

United States, Asia–Pacific Partners Look at Ways of Fostering Trade and Economic Growth

In May, a series of meetings held in Big Sky, Montana, brought together ministers and representatives from 21 Asia–Pacific economies to discuss ways of supporting small businesses, encouraging green growth, and promoting anticorruption efforts. The meetings served as a prelude to a larger gathering set for Honolulu, Hawaii, this fall.

BY JOHN WARD



On May 19, during APEC 2011 meetings in Big Sky, Montana, Francisco Sánchez (right), under secretary of commerce for international trade, joined a delegation that visited the facilities of West Paw Design, a small manufacturer located in Bozeman, Montana. He spoke with Spencer Williams (left), the company's president. West Paw has incorporated sustainable practices into its manufacturing processes. (U.S. Department of Commerce photo)

The challenges and future promise of Asia-Pacific trade were the focus of a series of meetings, roundtables, and seminars held May 13–21 in Big Sky, Montana, as part of the 2011 agenda of the Asia-Pacific Economic Cooperation (APEC) Forum. The gathering brought together more than 1,000 participants, including trade ministers,

government officials, and private-sector representatives from all 21 APEC member economies, to discuss a variety of trade-related topics, most notably green growth, small business competitiveness, and anticorruption initiatives.

The International Trade Administration hosted APEC workshops and programs that

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focused on enhancing trade and competitiveness of small and medium-sized enterprises (SMEs) and also arranged the subsequent SME ministerial meeting.

Importance to U.S. Trade

The Asia-Pacific region is increasingly important to the trade position of the United States. Seven of the 15 top U.S. trading partners are APEC members. Sixty percent of U.S. exports of goods in 2010 were sold in the Asia-Pacific region.

Last November, after the 2010 APEC leaders' meeting, President Barack Obama spoke at a gathering of chief executive officers in Yokohama, Japan, about the growing significance of the Asia-Pacific region to the U.S. and world economies.

"[T]his is a relationship that will only become more important as the region continues to grow. Within five years, Asia's economy is expected to be about 50 percent larger than it is today. And for at least the next four years, Asia-Pacific economies will grow faster than the world average."

Green Growth and Competitiveness

A prominent element of the Big Sky events was a forum, "Shaping the Agenda: Enhanced SME Competitiveness through Green Growth," which emphasized ways of enhancing the economic viability of SMEs through green technology and clean growth. Secretary of Commerce Gary Locke spoke to forum attendees on May 18 and noted that "in the next few decades, world economies will need to rebuild and reinvent virtually every industrial activity—from power generation and transportation to manufacturing and construction—to succeed in an energy environment that looks drastically different than the one we've grown used to."

Locke detailed three key objectives for APEC in 2011 that will help SMEs do business in the Asia-Pacific market: (a) strengthening economic integration in the region by removing barriers to trade and investment, (b) creating an open and transparent

business environment, and (c) establishing a regulatory framework that expands opportunities across the board for companies of all sizes.

Sustainable Practices in Action

On May 19, a delegation that included Locke; Senator Max Baucus; and Francisco Sánchez, under secretary of commerce for international trade, visited the production facilities of West Paw Design, a small manufacturer with 46 employees, located in Bozeman, Montana. The company, which exports to 28 foreign markets, has integrated sustainable practices into its design and manufacturing processes.

Spencer Williams, West Paw's president, noted the help his company has received from two federal programs: "Today we were able to show real-world examples of public-private partnerships, such as MEP [Manufacturing Extension Partnership] and Foreign Commercial Service, which have increased jobs and profitability for all who work at West Paw Design."

Business Ethics

SMEs face many challenges when competing in the global marketplace. They face additional challenges when confronting corruption or developing effective compliance mechanisms to avoid corruption in their business activities (see sidebar). This was the topic of several workshops at Big Sky, with individual seminars focusing on ethics and the global supply chain, the construction industry, and auditing and certification.

