

New Report Details National Export Initiative's Role in Economic Recovery

A comprehensive report to the President by the Export Promotion Cabinet on the National Export Initiative (NEI) highlights the efforts multiple federal agencies are already making to support U.S. exports and emphasizes the next steps that must be taken to meet the administration's five-year goal of doubling U.S. exports and supporting millions of jobs.

BY ROBERT ACKERMAN

With U.S. exports up significantly during the first half of 2010, the Export Promotion Cabinet, in a recent report, urged President Barack Obama to continue supporting policies that provide more support and trade financing to U.S. businesses to help them dramatically increase their international sales. "Report to the President on the National Export Initiative," was released on September 16, 2010.

According to the report, under the goals of the president's NEI, "Exports need to grow from \$1.57 trillion in 2009 to \$3.14 trillion by 2015. This will only happen if U.S. companies, farmers, and small and medium-sized enterprises (SMEs)—the engines of economic growth—receive the encouragement and support they need as they seek new markets for their goods and services."

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Speaking to members of the President's Export Council at the White House on September 16, 2010, President Barack Obama announced the release of a progress report on the National Export Initiative. (White House photo)

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Report on National Export Initiative

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Obama announced the NEI in January 2010. It seeks to double U.S. exports by 2015 and to support millions of new jobs. He released the report in advance of his meeting with members of his newly appointed President's Export Council (PEC) in Washington, D.C.

Advice from Industry Leaders

Since its creation in 1973, the PEC has served as a critical line of communication between the private sector and the government regarding export policy and export promotion activities. On July 7, 2010, Obama appointed 18 additional leaders from business, agriculture, and labor to join representatives from government and Congress to a newly reconstituted PEC to provide advice on how the government can facilitate growth in U.S. exports. (See August 2010 issue of *International Trade Update*.) The PEC's recommendations will play a vital role in the success of the NEI.

In his meeting with PEC members, Obama noted the challenges that lay ahead. "When I made this initial announcement [of the NEI], some were skeptical, but ... if we are increasing our exports by 14, 15 percent per year—something that is achievable—then we can meet our goal. And that's one of the ways that we're going to make this economy in the 21st century what it was in the 20th century—an unparalleled force for opportunity and prosperity for all our people."

According to the NEI report, U.S. exports increased almost 18 percent in the first six months of 2010 compared to the same period last year.

Lending, Program Outreach Grow

The NEI report notes the progress that has been made in providing loans to U.S. companies to increase exports and in making businesses aware of the different kinds of export assistance available. The report also details the progress in implementing several initiatives across the federal government that will be critical to the success of the NEI.

For example, in 2010, the Export-Import Bank of the United States (Ex-Im Bank) increased its loan approvals by nearly 20 percent over the previous year, from \$18.3 billion to \$21.5 billion. This change included an increase in small-business loan approvals from \$3.6 million to \$4.1 million. As a result, an estimated 30,000 U.S. jobs were supported by Ex-Im Bank financing.

Another example is the Small Business Administration (SBA), which also stepped up its efforts to support SMEs. In July 2010, SBA successfully launched a pilot version of its Export Outreach Team training program in Baltimore, Maryland, and plans to roll out the program nationally in 2011.

Trade Missions

In addition to an unprecedented level of support during the past year for trade missions that take representatives from U.S. companies directly to foreign markets, there has been significant progress from bringing foreign buyers to the United States. Under its International Buyer Program, the Department of Commerce has secured the participation of nearly 8,800 foreign buyers at trade shows in the United States, which has facilitated more than \$660 million in export sales.

The Department of Agriculture and the U.S. Trade Development Agency (USTDA) have also had success with reverse trade missions. The Department of Agriculture, for example, recruited more than 1,500 foreign buyers between January and September 2010. USTDA hosted 30 reverse trade missions during the same period, which represented more than \$1 billion in export opportunities for U.S. companies.

