

## U.S. Institutions of Higher Education Explore Opportunities in Southeast Asia

The United States holds a preeminent position in the world of education. This spring, representatives from 56 U.S. educational institutions joined Francisco Sánchez, under secretary for international trade, in a series of events in Indonesia and Vietnam that allowed the institutions to highlight the benefits they offer to a growing pool of potential students.

BY JOHN WARD

As the noted American philosopher John Dewey once wrote, “Education is not preparation for life, but life itself.” That sentiment is doubly applicable to the economic life of the United States. Postsecondary educational institutions are not only important drivers of growth and innovation domestically, but also an important services export for the United States, adding nearly \$20 billion to the U.S. economy during the 2009/10 academic year.

For one week this past April, 70 representatives from 56 accredited U.S. colleges and universities attested to this economic fact as they accompanied Sánchez on a six-day trade mission to Indonesia and Vietnam. They promoted the programs their institutions make available to students wanting to pursue studies in the United States.

“Expanding the educational opportunities for Indonesian and Vietnamese students will provide direct benefits to U.S. companies doing business with these critical markets in the future,” noted Sánchez. “Many of them expressly seek out U.S.-educated distributors overseas because of their understanding of American culture, their English language skills, and the resulting increased ease of doing business with them. This is a part of a long-term strategy to set America on strong footing in emerging global markets.”

### Education Fair, Symposium in Indonesia

The trade mission began in Indonesia on April 3, with a focus on an education fair held at Sampoerna Strategic Square in Jakarta. This event welcomed approximately 6,000 students and 10,000 attendees in all. In addition to the fair, the representatives attended a symposium on U.S.-Indonesian higher education held on April 4.



During a trade mission to Indonesia and Vietnam to promote U.S. educational services, Francisco Sánchez, under secretary for international trade, visited a training center in Ho Chi Minh City, Vietnam. (U.S. Department of Commerce photo)

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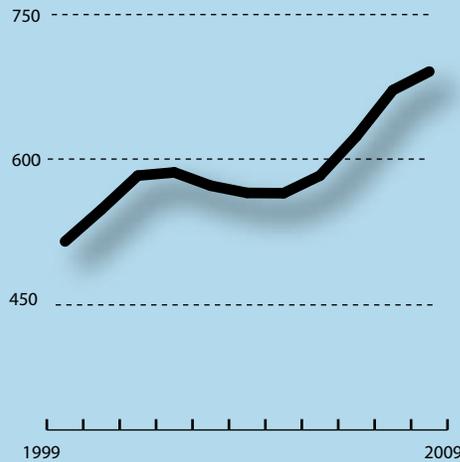
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“ Expanding the educational opportunities for Indonesian and Vietnamese students will provide direct benefits to U.S. companies doing business with these critical markets in the future ”

## In Education, an Upward Trend . . .

International students enrolled in U.S. postsecondary educational institutions, 1999–2009 (thousands)



Source: Institute of International Education

## . . . in a Leading U.S. Service Export

U.S. trade in private services in 2009 (selected industry sectors, in millions of dollars)

|  |                 |
|--|-----------------|
| Financial services                     | \$55,446        |
| Management and consulting services     | \$28,191        |
| <b>Education</b>                       | <b>\$19,911</b> |
| Insurance                              | \$14,651        |
| Computer and information services      | \$13,378        |
| Telecommunications                     | \$9,284         |
| Architectural and engineering services | \$5,678         |

Source: U.S. Department of Commerce, Bureau of Economic Analysis

According to the Institute of International Education, 6,943 Indonesian students attended postsecondary educational institutions in the United States during the 2009/10 academic year. Although that number declined from a peak of 13,282 in 1997/98, Indonesia remains among the top 20 places of origin for foreign students studying in the United States.

The most precipitous decline in the numbers from Indonesia came after September 11, 2001, when there was a widespread perception that international students, particularly Muslim students, were no longer welcome in the United States. Debra H. Rogers, the International Trade Administration’s project officer for the trade mission, noted, “An important goal of this mission was to reassure students and parents in Indonesia that the United States welcomes international students of all religions and backgrounds.”

The trade mission’s participants saw the large turnout at the education fair as a positive sign. According to John Lorentz of Shawnee State University, it was “a productive mission that will lead to increased educational connections between the United States and Indonesia.”

## Growing Market in Vietnam

Following Indonesia, the trade mission traveled to Vietnam on April 5. Vietnam has recently been an especially strong growth market for U.S. education. During the past five years, the number of Vietnamese students coming to the United States has grown each year by an average of more than 30 percent. In 2009/10, there were 13,112 Vietnamese students studying at U.S. institutions of higher education, making Vietnam the ninth leading place of origin for students coming to the United States.

