

International Trade UPDATE

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June 2007

More Than 900 Gather in Atlanta for Americas Competitiveness Forum

Government officials, business leaders, and academics from 30 countries in the Western Hemisphere discussed how to accelerate hemispheric prosperity at an event organized by the Department of Commerce.

BY JOHN WARD



Carlos M. Gutierrez, secretary of commerce (left), joined by Henry J. Paulson, Jr., secretary of the treasury (center) and Robert Mosbacher, Jr., president of the Overseas Private Investment Corporation (right), at the Americas Competitiveness Forum in Atlanta, Georgia, on June 12, 2007. (U.S. Department of Commerce photo)

More than 900 representatives from businesses and governments throughout the Western Hemisphere gathered in Atlanta, Georgia, June 11–12, 2007, to participate in the Americas Competitiveness Forum. Secretary of Commerce Carlos M. Gutierrez convened this two-day conference on regional competitiveness.

Joining Gutierrez at the event were Secretary of the Treasury Henry M. Paulson, Jr., Secretary of Education Margaret Spellings, and dozens of minister-level government

officials representing 30 of the 34 democratically elected countries of the Western Hemisphere. The representatives participated in 22 formal sessions and nearly 200 formal and informal meetings between government officials and business leaders.

The forum was an outcome of the November 2005 Summit of the Americas held in Mar del Plata, Argentina. At that meeting, President George W. Bush recommended that the first-ever high-level meeting be convened to focus on improving the region's competitiveness.

Need to Compete Emphasized

In his opening remarks to forum attendees on June 11, Gutierrez pointed out the economic and political challenges posed to the Western Hemisphere in the face of aggressive economic growth in other regions of the world in recent years. "While many regions are increasing their share of GDP, our region's share declined from 34 percent in 1990 to 29 percent last year.... This is what brings us together today." He pointed out that "we in the Americas need to continue

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Trade Winds Forum Explores Export Opportunities in Africa, Europe, and India

Nearly 300 companies participated in a two-day forum organized by the U.S. and Foreign Commercial Service in Crystal City, Virginia, this May that was designed to help U.S. businesses identify business prospects in key markets.

BY COURTNEY TRUMPLER

Representatives from nearly 300 U.S. companies learned about some of the latest trade opportunities in Africa, Europe, and India at a conference organized by the U.S. and Foreign Commercial Service (USFCS). Called the Trade Winds Forum, the conference was held in Crystal City, Virginia, on May 16–17, 2007. The event was one of the largest USFCS trade promotion forums of the year.

“Over the course of two days, we helped U.S. businesses identify export market opportunities and contacts from the fast-growing markets of Africa, Europe, and India,” said Bill Burwell, director of the Baltimore U.S. Export Assistance Center. “Altogether, we held more than 550 private consultation meetings with our visiting senior commercial officers, saving businesses time and resources in development of their export strategies.”

Industry and Country Panels

At the forum, 33 U.S. senior commercial officers from U.S. embassies around the world met with businesses in individual and group settings to discuss opportunities in their respective markets. Commercial officers also addressed topics such as maintaining market presence, finding local partners, obtaining valuable market research, and protecting intellectual property rights.

“Trade Winds Forum is a shining example of the depth and breadth of talent found throughout the Commercial Service and how clients ultimately benefit when the various units of the Commercial Service are aligned on their behalf,” said Joe Hanley, the director of the USFCS’s Mid-Atlantic network.

The event also featured some 40 private-sector speakers in more than 24 panels, with each panel focusing specifically on an industry or country. U.S. Department of Commerce executives, including David A. Sampson, deputy secretary of commerce; Franklin L. Lavin, under secretary for international trade; and Israel Hernandez, director general of the USFCS, also addressed the event.

Opportunities in Key Markets

Burwell commented about opportunities located outside the United States. “More than 95 percent of the world’s consumers are beyond our borders,” Burwell said. He also noted that the conference enabled Commercial Service officers to outline opportunities in key markets, including the following:

- In 2006, Africa, Europe, and India imported \$269 billion—one-quarter of total U.S. exports.



