

Appendix A

Trading Opportunities in Selected Countries

A.1. TRADING OPPORTUNITIES IN AFRICA AND THE MIDDLE EAST

Egypt

Country Profile

Population: 77,505,756

Exports: Goods (FOB): \$14.33 billion; Services: \$6.3 billion

Major Exports: Crude oil and petroleum products, cotton yarn, raw cotton, textiles, metal products

Imports: Goods (FOB): \$24.1 billion; Services: \$7.6 billion

Major Imports: Machinery and equipment, foods, fertilizers, wood products, durable consumer goods, capital goods

Trade as Percentage of GDP: Exports: 25.5 percent, Imports: 27.7 percent

Major Trading Partners: United States, Germany, Italy.

Currency and Exchange Rate: Egyptian pounds per U.S. dollar—5.78

GDP: \$337.9 billion

GDP per capita: \$4,400

External Debt: \$28.95 billion

Import Policies

- *Entry of goods:* Most commodities can be imported without a license except those that require import licenses (i.e., poultry and poultry parts). There are regulations governing the marketing and labeling of imports.

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- *Tariffs and taxes:* Tariff rates range from 5 to 40 percent on generally imported goods, where the average tariff rate is 27.5 percent. Luxury goods (i.e., automobiles, tobacco, alcoholic drinks, and clothing) are subject to tariff spikes. Tariffs on textiles are over 50 percent. Overall, there has been a 10 percent reduction of tariffs on general imported goods by from 50 to 40 percent.
- *Nontariff barriers:* NTBs included in (1) ad valorem duty on canned peaches, chocolate, confections, and dairy products (2) Inspection for quality control, arbitrary testing procedures that discriminate against foreign products.
- *Intellectual property rights protection (IPRs):* There is inadequate protection and enforcement of IPRs in Egypt. Allegations of trademark infringement, copyright piracy, inadequate patent term, broad compulsory licensing provisions are major trade barriers in trade in technology-intensive products.
- *Documentation requirements:* Required documents are commercial invoice, pro forma invoice, bill of lading/air waybill, packing list, certificate of origin, insurance certificate, consular/customs invoice, sanitary certificate, radiation certificate (agricultural imports).
- *Marketing and distribution:* Agents and distributors generally handle imports. Large retailers import directly from foreign manufacturers.

Best Export Prospects (Exports to Egypt)

- *Agricultural products:* Wheat, corn, soybean meal, beef and veal, cotton, vegetable oils
- *Industrial products:* Agricultural equipment, biotechnology, computers and parts, construction equipment, machine tools, airport and ground support equipment, seafood, oil and gas, medical equipment, water resources equipment, school and office supplies, printing equipment
- *Services:* Travel and tourism, franchising, computer services, architectural, construction and engineering services

Promising Imports from Egypt: Cotton, beans, onions, rice, textiles and clothing, manufactured goods, petroleum and petroleum products, metal products

Israel

Country Profile

Population: 6,276,883

Exports: Goods (FOB): \$40.14 billion; Services: \$17.7 billion

Major Exports: Machinery, cut diamonds, software, chemicals, textiles and clothing

Imports: Goods (FOB): \$40.14 billion; Services: \$13.7 billion

Major Imports: Raw materials, military equipment, investment goods, rough diamonds, and oil

Trade as Percentage of GDP: Exports: 46 percent; Imports: 51 percent.

Major Trading Partners: United States, Belgium, Hong Kong, Germany, Switzerland, United Kingdom

Currency and Exchange Rate: New Israeli shekels per U.S. dollar—4.46

GDP: \$139.2 billion

GDP per capita: \$22,200

External Debt: \$73.87 billion

Import Policies

- *Entry of goods:* Israel has import licensing requirements on many food and agricultural products. Under the United States-Israel Free Trade Agreement, all duties on U.S. exports to Israel were eliminated in 1995. Israel has strict marking and labeling requirements and thus it is important for exporters to consult with the Israeli importer prior to shipment of merchandise.
- *Tariff and taxes:* For countries with which Israel does not have a free trade agreement, tariffs range from 0.5 to more than 95 percent of CIF value. Purchase taxes are also imposed on certain luxury and consumer items, such as alcohol, cigarettes, automobiles, color televisions, etc., as well as tariff rate quotas on imported wines.
- *Nontariff barriers:* Certain imports such as certain agricultural products or other substances are prohibited on grounds of national security and human, animal, or plant health. Textile products such as used clothing are restricted and those with second fabrics are banned. Many products are subject to mandatory standards designed to favor domestic products over imports. There are strict regulations on imported meat and meat products.
- *Intellectual property rights protection:* Israel has made the necessary changes to comply with its commitments to the GATT/WTO TRIPS obligations. Cable television, video, and software piracy remains widespread in Israel, as well as trademark infringements in textiles.
- *Documentation requirements:* Required documents are commercial invoice, pro forma invoice, bill of lading/air waybill, packing list, certificate of origin, insurance certificate, sanitary certificate, health certificate (cattle), photo-sanitary certificate (plants and plant products),

special certificate (liquors), registration requirements (drugs), kosher certificate (food products).

- *Marketing and distribution:* Most exports to Israel are handled through local representatives and distributors.

Best Export Prospects

- *Agricultural products:* Wheat, feed grains, dried fruits, tree nuts, beef
- *Industrial products:* Computer parts and software, electronic components, hotel furnishing, hotel fixtures and equipment, machine tools, medical equipment and supplies, pollution control equipment, trucks, trailers, buses
- *Services:* Franchising, information services

Promising Imports from Israel: Dairy products, fruits and vegetables, machinery and equipment, metals, polished diamonds, textiles and clothing, high-tech equipment, chemical and oil products

Nigeria

Country Profile

Population: 128,771,988

Exports: Goods (FOB): \$48.1 billion; Services: \$4.2 billion

Major Exports: Petroleum, cocoa, rubber

Imports: Goods (FOB): \$17.3 billion; Services: \$7.3 billion

Major Imports: Machinery and transport, chemicals, food and live animals

Trade as Percentage of GDP: Exports: 53 percent; Imports: 35 percent

Major Trading Partners: United States, Brazil, Spain, China, Netherlands, France, Germany, Italy

Currency and Exchange Rate: Nairas per U.S. dollar—132.59

GDP: \$132.1 billion

GDP per capita: \$1,000

External Debt: \$37.49 billion

Import Policies

- *Entry of goods:* Importers are required to open an irrevocable letter of credit after receipt of an approved revised “form M” processed through their banks. All items entering the country must be labeled in metric terms exclusively. Entries of goods through Nigerian ports are faced with time-consuming inspections and high costs.

- *Tariffs and taxes:* Imports are subject to tariffs ranging from 2.5 (raw materials) to 60 percent (largely plastic and aluminum). Tariffs are eliminated on certain items such as some machinery, tools, tractors, water treatment chemicals, plant, and equipment imported by industrial establishments using gas in the manufacturing process.
- *Nontariff barriers:* Nontariff barriers to trade include: (1) export subsidies and various incentive programs, (2) tendering procedures are nontransparent and often claimed to use the patronage system, (3) ban on items such as pork, pork products, beef, beef products, biscuits, fresh fruit, and several others (are as recent as 2004).
- *Intellectual property rights protection:* Even though there are laws to protect IPRs in Nigeria, enforcement remains quite weak. Nigeria is considered Africa's largest market for pirated goods from third countries. Trademark infringement and piracy of patents (especially pharmaceuticals), sound recordings, and tapes is claimed to be a major problem.
- *Documentation requirements:* Required documents are commercial invoice, pro forma invoice, bill of lading/air waybill, packing list, certificate of origin, insurance certificate, sanitary certificate, disinfection certificate, certificate of analysis.
- *Marketing and sales:* Products are generally exported to Nigeria through local agents and distributors. Machinery and equipment is sometimes purchased directly from overseas manufacturers mainly to avoid delays of the distribution system.

