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The Baltic States

A Sea of Opportunity

INSIDE:

Buy, Buy Britannia:
Opportunities in the U.K.

Doing Business in the Middle East

Japan's IT Market



EXPORT America

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December 2002 Volume 3 Number 12 <http://exportamerica.doc.gov>

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International Trade Administration

Donald L. Evans
Secretary of Commerce

Grant Aldonas
Under Secretary
for International Trade

Julie Cram
Director of Public Affairs (Acting)

Cory Churches
Editor

William Corley
Associate Editor/Writer

John Ward
Contributing Editor

Jeremy Caplan
Graphics Specialist

Frank Deasel
Printing Specialist

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ay you live in interesting times.

This oft-repeated Chinese proverb is especially applicable to this past year. As we look back, we see a global recession, several large multinational corporations felled by poor management, and the erosion of business and consumer confidence worldwide. With all the bad news, it's a wonder that U.S. companies aren't worse off than they are. However, interesting times suggest opportunity as well as occasion for caution. While the most advanced countries have seen very tough times, other regions, such as Central Europe, Southeast Asia, and China have reaped the benefits of the economic slowdown by attracting new business relationships.

The former Soviet republics of Lithuania, Latvia, and Estonia have fared relatively well and are slated to join the European Union in 2004. Our feature this month looks at this region and opportunities for U.S. firms, given the strategic location between Scandinavia, Russia,

and Central Europe, as well as the achievements of the past few years that have reformed these economies. Given all the factors, this region is poised to reap the rewards of economic discipline. Latvians have their own proverb: the world belongs to the brave.

Keeping with our efforts to fortify you in braving new markets, other articles in this issue include the United Kingdom as a potential export destination, tips on doing business in the Middle East, and opportunities in Japan's information technology market.

In our next issue, we will survey the lay of the land for 2003 and root out prospects for new business, expansion into new markets, or solidifying relationships in existing markets.

Until next month, happy exporting, and feel free to send feedback and comments to us at export_america.doc.gov.



Cory Churches

Cory Churches
Editor

GLOBAL NEWS LINE

UNITED KINGDOM

On September 10, 2002, Oftel, the U.K. telecommunications regulator, published proposals that should force the local incumbent, British Telecom (BT), to reduce rental charges for so-called partial private circuits (PPC). These are circuits provided to competitors to allow them to connect their business customers to the Internet. The move should help to stimulate further competition in the industry. This should and also make it cheaper for businesses to gain high-speed access to the Internet. Oftel's decision comes on the heels of an OECD survey of broadband access in which the United Kingdom was ranked a lowly 22nd among 30 countries.

In contrast to the steady uptake of broadband services in the business sector, the consumer segment is booming. The one-millionth broadband connection was installed this summer, which means that 4.3 percent of households now have a broadband connection. The number of broadband connections has risen from 500,000 to 1 million in six months, and new connections are running at a rate of 20,000 per week.

Broadband is available to consumers through many different service providers that use a variety of networks. A sharp reduction in price, brought about by a reduction in BT's wholesale rate, is seen as the catalyst that is driving the market forward. A monthly subscription now falls within the range £20–35 (\$30–50), with BT's wholesale price presently pegged at £14.75 (\$21) per month.

Though consumer broadband connection is increasing rapidly, the United Kingdom's local loop unbundling initiative has had only a limited effect on the market. Of the 1 million broadband subscribers in the country, only 1,400 are a direct result of local loop unbundling.

With unbundling seen by many as a failure, the cable companies NTL and Telewest provide the stiffest

competition for BT in the consumer sector. NTI and Telewest install more than half of all new connections. Both companies, however, have experienced financial problems of late, which have affected their ability to invest in support services and new infrastructure.

SWEDEN

The security and alarm systems market is growing rapidly in Sweden. Innovation and product development are the key trends.

The Swedish market for security and alarm systems is characterized by constant product development and innovation. According to the annual survey of the magazine *Aktuell Sakerhet*, the revenue of the 160 companies active within security and alarm systems amounts to \$520 million.

The fastest-growing segment is CCTV and other TV and video surveillance. The traditional solutions normally consist of closed-circuit televisions, static monitors, and video recorders. However, the increasing and changing demand for security calls for IP-based surveillance systems with real-time video, image storage, and movement detection.

The number of companies providing TV and video surveillance services is currently 80, of which 14 companies provide this service alone.

Other large categories are burglar alarms (70 service and equipment companies), mechanical locks (43 companies), and related services in which Sweden is also the world-leading manufacturer.

The trend continues to be the creation of integrated security solutions and so-called building management systems. Companies desire tailor-made rental security solutions, which require smaller investments but are of a high service standard. The expanding security services market provides good business opportunities for U.S. security services and equipment providers.

DENMARK

All signs indicate that some 4,000 Copenhagen residences will be heated with geothermal energy over the course of 2004.

A test dig undertaken at the Amager heating plant in June and July of 2002 confirmed official projections on a timeline for geothermal energy in the capital city region, according to the National Energy Council.

Officials say that there is enough hot water flowing 2.5 km under the streets of Copenhagen to provide geothermal energy to thousands of homes. Researchers had hoped to find water up to 80 degrees Celsius in warmth flowing underground, but at the subterranean depth at which conditions are considered ripe for geothermal energy digging, the average water temperature is just 73 degrees Celsius. Although this is less than expected, it is still sufficient to support the construction of a geothermal plant.

Two additional studies are yet to be done before authorities will make the final decision on whether to erect a plant in Copenhagen. Officials will study the chemical composition of the underground water as well as flow conditions at the site of the test dig.

In any event, authorities are expected to draft a debate on a geothermal plant that could eventually service 1 percent of the capital city's homes. A possible Copenhagen geothermal plant would be this country's second, following construction of a similar plant in Thisted, in Jutland. According to the National Energy Council, there are 100 geothermal plants currently operating in Europe.

FINLAND

Franchising grew rapidly last year in Finland. Retailing experienced the strongest increase in activity, with the restaurant business just a step behind. The growth of the service sector was slightly slower.

Franchising chains employ approximately 38,000 Finns. These chains created 9,300 new jobs last year. The 2001 sales volume of franchising chains in Finland totaled approximately \$3.46 billion.

Last year, 40 new chains began operating in Finland. However, 17 chains left the market, which according to local sources is not exceptionally high given that many new concepts enter the market without thorough market research. In 2001, only two franchising chains went bankrupt.

Some 164 franchising chains operate in Finland, of which 119 are Finnish and 27 are foreign. Last year, there were 69 chains in retailing, 67 in the service sector, and 28 in the restaurant business. A closer look reveals that the first place is taken by retailing with 41 chains. There are 27 franchising chains in the fast food industry. The fast food hamburger market is shared by two large operators: McDonald's and Hesburger, the domestic chain. McDonald's market share is 47 percent, and Hesburger's share is 53 percent. The car industry had 16 chains in car rental and car services.

The number of franchising chain outlets grew even more rapidly: 26 percent, which means 1,186 outlets. The number of service outlets grew 35 percent. Restaurant outlets increased 23 percent, and retailing outlets grew 23 percent. Such strong growth can be explained by a couple of big chains entering the market. Three-quarters of chains are planning to expand. The increase is estimated to mean 700 new outlets within a year.

FYR MACEDONIA

On October 15, 2002, Macedonia, a country of 2 million people in Southeast Europe, completed negotiations with the World Trade Organization (WTO), allowing Macedonia to become the 145th member of the WTO. The General Council of the WTO approved Macedonia's accession into the multilateral trading system, making way for a more predictable environment for U.S. businesses entering the market of Macedonia.

Following the Council's decision in a ceremony with the WTO Director-General Dr. Supachai Panitchpakdi, the Minister of Economic Affairs of Macedonia, Besnik Fetaj, signed the protocol of accession, completing negotiations and turning the agreement over to the Parliament of Macedonia for formal ratification. The Parliament has until March 31, 2003 to approve the agreement, which enters into effect 30 days thereafter.

Upon ratification, Macedonia will join 12 other Central and Eastern European countries in the World Trade Organization. As a member, Macedonia will be mutually bound by international agreements covering a range of issues, including tariff reduction, intellectual property rights, and national treatment for foreign businesses. Officials in Macedonia hope this agreement, together with tax and investment incentives, will generate renewed interest among foreign businesses.

JAPAN

Japanese imports of cosmetics products totaled \$955.2 million in 2001, which was an increase of 9 percent over 2000 in yen terms. France and the United States were the top suppliers, accounting for 62 percent (¥72 billion) of total cosmetics imports. Meanwhile, cosmetics imports from China increased from ¥2 billion in 2000 to ¥4 billion in 2001, a remarkable 100-percent increase.

Despite the recession, industry sources say that Japanese consumers' interest in beauty and health continues to be high. Japanese cosmetics manufacturers are highly competitive compared with companies from other Asian countries. U.S. manufacturers of cosmetics should keep an eye on the Japanese market, because it is the second-largest market after the United States. A successful product in Japan is very likely to be successful in other international markets.

CHILE

In the coming years, two-thirds of the Chilean companies will be connected to Internet—and half of them through broadband.

The government of Chile continues to develop various initiatives for the use of information and communications technology in local companies to increase their competitiveness. This is a high governmental priority now that Chile is in the final phase of negotiations of free trade agreements with the European Union and the United States.

E-government initiatives promote the use of IT in the private sector. By December 2003, the Chilean under secretary of economic affairs expects to have some 35 on-line official proceedings, which will reduce time and paperwork for companies connected to the government. Another strategic initiative is www.compraschile.cl, the e-invoice and the digital signature project. As part of the government modernization process, the under secretary expects to integrate in the near future all state services, which will enable any given citizen to obtain documents with an ID number, regardless of where he is geographically located.

A second key factor in this modernization process is an adequate regulatory framework for broadband. A third key factor is the mass education of Chileans to include digital literacy and English learning. A fourth key element is the creation of an entity to foster the development of e-commerce in which digital signatures will play a key role, while protecting consumer rights and privacy by creating an adequate environment for companies to turn to new technologies. Last but not least, the fifth key factor for the incorporation of information and communications technologies in Chilean companies is to attract foreign investment in the high-tech and IT sector, specifically in data center services, as well as financing information technology through funds and risk capital. ■

NEED MORE DETAIL?

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

How to Win Face in the Korean Cosmetics Market

South Korean Importer Finds U.S. Cosmetics Supplier through BuyUSA.com

by Doug Barry
U.S. Commercial Service

There are tens of thousands of small companies in South Korea, and many of them are looking outside their country for suppliers. South Koreans in general are avid Internet users, so it is not surprising that more and more local buyers are finding what

a featured buyer, and he began searching for suppliers of beauty products.

The Korean company, with a French name, tapped into the physical and virtual network of BuyUSA.com to locate U.S. suppliers of suitable products. Searching for and finding partners via the Internet isn't uncommon, but what is unusual is that both buyer

one-third, and Japan with the remainder. With more South Korean women entering the job market and embracing a Western lifestyle, the \$2.8 billion market for health and beauty products is growing.

Grace Sung, a commercial specialist who covers the cosmetic industry for the Commercial Service in Korea and

“Korea is one of the world’s leading countries for Internet usage and on a per capita basis among the most ‘wired.’”

—Mitch Auerbach, Commercial Officer

they need not in Seoul or Pusan but on Google and Yahoo.

One such company based in Seoul was searching for beauty products on Yahoo USA and found BuyUSA.com, a site operated by the U.S. Commercial Service to match U.S. suppliers with foreign buyers. The South Korean owner sent a message to a U.S. Export Assistance Center, asking for membership information. The owner got an e-mail telling him that membership is free to buyers; the e-mail also put him in touch with the U.S. Commercial Service in Seoul. His company quickly qualified through the U.S. embassy as

and seller are pre-screened by the qualifying process through BuyUSA.com. Therefore, both sides of the transaction are assured of quality partners within the BuyUSA network.

