



TradeSource

Help Abroad for U.S. Companies

July 2014
Issue 9

Discover Global Markets: Find Your Next Export Destination

By Curt Cultice and Laura Hellstern, Discover Global Markets Team

Earlier this year, representatives from several hundred U.S. businesses from across the country gathered in San Antonio and Los Angeles. This fall, many more U.S. companies will do the same in Detroit, New York City, Charlotte, Atlanta, and Minneapolis.

What do these U.S. companies have in common? All are taking advantage of DISCOVER GLOBAL MARKETS; a series of nationally promoted business development conferences held throughout 2014 and beyond.

Are you looking to increase your export sales or expand into new international markets? With 95 percent of the world's consumers outside of the United States, now is the opportunity to boost your bottom line by attending one of these events which offer a multitude of export resources at single venues. The forums, which are organized by the International Trade Administration's U.S. Commercial Service in

collaboration with its local partners, aim to accommodate the largest possible audience of U.S. companies interested in expanding export sales.

While similar in design, each DISCOVER conference features different regions for U.S. business, including key contacts, industry expertise, and market opportunities with high U.S. export potential. These conferences all include "boots-on-the-ground" trade diplomats from U.S. embassies and consulates abroad; the latest market intelligence; prescheduled one-on-one business counseling; public- and private-business representatives; and numerous opportunities for networking.

"This annual series of high-profile events marshals the full depth and breadth of the International Trade Administration's worldwide market intelligence and trade expertise, as well as the resources of key

U.S. COMMERCIAL SERVICE
**DISCOVER
GLOBAL MARKETS**
BUSINESS FORUM SERIES **2014**



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public- and private-sector partners,” said Acting Under Secretary for International Trade, Ken Hyatt in announcing the launch of the 2014 DISCOVER GLOBAL MARKETS series in May. “With a record \$2.3 trillion in exports last year, the United States is now selling more goods and services to the world than at any time in our history. Our goal is to make trade a bigger part of our economy and business community’s DNA. The DISCOVER series aims to achieve that by giving businesses all the necessary tools to boost their exports, which support millions of good, high-wage jobs across the country.”

If you missed the DISCOVER conferences in San Antonio and Los Angeles, it is not too late to take advantage of one of the remaining five conferences slated for the fall of 2014. Wherever your market destination, the U.S. Commercial Service (CS) is prepared to help you jump-start your international business development efforts. In addition, after the conference concludes, when you are ready to travel abroad, the CS’s worldwide network of assistance will help you turn newfound business opportunities into new export sales.

The DISCOVER GLOBAL MARKETS Concept

The idea of modeling after a successful event is not new, but DISCOVER GLOBAL MARKETS 2014 builds on what worked best at other DISCOVER events. As a result, each conference in 2014 will offer attendees tried-and-true features:

- Individual meetings for attendees with U.S. Commercial Diplomats visiting from abroad.
- Panel discussions on the latest industry trends.
- Information on the full spectrum of export programs designed to cut time to market.
- Extensive opportunities to network with U.S. trade officials, leading private-sector experts and like-minded U.S. businesses active in overseas markets.
- Connections with U.S. trade

promotion officials and experts from the public and private sector who can share practical information for success overseas.

- VIP Keynote Luncheons featuring the LATEST “news you can use” trade updates.

Each DISCOVER GLOBAL MARKETS 2014 event will offer an assortment of breakout sessions covering topics including, but not limited to:

- Export finance
- Protecting intellectual property
- Mitigating risk
- Market entry strategies

The following pages provide a brief snapshot of the many market and industry opportunities to be featured at DISCOVER GLOBAL MARKETS events, which continue this fall.

For more information on the DISCOVER GLOBAL MARKETS, please visit <http://export.gov/discoverglobalmarkets/>.

Opt-in for regular e-mail newsletter updates at <https://public.govdelivery.com/accounts/USITATRADE/subscriber/new>.

For the latest news and updates **DISCOVER GLOBAL MARKETS 2014**, connect with us!



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Find Your Next Export Destination—Con.**DISCOVER GLOBAL MARKETS: A Brief Historical Snapshot**

First launched by the U.S. Commercial Service (CS) in New Jersey (2012) and North Carolina (2013), DISCOVER GLOBAL MARKETS has now evolved into a nationwide series of U.S. export promotion events. These initial multi-day business conferences helped U.S. companies to develop new international business strategies; acquire innovative tools to be competitive; and target the next wave of rapidly growing markets. Unique in that they offered a range of export resources at a single location, the events drew more than 500 attendees from 24 states; featured approximately 1,000 private counseling sessions between U.S. companies and CS trade diplomats from more than 30 countries; and attracted international buyers who conducted numerous business meetings with U.S. companies. In addition, numerous speakers from the public and private sector contributed their expertise on a range of trade-related topics. As a result, many U.S. companies came away with new insights into emerging opportunities and overseas industry trends valuable in pursuing new leads and sales opportunities.

