

Building the Power Infrastructure of Tomorrow

Smart grid technology allows U.S. companies to better control their energy costs and to improve their competitiveness in the domestic and international marketplaces. The International Trade Administration has been working with industry and government groups to make sure that the details about this technology are given wide dissemination.

BY SHANNON FRASER

According to the Department of Energy (DOE), total U.S. energy use over the next 25 years is expected to rise from 96.6 quadrillion British thermal units (Btus) in 2010 to 114.5 quadrillion Btus in 2035. To meet this demand, the United States will have to rely not only on the exploitation of new sources of energy—some of which are already in limited supply, or which present potential environmental risks—but also on

the more efficient use of the energy production already online. Such an approach could bring into everyday use many exciting technologies that will allow for remote control and monitoring of appliances and production equipment, the real-time monitoring of power use, and the automation of power substations. Those technologies are not science fiction, but can be deployed today. They are made possible by smart grid.

Integrated Technology

Smart grid technology is a system that integrates the traditional power transmission and distribution (T&D) network with an overlay of information communications technologies. The system allows power lines to communicate with and control all kinds of machines that are connected to it, such as heating-ventilating-air-conditioning (HVAC) systems, electric vehicles, washing machines, and cell phones. Electricity consumers can then proactively manage their energy use.

From a business perspective, smart grid technology gives electricity-intensive



As U.S. energy producers adopt smart grid technology, it has the potential to bring benefits to domestic industry, particularly manufacturers and exporters of smart grid products and services. (photo © TebNad/iStock)

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industries, such as manufacturing, the ability to better track and manage their overall energy-consumption patterns. This ability, in turn, can help implement energy-efficient practices throughout a production facility.

Federal Effort through Stimulus Funding

In the United States, numerous smart grid programs are already being implemented with assistance from the federal government. In fall 2009, President Barack Obama announced the release of \$4.5 billion of smart grid stimulus funds. An additional \$7 billion was released for broadband deployment, which will ensure that smart grid reaches local and rural communities throughout

“ Smart grid technology gives electricity-intensive industries, such as manufacturing, the ability to better track and manage their overall energy consumption patterns. ”

the United States.

In making this financial commitment, the United States has taken an all-encompassing approach to smart grid technology by emphasizing a two-way flow of electricity and information between power plants and electricity customers. The U.S. smart grid system will enable grid optimization, demand-side management, advanced utility control, energy storage, vehicle-to-grid technologies, advanced metering infrastructure, home areas networks, and the integration of renewable energy sources.

Because of the smart grid stimulus program, 26 million smart meters will be installed in U.S. homes and 877 electricity-monitoring sensors will

be integrated in the domestic T&D system by 2013. The Obama administration forecasts that smart grid deployment will create 43,000 new jobs and, if matched by private-sector investment, could create an additional 61,000 smart grid jobs.

Business Benefits

The DOE estimates that by 2023 the U.S. economy as a whole will realize savings of between \$46 billion and \$117 billion because of the deployment of a modernized power grid. And with a more secure and reliable grid network, DOE estimates that U.S. businesses will save \$100 billion per year. Such savings can be redirected to other business uses, such as research and development, new equipment, and new workers.

Implementation Overseas

Like the United States, foreign countries are also implementing smart grid programs, but the definition of smart grid varies. Some countries define it in more narrow terms by focusing on smart meter installation (such as Brazil and the European Union) or on high-voltage direct current transmission lines (such as China). Other countries, such as Spain, are focusing on renewable energy integration.

In many instances, U.S. firms are partnering with in-country utilities and companies to integrate U.S. smart grid components into the local power grid. With more electric vehicles, smart appliances, and other types of smart products, international trade opportunities for U.S. producers of smart grid products are expected to increase.

Harmonization of Smart Grid Standards

For such international opportunities to materialize, it will be important to ensure that smart grid products and technologies developed in one part of the world can be exported and used in other

countries. Public-private partnerships will be an important tool in this effort. Recently, for example, the National Electrical Manufacturers Association received an International Trade Administration Market Development Cooperator Program (MDCP) award for “The Development of a Secure, Robust, and Reliable North American Smart Electrical Grid.” This public-private partnership will facilitate exports of smart grid products and technologies as an integrated smart grid system is put in place throughout the North American power grid.

