

EXPORT *America*

November 1999 Volume 1
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THE FEDERAL SOURCE FOR YOUR GLOBAL BUSINESS NEEDS

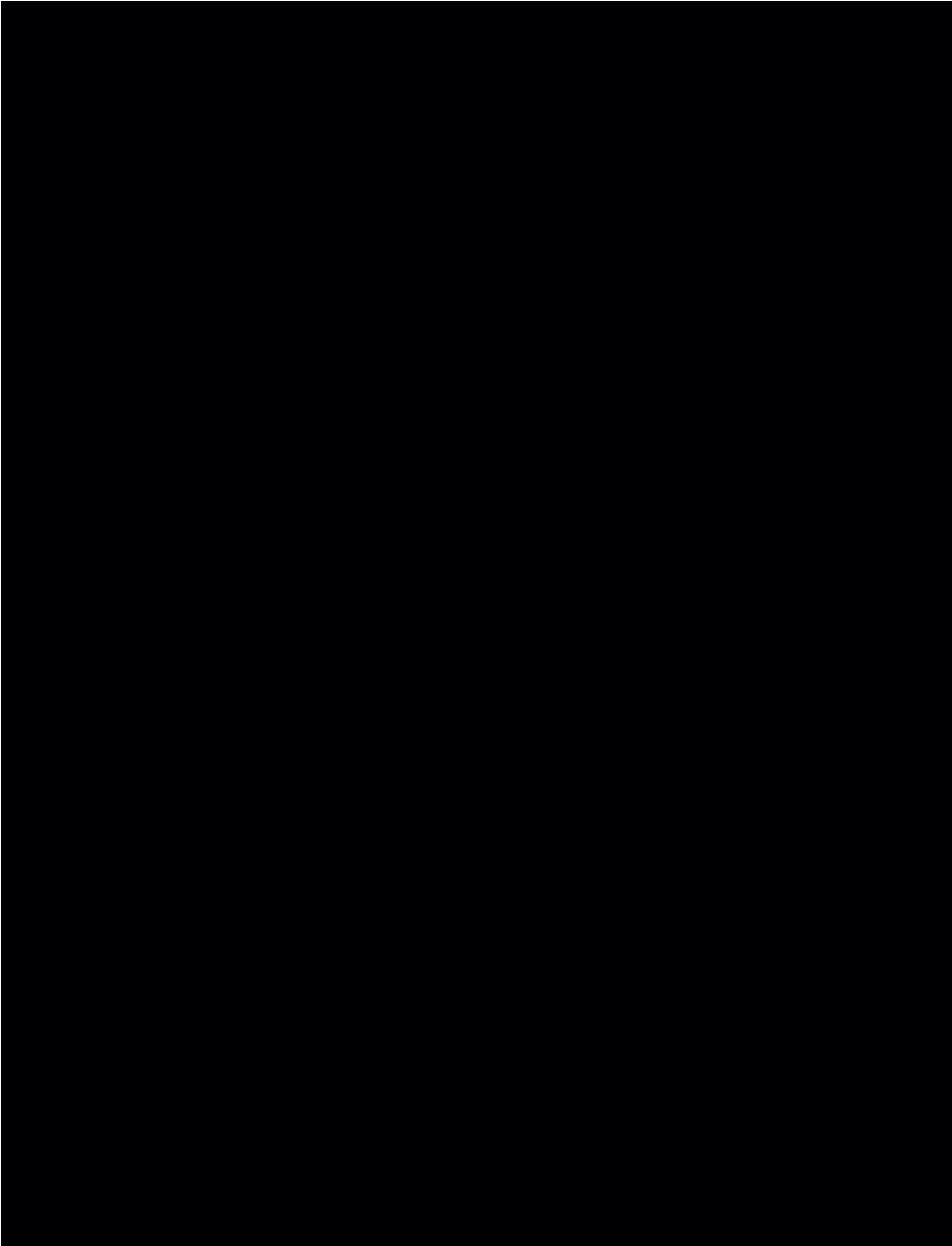
From the **GROUND UP**

How Your Business Can Help
With Global Reconstruction

Inside:

- Why you want a VOICE IN U.S. TRADE POLICY
- What can make your EXPORT LICENSING PROCESS EASIER
- Where to go for EXPORT FINANCING
- How to VISIT A NEW EXPORT MARKET without ever leaving town





EXPORT America

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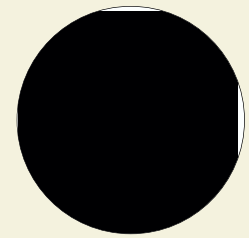
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COVER PHOTO BY DANIEL CRUISE



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International Trade Administration

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Welcome to *Export America*

the U.S. Department of Commerce's new magazine designed to help U.S. businesses export. Whether you're a beginner or looking to expand into new markets, *Export America* will provide you with practical information about every step of the exporting process—from how to get started to how to get paid. Each month's issue will include regional developments, success stories, sources of practical and technical advice, country and sector specific market opportunities, trade events, online marketing tips and export statistics. *Export America* will also provide you with access to the latest trade information from all around the federal government, focusing on new global opportunities and providing you with general advice on topics such as documentation and market research.

This month we feature business opportunities related to reconstruction. In Taiwan, Southeast Europe, Central America and Turkey, people are trying to rebuild after terrible catastrophes. The U.S. Government and U.S. businesses are helping regions recover and grow. In our New Opportunities section, we let you know how you can get involved.

We also have an article on a last-minute Y2K concern. You may think your com-

puters are compliant, but have you considered that someone on your supply chain may not be as ready as you? Our Office of Computers and Business Equipment has produced a tool to help you avoid this kind of disruption in the new millennium.

In addition, this month the Trade Information Center (TIC)—kicking off a regular column—provides in-depth information about the kinds of shipping documentation that you need and where to get them.

What distinguishes us from other international trade related magazines is that we use our access to federal government resources to bring you inside information about what it takes to export. It's our business in the U.S. Department of Commerce to know how to help you export, but only you really know your individual needs. That's why we hope to hear from you with your questions and comments. Again, *Export America* exists to give you the kind of information that will make you a better exporter. We look forward to helping you succeed in the global marketplace. To contact us, please visit our website at <http://exportamerica.doc.gov>.



Honorable William M. Daley
The Secretary of Commerce



November 1999 issue of *Export America*.

GLOBAL NEWS LINE

ARGENTINA

Argentina recently passed resolution 431/99 mandating that all products requiring testing be re-tested in Argentina even when U.S. certification showing conformance to Argentine criteria exists. This re-testing requirement seems to be imposing a severe burden on Argentina's national technical infrastructure and laboratory capacity which must also conduct testing for all electrical equipment and materials produced in Argentina. In early 1998, Resolution 92/98 mandated that all low voltage electrical equipment and materials marketed in Argentina meet certain safety requirements. Many small- and medium-sized U.S. companies are finding it difficult and expensive to meet the new procedures, even though their products already meet similarly stringent safety requirements in the U.S. For more information contact the Foreign Commercial Service in Buenos Aires at Buenos.Aires.Office.Box@mail.doc.gov.

BRAZIL

Telecom procurement regulations that went into effect on August 16, 1999 are causing concern among both operators and suppliers. The main problem is that detailed requirements, designed to enforce a procurement clause in the concession contracts for fixed and cellular operators, favor "national" firms. Local industry representatives called the new requirements unreasonable,

intrusive, time consuming and more appropriate for the public rather than private sector. Prior to the issuance of the implementation regulations, non-Brazilian telecom companies were not too concerned, as many had already established local production facilities and the idea of "equivalence" was seen as subjective. Various telecom associations plan to challenge the legality of the new Anatel regulations, and some officials are optimistic that the Brazilian courts will rule the regulations illegal. Source: *The Brazil Commercial Overview*, August 24, 1999. For more information, or for a copy of the *Brazil Commercial Overview*, please contact the Foreign Commercial Service in Sao Paulo at Sao.Paulo.Office.Box@mail.doc.gov.

MEXICO

On September 17, 1999, the Government of Mexico published for public comment the long-awaited proposed **changes to current product certification procedures**. These procedures dictate the process for goods to show compliance with mandatory Mexican standards issued by SECOFI (the Mexican equivalent of the Department of Commerce). Current procedures require each importer in Mexico to obtain a product compliance certificate every year even if importing the same product as another importer. The costs of the certification process per product range from a few hundred dollars to over \$5,000, depending on the product's complexity and the number of standards with which it has to show compliance. The proposed changes will allow the manufacturers to hold title to the compliance certificate and assign as many importers in Mexico as necessary to cover the market. For more information contact the U.S. & Foreign Commercial Service in Mexico City at Mexico.City.Office.Box@mail.doc.gov.

COTE D'IVOIRE

Recent developments in Cote d'Ivoire are leading to **improved protection of**

intellectual property rights (IPR). The courts in Cote d'Ivoire recently issued a judgement against software pirates in a case brought by Microsoft Corp. Microsoft won an order from the courts fining nefarious companies one million francs CFA per day (620 FCFA = 1 \$US) if they continued the practice of including pirated software with sales of computer hardware.

Additionally, the Government of Cote d'Ivoire (GOCI) is improving laws and establishing new government agencies to protect IPR. The GOCI is updating laws to bring them into accordance with the amendments to the Bangui Accords adopted last February. The GOCI is hoping to update its related laws by January 1, 2000, in an effort to comply with obligations under the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). Two government agencies are responsible for protecting IPR in Cote d'Ivoire: the Bureau Ivoirien des Droits d'Auteurs (BURIDA), which protects copyrighted materials, and the recently established Office Ivoirien de la Propriete Industrielle (OIFI).

Despite these improvements, counterfeit merchandise and pirated products are still ubiquitous throughout the country. Accordingly, U.S. companies must be proactive in taking steps to protect their intellectual property rights in Cote d'Ivoire.

SOUTH AFRICA

The **Airports Company South Africa (ACSA)**—the airports management authority—has budgeted approximately R2-billion (\$333 million) for capital expenditure over the next five years on upgrading the infrastructure of the country's three main airports: Johannesburg, Cape Town and Durban. Johannesburg will receive the lion's share of the funding with R1.7-billion (\$283 million) being targeted for the Johannesburg International Airport (JIA) alone.



The Airports Company of South Africa plans airport upgrades.

Photo by PhotoDisc Volume 1

Capital expenditures in the year ending March 1999 stood at R443 million. This is lower than originally budgeted due to revisions to ACSA's master plan which were necessitated when its equity partner Aeroporti di Roma decided to postpone the planned midfield terminal development. Instead, the capacity of the existing western terminal at the airport will be raised to accommodate 18 million passengers a year.

MALAYSIA

In response to appeals from foreign fund managers, Bank Negara Malaysia, the central bank of Malaysia, has announced the **replacement of the existing two-tier levy on the repatriation of portfolio investment profits with a flat 10 percent tax.** Foreign fund managers, particularly unit trust managers, had appealed to the government to reconsider the two-tiered levy system, as it created problems in computing prices and determining the amount of levy applicable to their investment. This is particularly true for those fund managers who make continuous investments in Malaysia and repatriate their profits regularly.

THAILAND

The **Royal Thai Government announced** in late September that it will no longer draw on its remaining \$3 billion line of credit from the International Monetary Fund which has been in place since the middle of 1997. With foreign exchange reserves having been rapidly rebuilt to a level exceeding \$30 billion and international rating agencies looking more favorably at its sovereign debt risk, the Royal Thai Government now has sufficient confidence that it can tap international capital markets should the need arise.

The Royal Thai Government's growing confidence is predicated on its upward revision projecting Thailand's 1999 economic growth at 3.5 percent rather than 3 percent, a figure echoed by the Asian Development Bank. At the beginning of

the year, official 1999 growth estimates between 1 and 2 percent had been considered overly optimistic. For exporters to Thailand, the economic numbers are also becoming more encouraging. After remaining sluggish in the first half of the year, imports into Thailand surged 18 percent between June and August over the same period a year ago.

Thailand's gradually improving economic situation is having a positive effect on foreign business sentiment in Thailand. A recent investment survey by the American Embassy showed that 25 percent of U.S. companies with operations in Thailand plan to increase their investments in the foreseeable future. A similar survey of Japanese companies operating in Thailand also revealed a bullish forecast for their business in Thailand.

CZECH

The primary reason driving demand for **wastewater treatment facilities** is the Czech Republic's harmonization of legislation with EU directives; the year 2005 is the deadline for full compliance. To meet EU requirements by this deadline, construction of 530 wastewater treatment plants that will serve settlements inhabited by between 2,000-10,000 people is needed. An investment of approximately \$2 billion is needed.

POLAND

The Polish press reports that a **new law on certification, testing products and services** has been filed at the Polish Parliament. This law has been expected for several years. The current Polish system of certification, much criticized in the past by foreign exporters, was evaluated by the European Union and found to be inconsistent with EU regulations. Poland is required to adjust its system of certification to EU requirements, and to harmonize its standards with those in force in the EU. This would improve trade between EU and Poland, and would assist in the integration process.

The new law introduces new procedures allowing for the use of a legally binding manufacturer's statement, confirming that the goods abide by all Polish standards in force, and the presentation of test results. This would cost the applicant only 10 percent of the standard testing costs. This procedure will not apply to products brought from the United States. These will still have to go through all necessary tests in Poland, plus pay the standard costs until Poland becomes a full-fledged EU member.

MULTILATERAL DEVELOPMENT BANKS

Still relatively new to Central Asia, the **Asian Development Bank** is looking seriously at financing private projects in Central Asia. Previously, ADB had an arrangement with the European Bank for Reconstruction and Development (EBRD) whereby ADB did the public sector projects and EBRD did the private sector projects. ADB and EBRD have now agreed that ADB should also play a role in private sector projects in Kazakhstan, Kyrgyz Republic, Uzbekistan, and Tajikistan (Turkmenistan's membership at ADB is still pending). Officials from ADB's Private Sector Group accompanied recent programming missions to Central Asia to study how ADB could best assist with private sector projects. U.S. companies interested in undertaking private projects in Central Asia are encouraged to contact Denny Barnes (Denny.Barnes@mail.doc.gov) at the U.S. Commercial Liaison Office about possible financing from ADB. ■

NEED MORE DETAIL?

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

■ STYLISH BUSINESS

THE LARKIN GROUP HELPS SMALL COMPANIES GO GLOBAL

by **Jake Bright**
Office of Public Affairs

The Larkin Group, a premier fashion industry information and marketing provider, helps small- and medium-sized businesses expand in the global market place.

Located in the fashion capital of New York City and now a division of Advanstar Communications, the company organizes trade shows, exhibitions and seminars. Through these events, the Larkin Group brings together retailers, exporters, designers and manufacturers to review new products, forge business relationships and look

for the latest commercial trends in the apparel industry.

