

# International Trade UPDATE

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July–August 2007

## United States Must “Lead Internationally” in Trade

In releasing the 2007 National Export Strategy, Secretary of Commerce Carlos M. Gutierrez urges bipartisan consensus on trade policy.

BY JOHN WARD



Secretary of Commerce Carlos M. Gutierrez (left) and House Ways and Means Committee Chairman Charles B. Rangel (right) at a meeting of the Washington International Trade Association in Washington, D.C., on July 17, 2007, at which the 2007 National Export Strategy was released.

Secretary of Commerce Carlos M. Gutierrez spoke before a gathering of the Washington International Trade Association in Washington, D.C., on July 17, 2007, at the release of the 13th edition of the *National Export Strategy*. In his remarks, Gutierrez noted the importance of trade to U.S. economic well-being and the historical leadership role of the United States in lowering global barriers to trade. He also made a strong pitch for continued efforts to expand

the use of free trade agreements (FTAs) as a tool for growing U.S. exports.

“Since the end of World War II, the United States has led the global effort to dismantle trade barriers and advance worldwide prosperity,” said Gutierrez. “The worldwide economy has since experienced unprecedented growth.” He also underlined the importance of continuing bipartisan consensus on international trade. “This is not a time to retreat or to pull back. History shows that our country is at its best when we lead internationally, not when we adopt protectionist policies [that] convey a lack of confidence.”

Gutierrez is the chair of the Trade Promotion Coordinating Committee (TPCC), the federal interagency body that is charged with issuing *National Export Strategy*.

### Export Growth

According to the new report, “Americans should be confident of their ability to compete in the global marketplace.” U.S. exports in 2006 of goods and services grew by 13 percent over 2005 exports, to \$1.4 trillion. Exports to all regions showed “significant” growth, posting double-digit increases in key

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ADMINISTRATION

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# Lavin Departure Marks Two Years of Accomplishments

In his farewell remarks on July 13, 2007, Franklin L. Lavin, the departing under secretary of commerce for international trade, recounted a record of accomplishments at the International Trade Administration during the past two years.

BY CHARLES SKUBA

“Our No. 1 challenge at ITA is maintaining America’s leadership in the world economy during this period of dramatic change.”

Franklin L. Lavin

On July 13, 2007, after nearly two years of service as under secretary of commerce for international trade, Franklin L. Lavin left government service to return to the private sector. Under his leadership, the International Trade Administration (ITA) posted a strong record of accomplishments in an environment of record export growth. U.S. exports are now at an all-time high, with export growth projected to reach 23 percent by the end of 2007.

## Facing the “No. 1 Challenge”

In his farewell remarks to ITA staff members on July 13, Lavin noted, “Our No. 1 challenge at ITA is maintaining America’s leadership in the world economy during this period of dramatic change. I’m proud of your accomplishments in meeting that challenge and your superb work in support of the president’s trade agenda and Secretary Gutierrez. I’m proud to have served with the excellent professionals of the International Trade Administration.”

Lavin called particular attention to the achievements of the four bureaus within ITA: U.S. and Foreign Commercial Service, Market Access and Compliance, Import Administration, and Manufacturing and Services. He recognized their hard work to open markets and to lower barriers to trade while keeping the pressure on important trading partners to ensure fair trade.

He described how ITA has been helping to keep the U.S. economy at the top in a world that is experiencing ever-faster change and is becoming more competitive. He also discussed how ITA professionals have helped thousands of American businesses to become export ready and to find new markets for their products.

## Commercial Diplomacy

Lavin cited efforts in commercial diplomacy—such as the start of commercial dialogues with Brazil and India and the support of negotiations with China through the ongoing Joint Commission on Commerce and Trade—as highlights of the ITA’s work during the past two years. Lavin also noted how ITA professionals have worked hard in support of the World Trade Organization’s Doha round of trade negotiations and how they successfully resolved longstanding difficult trade disputes with Canada and Mexico.

## Competitiveness, Investment

Other ITA activities sought to support and increase the competitiveness of U.S. industries in the global marketplace. ITA efforts included the development of a series of industry studies, such as the report focused on the U.S. sugar industry that was released in 2006, and support for the important work of the President’s Export Council and the International Trade Advisory Committee. Lavin also noted the March 2007 launch of the Invest in America initiative, which is designed to attract investment to the United States. (See the March 2007 issue of *International Trade Update*.)

