

International Trade UPDATE

OCTOBER 2006

India Trade Mission Attracts Record Number of Participants

The largest-ever U.S. government business development mission is set to head for India next month, with participation from a wide range of industries.



Merchandise awaiting shipment at the port of Chennai, the "Detroit of India." Chennai is one of the cities that participants in the upcoming business development mission to India will have the option of visiting. See story on page 4. (Photo courtesy Port of Chennai)

With more than 95 companies accepted as of October 1, 2006, the Commerce Department's upcoming business development mission to India will be the largest such event ever organized by the U.S. government.

The multicity mission is scheduled from November 29 through December 5, 2006. The visit will begin in Mumbai (Bombay) with attendance at a two-day business summit hosted by the government of India and the Federation of Indian Chambers of Commerce and Industry. Franklin L. Lavin, un-

der secretary of commerce for international trade, will lead the mission participation in the summit. Interested mission participants will then attend concurrent spin-off missions for business appointments in any of six cities: Bangalore, Chennai (Madras), Hyderabad, Kolkata (Calcutta), Mumbai (Bombay), and New Delhi.

"India's economy is booming. The time is right for U.S. companies to visit and start to figure out how they can fit into the picture," said Lavin. "It should be no surprise that this is an unprecedented trade mission, because India, at the moment, is undergoing unprecedented growth."

Trade mission participants represent a wide range of industries, including plastic mold manufacturers, medical equipment manufacturers, food and beverage providers, insurance companies, and many others.

Expanded Ties and Growing Opportunities

This trade mission comes at an opportune time for U.S. companies wishing to enter the Indian market. The economic relationship between the two countries is growing. In March 2006, during a state visit to

INSIDE

1

India Trade Mission Attracts Record Number of Participants

2

Commerce Department and Indiana Join Together in Manufacturing Summit

5

Making Great Communities Happen ... in China

6

Short Takes: News from the International Trade Administration

8

International Trade Calendar



INTERNATIONAL
TRADE
ADMINISTRATION

continued on page 4

Commerce Department and Indiana Join Together in Manufacturing Summit

A summit with Indiana officials in September shows how cooperation with state governments is a key strategy in promoting a healthy manufacturing sector.

BY MATT BRAUD

Officials from the state of Indiana and the U.S. Department of Commerce met in Indianapolis on September 26, 2006, to participate in the first-ever intergovernmental manufacturing summit. The Commerce Department's Office of Manufacturing and Services hosted the event along with the Indiana Economic Development Corporation, the Indiana Manufacturers Association, the Central Indiana Corporate Partnership, and the Indiana Department of Workforce Development.

Follow-Up to 2004 Recommendations

The primary purpose of the summit was to work with Indiana's leaders to address manufacturing competitiveness in the state. But with this year's summit, the Office of Manufacturing and Services took one step closer to implementing the remaining recommendations made in the Bush administration's 2004 report on manufacturing competitiveness, *Manufacturing in America*. One of those recommendations called for the Commerce Department to "foster coordination and cooperation among the federal, state, and local governments."

Manufacturing in America included an in-depth analysis of trends affecting U.S. manufacturers and set forth, in 57 recommendations, a comprehensive strategy to address the challenges it identified. Those recommendations were based on a series of 23 manufacturing roundtables held across the country in 2003. Most of the roundtables were industry specific and included the participation of a wide range of small, medium-sized, and large companies. Since being established in 2004, the Office of Manufacturing and Services has worked to implement 35 of the 57 recommendations.

Indiana's Business Support Network

Indiana was selected as the site of the manufacturing summit because of the support manufacturers have

received there from leaders in government, business, and academia. After participating in Purdue University's Advanced Manufacturing Summit in May 2006 (see the June 2006 issue of *International Trade Update*), Al Frink, assistant secretary of commerce for manufacturing and services, was impressed with the working relationships that were already in place. "I noticed how every stakeholder works together," said Frink. "Their goals, objectives, and strategies are all unified to grow their manufacturing economy."