Active in the fashion industry for over 25 years, the Larkin Group's size and number of events have continued to rise as its clients have had to adopt a more international focus in order to stay competitive. In recent years, international business has increased in importance for apparel companies as more and more firms have found export opportunities attractive and a presence in the international market place essential to growth.

As a result of this trend, the Larkin Group has made export assistance an integral part of the services it provides. For example, Larkin's International Fashion Fabric Exhibition (IFFE) held annually in October, includes seminars

on import regulations, strategies for assessing contractors and international global sourcing. The IFFE also coincides with the Private Label & Product Development Conference aimed at bringing together key production personnel with private label manufacturers from around the world.

The Larkin Group's venues have become increasingly valuable considering that fashion apparel is one of New York City's most important industries. In fact, one out of every three manufacturing jobs in NYC is in apparel. The industry also gained momentum nationwide with U.S. exports of textiles and apparel growing steadily in recent years from \$13 billion in 1995, to \$16 billion in 1997, to \$17 billion in 1998.

While selling internationally is nothing new to the company's big brand clients, for small- and medium-sized companies it can represent as much difficulty as opportunity. According to Michael Press, the Larkin Group's general manager, many smaller businesses are finding opportunities to export and then realizing that they are not prepared to do so. "A small apparel company may discover a \$10 million prospect to sell its products abroad. Once the opportunity is there, the question becomes, 'How do we do this? How do we expedite shipping, negotiate customs, finalize payment?'" Other companies may not have the opportunity in front of them but want to know how they could set it up. This is where many small businesses need assistance,"



Photo courtesy of The Larkin Group

The Euro Styled Stand at Style Industrie.

CONTINENTAL ELECTRONICS CORPORATION

The Continental Electronics Corporation (CEC), a small firm from Lubbock, TX, recently used a combination of high quality products and government advocacy to secure a lucrative international contract.

On November 13, 1998, CEC signed a \$7.7 million contract to supply high power radio broadcast equipment to Lebanon's Ministry of Information. Strong U.S. Government advocacy was a significant contribution to CEC's success. A number of different top federal officials worked on behalf of CEC, including U.S. Secretary of Commerce William Daley. In July 1997, Secretary Daley both called and sent a letter to the Prime Minister of Lebanon, Rafic-al-Hariri, on behalf of CEC. As Mr. David Burkey, president of CEC, emphasized, "The support we have received from the Commerce Department, the State Department, the U.S. Embassy in Lebanon and the U.S. Export-Import Bank was an important factor in our winning this project."

CEC's state-of-the-art equipment, which includes medium-frequency transmitters, antennas, transmission lines, tuning units, power generators and microwave systems, will replace a radio station built in Lebanon in the 1960s. According to the company, the production of equipment to fill the contract will support nearly 80 jobs in Texas, California, New Jersey, New York and Illinois.

CONTACT INFORMATION:

The Advocacy Center, in the U.S. Department of Commerce can help you win foreign government contracts. For more information visit www.ita.doc.gov/advocacy or call 202-482-5578. ■

says Press. Smaller businesses also need help when it comes to marketing and advertising their products abroad. This is largely due to their smaller support structures when compared to larger companies.

In 1994 the Larkin Group enlisted the assistance of U.S. Department of Commerce (USDOC) programs and the U.S. Export Assistance Center (USEAC) in New York (Tel: (212) 466-5222, Internet: www.nyuseac.org). Under the International Buyer Program (IBP), the U.S. Export Assistance Center provided specially tailored export seminars on international markets for apparel and textiles at Larkin's trade shows. Working with National Apparel Team Leader and International Trade Specialist, Anastasia Xenias, the USEAC also added onsite export counseling for exhibitors, market research reports and international promotion. The company saw USDOC programs as an excellent means to bring more international vendors to its trade shows. Press credits these activities and others with educating their American exhibitors and increasing international buyer attendance at their shows. In fact, after participating in the International Buyer Program, participation at the Larkin Group's events increased by almost 50 percent.

Due to their continued success, The Larkin Group was recently acquired by the business information company Advanstar Communications. It intends to build on its past achievement of anticipating the needs of its exhibitors



Photo courtesy of The Larkin Group

U.S. Export Assistance Center National Apparel Team Leader Anastasia Xenias with The Larkin Group General Manager, Women's Fashion Businesses, Michael Press.

and attendee audiences. This will include expanding events internationally and exploring ways that e-commerce can assist apparel exporters. ■

NEED HELP WITH INTERNATIONAL MARKETING?

Interested in the International Buyer Program? Contact your local Export Assistance Center (locations and contact information for the nationwide Commercial Service network, are listed on the back cover) or visit the IBP website (www.ita.doc.gov/uscs/uscsibp.html) for more information.

Hard Shell, Good Sell

Looking for export advice?

Well, just ask Jesse and Avis Evans of Concordia Turtle Farms in Wildsville, LA, and they'll tell you that exporting can be a snap.

"Well, you know lots of people around the world love turtles, and would love to have a turtle for a pet. In fact, I have a \$1200 aquarium and 10 turtles in my home," says Mr. Evans. "When I walk across the room they go wild, because they are expecting food, so they recognize you just like a dog."

Mr. Evans should know; he has turned his passion for turtles into a money making business.

"IN CHINA AND MOST OF ASIA, OWNING A TURTLE IS CONSIDERED A SIGN OF WEALTH AND LONGEVITY..."

"When I was a boy, I used to catch turtles from the lakes for pet stores, and I used to sell them to people who were exporting. Then in 1968, I thought, well, why not raise them and export them myself?"

So he and his wife, Avis, formed a company. By 1986, the Evans's had come out of their shell and inched their way down to the U.S. Department of Commerce's Export Assistance Center (USEAC) in New Orleans, where they received hands-on export counseling and lists of potential buyers in foreign countries.

Concordia's first export sales were to Germany and Singapore. Today, their 52-acre turtle farm, one of the world's largest, ships on average 1.5 million turtles a year to more than 35 countries. Concordia also purchases from other Louisiana-based turtle farms, contributing to the well-being of the state's vital turtle industry.

"Today, we do the bulk of our business through distributors in Europe and Asia, but our single largest market is China," says Evans. "In China and most of Asia, owning a turtle is considered a sign of wealth and longevity and we sell them to pet stores and fish farms where they are sold like exotic fish."

Although prices vary, the turtles generally sell for around 50 cents to a dollar each.

"Concordia has always been a reputable seller of green turtles because of the sanitary precautions it takes in disinfecting all its turtle eggs," he says. "Given the threat of salmonella, this careful attention is especially important as most countries carefully monitor and restrict the import of turtles."

In fact, U.S. turtle exporters must provide proof of laboratory testing with each shipment, along with substantial supporting documentation. Turtle farms in Louisiana, which export about 8 million turtles annually, are also highly regulated by the Louisiana Department of Agriculture and

the U.S. Fish and Wildlife Service to ensure health and sanitary conditions.

Although there are several different species of turtles, Evans says the most common exported is the *Pseudemys Scripta Elegans* or "Red-Eared Slider."

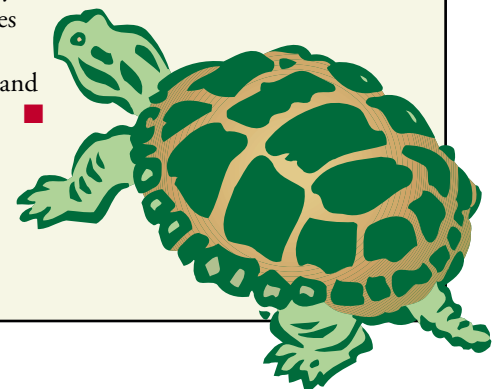
"The turtles are about the size of a half-dollar when shipped, but will reach about 8 inches when fully grown in four years," he says. "I would say our farm hatches about 900,000 turtles each year."

That's a lot of turtles, so Concordia employs a staff of 8-10 full timers which grows to 30 during the peak egg collection season.

With their passion for turtles, does the staff at Concordia suggest that dog-lovers switch to their shelled friends? Well, possibly.

"I'll tell you one thing," concludes Evans. "Turtles get to know you and will eat a pellet out of your hand just like a dog would a biscuit." ■

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



COORNER

INNOVATION 2003

by Erin Crowe

Innovation 2003 Team

In recent years, the needs of small- and medium-sized businesses have changed dramatically.

Rapid advances in technology, increases in international competition and growth in demand for services exports have all contributed to that change. The Commercial Service—the U.S. Government's premier export promotion agency—is responding to these new global needs

To give each pilot every chance to succeed, the Commercial Service itself is changing. Clear standards of quality will ensure that a product works for a company the first time and every time thereafter. Streamlined operations will shift more time from administration to value-added client counseling. Pushing greater decision-making to the front lines will allow staff to resolve customer issues on the spot. By February 2000 the entire product line will be fully backed with satisfaction guarantees clearly showing clients that the future of the Commercial Service is tied to their success.

gateway for Latin America and the Caribbean to match international buyers with U.S. suppliers.

CUSTOMIZED SERVICES

The Commercial Service is customizing many of its products and services to the specific needs of clients. From market research to trade events, building greater flexibility into programs will help clients get the answers they need to effectively export their products and services to new markets. For example, the International Partner Search goes beyond a traditional agent/distributor

“FROM MARKET RESEARCH TO TRADE EVENTS, BUILDING GREATER FLEXIBILITY INTO PROGRAMS WILL HELP CLIENTS GET THE ANSWERS THEY NEED TO EFFECTIVELY EXPORT THEIR PRODUCTS AND SERVICES TO NEW MARKETS.”

through an ambitious modernization and product development initiative called Innovation 2003. In addition to improving the Commercial Service's portfolio of products and services, service delivery mechanisms, business processes and quality standards, the initiative also encourages Commercial Service employees to find innovative solutions to every day problems.

NEW IDEAS

Pilot programs designed to test new and enhanced products, services and business procedures are underway at 48 sites throughout the Commercial Service network (see complete list on the back cover). The innovations being tested focus on maximizing flexibility and customization, harnessing new technologies and increasing partnerships to expand small business access to the resources of the private sector and state and local governments.

Examples of these pilot programs include:

ELECTRONIC COMMERCE

Recognizing that the Internet and other methods of electronic commerce are an excellent medium to expand services to small- and medium-sized businesses, the Commercial Service is piloting a number of e-commerce products including: **Global satellite videoconferences**; **Video gold keys**; **Video Market Testing**; and **Pushed Trade Leads**.

DEMAND-DRIVEN SERVICES

Using the front-line expertise and contacts of its trade professionals overseas, the Commercial Service is testing new demand-driven services that focus on improving its capacity to match qualified international buyers with U.S. suppliers. As part of this effort, the Inter-Americas Center (IAC), based in the Miami Export Assistance Center, through its “Gateway USA” program, uses Miami's strategic location as a

search to locate more specialized overseas partners for U.S. firms, including joint venture, franchising and licensing partners.

RESULTS

The pilot programs under Innovation 2003 will end in February 2000. They will be measured for success, and Commercial Service wide replicability, against defined performance measures and client input. A process for continuous innovation will also be implemented to ensure that new product and service development is an ongoing process. ■

FOR MORE INFORMATION CONTACT THE INNOVATION 2003 TEAM.

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THE NEW FACE OF GOVERNMENT EXPORT ASSISTANCE

THE USA TRADE CENTER

by Ellen S. House

USA Trade Center

Exporting can be a gamble for U.S. businesses.

The process of finding a lead, negotiating the deal and getting products to their ultimate destination is a path fraught with detours and pitfalls. The U.S. Department of Commerce identified a need for a single, easily accessible place for exporters to access the full range of Commerce's export assistance programs. In a bold Departmental initiative, the USA Trade Center was created to bring together Commerce's most widely used, customer-driven programs under one banner. The center houses a core of programs providing timely, valuable trade-related services in a single location.

RANGE OF SERVICES AT THE USA TRADE CENTER

First and foremost, the USA Trade Center is a customer-oriented information provider for U.S. companies pursuing exports and overseas investment. The services offered to clients of the USA Trade Center range from basic

export guidance, to detailed, country-specific market information and contacts, to updates on business resources, including the multilateral lending institutions and overseas U.S. government offices that facilitate U.S. business abroad. Although this range of services is provided by a number of separate offices within the USA Trade Center, the center offers seamless and convenient assistance among its programs. Below is a guide to the services offered by the USA Trade Center.

GENERAL EXPORT INFORMATION

U.S. companies seeking export help from the Federal government who are unsure of where to turn can contact the **Trade Information Center (TIC)** — <http://tradeinfo.doc.gov>. The TIC provides information on and referrals to the programs run by 20 U.S. Government agencies involved in exporting. The TIC is also the source of assistance and information on general export issues such as customs procedures, regulations, business practices, sources of finance, and overseas and domestic trade events.

COUNTRY-SPECIFIC INFORMATION

The Trade Information Center offers country-specific export counseling, information and assistance for the Western Hemisphere, Asia, Africa, the Near East and Western Europe. Exporters interested in transition economies can refer to the **Central and Eastern Europe Business Information Center (CEEbic)** — www.mac.doc.gov/eebic/ceebic.html— for information and advice on doing

business in 15 countries in Central and Eastern Europe, while those interested in the 12 Newly Independent States of the former Soviet Union can consult the **Business Information Service for the Newly Independent States (BISNIS)**—<http://bisnis.doc.gov>. BISNIS has led the way among U.S. Government programs for timely dissemination of market information via email and the Internet. BISNIS' and CEEbic's business matchmaking programs provide information on Eastern European and NIS companies seeking joint venture partners with U.S. companies. In addition to trade specialists in Washington, BISNIS and CEEbic both have overseas networks that collect trade leads and provide in-country assistance.

INFORMATION ON MULTILATERAL DEVELOPMENT BANKS

Access to information on how to obtain trade leads and procurement opportunities from the five multilateral development banks is available through **Multilateral Development Bank Operations (MDBO)**— www.ita.doc.gov/mdbo. Annually, over \$45 billion in contracts emanate from the World Bank, Asian Development Bank, African Development Bank, Inter-American Development Bank and European Bank for Reconstruction and Development. MDBO helps companies navigate through the process of capitalizing on these opportunities.

EXPORT REGULATIONS AND PROCEDURES

U.S. companies can seek advice on export controls, licensing procedures



Ronald Reagan Building and International Trade Center.

Photo by Tennessee Hursley

and other countries' export policies from the center's office of the **Bureau of Export Administration (BXA)**—www.bxa.doc.gov. U.S. companies can also contact the BXA office for assistance with the preparation of export documents and information on the status of pending export applications.

U.S. & FOREIGN COMMERCIAL SERVICE OFFICES

The **Export Research and Assistance Center (ERAC)**—www.ita.doc.gov/uscs/erac—office in the Trade Center is the businessperson's Washington, D.C. link to the network of 105 Export Assistance Centers in the United States and over 170 commercial offices worldwide. Companies visiting the ERAC can benefit from a variety of tools to communicate with this network including teleconferenc-

es and researchers can purchase a wide variety of both government and private sector publications, including commodities reports, foreign language training materials, scientific studies and trade data analyses, as well as software and audiovisuals.

