "creative leader providing essential solutions to the advertising, entertainment, decorating and social expression industries."

For example, the International Balloon Arts Convention used more than 70,000 Pioneer balloons, as well as the firm's expertise in creating the world's largest balloon sculpture. The nine-floor tall mural made the Guinness Book of Records this year.

"We successfully introduced the marketing concept of balloon designing to the United States and the world," Mr. Vlamis says. "Our company trains select individuals to be both certified balloon designers and successful entrepreneurs."

Talk about designing success. Pioneer supplies about 20,000 balloon retailers in the United States with its products. According to Mr. Vlamis, most of these balloon entrepreneurs start out of their homes and then take the next step of opening a retail store front.

"Birthday parties top the list when it come to the business of balloon-decorating in the United States," says Betty Vlamis, Pioneer's Executive Vice-President. "Parties are a big hit, and colored balloons at birthday celebrations are as American as apple pie."

Celebrations and parties, of course, are also big around the world. However, different parts of the world have different decorating trends and occasions. To meet this challenge, Pioneer markets its foil and latex balloons in 60 colors ranging in sizes from five inches to five feet in diameter. The most popular color is white.

"In Japan, balloon decorations are a real hit at shopping mall dedications, while in Europe balloon-decorated weddings are popular," says Ted J. Vlamis, a Pioneer Vice President and son of Ted A. and Betty. "In England, balloon boutiques have become very popular with florists."

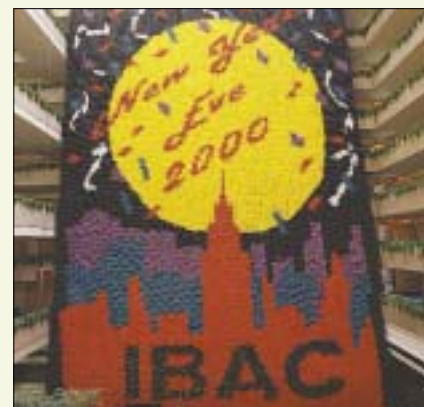
Understanding the nuances of exporting and international markets has always been a priority for Pioneer Balloons. A few years ago, Ted J. sought the assistance of the U.S. Commerce Department's Export Assistance Center in Wichita. Through the Commercial Service's Matchmaker program, he participated in a series of pre-arranged appointments with distributors in Poland, Hungary and Turkey. The firm also used the Gold Key Program to locate a distributor in South Africa. These services helped Ted J. to expand Pioneer's export sales. The company continues to use the Export Assistance Center's services to this day.

Through this and other efforts, Pioneer Balloons now exports to more than 80 countries and has balloon-printing facilities in the United States, the U.K., Mexico and Australia, and has sales offices in Japan and Panama. The firm's training network, a program that provides certification in balloon designing and marketing, includes 3,300 active businesses worldwide and 1,500 certified balloon artists.

Pioneer Balloon Company has come a long way since the Vlamis's purchased the balloon portion of Pioneer Rubber Company in 1979. In twenty years, the firm has grown from 80 employees to more than 1,100 today.

"It's really rewarding to help create new balloon entrepreneurs around the world," says Ted J. "Hey, I heard someone's planning a birthday party..." ■

*Curt Cultice is a Public Affairs Specialist in the International Trade Administration.*



This nine-floor balloon mural made the Guinness Book of World Records this year.

# CEEIBIC CELEBRATES 10<sup>TH</sup> ANNIVERSARY WITH STRING OF BUSINESS EVENTS

by Michael Rogers

*Central and Eastern Europe Business Information Center, Market Access & Compliance*

The International Trade Administration's highly successful Central and Eastern Europe Business Information Center (CEEIBIC) celebrated its 10th anniversary the week of July 10-14 in Washington, D.C. CEEIBIC is the U.S. Government's primary clearinghouse for information on doing business in Central and Eastern

information on Central and Eastern Europe, directly to thousands of U.S. firms. Since its inception, CEEIBIC has generated more than \$910 million in U.S. commercial activity in the region. CEEIBIC places special emphasis on helping small and medium-sized U.S. firms; 69 percent of all its reported successes are from small and medium-sized businesses.

A series of events helped to mark CEEIBIC's 10th anniversary. The week kicked off with a conference that brought together CEEIBIC's

the Stability Pact for Southeast Europe. CEEIBIC serves as a link between the business community and the Stability Pact, an initiative by the United States and other countries designed to strengthen political and economic stability in the Balkans. Later in the day, CEEIBIC also held an open house and reception for more than 150 U.S. companies interested in Central and Eastern Europe. This event allowed companies to meet with CEEIBIC's international and Washington, D.C. staff to discuss commercial opportunities in the region. ■

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## **“CEEIBIC OFFERS BUSINESS COUNSELING AND A WIDE ARRAY OF SERVICES AND INFORMATION PRODUCTS DESIGNED TO HELP U.S. COMPANIES FIND PARTNERS IN CENTRAL AND EASTERN EUROPE.”**

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Europe. Over the past 10 years, it has been at the heart of the Department of Commerce's efforts to promote U.S. trade in the region.

CEEIBIC offers business counseling and a wide array of services and information products to help U.S. companies find partners and markets for their products in this region. It brings new trade and investment opportunities to U.S. firms through its team of 13 overseas trade specialists and Washington staff. Its popular internet website and several publications bring these commercial opportunities, as well as other economic, commercial and financial

Washington, D.C. and international staff members to discuss CEEIBIC's ongoing efforts to improve the services it provides to U.S. companies. CEEIBIC's overseas staff also held one-on-one consultations with U.S. companies.

The week culminated with two events for the business community. On July 14th, CEEIBIC hosted the "Southeast Europe: Project and Financing Opportunities Forum." Officials from the Department of Commerce and other U.S. government agencies briefed over 80 U.S. companies on commercial opportunities arising from

To learn more about CEEIBIC or business opportunities in this region, or to subscribe to CEEIBIC's monthly publication *Commercial Update for Central and Eastern Europe* and its weekly internet publication, *Southeast Europe Business Brief*, visit CEEIBIC on the web ([www.mac.doc.gov/eebic/eebic.html](http://www.mac.doc.gov/eebic/eebic.html)) or call (800) USA-TRADE.

# The Central and Eastern Europe Commercial Update



## Central and Eastern Europe Commercial Update

A publication of the U.S. Department of Commerce, International Trade Administration, Central and Eastern Europe  
Business Information Center in cooperation with the U.S. Agency for International Development



July 2000

### Slovakia: Positioned for Success

By Michael Proger

#### Introduction

Located in the heart of Europe, the Slovak Republic is positioned to become a major conduit for the flow of goods and services throughout the entire continent. Because of its geographical advantages, abundant natural resources, and industrial capacity, the potential for U.S. trade and investment is well beyond that of similar size markets.

The Slovak Republic, commonly referred to as Slovakia, was born out of the peaceful dissolution of Czechoslovakia in 1993. Since its inception, the Slovak Republic has continued down the path of market liberalization and privatization begun by Czechoslovakia in 1989.

Despite some setbacks, the overall macroeconomic performance of the Slovak Republic remains positive and the government continues to open markets and modernize its

economy. The country's economic reform is best exemplified by its current negotiations to join the European Union (EU), which were finalized in December 1999 when Slovakia was officially invited to begin accession negotiations.

#### U.S. Exports

The Slovak economy is dominated by heavy industry and the processing of raw materials. Many companies face high and declining demand for U.S. technology and know-how remains high (see page 4). In 1999, U.S. exports to Slovakia reached over \$137 million, of which \$98 million was machinery. There are significant export opportunities for manufacturers of heating equipment and power generation equipment. Other important markets for U.S. exports include electronic equipment, optical equipment, and business services.

(Continued on page 2)

### CEEBIC Relaunches the *Commercial Update*

The Central and Eastern Europe Business Information Center (CEEBIC) is reintroducing its five monthly publications, the *Central and Eastern Europe Commercial Update*. Publication was suspended in 1999 because of budgetary constraints.

The *Commercial Update* provides the U.S. business community with the latest economic trends, commercial information and trade and investment opportunities for 14 Central and East European countries.

Pioneered in 1991 by Congressional legislation under the Support for East European Democracy (SEED) Act, CEEBIC is the U.S. Government's primary clearinghouse for all economic, commercial, and financial information on the

region. CEEBIC offers a wide array of services, business counseling, and information products designed to help primarily small- and medium-sized U.S. companies trade and invest in Central and Eastern European markets. CEEBIC helps U.S. businesses identify markets for their goods and helps them with commercial issues and problems as they do business. CEEBIC's Washington-based trade specialists and overseas staff disseminate information through a

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The Central and Eastern Europe Commercial Update providing the business community with the latest economic trends, commercial information and commercial opportunities for Central and Eastern Europe. For more information or to subscribe, contact CEEBIC at Tel: (202) 482-2645 or Internet: [www.mac.doc.gov/eebic/ceebic.html](http://www.mac.doc.gov/eebic/ceebic.html).

# EXPORT RESTRICTIONS ON NORTH KOREA

## DETAILS ON THE NEW REGULATION

by William Golike & Chris Chesterfield

*Office of Korea, Market Access & Compliance*

On June 19, 2000, the Commerce Department's Bureau of Export Administration (BXA) amended the Export Administration Regulations to ease sanctions on North Korea (the Democratic People's Republic of Korea — DPRK). Below you can find some basic information on the new regulations, as well as background on the North Korean economy and its international trading relations. U.S. companies should recognize that the overall commercial climate in North Korea is largely untested, infrastructure is poor and financing options are limited.

### SANCTIONS EASING

The June 19 amendment implements the Administration's September 1999 decision to ease sanctions on North Korea, provided that it maintains its moratorium on testing long-range ballistic missiles. North Korea may now import a vast majority of U.S. consumer products without a license, including agricultural, medical, and low-level industrial goods and services.

