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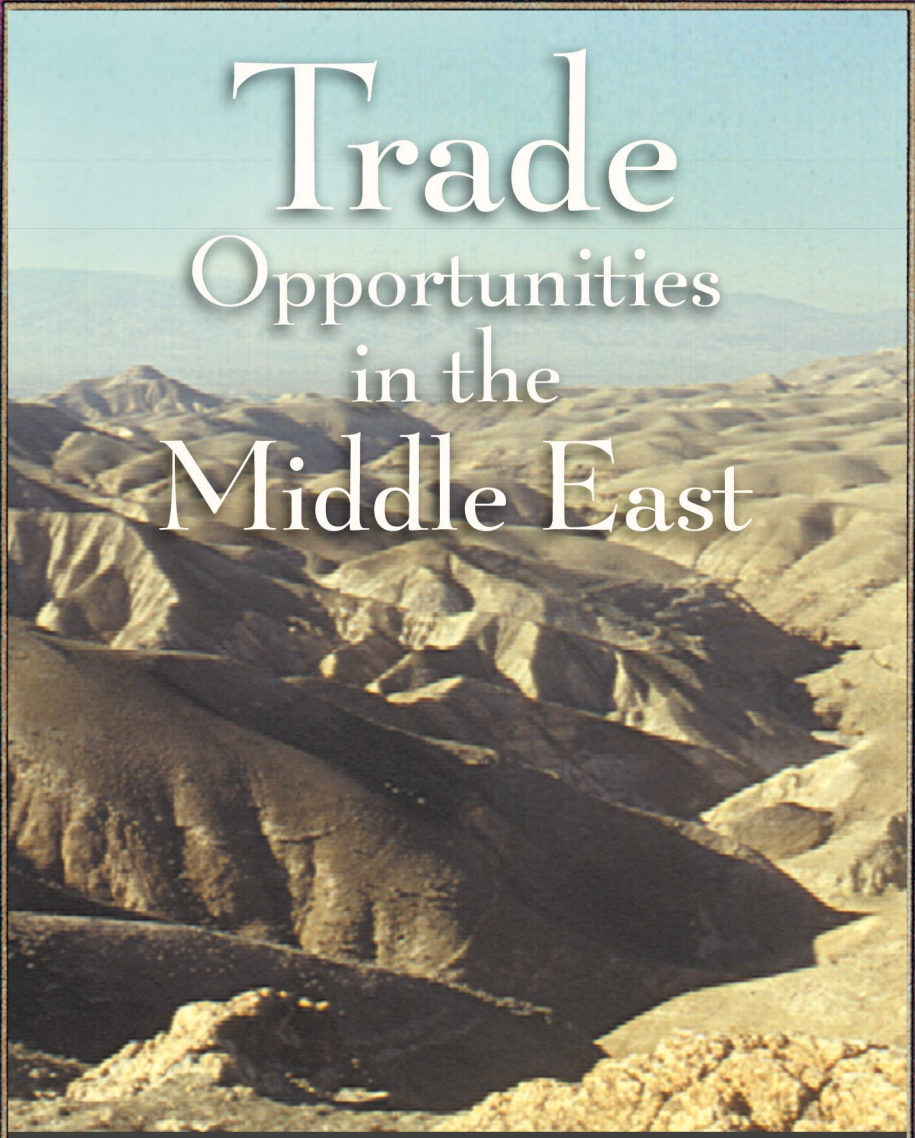

Trade Opportunities in the Middle East

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International Trade Administration

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To participate or for more information, please contact:

Jon Boyens
(202) 482-0573
Email: Jon_Boyens@ita.doc.gov

Beatrix Roberts
(202) 482-2952
Email: Beatrix_Roberts@ita.doc.gov

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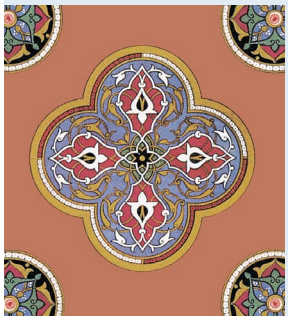

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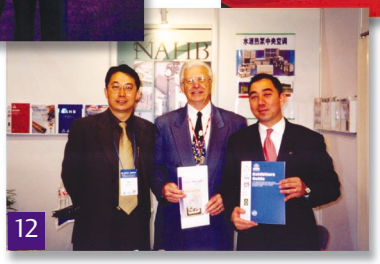

U.S. DEPARTMENT OF COMMERCE
International Trade Administration

Donald L. Evans
Secretary of Commerce

Grant Aldonas
Under Secretary
for International Trade

Greg Jenkins
Director of Public Affairs

Cory Churches
Editor

John Ward
Contributing Editor

Frank Deasel
Printing Specialist

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EDITOR'S MEMO

The origins of civilization as we know it are traced to the geographic region of the Middle East.

Mesopotamia, later the larger area between the Nile and Indus rivers, contributed significant cultural and technological ideas that are still pillars of modern societies. Formalized and highly sophisticated agricultural methods were passed from culture to culture. Concepts such as law, crafts, kingship and writing were just a few of the developments of the region. Technological advancements — including the basic elements of math, the wheel and the arch, as well as sciences such as astronomy and medicine and the framework of organized trade and commerce — all had their origins in the Middle East. Also from this region came the great monotheistic religions: Judaism, Christianity and Islam.

Over the past 6,000 years, great cultures have sprung from the Middle East and some have rivaled or surpassed the levels of culture later reached by Greek and Romans of classical times. Our feature this month looks at the relationship between the United States and the Middle East and explores business opportunities in the region.

Lisa Huot will tell us about the potential for the medical device industry in the Middle East. Additionally, Glenn Oswald will tell us how Automation Alley has partnered with the Department of Commerce and state agencies to expand exporting in Michigan. Victoria Heilman guides us through the maze of using trade events to promote your products to international buyers.

Next month, we will look at the Russian market and discuss how changes there could benefit U.S. businesses. We will also hear about business opportunities in Scandinavia. We welcome your questions and comments. Please send them to us at Export_America@ita.doc.gov visit our web site for current and past issues (http://exportamerica.doc.gov)

Cory Churches

Cory Churches
Editor

GLOBAL NEWS LINE

CHINA

The China Internet Network Information Center (CNNIC) recently released statistics on China's Internet bandwidth. According to their report on September 30, 2001, China's Internet bandwidth for international gateways reached 5724 megahertz. Compared with the statistics from January 2001, within nine months China's international bandwidth increased 2950 megahertz, which is accounted for 105 percent. The increase represents a rapid development in China's telecommunication infrastructure construction and information exchange.

The statistics also show the combined bandwidth of China's top ten Internet companies, of which the international bandwidth of China public computer network (Chinanet) had reached 4580 megahertz, which accounts for 80 percent of the total amount. The domestic bandwidth between the top-ten companies and the central China Network Access Point was 3558 megahertz. The survey also showed the bandwidth of China's main ISPs.

AUSTRALIA

The U.S. Commercial Service has been approached by an Australian winery keen to explore possibilities in joint marketing arrangements with an equivalent U.S. winery. The Australian winery would like to see if there are any opportunities to market U.S. wines in Australia, using their existing distribution network for high-quality wines, while using the American winery's equivalent network in the U.S. to promote their wines. There may be opportunities for bilateral investment at a later stage.

Amberley Estate is a privately owned company located in and producing wines from the Margaret River wine region of Western Australia. The company was founded in 1985, with its first vine plantings in 1986 and the first production of wine under the Amberley Estate label in 1990. Its home base in Yallingup comprises a 67-hectare property (32 Ha of which is under vine) and a modern winery currently capable of processing 2000 tons of grapes, which could be expanded in the future. In addition to the head office, the property includes a cellar-door facility and restaurant, welcoming upwards of 80,000 visitors every year.

Further information can be obtained from: www.uscommercialservice.com/australia Sydney Office; Email: Sydney.Office.-Box@mail.doc.gov Tel: (61 2) 9221-0573

NEW ZEALAND

Through changes in the Copyright Act, the New Zealand Government in May 1998 made it possible for companies other than the local holder of the copyright in those goods (agent) to parallel import product. But after a recent review of the creative industries and parallel importing, the Government announced in mid-December 2001 it will amend its original parallel importing legislation. New legislation will soon be introduced to ban parallel imports of films, videos and DVDs for nine months from a title's first international release. The nine-month parallel importing ban is to allow the film distribution industry a period of protection for the orderly release of films, videos and DVDs. The ban will not apply to videos or DVD imports for private or domestic use. The nine-month ban is expected to help movie operators — particular in New Zealand's provincial cities.

Parallel imports of musical recordings, books and software products will not be affected by the proposed legislation. The Government will however, keep the impact of parallel importing on the music recording, book publishing and software industries under review for the next three years.

MEXICO

Mexico City To Build New International Airport: U.S. Company Participation Wanted. On October 22, the Mexican Federal Secretariat of Communications and Transportation (SCT) announced the selection of an area near the city of Texcoco, Mexico as the site for Mexico City's new International Airport. The $3.0 billion project announcement was long in coming, as the idea has been discussed in various Mexican government administrations for over 20 years. Authorities have clearly stated that U.S. company participation in the project is wanted. The new airport will replace the current double-runway, 50 year-old airport on the east side of Mexico City.

The city of Texcoco, is located 15.5 kilometers east of Mexico City in the State of Mexico. It was selected after a comprehensive technical feasibility study was prepared for the SCT in October of 2000 by the Center for Advanced Aviation System Development of the MITRE Corporation — a U.S. not-for-profit research and development institution.

The Commercial Service has identified several architectural, construction and engineering projects, including a master plan for the project, four runways, a terminal, three shopping malls and numerous hotels and restaurants.

Collectively, these projects represent one of the largest major projects in the hemisphere and offer outstanding opportunities for U.S. exporters of products, services and technology.

The Mexican Secretariat of Communications and Transportation will take the lead by publishing bids during the next two years to invite private sector firms to participate in the above projects. Local companies will be looking to partner with foreign construction, architecture and engineering companies with solid financial backgrounds.

Companies interested in participating in the projects above and the Commercial Service Airport Action Plan should contact: Jon Kuehner, Tel. (52 55)140-2610 Email: Jon.-Kuehner@mail.doc.gov

BRAZIL

Brazil has roughly one million miles of highways; the 12th largest road system in the world, but just over 10 percent of that total is paved. However, an ongoing privatization program has resulted in much-needed new investment, which is substantially upgrading the quality of the main freight and passenger highways. Discounting waterways, rivers and coastal shipping, some 75 percent of freight now moves by highway, implying substantial inefficiencies, although railroads are gradually winning back heavy, long-distance freight. Companies operating the 39 highways already privatized plan to invest $5.3 billion in upgrading their highways over the next two decades.

U.S. companies may find export and business opportunities in highway operation (purchase of concessions at public auction); toll booth and other construction; construction and operation of service plazas and transshipment terminals; civil engineering and construction; manufacture/supply of asphalt, concrete, steel and electrical wire; telecommunications — fiber optic installation along highway; sign and equipment manufacturing and supply; providing medical and mechanical assistance; building and/or operating distribution and business centers; other truck and multi-modal cargo terminals operation.

ITALY

A recent survey reveals that over 78,000 motorcycles and mopeds were stolen in Italy during 2000, with a total value of approximately $200 million. 59,442 were motorcycles of 50cc and below, while those above 50cc numbered 19,382. It is interesting to note that half of all motorcycle thefts and one third of those involving mopeds were concentrated in the provinces of Rome, Milan and Naples.

Insurance companies represented by ANIA (the Italian Insurance Companies Association) are certainly not lowering their guard: "Thefts continue to weigh heavily on our balance sheets," they maintain, "and are one of the primary reasons behind expensive policies. More security is needed."

Around 6.5 million "cinquantini" (50 cc), as well as 3.5 million motorcycles over 50 cc circulate in Italy at present. According to ANCMA (National Association of Cycles, Motorcycles and related Accessories), Italy needs more security measures, including new electronic anti-theft devices such as immobilizers and encoding chips that allow authorities to identify stolen vehicles.

U.S. suppliers wishing to investigate market potential for their products should contact the U.S. Commercial Service office in Genoa: Tel: 39/10/543877, Fax: 39/10/5761678; Email: Susanna.Lezzi@mail.doc.gov.

UKRAINE

Beginning with a two-year effort from 1994, at the request of U.S. suppliers of telecom equipment, Commercial Service (CS) Kiev vigorously advocated before various agencies of the Ukrainian Government to adopt CDMA telecommunications technology (a U.S. technology) as the national standard for wireless local loop development and for allocation of frequency spectrum for CDMA operators. Over 2000-2001, CS Kiev repeatedly counseled U.S. suppliers of CDMA products on better strategies to promote the CDMA standard and CDMA based networks in Ukraine.

As a result of this support, ITC, a Ukrainian-American joint venture, launched the first CDMA wireless local loop network in Kiev in 2001. Lucent Technologies supplied telecommunications equipment for this network in 2000-2001. Lucent also concluded a contract with Velton Telecom, a Ukrainian company, that started deploying CDMA IS95 wireless local loop network in Kiev in 2001. Subsequently, Intertelecom, another Ukrainian company, started deploying the first CDMAIS95 wireless local loop network in Odessa in 2001. Telecommunications equipment and software for these two networks were supplied in 2001 by Lucent Technologies. CST Invest Ltd, a Ukrainian company, started deploying the first CDMA20001X wireless local loop network in Dnypropetrovsk in September of 2001. The company has scheduled the commercial launch of this network for April-June of 2002. U.S. Motorola will be the main supplier of telecommunications equipment and software for this network.

CS Kiev believes that these successes represent the opening of an important market that had been effectively sealed off to U.S. suppliers of state-of-the-art CDMA technology, equipment and software. Development of CDMA networks in Ukraine will open new opportunities for U.S. manufacturers/suppliers of wireless telecom products and services. The growing success of CDMA technology in Ukraine is due to the fact that this U.S. born technology is a real solution for this nation's outdated wire line local loop infrastructure.

For detailed information, please contact your nearest Export Assistance Center, with a copy to: Ruben Beliaev, CS Kiev Commercial Specialist, Email: Ruben.Beliaev@mail.doc.gov; Tel: (380-44) 490-0424.