Indiana has a strong manufacturing sector. According to the Commerce Department's Bureau of Economic Analysis, the state currently has the highest manufacturing gross state product, at 28.3 percent. Its leaders have been able to attract good-paying jobs and foreign investment by lowering taxes and ensuring a low cost of doing business. Indiana also has a world-class education system that emphasizes research, emerging technologies, and engineering.

Economic development efforts by Indiana have proven successful. In 2006, the Indiana Economic Development Corporation surpassed previous job-creation levels and capital investment commitments, with competitive commitments for 15,722 new jobs (at an average hourly wage of \$20.77) and \$3.9 billion in private capital investment.

Roundtable Exchanges Highlight the Summit

The Indianapolis summit attracted representatives from government, economic development agencies, and a wide range of manufacturing industries. They participated in three roundtables that focused on the different challenges manufacturers face. The topics included manufacturing competitiveness, workforce development, and technology transfer. Follow-up discussions were productive and addressed many of the specific issues faced today by Indiana. The Office



Participants at the Manufacturing Summit in Indianapolis, Indiana (from left to right): Nate Feltman, executive vice president and general counsel of the Indiana Economic Development Corporation; Mark Miles, president of the Central Indiana Corporate Partnership; Lisa Laughner, vice president of the Advanced Manufacturing Initiative at the Central Indiana Corporate Partnership; Al Frink, assistant secretary of commerce for manufacturing and services; Pat Kiely, president of the Indiana Manufacturing Association.

of Manufacturing and Services has worked closely with the Indiana Economic Development Corporation and the Central Indiana Corporate Partnership to build a stronger bridge between Washington, D.C., and Indiana. Jamie Estrada, deputy assistant secretary for manufacturing, noted, “The diverse group of participants underscored Indiana’s commitment to manufacturing competitiveness.”

Public Education and Workforce Issues Are Key

One strategy discussed at the summit was improving the public perception of manufacturing, to encourage future generations to consider a career in the field. Several of the summit participants pointed out that the “dirty smokestack” image of the manufacturing sector is outdated. Many of today’s manufacturing industries are in technologically advanced fields that provide excellent employment and advancement prospects, paying higher wages than other sectors.

Because so many of today’s manufacturing jobs require advanced technical skills, summit participants agreed that the value of a technical education needs to be promoted to the public at large. The representatives from the Commerce Department pledged to work with their counterparts in other federal agencies to stress the importance of math and science education in primary, secondary, and technical schools.

Positive Outcomes Foreseen

Following the summit, Michael Maurer, Indiana’s secretary of commerce, was optimistic about his state’s manufacturing economy. “With the right policies on workforce, innovation, and business climate, manufacturing can continue to grow and create new jobs for Hoosiers,” Maurer said.

According to Estrada, “The manufacturing summit was a success. Working with our partners outside of the [Washington] Beltway enabled us to gain valuable insight, which will benefit our role in the federal government.”

Matt Braud is a public affairs specialist in the International Trade Administration's Office of Public Affairs.

For More Information

More information on the manufacturing initiatives undertaken by the federal government is available on the Internet at www.manufacturing.gov/.

- For a report card on the implementation of the recommendations made in *Manufacturing in America*, click on “Manufacturing in America Scorecard.”
- For the complete text, click on “Manufacturing Report.”

On the Itinerary: A Look at Two Indian Cities

As part of the spin-off missions to six cities, Kolkata and Chennai are two that will be visited by participants in the India business development mission. Here is a look at the economies of these two cities, as well as the opportunities there for U.S. companies.

Kolkata: From Capital of British India to Trade and Business Center

On the eastern shore of the Bay of Bengal, you will find one of India's most important trading and business centers: Kolkata. For almost 150 years, Kolkata (also known as Calcutta) was the capital of British India, which encompassed modern day Bangladesh, India, and Pakistan. The city has retained its British heritage in its architecture and in the cultural outlook of many of the more than 14 million people that live in the metropolitan area.

