

Brazil and the United States: Working to Advance Their Common Prosperity

Brazil, an economic powerhouse of 193 million people, looms as an increasingly important trading partner for the United States. During their visits to Brasília, Rio de Janeiro, and São Paulo last month, President Barack Obama and Secretary of Commerce Gary Locke undertook a number of actions that will help the U.S.–Brazilian commercial relationship prosper during the coming years.

BY JOHN WARD

Brazilians will readily acknowledge that their country is, in the words of the musician Jorge Ben Jor, “a tropical country, blessed by God, and beautiful by nature.” But during the past decade, Brazil has become even more: an emerging world economic power. With a gross domestic product of \$2 trillion in 2010, Brazil is the world’s seventh-largest economy and, not coincidentally, the United States’ 10th-largest trading partner.

This past March, President Barack Obama and Secretary of Commerce Gary Locke provided ample testimony to the important position Brazil now holds for U.S. business interests. Between them, they visited Brasília, Rio de Janeiro, and São Paulo, where they participated in a series of high-level meetings on trade and commerce. Obama also met with Dilma Rousseff, Brazil’s new president, who took office in January 2011.

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Brazilian President Dilma Rousseff (center, left) and President Barack Obama (center, right) met in Brasília, Brazil, on March 19, 2011. Obama was on a two-day visit to Brazil that focused on business and trade issues. (White House photo by Pete Souza)

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On March 20, 2011, during a three-day visit to Brazil, Secretary of Commerce Gary Locke (right) visited an Embraer facility near São Paulo, Brazil. The Brazilian manufacturer has imported more than \$6 billion in goods from the United States during the past five years and has 660 employees at five U.S. facilities. (U.S. Department of Commerce photo)

Since Rousseff's election, expectations have been high for improvements in commercial relations between the United States and Brazil. On March 20, Obama spoke to a packed house at the Teatro Municipal in Rio de Janeiro and made his hopes clear, "Together we can advance our common prosperity.... In a global economy, the United States and Brazil should expand trade—expand investment—so that we create new jobs and new opportunities in both of our nations. And that's why we're working to break down barriers to doing business. That's why we're building closer relationships between our workers and our entrepreneurs."

Reducing Obstacles to Trade

Obama's reference to trade barriers was telling, for the United States and Brazil have recently faced a number of contentious trade issues, including disputes over agricultural exports, customs and legal procedures, and enforcement of intellectual property rights in Brazil.

One of the venues for discussing several of those issues was the meeting of the U.S.-Brazil Chief Executive Officer Forum in Brasília on March 18-19, 2011. The forum, established in 2007, brings together senior representatives from U.S. and Brazilian

companies to discuss bilateral business and trade issues (see article on page 7). Locke and Fernando Pimentel, Brazil's minister of development, industry, and foreign trade, cochaired the meeting.

The forum's members called for a number of long- and short-term measures that could improve U.S.-Brazilian trade, including the following:

- A bilateral tax treaty to encourage cross-border investment
- Removal of tariffs and subsidies on renewable energy products
- An agreement on trade and economic cooperation (subsequently signed during the visit; see below)
- A start to discussions on a free trade agreement between the United States and Brazil
- Participation of the United States in major Brazilian infrastructure projects through incentives and guarantees, improved bidding policies on public projects, and the freer movement of service providers—such as architects and engineers—between the two countries

Locke emphasized the significance of infrastructure opportunities in a speech he gave March 21 to the American Chamber of Commerce in São Paulo, noting that "cooperation on infrastructure is even more important when you consider that Brazil is gearing up for major construction projects, including ... the 2014 World Cup and the 2016 Olympics."

Furthering Cooperation

A number of agreements and initiatives were announced during the Obama and Locke visits. They include an announcement by Obama about the launch of the U.S.-Brazil Joint Initiative on Urban Sustainability, which will promote sustainable and green infrastructure investments for the 2014 World Cup and 2016 Olympics in Rio de Janeiro.

Other outcomes of the trip included an agreement by U.S. and Brazilian companies to increase student exchanges between the two countries, a memorandum of understanding on sporting events, an open skies agreement on flights between Brazil and the United States, and the signing of a trade and economic cooperation agreement that will facilitate ongoing dialogue on technical issues related to trade.

