GLOBAL NEWS LINE

PORTUGAL

The Portuguese market for solid waste recycling equipment offers attractive opportunities for U.S. firms. The amount of urban solid waste in Portugal has increased rapidly in recent years due to the growth in urban population and consumption. Waste generation has increased faster than its elimination. Like other countries throughout the world, Portugal has moved from waste disposal to waste management, and finally to waste reduction. As a member of the European Union, Portugal is required to incorporate into its environmental laws all EU environmental directives, including standards for urban solid waste treatment and recycling. Demand for environmental products and services has been mainly driven by regulations. Polluting firms are changing their attitudes about the environment because the government of Portugal is encouraging them to invest in waste minimization, recovery, and treatment, and to develop clean technologies and products. Municipalities are also encouraged to recycle their urban solid waste. The total value of the recycling equipment market in 2001 was $55 million. U.S. firms control approximately 7.6 percent of this market. Average annual growth of 10–15 percent is expected during the next two years.

EGYPT

After the creation of the new Ministry of Civil Aviation, the Egyptian civil aviation industry witnessed an acute shift. The new management is focusing not only on upgrading the overall condition and services of Egyptian airport facilities, but also on attracting the world's attention to the importance of Egypt's location and the possibility of acting as a hub for the Middle East and North Africa.

Through the new administration and the general desire to achieve strategic goals in upgrading the civil aviation industry, plenty of opportunities are regularly available to interested U.S. companies.

VIETNAM

Access control security is a growing market in Vietnam, with good sales potential for U.S. companies in the medium- and long-term future. The total size of the safety and security equipment market is estimated to be $65 million for 2003, of which safety products account for 60 percent and security 40 percent. Primary sales of safety and security equipment have occurred in the construction market, where the development of power (thermal and hydro), oil and gas (plant and pipeline), transportation (roads and bridges), and buildings (hotels and commercial sites) has outpaced other types of development projects.

The demand for safety and security equipment in Vietnam is also tied to the development of foreign-invested construction and property projects. The current growth of foreign businesses and government infrastructure development has stimulated the safety and security equipment market. In addition to the state budget, the government has relied on substantial assistance from outside sources, particularly official development assistance, to improve and upgrade the country's infrastructure systems. Official development assistance projects help initiate safety and security upgrades in many government-dominated fields, such as the banking, maritime, power, oil and gas, and transportation sectors.

In Vietnam, access control equipment covers fire, anti-theft and burglary, and anti-intrusion monitoring systems, as well as entry control and surveillance systems. Buyers often purchase multi-function products to ensure system compatibility. For example, fire alarm systems may also be incorporated with surveillance or door-entry systems. Security software, including anti-virus systems and low-level firewall solutions, are also found in most companies.

U.S. safety and security equipment is highly regarded in terms of brand recognition and quality. In the long term, the market offers opportunities for additional U.S. companies, as many local companies are eager to represent U.S. products in Vietnam. They are especially interested in U.S. suppliers of automated security systems, such as advanced closed-caption television systems, integrated security systems, electronic card access control systems, smart card technology, intruder detection equipment, and biometric systems.

SOUTH KOREA

The South Korean market for orthopedic artificial joints has been growing rapidly as a result of South Korea's expanding elderly population and patients' increasing awareness of artificial joint implant procedures. In 2001, the total market for artificial joints, based on end-user prices, was valued at $76.2 million, an increase of 15 percent over 2000. In 2002, the total market value increased to $91 million, or 19.4 percent over the previous year. Since demand for better health care is becoming stronger as the South Korean standard of living improves, the market demand for artificial joints is forecasted to grow at an average of 15–20 percent for the next three years.

Currently, imports supply 100 percent of the South Korean demand for orthopedic artificial joints. Hip and knee joints account for 98–99 percent of this market, and extremity joints account for just 1–2 percent. Best prospects for U.S suppliers are knee joints, representing 63 percent of the total market, and hip joints, representing 35 percent. South Korea imports artificial joints for knees and hips from the United States and the European Union. According to industry statistics, imports of hip and knee joints had a total value of $89.2 million in 2002. U.S. imports had an estimated value of $58.9 million, while EU imports had an estimated value of $27.6 million.