## Trade Promotion

Lavin commended the many efforts made by ITA to promote U.S. exports abroad. Those efforts included a business development mission to India in November 2006 (the largest mission of its kind in the history of the U.S. government); the expansion of private-sector partnerships; the proposal for the Transformational Commercial Diplomacy initiative, under which



Secretary of Commerce Carlos M. Gutierrez (left) with Under Secretary for International Trade Franklin L. Lavin (center) and his wife, Ann Lavin (right). Gutierrez presented Lavin with the William C. Redfield award on the occasion of Lavin's farewell reception on July 13, 2007. (U.S. Department of Commerce photo)

U.S. government trade promotion resources would be shifted to support emerging markets; successful advocacy efforts in support of U.S. companies; and the organization of a clean-energy mission to China and India in April 2007.

One significant effort to promote U.S. exports was the Liu Xue USA campaign, which was undertaken in partnership with the Department of State. Launched in November 2006, the campaign produced and aired a television show in China that promoted educational opportunities in the United States. (See the December 2006 issue of *International Trade Update*.) The campaign will begin in India in late 2007.

### Ensuring a Level Playing Field

Another area of success in the past two years was the Import Administration's aggressive enforcement of U.S. trade laws to ensure a level playing field for U.S. industry. An important milestone in this effort was the

March 30, 2007, preliminary determination to countervail Chinese government subsidies to its glossy paper industry. (See the April 2007 issue of *International Trade Update*.)

### ITA Administration

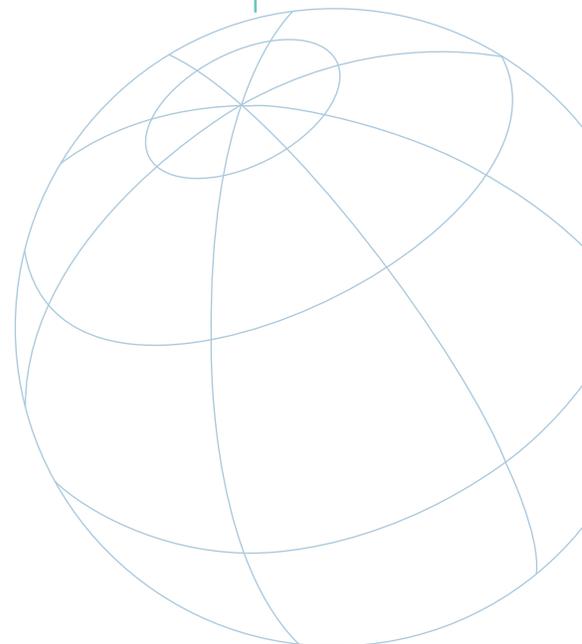
In his remarks, Lavin also praised the ITA's financial and administrative operations for continuing to excel in the implementation of the President's Management Agenda. This included work in many critical areas, including information technology security, financial management, e-gov initiatives, human capital, and the development of the agency's five-year strategic plan.

### Recognition of Leadership

In recognition of Lavin's achievements, Secretary of Commerce Carlos M. Gutierrez presented Lavin with the William C. Redfield award. In Gutierrez's remarks, he noted Lavin's "superb leadership in advancing American trade policy and exports." The Redfield award, named in honor of the first secretary of commerce, is the highest honor that the secretary of commerce can award.

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*Charles Skuba is the director of public affairs in the International Trade Administration.*



## United States Must “Lead Internationally”

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markets, including Brazil, the European Union, India, Malaysia, Mexico, Singapore, and South Korea. The global economy is forecast to continue enjoying one of its longest periods of growth in decades.

U.S. industry continues to rank at the top of most measures of global competitiveness. The United States also remains the world’s leading exporter of services by a wide margin, running a sizable surplus in that sector. In 2006, U.S. exports of services were \$414.1 billion, up \$33.5 billion from 2005.

### Trade Liberalization a Driver

A significant driver of U.S. export growth has been the liberalization of international trade. Multilateral trade negotiations, such as the successive trade rounds under the World Trade Organization and its predecessor, the General Agreement on Tariffs and Trade, have brought about significant reductions in tariffs, with a concomitant growth in trade.

