GLOBAL NEWS LINE

BRAZIL

Brazil's Federal Savings Bank (CEF) imposes restrictions for financing of construction that does not use brick and concrete, and thus are considered by CEF as "non-conventional" construction methods. This barrier affects not only U.S. companies, but also Brazilian companies that provide such technologies. CEF is the largest long-term financing source for the residential building segment in Brazil, accounting for 80 percent of Brazil's real estate financing.

The Brazilian Association for Technical Standards (ABNT) has drafted standards for steel-framed construction including galvanized and non-galvanized steel parts and structures for residential and commercial buildings. With new standards in place, trade contacts believe that CEF will approve financing for steel-framed construction methods. For more information regarding Brazilian construction standards, contact the Sao Paulo office via Email: Sao.Paulo.Office.Box@mail.doc.gov.

CANADA

Canada's market for natural health products is rapidly growing. The number of herbal supplement users in Canada, for example, has tripled during the past three years. This situation has led Canadian health authorities to develop a new regulatory framework with the creation of the Office of Natural Health Products that controls the quality and safety of these immensely popular products. U.S. and Canadian companies are competing for the lion's share of this market, which should exceed $1 billion by 2003. For more information on developing export business opportunities, please contact Commercial Specialist Pierre Richer at the U.S. Consulate in Montreal. Tel: (514) 908-3661 or Email: Pierre.Richer@mail.doc.gov.

Any U.S. company that collects personally identifiable information on Canadians should be aware of new privacy legislation in Canada, which went into effect on January 1, 2001. Under the law, consent is required to collect, use, or transfer information on individuals, or to use the information for other than the original purpose for which it was obtained. While the law initially applies only to federally regulated business in Canada (e.g., airlines, banks, telecommunications firms, etc.), it will apply to all companies, including U.S. firms doing business in Canada, by the year 2004. U.S. companies operating in Canada are advised to consider the implications of this legislation immediately. Unless the required consumer consent is in place, a company will not be able to use, as of 2004, any information collected on individuals prior to 2004.

For more details, see the document entitled: "Your Privacy Responsibilities: A Guide for Businesses and Organizations to Canada's Personal Information and Electronic Documents Act" on the Internet at http://www.privcom.gc.ca/english/02_06_06_e.htm, or contact Commercial Specialist Annie Crombie at the U.S. Embassy in Ottawa. Tel: (613) 688-5220 or Email: Annie.Crombie@mail.doc.gov.

SOUTH KOREA

On December 15, 2000, Minister Ahn Byung-Yub of the Ministry of Information & Communication (MIC) announced the winners of the two asynchronous type IMT-2000 operator licenses, SK Telecom (tentatively named SK-IMT) and Korea Telecom (KT-IMT). Two other bidders, LG Electronics (LG Glocom) and Hanaro Telecom (Korea IMT-2000), lost the battle for an operator license. In October, MIC had announced that three carriers would be given licenses - one to adopt asynchronous Wideband-CDMA (W-CDMA), one to adopt synchronous CDMA-2000, and one to adopt either Wideband-CDMA or CDMA-2000. However, all the country's carriers have noted their interest in migrating to W-CDMA. The Ministry made it clear at that time that one company would inevitably lose if all three applicants were to apply with the same technology mode (asynchronous W-CDMA). By the deadline of October 31, four Korean telecom companies had applied for one of three IMT-2000 operator licenses. Three companies, SK Telecom, Korea Telecom, and LG Electronics, applied for an asynchronous W-CDMA license and one company, Hanaro Telecom, applied for synchronous CDMA 2000 license. SK Telecom was selected as the first successful bidder and KT Telecom as the second successful bidder. The proposals submitted by LG Electronics and Hanaro Telecom were either rejected or disqualified. For more information, contact the Commercial Service Office in Seoul at Email: Seoul.Office.Box@mail.doc.gov

On December 19, 2000, the Korea Broadcasting Commission announced that the Korea Digital Broadcasting System (KDB) consortium, led by state-run Korea Telecom (KT), was licensed as Korea's first operator of digital satellite TV broadcasting services. The other, unsuccessful bidder was Korea Satellite Broadcasting (KSB), led by Dacom's affiliate DSM, SK Telecom, the Tongyang Group and Rupert Murdoch's News Corp. KDB plans to launch satellite TV services in October 2001, with testing scheduled for July 2001. In 2001, 74 channels will be available and by 2005, the service will include a total of 114 channels. Among the 160 members of the KDB consortium, KT holds a controlling 18 percent stake, while Korea's three major terrestrial TV broadcasters also hold significant shares — KBS, 10 percent; MBC, 6 percent; and SBS, 3.2 percent. As foreign investors, EcoStar (U.S.A.) holds 5.0 percent and ITARR-TASS holds 0.2 percent. Under Korea's Integrated Broadcasting Act that was enacted on December 28, 1999, foreign investors may own as much as 33 percent equity in satellite businesses. For more information, contact the Commercial Service Office in Seoul at Email: Seoul.Office.Box@mail.doc.gov.

