Top Targets • FDA Export Certificates • Trade Events Listing

EXPORT America

September 2000 Volume 1 Number 11
http://exportamerica.doc.gov

THE FEDERAL SOURCE FOR YOUR GLOBAL BUSINESS NEEDS

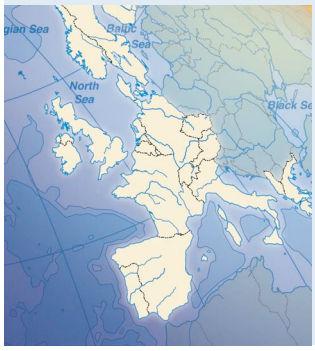
Figuring Out EU Standards

Put the Euro in Your Pocket

CONTENTS

EXPORT America
THE FEDERAL SOURCE FOR YOUR GLOBAL BUSINESS NEEDS
September 2000 Volume 1 Number 11 http://exportamerica.doc.gov

NEW OPPORTUNITIES



Figuring Out EU Standards: Commerce Department Helps U.S. Firms Navigate EU Standards Process 16
by Ann Ngo

GLOBAL NEWS LINE

Briefs on Saudi Arabia, Australia, Poland, Ukraine, Italy, Brazil & Canada 4
Prepared with the assistance of the U.S. & Foreign Commercial Service.

SUCCESS STORIES

She Wants Business: The U.S. Department of Commerce Helps One Woman Find Sweet Success 6
by Christine M. Garton

NEWS FROM COMMERCE

Top Targets for Trade Promotion 8
Alan O. Maurer

TECHNICAL ADVICE

The EU Commission Proposes to Levy a Tax on Digitized Transactions 10
by David deFalco, Esq.

Localization: The Key to Successful Global Business Efforts 12
by Michael Anobile

ASK THE TRADE INFORMATION CENTER 14
FDA Export Certificates for U.S. Products
by Abdul Quader Shaikh & Rachael Farber

INSIDER'S CORNER

Trade Events Schedule: Upcoming Trade Events, November 2000 – May 2001 22
Prepared with the assistance of the U.S. & Foreign Commercial Service.

A Look at U.S. Exports 26
Prepared by the Office of Trade & Economic Analysis, Trade Development.

INTERNET MARKETING

E is for Exports: Global Sales Powered by the Internet 30
by Danielle Kriz

INTERNET MARKETING

New Approaches Help Expand International Trade Opportunities for the U.S. Environmental Industry 32
by David Scott Smith & Sandra Collazo

COVER BY DANIEL STAFFORD

U.S. DEPARTMENT OF COMMERCE
International Trade Administration

Norman Y. Mineta
Secretary of Commerce

Robert S. LaRussa
Acting Under Secretary for International Trade

Daniel Cruise
Director of Public Affairs

Arrow Augerot
Editor

Sam Means
Editorial Intern

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

Annual subscription rate is $61. 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

Have you ever asked yourself,

when trying to figure out all the ins and outs of exporting, what is the purpose of standards? Well, standards are usually designed for the protection of consumers; they are how governments make sure their citizens are not taken advantage of, or hurt by, products. Once a standard is set, all manufacturers in that particular country, and foreign companies importing their products, must ensure that their goods and services meet certain regulations stipulated by the standard.

Standards can often be a real obstacle for companies who want to import their goods into countries' with different standards from their own. A product may be deemed acceptable for sale in one country, but not so in another country with more stringent, or arbitrarily different, standards. This becomes an even greater problem when every market has a different standard for a particular product and a company wants to export to multiple markets. In this situation, the product must be adjusted for each country, often at great cost to the company.

That is why harmonization of standards is so important and can be a great boon for exporters. Chances are, however, that harmonization of standards will be good not just for exporters, but for consumers, as well. If many countries can come together to agree on standards, it is likely that they will be especially high, in order to satisfy all the nations involved. This means that consumers will benefit everywhere the standards are accepted, and benefit from a wider range of products, since importing will be easier, creating more competition and even higher quality products. With harmonization, therefore, everyone wins.

This month's feature article focuses on new developments with European standards. Take particular note of the contact information on page 20; those offices are your key to understanding standards in the EU.

We will see you next month with a feature focusing on ITA's new E-Exports initiative and a review of ITA's China Virtual Trade Mission. Until then, good luck with your business. Let us know if you have any questions or comments (Export_America@ita.doc.gov).

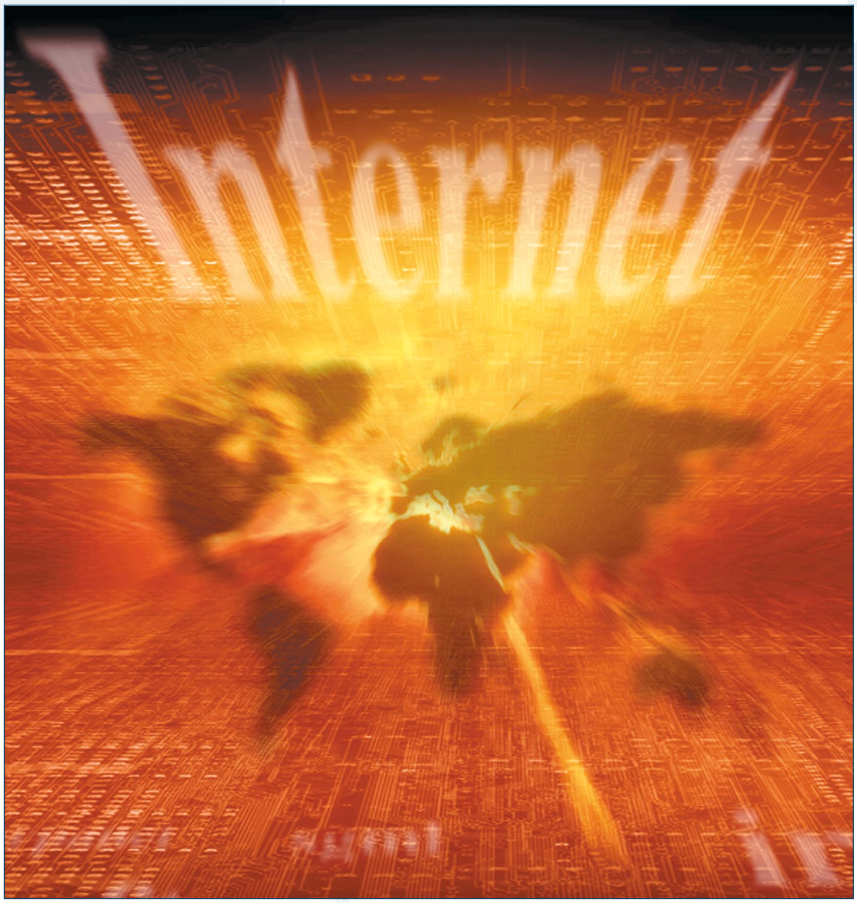
Arrow Augerot
Editor

GLOBAL NEWS LINE

SAUDI ARABIA

Use of the Internet is exploding in Saudi Arabia. Internet subscriptions have increased more than 400 percent in the last year, and industry sources expect an ultimate subscription base of as many as two million. This puts Saudi Arabia among the top countries in the world in terms of per capita online usage. The market for nearly all Internet-related services—from hardware that expands bandwidth and increases speed to software that provides encryption and network integration—is virtually unlimited. U.S. firms offering webpage design, procurement, financial services and almost all other Internet e-commerce activities should find Saudi Arabia a fertile market for their goods and services.

Oil remains important to the Saudi economy. With current forecasts of continued strength in oil prices through 2000, projects that were put on hold are now being reinstated by Saudi Aramco, the world's largest oil producer. Saudi Aramco will spend approximately $2,563 million annually on these projects between 2000 and 2002, and $10 billion total over the next seven years. The list of projects to be completed includes construction of a 90-MW power plant at Saudi Aramco's oil and natural liquids recovery center at Abqaiq, construction of a new natural gas liquids recovery unit at the Berri gas processing plant and the erection of a new gas processing plant at Haradh in the Eastern province. For more information, contact Ahmad Malas at the American Consulate Dhahran at Address: Unit 66803, APO AE 09858-6803; Tel: (966 3) 891-2000, ext. 3065; Fax: (966 3) 891-8332; or Email:ahmad.malas@mail.doc.gov.



AUSTRALIA

The U.S. & Foreign Commercial Service in Sydney will organize the business development section of the State of Florida's World Pavilion at the Sydney Summer Olympic Games (September 8 – October 8, 2000). The Pavilion will be located near Darling Harbor, the second most popular site at these Olympic Games, and therefore, could attract as many as 250,000 visitors. The U.S Commercial Service stand, which will be open for the entire duration of the Olympic Games, will promote and emphasize trade opportunities between U.S. and Australian companies. The stand will feature "E-Expo USA", a virtual online trade show representing 650 U.S. exhibitors from more than 50 industry sectors. The Commercial Service in Sydney is also assisting the Business Club of Australia with the USA Business Networking Reception, which will be held on September 17, 2000 at Darling Harbor. For more information, please contact the Commercial Service Sydney at Tel: (61 2) 9373-9200 or Fax: (61 2) 9221-0573.

POLAND

With close to three million Internet users in a population of just 39 million, Poland's e-commerce potential is attracting a lot of attention. The e-commerce market is currently estimated at US$30-40 million, but experts believe that this is just the tip of the iceberg. The Internet market is expected to continue growing by 30 percent per year over the next three years. Website development is the most active Internet market segment, with over 35,000 registered Internet domains in Poland, and most information technology companies listed on the Warsaw Stock Exchange have announced plans to build portals or websites to conduct e-business. Although customers may pay import duty and tax, the added value for Polish Internet shoppers is the unlimited

choice and variety of U.S. products unmatched by the Polish retail sector.

The high number of new portals, vortals and hubs, plus numerous Internet- investments, all indicate very promising opportunities for U.S. Internet related companies and products. The U.S. Commercial Service Warsaw has been part of this Internet boom, with its own Polish language website, launched in September 1999 and designed to provide a vehicle for U.S. companies to promote their goods and services to Polish buyers and distributors. For more information on entering the Polish market, go to www.CSCentraleurope.org/Poland or contact the Commercial Service in Warsaw at Email: Warsaw.Office@mail.doc.gov.

UKRAINE

The Commercial Service in Kiev is recruiting a 40-50 person delegation of Ukrainian mining industry experts for MINEXPO 2000. MINEXPO is the world's largest mining showcase, and will be held in Las Vegas, Nevada, October 9-12, 2000. Many Ukrainian companies, operating in the mining sector, including mining machinery manufacturers and suppliers of mining equipment, have already expressed keen interest in the show. The Commercial Service Kiev expects the Ukrainian delegation to include experts from Kryvorizhsky and Luhansky plants (major Ukrainian manufacturers of quarry and mining equipment); representatives of companies trading in iron ore mining and open pit excavation equipment; and experts from the Ukrainian Mining Academy. Two commercial specialists from the U.S. Embassy will escort the delegation from Ukraine and assist in arranging individual meetings with U.S. companies during the trade show. U.S. companies wishing to meet Ukrainian delegates should contact Victoria Sergeeva, Commercial Service Kiev, at Email: Victoria.Sergeeva@mail.doc.gov, for more details.

ITALY

On July 31, the Italian Senate approved an anti-piracy bill that will increase the level of protection for copyrighted materials and increase criminal penalties for violation of privacy laws. The legislation now goes to President Ciampi for signing and publication in the Official Gazette. For more information, contact David deFalco in the Office of Europe, Market Access & Compliance, at Email: David_DeFalco@ita.doc.gov.

BRAZIL

The Department of Transportation Infrastructure of the State of Bahia (DERBA) is rehabilitating the state's road network. This project is being financed by the Inter-American Development Bank (IDB) and by the Bahia government. DERBA will issue international tenders for consulting and management, environmental management and hazardous materials management. The IDB approved a $146 million loan to Bahia, and the state government will invest another $100 million. The project includes new pavement, rehabilitation, maintenance and administrative modernization. DERBA will issue a tender to hire an environmental consulting company to advise on the civil engineering work. Another tender will be issued to contract a company, specializing in hazardous material controls, to prepare a program for implementation in Bahia. For more information on the transportation sector in Brazil, U.S. companies may contact Genard Holmes Burity, junior transportation commercial specialist at Address: U.S. & Foreign Commercial Service, U.S. Consulate Rio de Janeiro, Avenue President Wilson, 147 – Rio De Janeiro, Brazil, 20030-020; Tel: (55 21) 292-7117, ext. 2401; Fax: (55 21) 240-09738; or Email:genard.burity@mail.doc.gov. Companies may also contact Carlos Alberta da Cunha, general director DERBA, or Clay Andrade, Inter-American Develop-ment Bank Coordinator, at Address: Avenue Luiz Viana Filho (445 Av. Pararela), Salvador—Bahia—CEP, 41750-300, CAB—Centro Admini-strativo da Bahia; Tel: (55 71) 370-2253; or Fax: (55 71) 370-2146.

CANADA

During the next five years, the Montreal Port Authority (MPA)—Canada's leading international container port—plans to invest more than $80 million to improve and expand port facilities. There will be opportunities for U.S. businesses to engage in trade in a variety of sectors as these projects unfold. Best prospect opportunity sectors include materials-handling equipment; containerized cargo equipment; transportation equipment; warehousing equipment; computer software; truck-to-warehouse telecommunication and delivery data systems for "just-in-time" transport of commodities; automation equipment that increases the speed of transferring goods within and between warehouses; automation equipment that increases the speed of materials handling and transferring on and off berths; shipping/marine agents' services; maintenance and busing and touring services. Companies interested in offering their products and services are encouraged to contact the port at Internet: www.port-montreal.com or the Commercial Service in Montreal at Email: pierre.richer@mail.doc.gov.