GOVERNMENT REPORTS AND PUBLICATIONS

U.S. companies can also find timely, accurate information, including extensive market research and trade leads, through the online products of **STAT-USA®**—www.stat-usa.gov. Reports, releases and data from over 40 Federal agencies are collected by STAT-USA and packaged in such services as the National Trade Data Bank, STAT-USA/Internet and USA Trade CD-ROM. Visitors to the USA Trade Center can attend training and demon-



Photo by Ron Bell, USDOC

International Trade Specialist Kelly Raftery demonstrates USA Trade Center services to Secretary of Commerce William M. Daley.

innovative approach for the U.S. Government toward addressing the needs of the private sector. It offers an

“THE USA TRADE CENTER SEEKS TO BREAK DOWN BARRIERS TO FOREIGN TRADE FOR SMALL- AND MEDIUM-SIZED U.S. COMPANIES BY PROVIDING ESSENTIAL COMMERCIAL INFORMATION NEEDED TO SUCCESSFULLY EXPAND INTO NEW MARKETS.” —LAJUAN JOHNSON, DIRECTOR, USA TRADE CENTER.

ing, video conferencing, wide area networks and the Internet. In addition, visitors can learn about the many products and services that are available through the Commercial Service's global network to assist marketing efforts overseas.

IN-HOUSE REFERENCE CENTER AND BOOKSTORE

Anyone walking in the door of the USA Trade Center will immediately notice the both high tech and traditional offerings of the **Trade Reference Assistance Center (TRAC)**—www.ita.doc.gov/trac. General and specific information on exporting and numerous resources on trade are available to the public from the TRAC. Electronic workstations at the TRAC link patrons to databases and online computer systems, which complement an extensive collection of hard-copy, trade-related publications and reference sources. In addition, the center's **Trade and Business Information Bookstore** lets you take new resources with you. U.S. business-

strations of STAT-USA services and take advantage of online access to STAT-USA/Internet at the TRAC.

A PART OF THE INTERNATIONAL TRADE CENTER

The USA Trade Center's location inside the Ronald Reagan Building and International Trade Center provides the convenience of public access and the surroundings of an ultramodern, technology friendly facility. The Reagan Building, which houses other U.S. government offices, private sector offices, and such groups as the Greater Washington Board of Trade's International Gateway and the Washington International Trade Association, has seen numerous international conferences and meetings in its spacious atrium and in adjoining auditoriums and conference rooms. It is fast becoming well known as a gathering place of business people, association executives and government leaders. This site enhances the uniqueness of the USA Trade Center, which represents an

open door for U.S. businesses trying to increase exports and provides the tools necessary to expand into new markets.

By maintaining standards of excellence in customer service and continuously improving the quality of its facility and its resources, the USA Trade Center hopes to set a precedent for assisting exporters in the twenty-first century. ■

All programs and services within the USA TRADE CENTER are available by calling 800-USA-TRAD(E) or by accessing the USA TRADE CENTER web site at <http://usatc.doc.gov>. Visitors are also welcome to drop by the USA TRADE CENTER facility in the Ronald Reagan Building and International Trade Center on the Mezzanine Level. Hours of operation are Monday through Friday, 8:30 a.m. to 5:30 p.m. Rachael Farber, an International Trade Specialist in the TIC, contributed to this article.

INDUSTRY

HAVE A VOICE IN U.S. TRADE POLICY

by **Tamara Underwood**

Industry Consultations Program

What types of market access problems is your firm encountering?

What tariffs and non-tariff barriers are restricting your firm's exports? Is your firm experiencing discriminatory foreign procurement practices? You can get involved in resolving these issues and other U.S. trade policy matters through the Industry Consultations Program. The Industry Consultations Program, sponsored by the U.S. Department of Commerce and the Office of the U.S. Trade Representative (USTR), includes over 400 industry executives who provide detailed policy and technical advice, information and recommendations to the U.S. Government on trade policy matters. As a result of the efforts of these industry advisors, the U.S. is able to display a united front when it negotiates multilateral and bilateral agreements with other nations. The U.S. negotiating position is strengthened because its objectives are developed with bipartisan private sector input throughout trade negotiations.

Specifically, through this program, industry provides information to the U.S. Government in an effort to resolve government-imposed measures and

policies that restrict, prevent or impede the international exchange of goods and services. They include:

- Import Policies (e.g., tariffs and other import charges, quantitative restrictions, import licensing, customs barriers);
- Standards, testing, labeling and certification (including unnecessarily restrictive application of sanitary and phytosanitary standards and environmental measures and refusal to accept U.S. manufacturers' self-certification of conformance to foreign product standards);
- Government procurement (e.g., "buy national" policies and closed bidding);
- Export subsidies (e.g., export financing on preferential terms and agricultural export subsidies that displace the U.S. exports in third country markets);
- Lack of intellectual property protection (e.g., inadequate patent, copyright and trademark regimes);
- Services barriers (e.g., limits on the range of financial services offered by foreign financial institutions, regulation of international data flows and restrictions on the use of foreign data processing);

- Investment barriers (e.g., limitations on foreign equity participation and on access to foreign government-funded research and development (R&D) programs, local content and export performance requirements, and restrictions on transferring earnings and capital);
- Anticompetitive practices with trade effects tolerated by foreign governments (including anticompetitive activities of both state-owned and private firms that apply to services or to goods and that restrict the sale of U.S. products to any firm, not just to foreign firms that perpetuate the practices);
- Trade restrictions affecting electronic commerce (e.g., tariff and nontariff measures, burdensome and discriminatory regulations and standards, and discriminatory taxation); and
- Other barriers (barriers that encompass more than one category, e.g., bribery and corruption, or that affect a single sector).

The Industry Consultations Program for Trade Policy Matters includes 17 Industry Sector Advisory Committees (ISACs), 3 Industry Functional Advisory Committees (IFACs), and a

INDUSTRY SECTOR ADVISORY COMMITTEES FOR TRADE POLICY MATTERS (ISACS)

ISAC 1-Aerospace Equipment
 ISAC 2-Capital Goods
 ISAC 3-Chemicals & Allied Products
 ISAC 4-Consumer Goods
 ISAC5- Electronics & Instrumentation
 ISAC 6-Energy
 ISAC 7-Ferrous Ores & Metals
 ISAC 8-Footwear, Leather, & Leather Products
 ISAC 9- Building Products & Other Materials

ISAC10-Lumber & Wool Products
 ISAC 11-Nonferrous Ores & Metals
 ISAC 12-Paper & Paper Products
 ISAC 13-Services
 ISAC 14-Small & Minority Business
 ISAC 15-Textiles & Apparel
 ISAC16-Transportation, Construction, Mining, & Agricultural Equipment
 ISAC 17-Wholesaling & Retailing

INDUSTRY FUNCTIONAL ADVISORY COMMITTEES FOR TRADE POLICY MATTERS (IFACS)

IFAC 1-Customs
 IFAC 2-Standards
 IFAC 3-Intellectual Property Rights
 IFAC 4-Electronic Commerce

Committee of Chairs of Industry Advisory Committees. The ISACs provide advice and information on issues that affect specific sectors of U.S. industry. The IFACs provide advice and information on functional or issue-oriented matters such as customs matters, product standards and intellectual property rights. Each ISAC may also select a member to serve on each IFAC so that a broad range of industry perspectives are represented. Other functional issues, such as government procurement and subsidies, are handled in ad hoc meetings, drawing participants from the sector committees.

ISAC and IFAC members are executives of U.S. manufacturing or service companies involved in international trade or are trade association executives. In order to qualify for representation on a committee, nominees must be U.S. citizens, representing U.S. manufacturing and service firms that trade internationally or support other companies in trade activities. Priority will be given to a balanced representation in terms of points of view represented by various sectors, product lines, firm sizes and geographic areas. U.S.-based subsidiaries of foreign companies and academic institutions do not qualify for representation on a committee. ■

The Industry Consultation Program is administered by the U.S. Department of Commerce Advisory Committees Division. The Industry Consultations Program serves as a central contact point for recruitment of private-sector representatives on the advisory committees and as a channel for the U.S. trade policy officials interested in obtaining private-sector advice. To obtain more information on becoming involved, contact:

**Tamara Underwood, Director
Industry Consultations Program
U.S. Department of Commerce
14th St. & Constitution Avenue NW,
Room 2015-B
Washington, DC 20230
Tel: (202) 482-3268,
Fax: (202) 482-4452
E-mail: Advisory_Center@ita.doc.gov
Internet: www.ita.doc.gov/icp**

EXPLORE NIGERIA WHILE SITTING IN ATLANTA — OR YOUR IN HOME!

by Christina Sharkey

U.S. & Foreign Commercial Service

On July 1, 1999 the U.S. and Foreign Commercial Service (US&FCS) held the first-ever Video Gold Key Service with Nigeria. Four U.S. companies came to Atlanta for a program of virtual meetings with their counterparts in Lagos, Nigeria. The event kicked off with an overview of business in Nigeria, including Commerce Deputy Secretary Robert Mallett addressing the two audiences from Lagos on what he had seen in his visit there. Officials of Nigeria's newly elected government discussed the likely changes under the new government, and their implications for business and investment in the country. A panel of U.S. and local business executives discussed the opportunities and obstacles present in the West African country. Ambassador Andrew Young led the U.S. business delegation in Atlanta, which then started a series of private meetings with Nigerian counterparts who had been pre-screened and selected by FCS Lagos.

This imaginative new program allows US&FCS to achieve several goals in Africa: first, to expand U.S. business access to these difficult overseas markets; and second, to show African nations how American companies, products and services can benefit their on-going efforts to develop their own global economies. The program will also be available in homes or offices as "live-on-demand" over the internet (**click to www.globalspeak.com and continue to "Featured Webcasts"**). The success of this event will allow us to pursue this technology further, and offer similar webcast presentations on many different overseas markets in our region, so American businesses can obtain the latest and most complete information on market opportunities at the click of a mouse.

US&FCS is also intent on making the Video Gold Key Service (VGKS) available in all our African and Middle Eastern posts as soon as possible. The VGKS allows American business throughout the U.S. to explore overseas markets, and to meet qualified local counterparts, without the need for overseas travel until it is clear that the market interest there will justify that level of commitment. American firms can eliminate much of the burden of cold calling by using the staff, resources and prestige of the American Embassy to prospect for their business interests, with a huge savings of time and money. **For more information about the Video Gold Key, contact your local Export Assistance Center (phone numbers and locations on back cover).** ■



ASK THE TIC

by Jim Robb

Trade Information Center



WHAT EXPORT SHIPPING DOCUMENTS DO I NEED?

Documents required for export shipments vary widely according to the country of destination and the type of product being shipped. Although there is a core set of documents with which every exporter should be familiar (see below), determining what additional documentation is necessary can be a frustrating process. Luckily, there are a number of resources that help exporters make sure that they are sending out the right forms with their shipments.

A reputable freight forwarder is always a good source of information about documentation. This includes express companies, such as Federal Express, UPS and DHL, that act as international freight forwarders.

Fuller descriptions, and printed guides, of documentation are also available, including Dunn and Bradstreet's *Exporters Encyclopedia* (published with the assistance of the U.S. Department of Commerce), the Bureau of National Affairs' *Exporter's Reference Guide* and UNZ & Co.'s *Compliance Sourcebook*. More information on any of these resources can be obtained by calling the Trade Information Center (800-USA-TRADE) or visiting the TIC's web site (<http://tradeinfo.doc.gov>).

The most common documents, and their sources, are:

SHIPPER'S EXPORT DECLARATION (SED OR FORM 7525-V) The SED is available through the Government Printing Office and a number of other commercial outlets. It can be electronically filed at www.customs.ustreas.gov/AES.

COMMERCIAL INVOICE Commercial invoices are available at any commercial stationery store. Most companies use their own standard commercial invoice.

CERTIFICATE OF ORIGIN The Certificate of Origin is only required by some countries. In many cases, a statement of origin printed on company letterhead will suffice. Special certificates are needed for countries with which the United States has special trade agreements, such as Mexico, Canada and Israel. More information about filling out these special certificates is available from the TIC.

BILL OF LADING Both commercial stationers and freight forwarders carry copies of the Bill of Lading.

INSURANCE CERTIFICATES These can be obtained through your freight forwarder.

PACKING LIST Both commercial stationers and freight forwarders carry packing list forms.

IMPORT LICENSE Import licenses are the responsibility of the importer. Including a copy with the rest of your documentation, however, can sometimes help avoid problems with customs in the destination country.

CONSULAR INVOICE If the consular invoice is required, copies are available from the Embassy or Consulate of the destination country. The TIC can provide contact information for Embassies and Consulates around the country.

Note: Shipments through the U.S. Postal Service usually do not require any of the above documents. The Post Office has a short form that takes their place



WHAT IS THE SHIPPER'S EXPORT DECLARATION AND HOW DO I FILL IT OUT?

The Shipper's Export Declaration (SED or Form 7525-V) is used by the U.S. Census Bureau to compile trade statistics and to help prevent illegal exports.

The SED and instructions on how to fill it out are available from a variety of sources including the U.S. Government Printing Office (202-512-0000) and the U.S. Census Bureau's home page (www.census.gov/foreign-trade/www).

The following facts can be used to determine whether or not the SED is needed for shipment:

- The SED must be filled out for any shipment valued at \$2,500 or above, for any shipment to particular countries, such as Eastern Europe, the former Soviet Union, Cuba, Laos, Libya, Mongolia and North Korea, and for any shipment requiring a validated export license (see below).
- An SED is required for shipments to Puerto Rico, the U.S. Virgin Islands and the former Pacific Trust Territories even though they are not considered exports.

- Shipments to Canada do not require an SED.
- The SED for hand-carried “tools of the trade” should be filed directly with U.S. Customs at the airport at least two hours before flight time.

Once determined that an SED is required, exporters should be aware of the following when filling it out:

- **Schedule B numbers or HTS numbers (item 15 on the SED)** HTS numbers are available at www.census.gov/schedules/B or by calling the Census Bureau at 301-457-1084.
- **Validated License No./General License Symbol (item 21)** This box must be completed only if the shipment requires an export license to go to the specific customer. To determine whether or not a license is needed, contact the Bureau of Export Administration (202-482-4811). In most cases, an export license will not be required, but it is the legal obligation of the exporter to seek an official determination. The Bureau of Export Administration web site has more information (www.bxa.doc.gov). If the determination has been made that the specific product going to the specified end user does not require a validated export license, then enter NLR (No License Required) in this block
- **ECCN—Export Control Classification Number (Item 22)** Exporters are required to enter an ECCN on the SED if the product requires a validated license. For products that you do not have this requirement—as determined by the Bureau of Export Administration—enter 99.