Best Export Prospects

- *Agricultural products:* Wheat, rice, wines and spirits, dairy products
- *Industrial products:* Auto-parts, computers, parts and software, cosmetics, medical equipment, oil and gas machinery, telecommunications equipment

Promising Imports from Nigeria: Cocoa, oil, rubber

South Africa¹

Country Profile

Population: 44,344,136

Exports: Goods (FOB): \$55.3 billion; Services: \$11.2 billion

Major Exports: Gold, minerals and metals, food and chemicals

Total Imports: Goods (fob): \$56.5 billion; Services: \$12.2 billion

Major Imports: Machinery, transport equipment, chemicals

Trade as Percentage of GDP: Exports: 28.2 percent; Imports: 26.4 percent GDP

Major Trading Partners: United States, Germany, Japan, United Kingdom, China, France, Iran, Saudi Arabia

Currency and Exchange Rate: Rand per U.S. dollar—6.19

GDP: \$527.4 billion

GDP per capita: \$11,900

Import Policies

- *Entry of goods:* Import permits are required only for certain products, such as agricultural, fishery, etc., products. South Africa is part of a customs union (SACU) where products by non-SACU countries are able to move within the four countries (Botswana, Namibia, Lesotho, and Swaziland) with a tariff of 20 percent.
- *Tariff and taxes:* Domestic industries are protected by high tariffs ranging from 3 to 23 percent. Import surcharge is also levied on luxury consumer goods, specifically to textiles and apparel items. Certain items are subject to ad valorem rates.
- *Nontariff barriers:* Import licenses are required for certain products and can be obtained from officials within the Departments of Agriculture, Water Affairs, Sea and Fisheries, Trade and Industry, and Energy Affairs.
- *Intellectual property rights:* Even though there are laws to protect IPRs in South Africa, enforcement remains quite weak. DVDs, video, and software piracy remains widespread in South Africa.
- *Documentation requirements:* Required documents are commercial invoice, pro forma invoice, bill of lading/air waybill, packing list, certificate of origin, health certificate, photo-sanitary certificate, permits for agricultural products.
- *Marketing and distribution:* Import distribution and sale is usually handled by an agent or distributor, selling through established wholesalers or dealers. Certain exports are also distributed through branches or subsidiaries.

Best Export Prospects

- *Agricultural products:* Pet food, seeds, meat, and poultry, wood and wood products

- *Industrial products:* Computers, parts and software, industrial chemicals, security and safety equipment, telecommunications equipment, textile machinery and equipment, drugs
- *Services:* Tourism, healthcare, education and training, franchising

Promising Imports from South Africa: Agricultural products, coal, gold, minerals, and metals.

Zimbabwe²

Country Profile

Population: 12,746,990

Exports: Goods (FOB): \$1.644 billion; Services: \$1.4 billion

Major Exports: Tobacco, gold, ferroalloys, and cotton

Imports: Goods (FOB): \$2.059 billion; Services: \$0.8 billion

Major Imports: Transport equipment and machinery, chemicals, manufactured goods, petroleum products

Trade as Percentage of GDP: Exports: 43 percent; Imports: 53 percent

Major Trading Partners: South Africa, United Kingdom, Germany, Japan, United States, European Union, Zambia, and China

Currency and Exchange Rate: Zimbabwean dollars per U.S. dollar—15,190.8

GDP: \$23.98 billion

GDP per capita: \$1,900

External Debt: \$5.17 billion

Import Policies

- *Entry of goods:* It is difficult to import products into Zimbabwe since the country places exceptionally high tariffs, quotas, or bans on certain products.
- *Tariff and taxes:* High duties on luxury items such as furniture, bicycles, electronic goods, shoes, carpets, building materials, and motor vehicles, most often 95 percent tariff. Tariffs on manufactured goods range from 22.5 to 80 percent.
- *Nontariff barriers:* NTBs exist in agricultural and mining; include quotas on certain products.
- *Intellectual property rights:* IPRs exist in Zimbabwe but there is a lack of adequate enforcement. Videocassette, audio, and software piracy is widespread.

- *Documentation requirements:* Required documents are commercial invoice, pro forma invoice, bill of lading/air waybill, packing list, certificate of origin, photo-sanitary certificate.
- *Marketing and Distribution:* Marketing and distribution is handled by local agents and distributors.

Best Export Prospects

- *Agricultural products:* Cotton, sugar, beef
- *Industrial products:* Mining, telecommunications and power generation equipment, textile machinery, and transportation equipment
- *Services:* Engineering services, franchising

Promising Imports from Zimbabwe: Gold, tobacco, tea, cotton, and certain manufactured goods

A.2. TRADING OPPORTUNITIES IN THE AMERICAS

Argentina

Country Profile

Population: 39,537,943

Exports: Goods (FOB): \$40 billion; Services: \$6.2 billion

Major Exports: Edible oils, feeds, motor vehicles

Imports: Goods (FOB): \$28.8 billion; Services: \$7.6 billion

Major Imports: Machinery, vehicles and transport products, chemicals, plastic

Trade as Percentage of GDP: Exports: 24.0 percent; Imports: 19.0 percent.

Major Trading Partners: United States, Brazil, Germany, China, Chile, Spain

Currency and Exchange Rate: Argentine pesos per U.S. dollar—2.88

GDP: \$537.2 billion

GDP per capita: \$13,600

External Debt: \$119 billion

Import Policies

- *Entry of goods:* Argentina does impose burdensome country of origin requirements, including import licensing on certain commodities. Import licenses are still required for footwear, toys, and textiles (import

licensing affects one-fifth of the nation's imports). Regulations cover the marketing and labeling of import goods and their containers.

- *Tariff and taxes:* The average tariff rate is less than 11 percent. Tariffs range from 0 to 0.5 percent on imports of capital goods and raw materials. Tariff on textiles and apparels average at 21.5 percent and can range up to 35 percent.
- *Nontariff barriers:* (1) Imports of pharmaceuticals, foodstuffs, and defense materials require a prior approval of the appropriate government agency, (2) lack of IPRs protection for certain products, such as pharmaceuticals, and inadequate enforcement to combat copyright infringement, such as video piracy.
- *Documentation requirements:* Required documents are commercial invoice, pro-forma invoice, bill of lading or airway bill, packing list, insurance certificate, price list, and sanitary and health certificates if applicable.
- *Marketing and distribution:* Imports can be handled through branches, import houses (import merchants), or local representatives. Government agencies and local manufacturing firms make direct imports.

Best Export Prospects

- *Agricultural products:* Seeds, pet food, fruits and vegetables, cereals, and dairy products
- *Industrial products:* Apparel, auto parts, computers, parts and software, construction and building materials, electrical power equipment, food processing and packaging equipment, telecommunications equipment, oil and gas, medical equipment, pollution control equipment
- *Services:* Travel and tourism, franchising

Promising Imports from Argentina: Oil and oilseeds, wheat, meat, leather, fruits and vegetables, minerals, wood and wood products, fish.

Brazil

Country Profile

Population: 186,112,794

Exports: Goods (FOB): \$115.1 billion; Services: \$16.1 billion

Major Exports: Iron ore, soybean bran, orange juice, footwear

Imports: Goods (FOB): \$78.02 billion; Services: \$24.2 billion

Major Imports: Capital goods, chemical products, oil, electricity

Trade as Percentage of GDP: Exports: 17 percent; Imports: 12 percent

Major Trading Partners: European Union, Latin America, United States
Currency and Exchange Rate: reals per U.S. dollar—2.49

GDP: \$1.58 trillion

GDP per capita: \$8,500

External Debt: \$211.4 billion

Import Policies

- *Entry of goods:* Import license is required for most products. Shipping marks, port of destination, and package number (when required) are to be prominently displayed on the package. Product labeling should be written in Portuguese.
- *Tariff and taxes:* The common external tariff (MERCOSUR) ranges between 0 and 22 percent except for certain products such as computers, capital goods, shoes, and consumer electronics. The average tariff for most import is about 11.5 percent. Brazil also has a number of additional taxes and fees on imports including syndicate and brokerage fees. A 60 percent flat fee is applied to all manufactured retail goods imported by individuals.
- *Nontariff barriers:* (1) restrictions on entry of certain agricultural products due to sanitary and photo-sanitary measures; (2) “Buy-national” policies that favor domestic producers; (3) subsidies to encourage production for export and the use of Brazilian inputs in exported products; (4) inadequate protection and enforcement of certain IPRs.
- *Documentation requirements:* Required documents are commercial invoice, pro forma invoice, bill of lading/air waybill, packing list, certificate of origin, insurance certificate, sanitary certificate, health certificate, inspection certificate.
- *Marketing and distribution:* Marketing and distribution is often handled through agents and distributions.

