CONTENTS

EXPORT America
THE FEDERAL SOURCE FOR YOUR GLOBAL BUSINESS NEEDS
May 2000 Volume 1 Number 7 http://exportamerica.doc.gov

NEW OPPORTUNITIES

Environmental Technologies Exports: A Win-Win for Growth and Sustainable Development 18
by the Office of Environmental Technologies Exports

GLOBAL NEWS LINE

Briefs on South Africa, Australia, Korea, Poland, Russia, Canada, Colombia & Ecuador 4
Prepared with the assistance of the U.S. & Foreign Commercial Service.

SUCCESS STORIES

Trade & Technology Puts Better Healthcare at Door of West Africa 6
by Curt Cultice

Curt's Corner: Explorer "Treasures" Commerce Department Assistance 8
by Curt Cultice

NEWS FROM COMMERCE

Commerce Launches New Website to Alert Small Businesses to Increases in Duties under Section 301 10
by Merriam Mashatt & Matthew Howard

Section 301 Reports 12
by Katherine Wiehagen

The U.S.-ASEAN Business Council Internet Tour: How to Put Six U.S. Ambassadors on Your Board Room Table 13
by Ernest Z. Bower

Predictive Scoring for International Commercial Credit Risk 14
by John R. Shuman

TECHNICAL ADVICE

ASK THE TRADE INFORMATION CENTER 16
Packaging and Recycling Requirements
by James Golsen

INSIDER'S CORNER

Trade Events Schedule: Upcoming Trade Events, June-December 2000 24
Prepared with the assistance of the U.S. & Foreign Commercial Service.

A Look at U.S. Exports 28
Prepared by the Office of Trade & Economic Analysis, Trade Development.

INTERNET MARKETING

EU Trade: Export Advice Online 32

THE FEDERAL SCOOP

World Trade Week 2000 Event Listing 34

COVER BY DANIEL STAFFORD; PHOTO COURTESY OF THE OFFICE OF ENVIRONMENTAL TECHNOLOGIES EXPORTS

Correction: Mr. Viet Ngo of Lemna International, Inc. is a member of the U.S.-China Business Development Council, not the U.S.-China Business Council, as was reported in the April 2000 (volume 1, number 6) issue of Export America.

U.S. DEPARTMENT OF COMMERCE
International Trade Administration

William M. Daley
Secretary of Commerce

Robert L. LaRussa
Acting Under Secretary for International Trade

Daniel Cruise
Director of Public Affairs

Arrow Augerot
Editor

Brendan Mullen
Editorial Intern

Published monthly by the U.S. Department of Commerce, Washington, D.C.

Subscription rates are pending. All subscription inquiries should be sent to the Government Printing Office, Superintendent of Documents, Mail Stop: SSOM, Washington, D.C., 20401.

Other inquiries should be sent to the U.S. Department of Commerce, Room 3414, 1401 Constitution Avenue, NW, Washington, D.C., 20230.

First-class postage paid at Washington, D.C.

Contents of this publication are not copyrighted unless indicated, and if not so indicated the articles may be reproduced in part or in full without any prior consent. The Secretary of Commerce has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this department.

EDITOR'S MEMO

On April 22, 2000 President Clinton and Vice President Gore commemorated the 30th Anniversary of Earth Day

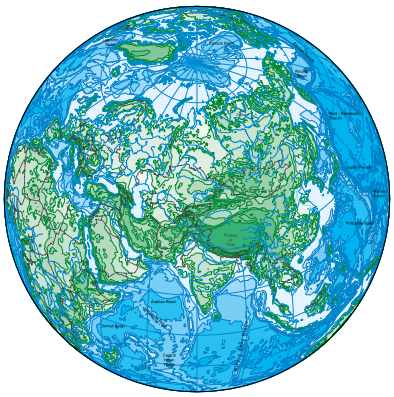
by reminding the American people of the importance of "meeting the challenge of climate change" through two Executive Orders on Federal Government transportation (for more information see the White House website at www.whitehouse.gov).

A growing body of scientific evidence demonstrates that the Earth is getting warmer and that the main culprit for this increase in temperature is greenhouse gas (GHG) emissions produced by human activities. Scientists now report that seven of the last 10 decades were the warmest on record and that the 1990s were the warmest decade of the millennium. Rising temperatures, if left unchecked will lead to potentially devastating consequences, including sea-level rise, the spread of disease, shifts in agricultural productivity and damage to ecosystems.

Many of you are doing your part to prevent climate change and encourage sustainable development through your businesses. This month's feature article illustrates the ways that environmental technologies companies can use their products and services to improve environmental conditions and reduce GHG emissions in developing countries. Businesses in the energy supply, manufacturing, commercial and residential, and transportation sectors will see the greatest opportunities in key developing markets, including Brazil, Mexico, China, India, the Philippines and South Africa.

World Trade Week is observed this month (May 15-19, 2000). In The Federal Scoop section we provide a partial list of events sponsored and co-sponsored by the Commercial Service around the country. Take advantage of these great opportunities to learn more about international trade. If you don't see an event in your area on this list, check with your local Export Assistance Center (contact information on the back of the magazine) and see what they are planning for World Trade Week.

We will see you next month with a feature article on the Latin American telecommunications market. Until then, good luck with your business. Let us know if you have any questions or comments (Export_America@ita.doc.gov).



Arrow Augerot
Editor

GLOBAL NEWS LINE

SOUTH AFRICA

The City Fathers in Maritzburg (PMB), South Africa wish to initiate discussions with any and all interested parties for the **development of the Oribi Airport.** The U.S. & Foreign Commercial Service Durban's discussions with PMB indicate that city officials are leaning towards a 20-year concession that will unlock the full potential of the 145 hector site. Price Waterhouse Coopers (PwC) is assisting PMB, which will make for relatively smooth tendering and evaluations. The estimated capital expenditure required is US$3.5 million which will be used primarily for development of the terminal building and extension of the runway to accommodate 737 class planes. For further information about this project, please contact the Commercial Service Durban at Fax: (27 31) 301-0577/8206 or Email: Henry.Richmond@mail.doc.gov or pcodbn@icon.co

AUSTRALIA

Despite sloppy fall weather, over 500 visitors came to the **first multi-state catalog shows to be held in four years (March 22-24, 2000).** The show generated over 1,400 trade leads. Trade representatives from the nine participating states—Arkansas, Maryland, Louisiana, Mississippi, Missouri, New Mexico, Ohio, Texas and Wisconsin—praised the Commercial Service in both Sydney and Melbourne for their organization and initiative in helping to make the show a success.

Photo courtesy of Commercial Service Sydney.

Ambassador Genta Hawkins Holmes and Deputy Senior Commercial Officer Jim McCarthy visit with Missouri state representative Zatuilla Nara at the Multi-State Catalog Show in Sydney.

KOREA

The Korean National Assembly passed the long-awaited and much anticipated **Integrated Broadcasting Act on December 28, 1999.** The new law includes provisions permitting foreign investor equity limits of up to 33 percent in Korean cable and satellite TV firms. The law should benefit foreign program providers due to an expected expansion in the broadcast TV market in Korea. Approximately 13 million households in Korea currently own a television, and about 1 million households are cable TV subscribers. The number of subscribers should increase significantly, however, when more channels and a greater variety of programming become available as a result of the new law. The Commercial Service Korea urges U.S. firms interested in the broadcast TV market in Korea to closely examine the changes caused by the new legislation and the business opportunities that will result.

POLAND

The Polish automotive market continues to show strong growth that is expected to continue over the medium- to long-term. In 1998, Poles bought 515,000 new cars, an 8 percent increase over 1997. In 1998, Poland ranked sixth in Europe in new automobile sales. Approximately 700-800 thousand second-hand cars are sold each year. Manufacturers in Poland are recording high sales levels, and are developing distribution networks. Recent figures show annual sales of new vehicles to be valued at US$6.9 billion. By the year 2001, second-hand car buyers are expected to borrow almost US$1 billion to purchase vehicles. Poland has over nine million passenger cars, with a car-per-capita ratio two to three times lower than that of Western Europe. There are also over 1.2 million registered trucks and vans, and over 80 thousand buses. The strong growth of the automobile market in Poland presents great opportunities for American automobile parts and accessories that improve performance and look. For more information on entering the Polish market for automobile parts, accessories and after-market products, please contact the Commercial Service Warsaw at Email: Warsaw.Office.box@mail.doc.gov.

RUSSIA

On March 26, Russia elected its second president, Vladimir Putin, who has served as prime minister since last August and as acting president since Boris Yeltsin's resignation at the end of 1999. Although Putin has not yet established an economic team or announced an economic program, the foreign business community has reacted favorably to his election based on his avowed commitment to improve the business climate. Putin has cited the need for more foreign investment, and promised to improve the rule of law for business and to give priority to such measures as the adoption of the long-awaited tax code, regulations for production sharing legislation, implementation of international accounting standards and authorization of a more favorable tax regime for business expenses. Putin's understanding of the issues impressed foreign business leaders during a four hour meeting between him and the Foreign Investment Advisory Council in March 2000. Putin will start his term with a stronger base in the Duma, which will provide an opportunity to push forward an economic reform agenda.

CANADA

The on-going deregulation of the electricity markets of both Alberta and

Ontario continues to create new business opportunities for U.S. utilities and suppliers. As the provincial governments seek to decrease their investments in the electrical power market, a number of new export opportunities, partnerships and acquisition opportunities with existing utilities will arise. There is a growing trend of convergence across this sector, such as in telecommunications and security services, which will open new opportunities to U.S. companies in various sectors outside the power industry. Growing demand for "green energy" alternatives can also be found for renewable energy technologies, such as wind and solar power. U.S. firms are encouraged to look to Canada for new export and partnership possibilities. For more information on opportunities in Canada's dynamic electric power industry, contact Peter Dykeman, Commercial Service Toronto at Tel: (416) 595-5412 x226 or Email: peter.dykeman@mail.doc.gov.

The Canadian Government has created a "Canadian Importers Database", which is available online on Strategis, Industry Canada's website (http://strategis.ic.gc.ca/sc_mrkti/cid/engdoc/index.html). The database is composed of companies that import specific products into Canada through Canadian Customs. The database gives the name, city, province and postal code of the importer. It includes customs brokers and their clients, as well as non-resident importers (i.e., companies that have addresses outside of Canada). The database lists the major importers, which it defines as those companies that collectively make up the top 80 percent of all imports, in terms of dollar value, for a particular product or a particular city. The database is searchable either by city or product classification. This excellent tool should be used by U.S. exporters who are interested in finding buyers for their products in Canada. For more information, contact the Commercial Service Ottawa at Tel: (613) 688-5217 or Email: Ottawa.Office.Box@mail.doc.gov.

COLOMBIA

President Pastrana, at ExpoCom Andino 2000/CTF, launched the Connectivity Agenda on March 15, 2000 by saying: "The National Government, led by the Ministry of Communications, has prepared the *Connectivity Agenda: The Leap to the Internet*, which constitutes a set of actions and strategies that encourage the country to engage in the appropriation and massive use of information technologies for the construction of a knowledge society as a national purpose; thus, achieving wide democratization of access to knowledge in the country, increasing private sector competitiveness and modernizing the state." For more information on this agenda, please contact the Commercial Service Bogota at Tel: (571) 315-2126/2298; Fax: (571) 315-2171/2190; or, Email: Bogota.Office.Box@mail.doc.gov.

ECUADOR

In late February of this year, Ecuador passed historic legislation, which according to a high level multilateral bank official, "included twenty years of privatization and modernization in one shot!" This legislation included the necessary legal changes to convert Ecuador's economy into a dollarized system, with the goal of creating stability and eliminating the serious problems caused by frequent devaluations and high inflation that have damaged the economy over the last few years. However, from the point of view of U.S. companies, the privatization and modernization aspects of the new law are the most significant parts of this legislation, creating major new opportunities for American companies.

ENERGY: The law now permits the government to sell 51 percent of its electrical facilities (6 generation plants, 1 transmission company and six distribution operations). Previously, the ceiling for foreign ownership was only 39 percent. The companies are currently being prepared for sale, and by the fall of 2000, the procedure should begin.

TELECOMMUNICATIONS: Ecuador was one of the most backward countries in the region in this sector prior to passage of the new law; however, now the government can sell 51 percent of the state telephone companies (previously the limit was 35 percent), and the sector will be completely opened up to free competition six months after the law went into effect (by the end of August 2000). Over the coming months the government will be writing all of the regulations to govern the details of the new activities in this sector.

PETROLEUM: The new law contains changes in the Hydrocarbon Law, which permits the government to move ahead and finalize negotiations with the five oil company consortium that will build a new oil pipeline (a $600 million project). This critically important project has been delayed for years, and is now expected to begin construction by this summer. In addition to the $600 million direct investment, the oil companies will be sharply increasing their exploration and drilling activities in order to fill up the new pipeline, which is expected to be on line by the end of 2001 (an additional $1.5 to $2 billion worth of investment).

Changes in the labor laws will also allow much more flexibility in hiring hourly workers, and adding or reducing staff as needed to maintain competitiveness. Now is the time to seriously investigate the new opportunities developing in Ecuador. In addition to the sectors noted above, the overall economy will be re-invigorated by new investments, which should lead to a wide array of opportunities for U.S. firms across the board. ■

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 1-800-USA-TRADE.

TRADE & TECHNOLOGY PUTS BETTER HEALTHCARE AT DOOR OF WEST AFRICA

by Curt Cultice
Office of Public Affairs

West Africans will soon have the comfort of knowing they won't have to travel thousands of miles to benefit from the latest in medical diagnosis technology—a new CT Scanner will be arriving soon at the medical center at Polyclinique Internationale Sainte-Anne-Marie Hospital in Abidjan, Cote d' Ivoire.

Photo courtesy of Princeton Healthcare, Inc.

Don Lloyd Williams, President & CEO of Princeton Healthcare, Inc., and President/Director Djibo and Deputy Director Ahamel, at the Polyclinique Sainte-Anne-Marie Hospital in Abidjan.

The CT Scanner, which scans the human body and provides high-resolution images that would not normally be detectable through x-rays, is the first to be located within the seven-country region of West Africa.

"This is a 'win-win' for West Africa and our goal of increasing public access to quality health care in this part of the world," says Don Williams, President of Princeton Health Care. The Atlanta-based firm is a partner in the effort that won the $1.5 million contract to supply the CT Scanner. The hospital is a privately owned 400-bed facility.

Health Management Resources, Inc., (HMR), a minority-owned management and consulting firm located in Landover, Maryland, lead the partnership. Rounding out the team is the U.S. Export-Import Bank.

"By providing this new technology in this region, people with life-threatening diseases will no longer have to travel to Europe and North America to access top quality clinical diagnosis and medical care," says Rudolph A. Coleman, President and CEO of HMR. "This program combined with several other initiatives currently under development will make a positive difference in improving the overall health care delivery system in West Africa."

