

International Trade UPDATE

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November–December 2008

Economic Engagement with China Brings Benefits to U.S. Businesses

The Joint Commission on Commerce and Trade and the Strategic Economic Dialogue steer the crucial economic relationship between the United States and China.

BY TIM TRUMAN

Since China emerged on the world economic scene 30 years ago, the country has become a major player in the global economy. In 2007, China overtook Japan as the United States's largest export market outside of the North American Free Trade Agreement (NAFTA) partners, and it displaced Canada as the leading source of imports. In 2007, U.S. exports to China ex-

panded by 18 percent to \$65 billion, while U.S. imports from China increased by 12 percent to \$322 billion.

"In both our countries, there has been a rise of economic nationalism," said Carlos M. Gutierrez, secretary of commerce. "It threatens the progress we've made in increasing commercial partnerships—partnerships that benefit our citizens and our economies."

The trade relationship between China and the United States will continue to grow through bilateral initiatives that will address market barriers when they arise. Those initiatives facilitate increased trade and help resolve problems. The U.S.–China Joint Commission on Commerce and Trade (JCCT) is the primary trade dialogue between the two countries.

On September 15, 2008, Gutierrez; Susan C. Schwab, U.S. trade representative; and Wang Qishan, vice premier of China, convened the 19th JCCT meeting in Yorba Linda, California. During the talks, both sides reached an agreement on steps that will promote increased trade flows.



On September 16, 2008, Carlos M. Gutierrez, secretary of commerce (second from right), discussed ways to improve the U.S.–China trade relationship with Chinese officials at the 19th JCCT meeting in Yorba Linda, California. He met with (from left) Sheng Guangzu, minister and customs commissioner-general of the General Administration of Customs; Chen Deming, minister of commerce; Wang Qishan, vice premier; and Susan Schwab, U.S. trade representative.

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JCCT Meeting Leads to Positive Outcomes

At the meeting, both sides discussed the importance of making progress on the protection and enforcement of intellectual property rights. China reaffirmed its commitment to advance negotiations to join the World Trade Organization's Government Procurement Agreement. Chinese officials also agreed to streamline the approval process for setting up new foreign retail outlets, to lower the minimum capitalization requirements for telecommunications services (although more needs to be done), to postpone regulations that bar U.S. information technology companies from selling in China, and to accept from certain U.S. states some poultry products that had previously been banned.

25 Years and Counting

This year marked the JCCT's 25th anniversary. Since its inception in 1983, the JCCT has been a useful forum for engagement and has delivered meaningful results for U.S. businesses, workers, and farmers.

Perhaps most important, the JCCT has ensured that U.S. and Chinese senior economic and trade

officials continue to interact regularly, and those relationships have improved both countries' abilities to address trade-related misunderstandings and problems. The JCCT has contributed to the dramatic trade growth between China and the United States.

Working Groups Tackle Trade Remedies, Steel, and Environmental Technologies

In addition to annual senior-level meetings, the JCCT comprises more than a dozen working groups and subgroups, which meet throughout the year to discuss a range of trade and investment issues.

On October 24–28, 2008, David Spooner, assistant secretary of commerce for the Import Administration, led a team of Department of Commerce officials to Beijing. The team participated in three JCCT working groups: the Structural Issues Working Group (SIWG), the Trade Remedies Working Group (TRWG), and the Steel Dialogue. The Import Administration cochairs each of the three working groups with the office of the U.S. trade representative.

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Cooperative Initiatives Provide Additional Support

Efforts to improve the U.S.–China economic relationship do not begin and end with formal dialogues, such as the U.S.–China Joint Commission on Commerce and Trade and the Strategic Economic Dialogue (SED). The Department of Commerce leads and participates in other initiatives that are designed to provide information and assistance to targeted industries, and those initiatives have had a positive influence.