Under the Administration's sanctions easing program, exporters are still required to obtain a license to export items on the Commerce Control List (CCL), including additional items added to the CCL by the new regulation. Items on the CCL include multilaterally controlled items, as well as a range of lower-level products and technologies controlled for non-proliferation and anti-terrorism reasons, including aircraft and aircraft parts, encryption products, most telecommunications equipment, and computers at or above 6 MTOPS (license applications for computers up to 2,000 MTOPS to non-military or non-nuclear end-users will be reviewed on a case-by-case basis). BXA, as part of the amendment, also created several new entries on the CCL to control specific production equipment and software for North Korea.

Other U.S. Government agencies have taken related measures. The Transportation Department, in conjunction with the Commerce Department, lifted the ban on U.S. ships and aircraft transporting goods or traveling to North Korea. The Treasury Department amended its regulations to allow new financial trade and other transactions with North

Korea and North Korean nationals, but will still require a notification and approval process for all imports from North Korea.

### ECONOMIC BACKGROUND

North Korea is one of the world's most centralized economies. Agricultural production is collectivized, state-owned industry produces nearly all manufactured goods, and the heavy and military industries have traditionally been favored at the expense of consumer goods. North Korea's major industries include military and machinery production, chemical production, mining (coal, iron ore, magnesite, graphite, copper, zinc, lead and precious metals), metallurgy, textiles and food processing.

Although North Korea's economic output declined for most of the last decade, its GDP actually grew by approximately 6 percent last year. Due to the previous shrinkage, however, its economy is only about 75 percent of what it was in 1989. Serious energy shortages, aging industrial facilities and a lack of maintenance and new investment in North Korea have contributed to this decline. North Korea's per capita income is estimated to be only \$700.

In 1999, North Korea exported roughly \$515 million worth of goods. Its major export markets are Japan (which takes 39 percent of North Korea's exports), South Korea (23.6 percent), Hong Kong (12 percent), and China (8 percent). Its major exports include textiles, fishery products, manufactured goods, non-metallic products, plastics, minerals and agricultural products. North Korea's imports totaled \$965 million

producing two light-water reactors in the North, have been the major programs for promoting exchanges between the two Koreas.

From 1989 to 1999, the total volume of inter-Korean trade stood at just over \$2 billion. South Korea's imports from North Korea for that decade were valued at \$1.5 billion, while exports to North Korea were valued at \$635 million. In 1998, South Korean

over the next three to five years and it is likely that many South Korean companies will approach U.S. firms to develop joint business opportunities in North Korea.

U.S. passports are valid for travel to North Korea, and individuals do not need U.S. Government permission to travel there. However, there is no DPRK Embassy in the United States, so U.S. citizens and residents wishing

## **"NORTH KOREA MAY NOW IMPORT A VAST MAJORITY OF U.S. CONSUMER PRODUCTS WITHOUT A LICENSE, INCLUDING AGRICULTURAL, MEDICAL, AND LOW-LEVEL INDUSTRY GOODS AND SERVICES."**

in 1999. Its major import sources are China (34 percent), South Korea (22 percent), Japan (15 percent) and India (10 percent). Its major imports include petroleum, machinery and equipment, textiles, auto vehicles, grain, coking coal, non-ferrous metals, and consumer goods.

exports to North Korea exceeded imports for the first time, and it is expected that this pattern will continue in the coming years. In 1999, the total trade volume between the North and the South reached \$333 million, a 50 percent increase from \$222 million in 1998.

to travel to North Korea must obtain North Korean visas in third countries. For information about entry requirements and restricted areas, travelers may consult the DPRK Mission to the United Nations in New York at Tel: (212) 972-3105. ■

### **SOUTH-NORTH SUMMIT**

At their historic summit in June 2000, Kim Dae Jung of South Korea and Kim Jung Il of North Korea signed an agreement focusing on four areas of cooperation: social and economic cooperation, including South Korean investment in North Korea; the easing of tensions between the two Koreas; steps toward the reunification of families; and, the eventual reunification of the peninsula. The two leaders also agreed to come to a quick resolution on humanitarian issues, such as the fate of some long-term political prisoners.

Prior to the summit, the inter-Korean relationship mainly focused on economic cooperation, to which the South Korean Government has put much effort into promoting exchanges. South Korean President Kim's "sunshine policy", focusing on renewed engagement with the North, and the Korean Peninsula Energy Development Organization, which is

In addition to direct exports and imports, South Korea and North Korea are engaged in the trade of goods processed on commission (POC), which means that South Korean enterprises ship unfinished or primary goods to North Korea that are then processed and re-exported. POC trade in 1999 totaled almost \$100 million. South Korea expects that POC Trade will continue to increase in the future, easily surpassing \$100 million in 2000.

### **INFORMATION FOR U.S. BUSINESS**

U.S. business executives interested in exploring opportunities in North Korea will need to be committed and creative in financing their business activities. North Korea is still not eligible for Export-Import Bank financing, the Overseas Private Investment Corporation (OPIC) programs or certain bilateral aid programs. South Korean authorities, however, expect that inter-Korean trade will double

To obtain further information on North Korea, as it becomes available, please contact:

Trade Information Center  
U.S. Department of Commerce  
Tel: (800) USA-TRADE  
Internet: [www.tradeinfo.doc.gov](http://www.tradeinfo.doc.gov)

Commercial Service Korea  
American Embassy Seoul  
U.S. Department of Commerce  
Tel: (82 2) 397-4535  
Internet: [www.cskorea-doc.gov](http://www.cskorea-doc.gov)

To view the Federal Register publication implementing the sanctions easing program for North Korea, refer to [www.gpo.gov/bxa](http://www.gpo.gov/bxa). Also, visit BXA's website ([www.bxa.doc.gov](http://www.bxa.doc.gov)) for specific information on exporting to North Korea. If you have questions related to the financial aspects of trading with North Korea, please go to the Treasury Department's Office of Foreign Assets Control (OFAC) website ([www.treas.gov/ofac](http://www.treas.gov/ofac)).

# “DOs” AND “DON’Ts” FOR EXPORTING TO NORTH KOREA

## DOs

- Be sure that the ultimate purchaser and end-user of the items is not associated with North Korean missile technology exports. This is especially important when a license is not required (e.g., export of an EAR99 item).
- Be aware of the instability of the North Korean financial sector. There is little, if any, fungible capital in the consumer economy since everything is provided by state enterprises. Initially, cash deals with pre-payment may be the best way to structure your exports to the North Korean government until you gain confidence that you can be paid by more conventional (e.g., electronic, letters of credit, etc.) methods.
- U.S. exporters are encouraged to establish direct contact with the North Korean government, either in Pyongyang itself, through the North Korean mission to the United Nations or the North Korean embassy in Beijing, to ascertain DPRK laws and regulations for doing business in North Korea. Familiarize yourself with North Korean import guidelines.
- You should be sure to make whatever agreements you reach with prospective customers in North Korea contingent on your receiving an appropriate U.S. Department of Commerce export license for the particular export transaction, if goods require a license.

## DON’Ts

- Don’t assume that North Korea is like a Western environment for business and investment.
- Don’t expect there to be any real infrastructure for your proposed production or assembly venture in North Korea, or assume that basic industrial resources like water, electricity, roads or airports, will be available.
- Don’t mix controlled and non-controlled goods in shipments to North Korea.
- Be wary of doing non-cash deals, at least until you are comfortable with the payment performance of your North Korean customer.
- Don’t expect your customer to obtain the necessary import, export or tariff permits for doing business in North Korea, unless this is required. You are better off to approach North Korea government officials directly with your request.
- Don’t ship anything on the Commerce Control List. There is a presumption of denial for all controlled goods to North Korea. The current liberalization affects a broad range of consumer goods and low-level industrial items. If you don’t know if your item is EAR99, please seek a commodity classification. Also note that some items that are EAR99 for most world destinations have actually been controlled and brought into the CCL for the purposes of North Korea. ■



# ASK THE TIC

## EXPORT FINANCING PROGRAMS

by Sarah Runge  
*Trade Information Center, Trade Development*

### HOW CAN I FINANCE SOME OF MY COSTS RELATED TO EXPORTING?

There are two types of financing programs that help exporters handle costs related to exporting

#### **WORKING CAPITAL PROGRAM: AND THE INTERNATIONAL TRADE LOAN PROGRAM**

The Export-Import Bank (Ex-Im) of the United States and the U.S. Small Business Administration (SBA) offer the Export Working Capital Loan Guarantee Program (EWCP). The EWCP was developed to help businesses obtain private sector loans to meet their transaction financing needs through short-term working capital. EWCP guarantees are transaction specific, to be used to finance actual orders companies have received from overseas customers, but they can apply to single or multiple transactions.

The EWCP can finance the manufacturing costs of goods for export, the purchase of goods or services, foreign accounts receivable and standby letters of credit (used for performance bonds, bid bonds or payment guarantees to foreign buyers). The collateral is the inventory and receivable associated with the transaction. EWCP loan guarantees cover a private lender up to 90 percent of a loan's principal and accrued interest. Traditionally, guarantees of \$833,333 or less are covered by the SBA, and Ex-Im covers those in excess of that amount; however, Ex-Im does not have a minimum guarantee amount.

Exporters can access Ex-Im guaranteed working capital loans locally through pre-qualified private lenders without prior approval by Ex-Im. A list of lenders is available on Ex-Im's website ([www.exim.gov](http://www.exim.gov)) under "Partners". For a slightly higher fee, exporters may also apply for a Preliminary Commitment, a letter from Ex-Im Bank outlining the terms and conditions under which it will provide a guarantee, which can be used to obtain the best financing terms from a private lender. The lender also may apply directly for a final authorization.

In addition, Ex-Im started the City/State Partners Program as a joint effort between Ex-Im and state and local entities around the country. Ex-Im Bank has formed partnerships with 38 state and local government offices and private sec-

tor organizations to bring its programs to the exporter. These partnerships can more directly benefit SMEs since state and local representatives have the staff and the knowledge of how to get financing in the local market.

