

International Trade UPDATE

www.trade.gov

MAY 2007

Increasing U.S.–Mexico Competitiveness: The Way Forward

A visit to Mexico by Franklin L. Lavin, under secretary of commerce for international trade, highlighted important issues that will enhance the relationship between the United States and its second-largest export market.

BY DAVID LEVEY



Franklin L. Lavin, under secretary of commerce for international trade, speaking at the American Chamber of Commerce of Mexico City, Mexico, on May 8, 2007. (U.S. Department of Commerce photo)

As the trading relationship between Mexico and the United States approaches a rate of \$1 billion per day, the economic connection between the two countries continues to grow richer and more complex. In recognition of this relationship, and to catalyze further growth, Franklin

L. Lavin, under secretary of commerce for international trade, visited Mexico on May 7–10, 2007, to meet with business leaders and government trade officials.

In 2006, the United States was Mexico's largest trading partner. For the United States, trade with Mexico is larger than trade with all of South America, Central America, and the Caribbean combined (with enough left over to also include all trade with India). Put another way, U.S. trade with Mexico today is as large as our trade with the entire world 30 years ago.

Growth and Competition

Although there is much to celebrate in the trade and economic progress between the two countries that has been made in recent years, Lavin remarked during his visit that competition from other regions of the world continues unabated. Neither Mexico nor the United States can be satisfied with what they have accomplished so far.

Speaking at the American Chamber of Commerce in Mexico City on May 8, 2007, Lavin noted, "Mexico's middle class has grown significantly since the North American Free Trade Agreement [NAFTA] was put into force,

continued on page 4

INSIDE

1

Increasing U.S.–Mexico Competitiveness: The Way Forward

2

Commerce Department Enlists Consumers in the Fight against Fakes

5

U.S. Commercial Service Expands to China's Second-Tier Cities

6

Short Takes: News from the International Trade Administration

8

International Trade Calendar

10

Americas Competitiveness Forum Update



INTERNATIONAL
TRADE
ADMINISTRATION

Commerce Department Enlists Consumers in the Fight against Fakes

A consumer awareness campaign launched in April asks the public to think twice about the consequences of counterfeiting and piracy, and it provides steps to keep fakes off the shelves and out of our homes and businesses.

BY AMANDA D. WILSON

A campaign to increase consumer awareness of the damage that fake products and violations of intellectual property rights (IPR) can cause U.S. consumers and the economy in general was launched on April 11, 2007, at an event held at the U.S. Department of Commerce in Washington, D.C.

David Bohigian, assistant secretary for market access and compliance in the International Trade Administration, joined a group of six government officials and private-sector representatives to deliver the message that consumers have a role in the fight against counterfeiting and piracy. The organizations that were represented include France's National Institute for Intellectual Property, the U.S. Department of Commerce, the U.S. Consumer Product Safety Commission (CPSC), and the U.S. Chamber of Commerce. Among the speakers were Jon Dudas, director of the U.S. Patent and Trademark Office, and Jean-David Levitte, ambassador of France to the United States. A panel of distinguished speakers described the risks posed to consumer safety and the U.S. economy.

Piracy Not a Victimless Crime

According to industry reports, counterfeiting and piracy cost the U.S. economy between \$200 billion and \$250 billion per year, and they are responsible for the loss of 750,000 American jobs. Every product in every industry is vulnerable, from everyday household items (such as DVDs, CDs, sunscreen, and prescription drugs) to mechanical goods (such as batteries, car parts, and electrical equipment). Since the early 1990s, trade in counterfeits has grown at eight times the rate of legitimate trade. Counterfeit-related sei-



Jean-David Levitte, ambassador of France to the United States (fourth from left), at the Commerce Department on April 11, 2007, with an exhibit of materials prepared for the French government's "Counterfeiting, No Thanks" campaign. (U.S. Department of Commerce photo)

zures by the U.S. Customs and Border Protection rose 80 percent from 2005 to 2006 alone.

