



Export News

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In This Issue

NEWS	1
Venezuela: Opportunities & Challenges	1
Iraqi Trade Minister to Visit Houston	1
BuyUSA.com	1
Deputy Secretary Kassinger Interview with Houston CHRONICLE	2
USAID Import Program for Egypt	2
BIS Proposed Rule	2
Market of the Month: Portugal	2
AGOA Signed	2
Is Your Company Ready for the Chinese Market?	2
TRADE LEADS	3
Papua New Guinea Maritime Project	3
Brazil: Chemicals	3
Brazil: Power Utility Equipment	3
TRADE EVENTS	3
How to Choose an International Transportation Services Provider	3
CeBIT 2005	3
Mexico Trade Security Series	4
WEBSITES	4
ENERGY NEWS	4
STAFF DIRECTORY	4

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VENEZUELA: OPPORTUNITIES & CHALLENGES FOR US EXPORTERS



FEATURING

**SENIOR COMMERCIAL OFFICER SEAN KELLEY
& SENIOR COMMERCIAL SPECIALIST JAVIER JATIVA,
U.S. COMMERCIAL SERVICE-CARACAS, VENEZUELA**

Greater Houston Partnership

Thursday, October 21

In spite of recent political controversies, and stringent foreign exchange controls, Venezuela remains among the foremost trading partners of the U.S, reaffirming a long-standing bilateral relationship based on mutual interests, but most of all, on trade.

Topics to be covered include:

- Foreign exchange controls and how it affects business,
- Mandatory pre-inspection of all shipments,
- The more than 640 million in sales of U.S.-made IT equipment expected in Venezuela this year,
- Close to half a billion in sales of U.S. electrical machinery to Venezuela in 2004,
- Leading energy projects and export opportunities in the most important market for U.S. oil and gas machinery, and
- The 10th largest overseas market for international visitors to the U.S.

Private meetings with the speakers are available immediately following the presentation. Cost \$15 GHP members and USEAC clients/\$30 non-members. To register, contact Kristen Culwell with the Greater Houston Partnership at kculwell@houston.org or 713-844-3661.

IRAQI MINISTER OF TRADE

**MUHAMMAD AL-JABBOURI TO VISIT HOUSTON
NOVEMBER 11-12**

PLEASE CONTACT OUR OFFICE FOR DETAILS AT 281-449-9402.

Are you listed on the
Commercial Service's
b2b ecommerce marketplace
www.buyusa.com? An
annual subscription is \$50.



CHANGES IN TRADE RULES HAVE BIG EFFECT ON TEXAS

Deputy Secretary of the U.S. Department of Commerce Theodore Kassinger was in Houston last week and sat down with Chronicle reporter Jenalia Moreno.

Excerpted from the Houston Chronicle's Business section Money-makers column, Oct. 18, 2004.

Q: Mexican cement company Cemex has a significant presence in Houston. With cement demand and prices increasing, Cemex and local builders want antidumping duties lifted on Mexican cement imports. What will the commerce department do?

A: These are antidumping duties that have been in place for many years as a result of a case successfully brought by U.S. companies that believed Cemex and others were dumping cement into this market. The way the law works is that unless we find there is no dumping, which has not happened in several reviews over the last couple of years, the U.S. petitioners really have to agree before we would withdraw the order.

Q: Shrimpers here complain about cheap imports of shrimp from Vietnam and other countries, and the Bush administration has proposed tariffs against these countries. What's next?

A: That case is still roughly in the middle. They filed the dumping cases in the spring. There were preliminary rulings in July that dumping was occurring from these countries. But a final decision is some time away — two or three months — and, in addition, these companies have to show they are being injured as a result of the dumped inventory if they show that there is dumping. Those decisions have yet to be made, and they won't be made until early 2005.

Q: How can local manufacturers compete with Chinese imports?