- *“Our export journey truly began at DISCOVER 2012. The function drew together, in one place, unparalleled information and resources concerning the ins and outs of exporting that would have taken us years to uncover. In addition to the wealth of information, we found amazing people willing to work tirelessly on our behalf.”*
- *“The one-on-one SCO meetings exceeded expectation on many fronts and I know our export business will grow due to what was learned and actions agreed upon for several countries. I want to say, ‘Thank YOU!’ for making it happen.”*
- *“Discover 2013 was probably the best event I’ve been to all year. The caliber of the speakers, attendees, the forums, and the entire architecture of the agenda was packed full of information and realizable benefits to the exporting community.”*
- *“This event was single-handedly the best 48 hours I have spent at a conference in the past 15 years. I learned a tremendous amount in a short period of time and came away with more resources and contacts than I could have ever anticipated. Thank you for helping to make it a great success!”*

DISCOVER GLOBAL MARKETS 2014 Series Schedule:**DISCOVER GLOBAL MARKETS: Free Trade Agreements**

Detroit, MI
September 9–10
Click here for the latest agenda and to register.

DISCOVER GLOBAL MARKETS: Greater China

New York, NY
October 7–8
Click here for the latest agenda and to register.

DISCOVER GLOBAL MARKETS: The Americas

Charlotte, NC
October 29–31
Click here for the latest agenda and to register.

DISCOVER GLOBAL MARKETS: Sub-Saharan Africa

Atlanta, GA
November 5–6
Click here for the latest agenda and to register.

DISCOVER GLOBAL MARKETS: Healthcare and Life Sciences

Minneapolis, MN
November 17–18
Click here for the latest agenda and to register.

U.S. COMMERCIAL SERVICE (CS)

The CS connects U.S. businesses with international buyers. With a seamless network of offices in 108 U.S. cities and in U.S. Embassies and Consulates in more than 70 countries, the CS provides an array of services including export counseling, market entry strategies, market research, international partner searches, prearranged business appointments, trade events, advocacy, and much more. Along with its corporate marketing partners, the CS provides wide-ranging solutions that help U.S. companies enter and expand in markets worldwide. Last year, the CS facilitated more than 14,700 export successes resulting in billions of dollars in U.S. export sales.

DISCOVER GLOBAL MARKETS

BUSINESS FORUM SERIES **2014**

FREE TRADE AGREEMENTS

DETROIT, MI • SEPTEMBER 9–10



Discover Global Markets: Free Trade Agreements

By Doug Barry, International Trade Specialist, U.S. Commercial Service

Introduction

Last year, countries in which the United States has free trade agreements (FTAs) accounted for nearly half of total worldwide U.S. merchandise exports. Each year, more and more U.S. companies continue to take advantage of these FTAs to boost their export sales and bottom line. For example, prior to the North American Free Trade Agreement (NAFTA), a U.S. producer of environmental cleanup equipment selling to a buyer in Mexico would face a 20 percent tariff—a fee imposed on the importation of this product by the Mexican government—meaning on a \$200,000 purchase the Mexican buyer would have to pay \$40,000. However, under the NAFTA, environmental equipment and thousands of other products produced in the United States enter Mexico and Canada tariff-free. Similarly, goods made in those countries enter the United States tariff-free.

The preferential tariff rates under the NAFTA make U.S. products cheaper for Mexican and Canadian buyers and consumers. The absence of tariffs gives the United States a competitive advantage over countries that do not have FTAs with Mexico and Canada, and puts us on equal footing with those that do. The NAFTA and other FTAs, covering 20 separate countries and including many millions of consumers, help make U.S. companies more competitive both domestically and abroad, because doing business in foreign markets can help develop management expertise and flexibility, as well as product and service quality. In addition, many of the FTA countries can serve as springboards into adjacent markets by finding good distributors familiar with a region, and soon you could be selling containers to your new distribution center in South America or Asia.

Here are some additional benefits of FTAs:

- 1) Levels the playing field for U.S. companies who will enjoy tariff-free access into FTA countries.
 - Protects U.S. investments in the region.
 - Provides new market access for U.S. consumer and industrial products, such as textiles and agricultural products.
 - Opens the market to remanufactured goods.
 - Liberalizes the services sectors.
- 2) Addresses government transparency and corruption, worker rights, protection of the environment, trade-capacity building, and dispute settlement.
 - Provides unprecedented access to government procurement.
 - Requires important reforms of the domestic legal and business environment that encourage business development and investment.
- 3) Strengthens protections for U.S. patents, trademarks, and trade secrets.
 - Provides benefits to small- and medium-sized exporters.
 - Improves customs facilitation.

Growing With FTAs

Some of the FTAs are with developing markets whose growth rates, as measured by the Gross Domestic Product, have exceeded those of developed country markets in many instances. U.S. companies selling to these markets enjoy the dual

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Free Trade Agreements—Con.

advantage of low tariff rates and rapidly expanding consumer bases. Even during times of economic slowdown, available data indicate that growth in many of the FTA countries will continue during the long term. Based on historical growth trends, U.S. companies should consider current and pending FTA country markets for future business expansion plans.

Currently, the United States has FTAs with 20 countries: Australia, Bahrain, Canada, Chile, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Mexico, Morocco, Nicaragua, Oman, Peru, Singapore, Panama, Colombia, and the Republic of Korea. For all of the reasons cited here, FTA countries form the basis of a sound export strategy for U.S. companies seeking to increase international sales by entering multiple new markets.

20 FTA Countries, 5 Themes

Five themes emerged from conversations with our senior commercial officers on the ground in these countries.