Another valuable source of information on all CIS countries, including Ukraine, is Business Information Service for the Newly Independent States (BISNIS), the official USG clearing house of trade information in NIS. Please contact Trevor Gun, Deputy Director or Jeffrey Kamins, International Trade Specialist, at Tel (202) 482-4199; fax (202) 482-2293, Toll Free: (800) 872-8723, Email:bisnis@ita.doc.gov, www.bisnis.doc.gov

NEED MORE DETAIL?
Ask a Foreign Commercial Officer at one of the Department of Commerce's posts located around the globe. Contact information, including phone, fax and email, is available by calling the Trade Information Center at (800) USA-TRAD(E).

CAR CARE PRODUCT MANUFACTURER "CLEANS-UP" INTERNATIONALLY

by Jim Cramer,
U.S. Commercial Service

With the help of the Commerce Department's U.S. Commercial Service, Allbrite Car Care Products has begun to take advantage of the opportunities that international markets offer small U.S. businesses.

Located in Anaheim, California, Allbrite manufactures a complete line of cleaning and detailing products, serving the automobile detailing industry through a network of distributors. Allbrite has been in existence since 1965 and was bought by present owner J.J. Jhaveri in 1993. Prior to 1993, Jhaveri ran SupraChemical, which specialized in car wash products. When Allbrite came up for sale, Jhaveri saw the obvious synergy that could exist between SupraChemical and Allbrite, specifically in regards to products, client base and distribution. After buying Allbrite, Jhaveri merged SupraChemical and Allbrite under the Allbrite brand.

As a means to broaden Allbrite's customer base, diversify revenue and foster growth, Jhaveri began to consider exporting. Though he was happy with the success the firm was having in California, Jhaveri felt that the opportunities of international business were too great to pass up. Jhaveri also believed that because Allbrite was successful in California, the world's car capital, the company could succeed anywhere. In short, Jhaveri and Allbrite had already been baptized by fire.

However, confidence alone was not enough to take Allbrite into the global marketplace. Jhaveri knew he needed further export knowledge if he wanted his firm to be successful over the long-term in international business. Jhaveri came upon the ultimate source of practical exporting advice in a Los Angeles Times article. The article described a step-by-step export-training program, made available through the U.S. Commercial Service's Global Diversity Initiative (GDI).

The U.S. Commercial Service is a division of the U.S. Department of Commerce and promotes the export of U.S. goods and services, particularly by small and medium-size businesses. The Commercial Service has a network of more than 80 international offices and 100 offices across the U.S. The GDI program targeted minority led U.S. businesses and worked to provide them with the knowledge to expand their businesses abroad. Jhaveri approached the U.S. Commercial Service through its Los Angeles U.S. Export Assistance Center.

Kristin Houston, a Commercial Service trade specialist based in California, led the GDI program. During the export training, Jhaveri worked with trade specialists and partner organizations such as the Small Business Administration to better understand federal government resources available to U.S. businesses, export processes and financing and the power of a comprehensive and targeted marketing campaign. By the end of the training Jhaveri felt that Allbrite could enter the global marketplace as a learned firm rather than one that only "knew a little bit from here or there."

After their initial work with Allbrite, U.S. Commercial Service trade specialists recommended that the firm first enter Canada. In all, Canada is the United States' largest export market,

having imported $1.79 trillion of U.S. products in 2000. To understand the dominance of U.S. businesses in this market, that is approximately 67 percent of Canada's total imports. In 2000, California alone exported $15.2 billion in products and services to Canada.

Jhaveri agreed that Canada held much promise. Yet, Jhaveri felt that Allbrite's marketing materials should be reworked so the firm was presented as best as possible in the sophisticated Canadian market. While Jhaveri reworked Allbrite's marketing materials, U.S. Commercial Service specialists in Toronto investigated further the opportunities that the Canadian market held for Allbrite. Along with studying the Canadian market, trade specialists also began to build a base of potential clients. In short, the U.S. Commercial Service was working to ensure that when Jhaveri was ready, Allbrite could hit the ground running at full speed.

By the time Jhaveri unleashed the improved marketing materials on the Canadian market, trade specialist Cheryl Schell of the U.S. Commercial Service Toronto had identified a pool of qualified potential clients. When Schell received Allbrite's new materials, she promptly released them to potential distributors. The new marketing materials and the U.S. Commercial Service's matchmaking abilities promptly yielded results, garnering Allbrite $180,000 in their first international sale.

Excited over this early success Jhaveri plans to first enter Mexico's market and eventually expand to South America. Like Canada, Mexico's geographic proximity and open markets, a result of the North American Free Trade Agreement (NAFTA), make it an ideal destination for new exporters like Allbrite. As of 2000 the United States accounted for approximately 74 percent of Mexico's total imports. Mexico trails only Canada in dollar value of U.S. goods and services imported, totaling $1.1 trillion in 2000. California businesses alone exported $14.4 billion in goods and services to Mexico in 2000. With the continued development of the Free Trade Area of the Americas, there is little doubt that Allbrite's success can spread southward like wildfire.

Jhaveri says his market entry strategies will continue to involve the U.S. Commercial Service; he is considering using the agency's Gold Key Service to drive Allbrite's continued expansion. The Gold Key is a matchmaking service in which trade specialists arrange one-on-one appointments with carefully selected potential partners in targeted markets. To build his knowledge of Mexico Jhaveri has maintained close contact with U.S. Commercial Service trade specialists. These specialists have provided the new exporter with market briefings and organized meetings with visiting commercial specialists from U.S. Commercial Service offices in Mexico. To further supplement his expanding export knowledge, Jhaveri has also attended meetings with trade specialists from Singapore, Australia and China.

Asked to provide advice to other firms looking to export, Jhaveri promptly said that if there is a local U.S. Export Assistance Center nearby they should tap its resources. The value-added training that U.S. Commercial Service specialists can provide will help firms understand the numerous facets of exporting and give them the tools to enter new markets. Additionally, says Jhaveri, U.S. businesses just need to be confident, understanding that international business does hold great opportunity. If businesses have the perseverance and foresight to succeed in the competitive U.S. market, they are sure to be successful abroad. Luckily, the U.S. Department of Commerce and the Commercial Service have the resources and contacts readily available to make this opportunity seem less like a distant mirage, but a tangible and attainable goal. The first step for small businesses is just to decide that the time to export is now.

THE VALUE-ADDED TRAINING THAT U.S. COMMERCIAL SERVICE SPECIALISTS CAN PROVIDE WILL HELP FIRMS UNDERSTAND THE NUMEROUS FACETS OF EXPORTING AND GIVE THEM THE TOOLS TO ENTER NEW MARKETS.

HAVE MICROBES, WILL TRAVEL

SMALL SUN BELT COMPANY FINDS NICHE IN CLEANING UP AFTER OTHERS

by Doug Barry,
U.S. Commercial Service

Dan Kelley is CEO of Tierra Dynamic Company, a Phoenix-based environmental firm specializing in removing toxins from soil and water. He and his 30 employees set their sights on emerging markets a few years ago and with the help of the U.S. Commercial Service and some very special bugs have seen their international business go from nothing to 25 percent of annual revenues.

Kelley said the move into international markets was a matter of common sense. "The environmental industry is new to many developing countries and we can compete better over there than we can in more developed countries," he said. Kelley explains that competitors with similar technologies tend to be bigger firms for whom a $300,000 contract isn't worth the effort. "There's a big void in the market and we're happy to fill it."

Photo courtesy of U.S. Commercial Service.

Clean-Up Guys: Dan Kelley of Tierra Dynamics and Dr. Oscar Cuper of joint-venture partner Hidraulica Mileto in front of their hazardous waste-water treatment facility in the Province of Buenos Aires.

WHAT ABOUT THE BUGS?

Tierra Dynamic negotiated the rights to the patent for a technology called bio sparge. Simply put, Kelley's firm cultivates bacteria that occurs naturally and a special process induces them to eat spilled hydrocarbons and other bad stuff at an accelerated rate. These are no anorexic bugs. "We increased their appetite," he says. And what an appetite. According to Kelley, this technique remediates soil three times faster than other methods now on the market, a significant advantage when you're concerned about carcinogens that can cause cancers and other health problems. Tierra Dynamic has negotiated the rights to another patented technology that destroys PCB's — a particularly lethal source of carcinogens. "When you see whole families, including very young children living near this stuff, you're glad you can help protect their health."

FOLLOW THE REGULATIONS

Kelley's current focus is on South America, especially Brazil and Argentina, but there have also been forays into Indonesia, Malaysia and Singapore. Tierra Dynamic often starts the market analysis process by looking at the environmental regulation enforcement priorities of a specific country. "Brazil wants to clean oil storage tanks and we've submitted proposals worth $7 million over the next couple of years," said Kelley. The next step is finding a local partner who lacks the technology but has local business and political connections needed to get contracts.

The quest for suitable partners has been greatly advanced with the help of the U.S. Commercial Service. Kelley has worked with the Commercial Service for more than 5 years and has participated in environmental Matchmaker Programs to Southeast Asia, Malta and, mostly recently, to Uruguay, Argentina and Brazil. The Matchmaker Program introduces U.S. companies to pre-screened business partners — agents, distributors, joint-venture partners. Delegations are industry specific and typically visit two to three overseas markets, staying two days in each country. At each stop members receive country market briefings, an itinerary of appointments screened to each company's needs, in country promotion and hospitality events. "The first companies the Commercial Service arranged for us to meet in Argentina and Brazil were the partners we ended up with," Kelley said.

In Argentina, Tierra Dynamic created a joint venture company called Mileto-Innovative Remediation Technologies. The Argentine partner is Dr. Oscar Cuper of the well-established firm Hidraulica Mileta. "Water and wastewater treatment is their core business," said Kelly, "but with their reputation and contacts, we will be able to introduce to the market a new line of innovative remediation technologies."

But now that Argentina is in the midst of a full-blown economic crisis and Brazil has devalued its currency, what's a small company in Phoenix to do? The downside of working in emerging markets is that they are emerging and therefore prone to occasional upheaval. The company is pursuing less risky opportunities through the Inter-American Development Bank and Kelley has shifted focus to the energy sector, which he believes has the best prospects for weathering the current storm. "Others are pulling out," he said, "but we're in for the long haul."

He says that despite all the bad economic news Tierra Dynamic has recently received two new requests for proposals from the Argentine energy sector. He predicts more will follow because despite the recession and other economic problems, Argentina's national electricity demand continues to increase. As demand increases, so will the need to fund remediation of PCB contaminated electric transformers located throughout the country. Recently passed laws require that all PCB contaminated oil be cleaned up by 2010. The value of these remediation projects could exceed $20 million.

WHEN IN ROME

Kelley's general advice to other U.S. businesses contemplating entering international markets can be boiled down to the following:

- Find a good partner. "Your partner will go through the rigmarole of helping find clients and this will greatly accelerate market entry."
- Call on the U.S. Commercial Service to help you find the right partner. "Our success in penetrating two of the largest markets in South America is a direct result of the substantial help and assistance provided by the Commercial Service."
- When in Rome, do as the Romans. "We Americans like to cut to the chase in business. Other cultures like to orate more than we do and only eventually get around to what they want."
- Be patient. "Americans think in quarters. If nothing happens in 3 months, 'I'm out of here.' You need to invest some money and time developing new markets."

What Kelley says he found in his travels is that "Made in the USA means everything. It means the best." But there is more motivating Tierra Dynamics than pride of place and any competitive advantage associated with it. "This is an idealistic business. At the end of the day, I want to say I got this paycheck for doing something good for somebody else."

"THIS IS AN IDEALISTIC BUSINESS. AT THE END OF THE DAY, I WANT TO SAY I GOT THIS PAYCHECK FOR DOING SOMETHING GOOD FOR SOMEBODY ELSE."

—DAN KELLEY, CEO OF TIERRA DYNAMIC COMPANY

WORKING TOGETHER FOR GLOBAL TRADE

BOOSTING BUSINESS IN AUTOMATION ALLEY

by Glenn Oswald, Marx Layne & Company,

When people hear the words "I'm from the government and I'm here to help you," it's usually the start of a joke. But in this instance, it's reality and it's working. In fact, two government agencies, one local and one federal, are not only working together on a project, they're even sharing office space in Pontiac, Michigan, about 30 minutes north of Detroit.

In an unprecedented show of unity and camaraderie, Oakland County, Michigan's Automation Alley (a consortium of nearly 400 high-tech and related businesses) and the U.S. Department of Commerce are collaborating on a series of foreign trade missions. Their cooperation extends to even the smallest details, such as planning luncheons, dinners and other events to help promote them. Read the fine print on Automation Alley flyers and you'll see they are "in partnership with the U.S. Department of Commerce."

The partnership exists because of the Market Development Cooperator Program or MDCP. The MDCP is a competitive matching grants program that builds public/private partnerships by providing federal assistance to non-profit export multipliers such as trade associations, chambers of commerce, world trade centers and other non-profit industry groups that are particularly effective in reaching small and medium-size firms.

Locally, in Pontiac, Michigan, Richard Corson, Director of the U.S. Export Assistance Center of the U.S. Commercial Service and his staff share the same offices with Oakland County's Automation Alley. "This arrangement has worked out very well," Corson said. "In fact, I'm proud to call Hayes W. Jones my friend." Jones is the Project Manager for Oakland County and works closely with several offices within the Department of Commerce. Corson also said, "Our partnership with Automation Alley is excellent because we share the same goal of helping companies increase their export sales and we enjoy working together to achieve our common goal."

Automation Alley is a cluster of technology-driven companies located just north of Detroit, in Oakland County, Michigan. Launched in 1998 by Oakland County Executive L. Brooks Patterson, Automation Alley's goal was to develop programs to support member companies in their efforts to attract world-class high-tech workers to Oakland County. The businesses range from automotive suppliers, to telecommunications software and information services. Automation Alley has grown into an alliance of private, educational institutions and Oakland county government businesses dedicated to strengthening the County's economic base. And to that end, strengthening that base means looking beyond the County's boundaries.

