

# EXPORT *America*

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## Aerospace in Year One and Year 100



### INSIDE:

Trade Mission to Ghana and South Africa  
Concerted Efforts to Compete Overseas  
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## MEMO

**A** At the end of September last year, we were scrambling to produce the October 2001 issue of *Export America* on time, following the terrorist attacks a few weeks before.

It was a very difficult period for everyone, and there was confusion about what to do and what kind of reaction was appropriate in a personal and professional sense. Some people believed that “business as usual” should prevail to show that we as individuals and a nation were not cowed by the horrific acts of terrorists. Others believed that we should stop and say something that would either pay homage to those whose lives were lost, or otherwise address the event. In any case, words or actions did not seem to be nearly enough to express what we all were feeling. Everyone I spoke with in the subsequent weeks and months was raw with emotion, and we all just took some time to notice one another and be nicer to those around us.

One of the most striking impressions that I remember from the day of the attacks was the lack of activity in our skies. It was strange to see just birds in the air rather than the numerous airplanes and helicopters. I think we have all grown accustomed to seeing implements of air travel, and viewing them seems as natural as watching birds in flight.

It has been nearly a century since the Wright brothers embarked on their historic first flight in Kitty Hawk, North Carolina, launching us into an era of air travel. In the time since Orville, Wilbur,

and countless other pioneer aviators took to the skies, technology and entrepreneurship have allowed us to travel not only around the globe but also to the moon. The modern aerospace industry encompasses an enormous range of specialties, from navigation and air traffic control equipment to pneumatic landing gear components and construction of entire aircraft. Our feature this month explores export opportunities for the aerospace industry in several key markets. Linda Conlin, assistant secretary of commerce for trade development, recently led 13 aerospace companies on a trade mission to Vietnam to cultivate new business relationships.

Additionally, Phil Combs of the Trade Information Center gives readers tips on starting an exporting company in Ask the TIC, and William Corley highlights export market opportunities, including those in aerospace, in Canada in News from Commerce.

Next month, *Export America* will take a look at the environmental technology and energy industries to explore opportunities for wastewater management, air filtration, and renewable energy companies. Until then, good luck in your exporting endeavors, and send all comments to our staff at [export\\_america@ita.doc.gov](mailto:export_america@ita.doc.gov).

*Cory Churches*

Cory Churches  
Editor



## GLOBAL NEWS LINE

### AUSTRALIA

The Green Electricity Market (GEM) represents a dynamic and positive energy industry response to the pressing challenges of economic sustainability, industry development, and reducing Australia's greenhouse gas emissions. The GEM is Australia's only spot market for renewable energy certificates.

The green power market is just emerging, but it is expected to double in the next few years. Therefore, new and innovative technology, services, and equipment will be required. There are hundreds of products used to produce hydroelectricity, solar power, wind power, and biomass electricity.

The products with the best prospects are those that are environmentally friendly and produce electricity while reducing the use of fossil fuels. State-of-the-art services and technologies are required to produce green power. Renewable energy markets are sensitive to local factors, such as energy prices, regulations, import duties, and rapidly changing government policies.

U.S. companies interested in green power opportunities in Australia should contact the Australian EcoGeneration Association ([www.ecogeneration.com.au](http://www.ecogeneration.com.au)) for timely market analysis and a list of renewable energy projects.

### COSTA RICA

Thanks to a successful, ongoing marketing campaign by the government and industry, Costa Rica is renowned as a safe tourist destination. It offers even the most discerning visitor a wide array of experiences, ranging from a simple trip to the beach to a series of ecological encounters in the rain forest. As a result, during the last four years, tourist arrivals increased significantly, and the Costa Rican hotel and restaurant equipment industry experienced strong growth. Construction of

new hotels, restaurants, and food and beverage outlets took place throughout the country. This in turn fueled a corresponding demand for hotel and restaurant supplies and equipment.

The consensus within the local industry is that 2002 will be unremarkable, with U.S. market share remaining at the 2001 level. Prospects should begin to improve in 2003–2004, when the industry is expected to grow again at an annual rate of 3 to 5 percent. In 2001, the U.S. market share of hotel and restaurant equipment was 38.4 percent.

Industry sources point out that the recovery will be helped to a large extent by the Costa Rican government's policy to improve tourism industry infrastructure, its continued marketing efforts abroad to attract visitors, the anticipated success of its new economic policies, and overall improvement in the global economy. The new presidential administration took office in May 2002. In August, President Pacheco created a special commission to look at the nation's competitiveness by sector, including tourism and infrastructure. The commission's report became available September 4, 2002.

### DENMARK

The Danish market for electro-diagnostic equipment is small, competitive, and profitable. Manufacturers and distributors of electro-diagnostic equipment are part of an industry with estimated revenues of \$650 million. Some 4,000 people work in the industry (including end users). Local competition is concentrated within certain fields, such as blood-gas analyzers and diagnostic systems solutions. Where local competition exists it is proving very difficult for rival U.S. manufacturers to compete with the sales and service terms and conditions offered by their Danish rivals. Ninety percent of local production

becomes exports. Third-country competition is also strong, particularly from Germany. The U.S. market share is approximately 20 percent.

### HUNGARY

The air conditioning market should continue to grow at least as fast as the overall economy, and it shows signs of outpacing demand for other durable consumer goods. However, it will not be an easy market for U.S. producers to enter, because of stiff competition and the very price-conscious nature of Hungarian consumers. Major American manufacturers (such as Carrier, Trane, and Fedders) have long had a foothold in Hungary. The Hungarian Refrigeration and Air Conditioning Association has more than 400 members, including dealers and contractors able to market and properly install U.S. brand products. However, U.S. producers face tough competition from low-cost Asian producers as well as European firms with strongly developed logistics and distribution networks.

The best prospects for U.S. companies will probably be in large commercial units and electronic climate control systems. In the consumer market, U.S. companies should be able to expand sales of quality window units and whole house "split systems" as more sophisticated and higher income consumers make the decision to permanently improve their properties. Educating consumers through advertising and consumer magazines could pay dividends for American companies.

### POLAND

Interest in the Internet, for both business and household use, has grown rapidly in Poland. With a population of approximately 39 million and over 1.8 million registered companies, Poland is an expanding market for Internet development. However, the Polish economy has slowed in the last

two years. In 2001, the gross domestic product (GDP) growth rate was only 1 percent. Additionally, the worldwide dotcom crisis affected high-tech companies in Poland. Despite these difficulties, Internet use grew 18 percent last year, and it is expected to continue developing at a faster pace than the overall economy and faster than the information technology sector.

Moreover, Poland's telecommunications market will open to foreign services and investment at the beginning of 2003 with the removal of the TPSA monopoly in international voice services. Only the use of wireless technologies will require allocation of radio frequencies. While the new telecommunications law envisions the unbundling of the local loop market, executive regulations are not yet in place. A new e-signature law came into force in mid-August 2002; it will likely lead to broader use of the Internet.

## PORTUGAL

**The Portuguese franchise market continues to grow steadily.** The greatest concentration of franchises is in the retail/clothing area with a 52.3 percent market share, followed by services with 38.7 percent, and hotel/restaurants with 9 percent. There are 363 franchisors operating in the market, and the number of franchised units is estimated at 7,116. Portuguese franchisors represent 37.2 percent of the total franchise units in the country, followed by Spain with 25.9 percent, the United States with 13.2 percent, and France with 8 percent.

Franchising as a business concept has not yet reached full maturity in Portugal. The automotive service sector in Portugal is still composed of many small repair shops, which tend to be outdated and do not meet consumer demand. The technical requirements of new vehicles are greater, and the traditional repair shops need to invest in new equipment or be replaced by the fast service type of automotive repair. Fast service

auto repair and maintenance shops are beginning to enter the market. Best U.S. export prospects include service equipment, aftermarket options, and car care products.

## EGYPT

**Dramatic changes have occurred in Egypt's telecommunications sector since Law 19 of 1998 replaced Telecommunications Law 153 of 1980.** The formation of Egypt's Ministry of Communications and Information Technology in October 1999 also marked the beginning of a new era for Egypt's telecommunications and information technology sector. The sector now has a new regulatory framework and more liberal conditions.

There are nine telecommunications service providers licensed to do business in Egypt: Telecom Egypt, the government entity that operates the traditional fixed landline network; two GSM (mobile telephone) companies; two providers of pay phone services; and four low earth orbital systems operators (VSAT Service, Anmar-Sat, Al-Soraya, and Global-Sat).

Egyptian fixed-line telecommunications services are among the fastest growing in the Middle East and North Africa. By the end of 2000, Egypt's telecommunications revenue from the fixed line network alone amounted to more than \$2.5 billion, representing 2 percent of Egypt's total GDP (this ranked Egypt second after Saudi Arabia in the Arab region). In 2001, Egypt's revenue from all telecommunications services exceeded \$3.3 billion. The rapid growth of the GSM market in Egypt is largely responsible for the high overall growth in revenues, accounting today for an estimated 40 percent of total telecommunications revenue.

A third 1800 GSM license was scheduled to be launched by Telecom Egypt in December 2002. However, Commercial Service sources report that this launch will likely be delayed

until the second half of 2003, at the earliest. The latest information indicates that Telecom Egypt is still in the process of evaluating offers from three international operating companies (two of them reportedly American) to provide this service.

Egypt's telecommunications master plan consists of the modernization of the backbone of the sector by both expanding the capacity of the network and upgrading the current circuit switching technology to the more efficient packet switching technology. As a result, there will continue to be many export opportunities in Egypt for U.S. companies as Egypt upgrades and expands its telecommunications infrastructure to meet the growing demands of business and residential customers. ■

### 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 e-mail, is available by calling the Trade Information Center at (800) USA-TRAD(E).



# A San Diego Company Uses the Internet to Sell Globally

Expanding Sales Frontiers with BuyUSA.com

by Doug Barry  
U.S. Commercial Service

Sixty-five percent of U.S. exporters sell their products to buyers in only one country. San Diego-based Evertek Computer Corporation, which sells new and refurbished computers and parts, has business in more than 80 countries. How does a small company do it?

Part of the answer is worldwide demand for what Evertek sells. The company also has well-established sales channels, including an excellent e-commerce Web site and a multilingual sales staff—a grand total of three people. Now Evertek has BuyUSA.com, the U.S. Commerce Department's on-line marketplace that helps U.S. companies find buyers in the world's best markets—and others that aspire to be among the best.

Evertek's most recent BuyUSA.com buyer is located in France. "This French company has become a full-fledged partner of ours," says John Ortley, international sales manager. "Since May of this year, we've had multiple transactions totaling in excess of \$75,000." Since joining BuyUSA.com a year ago, Evertek has found 10 new clients in as many countries. Buyers are snapping up monitors, CD-ROMs, scanners, DVDs, and complete systems.

Besides its proven ability to generate new business, what does Evertek find appealing about BuyUSA.com? Ortley says BuyUSA.com provides an additional sales channel, offering a "more professional package of services" than anything else he has seen. "Perhaps the biggest advantage," he says, "is that buyers who approach us from these different countries are more reassured because of the involvement of the U.S. government. When we considered participating in the BuyUSA.com program, we were confident we would see results based on our own success in e-commerce marketing."

## IN BUYUSA.COM THEY TRUST

This sense of reassurance and trust implicitly provided by the U.S. government is important, Ortley believes, because Evertek operates, at least for now, on a prepayment basis. Evertek's buyers, be they from Europe, Asia, or South America, need to know that they will get what they paid for. In part, buyers are more trusting because they know they can call on the commercial section at their local U.S. embassy if there is a problem. The trust factor works for Evertek, because Ortley is confident that the buyers on BuyUSA.com are reliable.





Everttek has been in business for 12 years, and it began exporting from the beginning. Today, export sales account for 20 percent of total revenues. Growth has been steady and is expected to continue, in part, because of new sales channels like BuyUSA.com. Other optimistic trends include larger economic factors, such as the continued globalization of world markets and the acceptance of e-commerce as a means to effectively market and purchase products globally.

How do buyers in so many different markets know Everttek? One way is through BuyUSA.com, which is promoted by the U.S. Commercial Service in more than 90 countries and currently has over 20,000 buyers. BuyUSA.com also promotes Everttek at overseas trade shows in the IT sector. Other factors include efforts by many developing countries to become part of the global economy. These countries are quickly connecting to the world via the Internet. This provides both increased demand for Everttek's computer products and a continuously growing marketplace.

#### SALESPeOPLE MAKE THE WORLD GO ROUND

This is not to say that success depends exclusively on flashy electronic catalogs and the latest fulfillment software. Ortley considers himself first and foremost a salesperson, and he says that doing e-commerce via the Everttek Web site or BuyUSA.com is still "Basic Salesmanship 101."

For example, Everttek readily offers volume pricing as well as selective pricing on specific items. Forging close client relationships is also key, especially since Ortley and his two colleagues do not have time to travel abroad much. He has built a client database, and he sends a lot of personal e-mail. "We want to bond with our customers," Ortley explains.

He also spends hours on the phone, adjusting his calls throughout the day



Photo courtesy of Everttek Computer Corp.

**John Ortley, director of international sales of Everttek, and trade specialist Carrie Brooks at Everttek's headquarters in Oceanside, California.**

as time zones shift across the world. Speaking directly with the client is still an essential part of the business process, developing closer ties and understanding the other's needs.

Ortley checks his BuyUSA.com account daily to see who has e-mailed him the previous day. Since BuyUSA.com includes links to member sites in addition to a product catalog, many potential buyers coming from BuyUSA.com go to the Everttek site, where they log in and view the purchasing process. BuyUSA.com does not currently have full transactional capability but plans to add it in the near future.

Ortley also appreciates the assistance he gets from the local U.S. Commercial Service office in San Diego, one of 107 throughout the country and 157 overseas. Trade Specialist Carrie Brooks first introduced BuyUSA.com to Ortley and persuaded him to sign up. Brooks advises Everttek on all aspects of the export process and provides Ortley with market research generated by her colleagues around the world.

What does she think of her client? "Everttek is an extremely successful company due to a completely integrated

marketing approach," says Brooks. "They have a no-nonsense Web site that loads rapidly, immediately displays their special promotions and products, provides real-time inventory, and allows new distributors to fill out an on-line application. They provide the best service possible for their clients. Everttek responds within 24 hours on nearly all requests, and ships as promised."

Ortley advises companies to consider the potential rewards of exporting and of working with the Department of Commerce's BuyUSA.com. "We are an e-commerce business, and we're thriving. The world is shrinking, and it's getting easier and less expensive to do business on a global basis." ■



# O Canada!

The Most Important and Accessible Market for U.S. Exports

by William Corley

*Export America*

As North America recovers from the global recession, significant commercial opportunities are emerging in Canada for U.S. companies. The country annually consumes U.S. goods and services worth more than \$200 billion. Shared history, common geography, and the North American Free Trade Agreement (NAFTA) have facilitated and boosted trade with Canada, making it an excellent market for small and new-to-export businesses.