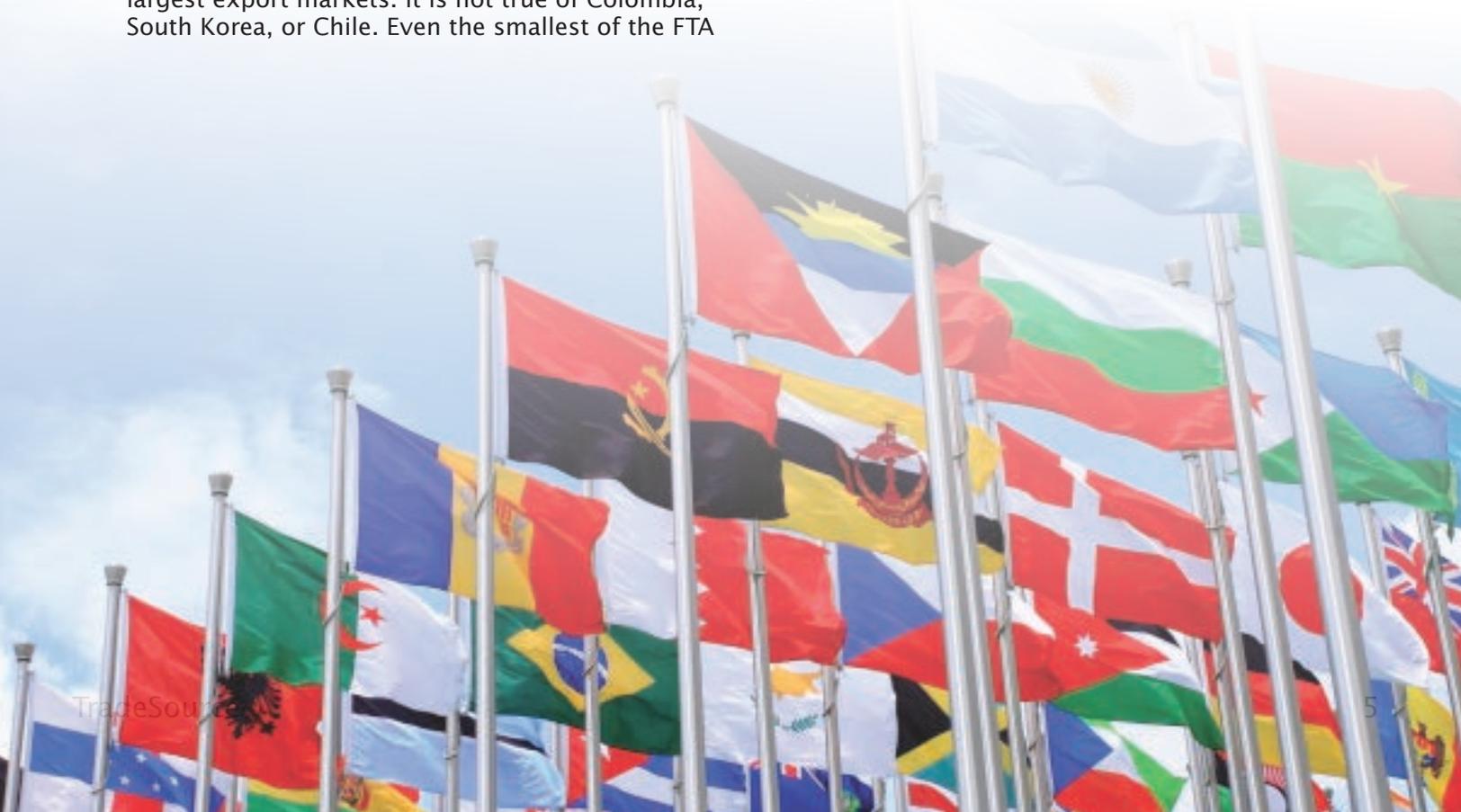
- First, while more U.S. companies are generating sales, there are more opportunities than there are firms to take advantage of them. The reasons given are that many capable U.S. companies do not know about the FTAs or that these countries may hold promise for them.
- Secondly, is an enduring myth that many of the FTA markets are too small to care about or invest time in developing. This is not true of Canada or Mexico, our partners in NAFTA, which are our largest export markets. It is not true of Colombia, South Korea, or Chile. Even the smallest of the FTA

markets by market size are generating multi-million dollar sales for U.S. companies, most of them small- and mid-sized enterprises.

- The third theme, and a myth, is that the rules of origin appear complex, and qualifying U.S. products for the free- or reduced-tariff benefit is not worth the effort. The reality is that the agreements provide several different ways to qualify products as originating. Conceptually, they are not difficult to master in a short period.
- Fourth, while most people equate FTAs with lower or no duties, the benefits go much farther. For instance, the agreements have made it easier for service providers to cross borders with fewer barriers. The result has been an increase of billions of dollars in sales of services, with the advantage going mainly to U.S. providers because of multiple competitive advantages.
- The final theme identified by the companies is that the owners believe that the existence of the FTA, when paired with help from U.S. government export promotion agencies and programs, made it possible to generate new and ongoing sales in these markets. In addition, these sales created new jobs and are perceived as having made the companies more competitive, and their products and services better.

For more information, visit www.export.gov/fta.

Note this article was condensed from the CS publication, "U.S. Free Trade Agreements: 20 Ways to Grow Your Business."