On September 18–19, 2008, the International Trade Administration hosted the second U.S.–China Symposium on Postal Reform and Express Delivery Services. The initiative is viewed as an important sectoral dialogue in the bilateral trade relationship with China. As China considers policies that would limit U.S. and foreign companies from the express document delivery market, the symposiums are proving to be an innovative way to demonstrate that China benefits from

open markets and competition from U.S. express delivery carriers, such as FedEx and UPS. The symposiums also allow the U.S. government to ensure that those measures that exclude U.S. participation in the express delivery market remain high on the trade agenda.

More than 250 representatives from Chinese and U.S. firms attended the first-ever U.S.–China Innovation Conference last December, which was held in conjunction with the SED in Beijing. The success of this joint effort by the Department of Commerce and the Department of State, as well as China's Ministry of Science and Technology, resulted in plans for a second conference at the December 2008 SED. These innovation conferences discuss how both governments can create a policy environment that best fosters global innovation and allows creativity to flourish through open markets and competition.

China's Second-Tier Cities Offer Opportunities for Service Industry Exports

Service exports and trade advocacy in China are highlighted at the America–China Business Women Alliance's annual conference.

BY ANDREA DASILVA AND XIAOBING FENG

Approximately 400 industry and government leaders from across China and the United States participated in the America–China Business Women Alliance's annual conference on November 5–7, 2008, in Washington, D.C. This event is the only one of its kind that focuses on women who conduct business in China. Nearly half of the privately held firms (48 percent or 10.6 million) are 50 percent or more owned by women. Those U.S. firms employ 19.1 million people and generate nearly \$2.5 trillion in sales. China has roughly 20 million women business owners.

At the conference, specialists from the International Trade Administration (ITA) discussed what services ITA offers for exporters and how a budding middle class in second-tier cities indicates that those cities are the real economic engine in China. In particular, demand is strong in the advertising, health, tourism, and information technology and professional service industries. The *China Trade in Services Report 2008*, published by China's Ministry of Commerce, shows significant demand for imports of foreign services, with major increases in imports from 2006 to 2007. Film and audiovisual services were up by 22.4 percent, consulting by 29.4 percent, travel by 22.5 percent, computers by 27.0 percent, advertising by 40.0 percent, and communication services by 41.6 percent. However, exporters of services face challenges in entering the market and maintaining businesses in China, with staffing, logistics, language barriers, and intellectual property rights infractions at the top of the list.

What U.S. Exporters Say about China

U.S. exporters at the event discussed additional challenges they have faced in exporting to China because of differences in business practices. Most



Jade Zhou, executive director of the America–China Business Women Alliance conference, joins International Trade Administration's Andrea DaSilva (left) and Xiaobing Feng (right) at the conference on November 5, 2008, in Washington, D.C.

speakers recommended that new entrants partner with a local expert for easier transition. Many exporters also confront industrial standards and certification issues, insufficient transparency of government regulations, payment and dispute resolution mechanisms, price controls, and approval processes that may favor local businesses.

The Advocacy Center

In response to those and other export challenges, ITA's U.S. and Foreign Commercial Service (USFCS) employs 157 officers and trade specialists in China. Through its Advocacy Center, and in collaboration with 18 other U.S. government agencies, USFCS promotes U.S. jobs through exports by coordinating high-level U.S. government advocacy for U.S. firms competing for foreign government tenders. In one success story, the center assisted a mid-sized Ohio airport architecture firm in its bid to redesign the Shanghai airport. The Ohio firm is now establishing itself as a player in the Chinese market. Dozens of

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Renewing America's Nuclear Energy Public-Private Partnership

The United States will maintain its competitive position in the international civil nuclear market with the launching of the International Trade Administration's Civil Nuclear Trade Initiative and by focusing on a reinvigorated public-private partnership.

BY FRANK CALIVA AND SARAH LOPP

The world is on the cusp of a nuclear renaissance. Interest in expanding nuclear generating capacity is growing rapidly worldwide. By 2020, the International Atomic Energy Agency (IAEA) expects a 16 percent increase in world nuclear generating capacity, and it anticipates at least 60 new reactors in the next 15 years.

