

Keeping the United States Open to Investment

In May, a series of public events—part of the first-ever Invest in America Week—highlighted the important role that foreign direct investment plays in the U.S. economy.

BY JENNIFER DERSTINE



Secretary of Commerce Carlos M. Gutierrez (left) and California Governor Arnold Schwarzenegger (right) join officials of Hitachi Automotive Products USA Inc. during a tour of the company's facility in Los Angeles, California, on May 12, 2008. The tour coincided with the inaugural celebration of Invest in America Week. (photo courtesy of Hitachi Automotive Products USA)

A clear message regarding the United States' openness to foreign direct investment (FDI) was sent on May 12, 2008, when Secretary of Commerce Carlos M. Gutierrez and California Governor Arnold Schwarzenegger toured a manufacturing plant of Hitachi Automotive Products USA Inc. (HAP) in Los Angeles, California.

"The bright spot of our economy right now is trade, and Hitachi is a great example of why we need to be open to foreign investment

and to trade," said Gutierrez during the visit. "Over 5 million jobs in the country are generated by foreign investors. [W]e welcome foreign investment, and we think foreign investment is an important part of our economy."

HAP's parent company, Hitachi, has 16,000 employees in the United States, and in 2007, it had \$8 million in export sales from its Los Angeles plant.

The tour was the finale to a week's worth of similar events held in 12 states across the country. The inaugural celebration of Invest in America Week, which was sponsored by the Department of Commerce's Invest in America program, was held on May 5–9, 2008. The week's events highlighted the importance of FDI to U.S. jobs and economic growth.

Diversity by Industry, Size, and Location

Nineteen companies, as well as current and potential investors worldwide, were featured in events during the week. The companies were a diverse group by size, location, and industry. They included American Power Conversion, a division of Schneider Electric (France) that employs 1,100 in West Kingston,

INSIDE

1

Keeping the United States Open to Investment

4

Chinese Health Care Market Is Focus of U.S. Trade Mission

6

Short Takes:
News from the International Trade Administration

8

International Trade Calendar

10

Importance of Services Negotiations, Help for Small Exporters Emphasized in Policy Recommendations





Secretary of Commerce Carlos M. Gutierrez and Governor Arnold Schwarzenegger look on during their tour of Hitachi Automotive Products USA Inc. (photo courtesy of Hitachi Automotive Products USA)

Rhode Island; Lonza Biologics (Switzerland), a large-scale mammalian cell culture facility that employs 642 in Portsmouth, New Hampshire; Osstem (South Korea), a manufacturer of dental implants newly located in Fairless Hills, Pennsylvania; and Taiyo (Japan), a manufacturer of coatings for circuit boards that employs 41 in Carson City, Nevada.

Importance of FDI to U.S. Economy

According to the Department of Commerce's Bureau of Economic Analysis, more than 100 countries contributed \$1.8 trillion of FDI in 2006. This foreign capital plays an important role in the U.S. economy. It supports more than 5 million jobs and accounts for 10 percent of U.S. capital investment, 15 percent of annual research and development investment, and nearly 20 percent of U.S. exports.

U.S. workers seek jobs supported by foreign capital because the wages are 25 percent higher than the U.S. private-sector average. In 2005, nearly 40 percent of these jobs were in the manufacturing sector, whereas only 12 percent of the overall U.S. workforce is employed in manufacturing.

Foreign capital stimulates competition, which leads to innovation and increased productivity. The outcomes ensure a healthy manufacturing sector,

which is vital to maintaining a thriving U.S. economy and a rising standard of living.

An Advocate at the Federal Level

Historically, the United States has been the most attractive destination for FDI, but that position has eroded since the late 1980s. This decline can be attributed to the rising share of FDI attracted by emerging markets, such as China, India, and Eastern Europe.

In March 2007, the Department of Commerce launched Invest in America to counter that trend. It is the first federal-level investment promotion effort in a generation. In addition to complementing individual states' efforts to promote investment, Invest in America focuses on outreach to foreign governments and investors. The program promotes the United States as the best market for investment and addresses federal-level business climate concerns that may impede investment.

As the ombudsman for the international investment community, Invest in America provides a single point of contact at the federal level to help foreign investors work through difficulties they encounter with federal bureaucratic or regulatory matters.

