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EXPORT America

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THE FEDERAL SOURCE FOR YOUR GLOBAL BUSINESS NEEDS

Enlargement of the European Union

Expanding Opportunities

INSIDE:

The Art of Translation

Cultivating the Seeds of Global Integration

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EDITOR'S MEMO

Culture, commerce, and conflict succinctly describe Europe's history.

Be it incursions by Vikings into France and Britain, Napoleonic wars, or invasion by Genghis Khan and the Ottoman Empire, Europe has been a battleground for territory and influence over the centuries. Europe also embodies Western culture in its literature, art, and music, all of which reflect the diversity and history of its people. Transfer of goods and ideas among European countries as well as with Asia, Africa, and the Americas is also Europe's legacy. At its height in the 1900s, the British Empire included over 20 percent of the world's land area and more than 400 million people.

The roots of the current unified Europe are in the history of conflict that plagued Europe (most recently with the two world wars of the 20th century). The founders of the current European Union, such as Jean Monnet and Robert Schuman, worked toward a common Europe built on practical achievements and common policies. Participants in the original European common market were asked to relinquish national control in exchange for the promise of peace, prosperity, and stability.

Today's European Union is an advanced form of multicultural integration, its competence extending to the economy, industry, politics, citizens' rights, and foreign policy of its current 15 member states. The unity of Europe involves a constant balancing of national and common interests, respect for the diversity of national traditions, and the forging of a new common identity independent of each member's national identity.

While Europe is still a great source of history and culture, the continent is embarking on an entirely new journey to become the "new" Europe. More than half a century ago, the founders of what became the European Union conceived of a united states of Europe. Today, the original six founding states have welcomed nine more, thus creating a unified Europe with more than 370 million citizens and comprising the largest economic area in the world.

With the addition of 10 new members in 2004, the European Union will face new challenges, including redefining the nature of the union as well as its role in the world. Only by joining forces and working towards a "destiny henceforward shared," can Europe's old nations continue to enjoy economic and social progress and maintain their influence in the world. The eclipsing of East-West antagonism and the political and economic reunification of the continent are a triumph for the European spirit, which Europeans need now more than ever as they look to the future. Not since the Roman Empire has Europe been united under one common law and this time the nations of Europe unite voluntarily.

European Union enlargement is the focus of our feature this month. We examine the implications of expansion for existing EU members and U.S. firms.

In our Viewpoint segment this month, we take a look at our commitment to ensuring economic prosperity is equally shared and in Technical Advice we provide a guide to finding the right translation when customizing products and marketing for local markets.

Next month, we will focus on prospects in Australia and New Zealand and get an overview of the market in Switzerland. Until then, happy exporting, and send comments to export_america@ita.doc.gov.

Cory Churches

Cory Churches
Editor

Cultivating the Seeds of Global Integration

by Grant Aldonas
Under Secretary of Commerce for International Trade

In the wake of World War II, Western nations struggled to restore global economic growth and peace. International trade and investment offered a tremendous opportunity to foster both, and the United States sought to implement institutional mechanisms to bring down the wall of isolation. Thus, in the Atlantic Charter, the United States joined with the United Kingdom and pledged "to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity."

The General Agreement on Tariffs and Trade (GATT), and later the World Trade Organization, arose from this lofty pledge, and we have spent the subsequent years celebrating the benefits of these agreements. Studies consistently show that developing countries with outward-oriented economic policies experience higher annual GDP growth than inward-oriented countries, and increased trade openness correlates with an increase in real per capita income. Even a small increase in the developing world's share of world exports could have a significant impact on their economic prospects, vastly outstripping, but not replacing, all forms of bilateral and multilateral assistance.

In the United States specifically, the results are astounding. International trade has accounted for more than a quarter of our economic growth, and it has created millions of new jobs. In the past decade alone, trade has generated 3 million new jobs, and those jobs pay 13 to 18 percent more than the average national wage. Additionally, trade has increased the standard of living for a family of four by as much as $2,000 annually through the combined effect of lower consumer prices and higher wages.

Yet despite these successes, we have not fulfilled our pledge in the Atlantic Charter or fully realized the GATT mission. We have not ensured that the seeds of global integration found fertile soil and that the benefits of globalization were broadly shared. Until we begin to address this failure, we will be unable to build an international consensus for trade and the benefits it confers.

STRATEGY FOR AFRICA

Since taking office, President Bush has outlined an aggressive strategy designed to better integrate sub-Saharan Africa into the world economy. His policy agenda recognizes the enormous challenges that the region faces and takes a multidisciplinary approach to foster economic growth. It clearly reflects the fact that you cannot talk about economic growth without also addressing issues such as AIDS, education, hunger, institutional reform, and regional conflicts. The President's program attempts to tackle these problems and to provide real resources for effective implementation.

Specifically, President Bush has sought trade agreements that provide African nations with both the access to and advantages of the global economy. Two years ago, the United States implemented the African Growth and Opportunity Act (AGOA). Already U.S. imports from sub-Saharan Africa have increased 61.5 percent. In 2001, the United States imported $8.2 billion in goods from sub-Saharan Africa duty-free, which is nearly 40 percent of all U.S. imports from this region. The act also has provided substantial increases in investment in many African nations. For example, investment has increased by $12.8 million in Kenya and $78 million in Mauritius.

IMPROVING INSTITUTIONS AND INFRASTRUCTURE

However, trade is only one component of a solution. In fact, trade generally and AGOA specifically serve as a means to the solution rather than an end in itself. AGOA is a means to a strong relationship between our regions; it is the means to growth and opportunity that will far surpass the benefits of this program; and it is a means to fundamental reforms that not only enable trade but also promote the policies necessary for democracy, good governance, and human rights.

In order to facilitate trade and extend its benefits, a country must get its laws and institutions prepared for future participation in the global economy. Countries must ensure that they have functioning legal systems, with laws to protect basic rights of citizens and companies. They must promote the rule of law and democratic institutions, such as independent judiciaries, reliable regulatory agencies, dependable law enforcement systems, and efficient banking and social services. Additionally, countries must encourage transparent regulatory bodies, a sound tax and pension savings base, fiscal responsibility, privatization, competition, as well as improvements in infrastructure, education, and health care.

For instance, the lack of sufficient physical infrastructure continues to be a significant obstacle to development and trade in Africa. Recent studies have shown that less than half the people in sub-Saharan Africa have access to safe drinking water. More than a third of Africans lack access to adequate sanitation, and only approximately 5 percent of Africa's rural residents have modern electricity.

COMMITMENT TO CHANGE

For nations willing to confront these challenges and enact change, the Bush Administration and Department of Commerce will act as guides and advocates. The Millennium Challenge Account (MCA) is one example of the Administration's work to combat poverty and enhance development throughout the world. The MCA recognizes that economic development assistance is effective only when it is combined with sound policies in developing nations. As such, the funds in these accounts are distributed to nations that demonstrate a commitment to good governance, the health and education of their citizens, and sound economic policies that foster enterprise and entrepreneurship. President Bush has pledged to increase development assistance offered through the Millennium Challenge Account by 50 percent over the next three years, resulting in a $5 billion annual increase.

The Commercial Law Development Program (CLDP) is another program supported by the President to help nations in Africa. The CLDP seeks to improve the legal environment of African nations by providing consultation and training for government officials and private sector representatives to help them identify and make needed improvements in their policies, laws, and organizations. Working with its African partners, the CLDP designs action plans related to legal reform and

Photo courtesy of U.S. Commercial Service

U.S. Secretary of Commerce Donald Evans greets a mother and daughter at Princess Marie Louise Hospital in Accra, Ghana, during a recent business development mission to Ghana and South Africa.

offers assistance related to drafting laws and regulations, establishing and supporting the implementing body, or increasing public awareness of a law.

Without peace and opportunity in Africa, the international community cannot effectively engage Africa in commerce. As such, President Bush has sought to help end regional conflicts and terror in Africa. He has asked Congress to provide an additional $55 million in funds to help Africans fight terrorism, appointed former Senator Jack Danforth as a special envoy for peace in Sudan, supported the efforts of regional peacekeepers in Sierra Leone, and encouraged troop demobilization in Angola. The President also committed to providing Africa's children with the advantages of literacy and basic education. The Administration has pledged to double the funding of the African Education Initiative to $200 million, providing teacher training, new textbooks, and scholarships for African girls.

Most recently, in his State of the Union address, President Bush announced an emergency plan for AIDS relief. On the continent of Africa, nearly 30 million people have the AIDS virus, including 3 million children under the age of 15. There are whole countries where more than one-third of the adult population carries the infection. More than 4 million require immediate drug treatment. Yet across that continent, only 50,000 AIDS victims are receiving the medicine they need. The President's plan will reverse this disturbing trend. It is a five-year, $15 billion initiative to turn the tide in the global effort to combat the HIV/AIDS pandemic by working with private groups and willing governments to put in place a comprehensive system for diagnosing, preventing, and treating AIDS.

The United States will continue to reach out to countries in Africa that struggle with infrastructure, debt, and bureaucracy. We will help those that labor against poverty, apathy, and even nature. And we will guide nations towards a healthy population, strong economy, and stable government. We do so because it fulfills the GATT mission. We do so because it is in the best interest of all people. And we do so in order to realize a compelling vision for a just and equitable human society.

GLOBAL NEWS LINE

CZECH REPUBLIC

Despite the economic decline in Europe and the United States, the Czech automotive market continues to grow, offering excellent opportunities for U.S. automotive producers. The automotive industry represents 13.3 percent of Czech industrial production and is one of the most prosperous sectors of Czech industry. Key components of this sector include production of passenger cars, and most importantly, automotive parts and accessories.

The Czech Republic produces the most cars of any country in Central and Eastern Europe. At the core of the Czech automotive sector is Skoda Auto, part of the Volkswagen Group since 1991. In 1997, Skoda Auto overtook Fiat to become the largest car manufacturer in Central Europe. The plant that manufactures the upscale Octavia model range is one of the most efficient in Europe, with six component systems integrators supplying modules directly to the assembly line. Volkswagen's $2.6-billion investment in Skoda Auto has stimulated the entire Czech components industry.

At the end of 2001, PSA Peugeot Citroen and Toyota Motor Corporation decided to build a plant to produce a new class of automobiles in the Czech Republic. This will make the Czech Republic one of the biggest European automobile makers, with annual production of around 800,000 vehicles. This also represents a unique opportunity for U.S. automotive suppliers.

There are now 270 suppliers of car parts in the Czech market. Forty-five percent of the top 100 European automotive component suppliers and 40 percent of the top 100 world automotive component suppliers manufacture in the Czech Republic. The country offers excellent connections with Europe's highway network, a track record of successful R&D and quality production, and highly qualified, low-cost labor. Foreign component manufacturers have set up more than 130 joint ventures and greenfield sites in the Czech Republic, and more are in the pipeline. Many major companies are expanding single Czech plants into multiple operations.

Czech-based automotive sector suppliers are geographically close to important car manufacturers in Germany, Poland, Slovakia, and Hungary; but they also supply farther-flung markets such as France and Spain. New important automotive players are setting up operations in the Czech Republic to use cheap labor to supply the new factories to be built by BMW in Leipzig, Germany, close to Czech Republic's northwest border, and by PSA Peugeot Citroen and Toyota in Kolin, in the middle of the Czech Republic. This will further boost the Czech automotive industry.

Several U.S. companies have established joint ventures or bought majority stakes in Czech auto parts producers. These companies have been extremely successful and are being followed by others. Significant opportunities also exist in aftermarket parts.

BULGARIA

The interest in renewable energy sources in Bulgaria reflects changes in energy policy around the world as a result of air pollution and global climatic change. The extensive use of relatively low-cost, fossil-based fuels for power generation, as well as lack of government support and education, has blocked the development of most economically viable renewable energy projects in Bulgaria. As a result of the last 12 years of transition to a market-based economy, the energy sector is gradually opening up. Despite having the lowest GDP per capita of EU accession candidates, Bulgaria uses the most electricity per capita. This, in combination with the largely untapped potential of some renewable energy sources (biomass, solar, wind), offers some interesting "green" energy perspectives. The government's policy leans toward ensuring rational use of indigenous and imported energy supplies, existing energy systems, and other resources in the energy sector. Bulgaria is using low-cost tools in order to set priorities for future capacities for energy supply. With respect to the long-term potential of renewable energy in Bulgaria, the Ministry of Energy and Energy Resources estimates a potential supply of 5 percent from renewable sources (including hydropower). At the moment, renewable sources account for only 0.4 percent of total power supply.

Local renewable energy sources help reduce reliance on imports of fossil fuels, improve the security of energy supply, meet the commitments to protect the environment, and contribute to employment generation. Moreover, renewable energy sources (such as biomass, small hydropower plants, and geothermal energy) have significant resource, technical, and economic potential. Nevertheless, being used irregularly and insufficiently, their share in the total gross energy consumption is negligible (in contrast with the worldwide average of 11 percent). A serious obstacle to their development is the higher cost of initial investments. Although Bulgaria's room for maneuver is limited on the supply side, the potential for energy saving is quite high. Efficient instruments will be introduced to utilize this potential. This will have a beneficial effect not only on the security of energy supply, but also on Bulgaria's foreign trade balance, in which the import of energy amounts to 27 percent of the total.

The economic factors mentioned still limit the renewable energy market's potential growth, especially due to the relatively high up-front cost of renewable energy technology. The geothermal and biomass energy sector's potential is the highest, while larger-scale utilization of solar and wind energy may also be attractive as soon as the government develops its subsidy program and conventional energy prices continue to increase. There are no wind farms in Bulgaria, although recent wind analysis shows that wind speeds at certain locations would justify the use of wind turbines.

TURKEY

The total value of Turkish imports of solid waste recycling equipment in 2001 was $154 million, but it decreased to $87 million in 2002. Industry analysts contribute this sharp decrease to weak economic conditions in the country in 2002. Last year, imports from the United States increased for two types of equipment: sorting, screening, separating, or washing machines; and crushing and grinding machines.

Per capita household solid-waste generation in Turkey is 0.6 kg/day, whereas municipal solid waste generation is close to 1 kg/day. The major constituents of municipal solid waste are organic in nature, and approximately a quarter of municipal solid waste is recyclable. Opinion polls show that more than 80 percent of the population is ready and willing to participate in separate waste-collection programs.

Turkey hopes to become a member of the European Union. Therefore, the Turkish government has been adapting rules and regulations to those of the union. Waste recovery and recycling regulation is no exception, which means municipal and industrial recycling targets will be increased every year, and there will be a growing demand for waste recycling equipment. Imports mainly satisfy such equipment demand in Turkey.