Goal of Mutual Prosperity

President Obama established the National Export Initiative to achieve his goal of doubling U.S.

exports and creating millions of new jobs by 2015. Building trade with growing markets such as Brazil is an important strategy for the United States to pursue if the ambitious goals are to be met. During the coming months, activities by the International Trade Administration in Brazil—including a medical device mission in April and a meeting of the U.S.–Brazil Commercial Dialogue in early summer—will take additional steps in this direction and will build on the actions that Obama and Locke undertook in March.

The ultimate goal is the economic well-being of both countries. As Locke noted in São Paulo, “The cooperative efforts already under way between our two countries will increase America’s and Brazil’s global competitiveness. Increasing our competitiveness means creating jobs—good-paying jobs—and helping our economies flourish.”

John Ward is a writer in the International Trade Administration’s Office of Public Affairs. Lorrie Fussell of the International Trade Administration’s Market Access and Compliance unit assisted with this report.

BRAZIL AND THE UNITED STATES: DEFINING THE FUTURE



Francisco J. Sánchez (second from right), under secretary of commerce for international trade, at a ribbon-cutting ceremony for a new Embraer facility in Melbourne, Florida, on February 21, 2011. Embraer expects to fill 200 skilled positions at the plant. (photo courtesy of Embraer)

On February 21, 2011, the Brazilian aircraft manufacturer Embraer opened an assembly facility in Melbourne, Florida, for its line of executive jets. Francisco Sánchez, under secretary of commerce for international trade, spoke at the ribbon-cutting ceremony. Here is an excerpt from his remarks:

“Today’s ceremony here at Embraer embodies what I believe in about the future. Around us is the physical manifestation of the rule that is being ordained by the growth of the global marketplace in our recent lifetimes: that exports create jobs, that the key to the future of the American economy is international trade, and that economic integration among the nations of the hemisphere is how all of us remain competitive in the face of rising global competition. In many ways, the future is here—both in time and place.

“The future that has arrived inaugurates a new era that requires us to understand that for the American economy to grow, exports must grow.

“The aircraft assembled here symbolizes the growth of the hemispheric market and represents how international trade brings the economies of the hemisphere closer to each other to create a competitive economy as other nations in other parts of the world grow and expand their own manufacturing sectors... Brazil and the United States understand that hundreds of millions of new consumers are giving birth to a new global market that will demand quantity as well as quality.”

In Colombia, Trade Opportunities and Stiff Competition

The United States is Colombia's No. 1 trading partner, selling \$12 billion in goods in 2010. But U.S. exporters face increasing competition as other countries aggressively pursue opportunities in this active and growing market.



Street scene in Cartagena, Colombia. (© iStock/Kseniya Ragozina)

Given Colombia's expanding energy sector and a number of major infrastructure projects coming on line, many opportunities exist for U.S. companies looking to sell their products and services in Colombia. But there is plenty of competition. Margaret Hanson-Muse, senior U.S. and Foreign Commercial Service (USFCS) officer in Bogotá, Colombia, recently spoke with Doug Barry of the Trade Information Center in Washington, D.C., about the Colombian market and the prospects for U.S. exports.

Barry: *I've heard that, because you've been on the radio many times with your perfect Spanish, you are considered the Oprah Winfrey of Colombia.*

Hanson-Muse: [laughter] Actually Doug, one of the best ways to do business in Colombia is to make yourself known on the radio. Everybody has a radio—either in their office, on their desk, or around their neck if they're working in a field. So radio broadcasts, especially drive-time radio, are an excellent way to get your message across. There are also opportunities on television. For example, I am

frequently a guest on a morning program called *El Primer Café*, which means "first cup of coffee of the day." They ask me what's going on in the USFCS, and I use that opportunity to promote our trade shows and incoming trade missions. I also will sometimes mention U.S. companies that have a specific interest or are looking for a specific opportunity. Recently, we have begun to use social media to get our messages out. We use YouTube to broadcast our programs as well as the embassy's Facebook page to let people know about upcoming events.

Barry: *What are people in Colombia thinking about the proposed U.S.-Colombia free trade agreement [FTA]?*

Hanson-Muse: I think that the people in Colombia, who have been good friends of the United States for many, many years and who buy our products—we're their No. 1 trading partner—are hopeful for an agreement soon. Colombians respect the U.S. political process, and the government here is doing all that it can to answer the questions that the U.S. government has put to it.

Barry: *To what extent are our competitors eating away at what once was a pretty strong position of U.S. exports to Colombia?*

Hanson-Muse: The biggest thing that's happened recently is that, in 2010, China became Colombia's No. 2 trading partner. Colombia's exports to China have grown 224 percent in one year! Colombia has a very ambitious trade agenda. It has initiated FTA negotiations with South Korea and Panama and has plans to start talking to Japan and Turkey. They've also been looking at joining Mercosur [Southern Common Market], and their free trade agreement with Canada will enter into force later this year.

