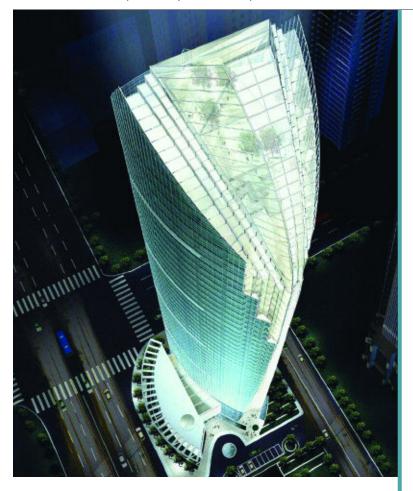
# Exporting

BY JEFF STEPHENS

## U.S. COMPANIES FIND CUSTOMERS ABROAD

TAKES OFF IN THE UNITED STATES, aspiring manufacturers and service providers are looking overseas for the AS GREEN BUILDING next big business opportunity. What they're finding is a relatively untapped market with eager customers; a booming construction trade; and a fully developed, yet little known, export assistance program. A program of the Washington, D.C.-based U.S. Department of Commerce, U.S. Commercial Service boasts government officials eager to make introductions, schedule appointments and serve as trade tour guides in foreign countries. • Despite cultural differences and logistical challenges, every U.S. business offering green-building products and services should evaluate the potentially lucrative export market.



▲ THE ZHONGRONG JASPER TOWER will be located in the Lu Jia Zui Financial District of Shanghai. The building consists of an office tower and podium building that will provide leased spaces for international financial institution tenants and private corporate office suites. Four floors will be connected by sky atriums with cascading gardens and spectacular views of the river and city.

#### **GOVERNMENT ASSISTANCE**

In fiscal year 2006, U.S. Commercial Service helped more than 69,000 exporters achieve more than \$63 billion in export sales across all categories. U.S. Commercial Service trade specialists in 107 U.S. cities (via Export Assistance Centers) and in more than 80 countries help companies get started in exporting or increasing sales to new global markets. The service provides market research, trade missions that promote specific products or services to qualified buyers, introductions to qualified buyers and distributors, counseling and advocacy. Some offices provide additional assistance tied to events, such as Commercial Service Vancouver, which is helping U.S. companies find market opportunities related to the 2010 Olympic and Paralympic Winter Games. For information about how you can get involved, visit www.buyusa.gov/canada/en/vancouverolympics.html.

Mark Wells, senior international trade specialist for U.S. Commercial Service, focuses on the green-building sector and notes the program can help companies promote a variety of goods and services, including architecture/engineering/construction services, sustainable design and construction, building information modeling, building products, urban planning and district energy, among others. Targeted business sectors include health care, airports, commercial buildings, water and wastewater, transportation/roads, tourism, real estate and energy.

"There are huge export opportunities for green building and sustainable products in overseas markets, particularly in developing countries, and the U.S. Commercial Service can help firms identify project opportunities and establish business partnerships in their target markets," Wells says.

#### CHINA

Asia is the world's biggest construction market, and China accounts for the bulk of construction projects. The Washington, D.C.-based World Bank estimates by 2015 roughly half the world's new-building construction will take place in China. U.S. Commercial Service estimates China's market for



architecture, engineering and construction services is \$315 billion. Therefore, the potential for green-building products and services in China is limited only by a firm's imagination.

There are, however, some barriers to success in China. Extensive capital and personnel requirements limit construction projects to only the largest and most established foreign firms. Also, only licensed firms can stamp engineering drawings, and it is rather difficult for foreign firms to obtain licenses. Firms in China also are not allowed to specify products by name in their designs, providing contractors the opportunity to substitute inferior materials without the written approval of a designer or owner. Partnering with local firms is a must. Luckily, U.S. Commercial Service has six offices in China, including Beijing, Chengdu, Guangzhou, Hong Kong, Shanghai and Shenyang.

#### CANADA

According to U.S. Commercial Service, there is a pent-up demand for green buildings in Canada, and numerous real-estate developers are applying to have their projects certified through the Ottawa, Ontario-based Canada Green Building Council's LEED program.

In September 2006, U.S. Commercial Service organized the U.S.-Canada Architectural/ Engineering Partnering Seminar in Toronto and Vancouver. Participating architectural/engineering firms gained direct access to Canadian architects and green-building industry contacts interested in business partnerships to pursue projects in Canada, the United States or other international markets.