Given the distance between Europe and West Africa, the savings in time and money is critical for giving West Africans early treatment of potential health problems.

The CT Scanner will assist medical personnel in deciding if patients will require general surgery, or cardiovascular and pulmonary procedures. It will also bring recognition to the hospital as a major medical center and generate much-needed revenue for the facility.

The CT Scanner is expected to be operational later this spring, and will service 10 to 15 patients daily. That's thousands of patients each year at a cost of about US$700-$1,500 per person. The partnership will work closely with the manufacturer and hospital staff to ensure proper training in the use of the CT Scanner.

Williams said he is proud to be a part of the effort to help improve health care in West Africa, but knew it wouldn't be easy to win the contract, which he heard about through a personal contact.

Looking to increase the chances of submitting a winning proposal, Williams says the partnership consulted closely with a commercial officer at the U.S. Department of Commerce's Commercial Service office in Cote d' Ivoire.

"We provided the partnership with a roadmap that enabled them to be even more savvy on the political, economic and market aspects of doing business in

the region," says Johnny Brown, Regional Senior Commercial Officer for West and Central Africa. "We want our clients to be as prepared as possible so that they can compete on a level playing field with their international competitors here in West Africa."

"The competition for this project was very intense, and we faced stiff competition from a dozen European firms, including the French," Williams says. "We brought a strong package to the table that included a quality product and strong service support."

For several months, the Coleman/Williams team waited for the answer. Finally, the decision: Their partnership had won the contract!

In addition to tapping the Commercial Service, Williams says a key factor in winning the contract was obtaining medium-term insurance from the Export-Import Bank. It was the first time any of the three partners has used such insurance in a business transaction.

"The insurance policy provided by the Export-Import Bank was absolutely critical in securing this contract," he says. "It really gave our group a lot of leverage in the bidding."

The Export-Import Bank's export credit insurance helps credit-worthy foreign buyers purchase U.S. goods. And, it ensures that the U.S. firm making the sale will receive payment should the foreign buyer not fulfill terms of the contract.

"We give a lot of credit to the U.S. Department of Commerce's Export Assistance Centers in Atlanta and Baltimore," Williams says. "We used their export counseling services previously and were aware of Ex-Im Bank's credit insurance program."

As it turns out, Williams is not the only partner on the winning Cote d' Ivoire CT Scanner team to have previous experience in utilizing Commerce Department services.

Photo courtesy of Princeton Healthcare, Inc.

The CT Scanner provides high resolution images that would not normally be detectable through an x-ray.

Just ask Phyllis Shearer Jones, President and CEO of Elan International, a consulting firm working with HMR—who introduced her client to the Commerce Department's full range of export assistance programs and services. Since last year, the firm has utilized trade leads, detailed country-specific market information, international company profiles and procurement information from the multilateral development banks.

"This recent deal in Cote d' Ivoire is another excellent example of how successful public-private partnerships can assist developing countries," says Jones. "Any company looking to export their products or services should consult with the team at the U.S. Export Assistance Centers. They have been extremely responsive and have provided us with first-class service."

It seems HMR and its partners—present and future—haven't yet seen the last of the Commerce Department's export promotion specialists.

"Our goal is to improve the quality of health care by providing new health technology to Africa," says HMR founder Coleman. "We plan to pursue additional health initiatives in the region such as education and training programs in HIV/AIDS awareness."

As it was in Cote d' Ivoire, public-private sector cooperation holds the key to the firm's future success.

"We look forward to working with our African and American partners," says Coleman, " we expect to be knocking on the door of the Commerce Department once again." ■

For more information about the Export-Import Bank's programs and services, call 800-565-EXIM or visit their website at www.exim.gov.

Contact information for the U.S. & Foreign Commercial Service can be found at www.usatrade.gov. Telephone numbers for the U.S. Department of Commerce's Export Assistance Centers are located on the back cover of Export America.

EXPLORER "TREASURES" COMMERCE DEPARTMENT ASSISTANCE

Herman Moro may not be a modern-day Blackbeard, but he sure can raise a sunken treasure. Just consider the story of how Moro and his team recovered millions of dollars in silver coins from a Spanish wreck off the coast of Ecuador in 1997, which led him to use Commerce Department services and form his own company, Sub America Discoveries, Inc. of Reston, VA.

"The search for sunken treasure is a really a dream come true," says Moro. "I have enjoyed the historical search in old European archives as much as the underwater search itself."

The idea for treasure hunting stemmed from a combination of hobby and chance. In 1993, Moro, a skin diver, was sipping lemonade and leafing through a magazine, featuring the ten-largest shipwrecks lost at sea, when his eyes feasted on the *La Capitana*, a Spanish galleon, flagship of the South Sea Armada, that sunk off the coast of Ecuador in 1654.

"This particular ship seemed to be a good target because of its remote location in South America," says Moro. "Most of the shipwrecks off the Florida coast and the Caribbean Sea already have been salvaged, and I knew my understanding of Spanish would be a great help in working in Latin America."

Moro and his wife were hooked.

"We went to Seville, Spain and researched documents that enabled us to pinpoint the location of the ship within a one-mile square radius," Moro says. "We also knew the *La Capitana* sunk in waters less than 40 feet deep, making our potential search much easier and more cost effective."

Moro also knew that other would-be treasure hunters tried to find the ship in the early 1970s. But, armed with his newly studied information, he convinced a group of American and Ecuadorian partners to help finance the treasure-hunting effort.

After months of planning, the small expedition mapped out a search area one mile off the Ecuadorian coastline. The salvage team used sophisticated magnetometer survey equipment to create precise geological "maps" of the ocean floor. For more than three years they searched for the ill-fated galleon.

Then, finally, he had a stroke of luck. Rob McClung, director of underwater operations and Moro's partner, learned about a fisherman who used his net to grab an amphora, a 17th century ceramic jar used to carry wine and water, in the middle of the search area. Five thousand of these jars had been aboard the *La Capitana*.

After so many years of underwater search and financial efforts, the remains of the *La Capitana* had finally been found!

"There it was, half buried in the sand, the hull of the old treasure galleon, in less than 40 feet of water," Moro says. "We started finding silver coins immediately. The whole starboard hull was in one piece, and from there, a river of cultural artifacts and treasure was scattered in the direction of land."

The Titanic it wasn't. But the *La Capitana*, it was—a real treasure trove that so far has yielded several millions of dollars in silver coins known as pieces of eight—well, 10,000 coins to be exact.

About the size of a silver dollar, Moro learned the shiny coins originated from the Potosi mint under the Vice Royalty of Peru—an empire which in the 17th Century comprised the countries of Bolivia, Peru and Ecuador. All the coins were minted between the years 1648 and 1654.

Moro brought in an internationally recognized authority in antiquities, who estimated the booty at several million dollars. But then, like the skipper of the *La Capitana* hundreds of years before him, Moro's dream started to fade.

"We made an agreement with the Ecuadorian Government that they would receive half of the share of the booty," says Moro. "But there were understandable challenges from different museums and archaeological associations, who claimed the whole treasure should stay in Ecuador forever."

Moro wasn't quite ready to walk the plank, however. He sought out the local U.S. Department of Commerce Commercial Service office in Guayaquil, Ecuador for assistance.

"We brought our problems to the attention of the Commercial Service and they provided us with key legal and diplomatic information that helped convince the certain factions of the Ecuadorian government that our contract was legal and binding," says Moro. "We were familiar with the Consular offices since previously we had asked the Commercial Service for help in order to familiarize our investors and partners with the Latin American market."

Moro says the Ecuadorian government was very receptive to resolving the claims to the treasure, which took about a year and a half.

"By 1998, we were able to resolve the issue and bring our share of the treasure back to the United States" he says. "We ended up auctioning off part of the booty—more than 2,500 silver coins, and a few gold ones, worth $300,000 at a Chicago International Coin Show. These proceeds helped to pay off some off the venture's shareholders and stakeholders."

As a result of his success, Moro formed his own company, Sub America Discoveries, which has grown to several employees. His firm provides consulting services to others looking to recover sunken treasures. Moro is planning another trip back to the *La Capitana* this summer to recover more of the vintage coins.

Given his discovery, will Moro continue to watch Who Wants to be a Millionaire? "I should be a contestant," he says with a laugh. "After all, how many people can name the captain of the *La Capitana*?" ■

Curt Cultice is a Public Affairs Specialist in the International Trade Administration.

COMMERCE LAUNCHES NEW WEBSITE TO ALERT SMALL BUSINESSES OF INCREASES IN DUTIES UNDER SECTION 301

by Merriam Mashatt & Matthew Howard
Office of Trade & Economic Analysis, Trade Development

It is the responsibility of the U.S. Government to make sure that foreign governments abide by their trade agreement commitments. In order to accomplish this, the U.S. Trade Representative (USTR) must at times impose penalty duties on imported products from specific countries. This was done twice in 1999, and as a result, the price of goods being imported by some U.S. businesses more than doubled.

To provide U.S. businesses with improved knowledge of impending U.S. Government actions to increase import duties, the Department of Commerce has established an early warning mechanism called 301 Alert at (www.ita.doc.gov/301alert). This timely notification will provide U.S. businesses an opportunity to protect their economic interests by participating in the process surrounding Section 301 decisions.

WHAT IS SECTION 301?

Section 301 of the Trade Act of 1974 provides the United States with the authority to enforce trade agreements, resolve trade disputes and open foreign markets to U.S. goods and services. Section 301 is the principal statutory authority under which the United States may impose trade sanctions on foreign countries that either violate trade agreements or otherwise maintain laws or practices that are unjustifiable and restrict U.S. commerce. When an investigation involves an alleged violation of a trade agreement (such as the World Trade Organization (WTO) Agreement or the North American Free Trade Agreement. USTR must follow the consultation and dispute settlement procedures set out in that particular agreement. If the United States finds it necessary to increase duties because of a violation of the WTO, USTR will seek authority from the WTO's Dispute Settlement Body to suspend trade concessions previously granted to the foreign country. Such actions include increasing import duties. For more information about Section 301, go to the website (www.ita.doc.gov/legal/301.html).

WHY ARE DUTIES RAISED UNDER SECTION 301?

USTR increases duties on foreign country imports to respond to damage done to U.S. exports by foreign countries' unfair trade practices. One of the primary goals of U.S. trade policy is to ensure that American businesses and consumers fully enjoy the benefits of international trade agreements such as the WTO. Unfortunately, there are times when foreign governments violate trade agreements and cause considerable harm to U.S. exporters.

The first step in a Section 301 action is to request consultations with the foreign government in order to encourage them to remove the offending practice. In most cases, negotiations are enough to convince the country to comply with its international obligations.

The offending country may also offer compensation to the United States in lieu of removing the unfair trade practice, which may be in the form of lower duties on other products exported by U.S. firms to that country.

"TO PROVIDE U.S. BUSINESSES WITH IMPROVED KNOWLEDGE OF IMPENDING U.S. GOVERNMENT ACTIONS TO INCREASE IMPORT DUTIES, THE U.S. DEPARTMENT OF COMMERCE HAS ESTABLISHED AN EARLY WARNING MECHANISM."

As a last resort, when negotiations fail or compensation offered is not adequate, USTR may take action, including raising import duties on a foreign country's products.

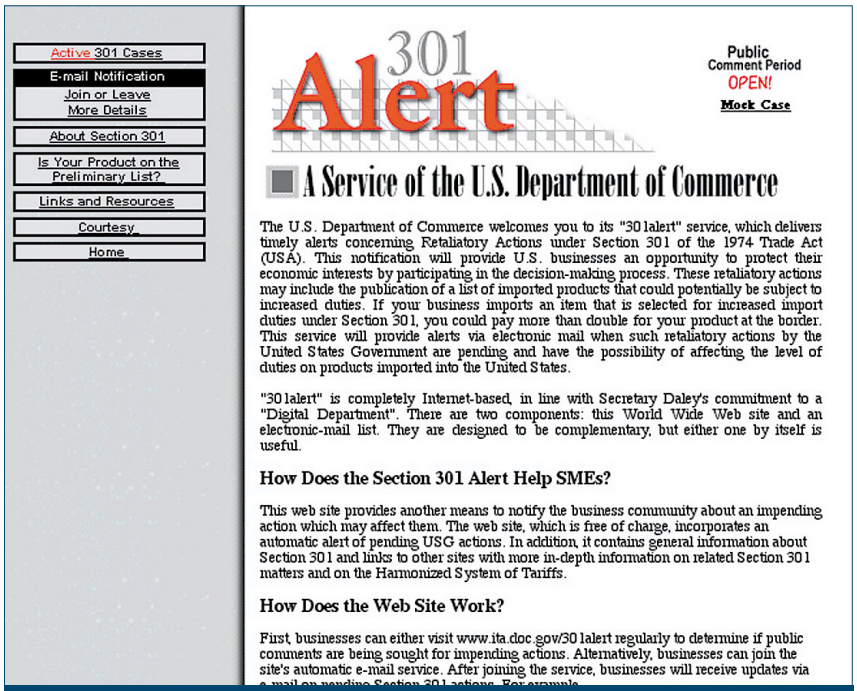
WHAT IS THE PROCESS OF SELECTING GOODS SUBJECT TO INCREASED DUTIES?

The United States Government develops a list of products imported from the offending country on which U.S. duties may be raised. The interagency Section 301 Committee, which is chaired by USTR and includes the Department of Commerce, first develops a *preliminary* list of products. The two objectives are to notify the public about the products under consideration and to minimize the adverse impact of raised import duties on U.S. economic interests, including importers, consumers, firms and workers. To notify the public and to assist the Government in determining the impact on U.S. economic interests, the USTR publishes the preliminary list in the Federal Register (FR) and includes it on its website. At this point in the process, the public, including firms and workers which might be disadvantaged by the higher import duties or restricted services, have an opportunity to provide comments in writing and at a public hearing, the date of which appears in the FR notice.

After the Section 301 Committee reviews and analyzes all the public comments, it develops a *final list* of products that can only be drawn from the *preliminary list*. In developing the *final list*, the Committee selects goods or services of the foreign country in an amount that is equivalent to the burden or restriction being imposed by that country on U.S. exporters or other U.S. businesses. During this process, the Committee makes every effort to minimize potential harmful effects on U.S. businesses and consumers.

HOW CAN SMEs PROVIDE INPUT?

The FR notice announcing the *preliminary list* provides detailed instructions on submitting public comments. Additionally, SMEs can participate in the public hearings on the *preliminary lists*, which are also announced in the FR notice. Since the U.S. Government relies heavily on public comments to remove inappropriate items before the *final list* is produced, it is imperative for SMEs to provide the most comprehensive input possible.



The new Section 301 Alert system at www.ita.doc.gov/301alert provides another means to notify the business community about an impending action that may affect them.