NEED MORE DETAIL?

Ask a Foreign Commercial Officer at one of the Department of Commerce's posts located around the globe. Contact information, including phone, fax and email, is available by calling the Trade Information Center at 1-800-USA-TRADE.

SHE WANTS BUSINESS

THE U.S. DEPARTMENT OF COMMERCE HELPS ONE WOMAN FIND SWEET SUCCESS

by Christine M. Garton
Export Promotion Service, U.S. & Foreign Commercial Service

"You can't be afraid," said Margaret McEntire on the success of her business, Candy Bouquet International. "Women have to be a little bolder to see the opportunities that lie outside of staying at home with the kids." Before founding Candy Bouquet, McEntire was the epitome of the American housewife. She was and still is a dedicated mother and wife, staying at home to manage household activities. But McEntire, like the other eight million women in the United States who either own or manage their own business, had an entrepreneurial drive that pushed her to seek dreams not limited by the front door of her home. In realizing these dreams, outside assistance often proves invaluable for fledgling entrepreneurs like McEntire. The U.S. Department of Commerce has been, and will continue to be, an important ally of these inspiring businesswomen.

Photo courtesy of Candy Bouquet International

As a result of her success, Margaret McEntire of Candy Bouquet International was named 1998 SBA Small Business Person of the Year.

A SUCCESS STORY

Starting with a big dream and a small budget was no easy task for McEntire. She began in 1989 with just $1,000 and an office in her garage. But, with determination, Candy Bouquet, a franchise company that creates bouquets of wrapped gourmet chocolates and candies on a stem, came into existence. "Candy Bouquets will work anywhere," says McEntire of her company. "Everybody in the world loves flowers, and everybody eats candy." Today, her company has 450 franchises worldwide in 30 countries, with total store sales at over $40 million. As a result of her success internationally, she was named as the 1998 SBA Small Business Person of the Year by the Small Business Administration (SBA), and Exporter of the Year for Arkansas.

Even though McEntire has had great success franchising internationally, she had no prior export experience—that is, until she discovered the resources of the U.S. Department of Commerce (DOC).

When contacted by a princess in the royal family of Malaysia, who had seen a magazine article on Candy Bouquet and wanted to franchise the company, McEntire did not know how to handle the request.

"Besides being a director of a school for the handicapped and a secretary for my husband's oil and gas exploration company, I had had little business experience," says McEntire. "So, I picked up a phone book and found the Arkansas Export Assistance Center of the U.S. Department of Commerce. I had a hunch they could help."

Dennis Millard, International Trade Specialist at the Little Rock, Arkansas Export Assistance Center, took her call, and she has been a client ever since.

"There are tremendous opportunities for people looking to take their business abroad," he says. "Margaret is a very smart business person who needed some assistance, which we were able to provide. It's been a great synergy." With the help of Millard and the Department of Commerce, McEntire now has export sales approaching $1 million annual.

WOMEN IN INTERNATIONAL TRADE INITIATIVE

Candy Bouquet is not the only woman-owned or -managed business success story that has benefitted from DOC assistance. With women owning nearly 40 percent of all firms in the U.S., contributing over $3.6 trillion to the economy, it is imperative that they be exposed to the unique advantages that the DOC can provide women entrepreneurs. "We've seen that women

are often more willing to take risks," states Elizabeth Sears, Deputy Assistant Secretary for Domestic Operations. "In business dealings, they are often more flexible and aware of the cultural aspects involved."

To better target the women who own or manage businesses, the DOC, under the leadership of former Secretary of Commerce William Daley, created a Women in International Trade Initiative in April of 1999. Thanks to the initiative many new services exist for women. For example, there is now a website (www.usatrade.gov/women intrade) that provides links to women-in-business resources, financial assistance, trade events listings, exporting advice and much more. Also, the DOC has developed a Visit Industry Program (VIP), which provides trade specialists to companies that lack sufficient personnel resources. Within a period of 1-2 weeks, these specialists assist the company in developing an export program, and in preparing it for international trade.

The initiative's other goals include developing strategic partnerships with women's organizations such as the National Association of Women Business Owners (NAWBO) and the Business Women's Network (BWN), as well as the Office of Women's Business Ownership of the Small Business Administration and the White House Women's Office. Through these partnerships, the DOC can better support conferences like the "Women's Economic Summit of the Americas" in Buenos Aires, Argentina (1999), in which McEntire and Candy Bouquet participated.

Since 1995, the DOC has also been successfully coordinating Women In Trade Missions to regions throughout the world. These missions match American executives with potential customers abroad, introducing a company's products and services to foreign markets through pre-arranged, one-on-one meetings. McEntire took part in the Women In Trade Mission to South America in 1999, which resulted in franchising agreements for Candy Bouquet with a company in Latin America. Loretta Allison, project manager, feels that the missions are excellent opportunities for women-owned businesses to begin and develop their international exporting programs. "Almost 99 percent of every trade mission is made up of men," she says. "Our Women In Trade Missions help women become proactive in increasing their export sales by meeting face-to-face with potential customers."

There will be a Women In Trade Mission to Africa in October 2000, led by Marjory E. Searing, Acting Assistant Secretary and Director General of the U.S. & Foreign Commercial Service. Participants in this mission to Cairo, Nairobi and Johannesburg will also attend the Global Summit of Women 2000 in Africa. The Summit will provide an environment where women-owned businesses, professionals and entrepreneurial leaders can come together and discuss how to increase women's economic participation in the global market place.

Another program that is being offered to women entrepreneurs in the U.S. by the Department of Commerce is an export-training program held annually in 18 cities throughout the country. Lora Baker, International Trade Specialist in Chicago, is coordinator of the "Export Training Program for Minority and Women-Owned Companies."

"I think this program is key to aiding these exporters," states Baker. "Minority groups have an excellent business-creation track record, with their linguistic skills and cultural knowledge, and through this program will come to realize that they have an important role to play in the continuing prosperity of the U.S. economy." U.S. Firms that have been in business for at least two years and have a product or service well suited to exporting will be provided a personalized export-training program, helping to ensure their success in doing business in global markets. Overall, the DOC is ready to assist any U.S. woman interested in doing business abroad.

If the U.S. Department of Commerce's mission is to provide support for any small to medium-sized U.S. company wanting to export, then why is there an initiative, focusing on women? "It's an under-served community," says Elizabeth Sears. "By targeting women with this initiative, we are better able to get our word out to these entrepreneurs. We've also been successful in helping women do international business better." McEntire of Candy Bouquet would agree. "Dennis Millard and the Arkansas Export Assistance Center of the Department of Commerce have been wonderful," she says. "My father always told me 'Quitters never win; winners never quit.' He was right. All it takes is a dream and the belief that you can succeed." ■

"[WOMEN EXPORTERS ARE] AN UNDER-SERVED COMMUNITY," SAYS ELIZABETH SEARS. "BY TARGETING WOMEN WITH THE [WOMEN IN TRADE] INITIATIVE, WE ARE BETTER ABLE TO GET OUR WORD OUT TO THESE ENTREPRENEURS. WE'VE ALSO BEEN SUCCESSFUL IN HELPING WOMEN DO INTERNATIONAL BUSINESS BETTER."

TOP TARGETS FOR TRADE PROMOTION

by Alan O. Maurer
Office of Export Promotion Coordination, Trade Development

The Top Targets for Trade Promotion program identifies outstanding markets for U.S. product sectors—ranked by potential gain in export sales over a two-year period. In the current edition, among 40 key countries with strong sales potential for U.S. goods and services, there are some 400 individual market sectors evaluated as Top Targets for increasing U.S. exports through 2001.

Top market prospects are initially identified by the U.S. & Foreign Commercial Service overseas staff and then analyzed by the Office of Export Promotion Coordination economists, according to a common set of market factors, which gauge both potential demand for individual product sectors and expected overall economic growth in each of the countries. In addition, these foreign market opportunities for manufactured goods are checked against U.S. export trade statistics from the Census Bureau in order to analyze trends over a five-year period.

Market factors used to assess Top Targets include measures of the size and projected growth of the total market, imports and U.S. exports, as well as judgements on local and third-country competition. Macroeconomic conditions in each country are included in the analysis, due to the strong economic relationship between increased export potential and growing economies. Examples of macroeconomic factors include volume and projected growth of GNP, imports of manufactures and U.S. exports of manufactures, as well as judgements on trade policy considerations, trade promotion programs, ITA market priorities, and political, social and geographic conditions affecting U.S. export potential.

SEPARATE RANKING FOR SERVICES

A separate ranking for services is included in the Top Targets for Trade Promotion package each year. U.S. exports of services represent a growing proportion of international trade, having doubled over the past ten years to over $250 billion, with a surplus of exports over imports of nearly $85 billion. Service sectors are assessed solely on Commercial Service post reports, as there are no detailed trade data for services.

TOP MARKET OPPORTUNITIES FOR SMALL BUSINESS

This year's Top Targets for Trade Promotion includes for the first time a separate listing of Top Market Opportunities for Small Businesses of less than 100 employees. This list was prepared by adding two variables relating to small business to the Top Targets model: the proportion of exporters in each "high export potential" industry that have less than 100 employees and the relative difficulty of access to the target markets by small business exporters. This new program is designed specifically to help smaller firms increase their share of the export

TOP-RANKED EXPORT MARKETS WORLDWIDE FOR U.S. PRODUCT SECTORS

- France, Germany, United Kingdom & Australia for computer software
- Canada & Mexico for automotive parts & accessories
- United Kingdom for aircraft, engines & parts
- Japan, Canada & Germany for microelectronics & electronic components
- Germany, United Kingdom, Canada & France for computers & peripheral equipment
- China for plastic materials & resins, & for telecommunications equipment
- Germany & United Kingdom for pharmaceuticals
- Japan for medical instruments & equipment

HIGHEST-RANKED FOREIGN MARKETS FOR AMERICAN SERVICES

- Telecommunications in Australia, Brazil, Venezuela, Spain, France & Germany
- Franchising in China, Mexico, Germany, Spain, Singapore & Italy
- Computer & information services in the Netherlands, Italy, Germany & Sweden

TOP OPPORTUNITIES FOR SMALL BUSINESS

- France, Germany, Great Britain, Switzerland, Canada & Australia for computer software
- Canada for automotive parts & accessories, microelectronics & building products
- Mexico for apparel, automotive parts & accessories
- United Kingdom, Canada and Germany for computers & peripheral equipment

market by identifying opportunities where they can optimize their gains from overseas sales. Services are not included in the listing of Top Targets for small business as there is no corresponding data on the number of exporters in service industries.

TOP TARGETS AS COUNSELING TOOL

ITA uses Top Targets for Trade Promotion for both planning and counseling. Trade promotion managers find Top Targets a useful tool for planning trade events in their product sector areas of responsibility. It allows comparisons of export potential within an industry sector and across countries. Export Assistance Centers across the United States find Top Targets for Trade Promotion an essential tool for counseling U.S. exporters, especially new-to-market firms, as to where they should sell their products. Over 4,000 copies of Top Targets for Trade Promotion have been distributed annually since the program started in 1996. ■

For further information on Top Targets for Trade Promotion, contact Alan Maurer at Tel: (202) 482-3486 or Email: Alan_Maurer@ita.doc.gov, or visit the Trade Information Center website (http://tradeinfo.doc.gov) and click on "Trade Promotion".

THE EU COMMISSION PROPOSES TO LEVY A TAX ON DIGITIZED TRANSACTIONS

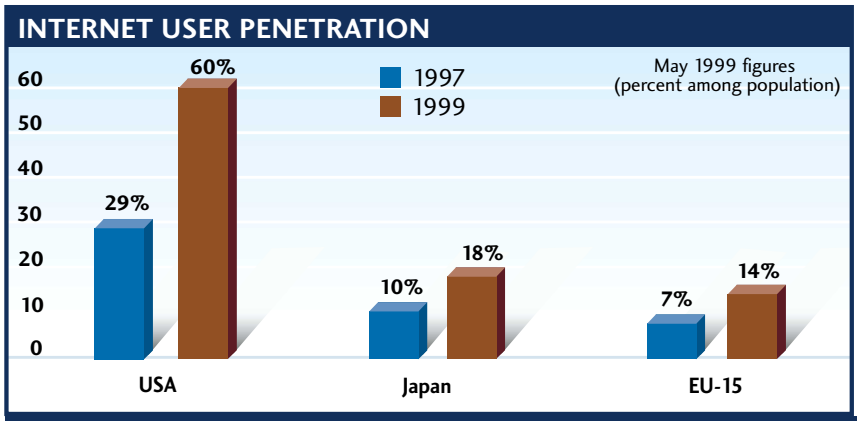
by David S. De Falco, Esq.
Office of European Union & Regional Affairs, Market Access & Compliance

On June 7, 2000, the European Commission published a report, prepared by its Customs and Taxation Directorate-General, on the implementation of a value-added-tax (VAT) on digitized transactions. The paper recommends steps that the Member States of the European Union (EU) should take in order to successfully levy a VAT on the sale of goods delivered electronically to final consumers in the European Union. If these recommendations are implemented, any non-EU company wishing to conduct digital transactions within the EU will have to register in the EU, collect the VAT and then remit it to the appropriate tax authorities in the EU.