So how did a county government end up working so closely with a federal government entity? "It's part of the MDCP cooperative agreement to work together as a team," said Jeff Gren, an Office Director within the Department of Commerce, serving as the team leader for the Automation Alley MDCP award. "It has worked out very well, from the national level to the local level."

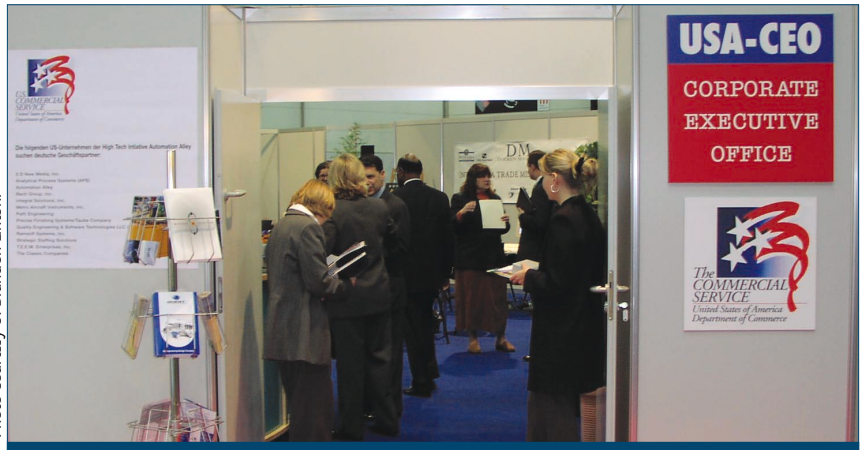


Photo courtesy of Brandon Linton.

Ten companies participate in Automation Alley's exhibition at Interkama in Dusseldorf, Germany. More than $1.5 million in new business was secured for the companies as a result of their participation.

In October 2000, Automation Alley received a $400,000 financial assistance award from the Market Development Cooperator Program (MDCP). The high-tech group was the only organization in that year's nationwide competition to receive the maximum award on the first application. "We put together a dynamite presentation," said Ken Rogers, Executive Director of Automation Alley. "We were so determined and so confident in our organization's mission, we knew we couldn't lose."

Using matching funds and in-kind services from members and Oakland County, Automation Alley has $1.2 million in resources for export and trade activity over three years. Specifically, the funds will be used for a series of four trade missions: the Interkama trade show for advanced manufacturing technologies in Dusseldorf, Germany September 2001; a trip to China May 2002; CeBIT, the world's largest trade show for computer software and services in Hanover, Germany in March 2003 and Automechanika, showcasing automotive parts and accessories in Mexico City in July 2003.

The first of the Automation Alley trade missions was in September 2001. Representatives of ten Oakland County companies departed for the Interkama trade show in Germany, a mere 11 days after the terrorist attacks on the United States. But all involved were determined to go on with the trip.

"The two cancellations we had were unrelated to the events of September 11," explained Jones. "In fact, one of the companies participated in a video conference on November 19 with the firms they would have met in Germany." Another videoconference is being planned for the other company, Jones said. Conversations are being held with the corresponding German firms to work out the logistics for a meeting, via video, in the near future.

The U.S. Department of Commerce coordinated most of the meetings in Germany through its Gold Key Service. From those meetings, the companies came back with no less than $1.5 million in new business and the promise of additional future contracts.

Brian Kundinger, one of the participating companies, had five Gold Key appointments at the trade show and meetings with three other companies. "The U.S. Department of Commerce did a lot of the advanced research for us to make certain the companies we met with were a good fit. It would have been very difficult to get those meetings on our own," said the president of Analytical Process Systems (APS). The Auburn Hills, Michigan-based specialty testing equipment manufacturer signed a joint marketing agreement with Nova MMB, headquartered in Schwarzenberg, Germany. "We were familiar with Germany and needed a rep/sales agent for sales and services," Kundinger said. "The Interkama trade mission fit with our strategy to go global." APS has continued to get appointments with German companies as a direct result of the Interkama trade show.

Other southeast Michigan businesses that reaped benefits from the German trip include Auburn Hills, Michigan-based Patti Engineering, Birmingham, Michigan-based 3D New Media and Bach Group, Inc., a minority-owned business based in Troy, Michigan.

Lauren Alston, Bach Group CEO says the trip "went very well. We're working on projects now to deal on joint ventures with two companies." Bach Group, which is a document management and scanning services company, looks to do business outside southeast Michigan and the trade missions provide that opportunity.

"It puts a new perspective on business in America," Alston said. "Business is global. The world is shrinking."

Automation Alley's Small Business Export Initiative, along with the U.S. Department of Commerce will sponsor the next trade mission to China in May 2002. Representatives of up to fifteen Oakland County companies will travel to Beijing, Shanghai and Suzhou. China's economy is continuing to prosper and grow at a healthy rate and China's admission to the World Trade Organization should present numerous export opportunities. This trip fits right in with what the International Trade Administration is trying to accomplish.

"We're interested in reducing trade barriers," Gren explained. "The more delegations we can send to countries like China for face-to-face meetings, the better."

As with the German trade mission last September, the U.S. Department of Commerce, using the Gold Key Service, will pre-screen Chinese companies who would be good matches with Oakland County's high-tech firms and International Trade Specialists from the Department of Commerce Pontiac U.S. Export Assistance Center will consult with participating firms prior to the trip. China's economy is continuing to prosper and grow at a healthy rate, making this an excellent time to export.

"There is a tremendous need in China to get their small enterprises up to speed," Gren said. "This trade mission will provide pre-screened meetings between small to medium-sized U.S. and Chinese firms. We're very excited about this trip."

Corson added, "The participating companies get the benefit of the export resources of Automation Alley and the Commerce Department's offices locally and in Washington."

Marx Layne & Company is the public relations agency of record for Automation Alley's Small Business Export Initiative.

U.S. BUILDERS GREETED WITH ENTHUSIASTIC RESPONSE IN CHINA

by Patrick Smeller
Forest Products & Building Materials Division, Trade Development

With an eye toward tapping into the world's largest housing market, the National Association of Home Builders (NAHB)—with strong support from the U.S. Department of Commerce — recently organized and hosted a successful housing conference and U.S. building products pavilion in the epicenter of China's economic boom — Shanghai. The November events, which also included a side visit to Beijing, served as an excellent introduction for many new-to-market U.S. building materials firms and home builders drawn to China's vast potential market and further encouraged by the country's entry into the World Trade Organization (WTO).

CONFERENCE: HIGHLIGHTING U.S. BUILDING TECHNOLOGY

More than 450 home builders and building products manufacturers from the U.S., China and other countries attended NAHB's November 7-8, 2001 International Building Conference to learn the latest on U.S. building technologies and to get a sneak preview of some of China's upcoming major building projects, including the 2008 Beijing Olympics.

"We were overwhelmed with the friendly and enthusiastic reception we received from the Chinese," said Thomas Mullen, chairman of the NAHB International Housing Committee and a multifamily builder from Indianapolis, Indiana. "There is an insatiable interest in American building products and technology now that the Chinese government is requiring strict compliance to building codes and standards for all new construction."

"The conference was timed perfectly to capitalize on China's opening the door to foreign investment by joining the World Trade Organization and the rapid build-up of private mortgage money," which, according to Mullen, "is fueling the demand for well-built, affordable housing."

U.S. and Chinese housing experts and building professionals spoke on a variety of key industry topics, including Chinese real estate development, U.S. building trends, forecasts for China's vast home building market and potential business opportunities connected with the Beijing 2008 Olympics. In addition, there were more than two-dozen U.S. building materials and prefabricated housing industry presentations on state-of-the-art American "green" building products and technologies. A nascent

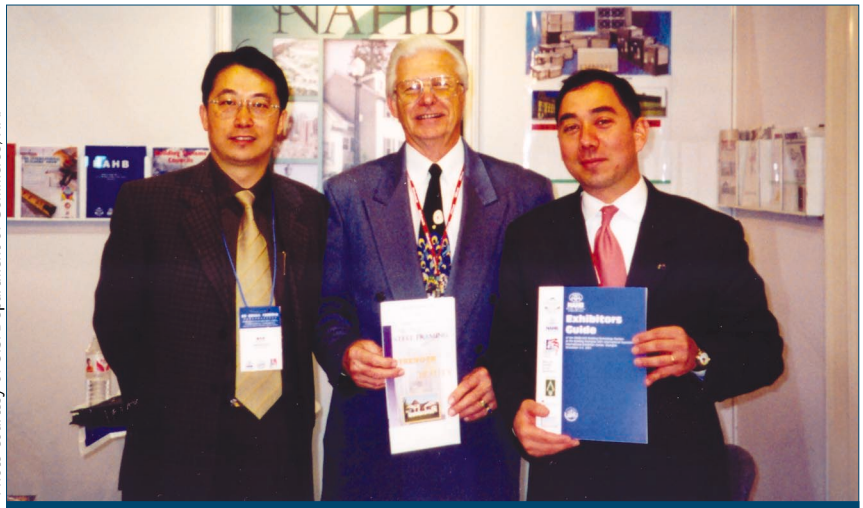


Photo courtesy of U.S. Department of Commerce, ITA.

(Left to right) Shiyang Cui, Senior Commercial Assistant, Chengdu, Chuck Schultz, President of Worldwide Structures and Patrick Smeller, International Trade Specialist, Forest Products and Building Materials Division showcase the product literature of 13 U.S. companies who participated in the Building Shanghai exhibition.

but rapidly growing movement within the Chinese home construction sector to utilize low-energy-consuming, high-performance building products especially made these presentations a hit with local builders. Indeed, U.S. firms are well positioned to take advantage of this growing environmental awareness.

EXHIBITION AND CATALOGUE SHOW: PROMOTING U.S. GOODS AND SERVICES

The Conference coincided with a November 2001 U.S. building products catalogue show, which was part of NAHB and the Department of Commerce's U.S. Building Technology Pavilion held at the Building Shanghai 2001 Exhibition. More than 30 U.S. companies showcased their goods and services at the exhibition and an additional 13 companies took part in the catalogue show.

The NAHB/Department of Commerce exhibition took up three booth spaces and was buzzing with activity as a constant stream of Chinese business representatives pored over the product literature featured and asked questions about business cooperation with U.S. firms. Interest, in fact, in U.S. products was so great among the Chinese builders, developers and architects on hand that the Forest Products & Building Materials Division (FPBMD) staff — the main organizers of the catalogue show — ended up providing more than 2,000 trade leads for the 13 participating U.S. building products firms. Product brochures on display touted everything from air-conditioning systems to prefabricated housing to roofing materials to various wood products and moldings.

SHANGHAI AS SPRINGBOARD

"We feel good about being in China, particularly Shanghai," said Alfred Ng, managing director of Shanghai Mammoth Air Conditioning, a subsidiary of a Minnesota-based firm specializing in geothermal and water source heat pumps and a catalogue show participant. "It's incredible, but most of what you see here (Shanghai) today was built within the last five to seven years."

In fact, it was due to Shanghai's astounding growth rate — about 12 percent during the past decade — and booming industrial output that made the city a natural for NAHB's second-ever international conference. Shanghai's gross domestic product (GDP) is expected to surpass that of Hong Kong after 15 years and may serve as an excellent springboard into the rest of China, according to a report released last spring by Hong Kong Trade Development Council chief economist Edward Leung.

"We considered a handful of sizeable markets in China, but it was clear from the beginning that Shanghai would be our choice," said Joseph J. Honick, a founding member of NAHB's International Committee. "We were looking for business opportunities for our members, so how could we not choose China's commercial and industrial center as a starting point?"

NO VISIT COMPLETE WITHOUT A COUNTRY COMMERCIAL BRIEFING AND TOUR

A day before the conference was to start, NAHB members were treated to a country commercial briefing by Principal Commercial Officer Catherine Houghton of the U.S. Commercial Service in Shanghai, one of Commerce's six offices throughout China. Houghton detailed implications for U.S. companies in light of China's then-impending entry into WTO. The Commercial Service Shanghai staff provided outstanding support to NAHB during all phases of the visit, including hosting a lunch for NAHB members and leading the group on a tour of Shanghai's "building materials" region, a dusty, winding, bustling street of shops selling just about every building product China has to offer.

BUILDING INDUSTRY'S BEST PROSPECTS IN CHINA

Results from an FPBMD survey among Chinese business people showed that the most sought-after building materials are HVAC (heating, ventilation, air-condition) equipment, sealants, doors and windows, prefabricated housing and certain wood products. Chinese companies were also interested in forming joint ventures and other forms of partnership with U.S. companies.

For U.S. companies interested in exploring Shanghai and the rest of China, please visit www.usatrade.gov/china

CONTACT INFORMATION

Katalin Z. Vaughan
International Affairs Director
National Association
of Home Builders
Tel: (202) 861-2179
Fax: (202) 822-0496
Email: kvaughan@nahb.com
www.nahb.com

Gary Stanley
Director, Forest Products &
Building Materials Division
U.S. Dept. of Commerce
Tel: (202) 482-0376
Fax: (202) 482-0382
Email: Gary_Stanley@ita.doc.gov
www.trade.gov/td

Catherine Houghton
Principal Commercial Officer
U.S. Commercial Service Shanghai
U.S. Dept. of Commerce
Tel: 86 (21) 6279-7630
Fax: 86 (21) 6279-7639
Email: Catherine.Houghton@-
mail.doc.gov
www.usatrade.gov

ASK THE TIC

TRADE EVENT RESOURCES

by Victoria Heilman,
Trade Information Center

Exhibiting at a trade show to boost your business both domestically as well as abroad can come in many forms. This article is designed to present several different ways that companies can reach foreign buyers with varying degrees of risk and expense.

WHAT IS THE VALUE IN EXHIBITING AT A TRADE SHOW OR OTHER EVENT?

Trade shows serve as vital marketplaces for buyers and sellers. They are showplaces for introducing new products, transacting business, shopping and research, all in one location for greatest efficiency. Participating in trade events is vital to conducting business and maintaining a visual presence in an industry.

Trade show attendees today are serious shoppers with sophisticated visiting strategies. Up to 60 percent of trade show attendees are part of a buying team. In some cases, a prospective customer will send a buying team to visit exhibits and then hold a caucus on the spot to assess which exhibits will be revisited.

