

International Trade UPDATE

Bilateral Accords and U.S. Trade with the Middle East: A Track Record of Success

The United States has bilateral free trade agreements with five countries in the Middle East. U.S. exports to those five countries account for 38 percent of all trade to the region and show the value of such instruments in expanding U.S. exports.

BY ABDUL QUADER SHAIKH

Trade between the United States and the 18 countries of the Middle East and North Africa continues to grow at a steady pace, particularly with those countries that have signed free trade agreements (FTAs) with the United States. U.S. merchandise exports to the region—including both FTA and non-FTA countries—grew 22 percent from 2006 to 2007. That growth was spurred by the bilateral trade agreements, by a competitive dollar, and by high oil prices, which translated

into rising purchasing power and greater imports. However, the United States faces stiff competition in those markets from China, India, and Europe.

Middle East Free Trade Area

The United States has implemented FTAs with Bahrain, Israel, Jordan, and Morocco, and in 2006, the United States concluded negotiations with Oman. Those five FTAs are part of a larger promise. In May 2003, President George W. Bush proposed a plan to increase trade and investment in the Middle East and to advance economic reforms in the region. An important element of that plan was an initiative to establish a Middle East Free Trade Area by 2013.

The total U.S. merchandise trade (both exports and imports) with the Middle East reached \$158 billion in 2007. This trade included U.S. exports of \$55.6 billion and imports of \$102 billion. Total trade with FTA countries in the Middle East reached \$41.3 billion (38 percent of

U.S. FREE TRADE AGREEMENTS IN THE MIDDLE EAST



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total Middle East trade), with exports of \$16.9 billion and imports of \$24.4 billion.

Israel: The First FTA

The first U.S. FTA was with Israel, and it took effect September 1, 1985. In 2007, total U.S. merchandise exports to Israel reached \$13 billion, which represents an increase of 18 percent over 2006 and 42 percent over 2004. The largest exports were precious stones (38 percent), aircraft and parts (12 percent), and machinery (10 percent).

Since 2004, several U.S. states have experienced exceptional growth in their exports to Israel, including Washington (1,166 percent), New Jersey (112 percent), and California (75 percent).

Jordan: Six Years of Free Trade

The FTA with Jordan entered into force on December 17, 2001. It was the third FTA for the United States and was the first one with an Arab state. Within 10 years of its implementation, the FTA will eliminate all tariff and non-tariff barriers to bilateral trade in virtually all industrial goods and agricultural products.

In 2007, U.S. exports to Jordan reached \$857 million, an increase of 32 percent over 2006. The largest exports include aircraft, spacecraft, and parts (24 percent); vehicles (15 percent); and machinery (10 percent). The U.S. International Trade Commission (USITC) has estimated that this FTA has been particularly successful at boosting U.S. exports of machinery and transport equipment—in 2007 by \$48 million, or 39 percent over pre-FTA levels.

Many U.S. states have experienced significant growth in their exports to Jordan. For example, from 2004 to 2007, Ohio's exports grew 369 percent, Arizona's 193 percent, and California's by 147 percent.

Morocco: Growth Foreseen

The FTA with Morocco entered into force on January 1, 2006. According to the USITC and the Peterson Institute for International Economics, the agreement is expected to bolster U.S. exports to Morocco by 88 percent, to increase U.S. imports from Morocco by 18 percent, and to increase overall U.S. economic activity by \$178 million annually.

Leading U.S. exports to Morocco include aircraft, soybeans, corn, and wheat. Total U.S. merchandise exports to Morocco reached \$1.34 billion in 2007, which, compared to \$878 million in 2006, represents an impressive increase of 53 percent. In 2004, U.S. merchandise exports totaled \$524 million in 2004; hence, a gain of 157 percent occurred over three years.

The most significant export sectors were cereals (31 percent); aircraft (12 percent); and mineral fuel, oil, and other related products (11 percent). Some U.S. states have seen tremendous growth in their exports to Morocco, including Wisconsin (505 percent), Ohio (411 percent), Texas (345 percent), and Virginia (319 percent).