Best Export Prospects

- *Agricultural products:* Poultry products, pet food, cheese products, beer
- *Industrial products:* Agricultural equipment, apparel, computer hardware, parts and software, cosmetics, machine tools, medical equipment and supplies, telecommunication and transportation equipment
- *Services:* Travel and tourism, computer services

Promising Imports from Brazil: Sugar, textiles, tobacco, rubber, oil and petroleum products, fish, footwear, cocoa, coffee

Canada

Country Profile

Population: 32,805,041

Exports: Goods (FOB): \$374.3 billion; Services: \$53.6 billion

Major Exports: Timber, automobile products, machinery, petroleum

Imports: Goods (FOB): \$320.5 Services: \$65.0 billion

Major Imports: Machinery and equipment, petroleum, chemicals and automobiles

Trade as Percentage of GDP: Exports: 40.7 percent; Imports: 39.6 percent

Major Trading Partners: United States, Japan, United Kingdom, Germany, Mexico, China

Currency and Exchange Rate: Canadian dollars per U.S. dollar—1.21

GDP: \$1.077 trillion

GDP per capita: \$32,800

External Debt: \$600.7 billion

Import Policies

- *Entry of goods:* Most imports from NAFTA countries are not subject to restrictions. However an import permit is required for textiles and clothing, agricultural, steel, and other products. Labeling is required on all consumer goods indicating the product, quantity, and dealer's name and address. All mandatory information such as product identity and quantity should be written in English and French.
- *Tariff and taxes:* All tariffs between Canada and United States were eliminated by January 1, 1998. For non-NAFTA exporters, the average tariff rate ranges from 0 to 25 percent. Rates are low on raw materials imports and the duty increases as the product is highly processed. The Good and Services Tax (GST) is 7 percent on most imported goods. Certain goods and services such as basic groceries, prescribed drugs, educational and dental services are exempt from GST.
- *Nontariff barriers:* (1) Certain imports are prohibited (some game birds, certain commodities); (2) restrictions apply on the importation of food products, clothing, drugs, firearms; (3) tariff quota rates are applied to certain products such as dairy products, poultry, and eggs.
- *Documentation requirements:* Required documents are commercial invoice, pro forma invoice, bill of lading, packing list, certificate of origin, insurance certificate, sanitary certificate, photo-sanitary certificate.

- *Marketing and distribution:* Imports are marketed and sold through wholesalers, distributors, or manufacturers' sales subsidiaries, or agents. Department stores and other large Canadian buyers purchase through agents located abroad.

Best Export Prospects

- *Agricultural products:* Fruits and vegetables, candy and confectionery.
- *Industrial products:* Auto parts, building products, computers, parts and software, electronic components, medical equipment, telecommunications equipment, mining equipment
- *Services:* Travel and tourism, franchising

Promising Imports from Canada: Wheat, wood pulp, minerals, fish, lumber, textiles and clothing, cereals, auto and auto parts, natural gas

Chile

Country Profile

Population: 15,980,912

Exports: Goods (FOB): \$40.6 billion; Services: \$7.2 billion

Major Exports: Copper, other metals and minerals, wood products, fish and fishmeal, fruits

Imports: Goods (FOB): \$30.09 billion; Services: \$7.8 billion

Major Imports: Consumer goods, chemicals, motor vehicles, and fuels

Trade as Percentage of GDP: Exports: 38.0 percent; Imports: 31.0 percent

Major Trading Partners: Asia, European Union, Latin America, United States

Currency and Exchange Rate: Chilean pesos per U.S. dollar—511.45

GDP: \$180.6 billion

GDP per capita: \$11,300

External Debt: \$44.8 billion

Import Policies

- *Entry of goods:* Licensing is used as a means of gathering statistical information and not to control imports. Imports must be marked with country of origin. Packaged goods must be labeled to show quantity, ingredients, and other important features.
- *Tariff and taxes:* Average tariff is about 6 percent on most imports. VAT is 18 percent (all imports) and luxury tax is imposed on certain

products such as jewels, mineral water, automobiles etc. Imported sugar is subject to tariff rate of 98 percent. An ad valorem of 27 percent is applied to all imported liquors.

- *Nontariff barriers:* (1) Export promotion measures are used to assist nontraditional exports, (2) a price band system is established for wheat, vegetable oils and sugar designed to maintain domestic prices for these commodities, (3) there are animal health and photo-sanitary requirements that unduly restrict some imports, (4) shortcomings exist in the protection of patents (no protection for plant and animal varieties), copyrights (lack of protection for computer software), and trademarks (a novelty requirement).
- *Documentation requirements:* Required documents are commercial invoice, pro forma invoice, packing list, bill of lading/air waybill, certificate of origin, sanitary certificate, photo-sanitary certificate, veterinary certificate, certificate of analysis.
- *Marketing and distribution:* Imports are sold through local agents, distributors, or wholesalers.

Best Export Prospects

- *Agricultural products:* Grains, fruits and vegetables, raw cotton, pet foods
- *Industrial products:* Air conditioning and refrigeration, building construction materials, computers, computer parts and software, railroad, security and telecommunications equipment, medical and pollution control equipment, mining, food processing equipment

Promising imports from Chile: Chemicals, copper, iron ore, gold, silver, fruits and vegetables, transportation equipment

Colombia

Country Profile

Population: 42,954,279

Exports: Goods (FOB): \$23.06 billion; Services: \$2.7 billion

Major Exports: Petroleum, coffee, coal, bananas, flowers

Imports: Goods (FOB): \$20.42 billion; Services: \$4.8 billion

Major Imports: Industrial equipment, transportation equipment, consumer goods, chemicals

Trade as Percentage of GDP: Exports: 19.1 percent; Imports: 21.2 percent

Major Trading Partners: United States, Mexico, Venezuela

Currency and Exchange Rate: 2,324.08 pesos per U.S. dollar

GDP: \$303.1 billion

GDP per capita: \$7,100

External Debt: \$37.06 billion

Import Policies

- *Entry of goods*: Import licenses are issued for a given period of time and may be extended for one period only. Most imports can be freely imported into the country and their importation is automatically approved upon presentation of an application. Import licenses are, however, required for about 2 percent of products, such as weapons and certain chemicals that may be used in refining cocaine. Used articles (used cars, tires, and clothing) are prohibited from importation. Marking or labeling is only required for food and pharmaceutical products.
- *Tariff and taxes*: Colombia, Venezuela, and Ecuador implemented the Andean Pact common external tariff (CET) which took effect on February 1, 1995. The CET has a four-tier structure, with duty levels of 5, 10, 15, and 20 percent for most products. Average tariff rate ranges between 11 and 13.5 percent. A duty of 5 percent is levied on raw materials, 10 to 15 percent on intermediate and capital goods, and 20 percent on most consumer goods imports. Imports are also subject to a 16 percent VAT.
- *Nontariff barriers*: (1) Import licenses are required for most agricultural products, (2) Exporters also claim of inconsistencies in the application and enforcement of technical standards for certain products, (3) Export subsidies are provided to promote the export of certain products, (4) There is inadequate protection and enforcement of IPRs.
- *Documentation requirements*: Required documents are commercial invoice, pro forma invoice, bill of lading/air waybill, packing list, certificate of origin, insurance certificate, import registration, import declaration, sanitary certificate, photo-sanitary certificate, certificate of purity.
- *Marketing and Distribution*: Imports are usually handled through a local agent or distributor. Large Colombian firms also deal directly with overseas supplies.

Best Export Prospects

- *Agricultural products*: Corn, cotton, wheat, soybean, and processed foods
- *Industrial products*: Air-conditioning and refrigeration equipment, apparel, auto parts, business equipment, computers and parts, construction, mining and metal working equipment, medical equipment
- *Services*: Franchising

Promising Imports from Colombia: Coffee, flowers, vehicles, chemicals, electrical machinery

Mexico

Country Profile

Population: 106,202,903

Exports: Goods (FOB): \$213.7 billion; Services: \$16.1 billion

Major Exports: Crude oil, oil products, coffee, silver, engines, cotton

Imports: Goods (FOB): \$223.7 billion; Services: \$21.4 billion

Major Imports: Metal manufactured goods, agricultural machinery, electrical equipment

Trade as Percentage of GDP: Exports: 30.1 percent; Imports: 32.2 percent

Major Trading Partners: United States, Canada, Japan

Currency and Exchange Rate: Mexican pesos per U.S. dollar—10.97

GDP: \$1.066 trillion

GDP per capita: \$10,000

External Debt: \$174.3 billion

Import Policies

- *Entry of goods:* Under NAFTA, Mexico has abolished licensing requirements for goods from member countries. Exporters to Mexico should consult with importers to determine marking and labeling requirements with respect to their products.
- *Tariff and taxes:* Under NAFTA, Mexico has eliminated tariffs on all industrial and most agricultural products from Canada and United States. The remaining tariffs and nontariff barriers on certain agricultural items are to be phased out by 2008. Average duty on NAFTA-qualifying goods is less than 1 percent.
- *Intellectual property rights protection:* Enforcement of IPRs remains weak in spite of the existence of adequate laws to protect such rights in Mexico.
- *Documentation requirements:* Required documents are commercial invoice, pro forma invoice, bill of lading/air waybill, packing list, shipping documents, certificate of origin, sanitary certificate, photo-sanitary certificate, health certificate.
- *Marketing and distribution:* Main channels for imports in Mexico are local manufacturers and other large buyers, distributors, sales agents, branches, or subsidiaries of foreign manufacturers.