Most EU and Organization for Economic Cooperation and Development (OECD) countries impose a VAT or similar consumption tax on the purchase of goods and services. The European Commission categorizes all downloaded products as services, and, as such they are subject to a consumption tax. The products are to be taxed at the services rate, which generally, is at least as high as the highest rate applicable to goods. This is in stark contrast to the United States' approach of placing a moratorium on all Internet taxes until the issue is sufficiently studied at both the domestic and international levels. The United States Government is concerned that unilateral action by the EU could cause a ripple effect by encouraging other nations to implement their own tax legislation and suffocate e-commerce in its nascent stages.

The Commission decided to tackle the issue of e-commerce taxation because of concerns over the current VAT treatment of digitally delivered goods. The system, as it stands now, does not tax goods sold by non-EU vendors to EU consumers, and operates as an export tax on goods destined for non-EU consumers, rather than as a true consumption tax. The Commission is concerned that EU vendors are at a competitive disadvantage, since their goods are subject to a VAT while non-EU vendors, under the current system, are not.

Under the proposal, digitally delivered goods would not be subject to EU VAT when exported out of the EU, but would be, regardless of, the location of the vendor, when purchased by EU consummers. In addition, the proposal imposes compliance



Internet user penetration is the number of those over the age of 12 who have access to the Internet from any location/device, as a percentage of the population. Source: Booz, Allen & Hamilton, March 2000.

requirements on non-EU sellers of such goods. Under the proposal digitally delivered goods will be subject to a VAT at the point of delivery (e.g., the customer's location) and non-EU sellers of digital goods (e.g. U.S. businesses) would be required to register in one EU country, collect VAT on all EU sales under that country's rules and rates, and report and remit its VAT collections to that country. This latter concept, referred to as a "Single Point of Registration", is meant to serve as a simple and streamlined compliance method.

The Commission has defended its position by claiming that the principle behind the VAT is to tax all goods and services across the board in a non-discriminatory fashion and does not serve solely as a revenue generator. The Commission estimates that business-to-consumer transactions in Europe account for approximately 0.2 to 0.3 percent of total VAT revenues. While the Commission does not deny that many products have been given special rates or exemptions, as a taxing authority, the Commission's Directorate-General for Customs and Taxation claims that it cannot justify a moratorium on digitized transactions because of the principles incorporated in the EU's VAT Directive.

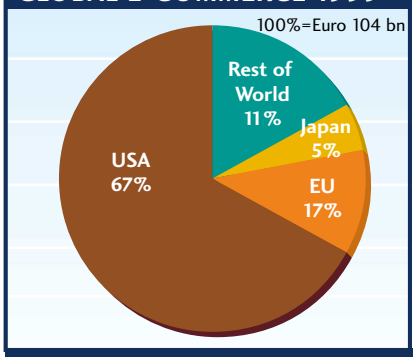
Furthermore, the EU is concerned that a moratorium on digitized transactions will create an artificial industry and raise expectations of e-business companies to such a degree that any attempt to repeal the moratorium will lead to a politically sensitive, expensive and prolonged fight. The Commission is convinced that the tax exemption will allow industry to exploit the moratorium to maximize sales and will help it to prepare to fight any repeal of the moratorium.

U.S. business is concerned that the tax will be implemented in a discriminatory fashion based on the means of delivery of the product. For example, if a final consumer in the EU downloads a novel over the Internet, he or she will have to pay a VAT at the services rate. The individual could, however, purchase the identical novel in printed form and pay the lower VAT for goods. Consumers' choices are potentially being influenced by the tax structure created by the proposal, which seems to be contrary to the principles of non-discrimination outlined in the VAT Directive. The trade-distorting effects of the proposal are further exacerbated by the tax-exempt treatment of certain goods by member states. Newspapers, for example, are exempt from taxes in many Member States, and any e-business that wishes to sell news over the Internet would have to compete with the tax-exempt physical good sold in Europe.

The U.S. Government is concerned over the precedent that the Commission could set by unilaterally implementing such a VAT system. Many countries may be tempted to follow the EU's lead and legislate their own tax directives. E-commerce has been grabbing headlines across the globe and is an easy target for local taxation because there are no internationally accepted taxation standards. If other countries should follow the EU's example and implement their own systems, any U.S. company interested in selling globally would be faced with collecting and remitting consumption taxes to numerous tax authorities each with their own registration and remittance procedures—the costs of which would be prohibitive to many small- and medium-sized enterprises. The U.S. Government believes that, in order to prevent a situation where there is potential for the development of a myriad of complex and contradictory tax laws, the issue should be exhaustively vetted in the OECD in Paris. The hope is to create standards that can be applied by all OECD countries to facilitate the implementation of any e-commerce tax scheme.

The Commission's proposal is silent as to collecting mechanisms pending discussions in the OECD. However, should the EU decide to proceed with a VAT on electronically delivered products prior to agreement in the OECD, it will slow down the development of e-commerce in Europe and stifle the growth of the small and medium-sized enterprises that are the backbone of Internet success. ■

GLOBAL E-COMMERCE 1999



Source: Booz, Allen & Hamilton, March 2000

E-COMMERCE HAS BEEN GRABBING MANY HEADLINES ACROSS THE GLOBE AND IS AN EASY TARGET FOR LOCAL TAXATION BECAUSE THERE ARE NO INTERNATIONALLY ACCEPTED TAXATION STANDARDS.

ANY QUESTIONS?

For more information, contact the author at Tel: (202) 482-2178 or Email: david_de_falco@ita.doc.gov.

LOCALIZATION

THE KEY TO SUCCESSFUL GLOBAL BUSINESS EFFORTS

by Michael Anskill
The Localisation Industry Standards Association

Globalization and the Internet revolution are fundamentally changing the way enterprises do business. The global spread of the free market economy, the liberalization of key industries, ongoing work on a global political and economic framework, and the implementation of a uniform technical and logistics infrastructure have brought all areas of the world closer than ever before in history. At the same time, the Internet has leveled the playing field for companies and economies throughout the world, providing a low-cost global platform for advertising, marketing, sales, distribution and support. Entry barriers for foreign markets have tumbled, but competition within domestic markets is increasing dramatically. Companies must look far ahead when reorienting their strategies, plan effectively and implement quickly. The idea of "business as usual" no longer applies.

COMPANIES MUST LOOK FAR AHEAD WHEN REORIENTING THEIR STRATEGIES, PLAN EFFECTIVELY AND IMPLEMENT QUICKLY. THE IDEA OF "BUSINESS AS USUAL" NO LONGER APPLIES.

GLOBALIZATION AND LOCALIZATION

To be successful in this challenging environment, organizations must modify their offerings to give them the look and feel of local products. This involves catering to a wide range of linguistic, cultural, content and technical issues. Product presentation (size and shape, language, colors, graphics, icons, etc.) and functionality must be adapted to local conventions. English is simply not good enough, especially for business-to-consumer products, since only one in four of the world's population speaks English.

In addition, differences in working practices, legislation, and in some cases, even in human anatomy need to be taken into account. Efficient localization depends on product and service globalization: making all the necessary technical, financial, management, personnel, marketing and other enterprise decisions facilitating localization. When this process is not performed in advance, any later localization will take twice as long and cost twice as much. Globalization entails a comprehensive and well-structured product development lifecycle, starting with a global and local product analysis, moving through product globalization and localization and culminating with support for and feedback on localized products. When they do it well, enterprises are able to localize efficiently and release up to 60 different language versions with only short delays.

Globalization and localization, however, are not just product design processes. Companies must develop and implement global vision, strategy and e-business processes, as well as establish global branding and release policies. Last, but by no means least, they must ensure that their entire organization, from designers to back office support, think and act globally. Globalization impacts, and needs the active support of, every function in the enterprise from top to bottom.

THE LOCALIZATION INDUSTRY

Starting in the early 1990s, a whole new sector—the localisation industry—has grown to offer services, advice and training in the area of localization. Many of the market leaders are organized in the worldwide Localization Industry Standards Association (LISA). Although hard data is relatively difficult to come by given the youth, dynamic growth and global reach of

the industry, LISA estimates that the localization sector is currently generating sales of between US$3 billion and US$15 billion a year. In fact, the 20 largest IT companies now annually spend around US$1.5 billion on localization projects, which generates sales of some US$50 billion. Investment by LISA members alone is thought to amount to around US$1.2 billion in the period since 1997. However, all too many companies still do not know what they are spending or making on localization, largely due to the invisibility and lack of transparency of the localization process within organizations.

The players in the localization industry have grown in the past ten years from humble beginnings to leading enterprises, providing sophisticated services. Further growth is likely given the current trend towards greater outsourcing, which is being accompanied by a second wave of industry consolidation. In addition, a new group of small, specialist shops is emerging that are tightly focused on particular industries or services. At the same time, standards and best practices have emerged in key areas such as quality management, linguistic data interchange, bidding procedures, and education and training.

Language technology, though generally still an emerging sector, has shown progress over the past years, and a number of productivity-enhancing linguistic tools have now been developed. Chief among these are terminology management systems, which aid the creation and use of specialist vocabularies; translation memories, which are designed to facilitate the reuse of previous translations; and machine translation, which provides actual linguistic analysis and conversion of texts from a source language into the desired target language. Because of the complexity of language, these tools cannot be expected to work fully unaided; they enable localization staff rather than replace them. In addition, they must be integrated with organizational workflows for best results.

The future of the industry includes the need to drive forward with technology and process integration and new tool development; overcome process fragmentation to make localization and globalization visible within enterprises; educate senior management and development staff about the crucial importance of these processes; and manage growth. Service providers are likely to increase their value still further in the future, while also increasing their range of offerings. They will be able to act as consultants to the many smaller companies now hoping to ride the globalization wave. When evaluating technology and service providers, companies should adopt a long-term approach based on cost-effectiveness rather than price alone, emphasizing time to market and quality. ■

Further information on globalization and localization can be obtained from the Localization Industry Standards Association by contacting Michael Anobile, LISA Managing Director, at Address:
7, rte du Monastere,
CH 1173 Fechy, Switzerland;
Tel: (41 21) 821-3210;
Fax: (41 21) 821-3219;
Email: lisa@lisa.org; or
Internet: www.lisa.org.

INSIDERS' GUIDE TO LOCALIZATION

Readers who would like a more in-depth look at the localization industry and how globalization will affect their bottom line should check out LISA's recently published 35-page Localization Industry Primer.

Drawing on the results of numerous LISA Forums held around the globe, as well as industry surveys and other leading sources, this reference document offers an overview of the forces behind economic globalization. Leading on from this, it looks at the need for, and nature and benefits of, effective product globalization and its twin process, localization. The Primer

- Provides definitions of key concepts
- Introduces and explains major functions and workflow
- Flags key issues that must be addressed by companies that are going global for the first time
- Surveys localization industry structures
- Identifies current best practices and future trends.

Designed as an orientation document for busy executives, the Primer is available at a cost of $40 for a single copy. Discounts for multiple copies, LISA members and academic institutions are available. To order, please download the order form (in PDF format) available online at www.lisa.org/products/primer.html. ■

ASK THE TIC

FDA EXPORT CERTIFICATES FOR U.S. PRODUCTS

by Abdul Quader Shaikh & Rachael Farber
Trade Information Center, Trade Development

WHEN MIGHT I USE AN FDA EXPORT CERTIFICATE?

Foreign customers and/or governments will often request that U.S. companies submit an export certificate when they ship Food and Drug Administration-regulated products abroad. The Food and Drug Administration (FDA), at the request of U.S. exporters, will issue export certificates, under Section 801(e)(4) of the Federal Food, Drug and Cosmetic Act (FDCA) (21 U.S.C. 321), for human drugs and biological products, animal drugs, and medical devices. The FDA certifies that the products meet domestic U.S. requirements and are eligible for sale in the United States.

In addition to issuing export certificates for drugs and devices legally marketed in the U.S., FDA issues export certificates for products (other than foods legally marketed in the U.S., dietary supplements and cosmetics) that meet the requirements of the FDCA, but may not otherwise be marketed, sold, offered for sale or distributed in U.S. interstate commerce. Certificates for unapproved products subject to the FDCA should not be issued if the manufacturing facilities do not comply with current Good Manufacturing Practice Regulations.

Although the FDA is not required by law to issue certificates for foods, animal feeds, feed additives and cosmetics that can be marketed, sold and distributed in the United States, the agency does issue export certificates to this effect and intends to continue to provide this service as resources permit.

FDA export certificates are for export purposes only and may not be used in domestic advertising or promotion.

WHAT KIND OF CERTIFICATES OF EXPORT DOES THE FDA ISSUE?

- The FDA issues the following certificates for **human drugs** and **biological products, animal drugs, animal foods, feed additives** and **medical devices**:

The **"Certificate to Foreign Government"** is used for products that may be legally marketed, sold, offered for sale or distributed in the United States

The **"Certificate of a Pharmaceutical Product"** is issued when a human drug or biological product conforms to the World Health Organization's certification requirements.

The **"Certificate of Exportability"** is issued for products that may not be marketed, distributed or sold in the United States under section 801(e) or 802 of the FDCA, but which may legally be exported. This certificate is issued for unapproved products provided the product meets the specifications of the foreign purchaser; is not in conflict with the laws of the country to which it is intended for export; and is labeled on the outside of the shipping package that it is intended for export and is not sold or offered for sale in domestic commerce.

- For **food products, dietary supplements** and **cosmetics** marketed, sold, offered for sale or distributed in the United States, the FDA issues the **"Certificate of Free Sale"**.