Participants in the Trade Winds Forum that was held on Crystal City, Virginia, on May 16–17, 2007. Break-out sessions, such as this one on Turkey, allowed attendees to learn region- and country-specific information. (U.S. Department of Commerce photo)

- More than 450 million consumers are in the European Union, where 27 countries share common trade rules, allowing free movement of trade across borders.
- India's gross domestic product is growing at about 8 percent per year, making it one of the fastest-growing economies in the world.
- The government of South Africa plans to spend at least ZAR 6 billion (\$860 million) in preparation for the 2010 World Cup.

Private- and Public-Sector Cooperation

Private-sector attendees at the forum came from 25 states, with total attendance exceeding 400. Also present at the forum were 22 Commercial Service partners, including marketing partnership contractors Federal Express and PNC Bank. The support of the Business Council for International Understanding, a business association that promotes dialogue and action between business and government, was instrumental in making the Trade Winds Forum a success.

York Wire and Cable of York, Pennsylvania, was one of the businesses that attended the forum. Robert Wilson, vice president of sales, remarked at how successful the forum was for his company: "As a family-owned business, we don't always have the manpower and resources to navigate and locate potential partners and opportunities on our own. Trade Winds allowed our company to recognize where we should take our business to next in the international market. We are already doing business in 23 countries, but now we know it is possible to expand further."

The Trade Winds Forum was led by the cooperative efforts of the U.S. Export Assistance Centers located across the Mid-Atlantic region, including the centers in Maryland, New Jersey, North Carolina, Pennsylvania, South Carolina, West Virginia, and Virginia.

"Many clients that attended have asked, 'What's next?' said Hanley. "We look forward to building upon the success of Trade Winds Forum to further benefit our clients in the months and years to come."

Courtney Trumpler is an intern in the U.S. and Foreign Commercial Service's Office of Marketing.

For More Information

Export counseling services are made available to U.S. businesses through the domestic network of U.S. Export Assistance Centers that are located in more than 100 cities throughout the United States. For more information, visit www.export.gov or call the Trade Information Center at 1-800-USA-TRADE (872-8723).

Commerce Report Looks at Competitiveness

During the Americas Competitiveness Forum, the Department of Commerce released a special report, *Competitiveness in the Americas*. "This report will help us examine what may be impeding or promoting competitiveness in the Western Hemisphere," said Secretary of Commerce Carlos M. Gutierrez. "[It] will help government leaders identify policies to take the region on the road to prosperity and economic opportunity in the increasingly competitive global marketplace."

Copies of the report are available for download from the Department of Commerce's Web site at <http://trade.gov/competitiveness/acf>. Streaming videos of the forum's plenary sessions, along with the forum's agenda and a list of participants, are also available on the site.

Americas Competitiveness Forum

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building strategic partnerships and regional economic frameworks to remain globally competitive. And we need to do this to extend the benefits of democracy throughout the hemisphere."

Four Key Themes Examined

Forum participants examined the details of the competitiveness challenge in 22 panel discussions that provided real-world examples of successful policies and strategies. The sessions echoed Gutierrez's points, with their focus on four elements of competitiveness: education and workforce development, innovation, small business and entrepreneurship, and global supply-chain strategies.

One of the forum speakers, Peruvian economist Hernando de Soto, addressed competitiveness in light of the information and legal infrastructures that form the basis of economic success. He pointed out that 80 percent of Latin Americans are outside of the "information system" that makes up a formal economy.



Secretary of Commerce Carlos M. Gutierrez speaking at the Americas Competitiveness Forum in Atlanta, Georgia, on June 12, 2007. (U.S. Department of Commerce photo)

The legal assumptions, such as limited liability, asset shielding, and perpetual succession, and the recorded transactions that go with them are what allow businesses to function efficiently and to interact with one another. However, according to a study conducted by de Soto for the Inter-American Development Bank, most enterprises in Latin America do not possess such "common knowledge." "Information," de Soto noted, "is the biggest challenge we face."

Another speaker, Ana Vilma de Escobar, vice president of El Salvador, spoke about the progress her country has made in achieving higher rates of economic growth in recent years. "Getting to this point has required long-term commitment," she remarked, pointing specifically to the twin challenges of promoting higher educational levels and developing public infrastructure, such as energy supply and transmission.

