

Importance of Trade to U.S. Economy Highlighted in World Trade Week Events

This month, the vital role that international trade plays in the U.S. economy, and the part it plays in creating jobs, will be celebrated during World Trade Week, on May 17–23, 2009.

BY JOHN WARD

The Department of Commerce, exporters, state and local governments, partner organizations, and the public will come together for World Trade Week 2009 on May 17–23 to recognize the importance of international trade to the U.S. economy.

“World Trade Week is an opportunity to reaffirm the benefits of trade and to emphasize America’s commitment to a global marketplace that creates good jobs and lifts up American families,” said President Barack Obama in a proclamation issued to mark the 76th World

Trade Week. “The United States and our trading partners stand to gain when trade is open, transparent, rules-based, and fair, showing respect for labor and environmental standards.”

Public events across the country will be held to honor the achievements of U.S. exporters and to highlight opportunities for businesses interested in exporting. (For links to these events, see the sidebar on page 2.)

Beginnings in the 1930s

World Trade Week was first observed in 1933— at a time of economic hardship for the nation— with a proclamation by President Franklin D. Roosevelt, who designated the third week in May as “National Foreign Trade Week.”

“Foreign markets must be regained if American producers are to rebuild a full and enduring domestic prosperity for our people,” said Roosevelt in a message to the National Foreign Trade Council. “There is no other way if we would avoid painful economic dislocations, social readjustments, and unemployment.”

In the post-World War II era, the annual event was renamed World Trade Week and its scope expanded to include many activities



President Barack Obama and President Lula da Silva of Brazil in Washington, D.C., on March 14, 2009. The president took the occasion to note how trade “is an important engine for economic growth.” (White House photo by Pete Souza)

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“ Manufactured exports supported roughly 6 million U.S. jobs in 2006.... ”

throughout the country that recognize the importance of international trade to the U.S. economy.

A Vital Contributor to the Economy

Just as it always has during previous cycles of growth and recession, exporting holds an important place in the U.S. economy. In 2008, U.S. exports of goods and services, on a balance of payments basis, totaled \$1.84 trillion, an increase of 12 percent over 2007.

During the past decade, the share of U.S. gross domestic product accounted for by exporting has been growing—from 10.9 percent in 1998 to 13.0 percent in 2008.

6 Million Jobs

In 2008, according to figures compiled by the Census Bureau, exports of manufactured goods totaled \$1.12 trillion. Manufactured exports supported roughly 6 million U.S. jobs in 2006, the latest year for which figures are available. Of those export-supported jobs, 2.58 million were in manufacturing industries. Those jobs accounted for 19.9 percent of all U.S. manufacturing employment, nearly one out of every five jobs.

Trade Surplus for Services

In 2008, services—the other component of exporting—posted a record trade surplus of \$139.7 billion,

an increase of 17.3 percent over 2007. Services exports totaled \$544.4 billion in 2008, an increase of 9.5 percent over 2007.

Top U.S. services exports included other private services, such as business, professional, and technical services (\$238.3 billion); travel (\$110.5 billion); and royalties and license fees (\$88.2 billion).

Government Role

Despite these positive trends in international trade over the past several years, the slowing of the overall U.S. economy since the beginning of the current downturn is reflected in the most recent figures for U.S. exports. For example, in March 2009, U.S. exports of goods and services decreased by 2.4 percent, to \$123.6 billion, over February 2009. Imports decreased 1 percent, to \$151.2 billion, over the same period, and the overall U.S. trade deficit grew 5.5 percent, to \$27.6 billion, over February 2009.

It is in such a situation that exporting can be a vital strategy for U.S. businesses in this period of economic recovery. Many programs of the Department of Commerce's International Trade Administration (ITA) can help U.S. companies—especially small and medium-sized enterprises—realize their export potential. The programs include business counseling, which is offered through the domestic network

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Activities throughout the Country

Many U.S. Export Assistance Centers (USEACs) will be holding events in celebration of World Trade Week 2009. For more information, contact your local USEAC or visit www.export.gov.

