

Maryland Global Express

The Newsletter of the Baltimore US Export Assistance Center

[US Department of Commerce](#)

[US & FCS- Baltimore USEAC](#)

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“Your Gateway to the World”



JULY 2004 NEWSLETTER

Mexican Manufacturing Devours U.S. Goods

Importing Components and Exporting Finished Products

By Ellen Lenny-Pessagno
U.S. Commercial Service, Mexico
Published in [Export America](#) Magazine

To understand U.S. trade with Mexico, it is important to appreciate fully Mexico's in-bond processing, or maquiladora, sector. Inputs of components, supplies, and machinery, worth \$88 billion, for maquiladora plants dedicated to producing goods for export, make up over half of all products imported into Mexico. This alone dwarfs total imports by any other Latin American country, the next largest import volume being Brazil's with \$64 billion of imports annually.

Therefore, if you are not currently selling to the export manufacturing industry, you should consider it.

The purpose of this article is to highlight opportunities related to the 2,826 foreign-owned, export-manufacturing maquiladoras, of which U.S. firms own 79 percent. While the number of maquiladoras is only 25 percent of all export manufacturing facilities, they account for 55 percent of Mexico's industrial manufacturing, and imports to this segment make up more than 67 percent of the total for the sector. Approximately three-quarters of maquiladoras are located along the 2,000-mile border with the United States. While detractors may criticize the maquiladora sector for its low-tech, low-wage jobs, many maquiladoras make use of robotics and the latest equipment for metal stamping and forming, as well as for plastic injection and blow molding. Furthermore, maquiladoras pay wages on average 10 to 20 percent higher than those of other manufacturing facilities in Mexico. Despite the fact that a number of maquiladora plants have recently relocated to China, partly in search of lower cost labor, in 2002 the industry increased imports of equipment and materials into Mexico 3.1 percent and increased production 1.9 percent. While production in 2003 remained at \$89 billion

due to weak demand in the United States, which consumes 90 percent of Mexico's exports, production is forecast to expand at a relatively rapid pace to a value of \$125 billion by 2008. For more information on marketing to Mexican manufacturers, as well as relevant trade shows, videoconferences, and research reports, visit www.export.gov and www.buyusa.gov/mexico/en.

New Leadership at the U.S. Export Assistance Center in Baltimore

The U.S. Export Assistance Center (USEAC) in Baltimore has a new Director on board. Mr. **Bill Burwell** comes from the National Institute of Standards and Technology where he served as Manager of Market Research for the Manufacturing Extension Partnership (MEP).

The former Acting Director, **Anne Grey** has been overseeing both the Baltimore USEAC and Northern Virginia/Richmond USEACs until recently. She will continue to serve as the Director in Virginia.

In addition to a new director, the Baltimore USEAC has also hired a new International Trade Specialist, Mrs. **Jolanta Coffey**. Jolanta comes from the International Trade Administration's Trade and Development Agency where she served as a Market Research Analyst in the Office of Travel and Tourism Industries. Additionally, Mr. **Bryan Larson** will be on board in early August. Bryan is a Foreign Commercial Officer in Mexico City and will serve his 2-year domestic service at the Baltimore USEAC. For more information about the Baltimore Export Assistance Center and the staff, visit: <http://www.buyusa.gov/baltimore>.



Transfer of Power! Anne Grey congratulates Bill Burwell on his appointment.

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Success Story

Crist Instruments Co., Inc. of Hagerstown, Maryland is a designer and manufacturer of humane primate equipment and accessories used by the medical research market. The firm contacted Baltimore US Export Assistance Center in the hopes of collecting a very delinquent customer account in France. Advocating on behalf of Crist Instruments, Commercial Service (CS) Paris contacted the French customer, a research group. With the help of Baltimore USEAC and CS Paris, Crist Instruments received payment in full from its French customer.

“This is the second time that US DOC, US Commercial Service has assisted us in this endeavor. They have done a fine job. We also look to them for information on our international markets. This is a good service for small businesses and they are doing a great job.”

Learn more about this and other ways the U.S. Commercial Service can assist your company expand around the world. Visit us at www.buyusa.gov/baltimore today!

Market of the Month

Israel - It might seem difficult at first to separate Israel from its political issues. When many people think of Israel, the Israeli-Palestinian crisis and the media accounts of violence come to mind. However, Israel is a technologically advanced market economy with a highly skilled and well-educated workforce. Cultural life is vibrant, restaurants and beaches are crowded, and there is a lot of business being conducted. The United States is Israel's largest trading partner, and there are opportunities here for U.S. exporters. A recognized leader in high-tech industries, Israel's investment in research and development is higher than any single OECD country. In fact, after the United States and Canada Israel has the most companies listed on the NASDAQ.

Israel's population of 6.7 million lives in an area roughly the size of New Jersey. The business environment and style here will seem familiar to American businesses, but personal relationships can play a relatively larger role within Israel's tight-knit population than in the United States. Israel's per capita income is 75% of the average in OECD nations, and remained strong through the recent economic slowdown.