Examples and Advice from the Private Sector

Speakers from the private sector were prominent participants in the forum. Eduardo Solórzano Morales, chief executive officer of Wal-Mart de México, spoke about how companies can play a vital role in supporting economic growth. He detailed how Wal-Mart de México has provided technical and financial assistance to its suppliers, increased labor productivity, and promoted corporate social responsibility.

Mike Eskew, chairman and chief executive officer of UPS, pointed out impediments to trade in the region. He noted that although Latin America "has the potential to be the next hotbed of trade and economic growth,... our border and customs policies make it sometimes seem like we're enemies." He offered a number of steps that governments and businesses should take to improve trade, including harmonizing tariff codes, speeding up customs processing, and improving transportation and information technology infrastructures. The choices for the countries of the

Western Hemisphere, he emphasized, “are to adapt or become irrelevant.”

Small Business Lending Program Announced

In a speech to attendees on June 12, Paulson addressed another of the forum’s key themes: entrepreneurial development. Observing that only 10 percent of small businesses in Latin America have access to financing from banks and commercial lenders, Paulson announced a U.S.-financed program to expand small business lending in the region. This aid will include technical assistance and training designed to expand small business lending by regional financial institutions, along with loan guarantees to be provided by the Overseas Private Investment Corporation. According to Paulson, approximately \$150 million will be available for lending, and 80 percent of the loans will be for less than \$100,000. “Spreading economic opportunity within and between the nations of the Americas,” said Paulson, “is urgent and possible.”

Growth and Social Justice

Ultimately, the economic growth envisioned by the forum’s participants will help to bring about social justice throughout the hemisphere. “Our vision for the Western Hemisphere is one of growth and prosperity,” said Gutierrez in his remarks to the attendees. “Growth empowers people with the tools to take ownership and improve their lives. It promotes trade and investment.... [It] strengthens the delivery of true social justice, which we believe is about giving everyone an equal opportunity to succeed.”

A summary report on the forum will be available in late August 2007 on the International Trade Administration’s Web site, www.trade.gov. Several follow-up events based on the forum’s themes will take place throughout the Western Hemisphere.

John Ward is a writer in the International Trade Administration’s Office of Public Affairs.



Ana Vilma de Escobar, the vice president of El Salvador, spoke at a session of the Americas Competitiveness Forum devoted to the state of competitiveness in the Western Hemisphere. Joining her on the panel were, left to right: Luis Alberto Moreno, the president of the Inter-American Development Bank; Hernando de Soto, president of the Institute for Liberty and Democracy; and Eduardo Solorzano Morales, president of Wal-Mart de México. (U.S. Department of Commerce photo)



Mike Eskew, chief executive officer of UPS, speaking to attendees at the Americas Competitiveness Forum. (U.S. Department of Commerce photo)

United States and China Look for Solutions to Long-Term Economic Problems

Secretary of Commerce Carlos M. Gutierrez joined 16 other U.S. cabinet officials and agency heads, as well as 15 ministers and 11 vice ministers from the People's Republic of China, in Washington, D.C., on May 22-23, 2007, for the second meeting of the U.S.-China Strategic Economic Dialogue (SED). The first meeting was held on December 14-15, 2006, in Beijing, China.

Although the SED framework is geared toward discussion of long-term strategic issues, some near-term results were realized during the May meeting. One such result that will benefit U.S.-China trade was an agreement to greatly increase the number of daily passenger flights between China and the United States and to provide virtually unlimited access for U.S. and Chinese cargo carriers.

This civil aviation agreement will help expand bilateral commercial ties and will support the Department of Commerce's effort to facilitate Chinese group leisure travel to the United States. During the SED, the United States and China issued a declaration to launch negotiations on an agreement to expand opportunities for U.S. travel and tourism agencies to provide services to Chinese customers. This initiative, led by the International Trade Administration, will facilitate U.S. businesses' access to a Chinese market that is projected to grow to 100 million outbound travelers within the next 15 years.

One of U.S. industry's biggest challenges in China is the lack of transparency in rule making and administrative decision making. At the SED, Gutierrez discussed with his Chinese counterparts ways to increase transparency in China. The Commerce Department team will continue to work with China to make public notice and comment periods for rules and regulations standard practice.