DISCOVER GLOBAL MARKETS

BUSINESS FORUM SERIES 2014

GREATER CHINA

NEW YORK CITY • OCTOBER 7-8



Discover Global Markets: Greater China

OPPORTUNITIES IN CHINA

*By William Zarit, Senior Commercial Officer,
U.S. Embassy, Beijing, China*

With an estimated 350 million of its more than 1.3 billion population in the middle class, the annual Gross Domestic Product (GDP) growth at more than 7 percent, and reform a pillar of its economic policy, China can be a lucrative market for American businesses, large and small. In 2013, U.S. firms exported more than \$122 billion in products and \$33 billion in services to China, making it America's fastest-growing and third-largest export market.

Major trends driving China's economy include growing disposable income which will exceed \$4,000 per capita in 2014, urbanization of an additional 300 million city dwellers by 2030, higher-than-average GDP growth rates in the second- and third-tier cities, and a rapidly aging population. While many product and service categories are significant markets for U.S. business, best-prospect industry sectors include:

- The environmental technology market—air and water pollution, soil remediation—is worth \$810 billion for the Twelfth 5-Year Plan 2011–2015. Twenty percent of all new buildings in China are “green,” using environmentally-advanced building materials.
- By 2017, China's healthcare market, including eldercare facilities, will be almost \$840 billion.
- Chinese tourists to the United States, a number estimated at 1.5 million in 2013 and growing at 30 percent annually, spend \$6,500 per visit more than visitors from any other country. Forty percent of the 500,000 Chinese studying abroad are in the United States, and this number is growing at 20 percent a year.
- At \$26 billion in 2013, the United States exports more agricultural products to China than any other country.
- In addition to the estimated 5,200 new wide-body aircraft China will need by 2031 and 19 percent annual growth in General Aviation sales, China will be building 97 new airports by 2020.

- With more than 700 million internet users, 520 million of who shop online, China will soon surpass the United States in e-commerce volume, with sales predominantly in consumer electronics, appliances, and apparel.
- Chinese are also increasingly investing in the United States through greenfield and merger and acquisition purchases, doubling investment from the previous year with more than \$14 billion invested in 2013.

Challenges to Doing Business in China

American businesspeople residing in China claim that increased costs, unclear regulatory environment, and lack of adequate middle-management personnel are the top three challenges. In addition, intellectual property rights (IPR) protection remains a perennial concern for U.S. business. The Commercial Section in the U.S. Mission in China (in Beijing, Shanghai, Guangzhou, Chengdu, and Shenyang) is the largest U.S. Department of Commerce presence overseas, with the broadest purview to help U.S. business. In addition to trade and investment promotion, trade advocacy, and trade-dispute resolution, the Commercial Section also has U.S. Patent and Trade officials to advise on IPR issues, professionals dedicated to high-tech export controls and anti-dumping/countervailing duty cases, trade policy and standards expertise, as well as U.S. Export-Import Bank financing specialists and U.S. Trade and Development Agency expertise.

Tips on Doing Business in China

- One key to success is working with trustworthy Chinese agents/distributors/partners. To find appropriate and reliable Chinese counterparts requires research, as well as time to build relationships. In addition to getting to know your partner, you should also get to know other businesspeople and government officials relevant to your business. The Commercial Section professionals can provide invaluable support in these efforts.

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Greater China—Con.

- Even before you start doing business with China, you should register your company name, patents, and other important intellectual property. IPR protection remains a thorny challenge for businesses engaging with China. The U.S. government offers a wide array of IPR protection resources, available at www.stopfakes.gov.
- The U.S. Commercial Service has developed a toolkit to help exporters explore some of the challenges of doing business with China: our “Are You China Ready” assessment is available at <http://export.gov/areuchinaready/>.

OPPORTUNITIES IN HONG KONG

By Scott Shaw, Senior Commercial Officer, U.S. Consulate, Hong Kong

Hong Kong, a Special Administrative Region of the People’s Republic of China (PRC) since reversion in 1997, has proven to be exceptionally resilient. Dominant and sustained drivers of economic growth include private consumption (retail), logistics and business services, real estate development (bolstered by ongoing public infrastructure works), and tourism. Hong Kong has benefited from continued economic integration with mainland China’s strong economy.

Hong Kong is an ideal platform for doing business in Asia, especially for mainland China. Hong Kong is a free port that does not levy any customs tariffs and has limited excise duties. Its strong rule of law and respect for property rights make it a strategic platform for U.S. companies, especially small- and medium-sized firms, seeking to do business in Asia. Hong Kong’s businesses enjoy close links to mainland China and the rest of Asia.

Hong Kong’s key characteristics are its openness, tourism, trade, and investment. It offers a world-class infrastructure; free flow of information; no restrictions on inward or outward investment; no foreign-exchange controls; no nationality restrictions on corporate or sectorial ownership; a simple, low-tax regime; and status as a world financial hub.

Leading export sectors for U.S. firms include electronic components, medical equipment and pharmaceuticals, environmental technologies and services, aviation and airport equipment, transportation infrastructure, environmental technologies, safety and security equipment, financial services, education and training services, travel and tourism services, retail, and consumer goods such as packaged food, wine, cosmetics, and toiletries.

Challenges to Doing Business in Hong Kong

Among the challenges for U.S. business in Hong Kong is the increased competition from the Chinese mainland. Even as integration has meant that Hong Kong’s mainland China market access and opportunities have grown, higher costs in Hong Kong have led to a

hollowing out of its manufacturing sector. The trend of foreign firms heading directly to the mainland was accelerated by China’s 2001 admission to the World Trade Organization (WTO). Companies that go directly to China without sufficient due diligence, however, often face higher costs and longer delays than if they had first engaged a Hong Kong-based intermediary.