A: It's important for us to first of all recognize that a large percentage of imports from China are products that we often don't make in the United States anymore, like consumer electronics or small consumer goods. Second, a lot of what Chinese imports have done is displace imports from other countries rather than take away U.S. jobs. It's not only an im-



Deputy Secretary Kassinger with Export Achievement Award winners Headworks Inc., and Rolf Jensen & Associates, Inc. From left to right, Gerald Seidl and Michele LaNoue of Headworks, Inc., Deputy Secretary Kassinger, and Randolph Tucker of Rolf Jensen & Associates. Ms. LaNoue and Mr. Tucker are both Houston District Export Council members.

porting story. Exported goods from Texas to China have gone from less than \$1 billion a year in 1999 to over \$3 billion a year in 2003. It's a street that does run two ways.

Q: The Bush administration is negotiating free trade agreements with several countries and regions. What have trade agreements like the one with Chile meant to local companies?

A: The U.S.-Chile free trade agreement just went into effect last January, and exports to Chile increased significantly year-to-year. Exports to Chile increased by 32 percent in the first six months of 2004 compared to the first six months of 2003. I assume some of that came from Texas given the fact that Texas is the single biggest exporting state in the country.

Q: Can the United States negotiate a free trade agreement with every country in the hemisphere without Brazil and Cuba?

A: We continue to want to work with Brazil and other countries to complete an FTAA. But our view is that we cannot use lack of progress in the FTAA to prevent progress in other areas. We have a very vigorous agenda going on, and the FTAA is only part of it. We're gradually making progress. The great prize would be to have a hemispheric free trade agreement of 800 million people and a market of maybe of \$13 trillion in terms of sizes of the economies.

USAID'S – PRIVATE SECTOR COMMODITY IMPORT PROGRAM FOR EGYPT



This program provides short/medium credit terms to Egyptian private sector firms to finance the importation of U.S. manufactured goods. For the U.S. seller it means immediate payment for products shipped to a qualified Egyptian buyer. To date, more than 5.4 billion dollars in U.S. goods have been purchased using this program. For details, visit USAID (U.S. Agency for International Development) website at: http://www.usaid.gov/procurement_bus_opp/import/comm.html.

BIS ISSUES PROPOSED RULE ON KNOWLEDGE DEFINITION AND REVISION OF RED FLAGS GUIDANCE AND SAFE HARBOR

On Oct. 13 the Bureau of Industry and Security issued a proposed rule which would revise the knowledge definition in the Export Administration Regulations to incorporate a "reasonable person" standard and to replace the phrase "high probability" with the phrase "more likely than not." It also would update the "red flags" guidance and would provide a safe harbor from liability arising from knowledge under that definition. Send comments to the Federal eRulemaking Portal at <http://www.regulations.gov>, rpd2@bis.doc.gov, fax 202-482-3355, or on paper to Regulatory Policy Division, Office of Exporter Services Room 2705, U.S. Department of Commerce, Washington, DC 20230. Refer to Regulation Identification Number 0694-AC94 in all comments. The deadline for comments is November 12.

For further information regarding this proposed rule, contact: William Arvin, Office of Exporter Services, at warvin@bis.doc.gov, fax 202-482-3355 or telephone 202-482-2440. A copy of the proposed rule can be found at <http://www.regulations.gov/freddocs/04-22878.htm>.

IS YOUR COMPANY READY FOR THE CHINESE MARKET?

While U.S. shelves bulge with Chinese made goods, China's imports have doubled since 1990, making it our fourth largest trading partner. Given China's WTO membership, the 2008 Olympics and strong economic growth, shouldn't you be headed to China with your order book? It depends.

Craig Allen, senior commercial officer, U.S. Embassy-Beijing helps determine your readiness for the China market in an internet executive briefing. See www.export.gov for a link to the presentation.