The mission visited two cities: Ho Chi Minh City and Hanoi, the capital. On April 6, in Ho Chi Minh City, the mission took part in a student fair, which attracted more than 1,000 participants. This event was complemented by an education-partnering workshop and matchmaking sessions with Vietnamese educational agents.

On April 8, the trade mission ended its journey in Hanoi, where the Institute of International Education organized the Hanoi Education Fair. This event attracted approximately 1,200 students and incorporated workshops on visas, standardized testing, and other practical aspects of studying in the United States.

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# Wage Benefit Found in Export-Intensive Services Industries

A new report by the International Trade Administration analyzed the weekly earnings of nearly 500,000 U.S. workers and found a significant wage premium for employees of export-intensive industries in the services sector.

**W**orkers in export-intensive services industries earn 15 to 20 percent more than comparable workers in other services industries, according to a study recently published by the Office of Competition and Economic Analysis of the International Trade Administration (ITA).

The paper, “Weekly Earnings in Export-Intensive U.S. Services Industries” by David Riker and Brandon Thurner, ITA staff economists, calculates the premium in wages using worker-level data on weekly earnings, educational attainment, occupational categories, and other demographic characteristics from the Current Population Survey and industry-level data on U.S. exports of services from the Bureau of Economic Analysis.

## Large and Growing Trade

There is a common misperception that services are essentially nontraded. In fact, many U.S. services industries have measurable exports, and their volumes are large and growing. U.S. exports of private services accounted for \$410.8 billion in 2006, \$478.1 billion in 2007, and \$527.8 billion in 2008.

The export earnings premium in the U.S. services sector has been stable during the past decade despite the substantial expansion of U.S. services exports. This stability suggests that further expansion of U.S. services exports will not only increase jobs but also increase relatively high-paying jobs.

## Previous Findings Confirmed

The report confirmed that the earnings premium of 15 to 20 percent matches the export earnings premium for the tradable services industry estimated by academic researchers. It is similar to the export earnings premium (18 percent) estimated for the manufacturing sector and was the subject of another paper by the same authors, “Do Jobs in Export Industries Still Pay More? And Why?”



U.S. exports of services accounted for \$527.8 billion in 2008, and brought a variety of tangible benefits to the U.S. economy. (photo © David Jones/iStock)

## For More Information

The papers discussed in this article are part of an ongoing series of economic studies—*Manufacturing and Services Economics Briefs*—that are published by ITA’s Office of Competition and Economic Analysis. They are available on ITA’s Web site at [www.trade.gov/publications](http://www.trade.gov/publications).

# Short Takes



Michelle O'Neill (center, in blue), deputy under secretary for international trade, at the Ronald Brown memorial in Dubrovnik, Croatia, on April 4, 2011. She was accompanied by staff members from the U.S. and Foreign Commercial Service's posts in Belgrade, Serbia; Vienna, Austria; Zagreb, Croatia; and Washington, D.C. (U.S. Department of Commerce photo)

## Victims of 1996 Dubrovnik Crash Honored

On April 4, 2011, memorial services were held in Dubrovnik, Croatia, to commemorate the 15th anniversary of the military jet crash on April 3, 1996, that took the life of Secretary of Commerce Ronald Brown, five employees of the International Trade Administration (ITA), and 29 others who were accompanying him on a trade mission to the Balkans. Michelle O'Neill, deputy under secretary of commerce for international trade, represented the Department of Commerce at the service.

"I had the pleasure of working with Secretary Ronald Brown and of knowing many of those who perished here, so this has been an emotional day

for me," said O'Neill. "I would like to express my personal appreciation and the appreciation of the Department of Commerce to the people of Croatia for keeping the memory of all those who were lost here."

O'Neill was in Dubrovnik to participate in the Brown Forum on U.S. and Southeast European Trade and Investment, which was a two-day conference organized by the United States and Croatia to continue the legacy of Brown's 1996 trade mission.

The crash site on Stražišće peak in Dubrovnik is marked by a large stainless steel cross. A group of participants in the Brown Forum hiked to the site and participated in the commemorative service.

"This beautiful memorial is a fitting tribute," noted O'Neill. "We miss all our friends and colleagues, and we thank [the people of Croatia] for helping to make sure they and their mission are never forgotten."