Best Export Prospects

- *Agricultural products:* Corn, oilseed, beans, meat, livestock, wheat
- *Industrial products:* Auto parts and maintenance equipment, building products, electronic components, pollution control equipment, telecommunications equipment, security equipment
- *Services:* Travel and tourism, management consulting, franchising

Promising imports from Mexico: Art and handicrafts, computer products, furniture and wood products, television sets, autos and auto parts, office machines and parts

Venezuela

Country Profile

Population: 25,375,281

Exports: Goods (FOB): \$52.73 billion; Services: \$1.3 billion

Major Exports: Petroleum, bauxite, aluminum, steel, chemicals, agricultural products, basic manufactured goods

Imports: Goods (FOB): \$24.63 billion (2005 est.); Services: \$5.4 billion

Major Imports: Raw materials, construction materials, machinery and transport equipment

Trade as Percentage of GDP: Exports: 41 percent; Imports: 21 percent.

Major Trading Partners: Brazil, the Netherlands, United States, Colombia, Argentina

Currency and Exchange Rate: Bolivares per U.S. dollar—2,090.75

GDP: \$161.7 billion

GDP per capita: \$6,400

External Debt: \$39.79 billion

Import Policies

- *Entry of goods:* Import licenses have been generally eliminated except for a small number of products such as weapons and explosives. Import certificates are, however, required for certain products subject to photo-sanitary certificate such as grains, seeds, and plants. Certain imports of pharmaceuticals and cosmetics require registration with the Ministry of Health.
- *Tariff and taxes:* Bolivia has a three-tariff structure for imported goods: Capital goods for industrial development are at 0 percent,

nonessential capital goods at 5 percent, and everything else is subject to a 10 percent duty.

- *Nontariff barriers:* (1) Andean Pact CET rates for agricultural imports are adjusted between the reference prices and the established floor and ceiling prices; (2) enforcement of IPRs remains inadequate.
- *Documentation requirements:* Required documents are commercial invoice, bill of lading/air waybill, packing list, certificate of origin, insurance certificate, import license, sanitary certificate, health certificate, photo-sanitary certificate.
- *Marketing and distribution:* Imports are generally handled through local agents, wholesalers, or distributors.

Best Export Prospects

- *Agricultural products:* Corn, soybeans, wheat
- *Industrial products:* Autos and auto parts, computers, computer parts and software, medical equipment, oil and gas, mining and pollution control equipment, telecommunications equipment, pumps and accessories, security and safety equipment
- *Services:* Franchising, telecommunication services, computer services

Promising Imports from Venezuela: Bauxite, coal, natural gas and petroleum, iron ore

A.3. TRADING OPPORTUNITIES IN ASIA

Australia

Country Profile

Population: 20,090,437

Exports: Goods (FOB): \$103 billion; Services: \$28.4 billion,

Major Exports: Coal, gold, meat, and wool

Imports: Goods (FOB): \$119.6 billion; Services: \$29.4 billion

Major Imports: Machinery and transportation equipment, computers and office machines, telecommunication equipment and parts

Trade as Percentage of GDP: Exports: 19.4 percent; Imports: 27.2 percent

Major Trading Partners: ASEAN, United States, Japan, China

Currency and Exchange Rate: Australian dollars per U.S. dollar—1.31

GDP: \$642.7 billion

GDP per capita: \$32,000

External Debt: \$509.6 billion

Import Policies

- *Entry of goods:* Exporters to Australia should comply with federal and state labeling regulations. It is necessary to modify products that have been packaged and labeled overseas.
- *Tariffs and taxes:* Australian duties on manufactured goods currently average 3 percent except for textiles, clothing, footwear, and certain automotive products (about 15 percent). More than 99 percent of tariff rates applied on an ad valorem basis. The high tariffs on these products are to be phased out in stages. Certain categories of goods are subject to tax, for example, household goods (12 percent) and luxury goods (32 percent).
- *Nontariff barriers:* Products that are considered to pose a potential public danger (drugs, steroids, and weapons), as well as food, plants, and animals, are restricted or quarantined due to photo-sanitary concerns. Australia still has in place some standards that restrict product entry. Government procurement policy lacks transparency and tends to favor local companies. Export subsidies are provided to manufacturers of autos and components.
- *Intellectual property rights protection:* There is inadequate protection for test data. "New chemical entities" are protected for five years from the date of registration of the originator products. Parallel importation of books and sound recordings is allowed under certain circumstances.
- *Documentation requirements:* Required documents are commercial invoice, pro-forma invoice, bill of lading/air waybill, packing list, certificate of origin, insurance certificate, photo-sanitary certificate, health certificate (meat and poultry).
- *Marketing and distribution:* Imports are generally sold through local sales agents, distributors, and licensees.

Best Export Prospects

- *Agricultural products:* consumer ready foods, fruits and vegetable juices, canned salmon
- *Industrial goods:* Agricultural machinery, aircraft parts, computer products, electrical, medical, mining and telecommunications equipment, textiles, vehicles and parts, pollution control equipment
- *Services:* Health care services

Promising Imports from Australia: Fish, wheat, meat products, cement and chemicals, processed foods, and wool

China

Country Profile

Population: 1,306,313,812

Exports: Goods (FOB): \$762 billion; Services: \$74.4 billion

Major Exports: Machinery and equipment, textile and clothing

Imports: Goods (FOB): \$628 billion; Services: \$84.0 billion

Major Imports: Machinery and equipment, textiles, plastics, iron and steel

Trade as Percentage of GDP: Exports: 40.2 percent; Imports: 39.2 percent

Major Trading Partners: United States, Hong Kong, Japan, South Korea, Taiwan, Germany

Currency and Exchange Rate: Yuan per U.S. dollar—8.19

GDP: \$8.158 trillion

GDP per capita: \$6,200

External Debt: \$242 billion

Import Policies

- *Entry of goods:* China has reduced tariffs, importing licenses, and quotas on almost all major imports. All products sold in China must be marked and certain imported commodities must be inspected and certified to be in compliance with compulsory national standards. Food labeling standards were recently implemented.
- *Tariffs and taxes:* Tariff rates were lowered to an average rate of 12 percent on over 5,000 items. Duties on automobiles have been reduced to 25 percent. A VAT range from 13 to 17 percent is imposed on imported items. Tariff rate quotas are imposed on wheat, corn, rice, soy oil, cotton, barley, sugar, and vegetable oils, and range from 1 to 9 percent.
- *Nontariff barriers:* Existing nontariff barriers include direct subsidies on all exports, lack of transparency of tendering procedures, difficulty of determining the appropriate standard for imports, photo-sanitary and veterinary import quarantine standards that are overly strict and unevenly applied, and restrictions on the type of entities that engage in trade. Quotas are imposed on certain vehicles, motorcycles, watches, machine tools, oil, and rubber.
- *Intellectual property rights protection:* Major steps have recently been undertaken to protect and enforce IPRs in China.
- *Documentation requirements:* Required documents are commercial invoice, pro-forma invoice, bill of lading/air waybill, packing list, certificate of origin, insurance certificates, and sanitary certificates

- *Marketing and distribution:* Companies that handle export/import trade must be approved by the central government. Importation is generally made through local sales agents, international trading companies, or Chinese firms with regional or national networks. Various sales techniques are used such as advertisement, direct mass mailing to end users, trade fairs, and exhibitions.