But why a French name? Does this choice explain anything about South Korean tastes or needs? As it turns out, the beauty products company with the French name is trying to enhance its market image among consumers who equate things French with female beauty. European cosmetics firms, led by France, have almost two-thirds of the entire South Korean market, followed by U.S. producers with about

who helped the Korean buyer, believes targeting this market is a smart move for U.S. companies. “My job is covering this industry, and I am also a



Mitch Auerbach and Grace Sung, U.S. Commercial Service, with the Korean cosmetics buyer.

Photo courtesy of U.S. Commercial Service, Korea.

Korean professional woman, so I note with particular interest the significant growth in Korea's cosmetic sector—especially Korean women's preferences for foreign products, including U.S. goods." She adds: "This trend will continue since the estimated annual growth for this market is 10 percent, reaching about \$4.8 billion by 2004, and it will bring significant gains for U.S. cosmetics suppliers."

The South Korean importer was drawn to BuyUSA.com because he believes that the U.S. government helps assure that only credible companies populate this site, which has a dotcom name but is really a U.S. Department of Commerce Web site and suppliers must be vetted before they can be featured.

LAND OF THE MORNING VITAMIN C

South Korea, Land of the Morning Calm, is turning into the land of the morning vitamin C treatment. The South Korean buyer was looking for skin care products with vitamin C, and the search engine on BuyUSA.com turned up just such a supplier. The transaction took exactly one month from start to delivery of the merchandise. Says the buyer: "The seller was very active in responding to our requests and things were based on our trust, speeding the whole process."

Since beauty care products have complex testing requirements in South Korea, the buyer asked for and received samples of the product. The buyer initiated the testing process and made recommendations for the labeling of the product in line with South Korean government requirements.

The whole deal was done on-line, but the buyer says he and an associate are planning to meet the seller in the United States in the next few weeks. This is good news for the seller, because a visit often signals the desire for a long-term relationship. On-line and off-line, the buyer signed a

SOUTH KOREAN COSMETICS MARKET

Unit: Million U.S. Dollars

	2000	2001	2002
Imports	213.7	281.9	310.1
Local Production	2,454.5	2,645.6	2,910.2
Exports	87.4	93.1	102.4
Total Market	2,580.8	2,834.5	3,117.9
Imports from U.S.	66.9	97.6	117.1

Source: Korea Cosmetic Industry Association, Korea Customs Service.

10-year exclusive agent contract with the seller, worth \$100,000, with a \$50,000 minimum increase each year after that.

LONG-TERM RELATIONSHIPS BEGIN WITH E-MAIL

Meanwhile the South Korean buyer continues to shop regularly at BuyUSA.com. "We search whenever we are seeking a new product or supplier. Also, once we were registered on the site, U.S. suppliers began contacting us by e-mail. From these e-mails, we screen the companies and start receiving product information," he says.

Just because a South Korean company is keen on beauty products with vitamin C, what are the prospects for other buyers increasing purchases via the Internet? After all, don't Koreans value long-term relationships? Commercial officer Mitch Auerbach, interviewed in Seoul, says South Korean importers continue to show great interest in BuyUSA.com and the Internet in general. "Korea is one of the world's leading countries for Internet usage and on a per capita basis among the most 'wired,'" explains Auerbach. Further, South Korean businesses often lack local sources of supply and have not developed personal relations outside the country. "E-business will definitely increase in the future for

South Koreans, especially given that the Internet will continue to serve as a 'virtual' gateway for many imports. BuyUSA.com will continue to be an important resource to help Koreans find U.S. suppliers at home from their desktops." ■

Buy, Buy Britannia

Opportunities Galore in the United Kingdom

by Doug Barry
U.S. Commercial Service

The United Kingdom, which encompasses Great Britain (England, Scotland, and Wales) and Northern Ireland, is the United States' fourth-largest export market by value (after Canada, Mexico, and Japan). Last year, the United States exported to the United Kingdom goods worth more than \$41 billion, a 25-percent increase over 1996.

Instead of a few big exporters responsible for these sales, more than 34,000 U.S. firms—primarily small and medium-sized—shipped products there last year. Only Canada made more purchases from U.S. companies. Some of the reasons why the United Kingdom is such an attractive market for U.S. businesses include a common language, similar business practices, and comparable consumer tastes.

SELECTING PARTNERS

According to the U.S. Commercial Service, the global business solutions unit of the U.S. Commerce Department, the health care market in the United Kingdom is one of the top prospects for U.S. companies. One of the U.S. companies exporting to the

FACTS AND FIGURES

Total area: 244,820 square km (a little smaller than Oregon)

Population: 59.8 million

GDP: \$1.5 trillion (2002 estimate)

Real GDP growth: 2.6% (2003 forecast)

Inflation: 2.4% (2003 forecast)

GDP by sector: services 73%, industry 25%, agriculture 2%

Currency: British pound (pound sterling)

Exports: manufactured goods, fuels, chemicals, food, beverages, tobacco

Imports: manufactured goods, machinery, fuels, foodstuffs

Sources: CIA, IMF, EIU.

United Kingdom is Earthlite, Inc., of San Diego, California. Earthlite manufactures high-quality massage and therapy products.

Earthlite entered the U.K. market with the help of the Commercial Service. Working with Commercial Service professionals in San Diego and at the U.S. embassy in London, Earthlite was introduced to several prospective distributors through International Partner Search. This is a Commercial Service program that analyzes market research, coordinates contact information, and finds distributors or partners for American businesspeople.

Earthlite Vice President Bryan Burlison credits the Commercial Service with helping to get the company's international business up and running. "These resources have helped us

overcome some of the hurdles of doing business overseas," says Burlison. As a result of Burlison's experience in the United Kingdom, the company has used Commercial Service assistance in other parts of Europe.

Another service that matches U.S. companies with foreign buyers is Gold Key, which sets up face-to-face appointments for visiting U.S. business people with pre-screened prospective customers. Now available in the United Kingdom and elsewhere is a video version of the Gold Key, whereby U.S. companies in 105 U.S. locations can hold discussions with up to five carefully selected foreign buyers. Deals are sometimes negotiated "off-line" after the videoconferences, but more often the video sessions pave the way for face-to-face meetings in which deals are finalized.



DIVERSE PROSPECTS

There are many other sales opportunities in the United Kingdom. Janet Callahan, a Native American jewelry maker, has found a market there. Great demand exists for food products, tourism and travel services, professional services, apparel, medical equipment, and much more.

Direct marketers will also find the United Kingdom attractive, mainly because of inexpensive transatlantic telecommunications and bulk mail, as well as a good distribution system and wide use of credit cards. Opportunities are also opening up for on-line retailing which, while not

as popular as in the United States, is catching on quickly.

Although we share the same language and similar interests as the British, the American businessperson must consider cultural differences. For example, if you write favorite instead of favourite in your sales brochure, a buyer in London may think it is a misspelling. And that is not the first impression you want to make. But even if people in the United Kingdom call car trunks boots and hoods bonnets, Americans with strong products are mastering these differences and finding many promising opportunities in this market. ■

BEST PROSPECTS

Non-Agricultural

Motor cars, motor parts and accessories, transportation equipment, computer software and services, drugs and pharmaceuticals, medical equipment, chemical industry, apparel, tourism and travel, and toiletries

Agricultural

Organic, ethnic and specialty food products; wine and beer, ice cream, prepared cereal products, processed fruit and vegetables, sauces, apples, grapefruit, seafood, and wood products.

Source: U.K. *Country Commercial Guide*.

U.K. BANK AND PUBLIC HOLIDAYS, 2003

January

1 New Year's Day

March

17 St. Patrick's Day
(Northern Ireland)

April

18 Good Friday
21 Easter Monday

May

5 Early May Bank Holiday
26 Spring Bank Holiday

July

14 Orangemen's Day
(Northern Ireland)

August

4 Summer Bank Holiday
(Scotland)
25 Summer Bank Holiday

December

25 Christmas Day
26 Boxing Day

Source: U.K. Department of Trade and Industry (www.dti.gov.uk/er/bankhol.htm).



"INSIDE INFORMATION" ON THE UNITED KINGDOM

The United Kingdom Meets E-Commerce

Some 13 million Britons have Internet access. Over 80 percent of companies in the United Kingdom have Web sites, with 35 percent of these selling merchandise on-line. The country has world-class telecommunications firms, leads the world in mobile telecommunications technology, and obviously uses English, the universal language of the Web. Surprisingly, the United Kingdom still lags behind the United States, Canada, and Australia in both business and consumer e-commerce use. Clearly, there is room for improvement.

Blair Sets New Goals

Acutely aware of the enormous challenges and opportunities of e-commerce, Prime Minister Tony Blair has identified the following ambitious goals for e-commerce: overcoming inertia among businesses not yet switched on to the Internet; making improvements in electronic service delivery and procurement; and maximizing coordination between government and industry in meeting these goals.

This initiative is intended to transform the United Kingdom into the best environment in the world for e-commerce. Given an educated population with a highly motivated work force, a strong technology base, and a business-friendly tax structure, this burgeoning market shows great promise for offshore investors. In today's England, the "e" definitely stands for e-commerce.

Business Customs

Some fundamental cultural differences between the U.S. and the U.K. remain. Variations in pace and style may be most noticeable, and sustained personal contact with potential business partners is expected. Prompt acknowledgment of correspondence, adherence to appointment schedules, and a greater formality in the conduct of business is the norm.

British executives communicate more by letter and fax than by telephone, although the Internet is widely used, and e-mail is becoming more common. The British are less likely to seek legal advice and guidance than their U.S. counterparts, although a litigious culture is developing along the lines of the U.S. model.

Handshaking is customary when introduced to someone for the first time. Normal social courtesies should be observed when visiting someone's home and a small present such as flowers or chocolates are appreciated.

In hotels, a service charge of 10 to 12 percent is usual, which may be added to the bill. Ten to 15 percent is usual for restaurants, and it too is often added to the bill, in which case a further tip is not required. Ten to 15 percent is also usual for taxi drivers and hairdressers, but this is not included in the bill.

There is no legal requirement to pay service charges that have been added to bills, and if the service has been unsatisfactory, the customer may deduct it. Travelers should remember, however, that U.K. wages for catering staff are set at deliberately low levels in the expectation that tips will make up the difference.

Business people are generally expected to dress smartly (suits are the norm).

Appointments should be made, and the exchange of business cards is customary.

Normal business office hours: 9:00/9:30 a.m. to 5:00/5:30 p.m., Monday to Friday.



WEB RESOURCES

Embassies and Consulates

www.britainusa.com

Official Web site of the British embassy and consular offices in the United States. Answers questions most frequently asked in the United States about the United Kingdom and provides up-to-date government comment on current events.



www.usembassy.org.uk

Official Web site of the U.S. embassy in London. Contains many useful links, including State Department background notes on the United Kingdom (basic statistics, U.S.-U.K. relations, U.K. government and politics), the latest *Country Commercial Guide* (which examines the country's commercial environment), the British Tourist Authority (BTA), and the Commercial Service of the U.S. Department of Commerce.

Statistics and Finance

www.statistics.gov.uk

Provides the latest official U.K. statistics, recently released publications, and press releases.



Treasury and Customs

www.hm-treasury.gov.uk

Site of the U.K. Treasury. Contains information on the United Kingdom's financial situation, including independent forecasts and general economic indicators.

www.hmce.gov.uk

U.K. Customs and Excise. Provides detailed information and advice on customs requirements and VAT matters for businesses and the general public. Also provides customer service contacts for additional inquiries.