U.S. EXPORTS TO MIDDLE EAST FREE TRADE PARTNERS AND OMAN

	<i>2007 Exports (billions of dollars)</i>	<i>Percent change, 2006–2007</i>
Bahrain	\$0.59	25%
Israel	\$13.01	19%
Jordan	\$0.86	32%
Morocco	\$1.34	53%
Oman	\$1.10	28%

Note: Dollar amounts represent trade in goods. Figures have been rounded.

Source: U.S. Department of Commerce, Bureau of the Census.

Bahrain: A Proven Agreement

The FTA with Bahrain entered into force on August 1, 2006, and has already been beneficial in terms of stimulating trade. Total U.S. exports to Bahrain were \$591 million in 2007, which represents an increase of 25 percent over 2006 and 97 percent over 2004. In 2007, top U.S. exports to Bahrain included vehicles (23 percent) and machinery (17 percent).

The top U.S. states in terms of increased exports to Bahrain were Kansas (2,386 percent), Tennessee (550 percent), Louisiana (508 percent), and Texas (245 percent).

Oman: The Newest Accord

The United States concluded and approved an FTA with Oman in 2006. Although the FTA has not been implemented, trade with Oman continues to grow. In 2007, U.S. merchandise exports to Oman were \$1.1 billion, an increase of 221 percent over 2004. The largest exports were machinery (34 percent), vehicles (21 percent), and aircraft (15 percent).

When the FTA goes into effect—at a date yet to be determined—100 percent of consumer and industrial products and 87 percent of agricultural tariff lines will enter Oman duty free. Oman will also be obligated to give substantial market access across its entire services regime, provide a secure and predictable legal framework for U.S. investors, ensure effective enforcement of labor and environmental laws, and guarantee the protection and enforcement of intellectual property rights.

Expanding the Circle of Opportunity

FTAs have proved to be one of the best ways to open foreign markets to U.S. exporters, and the agreements in the Middle East have strengthened the competitive position of the United States in that region. The FTAs are also encouraging economic development, transparent and accountable gover-

Commerce Department Resources for U.S. Exporters

U.S. exporters looking for help entering or expanding in the Middle East can turn to the U.S. and Foreign Commercial Service (USFCS), an agency of the Department of Commerce, for counseling and assistance. The USFCS oversees a network of U.S. Export Assistance Centers that are located throughout the United States and in more than 80 embassies abroad. For more information, contact the Trade Information Center at 1-800-USA-TRAD(E) (1-800-872-8723) or visit www.export.gov/middleeast.

Exporters experiencing difficulties in their dealings with foreign governments in the Middle East can make use of the Department of Commerce's Trade Compliance Center (TCC). The TCC monitors foreign compliance with more than 270 international trade agreements. It also provides U.S. companies with a one-stop trade "complaint" center that makes it easy and inexpensive for exporters to get the U.S. government to focus on reducing or eliminating foreign trade barriers that obstruct market access abroad. For more information on the TCC, go to www.trade.gov/tcc. For more information on free trade agreements, go to www.tradeagreements.gov.

nance, and enhanced economic prospects for the citizens of those countries. In this way, FTAs are fulfilling the wish expressed by President Bush in 2003: a Middle East Free Trade Area not only will bring opportunity to U.S. businesses but also will "bring the Middle East into an expanding circle of opportunity [and] provide hope for the people who live in that region."

Abdul Quader Shaikh, Ph.D., is an economist with the U.S. and Foreign Commercial Service.

Second Americas Competitiveness Forum to Convene in August

The Department of Commerce is moving ahead with plans for the Americas Competitiveness Forum 2008, an event designed to improve trade relationships and to create prosperity throughout the Americas.

BY PIERCE NIXON



Leaders from governments, businesses, and educational institutions across the Americas will come together on August 17–19, 2008, in Atlanta, Georgia, to find ways to expand trade, prosperity, education, and democratic values. Once together, the leaders may find that the most difficult phase of their effort—getting started—has already taken place.

