

# International Trade UPDATE

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February 2007

## 2006 Was a Record Year for U.S. Exporters

U.S. exporters are competing and winning in international markets.

BY DAVID LEVEY

U.S. exports grew at a robust rate in 2006 according to figures released in February by the Census Bureau. Last year, total U.S. exports grew by 12.7 percent to \$1.4 trillion, an increase of \$162.6 billion over 2005, while imports increased 10.5 percent to \$2.2 trillion. Also in 2006, merchandise exports grew 14.5 percent to \$1.0 trillion, while services exports expanded 8.8 percent to \$414.0 billion.

International trade is an increasingly important part of the U.S. economy. In 2006,

exports made up 11.1 percent or \$1.4 trillion of U.S. gross domestic product (GDP)—the highest ever increase. By comparison, this figure stood at 5.2 percent in 1956 and 9.6 percent in 2002.

“Our booming export numbers show the competitiveness of American workers and companies,” said Secretary of Commerce Carlos M. Gutierrez on the release of the latest trade statistics. “Our companies send more U.S. products to more international markets than ever. Our nation’s prosperity is dependent on engaging and winning in international markets.”

### Fast-Growing Export Sectors

Among the fastest-growing sectors in manufacturing exports were capital goods, such as airplanes, semiconductors, and industrial machines; industrial supplies, such as petroleum products, organic chemicals, and precious metals; and automotive vehicles, parts, and engines. In services, travel and passenger fares stood out, with a record \$107.4 billion in receipts last year.

Growth in U.S. Exports to Free Trade Partners, 2005–2006



Source: U.S. Department of Commerce.

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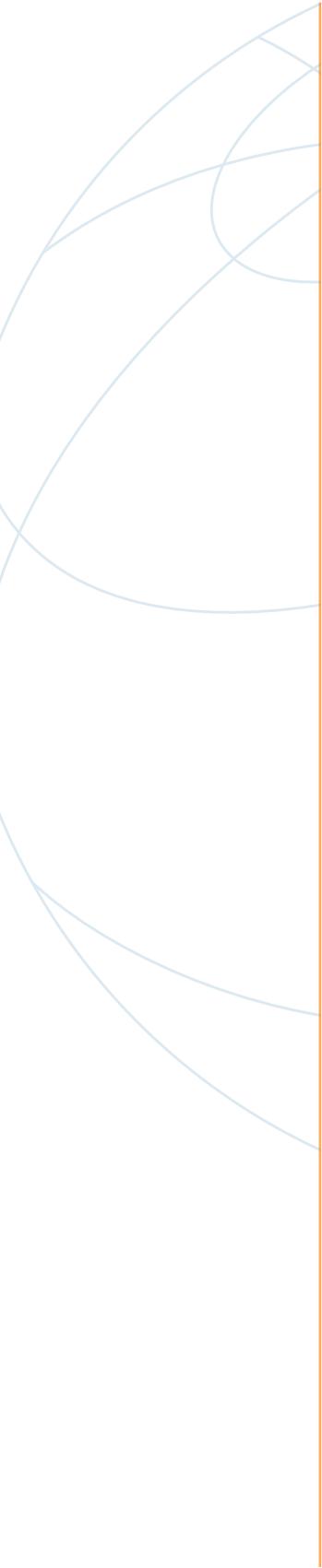
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# Clean-Energy Technologies Focus of Upcoming Trade Mission to India and China

In April, a Commerce Department trade mission to India and China will promote U.S. clean-energy technologies to potential buyers in those expanding markets.

BY FRANK CALIVA

A trade mission to India and China to promote the sales of U.S. clean-energy technology has been scheduled for April 18–25, 2007. Led by David Bohigian, assistant secretary of commerce for market access and compliance, the mission will visit New Delhi and Chennai in India from April 18 to 20 and Beijing and Nanjing in China from April 23 to 25.

Clean-energy technologies have moved to the forefront of energy infrastructure investments in India and China. Those two expanding economies are seeking to diversify their energy sources and to reduce carbon emissions without hindering economic development.

The trade mission will highlight technologies that are at the center of the Asia Pacific Partnership (APP) on Clean Development and Climate, an innovative U.S.-led effort to accelerate the development and deployment of clean energy technologies through a voluntary public-private partnership among six major Asia-Pacific nations. (See related article in the July–August 2006 issue of *International Trade Update*.)