Once viewed as a victimless crime, the sale of these defective and dangerous goods is now recognized in the international trade community as having far-reaching consequences for lives and for the economy. Both the U.S. government and private industry have stepped up the protection and enforcement of IPR by streamlining the supply chain, educating businesses about their rights, and putting increased pressure on governments that turn a blind eye to this illicit trade. Experts recognize, however, that as long as there is demand for fake products, organized counterfeiters and pirates will find a way to supply them.

U.S. Government Teams Up to Protect Consumer Safety

Thomas Hill Moore, commissioner of the CPSC and a participant in the April panel, addressed the risk

posed to consumers by counterfeit and pirated goods. “Counterfeit products are sold at discounted prices, but for consumers looking to save a couple dollars, that discount could be a disaster,” Moore explained. “These products may falsely bear the brand of a reputable company or the label of a respected testing laboratory, or both.”

Moore highlighted the first collaboration on counterfeiting between the CPSC and U.S. intellectual property agencies. He noted that in recent years, the CPSC has recalled more than 1 million counterfeit products.

The CPSC also routinely works with U.S. Customs and Border Protection to identify and stop the import of unsafe products at U.S. ports. CPSC officials report that half of the unsafe products that the commission recalls originate from China. In an effort to improve the safety of products being exported to the United States from China, the CPSC in April 2004 signed a memorandum of understanding with its Chinese counterpart, the General Administration for Quality Supervision Inspection and Quarantine. On May 21–22, 2007, Nancy A. Nord, acting chairman of the CPSC, traveled to Beijing to participate in bilateral talks that are a part of the agency’s continuing efforts in this area.

The International Trade Administration is working closely with the CPSC to ensure that the consumers and businesses that fall victim to trade in counterfeit goods can benefit from shared information about dangerous products entering the market.

STOP! Activities Detailed

Chris Israel, national intellectual property enforcement coordinator, and Caroline Joiner, executive director of the U.S. Chamber of Commerce’s Global Anti-Counterfeiting and Piracy Initiative, represented government and industry experiences with the Bush administration’s Strategy Targeting Organized Piracy (STOP!). They illustrated to the April 11 event’s audience a side of counterfeiting that consumers often overlook.

Israel gave examples of counterfeiters and pirates who deal in seemingly innocuous products but are found to have links to drug trafficking, arms traffick-

ing, illegal immigration, and terrorism. “Counterfeiting networks can be seen as a mass production industry,” said Israel. “Factories in developing regions are using leading-edge technology to manufacture fake products.”

Joiner presented staggering figures of the blow dealt by counterfeiting and piracy to the U.S. economy. The U.S. auto industry has lost \$3 billion to fake auto parts; U.S. pharmaceutical companies face losses of \$32 billion a year; and the appearance of pirated DVDs before movies have even reached theaters results in more than \$800 million in lost tax revenue. Each of those dollar figures has corresponding consequences for the country’s ability to maintain or create new jobs. Small businesses face perhaps the toughest challenge, because one counterfeiter can be devastating to a company trying to grow or just maintain an established clientele.

French Efforts Exhibited

The program also showcased the Department of Commerce’s partnership with France’s National Intellectual Property Institute, which provided an exhibit of the consumer awareness campaign it recently launched in France, “Counterfeiting, No Thanks.”

Amanda D. Wilson is an international trade specialist in the Department of Commerce’s Office of Intellectual Property Rights



An exhibit at the Commerce Department event launching a consumer awareness campaign against counterfeiting and piracy on April 11, 2007, showed examples of counterfeit consumer goods, including shoes, handbags, batteries, and other consumer items. (U.S. Department of Commerce photo)

How to Obtain Copies

A list of steps that consumers can take to protect themselves from fake or pirated goods has been compiled by the Department of Commerce in partnership with the U.S. Chamber of Commerce. It is available on the Web at www.stopfakes.gov. Click on “Top 10 Ways to Protect Yourself.”

Increasing U.S.–Mexico Competitiveness

continued from page 1

with nearly 10 million households—40 percent of the population—part of the middle class today. More Mexicans own their own homes today than ever before, a sign that a vibrant domestic consumer market for imported goods is being created. Indeed, Mexico today is the second-largest export market for the U.S.”