Shortly after the November 2005 Summit of the Americas in Mar del Plata, Argentina, President George W. Bush announced plans for a high-level meeting of government and business leaders from across the Western Hemisphere. Eighteen months later, on June 11, 2007, Secretary of Commerce Carlos M. Gutierrez convened the first Americas Competitiveness Forum (ACF 2007) in Atlanta, Georgia. At ACF 2007, roughly 1,000 government ministers,

business executives, academics, and non-profit leaders from 30 countries met to engage in a dynamic discussion on innovative ways to create jobs, to fight poverty, and to strengthen democratic governance in the Americas. ACF 2007 highlighted best practices from regional, national, and local experiences, and it created a unique opportunity to gain insight into emerging investment opportunities in the region.

Four Themes for Economic Cooperation in the Americas

ACF 2008 seeks to capitalize on the success of last year's meeting and to expand its focus into new areas. The forum will emphasize four themes: the opportunities in renewable energy and sustainability, the importance of tourism and travel, the relationships between business and education, and the role of logistics in international trade. ACF 2008 will also feature market opportunity sessions that will highlight real business opportunities in many countries throughout the Americas.

A 2006 study by the Economics and Statistics Administration found that increases in energy costs reduce firms' productivity and cause slow growth across markets. Companies specializing in wholesale trade were found to be the most at risk. To address market opportunities in renewable energy and sustainable resources, ACF 2008 will have panel discussions that look at ways to minimize negative effects through collaboration and investment. Concurrent events will showcase ways to secure sustainable water supplies, to bring methane to markets, and to build public-private alliances for sustainability.

A program that focuses on tourism and travel in the Americas will help attendees learn ways to understand consumer attitudes, branding, green hotel operations, and sustainable investment strategies. In addition, that track will identify market trends in financing and best practices in cooperative marketing techniques for small and medium-sized enterprises.

Several panels will discuss the benefits of well-structured partnerships between businesses and academia by examining ways that countries can leverage those partnerships to enhance entrepreneurship, innovation, and the development of national competitiveness strategies.

Finally, a focus on trade logistics will look at increasing competitiveness by helping leaders find ways to move goods more efficiently across borders at a minimum cost to exporters and distributors. That lower cost will allow companies to introduce their goods to new markets. A 2007 report by McKinsey and Company estimated that 80 percent of global goods will cross international borders by 2020. Firms that have a full understanding of the logistics of international trade will stay ahead in that environment.

Growing Regional Trade

U.S. trade to Canada and Latin America has grown significantly in recent years. In 2007, total U.S. exports to Latin America increased by 20 percent over 2006, reaching more than \$100 billion for the first time. As recent free trade agreements, such as the Dominican Republic–Central America–United States Free Trade Agreement, the United States–Peru Trade Promotion Agreement, and the proposed free trade agreement with Colombia, become strong components of corporate export strategies, events such as ACF 2008 will play an even more important role in helping U.S. businesses take advantage of emerging market opportunities.

A Continuing Effort

When government and business leaders from 30 American nations met for ACF 2007, Secretary of Commerce Carlos M. Gutierrez announced the urgent need for cooperation across the Western Hemisphere to overcome obstacles that prevent trade and to increase economic benefits by spreading the effects of democracy.

“Our vision for the Western Hemisphere is one of growth and prosperity,” said Gutierrez. “Growth strengthens the delivery of true social justice, which we believe is about giving everyone an equal opportunity to succeed.”

Pierce Nixon is an intern with the International Trade Administration's Office of Public Affairs.

For More Information

ACF 2008 is being organized by the Department of Commerce; the city of Atlanta, Georgia; and the International Training Center for Government Authorities, which is a non-profit organization created by the United Nations.

Registration for ACF 2008 is already under way for government representatives, non-profit organizations, and private-sector participants. For more information about ACF 2008, including registration and sponsorship opportunities, and to see the ACF 2007 “Summary Report,” visit the ACF 2008 Web site at www.competitivenessforum.com.

Web Site Offers Information on Sustainable Manufacturing Initiative

U.S. companies looking to identify government programs and resources that can assist them in their sustainable manufacturing efforts can now use the recently updated Web site for the Department of Commerce's Sustainable Manufacturing Initiative. The site was put together by the International Trade Administration's Manufacturing and Services unit and is located at www.trade.gov/competitiveness/sustainablemanufacturing/.