## U.S. Exporters Profiled in New Report

On April 12, 2011, the Census Bureau released "Profile of U.S. Importing and Exporting Companies, 2008-2009," a report that provides a detailed snapshot of the universe of U.S. exporting and importing companies in 2008 and 2009. The International Trade Administration (ITA) partially funds the program that collected and analyzed the data used in the report.

Reflecting the effects of the recent recession, the report found that the number of identified exporters fell 4.8 percent, from 289,700 companies in 2008 to 275,800 in 2009. Similarly, the known value of goods exported fell 18.4 percent, from \$1.15 trillion in 2008 to \$939 billion in 2009.

Large companies (500 or more workers) were responsible for 67.2 percent (\$631 billion) of the known export value in 2009, although they represented only 2.4 percent of the identified exporters.

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## Exporters Profiled

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Large exporters were an even more dominant force in the manufacturing sector, accounting for 3.6 percent of exporting companies and 82.8 percent (\$466 billion) of the known export value.

Of the exporters, 58.0 percent shipped to only one country. Although just 0.4 percent shipped to 50 or more countries, those exporters accounted for 48.3 percent of known export value.

The largest number of identified companies exported to Canada, followed by Mexico, the United Kingdom, Germany, and China. Only 3 of the top 25 U.S. export trading partners recorded an increase in the number of exporters from 2008 to 2009: Saudi Arabia (4.4 percent), Chile (1.2 percent), and Colombia (1.2 percent).

The report includes similarly detailed data on U.S. importers. For more information, visit [www.trade.gov/mas/ian/tradestatistics/](http://www.trade.gov/mas/ian/tradestatistics/). The report is available at [www.census.gov/foreign-trade/Press-Release/edb/2009/](http://www.census.gov/foreign-trade/Press-Release/edb/2009/).

## Higher Education

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### Critical Skills and International Understanding

The contacts made during the trade mission lay the groundwork for future economic relationships that will bring tangible advantages to both providers of educational services in the United States and to the overseas students who travel here to study. But equally important will be the numerous cultural and personal ties that are established and the benefits they hold for both sides of this educational transaction.

## ITA Win

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with the Raytheon team to devise an appropriate advocacy strategy. The USFCS's Advocacy Center in Washington, D.C., coordinated an advocacy strategy for Raytheon and a second U.S. bidder and supported colleagues in Hong Kong in these efforts. Senior U.S. government officials—including Suresh Kumar, director general of the USFCS, and Ray LaHood, secretary of transportation—engaged their counterparts in the Hong Kong government to encourage them to select one of the U.S. bidders, seek a level playing field, and ensure a fair selection process.

In the end, Raytheon was awarded the contract, which was announced on March 25, 2011. An added bonus is that Raytheon will now be better positioned to compete for contracts to provide state-of-the-art air traffic control systems at airports in mainland China, which are experiencing rapid growth and are consequently looking to acquire the latest technology.

That sentiment was clearly expressed by Sánchez in remarks he made during the trade mission: "Building ties with international students not only helps our American students gain a greater level of international understanding—a critical skill for success in the 21st century global economy—but familiarizes future global leaders with the American people and U.S. society."

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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.

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# June 2011

June 2, 9, and 16

## Export University

Temecula, California

[www.export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=32135](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=32135)

This series consists of three workshops targeted at new exporters. The three-hour sessions will help participating companies acquire new skills and knowledge that will facilitate their efforts to expand internationally. Each workshop will be held from 3 to 6 p.m. The participation fee is \$285 for all three sessions. For more information, contact Fred Latuperissa of the USFCS, tel.: (909) 466-4134; e-mail: [fred.latuperissa@trade.gov](mailto:fred.latuperissa@trade.gov).

June 7-9

## North American Energy and Environment Event

Calgary, Alberta, Canada

[www.export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=16794](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=16794)

This trade event, organized by the American Chamber of Commerce in Western Canada, will take place alongside Calgary's Gas and Oil Expo and Conference. It will provide U.S. energy and environmental technology companies with the opportunity to establish supplier relations with major Canadian buyers in the fields of advanced clean energy, environmental remediation, and renewable energy. The participation fee is \$1,200 for small companies and \$2,000 for large companies. For more information, contact Crystal Roberts of the USFCS, tel.: (403) 265-2116; e-mail: [crystal.roberts@trade.gov](mailto:crystal.roberts@trade.gov).