#### **INTERNATIONAL TRADE LOAN PROGRAM**

The SBA International Trade Loan Program assists small businesses engaged in exporting, prepared to engage in exporting or are adversely affected by competition from imports. Under this program, SBA can guarantee as much as \$1.25 million in combined working capital, and facilities and equipment loans. The fixed asset portion may be used for purchasing land and buildings; building new facilities; renovating, improving or expanding existing facilities; purchasing or reconditioning machinery, equipment and fixtures; and making other improvements that will be used within the United States for producing goods or services. Any working capital portion of the loan guarantee will be made according to the EWCP or as a permanent working capital loan (permanent working capital loans typically have a repayment schedule of 5–7 years). To be eligible, a business must establish that the loan proceeds will significantly expand existing markets, develop new export markets or that they are adversely affected by import competition. A loan for facilities and equipment may have a maximum maturity of 25 years, while the working capital portion of the loan has a maximum maturity of 10 years. The maximum maturity is blended proportionately between the working capital portion and fixed asset uses.

### CAN I INSURE MY EXPORT AGAINST POLITICAL OR COMMERCIAL RISK?

The Ex-Im Export Credit Insurance Program helps U.S. exporters develop and expand their overseas sales by protecting them against the risks of non-payment for political or commercial reasons. Political risks of default include events beyond the control of the buyer, caused by government action, including political violence or war, government intervention, or cancellation of an export or import license. Commercial risk is the buyer's inability, due to financial difficulty, to pay when an obligation is due. Policies can cover single or multiple export sales and



leases. Short-term policies generally cover 100 percent of the principal for political risks and 90-95 percent for commercial risks, plus a specified amount of interest. The policies are used to support the sale of consumer goods, raw materials and spare parts for up to 180 days, and bulk agricultural commodities, consumer durables and capital goods for up to 360 days. Capital goods may be insured for up to five years, depending on the contract value, under the medium-term policy which covers 100 percent of principal (85 percent of the contract price) and interest on the financed portion. In general, insurance policies cover 90-98 percent of the commercial risk and 90-100 percent of the political risk.



### WHAT TYPE OF FINANCING IS AVAILABLE TO ENCOURAGE FOREIGN BUYERS TO PURCHASE MY GOODS AND SERVICES?

The Guarantee Program at Ex-Im provides repayment protection to lenders for private sector loans to credit-worthy buyers of U.S. exports. The guarantee covers the repayment risk on the foreign buyer's debt obligations. The guarantees cover 100 percent of principal and interest against both political and commercial risks of nonpayment. Medium term guarantees cover the sale of capital items such as trucks and construction equipment, scientific apparatus, food processing machinery, medical equipment or project-related services. Long-term guarantees are available for major projects, large capital goods and large project related services.

In addition to the guarantee, Ex-Im Bank offers a Direct Loan Program. This program offers fixed rate loans directly to foreign buyers of U.S. goods and services to help U.S. exporters compete against foreign suppliers offering officially supported export credits. Eligible exports include capital equipment and large-scale projects and related services. Ex-Im offers a fixed rate loan covering up to 85 percent of the U.S. export value. The buyer must make cash payment to the U.S. exporter of at least 15 percent of the U.S. export value.



### IS THERE A PLACE TO GET FINANCING FOR MY OVERSEAS INVESTMENT? WHERE CAN I FIND LOAN GUARANTEES FOR INVESTMENT?

The Overseas Private Investment Corporation (OPIC) finances the investment portion of overseas transactions for U.S. businesses interested in long-term investment in developing markets, including equity, debt (institutional, inter-company and private), management agreements and technical assistance. Typical projects include manufacturing and distribution, power generation, telecommunications, mining, agri-business, hotels, banking, etc.

Working with private capital, OPIC-supported funds make direct equity and equity-related investments in new, expanding and privatizing companies in emerging market economies. OPIC-supported funds operate in a wide variety of markets, including sub-Saharan Africa, India, the New Independent States, Latin America and Asia. Sector specific funds operate worldwide and include investments in environmental, water and small business projects.

OPIC Corporate Finance Program relies on the U.S. company to repay the loan and to offer collateral. The purpose of financing is to provide capital to a project in a foreign country, but the primary source of repayment is the company in the United States. The borrowers should own at least 25 percent of the overseas investment and be seeking a loan of at least \$250,000. The loan term varies from 3-7 years.

Under OPIC's Project Finance Program, the borrower is an overseas entity, typically at least 25 percent owned by an OPIC eligible U.S. small business. Before taking on a project, OPIC examines the cash flow generated by a specific project for repayment of the loan. There must be sufficient cash flow to pay operational costs and service the debt. The minimum amount is \$250,000 and the loan term varies with a 3-15 year range.



### WHERE DO I GO TO GET MORE INFORMATION?

To locate the Small Business Administration nearest you, please contact the Trade Information Center at (800) USA-TRADE or visit SBA's website ([www.sba.gov](http://www.sba.gov)).

For more information about Ex-Im, please contact them directly at Tel. and Fax on Demand: (800) 565-3946

For more information about OPIC, please contact them directly at Tel: (202) 336-8799

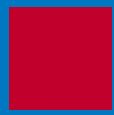
For more information on the Trade and Development Agency, contact them directly at:

Trade and Development Agency  
1621 North Kent Street  
Arlington, VA 22209

24-hour hotline listing Definitional Mission opportunities (703-875-7447). ■

*Special thanks to Paul Kirwin at SBA, Gus Grace at Ex-Im and Lawana Gray at OPIC*

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>.



# TAKING THE LONG ROAD

**NEW INFRASTRUCTURE OPPORTUNITIES FOR U.S. BUSINESS IN IRELAND**

by Bill Crawford

*Commercial Service Dublin, U.S. & Foreign Commercial Service*

Late last year the Irish Government published its "National Development Plan 2000-2006" (NDP), outlining spending proposals valued at \$52 billion aimed at eliminating barriers to sustained growth in its fast growing "Celtic Tiger" economy. Over the next five to seven years, the National Development Plan will provide excellent business opportunities for American companies willing to take a long-term view to this market.



In a major change in direction, the Government of Ireland (GOI) has signaled that it will seek to attract the participation of non-Irish including U.S. firms to participate in the National Development Plan. This new policy was announced by Taoiseach (Prime Minister) Bertie Ahern and confirmed by numerous announcements by GOI officials over the past two months. This major change in government policy is an acknowledgement that, because of the “Celtic Tiger”, Irish construction and engineering firms will not be able to meet the objectives of the 2000-2006 National Development Plan. According to Prime Minister Ahern, “Within two years an awful lot of EU contracts in Ireland are going to go to foreign companies. The people here do not have the capacity to take them on. We are determined to get on with this and the huge contracts are going to go abroad”.

This new policy is expected to open the market for non-Irish competitors, as tenders will focus on larger contracts and Public Private Partnership (PPP) projects.

A summary of the Irish National Development Plan and a series of individual industry sector reports have been prepared by the U.S. & Foreign Commercial Service in Dublin, Ireland and are available through the Commercial Service website ([www.usatrade.doc.gov](http://www.usatrade.doc.gov)). These are the first of a series of market intelligence reports being prepared by the Commercial Service, detailing major project opportunities over the coming months. These reports will assist U.S. companies in identifying, and taking advantage of, business opportunities related to the NDP.

### FINANCING THE IRISH NATIONAL DEVELOPMENT PLAN

As a result of the extremely strong growth of the Irish economy over the past six years, the Irish national budget will almost completely finance the

Irish National Development Plan. The European Union (EU) is expected to contribute under \$6.5 billion (less than one-eighth of the total) as compared to funding most of the previous plan. The NDP also outlines the increased use of private/public partnerships to finance major projects throughout the country, with EU funds being spent in less developed counties of Ireland known as the “BMW” region or priority one areas.

The BMW, which includes the Border counties with Northern Ireland, the Area of the Midlands and the Western Region of Ireland, will continue receiving EU Objective One funds while the rest of the country will acquire decreasing amounts through 2006. Overall, the BMW region will obtain approximately 40 percent of the \$52 billion, while the rest of the country will receive 60 percent.

### U.S. BUSINESS & THE IRISH NDP

U.S. business has played an important role in helping Ireland achieve the world’s fastest growing economy over the past seven years by investing \$12.5 billion in Ireland. American investment equals approximately 50 percent of total direct foreign investment in Ireland. Further, figures show that one

fourth of all new U.S. “greenfield” investment over the past six years in Europe has come to Ireland, helping to fuel their economic growth.

Though the high level of U.S. business activity in the Irish economy should indicate a strong acceptance of U.S. firms and their products, competition in infrastructure and other major projects is intense, especially from America’s European competitors. American companies must expect to work hard in order to win tenders in Ireland.

Ireland’s National Development Plan for the year 2000-2006 is geared to help Ireland sustain its economic growth, and excellent market opportunities will exist for American companies in many sectors identified in the NDP.

### SECTOR SUMMARY

Below is a brief summary of the transportation, telecommunications, tourism and health care sectors and a sampling of major projects that will be funded over the next seven years. Other industry sectors mentioned prominently in the NDP, but not described here, are energy, environment, housing and education/training. Funds will also be directed towards supporting the peace process with Northern Ireland.



Dublin has become Europe’s most popular city destination. Pictured here: the River Liffey, Dublin.

Photo courtesy of Irish Tourist Board



Photo courtesy of Irish Tourist Board

The Irish National Development Plan includes a development strategy that include a light rail project and a suburban rail network. Pictured here: the DART Train at Killiney Bay, Co. Dublin.

**TRANSPORTATION**

Planned investment in the transportation sector under the National Development Plan is about US \$9 billion over the next seven years. The dual focus of this investment is the development of quality national road and public transportation networks throughout the country. Over 60 percent of the planned investment will be in roads, and 32 percent in public transportation initiatives. A separate report (IMI) on upcoming road projects is available on the Commerce website ([www.doc.gov](http://www.doc.gov)).