The Sustainable Manufacturing Initiative is a dialogue between the public and private sectors that addresses the need for U.S. manufacturers to increase their global competitive advantage by developing and using cleaner, more energy-efficient technologies and by implementing manufacturing practices that are cost-effective and environmentally sound.

The Web site is an outcome of the Sustainable Manufacturing Initiative's inaugural meeting, which was held at the Department of Commerce in Washington, D.C., on September 27, 2007. The meeting, with its theme of "Enhancing U.S. Competitiveness through Sustainable Manufacturing: A Public-Private Dialogue," attracted more than 70 participants from the public and private sectors.

The site includes a full readout of the September 2007 meeting, a description of the next steps for the initiative, and a preliminary clearinghouse of U.S. government programs and resources that support sustainable business practices. Users can sign up to receive news and other updates on the Sustainable Manufacturing Initiative by e-mail.

The Manufacturing and Services unit will chair a newly instituted sustainable manufacturing subcommittee of the Interagency Working Group on Manufacturing Competitiveness. This subcom-

mittee will assemble interested federal agencies to implement the initiative and to better respond and collaborate with the private sector as it continues to embrace sustainable manufacturing practices and techniques.

Manufacturing Workshop Looks to Industry Needs of 2040

Technological advancements, alternative energy resources and renewable energy, and improvements to infrastructure are key elements in supporting the U.S. manufacturing sector, according to participants in a workshop, "Manufacturing 2040," that was held at the Department of Commerce in Washington, D.C., on March 19-20, 2008.

Human capital was a particular area of concern. As one participant noted, "Most of our organizational models in the 20th century were used to maximize the output of labor. Successful new organizations understand that this model does not hold in the current context. Future organizations will have to both harness and liberate labor."

Participants in this two-day workshop also highlighted the importance of science and math education as a critical building block in developing a strong manufacturing workforce and in maintaining U.S. competitiveness in the global marketplace.

The workshop brought together more than 20 senior-level participants from the manufacturing community, academia, and government. They participated in a series of small discussion groups that focused on the future of manufacturing. The event was conceived by the International Trade Administration's Manufacturing and Services unit and was facilitated by Global Business Networks.

For more information on the workshop, go to www.trade.gov/MAS.

Foreign Delegations Visit Consumer Electronics Show

U.S. companies exhibiting at the recent Consumer Electronics Show (CES) in Las Vegas, Nevada, were the beneficiaries of several Commerce Department programs at the three-day event. CES is the world's largest consumer electronics trade show and has been the showcase of cutting-edge technology for 41 years.

CES participated in the International Buyers Program of the U.S. and Foreign Commercial Service (USFCS). Twelve foreign buying delegations from around the world attended the event after being recruited by USFCS staff members working out of U.S. embassies and consulates. The delegations were escorted to the show by Commerce Department trade specialists. USFCS also ran the show's International Visitors Center, where U.S. companies could meet with foreign buyers.

Officials from the International Trade Administration participated in a "Leaders in Technology" program at CES. The program featured panels of experts who discussed key industry issues facing the consumer electronics sector, including broadband, digital television, international trade, energy efficiency, electronics recycling, and eco-friendly product design.

Areas of particular concern for electronics manufacturers are product convergence and environmental regulation.

Product convergence is a phenomenon endemic to the consumer electronics industry, where the lines between technologies can dissolve, causing new categories of products to emerge. For example, what was once a computer monitor is now a multifunctional display that serves as both a television and a computer monitor. The challenge



William (Woody) G. Sutton, the Commerce Department's assistant secretary for manufacturing and services (center) with participants in the "Manufacturing 2040" workshop that was held at the Department of Commerce in Washington, D.C., on March 19-20, 2008. (U.S. Department of Commerce photo)

will be to enact internationally harmonized policies that efficiently facilitate trade in those products.