Blazing a Trail

The success of the initial steps taken by the federal government to promote smart grid technology will largely depend on how this technology is implemented by the private sector.

When President Obama announced the federal government’s funding of smart grid this past October in Florida, he outlined the technological challenges that lie ahead, “This is the nation ... that harnessed electricity and the energy contained in an atom; that developed the steamboat and the modern solar cell; that connected a continent with a massive system of highways and railroads. And I believe we can blaze such trails again.”

Shannon Fraser is an industry analyst in the International Trade Administration’s Office of Energy and Environmental Industries.

ITA OUTREACH TO U.S. BUSINESSES HIGHLIGHTS BENEFITS OF SMART GRID

The International Trade Administration (ITA) recently highlighted the business benefits of smart grid at “The Business of Smart Grid Conference: Benefits for Minnesota’s Companies and Workforce,” a one-day workshop held in St. Paul, Minnesota, on June 9, 2010. The program was coordinated by ITA with the Minnesota Trade Office and the University of Minnesota and highlighted the emerging business and job creation opportunities generated by regional smart grid initiatives that impact numerous sectors of U.S. business and industry.

In remarks to the attendees, Mary Saunders, ITA’s deputy assistant secretary for manufacturing and services, noted the importance of smart grid technology to U.S. exports, “From an international trade perspective, developing uniform standards for the smart grid is extremely critical in ensuring that ... products and technologies developed in

one part of the world can be exported and used in other countries.”

More than 120 participants, who represented multinational firms, small and medium-sized enterprises, venture capital start-ups, academia, and government, engaged in discussions on the current deployment of smart grid programs in Minnesota, as well as future opportunities for emerging smart grid companies.

This fall, ITA will be participating in additional smart grid conferences, including the GridWise Global Forum (September 21–23) and GridWeek (October 18–21). Both conferences will be held in Washington, D.C., and will include senior representatives from global smart grid companies.

U.S. companies interested in learning more about smart grid technologies and resources should visit the U.S. government smart grid portal at www.smartgrid.gov.



At a conference on smart grid technologies held in St. Paul, Minnesota, on June 9, 2010, attendees heard from representatives from the Department of Commerce, including Mary Saunders, deputy assistant secretary for manufacturing and services. (U.S. Department of Commerce photo)

Haitian Relief Efforts Focus on U.S. Business Community

Success in rebuilding Haiti's economy will depend largely on investments made by the U.S. and Haitian business communities. Through a series of public events and outreach programs, the International Trade Administration is working to engage businesses in these rebuilding efforts.



A textile plant near Port au Prince, Haiti. Trade and investment will be key determinants in Haiti's long-term success in recovering from the earthquake of January 12, 2010. (U.S. Department of Commerce photo)

Following Haiti's devastating earthquake on January 12, 2010, U.S. businesses responded generously with donations and assistance during the rescue and disaster relief operations. More recently, however, the response of the business community has shifted from immediate relief to longer-term recovery and reconstruction.

Business Outreach

The International Trade Administration (ITA) has been engaged in a vigorous outreach program to both the U.S. business community and the Haitian diaspora in the United States to facilitate recovery and reconstruction. The program began with the Haiti Reconstruction Business Dialogue in Washington, D.C., on April 20, 2010 (see the May 2010

issue of *International Trade Update*). This event brought together high-level representatives from U.S. government agencies with programs that support trade and investment in Haiti as well as senior leaders of U.S. companies with business experience in Haiti.

The national event was followed by a series of local events in three U.S. cities that were organized by the ITA in partnership with local business organizations: New York on May 10, Miami on May 25, and Philadelphia on June 7. The three cities were selected in part because of their significant Haitian communities. The Haitian diaspora in the United States is expected to play an important part in Haiti's future development.

Participants in the three events learned about Haiti's economic environment, contracting opportunities with government and multilateral development banks, and tools for financing investment. The conferences attracted nearly 1,000 participants.

Conference in Haiti

On June 10 and 11, representatives from more than 600 companies from the United States, Haiti, and the Dominican Republic attended a conference in Montrouis, Haiti, titled "Building a New Haiti: Commerce, Business, Investment." It was the first meeting to bring together business representatives from all three countries since the January earthquake. Rick Wade, senior adviser and deputy chief of staff to U.S. Commerce Secretary Gary Locke, kicked off the two-day conference by discussing what the Department of Commerce has been doing to assist Haiti in its post-earthquake reconstruction efforts.