Kolkata has an international airport and one of India's most important commercial ports, which serves as a point of

embarkation for many of India's exports. The city is an important financial hub, with the Calcutta Stock Exchange and the United Bank of India headquartered there. Kolkata is also an important center for both traditional and high-technology industries. For companies interested in the leather, jute, and jewelry industries, Kolkata is the place in India to visit.

The information technology sector is growing at 70 percent a year, and Kolkata is the center of India's Bengali-language film industry—nicknamed "Tollywood"—that is second only to the Bollywood films produced in Mumbai. Shoe company Bata India and consumer goods firm ITC Limited are two major companies with headquarters in Kolkata.

Chennai: Textiles, Electronics, and the "Detroit of India"

Chennai is the capital of the state of Tamil Nadu and is home to more than 42 million people. For more than 200 years,

Chennai has been known as a trading center and a gateway to southern India, with a well-developed port and a major international airport.

Chennai is better known to many as Madras, especially to those people who are familiar with the madras cloth that was made famous during British rule. Chennai retains its status as one of the premier cloth and textile centers in Asia.

In addition to traditional industries such as textiles and food processing, Chennai is also becoming known as the "Detroit of India," with Ford, Hyundai, and Mitsubishi manufacturing outside the city for the local Indian and export markets. It is also a center for electronics manufacturing, with Nokia, Motorola, and Flextronics having major production facilities. Other promising sectors include chemicals, petrochemical processing, pharmaceuticals, education, entertainment, financial services, renewable energy, safety and security, and environmental technologies.

India Trade Mission

continued from page 1

India, U.S. President George W. Bush and Indian Prime Minister Manmohan Singh agreed to an expanded economic relationship. The Commerce Department has responsibility for the commercial aspect of that relationship, and further progress was made in May 2006 when Lavin went to India and held follow-up visits with Indian Secretary of Commerce S. N. Menon and other government officials. (See the April 2006 issue of *International Trade Update*.)

A Vibrant Economy

With a population of more than 1 billion and a burgeoning consumer class of more than 200 million, India has been identified by the Commerce Department as a "spotlight" market for U.S. exporters. After a long period of stagnant economic growth, India is now growing. Since 1994, India's gross domestic product has posted gains of at least 7 percent a year. Liberalization and deregulation of several key sectors of the

economy, such as telecommunications and aviation, have potentially opened those areas and other markets to U.S. firms.

For More Information

The application period closed on October 2, 2006, for participation in the spin-off missions to individual Indian cities. But U.S. companies interested in participating in the two-day Mumbai Business Summit have until October 27, 2006, to apply. For more information on the summit, go to www.export.gov/indiamission/. Even if your company cannot participate in the India visit, Commerce Department trade specialists can provide you with all the tools and help you need to succeed in India. For more information, call 1-800-USA-TRAD(E) (1-800-872-8723) or go to www.export.gov/ and locate the U.S. Export Assistance Center nearest you.

Making Great Communities Happen ... in China

The American Planning Association, with an assist from the Department of Commerce, is helping its members penetrate the Chinese market.

BY ANA M. GUEVARA AND SARA E. HAGIGH

Much of the recent news on U.S.-China relations focuses on things that aren't working well, such as trade deficits, intellectual property rights violations, and currency imbalances. But a little-known fact is that as recently as 2004 the United States realized a trade surplus with China in services of \$1.6 billion. And the recent successes of member companies of the American Planning Association (APA) in selling their services to China prove that U.S. firms can and do compete in this market.

The APA is a professional organization with 40,000 members who work in community design, architecture, civil engineering, and environmental land use. Its motto is "Making Great Communities Happen." In 2005, the APA set its sight on China by creating its China Initiative.

Economic Growth Fuels Demand for Services

The age-old law of supply and demand was behind the APA's drive to promote sales to China. China's economy has exploded at a blistering pace, with double-digit growth in gross domestic product during the past several years. Along with an unprecedented pace of urbanization and rural migration, a strong and sustained demand for urban planning and design expertise has developed.