HOW DOES THE SECTION 301 ALERT HELP SMEs?

The new Section 301 Alert system provides another means to notify the business community about an impending action that may affect them. The website, which is free of charge, incorporates an automatic alert of pending U.S. Government actions. Section 301 Alert contains information on finding HTS numbers, as well as links to other sites with more in-depth information on the Section 301 law.

HOW DOES THE WEBSITE WORK?

Businesses can either visit www.ita.doc.gov/301alert regularly to determine if public comments are being sought for impending actions, or they can join the site's automatic email service to receive updates on the following Section 301 actions:

- If negotiations with the country are successful, 301 Alert notifies all registered users of the concessions and/or settlement reached;
- If negotiations fail, 301 Alert sends an automatic e-mail to all registered users informing them of the *preliminary list* and the public comment period.
- When USTR publishes the *final list*, 301 Alert immediately informs all registered users of the final retaliation list of products to be subject to higher duties.

For more information on the 301 Alert or the Section 301 process, please contact Merriam Mashatt at (202) 482-5677 or Matthew Howard (202) 482-4558.

SECTION 301 REPORTS

by Katherine Wiehagen
Trade Compliance Center, Market Access & Compliance

Section 301 of the Trade Act of 1974 is the principal U.S. statute for addressing foreign unfair practices affecting U.S. exports of good or services. Section 301 may be used to enforce U.S. rights under bilateral and multilateral trade agreements and may also be used to respond to unreasonable, unjustifiable or discriminatory foreign government practices that burden or restrict U.S. commerce. Certain Congressional reporting requirements in the Section 301 law and related measures help the U.S. achieve trade policy goals. The Super 301, Title VII and Special 301 reports help the Administration identify and pursue U.S. negotiating priorities.

"THESE REPORTS HELP THE ADMINISTRATION IDENTIFY AND PURSUE U.S. NEGOTIATING PRIORITIES."

THE NATIONAL TRADE ESTIMATE REPORT (NTE)

The Office of the U.S. Trade Representative (USTR) annually submits to Congress a National Trade Estimate Report (NTE) on significant foreign barriers to trade. The NTE report lists by country significant barriers to trade, including import policies; standards, testing, labeling, and certification; government procurement; export subsidies; lack of intellectual property protection; services barriers; investment barriers; lack of government action against anti-competitive practices of state-owned and private firms that restrict the sale of U.S. products and services; trade restrictions affecting electronic commerce; and, other barriers. The content of the NTE is developed through an interagency review of government reports from the previous year and public comments. The International Trade Administration of the U.S. Department of Commerce is one of the key interagency contributors to the NTE Report. This year's report was released March 31, 2000.

THE SUPER 301 REPORT

After the submission of the NTE report, USTR is required to review U.S. trade expansion priorities and identify priority foreign country practices in the Super 301 Report. The Super 301 Report identifies the practices that, if eliminated, would have the most significant potential to increase U.S. exports. The Super 301 Report is developed through an interagency process that includes review of the NTE report, other government reports and pubic comments. The 2000 Super 301 Report was delivered to Congress on April 28, 2000.

THE TITLE VII REPORT

The USTR is required to identify countries that are not in compliance with the World Trade Organization (WTO), the North American Free Trade Agreement (NAFTA) and other agreements relating to procurement, and countries that maintain a significant and persistent pattern or practice of discrimination in the government procurement of products or services from the United States, resulting in identifiable harm to U.S. businesses and whose products or services are acquired in significant amounts by the United States Government. The Title VII Report is developed through an interagency process that includes review of the NTE report, other government reports and pubic comments. The Title VII Report was delivered to Congress on April 28, 2000.

THE SPECIAL 301 REPORT

In the Special 301 Report, USTR is required to identify annually those countries that (1) deny adequate and effective protection of intellectual property rights (IPR), or (2) deny fair and equitable market access to United States persons that rely on intellectual property protection. The Special 301 report is developed through an interagency process that includes review of the NTE report, other government reports and pubic comments. The Special 301 Report was delivered to Congress from the United States Trade Representative on April 28, 2000.

All of the Section 301 reports are available on the U.S. Trade Representative website (www.ustr.gov).

ASEAN

THE U.S.-ASEAN BUSINESS COUNCIL INTERNET TOUR

HOW TO PUT SIX U.S. AMBASSADORS ON YOUR BOARD ROOM TABLE

by Ernest Z. Bower
U.S.-ASEAN Business Council

Every year, in cooperation with the U.S. Departments of State and Commerce, the U.S.-ASEAN Business Council brings the U.S. Ambassadors to ASEAN and their Senior Commercial Officers (SCOs) back to the United States for a national tour. In this, the eighth year of the Tour, instead of visiting several U.S. cities and conducting local seminars on the business environment and opportunities in ASEAN, the Council is using the leverage of the Internet to exponentially expand the audience. Although previous delegations have done an excellent job sharing their expertise on the ASEAN market with the American business community—reaching more than 10,000 executives over seven years, new technology offers us the opportunity to do far better.

It's no exaggeration to say that Southeast Asia represents the future for U.S. companies. The 10 countries that comprise ASEAN hold more than 600 million people, with an average age younger than 28. Its gross domestic product is approaching $1 trillion. It is America's fastest-growing major market, with exports to the area expanding nearly 150 percent between 1990 and 1997. In addition, the region is once again seeing growing economies, as these nations are putting into place reforms that will allow them to realize the true benefits of economic progress.

On June 12, 2000, in a session broadcast live over the Internet, the Ambassadors will discuss what Southeast Asia's economic progress means for American companies. Those logging on for the event will have the opportunity to ask questions in real time directly from the webcast Internet site. Topics will include everything from regulatory reform to business success stories to the impact on business of recent political developments.

Beginning on June 13, 2000, those interested in further detailed discussion of business in Southeast Asia can log on to recorded individual interviews with the Ambassadors and Senior Commercial Officers from the various countries in the region. These are brief sessions focused on individual national markets and their particular positions within the Asia Pacific region. Possible topics of discussion include lucrative business sectors, the impact on business of recent economic reform, prospects for further opportunity-enhancing reform and political climate.

Also available on the Internet beginning on June 13, 2000 will be industry-specific roundtable discussions among senior representatives of the U.S. business community, the Ambassadors and the Senior Commercial Officers. The private sector presents the challenges and opportunities they see in Southeast Asia. The roundtables focus on the search for solutions that make the most of the opportunities. In keeping with the exciting new tour medium, E-commerce will be one of the topics.

Some of the more successful, non-digital aspects of the tour will also be highlighted this year. The delegation will meet the governors from Virginia and Maryland, the nation's top chief executive officers, U.S. Congressional leadership and chairs of key committees, and the presidents of small and medium-sized businesses. The tour will also include, as usual, one-on-one consultations between U.S. business executives and the SCOs.

For more information on the Tour and to register for the free conference, visit the Council's website (www.usasean.org).

Ernest Bower is the President of the U.S.-ASEAN Business Council. The Council is the premier national organization in the United States, representing U.S. private sector interests in ASEAN, the Association of Southeast Asian Nations. It is comprised of 150 Fortune 500 corporate members, which are among the largest U.S. businesses involved in ASEAN.

PREDICTIVE SCORING FOR INTERNATIONAL COMMERCIAL CREDIT RISK

by John R. Shuman
Office of Finance, Trade Development

The Office of Finance in the International Trade Administration recently organized and hosted an all-day meeting of credit executives from across America and Europe. The purpose of the meeting was to establish a dialogue on the feasibility of using automated scoring models to assess cross-border credit risks. Some of the world's leading service providers, practitioners and academics skillfully led discussions on how scorecards are developed, the types of scorecards that are available and how to establish credit policies based on predictive scores. Another key topic was how small businesses can take advantage of credit scoring and identify foreign markets for which this technique would be most appropriate.

The Department of Commerce's broad objective in assembling key international risk professionals from the public and commercial sectors at this meeting was to bolster sales of U.S. goods and services abroad. Competing successfully in the new millennium will mean offering the best possible products and services at the lowest costs. Enhancing credit professionals' proficiency in using application, behavior and/or predictive scoring techniques, whose purpose is to predict the likelihood that a customer will pay its bills on time, is part of the skill set required by American business to engage profitably in global trade.

"ENHANCING CREDIT PROFESSIONALS' PROFICIENCY IN USING APPLICATION, BEHAVIOR AND/OR PREDICTIVE SCORING TECHNIQUES, WHOSE PURPOSE IS TO PREDICT THE LIKELIHOOD THAT A CUSTOMER WILL PAY ITS BILLS ON TIME, IS PART OF THE SKILL SET REQUIRED BY AMERICAN BUSINESS TO ENGAGE PROFITABLY IN GLOBAL TRADE."

WHAT IS CREDIT SCORING?

Credit scoring is the process of converting select customer credit and financial information into a numerical format that is then combined to create a score. That score indicates the level of risk (or creditworthiness) of the customer. The various levels of risk determine how a customer's account will be administered by the scoring, or most typically the credit granting, company. Credit scoring is an effective technique that provides executives with a consistent framework to meet the challenge of getting paid.

Edward Altman, the Max L. Heine Professor of Finance at New York University, who developed the first domestic, credit-scoring model over 30 years ago, opened the meeting by reviewing his "Z Score". This technique quantifies the probability that a credit-granting firm will not be paid by looking at a number of variables that affect this likelihood and then assigning weights to each factor. (See Exhibit 1 for details.) Altman illustrated to the meeting attendees how, in the field of domestic credit, dynamic

Exhibit 1. Traditional Z-Score Model

$$Z = a1x1 + a2x2 + a3x3 + a4x4 + a5x5$$

Where Z = The Discriminant Score and
x1 = Working Capital/Total Assets
x2 = Retained Earnings/Total Assets
x3 = EBIT/Total Assets
x4 = Market Value of Equity/Value of Total Liabilities
x5 = Sales/Total Assets

a1 = 1.2 a2 = 1.4 a3 = 3.3 a4 = .6 a5 = .999

(Source: Edward Altman)

credit scores have been successfully developed and deployed by a range of credit granting industries.

BENEFITS OF CREDIT SCORING

A robust credit scoring process provides a consistent framework to determine what factors are key to approving credit, setting credit lines and affixing credit terms. Beyond basic credit granting, credit scoring can be utilized to enrich the overall management of the credit account by monitoring account performance, developing specific collection strategies, managing account renewals and enabling cash flow projections to become more accurate. In addition, credit scoring can also be employed by other parts of the company to streamline marketing strategies and choose competent vendors.

CREDIT SCORING FOR INTERNATIONAL ACCOUNTS?

Altman also developed an emerging market (EM) scoring model, which is an adaptation of his Z-score. Basically, the EM score adjusts the original Z-score to:

- Reflect a firm's vulnerability to foreign currency fluctuation. This is done by analyzing each firm's vulnerability to problems servicing its foreign currency denominated debts if the local currency is devalued;
- Factor industry risk by penalizing those in high-risk industries and improving the ratings in low risk industries;
- Factor a company's competitive position in its industry; and,
- Alter the score if there is low confidence in the data—a typical problem in evaluating overseas customers.

See Exhibit 2 for more details.

A consensus was reached at the meeting that international business involves a long-list of risks such as customer credit worthiness, and country (economic and political), bank (transactional and portfolio), transitional market, currency, legal (contract), regulatory and systematic failure. However, no consensus was reached on whether an automated scoring model could be successfully developed that was robust enough to address all of the risks simultaneously without incorporating a judgmental factor. Lively discussions were held on the merits of purely quantitative analysis versus a mix of quantitative and qualitative analysis, data sources available today to fill the informational requirements of any international credit-scoring model, and method to risk-weight the numerous elements in a model in order to fulfill an entity's strategic credit policy objectives.

The forum closed with the expressed determination of all attendees to continue the debate, seek out answers to questions raised during the day and to reconvene. The Department intends to hold follow-up meetings, the first of which is tentatively set for the fall of 2000 that will emphasize the "users" point of view. Companies using international credit scoring models will share experiences and define their goals at that forum. Thereafter, these same firms can discuss the different alternatives that can be pursued to establish a credible international scoring model with help from academics and rating agencies. ■

Exhibit 2. Emerging Market (EM) Score Model

$$Score = 3.25 + a1x1 + a2x2 + a3x3 + a4x4$$

Where x1 = Working Capital/Total Assets
x2 = Retained Earnings/Total Assets
x3 = EBIT/Total Assets
x4 = Book Value of Equity/Value of Total Liabilities
Constant = 3.25

a1 = 6.56 a2 = 3.26 a3 = 6.72 a4 = 1.05

(Source: Edward Altman)

Firms that are currently using any form of credit scoring model for international risk and whose representatives are interested in attending any of these meetings, should contact John Schuman at John_Schuman@ita.doc.gov.

ASK THE TIC

PACKAGING AND RECYCLING REQUIREMENTS

by Jim Golsen
Trade Information Center, Trade Development

HOW DO PACKAGING AND RECYCLING LAWS AFFECT U.S. EXPORTERS?

Packaging and recycling laws in other countries have been growing in importance for U.S exporters and can affect their ability to sell abroad. In the past 10 years, many countries—in particular the European Union (EU) and Japan—have implemented new packaging and recycling laws designed to make packaging materials environmentally friendly. As a result of these laws, U.S. exporters must ensure that their packaging materials are compliant with the importer's domestic regulations.

WHAT IS THE EUROPEAN DIRECTIVE ON PACKAGING AND PACKAGING WASTE?

The European Union's Packaging and Packaging Waste Directive, which entered into force in 1994, was designed to harmonize national measures on the management of packaging waste among member states and to ensure that restrictions on packaging do not create barriers to trade within the EU.

The Directive is also intended to reduce the overall impact of packaging and packaging waste on the environment. It calls for measures to reduce packaging waste and to promote the reuse, recycle and recovery of packaging materials. These materials include paper, cardboard, glass, plastic and metal.

The Directive sets targets for both recovery and recycling of waste by EU member states. By 2001 (2006 for Greece, Ireland and Portugal) member states must ensure that 50-65 percent of all waste is recovered from the waste stream and between 25-45 percent is recycled. To date, implementation of the Directive by member states has been inconsistent across the European Union with some countries far ahead of others.

Article 9 and Annex 2 of the Directive set out "Essential Requirements"for packaging. The European Committee for Standardization (CEN), the EU's standard-making agency, is developing standards for these "Essential Requirements".

Article 15 authorizes member states to introduce national "economic instruments"(taxes or levies) to achieve the Directive's objectives, provided that such instruments are in compliance with the EU Treaty and do not create barriers to trade.

A summary of the Directive (94/62/EC) can be found at: www.europa.eu.int/scadplus/leg/en/lvb/1212/121207.htm. The full text of the Directive can be found at: www.europa.eu.int/eurlex/en/lif/dat/1994/en_394L0062.html

WHAT IS THE EU DIRECTIVE ON MARKING REQUIREMENTS?