“We have seen amazing growth in the economies of both India and China that has led to a great need for additional energy in these countries, and we expect this trend to continue,” said Bohigian. “At the same time, U.S. companies have developed innovative clean-energy products, and their deployment in India and China will have dramatic effects on the environment not only in these countries, but around the world.”

During the trade mission, U.S. renewable energy, energy-efficiency, clean-coal, and distributed generation companies will have the chance to meet with national and local government officials and to participate in networking opportunities, one-on-one business meetings, country briefings by experts, and site visits.

## Growing Economies, High Energy Demand

India, the world’s fastest-growing free-market democracy, has a critical need for investments in clean energy. Demand for energy in India far exceeds supply, and the development of renewable energy resources is a high priority for the government. According to Commercial Service estimates, the market for renewable energy business is about \$500 million per year and is growing at an annual rate of 15 percent, creating strong and diverse business prospects for U.S. companies.

China, the world’s fastest-growing major market, is targeting the development of clean-energy technologies in its current Five Year Plan because of rapidly increasing energy demand and the desire to expand the use of non-fossil fuels. The plan emphasizes clean coal, wind power, solar power, and biomass technologies. It also calls for developing large-scale, high-efficiency, and environmentally friendly power generation.

## Two Indian Cities at Forefront of Clean-Energy Usage

The first stop for the mission will be New Delhi, the seat of India’s national government and the country’s principal end-user of clean-energy technology. New



Delhi is also one of India's largest metropolitan areas and is in acute need of power generation and environmental quality improvements. The city's size makes it a particularly attractive market for large investments in clean energy generated by solid and liquid wastes.

Chennai, formerly known as Madras, is the capital of Tamil Nadu. In addition to being one of the top five Indian states in terms of foreign direct investment, Tamil Nadu is home to a number of renewable energy companies. Chennai and Tamil Nadu are centers for national efforts in wind energy and solar air-heating technology. Also, India's first special economic zone for manufacturing and testing of non-conventional energy equipment will open soon in Chennai.

### **In China, Olympics Spur Development**

Beijing is unique in China because it is a city with provincial status, enabling its municipal government to approve independent foreign investment projects up to \$30 million. This ability has positioned Beijing as an attractive location for foreign

investment in China. As the national capital, the city also offers unparalleled access to Chinese policy-makers. The selection of Beijing as the host of the 2008 Summer Olympic Games has also spurred substantial government investment in projects that improve environmental quality.

Nanjing, home to more than 5 million people, is one of China's most developed cities. Power and energy are among the city's core industries. Nanjing hosts one of China's largest trade fairs on clean and renewable energy and is beginning a prominent provincial-level project to create an efficient power plant. This project is intended to achieve energy conservation and efficiency by implementing new technologies, and it is rooted in demand-side management familiar to U.S. companies. The use of clean, renewable energy and energy efficiency are crucial components of the project.

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*Frank Caliva is an international trade specialist in the Market Access and Compliance unit of the International Trade Administration*

## For More Information

Companies interested in the upcoming trade mission to India and China have the option of applying for participation in the mission in one, or both, countries. The cost to participate in the full mission is \$4,900. To participate in one country, the cost is \$2,450. (Those prices exclude travel, lodging, and ground transportation, but include some meals.) For more information, or to apply, visit the trade mission's home page at [www.export.gov/cleanenergymission](http://www.export.gov/cleanenergymission) or contact Frank Caliva, tel.: (202) 482-8245, or via e-mail at [cleanenergymission@mail.doc.gov](mailto:cleanenergymission@mail.doc.gov). Because participation is limited to 20 companies, early applications are encouraged.

## For More Information

The Commerce Department, through the International Trade Administration (ITA), is working to find more U.S. companies to export goods through its comprehensive business promotion and trade assistance activities, as well as through the development and implementation of trade policies that make U.S. exporters more competitive. In 2006, ITA assisted tens of thousands of U.S. companies to pursue their international business strategies through its network of more than 109 domestic and 80 international offices. As 2007 begins, ITA is ready to help U.S. businesses reach their exporting objectives. For more information, visit [www.export.gov](http://www.export.gov) or call the Trade Information Center at 1-800-USA-TRAD(E) (1-800-872-8723).