- The "EU Export Health Certificate" is issued for **animal-derived products** exported to the European Union. The FDA only certifies to U.S. domestic requirements, however, and currently is certifying seafood, dairy products, game meats, shell eggs and gelatin.

HOW CAN I OBTAIN AN FDA EXPORT CERTIFICATE FOR MY PRODUCT?

You must submit an application to the FDA in order to obtain an export certificate. The type of application and information required may differ according to the type of certificate requested and the commodity being exported.

Generic information on the application process and other requirements for obtaining certificates can be found on the FDA website (www.fda.gov). Please be aware that some of the information found on the FDA website may have been superceded by recent compliance policy guidance or changes in the FDCA. Exporters are urged to contact the appropriate FDA office to confirm that they are using current procedures for their commodity.

THE APPLICATION PROCESS

The FDA contains centers that are specially designed to process particular certificates. Each FDA center (see listing below) has its own internal procedures or requirements for issuing a certificate, requesting a certificate, rescinding a certificate and processing requests. It is important to contact the appropriate center for specific instructions on processing a particular certificate. Application requirements and specific FDA contact information for obtaining different types of certificates is as follows.

- To request a **Certificate of Free Sale, Certificate to Foreign Government or Certificate of Exportability**, the individual representing the exporting company will

need to submit a request to the appropriate center, since each center may establish its own internal procedure and requirements. The individual submitting a request for certification must provide a written statement, which identifies the product or products to be exported and demonstrates that they meet the requirements of the FDCA and may be legally marketed, sold, offered for sale or distributed in interstate commerce. They must also provide a written statement acknowledging that they are subject to the provisions of Title 18, Section 1001 of the United States Code, which makes it a criminal offense to "knowingly and willfully make a false and fraudulent statement or to make or use a false document in any matter within the jurisdiction of a department or agency of the United States or to knowingly and willfully falsify, conceal or cover up by any trick, scheme or device a material fact in any matter within the jurisdiction of a department or agency of the United States."

- For a **Certificate of a Pharmaceutical Product,** an application must be filed for each drug being exported. Before preparing the application, consult with the importing country to determine exactly what type of information is required for the certificate. If you are requesting a certificate for more than one country, you must provide the container label, package label and package inserts for each country.

  The application for a certificate must include country of destination, U.S. trade name or generic name of the product, container label, name and address of manufacturing facilities, etc. Please refer to the center issuing the certificate (see below) for specific details on the application requirements.

- The Center for Food Safety and Applied Nutrition (CFSAN) maintains lists of U.S.-FDA/EU Export Certificate Seafood Processors for use by European Union Member States in certification of individual shipments of U.S. fish and fishery products into EU markets. CFSAN also maintains lists for game, meat, dairy products, shell egg and gelatin processors. The CFSAN website (vm.cfsan.fda.gov/~lrd/fr960404.html) has more information and links regarding these lists. These lists are updated on a quarterly basis.

FDA CONTACT INFORMATION

CFSAN

The **Center for Food Safety and Applied Nutrition** has five offices processing requests for the **Certificate of Free Sale**. These are structured by product/commodity type:

- **Cosmetics and colors:** Office of Cosmetics and Colors, HFS-100

- **Food grade chemicals and food additives:** Office of Pre-Market Approval, HFS-200

- **Standardized and related foods excluding seafood:** Office of Plant and Dairy Foods and Beverages, HFS-300

- **All seafood:** Office of Seafood, HFS-400

- **All dietary supplements, vitamins, minerals and herbal preparations, infant formulas and medical foods:** Office of Nutritional Products, Labeling and Dietary Supplements, HFS-800

It is important to direct your request for a certificate to the appropriate office and location within CFSAN by selecting the Office Heading and HFS code that applies to your specific product or commodity. Send CFSAN requests to: [Insert the Office and HFS code for the product/commodity], U.S. Food and Drug Administration, Center for Food Safety and Applied Nutrition, 200 C Street, SW, Washington, D.C., 20204. Expect a response to your CFSAN request within four to six weeks of receipt.

OTHER CENTERS

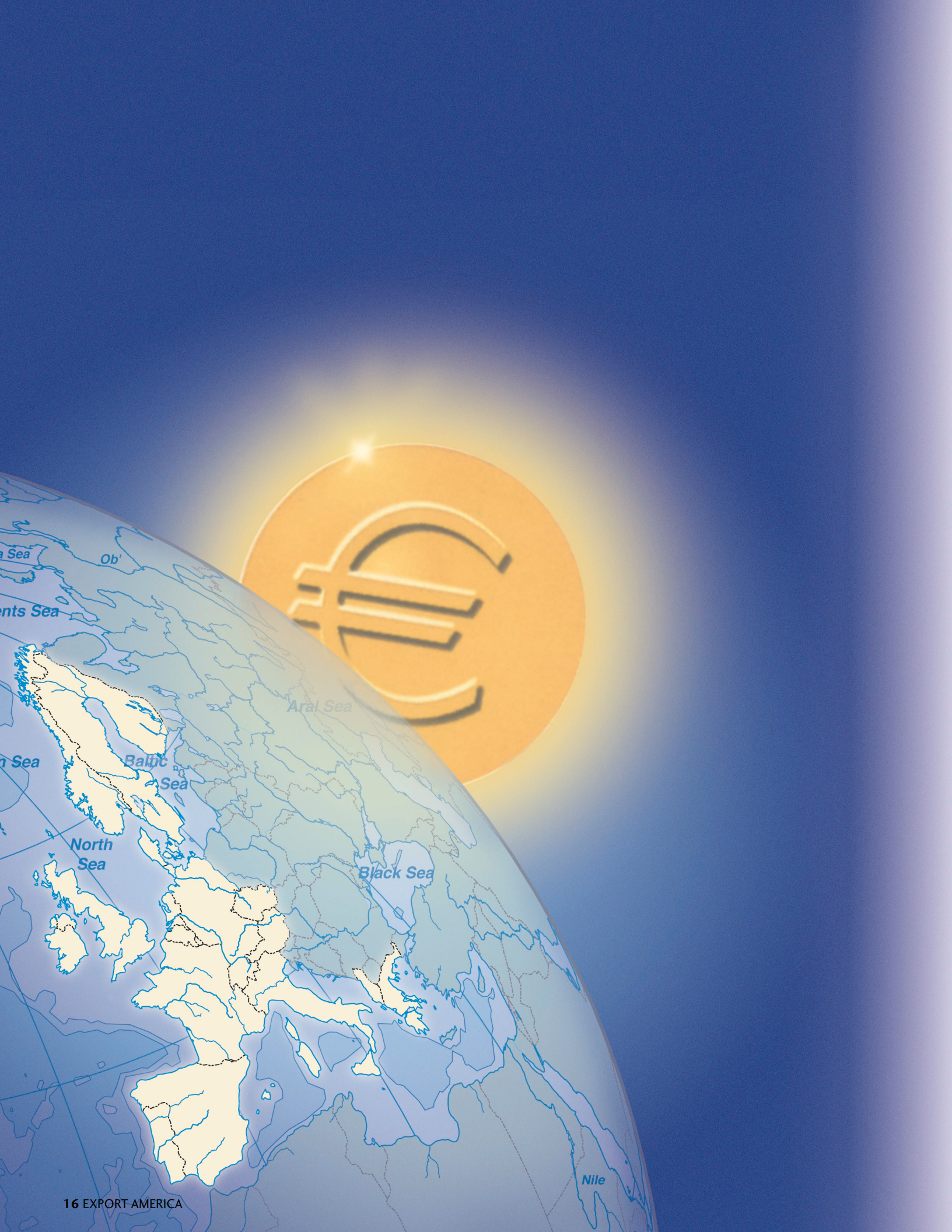
For certificates relating to all drugs, contact the Center for Drug Evaluation and Research at Address: Office of Compliance, Import/Export International Drug Team, HFD-316, Room 156, 7520 Standish Place, Room 166, Rockville, MD, 20855 or Tel: (301) 594-3150.

For certificates relating to all biologics, contact the Center for Biologics Evaluation and Research at Address: Office of Compliance and Biologics Quality, Division of Case Management, 1401 Rockville Pike, HFM-24, Rockville, MD, 20852-1448 or Tel: (301) 827-6201.

For certificates relating to all medical devices, contact the Center for Devices and Radiological Health, Office of Compliance, Information Processing and Office of Automation Branch, HFZ-307, 9200 Corporate Blvd., Rockville, MD 20850.

For certificates relating to all animal drugs, contact the Center for Veterinary Medicine at Address: Division of Compliance, HFV-235, 7500 Standish Place, Rockville, MD, 20855 or Tel: (301) 827-0153.

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.


Ob'
Aral Sea
Baltic Sea
North Sea
Black Sea
Nile

FIGURING OUT EU STANDARDS

COMMERCE DEPARTMENT HELPS U.S. FIRMS NAVIGATE EU STANDARDS PROCESS

by Ann Ngo
Office of European Union & Regional Affairs, Market Access & Compliance

When a leading U.S. producer of tire chains had problems getting its product approved by Austrian standards officials, things looked bleak. Because of the chain's unique design, it did not fit within the parameters of Austria's design-based standard for tire chains. The product had been approved for sale in other European countries, but the impact of Austria's market barrier affected the company's sales across the Continent. No European Union (EU) trucker wanted to use tire chains that would require changing at the Austrian border. The U.S. Department of Commerce (USDOC), however, was able to convince the Austrian government to change its standard to one that more accurately tests the safety of the product. Lisa Simmons, the desk officer for Commerce's Office of European Union and Regional Affairs (OEURA), notes that, "as an innovator in its sector, this U.S. company was in a position to challenge the existing standard...The result was that everyone else benefitted, too."

The USDOC is working with European standardization bodies to create European Union product standards that would allow a company to sell their goods and services in any of the EU member states without having to deal with the idiosyncracies of the individual countries. According to Charles Ludolph, Deputy Assistant Secretary for Market Access & Compliance in the USDOC, "the trend towards harmonized product standards and regulatory requirements for the single European Union market provides U.S. exporters with the potential of increased market access at lower cost." And, Ludolph should know, since he and his staff have been following European standards development for over 15 years.

Where previously there have been widely varied standards and regulations for each of the 15 member states, the EU has been make it a priority to create one single set for the single market. Even European countries outside the EU are influenced by the harmonization of standards. Turkey, Switzerland, Norway and Eastern European countries, seeking to join the EU, have felt pressure to conform to what unification of standards has already progressed. This movement can be a great boon to U.S. exporters, and up-to-date information is the key to

EU MEMBERS

- Austria
- Belgium
- Denmark
- Finland
- France
- Germany
- Greece
- Ireland
- Italy
- Luxembourg
- Netherlands
- Portugal
- Spain
- Sweden
- United Kingdom

success; that's why the USDOC is ready to help American businesses keep abreast of standards issues in the EU, and lend a hand should the need arise.

EU STANDARDS BODIES

The three most important bodies in preparing European standards are the European Committee for Standard-ization (CEN), the European Committee for Electro-technical Standardization (CENELEC) and the European Telecommunications Standardization Institute (ETSI). CENELEC deals with electrical and technical product standards from its base of operations in Brussels, Belgium. ETSI, located in Sophia Antipolis, France, specializes in telecommunications standards, a fast-growing sector. It has a more global scope than the others, boasting members from 50 countries, including the United States. All standards and regulations activity not covered by the other two organizations is handled by CEN. The United States and the EU hope to eventually harmonize the activities of these three organizations with those of such groups as the Switzerland-based International Standards Organization (ISO) and the International Electro-technical Commission (IEC).

Often CEN and CENELEC adopt international standards, but if those standards are not available or appropriate, they have to write their own. U.S. companies are then allowed input via the American National Standards Institute (ANSI), a nonprofit, privately funded organization, which represents the United States. in international standards organizations. Because standards can determine the technical characteristics of products permitted in the market, U.S. businesses should be aware of draft EU standards before they go into effect. Potential exporters can give their comments on these draft standards to ANSI. ANSI is well recognized as a neutral forum with established procedures that ensure openness, due process and consensus, including mechanisms for appeals and challenges.

Whereas as membership in U.S. standards development bodies are unrestricted, that is not the case in Europe. Membership in national standards organizations in Europe is limited to Europeans and those with business interests or a manufacturing presence in Europe. This makes the ANSI all the more important. James Thomas, President of the American Society for Testing and Materials (ASTM),

As a result of USDOC assistance, Finnish requirements on navigation lights were suspended until 2003.

believes that it is possible for geopolitically-based standards bodies to upset a balance of interests. He also points out that the stated objective of organizations like CEN is "the transmutation of European standards into international standards that regulate the global market." It is crucial that U.S. firms actively participate in standards issues whenever possible, for their own interests and for the global interest.

HARMONIZING STANDARDS

The EU's most recent attempt for harmonized standards has been the Conformité Européene (CE) mark. The CE mark was designed as a kind of passport for products, allowing manufacturers to circulate their goods freely within the EU. The mark indicates that the company has undergone all assessment procedures for the product to meet baseline health, safety and environmental requirements. Products covered by New Approach Directives, which consist of essential health and safety requirements that products must meet, rather than specific standards for manufacturers to follow, must bear a CE mark before they can be sold in the EU.

Product marketing can be greatly facilitated by the CE, but it's not perfect. From time to time, member states can create problems for U.S. products. Robert Straetz, a CE mark expert in OEURA, recalls a case in which a U.S. boat manufacturer obtained a CE mark, but couldn't sell his product in Finland. The Finnish Maritime Authority (FMA) told the company that the navigation lights on its crafts did not meet Finland's national standards and could not be sold in the country. The USDOC was approached for help in resolving the issue, and was able to persuade the FMA to suspend its national requirements for navigation lights on boats bearing a CE mark until an international standard covering navigation lights has been approved, which is anticipated to occur by 2003.