Market of the Month: Portugal

Although Portugal is a European country, it looks towards the Atlantic as well as to trade with others. After all, Portugal discovered trade routes to Africa before Columbus landed in America! U.S. exporters have increasingly found this market to be receptive and eager for their goods. Bilateral relations between the United States and Portugal are excellent, characterized by shared democratic values and similar foreign policy perspectives. As in many other small countries, personal relationships are a key component of doing business here.

Portugal can be an excellent base of operations for doing business in Brazil, Africa and in the rest of Europe. U.S. exporters should note that Portugal and Spain are two distinct markets. Normally your Spanish distributor should not be asked to cover Portugal unless the Spanish company is willing to set up a separate Portuguese entity to handle this. If Spanish distributors consider Portugal an extension of the Spanish market, they are largely ineffective in Portugal.

More information on this market is available at http://www.export.gov/comm_svc/press_room/marketofthemoth/portugal/portugal.html.

Best Prospects for U.S. Exports to Portugal .

1. Telecommunications Equipment
2. Computer & Software
3. Internet & e-commerce
4. Computers & Peripherals
5. Pollution Control Equipment
6. Medical Equipment
7. Energy Services
8. Franchising
9. Defense Services
10. Tourism



PRESIDENT SIGNS THE AFRICAN GROWTH AND OPPORTUNITY ACCELERATION ACT (AGOA 3)

AGOA offers eligible countries the most liberal access to the U.S. market available to any countries other than those with which the U.S. has free trade agreements. Besides expanding trade preferences, AGOA supports U.S. business by encouraging reform of Africa's economic and commercial regimes. It offers tangible incentives for African countries to continue their efforts to reopen their economies and build free markets, which will build stronger markets and more effective partners for U.S. firms. The Com-

merce Department participates in the annual AGOA eligibility review in which the U.S. Government assesses the progress that the sub-Saharan African countries have made in terms of their reforms—including the elimination of barriers to U.S. trade and investment. If U.S. companies experience difficulties resolving disputes, receiving national treatment or protecting their intellectual property rights, the AGOA eligibility review can be used as a tool to address these problems. More information on AGOA, including a copy of the legislation and a list of eligible countries, can be found at <http://www.agoa.gov>.

TRADE LEADS

FOR DETAILS ON THE FOLLOWING LEADS,
PLEASE CONTACT OUR OFFICE.

PAPUA NEW GUINEA: REHABILITATION OF MARITIME

The independent state of Papua New Guinea has received a loan from the Asian Development Bank (ADB) towards the cost of Rehabilitation of the Maritime Navigation Aids System Project. Sealed bids are now being accepted from eligible bidders for the construction and completion of Phase Two of the project. This includes:

- Removal of 3 existing piles and 3 tower structures
- Installation of 10 pile structures
- Construction of 4 lighthouse towers
- Minor maintenance at 50 aids to navigation sites
- Installation of new aids to navigation equipment at all of the above sites

Bids on these projects must be submitted by December 8.

BRAZIL: CHEMICALS & RESINS

We have three separate companies in Brazil seeking one or more of the following: bitolyene diisocyanate, various types of silicon sealants, and linear medium density polyethylene resin.

BRAZIL: POWER UTILITY EQUIPMENT

Company seeking a variety of equipment. Suppliers need to have a history of having supplied power utilities and preferably be ISO 9000 certified.

TRADE EVENTS

WHAT TOPICS & TYPES OF EVENTS WOULD YOU LIKE TO ATTEND?

Help us plan seminars and workshops that meet your needs.

- Which countries and/or industry sectors would you like to hear about?
- Are breakfasts or lunches more convenient?
- Did you find value in videoconference market updates?

Email your thoughts to our office box at Houston.Office.Box@mail.doc.gov. THANKS!