WHAT DO I NEED TO KNOW TO MAKE THE MOST OF PARTICIPATING IN A TRADE SHOW?

Making trade shows work for you means providing answers and solutions with personal attention to visitors. The most effective exhibitors notify a strong list of potential customers of their presence in an upcoming trade event, keep records of all visitors and promptly follow up with all prospective buyers after the event.

A significant investment in the quality of the exhibit is also important. Here are some helpful hints to a successful exhibit booth:

- Grab attention: Advertise a benefit instead of your company name.
- Improve communication: Display a photographic storyboard with the stages of your product's use to reach the 10-30 percent of international attendees.
- Create a selling zone: Make sure there is plenty of browsing space and allow visitors to approach displays easily.
- Be Approachable: Don't eat or chat amongst yourselves at your booth. Look ready to help customers.

WHAT KINDS OF TRADE EVENT PROGRAMS DOES THE DEPARTMENT OF COMMERCE OFFER?

The Department of Commerce International Trade Administration (ITA) offers a number of affordable trade events ranging from Virtual Matchmakers to Trade Missions. Each trade event offers exposure to foreign buyers as well as support by knowledgeable staff both domestically and abroad.

Reaching Overseas Buyers in Their Markets:
Trade Missions: The Department of Commerce organizes a variety of trade missions each year specific to the needs of American companies. The goal of these missions is to connect U.S. businesses to qualified foreign buyers and produce export sales of U.S. goods and services. Trade missions provide a flexible and adaptable format to conduct business overseas. They feature individual business appointments tailored to each mission member's needs and incorporate meetings with government officials in the target market.

Missions usually include market reports and briefings by local experts and networking with officials and business executives. Plant and factory tours or seminar format for technical products may also be included.

Matchmaker Missions focus on entering new markets and finding representation for smaller business. Additionally, state agencies and private-sector export promotion organizations arrange many trade missions that may be certified, supported and led by the Department of Commerce. The Matchmaker program has recently conducted several Virtual Matchmakers, which give U.S. businesses the opportunity to meet with groups of pre-screened international business prospects during an interactive video conference focusing on your industry. Successful Virtual Matchmakers have been conducted with the franchising industry and wine exporters to the Philippines.

U.S. Pavilions: For an international trade show, you might consider participating in an official U.S. Pavilion. Each year the Department of Commerce selects trade fairs in prime markets worldwide for recruitment of a U.S. pavilion. The Commerce Department also certifies a variety of trade show organizers to recruit and manage U.S. pavilions worldwide. Government involvement ensures a high visibility U.S. pavilion at each exhibit and provides exhibitors with complete support from Commerce or U.S. Commercial Service staff at U.S. embassies. Fees depend upon the country and exhibitors receive pre- and post-event logistical

support and extensive overseas market promotional campaigns to attract appropriate business audiences.

Catalog Shows and Product Literature Centers: As an alternative to trade shows, ITA offers Catalog Shows and Product Literature Centers, which are a low-cost, efficient way for small firms to get worldwide sales leads without leaving the office. A Commerce Department Trade Development industry specialist or U.S. Commercial Service specialist from the U.S. embassy showcases U.S. company product literature, samples, videos and other visuals in fast growing export markets around the world. Some catalog shows may be organized by state governments and certified by Commerce, with added U.S. Government assistance.

Reaching Foreign Buyers in Your Backyard

The International Buyer Program (IBP) recruits more than 125,000 foreign end-users and distributors to meet with U.S. companies at top U.S. trade shows. The Commerce Department staff helps organize meetings with qualified buyers and provides matchmaking services and business counseling to help you generate sales. Each show features an international business center where services are provided to international visitors and exhibitors, including on-site facilities for private meetings.

The Commerce Department sends specialists from ITA's Trade Information Center (TIC), industry offices, Census Bureau and the U.S. Commercial Service worldwide network to many key trade shows in the United States. These experts can provide in-depth counseling sessions to all U.S. companies interested in expanding their export markets.

WHAT ABOUT "VIRTUAL" TRADE SHOWS AND MISSIONS?

With the ever-expanding B2B market and the capability to conduct transactions over the Internet, online product displays can reach millions of viewers daily. The BuyUSA.com program is an online matchmaker service that can be a virtual trade show for participating companies. BuyUSA.com is a full-service web site, which enables U.S. companies to display an online catalog and get instant access to qualified foreign distributors, buyers and sales leads; automated trade lead matching; customized counseling from ITA; and much more.

The Commerce Department may also organize and host a number of virtual trade shows and trade missions on the Internet, as well as videoconference matchmaker services each year, depending on demand. Plus, individual, tailored videoconference "gold key" services can be arranged for a fee. Find out about these services by contacting (800) USA-TRAD(E) or your local Export Assistance Center.

WHERE CAN I FIND A LIST OF TRADE EVENTS THAT SUPPORT MY INDUSTRY?

A listing of domestic and international trade events sponsored all or in part by the Department of Commerce can be found on the Internet at www.export.gov, behind the quick reference link 'trade events.' This database is searchable by event location, type, industry, or date. You can also call (800) USA-TRAD(E), contact your industry specialist, or your local export assistance center for more information.

A number of private resources are also available over the Internet to help one find appropriate trade events for a particular product and assist with planning an exhibition. For example, Trade Show Central www.tscentral.com, provides information on trade shows, convention facilities and service providers. Trade Show News Network, www.tsnn.com, helps locate and compare information about trade shows, exhibitors, industry suppliers and convention facilities. The trade show associations listed at the end of this article may also assist with navigating the several thousand events in the United States and worldwide. An industry trade association is also a good source.

FOR MORE INFORMATION

Trade Information Center
Tel: (800) USA-TRAD(E)
Email: tic@ita.doc.gov
www.export.gov/tic

Trade Show Exhibitors Association
Tel: (312) 842-TSEA (8732)
Email: tsea@tsea.org
www.tsea.org

Society of Independent Show Organizers
Tel: (877)YES-SISO (391-7476)
www.siso.org

International Association of Fairs and Expositions
Tel: (417) 862-5771, 800-516-0313
Email: iafe@fairsandexpos.com
www.fairsandexpos.com

Connected International Meeting Professionals Association
Tel: (703) 978-6287
Email: info@meetingprofessionals.org
www.meetingprofessionals.org

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 1-800-USA-TRAD(E) toll free, Monday through Friday, 8:30-5:30 EST. Or visit the TIC's website at www.export.gov/tic.

EXCELLENCE IN CUSTOMER SERVICE FOR GLOBAL TRADE

by Tom Cook,
Managing Director of American River International

Many American firms have begun to master the skills of customer service as the backbone of profitability, continued growth and — most certainly — competitive advantage. These skills, when applied to global trade, need to be adapted and enhanced to account for the complexities and unique persona of international business. U.S. exporters will grow and prosper in direct proportion to their quality of customer service and this will hold true for small and large businesses alike. One thing is certain: global trade is relationship-driven and quality customer service dictates the quality of the relationship.

GAINING A COMPETITIVE ADVANTAGE

American exporters face stiff competition in global markets due to many factors. These include proximity of competitive sourcing, pricing pressures, political and cultural differences, currency fluctuations, communication problems, infrastructure imbalances and trade finance restrictions.

American export firms that show creative talents, exhibit patience and persistence, ally with key vendors and master the skills of global trade and international customer service will be poised to reap the rewards of "competitive advantage." This does not refer to simply providing a price that is competitive. Price sometimes is the most critical issue, but often is just one of many factors that goes into your foreign buyer's purchasing decision. Other factors — such as convenience, servicing, the sales and marketing factors tied into the transaction, the technical expertise of sales or customer service personnel, or timely communication — can induce a buyer to pay a higher price.

As a general rule, if the pricing from one company to another is within a reasonable range, the company with the larger offering of services will win the sale, even if its price is higher.

ENGAGING IN QUALITY COMMUNICATION

A critical factor to making all these issues work for you is communication. This can be broken down to three key disciplines: (1) communicating, (2) responsiveness and (3) persistence.

Different cultures have different rules of communication. To successfully engage in a business transaction across cultures, you must be able to adapt to the norms of the market and not assume that all business is conducted in a "Western" manner. Cultural business etiquette will play an important role in how your prospective customers will respond, how seriously they will take your communication and how successfully you will avoid inadvertently insulting them. A few simple rules can help:

Know something about your buyer's country and language. While most foreign buyers speak some English, commit yourself to knowing the basic business language of your buyer's country. You will be respected for the effort and it will give you some insight into negotiations and trade meetings. I maintain a little "cheat sheet" next to my phone. It provides the basics such as "hello," "good-bye," and "thank you" in a number of key foreign languages. It goes a long way in developing a better relationship with my overseas customers.

Avoid handwritten communications. All business communications, such as faxes, should be typed. Foreign communication is difficult enough without having to decipher poor handwriting. It also expresses your professional commitment to doing the job correctly.

Responsiveness should be another important element of your customer service effort. It will immediately provoke positive "feelings" on the part of your foreign buyers. Responsiveness means following up in a timely manner after business meetings, acknowledging all communications (even if it's just to say "I'm working on it") and meeting all time frames promised. If you need more time, simply communicate it and request an extension. A complaint I often hear is how a poor response, or lack of one, can sour a deal.

Persistence (and patience) should be the third element of your firm's efforts. American culture expects a timely response and quick decisions. Unfortunately, most of the world operates on a different time frame. Many U.S. firms lose patience because of differences in time expectations and walk away from lucrative opportunities. The success of overcoming this obstacle is persistence.

For example, decisions in Japan are typically lengthy and made by management groups, rather than by individuals. Being too diligent and persistent will cause aggravation and, ultimately, the loss of an opportunity. In the Middle East, persistence is considered a good quality when it is combined with efforts to develop a personal relationship with a buyer. In Latin America, too much follow-up too soon will elicit a lack of response.

BUILDING PERSONAL RELATIONSHIPS

Persistence is well served when accompanied by efforts to develop a personal relationship with your buyer. In many countries, developing a close personal relationship ensures that both parties will become long-term partners in trade.

If you have a product that is in high demand, with no competition, then being an order taker is a viable method of operation. But most of us deal with intense foreign competition and we must maximize our opportunities. A key strategy is to develop personal relationships.

Foreign buyers often "buy" from the individual first and the company second. A personal relationship will facilitate the negotiation process and make the transaction easier to accomplish. "Breaking bread," an expression for having a business lunch or dinner, is often a necessary part of developing sound global business and personal relationships.

Most parties have to like one another before doing business. Breaking the bread, pasta, sushi, knishes, or tacos — and doing all the other things necessary to facilitate the personal relationship you and your potential customers — is one of the key factors in developing your export business.

Just as with any business, problems are likely to occur in international trade: shipping the wrong product, logistics delays, government intervention and cargo claims are all likely problems in normal business dealings. The strength of the personal relationship you have cultivated will carry you through such problems to an eventual favorable resolution.

NEGOTIATING PROBLEMS WITH INTERNATIONAL CUSTOMERS

Nothing frustrates a customer more than how they perceive they are being treated when a problem occurs. Poor management of a problem is probably the number one reason for a customer to go elsewhere.

Three key steps can help you cope with the inevitable problems that will crop up in any business relationship:

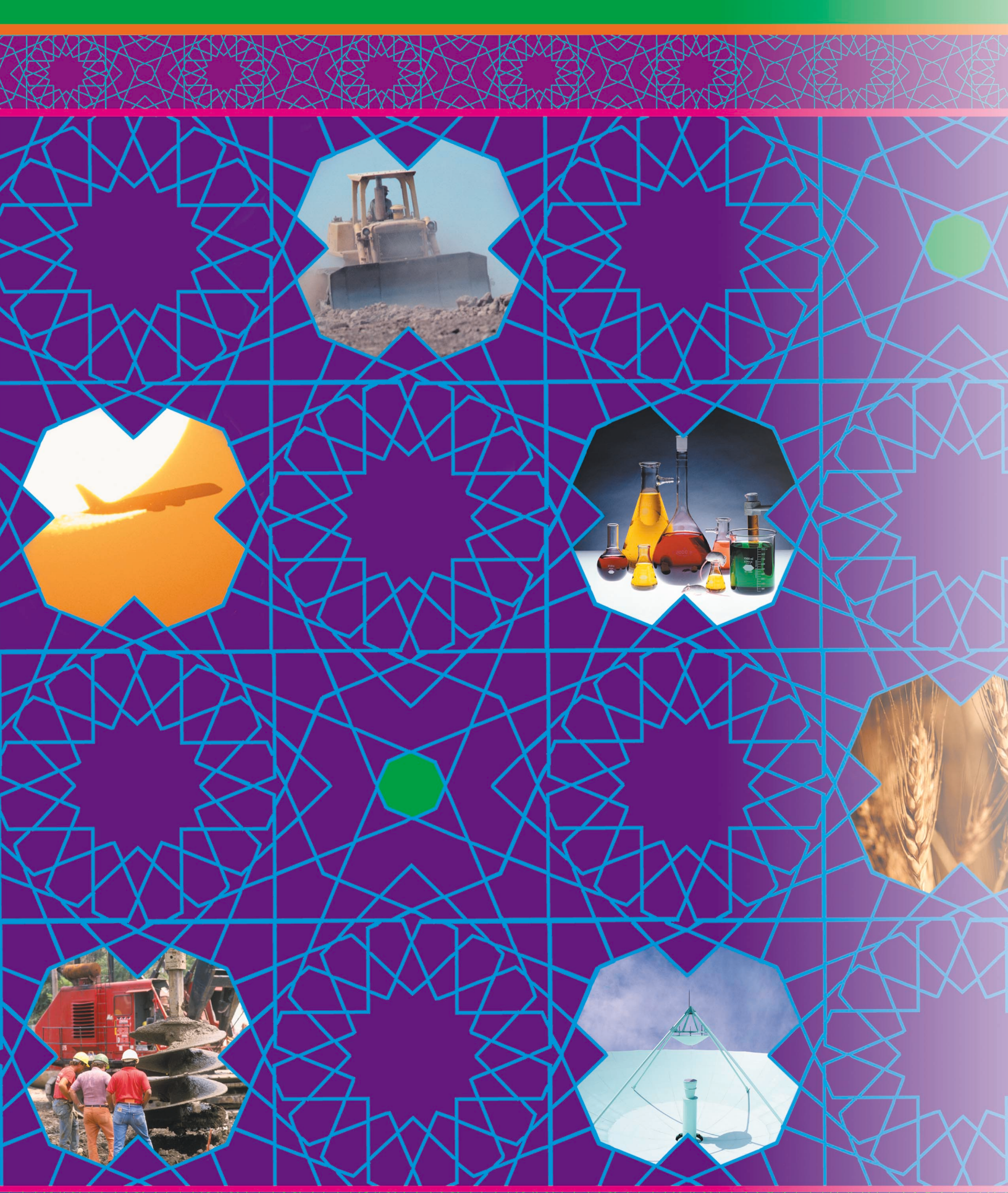
1. Make Yourself Available. Be in the face of your customer. The worst thing that you can do is hide or not face up to a problem. When a problem does occur, whether it was under your control or not, be sure to contact the client immediately and determine a feasible solution that satisfies both parties.

