



May 2005

Export News

North Texas Export Assistance Center
U.S. Department of Commerce
International Trade Administration

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The North Texas Export Assistance Center is part of the U.S. Department of Commerce U.S. & Foreign Commercial Service (CS). The CS mission is to assist small-to-medium sized businesses with exporting their products and services worldwide. For more information on the CS, see www.export.gov/cs

25th Anniversary

On April 1, 1980, the U.S. State Department transferred all commercial activities to the U.S. Department of Commerce, creating the Foreign Commercial Service (FCS). A year later, in 1981, domestic offices were added to FCS, creating the U.S. & Foreign Commercial Service.

Today, U.S. & Foreign Commercial Service, otherwise referred to as the Commercial Service (CS), has a network of 107 U.S. Export Assistance Centers throughout the country, and more than 150 offices overseas. In 2004, CS facilitated over \$23 billion in U.S. exports, and conducted nearly 150,000 counseling sessions with American companies.

Exports increase American jobs, and companies that export pay higher wages than those that do not. The U.S. Commercial Service has played and will continue to play a vital role in the growth of U.S. exports.

Price increases

The U.S. Commercial Service offers an array of assistance to U.S. exporters. To compliment the counseling provided by its domestic and overseas Trade Specialists, the U.S. Commercial Service offers a variety of fee-based products and services. These products and services include custom research, pre-screened appointments, background checks on prospective partners, and other marketing initiatives undertaken on behalf of and tailored to individual clients. Due to U.S. Government directives to bring the cost of providing these custom services into alignment with the fees charged to our clients, price increases will be introduced throughout 2005.

For each product or service offered, user fees will be organized according to four country groups or bands. These bands reflect four cost categories, which have been determined to be the best avenue for simplifying and standardizing fees paid. Depending upon which country group a client's target market falls under, they will pay a graduated fee based on that grouping or band. These groupings reflect the varying labor rates in various parts of the World.

The first two products to incur price increases are the International Company Profile (ICP), which provides a comprehensive background report on a prospective representative, distributor or buyer, and the International Partner Search (IPS), which provides a list of prospective partners tailored to your firm's specifications. These products are newly priced effective March 1, 2005.

The initial price increases will be followed by others until full cost recovery is achieved. This will occur over a one-year time-frame. Cost-recovery methodologies for all other fee-based Commercial Service products are planned for implementation during 2005.

We welcome your comments on these price increases and how you feel they will affect your future use of these services and your ongoing export expansion efforts. Please send any comments to: North.Texas.Office.Box@mail.doc.gov

News

New EU Sanctions on US Goods Pending Retaliation for Byrd Amendment

The European Commission is proposing an additional duty of 15% as of May 1, 2005 on a range of products including paper, agricultural, textiles and machinery products. The sanctions are in response to the Continued Dumping and Subsidy Offset Act (Byrd Amendment) which provides that anti-dumping duties collected following a complaint from U.S. companies are distributed to those companies that brought or supported the complaints. Legislation to bring the Byrd Amendment into conformity with U.S. WTO obligations has been introduced in the US Congress. In Europe, the proposed regulation will be voted on this month. For a list of products which will be effected, contact our office.

Countries Under US Sanctions

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) administers and enforces economic and trade sanctions based on foreign policy and national security goals against targeted foreign countries, terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction. Countries on this list include Cuba, Iran, North Korea, Sudan, and Syria. To review fact sheets on countries under U.S. sanctions, visit <http://www.treas.gov/offices/enforcement/ofac/sanctions>

US Commercial Service Free Trade Leads Database

View announcements from qualified international companies looking to source U.S. products and services and advertise government tender projects through our trade leads database. All of our trade leads are pre-screened by our U.S. embassy or consulate staff overseas and are provided as a free service for U.S. exporters. All leads are searchable by industry or by country. You will be asked to register the first time you use the database. http://www.export.gov/comm_svc/tradeleads/tradeleads.html

Customs Ruling Online Search System - CROSS

When a product enters the U.S. and there is a concern as to the appropriate classification code, then a ruling is made in CROSS. These rulings can also be used as a cross reference to schedule B or HS#. A search can be done by keyword, or click on "Downloadable Rulings". There are also links to other useful information for international trade, such as the Harmonized Tariff Schedule, Customs Bulletins, and the Customs Valuation Encyclopedia. For more information, please visit <http://rulings.customs.gov/>

SPP of North America

On March 23, 2005, Canadian Prime Minister Paul Martin, Mexican President Vicente Fox and U.S. President George W. Bush met at Baylor University. At the meeting's conclusion they announced the establishment of the Security and Prosperity Partnership of North America (SPP). For details of the partnership, please visit <http://pm.gc.ca/eng/news.asp?id=443> or contact our office for a hard copy of the report.