This growth is due, in large part, to a dramatically improved business environment in Mexico. In a recent report, *Doing Business 2007: How to Reform*, the World Bank ranks Mexico as one of the world’s top three economic reformers among the 175 countries it measured. According to the report, Mexico jumped more than 20 rankings, and it now ranks favorably with economies such as Spain and Taiwan. This change is quite an improvement from 20, 10, or even 5 years ago.

Factory Visit Highlights Challenges

According to the World Bank, one of the regions that is most open for business is the central Mexican state of Querétaro, which is located about 120 miles north of Mexico City. Lavin visited the city of Querétaro on May 9, 2007, touring a state-of-the-art glass making facility for Guardian Industries. In a speech to Querétaro’s business leaders, Lavin remarked that the United States has to improve border crossings, to update trucking rules, to enact immigration reform, and to extend the benefits of free trade to other nations in the Western Hemisphere. Passage of the pending free trade agreements already negotiated with Colombia, Panama, and Peru is also an important priority for the Bush administration.

Trade Barriers and Rule of Law

During his time in Mexico, Lavin raised a number of issues with his Mexican hosts. In his remarks in Querétaro, he pointed out that “one barrier to trade that remains [is] redundant testing and certification procedures. For example, Mexico has not yet authorized foreign testing bodies in keeping with NAFTA obligations. . . . This results in unnecessary retesting and recertifying of electrical products.”

Another challenge is the need to increase the effectiveness of the rule of law. Lavin remarked, “I have heard from a number of companies [that] want reassurances that commercial disputes will be addressed through civil proceedings. They want to know they will not be subjected to criminal charges if their company has a civil dispute with a Mexican entity.”

Intellectual Property and Market Liberalization

A related legal issue is the protection of intellectual property rights (IPR). “Strong IPR protection will help spur investment in high technology in Mexico and will give Mexicans an incentive to innovate,” noted Lavin during his visit. “President Felipe Calderón has taken a number of important, positive actions regarding a wide variety of rule of law issues, but these initiatives need to now be implemented.”

Mexico can take other steps that would improve the lives of its citizens, such as liberalization in the telecommunications and broadcasting sectors. A competitive broadcasting sector, for example, would provide more content choices for Mexican consumers and would spur innovation. Competition in cell phone service, which is currently a monopoly, would encourage innovation and lower prices. Mexicans now pay some of the highest rates in the world for fixed-line telephone service, and the rates for international and cellular service are about six times the U.S. average.

None of these policy and market issues detract from Mexico’s impressive economic achievements or from the great strides that the United States and Mexico have taken together. “There is cause for optimism—both because of how far the two countries have come in such a short period of time and because of the commitment shown by the leadership of both countries to advancing our relationship as partners, neighbors, and friends,” said Lavin.

David Levey is a writer in the International Trade Administration’s Office of Public Affairs.

For More Information

Economic growth throughout the Western hemisphere will be the topic of the two-day Americas Competitiveness Forum that will be held on June 11 and 12, 2007, in Atlanta, Georgia. For more information on the event, read the related report on page 10.

U.S. Commercial Service Expands to China's Second-Tier Cities

Fourteen of China's second-tier cities account for 8 percent of China's population but 53 percent of its total imports, which is why the untapped markets of China's emerging cities provide some of the most exciting and lucrative opportunities for U.S. exporters.

BY NICHOLAS MONSEES



Barry Friedman, minister counselor for commercial affairs, inspects the Apple booth at SINOCES 2006. (U.S. Department of Commerce photo)

the real source of China's economic growth. Contrary to expectations, the majority of China's imports are not ending up in Beijing, Guangzhou, or Shanghai. Rather, a select group of 14 second-tier cities—Chongqing, Dalian, Hangzhou, Harbin, Kunming, Nanjing, Ningbo, Qingdao, Shenzhen, Tianjin, Wuhan, Xiamen, Xian, and Zhuhai—account for an astonishing 53 percent of China's total imports, almost double the amount of the three Chinese megacities combined.