An effective tool for expanding U.S. trade prospects has been the implementation of FTAs with key trading partners. The benefits of those FTAs are borne out by the

data. In 2006, the United States had FTAs with 13 countries. While those FTAs accounted for just 7.3 percent of world gross domestic product, they accounted for 42.1 percent of U.S. exports. “The growth rate of U.S. exports in seven of ten countries with FTAs [implemented between 2001 and 2006] outpaced the growth of U.S. exports to the world,” noted the report.

### E-Commerce, Partnerships Aid Small and Medium-Sized Enterprises

A continuing challenge for U.S. exporting has been the underrepresentation of small and medium-sized enterprises (SMEs) among the population of exporting companies. The 2006 *National Export Strategy* made note of that stubborn trend, which dates to the 1990s. “The challenge we face is raising awareness on Main Street USA of exporting opportunities and the resources available,” pointed out Gutierrez.

Recent developments in e-commerce and the expanded use of public- and private-sector partners by the U.S. government may soon reverse the situation by making exporting simpler for SMEs.

The report devotes a chapter to presenting steps that SMEs can take, and the government tools they can use, to explore the potential of e-commerce for exporting to the world’s 1 billion Internet users. It also lays out an action plan for taking “strategic partnerships” a step further on every front to broaden awareness of, and participation in, the global marketplace by U.S. businesses. The federal government, says the report, will work more closely with state and local governments, trade associations, and U.S. corporations and banks that provide export-related services.

### Shift to Emerging Markets

The report notes that there has been a noticeable shift in global import consumption. Since 1988, developed countries’ share of global imports has declined by 11

“The challenge we face is raising awareness on Main Street USA of exporting opportunities and the resources available.”

Secretary of Commerce  
Carlos M. Gutierrez



percent, while developing countries' share grew by the same amount. "Future U.S. export growth potential will depend on the extent to which ... U.S. businesses, particularly small and medium-sized enterprises, become aware of these trends and respond."

Part of the U.S. government's response to that trend, as described in the report, is contained in the Commerce Department's "Transformational Commercial Diplomacy" proposal, which is patterned on the State Department's Transformational Diplomacy initiative. Under the proposal, a number of small offices of the U.S. and Foreign Commercial Service in well-developed overseas markets with limited commercial potential would be closed. The resources would then be reallocated to new emerging markets or established markets with greater commercial potential, such as China and India.

### Hard Work Ahead

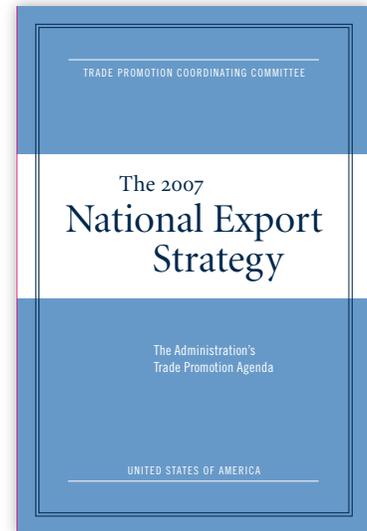
The multiple strategies for promoting U.S. exports to new and untapped markets that are outlined in the 2007 *National Export Strategy* will all require the continued attention of the agencies charged with implementing them. "Although America is the largest exporter in the world, we can do more, and we must do so by engaging with growing opportunity markets," said Gutierrez on July 17.

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*John Ward is a writer in the International Trade Administration's Office of Public Affairs*

### For More Information

The *National Export Strategy* has been issued annually since 1993. It is compiled by the TPCC, an interagency task force that comprises 20 federal agencies and was created by the Export Enhancement Act of 1992. The TPCC is responsible for harmonizing the export promotion and financing programs of the U.S. government, as well as developing a comprehensive plan for implementing strategic priorities. The secretary of commerce chairs the committee. Copies of the 2007 *National Export Strategy* are available for downloading from the Web at [www.trade.gov/media/Publications/](http://www.trade.gov/media/Publications/).



### **Business Development Mission to Vietnam Set for November**

Secretary of Commerce Carlos M. Gutierrez will lead the first-ever cabinet-level business development mission to Vietnam on November 4-7, 2007. "Vietnam is an exciting new market that is providing opportunities for American businesses, manufacturers, and service providers," said Gutierrez. "I look forward to leading a delegation of U.S. businesses to Vietnam so our companies can explore export opportunities for American goods and services that create higher-paying American jobs here at home."

