

Facilitating Trade and Economic Engagement in the Pacific Rim

The Asia–Pacific Economic Cooperation forum works to liberalize trade and to promote economic cooperation among its 21 member economies. As it prepares for its annual Leaders’ Summit in Singapore in November, its efforts are helping members face new economic challenges.

BY BRENDA J. FISHER



The APEC working group on small and medium-sized enterprises, shown here at a seminar on innovation management that was held in Chiclayo, Peru, in August 2008, is one of 24 such APEC groups that are working toward maintaining the economic vitality of the Pacific Rim. (APEC photo)

Today, U.S. companies doing business in the Pacific Rim are the beneficiaries of declining average tariffs, reduced business transaction costs, and a strong commitment to international trading norms. Those benefits are in no small part due to the Asia–Pacific Economic Cooperation (APEC) forum.

APEC began as an informal group of 12 Asia–Pacific economies that saw the need for increased economic cooperation. It has since grown into a more formalized institution that

involves all major economies in the region, with 21 members. APEC is now home to more than 2.7 billion people, and it represents approximately 53 percent of world gross domestic product and 49 percent of world trade.

With the challenges that exporters in the region face today, such as a decline in trade during the past 12 months and the threat of protectionism, U.S. engagement in APEC is more important than ever.

Beginnings in Canberra and Seattle

APEC was founded in 1989 when Australian Prime Minister Bob Hawke invited leaders from 11 Asia–Pacific nations to meet in Canberra. Four years later, the first meeting of the APEC leaders was held in November 1993. President Bill Clinton hosted the representatives from 17 economies on Blake Island, near Seattle, Washington. Since then, APEC leaders have met annually, with the next meeting scheduled for November 14–15, 2009, in Singapore.

APEC is a unique, consensus-driven regional grouping that brings policymakers and the private sector together to openly discuss and voluntarily commit to market-opening actions

INSIDE

1

Facilitating Trade and Economic Engagement in the Pacific Rim

3

Questions for Our Man in Peru

4

Short Takes: News from the International Trade Administration

6

International Trade Calendar



“ APEC has worked to align national and international standards, thus allowing the easier flow of products within the region. ”

that will ensure the continuing dynamism of the Asia-Pacific region. Its chairmanship rotates annually among its members. This year, the chair is Singapore, which is also the location of the organization’s executive secretariat.

“Three Pillars” Define Agenda

APEC’s vision is embodied in the Bogor Goals, which were signed by APEC leaders in 1994 when they met in Bogor, Indonesia. The goals commit the signatories to implement free and open trade and investment in the Asia-Pacific region by 2010 for industrialized economies and by 2020 for developing economies.

Since that declaration, APEC has focused on three broad areas, its so-called three pillars: (a) trade and investment liberalization, (b) business facilitation, and (c) economic and technical cooperation. Its 24 committees, working groups, and task forces promote cooperation and capacity building on specific issues, encouraging further regional economic integration.

Sector-Specific Initiatives

The Department of Commerce plays an important role in many of APEC’s committees and working groups, including those on automotive issues, food safety, intellectual property rights, data privacy, and small business development.

The Department of Commerce helps develop other APEC efforts, including an environmental goods and services exchange tool, a new product safety initiative

for motorcycles, and anticounterfeiting measures for medical products.

For all APEC projects and working groups, input and new ideas from the private sector are not only vital to their success, but also actively sought by the Department of Commerce. (For more information, see sidebar, “The Role of the Private Sector in Developing APEC Policy Initiatives.”)

Benefits to U.S. Exporters

U.S. businesses and consumers directly benefit from APEC in a variety of ways. For example, compliance with different national inspection and testing standards represents a major cost to both businesses and consumers. APEC has worked to align national and international standards, thus allowing the easier flow of products within the region.

APEC has also undertaken efforts to transfer goods, services, and people across borders more efficiently by harmonizing and simplifying customs procedures. That change has encouraged members to establish a paperless trading environment for customs and other cross-border transactions. Use of such modern technology helps to achieve faster, more predictable, and transparent customs clearance and inspection. At the same time, APEC promotes risk management techniques that better target customs enforcement efforts while facilitating the movement of low-risk shipments.