Overcoming Regulatory Roadblocks

Visa and entry processes are the most common issues raised by potential investors. In November 2007, the Department of Commerce published a paper, "Visas and Foreign Direct Investment," that identified the challenge of balancing safety and security while facilitating business travel to the United States (see the January 2008 issue of *International Trade Update*).

Since then, Invest in America staff members have been working with the Department of Homeland Security, Department of State, and Department of the Treasury to develop a series of programs that

introduces investors to the various aspects of investing in the United States—starting with applying for a visa. These programs aim to improve public access to information on the visa and entry processes.

Upcoming Efforts

Invest in America will be publishing a paper on FDI trends and policies in the United States. A second policy paper will address legal issues that affect U.S. competitiveness for FDI.

The United States must continue to address issues that may hinder it in the global competition for capital. As globalization continues to bring the

world closer together and to increase trade and investment flows, the United States will be rewarded for its diligence in maintaining the most attractive investment environment in the world.

The United States is a center for innovation, but its commitment to openness must extend beyond goods, services, and capital to welcome people and ideas in order to maintain its place as a global leader in science and technology.

Jennifer Derstine is an international investment specialist for the Department of Commerce's Invest in America program.

Exports: The "Silent Stimulus"

As immigrants, we're proud of America and the strength it derives from being uniquely open to trade, to investment, and to ideas and people. Recently, prominent voices in punditry and politics have questioned the benefits of America's openness and called for an isolationist U-turn that would choke off our innovation and prosperity.

In every state of the union, such a retreat would be disastrous for jobs, economic growth and consumer choice. Nowhere is this more clear than here in Torrance, California, where today we are visiting a Hitachi plant that remanufactures auto parts. This "foreign" company employs 16,000 Americans—8,000 in California alone—and is just one of hundreds of overseas firms that invest directly in the U.S. From where we're standing, what America needs is more openness here and abroad—not less.

"But what about American manufacturing?" one might ask. "What about American exports?" Even at a time when our economy has slowed, U.S. exports are booming. In 2007, we saw a record \$1.6 trillion in exports, up 12.6 percent from the prior year.

And exports are growing even faster in 2008. In the first quarter of this year, export growth is up nearly 18 percent from the same period last year. Nearly a third of all U.S. agricultural products and more than 20 percent of the goods we manufacture were exported last year. Indeed, exports have been a kind of silent stimulus over the past year, helping even a slowing economy stay in the black.

Yet in the global trading system, America isn't just a buyer and seller, we're a huge investment magnet. That giant cash register sound you're hearing is the nearly \$200 billion pumped into U.S. businesses from abroad in 2006 alone. Foreign-owned companies operating in the U.S. employ more than five million Americans, and a third of foreign direct investment is in the manufacturing sector.

Carlos M. Gutierrez is U.S. secretary of commerce. Arnold Schwarzenegger is governor of California.

(A longer version of this text appeared in the May 12, 2008, edition of *The Wall Street Journal*. © 2008, Dow Jones & Co. All rights reserved. Reprinted from *The Wall Street Journal*.)

Chinese Health Care Market Is Focus of U.S. Trade Mission

At a time when China is about to undertake major reforms to its health care system, 15 U.S. companies spent three days in Beijing this past April to meet with senior officials and to explore commercial opportunities.

BY JOHN WARD



Christopher A. Padilla (right), under secretary of commerce for international trade, speaks with reporters in Beijing on April 25, 2008. (U.S. Department of Commerce photo)

On April 23–25, 2008, Christopher A. Padilla, under secretary of commerce for international trade, led 15 U.S. companies on a health care trade mission to Beijing, China. The participating companies represented a broad range of health care industries, including pharmaceuticals and medical devices, health insurance, and health services.

“China is a fast-growing market for the U.S. health care industry, known for its world-class goods and services. U.S. industry has the potential to raise the standard of medical care in China,” said Padilla. “China’s pending health care reforms will affect many American companies doing business in that

market—or seeking to do so. A clearer understanding of China’s policy environment will enable the U.S. health care industry to more easily compete in China, raising the quality and efficiency of medical treatment there.”

The participating U.S. companies included AdvaMed, Advanced Medical Optics, Aetna Inc., BlueCross BlueShield, Boston Scientific, Chindex International Inc., Humana Inc., Johnson & Johnson, Masimo, Medtronic Inc., Mesa Laboratories Inc., Merck, Pfizer Inc., RDPAC, and Stryker Corporation.