With a gross domestic product of \$61 billion and a young population of 84 million, Vietnam is one of the fastest-growing economies in Asia. Since the signing of the U.S.-Vietnam bilateral trade agreement in 2001, two-way trade in goods has increased from about \$1.5 billion to \$9.7 billion. In 2006, total U.S. merchandise exports to Vietnam were \$1.1 billion. From January through May 2007, U.S. exports have grown 65.1 percent over the same period last year.

The November mission will help U.S. companies develop business and government contacts, solidify business strategies, and obtain market access information. It will also provide a platform for addressing policy and commercial issues (such as transparency, rule of law, intellectual property rights protection and enforcement, and trading and distribution rights) that U.S. companies face in the Vietnamese market.

The delegation will comprise 20 to 30 U.S. firms, representing a cross-section of industries with commercial interests in Vietnam. Participating companies will have the opportunity to benefit from a series of high-level meetings with Vietnamese government officials, along with customized business-to-business meetings.

For more information about the mission, or to apply to participate, visit the mission's Web site at [www.export.gov/vietnammission](http://www.export.gov/vietnammission) or contact the Department of Commerce's Office of Business Liaison at (202) 482-1360. Applications must be received by September 12, 2007.

### **Trade, Open Skies Agreements Signal Greater U.S.-Georgia Cooperation**

Commercial cooperation between the Republic of Georgia and the United States took an important step forward with the recent signing of two agreements between the two countries. The agreements were signed during a June 2007 visit to Washington, D.C., by a Georgian delegation led by Giorgi Arveladze, minister of economic development.

On June 20, the two countries signed a trade and investment framework agreement (TIFA) that established a TIFA council, which will serve as the foundation for bilateral dialogue on trade issues. The council held its first meeting the following day, during which the members of the Georgian delegation gave an update on their country's continuing efforts to institute economic reform and to attract investment. The U.S. delegation, which included a representative from the Department of Commerce, noted in its response that increased attention by Georgian authorities to the protection of intellectual property rights, the creation of an independent judiciary, and the implementation of transparent government procurement procedures would create incentives for investment in Georgia.

Also on June 21, Georgia and the United States signed an open skies bilateral air services agreement. The agreement removes artificial, government-imposed constraints on airlines' commercial activities and allows carriers to make market decisions that are based on demand and corporate strategy. It places no limits on the frequency of service, the number

of airlines in the market, or the type of aircraft used (whether passenger or all-cargo, or scheduled or charter). Under the agreement's terms, carriers will be free to set prices and to make commercial arrangements, such as for code-sharing services, with other airlines and surface transportation providers. The agreement will go into effect after both countries have completed their respective internal review and approval procedures.

For more information on the U.S.-Georgia open skies bilateral air services agreement, visit [www.state.gov/e/eeb/tra/62174.htm](http://www.state.gov/e/eeb/tra/62174.htm).

### **Agreement with Japan Will Benefit U.S. Telecommunications Equipment Manufacturers**

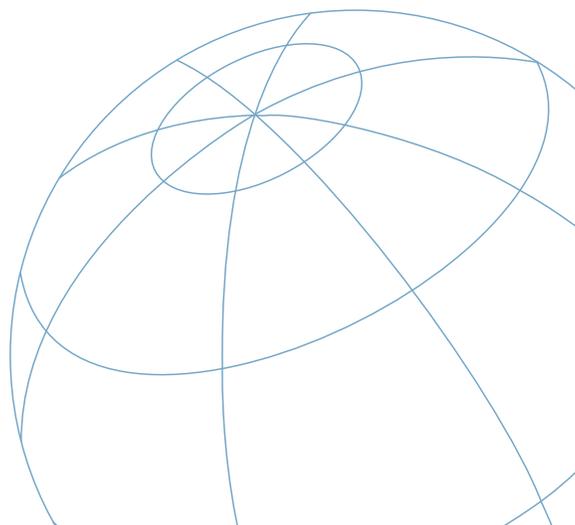
On June 19, 2007, Japan's parliament passed legislation to approve a mutual recognition agreement (MRA) with the United States that provides for conformity assessment of telecommunications equipment. The MRA, which was signed in Washington, D.C., on February 16, 2007, will reduce expenses and shorten the approval processing times for U.S. makers of telecommunications and radio equipment that export their products to Japan.