Trade organizations in Los Angeles and New York have organized many public activities during World Trade Week. Scheduled events in New York include an awards breakfast on May 18, 2009, and numerous information events in the days that follow on topics such as exporting resources and maritime piracy. Another event will celebrate New York's 400 years as a commercial center. For more information, visit www.wtwnyc.org.

World Trade Week in Los Angeles will begin with a breakfast event on May 7, 2009. Featured speakers include U.S. Trade Representative Ron Kirk and Los Angeles Mayor Antonio Villaraigosa. For more information about this event and others in Los Angeles, visit www.worldtradeweek.com.



Poster for World Trade Week 1948.

Afghan Marble Offers Beauty and Hope

Foreign direct investment, modern technology, and better management and equipment can help develop one of Afghanistan's sectors of comparative advantage—marble. Those tools can help ensure economic stability in a nation that is still rebuilding from years of war.

BY ARIANA MONTI

The Department of Commerce's Afghanistan Investment and Reconstruction Task Force worked with several international donor organizations, Afghan government entities, and Afghanistan's local industry association to organize the first Afghan Marble and Stone Conference, which took place in Kabul on March 24–26, 2009. The event was designed to promote and develop Afghanistan's marble sector. The task force also recruited a U.S. business delegation that participated in the conference and visited local marble quarries.

The conference provided more than 200 Afghan and U.S. participants with an opportunity to share perspectives on how to address issues regarding investment, legal and regulatory reform, and training to move the Afghan marble industry forward.

World-Class Marble

Afghanistan has an abundant supply of some of the most beautiful and durable marbles in the world. Although the exact size of Afghanistan's stone industry is unknown, there are more than 60 known deposits of marble, with 35 different types in 40 different colors. Afghanistan's Chesht and Khogiani marbles have been favorably compared to Carrara marble, an Italian marble that is considered to be one of the finest in the world.

Approximately 80 percent of Afghan marble is exported as rough-hewn blocks and is often reimported, mostly from Pakistan, as higher-value polished marble products for Afghan reconstruction projects. The Afghan marble industry lacks proper equipment, has little technical knowledge, and uses poor extraction methods. Those issues often degrade the value of the marble and destroy a large portion of the stone that is quarried. In response to



These objects, fabricated from Afghan marble, were on display at the Afghan Marble and Stone Conference in Kabul on March 24–26, 2009. The Department of Commerce's Afghanistan Investment and Reconstruction Task Force helped organize the event. (U.S. Department of Commerce photo)

the situation, an entire day of the conference was devoted to technical skills development for local quarry operators and processors.

Increased investment in the Afghan marble sector could address the need to modernize the extraction equipment and process at the quarries. The promotion of modern extraction methods and financial assistance in purchasing or financing more modern equipment would allow existing quarries to begin producing more and better-quality marble from known deposits.

Promoting Investment, Reducing Violence

The Afghan marble sector has the potential to generate thousands of jobs and millions of dollars in revenue by providing a valuable product to domestic and international markets, thus increasing the prosperity of Afghan communities.

Not only is increasing investment critical to helping the welfare of Afghan citizens; it is also essential

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News from the International Trade Administration

Businesses Hear How to Incorporate Climate Change into Their Business Planning

“Climate and Sustainability: U.S. Department of Commerce Services for the Business Community,” a conference held in Washington, D.C., on April 1, 2009, gave industry representatives and government officials an opportunity to hear about how Department of Commerce programs and services can assist companies as they factor climate change into their business planning. Those programs and services are offered through the National Oceanic and Atmospheric Administration (NOAA), the International Trade Administration (ITA), and the National Institute for Standards and Technology.

The one-day gathering attracted more than 90 participants, including representatives from Duke Energy, Caterpillar, Raytheon, Boeing, Honda, Northrup Grumman, Lockheed Martin, and Consumer Electronics Association.