An important accomplishment was the adoption on May 21 of a code of ethics for the APEC region's medical device industry. According to a statement released by the APEC SME Working Group, the Kuala Lumpur Principles for Medical Device Sector Codes of Business Ethics (KL Principles) will "improve the quality of patient care, encourage innovation, and promote the growth of SMEs that produce medical devices."

“ Sixty percent of U.S. exports of goods in 2010 were sold in the Asia-Pacific region. ”

The document was developed in response to a call by APEC members in 2010 for guidelines to assist members in improving the often inconsistent and complex business ethics, rules, and practices that exist across the region.

“Once implemented, the KL Principles will help APEC member economies develop codes of ethics for their respective medical device sectors,” noted Michael Camuñez, assistant secretary of commerce for market access and compliance. “The codes will help eliminate corruption, one of the most insidious trade barriers facing SMEs throughout the APEC region.”

SME ministers agreed to continue the important work by developing similar principles for the construction and biopharmaceutical sectors.

Lead-up to Honolulu

APEC was established in 1989 as an informal group of 12 Asia-Pacific economies that saw the need for increased economic cooperation. Since then, it has grown into an established international organization that involves all major economies in the region.

The United States is the host for all APEC events in 2011. The meetings in Big Sky, Montana, were the second round of senior officials’ meetings. They were preceded by meetings in Washington, D.C., in March and will be followed by a third round on September 12–26 in San Francisco, California. On November 12 and 13, President Obama will host the year’s signature event, the annual APEC Economic Leaders’ Meeting, in Honolulu, Hawaii.

John Ward is a writer in the International Trade Administration’s Office of Public Affairs. Lynn Costa, Daniel Miller, Anita Ramasastry, and Kelsey Scheich of the ITA’s Market Access and Compliance unit contributed to this report.



Michael Camuñez (right), assistant secretary of commerce for market access and compliance, addressing a meeting of the APEC SME Working Group at Big Sky, Montana. A code of ethics for the APEC region’s medical device industry was adopted by the Working Group. (U.S. Department of Commerce photo)

BY ANITA RAMASASTRY

Small and medium-sized enterprises (SMEs) account for approximately 90 percent of companies in the APEC region and are drivers of economic growth. Yet they are also disproportionately affected by corruption and demands for bribes, and often find it hard to develop effective tools for promoting ethical behavior—a so-called compliance gap.

Recognizing this challenge, in 2010 APEC SME ministers began work on an innovative business ethics program. The Market Access and Compliance unit of the International Trade Administration (ITA) served as the project coordinator for this important work.

At the APEC meetings in Big Sky, Montana, ITA organized workshops that highlighted practical ways of how SMEs can more effectively compete by using ethics compliance as a competitive advantage. In one session, leading companies such as Boeing, Warner Brothers, Best Buy, and Sealed Air Corp. provided guidance on how they select SME partners for their global supply chains operations and their expectations for ethical conduct. Another session focused on how SMEs can develop ethics compliance programs for as little as \$1 a day.

A highlight of the APEC meetings in Big Sky was the adoption of a set of voluntary code of ethics for the medical device industry, the Kuala Lumpur Principles for Medical Device Sector Codes of Business Ethics (see main story). These will be used as a model for voluntary principles in other sectors, such as construction and biopharmaceuticals.

Work on principles for the construction sector began at Big Sky, with a workshop on the ethical challenges facing SMEs in that sector. Fluor Corporation, a leading U.S. construction company and a champion of anticorruption efforts, participated, along with representatives from several other APEC economies. The construction principles will be developed at a follow-up workshop in Hanoi, Vietnam, in fall 2011. Work on voluntary principles for the biopharmaceuticals sector is scheduled to begin at the same time in Mexico City.

Anita Ramasastry is a senior adviser to the assistant secretary of commerce for market access and compliance in the International Trade Administration’s Market Access and Compliance unit.

Exporting, with a Warm Touch

For a small manufacturer of pet care products, the personal touch can go a long way to ensuring payment and to gaining repeat sales. It's all part of an export strategy that depends on a warm touch.