The Way Forward

The NEI report emphasizes the importance of exporting to the U.S. economy, and it highlights the vast opportunities that exist for U.S. companies to sell their products to the 95 percent of the

“ Helping American companies sell more abroad will create jobs and boost our economy. This report is a blueprint for doing just that. ”

world's consumers who live outside the United States. The report's recommendations range from focusing on key markets and sectors to implementing specific strategies to help SME services exporters. Other recommendations include the following:

- Expanding and improving existing programs, such as trade missions
- Increasing export credit
- Elevating and focusing commercial advocacy
- Ensuring fair treatment for U.S. companies within the rules of the global trading system
- Working with other countries to pursue policies that will achieve strong, sustainable, and more balanced global growth

Obama, noting the importance of exports and the success of the NEI to future U.S. economic growth, told the members of the PEC, "From the day that I took office, my administration's highest priority has been to pull our economy out of the deepest recession of our lifetimes, to put people back to work, and to position our economy on a path of long-term and sustainable growth."

Secretary of Commerce Gary Locke, a member of the PEC, added, "Helping American companies sell more abroad will create jobs and boost our economy. This report is a blueprint for doing just that."

Robert Ackerman is a special assistant for White House Initiatives in the Department of Commerce.

WHY DO WE NEED A NATIONAL EXPORT INITIATIVE?

Here is an excerpt from "Report to the President on the National Export Initiative":

"Ninety-five percent of the world's customers lie outside the United States; we ignore them at our peril. Tapping into customers in fast-growing markets abroad and in our traditional markets is crucial to putting the United States' own economy on a solid footing—and generating the demand needed to put Americans back to work.

We cannot return to an economy that is driven by borrowing and consumption. To maintain robust growth, the world will need to rely less on U.S. consumption—and we will need to sell more to the rest of the world.

In 2008, exports supported over 10 million jobs and represented nearly 13 percent of gross domestic product. Exports fell during the recession. Meeting the NEI's goal of doubling exports will bring them not just back to where they were, but to an even higher level, supporting millions of good jobs.

Exporting is fundamentally a decision driven by our entrepreneurs, workers, and farmers. But, businesses attempting to close an export sale today face many hurdles, including lack of readily available information about exporting and market research, challenges obtaining export financing, and strong competition from foreign companies and foreign governments. This suggests an important role for the federal government.

The NEI is the administration's commitment to serve as a full partner with U.S. businesses to promote American-made goods and services worldwide, within global trading rules."

The full report can be downloaded from the Web at www.export.gov/nei.



For More Information

For more information about the President's Export Council, visit the council's Web page at www.trade.gov/pec. The complete text of the *Report to the President on the National Export Initiative*, along with more information and news on the NEI, is available online at www.export.gov/nei.

Manufacturers Embrace Sustainability in a Competitive World Market

A new study from the International Trade Administration shows how U.S. manufacturers of packaging machinery are using sustainable manufacturing practices to respond to the multiple challenges they face in the world market.

BY PADRAIC J. SWEENEY



U.S.-manufactured packaging machinery is used in many industries, such as this food processing plant. A recent ITA study details how U.S. manufacturers are using sustainability as a strategy to remain competitive in the world market. (photo courtesy of Shuttleworth Inc.)

Sustainable manufacturing (the use of processes that minimize negative environmental impacts; conserve energy and natural resources; are safe for employees, communities, and consumers; and are economically sound) is a practice that is being driven worldwide by market forces and regulation. U.S. manufacturers are not exempt from those forces; they operate in global supply chains that face increasing demands for more sustainable products and services.

Innovative U.S. companies in the packaging machinery manufacturing industry are taking a practical approach to those challenges by using sustainability as one more strategy to meet fierce competition from Asia and Europe. The efforts are detailed in a new study recently published by the International Trade Administration

(ITA), “Packaging Machinery: Sustainability and Competitiveness.” The report was produced under the auspices of the Department of Commerce’s Sustainable Manufacturing Initiative.

