

Editor's Note

American companies, and the goods and services that they market, remain among the most competitive in the world. No major country can match the creativity and innovation of U.S. companies or the skill and productivity of U.S. workers and farmers. While the upturn in U.S. exports reflects these strengths, we are only just beginning to see their potential to benefit our country.

The 2007 National Export Strategy examines how the combination of declining trade barriers and advancing technologies has made exporting easier than ever. American businesses should look at the global economy as a major sales opportunity as well as a source of competition. The goals of this report are to raise awareness in the American business community about the advantages of exporting, to convince businesses that are not exporting to consider exporting, and to get those businesses that are exporting to enter more overseas markets.

Let me briefly highlight the themes of each of the chapters, including the major changes we see in the global marketplace and the public and private sector response to these changes.

The State of Trade and U.S. Competitiveness documents the current U.S. export boom by market and sector, reviews the U.S. rankings atop international measures of competitiveness, and looks at global economic growth. Foreign markets have never been more attractive and more open for business with American companies, with healthy economic growth, especially in emerging and developing markets.

■ **Conclusions:** The Commerce Department's Transformational Diplomacy Initiative shifts resources to emerging markets important to future opportunities for U.S. businesses. Commerce's Invest in America Initiative promotes the United States as the best market in the world for investment. And the Federal Government continues to develop new programs and initiatives promoting the services sector.

The Impact of Trade Liberalization looks at the track record of bilateral Free Trade Agreements (FTAs) already in force as of 2006. Market access gains through FTAs with several countries in Central and South America and the Middle East make these regions a priority for our promotion efforts.

■ **Conclusions:** The Federal Government's FTA promotion strategy closely coordinates agencies' activities and ensures that U.S. businesses have access to the tools and opportunities they need to expand into FTA markets. We highlight the Americas Competitiveness Forum where leaders from throughout Latin America met in Atlanta in June. The Overseas Private Investment Corporation held a conference in El Salvador in May focusing on investment opportunities. In the Middle East, TPCC agencies are working to deepen the level of U.S. business involvement in the region, through projects and activities that improve the flow of goods throughout the region.

The Rise of E-Commerce features the transformative power of the Internet and the exponential rise in electronic access to potential buyers outside of the United States, including in emerging markets. While growing Internet access abroad does not automatically translate into new online sales, powerful new online business tools and secure payment mechanisms can represent a cost-effective means for companies to become active exporters. The chapter provides practical information on some of the most attractive foreign markets for e-commerce, and presents steps that companies must take to unleash the export potential of the Internet.

■ **Conclusions:** U.S. SMEs are becoming more adept at using e-commerce tools, and will increasingly use e-commerce to enter new foreign markets. Powerful e-commerce platforms based in the United States are rapidly expanding their foreign presence. The Federal Government and its public and private partners are helping SMEs employ e-commerce strategies to target foreign markets and reach more buyers.

Using Strategic Partnerships to Help Small and Medium-Sized Companies

Export presents the Federal Government's action plan for broadening the base of U.S. companies that export—particularly small and medium-sized enterprises (SMEs)—by partnering with state and local governments, trade associations and business groups, and major U.S. corporations and banks. All of these partners have access to large client bases and offer unique services and technologies that make exporting easier. More importantly, they all share a commitment to making export opportunities more available to their clients and constituencies.

- **Conclusions:** Federal, state, and local governments, trade associations, and corporate partners are working together to reach more potential exporters. The Strategic Partnership Initiative broadens both the number of stakeholders we partner with and the kinds of activities we jointly pursue. While activities to date have focused on domestic outreach, future cooperation will include more foreign trade missions, conferences, and other events targeting foreign buyers.

Strategic Initiatives in Priority Markets features select markets that companies should consider, as they present either attractive market conditions or significant new market openings. China's economy continues to grow by 9 to 11 percent a year, and we are beginning to see the emergence of a large consumer middle class in that country. Likewise, India's economy has been consistently growing at 8 to 10 percent a year. U.S. exports have benefited from economic reforms in India and a strong bilateral commercial dialogue. In addition, healthy economic growth makes entry into Brazil a priority.

- **Conclusions:** Federal, state, and local governments, trade associations, and our corporate partners will focus trade promotion resources and activities in the 2007 priority markets.
- In **China**, we are focusing on intellectual property rights, target sectors (e.g., education, energy, and the environment), greater use of our 14 American Trading Centers, and development of opportunities outside of Beijing and Shanghai.

- In **India**, we continue to strengthen the bilateral partnership by combining export promotion and commercial policy activities under the U.S.–India Commercial Dialogue.

- In **Brazil**, we are improving our commercial dialogue and cooperation on commercial issues through the U.S.–Brazil Commercial Dialogue and the new U.S.–Brazil CEO Forum.

Taken together, U.S. export competitiveness, improvements in market access and technology, and strong foreign demand represent a superlative set of conditions for U.S. companies to begin exporting. American companies should feel confident in their ability to grow their bottom line through foreign sales, and they should know that their Federal Government and its public and private partners stand ready to help.

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