For decades, the U.S. government did not promote the growth of the U.S. nuclear industry. Instead, it focused almost exclusively on nuclear nonproliferation. Today, the government strongly supports U.S. industry's involvement in the global expansion of nuclear energy, while partnering closely with other countries to shape their civil nuclear programs in ways most conducive to nonproliferation.

Nuclear Energy Summit

On October 8, 2008, the Department of Commerce and the Department of Energy cosponsored the Nuclear Energy Summit, in Washington, D.C. The summit drew more than 200 attendees and focused on renewing America's nuclear energy partnership for energy security and economic growth. Keynote speakers included Carlos M. Gutierrez, secretary of commerce; Samuel Bodman, secretary of energy; and Dale Klein, chair of the Nuclear Regulatory Commission. The summit's clear message is that a robust public-private partnership is critical to developing market opportunities and to reaping the benefits of a potential resurgence of nuclear power.

"It's time for the United States to get focused on nuclear power—one of the cleanest and most reliable producers of electricity," Gutierrez said. "Energy consumption is soaring globally. It is pro-

jected to increase by 50 percent between 2005 and 2030. Nuclear power can help us meet our growing energy demand."

International Markets

Nuclear energy reduces dependency on foreign energy imports; emits no greenhouse gases; and is safe, reliable, and affordable once the initial construction costs are amortized. China, Poland, and the United Arab Emirates are developing civil nuclear power programs for the first time. In addition, Italy and the United Kingdom are planning to build new reactors after a moratorium on civil nuclear power development that extended several decades finally ended.

India, one of the largest potential markets, has recently allowed U.S. companies to enter its market because of the historic U.S.-India Civil Nuclear Cooperation Agreement. The U.S.-India Business Council estimates the opportunities—which include delivery of nuclear fuel, construction of new reactors, and other related services—at \$150 billion. The Department of Commerce, to help U.S. companies take advantage of those opportunities, certified a commercial nuclear trade mission to India, which was organized by the council and the Nuclear Energy Institute. The mission visited New Delhi, Hyderabad, and Mumbai from December 2-9, 2008.

Job Creation

A strong, viable U.S. nuclear industry will have a significant and positive influence on the domestic economy. The civil nuclear industry spurs innovation, creates high-tech products, provides good-

paying jobs, retains high-skilled manufacturing capacity in the United States, and creates tens of thousands of new jobs.

Constructing new plants translates into economic benefits, even if U.S. first-tier suppliers do not win the primary contract to design and build a nuclear reactor. Hundreds of U.S. nuclear suppliers stand ready to supply domestic and foreign primary contractors, which results in positive economic gains for the United States.

Formidable Competition

U.S. first-tier suppliers face competition from state-owned firms or firms that are aggressively and substantially supported by the foreign government. State-owned companies enjoy insurance coverage from their governments in the event of a nuclear accident, which is an important competitive advantage. Because U.S. companies cannot insure against the risk of a nuclear accident and the U.S. government does not provide indemnity insurance to companies abroad, adequate nuclear liability protection is crucial if U.S. companies are to compete. Therefore, the United States has ratified the international Convention on Supplementary Compensation for Nuclear Damage, and it is encouraging other countries to do the same.

Civil Nuclear Trade Initiative

To bolster U.S. civil nuclear export competitiveness, the International Trade Administration has developed the Civil Nuclear Trade Initiative. The initiative includes (a) creating a new interagency

trade promotion coordinating committee working group to organize international U.S. policy and activities that affect U.S. civil nuclear trade, (b) establishing a civil nuclear trade advisory committee that comprises U.S. industry representatives who will provide consensus advice to the secretary of commerce, (c) developing U.S. industry promotion activities at the IAEA, (d) organizing Department of Commerce-led or -certified civil nuclear trade missions to key overseas markets, (e) increasing U.S. industry presence at the Organization for Economic Cooperation and Development's Nuclear Energy Agency and in the Global Nuclear Energy Partnership, and (f) preparing a guide for U.S. civil nuclear companies on how to export.