“Over the past few months, I have been traveling across the United States to help encourage U.S. businesses and the Haitian diaspora to help [in Haiti’s] recovery,” Wade said. “This conference is a culmination of those efforts. We’re on the ground here in Haiti to identify the areas of need and the opportunities for cooperation.”

Aid to Textile Industry

The U.S. government is also working to assist Haiti’s economic reconstruction through new legislation. On May 7, 2010, Congress passed the Haiti Economic Lift Program (HELP). This law significantly extends existing trade benefits for Haitian textiles and apparel until 2020.

The apparel sector in Haiti has the greatest potential to generate jobs relatively quickly. It is also a critical component of the Haitian economy. It constitutes more than 80 percent of Haitian exports to the United States and employs more than 25,000 workers. On May 28, Secretary of Commerce Gary Locke met with representatives from key U.S. apparel importers and retailers to discuss the trade benefits created by HELP.

The passage of HELP “represents a major opportunity for export-led growth and job creation,” said Wade at the Montrouis conference. “But this legislation, and other measures like it, will accomplish little or nothing without the private sector.”

The Department of Commerce will continue to encourage the U.S. business community to invest in Haiti and to help nurture Haiti’s domestic industries.

For More Information

For more information about the Department of Commerce’s Haiti reconstruction efforts, contact Sara Hagigh, tel.: (202) 482-5405; e-mail: sara.hagigh@trade.gov. Also visit the Web site of the U.S. and Foreign Commercial Service in Santo Domingo, Dominican Republic, at www.buyusa.gov/caribbean/en/helpinghaiti.html. The site contains, among other items, the presentations made at the June conference in Haiti.

HAITI: A PERSONAL VIEW FROM WYCLEF JEAN

In April 2010, the Department of Commerce brought together more than 300 representatives from the business and government sectors to discuss ways of coordinating efforts to rebuild Haiti. Among the attendees was one of Haiti’s most noted native sons, Wyclef Jean, the musician and global philanthropist.

Jean agreed to speak with Valeisha Butterfield and Lorri Crowley of ITA’s Office of Public Affairs about his personal experience with the devastation suffered by Haiti after the January earthquake and about the things that will be most important to Haiti’s reconstruction.

When asked to put into words what he saw when he landed in Haiti right after the earthquake, Jean hesitated and said, “It would be hard to describe. . . . I was picking up bodies and bringing them to the morgue, and the morgue was overpopulated. And I was taking children’s bodies, bringing them to the cemetery, [and] the cemetery was overpopulated. They were burying three or four bodies at once.”

Jean emphasized that businesses will have to play a key role in rebuilding Haiti, both in bringing jobs to the country and in helping to educate its workforce. “Business is the most important thing, but the workforce for business in Haiti is young, where 61 percent of the population can’t read or write. So, we should be moving toward an education initiative at the same time as we’re [bringing in] business.”

Companies should look at education as an important element of doing business in Haiti, said Jean. “A telecommunications firm shouldn’t just come in to do telecommunications, but put in a trade school or an engineering school: they can not only sell Haitians their telephones, but [also] teach them a trade.”

According to Jean, the Haitian workforce is one of the country’s biggest assets. “Haitians are hard workers, they will work in the daytime and go to school at night. Training is very important to them.”

“The future of any country,” he added, “is education.”



Wyclef Jean (left) and Patrick Delatour, Haitian minister of tourism (right), at the Haiti Reconstruction Business Dialogue that was held in Washington, D.C., April 20, 2010. (U.S. Department of Commerce photo)

Trade Mission to Saudi Arabia and Qatar Yields Positive Results for U.S. Exporters

During a recent trade mission to Saudi Arabia and Qatar, 11 U.S. companies introduced their products and services that can help the two nations meet challenges in the public health and water and waste management sectors. The mission, led by Francisco Sánchez, under secretary of commerce for international trade, spent five days in the Middle East from June 5–10, 2010.

“There is more than \$750 billion in upcoming projects during the next decade in these two markets, and both countries are very interested and excited to consider American products and services for these tenders,” Sánchez said. “There are tremendous opportunities here.”