## 2006 Was a Record Year

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### Exports to China and Other Developing Markets

In 2006, one of the most important export trends was the continued boom in trade with advanced developing countries such as China, India, and Brazil. Ten years ago, exports to China were \$12.0 billion. Today, China is the fourth-largest export market for the United States, as well as the second-largest trading partner. Exports to China grew by 31.7 percent to \$55.2 billion in 2006. In context,

U.S. exports to China were greater than exports to Argentina, France, Italy, Russia, and Spain combined. U.S. exports to India increased by 26.3 percent in 2006, while exports to Brazil increased by nearly as much to 25.1 percent. Among the industries that made headway last year in those challenging markets were the energy sector (such as civilian nuclear technology), electrical machinery, organic chemicals, and aircraft and medical equipment.

### Significance of Free Trade Agreements

Free trade agreements (FTAs) have proved to be one of the best ways to open up foreign markets to U.S. exporters. Today, the United States has FTAs with 13 countries. In 2006, six new FTAs were implemented: with Bahrain, El Salvador, Guatemala, Honduras, Morocco, and Nica-

ragua. Last year, trade with countries that the United States has FTAs was significantly greater than their relative share of the global economy.

Although comprising 7.3 percent of global GDP (not including the United States), those FTA countries accounted for 42 percent of U.S. exports.

U.S. trade with Chile provides a great example of the benefits of an FTA. Before the agreement with Chile in 2003, U.S. exports were \$2.7 billion. Liberalizing trade in the intervening years has had a dramatic effect on trade volumes. By 2006, Chile became one of the top 30 U.S. export destinations, with nearly \$6.8

billion in exports, a 30 percent increase over 2005 and a 150.1 percent increase since the FTA went into force.

Not only has the volume of exports to Chile increased, but so has the U.S. share of Chile's overall import market, which has risen from 14.5 percent in 2003 to 16.0 percent in 2006. Several U.S. industries have benefited from the trade growth with Chile, including high-tech, commodity, and finished goods, such as surgical equipment, airplanes, petroleum derivatives, and earthmoving equipment.

### Other Areas of Significant Export Growth

FTA partners and advanced developing countries were significant sources of U.S. export growth in 2006, but they were not the only countries where U.S. exporters found new markets.

Many traditional trading partners saw more U.S. products at their docks and in their warehouses, with export growth seen in 29 of the top 30 U.S. export partners in 2006. For example, U.S. exports to Germany were up 20.9 percent, while exports to the United Kingdom, the largest European trading partner for the United States, increased 17.6 percent. Switzerland saw a 34.1 percent increase, and Turkey entered the top 30 markets with 34.2 percent growth.

### Prospects for Future Growth

With the favorable exporting climate, 2007 promises to be another great year for U.S. trade abroad. As President George W. Bush remarked when he visited a Caterpillar Inc. plant in East Peoria, Illinois, on January 30, 2007, "The United States is 5 percent of the people in the world; that means 95 percent live outside of America. Shouldn't we try to put ourselves in a position where we can sell goods and services to those 95 percent? I think it makes sense to do so."

*David Levey is a writer in the Office of Public Affairs in the International Trade Administration.*

Free Trade Agreement Partners and the U.S. Trade Balance, 2006



# Growing Prospects for Sales of Civilian Nuclear Technology to India

Recent agreements signed by India and the United States, along with subsequent enabling legislation, are paving the way for the eventual sales of civil nuclear power technology to India.

BY JUSTIN RATHKE

The fast-growing Indian economy is in great need of energy to power its electric grid. Experts estimate that India's civil nuclear energy sector will need at least \$100 billion worth of investment during the next 20 years. U.S. companies hope to capture as large a share of that investment as possible. Private studies suggest that if U.S. vendors win just two civil nuclear reactor contracts, they would create 3,000–5,000 new direct jobs and 10,000–15,000 indirect jobs in the United States.

To tap this market, the Commerce Department's Office of Energy and Environmental Industries took a delegation of representatives from the U.S. civil nuclear energy industry on a trade mission to India from November 28 to December 5, 2006, as part of the business development mission led by Under Secretary for International Trade Franklin L. Lavin. (See article in January 2007 issue of *International Trade Update*.)

## Change in U.S. Policy

American nuclear suppliers are knocking on the door of the Indian market just as U.S. law is changing to allow U.S.–India civil nuclear trade. On December 9, 2006, the House and Senate passed legislation to exempt the United States from certain requirements of the Atomic Energy Act of 1954, moving the two countries one step closer to peaceful civil nuclear cooperation. The bill was signed into law on December 18, 2006. "The United States and India are natural partners," said President George W. Bush during the signing ceremony. "The rivalries that once kept our nations apart are no more, and today America and India are united by deeply held values."