Expanding civil nuclear power makes environmental and business sense. The initiative and a re-invigorated public-private partnership will ensure that the United States maintains its competitive position in the international civil nuclear market.

For more information about the Civil Nuclear Trade Initiative and the International Trade Administration's nuclear energy efforts, visit www.ita.doc.gov/td/energy/nuclear.htm.

Frank Caliva and Sarah Lopp are international trade specialists with the International Trade Administration's Manufacturing and Services unit.

“ Energy consumption is soaring globally. It is projected to increase by 50 percent between 2005 and 2030. Nuclear power can help us meet our growing energy demand. ”

Carlos M. Gutierrez, Secretary of Commerce



A panel of experts including (from left) Dennis R. Spurgeon, assistant secretary for nuclear energy at the Department of Energy; David Christian, president and chief nuclear officer at Dominion; Lee Elder, senior vice president of global sales at General Electric-Hitachi Nuclear Energy; Edwin Hill, international president at International Brotherhood of Electrical Workers; and James Conca, director at Carlsbad Environmental Monitoring and Research Center at New Mexico State University, led discussions on the important role that nuclear power can play in helping meet the soaring global demand for energy at the Nuclear Energy Summit on October 8, 2008, in Washington, D.C. (U.S. Department of Commerce photo)

News from the International Trade Administration

Unique Partnership Offers Expert Guidance for Going Global

Small and medium-sized enterprises (SMEs) that are competing in the global market are gaining a strategic advantage over their competition by participating in ExporTech. This new training program offers invaluable assistance from some of the nation's leading experts on global trade.

ExporTech, which launched in January 2008, is jointly sponsored by the International Administration's U.S. and Foreign Commercial Service, the National Institute of Standards and Technology's Manufacturing Extension Partnership, the District Export Council, the University of Maryland Robert H. Smith School of Business, the Maryland Technology Extension Service, and M&T Bank. The program targets executives of SMEs who may have dabbled in exporting but have not fully exploited global opportunities.

With the collaboration of ITA's regional Export Assistance Centers, ExporTech draws on domestic and international knowledge to offer customized content to the specific learning needs of participants, from help with exporting to new markets to help with specified knowledge in laws and compliance differentiated among industry, country, and markets.

Throughout the three-month-long program, participants gain an understanding on how to make exports a major growth driver, how to identify hurdles to expansion, how to work with the facilitators to develop a customized international growth plan for their companies, and how to build a team of organizations that help their companies move quickly beyond planning to actual export sales.

"ExporTech provided—and continues to provide—expertise in several areas focused exclusively on our business and our success," said Carl Livesay, a representative from Raloid Corporation and an ExporTech participant. "Our combined efforts have

resulted in new account sales within 12 months of class completion."

For more information about ExporTech, visit www.mep.nist.gov/exportech.

New Certification Mark Available for the U.S.–European Union Safe Harbor Program

The International Trade Administration (ITA) has released a new certification mark for the U.S.–European Union (EU) Safe Harbor Framework. The mark may be used by companies on their Web sites to signify that they have self-certified compliance with the provisions of the Safe Harbor Framework.

The framework facilitates secure, uninterrupted transfers of personal information that support billions of dollars in trade from the EU to the United States. By displaying the certification mark, participating companies can more easily show their commitment to ensuring that EU citizens' data are secure, which is critical to the trade relationship.

Participating U.S. companies must follow specific instructions developed by ITA to display the mark. Only those organizations that have self-certified and are listed on ITA's official Safe Harbor Program list are allowed to use the mark in an appropriate manner. Continued use of the mark is contingent on companies maintaining their status in the program.