Travel and News

<http://travel.state.gov>

Official Web site of the Bureau of Consular Affairs, U.S. Department of State. Offers a wealth of information for U.S. citizens overseas. Links include travel and living abroad, countries and regions, international affairs, history, education and culture, and business resources.

<http://news.ft.com/home/uk>

The U.K. home page of the *Financial Times*.

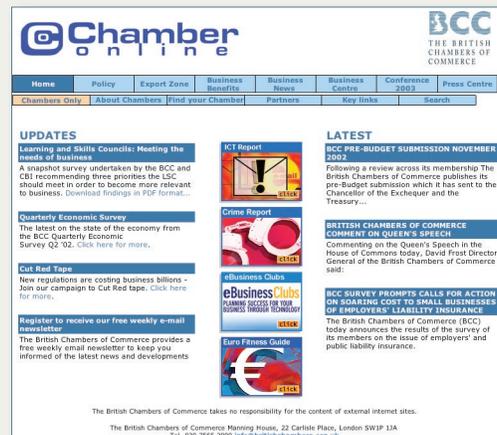
www.iht.com

Site of the *International Herald Tribune*.

Other Useful Sites

www.britishchambers.org.uk

The British Chambers of Commerce site provides information about business opportunities in the United Kingdom.



www.msi-network.com/content/doing_business_in_uk_page2.asp

Doing Business in UK -- Information for small to medium-sized business. Various topics on doing business in the U.K. are covered on this comprehensive Web site, including business culture, legal considerations, and taxation.

www.europeaninternet.com/uk

Internet news feeds about the United Kingdom.

www.itds.treas.gov/UK.html

U.S. Treasury Department's links and resources for the United Kingdom.

Japan's IT Market

The Most Important High-Tech Arena for U.S. Exporters

by James Golsen, Richard H. Paddock, and Robert Blankenbaker
Information Technology Industries, Trade Development

Despite the prolonged downturn of the Japanese economy, information technology and wireless communications continue to provide attractive market opportunities for firms interested in the world's second-largest IT market.

TELECOMMUNICATIONS

Japan's telecommunications sector, which has generally outperformed the overall economy, has experienced a remarkable period of activity and change over the past few years. Recent Japanese regulatory changes, including the introduction of domestic and international resale, Internet telephony, and cable telephony, as well as the elimination of foreign investment restrictions in facility-based carriers, have resulted in significant new opportunities.

While Nippon Telegraph and Telephone (NTT) remains dominant in services, new carriers are gaining market share. More than 300 new facility-based telecommunications service providers, generally called new common carriers, now operate in Japan in competition with NTT. The nature of telecommunications traffic in Japan is shifting from traditional wireline services toward broadband and wireless services. With the encouragement of the Japanese government, carriers are accelerating the construction of fiber

networks, and wireless operators are moving rapidly toward next generation services.

Fiber optics has received a significant boost from Japan's declared goals of rapidly expanding fiber-to-the-home service. Although ISDN has proved disappointing, the number of digital subscriber lines to homes presently exceeds 2.5 million, and it is projected to pass the 9 million mark by 2003.

Wireless is another especially vibrant industry within the telecommunications sector. Wireless subscription exceeded 70 million at the end of 2001, and the Ministry of Public Management, Home Affairs, Post, and Telecommunications predicts that, by 2005, more than 80 million Japanese, about three-fifths of the population, will subscribe to some form of mobile service. Japan's grand experiment with always-on wireless Internet access, DoCoMo's i-Mode, has been remarkably successful, and Japanese wireless operators have high hopes for recently introduced third-generation wireless services.

INTERNET ACCESS

Japan is unique in that 70 percent of Internet users can access the Web via wireless communications devices. This is expected to change as the Japanese government pushes for broadband access to 80 percent of Japanese households by 2005. Broadband access, via ADSL or cable modem, presently lags behind that of a number of other Asian countries but is now increasing

at a dramatic rate. Due to competition and deregulation, ADSL service is now as cheap as, if not cheaper than, dial-up Internet access in Japan. The numbers of subscribers to ADSL jumped from 71,000 in 2000 to 1,850,000 by the beginning of 2001. This number is expected to more than double by 2003.

In 2001, approximately 1.5 million Japan households had the option to access communication services via cable, with more than 12 million choosing to subscribe to fixed wireless access.

ON-LINE SALES

The value of business-to-consumer (B2C) goods sold on-line in Japan was estimated to be \$13 billion in 2001 and is expected to grow to \$98 billion by 2005. Most major Japanese retailers have highly developed B2C strategies. B2C e-commerce should grow in tandem with home broadband Internet access. Currently, the real estate and automobile industries account for 46 percent of the total B2C market in Japan. Other industry sectors, including travel, finance, food, gifts, and entertainment are expected to narrow the gap in the coming years.

Business-to-business (B2B) opportunities are growing quickly. Most medium-sized and large Japanese companies are currently looking at B2B trade as one way to cut costs, reduce inventories, and streamline operations. The continuing overall downturn in the Japanese economy

has provided a market opportunity for enterprise resource planning, customer relationship management, and supply chain management suppliers. The Japanese B2B market is currently valued at \$151 billion and is expected to increase to \$870 billion by 2005. The electronics and automobile industries dominate the B2B market in Japan; together they account for 90 percent of the total B2B market.

SOFTWARE

The Japanese software market is dominated by U.S. imports. Of the total imported packaged software market in Japan, 91 percent originates in the United States. Custom software in Japan accounts for 45 percent of the total software market. Japanese industry requires software producers to conform to their existing business models. As a result, custom software makes up a greater share of the market than in most other countries. Japan does not have a large domestic software industry; imports make up almost 50 percent of the total market. As Japanese companies continue to streamline their business processes and look for ways to cut costs, they are expected to continue to seek out American software providers.

E-COMMERCE

The Japanese government is actively promoting domestic IT and e-commerce. Responding to the general perception that Japan was falling behind other industrialized countries in the IT field, the Japanese government launched an IT strategy in 2001 with the goal of becoming the world's most advanced IT nation by 2005. The main elements of this plan include development of the world's most advanced Internet network, facilitation of e-commerce, digitization of government, promotion of e-education, and ensuring the highest network security and reliability in the world.

Over the last several years, the Japanese government has begun to move forward with initiatives and



reforms necessary to develop and strengthen the legal framework for e-commerce, including a revision of laws, rules, and regulations in the area of electronic signatures, privacy, intellectual property, network security, and spam control. Additionally, the private sector has been involved in developing initiatives for consumer protection and domain name registration. The U.S. government welcomes the Japanese government's efforts to improve the legal environment for electronic commerce, but it notes that Japan needs to make more progress in a number of the aforementioned areas, including privacy, intellectual property rights, and electronic signatures.

SEMICONDUCTORS

Since the early 1990s, U.S. semiconductor firms have had a major presence in the Japanese market. U.S. firms have advanced as result of cutting-edge technology, increased globalization, and government advocacy. The three U.S.-Japanese semiconductor agreements represented a major achievement for U.S. trade policy. Although forecasts are upbeat, the Japanese market is expected to grow at a rate slightly less favorable than the other semiconductor regions.

Japan is also an important market for U.S. exports of semiconductor manufacturing equipment. Historically, Japan has been the largest export market for U.S. firms. However, in 2001, Japan fell to second place behind Taiwan.

In the future, capital expenditures by Japanese semiconductor firms are forecasted to lag behind those from other regions. Japanese semiconductor firms were devastated by the collapse of prices for dynamic random access memory, as well as downturn in the IT sector. As a result Japanese semiconductor manufacturers plan to be conservative with spending.

For more information about Japan's information technology market, as well as trade specialist contacts, visit <http://exportit.ita.doc.gov>. The full text of the *ExportIT* report on Japan is available on-line there as well. ■

Ask the TIC

Doing Business in the Middle East

by Maria Mussler

Trade Information Center

The countries that make up the Middle East and North Africa have a combined population of over 321 million and form an area of tremendous strategic and economic importance to the United States. Most of these countries are WTO members or are seeking membership. Although doing business in the Middle East can present some unique challenges, many U.S. companies have found a lucrative market for their goods and services in the region. Many American products are widely used throughout the Middle East. Last year, the United States exported over \$24 billion worth of merchandise to the region. During the first eight months of this year, U.S. businesses exported goods and services valued at over \$12.1 billion to the region, with Saudi Arabia and Israel serving consistently as the largest Middle Eastern buyers of American goods. In fact, exports from the U.S. have become a part of daily life in the Middle East.

Moreover, the United States' free trade agreements (FTAs) with Israel and Jordan have further opened the way for American companies seeking to trade with Middle Eastern partners. When doing business in the Middle East, American businesses benefit greatly from basic knowledge of conditions and customs.



ARE THERE UNIQUE BUSINESS CUSTOMS?

Most of the countries are Westernized and familiar with the American system of doing business. However, a basic knowledge and understanding of general Middle Eastern customs and business practices can increase the likelihood of successful business negotiations and help avoid misunderstandings. The following is a brief list of some common customs that may make your meetings with a Middle Eastern partner more productive.

Greetings and Hospitality

Handshakes are a typical greeting in the Middle East and are not only used during the first introduction, but also may be used each time two people meet, even numerous times in a single day. For example, the common practice in Saudi Arabia is to shake hands at first meeting and again upon leaving.

Typically, people throughout the Middle East maintain closer physical proximity while talking, and conversations often involve more physical contact than is common in the United States. Backing up to increase personal space may feel natural to an American, but this will likely be seen as impolite or rude by an Arab or Israeli partner. However, when speaking with a

person of the opposite sex, a respectful distance is best. Also, avoid sitting or crossing your legs in such a way that the bottom of your foot faces anyone. This is considered rude.

Middle Eastern hosts tend to be very hospitable and regard treating guests with generosity and warmth as a point of personal honor. In Arab countries, lengthy small talk and ritualized greetings serve an important function, establishing friendly relations at the beginning of a meeting. Tea or coffee is typically offered by the host and should be accepted by the guest; to reject the offer may be seen as an affront.

When a guest in an Arab person's home, avoid giving gifts of food or drink. Though this may be common practice in the United States, in the Middle East such gifts imply that the host is inadequate. Gifts of liquor should definitely be avoided in Islamic countries, as alcohol is prohibited by the Muslim faith. In Israel, gifts of food or drink are acceptable, but one should ensure that the items are kosher, particularly in the case of Orthodox Jews.

Punctuality and Scheduling

Punctuality is not rigidly observed in many Middle Eastern countries. However, though Middle Eastern associates may be late, foreigners are expected to be punctual. Businesspeople should avoid the appearance of being in a hurry or impatient. Checking one's watch in a meeting can be deemed offensive.

Business hours differ from country to country and, in some cases, from city to city. You can find more information about business hours around the Middle East in the *Country Commercial Guide* for each country. You can access these sources of market research, prepared by U.S. Commercial Service staff abroad, at www.export.gov. Choose "Country and Industry Market Research" from the menu on the left side of the page, and follow the prompts for "Country Commercial Guide."

Language

Though English is widely spoken in the business community, and many are educated in the United States, it is wise to have business cards printed both in English and in Arabic, or in the case of Israel, in English and Hebrew.



WHERE CAN I FIND OUT ABOUT BUSINESS HOLIDAYS?

Information about business holidays can be found on the Trade Information Center site at www.export.gov/tic. Select "Country Information" and then choose "Business Holidays" from the list on the left. Business travel to Israel during the 10-day period between Rosh Hashanah and Yom Kippur is best avoided. These are the "high holidays," the most important Jewish holidays, typically falling within the month of September. Travel to Muslim countries during the holy month

of Ramadan may also pose a unique challenge. To observe this holiday, Muslims fast for a full month, refraining from eating or drinking from sunrise to sunset every day, and focusing on contemplation and worship. Office hours are typically shortened and shifted to the evening, and people may be affected by the fasting and customary late-night social gatherings.