In 2009, U.S. exports of goods to Saudi Arabia totaled \$10.8 billion. U.S. exports to Qatar that same year were \$2.7 billion.

During the mission, Sánchez and the delegation met with key government and private sector officials in Riyadh and Jeddah, Saudi Arabia, and Doha, Qatar. Business participants also conducted more than 200 one-on-one meetings with potential clients.

Because of rapid population growth and the need for public health services to care for their citizens, Saudi Arabia and Qatar are contemplating billions of dollars worth of infrastructure, public health, and water and waste management projects in the near future.

Several mission participants returned to the United States with plans for projects or for expanding into both markets. One company signed contracts worth more than \$600,000, and another laid the groundwork for \$2.5 million in sales and identified distributors in Saudi Arabia and Qatar.



During the recent trade mission that he led to Saudi Arabia and Qatar, Francisco Sánchez (center), the under secretary for international trade, participated in a roundtable with Saudi journalists. (U.S. Department of Commerce photo)

“This was a very well-organized mission and set us up with the right partners,” said Ted Jacob, president of Ted Jacob Engineering Group. “It really gave us a jump start on the market.”

More information on opportunities in the region is available from the Middle East Business Information Center at www.export.gov/middleeast. Specific country information is available on the U.S. and Foreign Commercial Service’s Web pages for Saudi Arabia (www.buyusa.gov/saudiarabia) and Qatar (www.buyusa.gov/qatar).

Opportunities for Small Companies Focus of Trade Mission to Jamaica and Dominican Republic

A 10-company U.S. trade mission to the Dominican Republic and Jamaica on June 13–19, 2010, gave small and medium-sized companies the chance to explore business opportunities in the two Caribbean countries. The mission was led by Rick Wade, senior adviser and deputy chief of staff to the secretary of commerce, and made stops in Santo Domingo, Dominican Republic, and Kingston, Jamaica.

Wade stressed that geographical proximity and shared historical and cultural ties make the Dominican Republic and Jamaica prime destinations for U.S. goods and services. “The Caribbean is a natural area for U.S. firms to explore new export opportunities that will result in more jobs for American workers,” said Wade.

The United States is the primary trading partner for both countries. In 2009, U.S. exports to the Dominican Republic totaled \$5.27 billion. That same year, exports to Jamaica totaled \$1.45 billion.

During the week-long mission, company representatives participated in more than 180 meetings with potential business partners, distributors, agents, and customers. The business delegation brought together representatives from a variety of industries, including the manufacturing, transportation, consumer goods, cosmetics, home care, and financial services industry sectors.

Participating companies included Atlanta Global Resources, Inc.; Atrium Shutters; Bon Trade International Corporation; CMD Trailer Sales and Leasing, Inc.; Fast Enterprises, LLC; Freeman Schwabe Machinery; Magna-Bon II, LLC; Morton Supplies, Inc.; Palladio Beauty Group; and PGT Industries.

Suggestions Sought for National Export Initiative

Have you encountered challenges in exporting? Do you have ideas for improving government programs to make it easier to export? If so, the Trade Promotion Coordinating Committee (TPCC) wants to hear from you.

The TPCC, a committee composed of representatives from 20 federal agencies, including the Department of Commerce, is working to help implement the administration’s National Export Initiative (NEI). The NEI calls for the doubling

of U.S. exports over the next five years. It was announced by President Barack Obama in his State of the Union message to Congress in January (see the February-March issue of *International Trade Update*), and steps to carry it out were in Executive Order 13534, issued by the president on March 11, 2010.

The TPCC is soliciting input from the public—and especially from exporters, other businesses, trade associations, academia, labor organizations, and non-governmental organizations—on a variety of export promotion policy matters, including:

- steps that the federal government could take to improve its programs to support U.S. exports;
- examples of effective foreign trade promotion programs and activities that could inform U.S. federal government program development; and
- more generally, how the federal government could better help U.S. businesses export.

The complete request for public comment, including details about how to submit comments, is in the official notice published by the TPCC in the *Federal Register* on June 30, 2010 (<http://edocket.access.gpo.gov/2010/2010-15934.htm>). Comments must be received by 11:59 p.m. on July 26, 2010.

Contributors to this section include Grace Hu of the Trade Promotion Coordinating Committee.