WHAT IS THE SCHEDULE B OR HARMONIZED TARIFF SYSTEM NUMBER AND HOW DO I OBTAIN ONE?

The Harmonized Tariff System (HTS) assigns a number to each product that is traded internationally to insure that customs officers and statisticians around the world are referring to the same thing when classifying a product. Almost all countries now use the harmonized tariff system.

The Harmonized Tariff System Number, or HTS number, refers to a six digit product-specific code. All coun-

tries adhering to the HTS use the same six digit code for each product. Each country, however, can assign on its own four additional numbers, making the entire number 10 digits. The United States does this with its Schedule B system, which is used to describe imports into the U.S. Many countries, though, do not use all 10 digits; some use only six or eight.

Exporters need to know the HTS number for their products for several reasons. The HTS number is needed to complete the Shipper’s Export Declaration; the HTS number must appear on all shipping documents, including certificates of origin; and, the HTS number is needed to determine whether a product qualifies for a preferential tariff under the North American Free Trade Agreement..

The Bureau of the Census can help classify products and find the appropriate HTS number. The first step is to attempt to self-classify on the Census Bureau web site at www.census.gov/Schedules/B, which is searchable by keyword. If additional clarification is needed, assistance can be obtained by calling the Census Bureau at 301-457-1084. For assistance with durable goods, call 301-457-3259, or for help with non-durable goods, call 301-457-3484.

A reference book listing Schedule B numbers is available in hard copy from the U.S. Government Printing Office nearest you (order number 903-009-00000-4). The main number for GPO is 202-512-0000. The CD ROM version is available from the Census Bureau at Tel: 301-457-1084. ■

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

MANAGING THE Y2K CHALLENGE

THERE'S STILL TIME TO PREPARE

by Tu-trang Phan

Office of Computers & Business Equipment

Many governments and businesses, large and small, have spent the past several years tackling the much-talked about millennium bug, or Year 2000 (Y2K) problem.

The International Data Corporation, a market research firm, estimates that the global costs for fixing the problem could reach \$297 billion by 2001. The United States, alone, is expected to spend \$122 billion or 41 percent of this worldwide spending on the hiring of internal and external services, and purchases and/or upgrades of hardware and software. The millennium bug is a vivid and powerful reminder of how economies are increasingly becoming more dependent on both information technologies and each other as they rise to meet the challenges of the Information Age.

These interdependencies are even more pronounced for exporters than they are for domestic companies. The international trading system is comprised of a complex web of suppliers, distributors, service providers, customers and transportation links (see chart). Many exporters believe that they are Y2K

date-sensitive systems and software, and have either upgraded existing systems or purchased new equipment when necessary. However, these initial steps would only enable them to process customer orders as long as their critical infrastructure providers, such as the electric utilities or the telecommunications network, continue to operate. To maintain a smooth exchange of goods and services, every link along the supply chain, including key suppliers, shippers and service providers, needs to be compliant as well. Breakdowns in any part of the business transaction chain could slow down or halt shipments that keep revenues flowing, businesses operating and customers supplied.

With less than two months until January 1st, there still remain numerous problems to solve. **But it is not too late for exporters to prepare for potential disruptions that may affect how their businesses will operate.** Minimizing the impact of these disruptions is possible if companies put contingency plans in place and focus their efforts on risk management. The fixes are technical, but Y2K is not simply an information technology problem. It is a management issue. Top management must be involved because they have a cross-functional understanding of how their business operates and are able to identify external dependencies that affect day to day operations.

The Department of Commerce has developed and distributed a comprehensive Y2K self help assessment tool, entitled *Y2K: Managing the Challenge*. (To get self-help CD ROM call 202-482-0480 or go to <http://y2k.ita.doc.gov>) This tool helps organizations develop a road map to address the issue by prioritizing which projects need to be tackled first and to track ongoing Y2K-related projects and correspondence with suppliers, distributors and service

providers. It helps managers evaluate their organization's exposure to the Y2K problem through a four step process:

- Inventory of hardware, software, and devices with embedded chips that may be vulnerable to Y2K;
- Identification of core business functions and degrees of dependencies between these functions and key business partners, service providers and inventoried items;
- Development and management of contingency plans; and
- Management of remediation efforts.

The tool and accompanying material, such as the user's manual and contingency plan template, have been translated into ten foreign languages in addition to English, including Arabic, Simplified and Traditional Chinese, French, Italian, Japanese, Korean, Portuguese, Russian, and Spanish. Any of these language versions can be downloaded free-of-charge directly off of the International Trade Administration's Y2K website at <http://y2k.ita.doc.gov>. This website, when used in conjunction with the Y2K management tool, is a clearinghouse of information on how other governments are addressing the issue. It contains the study entitled *The Year 2000 Problem and the Global Trading System*, and provides resource links to U.S. Government, international organizations, country-specific and industry-specific websites. ■

For more information, or to get a copy of the Y2K self-help assessment tool, contact:

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Office of Computers & Business Equipment
International Trade Administration
Tel: (202) 482-0480
E-mail: Tu-trang_Phan@ita.doc.gov
Internet: <http://y2k.ita.doc.gov>



Photo by Tennessee Hursley

ADDITIONAL RESOURCES

GENERAL:

U.S. Federal Government Gateway for Year 2000 Information Directories: www.itpolicy.gsa.gov/mks/yr2000/y2khome.htm

Y2K Consumer Hotline: 888-USA-4-Y2K.

The President's Council on the Year 2000 Conversion's 100 Days to Y2K: A Resource Guide for Small Organizations. This booklet includes toll-free numbers, web sites and publications, and can be downloaded at www.y2k.gov

Small Business Administration's Y2K Web Site: www.sba.gov/y2k

National Institute of Standards and Technology's Y2K Web Site: <http://y2khelp.nist.gov>. NIST also sponsors workshops, and provides self-assessment checklists and tools for small businesses on the Y2K problem.

Y2K Help Center for Small Businesses: 800-Y2K-7557 or Y2Khelp@nist.gov

TRANSPORTATION:

Federal Aviation Administration: www.faa.y2k.com.

International Air Transport Association: www.iata.org/y2k

Maritime Administration: www.marad.dot.gov/whats_new/y2k.html

U.S. Department of Transportation's International Civil Aviation Y2K Information Review: www.y2ktransport.dot.gov/fly2k

U.S. Department of Agriculture's Study on the Transportation System: www.fas.usda.gov/info/publications/y2k.pdf

TRADING SYSTEM INFRASTRUCTURE

Edison Electric Institute: www.eei.org/issues/y2k.

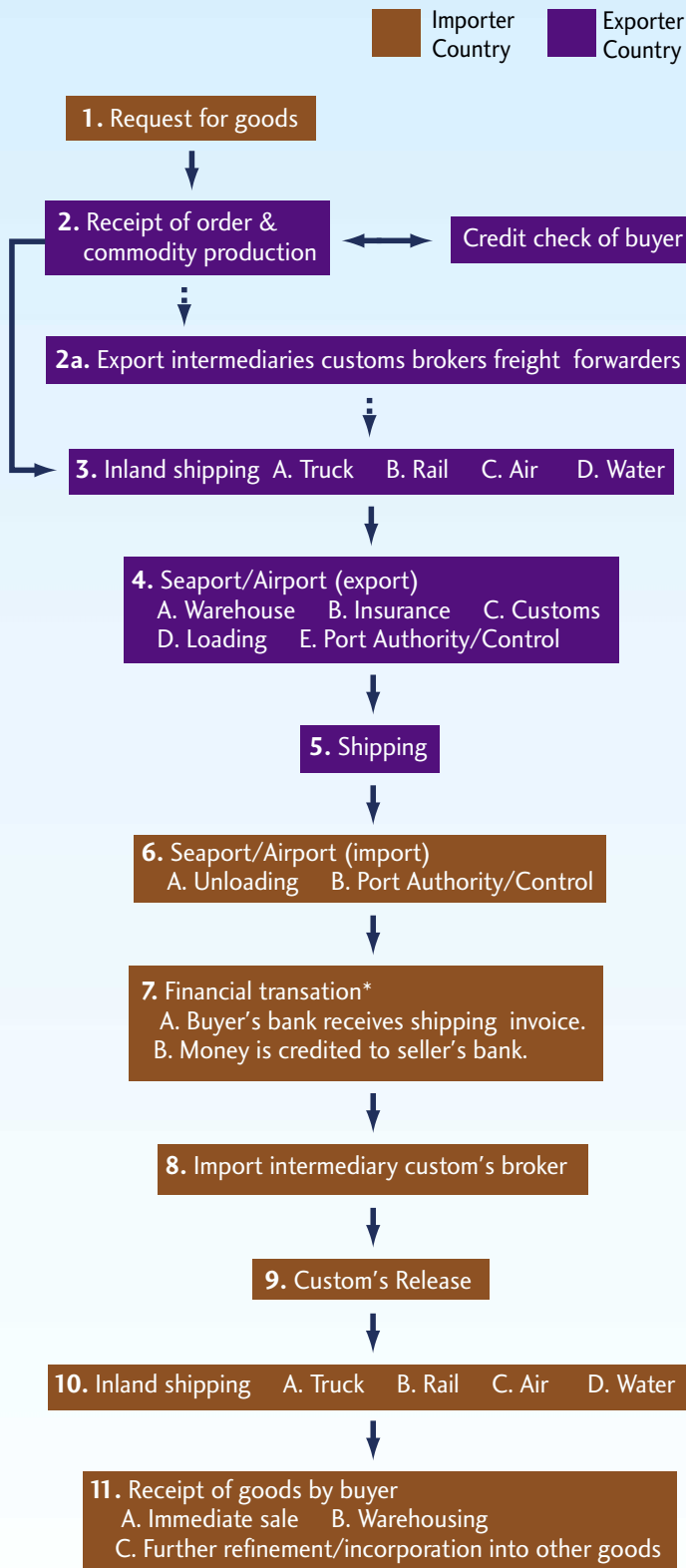
Federal Communications Commission: www.fcc.gov/year2000

International Telecommunications Union: www.itu.int/y2k

Federal Reserve Board: www.bog.frb.fed.us/y2k

U.S. Customs Service: www.customs.gov/about/about.htm

INTERNATIONAL BUSINESS TRANSACTION CHAIN



*Financial transactions occur at every stage of this process.

Whether brought about by the forces of nature or of mankind, disasters tear down the foundations that sustain our economic and social well being. Hurricanes, earthquakes and military conflicts destroy housing, roads, communications and supply networks. The end result is usually human suffering and disarray.

As unfortunate and inevitable as these events may be, governments and businesses have a vital role in putting the pieces back together again. Even after immediate food and shelter needs are met, the U.S. Government and businesses will be needed to provide the financing and other resources necessary to rebuild infrastructure. Reconstruction takes many forms and provides opportunities to all involved. Governments and businesses can exercise their goodwill and expertise while helping individuals rebuild their lives and communities. The following stories outline reconstruction efforts in Central America, Southeast Europe, Turkey and Taiwan.

From The

HOW YOUR BUSINESS CAN HELP WITH GLOBAL RECONSTRUCTION

COMING TO TERMS

TAIWAN'S POST-QUAKE OUTLOOK

by **Natasha Hsieh & Laurette Dickerson**

Office of Korea and Southeast Asia. Compiled from information provided by the American Institute in Taiwan.

On September 21, 1999, Taiwan was devastated by a 7.6 magnitude earthquake. Rocking central and north Taiwan, the earthquake resulted in the loss of thousands of lives and severely damaged portions of Taiwan's sophisticated infrastructure.

Within a week of the disaster Taiwanese authorities had convened a high level commission to manage and organize reconstruction and resettlement efforts. Composed of the Public Construction Commission (PCC) and the Ministry of the Interior's Construction and Planning Administration (CPA), the commission is using powers granted under an emergency presidential decree to facilitate humanitarian relief and prepare for large scale infrastructure reconstruction.

INFRASTRUCTURE RECONSTRUCTION

Once humanitarian needs have been met, the commission will focus on rebuilding four key areas within the civil infrastructure: housing, transportation, energy production, and communications. Each of these divisions holds potential oppor-

tunities for U.S. businesses to be involved in Taiwanese reconstruction.

CONSTRUCTION

Over 5,000 residential buildings were demolished or rendered uninhabitable by the massive earthquake. In addition, many bridges, roads, railways and other key elements of the transportation network were severely damaged. The result is current high demand for prefabricated housing and expected increases in the demand for cement, steel, glass, wire and other construction materials. Taiwan is also in need of specialized experts and equipment to deal with demolition, debris removal, and large scale infrastructure construction. The CPA has already begun to accept applications from licensed and qualified construction companies to bid on these projects.

TELECOMMUNICATIONS

While Taiwan's mobile telecommunications network largely escaped the earthquake unscathed, it is estimated that Chunghwa Telecom, the national telecommunications service provider, suffered nearly US \$125 million in fixed

line network damages. The fiber optic network and three switching centers in central Taiwan were especially hard hit.

ENERGY

Outages suffered in the telecommunications network during the immediate aftermath of the earthquake were more generally attributable to loss of power. At least three hydroelectric and thermal power plants in central Taiwan suffered major damage. Problems were further compounded by breakdowns in the electricity transmission grid. Taiwan Power Corporation, along with independent power producers, have begun major emergency repairs to the network.

TRANSPORTATION

The Taiwan authorities have already announced a major tender to purchase fire trucks, water tank trucks, ladder trucks and other emergency vehicles. The National Police is expected to review its needs for rescue helicopters, and some predict an increased demand for commercial helicopters as reconstruction efforts, especially in remote mountain towns, get underway. ■

An aerial photograph of a multi-story building that has been severely damaged, likely by an earthquake. The building's structure is exposed, with many windows missing and debris scattered across the floors. Numerous rescue workers in orange uniforms and hard hats are seen on various levels of the building, some using ladders to reach higher floors. The scene is one of active reconstruction and search for survivors.

Ground Up

For more information on Taiwan's post-quake reconstruction, please contact the following agencies:
Jonathan M. Heimer, Commercial Officer
American Institute in Taiwan
32F, Sec. 1, Keelung Rd.
Taipei, Taiwan
Tel: 886-2-2720-1500, ext. 385
Fax: 886-2-2757-7162
Internet: www.ait.org.tw

U.S. Department of Commerce
International Trade Administration
Trade Information Center
Internet: www.ita.doc.gov
(under Hot News & Current Events)

Rescue Workers Searching Through the Rubbles of Tung-Shing Building

BUSINESS OPPORTUNITIES IN SOUTHEAST EUROPE DEVELOPMENT

by Pat Kirwan & Jonathan Kimball

International Trade Administration.

Since the collapse of the communist bloc in 1989 the six frontline countries of Southeast Europe—Albania, Bosnia, Bulgaria, Croatia, Macedonia and Romania—have made significant strides toward improving their commercial climates. Each country has phased in economic reforms and begun the process of privatizing previously state-owned firms. Persistent civil unrest and military conflict in Croatia, Bosnia and Kosovo have significantly slowed economic activity in the region. The end of the military conflict in Kosovo, along with the establishment of a multilateral peacekeeping force and the pledges of bilateral and multilateral aid, should provide for a more stable economic environment and new opportunities for U.S. firms.

