

## GLOBAL NEWS LINE

### POLAND

**Shipbuilding, including ship repairs, plays a significant role in the Polish economy.** The industry was the third major Polish export in 2001, and it accounts for 5.2 percent of total export sales of industrial products. Until 2001–2002, Polish shipbuilding was one of the most widely recognized Polish commercial activities—formerly representing 4 percent of the world's total shipbuilding industry. Between 1996 and 2000, Polish shipyard production was stable, at the level of approximately 500,000 compensated gross tons.

Polish shipyards have always maintained good portfolios of orders. They built a reputation for quality and timely execution of orders. However, the industry faces enormous competition from shipyards in South Korea, Japan, China, and Germany.



Over the past few years, internal and external factors have pushed the Szczecin Shipyard into bankruptcy. The problems at the Szczecin Shipyard resulted in problems in arranging financing from Polish and foreign banks—not just for this shipyard but also for the whole shipbuilding industry in Poland.

### TAIWAN

**Watching TV, outdoor activities, and exercise are the top three leisure pastimes for people in Taiwan.** In 2002 the total number of people participating in fitness centers and gyms has exceeded 450,000 and is expected to increase to about 1.34 million over the next five years. This increase has stimulated the market for gyms and fitness centers. The local industry estimates that the expansion of fitness centers and gyms will require purchases of professional fitness equipment in the near future.

Taiwan has limited indigenous energy sources. In 2002, Taiwan imported 98 percent of its energy resources, including crude oil and natural gas, to meet its energy demands. Taiwan's energy needs grew at an average annual rate of 6.6 percent from 1981 to 2002. Increased energy consumption has also led to environmental issues, including fossil fuel emissions. In line with the global trend of reducing fuel emissions, Taiwan's Energy Commission has actively promoted policies to reduce emissions and conserve energy.

The Energy Commission is responsible for the study, development, and application of energy efficiency in Taiwan. Programs and plans formulated include the Plan for the Conservation of Energy and the Promotion of Energy Efficiency, proposed in 1999, to combine the efforts of the government and the private sector to achieve a target of 28 percent in total energy savings by the year 2020. To achieve this target, industry was asked to invest in energy-efficient equipment and technology. Moreover, Taiwanese

authorities promulgated tax laws and offered tax credits to companies that purchase energy-efficient equipment or use energy conservation technologies. These incentives increase the use of energy-efficient applications and create export opportunities for U.S. companies able to supply energy-efficient products and technologies, such as electric power systems, low-polluting air-conditioning, exhaust heat recovery, monitoring management, solar cells, lighting, and industrial furnaces.

### INDIA

**The Indian renewable energy industry is diversified and offers strong business prospects to U.S. companies.** The market in India for renewable energy business is estimated at \$500 million and is growing at an annual rate of 15 percent. The major areas of investment are solar energy, wind energy, small hydropower projects, waste-to-energy projects, biomass co-generation systems, and alternative fuel. The new renewable energy policy of the government of India aimed at generating 10,000 MW through renewable and a non-conventional sources by 2012 is expected to further boost the growth rate of the renewable energy industry.

Investment in renewable energy is estimated at \$3 billion in India. Of the estimated potential of 100,000 MW from renewable energy, only about 3,500 MW has been exploited to date. The federal government has set a medium-scale goal of electrification of 18,000 remote villages and meeting 10 percent of the country's power supply through renewable energy by 2012.

The use of cosmetics by Indian consumers has increased significantly in the last five to six years, with more and more women and men taking greater interest in personal grooming, increasing disposable incomes, changing lifestyles, the influence of satellite television, and greater product choice and availability. With the demand for

cosmetics on the rise and the opening up of the market to foreign companies, many of the world's popular cosmetics brands entered the Indian market in the early and mid-nineties and some more have set their sights on India.