Best Export Prospects

- *Agricultural products:* Corn, wheat, barley, fruits and vegetables, soybeans, meat and pork
- *Industrial products:* Agricultural and industrial chemicals and machinery, aircraft and parts, biotechnology, building products, computer parts and software, electronic components, machine tools, mining equipment, pharmaceuticals and veterinary medications, pollution control, security and safety as well as telecommunications equipment
- *Services:* Leasing services, oil field machinery services

Promising Imports from China: Textiles and clothing, toys, clocks, watches, bicycles, canned fruits and vegetables, consumer electronics, machine parts, paper products, metals and minerals, pharmaceuticals, and footwear

India

Country Profile

Population: 1,080,264,388

Exports: Goods (FOB): \$104 billion; Services: \$44.2 billion

Major Exports: Clothing, gems, jewelry, engineering goods, chemicals,

Imports: Goods (FOB): \$149 billion; Services: \$25 billion

Major Imports: Petroleum, machinery, gems, fertilizer

Trade as Percentage of GDP: Exports: 15.3 percent; Imports: 17.2 percent

Major Trading Partners: United States, Germany, China, United Arab Emirates, United Kingdom

Currency and Exchange Rate: Indian rupees per U.S. dollar—43.6

GDP: \$3.678 trillion

GDP per capita: \$3,400

External Debt: \$119.7 billion

Import Policies

- *Entry of goods:* India's import policy is administered by means of a negative list. The negative list is divided into three categories: (1) banned or prohibited items (fat, oils of animal origin, tallow, etc.); (2) restricted items which require an import license including all consumer goods (livestock products, etc.); and (3) items that can be imported only by government trading companies and subject to cabinet approval regarding time and quantity. Importation of capital goods has been liberalized.
- *Tariff and taxes:* In spite of some liberalization of imports of capital goods and semi-manufactured inputs, overall tariff rates remain quite high. Average tariff rates are about 29 percent. Most agricultural products face trade barriers, which severely restrict or in the case of processed foods, prohibit their import. Agricultural goods face tariff rates between 100 and 300 percent. Consumer goods are similarly restricted. Even though India has undertaken commitments to reduce tariffs under the Uruguay Round, tariffs on imported industrialized goods are 68 percent.
- *Nontariff barriers:* Quotas, cumbersome customs procedures (misclassification of imports, incorrect valuation of goods for duty assessment, corruption), nontransparent and discriminatory government procurement practices and procedures, and export subsidies to domestic industries are some of the nontariff barriers in India. Import licenses are also required on most consumer goods, including motorcycles.
- *Intellectual property rights protection:* Protection and enforcement of trademarks, patents, and copyrights remains weak. No protection is available for service marks. As a member of WTO, India has declared its intention to implement its international obligations under TRIPs.
- *Documentation requirements:* Required documents are commercial invoice, pro-forma invoice, bill of lading/air waybill, packing list, certificate of origin, insurance certificate, health certificate, sanitary certificate, plant certificate.
- *Marketing and sales:* Foreign firms are not allowed to set up Indian branches or subsidiaries. Foreign exchange regulations require that an Indian firm be employed as an agent. Products can also be imported and marketed through a distributor.

Best Export Prospects

- *Agricultural products:* Corn, vegetable oil, cotton, nuts, cashew, wood products, intermediate food products

- *Industrial products:* Aircraft parts, book publishing, aviation equipment, computers, parts and software, industrial chemicals, iron and steel plant equipment, minerals and mineral processing equipment, oil and gas equipment, plastic materials, telecommunication equipment.
- *Services:* Telecommunications, aviation

Promising Imports from India: Carpets, cotton apparel and other textile products, crude oil, diamonds, jewelry and precious metals, fish, fruits and vegetables, handicrafts, leather, tea, tobacco, wood and wood products

Indonesia

Country Profile

Population: 241,973,879

Exports: Goods (FOB): \$86.2 billion; Services: \$13.0 billion

Major Exports: Textiles, garments, gas, plywood, rubber

Imports: Goods (FOB): \$64.0 billion; Services: \$24.0 billion

Major Imports: Manufactured goods, chemicals, foodstuffs, fuels

Trade as Percentage of GDP: Exports: 31.3 percent; Imports: 26.5 percent

Major Trading Partners: Japan, United States, Singapore, South Korea

Currency and Exchange Rate: Indonesian rupiahs per U.S. dollar—9,739.35

GDP: \$899 billion

GDP per capita: \$3,700

External Debt: \$140.6 billion

Import Policies

- *Entry of goods:* The Indonesian government places a de facto tariff on all imported products of meat and poultry. Import licenses are required for lubricants, agricultural products, explosives, and certain dangerous chemical compounds. Importers of food and drug-related products must be registered with the Department of Health.
- *Tariff and taxes:* Average tariff is about 7.3 percent and are generally on ad valorem basis. There are exemptions for imports by approved investments or for imports used to produce export goods. A VAT (10 percent) is imposed on the sale of all domestic and imported goods. A luxury tax of 35 percent is also levied on certain products.

- *Nontariff barriers:* Many major food imports (wheat, rice, sugar, soybeans, etc.) are subject to quantitative restrictions. A substantial number of these barriers have been removed in 2005 under Indonesia's commitments to the Uruguay Round. Certain imports of printed material are prohibited. There are de facto quantitative restrictions on imports of meat and poultry.
- *Documentation requirements:* Required documents are commercial invoice, pro-forma invoice, certificate of origin, bill of lading/air waybill, insurance certificate.
- *Intellectual property rights protection:* Indonesia does not provide adequate protection for patents, trademarks, copyrights, trade secrets, industrial designs, and integrated circuit layout designs.
- *Marketing and distribution:* Distribution must be handled through a company owned by a local representative or distributor.

Best Export Prospects

- *Agricultural products:* Cotton, wheat, corn, soybeans, vegetable oils.
- *Industrial products:* Building products, computers, parts, software, construction equipment, electrical power systems, medical equipment, telecommunications, food processing and packaging, pollution control equipment, and pulp and paper industry equipment.
- *Services:* Franchising, tourism, architectural, construction and engineering services.

Promising Imports from Indonesia: Coffee, rubber, spices, minerals (coal, bauxite, gold, nickel, silver), chemicals, electronic goods, furniture, footwear, textiles, wood and wood products.

Japan

Country Profile

Population: 127,417,244

Exports: Goods (FOB): \$550.5 billion; Services: \$110.2 billion

Major Exports: Semiconductors, office machinery, chemicals, motor vehicles

Imports: Goods (FOB): \$451.1 billion; Services: \$134.3 billion

Major Imports: Fuels, foodstuffs, chemicals, textiles, office machinery

Trade as Percentage of GDP: Exports: 12.2 percent; Imports: 9.05 percent

Major Trading Partners: Southeast Asia, United States, Australia

Currency and Exchange Rate: yen per U.S. dollar—109

GDP: \$3.867 trillion

GDP per capita: \$30,400

External Debt: \$1.545 trillion

Import Policies

- *Entry of goods*: Most goods do not require an import license. Rice, wheat, and flour are among the few remaining products subject to import quotas. For most products, there is no requirement for country of origin labeling. However, labeling is required in four product categories: textiles, electrical appliances, plastic products, and household consumer goods. In general, most labeling laws are not required at the customs clearance stage but at the point of sale.
- *Tariff and taxes*: Average tariff on industrial products is 2 percent. A consumption tax (general excise tax) is levied on all goods sold in Japan. However, high tariffs exist among a number of food products, including beef, citrus, dairy, and other processed foods, such as processed cheese; most tariffs range from 30 to 40 percent (tariffs are placed to protect the domestic markets).
- *Nontariff barriers*: Existing nontariff barriers to trade include (1) import quotas on certain farm products, fishery products, and processed foods, (2) restrictions on certain agricultural and meat products, (3) highly regulated and inefficient distribution system. The Japanese government has banned imports of fresh potatoes from the United States to prevent the introduction of potato warts and golden nematode.
- *Intellectual property rights protection*: Problematic patent practices, inadequate protection of trademarks and trade secrets, and high levels of end-use software piracy are some of the problems in the protection of IPRs in Japan.
- *Documentation requirements*: Required documents are commercial invoice, bill of lading/air waybill, packing list, certificate of origin, insurance certificate, health certificate (textiles and clothing of wool), photo-sanitary certificate (plants and animals), inspection certificate, and food import permit.
- *Marketing and distribution*: Most imports and exports are handled by large trading companies with strong ties to Japanese manufacturers. Local agents can be appointed to handle marketing and sales.