Due to the military conflict in Kosovo, most of the economies in the region are expected to experience negative growth for the remainder of this year, but all should turn that around in 2000. The speed of economic recovery depends on the Southeast European countries' ability to implement planned economic reforms and on how quickly the international development community can identify and fund projects related to Kosovo reconstruction and Southeast Europe's economic development. In many cases the funding for projects will also depend on economic reform.

ADVANTAGES OF SOUTHEAST EUROPE

Southeast Europe offers lucrative opportunities for businesses with international experience, especially those that already deal with former Soviet Bloc countries. While none of the countries is particularly large, the region as a whole has a population of 150 million. The region is close to the world's second largest market, the

European Union, and its proximity is strengthened by preferential trade agreements between the EU and most countries in the area (see box). In addition, the workforce is highly educated and costs are very low. The region has abundant natural resources with plentiful hydro- and other electric-power sources.

American high technology, industrial and consumer products, whose only competition comes from Europe, offer significant price and quality advantages, and enjoy good markets in the region. U.S. technology and know-how are widely respected and financing is very much needed. The price, quality, technological leadership and reputations of U.S. companies are often viewed in the region as effective counterweights to EU pressure to "buy European."

BARRIERS TO DOING BUSINESS

Market access for U.S. companies is improving, but the region remains a difficult place to do business. The following is a list of problems that some foreign companies have encountered:

ABSENCE OF TRANSPARENCY: There is still a relative lack of transparency in the manner in which deals and contracts are reached (especially those involving state-owned firms). There is also a perception that legal systems in the region do not treat companies equally.

PREVALENCE OF CORRUPTION: Corruption in both the public and private sectors is a problem in many of these countries.

LACK OF DEVELOPED CAPITAL MARKETS AND SOUND BANKING SYSTEM: Commercial interest rates remain high and well-developed capital markets do not yet exist. Letters of credit can be difficult to obtain.

Inadequate business infrastructure: Outside of the region's capital cities, basic business services like phone and fax lines may be unreliable. The distribution system is also unreliable, with shipping and transportation services often delayed.

Despite these difficulties, experience has shown that problems can be over-



Burned home and farming equipment in Kosovo.

Photo courtesy of The World Bank

come by persistent effort and long-term commitment to the region. In addition, many U.S. firms have found the region to be a good market due in part to the continuing absence of serious domestic competition in many areas

BEST PROSPECTS

There are a number of sectors that offer U.S. exporters, investors and project implementers substantial opportunities. As export financing for private sector initiatives is often difficult to obtain, a majority of the developing opportunities are either financed by the sovereign government or the international community. The following sectors are the most likely to produce opportunities for U.S. firms

ENERGY: The energy sector throughout Southeast Europe is burdened by inefficient, as well as environmentally harmful energy plants in need of upgrades and/or demolition. Both situations present significant possibilities for U.S. firms. Promising subsectors include power generating, turbine, mining and co-generation equipment.

TEXTILES: U.S. textile companies can soon take advantage of special textile agreements (effective on January 1, 2000) with Macedonia and Romania. Under the agreements, certain wool apparel will be exempt from quotas provided that the garments are made from wool fabric produced in the United States. U.S. textiles suppliers can benefit from the increased demand for U.S. fabric that will result from these agreements.

TELECOMMUNICATIONS: Meeting the needs of the rapidly developing telecommunications sector in

Southeast Europe provides U.S. companies substantial opportunities for both fixed and cellular telephony service. Albania, Macedonia, Croatia and Bulgaria have all taken significant steps towards privatizing their state-owned telecommunications monopolies. Opportunities for both equipment suppliers and system operators are likely to emerge in each of these countries in early 2000.

TRANSPORTATION: The international community has promised to focus a significant amount of resources on developing Southeast Europe's transportation network. This will involve reducing transportation bottlenecks, such as inadequate roads, bridges and customs processing stations. Many of these projects will be funded by the World Bank, the European Bank for Reconstruction and Development and the European Union.

CONSUMER GOODS: The economic growth that is predicted for Southeast Europe during the next few years will dramatically increase the market for U.S. consumer goods. Specifically, accelerated growth is expected in such traditional light industry subsectors as textiles, apparel, footwear, household appliances, glassware and furniture.

Information Technology: U.S. companies specializing in computer hardware and software can also find significant opportunities in the developing business environment in Southeast Europe. For example, increased pressure from the United States and other World Trade Organization members regarding the protection of intellectual property in this part of Europe has increased the demand for off-the-shelf applications.

SUCCESS STORIES

BULGARIA

The U.S. Department of Commerce's Commercial Service office at the U.S. Embassy in Sofia helped Lucent Technologies expand its presence in the Bulgarian market last year by organizing a customized Gold Key Service for the company. In addition to arranging two days of appointments with carefully-screened Bulgarian information technology companies, the Commercial Service provided Lucent with individual business counseling sessions, market research and advice on market entry strategies as part of the Gold Key package. One of the Bulgarian firms which Lucent met through the Gold Key Service signed a contract to purchase \$900,000 in U.S.-made cabling systems and telecommunications components.

CROATIA

The Commercial Service in Zagreb, Croatia has been an important partner for U.S. companies wishing to do business in Southeast Europe, providing advocacy support and valuable market expertise. In 1998, the Parsons Company was awarded an openly-competed contract from the Croatian Electric Utility to rehabilitate a power co-generation unit in Zagreb.

ROMANIA

In November 1998, advocacy support by the Commercial Service in Bucharest helped GTE Telecom International Systems win a \$50 million subcontract to provide management services and expertise to the Greek national telephone company, which in turn had acquired a one-third stake in Romtelecom, the national telecommunications company. Under the U.S.-Greek deal, 32 GTE executive positions were established in Romania and the U.S. for a period of two years, with an extension to five years to be negotiated.

Bulgaria and Romania have concluded Association Agreements with the EU which enable most of their industrial exports to enter the EU duty-free or virtually duty-free. Through a special arrangement, most Croatian and Bosnian-origin industrial products also enter the EU duty-free. The EU is currently in the process of negotiating a Stabilization Association agreement with Macedonia which will provide similar access for Macedonian-origin products to the EU. Eventually, Albania, too will be extended these tariff preferences and expanded access to the EU market.

One of the core goals of the United States in Southeast Europe is to support the expansion of U.S. commercial involvement in the region. To accomplish this, the U.S. Government has undertaken a number of programs to increase U.S. exports to and investments in Southeast Europe. These include:

On November 1 and 2, the **U.S. Department of Commerce** will host the "Southeast Europe: Commercial Opportunities and Partnerships Conference" in Sofia, Bulgaria. Secretary William Daley will host the event. He will be accompanied by the chairmen of the U.S. Export-Import Bank, the Overseas Private Investment Corporation and the Trade and Development Agency. The conference will present business opportunities to U.S. companies interested in the markets of the region, as well as support the development of business partnerships between U.S. and regional firms.

The Overseas Private Investment Corporation is using OPIC investment guarantees to create one or more private sector investment funds to mobilize up to \$150 million in private equity financing. In addition, OPIC is providing a \$200 million investment credit line for companies or commercial ventures that have significant U.S. participation.

The Trade and Development Agency provides funds for feasibility studies, orientation visits, training grants and various forms of technical assistance to help U.S. companies become involved in the planning stages of infrastructure and industrial projects in the region. TDA plans to station personnel in Zagreb in order to ensure that U.S. businesses are involved in the reconstruction projects.

Later this year the Department of Commerce's **Commercial Service** will place an American officer in Thessaloniki, Greece to provide on-the-ground support to U.S. companies bidding on projects in Kosovo and Southeast Europe. This officer will interact with World Bank, European Union and EBRD officials to ensure U.S. companies find out about projects related to the reconstruction of the region and to guide them through the bidding process.

Central and Eastern Europe Business Information Center's (CEEbic) activities, which support U.S. commercial involvement in Eastern Europe, will increasingly focus on Southeast Europe. CEEbic has recently established a Kosovo/ Southeast Europe Hotline (202-482-5471); the weekly e-mail publication, *The Southeast Europe Business Brief*, is being enhanced to focus more attention on commercial issues related to Kosovo reconstruction and the economic development of Southeast Europe; and a special database of companies interested in Kosovo and Southeast Europe has been created. ■

TOURISM: Regional governments are taking advantage of their natural resources by focusing increased attention on mountains, beaches, and historical and cultural sites. U.S. companies specializing in providing tourism services and improving tourism infrastructure can find significant opportunities.

RECONSTRUCTION EFFORTS

The U.S. and the EU are working with the international financial institutions (IFIs), including the World Bank and the European Bank for Reconstruction and Development, to devise a development plan that will bring about stability and economic growth in the region. While the IFIs will continue with their current activities, additional funds are going to become available as part of the Stability Pact agreed to by the U.S., the EU and the countries of the region. Even though details of the plan are still being worked out (a few infrastructure projects have been identified) and sources of funding are broad, there will be additional opportunities for U.S. firms.

Over \$3 billion per year is likely to be provided by the IFI's and bilateral aid programs (U.S., EU and individual European countries). Most of this aid will be used to leverage private financing which is expected to be much greater. In the **immediate term**, most of the projects that are being funded focus on humanitarian needs (potable drinking water, clearing mines, etc.) and balance of payments support.

In the **short term**, the focus will shift to helping countries develop legal and financial institutions that will support a market economy. There will be an emphasis on clearing up the transportation bottlenecks through such measures as adding additional lanes to customs check points or increasing the tonnage that bridges can support. Connecting the electric grids of the region to Western Europe's and establishing water projects will both be priorities.

In the **long term**, the emphasis will continue to be on developing market institutions, but there will also be a shift to larger infrastructure projects like bridge building, expansion of airports and completion of highways.

SUGGESTED STRATEGIES FOR U.S. COMPANIES

Monitor lending by the IFIs: These institutions require international competitive bidding for goods and services purchased with their loans to government agencies or state owned enterprises in the region. In the case of Kosovo, U.S. business should monitor United Nations tenders, which are mainly overseen by the Civil Administration headed by Tom Koenigs, deputy special representative for Civil Administration.

Partner with a local or European firm: The EU and individual European countries will provide the bulk of the infrastructure development assistance so partnering with an EU firm is key. Also, partnering with local companies may be a good idea since consideration will be given to firms from the region.

Monitor technical assistance projects: The IFIs work with technical assistance agencies (the U.S. Trade Development Agency, the EU PHARE program, and OBNOVA) to develop projects, so activities by these agencies may provide insight into larger plans. ■

For more information about opportunities in Southeast Europe, contact: Central and Eastern Europe Business Information Center (CEEbic) Department of Commerce 1300 Pennsylvania Ave., NW USA Trade Center Suite 800 (Mezzanine Level) Tel: (202) 482-2645 Fax: (202) 482-3898 E-mail: ceebic@ita.doc.gov Internet: www.mac.doc.gov/eebic/ceebic.html

CONTACT INFORMATION FOR SOUTHEAST EUROPE

Websites :

Department of Commerce CEEBIC site for information about the region and information and links to the IFIs www.mac.doc.gov/eebic/ceebic.html

European Bank for Reconstruction and Development, focused on infrastructure development and privatization www.EBRD.com

World Bank focused on both infrastructure and the development of institutions that support a market economy www.worldbank.org/html/pic.research

Contacts:

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European Bank for Reconstruction and Development Gene Harris Senior Commercial Officer Tel: 44-171-558-4027 Fax: 44-171-558-4026

World Bank Commercial Liaison to the World Bank Tel: 202-458-0120/0118/1954 Fax: 202-477-2967

FROM RELIEF TO RECONSTRUCTION

CENTRAL AMERICA ONE YEAR AFTER HURRICANE MITCH

by Regina DeLeonardis & Elizabeth Jaffee

International Trade Administration

U.S. AND INTERNATIONAL SUPPORT FOR CENTRAL AMERICA'S RECONSTRUCTION

The economic and social impact of Hurricane Mitch on the Central American countries was enormous. Between October 27 and November 1 of last year, Hurricane Mitch killed

ing damages equal to nearly two-thirds of their gross national product.

At a meeting of the international donor community held in May, the Central American governments presented their "master plans" for post-Hurricane Mitch reconstruction. These reconstruction programs focused on four

THE ROLE OF THE COMMERCE DEPARTMENT IN RECONSTRUCTION

The Commerce Department is playing an active role in the Clinton Administration's efforts to support Central America's reconstruction, with programs being developed by three of

"THE UNITED STATES GOVERNMENT'S RESPONSE TO HURRICANE MITCH IS A MULTI-AGENCY EFFORT, FOCUSING ON THE GOALS OF THE INTERNATIONAL COMMUNITY."

over 10,000 people and caused billions of dollars in damages. Honduras and Nicaragua were the hardest hit, sustain-

broad areas: economic reactivation, reduced environmental and social vulnerability, decentralization, and transparency and accountability in the use of international funds. The international community has supported Central America's reconstruction efforts by pledging over \$9 billion in funding. The United States is the largest bilateral donor, with total U.S. Government contributions to Hurricane Mitch relief and reconstruction—including previous expenditures and reprogramming—reaching \$1.1 billion. The United States Government's response to Hurricane Mitch is a multi-agency effort, focusing on the goals of the international community.

its bureaus: the International Trade Administration (ITA), the National Institute of Standards and Technology (NIST) and the National Oceanic and Atmospheric Administration (NOAA). Consistent with environmental mandates, DOC's goal in assisting with the reconstruction of Central America is to support Central America's ability to make decisions that minimize their exposure to future disasters and promote sustainable uses of natural resources. The Department's objectives are to provide key infrastructure elements, develop much needed predicting and warning systems, help promote more sustainable and resilient uses of coastal resources, encourage disaster-



The Capital of Honduras, Tegucigalpa, under mud: Clean-up and Reconstruction will take years.

Photo courtesy of IADB

resilient economic revitalization and infrastructure development, and ensure the transparency and accountability of international donor funds.

OPPORTUNITIES FOR U.S. INDUSTRY IN RECONSTRUCTION

The private sector can play a significant role in the reconstruction and transformation of Central America. To help U.S. companies participate in internationally-funded reconstruction projects and other trade and investment opportunities in Central America, the International Trade Administration has focused its efforts on three areas: (1) providing information on reconstruction efforts and possible projects, (2) facilitating U.S. company contacts with host countries' executing agencies, multilateral development banks, and potential business partners, and (3) raising awareness in Central America of U.S. companies' skills and expertise. ITA also serves as an important source of information regarding other U.S. Government programs available for U.S. companies interested in reconstruction projects. U.S. companies are encouraged to contact the Commerce Department's liaison offices at the Inter-American Development Bank and the World Bank, the principal multilateral development banks' funding projects in the infrastructure, transportation, and the social sectors, for information on projects and procurement procedures.