Environmental regulation has been a stimulus for technological innovation, but the growing patchwork of domestic and international regulations increases costs for many consumer electronics companies. Uncertainty surrounding current and future environmental regulations causes inefficiencies and rising external costs for business. The Commerce Department's Manufacturing and Services unit has spearheaded efforts to counter this trend with its Sustainable Manufacturing Initiative, which aims to identify key sustainable manufacturing challenges and to coordinate public-private projects that help businesses in their efforts to be more sustainable.

For more information about CES, visit www.cesweb.org. For more information on the Sustainable Manufacturing Initiative, visit www.trade.gov/competitiveness/sustainablemanufacturing/.

Indrek Grabbi, Matthew Howard, and Carla Langjahr of the International Trade Administration's Manufacturing and Services unit contributed to this section.

May 5–8

Offshore Technology Conference 2008

Houston, Texas
www.otcnet.org

This conference is the world's foremost event for the development of offshore resources in drilling, exploration, production, and environmental protection. It ranks among the largest 200 trade shows held annually in the United States. More than 2,000 companies from 110 countries are expected to participate. For more information, contact Pam Plagens of the USFCS, tel.: (713) 209-3106; e-mail: pam.plagens@mail.doc.gov.

May 5–9

Invest in America Week
www.investamerica.gov

Events held across the country will highlight the importance of foreign direct investment to the U.S. economy. For more information, contact Aaron Brickman of the Department of Commerce, tel.: (202) 482-1889; e-mail: aaron.brickman@mail.doc.gov.

May 6

Succeed in the European Union: Navigating the Maze
Scottsdale, Arizona
www.buyusa.gov/arizona/succeed_in_the_european_union.html

This hands-on workshop on succeeding in the European Union will help companies update their knowledge on important topics, such as regulatory requirements, cultural issues, and distribution channels. For more information, contact Pompeya Lambrecht of the USFCS, tel.: (602) 277-5223; e-mail: pompeya.lambrecht@mail.doc.gov.

May 12–16

SVIAZ/Expo Comm 2008
Moscow, Russia
www.export.gov/eac/show_detail_trade_events.asp?EventID=27329

This event is the leading show for telecommunications and information technology equipment manufacturers and service providers looking to meet buyers from Russia and the Commonwealth of Independent States. A U.S. pavilion will include 50 U.S. exhibitors. For more information, contact William Corfitzen of the USFCS, tel.: (202) 482-0584; e-mail: william.corfitzen@mail.doc.gov.

May 15

Free Trade Agreements and the Chemical Industry
www.export.gov/eac/show_detail_trade_events.asp?EventID=15219

This Webinar will look at the benefits that free trade agreements can bring to U.S. chemical producers. It will run from 11:00 a.m. to 12:30 p.m. Eastern time. For more information, or to register, send an e-mail to Linda Abbruzzese of the USFCS, tel.: (202) 482-1086; e-mail: linda.abbruzzese@mail.doc.gov.

May 16

Exporting and Taxes
Austin, Texas
www.export.gov

Properly integrated and cohesive tax planning is essential when business spans international border. This seminar will identify the basics for direct and indirect exporters. For more information, contact Karen Parker of the USFCS, tel.: (512) 916-5939; e-mail: karen.parker@mail.doc.gov.

May 20–22

Sustainabilitylive! 2008
Birmingham, United Kingdom
www.sustainabilitylive.com

This show is the United Kingdom's largest trade event showcasing innovation in the environment, water, land, and sustainable energy industries. A U.S. product literature center will offer U.S. firms the best opportunity to raise their international market profile and to collect trade leads. For more information, contact Andrew Williams of the USFCS, tel.: +44 (20) 7894-0417; e-mail: andrew.williams@mail.doc.gov.

May 21

International Trade Administration Alumni Reunion
Washington, D.C.

This reunion will be an opportunity for current staff members of ITA to meet with former employees, to discuss issues of interest to ITA and the trade community, and to assess alumni interest in working on selected projects to further ITA's mission. For more information, contact MaryAnn McFate of the Office of Organization and Management Support, tel.: (202) 482-6282; e-mail: itaalumniassociation@mail.doc.gov.