ARE THERE SPECIAL DOCUMENTS REQUIRED TO EXPORT TO THE MIDDLE EAST?

The documentary requirements for exports to the Middle East vary by country. Arab countries require that commercial invoices be certified either by the National U.S.-Arab Chamber of Commerce (www.nusacc.org or tel: (202) 289-5920) or, in the case of the United Arab Emirates, by the Arab American Chamber of Commerce (www.arabchamber.org/uae/index.htm) and legalized by each respective country's consulate. A list of foreign embassies and consulates in the United States is available on the Trade Information Center Web site at www.export.gov/tic. Choose the link titled "Trade Offices Nationwide."

In order to take advantage of the free trade agreements with Israel and Jordan, a unique certificate of origin must be completed. For goods to meet these FTAs' standards, they must have been made entirely in the United States, and any third-country materials must have undergone a "substantial transformation" in the manufacturing process. In addition, at least 35 percent of the customs value of the product must be attributed to U.S.-origin materials. Finally, the good must be shipped directly from the United States to its partner country. The certificate of origin for Israel can be obtained from the America-Israel Chamber of Commerce (www.americaisrael.org). The chamber of commerce in the exporter's area must notarize the certificate of origin for Jordan. To learn more about these certificates of origin or about the specific documents required for each Middle Eastern country, call the Trade Information Center. Finally, some Middle Eastern countries require that documents used in international transactions be authenticated (www.state.gov/m/a/auth).



HOW CAN I MONITOR TRAVEL ADVISORIES FOR A SPECIFIC COUNTRY?

The U.S. Department of State maintains information about country conditions around the world. For information concerning travel advisories, medical facilities, traffic safety/road conditions, crime, and other related issues, as well as entry requirements and visa information, see the *Consular Information Sheet* for individual countries at www.travel.state.gov or by auto-fax at (202) 647-3000.



ARE THERE ANY SPECIAL CONSIDERATIONS FOR MARKETING PRODUCTS IN THE MIDDLE EAST?

When marketing products overseas, regardless of the location, businesses should keep their target audiences in mind and be sensitive

to local conditions. The countries of the Middle East and North Africa are not a monolith; there are, of course, significant differences between countries. Racy advertisements may be deemed offensive in Islamic countries given their more traditional standards of dress and behavior, particularly for women. Advertisements featuring alcohol or pork products are also likely to be poorly received. Use of Arabic and Hebrew script should be done carefully to avoid situations like that, which befell a company that printed an Arabic phrase on bath towels, not realizing that the phrase had religious connotations.



ARE THERE PARTICULAR SECURITY CONSIDERATIONS OR RESTRICTIONS?

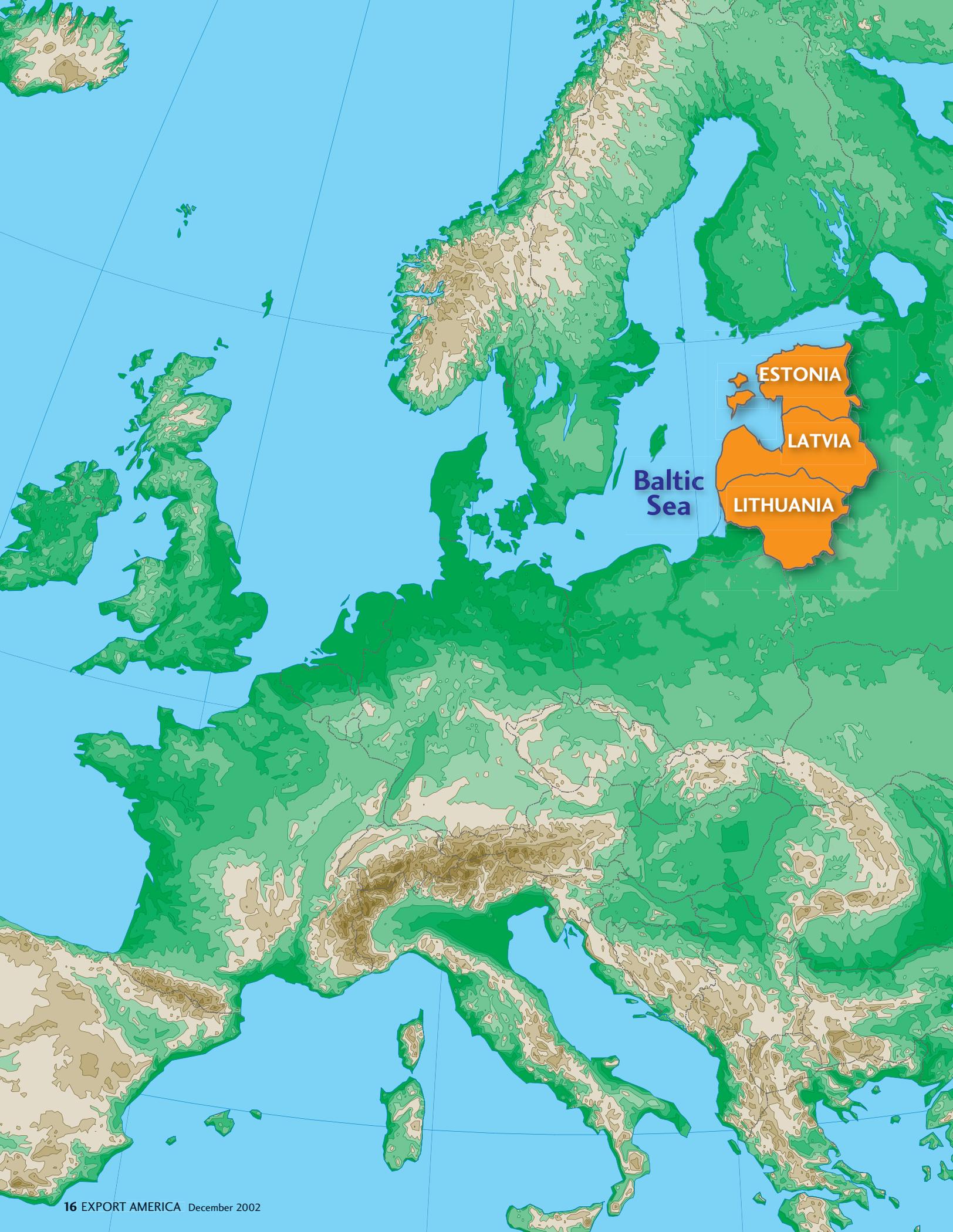
American companies are generally prohibited from trading with Iran, Libya, Sudan, and Iraq. There are limited exceptions to these sanctions, primarily involving the export of food, medicine and medical supplies, as well as trade in informational materials. The export to Iraq of some oil field equipment may qualify for a license under the terms of the U.N. Oil-For-Food Program. To learn more about U.S. sanctions, contact the U.S. Treasury Department's Office of Foreign Assets Control at (800) 540-6322 or visit www.treas.gov/ofac.

Commerce Under Secretary for Industry and Security Kenneth I. Juster recently reminded U.S. companies of the need to comply with laws and regulations prohibiting U.S. persons from taking actions in support of foreign government boycotts against Israel. Questions concerning the Commerce Department's anti-boycott regulations can be directed to its Office of Antiboycott Compliance at (202) 482-2381.

American companies are obligated to conduct due diligence to ensure that they comply with all U.S. regulations, including country embargoes, license requirements, and prohibited party bans. For more information about these lists and other export controls, see the article titled, "Export Controls," at www.export.gov/tic, under the "Answers to Your Export Questions" link.

For more information about any of the topics addressed in this article, or other export-related questions, contact the Trade Information Center. ■

The Trade Information Center (TIC) is operated by the International Trade Administration of the U.S. Department of Commerce for the 19 federal agencies comprising the Trade Promotion Coordinating Committee. These agencies are responsible for managing the U.S. government's export promotion programs and activities. You, too, can "Ask the TIC" by calling (800) USA-TRAD(E) toll free, Monday through Friday, 8:30-5:30 EST. Or visit the TIC's Web site at www.export.gov/tic.



ESTONIA

LATVIA

LITHUANIA

Baltic
Sea

The Baltic States

A Sea of Opportunity

by Andrea Lupo

Central and Eastern Europe Business Information Center (CEEBC)

The Baltic Sea region is one of the fastest-growing commercial areas in Europe. Trade in the Baltic region, which encompasses Scandinavia, Germany, Poland, Estonia, Latvia, Lithuania, and northwest Russia, increased 30 percent annually between 1993 and 1998. The region as a whole has a population of approximately 100 million people, which represents a sizable market with access to the larger markets of Western Europe and the former Soviet Union. As trade between the West and the East expands, the Baltic Sea region will continue to play a pivotal role in the global market, and it will also be an increasing target for U.S. exports.

In the heart of the Baltic Sea region, nestled between Finland and northwest Russia, lie the Baltic states of Estonia, Latvia, and Lithuania. Although these three countries represent a small portion of the Baltic Sea region (roughly 7.5 million people and a total territory of 175,015 square kilometers), they have shown promise in overcoming the obstacles left behind by the defunct Soviet economy. Upon gaining their independence from the Soviet Union in 1991, the three Baltic

nations have made vigorous strides to privatize industries as well as to establish legal systems conducive to trade and protective of investments. As a result of these efforts, all three of the Baltic states have been included in the group of 10 countries scheduled to join the European Union in 2004.

In light of the encouraging economic developments in the Baltics, the U.S. Commerce Department's under secretary of commerce for international trade, Grant Aldonas, accompanied by Henry Levine, deputy assistant secretary of commerce for Europe, traveled to Lithuania in October 2002, to meet with Lithuanian government officials and business community representatives to explore commercial opportunities for U.S. firms and discuss mechanisms to encourage trade. As a follow-up to the under secretary's visit, Linda Conlin, assistant secretary of commerce for trade development, will also travel to Lithuania in December 2002, to meet with various government ministries to determine industry sectors and projects of possible interest to U.S. businesses.

Each of the Baltic states shares a similar past and has similar domestic and

foreign policy goals, including joining the European Union and developing commerce. However, these countries have different commercial policies and different economic strengths. The key to the region is identifying these strengths and navigating the sea of opportunities.

CEEBC trade specialists Reene Sepp, Jonas Vasilevicius, and Aldis Celms contributed to this article. Main sources: *Country Commercial Guide: Estonia*; *Country Commercial Guide: Latvia*; *Country Commercial Guide: Lithuania* (all three published by the U.S. Commercial Service and U.S. Department of State, 2002); *The World Factbook* (CIA, 2002); Estonian Investment Agency; Bank of Estonia; Statistical Office of Estonia; *Direction of Trade Statistics Yearbook* (IMF, 2000); *World Trade Atlas* (Global Trade Information Services, Inc., 2002); Lithuanian Department of Statistics; Klaipeda State Seaport; Lithuanian Development Agency; Latvian Development Agency; and the Central Statistical Bureau of Latvia.



Estonia



Estonia is the northernmost of the three Baltic states and is bordered by the Baltic Sea, the Gulf of Finland, Latvia, and Russia. Since regaining its independence in 1991, Estonia has become one of Europe's most progressive and open economies. This country of 1.4 million people within the last 11 years has created a sound legal structure and favorable environ-

foreign-trade regimes in Europe. Most imports enter duty-free, with the exception of agricultural goods. Non-agricultural goods are only subject to a \$20 customs-handling fee.