July 1–August 27

Sporting Goods Virtual Exhibition 2010

Ottawa, Canada

www.export.gov/eac/show_detail_trade_events.asp?EventID=16444

This virtual exhibit on the USFCS's Canadian Web site offers U.S. sporting goods suppliers an excellent opportunity to start or expand their export sales in the Canadian market. Participation includes introductions to Canadian agents and distributors and a customized report of business leads gathered through the virtual exhibition. For more information, contact Tracey Ford of the USFCS, tel.: (613) 688-5406; e-mail: tracey.ford@trade.gov.

July 7

A Basic Guide to Exporting: Using E-Commerce and Social Media

Washington, D.C.

www.export.gov/eac/show_detail_trade_events.asp?EventID=30315

The Internet is a great way to promote products and to generate orders worldwide. This Webinar will focus on helping companies maximize exposure for their products and services. Discussion will cover analyzing customers and their new buying habits, using Web sites as an effective marketing channel, making Web sites visible to customers, optimizing search engines, and attracting buyers from different countries. Participants receive a free copy of *A Basic Guide to Exporting*. For more information, contact Doug Barry of the USFCS, tel.: (202) 482-4422; e-mail: doug.barry@trade.gov.

July 8–11

SINOCEs 2010: China International Consumer Electronics Show

Qingdao, China

www.export.gov/china/SINOCEs%202010.pdf

Although many consumer electronics markets have suffered because of the recent economic crisis, the Chinese market has emerged as one of the world's largest. This show will be the optimal setting for U.S. companies interested in exploring opportunities in China. With the expected participation of world-renowned manufacturers, the show will be a platform for new technologies and products. For more information, contact Graylin Presbury of the USFCS, tel.: (202) 482-5158; e-mail: graylin.presbury@trade.gov.

July 12

Webinar: Government Resources for Green Sector Companies

New York, New York

www.export.gov/eac/show_detail_trade_events.asp?EventID=31114

This Webinar, conducted in conjunction with the Manhattan Chamber of Commerce and the New York District Export Council, will feature participants from the U.S. Department of Commerce, the Overseas Private Investment Corporation, and the U.S. Department of Energy. For more information, contact Carmela Mammias of the USFCS, tel.: (212) 809-2676; e-mail: carmela.mammias@trade.gov.

July 14

Webinar: Selling Cosmetics in India

www.buyusa.gov/arizona/sellingcosmetics.html

India is one of the world's largest suppliers of goods and services and is expected to help lead the global recovery. For U.S. cosmetic suppliers, this Webinar will offer an interactive seminar in a virtual classroom setting. It will review topics such as distribution and marketing, and it will provide a better understanding of India's regulatory processes. For more information, contact Tony Michalski of the USFCS, tel.: (909) 466-4137; e-mail: tony.michalski@trade.gov.

July 19–25

Farnborough International Airshow 2010

Farnborough, United Kingdom

www.export.gov/eac/show_detail_trade_events.asp?EventID=29967

The 57th edition of this airshow, which is a premier showcase for aviation products and services, will bring together buyers and sellers from all over the world. In 2008, 220 U.S. companies participated in the U.S. International Pavilion, and 145 U.S. companies exhibited at large. The show attracted 153,000 visitors and recorded \$88.7 billion in orders. For more information, contact Kevin Haley of the USFCS, tel.: (202) 482-6434; e-mail: kevin.haley@trade.gov.

July 21

Webinar: Basics of Export Distributor Agreements

Wichita, Kansas

www.export.gov/eac/show_detail_trade_events.asp?EventID=30454

This Webinar is for U.S. exporters who are developing their export distributor agreements. The USFCS and the law firm of Husch Blackwell Sanders LLP will host the Webinar. Featured speaker Christina L. Weis will discuss the factors that every U.S. exporter should consider when developing a template for their export distributor agreements. For more information, contact Andrew Anderson of the USFCS, tel.: (316) 263-4067; e-mail: andrew.anderson@trade.gov.

July 25–29

American Association for Clinical Chemistry Clinical Lab Expo 2010

Anaheim, California

www.aacc.org/events/2010AM/Pages/default.aspx

About 19,000 participants and 650 exhibiting companies are expected at this show, which is one of the largest clinical lab expositions in the world. It will showcase new science and technology in various areas of laboratory medicine and will feature manufacturers from all over the world. For more information, contact Eugene Quinn of the USFCS, tel.: (202) 482-0578; e-mail: eugene.quinn@trade.gov.