ITA's Office of Technology and Electronic Commerce played a crucial role in the negotiating team, which was led by the Office of the U.S. Trade Representative and included staff members from the Federal Communications Commission and the National Institute of Standards and Technology. The negotiations were held over a two-year period in Tokyo and Washington, D.C., with a view toward establishing a streamlined procedure that would benefit industry. In 2006, Japan exported \$1.4 billion of telecommunications equipment to the United States, while U.S. suppliers exported \$833 million of telecommunications equipment to Japan.

Under the terms of the agreement, designated U.S.-based conformity assessment bodies (CABs) can conduct product approvals in accordance with Japan's technical requirements. This change will be particularly helpful to small and medium-sized enterprises, which may not have a presence in the export market, but whose innovative technology is in high demand. Wireless devices and wireless networking equipment in particular tend to have more burdensome technical requirements, and those manufacturers will be able to take advantage of faster approvals on applications.

Independent certification bodies for telecommunications equipment can compete to be providers of conformity assessment services. Under the agreement, a product does not have to be manufactured by a U.S. company to be approved for export to Japan by a designated CAB, but the CAB must be located in the United States.

The agreement will enter into force in late 2007, after both countries have completed their internal preparations and have exchanged diplomatic notes. A fact sheet on the MRA is available on the Web at <http://export.gov/infotech>.



**September 1-4**  
**18th International Dental Congress**  
**Rio de Janeiro, Brazil**  
[www.export.gov](http://www.export.gov)

This biannual meeting is expected to attract more than 310 exhibitors, as well as numerous academics, researchers, and opinion makers in the dental industry. In 2005, the show attracted more than 24,000 visitors and 247 exhibitors. For more information, contact Jefferson Oliveira of the USFCS, tel.: +55 (11) 5186-7136; e-mail: [jefferson.oliveira@mail.doc.gov](mailto:jefferson.oliveira@mail.doc.gov)

**September 3-6**  
**Asian Aerospace**  
**Hong Kong**  
[www.asianaerospace.com](http://www.asianaerospace.com)

This show is a cost-effective, business-to-business event for U.S. companies in the civil aerospace sector. It will bring together top buyers and suppliers, with 500 participating companies from 20 countries, and will have 12 national pavilions. Participating U.S. firms can benefit from matchmaking, country briefings, market research reports, and the Aerospace Products Literature Center. For more information, contact Deborah Semb of the USFCS, tel.: (202) 482-0905; e-mail: [deborah.semb@mail.doc.gov](mailto:deborah.semb@mail.doc.gov).

**September 3-6**  
**MSPO International Defense Industry Exhibition**  
**Kielce, Poland**  
[www.targikielce.pl/targi/mspo/en/](http://www.targikielce.pl/targi/mspo/en/)

This exhibition is the major trade show for the defense sector in Central and Eastern Europe. It is a very effective venue for U.S. firms seeking sales not only in Poland, but also in the Czech Republic, Hungary, and Slovakia. In 2005, the show had 320 exhibitors from 19 countries and more than 10,000 attendees from 49 countries. For more information, contact Zofia Sobiepanek of the USFCS, tel.: +48 (22) 625-4374; e-mail: [zofia.sobiepanek@mail.doc.gov](mailto:zofia.sobiepanek@mail.doc.gov).

**September 8**  
**U.S. Undergraduate Fair 2007**  
**Bangkok, Thailand**  
[www.export.gov](http://www.export.gov)

This one-day trade fair will promote U.S. undergraduate schools and community colleges to seniors at international and bilingual schools in Thailand who plan to continue their higher education abroad. For more information, contact Nalin Phupoksakul of the USFCS, tel.: +66 (2) 205-5275; e-mail: [nphupoks@mail.doc.gov](mailto:nphupoks@mail.doc.gov).

**September 12-13**  
**China International Food Safety and Quality 2007**  
**Beijing, China**  
[www.chinafoodsafety.com](http://www.chinafoodsafety.com)

Food safety and quality assurance are of growing importance to China, and they present significant opportunities for U.S. firms offering food safety products and services. This two-day event will include a U.S. pavilion that will offer U.S. exhibitors market-entry counseling and logistics contacts with Chinese organizers. For more information, contact Grace Cao of the USFCS, tel.: +86 (10) 8529-6655, ext. 808; e-mail: [yue.cao@mail.doc.gov](mailto:yue.cao@mail.doc.gov).