Barry: *The United States has some natural advantages, close proximity to Colombia being one of them and a long trading history with the region being another. But are you saying that these are not enough*

to ensure that the United States will have a robust trading relationship with Colombia in the future?

Hanson-Muse: We have a lot of competition now. Because there has been a fluctuating exchange rate, U.S. exports have been holding their own recently, but when the tariffs are taken off products from the other countries I mentioned, especially those from Canada, U.S. exporters are really going to have to step up their marketing efforts. They're going to need to visit more often. They're going to need to stress the high quality of their products and services. They're going to have to make sure that they've got a great sales and after-service program in place to stay competitive.

Barry: What are the opportunities in Colombia for U.S. producers today?

Hanson-Muse: There are a wide variety of opportunities. I'd particularly single out some major infrastructure projects. For example, the Colombian oil and gas market is on fire—no pun intended! Two U.S. companies are at the helm of \$6 billion in refinery modernization projects. These will open up opportunities for hundreds of small to medium-sized businesses in the oil and gas equipment and services sector. In addition to oil and gas, there are projects involving ports, airports, and telecommunications. Colombia today is like the United States in the 1950s, when President Dwight D. Eisenhower started to build the interstate highway system—it's just incredible the amount of building that's going on. So obviously the construction sector is very important, as well as the building materials sector. Medical equipment and plastics and resins all have a big demand as well.

Barry: You've lived in Colombia for a while. Can you give us an insight into the Colombian personality and character?

Hanson-Muse: They are very professional on a business basis. Many Colombians have been educated in the United States. In fact, Colombia is the second-largest market for U.S. college recruiters [in Latin America], second only to Brazil. Here in Bogotá, people are super punctual. Many speak English and already have established contacts with U.S. companies. Outside of Bogotá, there are unique opportunities in different departments, which are the equivalent of U.S. states. When we conduct our trade missions, we try to visit two or

three different cities so that people can experience the flavor of Colombia.

Barry: How does a U.S. company interested in the Colombian market get in contact with you?

Hanson-Muse: The first step is the nearest U.S. Export Assistance Center (USEAC). They are waiting for your call. We are currently working with the USEACs in Arizona, the Carolinas, and West Virginia to promote trade missions. We have 11 trade missions coming to Colombia this year. So it's very likely, if you contact a USEAC, that you will be able to join a trade mission. Second, go to the U.S. government's export portal on the Web at www.export.gov. Here you can access information on Colombia, including the latest *Country Commercial Guide*. And third, call the Trade Information Center at 1-800-USA-TRAD(E) (1-800-872-8723), which is also another great resource. Their trade specialists will contact us here in Colombia and will help introduce the client and their product to us so that we can figure out a good market-entry strategy. We're very honest in my office. We will tell you if your product or service is a good fit or not. We don't want you to lose money; we want you to make money. And we want you to be successful and come back again.

COLOMBIA AT A GLANCE

Colombia has approximately 45 million people and had a gross domestic product, according to the International Monetary Fund, of \$283.1 billion in 2010. Although the United States has had a negative trade balance with Colombia during the past several years—in 2010, there was a \$3.6 billion trade deficit—the country is a healthy export market in many sectors.

Colombia is currently the 20th-largest export market for the United States. In 2010, the country purchased \$12.0 billion in U.S. goods, which represents nearly 1 percent of total U.S. exports. Chief among the products were fuel oil (\$1.9 billion), organic chemicals (\$0.8 billion), drilling and oilfield equipment (\$0.6 billion), plastic materials (\$0.5 billion), and excavating machinery (\$0.4 billion).

For more information about exporting opportunities in Colombia, visit the U.S. government export portal on the Web, www.export.gov, or contact the Trade Information Center, 1-800-USA-TRAD(E) (1-800-872-8723).



Short Takes



Participants at a meeting of the U.S.-Brazil CEO Forum held March 18–19, 2011, in Brasília, Brazil. The Department of Commerce is seeking applications for new members of the forum for its 2011–13 term. (U.S. Department of Commerce photo)

Applications Sought for U.S.–Brazil CEO Forum

The Department of Commerce is soliciting applications from qualified individuals to serve as members of the U.S.–Brazil CEO Forum for its 2011–13 term. Established in 2007, the forum has advanced discussions between the U.S. and Brazilian governments on important issues, such as visa reform, customs procedures, education, energy, trade facilitation, and infrastructure.