One important factor, which may slow the growth rate in market demand over the next few years, is recent medical insurance reimbursement price cuts for orthopedic devices. To address the growing deficit in the national health insurance system, estimated at $1 billion as of September 2003, the South Korean government has implemented measures to reduce spending and introduced cost-containment policies in all areas, including reimbursement for medical devices.

TAIWAN

Taiwan has a fast-growing manufacturing sector that is oriented toward exports. Taiwanese authorities actively promote industrial upgrades to improve their competitiveness in world markets. Taiwan's manufacturers also continue to modernize their production equipment to hasten the shift toward automation. In addition, the authorities plan to expand public investment to stimulate the local economy. These circumstances will continue to provide a promising outlook for more advanced U.S. process control instruments and apparatus in the Taiwanese market.

The total market for process control instrumentation in Taiwan was $328.4 million in 2002, of which $292.6 million were imports. Taiwan imported about 89 percent of its process control instrumentation from Japan, the United States, and Germany. Japanese suppliers led this market, while U.S. suppliers were the second-largest suppliers. Imports of process control instrumentation from the United States were $83.7 million, or about 28.6 percent of the import market in 2002. The Taiwanese market for imported process control instrumentation will grow as the authorities continue to encourage the importation of process control instruments as they contribute to the upgrading of Taiwan's industries. The market for process control instrumentation is forecast to grow at an average annual rate of 10 percent over the next three years.

VENEZUELA

Venezuela has suffered from economic turmoil and civil unrest this year, beginning with a two-month general strike, followed by exchange controls decreed in February, which are still in force and expected to last at least through the year. In addition, Venezuela has experienced 30 percent inflation and 25 percent unemployment. The country's aviation sector, both commercial and private, has therefore been greatly affected and as a consequence its maintenance, repair and overhaul industry.

Venezuela's maintenance, repair and overhaul industry, consisting of approximately 35 companies, is scaled to the requirements of the civil aviation fleet, not including the military demand for maintenance of its fleet of combat, transportation, and rotary wing aircraft. Venezuela's fleet of civil transports, the largest being of DC-9s, is quite small and does not exceed 100 aircraft total. The remainder of the commercial aviation fleet consists of regional aircraft, including Beech 1900s and ATRs carrying up to 72 passengers. One company, which had a fleet of 21 aircraft, went bankrupt and another, the only one flying to the United States, is presently under category II status imposed by the U.S. Federal Aviation Administration, uses wet-leased aircraft belonging to a U.S. carrier.

The situation in general aviation is not much different. Many private and executive aircraft have been sold and exported; others are simply grounded permanently in the hope of better financial conditions. Many others are not being flown or very little and their requirements for maintenance and spare parts are extremely small. While part of the reason for the relatively low level of activity by the general aviation fleet is the general economic situation within the country, part is also the absolute scarcity of dollars for the purchase of spare parts by repair shops. Venezuela's general aviation community, which includes air taxi and on-demand leasing services, is almost entirely U.S.-made. The fleet consists of about 2,500 airplanes, of which approximately 40 percent are jet or turboprop powered.

Because of the preeminent position of U.S. aircraft manufacturers in this market, the demand for parts, components, and repair or overhaul services is centered on U.S. suppliers. The proximity and the great number of airports within the Caribbean, allow even small aircraft to be flown to the United States for maintenance or overhaul or for the purchase and installation of components, avionics or amenities. Such purchases are not reflected in U.S. export or in Venezuelan import statistics. The same holds true for major work performed on larger aircraft. Reliable statistics are therefore not available. Interviews with facilities reveal that the total value of the market could be more than $150 million annually. While there are a few non-U.S. airplanes, such as the French ATR, Russian Mi-7 helicopters, and a few Brittan-Norman aircraft, their requirements for spare parts are covered almost exclusively by U.S. dealers of such components.

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