Local entrepreneurs in those emerging cities are not the only ones reaping the benefits. Those cities have become importing havens, and they present lucrative opportunities, especially for U.S. companies. Perhaps the critical question for U.S. firms is not whether there is a second-tier city market, but which city is best for a particular industry or product.

On-the-Ground Assistance

One of the ways that the USFCS is helping U.S. companies meet potential buyers from emerging markets is by assisting them in promoting their products at trade shows in China. The USFCS offers preshow marketing assistance and briefings, as well as access to prime locations on the exposition floor as part of a "pavilion" of American companies. A spokesperson for Vweb, an exhibitor in the U.S. pavilion at the China Consumer Electronics Show (SINOCES) 2006 in Qingdao, describes how the USFCS helped introduce the company's products into the Chinese market. "The connections, press coverage, and customer visits from SINOCES are producing good results for us, and our sales in China are growing very fast. We expect our sales in China will grow more than 100 percent next year."

To help U.S. exporters reach China's emerging markets, the U.S. and Foreign Commercial Service (USFCS) has expanded the scope of its operations to include several of China's fastest-growing second-tier cities. USFCS now offers its services in 14 key regional hubs and emerging markets across China through its American Trading Center (ATC) program. With access to a broad cross-section of contacts, including potential agents and distributors, major end-users, and key government officials, the new initiative by USFCS has been helping U.S. companies meet the right people at the right levels to expand their businesses.

China's Real Economic Engine

China's unprecedented growth and the opportunities it presents are no longer a secret in the business world. Although megacities, such as Beijing and Shanghai, have long captured much of the spotlight, it is behind the scenes, in second-tier cities, where one can witness

continued on page 12

Spanish Edition of Business Ethics Textbook Published

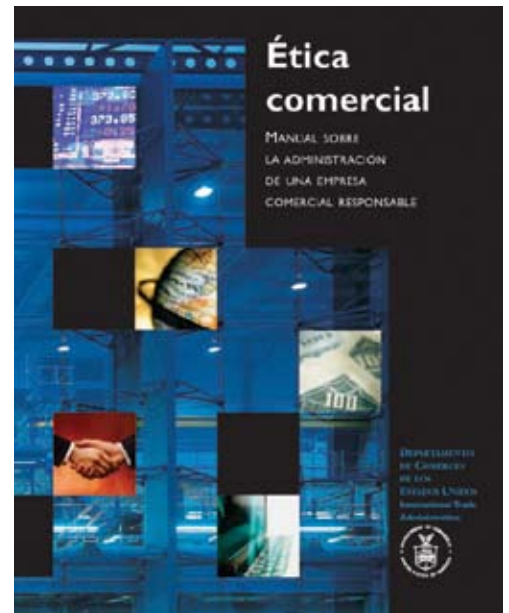
The Department of Commerce's Good Governance Program has published a Spanish-language edition of its basic textbook on responsible business conduct, *Business Ethics*. Titled *Ética Comercial*, this edition is the fourth official version of the book, which has already been published in English, Russian, and Albanian.

"The United States and Latin America are natural economic allies [which] are becoming more and more integrated," said Secretary of Commerce Carlos M. Gutierrez in his introduction to the book. "These closer ties bring with them greater responsibility ..., [and] businesses have come to the realization that it benefits them to be leaders in the building of societies that value good governance, responsibility, and transparency."

In 10 chapters, the book examines what it means to be a responsible business enterprise, how to establish and run a business ethics program, and how to achieve and measure success. Ten appendixes and 16 worksheets, along with numerous real-life examples, amplify the text.

Ética Comercial will be used in six Latin American countries that have active programs in business ethics: El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Paraguay. Those programs have been set up under the auspices of the Good Governance Program in conjunction with local business organizations.

Copies of *Ética Comercial* are available for purchase from the U.S. Government Printing Office's Web site at <http://bookstore.gpo.gov>. Search for stock number 003-009-00736-4. The full text is also available for downloading from the Web site of the Good Governance Program at www.ita.doc.gov/goodgovernance/.



