

## GLOBAL NEWS LINE

### HONG KONG

Hong Kong's cosmetic and toiletries market had an estimated value of \$493 million in 2001. With little domestic production of cosmetics and toiletries, Hong Kong relies on imports from China, Japan, the United States, France, Singapore, Malaysia, and Taiwan. Industry sources expect import growth to continue in the coming years despite the economic slowdown in Hong Kong. The constant demand from mainland Chinese tourists will also drive the growth of imported cosmetics and toiletries.

The best prospects in Hong Kong will be in hair coloring products, skin-whitening products, nail products, color cosmetics, permanent eye makeup, and skin care products for professional beauty salons. U.S. skin care and hair care products have a reputation for quality, innovation, competitive prices, stringent quality control, and safety. While Japan is currently the market leader in color cosmetics, France is the leading perfume supplier to Hong Kong.

There are no import tariffs or product registration requirements on cosmetics and toiletries in Hong Kong. Imports from the United States fell 12 percent to \$101 million in 2001, yet the United States remained Hong Kong's third-largest supplier. With U.S. and third-country companies increasingly manufacturing their cosmetics and toiletries in China and other low-cost Asian countries, imports from the United States should continue to decline in 2002 and onwards.

### JAPAN

The Ministry of Public Management, Home Affairs, and Posts and Telecommunications (MPHPT) announced that as of the end of 2002, there were 7.8 million broadband home users in Japan. Triggered

by cutthroat competition and rock-bottom prices, ADSL subscribers almost quadrupled in 2002, from 1.52 million in December 2001 to 5.66 million in December 2002. This rapid expansion of broadband networking is occurring simultaneously in both households and enterprises.

Because of Japan's stagnant economy, many Japanese companies reduced capital investment from the previous year's level, and telecommunications equipment investment was no exception. The MPHPT announced in August 2002 that the total amount of planned investment on facilities by telecommunications carriers in 2002 would contract 10 percent over the previous year to \$23.8 billion. The Japanese telecommunications market in general shows signs of modest expansion in 2003.

### SPAIN

As one of the world's 10 largest economies and one of the fastest-growing major industrialized nations, Spain offers many U.S. companies the ideal market for potential growth in the waste-to-energy sector. In recent years, Spain has experienced important qualitative changes in both the energy

and waste sectors due to significant socioeconomic changes and its membership in the European Union.

Spain relies greatly on imported energy to meet the needs of more than 40 million residents. Since 1975, Spain has doubled its energy use—approximately 1.4 percent of the world's total energy usage. As the Spanish population continues to grow, these energy requirements will continue to increase. Currently, Spain has limited domestic energy sources, thus requiring the importation of resources that prove costly to Spain because of transportation, storage, waste, and other incidental risks, such as times of economic instability beyond Spain's control.

Waste-to-energy is a viable solution for Spain's future energy and environmental needs. Though significant waste-to-energy developments have occurred in Spain within the last years, these do not meet the tremendous need in Spain for cleaner, more reliable and renewable power. As such, there are many opportunities available for U.S. companies specializing in waste-to-energy technology, equipment, and services to meet Spain's energy and environmental needs.

### SWITZERLAND

Switzerland is located at the crossroads of Western Europe and Central Europe. It lies at the heart of one of the world's leading biotechnology regions, which also encompasses the neighboring parts of France, Germany, and Italy. Anchored by world-class research of home-based multinationals Novartis, Roche, Serono, and Syngenta, the Swiss biotech industry is among the largest and most diversified in Europe. This enviable position is reinforced by cutting-edge research carried out in a large and growing network of small and medium-sized biotech companies throughout the country. They all





enjoy popular backing; in 1998, the Swiss electorate voted not to curb but rather to encourage research in genetic engineering. This encouragement for further groundbreaking work makes Switzerland's bright future in biotechnology look more assured than ever.

With overall expenditure of \$7 billion, Switzerland has one of the world's highest levels of research expenditure relative to GDP (2.9 percent). The private sector finances more than two-thirds of Swiss research. Switzerland is a leading research nation also in terms of output: it produces more scientific publications per capita than any other country in the world.

Biotechnology is tailored to Switzerland, because this technology is based on renewable resources, acquired knowledge, and innovation. Having scarce natural resources, an extensive government priority program to encourage biotechnology was created because of Switzerland's commitment to further investment in biotechnology. In mid-2001, a total of 48 drugs, five food products, and two laboratory enzymes were authorized for production.

These and other positive developments create several opportunities for U.S. biotech companies that would like to form strategic alliances, develop new markets, or establish bases in Europe.

#### SWEDEN

**In 2001, the Swedish market for orthopedic equipment was estimated at \$50 million.** Total imports were estimated at \$48 million, while exports amounted to \$30 million. Domestic Swedish production was estimated at \$33 million. U.S. suppliers dominate the import market (22 percent), followed by the United Kingdom (19 percent) and Germany (15 percent).

Trade analysts believe that the sales of orthopedic equipment will show a steady increase in the future as the population grows older and puts increased demand on orthopedic surgery in the form of knee as well as hip replacements.

U.S. products are seen as easy to use and cost-effective and therefore will find the Swedish market receptive to high-quality equipment.

#### POLAND

The demand for casting products, such as radiators, bathtubs, pipes, fittings, appliances, and auto parts will grow in Poland over the next few years as businesses and industries requiring casting products—mostly automotive and construction firms—continue to develop. Moreover, the niche for casting products made in Central European countries will continue to grow as Western European foundries focus on more technologically sophisticated products.

Poland is the sixth-largest producer of steel castings in Europe. Small and medium-sized enterprises constitute the majority of Poland's casting industry. There are over 500 foundries in Poland. Two hundred make iron and steel castings, and more than 300 make non-ferrous castings. These firms are scattered across Poland, and usually act as suppliers to larger manufacturing companies. Polish casting products are exported to Germany, Italy, France, Denmark, Sweden, the United Kingdom, and the Netherlands.

The Polish foundry sector is diversified—both technologically and financially. There are some very modern foundry facilities in Poland including Teksid Polska Odlewnie Zeliwa, which produces 70 percent of Poland's ductile cast iron, and Centrozap. However, Poland still has many aging foundries whose financial situation is bleak. Many smaller Polish casting companies are having difficulty maintaining a foothold in the market. ■

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