2. Be a "mitigator." In sales dialogue with potential global customers, I always emphasize that we are the best "mitigators" in the business. By this I mean that we will immediately initiate steps to resolve a problem as soon as possible. This might mean calling the consignee and advising of the revised ETA, rerouting freight to catch the next flight, or finding a new carrier that can meet delivery requirements.

3. Engage in follow-up communication. Following a disaster, make a phone call or visit. Apologize again and again. Emphasize the positive. Take this time to demonstrate how you worked to mitigate the problem and outline steps that will be taken to ensure that it never happens again.

The bottom line is that the business of exporting has certain inherent problems associated with it. How we deal with these problems with our customers will determine not only our ability to maintain one client, but our profitability and opportunities for long-term success.

Thomas Cook is the author of *The Ultimate Guide to Export Management.* published by Amacon Books in New York City. Mr. Cook can be reached at (800) 524-2493. Mr. Cook is also a board member of the New York District Export Council.



BUSINESS OPPORTUNITIES IN THE MIDDLE EAST

by the Office of the Middle East, Market Access and Compliance

The Middle East and North Africa (MENA) is a region of enormous strategic and economic importance to the United States. It is a region of significant commercial importance to American business and U.S. companies have operated profitably there for many years. The countries of MENA are moving toward economic and political cooperation and integration and implementing economic reforms. Increasing globalization offers the prospect that opportunities will continue to grow and Americans will continue to prosper in the region.

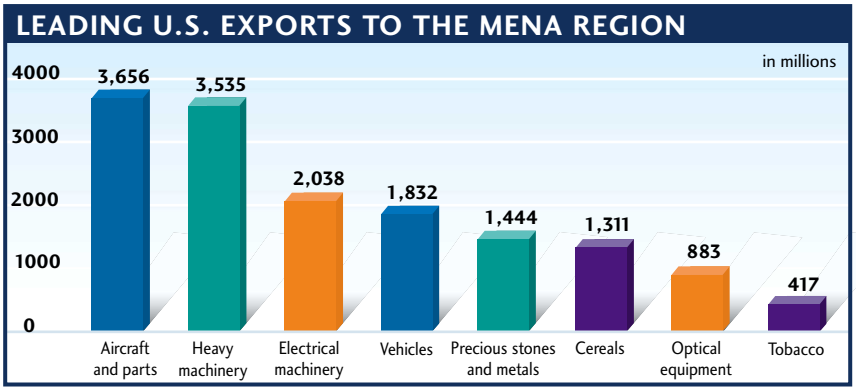
With 18 countries (and the West Bank and Gaza) and more than 321 million people, the Middle East and North Africa region accounts for 5.2 percent of the world's population. During 2001, the region purchased an estimated 3.38 percent of U.S. merchandise exports and accounted for an estimated 3.6 percent of U.S. merchandise imports. Though our exports slowed in the past few years due to the drop in oil prices, our estimated exports to the region for 2001 were $25 billion up from $24 billion in 2000. The principal product categories are aircraft and parts, heavy machinery, electrical machinery, cereals and vehicles.

REFORM AND GLOBALIZATION ATTRACT U.S. COMPANIES

In an effort to create jobs, diversify and grow their economies, many of the countries in the region have embarked on economic reform and privatization programs to attract foreign direct investment. Algeria, Kuwait and Saudi Arabia are moving toward opening the development of their oil and gas fields to foreign companies and Qatar and the UAE continue to use foreign companies as partners as they expand the development of their oil and gas industries. In the last five years, Egypt, Morocco, Tunisia and the UAE have undertaken one or more new independent power projects. In recent years, most of the countries have implemented new investment laws that allow up to 100 percent foreign ownership of domestic enterprises. Better laws and stricter enforcement of intellectual property protection in many of the countries have led to increased investment in the pharmaceutical industry in Jordan and in the high tech industries in Israel and the UAE.

Several countries have also embarked on regional projects. Egypt and Jordan recently came to an agreement on a pipeline between the two countries that could eventually carry gas all the way to Turkey. Most of the Arab countries on the Persian Gulf could soon be part of a regional gas distribution network. Qatar, which sits on the largest known non-associated gas field in the world, has reached an agreement with the UAE on a pipeline that will carry gas to Abu Dhabi, Dubai and eventually to Oman and possibly South Asia. Qatar is also negotiating with Bahrain and Kuwait to sell gas

via the pipeline. Two groups of countries — those in the Maghreb (Algeria, Morocco and Tunisia) and the six GCC countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE) — have begun the first phase of connecting their respective electrical power grids. The GCC countries are also making progress on political and military cooperation and on integrating their economies. They expect to form a customs union by 2003.



Source: U.S. Census Bureau

The countries of the MENA region are also getting on the globalization bandwagon. Bahrain, Egypt, Israel, Kuwait, Morocco, Qatar, Tunisia and the UAE were among the founding members of the World Trade Organization (WTO). Oman and Jordan joined in 2000 and Algeria, Lebanon, Saudi Arabia and Yemen are in the process of acceding.

The Middle East has become an important region for the development of information technology. Several countries, including Egypt, Jordan and Tunisia, are seeking to develop their IT industries. Two countries, Israel and the UAE, have already taken major steps to create vibrant IT sectors. Israel boasts a high-tech sector that is successfully integrated with the global economy. There are more than 200 U.S. high tech companies in Israel today, ranging from the giants, such as Intel and IBM, to "specialty" companies with only a few employees. Opportunities for American firms exist throughout the spectrum of high-tech fields, including telecommunications, defense, software development and business-to-business services.

U.S. companies have been very successful in winning contracts and forming partnerships to participate in these developments. More than $18 billion in investment has been reported by U.S. companies in the region in 2000, an increase of 14 percent over the previous year and 75 percent more than five years ago. American companies have been particularly successful in the oil and gas industry, in power generation and water desalination projects and in the high tech industries. These sectors continue to offer the best opportunities for future business, along with health care, water and irrigation technologies and environmental technologies.

Photo courtesy of U.S. Commercial Service.

Assistant Secretary William Lash meets with H.H. Sheikh Mohamed Bin Rashid Al Maktoum, Crown Prince of Dubai to discuss the economic development of Dubai.

FORMAL INSTRUMENTS ENHANCE COMMERCIAL TIES

The United States currently has a number of trade policy mechanisms in place to broaden economic and commercial relationships with the countries of the MENA region. The first U.S. free trade agreement (FTA) was with Israel and was signed in 1985. The U.S.-Israel Free Trade Agreement eliminated most barriers to trade in goods between the United States and Israel and has resulted in the rapid expansion of bilateral trade that reached more than $20 billion in 2000.

The United States and Jordan signed a free trade agreement in October 2000 and it came into effect in December 2001. The U.S.-Jordan FTA eliminates duties and commercial barriers to bilateral trade in goods and services. It is the fourth free trade agreement the to which the United States is a party and is the first with an Arab country. Jordanian companies were already receiving some preferential treatment when selling to the United States through qualified industrial zones (QIZ) designations. The United States grants duty-free access to products manufactured in QIZs if those products have Israeli content and meet other rules of origin criteria.

ASSISTANT SECRETARY OF MARKET ACCESS AND COMPLIANCE VISITS SAUDI ARABIA AND UAE

To assess the impact of September 11 in two of these markets — Saudi Arabia and the United Arab Emirates (UAE) — and to advocate for U.S. companies, Assistant Secretary of Commerce for Market Access and Compliance William H. Lash, III led a commercial policy mission in November 2001. The visit was also designed to show our allies in the Persian Gulf that they are valued commercial, as well as strategic, partners. The tour of the region included meetings with government officials in Riyadh, Abu Dhabi, and Dubai. Assistant Secretary Lash also attended the Dubai Air Show, and opened the Second Middle East and North Africa Project Finance and Privatization Conference in the presence of ministers and government officials from the UAE, Oman, Qatar, Kuwait, Saudi Arabia, Bahrain and Egypt.

The trip afforded Assistant Secretary Lash the opportunity to speak with the U.S. and local business communities in the region and learn directly of the problems the private sector encounters. He was able to convey the Administration's support for continuing to conduct business despite the new security climate. He also thanked the private sector for its role in the U.S.-Gulf Cooperation Council (GCC) Economic Dialogue.

In Riyadh, Saudi Arabia, the Assistant Secretary met with Saudi Deputy Minister of Commerce Fawaz Al-Alamy to encourage the Saudi government's WTO accession efforts. He stressed that WTO membership would bring greater predictability and lower tariff and trade barriers, which in turn would improve the Saudi investment climate. Their discussion included talks about opening the insurance market and draft laws that would protect intellectual property rights. He expressed concern over the Saudi plans to require labeling on genetically modified foods. Minister Al-Alamy stated that the Saudi government didn't want to make the labeling requirements a technical barrier to trade, and would instead follow the model that European countries have used. Although the law was passed in December 2001, the real impact on U.S. agricultural exports to Saudi Arabia will depend on how the government enforces the labeling requirement.

In Dubai, Assistant Secretary Lash led the official U.S. delegation, touring the Dubai Air Show exhibits with Sheikh Mohamed Bin Rashid Al Maktoum, Crown Prince of Dubai and the UAE Minister of Defense, as well as dignitaries from other countries. The air show was an opportunity for the Assistant Secretary to promote U.S. companies, such as GE and Pratt and Whitney that are competing to supply the engines for planes ordered by the UAE. He also was able to resolve a market access issue for a major U.S. automobile manufacturer.

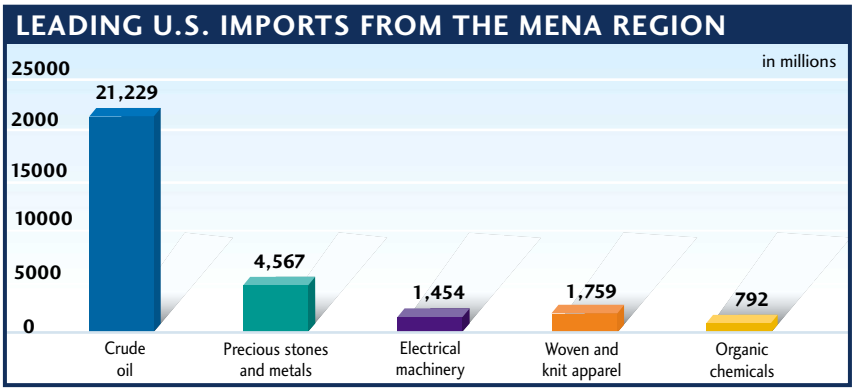
The Assistant Secretary met with Mohamed Al Gergawi, Chairman of Dubai Internet City. Dubai Internet City is the brainchild of the Crown Prince of Dubai, His Highness Sheikh Mohammed bin Rashid. It was conceived and constructed within one year and officially opened in October 2000. Billed as the world's first free trade zone for e-commerce, it offers 100 percent foreign ownership, tax exemptions, protection of intellectual property rights, exhibition facilities, state-of-the-art networks and connectivity, a research and a development center and a science and technology park. It is expected to become home to the first ever Internet University. The Internet City's infrastructure aims to attract the entire value chain in Internet-related industry, from venture capital and Internet strategy and implementation organizations to e-commerce, software and multi-media developers. More than 200 companies are already licensed in the City, including Microsoft, Dell, IBM, Sun Microsystems and Oracle.

Assistant Secretary Lash traveled from Dubai to Abu Dhabi, where he gave the opening address at the MENA Project Finance and Privatization Conference, and congratulated the GCC countries on progress they have made in the last few years in privatizing their power sectors. He stressed the significance of privatization in advancing a country's economy. While in Abu Dhabi, Mr. Lash also met with the officials in the UAE Ministry of Commerce and Economy and discussed those WTO and IPR issues affecting the UAE and the GCC countries. He also visited with several U.S. firms, addressed the American Business Council of Abu Dhabi to discuss commercial conditions, and conducted a business roundtable with U.S. firms.

The U.S.- Egypt Presidents' Council was established in the spring of 1995 to provide advice and counsel that reflect private sector views, needs and concerns regarding Egypt's business climate, including facilitating private sector development in Egypt and strengthening commercial ties between the United States and Egypt. President Bush and Secretary Evans have expressed their support for continuing the Council, believing it is important for governments to listen to the views of their business communities to help create a more favorable business climate for businesses to grow and economies to prosper.

The Council is chaired by the U.S. Secretary of Commerce and the Egyptian Minister of Foreign Trade and its private sector members are senior U.S. and Egyptian business executives. Secretary Evans and Minister Boutros-Ghali signed the Memorandum of Understanding to reestablish the Council in October 2001.

The U.S.-GCC Economic Dialogue was established in 1985 and is the primary vehicle through which the GCC countries and the United States discuss trade and investment issues. Meetings usually take place annually and alternate between Washington, D.C. and the GCC region. The next meeting is planned for this year in Washington. The Commerce and State Departments co-chair the U.S. side of the Dialogue. This government-to-government forum explores measures to promote and expand the commercial and economic relationship between the United States and the GCC. Since the January 1992 meeting of the Dialogue, the U.S. and GCC private sectors have had a role in the meetings, but private sector participation has accelerated since September 1998. The U.S. private sector, represented by the American Business Council of the Gulf Countries (ABCGC) and the GCC Chambers of Commerce have participated in all recent meetings of the Dialogue. The private sector has formed a separate "business" dialogue and developed a separate action agenda.