"We welcome China as a responsible member and an important contributor to the global economy," remarked Gutierrez at a press conference following the



A session of the recent U.S.-China Strategic Economic Dialogue, held in Washington, D.C., May 23-27, 2007.

SED. "We look forward to working together to achieve a level playing field for all of us."

The next meeting of the SED is scheduled to take place in Beijing in December 2007.

U.S.-India Trade, Capital Investment Subjects of Recommendations from President's Export Council

The President's Export Council approved two letters of recommendation to President George W. Bush regarding U.S.-India trade and capital markets at a meeting held in the Dirksen Senate Office Building in Washington, D.C., on June 7, 2007.

In its letter on India, the council observed that India, with a gross domestic product of \$786 billion and growth rate of 8 percent, presents a "tremendous opportunity for U.S. exporters and investors." But the council noted that significant barriers to entry remain, specifically pointing to five areas of concern: high tariffs, investment restrictions, regulatory barriers, weak enforcement of intellectual property rights, and poor infrastructure. The council urged continued engagement by the United States in bilateral initiatives. "In bilateral discussions, such as the U.S.-India Trade Policy Forum and the U.S.-India

Commercial Dialogue, the administration has an opportunity to advance various policy reforms to improve the trade and investment climate [in India].” The council also applauded the recent U.S. efforts in advancing the U.S.–India civil nuclear cooperation agreement and urged further encouragement of Indian engagement in the Doha Round of multilateral trade negotiations.

In its letter on capital investment, the council strongly expressed its belief that “maintaining the preeminence of U.S. capital markets is a matter of high national priority.” It voiced its support for recommendations made recently by several commissions and reports that have examined the regulation of capital markets, and it specifically urged action in six areas: maintaining an open investment climate; establishing principles of effective regulation, including careful cost-benefit analysis of proposed rules and regulations; moving expeditiously toward convergence around high-quality international standards of regulation, accounting, and auditing; reforming approaches to regulatory enforcement, securities litigation, and auditor liability; coordinating regulatory approaches among federal agencies and between federal and state regulators; and reexamining aspects of the Sarbanes-Oxley Act.

The full texts of the two letters are available on the Web site of the President’s Export Council at www.ita.doc.gov/td/pec/.

Applications Sought for Market Development Cooperator Program

Industry groups and non-profit organizations have until July 13, 2007, to submit applications for participation in the Commerce Department’s Market Development Cooperator Program (MDCP). The program provides financial and technical assistance from the International Trade Administration (ITA) to support projects that enhance the global competitiveness of U.S. manufacturing and services industries.

An MDCP award establishes a partnership between ITA and non-profit industry groups, such as trade associations or chambers of commerce. Those groups are particularly effective in reaching small and medium-sized enterprises. Participating groups pledge to pay a minimum of two-thirds of the project cost and to sustain the project after the MDCP award period ends. There is an individual award limit of \$175,000. Funds may be expended over the period required to complete a project, but the period cannot exceed three years without an extension.

MDCP award recipients pursue a variety of approaches to improving U.S. competitiveness. For example, one recipient, the Advanced Television Systems Committee (ATSC) Forum, worked closely with ITA staff members and experts from the Federal Communication Commission to help educate Latin American governments about the benefits of the ATSC high-definition television (HDTV) standard, which is used, and primarily was developed, in the United States. Within days of Mexico’s adoption of the ATSC standard, U.S. firms were signing multimillion dollar sales contracts for HDTV transmission and processing equipment. Another recipient, the Hosiery Technology Center (HTC), uses quality testing, technological innovation, and joint sales efforts to help U.S. hosiery manufacturers. Leveraging its award, with assistance from ITA staff specialists, the HTC has helped several U.S. firms sell millions of dollars worth of hosiery to previously unexploited markets, such as Japan. On average, \$100 in exports result from every \$1 of federal award money.

The MDCP was established by the Omnibus Trade and Competitiveness Act of 1988 as a unique way to “develop, maintain, and expand foreign markets for non-agricultural U.S. goods and services.” ITA has funded 84 projects since the first awards were made in 1993.