Prior to Hurricane Mitch the Central American countries had made significant progress strengthening democracy and liberalizing their economies. Trade liberalization, macroeconomic stabilization, and the introduction of private investment in previously state-owned enterprises have resulted in significant trade and investment opportunities for U.S. companies. The U.S. is Central America's most important trading partner and its largest foreign investor, with 1998 U.S. trade with Central America (specifically Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua) totaling \$17.6 billion. Top

U.S. exports to the region include wheat, rice, oil and apparel. Continued growth of these industries, as well as tourism, non-traditional agriculture, and forestry, are critical to Central America's reconstruction efforts by providing desperately needed resources and skills. Central American companies are eager to work with U.S. firms on a range of projects and sectors.

UPCOMING EVENTS

In conjunction with Caribbean/Latin American Action's (C/LAA) December conference in Miami, the International Trade Administration is planning a full-day program on December 7 on Reducing the Caribbean Basin's Economic Vulnerability to Natural Disasters through Public-Private Partnerships. This full-day program is designed to encourage an open exchange of ideas between the U.S. private sector and the Central American and Caribbean governments and private sectors. In addition to special plenary presentations by U.S. Government officials and companies, the program will feature a series of concurrent workshops focused on insulating operations in the following industry sectors: agribusiness/forestry; energy; telecommunications; construction/housing; transportation (roads, bridges, airports, ports); water and wastewater and manufactur-

ing. These workshops will provide U.S. companies with an opportunity to present their experiences in insulating their investments in countries or regions prone to natural disasters.

RESOURCES

The following websites continue to be excellent sources of information on Central American reconstruction efforts and project opportunities: the U.S. Agency for International Development (<http://hurricane.info.usaid.gov>), the Inter-American Development Bank (www.iadb.org) and the International Trade Administration (www.ita.doc.gov).

Information on the above programs and initiatives can also be obtained from:

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Workers unload U.S. supplied Food Aid in Guatemala

Photo courtesy of the United States Information Agency

TURKISH RECONSTRUCTION

MEETING LONG-TERM NEEDS

By David S. De Falco, Esq.

Office of European Affairs

Bilateral trade between the United States and Turkey surged over the past five years, exceeding \$6 billion in 1998. Total U.S. investment in Turkey was \$1.1 billion in 1998. With the recent passage of constitutional amendments allowing for international arbitration in "concession" agreements, we can expect investment figures.

This picture of developing commercial relations between the United States and Turkey took on a new and unfortunate dimension with the August 17, 1999 earthquake in the Marmara region. More than 15,000 lives were lost and Turkey's industrial heartland suffered extensive damage. The World Bank's preliminary damage assessments range from \$3 billion to \$6.5 billion—1.5 to 3.3 percent of GNP. An estimated 400,000 to 600,000 people have been left

related associations on how to work with Turkish officials as they conclude their assessments and begin placing requests for goods and services.

In September, the Market Access and Compliance Bureau of ITA convened a Turkish Reconstruction Forum. U.S. Commerce Under Secretary David L. Aaron and Turkish Foreign Trade Under Secretary Kürsad Tüzmen hosted the event. Over 70 U.S. and Turkish private sector companies involved in the construction and housing industries attended. Representatives from the U.S. Export-Import Bank (Ex-Im), the Overseas Private Investment Corporation (OPIC) and the Trade and Development Agency (TDA) presented their organizations' plans for reconstruction. The three U.S. Government finance agencies, in close collaboration with the Department of

"THE CHALLENGE TO THE U.S. AND THE INTERNATIONAL COMMUNITY IS HOW BEST TO HELP TURKEY RECOVER AND REBUILD."

homeless. The challenge to the U.S. and the international community is how best to help Turkey recover and rebuild.

The immediate response by the international community was overwhelming and helped the Turkish government through the first phase of recovery. Now the priority for the U.S. Government and other interested parties is to meet Turkey's long-term reconstruction needs. Direct assistance has been made available by the international financial community. The World Bank announced a loan package of more than \$1 billion for Turkey's reconstruction efforts. Of this, \$330 million will take the form of re-allocations of existing loans and \$750 million will be new long-term loans. The International Monetary Fund also has pledged an emergency loan of \$500 million. The U.S. Government has responded by making reconstruction a priority and has mobilized its financial agencies and other institutions, such as the Department of Commerce, with strong ties in the private sector.

At the request of the Government of Turkey, the U.S. has begun to focus on long-term reconstruction efforts in order to provide Turkey with permanent housing and assistance in rebuilding damaged infrastructure. The Department of Commerce, through the International Trade Administration (ITA), has begun discussions with U.S. housing companies and

Commerce's U.S. and Foreign Commercial Service, opened a Caspian Finance Center in Ankara, Turkey last year. Given the office's knowledge of the region and close ties with both U.S. and Turkish companies, it is well-situated to address whatever concerns interested companies may have regarding long-term reconstruction efforts, as well as any other projects they may be considering in the region.

TDA will continue to provide strategic feasibility study funding and technical assistance to governments of the region as they plan the development of their vast energy reserves and modernize all sectors of their economies. OPIC will offer eligible U.S. investors insurance coverage, and also offer financing to U.S.-sponsored companies for construction, ownership and operation of oil and gas pipelines, and other projects of all kinds in the region. Ex-Im will provide trade and export finance to U.S. and foreign companies that use U.S.-produced goods and services to implement these important and needed projects.

In Washington, D.C., ITA is working with the Government of Turkey to ensure that U.S. companies will be part of the reconstruction efforts, and that the process will take place in a transparent and equitable fashion. It is hoped that the combined efforts of the U.S. public and private sectors can help Turkey recover from one of its worst disasters. ■

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UPCOMING TRADE EVENTS

JANUARY - JULY 2000

DATES	EVENT	CITY
2/1-3/00	DEFENSE TRADE MISSION 2000 This trade mission will consist of a two-day program in the Hague and a one-day program in Belgium. Matchmaking opportunities will be available at both stops.	The Hague, Netherlands & Brussels, Belgium
2/1-4/30/00	INFRASTRUCTURE 2000 Promote your products at Infrastructure 2000, an official U.S. Catalog Exhibition in Africa, the Mid-East, and Asia, February-April 1999. The U.S. Department of Commerce will promote your product literature in 11 dynamic markets, including South Africa, Saudi Arabia, and the United Arab Emirates, to help you test your sales potential and make valuable business contacts.	Africa, the Middle East & Asia
2/24-25/00	TELECOM NETWORKING 2000 EXHIBITION/SEMINAR This trade exhibition and seminar at the The US Trade Center- Tokyo will provide an unmatched opportunity for American manufacturers of telecom equipment and products to display their products and services, and make seminar presentations to a qualified audience of Japanese industry contacts.	Tokyo, Japan
3/1/00	CAIRO INTERNATIONAL FAIR The U.S. Commercial Service in Egypt will celebrate its 25th year of participation at the Cairo International Trade Fair, March 1-10, 2000. The U.S. Pavilion at the Fair typically hosts over 50 U.S. company exhibitors. In 1999, the Pavilion attracted over 150,000 general visitors, and with direct sales of nearly \$3 million and another \$10-15 million projected sales.	Cairo, Egypt
3/1/00	MEDITECH ASIA Meditech Asia is a biennial international healthcare industry exposition. More than 8,000 qualified medical professional and trade visitors from several Asian countries are expected to attend to view products and systems which will be displayed by over 300 international exhibitors from over 25 countries in 4,500 square meters of exhibit space.	Bangkok, Thailand
3/4-7/00	STUDY USA ASIAN REGIONAL TOUR The STUDY USA Asian regional tour was launched in 1997 and continues to expand. This event is designed to promote the U.S. as a prime destination for students. In addition to the largest events in the series which are held in Seoul and Pusan, Korea, the Fairs being staged in Thailand and Indonesia continue to grow in size. A new STUDY USA event also has been added in Kuala Lumpur in 2000.	Seoul & Pusan, Korea, Indonesia, Malaysia
3/22-24/00	GLOBE 2000 Globe 2000 in Vancouver is an international marketplace for environmental solutions with over 75 economies represented and more than 10,000 visitors. It encompasses many sectors and features services and technologies from pollution control, solid waste and air quality management, hazardous waste, and wastewater treatment.	Vancouver, Canada
4/1/00	HIGH TECH USA 2000 The Commercial Service in India plans to organize its first ever High Tech Trade Show in April 2000 visiting Hyderabad, Mumbai and Calcutta. The Indian high tech electronic industry is growing at an average annual rate of 15-20% and this show will spotlight the some of the best prospects including computers communications, process control instruments, medical electronics, biotechnology instruments and electric components.	Hyderabad, Mumbai & Calcutta, India
4/1/00	MEDTRADE EUROPE 2000 MedTrade Europe is a new "American" trade show in Europe, strongly supported by USFCS. Its focus is on the home health care and rehabilitation market.	Luxemborg, Luxembourg
4/5-7/00	AVIATION INFRASTRUCTURE 2000 Meet key executives and prospective business partners in Southern Africa aviation industries at this important event featuring airport privatization, heliports, airport directors, air traffic control, security and safety, development plans, design and construction, equipment and services and technology trends.	Sun City, South Africa
4/6-7/00	DESTINO USA 2000 This is a post sponsored/organized event promoting the U.S. as a destination for travel and tourism. Traditionally, Destino USA travels to Chile and Brazil in addition to Argentina.	Buenos Aires, Argentina

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PRIVATIZING THE GULF AND NORTH AFRICA**ABU DHABI, UNITED ARAB EMIRATES
JANUARY 24-26, 2000**

The U.S. Department of Commerce has teamed up with private event organizer Information Management Network (IMN) to present the first ever "Gulf and North Africa Project Finance and Privatization Conference" to be held in Abu Dhabi, United Arab Emirates January 24-26, 2000. We aim to bring senior government, business and finance officials from the Gulf Cooperation Council countries and North Africa to discuss the role the private sector can and should play in infrastructure development and project finance. Proposed topics include: "Legal and Regulatory Reform", "The Role of Regional Banks and the Liquidity Crunch," "Successful Investing in the Power Sector," and "The Post Privatization Process and Corporate Governance."

This conference is especially timely given last year's fall in oil revenues for many of these states. Many governments are no longer able to depend on oil revenues, and must explore how a robust private sector can benefit their economies in general and their companies in particular. This will be a superb opportunity for the Ministers and key decision-makers in the region to meet and discuss the challenges and opportunities they face in developing the atmosphere conducive to a strong private sector, and understand the creative ways needed to finance development projects in times of budget stringency. American companies from throughout the region, as well as from the USA and Europe, will find this conference the perfect vehicle for exploring this market, and for making the contacts that can provide them access to these project contracts. Contact Tap Banerjee, in Abu Dhabi at Tel: (971 2) 273-666 or Email: tapan.banerjee@mail.doc.gov for further information.

U.S. PAVILION IN SECURITY 2000**TOKYO, JAPAN
FEBRUARY 29 - MARCH 3, 2000**

The Commercial Service of the U.S. Embassy, Tokyo will organize a U.S. Pavilion in Security 2000, the largest trade show in Japan promoting security products and technologies, and organized by the nation's leading business media group, Nikkei. This four-day exhibition takes place February 29 - March 3, 2000 at the Tokyo International Exhibition Center "Tokyo Big Sight." More than 139,000 trade visitors are expected to attend. American companies who manufacture or develop security technologies and especially those related to access control, including biometrics, are encouraged to exhibit in the U.S. Pavilion of Security 2000. Interested companies should contact Rick de Lambert at Tel: (813) 3224-5088; Fax: (81 3) 3224-5071; or the CS Japan website for this event www.csjapan.doc.gov/ustc/event/security.

DATES

4/9-15/00

EVENT**RECONDITIONED/REMANUFACTURED EQUIPMENT MISSION**

Responding to a strong market demand, low tariffs and absence of licensing barriers, the Commerce Department Machinery Division will lead eight to twelve companies in a trade mission featuring agricultural and construction machinery, as well as food processing and packing equipment.

CITY

Lima, Peru & Quito, Ecuador

4/10-17/00

AMERICA WEEK

The U.S. Embassy in Port Louis, Mauritius is sponsoring "America Week" Regional Trade Fair April 10-17, 2000. This show, the third of its kind in Mauritius, seeks American companies operating in or seeking to enter the regional market of the Southern African Development Community and the Indian Ocean Rim, with a focus on information technology and telecommunications.

Port Louis, Mauritius

4/10-16/00

MANUFACTURING MATCHMAKER

The U.S. Commercial Service will take up to 20 manufacturing companies on select visits to various cities in India to meet with Indian manufacturers and distributors. This high-level delegation will also receive special one-on-one appointments.

India

4/14-23/00

U.S. SUPERMARKET PRODUCTS IN-STORE PROMO

Hipermercados Devoto, one of Uruguay's largest supermarket chains, the U.S. Embassy in Montevideo and the Foreign Agriculture Service in Buenos Aires will be organizing Montevideo's second annual U.S. Supermarket products In-Store Promotion. Many new products were introduced during the first exhibition in April 1999 and efforts are already underway to introduce more companies and products into the local market.

Buenos Aires, Argentina

5/29-6/4/00

ILA 2000 INTERNATIONAL AEROSPACE EXHIBITION

ILA is Germany's major aerospace event, ranking number three in Europe after the Paris Air Show and the Farnborough Trade Fair in the UK. In 1998, a total of 825 exhibitors from 32 countries featured their products on 41,935 square meters at Schoenefeld Airport.

Berlin, Germany

6/1/00

WESTERN CANADA FARM PROGRESS SHOW

With over 700 exhibitors and 50,000 visitors, including 300 international guests from 21 countries and 22 American states, this show makes an ideal venue for entering the Canadian market in the Agricultural equipment and services sector.

Regina, Canada

6/12-15/00

NATIONAL PETROLEUM SHOW DEALMAKER

Running concurrently with the World Petroleum Congress, this show is the "Largest Oil and Gas Show in the World". The show features 1200 exhibitors housed in 500,000 square feet and attendance is in the area of 50,000 trade only registrants. In 1998 \$6 billion in sales were reported in the 12 months following the show.

Calgary, Canada

6/13-14/00

REPCAN 2000 DEALMAKER

This is the largest and most successful multi-sectoral trade event in Canada for export-ready small and medium size firms. Now in its fourth year, this flagship event serves as an ideal gateway to the most important export market in the world for U.S. goods and services. Participants will benefit from one-on-one business meetings, briefings, and unparalleled market exposure in Canada.

Toronto, Canada

6/15-17/00

EXPO USA 2000

This is a unique trade exhibition featuring U. S. products and services. EXPO USA 1999 attracted over 3500 Dominican and International visitors with 50 U.S. companies displaying their goods and services. This show represents an excellent opportunity for new-to-market companies interested in participating in the growing and dynamic Caribbean economy.