The Department of Commerce (DOC) promotes the U.S.-Canada bilateral relationship by helping U.S. businesses to develop export and other commercial opportunities in Canada. In particular, the DOC can assist small and medium-sized exporters in assessing the Canadian market. The DOC has identified favorable circumstances in several Canadian industries, such as aerospace, automotive, electric power, information technology, pharmaceuticals, and telecommunications. These industries constitute some of the best prospects in Canada for U.S. businesses.

The automotive parts and service equipment sector is especially promising for exporters. The Canadian automotive parts market has a value of more than \$40 billion, and the sector is expected to grow 3 to 4 percent annually in the next few years and 10

## CANADA AT A GLANCE

**Total area:** 9,976,140 square km (a little larger than the USA)

**Population:** 31.2 million

**GDP:** \$778 billion (2002 forecast)

**Real GDP growth:** 3% (2002 forecast)

**Inflation:** 1.5% (2002 forecast)

**GDP by sector:** services 66%, industry 31%, agriculture 3%

**Currency:** Canadian dollar

**Exports:** motor vehicles and parts, timber, wood pulp, newsprint, crude

petroleum, machinery, natural gas, aluminum, electricity, telecommunications equipment

**Imports:** machinery and equipment, chemicals, motor vehicles and parts, crude oil, durable consumer goods, electricity

**Official languages:** English (mother tongue of 59% of the population), French (mother tongue of 23% of the population)

Sources: U.S. Department of Commerce, CIA, IMF, EIU.

to 12 percent annually later in this decade. U.S. automotive parts exports to Canada are forecast to expand in line with the market and exceed \$30 billion annually.

## AFTERMARKET AUTOMOTIVE PRODUCTS

Several automotive market trends in Canada favor U.S. automotive parts suppliers, particularly of aftermarket products. This subsector of the automotive market includes manufacture, re-manufacture, distribution, and retail of replacement parts, equipment, tools, accessories, chemicals, and services used to repair and replace parts for vehicles after production. The aftermarket parts subsector exceeds \$9 billion in value and constitutes 15 percent of overall automotive retail sales in Canada. The United States supplies more than 85 percent of Canada's aftermarket automotive parts and accessories.

U.S. manufacturers and suppliers of aftermarket automotive products should take note of some fundamental trends in Canada, such as aging vehicle fleets and light truck usage. The average vehicle fleet age in Canada is approximately 8.5 years. Aging vehicle fleets are common throughout Canada, with the oldest fleet, approaching 10 years, in Saskatchewan. At the same time, light truck usage in Canada has risen dramatically in the last decade. Light trucks' share of all vehicles on Canadian roads rose from 5 percent in 1994 to 35 percent at the end of the 1990s. In the next two years, that share may increase to more than 38 percent. The share of passenger cars is expected to drop in the same period to approximately 61 percent. Japanese automobile manufacturers have about a quarter of the Canadian car market, and their share is expected to increase to 30 percent in the next two years.

The best opportunities in the Canadian automotive aftermarket may well ensue from safety, environmental, and fuel efficiency regulations. For instance, strict new emission standards will be required of 2004 model year sport-utility vehicles and large passenger vans sold in Canada. Automobile electronics, information technology, and passenger comfort systems should see strong and increasing demand in coming years.

Geographical proximity, in addition to ease of import ensuing from NAFTA, gives U.S. exporters strong competitive advantages in the Canadian automotive market. The best opportunities for aftermarket products are those with limited warranties and those that are commonly replaced during an automobile's life span—items such as air filters, air conditioning, batteries, clutch parts, oil filters, wiper blades, fuel pumps, lubricants, and tires.

#### AEROSPACE

The Canadian aerospace market also offers significant opportunities for U.S. exporters, particularly of aircraft and parts. Aerospace is a world-class industry in Canada, which includes several hundred companies and employs 85,000 people. Canadian aerospace companies are particularly strong in business jets, commercial helicopters, regional aircraft, flight simulators, and turbine engines. U.S. subsidiaries play a strong role in the Canadian aerospace market, which has an estimated value of several billion dollars.

Canada imports more than \$7 billion worth of aerospace products and parts, half of which come from the United States. Within aerospace imports, aircraft and engine parts total \$3.5 billion in imports. The United States provides half of Canada's imports of aircraft and helicopter parts.

The fastest-growing aerospace imports include the category of parts of balloons, dirigibles, and spacecraft,



which rose 130 percent between 2000 and 2001. Ninety percent of Canada's imports of these products come from the United States. Other strong growth categories include aircraft engine parts as well as aircraft undercarriages.

Major Canadian aerospace manufacturers appear to be cutting the number of suppliers. At the same time, manufacturers are actually expanding outsourcing and increasing contractual periods. The number of opportunities is decreasing, but the opportunities are increasing in size and scope. Some Canadian manufacturers are seeking partners for extensive design and production of both systems and components.

#### OTHER INDUSTRIES AND RESOURCES

Several other Canadian industries offer solid opportunities for U.S. exporters. Electronics components and computers and peripherals have strong growth forecasts, but they are by no means the only favorable sectors. As U.S. trade continues to develop with Canada, and due to long-term NAFTA advantages and short-term currency benefits, this may be an excellent time for U.S. exporters to enter the Canadian market or increase their presence there. For more information, visit [www.export.gov](http://www.export.gov), select the link to country and industry market research, and then choose the *Country Commercial Guide* or industry-specific reports for Canada. ■

#### PARTNERS IN TRADE

Canada and the United States share wealthy, market-driven, high-tech industrial societies. They also share a significant degree of economic interdependence. Canada is the United States' largest trading partner; bilateral merchandise trade totaled \$380.6 billion in 2001. Canada is also the United States' No. 1 export destination, with sales of goods that exceed total U.S.-China trade, and rival total U.S.-Japan trade. Canada consumes 25 percent of U.S. exports while supplying 20 percent of all U.S. imports. In turn, the United States consumes more than 85 percent of Canada's exports, while 75 percent of Canada's imports come from the United States.

#### TRADE EVENTS

##### British Columbia Golfing Industry Matchmaker

October 15–17, 2002

Penticton, British Columbia

This event allows U.S. golf manufacturing and service companies to arrange one-on-one, pre-screened appointments with potential distributors, agents, and partners in British Columbia's golf industry. The matchmaking opportunity also includes U.S. Commercial Service counseling and market reports on the local industry. This matchmaker will take place at the PGA trade show in Penticton, B.C.

##### Healthy Mind and Body Business Links

April 24–27, 2003

Vancouver, British Columbia

This matchmaking event targets U.S. companies in the health food, beauty products, natural products, and vitamins industries. The Commercial Service will arrange appointments with local businesses interested in partnerships, collaboration, and other commercial cooperation. The event will coincide with the Canadian Health Food Association Expo/Conference in Vancouver.

Contact for both events:

Judy Simonite

U.S. Commercial Service, Vancouver

Tel: (604) 685-4311, ext. 278

E-mail: [Judy.Simonite@mail.doc.gov](mailto:Judy.Simonite@mail.doc.gov)



# Trade Mission to Ghana and South Africa

## Opportunities for U.S. Exporters

by ITA Trade Development and  
the U.S. Commerce Department's Office of Business Liaison

Recent developments in Ghana and South Africa have created strong markets for U.S. companies.

Secretary of Commerce Donald L. Evans will lead a senior-level trade mission to Accra, Ghana, and Johannesburg, South Africa, on November 12–15, 2002. The official delegation will include approximately 15 senior executives of small, medium-sized, and large U.S. firms from several sectors.

The trip ([www.doc.gov/africatrademission](http://www.doc.gov/africatrademission)) will focus on the development of commercial opportunities, which are ensuing from the ongoing market liberalization and privatization in these countries. In both Ghana and South Africa, the U.S. Commercial Service will arrange briefings and business appointments for members of the delegation.

### GHANA

Often referred to as a gateway to the continent, Ghana is a hub for commercial activity in western Africa. Ghana should become a middle-income country by 2020, with President Kufuor aiming to institute a “golden age of business.”

While a series of external shocks has hit Ghana since 1998, the government (elected in December 2000) has taken steps to attain greater economic

stability. Inflation is on the decline, interest rates have edged downward, and the local currency has been more stable. If external markets stay fairly stable, these measures should help to maintain growth.

With \$200 million in U.S. merchandise exports in 2001, Ghana is one of America's largest markets in sub-Saharan Africa, and the bilateral commercial relationship between the United States and Ghana is one of the most diverse in the region. Ghana is a beneficiary country under the African Growth and Opportunity Act (AGOA), and its AGOA apparel eligibility provides a firm foundation for stronger trade and investment ties with the United States.

The leading sectors for exports to Ghana include telecommunications equipment, computers and peripherals, pharmaceuticals, electrical power systems, construction and earthmoving equipment, mining equipment, food processing and packaging equipment, and hotel and restaurant equipment.

### SOUTH AFRICA

South Africa, with a 2002 GDP forecast of \$117 billion, is the largest economy in the region. South Africa has significant growth potential, easy access to other markets in Africa, sophisticated financial institutions, a good communications infrastructure, low labor costs, and inexpensive electrical power and raw materials.

South Africa's pivotal, post-apartheid economic transformation remains sharply focused and widely respected internationally. Since 1994 (when the first democratically elected government came into power), the country has become politically stable with a more open and outwardly oriented economy. Globalization is bringing with it new trade and investment opportunities. South Africa has been one of Africa's leading AGOA beneficiaries.

The primary commercial attraction in South Africa is the size and sophistication of the economy. South Africa accounts for more than 45 percent of sub-Saharan Africa's GDP, and it is by far the United States' largest export market in sub-Saharan Africa. U.S. exports to South Africa totaled \$2.9 billion in 2001, accounting for approximately 40 percent of total U.S. exports to the region. In 2001, real GDP growth in South Africa was 2.2 percent.

South Africa's single greatest challenge is to accelerate growth and transform the economy so that prosperity may be shared widely. Across the country, there are about 900 U.S. firms doing business in South Africa, up from approximately 250 in the mid-1990s. Since 1994, the United States has become the largest foreign investor in South Africa.

The best sectors for exports to South Africa include telecommunications,

information technology, transportation, energy and power generation, environmental technologies, security and safety equipment, health care products, earthmoving equipment, mining equipment, food processing, packaging equipment, and cosmetics and hair care products.

## ENERGY AND POWER GENERATION

South Africa and Ghana represent growing markets in the energy and power generation sectors. Significant offshore exploration activities in South Africa and Ghana are under way and will continue. Opportunities in oil and gas exploration, equipment, and supplies will increase in both countries as well as contracts for power plant design and construction.

South Africa is a significantly larger market than Ghana, and it represents approximately 50 percent of the African continent's electrical power generation and consumption. South Africa is one of the world's largest coal producers. The country has relied on coal as its biggest fuel source, although it is now shifting toward other fuel sources. Significant refining takes place in South Africa, but less so in Ghana.

U.S. energy and power generation-related exports to Ghana totaled nearly \$20 million in 2001, up from approximately \$16 million in 1999. Exports to South Africa totaled nearly \$169 million in 2001, up from \$147 million in 1999.

Ghana and South Africa are attempting to create domestic markets for locally produced natural gas. Pipelines are planned, and progress is expected in the near future. Natural gas is gaining stature in both countries because of its advantage as a locally available resource. South Africa plans to switch from coal to natural gas for its world-class oil production conversion processing. This process currently produces oil from coal but will ultimately produce oil from natural gas.



Johannesburg, South Africa.

The Ghanaian government is considering adding additional hydroelectric power generation capacity through construction of dams. Ghana is also considering additional thermal power generation capacity.

U.S. companies have played key roles in Ghana and South Africa's attempts to diversify energy supply through increasing domestic oil and gas exploration efforts. Low foreign exchange reserves create occasional problems for Ghana to import crude oil, driving its desire to rely less on imported energy. Environmental and cost concerns influenced South Africa's decision to switch from coal to natural gas.

### MARKET ACCESS/ REGULATORY ISSUES

In recent years, the South African and Ghanaian governments have attempted to create more favorable environments for foreign direct investment (FDI) and to encourage it actively. Promoting FDI is an integral part of the national economic policy of both nations. They are eager for FDI in energy and power generation.

### MARKET OPPORTUNITIES

Oil and gas exploration and production

activities are under way in both countries, creating opportunities for contractors, equipment suppliers, and services companies. South Africa is developing a real domestic market for natural gas, with future municipal distribution concessions possible. Meanwhile, Ghana is considering new gas-fired plants as well as hydroelectric plants.

Opportunities also exist for U.S. exporters of electrical generators to Ghana, because power reliability, for households and industry, is still not certain. Ghana purchased approximately \$10 million in electrical power systems from U.S. exporters in 2001. Opportunities will also arise in Ghana for U.S. companies to compete for engineering and manufacturing contracts for new power generation facilities. Similarly, the South African government plans eventually to privatize most functions of its quasi-governmental electricity company, with the exception of transmission functions.

### TRADE DEVELOPMENT CONTACT

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### FOOD PROCESSING AND FOOD SERVICE INDUSTRIES

U.S. exports of food processing and packaging equipment to South Africa totaled \$7.3 million in 2001. With both the agricultural and pharmaceutical sectors growing, there are opportunities for U.S. companies to make additional inroads in this fast-growing market.

With the spread of supermarkets and other food stores in the metropolitan areas of Ghana, demand has increased for processed foods. There are numerous opportunities for the supply of equipment to canners and bottlers of beer, soft drinks, and juices. Companies are eager to produce more attractive packaging for many consumer food products.

Major imports include fruit, cocoa, vegetable, and beverage processing equipment. Due to the small market, small output capacity is preferable. According to Ghanaian customs, U.S. exports reached \$6 million in 2001.

### HOTELS AND RESTAURANTS

Construction of new hotels and restaurants to cater to the growing number of tourists and businessmen coming to Ghana is the main factor driving demand. Currently, several major hotels are under construction that will supply an additional 2000 rooms when completed. This should spur demand for commercial refrigerators, ovens, dishwashers, and display cabinets. U.S. exports of hotel and restaurant equipment to Ghana totaled \$8 million in 2001.

### TRADE DEVELOPMENT CONTACT

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### TELECOMMUNICATIONS TECHNOLOGIES

Ghana has a growing telecommunications market, with annual 2002 service revenues estimated at \$400 million and equipment revenues at \$200

million. Current teledensity (lines per 100 inhabitants) is 7.6, which is higher than that of most nations in sub-Saharan Africa.

There are four mobile/cellular operators in Ghana, and 14 firms have licenses to provide satellite services. The country has approximately 200,000 mobile subscribers, but only 8,000 dial-up Internet subscribers. Internet access is available in seven secondary cities, and there are numerous cybercafes in Accra and the other cities.