Conference attendees heard from several government officials, including Michelle O’Neill, acting under secretary for international trade; Mary Saunders, ITA’s acting assistant secretary for manufacturing and services; and Jane Lubchenco, newly appointed NOAA administrator.

Sustainable manufacturing was the focus of one of the conference’s panels. The panel had presentations on the Department of Commerce’s Sustainable Manufacturing Initiative and Manufacturing Extension Partnership. Other sessions focused on NOAA’s climate services and presentations from companies already using NOAA science in their business planning.

In the “President’s Trade Policy Agenda,” President Obama called for “new policies to advance a



Michelle O’Neill, acting under secretary for international trade, gave opening remarks at a conference on climate change and business planning that was held at the Department of Commerce on April 1, 2009. (U.S. Department of Commerce photo)

cleaner environment, a stronger response to the challenge of climate change, and more sustainable natural resources and energy supplies.” Given the challenges of climate change, climate and sustainability will gain increasing prominence as part of ITA’s mission to create prosperity, to promote trade and investment, and to ensure fair trade in compliance with international trade laws and agreements.

For more information about the conference, contact ITA’s Office of Energy and Environmental Industries at (202) 482-0359 or visit the “What’s New” section at www.export.gov/envirotech.

Guide to Safe Harbor Self-Certification Available

U.S. companies that are seeking to comply with the data protection directive of the European Union (EU) about safeguarding personal data transferred to the United States by self-certifying compliance to the U.S.-EU Safe Harbor Framework now have a basic handbook to follow, with the recent publi-

cation of *Guide to Self Certification: U.S.-EU Safe Harbor Framework*.

In 2000, the U.S.-EU Safe Harbor Framework was negotiated by the Department of Commerce and the European Commission to provide a way for U.S. companies to comply with the EU's Directive on Data Protection, which went into effect in October 1998. (See the November 2007 issue of *International Trade Update*.) This directive prohibits the transfer of personal data to non-EU nations that fail to meet the European "adequacy" standard for privacy protection.

The framework is an important, cost-effective tool for U.S. companies to avoid interruptions in their business dealings with EU companies or enforcement action under European privacy laws. Self-certifying compliance to the framework will ensure EU organizations that a U.S. company is providing adequate privacy protection as defined by the EU directive.

The 59-page guide provides an outline of the most critical pieces of the U.S.-EU Safe Harbor Framework, including a sample application, a "Helpful Hints Guide" that explains how to complete the application, and answers to frequently asked questions.

The guide also contains a list of third-party dispute resolution providers. Under the terms of the framework's self-certification process, organizations that are self-certifying must offer an independent recourse mechanism that can address unresolved complaints. This mechanism must be in place before self-certification.

To download a copy of the guide, or to learn more about the Department of Commerce's Safe Harbor program, visit www.export.gov/safeharbor.

Steel Import Monitoring Extended to 2013

On March 18, 2009, the Department of Commerce issued a final rule extending the Steel Import Monitoring and Analysis (SIMA) system until March 21, 2013. The SIMA system provides statistical data

on steel imports entering the United States seven weeks earlier than the information would otherwise be available to the public. Aggregate data collected from the licenses are made available to the public on a weekly basis following review by the department.

The SIMA system does not inhibit steel imports into the United States. The licensing system is automatic, Internet based, and fully compliant with World Trade Organization rules. Licenses are issued free of charge, usually within seconds of completing the application.

In preparing the final rules, the Department of Commerce considered public comments on the proposed extension. Twelve submissions were received from individual steel producers; the United Steelworkers of America; and various steel industry, consumer, and distributor trade groups. All of the comments supported the four-year extension and agreed that the SIMA system is a critical tool that helps the industry and all of the participants in the market to closely monitor steel imports.

The system has received high marks from users for its usefulness and outstanding customer service. It has also proven to be a valuable resource for both the U.S. government and its partners in multilateral forums, such as the North American Steel Trade Committee and the Steel Committee of the Organization for Economic Cooperation and Development.