Management of this \$9 billion investment rests primarily with the Department of Environment and Local Government. However, operational responsibilities will be shared among a number of bodies including the National Roads Authority, the National Transportation Authority (CIE) and local government authorities. In addition, the Government of Ireland (GOI) has established a

Cabinet Committee on Infrastructure Development to oversee the delivery of infrastructure projects in the National Development Plan.

**MAJOR PROJECTS**

■ Total planned investment in national roads under the NDP is US \$5.7 billion of which US \$1.3 billion will be in Public Private Partnership (PPP) projects; US \$2.1 billion (36 percent) will be invested on national

roads within the Border, Midlands and Western (BMW) Region; and US \$3.7 billion (64 percent) in the Southern & Eastern (S&E) Region.

■ The development strategy for public transportation in the Greater Dublin Area will include:

- A light rail project (LUAS) (US \$559 million)



Photo courtesy of Irish Tourist Board

The major projects proposed under the NDP include a US\$98 million convention center. Pictured here: St. Stephen's Green Shopping Center.

- Projects in support of the Dublin suburban rail network (US \$240 million)
  - Projects in support of the Dublin bus network (US \$156 million).
- The development strategy for regional public transportation will include:
- Projects in support of the national rail network (US \$650 million)
  - Projects in support of the national bus system (US \$178 million).

## TELECOMMUNICATIONS

Planned public investment in the telecommunications sector under the National Development Plan is about US \$156 million. Most investment in this sector will come from the private sector, will focus on the provision of broadband infrastructure in regional areas where the competitive market may not be able to deliver sufficient investment.

The proposed level of investment under the National Development Plan will be matched by private funds from telecommunications companies who already invest approximately US \$500 million annually in infrastructure projects in Ireland. Management of this \$156 million rests with the Department of Public Enterprise, which will be reviewing spending proposals in the spring of 2001. It is expected that the bulk of public and private investments will take place by 2002.

### MAJOR PROJECTS

■ Eircom, formerly Telecom Eireann, has a capital expenditure program valued in excess of US \$350 million annually that will seek to upgrade its telecommunications network. Specific technological advances being undertaken include an accelerated deployment of Asynchronous Transfer Mode (ATM) switches and the provision of

commercial ATM services. Eircom is also undertaking trials in preparation for the rollout of Asymmetric Digital Subscriber Line (ADSL) technology in 2000.

■ In early 2001, the Telecommunications Regulator should award seven wireless local loop (WLL) licenses, encompassing broadband and/or narrowband, to four shortlisted firms. These licenses represent opportunities for equipment manufacturers.

■ In the mobile telephony sector, the move to developing dual-band (GSM-DCS/900-1800 MHz) systems by Eircell and Esat Digifone is creating new opportunities for U.S. businesses. The legal action affecting the issue of the third mobile telephony license, meanwhile, has delayed the procurement process for the network infrastructure on that project.

■ In the cable sector, Cablelink/NTL is investing over \$250 million in upgrading the Dublin cable network to provide digital and high-speed Internet access. The company's ultimate goal for the upgrade is to offer 300-channel television, high-speed Internet access and telephony on its network. Princes Holdings is invest-



Attendees of ribbon cutting ceremony for the U.S. pavilion at Holiday World, January 2000. Left to Right: Maureen Ledwith, Holiday & Leisure Fair Ltd.; Jackie Dunphy, Irish Visit USA Committee; Ambassador Michael Sullivan; and Fergus Kilkelly, Irish Travel Agents Association.

Photo courtesy of Commercial Service Dublin

ing about \$200 million in upgrading its existing network, as it strives to provide digital television, discounted telephony and high-speed Internet access.

## HEALTH CARE

Under the National Development Plan 2000–2006, a total of US\$2.8 billion has been set aside to address the capital needs of health services (30 percent has been allocated to the BMW Region and 70 percent to the S&E region). In addition, EU funding of approximately



Photo courtesy of Irish Tourist Board



Photo courtesy of Irish Tourist Board

Historic estate development is part of the National Development Plan. Pictured here: The Rock Cashel.

US\$42 million has been allocated to train people with disabilities and for voluntary services.

In the BMW Region there will be particular weight placed on redressing inequities or imbalances that have arisen because of the higher dependency ratio, the lower population density and the less developed transport infrastructure. In the S&E region, emphasis will be placed on issues, such as drug use, homelessness and related problems, arising from larger centers of population.

This is the first time that health services have been included in an Irish national development plan, and it is anticipated that the overall investment will result in the reduction of hospital waiting lists through the provision of additional capacity in surgical specialties such as orthopedics, ENT and vascular surgery.

**MAJOR PROJECTS**

- Construction of a New (Mater/ Temple Street) Hospital in Dublin (US \$245 million).

Date of Completion: 2008

- Extension of the James Connolly Memorial Hospital in Dublin (US \$84 million).

- New radiology and maternity facilities for Cork University Hospital.
- Development of the 2nd phase for the Limerick Regional Hospital and the Galway Regional Hospital.

**TOURISM**

The Irish Government's plan for the tourism industry is to increase visitor numbers to Ireland to over 8 million by 2006, with employment in the sector rising by about 50,000 to 177,000. US\$210 million will be spent on tourism marketing; US\$140 million will be allocated to CERT, the State catering/hospitality-training agency; and US\$24 million will be allocated for ongoing training in tourism. The emergence of Dublin as Europe's most popular city destination, facilitated by the intense competition in airline travel, is the primary reason for stronger growth in the Irish tourism industry. Traditionally, because of the diversified nature of the Irish tourism sector and the proliferation of small firms, the level of industry investment in marketing has been low.

Under the National Development Plan a total of US \$82.6 million has been allocated to tourism development in the BMW region, which currently lacks a sufficient endowment of the

necessary infrastructure, attractions and visitor facilities to appeal to tourists. Opportunities exist in a combination of outdoor pursuits, including cycling, walking, angling, and marine and water sports. There is also potential to develop facilities for conferences and short-stay breaks, which already help to extend the length of the tourism season in the S&E region. There will be a specific focus on water-based tourism and the leisure sector, while access infrastructure and integrated product development have been identified as requiring investment.

In the S&E region, a total expenditure of US \$105 million is planned. Continuing growth of special-interest tourism includes activities such as cycling, trekking and water-based leisure pursuits. In addition, opportunities exist for proposals to build up regional "clusters" of attractions and facilities, and to support environmental initiatives designed to tackle congestion, traffic management, visitor flows to islands, innovative litter control, training and awareness, as well as area-based projects integrating tourism and the environment.

Coastal erosion poses a serious threat to public infrastructure and tourist amenities. Total expenditures dedicated to combating this problem, over the period of the National Development

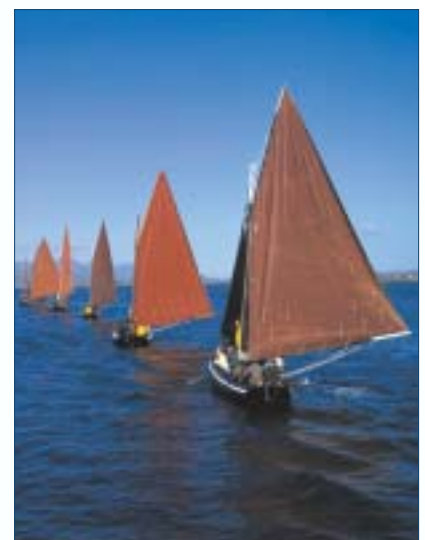


Photo courtesy of Irish Tourist Board

Photo courtesy of Irish Tourist Board



Ireland currently supports over 350 golf courses—and plans to add more. Pictured here: Strandhill Golf Club, Co. Sligo

Plan, will be US \$49 million (US \$42 million on actual works and US \$7 million on research). Fee-paying attractions increased in visitor numbers in recent years; from 1992 to 1996 there was a 68.5 percent increase in the number of such visitors.

#### MAJOR PROJECTS

- National Convention Center (US \$98 million)

The National Development Plan 1994–1999 contained proposals to invest in a national convention center. The center is currently under local planning process review and is subject to EU funding. The project has been awarded to the Treasury Holdings Group and forms part of the large scale Spencer Dock Development in the Dublin Docklands area.

- Dun Laoghaire Marina (US \$8.5m)

A new marina with 680 berths, service buildings, a boat hoist, an amenity area and car parking is being planned for Dun Laoghaire Harbor in South County Dublin. The project is currently subject to planning permission. The marina will be built by a private marina operator and handed

over to the Dun Laoghaire Harbor Company, a semi-state body, 30 years from the date of completion.

- Golf Course Developments

There are 366 golf courses in Ireland. Among the latest projects is the Doonbeg Golf Links by Landmark National/Greg Norman Golf Course Design, which is currently under planning permission review and is subject to EU funding of US \$3.36 million.

- Historic Estate Development—Carten House (US \$9.8m/EU funded)

Development of Carten House estate in Maynooth, Co. Kildare

#### TAKING A LONG-TERM VIEW

The \$52 billion Irish 2000-2006 National Development Plan encompasses many sectors of the Irish economy and focuses on infrastructure projects that provide new market opportunities for American companies. In the past, few American companies expressed interest in the Irish market, due to the fact that the majority of available projects there were small. The

recently announced NDP will provide for larger size in, and number of, projects of interest to international companies, including those from the U.S.

An additional reason for American companies to consider projects in Ireland is that the Irish Government is taking a serious look at streamlining the project development/implementation cycle. The current process is considered among the most time consuming in the EU and has been blamed for the relative lack of international competition. A streamlined process should shorten the time it takes to implement major projects and lessen the costs for bidding on Irish tenders. The Irish Government is also moving, as is the rest of the European Union, to the use of PPPs as a way to share the cost of projects with the private sector.