Benefits of Open Skies Agreement with European Union Examined

On March 2, 2007, the United States concluded a comprehensive air transport agreement with the European Union (EU) and its 27 member countries. According to a paper recently published by the Manufacturing and Services unit of the International Trade Administration, the agreement, which was signed in conjunction with the April 30, 2007, U.S.-EU Summit in Washington, D.C., has tremendous potential for transforming air travel and trade across the Atlantic.

The paper, "The Impact of the 2007 U.S.-EU Open Skies Air Transport Agreement," examines key elements of the agreement and looks at how it will affect the movement of passengers and cargo between the United States and Europe. The agreement will be provisionally applied beginning March 30, 2008. It will extend "open skies" principles to EU countries where the United States has previously had either restrictive agreements or none at all.

Research cited in the paper estimates that approximately \$12 billion annually would accrue to transatlantic airlines and related industries as a result of the agreement. Some 80,000 new jobs could potentially be generated. For consumers, the agreement will bring more competition and additional direct routes to more European cities.

The travel and tourism sector of the U.S. economy also stands to benefit from the agreement. Figures cited in the paper foresee growth of travel from the United States to the EU of 11 percent and growth of travel from the EU to the United States of 26 percent between 2006 and 2010.

Copies of the paper are available on the Web at www.ita.doc.gov/media/publications/.

Trade Promotion Authority Supported by President's Export Council

At a meeting of the President's Export Council (PEC) held on April 24, 2007, the 48-member advisory group approved a letter of recommendation to President George W. Bush that voices strong support for the continuation of trade promotion authority (TPA).

"Since enactment in 2002, TPA has helped open markets for U.S. exporters through the successful negotiation and implementation of free trade agreements with 10 partner countries," said the PEC in its letter. "Failure to renew TPA will severely hinder the U.S. position in the global economy. Our trading partners will hesitate, or even refuse, to enter into trade negotiations with the United States without TPA."

TPA in essence is an agreement between the Congress and the administration. It sets forth specific Congressional guidance on objectives to seek in trade negotiations and certain notice and consultation requirements for obtaining Congressional, private-sector, and public advice. If the administration follows the TPA provisions, it can present the negotiated agreement to Congress for an up-or-down vote without amendments. TPA was first enacted under the Trade Act of 1974. The current TPA, enacted under the Trade Act of 2002, is set to expire on June 30, 2007.

"I commend PEC for understanding the value of renewing trade promotion authority," said Secretary of Commerce Carlos M. Gutierrez in a statement released at the conclusion of the PEC's April meeting. "TPA and our free trade agreements are vital keys to further opening markets for U.S. farmers, manufacturers, and service providers. Last year, we exported a record \$1.4 trillion. Renewal of TPA is essential to keep this momentum going and to keep American companies competitive in global trade."

The full text of the letter is available on the Web site of the President's Export Council at www.ita.doc.gov/td/pec/.

June 4-8**USA Week in Dakar****Dakar, Senegal**www.export.gov

This show will promote U.S. products and services in nine different sectors. Because Senegal and its neighboring states represent 40 million consumers, this event will be an opportunity for companies to leverage their marketing and promotion investment. For more information contact Youhanidou Wane Ba of the USFCS, tel.: +221 823-4296, ext. 3201; e-mail: youhanidou.waneba@mail.doc.gov.

June 4-12**Building for the Future: 2007****U.S. Green Building Products****Trade Mission to Asia****Hong Kong; Manila, Philippines; Singapore**www.export.gov

Hong Kong, the Philippines, and Singapore all offer good opportunities for U.S. building products suppliers. Trade mission participants will be introduced to potential agents and distributors, architects, and end-users and will have an opportunity to learn more about building trends in those three markets. For more information, contact Amy Magat of the USFCS, tel.: (213) 894-3966; e-mail: amy.magat@mail.doc.gov

June 7-10**Sino-Dental****Beijing, China**www.sinodent.com.cn/eng/

Sino-Dental is an annual event that hosts more than 500 exhibitors from more than 20 countries. Nearly 60,000 visitors from 50 countries visit the show each year. This year will include a U.S. pavilion, which will offer U.S. exhibitors streamlined booth arrangements, a liaison with Chinese organizers, and more. For more information contact Richard Craig of the USFCS, tel.: +86 (10) 8529-6655, ext. 806; e-mail: richard.craig@mail.doc.gov.