In 1996, the European Commission proposed a directive that would establish marking requirements for packaging to indicate recyclability or reusability. The United States expressed two potential concerns with this proposed directive. The first was that new marking requirements would differ from other marks widely used in the United States and being developed by the International Standards Organization (ISO). The United States is concerned that packaging, marketing and distribution operations will become more complicated and costly for both U.S. and European firms wishing to sell their products abroad without achieving any real environmental benefit.

The second concern is related to Article 4 of the proposed directive, which would prohibit the application of other marks to indicate recyclable or reusable packaging. Based on U.S. experience, this requirement is likely to pose a particular problem for glass and plastic containers, as it would require companies to create new molds solely for use in the European market.

Discussions underway in the ISO may help resolve potential problems, especially as the Commission has

indicated its willingness to review the proposed EU marks in light of an eventual ISO agreement.

WHAT IS AN ECO-LABEL?

An Eco-label is a label manufacturers print on their packaging to demonstrating that their product is environmentally friendly. The Eco-label program in the European Union is intended to give industry incentive to behave in a more environmentally responsible manner and to assist consumers in making purchasing decisions in support of producers of "green"goods. To obtain an Eco-label valid for three years, manufacturers or importers must apply to the competent body in the member-state in which the product is either manufactured or imported. That competent body will, in turn, circulate the company's application to other EU countries to obtain EU-wide approval. For more information go to http://europa.eu.int/ecolabel or call 1-800-USA-TRAD(E) and ask to speak to a European trade specialist.

For a list of competent bodies go to http://europa.eu.int/ecolabel.

WHAT IS THE GREEN DOT PROGRAM?

Germany has established legislation that contains certain rules for the disposal of packaging materials. In response to this legislation, a cooperative effort for the collection and recycling of packaging materials was initiated. The organization involved is called the "Duales System Deutschland", and it administers the use of the "Green Dot", a recycling symbol found on the packaging material of virtually all products sold in Germany. While packaging material for products sold in Germany are not legally required to carry the Green Dot, it is almost impossible to market a product in Germany without it. Typically, the importer pays a license fee to the packaging company, depending on the type and amount of packaging, and provides the exporter with the necessary information. Other European countries have initiated similar Green Dot programs, including France, Austria, Belgium, Luxembourg, Spain, Portugal, Italy, Sweden, Ireland and the United Kingdom.

For more information on the Green Dot program, go to www.gruener-punkt.de/e/index.htm.

WHAT ARE THE NEW JAPANESE PACKAGING REGULATIONS?

In April 2000, the Government of Japan will begin full implementation of its Packaging Recycling Law. Under this law, manufacturers are obliged to pay the associated collecting, sorting, transportation and recycling costs for all paper and plastic containers and packaging. In the case of imported products, importers will be held responsible for paying recycling costs. If the imported products are private-labeled, the corporation using the private labeling will be held responsible for recycling costs. U.S. exporters should be aware that Japanese importers might take into account associated recycling charges when choosing goods to import.

To find out if the country you are exporting to has recently enacted packaging regulations contact the Trade Information Center at 1-800-USA-TRAD(E).

WHO IS RESPONSIBLE FOR MEETING THE REGULATIONS?

The importer is generally responsible for meeting the recycling and packaging requirements of its country. U.S. exporters, however, should be aware of the packaging and recycling regulations in the importer's country as many foreign buyers will take into account the type of packaging the company is using for international shipments. U.S. companies may find themselves at a competitive disadvantage if their packaging material does not meet their buyers' domestic standards.

HOW CAN I FIND MORE INFORMATION ABOUT PACKAGING AND RECYCLING REGULATIONS?

Call the Trade Information Center at 1-800-USA-TRAD(E), Monday through Friday, 8:30 a.m.-5:30 p.m. EST. International trade specialists are available to help you find specific information. If they do not have the information you seek, they will be able to point you in the right direction or provide contact information for the appropriate Commercial Service post overseas.

For information on Wood Packaging requirements in China, Australia, New Zealand and Brazil, see "Ask the TIC"in the March issue of *Export America* or visit the Trade Information Center website (http://tradeinfo.doc.gov) under "Frequently Asked Questions". ■

The Trade Information Center (TIC) is operated by the International Trade Administration of the U.S. Department of Commerce for the 20 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. Or visit the TIC's website at http://tradeinfo.doc.gov.

ENVIRONMENTAL TECHNOLOGIES EXPORTS

A WIN-WIN FOR GROWTH AND SUSTAINABLE DEVELOPMENT

by the Office of Environmental Technologies Exports
Trade Development

The growing international concern over climate change has launched a global effort to address this problem. Under the 1992 United Nations Framework Convention on Climate Change (UNFCCC), the parties to the convention have committed to formulating and implementing programs to mitigate global warming. In December 1997, 38 industrialized nations negotiated the Kyoto Protocol, agreeing to reduce their greenhouse gas emissions from 1990 levels between 2008 and 2012. Despite the fact that the U.S. Senate has not ratified the Kyoto Protocol, the agreement has given a significant boost to the development of markets for climate change projects.

The Kyoto Protocol does not set any binding limits on developing nation emissions, however, developing countries have agreed to formulate emission reduction measures into their national strategies. These measures are defined generally to include energy efficiency improvements; protection and enhancement of forests and other terrestrial carbon sinks; sustainable agricultural practices; renewable energy technologies; recovery and use of methane; transportation emission reductions; and, policy reforms to limit energy use and resulting emissions.

The development of such country-specific programs creates market opportunities for U.S. companies to export technologies and services that reduce greenhouse gas (GHG) emissions. Multilateral and bilateral donor projects currently dominate this market in terms of funding, however, market opportunities are expected to be greatly enhanced by the implementation of the Clean Development Mechanism (CDM).

CDM allows developed countries to invest in projects in developing countries that reduce GHG emissions and then receive credit for the reductions. The intent is to enable developed countries to meet their emission reduction commitments at the lowest cost while helping developing nations minimize their emissions even as they enhance their economies. Once the scope of the CDM is finalized later this year, it is likely to make the private sector the main player in the climate change market in developing countries.

MARKET OPPORTUNITIES

ENERGY SUPPLY SECTOR

The energy supply sector is often the largest contributor to GHG emissions. As power generation continues to grow in developing countries, there are multiple technology options that offer developing nations an opportunity to expand their energy supply while mitigating their climate change impact. Exports of these technologies constitute a major market opportunity for U.S. suppliers. There are four basic categories of GHG-reducing technologies for the energy supply sector:

- Switching to fossil fuels with a lower carbon content per energy unit (e.g., coal to natural gas);
- Power plant technology and combustion efficiency improvements;
- Electricity transmission and distribution efficiency improvements; and,
- Renewable energy technologies.

There is also a substantial market for consulting services in the energy sector, including assistance to governments in developing energy efficiency incentives for the power sector and energy system planning for electric utilities.

MANUFACTURING SECTOR

The manufacturing sector is a fast-growing market for energy-efficient technologies, as industries in developing countries continue to invest in modern

production processes. Industrial process controls have a wide range of applications and can be found in nearly all industrial sectors, especially in energy-intensive industries. Energy-efficient motors and boilers are other ways to reduce energy. Industrial co-generation technologies enjoy good market opportunities in countries that encourage independent power production.

The five biggest energy consumers in the manufacturing sector are pulp and paper, chemicals, petroleum, primary metals and cement industries. They all represent good potential markets for GHG mitigation technologies.

The best opportunities for energy efficiency consulting services include auditing energy efficiency audits, training programs for operators of energy-intensive equipment, designing systematic maintenance programs, and specifying and installing relevant process equipment.

COMMERCIAL AND RESIDENTIAL SECTORS

The commercial and residential sectors offer lucrative opportunities for energy-efficient equipment (lighting, air conditioners and household appliances), improved building envelope technologies and building energy use controls. Exports of energy-efficient lighting are likely to become the single largest opportunity in this market segment, especially in Asia. Consulting services for government agencies (in developing product energy efficiency standards), electric utilities (in developing demand side management programs) and individual commercial entities are also in great demand.

TRANSPORTATION SECTORS

The transportation sector in developing countries currently provides limited but growing opportunities for both equipment exports (vehicles with improved fuel efficiency characteristics, clean fuel vehicles, and related equipment) and consulting services. The consulting services focus on designing and implementing transportation management systems (including travel pricing mechanisms, public transit planning, and appropriate spatial development) for major metropolitan areas in developing countries.

Table 1 summarizes the geographical distribution of best market opportunities in developing countries for U.S. exports of climate change mitigation technologies and services.

Climate Change Market Drivers & Opportunities

	Brazil	Mexico	China	India	Philippines	S. Africa
MARKET DRIVERS						
Climate Change Policies	■	■	◆	●	■	◆
Energy Policies/Programs	■	■	■	◆	■	◆
Targeted Donor Funding	■	■	■	■	◆	●
MARKET OPPORTUNITIES						
Energy Supply	■	■	■	■	■	◆
Manufacturing	◆	■	■	◆	◆	●
Commercial/Residential	◆	■	■	◆	◆	◆
Transportation	■	◆	●	◆	◆	●

■ Well-developed market drivers/opportunities ◆ Evolving market drivers/opportunities ● Limited market drivers/opportunities

FUNDING AND FINANCING SOURCES

Since most developing countries do not have the financial resources available to implement climate change mitigation projects, external funding and financing are critical for U.S. exports of mitigation technologies and services.

CLEAN DEVELOPMENT MECHANISM

The Clean Development Mechanism (CDM), the Kyoto Protocol's flexible mechanism for cooperation in GHG emission reductions between developed and developing countries, has the potential to generate substantial financial resources to cover the incremental costs of projects specifically designed to reduce greenhouse gases. In the form of co-financing within a larger project finance context, CDM financing is expected to come exclusively from developed countries. For developing countries, the CDM would bring foreign investment and access to cleaner technology. For industrialized countries, it would provide a cheaper and more flexible way to meet their emission reduction targets. And for technology exporters, it would bring market opportunities, new partnerships and a better public image. The specifics of the CDM are not yet clearly defined but are expected to be finalized in the year 2000 as a result of detailed international negotiations.

The CDM envisions two options for project financing pooled investments globally managed and allocated by a multilateral agency, or direct sponsor-host transactions at the project level. Both options may be adopted as a result of future discussions of CDM rules, but the supply of CDM projects in developing countries will ultimately depend on individual countries' interest in participating in this mechanism and availability of other funding and financing sources for infrastructure investments.

While CDM funding is not yet available, multilateral donor projects are presently the largest source of funds in the market. The Global Environment Facility (GEF), designated by the UNFCCC as its primary funding mechanism, is the leading multilateral entity promoting energy efficiency and renewable energy technologies in developing countries. The World Bank is in the process of establishing the Prototype Carbon Fund, a post-Kyoto financing mechanism that would complement the GEF funding. The Prototype Carbon Fund will operate in accordance with CDM procedures for obtaining GHG reduction credits from mitigation projects, once such procedures are established. Other World Bank programs, including energy efficiency and renewable energy initiatives, also create attractive market opportunities. In addition, large environmental improvement and infrastructure development projects sponsored by the regional multilateral development banks offer substantial opportunities for climate change-related technologies and services.

The U.S. Agency for International Development (USAID) is the principal U.S. bilateral donor for climate change programs in developing countries. Its Climate Change Initiative helps finance climate change projects by leveraging both multilateral resources and private investment funds. USAID also supports the development of climate change-friendly government policies and promotes cleaner technology transfer.

Other funding and financing sources include debt financing from U.S. and local commercial banks, as well as vendor and local electric utility financing.

Principal Developing Country Markets for GHG Mitigation Technologies

Sector	Technologies	Regions Presenting Best Opportunities
Energy Supply	Clean coal technologies	Asia, S. Africa, E. Europe
	Advanced natural gas technologies	Middle East, Latin America, E. Europe
	Transmission/distribution improvements	Most Developing Countries
	Renewable energy technologies	Asia (China, India, Philippines), Latin America
Manufacturing	Industrial process controls	Asia (China, Taiwan, S. Korea), Latin America
	Industrial motors	Asia, E. Europe
	Cogeneration	Asia (China, Thailand), Latin America
	Efficient boilers	Asia, E. Europe
Commercial & Residential	Energy-efficient lighting	Asia, Latin America, E. Europe
	Building controls/HVAC	Asia, Middle East, E. Europe
	Building envelopes	Asia, Latin America
	Household appliances	Asia
Transportation	Clean fuel vehicles	Large metropolitan areas in Asia, Latin America

BUSINESS STRATEGIES FOR U.S. FIRMS

In order to succeed in the developing country markets for climate change mitigation technologies and services, U.S. firms should be aware of the realities of doing business in each country and know how to take advantage of particular market opportunities.

Country market research is a key success factor. Knowing the local market characteristics and business climate is critical in prioritizing business development efforts. Marketing approaches depend on such country-specific country conditions such as distribution channels, product knowledge, buyer concentration and market barriers.

Local partnerships and representation are desirable for U.S. companies in order to have the advantage of learning about attractive market opportunities before the competitors. Methods for developing a local presence range from hiring a consultant or agent to establishing a local office or a joint venture.

As multilateral and bilateral donors currently represent the largest source of funding in the climate change market, companies should be prepared to bid for such projects. Understanding the donor's project cycle and bidding procedures, and tracking prospective projects are the key elements of successful. Whereas U.S. firms often have to compete with third-country and local companies for donor projects, they have a distinct competitive advantage under USAID bilateral funding.

As the rules of the CDM become finalized, U.S. companies can prepare themselves for possible market opportunities under both multilateral and direct private sector CDM funding options. It is essential to explore the field of potential U.S. investors in CDM projects, including electric utilities and large manufacturing firms. There are several information sources on potential CDM projects that are available to U.S. technology and services firms. See the side bar on page 23 for more details.

The U.S. Government has a number of programs designed to assist U.S. environmental and cleaner energy technology and services companies in penetrating developing country markets. These programs offer information support, trade promotion events, customized market research, identification of trade leads, selection of local partners and other important services. For a list of financial and commercial resources that U.S. firms can draw from, please refer to the "Useful Contacts" found on page 23.