For more information on the MDCP, and to obtain an application kit for the 2007 competition, go to www.trade.gov/mdcp/.

July 2007

July 6-9

SINOCES

Qinqdao, China

www.sinoces.com/en/index.aspx

This show is one of the most significant consumer electronic shows in China. In 2006, it attracted 62,000 attendees. This year, the show will include a U.S. pavilion, which provides an excellent platform for U.S. companies to showcase their products and services. For more information, contact Xianmin Xi of the USFCS, tel.: +86 (10) 8529-6655, ext. 829; e-mail: xianmin.xi@mail.doc.gov.

July 8-10

ISPO Sport and Style, Summer 2007

www.ispo.de

This trade show will focus on summer and non-seasonal sports, including sportswear, sports shoes, outdoor fitness fashions, and more. In 2006, this show attracted 1,049 exhibitors from 46 countries. There will be an American Products Center for companies interested in exhibiting their products and/or catalogs. For more information, contact Birgit Hesse of the USFCS, tel.: +49 (211) 737-767-70; e-mail: birgit.hesse@mail.doc.gov.

July 11-13

PAACE Automechanika Mexico 2007

Mexico City, Mexico
www.export.gov

The Panamerican Automotive Accessories/Components Expo (PAACE) is the leading automotive parts industry trade event in Mexico. In 2006, 546 exhibitors participated, with 17,557 visitors from 34 countries. A seminar program will feature national and international market information, importing and exporting guidelines, and marketing and product information. For more information, contact Monica Martinez of the USFCS, tel.: +52 (55) 5140-2628; e-mail: monica.martinez@mail.doc.gov.

July 13

Market Development Cooperator Program

www.trade.gov/mdcp

Applications from industry groups and non-profit organizations for participation in the Commerce Department's Market Development Cooperator Program must be received by July 13, 2007. For more information, see related story on page 7, or contact Brad Hess of the International Trade Administration, e-mail: brad.hess@mail.doc.gov.

July 15-19

AACC Annual Meeting and Clinical Lab Expo

San Diego, California
www.aacc.org

The annual meeting of the American Association for Clinical Chemistry (AACC) has become the premier marketplace and largest exposition of its kind in the world. This year, more than 600 companies displaying products and services for clinical laboratories are expected. More than 200 conferences and sessions will be running parallel with the exhibits. For more information, contact William Kutson of the USFCS, tel.: (202) 482-2839; e-mail: william.kutson@mail.doc.gov.

July 17

Census Bureau Schedule B Classification Conference

Charlotte, North Carolina
www.export.gov

This conference is a full-day event covering Schedule B classification regulations, commodity analysis to determine appropriate Schedule B classification, and the role of U.S. Customs and Border Protection in the export and import process. For more information, contact Juanita Harthun of the USFCS, tel.: (704) 333-2198; e-mail: juanita.harthun@mail.doc.gov.

July 18

International Market Research

Dickinson, North Dakota
www.export.gov

Participants of this one-day seminar at Dickinson State University will learn the basics of international market research from international trade specialists. For more information, contact Heather Ranck of the USFCS, tel.: (701) 239-5080; e-mail: heather.ranck@mail.doc.gov.

July 18-21

AWFS Fair 2007

Las Vegas, Nevada
www.awfsfair.org

This event attracts manufacturers of cabinets, store fixtures, architectural millwork, and wood and related products. The show expects more than 450 exhibitors and has a growing international presence. For more information, contact Edward Kimmel of the USFCS, tel.: (202) 482-3640; e-mail: edward.kimmel@mail.doc.gov.

July 22

Discover U.S. Education

Kuala Lumpur, Malaysia
www.discoveruseducation.org

This event provides information to prospective students of U.S. universities and colleges. In 2006, it attracted 4,000 attendees and 43 exhibiting U.S. institutions of higher education. Participation by U.S. colleges and universities is free. For more information, contact LayHwa The of the USFCS, tel.: +60 (12) 239-1412; e-mail: layhwa.the@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

August 21–26

International Aviation and Space
Salon MAKS 2007

Moscow, Russia

www.aviasalon.com/en/maks.html

The previous show in 2005 attracted 654 companies from 40 countries. U.S. companies can participate in a low-cost Aerospace Products Literature Center that will showcase sales literature to business visitors and will collect and forward business leads. For more information, contact Karen Dubin of the USFCS, tel.: (202) 482-3786; e-mail: karen.dubin@mail.doc.gov.