Small Producers, Worldwide Sales

The total U.S. market for packaging machinery in 2008 was worth \$6.3 billion, with domestic manufacturers posting \$4.8 billion in sales. The Census Bureau reports that 551 companies manufactured packaging machinery in the United States in 2007. Most producers are quite small, with nearly 64 percent having fewer than 20 employees.

Many U.S. packaging machinery manufacturers are successful exporters that do business with customers worldwide. Nevertheless, the U.S. industry as a whole has lost ground in recent years to foreign competition. Imported packaging machinery accounted for 39 percent of the domestic U.S. market in 2008, which was up from 26.2 percent in 2002. Exports were a relatively modest 17 percent of U.S. manufacturers’ sales in 2008.

For the most part, U.S. packaging machinery manufacturers’ leading competitors are from Europe: Germany, Italy, and several other countries. Japanese manufacturers are also significant, well-established competitors. Imports from China and other East Asian nations have also grown strongly in recent years.

Economics and Green Solutions

Packaging machinery manufacturers that pursue sustainability are aligning themselves with the broad direction of the packaging sector. Major retailers recognize that source reduction—that is, the elimination of waste at the source rather than after it has been created—can yield significant cost savings, and they are demanding it from their suppliers. As a result, both large retailers and the consumer goods manufacturers that sell to them are managing their supply chains more aggressively to reduce costs associated with environmental waste, including packaging waste.

Paul Appelbaum, president of Partner Pak, cites his company's experience as a supplier to Costco as an example of how sustainability has enabled his company to compete successfully. "Costco wanted to go green by eliminating PVC [polyvinyl chloride] and replacing it with maximally sustainable RPET [recycled polyethylene terephthalate]." Partner Pak provided Costco with a solution that satisfied environmental and economic concerns. "The energy savings actually reduced Costco's carbon footprint, when compared to other sealing methods."

Corporate and consumer demands for packaging that is more environmentally sensitive also drive change. When added with cost savings, the combination can be a winner for all parties. According to Scott Smith of Hartness International, one of the companies profiled in the ITA study, the company's lean packaging line designs have won business "not just because they meet someone's 'sustainability' criteria, but because they make good business sense and eliminate waste."

Environmental and Regulatory Drivers

Regulation is also a growing factor in the global marketplace for packaging technologies. Many countries already impose reporting requirements and packaging fees to control waste. In the United States and elsewhere, retailers such as Wal-Mart Stores, Safeway, and Tesco require similar documentation from their packaging vendors. The trend is likely to continue. Jack Aguero, vice president of Pro Mach, noted, "More and more, sustainability will be required of packaging machinery manufacturers over time."

Another driver for packaging machinery manufacturers is the push to cut energy use and greenhouse gas (GHG) emissions. For manufacturers doing business in the European Union and elsewhere, pressure to implement low-carbon manufacturing practices is strong and growing. According to Mike Steur of Hixson Inc., an engineering firm that specializes in food and beverage manufacturing, "The more sophisticated companies are anticipating the change and laying the groundwork now for measuring and reporting" their electricity consumption and GHG emissions.

Future Challenges to the Industry

Despite the growing requirements for more sustainable packaging technology, actual demand for

SOME KEY CONCEPTS IN SUSTAINABILITY

EPR (extended producer responsibility): a concept also known as "product stewardship."

EPR holds that all parties involved in the various stages of a product's life cycle, including its packaging, take responsibility for mitigating its environmental impact.

LCA (life-cycle assessment): a method for quantifying impacts associated with the sourcing, manufacture, distribution, use, and disposal of a product or product system. LCA is documented in ISO standards 14040 and 14044.

OEE (overall equipment effectiveness): a method for evaluating the effectiveness of a specific manufacturing operation by using three basic metrics: availability, performance, and quality.