In 2001, U.S. exports to Estonia totaled \$121 million, which accounted for only 2 percent of Estonia's total imports and consisted mainly of electrical machinery, boilers, transmission/recording apparatuses for radio and television, and medical and surgical

The current level of investment can be attributed to the government of Estonia's highly favorable attitude toward FDI. In 1991, Estonia adopted its current law on foreign investment. The intent of this law is to affirm the liberal treatment of foreign investments in Estonia and to provide potential investors with detailed information on investing in Estonia. The government has sought to maintain liberal policies and establish free trade agreements in order to attract investments that

Estonia adopted new tariff rates for certain agricultural goods in January 2000 in accordance with EU rules and regulations. When Estonia joins the European Union it will adopt common external tariff rates, and the tariff rates for non-agricultural goods will rise to match those of other EU member states.

ment to attract foreign investment, become a leader throughout Europe in IT innovation and penetration, and placed itself at the forefront of EU enlargement in 2004. By no means are these small feats, and Estonia's progress is illustrated by its economic growth. Over the last five years, the Estonian economy has steadily grown. Despite the global economic slowdown in 2001, Estonia's GDP grew by a total of 5.4 percent. In the second quarter of 2002, GDP growth jumped 6.5 percent, which was well above projections. Although the global economic slowdown is expected to continue, the medium- and long-term outlook for Estonia remains promising.

The key to Estonia's success, thus far, has been its approach of providing an atmosphere conducive to trade. Estonia has one of the most liberal

instruments. This is a modest figure, but it is likely to increase in the coming years. Nevertheless, U.S. companies face fierce competition from neighboring countries. Most of the Scandinavian countries, along with Germany and the other two Baltic states, are major suppliers of imports to Estonia. Estonia has globally integrated its market and oriented itself towards the West. This orientation has generated significant import and export activity as well as a great deal of foreign investment.

Foreign direct investment (FDI) has played a considerable role in Estonia's development. In 2000, FDI in Estonia totaled \$2.84 billion, the majority of which came from Sweden and Finland. The United States is the fourth-largest investor in Estonia, contributing close to \$120 million in annually.

could produce exports directed to the European Union, Central and Eastern Europe, and countries of the former Soviet Union. Estonia offers a number of advantages to investors, including its strategic location and relatively low corporate taxes.

U.S. TRADE AND INVESTMENT

Trade between the United States and Estonia has slowly grown over the last decade, but there is room for improvement. There are many ways for U.S. companies to benefit from doing business in the Baltic states, and there are several sectors in the Estonian economy that hold opportunities for U.S. exports and investment. These sectors include telecommunications/IT, maritime transportation services and port management, and mechanical engineering and metalworking.

Telecommunications is one of the fastest-growing markets in Estonia. The telecommunications and postal services sector is virtually open. The state sold its shares in Eesti Telecom via an open tender to a consortium of Swedish and Finnish firms in January 1999. The results of these investments can be seen today as Estonia tops

the Baltic Sea. Its three major cargo ports—the Port of Tallinn, the Port of Pärnu, and the Port of Kunda—offer easy navigational access, deep waters, and good ice conditions. Estonian ports provide excellent opportunities for value-added logistics services and can serve as distribution centers for the Baltic Sea region.

A new Estonian income tax law took effect on January 1, 2000. The law states that Estonia has a “nil” rate of corporate income tax. However, a 26-percent tax applies to dividends, distributions or deemed distributions.

the list of Internet users, and has the highest ratio of computers per inhabitants in Central and Eastern Europe. Connection rates to the Internet are even higher than those in some countries in Western Europe.

Estonia has become an international transit center. Its location is ideal for the creation of efficient transportation links and distribution chains for goods and services for European and other international companies. The Estonian transportation and logistics sector consists of a combination of transportation services, transit trade, distribution centers, and value-added logistics. The majority of transportation income comes from international transit and port services. Estonia has captured an increasing share of the rapidly growing trade through

Mechanical engineering, metalworking, and related equipment are leading branches of the Estonian economy. Following the privatization of state-owned firms, the majority of engineering enterprises successfully reoriented their exports from the former Soviet Union markets to European markets. The main subsectors of Estonia's engineering industry are machinery and industrial equipment; shipbuilding and repair; production of tools, dyes, and molds; production of agricultural, forestry, and road-building machines; car components and metal goods. The overall engineering sector has the largest export volume in Estonia; it accounts for 30 percent of the country's total exports. ■

ESTONIA: FACTS AND FIGURES

Total area: 45,226 square km (a little smaller than Vermont and New Hampshire combined)

Population: 1.4 million

Real GDP growth: 5% (2003 forecast)

Inflation: 3% (2003 forecast)

GDP by sector: services 66%, industry 28%, agriculture 6%

Main industries: engineering, electronics, textiles, IT, wood and wood products, telecommunications, services, transit

Currency: kroon

Exports: machinery and equipment, wood products, textiles, food products, metals, chemical products

Imports: machinery and equipment, chemical products, textiles, foodstuffs, metals

Main languages: Estonian (official language and first language of 65% of the populace), Russian (first language of 28% of the populace), Ukrainian, Finnish.

Sources: CIA, EIU, IMF.

REGIONAL AND NATIONAL INFORMATION

Central and Eastern Europe Business Information Center (CEEBC)

International Trade Administration
U.S. Department of Commerce
www.export.gov/ceebic

U.S. Commercial Service

International Trade Administration
U.S. Department of Commerce
www.buyusa.gov/baltics/en

ESTONIA

American Chamber of Commerce in Estonia
www.acce.ee

Estonian Investment Agency

www.eia.ee

U.S. Embassy in Estonia

www.usemb.ee

LATVIA

American Chamber of Commerce in Latvia
www.amcham.lv

Latvian Development Agency

www.lda.gov.lv/eng

U.S. Embassy in Latvia

www.usembassy.lv

LITHUANIA

American Chamber of Commerce in Lithuania
www.acc.lt

Lithuanian Development Agency

www.lda.lt

U.S. Embassy in Lithuania

www.usembassy.lt

RUSSIA

U.S. Consulate in St. Petersburg

<http://usembassy.state.gov/stpetersburg>



LITHUANIA



With a territory roughly the size of West Virginia and a population of 3.6 million, Lithuania is the largest of the three Baltic states. Lithuania shares borders with Latvia, Poland, Belarus, and the Russian region of Kaliningrad. Upon

percent, and the growth projections for the coming year are strong. The industry sector experienced a 17-percent growth spurt in 2001. Despite the global economic slowdown, retail sales increased 14 percent in the first seven months of 2002.

SUCCESSFUL POLICY

In 1992, Lithuania adopted a strict fiscal plan, with the help of the IMF

exports of \$4.8 billion and imports of \$5.7 billion.

One also must not discount the role that FDI has played in Lithuania's success. Overall FDI in 2000 amounted to almost \$300 million, and within the first nine months of 2001 FDI approached \$450 million. Without the inflow of foreign capital, major infrastructure improvements would

Last year, Lithuania's exports increased by 20 percent and imports by 15 percent in comparison with 2000. Lithuania's primary export destinations are Latvia, Germany, Russia, and the United Kingdom. Its major import suppliers are Russia, Germany, Poland, and Italy.

regaining its independence, Lithuania, like the other two Baltic nations, faced the daunting task of transforming its economy. Combined with some genuine political resiliency and some assistance from international organizations like the International Monetary Fund, Lithuania successfully put itself on track with the rest of the Baltic region and is forging ahead with a strong economic agenda.

Today, Lithuania's economy is one of the fastest-growing economies in Central and Eastern Europe. In the first half of 2002, GDP grew 5.7

and other international institutions, to lower the budget deficit, restrain inflation, reduce price controls, and privatize the economy. The local currency (the litas, which is pegged to the euro) has maintained a stable rate against the U.S. dollar and other major currencies since 1994. The government's privatization efforts are essentially complete, and more than 80 percent of the economy is privately owned. The banking sector has been completely privatized, with 90 percent owned by major Western banks. In light of these accomplishments, trade for Lithuania in 2001 exceeded \$10 billion, with

not have been possible. As the country moves toward full integration into the European Union and adopts the *acquis communautaire*, the common body of EU law, FDI will continue to play a crucial role in major infrastructure projects in the environmental and transportation sectors.

PROMISING SECTORS

Lithuania has several areas in which it has a natural competitive advantage, and the country wishes to capitalize on those strengths by increasing activity and attracting investors in these areas. The most attractive sectors for

U.S. companies are IT/computer hardware and software development, pollution control equipment/environmental services, and maritime transportation. The IT sector in Lithuania is growing at an annual rate of 30 percent and has a total value of approximately \$2 billion.

By implementing programs for e-government, a knowledge-based economy, and a knowledge-based society, the Lithuanian government has clearly made IT development a priority. In fact, Lithuania was the first of the Baltic states to adopt a law on electronic signatures. The IT sector employs 10,000 qualified specialists in Lithuania, and the government plans to implement programs aimed at increasing that number.

The environmental sector is an area of growing concern in Lithuania. Having signed an association agreement with the European Union in 1996, Lithuania must now pass legislation conforming to EU environmental laws. Some estimates call for spending \$50 million annually in order to meet EU requirements by 2015. The bulk of these funds would be used to improve wastewater treatment, sewage networks, and waste management. With new legislation and regulations, opportunities will abound in fields ranging from protection and prevention, to remediation, monitoring, and waste disposal.

LITHUANIA: FACTS AND FIGURES

Total area: 65,200 square km (slightly larger than West Virginia)

Population: 3.6 million

Real GDP growth: 4.8% (2003 forecast)

Inflation: 2.5% (2003 forecast)

GDP by sector: services 59%, industry 32%, agriculture 9%

Main industries: machine tools, electric motors, television sets, refrigerators and freezers, petroleum refining, shipbuilding, furniture, textiles, food processing, fertilizers, agricultural machinery, optical equipment, electronic

As mentioned above, maritime transportation and port development are key points of development for each of the Baltic states. The Port of Klaipeda is one of its jewels on the Baltic Sea. The Lithuanian port, located approximately 315 kilometers from Vilnius and 1,150 kilometers from Moscow, handled approximately 17,236 metric tons of cargo and 101,000 passengers in 2001. With more than 200 private port and shipping companies operating in Klaipeda's state seaport, the Lithuanian government seeks to increase its capacity and entice more exporters and investors to use Klaipeda as a point of entry for their goods into the European Union and northwest Russia. As the port expands its capabilities, increased opportunities exist in the transport and logistics sector here. ■

components, computers, amber

Currency: litas

Exports: mineral products, textiles and clothing, machinery and equipment, chemicals, wood and wood products, foodstuffs

Imports: mineral products, machinery and equipment, chemicals, textiles and clothing, transportation equipment

Main languages: Lithuanian (official; first language of 82% of the populace), Russian, Polish.

Sources: CIA, EIU, IMF.

THE KALININGRAD QUESTION

EU enlargement poses several challenges in the Baltic region, particularly for Lithuania and Poland, which are preparing to join the European Union in 2004. The Russian region of Kaliningrad, cut off from the rest of Russia, has been in recent months a controversial issue between Russia and the European Union, because Poland and Lithuania would upon EU accession adopt common EU border regimes. Russia has protested vigorously the idea that some 1 million Kaliningrad residents might be required, after this EU enlargement, to obtain visas for travel between the Russian enclave and its neighbors. Presently, Kaliningrad residents can travel through Poland and Lithuania, without visas or passports, to go to or from the rest of Russia. Russia and the European Union brokered a deal in mid-November that should allow Russians to travel to and from the enclave with special multiple-entry travel documents, the costs of which would be incurred by the European Union. The details of this arrangement will unfold next year, along with further discussions on the possibility of a non-stop rail link from Kaliningrad, through Lithuania, to the rest of Russia.