SELECTED COUNTRY MARKETS

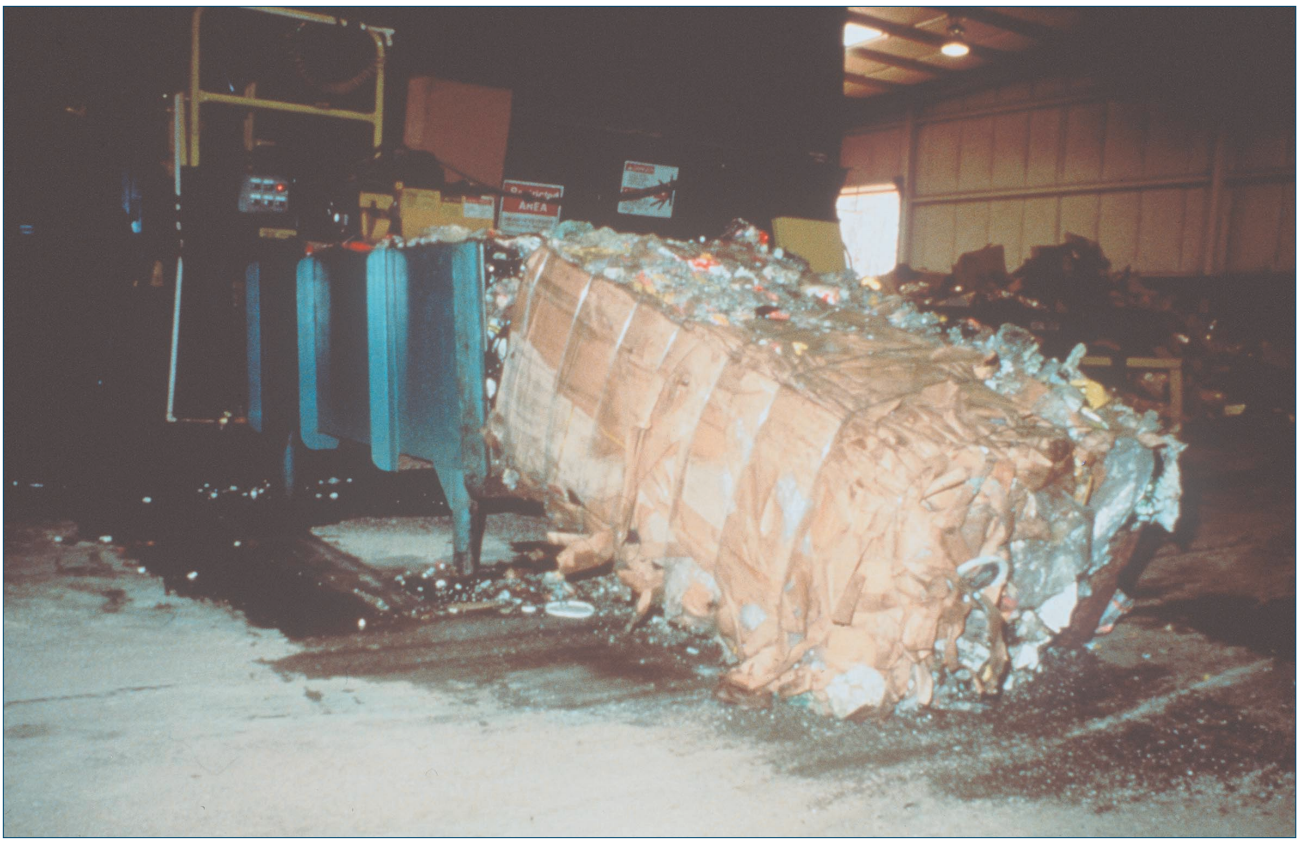
The six developing countries with the most promising markets for climate change mitigation technologies and services are Brazil, Mexico, China, India, the Philippines and South Africa. Table 2 summarizes the qualitative assessment of the markets in the six countries and demonstrates the relationship between key market drivers and opportunities. It is evident from the exhibit that in the countries with more advanced climate change and energy policies and large-scale targeted donor funding, market opportunities are much stronger.

BRAZIL

Brazil is actively developing its national climate change policies and intends to adopt a fast track for participation in the CDM. Brazil also has multiple energy efficiency programs and enjoys substantial donor support from the World Bank and the GEF for its climate change mitigation initiatives. As a result, Brazil represents a significant market for GHG-reducing technologies and services, particularly in the areas of renewable energy, industrial co-generation and process controls, building envelope and controls, and clean fuel vehicles.

MEXICO

Mexico is one of the most advanced developing countries in terms of its climate change policies—the Mexican



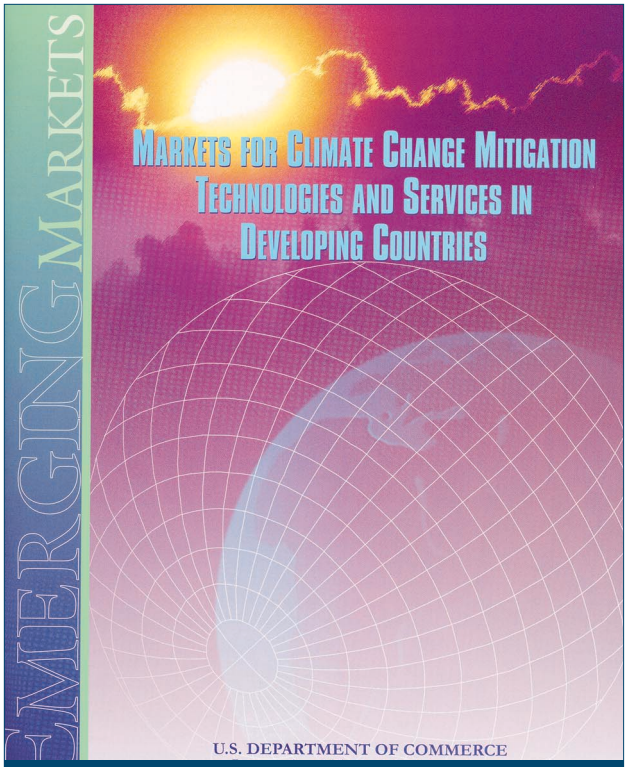
Government has recently released the National Climate Change Action Program. There is also a well-developed institutional, regulatory and programmatic framework for energy efficiency. Mexico is an active participant in joint implementation pilot projects and receives substantial amounts of U.S. bilateral assistance. All of these factors, combined with the favorable business climate in Mexico, make this country a particularly attractive climate change market for U.S. firms. The best opportunities exist in the energy supply sector (fuel switching, advanced natural gas combustion and renewable energy technologies) and commercial and residential sectors (energy-efficient lighting). USAID-funded technical assistance projects create a large market for climate change-related consulting services in Mexico.

CHINA

China has a long history of energy-efficiency programs, but is just starting to develop its climate change policies. Donor funding is a major climate change market driver in China, as most of the government funding goes to macroeconomic programs. China has the biggest potential climate change mitigation technologies market in the developing world, due to the size of the Chinese economy and population, and to the great potential for GHG emission reduction. The main elements of this market are advanced coal combustion technologies as well as energy-efficient technologies in the manufacturing, commercial and residential sectors.

INDIA

India has not yet developed a national climate change policy although it is very active in developing its renewable energy resources. India is a huge market for clean coal and renewable energy technologies in the power sector and energy-efficient technologies in the manufacturing sector. However, the additional climate change market is much smaller and is primarily donor-driven. The market of CDM projects is likely to be quite substantial but not in the short term, as it will take a few years for India to develop a national climate change/CDM program. The active role of USAID in promoting climate change mitigation in India creates a particularly favorable climate for U.S. firms in this market.



Markets for Climate Change Mitigation Technologies and Services in Developing Countries is available online at www.environment.ita.doc.gov.

PHILLIPINES

The Philippines has a substantial additional market for climate change mitigation technologies and services, mainly due to the active position of the Philippine Government on climate change issues and its efforts to comply with the Philippines' commitments under the UNFCCC. The Philippine Government is also carrying out many energy efficiency and renewable energy programs. USAID is very active in mitigating GHG emissions from the Philippine power sector, creating market advantages for U.S. firms. USAID promotes more efficient electricity generation, distribution and consumption, and encourages private investment in the natural gas industry and renewable energy development. These market segments represent the largest market potential for U.S. companies.

SOUTH AFRICA

South Africa currently represents a relatively insignificant additional market for climate change mitigation technologies and services. This is explained by the absence in South Africa of large donor-funded projects specifically targeting GHG emission reductions, as well as the lack of specific government programs on climate change and energy efficiency. Should the South African Government decide to take an active part in the CDM, however, there is a substantial baseline market to be tapped, particularly in energy supply (clean coal technologies) and manufacturing (process improvements and process controls in the primary metals processing and petrochemical industries). ■

This article draws from a 70-page report entitled *Markets for Climate Change Mitigation Technologies and Services in Developing Countries*, issued by the U.S. Department of Commerce, International Trade Administration (ITA), Office of Environmental Technologies Export. You can find the full report as well as other valuable market research studies at www.environment.ita.doc.gov.

CONTACTS

Activities Implemented Jointly Program
c/o The World Bank
Carbon Offset Unit
1818 H. Street, NW
Washington, D.C. 20433
Tel: (202) 473-4279
Fax: (202) 522-3256
Internet: www.esd-worldbank.org/aij

African Development Bank
Rue Joseph Anoma
01 BP 1387, Abijan 01
Cote d'Ivoire
Tel: (225) 20-44-44
Fax: (225) 21-77-53
Internet: www.afdb.org

Asia Alternative Energy Program
c/o The World Bank
1818 H Street, NW
Washington, D.C. 20433
Tel: (202) 458-1405
Fax: (202) 477-2743
Internet: www.worldbank.org/astae

Asian Development Bank Headquarters
6 ADB Avenue, Mandaluyong City
0401 Metro Manila, Philippines
P.O. Box 789
0980 Manila, Philippines
Tel: (63 2) 632-4444
Fax: (63 2) 636-2444
Internet: www.asiandevbank.org

North American Representative Office
1730 Pennsylvania Avenue, NW
Suite 975
Washington, D.C. 20006

Energy Sector Management
Assistance Program
c/o The World Bank
1818 H Street, NW
Washington, D.C. 20433
Tel: (202) 458-2321
Fax: (202) 522-3018
Internet: www.worldbank.org/esmap

Export-Import Bank of the
United States
811 Vermont Avenue, NW
Washington, D.C. 20571
Tel: (800) 565 EXIM or
(202) 565-3946
Fax: (202) 565-3380
Internet: www.exim.gov

Global Environment Facility
GEF Secretariat
1818 H Street, NW
Washington, D.C. 20433
Tel: (202) 473-0508
Fax: (202) 522-3240
Internet: www.gefweb.org

Inter-American Development Bank
Public Information Center
1300 New York Avenue, NW
Washington, D.C. 20577
Tel: (202) 623-2096
Fax: (202) 623-1928
Internet: www.iabd.org

International Utility Efficiency
Partnerships
701 Pennsylvania Avenue, NW
Suite 500
Washington, D.C. 20004-2696
Tel: (202) 508-5510
Fax: (202) 508-5080

OPIC Allied Capital International
Small Business Fund
Allied Capital Corporation
1666 K Street, NW
Washington, D.C. 20006
Tel: (202) 331-1112
Fax: (202) 659-2053

OPIC Global Environmental
Emerging Market Fund
GEF Management Corporation
1201 New York Avenue
Suite 200
Washington, D.C. 20005
Tel: (202) 789-4500
Fax: (202) 789-4508

United Nations Development
Programme
One United Nations Plaza
New York, NY 10017
Internet: www.undp.org

Washington D.C. Liaison Office
1775 K Street, NW
Suite 420
Washington, D.C. 20006
Tel: (202) 331-9130
Fax: (202) 331-9363

United Nations Framework
Conventionon Climate Change,
Secretariat
P.O. Box 260124
D-53153 Bonn, Germany
Tel: (49 228) 815-1000
Fax: (49 228) 815-1999
Internet: www.unfcc.de

U.S. Agency for International
Development Information Center
Ronald Reagan Building
Washington, D.C. 20523-0016
Tel: (202) 712-4810
Fax: (202) 216-3524
Internet: www.info.usaid.gov

U.S. Country Studies Program and
United Nations Initiative on Joint
Implementation Secretariat
Forrestal Building, PO-6, Room GP-196
1000 Independence Avenue, SW
Washington, D.C. 20585
Tel: (202) 586-3288
Fax: (202) 586-3485

U.S. Department of Commerce
International Trade Administration
Environmental Technologies Exports
HCHB Room 1003
Washington, D.C. 20230
Tel: (202) 482-5225
Fax: (202) 482-5665
Internet: www.ita.doc.gov/ete

U.S. Department of Energy
Forrestal Building, Room 1E-206
1000 Independence Avenue, SW
Washington, D.C. 20585
Office of Public Inquiries:
Tel: (202) 260-7751

U.S. Environmental Protection Agency
401 M Street, SW
Washington, D.C. 20460
Public Information Center:
Tel: (202) 260-7751

U.S. Overseas Private
Investment Corporation
1100 New York Avenue, NW
Washington, D.C. 20527
Tel: (202) 336-8799
Fax: (202) 408-9866
Internet: www.opic.gov

U.S. Small Business Administration
409 3rd Street, SW, 6th Floor
Washington, D.C. 20416
Tel: (800) U-ASK-SBA
Internet: www.sbaonline.sba.gov

U.S. Trade and Development Agency
SA-16, Room 309
Washington, D.C. 20513-1602
Tel: (703) 875-4357
Fax: (703) 875-4009
Internet: www.tda.gov

The World Bank
1818 H. Street, NW
Washington, D.C. 20433
Public Information Center:
Tel: (202) 458-5454
Fax: (202) 522-1500
Internet: www.worldbank.org

Development Business Liaison Office
Tel: (202) 458-2397
Fax: (202) 522-3316
Internet: www.devbusiness.com

