

## GLOBAL NEWS LINE

### SPAIN

**The Spanish telecommunications sector offers opportunities to U.S. service providers and equipment manufacturers.** Although the sector is far from its peak at present, it is one of the most advanced markets in Europe, as well as the fifth largest overall, and it is a liberalized market.

While Spain has implemented deregulation guidelines set by the European Union in order to increase competition in telecommunications, Telefónica (the incumbent operator) maintains its dominance in all market segments.

The new telecommunications regulation that is being drafted and planned for approval this year will increase competition in the market and provide companies with a better regulatory environment in which to do business.

### GERMANY

**The German golf equipment market reached \$1.5 billion in 2002, and steady growth is expected over the next few years in this market of 82 million people.** German exports in the

golf equipment sector totaled \$7.5 million, while German imports were a steady \$135.5 million, with 22 percent of that coming from the United States. The market is expected to grow over the next few years, despite the lingering economic recession. U.S. products continue to be the trendsetters in the sporting goods field, as "American lifestyle" products, including golf equipment, are winning ever more popularity.

With 2.8 million active golfers in Europe and an annual 10 to 15 percent growth rate in the number of players in recent years, Germany is assuming a strong position on the European golf scene. According to a survey by the German Leisure Industry Institute, as many as 400,000 Germans will be playing golf by 2004, and far more would be on the links if more public golf courses existed.

As golf becomes increasingly popular, U.S. suppliers of golf equipment are well situated to build on their position as Germany's leading source for imports. The domestic German market for golf equipment is currently \$150

million, and it is experiencing annual growth of approximately 2 percent. After fitness equipment, bicycles, and cycling accessories, golf equipment is the fastest-growing segment of the German sporting goods market. Now is an ideal time for U.S. suppliers who are not yet represented in the German market to "hit the long ball."

American-made golf equipment, especially club sets, enjoys very good brand recognition and, in the near absence of local production (except in apparel), the upscale German market offers excellent sales opportunities. Golf Europe, October 5-7, 2003, an international trade fair in Munich, Germany, should provide an excellent and timely trade promotion venue.

### CZECH REPUBLIC

**The Czech Republic is expected to become a member of the European Union in May 2004.** In the renewable energy sector, there is a great gap between the Czech Republic and EU countries. The EU goal is to supply 12 percent of gross energy consumption from renewable sources by 2010. The





Czech level is about 2 percent now. New laws are being prepared to support renewable sources, so the Czech Republic should be able to reach its goal of 6 to 7 percent by 2010.

In the European Union, wind and biomass are expected to be the largest sources of renewable energy. In the Czech Republic, biomass has the best prospects for growth. Wind and water energy projects are also important these days. Solar projects are limited by the high cost of initial investment, although the price of maintaining them is low.

EU directives and objectives are the main market drivers for the renewable energy sector in the Czech Republic. State support of alternative sources of energy, together with new legislation, makes for very good prospects for investment and export in this sector.

## MEXICO

**Mexico has developed a strong electronic consumer goods industry due to government support, and it exports electronics worldwide.** The Mexican electronics market totaled \$700 million in 2000, with imports counting for \$402 million. After a slowdown in 2003, the market should

expand at an annual rate of 2 to 4 percent. Imports hold the upper end of the market due to image, quality, and service. Mexican brands are making inroads with innovations suited to local tastes and needs. U.S. production dominates the import market in most areas, followed by Asian brands. Typical distribution channels run from manufacturers through exclusive distributors to retail outlets, such as department stores, appliance stores, and discount clubs.

## TAIWAN

**Taiwan's demand for imported power tools is poised for 2 to 3 percent annual growth in the next three years, according to the Taiwan Hand Tools Association.** Continued consumer spending, growing demand for small service providers in the decoration and remodeling segments, and popularity of do-it-yourself solutions all concur with growth rate forecasts. Taiwan's economy has faced severe challenges over the past several years. Fortunately for the power tool industry, investor confidence has gradually recovered and domestic economic activity shows signs of turning upward. Import figures in 2002 reflected this upward trend, with imports up approximately 2 percent from 2001. Taiwan produces large quantities of power tools; however, many manufacturers rely heavily on imports for high-end, sophisticated power tools. U.S. producers can increase their market presence by meeting growing demand for new, innovative, and easy-to-use products such as cordless and pneumatic power tools.



## AUSTRALIA

**Australia's health care sector is addressing the aging of the Australian population.** Most Australians prefer to remain in their own homes as they grow older. The desire to remain at home has been reflected in the shift in the balance of care and the amount of funding provided to residential and community care. As the wealth of older Australians increases, there will be greater demand for a wider range of products and services related to health care and in particular care for the aged, and an increasing ability to make a contribution towards these costs, either directly or through private health insurance. ■

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