Currently, the government of Ghana owns 70 percent of Ghana Telecom, with Telekom Malaysia owning 30 percent and operating under a management contract that expired last February. The government plans to further divest and terminate the contract with Telekom Malaysia.

Westel Telesystems Ghana, 70 percent privately owned, is the second wireline operator. Westel and Ghana Telecom held a duopoly on international service until recently. The Ministry of Communications has announced plans to open the market to new entrants this year.

### REGULATORY ISSUES IN GHANA

The National Communications Authority Act, which took effect in Ghana in 1997, established the National Communications Authority (NCA) to regulate communications by wire, cable, radio, television, satellite, and others means of technology. The NCA is an independent body, although the current minister of communications has been serving as chairman. This has made resolution of disputes among operators problematic, because there is effectively no possibility of appeal. The NCA has also had difficulty in attracting and keeping personnel with strong technical backgrounds.

### OPPORTUNITIES IN GHANA

As a result of the government of Ghana's liberalization of the country's telecommunications sector, annual

growth has been significant. Imports are mainly for landline projects, private mobile telephone services, and broadband data transfer services. Major imports include switching and transmission equipment, telephones, fax machines, radio and television equipment, and cellular radiotelephones. Electrical cables and telephone wires are produced in Ghana, while other locally sourced telecommunications equipment is assembled in country.

The national network operators have programs under way to meet their performance targets under their licenses. The primary competing countries are Japan, Malaysia, France, and the United Kingdom. Demand is expected to continue to rise as result of a substantial credit received by Ghana Telecom for its expansion program.

### SOUTH AFRICA

By far Africa's largest telecommunications market, annual revenues for South Africa's telecommunications services industry are projected to exceed \$7 billion in 2002, with the equipment market not far behind at \$6.8 billion, and the telecommunications equipment import market at \$2.2 billion. Telecommunications analysts predict a growth rate of 14 percent for South Africa's telecommunications infrastructure during the next four years as a result of the sector's liberalization. The country's teledensity is 11.2, with more than 9 million mobile subscribers. There are more than 2.4 million Internet subscribers.

Telkom South Africa, the wireline incumbent, was slated to issue an IPO in 2001. However, market conditions and a prolonged policy process delayed the offering, which is now earmarked for the spring of 2003. The government currently holds 70 percent of Telkom. Telkom enjoyed exclusivity until May of this year, when a second national operator was to be licensed. That process too has been delayed, but it is expected that two state-owned enterprises will form part of the new



operator. The new operator will be licensed to provide the full range of public switched telecommunications services now provided by Telkom. The market will be limited to this duopoly at least until 2005.

Several major international equipment producers have offices in South Africa, although none are known to be producing equipment in the country. Mobile handsets, wireline infrastructure, and switching equipment are in greatest demand at this time.

#### MARKET ACCESS/ REGULATORY ISSUES

The Independent Communications Authority of South Africa (ICASA) regulates telecommunications services and deals with licensing, tariffs, spectrum management, and dispute resolution. Although statutorily independent, the minister of communications has virtual veto power over ICASA rulings. The ICASA is also hampered by resource shortages and poor skills retention. It has issued rulings against the interests of Telkom, but the latter has always opposed them and appealed to the courts. The country's unclear legislative process has also caused uncertainties and discouraged some firms from pursuing business opportunities in the telecommunications sector.

#### OPPORTUNITIES IN SOUTH AFRICA

A number of companies offer value-added services, but disputes with Telkom have limited the growth of competitive suppliers. Two cellular firms have thriving operations in South Africa, while a third license was granted last year. There are approximately 150 Internet access providers in the country.

The biggest drivers of spending in telecommunications equipment will be infrastructure upgrades by Telkom for its next generation network that will transport voice, data, and video traffic more efficiently than the traditional



circuit switched network. The second network operator's system rollout will take place between 2003 and 2005. There will also be a mobile network infrastructure rollout by the third cellular operator. Central to Telkom's procurement policy are efforts to contract with companies or firms with significant black economic empowerment programs.

#### TRADE DEVELOPMENT CONTACT

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#### TRADE MISSION WEB SITE

[www.doc.gov/africatrade](http://www.doc.gov/africatrade) mission

# Ask the TIC

## Starting An Export Company

by Phil Combs

Trade Information Center

*Individuals who wish to start their own businesses to export products or services from the United States may be confused about the appropriate steps to take to begin exporting. This article highlights some aspects of starting an export business and identifies important sources of information for budding exporters with entrepreneurial spirit.*



### WHERE CAN I GO FOR HELP TO ESTABLISH AN EXPORT BUSINESS?

The U.S. Small Business Administration (SBA) has provided financial, technical, and managerial assistance to help Americans start small businesses since 1953. The SBA has offices in almost every major U.S. city. It operates a toll-free “answer desk” at (800) 8-ASK-SBA, which refers callers to appropriate sources of information. The SBA also sponsors counseling, training, and information services, including the Service Corps of Retired Executives (SCORE), Business Information Centers (BICs), Small Business Development Centers (SBDCs), and Women’s Business Centers (WBCs).

The SBA Web site ([www.sba.gov](http://www.sba.gov)) can lead you, step-by-step, through the process of establishing a business. Some of the topics include information about different forms of business entities, advice on choosing locations and price levels, help in finding financing, information about taxes, and other types of counseling.

For export legal assistance, contact the Export Legal Assistance Network (ELAN), a program established by the Federal Bar Association. It provides an initial legal consultation free of charge to companies just beginning to export. As part of ELAN, knowledgeable lawyers help new-to-export companies learn the legal aspects of international trade. To learn more about ELAN or to find the name of an ELAN attorney near you, see the ELAN Web site (<http://fita.org/elan>) or the “Ask the TIC” article, “Legal Resources and Options for the Exporter,” found in the January 2001 issue of *Export America*.

A detailed book, *A Basic Guide to Exporting*, offers a good introduction to the fundamentals of exporting. To access it on-line, choose “Export Resources” on the Trade Information Center Web site. In addition, Braddock Communications has published two useful booklets, “The Small Business Financial Resource Guide” and

“International Marketing Resource Guide,” both of which will be reissued later this year or in early 2003. These booklets will be available from U.S. Export Assistance Centers (USEACs) located around the United States, as well as from the Trade Information Center. A list of USEACs is on the back cover of this magazine.

Many colleges, universities, and other educational institutions offer courses on exporting. Some of these courses are available over the Internet. You can also inquire about export seminars offered in your region at your local USEAC.



### IS A LICENSE REQUIRED TO START AN EXPORT BUSINESS?

Whether a sole proprietorship, general or limited partnership, or corporation, an export business must comply with business entity laws of the state, county, or city where it is located. State and local governments typically require some type of registration, usually in the form of a notice, when a business is opened. A tax identification number may also be required.

A business license from city or county government is nearly always needed to establish a firm. Federal, state, or local permits may also be required for some types of activities, such as drug development and production and food processing. To find out about license requirements where you live, contact your local or state government. Contact information is available on the Small Business Administration Web site ([www.sba.gov](http://www.sba.gov)) under “Your Government.”

Though your locality may require a business license, a special license is not required to engage in exporting in most cases. However, exports to certain countries or individuals, or exports of certain products, may be restricted or require licenses or other types of approval. For example, the U.S. Commerce Department’s Bureau of Industry and Security (BIS) issues licenses for the export of certain “dual-use” goods (i.e., items with both civilian and military applications). For more information about export licensing, see the “Ask the TIC” article about Export Control Classification Numbers in the February 2001 *Export America*, or visit the BIS Web site at [www.bis.doc.gov](http://www.bis.doc.gov).



### WHAT ABOUT ASSISTANCE FOR MINORITY-OWNED BUSINESSES?

The U.S. Department of Commerce’s Minority Business Development Agency (MBDA) funds business development centers around the country to assist with the establishment, expansion, and development of minority-owned firms. Minority Business Development Centers (MBDCs), Native American Business Development Centers (NABDCs), and Business Resource Centers (BRCs) provide management and technical assistance to minority entrepreneurs at every stage of business development. Minority Business Opportunity

Committees (MBOCs) coordinate federal, state, and local business resources. They are designed to identify opportunities and leverage existing programs to increase market access for minority-owned firms. The MBDA network offers assistance to identify sources of financing as well as to prepare financial and bonding proposals. However, the agency and its network do not make grants, loans, or guarantees. Contact the MBDA by e-mail at [help@mbda.gov](mailto:help@mbda.gov), on-line at [www.mbda.gov](http://www.mbda.gov), or by telephone at (202) 482-0404.

In addition, the Export-Import Bank (Ex-Im Bank) of the United States offers special financing terms for minority and women-owned businesses. Call the Ex-Im Bank's toll-free number, (800) 565-3946, for more information.



### DOES THE FEDERAL GOVERNMENT OFFER FINANCING FOR EXPORT COMPANIES?

The SBA offers start-up companies financing through its 7(a) Loan Guaranty Program for purchase of real estate to house business operations; construction, renovation or leasehold improvements; acquisition of fixtures, machinery, and equipment; purchase of inventory; working capital, etc. This program operates through private sector lenders whose loans are guaranteed by the SBA. Most banks are familiar with SBA loan programs, so interested applicants should contact their local lenders for further information and assistance.

Both the Ex-Im Bank and the SBA offer an array of financing options designed to meet the needs of U.S. exporters who have been in business for more than one year. The SBA's Export Express program provides lenders with a repayment guaranty on loans of up to \$250,000 that are made to small businesses that have exporting potential but need funds to cover the initial costs of entering an export market, to buy or produce goods, or to provide services for export. The flexibility of the program allows loan proceeds to be used for most business purposes, including expansion, equipment purchases, working capital, inventory or real estate acquisitions. The program is especially suited for companies that have traditionally had difficulty in obtaining adequate export financing. Export financing can be arranged for a single transaction or on an ongoing basis. See the SBA contact information above for more on this and other SBA programs.

The SBA and Ex-Im Bank collaborate to offer an Export Working Capital Program (EWCP) to small businesses. The EWCP provides transaction-specific financing that can support the working capital needs of a small business by providing a 90 percent repayment guaranty to lenders who make export working capital loans to eligible small businesses. In general, the SBA handles small-scale transactions (EWCP loans of up to \$1.1 million), while the Ex-Im Bank handles applications of all sizes. Other Ex-Im Bank programs relate to buyer financing and export credit insurance. The Ex-Im Bank Web site provides more details at [www.exim.gov](http://www.exim.gov).

The Export Finance Matchmaker is a Commerce Department program for exporters who have difficulty finding a bank to provide commercial financing for their exports. To explore this interactive service, visit [www.ita.doc.gov/td/efm](http://www.ita.doc.gov/td/efm).



### WHAT ASSISTANCE IS AVAILABLE TO HELP MARKET MY GOODS OVERSEAS?

There are many consultants who can provide marketing assistance. In addition, export trade intermediaries, including export management companies (EMCs) and export trading companies (ETCs), can help market goods abroad. Export intermediaries are specialized firms that market U.S. products and services abroad on behalf of manufacturers, farm groups, and distributors. These types of export intermediaries can act as a manufacturer's export arm, helping to establish an overseas market for the company's product, often on an exclusive basis. Many are supply-driven and thus maintain close ties with domestic manufacturers. Contact with overseas distributors is also important for this type of company. One of the many on-line listings of export service providers, including agents, EMCs and ETCs, can be found at [www.myexports.com](http://www.myexports.com). Click on "U.S. Trade Assistance Directory for U.S. Export Service Providers," followed by "Sales Management Firms."



### WHAT OTHER RESOURCES SHOULD I KNOW ABOUT?

The U.S. government export portal, [www.export.gov](http://www.export.gov), has considerable information on exporting. To locate information on specific countries' customs regulations, documentation requirements, tax and tariff rates, marketing information, and more, consult the Trade Information Center's Web site ([www.export.gov/tic](http://www.export.gov/tic)) or contact a trade specialist at (800) USA-TRAD(E). In addition, each *Country Commercial Guide* features country-specific economic data, trade regulations and standards, leading sectors, and market research. These guides are available on the U.S. Commercial Service site ([www.usatrade.gov](http://www.usatrade.gov)).

The Web site of this magazine contains numerous articles about promising markets, legal issues, licensing, financing, freight forwarding and logistics, and other topics for new exporters. Visit <http://exportamerica.doc.gov> for details, particularly the articles under the "Q&A" and "Technical Advice" links. ■

#### FOR MORE INFORMATION

The Trade Information Center (TIC) is operated by the International Trade Administration of the U.S. Department of Commerce for the 19 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 (800) USA-TRAD(E) toll free, Monday through Friday, 8:30–5:30 EST. Or visit the TIC's Web site at [www.export.gov/tic](http://www.export.gov/tic).



# Concerted Efforts to Compete Overseas

A Conversation with Dan Bloom of the Advocacy Center

by Ginny Ward  
*Trade Development*

## DESCRIBE YOUR ROLE AS THE DIRECTOR OF THE ADVOCACY CENTER.

My job is to make sure there is a level playing field for American businesses competing for exporting contracts abroad. Government regulations in other countries can often be confusing and complex. My office assists U.S. businesses that are having difficulty by coordinating the resources and authority of other U.S. government agencies, so that companies have even more of a competitive edge and can better secure government contracts overseas.

## WHAT ARE SOME EXAMPLES OF HOW THE ADVOCACY CENTER SUPPORTS U.S. BUSINESSES?

The assistance we provide varies depending on the needs of a company. Sometimes we will facilitate a meeting between a U.S. government official and a company whose contract is up for bid. Or, we may write letters from high-ranking U.S. government officials. We also work with the hundreds of Commercial Service officers in the United States and abroad on behalf of U.S. companies. We've found these methods to be very effective; and the companies are grateful, because we help them to be successful. In fact, the Advocacy Center successfully completed over \$7 billion worth of transactions in fiscal year 2002.

## WHAT PROMPTED THE CREATION OF THE ADVOCACY CENTER?

The Advocacy Center was created in 1993 in response to a report to Congress, which indicated that U.S. businesses were losing project competitions overseas. It was clear that there was no coordinated effort to help our companies combat the aggressive and at times questionable practices employed by other governments and companies to win project contracts. Before the Advocacy Center was created, there was no central office that was a repository of data or that had the capacity to mobilize resources. There was no specific unit to oversee and sustain an effort to provide high-level advocacy.

The competition for major contracts by other countries is fierce. The Advocacy Center was formed to help companies confront international trade concerns, such as lack of transparency, competitive financing, market restrictions, bribery, tied aid, rule of law, other governments' policies and procedures, and their competitors' advocacy endeavors. The potential loss of international business by American firms translates into lost American jobs. The Advocacy Center ensures that there is a concerted effort within our government that works on behalf of U.S. firms and their employees.