UPCOMING TRADE EVENTS

JUNE-DECEMBER 2000

DATES	EVENT	LOCATION
June 2-7	SEOUL INTERNATIONAL BOOK FAIR According to Korea's Ministry of Culture and Tourism, Korea has the world's seventh largest publishing industry, with over two percent ($1.2 billion) of the total global book market. Recent Korean governmental liberalization of the book and newspaper publishing sectors is beginning to offer greater market access and opportunities for U.S. companies and distributors.	Seoul, Korea
June 6-9	THE FOOD, HOTEL & EQUIPMENT TECHNOLOGIES EXHIBITION The Food, Hotel & Equipment Technologies Exhibition is sponsored by the Dubai World Trade Center and focuses on food and beverage, hotel, and catering equipment.	Dubai, United Arab Emirates
June 20-22	REFURBISHED MACHINE TOOLS 2000 Refurbished Machine Tools 2000 is the first exhibition in Mexico City of refurbished machine tools.This event is an excellent opportunity for small and medium-sized companies to penetrate the market in Mexico.	Mexico City, Mexico
June 25-30	MEDICAL DEVICES & MEDICAL BIOTECHNOLOGY TRADE MISSION Australia is the world's ninth largest medical device market and the second largest medical device market in the Asia-Pacific region. Biotechnology is a priority focus of the Australian government. Australian research institutions and biotechnology firms are seeking U.S. partners for joint activities.	Melbourne, Sydney & Brisbane, Australia
June 26-29	ENTSORGA 2000 Entsorga 2000, the world's largest trade fair for the Waste Management Industry, will attract more than 1,400 exhibitors from about 40 countries, and more than 61,000 visitors are expected. In cooperation with Cologne International Trade Fairs, the Commercial Service Hamburg offers a package including participation in the USA Pavilion, inclusion in the USA Pavilion directory, entry into the official show catalogue, a matchmaking service and the seminar program, all at a very attractive price.	Cologne, Germany
June 26-29	ENVEX (ENVIRONMENTAL EXPO) Envex, sponsored by the Korean Ministry of Environment, exhibits not only domestic, but also foreign, technologies and services offering environmental solutions for a variety of industries. Opportunities for U.S. exporters never have been greater. For 1999, the Commercial Service Korea estimates the total size of the Korean environmental technology market (public and private sector inclusive) to total $7.2 billion with the 2000 market increasing to $8.1 billion.	Seoul, Korea
July 4-5	INTERNATIONAL COOPERATION FORUM/INTERPRISE-IT 2000 Bayern Innovativ, supported by the Commercial Service in Munich, is hosting a forum devoted to companies in the field of software development and application. The forum offers international companies the chance to open up new markets, develop innovative products and establish contacts with companies, scientific institutes and research establishments. The INTERPRISE forum aims to generate tailor-made contacts for software developers and users from the software development fields and related branches.	Munich, Germany
July 19-21	MEXICAN MANUFACTURING WEEK The National Association of Manufacturers' Mexican Manufacturing Week is Mexico's premier marketplace for every aspect of the manufacturing process: management, engineering, production, assembly, quality control and maintenance. A low-cost product literature exhibit is an ideal means for smaller companies to expand sales in the thriving Mexican market.	Mexico City, Mexico

INDUSTRY	CONTACT INFORMATION
Books & Periodicals	Mitchel Auerbach Tel: (82 2) 397-4655 Email: Mitchel.Auerbach@mail.doc.gov
Hotel & Restaurant Equipment	Dubai World Trade Center Tel: (971 4) 332-1000 Email: dwtcc@emirates.net.ae
Machine Tools	Martha Robles Gil Tel: (52 5) 140-2606 Email: Martha.Robles-gil@mail.doc.gov
Medical & Dental Devices, Laboratory Instruments & Medical Biotechnology	Bart_Meroney Tel: (202) 482-5014 Email: Bart_Meroney@ita.doc.gov
Recycling & Waste Disposal	Birgit Dose Tel: (49 40) 41171306 Email: Birgit.Dose@mail.doc.gov
Environmental Equipment & Technologies	Mitchel Auerbach Tel: (82 2) 397-4655 Email: Mitchel.Auerbach@mail.doc.gov
Information Technology	Doris Groot Tel: (49 89) 288-8749 Email: Doris.Groot@mail.doc.gov
Manufacturing Machinery, Equipment & Accessories	Graylin Presbury Tel: (202) 482-5158 Email: Graylin_Presbury @ ita.doc.gov

HIGHLIGHTED EVENTS

IT TRADE MISSION TO SOUTH KOREA & TAIWAN

SEOUL & PUSAN, SOUTH KOREA & TAIPEI, TAIWAN — JUNE 11-17

The IT Trade Mission to South Korea and Taiwan will allow companies to explore information technology business opportunities in two of Asia's most rapidly growing markets for Internet, e-commerce and wireless technologies. Up to 12 U.S. firms will be selected to participate in this high-level IT Trade Mission. Delegates will meet with key government and industry leaders and will also participate in the IT Trade Mission Virtual-Expo and receive valuable market intelligence on a special CD-ROM.

According to the International Data Corporation, the compound annual growth rate for Internet commerce applications in South Korea is projected to be 182 percent between 1998 and 2001. Korea currently has over 10 million Internet users. Korea ranks seventh globally in terms of mobile phone penetration and is gearing up for IMT-2000, making the country a prime future market for wireless Internet equipment and services.

In Taiwan, the government plans to spend NTD 2-5 billion over the next two years to promote electronic commerce development. The Taiwan Council for Economic Planning and Development estimated that in 1998, the $385 million market for e-commerce was expected to increase 38.3 percent in 1999 and exceed $532 million in 2000.

For more information about the mission or these markets, please contact Tu-Trang Phan at Tel: (202) 482-0480; Fax: (202) 482-3002; or Email: Tu-Trang_Phan@ita.doc.gov. Or, visit the Office of Computers homepage (http://ExportIT.ita.doc.gov).

BASIC INDUSTRIES CLEAN ENERGY TRADE PROMOTION INITIATIVE

AUGUST-DECEMBER, 2000

In recognition of the large potential global market for clean energy technologies and services, the Energy Division in the International Trade Administration has launched a trade promotion initiative linking U.S. companies with foreign markets to facilitate sales and dissemination of clean energy technologies, products and services, and clean fuel sources. This initiative applies proven trade promotion concepts and programs that support U.S. businesses and exports, such as missions and reverse missions, in order to meet the new global appetite for feasible, clean energy investments that aim to balance economic development with environmental concerns and energy efficiency goals. The initiative is designed to realize President Clinton's vision for enhanced exports of advanced U.S. company clean energy technology.

The initiative will bring U.S. company representatives face-to-face with foreign government decision makers as well as into one-on-one

continued on page 27

DATES	EVENT	LOCATION
Aug 19-31	MEDICAL DEVICES TRADE MISSION The goal of the Medial Devices Trade Mission to Mexico City is to provide U.S. medical device companies first-hand market information, facilitate their access to key government officals and introduce them to potential business partners.	Taipei, Taiwan & Kuala Lumpur, Malaysia
Sept 6-8	CALIFORNIA 2000 California 2000 will feature products and services from the State of California. This is an excellent opportunity for new-to-market companies interested in finding representatives, distributors and joint venture partners in Mexico.	Mexico City, Mexico
Sept 6-9	EXPOAGRO 2000 ExpoAgro 2000 is an international exhibition of machinery, equipment and supplies for agriculture, livestock, horticulture, and fruit- and flower-growing sectors of Chile.	Santiago, Chile
Sept 24-26	GOLF EUROPE 2000 Growth of foreign sales opportunities for U.S. golf equipment companies has never been greater. The German golf market is the fastest growing, and the fifth largest foreign market for U.S. golf equipment. Golf Europe attracts more than 3,000 trade-only buyers from 44 countries—a keyevent that fuels Europe's golf market.	Munich, Germany
Oct 3-5	SKI USA 2000 Ski USA 2000 is the first exhibition in Mexico City related to the ski industry. There is no local competitor to this show. This represents an excellent opportunity for many U.S. ski destinations, that are not visible in the Mexican market, to highlight their services.	Mexico City, Mexico
Oct 15-21	DISTRICT HEATING TRADE MISSION The District Heating Trade Mission is being organized by the White House's International Clean Energy Initiative and will emphasize the positive contribution that American companies and U.S. exports can make towards achieving a cleaner environment and energy efficiency.	Moscow & St. Petersburg, Russia
Oct 17-19	REFURBISHED MEDICAL EQUIPMENT 2000 Refurbished Medical Equipment 2000 is the second exhibition staged in Mexico City. This event will attract small and medium-sized refurbished medical equipment companies to a potential market in Mexico.	Mexico City, Mexico
Nov 14-16	HOSPITAL SHOW 2000 Hospital Show 2000 is the first exhibition of U.S. hospitals and medical services organized by the Department of Commerce in Mexico.	Mexico City, Mexico
Nov 29-Dec 2	EXPOPESCA 2000 Expopesca 2000 is an international exhibition of equipment, services and supplies for the fishing and aquaculture industry in Latin America.	Santiago, Chile
Dec 5-7	REPCOM MEXICO 2000 RepCom Mexico 2000 will cater to new-to-market U.S. firms seeking agents, representatives, distributors, licensees and franchisees in Mexico.	Mexico City, Mexico

INDUSTRY	CONTACT INFORMATION
Medical Devices & Related Supplies and Laboratory Products	Steven R. Harper Tel: (202) 482-2991 Email: Steven_Harper@ita.doc.gov
All Sectors	Raquel Polo Tel: (52 5) 140 2613 Email: Raquel.Polo@mail.doc.gov
Agroindustry	Mary Lou Lathrop Tel: (56 2) 330-3371 Email: Mary.Lou.Lathrop@mail.doc.gov
Golf Equipment, Apparel & Accessories	Ludene Capone Tel: (202) 482-2087 Email: Ludene_Capone@ita.doc.gov
Travel & Tourism Services	Jorge Chico Tel: (52 5) 140-2633 Email: Jorge.Chico@mail.doc.gov
Heating Equipment	Rachel Halpern Tel: (202) 482-4423 Email: Rachel.Halpern@mail.doc.gov
Medical	Raquel Polo Tel: (52 5) 140-2613 Email: Raquel.Polo@mail.doc.gov
Medical	Alicia Herrera Tel: (52 5) 140-2629 Email: Alicia.Herrera@mail.doc.gov
Fisheries	Mary Lou Lathrop Tel: (56 2) 330-3371 Email: Mary.Lou.Lathrop@mail.doc.gov
All Sectors	Raquel Polo Tel: (52 5) 140-2613 Email: Raquel.Polo@mail.doc.gov

meetings with representatives of public and private companies in each of the targeted markets in order to promote clean energy exports, trade leads, and project development. Each market is evaluated based on its unique mix of current energy sources, potential new energy sources, regulatory climate, and other commercial and political factors in order to make tailor-made promotion events.

The initial focus will be on recruitment for trade promotion missions and other events for five major energy consuming nations that represent sizable potential markets for U.S. products and services (Brazil, China, India, Indonesia and Mexico). Several other countries and regions that represent promising markets also are being targeted for additional mission recruitment.

The Department's Clean Energy Trade Initiative focuses on developing market opportunities for U.S. companies in the energy supply, manufacturing, commercial, residential, transportation and environmental technology sectors. The objectives of the Clean Energy Trade Initiative include increasing the visibility of U.S. companies as global leaders in "clean energy"technology, deepening relationships with key developing country policymakers, participating in the policy dialogue (regulatory reform, privatization, etc.) with government officials, expanding communications with private sector organizations, trade promotion, and long-term market development

TRADE MISSION CALENDAR

Indonesia—August 29-30, 2000
Contact: Kathryn Hollander: Tel: (202) 482-0385;
Email: Kathryn_Hollander@ita.doc.gov

Mexico—September 10-14, 2000
Contact: Samuel Beatty: Tel: (202) 482-4179;
Email: Samuel_Beatty@ita.doc.gov

Russia—October 15-21, 2000
Contact: Rachel Halpern: Tel: (202) 482-4423;
Email: Rachel_Halpern@ita.doc.gov

Saudi Arabia, UAE, Qatar & Oman—Oct. 24-Nov. 1, 2000
Contact: Joseph Ayoub: Tel: (202) 482-0313;
Email: Joseph_Ayoub@ita.doc.gov

Brazil—November 5-9, 2000
Contact: Samuel Beatty: Tel: (202) 482-4179;
Email: Samuel_Beatty@ita.doc.gov

South Africa—November13-17, 2000
Contact: John Rasmussen: Tel: (202) 482-1889;
Email: John_Rasmussen@ita.doc.gov

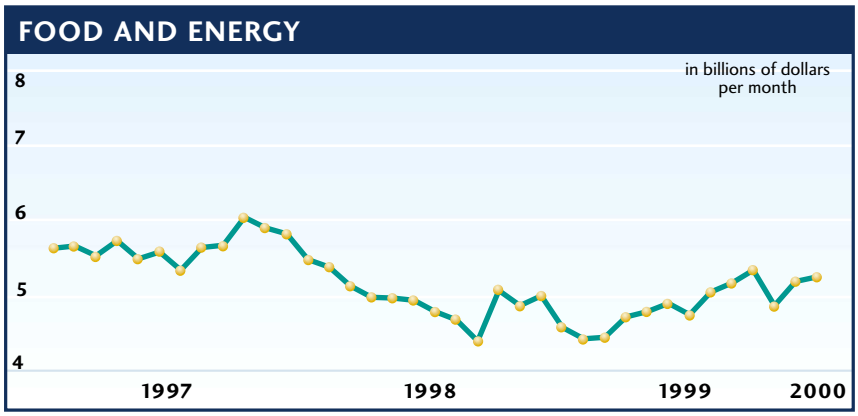
China—November 20-24, 2000
Contact: Kathryn Hollander: Tel: (202) 482-0385;
Email: Kathryn_Hollander@ita.doc.gov

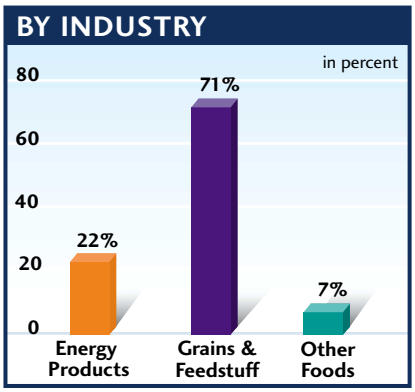
India—November 26-December 3, 2000
Contact: Nazir Bhagat: Tel: (202) 482-3855;
Email: Nazir_Bhagat@ita.doc.gov

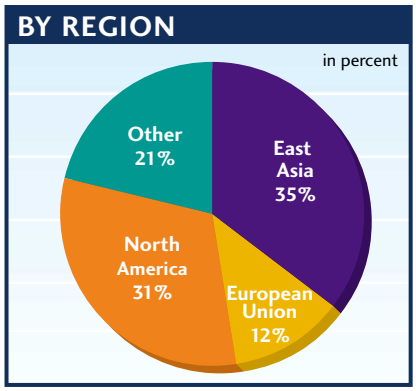
A LOOK AT U.S. EXPORTS

FOOD AND ENERGY

Exports have rebounded modestly over the past year, approaching their 1997 level.







MATERIALS

There has been an uptick in foreign sales in recents months.

Product categories (except for services) are based on end-use classification.

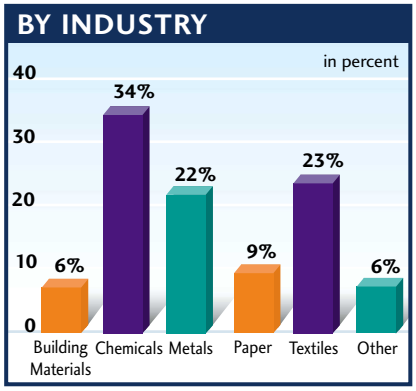
North America: Canada and Mexico.