The forum consists of U.S. and Brazilian government cochairs and a committee comprising 8 to 10 private-sector members from each country. The members represent the views and interests of the business community in their respective countries and are joined by representatives from the U.S. and Brazilian governments.

Brazil is an increasingly important market for U.S. exports. With a potential market of 193 million

consumers and a per capita income forecasted to grow at an average rate of 6 percent during the next several years, Brazil offers tremendous opportunities to U.S. exporters of goods and services.

A candidate for membership on the forum must be a chief executive officer or president (or functional equivalent) of a U.S.–owned or U.S.–controlled company that is incorporated in the United States and is currently doing business in both countries. Those chosen will serve a two-year term.

Full details about the application process were published in the *Federal Register* on March 7, 2011 (at 76 FR 12337–38). The announcement can be viewed online at <http://edocket.access.gpo.gov/2011/2011-5073.htm>. Applications must be submitted by April 29, 2011.

For more information, contact Ashley Rosen of the ITA at ashley.rosen@trade.gov.

ITA WIN: HARLEY-DAVIDSON MOTORCYCLES ALLOWED TO ENTER BAHRAIN DUTY FREE



Customs officials in Bahrain denied preferential tariff treatment to Harley-Davidson motorcycles, such as the ones shown here at a recent trade event. Advocacy on behalf of the company by the International Trade Administration resolved the issues that the company was facing. (photo courtesy Harley-Davidson)

officials was that the motorcycles did not fulfill the FTA's rules of origin because they had been shipped through Europe and thus were not imported directly from the United States into Bahrain.

In late 2009, after Harley-Davidson contacted the Department of Commerce, a team of ITA specialists, along with representatives from other U.S. government agencies, advocated on behalf of the company. They provided specific guidance to Bahraini officials on the interpretation of the FTA's rules of origin provisions as the rules applied to transshipped goods, explaining that the FTA's benefits apply to U.S.-originating goods that stop over in other countries, unless those goods undergo processing outside the United States.

As a result of these efforts, in February 2010 Harley-Davidson's motorcycles were granted duty-free access and the company has since received a refund of all excess duties paid. In a series of follow-up meetings with Bahraini customs officers, representatives from ITA and U.S. Customs and Border Protection provided training on the application of the FTA.

"This is a good example of how ITA makes trade agreements work for American business and their employees," noted Michael Camuñez, assistant secretary for market access and compliance. "By ensuring that Bahrain lives up to its obligations under our FTA, other U.S. exporters who transship their products to Bahrain will also be able to compete on a level playing field."

U.S. companies facing similar market access issues should contact the Trade Compliance Center, tel.: (202) 482-1191; e-mail: tcc@trade.gov; or visit the center's Web site at www.trade.gov/tcc.

The International Trade Administration (ITA) recently helped Harley-Davidson of Milwaukee, Wisconsin, to overcome a foreign trade barrier that threatened to hinder its sales in Bahrain, a trading partner in the Middle East with which the United States has had a free trade agreement (FTA) since 2006.

Harley-Davidson's problem began in late 2008, when the company exported some of its U.S.-manufactured motorcycles to Bahrain through Europe. Under the terms of the FTA, those goods should have entered the country duty free. Instead, the company was assessed a 5 percent duty. The reason offered by Bahraini customs

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To receive notification by e-mail when new issues are published, visit www.trade.gov, click on *International Trade Update*, and then click on the "Subscribe" link.

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.

Francisco Sánchez

Under Secretary of Commerce for International Trade

Mary L. Trupo

Director, Office of Public Affairs

John Ward

Editor

Web edition and electronic dissemination:

Jeremy Caplan

Copyediting:

Publications Professionals LLC

Production assistance:

Michele Robinson

Design and composition:

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May 2011

May 3

Seminar: Practical Aspects of Exporting

Arlington, Virginia

www.export.gov/eac/show_detail_trade_events.asp?EventID=31686

This half-day seminar is the second in a three-part series on export essentials. Topics include logistics, export licenses and documentation, and online tools. There is a fee of \$25 to participate. For more information, contact Diane Jones of the USFCS, tel.: (703) 235-0326; e-mail: diane.jones@trade.gov.