## CAN YOU GIVE AN EXAMPLE OF A COMPANY THAT YOUR OFFICE HAS HELPED?

Since the Advocacy Center was established, we've helped hundreds of U.S. companies in various industry sectors win thousands of government contracts around the globe. A good example is an aerospace company, Air Tractor. Air Tractor, based in Olney, Texas, is a small manufacturer of aircraft used in agricultural and fire-fighting applications. In 2000, the Croatian Ministry of Interior selected this company to supply two fire-fighting airplanes to assist in fire patrols and fire-fighting missions during Croatia's annual coastal fire season. Air Tractor faced stiff foreign competition, so it contacted our office. The U.S. ambassador at the time sent a letter to the Croatian government. The assistant secretary of trade development also advocated on the company's behalf, and the help of the Commerce staff housed at the nearby U.S. embassy was enlisted. As a result, Air Tractor won the contract that ultimately was valued at approximately \$2.5 million.

## HOW DO YOU SELECT PROJECTS THAT RECEIVE ADVOCACY?

If a company comes to our office requesting advocacy, it first must complete a questionnaire. Once the

questionnaire is submitted, it is reviewed by the Advocacy Center as well as commercial officers overseas and other staff to determine if advocacy support is in our national interest. We also look at criteria such as other U.S. competitors, foreign competitors and the support of their respective governments, decision dates, and environmental impact.

We also consider both the legitimate and questionable tactics of foreign competition. Part of the questionnaire process includes filling out an anti-bribery agreement. This is to certify that a company has not engaged in any bribery of foreign officials. This is because we want to make sure that our advocacy guidelines promote equitable competitive conditions for U.S. companies, so that the U.S. government is not in any manner involved in transnational bribery.



#### **WHAT DO YOU DO IN CASES WHEN MULTIPLE U.S. COMPANIES ARE COMPETING FOR THE SAME CONTRACT, BUT ONLY ONE HAS ASKED FOR YOUR HELP?**

We treat each request for advocacy as a confidential business communication. However, we check to see if other firms are bidding for the same project. If more than one bidder seems to offer the same benefits to the U.S. economy, then we support all of them equally.



#### **ARE THE SERVICES THAT YOUR OFFICE PROVIDES ACCESSIBLE TO SMALLER FIRMS AS WELL AS LARGE?**

As a matter of fact, the Advocacy Center is dedicated to serving small and medium-sized companies, since they usually face more significant trade barriers than large firms. For example, American Science & Engineering, Inc., a small Massachusetts company, was awarded the first phase of a multimillion-dollar contract with Portnet, a division of Transnet, a

registered South African company that answers to the Ministry of Public Enterprises, for a cargo container inspection system in Durban, South Africa. The U.S. company installed an X-ray scanning system for the South African port. The company also provided spares, operational training, shipping, and warranty service in conjunction with its local representative, Partners International. (See sidebar.)



#### **HOW DO COMPANIES IN NEED OF THE SERVICES PROVIDED BY YOUR OFFICE FIND THE RIGHT CONTACT PERSON?**

Clients can reach the Advocacy Center by calling (202) 482-3896, or by visiting the Web site at [www.trade.gov/td/advocacy](http://www.trade.gov/td/advocacy). It includes our staff directory, success stories, and our advocacy guidelines. We also have a list of frequently asked questions for potential clients to determine if our services will ultimately be beneficial to them. ■

## **AMERICAN SCIENCE AND ENGINEERING (AS&E), BILLERICA, MASSACHUSETTS**

AS&E submitted its cargo security system bid to Portnet in response to a public tender. Portnet, a South African government-funded organization responsible for port operations, made the preliminary technical selection. AS&E contacted the U.S. Commerce Department's Advocacy Center and the Commercial Service office in Johannesburg, South Africa, for assistance to counter pressure and influence generated by competitors from Germany, France, and the United Kingdom. Transnet, the parent company of Portnet that works under a South African government ministry, approved Portnet's selection for the initial part of a very lucrative contract.

Mr. C.A. von Stackelberg, vice president of international business development at AS&E, appreciated the Commerce Department's assistance: "For a small business exporting, it is often very hard to keep the playing field level. The Advocacy Center was very proactive, and the Commercial Service in Johannesburg supported our proposal by helping ensure that we received a fair review."



# Aerospace in Year One and Year 100

Recovering from September 11 and Preparing for Another Century of Growth

by William Corley and Vicki Heilman  
*Export America*      *Office of Aerospace, Trade Development*

The aerospace industry combines some of the highest aspirations and developments of mankind. Aerospace stretches from general aviation, which represents our ancient dreams of soaring, to space technology, which represents our desire to explore the universe. On the eve of the centennial next year of Orville Wright's first flight, aerospace is now a global, multibillion-dollar industry. Although hurt by last year's worldwide recession, many parts of the industry are not only recovering but also expecting substantial long-term growth.

Aerospace is one of the most significant, diverse sectors in the United States. The industry employs designers, engineers, machinists, mechanics, and consultants, among others; and it sources its raw materials and components from several other U.S. industries. Aerospace affects a full range of services, from air travel to baggage handling. Aerospace encompasses aircraft, aircraft engines and parts,

aircraft equipment, space vehicles and guided missiles, propulsion units and parts, and other parts and auxiliary equipment. (Large civil aircraft account for approximately 25 percent of total aerospace industry output.)

The industry's wide-ranging activities make it a critical contributor to U.S. economic growth; it is responsible for approximately 9 percent of GDP and 11.3 million jobs. For decades, aerospace has generated many billions more of export dollars relative to imports than any other U.S. industry. Aerospace is a major source of technological innovation, generating substantial contributions to other industrial sectors, high wage employment, and rising productivity in the U.S. economy.

## REBUILDING FOR TAKEOFF

The past year has been difficult for the aerospace industry, which was negatively affected by worldwide trends and extraordinary circumstances. The global recession was well under way before the terrorist attacks

of September 11, 2001, and the downturn affected airlines tremendously, in both cargo and passenger revenue. For instance, airfreight traffic was already down by almost 10 percent well before last September; the airfreight sector was experiencing its worst year in two decades. Some airlines were already in deepening financial trouble and considering further consolidation. This downturn obviously also affected the extensive commercial sector that serves the freight and passenger carriers, from aircraft manufacturers and maintenance providers to airline caterers and baggage equipment suppliers.

The economic aftereffects of the horrific events of September 11 were thus part of a more fundamental slowdown in aerospace. The September 11 tragedy laid a heavy burden on the airline industry. Revenues of major air carriers are off 15 to 20 percent, according to the Air Transport Association, and the industry lost about \$10 billion between September 2001 and the end of the second quarter of 2002. At the one-year anniversary mark, passenger





Photo courtesy of The Boeing Company ©.

Boeing artist's rendering of the planned Sonic Cruiser.

loads are still about 10 percent lower than before the terrorist attacks, when overcapacity was already a problem for many airlines.

Airlines have spent the last year shedding employees, flights, and aircraft orders. They have also sought government assistance in the form of cash grants and loan guarantees. US Airways has declared bankruptcy, and United Airlines is in financial trouble.

Airlines have continued cutting costs this summer and fall in the face of rising airport fees, security expenditures, insurance premiums, and fuel prices. Carriers are increasingly outsourcing many functions, such as the provision of high-tech systems for ticketing and freight management.

There is obviously also an increased emphasis in the aerospace industry on security—from baggage scanning equipment to enhanced passenger screening. Likewise, the global war on terrorism has highlighted the defense subsector in the aerospace industry (although U.S. military purchases of aircraft this year are not expected to offset reductions in commercial air fleets). The shift of the aerospace

industry to both security and defense may have a silver lining in expanding opportunities for some aerospace suppliers in the otherwise gloomy circumstances of the past year.

Besides the aforementioned trends in security and defense, the U.S. aerospace industry should see a strong push toward a new national air traffic control (ATC) system, new sensors and communications links, new power sources, and greater use of automation in the cockpit. The Federal Aviation Administration (FAA) began focusing on ATC modernization in 1997. There will be an \$11.5 billion investment in technology over the next 10 years. The FAA is looking for an equal amount in airline investment in order to increase the number of flights aloft at any time by 700 to 800.

#### FLYING HIGH AGAIN

The International Air Transport Association (IATA) predicts that cargo and passenger traffic will recover next year to pre-September 11 levels, although full worldwide financial recovery may not occur until 2004. Nevertheless, business is improving worldwide. Airlines lost more than \$18 billion in 2001, according to

IATA data, but this year the global airline industry is expected to lose \$9 billion (\$6 billion of which is in the U.S. airline industry). Meanwhile, the long-term outlook for commercial aircraft, for both freight and passengers, is good. Boeing, for example, predicts that the world's freighter fleet will increase by 75 percent in the next 20 years (from 1,775 to 3,078 airplanes, 2001–21). Concurrently, freighters as a share of total airline fleets will drop from 12 to 10 percent as the average size of freighters increases.

Worldwide commercial developments bode well for the U.S. aerospace industry, particularly as the world economy fully recovers from recession. Several opportunities—from corporate jets and military aircraft to civil avionics and ground support equipment—are emerging. Within this month's feature, we highlight for U.S. exporters some of the many promising markets for aerospace products and services. The conditions for global business are improving quickly. After the difficulties of the past year, aerospace deserves another century of sky-high growth. ■

## REPORT ON THE AEROSPACE TRADE MISSION TO VIETNAM

by Linda Conlin

*Assistant Secretary of Commerce for Trade Development*

It was a great pleasure to lead the aerospace executive trade mission to Vietnam in August, the first U.S. government commercial trade mission to Vietnam since the signing of the U.S.-Vietnam Bilateral Trade Agreement (BTA). The trade opportunities in Vietnam's aerospace industry are significant. The Vietnamese government plans to invest \$4.6 billion by 2011 to upgrade 18 of its airports and build one new international airport. Vietnam's airlines plan to expand their fleet of aircraft over the next few years to meet additional demand, both domestic and international. This mission paved the way for U.S. aerospace companies to expand their presence in Vietnam.

Much of this trip's success can be credited to the 13 U.S. aerospace companies that participated. Many of the larger aerospace companies, including Boeing, Pratt & Whitney, and Raytheon, strengthened already existing relationships in Vietnam. The LPA Group, an airport development consulting firm from Columbia, South Carolina, reported that it had laid the groundwork for a joint venture partnership. Many of the small to medium-sized companies, including Uplift, Inc., which specializes in aviation maintenance tooling, established new relationships and will return to pursue opportunities.

As U.S. companies realized Vietnam's commercial potential during this mission, a much broader purpose was also served. Great strides were made in implementing the tenets of the BTA. That this mission's focus was on aerospace also addressed the BTA's goal of a diversified U.S.-Vietnam

commercial relationship. Additionally, the focus on aerospace was appropriate given that this was the underlying theme the day the BTA took effect, December 10, 2001. In fact, it was on this same day that Commerce Secretary Evans hosted the historic signing of Vietnam Airlines' purchase of four Boeing 777 aircraft.

Strengthening our commercial ties with Vietnam will bring enormous benefit to both countries. More trade means more jobs, which will in turn lead to greater economic prosperity and a better quality of life on both sides of the Pacific. Working toward developing new trade partnerships with countries around the globe leads to worldwide economic and social progress.

As in most of Asia, it is clear that the key to unlocking Vietnam's market is through the development and nurturing of relationships. I believe our efforts went far in positively shaping the views of Vietnamese officials with whom we met and in reassuring them that the United States is committed to implementing the BTA and strengthening our overall bilateral relationship. Looking to the future, it is interesting to note that two-thirds of Vietnam's population is under the age of 25, and the enthusiasm and eagerness of the young people I met was energizing. I am proud of the personal connections that U.S. aerospace companies built during this mission, and I am confident that continued efforts will lead to many commercial opportunities for both U.S. and Vietnamese companies well into the future.

# Aerospace Exports

Market Research Identifies Solid Prospects

by the U.S. Commercial Service and ITA Trade Development

## Numerous opportunities exist for firms that operate in the aerospace industry.

Recent market research shows opportunities for firms supplying aircraft parts, airport construction and support equipment, and helicopters and parts. In the following pages, we present just four recent examples of some of the research available to aerospace companies: aircraft and parts in Japan; airport and ground support equipment in Thailand; airport and ground support equipment in Vietnam; and helicopters and parts in Brazil.

### JAPAN: AIRCRAFT AND AIRCRAFT PARTS

Over the past 50 years, Japan's aircraft industry has grown in partnership with foreign manufacturers for joint production of aircraft and aircraft engines. In the military sector, the development of next-generation maritime patrol and transport aircraft by Japan's Defense Agency will offer potential business opportunities for advanced aircraft engines, avionics, and aircraft parts. On the commercial

side, consolidation of domestic airlines and creation of regional air routes will create new opportunities for small regional jets. Development of Japan's indigenous civil transport plane, YSX, will also provide U.S. suppliers of advanced technology and equipment with potential opportunities to work with domestic manufacturers.

Japan's aircraft industry is consolidated under the Society of Japanese Aerospace Companies. Long-term partnerships among U.S. aircraft and aircraft parts makers, domestic manufacturers, and trading firms have anchored the overwhelming U.S. presence in the Japanese market. However, with Airbus newly established in Japan, competition between Boeing and Airbus is expected to heat up in the commercial aircraft market. For new-to-entry suppliers of aircraft parts and equipment, it is advisable to seek partnerships with trading firms knowledgeable of aircraft industry networks.

### Best Sales Prospects

Boeing has dominated the market, but Airbus is stepping up marketing of its

A380 super jumbo jet by teaming up with several Japanese firms in joint production of aircraft parts and components. Boeing, on the other hand, is proposing joint production of its Sonic Cruiser, a medium-sized, ultrafast jet. Japan's major aerospace manufacturers have long engaged in joint production of aircraft and aircraft components with overseas manufacturers, including Boeing, and they are usually enthusiastic to consider opportunities to work with U.S. makers of advanced aerospace technologies and equipment.

Another potential market is that of small corporate jets. The opening of the second runway at Narita Airport has reduced the access problems of business jets. Japan is building new airports in Nagoya, Kobe, and Kita Kyushu. This expansion of landing slots, along with further utilization of local airports, should create potential opportunities for Japan's fledgling corporate jet market. Industry analysts expect Japan's current fleet of 42 corporate jets will increase to more than 100 by 2005.

### Market Access, Distribution, and Business Practices

Japan levies no import duties on aerospace products under the HS 88 category. Long-term relationships with domestic manufacturers and trading houses have nurtured closely knit networks of foreign suppliers and domestic players. Major domestic players also have U.S. subsidiaries to

### ADVANCED NAVIGATION AND POSITIONING CORPORATION (ANPC)

ANPC is a privately held company located in Hood River, Oregon, about 60 miles east of Portland. ANPC's products address a wide range of aerospace needs, ranging from landlocked airports to transportable landing systems. The company participated in the recent Commerce Department trade mission to Vietnam.

coordinate their international business with U.S. companies.