THE PHILIPPINES

Although the Philippine market for insulation products has weakened in the last three years due to a slowdown in general construction activity, industry sources forecast 5-percent annual growth over the next three years as the Philippine economy shows signs of improvement. Imports satisfy 60 percent of the demand for insulation products. There are a number of U.S. suppliers of insulation products in the Philippines. Price is the major purchase consideration of end users.

U.S. companies with insulation products that have special applications or features have good prospects in the Philippine market. A U.S. company can sell to the country by appointing a Philippine distributor or through existing agents in Asia.

COSTA RICA

The overall market for school, home, and office products in Costa Rica has grown tremendously over the last decade. This is due to a variety of factors, such as the huge influx of Nicaraguan immigrants during the last five years, the legally mandated 6 percent of GDP budgeted for the Ministry of Public Education and implementation of a public kindergarten program, the lowering of import duties and opening of markets, and strong support by the government to develop technology-based education and commerce.

Although Costa Rica has few major manufacturing industries, it does have an extensive and dynamic small-business sector. Paper and paper products manufacturing is one major industry that does exist in Costa Rica, including school, home, and office products, as well as published and printed products. Imports in 15 categories of such products increased 33.4 percent in two years, from $178 million in 1999 to $237.5 million in 2001. These imports are expected to grow at an annual rate of 5 to 10 percent over the next two years.

The United States is the largest supplier of school, home, and office products, with an import market share of 54.1 percent. Computers and accessories will continue to have the strongest growth due to government support of technology. Local retail chains have doubled their locations in the last three years. In addition, a bilateral free trade agreement currently under discussion between Costa Rica and the United States could have a tremendous price impact on all U.S goods, greatly enhancing their attractiveness to Costa Rican consumers.

COLOMBIA

With the exception of a few government distilleries, the food and beverage processing and packaging industry is in private hands. Significant investment from multinationals and local economic groups injects dynamism into this sector, which is an important component of the national economy. The sector generates approximately 10 percent of GDP and is one of Colombia's lowest risk sectors.

The processing and packaging equipment market has good prospects. The sector to recession reacted rapidly by reducing profit margins, focusing on exports, and attracting foreign investors and partners to strengthen its operations. As a result, the operations of several international companies in Colombia have been consolidated.

During 2001, the overall market grew by 17.6 percent over the previous year, and it grew about 20 percent during 2002. The United States maintains its traditional leadership as the sector's supplier, but its market share dropped by 8.6 percent in 2001. The industry may have to refocus on demand, as well as a closer relationship with local distributors, end users, and their needs. In 2003, the best prospects will be in the breweries and dairy processing and packaging equipment.

NEED MORE DETAIL?
Ask a commercial officer at one of the Department of Commerce posts located around the globe. Contact information, including phone, fax and e-mail, is available by calling the Trade Information Center at (800) USA-TRAD(E).

UAE Oil Company Keeps on Truckin'

U.S. Big-Rig Wash Technology Shines Overseas

by Curt Cultice
ITA Office of Public Affairs

It's a warm morning in Abu Dhabi, United Arab Emirates. Down the street, a mud-caked oil truck makes a slow turn and rumbles into a tunnel-like building. A few minutes pass. Then out it comes, a shimmering-shiny rig that would make any driver keep on truckin'—and his oil company, too.

"Let's face it, if you're an oil company, you want to have the cleanest trucks in town because public perception is everything," says Les Gale, managing director of InterClean Equipment, Inc., a maker of automatic truck and car washers, based in Ypsilanti, Michigan.

So how many truck washes can a customer get for his money? Well, if you're a truck driver with the Abu Dhabi National Oil Company (ADNOC), as many as you want. That's because InterClean's soapy suds will soon be scrubbing the firm's trucks in the United Arab Emirates.

A HIGH-TECH LATHER-UP

Gale is bubbling over a new agreement just reached with the ADNOC to supply truck-wash technology to a new facility being constructed at the oil company's maintenance service center in Umm Al Nar, near Abu Dhabi. The total package including building construction is about $250,000.

That might seem like a lot of money to lather up some trucks. Why not just wash them by hand?

"That's a good question, but I have an even better answer," Gale says. "Our state-of-the-art technology not only enables fleet owners to keep their trucks cleaner, but saves time, money, water, and labor in the process. It's environmentally friendly too."

Gale should know: his customers' vehicles are clean as a whistle. His company makes wash equipment for buses, tanks, trucks, cars, trains, and well, just about everything that moves or so it seems.

One advantage of InterClean's system is that it thoroughly washes up to 30 trucks an hour and requires no manual pre-wash preparation, as do other wash technologies. The system requires no employees to operate it.

The truck simply drives in, and then it begins: first a solution of chemicals and fresh water is applied and allowed to briefly soak; then a high-pressure wash of 600 gallons per minute at 300 pounds per inch; and finally a rinse. Total time is two and one-half minutes. It's called touchless washing.

"We are a very environmentally friendly company, and our systems operate continuously on recycled water," says Gale. "That's an important selling point."

About 90 percent of the water used in the truck wash is recycled back and reused again—so only 50 gallons out of the 600 used in each wash is fresh water.

"Water is becoming a scarcer commodity in the Mideast and is more regulated now than ever," explains Gale. "Also, hand washing requires more and stronger chemicals to do the same job, so higher concentrations of chemicals go into the ground."

Gale says that a good washing also keeps the corrosion off, as salt from the Persian Gulf can be hard on a truck's body and parts.

The United Arab Emirates is a prime market for pollution control and waste management equipment. It sits atop one-tenth of the world's proven oil reserves and accounts for nearly 10 percent of the world's oil production each year. Abu Dhabi is devoting more of the government budget to cleaning and protecting its environment each year.

SOAPING THE WHEELS FOR A DEAL

So how did all these connections get made to seal the deal? Well, it wasn't at a truck stop, that's for sure. It was when Elias Sayah, a businessman-engineer who is executive vice-president of the American Business Group in Abu Dhabi, met with Nancy Charles-Parker, senior Commercial Service officer at the U.S. embassy in Abu Dhabi.

They worked closely with Paul Litton, director of the U.S. Export Assistance Center in Ypsilanti, where InterClean had received initial export counseling and other assistance like Gold Key, a service that provides pre-screened business appointments overseas.

Sayah, with his experience as a go-between in the wash business, was familiar with InterClean. For five years, he had been a tireless advocate, working to promote American know-how in the region in an environmentally enterprising way. He had been lobbying the oil company to install InterClean truck washers at its maintenance station for the last five years. In short, he wanted to see a good finish.

Shifting into overdrive, Charles-Parker and Sayah arranged for InterClean to conduct an on-site demonstration of its technology at one of Abu Dhabi National Oil Company's maintenance service stations. The wash system couldn't change the oil, but it sure could wash the trucks.

"I think the oil company became very familiar with the speed, effectiveness, and efficiency of the truck wash technology," says Sayah. "We couldn't have done this without the hands-on support of Nancy and the Commercial Service, including arrangement of the demonstration and assistance with financing, customs, and promotion."

Photo courtesy of InterClean.

InterClean now has 35 employees and exports that account for 20 percent of its total sales. InterClean exports to Singapore, Kuwait, Italy, the Far East, South Africa, and other places. The largest customers tend to be local governments, school districts, buses, salt trucks, and landfills.

InterClean is just one of the American-owned auto and truck wash companies assisted by the U.S. Commercial Service and Sayah in the UAE market.

Meanwhile, the ADNOC anxiously awaits the completion of its new maintenance-truck wash facility, which is expected to be operational any day now.

"We will be the first oil company to have such a great machine to wash its trucks in the Middle East," says an ADNOC official. "We have a fleet of 120 oil trucks in Abu Dhabi, and we expect to have about 3,600 washings each month in our new facility."

It wasn't InterClean's first foray into the United Arab Emirates, nor its last. The firm had supplied a truck wash system for the city of Rasai Al Khaimah. The wash technology cleans the city's vehicles and its garbage trucks that service the first Western-style landfill in the United Arab Emirates. Whew. InterClean works closely with Ceres Associates, a firm that provides on-call technical support.

"We can wash one truck within two or three minutes, and the average cost of chemicals is only about three dirhams per vehicle," says Michel Sakkal, a manager with the Ras Al Khaimah Public Works and Services Department. "We are very happy with the performance."

Hey sir, nice truck, how about a wax?

African Growth and Opportunity Act

Forum Offers a Chance for Discussion of Key Issues

by Holly Vineyard
Office of the Under Secretary for International Trade

The African Growth and Opportunity Act (AGOA) entered into law on May 18, 2000, as part of the Trade and Development Act of 2000. A recent multilateral forum clearly demonstrated the legislation's positive and practical impact in strengthening ties between the United States and sub-Saharan Africa. The second annual U.S.–Sub-Saharan Africa Trade and Economic Cooperation Forum (also known as the AGOA Forum) took place in Port Louis, Mauritius, January 13–17, 2003. Held in Africa for the first time, the forum had three main parts: an official government meeting, a meeting and exhibition of businesses, and a civil society program. The first AGOA Forum took place in Washington, D.C., in October 2001.

"All of us share a common vision for the future of Africa. We look to the day when prosperity for Africa is built through trade and markets. We see a continent at peace, where the people of Africa obtain education and medical care, and live in freedom."

—President George W. Bush, in videotaped remarks presented to the AGOA Forum, January 15, 2003.

GOVERNMENT MEETING

U.S. Trade Representative Robert B. Zoellick led the U.S. delegation to Mauritius, and President Bush participated via a videotaped message. The president announced plans to ask the U.S. Congress to extend the African Growth and Opportunity Act beyond 2008, seek a 50-percent increase in U.S. development assistance over the next three years—which would enhance the planned Millennium Challenge Account and its goals to encourage economic freedom, continue U.S. leadership worldwide in providing resources to defeat HIV/AIDS, and contribute toward a U.S. free trade agreement with the Southern African Customs Union.

Deputy Secretary of Commerce Samuel W. Bodman spoke at a plenary session on overcoming obstacles to trade and investment with South African Minister of Trade and Industry Alec Erwin. Bodman reinforced President Bush's themes of good governance and economic freedom when he stressed that, in addition to looking at physical infrastructure and market access issues, AGOA delegates should focus attention on "hidden" infrastructure—such as accessible and transparent property rights systems: "I would argue, until property rights are protected for individuals in developing countries, the rights of others, especially foreign investors, will not be respected . . . and this applies to intellectual property as much as to physical property. In other words, property rights are—especially for the poor—necessary for economic growth, wealth creation, and increased living standards." That is, borrowing a page from Hernando de Soto's *Mystery of Capital,* institutional reforms empower the poor to participate in the economy, facilitate financial market development, and expand international investment and global trade.

Immediately following the plenary discussion on the HIV/AIDS crisis, Assistant Secretary of Commerce for Trade Development Linda Conlin, joined by her co-chair, Dr. Kenneth Chebet, director of Kenya's National AIDS Control Program, led a panel discussion designed to highlight the links of health care, trade, and economic development in Africa. Participants from the private sector, public sector, and non-governmental organizations (NGOs) focused on ways to support and strengthen Africa's health care system through public-private partnerships. They all agreed that a country's public health has a direct impact on its economic development and its ability to attract foreign investment. An ongoing dialogue in pursuit of a resolution to the HIV/AIDS crisis is critical for the development of Africa.

TRADE EXHIBITION AND WORKSHOPS

Businesspeople representing approximately 1,000 firms (including nearly 200 from the United States) attended the private sector forum, which included a trade exhibition with 150 booths at the Freeport Exhibition Center as well as 20 workshops on conducting business in Africa and the United States.

Commerce Department officials actively participated in the private sector forum. For example, Ronald N. Langston, national director of the Minority Business Development Agency, moderated a panel on strategies for business-to-business linkages. Deputy Assistant Secretary of Commerce for Textiles, Apparel, and Consumer Goods James C. Leonard III, and computer specialist Keith Daly, spoke at a workshop on the future of the African Growth and Opportunity Act. Senior Advisor to the Under Secretary for International Trade Stephanie Childs assembled a panel, moderated by staff of the U.S. Trade and Development Agency, on infrastructure issues and opportunities in sub-Saharan Africa.

NGO FORUM

The African Union, the Mauritius Council of Social Service, and several U.S. NGOs—including the Africa-America Institute, the American Bar Association, and Bread for the World—sponsored the gathering of representatives of more than 200 NGOs. Robert Perry, recently retired deputy assistant secretary of state for African affairs, emphasized the importance of NGOs to AGOA goals: "We have all witnessed development in numerous countries over the past several decades that benefited an elite in the business community and the government. That crony capitalism undermined the promise of business to improve living standards for the majority of people in developing nations, and also popular support for democracy." Results from the NGO forum included encouraging entrepreneurial training for small and medium-sized African and U.S. businesses so they might become more competitive, and ensuring that African and U.S. entrepreneurs have access to the capital necessary to allow joint ventures to take place.

Deputy Secretary of Commerce Samuel W. Bodman (second from right) participates in a panel discussion during the second AGOA Forum.

THE AGOA SPIRIT

The African Growth and Opportunity Act offers tangible incentives for African countries to continue their efforts to open their economies, build free markets, and promote the rule of law and political pluralism. The act has helped to transform the economic landscape in some of the eligible countries by stimulating new trading opportunities for African businesses, creating new jobs, and helping to attract new investment in the region. The United States is sub-Saharan Africa's leading foreign investor and its largest single-country export market—and more than 92 percent of exports from AGOA countries to the United States enter duty-free.

House Ways and Means Committee Chairman Bill Thomas, who led a congressional delegation to Africa and participated in the AGOA Forum, perhaps best summed up the intent of the AGOA legislation when he referred to it as the "Africa Go Act," to demonstrate his support for this first U.S. trade program with Africa. To continue to build on AGOA successes, a free trade agreement with the Southern African Customs Union (SACU) will serve as a logical step in developing and deepening U.S.-African relations, and we welcome comments and ideas on the negotiations and on trade capacity building (to ensure that SACU countries have the resources to participate effectively in the negotiations and to implement the agreement).

AGOA INFORMATION

There are 38 sub-Saharan countries eligible for tariff preferences under the African Growth and Opportunity Act. A list of eligible countries as well as resources and information on the act is available at www.agoa.gov.

INPUT FOR THE SACU FTA NEGOTIATIONS

The United States will begin negotiations toward a free trade agreement with the Southern African Customs Union (SACU) next month. SACU members are Botswana, Lesotho, Namibia, South Africa, and Swaziland. The U.S. Commerce Department's Office of Africa is tracking concerns about market access voiced by U.S. industry for these negotiations, as well as any ideas or comments about trade capacity building for SACU countries. For more information, contact Amanda Hilligas at (202) 482-5708 or Amanda_Hilligas@ita.doc.gov.