May 31–June 4

International Pow Wow 2008
Las Vegas, Nevada
www.tia.org/powwow/future_dates.html

This show is the travel industry's premier international marketplace. During three days of intensive, prescheduled business appointments, international delegates will meet with targeted suppliers from more than 1,000 U.S. travel organizations from every U.S. region and market segment. For more information, contact Juan Carlos Ruiz of the USFCS, tel.: +52 (55) 5140-2654; e-mail: juancarlos.ruiz@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

On The Horizon

June 16–20

Trade Mission to Vietnam

Hanoi and Ho Chi Minh City, Vietnam

www.export.gov/eac/show_detail_trade_events.asp?EventID=27518

This mission will help U.S. companies launch or increase their export business in the Vietnamese market. Participants will have many opportunities to gain valuable firsthand market information, to make business and government contacts, to solidify business strategies, and to advance specific projects. For more information, contact Karen Dubin of the USFCS, tel.: (202) 482-3786; e-mail: karen.dubin@mail.doc.gov.

June 17–20

CommunicAsia

Singapore

www.communicasia.com

This show, which is held in conjunction with BroadcastAsia 2008 and EnterpriseIT 2008, is an excellent platform for U.S. information and communications technology firms interested in the Asian market. U.S. exhibitors will be provided value-added services, such as matchmaking, a market briefing, networking events, welcome kits, and market reports. USFCS Singapore will also staff a business information booth at the show. For more information, contact Sweehoon Chia of the USFCS, tel.: +65 6476 9037; e-mail: sweehoon.chia@mail.doc.gov.

Late June

Business Development Mission

to Iraq

Erbil, Iraq

www.trade.gov/iraq

This mission is open to U.S. companies from all non-petroleum sectors, especially companies with interests in the housing, financial services, agribusiness and food processing, health, and franchising sectors. The mission will provide participating companies with an opportunity to meet with key officials from the Kurdistan regional government, local chambers of commerce, and other business groups. Applications are due May 8, 2008. For more information, contact Adam Choppin or Melisa Kersey of the Department of Commerce, tel.: (202) 482-5228; e-mail: adam.choppin@mail.doc.gov; melisa.kersey@mail.doc.gov.

Featured Trade Event

World Trade Week 2008

World Trade Week was first observed in 1933, with a proclamation by President Franklin D. Roosevelt that designated the third week in May as “National Foreign Trade Week.” In the intervening 75 years, the annual event has been renamed World Trade Week and has expanded its scope to include many activities throughout the country in recognition of the importance of international trade to the U.S. economy.

This year, World Trade Week will be observed on May 19–23. New York and Los Angeles are two centers of celebration. In New York, World Trade Week will start with an awards breakfast on May 19. Other events include seminars on sources of financing for international trade and an introduction to international franchising. For more information, go to www.wtwnyc.org.

In Los Angeles, World Trade Week will begin with a kickoff breakfast on May 7. Andy Bird, chairman of Walt Disney International, will be the keynote speaker. Bird oversaw the expansion of Disney’s existing businesses in developed markets, such as Western Europe and Japan, and emerging markets, such as China, India, Russia, and South Korea, as well as countries in Latin America. Other featured events include a seminar on cross-cultural communication skills, which will teach participants about cohesive communication strategies and cultural differences, as well as the skills of intercultural negotiations. For more information, go to www.worldtradeweek.com.

Many U.S. Export Assistance Centers (USEACs) will also be holding events in celebration of World Trade Week 2008. For more information, contact your local USEAC or visit www.export.gov.



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For more information and news, visit ITA’s Web site at www.trade.gov or contact the Office of Public Affairs, International Trade Administration, 1401 Constitution Avenue NW, Washington, DC 20230; tel.: (202) 482–3809.

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Research and Development Priorities for U.S. Manufacturing: A Look into the Future

To remain competitive in the global economy, U.S. manufacturers will need to focus their research and development efforts in areas that are most likely to deliver economic benefits. A recent report identifies three of those critical areas.

BY JOHN WARD AND CARLA LANGJAHR

Hydrogen energy technology, nanomanufacturing, and intelligent and integrated manufacturing are three areas that should be priorities for research and development (R&D) efforts by U.S. manufacturers. Those recommendations are from *Manufacturing the Future: Federal Priorities for Manufacturing R&D*, a report published in March 2008 by the Interagency Working Group on Manufacturing Research and Development (IWGMRD).