Members of the U.S. nuclear technology delegation visit with Indian officials at the National Thermal Power Corporation in New Delhi on December 4, 2006, during the business development mission organized by the U.S. Department of Commerce's International Trade Administration. (U.S. Department of Commerce photo)

## Additional Steps Necessary

For American companies to sell nuclear technology to the Indian market, the United States and India must sign a bilateral "123 Agreement," which will dictate the terms of their cooperation. India must also take a number of steps to bolster non-proliferation, including signing a safeguards agreement with the International Atomic Energy Agency (IAEA). Then the Nuclear Suppliers Group (NSG) must grant an exception for all its members to be permitted to sell to India. Last, President Bush must make several determinations as outlined in the new law. Some of those determinations require additional progress by India in meeting its joint statement commitments, such as adhering unilaterally to the NSG and Missile Technology Control Regime and making substantial progress toward concluding an additional protocol with the IAEA.

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### Afghan Trade Delegation Finds Success, Sales at Major Trade Show

A delegation of 10 Afghan rug producers, with the support of the Department of Commerce's Afghanistan Investment and Reconstruction Task Force, brought their products to Atlanta, Georgia, on January 18–21, 2007, to participate in the AmericasMart Atlanta International Area Rug Show. The trade show is the largest wholesale marketplace of its kind in the world, showcasing a wide variety of consumer goods and attracting more than 548,000 attendees from every U.S. state and 80 different countries.

A feature of the Atlanta show was a special exhibit of Afghan rugs, titled "Afghan Impressions: Area Rug Artistry and Inspiration." Keynote speakers for the exhibit opening included Dr. Mir Muhammad Amin Farhang, Afghan minister of commerce and industries, and David Sampson, U.S. deputy secretary of commerce. They delivered remarks to an audience of more than 200 prospective buyers, prominent sector investors, and community and government leaders.

The trade show was a success for the Afghan participants. Virtually all of the rugs on display were sold, and many orders were placed by major wholesalers and retailers from across the United States.

The task force has been working since 2002 to increase bilateral business ties and to stimulate trade between the United States and Afghanistan. Two-way trade between the countries reached \$372 million in 2006, a 91 percent increase over 2005. Afghan rugs are allowed duty-free access to the United States.

For more information on business opportunities in Afghanistan, visit the task force's Web site at [www.export.gov/afghanistan](http://www.export.gov/afghanistan) or call (202) 482-1812.



Afghan dancers perform at the opening of "Afghan Impressions: Area Rug Artistry and Inspiration," an exhibit this past January at AmericasMart Atlanta International Area Rug Show. (U.S. Department of Commerce photo)

### Two-Day U.S.–China Forum Examines Venture Capital and Entrepreneurship

A delegation of 60 Chinese officials from the government and private sector, as well as representatives from several regional development agencies, met with Commerce Department officials on January 23–24, 2007, in Washington, D.C., to participate in the U.S.–China Venture Capital and Entrepreneurial Forum. Franklin L. Lavin, under secretary of commerce for international trade, hosted the forum, cosponsored by the Department of Commerce and George Mason University. Madame Ou Xinqian, vice chair of China's National Development and Reform Commission, led the Chinese delegation.

Forum attendees participated in two days of meetings that explored U.S. best practices in entrepreneurship, venture capital, and business development to strengthen overall bilateral relations and to discuss policy issues that

are central to U.S. and Chinese interests. The Chinese private-sector participants, who represented companies throughout China, also had the opportunity to meet potential partners from the United States. After the first stop in Washington, D.C., the delegation visited New York City, Philadelphia, and Los Angeles.

On the first day of the forum, Ana Guevara, deputy assistant secretary for services, led both the private-sector and government delegations through a series of presentations and discussions by experts on key relevant topics, including the value of intellectual property to entrepreneurs, the benefits of a reliable and transparent legal and regulatory environment, the need for access to capital throughout the continuum of business growth, and the need for education for entrepreneurs.

On the second day of the forum, George Mason University hosted an all-day business-to-business meeting, where some 150 companies discussed conditions for doing business in China and explored opportunities for joint business ventures.