For further information about the SIMA system, visit the SIMA Web site at <http://ia.ita.doc.gov/steel/license> or contact Julie Al-Saadawi of the Import Administration; tel.: (202) 482-1930; e-mail: julie.alsaadawi@mail.doc.gov.

Contributors to this section include Pamela Green, Ellen Bohon, and Damon C. Greer of the International Trade Administration's Manufacturing and Services unit and Adrienne Waite of the Import Administration.

May 5

U.S. Export Regulations Seminar

Indianapolis, Indiana

www.buyusa.gov/indiana/events.html

This seminar is for U.S. exporters, international lawyers, or other trade professionals who want to make sure their company or client is compliant with U.S. export regulations. Participants will learn about electronic export information filing and the Automated Export System, the Commerce Control List and Denied Parties List, and anti-boycott laws and the penalties for violation of the laws, as well as how to determine if you need an export license and what role U.S. Customs plays in compliance. For more information, contact Ava LaLiberte of the USFCS; tel.: (317) 582-2300; e-mail: ava.laliberte@mail.doc.gov.

May 5-7

National Hardware Show and Lawn and Garden World 2009

Las Vegas, Nevada

www.nationalhardwareshow.com

This event is the largest and longest-running trade show in the hardware, home improvement, and outdoor products industries in North America. It consists of five main sections: hardware and allied lines, lawn and garden world, paint and home decor, housewares, and global hardware exposition (with international pavilions). For more information, contact Joseph English of the USFCS; tel.: (202) 482-3334; e-mail: joseph.english@mail.doc.gov.

May 7

Breaking into the Trade Game (Session 4: Legal Issues for Exporters)

Philadelphia, Pennsylvania

www.buyusa.gov/philadelphia/bittg.html

Selling U.S. products and services overseas is both profitable and rewarding. This training program will give participants the skills, strategies, insights, and contacts that are necessary to expand sales globally. For more information, contact Leandro Solorzano of the USFCS; tel.: (215) 597-6127; email: leandro.solorzano@mail.doc.gov.

May 11

Game Changers in the Supply Chain Infrastructure: Are We Ready to Play?

Washington, D.C.

www.trade.gov/supplychainconference

The critical role played by the many facets of the supply chain—from the domestic transportation infrastructure, to security systems, to information technology—and the role government should play will be the focus of this one-day conference at the Department of Commerce. For more information, contact Richard Boll of the International Trade Administration, tel.: (202) 482-1135; e-mail: richard.boll@mail.doc.gov.

May 16-19

National Restaurant Association Show 2009

Chicago, Illinois

www.restaurant.org/show

This trade show is the leading event in the restaurant and hospitality industry. A full range of food and beverage products, equipment, technology, and services aimed at the restaurant and lodging industries will be represented, with more than 900 different product categories. For more information, contact Carol Rudman of the USFCS; tel.: (202) 482-0905; e-mail: carol.rudman@mail.doc.gov.

May 18-21

Chinaplas 2009

Guangzhou, China

www.chinaplasonline.com

This event is the largest exhibition of plastics and rubber industry materials and equipment in Asia. The 2008 show attracted more than 60,000 visitors and 1,500 exhibitors from 30 countries and regions. U.S. plastic-related companies will find this show to be an important step toward increasing their exports to the Chinese market. For more information, contact William Corfitzen of the USFCS; tel.: (202) 482-0584, e-mail: william.corfitzen@mail.doc.gov.

May 20

"Small Is Beautiful" Series: Export Opportunities in Spain and Portugal Webinar

Harrisburg, Pennsylvania

www.buyusa.gov/europe/team_events.html#_section6

Even in these difficult times, Spain and Portugal have great potential for U.S. exporters. Both countries have a transparent and dynamic market and are located in Western Europe, with access to the European Union and other international markets. This Webinar will provide country profiles, identify key challenges, and point out major growth opportunities for U.S. exporters of all sizes and capabilities. The cost is \$35. For more information, contact Deborah Doherty of the USFCS; tel.: (717) 872-4386; e-mail: deborah.doherty@mail.doc.gov.