**THE EXPORTER'S ENIGMA:
HOW TO BID, EVALUATE, &
CONTRACT INTERNATIONAL
TRANSPORTATION SERVICES**



Houston

October 21

Sponsored by the Organization of Women in International Trade, this program features Robert M. Pryor of Educational Resources International, Inc. With breakneck changes occurring in the international transportation industry, one of the most important and many times intimidating jobs for the exporter is to contract service providers to become part of its logistics "team." However, with some planning, organization, and basic knowledge on how the various service providers operate, the exporter can create a superior logistics network that will open up unlimited opportunities in the growing global marketplace. Cost: \$5 members/\$10 nonmembers. For details contact Theresa Garcia at 713-533-2115 or tgarcia@roanoketrade.com.

CeBIT 2005

Hannover, Germany

March 10-16



CeBIT covers the entire spectrum of information technology, telecommunications, software and services. With 7,500 exhibitors from more than 60 countries and 700,000 visitors expected, the trade fair is one of the world's largest. Exhibit space is competitive and sold out months in advance. For more information, contact Brendan Kelly at Brendan.Kelly@mail.doc.gov or 281-449-9428.

US-MEXICO TRADE SECURITY SYMPOSIUM SERIES

Mexico City - November 2, 2004

Monterrey - December 2, 2004

Guadalajara - January 25, 2005

Tijuana - January 27, 2005

Join key Mexican and US supply chain decision makers for this series of one-day symposium to learn & share views about supply chain integration, security and regulatory support. US participants will be companies engaged in supply chain and trade security; customs brokers and third party logistics providers; and retailers and transporters. The program is co-sponsored by the Commercial Service, U.S. Trade & Development Agency and Mexican Trade Council (COMCE). Cost to attend the event is \$50. Twenty US companies will have an opportunity to present their products and services with a tabletop exhibit for \$350 each. To register online see <http://www.mexicotradesecurity.com/>.

WEBSITES**MODEL CONTRACTS**<http://www.jurisint.org/pub/02/en/index.htm>

A collection of more than 160 model contracts and users' guides selected for their practical interest for international commercial transactions.

INCOTERMS WALL CHART<http://www.iccwbo.org/incoterms/wallchart/wallchart.pdf>

Go to this site and print out an INCOTERMS wall chart for your office reference.

ENERGY NEWS AND EVENTS**OIL & GAS TRADE MISSION TO SOUTH EAST ASIA**

Malaysia—Singapore (OSEA 2004)—Vietnam
December 6-14

Prospects are excellent for American firms – especially suppliers of pipeline and tubular goods, drilling machinery and equipment, surveying technology, and safety products:

- ◆ **Malaysia** offers a growing \$575 million oil and gas market, with vast areas ripe for exploration. More than 60% of imported equipment comes from the U.S.
- ◆ **Singapore**, the world's third largest oil refining and

trading center, will open more doors to U.S. firms with the U.S.-Singapore Free Trade Agreement.

- ◆ **Vietnam** will require a \$19-\$20 billion investment by 2010 to sustain the 10%-15% annual growth in its oil and gas industry projected for this period.

Pre-screened meetings – and more:

- One-on-one appointments with quality contacts
- Logistical support
- Market briefings
- Follow-up assistance when you return

Cost: \$3,500 (does not include airfare or lodging). For details, contact Pam Plagens at 281-449-9412 or Pam.Plagens@mail.doc.gov. **Deadline is Nov. 5.**

TURKMENISTAN INTERNATIONAL ENERGY EXHIBITION & CONFERENCE

Ashgabat, Turkmenistan

November 17-19

Turkmenistan's oil & gas sector holds increasing potential for farsighted U.S. exporters. The U.S. Embassy in Ashgabat along with the Commercial Service will showcase American product literature and videos.

Cost: **FREE**. For details, contact our office.

AUSTRALASIAN OIL & GAS (AOG) 2005

Perth, Australia

February 23-25, 2005

A number of US companies are already participating in the exploration, development and equipment/service supply in the Australian oil and gas industry. There is an estimated USD\$22 billion worth of investment slated for oil and gas projects in Australia in the next few years. The Commercial Service is sponsoring a catalog show at this event. Cost: \$250. For details, contact our office.

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