Best Export Prospects

- *Agricultural products*: Fresh vegetables, beef, pork, cereals
- *Industrial products*: Air conditioning and refrigeration equipment, building materials, apparel, auto parts and accessories, computer

parts and software, furniture, pet food and supplies, medical equipment, electronic components, telecommunications and pollution control equipment

- *Services:* Travel and tourism, architectural, construction, and engineering services

Promising imports from Japan: Electronic products, auto and auto parts, computer hardware, cameras, office machines, machine tools and optical goods, photographic equipment, watches and clocks, craft, and antiques

A.4. TRADING OPPORTUNITIES IN EASTERN EUROPE

The Czech Republic

Country Profile

Population: 10,241,138

Exports: Goods (FOB): \$78.37 billion; Services: \$10.8 billion

Major Exports: Manufactured goods, machinery and equipment, chemicals

Imports: Goods (FOB): \$76.59 billion; Services: \$10.2 billion

Major Imports: Machinery transport equipment, manufactured goods, chemicals

Trade as Percentage of GDP: Exports: 72 percent; Imports: 69 percent

Major Trading Partners: Germany, Slovakia, Austria

Currency and Exchange Rate: Koruny per U.S. dollar—23.72

GDP: \$184.9 billion

GDP per capita: \$18,100

External Debt: \$43.2 billion

Import Policies

- *Entry of goods:* Most goods and services are not subject to import licensing requirements. All consumer products must include labeling information in the Czech language. The Czech Republic has become a member of the European Union and applies its trade policy.
- *Tariff structure:* Average tariff ranges between 4.3 and 5 percent. However, for certain agricultural imports, rates are high (average rate of 13.4 percent).
- *Nontariff barriers:* Import licenses are required on sugar, coal, explosives, and firearms. The Czech Republic is an associate member of the European Union and as such is in the process of harmonizing its

standards based on European and international norms. Foreign investments, specifically in services, remain restricted.

- *Protection of intellectual property rights:* IPRs are generally adequately protected in the Czech Republic.
- *Documentation requirements:* Required documents are commercial invoice, pro forma invoice, bill of lading, air waybill, packing list, certificate of origin, insurance certificate, health certificate, photo-sanitary certificate.
- *Marketing and Distribution channels:* Foreign products are generally sold through agents and distributors. Selling techniques include advertisement through various media, door-to-door sales, and trade fairs and shows.

Best Export Prospects

- *Agricultural products:* Soybean meals, rice, raw cotton, tobacco and tobacco products
- *Industrial products:* Aircraft parts, building materials, electrical power systems, food processing and packaging equipment, medical, telecommunications, and pollution control equipment
- *Services:* Franchising, information services

Promising Imports from the Czech Republic: Cement, chemicals, fuel, machinery and transport equipment, manufactured goods, metals, minerals, timber.

Hungary

Country Profile

Population: 10,006,835

Exports: Goods (FOB): \$61.75 billion; Services: \$12.3 billion

Major Exports: Machinery and equipment, agricultural and food products and other manufactured goods

Imports: Goods (FOB): \$64.83 billion (2005 est.); Services: \$11.8 billion

Major Imports: Fuels and electricity, food and agriculture, machinery and equipment, raw materials

Trade as Percentage of GDP: Exports: 66 percent; Imports: 69 percent

Major Trading Partners: Germany, Austria, France, Russia, Italy

Currency and Exchange Rate: Forints per U.S. dollar—196.83

GDP: \$159 billion

GDP per capita: \$15,900

External Debt: \$76.23 billion

Import Policies

- *Entry of goods:* Over 96 percent of products can be imported without an import license. There has been a significant decrease on tariffs, especially imported goods.
- *Tariff and taxes:* Average import duties have been reduced to 7 percent over the past four years. There are special luxury tariffs on imports of automobiles and certain other products. Tariff-rate quotas are required on agricultural products.
- *Nontariff barriers:* Agricultural export subsidies regulations on imports of breeding animals, and for non-WTO consumer goods such as footwear, apparel, dry goods, and fish.
- *Intellectual property rights protection:* There is a lack of adequate protection for IPRs, but enforcement is weak. Piracy has become a common problem; the performance rate of piracy is 50 percent among the public.
- *Documentation requirements:* Required documents are commercial invoice, bill of lading, air waybill, packing list, certificate of origin, insurance certificate, photo-sanitary certificate (plant and plant products), veterinary certificate, registration and approval (pharmaceuticals).
- *Marketing and distribution:* Imports are generally sold through branches, sales agents, or distributors. Exhibitions, printed advertising, and trade fairs are popular selling techniques in Hungary.

Best Export Prospects

- *Agricultural products:* Poultry breeding stock, bovine semen, soybean meal, planting seed
- *Industrial Products:* Computers and computer products, automotive parts and equipment, cosmetics, films, videos and other recreation, pharmaceuticals, oil and gas field machinery, telecommunication products, processed foods, and raw materials
- *Services:* Travel and tourism, franchising

Promising Imports from Hungary: Ceramics and glassware, clothing and footwear, household consumer products, chemicals and pharmaceuticals, automotive parts and vehicles, medical instruments

Poland

Country Profile

Population: 38,635,144

Exports: Goods (FOB): \$96.4 billion; Services: \$16.3 billion

Major Exports: Manufactured goods, chemicals, machinery and equipment, food and live animals

Imports: Goods (FOB): \$99.2 billion; Services: 14.3 billion

Major Imports: Manufactured goods, chemicals, machinery and equipment, and mineral fuels

Trade as Percentage of GDP: Exports: 22.6 percent; Imports: 27.3 percent

Major Trading Partners: Germany, Russia, Italy

Currency and Exchange Rate: Zlotych per U.S. dollar—3.19

GDP: \$489.3 billion

GDP per capita: \$12,700

External Debt: \$123.4 billion

Import Policies

- *Entry of goods:* Most goods entering Poland do not require a license. However, a license is necessary for police and military products, radioactive elements, weapons, alcoholic beverages, and certain foods. Labeling and packaging requirements vary depending on the product. Consumer goods require a product description in Polish on or inside the package. Packaging should clearly indicate the country of manufacture.
- *Tariff and taxes:* Poland, a member of the European Union, applies the common external tariff (CXT) on most imported goods toward all non-EU members. For some luxury and strategic products (alcohol, cosmetics, cigarettes, video cameras, passenger cars, gasoline, and oil) excise tax is also applied.
- *Nontariff barriers:* Export subsidies to state-owned enterprises, product certification and approval procedures that are not in line with international standards, and domestic content requirements for goods purchased by the government are some of the nontariff barriers in Poland. Import quotas apply to some agricultural products. Certificates are required for red meat and poultry products.
- *Intellectual property rights protection:* Although adequate laws exist for the protection of IPRs, enforcement remains weak and has allowed for a certain degree of trademark and copyright infringement. Indus-

try associations estimate that 1996 levels of piracy in Poland were 43 percent in sound recordings and 54 percent in business software.

- *Documentation requirements:* Required documents are commercial invoice, proforma invoice, bill of lading, air waybill, packing list, insurance certificate, sanitary certificate (animal and animal products), photo-sanitary certificate (plants), safety certificate (for certain products).
- *Marketing and distribution:* There are state agencies that accept foreign representation. Imports are also handled through branch offices or distributors. Selling techniques include advertising through newspapers, direct mail publicity, trade fairs and shows.

Best Export Prospects

- *Agricultural products:* Corn, wheat, poultry, meat, beef cattle, forest products
- *Industrial products:* Computers and parts, building products, medical equipment, telecommunications, sporting goods, and recreational equipment
- *Services:* Computer services

Promising Imports from Poland: Agricultural tractors, hams, lamps, berry juices

The Russian Republic

Country Profile

Population: 143,420,309

Exports: Goods (FOB): \$245 billion; Services: \$24.6 billion

Major Exports: Petroleum, petroleum products, natural gas, wood and wood products, coal, metals, chemicals

Imports: Goods (FOB): \$125 billion; Services: \$39.4 billion

Trade as Percentage of GDP: Exports: 25.6 percent; Imports: 18.8 percent

Major Imports: Machinery and equipment, consumer goods, medicines, meat, grain, sugar, semi-finished metal products

Major Trading Partners: Germany, Netherlands, Ukraine

Currency and Exchange Rate: Russian rubles per U.S. dollar—28.17

GDP: \$1.535 trillion

GDP per capita: \$10,700

External Debt: \$230.3 billion

Import Policies

- *Entry of goods:* Import licenses are required for importation of various goods including alcohol, vodka, weapons, metals, etc. Products are to be labeled in Russian language. New labeling regulations for food and other consumer imports were recently enacted.
- *Tariffs and taxes:* Average tariffs range from 5 to 30 percent. Tariffs are higher on alcoholic drinks and certain other products. Excise tax applies to a number of luxury goods and varies from 20 to 570 percent. The VAT rate is 18 percent with the exception of food and children's items (10 percent).
- *Nontariff barriers:* Nontariff barriers include export subsidies for manufactured goods, lack of uniform procedures for purchases by government agencies which favors Russian suppliers, costly procedures, and arbitrary certification requirements. Quotas are placed on poultry and tariff rates on pork and beef products. Import licenses are required on goods including televisions, sugar, sporting weapons, self-defense articles, explosives, radio active materials, military equipment, alloys, and stones.
- *Documentation requirements:* Required documents are commercial invoice, bill of lading, air waybill, packing list, certificate of origin, veterinary certificate, safety certificate.
- *Intellectual property protection:* Even though laws exist to protect IPRs, enforcement has been limited. There is extensive piracy of video cassettes, films, music, recordings, books, and computer software.
- *Marketing and distribution:* Import products are marketed through distributors, sales agents, or branch offices. Various media such as television, radio, print, and billboards are used for advertising consumer goods. Exporters to Russia use exhibitions to introduce and market their product.