More than 1,600 U.S. companies participate in the Safe Harbor Framework, which is managed by ITA's Manufacturing and Services unit. As the program has grown, it has achieved global recognition as one of the best ways to meet the requirements of the EU's Data Protection Directive. Since the mark's release, ITA has received positive feedback from many of the companies that have chosen to display the certification mark.

For additional information about the U.S.–EU Safe Harbor Framework, visit its Web site at www.export.



MAC trade compliance attachés from U.S. posts in Europe and Asia are the leads for implementing the ITA Trade Agreements Compliance program at their posts. The attachés recently attended a comprehensive training session and discussion forum at ITA headquarters. The compliance program endeavors to reduce or eliminate foreign government policies that adversely affect trade opportunities for U.S. goods and services. (U.S. Department of Commerce photo)

gov/safeharbor or contact Damon Greer of the Department of Commerce, tel.: (202) 482-5023; e-mail: *damon.greer@mail.doc.gov*.

Trade Compliance Attachés: Attacking Foreign Trade Barriers on the Ground

Foreign commercial service officers—trade compliance attachés—of the Market Access and Compliance (MAC) unit are at the forefront of efforts by the International Trade Administration (ITA) to create a barrier-free global trading system. Attachés are MAC officers in the field and the leads for implementing the ITA Trade Agreements Compliance program at their posts. Those strategic posts are located worldwide: U.S. mission to the European Union in Brussels (Ashley Miller), U.S. embassy in Beijing (Teresa Howes and Lisa Rigoli), and U.S. embassy in Tokyo (Dean Matlack). The program endeavors to reduce or eliminate foreign govern-

ment policies that adversely affect trade opportunities for U.S. goods and services.

Compliance attachés are experts on trade barrier identification, are trained in the latest state-of-the-art tools and techniques to attack those barriers, and are adept at leveraging the combined trade and commercial expertise all across ITA to achieve the best results for U.S. companies facing trade barriers abroad.

Although they focus on dismantling trade barriers, they also help ensure trade policy consistency between post and Department of Commerce headquarters, support senior-level ITA interaction

with foreign government officials, and educate local U.S. companies and regional government personnel on MAC's approach to knocking down foreign trade barriers.

For more information on the ITA Trade Agreements Compliance program, to report a foreign trade barrier, or to contact an attaché, visit *www.trade.gov/tcc*.

Contributors to this section include Krysten Jenci and Carla Langjahr of the Manufacturing and Services unit and John Liuzzi of the Market Access and Compliance unit.

January 2009

January 8-11
International Consumer Electronics Show 2009
 Las Vegas, Nevada
www.cesweb.org

This show brings together manufacturers of consumer electronics products and the highest concentration of buyers and decision-makers in the retail distribution channel. Product categories include emerging technologies, gaming, home networking and theater, video, and wireless communications. For more information, contact Jennifer Harrington of the USFCS, tel.: (202) 482-0595; email: jennifer.harrington@mail.doc.gov

January 12-15
ProMat 2009
 Chicago, Illinois
www.promatshow.com

This show will have more than 45,000 materials handling and logistics buyers from more than 80 countries. More than 700 exhibitors will feature the best productivity solutions the industry has to offer. It is the largest and most comprehensive international material handling and logistics trade event in North America. For more information, contact Louis Quay of the USFCS, tel.: (202) 482-3973; email: louis.quay@mail.doc.gov

January 14-17
Heimtextil 2009
 Frankfurt, Germany
www.heimtextil.messefrankfurt.com

This event is the largest international trade fair for home and contract textiles, and it serves as a platform for manufacturers and designers worldwide. At the 2008 show, 2,800 exhibitors from 65 countries presented their products to more than 86,000 international trade visitors. For more information, contact Jennifer Harrington of the USFCS, tel.: (202) 482-0595; email: jennifer.harrington@mail.doc.gov

January 15-16
U.S. Interoperable Communications Seminar and Exhibit
 Ottawa, Canada
www.buyusa.gov/canada/en/canadiansforinteropevent.html