Tips on Doing Business in Hong Kong

- Companies considering entering this market should understand Hong Kong’s fast-paced business climate. Decisions are made quickly. Firms must respond immediately to inquiries or risk losing opportunities to faster-moving competitors.
- Hong Kong agents and distributors can increase sales of U.S. products in both Hong Kong and mainland China. Given mainland China’s size and diversity, it is usually advantageous to work with different agents for different regions of mainland China.
- Hong Kong firms are eager to work with serious exporters. U.S. firms can show commitment to success in this market by using metric measurements, providing Chinese-language materials, responding quickly to inquiries, meeting relevant standards, and visiting the market for first-hand understanding and relationship building.

OPPORTUNITIES IN TAIWAN

By Gregory Harris, Acting Deputy Senior Commercial Officer, American Institute, Taiwan

With a population of 23 million, Taiwan is a thriving democracy, vibrant market economy, and a highly attractive export market, especially for U.S. firms. In 2013, Taiwan was the sixteenth-largest U.S. export market overall and the seventh-largest export market for agricultural products. In 2012, Taiwan was the sixth-largest source of foreign students pursuing higher education in the United States. Taiwan entered the U.S. Visa Waiver program in November 2012. In the first year of the Visa Waiver program, visitors from Taiwan increased 35 percent, with nearly 100,000 additional visits from Taiwan travelers.

The United States exported \$25.6 billion in products to Taiwan in 2013. Key export categories with high potential for growth for U.S. manufacturers include information technology, such as integrated circuits, processors, and semiconductors; aerospace, such as aircraft, aircraft parts, and turbo jet engines; metals, such as stainless steel and scrap aluminum; scientific and medical equipment; and construction equipment.

Taiwan is a sophisticated consumer market in which consumers are plugged into global consumer trends. American products are well represented in the market, as are products from across the region, especially mainland China and other lower-cost producers. Taiwan is a good target market for high quality, differentiated

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DISCOVER GLOBAL MARKETS

BUSINESS FORUM SERIES 2014

THE AMERICAS

CHARLOTTE, NC • OCTOBER 29–31



Discover Global Markets: The Americas

*By Daniel Crocker, Executive Director for the Western Hemisphere, International Trade Administration,
U.S. Department of Commerce*

Opportunities in the Americas

The Western Hemisphere holds excellent opportunities for U.S. exporters. Last year, U.S. exports to the region totaled more than \$710 billion, accounting for more than half of the total U.S. merchandise exports.

Many of these opportunities have been greatly enhanced through the many free trade agreements (FTAs) the United States has with countries in the region, resulting in fewer trade barriers and greater ease of doing business. For example, access to Canada through the North American Free Trade Agreement is duty free and accessible by land—buyers in Canada are well financed and participate in closely integrated supply chains for manufactured goods.

In Latin America, U.S. trade and investment in Mexico continues to grow rapidly and nowhere else are U.S. global supply chains so tightly integrated with a country—U.S. companies have duty free access and our two nations' economies are comingled. U.S. exports to Chile have grown by 600 percent since the FTA took effect 10 years ago, and the most recent U.S. FTAs in the region, with Panama and Colombia, continue to open new avenues for U.S. exporters, as does the previous FTA with Peru.

Furthermore, the Central American-Dominican Republic Free Trade Agreement (CAFTA-DR)—El Salvador, Guatemala, Costa Rica, Nicaragua, the Dominican Republic, and Honduras—is the first FTA between the United States and a group of smaller developing economies. This agreement is creating new economic opportunities for exporters by eliminating tariffs, opening markets, reducing barriers to services, and promoting transparency, thus furthering regional integration.

Among the diverse sector opportunities in Western Hemisphere countries are petroleum and coal

products, mining, chemicals, computer and electronic products, machinery, agricultural products, service industries, and much more. A few examples of the diverse sector opportunities are outlined below:

- In Mexico, economic reform is leading to more deep-water projects; onshore exploration and production of crude oil; shale gas projects; construction of natural gas pipelines; power energy generation, transmission, and distribution lines; as well as new renewable energy projects during 2013–2018.
- Panama has benefitted enormously from its role, as an efficient distribution hub, and perhaps nowhere else in Latin America are consumer retail prices so competitive as a result.
- In Chile, growth rates of 6 to 7 percent are projected for electricity consumption between 2013 and 2020, requiring an increase in supply of some 8,000 megawatts of new generation projects to satisfy the demand.
- In Canada, a solid and integrated supply chain mainly in the automotive and aerospace sectors makes up roughly 30 percent of the \$600 billion in bilateral trade. New developments in shipbuilding, air-defense, safety and security, mining, and renewable energy will create virtually limitless business opportunities.
- In Colombia, the years ahead will bring greater investment in infrastructure projects ranging from roads and airport modernizations, to port construction and railway projects.

Overall, many countries in the region have good proximity to the United States, making it easier for U.S. companies to sell their goods and services.

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The Americas—Con.**Challenges to Doing Business in the Americas**

Overall, the Western Hemisphere is an excellent place to do business, in large part due to the many FTAs. However, there are challenges, and some countries can be more difficult than others. For example, Brazil has a relatively slow regulatory framework. The bright side is that U.S. goods and services can still be competitive because the challenges there are faced by all businesses and U.S. companies can and do sell quite a bit in Brazil. Argentina would be a very good market for American exports, but the Argentine administration has put up significant roadblocks to imports, not just from us, but from all countries, including Brazil. Many countries in the region have FTAs with other countries other than the United States, so foreign competition can be strong. However, U.S. products and services are highly regarded among the region's consumers, enabling U.S. exporters to be very competitive.