TCO (total cost of ownership): a method used in many industries to capture the lifetime operating costs of capital investment. Lower TCO can result in greater sustainability, but it often requires greater initial investment in equipment, training, and systems.

sustainability has been slow to reach the packaging machinery industry. Many end-users have not integrated their corporate sustainability visions into their business operations. Moreover, no definition, certifications, or standards currently exist for sustainability in packaging machinery. There is a widespread belief that packaging machinery consumes too little energy to be significant. But, as the ITA report notes, with demand for more sustainable packaging technology growing continuously, "it is not too soon for packaging machinery manufacturers to prepare for the day when their customers begin to demand machinery, services, and other products that can deliver cost-effective, sustainable packaging solutions."

Padraic J. Sweeney is an international trade specialist with the Manufacturing and Services unit of the International Trade Administration.

For More Information

"Packaging Machinery: Sustainability and Competitiveness," the new report published by ITA, comes from more than a year of research and interviews. It examines the changing business environment for U.S. packaging machinery manufacturers, looks at sustainability as a means to gain competitive advantage, and offers case studies of five leading manufacturers in the sector. The full report is available online at www.trade.gov/publications/abstracts/packaging-machinery-sustainability-competitiveness.asp. More information about the Department of Commerce's Sustainable Manufacturing Initiative can be found at <http://trade.gov/competitiveness/sustainablemanufacturing/>.

Short Takes

New Cooperative Agreement Focuses on Improving Competitiveness of U.S. Aerospace Industry

There was good news for the U.S. aerospace industry on September 15, 2010, when Nicole Lamb-Hale, the Commerce Department's assistant secretary for manufacturing and services, and Dr. John Watret, executive vice president of Embry-Riddle Aeronautical University's Worldwide Campus, signed an agreement to undertake a number of cooperative actions with the goal of helping to enhance the competitiveness of the U.S. aerospace manufacturing industry.

"The president has called on us to double U.S. exports, and this agreement will help us increase the performance of U.S. aerospace companies," said Lamb-Hale. "I am particularly pleased that we can do this during National Aerospace Week, which highlights the significant contribution of the U.S. aerospace industry to the nation's security and economic growth."

The United States is a world leader in the aerospace industry, exporting \$81.4 billion worth of aerospace products in 2009. That year, the industry had a positive trade balance of \$48.3 billion, which is the highest positive balance of all U.S. industries.

But aerospace is a fiercely competitive global industry. U.S. manufacturing companies often

need help from the federal government to win orders in other countries by cutting red tape and by encouraging innovation. With more international orders, more Americans can go back to work and more can stay employed.

Under the terms of the agreement, the International Trade Administration (ITA) and Embry-Riddle's Worldwide Campus Center for Aviation and Aerospace Leadership will collaborate on industry outreach events and industry analysis that is specifically targeted at small and medium-sized aerospace manufacturers. This cooperative effort will support President Barack Obama's National Export Initiative and the ITA's Manufacture America program, which is a series of conferences designed to help U.S. manufacturers by exploring new products, markets, processes, and sources of finance, as well as many other educational activities.

For more information about the ITA's Manufacture America program, as well as other initiatives focused on the manufacturing sector, visit www.manufacturing.gov.

Business Summit Looks to Strengthen U.S.-Georgia Business Ties

More than 140 business and government representatives met in Tbilisi, Georgia, September 8-9, 2010, to participate in the second U.S.-Georgia Business Summit. The summit was organized by the International Trade Administration (ITA), with funding from the Department of State. It coincided with a five-member, Department of Commerce-certified trade mission to Georgia that was organized by the American Chamber of Commerce in Georgia.

In recent years, Georgia has made impressive strides in liberalizing its economy and has sought closer commercial ties with Western Europe and the United States. The United States is Georgia's fifth-largest trading partner. In 2009, U.S. exports of goods to Georgia totaled \$363.8 million.