June 11**Americas Competitiveness Forum****Atlanta, Georgia**www.trade.gov/competitiveness/acf

U.S. Secretary of Commerce Carlos M. Gutierrez will host the inaugural Americas Competitiveness Forum on June 11-12, 2007, in Atlanta, Georgia. For more information, contact Alysia Wilson of the Department of Commerce, tel.: (202) 482-5327; e-mail: alysia_wilson@ita.doc.gov.

June 12**Finance and Expand Your Export Business****White Plains, New York**www.buyusa.gov/westchester/finance-seminar.html

This one-day seminar will be packed with ready-to-use information that will help companies finance and grow their export business. The Department of Commerce and M&T Bank have teamed up to help exporters find foreign customers, be more competitive in sales terms, and obtain the working capital financing needed to fulfill and expand their businesses. For more information, contact Susan Widmer of the USFCS, tel.: (914) 682-6712; e-mail: susan.widmer@mail.doc.gov.

June 14**Intellectual Property Rights in China**www.stopfakes.gov

This program is part of a continuing series of Webinars on the protection of intellectual property rights in China. It is sponsored by ITA's China office and will run from 2:00 p.m. to 3:30 p.m. Eastern time. For more information, or to register, send an e-mail to chinaipr@mail.doc.gov.

June 19-21**World of Concrete****Mexico City, Mexico**www.worldofconcretemexico.com

This show is one of the most important business events in the industry, displaying the latest in machinery, tools, products, materials, and equipment for concrete construction. Attendees will include architects, engineers, commercial and residential contractors, housing developers, precast and prestressed concrete and concrete block manufacturers, state corporations, and government agencies. For more information, contact Sam Dhir of the USFCS, tel.: (202) 482-4756; e-mail: sam.dhir@mail.doc.gov.

June 19-22**CommunicAsia 2007 and****BroadcastAsia 2007****Singapore, Singapore**www.communicasia.com,www.broadcast-asia.com

These jointly held shows are the most well-established and comprehensive telecommunication and information technology events in Asia. Services provided for U.S. exhibitors will include Showtime, matchmaking, a briefing, market reports, and more. USFCS Singapore will also staff a business information booth at the fair. For more information, contact William Corfitzen at the USFCS, tel.: (202) 482-0584; e-mail: william.corfitzen@mail.doc.gov.

June 22-24**China International****Sporting Goods Show****Beijing, China**www.sportshow.com.cn

Demand for high-quality sporting goods is growing rapidly in China. This show includes a U.S. pavilion, which will offer U.S. exhibitors streamlined booth arrangements, market entry counseling, and logistics liaison with Chinese organizers. For more information, contact Yan Shen of the USFCS, tel.: +86 (10) 8529-6655, ext. 826; e-mail: yan.shen@mail.doc.gov.

On The Horizon

July 11–13

PAACE Automechanika

Mexico 2007

Mexico City, Mexico

www.export.gov

The Panamerican Automotive Accessories/Components Expo (PAACE) is the leading automotive parts industry trade event in Mexico. In 2006, there were 546 exhibitors at the show, with 17,557 visitors from 34 countries. A seminar program will feature national and international market information, importing and exporting guidelines, and marketing and product information. For more information, contact Monica Martinez of the USFCS, tel.: +52 (55) 5140-2628; e-mail: monica.martinez@mail.doc.gov.

July 15–19

AACC Annual Meeting and

Clinical Lab Expo

San Diego, California

www.aacc.org

The annual meeting of the American Association for Clinical Chemistry (AACC) has become the premier marketplace and largest exposition of its kind in the world. This year, more than 600 companies displaying products and services for clinical laboratories are expected. More than 200 conferences and sessions will be running parallel with the exhibits. For more information, contact William Kutson of the USFCS, tel.: (202) 482-2839; e-mail: william.kutson@mail.doc.gov.