Health Care Reforms in China

China is currently considering significant changes to the financing, regulation, and management of its health care system. During the trade mission, participating U.S. companies discussed those pending health care reforms with key officials from China’s Ministry of Health, Ministry of Finance, State Food and Drug Administration, and other government bodies.

Improving access to health care is a priority for China’s 11th Five-Year Plan, which covers 2006 through 2010. The Chinese government’s stated goal is to improve the services provided by the country’s health care system, to increase the number of insured citizens, to reduce corruption, and to decrease the overall costs to the consumer. The reforms are expected to include a plan for universal health coverage, the institution of new health care delivery systems, and changes to hospital management and drug regulation regimes.

A Growing Export Market

China is already an important market for U.S. providers of health care goods and services. In 2007, the country spent \$9 billion on health care. That figure is expected to grow in coming years.

The reform of the health care sector in China will present opportunities to U.S. companies in that field, and many of them have already enjoyed substantial growth in sales to China. For example, in 2006, the U.S. pharmaceutical industry exported approximately \$346 million to China—a 54 percent increase over 2005 and a 305 percent increase over 2003. In 2007, according to industry sources, U.S. medical device exports to China were \$870 million—a 29 percent increase over 2005 and a 71 percent increase over 2003.

Challenges Remain

Despite the enormity of the market, U.S. companies face significant challenges when entering the Chinese health care market. Barriers include onerous pricing and reimbursement policies on pharmaceuticals and medical devices, inadequate intellectual property protection, and bureaucratic delays in registering products for sale.

The recent events surrounding tainted medical products highlight the importance of improving China's regulatory control of pharmaceutical ingredients.

Despite the challenges, there will be many opportunities for U.S. companies that are willing to expend needed resources to succeed in the Chinese health care market. In his speech to the American Chamber of Commerce in Beijing on April 25, Padilla noted, "We see in China's health care reforms something that is not only good for Chinese citizens, but something that is a tremendous opportunity for U.S. companies."

John Ward is a writer in the International Trade Administration's Office of Public Affairs.



Christopher A. Padilla speaks during a three-day health care trade mission he led. (U.S. Department of Commerce photo)

Online Resource Helps U.S. Companies Be "China-Ready"

The Commerce Department's China Business Information Center (China BIC) is a ready resource for U.S. companies looking to enter the Chinese market or needing help to expand there. China BIC is an online resource that brings together valuable information on the Chinese market, including government contacts, regulatory information, trade leads, market research, and financial information. It also contains links to the in-country staff members of the U.S. and Foreign Commercial Service as well as to domestic staff members in the more than 100 U.S. Export Assistance Centers who are available to offer counseling to exporters. For more information on the China BIC, visit www.export.gov/china/ or call the Trade Information Center at 1-800-USA-TRAD(E) (1-800-872-8723).

News from the International Trade Administration

Getting the Details on the World Market for Used Medical Devices

Getting the details on the world market for used and refurbished medical devices just became much simpler with the International Trade Administration's updated edition of *Global Import Regulations for Pre-Owned (Used and Refurbished) Medical Devices*.

World markets for used medical equipment are important, but some of the most basic facts about those markets—such as size, location, and national laws and regulations that affect such trade—are either non-existent or difficult to come by. The publication offers U.S. exporters of used medical equipment a comprehensive listing of the regulations that govern this important and growing trade.

The 170-page report includes detailed country-by-country entries for 106 markets. Each country entry includes an in-depth discussion of the regulatory environment for imports of used medical equipment. Also noted are related topics that may affect trade, such as sanitary codes, customs valuations, and taxes. Most entries include lists of government and trade association contacts. The information in the publication is based on reports from the

International Trade Administration's worldwide network of in-country commercial analysts.

Global Import Regulations for Pre-Owned (Used and Refurbished) Medical Devices can be downloaded from the International Trade Administration's publications Web page at www.ita.doc.gov/media/Publications/abstract/medical2008desc.html.