The fact that countries like Finland can still apply their own product standards "weakens the effect of the CE mark," according to Straetz. U.S. businesses can rely on the USDOC as an effective ally overseas; however, harmonized standards will be able to cut through all these problems before they arise.

EVALUATING STANDARDS

With an eye towards standards evaluations, the U.S. Government has taken steps to facilitate transatlantic trade through Mutual Recognition Agreements (MRAs). Technical barriers to trade involving product standards and conformity assessment procedures are costly, sometimes prohibitively so, for companies wishing to sell their products in foreign markets. MRAs are bilateral agreements between the United States and the EU designed to provide effective market access for both sides with regard to conformity assessment. When the two parties agree to mutually recognize each other's conformity assessment procedures, further testing is no longer required. Under an MRA, manufacturers are able to assess the conformity of their products with certain standards in their own country through a certified laboratory in accordance with the regulatory requirements of the relevant country where the products will be sold. The MRAs enable companies to eliminate the costs of duplicate testing certification procedures and allow them to bring their goods to market sooner. MRAs are especially helpful to small and medium-sized businesses, which might not be able to handle the costs associated with conformity assessment procedures overseas.

A GUIDE TO EU STANDARDS AND CONFORMITY ASSESSMENT

The National Institute of Standards and Technology (NIST) publishes a brochure entitled A Guide to EU Standards and Conformity Assessment (NIST Special Publication 951). It is designed to help businesses and government officials understand new laws, the EU's standardization process, and the relationship between the European Commission and the European standardization bodies. It also provides information on the EU's approach to conformity assessment and requirements for obtaining CE marks. The guide offers explanations of such concepts and requirements as notified bodies, conformity assessment, modules, supplier's declaration of conformity, technical construction files, user manuals, authorized representatives and product liability in the European Union. There are also listings of the national members of CEN, CENELEC and ETSI. This guide is available on the web at http://ts.nist.gov/gsp (click on Europe).

E-CONTACTS

E-CONTACTS AND WEBSITES WITH INFORMATION ABOUT EUROPEAN STANDARDS AND U.S. GOVERNMENT ACTIVITIES

Office of EU and Regional Affairs
(OEURA)
International Trade Administration
U.S. Department of Commerce
Tel: (202) 482-5276
Fax: (202) 482-2897

National Center for Standards and
Certification Information
National Institute for Standards and
Technology (NIST)
U.S. Department of Commerce
100 Bureau Drive, Stop 2150
Gaithersburg, MD 20899-2150
Tel: (301) 975-4040
Fax: (301) 926-1559
EU Hotline: (301) 921-4164
Internet: http://ts.nist.gov/ncsci

American National
Standards Institute
11 West 42nd Street, 13th Floor
New York, NY 10036
Tel: (212) 642-4900
Fax: (212) 398-0023
Internet: www.ansi.org

American Society for Quality
611 East Wisconsin Avenue
P. O. Box 3005
Milwaukee WI 53201-3005
Tel: (414) 272-8575 or
(800) 248-1946
Fax: (414) 272-1734

European Committee for
Electrotechnical Standardization
(CENELEC)
rue de Stassart 35
1050 Brussels, Belgium
Tel: (32 2) 519-6871
Fax: (32 2) 519-6919
Internet: www.cenelec.be

European Committee for
Standardization (CEN)
rue de Stassart 36
1050 Brussels, Belgium
Tel: (32 2) 550-0811
Fax: (32 2) 550-0819
Internet: www.cenorm.be

European Organisation for Testing
and Certification (EOTC)
Egmont House
rue d'Egmont 15
1000 Brussels, Belgium
Tel: (32 2) 502-4141
Fax: (32 2) 502-4239
Internet: www.eotc.be

European Telecommunications
Standards Institute (ETSI)
650 Route des Lucioles
06921 Sophia Antipolis
Cedex, France
Tel: (33 492) 94 42 00
Fax: (33 493) 65 47 16
Internet: www.etsi.org

International Electro-technical
Commission (IEC)
rue de Varembe 3
Case Postale 131
1211 Geneva 20, Switzerland
Tel: (41 22) 919-0211
Fax: (41 22) 919-0300
Internet: www.iec.ch

International Standards
Organization (ISO)
rue de Varembe 1
Case Postale 56
1211 Geneva 20, Switzerland
Tel: (41 22) 749-0111
Fax: (41 22) 733-3430
Internet: www.iso.ch

TRACKING COMPLIANCE

The USDOC also assists U.S. companies with standards by tracking foreign compliance to international commitments. While the WTO encourages countries to cooperate with international standards bodies such as the ISO, the reality is that technical requirements remain, serving as trade barriers nations employ to give their companies a competitive advantage. It is not difficult to find examples of manipulation of the process in establishing and influencing national product standards and regulations. Standards work by CEN, CENELEC and ETSI can have wide-ranging effects on U.S. industries.

Some U.S. companies, for example, have raised concerns over the EU's approach to standards for third generation, or 3G, wireless systems. In 1998, the European Commission (EC) mandated that member states license 3G "pursuant to European standards for UMTS (Universal Mobile Telecommunications System) approved or developed by ETSI," which included only the EU's preferred standard. EC officials responded to U.S. Government expressions of concern with reassurances that member states would be open to all 3G standards endorsed by the International Telecommunication Union (ITU), based on an interpretation that the mandate means that each member state must grant only one license to a UMTS carrier, so as to ensure European roaming and that other licenses would be open. However, no formal change has been made to the mandate and it is not certain that ETSI will indeed embrace all ITU-endorsed standards. Although member states which have made 3G licensing decisions have not mandated UMTS, no licensee has yet selected anything other than UMTS. The United States is still concerned that there is a strong bias toward a single European (UMTS) standard.

Photo courtesy of the British Embassy.

The USDOC assists U.S. companies with standards by tracking foreign compliance to international commitments.

regulations that may significantly affect trade, as well.

The harmonization of European standards is an ongoing process. Some products that are unregulated at the EU level are regulated strictly by member states. These can serve as de facto EU standards when, as was the case for Austria's tire chain regulations, market barriers create a ripple effect.

The USDOC is an excellent resource for companies looking to export overseas, but the companies themselves should also take an active role in standards setting through the ANSI. Standards can create problems, but, if harmonized, can also create opportunities. ■

INDUSTRY'S ROLE

While the USDOC stands ready to assist exporters, U.S. industry must play a role in the standards development process as a means to ensure access to international markets. Standards can easily become market access barriers for U.S. manufacturers, whether inadvertently or deliberately. In most cases U.S. exporters have alerted the U.S. Government to the barriers they face. It is far easier, however, for the U.S. Government to stop a potential standard from becoming a trade barrier than it is to reverse a decision once it has been implemented. According to Ludolph, successful exporting companies are active participants in the standards process: "By active I mean that they interact with standard-setting bodies ... to track current thinking, influence the outcome to make sure that their needs are considered, and design their products for the European market based upon the standards they helped to establish. We believe the process should be market driven and not government driven."

CONSULTING USDOC

U.S. exporters have several resources within the USDOC to consult on standards issues. The Office of EU and Regional Affairs in the Department of Commerce's International Trade Administration (ITA) is most actively involved in market access cases. OEURA provides public information about the CE mark, implements MRAs and works on other EU-related trade problems affecting U.S. exporters. Various industry offices within ITA track standards and regulations for their respective industries. The National Institute for Standards and Technology (NIST) has a representative stationed at the U.S. Missionto the EU in Brussels to track EU directives, regulations and standards. NIST also has the National Center for Standards and Certification Information (NCSCI), which assists exporters by providing information on trade-related standards, technical regulations and conformity assessment procedures. NCSCI disseminates information to U.S. industry regarding proposed foreign technical

INPUTS FOR THIS ARTICLE PROVIDED BY

Charles Ludolph, Deputy Assistant Secretary for Europe, USDOC

Lisa Simmons, Office of European Union & Regional Affairs, USDOC

Robert Straetz, Office of European Union & Regional Affairs, USDOC

Linda Astor, Office of Telecommunications Technologies, USDOC

James Thomas, President, American Society of Testing and Materials

JoAnne Overman, Chief, Standards Information Program, National Institute of Standards and Technology, USDOC

UPCOMING TRADE EVENTS

NOVEMBER 2000-MAY 2001

DATES	EVENT	LOCATION
Nov. 5-9, 2000	CLEAN ENERGY TRADE MISSION As part of President Clinton's Clean Energy Trade Initiative, the U.S. Department of Commerce will lead a trade mission to Brazil for the clean energy products, services and technologies sectors.	Brazil
Nov. 7-9, 2000	NETWORLD+INTEROP 2000 NETWORLD & INTEROP 2000 is one of the leading European shows for the Internet technologies, networking equipment and telecommunications sectors. Exhibitors from around the world come to meet industry professionals with the potential to become customers and clients.	Paris, France
Nov. 28 -Dec.1, 2000	OSEA 2000 - RLPASIA 2000 - GEOASIA 2000 This event is the 13th annual expo focusing on offshore technologies, and oil & gas development, as well as on the petrochemical, refining and geosciences industries.	Singapore
Nov.30-Dec.1, 2000	AUTO PARTS & EQUIPMENT SHANGHAI 2000 First staged in 1996, this exhibition is held biennially in Shanghai, which is the largest and most important auto industry market in China. The show targets professional visitors, including auto maintenance and repair, and auto parts and accessories manufacturers and suppliers.The 1998 show attracted 208 exhibitors from 14 countries and was visited by 26,000 people.	Shanghai, China
Jan. 9-14, 2001	VAKANTIEBEURS' 2001 Vakantiebeurs is the largest travel and tourism event in The Netherlands. Two hundred thousand visitors are expected to attend. Exhibiting organizations in the U.S. Pavilion promote tourism to the United States, and related products and services. Exhibitors include tour operators, airlines, car rental companies, CVB's and CVA's, and hotels.	Utrecht, Germany
Jan. 27-3, 2001	FITUR Fitur is Spain's International Tourism Trade Fair and the third largest tourism trade show in Europe. In 1999, 40,287 professional participants and 100,000 consumers visited the trade fair, and there were a total of 15,100 exhibitors. The U.S. Pavilion hosted 58 participants.	Madrid, Spain
Feb. 6-9, 2001	EXPO COMM MEXICO 2001 EXPO COMM MEXICO is one of the largest telecommunications equipment events in Mexico.	Mexico City, Mexico
Feb. 20-23, 2001	WOODMACH CHINA 2001 WOODMACH CHINA 2001 will feature the wood products and furniture industries.	Shanghai, China
Feb. 21-25, 2001	BIT 2001 BIT is the most important tourism show in Italy and in Europe. The U.S. Pavilion at BIT is organized jointly by the Italian Visit USA Committee and the U.S. Commercial Service of the U.S. Consulate in Milan. BIT is a very popular show. BIT '99 was visited by 35,000 trade professionals and by over 66,000 members of the general public. Total exhibitors were 5,322, of which 55 were U.S. companies.	Milan, Italy
Feb. 3-7, 2001	ITB BERLIN ITB Berlin is the world's largest travel and tourism trade event attracting more than 7,434 exhibitors from 189 countries. Last year, 111,801 visitors attended and 402 U.S. exhibitors participated.	Berlin, Germany

INDUSTRY	CONTACT INFORMATION
Clean Energy Technologies	Sam Beatty Tel: (202) 482-4179 Sam.Beatty@mail.doc.gov
Telecommunications & Information Technology	Elizabeth Ausberry Tel: (202) 482-4908 Elizabeth.Ausberry@mail.doc.gov
Oil & Gas, Machinery & Services	Bill Corfitzen Tel: (202) 482-0584 Bill.Corfitzen@mail.doc.gov
Automotive	Jennifer Harrington Tel: (202) 482-0595 Jennifer.Harrington@mail.doc.gov
Travel & Tourism	Ivo Van der Loo Tel: (31 70) 310-9422 Ivo.Vanderloo@mail.doc.gov
Travel & Tourism	Mariana Vega Tel: (34 91) 564-8976 Mariana.Vega@mail.doc.gov
Telecommunications	Helen Simpson-Davis Tel: (202) 482-1882 Helen.Simpson-Davis@mail.doc.gov
Wood, Furniture & Hand Tools	Jennifer Harrington Tel: (202) 482-0595 Jennifer.Harrington@mail.doc.gov
Travel & Tourism	Gabriella Vecchio Tel: (39 02) 659-2260 Gabriella.Vecchio@mail.doc.gov
Travel & Tourism	Elizabeth Powell Tel: (46 69) 9562-0417 Elizabeth.Powell@mail.doc.gov

HIGHLIGHTED EVENTS

AUTOMOTIVE TRADE MISSION TO ASEAN

THAILAND, MALAYSIA, INDONESIA & THE PHILIPPINES MARCH 25-APRIL 8, 2001

The Office of Automotive Affairs will lead a mission for companies in a variety of automotive sectors, including motor vehicles, automotive parts and accessories, original equipment suppliers, automotive service equipment, aftermarket distributor/wholesalers, collision repair, automotive consulting and services, and automotive retailing. The mission aims to help these American companies gain a foothold in the ASEAN region, which has substantial medium- and long-term potential for growth in automotive markets.