This event is organized by the USFCS in Canada, and it will introduce U.S. suppliers of proven interoperable communications technologies for the defense, security, and emergency responder markets to key Canadian decision-makers. For more information, contact Tracey Ford of the USFCS, tel.: (613) 688-5406; email: tracey.ford@mail.doc.gov

January 19-21
World Future Energy Summit 2009
 Abu Dhabi, United Arab Emirates
www.worldfutureenergysummit.com

This summit brings together leading innovators, educators, scientists, venture capitalists, and experts in the field of future energy. More than 15,000 attendees are expected, which will make it the largest meeting of influential figures within the renewable energy industry. For more information, contact Mark Wells of the USFCS, tel.: (202) 482-0904; email: mark.wells@mail.doc.gov

January 24-28
2009 São Paulo International Dental Meeting
 São Paulo, Brazil
www.suvison.com

This meeting brings together more than 70,000 dentists, dental students, lab technicians, dental hygienists, staff members, and dental dealers from all of Latin America. For more information, contact Carol Rudman of the USFCS, tel.: (202) 482-0905; email: carol.rudman@mail.doc.gov

January 27-29
Colombiatex de las Américas 2009
 Medellín, Colombia
www.colombiatex.com

This show is one of the largest trade fairs in Latin America for apparel manufacturers. Exhibited products include natural-base, synthetic, and blended fabrics; fibers, threads, and yarns; and supplies. Colombia is an important export market for U.S. fibers, yarn, and fabric. U.S. exports of textile and apparel products to Colombia increased from \$90 million in 2002 to \$176 million in 2006. For more information, contact Laurie Mease of the Office of Textiles and Apparel, tel.: (202) 482-2043; email: laurie.mease@mail.doc.gov

January 27-28
How to Develop an Export Management and Compliance Program
 Miami, Florida
www.buyusa.gov/florida/bis.html

This two-day seminar is designed to help companies to create or enhance their export compliance program and to learn smart export compliance business strategies. The instructors will share lessons learned and industry best practices, as well as educate companies on how to implement strategies and safeguards that can minimize the risk of an export violation. For more information, contact Stephanie Heckel of the USFCS, tel.: (954) 356-6640, ext. 19; email: stephanie.heckel@mail.doc.gov

January 28-February 1
FITUR 2009
 Madrid, Spain
www.discoveramericapavilion.com

This show provides the best showcase for U.S. tourism companies and related entities to promote their services and destinations to prospective Spanish travelers and the Spanish tourism and international travel trade organizations. Product categories include tour operators, travel agents, and hotels and accommodations. For more information, contact William Corfitzen of the USFCS, tel.: (202) 482-0584; email: william.corfitzen@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.

Calendar

On The Horizon

February 3–6

World of Concrete

Las Vegas, Nevada

www.worldofconcrete.com

This annual international event is the only one dedicated to the commercial concrete and masonry construction industries. More than 1,700 exhibitors will showcase the industry's most innovative products, technologies, tools, and equipment. This show also offers more than 150 seminars that cover everything from concrete basics and decorative concrete to green building and best management practices. This event is the place to be for new opportunities in the commercial construction industry. For more information, contact Graylin Presbury of the USFCS, tel.: (202) 482-482-5158; email: graylin.presbury@mail.doc.gov.

February 14–19

Women and Minority Business Mission

Amman, Jordan; Cairo, Egypt

www.buyusa.gov/jordan

This trade mission will focus on women and minority-owned firms and will promote U.S. equipment and services in the following sectors: aerospace, automotive, education and training, energy and power generation, medical, oil and gas field machinery, petrochemical, pharmaceutical, telecommunications, and more. Benefits include market briefings; high-level networking receptions; and one-on-one business appointments with prospective importers, agents, and distributors. For more information, contact Nyamusi Igambi of the USFCS, tel.: (713) 209-3112; email: nyamusi.igambi@mail.doc.gov.