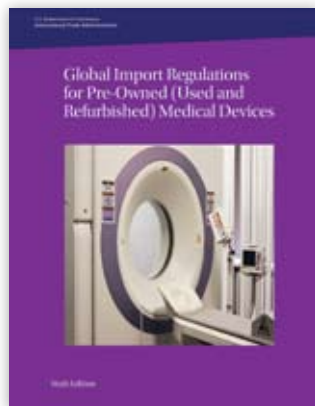
Online Ticker Marks \$1 Billion in Tariffs Paid on U.S. Exports to Colombia

On May 4, 2008, the Colombia Tariff Ticker, which is an online ticker that counts the amount of tariffs paid on U.S. exports to Colombia, passed the \$1 billion mark. The ticker, which can be viewed on the International Trade Administration's homepage (www.trade.gov), tracks the estimated tariffs imposed on U.S. exports entering Colombia since the U.S.-Colombia Trade Promotion Agreement (TPA) was signed on November 22, 2006. The agreement is awaiting approval by Congress.

In a statement released the next day, Secretary of Commerce Carlos M. Gutierrez issued a strong statement in favor of passing the TPA with Colombia. "American-made exports, up nearly 13 percent last year, are providing a critical spark to our economy at a time when American families are facing economic challenges. Congress needs to pass the U.S.-Colombia TPA so we can lift the billion-dollar burden on our exports and institutionalize permanent, fair, and two-way free trade with Colombia."

More than 90 percent of Colombian products enter the United States duty free because of the Andean Trade Preference Act signed in 1991. Under the proposed agreement, many U.S. products will enjoy similar tariff-free access into Colombia.

Colombia is the second-largest market for U.S. agriculture in the Western Hemisphere after the



Colombia Tariff Ticker



On the morning of May 4, 2008, the Colombia Tariff Ticker, which shows the amount of tariffs paid by U.S. companies that export to Colombia since the signing of the U.S.-Colombia Trade Promotion Agreement, passed the \$1 billion mark.

North American Free Trade Agreement market. The U.S.-Colombia TPA will benefit U.S. small and medium-sized businesses (SMEs) the most. More than 10,000 U.S. companies export to Colombia, of which 8,500 are SMEs.

The tariffs paid by U.S. exporters to Colombia displayed on the ticker are an estimate based on data from the *World Trade Atlas* and Colombian tariff schedules. The ticker number includes the best estimate of the variable effect of Colombia's agricultural price bands.

More information on the U.S.-Colombia TPA is available on the International Trade Administration's Web site at <http://trade.gov/fta/>.

New Edition of Guide to Export Financing Available

The International Trade Administration's Manufacturing and Services unit recently published a revised edition of *Trade Finance Guide: A Quick Reference for U.S. Exporters*. Originally published in early 2007, this second edition is a concise and easy-to-understand resource created specifically for small and medium-sized enterprises (SMEs) that are unfamiliar with the details of export financing.

"Since its publication last year, the *Trade Finance Guide* has been an effective, useful finance

resource for America's small and medium-sized enterprises," said William G. Sutton, assistant secretary of commerce for manufacturing and services. "This tool helps SMEs turn export opportunities into actual sales and makes it easier for them to do business internationally."

The revised edition includes a new chapter on foreign exchange risk management, as well as minor updates to other sections. The additional content was added because of requests from several SMEs that wanted to export more efficiently in foreign currencies by mitigating the risk of currency exchange loss.

The *Trade Finance Guide* was created by the International Trade Administration through a public-private partnership with the FCIB, an Association of Executives in Finance, Credit, and International Business; the U.S. Small Business Administration; the Export-Import Bank of the United States; the International Factoring Association; and the Association of Trade and Forfeiting in the Americas. *The Trade Finance Guide: A Quick Reference for U.S. Exporters* is available online at www.trade.gov. Printed copies can be obtained from the Trade Information Center at 1-800-USA-TRAD(E) (1-800-872-8723) and from the U.S. and Foreign Commercial Service's network of domestic Export Assistance Centers and overseas posts. A list of those centers is available online at www.export.gov.

June 5

South Africa Mining
www.buyusa.gov/pittsburgh/southafricamining.html

South Africa is a growing market for mining-related equipment and services. This Webinar will feature a specialist from the USFCS in South Africa who will provide participants with an overview of South Africa's commercial market and its mining industry. For more information, contact Shannon Fraser of the ITA, tel.: (202) 482-3609; e-mail: shannon.fraser@mail.doc.gov.