Automotive parts and accessories makers in Southeast Asia are looking for strategic partners to meet the demands of both auto makers and vehicle end-users in a growing, increasingly competitive and open marketplace. To compete in the long-term, U.S. automotive companies must take advantage of the current situation in ASEAN by developing closer ties with domestic producers in that region.

Industry groups cooperating in the mission include the Motor and Equipment Manufacturers Association (MEMA); the Specialty Equipment Market Association (SEMA), the Automotive Aftermarket Industry Association (AAIA) and the Automotive Parts Advisory Committee.

For more information, contact Jeff Dutton at Tel: (202) 482-0671; Fax: (202) 482-5872 or Email: Jeffery_Dutton@ita.doc.gov.

ENVIRONMENTAL TECHNOLOGIES INDUSTRIES AND U.S. COMMERCIAL SERVICE TO SHOWCASE U.S. COMPANIES

POLLUTEC IN LYON, FRANCE OCTOBER 17 – 20, 2000 AND ENVIBRNO IN BRNO, CZECH REPUBLIC OCTOBER 23-27, 2000

The U.S. Department of Commerce will represent U.S. companies at two major European environmental technologies trade shows this fall: Pollutec in France and Envibrno in Czech Republic. Companies may participate in Pollutec for $380, Envibrno for $240 or both for $550.

These unique, value-added catalogue showcases are being organized by Environmental Technologies Industries, the U.S. Government's foremost supporter of the US environmental technologies industry internationally, in collaboration with the U.S. & Foreign Commercial Service, America's front-line export promotion agency.

Pollutec and Envibrno will feature the full range of equipment,

continues on page 21

DATES	EVENT	LOCATION
Feb. 6-9, 2001	EXPO COMM VENEZUELA EXPO COMM VENEZUELA will focus on the information technology and telecommunications industry.	Caracas, Venezuela
Mar. 14-17, 2001	TAU EXPO TAU EXPO is one of the most important environmental shows in Europe. In 1999, this biannual show featured 500 exhibitors and over 40,700 visitors, of which 3,500 came from 53 foreign countries. The Italian market for environmental products, technologies and services is very promising, and the U.S. is Italy's largest supplier. By participating in TAU EXPO, small and medium-sized, new-to-market U.S. companies are introduced to top Italian distributors and business partners, and stand an excellent chance of benefiting from the opportunities offered by the Italian and surrounding markets.	Milan, Italy
Mar. 13-23, 2001	IDEX 2001 IDEX 2001 is a very important defense industry event for the Middle East region.	Abu Dhabi, UAE
Mar. 20-23, 2001	MANUTENTION 2001 Manutention will focus on the machine tools and metalworking industry.	Paris, France
Mar. 26-27, 2001	VISIT USA 2001 The travel and tourism industry will be the focus of VISIT USA 2001.	Sao Paulo, Brazil
Mar. 27-31, 2001	INTERNATIONAL DENTAL SHOW The International Dental Show (IDS) is one of the dental industry's most prestigious and truly international dental equipment and product shows, with 1,100 exhibitors and over 56,000 trade visitors from over 60 countries. Cologne Trade Fairs and the Dental Manufacturers of America organize two USA pavilions. The Commercial Service expects to staff an International Business Center at the show.	Cologne, Germany
Mar. 28-30, 2001	AMERICANA 2001 AMERICANA 2001 is a pan american environmental technology trade show and conference, focusing on the environmental industry, especially pollution control equipment and related sectors.	Montreal, Canada
May 2-6, 2001	AUTOMOTOR Automotor is the most important show in Italy, and one of the largest in Europe, devoted to automotive components, spare parts, accessories and related products. Italy has one of the oldest circulating auto fleets in Europe and its auto density is reportedly the highest in the world. The recently introduced higher frequency of periodic compulsory motor vehicle inspections is expected to boost sales in Italy of both spare parts and accessories. U.S. producers who have pioneered the development and expansion of high quality products, safety applications and environmental friendly features should take advantage of the increasing European interest in new and innovative automotive products.	Turin, Italy
May 5-9, 2001	DISCOVER AMERICA INTERNATIONAL POW WOW The Discover America International POW WOW, produced by TIA, is the travel and tourism industry's premier international market place for transacting Visit USA businesses. In just three days of intensive 20-minute, pre-scheduled business appointments, over 1,000 U.S. travel companies, representing all industry category components, and over 1,550 international buyers from 70 nations will conduct business negotiations that will result in the generation of over $3 billion in future Visit USA travel. TIA's International POW WOW is an international marketplace--it is NOT a typical trade show. It is the largest generator of Visit USA travel, offering USA travel suppliers and international travel buyers a chance to conduct business. It is also an opportunity for news coverage for USA travel destinations and products as there are typically over 200 travel journalists from over 45 countries who attend each year.	Orlando, Florida

INDUSTRY	CONTACT INFORMATION
Telecommunications & Information Technology	Helen Simpson-Davis Tel: (202) 482-1882 Helen.Simpson-Davis@mail.doc.gov
Environmental Technologies	Nicoletta Postiglione Tel: (39 02) 659-2260 Nicoletta.Postiglione@mail.doc.gov
Defense	Helen Simpson-Davis Tel: (202) 482-1882 Helen.Simpson-Davis@mail.doc.gov
Machine Tools & Metalworking	Bill Corfitzen Tel: (202) 482-0584 Bill.Corfitzen@mail.doc.gov
Travel & Tourism	Helen Simpson-Davis Tel: (202) 482-1882 Helen.Simpson-Davis@mail.doc.gov
Medical	Anette Salama Tel: (49 211) 4706-133 Anette.Salama@mail.doc.gov
Environmental Technology	Elizabeth Ausberry Tel: (202) 482-4908 Elizabeth.Ausberry@mail.doc.gov
Automotive Parts & Equipment	Susanna Lezzi Tel: (39 010) 543-877 Susanna.Lezzi@mail.doc.gov
Travel & Tourism	TIA or Madrid Office Tel: (202) 408-8422 or Fax: (34 93) 280-2227 Email: Madrid.Office.Box@mail.doc.gov Internet: www.tia.org

technologies and services for all sectors of the environment, especially air, water, waste, recycling and energy. Based on previous years' experience, over 60,000 professional visitors, potential partners and customers from around the globe will come to Pollutec seeking services and technologies to meet their environmental needs. Almost 6 in 10 visitors have become customers of exhibitors they met at Pollutec, and last year's U.S. Pavilion exhibitors reported nearly 1,100 business leads.

Envibrno gives U.S. environmental companies the opportunity to reach a wide audience in Central and Eastern European countries where major improvements in the environment are required for European Union membership. At last year's show, 350 companies exhibited and 34,813 professional visitors from 20 countries attended.

These catalogue showcases will be managed by experienced environmental technologies specialists from the Commercial Service's offices in France and the Czech Republic, and from the Department of Commerce's Washington headquarters, to ensure that products are well-represented and that the leads are secured and provided to companies quickly.

Companies should forward sets of catalogue literature, which will be distributed to interested parties by the Specialists at the U.S. Pavilions at Pollutec and Envibrno.

To register, contact Anne Novak at Tel: (202) 482-8178; fax: (202) 501-7909 or Email: Anne_Novak@ita.doc.gov.

CANAM E-COMMERCE PARTNERING

VANCOUVER, CANADA
FEBRUARY 8 -9, 2001

The U.S. & Foreign Commercial Service in Vancouver, in conjunction with Softworld 2001, CanadaIt.com and Industry Canada, will host a technology partnering event on February 8 & 9, 2001. This two-day event is designed to attract high tech firms from the United States and Canada specializing in:

- B2B E-Commerce Development
- Software Platform Development
- Customer Relationship Management

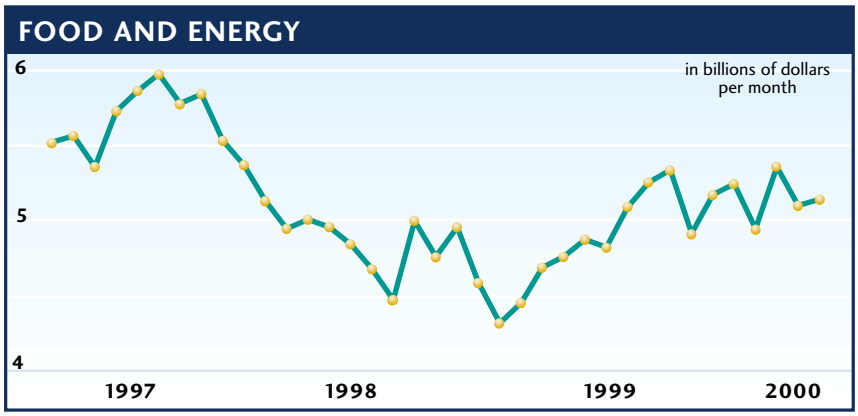
This event will provide a forum for companies to explore technology-partnering opportunities. The Commercial Service Vancouver will work closely with the U.S. Department of Commerce Domestic Information Technology Team to recruit U.S. firms interested in exploring the Canadian market. The Commercial Service Vancouver will pre-qualify local firms interested in partnering with U.S. participants. Prior to a networking reception held at the Consul General's residence, all firms will have an opportunity to present their company profile and market objectives to each other. A series of pre-screened, one-on-one appointments will be scheduled for the following day.

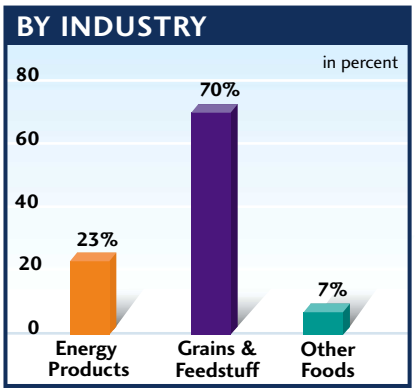
For further information, please contact Cheryl Schell at Tel: (604) 685-3382 or Email: cheryl.schell@mail.doc.gov.

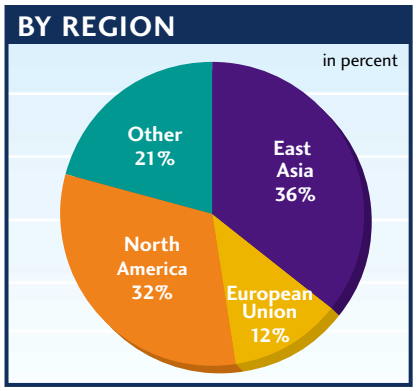
A LOOK AT U.S. EXPORTS

FOOD AND ENERGY

May advances in the export of wheat, soybeans, and meat and poultry more than offset by declines in shipments abroad of fish and shellfish, and energy products.







MATERIALS

The small decline in exports of materials reflected decreased foreign sales of metals, plastics, textiles and building materials. Categories showing monthly gains in foreign shipments included paper, organic chemicals, raw cotton, and hides and skins.

Monthly data are seasonally adjusted.

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

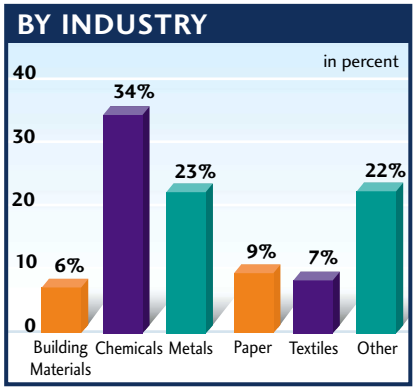
North America: Canada and Mexico.

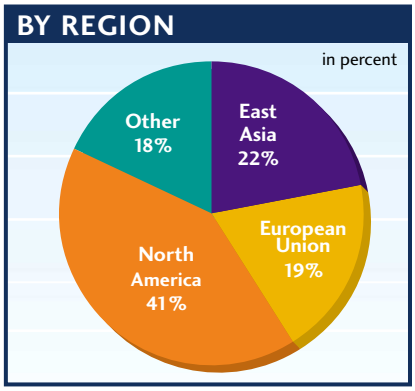
European Union: Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom.

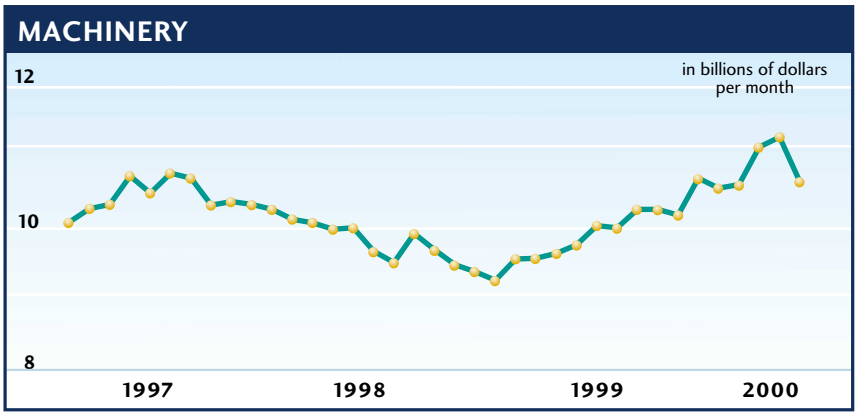
East Asia: China, Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

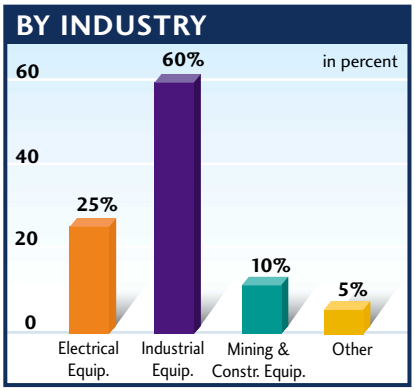
The chart showing exports of services by region is based on data for calendar year 1999. Other charts showing product mix and geographic destination are based on data for the twelve months ending with May 2000.