Best Prospects for U.S. Exports to Israel:

1. Electricity and Gas Equipment
2. Defense Equipment
3. Medical Equipment and Disposable Products
4. Industrial Chemicals
5. Telecommunications Equipment
6. Electronic Components
7. Building Products
8. Safety and Security Equipment
9. Non-Prescription Drugs
10. Travel and Tourism Services

For more information on doing business in Israel, visit www.buyusa.gov/israel.

Featured Services

Commercial News

The Showcase for American-Made Products and Services

USA

Commercial News USA is the official United States Department of Commerce showcase for American-made products and services. The catalog-style magazine is designed to help American companies promote products and services to buyers in more than 145 countries--at a fraction of the cost of other advertising options. Each issue reaches an estimated 400,000 readers worldwide.

Advertising in Commercial News USA provides American companies with an unparalleled opportunity to market products and services around the world. Advertisers in Commercial News USA have the potential to increase export sales with a minimal investment. *For more information on CNUSA, visit <http://www.export.gov/cnusa>.*

International Company Profile assists you in preventing costly mistakes with quick, reasonably priced credit checks or due-diligence reports on international companies. Before you do business with a prospective agent, distributor, or partner, the International Company Profile will give you the background information you need to evaluate the company and make informed business decisions. *For more information, visit <http://www.buyusa.gov/baltimore/services.html>.*

More Sources of Information

Want more information about international trade and current events? We strive to bring you as many resources as possible that will assist your company grow its international sales. Please visit these subject-based newsletter and bulletin resources:

Beijing 2008: Olympics Hot Sheet

The Olympics Hot Sheet is the perfect way to stay on top of what's going on in preparation for the 2008 Olympics. It is published when news happens, as soon as it happens. If you are a US-based company and would like to be added to our mailing list, send your contact information and business scope to Beijing.Office.Box@mail.doc.gov. To view this issue of Olympics Hot Sheet, please visit following link. <http://www.buyusa.gov/china/en/hs040715.html>.

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Asia Now e-News

Asia Now e-News is a monthly on-line newsletter full of useful information and trade leads for U.S. exporters who want to increase their sales in the Asia-Pacific region. E-News is a free service of the Asia-Pacific Team and the Asia Now program from the U.S. Commercial Service. If you would like a free subscription, visit <http://www.buyusa.gov/asianow/enews.html>.

Export.gov Newsletter

Highlighted trade events, new features and market research reports from the U.S. Government's Export Portal. For more information or to register, visit: www.export.gov.

e-Market Express Market Research Bulletin

The e-Market Express was created at the request of U.S. companies. Firms have asked the Commercial Service to notify them, at least monthly, of NEW market research, trade leads and events that we in the US Department of Commerce receive from our colleagues in US Embassies and Consulates around the world. Through e-Market Express Reports, US firms can electronically submit requests for market research that our overseas staff created. For more information and to register, visit www.buyusa.gov/eme.

International Events

Aerospace Executive Service at Africa Aerospace and Defense 2004 (AAD 2004)

*Pretoria, South Africa
September 21-23, 2004*

The Africa Aerospace and Defense Air Show 2004 – Rising to New Dimensions, a biennial event, showcases the significant South African aerospace and defense industry capacity and attracts official delegations from throughout the African continent.

It will be one of the world's most comprehensive air shows, and a major showcase for marketing aerospace and related defense technology, business and commercial aviation, airline, and equipment and facilities.

AAD 2004 will draw attendees from all of Africa, a significant group from the Middle East, India, and South Asia.

The **Aerospace Executive Service (AES)** affords lower-cost access to small and medium-sized businesses by allowing them to participate in Africa's largest aerospace exhibition without taking on the enormous expense of purchasing and staffing booth space.

Participation in the AES Program at AAD 2004 includes:

- 2 days of pre-scheduled meetings with potential partners, agents, buyers, government and military contacts
- VIP Pass admission to AAD 2004
- Hotel arrangements with roundtrip transportation between hotel and exhibition for three days
- Access to PC/Printer and email at the show
- Pre-show market briefing with welcome kits
- Invitation to VIP event
- Your company literature on display at meeting area at the show
- On-site AES Program coordination by Commercial Service staff

For more information about this exciting opportunity for Aerospace and Defense companies, please contact Mathew Woodlee at (410) 962-4539 or mwoodlee@mail.doc.gov.

View more trade events at:

www.export.gov/tradeevents.html

www.buyusa.gov/baltimore

For more information about how the U.S. Export Assistance Center can help your company grow internationally, contact us at (410) 962-4539 or visit www.buyusa.gov/baltimore today!

Bill Burwell
Director

Jeanne Townsend
Senior International Trade Specialist
Healthcare Technologies and Services,
Pharmaceuticals, OTC

Deborah Conrad
Senior International Credit Officer
Small Business Administration

Mathew Woodlee
International Trade Specialist
Aerospace, Defense, Safety, Security
Information Technology, Telecom

Jolanta Coffey
International Trade Specialist
Environmental Technologies,
Travel and Tourism

Kimberly Robinson
Trade Reference Assistant
General Trade Information