May 4-7

Made in America 2011

Beirut, Lebanon

www.export.gov/eac/show_detail_trade_events.asp?EventID=29465

This event promotes U.S. products and services in Lebanon. The previous fair in October 2008 featured goods and services from 271 U.S. companies in a wide variety of sectors, including information and communication technology, environmental technology, health care, automotive, construction, household appliances, and more. USFCS is selling booth space and will be offering counseling and matchmaking services. For more information, contact Maya Barhouche of the USFCS, tel.: +961 (4) 544-860; e-mail: maya.barhouche@trade.gov.

May 10-12

AWS Weldmex-Fabtech-Metalform, Mexico 2011

Monterrey, Mexico

www.export.gov/eac/show_detail_trade_events.asp?EventID=31034

These three colocated shows focus on the metal fabrication, tool and die, metal stamping, sheet metal, and related industries. Organizers expect more than 300 exhibitors and more than 8,000 trade visitors. For more information, contact Sam Dhir of the USFCS, tel.: (202) 482-4756; e-mail: sam.dhir@trade.gov.

May 11

Webinar: Using E-Commerce and Social Media

Washington, D.C.

www.export.gov/eac/show_detail_trade_events.asp?EventID=31510

This Webinar, part of the Basic Guide to Exporting series, will focus on ways to maximize the Internet exposure of a company's products and services. Discussions will include identifying customers and their new buying habits, using Web sites as an effective marketing channel, making a Web site visible to customers, optimizing search engines, and other related topics. For more information, contact Alexander Verdugo of the USFCS, tel.: (202) 482-4003; e-mail: alexander.verdugo@trade.gov.

May 18

Webinar: U.S. Census: Using Export Data

Washington, D.C.

www.export.gov/eac/show_detail_trade_events.asp?EventID=31515

This Webinar, part of the Basic Guide to Exporting series, will have a panel of experts from the Census Bureau's Data Dissemination Branch. It will demonstrate how foreign trade data can help exporters find emerging markets, determine market share, analyze competition, and find average selling prices for thousands of commodities. For more information, contact Doug Barry of the USFCS, tel.: (202) 482-4422; e-mail: doug.barry@trade.gov.

May 21-25

International Pow Wow 2011

San Francisco, California

www.export.gov/eac/show_detail_trade_events.asp?EventID=31026

This show will offer thousands of prescheduled business appointments made by more than 1,000 travel organizations from every region of the United States. About 1,500 international and domestic buyers from more than 70 countries are expected to attend. In the past, this show has generated more than \$3.5 billion in bookings. For more information, contact Doug Barry of the USFCS, tel.: (202) 482-4422; e-mail: doug.barry@trade.gov.

May 22-25

WINDPOWER 2011

Anaheim, California

www.export.gov/eac/show_detail_trade_events.asp?EventID=30977

In 2010, this show had nearly 1,400 exhibitors and more than 20,000 attendees, including more than 2,500 international attendees from 60 countries. The largest number of international attendees came from Canada, Germany, China, Denmark, South Korea, and Spain. The event will feature educational sessions, industry workshops, meetings, and site visits to wind farms, and other wind-related industry tours. For more information, contact Mark Wells of the USFCS, tel.: (202) 482-0904; e-mail: mark.wells@trade.gov.

May 24-26

Textextil

Frankfurt, Germany

www.export.gov/eac/show_detail_trade_events.asp?EventID=31129

This event is one of the leading international trade fairs for technical textiles and nonwovens. It showcases the latest developments in materials, production, finishing, and recycling. For more information, contact Helen Simpson-Davis of the USFCS, tel.: (202) 482-1882; e-mail: helen.simpson-davis@trade.gov.

May 31-June 3

WasteTech-2011

Moscow, Russia

www.export.gov/eac/show_detail_trade_events.asp?EventID=30609&

Held every two years, this show is one of the main waste industry events in Russia. It will showcase a wide range of environmental technologies, machinery, and equipment. Since 2009, it has also included renewable energy and solutions to deal with the impact of climate change. For more information, contact Yuliya Vinogradova of the USFCS, tel.: +7 (495) 728-5586; e-mail: yuliya.vinogradova@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

June 14-17

Brazil Offshore 2011

Rio de Janeiro, Brazil

www.export.gov/eac/show_detail_trade_events.asp?EventID=31409

This global forum will showcase the latest developments in offshore oil and gas exploration, refining, and energy logistics. It is one of the leading energy exhibitions in South America and is expected to attract more than 600 exhibitors and 50,000 trade visitors from 40 countries. For more information, contact Kevin Haley of the USFCS, tel.: (202) 482-6434; e-mail: kevin.haley@trade.gov.