Yet another effort has involved e-commerce. APEC has adopted appropriate legal and policy regimes

continued on page 8

The Role of the Private Sector in Developing APEC Policy Initiatives

The APEC Business Advisory Council (ABAC) consults directly with the private sector to design and implement policy initiatives. The council is composed of up to three senior executives from each APEC economy, who represent small and large enterprises from a diverse range of sectors. ABAC’s members provide recommendations to better facilitate business in the region during its annual meeting with APEC leaders. APEC also engages the business community through industry dialogues for the automotive, chemical, and life sciences sectors. The dialogues improve mutual understanding of future policy imperatives and enhance the competitiveness of the sectors. For more information, contact the Department of Commerce’s APEC Affairs Coordinator, Brenda J. Fisher, at tel. (202) 482-5334; e-mail: brenda.fisher@mail.doc.gov.

Questions for Our Man in Peru

U.S. exporters have new opportunities in Peru since the U.S.–Peru trade promotion agreement went into effect. John Simmons, the Department of Commerce’s senior commercial officer in Lima, offers some details on accessing this market.

John Simmons spoke recently with Doug Barry of the U.S. and Foreign Commercial Service about opportunities for U.S. businesses in that country, especially in the wake of the U.S.–Peru trade promotion agreement (TPA) that recently entered into force.

Barry: George Washington declared more than 200 years ago that, to have friendly relations with other countries, our young nation should trade and exchange knowledge. It sounds like George Washington had it right all those years ago.

Simmons: Certainly with regard to trade in Peru, I think he did. It’s an interesting time to be here, and there’s a lot happening that’s of relevance to U.S. companies.

Barry: And what is the most relevant aspect of the new TPA with Peru? How is it going to benefit U.S. companies that choose to sell there?

Simmons: Probably the most immediate and noticeable aspect for U.S. firms is that as of February 1, 2009, about 80 percent of U.S. goods that are exported to Peru enter duty-free.

Barry: And what were the duties before the TPA went into effect compared to now?

Simmons: They varied quite a bit. You’re still seeing import duties of 2, 3, maybe 10 percent on some items from competitor nations. Most of our products will now come in at 0 percent.

Barry: Do U.S. businesspeople face a blizzard of forms and certificates of origin to fill out to take advantage of the TPA?

Simmons: Well, things like certificates of origin should get easier and more uniform. In general, Peru is a fairly bureaucratic place. But under the TPA, the goal is for all shipments coming from the United States into Peru to clear customs within 48 hours.



Cuzco, Peru, at night (stock.xchng)

Barry: To get through this bureaucracy, your office offers assistance and guidance to U.S. firms. How do they get in touch with you to take advantage of what you offer?

Simmons: The easiest way is to search “U.S. Embassy Peru” on the Internet. From there, you’ll find a link to the Foreign Commercial Service section. And from there, you can find me and my staff members, who are identified by their industrial specialties. All kinds of information are available on the commercial relationship in key sectors, as well as broader information on the Peruvian economy, trade, and so on.

Barry: The notion that many here in the United States have of Peru is one of wonderful natural beauty, but also of a fair amount of poverty. Which Peru do you see, and what is the most important thing to keep in mind when judging this market?

Simmons: I think the most important thing to keep in mind is the pace of change in Peru. Poverty is still a concern, and the official poverty rate includes

continued on page 8

News from the International Trade Administration

80 U.S. Companies Explore European Business Opportunities at Warsaw Event

U.S. companies looking for export opportunities in Europe came to Warsaw, Poland, on April 20–22 to participate in the 2009 Trade Winds Forum Europe. The event, organized by the U.S. and Foreign Commercial Service (USFCS), attracted more than 350 participants, including 130 U.S. business representatives from 80 companies, 200 Polish companies, and 28 USFCS senior commercial officers from across Europe.