July 29

Export University 301: Adapting Products to Individual Markets

Philadelphia, Pennsylvania

www.export.gov/eac/show_detail_trade_events.asp?EventID=29973

This program is one in a series of four sessions designed to prepare companies to do business overseas, to review market penetration considerations, to discuss joint ventures and licensing, and to learn how to adapt their products to individual markets. Sessions take place at various locations in the greater Philadelphia metropolitan area. For more information, contact Leandro Solorzano of the USFCS, tel. (215) 597-6127; e-mail: leandro.solorzano@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.

There may be a fee 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

August 24–27

ONS 2010: Offshore Northern Seas Trade Fair

Oslo, Norway

www.export.gov/industry/marine/index.asp?EventID=29929

This event is one of the major oil and gas shows in Europe and regularly attracts more than 40,000 visitors and 1,200 exhibitors. It will feature new approaches to the economic and environmental challenges that the oil and gas industry face. It will also be an ideal venue for U.S. companies to promote their products and services to this market. For more information, contact Kevin Haley of the USFCS, tel.: (202) 482-6463; e-mail: kevin.haley@trade.gov.

August 25–26

MEDTEC China 2010

Shanghai, China

www.medtec-china.com/website/2010/prereg.asp

There is growing demand in China for new medical technologies and equipment. This show will allow U.S. suppliers of medical products and manufacturing technologies to promote their products and technologies to Chinese buyers. For more information, contact Lisa Huot of the USFCS, tel.: (202) 482-27964; e-mail: lisa.huot@trade.gov.

August 25–28

International Woodworking Machinery and Furniture Supply Fair

Atlanta, Georgia

www.buyusa.gov/finland/en/152.html

This show is one of the premier events in the furniture manufacturing and general woodworking industries. Despite the economic crisis in 2008, this event attracted more than 19,000 visitors and participants. The show participates in the Department of Commerce's International Buyer Program, which brings foreign buyers to the event. For more information, contact Joseph English of the USFCS, tel.: (202) 482-3334; e-mail: joseph.english@trade.gov.



The old city, Riyadh, Saudi Arabia. (photo © Yasmin Gahtani/iStock)

Featured Trade Event

Energy and Infrastructure Trade Mission to Saudi Arabia

December 6–8, 2010

Riyadh and Dhahran, Saudi Arabia

www.export.gov/saudimission2010/index.asp

The Saudi Arabian energy and infrastructure sectors rank among the world's most dynamic. Over the past 12 months, the Saudi government has awarded contracts worth approximately \$140 billion, of which about \$110 billion were for non-oil projects. U.S. goods exports to Saudi Arabia have remained strong despite the economic downturn. In 2008, they were \$12.5 billion, an increase of 20 percent from the previous year.

This three-day trade mission will be led by a senior Department of Commerce official and will allow U.S. companies to learn more about opportunities in Saudi Arabia, to expand their business contacts, and to interact with key government and business officials. It will focus on the following three sectors:

- **Oil and gas.** With more than \$70 billion in petrochemical projects under development, Saudi Arabia plans to push ahead with 17 "mega-projects," which are worth \$1 billion or more.
- **Petrochemicals.** Saudi Arabia's planned projects in this sector, including the expansion of Jubail Industrial City, are valued at more than \$21.6 billion.
- **Construction.** Among many active development projects are the six "economic cities" Saudi Arabia plans to build by 2020, which have an initial cost of \$87.8 billion.

The trade mission will visit Riyadh and Dhahran, which are Saudi Arabia's primary energy and infrastructure industry centers, respectively. In addition to appointments, briefings, and receptions, participants will interact with specialists from the U.S. and Foreign Commercial Service to discuss the latest industry developments, business opportunities, and sales strategies.

The cost to participate in the trade mission is \$3,680 for large firms and \$2,925 for small and medium-sized firms. There is a \$500 fee for each additional company representative. Each mission participant will be responsible for travel, lodging, most meals, and incidentals. Applications must be received by September 15, 2010. For more information about the trade mission, contact Sean Timmins of the USFCS, tel.: (202)-482-1841; e-mail: sean.timmins@trade.gov.