Export Programs Guide

Forthcoming Edition Highlights Government Assistance

by William Corley
Export America

The 2003–2004 edition of the *Export Programs Guide* will be available this spring. This latest primer on federal programs to assist U.S. exporters, particularly small and medium-sized companies, offers a wealth of information.

The *Export Programs Guide* is an official publication of the Trade Promotion Coordinating Committee (TPCC), a group of 19 U.S. government agencies that jointly encourage American exports of goods and services. The Department of Commerce, as the lead TPCC agency, figures in this guide, specifically in the activities of the department's International Trade Administration (ITA). The guide is a compilation of the ITA Trade Information Center, in conjunction with the ITA Office of Public Affairs/Publications Division.

The forthcoming *Export Programs Guide* contains dozens of services for trade promotion and financing. For instance, the first three chapters focus on export counseling and assistance: general, industry-specific, and country-specific programs. U.S. companies will find numerous ITA services there, including those of the Trade Information Center, the U.S. Commercial Service, and the Trade Development division, among others. U.S. companies will also find a variety of local and national resources. The *Export Programs Guide* is an extensive directory, with contact names, telephone numbers, and Web sites.

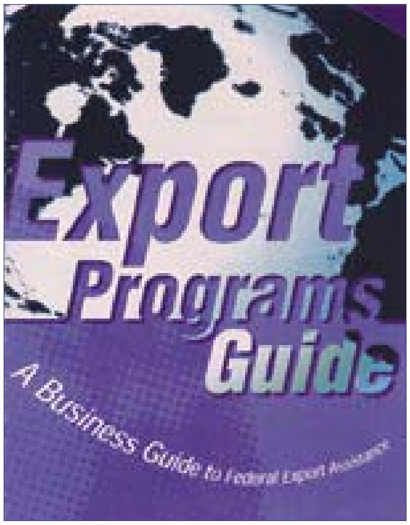
CONTACTING THE RIGHT PLACE THE FIRST TIME

The International Trade Administration is the centerpiece of the U.S. government's export promotion activities through its Washington, D.C., and overseas offices, as well as the Export Assistance Center network (a list of which appears on the back of every issue of *Export America*). Each of these centers—there are more than 100 across the United States—provides services tailored to the needs of individual exporters. Additionally, the Trade Information Center (TIC) in Washington, D.C., acts as a primary resource for export assistance. The center's staff provides information on all government export programs, practical advice on exporting, and answers to every imaginable export inquiry. When necessary, the TIC staff directs callers to additional resources and contacts on the local and state level. All this TIC assistance is available free of charge at (800) USA-TRADE (872-8723).

The TIC staff and other ITA personnel also provide up-to-date country and industry information for exporters and potential exporters. The Trade Information Center offers export counseling regarding Asia, Africa, the Near East, Western Europe, and the Western Hemisphere. (There are separate ITA offices in Washington, D.C., for Eurasia and Central and Eastern Europe, additional posts overseas, and complementary export services from the Department of Agriculture and the Department of State.) This free assistance includes country-specific information on commercial laws, import regulations, opportunities for U.S. businesses, and much more. TIC trade specialists help U.S. companies with export documentation, particularly Harmonized System classification, NAFTA certificates of origin, and other U.S. and foreign customs procedures. In addition to these resources available by one simple phone call, the TIC Web site (www.export.gov/tic) offers a plethora of national and regional information to help U.S. businesses export.

NEW PROGRAMS

The 2003–2004 *Export Programs Guide* highlights new programs for business development and trade financing. For example, BuyUSA.com is an electronic marketplace especially suited to the needs of small and medium-sized companies. The site helps U.S. businesses find potential foreign buyers and partners on-line without the immediate outlays of international travel and overseas advertising. A small subscription fee allows firms to



obtain worldwide exposure for their products and services. For more information, visit www.buyusa.com, or call (866) 855-8666.

The *Export Programs Guide* also features Internet services such as those of the U.S. Small Business Administration. The relevant Web site, www.sba.gov, details the agency's services, offers downloadable files, and provides information about a variety of state and federal resources for small firms. Of particular interest to potential exporters are SBA programs and services that help U.S. companies establish and finance international activities.

A new SBA program, Export*Express*, which is featured in the forthcoming *Export Programs Guide*, provides lenders with a guarantee of repayment on small-business export loans (up to a maximum loan amount of $250,000). Additionally, Export*Express* loans enable small firms to develop international business through fundamental undertakings, such as trade show participation, sales literature translation, and backing of lines of credit. Export*Express* applicants must have been in business for at least a year (but not of necessity in export activities). In line with the collaborative spirit of the Trade Promotion Coordinating Committee, the Export*Express* program ensures that an approved applicant's local Export Assistance Center staff and local SBA representative work together with the borrower and provide pertinent technical assistance to him.

READING MATERIAL

Besides the usual array of trade promotion services, research materials, and financing options, the latest *Export Programs Guide* lists numerous periodicals for U.S. companies that do or would like to do business overseas. *Export America*, the ITA monthly for small and medium-sized U.S. companies, naturally appears in the guide. However, there are several other ITA publications for industries and regions, and these have counterparts in other government agencies. For instance, the U.S. Department of Agriculture offers an important monthly magazine and a biweekly newsletter. (See the sidebar on some of the featured publications for exporters.)

AVAILABILITY

The new *Export Programs Guide* will be available this spring in three primary places: on-line (downloadable at www.trade.gov/media/publications), at every U.S. Export Assistance Center (free copies while they last), and at the Government Printing Office on-line (for purchase at http://bookstore.gpo.gov). The Trade Information Center will also post the guide, chapter by chapter and as a complete PDF file, on its site: www.export.gov/tic. ■

The Current
Export Programs Guide
www.export.gov/tic
The site includes each chapter separately, as well as a downloadable PDF of the publication.

PERIODICALS FOR EXPORTERS

Market Information and Sales Leads

Export America
http://exportamerica.doc.gov
The Web site includes a sampling of the current month as well as an archive of past issues. Articles are generally available as both PDF and HTML files.

AgExporter
www.fas.usda.gov/info/agexporter/agexport.html
This monthly magazine, which is published by the U.S. Department of Agriculture, offers technical advice, market research, and descriptions of export services. The Web site includes back issues.

BISNIS Bulletin
www.bisnis.doc.gov
Covering business in Eurasia, this monthly ITA newsletter highlights important market developments, trade events, and U.S. commercial opportunities.

Buyer Alert
www.fas.usda.gov/agexport/bainfo.html
Through electronic distribution to overseas offices of the Department of Agriculture, this biweekly newsletter allows U.S. agricultural firms to advertise inexpensively to thousands of potential buyers worldwide.

Central & Eastern Europe Commercial Update
www.export.gov/ceebic
Another ITA newsletter, this monthly contains articles on trade and investment in Central and Eastern Europe, including tender announcements and sales leads.

Export.gov Newsletter
www.export.gov/subscribe.html
This monthly e-mail publication compiles export information and links to a variety of publications, Webcasts, and trade directories. Export.gov is the U.S. government's trade portal.

For information on other ITA newsletters, including *Export Aerospace News* and *Environmental Export News*, visit www.trade.gov/media/publications.

Ask the ITA

Using an Export Management Company

Does your firm have the time and specialized knowledge to enter new markets? Do you have the resources or personnel necessary to develop an export business? Is your business growing at a satisfactory rate? Is your firm receiving inquiries from overseas buyers? If you answered "no" to any of the first three questions and "yes" to the last question, you may want to consider turning over the job of building an export business to a specialized export sales firm called an export management company (EMC).

Q&A WHAT IS AN EXPORT MANAGEMENT COMPANY?

An EMC is an independent firm that acts as the exclusive export sales department for non-competing manufacturers. EMCs work to develop exports for their clients. An EMC functions in foreign markets just as a sales representative or exclusive wholesaler functions for a manufacturer in the U.S. market. An EMC usually has a formal agreement with manufacturers (which the EMC often calls the "principal" or the "factory") to "manage" their exports. Sometimes EMCs will represent all of a manufacturer's product line, but not always. The EMC usually receives exclusive rights to sell in all foreign markets.

Q&A HOW DO EMCs ACT AS AGENTS?

The EMC establishes a presence in foreign markets by soliciting orders from foreign customers in the name of the manufacturer. Invoicing is done in the name of the manufacturer, and the EMC helps the manufacturer with all the details of the export transaction. The manufacturer bears the risk of nonpayment, and it may be asked to extend credit to the foreign customer. "Agent" EMCs are paid a commission on export sales. The EMC may suggest an export price, but manufacturers have the final say on prices and whether to accept orders.

Q&A HOW DO EMCs ACT AS DISTRIBUTORS?

More frequently, an EMC will operate as an exclusive distributor on a buy-sell basis. The EMC buys products from the manufacturer at set prices and resells them to foreign customers at prices established by the EMC. The EMC is responsible for invoicing and bears the risk of nonpayment. The EMC pays the manufacturer on agreed terms—usually similar to the manufacturer's terms for its best U.S. customers.

When the EMC acts as a distributor, the manufacturer may have no control over export prices or know the identity of foreign customers. However, many EMCs work closely with their principals on both pricing and customer relations. This is particularly true if the products are technical and call for special servicing or installation.

EMCs Come in All Shapes and Sizes

No matter what your product, there is an EMC capable of handling your export business. But they are not all alike. Some EMCs are relatively large, handling lines of dozens of U.S. manufacturers from a wide range of industries and in turn exporting to most world markets. Other EMCs might deal with just a few clients or a limited number of products, or focus on doing business in selected export markets. While EMCs may offer a general or full range of export facilitation services, some EMCs have specialized expertise in particular export activities, such as in-country market research and promotion.

Q&A IS AN EMC RIGHT FOR YOUR BUSINESS?

All manufacturers lacking export experience should consider an EMC. Even sophisticated exporters may want to consider using an EMC for selected products for some foreign markets. Firms looking for new markets in order to accelerate their business growth should also consider using an EMC.

How It Works

EMCs usually have long-standing sales networks abroad. Some have established foreign sales and warehousing subsidiaries. But more commonly, EMCs appoint export agents, or sales representatives, and networks of exclusive distributors and dealers in each foreign market.

Most EMCs are experienced in all facets of exporting, including marketing, travel, locating buyers, and customs procedures. Typical strengths include the expertise to handle all exporting and sales details as well as the ability to establish a strong foreign distribution system. EMCs can answer inquiries, prepare quotations, record orders, handle shipping details, and get paid.

EMCs can be relied upon to reduce the manufacturer's overall export costs and risks. Their profits are based on how successfully they export. Thus, they are motivated to do a good job.

WHAT IS THE COST OF USING AN EMC?

An EMC's charges to its principals vary depending upon the product, the degree of promotion required, and the EMC's method of operation. An EMC operating on a commission basis will usually want a commission that equals—or exceeds—your best domestic commission. This might range from 10 percent for consumer goods to 15 percent or more for industrial products. EMCs functioning on a buy-sell basis will ask for the best U.S. discount plus an extra discount.

In addition to commissions or discounts, an EMC may charge for other items. Some EMCs will ask for "special event" contribution like a 50/50 sharing of costs to exhibit in a foreign trade show. EMCs may require contributions for advertising and other promotional activities. A few EMCs ask for monthly retainers, especially in the early stages of establishing export sales.

Build Your Export Business

EMCs already have a network of foreign agents and distributors, so export sales will come more quickly. Your product, if compatible, will have a built-in distribution system. If you were to build your own export distribution channels, it would take much longer to realize sales, and the related export risks and costs would increase. Even when EMCs must build new distribution channels to meet the needs of their clients, the in-country expertise and overseas contacts of the EMC should accelerate business development. Thus, an EMC saves a client time and money.

Some Limitations

Export management companies are not the answer for all export situations. Most EMCs are relatively small and may have limited financial resources. Thus, some may not be able to stock products, or offer extended in-house financing to foreign customers.

An EMC Can Represent Export-Oriented Joint Ventures
Export Trade Certificate of Review Program

An EMC acting as an agent or as a distributor, whether independent or created by member clients, can be a hub through which joint exporting is facilitated among the members. The U.S. Commerce Department's Export Trade Certificate of Review can provide U.S. antitrust protection to the EMC and participating firms that join together to engage in export activities, such as setting export prices, consolidating shipments, bidding on large or complex contracts, and sharing export information and costs. Additional information is available at www.export.gov/oetca. See also the August 2002 issue of *Export America* for an introduction to the Export Trade Certificate of Review.

EMCs focus their efforts on those products that bring them the most profits. New product lines, or those with perceived limited potential, may be overlooked.

Many EMCs do not cover Canada. Yet Canada is among the best potential export markets for many U.S. products and new-to-export firms.

With EMCs, manufacturers relinquish some degree of control over the export effort. When an EMC acts on a buy-sell basis, manufacturers sometimes have no control over who buys, the selling price, or the degree of promotion.

Locating an EMC

There are several sources that are useful in locating an export management company.

The Federation of International Trade Associations (FITA) has a Web-based directory of EMCs (http://fita.org/emc.html). The directory is searchable by product capability. While this tool is a good place to start, it is not comprehensive and other sources may help you narrow the field.

Trade publications, especially association and marketing magazines, also identify EMCs serving a particular product field or export market.

U.S. Department of Commerce Export Assistance Centers are familiar with EMCs and gladly assist in identifying suitable local partners for their clients. However, the best EMC for your products may be located in another part of the country and unknown to your local Export Assistance Center, so do not hesitate to call Export Assistance Centers elsewhere, especially in port cities. A complete list of Export Assistance Centers is on the back of this magazine or available through www.export.gov.

The U.S. Commerce Department's MyExports® *Trade Assistance Directory* is a rich resource for U.S. producers to locate EMCs and other export service providers. The MyExports® directory of EMCs is available on-line at www.myexports.com, in print through Export Assistance Centers, or from the publisher at (877) 390-2629.

Like any other firm, an EMC will have strengths and weaknesses. When selecting an EMC or other export facilitator, always obtain background information on the firm's business, export service specialization (if any), and export experience and successes, as well as talk with other clients regarding the EMCs methods of operation. ■

Sources for this compilation include the FITA Web site and the Office of Export Trading Company Affairs.

The Art of Translation

Finding the Right Words for Commerce

by Steven P. Iverson
Iverson Language Associates, Inc.