Sharon Kay Doherty, founder and president of Vellus Products. She has this advice for small businesses considering exporting, "If you have a product and it works, there is a place for you in the international marketplace." (photo courtesy Vellus Products)

Exporting can be a daunting prospect for a smaller company. But with the help of many resources, including the U.S. and Foreign Commercial Service, and determination on the part of its management, one small exporter—Vellus Products, an Ohio-based manufacturer of pet grooming products—has succeeded in breaking out from passive exporting to being actively engaged in overseas sales. Today, Vellus has distributors in 34 countries and a nearly 20-year track record of export success. Doug Barry of the Trade Information Center recently spoke with Sharon Kay Doherty, Vellus's founder and president, from the company's offices in Columbus, Ohio.

Barry: *As the owner of a pet cosmetics company, do you have the antidote for a bad fur day?*

Doherty: Yes, we do! The idea with Vellus Products is to glamorize pets with skin-safe products. So you're right. We are not just for show dogs, which is our target market, but also for any pampered pet. We don't want anybody to have a bad fur day in the canine world ... nor in the cat world.

Barry: *And in the human world too?*

Doherty: Well, we don't advertise that, but I will tell you that my family does use our products, because we know that there's nothing in them that would harm us. They are high-end, quality products.

Barry: *You're located in Columbus, Ohio, which has been hard hit in these economic times. But you have managed to create this manufacturing company and fearlessly launch sales in a number of countries. Can you tell us how that happened?*

Doherty: We started exporting in 1993. A Taiwanese businessman heard about us through the dog show network and wanted to buy about \$25,000 worth of our products. But our company was new then, and we had never exported before. We had to quickly become knowledgeable, which we did with the help of the U.S. Export Assistance Center in Cincinnati. And that was the beginning of it. If you have a good product in this market that we're in—the dog show network—word travels fast.

Barry: *One of the reasons often heard for not going international is that it is too complicated and that if a company already has a nice market niche in the United States, why bother? Did that rationale affect you in 1993?*

Doherty: There are a lot of good products on the U.S. market that don't go overseas because their U.S. producers are a little bit afraid. For example, I know businesspeople who feel that the possibility of not getting paid makes the entire exporting

venture not worth the risk. But we have never had a problem. We've never done letters of credit, and everything that leaves our plant is prepaid. Then we ship it out.

Barry: *What has been the key to your success in this area?*

Doherty: Well, aside from having a good product, I really believe that doing business overseas is a model of building relationships. In this economy, it is not the time to do what I call "cold" business. Everything has to be a "warm" business.

Barry: *What do you mean by a "warm" business?*

Doherty: Well, "warm" business is my way of saying that customers will have someone whom they can contact—someone who is going to help them and will back them up. It's more of a warmer-feeling business when buyers feel they have a friend. They have a support system: it's this person, this is her name, and she can be contacted at any time because she's given us all her phone numbers. For us, as a smaller manufacturing company, it is either my daughter, Terry, or me who is that person. When we take on a distributor or client, we welcome them into the family.

Barry: *So smaller companies can compete in the world market?*

Doherty: Yes. Procter & Gamble and major companies like that—they're big businesses with one staff person doing this and another one doing that. And that's okay. We need the big businesses too. But small businesses are losing out if they think that they can't export as well. All it takes is a good product. If you have a product and it works, there is a place for you in the international marketplace.

Barry: *Can you tell us how many countries you are exporting to today?*

Doherty: We have distributors in 34 countries and are in discussion with several more.

Barry: *Are these one-off sales—that is, you sell a couple bottles and then move on to the next market or customer and never go back? Or are you doing repeat sales in most of those country markets?*

Doherty: Oh, repeat sales, absolutely. And if a distributor orders once and I don't hear from them again, they hear from me. Not in a bad way, but—as I explained before—in a warm way. I'll want to know if there is anything we can do for them. I'll explain that I want to touch base with them and that maybe we were thinking about running an ad featuring one of their customer's champion dogs or something along those lines.