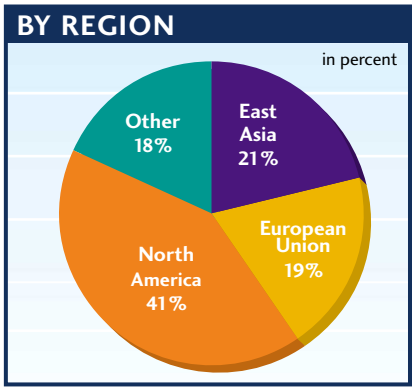
The European Union: Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom.

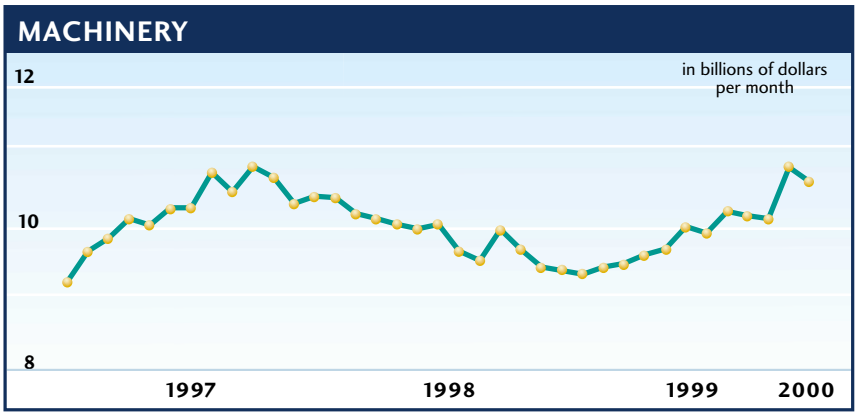
East Asia: China, Hong Kong, Japan, Indonesia, South Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand.

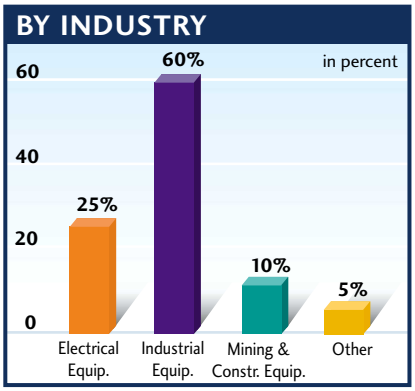
The chart showing exports of services by region is based on data for calendar year 1998. Other charts showing product mix and geographic destination are based on data for the twelve months ending with January 2000.

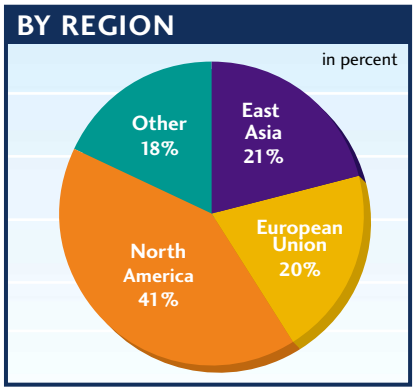
Source: Bureau of the Census (goods), Bureau of Economic Analysis (services).





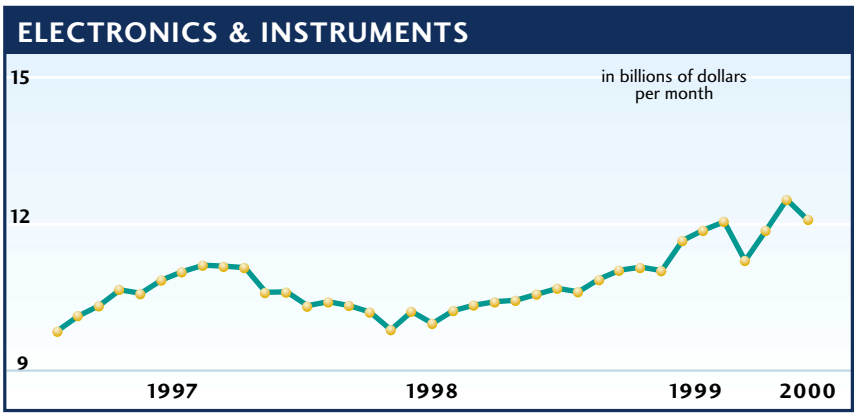


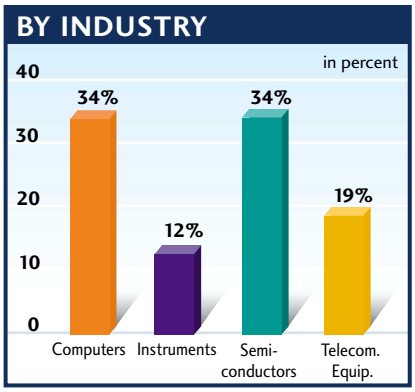


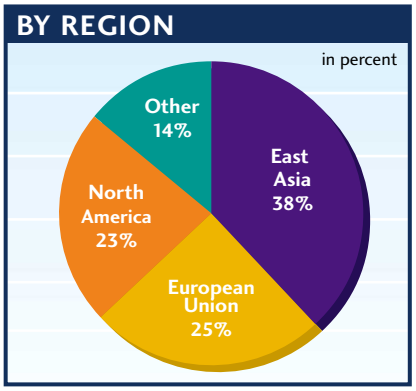


MACHINERY

Exports have been gradually climbing over the past year.





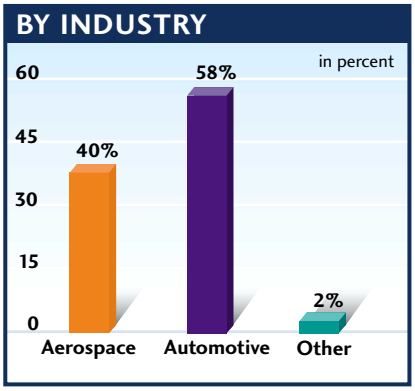


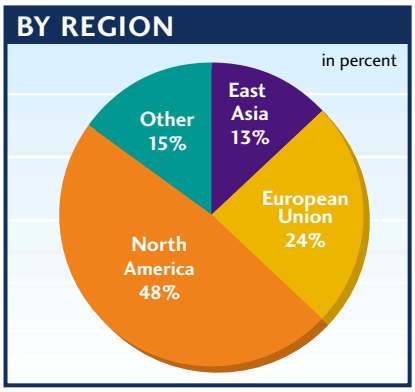
ELECTRONICS & INSTRUMENTS

The pronounced recovery continues, and foreign sales have now surpassed their pre-slump level.

TRANSPORATION EQUIPMENT (CIVILIAN)

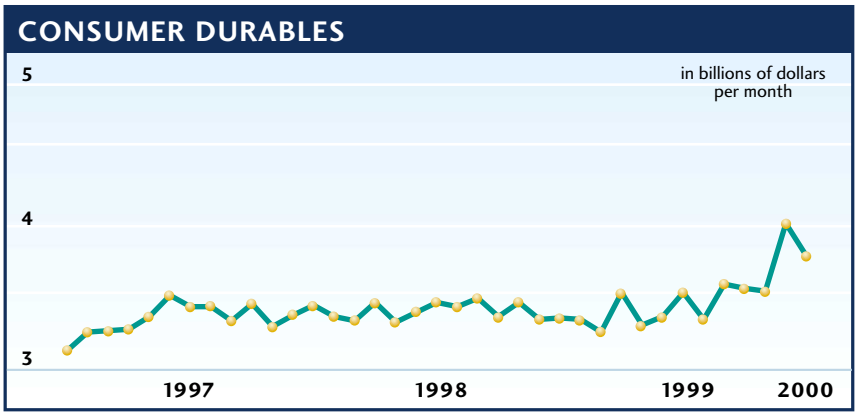
Exports are, as usual, somewhat volatile, but appear to be recovering from a slump early last year.

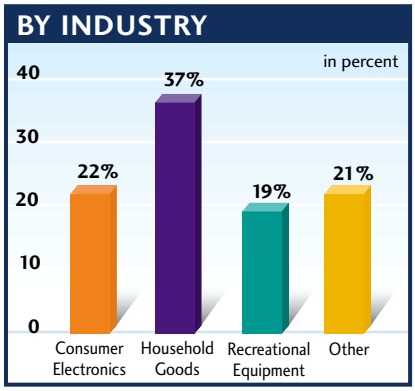


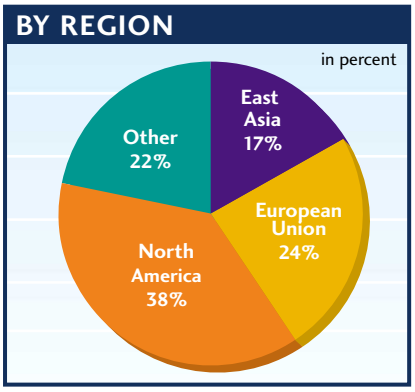


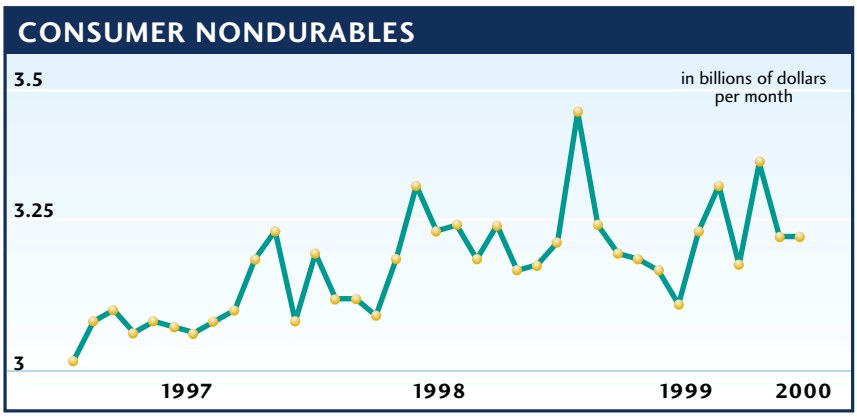
CONSUMER DURABLES

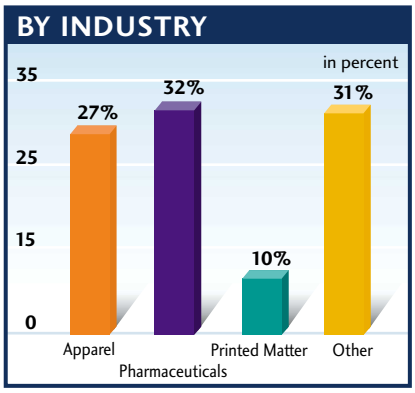
This segment of sales abroad has been quite stable, with signs of growth in recent months.

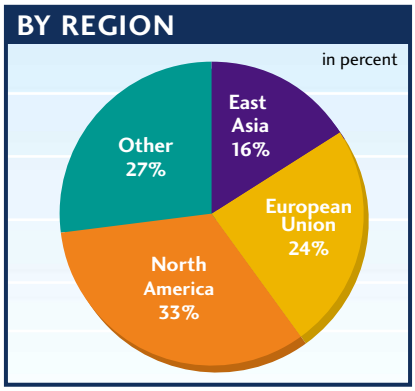






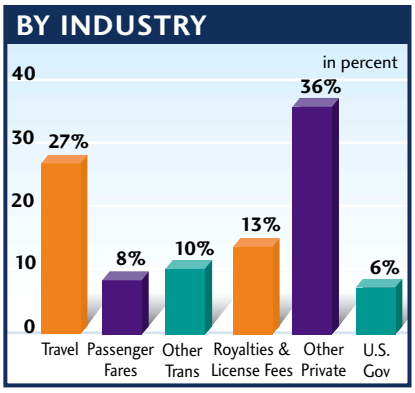


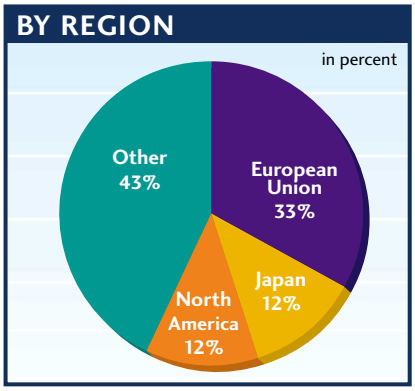




CONSUMER NONDURABLES

Exports of these goods did not slump in 1997-98, and the gradual growth trend appears to be persistent.





SERVICES

International receipts appear to have leveled off in recent months.

Additional information is available from the International Trade Administration (www.ita.doc.gov/tradestats/);

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

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

Prepared by the Office of Trade and Economic Analysis, Trade Development. For more information call (202) 482-2056.

EU TRADE

EXPORT ADVICE ONLINE

When choosing to export for the first time, many small to medium-sized businesses look to enter stable and established markets like Western Europe. One of the crucial advantages to such a decision is the extensive range of information available on the region. Below we have provided a listing of key web sites that both new and experienced exporters to Europe should find helpful.

EUROPEAN UNION SITES

Council of the European Union
http://ue.eu.int

Electronic Commerce and the European Union
www.ispo.cec.be/ecommerce

European Chamber of International Business
www.ecib.com

European Committee for Standardization (CEN)
www.cenorm.be
Provides information on national standards within the EU.

The EU Committee of the American Chamber of Commerce in Belgium
www.eucommittee.be

The European Commission Taxation and Customs Union
http://europa.eu.int/comm/taxation_customs/intro.htm

European Union Delegation to the United States
www.eurunion.org

European Voice
www.european-voice.com
The Economist's publication devoted to European Union News.

Eurostat
http://europa.eu.int/comm/eurostat
Provides statistics on the EU.

New Approach Standardization in the European Internal Market
www.NewApproach.org

Official Site of the European Union
www.europa.eu.int

United States Mission to the European Union
www.useu.be

STANDARDS BY COUNTRY

Austria
www.on-norm.at
www.ove.at

Belgium
www.ibn.be
www.bec-ceb/be

Czech Republic
www.csni.cz

Denmark
www.ds.dk

Finland
www.sfs.fi
www.sesko.fi

France
www.afnor.fr
www.ute-fr.com

Germany
www.din.de
www.dke.de

Greece
www.elot.gr

Iceland
www.stri.is

Ireland
www.nsai.ied
www.etci.ie

Italy
www.unicei.it
www.ceiuni.it

Luxembourg
www.etat.lu/SEE

Netherlands
www.nni.nl

Norway
www.standard.no/nsf
www.nek.no

Portugal
www.ipq.pt

Spain
www.aenor.es

Sweden
www.sis.se
www.sekom.se

Switzerland
www.snv.ch
www.sev.ch

United Kingdom
www.bsi.org.uk

OTHER USEFUL EUROPEAN GOVERNMENT SITES

Central Computer and Telecommunications Agency (UK)
www.open.gov.uk
Access to virtually all of the UK government's public sites.

Trade & Investment Section of the Belgian Embassy
www.diplobel.org/usa/business/business.html

U.S. GOVERNMENT SITES

International Trade Administration
www.ita.doc.gov

Showcase Europe
www.sce.doc.gov

Trade Information Center
http://tradeinfo.doc.gov

U.S. Foreign & Commercial Service
www.usatrade.gov
Contains links to Commercial Service posts around the globe.