Egypt Lifts Ban on US Beef Products

March 25, 2005—US Agriculture Secretary Mike Johanns announced that Egypt is immediately resuming imports of US beef and beef products from animals less than 30 months of age.

Olympic Updates

2006 Winter Olympics - Turin

US firms still have a chance to supply Turin Olympics Organizing Committee with the products and services included on the following list, provided that the firms agree to become sponsors to the Games for those products and service categories. A sponsorship agreement will provide worldwide visibility to a firm and may entail a cash or "value in kind" contribution from the firm to Turin Olympics Organizing Committee

For procurement needs that are worth over 100,000 Euros, TOROC also normally publishes a tender on its website. US firms are therefore advised to periodically check the following page on the TOROC website:

<http://www.torino2006.org/comitato/content.php?idm=100102>

TOROC also advises that another way for small and mid-size US companies to access Olympics-related opportunities could be to service the existing, large US sponsors or suppliers to the Games. For a list of those sponsors, please refer to the following page on TOROC's website:

<http://www.torino2006.org/comitato/content.php?idm=100103>

For more information, please visit:

<http://www.buyusa.gov/italy/en/winter.html>

2008 Summer Olympics - Beijing

The City of Beijing is planning to invest more than \$23 billion in preparation for the Olympic Games in 2008. Much of this money will be spent on construction projects in the following areas: Olympics facilities, transportation, telecommunications, and environmental improvements. Some of the projects are continuations of city improvements that have been planned for years. Others are entirely new projects that will now come to fruition since Beijing has been officially selected to hold the Olympics. Coupled with the Beijing municipal government promise that bidding on these projects will be open on an equal basis to both foreign and domestic companies, the 2008 Games could be a very enticing business opportunity. For more information, please visit:

<http://www.buyusa.gov/china/en/olympics.html>

2010 Winter Olympics - Vancouver

At present the Vancouver Organizing Committee for the 2010 Olympic & Paralympic Winter Games (VANOC) is focusing its procurement activities in areas where an immediate need exists. In addition, the Province of BC Olympic Games Secretariat has launched a website to assist businesses wishing to take advantage of the opportunities arising from the Games.

In the very early stages, much of what is acquired by VANOC will be related to the office operations of the organization, construction activities (including design, environmental work, etc.), and Games-specific expertise for early planning.

Over the next six years there will be numerous opportunities for American firms to ensure their products and services are used in the upcoming 2010 Winter Olympic and Paralympic Games in Vancouver Canada. US firms are encouraged to begin the process of getting their products into the local distribution channel as early as possible and to begin monitoring the official procurement websites. The U.S. Commercial Service in Vancouver is in a unique position to assist US firms establishing the right linkages with local firms, organizations and government officials involved with the decision making for 2010. For more information, please visit:

<http://www.buyusa.gov/canada/en/vancouverolympics.html>

Texas and CAFTA-DR

CAFTA-DR Provides Enhanced Market Access to the Dominican Republic and Central America

CAFTA-DR will boost opportunities for Texas exporters throughout the region, providing new market access for the state's products. More than 80 percent of U.S. exports of consumer and industrial products to Central America and the Dominican Republic will be duty-free immediately upon entry into force of the agreement, with remaining tariffs phased out over 10 years. Key U.S. exports, such as information technology products, agricultural and construction equipment, paper products, chemicals, and medical and scientific equipment, will gain immediate duty-free access to Central America and the Dominican Republic.