Increasingly, companies are finding it necessary to translate materials into other languages, either for their international efforts, or for a changing domestic population. Because this is relatively new for U.S. companies, the value of a good translation has been underestimated. Translation is like advertising: nobody likes to spend the money, but it is clear that there is a value to it. Attitudes are changing, but one thing that is seldom discussed is the fact that translation is an art.

If you accept that translation is an art, and not a science, you will then understand the follow-ups: There will always be someone who does not like the translation that you have had done. If you think about how often you edit your English documents before producing them, you have a feel for the effort involved in producing a document in any language. It is important not to get caught in stylistic debates, but to focus on whether the translation communicates what the English does. You never want to ask a reviewer whether he likes the translation, but whether it was clear and accurate.

There is a very real link between time and quality. If you want something done overnight, do not expect it to be as polished as something that the translator had time to review, revise, and edit.

Just because you have a native speaker does not mean that you have a good translator. This would be similar to having an engineer write ad copy. They are very different skills; just because the engineer speaks English, this does not mean that he has the necessary talent to write ad copy.

HOW DO YOU GET A GOOD TRANSLATION?

First, you need to make sure that your source text (usually English) is clear and accurate. To some degree, a bad original document will result in a bad translation. If the text is unclear, a good translator will ask you questions to clarify what you are trying to communicate. Try to avoid using industry jargon and sports or cultural expressions that are understood only in the United States. Remember to identify clearly for the translator the meanings of any acronyms and trade names that you want left in English.

Second, you need to remember that the translator cannot work in a vacuum. You need to provide background material, possibly including company information, and technical information relating to the product in question. If the translator is only working on documentation for a part of a larger piece of equipment, it helps to know how this piece fits into the whole. The advent of the Internet means that translators can now do more research on your company than ever before, and have access to more detailed information. Be sure to provide the address of your Web site for reference. Do not forget to provide any previously translated material (both English and the foreign language) so that consistency of terminology can be maintained. At this point, you might wish to consider creation of a glossary (English–foreign language), which can be reviewed in country to make sure that the technical terminology is accurate and used throughout the document.

To help ensure the quality of the translation, be prepared to have a contact person who can answer questions that the translator might have, and be wary of a translator who does not ask questions. Either he knows everything about your industry or does not know enough to know what to ask. In addition to a contact for questions, consider finding someone in the company who can review the language when the translation is complete.

This reviewer should be a native speaker with technical product knowledge. Be very clear about expectations, and stress that you are not looking for a stylistic review, but just to see if the translation communicates clearly and accurately the information contained in the English version. Provide a copy of the English as well as the foreign language. Since this step tends to be problematic, here are some hints:

- Be clear about whether you want to have your reviewer contact the translator directly with comments. Discuss whether the reviewer should make comments on the hard copy, or directly in the electronic file.

- Be very clear about your time frame. Since your reviewer may be doing this in addition to regular job duties, be realistic but firm. Sometimes it is helpful to point out that you have a firm deadline and that you have to proceed with or without feedback. Obviously, though, it makes sense to work with the time frame to be able to validate the translation.

- Be prepared to deal with questions regarding the quality of the translation. Again, do not get drawn into a debate of style. Keep the discussion at a communication level, and the process should go smoothly.

There are many other practical tips, but these will help get you on the right path to quality translation.

THE STATE OF THE INDUSTRY

There are three main topics that have changed the way the translation industry works: the Internet, translation software, and translation memory.

The Internet has caused many dramatic changes in many industries. For the translation industry, it means that we can market to clients worldwide, work with translators anywhere to get the best quality (and price), and deliver projects with lightning speed. In addition, the availability of company Web sites in any language provides great reference material for terminology. On-line dictionaries mean that you should now be getting the most technically accurate translations ever.

Translation software is still in the development stages. Translation software is the software that allows you to provide an English electronic file, and have the computer generate a rough translation using pre-defined dictionaries. Once it is done, you need to do a fair amount of editing and proofreading. An estimate is that the best translation software provides a translation that is only 85 percent accurate. Because the human brain is so intuitive, it has been hard to create a computer program to match. In the next five to 10 years, we will see dramatic improvements in the accuracy of translation software.

Finally, the use of translation memory has again changed the way the translation industry works. Before the arrival of this software, translators created glossaries and relied on memory to make sure that terminology and style were consistent throughout a single document, and across a number of documents. There was no way to account for repeat English text, other than to re-translate it whenever it appeared.

Translation memory allows you to create a database of material that has been translated, so that each English sentence has a foreign language equivalent, and avoids the need to re-translate. The benefit to the client is that if he makes an effort to be consistent in his writing, he can save money, improve quality and consistency, and reduce turnaround times.

GETTING THE BEST TRANSLATION

Pick your translation provider carefully, and decide whether you want to work with a translation company or an individual translator.

Start with clear English text, develop glossaries, provide reference material, and have someone review the language.

Investigate the possibility of using translation memory for your projects. While it is not appropriate for every client and every project, it can often provide unanticipated benefits.

This piece originally appeared as the April 2000 Article of the Month on the Web site of the Federation of International Trade Associations (www.fita.org). Steven P. Iverson is president of Iverson Language Associates, Inc., in Milwaukee, Wisconsin.


SWEDEN
FINLAND
ESTONIA
LATVIA
LITHUANIA
DENMARK
IRELAND
UNITED KINGDOM
NETH.
GERMANY
POLAND
BELGIUM
LUX.
CZECH REPUBLIC
SLOVAK REPUBLIC
FRANCE
AUSTRIA
HUNGARY
SLOVENIA
ITALY
ANDORRA
PORTUGAL
SPAIN
GREECE
CYPRUS
MALTA
European Union
Current EU members
Candidates for EU membership in 2004

Enlargement of the European Union

Expanding Opportunities

by the Central and Eastern Europe Business Information Center, the Office of Europe, and the U.S. Mission to the European Union

The organization we know as the European Union was inspired by a vision of a new Europe that would transcend antagonistic nationalism and become in essence a united states of Europe. Such was the inspiration put forth by Jean Monnet and solidified by the Schuman Plan, which led to the creation of the European Coal and Steel Community (ECSC) in 1951. Central to this plan was the idea that local, regional, national, and other European authorities should cooperate with and complement each other. The functional approach, however, put forth a plan that would allow for the gradual transfer of sovereignty from national to community level. In the 52 years since the creation of the ECSC, the European Union now allows for the free movement of workers, goods, and services as well as a common currency, policies, and jurisdiction over social, regional, and environmental matters. In the development of the union, four rounds of accession have enlarged the community from the original six to its current 15. The union is preparing to admit 10 new members in May 2004, the largest accession in the history of the European Union.

At a summit in Copenhagen in December 2002, leaders from the 15 EU member states agreed on the accession of 10 countries: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. Future enlargement plans include Romania and Bulgaria, which are on course to join in 2007.

Criteria for membership require that each candidate country has:

- Stable institutions that guarantee democracy, the rule of law, human rights, and respect for and protection of minorities;
- A functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the union; and
- The ability to take on the obligations of membership, including adherence to the aims of political, economic, and monetary union.

This enlargement is significant on many levels. It poses a unique challenge in that it is the largest in terms of scope and diversity. The 10 new members will contribute an additional 34 percent in geographic area, 75 million people, and a wealth of culture and history. That the majority of the candidates are former Eastern bloc nations is momentous in terms of a changing Europe. This addition of members is also the culmination of more than a decade of economic and political change in both the European Union and the acceding countries.

THE ACCESSION PROCESS

For the 10 candidate countries poised to become members of the European Union, the road to accession has been lengthy and complicated. It has required the candidate countries to harmonize many aspects of their commercial and legal systems with EU standards, as well as make broad economic and administrative reforms. As part of this process, the accession

candidate countries have adopted the common body of EU law that governs areas such as foreign policy; movements of goods, persons, and capital; transportation, telecommunications, and the environment. There are 31 discrete areas or chapters of common law that candidate countries must adopt. While this is an enormous task, the benefits are significant. When completed, this round of accession should add more than 75 million new consumers to the single EU market.

The accession process has created many opportunities for U.S. firms, particularly in the candidate countries in Central and Eastern Europe, a region that is still working to overcome decades of political and economic isolation fostered under communism. Companies in future member states face the task of integrating into the highly competitive and heavily regulated EU environment. This process is creating opportunities for U.S. firms, particularly those with expertise in information technologies, telecommunications, infrastructure, energy, and environmental technologies.

REFORM IN PREPARATION FOR ACCESSION

There are many benefits of enlarging the European Union. The unprecedented increase in the population of EU citizens will boost economic growth and create jobs in both existing and new member states. The quality of life throughout Europe will improve as new members adopt and enforce EU policies regarding environmental protection, crime prevention, drug trafficking, and illegal immigration.

The success of this enlargement will hinge both on the member states' fulfilling their obligations and the receptivity of current members to EU expansion. While the European Union has already agreed on the budgetary means for enlargement, it is not fully prepared to translate the political agenda set in Copenhagen into institutional terms. The convention on the Future of Europe (comprised of representatives of EU member states and EU institutions) is expected to devise a new framework and structures for a feasible, enlarged European Union. The convention is currently drafting a constitution that will streamline decision-making procedures, provide for one "legal personality," and exert more control over foreign affairs. The constitutional treaty will attempt to address how the European Union can change its institutional and political framework to adapt to enlarging by nearly one-third of its current "domain."

An enlarged European Union must become more democratic, more transparent, and more efficient. The union will have to find a single European voice in the world to match its continental dimension and responsibility.

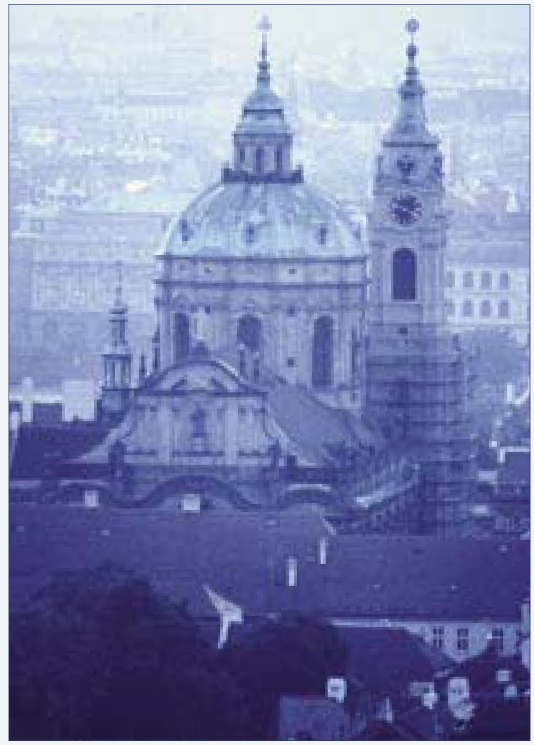
DOING BUSINESS IN AN ENLARGED EUROPEAN UNION

On the whole, enlargement will benefit U.S. exporters. When the candidates join, they will

Czech Republic Passes Tests

Government Transition, EU Accession Bode Well for Foreign Direct Investment

by Joel Ranck
Lincoln Park Communications, LLC



Investors take note. The Czech Republic has proven itself a leader among Europe's emerging economies. A dozen years of democratic and economic development helped the country weather the worst flood in 100 years last summer, survive a government transition, and build momentum toward EU membership.

Some outsiders viewed the center-left government that emerged in 2002 as a potential obstacle to foreign investment. A sign that this would not be the case came in the government coalition's commitment to maintain a low inflation rate and continue the drive toward EU membership, which a growing number of Czech citizens also support. That this was the policy of the previous government is no coincidence. Nine of the 18 ministers in the new government served in previous governments. This level of continuity from ruling coalition to ruling coalition will ensure economic stability and a degree of comfort to most investors. However, that the Czech Republic can change governments at all and keep in stride economically should signal to foreign investors that the political and economic development that has taken place in the Czech Republic over the past 13 years has created a stable investment environment.

The growing support for EU membership by the Czech people further strengthens the country's ability to secure and protect foreign investment. EU membership lays the groundwork for economic transition; hastens the flow of technology, goods, and services into the country; and encourages the export of products and services. However most of all, it makes it safer for foreign investments into the region.

In the 1990s, many U.S. companies looked to the then Czechoslovakia with the expectation that the highly educated and technically skilled citizenry of the country would soon join the economies of the West. Over the years, the productivity of the Czech labor force has greatly improved, and the income gap has shrunk. While further foreign direct investment is required to close a substantial part of the income gap, the average Czech worker in 2003 is a more productive worker and a more prolific consumer. Now it appears that the economy and democratic institutions are also ready to meet the needs of foreign investors.

The author is a public relations and marketing consultant based in Washington, D.C. He lived in Prague for several years in the 1990s.

Euro Matters

EU Currency for Most Members

The European Union includes the so-called euro zone or area, where the EU currency circulates. The euro zone is comprised of 12 countries and some 300 million people. Use of the euro eliminates the need for currency exchange, therefore removing one of the most fundamental costs of cross-border business. This facilitates trade and investment within the zone.

The euro was originally just an accounting currency. It was introduced in 1999 as a "virtual" currency existing alongside the member states' national currencies. From 1999 to 2002, the euro was used for writing checks and credit card payments, but there were no notes or coins. This transition period gave companies time to switch their bookkeeping and financial systems to the euro. The changeover to euro cash, with new notes and coins in the participating member states, began on January 1, 2002. Member states' national currencies were taken out of circulation within two months following the introduction of the euro. The transition to the single EU currency has been very smooth. The euro, worth $1.07 in early February 2003, has appreciated against the dollar by about 20 percent since its debut as a "real" currency last year. The European Central Bank has set interest rates covering the euro zone since 1999.

Twelve member states of the European Union have adopted the euro: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain. Three member states have not adopted the euro: Denmark, Sweden, and the United Kingdom. However, Sweden's government has set September 14, 2003 as the date for a referendum over adoption of the euro. The government of Denmark announced recently that it plans to hold a referendum on the euro sometime in 2004, its second since introduction. The United Kingdom has not yet set a date for a referendum on the euro.