American companies entering the Irish market should enter early with a medium- to long-term view. They should consider gaining a local presence and utilizing sources of market information, including those available through the Commercial Service at the American Embassy in Dublin. In addition, successful companies usually keep a low profile. ■

Companies are encouraged to make the most effective use of the information that is available through the Department of Commerce by using its websites and by contacting one of our local offices; there is at least one office in each State, who can direct companies on how best to use its products and services. For contact information, visit [www.usatrade.gov](http://www.usatrade.gov), [www.usembassy.ie](http://www.usembassy.ie) or call (800) USA-TRAD(E).

# UPCOMING TRADE EVENTS

**AUGUST 2000-MAY 2001**

<b>DATES</b>	<b>EVENT</b>	<b>LOCATION</b>
August 30-September 3	<b>CEBIT HOME ELECTRONICS</b> CeBIT HOME reflects the current situation of the multimedia market, highlighting the latest interactive consumer technologies. The exhibit program covers all aspects of information technology, network computing and local networks, multimedia, software, services and online services, telecommunications, consumer electronics including hi-fi and high-end video software entertainment, the media and publishing, security technology, and home automation.	Leipzig, Germany
September 4-7	<b>BUSINESS &amp; INVESTMENT FORUM FOR RENEWABLE ENERGY &amp; ENERGY EFFICIENCY IN ASIA &amp; THE PACIFIC</b> This regional renewable energy (RE) and energy efficiency (EE) forum is held under the auspices of the prime minister of Malaysia, the director-general of UNESCO, the secretary-general of the United Nations, the executive director of UNEP and the president of the World Bank. Some of the topics covered at the conference will be a critical assessment of high priority national projects of the World Solar Program 1996-2005 (WSP) in the Asia and Pacific region; the business and investment climate, and opportunities for renewable energy and energy efficiency projects; and new innovative mechanisms of funding and financing. There will be numerous high priority national projects on renewable energy and energy efficiency from more than 40 countries in Asia and the Pacific presented at this forum. There will also be a four-day international exhibition on RE and EE held in conjunction with the event.	Kuala Lumpur, Malaysia
September 12-15	<b>GLOBALTRONICS 2000</b> GlobalTronics 2000 integrates six specialized electronics manufacturing exhibitions into one mega event. The show covers a full spectrum of products and services in microelectronic system integration and components, while also focusing on effective, yet economical, manufacturing processes.	Singapore
September 17-19	<b>WATER ASIA 2000</b> This three-day event is India's leading tradeshow and conference for water and waste management. Focusing on water resource management, waste-water treatment, water treatment chemicals and corrosion inhibitors, Water Asia 2000 will bring together professionals, technocrats, experts and manufacturers to find solutions to all water and waste-water related problems.	New Delhi, India
September 20-23	<b>SMART CARDS EXPO 2000</b> Smart Cards Expo, India's only exposition on smart card technology and applications, provides a gateway to the booming smart card market which is fast emerging in India. India has a population of about 980 million, of which more than 300 million have the purchasing power equivalent to that in any developed country. By the end of 2000, the number of chip cards in circulation worldwide is expected to be about 2.75 billion. According to industry projections, India will be the second largest Smart Card user in the world, after China, by 2015.	Bombay, India
October 17-21	<b>WORLD PC EXPO 2000</b> World PC Expo is the largest IT trade show in Asia, showcasing PCs, PC peripherals and software. The targeted visitors are Japanese and Asian professionals, and power users of personal computers and the Internet, while its target exhibitors are vendors of PCs, ICs, peripherals and software, and manufacturers of software developing tools, consumer products, computer graphics products and CAD products.	Tokyo, Japan
November 22-25	<b>MEDICA 2000</b> 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. These CEO participants reported US\$150,000 in direct sales, and an anticipated US\$32 million in projected sales.	Dusseldorf, Germany
Nov. 29-Dec. 2	<b>EXPOPESCA 2000</b> Expopesca 2000 is an international exhibition of equipment, services and supplies for the fishing and aquaculture industry in Latin America.	Santiago, Chile
December 5-7	<b>REPCOM MEXICO 2000</b> RepCom Mexico 2000 will cater to new-to-market U.S. firms seeking agents, representatives, distributors, licensees and franchisees in Mexico.	Mexico City, Mexico



# HIGHLIGHTED EVENTS

## INDUSTRY CONTACT INFORMATION

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Water & Waste Management	Marvetta McNeel Tel: (918) 831-9855 Email: marvetta@pennwell.com
Smart Card Technology & Applications	Vidya Sirsi Tel: (650) 493-4724 Email: vsirsiccs@aol.com
PCs, PC Peripherals & Software	Paul Goda Tel: (847) 593-5454, ext. 118 Email: pgoda@goda.com
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All Sectors	Raquel Polo Tel: (52 5) 140-2613 Email: Raquel.Polo@mail.doc.gov

## CEO CENTERS

### COLOGNE, GERMANY

SEPTEMBER 28-OCTOBER 1

### DUSSELDORF, GERMANY

NOVEMBER 22-25

Through their presence at major trade shows in Germany, the Department of Commerce's Corporate Executive Office (CEO) programs continue to generate high-quality trade leads for American exporters in such areas as the computer and telecommunications industries and the pharmaceutical and medical product fields. This fall, two CEO Centers will be staged, one at Expopharm in Cologne (September 28- October 1) and one at MEDICA in Dusseldorf (November 22-25). In addition to assembling industry participants from around the world under one roof, the CEO Centers will provide the advantage of an office and meeting place on the show floor without booth or display commitments.

Germany is a major market for American pharmaceutical (US\$2.4 billion in 1999) and medical products (US\$3.3 billion in 1999). It is notable for its location in Central Europe, its free market economy and its excellent infrastructure. With a stable economy and increasing consumer spending, Germany continues to represent one of the largest and most promising markets in Europe for U.S. pharmaceutical (total market size in 1999: US\$16.1 billion) and medical (total market size in 1999: US\$11.9 billion) products.

For more information on these two shows, the CEO program, or how to sign up, please contact Anette Salama at Email: Anette.Salama@mail.doc.gov or Ed Fantasia at Email: Ed.Fantasia@mail.doc.gov.

<b>DATES</b>	<b>EVENT</b>	<b>LOCATION</b>
January 9-14, 2001	<b>VAKANTIERBEURS' 2001</b> Vakantiebeurs is the largest travel and tourism event in the Netherlands. Two hundred thousand visitors are expected to attend. Exhibiting organizations in the U.S. Pavilion promote tourism to the United States, and related products and services. Exhibitors include tour operators, airlines, car rental companies, CVBs and CVAs, and hotels.	Utrecht, Germany
January 27-31, 2001	<b>FITUR</b> Fitur is Spain's largest International Tourism Trade Fair and the 3rd largest tourism trade show in Europe. In 1999, 40,287 professional participants and 100,000 consumers visited FITUR. There were a total of 15,100 exhibitors. The U.S. Pavilion hosted 58 participants.	Madrid, Spain
February 21-25, 2001	<b>BIT 2001</b> BIT is the most important tourism show in Italy and one of the most important shows in Europe. The U.S. Pavilion at BIT is organized by the Italian Visit USA Committee and the U.S. Commercial Service of the U.S. Consulate in Milan. BIT '99 was visited by 35,000 trade professionals and by over 66,000 members of the general public. Total exhibitors were 5,322, of which 55 were U.S. companies.	Milan, Italy
March 3-7, 2001	<b>ITB Berlin</b> ITB Berlin is the world's largest travel and tourism trade event attracting more than 7,434 exhibitors from 189 countries. In 1999, 111,801 visitors attended and 402 U.S. exhibitors participated.	Berlin, Germany
March 14-17, 2001	<b>TAU EXPO</b> TAU EXPO is one of the most important environmental shows in Europe. In 1999, this biannual show featured 500 exhibitors. The show had over 40,700 visitors, of which 3,500 came from 53 foreign countries. The Italian market for environmental products, technologies and services is very promising, and the U.S. is Italy's largest supplier. By participating in TAU EXPO, 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
March 27-31, 2001	<b>INTERNATIONAL DENTAL SHOW</b> The International Dental Show (IDS) is one of the dental industry's most prestigious and truly international dental equipment and product shows, with 1,100 exhibitors and over 56,000 trade visitors from over 60 countries. Cologne Trade Fairs and the Dental Manufacturers of America organize two USA pavilions. The Commercial Service expects to staff an International Business Center at the show.	Cologne, Germany
May 2-6, 2001	<b>AUTOMOTOR</b> Automotor is the most important show in Italy, and one of the largest in Europe, devoted to automotive components, spare parts, accessories and related products. Italy has one of the oldest circulating auto fleets in Europe and its auto density is reportedly the highest in the world. The recently introduced higher frequency of periodic compulsory motor vehicle inspections is expected to boost sales in Italy of both spare parts and accessories. U.S. producers who have pioneered the development and expansion of high quality products, safety applications and environmental friendly features should take advantage of the increased interest in new and innovative automotive products.	Turin, Italy
May 5-9, 2001	<b>DISCOVER AMERICA INTERNATIONAL POW WOW</b> The Discover America International POW WOW, produced by TIA, is the travel and tourism industry's premier international market place for transacting Visit USA businesses. In just three days of intensive 20-minute, pre-scheduled business appointments, over 1,000 U.S. travel companies, representing all industry category components, and over 1,550 international buyers from 70 nations, will conduct business negotiations that will result in the generation of over \$3 billion in future Visit USA travel. TIA's International POW WOW is an international marketplace—it is not a typical trade show. It is the largest generator of Visit USA travel, offering USA travel suppliers and international travel buyers a chance to conduct business. It is also an opportunity for news coverage for USA travel destinations and products as there are typically over 200 travel journalists from over 45 countries who attend each year.	Orlando, Florida
May 14-19, 2001	<b>ENVITEC-INTERNATIONAL TRADE FAIR FOR ENVIRONMENTAL PROTECTION &amp; WASTE MANAGEMENT</b> Envitec is one of the largest environmental technology exhibitions in Germany. The show deals in environmental engineering, waste management, waste utilization, recycling, energy recovery, environment protection, noise reduction, soil purification, air purification, sewage water technology, laboratory technology, analysis technology and measuring systems. Envitec takes place every three years. The show attracts, on average, over 1,354 exhibitors from 29 countries and 50,200 visitors from 33 nations.	Dusseldorf, Germany
Sept. 13-16, 2001	<b>EXPOPHARM-INTERNATIONAL TRADE FAIR FOR PHARMACEUTICALS</b> Expopharm is the only major pharmaceutical industry event in Europe. The annual trade event counted over 500 exhibitors and roughly 20,000 trade-only visitors in 1998. Products on display include pharmaceutical equipment, products and services, homecare products, diagnostic, cosmetics, pharmacy furnishings and equipment, and computer hardware and software for pharmacies.	Munich, Germany

**INDUSTRY CONTACT INFORMATION**

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**HEALTH 2000—USA PAVILION****MONTREAL, CANADA OCTOBER 2-4, 2000**

U.S. suppliers are invited to participate in the USA Pavilion at Health 2000, an international health care exhibition and conference with nearly 3,000 participants from over 25 countries, 200 exhibitors and 150 presentations. Health 2000, which will be held October 2-4, 2000 in Montreal, Canada, is an excellent way for U.S. businesses to reach new clients, distributors and export business partners from around the globe.