Since 1996, the APA has run a China program that has linked U.S. urban design firms and experts with hundreds of Chinese mayors and provincial leaders. These contacts have led directly to many U.S. business sales. In October 2005, the APA won a three-year Market Development Cooperator Program (MDCP) award from the U.S. Department of Commerce to support its China Initiative. The MDCP provides federal assistance to nonprofit export multipliers that serve small



The city center of Nantong, Jiangsu province, China, where several member companies of the American Planning Association pursued work with the assistance of the U.S. Department of Commerce. (Photo courtesy of American Planning Association)

businesses, and it is operated by the International Trade Administration.

Partnership with Commerce Department Experts

The Commerce Department quickly assembled a team to work closely with the APA on its China Initiative. Team members were drawn from many parts of the agency. Specialists from the U.S. and Foreign Commercial Service—who are located both in the United States and in key in-country posts such as Beijing, Chengdu, Guangzhou, Hong Kong, Shanghai, and Shenyang—were especially important, bringing a strong knowledge of industry sectors important to the APA and an understanding of the Chinese market and the strengths that U.S. companies offer.

continued on page 10

Commerce Department Ruling Finds China Still a Non-market Economy

China remains a non-market economy (NME) for purposes of investigating certain trade disputes, according to the comprehensive analysis of China's market economy status released by the U.S. Department of Commerce in August. China has been considered an NME under U.S. antidumping law since the early 1980s, when the first antidumping investigations involving it were concluded. The most recent decision was prompted by a request from a Chinese company involved in an antidumping investigation of certain lined paper products (such as school notebooks) that the department review China's NME status. An NME is defined by U.S. law as any country that the Commerce Department determines "does not operate on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise." In its decision, the department noted that although China has enacted significant and sustained economic reforms, market forces are not yet sufficiently developed to permit the use of prices and costs for purposes of the department's dumping analysis. As a result, the department will continue to use a methodology based on prices and costs from an economically comparable third country when determining whether a Chinese company has "dumped" their products in the United States. The continued designation of China as an NME applies only to U.S. trade remedy proceedings, and it in no way affects other aspects of our bilateral trade relationship. The decision, as well as a fact sheet on the decision, are available on the Internet at <http://ia.ita.doc.gov/ia-highlights-and-news.html>.

Business Ethics Training Program Welcomes Latin American Partners

This summer, the Department of Commerce welcomed 12 visitors from six Latin American countries to participate in a three-week workshop on teaching business ethics to people in their home countries. This

"Train the Trainer" program was sponsored by the International Trade Administration's Good Governance program. Sessions were held in Washington, D.C., and Atlanta, Georgia, from July 17 to August 4, 2006. Participants included two private-sector leaders from each of the six Latin American countries in which the Good Governance program operates: El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Paraguay.

The Good Governance program was started in Russia in 1998 to promote business ethics and transparency. Programs are now active in 14 countries in Latin America, as well as in the newly independent states and Eastern Europe. In each participating country, the program works with private-sector groups to build awareness of international standards of business conduct.

During this summer's program, trainees learned how to design an ethics program for a business or organization, which included instruction on how to write a code of conduct, how to communicate that code internally and externally, and how to effectively solicit and respond to employee and stakeholder concerns and feedback. The program included outside speakers and company site visits to learn how real companies have structured their ethics programs.

The training was led by a team of business ethics experts that included Anita Baker, former manager of

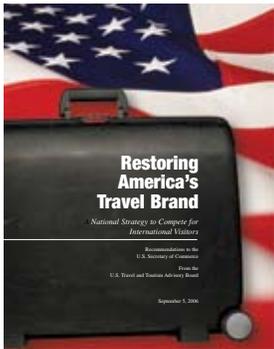


As part of their visit to the United States this summer, Latin American participants in the Commerce Department's Good Governance program visited the headquarters of CNN in Atlanta, Georgia.

the World Bank's Office of Business Ethics, and Lori Tansey-Martens, president of the International Business Ethics Institute.