At a summit in Copenhagen in December 2002, the European Union formally announced the schedule for bringing 10 additional countries into the union in 2004, successfully culminating many years of planning and negotiations for EU enlargement. On May 1, 2004, the following countries will join the union: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. The new members will not automatically adopt the euro upon accession. First, they must join the exchange rate mechanism (ERM), under which their currencies will be able to fluctuate only plus or minus 15 percent from a central rate. If these countries successfully operate within the ERM regime for at least two years as well as meet exacting criteria regarding budgets, debt, inflation, and long-term interest rates, they will then be eligible to join the euro zone. The new EU member states must eventually adopt the euro, but the timetable for actual adoption is not definite.

have satisfied all requirements of membership, but will still be responsible for aligning to all EU international commitments, including those undertaken in the framework of the World Trade Organization. The new member states will be required to adopt the EU Common External Tariff in its entirety. On average, weighted industrial tariffs in accession states are higher than those in the European Union. Therefore, U.S. exporters should see benefits in terms of lower tariffs. For example, Hungary currently imposes average tariff rates of 13 percent on goods imported from countries, such as the United States, that have most-favored nation status, but are not party to preferential trade agreements with Hungary. After EU accession, average tariff rates in Hungary will immediately drop to EU levels (currently 4 percent). Tariff reductions will make U.S. products more competitive in accession country markets.

EU enlargement will also reduce other trade barriers. Currently, U.S. exporters must occasionally re-certify goods destined for accession countries, even though these goods are already EU-certified. The same can be said for harmonizing with EU standards. Adapting products to meet local standards in small markets such as those of the accession countries is often prohibitively expensive for U.S. exporters. Therefore, enlargement should improve market access, as U.S. firms will only have to conform to one standard and certification process for the entire region.

U.S. companies are eager to see the acceding countries start enforcing intellectual property rights, including patents on pharmaceutical products. Health authorities have favored domestically produced pharmaceuticals over imports. Enforcement of competition policy with regard to pharmaceuticals will be more rigorous after EU enlargement. In addition, the overall cost of doing business in accession countries will fall as U.S. exporters consolidate sales organizations and simplify corporate structures.


Photo courtesy of Steve Hubin.

For certain products, the European Union has taken interim steps to extend the benefits of the single market to accession countries with regard to conformity assessment for product approval. This has been accomplished through bilateral pre-accession agreements, which are in force in Hungary, the Czech Republic, Latvia, and Lithuania. These countries will accept certain products tested and certified for the EU market without additional national requirements. Additional countries are expected to sign such pre-accession agreements (PECAs in EU parlance) in the near future.

All accession states must align to EU commitments under the General Agreement on Trade in Services (GATS). Integration into the single EU market and adherence to the GATS improves the environment for U.S. and other third-country service providers.

Since the European Union and its member states are party to international agreements under the World Trade Organization, accession states must ensure that they are signatories to the various WTO agreements on civil aircraft, government procurement, and information technology. This will be particularly helpful to U.S. firms that sell to government entities.

Upon joining the European Union next year, accession countries will immediately adopt the EU's exchange rate mechanism (see "Euro Matters" sidebar). They will not be allowed to adopt the euro immediately, but will do so when they are fully prepared. May 2006 is the earliest date on which any of the new members will be able to introduce the euro.

OPPORTUNITIES IN SPECIFIC INDUSTRIES

Information Technology

The United States is widely recognized as the world leader in information technology. As a result, the following areas are top export prospects in the accession candidates in Central and Eastern Europe: computer hardware, software, computer services, database design, network integration, and e-commerce. There are several factors driving the demand for information technology in Central and

Eastern Europe, two of which can be directly attributed to EU accession process. Companies in Central and Eastern Europe must reach an equal technological level with the European Union in order to be competitive with EU companies. Second, the governments of Central and Eastern European countries have instituted policies to promote growth in domestic high-tech industries. Their goal is to promote economic growth and establish their countries as high-tech hubs that will service the European continent. The European Union is striving to increase competition in this area and has implemented legislation to encourage investment in information society applications, including e-commerce.

Telecommunications

Accession candidates must also adopt EU directives on telecommunications. These directives affect the liberalization of telecommunications; regulation and establishment of tariffs for voice, data, and optical services (fixed, wireless, or otherwise); and other telecommunications and Internet services. The directives also affect digital signature and cable television sectors. While the mobile telecommunications sectors of candidate countries in Central and Eastern Europe are on par with EU members, substantial reforms must be made to the fixed telecommunications sector. In general, the number of fixed-line telephone customers falls far below EU standards. There is great potential for U.S. companies to help Central and Eastern European countries adapt this sector to match EU standards.

Transportation and Infrastructure

There are significant opportunities for U.S. companies in transportation and infrastructure. Candidate countries must bring road, highway, railway, aviation, and maritime systems into alignment with EU standards, creating opportunities for U.S. construction, engineering, and environmental technology firms. Alignment with EU standards requires the expansion of existing roads and highways and the construction of new highway systems as well as integration into the trans-European highway system. Ports and airports in accession countries require significant upgrades to comply with stringent EU safety, environmental, and noise abatement requirements. Countries must also implement safety and environmental upgrades.

Energy

As liberalization of energy sectors in Central and Eastern European candidate countries takes place, numerous opportunities for U.S. companies will materialize. Power plants, combined heat-and-power plants, and gasworks must be adapted to EU standards (for example, in replacing coal with oil, and using natural sources of energy). Accession countries must undertake significant reforms and upgrades of their domestic energy sectors. This will include upgrading national electricity grids and integration into existing EU power grids. Central and Eastern European countries must take steps to reduce waste and develop renewable energy resources, including solar, hydro, wind, and biomass technology. Finally, each candidate country must develop storage facilities to stockpile a 90-day supply of petroleum for emergency situations.

Photo courtesy of Steve Hubin.

The Environment

EU environmental policies are in most cases more stringent than those of acceding nations. Candidate countries must introduce new, aggressive environmental policies to match those of the European Union. To meet these new requirements, accession candidates need to obtain environmental technologies to reduce air, water, and industrial pollution, and to improve waste management. Europe as a whole is the largest export market for the United States in terms of environmental technologies. The United States is poised to do business in the following sectors: air pollution, waste management, water pollution, industrial pollution, nuclear safety, and radiation protection. Due to the enormous challenge of meeting stringent environmental standards, full implementation of the common body of EU environmental legislation will be complete only several years after accession. This lag period will allow U.S. firms to explore opportunities in the environmental technology sector well after these countries have become members of the European Union.

POTENTIAL ROAD HAZARDS

Enlargement will bring some additional hurdles for U.S.–EU trade relations. Historically, the United States has asked for compensation in the form of lower tariffs or enlarged quotas for U.S. exports after new entrants have been accepted into the European Union. This is especially true when acceding countries provided greater market access prior to joining the union than after. In addition, there may be trade issues with regard to steel, coal, and agricultural products, with the latter being the most contentious issue both reform of the common agricultural policy of the European Union and the ongoing negotiations of the Doha trade round.

EU enlargement may also affect American investments in Central, Eastern, and Southern Europe. U.S. companies currently enjoy a significant commercial presence as investors in major sectors of the EU candidate countries. Most of these countries have bilateral investment treaties with the United States, designed to ensure that U.S. investors receive national or most-favored nation treatment and to protect them against performance requirements, restrictions on transfers, and arbitrary expropriation, as well as to provide access to arbitration. The bilateral investment treaties have played an important role in encouraging investment in the candidate countries by mitigating risk and providing greater certainty to investors.

The European Union has indicated that there may be incompatibilities between EU law and the obligations of the United States' bilateral investment treaties with EU accession candidates. The U.S. government is working with the European Commission and the governments of the candidate countries in an effort to avoid such possible conflicts, so as to preserve the treaties and continue to provide important protection to U.S. investors.

The accession countries are making progress in meeting their obligations for EU membership, including implementation of the legislation already

WEB RESOURCES

European Union On-line
www.europa.eu.int
This is the official, comprehensive site of the European Union.

Enlargement Weekly
www.europa.eu.int/comm/enlargement/docs/newsletter/latest_weekly.htm
This weekly newsletter, available on-line and by e-mail subscription, contains the most up-to-date information on enlargement, including current negotiations, business opportunities, and a detailed calendar of events.

EU Enlargement Press Corner
www.europa.eu.int/comm/enlargement/press_corner.htm
The site includes FAQs, public opinion research, press releases, photo galleries of candidate countries, and more.

Central and Eastern Europe Business Information Center (CEEBIC)
www.export.gov/ceebic
This U.S. Commerce Department site includes an EU accession link and a hotline for information on U.S. trade and investment opportunities in the candidate countries of Central and Eastern Europe.

Trade Information Center
www.export.gov/tic
For additional questions about exporting to the European Union, particularly accession candidates not covered by CEEBIC staff (i.e., Cyprus and Malta), call (800) USA-TRADE (872-8723).

U.S. Mission to the European Union
www.buyusa.gov/europeanunion
The U.S. Commercial Service staff in Brussels provides a wide range of information on EU standards, regulations, and certification; opportunities by country and sector; tenders and grants; and much more.

adopted in the union. If the acceding countries fall short of their membership obligations or the European Union fails to enforce obligations, the result will be distortions inside and outside of the union. To ensure that trade in a post-accession European Union has not become more restrictive, the World Trade Organization will conduct a comparison of trade from EU-15 to EU-25. WTO members would be entitled to claim compensation when the extension of a customs union has resulted in increases to bound rates on products for which these countries are suppliers.

THE U.S. DEPARTMENT OF COMMERCE AND EU ACCESSION

In order to better inform U.S. companies of the opportunities and impact of EU enlargement, the International Trade Administration has created an EU Accession Task Force. The goal of the task force is to assist U.S. companies in realizing trade and investment opportunities in the accession countries' markets. Two useful tools to keep U.S. firms informed on the accession process are an accession Web site (www.export.gov/ceebic) and hotline (202-482-9090). Both help U.S. companies identify export opportunities and interpret commercial changes in the region, as well as help them locate the Commerce Department's analysts for specific issues.

On the whole, enlarging the European Union from a market of 15 member states to that of 25 should prove extremely beneficial to U.S. industry. A single market of 455 million citizens, with a single set of tariffs and a single set of trade rules and administrative procedures, is undoubtedly tempting to many U.S. exporters that would like to expand in or enter the EU market.

Cyprus and Malta

Tiny Nations to Join the European Union

by Jason Gomberg
Office of Europe, Market Access and Compliance

The Mediterranean island nations of Cyprus and Malta, both poised to join the European Union in 2004, have undergone significant economic and structural changes in recent years to prepare for EU membership.

Cyprus

Full membership in the European Union remains one of the government's foremost political and economic policy objectives. As evidence of Cyprus's commitment to harmonize its economy with that of the European Union, Cyprus was one of the first candidate countries to close out all 29 chapters of its accession agreement. Structural reforms already have transformed Cyprus's economic landscape. For instance, trade and interest rates have been liberalized. Price controls, as well as investment restrictions for EU residents, have been lifted. Also, private financing has been introduced for the construction and operation of infrastructure projects.

However, Cyprus still has challenges to overcome. Most crucially, the island's political division presents the greatest challenge to EU accession. Economic reforms, such as liberalizing utilities markets (including telecommunications and power generation), restructuring state subsidies, and abolishing restrictions on land ownership by non-residents, have yet to be completed.

The best prospects for U.S. products and services in Cyprus lie predominantly with government and quasi-government tenders, in areas such as telecommunications equipment, coastal radar and air traffic control systems, medical equipment, computer services, and municipal infrastructure construction. Further, the private sector's growing demand for U.S.-made office machines, computer software, and data processing equipment, in addition to U.S. food franchises' recent successes with expansion in Cyprus, also represent export and investment opportunities for American firms.

Malta

While Malta has had an association agreement with the European Union for more than 20 years, its EU accession process has seen its share of controversy. The Nationalist Party-led government initiated Malta's accession application in 1990. However, the Labor government froze the membership request in October 1996, only to see the Nationalist Party immediately resubmit it after winning re-election in September 1998.

Trade occupies a growing share of Malta's GDP. While the European Union is Malta's major trading partner, accounting for around 65 percent of imports and about 48 percent of exports, trade with the United States has grown significantly in recent years. Official figures indicate a fivefold increase since 1992, with U.S. exports to Malta in 2001 reaching $259 million. However, trade in U.S. goods is actually underreported, since many American products are sold through companies' European subsidiaries. Tourism accounts for about 40 percent of Malta's GDP, and it generates roughly $650 million in foreign exchange earnings.

Malta's chances for post-accession economic success hinge on the country's continued economic restructuring—including privatizing its state-owned enterprises—to ensure its attractiveness to foreign investors. Leading sectors for U.S. companies include tourism infrastructure, computer software, communications services, and medical equipment.

Upcoming Trade Events

April–October 2003

DATES	EVENT	LOCATION
April 1–3	**FIHT Comdex** As part of the SETI, the "European IT Week," FIHT Comdex represents Europe's third-largest IT event after CeBIT and SMAU. We anticipate 1,500 exhibitors and 120,000 trade professionals. The show will feature the whole computer and peripherals industry.	Paris, France
April 1–3	**Intersol 2003** Intersol 2003 is the first trade show and conference dedicated solely to contaminated soil and site remediation in Europe. Approximately 1,000 visitors from 30 countries are expected to attend this event.	Paris, France
April 9–12	**Bologna Children's Book Fair** The Bologna Children's Book Fair is the largest such event in the world. It features both books and multimedia materials. There have been two U.S. pavilions for years—one in the book section of the fair and one in the multimedia section. The U.S. Book Display is designed to provide small publishers who do not wish to attend in person an opportunity to exhibit their products.	Bologna, Italy
April 15–17	**Bangalore Bio 2003** This event will showcase the best products and services from leading companies in biotechnology. Eminent speakers will present a discussion on emerging trends, technologies, and research initiatives in biotech. This show will serve as a meeting point for investors, entrepreneurs, technologists, researchers, corporations, government, and the media.	Bangalore, India
April 29–May 1	**AIEE 2003** Australia's International Engineering Exhibition (AIEE) is the largest trade show of its kind in Australia for the manufacturing and engineering sector. The product literature center provides a cost-effective method for U.S. companies to explore the Australian market.	Melbourne, Australia
May 15–17	**Health Care Show** This certified health care trade show has been held annually since 1996 and is exclusively for trade and professional visitors. It covers a broad range of products and services, including hospital equipment and supplies, electro-medical equipment, laboratory equipment, home care, and physiotherapy. It is the largest medical trade show in Southeast Asia and attracts exhibitors from around the world.	Kuala Lumpur, Malaysia
May 15–18	**CeBIT Australia** CeBIT Australia is one of Australia's premier trade events in the IT and telecommunications sector. It is a trade-only show and attracts good levels of attendees. In 2002, there were a number of international pavilions, including those representing the USA, Canada, China, and Germany. The post will be recruiting a product literature center for inclusion in the U.S. pavilion at the show.	Sydney, Australia
May 15–18	**SecurityWorld 2003** SecurityWorld is an annual event comprised of local manufacturers and foreign suppliers in the security/safety industry. The exhibition includes security equipment, access control solutions, CCTV and surveillance, home security, building management, and technology related to the industry.	Seoul, South Korea
May 19–21	**Hotel Show 2003** Hotel Show is an annual event. A trade-only attendance of over 3,500 targeted visitors from within the region visited last year. Most governments in the Middle East have identified tourism as a priority sector in their economic development and diversification strategies, giving rise to international chains wanting to own or manage properties within this region.	Dubai, United Arab Emirates
May 19–23	**Electronic Americas** Electronic Americas is the largest event of its kind in South America for electronic components, assembly, and production. Electronic components is the best prospect for U.S. exports to Brazil. Participation in an event of this magnitude is an ideal venue for small and medium-sized U.S. companies to gain exposure or to expand their presence not only in the Brazilian market but also in the surrounding region.	São Paulo, Brazil
May 22–25	**Total Construction Materials and Equip. Fair** This is the only major building products trade show in the Osaka-Kobe region. The show is held every other year and attracts more than 40,000 visitors. This fair will provide an excellent opportunity for U.S. building products companies to expand their business in Japan.	Osaka, Japan