U.S. Department of Commerce
www.doc.gov

U.S. Department of State: International Information Programs
http://usinfo.state.gov/homepage.htm

U.S. Trade Representative
www.ustr.gov

BUSINESS SITES

European-American Business Council
www.eabc.org

Transatlantic Business Dialogue
www.tabd.com

NEWS AND INFORMATIONAL SITES

American Journalism Review
http://ajr.newslink.org
Provides extensive links to foreign and domestic newspapers.

Electronic Embassy
www.embassy.org
Links to foreign embassies and their governments.

Europe On-Line
www.europeonline.com/index/htm
Comprehensive site for European Countries.

Financial Times
www.ft.com

The Wire, Associated Press
http://wire.ap.org

World Trade Organization
www.wto.org
Detailed information on international trade developments

WORLD TRADE WEEK EVENT LISTING

MAY 15-19, 2000

Each year, the President of the United States officially proclaims the third week of May as World Trade Week. Schools; government offices at the local, state and federal level; and other public and private associations all over the country plan activities designed to bring attention to the importance of exporting to U.S. businesses. The following is a listing of some of the events that are planned by the U.S. Commerce Department's Export Assistance Centers this year. Since this is only a partial list, if you do not see an event in your area, check with your local Export Assistance Center—contact information is available on the back cover of this magazine.

ALABAMA

Huntsville
World Trade Day
Celebration Luncheon
May 30, 2000
Annu Burkette (256) 532-3505

Mobile
World Trade Conference 2000:
The European Market
May 1-3, 2000
George Norton (205) 731-1331

Montgomery
Governor's International Trade
Summit
May 5, 2000
Alabama Development Office
(334) 442-0400

ALASKA

Anchorage
Export Alaska Banquet
May 25, 2000
Alaska Export Assistance Center
(907) 271-6237

ARKANSAS

Little Rock
Arkansas World Trade
Conference Central America
June 14, 2000
Mary Hayward (501) 324-5794

CALIFORNIA

Fresno
11th Annual International
Business Conference
May 10, 2000
Candy Hansen (559) 323-4689

Irvine
Doing Business with Mexico
May 17, 2000
Orange Country Export
Assistance Center
(949) 660-1688

Long Beach
World Trade Week Luncheon
May 25, 2000
Judy Nelson (562) 432-8128

Los Angeles
Los Angeles World Trade Week
2000 Kickoff Reception
May 3, 2000
Moises Cisneros
(213) 580-7569

4th Annual Trade with
Americas Conference—
Central America
May 10, 2000
Vance Baugham
(213) 680-1888

World Trade Center Association
Los Angeles-Long Beach
Meeting
May 10, 2000
Gloria Jefferson
(310) 235-7104

Monterey
Video Conference on Strategic
Partnerships with the Veneto
Region of NE Italy
May 30, 2000
Mark Weaver (831) 641-9850

Orange County
Italian ICT Market Briefing
May 11, 2000
Elizabeth Graham
(949) 660-1688 x132

Small Business Development Center's Ready to Export Program
May 30, 2000
Orange Country Export Assistance Center
(949) 660-1688

Redlands
Metro Riverside International Trade Center
May 19, 2000
Rod Balance (909) 680-1774

Santa Ana
World Trade Through Orange County
May 31, 2000
Orange County Export Assistance Center
(949) 660-1688

Santa Clara
Jordanian IT Mission to Silicon Valley
May 5, 2000
Santa Clara Export Assistance Center (408) 970-4610

Italian High Tech Market Briefing
May 12, 2000
Santa Clara Export Assistance Center
(408) 970-4610

U.S.-ASEAN Business Council Conference
May 19, 2000
Santa Clara Export Assistance Center (408) 970-4610

COLORADO

Denver
World Trade Day: "Trade and Technology: Accessing Global Markets in the New Millenium"
May 9-10, 2000
Martha Butwin
(303) 844-6623

FLORIDA

Davie
6th Annual World Trade Week Internet & E-Commerce Business Technology Show
May 16, 2000
Carole Patella (954) 761-9797

GEORGIA

Atlanta
Marketing Opportunities in Germany
May 4, 2000
Joanne Martin (404) 880-1500

Savannah
World Trade Week Luncheon: Trade With Israel
May 25, 2000
Barbara Myrick
(912) 652-4204

ILLINOIS

Chicago
Business Opportunities in Poland—An Assessment of the Home Building Industry
May 4, 2000
Barbara Chalko
(773) 533-2222

Crossing International Borders
May 15, 2000
Phyllis Bingham
(312) 353-8045

Visit of Ghana Trade Delegation
May 17-19, 2000
Lora Baker (312) 353-8490

Restaurant Hotel-Motel Show
May 19-23, 2000
Bernadine Smith
(312) 353-5096

Negotiating the Maize of High-Tech Export Controls
May 25, 2000
Chicago U.S. Export Assistance Center
(312) 353-8045

Doing Business in China and the Ukraine
May 25, 2000
Chicago U.S. Export Assistance Center
(312) 661-5002

Rockford
China Rally & Exhibition
May 1, 2000
Bryan Davis (815) 394-1231;
James Mied (815) 987-8123

KANSAS

Overland Park
World Trade: The
Changing Landscape
May 17, 2000
Nancy Stankiewicz
(913) 262-4513

KENTUCKY

Lexington
Bluegrass International Trade
Association Luncheon
May 11, 2000
John Blevins (606) 269-7917

Sino-American Economic
Cooperation Conference
June 14-15, 2000
Louisville Export Assistance
Center (502) 582-5066

Louisville
World Trade Week Seminar
May 9, 2000
Louisville Export Assistance
Center (502) 582-5066

MAINE

Portland
Maine International Trade Day
May 4, 2000
Jeffrey Porter (207) 541-7400

MICHIGAN

Detroit
World Trade Week in Detroit
May 1-31, 2000
Jennifer Good (313) 226-3650

MINNESOTA

Minneapolis
World Trade Week Conference
2000
May 4, 2000
Minnesota World Trade
Association (612) 339-3144

MISSOURI

St. Louis
World Trade Outlook 2000
and Beyond
Jennifer Wagner or Lesley
Carolan (314) 425-3302

NEBRASKA

Omaha
World Trade Week Global
Conference: Building the
Future on the Foundation of
the Past
May 23, 2000
MITA (402) 586-1210

NEVADA

Reno
Small Business Resource Fair
May 3, 2000
Kathy Carrico (775) 784-6879
Brad Mitchell (775) 337-6044

NEW HAMPSHIRE

Bedford
Latin America Business:
Emerging Markets Promise and
Preparation
May 10, 2000
Susan Berry (603) 334-6074

NEW JERSEY

Newark
Doing Business in China
May 19, 2000
Tulsi (908) 526-1200 ext. 8235

NEW MEXICO

Santa Fe
Santa Fe Springs
Chamber Meeting
May 17, 2000
Kathie Fink (562) 944-1616

NEW YORK

Buffalo
Buffalo World Trade Week
Dinner Meeting
May 10, 2000
Niagara International
Trade Council
(716) 454-2220

Niagara Falls
Exporting to Canada
May 4, 2000
Small Business Development
Center-Niagara County
Community College
(716) 614-6480

Rochester
Rochester International Trade Expo and Dinner
May 4, 2000
James Mariano (716) 551-4191

OHIO

Columbus
Economic Club of Columbus Meeting
May 10, 2000
Economic Club of Columbus
(614) 798-9411

OKLAHOMA

Tulsa
Oklahoma World Trade Conference
May 17, 2000
Oklahoma State University/Tulsa Conference
(918) 594-8418

PENNSYLVANIA

Philadelphia
International Environmental Workshop
May 3, 2000
Cassanda King (609) 633-3674

The Greater Philadelphia
Business Expo 2000
May 11, 2000
Barbara Severino
(215) 790-3647;
bsaverino@gpcc.com

Russian-American Innovation Technologies Trade Show and Conference
May 15-18, 2000
Val Kogan (215) 963-7079

Pittsburgh
Western Pennsylvania International Trade Fair 2000
May 18-29, 2000
Ted Arnn (412) 395-5050 ext. 12

SOUTH CAROLINA

Charleston
South Carolina International Trade Conference
May 18, 2000
Helen Watts (877) 347-3226

Greenville
Southeastern Technology Week
May 9-11, 2000
Denia Csczmadia (864) 271-1976

TENNESEE

Memphis
Memphis in May International Festival's International Week
May 8-12, 2000
Memphis Export Assistance Center (901) 323-1543

Nashville
e-Business Seminar
May 24,2000
John Butler (615) 259-4754

TEXAS

Fort Worth
World Trade Week Mayor's Exporter Award
May 24, 2000
Cece Thompson
(817) 212-2666

WASHINGTON

Seattle
Annual Dinner 2000: The Global E-Commerce Explosion
May 17, 2000
Diane Mooney (206) 553-7253

WEST VIRGINIA

Charleston
World Trade Day Conference
May 18, 2000
Harvey Timberlake
(304) 347-5123

WISCONSIN

Milwaukee
36th Wisconsin International Trade Conference
May 10, 2000
Michele (414) 287-4141

U.S. DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Room 3414, 1401 Constitution Avenue, NW,
Washington, D.C., 202030
Official Business
Penalty for Private Use $300 fine

FIRST-CLASS MAIL
POSTAGE & FEES
PAID USDC
PERMIT NO. G-54

U.S. DEPARTMENT OF COMMERCE

DIRECTORY OF EXPORT ASSISTANCE CENTERS IN THE U.S.

ALABAMA Birmingham (205) 731-1331

ALASKA Anchorage (907) 271-6237

ARIZONA
Phoenix (602) 640-2513
Tucson (520) 670-5540

ARKANSAS Little Rock (501) 324-5794

CALIFORNIA
Fresno (559) 325-1619
Inland Empire (909) 466-4134
Long Beach Export Assistance Center
(562) 980-4550
Downtown Los Angeles (213) 894-8784
West Los Angeles (310) 235-7206
Monterey (831) 641-9850
Novato (415) 883-1966
Oakland (510) 273-7350
Orange County (949) 660-1688
Ventura County (805) 676-1573
Sacramento (916) 498-5155
Santa Clara (408) 970-4610
San Diego (619) 557-5395
San Francisco (415) 705-2300
San Jose U.S. Export Assistance Center
(408) 271-7300

COLORADO Denver U.S. Export Assistance Center
(303) 844-6623

CONNECTICUT Middletown (860) 638-6950

DELAWARE Served by the Philadelphia U.S. Export Assistance Center

FLORIDA
Clearwater (727) 893-3738
Miami U.S. Export Assistance Center
(305) 526-7425
Ft. Lauderdale North Campus (954) 356-6640
Orlando (407) 648-6235
Tallahassee (850) 488-6469

GEORGIA
Atlanta U.S. Export Assistance Center
(404) 657-1900
Savannah (912) 652-4204

HAWAII Honolulu (808) 522-8040

IDAHO Boise (208) 334-3857

ILLINOIS
Chicago U.S. Export Assistance Center
(312) 353-8045
Highland Park (847) 681-8010
Peoria (309) 671-7815
Rockford (815) 987-8123

INDIANA Indianapolis (317) 582-2300

IOWA Des Moines (515) 288-8614

KANSAS Wichita (316) 269-6160)

KENTUCKY
Louisville (502) 582-5066
Somerset (606) 677-6160

LOUISIANA
Delta U.S. Export Assistance Center
(504) 589-6546
Shreveport (318) 676-3064

MAINE Portland (503) 326-3001

MARYLAND Baltimore U.S. Export Assistance Center (410) 962-4539

MASSACHUSETTS
Boston U.S. Export Assistance Center
(617) 424-5990
Marlborough (508) 624-6000

MICHIGAN
Detroit U.S. Export Assistance Center
(313) 226-3650
Ann Arbor (734) 741-2430
Grand Rapids (616) 458-3564
Pontiac (248) 975-9600

MINNESOTA Minneapolis U.S. Export Assistance Center (612) 348-1638

MISSISSIPPI Mississippi (601) 857-0128

MISSOURI
St. Louis U.S. Export Assistance Center
(314) 425-3302
Kansas City (816) 410-9201

MONTANA Missoula (406) 243-2098

NEBRASKA Omaha (402) 221-3664

NEVADA Reno (702) 784-5203

NEW HAMPSHIRE Portsmouth (603) 334-6074

NEW JERSEY
Trenton (609) 989-2100
Newark (973) 645-4682

NEW MEXICO New Mexico (505) 827-0350

NEW YORK
Buffalo (716) 551-4191
Harlem (212) 860-6200
Long Island (516) 739-1765
New York U.S. Export Assistance Center
(212) 466-5222
Westchester (914) 682-6712

NORTH CAROLINA
Carolinas U.S. Export Assistance Center
(704) 333-4886
Greensboro (336) 333-5345
Raleigh (919) 715-7373 x515

NORTH DAKOTA Served by the MINNEAPOLIS Export Assistance Center

OHIO
Cincinnati (513) 684-2944
Cleveland U.S. Export Assistance Center
(216) 522-4750
Columbus (614) 365-9510
Toledo (419) 241-0683

OKLAHOMA
Oklahoma City (405) 608-5302
Tulsa (918) 581-6263

OREGON
Eugene (541) 484-1314
Portland (503) 326-3001

PENNSYLVANIA
Harrisburg (717) 221-4510
Philadelphia U.S. Export Assistance Center
(215) 597-6101
Pittsburgh (412) 395-5050

PUERTO RICO San Juan (787) 766-5555

RHODE ISLAND Providence (401) 528-5104

SOUTH CAROLINA
Charleston (843) 760-3794
Columbia (803) 765-5345
Upstate (864) 271-1976

SOUTH DAKOTA Siouxland (605) 330-4264

TENNESSEE
Knoxville (865) 545-4637
Memphis (901) 323-1543
Nashville (615) 736-5161

TEXAS
Austin (512) 916-5939
Dallas U.S. Export Assistance Center
(214) 767-0542
Fort Worth (817) 212-2673
Houston (713) 718-3062
San Antonio (210) 228-9878

UTAH Salt Lake City (801) 524-5116

VERMONT Montpelier (802) 828-4508

VIRGINIA
Northern Virginia (703) 524-2885
Richmond (804) 771-2246

WASHINGTON
Seattle U.S. Export Assistance Center
(206) 553-5615
Spokane (509) 353-2625
Tacoma (253) 593-6736

WEST VIRGINIA
Charleston (304) 347-5123
Wheeling (304) 243-5493

WISCONSIN Milwaukee (414) 297-3473

WYOMING Served by the Denver U.S. Export Assistance Center

FOR EXPORT INFORMATION, CALL THE TRADE INFORMATION CENTER 1-800-USA-TRAD(E)