### **Western Hemisphere Travel, Radio Frequency Identification Subject of Recommendations to President Bush**

Implementing a public education program on the new Western Hemisphere Travel Initiative (WHTI) and greater federal support for radio frequency identification technology were the subjects of two letters of recommendation to President George W. Bush that were approved January 18, 2007, by the President's Export Council. The council is an advisory group of 48 members who meet at least twice a year in Washington, D.C., to advise the president on matters that affect U.S. trade.

The WHTI requires that all citizens of Canada, Mexico, and the United States have a passport to enter or reenter the United States from within the Western Hemisphere. For air travelers, implementation began on January 23, 2007. Present plans are to begin implementation for travelers by land and sea on January 1, 2008. In its

letter to President Bush, the council called for implementing a focused public communications and outreach campaign on the WHTI. The council also expressed its concern about the potential effects of the WHTI on trade. "Many of the border infrastructures between Canada, Mexico, and the United States already are approaching maximum capacity and represent a potentially significant bottleneck to the movement of goods," stated the council in the letter. "The WHTI runs the risk of making an already strained situation worse."

Radio frequency identification (RFID) is an electronic identification technology that relies on small electronic tags or transponders to store and retrieve data. The technology can be used to record payments, track the movement of goods, and control inventory. The council's letter to President Bush asked that the administration continue to support U.S. competitiveness by supporting greater research in RFID, increasing RFID pilot programs throughout the federal government, encouraging greater participation by foreign governments in the dialogue on standards and good regulatory practices, and encouraging greater cooperation between the public and private sectors on RFID and the global supply chain. "As technology evolves, it will continue to spur innovation and competitiveness," said the council in its letter on RFID. "[M]ainstream use of these new and future technologies can stimulate unparalleled economic growth."

For more information about the President's Export Council, and to read the full text of the letters, go to the council's Web site at [www.trade.gov/pec](http://www.trade.gov/pec).

### **Report Details Trade Subsidies Enforcement**

The U.S. Department of Commerce and the Office of the United States Trade Representative (USTR) released their joint 2007 subsidies enforcement report to Congress. This annual report is mandated by the Uruguay Round Agreements Act of 1994. The report describes the efforts by the two agencies to monitor and challenge unfair foreign government subsidy

**March 5****Visit USA Workshop****Brussels, Belgium****[www.export.gov](http://www.export.gov)**

This workshop, organized by Visit USA with the Commercial Service, is held annually just before ITB Berlin. It gives a unique opportunity to promote U.S. tourism regions, products, and services to the Belgium and Luxembourg markets. For more information, contact Brigitte de Stexhe of the USFCS, tel.: +32 (2) 508-2454; e-mail: [brigitte.de.stexhe@mail.doc.gov](mailto:brigitte.de.stexhe@mail.doc.gov).

**March 6-9****TECMA 2007****Mexico City, Mexico****[www.tecma.org.mx](http://www.tecma.org.mx)**

TECMA 2007 is the only show in Mexico that specializes in machine tool technology, related equipment, and peripherals. Last year, more than half of the registered visitors were interested in buying manufacturing technology in the near future. More than 164 exhibiting companies and 10,000 buyers and sellers are expected. For more information, contact Arturo Dessommes of the USFCS, tel. +52 (55) 5140-2617; e-mail: [arturo.dessommes@mail.doc.gov](mailto:arturo.dessommes@mail.doc.gov).

**March 7-11****ITB Berlin 2007****Berlin, Germany****[www.itb-berlin.com](http://www.itb-berlin.com)**

This trade fair is one of the world's largest for travel and tourism. Small and medium-sized companies can gain valuable exposure to the global marketplace by participating in the low-cost Product Literature Center within the "Discover America" pavilion. For details, visit [www.buyusa.gov/germany/en/plc.html](http://www.buyusa.gov/germany/en/plc.html). For more information, contact Elizabeth Powell of the USFCS, tel.: +49 (69) 7535-3167; e-mail: [elizabeth.powell@mail.doc.gov](mailto:elizabeth.powell@mail.doc.gov).

**March 8****Intellectual Property Rights in China****[www.stopfakes.gov](http://www.stopfakes.gov)**

This program is part of a continuing series of Webinars on the protection of intellectual property rights in China. It is sponsored by ITA's China office and will run from 2:00 p.m. to 3:30 p.m. Eastern time. For more information, or to register, send an e-mail to [chinaipr@mail.doc.gov](mailto:chinaipr@mail.doc.gov).