TRADE EVENTS SCHEDULE

INDUSTRY	CONTACT INFORMATION
Computers, Software, Services, Telecomm. Eq.	Charles Defranchi Tel: +33-1-48-12-28-63 E-mail: Charles.Defranchi@mail.doc.gov
Lab Instruments, Pollution Control Eq., Water Resources Eq.	Everett Wakai Tel: +33-1-43-12-20-45 E-mail: Everett.Wakai@mail.doc.gov
Books and Periodicals	Edward Kimmel Tel: (202) 482-3640 E-mail: Edward_Kimmel@ita.doc.gov
Biotech, Drugs, Health Care Services	Leonard Roberts Tel: +91-80-2206401 E-mail: Leonard.Roberts@mail.doc.gov
Machine Tools, Robotics	Richard Reise Tel: (202) 482-0552 E-mail: Richard_Reise@ita.doc.gov
Drugs/ Pharmaceuticals, Medical Equip.	Natila Ahmad Tel: +60-3-2168-5101 E-mail: Natila.Ahmad@mail.doc.gov
Consumer Electronics, Computer/Telecomm. Equipment	Phil Keeling Tel: +61-2-9373-9209 E-mail: Phil.Keeling@mail.doc.gov
Security/Safety Equipment	Greg O'Connor Tel: +82-2-397-4356 E-mail: Greg.O'Connor@mail.doc.gov
Architecture, Construction, and Engineering	Anne de Souza Tel: +971-4-311-6111 E-mail: Anne.deSouza@mail.doc.gov
Electronic Products and Components	Marlene Ruffin Tel: (202) 482-0570 E-mail: Marlene_Ruffin@ita.doc.gov
Building Products	Charles Reese Tel: +81-6-6315-5954 E-mail: Charles.Reese@mail.doc.gov

HIGHLIGHTED EVENTS

HEALTH CARE TECHNOLOGIES SEMINAR AND TRADE MISSION

APRIL 7–10, 2003
CANADA

The U.S. Commercial Service in Montreal and Toronto will host a two-stop health care technologies seminar and trade mission in Canada. This mission is designed to provide small and medium-sized U.S. companies with a first-hand opportunity to become familiar with the Canadian health-care market, establish new and profitable commercial relationships, and access valuable marketing information from industry briefings. This four-day program will provide technical advice on health care sectors and an agenda of scheduled individual business appointments.

Contact:
Pierre Richer
Tel: (514) 398-9695, ext. 261
E-mail: Pierre.Richer@mail.doc.gov

EXECUTIVE AEROSPACE TRADE MISSION

APRIL 27–MAY 6, 2003
AUSTRALIA AND NEW ZEALAND

The deputy assistant secretary of commerce for transportation and machinery, International Trade Administration (ITA), will lead an aerospace trade mission to Australia and New Zealand this spring. The mission will include representatives from a variety of U.S. aerospace service and manufacturing firms interested in expanding their presence in these lucrative aerospace markets. The Commerce Department's delegation will include staff from the Office of Aerospace (ITA), and the Office of Trade and Strategic Industries (Bureau of Industry and Security).

Contact:
Sean McAlister
Tel: (202) 482-6239
E-mail: Sean_McAlister@ita.doc.gov

DATES	EVENT	LOCATION
June 1–6	**Automotive Trade Mission** Costa Rica and Panama both rank the automotive parts and service equipment sector as the fourth-best prospect for U.S. exports. Guatemala ranks this sector as the number one prospect for U.S. exports.	Panama, Costa Rica, Guatemala
June 13–16	**Exhibition on Environmental Technologies (ENVEX)** ENVEX is the premier environmental exhibition in South Korea. As the South Korean government has placed more emphasis on the environment, Korean companies are looking for the latest environmental technologies. ENVEX will display products from all environmental sectors.	Seoul, South Korea
June 18–20	**Natural Products Asia 2003** The product mix includes traditional Chinese medicine herbs, nutritional products, functional food products, and organic products. Very few of the natural products available in the United States are available in this region, primarily because U.S. companies have not yet had the opportunity to introduce their products and to establish relationships with Asian distributors.	Hong Kong
June 18–20	**ISA Control Mexico 2003** The American Products Literature Center (APLC) at ISA Control Mexico 2003 offers small and medium-sized firms an opportunity to have their literature showcased at Mexico's largest trade show for process control and industrial instrumentation. The APLC is a cost-effective way to find agents and distributors in Mexico. Mexico is one of the largest importers of U.S. industrial instruments.	Mexico City, Mexico
June 19–20	**APA Australian Book Fair** The fair is Australia's premier book industry event, attracting some 12,000 attendees from throughout the Asia-Pacific region.	Sydney, Australia
August 2–5	**ISPO International Trade Fair** Each year at the ISPO Summer in Munich, the sports equipment and fashion industry sets the tone for the following summer season. Exhibitors from over 40 countries present products for both summer and non-seasonal sports.	Munich, Germany
August 12–14	**Security 2003** Security 2003 is the 17th Annual Conference and Exhibition of the Australian Security Industry Association. This important event attracts more than 4,000 visitors, including the Australian security industry's key decision makers, suppliers, and customers.	Sydney, Australia
September 6–9	**Deco Contract** Deco Contract, organized in conjunction with Decosit, was held for the first time in 2001. It is an international textile contract furnishing show.	Brussels, Belgium
September 8–12	**ACE 2003** This a very important event for those involved in airline maintenance, engineering, and supply personnel, as well as for commercial, charter, and fixed-based operators. There will be conferences and seminars with sessions focused on current regulatory requirements and technical issues to improve safety, reliability, and productivity.	Montreal, Canada
September 9–12	**AIMEX 2003** AIMEX is an international mining exhibition. AIMEX has been a major event in Australia since the 1970s and is recognized as one of the most important mining shows in the world. The show used to focus heavily on Australia. Australia is now considered to be a regional center of excellence in mining, and the show is being redefined with an emphasis on the Asia-Pacific region.	Sydney, Australia
October 5–7	**Golf Europe** The Office of Consumer Goods in conjunction with the U.S. Commercial Service in Munich, Germany, is sponsoring a U.S. product sample/literature center at Golf Europe. This promotion should help U.S. companies that are looking for distributors, joint venture partners, or new sales opportunities. This is Europe's leading golf equipment trade show.	Munich, Germany
October 16–21	**EquipAuto 2003** EquipAuto is the world's most comprehensive exhibition for the automotive industry, covering new technologies in original equipment, spare parts, customer service, and garage equipment. There will be two specialized U.S. pavilions for which the Commercial Service in France will provide support. EquipAuto will offer workshops, conferences, and seminars to bring together engineers, managers, buyers, and sellers.	Paris, France

TRADE EVENTS SCHEDULE

INDUSTRY	CONTACT INFORMATION
Automotive Parts and Service Equipment	Ruth Mayo Tel: (248) 975-9600 E-mail: Ruth.Mayo@mail.doc.gov
Building Products, Biotech, Pollution Control Equip., Renewable Energy	Greg O'Connor Tel: +82-2-397-4130 E-mail: Greg.O'Connor@mail.doc.gov
Processed Foods, Processing and Packing Equip.	Barry Friedman Tel: +852-2521-5753 E-mail: Barry.Friedman@mail.doc.gov
Laboratory Instruments, Process Controls	Steven Harper Tel: (202) 482-2991 E-mail: Steven_Harper@ita.doc.gov
Books and Periodicals	Annette Ahern Tel: +61-3-9526-5945 E-mail: Annette.Ahern@mail.doc.gov
Sporting Goods and Recreational Equipment	Amanda Ayvaz Tel: (202) 482-0338 E-mail: Amanda_Ayvaz@ita.doc.gov
Security/Safety Equipment	Phil Keeling Tel: +61-2-9373-9209 E-mail: Phil.Keeling@mail.doc.gov
Textile Fabrics and Products	Brigette de Stexhe Tel: +32-2-508-2454 E-mail: Brigitte.de.Stexhe@mail.doc.gov
Aircraft and Parts, Airport Ground Eq., Aviation Svcs.	Michele Parent Tel: (604) 473-9664 E-mail: Michele.Parent@mail.doc.gov
Air Conditioning, Electrical Power Systems, Mining Industry Eq.	Elizabeth Ausberry Tel: +61-2-9422-2511 E-mail: Elizabeth.Ausberry@mail.doc.gov
Sporting Goods/ Recreational Eq.	Amanda Ayvaz Tel: (202) 482-0338 E-mail: Amanda_Ayvaz@ita.doc.gov
Automotive Parts, Service Equipment, Leasing, and Insurance	Cara Boulesteix Tel: +33-1-43-12-22-79 E-mail: Cara.Boulesteix@mail.doc.gov

SAFETY AND SECURITY TRADE MISSION

MAY 19–23, 2003
BRAZIL

The International Trade Administration will help U.S. firms find business partners and sell safety and security equipment and services through a trade mission to Rio de Janeiro and São Paulo. The mission will include representatives from a variety of U.S. safety and security equipment firms interested in expanding their presence in the fast-growing Brazilian market.

In 2003, the Brazilian government plans to spend $665 million to upgrade and expand its security infrastructure. The Brazilian government plans to build and refurbish prisons and police stations, increase training for security officers, and improve communications systems. Other areas where resources will be allocated include security vehicles, helicopters, airport security equipment, bulletproof vests, cameras, ammunition, guns, global positioning systems, cellular-phone blocking systems (for prisons), fire protection systems, and intelligence equipment.

Contact:
Howard Fleming
Tel: (202) 482-5163
E-mail: Howard_Fleming@ita.doc.gov

ASSISTANT SECRETARIAL BUSINESS DEVELOPMENT MISSION

MAY 25–JUNE 2, 2003
MOROCCO AND EGYPT

Assistant Secretary of Commerce and Director General of the U.S. Commercial Service Maria Cino will lead a business development trade mission to Morocco and Egypt. The overall focus of the trip will be commercial opportunities for U.S. companies, including joint ventures and export prospects. The mission will highlight the successes of small and medium-sized U.S. businesses in Morocco and Egypt. In Morocco, participants will have two days of meetings with potential buyers/partners in Casablanca, as well as one day in Rabat with government officials. In Egypt, the participants will have two days of meetings with government officials and potential buyers/partners in Cairo.

Contact:
U.S. Commercial Service
Tel: (202) 482-0692
E-mail: Trade.Missions@mail.doc.gov

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

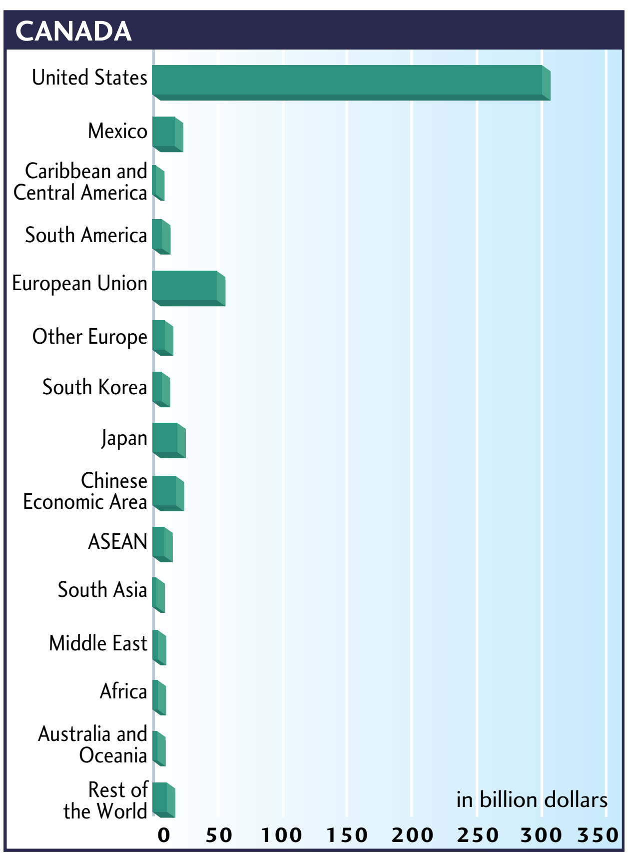
Regional Market Share of Exports

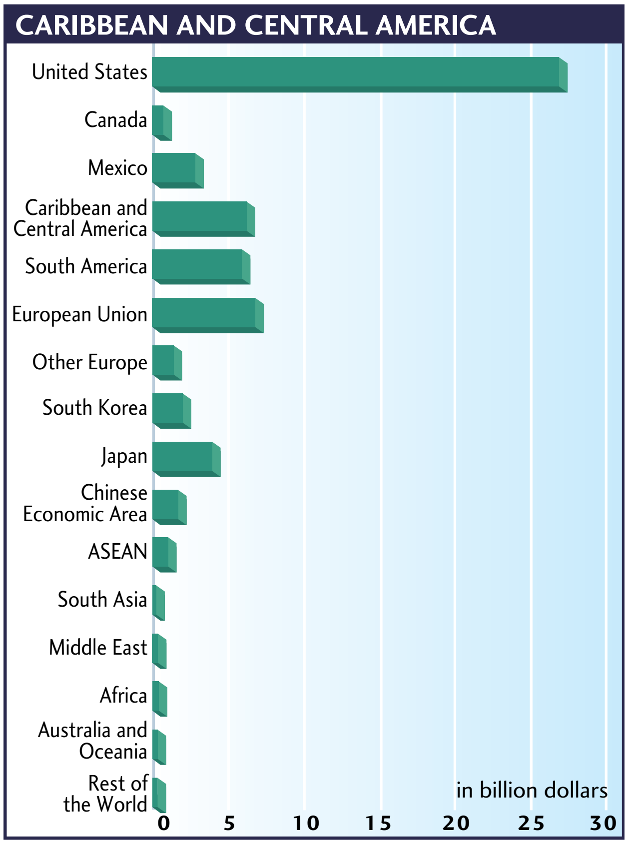
This month we present information on U.S. exports together with those of other suppliers to world markets. There are 14 charts, each accounting for the imports into a major national market, a trading bloc, or a region. Of course, the imports into a country (or group of countries) are the exports of the suppliers.