August 23

Tijuana's Border Program

Tijuana, Mexico

www.export.gov

This one-day program offers participants hands-on exposure to the physical transportation and documentation process of cross-border trade, with briefings by U.S. and Mexican officials and a visit to a Mexican customs facility. For more information, contact Judith Valdes of the USFCS, tel.: +52 (66) 4622-7495; e-mail: judith.valdes@mail.doc.gov.

August 28–30

MEDTECH China

Shanghai, China

www.export.gov

This event focuses on the Chinese medical manufacturing marketplace. Ninety percent of the show's exhibitors are from the United States and Europe. The show is expected to attract more than 5,000 senior decision makers and medical manufacturing professionals. For more information, contact Lisa Huot of the USFCS, tel.: (202) 482-2796; e-mail: lisa.huot@mail.doc.gov.

E Awards Ceremony at White House Honors 11 U.S. Exporters

Secretary of Commerce Carlos M. Gutierrez joined President George W. Bush at the White House on May 24, 2007, to recognize 11 U.S. companies and organizations for their success in exporting and export promotion.

"Each of these E Award companies are helping to grow new markets around the world, and I commend them for contributing to last year's record of \$1.4 trillion in goods and services exports," said Gutierrez. "In order to remain competitive, American companies need to expand their access to foreign markets."

For the first time in many years, the award winners met with the president in the Oval Office after a ceremony at the Department of Commerce. This year's awards mark the 45th anniversary of the E Awards. The awards were first presented by President John F. Kennedy in 1961.

An E Award is the highest honor the federal government can give to a U.S. exporting company. It may be given to people, firms, or organizations engaged in the marketing of products that make significant contributions to the expansion of the export trade of the United States.

This year's winners were Sign-a-Rama Inc., West Palm Beach, Florida; Numonics Corporation, Montgomeryville, Pennsylvania; Hydra Platforms Manufacturing Inc., Rock Hill, South Carolina; Gerber Technology, Tolland, Connecticut; Maryland Port Administration, Baltimore, Maryland; Nylonge Company, Elyria, Ohio; Mallory Alexander International Logistics, Memphis, Tennessee; Hytrol Conveyor Company Inc., Jonesboro, Arkansas; Pharmaceutical Innovations, Newark, New Jersey; Georgia Department of Economic Development, Atlanta, Georgia; and Lincoln Electric Holdings Inc., Cleveland, Ohio.



President George W. Bush (center) with winners of the 2007 E Awards in the Oval Office of the White House on May 24, 2007.



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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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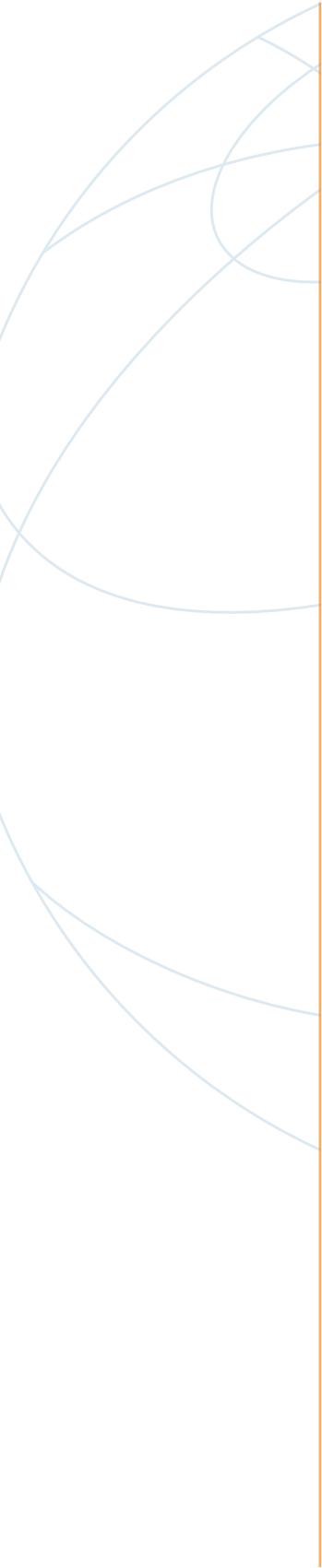
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Allies and Partners: Azerbaijan, Turkey, and the United States