This international event is considered by industry insiders to be one of the year's premier health care conferences in North America. Health 2000 will attract buyers, industry representatives, health care specialists and senior private sector and government decision-makers from many parts of the world.

The U.S. Department of Commerce is offering American companies a unique program, specifically designed to maximize exposure and facilitate business contacts with Canadian and international visitors.

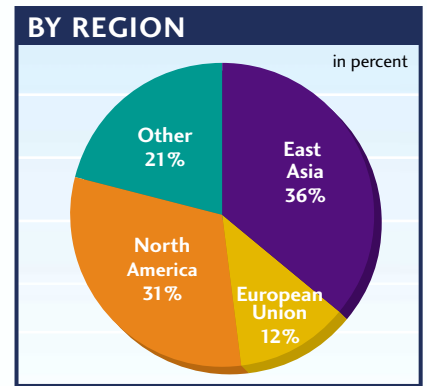
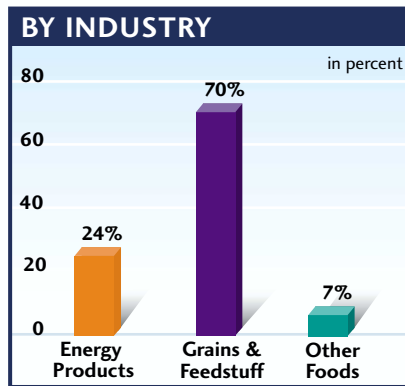
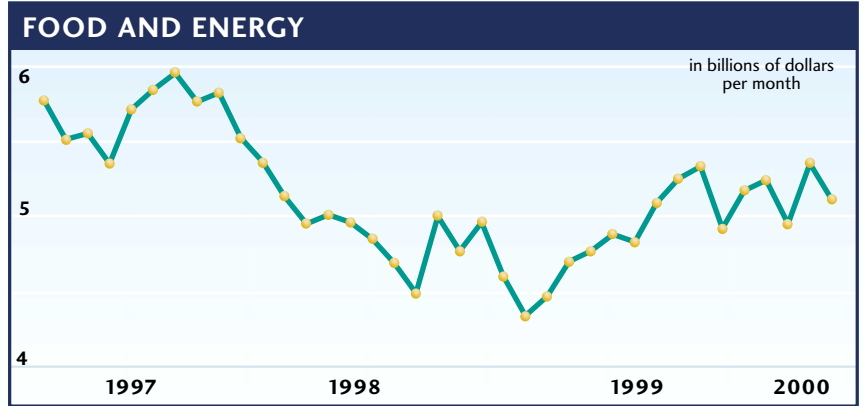
The USA Pavilion package is offered for US\$2,500 and includes:

- Briefing session by U.S. Consulate General staff and industry experts
- On-site support by Department of Commerce specialists
- Official reception hosted by U.S. Consulate General in Montreal
- Free French/English interpretation services on the show floor
- Follow-up assistance to help US firms close deals after the show
- 10" x 10" exhibition booth, complete with carpeting, solid walls, electrical outlet, sales lead retrieval system, stand identification, table, chairs and lighting.

Interested U.S. companies should contact the U.S. & Foreign Commercial Service in Montreal for more information about the USA Pavilion package: Pierre Richer, Commercial Specialist at Tel: (514) 398-9695 ext. 2261; Fax: (514) 398-0711; or Email: pierre.richer@mail.doc.gov. More information on the event can also be obtained by visiting Health 2000's website ([www.health2000.org](http://www.health2000.org)).

**FOOD AND ENERGY**

The modest decline in April exports of food and energy resulted from falloffs in shipments abroad of soybeans, meat and poultry, and coal that were only partially offset by gains in exports of corn, fish and shellfish.



**MATERIALS**

A large decrease in exports of non-monetary gold was largely responsible for the reduction in materials shipments overseas. Chemical exports also retreated from their March peaks. Notable gains included logs and lumber, and finished metal shapes.

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

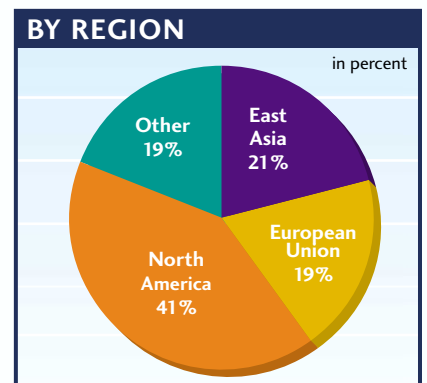
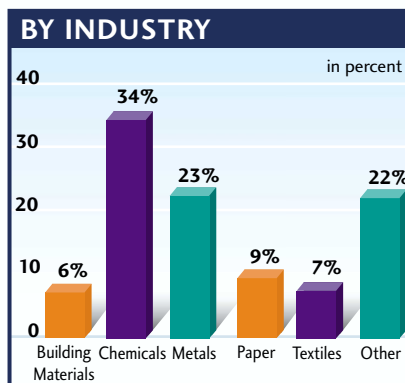
North America: Canada and Mexico.

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

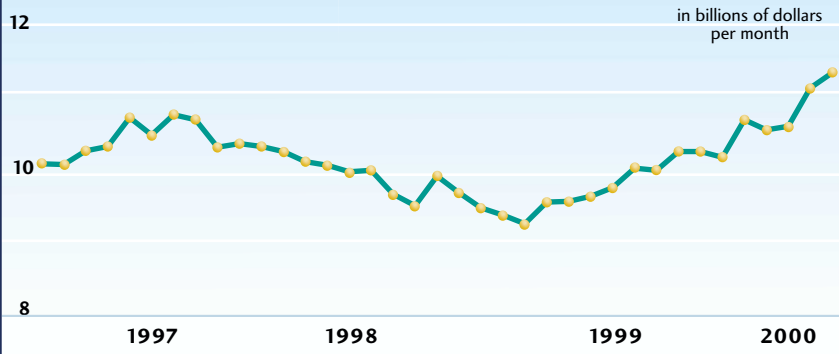
East Asia: China, Hong Kong, Japan, Indonesia, South Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand.

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 May 2000.

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



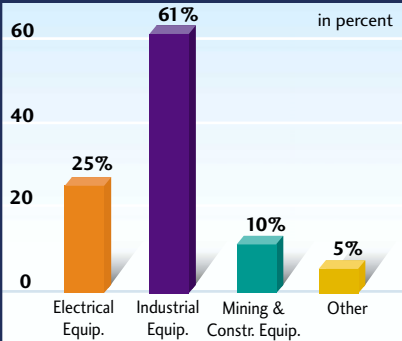
### MACHINERY



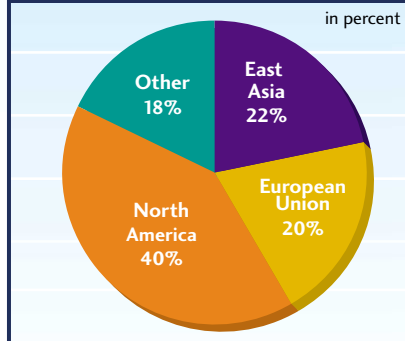
### MACHINERY

The third straight monthly increase in machinery exports was led by overseas sales of electric apparatus and measuring, testing, and control instruments. April declines were recorded in the excavating machinery and drilling and oilfield equipment categories.

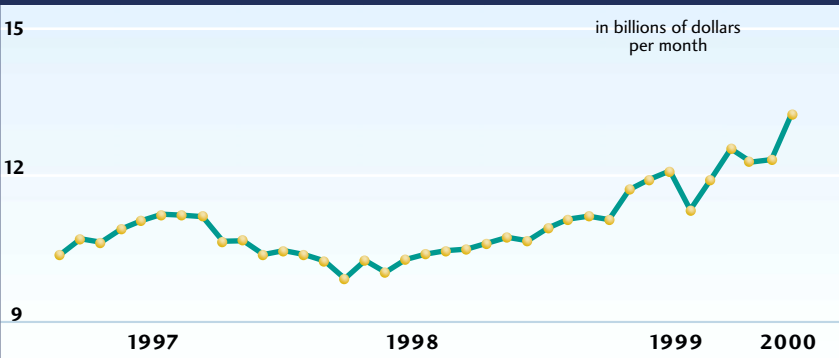
### BY INDUSTRY



### BY REGION



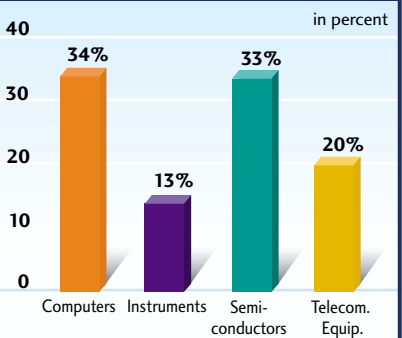
### ELECTRONICS & INSTRUMENTS



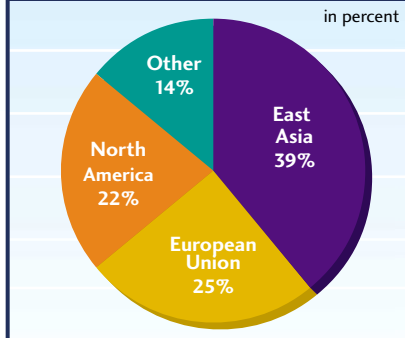
### ELECTRONICS & INSTRUMENTS

Exports of these products surged for the sixth consecutive month. Computer accessories, semiconductors, telecommunications equipment, laboratory instruments and medical equipment all showed significant gains.