Barry: *Do you have any overseas expansion plans?*

Doherty: We're talking now with potential distributors in the Dominican Republic and Ecuador. In Brazil, we just now have a contract. And we are also still speaking to an Israeli distributor. I'm very interested in seeing our products in Israel [since] they do show dogs there. But we take our time. The distributors don't feel any pressure. And they really have to want to do this. I have to know that they really want to do this.

Barry: *You warned me that you had a couple of parrots that might get in the way of our conversation. Can you tell us a little bit about them and what makes them special?*

Doherty: We have five parrots: a couple of Amazons, a rose-breasted cockatoo, an African grey, and a cherry-headed conure. And they sing. Oh my goodness, they sing! We have one bird that sings, "Oh, what a beautiful morning, Oh, what a beautiful day."

Barry: *And do they use Vellus's shampoo?*

Doherty: No, no ... they get sprayed with water every other day.

For More Information

Is your company thinking of expanding overseas? The network of more than 100 U.S. Export Assistance Centers (USEACs) located around the country can help. To locate the one nearest you, visit Export.gov, the U.S. government's export portal. Aside from links to USEACs, the Web site also includes online tutorials, listings of upcoming trade events, and much more. Visit www.export.gov or call the Trade Information Center at 1-800-USA-TRAD(E) (1-800-872-8723).

Short Takes



On May 16, 2011, Secretary of Commerce Gary Locke honored 27 companies and organizations for their support of exporting at the annual E Awards ceremony held in Washington, D.C. (U.S. Department of Commerce photo)

U.S. Exporters Honored at E Awards Ceremony

Twenty-seven U.S. companies and organizations were recognized for their export achievements at a ceremony held in Washington, D.C., on May 16, 2011. The companies were recipients of the annual presidential E Awards, an honor given by the federal government to U.S. entities for their support of the expansion of exports.

President John F. Kennedy created the E Award in December 1961 to recognize people, firms, or organizations that contribute significantly to increasing U.S. exports. The International Trade Administration manages the award program. Since the program's inception, more than 2,500 firms have received awards.

In remarks to the awardees, Secretary of Commerce Gary Locke noted, "Today, we honor organizations helping to expand exports and companies that are selling high-quality products and services in every corner of the world and, most importantly, helping to create good jobs for American workers. This administration is focused on helping American businesses, like the ones honored today, reach the 95 percent of consumers who live outside our borders. I am proud to recognize their significant export achievements."

U.S. exports are an important part of the U.S. economy. Under the National Export Initiative, announced by President Barack Obama in January 2010, the administration is working to meet the president's goal of doubling U.S. exports of goods and services by 2015 to support continued economic recovery and job creation in the United States.

For more information about the E Awards, including a complete list of the recipients, see the May 16 press release at www.commerce.gov/news/press-releases.

U.S.–Iraqi Commercial Ties Promoted at Events in Texas and California

Interest in expanding commercial and trade ties between the United States and Iraq con-

tinues to grow, according to the Department of Commerce's Iraq and Afghanistan Investment and Reconstruction Task Force. On May 4, 2011, the task force and the U.S. Export Assistance Centers (USEACs) in Houston, Texas, and New Orleans, Louisiana, facilitated a panel discussion and networking event for U.S. companies attending the Offshore Technology Conference (OTC) in Houston. The event attracted representatives from more than 150 U.S. companies and included representatives from 15 Iraqi companies that were attending OTC as part of a delegation organized by the International Trade Administration's International Buyer Program.

"Compared to similar oil and gas events for other countries at OTC, this event had the largest turnout," noted Noor Alam, international trade specialist with the task force. "It is clear evidence of the strong interest among both U.S. and Iraqi firms in expanding commercial ties."

On May 9, 2011, a related event in Los Angeles, California, "Iraq: Opportunities for U.S. Businesses," attracted more than 80 participants. The task force and several southern California USEACs organized the event.

In 2010, U.S. goods exports to Iraq were estimated to be \$1.6 billion, with imports at \$12.1 billion. Although the United States had a negative trade balance with Iraq, the country holds opportunities for U.S. businesses in a variety of sectors. In its 2010–14 national development plan, Iraq budgeted more than \$186 billion for 2,700 infrastructure projects, including large projects related to construction, highways, railways, telecommunications, and security and defense.