“Nearly 40 percent of the companies attending the Trade Winds Forum are repeat attendees who were at last year’s program in Istanbul, Turkey,” said Rochelle Lipsitz, the acting director general of the USFCS. “Firms from that event reported dozens of export sales as a result of their meetings, and we look forward to the same great results this year.”

During the course of the event, more than 840 meetings were held between senior commercial officers and U.S. companies, and an additional 245

business meetings were conducted between U.S. and Polish companies.

A cross section of industries were represented, including energy (mining, oil and gas, electric power generation, and renewable); defense and aerospace; telecommunications and information technology; environmental technologies; medical equipment; safety and security equipment; automotive parts and service equipment; and logistics and transportation.

Participants also received marketing and advertising exposure to more than 20,000 subscribers of *Commercial News USA*, a monthly magazine sponsored by the Department of Commerce, in a special Trade Winds edition.

Task Force Secures Extension to European Union Metric Labeling Exemption for U.S. Firms

U.S. companies exporting to the European Union (EU) will be able to continue using both metric and non-metric labels on their products, thanks to successful efforts on their behalf by the Department of Commerce’s EU Metric Only Task Force.

According to EU Directive 2009/3/EC, published on May 7, 2009, an exemption will be extended indefinitely to existing EU regulations that would have required the exclusive use of metric labeling by January 1, 2010. This new directive is expected to save U.S. firms hundreds of millions of dollars



Rochelle Lipsitz, acting director general of the U.S. and Foreign Commercial Service (center), with participants at the 2009 Trade Winds Forum Europe, which was held on April 20–22 in Warsaw, Poland. (U.S. Department of Commerce photo)

because they can go metric according to their own timeline, without facing a major trade barrier in the EU.

“U.S. small and medium manufacturers benefit most from this resolution, as the costs to provide metric-only labeling are significant,” said Michelle O’Neill, acting under secretary for international trade.

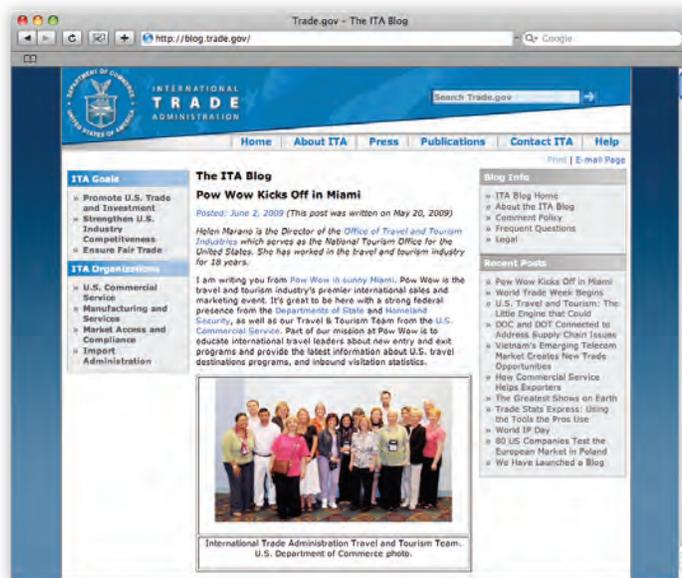
“The efforts of government and industry officials to resolve this long-standing issue will allow business to continue without disruption.”

The EU regulation dates to the late 1970s, when Directive 80/181/EEC, the so-called Metric Directive, ordered the exclusive use of metric labeling on most products sold in Europe. Subsequent directives extended the implementation date to 2010. During the past several years, the members of the task force worked with their EU counterparts and U.S. industry representatives to monitor and provide input for the successful resolution of the issue.

ITA Blog Launched

A new blog by the International Trade Administration was launched on April 23, 2009. In its introductory post, the blog notes that it is meant to be a place for an “ongoing dialogue about how trade benefits U.S. businesses and what ITA is doing to [help] them achieve those benefits.”

The blog will feature posts written by ITA employees at all levels, from trade specialists working directly with companies to help them achieve their first exports to industry and regional analysts and government senior officials working in Washington, D.C.