### BY INDUSTRY



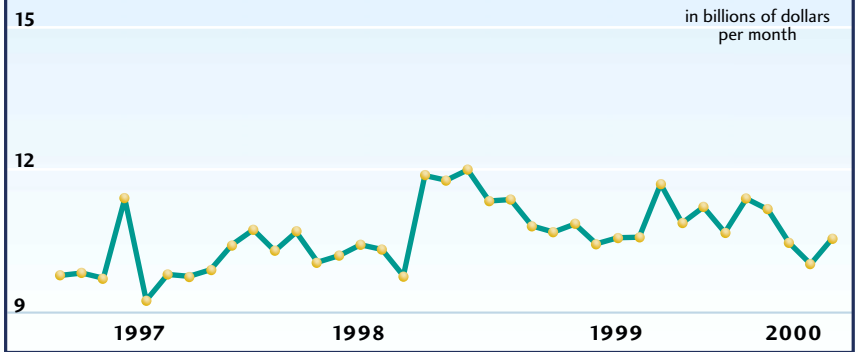
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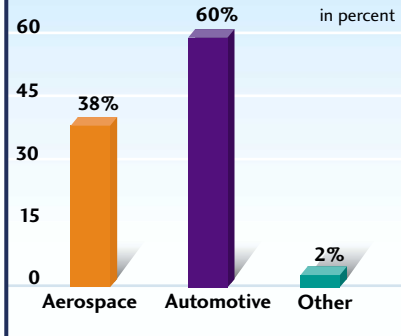
**TRANSPORTATION EQUIPMENT (CIVILIAN)**

April's \$1.0 billion increase in civilian aircraft sales abroad (reflecting in part a recovery from a labor dispute at a major aircraft manufacturer) more than offset declines in foreign sales of automotive parts and accessories. Exports of civilian aircraft engines also recovered in April.

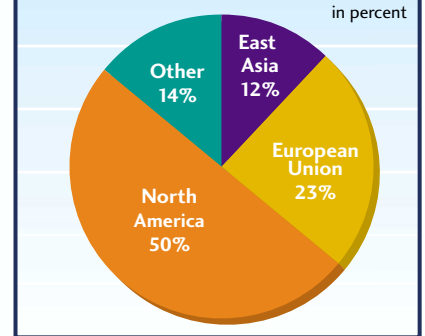
**TRANSPORTATION EQUIPMENT**



**BY INDUSTRY**



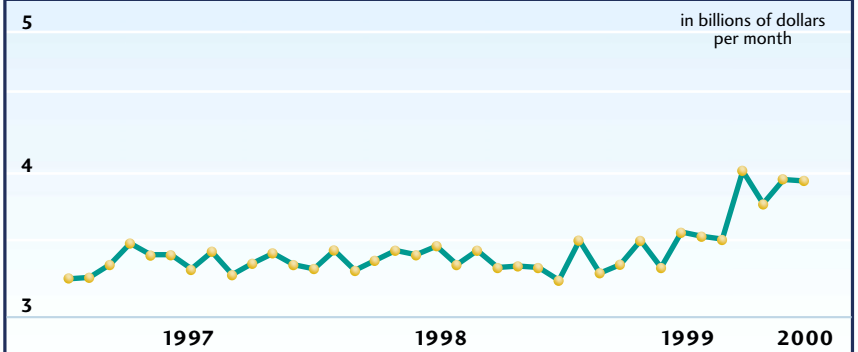
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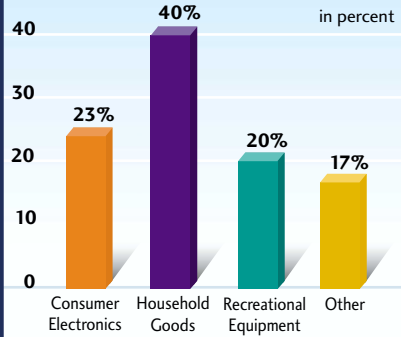
**CONSUMER DURABLES**

The decrease in exports of consumer durables was attributable primarily to declines in sales abroad of jewelry and gem diamonds. Other durable goods categories showed little change in April.

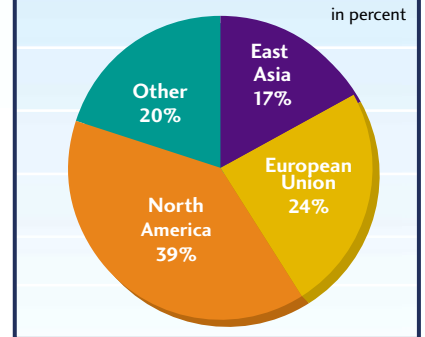
**CONSUMER DURABLES**



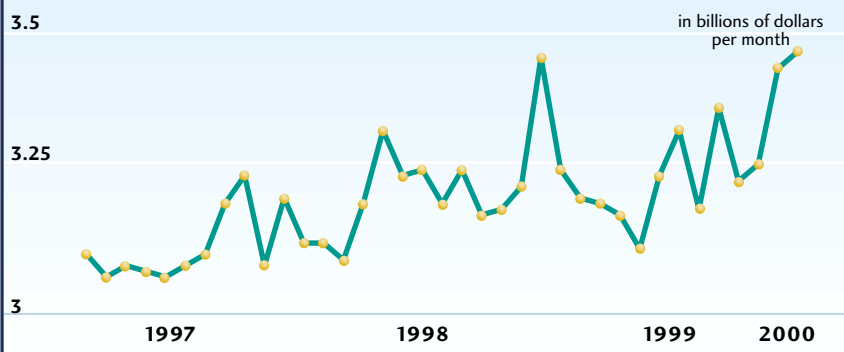
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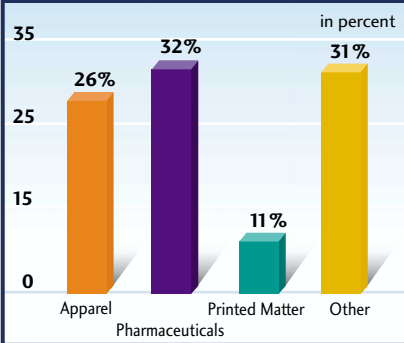
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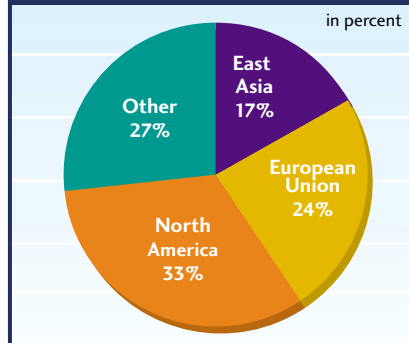
### CONSUMER NONDURABLES



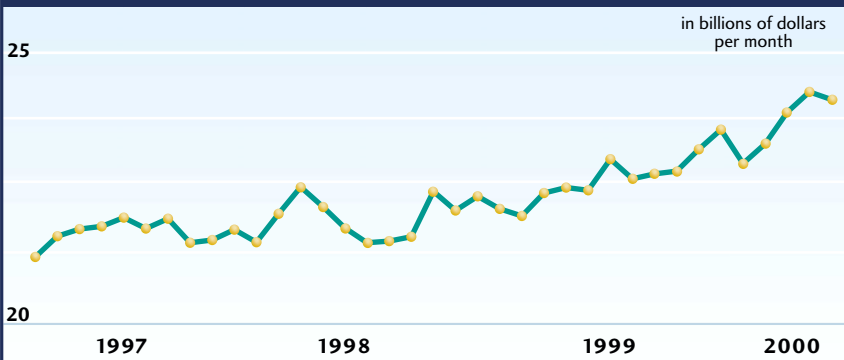
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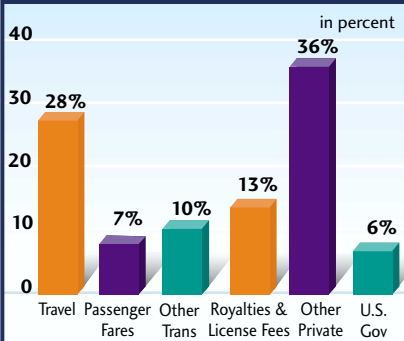
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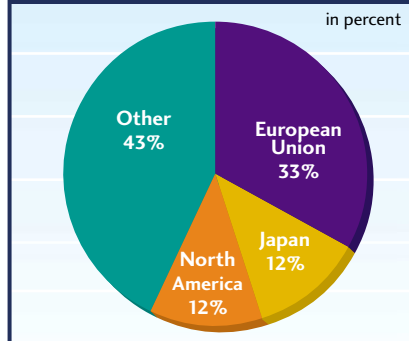
### SERVICES



### BY INDUSTRY



### BY REGION



### CONSUMER NONDURABLES

Consumer non-durable exports advanced, in April, for the fourth consecutive month led by a number of miscellaneous categories. Pharmaceuticals, however, partially retreated from their strong March gains.

### SERVICES

The marginal decline in services exports was largely accounted for by reduced receipts from passenger fares and foreign usage of U.S. professional services. On the other hand, the U.S. Government realized increased receipts from foreign entities under formal contract provisions.