Dr. John Watret (left), executive vice president of Embry-Riddle Aeronautical University's Worldwide Campus, and Nicole Lamb-Hale (right), assistant secretary for manufacturing and services at the Department of Commerce, sign a memorandum of understanding in Washington, D.C., on September 15, 2010. The agreement provides for a number of collaborative efforts designed to help U.S. manufacturers in the aerospace sector. (U.S. Department of Commerce photo)





The opening session of the U.S.–Georgia Business Summit, held in Tbilisi, Georgia, September 8–9, 2010. From left to right: David Lee, president of the American Chamber of Commerce in Georgia; Vera Kobalia, Georgian minister of economy and sustainable development; Juan Verde, U.S. deputy assistant secretary for Europe; and John Bass, U.S. ambassador to Georgia. (photo courtesy of the American Chamber of Commerce in Georgia)

The summit began with a conference on September 8 that featured speakers from the Export–Import Bank of the United States, U.S. Overseas Private Investment Corporation, government of Georgia, and several multilateral development banks. Panels focused on tourism and franchising as best prospects for commercial cooperation between the two countries. A follow-up day of networking events on September 9 gave Georgian companies an opportunity to meet one on one with conference speakers and U.S. attendees. In all, more than 75 meetings were conducted.

In opening the summit, Juan Verde, deputy assistant secretary for Europe, noted that “the Commerce Department sees Georgia as a valuable partner in the Eurasia region and will continue its efforts to expand U.S.–Georgian business ties.”

As part of these efforts, ITA also held a business forum in San Francisco, California, on September 13 to promote U.S.–Georgia commercial ties. ITA will be conducting additional follow-up activities to support cooperation in the franchising and tourism sectors in Georgia. For more information, contact Ellen House of ITA, tel.: (202) 482-0360; e-mail: ellen.house@trade.gov.

Camuñez Confirmed as Assistant Secretary for Market Access and Compliance

On September 16, 2010, the U.S. Senate unanimously confirmed Michael C. Camuñez as assistant secretary of commerce for market access

and compliance. He will direct the International Trade Administration’s Market Access and Compliance (MAC) unit. MAC advocates for U.S. business interests abroad by identifying and working to eliminate foreign barriers to trade. It also monitors and enforces foreign compliance with trade agreements.

“I look forward to working with my colleagues at the Commerce Department to advance our trade objectives and to identify and eliminate trade barriers that hinder U.S. exports or investments abroad,” Camuñez said. “We will continue to use every possible tool to remove those barriers, ensure a level playing field for U.S. companies and workers, advance the NEI, and create new jobs for Americans.”

Camuñez, originally from Los Angeles, California, most recently served as special counsel to President Barack Obama in the Office of the White House Counsel. He previously served as special assistant to the president for presidential personnel.

Before joining the administration, Camuñez was a partner in the law firm of O’Melveny & Myers LLP, where he represented U.S. companies in a range of matters involving domestic and international commercial disputes. He also advised U.S. companies doing business abroad in Latin America and Europe on corporate compliance, anticorruption, and the risks associated with foreign investment and multinational business transactions. In the 1990s, he served as the senior policy adviser for national service in the Clinton administration, where he helped establish the Corporation for National Service and its signature program, AmeriCorps.

Contributors to this section include Jonathan Chesebro of the International Trade Administration’s Manufacturing and Services unit and Ellen House of 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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October 2010

October

Trade Mission to Iraq

Baghdad, Iraq
www.export.gov/iraqmission2010

During this trade mission, representatives of U.S. companies will participate in four days of briefings and one-on-one business appointments. The mission builds on the successful U.S.–Iraq Business and Investment Conference that was held in Washington, D.C., in October 2009. Participating companies will meet with a broad range of Iraqi government officials and potential business partners. For more information, contact Jessica Arnold of the USFCS, tel.: (202) 482-2026; e-mail iraqmission@trade.gov.

October 5–8

U.S. Product Literature Center at Transport + Logistics 2010

Kiev, Ukraine
www.export.gov/eac/show_detail_trade_events.asp?EventID=30546

This show encompasses a range of transportation subsectors, including aviation, railways and motorways, maritime, multimodal transport systems, and intelligent transport. It will run simultaneously with two other satellite shows: Intersklad (warehousing) and Ukraine Travel Salon (travel and tourism). In 2009, those events attracted more than 40,000 visitors, including 21,000 trade professionals. For more information, contact Yuriy Prikhodko, of the USFCS, tel.: +380 (44) 490-4082; e-mail: yuriy.prikhodko@trade.gov.