MACAU

Macau celebrated its first-year anniversary as a Special Administrative Region (SAR) of China on December 20, 2000, marking a smooth transition from Portuguese colonial rule to Chinese sovereignty. (Note: the Macau handover to China took place 18 months after that of Hong Kong.) The following week, U.S. companies hoping to do business in Macau were especially encouraged by President Clinton's December 28 signing of legislation which included the "United States-Macau Policy Act of 2000." This new legislation will now allow the United States to treat Macau, in some respects, as a distinct entity and will also allow U.S. government trade promotion agencies to operate and expend funds to support U.S. companies. For example, the Trade Development Agency and the Overseas Private Investment Corporation can offer their services in Macau SAR to assist U.S. company trade activities. Several other items in the past year also helped support U.S. company business activities. The United States and Macau SAR settled troublesome trade problems with the signing of a new cooperation agreement to combat illegal textile transshipments which circumvented U.S. quota rules. At the same time, this agreement will help to stabilize the Macau textile and apparel industry, the SAR's leading export earner. Macau has also committed itself to open up its telecommunications market. Last October, Macau allowed two Hong Kong-based operators to offer mobile phone operations. As a next step, Macau will issue a new comprehensive telecommunications ordinance in 2001, which may open more opportunities for U.S. companies in this gateway city to China. For more information, contact the Commercial Service in Hong Kong at Email: Hong.Kong.Office.Box@mail.doc.gov.

INDONESIA

During 2000, Indonesia began to emerge from the worst of the Asian economic crisis with growth for the year likely to exceed 4 percent, a huge improvement over 1998's contraction of nearly 14 percent. The 1998 crash reverberated through the domestic airline industry, with one airline stopping operation and the national carrier, Garuda, together with Merpati, Mandala, Bouraq and Dirgantara, slashing their routes and scheduled flights. However, with the recovery of the economy, airlines in Indonesia are once again taking off. In less than one year, at least seven airline companies have received business licenses and three of them have begun scheduled services. The capacity, which was added by the three new airlines operating four aircraft, is still not enough to serve the 7.5 million potential passengers who are demanding airline services.

With huge potential demand and the emergence of newly competitive and potentially profitable airlines, U.S. firms will find numerous export opportunities in Indonesia. On the top of the shopping list for most of the new airlines are leasing services, aircraft spare-parts and maintenance services. U.S. exporters of airport security systems and air traffic control will also find opportunities as a number of airport upgrade projects, which had been on hold are now becoming operational. For more information on the aviation industry in Indonesia, contact CS Indonesia Commercial Specialist Anasia Silviati at Anasia.Silviati@mail.doc.gov.

AUSTRALIA

On November 6, 2000, the Australian Minister for Defense, John Moore, released the long-awaited Defense White Paper, "Defense 2000: Our Future Defense Force". After more than a year of uncertainty, the Australian defense industry now has Australia's defense blueprint for the first quarter of the new millennium. A key feature of the White Paper is a commitment to an increase in defense funding of an average three percent per annum for the next ten years to a total of $13 billion in real terms. Although Government of Australia representatives stated that local defense industry would benefit from the additional spending, U.S. firms should benefit as well. For more information, contact the Commercial Service in Sydney at Email: Sydney.Mail.Box@mail.doc.gov.

PAKISTAN

Under the Government of Pakistan's Universal Internet Access policy, more than 300 towns and villages in Pakistan now have access to the Internet. This is in sharp contrast to the 29 towns that had access to Internet only three months ago.

The government has also announced reduction in time it takes to process applications for new licenses for telecommunication services. Under the new regime, the Pakistan Telecommunications Authority (PTA) has only seven days to process an application for a telecommunications license. This is a significant improvement over the previous set up under which it took several months to process an application for a license.

The government has also announced new investment incentives for the Information Technology sector that includes 1) five-year tax holidays for software firms, 2) zero tariff on import of computer equipment, and 3) the ability to maintain 25 percent of earnings in a foreign currency account.

In a recent Information Technology 2000 Conference held in Islamabad, the Minister for Science & Technology disclosed that the government was in serious discussions with several U.S. firms to set up training centers in Pakistan. In addition, the Minister announced that World Bank had expressed interest in setting up a portal for e-commerce in Pakistan. For more information, contact the Commercial Service in Islamabad at Email: Sumera.Siddiqui@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 (800) USA-TRAD(E).