This cosmetics and personal care industry has been growing at an average rate of 20 percent for the last few years. The growing Indian cosmetics market offers promising prospects for international brands. The growth rate in the cosmetics market reflects an increasing demand for beauty care products in India. Perfumes and fragrances, skin care products, and hair care products are some of the major segments with promising prospects for U.S. companies.

In India, consumption of many cosmetics and toiletries is well below that of many countries in Asia. The low market penetration of many cosmetics and personal care products offers room for growth. The Indian toiletries market is well developed and dominated by major multinational companies and a few large Indian players.

The urban population with increasing purchasing power is the major force driving demand for cosmetics and toiletries. India is a very price-sensitive market, and mass-market products constitute the major part of the cosmetics and toiletries market.

India's import of cosmetics and toiletries and intermediate raw materials is around \$120 million, of which the United States has a share of approximately 10 percent.

## SOUTH KOREA

**The South Korean government puts an emphasis on a stand-alone, balanced defense capability and continues to maximize indigenous production, diversify defense suppliers, and acquire as much technology as possible.** As South Korea's air defense capability is considered to be weaker than that of North Korea, the Ministry of National Defense (MND) is making efforts to gradually strengthen air and space power to successively achieve its

national defense goals. The ministry aims to raise its defense spending steadily to 3.5 percent of GDP, from the current 2.7 percent, in the next few years given North Korea's ongoing military threats, an uncertain regional security environment, and preparation for the evolving Republic of Korea-U.S. Security Alliance.

According to the *Global Competitiveness Report* of the World Economic Forum, South Korea ranked 58th for the proportion of defense spending versus gross national income in 2002. South Korea is the world's 11th-largest defense spender, at \$14.17 billion in 2003. South Korea also ranked 11th in aerospace manufacturing capacity in the world, and it aims to be the sixth in the future through the government's strong support of aerospace development. South Korea has attracted the attention of all major players in the global aerospace industry through major military aerospace projects such as the T-50, the next generation fighter project, KoreaSat, and the Korea Multipurpose Helicopter.

Despite the historic 98 percent U.S. import market share for defense aerospace equipment, price, technology transfer, and offsets are increasingly important in procurement decisions. Though Ministry of National Defense is increasingly considering third-country alternatives for offshore procurement, compatibility of military aerospace equipment between the U.S. and South Korean militaries remains a significant factor in decision-making. The Ministry of National Defense has relied heavily on U.S. military aerospace equipment since the 1950s, and this has resulted in great opportunities for the U.S. military aerospace industry. This close-knit relationship has benefited the U.S. industry, which continues to be the dominant foreign supplier of military aerospace products and services in South Korea. It is expected that the South Korean military aerospace market will continue to be an outstanding sector for U.S. firms over the next decade, but U.S. companies must be prepared to encounter increasingly aggressive foreign competition, especially in the area of helicopters.

## AUSTRALIA

**Sporting activity is a prime leisure pursuit of Australians. All types of sports are popular, with 33 percent of the population participating in a sporting activity for competition or recreation each week.** The total annual value of the sporting industry in Australia, which includes all physical leisure activities, is estimated at \$51 billion, or 2.3 percent of the Australian economy. The sporting goods market is expected to increase by 2 percent annually from 2003 to 2005. The ball sports sector, which covers golf, basketball, soccer, squash, racquetball, and baseball, boasts over 1.3 million players, with the golfing sector maintaining a lion's share with more than 450,000 players

The Australian sporting industry, employing 95,000 people, consists of more than 7,000 businesses and organizations. Almost half of the people employed by the industry are employed full-time. In addition, more than 1.5 million Australians provide volunteer services as managers, administrators, coaches, and referees. Sports clubs in Australia, managed by and for their members, total at least 30,000.

Future growth is predicted for the import of all types of ball sports equipment, and in particular golf equipment. The reputation of American sporting equipment in Australia has assured U.S. firms a position at the higher end of the market, with Asian and local brands meeting the needs of budget-conscious novices. As a result, there are good prospects for affordable, quality ball sports equipment. ■

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