Strengthening the economic relationship with two important allies in the Caspian region was the purpose of a recent visit by Deputy Secretary of Commerce David A. Sampson to Azerbaijan and Turkey.

BY DAVID LEVEY

David A. Sampson, deputy secretary of commerce, visited Azerbaijan and Turkey on June 4–8, 2007, underlining the close economic and trade ties the United States has with those two countries. In Azerbaijan, Sampson attended the 14th International Caspian Oil and Gas Exhibition and Conference in Baku and met with the president, Ilham Aliyev. In Turkey, he met with Turkish Foreign Minister Abdullah Gul and other government officials in Ankara and later traveled to Istanbul.

Azerbaijan: Energy Revenue Fuels Economic Growth

Azerbaijan is an important ally in the fight against terrorism and is located at a key juncture between Europe, the Middle East, and Russia. A moderate, progressive Muslim nation, Azerbaijan has recently seen its economic fortunes rise. In 2006, it was the fastest-growing economy in the world, increasing its gross domestic product by 34 percent and more than doubling its international trade.

Much of this growth can be attributed to Azerbaijan's enormous energy reserves. It is just beginning to experience the effect of more than \$250 billion of energy revenues that are expected during the next decade. Those resources have the potential to transform Azerbaijan's economy and the standard of living of its 8.4 million people.

"The question now is how wise leaders can use this historic opportunity to provide a foundation for a diverse, prosperous economy that can fulfill the dreams of the nation," said Sampson in a speech he gave in Baku to the American Chamber of Commerce on

June 4, 2007. While in Baku, Sampson also attended a corporate social responsibility event held at a McDonald's restaurant. At the event, McDonald's donated a specially outfitted bus to a center for handicapped children.

In Turkey, Education and Globalization

Near Azerbaijan is another U.S. partner, Turkey. For more than 80 years, the United States and Turkey have been allies, trading partners, and friends. In recent years, the economic component of the relationship has been increasingly important, with broad-based growth in trade and investment.

During his trip to Turkey, Sampson visited Istanbul, where he spoke at a conference hosted by the American Business Forum on the importance of innovation to Turkey's growth. According to Sampson, "We need to continue to focus on doing all we can to ensure that entrepreneurship and innovation are rewarded and encouraged in both our countries." This encouragement includes modernizing and strengthening education and training, increasing intellectual property rights enforcement, and eliminating uncompetitive policies with respect to licenses and employment.

Sampson also talked to students at Bahçesehir University about their role as leaders in Turkey and in a challenging international business environment that is full of opportunities. "Your education is a ticket to becoming a global citizen, something you can now achieve without ever leaving Turkey. No longer will you have to make a choice between high earnings and global reach on the one hand, or remaining in Turkey on the other... [T]here is always a need for enlight-



David Sampson, deputy secretary of commerce (second from right) with officials in Baku, Azerbaijan, on June 4, 2007. Behind them is a specially outfitted bus donated by McDonald's to a center for handicapped children. (U.S. Department of Commerce photo)

ened leadership, and that door is now open to you,” Sampson said.