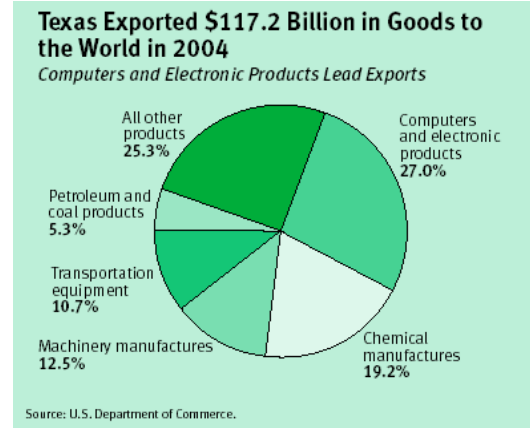
Export shipments of merchandise - manufactures and non-manufactures - by Texas to the CAFTA-DR region (Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) totaled \$1.8 billion in 2004, second only to Florida's \$3.2 billion among the 50 states.

Exports to the CAFTA-DR group grew by \$650 million from 2000 to 2004, the second-largest dollar gain among the states. Only North Carolina recorded greater growth in exports to this region over the five-year period. This 58 percent increase far exceeds the 16 percent gain in total U.S. exports to CAFTA-DR markets over this period.

Collectively, the countries of CAFTA-DR were the 12th-largest export destination for Texas in 2004. Individually, several CAFTA-DR markets are multimillion-dollar trading partners for Texas. In 2004, Guatemala alone received merchandise exports from Texas totaling \$484 million and was the state's 32nd largest market.

CAFTA-DR: Fuel for Texas's Export-Oriented Industries and Economy

Petroleum and coal exports from Texas to the CAFTA-DR region in 2004 were valued at \$491 million, or 28 percent of the state's total merchandise exports to this market. Texas exports of petroleum and coal products to CAFTA-DR increased \$196 million from 2000 to 2004, and more than 90 percent of these exports will receive duty-free treatment immediately upon implementation of the agreement.



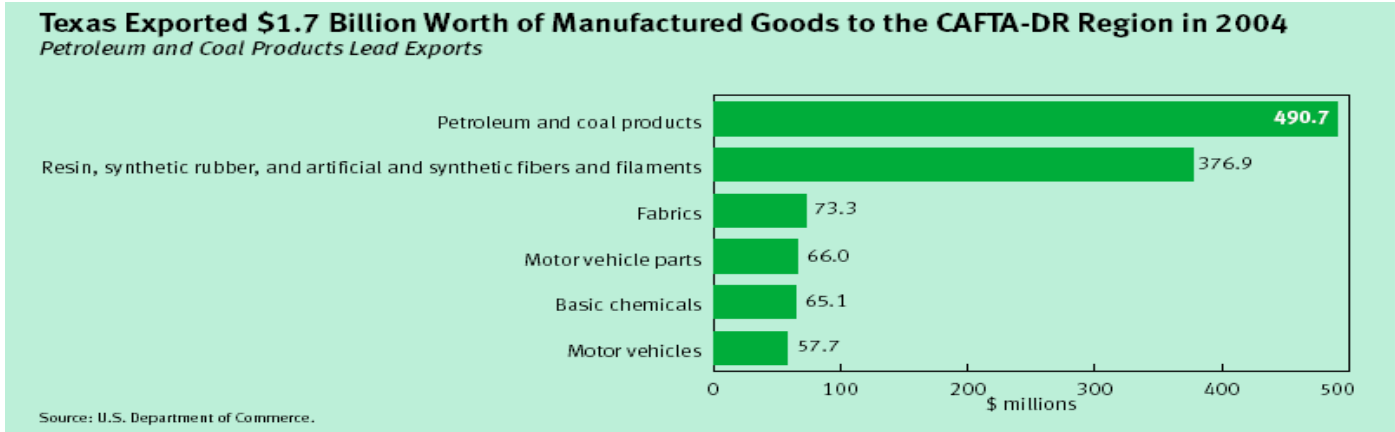
CAFTA-DR Opens Markets for Other Key Texas Exports

Manufactures accounted for 94 percent of total merchandise exports from Texas to the CAFTA-DR region in 2004.

Chemical manufactures. In dollar terms, the state's leading export growth category in the CAFTA-DR region is resins, synthetic rubber, and artificial fibers and filaments. Export shipments of these products from 2000 to 2004 grew from \$163 million to \$377 million. Tariffs on these and other high-value chemical products, such as residual pharmaceuticals, medications, and insecticides/herbicides, will, in most cases, be phased out immediately or in five years. Exports of chemical manufactures from Texas to the CAFTA-DR region totaled \$491 million in 2004.