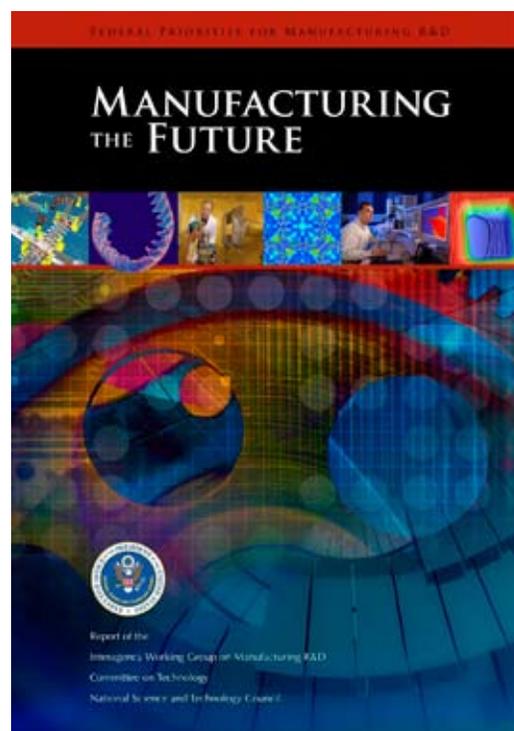
In the introduction, the report states, “For the U.S. manufacturing sector as a whole, the capability to integrate new designs, processes, and materials in a flexible fashion will translate into competitive advantages ranging from shorter product development cycles to new value-added products and sources.”

In addition to identifying three areas of opportunity for manufacturing R&D, the report also describes the critical manufacturing technology issues that need to be addressed within the areas. It also provides details on federal government activities, information about current and planned collaborative efforts, and an overview of important cross-cutting issues that affect R&D in the three areas.

IWGMRD comprises representatives from 15 federal agencies, including the Department of Commerce.

Response to 2004 Agenda

A priority for the Department of Commerce and many other federal agencies has been helping U.S. manufacturers meet the challenges of today's



economic environment. The administration's policy to address competitiveness issues was most clearly articulated in a 2004 report, *Manufacturing in America*. The report identified a number of policy and program objectives for the federal government to pursue in its effort to support U.S. manufacturers.

IWGMRD was formed because of a recommendation made in *Manufacturing in America*: identify priorities for future federal support for advanced manufacturing technology. Specifically, IWGMRD was charged with “identifying the timely and critical early-stage developments needed to provide a fundamental foundation for industrial research and development and the commercialization of related applications.”

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U.S. Export Assistance Centers

U.S. Export Assistance Centers (USEACs) are located in more than 100 cities throughout the United States. They are supported by five federal agencies, and serve as one-stop shops that provide small and medium-sized businesses with hands-on export marketing and trade finance support. For more information, visit the U.S. government's export portal, www.export.gov.

ALABAMA

Birmingham: (205) 731-1331

ALASKA

Anchorage: (907) 271-6237

ARIZONA

Phoenix: (602) 640-2513

Tucson: (520) 670-5540

ARKANSAS

Little Rock: (501) 324-5794

CALIFORNIA

Bakersfield: (661) 637-0136

Fresno: (559) 227-6582

Indio/Cabazon: (760) 772-3898

Ontario: (909) 466-4134

Los Angeles (Downtown): (213) 894-4231

Los Angeles (West): (310) 235-7104

Monterey: (831) 641-9850

Newport Beach: (949) 660-1688

Oakland: (510) 273-7350

San Rafael (North Bay): (415) 485-6200

Sacramento: (916) 566-7170

San Diego: (619) 557-5395

San Francisco: (415) 705-2300

San Jose (Silicon Valley): (408) 351-3390

Ventura County: (805) 488-4844

COLORADO

Denver: (303) 844-6001

CONNECTICUT

Middletown: (860) 638-6950

DELAWARE

Served by the Philadelphia, Pennsylvania, U.S. Export Assistance Center

DISTRICT OF COLUMBIA

Served by the Arlington, Virginia, Export Assistance Center.