February 24–26

Expo Comm Mexico 2009

Mexico City, Mexico

www.expocomm.com/mexico

This show is the largest telecommunications trade fair in Latin America. It is the place for U.S. telecommunication and technology companies to showcase their latest and most successful innovations and solutions, including satellite technologies, information processing-based tools, WiFi solutions, and various applications for mobile telephony and mobile portals in Latin America. For more information, contact William Corfitzen of the USFCS, tel.: (202) 482-0584; email: william.corfitzen@mail.doc.gov.



John J. Sullivan, deputy secretary of commerce (center), joins Robert Mosbacher, Jr., president and chief executive officer of the Overseas Private Investment Corporation (left), and Larry Walther, director of the U.S. Trade and Development Agency (right), at the Georgia Business Summit in Tbilisi on October 28, 2008. (photo courtesy of American Chamber of Commerce in Georgia)

Commerce Event Bolsters Georgia Trade Ties

by Ellen House

John J. Sullivan, deputy secretary of commerce, delivered a message of support and friendship to the Republic of Georgia at the Georgia Business Summit in Tbilisi on October 27, 2008. Sullivan led a delegation of senior U.S. officials to the event, and he participated in an 18-member Department of Commerce–certified trade mission. The summit and trade mission were aimed at strengthening investor confidence in Georgia and increasing bilateral commercial ties following the August invasion by Russia.

"This summit is about the unbreakable ties between our two countries," Sullivan noted in his opening remarks.

Event speakers highlighted U.S. resources for expanding trade and investment with Georgia and opportunities in the country's growth sectors for some 200 summit attendees. Attendees included a large cross-section of local companies and government officials, as well as U.S. company representatives and the members of the U.S. trade mission.

Robert Mosbacher, Jr., president and chief executive officer of the Overseas Private Investment Corporation (www.opic.gov), announced \$176 million in new financing for seven new projects in Georgia, and the agency signed agreements for some of the projects at the meeting.

The trade mission, which was organized by the America–Georgia Business Council (www.agbdc.com) and the American Chamber of Commerce in Georgia (www.amcham.ge), included companies in the communications, infrastructure, energy, finance, and medical sectors. On October 28, 2008, one of the trade mission participants, Doheny Global Group in New York, signed a letter of intent with the Georgian Ministry of Energy to invest \$150 million to \$175 million in developing four to six hydropower sites.

The Commerce Department will continue to support a variety of initiatives to facilitate trade and investment with Georgia.

Ellen House is an international trade specialist in the International Trade Administration's Market Access and Compliance unit.



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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 with China

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The SIWG provides opportunities for discussing and sharing information on China's market reforms, as well as the remaining structural impediments that China needs to complete to transition to market economy status. The October talks highlighted China's recent economic reforms and pinpointed areas for future focus.

The discussions within the TRWG featured healthy exchanges on numerous issues related to administering trade remedy laws.

The Steel Dialogue is a unique working group that involves government and industry participation from China and the United States. During the meetings, industry representatives offered detailed overviews of their respective steel market situations and developments. Although the meeting did not result in any quick fixes for the concerns raised (for example, the United States is particularly concerned about continued government involvement in China's steel industry), the dialogue represented a valuable opportunity to increase the understanding of different points of view. In addition, the U.S. delegation stressed the importance of market mechanisms for the health of the global steel market.

Environmental Technologies Featured

On October 21, 2008, Jamie Estrada, deputy assistant secretary for manufacturing, convened the first U.S.-China Environmental Industries Forum in Beijing, China. The forum allowed U.S. government and industry representatives to meet with their Chinese counterparts to help develop policies, relationships, and projects that increase the deployment of environmental technologies while addressing environmental and sustainability concerns.

Both countries have much to gain from this collaboration. China will become better suited to meet its goals to reduce air emissions, waste, and

water consumption, while the United States can collectively address global environmental concerns and facilitate trade in the environmental sector. The JCCT's Environment Working Group organized the event and will develop tangible action items to address the issues discussed.