**March 13-15****Expo Manufactura 2007****Monterrey, Mexico****[www.expomanufactura.com.mx](http://www.expomanufactura.com.mx)**

This show is Mexico's largest metalworking and manufacturing exhibition. It will feature a USA pavilion for 60 U.S. exhibitors. The organizer will also provide a fully furnished booth for the U.S. embassy's Business Information Office. Two hundred exhibitors from more than 12 countries are expected, with 7,500 trade-only visitors. For more information, contact William Corfitzen of the USFCS, tel.: (202) 482-0584; e-mail: [william.corfitzen@mail.doc.gov](mailto:william.corfitzen@mail.doc.gov).

**March 15-21****CeBIT 2007****Hanover, Germany****[www.cebit.de/homepage\\_e](http://www.cebit.de/homepage_e)**

CeBIT is the world's largest trade fair that showcases digital information technology (IT) and telecommunications solutions for home and work environments. U.S. companies can register for "Showtime," a forum to discuss the best prospects and market strategies with Commercial Service IT market experts from across Europe. For more information, contact Ira Bel of the USFCS, tel.: +32 (2) 508-2434; e-mail: [ira.bel@mail.doc.gov](mailto:ira.bel@mail.doc.gov).

**March 20-22****Americana 2007****Montreal, Canada****[www.buyusa.gov/canada/en/america2007](http://www.buyusa.gov/canada/en/america2007)**

The seventh biennial Americana 2007—International Environmental Technology Trade Show and Conference expects 10,000 participants, 400 exhibitors, and 150 speakers from 60 countries. U.S. companies can benefit from a personalized agenda of meetings during the International Matchmaking Forum. For more information, contact Richard Vinson of the USFCS, tel.: (902) 429-2482, ext. 102; e-mail: [richard.vinson@mail.doc.gov](mailto:richard.vinson@mail.doc.gov), or Pierre Richer, tel. (514) 908-3661; e-mail: [pierre.richer@mail.doc.gov](mailto:pierre.richer@mail.doc.gov).

**March 22****World Bank Business Seminar: Public Works****Arlington, Virginia****[www.export.gov](http://www.export.gov)**

This seminar on the World Bank focuses on helping companies learn how to bid on public works tenders. Of the \$28 billion tendered in 2006, about 30 percent went to infrastructure/public works projects. Learn in-depth information about the procurement process, such as developing an effective bid, implementing the contract, and obtaining payment. The bank's new e-procurement system will also be discussed. For more information, contact Rebecca Balogh of the USFCS, tel.: (703) 235-0324; e-mail: [rebecca.balogh@mail.doc.gov](mailto:rebecca.balogh@mail.doc.gov).

**March 30-April 1****International Franchise Expo****Washington, D.C.****[www.franchiseexpo.com](http://www.franchiseexpo.com)**

The International Franchise Expo allows face-to-face meetings with representatives of hundreds of the top franchise concepts at every investment level. The Commercial Service is offering free business support for international buyers who are either part of a delegation or traveling alone. For more information, contact Graylin Presbury of the USFCS, tel.: (202) 482-5158; e-mail: [graylin.presbury@mail.doc.gov](mailto:graylin.presbury@mail.doc.gov).

Here is a selected list of international trade events of interest, including ITA-sponsored events, as well as a selection of upcoming international trade fairs. The U.S. and Foreign Commercial Service (USFCS) maintains a comprehensive listing of industry shows at [www.export.gov](http://www.export.gov)

## On The Horizon

April 18–20

**FIBCA 2007**

**Lima, Peru**

[www.fexpe.com](http://www.fexpe.com)

Peruvian imports of capital goods increased 30 percent in 2005 and are expected to increase by another 15 percent in 2007. This show will benefit U.S. manufacturers because Peru has just eliminated tariffs on capital goods. Attendees will include businesspeople with decision-making power, professionals, and technicians from a wide range of industrial and commercial areas. For more information, contact William Corfitzen of the USFCS, tel.: (202) 482-0584; e-mail: [william.corfitzen@mail.doc.gov](mailto:william.corfitzen@mail.doc.gov).