The task force was established in 2003 within the Department of Commerce. Its mission is to work with Iraq to enhance U.S.–Iraqi commercial ties and to help develop a market conducive to trade, investment, and private-sector development. It works closely with other U.S. government agencies, international organizations, and Iraq's government.

For more information about the task force, including a list of upcoming events and links to business opportunities, visit its Web site at www.trade.gov/iraq.

Manufacturing Sector in Focus during June

At the direction of President Barack Obama, the month of June brings a focus on the manufacturing sector by a number of federal agencies, including the International Trade Administration (ITA). This comes in the face of a recovering auto sector, expanding sales in the aerospace industry, and a renewed emphasis on training workers for tomorrow's manufacturing industries.

"A vigorous manufacturing sector isn't just critical for the millions who are directly employed by it," noted Francisco Sánchez, under secretary of commerce for international trade, "but it also fuels the growth of other manufacturers—such as subcontractors and suppliers—who in turn create jobs and investment throughout the economy. The net effect is to provide the economic security that all Americans need and deserve."

ITA has a number of initiatives and services geared toward manufacturers. Its Manufacturing and Services unit, for example, focuses on 13 manufacturing subsectors, from aerospace products to machinery, while the U.S. and Foreign Commercial Service staffs more than 100 Export Assistance Centers across the country that can help manufacturers reach new overseas markets. ITA also leads the Sustainable Manufacturing Initiative (see story in October 2010 issue of International Trade Update) and makes available both Manufacturing.gov, a Web site devoted to the interests of U.S. manufacturers, and Manufacturing Biweekly Update (www.trade.gov/mas/ian/MBU/index.html), an online compilation of research and statistics on the manufacturing sector.

For more information on these and other services, visit www.trade.gov. A full list of U.S. Export Assistance Centers can be found on page 11 of this issue or online at www.export.gov.

Contributors to this section include Noor Alam of the International Trade Administration's Market Access and Compliance unit and Laura Barmby of the U.S. and Foreign Commercial Service.

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vating. The company has energy-efficient light fixtures, smart streetlights, parking lot lights, and architectural lights. It looks for sales in all markets, including countries that have long, dark winters.

In one such country, Finland, Ruud found Department of Commerce specialists at the U.S. embassy in Helsinki. From them, Ruud learned about a lighting procurement program for U.S. embassies. The company applied, was selected, and has since installed lighting in a number of embassies, including the one in Finland, as part of the U.S. League of Green Embassies. Better yet, in Helsinki, Ruud Lighting's Finnish representatives brought customers to the embassy. They

loved the lights and placed orders of their own. "The embassy became kind of a showcase for what our company could do," said Ruud. "We generated sales from nearby countries."

When you're competing in the world marketplace, one opportunity can lead to unexpected additional ones. Ruud agrees and has this advice for other U.S. companies wanting to start or grow their international sales: "Use the Department of Commerce, and use all the resources available. I think we've learned a lot from them, and we continue to learn a lot."

Doug Barry is a senior international trade specialist in the Trade Information Center.

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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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July 2011

July 4-7

G&H 100 Mexico

Zihuatanejo, Mexico

www.export.gov/eac/show_detail_trade_events.asp?EventID=16786

This event gives hotel industry suppliers an opportunity to meet and interact with international buyers. Activities include supplier presentations, meetings, conferences, booth events, and recreational activities. For more information, contact Jeff Hamilton of the USFCS, tel.: +52 (55) 5140-2612; e-mail: jeff.hamilton@trade.gov

July 6

Webinar: How to Ship Your Products

Washington, D.C.

www.export.gov/eac/show_detail_trade_events.asp?EventID=31502

This one-hour Webinar, which is part of the ongoing Basic Guide to Exporting series, covers the practical aspects of how to ship products overseas, such as recognizing the key role of a freight forwarder and understanding the time, cost, and delivery considerations that are part of export pricing. There is no charge to participate. For more information, contact Kellie Holloway Jarman of the USFCS, tel.: (503) 326-3002; e-mail: kellie.holloway@trade.gov