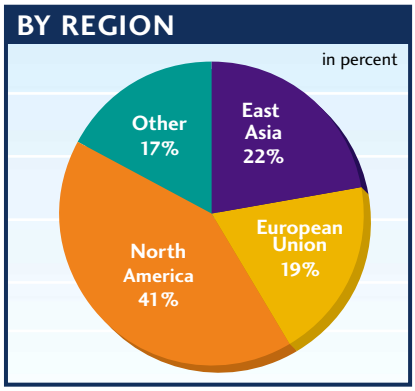
Source: Bureau of the Census (goods), Bureau of Economic Analysis (services).





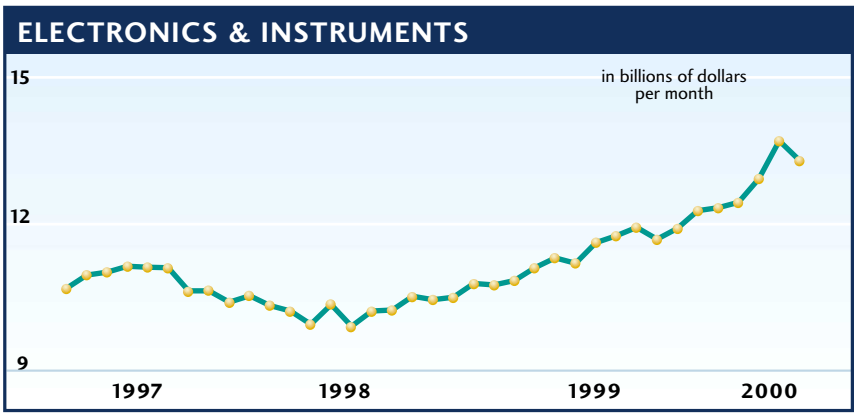


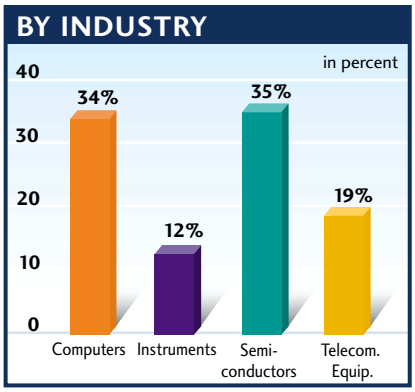


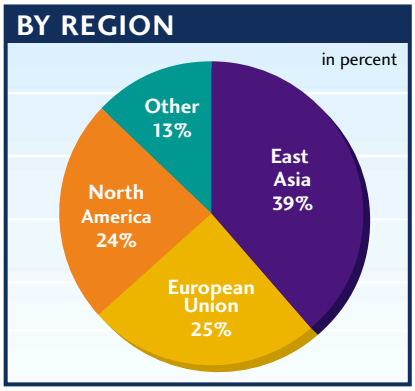


MACHINERY

The May fall-off in machinery exports broke a string of three consecutive monthly gains in this category. The broad-based decline was led by reduced foreign sales of electric apparatus, industrial engines, metalworking machine tools and measuring, testing, and control instruments.





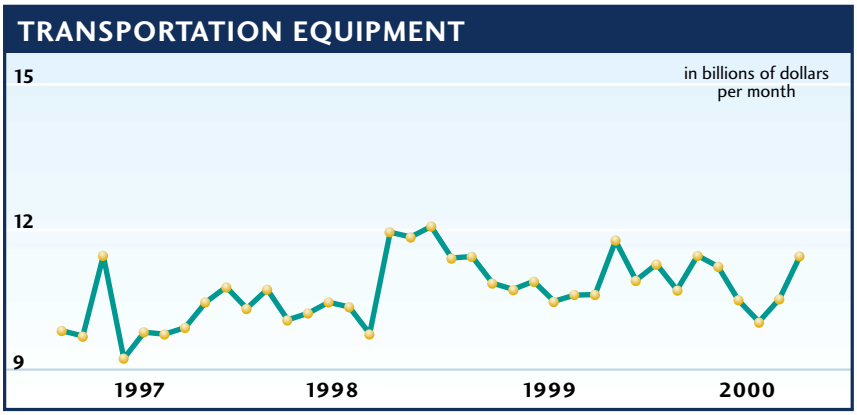


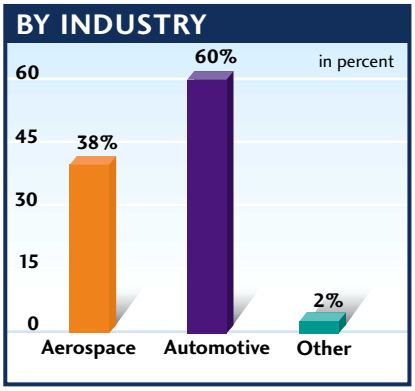
ELECTRONICS & INSTRUMENTS

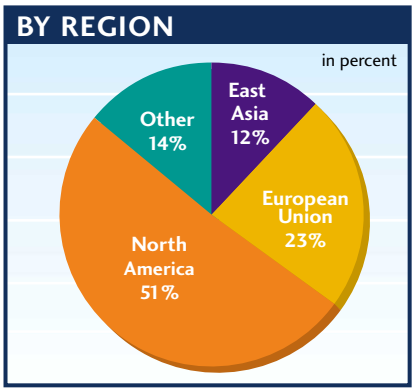
The monthly decline in shipments abroad of electronics and instruments reversed the trend of six consecutive monthly advances. Reduced exports of computers and accessories and medical equipment were primarily responsible for the decline.

TRANSPORATION EQUIPMENT (CIVILIAN)

The continuing rebound in exports of this category was accounted for primarily by the recovery in civilian aircraft shipments and related parts. A modest increase in automotive sales abroad helped offset the previous month's sharp decline in this significant export category.

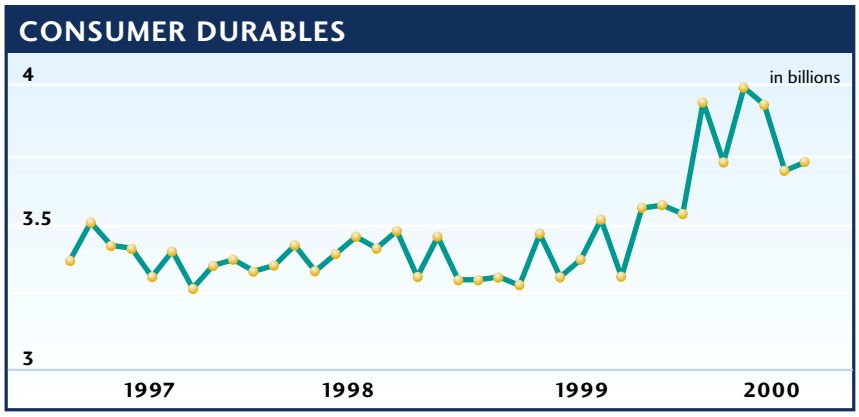


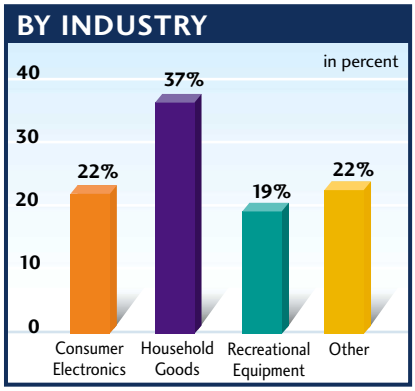


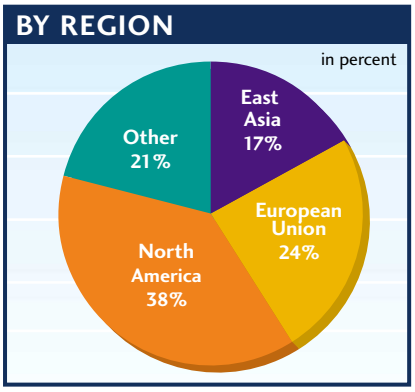


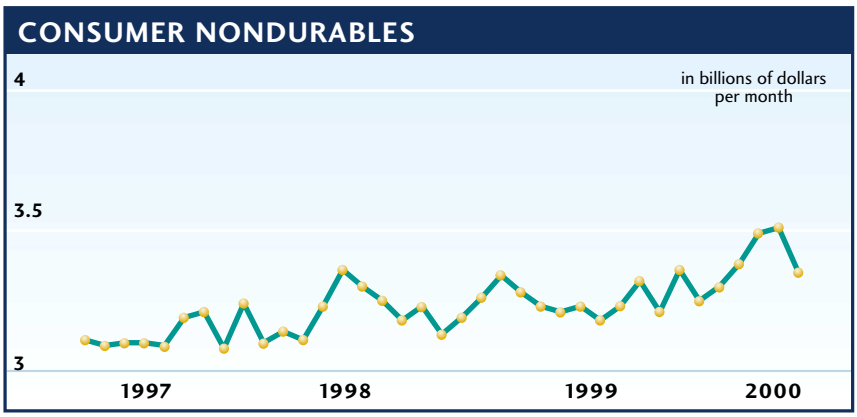
CONSUMER DURABLES

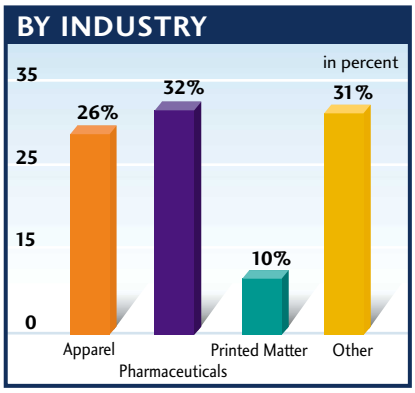
Increased May sales abroad of jewelry and gem diamonds led the rebound in exports of consumer durables. The household goods and recreation components of this category registered modest export declines.

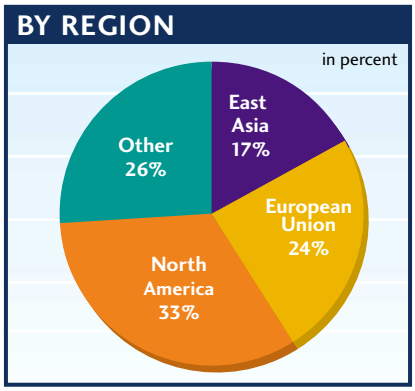






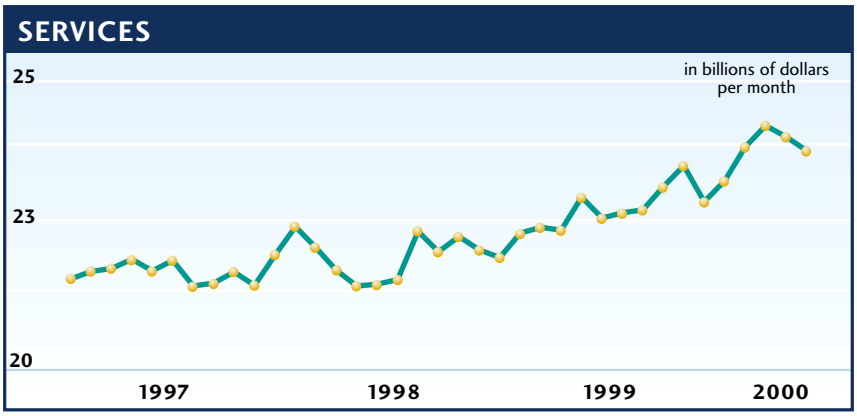


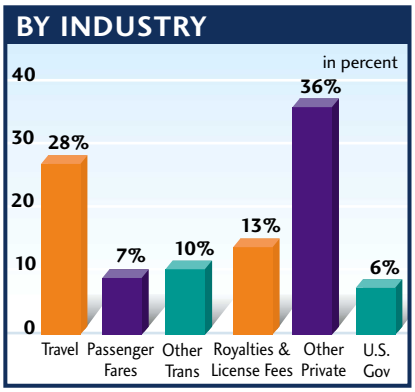


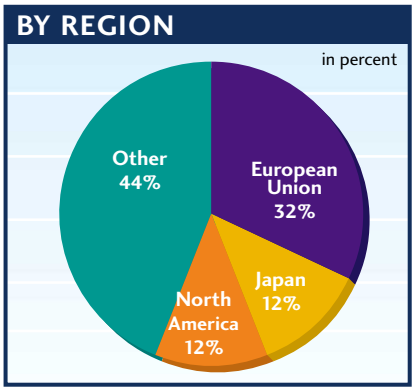


CONSUMER NONDURABLES

The drop-off in exports of consumer non-durables reflected reduced shipments of apparel and manufactured tobacco, following four consecutive months of gains. Foreign sales of pharmaceuticals recorded a marginal increase.







SERVICES

The May decline in exports of services was broad-based. U.S. receipts from foreigners for travel, passenger fares, other transportation, and private business services all declined.

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.

e IS FOR EXPORTS

GLOBAL SALES POWERED BY THE INTERNET

by Danielle Kriz
Office of Computers & Business Equipment, Trade Development

E-Poxy Industries is a world leader in the adhesives industry, helping to build bridges, buildings, stadiums and airports. When it came to the Internet, though, E-Poxy used to be just another small manufacturer relying on a single-line dial-up account and one email box for 15 employees.