October 13

Webinar: Best Markets: Agricultural Equipment and Machinery and Related Services

Grapevine, Texas
www.export.gov/eac/show_detail_trade_events.asp?EventID=3124

This Webinar will feature the agriculture industry and will offer market-specific intelligence designed to provide a foundation to build a strategy for international expansion. Discussions will include the agribusiness industry, export trends, competitiveness, analysis of prospective markets, and market-entry strategies. Participants will also learn about key trade events and resources to unlock target markets abroad. For more information, contact David Royce of the USFCS, tel.: (817) 310-3744 ext. 19; e-mail: david.royce@trade.gov.

October 19

Hot Market Watch: Selling to Brazil, China, and India

Cincinnati, Ohio
www.buyusa.gov/cincinnati/conference.html

This all-day conference will provide attendees with valuable market updates and information resources that they will need to succeed in Brazil, China, and India. Presenters will include international trade experts from the Department of Commerce and several other federal agencies, as well as representatives from international organizations and companies. For more information, contact Marcia Brandstadt of the USFCS, tel.: (513) 684-2944; e-mail: marcia.brandstadt@trade.gov.

October 20

Webinar: A Basic Guide to Exporting: Financing Your Exports and Getting Paid

Washington, D.C.
www.export.gov/eac/show_detail_trade_events.asp?EventID=31264

This free Webinar is sponsored by the Trade Information Center as part of its series on the basics of exporting. Attendees will learn from trade finance experts about the range of payment methods used in export transactions and how to evaluate which method is best for business. For more information, contact Roza Pace of the USFCS, tel.: (800) 872-8723; e-mail: roza.pace@trade.gov.

October 21

Webinar: Enhancing the Competitiveness of the U.S. Textile and Apparel Industry

Washington, D.C.
www.export.gov/eac/show_detail_trade_events.asp?EventID=31337

This Webinar, hosted by the Department of Commerce's Office of Textiles and Apparel (OTEXA), is for university students who want to learn about the current textile and apparel programs and the implementation of U.S. textile trade agreements. It will include a question-and-answer session with Kim Glas, deputy assistant secretary, and other senior OTEXA staff members. For more information, contact Linda Martinich of the Import Administration, tel.: (202) 482-4058; e-mail: linda.martinich@trade.gov.

October 25–28

Americas Business Trade Mission to Mexico

Mexico City and Monterrey, Mexico
www.export.gov/eac/show_detail_trade_events.asp?EventID=31137

This multiple industry trade mission to Mexico City includes an optional second stop in Monterrey. Participating companies will have one day of prescheduled, prescreened one-on-one appointments with potential distributors and business partners. (Recruitment for this event is now closed.) For more information, contact Delia Valdivia of the USFCS, tel.: (310) 235-7203; e-mail: delia.valdivia@trade.gov.

October 26

Webinar: Tourism Opportunities in Sri Lanka

Washington, D.C.
www.export.gov/eac/show_detail_trade_events.asp?EventID=31055

With high levels of growth in its tourism sector, Sri Lanka is planning to invest \$10 billion over the coming years to build and upgrade hotels. Speakers participating in this Webinar include the commercial officer at the U.S. embassy in Colombo, Sri Lanka; the director general for the Sri Lankan Ministry of Tourism; and several other experts. For more information, contact Roza Pace of the USFCS, tel.: (202) 482-1354; e-mail: roza.pace@trade.gov.

October 27

Webinar: How to Identify, Track, and Pursue African Development Bank Projects

Austin, Texas
www.export.gov/eac/show_detail_trade_events.asp?EventID=31223

This one-hour Webinar will show how to access procurement opportunities offered by the African Development Bank (AfDB). AfDB is an international development finance institution whose mission is to help its developing member countries reduce poverty and improve the quality of life for their people. There is a \$45 fee to participate. For more information, contact Larry Tabash of the USFCS, tel.: (512) 936-0039; e-mail: larry.tabash@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.