Best Export Prospects

- *Agricultural and food products:* Apples, poultry, red meats, wine and beer
- *Industrial products:* Machinery and equipment, chemicals, cosmetics, pharmaceuticals, furniture, paper products

Promising Imports from Russia: Petroleum and petroleum products, natural gas, metals, chemicals, natural resources, military products

A.5. TRADING OPPORTUNITIES IN THE EUROPEAN UNION³ (E.U.)

Denmark

Country Profile

Population: 5,432,335

Total Export: Goods (FOB): \$84.95 billion; Services \$42.4 billion

Major Export: Machinery and instruments, meat and meat products, fuels, dairy products

Imports: Goods (FOB): \$74.69 billion; Services \$37.86 billion

Major Imports: Machinery and equipment, petroleum, chemicals, grain and foodstuffs

Trade as Percentage of GDP: Exports: 49 percent; Imports: 44 percent.

Major Trading Partners: Germany, Netherlands, United Kingdom, Sweden, Japan

Currency and Exchange Rate: Danish kroner per U.S. dollar—5.93

GDP: \$182.1 billion

GDP per capita: \$33,500

External Debt: \$352.9 billion

Import Policies

- *Entry of goods:* Denmark relies on several of the European Union's policies and regulations on imported goods. Most beef products bred on hormones are prohibited, especially from non-EU members. Imports on farm products must follow regulations in accordance with Common Agricultural Policy (CAP).
- *Tariff structure:* Non-EU imports of manufactured goods are subject to rates between 4.2 and 17.3 percent ad valorem, while raw materials enter with higher tariff rates. Most agricultural imports from non-EU countries are covered by the CAP, that is, subject to variable levies.
- *Nontariff barriers (NTBs):* EU imports restrictions apply on imports, including the prohibition of beef cattle bred on hormones. Textiles and clothing enter with a quota system.
- *Intellectual property rights protection:* There is adequate protection for IPRs in Denmark.
- *Documentation requirements:* Required documents are commercial invoice, pro-forma invoice, bill of lading/air waybill, packing list, certificate of origin, sanitary certificate for certain food products.

- *Marketing and distribution channels:* Methods of distribution vary from product to product. Capital goods, commodities, and industrial raw materials are handled by non-stock sales agents. High tech and specialized products are handled by stocking distributors and consumer goods are handled by importing agents and distributors.

Best Export Prospects

- *Agricultural products:* Nuts, cereals, turkey meat, sweet corn, wines, dog and cat food, and forest products
- *Industrial products:* Computers and peripherals, computer software, electrical power systems, medical equipment, oil and gas, pollution control and telecommunication equipment, automotive and aircraft parts, apparel, building products, sporting goods equipment
- *Services:* Architectural, construction and engineering services, travel and tourism services

Promising Imports from Denmark: Meat and dairy products, chemicals, fish, industrial machinery and equipment

France

Country Profile

Population: 60,656,178

Exports: Goods (FOB): \$443.4 billion; Services: \$116.0 billion

Major Exports: Machinery and transport equipment, chemicals, food-stuffs, agricultural products, iron and steel products

Imports: Goods (FOB): \$473.3 billion; Services: \$106.0 billion

Trade as Percentage of GDP: Exports: 26 percent; Imports: 27 percent

Major Imports: Crude petroleum, machinery and equipment, vehicles, aircraft, chemicals, iron and steel products

Major Trading Partners: European Union, United States

Currency Exchange Rate: Euros per U.S. dollar—0.79697

GDP: \$1.816 trillion

GDP per capita: \$29,900

External Debt: \$2.826 trillion

Import Policies

- *Entry of goods:* No import licenses are required except for certain agricultural products and commodities subject to state trading. Goods that

originate from countries not eligible for such liberalized treatment require individual licenses, normally valid for six months. Exporters to France must comply with EU and French labeling laws. Labels must be written in French and generally state the product, brand name/trademark, composition and usage instructions, name of manufacturer, and price. Mark of origin is also required on all imports.

- *Tariff structure:* France relies on several of the European Union's policies and regulations on imported goods. Most beef products bred on hormones are prohibited, especially from non-EU members. Imports on farm products must follow regulations in accordance with Common Agricultural Policy (CAP).
- *Nontariff barriers (NTBs):* Non-EU imports of manufactured goods are subject to rates between 4.2 and 17.3 percent ad valorem, while raw materials enter with higher tariff rates. Most agricultural imports from non-EU countries are covered by the CAP, that is, subject to variable levies.
- *Intellectual property rights protection:* Intellectual property protection is generally adequate.
- *Documentation requirements:* Required documents are commercial invoice, pro-forma invoice, bill of lading/air waybill, packing list, certificate of origin. For certain imports, sanitary and health certificate, photo-sanitary certificate (certain plants), or certificate of compliance (machinery) are required.
- *Marketing and distribution channels:* Sales agents, branches, and subsidiaries are often used to import into France. Distributors also import foreign goods for resale.

Best Export Prospects

- *Agricultural products:* Fish and seafood, wood, beverages, fresh and dried fruits, fruits and vegetables
- *Industrial products:* Agriculture and food products, agricultural machinery, autos and light trucks, automotive parts and service equipment, avionics and ground support equipment, computers, peripherals and software, electrical power systems, electronic components, films and videos, medical and scientific instruments, pollution control equipment, security and safety equipment, telecommunications equipment
- *Services:* Travel and tourism, insurance, employment services

Promising Imports from France: Machinery and equipment, agricultural products, chemicals, and foodstuff

Germany

Country Profile

Population: 82,431,390

Exports: Goods (FOB): \$973 billion; Services: \$155 billion

Major Exports: Machinery, vehicles, chemicals

Imports: Goods (FOB): \$783 billion; Services: \$203.0 billion

Major Imports: Machinery, vehicles, chemicals, foodstuffs

Trade as Percentage of GDP: Exports: 40 percent; Imports: 35 percent

Major Trading Partners: France, Netherlands, United States, United Kingdom

Currency and Exchange Rate: Euros per U.S. dollar—0.79697

GDP: 2.446 trillion

GDP per capita: \$29,700

External Debt: \$3.626 trillion

Import Policies

- *Entry of goods:* Germany relies on several of the European Union's policies and regulations on imported goods. Most beef products bred on hormones are prohibited, especially from non-EU members. Imports on farm products must follow regulations in accordance with Common Agricultural Policy (CAP).
- *Tariff structure:* Non-EU imports of manufactured goods are subject to rates between 4.2 and 17.3 percent ad valorem, while raw materials enter with higher tariff rates. Most agricultural imports from non-EU countries are covered by the CAP, that is, subject to variable levies.
- *Nontariff barriers:* EU imports restrictions apply on imports, including the prohibition of beef cattle bred on hormones. Textiles and clothing enter with a quota system.
- *Intellectual property rights protection:* IPRs are generally well protected in Germany. However, the level of software piracy continues to be a source of concern.
- *Documentation requirements:* Required documents are commercial invoice, bill of lading/air waybill, packing list, certificate of origin, sanitary certificate.
- *Marketing and distribution channels:* Trade fairs are important tools for introducing new products and/or companies to the German market. Most imports to Germany move through import regional houses, wholesalers, and distributors. Direct sales are also common for ma-

chinery and equipment. Multinationals use branch offices (subsidiaries) to sell their products.

Best Export Prospects

- *Agricultural products:* Catfish, citrus, fats and oils, lumber products, pet food and supplies, beef, wine/beer
- *Industrial products:* Auto-parts, computers, peripherals and software, electronic components, drugs and chemicals, medical equipment, telecommunications, and scientific instruments
- *Services:* Computer services, franchising, information services

Promising Imports from Germany: Machine, machine tools, chemicals, iron and steel products

Ireland

Country Profile

Population: 4,015,676

Exports: Goods (FOB): \$102 billion; Services: \$57.0 billion

Major Exports: Chemicals, computers, industrial machinery

Imports: Goods (FOB): \$65.47 billion; Services: \$69.6 billion

Major Imports: Data processing equipment, chemicals, petroleum and petroleum products

Trade as Percentage of GDP: Exports: 96 percent; Imports: 79 percent

Major Trading Partners: United Kingdom, Germany, France, United States

Currency and Exchange Rate: Euros per U.S. dollar—0.79697

GDP: \$136.9 billion

GDP per capita: \$34,100

External Debt: \$1.049 trillion

Import Policies

- *Entry of goods:* Ireland relies on several of the European Union's policies and regulations on imported goods. Most beef products bred on hormones are prohibited, especially from non-EU members. Imports on farm products must follow regulations in accordance with Common Agricultural Policy (CAP). All importers must fill in an intrastate declaration form before entering goods into Ireland (used to distinguish the country of origin of products based on EU states or non-EU states). Ireland is the most favored nation for DFI (ranks first in the world); the country encourages investment from overseas.