Latvia



Latvia, located between Estonia and Lithuania, and sharing borders with Belarus and Russia, is also thriving in its new democratic era. The country is as integrated economically as it is geographically in the Baltic region, with about half of Latvia's overall trade taking place within the region. A visible trend in Latvian trade over the last decade is its reorientation toward the West. Specifically, trade with the European Union has increased 18.2 percent over the last five years. Also within the last five years, the Latvian economy has grown more than 25 percent, with average GDP growth of 4.7 percent. The economy slowed at the end of 1998 and the beginning of 1999 due to the impact of the Russian financial crisis on the Latvian economy, leading to a brief decline of GDP growth to 1.1 percent in 1999. However, the economy recovered quickly in 2000, and despite global economic instability, Latvia achieved 6.6 percent GDP growth in 2000. Latvia finished the first quarter of 2001 with even more impressive growth of 8.2 percent. Latvian GDP totaled \$7.15 billion at the end of 2000, while per capita GDP reached \$3,013.

Similar to Estonia and Lithuania, the Latvian government attributes its success to conservative macro-economic policies, strict monetary discipline, and the most liberal currency exchange regime of the Baltic states. These aspects, combined with the administration of laws establishing copyrights, patents, and trademarks, create a friendly and supportive environment for trade and foreign investment. Overall foreign trade in 2000

totaled 5.49 billion euros, with imports increasing to 3.5 billion euros and exports reaching to 2.02 billion euros. The same trend in FDI inflows can be witnessed in Latvia as in Estonia and Lithuania. Total FDI in 2000 grew to 1.5 billion euros. As Latvia continues preparations to join the European Union, the Latvian government expects these figures to increase as more and more foreign companies look toward the Baltic states as crossroads into the European Union, Scandinavia, and northwest Russia.

AREAS OF INTEREST FOR U.S. COMPANIES

One important fact to remember when pursuing business interests in the Baltic states is that all three countries promote themselves as part of a larger package in the Baltic Sea region. Individually, each country wants to improve its commercial activity within its own borders. Latvia is no exception and has focused on a few sectors that hold specific opportunities for U.S. companies. They are IT/telecommunications, forestry/woodworking equipment, pollution control equipment, and maritime/port development.

According to the Latvian Development Agency, Latvia has fully entered the information age, with annual revenues in the software industry of approximately \$28 million and an annual growth rate of 150 percent. More than half of the Latvian IT market consists of computer hardware, and the computer literacy rate for ages 15 to 30 exceeds 90 percent. The Latvian government has placed the highest priority on IT development and would like Latvia to serve as an IT hub for the Baltic region. As for telecommunications, Latvia has one of the highest mobile-phone penetration rates in Central and Eastern Europe, and mobile telephony is one of the fastest-growing subsectors of the telecommunications industry.

Forestry has a long tradition in Latvia. Some 45 percent of the land area is classified as forest, of which approximately 7 million acres are available for commercial forest operations. The approximate annual timber harvest is 8.3 million cubic meters. Wood and wood products count for 45 percent of Latvia's total exports. The local sawmill industry has potential for expansion, but the existing mills need

LATVIA: FACTS AND FIGURES

Total area: 64,589 square km (a little bigger than West Virginia)

Population: 2.4 million

Real GDP growth: 6% (2003 forecast)

Inflation: 3% (2003 forecast)

GDP by sector: services 71%, industry 24%, agriculture 5%

Main industries: buses, vans, street and railroad cars, agricultural machinery, synthetic fibers, fertilizers, washing machines, radios, electronics, pharmaceuticals, processed

foods, textiles

Currency: lat

Exports: wood and wood products, machinery and equipment, metals, textiles, foodstuffs

Imports: machinery and equipment, chemicals, fuels, vehicles

Main languages: Latvian (official; first language spoken by 57% of the population), Russian (main language of communication for 40% of the population), Lithuanian.

Sources: CIA, EIU, IMF.

technology and machinery upgrades, as well as new managerial and marketing know-how. The best prospects for U.S. exports are sawmill equipment, woodworking and furniture-making machinery, plant technologies and training, and pulp and paper mills (new and used).

The Soviet era left behind large, heavily polluted industrial areas, crumbling infrastructure, and abandoned military bases. Latvia is eager to invest funds and resources in environmental protection in order to meet EU and other international standards. Both the Latvian Ministry of Environmental Protection and municipal governments have implemented several environmental projects, ranging from wastewater treatment to landfills. Existing opportunities for U.S. exports in the environmental sector are consulting services, wastewater treatment technology, ozone-friendly industrial technologies, pollution control equipment for oil and transportation industries, and water supply and sewerage development.

The maritime transportation and logistics sector plays a pivotal role in the economy of Latvia. Latvia has three of the largest ice-free ports among the Baltic states. Although each port varies in specialty and capacity, Latvia is working diligently to expand its liquid and dry-bulk facilities in Ventspils and Liepaja. Currently, feasibility studies are being reviewed and plans for future development are pending.

Latvia, Estonia, and Lithuania offer several trade and investment opportunities for U.S. companies. These markets are quite small and their conditions at times vary, but they all share strong economic conditions, political stability, and a commitment to regional and global trade liberalization and commercial integration. The fast economic growth and remarkable transformation over the last decade of the Baltic states underscore the importance of the region as an East-West crossroads. ■

OPPORTUNITIES AT THE BALTIC-SCANDINAVIAN CROSSROADS

by William Corley

Export America

The environmental sector encompasses high-tech activity and broad societal interest in Finland. Finnish consumers, businesspeople, and government officials are highly aware of environmental protection. Finnish legislation requires the best available technology for environmental applications. This requirement appears in laws concerning water resources, waste management, air pollution control, and sea protection.

Woodland

Finland's environmental outlook relates to the beauty and utility of its forests. Forestry, including paper, pulp, and wood products, is a major contributor to the Finnish economy. Forests cover more than 70 percent of Finland, and one out of every five Finns earns his or her living directly or indirectly from trees. The wood and paper industry accounts for a quarter of Finland's export earnings. Finnish manufacturers dominate the paper and paperboard market in Western Europe.

Finland's wood and paper industry is the primary end user of air- and water-pollution control equipment. The industry is highly efficient and environmentally sensitive. It has allocated some 90 million euros annually, or up to 10 percent of its total domestic investment, into environmental protection in recent years.

Demand for pollution control equipment is rising in part due to concern over ecological degradation in northwestern Russia and the Baltic countries. Through technology transfer, Finland has helped its eastern neighbors to tackle some of their environmental challenges. In recent years, Finland has concentrated primarily on cooperation with and investment in St. Petersburg and its environs, given the pressing need to improve wastewater treatment and reduce harmful discharge into the Baltic Sea.

Techland

The Finnish government encourages both the use and development of environmentally friendly products. It grants subsidies and tax breaks to companies that buy or export Finnish pollution control equipment. The government has also funded technology facilities, which have established R&D departments for pollution control technology. Meanwhile, Wood Wisdom, a 1998–2001 public-private project, brought together hundreds of scientists and experts from research organizations, forestry companies, academic institutions, and environmental groups. Such initiatives spur local competition and innovation in environmentally sound practices. They have produced advances in wood processing, biomass energy, and satellite tracking of forest resources, among others.

Top Prospects

The best sales prospects for U.S. companies are within recycling of solid waste (from both households and industry). Additional prospects include the potential to supply equipment such as monitoring and measurement instruments for air pollution, as well as technology to reduce sulfur dioxide and nitrogen oxide emissions. Finland is also a critical gateway to the Baltic nations and northwestern Russia, where further significant environmental projects will arise. For more information about Finland as well as exporting environmental technologies worldwide, see the November 2002 issue of *Export America*.

Sources: U.S. Commercial Service, Helsinki; Finnish Ministry of the Environment; Finnfacts; Virtual Finland.

Upcoming Trade Events

January–August 2003

DATES	EVENT	LOCATION
January 9–12	Reisleiv 2003 The annual Reiseliv event is Norway's only national travel and tourism show. The show is one of the premier travel shows in northern Europe. The 2002 show, despite the aftermath of September 11, attracted nearly 40,000 visitors, including almost 13,000 industry professionals.	Oslo, Norway
January 16–19	Matka Travel Fair 2003 The International Matka Travel Fair takes place annually and is the largest travel fair in Scandinavia by number of visitors. More than 74,500 travel trade professionals and consumers visited the last fair. The U.S. Commercial Service in Helsinki has traditionally organized a U.S. pavilion to promote travel to the USA.	Helsinki, Finland
February 18–21	Expo Comm Mexico 2003 Expo Comm Mexico is the largest telecommunications show in Mexico. Participating U.S. firms have an option to exhibit in the USA pavilion. The Commercial Service in Mexico will provide U.S. exhibitors with a commercial briefing and individual counseling.	Mexico City, Mexico
February 23–27	SIMA 2003 SIMA is the largest agricultural trade show in the world; it is held in Paris every odd year. It features agricultural equipment, supplies, and services to the largest gathering of European farmers, importers, dealers, and agricultural decision makers.	Paris, France
February 26– March 2	Aqua Expo 2003 The U.S. Commercial Service (CS) in France is pleased to invite U.S. firms to participate in the first CS-sponsored U.S. pavilion at Aqua-Expo 2003, France's premier water resources and treatment trade show.	Paris, France
March 5–8	Tau Expo 2003 Tau Expo is the most important trade show of this sector in Italy and in the Mediterranean area, and it is also one of the foremost environmental shows in the world. The show attracted some 25,000 attendees in 1999. Exhibits include fields such as water treatment and purification, waste disposal, secondary material recycling, air purification, land reclamation, biotechnology, energy reuse, and renewable sources of energy.	Milan, Italy
March 17–21	Health Care Technologies Matchmaker This is an excellent networking opportunity for health care and medical companies. There will be a special focus on the tele-health sector, which is experiencing strong growth in these markets.	Copenhagen, Denmark; Stockholm, Sweden; Oslo, Norway
March 17–21	Automotive Parts and Services Matchmaker This event offers one-on-one, pre-screened appointments at each stop. Briefings, logistical support, and hospitality events will be provided in each market.	Budapest, Hungary; Warsaw, Poland; Bratislava, Slovakia
March 23–25	Expozoo 2003 This is the top show in Europe's largest market for pet products; France has more pets per capita than any other European country. The last show featured over 250 exhibitors representing more than 750 brands. The show confirmed its international reputation by attracting more than 16,000 pet trade professionals.	Paris, France
March 23– April 3	Medical Device Trade Mission This mission will focus on the medical/dental device and clinical laboratory equipment sectors. A limited number of firms from health care services as well as pharmaceutical and biotechnology industries also could participate. Companies are encouraged to participate in all four countries, but participants have the option of selecting stops from the itinerary.	Vietnam, Thailand, Malaysia, Singapore
March 26–30	Automotor 2003 Automotor 2003 is the 22nd international exhibition of components, spare parts, and accessories for motor vehicles. Automotor is the main event in this sector in Italy.	Turin, Italy
April 4	NAB 2003 NAB is the world's leading conference and exhibition for electronic media communications. This will be an excellent opportunity for U.S. suppliers to interact with foreign buyers.	Las Vegas, Nevada

INDUSTRY**CONTACT INFORMATION**

Travel/Tourism Services	James Koloditch Tel: +47-21-30-87-60 E-mail: James.Koloditch@mail.doc.gov
Travel/Tourism Services	Merja Poikolainen Tel: +358-9-171-931 E-mail: Merja.Poikolainen@mail.doc.gov
Telecommunications Equipment/Services	Bryan Larson Tel: +52-55-5140-2612 E-mail: Bryan.Larson@mail.doc.gov
Agricultural Chemicals, Services, and Machinery	Elizabeth Ausberry Tel: (202) 482-4908 E-mail: Elizabeth.Ausberry@mail.doc.gov
Travel/Tourism Services, Water Resources	Everett Wakai Tel: +33-0-1-43-12-20-45 E-mail: Everett.Wakai@mail.doc.gov
Pollution Control Eq., Water Resources Eq.	Nicoletta Postiglione Tel: +39-02-659-2260 E-mail: Nicoletta.Postiglione@mail.doc.gov
Health Care Services and Medical Equipment	Bill Kutson Tel: (202) 482-2839 E-mail: William.Kutson@mail.doc.gov
Automotive Parts and Service Equipment	Monica McFarlane Tel: (202) 482-3364 E-mail: Monica.McFarlane@mail.doc.gov
Pet Food and Supplies	Edward Kimmel Tel: (202) 482-3640 E-mail: Edward_Kimmel@ita.doc.gov
Biotechnology, Laboratory Scientific Instruments, Dental Eq., Pharmaceuticals	Lisa Huot Tel: (202) 482-2796 E-mail: Lisa_Huot@ita.doc.gov
Automotive Parts and Service Equipment	Michael Thompson Tel: (202) 482-0671 E-mail: Michael_Thompson@ita.doc.gov
Films, Videos, Telecomm. Eq./Services	Miguel Olivares Tel: (202) 482-4918 E-mail: Miguel.Olivares@mail.doc.gov

HIGHLIGHTED EVENTS**ANTWERP TRAVEL FAIR**

JANUARY 25–FEBRUARY 3, 2003
ANTWERP, BELGIUM

The annual Travel Fair in Antwerp is a major public fair in Belgium for the travel and tourism industry. The 2002 Antwerp Travel Fair attracted more than 150,000 consumers. Although this show covers mainly the northern part of Belgium, it is highly recommended by Belgian travel and tourism industry specialists. The Visit USA Committee, in cooperation with the U.S. Commercial Service, will be present with supplier stands and brochure distribution.