Room for Trade Growth

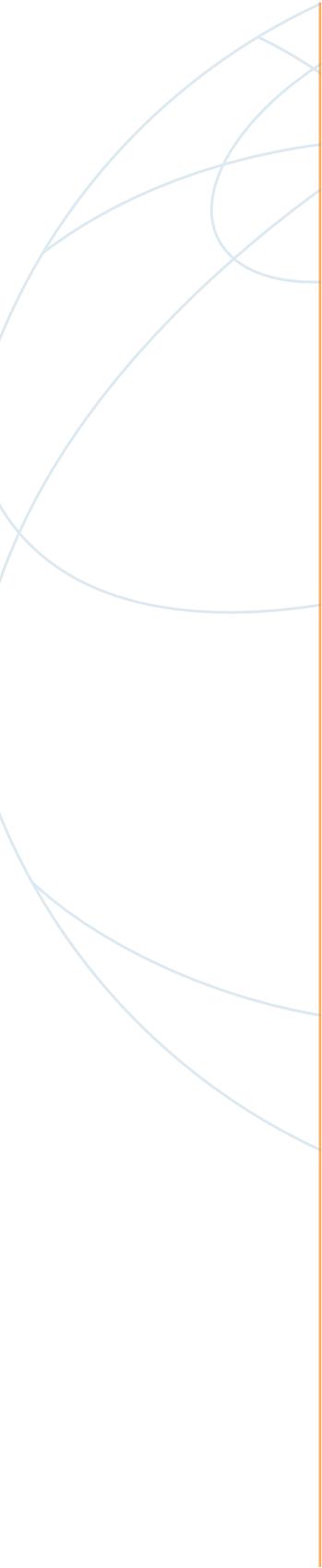
In 2006, Turkey was a larger market for U.S. exports than Russia. But the economic relationship has much more potential. For example, in 2006, U.S. trade with Turkey was less than a third of that with Belgium, a country with about the same gross domestic product as Turkey but with only 15 percent of its population.

Both Azerbaijan and Turkey are countries that are primed for growth. Both are allies of the United States and have made tremendous progress in transforming their economies in ways that have just begun to unlock their true potential.

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

For More Information

For more information about opportunities for U.S. businesses in Azerbaijan, visit www.buyusa.gov/azerbaijan/en/. For information on opportunities in Turkey, go to www.buyusa.gov/turkey/en/.



Commerce Preliminarily Finds Dumping of Coated Free Sheet Paper

After a preliminary determination by the Commerce Department's Import Administration, U.S. importers of glossy paper from China, Indonesia, and South Korea are posting cash deposits or bonds.

BY TIM TRUMAN

The Commerce Department preliminarily determined that producers and exporters of glossy paper from China, Indonesia, and South Korea have sold their products in the U.S. market at less than fair value. The preliminary dumping margin for Indonesia was 10.85 percent. Margins ranged from 23.19 to 99.65 percent for China and from zero to 30.86 percent for South Korea. "Dumping" is when a foreign producer sells a product in the United States at a price that is less than fair value—often the producer's sales price in the country of origin or the cost of production. The dumping margin is the difference between the price (or cost) in the foreign market and the price in the U.S. market.

U.S. importers of glossy paper from those countries are now posting cash deposits or bonds equivalent to the combined rates from the preliminary determinations for the antidumping duty (AD) investigations and the companion countervailing duty (CVD) investigations, which were announced in March 2007. (See April 2007 issue of *International Trade Update*.) When combined with the preliminary CVD rates, total deposits equal 32.09 percent for Indonesia, and they range from 43.54 to 117.81 percent for China. The Commerce Department issued a negative preliminary determination in the South Korea CVD investigation. Therefore, only cash deposits or bonds equal to the AD preliminary margins are required for Korean imports.

"This administration continues to aggressively enforce our trade laws to ensure a level playing field for American manufacturers," said David Spooner, assistant secretary for import administration. "By acting

on these petitions, the United States is demonstrating its continued commitment to prevent unfair trade practices."

In light of the companion CVD investigation with respect to China, the Commerce Department is contemplating revising its non-market economy (NME) dumping practice to recognize market-oriented enterprises (MOEs). On May 25, 2007, the Commerce Department published a *Federal Register* notice asking for public comment on the concept of MOEs. At this point, however, the Commerce Department does not have the information necessary to decide whether to create an MOE test or how the test would be administered. The dumping margins in the China investigation, therefore, are based on the Commerce Department's current NME methodology.

The Commerce Department initiated the investigations on November 20, 2006, after determining that the petitions filed by NewPage Corporation of Dayton, Ohio, met the statutory requirements under the Tariff Act of 1930. The final determinations in both the AD and CVD investigations are scheduled for October 17, 2007.

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