Tips for Doing Business in the Americas

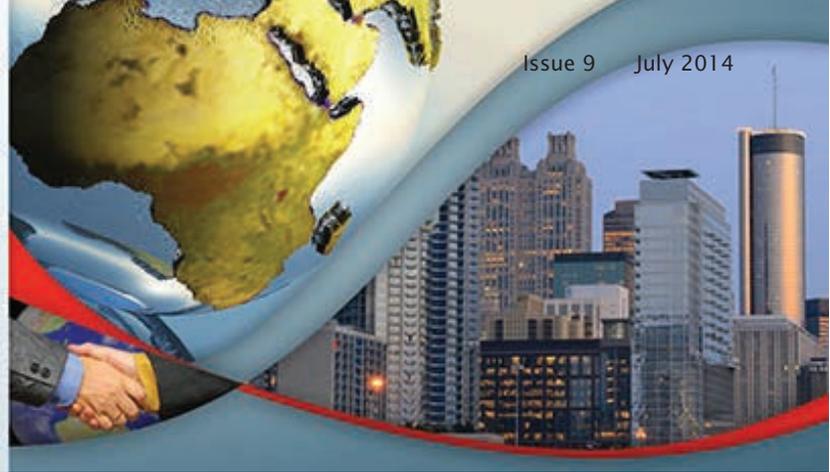
Each country has a somewhat different business environment, but here are some generalities.

- It is important for U.S. businesses to understand the culture. Businesses, especially in Latin America, want to get to know you personally before engaging in serious business. This level of personal trust is essential in countries where it is challenging to use the court system to enforce contracts. It is also very helpful to be able to operate in the local language, most frequently Spanish or (in the case of Brazil) Portuguese.
- Some key strategies include appointing local representatives to investigate market opportunities and to establish sales networks.
- Businesses can visit their nearest U.S. Commercial Service office or the Web site for any of our offices in the Western Hemisphere at www.trade.gov.

Look South Initiative Helps U.S. Exporters Find New Markets in Latin America

U.S. businesses should also take advantage of the Look South initiative, a government-wide campaign to promote the tremendous opportunities for exports to our 11 FTA partner countries in Latin America—Mexico, Chile, Colombia, Panama, Peru, and the six CAFTA-DR countries (Costa Rica, the Dominican Republic, El Salvador, Guatemala, Nicaragua, and Honduras).

- In 2013, U.S. goods exports to Look South markets increased \$12.5 billion to \$312.6 billion—a 4.2 percent increase—more than double the 1.7 percent rate of growth for U.S. goods exports to the rest of the world.
- More than a blip, we see a clear trend as market liberalization, growing middle class consumption, and diversifying industrialization fuel healthy economic growth and import demand.
- Energy, infrastructure, and extractive industries continue to be attractive sectors. There is also great unmet demand in many sectors, including healthcare, building materials, safety and security, information technology, and tourism.
- Companies interested in Look South should visit www.export.gov/looksouth, where you can review best prospect sector snapshots, keep up with targeted trade events such as the “Renewable Energy/Energy Efficiency Trade Policy Mission to Peru,” November 12–13, 2014, and learn more about trade financing and other federal export assistance tools.



Discover Global Markets: Sub-Saharan Africa

By Janice Corbett, Executive Director, Office of Africa and the Middle East

U.S. companies looking for new export opportunities should strongly consider exploring the growing opportunities in Sub-Saharan Africa. Seven of the top ten fastest growing countries in the world are located in Sub-Saharan Africa, and during the next 5 years, the region is expected to grow at a rate of 5.4 percent, outpacing world growth. Investors are increasingly looking to Sub-Saharan Africa because of its growing middle-class (especially in urban areas) and purchasing power, as well as improvements in governance, technology, and infrastructure. In 2013, U.S. exports to the world grew by 2.1 percent, while U.S. exports to Sub-Saharan Africa increased by 6.9 percent, reaching a record \$24 billion. In 2012, the Doing Business in Africa (DBIA) campaign was launched in support of the National Export Initiative and President Obama's broader U.S. strategy toward Sub-Saharan Africa. The DBIA campaign aims to increase U.S. business awareness of export opportunities in Sub-Saharan Africa.

East Africa Profile

East Africa, consisting of Kenya, Tanzania, Uganda, Rwanda, and Burundi, is an economically integrated region that holds tremendous potential for U.S. businesses. The East African Community has a combined population of more than 133 million with a Gross Domestic Product (GDP) of \$79 billion, and a rising middle class with increased spending power. Among the greatest opportunities for trade in this region is Kenya, whose capital of Nairobi is the transportation hub of Eastern and Central Africa and the largest city between Cairo and Johannesburg. The presence of financial and manufacturing industries, a large agricultural sector, and the challenges of expanding and developing its infrastructure all create opportunities for U.S. companies. Key export opportunities for U.S. firms include agricultural, computer, construction, telecommunications, and medical equipment; as well as energy, environmental, and water technology.