**September 13**  
**Intellectual Property Rights in China**  
[www.stopfakes.gov](http://www.stopfakes.gov)

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

**September 20**  
**Export Strategies, Tools, and Techniques**  
**Portland, Oregon**  
[www.buyusa.gov/oregon](http://www.buyusa.gov/oregon)

This one-day seminar will provide information and resources to help established businesses develop an export marketing plan and will supply occasional exporters with the tools to grow their international business. It will also offer frequent exporters a forum for discussing special international trade issues with experts in various aspects of trade. For more information, contact Jennifer Woods of the USFCS, tel.: (503) 326-5290; e-mail: [jennifer.woods@mail.doc.gov](mailto:jennifer.woods@mail.doc.gov).

**September 25-29**  
**Apple Expo**  
**Paris, France**  
[www.apple-expo.com](http://www.apple-expo.com)

This show is the most important Apple event in Europe and one of the premier information technology events in France. It will provide an opportunity for smaller U.S. companies with Apple software and hardware solutions to expand their sales in the European Union. Among other services, the Commerce Department will be providing participating U.S. firms with logistical and matchmaking support. For more information, contact Charles DeFranchi of the USFCS, tel.: +33 (01) 4312-7163; e-mail: [charles.defranchi@mail.doc.gov](mailto:charles.defranchi@mail.doc.gov).

**September 26-28**  
**Analítica Latin America**  
**São Paulo, Brazil**  
[www.export.gov](http://www.export.gov)

This biennial show is Latin America's largest international exhibition dedicated to laboratory equipment, analysis, biotechnology, and quality control. In 2005, the show attracted more than 380 exhibitors from 20 countries, with more than 10,000 attendees. For more information, contact Paulo Rodrigues of the USFCS, tel.: +55 (11) 5186-7186; e-mail: [paulo.rodrigues@mail.doc.gov](mailto:paulo.rodrigues@mail.doc.gov).

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

# On The Horizon

October 1-5

## Environmental Trade Mission

Sofia, Bulgaria; Bucharest, Romania;

Istanbul, Turkey

[www.buyusa.gov/environmental/tbrtm.html](http://www.buyusa.gov/environmental/tbrtm.html)

This five-day event offers a timely and cost-effective opportunity for U.S. firms to tap into fast-growing markets for environmental equipment, technology, and services in two of the newest European Union member countries and nearby Turkey. Participation is limited to 10 U.S. environmental firms. For more information, contact Bill Cline of the USFCS, tel.: (775) 784-5203; e-mail: [bill.cline@mail.doc.gov](mailto:bill.cline@mail.doc.gov).

October 10-13

## Expomin 2007

Veracruz, Mexico

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

The 27th Mexico National Mining Convention is expected to attract more than 400 exhibitors from 12 countries. Some 4,500 attendees from Mexico and Latin America are expected. Targeted industries include mining equipment and services, explosives, machine tools, and geological services. A U.S. pavilion will offer participating U.S. companies a variety of services. For more information, contact Kevin Haley of the USFCS, tel.: (202) 482-6434; e-mail: [kevin.haley@mail.doc.gov](mailto:kevin.haley@mail.doc.gov).

November 7-9

## FIBCA—The International Fair for Capital Goods

Lima, Peru

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

This three-day show will feature many opportunities for U.S. firms looking to sell their products in Peru. Products include manufacturing equipment, building supplies, and other types of capital goods. U.S. exhibitors can purchase booth space in the U.S. pavilion or participate in the low-cost catalog show. For more information, contact William Corfitzen of the USFCS, tel. (202) 482-0584; e-mail: [william.corfitzen@mail.doc.gov](mailto:william.corfitzen@mail.doc.gov).