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

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Small Business Exporters Tell of Triumphs and Challenges

The multiple challenges faced by small business exporters—from protecting intellectual property rights, to financing, to handling shipping logistics—were the topic of discussion during National Small Business Week ceremonies held in Washington, D.C., this May.

BY JOHN WARD



Susan Lusi, director of the Trade Information Center (right), and John Joyce, export finance manager at the U.S. Export Assistance Center in Boston, Massachusetts (second from right), were speakers at a panel on small business exporting on May 24 in Washington, D.C. The panel was moderated by Luz Hopewell, director of the SBA's Office of International Trade (left). (photo © Cable Risdon photography).

Efforts to expand exporting by U.S. companies often focus on small and medium-sized enterprises (SMEs). And for good reason: they are often the most dynamic part of the business population because they grow and add jobs at a faster rate than more mature businesses. But surprisingly, according to research conducted by the Department of Commerce, the majority of SME exporters in the United States do not have a formal exporting plan, 58 percent export to only one market, and 33 percent have never heard of U.S. government export assistance programs. Most SMEs say that they are challenged when selecting new markets to enter and understanding the mechanics of selling to a non-U.S. market.

Those challenges were the focus of a panel that met in Washington, D.C., this May as part of National

Small Business Week 2010 events. The panel, titled “Exporting Forum: Customers, Profits, Jobs, and Growth: Take Your Business Global!” was moderated by Luz Hopewell, director of the Small Business Administration’s Office of International Trade, and was attended by several small business owners; business counselors; and representatives from federal agencies, including the Department of Commerce.

Government Resources

Some of the challenges identified by the panel would be familiar to almost any small business—notably access to capital. But others were specific to doing business overseas and included the complexity of export paperwork, the difficulties of complying with international regulations, and the steep learning curve faced by potential exporters.

“It’s about education,” noted Susan Lusi, director of the Department of Commerce’s Trade Information Center. “Exporters cannot be passive when orders come in.” She pointed out that SMEs should take advantage of the resources that the federal government makes available to them. Those resources include seminars, Webinars, and other printed materials that contain a wealth of information on every aspect of exporting, such as the Department of Commerce’s guidebook, *A Basic Guide to Exporting*.

Scott Green, CEO of Pucker Powder and the 2010 Alabama State Small Business Person of the Year, echoed that sentiment by recounting his company’s successful use of business counseling services offered by the U.S. and Foreign Commercial Service. One such service, Gold Key, has helped Pucker Powder penetrate several overseas markets. The

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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) 342-1310

Ontario: (909) 466-4134

Los Angeles (Downtown): (213) 894-8784

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

Monterey: (831) 641-9850

Newport Beach: (949) 660-1688

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Small Business Exporters Tell of Triumphs and Challenges

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company expects export sales to soon account for 50 percent of total sales. “Gold Key is a wonderful program,” remarked Green.

U.S. Advantages

One participant, Dan Nanigian, president of Nanmac Corporation in Framingham, Massachusetts, and winner of the 2010 Small Business Exporter of the Year award, stressed the advantages that U.S. companies have in making overseas sales. Selling his company’s temperature sensors in China is difficult. But according to Nanigian, U.S.-made products have a quality advantage, and his company “markets the hell out of them.” That effort has created a steady demand for Nanmac’s products in China despite the inadequacy of intellectual property rights protection and enforcement there and the ever-present possibility that his products could be reverse engineered and sold by China-based competitors.

Importance of Practical Steps

All of the panel participants emphasized the practical steps that businesses need to take to succeed overseas. Those steps include taking advantage of the opportunities for face-to-face contact at trade shows, creating multilingual versions of company Web sites, finding and using overseas partners, and paying attention to the subtleties of linguistic and social conventions.

“The cultural barriers—even with English speaking countries such as the U.K. and Australia—are enormous,” noted Amy Frey, president of ATC International. “You have to be incredibly clear about ... [such details as] different measurement systems and time and date conventions.”

John Ward is a writer in the International Trade Administration's office of Public Affairs.

For More Information

A video of the small business exporting panel is available for viewing on the Web at www.nsbweek.com/2010_07.html. Information about export assistance programs can be found at www.export.gov, the U.S. government's export portal. Business counseling over the telephone is available from the Trade Information Center, tel.: 1-800-USA-TRADE (1-800-872-8723).

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