U.S.-China Strategic Economic Dialogue

The U.S.-China Strategic Economic Dialogue (SED) is another important mechanism that guides the long-term development of the U.S.-China economic relationship. In 2006, presidents George W. Bush and Hu Jintao established the SED as a framework to address issues of mutual concern. The SED takes a long-term and strategic look at the economic relationship, while the JCCT focuses on specific trade issues. The SED has helped establish the 10-year Energy and Environment Cooperation Framework and has increased transparency in publishing trade-related rules and regulations.

The fifth SED took place on December 4-5, 2008, in Beijing, and it focused on balanced growth, energy and environmental protection, challenges to trade, and investment.

"Through the JCCT and SED, we continue to work with our Chinese counterparts to ensure we both pursue policies of openness that have helped drive our growth," Gutierrez said. "I believe that in such an economic environment U.S. firms would welcome the opportunity to do even more business in—and with—China, thus expanding consumer choices and driving growth and job creation. This would be to the mutual advantage of both the United States and China."

Contributors to this article include Rebecca Karnack and Joshua Wu of the Market Access and Compliance unit, Stephanie Langkamp of the Import Administration, and Todd DeLelle of the Manufacturing and Services unit.

“ Through the JCCT and SED, we continue to work with our Chinese counterparts to ensure we both pursue policies of openness that have helped drive our growth. ”

Carlos M. Gutierrez,
Secretary of Commerce

U.S. Export Assistance Centers

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

ALABAMA

Birmingham: (205) 731-1331

ALASKA

Anchorage: (907) 271-6237

ARIZONA

Phoenix: (602) 640-2513

Tucson: (520) 670-5540

ARKANSAS

Little Rock: (501) 324-5794

CALIFORNIA

Bakersfield: (661) 637-0136

Fresno: (559) 227-6582

Indio/Cabazon: (760) 772-3898

Ontario: (909) 466-4134

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

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

Monterey: (831) 641-9850

Newport Beach: (949) 660-1688

Oakland: (510) 273-7350

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

Sacramento: (916) 566-7170

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China's Second-Tier Cities Offer Opportunities

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new airports, including those in second-tier cities, will be built in the next 10 years. The center encourages U.S. small and medium-sized enterprises to export, makes certain that they are treated fairly, and ensures that their proposals are evaluated on technical and commercial merits.

China's Second-Tier Cities

Second-tier cities are experiencing the fastest economic growth in China, primarily because of the expanding middle-class purchasing power. Second-tier cities are industrial hubs outside of the main centers of commerce and trade. Many Chinese can now stay and work in their cities rather than migrating to larger economic centers in first-tier cities, such as Beijing, Guangzhou, and Shanghai.

China has more than 150 cities with populations that are greater than 1 million people. Sixteen of those cities have emerged in clusters around the Yangtze River delta, which is considered to be China's commercial backbone and accounts for 21 percent of China's gross domestic product (GDP); areas outside of Hong Kong and Guangzhou; around the Bohai River delta; and around areas in central China.

"China's services market will explode over the next two decades [because of] China's stringent

development agenda to double per capita GDP [by] 2012 from 2000 [levels] and [because of] social trends. [Second-tier cities] show rapid urbanization and the emergence of the middle class," said S. Tien Wong, chair and chief executive officer of Opus8 Inc., at the conference.

The growth of second-tier cities comes from a growing middle class, greater opportunities because of less competition, and increased policy momentum. For example, in the past five years, the Chinese government has invested \$123 billion in China's national expressway system to improve transportation and the supply chain to second-tier cities.

Andrea DaSilva is a senior policy analyst with the International Trade Administration's Manufacturing and Services unit. Xiaobing Feng is the regional manager for China and Mongolia with the U.S. Foreign and Commercial Service's Trade Advocacy Center.

For More Information

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