#### THAILAND: AIRPORT AND GROUND SUPPORT EQUIPMENT

Thailand has 28 local and international airports located throughout the country. In 2000, the size of the airport and ground support equipment (GSE) market was estimated at \$30 million. A small contraction occurred in 2001 as a result of the completion of expansion and improvement projects at some provincial airports. However, market growth is expected in the local market in 2002 as manufacturers and suppliers of GSE explore opportunities resulting from the construction of the new Bangkok International Airport (Suvarnabhumi Airport) and its passenger terminal complex (PTC). This project will continue for four years. The budget for the PTC alone is about \$1 billion, while the total budget for the entire project is estimated at \$2.6 billion.

The second most important airport improvement project is the Bangkok International Airport site and facility improvement project. The improved airport will help absorb the increasing number of passengers prior to the completion of Suvarnabhumi Airport.

#### Market Demand

Thailand's demand encompasses almost all GSE product lines: air side equipment; landside equipment, and passenger and hangar service equipment. The best sales prospects include airport lighting equipment, crash and rescue equipment, navigational aids, electrical systems, baggage handling and checking equipment, metal detectors, and X-ray and access-control systems. Thailand sources most GSE products from abroad, and there consequently is a high volume of foreign products in the market. U.S. suppliers hold the largest market share at about 55 percent, followed by Belgium, Italy, and Norway.

Most buyers of GSE products are state-owned airports authorities

under the Ministry of Transportation and Communications. The Airport Authority of Thailand and the Department of Aviation both operate airports in the country. Aeronautical Radio of Thailand provides air traffic control services, and Thai Airways is the national flag carrier for passengers and cargo. There are two major ground support service companies: Thai Airport Ground Service (TAGS) and Bangkok Aviation Fuel Services (BAFS). TAGS and its subsidiaries handle all ground-related services, ranging from cargo handling to aircraft washing. BAFS is a private firm authorized by the government to install aviation fuel storage facilities as well as to operate fuel services at Bangkok International Airport.

#### Best Sales Prospects

In light of the increasing number of passengers to Thailand's major destinations, there are mainly two groups of prospects for airport and ground support equipment in Thailand. The first group includes the development of the \$2.6 billion new Suvarnabhumi Airport and the development of the \$26.7 million U-Tapao Global Transpark. The second group includes the expansion and improvement of existing airports, the largest of which is the \$96 million expansion project for Bangkok International Airport. Both groups will create opportunities for products in categories such as air side equipment, runway lighting systems, power distribution, runway sweeping trucks, crash and rescue equipment, water treatment plants, and other equipment.

#### Competitive Environment

The airport and ground support industry in Thailand relies mostly on imported products, especially high technology and state-of-the-art instruments and equipment, such as airport safety and security equipment and navigational aids. Competition is fierce whenever there is a large procurement for new equipment. For example, foreign manufacturers and local suppliers

#### Government

Office of Aerospace, International Trade Administration  
U.S. Department of Commerce  
Tel: (202) 482-1228  
[www.trade.gov/td/aerospace](http://www.trade.gov/td/aerospace)

Federal Aviation Administration  
[www.faa.gov](http://www.faa.gov)

National Transportation Safety Board  
[www.ntsb.gov](http://www.ntsb.gov)

#### Associations

Aerospace Industries Association  
[www.aia-aerospace.org](http://www.aia-aerospace.org)

Aerospace States Association  
[www.aerostates.org](http://www.aerostates.org)

Air Transport Association of America  
[www.airlines.org](http://www.airlines.org)

Aviation Distributors and Manufacturers Association  
[www.adma.org](http://www.adma.org)

General Aviation Manufacturers Association  
[www.generalaviation.org](http://www.generalaviation.org)

Helicopter Association International  
[www.rotor.com](http://www.rotor.com)

International Air Transport Association  
[www.iata.org](http://www.iata.org)

National Air Traffic Controllers Association  
[www.natca.org](http://www.natca.org)

National Air Transportation Association  
[www.nata-online.org](http://www.nata-online.org)

Satellite Industry Association  
[www.sia.org](http://www.sia.org)

Space Transportation Organization  
[www.spacetransportation.org](http://www.spacetransportation.org)

#### Publications

*Air Cargo World*  
[www.aircargoworld.com](http://www.aircargoworld.com)

*Air Transport World*  
[www.atwonline.com](http://www.atwonline.com)

*Aviation Week & Space Technology*  
[www.awgnet.com/aviation](http://www.awgnet.com/aviation)

*Defense News*  
[www.defensenews.com](http://www.defensenews.com)

*Flight International*  
[www.flightinternational.com](http://www.flightinternational.com)

*Ground Support Equipment Today*  
[www.gsetoday.com](http://www.gsetoday.com)

PBI Media Aviation Group  
[www.aviationtoday.com](http://www.aviationtoday.com)



are competing to supply the passenger services and cargo handling equipment at the existing Bangkok International Airport. Opening the bidding to international competition is a common practice in this market, although purchases of some types of replacement parts can be made directly through local suppliers.

#### VIETNAM: AIRPORT AND GROUND SUPPORT EQUIPMENT

The aviation industry in Vietnam comes under the principal jurisdiction and management of the Civil Aviation Administration of Vietnam (CAAV), which, as a government agency, reports to the prime minister's office. The major air carrier of the country is Vietnam Airlines, accounting for 42 percent of Vietnam's international passenger traffic and 85 percent of its domestic passenger traffic. Vietnam Airlines is part of Vietnam Airlines Corporation, a state-owned enterprise under the direct control of the prime minister's office.

According to the CAAV, the Vietnamese aviation sector is expected to grow 10 to 15 percent annually, and total air passenger traffic may reach 17.5 mil-

lion by 2010. The last two years saw significant growth in passenger traffic, with a total of 4.8 million and 5.7 million passengers respectively (approximately 14 percent and 16 percent year-on-year increases).

At present, there are 15 domestic and 23 international air routes operating in Vietnam's airspace. Twenty-two airlines from 19 countries have regularly scheduled flights to Vietnam. The country currently operates a network of 17 major civil airports, including three international airports: Noi Bai (Hanoi), Da Nang, and Tan Son Nhat (Ho Chi Minh City). Tan Son Nhat, with a capacity of 5 million passengers annually, is the largest airport in country. It handles about 75 percent of the country's international passenger traffic.

The Vietnamese government is committed to opening its aviation sector to foreign carriers. This liberalization, however, will be carefully staged, given the weakness of the domestic air transport industry. The government will phase in each step in accordance with its current and future CLMV (Cambodia, Laos,

Myanmar, Vietnam), ASEAN, APEC, and WTO commitments. Presently, most international routes are operated in the country on a code-sharing basis between Vietnam Airlines and foreign carriers.

According to Vietnam's development strategy through the year 2010, and to meet the surging demand for air transportation, Vietnam will need to invest more than \$4.6 billion over the next eight years in airport modernization, expansion, and rehabilitation. All this work should increase the country's network to 28 to 30 domestic airports and three or four international airports. The primary sources of financing for this development will come from the national budget, foreign official development assistance (ODA) loans, other soft loans, and export credits.

#### Market Segments

Given the dynamic growth in the aviation sector as well as the ambitious CAAV upgrade and expansion plan, the airport and ground support equipment market in Vietnam is expected to expand significantly over the next 10 years. This market may be divided into three segments, which fall under the responsibility of specific organizations in the aviation sector:

- Terminal equipment and facilities, which are normally procured and owned by regional airport authorities
- Ground support and handling equipment, which are the responsibility of Vietnam Airlines Corporation's airport ground services subsidiaries
- Air traffic control equipment and systems, which are under the control of Vietnam Air Traffic Management. The regional airport authorities may cover some other types of equipment and systems.

Similar to other industries in Vietnam, service and equipment providers in the aviation sector must establish good relationships with the state-owned

#### SARGENT CONTROLS AND AEROSPACE

Founded in 1920, Sargent designs, develops, and manufactures hydraulic and pneumatic valves and actuators for both commercial and military applications. Sargent also provides repair and overhaul services for hydraulic and pneumatic components for clients. The 450-employee firm sells both to large suppliers as well as directly to end users. Marcel Zondag, legal and contracts director, commented that his firm has been working with the U.S. Commerce Department since 2000. "The most valuable service the department has provided is the comprehensive, global network of information," says Zondag. "We participated in an aerospace show in Asia earlier this year and got a good overview of regional activity, in addition to making contacts with buyers and distributors. The information we receive via the Commerce Department network has been invaluable in helping us make strategic decisions and facilitating business development."

monopoly enterprises. Once relationships are established, dealing with customers becomes a matter of pricing, quality, technology, operating and maintenance costs, and after-sales services.

At present, most airport and ground support equipment is imported from Europe, the United States, and Japan. European suppliers are the most dynamic and successful in the market. American companies, currently holding 10 to 30 percent of the market depending on the types of products, have long been respected for their advanced technology, quality, and reliability in the industry. It is believed that the market share of U.S. suppliers will continue to expand over the next five years.

The CAAV is the principal point of contact for discussion of aviation projects. The business entities under the CAAV and Vietnam Airlines Corporation and its subsidiaries are the only end users. In principle, procurement plans in the aviation sector have to conform to CAAV development strategies and policies. Final decisions on large airport projects are made by the CAAV and the prime minister's office.

Procurement in the aviation sector is mainly done through open or limited local or international competitive bidding. Depending on the availability of funds, sources of funds, levels of quality, and reliability requirements, project developers may choose to use suitable technologies and expertise from one or more countries, especially those with demonstrated success in Vietnam.

U.S. companies are generally most competitive in cargo and airport terminal equipment, ground support and handling equipment, and air traffic control equipment and systems. U.S. firms are also very competitive in information technology systems and services as well as software for aerospace applications. U.S. equipment and service suppliers may find significant



Photo courtesy of The Boeing Company ©.

The 717-200, two-crew flight deck incorporates the industry's most modern and proven avionics technology. It is configured around six liquid crystal display units and advanced Honeywell VIA 2000 computer systems, similar to those in other new Boeing jetliners.

export opportunities in a number of upcoming and ongoing major airport projects, such as Noi Bai Airport, Tan Son Nhat Airport, and Da Nang Airport, as well as some other smaller projects in which equipment contracts are open to both foreign and local contractors.

### International Competition

Over the last two decades, European firms have been the most dynamic suppliers in the aviation sector. Over time, this has helped European companies develop a strong presence in the sector and close relationships with key agencies and authorities in Vietnam. In addition, the aid from their governments, mainly in the forms of ODA loans and grants, has opened the door for European companies to provide equipment, consulting services, technical assistance, and training to the aviation sector. This has enabled European standards to become the prevailing norms.

U.S. firms generally lag behind their European competitors in terms of market share, local relationships, presence, and technological penetration. This is mainly due to late U.S. entry into the Vietnamese market and the lack of

development assistance to match the bilateral ODA programs of foreign competitors. Nevertheless, U.S. suppliers in recent years have succeeded over their competitors in many bids in the aviation sector due to their superior technologies, quality, expertise, and reputation.

### BRAZIL: HELICOPTERS AND PARTS

Brazil offers one of the most promising markets in the world for manufacturers of helicopters and helicopter parts and accessories. The country has the seventh-largest fleet in the world and is the largest helicopter market in Latin America. Helicopters are constantly flying over the city of São Paulo, the municipality with the third-largest helicopter fleet in the world. The total fleet in Brazil increased from 669 aircraft in 1995 to 1,145 in 2001.

The Brazilian market is already served by leading helicopter manufacturers, but there are still great opportunities for suppliers of parts, accessories, and avionics.

### Market Highlights and Best Prospects

Despite the ups and downs of Brazil's

**GRAVITAS DIGITAL SOLUTIONS (GDS, INC.)**

GDS, Inc. is a service and solutions firm that provides technical expertise to the aerospace and IT industries. GDS, Inc. offers technical services to aerospace and IT environments that require systems, software development, and integration. It also provides modeling and simulation to the U.S. government, defense contractors, and intelligence agencies. The firm sells aerospace and IT products and services worldwide.

economy in the last few years, the helicopter market has been registering constant growth. According to the Brazilian Civil Aviation Department, the helicopter fleet in 2001 was composed of 897 civil aircraft and 248 military aircraft. The civil fleet increased 92 percent from 1995 to 2001, while the military fleet increased 22 percent in the same period.

The fleet is composed of piston helicopters (20 percent), single turbine helicopters (54 percent), and bi-turbine helicopters (26 percent). Unlike in the United States, where single turbine helicopters are not permitted to fly over densely populated areas, the Civil Aviation Department in Brazil does not impose any restrictions.

The Brazilian helicopter market has an estimated annual value of \$130 million. Eurocopter/Helibras, the only helicopter manufacturer in the country, and Bell Helicopter of the United States share market leadership. Together, they control almost 75 percent of the market.

The expansion rate of the helicopter fleet in Brazil is two times higher than the world's helicopter market growth. According to industry experts, serious traffic congestion in major cities and an increasing number of carjackings, kidnappings, and roadside robberies have contributed to this expansion. Today, helicopters are increasingly used by top executives and wealthier individuals to commute to work, to attend meetings, or to retreat to their country estates or beach homes on weekends.

Of civil aircraft, almost 500 operate in the state of São Paulo, and most of them in the city of São Paulo. The city has the third-largest helicopter fleet in the world, after New York and Tokyo, and probably the world's busiest helicopter traffic. Daily traffic in the city of São Paulo exceeds 350 takeoffs and landings. To service this traffic, there are approximately 200 helipads certified by the Civil Aviation Department, and another 40 in the process of obtaining certification. In addition to the helipads, where passengers are only picked up or dropped off, the city is served by five heliports that offer full-service including maintenance, repair, and hangars.

Although the devaluation of the Brazilian currency by 30 percent in the first seven months of 2002 has slowed down helicopter sales volume, the horizon looks good, especially for models that provide safe and rapid transportation to the wealthy people and busy executives. Local industry contacts believe that the current instability of the Brazilian economy is caused mainly due to uncertainties

in the Brazilian political scene. They expect that the situation will settle down after the presidential elections that will take place in October 2002.

The introduction of a fractional ownership program in 2000 is also contributing to optimism in the sector. Under this program several persons or companies get together to buy a helicopter. The company that manages the program has several identical helicopters owned by different groups and makes sure that an aircraft is available whenever the client needs to use it. The program raised awareness among people that helicopters were not a luxury that only the privileged people could afford. In less than two years, HeliSolutions, the company that introduced the fractional ownership concept, attracted 74 clients that share 10 helicopters. HeliSolutions expects to increase its client base to 200 by the end of 2002, increasing proportionally the fleet size.