July 17

Census Bureau Schedule

B Classification Conference

Charlotte, North Carolina

www.export.gov

This conference is a full-day event covering Schedule B classification regulations, commodity analysis to determine appropriate Schedule B classification, and the role of U.S. Customs and Border Protection in the export and import process. For more information, contact Juanita Harthun of the USFCS, tel.: (704) 333-2198; e-mail: juanita.harthun@mail.doc.gov.

Market of the Month: Singapore



Southeast Asia and Singapore in a satellite image. (NASA Johnson Space Center—Earth Sciences and Image Analysis)

In 2006, Singapore was the ninth-largest export market for manufactured goods (\$24.7 billion) for the United States, and it was 15th-largest trading partner during the same period. Two-way trade increased 19 percent to \$42.5 billion, the second-highest rate of growth among major trading partners after China (20.2 percent). Also that year, U.S. exports to Singapore increased 19.9 percent to \$24.7 billion. U.S. exports primarily consisted of machinery (\$6.4 billion), electrical machinery (\$6.2 billion), aircraft and aircraft parts (\$3.6 billion), and optical and medical instruments (\$1.8 billion).

The U.S. export data reflect Singapore's important role as a major distribution center, serving as the gateway to the region. Many of the U.S. products imported into Singapore are eventually reexported as finished and semi-finished products to other markets in Southeast Asia and worldwide. Singapore was home to the world's busiest container port in 2006.

Beyond its role as a gateway, Singapore is one of the most highly developed and sophisticated industrial, commercial, financial, and consumer economies in the world. With a per capita gross domestic product of nearly \$30,000, Singapore is an excellent market for a wide variety of U.S. products and services.

Best prospects for U.S. sales in Singapore include aircraft and parts, laboratory and scientific instruments, telecommunication equipment, oil and gas equipment, medical devices, pollution control equipment, construction equipment, and electronic industry production and testing equipment.

For more information on opportunities in Singapore, visit www.export.gov or visit the Commercial Service's Singapore site at www.buyusa.gov/singapore/en.



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 Trade Update, and scroll to the subscribe link.

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.

Franklin L. Lavin

*Under Secretary of Commerce
for International Trade*

Charles Skuba

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

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.

Americas Competitiveness Forum Update

The June forum will feature the participation of senior officials from numerous Western Hemisphere countries as well as site visits that highlight the four issues areas that are the focus of the two-day event.

BY DAVID WEEMS



THE AMERICAS COMPETITIVENESS FORUM Promoting Prosperity and Economic Opportunity JUNE 11-12 2007 | ATLANTA, GEORGIA | USA

Secretary of Commerce Carlos M. Gutierrez will host the Americas Competitiveness Forum on June 11-12, 2007, in Atlanta, Georgia. In addition to Secretary Gutierrez, two U.S. cabinet secretaries, including Secretary of Treasury Henry M. Paulson and Secretary of Education Margaret Spellings; three Latin American vice presidents, Ana Vilma de Escobar of El Salvador, Jaime Morales Carazo of Nicaragua, and Kevin Casas Zamora of Costa Rica; and senior officials from 29 Western Hemisphere nations have confirmed their participation.

Two other high-ranking officials, Luis Alberto Moreno, president of the Inter-American Development Bank, and Hernando de Soto, president of Peru's Institute for Liberty and Democracy, are scheduled to also address forum attendees on the state of competitiveness in the Western Hemisphere.

On June 13, 2007, government participants are invited to attend a number of site visits in the Atlanta area. Each visit will be related to one of the four issue tracks of the forum: education, global supply-chain strategies, small business development, and innovation.

Education and Global Supply-Chain Strategies

One site visit will be to a pre-ribbon-cutting ceremony on the grounds of the Ron Clark Academy, which is located in an area of downtown Atlanta that is identified for revitalization. Guests will have the opportunity

to tour this new, state-of-the-art facility, which blends creative teaching techniques with the latest innovations in technology.