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

November 3

Automated Export System Compliance Seminar

Jacksonville, Florida

www.export.gov/eac/show_detail_trade_events.asp?EventID=31306

The Foreign Trade Regulations (FTR) mandate that exporters file declarations through the Automated Export System. This seminar will provide an update on changes to FTR since October 2009, including clarification on routed transactions, penalties, export controls, export enforcement, and Commodity Classification—Schedule B. For more information, contact Jorge Arce of the USFCS, tel.: (904) 232-1270; e-mail: jorge.arce@trade.gov.

November 5–8

2010 Taipei International Travel Fair

Taipei, Taiwan

www.export.gov/eac/show_detail_trade_events.asp?EventID=16532

This show will be held at the Taipei World Trade Center and is one of the largest and most important travel and tourism promotion events in Taiwan. In 2009, it featured 1,206 exhibitors from 58 countries and attracted more than 210,750 visitors. The Department of Commerce will work with the Taipei Discover America Committee to set up a U.S. pavilion at the show to promote travel to the United States. For more information, contact Wendy Tien of the USFCS, tel.: +886 (2) 2720-1550, ext. 324; e-mail: wendy.tien@trade.gov.

November 9–11, 2010

PECOM 2010

Villahermosa, Tabasco, Mexico

www.export.gov/eac/show_detail_trade_events.asp?EventID=30150

The Petroleum Exhibition and Conference of Mexico (PECOM) has been the country's premier oil and gas show for 15 years and has attracted decision makers and executives from the energy industry worldwide. It is the ideal venue for new-to-market firms interested in participating in Mexico's offshore and onshore gas development program and for businesses seeking to promote their technologies and services to potential end-users and contractors. For more information, contact Kevin Haley of the USFCS, tel.: (202) 482-6434; e-mail: kevin.haley@trade.gov.



Atlanta, Georgia, skyline at dusk. © VisualField/iStock

Featured Trade Event

Americas Competitiveness Forum

November 14–16, 2010

Atlanta, Georgia

www.competitivenessforum.com

The Americas Competitiveness Forum (ACF) returns to Atlanta, Georgia, after being held in Santiago, Chile, in 2009. The event will bring together leaders from the private and public sectors from throughout the Western Hemisphere to share best practices for enhancing competitiveness, innovation, and prosperity in the region.

ACF grew out of a commitment made by the United States at the November 2005 Summit of the Americas in Mar de Plata, Argentina, to cooperate with other Western Hemisphere countries to advance prosperity, to combat inequality, and to achieve sustainable economic growth throughout the area. Since its first gathering in Atlanta in June 2007, ACF has established itself as the preeminent economic and commercial event in the Americas by regularly attracting approximately 1,000 participants from more than 30 countries each year.

This year's theme is "Building a Prosperous and Sustainable Future for the Americas." Attendees will focus on four main topics: (a) innovation and green technologies; (b) education and workforce development; (c) entrepreneurship and small business development; and (d) trade facilitation, border clearance, and supply chain logistics.

ACF 2010 will be co-hosted by Secretary of Commerce Gary Locke and Mayor Kasim Reed of Atlanta. Also participating will be representatives from CIFAL Atlanta (a United Nations affiliate organization) and other stakeholders from the region.

According to Locke, "As our economy continues to grow, events like ACF provide excellent opportunities for the business community to showcase new ideas and technologies, explore new markets, and uncover future opportunities for economic growth and job creation."

Participating in ACF will allow attendees to explore new business models and to hear about innovative practices and experiences that are designed to create jobs, to increase trade and investment, and to enhance hemispheric productivity. In addition, over the course of the three-day event, the Department of Commerce's International Trade Administration (ITA) will offer U.S. businesses the opportunity to meet with foreign delegations and to participate in export-counseling sessions, which are designed to promote export opportunities and business partnerships. During ACF 2008, ITA provided more than 200 one-on-one export-counseling sessions.