July 12-13

Export Controls: Application and Awareness

Seattle, Washington

www.export.gov/eac/show_detail_trade_events.asp?EventID=31693

This two-day conference is designed to help exporters better understand and avoid violations of laws and regulations related to export controls. Presenters will include representatives from the Departments of Defense and Homeland Security. The participation fee is \$195. For more information, contact Diane Mooney of the USFCS, tel.: (206) 553-5615; e-mail: diane.mooney@trade.gov

July 13-15

PAACE Automechanika Mexico 2011

Mexico City, Mexico

www.export.gov/eac/show_detail_trade_events.asp?EventID=30666

The Pan American Automotive Components Expo (PAACE) is the leading automotive parts industry trade event in Mexico. In 2010, 647 exhibitors from 19 countries participated, with 12,154 trade visitors. USFCS staff members will be available to assist U.S. firms with their export needs and to facilitate contacts between U.S. exhibitors and business visitors. For more information, contact Michael Thompson of the USFCS, tel.: (202) 482-0671; e-mail: michael.thompson@trade.gov

July 14

Webinar: Opportunities in Turkey

Ankara, Turkey

www.export.gov/eac/show_detail_trade_events.asp?EventID=32205

This one-hour Webinar will feature discussions related to the Turkish commercial climate, best market prospects, and challenges for U.S. firms. Featured experts will include Michael Lally, USFCS senior commercial officer in Ankara. Other USFCS staff members will field questions and address concerns. For more information, contact Paul Matino of the USFCS, tel.: (410) 962-4539; e-mail: paul.matino@trade.gov

July 14-17

Outdoor 2011

Friedrichshafen, Germany

www.export.gov/eac/show_detail_trade_events.asp?EventID=30943

This trade fair is a leading showcase for producers of camping accessories, garments, mountaineering equipment, tents, pleasure boats, outdoor sporting goods, and related products and accessories. A USFCS trade specialist will attend the show to counsel and assist U.S. exhibitors. For more information, contact Dagmar Winkler-Helmdach of the USFCS, tel.: +49 (89) 288-8769; e-mail: dagmar.winkler-helmdach@trade.gov

July 20

Export Financing Seminar

Syracuse, New York

www.export.gov/eac/show_detail_trade_events.asp?EventID=31658

This morning seminar will feature speakers from the Export-Import Bank of the United States and the U.S. Small Business Administration. They will describe various export programs that are designed to help U.S. companies increase their international business competitiveness. There is a \$30 fee to participate. For more information, contact John Tracy of the USFCS, tel.: (315) 453-4070; e-mail: john.tracy@trade.gov

July 24-28

American Association for Clinical Chemistry 2011

Atlanta, Georgia

www.export.gov/eac/show_detail_trade_events.asp?EventID=30549

The annual meeting of the American Association for Clinical Chemistry is one of the world's largest gatherings devoted to clinical chemistry and clinical laboratory science and will run concurrently with a trade expo. In the past, the show and conference have attracted more than 650 exhibiting companies and more than 19,000 participants. For more information, contact Shelby Peterson of the USFCS, tel.: (202) 482-5531; e-mail: shelby.peterson@trade.gov

July 27

Webinar: Complying with RoHS II Requirements

Santa Fe, New Mexico

www.export.gov/eac/show_detail_trade_events.asp?EventID=32206

This Webinar will provide the most current information about the European Union's recently revised Restriction of Hazardous Substances directive (RoHS II) and will guide participants through the steps they need to take to be in compliance. The participation fee is \$65. For more information, contact Sandra Necessary, tel.: (505) 231-0075; e-mail: sandra.necessary@trade.gov

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

A fee may be charged for participation in some of these events. For more information, see the full event listing on the Web or contact the staff person listed in the event description.