June 16

AES Compliance Half-Day Workshop

Philadelphia, Pennsylvania

www.export.gov/eac/show_detail_trade_events.asp?EventID=31636

Officials from the Census Bureau will lead this half-day workshop on how to electronically file a shipper's export declaration (SED) using AESDirect, a Web-based application. SEDs must be filed whenever the value of an individual export shipment exceeds \$2,500. Workshop participants will receive individual attention in a computer lab setting and will be shown how to use AESPcLink, a software component of AESDirect that allows exporters to manage filings from their desktops. The participation fee is \$60. For more information, contact Leandro Solorzano of the USFCS, tel.: (215) 597-6127; e-mail: leandro.solorzano@trade.gov.

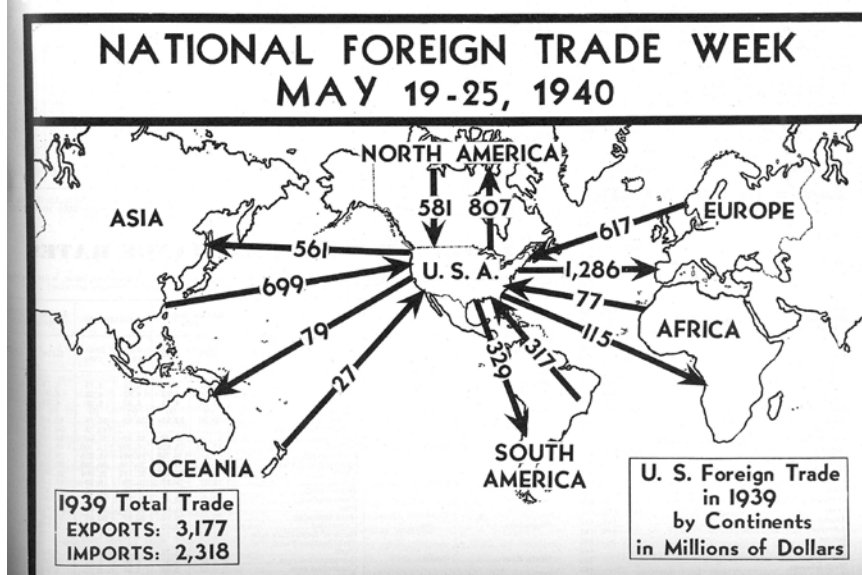
June 21

Seminar: How to Finance Your Exports and Get Paid

Arlington, Virginia

www.export.gov/eac/show_detail_trade_events.asp?EventID=31687

This half-day seminar is the third in a three-part series on export essentials. Topics will include the basics of export financing, international banking, and details about programs offered by the Small Business Administration and the Export-Import Bank of the United States. There is a \$25 fee to participate. For more information, contact Diane Jones of the USFCS; tel.: (703) 235-0326; e-mail: diane.jones@trade.gov.



The state of U.S. exports in 1939, as reported in the May 18, 1940, issue of *Commerce Reports*. National Foreign Trade Week was the predecessor of today's World Trade Week.

Featured Trade Event

World Trade Week 2011

Writing to Secretary of State Cordell Hull in May 1938, President Franklin D. Roosevelt made the astute observation that "a healthy and vigorous flow of trade between nations is an indispensable requirement for general and lasting prosperity" and that through international trade the United States is "gradually building more secure foundations for our own national economic well-being."

The occasion of Roosevelt's message was one of the very first celebrations of World Trade Week, then known as "National Foreign Trade Week." This annual event was first observed in the 1920s in Los Angeles, California. Later, in 1933, the event was given national recognition in the midst of the Great Depression.

Now, nearly 80 years later, the United States is again emerging from a severe economic downturn. Exports are a more important part of the U.S. economy than ever before: they accounted for 12.5 percent of U.S. gross domestic product in 2010. And with President Barack Obama's call to double U.S. exports by 2015 through the National Export Initiative, this growing importance of global trade to U.S. prosperity will only continue.

The renewed emphasis on international trade will be evident in the many celebrations scheduled to take place across the country during World Trade Week 2011.

Los Angeles will launch its observation of World Trade Week on May 6 with a kickoff breakfast that features keynote speaker Matthew K. Rose, president and chief executive officer of BNSF Railway Co. For more information and a listing of other events in Los Angeles, visit www.lachamber.com.

