ACE Newsletter

Architecture/Construction/Engineering

North Texas Export Assistance Center

March 2004

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<u>Exhibitors will include</u>:
European architectural companies
Construction project managers
Property management companies
Chambers of commerce and economic associations
Banks
Etc.

<u>Attendees will include</u>:
Project developers
Real estate consultants and agents,
Architects
Consulting firms
Government agencies in the region
Etc.

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Access Eastern Mediterranean Program

U.S. China Build Program

The US China Build Program, a program of the US Department of Commerce, will lead a tour of US building products manufacturers on sales mission to Shanghai. Activities during the mission will include:

- Tour of Shanghai International Building & Construction Trade Fair *(1,240 exhibitors)*
- Visits to building materials markets
- Meeting with individuals involved in buying and selling US building materials.
- Tours of China's Largest Home Centers ("Big Boxes")
- Meetings with Home Center Purchasing Agents
- Meetings with Developers of Wood and Non-Wood Residential Developments.
- Meetings/Panels discussing developments and opportunities for US Companies

The mission will be held from May 24th–28th. Registrations will be accepted until April 5th. However, registering early will allow us to tailor the site visits, meetings, and panel discussions to meet your company's interests. For more information contact your ACE Trade Specialist.

World Congress of Architecture

Preparations for the UIA (International Union of Architects) World Congress of Architecture 2005 meetings are under way. The first meeting of the Scientific Committee of the Congress took place in Istanbul on January 8th–10th of this year. The main theme of the Congress, "CITIES: Grand Bazaar of Architectures," was finalized. With an expected attendance of over 7,000 experts, the global agenda of architecture will be addressed from the perspective of individual cities.

The UIA is an international organization whose members are professional organizations of architects from more than 100 countries, representing over a million architects. The UIA Congresses, which meets triennially, address the global and local questions of architecture. In the UIA General Assemblies, which follow each Congress, decisions concerning the practice of the profession are made. The 2005 Congress will concentrate on ways of making the cities of the world safer, more attractive, and more comfortable places to live. The Congress will meet in Istanbul in July 2005. U.S. firms that are interested in participating in the Congress may contact their ACE Trade Specialist.

Market Research

Real Estate in Chile

The real estate sector in Chile has experienced steady growth over the past decade (3 to 5% average per year). The best prospects for of real estate business in Chile include:

- Housing – The market for new houses amounts to nearly $4 billion per year.
- Hotels
- Tourism – In 2002, private investment in Chilean tourism projects was $202 million.
- Urban projects – Government investment in urban projects from 2004-2006 total $2.7 billion.
- Retail Business
- Recreational Complexes

Architecural Services – (Including residential, commercial, landscape and urban planning)
As a result of fifteen years of relative prosperity, Chilean tastes have become more sophisticated and Chileans have adopted a number of design trends popular in the most developed countries. US and European architectural firms are thus finding a friendly environment for their services in connection with the development of new high rise office buildings, shopping malls, urban planning, golf courses, marinas, and other facilities related to the leisure industry. Demand for architectural design for public building has increased in the last several years, especially from Chile's regional governments and organizations.

Engineering Services – (Excluding energy-related services)
With the U.S.-Chile Free Trade Agreement, conditions in Chile are favorable for a U.S. engineering service provider. According to Chilean Law, any foreign engineer, subject to a temporary FOB contract, may practice engineering after properly registering with the "Colegio de Ingenieros de Chile" (Chilean Association of Engineers). Prospective foreign engineers must simply submit accrediting documents and a valid license from their country of origin to be considered for registration. Foreign investment in engineerring services in Chile were $36 and $40 million in 2002 and 2003, respectilvely. The number is expected to reach $45 million for 2004. Many U.S. and other foreign engineering firms already have a significant presence in Chile. It is customary that these local branches use the engineering services of their US-based headquarters. , the most active engineering services companies and those with the largest market share in Chile are all either US-owned or US-based companies.

For more information on opporutnities in Chile contact your ACE Trade Specilist.

Free Trade Agreement with Singapore

Eastern Mediterranean

Many countries in the Eastern Mediterranean region offer excellent opportunities for U.S. exporters of building/construction equipment, material, products and services. US firms can benefit from several free-trade agreements (FTA) that have aimed to encourage and protect foreign investment in these nations.

Egypt – Despite the current recession, the construction industry continues to be one of the strongest sectors of Egypt's economy. Construction investments totaled $9.5 billion in 2001/2002. The total investment in construction during the current five-year plan (2002/2003-2006/2007) is estimated at $59 billion. Demand is picking up on previously incomplete and deserted satellite cities, which is the luxury end of the market. Large growth has yet to come in medium and low-income residential and industrial construction, where supply is still not equal to demand.

Israel – The Israeli construction industry – including housing, infrastructure, public buildings, commercial space and the renovation sector – accounts for approximately $8.8 billion annually, about of 16% of their GDP. Although the sector continues to experience a shortage of skilled workers, significant opportunities exist for U.S. exporters of building materials and ACE services. The residential sector takes on nearly 130,000 remodeling projects each year. Total investment in infrastructure projects in 2003 is estimated at $4.44 billion. In the coming years, the energy, water and transportation sectors in Israel will present significant Build Operate Transfer (BOT) and Private Funding Initiative (PFI) project opportunities for American firms. Since signing free-trade agreements with Israel eliminating all duties and most non-tariff trade barriers between the two countries. Since signing the FTA, U.S. exports to Israel have risen by 244%.

Jordan – The building and construction sector in Jordan has significant opportunities given the high level of current and anticipated investment, hotels and tourist resorts being the most attractive. For US exporters of engineering services, building products and accessories, the Jordanian market has a lot to offer. Building activity in Jordan, measured by the area licensed for construction, reached 7.2 million square meters in 2002. Infrastructure development, particularly in the water and sewage infrastructure, energy (expansion of electrical networks, expansion and upgrade of petroleum refinery), and other sectors offer US firms further opportunities in the engineering services. The U.S.-Jordan FTA was signed in 2000. It progressively lowers tariffs with the ultimate goal of eliminating all tariffs between the two countries by the year 2010.

Lebanon – Lebanon witnessed an unprecedented boom in the building and construction sectors in the early 1990s as the Government of Lebanon began to restore buildings damaged from civil war and reconstruct downtown Beirut. In 2002, the Government of Lebanon announced a three-year program, which involves $3.6 billion worth of development projects. Major projects include new highways, expanding electrical networks, water/sewage infrastructure, expansion of communications networks, as well as massive urban developments. The construction and building sectors contribute 9% to Lebanon's total GDP ($1.4 billion).

Turkey – Experts estimate that Turkey would require an additional 1.5 million housing units in the next five years, due to population growth and continued urbanization, plus an additional 500,000 houses required in earthquake torn Western Turkey. The growing economy and rapid urban expansion has led to a need for the construction of more commercial/office buildings, shopping malls and retail establishments. In addition, tourism development continues to generate new construction projects. Total local production should approach nearly $4 billion, with fifty percent of local production going to exports.

West Bank & Gaza – The building and construction industry is one of the leading economic sectors in the West Bank and Gaza with home building making up the bulk of investments. Although spending in this sector has somewhat diminished over the past three years, it is estimated that in 2002 total output amounted to $959 million. The current number of housing units is estimated at 676,029 and is expected to reach 973,761 by 2010. Additionally, there are no import duties on U.S.-made goods entering the West Bank and Gaza.