Trainees hailed from local small and medium-sized businesses, local branches of large multinationals, private law and consulting firms, the Panama Canal Authority, the University of Rafael Landívar in Guatemala, local American chambers of commerce, and other business associations. The trainees are now back home and have already begun planning business ethics workshops. For more information about the Good Governance program, visit its Web site at www.trade.gov/goodgovernance/.

Tourism Board Urges National Strategy to Compete for World Tourism



A newly issued report from the U.S. Travel and Tourism Advisory Board, *Restoring America's Travel Brand: A National Strategy to Compete for International Visitors*, calls for a new national strategy to compete for a greater share of the grow-

ing tourism market. "Encouraging more people to visit the United States is in the national interest—not only because it will create jobs and revenue, but because it will have a positive impact on how people perceive us," said Jay Rasulo, chairman of the advisory board and chairman of Walt Disney Parks and Resorts. "Secretary [Carlos M.] Gutierrez has challenged the industry to apply its best thinking toward how to achieve this goal, and we are pleased to provide him with our recommendations."

The report's recommendations focus on three areas: (1) making it easier for people to visit, (2) creating a nationally coordinated marketing plan, and (3) measuring the economic effect of the travel and tourism industry. The U.S. Travel and Tourism Advisory Board con-

sists of 14 executives from prominent travel and tourism businesses and organizations. Secretary of Commerce Gutierrez formed the board in late 2005 and charged it with the task of developing, creating, and implementing a national tourism strategy. At the board's first meeting in January 2006, Gutierrez specifically asked the board to recommend a new strategy for competing in the international tourism and travel market. Copies of *Restoring America's Travel Brand* are available on the Internet at www.ita.doc.gov/media/Publications/.

New Foreign Trade Zone Rules Announced; New Zone Opens in Michigan

Recently announced changes in how foreign trade zones (FTZs) operate and the opening of an entirely new FTZ subzone in Michigan will bring benefits to U.S. manufacturers as they compete in the world marketplace. On September 18, 2006, at a meeting of the National Association of Foreign Trade Zones in Orlando, Florida, David Spooner, assistant secretary of commerce for import administration, announced two significant changes to streamline FTZ operations. First, FTZ manufacturing applications will be processed more quickly—in 6 to 8 months—instead of the 12 months allowed under regulations. Second, FTZs will adopt a more flexible approach for granting so-called temporary or interim manufacturing (TIM) authority. This new approach means that TIM authority will be possible for products and components that are similar, rather than identical, to previously approved FTZ applications. TIM applications are normally processed within 90 days.

On October 2, 2006, Spooner announced the approval of an entirely new FTZ subzone in Portage, Michigan. The subzone, sponsored by an existing FTZ in Battle Creek, Michigan, will serve Pfizer Inc. Pfizer's manufacturing facility in Portage employs about 3,900 employees and exports about 35 percent of its production, which is valued at approximately \$630 million annually. The new subzone will allow Pfizer to better compete with manufacturing plants overseas by giving

November 2-4

Wine for Asia 2006
Singapore
www.wineforasia.com

Asia is a growing market for New World wines. In 2005, this show had 425 exhibitors from 23 countries, attracting 13,000 visitors, with 3,600 of them trade visitors. For more information, contact Mara Yachnin of the USFCS, tel.: (202) 482-6238; e-mail: mara.yachnin@mail.doc.gov.

November 7-8

Explore BC 2010 Olympic Opportunities NOW!
Vancouver, Canada

This two-day event will feature briefings on the procurement process for the 2010 Olympic Winter Games, which will be held in Vancouver. There will also be briefings by local experts on the Canadian market and customized meetings with local vendors seeking partners. For more information, contact Cheryl Schell of the USFCS, tel.: (604) 642-6679; e-mail: cheryl.schell@mail.doc.gov.