Note that the charts for blocs or regions (as distinguished from those for individual countries) each have one additional bar, representing imports from within the bloc or region. For example, the bar for the European Union in the chart for the European Union reflects, in part, the imports into Spain of goods from Italy. The charts convey values of imported goods, measured in billions of U.S. dollars, for the year ending March 2002.

Chinese Economic Area: China, Hong Kong, Macao, Taiwan.
Other Europe includes former Soviet republics.
ASEAN: Association of Southeast Asian Nations.

Source: International Monetary Fund.

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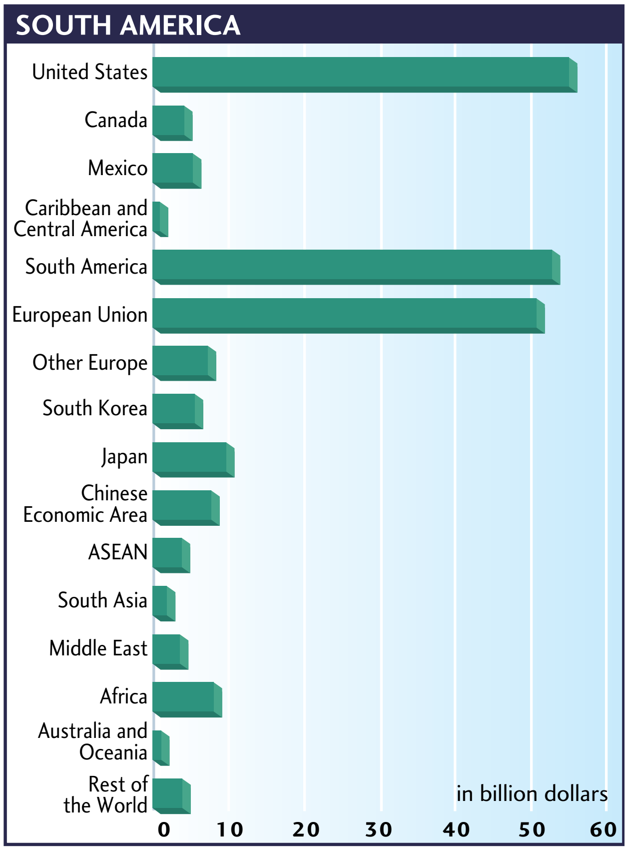
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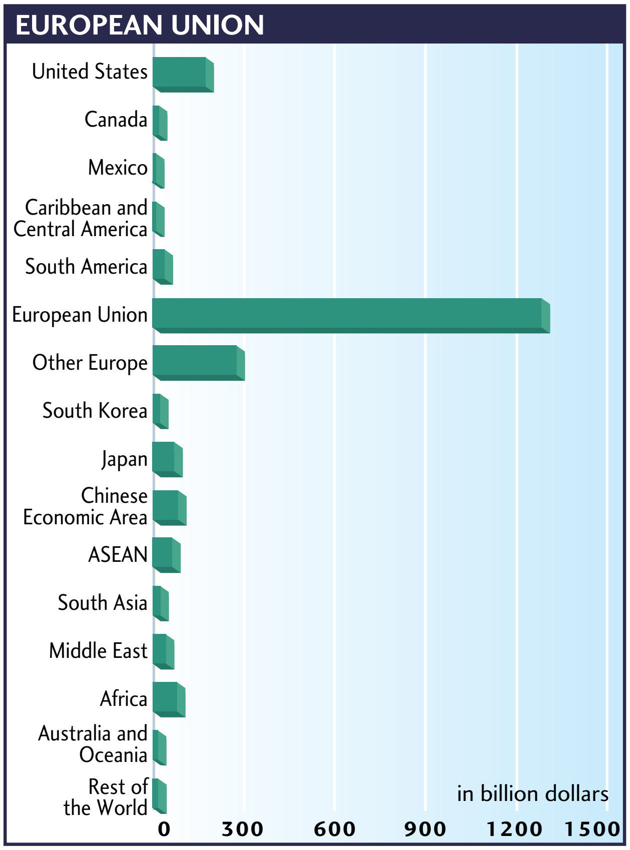
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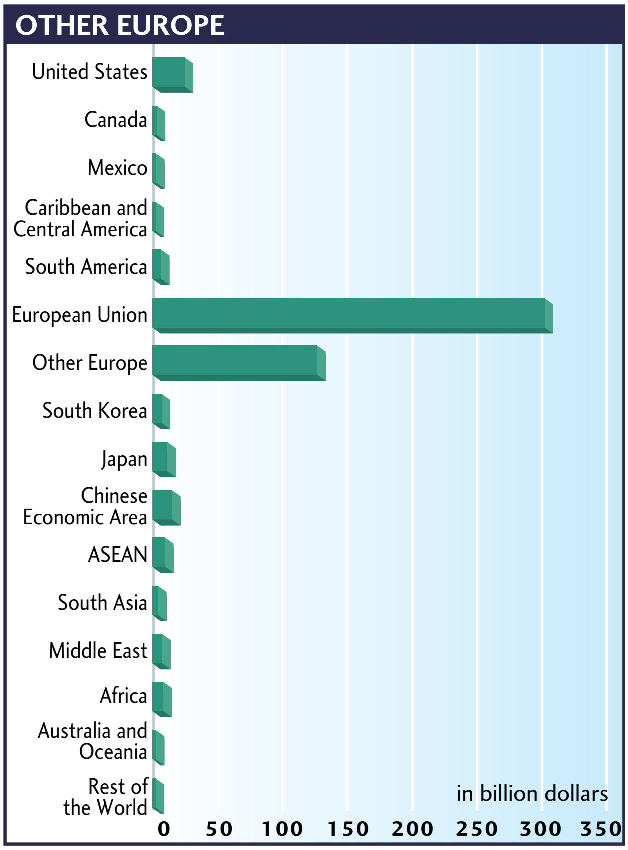
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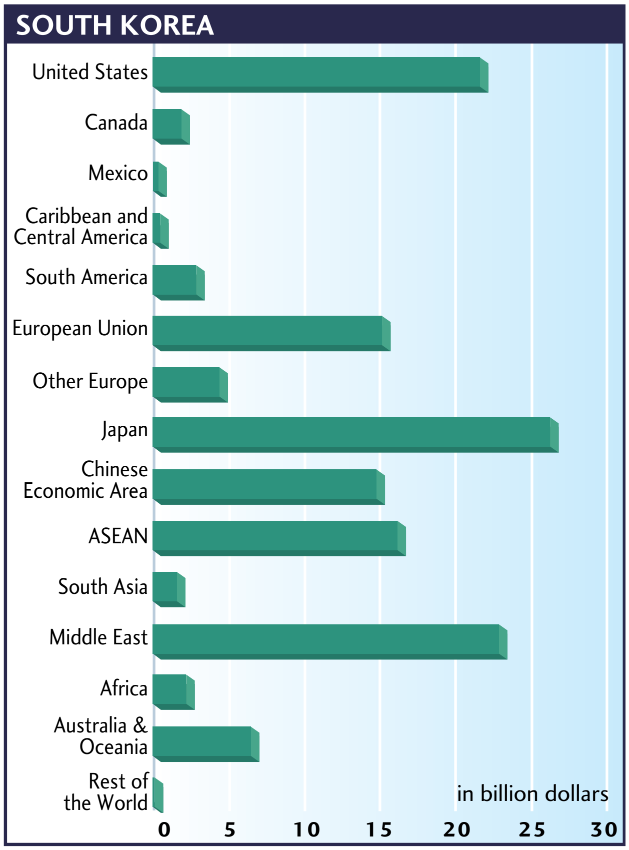
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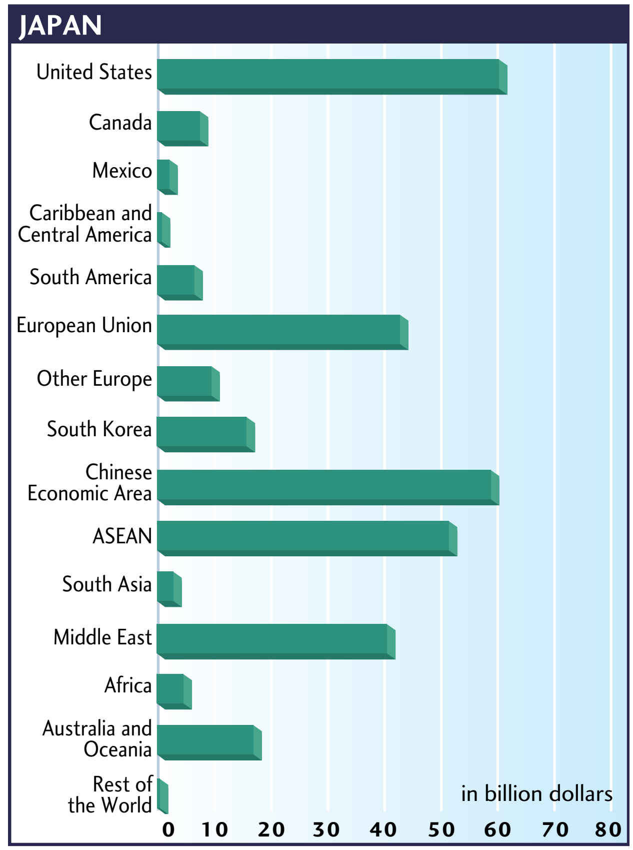
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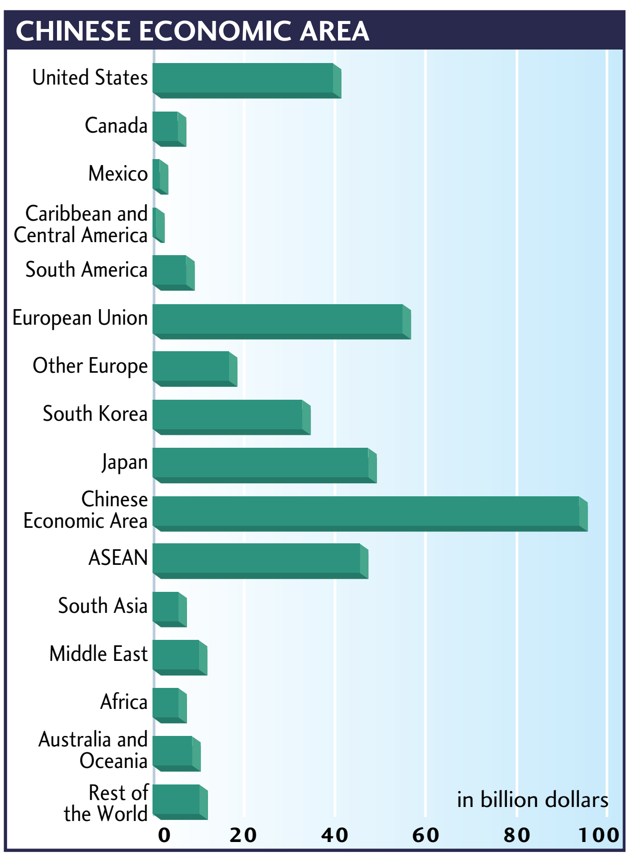
CHINESE ECONOMIC AREA
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Canada
Mexico
Caribbean and Central America
South America
European Union
Other Europe
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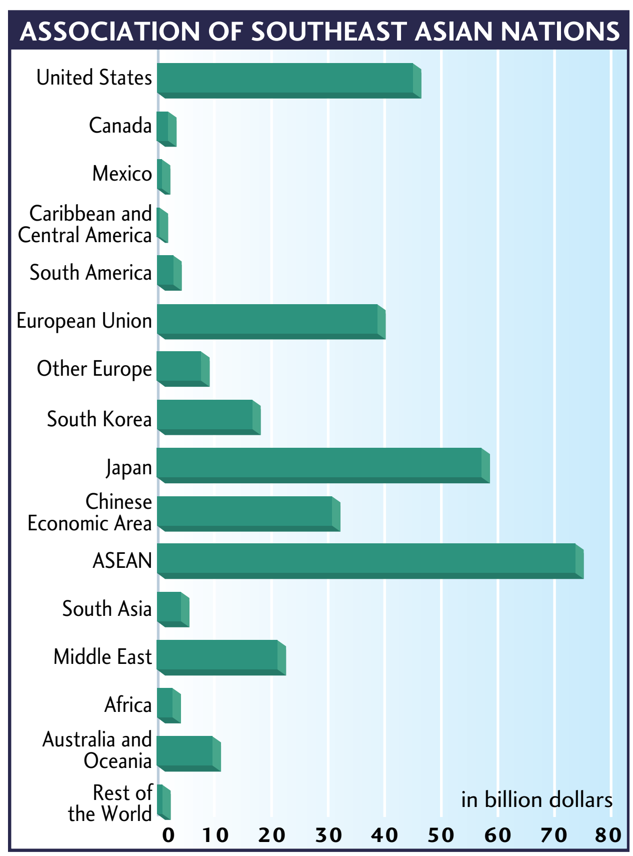
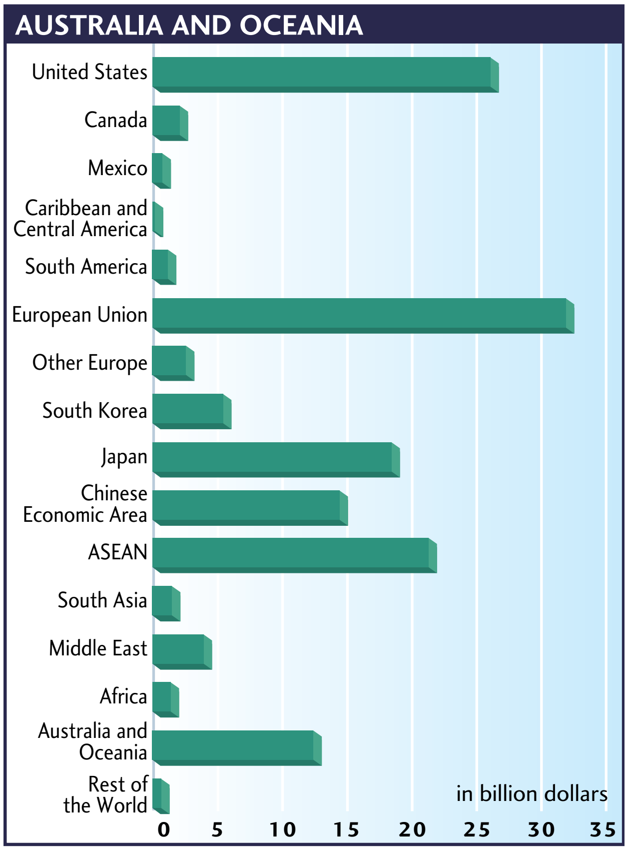
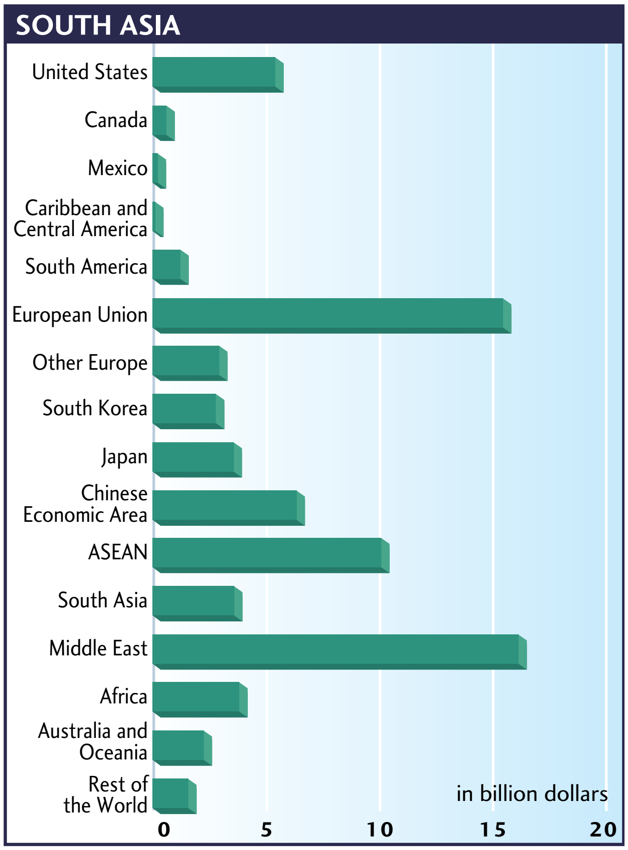
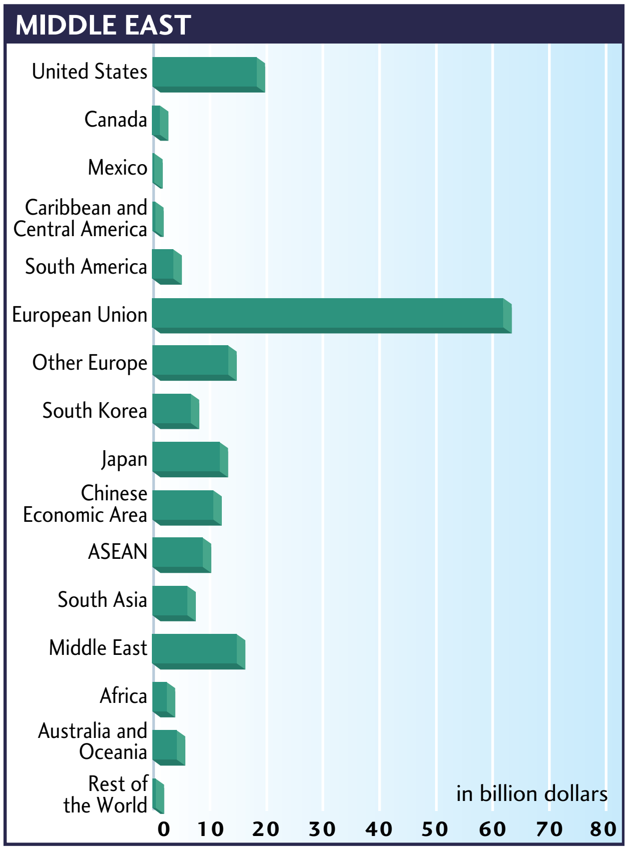
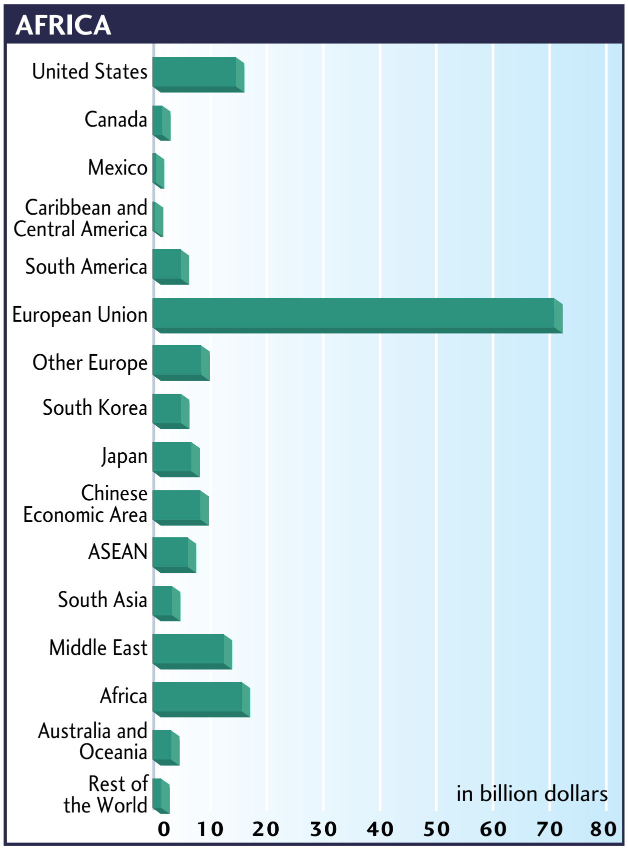
Chinese Economic Area
ASEAN
South Asia
Middle East
Africa
Australia and Oceania
Rest of the World
in billion dollars
0 20 40 60 80 100