On The Horizon

August 16–21

Moscow Air Show

Zhukovsky, Russia

www.export.gov/eac/show_detail_trade_events.asp?EventID=31498

Economic growth in Russia and Central and Eastern Europe is driving demand for aircraft and parts, as well as airport and aviation infrastructure, in the region. This show occurs every two years and has an established record for providing business opportunities in the aerospace sector. In 2009, it attracted 65,000 trade visitors from 80 countries and recorded approximately \$10 billion in sales agreements. USFCS Moscow will be arranging Gold Key service for two to three U.S. companies during the show. For more information, contact Deborah Semb, tel.: (202) 482-0677; e-mail: deborah.semb@trade.gov.

August 21–27

Certified Business Development Mission to Peru and Chile

Lima, Peru, and Santiago, Chile

www.buyusa.gov/neworleans/78.html

This trade mission, organized by Le Centre International of Lafayette, Louisiana, and the Louisiana District Export Council, and certified by the U.S. Department of Commerce, will help companies launch or increase their export business to the Andean region. The mission will include market briefings, networking events, and business meetings with prescreened foreign companies that can serve as agents, distributors, or joint venture partners. The participation fee is \$3,500 (for small companies) and \$4,200 (for large companies). The application deadline is June 24. For more information, contact Delilah DeSouza of the USFCS, tel.: (504) 915-3301; e-mail: delilah.desouza@trade.gov.

August 25–27

Natural Products Expo Asia 2011

Hong Kong

www.export.gov/eac/show_detail_trade_events.asp?EventID=30584

This show is an ideal platform for meeting with potential buyers, distributors, agents, importers, and retailers of natural goods, such as organic food, Western and Asian herbs, bee products, vitamins and supplements, natural fibers, natural remedies, and nutraceuticals. In 2010, the show attracted 275 exhibitors and nearly 10,000 trade visitors. For more information, contact Sam Dhir of the USFCS, tel.: (202) 482-4756; e-mail: sam.dhir@trade.gov.



Melbourne, Australia. (photo © Sara Winter/iStock)

Featured Trade Event

Executive-Led Water and Wastewater Industry Trade Mission to Australia

September 12–15, 2011

Sydney, Brisbane, and Melbourne, Australia

www.export.gov/trademissions/australiawater

This trade mission will provide numerous opportunities for U.S. suppliers of water and wastewater treatment equipment and services to explore the Australian market. A senior Department of Commerce official will lead the mission, which will include business-to-business matchmaking with local companies, market briefings, and networking events.

Australia faces many concerns regarding water management and wastewater treatment, with some regions facing critical water shortages. The country spends an estimated \$4.2 billion each year in this sector, with capital equipment accounting for 20 to 30 percent of that amount.

Opportunities for U.S. firms exist in a number of areas, including desalination technology, trenchless technology, nondestructive technology, smart metering systems, biofiltration systems, presses for conversion of water or sludge waste, oxidation systems, filtration equipment for industrial waste applications, flow meters for wastewater measurement, water recreation systems, and water solutions for oil and gas mining.

Australia is an excellent market for U.S. firms. It is the 14th-largest export market for U.S. goods. In 2010, the United States recorded a trade surplus of \$12 billion with Australia, which is one of the largest trade surpluses the United States has with any country. The U.S.–Australia free trade agreement, which has been in effect since 2005, allows substantially all U.S. products to enter Australia duty free. Since implementation of the agreement, U.S. exports to Australia have grown 56 percent.

The cost to participate in the trade mission is \$2,500 for large firms and \$2,000 for small and medium-sized firms (with 500 employees or fewer). There is a \$450 fee for each additional company representative, regardless of company size. Mission participants are responsible for travel, lodging, most meals, and incidentals. Applications must be received by July 15, 2011. For more information about the trade mission, visit its Web site or contact Lisa Huot of the USFCS, tel.: (202) 482-2796; e-mail: australiawatermission@trade.gov.

Online Tool Makes Search for Tariff Information Simpler

An innovative online tool gives exporters easy access to tariff information for 85 percent of goods going to the 20 markets with which the United States has signed a free trade agreement. It is a resource that will prove especially beneficial to small and medium-sized exporters.