For more information about ACF 2010, visit its Web site at www.competitivenessforum.com or contact Tricia Johnson of ITA, tel.: (202) 482-5876; e-mail: tricia.johnson@trade.gov.

The Services Sector: How Best to Measure It?

Although calculating the exports of goods is a relatively routine job, measuring trade in services is not so simple. A recent conference organized by the International Trade Administration attempted to identify better ways of measuring this vital sector of the U.S. economy.

BY JOHN WARD

Knowing how many goods are traded across borders has been a settled science for some time. Data have been collected at various points of shipment; sorted by industry and country of destination; and made available monthly, quarterly, and annually by the federal government for many years. Not so for the services sector. Largely dependent on a variety of surveys, data on the services sector can often be subject to significant time lags and gaps in industry coverage.

In an attempt to identify ways to improve situation, more than 140 policy makers and business leaders gathered in Washington, D.C., on September 14, 2010, to participate in an all-day conference, “Measuring and Enhancing Services Trade Data.” Organized by the Manufacturing and Services unit of the International Trade Administration (ITA), the conference attracted speakers and presenters from several federal data collection agencies, including the U.S. Census Bureau, the Bureau of Economic Analysis (BEA), and the Bureau of Labor Statistics, as well as private-sector innovators in the services information arena.

Domestic and International Importance

The services sector is an important part of the U.S. economy. According to BEA, in 2009 services accounted for 79.6 percent of U.S. private-sector gross domestic product (GDP), or \$9.81 trillion. Services jobs accounted for more than 80 percent of U.S. private-sector employment, or 89.7 million jobs.

The United States enjoys a surplus in services trade. In 2009, exports of services totaled \$502 billion, with a surplus of \$132 billion over services imports. This surplus is larger than that of any other country. Currently, the services sector accounts for 32 percent of total U.S. exports.

Statistics Lag Change

Francisco Sánchez, under secretary for international trade, outlined the challenge facing data



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collection entities and their business users to conference attendees, “The U.S. trade data system is excellent. But it does not provide detailed, disaggregated information on some vital subjects. For example, it cannot tell us what the United States imports from and exports to Colombia in services. Nor do we know our current trade balance in health care services.”

This sentiment was echoed by Rebecca Blank, under secretary for economic affairs at the Department of Commerce, who noted that “over the past decades, the American economy has shifted from a manufacturing-based economy to a services-based one. Yet our statistics have lagged behind this change.”

Challenges and Next Steps

Today, detailed data on exported services are available exclusively from survey-based reports compiled by the Census Bureau. Those reports include the economic census that is conducted every five years and the Services Annual Survey.

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“ Accurately measuring trade in services is crucial to assessing our economic competitiveness ”

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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.

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Services Sector

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For More Information

More information about the conference, including remarks and presentations, are available on the Web at www.trade.gov/td/sif/features.htm.

In addition, data on exports of services by type of service are available from BEA, which compiles its statistics both from surveys that it conducts and from data provided by other government agencies and private sources.

Catherine Mann of Brandeis University detailed some of the challenges posed by survey-based data collection. She suggested that U.S. statistics collecting agencies increase their partnerships with trade association and private aggregators, but she cautioned that there are challenges with this approach. They include difficulty in establishing classifications that meet users' needs, confidentiality rules, the need for official approval if the published data involve private entities, and private parties' fear of what the data will reveal.

Among the next steps discussed at the conference for improving services trade data were supporting the work of industry-specific groups,

developing recommendations for public-private partnerships, identifying short-term opportunities for data sharing, and developing ideas for improving sample frames and response rates.

Recovery and Growth

The data collection improvements discussed at the conference have the potential to bring advancements to the nation's overall economic performance. Sánchez noted, "Accurately measuring trade in services is crucial to assessing our economic competitiveness and to President Obama's National Export Initiative, which relies on growing exports to lead our economic recovery and growth."

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