- *Tariff structure:* Duty rates on non-EU exports of manufactured goods ranges from 4.2 to 17.3 percent ad valorem (CIF value) and raw materials enter with higher tariffs.
- *Nontariff barriers:* EU imports restrictions apply on imports, including the prohibition of beef cattle bred on hormones. Textiles and clothing enter with a quota system.
- *Intellectual property rights protection:* Generally, adequate protection exists for protection of IPRs.
- *Documentation requirements:* Required documents are commercial invoice, bills of lading/air waybill, packing list, certificate of origin, photo-sanitary certification.
- *Marketing and distribution channels:* Agents, distributors, and representatives are used to import products into Ireland. Retail channels also import a variety of food products.

Best Export Prospects

- *Agricultural products:* Pears, wine, corn gluten feed
- *Industrial products:* Air conditioning and refrigeration equipment, building products, computers, peripherals and software, construction equipment, drug and pharmaceutical, electrical power systems, electronic components, industrial chemicals, medical and telecommunications equipment
- *Services:* Travels and tourism, computer services

Promising Imports from Ireland: Data processing equipment, chemicals, animal and animal products

Italy

Country Profile

Population: 58,103,033

Exports: Goods (FOB): \$371.9 billion; Services: \$90.0 billion

Major Exports: Engineering products, textiles and clothing, production machinery, motor vehicles

Imports: Goods (FOB): \$369.2 billion; Services: \$90.6 billion

Major Imports: Engineering products, chemicals, transport equipment, motor vehicles

Trade as Percentage of GDP: Exports: 26 percent; Imports: 27 percent

Major Trading Partners: EU members, United States

Currency and Exchange Rate: Euros per U.S. dollar—0.79697

GDP: \$1.645 trillion

GDP per capita: \$28,300

External Debt: \$1.682 trillion

Import Policies

- *Entry of goods*: Italy relies on several of the European Union's policies and regulations on imported goods. Most beef products bred on hormones are prohibited, especially from non-EU members. Imports on farm products must follow regulations in accordance with Common Agricultural Policy (CAP).
- *Tariff structure*: Italy applies the EU tariffs. Tariffs on imports of non-EU manufactured goods generally range from 4.2 to 17.3 percent. Most raw materials enter with higher tariffs.
- *Nontariff barriers*: EU imports restrictions apply on imports, including the prohibition of beef cattle bred on hormones. Textiles and clothing enter with a quota system.
- *Intellectual property rights protection*: There are problems with respect to piracy of computer software, film, video, and musical recording and adequate penalties to deter such activity do not exist.
- *Documentation requirements*: Required documents are commercial invoice, pro-forma invoice, bill of lading/air waybill, packing list, certificate of origin, health certificate (cattle, horses and other animals, fish and fish products) and photo-sanitary certificate (plants).
- *Marketing and distribution channels*: Distributors transport consumer goods, the largest distributor being Coop Italia. Local agents who know the market generally handle promotion.

Best Export Prospects

- *Agricultural products*: Logs and wood products, oilseeds, cattle and swine, nuts, grain and feed
- *Industrial products*: Aircraft and parts, computers, parts and software, electric power systems, chemicals, pollution control and telecommunication equipment
- *Services*: Computer services, franchising, insurance

Promising Imports from Italy: Textiles and apparel, leather, glassware, food and agricultural products, chemical products, olive oil, precious metals, ceramic goods

The Netherlands

Country Profile

Population: 16,407,491

Exports: Goods (FOB): \$365.1 billion; Services: \$80.1 billion

Major Exports: Machinery and equipment, chemicals, fuels, food, and tobacco

Imports: Goods (FOB): \$326.6 billion; Services: \$73.3 billion

Major Imports: Machinery and transport equipment, chemicals, food-stuffs, fuels, clothing

Trade as Percentage of GDP: Exports: 71 percent; Imports: 63 percent

Major Trading Partners: Germany, Belgium, Luxembourg, United Kingdom, United States

Currency and Exchange Rate: Euros per U.S. dollar—0.79697

GDP: \$500 billion

GDP per capita: \$30,500

External Debt: \$1.645 trillion

Import Policies

- *Entry of goods:* The Netherlands relies on several of the EU's policies and regulations on imported goods. Most beef products bred on hormones are prohibited, especially from non-EU members. Imports on farm products must follow regulations in accordance with Common Agricultural Policy (CAP).
- *Tariff structure:* Import tariffs on manufactured goods from non-EU countries range from 4.2 to 17.3 percent of CIF value. Most raw materials enter with higher tariffs.
- *Nontariff barriers:* EU imports restrictions apply on imports, including the prohibition of beef cattle bred on hormones. Textiles and clothing enter with a quota system.
- *Intellectual property rights protection:* IPR's protection is generally adequate.
- *Documentation requirements:* Required documents are commercial invoice, pro forma invoice, bill of lading/air waybill, packing list, certificate of origin, health certificate, and photo-sanitary certificate.
- *Marketing and distribution channels:* Products can be exported through a variety of experienced importers, agents, and distributors. Certain consumer goods are imported directly by wholesalers and retailers.

Best Export Prospects

- *Agricultural products:* Grapefruits, tobacco, wines, honey, pecans
- *Industrial products:* Apparel, auto parts, building products, computers, parts and software, electronic components, laboratory and scientific instruments, medical, pollution control, security as well as telecommunications equipment
- *Services:* Telecommunications services, franchising

Promising Imports from The Netherlands: Agricultural products, beer, chemicals, petroleum products, office machines

*The United Kingdom**Country Profile*

Population: 60,441,457

Exports: Goods (FOB): \$384 billion; Services: \$203.0 billion

Major Exports: Fuel and chemicals, manufactured goods, food products and beverages, tobacco

Imports: Goods (FOB): \$509 billion; Services: \$160.0 billion

Major Imports: Machinery and equipment, fuel, foods, manufactured goods

Trade as Percentage of GDP: Exports: 26 percent; Imports: 30 percent

Major Trading Partners: European Union, China, United States

Currency and Exchange Rate: British pounds per U.S. dollar—0.54

GDP: \$1.867 trillion

GDP per capita: \$30,900

External Debt: \$7.107 trillion

Import Policies

- *Entry of goods:* The United Kingdom relies on several of the EU's policies and regulations on imported goods. Most beef products bred on hormones are prohibited, especially from non-EU members. Imports on farm products must follow regulations in accordance with Common Agricultural Policy (CAP). All importers must fill in an intrastate declaration form before entering goods into the United Kingdom (used to distinguish the country of origin of products based on EU states or non-EU states).

- *Tariff structure*: Import tariffs on manufactured goods from non-EU countries range from 4.2 to 17.3 percent of CIF value. Most raw materials enter with higher tariffs.
- *Intellectual property rights protection*: Protection of IPRs is generally adequate.
- *Documentation requirements*: Commercial invoice, bill of lading/air waybill, packing list, certificate of origin, sanitary certificate.
- *Marketing and distribution*: The distribution of foods is carried out by specialized branches, departmental stores, and cooperatives. Large retail outlets purchase products directly from the foreign manufacturer.

Best Export Prospects

- *Agricultural products*: Forest products, seafood, beer, wine, nuts, pet food
- *Industrial products*: Aircraft and parts, apparel, building products, computers, parts and software, drugs and pharmaceuticals, medical equipment, defense equipment
- *Services*: Tourism, franchising

Promising Imports from the United Kingdom: Textile and apparel, fruits and vegetables, medical equipment, cereals, machinery

NOTES

1. Import policies for South Africa and E.U. countries: The information has been obtained by <http://www.fita.org/countries/>

2. Information on import policies of Zimbabwe has been obtained from http://www.buyusainfo.net/docs/x_3713085.pdf; <http://www.heritage.org/research/features/index>

3. Data are for 2005 or latest available year. Data for export/imports is in current U.S. dollars.

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