June 10-13

Hospitalar 2008
 São Paulo, Brazil
www.hospitalar.com

Hospitalar is the largest health care trade show in Latin America. The USFCS office in São Paulo will offer Gold Key service to U.S. companies interested in meeting potential business partners at the show as well as a catalog display. For more information, contact Jefferson Oliveira of the USFCS, tel.: +55 (11) 5186-7136, e-mail: jefferson.oliveira@mail.doc.gov.

June 16-20

Trade Mission to Vietnam
 Hanoi and Ho Chi Minh City, Vietnam
www.export.gov/eac/show_detail_trade_events.asp?EventID=27518

This mission will help U.S. companies launch or increase their export business in the Vietnamese market. Participants will have many opportunities to gain valuable firsthand market information and to make business and government contacts. For more information, contact Karen Dubin of the USFCS, tel.: (202) 482-3786; e-mail: karen.dubin@mail.doc.gov.

June 17-20

CommunicAsia
 Singapore
www.communicasia.com

This show, which is held in conjunction with BroadcastAsia 2008 and EnterpriseIT 2008, is an excellent platform for U.S. information and communications technology firms interested in the Asian market. U.S. exhibitors will be provided value-added services, and USFCS Singapore will staff a business information booth at the show. For more information, contact Sweehoon Chia of the USFCS, tel.: +65 6476 9037; e-mail: chia@mail.doc.gov.

June 18-20

InfoComm 2008
 Las Vegas, Nevada
www.infocomm.org/exhibitions

This show is the leading business-to-business marketplace for display, projection, audio, conferencing, lighting and staging, digital signage, Internet streaming, and networked presentation and communications systems. Professionals from more than 80 countries are expected. For more information, contact Graylin Presbury of the USFCS, tel.: (202) 482-5158; e-mail: graylin.presbury@mail.doc.gov.

June 19

India's High-Tech Sectors Webinar
 Washington, D.C.
www.export.gov/eac/show_detail_trade_events.asp?EventID=28133

Learn about lucrative opportunities in India's dynamic high-technology sectors. This Webinar will focus on India's expanding high-tech market and upcoming trade promotion initiatives. For more information, contact Linda Abbruzzese of the USFCS, tel.: (202) 482-1086, e-mail: linda.abbruzzese@mail.doc.gov.

June 22-25

Business Development Mission to Iraq
 Erbil, Iraq
www.export.gov/eac/show_detail_trade_events.asp?EventID=27794

This mission is open to U.S. companies from all non-petroleum sectors. Registration has now closed for this event, but for information about doing business in Iraq, contact Adam Choppin or Melisa Kersey of the Department of Commerce, tel.: (202) 482-5228; e-mail: adam.choppin@mail.doc.gov, melisa.kersey@mail.doc.gov.

June 24

Benefiting from Free Trade Agreements
 Miami, Florida
www.export.gov/eac/show_detail_trade_events.asp?EventID=28135

This seminar will guide participants through the eligibility criteria and documentary obligations for all existing U.S. free trade agreements and will help companies take advantage of the concrete benefits those agreements provide. Frank Reynolds of International Projects Inc. will be the feature presenter. For more information, contact Martina Echevarria of the USFCS, tel.: (954) 356-6640; e-mail: martina.echevarria@mail.doc.gov.

June 28-July 1

Institute of Food Technologies Food Exposition 2008
 New Orleans, Louisiana
www.am-fe.ift.org/cms

Professionals from around the world—including food technologists, scientists, buyers, and sellers—will make their way to this show to learn about new products, technologies, applications, and services in the food industry. For more information, contact Amanda Avayaz of the USFCS, tel.: (202) 482-0338; e-mail: amanda.avayaz@mail.doc.gov.

On The Horizon

July 14–20

Farnborough International Airshow

Farnborough, United Kingdom
www.farnborough.com

This show occurs every two years and is an important venue for U.S. exporters in both civilian and military aviation. In 2006, it welcomed 1,480 exhibiting companies from 35 countries, high-level defense delegations from 43 countries, and civil aerospace delegations from 15 countries. Some 270,000 people attended the show—of which 140,000 were trade visitors. For more information, contact Joseph English of the USFCS, tel.: (202) 482-3334; e-mail: joseph.english@mail.doc.gov.

July 22

Discover U.S. Education Kuala Lumpur, Malaysia

www.discoveruseducation.org

This event provides information to prospective students about U.S. universities and colleges. Last year, it attracted 4,000 attendees (of which 3,000 were prospective students) and 43 exhibiting U.S. institutions of higher education. For more information, contact LayHwa Teh of the USFCS, tel.: +60 (3) 2168-5048; e-mail: layhwa.teh@mail.doc.gov.