November 9

Intellectual Property Rights in China
www.stopfakes.gov

This program is part of the continuing series of "Webinars" on the protection of intellectual property rights in China. It is sponsored by ITA's China office and begins at 2:00 p.m. Eastern time. For more information or to register, send an e-mail to chinaipr@mail.doc.gov.

November 13-17

Business Development Mission to China
Beijing and Shanghai, China
www.export.gov/chinamission

Secretary of Commerce Carlos M. Gutierrez will lead this senior-level trade mission. For more information, contact the Department of Commerce's Office of Business Liaison, tel.: (202) 482-1360; e-mail: chinamission@doc.gov.

November 15-17

Japan Home and Building Show
Tokyo, Japan
www.jma.or.jp/jhbs

This show is Japan's largest trade show for housing products and materials. Last year's show attracted 650 exhibitors from Japan and 19 exhibitors from other countries, with about 98,500 visitors. For more information, contact Sam Dhir of the USFCS, tel.: (202) 482-4756; e-mail: sam.dhir@mail.doc.gov.

November 15-18

Medica 2006
Düsseldorf, Germany
www.medica.de

Medica 2006, the world's largest medical trade fair, will be held in conjunction with ComPaMED, the international fair for supplies for medical manufacturing. More than 4,500 exhibitors and 140,000 trade visitors are expected. For more information, contact Anette Salama of the USFCS, tel.: +49 (211) 737-767-60; e-mail: anette.salama@mail.doc.gov.

November 15-18

IAAPA Attractions Expo 2006
Atlanta, Georgia
<http://iaapaatlanta.expoplanner.com/>

Amusement and attraction industry leaders will gather at this show sponsored by the International Association of Amusement Parks and Attractions (IAAPA) to view and explore new amenities for their facilities. The show will fill more than 1 million square feet of the Georgia World Congress Center, with more than 1,100 exhibitors expected to showcase new products such as games and devices, souvenirs, foods and beverages, and rides. For more information, contact Amanda Ayvaz of the USFCS, tel.: (202) 482-0338; e-mail: amanda.ayvaz@mail.doc.gov.

November 28-30

Power-GEN 2006
Orlando, Florida
<http://pgi06.events.pennnet.com/fl/index.cfm>

Never has there been a more critical time to learn about the latest developments and trends affecting the power industry. This show will bring together the sharpest minds in the industry for three days of education, training, fast-track networking, and new business negotiation. For more information, contact Kevin Haley of the USFCS, tel.: (202) 482-6434; e-mail: kevin.haley@mail.doc.gov.

November 29-December 5

India Business Development Mission
Mumbai, India
www.export.gov/indiamission

Led by Franklin L. Lavin, under secretary of commerce for international trade, this mission will feature a business summit in Mumbai on November 29 and 30, as well as follow-up visits to Bangalore, Chennai (Madras), Hyderabad, Kolkata (Calcutta), Mumbai (Bombay), or New Delhi. For more information, contact Jennifer Young of the USFCS, tel.: (202) 482-0998; e-mail: jennifer.young@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

December 6

Embassy Security Seminar
Ottawa, Canada
www.export.gov

Targeted at technical representatives, this event offers U.S. companies the opportunity to demonstrate how their products can meet Canadian government security technology needs. U.S. Ambassador David H. Wilkins will host a follow-up reception. For more information, contact Connie Irrera of the USFCS, tel.: (514) 908-3662; e-mail: connie.irrera@mail.doc.gov.

December 4-7

U.S.-Libya Oil and Gas and Energy Exhibition
Tripoli, Libya
www.pwnexhibicon.com

It is projected that more than \$30 billion will be spent on Libyan oil, gas, and energy infrastructure over the coming years. With the reopening of the Libyan market, this trade show will offer opportunities for U.S. companies to showcase their products and services. For more information, contact Kevin Haley of the USFCS, tel.: (202) 482-6434; e-mail: kevin.haley@mail.doc.gov.