Transportation equipment. In 2004, Texas exports of transportation equipment to the CAFTA-DR region totaled \$132 million, reflecting a \$36 million and \$61 million increase, respectively, in exports of vehicles and parts, from 2000 to 2004. CAFTA-DR will eliminate the 11 percent average tariff that Central American nations and the Dominican Republic impose on autos and parts. Of particular note, CAFTA-DR will eliminate El Salvador's 30 percent auto import tariff.

High-tech products. CAFTA-DR improves market access for computer and electronic products, which is the top global export for Texas. All exports of products covered by the Information Technology Agreement, including important Texas exports such as computer equipment and communications equipment, will receive duty-free treatment immediately upon implementation of the CAFTA-DR agreement.



Market Research

Market Focus - Malaysia

U.S.-Malaysia bilateral trade totaled U.S. \$35.4 billion in 2003, ranking Malaysia as America's 10th largest trade partner and its largest trade partner in SE Asia. Trade data for Jan-Nov 2004 indicates a 7% increase in bilateral trade, most of it due to arise in Malaysian exports. Though the U.S. is Malaysia's top trade partner, neighboring ASEAN nations and Japan lead in providing Malaysia with its imports.

The U.S. has consistently been the largest foreign investor in Malaysia, with significant presence in the oil and gas sector, manufacturing, and financial services. The cumulative value of U.S. private investment in Malaysia exceeds \$28.6 billion (according to latest Amcham estimates, see For. Inv. Climate section below), 60% of which is in the oil and gas and petrochemical sectors with the rest in manufacturing, especially semiconductors and other electronic products.

The Malaysian economy grew 4.2% in 2002, 5.3% in 2003, 7.2% in 2004, and the government has targeted 6% growth for 2005. Experts express some reservations about the effect of continued high oil prices, interest rate hikes in the U.S. and the anticipated moderation of the Chinese economy's growth, but are optimistic overall.

In March 2004, Malaysian voters voted overwhelmingly to support the coalition led by new Prime Minister Datuk Seri Abdullah Ahmad Badawi. The mandate Abdullah's coalition party won was a vote for continued promotion of international trade and foreign investment, as well as for moderate political policies that have made Malaysia a respected leader in Southeast Asia and the Muslim world.



Most exporters find using local distributors an easy first step for entering the Malaysian market. A local distributor is typically responsible for handling customs clearance, dealing with established wholesalers/retailers, marketing the product directly to major corporations or the government, and handling after-sales service.

Sales to the government require a local agent and/or a joint venture partner. Additionally, direct involvement by the U.S. company and demonstrations of longterm commitment to the local market are essential for contracts of significant size.

For those firms considering investing locally, in Aug. 2004, the Malaysian government simplified the procedures for foreign investors intending to purchase property or stakes in Malaysian corporations.

Malaysian Leading Opportunities

Oil & Gas: The 2001-2005 Malaysia Economic Plan earmarked \$16.2 billion for domestic investment in the petroleum sector, \$10.9 billion of it for exploration, development, and production by Petronas.

Healthcare: The government will spend \$1.4 billion on healthcare through 2005, and the private sector an additional \$1 billion. More than 70% of drugs and medical devices were imported in 2003.

Manufacturing: The manufacturing sector is robust, representing 31% of Malaysia's GDP and 86% of its exports. This sector will continue to be significant, sustaining demand for industrial automation and process control equipment.

Environment: Malaysia had to process almost 12,000 tons of municipal solid waste in 2003. That burden is growing at 15% a year, with advanced landfill, waste processing, and disposal being the priorities.

Other Opportunities: Excellent export opportunities include safety & security products and services, building materials, internet-based software and services, 3rd generation wireless communication solutions, and biotechnologies.

To investigate the Malaysian market for your products and services, please contact our office.

Asia Now Videoconference

South Korea ranks among the top countries in the world in terms of internet usage and broadband penetration. The overall South Korean market for IT and telecommunications equipment, services, and solutions was worth an estimated \$150 billion in 2004 and grew at an estimated rate of 8-10 percent over the previous year.

The Asia Now 2005 South Korea Videoconference will allow you to gain insight on the IT market from the experts. Learn about the ins and outs of doing business in South Korea from the US Commercial Officers and Trade Specialists at the US Embassy in Seoul.