April 19

**World Bank Business Seminar:  
Supplying Goods**

**Arlington, Virginia**

[www.export.gov](http://www.export.gov)

This is the third in a series of seminars on doing business with the World Bank. It will cover opportunities for the supply of goods within World Bank projects, including identifying projects and understanding procurement policies. Senior procurement specialists will discuss how to develop an effective bid and other strategies for success. For more information, contact Rebecca Balogh of the USFCS, tel.: (703) 235-0324; e-mail: [rebecca.balogh@mail.doc.gov](mailto:rebecca.balogh@mail.doc.gov).

April 23–27

**Healthcare Technologies Trade  
Mission**

**Santiago, Chile, and São Paulo, Brazil**

[www.export.gov](http://www.export.gov)

This trade mission to Santiago, Chile, and São Paulo, Brazil, will include an optional spin-off to Belo Horizonte. The trade mission includes prescreened appointments with potential business partners, an interpreter, market briefings, premission counseling, and follow-up assistance. For more information contact Pompeya Lambrecht of the USFCS, tel.: (602) 277-5223; e-mail: [pompeya.lambrecht@mail.doc.gov](mailto:pompeya.lambrecht@mail.doc.gov).

## Featured Trade Show: Rebuild Iraq

May 7–10

**Amman, Jordan**

[www.export.gov/iraq](http://www.export.gov/iraq)

The fourth annual Rebuild Iraq trade exhibition and conference will be held May 7–10, 2007, in Amman, Jordan. This event is a certified Commerce Department trade fair and will feature a U.S. pavilion. Last year's event attracted more than 1,000 exhibitors from 48 countries and more than 13,000 trade visitors, including 4,000 Iraqis. About 71 percent of the exhibitors in 2006 made sales during the show. The leading industry sectors will be building and construction, electricity, water resources, oil and gas, healthcare, and information and communications technology. For exhibiting opportunities through the Commerce Department's U.S. pavilion, U.S. companies and their agents or distributors should review the exhibitor package that is available on the Web. For more information, contact William Corfitzen of the USFCS, tel.: (202) 482-0584; e-mail: [william.corfitzen@mail.doc.gov](mailto:william.corfitzen@mail.doc.gov), or contact Giles Hazel of Kallman International, tel.: (201) 251-2600, ext. 119; e-mail: [gilesh@kallman.com](mailto:gilesh@kallman.com).



The U.S. pavilion at Rebuild Iraq 2006. (U.S. Department of Commerce photo)



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# Two-Day Forum to Focus on Economic Growth and Regional Cooperation in the Americas

Four areas of discussion have been identified as the focus of the Americas Competitiveness Forum, scheduled for June 11 and 12, 2007, in Atlanta, Georgia.

BY DAVID WEEMS



**THE AMERICAS  
COMPETITIVENESS  
FORUM** Promoting Prosperity  
and Economic Opportunity  
JUNE 11-12 2007 | ATLANTA, GEORGIA | USA

Progress continues in organizing the topics that will be the focus of this June's inaugural Americas Competitiveness Forum in Atlanta, Georgia. U.S. Secretary of Commerce Carlos M. Gutierrez will host the forum on June 11-12, 2007. The forum will provide a venue for government ministers, leaders from the private sector, academics, and representatives of non-governmental organizations from the Western Hemisphere's democratic countries to explore cutting-edge ideas and to highlight best practices for sparking innovation, economic growth, and regional cooperation in competitiveness.

## Outgrowth of Argentina Summit

The Americas Competitiveness Forum is an outgrowth of the November 2005 Summit of the Americas, which was held in Mar del Plata, Argentina. At that meeting, President George W. Bush recommended that a high-level meeting be convened to focus on improving the region's competitiveness.

Growth in Latin America has been robust during the past several years. In 2004, foreign direct investment in Latin America was more than \$54 billion, a 46 percent increase over 2003. The International

Monetary Fund reports that Latin American economies grew, on average, 4.3 percent in 2005, fueled by demand for commodities.

## Need for Entrepreneurial Growth

The World Bank's 2007 Doing Business database found that most Latin American countries have been much slower than the rest of the emerging world to implement business-friendly reforms. Such reforms foster competitiveness, which is a driving factor in economic growth. Similarly, the World Economic Forum's *Global Competitiveness Report 2006-2007* concluded that of the 22 Latin American and Caribbean countries ranked in the report, only 9 had improved their competitiveness ranking from the previous year. Both the database and the report highlighted steps that governments could take to unleash the full potential of entrepreneurs.