Contact:
Brigitte de Stexhe
Tel: +32-2-508-2454
E-mail: Brigitte.de.Stexhe@mail.doc.gov

AUSTRALIAN INTERNATIONAL AIR SHOW

FEBRUARY 11–16, 2003
AVALON AIRPORT, AUSTRALIA

The Australian International Air Show, a biennial event, will be held in February 2003 at Avalon Airport, between Melbourne and Geelong, Victoria. It will be one of the world's most comprehensive air shows. It will also be a major showcase for marketing aerospace, defense technology, commercial aviation, airport equipment, and general aviation services and products to Australia and the Asia-Pacific region. With an extensive presentation of displays and exhibitions, a broad program of conferences, and a wealth of new marketing opportunities, the Australian International Air Show 2003 will provide an impressive arena for the world's aerospace and aviation industries. The show is a natural place to stage an Aerospace Executive Service program.

Contact:
Diane Mooney
Tel: (206) 553-7261
E-mail: DMooney@mail.doc.gov

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

DATES	EVENT	LOCATION
April 9–12	Bologna Children's Book Fair The Bologna Children's Book Fair is the largest such event in the world. It features both books and multimedia materials. There have been two U.S. pavilions for years—one in the book section of the fair and one in the multimedia section. The U.S. Book Display, organized by the U.S. Commerce Department's Office of Consumer Goods, is designed to provide small publishers who do not wish to attend in person an opportunity to exhibit their products.	Bologna, Italy
April 29–May 1	AIEE 2003 AIEE (Australia's International Engineering Exhibition) is the largest trade show of its kind in Australia for the manufacturing and engineering sector. The U.S. Department of Commerce is organizing a product literature center at this major event. The product literature center provides a cost-effective method for U.S. companies to explore the Australian market.	Melbourne, Australia
May 15–18	Cebit Australia Cebit Australia is one of Australia's premier trade events in the IT and telecommunications sector. It is a trade-only show and attracts good levels of attendees. In 2002, there were a number of international pavilions, including those representing the USA, Canada, China, and Germany. The post will be recruiting a product literature center (PLC) for inclusion in the U.S. pavilion at the show. The U.S. Commercial Service in Australia will represent U.S. companies at this PLC, and promote them to Australian importers and distributors in the sector.	Sydney, Australia
May 19–23	Electronic Americas Electronic Americas is the largest event of its kind in South America for electronic components, assembly, and production. Electronic components is the best prospect for U.S. exports to Brazil. Participation in an event of this magnitude is an ideal venue for small and medium-sized U.S. companies to gain exposure or to expand their presence not only in the Brazilian market but also in the surrounding region.	São Paulo, Brazil
June 1–6	Automotive Parts and Service Equipment Trade Mission Costa Rica and Panama both rank the automotive parts and service equipment sector as the fourth-best prospect for U.S. exports. Guatemala ranks this sector as the number one prospect for U.S. exports. The mission will include stops in San Jose, Panama City, and Guatemala City.	Panama City, Panama; San Jose, Costa Rica; Guatemala City, Guatemala
June 13–16	Exhibition on Environmental Technologies (ENVEX) 2003 Established in 1979, ENVEX is the premier environmental exhibition in South Korea. As the South Korean government has placed more emphasis on the environment, Korean companies are looking for the latest environmental technologies. ENVEX will display products from all environmental sectors.	Seoul, South Korea
June 18–20	ISA Control Mexico 2003 The American Products Literature Center (APLC) at ISA Control Mexico 2003 offers small and medium-sized firms an opportunity to have their literature showcased at Mexico's largest trade show for process control and industrial instrumentation. The APLC is a cost-effective way to find agents and distributors in Mexico. Mexico is one of the largest importers of U.S. industrial instruments. The United States accounts for 85 percent of Mexico's imports of process controls and instrumentation.	Mexico City, Mexico
June 19–20	APA Australian Book Fair The fair is Australia's premier book industry event, attracting some 12,000 attendees from throughout the Asia-Pacific region.	Sydney, Australia
August 12–14	Security 2003 Security 2003 is the 17th Annual Conference and Exhibition of the Australian Security Industry Association. This important event attracts more than 4,000 visitors, including the Australian security industry's key decision makers, suppliers, and customers.	Sydney, Australia

INDUSTRY**CONTACT INFORMATION**

Books and Periodicals Edward Kimmel
Tel: (202) 482-3640
E-mail: Edward_Kimmel@ita.doc.gov

Machine Tools,
Robotics Richard Reise
Tel: (202) 482-0552
E-mail: Richard_Reise@ita.doc.gov

Consumer
Electronics,
Computer and
Telecom Eq. Phil Keeling
Tel: +61-2-9373-9209
E-mail: Phil.Keeling@mail.doc.gov

Electronic Products
& Components Marlene Ruffin
Tel: (202) 482-0570
E-mail: Marlene_Ruffin@ita.doc.gov

Automotive Parts and
Service Equipment Ruth Mayo
Tel: (248) 975-9600
E-mail: Ruth.Mayo@mail.doc.gov

Building Products,
Biotech, Pollution
Control Eq.,
Renewable Energy Greg O'Connor
Tel: +82-2-397-4130
E-mail: Greg.O'Connor@mail.doc.gov

Laboratory
Instruments, Process
Controls Steven Harper
Tel: (202) 482-2991
E-mail: Steven_Harper@ita.doc.gov

Books and Periodicals Annette Ahern
Tel: +61-3-9526-5945
E-mail: Annette.Ahern@mail.doc.gov

Security/Safety Eq. Phil Keeling
Tel: +61-2-9373-9209
E-mail: Phil.Keeling@mail.doc.gov

U.S. MICROELECTRONICS TRADE MISSION**MARCH 10-14, 2003****SHANGHAI, CHINA**

The U.S. Commerce Department's Office of Microelectronics, Medical Equipment, and Instrumentation, in conjunction with the Electronics Representatives Association, is organizing a trade mission to China for the microelectronics industry. The mission will center on the Shanghai exhibition, electronicChina 2003, in conjunction with SEMICON China.

Participating firms will have pre-arranged, one-on-one meetings scheduled for them by the U.S. Commercial Service in Shanghai. Firms will also have the opportunity to make additional business contacts at the exhibition.

Targeted trade mission participants include U.S. firms specializing in microelectronics design, manufacturing, and distribution—including semiconductor devices, IC design services, semiconductor manufacturing equipment, clean-room equipment, and electronics packaging.

Contact:
Marlene Ruffin
Tel: (202) 482-0570
E-mail: Marlene_Ruffin@ita.doc.gov

DIY & HOME IMPROVEMENT**MAY 20-22, 2003****TEL AVIV, ISRAEL**

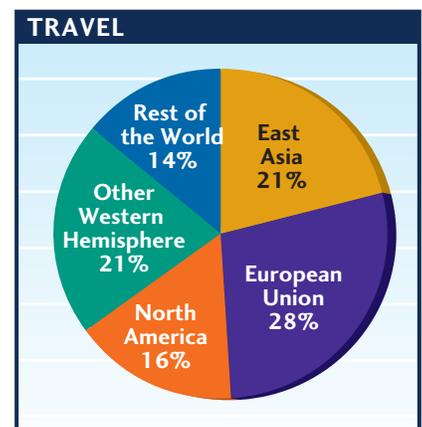
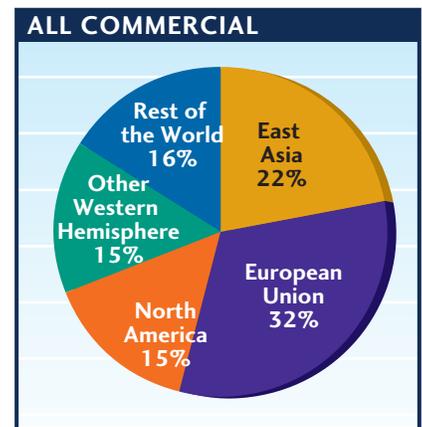
The U.S. Commercial Service in Israel is organizing a product literature center (catalog show) at the Do-It-Yourself & Home Improvement Exhibition. This is a low-cost but very effective way to evaluate market potential, gain exposure, and explore business opportunities in Israel without personally traveling. Commercial specialists will promote participation in the event to local buyers and potential business partners, invite them to our booth to view product literature, collect and qualify trade leads, and send them directly to participants. The 2003 Do-It-Yourself & Home Improvement Exhibition will be an ideal place for participants to present their latest equipment and products to professionals in the Israeli industry. More than 300 exhibitors from Israel and abroad are expected to attract 50,000 visitors.

Contact:
Alan Wielunski
Tel: +972-3-519-7390
E-mail: Alan.Wielunski@mail.doc.gov

**A full listing of upcoming trade events
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Exports of Commercial Services

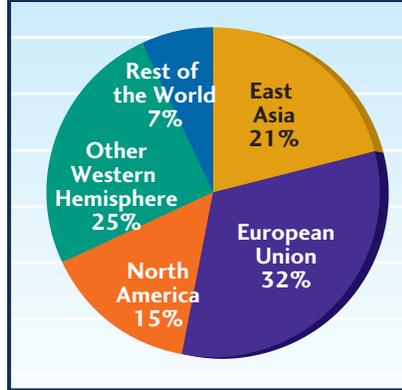
This month we focus exclusively on services, which account for more than 25 percent of total U.S. exports.