June 14-17

## Brazil Offshore 2011

Rio de Janeiro, Brazil

[www.export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=31409](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=31409)

This global forum will showcase the latest developments in offshore oil and gas exploration, refining, and energy logistics. It is one of the leading energy exhibitions in South America and is expected to attract more than 600 exhibitors and 50,000 trade visitors from 40 countries. For more information, contact Kevin Haley of the USFCS, tel.: (202) 482-6434; e-mail: [kevin.haley@trade.gov](mailto:kevin.haley@trade.gov).

June 15-17

## InfoComm 2011

Orlando, Florida

[www.export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=30484](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=30484)

This show brings together direct manufacturers and distributors of professional audio, video, display, and multimedia systems used for presentation, conferencing, streaming media, security, and residential systems. More than 950 exhibitors and 32,000 visitors are expected. For more information, contact Graylin Pressbury of the USFCS, tel.: (202) 482-5158; e-mail: [graylin.pressbury@trade.gov](mailto:graylin.pressbury@trade.gov).

June 16

## AES Compliance Half-Day Workshop

Philadelphia, Pennsylvania

[www.export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=31636](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=31636)

Officials from the Census Bureau will lead this half-day workshop on how to electronically file a shipper's export declaration (SED) using AESDirect, a Web-based application. Participants will receive individual attention in a computer lab setting and will be shown how to use AESPcLink, a software component of AESDirect. The participation fee is \$60. For more information, contact Leandro Solorzano of the USFCS, tel.: (215) 597-6127; e-mail: [leandro.solorzano@trade.gov](mailto:leandro.solorzano@trade.gov).

June 20-26

## Paris Air Show

Paris, France

[www.export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=30637](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=30637)

Held every two years, this event showcases the worldwide aviation industry. Attractions include flying displays and exhibitions that highlight the latest technology in the aircraft industry. In 2009, the show attracted more than 2,000 exhibitors, 200 official delegations, and 138,000 trade visitors from 88 countries. For more information, contact Ira Bel of the USFCS, tel.: +32 (2) 508-2434; e-mail: [ira.bel@trade.gov](mailto:ira.bel@trade.gov).

June 20-22

## Indesec 2011

New Delhi, India

[www.export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=31700&](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=31700&)

India is projected to become one of the largest markets for security goods and services by 2020. This annual show, organized with the support of India's Ministry of Home Affairs, focuses on maritime, border, airport, transport, critical infrastructure security, and disaster management needs. In 2010, it attracted more than 3,000 trade visitors. For more information, contact Edward Kimmel of the USFCS, tel.: (202) 482-3640; e-mail: [edward.kimmel@trade.gov](mailto:edward.kimmel@trade.gov).

June 20-24

## Eurasian Oil and Gas Suppliers Trade Mission

Almaty, Kazakhstan, and Ankara and Istanbul, Turkey  
<http://trade.gov/trade-missions/mission-statements/eurasian-oil-and-gas-trade-mission-to-kazakhstan-and-turkey-june-2011.asp>

A senior official from the Department of Commerce will lead this five-day trade mission, which is targeted at U.S. firms that specialize in the oil and gas industry. Participants will benefit from customized onsite services that include briefings and one-on-one prescreened business appointments. Recruitment for this mission is now closed. For more information, contact Jessica Arnold of the USFCS, tel.: (202) 482-2026; e-mail: [jessica.arnold@trade.gov](mailto:jessica.arnold@trade.gov).

June 21

## Seminar: How to Finance Your Exports and Get Paid

Arlington, Virginia

[www.export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=31687](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=31687)

This half-day seminar is the third in a three-part series on export essentials. Topics will include the basics of export financing, international banking, and details about programs offered by the Small Business Administration and the Export-Import Bank of the United States. There is a \$25 fee to participate. For more information, contact Diane Jones of the USFCS, tel.: (703) 235-0326; e-mail: [diane.jones@trade.gov](mailto:diane.jones@trade.gov).

Here is a list of selected international trade events of interest, including ITA-sponsored events and 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). A fee may be charged for participation in some of these events. For more information, see the full event listing on the Web or contact the staff person listed in the event description.

# On The Horizon

July 14–17

## OutDoor 2011

Friedrichshafen, Germany

[www.export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=30943](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=30943)

This trade fair is a leading showcase for producers of camping accessories, garments, mountaineering equipment, tents, pleasure boats, outdoor sporting goods, and related products and accessories. In 2010, the show attracted 810 exhibitors from 42 countries and had 19,300 trade visitors from 72 countries. A USFCS trade specialist will attend the show to counsel and assist U.S. exhibitors. For more information, contact Dagmar Winkler-Helmdach of the USFCS, tel.: +49 (89) 288–8769; e-mail: [dagmar.winkler-helmdach@trade.gov](mailto:dagmar.winkler-helmdach@trade.gov).

