# GLOBAL NEWS LINE

## AUSTRALIA

**The Green Electricity Market (GEM) represents a dynamic and positive energy industry response to the pressing challenges of economic sustainability, industry development, and reducing Australia's greenhouse gas emissions.** The GEM is Australia's only spot market for renewable energy certificates.

The green power market is just emerging, but it is expected to double in the next few years. Therefore, new and innovative technology, services, and equipment will be required. There are hundreds of products used to produce hydroelectricity, solar power, wind power, and biomass electricity.

The products with the best prospects are those that are environmentally friendly and produce electricity while reducing the use of fossil fuels. State-of-the-art services and technologies are required to produce green power. Renewable energy markets are sensitive to local factors, such as energy prices, regulations, import duties, and rapidly changing government policies.

U.S. companies interested in green power opportunities in Australia should contact the Australian EcoGeneration Association (www.ecogeneration.com.au) for timely market analysis and a list of renewable energy projects.

## COSTA RICA

**Thanks to a successful, ongoing marketing campaign by the government and industry, Costa Rica is renowned as a safe tourist destination.** It offers even the most discerning visitor a wide array of experiences, ranging from a simple trip to the beach to a series of ecological encounters in the rain forest. As a result, during the last four years, tourist arrivals increased significantly, and the Costa Rican hotel and restaurant equipment industry experienced strong growth. Construction of new hotels, restaurants, and food and beverage outlets took place throughout the country. This in turn fueled a corresponding demand for hotel and restaurant supplies and equipment.

The consensus within the local industry is that 2002 will be unremarkable, with U.S. market share remaining at the 2001 level. Prospects should begin to improve in 2003–2004, when the industry is expected to grow again at an annual rate of 3 to 5 percent. In 2001, the U.S. market share of hotel and restaurant equipment was 38.4 percent.

Industry sources point out that the recovery will be helped to a large extent by the Costa Rican government's policy to improve tourism industry infrastructure, its continued marketing efforts abroad to attract visitors, the anticipated success of its new economic policies, and overall improvement in the global economy. The new presidential administration took office in May 2002. In August, President Pacheco created a special commission to look at the nation's competitiveness by sector, including tourism and infrastructure. The commission's report became available September 4, 2002.

## DENMARK

**The Danish market for electro-diagnostic equipment is small, competitive, and profitable.** Manufacturers and distributors of electro-diagnostic equipment are part of an industry with estimated revenues of $650 million. Some 4,000 people work in the industry (including end users). Local competition is concentrated within certain fields, such as blood-gas analyzers and diagnostic systems solutions. Where local competition exists it is proving very difficult for rival U.S. manufacturers to compete with the sales and service terms and conditions offered by their Danish rivals. Ninety percent of local production becomes exports. Third-country competition is also strong, particularly from Germany. The U.S. market share is approximately 20 percent.

## HUNGARY

**The air conditioning market should continue to grow at least as fast as the overall economy, and it shows signs of outpacing demand for other durable consumer goods.** However, it will not be an easy market for U.S. producers to enter, because of stiff competition and the very price-conscious nature of Hungarian consumers. Major American manufactures (such as Carrier, Trane, and Fedders) have long had a foothold in Hungary. The Hungarian Refrigeration and Air Conditioning Association has more than 400 members, including dealers and contractors able to market and properly install U.S. brand products. However, U.S. producers face tough competition from low-cost Asian producers as well as European firms with strongly developed logistics and distribution networks.

The best prospects for U.S. companies will probably be in large commercial units and electronic climate control systems. In the consumer market, U.S. companies should be able to expand sales of quality window units and whole house "split systems" as more sophisticated and higher income consumers make the decision to permanently improve their properties. Educating consumers through advertising and consumer magazines could pay dividends for American companies.

## POLAND

**Interest in the Internet, for both business and household use, has grown rapidly in Poland.** With a population of approximately 39 million and over 1.8 million registered companies, Poland is an expanding market for Internet development. However, the Polish economy has slowed in the last two years. In 2001, the gross domestic product (GDP) growth rate was only 1 percent. Additionally, the worldwide dotcom crisis affected high-tech companies in Poland. Despite these difficulties, Internet use grew 18 percent last year, and it is expected to continue developing at a faster pace than the overall economy and faster than the information technology sector.

Moreover, Poland's telecommunications market will open to foreign services and investment at the beginning of 2003 with the removal of the TPSA monopoly in international voice services. Only the use of wireless technologies will require allocation of radio frequencies. While the new telecommunications law envisions the unbundling of the local loop market, executive regulations are not yet in place. A new e-signature law came into force in mid-August 2002; it will likely lead to broader use of the Internet.

## PORTUGAL

**The Portuguese franchise market continues to grow steadily.** The greatest concentration of franchises is in the retail/clothing area with a 52.3 percent market share, followed by services with 38.7 percent, and hotel/restaurants with 9 percent. There are 363 franchisors operating in the market, and the number of franchised units is estimated at 7,116. Portuguese franchisors represent 37.2 percent of the total franchise units in the country, followed by Spain with 25.9 percent, the United States with 13.2 percent, and France with 8 percent.

Franchising as a business concept has not yet reached full maturity in Portugal. The automotive service sector in Portugal is still composed of many small repair shops, which tend to be outdated and do not meet consumer demand. The technical requirements of new vehicles are greater, and the traditional repair shops need to invest in new equipment or be replaced by the fast service type of automotive repair. Fast service auto repair and maintenance shops are beginning to enter the market. Best U.S. export prospects include service equipment, aftermarket options, and car care products.

## EGYPT

**Dramatic changes have occurred in Egypt's telecommunications sector since Law 19 of 1998 replaced Telecommunications Law 153 of 1980.** The formation of Egypt's Ministry of Communications and Information Technology in October 1999 also marked the beginning of a new era for Egypt's telecommunications and information technology sector. The sector now has a new regulatory framework and more liberal conditions.

There are nine telecommunications service providers licensed to do business in Egypt: Telecom Egypt, the government entity that operates the traditional fixed landline network; two GSM (mobile telephone) companies; two providers of pay phone services; and four low earth orbital systems operators (VSAT Service, Anmar-Sat, Al-Soraya, and Global-Sat).

Egyptian fixed-line telecommunications services are among the fastest growing in the Middle East and North Africa. By the end of 2000, Egypt's telecommunications revenue from the fixed line network alone amounted to more than $2.5 billion, representing 2 percent of Egypt's total GDP (this ranked Egypt second after Saudi Arabia in the Arab region). In 2001, Egypt's revenue from all telecommunications services exceeded $3.3 billion. The rapid growth of the GSM market in Egypt is largely responsible for the high overall growth in revenues, accounting today for an estimated 40 percent of total telecommunications revenue.

A third 1800 GSM license was scheduled to be launched by Telecom Egypt in December 2002. However, Commercial Service sources report that this launch will likely be delayed until the second half of 2003, at the earliest. The latest information indicates that Telecom Egypt is still in the process of evaluating offers from three international operating companies (two of them reportedly American) to provide this service.

Egypt's telecommunications master plan consists of the modernization of the backbone of the sector by both expanding the capacity of the network and upgrading the current circuit switching technology to the more efficient packet switching technology. As a result, there will continue to be many export opportunities in Egypt for U.S. companies as Egypt upgrades and expands its telecommunications infrastructure to meet the growing demands of business and residential customers.

**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 e-mail, is available by calling the Trade Information Center at (800) USA-TRAD(E).