West and Central Africa Profile

West Africa is home to two of Africa's most dynamic and rapidly rising economies, Ghana and Nigeria. West Africa is also economically integrated on the regional level with the Economic Community of West African States; home to more than 308 million people with a total GDP of more than \$303 billion as of 2010. Using Nigeria and Ghana as gateways to the 14 smaller West African countries can prove to be very rewarding for U.S. companies. Ghana's oil and gas industry offers the best prospects, such as engineering services, drilling equipment, and oil and gas field machinery. Other opportunities include security services to help protect energy assets, telecommunications and broadcast technologies, and transportation equipment to service the petroleum and mining sectors.

With one of the fastest-growing economies in the world, Nigeria is Africa's most populous country with a population of some 170 million. Aspiring to be one of the largest 20 economies by the year 2020, Nigeria is liberalizing its economy while promoting public-private partnerships and strategic alliances with foreign firms. Well known for its oil, the country's nonoil sectors have been growing faster than the oil sector itself. Opportunities for U.S. exporters include mining; power energy; infrastructure; transportation; information, agricultural, health, and environmental technologies; and safety and security.

Southern Africa Profile

The Southern African region presents tremendous opportunity in a variety of countries. Growth in the Zambian energy sector, which links to the rest of the region, presents an opening for U.S. companies to invest in large- and small-scale energy generation and distribution projects. Home to one of the world's largest recent discoveries of liquefied natural gas, Mozambique holds vast opportunities for

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Sub-Saharan Africa—Con.

U.S. companies in infrastructure development. Across the region, energy, agriculture, mining, telecommunications, information technology, construction, aviation, medical equipment, and franchising are all sectors that present notably promising opportunities.

South Africa's status as a leading emerging market demonstrates not only its success and dynamism as an economy, but also the potential it holds as a gateway to the rest of Southern Africa. South Africa is well integrated into the regional economic infrastructure as formalized by membership in the Southern African Development Community. In addition, the Southern African Customs Union agreement with Botswana, Namibia, Lesotho, and Swaziland facilitates commercial exchanges.

Establishing a presence in the region now will yield great results as these economies continue to grow and develop. Many U.S. companies use South Africa as a launching point for developing business throughout Sub-Saharan Africa. Some of the best prospects for U.S. exporters in South Africa are capital goods, as well as a range of consumer products and services. With its well-developed infrastructure and sophisticated financial and business services sectors, it is a logical place to base operations for the region.

Challenges to Doing Business in Sub-Saharan Africa

- Among the challenges in many of Africa's developing countries are inadequate access to energy, transportation, and financing infrastructure, fledgling institutions, the threat of crime, and the lack of transparency.
- The South African market is mature and competitive. Thus, U.S. firms must contend with well established European, Asian, and local competition. A trade agreement with the European Union enables many European products to enter South Africa duty-free or at lower rates than U.S. products.
- U.S. businesses should be aware of counterfeit products and be sure to pursue intellectual property protection before entering the African market.
- Price and compatible technical specifications are usually the major considerations for African buyers when deciding to purchase goods.

Tips for Doing Business in Sub-Saharan Africa

- Familiarize yourself with the local culture. Value and develop relationships. Think long term. Find out about local government priorities and incentives. Connect with local trade organizations and private sector key stakeholders.
- Do your homework before selling to countries in Sub-Saharan Africa. Be sure to conduct due diligence on potential business partners and become familiar with local laws on use of agents and distributors.

- Be aware that the long distance from U.S. manufacturers usually requires the local dealer or distributor to stock higher than normal levels to compensate for longer freight times. Many African countries lack a tradition of truly effective after-sales service and support, making these major considerations in your export strategy. In addition, when purchasing from international suppliers, many African dealers and retailers generally do a smaller volume of business than their U.S. counterparts do, so U.S. exporters should be prepared to export smaller quantities of goods.
- U.S. manufacturers and exporters are often best served by establishing a local representative as the most realistic market penetration strategy for the region.
- In South Africa, Broad-Based Black Economic Empowerment (B-BBEE) policies aimed at redressing economic imbalances among historically disadvantaged communities require consideration by all firms planning to do business with the South African government and, to a lesser extent, within the general business community. A few companies have addressed the ownership element of B-BBEE by implementing "equity equivalent" programs that emphasize training and development of local companies.
- It is recommended that U.S. exporters combine the programs and services offered through your local U.S. Department of Commerce Export Assistance Center (<http://export.gov/usoffices/index.asp>) with the expert knowledge, industry contacts, and services of the U.S. Commercial Service and State Department partner in Sub-Saharan Africa. For more information, visit www.export.gov/Africa.

Doing Business in Africa (DBIA) Campaign Expands U.S. Export Assistance Efforts

Advancing the DBIA campaign, Commerce Secretary Pritzker led a trade mission of 20 U.S. companies to Ghana and Nigeria in May; and in the coming months, the Department's International Trade Administration will more than double its presence in Africa, opening its first-ever offices in Angola, Tanzania, Ethiopia, and Mozambique. At the same time, offices in Kenya, Ghana, Morocco, and Libya will also be expanded. With these critical investments, the Department of Commerce will be able to increase assistance to U.S. businesses navigating markets in Africa and help them sell their goods and services in even more places around the world. For more on the DBIA, visit <http://export.gov/africa/>.