July 20

## Export Financing Seminar

Syracuse, New York

[www.export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=31658](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=31658)

This morning seminar will feature speakers from the Export-Import Bank of the United States and the U.S. Small Business Administration (SBA). They will describe various export programs that are designed to help U.S. companies increase their international business competitiveness. Topics include export financing programs and working capital guarantees, export credit insurance and foreign buyer financing, and the SBA's Export Express Program. There is a \$30 fee to participate, which includes breakfast. For more information, contact John Tracy of the USFCS, tel.: (315) 453–4070; e-mail: [john.tracy@trade.gov](mailto:john.tracy@trade.gov).

July 24–28

## American Association for Clinical Chemistry 2011

Atlanta, Georgia

[www.export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=30549](http://www.export.gov/eac/show_detail_trade_events.asp?EventID=30549)

The annual meeting of the American Association for Clinical Chemistry is one of the world's largest gatherings devoted to clinical chemistry and clinical laboratory science and will run concurrently with a trade expo. In the past, the show and conference have attracted more than 650 exhibiting companies and more than 19,000 participants. For more information, contact Shelby Peterson of the USFCS, tel.: (202) 482–5531; e-mail: [shelby.peterson@trade.gov](mailto:shelby.peterson@trade.gov).



Cape Town, South Africa (photo © Graham Bedingfield/iStock)

## Featured Trade Event

# Executive-Led Trade Mission to South Africa

September 19–23, 2011

Johannesburg and Cape Town, South Africa

[www.export.gov/trademissions/southafrica2011](http://www.export.gov/trademissions/southafrica2011)

South Africa, with its well-developed business and financial sectors, multinational enterprises, substantial foreign investment, and well-developed infrastructure, is an attractive choice for U.S. companies looking to enter Sub-Saharan Africa. The country has the largest economy (and most sophisticated and diversified industrial and services sectors) in the region and is recovering well from the recent global recession. The energy, agriculture, education, franchising, aviation, telecommunications, and information technology sectors are poised as best prospects for U.S. companies. South Africa also stands to benefit from predicted growth in many of its trading partners in Sub-Saharan Africa, where South African-based companies already have a strong market presence.

A senior official from the Department of Commerce will lead the trade mission, which will provide participating U.S. companies with invaluable contacts and information for entering or expanding in the South African market. This mission will include firsthand market information from Department of Commerce trade specialists and prearranged one-on-one meetings with business contacts. Subject to confirmation, mission participants will also have the opportunity to explore contacts with local firms and to extend their stay for additional business development activities in South Africa and in neighboring countries.

In 2010, the United States sold \$5.6 billion in goods to South Africa. Leading product sectors for U.S. goods included machinery, transportation equipment, chemicals, and computer and electronics products.

The trade mission will focus on three sectors that have been identified as having strong market potential for U.S. companies: energy, agricultural equipment, and educational materials and services.

The cost to participate in the trade mission is \$2,565 for large firms and \$2,125 for small and medium-sized firms (with 500 employees or fewer). There is a \$450 fee for each additional company representative, regardless of company size. Mission participants are responsible for travel, lodging, most meals, and incidentals.

Applications must be received by July 18, 2011. For more information about the trade mission, visit its Web site or contact Teresa Yung of the USFCS, tel.: (202) 482–5496; e-mail: [teresa.yung@trade.gov](mailto:teresa.yung@trade.gov).

This article is one in a series of stories that highlight recent U.S. export successes that benefited from services offered by the International Trade Administration (ITA). For more information on export assistance programs offered by ITA and other federal agencies, visit [www.export.gov](http://www.export.gov).

## ITA Win:

Help from the International Trade Administration makes the difference in the dog fight over air traffic control system

**B**ig-ticket items, such as air traffic control systems, generate competitors like airports generate travelers at rush hour. So when U.S. manufacturer Raytheon was competing to sell a \$62 million system to Hong Kong International Airport, it asked for advocacy help from the International Trade Administration (ITA) and other U.S. government agencies.

The purchase was complicated because of the number of other national governments pressing for a deal that favored their own homegrown companies and because of complex political relationship between Hong Kong and China, of which Hong Kong is a Special Administrative Region.

During a period of 18 months, officials from the ITA's U.S. and Foreign Commercial Service (USFCS) and the U.S. Consulate General in Hong Kong met

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Signage at Hong Kong International Airport. With ITA help, Raytheon successfully competed to sell an air traffic control system to the airport. (photo © KingWu/iStock)

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