FLORIDA

Clearwater: (727) 893-3738

FT. Lauderdale: (954) 356-6640

Jacksonville: (904) 232-1270

Miami: (305) 526-7425 ext. 27

Orlando: (407) 968-8122

Tallahassee: (850) 942-9635

GEORGIA

Atlanta: (404) 897-6090

Savannah: (912) 652-4204

HAWAII/PACIFIC ISLANDS

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IDAHO

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ILLINOIS

Chicago: (312) 353-8040

Libertyville: (847) 327-9082

Peoria: (309) 671-7815

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Grand Rapids: (616) 458-3564

Pontiac: (248) 975-9600

Ypsilanti: (734) 487-0259

MINNESOTA

Minneapolis: (612) 348-1638

MISSISSIPPI

Mississippi: (601) 965-4130

MISSOURI

St. Louis: (314) 425-3302

Kansas City: (816) 421-1876

MONTANA

Missoula: (406) 542-6656

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NEVADA

Las Vegas: (702) 388-6694

Reno: (775) 784-5203

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Long Island: Harlem Export Assistance Center

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Rochester: (585)-263-6480

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NORTH CAROLINA

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Greensboro: (336) 333-5345

Raleigh: (919) 281-2750

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OHIO

Akron: (330) 237-1264

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Philadelphia: (215) 597-6101

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PUERTO RICO

San Juan (Guaynabo): (787) 775-1992/1974

RHODE ISLAND

Providence: (401) 528-5104

SOUTH CAROLINA

Charleston: (843) 746-3404

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Sioux Falls: (605) 330-4264

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Knoxville: (865) 545-4637

Memphis: (901) 544-0930

Nashville: (615) 259-6060

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Austin: (512) 916-5939

Fort Worth: (817) 392-2673

Houston: (281) 449-9402

Grapevine: (817) 310-3744

San Antonio: (210) 228-9878

South Texas: (956) 661-0238

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Seattle: (206) 553-5615

Spokane: (509) 353-2625

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Charleston: (304) 347-5123

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Milwaukee: (414) 297-3473

WYOMING

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Research and Development Priorities

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Long-Term Benefits of R&D

The three critical areas identified in *Manufacturing in America* will bring benefits to many industries and sectors in manufacturing. For example, hydrogen technologies, which involve manufacturing components to produce, deliver, and store hydrogen, will be a critical component of any strategy designed to move away from petroleum-based fuels.

Nanomanufacturing involves creating ultra-miniaturized devices that have a broad range of applications. According to the report, nanomanufacturing “has the potential to impact virtually every industry, from aerospace and energy to healthcare and agriculture.”

Intelligent and integrated manufacturing involves applying advanced software, controls, sensors, networks, and other information technologies to rapid and adaptable manufacturing systems that fully exploit the latest production technologies.

Importance of Federal R&D

The role of the federal government in supporting basic research is substantial. According to the report, the federal government funds 61 percent of basic research, while the private sector accounts for

16 percent and state governments and non-profit organizations account for the remaining 23 percent.

The federal government will continue to have a critical role in maintaining and growing a healthy manufacturing sector in the United States. As the report notes, “Today’s revolutionary technologies and many of our most popular consumer products have roots deep in basic and applied research, much of it funded by Federal investment.” The federal government will continue to have a role in focusing on basic research “to protect and promote future American competitiveness.”

John Ward is a writer in the International Trade Administration’s Office of Public Affairs. Carla Langjahr is a senior adviser in the International Trade Administration’s Manufacturing and Services unit.

For More Information

The full text of *Manufacturing the Future: Federal Priorities for Manufacturing R&D*, along with additional information about federal government initiatives that assist U.S. manufacturers, is available on the Web at www.manufacturing.gov.

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Today’s revolutionary technologies and many of our most popular consumer products have roots deep in basic and applied research, much of it funded by Federal investment.

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Interagency Working Group on Manufacturing and Technology

International Trade UPDATE

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