DISCOVER GLOBAL MARKETS

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Discover Global Markets: Healthcare and Life Sciences

By September Secrist, Global Healthcare Team Leader, International Trade Administration

Opportunities in Healthcare

Healthcare is a steadily growing industry with the total global market for medical devices totaling some \$300 billion in 2013, and U.S. exports of medical devices reaching \$42.2 billion in the same year. While mature markets, the United States and Europe still consume the majority of healthcare products and opportunities. Along with these traditional markets, opportunities are growing in emerging markets such as Brazil, India, and China.

Brazil boasts the largest medical equipment market in South America, and accounts for about 30 percent of the region's medical equipment import market. Interestingly, Brazil is also a rapidly growing market for home healthcare products, and its home healthcare companies are viewed as good sources to cut hospitalization costs. Brazilian health insurance companies are responsible for paying 99 percent of the costs related to home care treatment, and as such, the U.S. Commercial Service sees the home healthcare products market growing dramatically in the coming years.

Another key market is India's rapidly growing and changing healthcare industry. The World Health Organization reports that India will need at least 80,000 hospital beds per year for the next 5 years to meet ongoing demand. The Indian healthcare industry—consisting of hospitals, medical infrastructure, medical devices, clinical trials, outsourcing, telemedicine, health insurance, and medical equipment—is expected to reach \$160 billion by 2017 while growing nearly 15 percent year-to-year.

China has a huge and growing demand for better healthcare products services due to an aging population and increased awareness of the need for better healthcare. China imports about 75 percent of the value of its medical device market. Its medical

equipment market has grown by an average of 20 percent annually since 2009; and its total import value of medical equipment was \$12.5 billion in 2012. While China has a domestic medical device industry, it currently looks to the United States and Europe for advanced technology products. Altogether, the above market factors offer significant potential for U.S. companies interested in expanding into the Chinese market.

Life Sciences

Many of the markets previously discussed also hold excellent opportunities for exports of U.S. life sciences technology. Life sciences include areas such as pharmaceuticals, biomedical technologies, life systems technologies, biomedical devices, and organizations that conduct research. One of the biggest and growing areas is e-medicine, with Europe being a particularly strong market for U.S. exports.

Challenges for Healthcare Exporters

Some key challenges faced by U.S. healthcare product exporters include evolving or developing regulatory and reimbursement environments, and intellectual property protection. For example, many developing countries are adopting stringent regulatory policies similar to those of developed countries, requiring approval requirements that can be burdensome. In addition, healthcare costs are rising in many developing countries due to large aging populations and many of these countries are putting downward pressure on prices of healthcare products. U.S. companies should also be aware of intellectual property protection issues and take steps to protect their Intellectual Property Rights ahead of time.

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Export Tips

- Familiarize yourself with Foreign Standards and Certification Requirements.
- Consider Europe as a key destination; by registering for CE Mark, your product can sell to all 27 countries of the European Union.
- Get the latest information on protecting your intellectual property rights by visiting www.stopfakes.gov.
- Take advantage of U. S. Commercial Service healthcare trade events by visiting <http://export.gov/industry/health/>.

Greater China—Con.

products and commodity items.

Taiwan's accession to the WTO's Government Procurement Agreement in 2001 allowed U.S. firms to have increased access to Taiwan's extensive government procurement sector. This includes opportunities with numerous central ministries and commissions, including the Ministry of National Defense and the Ministry of Transportation and Communications contracts; Taipei City and Kaohsiung City government contracts; and many universities, technical schools, and veterans' hospitals.

Challenges to Doing Business in Taiwan

U.S. businesses should be aware that Taiwan is a price-sensitive market, and foreign goods must conform to certain local standards and labeling regulations required for imported products. A local agent or distributor should be able to assist with obtaining

the necessary certifications and permits required for importation. While the intellectual property rights regime has significantly improved in most areas, there is still progress to be made in the protection of intellectual property rights.

Tips on Doing Business in Taiwan

- When doing business in Taiwan, it is important to forge strong relationships and business networks. Many U.S. businesses find a local partner early on to assist in these efforts.
- Although English is a primary language, the ability to communicate in Mandarin or Taiwanese is very helpful.
- As with many Asian countries, doing business over food and drink is common practice.



Helpful Web Sites by Agency

U.S. Department of Commerce

- U.S. Census Bureau
 - Foreign Trade Division www.census.gov/trade
 - AESDirect <http://aesdirect.census.gov>
 - Schedule B Search Engine <https://uscensus.prod.3ceonline.com/>
 - USA Trade Online <http://usatrade.census.gov/>
- International Trade Administration (ITA)
 - U.S. Government Export Assistance Portal www.export.gov
 - Basic Guide to Exporting www.export.gov/basicguide
 - U.S. Export Assistance Centers www.export.gov/usoffices/index.asp
 - Trade Compliance Center <http://tcc.export.gov>
 - ITA Homepage www.trade.gov
- Bureau of Industry and Security (BIS)
 - BIS Homepage www.bis.doc.gov

Export-Import Bank of the United States

- Products and Services <http://exim.gov/products/>

U.S. Small Business Administration (SBA)

- Small Business Development Centers www.sba.gov/sbdc

U.S. Department of Agriculture/Foreign Agricultural Service

- Foreign Agricultural Service www.fas.usda.gov/

U.S. Trade Representative's Office

- USTR Homepage www.ustr.gov/eNews

U.S. Department of State

- Directorate of Defense Trade Controls www.pmdotc.state.gov

U.S. Department of the Treasury

- Economic and Trade Sanctions www.treas.gov/ofac