PASSENGER FARES



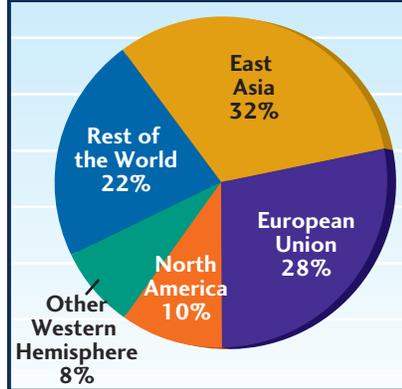
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OTHER TRANSPORTATION



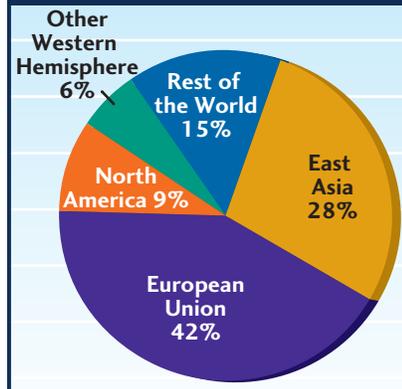
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ROYALTIES AND FEES



ROYALTIES AND FEES



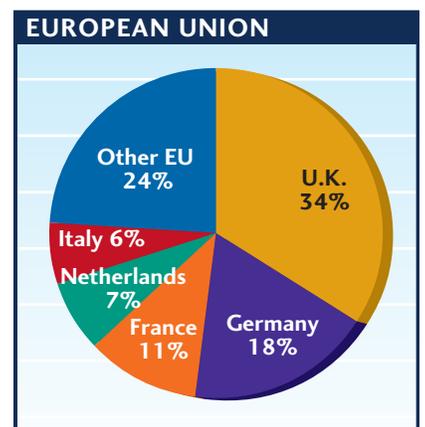
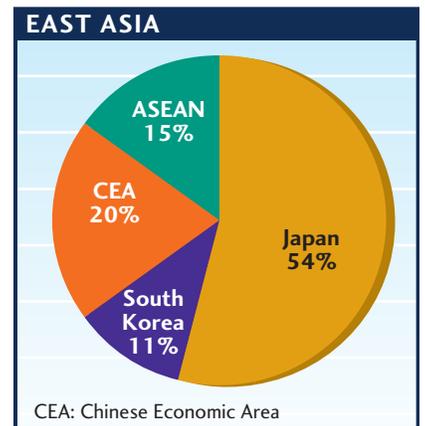
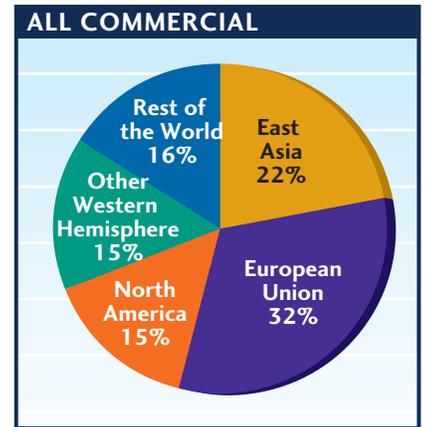
Monthly data are centered three-month moving averages, based on seasonally adjusted figures and expressed as annual rates. Pie charts are based on data for 2001. Commercial services include all private services.

North America: Canada and Mexico.

Caribbean includes Bermuda and the Bahamas.

European Union: Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

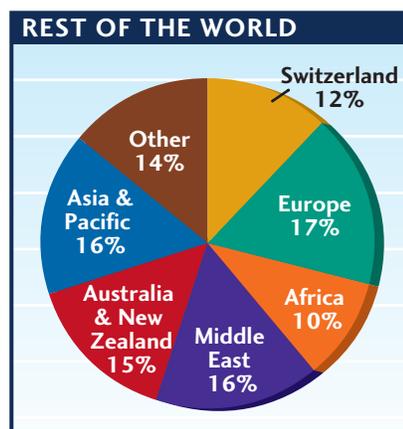
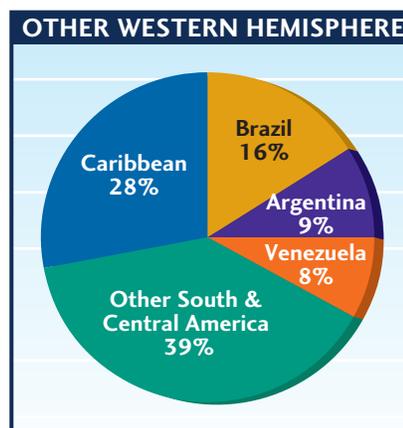
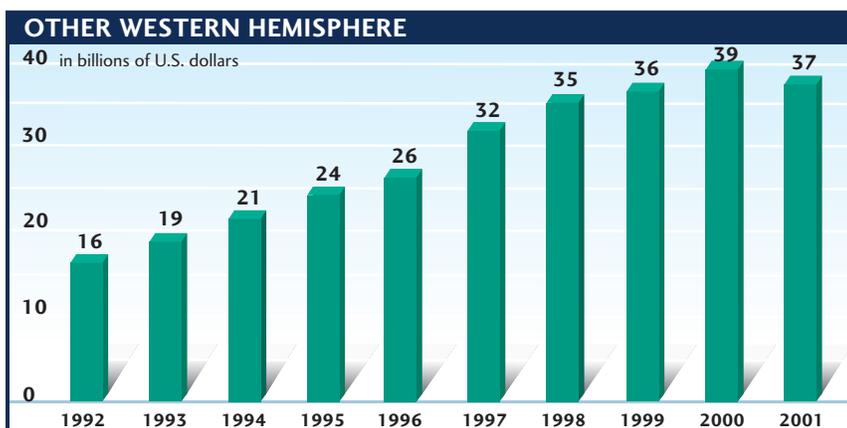
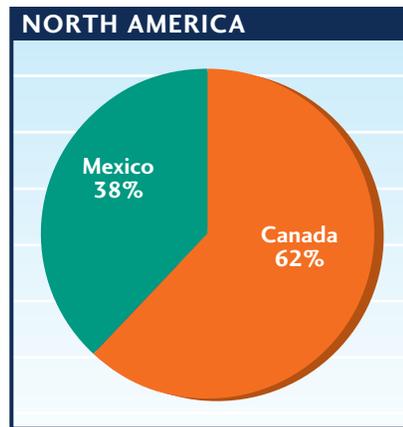
East Asia: China, Hong Kong, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Korea, Taiwan, and Thailand.



Chinese Economic Area: China, Hong Kong, and Taiwan.

Association of Southeast Asian Nations (ASEAN): Indonesia, Malaysia, the Philippines, Singapore, and Thailand; data for other members is included in Asia & Pacific.

Source: Bureau of Economic Analysis.



Additional information is available from the International Trade Administration (www.export.gov/tradestats), and the Bureau of Economic Analysis (www.bea.gov).

Market Research

Doing Your Homework on Global Markets

by Cory Churches
Export America

Most successful businesses understand the need for doing due diligence before entering a new market, be it domestic or international. As with domestic market research, there are many Internet sites that allow companies to investigate the potential of new markets. The following is merely a fraction of the potential sites available to conduct basic research on commercial, industrial, and economic factors.

ECONOMIC STATISTICS

U.S. Census Bureau

The Census Bureau provides a myriad of data on domestic activities, and it releases data on international trade in goods and services, trade balances by country, and state exports. A link to international statistical agencies at www.census.gov/main/www/stat_int.html provides similar information about other countries. www.census.gov/foreign-trade/www/index.html



World Bank

The World Bank provides a wealth of data. A segment of the World Development Indicators (WDI) database is accessible free of charge. The data query offers a five-year, 54-indicator segment of the full WDI. The full WDI and Global Development Finance data are available via a paid subscription. www.worldbank.org

Export Statistics Express

Part of the International Trade Administration's Office of Trade and Economic Analysis, the Export Statistics Express (ESE) is a mapping program that lets users choose parameters, such as global distribution of U.S. exports, state-by-state exports to regions, and product exports to a country or region. Results are displayed in a color-coded map as well as a downloadable table. http://ese.export.gov/ITA2002/Intro_NEW.htm

World Economic Forum

The WEF is a global organization, which brings together the "world's leadership team." The WEF publishes a number of comprehensive analyses, the most prominent of which is its annual *Global Competitiveness Report*. www.weforum.org

Country Commercial Guides

The U.S. Department of Commerce and U.S. State Department prepare a *Country Commercial Guide* for every country in which the United States has diplomatic representation. These annual guides contain economic, political, and commercial information, and they are written for U.S. businesses. Each guide contains the

same chapter and appendix format, which include topics such as marketing, trade regulations, investment climate, and business travel. www.usatrade.gov/website/ccg.nsf



Export.gov

Part of the export promotion services that the federal government provides to U.S. companies, this site allows firms to search for targeted market research by company, industry, or date. Users can also sign up to receive new research automatically via e-mail. Visit the Web site and follow the links to "Country and Industry Market Research." <http://export.gov>

INDUSTRY DATA

The International Trade Data Network

The ITDN of Bryant College is a Web-accessible application, providing

access to numerous databases that assist companies in researching and developing international marketing strategies.

www.itdn.net

Industry Research Desk

This is an excellent tool for business research on the Internet. This site, created by researcher Gary Polson, has a step-by-step guide that shows visitors exactly how to find sources, both in print and on-line. He shows you information-rich sites that offer the inside scoop on companies and industries worldwide. The site also has links to the best search engines, address and phone number finders, package tracking sites, maps, and more.

www.virtualpet.com/industry

GENERAL RESOURCES

Academic Info Area and Country Studies Gateway

This includes links to sites about countries and regions, including culture, business, politics, entertainment, news, sports, and other topics.

www.academicinfo.net/subarea.html



The Bag Lady Country Library

The library has information about 197 U.N. member countries, including populations, cultures, business customs, currencies, shopping habits, trade, and country and embassy contacts.

www.the-bag-lady.co.uk/countries/libsearch.asp

Economist Country Briefings

These are profiles of more than 60 countries. The information includes articles from *The Economist*, background profiles, Economist Intelligence

Unit forecasts and statistics, market and currency updates, news headlines, and links.

www.economist.com/countries

eCountries.com

This site offers news, analysis, and research on global political, economic, and business developments.

www.ecountries.com

Getting through Customs

The site has articles on global business practices and cultural information compiled from various business publications.

www.getcustoms.com/omnibus.html

Interex

This site offers 12,000 pages of free market information, 100 new "trends and opportunities" each week, and more than 50 helpful services to assist with international business operations.

www.interex.be



MSU Global Access

This is an annotated collection of more than 4,000 sites about regions and people of the world. It offers searches by country, theme (environment, development, travel, etc.) constituency (teachers, businesspeople, etc.), resource type (maps, news sources, study abroad programs), language, and keyword.

www.msuglobalaccess.net

The World Factbook

This CIA publication covers 264 nations, dependent areas, and other entities. It gives statistical details, ranging from territorial areas to infant mortality rates. Brief

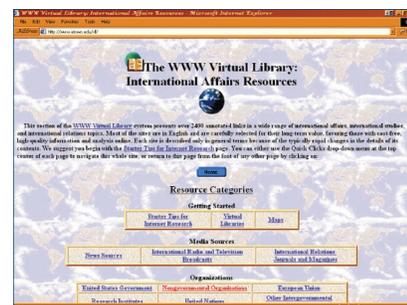
statements on other topics, such as an overview of a nation's economy and telecommunications infrastructure, are interspersed with data.

www.cia.gov/cia/publications/factbook/index.html

World Bank Country Profiles

These are market analyses and descriptions of more than 100 developing economies.

www.worldbank.org/html/extdr/regions.htm



WWW Virtual Library: International Affairs Resources This site has more than 2,400 annotated links regarding a wide range of topics in international affairs, international studies, and international relations.

www.etown.edu/vl

U.S. DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
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Tallahassee (850) 942-9635

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Wichita (316) 263-4067

KENTUCKY

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

LOUISIANA

New Orleans
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Shreveport (318) 676-3064

MAINE

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MARYLAND

Baltimore (410) 962-4539

MASSACHUSETTS

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MICHIGAN

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Grand Rapids
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Pontiac (248) 975-9600
Ypsilanti (734) 487-0259

MINNESOTA

Minneapolis
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MISSISSIPPI

Raymond (601) 965-4130

MISSOURI

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Kansas City
(816) 410-9201

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Missoula (406) 542-6656

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Omaha (402) 597-0193

NEVADA

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

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Portsmouth (603) 334-6074

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