July 27–31

Clinical Lab Exposition Washington, D.C.

www.export.gov/eac/show_detail_trade_events.asp?EventID=28160

This show is expected to attract more than 600 companies, displaying products and services for clinical laboratories, which is a market that is dominated by U.S. companies. More than 200 conference sessions will run parallel with the exhibits. In the past, about a quarter of all attendees were international visitors, representing more than 90 countries. For more information, contact Eugene Quinn of the USFCS, tel.: (202) 482-0578; e-mail: eugene.quinn@mail.doc.gov.



Featured Trade Show

Clean Energy and Environment Trade Mission

September 1–12, 2008

Beijing, Jinan, and Shanghai, China
(September 1–5)

New Delhi, Hyderabad, and Mumbai,
India (September 7–12)

www.export.gov/cleanenergymission/

This September, U.S. companies selling clean energy and environmental technologies and services will have a chance to initiate or expand their sales in two booming markets by participating in a Department of Commerce trade mission to China and India. Assistant Secretary of Commerce David A. Bohigian will lead the mission, which will draw on the expertise of Department of Commerce staff in China, India, and the United States.

Both China and India offer opportunities to U.S. firms in the clean energy and environment sector. In China, rapid economic growth has been accompanied by widespread pollution and environmental degradation. That problem, combined with limited energy resources and inefficient use of energy, has caused the government to make clean energy, environmental technologies, and energy efficiency a strategic priority.

Likewise, India is experiencing dramatic economic growth, which has brought rapidly increasing demand for energy. Currently, India is the world's fourth-largest energy consumer, but it will be the third-largest economy by 2030. India's government has specified renewable energy in its development plans and has developed numerous incentives.

The cost to participate in the trade mission is \$5,400 per company and \$1,000 for each additional company representative. Participating in either the China or India portion of the mission costs \$3,500 per person and \$750 for each additional company representative. Applications must be submitted by July 21, 2008. For more information, contact Brian O'Hanlon, tel.: (202) 482-3492; e-mail brian.ohanlon@mail.doc.gov; or Debra Delay, tel.: (617) 565-4302; e-mail: debra.delay@mail.doc.gov.



International Trade Update

is published monthly by the Office of Public Affairs of the U.S. Department of Commerce's International Trade Administration (ITA). You can read or download the newsletter from ITA's Web site at www.trade.gov. To receive notification by e-mail when new issues are published, visit www.trade.gov, click on International Trade Update, and then click on "Subscribe to this newsletter."

For more information and news, visit ITA's Web site at www.trade.gov or contact the Office of Public Affairs, International Trade Administration, 1401 Constitution Avenue NW, Washington, DC 20230; tel.: (202) 482-3809.

Christopher A. Padilla

Under Secretary of Commerce for International Trade

Matt Englehart

Director, Office of Public Affairs

John Ward

Editor

Web edition and electronic dissemination:

Jeremy Caplan

Copyediting:

Publications Professionals LLC

Calendar editor:

Lorri Crowley

Production assistance:

Michele Robinson

Editorial Interns:

Pierce Nixon, Mira Shastry

Design and composition:

U.S. Government Printing Office, Creative Services Division

Material in this newsletter may be reproduced unless otherwise noted. When reprinting, please credit the U.S. Department of Commerce, International Trade Administration.

Importance of Services Negotiations, Help for Small Exporters Emphasized in Policy Recommendations

At a recent meeting in Washington, D.C., the President's Export Council made a series of four recommendations on U.S. export policy: multilateral negotiations on services exports, government help for small businesses, import safety, and immigration reform.

BY PIERCE NIXON

The President's Export Council (PEC) met in Washington, D.C., on April 8, 2008, to approve four letters of policy recommendations for President George W. Bush. The letters emphasized the need for stronger support of the U.S. service industry in foreign markets, encouraged efforts to reduce regulatory obstructions for small and medium-sized enterprises (SMEs) abroad, highlighted the necessity for immigration reform to help offset workforce shortages in highly trained positions, and discussed potential ways to ensure the safety of imported goods.