BY JUSTIN HOFFMANN

Exporters once needed to spend an immense amount of time and money looking through pages of legal texts to figure out tariff rates under a free trade agreement (FTA). That burden has now been greatly reduced, with exporters able to retrieve this information almost instantly thanks to the FTA Tariff Tool, a new online resource unveiled April 27, 2011, by the International Trade Administration.

Three Elements

An FTA usually eliminates tariffs, removes nontariff barriers, and stops nondiscriminatory treatment of U.S. goods and services. But FTAs typically run to hundreds (and sometimes more than a thousand) pages and are often difficult to interpret.

The FTA Tariff Tool makes the process of identifying reduced tariff rates and schedules much simpler and faster. It does this by offering three complementary elements: (a) a searchable database identifying the tariff treatment of industrial goods covered under the trade agreements, (b) market access reports and charts across industrial sectors or product groups, and (c) a snapshot of current tariff and trade trends under different U.S. trade agreements.

This simple-to-use system allows companies to see current and future tariffs applied to their products and the date on which those products become duty free. By combining sector and product groups, trade data, and tariff elimination schedules, users can also analyze how product sectors are treated across the spectrum of all FTAs.

Benefits to Small Business

The United States has implemented FTAs with 17 countries, has signed three more agreements, and has one under negotiation. Trade partners offer many advantages to U.S. companies, whether they



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are U.S. exporters looking to expand into new markets or exporting for the first time.

Small and medium-sized enterprises (SMEs) especially stand to benefit from exporting to FTA markets. In 2009, according to the Census Bureau, SMEs accounted for 97.6 percent of all exporting companies, but for only 33 percent of the total exported value. And that same year, 59 percent of SMEs exported to only a single market. By reducing a significant information barrier, the FTA Tariff Tool will help broaden the geographic horizon of SME exporters.

Future development of the FTA Tariff Tool will be ongoing. Plans are already under way to incorporate agricultural and textile information. Trade data will be updated on an annual basis, and future FTAs will be incorporated as they are negotiated and implemented.

Justin Hoffmann is an economist in the Office of Trade Policy Analysis in the Manufacturing and Services unit of the International Trade Administration.

For More Information

The FTA Tariff Tool can be accessed on the U.S. government trade portal, Export.gov, at www.export.gov/FTA/FTATariffTool. In addition to the tool itself, the Web site also offers an instructional video, a quick-start guide, and a user's manual.

U.S. Export Assistance Centers

U.S. Export Assistance Centers (USEACs) are located in more than 100 cities throughout the United States. They are supported by five federal agencies, and serve as one-stop shops that provide small and medium-sized businesses with hands-on export marketing and trade finance support. For more information, visit the U.S. government's export portal, www.export.gov.

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Served by the Denver, Colorado, Export Assistance Center

This article is one in a series of stories that highlight recent U.S. export successes that benefited from services offered by the International Trade Administration. A longer version appears in the Web edition of this newsletter, which is available at www.trade.gov/publications/ita-newsletter.

Export Success: Lighting the Way to More Exports

Ruud Lighting, winner of one of the 2011 E Awards for excellence in exporting, has expanded its markets thanks to a competitive product line, savvy marketing, and help from the International Trade Administration.

BY DOUG BARRY

The eponymous company led by Christopher Ruud was started by his dad out of a garage in Racine, Wisconsin. That was back in 1982. Today, Ruud Lighting is in 80 international markets and employs more than 700 people. Thanks to exports, hiring has increased, and the company is doing its part to advance the goals of the National Export Initiative, which calls for doubling U.S. exports by 2015.

How did they do it? For one thing, Ruud Lighting makes great products and keeps inno-

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An outdoor lighting installation at Coop Pontedera in Pisa, Italy, showcases Ruud Lighting's BetaLED technology. The company was one of the winners of this year's E Awards. (photo ©2011 Ruud Lighting, Inc. (BetaLED))

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