May 24-29

National Association of Foreign Student Advisers Annual Conference and Expo

Los Angeles, California

www.nafsa.org/annual_conference

Discover new possibilities in international education and exchange. This conference is the largest annual event for the education services industry, and it attracts participants from all over the world. Participants will have the opportunity, based on schedule, to visit schools, to have one-on-one meetings to learn about foreign student admission, to study the environment, and to learn about policies and scholarships. For more information, contact James Paul of the USFCS; tel.: (617) 565-4304; e-mail: james.paul@mail.doc.gov.

May 26-28

POWER-GEN Europe

Cologne, Germany

<http://pge09.events.pennnet.com/fl>

This show will enable participants to discover tools and strategies to successfully develop their businesses while they interact with the largest group of European power professionals under one roof. It will bring together three key elements of the power industry: conventional and renewable power generation, transmission, and distribution. For more information, contact Bettina Kutsche of the USFCS; tel.: +49 (89) 288-8751; e-mail: bettina.kutsche@mail.doc.gov.

Here is a selected list of international trade events of interest, including ITA-sponsored events, as well as a selection of upcoming international trade fairs. The U.S. and Foreign Commercial Service (USFCS) maintains a comprehensive listing of industry shows at www.export.gov.

On The Horizon

June 2

Market Development Cooperator Program Application Deadline

www.ita.doc.gov/mdcp/

This Commerce Department program awards financial and technical assistance from the International Trade Administration (ITA) to support projects that enhance the global competitiveness of U.S. manufacturing and services industries. There is an individual award limit of \$400,000. Applications must be submitted no later than June 2, 2009. For more information, contact Brad Hess of ITA; tel.: (202) 482-2969; e-mail: brad.hess@mail.doc.gov.

June 3-5

Aquatech China 2009

Shanghai, China

www.aquatechtrade.com

This show is one of the world's largest and most prestigious trade events for water technology and management. Product categories include transport and storage, point-of-use water treatment equipment, sludge processing equipment, water purification, industrial water treatment, and sewage transport. Seminars and lectures will also be part of the fair. For more information, contact William Corfitzen of the USFCS; tel.: (202) 482-0584; e-mail: william.corfitzen@mail.doc.gov.

June 15-21

2009 Paris Air Show

Paris, France

www.paris-air-show.com

This show is the largest, and one of the most prominent, international events for the aerospace industry. In 2007, more than 2,000 exhibitors from 42 countries participated, with 154,000 trade visitors and 150 official delegations from 60 countries. For more information, contact John Klingelhut of the USFCS; tel.: (202) 482-4403; e-mail: john.klingelhut@mail.doc.gov.



Market of the Month: Portugal

Portugal, which is bordered by the Atlantic Ocean and Spain, invokes a romantic notion of breathtaking scenery, rich history, beautiful tiles, and cobblestone streets. It is one of the oldest countries in Europe, having established its current borders in the 13th century. It joined the European Union (EU) in 1986 and is one of the founding countries of the euro zone. During the past 20 years, Portugal has made various economic and regulatory reforms, such as privatizing and liberalizing key areas of the economy, and has achieved a healthy level of growth.

The United States ranks fifth among Portugal's top export trading partners (first for non-EU countries), while Portugal ranks 53rd among U.S. export markets. In 2007, Portuguese consumers bought approximately \$2.4 billion worth of U.S. goods and services directly from the United States, including electrical machinery, aircraft parts and components, grains and oilseeds, optical and medical equipment, and wood products. However, the total amount of U.S. goods exported to Portugal is undoubtedly larger because U.S. products arrive in Portugal through other EU countries.

Despite the severe global economic downturn, Portugal's government has stated that it will prioritize large project investments, such as a high-speed rail link to Spain and a new international airport in Lisbon. The projects are expected to create diverse opportunities for technology imports and international service contracts.