Santo Domingo, Dominican Republic

6/19-23/00

EUROSATORY 2000

Eurosatory is one of the world's largest trade shows devoted exclusively to land defense equipment and supplies. This biennial event will be held at Le Bourget and is expected to attract over 50,000 professional visitors, including almost 100 official buying delegations from around the world. Over 100 U.S. firms are expected to participate.

Le Bourget, France

6/26-29/00

ENTSORGA INT'L FAIR

Entsorga is an International Fair for Recycling and Waste Disposal. The show has over 59,000 sq. meters with approx. 61,000 trade visitors. Entsorga is a premier event for recycling and waste disposal technology, services, as well as general networking in Europe.

Cologne, Germany

6/30/00

COMPUTEX TAIPEI 2000

Computex Taipei represents the largest information technology trade show of its kind in Asia and the third largest in the world, with 910 exhibitors filling 1,800 booths. The 66-booth USA Pavilion is the largest foreign presence at the event by far.

Taipei, Taiwan

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General Industrial Eq.	Beth Moser (202) 482-2736 Beth.Moser@mail.doc.gov
General Industrial Eq.	Beth Moser (202) 482-2736 Beth.Moser@mail.doc.gov
Land Defense Eq. & Supplies	Brigit Dose (49 40) 4117 1303 Brigit.Dose@mail.doc.gov
Pollution Control Equipment	Cara Boulesteix (331) 4312 2279 Cara.Boulesteix@mail.doc.gov
Computers & Peripherals	Alain DeSarran (202) 482-2422 AlainDeSarran@mail.doc.gov

BUSINESS AND INDUSTRY USA 2000**NEW ZEALAND, AUSTRALIA AND THE PHILIPPINES, MARCH 20-29, 2000**

Tap into profitable markets in the Pacific Rim by participating in Business and Industry USA 2000, a Multi-State Catalog Exhibition in New Zealand, Australia, and the Philippines, March 20-29, 2000. Multi-State Catalog Exhibitions attract hundreds of business visitors from dozens of key industry sectors and generate quality trade leads for U.S. firms offering innovative products, services, and technology. Five states have already agreed to participate in this event which represents a state and federal partnership for export promotion.

This event offers a convenient, low-cost method for small and medium-sized companies to tap into profitable markets in New Zealand, Australia and the Philippines, where receptivity to U.S. products is already very high, and it is easy to do business there (English-speaking, free markets, few trade barriers, etc.) All markets can be considered gateways to the Pacific Rim region, offering re-export potential.

U.S. TELECOMMUNICATIONS MATCHMAKER**MADRID, SPAIN AND ROME, ITALY
APRIL 10-15, 2000**

Capitalize on the dynamic export opportunities for telecommunication technologies in Spain and Italy by joining this Department of Commerce Telecommunications Matchmaker. Let our in-country experts arrange high-level meetings with all the major players in the telecom arena.

Ranking ninth in the world, the Spanish telecommunications market has shown record growth in the cellular phone and Internet application subsectors as well as in digital network and associated technologies. Growth is expected to increase at a minimum of 13 percent per year. Spain ranks among the top 20 importers of telecommunication equipment from the U.S.

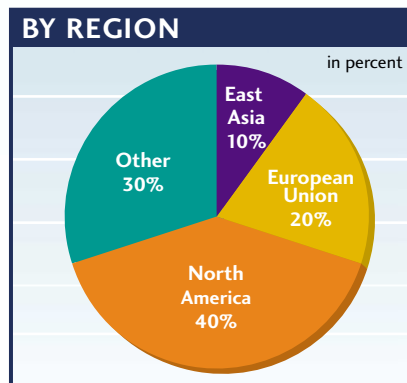
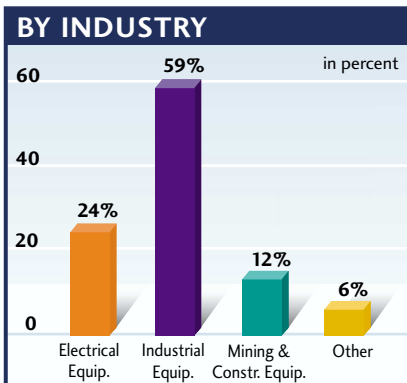
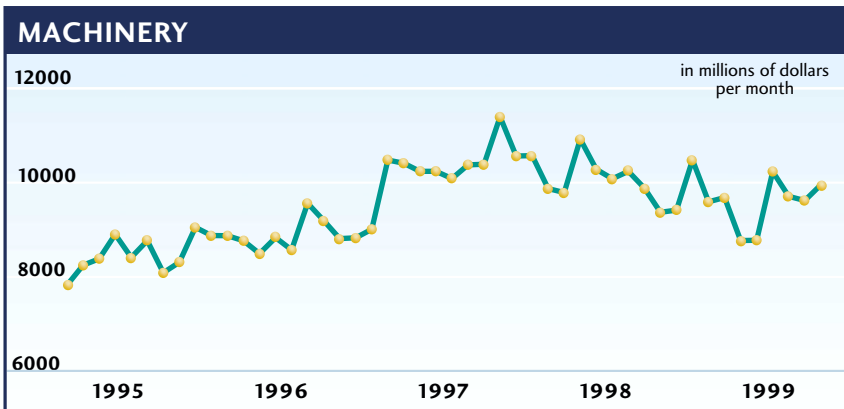
The group will also travel to Italy, which boasts a \$31 billion market for telecommunication equipment and services. During the past two years, this market has recorded double-digit growth. Call Molly Costa at Tel: (202) 482-0692 or Email: Molly.Costa@mail.doc.gov to reserve one of the 20 spaces for this event.

INTERNATIONAL FASHION FAIR**TOKYO, JAPAN
JULY 17 - 19, 2000**

High Fashion Women's Apparel. USA Pavilion for 20 American companies by the Commerce Department Office of Textiles and Apparel and Commercial Service Tokyo — in Japan's semi-annual International Fashion Fair sponsored by "Senken Shinbun" the leading apparel trade newspaper — at the Tokyo Exhibition Center. U.S. fashion trends continue to drive the market in Japan. High quality contemporary American styled womenswear stays in strong demand. Contact: Ms. Maura Kim in the Office of Textiles and Apparel at Tel: (202) 482-4324. Or Email: Maura_Kim@ita.doc.gov.

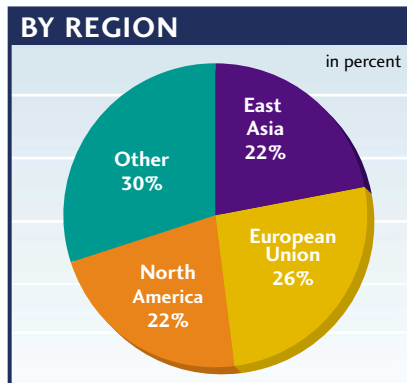
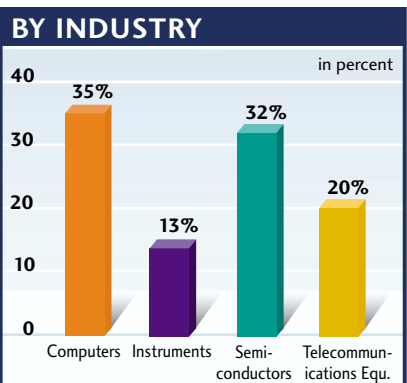
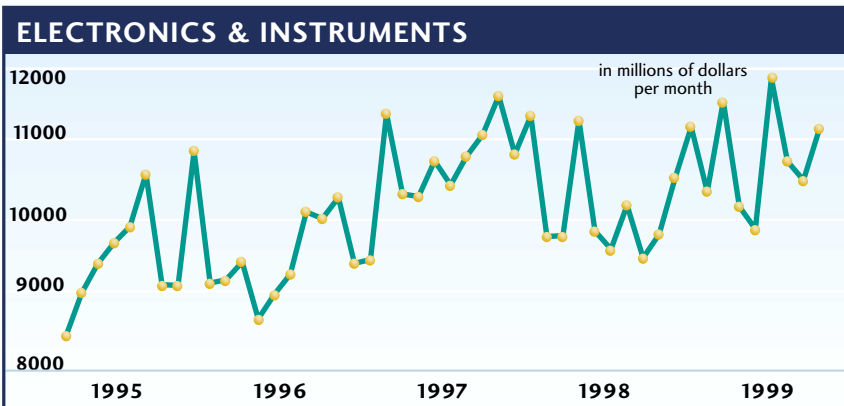
MACHINERY

Exports of these products remain, roughly, on a plateau. They have declined since 1997, but less so than in other categories.



ELECTRONICS & INSTRUMENTS

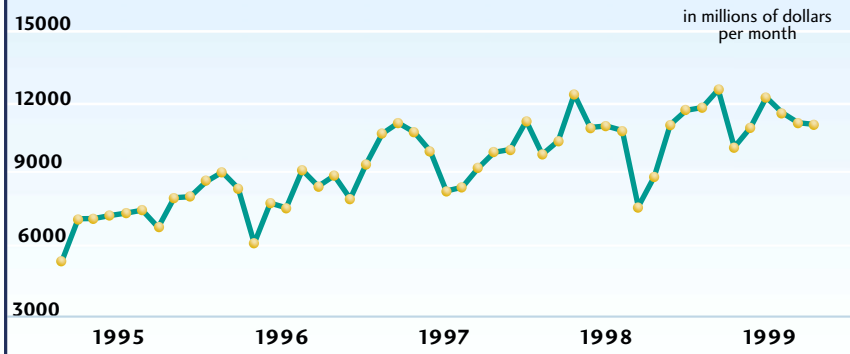
There is evidence of a return to growth in U.S. exports of these products. The June 1999 value clearly exceeds that of June 1998.



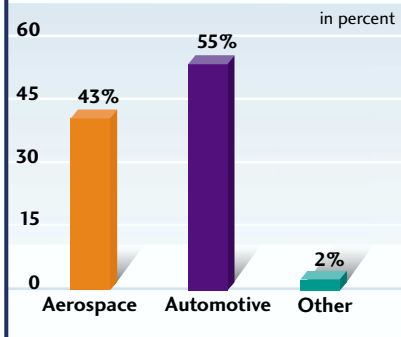
TRANSPORTATION EQUIPMENT (CIVILIAN)

In this volatile sector there is evidence of underlying growth. July 1999 exports exceeded those of July 1998.

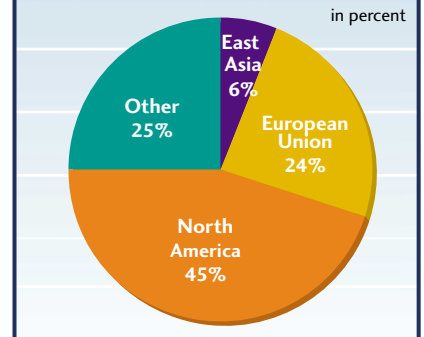
TRANSPORTATION EQUIPMENT



BY INDUSTRY



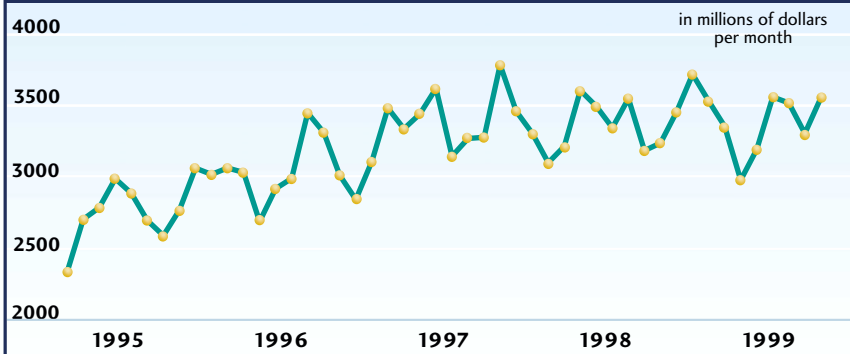
BY REGION



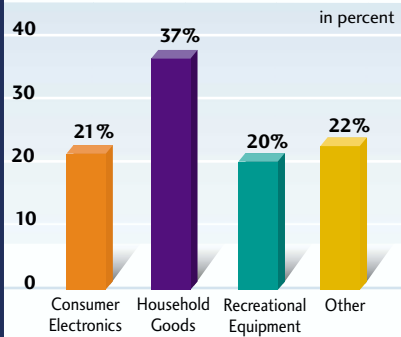
CONSUMER DURABLES

Exports continue to fluctuate within the steady range which has characterized the past two years. The June 1999 level is virtually the same as those of June 1997 and June 1998.

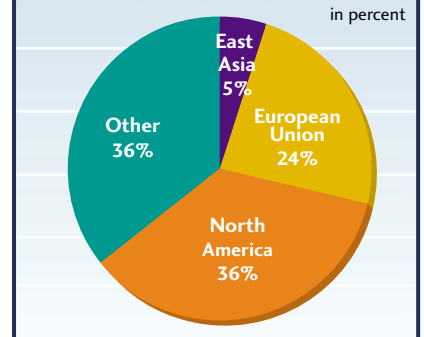
CONSUMER DURABLES



BY INDUSTRY

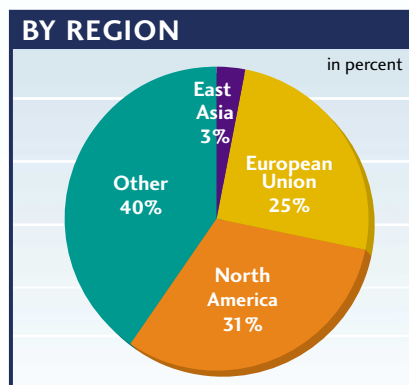
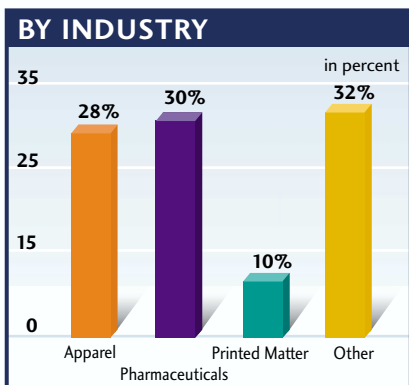
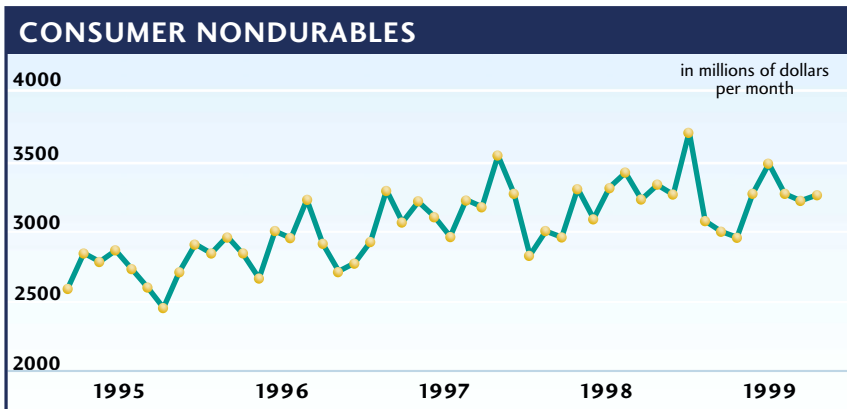