Source: U.S. Census Bureau

The private sector also organized two business conferences in April 1993 in Washington, D.C. and in March 1996 in Bahrain. A third business conference will be held in conjunction with the plenary session of the Dialogue this year. As a result of the Dialogue, the GCC countries have made great strides in increasing the protection of intellectual property rights, easing visa restrictions for American business representatives and easing restrictions on investment.

In the summer of 1998, the United States launched the U.S.-North Africa Economic Partnership to enhance the policy dialogue and break down barriers to trade and investment among the countries of North Africa and between each country and the United States. Through the Partnership, which helps to advance economic reform and private sector-led growth in the region, the United States fosters a senior-level policy dialogue aimed at promoting economic reform and liberalization. The Partnership provides the Maghreb governments with a platform from which to engage with potential U.S. investors and provides focused technical assistance and training programs to Tunisia, Morocco and Algeria aimed at helping these governments improve their business and investment climates. The Partnership receives $4 to $5 million in funding each year.

Over the past two years, the U.S. government launched 24 technical assistance and exchange programs with the Maghreb countries under the

Photo courtesy of Tim Wang.

U.S. companies display their wares during the Dubai Air Show. Assistant Secretary Lash promoted U.S. companies such as GE and Pratt and Whitney who were competing to supply engines for recently-purchased aircraft.

Partnership. U.S. experts in commercial law, insurance reform, debt management and other fields have shared their expertise with their North Africa counterparts. Ongoing activities of the Partnership also establish links between North African universities and American institutions of higher learning, permitting faculty exchanges in fields linked to business. Each spring, the Under Secretary of State for Business, Economic and Agricultural Affairs has hosted a meeting in Washington with the economic ministers of each country. Mauritania participated in the May 2001 meeting for the first time. The Trade and Development Agency also held a trade and investment conference on North Africa in November 2000, bringing together American and Maghreb companies to explore opportunities.

The United States has in place Bilateral Investment Treaties (BITs) with Bahrain, Egypt, Jordan, Morocco and Tunisia and we are discussing BITs with Kuwait, Qatar, Oman and Saudi Arabia. The United States also has entered into several Trade and Investment Framework Agreements (TIFA). The bilateral council formed under each TIFA serves as a forum in which to discuss ways to break down barriers to bilateral trade and investment. The TIFA with Jordan led to the U.S.-Jordan Free Trade Agreement. We also have a TIFA with Algeria, Egypt and Morocco and we expect to sign with Tunisia in the near future.

U.S. GOVERNMENT PROGRAMS FACILITATE COMMERCIAL TIES WITH THE MENA REGION

The Commerce Department's Commercial Law Development Program (CLDP) is active in Egypt and North Africa to support host government economic reform and trade liberalization efforts. CLDP operates in North Africa under the U.S.-North Africa Economic Partnership and helps to develop policies and regulations that are consistent among Morocco, Tunisia and Algeria in areas such as export/import laws, product standards and intellectual property protection. Commerce's Technology Administration is cooperating with the Egyptian Ministry of Communications and Information Technology in organizing an information technology partnership conference in Alexandria, Egypt in spring 2002. The Technology Administration is also preparing to assist interagency, non-governmental organizations and private sector partnerships to implement applications of advanced U.S. technology to help mitigate the serious water shortage in Jordan.

The Export-Import Bank of the United States (Ex-Im Bank) is the official export credit agency of the United States. In its 65 years of service, Ex-Im Bank has helped to support more than $400 billion of U.S. exports worldwide. Ex-Im Bank's mission is to match officially supported foreign competition and fill financing gaps to maximize support for U.S. exports and contribute to the promotion and maintenance of U.S. jobs. Ex-Im has programs in almost every country in the Middle East and North Africa (the exceptions are Iran, Iraq, Libya, Palestinian Authority and Syria).

The Overseas Private Investment Corporation (OPIC) supports U.S. businesses that invest in developing countries and emerging market economies, which creates U.S. jobs, increases U.S. exports and promotes economic growth at home and abroad. In addition to fostering American global competitiveness, OPIC considers an investment's impact on the U.S. economy, the environment and rights of workers in the host country. OPIC will support projects in Algeria, Bahrain, Egypt, Israel, Jordan, Kuwait, Lebanon, Oman, Morocco, the Palestinian Authority, Saudi Arabia, Tunisia and Yemen.

The U.S. Trade and Development Agency (TDA) assists in the creation of jobs for Americans by helping U.S. companies pursue overseas business opportunities. Through the funding of feasibility studies, orientation visits, specialized training grants, business workshops and various forms of technical assistance, we enable American businesses to compete for infrastructure and industrial projects in middle-income and developing countries. TDA is active in every country in the region with the exceptions of Syria, Libya, Iraq and Iran.

USEFUL RESOURCES:

For travel advisories and general country information:
www.state.gov

For country commercial guides, market research, and trade statistics:
www.export.gov

For federal export assistance programs, the Trade information Center:
www.export.gov/tic
1-800 USA TRADE (872-8723)

For specific market access and compliance problems, the Office of the Near East:
(202) 482-1860

Countries of the Middle East and North Africa:
Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, Yemen

U.S. HEALTHCARE TECHNOLOGIES

PRESCRIPTION FOR BETTER HEALTH AROUND THE GLOBE

by Lisa Huot,
Office of Medical Devices, Trade Development

As an international leader in the development of innovative healthcare technologies — medical devices, pharmaceuticals and therapies the United States plays a key role in promoting improved healthcare around the world. Like their global counterparts, healthcare professionals in the Middle East depend on the U.S. healthcare sector to provide the highest quality products and the most advanced diagnostic and treatment services in the world. Exports of U.S. medical, dental and ophthalmic devices to the Middle East stood at $320 million in 2000 and grew by approximately 22 percent between 2000 and 2001. The development of private and public services and facilities in the Middle East are expanding to serve increasing populations. As a result, the demand for high-quality healthcare is spurring development of new hospitals and medical centers. Countries of this region are dedicating resources to build new facilities and therefore, there are abundant opportunities for U.S. companies.

The specialty items available from U.S. medical device manufacturers range from imaging systems using X-rays, ultrasound, MRI and CT to cardiovascular products, such as pacemakers, coronary stents and catheters. Rapid diagnostic test kits and new drug treatments from U.S. companies are other tools that doctors use internationally to improve the quality of healthcare for their patients.

Innovation is not limited to devices, diagnostic products and pharmaceuticals. U.S. healthcare institutions are constantly developing new procedures in critical care areas such as trauma treatment, burn care, pain management, diabetes monitoring, renal therapy, cancer treatment and blood banking.

These new products, procedures and treatments are disseminated through educational and training opportunities in the United States. Healthcare professionals from around the world, including many from the Middle East, receive medical training at U.S. universities and research institutions. Training opportunities include initial education, internships and residency programs, continuing education seminars and other specialized training provided at professional conferences. U.S. doctors and university professors often travel abroad as keynote speakers at major medical congresses and tradeshows,

U.S. DOMESTIC EXPORTS TO THE NEAREAST

LIST OF COMMODITIES	1998	1999	2000	JAN-OCT 2000	JAN-OCT 2001	PERCENT CHANGE YTD2000 - YTD2001
	IN 1,000 DOLLARS					
Electromedical Equipment	88,498	86,845	106,083	86,117	88,184	2.40%
Irradiation(XRay) Apparatus	40,319	44,812	41,009	30,951	76,346	146.70%
Surgical&Medical Instruments	108,427	93,370	82,869	71,360	80,109	12.30%
Surgical&Medical Supplies	54,734	48,861	57,176	47,955	49,820	3.90%
Dental	19,922	26,804	20,737	16,407	16,369	-0.20%
Ophthalmic Goods	12,580	9,557	12,183	9,624	8,444	-12.30%
Total U.S. Exports to the Near East, Medical	324,479	310,248	320,056	262,415	319,272	21.70%

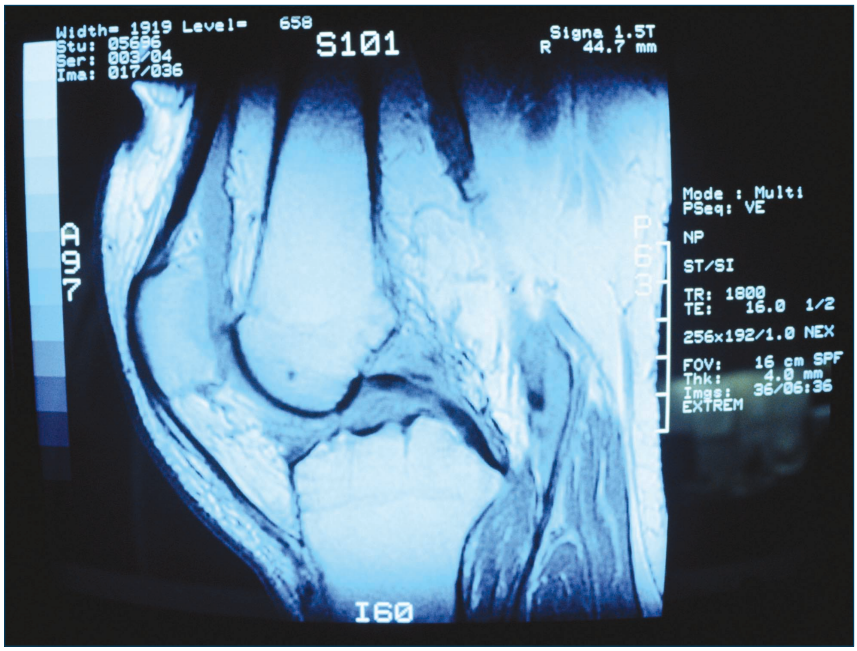
Source: U.S. Census Bureau

allowing local doctors exposure to the latest technologies and treatments.

Healthcare in the Middle East is also benefiting from the growing number of partnerships between U.S. hospitals and clinics and healthcare institutions abroad. Such partnerships enable hospitals in the Middle East to have direct links to state-of-the-art diagnostic tools and treatment planning. Although many patients still opt to travel to the United States to receive treatment, international partnerships help keep local doctors involved in the process, enabling them to provide better follow-up care when patients return home.

Working in conjunction with private companies and universities, several U.S. Government agencies including the National Institutes of Health (NIH), the Food and Drug Administration (FDA) and the Centers for Disease Control and Prevention (CDC) contribute to the vitality of the U.S. heath care system. Founded in 1887, the National Institutes of Health is one of the foremost medical research centers in the world and is dedicated to searching for new ways to help prevent, detect, diagnose and treat disease. Composed of 27 separate Institutes and Centers, the NIH provides the backbone for medical research in the U.S. both in its own laboratories and through funding of private scientists and research institutions throughout the country and abroad. Many foreign research investigators are trained at the NIH, fostering international dissemination of new medical technologies.

The FDA takes a major role in promoting and protecting public health by ensuring the products that reach the healthcare market are safe and effective. The FDA also monitors products for continued safety after they are in use. Patients do not have to come to the United States, however, to benefit from the work of the FDA. Similar to the CE mark issued by European regulators, FDA approval is broadly recognized as



an assurance of product safety. Rather than duplicating the expensive and time-consuming regulatory activities of the FDA, many countries, including Jordan, Saudi Arabia and the United Arab Emirates, readily accept FDA-approved devices, pharmaceuticals and treatments.

The CDC works with partners throughout the world to monitor health trends, detect and investigate health problems and implement prevention strategies. In today's global environment, diseases previously restricted to isolated areas of the globe have the potential to spread rapidly across borders. Early detection and action are, thus, more important than ever. The staff of the CDC plays a critical role in controlling such infectious diseases, traveling at a moment's notice to investigate outbreaks at home or abroad.

The U.S. Department of Commerce is confident that the already close relationship between the U. S. healthcare sector and the medical community in the Middle East will continue to be strengthened in the upcoming year.

We also invite businesses in the Middle East to contact the U.S. Department of Commerce Foreign Commercial Service offices located in embassies and consulates throughout the region. Our staff is available to assist local medical-related businesses and healthcare institutions find suppliers and partners in the United States.

Again, the U.S. Department of Commerce looks forward to working closely with the Middle East to help provide our trading partners with the highest quality, most innovative and effective medical devices and pharmaceuticals in the world.

For more information regarding U.S. healthcare technology to the Middle East or elsewhere in the world, contact Lisa Huot of the Office of Medical and Dental Equipment. Tel: (202) 482-2796 or Email: Lisa_Huot@ita.doc.gov.