Enhancing the competitiveness of the region—thereby spurring job growth and increasing prosperity and security—is one of the top priorities for the Department of Commerce's International Trade Administration, which, with support from other U.S. government agencies, is organizing the forum.

## Four Main Topics of Discussion

Four topics have been identified for the forum: (1) sparking and sustaining innovation, (2) creating solutions in education and workforce development, (3) designing successful global supply-chain strategies, and (4) fostering small business development and growth.

The innovation track will examine the growth in innovative service industries and trends in alternative energy technology, biosciences research, and national

innovation management. The education and workforce development track will examine how education and training relate to workforce development. It will also look at the crucial role those combined factors play in strengthening competitiveness. The global supply-chain strategies track will explore how supply-chain efficiency has become a key factor in creating a competitive advantage in the global economy. Finally, the small business development and growth track will discuss ways to facilitate business creation and to foster the entrepreneurial spirit through trade financing, effective branding and marketing, and reducing regulatory barriers and obstacles to starting and operating a business.

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### For More Information

Information on the Americas Competitiveness Forum is available on the forum's Web site at <http://trade.gov/competitiveness/ACF/>. Registration is now available on the Web site. Information on the forum agenda, speakers, and panelists will be updated on a regular basis, and questions about the forum can be submitted through the Web site. Questions regarding the Americas Competitiveness Forum can be directed to Alysia Wilson of ITA's Market Access and Compliance unit, tel.: (202) 482-5327; e-mail: [alysia.wilson@mail.doc.gov](mailto:alysia.wilson@mail.doc.gov).

## Short Takes

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practices worldwide under the terms of the Agreement on Subsidies and Countervailing Measures of the World Trade Organization (WTO).

"The use of unfair trade-distorting practices, including subsidies, continues to pose a competitive challenge for American workers and industries," noted the report. "The United States government is committed to eliminating or neutralizing such practices when they adversely affect U.S. interests."

Actions taken during 2006 included participation in the Subsidies Committee and the Rules Negotiating Group of the WTO. During 2006, the United States made various submissions that focused on issues such as subsidy calculation methodologies, prohibited subsidies, foreign state-owned enterprises, trade-distorting practices in the steel industry, and fisheries subsidies.

The 2007 report also details how the USTR and the Commerce Department identified significant omissions from China's long-overdue subsidies notification, which was submitted to the WTO Subsidies Committee in April 2006. Among the omissions identified by the United States were subsidies provided by China's state-owned banks or by provincial and local government authorities.

In 2006, the United States began seeking changes to China's subsidies practices through a series of bilateral meetings in Beijing, where the United States made it clear that China needed to withdraw its prohibited subsidies. The import and export subsidies at issue benefit a wide range of industries in China, making it more difficult for U.S. manufacturers to compete against Chinese manufacturers in the United States or in third-country markets.

The full text of the *Subsidies Enforcement Annual Report to the Congress* is available on the Internet at <http://ia.ita.doc.gov/esel/reports/seo2007/seo-annual-report-2007.pdf>.

## Growing Prospects for Sales to India

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### Liability Issues Remain

For the private sector to feasibly participate in India's nuclear program, the country must amend its laws and adopt adequate liability coverage to minimize risk to private companies in the unlikely event of a nuclear accident. "Currently, India does not have a nuclear liability law covering its facilities," observed Omer Brown, a member of the U.S. trade delegation, "[C]oncerns over nuclear liability would be a major impediment to any nuclear trade with India."

The mission gave representatives from the Commerce Department and the U.S. companies the opportunity to press India on making progress in areas of concern, such as the liability issue, and to learn from high-level policy-makers about plans for developing India's nuclear power sector. The United States has not been involved in India's nuclear energy program since the General Electric Company sold two boiling water reactors to install at the Tarapur Atomic Power Plant in the 1960s.

### Next Steps

The Commerce Department is considering a follow-up mission that would feature a multicity vendor conference, where U.S. civil nuclear firms can build relationships with potential Indian partner companies. The U.S.-India Business Council is also planning a number of initiatives to further commercial nuclear cooperation, including leading a delegation to India in March 2007.

Capturing market share abroad, especially in large countries such as India, will help U.S. nuclear suppliers lead what could be a domestic renaissance in nuclear power. The Energy Policy Act of 2005 included a number of incentives designed to promote nuclear power to lessen U.S. dependence on imported fossil fuels and to promote clean energy that does not produce greenhouse gas emissions.

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