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## **California Exporters Look to China for More Trade**

Today the U.S. Department of Commerce Commercial Service Inland Empire U.S. Export Assistance Center released data citing California small and medium-sized enterprises (SME's) exporting to China increased by 50 percent from 1999 to 2002, growing from 3,134 companies to 4,699.

The number of SME's nationwide exporting to China increased 354 percent from 1992-2002, making China the fastest-growing export destination in the world for American business. SME's comprise 87 percent of the 16,434 U.S. exporters selling in to China.

"Ninety-five percent of the world's consumers live outside of the United States, and more California companies are looking to increase their bottom line by exporting and making new sales to China," said Export Assistance Director Fred Latuperissa. "Exporting helps companies grow and compete by enabling them to diversify their portfolios and weather changes in the domestic economy."

In 2004, California exports to China grew over 25 percent to \$6.8 billion. China is the state's fourth largest export market. Top California exports to China include computers and electronic products, waste and scrap, machinery and chemical manufactures, and transportation equipment.

Falcon Waterfree Technologies is a Southern California-based manufacturer of patented waterless urinal systems. When the firm was looking to establish critical partnerships and to develop sales in China, the company got help from the U.S. Commercial Service. Utilizing export assistance from Commercial Service offices in Newport Beach, Shanghai and Beijing, the firm benefited from customized market entry strategies and intensive market research and promotion as well as key meetings with Chinese officials. As a result of this high-level exposure, Falcon Waterfree Technologies signed an agreement with Johnson Diversey China for a guaranteed minimum purchase of 225,000 urinals valued at over \$3 million. Falcon also expects to sell housings for the porcelain basins and other accessories to American Standard in the near future.

California companies with a marketing presence in Shanghai or Beijing can expand their distribution networks to additional cities under the recently announced American Trading Centers Initiative. In this program, American companies have exclusive access to a network of 14 regional offices in China, operated by the U.S. Commercial Service and the China Council for the Promotion of International Trade. Services include providing the latest in market intelligence, scheduling individual appointments with potential agents and distributors, organizing translation services, hotel rooms, and local transportation.

With its network of offices across the U.S. and in more than 80 countries, the U.S. Commercial Service utilizes its global presence and international marketing expertise to help U.S. companies sell their products and services worldwide. In 2004, the U.S. Commercial Service helped U.S. businesses generate export sales worth \$26 billion.

The California U.S. Export Assistance Center network includes offices throughout the state. For more information on the U.S. Commercial Service, please visit [www.export.gov](http://www.export.gov).

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