World Trade Week in New York City will kick off on May 16, when the New York District Export Council hosts an awards ceremony and breakfast. For more information, visit www.worldtradeweeknyc.org.

Local events will be held throughout the country during the month of May. To learn more, contact the nearest Export Assistance Center (see listing on page 11) or visit the U.S. government's export portal at www.export.gov.

Mastering the Art of Helping U.S. Companies Export

A unique outreach and training program conducted by the U.S. and Foreign Commercial Service is helping the international sales forces of three large U.S. delivery companies to spot the exporting potential of their customers.

BY DOUG BARRY



At a training session held in Louisville, Kentucky, on March 15, UPS employees David Zanko (left) and Vanessa Ramirez (right) participated in a role playing exercise designed to help them better understand the challenges facing would-be exporters. (U.S. Department of Commerce photo)

When you're telling, you're not selling," commented a seasoned UPS international sales executive who gathered recently with some of his colleagues at the UPS World Port in Louisville, Kentucky. "Not necessarily," answered another. "When it comes to selling exporting to a dubious customer, the successful salesperson needs to both listen and talk."

Exchanges such as this occur several times a year when, for one afternoon during a weeklong training course, UPS salespeople learn from trade specialists from the U.S. and Foreign Commercial Service (USFCS), a unit of the International Trade Administration, about President Barack Obama's National Export Initiative and about the ways USFCS and UPS have partnered to help double U.S. exports and support thousands of jobs. And the effort is not confined to UPS. The USFCS's Office of Strategic Partnerships and the Trade Information Center deliver the same training to the salespeople of two other partners, FedEx and the U.S. Postal Service.

Multiplier Effect

Now in its fifth year, the USFCS's outreach program has trained more than 2,000 salespeople from the three partner organizations. And because the international sales forces usually interact with their domestic counterparts (who are increasingly focused on spotting prospective export customers), the multiplier effect is closer to 30,000 salespeople. This makes for a decent-sized army of export enablers.

"The strategy is quite simple," says Adam Wilczewski, director of the USFCS's Office of Strategic Partnerships. "Our courier partners pick up and deliver for millions of businesses in the United States. To have their sales forces help deliver the president's exporting message to U.S. companies every day of the year is huge."

Wilczewski reasons that the federal government, even if it had a massive trade promotion budget, could never get in front of every business that does or could export. "Training the salespeople is highly cost-effective and it's a win-win for everyone, especially taxpayers."

But does this approach work? The UPS international sales executives who attended the recent training session this past March thought so. One attendee, Vanessa Ramirez, who is in charge of UPS's Northern Colorado territory, said she has a number of customers whose international sales increased when she introduced them to the trade specialists at the Export Assistance Center in Denver, Colorado. "When you're having the export conversation with the customer, it's a great help to say, 'Hey, I have someone from the government who will help you find new customers.'"

Overcoming Resistance

The training sessions ultimately focus on exactly that opening conversation with the customer. First, the salesperson must reach a decision maker without offending the initial company contact, who

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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.

ALABAMA

Birmingham: (205) 731-1331

ALASKA

Anchorage: (907) 271-6237

ARIZONA

Phoenix: (602) 640-2513

Tucson: (520) 670-5540

ARKANSAS

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Fresno: (559) 227-6582

Indio/Cabazon: (760) 342-1310

Ontario: (909) 466-4134

Los Angeles (Downtown): (213) 894-8784

Los Angeles (West): (310) 235-7104

Monterey: (831) 641-9850

Newport Beach: (949) 660-1688

Oakland: (510) 273-7350

San Rafael (North Bay): (415) 485-6200

Sacramento: (916) 566-7170

San Diego: (619) 557-5395

San Francisco: (415) 705-2300

San Jose (Silicon Valley): (408) 535-2757

Ventura County: (805) 488-4844

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Denver: (303) 844-6623

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Middletown: (860) 638-6950

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Miami: (305) 526-7425 ext. 27

Orlando: (407) 648-6170

Tallahassee: (850) 942-9635

GEORGIA

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Savannah: (912) 652-4204

HAWAII/PACIFIC ISLANDS

Honolulu: (808) 522-8040

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Boise: (208) 364-7791

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Libertyville: (847) 327-9082