The US Embassy in South Korea will help assist you with finalizing market decisions, addressing company-specific issues, determining travel plans, and explore future international business opportunities in the IT market.

Learn how to successfully negotiate in the local business culture, gain valuable insight of current events, available resources, and upcoming market activities.

The videoconference will be held at the Sprint Corporate Office on Wednesday, May 18, from 6:30pm - 8:00pm. Cost for the event is \$45. Please contact Danielle Arnold at our office for more information.

The U.S. Commercial Service in Asia publishes Asia Now e-News, a free monthly newsletter with information and trade leads for U.S. exporters who want to increase their sales in the Asia-Pacific region. To register for a free subscription, please visit <http://www.buyusa.gov/asianow/enews.html>



Welcome

Elizabeth Graham

Ms. Graham joined the North Texas office this April. She transferred from the Newport Beach Export Assistance Center where she worked with clients in the Information Technology, Education and Training, Sporting Goods, and Electronic Component sectors for five years. During this period, she also served as the Intern Coordinator for the office and the national ICT Team Leader for two years. Ms. Graham joined the Commerce Department in January 1989, and served in its Import Administration for 10 years.

In her capacity as a Senior International Trade Specialist in the North Texas U.S. Export Assistance Center (NTEAC), Elizabeth will be responsible for assisting companies in the following sectors:

In addition, she will be responsible for managing the NTEAC's Congressional Outreach, Media Outreach, and Intern Programs.

Farewell

Bill Modlin - DEC Chairman

Bill Modlin will be leaving Texas and moving to New Hampshire.

Sheryl Pinckney-Maas - Commercial Officer

As of March of 2005, Sheryl has been reassigned to the Hague in the Netherlands as a Commercial Officer. You may reach her at : Sheryl.Pickney-Maas@mail.doc.gov

Staff Directory

Dan Swart - *Director*
 Elizabeth Graham - *Senior International Trade Specialist*
 Kenneth Haynes - *International Trade Specialist*
 David Royce - *International Trade Specialist*
 Greg Thompson - *Senior International Trade Specialist*
 Rick Schulze - *International Finance Specialist*
 Sybil Collins - *Export Assistance Specialist*
 Danielle Arnold - *International Trade Assistant*
 Doug Hale - *Rural Outreach Coordinator*

Local Events

MAY

- 12: **Catching the Wave: Emerging Market Opportunities and Funding Your Global Growth**
 Westin Galleria Hotel, 8am -4:30p,
 Get insight on trade finance programs, export promotion programs, emerging markets, and new free trade agreements.
- 23: **ASIA NOW! 2005 Videoconference: Korea**
 Sprint Corporate Office, 6:00pm -8:00pm
 Gain insight on the Korean IT market from the experts. Commercial Officers at the American Embassy in Seoul will assist you in exploring future international business opportunities in Korea without having to leave Dallas!
- 25: **NAFTA Certificate Training**
 Infomart, 8am-4:30
 Don't let the customs rules become a trade barrier! Seminar includes NAFTA rules of origin , customs procedures, marketing, and labeling.

JUNE

- 15-16: **BIS Licensing and Compliance Certificate**
 Compliance Certificate Seminar
 Infomart, 8am-4:30
- 17: **BIS Licensing and Compliance Certificate**
 Technology Controls
 Infomart, 8am-4:30
- 29: **The 2005 Mayor's Global Business Awards**
 Fort Worth Convention Center

Have You Checked The Lists?

Do you know your customer? Check the following lists before completing your export transaction.

Denied Persons List	Nationals List
Unverified List	Entities List
Specially Designated Debarred List	

Theselists can be found at
<http://www.bis.doc.gov/ComplianceAndEnforcement/index.htm#LTC>

Links

For more trade leads, market research, and export information, please visit:

<http://www.export.gov>

Additional trade resources may also be found at the following websites:

<http://www.buyusa.gov/home/>
<http://www.trade.gov/td/tic/>
<http://www.bis.doc.gov>
<http://lcweb2.loc.gov/frd/cs/cshome.html>
<http://www.aesdirect.gov>
<http://travel.state.gov/foreignentryreqs.html>
<http://www.export-worldguide.com>
<http://www.profitguide.com/export/>
<http://www.expoworld.net>

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