Importance of Services Sector in Doha Talks

The PEC applauded the administration's work to secure lasting bilateral and regional free trade agreements, but it underscored the potential benefits for U.S. firms that may arise out of the multilateral Doha negotiations being conducted by the World Trade Organization (WTO). The PEC suggested that the negotiators give services the same level of attention as agriculture and non-agricultural market access (NAMA) to make foreign markets more accessible to U.S. firms in the services sector—which is now the largest sector of the U.S. economy. The PEC pointed out that many WTO members are unwilling to allow liberalization of their economies that would be sufficient to support a significant U.S. service sector presence, and it encouraged the administration to make support for services a priority at the Doha negotiations.



Secretary of Commerce Carlos M. Gutierrez (center) and J. W. Marriott Jr. (right), chair of the President's Export Council, at the April 8, 2008, meeting of the PEC in Washington, D.C. (U.S. Department of Commerce photo)

The Role of Small and Medium-Sized Enterprises

Many countries support domestic business by subsidizing production and by creating impediments to competition from foreign firms. Those policies impede the operations of U.S. firms in foreign markets, and SMEs usually suffer the most.

SMEs account for more than 28 percent of U.S. exports and support more than half of private-sector employment in the United States. The PEC urged the administration to support SMEs by continuing to pursue comprehensive trade agreements, by encouraging large businesses to use SMEs in global supply chains, by improving communication about U.S. government programs that assist SMEs, and by promoting uniform international trade standards and rules.

continued on page 12

For More Information

Established in 1973, the PEC is an advisory committee to the president on exporting. Its membership includes representatives from business, industry, agriculture, labor, and government. For more information about the PEC, including the full text of the latest letters of recommendation, visit www.ita.doc.gov/td/pec/.

U.S. Export Assistance Centers

U.S. Export Assistance Centers (USEACs) are located in more than 100 cities throughout the United States. They are supported by five federal agencies, and serve as one-stop shops that provide small and medium-sized businesses with hands-on export marketing and trade finance support. For more information, visit the U.S. government's export portal, www.export.gov.

ALABAMA

Birmingham: (205) 731-1331

ALASKA

Anchorage: (907) 271-6237

ARIZONA

Phoenix: (602) 640-2513

Tucson: (520) 670-5540

ARKANSAS

Little Rock: (501) 324-5794

CALIFORNIA

Bakersfield: (661) 637-0136

Fresno: (559) 227-6582

Indio/Cabazon: (760) 772-3898

Ontario: (909) 466-4134

Los Angeles (Downtown): (213) 894-4231

Los Angeles (West): (310) 235-7104

Monterey: (831) 641-9850

Newport Beach: (949) 660-1688

Oakland: (510) 273-7350

San Rafael (North Bay): (415) 485-6200

Sacramento: (916) 566-7170

San Diego: (619) 557-5395

San Francisco: (415) 705-2300

San Jose (Silicon Valley): (408) 351-3390

Ventura County: (805) 488-4844

COLORADO

Denver: (303) 844-6001

CONNECTICUT

Middletown: (860) 638-6950

DELAWARE

Served by the Philadelphia, Pennsylvania, U.S. Export Assistance Center

DISTRICT OF COLUMBIA

Served by the Arlington, Virginia, Export Assistance Center.