Built on innovation, the Albany, NY, firm was convinced that it could benefit, particularly in its work with international clients, from the innovations that were making the Internet an essential business tool.

The firm turned to IBM and its Small Business WebConnections for help, and watched international sales jump 23 percent. IBM provided E-proxy with an intranet, website, Internet access and email for its employees, all hosted by the vendor so the firm did not need dedicated IT staff. Individual email accounts proved to be a significant step forward for this small company.

"It can be very difficult to stay in close contact with someone who is overseas, but communication is essential to keeping our business running smoothly," says Joel Dzekciorius, manager of engineering for E-Poxy Industries. Email helps companies avoid problems associated with international calls, such as costs, time differences and poor lines, and enables the exchange of complex documents, like AutoCAD drawings. "We're able to provide much better service now for customers in different time zones," says Dzekciorius.

SMES & IT OPPORTUNITIES

Small U.S. businesses are rapidly embracing the benefits of Internet technology. An estimated 70 percent of small businesses are online, almost 40 percent now have a web presence and about 3 million are doing business over the Internet.

When it comes to international markets, however, many small U.S. firms are missing out on potentially big opportunities. Forrester Research discovered that, thanks to the global reach of the Internet, a typical U.S. company can expect 30 percent of its web traffic to come from overseas, starting on the day its website goes live. It can also expect 10 percent of its orders to come from abroad. However, nearly half the international orders received by U.S. companies go unfilled, according to the Forrester survey.

By not further utilizing technology in exporting, these U.S. firms are turning their backs on a huge potential market and may even lose market share as some transactions migrate online or overseas competitors harness the Internet to compete in core markets.

IT EXPANDS SMES' REACH

To some, exporting may seem like just another over-hyped distraction, but the diversified revenue stream and greater profit margins that it provides can come in handy if the U.S. market takes a downturn. Research also shows that exporters enjoy, on average, faster sales growth and employment gains than non-exporting companies. Workers are happier, too, as wages for employees in jobs supported by exports are about 15 percent higher than the national average.

The Internet is making exporting more accessible to smaller companies because it is a tool that extends a company's market reach without detracting from core clients in home markets. And, it isn't necessary to be a world leader with a roster of international clients, like E-Poxy Industries, to see some returns. The following are just some of the ways that companies are using the Internet to support their international business goals.

First, the Internet is a great and improving source of research. Most early stage homework, such as learning exporting basics and conducting market research, can now be done online. Many Federal and state agencies have websites loaded with how-to information, market research, country specifics, events and contacts that will help any firm get oriented towards exporting. The only drawback is the need to sort through the abundance of available information.

Second, the Internet is playing an increasingly valuable role in generating contacts that might lead to direct sales. For many smaller companies, joining a virtual trade show (such as the Department of Commerce's e-expo), an online exchange or a vertical hub may lead to useful contacts, and offer an easy and inexpensive first step into the international arena. Many of the hubs do not target international buyers, but they generate surprising results that can pro-

THE INTERNET IS MAKING EXPORTING MORE ACCESSIBLE TO SMALLER COMPANIES BECAUSE IT IS A TOOL THAT EXTENDS A COMPANY'S MARKET REACH WITHOUT DETRACTING FROM CORE CLIENTS IN HOME MARKETS.

vide useful international experience for beginning exporters.

For example, VerticalNet, a pioneer of the business-to-business vertical marketplace model, began tracking country domains of its users and discovered that nearly half the visitors to its 56 vertical industry sites came from outside the United States, even though the company did nothing to attract those visitors. Although VerticalNet does not track resulting sales, no doubt many of these international hits came from businesses looking for U.S. suppliers, widely renowned for high quality and competitive prices.

Other sites play a very direct matchmaking role. Exintel.com is a business-to-business marketplace for Latin American companies that want to purchase industrial spare parts and equipment from suppliers in North America.

Increasingly, in the business-to-consumer segment, new shopping sites can broaden a company's international exposure and generate sales. US-Style.com launched an online community-based shopping mall, targeting Japanese consumers, who are seeking U.S. goods and services. The site is written in Japanese and features a Japanese user interface and customized versions of select U.S. retailers' existing websites.

Despite greater exposure such sites, in many cases, leave the details of exporting, including pricing, documentation, financing and shipping, to the seller. Fortunately, a growing number of international trade portals have emerged that provide extensive information on the services available to help small businesses export successfully.

Once a firm has a few international clients, a more proactive approach, using the Internet to attract and service overseas prospects, is worth considering. Steps include "internationalizing" the company website by translating core content and including local content, and by adding multi-currency pricing and total delivered costs (which take into account duties, taxes and shipping costs).

These steps can be accomplished by working with a specialist that helps firms integrate additional features into its website. For example, PC vendor TigerDirect.com was having problems with shipping across borders and quoting total delivered costs to a growing international clientele. The company worked with From2.com to create a new venture, TigerExport.com, that handles international orders for the Miami-based firm, greatly enhancing the company's services to international customers.

As global business grows, some firms may find an overseas presence is the most logical next step. The high level of interest in their products from outside the United States prompted VerticalNet to map out its own global strategy, and the information it gathered by tracking domain names led it to concentrate its efforts in Europe and Japan. To launch the new operations, VerticalNet partnered with British Telecom and the Internet Capital Group in Europe, and with Softbank Commerce Corp. in Japan.

GetThere.com, a business-to-business travel website, recently opened a London office. It expanded mostly to meet the needs of U.S. multinational clients who wanted their overseas offices to use the same services as their headquarters. Since Europeans rely much more on ferries and trains for business travel, GetThere.com found it needed to be closer to its client base to be effective, leading to the new office.

Well known online pioneers such as Amazon.com, eBay and Yahoo have used varying approaches, such as partnerships, acquisitions and wholly owned subsidiaries, to expand into overseas markets.

Once a firm turns to establishing a physical presence overseas, the Internet may play a less central role in generating international sales. Yet, it will still be an important part of a firm's business strategy because of its ability to facilitate communication between distant offices, information sharing and a consistent global message. ■

FALL SEMINAR SERIES

To help SMEs understand the nuances of exporting and the issues that underlie a good global e-commerce strategy, the U.S. Department of Commerce is partnering with the Software and Information Industry Association (SIIA) to organize a seminar series entitled "e is for Exports: Global Sales Powered by the Internet." The seminars will highlight issues essential to a successful international e-commerce strategy, such as marketing and branding, internationalization, multi-currency pricing, online payments mechanisms, fulfillment and delivery, and important legal and regulatory issues that impact overseas sales, such as privacy, tariffs and taxes. The seminars will also feature a hands-on workshop high lighting U.S. Department of Commerce e-services available to U.S. exporters.

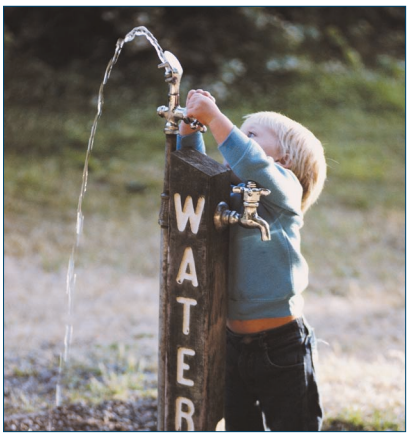
The seminars will be held in more than a dozen cities throughout the United States in fall 2000. To locate a seminar near you, contact Carol Frausto of the Department of Commerce at Tel: (202) 482-1289 or Eric Fredell of SIIA at Tel: (202) 452-1600 x377, or visit www.siia.net and look under "conferences." ■

NEW APPROACHES HELP EXPAND INTERNATIONAL TRADE OPPORTUNITIES FOR THE U.S. ENVIRONMENTAL INDUSTRY

by David Scott Smith & Sandra Collazo
Interagency Environmental Technology Office, White House Council on Environmental Quality

A small business in Florida that specializes in analytical instruments and environmental information systems is interested in locating partners for a project in the Czech Republic. A European environmental firm is looking for a U.S. partner to fulfill a contract requirement in Latin America. A group of municipalities in Eastern Europe are looking for a decentralized, "packaged solution" to their drinking water problems. They all need partners to accomplish their individual goals.

The ability to forge business alliances and partnerships has become not only desirable, but necessary for survival in today's world. As more buyers of environmental products and services demand "systems-based solutions", goods and services are often bundled by more than one company or organization to fit the particular requirements of a domestic or international buyer. To respond to changing market requirements, U.S. companies must sharpen their partnership-developing skills so that they can produce precisely the package of goods and services that meets each client's specific requirements for economic and environmental performance. To help meet these new demands, U.S. Government agencies are working hand-in-hand with environmental industry organizations and other stakeholders. Together they are developing more effective methods and tools to strengthen domestic and international partnerships, thereby increasing international trade opportunities for U.S. environmental technologies.



ENTER IETO

The Interagency Environmental Technology Office (IETO), established by Vice President Gore in 1994, is a one-stop shop for companies and organizations with interests in environmental technologies. Chartered under the White House Council on Environmental Quality, IETO multi-agency initiatives and projects spanning two dozen federal departments and agencies, while involving other public and private sector organizations. One of its focus areas is the expanding international trade in U.S. environmental technologies, so IETO works closely with several offices within the U.S. Department of Commerce. IETO, in concert with its government and industry collaborators, has set a goal of doubling U.S. revenues from the export of environmental technologies from $20 billion per year to $40 billion per year by 2005. To help small and medium-sized environmental enterprises, IETO and its partners are spearheading a number of public-private initiatives like those featured below.

CREATING AN INTERNET INFRASTRUCTURE FOR U.S. AND EUROPEAN PARTNERING

This website is designed to draw in thousands of companies and organizations interested in collaborating with U.S. or European partners on environmental technology projects. At the site, companies can post their profiles, search for potential partners, find useful information and resources, and explore joint projects and opportunities. By submitting profiles of their companies and activities, organizations can review each other's capabilities and goals. In essence, the website is a convenient, accessible tool for companies

to "pre-qualify" each other. Companies and organizations that want to meet face-to-face can then register online to participate in a "partnering event" (further described below).

The website is expected to remain permanently operational, free of charge, in order to support ongoing U.S. and European cooperation for joint research and development, commercialization, and global deployment of advanced environmental technologies. IETO also will develop other similar websites dedicated to specific regions of the world where the markets in environmental technologies present the greatest opportunities for growth, such as parts of Latin America and Asia.

MEETING POTENTIAL INTERNATIONAL PARTNERS FACE TO FACE

U.S. and European companies and organizations are invited to attend the "U.S. European Partnering Event for Environmental Technologies" on November 29 - December 1, 2000. The event will be held at the Golden Tulip Hotel Schiphol in Amsterdam. This conference is part of an ongoing initiative to promote alliances for joint business activities or research collaborations anywhere in the world and to identify international projects and funding sources. The event's principal organizers are IETO and the Dutch Ministry of Economic Affairs, with more than a dozen additional U.S. and European sponsors.

ON THE AGENDA

The event's first two days include:

- Presentations on environmental technology trade opportunities and applied research and development programs and initiatives, in Europe and the United States.
- The opportunity for all participants to make short (three minute) introductory presentations about their company or organization.
- There is ample time set aside for appointment-only, onsite partnering meetings for potential partners to privately discuss possible areas for collaboration.
- Rounding out the conference are the "information fair" and a series of breakout sessions on such topics as environmental business markets, government and private information resources, international assistance and support programs, financing, and legal and regulatory frameworks. In addition, participants can have one-on-one discussions with experts in international trade, financing and research.

On the third (optional) day of the event, participants may choose to attend either of two half-day technical sessions:

- "ECO-LINKS: Collaborative Opportunities to Develop Market-Based Solutions for Industrial and Urban Environmental Problems in Central and Eastern Europe and the New Independent States"; or,
- "Partnering for Water/Wastewater Sector Solutions in the Middle East"

There will also be tours of two local environmental companies and research facilities.

The cost of the conference is $145, which includes full participation in all scheduled events, as well as some meals. For more information, to complete a profile, or to register to attend the partnering event, please visit the website (www.et3m.net).

OTHER IETO PROJECTS

Other major IETO projects include an online roadmap of federal environmental technology programs and an electronic commerce infrastructure system for environmental technologies.

The online roadmap (www.getf.org/ietotech) will provide businesses and other organizations with one-stop Internet access to all federal and federally funded environmental technology programs and initiatives. Companies and organizations interested in environmental technologies will be able to quickly find the specific information and resources they need all in one place, without having to surf the more than 200 individual federal websites devoted to the topic.

IETO has created a public partnership of nonprofit organizations to bolster the capacities of state and local governments' to find and acquire environmental technologies. This project addresses the need of municipalities to find the best available environmental technologies. The Electronic Commerce for Environmental Technologies System (EC4ET) should significantly lower procurement costs and help municipalities identify and acquire more efficient, cost-saving technologies. Partners are working with industries to jointly develop electronic commerce systems, allowing them to procure the best available technologies over the Internet. Initially, the EC4ET systems will be piloted in Virginia. After testing and refinement, the systems will become available to state and local governments across the United States. and in the international community. It will directly link users with the companies and enterprises that comprise the U.S. environmental technology industry. ■

For more information, visit IETO at Internet: www.whitehouse.gov/CEQ/ieto.html

or contact Sandra Collazo, Interagency Environmental Technology Office, Environmental Technology Task Force, White House Council on Environmental Quality at Tel: (202) 395-0854 or Fax: (202) 408-7590; or Email: Sandra_J._Collazo@ceq.eop.gov.