By mid-May, the ITA blog already featured nine posts, including a description of the recent Trade Winds Forum Europe in Warsaw, Poland; an overview of the telecommunications market in Vietnam; a look at intellectual property rights issues on World Intellectual Property Day; and a report on U.S. Travel Rally Day events in Washington, D.C.

The blog will be another channel of communication that provides a context for discussions of trade promotion, policy, and analysis and shows how trade fits into the larger economic picture.

Visitors to the blog are encouraged to reply to posts and to engage in discussions about the questions and issues raised in the entries. To read the new ITA blog, visit <http://blog.trade.gov>.

Contributors to this section include Stephanie Smedile and Bill Burwell of the U.S. and Foreign Commercial Service and Tim Truman of the International Trade Administration's Office of Public Affairs.

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.

June 2

Webinar: Automated Export System (AES)—How to Use PCLink

Washington, D.C.

www.export.gov/eac/show_detail_trade_events.asp?EventID=29074

This event is the fourth in a series of five Webinars, presented in conjunction with the Census Bureau, that discuss the importance of filing export information in the AES PCLink online system. It will be presented by Rosanna Torres of the AES Branch of the Census Bureau. The cost is \$50. For more information, contact Linda Abbruzzese of the USFCS; tel.: (202) 482-1086; e-mail: linda.abbruzzese@mail.doc.gov.

June 3-5

Aquatech China 2009

Shanghai, China

www.aquatechtrade.com

This show is one of the world's largest trade events for water technology and management. Product categories include transport and storage, point-of-use water treatment equipment, sludge processing equipment, water purification, industrial water treatment, and sewage transport. Seminars and lectures will also be part of the fair. For more information, contact William Corfitzen of the USFCS; tel.: (202) 482-0584; e-mail: william.corfitzen@mail.doc.gov.

June 9

India Virtual Buyer-Seller Matchmaker

Bangalore, India

www.export.gov/eac/show_detail_trade_events.asp?EventID=29053

This event will introduce U.S. exporters of beauty and cosmetics products to prescreened Indian importers, distributors, and retailers. Participants will get a chance to present information about their company and product lines to potential buyers in Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, and New Delhi through a live Internet and conference call connection. Registration is now closed for this event; for more information on future events, contact Tony Michalski of the USFCS; tel.: (909) 466-4137; e-mail: tony.michalski@mail.doc.gov.

June 8-11

Waste Expo 2009

Las Vegas, Nevada

www.export.gov/eac/show_detail_trade_events.asp?EventID=28273

This is a premier venue for showcasing environmental products and services. Industry sectors include landfills, composting, waste storage, transportation and processing, and recycling. The Medical Waste Conference will be co-located with this show. There will be three pavilions: truck components and supplies, technology, and e-waste. For more information, call Amanda Ayvaz of the USFCS; tel.: (202) 482-0338; e-mail: amanda.ayvaz@mail.doc.gov.

June 10-12

Fourth Guangzhou International Exposition on Electricity Saving Technology and Equipment

Guangzhou, China

www.buyusa.gov/china/en/cn_tradeshows.html

This event is a major show in the energy efficiency, new energy, and power-related sectors in south China. As many as 30 mandatory energy-efficiency projects are set to be completed before 2010 in Guangzhou, the site of the upcoming Asian Games. For more information, contact Lena Yang, of the USFCS; tel.: + 86 (20) 8667-4011, ext. 612; e-mail: lena.yang@mail.doc.gov.

June 11

Breaking into the Trade Game: Creating Effective International Payment Structures

Philadelphia, Pennsylvania

www.buyusa.gov/philadelphia/bittg.html

This program is the fifth one in a series designed to give business executive the skills, strategies, insights, and contacts that are necessary to expand sales globally. The cost is \$35. The sixth and final program, which will be on approaching a bank for financing, will be held on July 9. For more information, contact Nicole A. DeSilvis of the USFCS; tel.: (215) 597-6101; e-mail: nicole.desilvis@mail.doc.gov.