The leading helicopter manufacturers, such as Bell, Eurocopter, Sikorsky, Agusta, and Robinson, already serve the Brazilian market. New manufacturers will face tough competition from those companies that have been represented in the country for many years. However, there are still great opportunities for suppliers of avionics, radios, flight safety products, power generators, training and simulation equipment, and other accessories. There are also niches, such as search and rescue, law enforcement, and cargo transportation. These segments could

**LPA**

The LPA Group was founded in 1981 and provides numerous transportation consulting services, including construction management assistance; design and production of surface transportation projects; planning for and implementation of transportation projects; and design, rehabilitation, and expansion of airports. LPA has more than 20 offices, and it has completed many transportation-related projects in over 70 countries around the world.

offer good opportunities but require a long-term market development effort.

In order to be successful in Brazil, U.S. manufacturers must have a well-informed local representative. It is also important to have a distributor or dealer who can offer after-sales services, replacement parts, repair, and maintenance services. The representative must be familiar with the nationwide market and import legislation and stay abreast of changes in import requirements to guarantee continuous sales.

When signing an agent or distribution contract with a Brazilian firm, it is important to use the services of law firms that are familiar with Brazilian legislation. Commercial distribution contracts are regulated by general Brazilian commercial law and not by specific legislation. However, there is specific legislation regulating the relationship between a foreign company and its Brazilian agent or sales representative. Contract clauses are freely negotiated between the U.S. company and the local agent, but the monetary compensation payable to the agent in case the contract is broken is established by law and is usually very favorable to the Brazilian agent.

### Free Market Reports on the Internet

To find additional information about these and other aerospace opportunities, visit [www.usatrade.gov](http://www.usatrade.gov). Click on the "Market Research" link and then select the "Search Market Research" link to find reports by country and industry (in the cases above, all under "Aircraft/Aircraft Parts"). ■

## AIR SHOW CHINA 2002

**November 4–10, 2002, Zhuhai, China**

The China International Aviation & Aerospace Exhibition (Air Show China) is the only international aerospace exhibition in China that is approved by the Chinese government. The show features full-size displays, trade discussions, technical exchanges, and flying demonstrations. The show has been successfully held in Zhuhai three times, establishing itself as an important platform for technical exchange and commercial cooperation between the Chinese and foreign aerospace communities. The Aerospace Executive Service (AES) allows small and medium-sized businesses to participate in Air Show China without taking on the enormous expense of purchasing and staffing booth space.

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## HELITECH 2002

**November 5–7, 2002, São Paulo, Brazil**

Brazil is the largest and most exciting market for helicopter sales in South America. Helitech South America 2002 has received worldwide support from key manufacturers and suppliers. The five biggest helicopter fleets are in Argentina, Brazil, Colombia, Mexico, and Venezuela. These countries' heavy dependence on the oil, timber, and mining industries, as well as city congestion, risks to personal safety, and solid economic development, create strong demand for helicopters.

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## AIRPORT INFRASTRUCTURE CONFERENCE AND EXHIBITION

**November 17–20, 2002, Istanbul, Turkey**

The U.S. Department of Commerce, Federal Aviation Administration, and American Association of Airport Executives (AAAE) will co-sponsor the U.S./Eastern Europe/Middle East Airport Infrastructure Conference and Exhibition. The conference and exhibition will be geared toward associations, political entities, and airport companies representing suppliers, consultants, and service providers. Business sessions will include topics such as security, safety, customer service, the environment, airport master planning, concession development, rescue and fire-fighting services, and runway incursions. U.S. businesses will have opportunities to exhibit their products and services during the show and meet one-on-one with Eastern European and Middle Eastern buyers.

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## 45TH INTERNATIONAL AVIATION AND AEROSPACE EXHIBITION

**June 15–22, 2003, Paris, France**

The International Aviation and Aerospace Exhibition (Paris Air Show) is the largest and most internationally attended aerospace event in the world. The Paris Air Show is a showcase for aerospace equipment and technology. It provides the perfect venue for civil and military aerospace suppliers and their customers to discuss, finalize, and announce their transactions. The U.S. Commerce Department's Office of Aerospace will sponsor a Product Literature Center at the Paris Air Show.

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## DUBAI AIR SHOW 2003

**December 7–11, 2003, Dubai, United Arab Emirates**

This is the largest air show in the region. More than 450 exhibitors from 33 countries attended the last event, including businesses from the United States, Europe, the Middle East, South Africa, and the Far East. In addition to individual exhibitors, there were 10 national/industrial pavilions.

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# Upcoming Trade Events

October 2002–April 2003

DATES	EVENT	LOCATION
Oct. 2–5, 2002	<b>Expo Hormigon</b> This fair, owned by the Chilean Cement and Concrete Institute (ICH), is a technology transfer show with real, life-sized construction demonstrations and booths for U.S. firms to show their technologies. This is a very important sector in Chile, where most construction uses concrete instead of wood.	Santiago, Chile
Oct. 7–12, 2002	<b>The Bucharest International Trade Fair</b> The Bucharest International Trade Fair is the leading commercial event in Romania and one of the most prominent trade fairs in Eastern Europe. It is a general technical fair, with a strong emphasis on industrial equipment and industrial consumer goods.	Bucharest, Romania
Oct. 8–12, 2002	<b>Machine Tools And Robotics Catalog Show</b> The catalog show will take place in connection with the technical fair, which is the leading Scandinavian industrial trade fair, attracting visitors from northern European and Baltic Sea countries. The product groups include machine tools, robotics, industrial IT, special welding, and other industrial techniques.	Stockholm, Sweden
Oct. 10–13, 2002	<b>CEO Mission At Expopharm '02</b> Expopharm '02 is Europe's largest pharmaceutical, over-the-counter products, and health supplements show, with over 450 exhibitors and over 20,000 trade-only visitors from 67 countries. The Corporate Executive Office (CEO) at Expopharm is organized by the U.S. Department of Commerce to provide an alternative to exhibiting individually.	Berlin, Germany
Oct. 13–16, 2002	<b>ADIPEC 2002</b> This is the 20th Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC). Organized every two years, ADIPEC is the premier oil and gas event in the Middle East and North Africa, and one of the largest in the world.	Abu Dhabi, United Arab Emirates
Oct. 15–18, 2002	<b>R&amp;D In Life Sciences And REACH For Process Solutions</b> The international trade show for life sciences research has joined with REACH for Process Solutions to form this event. The show takes advantage of Basel as a European center for the pharmaceutical and chemical industries. Some 200 relevant companies are headquartered in the area. All of these large companies will contribute to the conference, which will be attended by over 1,500 researchers and industry representatives.	Basel, Switzerland
Oct. 16–19, 2002	<b>New Earth 2002</b> New Earth is an environmental business event held in Osaka every three years, and it is the largest environmental trade show in western Japan. The show features a wide range of products and services for sectors such as water treatment, energy, and air pollution prevention.	Osaka, Japan
Oct. 21–22, 2002	<b>Automation and Energy Management Mission</b> The trade mission will visit Belgium and Germany and provide contacts with key government and business officials, commercial and government policy briefings, and one-on-one business appointments. In Brussels, industry representatives from the Netherlands also will meet with the delegation.	Belgium and Germany
Oct. 22–25, 2002	<b>Electronic Business Development Mission</b> The U.S. Commercial Service will host a trade mission to Moscow and invites interested U.S. companies to explore the increasing opportunities in the Russian ICT market. All trade mission participants will have an opportunity to network and establish contacts with key persons involved in implementing the Russian government's \$2.5 billion program, Electronic Russia 2002–2010, which is intended to boost e-commerce and Internet use in the country.	Moscow, Russia
Oct. 29–Nov. 1, 2002	<b>Fire Rescue Safety &amp; Security Expo</b> Security and safety equipment and services are in high demand in Indonesia and represent an excellent opportunity for U.S. suppliers.	Jakarta, Indonesia
Nov. 4–8, 2002	<b>Laboratory, Analytical, and Scientific Instruments</b> Brussels, Belgium, and Utrecht, the Netherlands, are the stops for a laboratory, analytical, and scientific instruments matchmaker trade delegation. The focus of the delegation will be to match participating U.S. companies with qualified agents, distributors, representatives, licensees, and joint venture partners in these markets.	Brussels, Belgium; Utrecht, The Netherlands

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## Highlighted Events

**AEROSPACE BUSINESS DEVELOPMENT MISSION****JOHANNESBURG AND DURBAN, SOUTH AFRICA  
OCTOBER 14-18, 2002**

The U.S. Department of Commerce's Office of Aerospace, International Trade Administration, will sponsor an executive trade mission to South Africa, on October 14-18, 2002. The focus is on regional airport infrastructure, ground support equipment, perimeter security, baggage handling, cargo operations, aircraft maintenance, and air traffic control systems. Participants will visit six regional airports and meet with civil aviation procurement officers in one-on-one and group settings. U.S. and South African participants will discuss trade opportunities of various airport projects in South Africa.

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**TRADE MISSION TO PERU AND CHILE****LIMA, PERU; SANTIAGO, CHILE  
DECEMBER 2-6, 2002**

Secretary of Commerce Donald Evans will lead a senior-level business development mission to Lima, Peru, and Santiago, Chile. The delegation will include approximately 15 senior executives of small, medium-sized, and large U.S. firms representing several industries. Service exports have become an important part of U.S. trade with Chile and Peru, including opportunities in areas that support the development of their increasingly export-oriented economies.

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**ARAB HEALTH 2003****DUBAI, UNITED ARAB EMIRATES  
JANUARY 26-29, 2003**

Arab Health is the premier medical device show in the Middle East. The show features exhibitors from more than 75 countries, and it attracts 8,000-10,000 professional visitors from the Indian subcontinent, North Africa, and the Persian Gulf region, among others. In 2002, the U.S. companies that attended the show reported that the business they got from the event was excellent.

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DATES	EVENT	LOCATION
Nov. 5–7, 2002	<b>Software &amp; E-Commerce Business Development Mission</b> The mission goals are to introduce U.S. software products and e-commerce technologies to the Mexican market via stops in Monterrey, Guadalajara, and Mexico City, and to help the U.S. firms develop contacts and partnerships in Mexico. U.S. participants will include firms that offer software, IT, and e-commerce related products and services that enable companies to develop and utilize electronic commerce in their business operations.	Monterrey, Guadalajara, and Mexico City, Mexico
Nov. 6–8, 2002	<b>Metal Mecanica 2002</b> This is the fourth international exhibition and conference for precision metal forming, steel construction, manufacturing, transportation, welding, electro-mechanical technologies, and related arts and sciences. This event attracts more than 200 exhibitors and 4,500 professional trade visitors.	Mexico City, Mexico
Nov. 12–15, 2002	<b>Business Development Mission</b> Secretary of Commerce Donald L. Evans will lead a senior-level business development trade mission to Accra, Ghana, and Johannesburg, South Africa. The delegation will include approximately 15 U.S. senior executives of firms of all sizes, representing a variety of business sectors.	Accra, Ghana; Johannesburg, South Africa
Nov. 13–17, 2002	<b>Aviex 2002 Air Show</b> This business forum and exhibition is for the general aviation industry. This year's annual Airline Pilots and Owners Association Conference will be held in conjunction with Aviex. The professional environment will enable small and medium-sized companies to gain exposure for their products and services.	Sydney, Australia
Nov. 29–Dec. 8, 2002	<b>Essen Motor Show</b> This is Europe's largest trade event for automotive specialty products. It focuses on customizing and tuning. It attracts close to 400,000 visitors from the specialty equipment trade as well as car enthusiasts from the general public.	Essen, Germany
Dec. 2–7, 2002	<b>ITU Telecom Asia 2002</b> This fair will be the largest and most successful regional telecom event ever, attracting world and regional leaders from telecommunications industries and information technology fields, as well as key government officials from across the region. More than 30,000 buyers and 20,000 exhibitors will be present.	Hong Kong
Jan. 8–11, 2003	<b>Heimtextil</b> Heimtextil is the world's largest and oldest textile and home furnishings trade fair in the world. OTEXA has sponsored a U.S. pavilion for the past 21 years. Heimtextil is sponsored by Messe Frankfurt.	Frankfurt, Germany
Jan. 16–19, 2003	<b>Matka Travel Fair 2003</b> The International Matka Travel Fair takes place annually and is the largest travel fair in Scandinavia by number of visitors. In 2002, more than 74,500 travel trade professionals and consumers visited the fair.	Helsinki, Finland
Mar. 17–21, 2003	<b>Health Care Technologies Matchmaker</b> This Matchmaker will go to Sweden, Denmark, and Norway. It will involve health care and medical companies. There will be a special focus on the tele-health sector, which is experiencing strong growth in these markets.	Copenhagen, Denmark; Stockholm, Sweden; Oslo, Norway
Mar. 17–21, 2003	<b>Automotive Parts and Services Matchmaker</b> This will be a traditional Matchmaker offering one-on-one, pre-screened appointments at each stop. Briefings, logistical support, and hospitality events will be provided in each market. The Matchmaker will focus on the automotive parts and services sector.	Budapest, Hungary; Warsaw, Poland; Bratislava, Slovakia
Mar. 23–Apr. 3, 2003	<b>Medical Device Trade Mission</b> This trade mission will have both policy and commercial components to assist U.S. medical device firms seeking to enhance their presence in the region. The mission will focus on the medical/dental device and clinical laboratory equipment sectors. A limited number of firms from health care services as well as pharmaceutical and biotechnology industries also could participate. Companies are encouraged to participate in all four countries, but participants have the option of selecting stops from the itinerary.	Vietnam, Thailand, Malaysia, Singapore

**INDUSTRY CONTACT INFORMATION**

Computer Software, E-Commerce, IT Services, Telecommunications	Eric Fredell Tel: (202) 789-4464 E-mail: Efredell@siaa.net Web site: www.siaa.net/divisions/ global/trademissions/tmmexico.html
Machine Tools, Materials Handling Machinery	William Corfitzen Tel: (202) 482-0584 E-mail: William.Corfitzen@mail.doc.gov
Multi-industry	Office of Business Liaison Tel: (202) 482-1360 E-mail: Jandberg@doc.gov Web site: www.doc.gov/ africatrademission
Aircraft/Aircraft Parts	Phil Keeling Tel: +61-2-9373-9209 E-mail: Phil.Keeling@mail.doc.gov
Automotive Parts/ Service Equipment	Paul Warren-Smith Tel: +49-69-956204-15 E-mail: Paul.Warren-Smith@mail.doc.gov
Telecommunications Equipment/Services	William Corfitzen Tel: (202) 482-0584 E-mail: William.Corfitzen@mail.doc.gov
Textile Fabrics	Andrea Stahl Tel: +49-69-956204-19 E-mail: Andrea.Stahl@mail.doc.gov
Travel/Tourism Services	Merja Poikolainen Tel: +358-9-171-931 E-mail: Merja.Poikolainen@mail.doc.gov
Health Care Services and Medical Equipment	Bill Kutson Tel: (202) 482-2839 E-mail: William.Kutson@mail.doc.gov
Automotive Parts/ Service Equipment	Monica McFarlane Tel: (202) 482-3364 E-mail: Monica.McFarlane@mail.doc.gov
Biotechnology, Laboratory Scientific Instruments, Dental Eq., Pharmaceuticals	Lisa Huot Tel: (202) 482-2796 E-mail: Lisa_Huot@ita.doc.gov

**U.S. BOOK DISPLAY AT BOLOGNA  
CHILDREN'S BOOK FAIR****BOLOGNA, ITALY  
APRIL 9-12, 2003**

The Bologna Children's Book Fair is the largest such event in the world. It features both books and multimedia materials. There have been two U.S. pavilions for years, one in the book section of the fair and one in the multimedia section. The U.S. Book Display, organized by the U.S. Department of Commerce, Office of Consumer Goods, located in the book pavilion, is designed to provide small publishers who do not wish to attend in person an opportunity to exhibit their publications. This display, which was first organized in 2002, will be staffed by Commerce personnel, who will collect the names of interested business visitors and forward them to participating publishers after the event.