Peoria: (309) 671-7815

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Wichita: (316) 263-4067

KENTUCKY

Lexington: (859) 225-7001

Louisville: (502) 582-5066

LOUISIANA

New Orleans: (504) 589-6546

Shreveport: (318) 676-3064

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Kansas City: (816) 421-1876

St. Louis: (314) 425-3302

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Missoula: (406) 542-6656

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Omaha: (402) 597-0193

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Las Vegas: (702) 388-6694

Reno: (775) 784-5203

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Durham: (603) 953-0212

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Newark: (973) 645-4682

Trenton: (609) 989-2100

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Santa Fe: (505) 231-0075

NEW YORK

Buffalo: (716) 551-4191

Harlem: (212) 860-6200

Long Island: (212) 809-2682

New York: (212) 809-2675

Rochester: (585)-263-6480

Westchester: (914) 682-6712

NORTH CAROLINA

Charlotte: (704) 333-4886

Greensboro: (336) 333-5345

Raleigh: (919) 281-2750

NORTH DAKOTA

Fargo: (701) 239-5080

OHIO

Akron: (330) 678-0695

Cincinnati: (513) 684-2944

Cleveland: (216) 522-4750

Columbus: (614) 365-9510

Toledo: (419) 241-0683

OKLAHOMA

Oklahoma City: (405) 608-5302

Tulsa: (918) 581-7650

OREGON

Portland: (503) 326-3001

PENNSYLVANIA

Harrisburg: (717) 872-4386

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Pittsburgh: (412) 644-2800

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Columbia: (803) 777-2571

Greenville (Upstate): (864) 250-8429

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Knoxville: (865) 545-4637

Memphis: (901) 544-0930

Nashville: (615) 736-2222

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El Paso: (915) 929-6971

Fort Worth: (817) 392-2673

Houston: (713) 209-3104

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San Antonio: (210) 228-9878

South Texas: (956) 661-0238

West Texas: (432) 552-2490

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Montpelier: (802) 828-4508

VIRGINIA

Arlington: (703) 235-0331

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Spokane: (509) 353-2625

WEST VIRGINIA

Charleston: (304) 347-5123

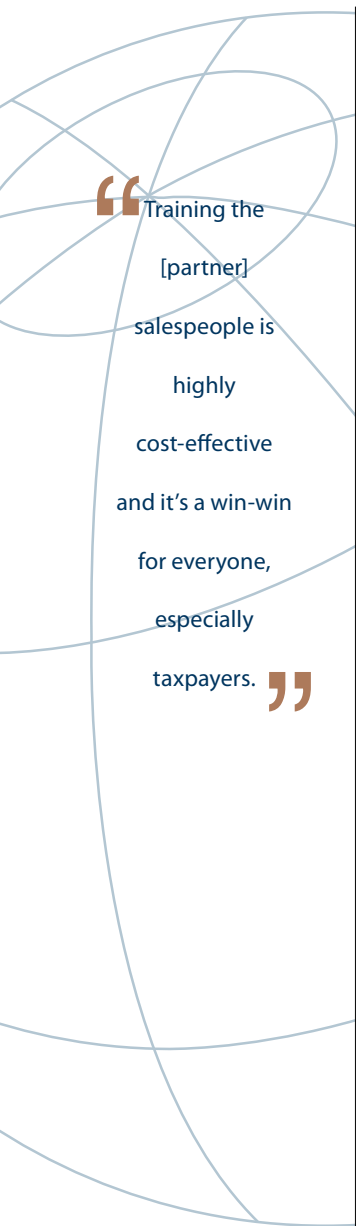
Wheeling: (304) 243-5493

WISCONSIN

Milwaukee: (414) 297-3473

WYOMING

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Helping Companies Export

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may be employed in the fulfillment or compliance end of the business.

The next obstacle is identifying the reasons for not exporting or increasing the number of overseas markets. The reasons include fear of not getting paid, uncertainty about what market to choose, not knowing how to go about finding buyers, and insufficient funds to ramp up production.

To help the salespeople parry those objections, a USFCS trainer sets the scene for a role-playing exercise in which the participants alternately take on the roles of customer and salesperson. The exercise shows how challenging it is to break through the initial reluctance of the customer. Through a series of simple "why" questions, the exercise brings this reluctance to the surface, and the salespeople are equipped with

responses to help the customers question their preconceived (often negative) notions about exporting.

The training session ends with applause for the role-playing actors and a generally upbeat feeling that this public-private partnership is going to contribute in a big way to the growth of U.S. exports.

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

For More Information

Since 2005, more than a dozen companies and organizations have partnered with the U.S. and Foreign Commercial Service to facilitate exporting by U.S. companies. To learn more about the Strategic Partnership Program, visit <http://export.gov/CSPartners>.

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