BY REGION



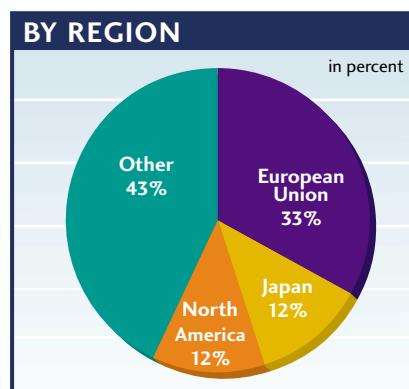
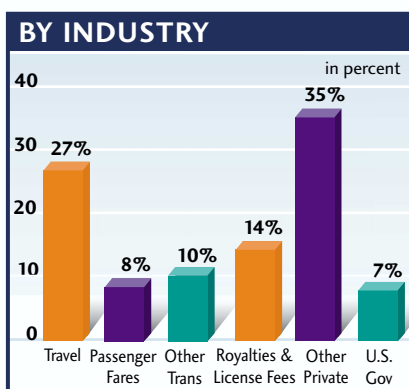
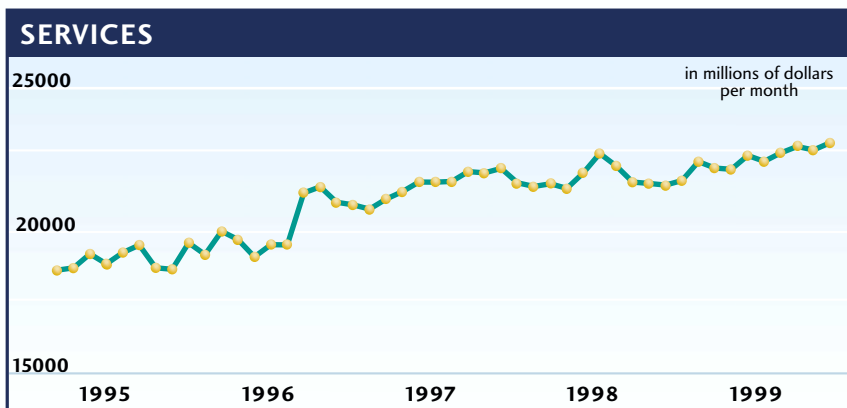
CONSUMER NONDURABLES

June 1999 exports were a bit lower in value than they had been a year before. The steady growth seen in earlier years is no longer evident.



SERVICES

Exports of services in recent months have followed the long-established pattern of steady growth. Services exports are generally less volatile than those of goods, and seasonal adjustment in this chart further eliminates month-to-month fluctuations.



Additional information is available from the International Trade Administration (www.ita.doc.gov/tradestats/), the Bureau of the Census (www.census.gov/foreign-trade/) and the Bureau of Economic Analysis (www.bea.doc.gov/bea/).
Prepared by the Office of Trade and Economic Analysis, Trade Development. For more information call 202-482-2056.

E-COMMERCE

CHALLENGES AND OPPORTUNITIES

by Duaine Priestley

Office of Computers & Business Equipment

Whether or not the Internet significantly influences the course of mankind or simply lowers the cost of creating, storing and distributing information efficiently, we will not know until well into the next century. It is already clear, however, that the Internet and electronic commerce are having a profound impact on

that can enable SMEs to reach new markets. Fortunately, recent trends suggest that U.S. SMEs not only recognize the Internet's potential, but are implementing electronic commerce solutions in order to take advantage of this new business model.

Even though the United States is the leader on development and adoption of Internet technologies today, the number of overseas Internet users is expected to outpace that of the U.S.

the slow pace of telecommunications deregulation and an uncertain regulatory environment in the EU could impede pan-European adoption of electronic commerce, especially among business users. In fact, the Asia-Pacific region could possibly leapfrog Western Europe in the implementation of Internet technologies because of the importance that companies and users in that region place on exploiting the Internet. Asia-Pacific companies already lead their Western counterparts in the

“THE CHANGING DYNAMICS OF THE GLOBAL MARKETPLACE WILL HELP U.S. SMEs IMPROVE THE WAY THEY DESIGN AND DELIVER THEIR PRODUCTS AND SERVICES.”

the way that companies are now conducting business.

For small- and medium-sized enterprises (SMEs) in the United States, a new business model based on the Internet's absence of national boundaries means enormous growth potential. The Internet and electronic commerce, through new business opportunities, better customer relations management and improved supply chain efficiencies, will enable SMEs to better compete and win in the new global marketplace. The challenge, though, will be to migrate from simple Internet connectivity (email capability, intranets, etc.), to customer connectivity (basic website, electronic yellow pages, etc.), to electronic commerce solutions (marketing, transactions, extranets, etc.)

by 2003. It is anticipated that out of the one billion estimated Internet users in 2005, 70 percent will be non-English speakers.

While most people's attention is focused on the consumer side of electronic commerce, it is the business-to-business sector that will experience the most explosive growth internationally. As the chart illustrates, Western Europe and Asia-Pacific will lead the expansion of the Internet population, which will be followed by a commensurate increase in the adoption and implementation of business-to-business electronic commerce solutions.

Although still behind the U.S. by one to two years, Western Europe is poised to enter the digital economy. However,

use of both corporate intranets and websites.

U.S. Internet service providers (ISPs) are investing heavily in both Western Europe and Asia-Pacific in anticipation of increased Internet traffic in those regions. Once the infrastructure is in place and bandwidth concerns are mitigated, both regions will likely experience exceptional growth rates. This will lead to increased opportunities for U.S. SMEs, especially as the Internet applies pressure on large multinationals who have long dominated in customization and customer relations management.

The changing dynamics of the global marketplace will help U.S. SMEs improve the way they design and

deliver their products and services. But, in order for U.S. businesses to capitalize on new opportunities, they will need to meet certain challenges created by growth in the Internet and electronic commerce around the globe.

Specifically, SMEs must consider three main issues before entering the Internet marketplace:

LANGUAGE REQUIREMENTS:

The localization of websites, particularly transaction-based websites, will require native language capabilities. Research indicates that web users are three times more likely to make a purchase over the Internet if the site is in their native language. U.S. SMEs considering markets in the Western Europe or Asia-Pacific regions will need to publish their web sites in the appropriate language for that specific market. Some languages, particularly character-based ones such as Chinese or Japanese, have double-byte requirements, which means added memory, cost and disk space are needed. Most are not well-suited for non-PC devices either, so companies will need to implement technology solutions that support foreign language capabilities in these devices.

LOCAL PREFERENCES: Localized content will be critical. Web applications and content that cater to local customs and culture will be well received.

NON-PC DEVICES: SMEs in overseas markets will confront a bewildering array of non-PC devices with internet access, including mobile phones and personal digital assistants.

Keeping these in mind when designing Internet services and websites will be very important. Also, uneven use of credit cards could imply a vast market for micro payments.

For SMEs that do not consider these issues when developing their international strategic plans, the results will be, at best, delay; at worst, loss of potential revenue. But, it is often said that with great challenge comes great opportunity. If U.S. small- and medium-sized businesses continue to meet the challenges of the new digital economy, they are virtually certain to reap huge rewards in the future. ■

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AN ONLINE APPROACH TO EXPORT LICENSING

Ever wish there was an easier way to get through the export license process? Well now there is thanks to the Bureau of Export Administration's (BXA) Simplified Network Application Process (SNAP). The SNAP system allows businesses to submit export and re-export license applications, high performance computer notices, and commodity classification and reporting requirements all via the Internet. In addition, SNAP also provides a completely automated method to track license applications. Although you must apply for a PIN number before using SNAP online, this new product promises to make export licensing both faster and more efficient. To find out more about how SNAP works, go to www.snapbxa.gov/help-menu.htm. ■



EXPORT WORKING CAPITAL GUARANTEES

FINANCING MADE EASIER BY THE U.S. EXPORT-IMPORT BANK

by Jerry Solomon

U.S. Export-Import Bank

I have a large export order and my bank will not increase my working capital line to accommodate my needs. I wish there was some way that the bank would lend me more money against the collateral that I already have. I know that my bank believes in me, but because I am an exporter, they are being more conservative with the line of credit they will approve for me.

Does any of this sound familiar? The Export-Import Bank (Ex-Im), the U.S. Government's official export credit agency, hears it all the time, and the answer is the Working Capital Guarantee Program (WCGP). It makes pre-export financing available to exporters by guaranteeing 90% of a commercial loan made to support export working capital needs. In the past year, the bank has made over 250 guarantees for over \$250 million in authorizations supporting over \$1 billion in exports.

Our guarantee enables lenders to make larger working capital loans because most of the risk is now taken by Ex-Im Bank, added protection that will overcome many credit concerns. Also, since the secondary source of repayment is now Ex-Im Bank and not the collateral, lenders are free to use greater disbursement rates against the collateral including work in process and foreign accounts receivable. More money then becomes available for export transactions as the exporter has a larger collateral base against which to borrow.

Lines are available for manufacturers, service companies and trading companies, for single transactions as well as revolving lines of credit which can be approved for up to a three year term. Bid and performance bonds and retainage receivables can also be included. Ex-Im Bank's security is a first lien on the

inventory destined for export and the foreign accounts receivable. Since the bank takes the performance risks of the company, there is a one-year in business requirement.

SUCCESS STORY

Daw Technologies, Inc., of Salt Lake City, Utah, has used the Working Capital Guarantee Program to support growing sales to China, Taiwan and Europe. Daw specializes in the design, manufacture, and installation of clean rooms that meet stringent semiconductor manufacturing requirements. The company's working capital line, provided by U.S. Bank of Utah, gives it an edge against tough foreign competition. Ex-Im Bank's support is Daw Technologies generate nearly \$29 million in export sales over a 12 month period.

Many times Ex-Im Bank's insurance or private insurance policies are used to secure the resulting receivable, thus protecting the exporter against the foreign buyer not paying. This is extremely important if the exporter is depending upon the proceeds of the export receivables to pay down the line. Insurance is also a very powerful marketing tool.

Over 90 financial institutions have been granted delegated authority from Ex-Im Bank, which means that they can commit the guarantee on a loan without first having it

approved by Ex-Im Bank, giving them the advantage of speed and revenue sharing. The bank is making a major outreach to asset-based lender and community banks for whom new levels of delegate authority have been created, and prior experience requirements with Ex-Im Bank have been minimized.

We have recently established the Underserved Markets Program through which we hope to reach exporters that have not had such financing made available to them, such as minority or women-owned businesses, those in rural areas, environmental companies and those in economically depressed urban areas. For these exporters, Ex-Im Bank's guarantee may increase to 100%. ■

WANT TO LEARN MORE? Visit the Ex-Im Bank web site at www.exim.gov or call Ex-Im Bank's U.S. division at 202-565-3708 or 1-800-565-EXIM.



MEETING THE NEEDS OF SMALL BUSINESS EXPORTERS IN THE NEW MILLENNIUM

by **Jean Z. Smith**

U.S. Small Business Administration

Recent statistics on small businesses and exporting show that in the last 10 years, the number of small- and medium-sized business exporters has tripled; in the last 5 years, the dollar value of exports by small- and medium-sized businesses grew by 300 percent. These small businesses represented 2/3 of U.S. exporting companies and showed a 40 percent growth in export value in the last 10 years. These statistics reflect a largely untapped potential for increasing U.S. exports, and show that even the smallest of businesses are involved in export transactions.

THE SBA EXPORT CONTINUUM

The Small Business Administration (SBA) has developed products and services which coincide with the growth stages of small businesses as they enter the international marketplace. These stages of growth and expansion form the international trade continuum: Beginning with an educational training component; moving on to technical assistance—from business and marketing plan assistance to product and market adaptation help; and progressing to risk management, financial assistance and financing of foreign accounts receivable once a transaction is obtained.

SBA PRODUCTS AND SERVICES

EDUCATIONAL PRODUCTS

Trade Finance Training — Trade finance training for lenders.

Export Training — A basic course on exporting available for trainers.

Overseas Marketing & Business Plan — Training materials and formatted templates for use in designing customized overseas marketing and business plans.

Publications & Books — “Breaking Into the Trade Game” and “Bankable Deals”.

TradeNet — An interactive, international trade “tool kit” (one-stop-shop or “virtual USEAC”) on the Internet

TECHNICAL ASSISTANCE PRODUCTS

E-TAP (Export Technical Assistance Program) — A formal training program for potential small business exporters, usually co-sponsored with public and private-sector providers of education and training. These are offered at U.S. Export Assistance Centers nationwide.

E-LAN (Export Legal Assistance Network) — Initial, free legal advice for existing and potential exporters offered in partnership with the Federal Bar Association.

RISK MANAGEMENT PRODUCTS:

Export Risk Analysis (EXR-Online) — A new tool that utilizes interactive Internet technology to allow lenders to quickly determine whether or not an export transaction is eligible for funding under the Export Working Capital Program. EXR-Online allows lenders to make decisions more easily about the 3 primary risks associated with most export transactions: the foreign country, the foreign buyer and the foreign buyer’s financial institution.

FINANCE PRODUCTS

EWCP (Export Working Capital Program) — Finances short-term, export working capital needs of small businesses. Loans can be for single transactions or multiple deals under a revolving line of credit. SBA can guarantee up to 90 percent of a secured loan, up to \$750,000.

International Trade Loan — Provides short- and long-term financing for small businesses involved in exporting. Guarantee can be up to \$1.25 million for a combination of fixed-asset financing and working capital.

THE SBA NETWORK

The SBA has agents in almost every community nationwide, and is therefore uniquely positioned to use its global network for assisting small business exporters. Through its SBA Export Continuum, SBA is providing the educational, technical, risk management and financial tools necessary to enter the global marketplace. By facilitating the development of networks and small business linkages, SBA serves as the catalyst to enhance small business commercial opportunities abroad, while encouraging and promoting their expansion to new markets.

SBA programs are accessed through representatives at all 19 U.S. Export Assistance nationwide Centers (list on back cover), at SBA District Offices located in every state and at Small Business Development Centers. ■

FOR MORE INFORMATION ON THESE SBA PROGRAMS AND SERVICES, CONTACT THE SMALL BUSINESS ADMINISTRATION,

<http://www.sba.gov/oit>. Or, visit your local SBA Office. Contact information for the SBA network is available from the Trade Information Center at 1-800-USA-TRAD(E) or <http://tradeinfo.doc.gov>

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