FLORIDA

Clearwater: (727) 893-3738

FT. Lauderdale: (954) 356-6640

Jacksonville: (904) 232-1270

Miami: (305) 526-7425 ext. 27

Orlando: (407) 968-8122

Tallahassee: (850) 942-9635

GEORGIA

Atlanta: (404) 897-6090

Savannah: (912) 652-4204

HAWAII/PACIFIC ISLANDS

Honolulu: (808) 522-8040

IDAHO

Boise: (208) 364-7791

ILLINOIS

Chicago: (312) 353-8040

Libertyville: (847) 327-9082

Peoria: (309) 671-7815

Rockford: (815) 316-2380

INDIANA

Indianapolis: (317) 582-2300

IOWA

Des Moines: (515) 288-8614

KANSAS

Wichita: (316) 263-4067

KENTUCKY

Lexington: (859) 225-7001

Louisville: (502) 582-5066

LOUISIANA

New Orleans: (504) 589-6546

Shreveport: (318) 676-3064

MAINE

Portland: (207) 541-7430

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

Mississippi: (601) 965-4130

MISSOURI

St. Louis: (314) 425-3302

Kansas City: (816) 421-1876

MONTANA

Missoula: (406) 542-6656

NEBRASKA

Omaha: (402) 597-0193

NEVADA

Las Vegas: (702) 388-6694

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) 231-0075

NEW YORK

Buffalo: (716) 551-4191

Harlem: (212) 860-6200

Long Island: Harlem Export Assistance Center

New York: (212) 809-2675

Rochester: (585)-263-6480

Westchester: (914) 682-6712

NORTH CAROLINA

Charlotte: (704) 333-4886

Greensboro: (336) 333-5345

Raleigh: (919) 281-2750

NORTH DAKOTA

Fargo: (701) 239-5080

OHIO

Akron: (330) 237-1264

Cincinnati: (513) 684-2944

Cleveland: (216) 522-4750

Columbus: (614) 365-9510

Toledo: (419) 241-0683

OKLAHOMA

Oklahoma City: (405) 608-5302

Tulsa: (918) 581-7650

OREGON

Portland: (503) 326-3001

PENNSYLVANIA

Harrisburg: (717) 872-4386

Philadelphia: (215) 597-6101

Pittsburgh: (412) 644-2800

PUERTO RICO

San Juan (Guaynabo): (787) 775-1992/1974

RHODE ISLAND

Providence: (401) 528-5104

SOUTH CAROLINA

Charleston: (843) 746-3404

Columbia: (803) 738-1400

Greenville (Upstate): (864) 250-8429

SOUTH DAKOTA

Sioux Falls: (605) 330-4264

TENNESSEE

Knoxville: (865) 545-4637

Memphis: (901) 544-0930

Nashville: (615) 259-6060

TEXAS

Austin: (512) 916-5939

Fort Worth: (817) 392-2673

Houston: (281) 449-9402

Grapevine: (817) 310-3744

San Antonio: (210) 228-9878

South Texas: (956) 661-0238

West Texas: (432) 552-2490

UTAH

Salt Lake City: (801) 255-1871

VERMONT

Montpelier: (802) 828-4508

VIRGINIA

Arlington: (703) 235-0331

Richmond: (804) 771-2246

WASHINGTON

Seattle: (206) 553-5615

Spokane: (509) 353-2625

Tacoma: (206) 553-5615

WEST VIRGINIA

Charleston: (304) 347-5123

Wheeling: (304) 243-5493

WISCONSIN

Milwaukee: (414) 297-3473

WYOMING

Served by the Denver, Colorado, Export Assistance Center

Importance of Services Negotiations

continued from page 10

Immigration Reform and the Need for Skilled Labor

The increased emphasis on homeland security and a strong border presence has been necessary to protect the United States since September 11, 2001. But those measures have unintentionally reduced tourism and immigration of highly skilled workers in the science, technology, engineering, and mathematics (STEM) fields. The PEC pointed out that the U.S. economy depends on the immigration of STEM workers to fill necessary positions and that a shortage of qualified employees threatens U.S. competitiveness abroad. To help alleviate the STEM worker shortage, the PEC suggested that all highly skilled graduates be exempt from H-1B visa application and green card caps, that graduates of U.S. universities with advanced degrees be automatically eligible for green card status, and that visa programs be modernized to increase employment-based quotas and to ensure that talented workers can retain U.S. residency.

Import Safety

Several high-profile recalls of dangerous imported goods during the past year have renewed efforts to ensure the safety of U.S. imports. The PEC suggested that the administration use technology to

track product movements and to expedite potential future recalls. It specifically referenced the recommendation by the Interagency Working Group on Import Safety (IWGIS) regarding the use of advanced technologies—such as integrated circuit cards (smart cards) and radio frequency identification devices, which retailers are already using to learn their customers' preferences and to provide targeted discounts—to expedite notification to consumers of recalls. As the IWGIS noted, such technologies—when combined with voluntary disclosure of limited personal information—allow retailers to quickly locate and inform those consumers most likely to be affected by dangerous goods.

In implementing the IWGIS' recommendations, the PEC emphasized that effective notice is a crucial step in the event of a recall. It urged the administration to work closely with the private sector to ensure adoption of systems for recalls and other supply chain management issues that will provide the right information about a product recall to the right parties (including regulatory authorities and retailers) at the right time.

Pierce Nixon is an intern in the International Trade Administration's Office of Public Affairs.

International Trade UPDATE

available on the Web at www.trade.gov