UPCOMING TRADE EVENTS

MARCH - SEPTEMBER 2002

DATES	EVENT	LOCATION
March 7 - 10	Hong Kong Information Infrastructure Expo 2002 The Hong Kong Information Infrastructure Expo 2002 is an ideal platform to showcase the latest IT products and services, as well as to generate new business partnerships. This year's Expo will cover the latest developments in IT, including wireless applications and Internet technologies, as well as software applications.	Hong Kong, China
March 13 - 20	CeBIT 2002 CeBIT is the largest and most influential international trade show for information and communication technology. Nowhere else in the world, in just one week, can a U.S. company reach over 700,000 industry professionals, including 139,000 distributors, representing 100 countries.	Hanover, Germany
March 18 - 22	Building and Renovations Equipment Matchmaker This event is a traditional Matchmaker with two days of prescreened appointments at each stop. Participants will also benefit from indepth briefings and hospitality events.	Canada
April 8 - 16	Services Matchmaker A Matchmaker Trade Delegation to Mexico City, Mexico, Santiago, Chile and Caracas, Venezuela for companies in services sectors. Participants will receive two days of Matchmaker appointments with potential agents/distributors/partners or end-users, along with a business briefing and reception.	Mexico, Chile, Venezuela
April 12 - 21	The Rio International Boat Show U.S. Exports of boats and marine engines to Latin America totaled $95 million in 2000. The Brazilian market for all marine equipment is estimated at $320 for 2000. This event has nearly 150 exhibitors and attracts more than 55,000 visitors. It is recognized as a key event that fuels the Latin American market.	Rio de Janeiro, Brazil
April 16 - 18	Seventh Southeast Asian Healthcare Show The medical and healthcare sectors have been identified as one of Malaysia's best sectors. The government of Malaysia has allocated $1.4 billion to further develop the health service during the Eight Malaysia Plan (2001-2005)	Kuala Lumpur, Malaysia
April 17 - 25	Information and Communications Technology Mission The U.S. Department of Commerce is organizing an Executive Level Information and Communications Trade Mission to Poland, Czech Republic and Hungary. The mission will provide a unique opportunity for U.S. IT and telecom service and equipment firms to either gain a foothold or advance established interests in these IT and telecommunications markets.	Hungary, Czech Republic, Poland
April 24 - 27	Supply Chain & Logistics China 2002 This will be the most important national B2B supply chain event in China. China's transportation, warehousing, distribution and material handling industries are poised for explosive growth. This event will be one of the most effective sales and marketing channels to establish a foothold in this dynamic market.	Beijing, China
May 5 - 17	Automation Alley MDCP Trade Mission Michigan firms in the relevant industries will benefit from Automation Alley's Small Business Export Initiative by participating in this mission to China. The benefits include a series of private meetings with pre-screened contacts, exhibit space at internationally recognized trade shows, customized briefings on the market and specific industries in each country prior to the mission and assistance of a bilingual trade associate.	Shanghai, Shenyang, Changchun, Beijing, China
May 6 - 9	Information Technologies Matchmaker Export Promotion Services Matchmaker Trade Delegation Program will lead an Information Technologies (IT) Matchmaker Trade Delegation. The Matchmaker will target the IT industry, including the security, distance learning and tele-health sectors. An optional spin-off to Ottawa will be offered, Friday, May 10, 2002. The focus of the delegation will be to match participating U.S. companies with qualified agents, distributors, representatives, licenses and joint venture partners in these markets.	Toronto and Montreal, Canada
May 7 - 9	Giftware, Homeware and Furnishing International This show is tailored to the Australian market but attracts importers, wholesalers, agents and retailers from all over the Western Pacific Rim, including New Zealand and the Asia Pacific region. The show is a terrific opportunity to obtain exposure and attract interest of distributors in a hot market.	Melbourne, Australia

INDUSTRY	CONTACT INFORMATION
Information Technology	Fanny Chau Tel: (852) 2521-3721 Email: Fanny.Chau@mail.doc.gov
Computers, Telecom Equipment and Services	George Tastard Tel: (415) 705-2295 Email: George.Tastard@mail.doc.gov
Building Products	Monica McFarlane Tel: (202) 482-3364 Email: Monica.McFarlane@mail.doc.gov
General Services	Molly Costa Tel: (202) 482-0692 Email: Molly.Costa@mail.doc.gov
Boats, Marine Accessories, Parts and Pleasure Boating Products	Ludene Capone Tel: (202) 482-2087 Email: Ludene_Capone@ita.doc.gov
Health Care Services, Medical Equipment	Helen Simpson-Davis Tel: (202) 482-1882 Email: Helen.Simpson-Davis@mail.doc.gov
Information Technology and Telecomm	Jon Boyens or Beatrix Roberts Tel: (202) 482-0573 or (202) 482-2952 Email: Jon_Boyens@ita.doc.gov or Beatrix_Roberts@ita.doc.gov
Computer Software, Materials Handling Machinery and Transport. Services	Michael Rosenberg Tel: (301) 493-5500 Email: Rosenberg@ejkrause.com
Computer services, software, engineering services and automotive parts and accessories.	Jeffrey Gren Tel: (202) 482-2587 Email: Jeffrey_Gren@ita.doc.gov
Computer Software, Services and Information Services	Bill Kutson Tel: (202) 482-2839 Email: William.Kutson@mail.doc.gov
Housewares and Giftware	Ludene Capone Tel: (202) 482-2087 Email: Ludene_Capone@ita.doc.gov

HIGHLIGHTED EVENTS

REPCAN VANCOUVER 2002

VANCOUVER, CANADA
APRIL 15 - 16, 2002

RepCan Vancouver 2002 is your gateway to British Columbia and the Pacific Rim. By participating in Repcan, your firm can establish a successful presence in this market and increase its export sales.

British Columbia's population of four million represents the third largest consumer market in Canada. The province's strategic location on the Pacific Rim has enabled it to develop into Canada's third largest import/export market, with total global two-way trade in excess of $37 billion per year.

Isn't it time for you to explore the international sales opportunities in British Columbia? You will have this chance by participating in RepCan Vancouver.

For more information, please contact:
Ms. Cheryl Schell, Project Manager
Tel: (604) 685-3382
Fax: (604) 687-6095
Email: Cheryl.Schell@mail.doc.gov

MONTERREY-GUADALAJARA TRADE MISSION

APRIL 22 – 26, 2002
MONTERREY AND GUADALAJARA, MEXICO

The U.S. Commercial Service in Monterrey and Guadalajara, Mexico, will host the Monterrey-Guadalajara Trade Mission. Through this mission U.S. exporters of all types of products and services will locate agents, distributors and end-users for their products and services in two of Mexico's growing industrial centers. Participants will receive: nine appointments with pre-qualified potential representatives, distributors, end users and joint venture partners, commercial briefings, interpreter/guide. (Products must have 51percent U.S. content)

Contact Information:
Mr. Rodolfo Lozada:
U.S. Consulate General, Monterrey, Mexico
Tel: (011-5281) 8343-4450
Fax: (011-5281) 8342-5172
Email: Rodolfo.Lozada@mail.doc.gov

DATES	EVENT	LOCATION
May 8 - 9	MoneyWorld Asia 2002 This annual show features over 50 exhibitors from Hong Kong, China and Asia's financial institutions, displaying a comprehensive range of financial services, such as consumer and corporate banking, equity investment, fund management, commodities and forex trading. The fair itself provides an ideal platform for industry professionals, corporate and individual investors to access numerous money-related products and financial services and also to encourage the exchange of ideas and information on investment strategies and incentives. The fair attracted almost 18,000 visitors last year.	Hong Kong, China
May 9 - 12	Interzoo 2002 Interzoo, sponsored by the German pet industry association, proved its importance once again in 2000 as the world's largest pet supplies trade fair. There were over 1,000 exhibitors from 44 countries and more than 21,000 trade visitors. U.S. companies may display product literature at this event through our trade specialists.	Nuremberg, Germany
May 12 - 21	Medical Mission to Central Europe Poland, Hungary and the Czech Republic represent over 60 million people and a combined medical market of $1.3 billion. The regulatory environment is one of the most important elements for U.S. medical device exporters. As these three markets prepare for EU accession, U.S. exporters will find a much improved regulatory environment.	Poland, Hungary, Czech Republic
June 3 - 7	ACE/Infrastructure Matchmaker A traditional Matchmaker, which will provide two days of one-on-one, prescreened appointments to participants at each stop. Briefings and hospitality events and full logistical support will also be provided in each market.	Spain, Morocco
June 14 - 15	Fieldays Fieldays is New Zealand's leading agriculture, floriculture and horticulture trade event. The exhibition hosts more than 900 exhibitors and is attended by over 110,000 visitors. Exhibitors participating in Fieldays generate approximately $65 million in sales from the event.	Wellington, New Zealand
June 15	Seoul International Book Fair 2002 Seoul International Book Fair (SIBF) is Korea's largest book fair organized by the Korean Publishers Association (KPA) and regarded as an important cultural event. Exhibitors will gain exposure of books or catalogs to publishers, book sellers, educators, librarians, agents and distributors.	Seoul, South Korea
June 18 - 20	SMT-Hybrid Packaging 2002 SMT-Hybrid Packaging 2002 is an exhibition for system integration in micro-electronics. A full spectrum of innovative products from state-of-the-art production processes, through advanced packaging technologies, electronic systems, PCBs, test systems, design automation, components and technologies will be displayed.	Nuremberg, Germany
July 1 - 31	Analitica Latin America 2002 The American Products Literature Center at Analitica Latin America offers smaller firms an opportunity to have their literature showcased at Brazil's largest trade show for analytical instruments and laboratory equipment. Commerce staff provide each company with sales leads of foreign buyers.	Sao Paulo, Brazil
July 10 - 12	PALA 2002 PALA 2002, Asia's largest entertainment technology exhibition, will feature a U.S. pavilion. PALA 2002 is an opportunity for U.S. firms to showcase professional audio and lighting equipment, studio sound and broadcast equipment, music and special effects technologies, multimedia and networking solutions and DJ services.	Hong Kong, China
July 18 - 20	Asia Comm/Expo Comm Thailand The ninth international telecommunications, networking, IT and wireless technology exhibition and conference for Thailand and Indochina.	Bangkok, Thailand
July 22 -28	Farnborough International 2002 Farnborough is the second largest and among the most prestigious shows in the world for the aerospace industry. The 2000 show was the most successful ever and recorded orders totalling $26.7 billion. The show site was expanded to accommodate 1,325 exhibitors from 32 countries, with 50 official delegations attending during the five days.	Farnborough, United Kingdom
August 3 - 6	ISPO Summer 2002 Each year at the ISPO Summer in Munich, the sports equipment and fashion industry sets the tone for the following summer season in sports articles and sports fashion. Exhibitors from over 40 countries present their range of products, focusing on both summer and non-seasonal sports.	Munich, Germany

INDUSTRY	CONTACT INFORMATION
Financial Services	Alice Lai Tel: (852) 2521-4638 Email: Alice.Lai@mail.doc.gov
Pet Supplies	Edward Kimmel Tel: (202) 482-3640 Email: Edward_Kimmel@ita.doc.gov
Medical Equipment	Valerie Barth Tel: (202) 482-3360 Email: Valerie_Barth@ita.doc.gov
Architectural Construction and Engineering Services	Molly Costa Tel: (202) 482-0692 Email: Molly.Costa@mail.doc.gov
Agricultural Machinery and Equipment	Janet Coulthart Tel: (644) 462-6002 Email: Janet.Coulthart@mail.doc.gov
Books/ Periodicals	Mitchel Auerbach Tel: (82 2) 397-4655 Email: Mitchel.Auerbach@mail.doc.gov
Electronics Industry Products, Electronic Components	Marlene Ruffin Tel: (202) 482-0570 Email: Marlene_Ruffin@ita.doc.gov
Laboratory Scientific Instruments	Stephen Harper Tel: (202) 482-2991 Email: Steven_Harper@ita.doc.gov
Entertainment technology, broadcasting, audio/visual equipment and service.	Fanny Chau Tel: (852) 2521-3721 Email: Fanny.Chau@mail.doc.gov
Telecommunications	William Corfitzen Tel: (202) 482-0584 Email: William.Corfitzen@mail.doc.gov
Aircraft, Parts, Ground Support Equipment, Defense Industry Equip.	Anthony Largay Tel: (202) 482-6236 Email: Anthony_Largay@ita.doc.gov
Sporting Goods Equipment and Apparel	Ludene Capone Tel: (202) 482-2087 Email: Ludene_Capone@ita.doc.gov

U.S. PAVILION AT POSIDONIA INTERNATIONAL SHIPPING EXHIBITION

JUNE 4 - 7, 2002
PIRAEUS, GREECE

The U.S. Commercial Service in Athens, Greece, in cooperation with the American-Hellenic Chamber of Commerce, will organize the U.S. Pavilion at the 18th edition of Posidonia, to be held in the Port City of Piraeus, Greece.

Posidonia is one of the most important maritime trade events in the world and is expected to attract more than 1,500 exhibitors from over 70 countries. U.S. companies in all related maritime and shipping industries should take full advantage of the 30,000 decision-making professionals from Europe and around the world that are expected to visit the exposition. The U.S. Pavilion at Posidonia is expected to be the largest national exhibit at this event and will offer excellent export opportunities for U.S. firms looking to expand in the important Greek market.

For more information, please contact:
Ms. Irene Ralli, Commercial Specialist
U.S. Commercial Service
American Embassy Athens, Greece
Tel: 11/30/10/720-2302, Fax: 11/30/721-8660
Email: Irene.Ralli@mail.doc.gov

MEDICAL DEVICE TRADE MISSION

SEPTEMBER 15 – 24, 2002
BEIJING, CHENGDU, HONG KONG

The Commerce Department is organizing a trade mission expressly to help U.S. medical device companies make the contacts they need to establish or expand a strategic presence in this increasingly important medical market. Hospitals in China enjoy a high degree of purchasing power and discretion. They are keen to buy high quality and technologically advanced products from U.S. manufacturers. The United States already exports over $500 million worth of medical devices a year to China and Hong Kong.

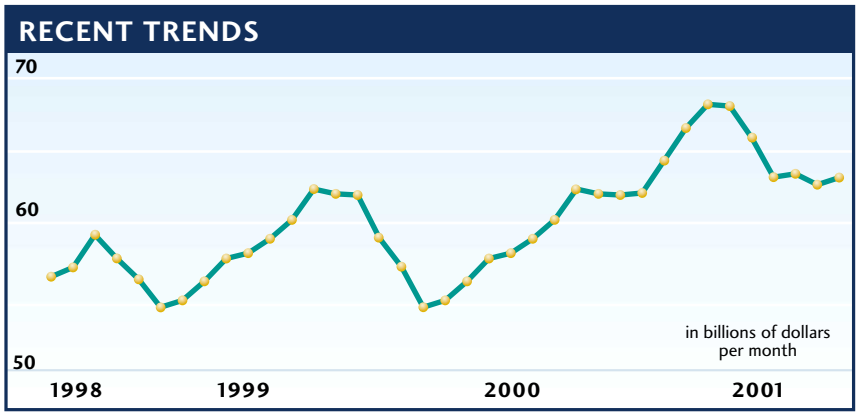
- China's growing middle-class is seeking high-quality medical care provided by imported equipment.
- U.S. medical-device exports to China are expanding 12 percent annually.
- China offers both short-term sales prospects and long-term growth potential, making it an essential market for all U.S. medical-device exporters.