June 15-21

2009 Paris Air Show

Paris, France

www.paris-air-show.com

This show is the largest—and one of the most prominent—international events for the aerospace industry. In 2007, more than 2,000 exhibitors from 42 countries participated, with 154,000 trade visitors and 150 official delegations from 60 countries. For more information, contact John Klingelhut of the USFCS; tel.: (202) 482-4403; e-mail: john.klingelhut@mail.doc.gov.

June 16-19

CommunicAsia 2009, EnterpriseIT 2009, BroadcastAsia 2009, and InteractiveDME 2009

Singapore

www.export.gov/eac/show_detail_trade_events.asp?EventID=27847

These shows are among the most established and comprehensive information and communications technologies events in Asia. They attract more than 49,000 trade visitors and more than 2,400 exhibiting companies from 65 countries in a venue that covers 66,000 square meters of exhibition space. For more information, contact William Corfitzen of the USFCS; tel.: (202) 482-0584; e-mail: william.corfitzen@mail.doc.gov.

June 22-26

NPE2009: The International Plastics Showcase

Chicago, Illinois

www.export.gov/eac/show_detail_trade_events.asp?EventID=28315

Once every three years, this show brings together a cross section of virtually the entire plastics and elastomers industry. Foreign visitors are expected from 130 countries, with significant attendance from Canada, China, Japan, and Mexico. For more information, contact Carol Rudman of the USFCS; tel.: (202) 482-0905; e-mail: carol.rudman@mail.doc.gov.

On The Horizon

July 7-8

Catalog Show at South Africa Green Building Conference

Johannesburg, South Africa

[www.export.gov/eac/show_detail_trade_events.](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=29488)

[asp?EventID=29488](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=29488)

The conference offers companies the opportunity to showcase their green products and services and to interact with building professionals who are seeking products and services to incorporate into their next projects in South Africa. U.S. companies can include their company profile in the on-site program guide, on the event Web site, and in pre-event marketing materials. For more information, contact Terri Batch of the USFCS; tel.: (310) 882-1750; e-mail: terri.batch@mail.doc.gov.

July 9-12

China International Consumer Electronics Show (SINOCES) 2009

Qingdao, China

[www.export.gov/eac/show_detail_trade_events.](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=29007)

[asp?EventID=29007](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=29007)

This event is a leading consumer electronics show in China. About 70,000 attendees and 450 exhibitors are expected, with major buyers from more than 30 countries. Some product categories include home entertainment, online game systems, digital video recorders, home security systems, mobile communication devices, and personal digital entertainment. For more information, contact Helen Simpson-Davis of the USFCS; tel.: (202) 482-1882; e-mail: helen.simpson-davis@mail.doc.gov.

July 19-23

Venezuela Reverse Trade Mission

Miami, Florida

[www.export.gov/eac/show_detail_trade_events.](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=28967)

[asp?EventID=28967](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=28967)

The USFCS in Caracas, Venezuela, is recruiting a reverse trade mission of 10 to 15 Venezuelan companies interested in representing or purchasing from U.S. firms located in Florida from the following industries: auto parts, construction equipment, medical equipment, broadcasting equipment, and general consumer goods. The Florida Foreign Trade Association and the Miami U.S. Export Assistance Center will be helping the Venezuelan delegation. For more information, contact James Koloditch of the USFCS; tel.: +58 (212) 907-8315; e-mail: james.koloditch@mail.doc.gov.



Featured Trade Event Executive Trade Mission to Algeria and Libya

November 4-8, 2009

Algiers, Algeria; Tripoli, Libya

www.export.gov/northafricamission/

With growing economies, vast capital reserves, and major infrastructure reserves, Algeria and Libya are among the world's most promising markets for U.S. suppliers. To help U.S. firms leverage opportunities in those markets, the U.S. and Foreign Commercial Service (USFCS) is organizing a trade mission to Algiers, Algeria, and Tripoli, Libya, on November 4-8, 2009. A senior Department of Commerce official will lead the mission.