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**AUTOMOTIVE PARTS AND SERVICE  
EQUIPMENT TRADE MISSION****PANAMA, COSTA RICA, AND GUATEMALA  
JUNE 1-6, 2003**

Costa Rica and Panama both rank the automotive parts and service equipment sector as the fourth best prospect for U.S. exports. Guatemala ranks this sector as the leading prospect for U.S. exports. The Central America and Caribbean Regional Working Group of the Western Hemisphere Team will coordinate with Commercial Service (CS) posts in these countries to organize and recruit a trade mission of eight to 10 U.S. firms interested in initiating or expanding export sales of automotive parts and service equipment to this region. The mission will include stops in San Jose, Panama City, and Guatemala City. CS posts will pre-arrange one-on-one meetings for mission members with potential business partners. In addition, briefings will be conducted for members, and at least one business reception will be held to introduce the U.S. firms to additional contacts.

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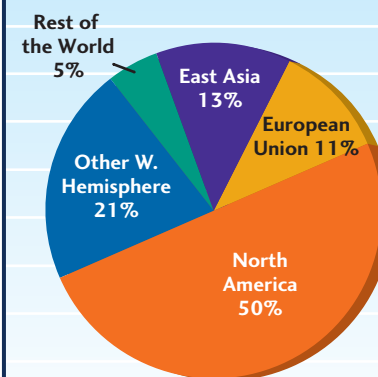
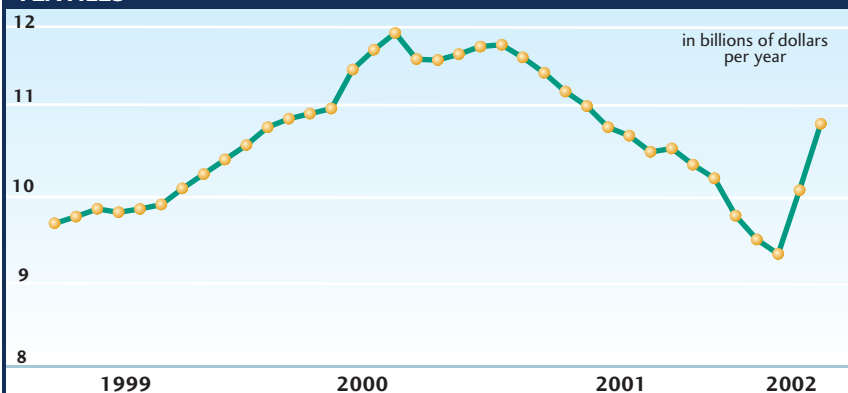
**A full listing of upcoming trade events  
is available via <http://export.gov>.**



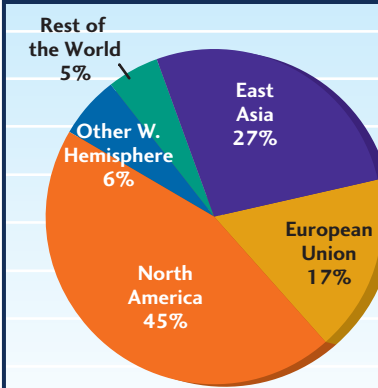
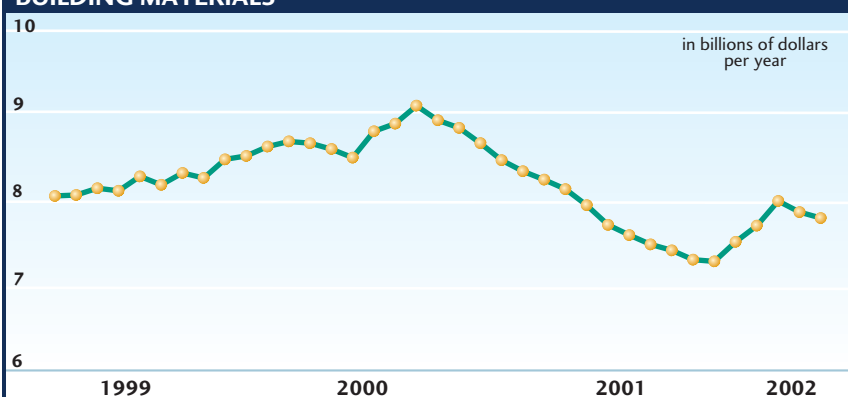


## MATERIALS

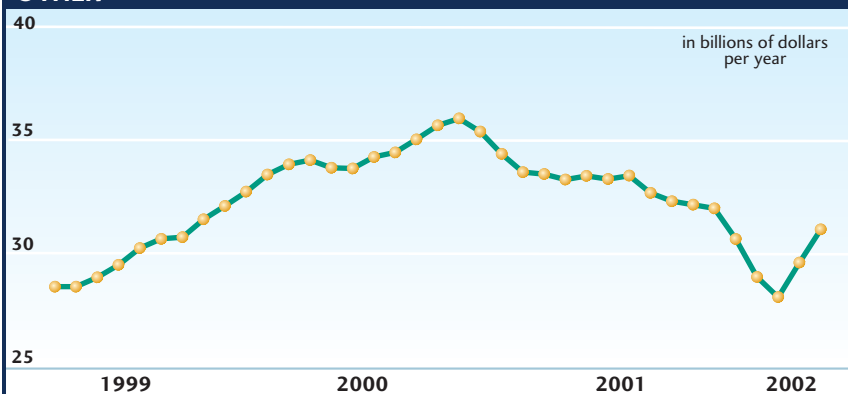
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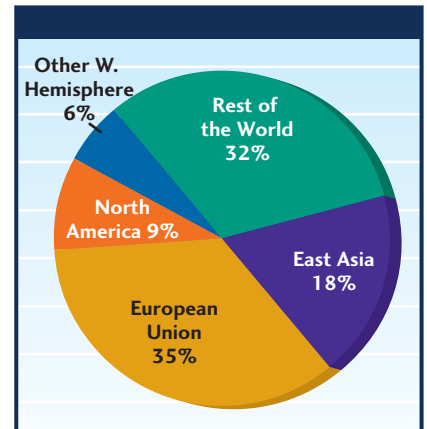
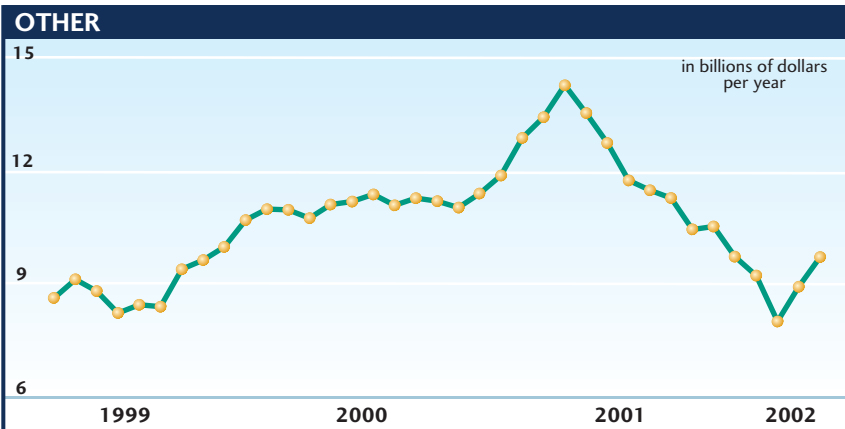
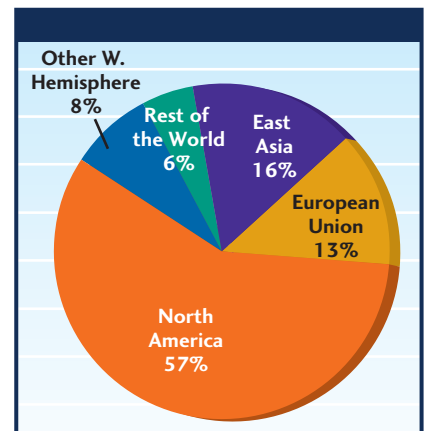
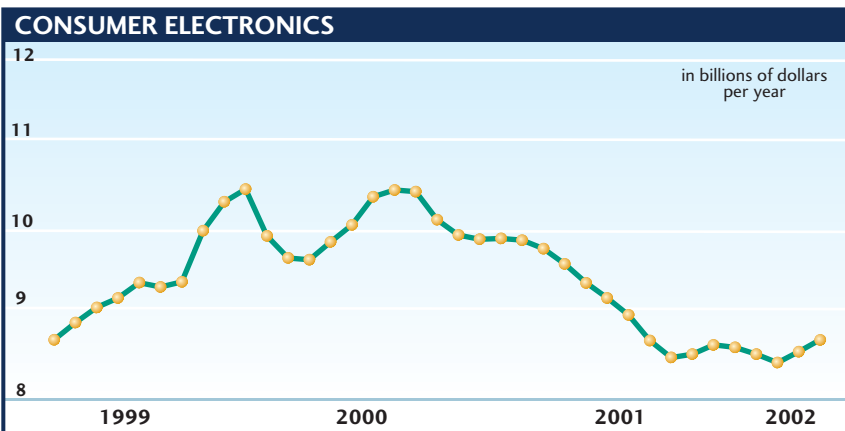
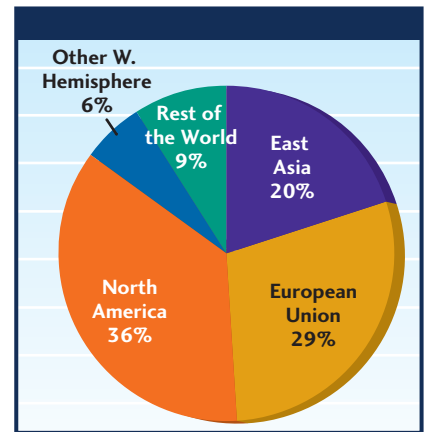
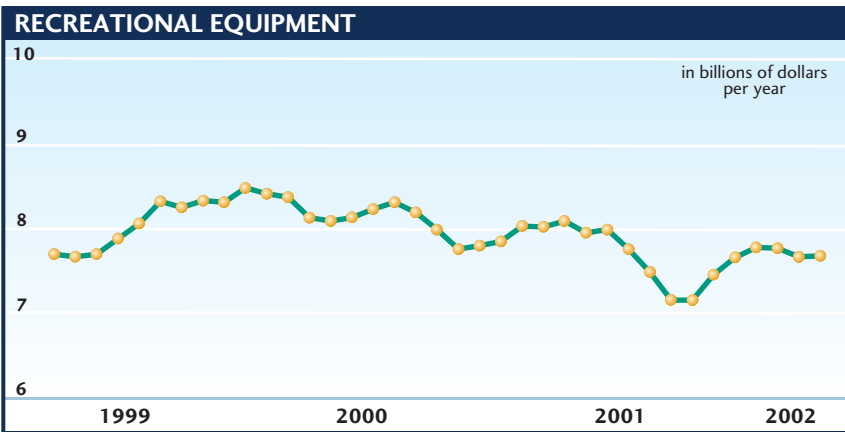
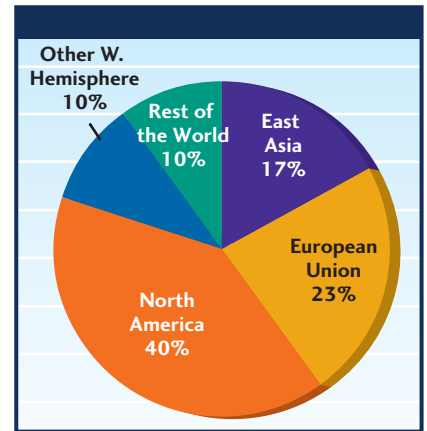
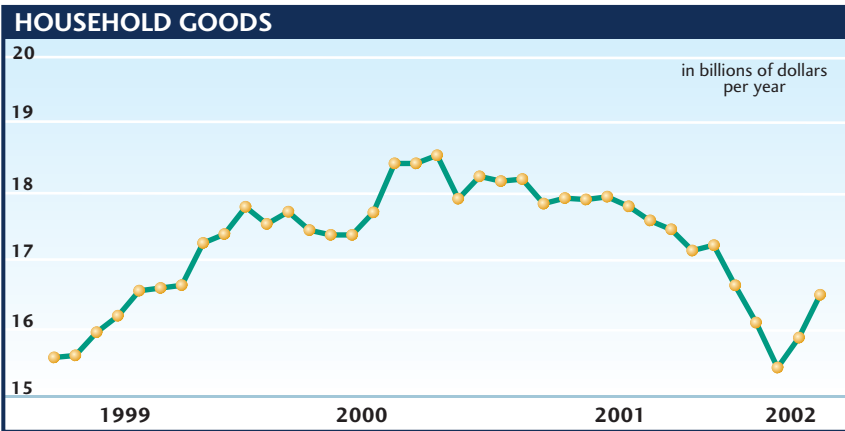
## BUILDING MATERIALS



## OTHER

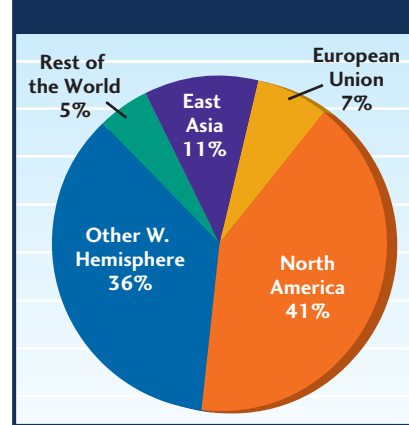
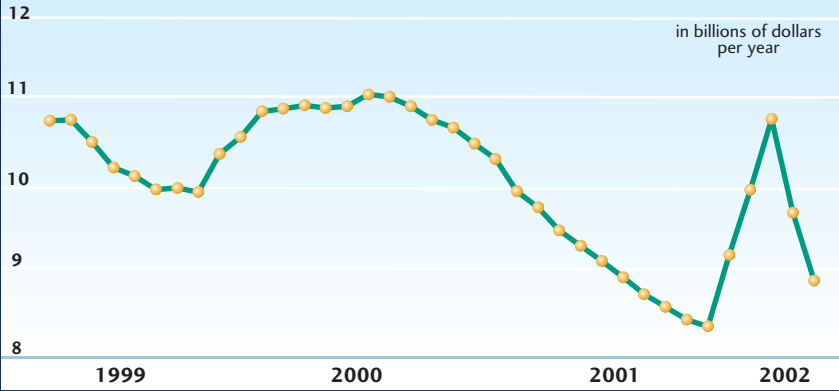