As in many other southern European countries, personal relationships are a key component of doing business in Portugal. The U.S. and Foreign Commercial Service can help U.S. exporters build those personal relationships to successfully expand international sales to Portugal. Portugal can also be an excellent base of operations for doing business in Africa and Brazil, as well as in the rest of Europe.

For more information on export assistance programs in Portugal, visit www.buyusa.gov/portugal/en/ or contact the U.S. and Foreign Commercial Service American Embassy in Lisbon; tel.: +351 (21) 770 2528/727 3300; e-mail: lisbon.office.box@mail.doc.gov.

This text has been adapted from "Market of the Month," a regular feature of the U.S. government's export portal, Export.gov. To read a longer version, with detailed information on Portugal and links to other sources of information on this market, go to www.export.gov/articles/mom_portugal.asp.



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

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Importance of Trade to U.S. Economy

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of more than 100 U.S. Export Assistance Centers and through overseas commercial officers in more than 50 U.S. embassies..

There are also numerous ITA offices that are dedicated to promoting U.S. commercial interests at the policy level, in both bilateral and multilateral settings. These offices deal with business regulation, product standards, the protection and enforcement of intellectual property rights, and many other issues affecting U.S. exports.

Challenges Ahead

The challenges that now lie ahead for U.S. businesses selling in the world market—from slowing markets, to regulatory and other barriers—make

trade promotion programs more crucial than ever to ensuring the future success of U.S. exporters.

“We are taking steps critical to creating American jobs and jumpstarting local economies,” noted Secretary of Commerce Gary Locke recently. “We must continue to increase exports by fostering innovation . . . and by breaking down barriers to U.S. goods and services.”

World Trade Week 2009 will recognize those efforts to ensure, in Roosevelt’s words, “full and enduring domestic prosperity.”

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

Afghan Marble Offers Beauty and Hope

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to reducing and preventing insurgent activities. Violence in Afghanistan correlates with an absence of jobs, security, and viable alternative livelihoods. The marble industry is a significant source of national pride for Afghans, and it offers an opportunity for employment growth. Moreover, it can meet international demand for a unique natural resource.

Practical Outcomes

During the conference, participants discussed outstanding investment issues, highlighted opportunities for investment, and outlined the resources available throughout the country. Key Afghan government ministers and First Vice President Ahmad Zia Masood attended the opening day ceremonies, which gave the needed legal and regulatory reforms high-level attention.

Since the conference, Adam Doost, president of Equity Capital Mining, and Khaled Monawar, vice president of international affairs for the Afghanistan Marble and Granite Processors Association—two representatives of Afghan entities—have participated in Coverings 2009, a U.S. industry show in

Chicago. They have also held follow-up meetings with the Marble Institute of America in conjunction with the trade show.

U.S. Export Opportunities

Several U.S. companies in construction and logistics featured their goods and services at the Afghan conference and participated in the technical training day.

In 2009, the task force, with the U.S. Embassy in Kabul and the U.S. and Foreign Commercial Service post in Pakistan, will continue to encourage U.S. companies to share market information, to promote investment and business opportunities, and to assist U.S. companies in entering the Afghan market. Whether through promoting Afghan trade events, reverse trade missions, business matchmaking, capacity development programs, or commercial policy dialogues, the Department of Commerce will continue to support U.S.–Afghan commercial ties.

Ariana Monti is an international trade specialist with the Department of Commerce’s Iraq and Afghanistan Investment and Reconstruction Task Force.

For More Information

The Afghanistan Investment and Reconstruction Task Force works closely with U.S. government agencies, Afghan government agencies, and international organizations to provide U.S. companies with counseling on the latest developments and business opportunities in Afghanistan. For more information on the task force or on the Afghanistan Marble and Stone Conference, visit www.trade.gov/afghanistan or contact the task force at (202) 482-1812.