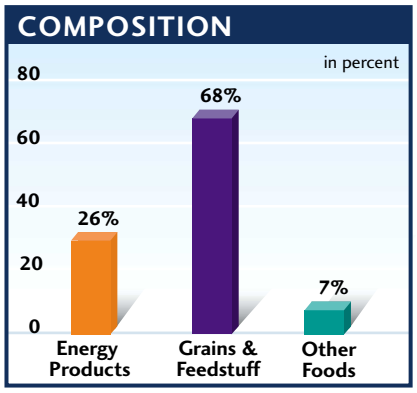
Doing business in China — registering products, understanding local procurement policies, protecting intellectual property rights, and observing rules governing business activity by foreign firms — remains tricky. Participation in this trade mission will aid you in developing the good connections that are a prerequisite for business success in China.

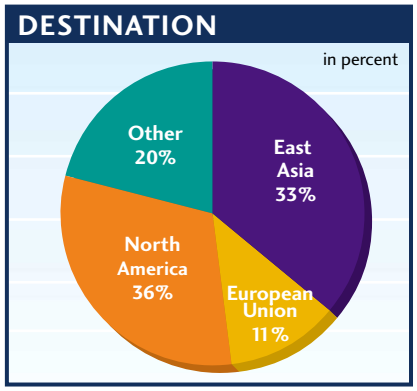
Contact: Ms. Lisa Huot
Tel: (202) 482-0975, Fax: (202) 482-2796
Email: Lisa_Huot@ita.doc.gov

A LOOK AT U.S. EXPORTS

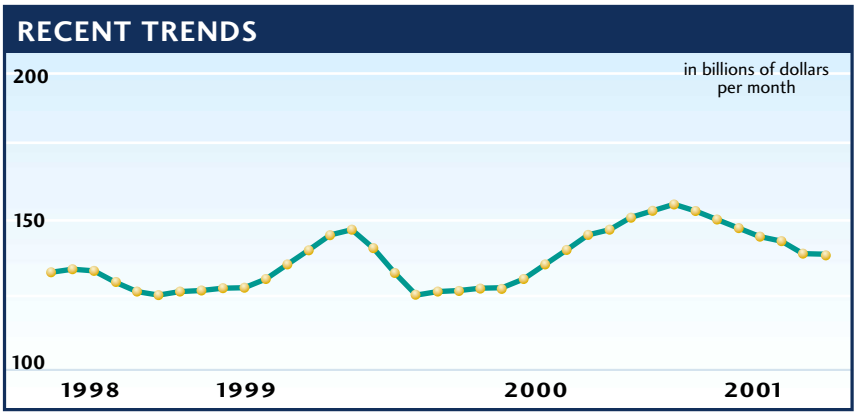
FOOD AND ENERGY







MATERIALS



Monthly data are centered three-month moving averages, based on seasonally adjusted figures and expressed as annual rates.

Product categories (except for services) are based on end-use classification. Commercial services include all private services.

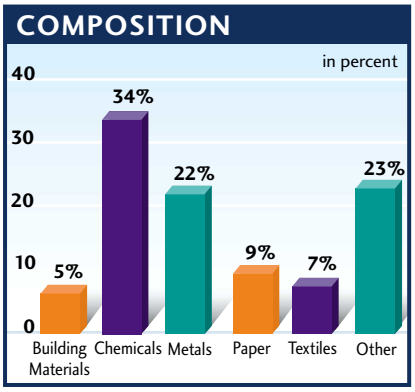
North America: Canada and Mexico.

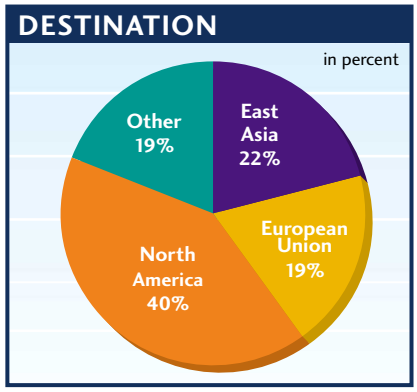
European Union: Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom.

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

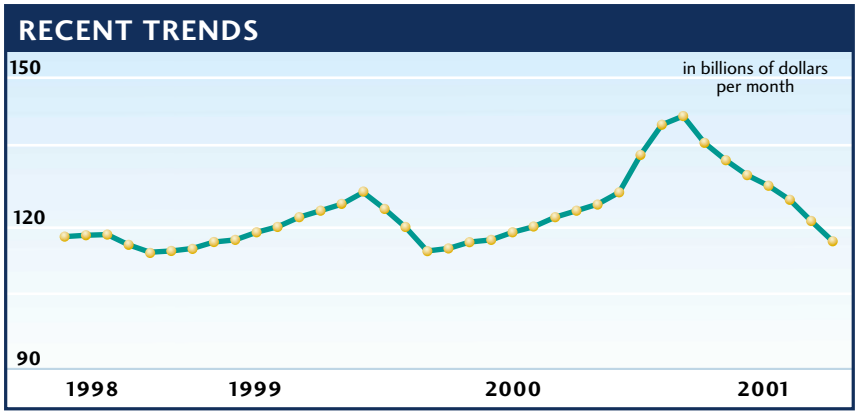
The chart showing exports of services by region is based on data for calendar year 2000. Other charts showing product mix and geographic destination are based on data for the year ending October 2001.

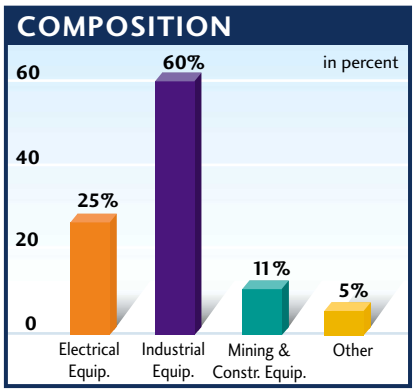
Source: Bureau of the Census (goods), Bureau of Economic Analysis (services).

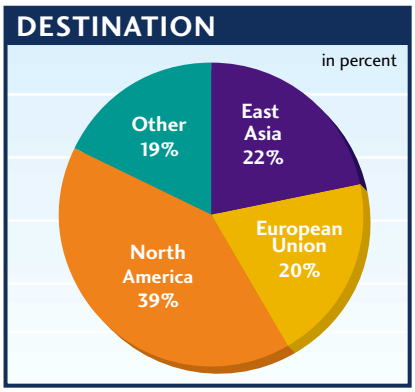




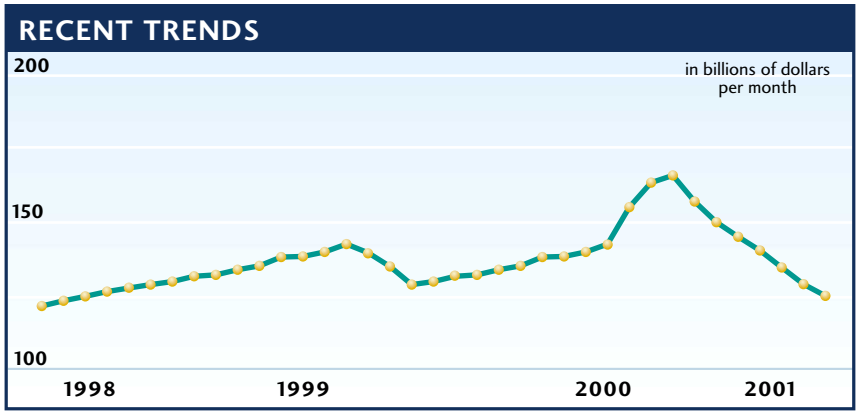
MACHINERY

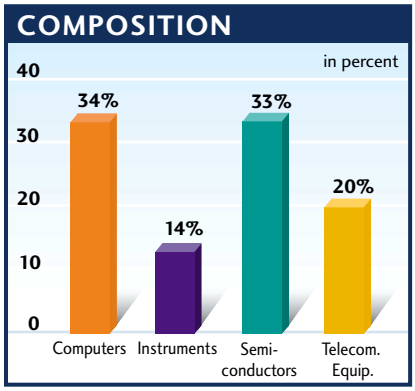


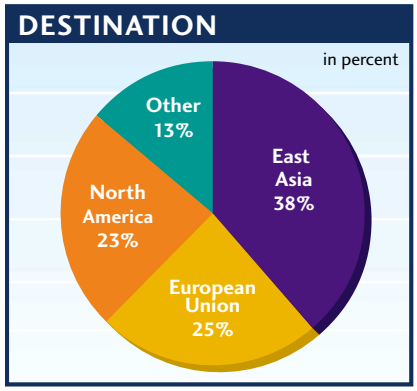




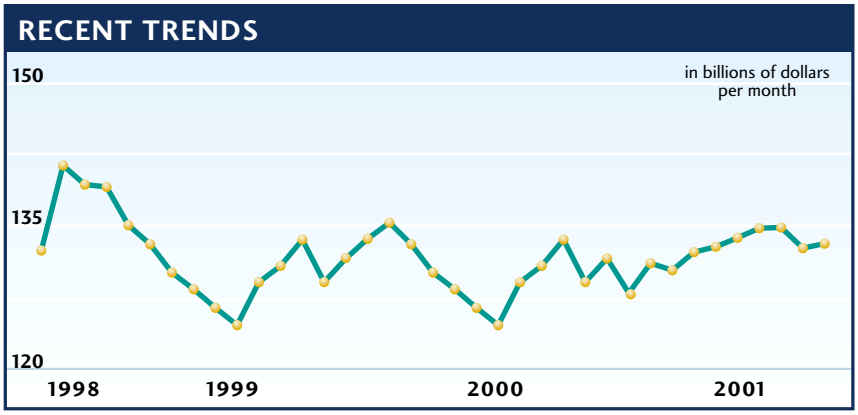
ELECTRONICS & INSTRUMENTS

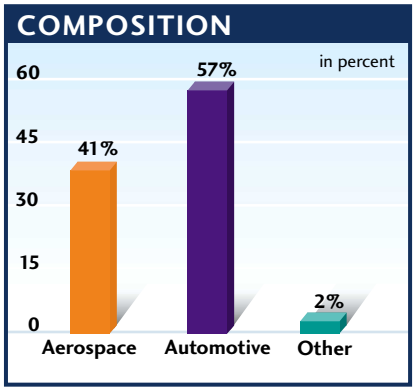


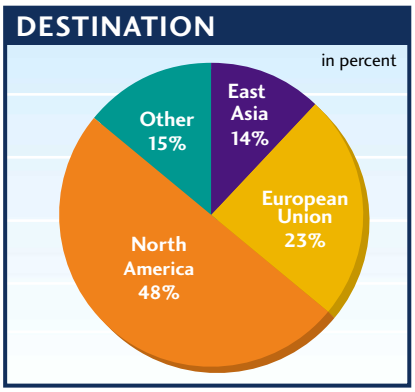




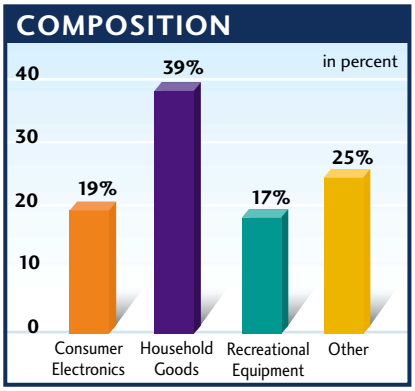
TRANSPORTATION EQUIPMENT (CIVILIAN)

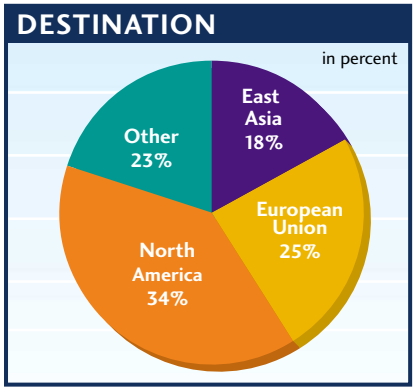






CONSUMER DURABLES

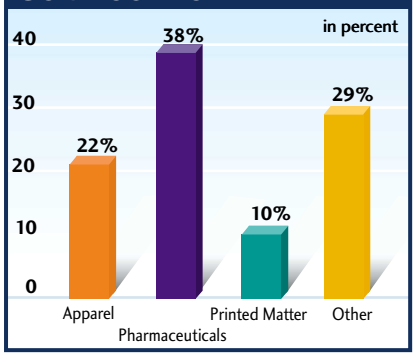




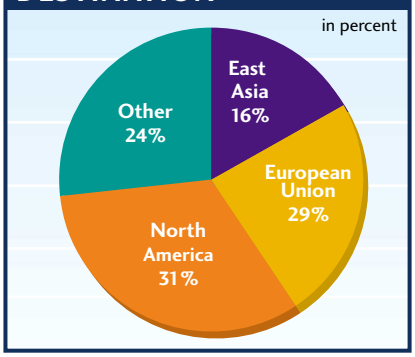
CONSUMER NONDURABLES

RECENT TRENDS

COMPOSITION



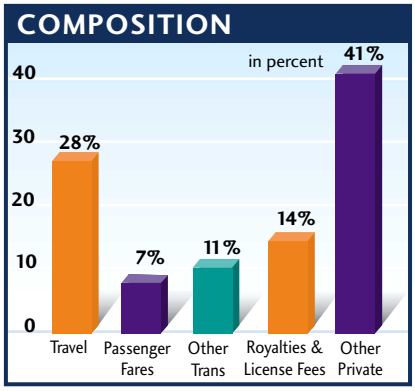
DESTINATION



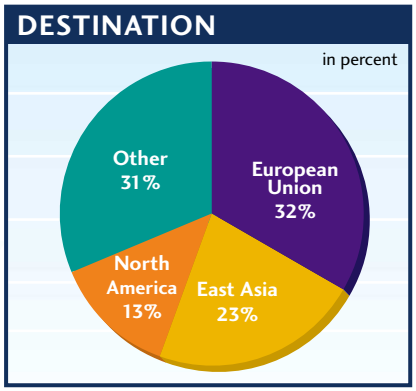
CONSUMER SERVICES

RECENT TRENDS

COMPOSITION



DESTINATION



Additional information is available from the International Trade Administration (www.trade.gov/tradestats),

the Bureau of the Census (www.census.gov/foreign-trade/www/)

and the Bureau of Economic Analysis (www.bea.doc.gov/bea/).

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