The U.S.-Canada Intelligent Building Conference and Partnering Event planned for



▲ DALIAN-GILSON HOSPITAL currently is being constructed in Dalian, China. Nashville, Tenn.based Gresham, Smith and Partners partnered with Dr. Albert Gilson, president of U.S.-based Healthcare Solutions International and Jiang Changloin, chief executive officer and professor of the Second Affiliated Hospital of Dalian Medical University. Gilson and Changloin fuse the best of western medicine with the culture and expertise valued by the Chinese people.

[LEFT] Schematic design for the HANGZHOU INTERNATIONAL CO+EX CENTER. Hangzhou, China, is complete. Gresham, Smith and Partners won this project by participating in an international competition in June 2001. The project is a mixed-use development in a tourist zone and has an estimated cost of 3.3 billion yuan (\$400 million).

May 30 in Toronto will enable U.S. firms specializing in building automation products and services to showcase their company's achievements and expertise to senior Canadian business leaders. Participants make 20-minute presentations to Canadian architectural, engineering and property-management firms, as well as building owners. Attendees receive briefings from Canadian public/private sector experts about trends, opportunities, changing regulations and financial strategies affecting the industry. Acting as a diplomatic matchmaker, the U.S. Consulate is providing networking opportunities with key Canadian government and business

representatives. For more information, contact Viktoria Palfi at viktoria.palfi@mail. doc.gov or (416) 595-5412, ext. 229.

In addition, U.S. Commercial Service is hosting a Green Building Products Trade Mission to Hong Kong, the Philippines and Singapore, June 4-12. The mission offers opportunities to tap into some of the fastest-growing markets for U.S. green building products and services. For attendance information, visit www.buyusa.gov /downtownlosangeles/greenbuild asia.html, or contact Amy Magat at amy.magat@mail.doc. gov or (213) 894-3966.

#### **MEXICO**

Mexican officials have realized sustainablebuilding practices represent a viable way to reduce Mexico's energy consumption and dependence on nonrenewable energy. According to U.S. Commercial Service, commercial and office-building construction and especially tourism infrastructure represent a potential green-building market in Mexico. Residential and nonresidential building envelope systems, building materials, and water- or energy-saving products are the best prospects in the Mexican market.

Establishing joint ventures with Mexican developers to create products and services in accordance with Mexican construction techniques is the suggested way to enter the market. Because personal relationships in Mexico are crucial, service providers can benefit by providing educational seminars to build awareness within the market.

#### SUCCESS STORIES

Many firms have successfully tapped into U.S. Commercial Service's resources. One example is Gresham, Smith and Partners, Nashville, Tenn. The firm worked closely with the Nashville Export Assistance Center and more than 12 overseas Commercial Service offices. GS&P now is the lead architect on various Chinese projects, including the Zhongrong Jasper Tower, Pudong district, Shanghai; Dalian-Gilson Hospital, Dalian; and Shenzhen Eye Hospital, Shenzhen. The firm also worked on the Hangzhou International CO+EX Center, Hangzhou. GS&P also has completed international projects in Korea and Latin America and is pursuing new opportunities in the European market.

In 2005, the U.S. Green Building Council organized a 14-member trade mission to Shanghai and Beijing. According to Jervy Zhu of GBBN Architects, Cincinnati, "The trade mission provided essential business opportunities and possibilities. Being a part of the delegation gave us credibility and instant respect in China."

At the local level, Ori Sivan, co-founder of GreenMaker Supply, a Chicago-based greenbuilding supply company, recently participated in a trade mission organized by the state of Illinois that visited four cities in China to promote Illinois products and services. According to Sivan, the trip helped establish local contacts enabling GreenMaker Supply to go direct to Chinese suppliers to control costs and ensure the environmental quality of products. Sivan also sees long-term potential for his business in China. Other states with green-building export programs include Arizona and Maryland.

#### **FUTURE EXPANSION**

By all accounts, U.S. green building has finally come of age. Building owners and managers are embracing it to provide lower ongoing costs. Architects, designers and contractors better understand certification schemes and environmental claims. Product manufacturers are responding with new and innovative offerings that meet market needs. The next green-building frontier is the international

market. With Export Assistance Centers in more than 100 U.S. cities, tapping into the lucrative green-building export market may be as easy as picking up the phone. 🦠

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### **RESOURCES**

- U.S. Commercial Service, Washington, D.C., www.export.gov
  - Mark Wells, senior international trade specialist, (202) 482-0904, mark.wells@mail.doc.gov
- Evergreen Building Products Association, Portland, Ore., x.ep.org
- U.S.-China Build, Portland, x.uschinabuild.org
- Canada Green Building Council, Ottawa, Ontario, Canada, www.cagbc.org
- Mexico Green Building Council, Monterrey, Mexico, www.mexicogbc.org
- World Green Building Council, www.worldgbc.org



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