January 10-13

Heimtextil
Frankfurt, Germany
www.heimtextil.messefrankfurt.com

Home textiles are the focus of this show. Last year, there were 2,810 exhibitors from 73 countries, with a total of 89,073 trade visitors. For more information, contact Mary-Lynn Landgraf of the Office of Textiles, tel.: (202) 482-7909; e-mail: mary-lynn_landgraf@ita.doc.gov

Short Takes

continued from page 7

the company access to the same U.S. duty treatment on its products as would be given to facilities manufacturing abroad.

FTZs are locally sponsored sites, approved by the U.S. Foreign-Trade Zones Board, where special customs procedures can be used. U.S. manufacturers can operate within existing FTZ sites or, if necessary, ask their local FTZ to sponsor an extension of the zone at the manufacturer's facility. For more information about FTZs, visit www.trade.gov/ftz.



International Trade Update is published monthly by the Office of Public Affairs of the U.S. Department of Commerce's International Trade Administration (ITA). You can read or download the newsletter from ITA's Web site at www.trade.gov. To receive notification by e-mail when new issues are published, visit www.trade.gov, click on Trade Update, and scroll to the subscribe link.

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.

Franklin L. Lavin
*Under Secretary of Commerce
for International Trade*

Charles Skuba
Director, Office of Public Affairs

John Ward
Editor

Material in this newsletter may be reproduced unless otherwise noted. When reprinting, please credit the U.S. Department of Commerce, International Trade Administration.

Making Great Communities

continued from page 5

Building on Existing Initiatives

Within the China Initiative, one hallmark is a program that provides training and exchanges for U.S. planning companies and senior Chinese planning officials and mayors. Since 2002, the APA has already brought more than 100 Chinese mayors to the United States, where they visited several cities, met with U.S. companies, and learned about U.S. planning and design concepts. The APA had also arranged for business missions to China and has accompanied U.S. planning companies in meeting with Chinese government officials and planning companies.

Expanded Marketing Efforts

With its China Initiative, the APA is continuing to promote U.S. urban planning and urban design services and planning philosophies. The APA's five-part strategy includes (1) establishing a fully staffed APA office in Shanghai, (2) preparing promotion material for the China market in English and Mandarin, (3) providing training and exchanges for APA members and Chinese customers, (4) organizing business trips to China for U.S. planning companies, and (5) cultivating long-term relationships with Chinese clients.

Shanghai will be the center of the APA's China operations. As the capital of the Jiangsu province, the city is the economic hub of the Yangtze River delta. During the term of the MDCP award, the APA expects the Shanghai office to provide marketing and training for APA professionals in China and to facilitate collaboration between urban planners and members of related industries.

Successful Efforts Bring Sales

The first year of the MDCP award has been a success for the APA's efforts in China. Seven U.S. firms have already signed contracts worth almost \$500,000. The services they are exporting to China include design and engineering, transportation planning, urban development, and architectural services.



Chinese officials and representatives of the U.S. Department of Commerce and the American Planning Association look at a model for a factory and research and development center being developed for the Yangtze River Pharmaceutical Group. (U.S. Department of Commerce photo)

The combination of market strength and a strong partnership with the Commerce Department has given U.S. firms a leg up in succeeding in the Chinese market. Jeff Soule, the APA's policy director, echoes that sentiment, noting, "It's a great partnership, and we all recognize that the service sector is the fastest-growing sector in China and that U.S. firms are the leaders in planning, design, and development services."

Ana M. Guevara is the International Trade Administration's deputy assistant secretary for services. Sara E. Hagigh is an international trade specialist in the International Trade Administration's Office of Service Industries and team leader for the APA MDCP award.

For More Information

For more information on the APA's China Initiative, visit www.planning.org/APAinChina/. Information on export assistance tools available to U.S. firms interested in the Chinese market is available at www.export.gov/.