CONSUMER DURABLES

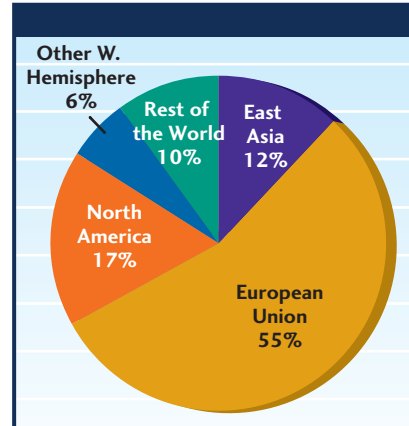
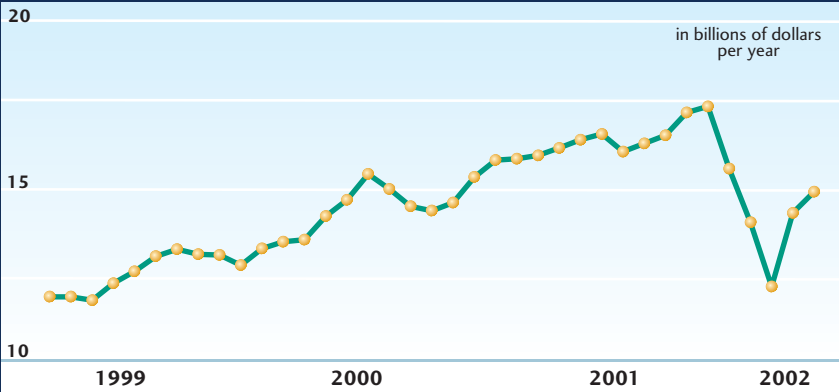


CONSUMER NON-DURABLES

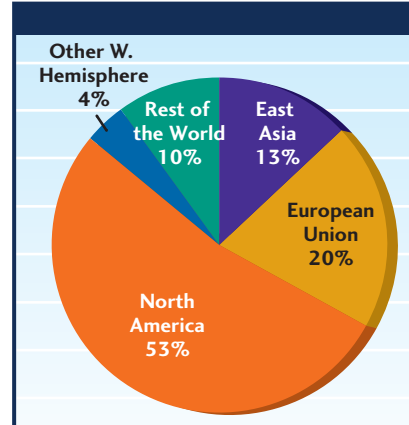
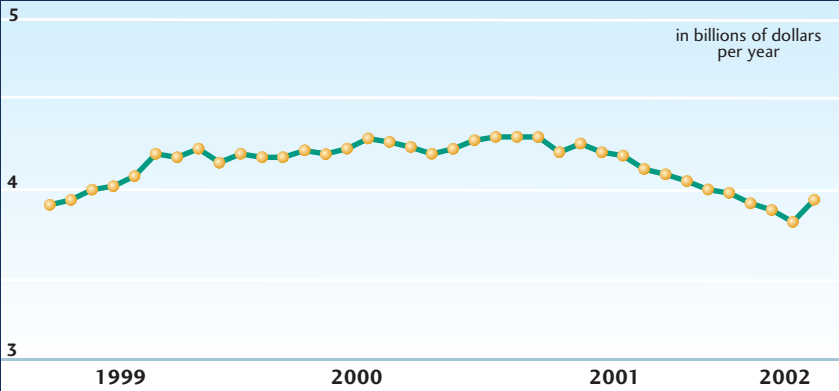
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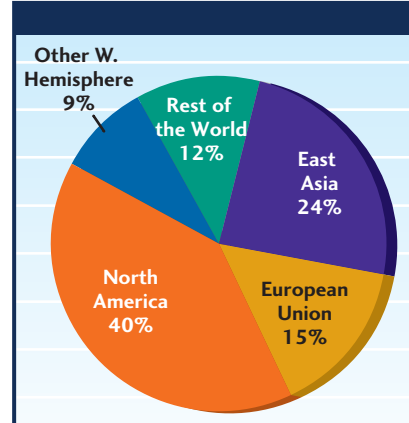
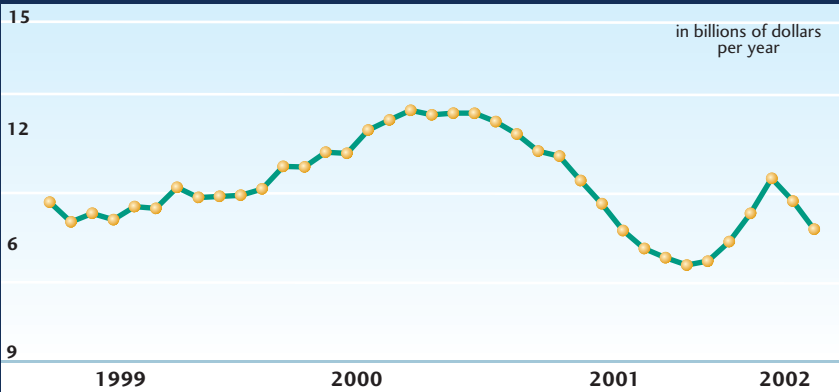
PHARMACEUTICALS



PRINTED MATTER



OTHER





# Business Travel Guide

## Useful Web Sites

Since so many trade professionals travel, encountering different cultural customs and occasionally relocating abroad, we have selected links that will help prepare business executives for their impending trips overseas.

This month's edition of Internet Marketing was prepared in collaboration with the Federation of International Trade Associations (FITA) and its compilation of *Really Useful Sites for International Trade Professionals*, written by John McDonnell. You may subscribe to and view the bimonthly newsletter at FITA's Web site: [www.fita.org/useful/index.html](http://www.fita.org/useful/index.html).

### EXPATRIATE RESOURCES

#### Employee Relocation Council

The Employee Relocation Council is a non-profit professional membership organization committed to the effective relocation of employees worldwide.

[www.erc.org](http://www.erc.org)

#### Expatriate Exchange

On-line community of over 75,000 people relocating to, living in, or returning from over 140 overseas locations.

[www.expatriateexchange.com](http://www.expatriateexchange.com)



#### Expatriate World

Newsletter that provides daily updated information important to expatriates.

[www.expatriateworld.net](http://www.expatriateworld.net)

#### ExpatriateLink

Resources for English-speaking expatriates.

[www.expatriatelink.com](http://www.expatriatelink.com)

#### Expatriate Essentials

Company that assists individuals and companies with immigration, taxation, expatriate management, relocation and corporate issues.

[www.expatriate-essentials.com](http://www.expatriate-essentials.com)

### CULTURAL AND LOCALIZATION ISSUES

#### Across Frontiers

Multimedia and text resources for a cross-cultural training program delivered via CD-ROM, corporate intranet,

extranet, and the Internet.

[www.acrossfrontiers.com](http://www.acrossfrontiers.com)

#### Arabian Business and Cultural Guide

Tips on behavior in Arab countries.

[www.traderscity.com/abcg/culture.htm](http://www.traderscity.com/abcg/culture.htm)



#### Craighead.com

Craighead provides insightful country-specific relocation and business travel information and services for 84 countries.

[www.craighead.com](http://www.craighead.com)

#### Cultural Awareness International

Cultural awareness training, relocation assistance, and other services.

[www.culturalawareness.com](http://www.culturalawareness.com)

#### Cultural Issues in Business Communication

An on-line cross-cultural communication tutorial for firms going international.

[www.bena.com/ewinters/OnlineTutorial.html](http://www.bena.com/ewinters/OnlineTutorial.html)

#### E-Conflict World Encyclopedia



A resource for businesses, tourists, students, and teachers to find out about cultures around the world, to minimize conflict.

[www.countryreports.org](http://www.countryreports.org)

## TRAVEL INFORMATION AND LINKS

### American Passport Express



Privately owned courier service that hand delivers passport applications to the U.S. Department of State Passport Agency for processing.

[www.americanpassport.com](http://www.americanpassport.com)

### City Guides and Hotels Worldwide

Detailed and informative guides to over 140 of the world's major cities. Also has Internet hotel discounts, maps of each city and area, city pictures, weather and climate information, attractions and restaurants, and travel tips.

[www.worldexecutive.com/cityguides](http://www.worldexecutive.com/cityguides)

### Concierge.com

Large site with various travel resources. Includes reservations.

[www.concierge.com](http://www.concierge.com)



### Currency Services for Business Travelers

Calculators for international business travelers: The Travel Expenses Calculator; Travel Expenses Calculator; Single Expense Version; Credit Card Charges Calculator; and Foreign

Exchange Charges Calculator.  
[www.xe.com/sitemap.htm#business](http://www.xe.com/sitemap.htm#business)

### Economist.com: Cities Guide

A specialized Web site by *The Economist* to provide general, travel, and business information on the 10 major cities of the world.

[www.economist.com/cities](http://www.economist.com/cities)



### Encyclopedia of Days

Descriptions of holidays from all over the world. Most of these holidays are grouped alphabetically by country, religion, or topic.

[www.shagtown.com/days](http://www.shagtown.com/days)

### Internationalist Business Travel

Extensive information about travel in more than 80 countries. Also useful information about electric current, currency conversions, weights and other measurements, and other travel information.

[www.internationalist.com/travel](http://www.internationalist.com/travel)

### LatinTrade Travel

Information about traveling in Latin American's major cities: airlines, hotels, car rentals, transportation options, and visa regulations.

<http://latintrade.com/travel/index.cfm>

### Pinkerton Global Intelligence Services

Detailed analysis about threats to business travelers.

[www.pinkertons.com/pgis](http://www.pinkertons.com/pgis)

### TeleAdapt On-line Help Desk

Solutions to problems common when traveling overseas with a laptop computer.

[www.teleadaptusa.com/nme/foreigntravel.htm](http://www.teleadaptusa.com/nme/foreigntravel.htm)

### U.S. State Department: Travel Warnings and Consular Information Sheets

Official U.S. government warnings for U.S. citizens traveling abroad.

[travel.state.gov/travel\\_warnings.html](http://travel.state.gov/travel_warnings.html)

### USA Foreign Entry Requirements

Information for U.S. citizens about entry to most countries.

<http://travel.state.gov/foreignentryreqs.html>



### CIA World Factbook

Comprehensive country profiles highlighting geographic, government, economic, and transnational issues.

[www.cia.gov/cia/publications/factbook/index.html](http://www.cia.gov/cia/publications/factbook/index.html)

### WorldSkip

Organizes information on countries' local news sources, tourism sites, relevant business and government contacts, economies, religions, entertainment, and cultural references, with multilingual presentation.

[www.worldskip.com](http://www.worldskip.com)



U.S. DEPARTMENT OF COMMERCE  
INTERNATIONAL TRADE ADMINISTRATION  
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Tucson (520) 670-5540

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Little Rock (501) 324-5794

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Fresno (559) 227-6582  
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(909) 466-4134  
Downtown Los Angeles  
(213) 894-4231  
West Los Angeles  
(310) 235-7104  
Monterey (831) 641-9850  
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Oakland (510) 273-7350  
Orange County  
(949) 660-1888  
Ventura County  
(805) 676-1573  
Sacramento  
(916) 498-5155  
San Diego (619) 557-5395  
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(415) 705-2300  
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Orlando (407) 648-6235  
Tallahassee (850) 942-9635

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Peoria (309) 671-7815  
Rockford (815) 987-8123

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(317) 582-2300

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Des Moines (515) 288-8614

#### KANSAS

Wichita (316) 263-4067

#### KENTUCKY

Lexington (859) 225-7001  
Louisville (502) 582-5066  
Somerset (606) 677-6160

#### LOUISIANA

New Orleans  
(504) 589-6546  
Shreveport (318) 676-3064

#### MAINE

Portland (207) 541-7400

#### MARYLAND

Baltimore (410) 962-4539

#### MASSACHUSETTS

Boston (617) 424-5990

#### MICHIGAN

Detroit (313) 226-3650  
Grand Rapids  
(616) 458-3564  
Pontiac (248) 975-9600  
Ypsilanti (734) 487-0259

#### MINNESOTA

Minneapolis  
(612) 348-1638

#### MISSISSIPPI

Raymond (601) 965-4130

#### MISSOURI

St. Louis (314) 425-3302  
Kansas City  
(816) 410-9201

#### MONTANA

Missoula (406) 542-6656

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Omaha (402) 597-0193

#### NEVADA

Las Vegas (702) 229-1157  
Reno (775) 784-5203

#### NEW HAMPSHIRE

Portsmouth (603) 334-6074

#### NEW JERSEY

Newark (973) 645-4682  
Trenton (609) 989-2100

#### NEW MEXICO

Santa Fe (505) 827-0350

#### NEW YORK

Buffalo (716) 551-4191  
Harlem (212) 860-6200  
Long Island  
(516) 739-1765  
Rochester (585) 263-6480  
Westchester  
(914) 682-6712  
New York City  
(212) 809-2642

#### NORTH CAROLINA

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Greensboro  
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Raleigh (919) 715-7373

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Toledo (419) 241-0683

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Oklahoma City  
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Tulsa (918) 581-7650

#### OREGON

Eugene (541) 242-2384  
Portland (503) 326-3001

#### PENNSYLVANIA

Harrisburg (717) 221-4510  
Philadelphia  
(215) 597-6101  
Pittsburgh (412) 395-5050

#### PUERTO RICO

San Juan (787) 766-5555

#### RHODE ISLAND

Providence (401) 528-5104

#### SOUTH CAROLINA

Charleston (843) 760-3794  
Columbia (803) 765-5345  
Greenville (864) 271-1975

#### SOUTH DAKOTA

Sioux Falls (605) 330-4264

#### TENNESSEE

Knoxville (865) 545-4637  
Memphis (901) 323-1543  
Nashville (615) 259-6060

#### TEXAS

Austin (512) 916-5939  
Dallas (817) 277-1313  
Fort Worth (817) 212-2673  
Houston (713) 718-3063  
San Antonio (210) 228-9878

#### UTAH

Salt Lake City  
(801) 524-5118

#### VERMONT

Montpelier (802) 828-4506

#### VIRGINIA

Arlington  
(703) 524-2885  
Richmond (804) 771-2246

#### WASHINGTON

Seattle (206) 553-5615  
Spokane (509) 353-2625  
Tacoma (253) 593-6736

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