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

the Bureau of the Census ([www.census.gov/foreign-trade/](http://www.census.gov/foreign-trade/));

and the Bureau of Economic Analysis ([www.bea.doc.gov/bea/](http://www.bea.doc.gov/bea/)).

Prepared by the Office of Trade and Economic Analysis, Trade Development.

For more information call (202) 482-2056.

# U.S. EXPORT FACTS

AS OF APRIL 2000

Prepared by the Office of Trade & Economic Analysis, Trade Development

## U.S. GOODS AND SERVICES

- 1999 U.S. exports totaled a revised \$956 billion, up 2.5 percent for the year and reversing the marginal decline for 1998. On the positive side, the growth appears to be accelerating. The stagnation in U.S. exports over the last couple of years reflects in large part unfavorable economic conditions abroad.
- Export growth in 2000 is accelerating. For the period January-May, shipments abroad are up almost 11 percent compared to the same period last year.

## U.S. GOODS (MERCHANDISE)

- Goods exports were \$683 billion in 1999. This represented a two percent advance over 1998, when exports actually declined for the first time in thirteen years. Partial recovery from the Asian financial crisis aided in the export turnaround.
- For the first five months of this year, merchandise exports are up over 12 percent versus the first five months of 1999.
- The United States accounted for just over one-eighth of global merchandise exports in 1998.
- U.S. multinational companies participated in almost two thirds of U.S. goods export transactions, either as the exporter or the foreign purchaser (U.S. affiliates abroad).
- Manufactured goods comprised 88 percent of total goods exports in 1999, followed by agricultural commodities (7 percent), mineral fuels (1 percent) and miscellaneous items (4 percent).

- Canada (\$167 billion) continued to be the largest export market by far, nearly twice the value of runner-up Mexico (\$87 billion) in 1999. Japan (\$57 billion) remained number three, followed by the United Kingdom (\$38 billion) and Germany (\$27 billion).

- California (\$103 billion) was the largest exporting state in 1999, with Texas (\$62 billion), New York (\$43 billion), Michigan (\$41 billion) and Washington (\$37 billion) rounding out the top five.

- Seattle-Bellevue-Everett, with foreign shipments of \$34 billion, was the largest metropolitan area exporter in 1998, followed by Detroit (\$27 billion), New York City (\$26.6 billion), San Jose (\$26.1 billion) and Los Angeles-Long Beach (\$25.6 billion).

## U.S. SERVICES

- Exports of services during 1999 were \$272 billion, exceeding by 3.5 percent the \$263 billion total recorded in 1998. The growth rate increased to seven percent during the period January-May 2000. Service exports have exceeded service imports every year since 1970, helping to offset the goods trade deficit.
- Travel, passenger fares and other transportation accounted for 45 percent of total services exports (receipts), with direct private business services (e.g., telecommunications, engineering, advertising and accounting) combining for another 35 percent.

## TRADE AND THE DOMESTIC ECONOMY

- U.S. goods and services exports represented 11 percent of the nation's GDP in 1999, actually higher than Japan's

proportion of 10 percent, but far less than the 29 percent figure for Germany.

- More than 20 percent of the goods produced in the United States are exported. For durable goods, the figure rises to 36 percent.

- U.S. exports of goods and services are estimated to support some 12 million domestic jobs. Each billion dollars in exports support on average about 13,000 jobs.

- Jobs supported by U.S. goods exports, either directly or indirectly, pay wages estimated to be 13 percent higher than the average domestic wage. For high-technology industry jobs directly supported by exports, average hourly earnings are 34 percent higher than the national average.

## EXPORTER PROFILES

- For 1997 (the latest year for which Exporter Data Base figures are available) almost 210,000 U.S. firms exported goods, nearly double the 1992 total of 113 thousand.
- Ninety-seven percent of these companies were small or medium-sized (fewer than 500 employees).
- While large firms (500 or more employees) accounted for just over three percent of all exporters, they were responsible for almost 70 percent of U.S. merchandise exports in 1997.
- About two-thirds of U.S. exporting firms were classified as wholesalers, retailers brokers and other intermediaries. ■



# OPENING THE DOOR TO BUSINESS

## BISNIS' NEW RUSSIAN LANGUAGE WEBSITE

by Catherine Jones

*Office of Public Affairs, International Trade Administration*

Thanks to the U.S. Department of Commerce's Business Information Service for the Newly Independent States (BISNIS), U.S. exporters and investors can now benefit from a newly launched website, targeting companies in the markets of the New Independent States (NIS) of the former Soviet Union. In March 2000, BISNIS launched the Department of Commerce's first-ever Russian language website ([www.bisnis.doc.gov/nis](http://www.bisnis.doc.gov/nis)), allowing U.S. exporters and Russian language-speaking businesses to effectively communicate for the first time. The new page complements BISNIS' existing English-language site, which provides trade information to U.S. companies interested in the markets of the former Soviet Union, including Russia, Kazakhstan, Ukraine and the Caucasus. The English language page receives over 100,000 hits per week from companies interested in market reports, trade leads and other information provided.

### BISNIS ASSISTS U.S. BUSINESS

Since 1992, BISNIS has served as the U.S. Government's information clearinghouse for U.S. companies conducting business with the NIS, which includes some of the world's largest

developing market economies. BISNIS promotes U.S. trade and investments with NIS countries by providing information services designed to link U.S. and NIS companies in lucrative business partnerships, as agents and distributors, licensees and licensors, and investment partners. By bringing buyers and sellers together in successful business transactions, BISNIS has generated over \$2.4 billion in U.S. exports and investments.

Headquartered in the Ronald Reagan Building and International Trade Center in Washington, D.C., BISNIS is staffed by 10 trade specialists in the U.S. and 19 throughout the NIS, including 10 in Russia. The Washington, D.C. office's more than 40,000 American clients, range from small and medium- to large-sized companies, and represent nearly all industry sectors and financial groups. Equipped with both an in-depth knowledge of NIS market economies and resources available from U.S. and NIS governments and private sectors, the BISNIS staff of international trade specialists and overseas network representatives provides U.S. companies with accurate and comprehensive analyses of the NIS business environment. BISNIS keeps U.S. companies informed about commercial developments and business opportunities in the NIS by providing the following types of information: current market assessments and industry reports; trade and partner leads; commercial laws and regulations; tips on transportation, bank-

ing and customs issues sources of financing for trade and investment; and trade promotion event descriptions.

### NEW WEBSITE BUILDS TRADE TIES

Now, with the creation and launch of the Russian language website, BISNIS has developed one more way to help U.S. companies export to the emerging markets of the NIS, which have over 280 million consumers. The Russian language website caters specifically to the Russian language-speaking communities around the world, who wish to utilize business opportunities with U.S. companies. As Gennady Ozerov, owner of Atlantic Motors, a General Motors dealer in Krasnoyarsk, explains, BISNIS' Russian language website will "serve as a guide to identifying American partners and business opportunities." Ozerov calls the site "an exceptional resource for small business entrepreneurs in the NIS."

"The most amazing thing about the page is that we are reaching companies in the NIS that we would have never been able to interact with otherwise. We have sourced a trade lead from a small town in Ukraine that our BISNIS person would have never visited," comments Kelly Raftery, BISNIS trade specialist and developer of the website.

By communicating in the Russian language, this website reaches out to NIS companies, which are generally



unaccustomed to conducting business in English, and therefore, may otherwise miss opportunities for cooperation with U.S. companies. "Having access to this extremely valuable information in the Russian language will open wide the door to stronger business ties between the U.S. and the NIS," says Ozerov.

The site serves as an educational tool for the Russian-speaking community about how to conduct business with U.S. companies and how to find products and services available from U.S. businesses, while offering a ready source of information on finance and U.S. government supported programs for business.

"The NIS companies are very excited because there is nothing out there that targets their markets in their language. The feedback we have received has been overwhelmingly favorable. We have received trade and partner leads from all over, against the common wisdom of doing business there, which told us we would never receive this sort of information over the Internet from usually secretive NIS companies," explains Raftery.

In order to assist in the development of mutually beneficial business relationships between NIS and U.S. companies,

BISNIS features the following information on its Russian language webpage:

- Articles offering advice for NIS companies wanting to conduct business with U.S. companies;
- Guidance on doing business with U.S. companies, including sources of financing and U.S.-NIS business etiquette essentials;
- Information about U.S. government-funded technical assistance and exchange programs; and
- Applications to participate in BISNIS' *Search for Partners* and *Trades & Tenders* programs.

Online applications and questionnaires in Russian for BISNIS' two trade lead programs, *Search for Partners* and *Trades & Tenders*, are perhaps the most unique and substantial component of the website. BISNIS' *Search for Partners*, which is published twice monthly in electronic and hard copy formats, serves as a matchmaker service, bringing together U.S. and NIS companies. The publication features country and industry listings, company history, and contact information about select NIS firms interested in forming business relationships with U.S. companies. NIS companies can now

fill out a Russian language, online application so that they can be featured in *Search for Partners*.

BISNIS' *Trade & Tenders*, which is distributed each week via email, publishes sales opportunities for U.S. businesses throughout the NIS, including opportunities from individual NIS companies, multinational corporations and financial institutions, and those financed by NIS local and national governments. This program enables NIS companies to search for American producers or suppliers of goods and services. NIS companies can now fill out a Russian language online questionnaire to search for the U.S. goods and services they seek.

The Russian language website was developed over a period of ten months by an international team of ten, including Kelly Raftery in Washington, D.C.; Olga Anania in Moscow, Russia; Seymour Khaliyov in Baku, Azerbaijan; Alex Kim in St. Petersburg, Russia; Ekaterina Solovova in Samara, Russia; and, Andriy Ignatov in Kiev, Ukraine. In the few months that it took to launch this website, this team had only one face-to-face meeting in December 1999. The rest of the project was conducted through conference calls and emails. ■

For more information about BISNIS and the Russian language website, please contact:

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