## Featured Trade Event:

### Healthcare Technologies Trade Mission to Turkey, Jordan, and Egypt

October 24–November 1

This fall, a healthcare technologies trade mission organized by the Department of Commerce will be going to Istanbul, Turkey; Amman, Jordan; and Cairo, Egypt. The mission will begin in Istanbul on October 24 and end in Cairo on November 1. Those three markets were chosen because of their proven sales potentials in the healthcare technologies industry. They hold exciting opportunities for U.S. manufacturers of medical equipment wishing to launch or expand their business overseas. During the missions, representatives from participating U.S. companies will meet face to face with potential distributors and agents, facility administrators, and purchasing managers. They also will gain market access and results through prescreened appointments tailored to their company's individual needs. Companies have the option of participating in all three countries or just one. To fully reap the rewards from the trade mission, participants are encouraged to sign up to visit at least two countries. For more information on the trade mission, visit [www.buyusa.gov/healthcare/me\\_trademission.html](http://www.buyusa.gov/healthcare/me_trademission.html) or contact Lisa Huot at tel.: (202) 482-2796; e-mail: [lisa.huot@mail.doc.gov](mailto:lisa.huot@mail.doc.gov).



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

#### Michelle O'Neill

*Acting Under Secretary of Commerce for International Trade*

#### Charles Skuba

*Director, Office of Public Affairs*

#### John Ward

*Editor*

#### Web edition and electronic dissemination:

*Jeremy Caplan*

#### Copyediting:

*Publications Professionals LLC*

#### Calendar editor:

*Lorri Crowley*

#### Production assistance:

*Michele Robinson*

#### Intern:

*Courtney Trumpler*

#### Design and composition:

*U.S. Government Printing Office, Creative Services Division*

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# Promoting Transparency in Transitional Economies

Visiting Hungary in late June, Deputy Secretary of Commerce David A. Sampson talked about the benefits of transparency in a country still making the transition to a market economy.

BY DAVID LEVEY

The high cost of corruption and the benefits of transparency were the subjects of a multilateral forum titled “Transparency and Competitiveness: Is There a Connection?” The conference was held in Budapest, Hungary, on June 29, 2007, and the keynote speaker at the conference was Deputy Secretary of Commerce David A. Sampson.

“Transparency is critical to creating a competitive, dynamic, and growing business environment ... and countries moving away from a legacy of communism are particularly aware of this challenge,” Sampson said. As those economies, including Hungary’s, finalize their transition to market economies, he continued, “there is perhaps no more critical—and no more difficult—issue than sustaining an ethic that encourages and rewards transparency and predictability.”

## Transparency Initiative

The June conference, sponsored by the American Chamber of Commerce in Hungary, was part of a continuing commitment by U.S. Ambassador April Foley and by the ambassadors of eight other countries to improve Hungary’s competitiveness. It is an effort that took its first step on May 8, 2007, when the nine ambassadors and János Koka, Hungarian minister of economy and transport, launched the Transparency Initiative in Budapest.

## Hungary in Transition

In 1989, Hungary was the first communist country in Central Europe to emerge as a democracy. Since then, it has made tremendous strides in its economic develop-



During his visit to Hungary, Deputy Secretary of Commerce David A. Sampson met with Prime Minister Ferenc Gyurcsány in Budapest on June 29, 2007, to discuss U.S.-Hungarian commercial and economic relations. Attending the meeting were, from left to right: Prime Minister Gyurcsány; Patricia Gonzalez, U.S. senior commercial officer in Budapest; U.S. Ambassador April Foley; and Deputy Secretary Sampson. (U.S. Department of Commerce photo)

ment. It has joined the global economic system, becoming a member of the World Trade Organization and the Organization for Economic Cooperation and Development. U.S. investment in Hungary has grown during that time, with more than \$9 billion invested by U.S. companies since 1989. And U.S.-Hungarian trade has grown, with nearly \$4 billion in bilateral trade in 2006.

## Continuing Challenges

Unfortunately, corruption and the lack of transparent decision making are issues that Hungary continues to struggle with. Freedom House noted in its most recent *Nations in Transit* report that a lack of transparency pervades Hungary’s procurement system. The World

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“Transparency is critical to creating a competitive, dynamic, and growing business environment.”