Another site visit will highlight global supply-chain strategies at the air cargo handling facility of Delta Air Lines at Hartsfield-Jackson Atlanta International Airport. Guests will enjoy an informal luncheon and a tour of the cargo facility. The airport is designated as a U.S. Customs Model Inland Port, where most international cargo can be cleared electronically within a four-hour window.

Small Business Development and Innovation

Government participants will also be invited to visit the AmericasMart, a case study in how the private sector, local government, and universities work together to encourage small business growth in Atlanta. The site visit will begin with a lunchtime discussion of the collaborative public-private and public-academic efforts under way in Atlanta to assist small businesses. After the luncheon, participants will be able to tour the AmericasMart, which is billed as the world's largest wholesale marketplace.

A separate luncheon and tour of the InterfaceFLOR Commercial facility will highlight innovation. Participants will learn how InterfaceFLOR has become a company that addresses the needs of society and the environment by developing a system of industrial production that decreases costs and dramatically reduces the burdens placed on living systems.

David Weems is an international trade specialist with the International Trade Administration's Market Access and Compliance unit.

For More Information

More information about confirmed speakers and site visits, as well as a detailed agenda of the entire two-day forum, is available on the Americas Competitiveness Forum's Web site at <http://trade.gov/competitiveness/acf>. Registration can also be made through the Web site. Information on the forum agenda, speakers, and panelists will be updated on a regular basis, and questions about the forum can be submitted through the Web site. Questions regarding the Americas Competitiveness Forum can also be directed to Alysia Wilson of the International Trade Administration's Market Access and Compliance unit, tel.: (202) 482-5327; e-mail: alysia.wilson@mail.doc.gov.

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, or call the Trade Information Center at 1 (800) USA-TRADE (872-8723).

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

Commercial Service Expands

continued from page 5

Information Technology Imports on the Rise

Success stories such as Vweb's are not uncommon, especially for U.S. firms involved in China's booming information technology (IT) sector. As China strives to diversify its manufacturing base and to move its way up the value chain, few industries show more potential for growth than IT. Much of this explosive growth is happening in the second-tier cities, with some even surpassing that of Beijing, Guangzhou, and Shanghai. One emerging city in particular, Shenzhen, has become a leading importer of IT goods .

Shenzhen: A Leader in IT Imports

Shenzhen, located in the southern Pearl River delta just across the border from Hong Kong's New Territories, has been one of the fastest-growing cities in the world since its opening in the late 1970s. Once a small fishing village, Shenzhen is now the largest manufacturing base in the world and the hottest market for IT goods in China. Shenzhen's growth in the sector is phenomenal, dwarfing that of Beijing, Guangzhou, and even Shanghai. The city now imports more integrated circuits and electrical components than any other city in China. Since 2000, Shenzhen's annual imports of foreign electrical components and integrated circuits have grown by an astonishing 520 percent and 720 percent, respectively.

Sustained Growth Foreseen

Experts forecast that growth in the second-tier cities will remain strong in the coming years. What makes those emerging markets even more attractive for U.S. exporters is that they have a lower level of saturation and competition than their first-tier counterparts. Moreover, as the ranks of the middle class in those emerging markets continue to swell, so will the demand for foreign goods. The combination of those factors will continue to make second-tier cities one of the best opportunities for U.S. companies to expand their businesses in China.

Nicholas Monsees is an international trade assistant with the Department of Commerce's U.S. and Foreign Commercial Service.

For More Information

Through a partnership between USFCS and China's national trade promotion organization, China Council for the Promotion of International Trade, ATCs put a network of China trade experts at your fingertips. More information on ATCs and the Chinese market can be found on the Web at www.buyusa.gov/china/en/, or send an e-mail to beijing.office.box@mail.doc.gov.

Upcoming IT Trade Shows in China

- July 6–9, 2007: SINOCEES, Qingdao
- October 23–27, 2007: PT Expo, Beijing
- September 13–16, 2007: China International Exhibition on Financial Banking Technology and Equipment, Beijing

For information on other trade shows in China, visit www.export.gov and click on "Trade Events."