ASSOCIATION OF SOUTHEAST ASIAN NATIONS
United States
Canada
Mexico
Caribbean and Central America
South America
European Union
Other Europe
South Korea
Japan
Chinese Economic Area
ASEAN
South Asia
Middle East
Africa
Australia and Oceania
Rest of the World
in billion dollars
0 10 20 30 40 50 60 70 80


AUSTRALIA AND OCEANIA
United States
Canada
Mexico
Caribbean and Central America
South America
European Union
Other Europe
South Korea
Japan
Chinese Economic Area
ASEAN
South Asia
Middle East
Africa
Australia and Oceania
Rest of the World
in billion dollars
0 5 10 15 20 25 30 35


SOUTH ASIA
United States
Canada
Mexico
Caribbean and Central America
South America
European Union
Other Europe
South Korea
Japan
Chinese Economic Area
ASEAN
South Asia
Middle East
Africa
Australia and Oceania
Rest of the World
in billion dollars
0 5 10 15 20


MIDDLE EAST
United States
Canada
Mexico
Caribbean and Central America
South America
European Union
Other Europe
South Korea
Japan
Chinese Economic Area
ASEAN
South Asia
Middle East
Africa
Australia and Oceania
Rest of the World
in billion dollars
0 10 20 30 40 50 60 70 80


AFRICA
United States
Canada
Mexico
Caribbean and Central America
South America
European Union
Other Europe
South Korea
Japan
Chinese Economic Area
ASEAN
South Asia
Middle East
Africa
Australia and Oceania
Rest of the World
in billion dollars
0 10 20 30 40 50 60 70 80

Internet Finance and Banking Links

Many companies that export need information about the financial institutions of their buyers, seek alternatives to traditional financing, or look for ways to mitigate risk in large transactions. Here is a list of suggested resources on a range of banking and finance issues.

BANKS

AAAdir World Banks
Search engine of banks throughout the world.
www.aaadir.com

ALLNY.com
A site that provides links to banks around the world.
www.allny.com/business/wldbank.html

BANKERSalmanac.com
An authoritative search engine of international banks, prepared by Reed Publishing.
www.bankersalmanac.com

Banks on the WWW
Listings of most banks on the Internet.
www.gwdg.de/~ifbg/bank_2.html

Central Banking Resource Center
Information about most central banks in the world and other central bank information.
http://patriot.net/~bernkopf

Eye On Banking: Alphabetical List
Comprehensive lists of banks worldwide.
www.cybertechnic.com/eye-on/yAlphaBanking.html

FinanceAsia Finance Directory
A directory of banks and financial companies throughout Asia.
www.financeasia.com/FADirectory/index.cfm

SciNet: Listing of Banks in the World
Scinet Corporation's compilation of links to banks of the world.
www.scinet-corp.com/associates/bdd_banks2.htm

EXPORT CREDIT AND TRADE INSURANCE

Export Finance Matchmaker

The Export Finance Matchmaker assists U.S. exporters and buyers of U.S. products and services in finding the financial resources that best meet their individual needs. U.S. exporters and importers abroad enter specific information about their companies, as well as specific transactional needs, on the Web site, where they are matched with the best possible resources. The interactive program lets exporters find the types of export financing they seek for specific exports, by tapping a database of export finance providers. There is no cost to exporters to use this matching program.

http://web.ita.doc.gov/efm/efm.nsf

Export*Express*

Combining the Small Business Administration's lending assistance with customized technical assistance, the Export*Express* program is designed to meet the various financial needs of small business exporters.

www.sba.gov/oit/exportexpress.html

iTradeFinance

A site that puts requests for trade finance services out to bid by multiple banks and trade finance companies.

www.itradefinance.com

TRADE FINANCE

Overseas Private Investment Corporation (OPIC)

OPIC is a U.S. government agency that provides political risk insurance and loans to help U.S. businesses of all sizes invest and compete in more than 140 emerging markets and developing nations worldwide.

www.opic.gov

CNA Export Credit Insurance

This site offers professional collection services.

www.cnaexportcredit.com

Export Insurance Services

An insurance brokerage specializing in commercial credit, export credit, and political risk insurance for trade and finance.

www.exportinsurance.com

Export Risk Management, Inc.

An insurance brokerage specializing in export credit, political risk, ocean cargo, and related trade finance.

www.exportrisk.com

MARLYN Insurance Services

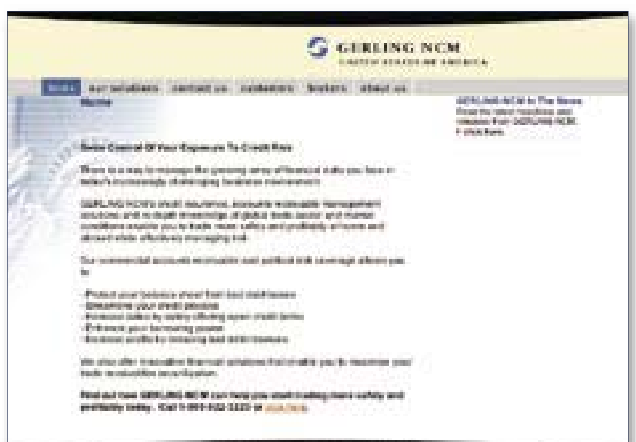
International insurance brokers and consultants, specializing in credit, political risk, and maritime coverage.

www.marlynins.com

Gerling NCM

All forms of international credit insurance.

www.gerlingncm.us



U.S. DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Room 3414
1401 Constitution Avenue, NW
Washington, DC 20230

U.S. COMMERCIAL SERVICE
United States of America
Department of Commerce

U.S. Export Assistance Centers

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Birmingham
(205) 731-1331

ALASKA
Anchorage
(907) 271-6237

ARIZONA
Phoenix (602) 640-2513
Tucson (520) 670-5540

ARKANSAS
Little Rock (501) 324-5794

CALIFORNIA
Bakersfield (Kern County)
(661) 637-0136
Indio (760) 342-4455
Fresno (559) 227-6582
Inland Empire
(909) 466-4134
Downtown Los Angeles
(213) 894-4231
West Los Angeles
(310) 235-7104
Monterey (831) 641-9850
North Bay (415) 492-4546
Oakland (510) 273-7350
Orange County
(949) 660-1688
Ventura County
(805) 676-1573
Sacramento
(916) 498-5155
San Diego (619) 557-5395
San Francisco
(415) 705-2300
San Jose (408) 271-7300

COLORADO
Denver (303) 844-6001

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(860) 638-6950

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Miami (305) 526-7425
Ft. Lauderdale
(954) 356-6640
Orlando (407) 648-6235
Tallahassee (850) 942-9635

GEORGIA
Atlanta (404) 657-1900
Savannah (912) 652-4204

HAWAII
Honolulu (808) 522-8040

IDAHO
Boise (208) 334-3857

ILLINOIS
Chicago (312) 353-8040
Peoria (309) 671-7815
Rockford (815) 987-8123
Lake County (847) 327-9082

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Indianapolis (317) 582-2300

IOWA
Des Moines (515) 288-8614

KANSAS
Wichita (316) 263-4067

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

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

MAINE
Portland (207) 541-7400

MARYLAND
Baltimore (410) 962-4539

MASSACHUSETTS
Boston (617) 424-5990

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

MINNESOTA
Minneapolis (612) 348-1638

MISSISSIPPI
Raymond (601) 965-4130

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

MONTANA
Missoula (406) 542-6656

NEBRASKA
Omaha (402) 597-0193

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

NEW HAMPSHIRE
Portsmouth (603) 334-6074

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

NEW MEXICO
Santa Fe (505) 827-0350

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

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Greensboro (336) 333-5345
Raleigh (919) 715-7373

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(405) 608-5302
Tulsa (918) 581-7650

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Portland (503) 326-3001

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

PUERTO RICO
San Juan (787) 766-5555

RHODE ISLAND
Providence (401) 528-5104

SOUTH CAROLINA
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Columbia (803) 765-5345
Greenville (864) 271-1976

SOUTH DAKOTA
Sioux Falls (605) 330-4264

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

TEXAS
Austin (512) 916-5939
Dallas/Arlington
(817) 277-1313
Fort Worth (817) 212-2673
Houston (281) 449-9402
San Antonio (210) 228-9878

UTAH
Salt Lake City (801) 524-5116

VERMONT
Montpelier (802) 828-4508

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

WASHINGTON
Everett (425) 248-2010
Seattle (206) 553-5615
Spokane (509) 353-2625
Tacoma (253) 593-6736

WEST VIRGINIA
Charleston (304) 347-5123
Wheeling (304) 243-5493

WISCONSIN
Milwaukee (414) 297-3473

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