Deputy Secretary of Commerce David A. Sampson

# 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](http://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

Honolulu: (808) 522-8040

## IDAHO

Boise: (208) 364-7791

## ILLINOIS

Chicago: (312) 353-8040

Libertyville: (847) 327-9082

Peoria: (309) 671-7815

Rockford: (815) 316-2380

## INDIANA

Indianapolis: (317) 582-2300

## IOWA

Des Moines: (515) 288-8614

## KANSAS

Wichita: (316) 263-4067

## KENTUCKY

Lexington: (859) 225-7001

Louisville: (502) 582-5066

## LOUISIANA

New Orleans: (504) 589-6546

Shreveport: (318) 676-3064

## MAINE

Portland: (207) 541-7430

## MARYLAND

Baltimore: (410) 962-4539

## MASSACHUSETTS

Boston: (617) 424-5990

## MICHIGAN

Detroit: (313) 226-3650

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

## NEBRASKA

Omaha: (402) 597-0193

## NEVADA

Las Vegas: (702) 388-6694

Reno: (775) 784-5203

## NEW HAMPSHIRE

Portsmouth: (603) 334-6074

## NEW JERSEY

Newark: (973) 645-4682

Trenton: (609) 989-2100

## NEW MEXICO

Santa Fe: (505) 231-0075

## NEW YORK

Buffalo: (716) 551-4191

Harlem: (212) 860-6200

Long Island: Harlem Export Assistance Center

New York: (212) 809-2675

Rochester: (585)-263-6480

Westchester: (914) 682-6712

## NORTH CAROLINA

Charlotte: (704) 333-4886

Greensboro: (336) 333-5345

Raleigh: (919) 281-2750

## NORTH DAKOTA

Fargo: (701) 239-5080

## OHIO

Akron: (330) 237-1264

Cincinnati: (513) 684-2944

Cleveland: (216) 522-4750

Columbus: (614) 365-9510

Toledo: (419) 241-0683

## OKLAHOMA

Oklahoma City: (405) 608-5302

Tulsa: (918) 581-7650

## OREGON

Portland: (503) 326-3001

## PENNSYLVANIA

Harrisburg: (717) 872-4386

Philadelphia: (215) 597-6101

Pittsburgh: (412) 644-2800

## PUERTO RICO

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

## RHODE ISLAND

Providence: (401) 528-5104

## SOUTH CAROLINA

Charleston: (843) 746-3404

Columbia: (803) 738-1400

Greenville (Upstate): (864) 250-8429

## SOUTH DAKOTA

Sioux Falls: (605) 330-4264

## TENNESSEE

Knoxville: (865) 545-4637

Memphis: (901) 544-0930

Nashville: (615) 259-6060

## TEXAS

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

West Texas: (432) 552-2490

## UTAH

Salt Lake City: (801) 255-1871

## VERMONT

Montpelier: (802) 828-4508

## VIRGINIA

Arlington: (703) 235-0331

Richmond: (804) 771-2246

## WASHINGTON

Seattle: (206) 553-5615

Spokane: (509) 353-2625

Tacoma: (206) 553-5615

## WEST VIRGINIA

Charleston: (304) 347-5123

Wheeling: (304) 243-5493

## WISCONSIN

Milwaukee: (414) 297-3473

## WYOMING

Served by the Denver, Colorado, Export Assistance Center

## Promoting Transparency

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Economic Forum's 2006–2007 *Global Competitiveness* report identifies the “business cost of corruption” in Hungary as one of the highest in the European Union. In the areas of licensing and regulatory transparency, the World Bank's 2007 *Doing Business* report ranked Hungary as one of the world's most challenging environments in which to conduct business.

Freedom from corruption and adherence to transparent rules of conduct are critical elements in maintaining a competitive, market-driven economic system. By keeping decision making open and by adhering to the rule of law, the United States and other advanced economies have benefited greatly. Those benefits include ensuring the confidence of citizens in their country's institutions; enhancing respect for the rule of law; promoting good governance; reducing risk to investors, entrepreneurs, and inventors; and increasing

overall competitiveness. Transparency is an attribute that citizens should expect. It is a trait no country should be without in a world that is increasingly integrated and interconnected and where resources can easily be deployed anywhere and everywhere.

Sampson, in his remarks at the June conference, noted, “In the United States we have found that by taking firm, fair, and open actions, with real penalties, our system is strengthened. By doing so, we fulfilled an obligation not only to our partners in international agreements and our international investors, but to our people and to the laws they expect us to uphold. These same standards, I would think, would apply here in Hungary too.”

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*David Levey is a writer in the Department of Commerce's Office of Public Affairs.*

# International Trade UPDATE

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