Both countries are in the midst of transitioning to more private-sector-led growth. Their economies hold rich trade potential for U.S. companies in almost every sector, from oil and gas to telecommunications, medical technologies, and education. Targeted sectors for this trade mission include energy, infrastructure projects, information technology, environmental technology, and safety and security.

Because business deals in Algeria and Libya are often made on the strength of personal contacts, the mission will include face-to-face business appointments with prospective agents, distributors, and end-users; meetings with government officials; updates on major projects; embassy briefings on doing business in the region; and networking events.

The cost to participate in the trade mission is \$5,850 for small and medium-sized enterprises and \$6,900 for large firms. The fee covers one representative of the participating company and interpreters. There is a fee of \$600 for each additional company representative. Mission participants will be responsible for travel and lodging expenses, as well as for most meals and incidentals. Applications to participate in the trade mission must be received by August 1, 2009. For more information, contact Lisa Huot of the USFCS; tel.: (202) 482-2796; e-mail: northafricamission@mail.doc.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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Economic Engagement in the Pacific Rim

continued from page 2

that make e-commerce a priority. E-commerce will better foster business and consumer trust and confidence because predictability, transparency, consistency, and dispute handling are vital to the protection of data and online transactions.

Achievements and Challenges

The results of those efforts can be seen in several areas. According to APEC, transaction costs were reduced by 5 percent between 2002 and 2006. The average tariff rates of member states declined, from 16.9 percent in 1989 to 5.0 percent in 2007. And 19 members partici-

pate in the APEC Business Travel Card initiative, which allows frequent business travelers fast-track entry through special lanes at major international airports.

With a worldwide decline in global trade during the past 12 months, APEC can help overcome the many challenges to international trade in the Asia-Pacific region. Those challenges will be on the agenda when President Barack Obama and the leaders of the other 20 APEC member economies convene this year.

Brenda J. Fisher is the APEC Affairs Coordinator in the Market Access and Compliance unit of the International Trade Administration.

Questions for Our Man in Peru

continued from page 3

almost 40 percent of the population. In the past two years, though, Peru has achieved economic growth rates of 9 percent a year. And that's really transforming the standard of living for many people and generating quite a bit of demand for imported products.

Barry: What are some of the markets that U.S. companies are selling to?

Simmons: We're not just selling to the traditional consumers in Peru, which happens to be the mining sector, but we're seeing diversification in the economy, which is then leading to diversification in the customer base for U.S. products.

Barry: And what are Peruvians consuming beyond the mining sector?

Simmons: Peru is undertaking some steady development of the oil and gas sector, so you're seeing machinery related to oil and gas exploration and development become more prominent. The telecommunications sector has grown very quickly, so a lot of high-tech exports come from the United States—telecom, computers, and so on. Other things, like plastics, chemicals, and construction equipment, are also doing very well in this market.

Barry: What role does Peru play in the larger region? Is Peru a place that can act as a springboard to sales in adjacent countries?

Simmons: You've got a number of fairly prominent U.S. consumer good companies that traditionally have serviced the domestic market. They are now using Lima as their regional headquarters to serve Ecuador and Bolivia as well. Part of the reason for that is the relatively stable political situation in Peru.

Barry: Let's say that I'm an American arriving in Peru for the first time. What can you tell me about what I should or should not do with respect to the business culture there?

Simmons: Peruvians are very used to dealing with foreigners. They are very gracious hosts. They're very proud of their cuisine, which is unique to the region and is quite good. At virtually any function, they're likely to serve you their national drink, which is a pisco sour.

Barry: Well, John, you're making me both hungry and thirsty, and I want to thank you for sharing a little bit of Peru with us.

Doug Barry is an international trade specialist in the Department of Commerce's Trade Information Center.

For More Information

U.S. exporters looking for more information about Peru can visit the U.S. and Foreign Commercial Service's Peru Web site at www.buyusa.gov/peru/en. For more information on exporting to Latin America in general, contact the Trade Information Center at 1-800-872-8723 or visit www.export.gov.